

Fiscal Impact Analysis

- ✧ Cash flow to the public sector
 - Are the revenues generated by new growth enough to cover the resulting service and facility demands?
- ✧ Reflects operating expenses and capital costs (debt service and pay-go)
- ✧ All revenues
- ✧ Revenue minus expenditures = net surplus or net deficit

Economic Analysis

- ✧ Reflects overall economy of the community
- ✧ Residential
 - Primary factors are the construction phase and consumer spending
- ✧ Nonresidential
 - Primary factors are job creation and real disposable income
- ✧ Doesn't follow jurisdictional lines; data limitations
 - Large portion of economic output flows out of jurisdiction, region, and possibly State

Major Assumptions – Fiscal Analysis

- ✧ Constant dollars (no inflation)
- ✧ Based on FY15 Adopted Budget
 - Interviews with City departments
- ✧ Case study-marginal methodology where possible
- ✧ Uses U.S. Census data sources for persons per housing unit and pupil generation
- ✧ Scenarios were “straight-lined” over the 20 year period

Major Cost Assumptions – Boynton Yards

- ✧ Road/Streetscape upgrades: \$18.8 million
- ✧ Utility upgrades: \$21.2 million
- ✧ Parks/open space constructed by the developer
 - Maintained by the City
- ✧ New roads constructed by the developer
 - Maintained by the City
- ✧ Fair share of new elementary school seats
 - \$18K per seat (City share)

Major Cost Assumptions – Union Square

- ✧ Road/Streetscape upgrades: \$25 million
- ✧ Utility upgrades: \$35 million
- ✧ New Fire Station: \$21 million
- ✧ Parks/open space constructed by the developer
 - Maintained by the City
- ✧ New roads constructed by the developer
 - Maintained by the City
- ✧ Fair share of new elementary school seats
 - \$18K per seat (City share)

Boynton Yards Residential and Nonresidential Development

Key Development Assumptions Boynton Yards				
Residential		Assessed Value*	Persons Per HU**	Pupils Per HU***
Population	3,330 Persons			
Residential Units	1,410 Units	\$190,000 Per Unit	1.89	0.13
Affordable Units	352 Units	\$91,200 Per Unit	1.89	0.13
Nonresidential		Assessed Value*	Jobs/ 1,000 SF#	
Jobs	8,274 Jobs			
Retail	193,080 Sq. Ft.	\$340 Per Sq. Ft.	2.50	
Creative Enterprise	181,134 Sq. Ft.	\$200 Per Sq. Ft.	2.86	
Office	2,005,252 Sq. Ft.	\$340 Per Sq. Ft.	0.00	
*Provided by the City of Somerville				
**US Census Bureau ACS data				
***US Census Bureau Public Use Microsample data				
#Based on information from the Institute of Transportation Engineers				

