

**Riverside  
Newtown, Massachusetts**

**Executive Summary  
Fiscal Impact Projections**

**PREPARED BY:  
MUNICAP, INC**

**SEPTEMBER 10, 2019**

## EXECUTIVE SUMMARY

### *Purpose of Study*

The purpose of this analysis is to estimate the fiscal impacts to the City of Newton, Massachusetts resulting from the proposed Riverside Project (the “Project”). This analysis provides an estimate of the additional tax revenues and expenses that the City of Newton will receive or incur as a result of this development and contrasts the expected revenues with the expected expenses. These projections also include estimates of population, student and employment impacts resulting from the Project.

### *Project Description*

The proposed Project is adjacent to Interstate 95 and the end of the MBTA green line. This location encourages smart growth and transit-oriented development. Existing development includes tax-exempt surface parking and a hotel. The existing hotel will be demolished to make way for new high-density, walkable development primarily supported by structured parking garages. The Project contemplates 524 units of residential rentals, with 92 of those units meeting inclusionary housing standards. Furthermore, approximately 667,000 square feet of commercial, retail, office and hotel space are envisioned to achieve the City’s stated goals of increasing the commercial tax base. Table A on the following page outlines the proposed development for the Project.

### Project Site



**Table A**  
**Project Description**

Property Type	Gross Area (Square Feet) <sup>1</sup>	Units/ Rooms/Spaces <sup>1</sup>
<i><u>Residential</u></i>		
<i>For Rent</i>		
Market rate apartments	458,551	432
Inclusionary income apartments		
50% AMI	42,294	40
80% AMI	41,737	39
100% AMI	13,912	13
<b>Sub-total residential</b>	<b>556,494</b>	<b>524</b>
<i><u>Commercial</u></i>		
Retail	64,176	-
Office <sup>2</sup>	523,509	-
Hotel	79,683	154
<b>Sub-total commercial</b>	<b>667,368</b>	<b>154</b>
<b>Total<sup>3</sup></b>	<b>1,223,862</b>	<b>678</b>

<sup>1</sup>Provided by Mark Development, LLC. See Schedule I of the fiscal impact analysis.

<sup>2</sup>Does not include mechanical penthouse space.

<sup>3</sup>Total development square footage excludes 10,000 square feet of office space to be occupied by MBTA.

### ***Projection of Impacts***

MuniCap, Inc. estimated future impacts on the City of Newtown using a combination of accepted approaches for projecting fiscal impacts. Two scenarios are prepared and attached hereto as Exhibit A and Exhibit B (collectively the “Exhibits”). Scenario A is based on student generation factors provided in the *Enrollment Analysis Report: Appendix F – Method 3*, dated November 2018, produced by Newton Public Schools. Scenario B is based on actual student generation factors for the three largest projects as also provided the *Enrollment Analysis Report: Appendix F – Method 1*.

To calculate employment impacts, MuniCap, Inc. used IMPLAN Professional 2.0 software developed by MIG, Inc. IMPLAN is an industry-accepted economic impact assessment software system with which trained users can create local area *Social Accounting Matrices* and develop *Multiplier Models* that can be used to estimate detailed economic impacts of new firms moving into an area, special events such as conventions or professional sports games, recreation and tourism, military base closures, and many more activities. For the inputs used in developing the models, such as square footage and sales revenue, MuniCap, Inc. relied on a variety of sources, which are noted in the accompanying exhibit to this report. Finally, MuniCap, Inc.

analyzed current commuting trends among employees in the City of Newton to estimate the percentage of projected new employees likely to be non-residents and thus represent an additional cost to the city for services above those provided to the current service population.

In estimating the population increase, MuniCap, Inc. applied the current number of residents to the proposed housing units, using information from the U.S. Census Bureau.

For the calculation of economic benefits, primarily in the form of increased tax revenue, MuniCap, Inc. applied the actual taxing methodology by multiplying the applicable tax rate by the estimated taxable item in question. For instance, real property taxes were estimated by multiplying estimated assessed value by the current applicable real property tax rate. In some instances, revenues were estimated on a per capita basis, typically when the revenue source was not in the form of a tax. In still other cases, revenues that will likely increase as a result from the Project were dismissed altogether, as they represent charges for services that will likely be offset by the cost of providing said services.

To calculate fiscal impacts in the form of additional costs to the City of Newton, MuniCap, Inc. reviewed publications by the Office of the Comptroller and Newton Public Schools to estimate expenses on a per capita basis using residents, employees, or students. In cases when a charge for services was eliminated from the estimation of revenues, the corresponding costs for services were also eliminated from the estimation of expenses. MuniCap, Inc. also conducted interviews with the heads of the police and fire departments to determine additional service calls and resulting costs that would result from the proposed development. Tax rates were expressed at their level as of the date of this report.

Impacts were estimated on an annual basis, assuming no phase in period and no inflationary impacts. The actual results may vary with development contemplated to occur over five to seven years, with a phase-in period for property values and revenues and expenses that will increase with inflation over time. This study does not include an analysis of impacts to existing City facility capacity that may result from the proposed development. No forecast of capital improvement expenditures is included herein.

## ***Results of the Study***

### **A. Employment Impacts**

Table B on the following page outlines the projected employment impacts resulting from the Project. Direct impacts are jobs at the new development; indirect impacts are jobs created within Middlesex County, but not at the new development.

**Table B**  
**Employment Impacts**<sup>1</sup>

	Permanent Jobs	Annual Compensation	Average Wage
<b>Retail:</b>			
Direct impacts	141	\$3,870,286	\$27,465
Indirect impacts	39	\$2,422,807	\$62,930
Sub-total retail impacts	179	\$6,293,093	
<b>Office:</b>			
Direct impacts	1,235	\$82,565,751	\$66,863
Indirect impacts	686	\$42,118,464	\$61,370
Sub-total office impacts	1,921	\$124,684,215	
<b>Hotel:</b>			
Direct impacts	36	\$1,966,327	\$54,377
Indirect impacts	19	\$1,199,095	\$62,453
Sub-total hotel impacts	55	\$3,165,422	
<b>Total permanent direct impacts</b>	<b>1,412</b>	<b>\$88,402,365</b>	<b>\$62,611</b>
<b>Total permanent indirect impacts</b>	<b>744</b>	<b>\$45,740,366</b>	<b>\$61,479</b>
<b>Total permanent impacts</b>	<b>2,156</b>	<b>\$134,142,731</b>	

<sup>1</sup>Projected permanent employment impacts 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. See Appendix D of the fiscal impact analysis.

The methods of estimating employment impacts are explained in the subsequent appendices included in the Exhibits attached hereto. The calculation of employment impacts can be found in Appendix D of each of the Exhibits.

## **B. Population Impacts**

Tables C below projects resident population resulting from the Project. Persons per household for renter occupied and owner-occupied housing are provided in the *American Community Survey*, published by the U.S. Census Bureau.

**Table C**  
**Population Impacts – Residents<sup>1</sup>**

<b>Resident Impacts</b>	
<b>Residents</b>	
New rental units (including vacancy)	498
Persons per household (renter occupied)	2.21
<b>Total residents</b>	<b>1,100</b>

<sup>1</sup>Source: 2013-2017 American Community Survey 5-Year Housing Estimates for Newton City, Massachusetts. See Appendix A of the fiscal impact analysis.

**C. Student Impacts**

Table D below projects student population impacts resulting from the Project. Student impacts are calculated on a pro rata basis using existing and projected students, allocated among current revenues and expenditures. The methodology for calculating additional students in Scenario A is based on student generation factors provided in the *Enrollment Analysis Report: Appendix F – Method 3*. These factors were weighted by unit type to take into consideration the greatest percentage of families with school age children relative to number of bedrooms. The methodology for calculating additional students in Scenario B is based on actual student data for comparable projects as also provided in the *Enrollment Analysis Report: Appendix F – Method 1*.

**Table D**  
**Population Impacts – Students<sup>1</sup>**

<b>Student Impacts</b>		
	<b>Scenario A</b>	<b>Scenario B</b>
Students generated (See Schedule VII-A)	138	83
Impact per student <sup>2</sup>	(\$15,667)	(\$15,667)
<b>Subtotal student impacts</b>	<b>(\$2,161,925)</b>	<b>(\$1,300,497)</b>

<sup>1</sup>See Schedule VII-A. Scenario A and B students generated are based on methodology for calculating expected students based on data provided in the *Enrollment Analysis Report: Appendix F*.

<sup>2</sup>Includes charges for services, Chapter 70 school aid, school expenditures and transfers to other funds.

