

Fiscal Impact Analysis

Hanover Weymouth Weymouth, MA

The Hanover Company



FOUGERE PLANNING & DEVELOPMENT, Inc.

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I. Introduction

The Hanover Company is proposing a mixed use development, located on a vacant 9.77 acre Washington Street parcel on the Hingham town line, involving the construction of 270 market rate apartment units, as well as 4,200 square feet of retail space. The proposal involves the construction of 2-four story buildings with a combination of surface parking spaces and detached garages. Table One outlines the specific bedroom profile breakdown.

**Table One
Apartment Development Unit Breakdown**

Unit Type	# Units
One Bed	148
Two Bed	108
Three Bed	14
Total Units	270

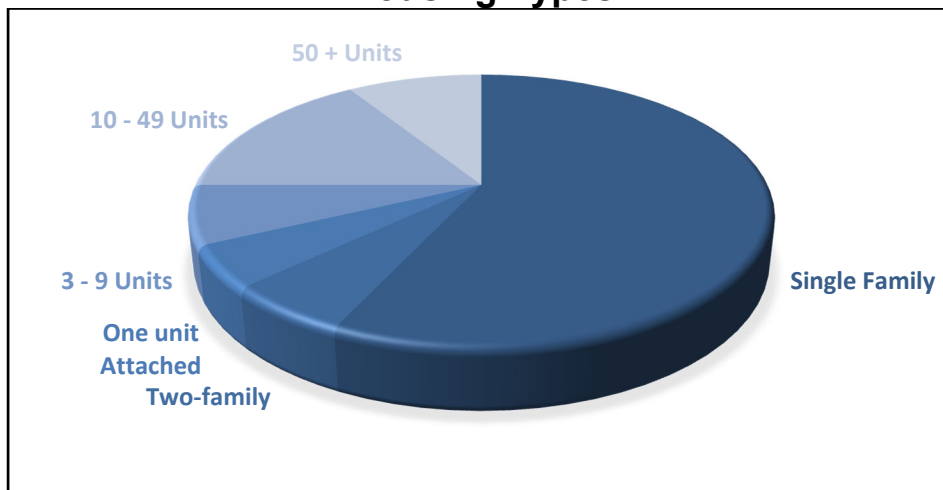
It should be noted that this development will be operated privately and as such all proposed access ways will be maintained by the owner, along with trash disposal. Public water and sewer will service the site.

Local Trends

Census figures report that from 2000 to 2010 Weymouth's population decreased from 53,988 to 53,743, showing negative population growth over the 10 year time period. The most recent population estimates from the US Census Bureau¹ report a population of 56,734 representing an increase of 3.4% since 2010.

A majority of Weymouth's housing stock consists of single family homes, with 2019 US Census data reporting 14,000 single family homes out of a total housing stock of 24,570 units; Figure One.

**Figure One
Housing Types**

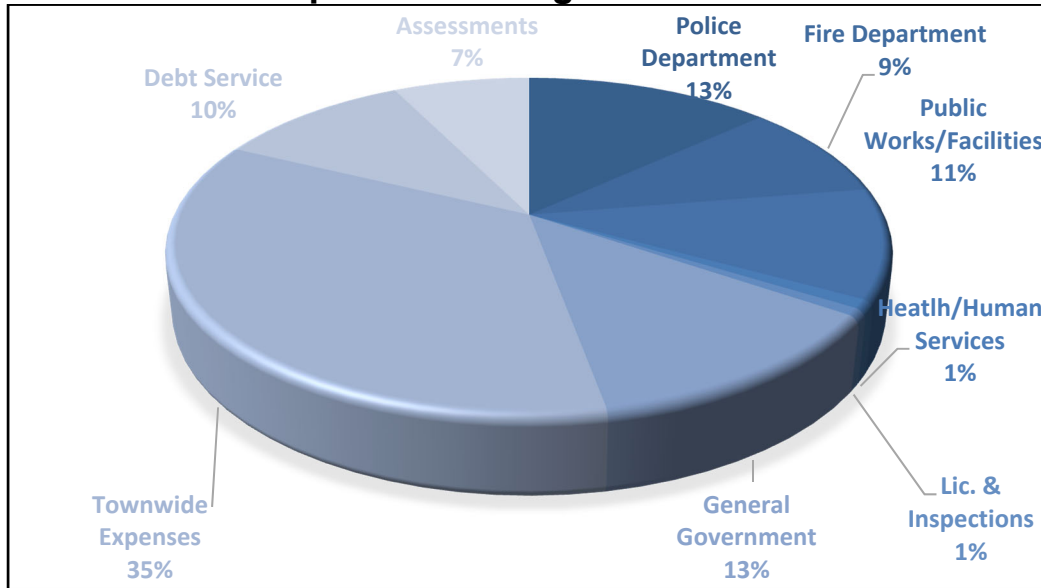


Budget History

Weymouth's total operating budget for 2020 is \$174,445,532. Public Safety and Education account for 55.2% of the total budget; Figure Two. These departments have the largest personnel and the most direct impact on municipal expenditures. Given the large budgetary impact these departments have on the community and the fact that they will experience the most direct measurable impact from the proposed development, they are the primary focus of this Report.

