FINAL DRAFT

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Fiscal Impact Analysis
University Station
Westwood, Massachusetts

November 8, 2012

1.0 Preface

This report is designed to identify the key fiscal factors and the long term fiscal impacts and benefits associated with a proposal to construct a mixed use development along University Avenue in Westwood, Massachusetts (the Proposal) The approximately 135-acre site currently consists of vacant buildings and cleared land, all formerly a part of the University Avenue Industrial Park. The site has direct access to Rt. 128 (I-95), is within a quarter mile of the I-93/I-95 interchange, and abuts the Rt. 128 MBTA Transit Station.

The applicant, a development team comprised of New England Development, Eastern Real Estate LLC and National Development, has proposed a mixed use development at the site. For the purposes of this analysis, I have assumed that the Proposal consists of the following four general elements: (1) approximately 750,000 square feet of retail/restaurant/grocery store use; (2) 450 luxury rental residences, 200 condominiums and 100 assisted living/memory care units; (3) a 160 room hotel; and (4) 325,000 square feet of Class A office space. A conservative analysis has been applied to the development program in terms of both cost and revenue projections due to the relative scale of development in a small community. Therefore, the Proposal could generate a greater fiscal benefit for the Town than what is being projected in this report. See Table 1 for a summary of the assumed development program:

Table 1. University Station Mixed Use Project–
Development Program

Land Use	Detail
Class A Office Space	325,000 SF.
Hotel	160 rooms
450 Residences	225 one bedroom 225 two bedroom 15% affordable
200 Condominiums	100 one bedroom 100 two bedroom 15% affordable.

100 assisted living/memory care units	
Grocery	140,000 SF
Target	140,000 SF
Restaurants/ Banks	35,000 SF
General Retail	370,000 SF
Small Retail Shops	70,000 SF

2.0 Summary of Methodology

In considering the fiscal impacts of the Proposal, this report divides municipal service costs into two broad categories: (i) education costs and (ii) general service costs (i.e. all non-education costs). General Service costs have been estimated for each component – i.e. office, hotel, retail and residential. As noted in the body of this report, the large majority of the general service costs are related to public safety costs (police and fire services). Education costs have been applied to the 450 rental units and 200 condominiums, but not the assisted living/memory care units (due to the lack of school-age children associated with such developments).

2.1 School-Aged Children Estimate and Education Cost

Education costs are driven by the estimate of net additional school-aged children generated by the Proposal. In this instance, we have assumed a mix of 450 rental residences and 200 condominium units. In terms of the regional experience, condominiums tend to have approximately 10% fewer children when compared to a similarly-sized rental unit. This is primarily due to the fact that a condominium usually has a higher monthly overall cost, and, therefore, acts as a depressant on school-aged children generation rates. However, to ensure a conservative analysis, this report will assume that the slightly higher rental residence rate applies to all 650 residences. Further, while a percentage of school age children in Westwood attend private schools, this report assumes that all children generated by the Proposal will attend public schools. The school-aged children projection method used in this report is linked to comparable multi-family developments in mixed use settings located in nearby communities. Therefore, the reported student numbers for the comparable residential developments have already factored out private school attendance.

No comparable community or development is an exact match but, by identifying key site location factors and communities with similar demographic characteristics, a reasonable level of comparability can be attained. Our analysis requires us to look at communities outside of Westwood since Westwood does not have any multi-family developments that could serve as examples of mixed use projects with a residential component. Accordingly, the school-aged student estimates are based on an analysis of multifamily developments in nearby communities that share some or all of site characteristics of the Proposal - i.e., sites that are visually or operationally linked to a major commercial or mixed use development or area and have walking access to mass transit.

To estimate annual education costs, the actual net school spending per pupil (ANSS), as reported by the Massachusetts Department of Education for 2012, minus state aid for Westwood is applied to the estimated number of new students. The ANSS addresses all costs, including employee benefits. This approach allows for an overall education service cost estimate that reflects current education budget expenditures, together with all education-related costs that are addressed in the municipal operating budget.

2.2 General Service Cost Estimates

For general municipal service costs, I have employed the FY2013 operating budget and included those service categories that will most likely exhibit a measurable additional service cost due to the Proposal. There are operational budget categories that are properly not included in general service costs, such as existing debt payments and municipal services paid by enterprise accounts (which are pre-existing) and water and sewer costs (which are paid through annual user fees). For this report, I have included the following applicable and measurable general service costs: police costs, fire department costs, public works, health department costs, and the portion of ambulance costs not covered by insurance. The traditional public works responsibilities of road maintenance and plowing of existing public roadways will not change. However, since there will be road widening that may increase snow plowing time on site, as well as the possibility of additional landscaping maintenance within the public right of way, an estimate of additional public works costs has been included in this analysis. Items such as trash collection, lighting and snow plowing of internal roadways and parking areas will be the responsibility of the private owner and therefore are not included as a new service cost.

2.3 Revenue Projections

Municipal service and education costs represent only one part of the fiscal equation. To appropriately estimate the annual cost-to-revenue ratio, the estimated revenue stream must also be determined (specifically, the income generated by annual property taxes, and other forms of annual taxation such as excise tax and hotel taxes as applicable). In this instance, I have used multifamily comparables in surrounding, similar communities to arrive at the estimated property tax yield for the residential component. For the commercial elements, I have examined existing comparable hotels and shopping centers on Route 128 and in nearby communities to arrive at an estimate of overall assessed value and tax yield. Note that the comparable shopping center values are expressed as an assessed value per square foot for the total shopping center, and not individual elements, since the individual elements (anchor stores, grocery stores, department stores, and smaller retail space) vary considerably given location and scale within an individual shopping center. For the office component, the developer's estimated rent of $27 per foot is applied to a stabilized income method that is consistent with regional metrics to arrive at an estimated assessed value and tax yield. In addition, a comparison with existing office use in Westwood was conducted to provide additional context and validation of methodology.

I have estimated the annual excise taxes to be paid by the vehicles registered at the new rentals and condominiums, and added this revenue source to the annual property tax estimates. This report also generates an estimated hotel tax based on a 6% room tax. Note: In the future, the Town could elect to enact additional meals taxes to further enhance revenue. The property taxes, hotel tax and excise taxes are combined to generate an estimated aggregate annual revenue stream. This estimated aggregate annual revenue is then compared to the estimated annual total service and education costs to arrive at an overall cost-to-revenue ratio for the Proposal.

2.4 Fiscal Profile

As noted above, this report compares the estimated municipal service costs (both general service costs and education-related costs) with anticipated total annual revenue sources to arrive at an estimated annual cost-to-revenue ratio, or net fiscal profile. The findings are also expressed in terms of current dollars gained or lost per year.

