

35-Year National Practice

- ✧ Fiscal Impact Analysis
- ✧ Economic Impact Analysis
- ✧ Impact Fees
- ✧ Infrastructure Finance Strategies
- ✧ Market Analysis
- ✧ Fiscal/Economic Software

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

Fiscal Impact Analysis vs. Budget Forecasting

- ✧ Municipal budgeting is primarily “revenue driven”
 - Revenue forecast is used to establish spending target
- ✧ Fiscal impact analysis is not revenue constrained
 - Forecast expenses needed to maintain current LOS

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

		Assessed Value*	Persons Per HU**	Pupils Per HU***
Residential				
Population	1,947 Persons			
Residential Units	824 Units	\$190,000 Per Unit	1.89	0.13
Affordable Units	206 Units	\$91,200 Per Unit	1.89	0.13
Nonresidential		Assessed Value*	Jobs/ 1,000 SF#	
Jobs	7,242 Jobs			
Retail	169,039 Sq. Ft.	\$340 Per Sq. Ft.	2.50	
Creative Enterprise	90,455 Sq. Ft.	\$200 Per Sq. Ft.	2.86	
Office	1,808,894 Sq. Ft.	\$340 Per Sq. Ft.	3.63	
*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

				Persons	Pupils
Residential		Assessed Value*		Per HU**	Per HU***
Population	2,493 Persons				
Residential Units	1,055 Units	\$190,000 Per Unit		1.89	0.13
Affordable Units	264 Units	\$91,200 Per Unit		1.89	0.13
				Jobs/ 1,000 SF#	
Nonresidential		Assessed Value*			
Jobs	7,782 Jobs				
Retail	377,073 Sq. Ft.	\$340 Per Sq. Ft.		2.50	
Creative Enterprise	110,165 Sq. Ft.	\$200 Per Sq. Ft.		2.86	
Office	1,782,626 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 Mircosample data					
#Based on information from the Institute of Transportation Engineers					

