

So that our analysis can be easily compared to the original analysis done by ZOM this document will show both. Any section for which we dispute their conclusions we will show their analysis in its entirety in blue. Our analysis and comments will be follow in yellow.

Table One  
Housing Unit Profile

Apartments

|                    |            |
|--------------------|------------|
| Studio Market      | 31         |
| Studio Affordable  | 3          |
| One Bed Market     | 150        |
| One Bed Affordable | 16         |
| Two Bed Market     | 102        |
| Two Bed Affordable | 13         |
| <b>Total</b>       | <b>315</b> |

Active Adult

|                        |            |
|------------------------|------------|
| One Bedroom Market     | 97         |
| One Bedroom Affordable | 11         |
| Two Bedroom Market     | 65         |
| Two Bedroom Affordable | 7          |
| <b>Total</b>           | <b>180</b> |

This fiscal impact report will analyze potential revenue streams from the proposed residential development along with reviewing potential increase in service demands that may be realized to individual town departments.

The site lies along the southern portion South Shore Plaza and totals approximately 8.75 acres. The site will be developed with two buildings 5 stories high. Surface and structured parking totaling 754 spaces will be provided, along with onsite recreation amenities.

It should be noted that this development will be operated privately and as such all proposed access ways will be maintained by the property owner, along with trash disposal. Public water and sewer will be provided. All cost and values are in today's dollars.

## Local Revenues From Development

### A) Property Taxes

Local property taxes provide the bulk of municipal revenues for Braintree, totaling 70.6% of all revenues to the General Fund<sup>1</sup>. Based upon a review of local market conditions and planned construction quality, the proposed residential apartment community is estimated to have a total assessed value of \$123,770,000 and generate \$1,260,260 in annual property tax revenue as summarized in Table Two.

Table Two  
Estimated Yearly Residential Property Taxes

| Use  | Units | Value/Unit | Value         |
|--|-------|------------|---------------|
| Apartments                                 | 315   | \$275,000  | \$86,625,000  |
| Active Adult                               | 170   | \$250,000  | \$42,500,000  |
| Totals                                     |       |            | \$129,125,000 |
| Estimated Property Taxes @ \$9.76 (FY2023) |       |            | \$1,260,260   |

**Although it is stated this estimate is “Based upon a review of local market conditions and planned construction quality” it appears to be based on a single comparable property per footnote 2, which is the Elevation Apartments in Quincy. One can even back into their calculations by taking the total assessed value of the property (\$136,378,600) and dividing it by 495 units to get \$275,512. This is not correct for the following reasons:**

- Most obviously Elevation sits on a 21.5 acre parcel which has a higher assessed value for the underlying land than the proposed 8.7 acre parcel (approximately an \$8.4M difference).**
- Quoted rental rates and living area appear to be lower for ZOM 1BR vs. Elevation 1BR. Although, the footnote suggests that the analysis accounts for the affordable units. It clearly doesn't or the valuation would be lower than that of Elevation. In addition, the assessed value would have changed when the affordable units were increased from 47 to 50. Less expensive materials in 10% of the units plus the lower rates and sizes will reduce the overall valuation by another \$2.3M (estimated).**
- Elevation is composed of 8 building vs. just 2 for ZOM. Assuming 15% of assessed value is building exterior, ZOM vs. Elevation will have approximately 1,500 linear feet less exterior (but 20% more exterior surface due to the 5<sup>th</sup> floor compared to 4 for Elevation) which decreases the estimate of the assessed value by another \$4M.**

- Amenities at Elevation carry significantly higher values (pools are nearly 7 times the size, there are separate buildings for a club house, skating rink, and garden center) – we estimate a \$2.0M valuation difference for these.

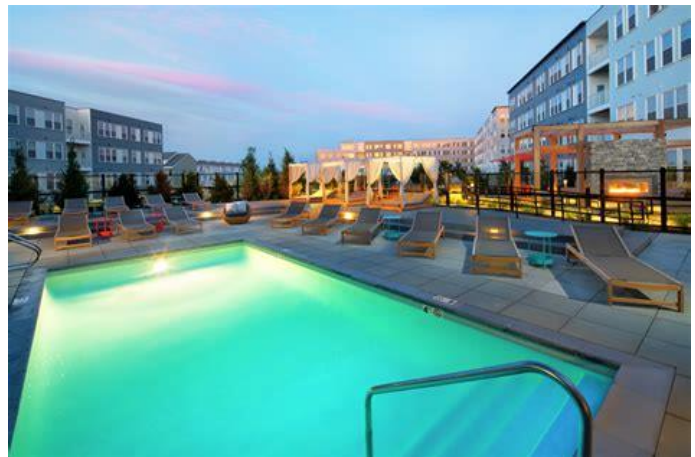
Assuming the same \$25,000 differential between apartments and active adult units that would give a new valuation as follows:

