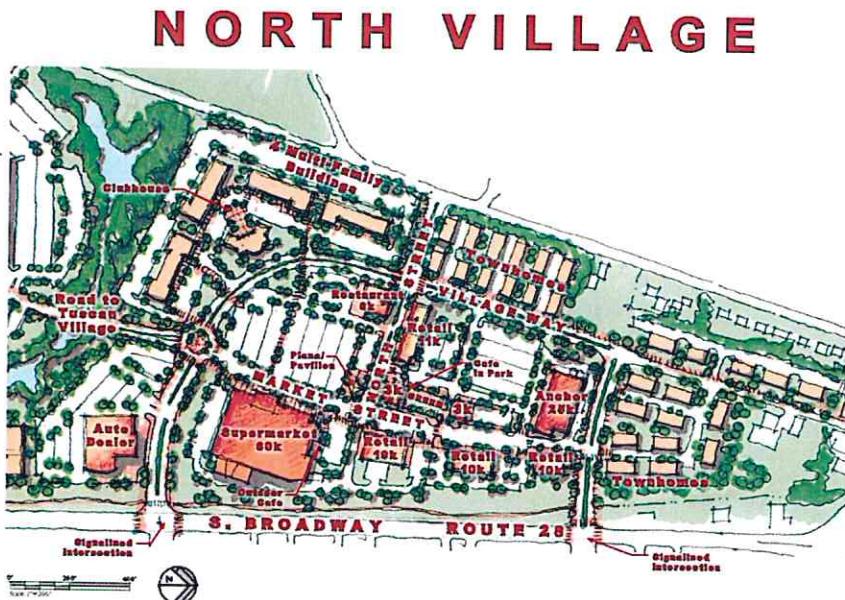


# *Tuscan Village Phase I Fiscal Impact*

*July 20, 2016*

*Prepared for:*

*Salem NH Planning Board  
Prepared By:  
Russell Thibeault  
Applied Economic Research  
Laconia, New Hampshire*



PCA  
Planning, Consulting, Architecture

Tuscan Village Masterplan  
Salem, New Hampshire 03074 06-22-2011



# Conclusions

- The analysis finds that the proposed development will generate a surplus of revenues over and above assigned municipal and school costs; it will not impose an undue fiscal burden on the town;
- The analysis finds the proposed development will not impose an undue, unfunded burden on municipal services in the town, provided the town chooses to deploy some of the significant revenues from the development to address ongoing staffing issues in the police and fire departments, both of which believe they are currently understaffed;
- The development is projected to be assessed for \$127 million, resulting in a net increase of \$120 million after allowing for the current assessment;
- The development is projected to generate \$2.4 million in annual property tax revenues;
- Under the assumptions of this analysis, the development will generate a surplus of revenues over costs totaling about \$440,000 per year;
- The development will pay \$2.16 million in impact fees under Salem's current system;
- Schools have sufficient capacity to accommodate the anticipated enrollment;
- The development will pay significant hook up fees to the sewer and water systems and will pay for offsite improvements required to service the development per the town's zoning ordinance requirements;
- These conclusion is supported by the case studies of similar developments in Lynnfield and Dedham;
- The cost assumptions are very conservative in that all tax- funded municipal and school costs are considered variable—possibly overstating actual costs increases likely to be imposed by 30-40% based on AER's experience;

# Synopsis of Estimated Impact (Exclusive of Sewer and Water Connection Fees—To Be Calculated)

<i>Synopsis of Projected Impact</i>	
	<b>Total</b>
Total Housing Units	350
Local School Enrollment Generated	74
Increase in Assessed Valuation	\$ 120,366,800
<b>Property Tax Impact</b>	
	<b>Total</b>
Additional Property Tax Revenues	\$ 2,435,000
Less: Calculated Additional School Expenses	\$ (1,047,400)
Less: Calculated Additional Municipal Expenses	\$ (947,400)
<b>Net Local Annual Property Tax Impact (Revenue Surplus)</b>	
	<b>\$ 440,200</b>
<i>Estimated One-Time Impact Fees</i>	
	\$ 2,163,200

# About Applied Economic Research

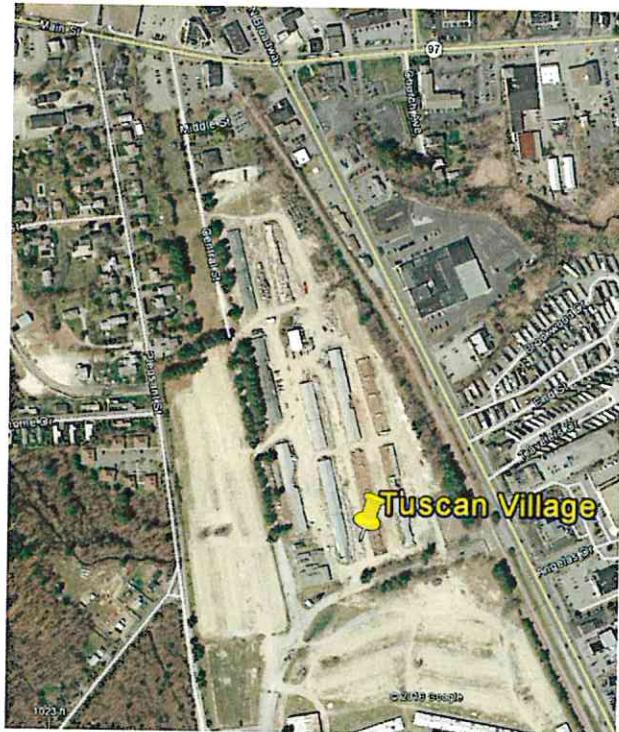
- Established in 1996 by Russ Thibeault;
- Provides economic and real estate consulting to public and private clients;
- Single most extensive economic impact experience in New Hampshire
- Illustrative relevant experience
  - Reviewed economic impact of Mall at Rockingham Park on behalf of the Salem Planning Board;
  - Reviewed economic impact of Merrimack Outlet Center on behalf of Merrimack Planning Board;
  - Prepared economic impact analysis of Portsmouth Sheraton expansion--\$45 million mixed use venture with lodging, retail and residential uses;
  - Prepared Pettengill Road development strategy and impact analysis for Londonderry Planning Board.

# Scope of Analysis

- Purpose: Identify the property tax impact of the proposal;
- Discussed proposal with Salem planning director, public works, school, police and fire representatives;
  - Ross Moldoff, planning director
  - James Chase, Salem Police Department
  - Jeffrey Emanuelson, Salem Fire Department
  - Michael Delahanty, School Superintendent, Salem SAU 57
  - Roy Forenson, Salem Municipal Services
- Case studies of similar developments in Lynnfield and Dedham Massachusetts;
- Examined Salem's cost and revenue structure for town and schools;
- Calibrated and deployed AER's impact model.

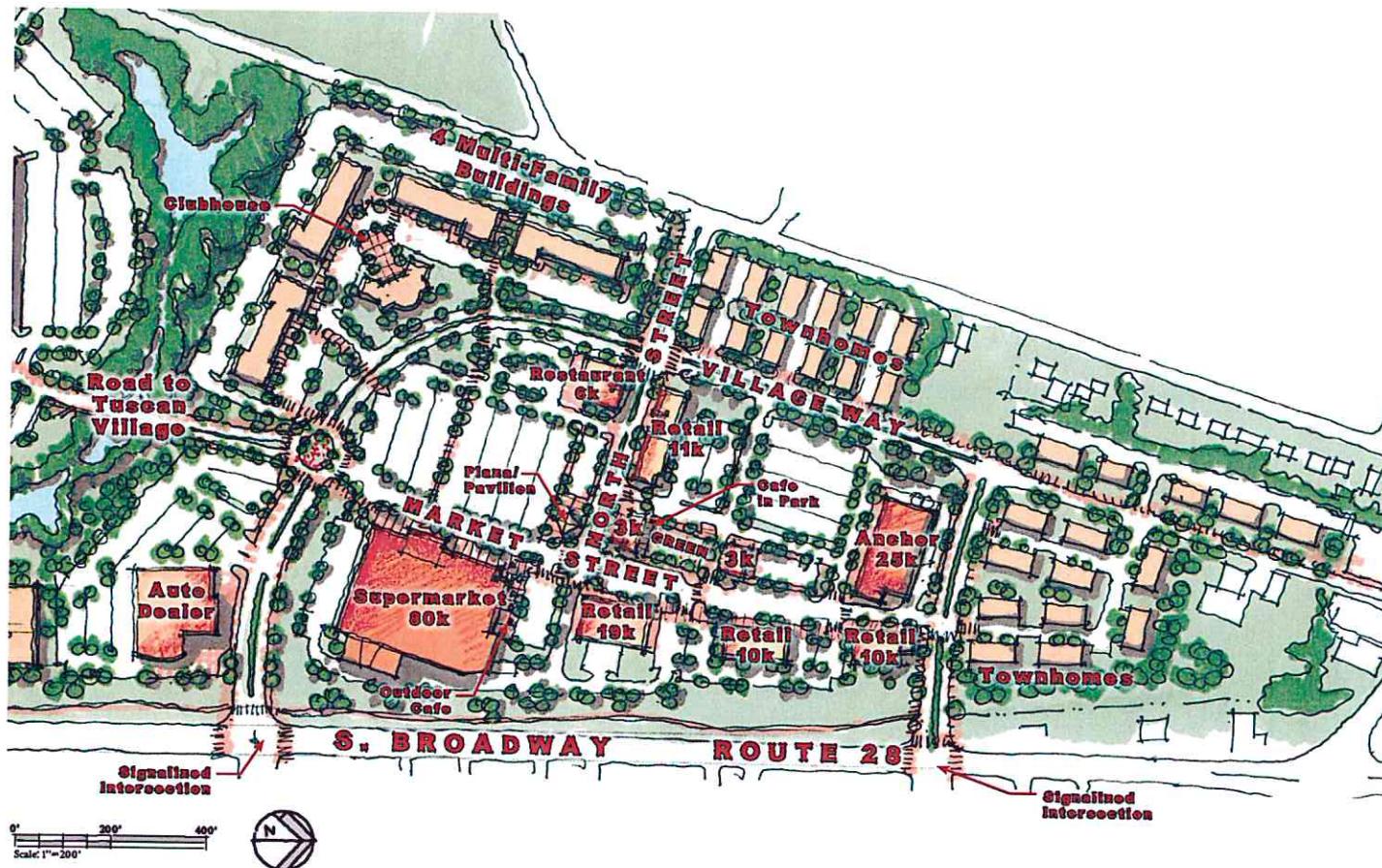
# The Proposed Development

- On northerly portion of Rockingham Track site
- First of what could be a two-phased development;
- On Tax Map 98-12502, 44.27 acres;
- Former paddock area, assessed for \$7,178,800



