

**Riverside
Newton, Massachusetts**

Fiscal Impact Analysis

Exhibit A

Updates From Previous Model:

Updated Development

Updated City Budget

Updated Tax Rates

Updated Valuation

Relevant Assumptions:

Student Impacts Based on Newton School District Generation Factors - Method 3

Prepared By:

MuniCap, Inc.

December 6, 2019

Riverside Newton, Massachusetts

Fiscal Impact Analysis

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S-1: Summary of Net Fiscal Impacts to the City of Newton

Table 1: Projected New Development Fiscal Impact (Full Build-Out)

	Annual (Full Build-Out)	
Real property tax revenues	\$4,148,231	(Schedule I)
Additional revenues	\$404,146	(Schedule V)
City of Newton tax revenues	\$4,552,376	
City of Newtown police and fire expenditures	(\$461,343)	(Schedule VI)
City of Newton student expenditures	(\$2,819,382)	(Schedule VII)
City of Newton general fund expenditures	(\$558,617)	(Schedule VIII)
City of Newton net fiscal impact	\$713,033	

Table 2: Existing Development Fiscal Impact (Full Build-Out)

	Annual (Full Build-Out)	
Real property tax revenues	\$595,608	(Schedule IX)
Additional revenues	\$2,789	(Schedule X)
City of Newton tax revenues	\$598,397	
City of Newtown police and fire expenditures	(\$36,622)	(Schedule XI)
City of Newton student expenditures ¹	\$0	
City of Newton general fund expenditures	(\$16,222)	(Schedule XII)
City of Newton net fiscal impact	\$545,554	

Table 3: Net New Fiscal Impacts (Full Build-Out)

	Annual (Full Build-Out)	
Projected development net fiscal impact	\$713,033	
Existing development net fiscal impact	(\$545,554)	
City of Newton net new fiscal impact	\$167,480	

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¹The existing development consists of a hotel and excludes students.

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S-2: Summary of Employment Impacts from New Development (Full Build-Out)

	Jobs from Riverside Project ¹				
	Permanent Jobs	Annual Compensation	Income per Employee	Annual Wages	Wage per Employee
Retail:					
Direct impacts	95	\$3,104,963	\$32,751	\$2,607,751	\$27,506
Indirect impacts	26	\$1,632,458	\$62,308	-	-
Office:					
Direct impacts	649	\$50,254,265	\$77,429	\$42,815,410	\$65,968
Indirect impacts	407	\$22,044,436	\$54,168	-	-
Hotel:					
Direct impacts	60	\$3,799,735	\$63,078	\$3,273,218	\$54,338
Indirect impacts	32	\$1,996,057	\$62,572	-	-
Total direct impacts (full-time equivalents)	804	\$57,158,963	-	\$48,696,379	\$71,086
Total indirect and induced impacts	465	\$25,672,951	-	-	-
Total annual compensation		\$82,831,914			

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¹Represents the estimated increase in total full-time equivalent jobs and income from development at Riverside. Jobs shown are at full buildout. See Appendices D-1 through D-3.

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S-3: Summary of Student Impacts

Table 1: Projected Student Enrollment²

	<u>Annual (Full Build-Out)</u>
Total projected student enrollment from new development ¹	173
Total estimated student enrollment from existing development	0
Projected net student enrollment	173

Table 2: Net Student Impacts

	<u>Annual (Full Build-Out)</u>
New student fiscal impacts ²	(\$2,819,382)
Existing student fiscal impacts	\$0
Net new student fiscal impacts	(\$2,819,382)

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¹See Schedule VII-A.

²See Schedule VII-B.

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Projected Development
& General Fund Impacts

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Schedule I: Summary of Proposed Development Plan and Estimated Values

Property Type	Building Area ¹			Units/ Rooms/Spaces	Estimated Assessed Value ²			FY20 Tax Rate	Tax Revenues
	Rentable SF	Gross Area			Value Per GSF	Value per Unit/Room/Space	Total Assessed Value		
	Total SF	Per Unit/Room/Space							
<i>Residential</i>									
<i>For Rent</i>									
Market rate apartments	411,405	539,169	1,059	509	\$310	\$327,959	\$166,930,941	1.044%	\$1,742,759
Inclusionary income apartments									
50% AMI	37,180	48,726	1,059	46	\$56	\$58,928	\$2,710,668	1.044%	\$28,299
80% AMI	37,180	48,726	1,059	46	\$175	\$185,788	\$8,546,236	1.044%	\$89,223
100% AMI	12,932	16,948	1,059	16	\$181	\$191,931	\$3,070,888	1.044%	\$32,060
Sub-total residential	498,697	653,570		617			\$181,258,734		\$1,892,341
<i>Commercial</i>									
Retail	43,241	43,241	-	-	\$353	-	\$15,267,402	1.992%	\$304,127
Office ³	243,388	243,388	-	-	\$239	-	\$58,179,588	1.992%	\$1,158,937
Hotel	77,300	77,300	515	150	\$515	\$265,336	\$39,800,467	1.992%	\$792,825
Sub-total commercial	363,929	363,929		150			\$113,247,457		\$2,255,889
<i>Parking garage⁴</i>									
Taxable	-	663,190	333	1,990	\$0	\$0	\$0		
Total⁵	862,626	1,017,499		2,757			\$294,506,191		\$4,148,231

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¹Source: Mark Development, LLC.

²See Schedule II.

³Does not include mechanical penthouse space.

⁴Assumes the value of the parking garage is accounted for within the rest of the development.

⁵Total development square footage excludes 7,500 square feet of office space to be occupied by MBTA.

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Schedule II: Projection of Assessed Value - Comparison of Approaches¹

Property Type	Comparables ²	Income Capitalization ³
<i><u>Residential</u></i>		
<i>For Rent</i>		
Market rate apartments		
Per unit	<u>\$327,958.63</u>	\$422,245.38
Inclusionary income apartments		
50% AMI		
Per unit	<u>\$58,927.57</u>	\$75,869.01
80% AMI		
Per unit	<u>\$185,787.75</u>	\$239,200.96
100% AMI		
Per unit	<u>\$191,930.52</u>	\$247,109.76
<i><u>Commercial</u></i>		
Retail		
Per SF	<u>\$353.08</u>	\$400.91
Office		
Per SF	<u>\$239.04</u>	\$378.67
Hotel		
Per room	\$217,305.03	<u>\$265,336.45</u>
Parking garage		
Per space	-	-

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¹Valuation approach chosen for each type of development is underlined and shown in bold and italics.

²See Schedules III-A and III-B. Inclusionary income apartment values are based on the ratio of value from market rate apartments based on the income capitalization approach shown on schedule IV-A.

³See Schedules IV-A and IV-B.

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Schedule III-A: Projection of Assessed Value - Comparables (Residential)¹

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Units	Per GSF	Per Unit
Apartments									
Avalon at Newton Highlands	51028 0017	109 Needham St	Newton	2003	\$90,772,800	387,550	273	\$234	\$332,501
Woodland Station Apartments	43045 0030Z	1940 Washington St	Newton	2007	\$55,629,200	144,584	180	\$385	\$309,051
Gables Arsenal St	1037 1 0	204 Arsenal St	Watertown	2015	\$104,795,800	260,246	294	\$403	\$356,448
Charlesbank Apartments	201 16 8	120 Pleasant St	Watertown	2011	\$13,823,400	45,672	44	\$303	\$314,168
Riverbend on the Charles	219 6B 0	270 Pleasant St	Watertown	2012	\$44,229,300	211,410	135	\$209	\$327,624
Average									\$327,959

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¹Comparable properties shown represent the most current values as shown in assessor's database (2020 for Newton and 2019 for Watertown). The apartments shown, with the exception of Charlesbank Apartments, contain affordable units, resulting in a conservative valuation.

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Schedule III-B: Projection of Assessed Value - Comparables (Commercial)¹

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Rooms	Per GSF	Per Room
Retail									
In-line retail ²	83028 0078	230 Needham St	Newton	1955	\$10,796,800	34,460	-	\$313.31	-
In-line retail ³	83028 0077	244 Needham St	Newton	1955	\$10,196,100	31,925	-	\$319.38	-
In-line retail ⁴	83028 0002	170 Needham St	Newton	2014	\$3,060,000	7,174	-	\$426.54	-
Average								\$353.08	-
Office									
One Gateway Center	12011 0001	296-334 Washington St	Newton	1968	\$34,095,800	143,068	-	\$238.32	-
Office	42032 0034	2223 Washington St	Newton	1978	\$12,384,900	46,938	-	\$263.86	-
Office	420003 0001	2150 Washington St	Newton	1983	\$6,914,600	32,169	-	\$214.95	-
Average								\$239.04	-
Hotel									
Boston Marriott Newton	41023 0018	2345 Commonwealth Ave	Newton	1969	\$92,000,000	293,195	500	\$313.78	\$184,000
Sheraton Needham	199/300.0-0066-0000.0	100 Cabot St	Needham	1986	\$35,465,300	231,061	225	\$153.49	\$157,624
Homewood Suites by Hilton Brookline	22848122	111 Boylston St	Brookline	2015	\$40,337,900	90,318	130	\$446.62	\$310,292
Average								\$304.63	\$217,305.03

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¹Comparable properties shown represent 2020 values as shown in Newton assessor's database and 2019 values as shown in Needham and Brookline assessor's database.

²In-line retail includes, but is not limited to, Mattress Firm, Xtreme Fitness Equipment, and Jenny Boston Boutique.

³In-line retail includes, but is not limited to, Starbucks, Verizon Fios Store, and Majestic Nails.

⁴In-line retail includes, but is not limited to, Vitamin Shoppe, Nothing but Cakes, Rockland Trust.

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Schedule IV-A: Projection of Assessed Value - Income Capitalization (Residential)

	Apartments			
	Market Rate	Inclusionary Income		
		(50% AMI)	(80% AMI)	(100% AMI) ⁴
Net square feet per unit ¹	808	808	808	808
Monthly rent per square foot ¹	\$3.65	\$1.19	\$2.35	\$2.41
Annual rent per square foot	\$43.80	\$14.28	\$28.20	\$28.87
Vacancy ¹	5.00%	5.00%	5.00%	5.00%
Effective rent per square foot	\$41.61	\$13.57	\$26.79	\$27.43
Effective rent per unit	\$33,632	\$10,965	\$21,653	\$22,171
Expense ratio ²	18%	55%	28%	27%
Expenses	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)
Net operating income per square foot	\$34.19	\$6.14	\$19.37	\$20.01
Net operating income per unit	\$27,632	\$4,965	\$15,653	\$16,171
Capitalization rate ¹	5.500%	5.500%	5.500%	5.500%
Tax rate ³	1.044%	1.044%	1.044%	1.044%
Fully loaded capitalization rate	6.544%	6.544%	6.544%	6.544%
Value per net square foot	\$522.41	\$93.87	\$295.95	\$305.73
Value per unit	\$422,245	\$75,869	\$239,201	\$247,110
Value per gross square foot	\$398.62	\$71.62	\$225.82	\$233.28

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¹Provided by Mark Development, LLC. See Schedule I for total rentable square footage.

