

## Memorandum

**To:** Jody Kablack, Town of Sudbury

**From:** ConsultEcon, Inc.

**Date:** May 3, 2016

**RE:** Peer review of the March 12 FISCAL IMPACT ANALYSIS that was prepared by RKG Associates

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### 1. Summary

The proposed mixed use redevelopment would provide to the Town a different set of tax revenues, community benefits and fiscal impacts than the existing use. The proposed project has higher potential tax revenues than the current use and would create higher Municipal Service Costs.

The RKG report indicates tax revenue potential of \$1,712,900 and additional Municipal Service costs of \$1,018,500 for a net of \$694,400. The ConsultEcon peer review indicates tax revenue potential of \$1,681,400 and additional Municipal Service costs of \$1,101,000 for a net of \$571,500.

The net effects are similar to the \$633,200 tax revenues generated currently by Raytheon, with the RKG report indicating somewhat higher net revenue and the ConsultEcon, Inc. peer review indicating somewhat lower net revenue.

However, as indicated the proposed project will provide community benefits related to fulfillment of "Chapter 40B" requirements and it diversifies housing choices in the Town of Sudbury. In the short term, with the closing of Raytheon, the value of the Raytheon property and its tax revenue payments may be decreased during redevelopment period. This would happen in all property reuse scenarios.

### 2. Introduction

The Town of Sudbury retained ConsultEcon, Inc. (ConsultEcon) to peer review RKG Associates, Inc. (RKG) March 12 FISCAL IMPACT ANALYSIS of the Proposed Raytheon Redevelopment as Meadow Walk Sudbury / Avalon Sudbury by National Development and AvalonBay Communities. This memorandum documents the peer review process and provides summary findings for the Town as it considers the fiscal impact analysis prepared by RKG.

#### 2.1 Process

The peer review process started when ConsultEcon was provided a copy of the March 12 FISCAL IMPACT ANALYSIS for review. The March 12 report was only a summary of RKG's

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economic analysis and did not include many details of the data and analyses underlying its findings. ConsultEcon prepared and submitted an April 8, 2016 initial peer review of the March 12 RKG report that included comments and request for additional data from RKG. RKG prepared an April 20 Response to the Comments Memorandum and provided additional data. An in-depth conference call was conducted between RKG Associates and ConsultEcon to review and discuss the information, comments and questions contained in the initial peer review. Subsequently, additional questions and responses by the project proponents were sent via email which provided additional detail and commentary. Following this report are the following addenda which document the original report and subsequent relevant technical memoranda and correspondence:

Appendix A	March 12 FISCAL IMPACT ANALYSIS prepared by RKG
Appendix B	April 8 Peer Review of March 12 FISCAL IMPACT ANALYSIS for the Town of Sudbury prepare by ConsultEcon
Appendix C	April 20 Response to questions and comments in Peer Review - prepared by RKG
Appendix D	April 25 Meadow Walk Sudbury / Avalon Sudbury project description, characteristics and details memo prepared by National Development / AvalonBay Communities
Appendix E	April 7 Incidents at Assisted Living / 40 B/ Condos / Grocery Stores / Restaurants prepared by the Sudbury Fire Department
Appendix F	April 26- May 3 Email correspondence that includes relevant study information

While RKG has responded to the questions and comments, and has indicated that they are making small changes to their analysis, the company has not reissued the March 22 FISCAL IMPACT ANALYSIS as of the date of this peer review. Importantly, additional information was provided by RKG and National Development/AvalonBay Communities regarding the comparable residential developments used as the basis for estimating key factors in the analysis, especially number of children that would be expected to reside in the residential units.

Following the above described review and correspondence process, ConsultEcon prepared an alternative estimate of fiscal impacts that varies somewhat from the RKG report and has also included several comments to assist Town officials in interpreting the results of the fiscal impact analyses.

## 2.2 Review of RKG Methodology

The RKG report uses generally accepted procedures and techniques in estimating the fiscal impacts of the proposed redevelopment project. There are certain limitations inherent in these techniques that are identified in this memorandum. As with any forward projecting analyses, there can be no guarantees of the extent that the estimated and projected municipal revenues and expenditures will be achieved. However, these analyses provide useful

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guidance for anticipated effects of the change from Raytheon land use to proposed mixed use development.

## **2.3 Review of RKG Calculations**

In the peer review process, several minor inaccuracies in calculations were noted and RKG was notified and these were corrected.

## **3. Fiscal Revenues**

### **3.1 Estimated Future Real Property Taxes**

The real property tax revenues from Meadow Walk Sudbury / Avalon Sudbury were estimated by the developer National Development/AvalonBay Communities at \$1,609,600. These estimates seem reasonable based on the evidence provided in the report. Actual future assessments and resulting real property tax revenues will be based on project implementation, and future property assessment and tax rates.

### **3.2 Excise Taxes**

The March 12 FISCAL IMPACT ANALYSIS projected per capita excise taxes at 95 percent of the average of Sudbury residents. In parallel, the RKG study estimated the average real property value of the apartments and restricted age housing at roughly 1/3 of the average assessed value of residential properties in Sudbury. To estimate that the excise taxes generated by the residents of Meadow Walk Sudbury / Avalon Sudbury would be at nearly the same level as the Town average is therefore considered to be an over-estimate of excise tax revenue potential.

ConsultEcon's analysis of potential excise taxes uses a more conservative approach, estimating that the per capita excise tax of Meadow Walk Sudbury / Avalon Sudbury residents would be at 66 percent of the average for the town. That estimated excise tax ratio of Meadow Walk Sudbury / Avalon Sudbury residents to town residents is twice the ratio of Meadow Walk Sudbury / Avalon Sudbury property values to the Town average. Therefore, an adjustment downward in estimated excise tax revenues from residents at the site to \$71,800 from the RKG study estimate of \$103,300 is included in ConsultEcon's estimate of fiscal impacts.

### **3.3 Total Tax Revenues**

The RKG estimate of total fiscal revenues is based on the real property tax revenue estimate of \$1,609,600 plus excise taxes for a total of \$1,712,900. ConsultEcon's refined estimate of excise tax potential of \$71,800 when added to real property tax revenue totals future current dollar value estimates of \$1,681,400.

The project is planned to be phased in over a 3 year time period. Thus, the additional tax revenues will build up from an initial year when the property tax revenues will be lower than later when construction is complete and the project is fully occupied. The ramp up of the project will occur starting in August 2017 when Grocery Store construction is complete and

ending in estimated April 2019 when Assisted Living and Age-restricted housing is fully occupied.

### **3.4 Past Tax Revenues**

Combined tax revenues for 526 and 528 Boston Post Road were \$609,918 in 2015 and \$633,249 in 2016. With the closing of Raytheon, it is likely that there would be a decrease in tax revenues until reuse and redevelopment of the property occurs. Thus, there would otherwise be a decrease in tax revenue without a reuse such as Meadow Walk Sudbury / Avalon Sudbury. There is no mention of past tax revenues included in the RKG report or reference to this potential tax decrease without new site occupancy. See Appendix F email for an explanation by RKG Associates.

### **3.5 Net New Taxes from Current Levels**

Therefore, based on past Raytheon site taxes and estimated future tax revenues with the redevelopment, the net increase in tax revenues due to the redevelopment of the Raytheon site and change of use is estimated at \$1,048,151, rounded to \$1,048,200. Again, after the closing of Raytheon, it is possible that there would be a decrease in tax revenues from current 2016 amount of \$633,249 until the reuse of the property occurs. However, there is no definitive estimate of how much it would decrease in assessed value. Therefore, the development of Meadow Walk Sudbury / Avalon Sudbury addresses the need for property redevelopment.

## **4. Municipal Service Cost Estimates**

In the RKG report, Municipal Service Costs are divided into two land use categories or types of development, commercial and residential, and two methodologies are used respectively.

### **4.1 Municipal Service Costs Due to Commercial Development**

RKG used the “Proportional Valuation” approach. In use since at least 1977, this approach has widespread use in the field. In its response to questions, RKG refined its analysis of Municipal Service Costs from its March 12 report (See Appendixes A and C) downward to \$55,500.

#### **Methodological Note**

The analysis and its findings are based on refinement coefficients in an analytical construct. The source of the refinement coefficients is Burchell and Listokin, *The Fiscal Impact Handbook* (August 2012, Reprint Ed.). The relevant analytical technique and the “refinement coefficients” which are the basis for the theoretical analysis are unchanged since the 1977 edition of this handbook and are based on case studies from 1977. The relationship of new non-residential properties to Municipal Service Costs may have changed since that time. However, it is not possible to know whether the relationship has changed such that the actual costs would be higher or lower or unchanged.

The application of the Proportional Valuation methodology by RKG may have understated the potential Municipal Service Costs based on the underlying case studies used to prepare the coefficients. On page 121 paragraph 2 of *The Fiscal Impact Handbook*, it is stated that the proportional valuation method may understate Municipal Service Costs where there is a low number of employees such as a mechanized storage facility, but conversely may understate Municipal Service Costs with many workers relative to its property value (a restaurant or amusement park). Thus, it is possible that the \$55,500 estimate understates potential Municipal Service Costs. However, it is not possible to evaluate whether Municipal Service Costs would in fact be higher due to this effect; so this information is provided for cautionary purposes.

#### **4.1.1 Additional Fiscal Costs Due to Commercial Operations of Assisted Living Facility**

The ConsultEcon peer review identified that the RKG report does not include the impact of the onsite workforce and generally commercial nature of the commercial Assisted Living facility. The RDG Municipal Services Cost analysis only considers the Municipal Service Costs of its residents.<sup>1</sup> ConsultEcon believes that the commercial operations of the Assisted Living facility should be included in the analysis. Including these operations, the Municipal Service Costs would be increased approximately 62 percent when using the Proportional Valuation approach in RKG's methodology. As noted above, in its response to questions, RKG refined its analysis of Municipal Service Costs downward to \$55,500. For the peer review, when the estimated municipal service costs of an Assisted Living facility is added to the analysis, the total Municipal Service Costs is estimated at \$89,900.