My objective is to provide the Town of Westwood with a clear, fiscally prudent understanding of the long-term fiscal implications of the Proposal. While costs will increase during the construction period, these increased costs will be offset by additional annual revenues originating from increases in assessed values or tax rates and other sources. Accordingly, the most important finding presented in this report is the estimated cost-to-revenue ratio at project stabilization. It provides an estimate of the Proposal's long term fiscal profile. While the ratio will likely vary slightly from year to year, it is the Town's best measure of the long term annual fiscal profile of the University Station Proposal.

3.0 Summary of Findings

- **University Station will generate an annual fiscal benefit of approximately $5,900,000 at stabilization (current dollars). Deducting the approximately $2,000,000 in current property taxes generates a net fiscal benefit of $3,900,000.**

- **University Station will generate approximately $7,525,000 in annual revenues at stabilization and service costs of approximately $1,625,000. The average annual cost-to-revenue ratio is estimated at 0.216 – meaning that, for every dollar of revenue received, approximately 22 cents will be dedicated to paying service costs, and 78 cents will be retained as an annual fiscal benefit.**

- **The annual cost-to-revenue ratio during the estimated seven year construction period through to stabilization in 2020 remains strongly positive at all times.**

- **University Station will generate significant new growth revenues estimated at approximately $258,675,000 over the period of construction. The peak years of new growth revenues are estimated to be 2015 to 2017.**

- **Non-educational municipal costs are primarily related to public safety requirements. Some level of funding to address public safety costs will need to be in place by the opening of the retail component.**

- **The 650 one and two bedroom residences designed as part of University Station will generate approximately 55 students. Some of the new enrollments may appear by the 2015/16 school year. Enrollments will increase gradually over a period of four years so that by the 2018/19 school year all new students will be enrolled.**

- **University Station will significantly increase the tax yield from the commercial tax base, and reverse the long trend of increasing reliance on residential rate payers.**

- **University Station will generate $2,500,000 to $3,000,000 in one time construction related fees during the construction of the Proposal.**

4.0. General Service Costs

To assess the general service costs associated with the Proposal, I have used the FY2013 operating budget estimates, and met with those municipal departments likely to be impacted by the Proposal. Based upon discussions with various department heads, this report concurs that the Proposal will generate a need for additional public employment in the police, fire and health departments. It should be noted that the Proposal is essentially a re-investment and redevelopment of a long standing existing commercial/ industrial area that has seen considerable decline in terms of total assessed value in recent years. No new police or fire districts will be created by University Station and, while the redevelopment will generate a more intense and varied use of the site, the property historically has required significant public safety services. Accordingly, the estimated additional public safety costs associated with the Proposal are "net" costs in that they take into account the previous public safety demands on the site.

As noted in Section 2, Department of Public Works (DPW) costs have been assigned to address snow plowing associated with widened roads and increased landscaping maintenance inside the public right of way. Water and sewer costs will be addressed by enterprise funds which are essentially "pay as you use" funding mechanisms. The Proposal therefore will pay for these services as part of the ordinary course of business in the Town and there will be no associated impact on the Town's operating budget for these services.

4.1 Residential General Service Cost.

To estimate the public safety costs and other potentially relevant general service costs, this report uses the per capita method (PCM) for the residential component. Note that the PCM method simply applied to the public safety budget creates inappropriate service cost estimates for residential uses because these amounts also include responsibilities of the public safety departments with respect to commercial and other non-residential uses. Non-residential public safety costs (i.e., those associated with commercial/ industrial uses, public facilities, institutional uses, and general municipal traffic safety) are significant in all communities and, in many instances, represent the majority of a municipality's public safety obligations. Given these factors, this report uses an adjustment methodology from the *Fiscal Impact Handbook*, by Burchell and Listokin, to arrive at a more equitable estimate of residential service costs. See Appendix 1 for the methodology used to adjust overall public service costs and to arrive at an estimate of those costs only associated with new residential development. As indicated in Appendix 1, depending on the nature of the community, public safety service costs related to residential uses can be 40% to 90% of overall public safety costs. Given that Westwood has a reduced amount of commercial development due to the extensive demolition at the former University Avenue Industrial Park and that the Town is primarily a single family residential community, after discussions with appropriate department heads, this report assigns 80% of current public safety costs to residential uses.

Table 2 illustrates the estimated aggregate general service costs of police and fire services (public safety costs) associated with the residential components of the project – i.e., the proposed 450 rental residences, 200 condominiums, and 100 assisted living/memory care units. The estimated annual DPW costs are not included in Table 2 but will be assigned as part of the commercial general service cost impact. Essentially, and not surprisingly, Table 2 is based on the premise that residential-oriented public safety costs will increase as population increases.

Table 2. General Service Costs - Residential

Department	FY 2013 Budget	Per Capita Cost (1)	Population (2)	Residential Factor (3)	Estimated Annual Cost
Public Safety	$6,169,329	$441	1,200 people	80%	$423,360
Residual Ambulance Costs (4)					$ 32,600
Total					$ 456,000

(1) Based on an estimated population in 2010 of 14,000: U. S. census

(2) The estimated population per unit is 1.6 or approximately 1,200 people for both the residential and assisted living/ memory care units. Note: based on 2010 U. S. Census, town-wide population per unit is

2.8. Accordingly, the estimate of 1.6 for the one and two bedroom units is 57% of the town-wide average which is derived from essentially 3, 4, and 5 bedroom houses.
(3) See explanation above and Appendix 1.
(4) Current total ambulance calls based on Fire Department data are 1,150 per year; or 82 per 1000 people. At this rate the 1200 new generates approximately 100 additional calls for residential. This table also assumes an additional 100 calls for the replacement commercial. Based on discussions with the fire chief, average cost per call is $624, average reimbursement is $461; residual cost is $163 or $32,600 for the 200 additional calls.

As shown in Table 2 above the estimated additional annual general service cost for the *residential component* will be approximately $456,000 (current dollars).

4.2 Commercial General Service Cost.

To estimate the public safety costs and other potentially relevant general service costs for the commercial and hotel components, this report uses a "proportional cost method." As noted above, it is assumed that 80% of all *current* public safety costs are associated with residential uses. This logically leaves 20% to be applied to non-residential land uses. This report assumes that, while the 20% estimate may be applicable to Westwood today, the introduction of a regional shopping center and mixed use development will generate additional public safety costs that are now not present in the community – such as increased fire safety inspections, increased demands on the Town's public safety dispatch service, and permanent additional traffic and police incident demands that may result from the increased cars and visitors to the site. Therefore, to reflect the higher intensity of use associated with the Proposal, this report assumes that, after the completion of University Station, 60% of Westwood's public safety demand will originate from residential uses, while 40% (an increase from the current allocation of 20%) will originate from commercial uses. Accordingly, for the purposes of this report, the commercial service demand estimate is increased from 20% to 40%. This report also addresses the overall public service demand at project stabilization in 2020 and beyond.

