

**200
QUANNAPOWITT
PARKWAY
PROPOSED MULTIFAMILY
COMMUNITY**

FISCAL IMPACT
ANALYSIS
WAKEFIELD, MA

PREPARED FOR:



PREPARED BY:



FOUGERE PLANNING &
DEVELOPMENT
MILFORD, NH

FOUGERE PLANNING & DEVELOPMENT

Mark J. Fougere, AICP

Phone: 603-315-1288 Email: Fougereplanning@comcast.net

**200 QUANNAPOWITT PARKWAY FISCAL IMPACT ANALYSIS
Wakefield, MA**

Table of Contents

Section 1 Executive Summary.....2

Section 2 Introduction.....4

Section 3 Local Trends.....4

Section 4 Fiscal Methodology.....6

Section 5 Municipal Revenues.....7

Section 6 Municipal Service Costs/Revenues.....9

Police/Fire.....9

Other Departments/Revenues.....12

School Department.....14

Section 7 Fiscal Summary.....18

1. Executive Summary

Fougere Planning and Development has been engaged by CCF Quannapowitt Property Company, LLC to undertake a Fiscal Impact Analysis for the redevelopment of 200-400 Quannapowitt Parkway (“the Project”). The Project is a mixed-use multifamily project comprised of 485 housing units with a unit profile outlined in Table One and a 1,100 square foot café/restaurant. Eight-seven units will be affordable and restricted to low and moderate income households. 200-400 Quannapowitt Parkway (“Site”) is currently developed with a 219,000 square foot office building which has been vacant since 2019. The Project involves the construction of two, 3-story buildings and one, 4-story building located closest to I-95/128 with full occupancy scheduled for early 2027.

Table One
Project Unit Breakdown

	Unit
Studio Market	47
Studio Affordable	10
One Bed Market	225
One Bed Affordable	50
Two Bed Market	109
Two Bed Affordable	24
Three Bed Market	17
Three Bed Affordable	3
Total Units	485

The Fiscal Impact Analysis estimates that the Project will result in a net annual positive fiscal impact, on the lower end of a projected range¹, of \$543,856. Gross local revenues from the Project are estimated to be \$1,765,295 a year while costs are conservatively estimated to be \$1,221,439 a year. The existing office use generates \$419,350 in annual property taxes, with estimated municipal costs totaling \$41,935, resulting in a net positive impact of \$377,415. The Project is estimated to have a positive fiscal impact of \$166,441 to \$247,561 greater than the existing office use. Table Two summarizes these revenue and cost findings.

¹ As detailed in Section 6, a range of costs are estimated for the Police Department.

Table Two
Estimated Revenues and Costs

	Existing Use	Proposed Redevelopment
Property Taxes	\$419,350	\$1,332,170
Excise Taxes	-	\$433,125
Estimated Municipal Costs		
Police	-	-\$160,680
Fire	-	-\$228,384
Other Departments	-	-\$36,375
School Costs	-	-\$796,000
Total Costs	-\$41,935	-\$1,221,439
Net Annual Positive Fiscal Impact	+\$377,415	+\$543,856
Estimated Chap. 70 School Aid	-	+\$92,105

This positive fiscal impact does not include the intangible fiscal impact of increased local and regional economic activity as a result of this Project. The positive fiscal impact also does not account for the one-time payments required of the Project such as the projected \$1,086,954 in building/wire/plumbing and demolition permit fees or the \$1,300,000 pledged for off-site Lake Quality Improvement Project. In addition, \$296,000 in I/I fees² will be paid. These one-fees and contributions total \$2,683,054.

The data in this analysis is derived from the extensive consultation Fougere Planning and Development conducted with Town officials in conjunction with data from over 1,000 housing units in Greater Boston.

² Inflow & Infiltration mitigation for the municipal sewer system.

