

Fiscal Impact Analysis

Village at Brattle Farm
Lowell Street, Dunstable MA

Brattle Development, LLC

March 8, 2023



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Village at Brattle Farm Brattle Development, LLC

1. Introduction

Fougere Planning and Development, Inc. has been engaged by Brattle Development, LLC to undertake this Fiscal Impact Analysis in order to outline estimated revenues and service demands to the Town of Dunstable from a proposed new residential community. The project program involves the development of a 156-unit age restricted condominium development under the State's 40B affordable housing program; units will consist of single-family homes, duplex units, and garden-style multifamily buildings; 25% of the units will be designated as affordable. This proposal is consistent with Community Plans which note the need to expand affordable housing opportunities in the community. The proposed project will be located off Lowell Street on a 75.8-acre site; portions of the property will be segregated from the proposal including an existing single-family home and a commercial building. Construction is anticipated to take approximately 24 – 36 months to complete. Table One summarizes the housing unit profile.

Table One
Housing Unit Profile

| Use | Units |
|---------------|--------------|
| Garden-Style | |
| Multifamily | 126 |
| Duplex | 24 |
| Single Family | 8 |
| Total | 156 |

2. Local Trends

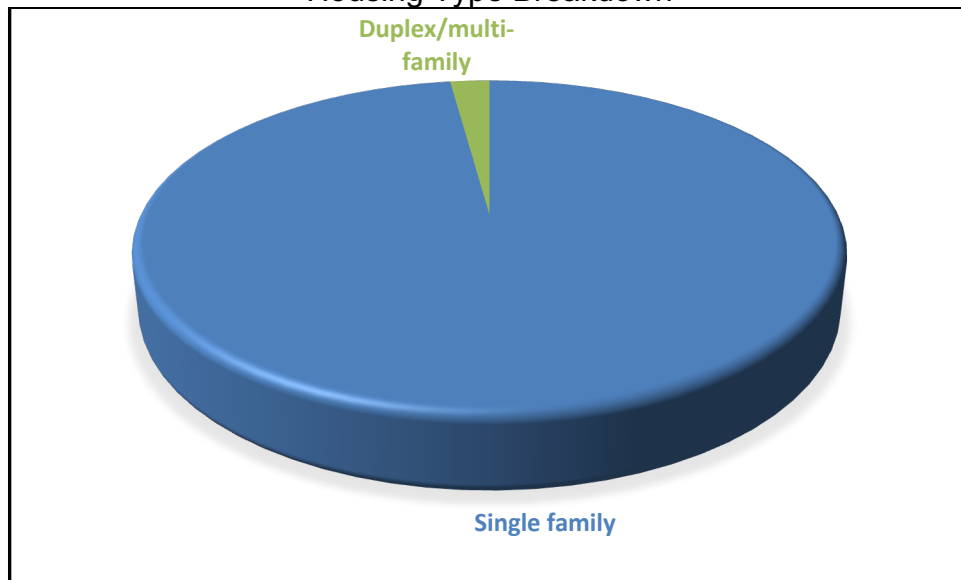
Population

U.S. Census data reports that from 2010 to 2020 Dunstable's population increased from 3,179 to 3,358, representing a 5.6% growth rate over the 10-year census period. During this same time frame those over the age of 65 increased from 8.3% of the population to 15.6%.

Housing

The majority of Dunstable's housing stock consists of single family homes, with Census data¹ showing 1,182 units (97.8%) out of a total housing stock of 1,208 as detailed in Figure One.