¹ 2019 American Factfinder

Figure Two
Department Budget Allocation



A. Methodology Approach

There are a number of methodologies available 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 that current revenue/cost ratios per person and per unit is 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, the present debt service for previous improvements is included to represent ongoing capital projects. The advantage of this approach is its simplicity of 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 can be understated or exaggerated; significantly in some instances. (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 would be noted as \$16,000/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.)

Given the nature of the proposed development project, as will be shown by the analysis below, few significant impacts will be felt by City departments. Any required off-site road improvements will be addressed during the approval process. Solid waste generated by this project will be removed by a private hauler. Any construction related or operating utility expenses will be offset through user fees. All on-site improvements will be private and all maintenance expenses will be paid for by this project owner. This report does not intend to infer that few costs will be incurred as a result of this project. Measurable impacts will certainly be felt by some City departments, most notably the School Department along with the Police and fire Departments. Other City agencies will see little or no measurable impacts.

Local Revenues From Development

A) Property Taxes

Local property taxes provide the bulk of municipal revenues for Weymouth, totaling 58.7% of all revenues to the General Fund². Weymouth’s present tax rate is \$11.74 per \$1,000 valuation for residential uses and \$18.39 for commercial/industrial uses. As this is a mixed use project, both rates will be accounted for in this analysis. For apartment uses, typically the Income Approach is used to estimate value, but given the preliminary nature of the proposed project a detail Pro Forma has not been developed at this time. However, based upon research conducted by Hanover we have estimated a value of \$215,000 per apartment unit. Local mixed use commercial space assessments were used to estimate the retail value. Based on an analysis of these two land uses, the total project value is estimated to be \$58,716,196 generating \$693,758 yearly tax revenue as detailed in Table Three.

² Fiscal Year 2020 Budget Summary.

Table Three
Estimated Yearly Residential Property Taxes

Project	Units	Value/Unit	Value
Apartments			
Avg. Apartment Value		\$215,000	
Proposed Apartments	270		\$58,050,000
Commercial Space	Sq. Ft.		
200 Trotter Road	8,189	\$1,316,676	\$160.79
210 Trotter Road	6,550	\$1,021,195	\$155.91
Avg. Commercial Value	14,739	\$2,337,871	\$158.62
Proposed Commercial	4,200		\$666,196
Property Tax Revenue			
Residential			
Tax Rate \$11.74 / \$1,000			
Value: \$58,050,000			
Property Tax Revenue	\$681,507		
Commercial			
Tax Rate \$18.39 / \$1,000			
Value: \$666,196			
Property Tax Revenue	\$12,251		
Total Property Tax Revenue	\$693,758		

B) Miscellaneous Yearly Revenues

Motor Vehicle Excise Tax - Another major revenue source for the community is motor vehicle excise taxes. In fiscal year 2019 the Town of Weymouth received a total of \$8,110,356³ from this revenue source. Table Four outlines the projected \$190,000 vehicle excise tax payments for the proposed project.

Table Four
Motor Vehicle Excise Tax

# Cars⁴	Value	Total Value
304	\$25,000	\$7,600,000
\$25 x \$7,600		\$190,000

³Schedule 2 City Budget document, FY19.

⁴ One bedroom 1 vehicle, two bedroom 1.25 vehicles & three bedroom 1.5 vehicles.

C) Community Preservation Surcharge

The Town of Weymouth 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 \$9,303 was calculated; Table Five.

**Table Five
Community Preservation Surcharge**

CPA Surcharge		Surcharge	
Apartment Value Charges	\$680,333	1%	\$6,803
Commercial Value Charges	\$12,251	1%	\$123
Total CPA Surcharges			\$6,926

D) Estimated Yearly Project Revenues

The proposed Main Street development is estimated to generate \$890,684 in yearly revenues from property tax, excise taxes and CPA Surcharge; Table Six.