# Site Plan

## NORTH VILLAGE



Tuscan Village Masterplan  
Salem, New Hampshire

06-28-2016



PCA  
Planning & Architecture  
Engineering

# Proposed Development

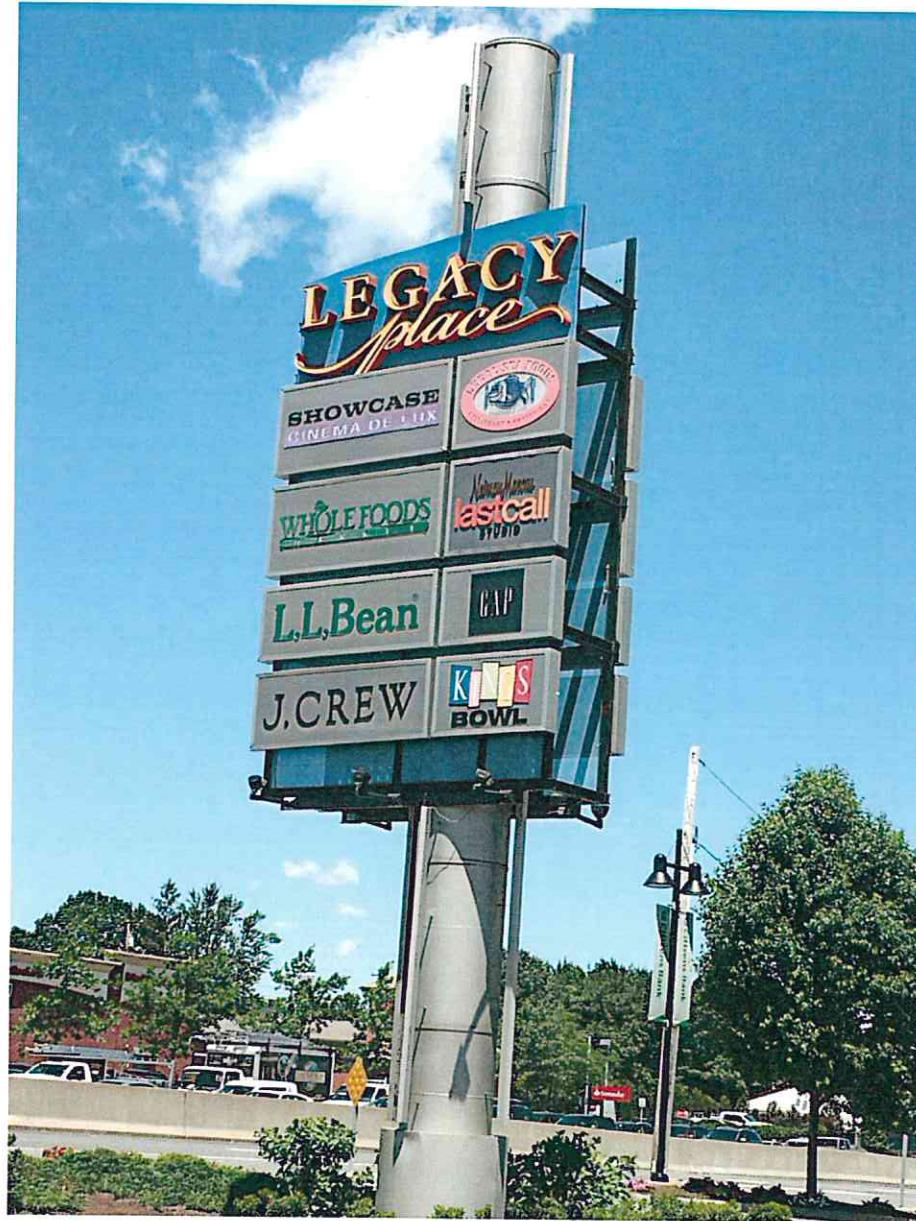
	Units
<b>Townhouse Units</b>	100
<b>Apartments</b>	
Garden Style	<u>250</u>
<b>Commercial/Retail</b>	200,000

# Case Study: Legacy Place, Dedham Ma.

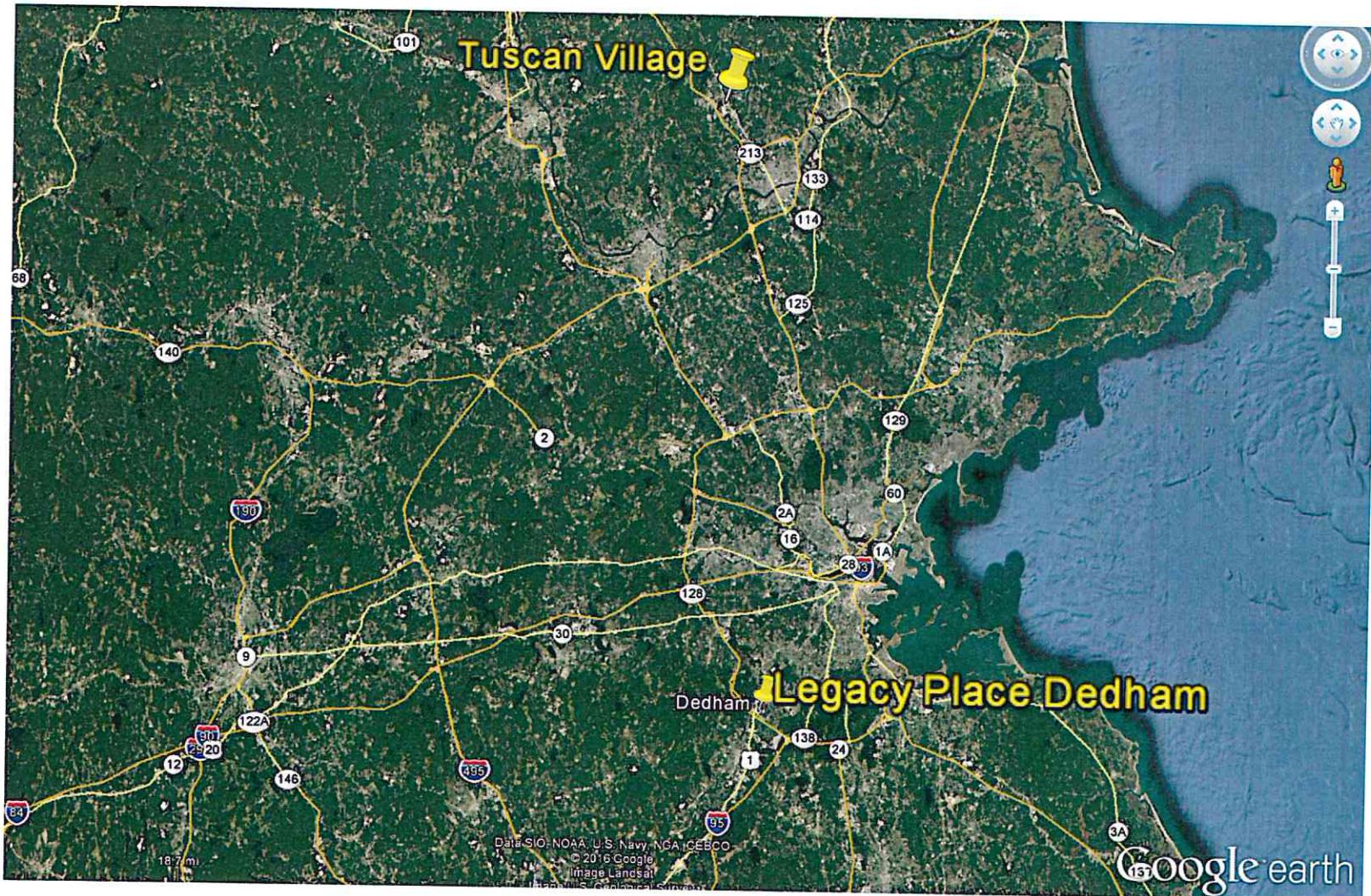
# Is a Suburban Community Not Unlike Salem. Has Small, Traditional Downtown, Several Pre-Existing Malls.