**D. Fiscal Impacts**

Tables E-1, E-2 and E-3 below and on the following page compare the projected revenues and expenses resulting from new and existing development, along with the net fiscal impacts to the City of Newton, annually at full build-out between Scenario A and Scenario B. The projected revenues and expenses are shown in today's dollars.

**Table E-1**  
**Projected Fiscal Impacts (Full Build-Out)**

	Annual (Full Build-Out)	
	Scenario A	Scenario B
Real property tax revenues (See Schedule I)	\$5,227,470	\$5,227,470
Additional revenues (See Schedule V) <sup>1</sup>	\$362,413	\$362,413
City of Newton tax revenues	\$5,589,884	\$5,589,884
City of Newton police and fire expenditures (See Schedule VI)	(\$503,595)	(\$503,595)
City of Newton student expenditures (See Schedule VII-B)	(\$2,161,925)	(\$1,300,497)
City of Newton general fund expenditures (See Schedule VIII) <sup>2</sup>	(\$595,997)	(\$595,997)
City of Newton net fiscal impact	\$2,328,367	\$3,189,794

<sup>1</sup>Additional revenues include motor vehicle excise taxes, meals taxes, hotel and motel taxes, recreation, parking violations and fines and unrestricted government aid.

<sup>2</sup>Additional expenses include treasury collection and public works.

**Table E-2**  
**Existing Development Fiscal Impacts (Full Build-Out)**

	Annual (Full Build-Out)	
	Scenario A	Scenario B
Real property tax revenues (See Schedule IX)	\$596,206	\$596,206
Additional revenues (See Schedule X) <sup>1</sup>	\$2,823	\$2,823
City of Newton tax revenues	\$599,029	\$599,029
City of Newtown police and fire expenditures (See Schedule XI)	(\$35,601)	(\$35,601)
City of Newton student expenditures <sup>3</sup>	\$0	\$0
City of Newton general fund expenditures (See Schedule XI) <sup>2</sup>	(\$15,763)	(\$15,763)
City of Newton net fiscal impact	\$547,664	\$547,664

<sup>1</sup>Revenues include, meals taxes, hotel and motel taxes, parking violations and fines and unrestricted government aid.

<sup>2</sup>Expenses include treasury collection and public works.

<sup>3</sup>The existing development consists of a hotel and no student residents.

To estimate the true, net new impacts, the existing development fiscal impacts shown in table E-2 shall be netted out of the new development impacts shown in table E-1.

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

	Annual (Full Build-Out)	
	Scenario A	Scenario B
Projected Riverside development net fiscal impact	\$2,328,367	\$3,189,794
Existing development net fiscal impact	(\$547,664)	(\$547,664)
City of Newton net new fiscal impact	\$1,780,702	\$2,642,130

## ***Sources***

Employment impacts for the Project were calculated using IMPLAN software developed by MIG, Inc. Development data was provided by Mark Development, LLC. Assessed values for tax increment projections were estimated by MuniCap, Inc. based on data from the Assessment Administration Department. Fiscal year 2019 revenue and expense data was provided by the Office of the Comptroller. Inclusionary housing unit assessed values were estimated by MuniCap, Inc. based on data from the Department of Planning and Development.

## ***Limitations***

Projecting fiscal and employment impacts is not a precise science. Furthermore, there are different methods of projecting fiscal and employment impacts and different analysts will arrive at different conclusions. The conclusions in this study are not intended to be precise results, but rather, reasonable estimates that provide a general indication of the fiscal and employment impacts to the City of Newton from the proposed Project.



**Riverside  
Newton, Massachusetts**

**Fiscal Impact Analysis**

**Exhibit A  
Newton School District Generation Factors - Method 3  
Updated Development**

**Prepared By:**

**MuniCap, Inc.**

**September 10, 2019**

**Riverside  
Newton, Massachusetts**

**Fiscal Impact Analysis**

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## Fiscal Impact Analysis

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**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	\$5,227,470	(Schedule I)
Additional revenues	\$362,413	(Schedule V)
City of Newton tax revenues	\$5,589,884	
City of Newtown police and fire expenditures	(\$503,595)	(Schedule VI)
City of Newton student expenditures	(\$2,161,925)	(Schedule VII)
City of Newton general fund expenditures	(\$595,997)	(Schedule VIII)
City of Newton net fiscal impact	\$2,328,367	

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

	Annual (Full Build-Out)	
Real property tax revenues	\$596,206	(Schedule IX)
Additional revenues	\$2,823	(Schedule X)
City of Newton tax revenues	\$599,029	
City of Newtown police and fire expenditures	(\$35,601)	(Schedule XI)
City of Newton student expenditures <sup>1</sup>	\$0	
City of Newton general fund expenditures	(\$15,763)	(Schedule XIII)
City of Newton net fiscal impact	\$547,664	

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

	Annual (Full Build-Out)	
Projected development net fiscal impact	\$2,328,367	
Existing development net fiscal impact	(\$547,664)	
City of Newton net new fiscal impact	\$1,780,702	

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project\FIA\Analysis\Riverside- FIA Scenario A No. 2.xlsx\S-1

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<sup>1</sup>The 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		
	Permanent Jobs	Annual Compensation	Average Wage
<b>Retail:</b>			
Direct impacts	141	\$3,870,286	\$27,465
Indirect impacts	39	\$2,422,807	\$62,930
Sub-total retail impacts	179	\$6,293,093	
<b>Office:</b>			
Direct impacts	1,235	\$82,565,751	\$66,863
Indirect impacts	686	\$42,118,464	\$61,370
Sub-total office impacts	1,921	\$124,684,215	
<b>Hotel:</b>			
Direct impacts	36	\$1,966,327	\$54,377
Indirect impacts	19	\$1,199,095	\$62,453
Sub-total office impacts	55	\$3,165,422	
<b>Total permanent direct impacts</b>	1,412	\$88,402,365	\$62,611
<b>Total permanent indirect impacts</b>	744	\$45,740,366	\$61,479
<b>Total permanent impacts</b>	2,156	\$134,142,731	

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<sup>1</sup>Represents the estimated increase in total full-time equivalent jobs and income from development at Riverside. Jobs shown are at full buildout.

***Riverside***  
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**S-3: Summary of Student Impacts**

**Table 1: Projected Student Enrollment<sup>2</sup>**

	<u>Annual (Full Build-Out)</u>
Total projected student enrollment from new development <sup>1</sup>	138
Total estimated student enrollment from existing development	0
Projected net student enrollment	138

**Table 2: Net Student Impacts**

	<u>Annual (Full Build-Out)</u>
New student fiscal impacts <sup>2</sup>	(\$2,161,925)
Existing student fiscal impacts	\$0
Net new student fiscal impacts	(\$2,161,925)

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*Riverside- FIA Scenario A No. 2.xlsx/S-3*

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<sup>1</sup>See Schedule VII-A.

<sup>2</sup>See Schedule VII-B, table 3.

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**Projected Development**  
**& General Fund Impacts**

**Riverside**  
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**Schedule I: Summary of Proposed Development Plan and Estimated Values**

Property Type	Building Area <sup>1</sup>			Units/ Rooms/Spaces	Estimated Assessed Value <sup>2</sup>			Tax Rate	Taxes
	Rentable SF	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	342,398	458,551	1,062	432	\$306	\$325,370	\$140,486,902	1.045%	\$1,468,088
Inclusionary income apartments									
50% AMI	31,580	42,294	1,062	40	\$54	\$57,342	\$2,283,604	1.045%	\$23,864
80% AMI	31,165	41,737	1,062	39	\$173	\$183,729	\$7,220,563	1.045%	\$75,455
100% AMI	10,388	13,912	1,062	13	\$181	\$192,194	\$2,517,742	1.045%	\$26,310
<b>Sub-total residential</b>	<b>415,532</b>	<b>556,494</b>		<b>524</b>			<b>\$152,508,810</b>		<b>\$1,593,717</b>
<i>Commercial</i>									
Retail	55,626	64,176	-	-	\$342	-	\$21,950,977	1.994%	\$437,702
Office	477,781	523,509	-	-	\$231	-	\$120,690,632	1.994%	\$2,406,571
Hotel	79,683	79,683	517	154	\$497	\$257,096	\$39,592,760	1.994%	\$789,480
<b>Sub-total commercial</b>	<b>613,090</b>	<b>667,368</b>		<b>154</b>			<b>\$182,234,369</b>		<b>\$3,633,753</b>
<i>Parking garage<sup>3</sup></i>									
Taxable	-	-	-	2,758	\$0	\$0	\$0		
<b>Total</b>	<b>1,028,622</b>	<b>1,223,862</b>		<b>3,436</b>			<b>\$334,743,179</b>		<b>\$5,227,470</b>

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<sup>1</sup>Source: Mark Development, LLC.