2. Introduction

Fougere Planning and Development has been engaged by CCF Quannapowitt Property Company, LLC to undertake a Fiscal Impact Analysis for the redevelopment of 200-400 Quannapowitt Parkway (“the Project”). The Project is a mixed-use multifamily project comprised of 485 housing units and a café/restaurant. 87 units will be affordable and restricted to low and moderate income households. 200-400 Quannapowitt Parkway (“Site”) is currently developed with a 219,000 square foot office building which has been vacant since 2019. The Project involves the construction of two, 3-story buildings and one, 4-story building located closest to I-95/128 with full occupancy scheduled for early 2027. In addition this fiscal analysis will compare revenues and municipal service costs from both the existing office building and the proposed residential development program. It should be noted that this development will be operated privately and as such all proposed access ways will be maintained by the owner. Refuse disposal will also be conducted by owner. Public water and sewer will service the site.

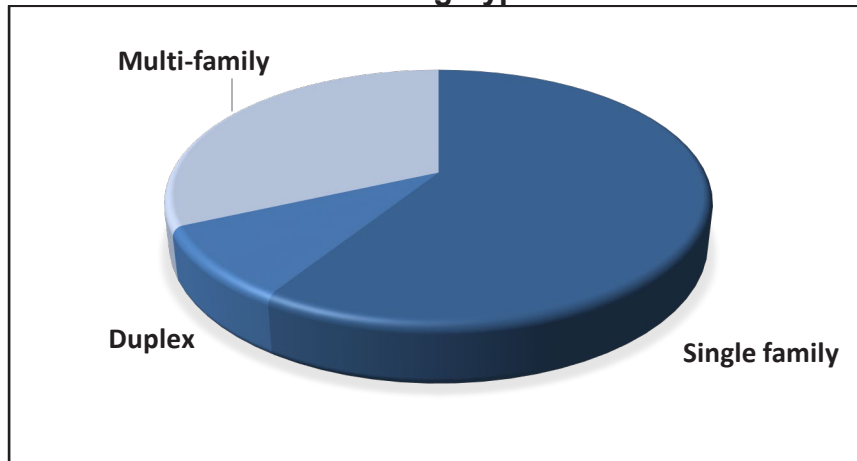
3. Local Trends

Census figures report that from 2000 to 2010 Wakefield’s population increased from 24,804 to 24,932, showing a slight increase in population growth over the 10 year time period. The most recent population estimates from the US Census Bureau³ report a population of 26,960, representing a 1% annual increase between 2010 and 2018,

A majority of Wakefield’s housing stock consists of single family homes, with 2018 US Census data reporting 6,613 single family homes out of a total housing stock of 11,210 units; Figure One.

³ 2018 American Factfinder

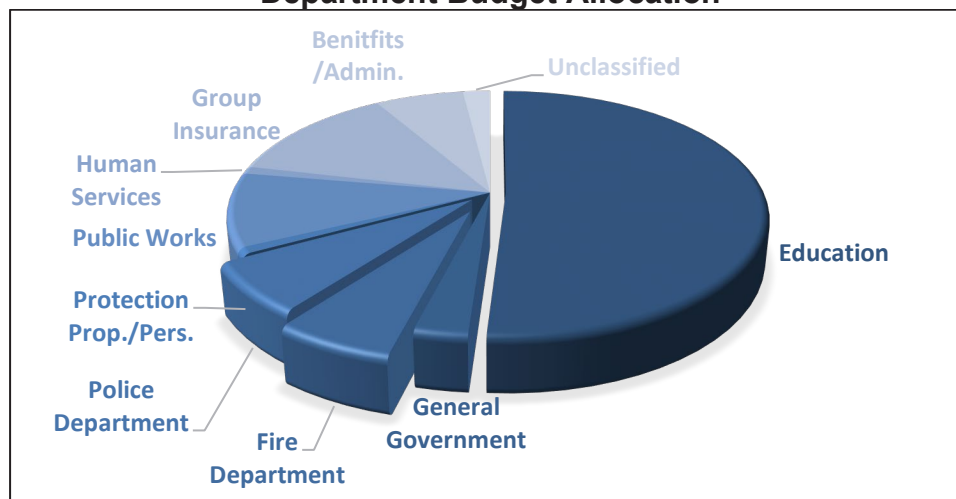
**Figure One
Housing Types**



Budget History

Wakefield's total operating budget for 2020 was \$88,487,721. As shown in Figure Two, Public Safety and Education account for 65% of the total budget. These departments have the largest personnel and the most direct impact on municipal expenditures. Given the large budgetary impact these departments have on the community and the fact that Project impacts will be most closely related to these departments, they are the primary focus of this Report.