**Table Two Revised**  
**Estimated Yearly Residential Property Taxes**

| Use                                       | Units | Value/Unit | Value                |
|---|-------|------------|----------------------|
| Apartments                                | 315   | \$241,732  | \$76,145,492         |
| Active Adult                              | 180   | \$216,732  | \$39,011,710         |
| <b>Totals</b>                             |       |            | <b>\$115,157,202</b> |
| Estimated Property Taxes @ \$9.76         |       |            | \$1,123,934          |
| Less Current Property Taxes (estimated)   |       |            | -\$174,000           |
| Revised Estimated Property Taxes @ \$9.76 |       |            | \$949,934            |

Note that this also corrects the most impactful inaccuracy in the previous analysis which was to assume that taxes were not currently being collected (i.e. the entire estimated property taxes amount is new revenue to Braintree). That is obviously not true. Braintree currently collects approximately \$174,000 on the 8.7 acre parcel so this must be deducted from the total.

However, we believe this may still be overstating property tax revenue. Elevation apartments is a very high-end luxury apartment building with amenities and styling that does not appear to be matched by ZOM. Heated saltwater pools, acres of open space, garden center, club house, etc. That is not to say that ZOM is inferior, only that its price point and therefore valuation appear to be somewhat lower and we believe a more comparable property is Mastlight in Weymouth which has much more similar structures and amenities.



Mastlight is valued at \$233,596 per unit. Making the same adjustments above for the acreage differential and affordable units results in a per unit valuation of \$208,745 for regular units and \$183,745 for active adult units. Applying these values to ZOM and again taking out current taxes collected results in estimated tax collections of:

**Table Two Second Revision**

**Estimated Yearly Residential Property Taxes**

| <b>Use</b>                                       | <b>Units</b> | <b>Value/Unit</b> | <b>Value</b>        |
|--|--------------|-------------------|---------------------|
| <b>Apartments</b>                                | <b>315</b>   | <b>\$208,745</b>  | <b>\$65,754,811</b> |
| <b>Active Adult</b>                              | <b>180</b>   | <b>\$183,745</b>  | <b>\$33,074,178</b> |
| <b>Totals</b>                                    |              |                   | <b>\$98,828,988</b> |
| <b>Estimated Property Taxes @ \$9.76</b>         |              |                   | <b>\$964,571</b>    |
| <b>Less Current Property Taxes (estimated)</b>   |              |                   | <b>-\$174,000</b>   |
| <b>Revised Estimated Property Taxes @ \$9.76</b> |              |                   | <b>\$790,571</b>    |

**A general rule of thumb for project assessment is 60% of construction cost. As the construction costs here are noted to be \$151M that would imply an assessed value of \$91.1M for the building and grounds plus \$8M for the land which results in net property taxes of \$793K, almost exactly matching the second revision above and providing further evidence that the initial ZOM estimate is overstated.**

**B) Miscellaneous Yearly Revenues**

Motor Vehicle Excise Tax - Another major revenue source for the community is motor vehicle excise taxes. In fiscal year 2021 the City collected a total of \$6,769,882<sup>2</sup> in excise tax revenue. Based upon the estimated number of vehicles that will be owned by the residents of the proposed development, a projected \$145,500 in vehicle excise tax revenue has been estimated

**Table Three**

**Motor Vehicle Excise Tax**

| <b># Cars<sup>3</sup></b> | <b>Avg. Value</b> | <b>Total Value</b> |
|---------------------------|-------------------|--------------------|
| <b>582</b>                | <b>\$10,000</b>   | <b>\$5,820,000</b> |
| <b>\$25 x \$5,820</b>     |                   | <b>\$145,500</b>   |

**C) Community Preservation Surcharge**

The City of Braintree has adopted the Community Preservation Act allowing the community to impose a 1% surcharge on property taxes. Based upon the projected taxes outlined in Table Three, an estimated CPA surcharge of \$12,603 was calculated as detailed in Table Four.

<sup>2</sup> FY23 Appendix C

<sup>3</sup> 1vehicle per studio/one-bed unit; 1.5 vehicles per two/three three-bed units. The Active Adult 1.2 per unit.