<sup>2</sup>See Schedule II.

<sup>3</sup>Assumes the value of the parking garage is accounted for within the rest of the development.

<sup>4</sup>Total development square footage excludes 10,000 square feet of office space to be occupied by MBTA.



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Schedule II: Projection of Assessed Value - Comparison of Approaches<sup>1</sup>

Property Type	Comparables <sup>2</sup>	Income Capitalization <sup>3</sup>
<b><i>Residential</i></b>		
<b><i>For Rent</i></b>		
Market rate apartments		
Per unit	<u><b><i>\$325,369.87</i></b></u>	\$412,478.69
Inclusionary income apartments		
50% AMI		
Per unit	<u><b><i>\$57,342.39</i></b></u>	\$72,694.24
80% AMI		
Per unit	<u><b><i>\$183,729.33</i></b></u>	\$232,917.80
100% AMI		
Per unit	<u><b><i>\$192,194.02</i></b></u>	\$243,648.67
<b><i>Commercial</i></b>		
Retail		
Per SF	<u><b><i>\$342.04</i></b></u>	\$400.82
Office		
Per SF	<u><b><i>\$230.54</i></b></u>	\$378.59
Hotel		
Per room	\$226,034.57	<u><b><i>\$257,095.85</i></b></u>
Parking garage		
Per space	-	-

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

<sup>2</sup>See 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.

<sup>3</sup>See Schedules IV-A and IV-B.

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Schedule III-A: Projection of Assessed Value - Comparables (Residential)<sup>1</sup>

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Units	Per GSF	Per Unit
<b>Apartments</b>									
Avalon at Newton Highlands	51028 0017	89-99 Needham St	Newton	2003	\$87,521,400	387,548	273	\$226	\$320,591
Woodland Station Apartments	43045 0030Z	1940 Washington St	Newton	2007	\$55,443,100	144,584	180	\$383	\$308,017
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
<b>Average</b>									<b>\$325,370</b>

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<sup>1</sup>Comparable properties shown represent 2019 values as shown in assessor's database. 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)<sup>1</sup>**

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Rooms	Per GSF	Per Room
<b>Retail</b>									
In-line retail <sup>2</sup>	83028 0078	230 Needham St	Newton	1955	\$10,457,200	34,460	-	\$303.46	-
In-line retail <sup>3</sup>	83028 0077	244 Needham St	Newton	1955	\$9,875,400	31,925	-	\$309.33	-
In-line retail <sup>4</sup>	83028 0002	170 Needham St	Newton	2014	\$2,965,300	7,174	-	\$413.34	-
Average								<b><u>\$342.04</u></b>	-
<b>Office</b>									
One Gateway Center	12011 0001	300 Washington St	Newton	1968	\$32,986,600	143,068	-	\$230.57	-
Office	42032 0034	2223 Washington St	Newton	1978	\$11,994,600	46,938	-	\$255.54	-
Office	420003 0001	2150 Washington St	Newton	1983	\$6,611,300	32,169	-	\$205.52	-
Average								<b><u>\$230.54</u></b>	-
<b>Hotel</b>									
Boston Marriott Newton	41023 0018	2345 Commonwealth Ave	Newton	1969	\$90,381,100	293,195	430	\$308.26	\$210,189
Sheraton Needham	199/300.0-0066-0000.0	100 Cabot St	Needham	1986	\$35,465,300	202,598	225	\$175.05	\$157,624
Homewood Suites by Hilton Brookline	22848122	111 Boylston St	Brookline	2015	\$40,337,900	90,318	130	\$446.62	\$310,292
Average								<b><u>\$309.98</u></b>	<b><u>\$226,034.57</u></b>

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<sup>1</sup>Comparable properties shown represent 2019 values as shown in assessor's database.

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

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

<sup>4</sup>In-line retail includes, but is not limited to, Vitamin Shoppe, Nothing but Cakes, Rockland Trust. Selected as the best retail comp due to proximity to project, age, design and favorable location near Yankee Division Hwy.

**Riverside**  
**Newton, Massachusetts**

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

	Apartments			
	Market Rate	Inclusionary Income		
		(50% AMI)	(80% AMI)	(100% AMI) <sup>4</sup>
Net square feet per unit <sup>1</sup>	793	793	793	793
Monthly rent per square foot <sup>1</sup>	\$3.65	\$1.19	\$2.35	\$2.43
Annual rent per square foot	\$43.80	\$14.28	\$28.20	\$29.13
Vacancy <sup>1</sup>	5.00%	5.00%	5.00%	5.00%
Effective rent per square foot	\$41.61	\$13.57	\$26.79	\$27.68
Effective rent per unit	\$32,997	\$10,758	\$21,244	\$21,947
Expense ratio <sup>2</sup>	18%	56%	28%	27%
Expenses	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)
Net operating income per square foot	\$34.04	\$6.00	\$19.22	\$20.11
Net operating income per unit	\$26,997	\$4,758	\$15,244	\$15,947
Capitalization rate <sup>1</sup>	5.500%	5.500%	5.500%	5.500%
Tax rate <sup>3</sup>	1.045%	1.045%	1.045%	1.045%
Fully loaded capitalization rate	6.545%	6.545%	6.545%	6.545%
Value per net square foot	\$520.15	\$91.67	\$293.72	\$307.25
Value per unit	\$412,479	\$72,694	\$232,918	\$243,649
Value per gross square foot	\$388.39	\$68.45	\$219.32	\$229.42

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<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Apartment 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.

<sup>3</sup>Tax rate shown represents the FY2019 residential tax rate. Source: Newton Assessor's office.

<sup>4</sup>Based on the weighted average rent for the 100% AMI band, charged by The George, a 140 unit rental apartment community in Netwonville. 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 <sup>1</sup>	\$37.00	\$35.00
Vacancy <sup>1</sup>	5.00%	5.00%
Effective rent per square foot	\$36.05	\$34.05
Expense ratio	0.00%	0.00%
Expenses <sup>2</sup>	\$0.00	\$0.00
Net operating income per square foot	\$36.05	\$34.05
Capitalization rate <sup>1</sup>	7.000%	7.000%
Tax rate <sup>3</sup>	1.994%	1.994%
Fully loaded capitalization rate	8.994%	8.994%
Value per net square foot	\$400.82	\$378.59

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*10-Sep-19*

<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Rents are triple net, hence expenses are zeroed out.

<sup>3</sup>Tax rate shown represents the FY2019 commercial tax rate. Source: Newton Assessor's office.

***Riverside***

***Newton, Massachusetts***

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

	Hotel
<hr/>	
<i>Income Capitalization</i>	
Average daily rate per room	\$125.61
Gross annual income	\$45,847.00
Assumed occupancy rate <sup>2</sup>	72.90%
<hr/>	
Effective gross income per room	\$33,422.46
Assumed expense ratio <sup>3</sup>	25.20%
Less: assumed expenses	(\$8,422.46)
<hr/>	
Net operating income per room <sup>1</sup>	\$25,000.00
Capitalization rate <sup>2</sup>	7.73%
Tax rate <sup>4</sup>	1.994%
<hr/>	
Fully loaded capitalization rate	9.724%
<hr/>	
Total estimated value per room	\$257,095.85
Total estimated value per SF	\$496.88
<hr/>	

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*10-Sep-19*

<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Occupancy and capitalization rates represent the national full service upper midscale lodging segment averages for third quarter 2018 as reported in the *First Quarter 2019 PriceWaterhouseCoopers Real Estate Investor Survey*.

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

<sup>4</sup>Tax rate shown represents the FY2019 commercial tax rate. Source: Newton Assessor's office.