## Dedham, MA Data & Demographics (As of July 1, 2015)

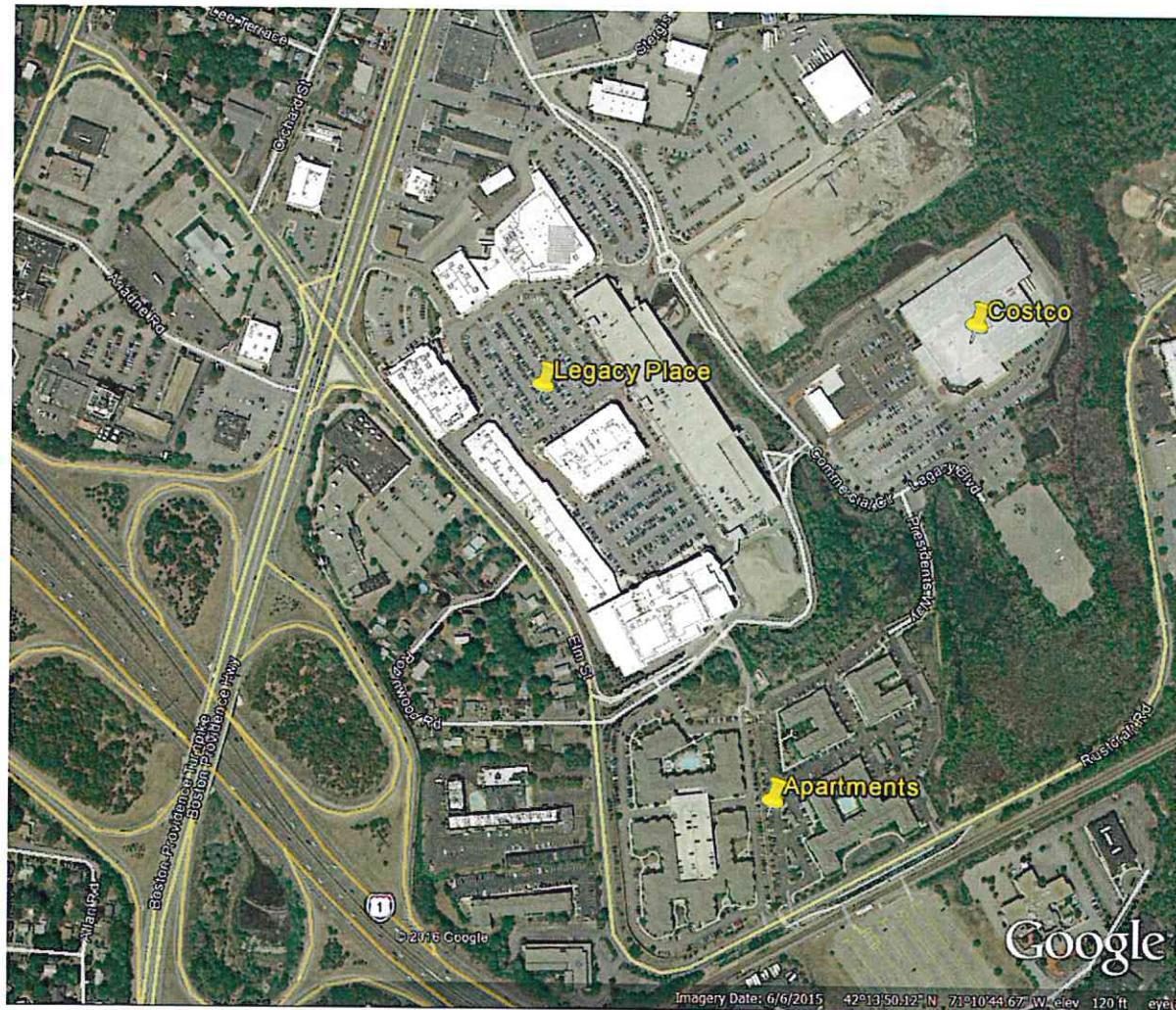
POPULATION		HOUSING	
Total Population	25,374	Total Housing Units	10,440 (100%)
Population in Households	24,261	Owner Occupied HU	7,212 (69.1%)
Population in Families	19,650	Renter Occupied HU	2,759 (26.4%)
Population in Group Qtrs	1,113	Vacant Housing Units	469 ( 4.5%)
Population Density <sup>1</sup>	2,476	Median Home Value	\$411,542
Diversity Index <sup>2</sup>	36	Average Home Value	\$480,089
HOUSEHOLDS		INCOME	
Total Households	9,971	Median Household Income	\$86,214
Average Household Size	2.43	Average Household Income	\$109,453
Family Households	6,453	Per Capita Income	\$43,128
Average Family Size	3		
(Compound Annual Growth Rates)			
GROWTH RATES		2010-2015	2015-2020
Population		0.49%	0.6%
Households		0.62%	0.69%
Families		0.43%	0.58%
Median Household Income			2.83%
Per Capita Income			2.47%

