

Mixed-Use Development

22 Everett Street
Westwood, MA

Prepared For:
PP Everett St. LLC



FOUGERE PLANNING & DEVELOPMENT, Inc.
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Mixed-Use Development
PP Everett St. LLC - 22 Everett Street
Westwood, MA

FISCAL IMPACT ANALYSIS
April 13, 2023

I. Introduction

PP Everett St. LLC is proposing vibrant mixed-use development involving residential apartment units and commercial space, replacing a contaminated industrial use. This report is being submitted in support of a MUMFROD Special Permit application which is requesting residential density greater than 15 units per acre and therefore is required to *“submit a fiscal analysis demonstrating that the additional proposed residential units will have no significant negative fiscal impact to the Town.”* The allowed density for the site is 102 units, with an additional 56 units being requested. In support of this application, we offer the following:

The proposed development will consist 158 apartment units and 12,000 square feet of commercial space on a 6.79 acre property. Table One details the apartment unit mix, including 15% of the units being set aside as affordable. All existing improvements will be removed and two four story buildings will be constructed, along with surface and underground parking. On site amenities are proposed including gardens and recreation space. Two existing brooks bypass the property, with portions submerged within pipes. These brooks will be opened to the sky and become a key feature of the property.

Table One
Apartment Unit Types

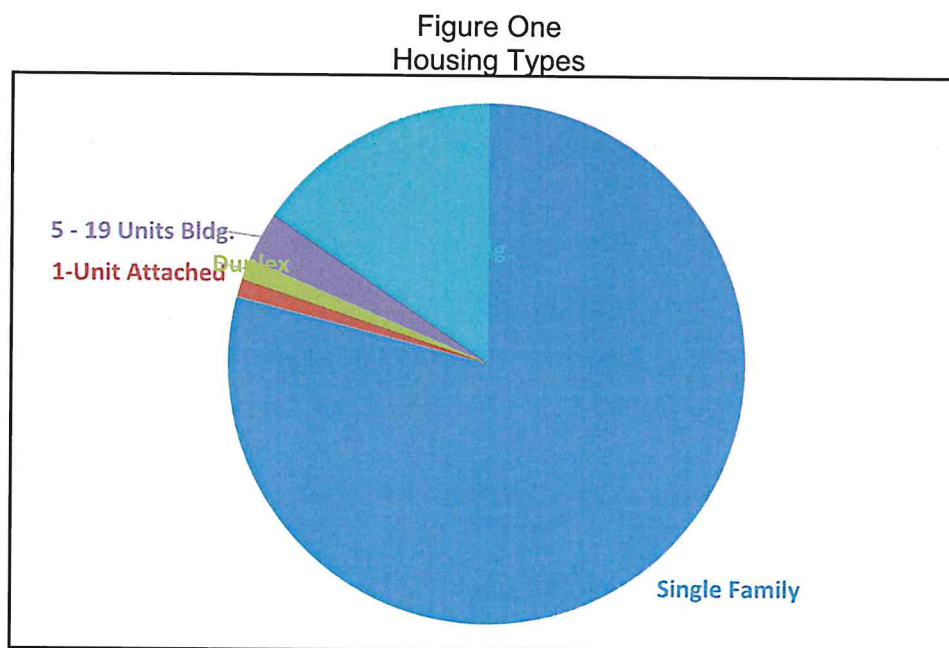
Unit Type	#
One Bed Mkt.	83
One Bed Afford.	15
Two Bed. Mkt.	37
Two Bed Afford.	7
Three Bed Mkt.	14
Three Bed Afford.	2
Total Units	158

It should be noted that this development will be maintained privately and as such all proposed internal drives will be maintained by the owner along with trash disposal, plowing and drainage. Public water and sewer will be provided.

II. Local Trends

Census figures report that from 2000 to 2010 Westwood's population increased from 14,117 to 14,618, showing a 3.5% population growth over the 10 year time period. The 2020 Census reported a population of 16,266, which is an 11.2% increase in population since 2010.

A majority of Westwood's housing stock (78.9%) consists of single family homes, with 2021 American Community Survey data reporting 4,527 single family homes out of a total housing stock of 5,736 units as outlined in Figure One.