**Riverside**  
**Newton, Massachusetts**

**Schedule V: Additional Revenues to City of Newton - Annual**

Annual Revenues <sup>1</sup>	Current City Revenues <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Revenues <sup>3</sup>	Basis for Projecting Revenues <sup>4</sup>	Current City Service Factors <sup>5</sup>	Revenues by Factor		Projected Increase in Service Factor <sup>6</sup>	Total Additional Revenues <sup>7</sup>
						Per Resident	Total Serv. Pop.		
<b>Taxes</b>									
Property taxes	\$342,183,546	100%	\$342,183,546	Schedule I	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	per resident	88,904	\$151.85	-	1,238	\$188,009
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	\$1,956,589	100%	\$1,956,589	total service population	144,671	-	\$13.52	2,650	\$35,840
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	2,650	\$45,794
<b>Charges for Services</b>									
Recreation	\$128,000	100%	\$128,000	per resident	88,904	\$1.44	-	1,238	\$1,783
Other departments	\$1,506,450	0%	\$0	not impacted	-	-	-	-	-
Fees	\$681,900	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,126,349	0%	\$0	not impacted	-	-	-	-	-
<b>Fines and Forfeitures</b>									
Court fines	\$100,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$120,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	2,650	\$6,365
<b>Licenses and Permits<sup>8</sup></b>									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
<b>Investment Income</b>									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
<b>Special Assessments</b>									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
<b>Miscellaneous Local Revenues</b>									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total State and Federal Aid<sup>9</sup></b>									
Unrestricted general government aid	\$6,076,265	100%	\$6,076,265	per resident	88,904	\$68.35	-	1,238	\$84,622
Other "cherry sheet" aid	\$268,089	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,710,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total Interfund Transfers</b>									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
<b>Total Fund Balance to Support Budget</b>									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
<b>Grand Total General Fund</b>						<b>\$221.64</b>	<b>\$33.21</b>		<b>\$362,413</b>

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<sup>1</sup>Not all sources of revenues are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Revenues do not match expenses due to the omission of school revenues.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

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

<sup>7</sup>Represents 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.

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

<sup>9</sup>Excludes 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 FY19 budget allocation <sup>1</sup>	\$23,454,298	\$22,458,284	-
Current Newton total service calls <sup>2</sup>	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls <sup>3</sup>	128	434	-
Expenses per service call	\$2,280.44	\$488.22	-
<b>Projected annual increase in expenses</b>	<b>\$291,679</b>	<b>\$211,916</b>	<b>\$503,595</b>

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<sup>1</sup>Based on information provided in *City of Newton FY19 Budget*.

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

<sup>3</sup>See 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 Units<sup>1</sup>**

Unit Type	Number of AMI Inclusionary Units			Number of Market Rate Units	Total Count
	50%	80%	100%		
<i>Apartments:</i>					
Micro & studio	3	3	1	34	41
1 Bedroom	22	22	7	241	292
2 Bedroom	13	13	4	142	172
3 Bedroom	1	1	0	16	19
Subtotal	40	39	13	432	524

**Table 2: Projected Student Generation Rates**

Unit Type	Student Generation Rates Newton Public Schools (Method 3) <sup>2</sup>
<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 <sup>3</sup>				
<i>Apartments:</i>					
Studio	0	0	0	3	4
1 Bedroom	1	1	0	13	16
2 Bedroom	8	8	3	90	109
3 Bedroom	1	1	0	8	9
Total	10	10	3	114	138

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<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Blended 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.

<sup>3</sup>Totals are affected by rounding.

**Riverside**  
**Newton, Massachusetts**

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

Annual Impacts <sup>1</sup>	Current City Budget Amount <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Budget Amount <sup>3</sup>	Basis for Projecting Impacts <sup>4</sup>	Current City Service Factors <sup>5</sup>	Impacts by Factor Per Student	Projected Increase in Service Factor <sup>6</sup>	Total Additional Impacts <sup>7</sup>
<b>Revenues:</b>								
<i>Charges for Service</i>								
School department	\$80,000	100%	\$80,000	per student	13,000	\$6.15	138	\$849
<i>State and Federal Aid</i>								
Chapter 70 school aid	\$23,807,406	100%	\$23,807,406	per student	13,000	\$1,831.34	138	\$252,708
<b>Expenses:</b>								
<i>Expenditures</i>								
Newton public schools	\$226,067,185	100%	\$226,067,185	per student	13,000	(\$17,389.78)	138	(\$2,399,634)
<i>Transfers to Other Funds</i>								
Workers compensation fund - public schools	\$400,000	100%	\$400,000	per student	13,000	(\$30.77)	138	(\$4,246)
School athletic fund	\$1,093,078	100%	\$1,093,078	per student	13,000	(\$84.08)	138	(\$11,603)
<b>Total</b>						<b>(\$15,667.14)</b>		<b>(\$2,161,925)</b>

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<sup>1</sup>Represents the revenues and expenses expected to be impacted by student enrollment.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

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

<sup>5</sup>Represents current statistics for City. See Appendix A.

<sup>6</sup>See Schedule VII-A.

<sup>7</sup>Represents 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 <sup>1</sup>	Current City Expenses <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Expenses <sup>3</sup>	Basis for Projecting Expenses <sup>4</sup>	Current City Service Factors <sup>5</sup>	Expenditures by Factor		Projected Increase in Service Factor <sup>6</sup>	Total Additional Expenditures <sup>7</sup>
						Total Serv. Pop.	\$1000s of Real Property Tax Revenues		
<b>General Government<sup>8</sup></b>									
City Clerk/Clerk of the Board	\$2,079,392	0%	\$0	not impacted	-	-	-	-	-
Executive	\$1,070,093	0%	\$0	not impacted	-	-	-	-	-
Comptroller/Property Insurance/Audit	\$1,404,589	0%	\$0	not impacted	-	-	-	-	-
Purchasing/General Services	\$528,023	0%	\$0	not impacted	-	-	-	-	-
Assessing Department	\$1,252,691	100%	\$1,252,691	\$1,000s of real property tax revenues	\$342,184	-	\$3.66	\$5,227	\$19,137
Treasury and Collection	\$1,368,833	100%	\$1,368,833	\$1,000s of real property tax revenues	\$342,184	-	\$4.00	\$5,227	\$20,911
City Solicitor/Judgment & Settlements	\$2,244,514	0%	\$0	not impacted	-	-	-	-	-
Human Resources Department	\$1,091,588	0%	\$0	not impacted	-	-	-	-	-
Information Technology	\$1,824,873	0%	\$0	not impacted	-	-	-	-	-
Financial Information Systems	\$555,338	0%	\$0	not impacted	-	-	-	-	-
Planning & Development	\$2,067,503	0%	\$0	not impacted	-	-	-	-	-
Public Building	\$5,002,010	0%	\$0	not impacted	-	-	-	-	-
Police	\$22,458,284	0%	\$0	Schedule XXII	-	-	-	-	-
Fire	\$23,454,298	0%	\$0	Schedule XXII	-	-	-	-	-
Inspectional Services	\$1,629,336	0%	\$0	not impacted	-	-	-	-	-
Public Works	\$25,459,735	100%	\$25,459,735	total service population	144,671	\$175.98	-	2,650	\$466,366
Health and Human Services	\$4,179,523	0%	\$0	not impacted	-	-	-	-	-
Senior Services	\$667,829	0%	\$0	not impacted	-	-	-	-	-
Veteran Services	\$384,184	0%	\$0	not impacted	-	-	-	-	-
Newton Public Library	\$5,842,390	50%	\$2,921,195	permanent population	88,904	\$32.86	-	1,238	\$40,682
Parks and Recreation	\$7,022,607	50%	\$3,511,304	permanent population	88,904	\$39.50	-	1,238	\$48,900
Newton History Museum	\$288,595	0%	\$0	not impacted	-	-	-	-	-
Debt and Interest	\$24,048,174	0%	\$0	not impacted	-	-	-	-	-
Retirement	\$39,175,944	0%	\$0	not impacted	-	-	-	-	-
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-	-
Snow and Ice Reserve	\$2,750,000	0%	\$0	not impacted	-	-	-	-	-
Wage Reserve	\$2,000,000	0%	\$0	not impacted	-	-	-	-	-
State and County Assessments	\$6,235,332	0%	\$0	not impacted	-	-	-	-	-
<b>Transfers to Other Funds</b>									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total current expenditures</b>	<b>\$187,535,678</b>					<b>\$248.34</b>			<b>\$595,997</b>

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<sup>1</sup>Not all expenditures are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Expenses shown do not match revenues due to the omission of school expenses.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

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

<sup>7</sup>Represents 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.

<sup>8</sup>Excludes 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 Development<sup>1</sup>**

Property Type	Building Area		Total Market Value	FY 19 Newton Commercial Tax Rate Per \$1,000 A.V. <sup>2</sup>	Projected Existing Development Tax Revenues
	GSF	Rooms			
<i>Commercial</i>					
Hotel	74,553	191	\$29,900,000	\$19.940	\$596,206
<b>Total existing development</b>	<b>74,553</b>	<b>191</b>	<b>\$29,900,000</b>		<b>\$596,206</b>

**Table 2: Existing Demographics**

<i>Existing employees<sup>3</sup></i>	
Existing hotel employees	85
<b>Existing total service population</b>	<b>85</b>

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

<sup>2</sup>Provided by the City of Newton Assessors Department FY 2019.