Union Square Residential and Nonresidential Development

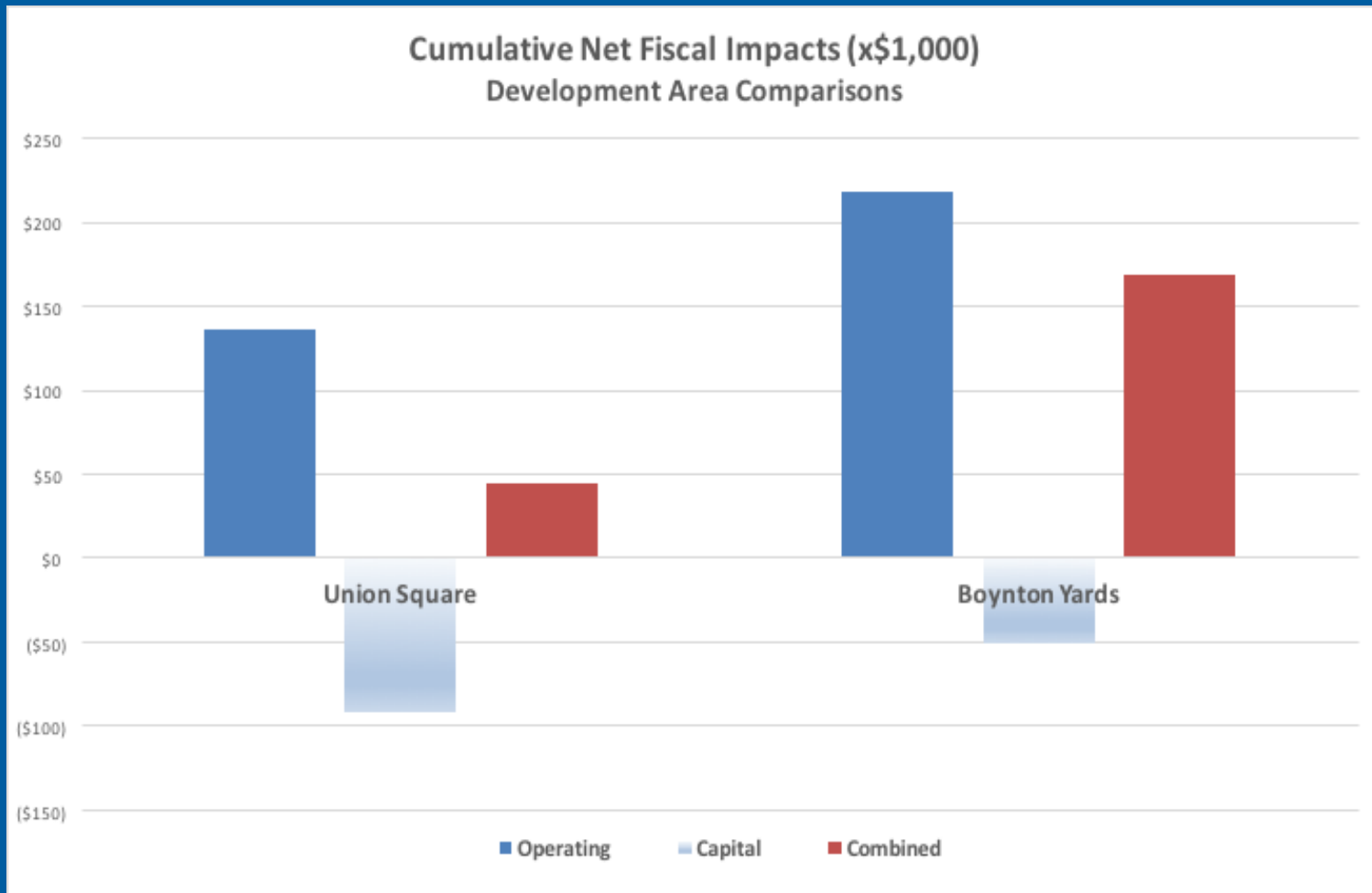
Key Development Assumptions				
Union Square				
Residential		Assessed Value*	Persons Per HU**	Pupils Per HU***
Population	2,049 Persons			
Residential Units	867 Units	\$190,000 Per Unit	1.89	0.13
Affordable Units	217 Units	\$91,200 Per Unit	1.89	0.13
Nonresidential		Assessed Value*	Jobs/ 1,000 SF#	
Jobs	4,829 Jobs			
Retail	166,455 Sq. Ft.	\$340 Per Sq. Ft.	2.50	
Creative Enterprise	103,864 Sq. Ft.	\$200 Per Sq. Ft.	2.86	
Office	1,118,617 Sq. Ft.	\$340 Per Sq. Ft.	3.63	
Hotel Rooms	175 Rooms	\$290,000 Per Room	0.33	

*Provided by the City of Somerville. Hotel assumes a full service hotel.
 **US Census Bureau ACS data
 ***US Census Bureau Public Use Microsample data
 #Based on information from the Institute of Transportation Engineers