**Table Six
Estimated Yearly Revenue**

Residential Property Taxes	\$681,507
Commercial Property Taxes	\$12,251
Vehicle Excise	\$190,000
CPA Surcharge	\$6,926
Total	\$890,684

Additional one-time payment revenues 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 property owner, including driveway repairs and trash removal.

Department Impacts

Police & Fire

The Police and Fire Departments will experience some increased demand for services from the proposed mixed use project. For fiscal year 2020 the Police Department's budget was \$13,425,763 and Fire Department's budget was \$9,387,092.

To assess the degree of impact this project would have on these departments, a comparable Weymouth apartment complex (Southfield Commons) was analyzed. Emergency call data from the 298 unit mixed use development (a small commercial area exists at Southfield Commons) was obtained 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.

Extrapolating from the comparable call data, slight increases are projected in the Town's Police and Fire Department call volume. Annual Police calls are projected to increase by 148 calls (or 2.8 calls per week), annual fire calls are projected to increase by 41 calls (.78 calls per week), creating slight increases in operational activities as detailed in Table Seven.

Table Seven
Projected Emergency Service Calls

Department	Calls Per Unit	Estimated Calls
Police	.546 Calls Per Unit	
Washington Street	270 Units	148
Fire/EMS	.151 Calls Per Unit	
Washington Street	270 Units	41

It should be noted that the per unit population at Southfield Commons is larger given that 51% of the units are two/three bedroom units while the proposed development will be only 44%. Given that a majority of the units will be one bedroom, a lower

population is to be expected, which will tend to reduce the number of potential emergency calls than those estimated.

Police Department

To assign a cost as a result of the increased demand for services, a number of options were reviewed including cost per call and cost per capita. Since calls for service provides a clear measure of impact on the Department, this approach was used and results in an estimated annual impact of \$54,908; Table Eight. 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 these new land uses in the community.

Table Eight
Police Department Impact

Department	FY 2020 Budget⁵	Calls⁶	Cost/call	Est. Calls	Annual Cost
Police	\$13,425,763	36,213	\$371	148	\$54,908

Fire Department

As with the Police Department, to account for some impact from the proposed development a cost per call ratio was used which provides a gross estimated annual cost of \$46,371 as outlined in Table Nine.

Table Nine
Fire Department Impact

Department	FY 2020 Budget	Calls Per Year⁷	Cost/call	Est. Calls	Annual Cost
Fire	\$9,387,092	8,302	\$1,131	41	\$46,371

⁵ 2020 Budget document.

⁶ 2019 & 2020 Town Report avg. call data, Police and Fire Departments.

⁷ Avg. calls, 2019 & 2020 town report.

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 fees⁸. Building permit fees estimated to generate approximately \$900,000 in revenue. In addition, it is estimated that water and sewer fees will total \$1,205,820.

Public Works

All roads within the development will be private and maintained by the apartment complex operator. Solid waste will be handled by a private contractor with no expense incurred by the Town.

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 \$20,250 cost⁹ will be carried to account for potential other impacts.

⁸ Building permit \$15/\$1,000 est. const. cost.

⁹ Avg. \$75 per unit.

School Department

The City of Weymouth public schools had a 2019/20 enrollment¹⁰ of 5,763 students housed in 12 schools (nine elementary, two middle, and one high school). The 2020 Public School budget was \$73,619,894.