**Figure Two
Department Budget Allocation**



4. Fiscal Methodology

There are a number of methodologies used to estimate fiscal impacts of proposed development projects. The Per Capita Multiplier Method is the most commonly used analysis to determine municipal cost allocation. This method is the classic “average” costing method for projecting the impact of population growth on local spending patterns and is used to establish the costs of existing services for a new development. The basic premise of this method is that current revenue/cost ratios per person and per unit are a potential indicator of future revenue/cost impacts occasioned by growth. New capital expenditures required for provision of services to a development are not added to current costs; instead present debt service for previous improvements are included to represent ongoing capital projects. The advantage of this approach is its simplicity of implementation and its wide acceptance by both consultants and local officials. The downside of this approach is the methodology calculates the “average” cost as being the expected cost, which is often not the case and costs are exaggerated - significantly in some instances.

The Marginal Cost Approach is a more realistic methodology that can be used to estimate and measure developmental impacts based on actual costs that occur in the community. At this time, a “level of service” exists in Wakefield to serve the community. This existing service level, for the most part, addresses the needs of the community through existing tax collections. As new development occurs, pressures are placed on some departments to address increased demands, while other departments experience negligible, if any impacts. In reviewing the potentially impacted town departments specifically, a truer picture of anticipated cost impacts can be determined. The Report will use this methodology unless discussions with Department heads lead to no definitive cost conclusion, in which case the Average Costing Method will be applied.

Given the nature of the contemplated redevelopment of the Quannapowitt property, as will be shown by the analysis below, material impacts will be limited to a few Town departments. Any required off-site traffic and roadway improvements are expected to be addressed during the approval processes with the Town. Solid waste generated by the proposed use will be removed by a private hauler. Any

ongoing sewer and water expenses associated with water use and sewage generated by the proposed use will be offset through user fees. All on-site property improvements will be privately funded and all maintenance expenses will be paid for by the project owner. This report does not intend to imply that no costs will occur as a result of this project. Discernable impacts of the development are expected to result to a few Town departments, most notably the School Department, along with the Police and Fire Departments. Other Town agencies are projected to experience minimal impacts from the project proposal.

5. Municipal Revenues

Property Taxes

Local property taxes provide the bulk of municipal revenues for Wakefield, totaling 72.7% of all revenues to the General Fund⁴. Wakefield's present tax rate is \$12.73 per \$1,000 valuation for residential uses and \$24.67 for commercial/industrial uses. To estimate future assessed value, local market conditions were reviewed along with consideration of the higher end use planned for the site. Based on this analysis, yearly property tax revenue is estimated to be \$1,332,170 as outlined in Table Three.

Table Three
Estimated Yearly Residential Property Taxes

Property Tax Revenue			
Proposed Residential	Units	Value	Value/Unit
Est. Market Value			\$215,000
Proposed Residential	485	\$104,275,000	
Tax Rate \$12.73/ \$1,000			
Residential Revenue	\$1,327,421		
Retail	Square Feet	Value/Sq. Ft⁵	Value
Proposed Retail	1,100	\$175	\$192,500
Tax Rate \$24.67/\$1,000			
Retail Revenue	\$4,749		
Total Property Tax Revenue	\$1,332,170		

⁴ Fiscal Year 2019 Budget Summary, town report.

⁵ Based on local assessments.

Miscellaneous Yearly Revenues

Motor Vehicle Excise Tax - Another major revenue source for the community is motor vehicle excise taxes. In fiscal year 2020 the Town of Wakefield received a total of \$4,100,000⁶ from this revenue source. Table Four outlines a projected vehicle excise tax revenue of \$433,125 for Project.