²Apartment estimated expenses provided by Mark Development, LLC. Assessor uses a fully loaded capitalization rate, and as a result, real property taxes are assumed to be netted out of the estimated expenses.

³Tax rate shown represents the FY2020 residential tax rate. Source: Newton Assessor's office.

⁴Monthly rent per square foot is based on the weighted average rent for the 100% AMI band, charged by The George, a 140 unit rental apartment community in Newtonville. Source: Newton Massachusetts Official Website.

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Schedule IV-B: Projection of Assessed Value - Income Capitalization (Commercial)

	Retail	Office
Annual rent per square foot ¹	\$37.00	\$35.00
Vacancy ¹	5.00%	5.00%
Effective rent per square foot	\$36.05	\$34.05
Expense ratio	0.00%	0.00%
Expenses ²	\$0.00	\$0.00
Net operating income per square foot	\$36.05	\$34.05
Capitalization rate ¹	7.000%	7.000%
Tax rate ³	1.992%	1.992%
Fully loaded capitalization rate	8.992%	8.992%
Value per net square foot	\$400.91	\$378.67

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¹Provided by Mark Development, LLC.

²Rents are triple net, hence expenses are zeroed out.

³Tax rate shown represents the FY2020 commercial tax rate. Source: Newton Assessor's office.

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Schedule IV-C: Projection of Assessed Value - Income Capitalization (Hotel)

	Hotel
<i>Income Capitalization</i>	
Average daily rate per room	\$268.94
Gross annual income	\$98,162.00
Assumed occupancy rate ²	67.90%
Effective gross income per room	\$66,652.00
Assumed expense ratio ³	62.49%
Less: assumed expenses	(\$41,652.00)
Net operating income per room ¹	\$25,000.00
Capitalization rate ²	7.43%
Tax rate ⁴	1.992%
Fully loaded capitalization rate	9.422%
Total estimated value per room	\$265,336.45
Total estimated value per SF	\$514.88

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¹Provided by Mark Development, LLC.

²Occupancy and capitalization rates represent the national full service upper midscale lodging segment average as reported in the *Third Quarter 2019 PriceWaterhouseCoopers Real Estate Investor Survey*.

³Represents chain-affiliated hotel expenses as reported in the *HOST Almanac Highlights 2017, U.S. Chain Affiliated Hotel Operating Statistics*.

⁴Tax rate shown represents the FY2020 commercial tax rate. Source: Newton Assessor's office.

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Schedule V: Additional Revenues to City of Newton - Annual

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Projected Increase in Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$356,892,067	100%	\$356,892,067	Schedule I	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	per resident	88,904	\$151.85	-	1,469	\$223,008
Interest and penalties on taxes	\$1,290,000	0%	\$0	not impacted	-	-	-	-	-
In lieu of tax payments	\$360,000	0%	\$0	not impacted	-	-	-	-	-
Meals tax	\$1,900,000	100%	\$1,900,000	total service population	144,671	-	\$13.13	2,325	\$30,530
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	2,325	\$40,172
Charges for Services									
Recreation	\$107,000	100%	\$107,000	per resident	88,904	\$1.20	-	1,469	\$1,768
Other departments	\$1,506,150	0%	\$0	not impacted	-	-	-	-	-
Fees	\$704,400	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,134,233	0%	\$0	not impacted	-	-	-	-	-
Fines and Forfeitures									
Court fines	\$75,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$125,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	2,325	\$5,584
Licenses and Permits⁸									
Inspection services	\$5,930,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,077,425	0%	\$0	not impacted	-	-	-	-	-
Investment Income	\$1,745,064	0%	\$0	not impacted	-	-	-	-	-
Special Assessments	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues	\$200,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
Unrestricted general government aid	\$6,240,334	100%	\$6,240,334	per resident	88,904	\$70.19	-	1,469	\$103,085
Other "cherry sheet" aid	\$219,569	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,660,000	0%	\$0	not impacted	-	-	-	-	-
Total Interfund Transfers	\$4,986,700	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget	\$1,904,936	0%	\$0	not impacted	-	-	-	-	-
Total General Fund	\$405,502,878					\$223.24	\$32.82		\$404,146

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¹Not all sources of revenues are expected to be impacted.

²Based on information provided in *City of Newton FY2020 Budget*. Revenues do not match expenses due to the omission of school revenues.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning revenues: Per resident revenues are calculated by taking current revenues and apportioning them among current resident population. Total service population revenues are calculated by taking current revenues and apportioning them among the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents proposed increase to City as a result of new development. See Appendix A.

⁷Represents total increase in revenues as a result of proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Assumes one-time licenses and permits revenues will be offset by corresponding one-time expenses. As a result, the line items are not impacted.

⁹Excludes Chapter 70 school aid. New student impacts are calculated on Schedule VII.

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Schedule VI: Projected Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY20 budget allocation ¹	\$24,278,794	\$22,804,753	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,360.60	\$495.76	
Projected increase in total service calls ³	118	366	-
Expenses per service call	\$2,360.60	\$495.76	-
Projected annual increase in expenses	\$279,729	\$181,614	\$461,343

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¹Based on information provided in *City of Newton FY20 Budget*. See Schedule VIII.

²Provided by Mark Development, LLC and based on information received from interviews with the fire and police departments.

³See Appendix E-3 for calculation of projected increase in total fire, EMS and police service calls, Tables 1 and 2.

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Schedule VII-A: Student Generation - Projected Total Students

Table 1: Projected Residential Units¹

Unit Type	Number of AMI Inclusionary Units			Number of Market Rate Units	Total Count
	50%	80%	100%		
<i>Apartments:</i>					
Studio	5	5	1	48	59
1 Bedroom	22	23	8	261	314
2 Bedroom	16	15	6	180	217
3 Bedroom	3	3	1	20	27
Subtotal	46	46	16	509	617

Table 2: Projected Student Generation Rates

Unit Type	Student Generation Rates Newton Public Schools (Method 3) ²
<i>Market Rate:</i>	
Studio	0.089
1 Bedroom	0.055
2 Bedroom	0.634
3 Bedroom	0.486
<i>Inclusionary:</i>	
Studio	0.089
1 Bedroom	0.055
2 Bedroom	0.634
3 Bedroom	0.486

Table 3: Projected Total Students

Unit Type	Project Total Students ³				
<i>Apartments:</i>					
Studio	0	0	0	4	5
1 Bedroom	1	1	0	14	17
2 Bedroom	10	10	4	114	138
3 Bedroom	1	1	0	10	13
Total	13	13	5	142	173

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¹Provided by Mark Development, LLC.

²Blended student generation rates based on market rate and affordable development surveyed in the *Enrollment Analysis Report, Appendix F-Method 3*, dated November 2018, provided by Newton Public Schools.

³Totals are affected by rounding.

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Schedule VII-B: Student Generation - New Student Impacts to City of Newton (Annual)

Annual Impacts ¹	Current City Budget Amount ²	Percent Impacted ³	Adjusted Current City Budget Amount ³	Basis for Projecting Impacts ⁴	Current City Service Factors ⁵	Impacts by Factor Per Student	Projected Increase in Service Factor ⁶	Total Additional Impacts ⁷
Revenues:								
<i>Charges for Service</i>								
School department	\$100,000	100%	\$100,000	per student	13,000	\$7.69	173	\$1,332
<i>State and Federal Aid</i>								
Chapter 70 school aid	\$24,681,503	100%	\$24,681,503	per student	13,000	\$1,898.58	173	\$328,873
Expenses:								
<i>Expenditures</i>								
Newton public schools	\$234,879,234	100%	\$234,879,234	per student	13,000	(\$18,067.63)	173	(\$3,129,694)
<i>Transfers to Other Funds</i>								
Workers compensation fund - public schools	\$400,000	100%	\$400,000	per student	13,000	(\$30.77)	173	(\$5,330)
School athletic fund	\$1,093,078	100%	\$1,093,078	per student	13,000	(\$84.08)	173	(\$14,565)
Total						(\$16,276.22)		(\$2,819,382)

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¹Represents the revenues and expenses expected to be impacted by student enrollment.

²Based on information provided in *City of Newton FY20 Budget*.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning impacts: per student impacts are calculated by taking current revenues or expenses and apportioning them amount the current student population.

⁵Represents current statistics for City. See Appendix A.

⁶See Schedule VII-A.

⁷Represents total net change in budget items impacted by student enrollment as a result of proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

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Newton, Massachusetts

Schedule VIII: Additional Expenses to City of Newton - Annual

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Projected Increase in Service Factor ⁶	Total Additional Expenditures ⁷
						Total Serv. Pop.	\$1000s of Real Property Tax Revenues		
General Government⁸									
City Clerk/Clerk of the Board	\$2,053,027	0%	\$0	not impacted	-	-	-	-	-
Executive	\$1,035,681	0%	\$0	not impacted	-	-	-	-	-
Comptroller/Insurance	\$1,334,582	0%	\$0	not impacted	-	-	-	-	-
Purchasing/General Services	\$541,147	0%	\$0	not impacted	-	-	-	-	-
Assessing	\$1,240,262	100%	\$1,240,262	\$1,000s of real property tax revenues	\$356,892	-	\$3.48	\$4,148	\$14,416
Treasury and Collection	\$1,313,129	100%	\$1,313,129	\$1,000s of real property tax revenues	\$356,892	-	\$3.68	\$4,148	\$15,263
City Solicitor/Judgment & Settlements	\$1,982,505	0%	\$0	not impacted	-	-	-	-	-
Human Resources	\$1,042,387	0%	\$0	not impacted	-	-	-	-	-
Information Technology	\$1,884,222	0%	\$0	not impacted	-	-	-	-	-
Financial Information Systems	\$488,012	0%	\$0	not impacted	-	-	-	-	-
Planning & Development	\$1,991,198	0%	\$0	not impacted	-	-	-	-	-
Public Buildings	\$5,104,264	0%	\$0	not impacted	-	-	-	-	-
Police	\$22,804,753	0%	\$0	Schedule XXII	-	-	-	-	-
Fire	\$24,278,794	0%	\$0	Schedule XXII	-	-	-	-	-
Inspectional Services	\$1,751,338	0%	\$0	not impacted	-	-	-	-	-
Public Works	\$26,296,758	100%	\$26,296,758	total service population	144,671	\$181.77	-	2,325	\$422,553
Health and Human Services	\$4,445,035	0%	\$0	not impacted	-	-	-	-	-
Senior Services	\$783,873	0%	\$0	not impacted	-	-	-	-	-
Veteran Services	\$244,503	0%	\$0	not impacted	-	-	-	-	-
Newton Public Library	\$5,930,819	50%	\$2,965,410	permanent population	88,904	\$33.36	-	1,469	\$48,986
Parks and Recreation	\$6,949,497	50%	\$3,474,749	permanent population	88,904	\$39.08	-	1,469	\$57,400
Newton History Museum	\$307,200	0%	\$0	not impacted	-	-	-	-	-
BANS Interest	\$140,000	0%	\$0	not impacted	-	-	-	-	-
Debt and Interest	\$24,488,102	0%	\$0	not impacted	-	-	-	-	-
Retirement	\$41,817,879	0%	\$0	not impacted	-	-	-	-	-
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-	-
Snow and Ice Reserve	\$3,000,000	0%	\$0	not impacted	-	-	-	-	-
Wage Reserve	\$2,746,626	0%	\$0	not impacted	-	-	-	-	-
State and County Assessments	\$6,466,476	0%	\$0	not impacted	-	-	-	-	-
Transfers to Other Funds									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	-
Total current expenditures	\$193,912,069						\$254.21		\$558,617

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6-Dec-19

¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY20Budget*. Expenses shown do not match revenues due to the omission of school expenses.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning expenditures: Total service population expenses are calculated by taking current expenses and apportioning them amount the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents proposed increase to City as a result of new development. See Appendix A.

