

**MEDFIELD STATE HOSPITAL
REDEVELOPMENT**

RESIDENTIAL REUSE PROGRAM

FISCAL IMPACT ANALYSIS

Prepared For: Trinity Acquisitions, LLC
July 28, 2021



FOUGERE PLANNING & DEVELOPMENT, Inc.

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FISCAL IMPACT ANALYSIS

Medfield State Hospital Redevelopment: Residential

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I. Introduction

Fougere Planning and Development has been engaged by Trinity Acquisitions, LLC to estimate the net fiscal impact to the Town of Medfield, MA from the proposed redevelopment of 36 existing historic buildings located on the grounds of the former Medfield State Hospital into 334 apartment units, with 25% set aside as affordable. Table One outlines the apartment mix contemplated by the development proposal, with 59% of the units will be studio and one bedroom.

Table One
Apartment Unit Mix

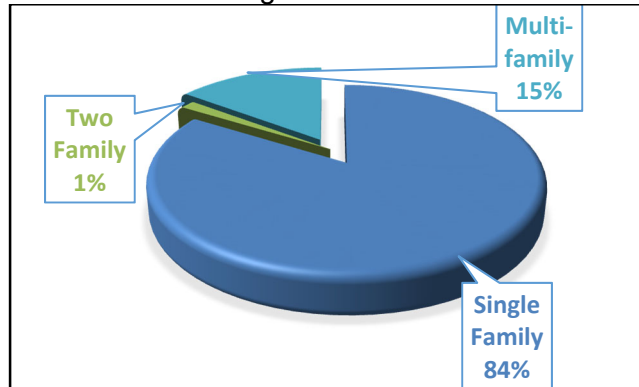
Studio - Market	9
Studio - Affordable	4
One Bed - Market	138
One Bed - Affordable	46
Two Bed - Market	94
Two Bed - Affordable	32
Three Bed - Market	8
Three Bed - Affordable	3
Total	334

II. Local Trends

Census figures¹ report that from 2010 to 2018 Medfield's population increased from 12,024 to 12,748, representing a 6% growth rate over the 8-year period. A majority of Medfield's housing stock consists of single family homes, with the most recent Census data (2017) reporting 3,720 units out of a total housing stock of 4,440 units as outlined in Figure 1.

¹ US Census, Factfinder 2013-2017.

Figure 1
Housing Unit Breakdown



The reuse proposal is consistent with the residential goals of the Medfield State Hospital Strategic Reuse Master Plan. In addition, this project proposal is consistent with a number of Housing Goals outlined in the Housing Production Plan, including:

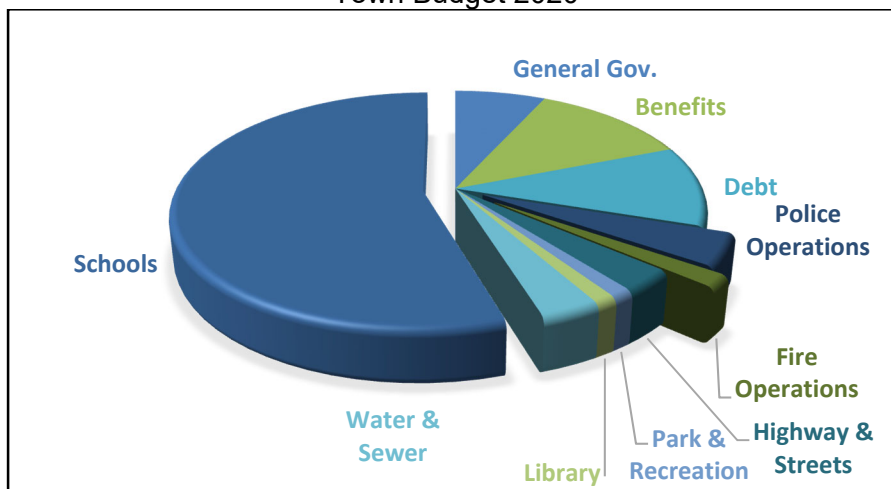
- *“Medfield’s housing stock is relatively homogenous, and there is a need for more diverse housing options in town suitable for households of all ages, sizes, and incomes. Increasing the diversity of housing options in Medfield will enable seniors, younger adults, and people who work in town to establish and maintain long-term residence in the community.*
- *There is a need for more rental housing for households of varying incomes and sizes. Demand for the existing rental properties in town is high. Conversations with social service providers in the region suggests that there is a need for rental housing for all types of households, including young adult households, single parents, traditional families, seniors, and single individuals. Also, the existing rental units in town are very small - the median number of rooms is only 3.4 – which suggests a need for larger units suitable for families, as well as rental units for seniors and small households.*
- *Medfield’s homes are large, and there are few options for seniors and empty-nesters to downsize and remain in the community. Medfield’s relatively small proportion of senior households reflects the fact that many who wish to downsize cannot find housing in town that is suitable or affordable, resulting in their leaving Medfield for other communities. Smaller single family homes or*