#### **4.2 Non-Educational Municipal Service Costs Due to Residential Development**

In order to estimate non-educational Municipal Service Costs due to residential development, RKG used a municipal cost per household approach to estimate the increase by Town department. RKG made these estimates based on interviews with relevant department heads. Of primary potential impact is the Public Safety Department.

While there are concerns about the magnitude of increase in the Public Safety Department workload, the RKG report makes a reasonable case regarding their estimated increases. This is supported in that prior to redevelopment, there will be a decrease in traffic volume due to closing of the Raytheon facility and a related decrease in workload.

One area in which Municipal Service Cost increases may have been underestimated was in the area of "Benefits." Because the additional municipal service cost categories were validly analyzed on a marginal cost not average cost basis, it is reasonable to expect that most of the marginal costs will be related to personnel. Therefore, the increase in other cost categories should be accompanied by an increase in benefits closer to their weighted average increase. The RKG report included the actual benefits category at about 22.5 percent of Sudbury's non educational municipal budget not including the small "Other" category. In addition, for the

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<sup>1</sup> This analysis is provided in section 4.2

commercial use impacts, RKG estimated Benefits at 10 percent of total costs. However, the analysis of the factors as analyzed in Table 6 of the RKG report indicates that Benefits would only be about 1.2 percent of the weighted average cost of all categories except “Other”.

On a pro rata basis, bringing the “Benefits” category up to par with other categories of spending would indicate an increase in Municipal Service Costs of about \$78,000 at a 22.5 percent ratio or to \$35,000 at the 10 percent ratio. An estimate of the average of these two figures -- \$56,500 is used in this report by ConsultEcon in this peer review analysis.

#### **4.2.1 Police and Fire Department Workload**

The March 20 RKG report and follow up discussions with the Town of Sudbury indicate that there are some concerns about the increased number of Public Safety responses likely to occur with the development of Meadow Walk Sudbury / Avalon Sudbury. This is the area in the non-educational town budget that would be most affected; and it would be the budgetary category where most additional spending would occur. However, as noted in the RKG report, municipal revenues from the project could be used to fund the increased workload as the increased costs would be principally variable cost increases.

#### **4.3 Educational Costs Due to Residential Development**

A simple analysis for educational impacts was prepared by RKG. The number of additional students was estimated, the marginal cost per student was estimated and the total new cost to Sudbury Public Schools was estimated by multiplying these factors. The study estimated that total additional costs will be \$624,000 annually in current dollar value once the apartments are leased. Details of this analysis follow.

##### **4.3.1 Number of Additional Students**

The RKG study estimated that there would be 65 net new students due to the new apartments. ConsultEcon verified in the review process that the comparable apartment complexes used to estimate children in the Meadow Walk Sudbury / Avalon Sudbury development (Woodview Way in Hopkinton and Concord Mews in Concord) have similar unit mixes and have affordable housing components. Both of these are reported to have 20 percent affordable units. Based on this information, the estimated of number of children is deemed to be reasonable.<sup>2</sup>

##### **4.3.2 Average Additional Cost per Student**

The average student cost to the Town of Sudbury is estimated at \$15,000 and RKG used an estimate of approximately 64 percent of that amount or \$9,600 as the incremental cost per student. This estimate was arrived at by RKG based on an interview with the superintendent

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<sup>2</sup> It should be noted that the RKG study posits that some of the students would move from within Sudbury and thus the net new students might be lower than their estimate. This point seems unfounded however as on average those existing Town families with students that move to the facility would open up their existing homes for other students. So, internal movement in the Town would have little or no effect on total students.

of schools and review of the school budget. These are viewed as reasonable estimates in this Peer Review.

## 5. Summary of Net Fiscal Impacts

As discussed above, the peer review of the RKG analysis by ConsultEcon has found several areas where this fiscal impact analysis Peer Review analysis differs from the RKG report. Data in **Table 1** below summarize the key findings of both the RKG report and ConsultEcon’s peer review analysis.

**Table 1**  
**Summary of Potential Net Fiscal Revenue After Development**  
**Meadow Walk Sudbury / Avalon Sudbury**

	<u>RKG Analysis</u>	<u>ConsultEcon Review</u>	<u>Difference Between Analyses</u>
<b>Additional Tax Revenues</b>			
Real Property Tax	\$1,609,600	\$1,609,600	\$0
Excise Tax	<u>\$103,300</u>	<u>\$71,800</u>	<u>-\$31,500</u>
<b>Total Tax</b>	\$1,712,900	\$1,681,400	-\$31,500
<b>Estimated Additional Municipal Service Costs</b>			
Municipal Service Costs due to Commercial Properties	\$55,000	\$89,900	\$34,900
Municipal Service Costs due to Residential Properties	\$339,500	\$396,000	\$56,500
Education Costs due to Residential Properties	<u>\$624,000</u>	<u>\$624,000</u>	<u>\$0</u>
<b>New Municipal Service Costs</b>	<u>\$1,018,500</u>	<u>\$1,109,900</u>	<u>\$91,400</u>
<b>Net Taxes</b>	<u>\$694,400</u>	<u>\$571,500</u>	<u>-\$122,900</u>
<b>Current Property Tax</b>	\$633,200	\$633,200	\$0
<b>Net Fiscal Revenue After Development</b>	<u>\$61,200</u>	<u>-\$61,700</u> <sup>1/</sup>	<u>-\$122,900</u>

1/ It should be noted decline in net revenue may be greater without new development.

Sources: ConsultEcon, Inc. RKG Associates, National Development and Town of Sudbury.

**APPENDIX A**

**March 12 FISCAL IMPACT ANALYSIS prepared by RKG**



March 15, 2016

Mr. Stephen Senna  
Vice President  
National Development  
2310 Washington Street  
Newton Lower Falls, MA 02462

Reference: Fiscal Impact Analysis, Meadow Walk Sudbury/Avalon Sudbury

Dear Mr. Senna,

I am pleased to submit the enclosed fiscal impact analysis of the proposed "Meadow Walk Sudbury" and "Avalon Sudbury" projects in Sudbury, Massachusetts. Should you have any questions, please let me know.

Sincerely,



Judi Barrett  
Director of Municipal Services

## **FISCAL IMPACT ANALYSIS**

### **Proposed Raytheon Redevelopment**

### **Meadow Walk Sudbury \* Avalon Sudbury**

#### **1. INTRODUCTION**

National Development and AvalonBay Communities are working jointly to redevelop the 49-acre Raytheon site at 526-528 Boston Post Road for residential and commercial uses. Raytheon's defense research facility in Sudbury consists of approximately 560,000 sq. ft. of office and industrial as well as extensive surface parking. Under plans announced in 2014, Raytheon is gradually consolidating its Sudbury operations with another Raytheon-owned facility in Marlborough. The Sudbury plant will close later this year (2016).

RKG Associates, Inc., has been asked to prepare a Fiscal Impact Analysis (FIA) of Meadow Walk Sudbury and Avalon Sudbury: the redevelopment plans proposed by National Development and AvalonBay Communities. When completed, the Meadow Walk Sudbury/Avalon Sudbury developments will include the following components:

- Commercial: 80,000 sq. ft. of retail/restaurant space, including a grocery store;
- An assisted living residence with 48 units and 54 bedrooms;
- Sixty age-restricted residential condominiums; and
- Apartment buildings with a combined total of 250 rental units.

The redevelopment stands to benefit Sudbury in several ways. Notably, approving the proposed 250-unit AvalonBay component will enable Sudbury to fulfil the central goals of its Housing Production Plan by meeting the 10 percent statutory minimum under G.L. c. 40B, §§ 20-23 ("Chapter 40B"), at least through 2020, thereby establishing significant new local planning control. The Town's present Chapter 40B shortfall is 234 units.<sup>1</sup> In addition, the project will create more housing choices for Sudbury seniors who want to downsize or retirees hoping to move to Sudbury because they have children and grandchildren who live there. It also offers a residential option for elderly people with special care needs, including memory care. Finally, Meadow Walk at Sudbury will introduce new high-quality retail and restaurant options, which will enhance the base of goods and services available to people who live or work in town.

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<sup>1</sup> Sudbury Housing Trust, Letter to Sudbury Board of Selectmen re Sudbury Housing Production Plan (January 28, 2016).

As a mixed-use project that redevelops and improves an established site, Meadow Walk Sudbury/Avalon Sudbury incorporates “best practices” in community planning. From a fiscal impact perspective, it also creates a project that balances the impact of new growth by distributing revenue and costs over multiple land uses. Furthermore, the proposed project substantially addresses the Town’s goals for the Raytheon site as outlined in a letter from the Board of Selectmen and Planning Board to Raytheon in February 2015.<sup>2</sup>

AvalonBay’s 250-unit apartment development requires approval from the Sudbury Board of Appeals under Chapter 40B. Toward that end, AvalonBay applied for Chapter 40B Project Eligibility in November 2015 and received an eligibility determination from the Massachusetts Housing Partnership (MHP), the subsidizing agency, in December 2015. The public hearing for Avalon Sudbury opened on March 7, 2016. While the proposed grocery store (Whole Foods) for Meadow Walk Sudbury may be approved by the Sudbury Planning Board under the Town’s existing site plan review and stormwater management provisions, the other elements, including proposed restaurant, assisted living, and age-restricted condominiums, require a zoning change. Accordingly, Town Meeting will be asked to act on the proposed zoning for these elements of Meadow Walk Sudbury in May 2016. Meanwhile, the Planning Board is considering the grocery store application, which National Development filed with the Town in November 2015.

## **2. CONCLUSIONS (SUMMARY)**

At project completion, the overall redevelopment will have a favorable fiscal impact in Sudbury for the reasons outlined below. RKG’s estimates do not include the dollar value of mitigation the developers will be providing under their development agreement with the Town. Though mitigation clearly benefits the community, it is typically not included in a fiscal impact study’s sources and uses analysis.

