

FISCAL IMPACT ANALYSIS

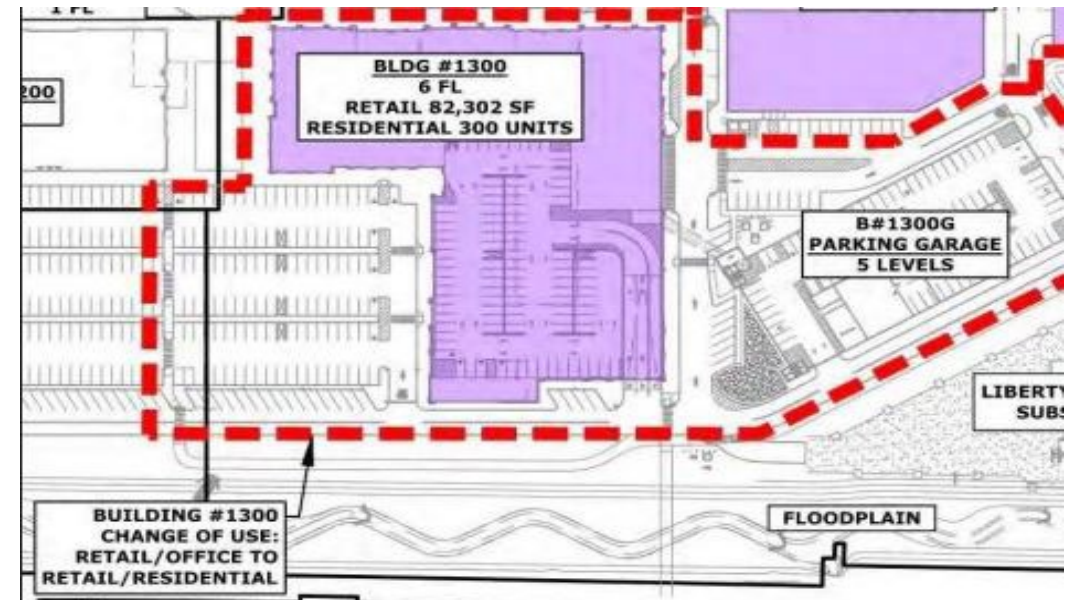
TUSCAN VILLAGE MASTER PLAN UPDATE 2.0 SALEM, NEW HAMPSHIRE

August 22, 2023



FISCAL IMPACT ANALYSIS

- Analyze the metrics associated with a re-positioning of the land uses and development program, as currently proposed for the Tuscan Village Development relative to the Previous Plan.
- Net addition of 279 residential units = 336,160 SF
- Net addition of 398,629 SF of commercial use
- A net increase of 524 parking spaces
- Includes Building #1300 – to transition from 2- story to 6-story with 300 residential units



APPROACH TO THE ANALYSIS

Revenues

- Property Taxes – estimation of assessed valuation of the property, as fully built and stabilized.
- Consideration of property taxes relative to prior plan.

Municipal Expenditures

- Town Service Costs – estimation of average costs to provide essential Town services specifically including Police, Fire and Other services.
- Town Outreach – vetting of this approach and associated costs with appropriate Town Officials and/or Department Heads.

Education Costs

- Estimation of potential additional students into the public schools from the residential component and associated student costs.

Other

- Note specific concerns and issues as raised by Town Safety Departments

DEVELOPMENT VALUATION AND GROSS (UNADJUSTED) TAXES

Tuscan Village Plan 2..0 (as revised)	Residential	Non-Residential	Combined
Units or SF	279	398,629	734,789
Valuation	\$76,070,000	\$105,629,065	\$181,699,065
Parking Elements	\$11,927,174	\$1,062,586	\$12,989,760
Total Valuation	\$87,997,174	\$106,691,651	\$194,688,825
Unadjusted Taxes			
Town of Salem	\$447,026	\$541,994	\$989,019
Local Education	\$801,654	\$971,961	\$1,773,615

MUNICIPAL SERVICES COSTS

Tuscan Village Plan 2..0 (as revised)	Per Household	Per FTE
General Government	\$114.22	\$21.48
DPW - Municipal Services	\$130.76	\$24.59
Police Department	\$326.79	\$317.04
Fire Department	\$608.12	\$117.41
Total	\$1,179.89	\$480.52
Tuscan Village Plan 2.0	(\$329,189)	(\$419,978)

TOWN COSTS CONSIDERATIONS

- Plan 2.0 FTE employment = $874 \times \$480.32$ per FTE employee = Town costs of \$419,978.
- From the Previous Plan there is a reduction of 301,217 SF of office and medical office uses = reduction of 1,305 FTE employees.
- 1,305 FTE employees X Town costs of \$480.32 per FTE employee = \$627,020 in “savings” from the Previous Plan.
- Town costs of \$419,978 + savings of \$627,020 = **net** savings of \$207,042.

COSTS FOR LOCAL EDUCATION AND RECONCILIATION

- **265** units (stabilized) X 0.0656 students per unit (SAC metric) = **18** new students.
- 18 students X cost of \$7,520 per student = Local Education costs of \$135,360.
- Local Education tax receipts of \$1.77M – costs of \$135,360 = net impact for Local Education of **\$1.64M.**

FISCAL IMPACT RECONCILIATION – TOWN OF SALEM, NH

Tuscan Village Plan 2..0 (<i>as revised</i>)	Fiscal Impact Reconciliation - Town of Salem, NH		
	Residential	Non-Residential	Combined
Units or SF	279	398,629	734,789
Total Valuation	\$87,997,174	\$106,691,651	\$194,688,825
Total Town Tax	\$447,026	\$541,994	\$989,019
Town Service Costs	(\$329,189)	(\$419,978)	(\$749,167)
Town Service Savings	\$0	\$627,020	\$627,020
Total Town Costs	(\$329,189)	\$207,042	(\$122,147)
NET (taxes less costs)	\$117,836	\$749,036	\$866,872

SUMMARY OF FINDINGS

- As fully built and stabilized, Tuscan Plan 2.0 (as revised) results in a **net positive fiscal impact** for the Town of Salem of **\$866,872**
 - **\$117,836** from the residential component
 - **\$749,036** from the non-residential component (realized in part from a savings in Town costs from the reduction in FTE employment)
- A net positive fiscal impact for Local Education of nearly **\$1.64 million**
- There will likely be a time lag between phasing of the construction, occupancy, assessment of taxes, receipt of taxes and Town costs incurred. Until full-build and stabilization these will likely be out of sync.
- As a result, it is recommended that the Town consider some mitigation contingency or payment-in-lieu-of-taxes (PILOT) to compensate for these time differentials.

FISCAL IMPACT ANALYSIS

TUSCAN VILLAGE MASTER PLAN UPDATE 2.0

SALEM, NEW HAMPSHIRE



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