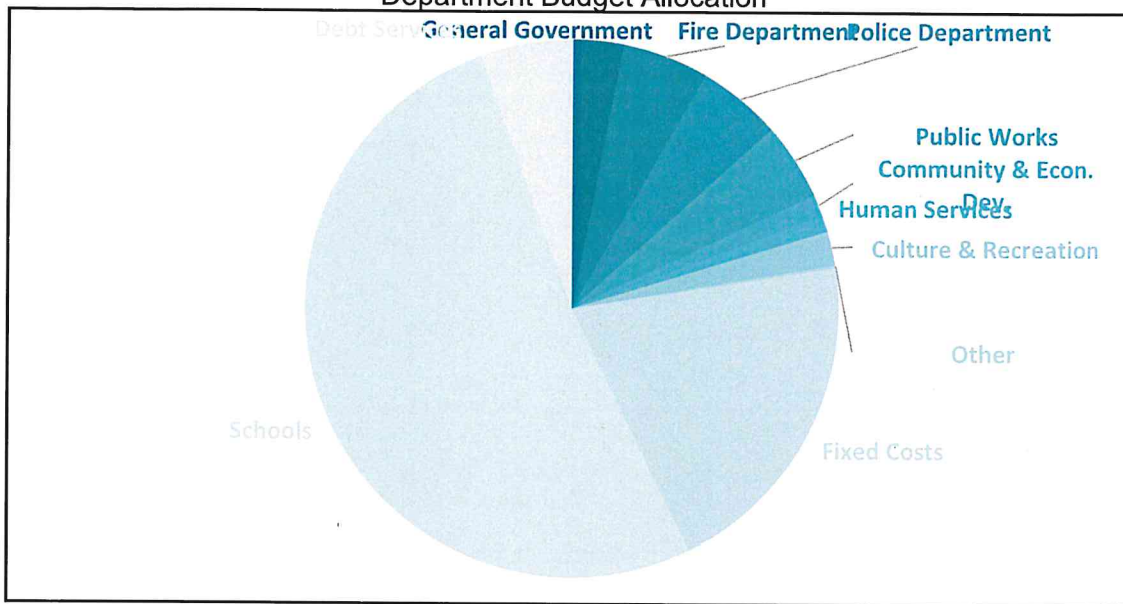


III. Budget History

Westwood's total budget, excluding enterprise funds, for 2023 was \$100,656,000. Schools, Fire and Police departments account for 61.9% of the total budget as outline in 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 measurable impact from the proposed development, they are the primary focus of this Report.

Figure Two
Department Budget Allocation



Fiscal Methodology & Approach

There are a number of methodologies that are 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 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 that the methodology calculates the “average” cost as being the expected cost, which is often not the same as the marginal increase in costs. Thus, costs of a development may be exaggerated, significantly in some instances. For example, if one student is added to a school system, limited marginal cost impacts will occur; however, based on an “average” cost to educate one student the cost would be treated as \$18,000/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 Westwood 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 see negligible if any impacts. In reviewing the potentially impacted town departments specifically, a truer picture of anticipated cost impacts can be determined. This report will use a combination of both methodologies to estimate potential future municipal expenditures.

Given the nature of the contemplated mixed use development, 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 process with the Town. Solid waste generated by new buildings will be removed by a private hauler. Water and wastewater utilities will be paid for through user fees. This report does not intend to infer that no costs will occur as a result of this project. Measurable impacts of the redevelopment are expected to result to a few Town departments, most notably the schools, police and fire departments. Other Town agencies are projected to experience little or no measurable impacts from the new land use.

IV. Local Revenues from Development

A) Property Taxes

Local property taxes provide the bulk of municipal revenues for Westwood, totaling 81.1% of all revenues to the General Fund¹. Westwood has both a residential tax rate (\$14.30) and a commercial tax rate (\$27.63) per \$1,000 of valuation. As this development project is a mixed use development, the residential and commercial rate will be used to estimate future property tax revenues.

To estimate total project value for the proposed project, we reviewed the local market for like properties. The Gables, a 300 40B apartment complex located in a mixed use

¹ Fiscal Year 2024, Town Report.

neighborhood, was used as the primary comparable for the proposed apartments². In addition, based upon recommendations of the Assessing Staff³, the mixed use commercial property located at 282-296 Washington Street was used. Based on this analysis, it is anticipated the proposed mixed use development will generate \$726,793 in annual property taxes as outline in Table Two. The existing properties is assessed \$1,518,000 and generate \$41,942 in annual property tax revenue. The proposed development will increase property tax revenues by \$684,851 or 1,708%.