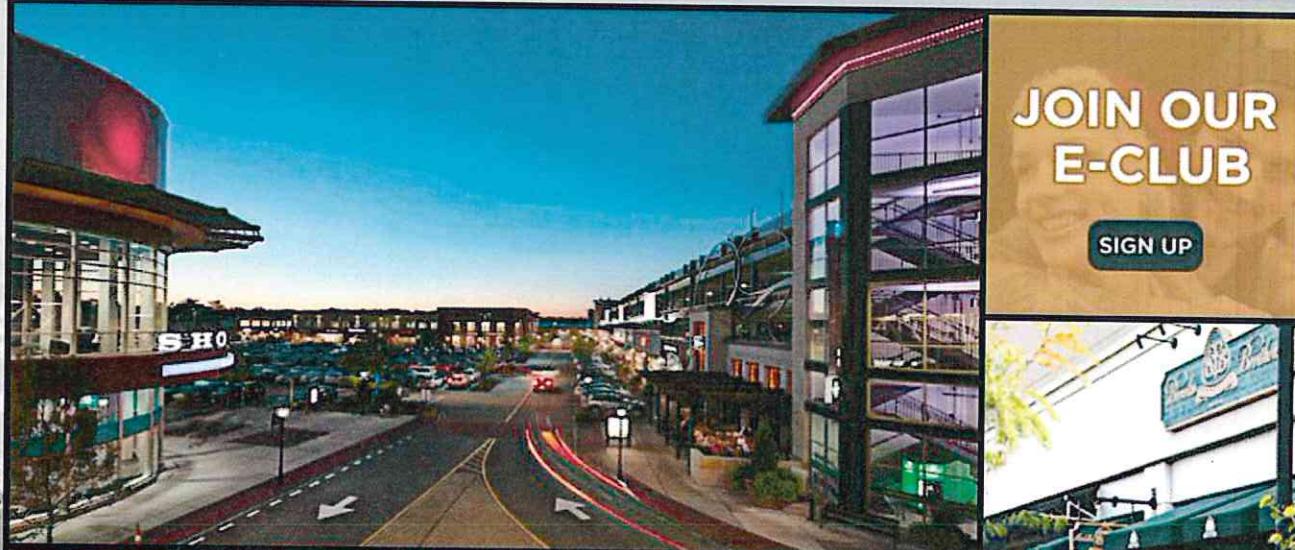


# On South Shore, I-95 and US Route 1



# Immediately Adjacent to I-95 and Route 1





HOURS



DIRECTORY

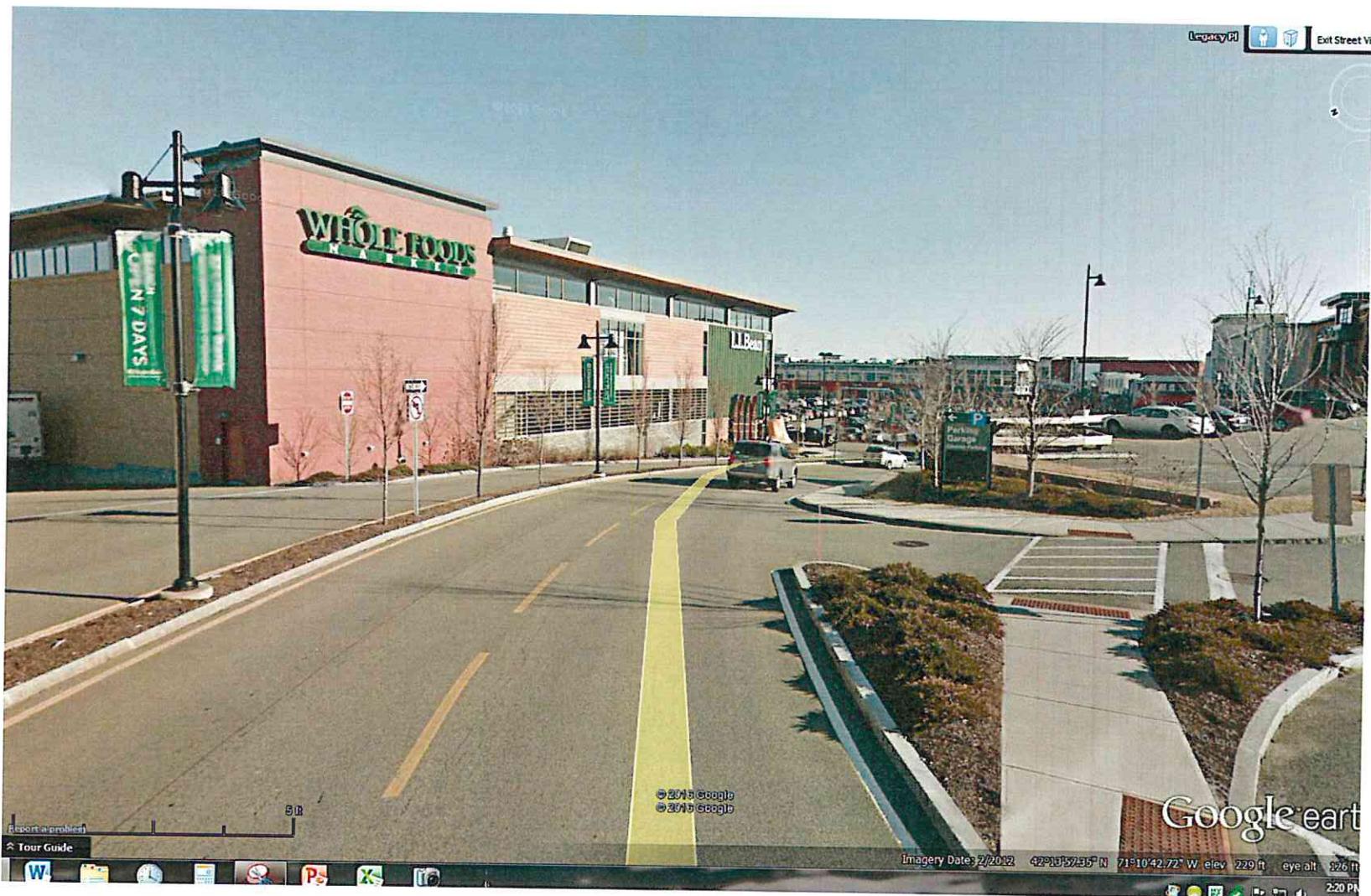


EVENTS



WHOLE FOOD

# Entry from Route 1



# Internal Roadway



# Central Lot View



# Diverse Tenant Mix

## ANCHORS

**250** Citizens Bank  
**600** Kings Bowl & Restaurant **++†**  
**340** L.L.Bean **+**  
**458** Neiman Marcus Last Call Studio **+**  
**690** Showcase Cinema de Lux **+**  
**700** Urban Outfitters  
**300** Whole Foods Market **\*\*\***

**FOR WOMEN**  
**516** Ann Taylor  
**536** Anthropologie  
**540** Athleta  
**532** Banana Republic  
**440** Brooks Brothers Country Club  
**552** Carhartt  
**242** Eddie Bauer  
**212** Express  
**640** Francesca's Collections  
**744** Free People  
**650** GAP  
**206** H&M  
**470** J.Crew  
**450** Johnston & Murphy  
**340** L.L.Bean **+**  
**214** Levi's  
**240** Loft  
**610** Lucky Brand  
**712** lululemon athletica  
**524** Madewell  
**716** Merrell  
**458** Neiman Marcus Last Call Studio **+**  
**504** Oakley  
**420** Orvis **+**  
**208** Roster  
**227** Stil Yoga Studio **+**  
**320** The Paper Store  
**220** UNIQLO  
**700** Urban Outfitters  
**548** Victoria's Secret  
**528** vineyard vines  
**526** White House | Black Market

## FOR CHILDREN

**440** Brooks Brothers Country Club  
**552** Carhartt  
**630** Crazy 8  
**470** crewcuts by J.Crew  
**650** GapKids/babyGap  
**230** Gymboree  
**760** Hanna Andersson **+** Now Open  
**238** Justice  
**340** L.L.Bean **+**  
**716** Merrell  
**208** Roster  
**232** stride rite  
**320** The Paper Store  
**220** UNIQLO  
**528** vineyard vines

**FOR MEN**  
**532** Banana Republic  
**440** Brooks Brothers Country Club  
**552** Carhartt  
**242** Eddie Bauer  
**212** Express  
**650** GAP  
**470** J.Crew  
**450** Johnston & Murphy  
**340** L.L.Bean **+**  
**470** J.Crew  
**450** Johnston & Murphy  
**340** L.L.Bean **+**  
**214** Levi's  
**340** L.L.Bean **+**  
**610** Lucky Brand  
**712** lululemon athletica  
**524** Madewell  
**716** Merrell  
**458** Neiman Marcus Last Call Studio **+**  
**504** Oakley  
**420** Orvis **+**  
**208** Roster  
**227** Stil Yoga Studio **+**  
**320** The Paper Store  
**220** UNIQLO  
**700** Urban Outfitters  
**548** Victoria's Secret  
**340** T-Mobile  
**520** Williams-Sonoma

**ELECTRONICS**  
**508** Apple  
**330** T-Mobile  
**520** Williams-Sonoma

## JEWELRY

**636** Claire's  
**234** Diamond Guild  
**640** Francesca's Collections  
**404** Jared  
**458** Neiman Marcus Last Call Studio **+**  
**620** Pandora  
**320** The Paper Store

**BEAUTY**  
**204** Bath & Body Works  
**748** bluemercury  
**406** SalonCapri  
**512** Sephora  
**752** Top Coat Nail & Spa  
**548** Victoria's Secret

**HEALTH/FITNESS**  
**540** Athleta  
**242** Eddie Bauer  
**650** GAPBody  
**340** L.L.Bean **+**  
**712** lululemon athletica  
**716** Merrell  
**216** Oakley  
**504** Orvis **+**  
**420** Stil Yoga Studio **+**  
**300** Whole Foods Market **\*\*\***

**OPTICAL/SUNGGLASSES**  
**340** L.L.Bean **+**  
**732** Lunette Optic  
**458** Neiman Marcus Last Call Studio **+**  
**504** Oakley  
**420** Orvis **+**

## GIFTS/HOME/TOYS

**536** Anthropologie  
**440** Brooks Brothers Country Club  
**640** Francesca's Collections  
**404** Jared  
**340** L.L.Bean **+**  
**458** Neiman Marcus Last Call Studio **+**  
**420** Orvis **+**  
**728** Paper Source  
**320** The Paper Store  
**544** Sugar Heaven **+**  
**330** T-Mobile  
**740** Teavana  
**700** Urban Outfitters  
**300** Whole Foods Market **\*\*\***   
**520** Williams-Sonoma  
**236** Yankee Candle

**SERVICES**  
**748** bluemercury (Spa)  
**250** Citizens Bank (Full Service)  
**770** Citizens Bank Offices  
**680** Dedham Police Sub Station  
**680** Guest Services  
*presented by Citizens Bank*  
**680** Legacy Place Management  
**732** Lunette Optic – Optometrist  
**406** SalonCapri  
**512** Sephora  
**227** Stil Yoga Studio (Spa) **+**  
**752** Top Coat Nail & Spa  
**V** Valet Service

## SHOES

**532** Banana Republic  
**440** Brooks Brothers Country Club  
**710** Clark's **+**  
**650** GAP  
**450** J.Crew  
**470** Johnston & Murphy  
**340** L.L.Bean  
**220** UNIQLO  
**716** Merrell  
**458** Neiman Marcus Last Call Studio **+**  
**232** stride rite  
**700** Urban Outfitters

**RESTAURANTS/COFFEE/ SPECIALTY FOODS**  
**500** Aquitaine **++**  
**708** b.good **\*\*\***   
**202** Genki **++**  
**704** J.P. Licks **\*\*\***   
**600** Kings Bowl & Restaurant **++†**  
**736** Legal C Bar **++**  
**400** Met Bar & Grill **++†**  
**410** P.F. Chang's China Bistro **\*\*\***  
**756** Qdoba Mexican Grill **++**  
**226** Shake Shack **++**  
**690** Showcase Cinema de Lux **+**  
**544** Sugar Heaven **+**  
**740** Teavana  
**660** Wicked Restaurant and Wine Bar **++**  
**520** Williams-Sonoma  
**300** Whole Foods Market **\*\*\***   
**200** Yard House **\*\*\***

## ENTERTAINMENT

**600** Kings Bowl & Restaurant **++†**  
**340** L.L. Bean Discovery School  
**690** Showcase Cinema de Lux **+**

Sponsored by:

Hours: Mon - Sat: 10am - 9pm Sun 11am - 6pm  
 Hours May Vary, Especially Around Holidays. Visit [www.legacyplace.com](http://www.legacyplace.com) for details

• Restroom • WiFi • Event Space • Seasonal Outdoor Patio • Catering • Coffee

Built in 2009; 483,550 SF of Retail+Parking Garage on 43 Acres  
 Assessed for \$126.3 Million (\$261/SF)-- \$104.8 Million Without  
 Garage(\$217/sf). At \$33.02 Tax Rate, Generates \$4,139,000/Year  
 in Property Tax Revenue