### **2.1. Revenue and Expenditures**

On a recurring (annual) basis:

- Total General Fund revenues: \$1,712,900
- Total cost to the General Fund for municipal and school services: \$1,031,500
- Net General Fund revenue: \$681,400 (total local revenues minus municipal and school services)
- Cost-revenue ratio: 0.60
- For every \$1 of revenue generated by Meadow Walk Sudbury/Avalon Sudbury, the Town will spend 60 cents on services for residents and businesses in the development.

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<sup>2</sup> Charles Woodward, Chair, Board of Selectmen, and Craig Lizotte, Chair, Planning Board, Letter to Raytheon re Sudbury Raytheon Redevelopment (February 25, 2016).



## 2.2. Demographics

- At project completion, Meadow Walk Sudbury will have approximately 129 residents between the senior housing units and the assisted living facility.
- Residents of the age-restricted condominiums will most likely range in age from 60 to 75 years, while the average age of assisted living residents will be 85 years.
- AvalonBay’s 250 apartments will house approximately 461 people, including 65 school-age children. The average household size for the development as a whole will be about 2 people per unit.

Table 1 provides a snapshot of the project’s service costs and revenue, by component. While the apartment development may have a neutral to slightly negative impact on its own, the combination of land uses in this redevelopment absorb costs that would otherwise have to be paid by other residential or commercial taxpayers.

Table 1. Estimated Fiscal Impact: Meadow Walk Sudbury and Avalon Sudbury						
Project Component	Total Revenue	Municipal Service Costs	Education Costs	Total Cost of Services	Ratio	Net Revenue
Commercial	\$311,400	\$62,300	\$0	\$62,300	0.200	\$249,100
Assisted Living	\$136,700	\$60,900	\$0	\$60,900	0.446	\$75,800
Age-Restricted Condominiums	\$441,500	\$56,700	\$0	\$56,700	0.128	\$384,800
Apartments	<u>\$823,300</u>	<u>\$227,600</u>	<u>\$624,000</u>	<u>\$851,600</u>	1.034	<u>-\$28,300</u>
Total	\$1,712,900	\$407,500	\$624,000	\$1,031,500	0.602	\$681,400

Sources: Sudbury FY2016 Budget Document; RKG Associates, Inc.

## 3. METHODOLOGY

To develop this report, RKG visited Sudbury to conduct site reconnaissance and to interview Sudbury department heads and staff. The objective of the interviews was to develop an understanding of how departmental operations and specific departmental cost categories may be affected by the introduction of new households and commercial operations in Sudbury. The key point of contact was Melissa Murphy-Rodrigues, Town Manager. RKG also conducted interviews with the following department representatives:

- William Place, Director of Public Works
- James Kelly, Facilities Director
- William Murphy, Health Director
- Mark Herweck, Building Inspector
- Gary Brown, Veterans Affairs
- Maryanne Bilodeau, Assistant Town Manager

- Rosemary Harvell, Town Clerk
- Debra Galloway, Council on Aging Director
- Esme Green, Library Director
- Scott Nix, Police Chief
- William Miles, Fire Chief
- Cynthia Gerry, Assessor
- Andrew Vanni, Finance Director
- Mark Thompson, Information Technology
- Anne Wilson, Sudbury Public Schools

Information obtained from the interviews informed the estimates of municipal costs that Sudbury will incur in order to provide government services to new households and businesses. RKG also utilized several public data sources to prepare the analysis including:

- Massachusetts Department of Revenue, Municipal Data Bank, Town of Sudbury General Fund Revenue and Expenditures (Actual) FY 2005-2014, Budgeted Revenues FY 2005-2016, and Property Tax History (Tax Levy and Tax Rates)
- Town of Sudbury Preliminary Budget Document, FY 2016
- Town of Sudbury FY 2015 Budget and Financing Plan
- Town of Sudbury Comprehensive Annual Financial Report (CAFR), FY 2015
- Sudbury Public Schools, FY 2016 Budget
- Massachusetts Department of Elementary and Secondary Education, K-12 Enrollment Trends, Chapter 70 Profile: Sudbury Public Schools and Lincoln-Sudbury Regional School District
- Massachusetts Department of Elementary and Secondary Education: Per Pupil Cost Reports
- Census of Governments, Government Finance Statistics, State and Local Governments (2013).

In addition, National Development and AvalonBay Communities provided information specific to the proposed project, including estimates of the post-construction assessed value of each project component. RKG surveyed the Boston Metro/Outside 128 region for similar retail, apartment, and condominium properties in order to test the developers' assessed value assumptions. Since the estimated values the developers provided are well within range for similar properties, RKG has used those values to calculate development-generated real estate tax revenue.



The fiscal impact of Meadow Walk Sudbury/Avalon Sudbury has been estimated using generally accepted per capita (average cost) and marginal cost methods. Revenues from property and excise taxes were estimated for the developments when fully constructed and occupied. Similarly, municipal expenditures for general government services, public safety, public works, and so forth reflect estimates at full build-out. The analysis presents costs and revenues on an annual basis. Phasing in costs and revenues over time was not necessary because the proponents expect to build out the site in a two-year period.

### **3.1. Recurring Revenue Sources**

This section describes RKG's assumptions for estimating municipal revenues associated with Meadow Walk Sudbury/Avalon Sudbury. RKG focused on the major revenue streams that Sudbury relies upon to pay for municipal and school services. While the Town will benefit from other sources of revenue generated by this project, they are not collected for direct use in the Town's operating budget, e.g., enterprise (proprietary) fund revenues, the Community Preservation Act (CPA) surcharge, fiduciary funds, or other restricted receipts. The revenues reflected in RKG's analysis include real property tax and vehicle excise taxes only. This analysis intentionally omits state aid (which the Town does not control) and any local sources that are restricted by law or for which there is not enough information to develop a reliable estimate.

#### **3.1.1. Real Estate Taxes**

Real property taxes are the primary source of municipal revenue in almost every community. As a result, the first step in any fiscal impact analysis involves estimating the property taxes that will be generated by a proposed development.

Avalon Sudbury and most of the components of Meadow Walk Sudbury will be assessed as income-generating properties. This method of appraisal recognizes the relationship between the property's value and the income it is expected to earn, net of expenses. Assessors determine the value of an investment property by dividing its net operating income (gross income minus expenses) by a capitalization rate that converts the project's income stream into market value, i.e., what the property would likely sell for if it were on the market. In general, the capitalization rate is based on recent sales of similar properties in the same market area.

Projects like Avalon Sudbury have a high value because multi-family housing is considered a low-risk investment, especially in the Metro Boston area where the multifamily supply falls far short of demand. The value of retail properties can vary quite a bit depending on location and type of retail. Given National Development's reputation and the identity of the anchor tenant, Whole Foods, it is reasonable to assume that Meadow Walk Sudbury's retail space will be high-quality and comparatively high-end. A city or town assessor has



to account for many factors to arrive at the assessed value of an investment property. Until the asset is actually operating and there is a financial history to review, it is very difficult for assessors to provide an estimate of value. Therefore, fiscal impact analysts typically do a sample property survey for comparable locations and develop assumptions about the likely assessed value per sq. ft. or assessed value per dwelling unit. In this case, however, RKG had the benefit of valuation estimates from the developers, based on similar properties in the Boston area, so the sample property survey was used for verification purposes. Table 2 summarizes the estimated assessed value and real property taxes for each component of the Raytheon redevelopment project.

<b>Table 2. Estimate of Assessed Value and Annual Tax Revenue Meadow Walk Sudbury/Avalon Sudbury</b>				
Project Component	Units/Floor Area	Assessed Value Multiplier	Total Estimated Assessed Value	Estimated Property Tax Revenue
Village Retail*	80,000 sq. ft.	\$160/ft	\$12,400,000	\$311,400
Assisted Living Residence**	48	\$160,000/unit	\$7,680,000	\$136,700
Senior Housing**	60	\$400,000/unit	\$24,000,000	\$427,200
Apartments**	250	\$165,000/unit	\$41,250,000	\$734,300
<b>Total</b>			<b>\$85,330,000</b>	<b>\$1,609,600</b>

Source: National Development, RKG Associates.  
 \*Tax revenue assumes FY 2016 commercial rate, \$25.11  
 \*\*Tax revenue assumes FY 2016 residential rate, \$17.80  
 Note: Assisted Living Residence provides a total of 54 beds, but the average valuation for the project as a whole is based on living units.

### 3.1.2. Motor Vehicle Excise Taxes

The estimate of motor vehicle excise taxes per year began with calculating Sudbury’s FY 2015 annual excise tax revenue and dividing the result by the most recent Sudbury population estimate from the Census Bureau. This produced an excise tax multiplier of \$194 per capita. RKG also divided the annual excise tax figure by the estimated number of households in Sudbury and compared the two figures. This produced an excise tax multiplier of \$592 per household. Although using either figure as a multiplier often produces similar results, in the Sudbury case it did not – probably because the households at Meadow Walk and Avalon Sudbury will be smaller than Sudbury’s existing households. RKG opted to take a conservative approach and adjusted the Town’s average excise tax per capita to 95 percent. This was done in order to acknowledge the difference in demographic characteristics between residents of the development and the larger households in town, many of which have children under 18 and more than two vehicles per family.

Accordingly, RKG’s estimate of motor vehicle excise taxes for the project is \$103,300, which assumes the following:

- A household population of 460 at Avalon Sudbury;
- A household population of 76 in the age-restricted condominiums;
- An average excise tax payment of \$192 per person (rounded).

At project completion, local revenues from the project will be approximately \$1,712,900 (\$1,609,600 + \$103,300).

### **3.2. Recurring Expenditures for Municipal and School Services**

In addition to municipal revenues, new development also generates demand for government services, so there will be a cost impact on some Town departments. RKG has developed estimates of what Sudbury will need to spend to provide services to the residents, employees, and property owners at Meadow Walk Sudbury and Avalon Sudbury. This section explains the approach used to estimate the cost of community services for residential and nonresidential land uses.