Table Four
Motor Vehicle Excise Tax

# Cars ⁷	Value	Total Value
693	\$25,000	\$17,325,000
	\$25/\$1,000	\$17,325
		\$433,125

Total Estimated Yearly Project Revenues

The Project is estimated to generate a total of \$1,765,295 in yearly revenues from property and excise taxes as outlined in Table Five.

Table Five
Estimated Yearly Revenue Comparison

Residential Property Taxes	\$1,327,421
Retail Property Taxes	\$4,749
Vehicle Excise Taxes	\$433,125
Total Revenues	\$1,765,295

This is a significant increase in revenue (320%) compared to the existing office space. Additional one-time payment revenues will also be realized as part of the Project, these will be detailed further below.

Existing Office Use

The existing office building is presently assessed for \$16,998,400 and generates \$419,350 in annual property tax revenues.

⁶ Wakefield Visual Budget.

⁷ Studio: 1 vehicle, One Bed: 1.2 vehicles, Two/Three bed: 2 vehicles.

6. Municipal Service Costs

Given the nature of the Project, as will be seen in the analysis below, impacts will be limited to a few Town Departments including schools, police and fire departments. All onsite maintenance will be addressed by the property owner, including driveway maintenance and trash removal.

Department Impacts

Police & Fire

The Police and Fire Departments will experience some increased demand for services from the Project. For fiscal year 2020 the Police Department's budget was \$6,119,868 and Fire Department's budget was \$5,620,360.

As part of the Fiscal Impact Analysis, Police Chief Skory was consulted. He advised that the Fiscal Impact Analysis use the Everly and Wakefield Vista as benchmarks when analyzing impacts to the Police Department. To be conservative, the Fiscal Impact Analysis assumes the higher average call ratio of those buildings to generate estimated emergency department calls.

Based on this analysis, Police calls are projected to increase by 309 calls annually (18,684 total calls⁸ in 2019) or 5.9 calls per week. Annual fire/ambulance calls are projected to increase by 104 calls (4,002 total calls in 2019) or 2 calls per week as detailed in Table Six.

Table Six
Projected Emergency Service Calls

Project	Town	Units	Avg. Police Call Per Year	Avg. Call Per Unit	Projected Yearly Calls
Vista Apartments	Wakefield	114	48	0.421	
Everly	Wakefield	186	117	0.629	
Proposed Apartments		485			305
Proposed Retail		1,100		.0033	4

⁸ Police and Fire calls from 2019 town report.

Project	Town	Units	Avg. Fire Call Per Year	Avg. Call Per Unit	Projected Yearly Calls
Vista Apartments	Wakefield	114	4	0.035	
Everly	Wakefield	186	18	0.097	
Proposed Apartments		485			47
Proposed Retail⁹		1,100		.0001	1
Project	Town	Units	Avg. EMS Call Per Year	Avg. Call Per Unit	Projected Yearly Calls
Vista Apartments	Wakefield	114	13	0.114	
Everly	Wakefield	186	15	0.081	
Proposed Apartments		485			55
Proposed Retail		1,100		.000049	1

Police Department

In order to address on-site security concerns raised by the Chief, the Project will incorporate extensive on-site security measures including cameras throughout the property (inside buildings and out) and within the garage (which will be gated). In addition, license plate recognition measures will be in place. Also, a Community Safety Office is programmed for the Police Department, providing a space to address on-site matters as well as a central location to house project security infrastructure.

In order to assign some cost as a result of the increased demand for services, a number of options were reviewed including cost per call and cost per capita. Since calls for service provides a clear measure of impact on the Department, this approach was used and results in an estimated annual cost of \$160,680 as detailed in Table Seven. The Police Chief noted that this cost assignment was reasonable.