Assessed Value: Legacy Place, 110 Elm Street Map 162\1+

Building	Section	Description	Square Feet	Value	\$/SF	Replacement Cost	At Replacement Cost
1	1 garage		106,717	\$ 13,015,500	\$ 122	\$ 14,461,616	
1	2 garage		406,440	\$ 8,548,200	\$ 21	\$ 9,713,916	
	<i>subtotal: garage</i>		<b>513,157</b>	<b>\$ 21,563,700</b>	<b>\$ 42</b>	<b>\$ 24,175,532</b>	
2	1 shopping center		74,674	\$ 8,351,200	\$ 112	\$ 9,279,133	
3	1 shopping center		66,191	\$ 8,245,100	\$ 125	\$ 9,161,239	
4	1 shopping center		107,827	\$ 15,623,400	\$ 145	\$ 17,359,284	
5	1 shopping center		84,056	\$ 9,749,300	\$ 116	\$ 10,832,593	
	Features	NA		\$ 8,110,700		\$ 8,110,700	
	Theater/Retail*		150,802	\$ 24,841,200	\$ 165	\$ 23,208,158	
	<i>Subtotal Buildings</i>		<b>483,550</b>	<b>\$ 74,920,900</b>	<b>\$ 155</b>	<b>\$ 77,951,107</b>	<b>161.21</b>
			Acres	Assessed Value			
	Land:162/1		26.13	\$ 23,676,400		\$ 23,676,400	
	Land:162/3*		3.09	\$ 2,799,800		\$ 2,799,800	
	Land (parking)150\5		6.97	\$ 2,565,300		\$ 2,565,300	
	Land 150\13		1.98	\$ 48,300		\$ 48,300	
	Land (parking)150\14		0.11	\$ 15,400		\$ 15,400	
	Land 162\44		2.69	\$ 719,000		\$ 719,000	
	Land 149\7		2.12	\$ 52,200		\$ 52,200	
	Total Land		<b>43.09</b>	<b>\$ 29,876,400</b>		<b>\$ 29,876,400</b>	
	Land and Buildings Without Garage		<b>483,550</b>	<b>\$ 104,797,300</b>	<b>\$ 217</b>	<b>\$ 107,827,507</b>	<b>223</b>
	Total: All Elements Including Garage		<b>483,550</b>	<b>\$ 126,361,000</b>	<b>\$ 261</b>	<b>\$ 132,003,039</b>	<b>273</b>

\* Map 162-3, Owned by National Amusements Inc, but on site

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# 600 Apartments on Adjacent Site (Not Legacy Place)— Draw Support From Adjacent Commuter Rail Station and Legacy Place—Built a Few Years Before Legacy Place. Assessed for \$162,000 per Unit



Map	Lot	Address	Units	Year Built	Land Value	Improvement V:	Total Value	Total Value/Unit
163	2	Jefferson at Dedham Station 1000 Presidents Way	300	2005	\$ 6,501,600	\$ 42,163,200	\$ 48,664,800	\$ 162,000
162	4	Avalon Bay 250 Elm Street	297	2007	\$ 5,291,600	\$ 42,930,500	\$ 48,222,100	\$ 162,000

# Public Services: Fire

- 157 calls to Legacy Place last year, 60% medical;
- 94 calls to adjacent 600 apartment units;
- Because development was phased, alarm systems became complicated and overlapping, requiring re-visits and re-installation during fit-up;
- Retail stores store inventory during holiday season, can block rear access;
- Traffic is an issue, partly because abutters limited left hand turns.—only two ways into the site;
- Overall—”They run a great place. We have a great relationship with the manager”
- No upfront exactions or concessions

# Public Services: Police

- 2 to 3% of all calls, =400-600 per year at Legacy, about 1/3 are alarm calls. Similar volume to Dedham mall.
- Parking and internal circulation create fender benders.
- About a dozen arrests/year.
- Not many arrests
  - Have on-site security 24/7 (can't make arrests)
  - Corporate policy for most stores is to not call police for shoplifting
- Developer pays for two officers on-site weekend plus one car;
- Cinema pays for two more officers;
- About 30 calls per month for the 600 apartments
- Holiday traffic is an issue;
- Requested additional officers at time of approval, but none were received;
- Have a small substation on site at developer's expense.

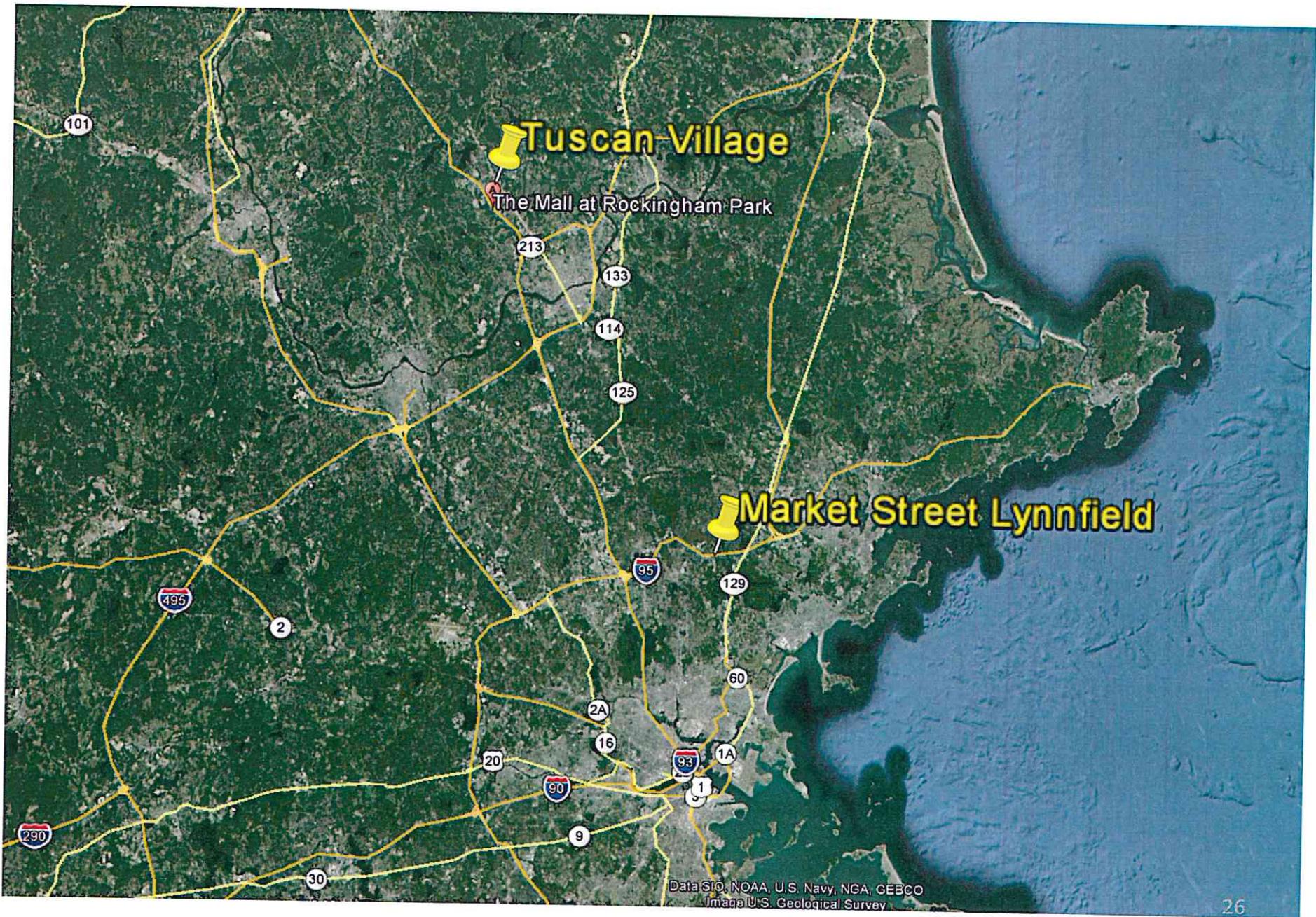
# Public Services: Public Works

- Traffic was a major pre-development concern, but is less of a problem than anticipated.
- Sewer pump station installed by developer, but now town must maintain it (offset by sewer revenues). With many restaurants generates significant flows.
- Road maintenance in winter is accelerated.
- Overall: No major issues.

# General/Approval Concessions

- “Overall a positive Impact”—planning director.
- \$750,000 mitigation fee to the town;
- Developer built sewer pump station;
- Developer upgraded road network;
- Developer replaced Churchill Park ballfield;
- Developer agreed to recruit local residents for jobs;
- Developer undertook significant traffic mitigation;
- \$30,000 to downtown Dedham organization;
- \$15,000 tree program;
- Legacy helps market downtown. Downtown remains healthy;
- Has elevated the quality of neighborhood commercial ;
- Did not hurt Dedham Mall or Dedham Place; May have helped by bringing more shoppers to the area (according to planning director);
- Dedham has a local option meal tax. 30+/- restaurants generate \$2-3 million in meal tax revenues;
- Planning director reports 2,400 jobs on-site including 937 full time and 1,514 part time. Plus 685 more for holiday season—based on Legacy Place manager data;

# Market Street Lynnfield MA Case Study



# Lynnfield is a Small Community with Limited Commercial Development



Historical population		
Year	Pop.	±%
1850	1,723	—
1860	866	-49.7%
1870	818	-5.5%
1880	686	-16.1%
1890	787	+14.7%
1900	888	+12.8%
1910	911	+2.6%
1920	1,165	+27.9%
1930	1,594	+36.8%
1940	2,287	+43.5%
1950	3,927	+71.7%
1960	8,398	+113.9%
1970	10,826	+28.9%
1980	11,267	+4.1%
1990	11,274	+0.1%
2000	11,542	+2.4%
2010	11,596	+0.5%

\* = population estimate.  
Source: United States Census

# Overview

- Opened August 2013
- 333,600 square feet of retail including a 65,000 square foot Whole Foods anchor on 56 acres
- 180 Market rate garden style apartments on 12 acres
- 36 Elderly affordable garden units (LIFE) and 12 Elderly affordable townhouses on 6.7 acres