<sup>3</sup>Provided by the Human Resources Department of the existing hotel.

**Riverside  
Newton, Massachusetts**

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

Annual Revenues <sup>1</sup>	Current City Revenues <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Revenues <sup>3</sup>	Basis for Projecting Revenues <sup>4</sup>	Current City Service Factors <sup>5</sup>	Revenues by Factor		Estimated Service Factor <sup>6</sup>	Total Additional Revenues <sup>7</sup>
						Per Resident	Total Serv. Pop.		
<b>Taxes</b>									
Property taxes	\$342,183,546	100%	\$342,183,546	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	\$1,956,589	100%	\$1,956,589	total service population	144,671	-	\$13.52	85	\$1,150
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	85	\$1,469
<b>Charges for Services</b>									
Recreation	\$128,000	100%	\$128,000	not impacted	-	-	-	-	-
Other departments	\$1,506,450	0%	\$0	not impacted	-	-	-	-	-
Fees	\$681,900	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,126,349	0%	\$0	not impacted	-	-	-	-	-
<b>Fines and Forfeitures</b>									
Court fines	\$100,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$120,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	85	\$204
<b>Licenses and Permits<sup>8</sup></b>									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
<b>Investment Income</b>									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
<b>Special Assessments</b>									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
<b>Miscellaneous Local Revenues</b>									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total State and Federal Aid<sup>9</sup></b>									
Unrestricted general government aid	\$6,076,265	0%	\$0	not impacted	-	-	-	-	-
Other "cherry sheet" aid	\$268,089	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,710,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total Interfund Transfers</b>									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
<b>Total Fund Balance to Support Budget</b>									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
<b>Grand Total General Fund</b>						<b>\$33.21</b>		<b>\$2,822.59</b>	

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<sup>1</sup>Not all sources of revenues are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Revenues do not match expenses due to the omission of school revenues.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

<sup>6</sup>Represents the current service factor to City as a result of existing development. Appendix A.

<sup>7</sup>Represents 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.

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

<sup>9</sup>Excludes 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	<b>Total</b>
City of Newton FY19 budget allocation <sup>1</sup>	\$23,454,298	\$22,458,284	-
Current Newton total service calls <sup>2</sup>	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls <sup>3</sup>	10	24	-
Expenses per service call	\$2,280.44	\$488.22	-
<b>Projected annual increase in expenses</b>	<b>\$23,890</b>	<b>\$11,711</b>	<b>\$35,601</b>

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<sup>1</sup>Based on information provided in *City of Newton FY19 Budget*.

<sup>2</sup>See Schedule VI.

<sup>3</sup>See Appendix E-3, Tables 3 and 4.

**Riverside  
Newton, Massachusetts**

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

Annual Expenditures <sup>1</sup>	Current City Expenses <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Expenses <sup>3</sup>	Basis for Projecting Expenses <sup>4</sup>	Current City Service Factors <sup>5</sup>	Expenditures by Factor		Estimated Service Factor <sup>6</sup>	Total Additional Expenditures <sup>7</sup>
						Total Serv. Pop.			
<b>General Government<sup>8</sup></b>									
City Clerk/Clerk of the Board	\$2,079,392	0%	\$0	not impacted	-	-	-	-	-
Executive	\$1,070,093	0%	\$0	not impacted	-	-	-	-	-
Comptroller/Property Insurance/Audit	\$1,404,589	0%	\$0	not impacted	-	-	-	-	-
Purchasing/General Services	\$528,023	0%	\$0	not impacted	-	-	-	-	-
Assessing Department	\$1,252,691	0%	\$0	not impacted	-	-	-	-	-
Treasury and Collection	\$1,368,833	100%	\$1,368,833	total service population	144,671	\$9.46	85	\$804	
City Solicitor/Judgment & Settlements	\$2,244,514	0%	\$0	not impacted	-	-	-	-	
Human Resources Department	\$1,091,588	0%	\$0	not impacted	-	-	-	-	
Information Technology	\$1,824,873	0%	\$0	not impacted	-	-	-	-	
Financial Information Systems	\$555,338	0%	\$0	not impacted	-	-	-	-	
Planning & Development	\$2,067,503	0%	\$0	not impacted	-	-	-	-	
Public Building	\$5,002,010	0%	\$0	not impacted	-	-	-	-	
Police	\$22,458,284	0%	\$0	Schedule XXII	-	-	-	-	
Fire	\$23,454,298	0%	\$0	Schedule XXII	-	-	-	-	
Inspectional Services	\$1,629,336	0%	\$0	not impacted	-	-	-	-	
Public Works	\$25,459,735	100%	\$25,459,735	total service population	144,671	\$175.98	85	\$14,959	
Health and Human Services	\$4,179,523	0%	\$0	not impacted	-	-	-	-	
Senior Services	\$667,829	0%	\$0	not impacted	-	-	-	-	
Veteran Services	\$384,184	0%	\$0	not impacted	-	-	-	-	
Newton Public Library	\$5,842,390	0%	\$0	not impacted	-	-	-	-	
Parks and Recreation	\$7,022,607	0%	\$0	not impacted	-	-	-	-	
Newton History Museum	\$288,595	0%	\$0	not impacted	-	-	-	-	
Debt and Interest	\$24,048,174	0%	\$0	not impacted	-	-	-	-	
Retirement	\$39,175,944	0%	\$0	not impacted	-	-	-	-	
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-	
Snow and Ice Reserve	\$2,750,000	0%	\$0	not impacted	-	-	-	-	
Wage Reserve	\$2,000,000	0%	\$0	not impacted	-	-	-	-	
State and County Assessments	\$6,235,332	0%	\$0	not impacted	-	-	-	-	
<b>Transfers to Other Funds</b>									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	
<b>Total current expenditures</b>	<b>\$187,535,678</b>					<b>\$185.45</b>		<b>\$15,763</b>	

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<sup>1</sup>Not all expenditures are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Expenses shown do not match revenues due to the omission of school expenses.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

<sup>6</sup>Represents the current service factor to City as a result of existing development. Appendix A.

<sup>7</sup>Represents 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.

<sup>8</sup>Excludes 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 <sup>1</sup>	88,904
Newton residents employed in the city <sup>2</sup>	5,937
Non-resident workers <sup>2</sup>	49,830
Employee population equivalent <sup>3</sup>	49,830
Total service population <sup>4</sup>	144,671
Percent of newly created City of Newton employees assumed to live in City of Newton <sup>5</sup>	10.6%
Percent of newly created City of Newton employees assumed to live outside City of Newton <sup>6</sup>	89.4%
Service population rates	
Resident	1.00
Employee <sup>3</sup>	1.00
Proposed new rentals <sup>7</sup>	524
Vacancy rate <sup>8</sup>	5.0%
Occupied new households	498
Persons per household (renter occupied) <sup>9</sup>	2.21
Expected population increase <sup>10</sup>	1,100
Current students <sup>11</sup>	13,000
Projected student increase <sup>12</sup>	138
Total population increase	1,238
Projected new employees <sup>13</sup>	1,412
Projected new employee population equivalent <sup>3</sup>	1,412
Total new service population increase <sup>14</sup>	2,650
Projected new non-resident employees <sup>15</sup>	1,262
Projected new non-resident employee population equivalent <sup>3</sup>	1,262
Net service population increase <sup>16</sup>	2,500
Current Newton real property tax revenues (per \$1,000) <sup>17</sup>	\$342,184
Projected increase in Newton's real property tax revenues (per \$1,000) <sup>18</sup>	\$5,227

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

<sup>2</sup>Source: OnTheMap, U.S. Census Bureau based on 2017 data.

<sup>3</sup>Service rate for employee is assumed to be same as resident population rate.

<sup>4</sup>Represents the total City permanent population plus the total employee population equivalent.

<sup>5</sup>Represents the total City employees assumed to live outside of City of Newton.

<sup>6</sup>Represents the total City permanent population plus the non-resident employee population equivalent.

<sup>7</sup>See Schedule I.

<sup>8</sup>See Schedule IV-A.

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

<sup>10</sup>Represents total new occupied households multiplied by the persons per household.

<sup>11</sup>Represents 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.

<sup>12</sup>See Schedule VII.

<sup>13</sup>See Appendix B.

<sup>14</sup>Represents the total new employees of resident employee equivalents plus the expected population increase.

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

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

<sup>17</sup>Based on information provided in *City of Newton FY19 Budget*. See Schedule X.

<sup>18</sup>See Schedule I.