#### **3.2.1. Estimated Cost of Services for Nonresidential Development**

As with any fiscal impact analysis, the first step in the Sudbury study involved allocating shares of the Town's existing departmental expenses to residential and commercial land uses. This step matters because it provides a framework for understanding how a given community's land use pattern affects government spending.

To estimate the assignment of service costs by land use, RKG used a well-established fiscal impact methodology known as Proportional Valuation. The model is an industry standard that analysts use primarily to estimate the cost of services for nonresidential land uses. Iterations of it have been used for many years to understand the cost and revenue relationships of businesses, industry, institutional uses, and open space. It assumes that with some adjustments, a proportional relationship exists between the assessed value of a land use and its associated community service costs. By isolating nonresidential service costs from total municipal expenditures, the analyst can establish a more accurate picture of the cost of services used by residential development. Table 3 presents a step-by-step assessment of what Sudbury currently spends to provide municipal services to businesses and other nonresidential land uses in the community today, and it culminates in an estimate of what the Town will spend to serve the commercial uses at Meadow Walk Sudbury.





Table 3. Proportional Valuation: Estimate of Current Municipal Service Expenditures Nonresidential Land Uses		
Identifier	Methodology Component	FY 2016
A	Total General Fund Expenditures	\$88,502,000
B	<i>School Budget</i>	\$39,816,100
C	<i>Regional Schools</i>	\$22,136,800
D	<i>Minuteman Assessment</i>	\$694,400
E	<i>Total School Spending</i>	\$62,646,700
F	Net Cost of Municipal Services (A-E)	\$25,855,300
G	Non-Residential Real Property Value	\$206,473,800
H	Total Real Property Assessed Value	\$4,160,141,500
I	Ratio (G/H)	0.05
J	Non-Residential Parcels	209
K	Total Parcels	6,486
L	Average Value: Non-Residential Parcel (G/J)	\$987,900
M	Average Value: All Parcels (H/K)	\$641,400
N	Ratio (L/M)	1.54
O	Refinement Coefficient	2.15
P	Cost of Nonresidential Services (F*N*O)	\$2,759,000
Q	Residential Expenditures (A-P)	\$85,743,000
R	Nonresidential Percent (P/F)	3.2%
S	Assessed Value, Meadow Walk Commercial Space	\$12,400,000
T	Proportion (S/L)	12.55
U	Refinement Coefficient	0.002
V	Cost of New Municipal Services (P*T*U)	\$62,300
Source: Town of Sudbury Preliminary Budget Document, FY 2016; and RKG Associates. Source of Refinement Coefficients: Center for Urban Policy Research, Rutgers University.		

Having estimated what Sudbury currently spends on nonresidential services and what it will likely spend to serve the new development, RKG further estimated the operating budget breakdown by category of government service. The breakdown is illustrated in Table 4 (next page). The resulting *residential* share of Sudbury’s operating budget is the difference between Column B and Column D.



<b>Table 4. Allocation of Nonresidential Service Costs by Department/Function</b>				
A	B	C	D	E
		Existing & New Nonresidential		Service Costs
Department/Function	FY16 Budget	Percent Municipal Total	Existing Nonresidential*	Meadow Walk*
<i>General Government</i>	2,719,900	5.0%	\$137,900	\$3,100
<i>Public Safety</i>	7,218,000	50.0%	\$1,379,500	\$31,200
<i>Education</i>	62,646,700	0.0%	\$0	\$0
<i>Public Works</i>	5,152,100	22.0%	\$607,000	\$13,700
<i>Health &amp; Human Services</i>	659,200	3.0%	\$82,800	\$1,900
<i>Culture &amp; Recreation</i>	1,233,400	0.0%	\$0	\$0
<i>Benefits</i>	4,566,400	10.0%	\$275,900	\$6,200
<i>Transfers</i>	525,000	N/A	N/A	N/A
<i>Other</i>	62,400	N/A	N/A	N/A
<i>Municipal Total</i>	22,136,400	100.0%	\$2,483,100	\$62,300
<i>Debt Service</i>	3,719,100	10.0%	\$275,900	N/A
<i>Total Operating Budget</i>	25,855,500		\$2,759,000	\$63,300

Sources: Town of Sudbury, RKG Associates.  
 \*See also, Table 3 Lines P and V for basis for the totals shown above for Existing Nonresidential and Meadow Walk.  
 Source of Nonresidential Cost Service Standards: Center for Urban Policy Research, Rutgers University.

### 3.2.2. Demographics Affecting Residential Service Costs

Estimating the cost of services for new residential development requires an understanding the market for the proposed housing units: the types of households, householder ages, family size and composition, and so forth. For the analysis of Meadow Walk Sudbury and Avalon Sudbury, RKG examined the following sources of information:

- National Center for Assisted Living; Demographic Profiles
- Small Business Market Research Reports: Assisted Living Facilities
- MetLife: Housing for the 55+ Market
- Urban Land Institute
- MetLife and National Homebuilders Association: Housing Trends Update for the 55+ Market
- Census Bureau, American Housing Survey (2013)
- Census Bureau, American Community Survey (ACS) Five-Year Estimates, 2010-2014, Massachusetts PUMS Records
- Towns of Concord, Hopkinton, Northborough, and Shrewsbury: K-12 Enrollment in Selected Market-Rate and Mixed-Income Rental Properties
- AvalonBay Communities

Drawing from all of these sources to create a profile of the project’s likely future residents, RKG developed the following household population multipliers for the Meadow Walk Sudbury/Avalon Sudbury study. The population multipliers are summarized in Table 5.

Table 5: Population and School-Age Children Estimates Meadow Walk Sudbury and Avalon Sudbury					
Project Component	Units	Population Multiplier	Population Estimate	School Student Multiplier	Student Estimate
Assisted Living	48	1.10	53	0.00	0
55+ Condominiums	60	1.27	76	0.00	0
Apartments					
1-BR	124	1.22	151	0.03	4
2-BR	101	2.21	223	0.32	32
3-BR	<u>25</u>	3.48	<u>87</u>	1.14	<u>29</u>
Total	250		461		65

Sources: AvalonBay Communities, ACS 2010-2014 PUMS Data, K-12 Student Counts from Concord, Hopkinton, and Northborough; and RKG Associates.

### 3.2.3. Residential Service Costs (Non-School)

To estimate the cost of residential services for Meadow Walk Sudbury and Avalon Sudbury, RKG analyzed the operating budgets of the Town of Sudbury, Sudbury Public Schools, and Lincoln-Sudbury Regional in order to identify population-sensitive costs and costs that do not change as a direct result of population growth or decline. The departmental expenses shown in Table 5 are derived from the Town’s Budget Document. Expenses are allocated by proportional share. Projections of municipal costs on a per-household or per-student basis need to recognize that there are economies of scale associated with ongoing government operations. The introduction of new households and commercial operations into a town will affect some departments more directly than others.

To simulate these economies of scale, each category of service has been assigned an **efficiency factor**: a percentage that reflects the incremental costs that would be incurred from net new households or businesses in Sudbury, given that the actual demands placed on town departments will depend in part on the type of household involved. For example, Police cost categories such as safety and patrol services are likely to be affected more than building and vehicle maintenance or tuition. Similarly, Fire Department operations will be more directly affected than utilities, maintenance, or equipment, but the degree of impact on operations will be greater for the assisted living facility than the commercial space. Since public schools serve a narrow constituency (pupils), they are directly affected by pupils generated from new housing, yet modest enrollment growth does not necessarily

cause a school department to hire another building principal, custodian, or curriculum supervisor.

RKG's estimates of efficiency factors are based on interviews with various department representatives in Sudbury, RKG's own experience with these studies, and interviews with police and fire personnel in other communities. Overall, the efficiency factors range from 5 percent to 105 percent based on the relative impact each component will have on various departments.

- Public Works has the lowest efficiency factor in this study (5 percent) because all of the internal roadway maintenance, trash disposal, and other services normally provided by the Town will be provided and paid for by the project.
- General Government, e.g., administration and finance functions, also has a low efficiency factor (10 percent).
- For Health and Human Services, the efficiency factor varies by class of use. For example, the assisted living facility and restaurant uses proposed for the property will most likely generate a greater demand for services than the other components of the project. The efficiency factor ranges from a low of 20 percent (55+ condos) to 50 percent of the assisted living residence.
- Culture and Recreation, the efficiency factor is very low for the assisted living facility (10 percent) but much higher for the age-restricted condominiums (50 percent).
- RKG also assigned small efficiency factors tied to employee benefits to reflect impacts of new hires or expansions of part-time to full-time personnel.

Based on the methodology described above, it is estimated that the incremental cost of municipal (non-school) services for the residential uses is \$339,500. A majority of the additional spending is attributable to the impact of a relatively large project like this on public safety, mainly to serve the assisted living facility. Table 6 (next page) summarizes RKG's analysis of municipal service costs for the residential uses at Meadow Walk Sudbury and Avalon Sudbury.





Table 6. Estimated Cost of Municipal Services for Residential Uses Meadow Walk Sudbury and Avalon Sudbury				
Category of Municipal Service	Residential Share, Town Operating Budget	Efficiency Factors		
		Assisted Living	Apartments	Age-Restricted Housing
General Government	\$2,581,900	0.100	0.100	0.100
Public Safety	\$5,838,500	1.050	0.750	0.750
Public Works	\$4,545,100	0.000	0.050	0.050
Health & Human Services	\$576,400	0.500	0.300	0.200
Culture & Recreation	\$1,233,400	0.100	0.300	0.500
Benefits	\$4,290,500	0.025	0.015	0.020
Other	\$62,400	0.000	0.000	0.000
Total Municipal Services	\$19,128,200			
Cost per Household		\$1,149	\$910	\$945
Number of Households		48	250	60
Incremental Cost		\$55,200	\$227,600	\$56,700

Source: Town of Sudbury FY16 Preliminary Budget Document, and RKG Associates, Inc.