To estimate the general service costs associated with the hotel, retail and office components (i.e., commercial components) of the Proposal, it is necessary to estimate the current amount of non-residential building space in the community and the percentage of expansion represented by the Proposal. Based on review of local land use and assessor records, this report estimates that Westwood has approximately 4 million square feet of non-residential space that requires police and fire services (retail, restaurant, industrial, office, private institutional, public buildings, religious buildings, and public schools, but not including recreation areas). Therefore, the current non-residential service cost per foot is approximately 4 million square feet divided by 20% of the public safety budget ($1,233,865) – or approximately 31 cents per square foot. However, as noted above, the Proposal will introduce commercial uses that are more intense in terms of service demand than the previous use of the project area and the actual level of public safety service demand in previous decades is difficult to determine given the changing nature of the previous industrial park and the smaller population of the Town. Therefore, the estimated service cost per square foot for public safety services estimate derived above related to the Proposal has been doubled to 62 cents per foot to provide a conservative

approach given the uncertainty associated with the previous public safety expenditures in the project area.

It is important to take into consideration that the prior use of the site did have a significant demand on public safety services, and this was reflected in the Town's public safety budgets. To better estimate the impact of the proposed new development, this report assigns some level of public safety service demand to the previous industrial/office park, and accounts for this prior demand when estimating the new service costs. Accordingly, this report provides an estimate of the estimated incremental service costs – i.e., those costs that are over and above those service costs that historically were incurred for the site when it was an operational industrial/office park.

It is difficult to determine with precision the prior level of previous service demand for the site since, in many instances during the past two decades; any number of buildings were vacant for long periods of time or had high vacancy rates. Based on a review local of zoning criteria and assuming a relatively low floor to area ratio of 0.25 for the 135 acre site (essentially a land use model of one and two story buildings with surface parking), it is estimated that the community has lost approximately 1,415,000 square feet of total building area due to demolition over the past decade, while the Proposal will add back approximately 1,200,000 square feet of new retail/office/hotel space.

Deducting the total amount of demolished space to address the historic public safety demands at the site would inappropriately minimize the impact of the proposed commercial uses, which have some components (retail) that are of a higher intensity of use than the prior office/industrial park. We can estimate the public safety impacts of the prior development based on a general relationship of vehicular trip generation per square foot for the different uses - i.e., approximately 10-15 trips per 1,000 square feet for a mix of office / industrial use versus an aggregate estimate of 30 to 35 trips per 1,000 for the new office, retail and hotel uses, or a ratio of approximately 2.3 to 1. Accordingly, this report assumes that the service demands of the previous commercial building area (1,415,000 square feet) are equivalent to approximately half of the impact of the approximately 1,200,000 square feet of replacement development, or 600,000 sq ft. This leaves 600,000 sq ft of floor area of the Proposal that generates additional public service demand at an estimated cost of sixty two cents per foot, or $372,000.

Additional commercially-related costs are likely to apply to the Westwood Health Department. Like all municipal health departments, it assesses fees for inspection applications and the actual inspection service. These fees generate the significant majority of revenues that support the department's activities. In the case of Westwood, however, the Proposal will place additional demands on Health Department staff due to the nature of the proposed uses – i.e., a large regional grocery store, a 160 room hotel, and approximately 25,000 square feet of restaurant space. Based upon discussions with Health Department staff, and based upon current staffing levels, the Health Department would not be capable of adequately meeting the service demands of the new uses. Informed by the needs expressed by Health Department staff, it is the position of this report that the new land uses will require at least one additional full time equivalent

health department employee. In is anticipated that the fees collected from the proposed uses will cover the estimated $55,000 to $60,000 of additional costs associated with hiring this additional full time employee. However, an additional Health Department general service cost "factor" of $30,000 is also being added to the Proposal's anticipated service costs. This cost addition essentially represents a hedge to cover potential unforeseen short to mid-term health department costs generated by the Proposal.

As noted earlier, this report contends that the wider roadways will add additional costs for roadway snow plowing. Given that snow plowing cost can fluctuate wildly from year to year, this report assigns a cost of $50,000 as a worst case scenario for extra plowing costs due to roadway widening. Further, the quality of the landscaping along the right of way will be significantly upgraded. It has not yet been determined if the private owners will maintain some or all of the landscaping within the right of way, but, given its importance to the overall image of the mixed use area, this report assumes an additional DPW cost of $20,000 for such landscape maintenance.

Accordingly, the aggregate general service cost for commercial components of the Proposal is $372,000 for public safety costs, $30,000 for Board of Health contingency and $70,000 for the DPW. Further, the increase in police costs will likely require a capital expenditure for one new police cruiser. The estimated annual cost of amortization and maintenance of the new police cruiser is estimated $20,000 annually. Therefore the total commercial related general service cost is $492,000.

Combining the general service costs of the hotel, retail, and office, components ($492,000) with the residential component ($456,000) generates a total annual general service cost of approximately $948,000 (current dollars) at stabilization, of which $828,000 is related to public safety. The public safety cost estimate can translate into 10-11 new positions by 2020 depending on the rank of the new employee added to the public safety staff.

It should be noted that the public safety service cost estimate represents an increase of approximately 13.5% over current public safety service cost levels. While this level of increase would not be anticipated in most suburban communities along the Route 128 corridor that already have a regional retail component as part of their commercial tax base, it is appropriate for Westwood since the hotel, regional shopping center and multi-family housing land uses do not currently exist in the community. While it is true that the previous incarnation of office/industrial uses along University Avenue did require considerable public safety services, as noted, the Proposal does increase the intensity of use in terms of total daily user and resident population.

Given the nature of the proposed uses, and the fact that it takes approximately one year to select and train public safety officers, it has been the regional experience that the Town will need to have some level of additional police and fire personnel by the date of the opening of the shopping center component. The initial public safety needs will include additional traffic management responsibilities, increased ambulance demand, increased fire inspections and, increased patrols and increased dispatch capability due to the larger

day and evening population on site. However, the opening months of the development should not be considered as a long-term indicator of needed public safety service levels. Regional experience has clearly shown that the opening surge of use is most appropriately addressed through the use of public safety special details. While there are various methods of addressing these initial public safety issues, they are more appropriately evaluated and addressed by local officials and possibly as part of a development agreement.