⁷Represents total increase in expenditures as a result of proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Excludes expenses relating to Newton Public Schools. New student impacts are calculated on Schedule VII-A and VII-B.

***Riverside
Newton, Massachusetts***

Schedule IX: Summary of Existing Development

Projected Existing Real Property Tax Revenues to City of Newton

Table 1: Existing Development¹

Property Type	Building Area		Total Market Value	FY 20 Newton Commercial Tax Rate Per \$1,000 A.V. ²	Projected Existing Development Tax Revenues
	GSF	Rooms			
<i>Commercial</i>					
Hotel	74,553	191	\$29,900,000	\$19.920	\$595,608
Total existing development	74,553	191	\$29,900,000		\$595,608

Table 2: Existing Demographics

<i>Existing employees³</i>	
Existing hotel employees	85
Existing total service population	85

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¹Existing development provided Mark Development LLC. Total market value based on information recorded in the City of Newton assessors database.

²Provided by the City of Newton Assessors Department FY 2020.

³Provided by the Human Resources Department of the existing hotel.

**Riverside
Newton, Massachusetts**

Schedule X: Additional Existing Revenues to City of Newton - Annual

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Estimated Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$356,892,067	100%	\$356,892,067	Schedule IX	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	not impacted	-	-	-	-	-
Interest and penalties on taxes	\$1,290,000	0%	\$0	not impacted	-	-	-	-	-
In lieu of tax payments	\$360,000	0%	\$0	not impacted	-	-	-	-	-
Meals tax	\$1,900,000	100%	\$1,900,000	total service population	144,671	-	\$13.13	85	\$1,116
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	85	\$1,469
Charges for Services									
Recreation	\$107,000	100%	\$107,000	not impacted	-	-	-	-	-
Other departments	\$1,506,150	0%	\$0	not impacted	-	-	-	-	-
Fees	\$704,400	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,134,233	0%	\$0	not impacted	-	-	-	-	-
Fines and Forfeitures									
Court fines	\$75,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$125,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	85	\$204
Licenses and Permits⁸									
Inspection services	\$5,930,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,077,425	0%	\$0	not impacted	-	-	-	-	-
Investment Income									
	\$1,745,064	0%	\$0	not impacted	-	-	-	-	-
Special Assessments									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues									
	\$200,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
Unrestricted general government aid	\$6,240,334	0%	\$0	not impacted	-	-	-	-	-
Other "cherry sheet" aid	\$219,569	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,660,000	0%	\$0	not impacted	-	-	-	-	-
Total Interfund Transfers									
	\$4,986,700	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget									
	\$1,904,936	0%	\$0	not impacted	-	-	-	-	-
Grand Total General Fund						\$32.82		\$2,789.35	

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6-Dec-19

¹Not all sources of revenues are expected to be impacted.

²Based on information provided in *City of Newton FY20 Budget*. Revenues do not match expenses due to the omission of school revenues.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning revenues: Per resident revenues are calculated by taking current revenues and apportioning them among current resident population. Total service population revenues are calculated by taking current revenues and apportioning them among the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents the current service factor to City as a result of existing development. See Schedule IX.

⁷Represents total increase in revenues as a result of existing development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Assumes one-time licenses and permits revenues will be offset by corresponding one-time expenses. As a result, the line items are not impacted.

⁹Excludes Chapter 70 school aid. There are no existing student impacts related to the current development as all development is commercial.

***Riverside
Newton, Massachusetts***

Schedule XI: Existing Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY20 budget allocation ¹	\$24,278,794	\$22,804,753	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,360.60	\$495.76	
Projected increase in total service calls ³	10	24	-
Expenses per service call	\$2,360.60	\$495.76	-
Projected annual increase in expenses	\$24,730	\$11,892	\$36,622

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¹Based on information provided in *City of Newton FY20 Budget*.

²See Schedule VI.

³See Appendix E-3, Tables 3 and 4.

Riverside
Newton, Massachusetts

Schedule XII: Additional Existing Expenses to City of Newton - Annual

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Total Additional Expenditures ⁷
						Total Serv. Pop.	Estimated Service Factor ⁶	
General Government⁸								
City Clerk/Clerk of the Board	\$2,053,027	0%	\$0	not impacted	-	-	-	-
Executive	\$1,035,681	0%	\$0	not impacted	-	-	-	-
Comptroller/Insurance	\$1,334,582	0%	\$0	not impacted	-	-	-	-
Purchasing/General Services	\$541,147	0%	\$0	not impacted	-	-	-	-
Assessing	\$1,240,262	0%	\$0	not impacted	-	-	-	-
Treasury and Collection	\$1,313,129	100%	\$1,313,129	total service population	144,671	\$9.08	85	\$772
City Solicitor/Judgment & Settlements	\$1,982,505	0%	\$0	not impacted	-	-	-	-
Human Resources	\$1,042,387	0%	\$0	not impacted	-	-	-	-
Information Technology	\$1,884,222	0%	\$0	not impacted	-	-	-	-
Financial Information Systems	\$488,012	0%	\$0	not impacted	-	-	-	-
Planning & Development	\$1,991,198	0%	\$0	not impacted	-	-	-	-
Public Buildings	\$5,104,264	0%	\$0	not impacted	-	-	-	-
Police	\$22,804,753	0%	\$0	Schedule XXII	-	-	-	-
Fire	\$24,278,794	0%	\$0	Schedule XXII	-	-	-	-
Inspectional Services	\$1,751,338	0%	\$0	not impacted	-	-	-	-
Public Works	\$26,296,758	100%	\$26,296,758	total service population	144,671	\$181.77	85	\$15,450
Health and Human Services	\$4,445,035	0%	\$0	not impacted	-	-	-	-
Senior Services	\$783,873	0%	\$0	not impacted	-	-	-	-
Veteran Services	\$244,503	0%	\$0	not impacted	-	-	-	-
Newton Public Library	\$5,930,819	0%	\$0	not impacted	-	-	-	-
Parks and Recreation	\$6,949,497	0%	\$0	not impacted	-	-	-	-
Newton History Museum	\$307,200	0%	\$0	not impacted	-	-	-	-
BANS Interest	\$140,000	0%	\$0	not impacted	-	-	-	-
Debt and Interest	\$24,488,102	0%	\$0	not impacted	-	-	-	-
Retirement	\$41,817,879	0%	\$0	not impacted	-	-	-	-
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-
Snow and Ice Reserve	\$3,000,000	0%	\$0	not impacted	-	-	-	-
Wage Reserve	\$2,746,626	0%	\$0	not impacted	-	-	-	-
State and County Assessments	\$6,466,476	0%	\$0	not impacted	-	-	-	-
Transfers to Other Funds								
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-
Total current expenditures	\$193,912,069					\$190.85		\$16,222

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6-Dec-19

¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY20 Budget*. Expenses shown do not match revenues due to the omission of school expenses.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning expenditures: Total service population expenses are calculated by taking current expenses and apportioning them amount the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents the current service factor to City as a result of existing development. See Appendix A.

⁷Represents total increase in expenditures as a result of existing development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Excludes expenses relating to Newton Public Schools. Expenses related to schools and students are not impacted for existing development.

**Riverside
Newton, Massachusetts**

Appendices

Riverside
Newton, Massachusetts

Appendix A: Revenues and Expenses to City of Newton (Allocation Factors)

City of Newton permanent population ¹	88,904
Newton residents employed in the city ²	5,937
Non-resident workers ²	49,830
Employee population equivalent ³	49,830
Total service population ⁴	144,671
Percent of newly created City of Newton employees assumed to live in City of Newton ⁵	10.6%
Percent of newly created City of Newton employees assumed to live outside City of Newton ⁶	89.4%
Service population rates	
Resident	1.00
Employee ³	1.00
Proposed new rentals ⁷	617
Vacancy rate ⁸	5.0%
Occupied new households	586
Persons per household (renter occupied) ⁹	2.21
Expected population increase ¹⁰	1,295
Current students ¹¹	13,000
Projected student increase ¹²	173
Total population increase	1,469
Projected new employees ¹³	856
Projected new employee population equivalent ³	856
Total new service population increase ¹⁴	2,325
Projected new non-resident employees ¹⁵	765
Projected new non-resident employee population equivalent ³	765
Net service population increase ¹⁶	2,234
Current Newton real property tax revenues (per \$1,000) ¹⁷	\$356,892
Projected increase in Newton's real property tax revenues (per \$1,000) ¹⁸	\$4,148

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¹Source: U.S Census Bureau QuickFacts. Based on population estimates as of July 1, 2018.

²Source: OnTheMap, U.S. Census Bureau based on 2017 data.

³Service rate for employee is assumed to be same as resident population rate.

⁴Represents the total City permanent population plus the total employee population equivalent.

⁵Represents the total City employees assumed to live outside of City of Newton.

⁶Represents the total City permanent population plus the non-resident employee population equivalent.

⁷See Schedule I.

⁸See Schedule IV-A.

⁹Source: 2013-2017 American Community Survey 5-Year Housing Estimates for Newton City, Massachusetts.

¹⁰Represents total new occupied households multiplied by the persons per household.

¹¹Represents the current student enrollment in citywide elementary, middle, and high schools for Fiscal Year 2019-2020. Source: Superintendent's Proposed Operating Budget Fiscal Year 2020.

¹²See Schedule VII.

¹³See Appendix B.

¹⁴Represents the total new employees of resident employee equivalents plus the expected population increase.

¹⁵Represents the total new employees multiplied by the percentage of employees assumed to live outside of Newton, MA.

¹⁶Represents the total new employees of non-resident employee equivalents plus the expected population increase.

¹⁷Based on information provided in *City of Newton FY20 Budget*. See Schedule X.

¹⁸See Schedule I.

Riverside
Newton, Massachusetts

Appendix B: Total Projected Employees - New Development

Projected Employees - New Development	
<i>Retail</i>	
SF ¹	43,241
Employees per 1,000 SF ²	2.19
<hr/>	
Sub-total retail employees	95
 <i>Office</i>	
SF ¹	243,388
Employees per 1,000 SF ²	2.88
<hr/>	
Sub-total office employees	701
 <i>Hotel</i>	
Rooms ¹	150
Employees per room ²	0.40
<hr/>	
Sub-total hotel employees	60
Total projected employees	856

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ide- FIA Scenario A No. 3 (002).xlsx]B

6-Dec-19

¹See Schedule I.