***Riverside***  
***Newton, Massachusetts***

**Appendix B: Total Projected Employees - New Development**

Projected Employees - New Development	
<i>Retail</i>	
SF <sup>1</sup>	64,176
Employees per 1,000 SF <sup>2</sup>	2.20
<hr/>	
Sub-total retail employees	141
<i>Office</i>	
SF <sup>1</sup>	523,509
Employees per 1,000 SF <sup>2</sup>	2.36
<hr/>	
Sub-total office employees	1,235
<i>Hotel</i>	
Rooms <sup>1</sup>	154
Employees per room <sup>2</sup>	0.23
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Sub-total hotel employees	36
Total projected employees	1,412

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*Riverside- FIA Scenario A No. 2.xlsx]B*

*10-Sep-19*

<sup>1</sup>See Schedule I.

<sup>2</sup>Jobs 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 <sup>1</sup>	Type of SF <sup>2</sup>	Adjusted Sales PSF	Avg. SF Per Store
<b><i>Retail</i></b>				
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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*10-Sep-19*

<sup>1</sup>Sales data based on 2017 Bizminer Sales Report (2016 sales).

<sup>2</sup>Adjusted 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 <sup>1</sup>	64,176
Sales per square foot <sup>2</sup>	\$347
Retail sales	\$22,258,196
Total retail jobs <sup>3</sup>	164
Full time equivalent factor <sup>4</sup>	0.8619
Total full time equivalent employees ("FTE")	141
Total FTE jobs per 1,000 square feet	2.20
Total labor income <sup>3</sup>	\$4,608,222
Labor income to wage factor <sup>5</sup>	1.1907
Sub-total employee wages	\$3,870,286
Average retail income per FTE -- annual	\$32,702
Average retail wage per FTE -- annual	\$27,465
Multiplier for retail income <sup>3</sup>	1.5258
Total income	\$7,031,029
Indirect and induced income	\$2,422,807
Multiplier for retail jobs <sup>3</sup>	1.2355
Total jobs	202
Indirect jobs	39
Multiplier for retail output <sup>3</sup>	1.7326
Total economic output	\$15,686,070
Direct Output	\$9,053,521
Indirect output	\$6,632,549

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*10-Sep-19*

<sup>1</sup>Based on projected development at full buildout. See Schedule I.

<sup>2</sup>See Appendix C.

<sup>3</sup>Retail 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 1.2370, meaning that for each job at the development, 1.2370 jobs will be created in Newton, including the job at the development. Similarly, the multiplier for the retail wages is 1.5258, meaning that for every \$1.00 paid in retail wages at the development, \$1.5258 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.

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

<sup>5</sup>Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. This 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 <sup>1</sup>	523,509
Square feet per office worker <sup>2</sup>	379
<hr/>	
Total office jobs <sup>3</sup>	1,357
Full time equivalent factor <sup>3</sup>	0.9102
Total full time equivalent employees ("FTE")	1,235
Total FTE jobs per 1,000 square feet	2.36
Total labor income <sup>4</sup>	\$97,730,109
Labor income to wage factor <sup>4</sup>	1.1837
Sub-total employee wages	\$82,565,751
Average office income per FTE -- annual	\$79,144
Average office wage per FTE -- annual	\$66,863
Multiplier for office income <sup>5</sup>	1.4310
Total income	\$139,848,573
Indirect and induced income	\$42,118,464
Multiplier for office jobs <sup>5</sup>	1.5059
Total jobs	2,043
Indirect jobs	686
Multiplier for office output <sup>5</sup>	1.6801
Total economic output	\$260,508,083
Direct Output	\$155,050,720
Indirect output	\$105,457,363

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<sup>1</sup>Based on projected development at full buildout. See Schedule I.

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

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

<sup>4</sup>Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. This factor, provided by IMPLAN Group, LLC converts total labor income into direct wages and salary.

<sup>5</sup>Existing 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 <sup>1</sup>	154
Average nightly room rate <sup>2</sup>	\$126
Average nightly occupancy <sup>2</sup>	72.9%
Hotel operating revenue	\$5,147,059
Total hotel service jobs <sup>3</sup>	40
Full time equivalent factor <sup>4</sup>	0.9086
Total full time equivalent employees ("FTE")	36
Total FTE jobs per room	0.23
Total labor income <sup>3</sup>	\$2,282,623
Labor income to wage factor <sup>5</sup>	1.1609
Sub-total employee wages	\$1,966,327
Average hotel income per FTE -- annual	\$63,124
Average hotel wage per FTE -- annual	\$54,377
Multiplier for hotel income <sup>3</sup>	1.5253
Total income	\$3,481,718
Indirect and induced income	\$1,199,095
Multiplier for hotel jobs <sup>3</sup>	1.6316
Total jobs	59
Indirect jobs	19
Multiplier for hotel output <sup>3</sup>	1.7558
Total economic output	\$9,037,147
Indirect output	\$3,890,088

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*10-Sep-19*

<sup>1</sup>Based on projected development at full buildout. See Schedule I.

<sup>2</sup>See Schedule IV.

<sup>3</sup>Hotel wages, jobs and output were calculated using IMPLAN software by IMPLAN Group, LLC. Multipliers function in the same manner as retail impacts.

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

<sup>5</sup>Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. This 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 <sup>1</sup>					Square Feet/Units <sup>2</sup>	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	
<b>Development:</b>												
<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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<sup>1</sup>Provided 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.

<sup>2</sup>See Schedule III-B.

**Riverside  
Newton, Massachusetts**

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

	Historical Police Calls <sup>1</sup>			Square Feet/Units <sup>2</sup>	Historical Police Calls (per 1,000 Square Feet)			Average Historical
	2016	2017	2018		2016	2017	2018	Calls per 1,000 Square Feet
<b>Development:</b>								
<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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<sup>1</sup> 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.

<sup>2</sup> 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 <sup>1</sup>	Call/Unit/SF <sup>2</sup>	Total Calls
<i>Development</i>			
Residential <sup>3</sup>	524	0.1330	70
Office	523,509	0.0558	29
Retail	64,176	0.2773	18
Hotel	79,683	0.1405	11
Total fire and EMS calls			128

<sup>1</sup>See Schedule I.

<sup>2</sup>See Appendix E-1.

<sup>3</sup>Residential calls provided by the developer.

Table 2: Police Projected Calls - New Development

	Units/SF <sup>1</sup>	Call/Unit/SF <sup>2</sup>	Total Calls
<i>Development</i>			
Residential <sup>3</sup>	524	0.3780	198
Office	523,509	0.3063	160
Retail	64,176	0.7794	50
Hotel	79,683	0.3217	26
Total police calls			434

<sup>1</sup>See Schedule I.

<sup>2</sup>See Appendix E-2.

<sup>3</sup>Residential calls provided by the developer.

Table 3: Fire and EMS Projected Calls - Existing Development

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

<sup>1</sup>See Schedule I.

<sup>2</sup>See Appendix E-1.

Table 4: Police Projected Calls - Existing Development

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

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<sup>1</sup>See Schedule IX.

<sup>2</sup>See Appendix E-2.

**Riverside  
Newton, Massachusetts**

**Fiscal Impact Analysis**

**Exhibit B  
Newton School District Generation Factors - Method 1  
Updated Development**

**Prepared By:**

**MuniCap, Inc.**

**September 10, 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	\$5,227,470	(Schedule I)
Additional revenues	\$362,413	(Schedule V)
City of Newton tax revenues	\$5,589,884	
City of Newtown police and fire expenditures	(\$503,595)	(Schedule VI)
City of Newton student expenditures	(\$1,300,497)	(Schedule VII)
City of Newton general fund expenditures	(\$595,997)	(Schedule VIII)
City of Newton net fiscal impact	\$3,189,794	

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

	Annual (Full Build-Out)	
Real property tax revenues	\$596,206	(Schedule IX)
Additional revenues	\$2,823	(Schedule X)
City of Newton tax revenues	\$599,029	
City of Newtown police and fire expenditures	(\$35,601)	(Schedule XI)
City of Newton student expenditures <sup>1</sup>	\$0	
City of Newton general fund expenditures	(\$15,763)	(Schedule XIII)
City of Newton net fiscal impact	\$547,664	

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

	Annual (Full Build-Out)	
Projected development net fiscal impact	\$3,189,794	
Existing development net fiscal impact	(\$547,664)	
City of Newton net new fiscal impact	\$2,642,130	

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<sup>1</sup>The 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		
	Permanent Jobs	Annual Compensation	Average Wage
<b>Retail:</b>			
Direct impacts	141	\$3,870,286	\$27,465
Indirect impacts	39	\$2,422,807	\$62,930
Sub-total retail impacts	179	\$6,293,093	
<b>Office:</b>			
Direct impacts	1,235	\$82,565,751	\$66,863
Indirect impacts	686	\$42,118,464	\$61,370
Sub-total office impacts	1,921	\$124,684,215	
<b>Hotel:</b>			
Direct impacts	36	\$1,966,327	\$54,377
Indirect impacts	19	\$1,199,095	\$62,453
Sub-total office impacts	55	\$3,165,422	
<b>Total permanent direct impacts</b>	1,412	\$88,402,365	\$62,611
<b>Total permanent indirect impacts</b>	744	\$45,740,366	\$61,479
<b>Total permanent impacts</b>	2,156	\$134,142,731	

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<sup>1</sup>Represents the estimated increase in total full-time equivalent jobs and income from development at Riverside. Jobs shown are at full buildout.

