

Fiscal Impact Analysis

Village at Brattle Farm

Lowell Street, Dunstable MA

Brattle Development, LLC

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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 condominiums under the State's 40B affordable housing program; units will consist of single family homes, duplex units, and garden style buildings; 25% of the units will be designated at 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 approximately 24 – 36 months to complete. Table One summarizes the housing unit profile.

Table One
Housing Unit Profile

Use	Units
Garden Units	124
Duplex	24
Single Family	8
Total	156

2. Local Trends

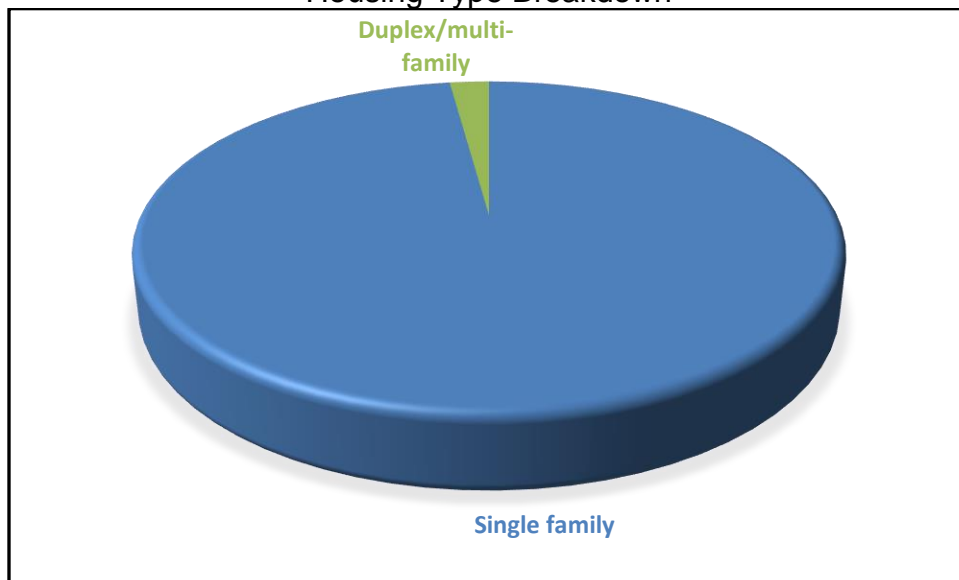
Population

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

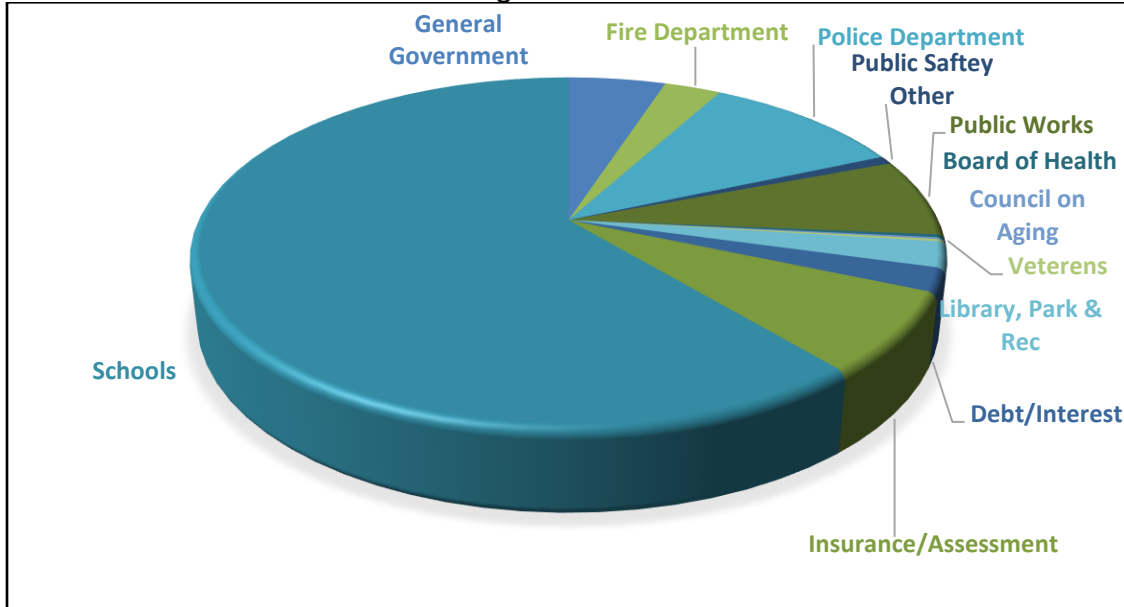


Budget History

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 the methodology calculates the “average” cost as being the expected cost, which is often not the case and costs are exaggerated - significantly in some instances. (For example, if one student is added to a school system, limited cost impacts will occur; however based on an “average” cost to educate one student the cost could 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 generated by the proposed use will be removed by a private hauler. Any water expenses associated with water use 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 this 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. 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 2024 Property Tax Rate for all uses is \$13.96.