5.0 Education Costs

5.1 Student Projections

As noted in Section 2.1, the projections of educational cost demands associated with the Proposal are based on comparable developments in nearby communities with similar demographic characteristics, with a particular focus on developments that are near public transit and/or a part of a major commercial/residential mixed use development. In some instances, the comparables used in this report have all of the above noted characteristics. The 100 assisted living/memory care units are obviously not included in the determination of student generation rates. Accordingly, the 650 proposed residences are included in this analysis, with 50% being one bedroom and 50% being two bedroom residences; no three bedroom residences are included in the proposed unit mix. It is an established principle of fiscal analysis that one bedroom residences generate no school aged children. With respect to two bedroom residences, due to higher monthly costs, two bedroom condominiums may generate 5% to 10% fewer students per unit than comparable two bedroom rental residences. However, to ensure that the data reflected in this report is conservative, this report has assumed that the student generation rate for all proposed housing is at the higher rental residence rate.

The following tables summarize the data assembled for the residential comparables as presented at the July 26th 2012 department heads meeting. In each instance, based on an introduction from the Westwood School Department the business managers for the school districts in question provided the current student enrollment data. Table 3, below, illustrates the student data with no attempt to adjust for the different percentage of affordable residences, the number of one bedroom units or the presence of three bedroom units.

Table 3. Enrollment Data for Comparable Sites

Comparable	Town	# units	# students	Average/unit
1000		300	26	0.087

Presidents Way 40B	Dedham			
250 Station 40B	Dedham	285(1)	27	0.095
Powder Mill Sq. 40B	Andover	59	9	0.152
Charles River Landing 40B	Needham	350	16	0.046
Avalon Ship Yard 40B	Hingham	240	31	0.129
Avalon Newton 40B	Newton	295(2)	85	0.228
Woodland Station 40B	Newton	250	41	0.164
Oak Grove Village	Melrose	385	26	0.068
River Village (3)	Canton	195	0	0
Total		**2,359**	**261**	**0.11**

(1) Includes 8 three bedroom residences
(2) Includes 60 three bedroom residences
Note: all comparables represent the high end of the rental market in their respective community. Market rents range from $1,800 to $2,300 for one bedroom residences and $2,400 to $3,000 for two bedrooms residences.
(3) River Village has been operational for two years. It is anticipated that in the future it will generate new students (likely a very small amount).

As noted, Table 3 summarizes the assembled student generation data for comparable developments and multifamily developments in economically similar communities and adjacent communities without any attempt to balance differences in unit mix or affordable percentage. Table 4, however, is an "equivalency table" that takes into account the variations in affordable percentages and the number of one bedroom and three bedroom residences in each development. Accordingly, Table 4 illustrates the student generation rate for both market and affordable two bedroom residences – i.e., the only type of student-generating residences that are included in the Proposal. As shown in the table, the average number of students for each two bedroom market rate residence varies from comparable to comparable, while the regional average of 0.40 students per two bedroom affordable residence is used as a constant in all examples. See Appendix 2 for the mathematical methodology used to generate Table 4.

As noted, Table 4 adjusts for the percentage of one bedroom and three bedroom residences present in the unit mix of the comparable projects. Further, it adjusts for the percentage of affordable residences since a number of projects include a 25% affordable component as compared to only 15% for the Proposal. Applying the data set forth in Table 4 to the Proposal's 325 two bedroom residences (276 market rate and 49 affordable

two bedroom residences) generates an equivalency to the Proposal's unit mix, as reflected in the last column of Table 4 below.

Table 4. Comparables and Proposal Equivalency

Comparable	2 bedroom Market rate(students per unit)	2 bedroom Affordable (students per unit)	Proposal Student Equivalency (1)
1000 Presidents Way 40B	0.060	0.40	36
250 Station 40B	0.035	0.40	29
Powder Mill Sq. 40B	0.068	0.40	39
Charles River Landing 40B	0.082	0.40	42
Avalon Ship Yard 40B	0.115	0.40	51
Avalon Newton Highlands 40B	0.148	0.40	60
Woodland Station 40B	0.150	0.40	61
Oak Grove Village	0.079	0.40	41
River Village	0	0	0
Average	**0.082**	**0.40**	**43**

(1) Proposal has 325 two bedroom units, 15% or 49 are affordable and 85% or 276 are market rate.

Table 4 indicates that, by using the averages for all nine comparables, the Proposal would generate 43 school-aged students. This estimate represents a long-term annual average. In reality, student generation fluctuates from year to year in any student enrollment district, whether single family or multi-family. In rental housing, it has been the author's experience that is not uncommon to see an annual fluctuation of 10% in either direction.

At the initial meetings regarding this fiscal report, it has been suggested that Westwood's student projections should be based on communities with similar economic characteristics. Accordingly, while we believe the Dedham, Canton and Melrose comparables are logical and appropriate comparisons, Table 5 below removes said communities from the comparable list.

Table 5. Enrollment Equivalency with Selected Communities

Comparable	2 Bedroom Market rate(students per unit)	2 bedroom Affordable (students per unit)	University Proposal Student Equivalency
Powder Mill Sq. 40B Andover	0.068	0.40	42
Charles River Landing 40B Needham	0.082	0.40	42
Avalon Ship Yard 40B Hingham	0.115	0.40	51
Avalon Newton Highlands 40B Newton	0.148	0.40	60
Woodland Station 40B Newton	0.150	0.40	61
Average	**0.11**	**0.40**	**50**
10% annual range			**55**

(1) Proposal has 325 two bedroom units, 15% or 49 are affordable units and 85% or 276 are market rate.

As shown in Table 5, the number of students projected using the communities with more similar demographic characteristics increases the student projection from 43 (Table 4) to 50. Further, recognizing that student generation rate can fluctuate, in either direction, by 10% per year after stabilization, Table 5 indicates a student estimate of 55. For the purposes of this report, the higher number of estimated students (55) has been employed to estimate education costs. Using 55 students as the estimate of new students at stabilization generates a rate of 0.17 students per unit for the two family component of the Proposal which contains a 15% affordability element.

5.2 Education Cost and Student Enrollment at Stabilization

The basis of this report's estimated annual school cost is the Actual Net School Spending for 2012 (ANSS), as tabulated by the Massachusetts Department of Education for Westwood. Currently, Westwood's ANSS is approximately $13,500. Subtracting state aid of approximately $1,200 per student (a revenue source), Westwood's annual school cost is $12,300 per student (including all benefits**).**

Accordingly, an increase in the number of students by 55 will generate a service cost of approximately $677,000 (current dollars) at stabilization.