# Market Street Lynnfield



Site is Former Colonial Country Club,  
Adjacent to Route 128/ I-95



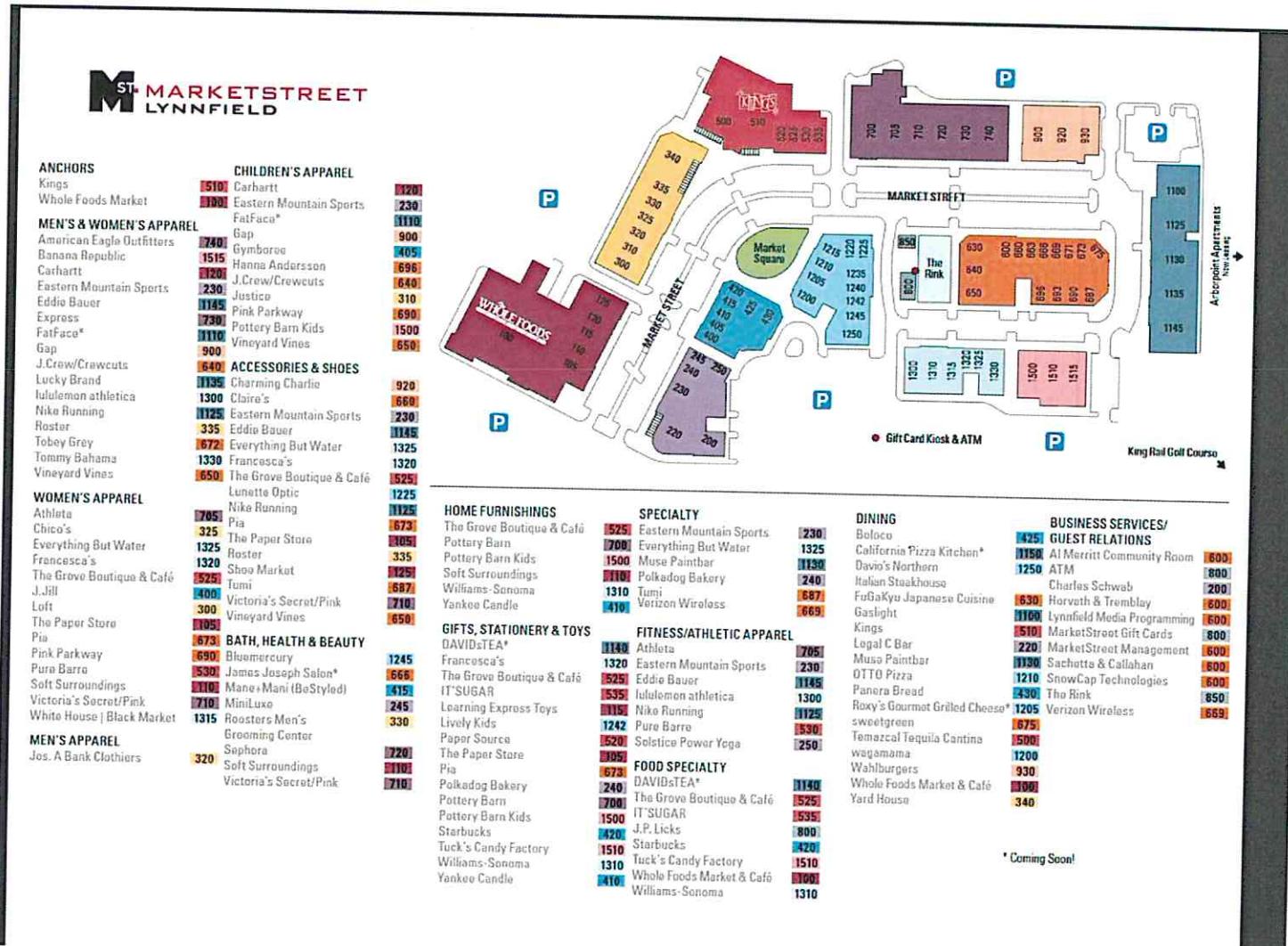
Acquired in Early 2000's Now Developed with Retail and Apartments—Total site area was 150 acres +/-, including golf area



# Site Plan: Site was Rezoned in late 2000s Center Opened August 2013



# Extensive Tenant Mix of National, Regional and Local



# Replicates Sense of a Downtown— Life Style Center







# Play Area/Skating Rink



# 180 Apartments Market Rate Garden Apartments





# 36 Garden Style Elderly Units With Restricted Occupancy



# 12 Townhouse Elderly Units With Restricted Occupancy



# Total Assessment= \$191.8 Million

## Taxes Paid Total \$3.4 Million

	Land Value		Building Value		Assessment	Square Feet		Assessed Value/SF	Taxes Paid
	Total	Assessed	Total	Assessed		Total	Assessed		
Retail Center	\$ 22,978,200	\$ 127,386,000	\$ 150,334,200	\$ 333,600	\$ 451	\$ 2,781,183			
<hr/>									
	Land Value		Building Value		Assessment		Total		Assessment
Market Rate Apartments	\$ 8,100,000	\$ 23,184,500	\$ 31,303,800		180	\$ 173,910	\$ 473,313		
LIFE Units	\$ 622,900	\$ 9,588,400	\$ 10,211,300		48	\$ 212,735	\$ 154,395		
Subtotal: Residential	\$ 8,722,900	\$ 32,772,900	\$ 41,515,100		228	\$ 386,645	\$ 627,708		
<b>Total Development</b>	<b>\$ 31,701,100</b>	<b>\$ 160,158,900</b>	<b>\$ 191,849,300</b>			<b>\$ 387,096</b>	<b>\$ 3,408,891</b>		

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# Services/Issues

- Public Works
  - Water and sewer provided by adjacent community (sewer) and water (State water authority);
- Fire
  - Fire—have two stations. No additional personnel required specifically for the station. Biggest issue is traffic backs up on market street. Chief reports average of one call a day for fire/ems services;
- Police
  - Police no major issues reported
    - Report average of one call per day, defective alarm calls most frequent, Plus 69 calls per year for accidents.
- Largest issue overall is traffic backup due to lack of distance between off ramps and entrance to the development
- Generally a favorable impact—residents said to appreciate the mix of retail, restaurant space.

# Concessions, Etc.

- Donated approximately 103 acres, former golf course with seven holes remaining, to the town, now opened as a nine hole municipal course;
  - Considered a major contribution, other concessions not sought by town
- Donated 6.7 acres to town for LIFE apartments;
- Paid \$50,000 for traffic mitigation
- Provide building space for small on-site police station;
- State made improvements to I-95 ramps
- Hire at owner's expense three off-duty police officers for on-site patrol on weekends, plus two officers hired for two clubs/lounges;
- Donated 3,500 square foot community room available for group meetings.
- Paid town's cost of development review;
- Agreed to 30 year continued rental status of apartments
- Common area is used by town residents

# Salem Municipal Service Impacts

# Local Observations: Police

Salem NH Police	2013-2015		
YEAR	2013	2014	2015
<b>Total Calls for Service</b>	33,968	35,211	45,091
<b>Mall at Rockingham Park</b>	<b>1,089</b>	<b>1,229</b>	<b>1,048</b>
<i>Percentage of Total Calls</i>	3.50%	3.50%	2.40%
Calls for Service to this address	2013	2014	2015
Carlton OAKS	95	63	62
Lancelot Court Apartments	291	304	284
Home Depot	161	93	87
Lowe's	95	81	64
Wal-Mart	311	277	292
Old Rockingham Mall	311	335	362

# Estimated Tuscan Police Call Volume

Estimated Annual Police Calls			
	Annual Calls	Square Feet	Calls per 1,000 SF
Salem: Mall at Rockingham Park (Fire+EMS)	1,122	1,200,000	0.94
Salem: Other Retail (Home Depot, Lowe's, Wal Mart)	1,461	471,525	3.10
Dedham: Legacy Place	500	483,500	1.03
<b>Total/Average</b>	<b>3,083</b>	<b>2,155,025</b>	<b>1.43</b>

Apartments			
	Calls	Units	Calls per 100 Units
Salem: Carlton Oaks	73	112	65.00
Dedham: Avalon and President's Way	360	600	60.00
<b>Total/Average</b>	<b>433</b>	<b>712</b>	<b>60.81</b>

Estimated Annual Call Volume Tuscan Village			
	Calls per 1000 SF	Square Feet	Estimated Calls
Retail	1.5	200,000	300
Apartments	80	350	227
<b>Total Estimated Annual Calls</b>			<b>527</b>
Total Calls For Service 2015			45,091
Tuscan Village % of Total			1.2%

- Salem police are concerned that current staffing levels are below desired levels and that additional service requirements could be a burden. The additional costs of service imposed by this development are accounted for in the allocated municipal costs in this analysis—and as part of the \$2.4 million in additional revenue the development will bring to the town ( see slides 61 and 63).
- Case study communities have hired weekend police patrols at their expense—the need for this should be evaluated as part of the ongoing review of this development—possibly in conjunction with any other development proposed on adjacent land.

# Local Observations: Fire

Salem NH Fire 2013-2015

YEAR	2013	2014	2015
Total Incidents	4553	4990	5170
Mall @ Rock Park			
Fire Responses	66	81	61
EMS Responses	133	127	106
Total Responses	199	208	167
Percentage of Total Calls	4.40%	4.20%	3.20%

Calls for Service By Address	2013	2014	2015
Carlton Oaks	18	16	22
Lancelot Court Apartments	82	79	93
Home Depot	4	9	6
Lowe's	8	9	9
Wal Mart	17	24	33
Old Rockingham Mall	26	40	83

Calls to Rockingham Mall average about 200 per year or .16 per Thousand square feet. At this rate Tuscan would generate 32 calls per Year.

Calls to Carlton average about 20 per year or .17 calls per unit. At that Rate, Tuscan's 350 units would generate 60 calls per year.

The Salem Fire Chief reports the department is operating with the same staffing as in 1970, with 77% more calls for service. This development will Sufficient revenue to supplement current staffing of the department.