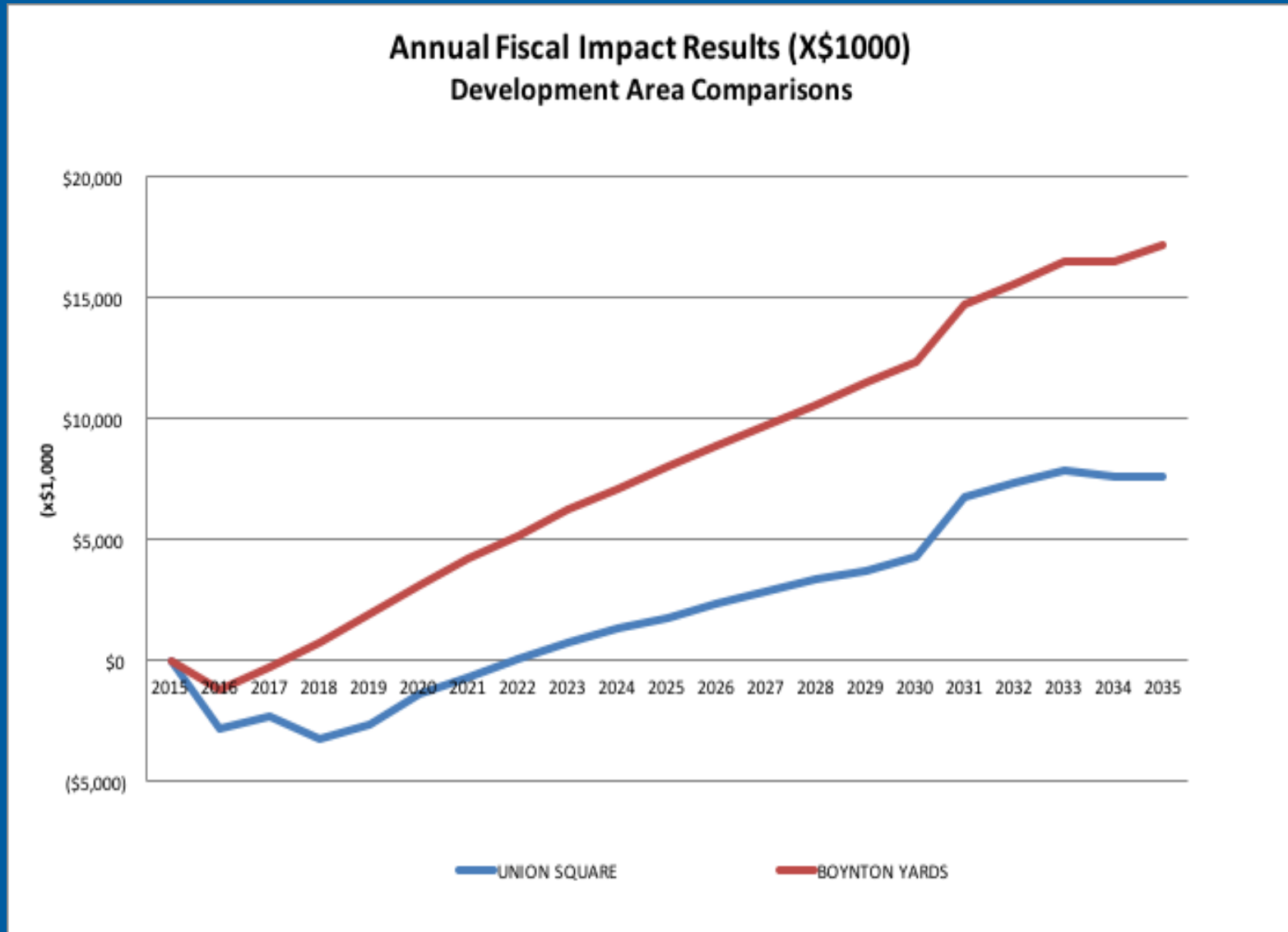
Cumulative 20-Year Fiscal Results

SUMMARY OF CUMULATIVE FISCAL IMPACTS		
UNION SQUARE AND BOYNTON YARDS FISCAL IMPACT ANALYSIS		
	SCENARIO	
REVENUE	UNION SQUARE	BOYNTON YARDS
Total General Fund Revenue	\$200,785,951	\$270,810,381
Total Special Revenue	\$128,973	\$182,298
TOTAL REVENUE	\$200,914,924	\$270,992,679
EXPENDITURES		
Total City General Fund Operating Expenditures	\$60,402,277	\$45,638,079
Total City Special Revenue Fund Expenditures	\$0	\$0