Table Four

Community Preservation Surcharge

| <u>Property Taxes</u> | <u>% CPA Surcharge</u> | <u>Surcharge</u> |
|-----------------------|------------------------|------------------|
| \$1,284,794           | 1%                     | \$12,603         |

*The 1% surcharge is based on total property taxes so a reduction in assessed value noted in A) above will reduce the CPA surcharge by a commensurate amount. As noted above for property taxes, the CPA surcharge amount must be reduced by the CPA surcharge currently being collected on the parcel.*

Table Four Revised

Community Preservation Surcharge

| <u>Property Taxes</u>      | <u>% CPA Surcharge</u> | <u>Surcharge</u> |
|----------------------------|------------------------|------------------|
| \$790,571 to 949,934       | 1%                     | \$7,906 to 9,499 |
| Less current CPA surcharge |                        | -\$1,740         |
| Net CPA surcharge          |                        | \$6,166 to 7,759 |

D) Estimated Yearly Project Revenues

The proposed ZOM development is estimated to generate \$1,418,363 in local revenues from property tax, excise taxes and CPA Surcharge. Table Five summarizes these findings.

Table Five

Estimated Yearly Revenue

|                      |             |
|----------------------|-------------|
| <u>Residential</u>   | \$1,418,363 |
| <u>Excise Tax</u>    | \$145,500   |
| <u>CPA Surcharge</u> | \$12,603    |
| <u>Total Revenue</u> | \$1,418,363 |

*The proposed ZOM development is estimated to generate \$942,237 to \$1,103,193 in local revenues from property tax, excise taxes and CPA Surcharge.*

Table Five

Estimated Yearly Revenue

|                          |                          |
|--------------------------|--------------------------|
| <u>Residential</u>       | \$790,571 to 949,934     |
| <u>Excise Tax</u>        | \$145,500                |
| <u>CPA Surcharge</u>     | \$6,166 to 7,759         |
| <u>Total New Revenue</u> | \$942,237 to \$1,103,193 |

Additional one-time payment revenues will also be realized as part of the development, these will be detailed further below.

***Additional one-time and long-term COSTS will also be realized as part of the development. These will be detailed further below.***

## **B. Municipal Service Costs**

Given the nature of the proposed development project, as will be seen in the analysis below, measurable impacts will be limited to a few key town departments including schools, police and fire departments. All onsite maintenance will be addressed by the project owner including driveway/site maintenance and trash removal.

### **Department Impacts**

#### **Police & Fire**

The Police and Fire Departments will experience some increased demand for services from the proposed project. In fiscal year 2023 the Police Department's budget was \$12,334,321 and Fire Department's budget was \$9,785,868. To assess the degree of impact this project would have on these departments, comparable apartment complexes<sup>4</sup> were analyzed. Emergency call data (Police & Fire) was obtained from these complexes and averaged to determine the annual numbers of calls per unit. These ratios were then totaled to derive an average call volume per unit, which was then used to generate projected emergency calls for each department. These findings are summarized in the Appendix.

Extrapolating from the comparable call data, increases are projected in the town's Police and Fire Department call volume. Annual police calls are projected to increase by 193 calls (118 apartment calls & 75 Active Adult calls: 3.71 calls per week). The Department responds to some 29,000 call annually<sup>7</sup>.

Annual fire department calls are projected to increase by 101 calls (54 apartment calls & 47 Active Adult calls; 1.94 calls per week). The Department responds to some 6,644 calls

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<sup>4</sup> All complexes are 40B developments with 25% affordable units; age restricted properties were also evaluated.

<sup>7</sup> Average calls over a two year period, supplied by Department.

annually (127/week). These yearly totals provide some context to the estimated increase in emergency calls calculated for this development.

## **Police Department**

To gain an understanding on current police operations and review the proposed development program, we met with Police Chief Mark Dubois. At this time the Chief stated that staffing levels are down 10%, but they have a number of applicants in training at this time. The Chief noted that the South Shore Plaza is very busy for his Department, with two full time police officers assigned to the site. The Chief is presently negotiating with the Plaza owner to increase this staffing to five officers. Chief Dubois believed the call data presented underestimates calls and he feels that the call ratio for the Blue Hills complex<sup>5</sup> in Randolph was more reflective of the potential apartment call volume than the other examples presented (Local apartment call data was also obtain, detailed in the Appendix). Applying the Blue Hills call ratio to the proposed apartment development would increase total annual calls to the site from 193 to 239 calls annually (4.59 calls a week). In general, apartment complexes in the community can generate increased service demands on the Department, even if the rent levels area higher. The Department works closely with apartment operators should call levels spike at the community. The Chief stated that calls to the planned residential complexes may be less than projected, but is commenting based on what he has seen in the community. A full time police officer with benefits cost approximately \$125,000 annually. To be conservative we will account for potential increased expenses to the Police Department, we will account for the full cost of a police officer in this analysis.