condominiums and rental housing would allow residents an opportunity to stay in Medfield as they age.”

Budget

Education, along with the Public Safety, are some of the largest department cost centers in the community as outlined in Figure Two and therefore will be the primary focus of this analysis as they relate to the proposed development program.

Figure Two
Town Budget 2020



III. Per Capita Methodology & Marginal Cost Approach

There are a number of methodologies that are used to estimate fiscal impacts of proposed development projects. The Per Capita Multiplier Method is the most often 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. This method uses the current revenue/cost ratios per person and/or per unit as an indicator for future revenue/cost impacts occasioned by population growth. New capital expenditures required for provision of services to a development are not added to current costs; instead, the present debt service for previous improvements is 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 that the methodology calculates the “average” cost as being the expected cost, which is often not the case as costs are exaggerated - significantly in some instances. (For example, if one student is added to a school system, limited cost impacts will occur; however based on

an “average” cost to educate one student the cost could be noted as \$15,000/year, which includes such costs as existing debt, building maintenance, administrative and other factors, all of which will be minimally impacted by the addition of one student. The “true cost” could be significantly less, especially in those communities with declining enrollment.) Focusing on those departments where measurable impacts may occur refines this approach and its findings.

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 Medfield 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.

At this preliminary stage of the Town’s review of redevelopment options, engaging in detailed discussions with Department Staff was not encouraged by Town Administration Officials. Therefore, for this analysis, Average Costing will be used to measure potential municipal impacts, along with Marginal cost findings detailed in the Medfield State Hospital Strategic Re-use Master Plan.

Given the nature of the contemplated residential development, as will be shown by the analysis below, measurable 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 process. Solid waste generated by new buildings will be removed by a private hauler. Water and sewer expenses associated with the new apartment use will be offset through user fees. This report does not intend to infer that no costs will occur as a result of this project. Measurable impacts of the redevelopment 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 little or no measurable impacts from this proposal.

IV. Local Revenues from Development

1) Revenue

Local property taxes provide the bulk of general fund revenues for the Town, with fiscal year 2021 figures showing that 63.5% will be generated from this revenue source, with the remaining income being received from state aid, local receipts and other financing sources. The 2021 Residential Tax Rate for the Town is \$17.76.

Table Two outlines the estimated municipal tax revenue that may be generated by the redevelopment, based upon the anticipated assessed value² Based upon these values, the new apartment complex is estimated to generate \$1,041,180 in annual property tax revenue

Table Two
Estimated Property Tax Revenue

Units	Total Value	Property Taxes
334	\$58,625,000	\$1,041,180

2) Miscellaneous Yearly Revenues

Another major revenue source for the community is from motor vehicle excise taxes. In fiscal year 2020, the Town received a total of \$2,297,603³ from this revenue source. Table Three outlines the projected excise tax revenue stream for the redevelopment project, which is estimated to be \$160,800 annually

Table Three
Motor Vehicle Excise Taxes

Vehicles ⁴	Avg. Value	Excise Taxes ⁵
536	\$12,000	\$160,800

3) Total Revenues from Redevelopment

The planned development of the apartment complex is expected to generate \$1,201,980 in annual tax revenue as outlined in Table Four.