For the purposes of this analysis, this report assumes that construction of about half of the residential component will commence within six months of the start of the retail center in 2013. Assuming a normal construction period, it is possible that these residences would be complete and partially occupied by the 2014/15 school year; but the time needed to fully rent the initial residential phase will likely preclude any significant number of students entering the school system until 2015/16 school year. It is assumed that the second residential development phase will be approximately one year or more behind the initial phase. Therefore, enrollment of the majority of estimated new 55 students is not likely to occur until the 2016/17 school year, with full enrollment (55) not occurring until the 2018/19 school year.

Based the regional experience with multi-family student enrollment, approximately 60% of the students expected to be generated by the Proposal, or thirty three (33), will enroll in kindergarten through grade six (6) at various grade levels, or five students per grade level if evenly distributed. The remaining 40%, or twenty (22) students, will enroll in middle to high school grades, or 4 students per grade level, if evenly distributed. Given the nature of multi-family developments, it will be rare to have a student enrolled from kindergarten through to grade 12. It is more likely that enrollment per grade will vary from year to year. While it will take a minimum of five to a more likely seven years from the present date for full enrollments to occur, the partial year-to-year enrollments during the overall construction will likely mirror the mix of elementary and senior grade levels noted above.

5.3 Total Estimated Annual Service Cost

Combining the $948,000 in general service costs noted in Section 4.0 with the $677,000 in school costs of this section generates an estimated annual service cost of $1,625,000 at stabilization (current dollars)

6.0 Municipal Revenue

The Proposal will have three general sources of revenue: property tax, local automotive excise taxes, and local hotel taxes. To address the issue of property taxes from the residential component and the various commercial elements, I have examined regional comparables to arrive at an estimate of assessed-value-per-foot for the Proposal.

Because no multi-family comparables exist in Westwood, the multi-family property tax estimate is based on the average assessed-value-per-unit for the comparable developments noted in Table 6 below i.e. $150,000.

Further, the condominium value estimate assumes an average value of $300,000 for a one bedroom unit and $375,000 for a two bedroom unit, or an average of $337,500 per unit based on the developer's value estimates.

6.1 Residential Assessed Value

Table 6 lists the assessed values (rounded) of the selected comparable residential developments that are most similar to the Proposal – i.e., operationally and visually part of a mixed use development or area.

Table 6. Multi-Family Comparables

Community	Site	Assessed value	Assessed Value per residence
Dedham	250 Station	$38,151,200	$133,700
Dedham	1000 President	$40,318,700	$134,400
Hingham	Avalon Ship Yard	$28,099,300	$117,100
Melrose	Oak Grove Village	$61,622,600	$160,100
Needham	Charles River Landing	$62,966,300	$179,900
Avalon Newton Highlands	Avalon Newton Highlands	$51,732,400	$175,400
Average			**$150,100**

For the purposes of this study, the average assessed value of the comparables noted in Table 6 will be employed, i.e., $150,000. However, it should be noted that four of the five comparables have 25% of the residences designated as affordable housing, while Melrose has only 5%. Accordingly, the assessed values shown above include the lower assessed values of the affordable residences. If the comparable units had a lower (15%) overall affordable percentage of the Proposal, the average assessed value would be somewhat higher. The $150,000 average therefore is likely a conservative number when applied to the Proposal. Applying the $150,000 average assessed value to the 450 rental residences generates an assessed value at stabilization of $67,500,000. Applying the Town's current tax rate yields an estimated annual property tax of $950,400.

The 200 condominiums assessed at the full and fair market average value of $337,500 generate an assessed value of $67,500,000 and an annual tax yield at stabilization of $950,400. Accordingly, the combined rental and condominium components will have an assessed value of approximately $135,000,000 and an annual tax yield of approximately $1,900,800 (current dollars).

6.2 Retail Assessed Value

The 750,000 square foot retail component is divided into four general elements: anchor stores, general retail stores, restaurants and banks, and small retail stores.

While this report has reviewed assessed value information for other commercial centers along or near the Route 128 corridor, it is important to note that not all shopping centers are alike in terms of the mix of store types that comprise the overall development. In many instances this is a result of a market strategy to fill a certain perceived retail niche or market need.

The assessed values for comparables shown in Table 7 represent a variety of established shopping centers that will compete at some level with the Proposal. The Burlington Mall and the South Shore Plaza are more traditional regional centers with large department store anchors and numerous smaller retail outlets. One of the defining characteristics of these regional centers is that the anchor stores have relatively low assessed values due to their low rent rates, while the smaller stores tend to carry a significant portion of the assessed value and tax load. Other centers like Wayside Commons, Legacy Place and the Derby Street Shops are more typical of "lifestyle centers," with a layout and store mix designed to a smaller scale but still having various rent rates for different components.

Table 7, below, summarizes the average assessed values based on current assessor property cards of the comparable shopping centers. Please note: the values represent the assessed values of the *core* or the clearly identifiable uses that comprise the shopping center. In many cases, there are nearby but separate commercial areas immediately adjacent to the core shopping center, but these areas are not included in the table below.

Table 7 Assessed Values Per Square Foot – Comparable Shopping Centers

Community	Site	Assessed value	Value per SF
Burlington	Burlington Mall	$269,700,000	$241
Burlington	Wayside Commons	$ 56,022,000	$265
Dedham	Legacy Place	$ 82,447,000	$203
Hingham	Derby Street Shops	$ 90,545,000	$203
Braintree	South Shore Plaza	$273,000,000	$215
Average			**$224**

As shown above, the average assessed value per square foot of the five comparable commercial centers is $224. Based on the design of the Proposal's retail component and the developer's estimate of likely lease rates, this report has assigned the following assessed values per square foot to the retail elements of the Proposal:

- Anchor Retail - General: $125 per foot
- Anchor Retail - Grocery Store: $125 per foot
- General Retail Stores: $180 per foot

- Restaurant and Bank: $275 per foot
- Small Retail Stores: $225 per foot

Assuming 280,000 sq ft. of anchor general merchandise and grocery stores, 370,000 square feet of general retail stores, 35,000 square feet of restaurant and bank space, and 70,000 square feet of small retail stores at the values noted above, the total assessed value of the retail component of University Station at stabilization will be $126,975,000. The estimated aggregate assessed value per square foot for all retail components is $170 at stabilization. This value is most likely to rise as the retail center matures but, for the purposes of this report, this estimated assessed value per square foot would generate approximately $3,371,186 in annual property taxes (current value) at stabilization of the retail component in 2016.