***This is mostly correct other than it misses some ancillary expenses associated with calls including animal control (+1.1%), detective time (+25.8%), and vehicle maintenance (+3.1%) so the revised total is \$162,500. Note that this does not include a vehicle for the officer which will be accounted for in the Capitalized Costs section below.***

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<sup>5</sup> Blue Hills Randolph per unit call ratio is similar to Braintree Landing 53, Ridge at Blue Hill and Lenox Farm as detailed in Appendix.

## **Fire Department**

As noted above Fire Department calls are projected to increase by 101 calls a year, 44 fire related calls and 57 ambulance calls, a 1.5% total increase in call volume. A private ambulance service operates in Braintree, but the Department responds to all calls. To account for some impact from the proposed development a cost per call ratio was used which provides a gross estimated annual cost of \$148,773 as detailed in Table Six. This noted costs is very conservative and would cover the annual expense of a full time fire fighter with benefits.

## **Other Departments/Revenues:**

### **Building**

Building Department costs were not included in this analysis because they are not permanent annual impacts and will be offset by building permit fees. The City charges \$20 per \$1 ,000 of construction costs. With building construction cost estimated to total \$93,700,000 for the apartment building and \$57,200,000 for the active adult program, building fees is projected to total approximately \$3,000,000. These monies will more than offset the Inspection/Code Enforcement Budget cost, which was \$444,462 in FY2022.

### **Public Works**

All driveways within the development will be private and maintained by the homeowners. Solid waste will be handled by a private contractor with no expense incurred by the City.

Based upon estimated sewer and water usage, as outlined in Table Seven, sewer fees are projected to total \$531 ,960 and water fees totaling \$160,000; total charges are projected to total \$691 ,960.

***Although TOTAL Braintree water and sewer use funds itself through fees that does not necessarily mean that this project funds itself. More research would be needed to determine whether this project would result in a net increase in water and sewer fees for other residents, so for now, we will assume the net cost of water and sewer use is 0.***

***Converting town-owned roads and the state-owned reservoir to public use will bring additional costs for maintenance. These may be somewhat offset by lower road maintenance costs but the impact is likely to be a small negative amount for Braintree. As this would represent a very small portion of the overall project we will assume they are 0 for this analysis.***



Table Seven

Estimated Sewer and Water Fees Sewer Impact Fees

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|                         |                  |
|-------------------------|------------------|
| Multi-family            | \$340,560        |
| Active Adult            | \$191,400        |
| <b>Total Sewer Fees</b> | <b>\$531,960</b> |

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Water Impact Fees

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|                         |                  |
|-------------------------|------------------|
| Multi-family            | \$80,000         |
| Active Adult            | \$80,000         |
| <b>Total Water Fees</b> | <b>\$160,000</b> |

Other Departments

It is not anticipated that measurable impacts will occur to other town departments and therefore no other costs were analyzed. To be conservative, a \$49,500 cost<sup>6</sup> will be carried to account for potential other impacts.

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<sup>6</sup> \$100 per unit; includes potential impact to Library, Elder Affairs and Health.

School Department

Elementary age school children who may reside within the proposed apartment community would attend the nearby Flaherty school which, given recent enrollment trends, has capacity to accept additional students with 86 less students than in 2018 as outlined in Table Nine.

Table Nine

Flaherty Elementary Enrollment 2018 - 2022<sup>7</sup>

2018/19 2019/20 2020/21 2021/22 2022/23

376 344 270 272 290

***It is not clear that Flaherty Elementary can accommodate additional enrollment. As pointed out in table 9, Flaherty Elementary has seen a decrease of 86 students from the peak enrollment period of 2018/2019 but at the time of that peak, hallways and libraries were being used as classrooms due to overcrowding. This in no way indicates that the school has a capacity for any more students.***

## Estimated School Children

To gain an understanding of the potential school related fiscal impact from the proposed apartments, the anticipated number of school children (School Age Children/SAC) that may be generated by the proposed development was analyzed. The proposed residential development will have a mix of studio, one, and two bedroom units, with 10% of the units set aside as affordable, detailed in Table Ten. Studio and one bedroom units generate few SAC and consists of 63.4% of all unit types as shown here.