²Jobs were calculated using IMPLAN software by IMPLAN Group LLC. Jobs shown represent full-time equivalent jobs. See Appendix D.

Riverside

Newton, Massachusetts

Appendix C: Estimated Sales Data

Development Type	Sales PSF ¹	Type of SF ²	Adjusted Sales PSF	Avg. SF Per Store
<i>Retail</i>				
Men's Warehouse	\$411	Selling	\$308	5,642
Express	\$343	Gross	\$343	8,650
Panera Bread	\$302	Gross	\$302	4,500
Potbelly Sandwich Shop	\$436	Gross	\$436	2,300
Dollar General	\$226	Selling	\$170	7,400
Auto Zone	\$269	Gross	\$269	6,600
J. Crew	\$540	Gross	\$540	6,200
New York & Company	\$372	Selling	\$279	5,125
GameStop	\$940	Gross	\$940	1,400
Foot Locker	\$504	Gross	\$504	2,500
Average sale PSF			\$347	

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6-Dec-19

¹Sales data based on 2017 Bizminer Sales Report (2016 sales).

²Adjusted sales per square foot assumes 75% of gross square footage as selling space.

***Riverside
Newton, Massachusetts***

Appendix D-1: Permanent Jobs and Indirect Impacts - Retail

	<u>Total</u>
Retail square feet ¹	43,241
Sales per square foot ²	\$347
Retail sales	\$14,997,299
Total retail jobs ³	110
Full time equivalent factor ⁴	0.8619
Total full time equivalent employees ("FTE")	95
Total FTE jobs per 1,000 square feet	2.19
Total labor income ⁵	\$3,104,963
Labor income to wage factor ⁵	1.1907
Sub-total employee wages	\$2,607,751
Average retail income per FTE -- annual	\$32,751
Average retail wage per FTE -- annual	\$27,506
Multiplier for retail income ³	1.5258
Total income	\$4,737,421
Indirect and induced income	\$1,632,458
Multiplier for retail jobs ³	1.2382
Total jobs	136
Indirect jobs	26
Multiplier for retail output ³	1.7326
Total economic output	\$10,569,081
Direct Output	\$6,100,151
Indirect output	\$4,468,930

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6-Dec-19

¹Based on projected development at full buildout. See Schedule I.

²See Appendix C.

³Retail wages, jobs, and output were calculated using IMPLAN software by IMPLAN Group, LLC. The software calculates labor income and the number of jobs based on industry multipliers derived from National Income and Product Accounts data published by the U.S. Bureau of Economic Analysis. This data is then indexed to local industry data compiled by the U.S. Census Bureau. For ease of interpretation, multipliers are shown to illustrate the effects retail development within the Riverside development will have in the City of Newton. The multiplier for retail jobs is 1.2382, meaning that for each job at the development, 1.2382 jobs will be created in Newton, including the job at the development. Similarly, the multiplier for the retail wages is 1.1907, meaning that for every \$1.00 paid in retail wages at the development, \$1.1907 will be paid in Newton, including the \$1.00 at the development. The multiplier for retail output is 1.7326, meaning that for each dollar of retail economic activity at the development, the economic activity in Newton will be \$1.7326, including the \$1.00 at the development.

⁴Total jobs include all full-year employees, including part-time and full-time employees. The full time equivalent factor, provided by IMPLAN Group, LLC converts total jobs into total full-time equivalent employees ("FTE's").

⁵Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. The labor income to wage factor, provided by IMPLAN Group, LLC converts total labor income into direct wages and salary.

***Riverside
Newton, Massachusetts***

Appendix D-2: Permanent Jobs and Indirect Impacts - Office

	<u>Total</u>
Total office square feet ¹	243,388
Square feet per FTE office worker ²	375
<hr/>	
Total full time equivalent employees ("FTE")	649
Full time equivalent factor ³	0.9259
Total office jobs ³	701
Total FTE jobs per 1,000 square feet	2.88
Total labor income ⁴	\$50,254,265
Labor income to wage factor ⁴	1.1737
Sub-total employee wages	\$42,815,410
Average office income per FTE -- annual	\$71,689
Average office wage per FTE -- annual	\$65,968
Multiplier for office income ⁵	1.4387
Total income	\$72,298,701
Indirect and induced income	\$22,044,436
Multiplier for office jobs ⁵	1.6270
Total jobs	1,056
Indirect jobs	407
Multiplier for office output ⁵	1.6801
Total economic output	\$134,677,963
Direct Output	\$80,158,490
Indirect output	\$54,519,473

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6-Dec-19

¹Based on projected development at full buildout. See Schedule I.

²Source: *Building Owners and Managers Association International 2019 Office Experience and Exchange Reports* for office properties in the Massachusetts market.

³Total jobs include all full-year employees, including part-time and full-time employees. The full time equivalent factor, provided by IMPLAN Group, LLC converts total jobs into total full-time equivalent employees ("FTE's") and vice-versa.

⁴Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. The labor income to wage factor, provided by IMPLAN Group, LLC converts total labor income into direct wages and salary.

⁵Existing office wages, jobs, and output were calculated using IMPLAN Group, LLC. Multipliers function in the same manner as new retail impacts.

***Riverside
Newton, Massachusetts***

Appendix D-3: Permanent Jobs and Indirect Impacts - Hotel

	<u>Total</u>
Hotel rooms ¹	150
Average nightly room rate ²	\$269
Average nightly occupancy ²	67.9%
Hotel operating revenue	\$9,997,800
Total hotel service jobs ³	66
Full time equivalent factor ³	0.9086
Total full time equivalent employees ("FTE")	60
Total FTE jobs per room	0.40
Total labor income ⁴	\$3,799,735
Labor income to wage factor ⁴	1.1609
Sub-total employee wages	\$3,273,218
Average hotel income per FTE -- annual	\$63,078
Average hotel wage per FTE -- annual	\$54,338
Multiplier for hotel income ⁵	1.5253
Total income	\$5,795,792
Indirect and induced income	\$1,996,057
Multiplier for hotel jobs ⁵	1.6302
Total jobs	98
Indirect jobs	32
Multiplier for hotel output ⁵	1.5047
Total economic output	\$15,043,555
Indirect output	\$5,045,755

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le- FIA Scenario A No. 3 (002).xlsx]D3-Hotel

6-Dec-19

¹Based on projected development at full buildout. See Schedule I.

²See Schedule IV.

³Total jobs include all full-year employees, including part-time and full-time employees. The full time equivalent factor, provided by IMPLAN Group, LLC, converts total jobs into total full-time equivalent employees ("FTE's").

⁴Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. The labor income to wage factor, provided by IMPLAN Group, LLC, converts total labor income into direct wages and salary.

**Riverside
Newton, Massachusetts**

Appendix E-1: Fire and EMS Calls - Average Calls (New Development)

	Historical Fire and EMS Calls ¹					Square Feet/Units ²	Historical Fire and EMS Calls (per 1,000 Square Feet/Unit)					Average Historical Calls per 1,000 Square Feet/Unit
	2014	2015	2016	2017	2018		2014	2015	2016	2017	2018	
Development:												
<i>Retail addresses</i>												
230 Needham St	2	3	5	2	6	34,460	0.0580	0.0871	0.1451	0.0580	0.1741	0.1045
244 Needham St	10	14	20	19	14	31,925	0.3132	0.4385	0.6265	0.5951	0.4385	0.4824
170 Needham St	1	0	3	1	2	7,174	0.1394	0.0000	0.4182	0.1394	0.2788	0.1951
Weighted average call per square feet/unit												0.2773
<i>Office addresses</i>												
300 Washington St	2	10	7	6	4	143,068	0.0140	0.0699	0.0489	0.0419	0.0280	0.0405
2221-2227 Washington St	2	2	2	4	8	46,938	0.0426	0.0426	0.0426	0.0852	0.1704	0.0767
2150 Washington St	3	2	4	2	4	32,169	0.0933	0.0622	0.1243	0.0622	0.1243	0.0933
Weighted average call per square feet/unit												0.0558
<i>Hotel addresses</i>												
2345 Commonwealth Ave	33	44	41	53	35	293,195	0.1126	0.1501	0.1398	0.1808	0.1194	0.1405
Weighted average call per square feet/unit												0.1405

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¹Provided by the developer and based on information received from interviews with the fire department based on actual calls received at sample comparable properties from 2014-2018.

²See Schedule III-B.

**Riverside
Newton, Massachusetts**

Appendix E-2: Police Calls - Average Calls (New Development)

	Historical Police Calls ¹			Square Feet/Units ²	Historical Police Calls (per 1,000 Square Feet)			Average Historical
	2016	2017	2018		2016	2017	2018	Calls per 1,000 Square Feet
Development:								
<i>Retail addresses</i>								
230 Needham St	10	6	13	34,460	0.2902	0.1741	0.3772	0.2805
244 Needham St	41	38	41	31,925	1.2843	1.1903	1.2843	1.2529
170 Needham St	6	4	13	7,174	0.8364	0.5576	1.8121	1.0687
Weighted average call per square feet								0.7794
<i>Office addresses</i>								
300 Washington St	44	46	29	143,068	0.3075	0.3215	0.2027	0.2773
2150 Washington St	17	12	13	32,169	0.5285	0.3730	0.4041	0.4352
Weighted average call per square feet								0.3063
<i>Hotel addresses</i>								
2345 Commonwealth Ave	102	106	75	293,195	0.3479	0.3615	0.2558	0.3217
Weighted average call per square feet								0.3217

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¹ Provided by the developer and based on information received from interviews with the police department based on actual calls received at sample properties from 2016-2018.

² See Schedule III-B.

***Riverside
Newton, Massachusetts***

Appendix E-3: Projected Fire, EMS and Police Calls (New and Existing Development)

Table 1: Fire and EMS Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	617	0.1330	82
Office	243,388	0.0558	14
Retail	43,241	0.2773	12
Hotel	77,300	0.1405	11
Total fire and EMS calls			118

¹See Schedule I.

²See Appendix E-1.

³Residential calls provided by the developer.

Table 2: Police Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	617	0.3780	233
Office	243,388	0.3063	75
Retail	43,241	0.7794	34
Hotel	77,300	0.3217	25
Total police calls			366

¹See Schedule I.

²See Appendix E-2.

³Residential calls provided by the developer.

Table 3: Fire and EMS Projected Calls - Existing Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Hotel	74,553	0.1405	10
Total fire and EMS calls			10

¹See Schedule I.

²See Appendix E-1.

Table 4: Police Projected Calls - Existing Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Hotel	74,553	0.3217	24
Total police calls			24

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¹See Schedule IX.

²See Appendix E-2.

Riverside Newton, Massachusetts

Fiscal Impact Analysis

Exhibit B

Updates From Previous Model:

Updated Development

Updated City Budget

Updated Tax Rates

Updated Valuation

Relevant Assumptions:

Student Impacts Based on Newton School District Generation Factors - Method 1

Prepared By:

MuniCap, Inc.