Due to the size of the Proposal, the overall, aggregate assessed value of $126,975,000 will be higher relative to all other retail centers along Rt. 128 except the two significantly larger traditional regional malls – South Shore Plaza and the Burlington Mall.

6.3 Hotel Assessed Value.

The value of hotels can vary widely depending on the character and condition of the facility. Assuming a hotel with some amount of meeting or function space, but no restaurant, a review of regional values indicates a per room assessed value of at least $80,000. Accordingly, a 160 room hotel would have an assessed value of approximately $12,800,000. This would generate a property tax of approximately $340,000 per year using the commercial tax rate of $26.55.

In addition, the hotel will generate a local room tax. This report assumes a 6% local room tax. Based on an average nightly room fee of $115, a 65% annual occupancy rate, and a 6% local tax, the hotel would generate an additional $262,000 in annual revenues for Westwood. Accordingly the total annual revenue stream generated by the hotel would be approximately $600,000 per year.

6.4 Office Assessed Value

The estimate of assessed value for the 325,000 square feet of proposed first class office space is calculated based on an assumed rent of 27 dollars per foot. A stabilized income method is then applied to this assumed rent that is more consistent with the current regional norm – i.e., a 10% vacancy deduction, a 33% operation and maintenance deduction, a 5% contingency and a capitalization rate of 12%. Based on the above assumptions, the total assessed value of the office component will be $41,900,000, or an assessed value of $129 per square foot. It should be noted for comparison purposes that the office development at 105 Rosemont Rd in Westwood currently has an assessed value of $107 per foot, one of the higher office values in the Town. Based on the above, the 325,000 square foot office component will generate approximately $1,112,445 in annual property taxes at stabilization applying the $26.55 commercial tax rate.

6.5 Assessed Value of the Assisted Living/Memory Care Facility

This component of the development is a state-of-the-art facility that does not exist in Westwood (although senior living with assisted care housing does exist). Further, the exact design of the facility has not been completed at this time. Accordingly, this report reviewed senior/assisted memory facilities in the region and, based on said review, has assumed an assessed value of $160,000 per unit. Accordingly, the 100 unit facility would have an assessed value of $16,000,000 and generate an annual tax based on the current commercial rate of $26.55 of $424,800.

6.6 Total Estimated Assessed Value for University Station

Table 8 combines all of the estimated assessed values and tax yields at stabilization for the various components of the Proposal. Note that the estimated annual tax yield in current dollars includes revenues associated with automobile excise taxes and hotel taxes.

Table 8. Estimated Stabilized Assessed Values and Revenue

Component	Estimated Assessed Value	Estimated Annual Revenue
Rentals(1)	$ 67,500,000	$ 950,400
Condominiums	$ 67,500,000	$ 950,400
Assisted Living/Memory Care	16,000,000	$ 424,800
Retail	$ 126,975,000	$3,371,700
Hotel	$ 12,800,000	$ 340,000
Office	$ 41,900,000	$1,124,445
Total	**$ 332,675,000**	**$7,,161,745**
Excise Taxes (2)		$ 101,700
Hotel Tax (3)		$ 262,000
Annual Revenue		**$7,525,445 ($7,525,000)**

(1) Includes senior housing residences.
(2) Assumes 1,130 registered vehicles on site with an estimated excise tax of $90 per vehicle.
(3) Assumes a 6% room tax.

As indicated above, the estimated annual revenue stream at stabilization will be approximately $7,525,000 (current dollars). The large majority of the revenue stream will be from property taxes and the majority of the property taxes will be generated by the commercial uses (approximately 70%).

7.0 Fiscal Profile

With an annual revenue stream estimated at $7,525,000 at stabilization and an annual service cost of approximately $1,625,000 the Proposal will operate with a positive cost-to-revenue ratio of 0.216 and will generate an annual fiscal benefit, at stabilization, of approximately $5,900,000 (current dollars). Currently, the 135-acre

site generates approximately $2,000,000 per year in taxes. Assuming that current service costs of the cleared site are minimal, the current tax yield can be assumed to be a net annual benefit of $2,000,000. When this value is subtracted from the Proposal's estimated annual fiscal benefit, a *net* fiscal benefit of $3,900,000 (current dollars) can be estimated at stabilization. While this is accurate from a mathematical perspective, it should be noted that, from stabilization onward, the income-generating capacity of University Station, and therefore the taxable value of buildings on a successfully redeveloped site, will over time considerably outpace the underlying land value.

The fiscal profile of the Proposal can also be viewed from the perspective of impact on the Town's tax base. Using the estimates in this report, the Proposal will add a net of $258,675,000 to the Town's overall assessed value, or an increase of slightly more than 7% - i.e., $332,675,000 aggregate estimated assessed value minus $74,000,000 current value divided by total assessed value of approximately $3.6 billion.

Table 9 summarizes the estimated potential impact to the percent of property tax revenue derived from residential and commercial sources assuming project stabilization in 2020 and current dollars. Please see Appendix 3 for details.

Table 9: Estimated Changes to Revenue Sources

	Current Levy	Potential Proposal Impact
% Residential	78%	73%
% Commercial	22%	27%
$ Residential	$43,680,000	$45,158,000
$ Commercial	$12,320,000	$16,382,000

As shown in Table 9 above, the Proposal provides an opportunity to reverse the decades long drift in tax burden towards residential, and particularly the single family homeowner. Both the residential and commercial components of the Proposal will expand the tax base in a fiscally positive manner; however, the net result by stabilization can reverse the decades long slide into increased reliance on the residential tax base.

7.1 The Estimated Fiscal Profile Year by Year 2013 to 2020

The fiscal profile presented in Section 7.0 above addresses the fiscal performance of the Proposal at stabilization and the net fiscal benefit after deducting the current tax yield in current dollar values. However, the Proposal will be constructed over a period of approximately seven (7) years; accordingly, it will take until the tax year 2020 for the Proposal to achieve its stabilized potential. During the seven year construction and rent up period, local assessed values will most likely increase, and therefore property tax yield will also increase. Similarly, costs will increase. However, given the requirement for a balanced local budget, it is assumed that the revenue increase and cost increases will roughly balance. Therefore, the estimated cost-to-revenue ratio presented in this report will remain a valid long-term indicator of the Proposal's fiscal profile, regardless of

changes to revenue or cost. Due to background economic conditions, the cost-to-revenue ratio (fiscal profile) may fluctuate from year to year, but it provides the Town with a sensible and reliable estimate of the overall fiscal performance of the Proposal.