Table Ten  
Unit Profile

| Unit Type          |            |
|--------------------|------------|
| Studio - Mkt.      | 31         |
| Studio - Afford.   | 3          |
| One Bed Mkt.       | 150        |
| One Bed Afford.    | 16         |
| Two Bed. Mkt.      | 102        |
| Two Bed Afford.    | 13         |
| <b>Total Units</b> | <b>315</b> |

Elevation Apartments, a mixed use community at Crown Colony, is a nearby and appropriate comparable to the proposed project. This apartment community consists of 492 units, with 72% comprised of studio and one bedroom units. Data from the Quincy School Department reports that there are 22 School Age Children living within the apartment community, resulting in a gross SAC/Unit ratio of .045 and a two bedroom SAC/Unit ratio of .162 as outlined below in Table Eleven.

Table Eleven  
Elevation Apt. Community

| Unit Type                   |              |
|-----------------------------|--------------|
| Studio                      | 32           |
| One Bed Mkt.                | 324          |
| Two Bed. Mkt.               | 136          |
| <b>Total Units</b>          | <b>492</b>   |
| <b>School age Children</b>  | <b>22</b>    |
| <b>Gross SAC/Unit Ratio</b> | <b>0.045</b> |
| <b>Two Bed SAC Ratio</b>    | <b>0.162</b> |

Given the high percentage of studio/one-bedroom units, using gross SAC data from the Elevation complex would not be appropriate for the subject site.

Fougere Planning also reviewed the Braintree Landing 53 apartment complex (located in a mixed use center) that contains 172 units, with 94 one beds and 78 two bed units. The School Department reported 9 school age children residing at this community, a gross SAC ratio of .052 (9/172). Applying these School Age Children to the two bedroom market rate units results in a SAC ratio of .115 (9/78). As this project is a local example, it will be used in this analysis.

Since the proposed apartment complex will include affordable units, we will use a combination of sources to estimate SAC. The SAC ratios outlined in this option are derived from Fougere Planning's database of over 1,000 apartments where the number of school age children (SAC) is known based on bedroom type and if the unit is market rate or affordable; this data will be applied to the one bedroom and two bedroom affordable units. For the two bedroom market rate units, the data from the Braintree Landing 53 complex will be used (.115 SAC per unit ratio). Based on these data sources, an estimated 21 school age children may reside within the proposed apartment community as detailed in Table Twelve.

Table Twelve

Estimated School Age Children

| Unit Type        | #   | SAC Ratio | # SAC    |
|------------------|-----|-----------|----------|
| Studio - Mkt.    | 31  | 0.000     | 0.00     |
| Studio - Afford. | 3   | 0.000     | 0.00     |
| One Bed Mkt.     | 150 | 0.009     | 1.35     |
| One Bed Afford.  | 16  | 0.021     | 0.34     |
| Two Bed. Mkt.    | 102 | 0.115     | 11.73    |
| Two Bed Afford.  | 13  | 0.570     | 7.41     |
| Total Units      | 315 |           | 21(20.8) |

Based upon the grade levels profile found at the Landing 53 apartment community, the estimated 21 school children may consist of 10 elementary grade level students, 7 middle school and 4 high school students as outlined in Table Thirteen. The elementary level students would attend the nearby Flaherty School.

Table Thirteen

Grade Profile

| Grade  | %     | Grade Level |
|--------|-------|-------------|
| PK - 4 | 0.444 | 10          |
| 5 - 8  | 0.333 | 7           |
| 9 - 12 | 0.222 | 4           |

**At least eight 2BR units are not currently leased as of the writing of this analysis which makes the SAC ratio for the Landing 53 apartment complex .129 (9/70) rather than .115. More importantly, Landing 53 is a commuter-focused complex, with very small 2BR units (less than 1,000SF) and very limited open space (1/4 of one acre). We strongly disagree that this complex is indicative of likely school aged children at ZOM which presents itself as having large family-sized 2BR units (1,800SF), 3 acres of open space and amenities, and next door to an elementary school.**



**Although we have asked the superintendent of schools' office for similar data as that which was provided to ZOM, so far, they have not responded.**

**In the meantime, since the school system will not provide any additional data and the analysis completed was clearly not done correctly, we will use the following analyses to estimate school-aged children:**

**For affordable housing the only data point is Washington DC which shows 0.56 and is very close to Fougere's number of .57 so we will continue to use their numbers.**

**For market-rate housing all available studies consistently show 0.28 to 0.31 per unit. Where breakdowns are available the best rate is from the National Association of Homebuilders for renter-occupied multifamily (.28 overall, 0.07 1BR, .35 2BR, .83 3BR).**