### 3.2.4. Financial Impact on Schools

New residential development accommodates households that often include school-age children. Indeed, the largest single government services cost associated with residential development is public schools. Since Sudbury’s public schools have a very good reputation and the town is family-oriented, new housing built in the town is likely to attract people with children except for housing that discourages families by design, e.g., age-targeted designs and studio- or one-bedroom units fall into the category of “family un-friendly” housing.

To prepare this fiscal impact analysis, RKG surveyed student enrollments for recently built multifamily housing in four Eastern Massachusetts suburbs: Concord, Hopkinton, Northborough, and Shrewsbury. The average number of students in these developments ranges from 0.17 students per unit to 0.24. RKG opted to apply an average multiplier per unit size to the unit types in Avalon’s development, recognizing that smaller units are far less likely to have children than the larger units. The overall average is 0.26 students per unit, and the total number of school-age children is 65. Table 7 illustrates the methodology for estimating the school population. A few of these students may be existing Sudbury residents and already enrolled in the local schools. RKG does not have enough information to estimate how many children at Avalon Sudbury will be existing students, but the Town should be aware that in-town moves do occur with the introduction of new rental housing just as they occur with construction of new single-family dwellings. In any case, all 65

school-age children have been assumed to be new public school students in Sudbury (local and regional schools).

<b>Table 7. Estimated Number of School-Age Children and Education Costs, Avalon Sudbury</b>					
School	FY16 Budget Public Schools	Efficiency Factor	Adjusted Base	Sudbury Enrollment*	
Sudbury Public Schools	\$39,816,100	0.65	\$25,880,500	Incremental Cost Per Student (Adjusted Base/Enrollment)	\$9,600
Lincoln-Sudbury Regional Schools	\$22,136,800	0.65	\$14,388,900	Number of Students	65
Minuteman Assessment	<u>\$694,400</u>	0.65	<u>\$451,300</u>	Estimated Cost of Services	\$624,000
Total School Spending	\$62,646,700		\$40,720,800		
Sources: FY2016 School Budgets (Budget Document); Department of Elementary and Secondary Education (DESE), K-12 Enrollments and Chapter 70 Profiles; and RKG Associates, Inc. **Sudbury Enrollment* is the total estimated number of Sudbury children in the local, regional, and vocation schools, based on data from DESE.					

RKG understands that the Town customarily assumes for budgetary purposes an average expenditure of \$15,000 per student. The average cost does not really represent the amount that each new student would require the district(s) to spend. Rather, it reflects what the Town spends, on average, per child. The average cost of a public service is not the same as the incremental cost of adding a student (or even 65 students) to the district. As noted earlier, not all cost categories change in response to enrollment growth. In many parts of the state, K-12 enrollments have not grown much at all in the past few years and in some communities, enrollments have actually declined. Nevertheless, school appropriations continue to increase in these communities because some expenditures change independent of enrollment growth. Some examples of budgeted school costs that are less population-sensitive than others include operations and maintenance, professional development, and curriculum development and support.

It is important to note that RKG's analysis does not take into account the recent decline in Sudbury's school enrollment. It is also important to note, for comparison, that even if it is assumed that the Town's actual cost to accommodate 65 children at Avalon Sudbury was \$15,000 per student, the proposed mixed-use development will generate enough revenue to more than absorb the entire cost. The project's mix of land uses gives it much greater financial stability than if the project was a single multifamily development with no offsetting sources of revenue from other uses.

#### 4. ADDITIONAL COMMENTS

The purpose of this report is to estimate the fiscal impact of the proposed Raytheon Redevelopment Project. In our experience, people have quite different ideas about what a fiscal impact analysis is and the assumptions a fiscal impact analyst should use. It seems appropriate to provide some working definitions, assumptions, and caveats for the benefit of readers.

- Fiscal impact measures the net revenue gain or deficit directly associated with a given land use. The relationship between costs and revenue is expressed in a ratio. When the ratio  $<1.00$ , the total cost to serve a project is less than the total amount of revenue it will generate. For example, the ratio for Assisted Living is 0.446, which is positive because the Town will only spend 45 cents per dollar of tax revenue generated by the facility. The ratio for apartments is tighter because the residential population will be higher and there will also be students in the development. Thus, RKG's estimated revenue ratio for Avalon Sudbury is 1.034 (see Table 1).
- A fiscal impact analysis looks at direct cost and revenue impacts. It does not capture other (non-fiscal) types of development impacts or indirect or secondary impacts, including those which may involve a change in municipal costs and revenues.
- A fiscal impact analysis of buildout of a multi-phase development that is only conceptual in nature often involves a higher risk of inaccuracy than smaller or better defined developments. Despite an analyst's best efforts, sometimes conditions change in ways that could not be foreseen when a project was originally reviewed.
- In most cases, fiscal impact studies report future costs and revenues in today's (current) dollars. All dollars in this report reflect our analysis of FY 2015 actual and FY 2016 budgeted revenues and expenditures.

For the following reasons, a fiscal impact analysis should never be the sole basis for making a major public policy decision:

- Some types of development provide social or planning and community benefits that matter more to a community's residents than just municipal revenues. For example, the provision of affordable family housing through this redevelopment would meet an important local need in accordance with the Town's HPP, thereby providing an important element of local control, that most other developments cannot accomplish.
- Fiscal impact studies provide an estimate of net revenue based on a series of assumptions. If the assumptions change, the net revenue may change as well.

- The conclusions of a fiscal impact analysis do not guarantee that a town will actually commit new revenues to the services that experience new demand. RKG's task is to identify and quantify a project's net operating impact on municipal and school services, but clearly consultants cannot control decisions made by the town's voters. Town meeting will make appropriation choices based on local priorities, not on estimates and projections reported by fiscal impact analysts.
- Operating costs increase even without population and household growth. A good example is the rapid acceleration in shared or "fixed" costs such as employee health insurance, which has occurred in all communities even those with population and employment decline.





## APPENDIX B

**April 8 Peer Review of March 12 FISCAL IMPACT ANALYSIS for the Town of Sudbury  
prepare by ConsultEcon**

## Memorandum

**To:** Jody Kablack, Town of Sudbury  
**From:** ConsultEcon, Inc.  
**Date:** April 8, 2016  
**RE:** Peer Review of Fiscal Impact Report for the Town of Sudbury

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Following is the initial review of the March 12, 2016 FISCAL IMPACT ANALYSIS prepared by RKG that summarizes their fiscal impact analysis of the Raytheon site redevelopment as Meadow Walk Sudbury. First is a series of questions and comments regarding the FISCAL IMPACT ANALYSIS. The questions are and comments are annotated by report section number, paragraph number and Table number as applicable.

### 3.1.1. Par. 3

- a) Please provide in table form the comparable properties by type as well as number of units by type, assessed value and property taxes. These can then be compared to the post-construction assessed value estimates prepared by National Development and AvalonBay Communities.

### 3. Par. 4

#### Table 2

- b) The Math for Village retail does not compute.  $80,000 \text{ SF} * \$160 / \text{SF} = \$12,800,000$ . Therefore is the \$12,400,000 estimate of assessed value correct? Or is one of the factors not properly stated?

### 3.1.2.

- c) An average per capita figure of \$192 for excise taxes was used. To check the reasonableness of this estimate, what is the implied value of automobiles owned by people living in each of the two categories of housing that were analyzed?

#### Table 3.

- d) Please provide the data source (publication and publication date) and methodology used to arrive at the Refinement Coefficient (O) and (U).
- e) Please comment on why a highly visited large public use as proposed; and that represents a 6% increase in assessed commercial value would only increase municipal costs by 2.3%.

## Table 4.

- f) Please explain the allocation used in Column C.

## Table 5.

- g) What percentage of the 250 apartment units will be rented at “affordable” rates?
- h) Please explain the method of deriving School Student Multipliers for 5th column.
- i) What comparable apartment complexes of similar number of units and mix of units that include Affordable Housing were used as comparables for school children? And, please provide the data?

## 3.2.3 Par. 1

- j) Note that in line 5, the table should be identified as Table 6, not Table 5.

## Table 6

- k) Please provide the detailed analysis for Table 6 to show how the cost per household was derived.
- l) For Table 6, please provide: current average cost per capita for municipal services for the eight categories included in Table 6; then in a table, compare the actual Sudbury average cost by the 8 categories, to the derived marginal cost per new resident for the 8 categories.

## 3.2.3 Par. 2 and 3

Please provide for comparison purposes the following information:

- m) What are the Incidents or Responses for Fire? For Police?
- n) What are the municipal budgets for Public Safety departments? (Fire, Police, Other?)
- o) Has this study divided their budgets into fixed and variable components?
- p) For total, and /or variable cost; what is the average Fire Department cost per incident in Sudbury?
- q) For total, and /or variable cost; what is the average Police Department cost per incident in Sudbury?
- r) How many personnel respond to Incidents or Responses for Fire? For Police?
- s) What is the average annual workload (average number of incidents) of responders for Fire? For Police?
- t) Does this fiscal impact study consider the public safety costs related to the net new automobile trips that would be generated due to site redevelopment?
- u) Has the Fire Chief indicated that the additional anticipated workload would or would not be capable of being serviced by the existing equipment bays and response vehicles?

- v) Has the Police Chief indicated that the additional anticipated workload (including those from net new vehicle trips) would or would not be capable of being serviced by the existing response vehicles?

### **3.2.3 Par. 3**

- w) Please provide additional discussion of the costs for why apartments would have efficiency factors for Culture and Recreation and Health and Human Services.

### **Table 7**

- x) Does the Efficiency Factor mean the education budget is 35% fixed and 65% variable costs?
- y) Please provide the analysis that arrived at a 65% efficiency factor for school budgets.

### **Additional Data Request:**

- z) What is the anticipated start date for construction and project completion and full occupancy? What are the completion dates for phases of the project by land use type?
- aa) Program of spaces by use type with a break out of residential units by SF and number of bedrooms, as well as assigned common areas and support spaces.
- bb) What on-site amenities will be provided (pools, play rooms, club house, exercise room etc?)
- cc) For residential, what are the parking spaces per unit by type?
- dd) For commercial what are the parking spaces per use type?