Figure One
Housing Type Breakdown

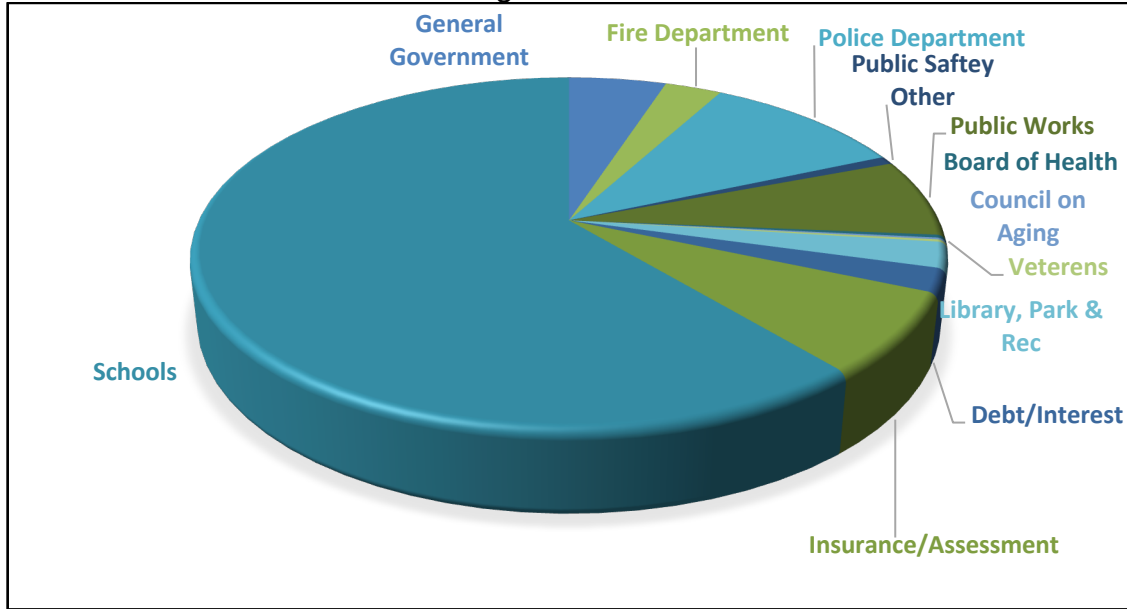


Budget History

Dunstable's total operating budget for FY2023 was \$12,596,292. The Police and Fire Departments account for 13.4% of the total budget as detailed in Figure Two. As will be seen from the analysis outlined below, Police and Fire will have the most measureable service impacts from the proposed use.

¹ American Community Survey 2015, Town Master Plan

Figure Two
Budget Breakdown



3. Fiscal Methodology

Fiscal Impact Analyses can have many connotations, this analysis will follow the classic definition of fiscal impact as follows “A *projection of the direct, current public costs and revenues associated with residential or nonresidential growth to the local jurisdiction in which the growth is taking place*².”

There are a number of methodologies used to estimate fiscal impacts of proposed development projects. The Per Capita Multiplier Method is the most often used analysis to determine municipal cost allocation. This method is the classic “average” costing method for projecting the impact of population growth on local spending patterns and is used to establish the costs of existing services for a new development. The basic premise of this method is current revenue/cost ratios per person and per unit are a potential indicator of future revenue/cost impacts occasioned by growth. New capital expenditures required for provision of services to a development are not added to current costs; instead present debt service for previous improvements are included to represent ongoing capital projects. The advantage of this approach is its simplicity of

² Burchell.

implementation and its wide acceptance by both consultants and local officials. The downside of this approach is that the methodology calculates the “average” cost as being the expected cost, which is often not the case. This results in costs being exaggerated – significantly in some instances. (For example, if one student is added to a school system, limited cost impacts will occur; however, based on the “average” cost to educate one student, the cost would be noted as \$19,000/year, which includes such costs as existing debt, building maintenance, administrative and other factors, all of which will be minimally impacted by the addition of one student. The “true cost” could be significantly less, especially in those communities with declining enrollment.)

The Marginal Cost Approach is a more realistic methodology that can be used to estimate and measure developmental impacts based on actual costs that occur in the community. At this time, a “level of service” exists in Dunstable to serve the community. This existing service level, for the most part, addresses the needs of the community through existing tax collections. As new development occurs, pressures are placed on some departments to address increased demands, while other departments experience negligible, if any impacts. In reviewing the potentially impacted town departments specifically, a truer picture of anticipated cost impacts can be determined. The Report will use this methodology unless discussions with Department heads lead to no definitive cost conclusion, in which case the Average Costing Method will be applied.

Given the nature of the contemplated development of the age restricted private residential community, as will be shown by the analysis below, measurable impacts will be limited to a few Town departments. Any required off-site traffic and roadway improvements are expected to be addressed during the approval processes with the Town. Solid waste collection and snow removal will be handled privately. Any expenses associated with water use for the proposed use will be offset through user fees. All on-site property improvements will be private, and all maintenance expenses will be paid for by the project owners. This report does not intend to imply that no costs will occur as a result of this project. Measurable impacts of the development are expected to result to a few Town departments, most notably the Police and Fire Departments. Other Town

agencies are projected to experience few measurable impacts from the project proposal.

4. Annual Local Revenues

Property Tax Revenue

Local property taxes provide the bulk of General Fund Revenues³ for Dunstable, with FY2022 figures showing that 83.7% come from this source, with remaining revenue derived from state aid and other receipts. The 2023 Property Tax Rate for all uses is \$14.97 per \$1,000 of assessed value.