**Table Twelve Revised**  
**Estimated School Age Children**

| <b>Unit Type</b>   | <b>#</b>   | <b>SAC Ratio</b> | <b># SAC</b>     |
|--------------------|------------|------------------|------------------|
| Studio - Mkt.      | 31         | 0.000            | 0.00             |
| Studio - Afford.   | 3          | 0.000            | 0.00             |
| One Bed Mkt.       | 150        | 0.070            | 10.5             |
| One Bed Afford.    | 16         | 0.070            | 1.1              |
| Two Bed. Mkt.      | 102        | 0.350            | 35.7             |
| Two Bed Afford.    | 13         | 0.570            | 7.4              |
| <b>Total Units</b> | <b>315</b> |                  | <b>55 (54.7)</b> |

**Three additional factors demonstrate that this number is likely underestimated:**

**First, the Housing Older Persons Act (HOPA) of 1995 allowed the extension of discrimination based on familial status from service rich senior housing to 55+ communities with no services. However, that act only required that 80% of residents meet the age restrictions so it would be possible for 20% of the 180 age-restricted units (36) to have children. Assuming the same ratios above and the same rate of affordability that would add 7 additional students. (1.4 + 0.1 + 4.6 + 0.6).**

**Second, the AARP found that 18% of adults over 50 expect to relocate to a different residence in their community and 29% think they will likely go to a different community. This implies that 69 of the 55+ residents could be moving from within Braintree. This would result in the turnover of 69 single-family homes to new families for an additional 30 students (0.43 SAC ratio per NAHB).**

**Third, MassHousing has a minimum occupancy standard for affordable housing with selection carried out under an affirmative fair housing marketing plan. Those would indicate a SAC ratio of up to 1-2 students per affordable 2-bedroom unit, not 0.57 for an additional 14 students.**

**The range of total school-aged children is therefore between 55 to 106 which equates to 5 to 8 new school sections, much higher than originally forecasted.**

**Table Thirteen Revised**  
**Grade Profile**

| <b>Grade</b> | <b>%</b> | <b>Grade Lvl</b> |
|--------------|----------|------------------|
| PK - 4       | 0.444    | 25-47            |
| 5 - 8        | 0.333    | 18-35            |
| 9 - 12       | 0.222    | 12-24            |

To fully understand current school operations, Fougere Planning arranged a meeting with School Superintendent Jim Lee to discuss the current state of the town's school system and the proposed development project. The Superintendent felt the projected enrollments were reasonable given the project examples used. With the completion of the East Middle School renovation and expansion, the 5<sup>th</sup> grade was moved creating capacity in the elementary schools; the adjoining Flaherty Elementary can accommodate the estimated school children. The South Middle School is presently being expanded and renovated, with a tentative opening date for the fall of 2023.

The Superintendent believed that given the estimated increase in enrollment, 2 new Sections may be needed, with an estimated cost ranging from \$170,000 - \$204,000. In addition, special education costs should be accounted given that approximately 22% students receive some services. The Superintendent acknowledged that estimating a cost for special education is very difficult. Braintree's special education budget averages \$34,000 per student and if that cost is assigned to 5 (4.6) students <sup>8</sup>, a cost estimate of \$170,000 is calculated. Given the site proximity to the Elementary School, transportation costs will not be impacted.

The community annual receives Chapter 70 aid and in FY2022 these revenues averaged \$3,438 per pupil. This aid, which is tied to enrollments, will assist in offsetting school related impacts. Based on the projected increased school enrollment, it is estimated that Chapter 70 Aid <sup>9</sup> increase of \$72,198. Based on these discussions with Superintendent Lee, and taking into account anticipated Chapter 70 revenue, we will carry estimated school expenses totaling \$301,802 ( $\$204,000 + \$170,000 - \$72,198$ ).

***As pointed out in table 13 the majority of students will NOT be attending Flaherty so transportation costs WILL be impacted. In addition, there are other costs, besides base salaries, that need to be included (all are based on Department of Elementary and Secondary Education 2020 reporting).***

***Derivative expenditures per each new teacher:***

***retirement benefits: 6.81% of base salary***

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<sup>8</sup> 22% of the average enrollment estimate.