Table Two
Estimated Yearly Property Tax Revenue

Unit Type	Number	Avg. Assessment	Est. Assessment	Tax Rate	Estimated Tax Revenue
Proposed Apartments	158	\$308,000	\$48,664,000	\$14.30	\$695,895
Mixed Use Bldg. Commercial 288 Wash. St.	12,000	\$93.19	\$1,118,280	\$27.63	\$30,898
Estimated Yearly Taxes					\$726,793
Subject Site		\$1,518,000		\$27.63	\$41,942

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 Town of Westwood received a total of \$3,648,102⁴ from this revenue source. With an estimated average vehicle value of \$15,000, an estimated annual excise tax revenue of \$70,500 has been generated as outlined in Table Three.

Table Three
Motor Vehicle Excise Tax

# Cars ⁵	Avg. Value	Total Value
188	\$15,000	\$2,820,000
\$25/\$1,000		\$70,500

² The Gables average per unit assessment of \$293,217 was increased by 5% to account for the proposed project having a lower percentage of affordable units, as well as three bedroom units which generate greater revenues.

³ We discussed the proposed project with Town Assessor John Curran, who felt the Washington Street property would be the most comparable. In addition, he supported the use of The Gables.

⁴2022 Town Report

⁵ 1 vehicle per one beds, and 1.5 vehicles two/three bed units.

C) Estimated Yearly Project Revenues

The proposed mixed-use development is estimated to generate \$797,293 in local revenues from new property taxes and excise taxes as shown on Table Four.

Table Four
Estimated Yearly Revenue
Estimated Taxes

Residential	\$726,793
Excise Tax	\$70,500
Total Revenue	\$797,293

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

V. 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 police and fire departments, as well as the schools. All onsite maintenance will be addressed by the project owner, including site driveway repairs and trash removal.

A. Department Impacts

Police & Fire

The Police and Fire Departments will experience some increased demand for services from the proposed project. For fiscal year 2023 the Police Department budget was \$5,106,230 and responded to an average of 36,706 (705 week) calls in 2021. The FY23 Fire Department budget was \$5,235,227 and in 2021 responded to 3,656 total calls (70 week), of which 1,761 were ambulance calls.

In order to estimate the potential impact new residential units may have on emergency departments, Fougere Planning reviewed call data from a comparable apartment, The Gables, along with commercial call data⁶. The data was calculated to arrive at an average call ratio per unit, which was then used to generate estimated emergency calls for each Department. 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

⁶ Commercial call data obtained from 1,472,000 square feet of space, Lynnfield Marketplace, Hingham Derby Street, Newton, Shrewsbury and Merrimack, NH.

increase by 99 calls a year/ 1.9 week (31 calls are attributed to the increased density of 56 units, 102 units to 158 units) and annual Fire Department calls (inclusive of EMS calls) are projected to increase by a total of 52 calls annually – 1 week (15 fire/ 37 ambulance) as outlined in Table Five. Of the 52 Fire Department calls, the increased project density is estimated to generate 16 calls.

Table Five
Projected Emergency Service Calls

Apartments	Units	Police Calls	Calls/Unit	Fire Calls	Fire Calls / Unit	EMS Calls	EMS Calls/Unit
The Gables	350	192	0.549	28	0.080	78	0.223
Proposed Apartments	158	87		13		35	
By-right Density	102	56		8		23	
Increased Density	56	31		4		12	
Proposed Commercial	12,000	12		2 (1.3)		2 (1.3)	
TOTAL		99		15		37	

Police Department

We spoke to the Police Chief Silva relative to these findings and he believed they were a reasonable estimation of the potential impact on the department. He believed his Department is equipped to address calls that may be derived from this new use and has no issues with the proposed project. The increased calls by themselves is not overwhelming, but overall growth of calls in the community is adding up. The Chief noted that his Department is at a tipping point given the increased calls for service seen over the last three years, where calls have grown from 29,278 in 2019 to 36,706 in 2021. To address this increased demand for service, the Chief will be requesting 3 additional police officers over the next couple years. With benefits, the average salary with benefits for an experienced police officer is \$125,000.