Table Two outlines the estimated municipal property tax revenue that will be generated by the proposed project. After speaking to the project owner and reviewing the Dunstable’s marketplace, we have estimated a total project value of \$79,744,977, which is projected to generate \$1,193,782 in annual property tax revenues to the General Fund. This estimated value will increase residential assessed values by 11.2%⁴

Table Two
Anticipated Yearly Property Tax Revenue
Number

| Unit Type | Units | Avg. Value | Total |
|-----------------------------|------------|------------|---------------------|
| Market Rate | 117 | \$606,111 | \$70,914,987 |
| Affordable | 39 | \$226,410 | \$8,829,990 |
| Total | 156 | | \$79,744,977 |
| <u>Est. Taxes @ \$14.97</u> | | | <u>\$1,193,782</u> |

The existing site presently consists of five properties and have a total assessed value of \$944,100, which generates \$14,133 in annual property taxes. As such, the change in value of the development site will increase from \$944,100 to \$79,744,977 and annual property taxes generated will increase from \$14,133 to \$1,193,782. The single-family home, along with the commercial building will be subdivided from the proposed development presently assessed for approximately \$1,000,000.

³ FY2020 Recommended Budget.

⁴ FY2023 Tax Rate Recap. Res. value: \$705,783,270.

Community Preservation Surcharge

The Town of Dunstable has adopted the Community Preservation Act (CPA) allowing the community to impose a 3% surcharge on property taxes. Based on the above-noted existing site assessment (\$944,100) and property taxes (\$14,133), the site currently generates \$494 in CPA funds. Based upon the projected taxes outlined in Table Two, an estimated CPA surcharge of **\$35,813** was calculated as outlined in Table Three.

Table Three
Community Preservation Surcharge

| Property Taxes | CPA Surcharge | Surcharge |
|----------------|---------------|-----------------|
| \$1,193,782 | 3% | \$35,813 |

Vehicle Excise Tax

Another major revenue source for the community is from motor vehicle excise taxes. In Fiscal Year ending in 2021 the Town collected a total of \$622,887 in excise tax revenue. Based upon the estimated number of vehicles that will be owned by the residents of the proposed development, a projected \$58,500 in new vehicle excise tax revenue has been estimated as outlined in Table Four. This assumes a conservative average vehicle value of \$12,000.

Table Four
Motor Vehicle Ex

| # Cars ⁵ | Avg. Value | Total Value |
|---------------------|------------|-----------------|
| 195 | \$12,000 | \$2,340,000 |
| \$25/\$1,000 | | \$58,500 |

Total Estimated Yearly Project Revenues

The proposed new residential community is estimated to generate \$1,288,096 in annual revenues from property taxes, CPA surcharges, and excise taxes as outlined in Table Five.

⁵ 1.25 Vehicles per unit.

Table Five
Estimated Yearly Revenue

| | |
|-------------------------------|--------------------|
| Property Taxes | \$1,193,782 |
| CPA Surcharge | \$35,813 |
| Excise Taxes | \$58,500 |
| Total General Revenues | \$1,288,095 |

Additional one-time payment revenues will also be realized as part of the development; these will be detailed further below in Section 6.

5. Municipal Service Costs

Public Safety

The Police and Fire Departments are projected to have measurable operational influences from the proposed project. In FY23 the Police Department budget was \$1,321,889 and responded to some 6,361 Calls for Service in FY21. The Fire Department budget was \$368,006 and responded to 306 incidents in FY20. To assess the degree of impact this project will have on these Departments, emergency calls from similar uses in the region were analyzed. The call data was averaged to determine the numbers of annual calls per unit. Table Six summarizes these findings⁶.

Table Six
Estimated Annual Emergency Service Calls

| | |
|--------------------|----------|
| Total Police Calls | 56 Calls |
| Total Fire Calls | 15 Calls |
| Total EMS Calls | 19 Calls |

Extrapolating from the comparable call data, increases in calls are projected to the Town’s Police and Fire Departments. Annual police calls are projected to increase by 56 calls, annual Fire Department calls are projected to increase by 15 calls. Dunstable is presently served by a private ambulance company and yearly EMS calls are estimated to total 19 calls.

⁶ A complete data outline of emergency calls is summarized in the report’s Appendix.

In order to put into perspective the estimated calls from the proposed new residential community, Tables Seven and Eight summarize police and fire department activity over the last few years.