<sup>9</sup> Mass. Dept. of Rev. FY2022 Local Aid Estimate, Appendix B \$18,459, 141(FY2022 enrollment 5,368)



**insurance: \$21,159\***

**substitutes and paraprofessionals: \$12,513\***

**other teaching services and development: \$20,993\***

**Derivative expenditures as fixed costs per each new student:**

**special education costs (per calculation above): \$7,480\***

**instructional materials, testing, textbooks: \$548\***

**transportation, food, athletics/activities: \$1,056\***

**regional education (not included in education budget): \$583\***

**Asterisked costs will be increased 5% to accommodate the differential between 2020 DESE figures and 2023 actual costs. All combined the per section cost is \$166,344 and the per pupil cost is \$10,151 so total costs for 5-8 sections will be \$1,390,025 to \$2,406,578.**

## Mixed Use Developments

The advent of mixed use developments has emerged as a new land use form in the market place since the great recession. Early evidence indicates that these complexes have a lower school age children occupancy rate than observed in multifamily developments located in more residential areas. Given the unique qualities and the mixed-use nature of the proposed residential community, we believe that a younger and older demographic are more likely to be attracted to the Development. Younger professionals and empty nesters, both with active lifestyles, are attracted to day and evening activities of a mixed-use environment.

The proposed mixed-use neighborhood will create a non-traditional environment that typically generates fewer school age children<sup>10</sup>. Key factors associated in nontraditional housing environments include:

- Multi-family residential development located above commercial uses.
- Multi-family residences accessed primarily by elevators such as high-rise development.
- Multi-family properties located within mixed-use developments or are visually and operationally a part of general locations developed primarily for commercial / industrial use and major employment centers.
- Multi-family developments that are within or in close proximity to high intensity commercial or mixed-use developments.
- Multi-family developments located on local high traffic ways or where primary access is via a highway interchange or a major collector roadway leading to close by highway access.

As a result, the community is likely to experience high demand by empty nesters and young professionals, which in turn will generate fewer School Age Children residing on the property. It is our professional opinion that the proposed Development's unique characteristics will influence the demographic groups who will reside within the Development. Although we are not amending our SAC estimate for the proposal, we believe it is important to highlight what is occurring in the marketplace.

***Other studies have shown definitively that proximity to a school tends to result in MORE school-aged children. There are dozens of factors that affect school-aged children counts but as most are subjective (e.g. what defines "close") and none include measurable quantities that can be applied to this analysis. Therefore, none of these factors, positive or negative, will be considered here.***

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<sup>10</sup> As reported by John Connery & Associates, along with findings researched by Fougere Planning.

**CAPITAL EXPENDITURES**

**The municipal summary is incomplete without an assessment of the future capital impacts a new development would have on Braintree.**

**In a letter dated February 18th of 2022, Mr. Fougere noted that “Police, Fire, Roads, Recreation and School Impact Fees have been adopted [in Amherst, NH where Mr. Fougere is a member of the Planning Board]... related to offsetting capital expense related to growth. By charging Impact Fees, future development pays its proportional costs for the capital expenses. As such, accounting for such costs within a Fiscal Impact analysis is not necessary.” But as Braintree has no such impact fees, an analysis of future capital expenses IS NECESSARY.**

**This letter was a response to other developers questioning, as can be seen below, Amherst, NH charging a rate of \$4.99 per square foot of living area. Based on approximately 550,000SF of living area for the two buildings, the impact fee for this project would be \$2,744,500. One obvious example of how these costs would apply in this case would be a vehicle for the additional police officer which does not appear in the annual general fund budget but rather in the capital plan (\$130,000 with perpetual replacement every 7 years). Other capitalized expenses include road, water and sewer infrastructure, school building maintenance, elder affairs maintenance, recreation expense, library expense, etc.**

**This \$2.7M is only a rough guide. Without doing a capital impact analysis for Braintree, we would just note it is likely sufficient to negate any benefit from up-front building and permitting fees.**