Table 10, below, is not designed to detail local revenue fluctuations or estimate municipal tax rates over the coming seven years or fluctuations in assessed value. Rather, it presents a possible construction schedule and indicates the estimated new growth values associated with the potential construction schedule. The objective is to illustrate the proportion of new growth that can be anticipated in any one year from start-up to stabilization using current dollar values. Accordingly, it is based on an estimate of net new growth of $258,675,000 - i.e., the $332,675,000 estimated total assessed valuation minus the existing land value of $74,000,000.

Table 10. Estimated Revenue Stream During the Construction Period

End of Year	Components	Assessed Value Increase $	Estimated New Growth
2013	33% completion first rental phase construction	5,000,000	*15,000,000*
	35% completion retail center	10,000,000	
2014	100% completion first rental phase construction	15,000,000	
	33% second rental phase	5,000,000	*40,000,000*
	100% completion of retail construction	35,000,000	
2015	Partially stabilized retail center	70,000,000	
	100% Completion second rental phase construction	15,000,000	*61,000,000*
	Stabilized first rental phase.	30,000,000	
	25% Hotel	1,000,000	
2016	Stabilized retail center	100,000,000	
	All Rentals 65% Occupied	55,000,000	
	Hotel 100%	7,000,000	*54,000,000*

	constructed 25% construction condos	7,000,000	
2017	Stabilized retail center All rentals stabilized Hotel stabilized 100% construction condos and assisted living/memory care facility. 25% office constructed	100,000,000 60,000,000 9,000,000 23,000,000 10,000,000	*43,000,000*
2018	Stabilized retail center All rentals stabilized Hotel stabilized Condos stabilized 50% office constructed	100,000,000 60,000,000 9,000,000 42,000,000 20,000,000	*30,000,000*
2019	Stabilized Retail Center All rentals stabilized Hotel stabilized Condos and assisted living/memory care stabilized 100% office constructed and partially occupied	100,000,000 60,000,000 9,000,000 42,000,000 35,000,000	*15,000,000*
End 2020	**Stabilized**		**258,675,000**

Table 10 indicates the large majority of new growth will occur between 2015 and 2018. Further, while it is possible that minor portions of new growth may occur after 2020 depending on market conditions, by the end of year 2020, the large majority of the estimated $258,675,000 in new growth will have been achieved.

The objective of Table 11 below is to illustrate the estimated magnitude of potential fluctuations in the cost-to-revenue ratio during the build-out period, and to determine if there are any periods from 2013 to 2020 where project related fiscal stress may occur. While Table 10 focuses on new growth estimates per year, Table 11 compares the estimated general service and education costs projected by this report to the estimated yearly revenue stream derived from the Proposal. The annual revenue stream shown in Table 11 is consistent with the total revenue estimates of Table 8, but in this instance the revenue stream has been estimated and distributed over a period of years consistent with the assumed construction schedule.

Table 11. Cost-to-Revenue Ratio and Estimated Fiscal Benefit 2013 to 2020

Year	*Estimated Annual Service Cost*	*Estimated Annual Revenue (1)*	*Estimated Annual Revenue*	*Annual Cost to Revenue Ratio*
2013	*0*	*$2,338,000*	*$ 2,338,000*	*NA*
2014	*200,000(2)*	*$2,880,000*	*$ 2,680,000*	*0.07*
2015	*$ 880,000 (3)*	*$3,316,000*	*$ 2,436,000*	*0.27*
2016	*$1,235,000 (4)*	*$4,485,000*	*$ 3,250,000*	*0.28*
2017	*$1,505,000 (5)*	*$5,997,000*	*$4,492,000*	*0.25*
2018	*$1,625,000 (6)*	*$6,552,000*	*$5,927,000*	*0.25*
2019	*$1,625,000*	*$6,950,000*	*$5,325,000*	*0.23*
2020	*$1,625,000*	*$7,525,000 (7)*	*$5,900,000*	*0.21*

(1) Assumes tax value of existing land value ($2,000,000) as part of annual revenue stream.
(2) Assumes $200,000 for initial public safety service cost.
(3) Assumes additional $370,000 for public safety (including $20,000 for police cruiser); $30,000 for health department; educational costs for 17 students or $210,000; and $70,000 for DPW.
(4) Assumes additional $145,000 for public safety (including $20,000 for police cruiser) and17 additional students for total of 34 ($210,000).
(5) Assumes additional $145,000 for public safety (including $20,000 for police cruiser) and 10 additional students ($125,000).
(6) Assumes 9 additional students
(7) For simplicity, the $363,000 annual revenue from other sources was added only for 2020.

As seen in Table 11, the cost-to-revenue ratio associated with the Proposal will not fluctuate in any significant manner. It indicates that at no point during the construction period will the Town experience anything even remotely approaching a negative fiscal impact. The primary reason for this outcome is that the retail center, the highest assessed

value component, is the initial construction and operational element. Its presence as a significant tax generator throughout the construction period ensures the substantially revenue-positive nature of the Proposal. The annual cost-to-revenue ratio essentially reaches a high point four years into construction at 0.28 (still a very positive profile) and then proceeds to adjust to its stabilized position of 0.21 by 2020.

The distribution of costs in Table 11 assumes that there will be a need for additional public safety services to be in place by the time of the opening of the retail center, and shows that the funds to pay for those services can be derived from the revenues collected in 2013 and 2014 if the Town so decides. The Table assumes all public safety costs will be on line by 2017. The school costs (additional students) will commence in 2015 with the enrollment of approximately 17 students (high estimate), and reaching 34 students by 2016. By the fall of 2018, the Proposal's estimated total of 55 students will likely be enrolled distributed though out all grades K through 12, with approximately 60% or 33 students attending grade levels from K-6.

8.0 One Time Fees and New Growth Benefits

The building and associated construction fees, based on the scale of the Proposal and the mix of proposed uses, will generate between $2,500,000 and $3,000,000 over the course of the construction period. The magnitude of the one-time fees will easily cover any of the Town's project review responsibilities. In general terms, these one-time fees can be seen as a short term fiscal benefit to the Town that will augment the increased tax yield from the site during the period of 2013-14 when only minimal Town services would be needed.

9.0 Sensitivity Test.

At the initial meeting with Town department heads in July to discuss the fiscal report, it was requested that this report contain a sensitivity measure. As important background to this sensitivity test, it should be noted that it is possible that service costs may actually be lower than projected, and revenues may increase more than anticipated after stabilization. In that case, the estimated net fiscal benefit presented in this report would increase.