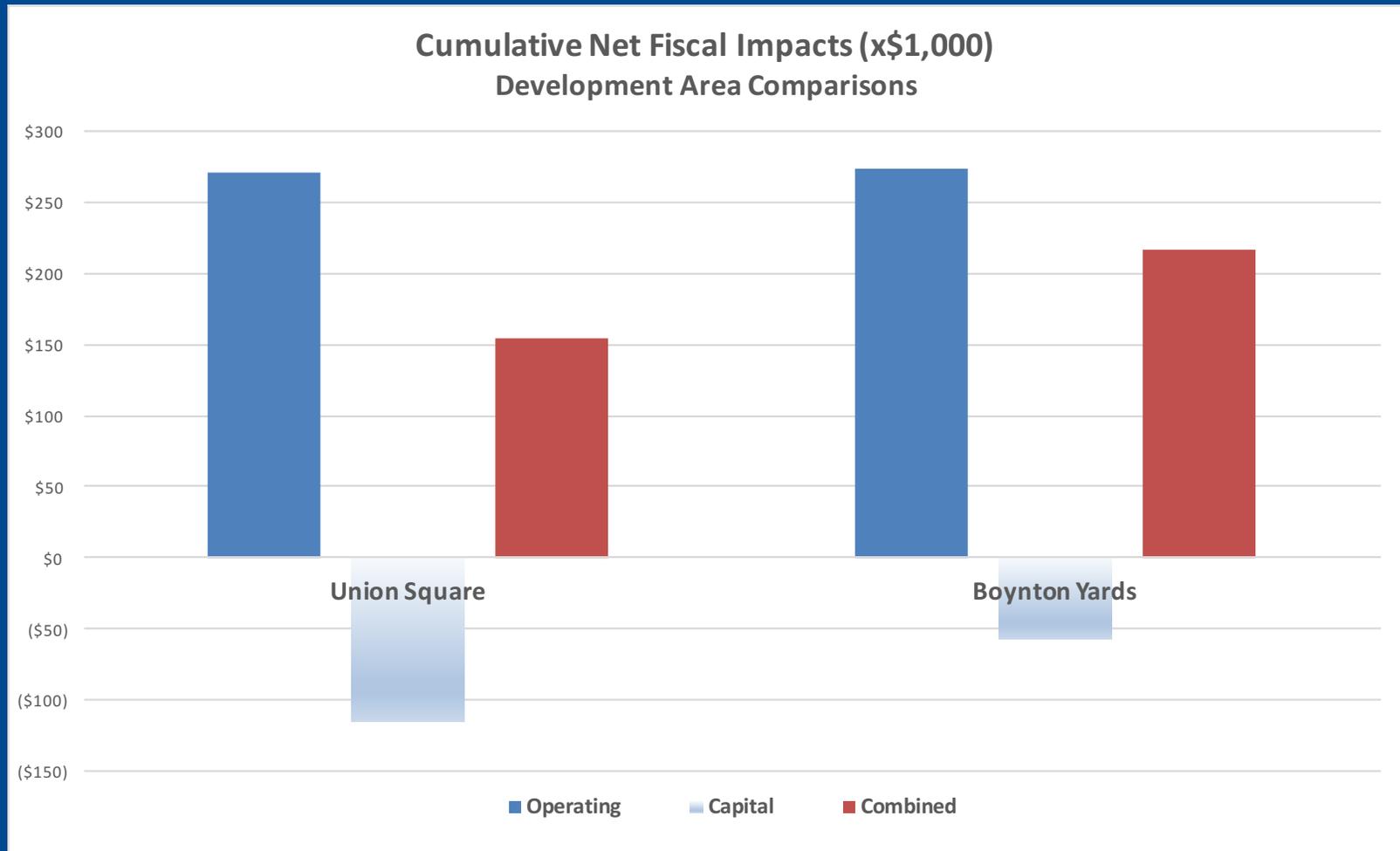
Cumulative 20-Year Fiscal Results

SUMMARY OF CUMULATIVE FISCAL IMPACTS