December 6, 2019

Riverside Newton, Massachusetts

Fiscal Impact Analysis

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Riverside Newton, Massachusetts

Fiscal Impact Analysis

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Riverside
Newton, Massachusetts

S-1: Summary of Net Fiscal Impacts to the City of Newton

Table 1: Projected New Development Fiscal Impact (Full Build-Out)

	Annual (Full Build-Out)	
Real property tax revenues	\$4,148,231	(Schedule I)
Additional revenues	\$388,400	(Schedule V)
City of Newton tax revenues	\$4,536,631	
City of Newtown police and fire expenditures	(\$461,343)	(Schedule VI)
City of Newton student expenditures	(\$1,818,542)	(Schedule VII)
City of Newton general fund expenditures	(\$542,985)	(Schedule VIII)
City of Newton net fiscal impact	\$1,713,760	

Table 2: Existing Development Fiscal Impact (Full Build-Out)

	Annual (Full Build-Out)	
Real property tax revenues	\$595,608	(Schedule IX)
Additional revenues	\$2,789	(Schedule X)
City of Newton tax revenues	\$598,397	
City of Newtown police and fire expenditures	(\$36,622)	(Schedule XI)
City of Newton student expenditures ¹	\$0	
City of Newton general fund expenditures	(\$16,222)	(Schedule XII)
City of Newton net fiscal impact	\$545,554	

Table 3: Net New Fiscal Impacts (Full Build-Out)

	Annual (Full Build-Out)	
Projected development net fiscal impact	\$1,713,760	
Existing development net fiscal impact	(\$545,554)	
City of Newton net new fiscal impact	\$1,168,207	

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¹The existing development consists of a hotel and excludes students.

Riverside
Newton, Massachusetts

S-2: Summary of Employment Impacts from New Development (Full Build-Out)

	Jobs from Riverside Project ¹				
	Permanent Jobs	Annual Compensation	Income per Employee	Annual Wages	Wage per Employee
Retail:					
Direct impacts	95	\$3,104,963	\$32,751	\$2,607,751	\$27,506
Indirect impacts	26	\$1,632,458	\$62,308	-	-
Office:					
Direct impacts	649	\$50,254,265	\$77,429	\$42,815,410	\$65,968
Indirect impacts	407	\$22,044,436	\$54,168	-	-
Hotel:					
Direct impacts	60	\$3,799,735	\$63,078	\$3,273,218	\$54,338
Indirect impacts	32	\$1,996,057	\$62,572	-	-
Total direct impacts (full-time equivalents)	804	\$57,158,963	-	\$48,696,379	\$71,086
Total indirect and induced impacts	465	\$25,672,951	-	-	-
Total annual compensation		\$82,831,914			

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¹Represents the estimated increase in total full-time equivalent jobs and income from development at Riverside. Jobs shown are at full buildout. See Appendices D-1 through D-3.

***Riverside
Newton, Massachusetts***

S-3: Summary of Student Impacts

Table 1: Projected Student Enrollment²

	<u>Annual (Full Build-Out)</u>
Total projected student enrollment from new development ¹	112
Total estimated student enrollment from existing development	0
Projected net student enrollment	112

Table 2: Net Student Impacts

	<u>Annual (Full Build-Out)</u>
New student fiscal impacts ²	(\$1,818,542)
Existing student fiscal impacts	\$0
Net new student fiscal impacts	(\$1,818,542)

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¹See Schedule VII-A.

²See Schedule VII-B.

Riverside
Newton, Massachusetts

Projected Development
& General Fund Impacts

Riverside
Newton, Massachusetts

Schedule I: Summary of Proposed Development Plan and Estimated Values

Property Type	Rentable SF	Building Area ¹		Units/ Rooms/Spaces	Estimated Assessed Value ²			FY20 Tax Rate	Tax Revenues
		Total SF	Gross Area Per Unit/Room/Space		Value Per GSF	Value per Unit/Room/Space	Total Assessed Value		
<i>Residential</i>									
<i>For Rent</i>									
Market rate apartments	411,405	539,169	1,059	509	\$310	\$327,959	\$166,930,941	1.044%	\$1,742,759
Inclusionary income apartments									
50% AMI	37,180	48,726	1,059	46	\$56	\$58,928	\$2,710,668	1.044%	\$28,299
80% AMI	37,180	48,726	1,059	46	\$175	\$185,788	\$8,546,236	1.044%	\$89,223
100% AMI	12,932	16,948	1,059	16	\$181	\$191,931	\$3,070,888	1.044%	\$32,060
Sub-total residential	498,697	653,570		617			\$181,258,734		\$1,892,341
<i>Commercial</i>									
Retail	43,241	43,241	-	-	\$353	-	\$15,267,402	1.992%	\$304,127
Office ³	243,388	243,388	-	-	\$239	-	\$58,179,588	1.992%	\$1,158,937
Hotel	77,300	77,300	515	150	\$515	\$265,336	\$39,800,467	1.992%	\$792,825
Sub-total commercial	363,929	363,929		150			\$113,247,457		\$2,255,889
<i>Parking garage⁴</i>									
Taxable	-	663,190	333	1,990	\$0	\$0	\$0		
Total⁵	862,626	1,017,499		2,757			\$294,506,191		\$4,148,231

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¹Source: Mark Development, LLC.

²See Schedule II.

³Does not include mechanical penthouse space.

⁴Assumes the value of the parking garage is accounted for within the rest of the development.

⁵Total development square footage excludes 7,500 square feet of office space to be occupied by MBTA.

Riverside
Newton, Massachusetts

Schedule II: Projection of Assessed Value - Comparison of Approaches¹

Property Type	Comparables ²	Income Capitalization ³
<i><u>Residential</u></i>		
<i>For Rent</i>		
Market rate apartments		
Per unit	<u>\$327,958.63</u>	\$422,245.38
Inclusionary income apartments		
50% AMI		
Per unit	<u>\$58,927.57</u>	\$75,869.01
80% AMI		
Per unit	<u>\$185,787.75</u>	\$239,200.96
100% AMI		
Per unit	<u>\$191,930.52</u>	\$247,109.76
<i><u>Commercial</u></i>		
Retail		
Per SF	<u>\$353.08</u>	\$400.91
Office		
Per SF	<u>\$239.04</u>	\$378.67
Hotel		
Per room	\$217,305.03	<u>\$265,336.45</u>
Parking garage		
Per space	-	-

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¹Valuation approach chosen for each type of development is underlined and shown in bold and italics.

²See Schedules III-A and III-B. Inclusionary income apartment values are based on the ratio of value from market rate apartments based on the income capitalization approach shown on schedule IV-A.

³See Schedules IV-A and IV-B.

Riverside
Newton, Massachusetts

Schedule III-A: Projection of Assessed Value - Comparables (Residential)¹

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Units	Per GSF	Per Unit
Apartments									
Avalon at Newton Highlands	51028 0017	109 Needham St	Newton	2003	\$90,772,800	387,550	273	\$234	\$332,501
Woodland Station Apartments	43045 0030Z	1940 Washington St	Newton	2007	\$55,629,200	144,584	180	\$385	\$309,051
Gables Arsenal St	1037 1 0	204 Arsenal St	Watertown	2015	\$104,795,800	260,246	294	\$403	\$356,448
Charlesbank Apartments	201 16 8	120 Pleasant St	Watertown	2011	\$13,823,400	45,672	44	\$303	\$314,168
Riverbend on the Charles	219 6B 0	270 Pleasant St	Watertown	2012	\$44,229,300	211,410	135	\$209	\$327,624
Average									\$327,959

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¹Comparable properties shown represent the most current values as shown in assessor's database (2020 for Newton and 2019 for Watertown). The apartments shown, with the exception of Charlesbank Apartments, contain affordable units, resulting in a conservative valuation.

Riverside
Newton, Massachusetts

Schedule III-B: Projection of Assessed Value - Comparables (Commercial)¹

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Rooms	Per GSF	Per Room
Retail									
In-line retail ²	83028 0078	230 Needham St	Newton	1955	\$10,796,800	34,460	-	\$313.31	-
In-line retail ³	83028 0077	244 Needham St	Newton	1955	\$10,196,100	31,925	-	\$319.38	-
In-line retail ⁴	83028 0002	170 Needham St	Newton	2014	\$3,060,000	7,174	-	\$426.54	-
Average								\$353.08	-
Office									
One Gateway Center	12011 0001	296-334 Washington St	Newton	1968	\$34,095,800	143,068	-	\$238.32	-
Office	42032 0034	2223 Washington St	Newton	1978	\$12,384,900	46,938	-	\$263.86	-
Office	420003 0001	2150 Washington St	Newton	1983	\$6,914,600	32,169	-	\$214.95	-
Average								\$239.04	-
Hotel									
Boston Marriott Newton	41023 0018	2345 Commonwealth Ave	Newton	1969	\$92,000,000	293,195	500	\$313.78	\$184,000
Sheraton Needham	199/300.0-0066-0000.0	100 Cabot St	Needham	1986	\$35,465,300	231,061	225	\$153.49	\$157,624
Homewood Suites by Hilton Brookline	22848122	111 Boylston St	Brookline	2015	\$40,337,900	90,318	130	\$446.62	\$310,292
Average								\$304.63	\$217,305.03

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¹Comparable properties shown represent 2020 values as shown in Newton assessor's database and 2019 values as shown in Needham and Brookline assessor's database.

²In-line retail includes, but is not limited to, Mattress Firm, Xtreme Fitness Equipment, and Jenny Boston Boutique.

³In-line retail includes, but is not limited to, Starbucks, Verizon Fios Store, and Majestic Nails.

⁴In-line retail includes, but is not limited to, Vitamin Shoppe, Nothing but Cakes, Rockland Trust.

Riverside
Newton, Massachusetts

Schedule IV-A: Projection of Assessed Value - Income Capitalization (Residential)

	Apartments			
	Market Rate	Inclusionary Income		
		(50% AMI)	(80% AMI)	(100% AMI) ⁴
Net square feet per unit ¹	808	808	808	808
Monthly rent per square foot ¹	\$3.65	\$1.19	\$2.35	\$2.41
Annual rent per square foot	\$43.80	\$14.28	\$28.20	\$28.87
Vacancy ¹	5.00%	5.00%	5.00%	5.00%
Effective rent per square foot	\$41.61	\$13.57	\$26.79	\$27.43
Effective rent per unit	\$33,632	\$10,965	\$21,653	\$22,171
Expense ratio ²	18%	55%	28%	27%
Expenses	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)
Net operating income per square foot	\$34.19	\$6.14	\$19.37	\$20.01
Net operating income per unit	\$27,632	\$4,965	\$15,653	\$16,171
Capitalization rate ¹	5.500%	5.500%	5.500%	5.500%
Tax rate ³	1.044%	1.044%	1.044%	1.044%
Fully loaded capitalization rate	6.544%	6.544%	6.544%	6.544%
Value per net square foot	\$522.41	\$93.87	\$295.95	\$305.73
Value per unit	\$422,245	\$75,869	\$239,201	\$247,110
Value per gross square foot	\$398.62	\$71.62	\$225.82	\$233.28

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¹Provided by Mark Development, LLC. See Schedule I for total rentable square footage.