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 \$83,029,990, which is projected to generate \$1,159,099 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

Unit Type	Number Units	Avg. Value	Total
Garden Units Market Rate	85	\$600,000	\$51,000,000
Garden Units Affordable	39	\$226,410	\$8,829,990
Duplex Units	24	\$700,000	\$16,800,000
Single Family	8	\$800,000	\$6,400,000
Total	156		\$83,029,990
	Est. Taxes @ \$13.96		\$1,159,099

The existing site presently consists of five properties and have a total assessed value of \$1,944,100, which generates \$27,138 in annual property taxes and \$814 in CPA funds. The single family home, along with the commercial building will be subdivided from the proposed development presently assessed for approximately \$1,000,000. As such, the change in value of the development site will increase from \$944,100 to \$83,029,990.

³ FY2022 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 allowing the community to impose a 3% surcharge on property taxes. Based upon the projected taxes outlined in Table Two, an estimated CPA surcharge of **\$34,773** was calculated as outlined in Table Three.

Table Three
Community Preservation Surcharge

Property Taxes	CPA Surcharge	Surcharge
\$1,159,099	3%	\$34,773

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.

Table Four
Motor Vehicle Ex

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

Enterprise Revenue

All housing units within the proposed development will be connected to the municipal water system. Based upon estimated water usage⁶ of the proposed housing units and irrigation, annual revenues to the Water Department are estimated to be \$403,488.

Total Estimated Yearly Project Revenues

The proposed new residential community is estimated to generate \$1,252,372 in annual revenues from property taxes, CPA surcharges and excise taxes as

⁵ 1.25 Vehicles per unit.

⁶ Assumes 150 gallons per day per unit and 15,000 gallons of water per day, from May to September.

outlined in Table Five. With the addition of Enterprise funds of \$403,488, total revenues are estimated to total \$1,655,860.

Table Five
Estimated Yearly Revenue

Property Taxes	\$1,159,099
CPA Surcharge	\$34,773
Excise Taxes	\$58,500
Total General Revenues	\$1,252,372
Enterprise funds: Water	\$403,488
Total Revenues & Enterprise	\$1,655,860

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

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 findings⁷.

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.

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

⁷ Complete data outline of emergency calls are summarized in the Appendix.

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 this time, one full time position is vacant, with another position opening up in May. The Department is 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 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 the Police Budget will increase as a result of the proposed development, but 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 Year⁸	Cost Per Call	Est. Calls	Cost
\$1,321,889	5,088	\$260	56	\$14,560

⁸ 2021 Calls discounted by 20% to account for minor or accidental calls.

Fire Department

To gain an understanding of how the proposed program 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 third 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 a projected cost of **\$40,092** as outlined in Table Ten.

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

5. Council on Aging

The development program will consist of 154 age restricted units which is estimated to be occupied by 270 residents⁹. 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 population¹⁰ of 789 and in FY2023 had a budget of \$20,863; which translates into a per capita cost of \$27 (\$20,863/789). To account for potential increase demand for services, a cost of **\$7,290** (270 new residents x per capita cost \$27) will be carried in this analysis.

⁹ Assumes 1.75 persons per unit.

¹⁰ US Census.

6. Other Departments

In reviewing other Town department, no other measurable impacts were seen. Building permit fees, \$0.65 per square foot, will more than offset any costs in the Building Department. Based upon the 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. One time water connections fees will also be paid to the Water Department totaling an estimated \$210,000. To be conservative and account for potential increase service demands to other town departments we have carried a cost¹¹ of \$19,500.

7. Other 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.

¹¹ \$125/unit.

8. Summary

Table Eleven summarizes the estimated revenues and expenses associated with the proposed mixed income residential community. Gross revenues are anticipated to total \$1,655,860 a year with a net **positive annual benefit \$1,164,680**. This cost estimate is not inferring the Dunstable's budget will increase as a result of the proposed development, but 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 realized.

Table Eleven
Revenue & Expense Summary

Gross Projected Revenues	\$1,655,860
Projected Municipal Costs	
<i>Police</i>	-\$20,000
<i>Fire</i>	-\$40,902
<i>Council On Aging</i>	-\$7,290
<i>Mils. Town</i>	-\$19,500
<i>Enterprise fund: Water</i>	-\$403,488
Total Costs	-\$491,180
Net Positive Fiscal Impact	+\$1,164,680

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 this project owners.
- Solid waste generated by this project will be removed by a private hauler.
- 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 demands for services will be felt by the Police and Fire Departments.

Key findings include:

- The proposed community will generate approximately \$1,655,860 in gross revenue per year. Taking into consideration estimated municipal and Enterprise expenses of \$491,180, the proposed project will yield approximately **\$1,164,680** in net positive yearly revenue annually.
- The existing vacant site assessment is anticipated to increase from approximately \$944,000 to \$83,029,990, an increase of over \$82,085,990. Property tax revenue will increase from \$14,396 to \$1,159,099.
- The existing 10,200 square foot commercial building will be gifted to the Town, worth an estimated \$2,000,000 +/-.
- 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, along with all trash collection with no projected impact to the DPW Department.
- Annual Water Department revenue is estimated to be \$403,488.
- 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