## APPENDIX C

**April 20 Response to questions and comments in Peer Review - prepared by RKG**

## MEMORANDUM

**TO:** Robert Brais, ConsultEcon, Inc.  
**FROM:** Judi Barrett  
**DATE:** April 20, 2016  
**SUBJECT:** Response to Comments on Fiscal Impact Analysis  
**CC:** Steve Senna, National Development  
Jody Kablack, Sudbury Town Planner

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Thank you for the opportunity to respond to you questions and comments about the fiscal impact analysis of MeadowWalk and Avalon Sudbury. As we discussed last week, I am providing a response that includes both this memorandum and a workbook with various data and calculations. For clarity, ConsultEcon's questions are repeated below, in italics, followed by our response.

### **3.1.1. Par. 3**

*a) Please provide in table form the comparable properties by type as well as number of units by type, assessed value and property taxes. These can then be compared to the post-construction assessed value estimates prepared by National Development and AvalonBay Communities.*

Response: the estimated assessed values used in RKG's report were provided by National Development and AvalonBay Communities. RKG did not conduct a formal test or survey to corroborate the developers' assumptions. The values provided by the developers are virtually the same as the values we have received from assessors in other Boston metro suburbs. For example, AvalonBay's average value per unit of \$165,000 is comparable to the per-unit value in mixed-income developments we have found in communities such as Hingham, Sharon, Cohasset, and Acton.

3. Par. 4 Table 2

b) *The Math for Village retail does not compute. 80,000 SF \* \$160 / SF = \$12,800,000. Therefore is the \$12,400,000 estimate of assessed value correct? Or is one of the factors not properly stated?*

Response: Table 2 erroneously lists \$160 per sq. ft. as the average value of village retail. It is a typographical error. The correct value is \$155 per sq. ft. The correct total for retail space is 80,000 sq. ft. The correct total value is \$12,400,000.

**3.1.2.**

c) *An average per capita figure of \$192 for excise taxes was used. To check the reasonableness of this estimate, what is the implied value of automobiles owned by people living in each of the two categories of housing that were analyzed?*

Response: We have looked at this very issue in other suburbs. In our experience, there is no significant difference in excise taxes paid by a town's homeowners and the renters in new mixed-income housing developments. It would be a mistake to assume that everyone living in an apartment community drives an older, less valuable car. Similarly, it is a mistake to assume that every vehicle on Sudbury's excise tax roll falls into the "luxury" category. While 25 percent of the households at Avalon Sudbury will have moderate incomes, the rest will be paying very high market-rate rents. As for the occupants of the over-55 units, the unit prices are high. We could not justify using a reduced excise tax multiplier.

**Table 3.**

d) *Please provide the data source (publication and publication date) and methodology used to arrive at the Refinement Coefficient (O) and (U).*

e) *Please comment on why a highly visited large public use as proposed; and that represents a 6% increase in assessed commercial value would only increase municipal costs by 2.3%.*

Response:

- The source of the refinement coefficients is Burchell and Listokin, *The Fiscal Impact Handbook* (August 2012, Reprint Ed.).
- The difference between the increase in commercial assessed value and increase in service costs is explained by the use of refinement coefficients. Proportional valuation is not a straight "linear" mode; it provides a mechanism to adjust for extreme lows or highs. In reviewing our work for this response, we discovered a calculation error that benefits the proposed development. A revised Table 3 is attached at the end of this memorandum (labeled Attachment 1).



**Table 4.**

*f) Please explain the allocation used in Column C.*

Response: The percentages are based on Burchell & Listokin, Proportional Valuation, Exhibit 6-4.

**Table 5.**

*g) What percentage of the 250 apartment units will be rented at “affordable” rates?*

*h) Please explain the method of deriving School Student Multipliers for 5th column.*

*i) What comparable apartment complexes of similar number of units and mix of units that include Affordable Housing were used as comparables for school children? And, please provide the data?*

Responses:

- Twenty-five percent of the apartments at Avalon Sudbury will be affordable units.
- The school student multipliers are based primarily on data we received from the Towns of Concord and Hopkinton – communities outside Route 128 that have new apartment developments and that are demographically similar to Sudbury. RKG also cross-tabulated ACS Public User Microdata Sample (PUMS) records for the PUMA that includes Sudbury, but we determined that the sample size of new apartments in comparable rent ranges is too small for our purposes.

In Hopkinton, the planning director receives periodic reports for Legacy Farms from the school department because the number of school students has to be tracked under the terms and conditions of the Town’s host community agreement with the developer. The most recent data available to us reflects October 2015 conditions. At that time, a total of fifty-two students were reported for the 240 units at Woodview Way, or an average of 0.217 students per unit. As we recall, the planning director seemed reasonably certain that all 240 units were actually occupied.

In Concord, the residents at Concord Mews included sixty school-age children as of November 2014, the date of the report we received from the Planning Department. Concord Mews has 350 units. The average number of school-age children per unit is 0.17.

**3.2.3 Par. 1**

*j) Note that in line 5, the table should be identified as Table 6, not Table 5.*

Response: correction noted.





**Table 6**

k) Please provide the detailed analysis for Table 6 to show how the cost per household was derived.

l) For Table 6, please provide: current average cost per capita for municipal services for the eight categories included in Table 6; then in a table, compare the actual Sudbury average cost by the 8 categories, to the derived marginal cost per new resident for the 8 categories.

Response: We will answer these questions together because they are so closely related. RKG’s analysis is based on an average cost per household by household type. Nevertheless, the use of efficiency factors for each household type simulates the effect of estimating service costs per capita because the size and composition of the households is different. Note that in the following analysis, Municipal Services expenditures by category (for existing conditions) does not match the numbers in our report. Once we corrected the Proportional Valuation error, the net allocation to residential services changed as well. (See our response to comments on Table 3.)

Average Municipal (Non-School) Expenditure Per Household in Sudbury (FY16)			
	Municipal Services	Amount Allocated to Residential Development*	Average Expenditure Per Household
<i>General Government</i>	\$2,719,850	\$2,604,400	\$400
<i>Public Safety</i>	\$7,218,029	\$6,063,100	\$1,000
<i>Public Works</i>	\$5,152,060	\$4,643,900	\$800
<i>Health &amp; Human Services</i>	\$659,188	\$589,900	\$100
<i>Culture &amp; Recreation</i>	\$1,233,397	\$1,233,400	\$200
<i>Benefits</i>	\$4,566,368	\$4,335,400	\$700
<i>Other**</i>	\$62,402	<u>\$62,402</u>	<u>N/A</u>
<i>Municipal Total</i>	\$22,136,265	\$19,532,500	\$3,200
*Net of nonresidential service expenditures. **Not included because “other” expenditures are rarely if ever associated with population, household, or employment growth.			

RKG did not calculate or report the average or marginal cost of services *by service category* per household. Our analysis involves applying an efficiency factor to each service category, based on the relative demands that we estimate will be generated by the particular type of household. This produced an adjusted total cost of services per category (efficiency factor \* amount allocated to residential development). The sum of these adjusted totals was divided by the total number of households in Sudbury to arrive at a net household cost by household type, which is why the cost multiplier for the apartments differs from the cost multiplier for the over-55 condominiums and assisted living units. We report the marginal



cost (including all service categories) per household, which varies by household type because the households are different. Thus:

- Sudbury’s existing average expenditure per household per year is approximately \$3,200 (in FY 2016 dollars, excluding schools);
- The marginal cost of adding 250 renter households (variety of household types) is \$940 per household per year;
- The marginal cost of adding fifty-three assisted living households is \$1,190 per unit per year (for purposes of the assisted living residence, we have counted beds (53) as units);
- The marginal cost of adding sixty age-restricted households is \$975 per household per year.

The following table provides the information you requested in question (l). However, RKG maintains that these statistics are very misleading because *average expenditure per household* is not the same as the *marginal cost of services for new households* – and households which, for the most part, will be smaller and somewhat different, demographically, from the Town’s predominantly upper-middle-income homeowners.

Average Municipal Expenditure Per Household (Existing Conditions) and Marginal Cost of Services for Meadow Walk and Avalon Sudbury Households (New Households)				
General Fund Service Category	Average Expenditure Per Household	Marginal Cost of Services		
		Assisted Living Households	Over-55 Households	Renter Households
General Government	\$400	\$40	\$40	\$40
Public Safety	\$1,000	\$1,060	\$760	\$760
Public Works	\$800	\$0	\$40	\$40
Health & Human Services	\$100	\$50	\$20	\$30
Culture & Recreation	\$200	\$20	\$100	\$60
Benefits	\$700	\$20	\$10	\$10
<b>Municipal Total</b>	<b>\$3,200</b>	<b>\$1,190</b>	<b>\$975</b>	<b>\$940</b>

**3.2.3 Par. 2 and 3**

*Please provide for comparison purposes the following information:*

*m) What are the Incidents or Responses for Fire? For Police?*

Response: RKG’s analysis is based on a marginal cost of services per household based on household type. We did not generate an estimate of calls per unit except for the assisted living residence, which we estimate will be between 50 and 55 emergency medical calls



per year. We did not include any ambulance receipts on the revenue side because often, medical calls generated by assisted living residences do not lead to emergency transport services.

*n) What are the municipal budgets for Public Safety departments? (Fire, Police, Other?)*  
Response: Police, Fire, Dispatch, and Building Department.

*o) Has this study divided their budgets into fixed and variable components?*  
Response: the efficiency factor reflect RKG's assessment of line items directly affected by growth in residential and nonresidential demand for services. We removed fixed components and reviewed and adjusted the variable components that will most likely experience (be affected by) some additional demand. Since households differ in the degree of demand they create for municipal services, we did not use the variable cost as an unadjusted cost multiplier.

*p) For total, and /or variable cost; what is the average Fire Department cost per incident in Sudbury?*  
Response: RKG did not use this type of methodology.