²Apartment estimated expenses provided by Mark Development, LLC. Assessor uses a fully loaded capitalization rate, and as a result, real property taxes are assumed to be netted out of the estimated expenses.

³Tax rate shown represents the FY2020 residential tax rate. Source: Newton Assessor's office.

⁴Monthly rent per square foot is based on the weighted average rent for the 100% AMI band, charged by The George, a 140 unit rental apartment community in Newtonville. Source: Newton Massachusetts Official Website.

Riverside
Newton, Massachusetts

Schedule IV-B: Projection of Assessed Value - Income Capitalization (Commercial)

	Retail	Office
Annual rent per square foot ¹	\$37.00	\$35.00
Vacancy ¹	5.00%	5.00%
Effective rent per square foot	\$36.05	\$34.05
Expense ratio	0.00%	0.00%
Expenses ²	\$0.00	\$0.00
Net operating income per square foot	\$36.05	\$34.05
Capitalization rate ¹	7.000%	7.000%
Tax rate ³	1.992%	1.992%
Fully loaded capitalization rate	8.992%	8.992%
Value per net square foot	\$400.91	\$378.67

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¹Provided by Mark Development, LLC.

²Rents are triple net, hence expenses are zeroed out.

³Tax rate shown represents the FY2020 commercial tax rate. Source: Newton Assessor's office.

Riverside
Newton, Massachusetts

Schedule IV-C: Projection of Assessed Value - Income Capitalization (Hotel)

	Hotel
<i>Income Capitalization</i>	
Average daily rate per room	\$268.94
Gross annual income	\$98,162.00
Assumed occupancy rate ²	67.90%
Effective gross income per room	\$66,652.00
Assumed expense ratio ³	62.49%
Less: assumed expenses	(\$41,652.00)
Net operating income per room ¹	\$25,000.00
Capitalization rate ²	7.43%
Tax rate ⁴	1.992%
Fully loaded capitalization rate	9.422%
Total estimated value per room	\$265,336.45
Total estimated value per SF	\$514.88

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¹Provided by Mark Development, LLC.

²Occupancy and capitalization rates represent the national full service upper midscale lodging segment average as reported in the *Third Quarter 2019 PriceWaterhouseCoopers Real Estate Investor Survey*.

³Represents chain-affiliated hotel expenses as reported in the *HOST Almanac Highlights 2017, U.S. Chain Affiliated Hotel Operating Statistics*.

⁴Tax rate shown represents the FY2020 commercial tax rate. Source: Newton Assessor's office.

**Riverside
Newton, Massachusetts**

Schedule V: Additional Revenues to City of Newton - Annual

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Projected Increase in Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$356,892,067	100%	\$356,892,067	Schedule I	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	per resident	88,904	\$151.85	-	1,407	\$213,670
Interest and penalties on taxes	\$1,290,000	0%	\$0	not impacted	-	-	-	-	-
In lieu of tax payments	\$360,000	0%	\$0	not impacted	-	-	-	-	-
Meals tax	\$1,900,000	100%	\$1,900,000	total service population	144,671	-	\$13.13	2,263	\$29,723
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	2,263	\$39,109
Charges for Services									
Recreation	\$107,000	100%	\$107,000	per resident	88,904	\$1.20	-	1,407	\$1,694
Other departments	\$1,506,150	0%	\$0	not impacted	-	-	-	-	-
Fees	\$704,400	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,134,233	0%	\$0	not impacted	-	-	-	-	-
Fines and Forfeitures									
Court fines	\$75,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$125,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	2,263	\$5,436
Licenses and Permits⁸									
Inspection services	\$5,930,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,077,425	0%	\$0	not impacted	-	-	-	-	-
Investment Income	\$1,745,064	0%	\$0	not impacted	-	-	-	-	-
Special Assessments	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues	\$200,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
Unrestricted general government aid	\$6,240,334	100%	\$6,240,334	per resident	88,904	\$70.19	-	1,407	\$98,768
Other "cherry sheet" aid	\$219,569	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,660,000	0%	\$0	not impacted	-	-	-	-	-
Total Interfund Transfers	\$4,986,700	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget	\$1,904,936	0%	\$0	not impacted	-	-	-	-	-
Total General Fund	\$405,502,878					\$223.24	\$32.82		\$388,400

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¹Not all sources of revenues are expected to be impacted.

²Based on information provided in *City of Newton FY2020 Budget*. Revenues do not match expenses due to the omission of school revenues.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning revenues: Per resident revenues are calculated by taking current revenues and apportioning them among current resident population. Total service population revenues are calculated by taking current revenues and apportioning them among the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents proposed increase to City as a result of new development. See Appendix A.

⁷Represents total increase in revenues as a result of proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Assumes one-time licenses and permits revenues will be offset by corresponding one-time expenses. As a result, the line items are not impacted.

⁹Excludes Chapter 70 school aid. New student impacts are calculated on Schedule VII.

***Riverside
Newton, Massachusetts***

Schedule VI: Projected Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY20 budget allocation ¹	\$24,278,794	\$22,804,753	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,360.60	\$495.76	
Projected increase in total service calls ³	118	366	-
Expenses per service call	\$2,360.60	\$495.76	-
Projected annual increase in expenses	\$279,729	\$181,614	\$461,343

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Development LLC\Riverside Project\FIA\Analysis\[Riverside- FIA Scenario B No. 3 (002).xlsx]VI

6-Dec-19

¹Based on information provided in *City of Newton FY20 Budget*. See Schedule VIII.

²Provided by Mark Development, LLC and based on information received from interviews with the fire and police departments.

³See Appendix E-3 for calculation of projected increase in total fire, EMS and police service calls, Tables 1 and 2.

Riverside
Newton, Massachusetts

Schedule VII-A: Student Generation - Projected Total Students

Table 1: Projected Residential Units¹

Unit Type	Number of AMI Inclusionary Units			Number of Market Rate Units	Total Count
	50%	80%	100%		
<i>Apartments:</i>					
Studio	5	5	1	48	59
1 Bedroom	22	23	8	261	314
2 Bedroom	16	15	6	180	217
3 Bedroom	3	3	1	20	27
Subtotal	46	46	16	509	617

Table 2: Projected Student Generation Rates

Unit Type	Student Generation Rates Newton Public Schools (Method 1) ²
<i>Market Rate:</i>	
Studio	0.000
1 Bedroom	0.000
2 Bedroom	0.214
3 Bedroom	0.800
<i>Inclusionary:</i>	
Studio	0.000
1 Bedroom	0.000
2 Bedroom	1.018
3 Bedroom	2.792

Table 3: Projected Total Students

Unit Type	Project Total Students ³				
<i>Apartments:</i>					
Studio	0	0	0	0	0
1 Bedroom	0	0	0	0	0
2 Bedroom	16	15	6	39	76
3 Bedroom	8	8	3	16	36
Total	25	24	9	55	112

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6-Dec-19

¹Provided by Mark Development, LLC.

²Student generation rates based on actual students in the three largest residential developments, including market rate and affordable development surveyed in the *Enrollment Analysis Report, Appendix F-Method 1*, dated November 2018, provided by Newton Public Schools.

³Totals are affected by rounding.

Riverside
Newton, Massachusetts

Schedule VII-B: Student Generation - New Student Impacts to City of Newton (Annual)

Annual Impacts ¹	Current City Budget Amount ²	Percent Impacted ³	Adjusted Current City Budget Amount ³	Basis for Projecting Impacts ⁴	Current City Service Factors ⁵	Impacts by Factor Per Student	Projected Increase in Service Factor ⁶	Total Additional Impacts ⁷
Revenues:								
<i>Charges for Service</i>								
School department	\$100,000	100%	\$100,000	per student	13,000	\$7.69	112	\$859
<i>State and Federal Aid</i>								
Chapter 70 school aid	\$24,681,503	100%	\$24,681,503	per student	13,000	\$1,898.58	112	\$212,128
Expenses:								
<i>Expenditures</i>								
Newton public schools	\$234,879,234	100%	\$234,879,234	per student	13,000	(\$18,067.63)	112	(\$2,018,697)
<i>Transfers to Other Funds</i>								
Workers compensation fund - public schools	\$400,000	100%	\$400,000	per student	13,000	(\$30.77)	112	(\$3,438)
School athletic fund	\$1,093,078	100%	\$1,093,078	per student	13,000	(\$84.08)	112	(\$9,395)
Total						(\$16,276.22)		(\$1,818,542)

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6-Dec-19

¹Represents the revenues and expenses expected to be impacted by student enrollment.

²Based on information provided in *City of Newton FY20 Budget*.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning impacts: per student impacts are calculated by taking current revenues or expenses and apportioning them amount the current student population.

⁵Represents current statistics for City. See Appendix A.

⁶See Schedule VII-A.

⁷Represents total net change in budget items impacted by student enrollment as a result of proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

Riverside
Newton, Massachusetts

Schedule VIII: Additional Expenses to City of Newton - Annual

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Projected Increase in Service Factor ⁶	Total Additional Expenditures ⁷
						Total Serv. Pop.	\$1000s of Real Property Tax Revenues		
General Government⁸									
City Clerk/Clerk of the Board	\$2,053,027	0%	\$0	not impacted	-	-	-	-	-
Executive	\$1,035,681	0%	\$0	not impacted	-	-	-	-	-
Comptroller/Insurance	\$1,334,582	0%	\$0	not impacted	-	-	-	-	-
Purchasing/General Services	\$541,147	0%	\$0	not impacted	-	-	-	-	-
Assessing	\$1,240,262	100%	\$1,240,262	\$1,000s of real property tax revenues	\$356,892	-	\$3.48	\$4,148	\$14,416
Treasury and Collection	\$1,313,129	100%	\$1,313,129	\$1,000s of real property tax revenues	\$356,892	-	\$3.68	\$4,148	\$15,263
City Solicitor/Judgment & Settlements	\$1,982,505	0%	\$0	not impacted	-	-	-	-	-
Human Resources	\$1,042,387	0%	\$0	not impacted	-	-	-	-	-
Information Technology	\$1,884,222	0%	\$0	not impacted	-	-	-	-	-
Financial Information Systems	\$488,012	0%	\$0	not impacted	-	-	-	-	-
Planning & Development	\$1,991,198	0%	\$0	not impacted	-	-	-	-	-
Public Buildings	\$5,104,264	0%	\$0	not impacted	-	-	-	-	-
Police	\$22,804,753	0%	\$0	Schedule XXII	-	-	-	-	-
Fire	\$24,278,794	0%	\$0	Schedule XXII	-	-	-	-	-
Inspectional Services	\$1,751,338	0%	\$0	not impacted	-	-	-	-	-
Public Works	\$26,296,758	100%	\$26,296,758	total service population	144,671	\$181.77	-	2,263	\$411,376
Health and Human Services	\$4,445,035	0%	\$0	not impacted	-	-	-	-	-
Senior Services	\$783,873	0%	\$0	not impacted	-	-	-	-	-
Veteran Services	\$244,503	0%	\$0	not impacted	-	-	-	-	-
Newton Public Library	\$5,930,819	50%	\$2,965,410	permanent population	88,904	\$33.36	-	1,407	\$46,935
Parks and Recreation	\$6,949,497	50%	\$3,474,749	permanent population	88,904	\$39.08	-	1,407	\$54,996
Newton History Museum	\$307,200	0%	\$0	not impacted	-	-	-	-	-
BANS Interest	\$140,000	0%	\$0	not impacted	-	-	-	-	-
Debt and Interest	\$24,488,102	0%	\$0	not impacted	-	-	-	-	-
Retirement	\$41,817,879	0%	\$0	not impacted	-	-	-	-	-
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-	-
Snow and Ice Reserve	\$3,000,000	0%	\$0	not impacted	-	-	-	-	-
Wage Reserve	\$2,746,626	0%	\$0	not impacted	-	-	-	-	-
State and County Assessments	\$6,466,476	0%	\$0	not impacted	-	-	-	-	-
Transfers to Other Funds									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	-
Total current expenditures	\$193,912,069					\$254.21			\$542,985

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6-Dec-19

¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY20Budget*. Expenses shown do not match revenues due to the omission of school expenses.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning expenditures: Total service population expenses are calculated by taking current expenses and apportioning them amount the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents proposed increase to City as a result of new development. See Appendix A.