Total Public Schools Operating Expenditures	\$4,544,788	\$7,050,966
Total City Capital Expenditures	\$91,726,251	\$50,227,089
TOTAL EXPENDITURES	\$156,673,316	\$102,916,134
NET CUMULATIVE FISCAL IMPACT	\$44,241,608	\$168,076,545
AVERAGE ANNUAL IMPACT	\$2,212,080	\$8,403,827

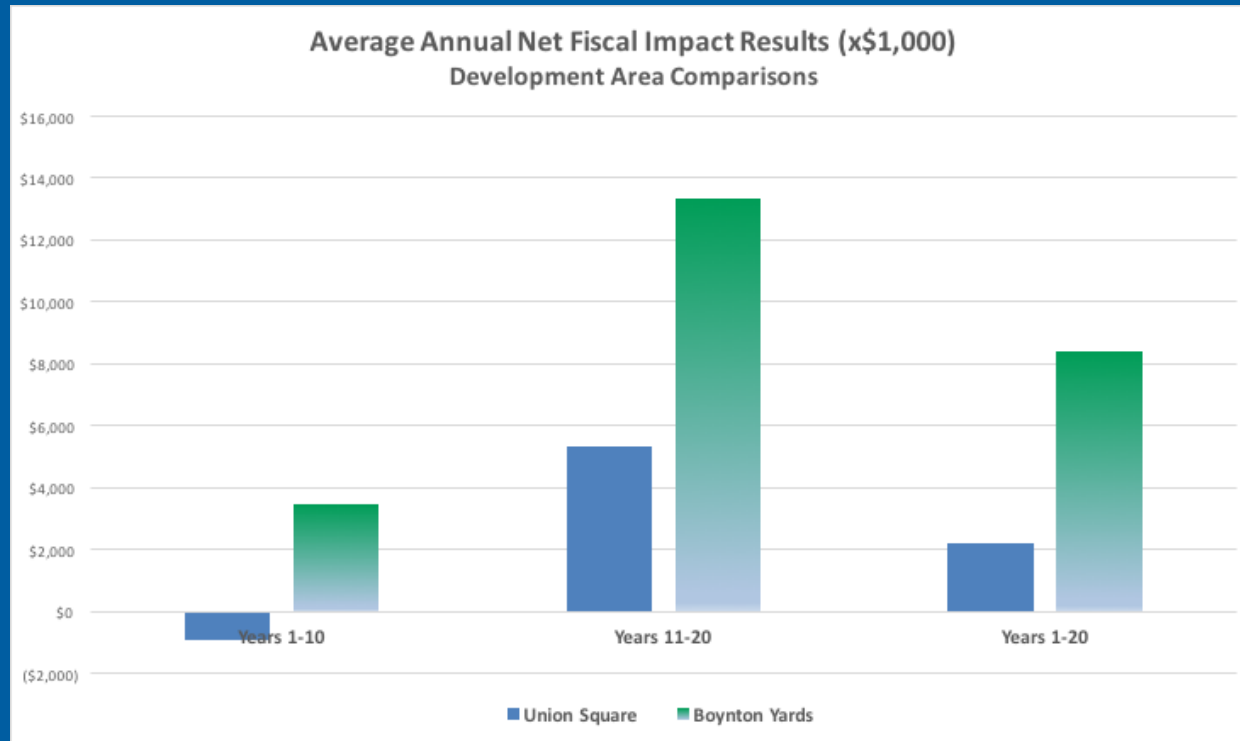
Cumulative Results



Annual Fiscal Results



Average Annual Results



Breakdown of Marginal Tax Base

	Area	
	Union Square	Boynton Yards
Residential	27%	28%
Nonresidential	73%	72%