Table Seven
Annual Police Calls for Service: 2019 - 2021

| 2019 | 2020 | 2021 |
|-------|-------|-------|
| 7,446 | 5,659 | 6,361 |

Table Eight
Annual Fire Department Calls: 2018 - 2020

| | 2018 | 2019 | 2020 |
|-------------|------|------|------|
| Fire Calls | 183 | 162 | 124 |
| EMS Calls | 142 | 185 | 182 |
| Total Calls | 325 | 347 | 306 |

Police Department

We discussed the proposed residential project and call findings with Chief Hoar. At the time of this call, one full-time position was vacant, with another position opening up in May and the Department was actively searching to fill the open position. The Chief did note that many of the emergency call examples were from larger Massachusetts communities, but also recognized the Hollis developments are a very close comparison to Dunstable. The Chief did not believe the project would impact Department operations or create the need for additional staffing.

In order to account for potential Police Department costs related to the new residential community, a number of options were reviewed, including department cost per capita and per housing unit. As emergency calls are a reliable metric that provides a more realistic measure of demand for service, we will use this average costing method to allocate costs to the proposed use. To assign some cost for the proposed increased call volume, the Department's total budget was divided by the number of Calls for Service. Based on a cost of \$260 per call, an impact of \$14,560 was calculated, as outlined in Table Nine. This cost estimate is not inferring that the Police Budget will increase as a result of the proposed development; however, this report nonetheless assigns a "cost" to account for

this expanded land use in the community. To be conservative, we will carry a cost of \$20,000 for this Department.

Table Nine
Estimated Police Department Costs

| FY23 Budget | Calls Per Year⁷ | Cost Per Call | Est. Calls | Cost |
|------------------------|-----------------------------------|----------------------|-------------------|-------------|
| \$1,321,889 | 5,088 | \$260 | 56 | \$14,560 |

Fire Department

To gain an understanding of how the proposed project may impact Fire Department operations, we met with Fire Chief William Farrell and Deputy Chief Patrick Kerrigan to review the proposed project and estimated calls. As a call Department, maintaining staffing levels is an ongoing challenge for the Department. Discussions have taken place recently with the Board of Selectmen relative to a new fire station, but no definitive date has been scheduled at this time. The Chief was not concerned with the estimated call volume and only noted that a ladder truck would have to be called in through mutual aid if necessary for the 3-floor garden-style buildings.

As with the Police Department, to account for potential costs, an average costing approach has been used to assess potential Fire Department costs. Dividing the Fire Department Budget by annual fire calls generates a cost per call. This cost is then multiplied by the estimated fire related calls resulting in an assigned cost of **\$40,092**, as outlined in Table Ten. As also noted with respect to the Police Department, this cost estimate is not intended as an inference that the Fire Department Budget will increase as a result of the proposed development.

Table Ten
Estimated Fire Department Costs

| FY23 Budget | Fire Calls | Cost Per Call | Est. Fire Calls | Est. Cost |
|------------------------|-----------------------|--------------------------|----------------------------|----------------------|
| \$368,006 | 306 | \$1,203 | 34 | \$40,902 |

⁷ 2021 Calls discounted by 20% to account for minor or accidental calls.

Council on Aging

The development program will consist of 156 age restricted units, which is estimated to be occupied by 270 residents⁸. It is assumed that these residents will take advantage of the programs offered by the Dunstable's Council on Aging (COA). The COA presently serves an estimated population⁹ of 789 and in FY2023 had a budget of \$20,863, which translates into a per capita cost of \$27. To account for potential increased demand for services, a cost of **\$7,290** (270 new residents x per capita cost \$27) will be carried in this analysis.

Other Town Departments

In reviewing other Town departments, no other measurable impacts were seen. Building permit fees, at the rate of \$0.65 per square foot, will more than offset any costs to the Building Department. Based upon the estimated building area of 275,000 square feet, it is projected that \$179,000 will be generated in building permit fees. Additional fees are anticipated for plumbing and electrical work. One-time water connections fees will also be paid to the Water Department totaling an estimated \$210,000. Internal site roadways will be private and maintained by the condominium association, resulting in no maintenance cost to the Town. Solid waste and snow removal will be handled privately with no expense incurred by the Town.

To be conservative and account for potential increase service demands to other town departments we have carried a miscellaneous cost¹⁰ of \$19,500.

6. Other Project Benefits

Building Permit Fee Revenue

As noted, the construction of the project will generate a significant amount of one-time revenue in the form of building permit fees, assessed at a rate of \$0.65

⁸ Assumes 1.75 persons per unit.