Table Four
Estimated Gross Revenues

Property Taxes	\$1,041,180
Vehicle Excise	\$160,800
Total	\$1,201,980

² Assessments are based on preliminary Income Approach analysis, using a 7.8% Cap Rate recommended by the Assessing Department.

³ Management's Discussion and Analysis Report.

⁴ Estimated 1.6 vehicles per unit.

⁵ 536 vehicles x \$12,000 = \$5,628,000, tax \$25/\$1000.

Other income sources were reviewed for this analysis but not included in the income figures. The Town receives state aid from a number of sources based upon the Town’s population and school enrollments (Chapter 70). The anticipated new residents will create demand for local services, thereby creating a positive impact on the local economy. In addition, one- time building permit fees will be paid to the Town, and the construction economy will be enhanced from this new development project.

V. Town Departments

As noted above, the Police, Fire and School Departments account for a significant percentage of the Town’s operating expenses. These Departments employ the largest number of personnel and have the most noticeable impact on Medfield’s municipal budget.

Police & Fire

Both the Police and Fire Departments will see measurable increases in demand for services which can be attributed to the new apartment community. To assess the degree of impact this project would have on these departments, comparable apartment complex emergency call data from over 2,500 apartment complexes⁶ were analyzed. The emergency call data was obtained and averaged to determine the annual number of calls per unit. These ratios were then totaled to derive an average call volume per unit, which was then used to generate projected emergency calls for each Department. Extrapolating from the comparable call data, increases in calls are projected for both the Town’s Police and Fire Departments. Table Five and Six outline the findings from this research.

Table Five
Estimated Annual Police Emergency Calls

Units	Police Call Ratio Per Unit	Estimated Calls
334	.402	135

⁶ Complete list of emergency calls located in Appendix.

Table Six
Estimated Annual Fire

Units	Fire Call Ratio Per Unit	Estimated Calls
334	.071	24

EMS Emergency Calls

Units	EMS Call Ratio Per Unit	Estimated Calls
334	.112	38

Police Department

Police Department calls are estimated to increase by 135 calls annually or an average of 2.5 calls per week. To put the call volume into perspective, the Department received approximately 5,451 total calls for service in 2018 (105 per week).

To assign some expense to the proposed project, a cost per call was derived from reviewing total annual police calls and the Department's budget. As outlined in Table Seven, a cost of \$91,800 will be carried in this analysis.

Table Seven
Estimated Police Cost⁷

$$\frac{\$3,706,245}{5,451} = \$680 \text{ a Call}$$

$$135 \text{ calls @ } \$680 = \$91,800$$

Fire Department

Fire Department calls are estimated to increase by 62 calls annually or an average of 1.1 calls per week. The Department responded to 1,474 total calls in 2018 (28 calls/week), of which 703 were EMS related. To allocated Fire Department costs, as with the Police Department, a cost per call was calculated to cover potential expense as detailed in Table Eight.

Table Eight
Gross Estimated Fire Cost

$$\frac{\$1,973,995}{1,474} = \$1,340 \text{ a Call}$$

$$62 \text{ calls @ } \$1,340 = \$83,080$$

⁷ FY21 Budget was increased by 40% to cover insurance and benefit costs for both Police and Fire.

The Town of Medfield obtains revenue from ambulance activity and in 2018 received a total of \$422,411. In 2018 the Department responded to 703 EMS related calls, resulting in an average of \$601 collected per call. Taking this revenue source into consideration, as outlined in Table Nine, the estimated Gross fiscal cost to the Fire Department is \$60,247.