To account for 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 metric of impact on the Department, this approach was used and results in an estimated annual impact of \$19,008 as detailed in Table Six. 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 new land use in the community. The Chief was comfortable with this cost estimate.

Table Six
Police Department Impact

Department	FY 2023 Budget	⁷ Calls	Cost/call	Est. Calls	Annual Cost
Police	\$5,106,230	26,525	\$192	99	\$19,008

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 \$74,620 as outlined in Table Seven.

Department	FY 2023 Gross Fire Budget	⁷ Avg. Calls Per Year	Cost/cal	Est. Calls	Annual Cost
Fire	\$5,235,227	3,656	\$1,432	52	\$74,620

The Fire Department responded to approximately 1,761 EMS calls⁸ in 2021. The 2021 Town Report outlined that a total of \$959,081 in ambulance revenue was received by the community for an average income of \$544 per call. Based upon an estimated 37 ambulance calls from the proposed development, Westwood is anticipated to receive an average of \$20,128 annually in ambulance revenue. Taking into account this potential annual revenue, generates a net estimate cost of \$54,492 (\$74,620 - \$20,128).

⁷ Average calls last three years, 29,278-33,488-36,706, discounted by 20%; 2021 Town Report.

⁸ 2021 Town Report, Fire Department.

School Department

As noted, the project program will be redevelopment of a former industry site into a mixed use development involving construction of 158 apartment units as well as 12,000 square feet of commercial space. The apartments will include a mix of one, two and three bedroom units, with 15% of the units set aside as affordable. As detailed in Table Eight, the proposed apartment community will consist of a mix of unit types located over non-residential use space.

Table Eight
Apartment Unit Profile

Unit Type	#
One Bed Mkt.	83
One Bed Afford.	15
Two Bed. Mkt.	37
Two Bed Afford.	7
Three Bed Mkt.	14
Three Bed Afford.	2
Total Units	158

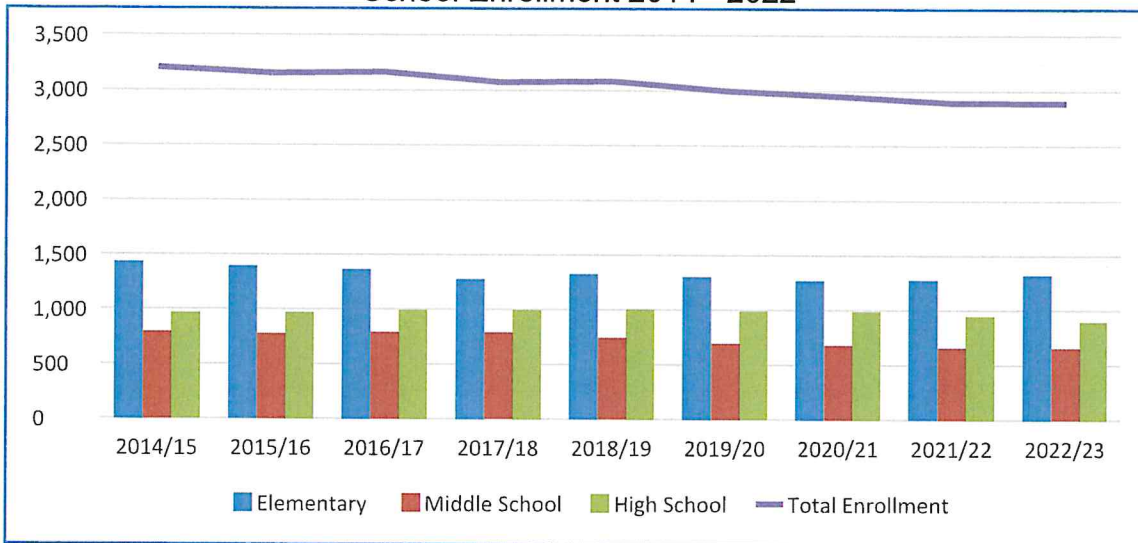
Enrollment Trends

Overall school enrollment in Westwood has declined 9.8% (314) students since 2014 as detailed in Table Nine and Figure Three. The largest decrease has been seen in the middle school (17.1%), followed by equal declines at both the elementary and high schools.