***Riverside***  
***Newton, Massachusetts***

**S-3: Summary of Student Impacts**

**Table 1: Projected Student Enrollment<sup>2</sup>**

	<u>Annual (Full Build-Out)</u>
Total projected student enrollment from new development <sup>1</sup>	83
Total estimated student enrollment from existing development	0
Projected net student enrollment	83

**Table 2: Net Student Impacts**

	<u>Annual (Full Build-Out)</u>
New student fiscal impacts <sup>2</sup>	(\$1,300,497)
Existing student fiscal impacts	\$0
Net new student fiscal impacts	(\$1,300,497)

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<sup>1</sup>See Schedule VII-A.

<sup>2</sup>See Schedule VII-B, table 3.

**Riverside**  
**Newton, Massachusetts**

**Projected Development**  
**& General Fund Impacts**



**Riverside**  
**Newton, Massachusetts**

**Schedule I: Summary of Proposed Development Plan and Estimated Values**

Property Type	Building Area <sup>1</sup>			Estimated Assessed Value <sup>2</sup>			Tax Rate	Taxes	
	Rentable SF	Gross Area Total SF	Per Unit/Room/Space	Units/Rooms/Spaces	Value Per GSF	Value per Unit/Room/Space			Total Assessed Value
<i>Residential</i>									
<i>For Rent</i>									
Market rate apartments	342,398	458,551	1,062	432	\$306	\$325,370	\$140,486,902	1.045%	\$1,468,088
Inclusionary income apartments									
50% AMI	31,580	42,294	1,062	40	\$54	\$57,342	\$2,283,604	1.045%	\$23,864
80% AMI	31,165	41,737	1,062	39	\$173	\$183,729	\$7,220,563	1.045%	\$75,455
100% AMI	10,388	13,912	1,062	13	\$181	\$192,194	\$2,517,742	1.045%	\$26,310
<b>Sub-total residential</b>	<b>415,532</b>	<b>556,494</b>		<b>524</b>			<b>\$152,508,810</b>		<b>\$1,593,717</b>
<i>Commercial</i>									
Retail	55,626	64,176	-	-	\$342	-	\$21,950,977	1.994%	\$437,702
Office	477,781	523,509	-	-	\$231	-	\$120,690,632	1.994%	\$2,406,571
Hotel	79,683	79,683	517	154	\$497	\$257,096	\$39,592,760	1.994%	\$789,480
<b>Sub-total commercial</b>	<b>613,090</b>	<b>667,368</b>		<b>154</b>			<b>\$182,234,369</b>		<b>\$3,633,753</b>
<i>Parking garage<sup>3</sup></i>									
Taxable	-	-	-	2,758	\$0	\$0	\$0		
<b>Total</b>	<b>1,028,622</b>	<b>1,223,862</b>		<b>3,436</b>			<b>\$334,743,179</b>		<b>\$5,227,470</b>

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<sup>1</sup>Source: Mark Development, LLC.

<sup>2</sup>See Schedule II.

<sup>3</sup>Assumes the value of the parking garage is accounted for within the rest of the development.

<sup>4</sup>Total development square footage excludes 10,000 square feet of office space to be occupied by MBTA.

***Riverside***  
***Newton, Massachusetts***

Schedule II: Projection of Assessed Value - Comparison of Approaches<sup>1</sup>

Property Type	Comparables <sup>2</sup>	Income Capitalization <sup>3</sup>
<b><i>Residential</i></b>		
<b><i>For Rent</i></b>		
Market rate apartments		
Per unit	<b><u>\$325,369.87</u></b>	\$412,478.69
Inclusionary income apartments		
50% AMI		
Per unit	<b><u>\$57,342.39</u></b>	\$72,694.24
80% AMI		
Per unit	<b><u>\$183,729.33</u></b>	\$232,917.80
100% AMI		
Per unit	<b><u>\$192,194.02</u></b>	\$243,648.67
<b><i>Commercial</i></b>		
Retail		
Per SF	<b><u>\$342.04</u></b>	\$400.82
Office		
Per SF	<b><u>\$230.54</u></b>	\$378.59
Hotel		
Per room	\$226,034.57	<b><u>\$257,095.85</u></b>
Parking garage		
Per space	-	-

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

<sup>2</sup>See 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.

<sup>3</sup>See Schedules IV-A and IV-B.

**Riverside**  
**Newton, Massachusetts**

Schedule III-A: Projection of Assessed Value - Comparables (Residential)<sup>1</sup>

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Units	Per GSF	Per Unit
<b>Apartments</b>									
Avalon at Newton Highlands	51028 0017	89-99 Needham St	Newton	2003	\$87,521,400	387,548	273	\$226	\$320,591
Woodland Station Apartments	43045 0030Z	1940 Washington St	Newton	2007	\$55,443,100	144,584	180	\$383	\$308,017
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
<b>Average</b>									<b>\$325,370</b>

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<sup>1</sup>Comparable properties shown represent 2019 values as shown in assessor's database. 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)<sup>1</sup>**

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Rooms	Per GSF	Per Room
<b>Retail</b>									
In-line retail <sup>2</sup>	83028 0078	230 Needham St	Newton	1955	\$10,457,200	34,460	-	\$303.46	-
In-line retail <sup>3</sup>	83028 0077	244 Needham St	Newton	1955	\$9,875,400	31,925	-	\$309.33	-
In-line retail <sup>4</sup>	83028 0002	170 Needham St	Newton	2014	\$2,965,300	7,174	-	\$413.34	-
Average								<b>\$342.04</b>	-
<b>Office</b>									
One Gateway Center	12011 0001	300 Washington St	Newton	1968	\$32,986,600	143,068	-	\$230.57	-
Office	42032 0034	2223 Washington St	Newton	1978	\$11,994,600	46,938	-	\$255.54	-
Office	420003 0001	2150 Washington St	Newton	1983	\$6,611,300	32,169	-	\$205.52	-
Average								<b>\$230.54</b>	-
<b>Hotel</b>									
Boston Marriott Newton	41023 0018	2345 Commonwealth Ave	Newton	1969	\$90,381,100	293,195	430	\$308.26	\$210,189
Sheraton Needham	199/300.0-0066-0000.0	100 Cabot St	Needham	1986	\$35,465,300	202,598	225	\$175.05	\$157,624
Homewood Suites by Hilton Brookline	22848122	111 Boylston St	Brookline	2015	\$40,337,900	90,318	130	\$446.62	\$310,292
Average								\$309.98	<b>\$226,034.57</b>

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<sup>1</sup>Comparable properties shown represent 2019 values as shown in assessor's database.

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

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

<sup>4</sup>In-line retail includes, but is not limited to, Vitamin Shoppe, Nothing but Cakes, Rockland Trust. Selected as the best retail comp due to proximity to project, age, design and favorable location near Yankee Division Hwy.

**Riverside**  
**Newton, Massachusetts**

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

	Apartments			
	Market Rate	Inclusionary Income		
		(50% AMI)	(80% AMI)	(100% AMI)
Net square feet per unit <sup>1</sup>	793	793	793	793
Monthly rent per square foot <sup>1</sup>	\$3.65	\$1.19	\$2.35	\$2.43
Annual rent per square foot	\$43.80	\$14.28	\$28.20	\$29.13
Vacancy <sup>1</sup>	5.00%	5.00%	5.00%	5.00%
Effective rent per square foot	\$41.61	\$13.57	\$26.79	\$27.68
Effective rent per unit	\$32,997	\$10,758	\$21,244	\$21,947
Expense ratio <sup>2</sup>	18%	56%	28%	27%
Expenses	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)
Net operating income per square foot	\$34.04	\$6.00	\$19.22	\$20.11
Net operating income per unit	\$26,997	\$4,758	\$15,244	\$15,947
Capitalization rate <sup>1</sup>	5.500%	5.500%	5.500%	5.500%
Tax rate <sup>3</sup>	1.045%	1.045%	1.045%	1.045%
Fully loaded capitalization rate	6.545%	6.545%	6.545%	6.545%
Value per net square foot	\$520.15	\$91.67	\$293.72	\$307.25
Value per unit	\$412,479	\$72,694	\$232,918	\$243,649
Value per gross square foot	\$388.39	\$68.45	\$219.32	\$234.73

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<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Apartment 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.