Table Nine
Net Fire Department Cost

2018 Ambulance Revenue	\$422,411
2018 Ambulance Calls	703
Revenue Per Call	\$601
Estimated EMS Calls	38
Estimated EMS Revenue	\$22,833.03
Est. Net Department Cost	\$83,080
Est. Gross Dept. Cost	\$60,247

Other Departments

Medfield Outreach

Medfield Outreach provides services to those 18 and under. Based upon 2018 Census data, this age bracket consists of approximately 33% of the population (4,245). The Outreach budget for FY21 totaled \$175,270, which translates into a cost per capita of \$42. It is estimated that there will be 90 individuals under the age of 18 residing within the apartment community, resulting in an estimated cost of **\$3,780**.

Council on Aging

Medfield’s Council on Aging (COA) serves those within the community over the age of 60 and based upon Census data, it is estimated that this population group totals 2,400. The FY21 Budget for COA totaled \$238,269 or \$99 per capita. It is estimated that the new apartment community will have 152 persons over the age of 60, resulting in an estimated cost of **\$15,048**.

Misl. Departments

Given the minimal impacts associated with the proposed apartment community, few financial impacts are expected on other Town Departments. All on site trash disposal will

be privately disposed of. Public water and sewer will serve the site and costs will be addressed through user fees. Building permit fees will offset any costs to the Building Department. No new public roads are proposed in association with the development and any required off site public roadway improvements will be addressed in the course of review. The Town will continue to maintain the onsite road system and as such, no new costs are created. To assign some costs to miscellaneous expenses that may incur to the Town, we have allocated a general government impact of \$100 per unit, or **\$33,400** for this development.

It should be noted that at this time Medfield is maintaining roads within the subject site that total approximately 2.7 miles (14,400 feet). Based upon existing expenditures within the Public Works Department related to roads, it is estimated the Medfield is expending approximately \$38,000 annual⁸ to maintain the noted road length within the Medfield State Hospital property.

⁸ The Town expends approximately \$5.30 per foot to maintain its roads (\$2,174,047/77.59 miles). As this costs includes static overhead that may not changes as the result of new roadways in the community, we assumed a cost of \$2.65 per foot, ½ of the noted actual cost.

School Department

The School Department’s budget is the largest in the Town, with a fiscal year 2021 expense totaling \$36,877,290, representing 57.9% of the total Town budget.

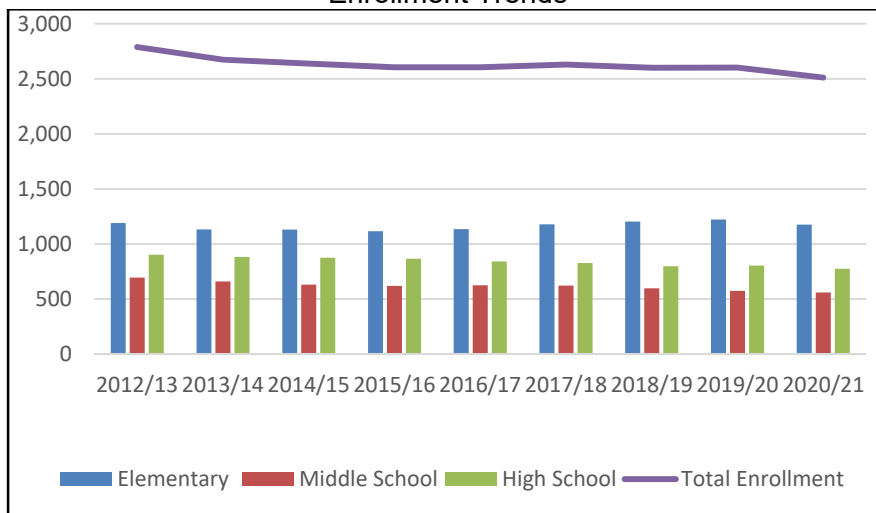
Enrollment Trends

Table Ten and Figure Three illustrate an eight-year enrollment trend for the schools along with total school enrollment. (Enrollments from the 20/21 school year should be discounted given the impact of the pandemic). Enrollments at the elementary level have been relatively even, with decreases seen at the middle and high school level. Based upon discussions with the School Superintendent in 2019, capacity issues are not presently an issue. Also, plans continue to move forward on a new elementary school which will serve grades 4 & 5.