Table Seven
Police Department Impact

Department	FY 2021 Budget ¹⁰	Calls	Cost/call	Est. Calls	Annual Cost
Police	\$9,717,172	18,684	\$520	309	\$160,680
Police	\$9,717,172	18,684	\$520	153	\$79,560

⁹ Estimated call data from Fougere Planning data base.

¹⁰ 2021 Budget document, includes benefit costs

Given the security measures proposed for the planned multi-family community, we believe the estimated police calls noted in Table Six are unlikely to occur. If we take a weighted average of police calls from both the Everly & Vista apartment complexes, a ratio of .306 calls per unit is derived. Applying this ratio to the proposed multi-family development results in an estimated 153 police total calls per year¹¹. Using the same cost per call ratio outlined in Table Six, results in an estimated cost impact of \$79,560. To be conservative, we will carry both a low and high range of potential impacts to the police department to account for an array of calls.

Fire Department

Fougere Planning also met with Fire Chief Sullivan and discussed the estimated calls outlined above. The Chief felt the estimated calls were consistent with his expectations and felt that his department could handle the increased calls. The Chief stressed site specific parameters that will be addressed including: access, improving existing roadways, parking lot layout & design and the location of hydrants.

As with the Police Department, to account for some impact from the proposed development a cost per call ratio was used which provides an estimated annual cost of \$228,384 as outlined in Table Eight. The Chief believed the estimated Department cost assigned to this development was a reasonable and fair approach.

Table Eight
Fire Department Impact

Department	FY 2021 Budget	Calls Per Year¹²	Cost/call	Est. Calls	Annual Cost
Fire	\$8,789,171	4,002	\$2,196	104	\$228,384

These estimated costs are not inferring that emergency service department budget's will increase as a result of the proposed development, but assigns a "cost" to account for any potential impact.

¹¹ Includes 4 calls for retail space.

¹² Average calls, 2015-16, town report.

Other Departments/Revenues:

Building

Building Department costs were not included in this analysis because they are not permanent annual impacts and will be offset by building permit fees. The Building Department fee schedule assigns project construction costs to be valued at \$150 square foot¹³, generating an estimated construction cost of \$72,912,000 which will generate approximately \$874,954 in building permit fees. Other one-time construction related fees include demolition, wire and plumbing.

Public Works

All areas within the development will be private and maintained by the Project. Solid waste will be handled by a private contractor with no expense incurred by the Town. I/I fees will be paid that are estimated to total \$296,100.

As outlined in Table Nine, one time fees will total \$1,383,055.

**Table Nine
One Time Fees**

Building Permit Fee	\$874,955
Demolition Fee	\$18,000
Wire Permit Fee	\$97,000
Plumbing Permit Fee	\$97,000
I/I Fees	\$296,100
Total One Time Fees	\$1,383,055

In addition, the proposed Project is proposing to fund \$1,300,000 for the Publics Works Main Street – Lake Quannapowitt Water Quality Improvement Project. The Main Street Project is a priority Town infrastructure project which will rebuild Main Street and enhance the water quality of Lake Quannapowitt. Local funding has not yet been identified for the Main Street Project and the \$1,300,000 will assist in funding a financial gap for the Town.

¹³ Estimated building area 486,086.

Other Departments

It is not anticipated that material impacts will occur to other town departments and therefore no other costs were analyzed. To be conservative, a \$36,375 cost¹⁴ will be carried to account for other potential impacts.

¹⁴ \$75 per unit cost for miscellaneous department expenses

School Department

The Town of Wakefield public schools presently have an enrollment of 3,495 students housed in six schools (four elementary, one middle, and one high school). The 2020 Public School budget was \$45,254,343.