Table Nine
Grade Enrollment Profile: 2014 - 2023

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	% Change
Elementary	1,435	1,396	1,368	1,282	1,329	1,308	1,276	1,280	1,327	-7.53%
Middle School	798	780	795	793	746	698	683	662	661	-17.17%
High School	971	975	999	1,001	1,009	994	993	952	902	-7.11%
Total Enrollment	3,204	3,151	3,162	3,076	3,084	3,000	2,952	2,894	2,890	-9.80%

Figure Three
School Enrollment 2014 - 2022



Estimated School Age Children

To gain an understanding of the potential school related enrollment increase 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 program will have a mix of one, two and three bedroom units with 15% of the total set aside as affordable. One bedroom units generate few SAC and will make up 62% of all unit types outlined above.

To estimate the number of School Age Children, we reviewed our database of over 1,000 40B apartments⁹ where the number of school age children (SAC) is known based on bedroom type and if the unit is market rate or affordable. Based on these data sources, an estimated 26 school age children¹⁰ may reside within the proposed apartment community. It is anticipated that the students will be spread throughout the grade levels.

⁹ 40B apartments complexes located in Wilmington, Sharon, Hingham, Northborough, Randolph.

¹⁰ We also reviewed potential Technical School enrollment at Blue Hills; presently only 6 high school students attend the school which equates to .006% of the total high school enrollment. Given this low percentage, we are not accounting for potential tuition costs for this school.

Table Ten
Estimated School Age Children

Unit Type	#	SAC Ratio	SAC Total
One Bed Mkt.	83	0.009	0.747
One Bed Afford.	15	0.021	0.315
Two Bed. Mkt.	37	0.18	6.66
Two Bed Afford.	7	0.57	3.99
Three Bed Mkt.	14	0.812	11.36
Three Bed Afford.	2	1.19	2.38
Total Units	158	0.161	25.46
Gables ¹¹	350	0.100	35

The redevelopment of the Everett Street property is being proposed under the community's MUMFROD zoning district. As applied to the subject site, 102 units are allowed by right. The project proponent has requested an increase in density greater than 15% and as such requires an applicant to submit "a fiscal analysis demonstrating that the additional proposed residential units will have no significant fiscal impact to the Town". To evaluate the impact of the additional density to the community, we have separated the density based upon what is permitted "as of right" and the estimated school impact related to the additional density requested.

Table Eleven summarizes the number of students (16) estimated from 102 apartments based upon the density allowed by right.

Table Eleven
As of Right Density

Unit Type	#	SAC Ratio	SAC Total
One Bed Mkt.	53	0.009	0.477
One Bed Afford.	10	0.021	0.21
Two Bed. Mkt.	25	0.18	4.5
Two Bed Afford.	4	0.57	2.28
Three Bed Mkt.	9	0.812	7.30
Three Bed Afford.	1	1.19	1.19
Total Units	102	0.157	15.97
Gables	350	0.100	35

¹¹ Enrollment confirmed as of March/23; 5 units are presently vacant; .25 SAC per two bedroom unit.

Table Twelve details the estimated additional number of school age children (9) that may reside within the proposed mixed use development related to the additional 56 units requested.

Table Twelve
Increased Density

Unit Type	#	SAC Ratio	SAC Total
One Bed Mkt.	30	0.009	0.27
One Bed Afford.	5	0.021	0.105
Two Bed. Mkt.	14	0.18	2.52
Two Bed Afford.	2	0.57	1.14
Three Bed Mkt.	4	0.812	3.248
Three Bed Afford.	1	1.19	1.19
Total Units	56	0.151	8.47
Gables	350	0.100	35