Table Ten
School Enrollments

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Elementary	1,190	1,132	1,131	1,117	1,136	1,179	1,203	1,222	1,176
Middle School	695	660	631	620	626	622	598	575	560
High School	903	882	876	867	842	828	799	804	775
Total Enrollment	2,788	2,674	2,638	2,604	2,604	2,629	2,600	2,601	2,511

Figure Three
Enrollment Trends



To allocate expected costs associated with the proposed apartment complex, the number of children that may live in the multi-family community must be calculated. For this analysis, two methodologies will be used. As outlined in Table 1 above, the proposed apartment community is expected to be comprised of 13 studio units, 184 one bedroom units, 126 two bedroom units and 11 three bedroom units.

Option One

To estimate the potential generation of school aged children (SAC), data from 1,153 comparable 40B apartments were reviewed. The proposed development will have a high percentage of studio/one bedroom units, 59.1%. Studio and one bedroom units rarely generate school age children. Reviewing the number on two and three bedroom units provides a clearer understanding on the potential number of new school children that may reside within the development. As outlined in Table Ten, a per unit SAC ratio of .492 has been calculated from the 1,153 comparable apartment complexes, resulting in an estimated 67 school age children as detailed in Table Eleven. As a comparison, the Parc apartment complex⁹ has a SAC ratio of .515 which is understandable given the project has only 26% one bedroom units and is 100% affordable.

Table Eleven
Estimated School Age Children – Option One

Complex	Total Units	# Two/Three Bedrooms Units	Total SAC	SAC per 2/3 Unit Apt.
Concord Mews	350	176	85	0.483
Newton (Three Complexes)	678	467	239	0.512
Lincoln Woods	125	85	34	0.400
Average:	1,153	728	358	0.492
State Hospital	334	137		
		Est. School Age Children	67	
The Parc (100% Affordable)	92	68	35	0.515

⁹ 2019 enrollment from School Department.

Option Two

The SAC ratios outlined in Table Twelve, Option Two are derived from a data base of over 1,000 apartments where school enrollment is known based on bedroom type and if the unit is market rate or affordable. Based on this data set, an estimated 47 school age children may reside within the apartment community.

Table Twelve
Estimated School Age Children – Option One

Studio - Market	9	0	0
Studio - Affordable	4	0	0
One Bed - Market	138	0.009	1.242
One Bed - Affordable	46	0.021	0.966
Two Bed - Market	94	0.18	16.92
Two Bed - Affordable	32	0.57	18.24
Three Bed - Market	8	0.812	6.496
Three Bed - Affordable	3	1.19	3.57
Total	334		47

Based on these two SAC estimating Options, a range between 47 and 67 school age children may reside within the proposed new residential community.

The Medfield State Hospital Strategic Re-use Master Plan estimated a per student Marginal Costs ranging from \$3,800 to \$4,200. If the higher of these two cost figures is applied to the range of new school age children, an estimated school cost range of \$197,400 - \$281,400 is derived.

SUMMARY

As outlined in Table Thirteen, this fiscal impact analysis indicates that there will be a net positive annualized impact related to construction of the proposed development.

Table Thirteen
Fiscal Summary

Gross Projected Revenues	\$1,201,980	\$1,201,980
Estimated Municipal Costs		
Police	-\$91,800	-\$91,800
Fire	-\$60,247	-\$60,247
Outreach	-\$3,780	-\$3,780
Council on Aging	-\$15,048	-\$15,048
Other General Fund Impacts	-\$33,400	-\$33,400
Schools	-\$197,400	-\$281,400
Total Costs	-\$401,775	-\$485,675
Net Positive Fiscal Impact	+\$800,305	\$716,305

Key findings supporting this development include:

- + The planned redevelopment will generate approximately \$1,201,980 in gross revenues per year. Taking into consideration estimated municipal costs, the redevelopment will yield a positive net tax revenue range of \$716,305 to \$800,305. Excess funds will be available to the community to address current and future needs.