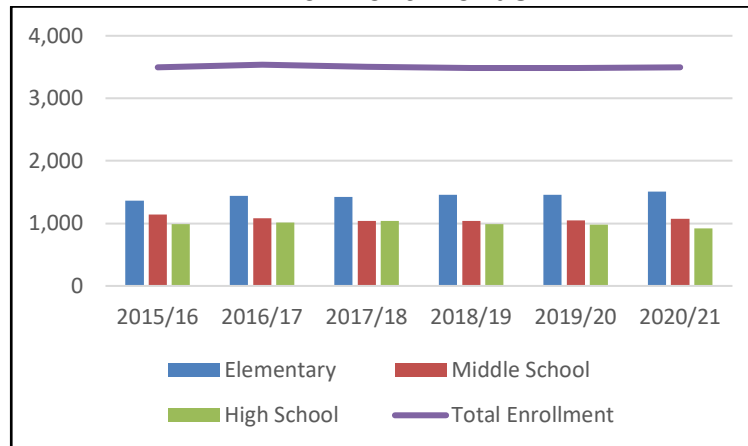
Enrollment History

Overall school enrollment has been relatively level over the last six years, with elementary schools seeing an increase of 10% and both the middle and high school showing decreases as detailed in Table Ten and Figure Three.

Table Ten
Enrollment¹⁵ Trends 2015-2020

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	% change
Elementary	1,367	1,437	1,427	1,454	1,454	1,505	10.10%
Middle School	1,143	1,085	1,042	1,039	1,048	1,072	-6.21%
High School	989	1,016	1,036	992	983	918	-7.18%
Total Enrollment	3,499	3,538	3,505	3,485	3,485	3,495	-0.11%

Figure Three
Enrollment Trends



Projected School Enrollment Estimates

To gain an understanding of the community's potential school related fiscal impact, the anticipated number of school children that may be generated by the Project was analyzed. The Project will have a mix of one, two and three bedroom units, with 18% set aside as affordable as outlined in Table Eleven. Studios and one bedroom units

¹⁵ Enrollment data from MDOE and Wakefield School District

generate few school age children (SAC) and the proposed Project contains 68.4% of these unit types.

**Table Eleven
Bedroom Mix Breakdown**

	Unit
Studio Market	47
Studio Affordable	10
One Bed Market	225
One Bed Affordable	50
Two Bed Market	109
Two Bed Affordable	24
Three Bed Market	17
Three Bed Affordable	3
Total Units	485

To estimate the number of potential school children, we reviewed a detailed database we use containing over 1,000 units¹⁶ where enrollment is documented based upon unit type (garden style: bedroom type/market rate/affordable). Applying these ratios to the Project, as outlined in Table Twelve, results in an estimated 55 school children¹⁷ potentially residing within the proposed project. This estimate translates into a gross per unit SAC ratio¹⁸ of .113 (55/485); this lower ratio is reflective of the high number of studio and one bedroom units.

**Table Twelve
School Enrollment Estimate**

	Unit	SAC/Unit	SAC
Studio Market	47	0	0
Studio Affordable	10	0	0
One Bed Market	225	0.014	3.15
One Bed Affordable	50	0.014	0.7
Two Bed Market	109	0.180	19.62
Two Bed Affordable	24	0.570	13.68
Three Bed Market	17	0.812	13.80
Three Bed Affordable	3	1.19	3.57
Total SAC			55

¹⁶ Wilmington, Sharon, Hingham, Northborough, Randolph.

¹⁷ At the time of our discussions with the School Super., fall 2020, the apartment profile had more two and three bedroom units and the estimated school age children total was 66.

¹⁸ The Vista apartment complex has a SAC ratio of .167 (19 school children/114 units). The Everly apartment complex has a SAC ratio of .204 (38 school children/186 units).

Based upon the grade profile presently found at the Vista and Everly complexes, it is estimated that the Project will have 17 elementary students, 17 middle school students and 22 high school students as detailed in Table Thirteen. It is estimated that, given necessary approval processes, construction timelines and leasing, that the Project will be fully occupied in approximately 6 years.