To gain an understanding of how the proposed apartment community may impact school services, we discussed the project with Ms. Lemma Jn-baptiste, Director of Finance and Operations for the Westwood Public Schools. The Director noted that the subject lies within the proposed Pine Hill elementary school currently under construction, with a scheduled completion date of February/2024. The new building will have capacity for 560 students with present enrollment estimated to be 426 students. The new building will replace the Deerfield & Hanlon schools. Director Jn-baptiste outlined that enrollment is always a moving target and internal data currently suggests enrollments will be increasing in the elementary grade levels. Given the project site location, Ms. Jn-baptiste did not see any school capacity issues at the new elementary school, nor the need for additional staffing at any grade level. In addition, bussing cost increases are not anticipated. The Director did support recognizing potential special education costs, which encompass approximately 18.9% of the student population¹². Based upon average per pupils SPED costs¹³ of \$40,115 and applying the school district SPED % of 18.9% x 26 students, results in an estimated 5 (4.9) students of the 26 who may require services. This cost is estimated to total \$200,575. In addition, it should be noted that the community receives an average of \$2,078 in per student Chapter 70 aid and should enrollment increase as a result of this project, total Aid may total \$54,028.

¹² Mass. Department of Education, SPED data; FY21 541 students.

¹³ All cost data supplied by Ms. Jn-baptiste.

Mixed Use Corridors

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 multi-family developments located in more residential areas¹⁴. 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 children¹⁵. Key factors associated in non-traditional 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 proposed residential 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. This finding is clearly supported by limited number of students presently residing within The Gables apartment complex. Although we are not amending our SAC estimate for the proposal, we believe it is important to highlight what is occurring

¹⁴ Example: Quinn 35 Shrewsbury, MA 40B apartment complex with commercial; 250 units - 16 SAC.

¹⁵ As reported by John Connery & Associates, along with findings researched by Fougere Planning as well as Barrett Planning Group.

in the marketplace. It is our professional opinion that there will be less than 26 students living within the proposed apartment community.

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. Town building permit fees for residential uses is \$1 per square foot. Based upon preliminary building construction costs, the building permit fee is estimated to generate \$250,000 in revenue.

Public Works

All roads within the development will be private and maintained by project owner. 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 be realized to other town departments and therefore no other costs were analyzed. To be conservative, an \$18,960 cost¹⁶ will be carried to account for potential other impacts.

¹⁶ \$120 per unit to account for potential costs to the Human Services & Culture and Recreation Departments.

VI. Fiscal Summary

Table Thirteen summarizes the fiscal impact from the proposed development, with the project generating over \$787,000 in gross revenues. Taking into consideration potential municipal expenditures of \$292,035, the proposed mixed use community is estimated to have a positive fiscal impact of \$504,258 annually.

Fougere Planning is not suggesting that town budgets be increased to offset the noted costs, but these findings should be viewed as potential costs and the need for future budget increases will be addressed by appropriate Town officials.

Table Thirteen
Estimated Annual Fiscal Impact

Gross Rev. Taxes and Excise Taxes	\$797,293
Estimated Municipal Costs	
Police	-\$19,008
Fire	-\$54,492
Other Dept. Costs	-\$18,960
School Costs	-\$200,575
Total Costs	-\$293,035
Net Annual Positive Fiscal Impact	+\$504,258

Based upon the foregoing analysis, it is our professional opinion that the proposed increase in site density, from 102 units to 158 units, proposed for the subject site will not have a significant negative fiscal impact on the Town as referenced in the MUMFROD Special Permit requirements. Table Fourteen summarizes these findings.

Table Fourteen
Increased Density Summary

Program	Unit	Est. Revenue	Est. Expenses	Fiscal Findings
As of Right Density	102	\$514,692	\$189,108	+\$325,584
Increased Density	56	\$282,576	\$103,824	+\$178,752

Summary of Findings

- The proposed residential component of the development project will result in a *net* annual positive fiscal impact of \$504,258 based upon an anticipated gross revenue of \$797,293 and anticipated costs totaling \$293,035.
- Increased call volume will occur to emergency service departments, with police calls increasing by 99 calls a year (1.9) a week; the Department responded to 36,706 calls in 2021. The fire department calls are estimated to total 52 calls a year (1 per week average); the department responded to a total of 3,656 call in 2021 (70 calls week). EMS revenue is estimated to total \$20,128.
- Impacts on other town departments is anticipated to be minimal. An estimated 26 school children may reside with the complex and no capacity issues exists within the school system. The estimated number of school age children is conservative, given the enrollment presently realized at The Gables.
- Analysis does not take into account intangible economic benefit of creating additional market rate housing units in the community.
- Approximately \$250,000 in building permit fees are anticipated.