However, for the purposes of this sensitivity analysis, if we assume that public safety costs were to increase by 20% more than what is estimated in this report over the seven year period from start-up to stabilization, the cost increase would add approximately $225,000 to annual service cost. If we assume an additional 20% increase in the number of students from 55 to 66 students, this would increase school costs by approximately $135,000 to $812,000. The combined public safety and education hypothetical cost increase therefore would add $360,000 to total annual service cost. As noted if the revenue projection stayed the same, then the effect would be to reduce the anticipated annual fiscal benefit at stabilization by $360,000 from $5,900,000 to $5,540,000.

Accordingly, Westwood would still be in position to significantly benefit from the Proposal.

We could also assume a 20% decline in estimated tax yield ($1,500,000). The resulting annual revenue at stabilization would decline from approximately $7,525,000 to $6,000,000. The combined effect of cost increases and revenue decline would reduce the estimated annual fiscal benefit in 2020 to approximately $4,050,000. Deducting the current tax yield of $2,000,000, the Proposal would still generate approximately $2,050,000 in net annual revenue above current conditions.

This report finds that the strong positive fiscal nature of the Proposal could weather almost any economic or fiscal downturn, except, perhaps, a severe nationwide economic depression.

The primary reason for the fiscal strength of the Proposal is due to the high value residential and commercial components being proposed, and the fact that the site has very high regional visibility with a very low assessed value in its current state. The Proposal therefore will become a generator of significant new annual revenues, a majority of which will be generated from the commercial tax base.

Appendix 1

The following table was derived from Exhibit 6-4 Typical Impact of Commercial Uses on Various Public Service Categories: *Fiscal Impact Handbook*, by Burchell and Listokin, Chapter 6 Proportional Valuation Fiscal Impact Method.

Service Category	Percent Range	Mid-Point, %
General Government	4 to 6	6
Public Safety	40 to 90	75
Public Works	10 to 20	15
Health and Welfare	1 to 3	2
Recreation and Culture	1 to 3	2

In this report, the public safety category was composed of two categories: police services and fire services. It is important to note that, in the above-referenced table, commercial development is divided into two major categories, with retail uses generating as much as three times the cost per square foot as office/research use, hence the broad percent range. The residential service cost of the broad categories noted above is the residual of the potential commercial cost. As shown above, the mid-point of the cited range is 75%, but this report conservatively applies 80% of the public safety budget to the residential component and 40% to the commercial component rather than the residual 20%.

Note: While the above table was referenced during meetings with Town staff, the division of service costs for residential and commercial uses as reflected in this report was agreed to between the author and the police and fire chiefs.

Appendix 2. Methodology applied to determine student generation rate.

As noted in this report, based on regional data collected over the past two decades, one bedroom residences do not generate school aged students. They may accommodate younger children for a limited period of time, but not school-aged children. While there are very limited number instances where one bedroom residences have generated school-aged children, the percentage is essentially de minimis and proves to be a short lived phenomenon.

Accordingly, to accurately compare the student generation rate of existing multifamily developments with a proposed development, the one bedroom residences need to be removed from the analysis.

In this instance, the methodology detailed below was applied to all comparables but, for the sake of clarity and simplicity, only the example of 1000 Presidents Way in Dedham is addressed. Similar to the Proposal, 1000 Presidents Way is a mixed use neighborhood location. It is visually and operationally with a large mixed use commercial center having excellent access to the regional highway and rail transit system like the Proposal.

- 1000 Presidents Way generates 26 students from 300 total residences, for a gross students-per-unit ratio of 0.087. This value includes the 25% of residences that are affordable.

- 1000 Presidents Way has 120 one bedroom residences that do not generate any students. Therefore the 26 students are generated from 180 units or a gross two bedroom rate of 0.144 students per residence (including the affordable residences).

- Twenty five percent (25%) of the 180 two bedroom residences are affordable units (45). Applying the regional average of 0.40 students per affordable two bedroom residences generates an estimated 18 students from the 45 affordable two bedroom residences. This leaves 8 students (26 minus the 18 students assigned to the affordable residences) to be assigned to the 135 market rate two bedroom residences; (i.e. a rate of 0.06).

- As a comparison, the Proposal has 325 two bedroom residences (senior housing excluded) of which 49 are affordable and 276 are market rate.

- Appling the 1000 Presidents Way existing student generation rates of 0.40 per affordable residence and 0.06 per market rate residences to the Proposal's unit mix (85% market rate and 15% affordable) generates an equivalency estimate 36 students for the Proposal's unit mix.

- In the instance of three bedroom residences being present in the list of comparables (Station 250, Dedham and Avalon Highlands, Newton), the regional student generation averages (0.60 per market three bedroom and 1.0 per

affordable three bedroom) were assigned to the number of three bedroom residences in the existing development and deducted from the total enrollment number reported. Then the process for the removal of one bedroom residences as noted above was performed using the reduced number (i.e., with three bedroom residences removed).

- This report recognizes the reality that, in any given year, a student generation rate from a multifamily development fluctuates. Therefore, to be conservative, this report added a 10%-range factor and uses the high end of the range for fiscal analysis purposes. Therefore, the average student generation rate associated with the comparables shown in this report has been increased by 10% for fiscal analysis purposes.

Appendix 3. Calculations for Change in Levy Percentages.

The following analysis is the background for Table 9.

Commercial Factors:

- *The aggregate assessed value of all commercial and industrial properties in the community is approximately $468,000,000 (including personal property taxes).*

- *The Proposal's commercial components have an estimated assessed value of $197,675,000. This report subtracts 60% of the $74,000,000 current assessed property value or 44 million dollars to arrive at a total net new commercial assessed value of $153,000,000. This net new commercial value will generate, at stabilization, approximately $4,062,000 (current dollars).*

Residential Factors

- *The current total residential assessed value in Westwood is approximately $3,100,000,000.*

- *The Proposal will add a net of $105,000,000 in new assessed value (deducting 30 million in current value for a portion of the site from the projected $135,000,000 of new residential value).*

- *The net new residential value will generate, at stabilization, $1,478,400 (current dollars).*

2020 Implications

- *The current tax levy generates approximately $56,000,000 of which approximately 78% comes from the residential tax base and 22% from the commercial tax base.*

- *At project stabilization, the additional assessed valuation will generate $4,062,000 in additional commercial levy capacity and $1,478,000 in residential capacity. This 275% differential has significant implications regarding the percentage of the levy that can be raised from residential or commercial sources.*

- *Today, the levy generates approximately $43,680,000 from the residential component and $12,320,000 from the commercial component or a ratio of approximately 78% residential and 22 % commercial. If the proposal existed today, the residential component could generate $45,158,000 and the commercial component could generate $16,382,000. Accordingly, the residential to commercial ratio would shift to approximately 73% and the commercial to 27% or a shift of approximately 5% towards the commercial tax base.*