*q) For total, and /or variable cost; what is the average Police Department cost per incident in Sudbury?*  
Response: RKG did not use this type of methodology.

*r) How many personnel respond to Incidents or Responses for Fire? For Police?*  
Response: As we understand it, the answer depends on the incident type. For emergency medical calls, usually the police serve as first responders and the Fire Department responds with an ambulance and an engine truck or other apparatus. The Police Department representative we interviewed said that police do not respond to incidents at assisted living facilities.

*s) What is the average annual workload (average number of incidents) of responders for Fire? For Police?*  
Response: RKG did not use this type of methodology.

*t) Does this fiscal impact study consider the public safety costs related to the net new automobile trips that would be generated due to site redevelopment?*  
Response: Not directly. Detailed capacity analysis indicates that even without the implementation of any capacity improvements, the Project will have comparable, if not improved operations on weekdays at the study locations when compared to a 563,300± sf



office/R&D tenant on the Site. The operational impact due to the limited additional new traffic on Saturdays is also expected to be nominal. Nonetheless, the Proponent plans to implement multiple improvements to help further reduce the impact of the Project and improve existing conditions. An outline of the improvement measures is presented below.

- Construction of a new traffic signal on Boston Post Road by aligning the primary Site driveway with the westerly driveway for Sudbury Plaza and Highland Avenue (a private way). This would also include the construction of designated left turn lanes on Boston Post Road, a new actuated pedestrian crosswalk and bicycle accommodations at the intersection; in addition to the Project, these improvements will also benefit the retail plaza and the residents of Highland Avenue on the south side of Boston Post Road.
- Improved safety through the elimination of traffic control by a police officer at the primary Site driveway during the weekday evening peak hour;
- Improved pedestrian accommodations by widening the existing sidewalk on the north side of Boston Post Road along the Site frontage and extending the limits of the existing sidewalk on the south side of Boston Post Road;
- Implementation of a time-based coordinated signal system between the new signalized Site driveway, Nobscot Road and Union Avenue intersections on Boston Post Road to better manage vehicular queues and improve progression of through traffic at multiple intersections;
- Construction of a new emergency preemption signal at the fire station located along the Site frontage and integration of the signal into the new traffic signal at the primary Site driveway;
- Subject to right of way availability, addition of five-foot paved shoulders (which could become part of future bike lanes) on either side of Boston Post Road within the limits of the roadway improvements; and,
- Implementation of a robust Traffic Demand Management (TDM) program as part of the full build-out of the Project, underpinned by a significant investment in onsite circulation enhancements.

The Town's public safety officials said they anticipate an increase in traffic-related workload, e.g., collisions, traffic enforcement, emergency medical in the vicinity of the Site. However, we did not hear that the public safety departments lack capacity to absorb the additional workload. We note that of the total estimated new cost of municipal services



attributable to redevelopment of the Raytheon site (\$412,200), approximately \$320,000 is allocated to public safety operations, mainly police and fire.

*u) Has the Fire Chief indicated that the additional anticipated workload would or would not be capable of being serviced by the existing equipment bays and response vehicles?*

Response: The Fire Chief mentioned that the station near the Raytheon site is “maxed out” and needs to be expanded. Based on what we heard, however, we do not believe the space need he described is directly attributable to the proposed project. We are aware of his concerns about response capacity (personnel) and the additional workload associated with tasks such as inspections. While we did not set aside a specific cost for inspections, we also did not include any of the revenue that would be paid to the Town to pay for inspections either during construction or on a recurring basis post-occupancy.

It is important to note that according to the Fire Chief, the Town has not added any personnel to the Fire Department since 1978, and recently the Town eliminated an officer’s salary in the Police Department budget. There may be a capacity shortage in one or both operations, but we do not have a valid basis to ascribe the problem to Meadow Walk Sudbury or Avalon Sudbury. What the projects will do is provide Sudbury with new recurring net revenue to address departmental capacity gaps that have been developing over many years.

*v) Has the Police Chief indicated that the additional anticipated workload (including those from net new vehicle trips) would or would not be capable of being serviced by the existing response vehicles?*

Response: We did not hear this concern from the Police Chief. We acknowledge that he is concerned about an increase in calls from the assisted living residence – not for emergency medical per se, but rather to assist with locating memory care patients who have walked out of the facility. His concerns, along with data we have from other communities, help to explain why we assigned an efficiency factor > 1.00 to public safety for the assisted living component of the project.

### **3.2.3 Par. 3**

*w) Please provide additional discussion of the costs for why apartments would have efficiency factors for Culture and Recreation and Health and Human Services.*

Response: In our experience, rental housing places very little demand on a community’s culture and recreation operations and we set the efficiency factor accordingly. Rental developments tend to be fairly insular or self-contained, with on-site recreation and entertainment amenities for residents. Impact on health and human services would come primarily from recurring demand for inspections and possibly for housing complaints. We



did not assign a high efficiency factor for the rental housing to Health and Human Services because housing complaints are very infrequent for well-managed housing developments.

**Table 7**

*x) Does the Efficiency Factor mean the education budget is 35% fixed and 65% variable costs?*

*y) Please provide the analysis that arrived at a 65% efficiency factor for school budgets.*  
Response: The school cost impact was a challenging aspect of this study. On one hand, Sudbury's educational expenditures have increased every year; on the other hand, its K-12 enrollment has been declining. Thus, what the Town is spending on schools is driven, at least in part, by demands other than enrollment growth. The 65 percent efficiency factor is net of fixed costs and also recognizes that due to Sudbury's decline in school enrollments, some variable costs will not be affected to the same degree that they would be under a net enrollment-growth scenario. Some examples include middle and high school instructional costs; curriculum, library, and media services; and plant maintenance. We do not have a specific table we can provide.

**Additional Data Request:**

*z) What is the anticipated start date for construction and project completion and full occupancy? What are the completion dates for phases of the project by land use type?*

*aa) Program of spaces by use type with a break out of residential units by SF and number of bedrooms, as well as assigned common areas and support spaces.*

*bb) What on-site amenities will be provided (pools, play rooms, club house, exercise room etc?)*

*cc) For residential, what are the parking spaces per unit by type?*

*dd) For commercial what are the parking spaces per use type?*

National Development will be responding to these questions in a separate memorandum.



**Attachment 1**

Revised Table 3 from FIA Report

Proportional Valuation: Estimate of Current Municipal Service Expenditures Nonresidential Land Uses		
Identifier	Methodology Component	FY 2016
A	Total General Fund Expenditures	\$88,502,000
B	<i>School Budget</i>	\$39,816,100
C	<i>Regional Schools</i>	\$22,136,800
D	<i>Minuteman Assessment</i>	\$694,400
E	<i>Total School Spending</i>	\$62,646,700
F	Net Cost of Municipal Services (A-E)	\$25,855,300
G	Non-Residential Real Property Value	\$206,473,800
H	Total Real Property Assessed Value	\$4,160,141,500
I	Ratio (G/H)	0.05
J	Non-Residential Parcels	209
K	Total Parcels	6,486
L	Average Value: Nonresidential Parcel (G/J)	\$987,900
M	Average Value: All Parcels (H/K)	\$641,400
N	Ratio (L/M)	1.54
<b>O</b>	Refinement Coefficient	<b>1.80</b>
<b>P</b>	Cost of Nonresidential Services (F*I*O)	\$2,309,800
Q	Residential Expenditures (A-P)	\$86,192,200
R	Nonresidential Percent (P/F)	2.7%
S	Est. Assessed Value, Meadow Walk Commercial Space	\$12,400,000
T	Ratio, Meadow Walk Value to Total Nonresidential (S/G)	0.06
T	Ratio, Meadow Walk Value to Avg. Nonresidential	12.55
<b>U</b>	Refinement Coefficient	<b>0.40</b>
V	Cost of New Municipal Services (P*T*U)	<b>\$55,500</b>
Source: Town of Sudbury Preliminary Budget Document, FY 2016; and RKG Associates. Source of Refinement Coefficients: Center for Urban Policy Research, Rutgers University.		

\*Changes marked in **red**.



## Appendix D

**April 25 Meadow Walk Sudbury / Avalon Sudbury project description, characteristics and details memo prepared by National Development / AvalonBay Communities**



**BPR Sudbury Development LLC**  
**c/o National Development**  
2310 Washington Street  
Newton Lower Falls, Massachusetts  
617-257-9800

BY EMAIL

April 25, 2016

Planning Board  
Town of Sudbury  
278 Old Sudbury Road  
Sudbury, MA 01776  
Attention: Ms. Jody Kablack

Re: Meadow Walk Sudbury / Avalon Sudbury - Fiscal Impact Analysis

Chairman Abair, Vice-Chairman Garvin, and Members of the Board:

On behalf of BPR Sudbury Development LLC, we are pleased to provide the following information to supplement our team's response to ConsultEcon's peer review of the Fiscal Impact Analysis prepared by RKG Associates, Inc. for the above-referenced project. For clarity, ConsultEcon's questions are repeated below, in italics, followed by our response:

*z) What is the anticipated start date for construction and project completion and full occupancy? What are the completion dates for phases of the project by land use type?*

<b>Project Component</b>	<b><u>Estimated Milestone Dates</u></b>		
	<b><u>Construction Start</u></b>	<b><u>Construction Finish</u></b>	<b><u>Full Occupancy</u></b>
Grocery Store	September 2016	August 2017	August 2017
Village Retail	April 2017	June 2018	June 2018
Assisted Living	April 2017	April 2018	April 2019
Age-Restricted Housing	April 2017	December 2018	April 2019
Multifamily Apartments	November 2016	June 2018	August 2018

aa) Program of spaces by use type with a break out of residential units by SF and number of bedrooms, as well as assigned common areas and support spaces.