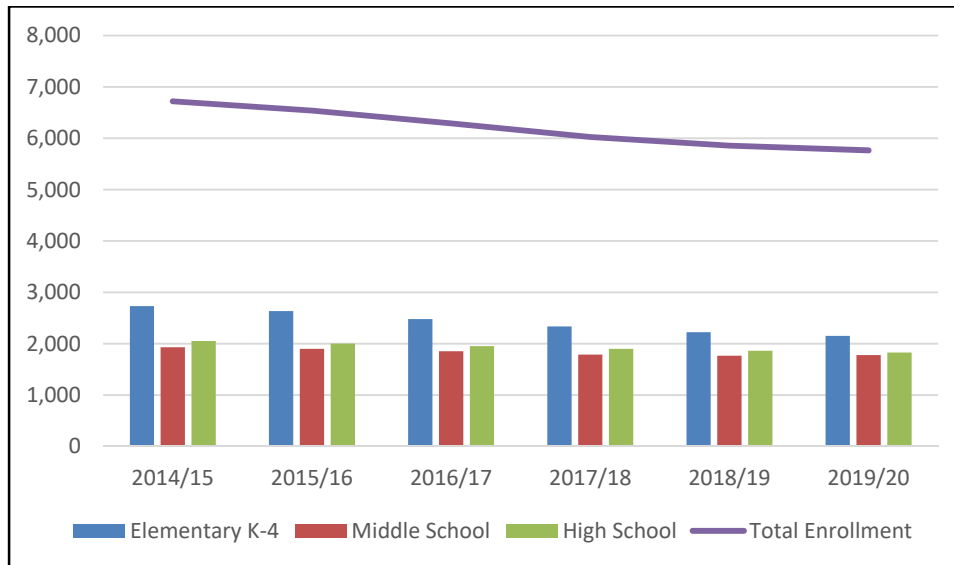
Enrollment History

Overall school enrollment has been declining in all grade levels over the last six years and decreased 14.25% overall (-958 students) as detailed in Table Ten and Figure Three detail these trends.

Table Ten
Enrollment Trends 2012-2017

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
Elementary K-4	2,734	2,637	2,481	2,338	2,226	2,153	-21.25%
Middle School	1,932	1,901	1,855	1,788	1,768	1,780	-7.87%
High School	2,055	2,003	1,953	1,900	1,863	1,830	-10.95%
Total Enrollment	6,721	6,541	6,289	6,026	5,857	5,763	-14.25%

Figure Three
Enrollment Trends



¹⁰ With the Covid epidemic, enrollments for the 2020/21 school year have declined, therefore 2019/20 enrollment data was used.

Projected School Enrollment Estimates

To gain an understanding of the community's potential school related fiscal impact, the anticipated number of school children that may be generated by the proposed development was analyzed. The proposed apartment complex will have a mix of one, two and three bedroom units with a majority being one bedroom units as detailed in Table Eleven. One bedroom units generate few school age children and consists of 55.5% of all unit types.

**Table Eleven
Bedroom Mix Breakdown**

Unit Type	# Units
One Bed	148
Two Bed	108
Three Bed	14
Total Units	270

To estimate the number of potential school children, we reviewed a detailed database we use containing over 1,000 apartment units¹¹ where enrollment is documented based upon unit type (garden style: bedroom type/market rate). Applying these ratios to the proposed complex, as outlined in Table Twelve results in an estimated 32 school children potentially residing within the proposed project.

**Table Twelve
Comparable School Enrollment Estimates**

	Units	SAC Ratio	Estimated Students
One Beds	148	0.009	1.33
Two Beds	108	0.18	19.44
Three Beds	14	0.812	11.37
Total	270		32

¹¹ Wilmington, Sharon, Hingham, Northborough, Randolph.

School Costs

Given the continued decline in enrollment it is unlikely that additional staff will be required, but to be conservative we will carry the cost of a full time teacher, which can average \$90,000 including benefits. In addition, typically approximately 17% of student enrollments may have special need requirements and costs can average \$20,000 per student. Applying this percentage and cost to the estimated new student enrollment results in a cost of \$120,000 ($.17\% \times 32 \text{ students} \times \$20,000$). Based on these cost assumptions, we have estimated total school costs to equal \$210,000.

FISCAL SUMMARY

Table Thirteen summarizes the fiscal impact from the proposed development, which outlines \$890,684 in annual gross project revenues and a positive fiscal impact of \$559,155. Fougere Planning is not suggesting that budgets should be increased to offset the noted costs, but these findings should be viewed as potential costs and future budget increases will be addressed by Town officials. These “costs” will not be incurred by the Town unless budgetary increases are approved. These costs estimates are very conservative and actual impacts are anticipated to be much less than noted.

Table Thirteen
Estimated Annual Fiscal Impact

Gross Rev. Taxes, Excise Taxes & CPA	\$890,684
Estimated Municipal Costs	
Police	-\$54,908
Fire	-\$46,371
Other Departments	-\$20,250
School Costs	-\$210,000
Total Costs	-\$331,529
Net Annual Positive Fiscal Impact	+\$559,155

Summary of Findings

- The proposed development project will result in a net annual positive fiscal impact of \$559,155 and estimated costs totaling \$331,529.
- Manageable increased emergency call volume will occur to emergency service departments, with police calls increasing 2.8 calls per week and fire department calls increasing .78 calls per week.
- An estimated 32 school age children are anticipated to reside at the Main Street development. Recent data indicates a declining enrollment trend, with overall student population decreasing 14.25% over the last six years.
- Limited measurable impacts are foreseen to other town departments.
- One time building permit fees will generate approximately \$900,000 in revenue.
- One time water and sewer fees are estimated to total \$1,205,820.
- Analysis does not take into account intangible economic benefit of creating market rate housing.