

# Cushing Village Fiscal and Economic Impact

March 12, 2013

# Recap of fiscal/economic discussion

October 2012: developer present “(available on Town website)

PB elects to do our own so we can:

- Benefit from greater detail on project
- Employ more Belmont specific data: “deep dive” on budget and other multifamily developments
- Use more appropriate cost concept: **long run variable cost**

# Bottom lines compared: Financial impact (\$000)

	Fiscal	Economic
One time	<b>PB: \$1,300</b> <b>CV: \$1,300</b>	<b>Uncertain and small</b> <b>CV: \$6,274</b>
Ongoing	<b>PB: \$11 - \$80</b> <b>CV: \$298</b>	<b>PB: \$1,240 +</b> <b>CV: \$2,683 -</b>

# Fiscal impact: one time revenue (\$000)

Revenues	PB	CV
<i>One time</i>		
Asset sale (municipal parking lot)	\$850	\$850
Building permits	\$450	\$450
Total	\$1,300	\$1,300

# Fiscal impact: ongoing revenue

Revenues	PB	CV
Net property tax*	\$530,000	\$492,000
Excise tax	48,250	18,244
Local receipts	33,580	35,645
Other avail. funds	-	23,370
Total	\$611,830	\$569,089

\* Subject to additional review by Town Assessor

# Notes to revenue analysis

- Upside opportunity in property tax estimate if CV retail rent forecast is achieved
- Excise tax assumes:
  - One car per unit
  - One restaurant tenant plus Starbucks
- No change in state aid

# Fiscal impact: ongoing cost calculations

Municipal costs

*Cost per household x number of households  
(115)*

School costs

*Cost per student x number of students*

Definition of cost:

***Long run variable cost***

# Long run variable costs by department

Material	Not material
Police	General government
Fire	Recreation
DPW*	COA
Library	Community Development
-	Building Services



# Long run variable cost, sample calculation (\$000)

Police operating budget (FY2013): \$6,520

*Minus*

<i>Police administration</i>	<i>424</i>
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<i>Dispatch</i>	<u><i>866</i></u>
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*Equals*

Long run variable costs	\$5,230
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Adjusted by % residential & commercial calls: 71%

# Fiscal impact: ongoing school cost

School cost per student	\$
Belmont per DOE	\$12,259
LR variable cost estimate	\$10, 911*
CV estimate	\$ 8,417

\* Excludes adjustment for AH students

# Forecasting student enrollment:

## Existing studies

- More brief than study

- Based on pre-recession data

- “Apples to oranges” communities

## Alternative approach

- Identify most similar developments in Belmont

- Obtain enrollment information

- Calculate average student per apartment by size

# Forecast of School Age Children (SAC)

## Belmont data

Students per unit	Market rate	Affordable
1 bedroom	.06	.20
2 bedroom	.44	.84
Applied to CV: 35 – 41 additional students		

# Forecast of SAC CV data

Students per unit	Market rate	Affordable
1 bedroom	.01	.13
2 bedroom	.12	.50
Applied to CV: 12 – 13 additional students		

# Fiscal impact with PB revenues & costs

## PB SAC forecasts vs CV SAC forecasts

	<b>PB</b>	<b>CV</b>
Revenue*	\$611,830	\$611,830
Costs		
Munc.	\$153,018	\$153,018
School	\$381,885	\$130,932
<b>Net</b>	<b>\$ 76,927</b>	<b>\$316,969</b>