- + All on-site property maintenance and trash collection will be private, no new public roads are proposed.

- + Calls to the Police Department are projected to increase by 135 a year (2.5 week), compared with an annual Town wide call volume of approximately 5,500.

- + The Fire Department is expected to receive approximately 62 calls a year (1.19 week) from the proposed project, adding to the 1,474 calls a year that are presently received by the Department. In addition, an estimated \$24,510 of ambulance revenue may be realized.

- + It is estimated range of 47 – 67 school age children may reside at the former hospital site;

- ✚ Both short-term and long-term positive economic benefits are anticipated to occur, with construction related jobs being created and local business activity enhanced by the new residential community.
- ✚ Additional community benefits will be realized through proactive planning to make progress in the goals of the Town's Housing Production Plan, thereby enabling the community to take greater control over future development.
- ✚ The Building Permit Fee¹⁰ of approximately \$390,000 will be paid for the residential project.

¹⁰ \$1 per square foot.

Appendix

Apartment Calls 40B Complexes

Police Department Calls Estimated Annual Apartment Police Calls¹¹

Project	Town	Units	Avg. Police Calls Per Year	Avg. Call Per Unit	Projected Yearly Calls
The Lodge	Foxborough	250	74	0.296	
Union Place	Franklin	297	73	0.247	
Fairfield Green	Mansfield	200	146	0.728	
Pembroke Woods	Pembroke	240	92	0.385	
Blue Hills	Randolph	274	148	0.540	
Avalon Newton Highlands	Newton	294	153	0.520	
Avalon Chestnut Hill	Newton	204	67	0.328	
Arborpoint Woodland	Newton	180	22	0.120	
Cloverleaf	Natick	183	82	0.448	
The Gables	Westwood	350	155	0.442	
Hastings Village	Wellesley	52	3	0.058	
Totals		2,524	1,015	0.402	
Proposed Apartments		334			135

¹¹ The noted projects are all 40B apartment complexes, with 25% of the units affordable.

Fire Department

Estimated Apartment Fire Calls¹²

Project	Town	Units	Avg. Fire Call Per Year	Avg. Call Per Unit	Projected Yearly Calls
The Lodge	Foxborough	250	26	0.105	
Union Place	Franklin	297	19	0.063	
Fairfield Green	Mansfield	200	43	0.213	
Pembroke Woods	Pembroke	240	9	0.036	
Blue Hills	Randolph	274	10	0.035	
Avalon Newton Highlands	Newton	294	26	0.088	
Avalon Chestnut Hill	Newton	204	11	0.053	
Arborpoint Woodland	Newton	180	12	0.064	
Cloverleaf	Natick	183	7	0.038	
The Gables	Westwood	350	17	0.049	
Hastings Village	Wellesley	52	2	0.031	
Totals		2,524	180	0.071	
Proposed Apartments		334			24
Project	Town	Units	Avg. EMS Call Per Year	Avg. Call Per Unit	Projected Yearly Calls
The Lodge	Foxborough	250	24	0.096	
Union Place	Franklin	297	44	0.148	
Fairfield Green	Mansfield	200	25	0.123	
Pembroke Woods	Pembroke	240	70	0.293	
Blue Hills	Randolph	274	28	0.101	
Avalon Newton Highlands	Newton	294	26	0.088	
Avalon Chestnut Hill	Newton	204	9	0.044	
Arborpoint Woodland	Newton	180	7	0.036	
Cloverleaf	Natick	183	24	0.131	
The Gables	Westwood	350	26	0.074	
Hastings Village	Wellesley	52	2	0.038	
Totals		2,524	284	0.112	
Proposed Apartments		334			38

¹² Call data obtained from 40B apartment complexes in the region, 25% affordable.