⁹ US Census.

¹⁰ \$125/unit.

per square foot. Based upon an estimated building area of 275,000 square feet, it is projected that \$179,000 will be generated in buildings permit fees. Additional fees are anticipated for plumbing and electrical work.

Support for the Local Water Department

All 156 housing units within the proposed development will be connected to the municipal water system. Based upon estimated water usage¹¹ of the proposed housing units and irrigation, annual Enterprise Fund revenues to the Water Department are estimated to be \$403,488, not accounting for offsets for local expenses. This annual revenue is in addition to one-time water connections fees estimated at \$210,000.

By tying into public water, it is expected that the project will create a significant market for local public water, which will help to stabilize water rates and tax rates and help to offset existing overhead and recent capital investments into local infrastructure. Dunstable currently has one of the smallest water departments in Massachusetts, with only around 102 customers. The project will by itself increase the Water Department's customer base by over 150%. By creating a new market for public water, the project will help support the system as the Town looks to expand the provision of public water in the future.

Local Public Benefits

It is anticipated that the commercial property adjacent to the development area (which today contains a private contractor's yard and office space, which is suitable for DPW use) will be carved off from the project site and improved, with the intent being to enter into negotiations with the Town of Dunstable with respect to the dedication of this site for the perpetual use of the Town. The value to the Town associated with this parcel and its anticipated improvements, based on the value of the land and buildings as well as the expected cost of past and

¹¹ Assumes 150 gallons per day per unit and 15,000 gallons of water per day, from May to September.

contemplated future improvements of this parcel, is projected to be around \$2-3 million.

In addition, it is anticipated that the project's proposed common clubhouse building will be available for use as a local "senior center".

Also, the project proposes to include a network of walking trails in and around the areas of the project site that are intended to be preserved as natural open space, which may be suitable for dedication as Conservation land.

Local and Regional Benefits of Age-Restricted Housing

The project is proposed as an age-restricted (55+) development, which will serve a growing demographic group. The project proposes a mix of various unit types in a condominium form of ownership, which will provide a new, previously unavailable type of housing for local and regional residents as they become "empty nesters", many of whom are looking to downsize their living arrangements and/or get away from the day-to-day maintenance responsibilities associated with homeownership. The project provides an attractive opportunity for locals to stay local and to attract new residents from surrounding communities in an area where most residential development consists of single-family homes.

In addition, age-restricted housing has the direct benefit of drawing the tax revenue discussed above without attracting a significant number of school-age children – a significant financial benefit to the Town, since, as described above in Figure 2, the Town's school system accounts for well over half of the Town's FY2023 budget. Across the Commonwealth, the cost of educating school-age children is one of the primary contributors to budgetary shortfalls and the need for controversial budget override proposals. It should also be noted that the development site is developable by right as a 14-lot single-family subdivision, which would be projected to have a significant impact on local school enrollment, while also generating less one-time and annual revenue for the Town.

Also, since many residents of age-restricted housing are retired or semi-retired, they tend to have different daily schedules and travel patterns as compared to daily commuters, which results in less vehicle traffic during peak commuter periods.

Other Economic Benefits

Other economic benefits are projected as a result of the proposed residential community, local economic growth, and new construction jobs. The development project will infuse a significant economic boost into the local and regional economy, with dozens of tradesmen involved in building the project and millions of dollars spent on construction supplies, and materials.

7. Summary

Table Eleven summarizes the estimated revenues and expenses associated with the proposed residential community. Gross annual revenues are anticipated to total \$1,288,095 per year (Section 4). Adjusted to reflect municipal costs (Section 5), the project will result in a net **positive annual benefit of \$1,200,403.** This cost estimate is not inferring that the Dunstable’s budget will increase as a result of the proposed development, but rather assigns a “cost” to account for this new land use in the community. Appropriate discussions with key decision makers within the community will determine potential budgets adjustments necessary to address increased demands estimated in this Report. It is anticipated that these estimated expenses will not actually be fully realized.

Table Eleven
Revenue & Expense Summary

| | |
|-----------------------------------|---------------------|
| Projected Revenues | \$1,288,095 |
| Projected Municipal Costs | |
| Police | -\$20,000 |
| Fire | -\$40,902 |
| Council On Aging | -\$7,290 |
| Misc. Town | -\$19,500 |
| Total Costs | -\$87,692 |
| Net Positive Fiscal Impact | +\$1,200,403 |

Summary of Findings

Given the following facts and the nature of the proposed Village at Brattle Farm development, it is estimated that few impacts will be realized by Town departments:

- All on-site improvements will be private, and all maintenance expenses will be paid for by the project owners.
- Solid waste disposal and snow removal will be handled privately.
- Any water expenses will be offset through user fees.