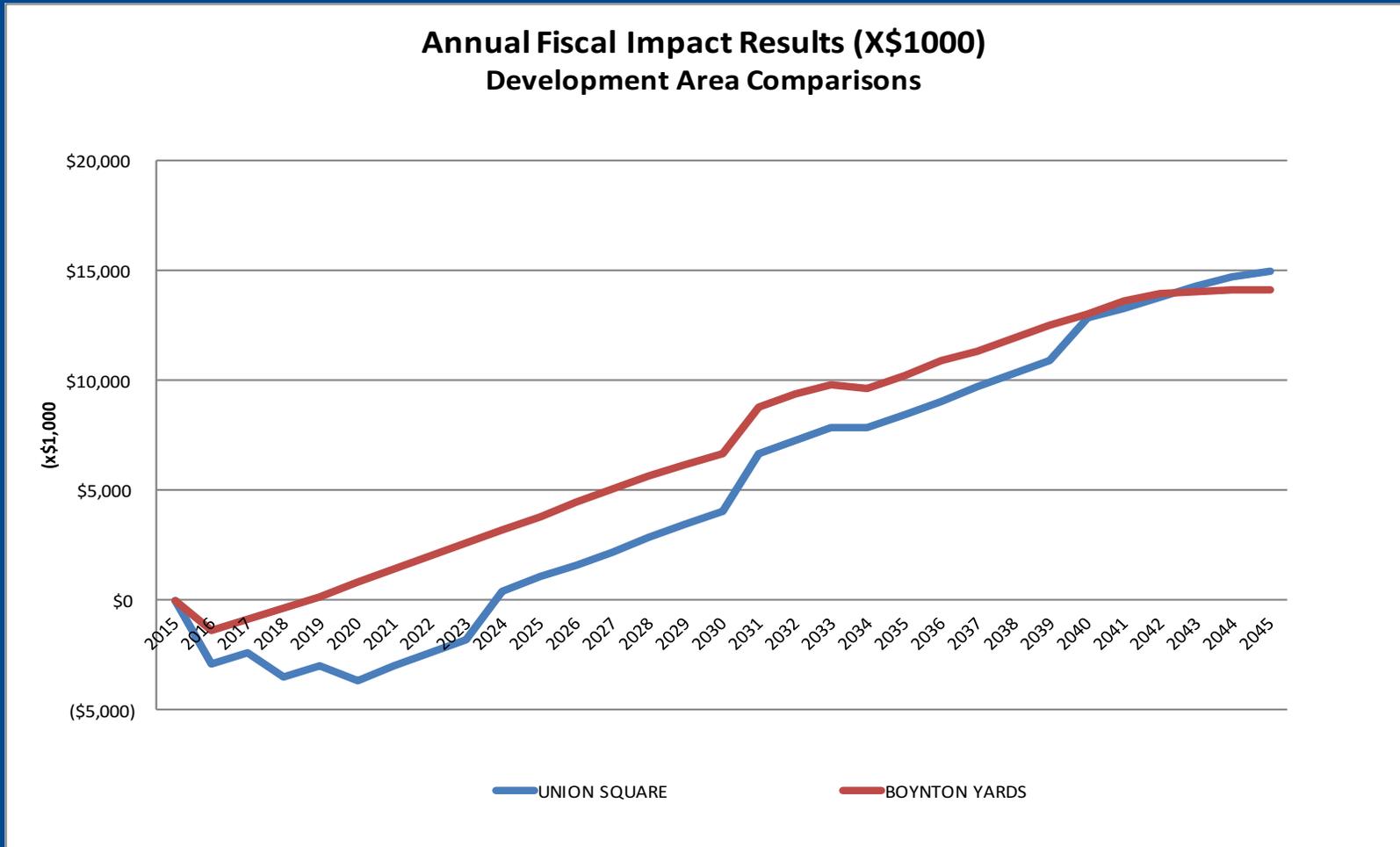
UNION SQUARE AND BOYNTON YARDS FISCAL IMPACT ANALYSIS