**Amherst Impact Fee Schedule (Approved update 02/07/2022)**

| Structure Type or Land Use (1)   | Police | Fire   | Recreation | Town Roads | Total Town Facilities | School Facilities | Total Town and School |
|--|--------|--------|------------|------------|-----------------------|-------------------|-----------------------|
| <b>Residential Per Sq. Ft. of Living Area (based on conditioned living area)</b> |        |        |            |            |                       |                   |                       |
| Single Family Detached   | \$0.19 | \$0.56 | \$0.27     | \$0.42     | \$1.44                | \$3.06            | \$4.50                |
| Townhouse / Attached   | \$0.19 | \$0.56 | \$0.27     | \$0.45     | \$1.47                | \$2.89            | \$4.36                |
| Two Family Structure   | \$0.19 | \$0.56 | \$0.27     | \$0.54     | \$1.56                | \$4.09            | \$5.65                |
| Multi-dwelling Unit  | \$0.19 | \$0.56 | \$0.27     | \$0.50     | \$1.52                | \$3.47            | \$4.99                |
| Manufactured Housing   | \$0.19 | \$0.56 | \$0.27     | \$0.50     | \$1.52                | \$3.72            | \$5.24                |
| <b>Commercial Development Impact Fees Per Sq. Ft.</b>                            |        |        |            |            |                       |                   |                       |
| Retail   | \$0.30 | \$0.59 | ---        | \$0.98     | \$1.87                | ---               | \$1.87                |
| Office   | \$0.17 | \$0.78 | ---        | \$0.50     | \$1.45                | ---               | \$1.45                |
| Industrial   | \$0.06 | \$0.20 | ---        | \$0.18     | \$0.44                | ---               | \$0.44                |
| Institutional & Other  | \$0.03 | \$0.20 | ---        | \$0.64     | \$0.87                | ---               | \$0.87                |

**FISCAL SUMMARY**

Table Fourteen summarizes the fiscal impact from the proposed development showing estimated annual revenues of \$1,418,363 and annual costs of \$625,075, resulting in net yearly positive fiscal impact of \$793,288. Fougere Planning is not suggesting that budgets should be increased to offset the noted costs, but these findings should be viewed as very conservative potential costs and future budget increases will only be addressed by the appropriate town officials and normal budgetary processes.

**Table Fourteen  
Estimated Annual Fiscal Impact**

|   |                    |
|---|--------------------|
| <b>Gross Rev. Taxes, Excise Taxes &amp; CPA</b> | <b>\$1,418,363</b> |
| <b>Estimated Municipal Costs</b>                |                    |
| Police  | -\$125,000         |
| Fire  | -\$148,773         |
| Other Departments                               | -\$49,500          |
| School Costs                                    | -\$301,802         |
| <b>Total Costs</b>                              | <b>-\$625,075</b>  |
| <b>Net Annual Positive Fiscal Impact</b>        | <b>+\$793,288</b>  |

**Table Fourteen Revised  
Estimated Annual Fiscal Impact**

|   |                                     |
|---|-------------------------------------|
| <b>Gross Rev. Taxes, Excise Taxes &amp; CPA</b> | <b>\$942,237 to \$1,103,193</b>     |
| <b>Estimated Municipal Costs</b>                |                                     |
| Police  | -\$162,500                          |
| Fire  | -\$148,773                          |
| Other Departments                               | -\$49,500                           |
| School Costs                                    | -\$1,390,025 to -\$2,406,578        |
| <b>Total Costs</b>                              | <b>-\$1,750,798 to -\$2,767,351</b> |
| <b>Net Annual Fiscal Impact</b>                 | <b>-\$647,605 to -\$1,825,114</b>   |

**It is also worth noting here that figures presented here are only for the first year. Education costs increase at approximately 4.75% per year vs. 2.5% for tax revenues so the loss will be progressively worse over time.**

## Summary of Findings

- The proposed development project will result in a net annual positive fiscal impact of \$793,288. Conservative anticipated costs total \$625,075.
- The proposed development project will result in a net annual negative fiscal impact of  $-\$647,605$  to  $-\$1,825,114$ . Anticipated costs total at least  $-\$1,750,798$  to  $-\$2,767,351$ .
  - Increased emergency call volume will occur to emergency service departments.
  - An estimated 21 school age children may reside at the development site, but given the very urban nature of the proposal the lower estimated is anticipated to reside within the apartment complex. Chapter 70 school aid is estimated to increase from \$72,198.
- An estimated 55-106 school age children may reside at the development site, but given the proximity to the school and reservoir an even higher number of school-aged children may reside within the apartment complex.
  - Building permit fees are estimated to total \$3,000,000.
- Any financial gain from one-time fees will be offset by required capital expenditures.
  - Sewer fees are estimated to total \$531,960 and water fees \$160,000; \$691,960 in total utility fees.
- Utility fees may or may not cause higher rates for all residents. Further analysis would be required to know one way or the other.
  - Limited measurable impacts are foreseen to other town departments.
- No analysis at all was done on other town departments. \$100 per housing unit is just a guess and may or may not be enough to cover things like recreation and other town services.
  - Analysis does not take into account intangible economic benefit of creating new construction employment and the long term benefit on local spending for goods and services from the project's residents, including meals taxes.
- Analysis does not take into account intangible negative economic and other impacts on traffic, migratory birds, water quality, wildlife habitats, old-growth trees, and abutting residential neighborhoods.