⁷Represents total increase in expenditures as a result of proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Excludes expenses relating to Newton Public Schools. New student impacts are calculated on Schedule VII-A and VII-B.

*Riverside
Newton, Massachusetts*

Schedule IX: Summary of Existing Development

Projected Existing Real Property Tax Revenues to City of Newton

Table 1: Existing Development¹

Property Type	Building Area		Total Market Value	FY 20 Newton Commercial Tax Rate Per \$1,000 A.V. ²	Projected Existing Development Tax Revenues
	GSF	Rooms			
<i>Commercial</i>					
Hotel	74,553	191	\$29,900,000	\$19.920	\$595,608
Total existing development	74,553	191	\$29,900,000		\$595,608

Table 2: Existing Demographics

<i>Existing employees³</i>	
Existing hotel employees	85
Existing total service population	85

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¹Existing development provided Mark Development LLC. Total market value based on information recorded in the City of Newton assessors database.

²Provided by the City of Newton Assessors Department FY 2020.

³Provided by the Human Resources Department of the existing hotel.

**Riverside
Newton, Massachusetts**

Schedule X: Additional Existing Revenues to City of Newton - Annual

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Estimated Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$356,892,067	100%	\$356,892,067	Schedule IX	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	not impacted	-	-	-	-	-
Interest and penalties on taxes	\$1,290,000	0%	\$0	not impacted	-	-	-	-	-
In lieu of tax payments	\$360,000	0%	\$0	not impacted	-	-	-	-	-
Meals tax	\$1,900,000	100%	\$1,900,000	total service population	144,671	-	\$13.13	85	\$1,116
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	85	\$1,469
Charges for Services									
Recreation	\$107,000	100%	\$107,000	not impacted	-	-	-	-	-
Other departments	\$1,506,150	0%	\$0	not impacted	-	-	-	-	-
Fees	\$704,400	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,134,233	0%	\$0	not impacted	-	-	-	-	-
Fines and Forfeitures									
Court fines	\$75,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$125,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	85	\$204
Licenses and Permits⁸									
Inspection services	\$5,930,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,077,425	0%	\$0	not impacted	-	-	-	-	-
Investment Income									
	\$1,745,064	0%	\$0	not impacted	-	-	-	-	-
Special Assessments									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues									
	\$200,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
Unrestricted general government aid	\$6,240,334	0%	\$0	not impacted	-	-	-	-	-
Other "cherry sheet" aid	\$219,569	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,660,000	0%	\$0	not impacted	-	-	-	-	-
Total Interfund Transfers									
	\$4,986,700	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget									
	\$1,904,936	0%	\$0	not impacted	-	-	-	-	-
Grand Total General Fund						\$32.82		\$2,789.35	

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¹Not all sources of revenues are expected to be impacted.

²Based on information provided in *City of Newton FY20 Budget*. Revenues do not match expenses due to the omission of school revenues.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning revenues: Per resident revenues are calculated by taking current revenues and apportioning them among current resident population. Total service population revenues are calculated by taking current revenues and apportioning them among the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents the current service factor to City as a result of existing development. See Schedule IX.

⁷Represents total increase in revenues as a result of existing development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Assumes one-time licenses and permits revenues will be offset by corresponding one-time expenses. As a result, the line items are not impacted.

⁹Excludes Chapter 70 school aid. There are no existing student impacts related to the current development as all development is commercial.

***Riverside
Newton, Massachusetts***

Schedule XI: Existing Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY20 budget allocation ¹	\$24,278,794	\$22,804,753	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,360.60	\$495.76	
Projected increase in total service calls ³	10	24	-
Expenses per service call	\$2,360.60	\$495.76	-
Projected annual increase in expenses	\$24,730	\$11,892	\$36,622

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¹Based on information provided in *City of Newton FY20 Budget*.

²See Schedule VI.

³See Appendix E-3, Tables 3 and 4.

Riverside
Newton, Massachusetts

Schedule XII: Additional Existing Expenses to City of Newton - Annual

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Total Additional Expenditures ⁷
						Total Serv. Pop.	Estimated Service Factor ⁶	
General Government⁸								
City Clerk/Clerk of the Board	\$2,053,027	0%	\$0	not impacted	-	-	-	-
Executive	\$1,035,681	0%	\$0	not impacted	-	-	-	-
Comptroller/Insurance	\$1,334,582	0%	\$0	not impacted	-	-	-	-
Purchasing/General Services	\$541,147	0%	\$0	not impacted	-	-	-	-
Assessing	\$1,240,262	0%	\$0	not impacted	-	-	-	-
Treasury and Collection	\$1,313,129	100%	\$1,313,129	total service population	144,671	\$9.08	85	\$772
City Solicitor/Judgment & Settlements	\$1,982,505	0%	\$0	not impacted	-	-	-	-
Human Resources	\$1,042,387	0%	\$0	not impacted	-	-	-	-
Information Technology	\$1,884,222	0%	\$0	not impacted	-	-	-	-
Financial Information Systems	\$488,012	0%	\$0	not impacted	-	-	-	-
Planning & Development	\$1,991,198	0%	\$0	not impacted	-	-	-	-
Public Buildings	\$5,104,264	0%	\$0	not impacted	-	-	-	-
Police	\$22,804,753	0%	\$0	Schedule XXII	-	-	-	-
Fire	\$24,278,794	0%	\$0	Schedule XXII	-	-	-	-
Inspectional Services	\$1,751,338	0%	\$0	not impacted	-	-	-	-
Public Works	\$26,296,758	100%	\$26,296,758	total service population	144,671	\$181.77	85	\$15,450
Health and Human Services	\$4,445,035	0%	\$0	not impacted	-	-	-	-
Senior Services	\$783,873	0%	\$0	not impacted	-	-	-	-
Veteran Services	\$244,503	0%	\$0	not impacted	-	-	-	-
Newton Public Library	\$5,930,819	0%	\$0	not impacted	-	-	-	-
Parks and Recreation	\$6,949,497	0%	\$0	not impacted	-	-	-	-
Newton History Museum	\$307,200	0%	\$0	not impacted	-	-	-	-
BANS Interest	\$140,000	0%	\$0	not impacted	-	-	-	-
Debt and Interest	\$24,488,102	0%	\$0	not impacted	-	-	-	-
Retirement	\$41,817,879	0%	\$0	not impacted	-	-	-	-
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-
Snow and Ice Reserve	\$3,000,000	0%	\$0	not impacted	-	-	-	-
Wage Reserve	\$2,746,626	0%	\$0	not impacted	-	-	-	-
State and County Assessments	\$6,466,476	0%	\$0	not impacted	-	-	-	-
Transfers to Other Funds								
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-
Total current expenditures	\$193,912,069					\$190.85		\$16,222

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¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY20 Budget*. Expenses shown do not match revenues due to the omission of school expenses.

³Represents the percent by which the proposed increase is assumed to be impacted.

⁴Method of apportioning expenditures: Total service population expenses are calculated by taking current expenses and apportioning them amount the current total service population (residents and employees).

⁵Represents current statistics for City. See Appendix A.

⁶Represents the current service factor to City as a result of existing development. See Appendix A.

⁷Represents total increase in expenditures as a result of existing development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁸Excludes expenses relating to Newton Public Schools. Expenses related to schools and students are not impacted for existing development.

**Riverside
Newton, Massachusetts**

Appendices

Riverside
Newton, Massachusetts

Appendix A: Revenues and Expenses to City of Newton (Allocation Factors)

City of Newton permanent population ¹	88,904
Newton residents employed in the city ²	5,937
Non-resident workers ²	49,830
Employee population equivalent ³	49,830
Total service population ⁴	144,671
Percent of newly created City of Newton employees assumed to live in City of Newton ⁵	10.6%
Percent of newly created City of Newton employees assumed to live outside City of Newton ⁶	89.4%
Service population rates	
Resident	1.00
Employee ³	1.00
Proposed new rentals ⁷	617
Vacancy rate ⁸	5.0%
Occupied new households	586
Persons per household (renter occupied) ⁹	2.21
Expected population increase ¹⁰	1,295
Current students ¹¹	13,000
Projected student increase ¹²	112
Total population increase	1,407
Projected new employees ¹³	856
Projected new employee population equivalent ³	856
Total new service population increase ¹⁴	2,263
Projected new non-resident employees ¹⁵	765
Projected new non-resident employee population equivalent ³	765
Net service population increase ¹⁶	2,172
Current Newton real property tax revenues (per \$1,000) ¹⁷	\$356,892
Projected increase in Newton's real property tax revenues (per \$1,000) ¹⁸	\$4,148

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¹Source: U.S Census Bureau QuickFacts. Based on population estimates as of July 1, 2018.

²Source: OnTheMap, U.S. Census Bureau based on 2017 data.

³Service rate for employee is assumed to be same as resident population rate.

⁴Represents the total City permanent population plus the total employee population equivalent.

⁵Represents the total City employees assumed to live outside of City of Newton.

⁶Represents the total City permanent population plus the non-resident employee population equivalent.

⁷See Schedule I.

⁸See Schedule IV-A.

⁹Source: 2013-2017 American Community Survey 5-Year Housing Estimates for Newton City, Massachusetts.

¹⁰Represents total new occupied households multiplied by the persons per household.

¹¹Represents the current student enrollment in citywide elementary, middle, and high schools for Fiscal Year 2019-2020. Source: Superintendent's Proposed Operating Budget Fiscal Year 2020.

¹²See Schedule VII.

¹³See Appendix B.

¹⁴Represents the total new employees of resident employee equivalents plus the expected population increase.

¹⁵Represents the total new employees multiplied by the percentage of employees assumed to live outside of Newton, MA.