REVENUE	SCENARIO	
	UNION SQUARE	BOYNTON YARDS
Total General Fund Revenue	\$382,232,279	\$327,685,109
Total Special Revenue	\$254,716	\$221,682
TOTAL REVENUE	\$382,486,996	\$327,906,791
EXPENDITURES		
Total City General Fund Operating Expenditures	\$103,808,397	\$47,571,278
Total City Special Revenue Fund Expenditures	\$0	\$0
Total Public Schools Operating Expenditures	\$8,276,595	\$6,355,518
Total City Capital Expenditures	\$116,036,868	\$57,765,769
TOTAL EXPENDITURES	\$228,121,860	\$111,692,565
NET CUMULATIVE FISCAL IMPACT	\$154,365,136	\$216,214,226
AVERAGE ANNUAL IMPACT	\$5,145,504.53	\$7,207,140.87

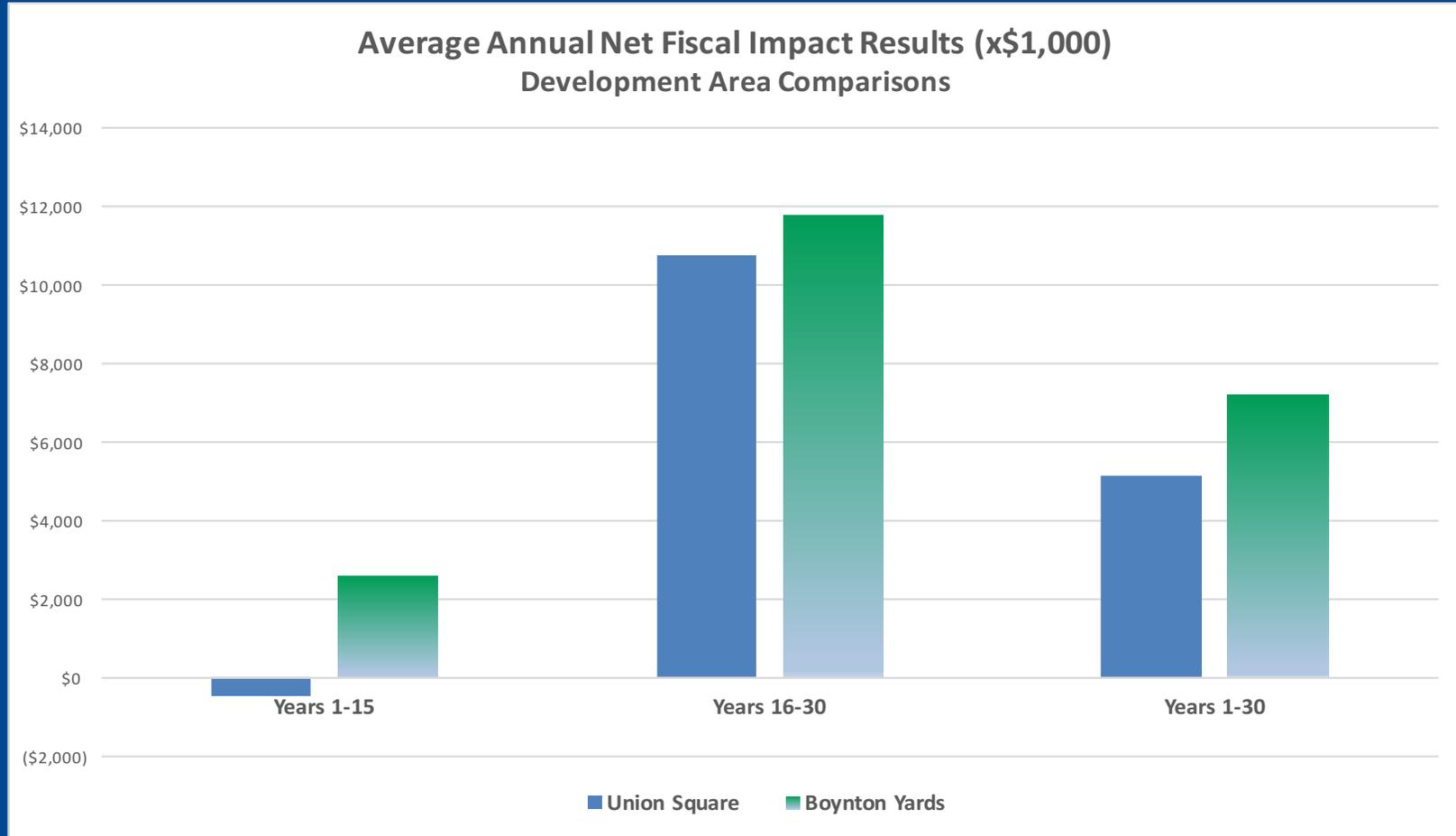
Cumulative Results



Annual Fiscal Results



Average Annual Results



Breakdown of Marginal Tax Base

Tax Base Split by Development Area

	Union Square	Boynton Yards
Residential	22%	20%
Nonresidential	78%	80%

Cumulative 20-Year Fiscal Results with GLX

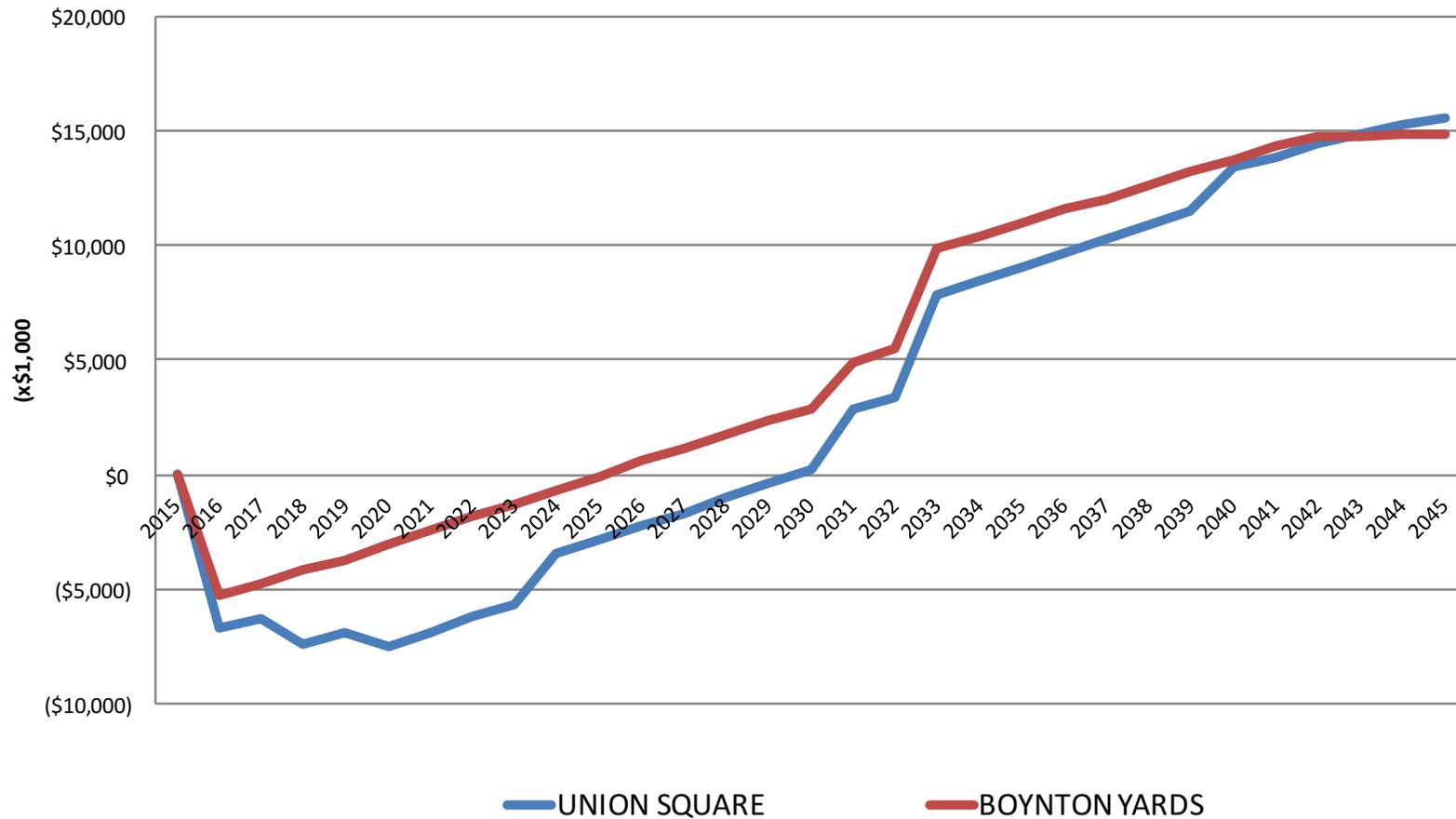
SUMMARY OF CUMULATIVE FISCAL IMPACTS WITH GLX INCLUDED

UNION SQUARE AND BOYNTON YARDS FISCAL IMPACT ANALYSIS

REVENUE	SCENARIO	