<b>Project Component</b>	<b>Unit Mix</b>			<b>“Assigned” Amenities</b>
	<b>1 Bed</b>	<b>2 Beds</b>	<b>3 Beds</b>	
Assisted Living	42 units (87%) 350 Avg SF	6 units (12%) 600 Avg SF	n/a	None.
Age-Restricted Housing – Townhomes	n/a	21 units (100 %) 2,300 Avg SF	n/a	Private attached garage and associated tandem spaces.
Age-Restricted Housing – Garden Style	7 units (18%) 1,000 Avg SF	32 units (82%) 1,600 Avg SF	n/a	Deeded subsurface parking spaces. Possibly deeded garage or hallway storage areas.
Multifamily Apartments (40B)	125 units (50%) 980 Avg SF	101 units (40%) 1,470 Avg SF	25 units (10%) 1,660 Avg SF	Each apartment will have its own private front door and integral garage.

Note: all square footages are approximate and will be refined during the construction documents phase.

bb) What on-site amenities will be provided (pools, play rooms, club house, exercise room etc?)

### Assisted Living

The mission of Bridges by EPOCH at Sudbury will be to provide people with memory impairment (Alzheimer’s, dementia, etc.) with a secure setting and the appropriate level of services that allows each resident to maximize his or her quality of life. Our residents will enjoy comfortable apartments and beautiful surroundings both inside and outside of the building. Bridges by EPOCH will feature a variety of common area amenities, such as shared dining areas, living rooms, lounges and libraries, beauty/barber salons, a health/wellness suite and central activity areas.

Bridges by EPOCH will consist of 48 assisted living apartments separated into three (3) distinct “households” of 16 units. The interior program and design for the Project is based on current assisted living community best practices incorporating design features consistent with the latest research regarding how best to protect and enhance the health and well-being of people with memory care needs. The guiding principle of the design is to make the Project look and function in each of its “household” wings as much like a single-family home and family unit as reasonably possible.

Resident units will be small apartments with private bathrooms, but will not have private cooking or dining areas. The three households will share centralized reception, social, kitchen, staff and administrative spaces, but each household will have its own residential common activity and dining areas. In addition, each household will have direct access to secure outside space in the form of two exquisitely designed courtyard spaces. A central kitchen located in the core of the building will prepare three meals per day for each resident with delivery and service to each of the household dining areas.

#### Age-Restricted Housing

At this time, we do not plan to have any “shared” on site amenities dedicated to the Age-Restricted housing with the possible exception of a small lobby, fitness room and/or social space on the ground floor. Each Townhome will have its own front door and garage (and small private landscape areas and/or “back decks”). Each Apartment will have one or more basement parking spaces.

#### Multifamily Apartments (40B)

The community will include a 5,000 sf community center that will include the leasing office, an indoor lounge and a state-of-the-art fitness center. Outside the community center, the amenities will include an outdoor lounge with a fireplace and barbecues adjacent to an outdoor pool. Surrounding the pool will be landscaped open space for active and passive recreation as well as tot lot. Other amenities include walking paths for passive recreation and access to retail and shopping opportunities.

*cc) For residential, what are the parking spaces per unit by type?*

#### Assisted Living

The site plan includes 53 spaces (or approximately 1 space per bedroom). While the residents do not have cars, parking is needed for staff and visitors. We have developed several identical (programmatically) facilities in Greater Boston. Our operating experience with these existing facilities over the last 5 years has confirmed that one space per bedroom is an appropriate parking ratio.

#### Age-Restricted Housing

There are approximately 162 units in the site plan, including 42 tandem spaces in front of private attached garages. Excluding the 42 tandem spaces (which are essentially, visitor spaces in Townhome driveways), the parking equates to roughly 2 spaces per unit, which is consistent with market demand for parking in age-restricted housing developments in affluent communities like Sudbury. The majority of the non-tandem spaces are within the “basement” of the Garden Style apartment building. These basement spaces likely will be sold on a “first come, first serve” basis along with each condominium apartment sale.

Multifamily Apartments (40B)

Overall parking includes 582 spaces. This includes 254 dedicated garage spaces; 54 tandem spaces; and, 274 surface spaces. Any "reserved" surface spaces will be assigned on a first-come-first serve basis.

*dd) For commercial what are the parking spaces per use type?*

At 486 spaces, the retail site plan accommodates slightly more than 6.0 spaces per 1,000 square feet. The only space leased at this time is the 45,000 square feet to Whole Foods Market. We expect that the balance of the space will be leased to a variety of restaurant and dry goods retailers whose overall parking demand will average (on a weighted basis) 6.0 spaces or less per 1,000 square feet of leased area.

Please do not hesitate to contact us if you or ConsultEcon have any questions related to this additional information.

Thank you.

Very truly yours,



Stephen C. Senna

On behalf of BPR Sudbury Development LLC

cc. Robert Brais, ConsultEcon, Inc.  
Judi Barrett, RKG Associates, Inc.  
Peter Tamm, Goulston & Storrs  
David Gillespie, AvalonBay Communities

## **Appendix E**

### **April 7 Incidents at Assisted Living / 40 B/ Condos / Grocery Stores / Restaurants prepared by the Sudbury Fire Department**

# Incidents at Assisted Living/40 B/Condos/Grocery Stores/Restaurants

2265 Total Incidents from 12/2/2014 to 12/2/2015

Facility	Nursing Beds	Alzheimer Beds	55 + to 65 +	Disabled	Low Income	Assisted Living	Total Beds/Units	Facility Incidents	% of Total Incidents	Incidents per Unit/Bed
Orchard Hill						45	45	91	4.02%	2.02
Coolidge 40 B			64				64	57	2.52%	0.89
Springhouse Pond			39				39	8	0.35%	0.21
Mahoney Farm			33				33	7	0.31%	0.21
Grouse Hill			52				52	12	0.53%	0.23
Total for above 3 locations			124				124	27	1.19%	0.22
Proposed by National Development										Average
			Units			Incidents per Unit/Bed				Additional Expected Incidents
50 Units of Assisted Living/ Alzheimer										
Compare to Orchard Hill			50			2.02				101.11
250 Units 40 B Housing										
Compare to Coolidge			250			0.89				222.66
60 Units of Age Restricted Condos										
Compare to Springhouse Pond, Mahoney Farm, Grouse Hill			60			0.22 Average				13.20
Proposed Grocery & Restaurant										
Sudbury Farms Grocery										7
29 Hudson Restaurant										9
										<u>352.97</u>
										Total Add'l Expected Incidents

353 additional incidents represents a 16 per cent increase in Sudbury Fire Dept annual call volume

**Appendix F**

**Email correspondence that includes relevant information regarding the March 12  
FISCAL IMPACT ANALYSIS**

**From:** [Steve Senna](#)  
**To:** [Robert Brais](#); [Judi Barrett](#)  
**Cc:** [Allison L. Kehn](#); [Kablack, Jody](#); [Kupfer, James](#)  
**Subject:** RE: Current property Assessment - Woodview and Mews comps  
**Date:** Thursday, April 28, 2016 11:29:49 AM

---

Bob – I just confirmed that both properties have affordable units, in each case 20%. Again, let us know if you need anything else. Thanks, -Steve

Steve Senna  
NATIONAL DEVELOPMENT  
2310 Washington Street  
Newton Lower Falls, MA 02462  
Direct: 617-559-5046  
Cell: 617-953-4699  
Email: [ssenna@natdev.com](mailto:ssenna@natdev.com)

\*\*\*\*\*

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---

**From:** Robert Brais [<mailto:rbrais@consultecon.com>]  
**Sent:** Thursday, April 28, 2016 9:15 AM  
**To:** Judi Barrett  
**Cc:** Allison L. Kehn; Kablack, Jody; Kupfer, James; Steve Senna  
**Subject:** RE: Current property Assessment

Hi Judi:  
The Town supplied the information. It is our view that it is useful for reader's of the report and the peer review to understand the overall effects of transition in land use.

Another question is whether the comparable rental developments in Woodview Way in Hopkinton and Concord Mews in Concord have affordable housing components, and if so what percentage of the units?

Thank you,

Bob

Robert E. Brais, Vice President

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**From:** Judi Barrett [[jbarrett@rkgassociates.com](mailto:jbarrett@rkgassociates.com)]  
**Sent:** Wednesday, April 27, 2016 3:57 PM  
**To:** Robert Brais  
**Cc:** Allison L. Kehn; Kablack, Jody; Kupfer, James; Steve Senna  
**Subject:** RE: Current property Assessment

Hi Bob,

I'm afraid I can't help with this question. I didn't need the information you're inquiring about. My job did not involve comparing the proposed mixed-use project to the assessed valuation and tax revenue for an expiring land use. Instead, my task was to estimate the assessed value, local revenues, and municipal/school service costs for Meadow Walk Sudbury/Avalon Sudbury and determine whether the proposed project will have a revenue positive, negative, or neutral impact. I usually don't consider previous land use/valuation/revenue unless I'm doing a study of proposed alternatives for a site, e.g., there are three possibilities for Site A, including maintaining the status quo and two other options, so the question becomes which option is the most advantageous to the community? In Sudbury, maintaining the status quo wasn't (as far as I know) part of the equation.



Judi Barrett  
RKG Associates, Inc.  
(617) 847-8912  
[www.rkgassociates.com](http://www.rkgassociates.com)

---

**From:** Robert Brais [<mailto:rbrais@consultecon.com>]  
**Sent:** April 26, 2016 08:30  
**To:** Judi Barrett <[jbarrett@rkgassociates.com](mailto:jbarrett@rkgassociates.com)>  
**Cc:** Allison L. Kehn <[akehn@consultecon.com](mailto:akehn@consultecon.com)>; Kablack, Jody <[KablackJ@sudbury.ma.us](mailto:KablackJ@sudbury.ma.us)>; Kupfer, James <[KupferJ@sudbury.ma.us](mailto:KupferJ@sudbury.ma.us)>  
**Subject:** Current property Assessment

Hi Judi:

For current 49 acre Raytheon site at 526 -528 Boston Post Road, what is the assessed value and what were the real estate and excise taxes paid for past fiscal year.

Thank you,

Bob

Robert E. Brais, Vice President

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