¹⁶Represents the total new employees of non-resident employee equivalents plus the expected population increase.

¹⁷Based on information provided in *City of Newton FY20 Budget*. See Schedule X.

¹⁸See Schedule I.

Riverside
Newton, Massachusetts

Appendix B: Total Projected Employees - New Development

Projected Employees - New Development	
<i>Retail</i>	
SF ¹	43,241
Employees per 1,000 SF ²	2.19
<hr/>	
Sub-total retail employees	95
<i>Office</i>	
SF ¹	243,388
Employees per 1,000 SF ²	2.88
<hr/>	
Sub-total office employees	701
<i>Hotel</i>	
Rooms ¹	150
Employees per room ²	0.40
<hr/>	
Sub-total hotel employees	60
Total projected employees	856

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6-Dec-19

¹See Schedule I.

²Jobs were calculated using IMPLAN software by IMPLAN Group LLC. Jobs shown represent full-time equivalent jobs. See Appendix D.

***Riverside
Newton, Massachusetts***

Appendix C: Estimated Sales Data

Development Type	Sales PSF ¹	Type of SF ²	Adjusted Sales PSF	Avg. SF Per Store
<i>Retail</i>				
Men's Warehouse	\$411	Selling	\$308	5,642
Express	\$343	Gross	\$343	8,650
Panera Bread	\$302	Gross	\$302	4,500
Potbelly Sandwich Shop	\$436	Gross	\$436	2,300
Dollar General	\$226	Selling	\$170	7,400
Auto Zone	\$269	Gross	\$269	6,600
J. Crew	\$540	Gross	\$540	6,200
New York & Company	\$372	Selling	\$279	5,125
GameStop	\$940	Gross	\$940	1,400
Foot Locker	\$504	Gross	\$504	2,500
Average sale PSF			\$347	

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6-Dec-19

¹Sales data based on 2017 Bizminer Sales Report (2016 sales).

²Adjusted sales per square foot assumes 75% of gross square footage as selling space.

Riverside
Newton, Massachusetts

Appendix D-1: Permanent Jobs and Indirect Impacts - Retail

	<u>Total</u>
Retail square feet ¹	43,241
Sales per square foot ²	\$347
Retail sales	\$14,997,299
Total retail jobs ³	110
Full time equivalent factor ⁴	0.8619
Total full time equivalent employees ("FTE")	95
Total FTE jobs per 1,000 square feet	2.19
Total labor income ⁵	\$3,104,963
Labor income to wage factor ⁵	1.1907
Sub-total employee wages	\$2,607,751
Average retail income per FTE -- annual	\$32,751
Average retail wage per FTE -- annual	\$27,506
Multiplier for retail income ³	1.5258
Total income	\$4,737,421
Indirect and induced income	\$1,632,458
Multiplier for retail jobs ³	1.2382
Total jobs	136
Indirect jobs	26
Multiplier for retail output ³	1.7326
Total economic output	\$10,569,081
Direct Output	\$6,100,151
Indirect output	\$4,468,930

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6-Dec-19

¹Based on projected development at full buildout. See Schedule I.

²See Appendix C.

³Retail wages, jobs, and output were calculated using IMPLAN software by IMPLAN Group, LLC. The software calculates labor income and the number of jobs based on industry multipliers derived from National Income and Product Accounts data published by the U.S. Bureau of Economic Analysis. This data is then indexed to local industry data compiled by the U.S. Census Bureau. For ease of interpretation, multipliers are shown to illustrate the effects retail development within the Riverside development will have in the City of Newton. The multiplier for retail jobs is 1.2382, meaning that for each job at the development, 1.2382 jobs will be created in Newton, including the job at the development. Similarly, the multiplier for the retail wages is 1.1907, meaning that for every \$1.00 paid in retail wages at the development, \$1.1907 will be paid in Newton, including the \$1.00 at the development. The multiplier for retail output is 1.7326, meaning that for each dollar of retail economic activity at the development, the economic activity in Newton will be \$1.7326, including the \$1.00 at the development.

⁴Total jobs include all full-year employees, including part-time and full-time employees. The full time equivalent factor, provided by IMPLAN Group, LLC converts total jobs into total full-time equivalent employees ("FTE's").

⁵Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. The labor income to wage factor, provided by IMPLAN Group, LLC converts total labor income into direct wages and salary.

***Riverside
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Appendix D-2: Permanent Jobs and Indirect Impacts - Office

	<u>Total</u>
Total office square feet ¹	243,388
Square feet per FTE office worker ²	375
<hr/>	
Total full time equivalent employees ("FTE")	649
Full time equivalent factor ³	0.9259
Total office jobs ³	701
Total FTE jobs per 1,000 square feet	2.88
Total labor income ⁴	\$50,254,265
Labor income to wage factor ⁴	1.1737
Sub-total employee wages	\$42,815,410
Average office income per FTE -- annual	\$71,689
Average office wage per FTE -- annual	\$65,968
Multiplier for office income ⁵	1.4387
Total income	\$72,298,701
Indirect and induced income	\$22,044,436
Multiplier for office jobs ⁵	1.6270
Total jobs	1,056
Indirect jobs	407
Multiplier for office output ⁵	1.6801
Total economic output	\$134,677,963
Direct Output	\$80,158,490
Indirect output	\$54,519,473

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¹Based on projected development at full buildout. See Schedule I.

²Source: *Building Owners and Managers Association International 2019 Office Experience and Exchange Reports* for office properties in the Massachusetts market.

³Total jobs include all full-year employees, including part-time and full-time employees. The full time equivalent factor, provided by IMPLAN Group, LLC converts total jobs into total full-time equivalent employees ("FTE's") and vice-versa.

⁴Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. The labor income to wage factor, provided by IMPLAN Group, LLC converts total labor income into direct wages and salary.

⁵Existing office wages, jobs, and output were calculated using IMPLAN Group, LLC. Multipliers function in the same manner as new retail impacts.

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Appendix D-3: Permanent Jobs and Indirect Impacts - Hotel

	<u>Total</u>
Hotel rooms ¹	150
Average nightly room rate ²	\$269
Average nightly occupancy ²	67.9%
Hotel operating revenue	\$9,997,800
Total hotel service jobs ³	66
Full time equivalent factor ³	0.9086
Total full time equivalent employees ("FTE")	60
Total FTE jobs per room	0.40
Total labor income ⁴	\$3,799,735
Labor income to wage factor ⁴	1.1609
Sub-total employee wages	\$3,273,218
Average hotel income per FTE -- annual	\$63,078
Average hotel wage per FTE -- annual	\$54,338
Multiplier for hotel income ⁵	1.5253
Total income	\$5,795,792
Indirect and induced income	\$1,996,057
Multiplier for hotel jobs ⁵	1.6302
Total jobs	98
Indirect jobs	32
Multiplier for hotel output ⁵	1.5047
Total economic output	\$15,043,555
Indirect output	\$5,045,755

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¹Based on projected development at full buildout. See Schedule I.

²See Schedule IV.

³Total jobs include all full-year employees, including part-time and full-time employees. The full time equivalent factor, provided by IMPLAN Group, LLC, converts total jobs into total full-time equivalent employees ("FTE's").

⁴Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. The labor income to wage factor, provided by IMPLAN Group, LLC, converts total labor income into direct wages and salary.

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Appendix E-1: Fire and EMS Calls - Average Calls (New Development)

	Historical Fire and EMS Calls ¹					Square Feet/Units ²	Historical Fire and EMS Calls (per 1,000 Square Feet/Unit)					Average Historical Calls per 1,000 Square Feet/Unit
	2014	2015	2016	2017	2018		2014	2015	2016	2017	2018	
Development:												
<i>Retail addresses</i>												
230 Needham St	2	3	5	2	6	34,460	0.0580	0.0871	0.1451	0.0580	0.1741	0.1045
244 Needham St	10	14	20	19	14	31,925	0.3132	0.4385	0.6265	0.5951	0.4385	0.4824
170 Needham St	1	0	3	1	2	7,174	0.1394	0.0000	0.4182	0.1394	0.2788	0.1951
Weighted average call per square feet/unit												0.2773
<i>Office addresses</i>												
300 Washington St	2	10	7	6	4	143,068	0.0140	0.0699	0.0489	0.0419	0.0280	0.0405
2221-2227 Washington St	2	2	2	4	8	46,938	0.0426	0.0426	0.0426	0.0852	0.1704	0.0767
2150 Washington St	3	2	4	2	4	32,169	0.0933	0.0622	0.1243	0.0622	0.1243	0.0933
Weighted average call per square feet/unit												0.0558
<i>Hotel addresses</i>												
2345 Commonwealth Ave	33	44	41	53	35	293,195	0.1126	0.1501	0.1398	0.1808	0.1194	0.1405
Weighted average call per square feet/unit												0.1405

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¹Provided by the developer and based on information received from interviews with the fire department based on actual calls received at sample comparable properties from 2014-2018.

²See Schedule III-B.

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Appendix E-2: Police Calls - Average Calls (New Development)

	Historical Police Calls ¹			Square Feet/Units ²	Historical Police Calls (per 1,000 Square Feet)			Average Historical
	2016	2017	2018		2016	2017	2018	Calls per 1,000 Square Feet
Development:								
<i>Retail addresses</i>								
230 Needham St	10	6	13	34,460	0.2902	0.1741	0.3772	0.2805
244 Needham St	41	38	41	31,925	1.2843	1.1903	1.2843	1.2529
170 Needham St	6	4	13	7,174	0.8364	0.5576	1.8121	1.0687
Weighted average call per square feet								0.7794
<i>Office addresses</i>								
300 Washington St	44	46	29	143,068	0.3075	0.3215	0.2027	0.2773
2150 Washington St	17	12	13	32,169	0.5285	0.3730	0.4041	0.4352
Weighted average call per square feet								0.3063
<i>Hotel addresses</i>								
2345 Commonwealth Ave	102	106	75	293,195	0.3479	0.3615	0.2558	0.3217
Weighted average call per square feet								0.3217

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¹ Provided by the developer and based on information received from interviews with the police department based on actual calls received at sample properties from 2016-2018.

² See Schedule III-B.

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Appendix E-3: Projected Fire, EMS and Police Calls (New and Existing Development)

Table 1: Fire and EMS Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	617	0.1330	82
Office	243,388	0.0558	14
Retail	43,241	0.2773	12
Hotel	77,300	0.1405	11
Total fire and EMS calls			118

¹See Schedule I.

²See Appendix E-1.

³Residential calls provided by the developer.

Table 2: Police Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	617	0.3780	233
Office	243,388	0.3063	75
Retail	43,241	0.7794	34
Hotel	77,300	0.3217	25
Total police calls			366

¹See Schedule I.

²See Appendix E-2.

³Residential calls provided by the developer.

Table 3: Fire and EMS Projected Calls - Existing Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Hotel	74,553	0.1405	10
Total fire and EMS calls			10

¹See Schedule I.

²See Appendix E-1.

Table 4: Police Projected Calls - Existing Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Hotel	74,553	0.3217	24
Total police calls			24

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¹See Schedule IX.

²See Appendix E-2.