# Estimated Tuscan Fire Call Volume

## Estimated Annual Fire Calls

### Retail

	Annual Calls	Square Feet	Calls per 1,000 SF
Salem: Mall at Rockingham Park (Fire+EMS)	191	1,200,000	0.16
Salem: Other Retail (Home Depot, Lowe's, Wal Mart)	40	471,500	0.08
Dedham: Legacy Place	157	483,500	0.32
<b>Total/Average</b>	<b>388</b>	<b>2,155,000</b>	<b>0.18</b>

### Apartments

	Calls	Units	Calls per 100 Units
Salem: Carlton Oaks	16	112	14.29
Dedham: Avalon and President's Way	94	600	15.67
<b>Total/Average</b>	<b>110</b>	<b>712</b>	<b>15.45</b>

### Estimated Annual Call Volume Tuscan Village

	Calls per 1000 SF	Square Feet	Estimated Calls
Retail (Per Dedham Place)	0.32	200,000	64
	Calls per 100 Units	Units	Estimated Calls
Apartments	17	350	60
<b>Total Estimated Annual Calls</b>			<b>124</b>

C:\Users\Russ\Documents\salem tuscan village mark hebert\[estimated police and fire calls.xlsx]Sheet1

# Service Impact: Public Works/Municipal Services/Traffic

- Per Zoning Section 490-710D(1)(b), developer is required to mitigate negative impacts on traffic, public utilities, municipal services and natural resources;
- Analysis by public works department remains preliminary, but off-site sewer, water and drainage issues are emerging;
- Salem has adopted impact fees for schools, recreation and traffic, which this developer will pay;
- Salem has adopted connection fees for sewer and water, which this developer will pay;
- Average cost methodology, employed herein, fully accounts for ongoing municipal and school operating costs as well as debt service costs.

# Local Observations: Schools

- Town's impact fee analysis prepared by Bruce Mayberry in 2014 anticipates reports declining enrollment projections overall, for middle and high schools—stable enrollment projected for elementary schools;
- School superintendent concurs that AER's estimated enrollment projection, based on Mayberry analysis is reasonable;
- Development will pay significant impact fees to account for capacity costs imposed by the development;
- Additional operating expenses will be covered by the property taxes Tuscan Village generates.

# Estimated Fiscal Impact

# Fiscal Background

## Municipal Data Inputs

	<b>FY 2015</b>
Tax Rate for Municipal Functions	\$ 7.15
Local Education Rate	\$ 10.65
Subtotal: Town/Local School Tax Rate	\$ 17.80
State Education Rate	\$ 2.43
<b>Total Tax Rate without County</b>	<b>\$ 20.23</b>

**Town Web Site 2015 Rates**

Assessed Valuation	\$ 3,948,473,772	
Equalization Rate	94.9%	<b>Town Web Site 2015 Rate</b>
Total Equalized Valuation	\$ 4,160,667,831	Calculated

	<b>2015 Fall Enrollment</b>	NH Dept of Educ
Elementary+Kindergarten	1,551	NH Dept of Educ
Middle School Enrollment	892	NH Dept of Educ
High School Enrollment (9-12)	1,206	NH Dept of Educ
<b>Total School Enrollment</b>	<b>3,649</b>	NH Dept of Educ

Total Municipal Property Tax Levy	\$ 28,231,587
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	Total	Per Student
Local Property Tax School Levy	\$ 42,051,246	\$ 11,524
State Education Property Tax Levy	\$ 9,594,791	\$ 2,629
<b>Total Local/State School Levy</b>	<b>\$ 51,646,037</b>	<b>\$ 14,153</b>

## **Assessment (Land and Buildings)**

Residential As % of Total Assessed Value	68.3%	NH Emp. Security Community Profile-2015
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# Calculated Municipal Costs

## *Estimated per Unit Municipal Costs Funded by Property Tax*

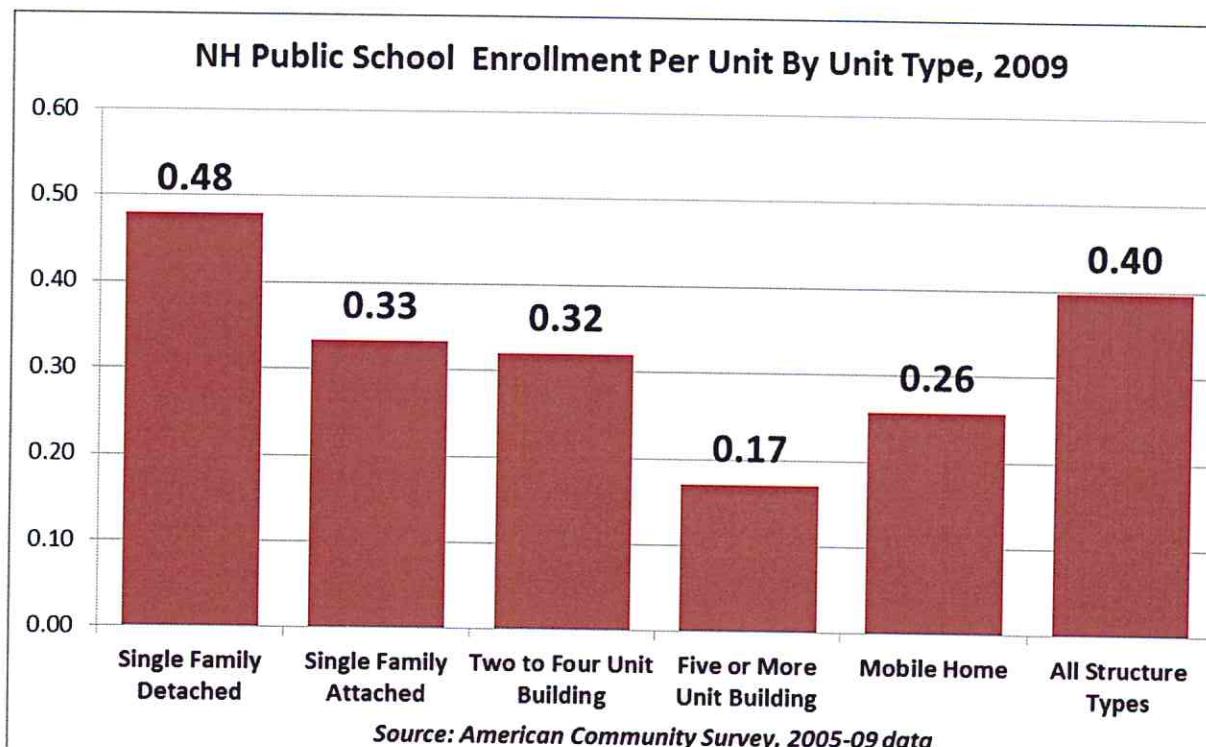
### Residential Unit Costs

Total Spending on Municipal Functions Funded By Property	\$ 28,231,587
Tax	68% Based on Assessed Value
% Attributable to Residential	
Amount Attributable to Residential	19,282,174
Total Occupied Housing Units	11,093 ACS 2010-14
Cost per Unit: Municipal Functions	\$ 1,738
Allowance for Multi Family	
Total Units	350
Allocated Costs	\$ 608,000

### Retail/Office/Commercial

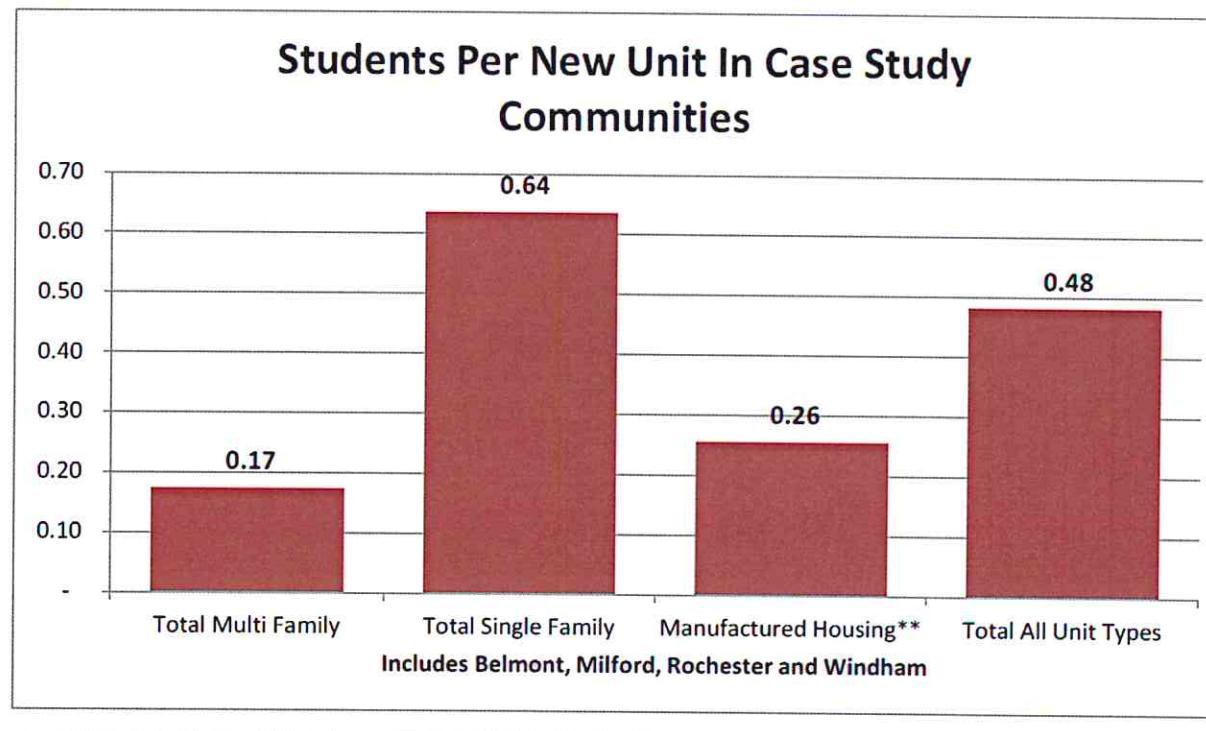
Estimated Tuscan Village Commercial Assessment	\$ 47,450,000 (equalized)
City Total Assessed Value	\$ 3,948,473,772
Salem Tax Base % Nonresidential	32%
\$ Nonresidential Tax Base	\$ 1,251,666,186
Tuscan Village Share of Non Residential Tax Base	3.8%
Municipal Portion of Tax Rate	\$ 7.15
Total Appropriation for Commercial Functions	\$ 8,949,000
Tuscan Village Costs	3.8%
Tuscan Village Costs	\$ 339,000
Combined Municipal Costs: Residential and Commercial	\$ 947,000