**Table Thirteen
Grade Level Breakdown**

	%	SAC
Elementary School	0.298	17
Middle School	0.298	16
High School	0.404	22

School Costs

To gain a full understanding of school operations we discussed our findings with School Superintendent Doug Lyons. The Superintendent stated that an enrollment study was being commissioned and the community is in the preliminary planning stage for a new high school. Given the estimated number of students, he would anticipate the need to add six additional teaching positions at an average salary of \$86,000 per teacher (with benefits \$111,000 per teacher¹⁹) which totals \$666,000. In addition, two buses may need to be added to serve this new development at a cost of \$65,000 a year each (total \$130,000). These costs total \$796,000 in estimated school costs. ***(This cost estimate was based on finding of 66 school age children. Given the reduction in two and three bedroom units we are now estimating 55 SAC. To be conservative, we will maintain the same cost estimate, actual costs are anticipated to be less than reported.)***

It should be noted that the Town receives Chapter 70 Aid which is tied to the school's actual enrollments. Based upon monies received in 2019, the average per pupil aid was \$1,673. Applying this figure to the estimated 55 school age children generates in estimated increase of **\$92,105** in Chapter 70 Aid.

¹⁹ Includes an estimated \$25,000 per teacher for benefits.

Office Use

Based upon past fiscal assessments a cost ratio of 10% is the norm for office uses. Applying this ratio to the existing revenues generated by the property, results in estimated municipal cost impact of \$41,935 ($.10 \times \$419,350$) and a net positive impact of \$377,415.

7. FISCAL SUMMARY

Table Fourteen summarizes the fiscal impact from the Project, which outlines \$1,765,295 in gross project yearly revenues and a positive fiscal impact of ranging from \$543,856 to \$624,976. Table Fifteen outlines existing office use revenues of \$419,350 and costs of \$41,935. Fougere Planning is not suggesting that budgets should be increased to offset the noted costs, but these findings should be viewed as potential costs from the Project. These “costs” will not be incurred by the Town unless budgetary increases are approved. These costs estimates are very conservative and actual impacts are anticipated to be less than noted.

Table Fourteen
Project Use - Estimated Annual Fiscal Impact

Gross Rev. Taxes and Excise Taxes	\$1,765,295	
Estimated Municipal Costs		
Police	-\$79,560	-\$160,680
Fire	-\$228,384	-\$228,384
Other Departments	-\$36,375	-\$36,375
School Costs	-\$796,000	-\$796,000
Total Costs	-\$1,140,319	-\$1,221,439
Net Annual Positive Fiscal Impact	+\$624,976	+\$543,856
Estimated Chapter 70 School Aid	+\$92,105	+\$92,105

Table Fifteen
Office Use – Estimated Annual Fiscal Impact

Gross Rev. Taxes	\$419,350
Estimated Municipal Costs	-\$41,935
Net Annual Positive Fiscal Impact	+\$377,415

Summary of Findings

- Estimated gross Project revenues will be \$1,765,295 a year and estimated costs ranging from \$1,140,319 to \$1,221,439 a year. The proposed Project will result in a net annual positive fiscal impact ranging from \$543,856 to \$624,976.
- The new use will increase the site's assessment from \$16,998,400 to \$104,467,000. Property tax revenues will increase from \$419,350 to \$1,332,170.
- Total revenues will significantly increase by 320% compared to the existing office space.
- Increased emergency call volume will occur to emergency service departments, with police calls potentially increasing an average of 5.9 calls per week. Given the significant on site security measures planned for the apartment community, it is anticipated that police impacts will be less than 3 calls per week. Fire department calls could potentially increase 2 calls per week.
- An estimated 55 school age children are anticipated to reside at the Project. Chapter 70 Aid is estimated to increase by \$92,105.
- Limited discernable impacts are foreseen to other town departments.
- All onsite maintenance will be privately maintained including trash removal.
- One time building permit and related construction fees are estimated to generate over \$1,086,954 in revenue.
- I/I fees are estimated to total \$296,100.
- A \$1,300,000 contribution will be made to the Lake Quannapowitt Water Quality Improvement Project.
- Total one-time fees and contributions total \$2,683,054.
- Analysis does not take into account intangible economic benefit of creating new housing in the community, along with the positive growth of construction activity. Nor does it take into account the benefit of 87 affordable housing units for mixed income levels that the Project will be delivering.