	UNION SQUARE	BOYNTON YARDS
Total General Fund Revenue	\$382,232,279	\$327,685,109
Total Special Revenue	\$254,716	\$221,682
TOTAL REVENUE	\$382,486,996	\$327,906,792
EXPENDITURES		
Total City General Fund Operating Expenditures	\$103,808,397	\$47,571,278
Total City Special Revenue Fund Expenditures	\$0	\$0
Total Public Schools Operating Expenditures	\$8,276,595	\$6,355,518
Total City Capital Expenditures	\$181,381,591	\$123,110,491
TOTAL EXPENDITURES	\$293,466,583	\$177,037,288
NET CUMULATIVE FISCAL IMPACT	\$89,020,413	\$150,869,504
AVERAGE ANNUAL IMPACT	\$2,967,347.11	\$5,028,983.46

Annual Fiscal Results with GLX

Annual Fiscal Impact Results (X\$1000)
Development Area Comparisons with GLX



Potential Implementation Options

- ✧ Public/Private Partnerships
- ✧ Public benefit agreement
- ✧ GLX voluntary mitigation payment
- ✧ District Improvement Financing
 - More flexibility than traditional TIF
 - Extended financing terms
- ✧ Federal/State transportation sources
 - TIGER discretionary grants
- ✧ Economic development grants
- ✧ Alternative financing mechanisms
 - Assessment districts