# School Generation: NHHFA 2009 Study, Based on Census Data



# School Generation: NHHFA 2009 Study

## Based on Sample of New Development Case Studies



# Salem School Generation: BCM Consulting Impact Fee Basis

**Table 3: Enrollment Ratios Applied in School Fee Update**

Type of Structure	Avg Public School Enrollment Per Household		
	Elementary and Middle	High School	Total Public Schools
Single Family Detached	0.2740	0.1593	0.4333
Single Family Att. (Townhouse)	0.1571	0.0857	0.2428
Duplex or Condex	0.2006	0.1301	0.3307
Multfamily 3+ Units	0.1386	0.0606	0.1992
Manufactured Housing	0.1139	0.0626	0.1765

# Estimated School Generation

Estimated School Generation Per BCM Impact Ratios in Impact Fee Analysis

	Units	School Generation per Unit*	Students Generated
Townhouse Units			
Townhouse Units	100	0.24	24
Multi Family Units			
Not Age Restricted	250	0.20	50
Total	350		74

\* Source: BCM, 2014, Page 20

	% of Current Enrollment	Students
Elementary+Kindergarten	43%	31
Middle	24%	18
High School	33%	24
Total	100%	74

Note: Actual enrollment will probably be lower due to developer's mix of units with significant 1-bedroom inventory

# Comparable Assessments

## Comparative Assessments

		Style	Map	Lot	Assessment	Square Feet	Assessment per Square Foot
<b>Commercial</b>							
Mall at Rockingham Park (1991)*	1 Mall Road, Salem	Mall	116	7884	\$ 166,074,300	555,715	\$ 299
Market Street	Market Street Lynnfield	Life Style Center	50	395	\$ 150,334,200	333,600	\$ 451
110 Elm Street Dedham**	Legacy Place	Life Style Center	162 1 plus		\$ 126,361,000	483,550	\$ 261
			<i>Total/Average</i>		<i>\$ 442,769,500</i>	<i>1,372,865</i>	<i>323</i>

		Style	Map	Lot	Assessment	Units	Assessment per Unit
<b>Residential Apartments</b>							
Market Street Apartments (2013)	Walnut Street Lynnfield	Garden Apartments	45	1525	\$ 31,303,800	180	\$ 173,910
Kensington Close Apartments	47 Technology Drive, Bedford	Garden Apartments	35	32	\$ 13,067,500	100	\$ 130,675
Avalon Bay (Built 2007)	250 Elm Street, Dedham	Garden Apartments	162	4	\$ 48,222,100	300	\$ 160,740
Jefferson Apartments (built 2005)	1000 Presidents Way, Dedham	Garden Apartments	163	2	\$ 48,664,800	297	\$ 163,855
			<i>Total/Average</i>		<i>\$ 141,258,200</i>	<i>877</i>	<i>161,070</i>

		Style	Sale Date	Feet	Sale Price		Sale Price/SF
<b>Residential Condominiums</b>							
Hadleigh Woods, Windham	6	Townhouse	11/9/2015	2,381	\$ 329,900		\$ 139
Village at Town Center, Salem	28	Attached Condo	2/3/2015	1,588	\$ 337,000		\$ 212
Braemoor Commons, Salem	201	Garden	8/3/2015	1,770	\$ 338,900		\$ 191
Village at Town Center, Salem	19	Attached Condo	4/1/2016	1,936	\$ 329,000		\$ 170
Braemoor Commons, Salem	300	Garden	3/4/2016	1,770	\$ 348,900		\$ 197
Braemoor Commons, Salem	401	Garden	2/4/2016	1,770	\$ 368,900		\$ 208
			<i>Average</i>		<i>\$ 342,100</i>	<i>Average</i>	<i>\$ 186</i>

	Amount	Building Area	Per Square Foot
Replacement Cost Buildings	\$ 140,843,855	555,715	\$ 253
Less: Depreciation	\$ (28,168,755)	555,715	\$ (51)
Depreciated Building Value	\$ 112,675,100	555,715	\$ 203
Land Value	\$ 50,568,400	555,715	\$ 91
<b>Total Without Parking Deck</b>	<b>\$ 163,243,500</b>	<b>555,715</b>	<b>\$ 294</b>
Parking Deck	\$ 2,730,800	555,715	\$ 5
<b>Total With Parking Garage</b>	<b>\$ 166,074,300</b>	<b>555,715</b>	<b>\$ 299</b>
Market Street Dedham Without Garage	\$ 104,797,300	483,550	\$ 217

\* Mall Area; Includes parking deck

\*\*Includes Parking Garage

# Projected Assessed Value

	Units	Average Size: Gross Building Area	Total Square Feet	Market Value/SF	Estimated Market Value	Market Value per Unit
<b>Townhouse Units</b>	100	2,400	240,000	\$ 185	\$ 44,400,000	\$ 444,000
<b>Apartments</b>					<b>Value per Unit</b>	
Garden Style	250		-	\$ 160,000	\$ 40,000,000	\$ 160,000
<b>Subtotal: Apartments</b>	<b>250</b>		-		<b>\$ 40,000,000</b>	<b>\$ 160,000</b>
<b>Total Residential</b>					<b>84,400,000</b>	
		Market Value/SF, Including				
		Square Feet Land		Market Value		
<b>Commercial/Retail</b>	200,000	\$ 250	\$ 50,000,000		\$ 50,000,000	
<b>Total Market Value</b>					<b>\$ 134,400,000</b>	
<b>Equalization Rate</b>						<b>0.949</b>
<b>Projected Assessed Value</b>					<b>\$ 127,545,600</b>	

# Projected Property Tax Revenues

Anticipated Assessment	\$ 127,545,600
Less: Current Assessment	\$ (7,178,800)
Net Increase In Assessed Value	\$ 120,366,800
Local Tax Rate for Town Functions	\$ 7.15
Local Tax Rate for School Functions	\$ 10.65
State Education Tax Rate Rate	\$ 2.43
Total Property Tax Rate Excluding County	\$ 20.23
Property Tax Revenue Increase	\$ 2,435,020
<b>Total Revenue Increase</b>	<b>\$ 2,435,000</b>

# Projected School Costs

Students Generated	74
Less: Current Students	0
Net Enrollment Change	74
Cost per Student	\$ 14,153
<b><i>Total Property Tax Funded School Expense</i></b>	<b>\$ 1,047,400</b>

# Projected Municipal Expenses

## *Residential*

Units Proposed	350
Less: Current Units	0
Net Change in Units	350
Municipal Cost per Residential Unit	\$ 1,738
<i>Total Property Tax Funded Munic. Expense: Residential</i>	<u>\$ 608,400</u>
<i>Total Municipal Costs Allocated</i>	<u>\$ 339,000</u>
	<u><b>\$ 947,400</b></u>

## *Retail*

# Impact Fees

## Estimated One-Time Impact Fees: Tuscan Village

Per Unit Fees						
	Units	Recreation	Traffic	Schools	Total Fee/Unit	Total Fees
Residential						
Townhouse Units	100	\$ 830	\$ 869	\$ 2,878	\$ 4,577	\$ 457,700
Multi Family Units (3+ Units)	250	\$ 659	\$ 995	\$ 2,792	\$ 4,446	\$ 1,111,500
<b>Total Residential</b>	<b>350</b>					<b>\$ 1,569,200</b>
Per Square Foot						
Traffic						
Non Residential	Square Feet					
Supermarket	80,000		\$ 3.57		\$ 3.57	\$ 285,600
Shopping Center	120,000		\$ 2.57		\$ 2.57	\$ 308,400
<b>Total Non Residential</b>	<b>120,000</b>					<b>\$ 594,000</b>
<b>Total Fees</b>						<b>\$ 2,163,200</b>

# Synopsis of Impacts

<i>Synopsis of Projected Impact</i>	
	<b>Total</b>
Total Housing Units	350
Local School Enrollment Generated	74
Increase in Assessed Valuation	\$ 120,366,800
 <b>Property Tax Impact</b>	
Additional Property Tax Revenues	\$ 2,435,000
Less: Calculated Additional School Expenses	\$ (1,047,400)
Less: Calculated Additional Municipal Expenses	\$ (947,400)
 <b>Net Local Annual Property Tax Impact (Revenue Surplus)</b>	
Surplus)	\$ 440,200
 <i>Estimated One-Time Impact Fees</i>	
	\$ 2,163,200