This is not to infer that no costs will occur as a result of this project. Measurable demand for services from the Police and Fire Departments is expected.

Key findings include:

- The proposed community will generate approximately \$1,288,095 in gross revenue per year. Taking into consideration estimated municipal expenses of \$87,692, the proposed project will yield approximately **\$1,200,403** in net positive revenue annually.
- The existing vacant site assessment is anticipated to increase from approximately \$944,100 to \$79,744,977, an increase of over \$78,800,000. Property tax revenue will increase from \$14,133 to \$1,193,782 and CPA surcharge funds will increase from \$494 to \$35,813.
- Automobiles associated with the project will generate an estimated \$58,500 in new annual excise taxes.
- Due to the proposed 55+ age restriction, the project will have a negligible (if any) effect on the local school system.
- Annual calls to the Police Department are projected to increase by 56 calls (1.07 calls per week), recent annual call volume over 6,361.

- The Fire Department is projected to receive approximately 34 new calls annually from the proposed use.
- All onsite maintenance will be private, snow removal, along with all trash collection with no projected impact to the DPW Department.
- Building permit fees are estimated to total \$179,000.
- Water connection fees are estimated to total \$210,900. Annual Water Department revenue is estimated to be \$403,488 prior to expenses.
- Other economic benefits are projected as a result of the proposed development in the community, including additional meals taxes, the creation of temporary construction jobs, along with expanding the local employment base.

Appendix

Emergency Call Summary

| Project | Town | Units | Avg. Call Per Year | Avg. Call Per Unit | Estimated Calls |
|-----------------------|---------------|------------|--------------------|--------------------|-----------------|
| Heritage Woods | Lynnfield, MA | 40 | 18 | 0.45 | |
| Windsor Estates | Lynnfield, MA | 44 | 22 | 0.50 | |
| Colonial Village | Lynnfield, MA | 48 | 14 | 0.29 | |
| Center Village | Lynnfield, MA | 61 | 42 | 0.69 | |
| Essex Village | Lynnfield, MA | 67 | 4 | 0.06 | |
| Reading Woods | Reading, MA | 172 | 83 | 0.48 | |
| Dudley Brook Preserve | Sudbury, MA | 26 | 8 | 0.31 | |
| Hollis NH Projects | Hollis, NH | 144 | 22 | 0.15 | |
| Total Units | | 602 | 213 | 0.35 | |
| Dunstable, MA | | 156 | | | 56 |
| Project | | Units | Avg. Call Per Year | Avg. Call Per Unit | Estimated Calls |
| Heritage Woods | Lynnfield, MA | 40 | 5 | 0.13 | |
| Windsor Estates | Lynnfield, MA | 44 | 6 | 0.14 | |
| Colonial Village | Lynnfield, MA | 48 | 5 | 0.10 | |
| Center Village | Lynnfield, MA | 61 | 18 | 0.30 | |
| Essex Village | Lynnfield, MA | 67 | 3 | 0.04 | |
| Reading Woods | Reading, MA | 172 | 17 | 0.10 | |
| Dudley Brook Preserve | Sudbury, MA | 26 | 4 | 0.15 | |
| Hollis NH Projects | Hollis, NH | 144 | 1 | 0.01 | |
| Total Units | | 602 | 59 | 0.10 | |
| Dunstable, MA | | 156 | | | 15 |
| Project | | Units | Avg. Call Per Year | Avg. Call Per Unit | Estimated Calls |
| Heritage Woods | Lynnfield, MA | 40 | 4 | 0.10 | |
| Windsor Estates | Lynnfield, MA | 44 | 3 | 0.07 | |
| Colonial Village | Lynnfield, MA | 48 | 4 | 0.08 | |
| Center Village | Lynnfield, MA | 61 | 13 | 0.21 | |
| Essex Village | Lynnfield, MA | 67 | 8 | 0.12 | |
| Reading Woods | Reading, MA | 172 | 20 | 0.116 | |
| Dudley Brook Preserve | Sudbury, MA | 26 | 3 | 0.115 | |
| Hollis NH Projects | Hollis, NH | 144 | 16 | 0.111 | |
| Total Units | | 602 | 71 | 0.118 | |
| Dunstable, MA | | 156 | | | 19 |