<sup>3</sup>Tax rate shown represents the FY2019 residential tax rate. Source: Newton Assessor's office.

<sup>4</sup>Based on the weighted average rent for the 100% AMI band, charged by The George, a 140 unit rental apartment community in Netwonville. 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 <sup>1</sup>	\$37.00	\$35.00
Vacancy <sup>1</sup>	5.00%	5.00%
Effective rent per square foot	\$36.05	\$34.05
Expense ratio	0.00%	0.00%
Expenses <sup>2</sup>	\$0.00	\$0.00
Net operating income per square foot	\$36.05	\$34.05
Capitalization rate <sup>1</sup>	7.000%	7.000%
Tax rate <sup>3</sup>	1.994%	1.994%
Fully loaded capitalization rate	8.994%	8.994%
Value per net square foot	\$400.82	\$378.59

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<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Rents are triple net, hence expenses are zeroed out.

<sup>3</sup>Tax rate shown represents the FY2019 commercial tax rate. Source: Newton Assessor's office.

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***Newton, Massachusetts***

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

	Hotel
<i>Income Capitalization</i>	
Average daily rate per room	\$125.61
Gross annual income	\$45,847.00
Assumed occupancy rate <sup>2</sup>	72.90%
Effective gross income per room	\$33,422.46
Assumed expense ratio <sup>3</sup>	25.20%
Less: assumed expenses	(\$8,422.46)
Net operating income per room <sup>1</sup>	\$25,000.00
Capitalization rate <sup>2</sup>	7.73%
Tax rate <sup>4</sup>	1.994%
Fully loaded capitalization rate	9.724%
Total estimated value per room <sup>1</sup>	\$257,095.85
Total estimated value per SF	\$496.88

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<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Occupancy and capitalization rates represent the national full service upper midscale lodging segment averages for third quarter 2018 as reported in the *First Quarter 2019 PriceWaterhouseCoopers Real Estate Investor Survey*.

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

<sup>4</sup>Tax rate shown represents the FY2019 commercial tax rate. Source: Newton Assessor's office.

**Riverside**  
**Newton, Massachusetts**

**Schedule V: Additional Revenues to City of Newton - Annual**

Annual Revenues <sup>1</sup>	Current City Revenues <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Revenues <sup>3</sup>	Basis for Projecting Revenues <sup>4</sup>	Current City Service Factors <sup>5</sup>	Revenues by Factor		Projected Increase in Service Factor <sup>6</sup>	Total Additional Revenues <sup>7</sup>
						Per Resident	Total Serv. Pop.		
<b>Taxes</b>									
Property taxes	\$342,183,546	100%	\$342,183,546	Schedule I	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	per resident	88,904	\$151.85	-	1,238	\$188,009
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	\$1,956,589	100%	\$1,956,589	total service population	144,671	-	\$13.52	2,650	\$35,840
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	2,650	\$45,794
<b>Charges for Services</b>									
Recreation	\$128,000	100%	\$128,000	per resident	88,904	\$1.44	-	1,238	\$1,783
Other departments	\$1,506,450	0%	\$0	not impacted	-	-	-	-	-
Fees	\$681,900	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,126,349	0%	\$0	not impacted	-	-	-	-	-
<b>Fines and Forfeitures</b>									
Court fines	\$100,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$120,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	2,650	\$6,365
<b>Licenses and Permits<sup>8</sup></b>									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
<b>Investment Income</b>									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
<b>Special Assessments</b>									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
<b>Miscellaneous Local Revenues</b>									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total State and Federal Aid<sup>9</sup></b>									
Unrestricted general government aid	\$6,076,265	100%	\$6,076,265	per resident	88,904	\$68.35	-	1,238	\$84,622
Other "cherry sheet" aid	\$268,089	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,710,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total Interfund Transfers</b>									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
<b>Total Fund Balance to Support Budget</b>									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
<b>Grand Total General Fund</b>						<b>\$221.64</b>	<b>\$33.21</b>		<b>\$362,413</b>

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<sup>1</sup>Not all sources of revenues are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Revenues do not match expenses due to the omission of school revenues.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

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

<sup>7</sup>Represents 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.

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

<sup>9</sup>Excludes 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 FY19 budget allocation <sup>1</sup>	\$23,454,298	\$22,458,284	-
Current Newton total service calls <sup>2</sup>	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls <sup>3</sup>	128	434	-
Expenses per service call	\$2,280.44	\$488.22	-
<b>Projected annual increase in expenses</b>	<b>\$291,679</b>	<b>\$211,916</b>	<b>\$503,595</b>

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<sup>1</sup>Based on information provided in *City of Newton FY19 Budget*.

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

<sup>3</sup>See 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 Units<sup>1</sup>**

Unit Type	Number of AMI Inclusionary Units			Number of Market Rate Units	Total Count
	50%	80%	100%		
<i>Apartments:</i>					
Studio	3	3	1	34	41
1 Bedroom	22	22	7	241	292
2 Bedroom	13	13	4	142	172
3 Bedroom	1	1	0	16	19
Subtotal	40	39	13	432	524

**Table 2: Projected Student Generation Rates**

Unit Type	Student Generation Rates Newton Public Schools (Method 1) <sup>2</sup>
<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 <sup>3</sup>				
<i>Apartments:</i>					
Studio	0	0	0	0	0
1 Bedroom	0	0	0	0	0
2 Bedroom	13	13	4	30	61
3 Bedroom	4	4	1	13	22
Total	17	17	6	43	83

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<sup>1</sup>Provided by Mark Development, LLC.

<sup>2</sup>Student 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.

<sup>3</sup>Totals are affected by rounding.

**Riverside**  
**Newton, Massachusetts**

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

Annual Impacts <sup>1</sup>	Current City Budget Amount <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Budget Amount <sup>3</sup>	Basis for Projecting Impacts <sup>4</sup>	Current City Service Factors <sup>5</sup>	Impacts by Factor Per Student	Projected Increase in Service Factor <sup>6</sup>	Total Additional Impacts <sup>7</sup>
<b>Revenues:</b>								
<i>Charges for Service</i>								
School department	\$80,000	100%	\$80,000	per student	13,000	\$6.15	83	\$511
<i>State and Federal Aid</i>								
Chapter 70 school aid	\$23,807,406	100%	\$23,807,406	per student	13,000	\$1,831.34	83	\$152,016
<b>Expenses:</b>								
<i>Expenditures</i>								
Newton public schools	\$226,067,185	100%	\$226,067,185	per student	13,000	(\$17,389.78)	83	(\$1,443,490)
<i>Transfers to Other Funds</i>								
Workers compensation fund - public schools	\$400,000	100%	\$400,000	per student	13,000	(\$30.77)	83	(\$2,554)
School athletic fund	\$1,093,078	100%	\$1,093,078	per student	13,000	(\$84.08)	83	(\$6,980)
<b>Total</b>						<b>(\$15,667.14)</b>		<b>(\$1,300,497)</b>

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<sup>1</sup>Represents the revenues and expenses expected to be impacted by student enrollment.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

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

<sup>5</sup>Represents current statistics for City. See Appendix A.

<sup>6</sup>See Schedule VII-A.

<sup>7</sup>Represents 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 <sup>1</sup>	Current City Expenses <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Expenses <sup>3</sup>	Basis for Projecting Expenses <sup>4</sup>	Current City Service Factors <sup>5</sup>	Expenditures by Factor		Projected Increase in Service Factor <sup>6</sup>	Total Additional Expenditures <sup>7</sup>
						Total Serv. Pop.	\$1000s of Real Property Tax Revenues		
<b>General Government<sup>8</sup></b>									
City Clerk/Clerk of the Board	\$2,079,392	0%	\$0	not impacted	-	-	-	-	-
Executive	\$1,070,093	0%	\$0	not impacted	-	-	-	-	-
Comptroller/Property Insurance/Audit	\$1,404,589	0%	\$0	not impacted	-	-	-	-	-
Purchasing/General Services	\$528,023	0%	\$0	not impacted	-	-	-	-	-
Assessing Department	\$1,252,691	100%	\$1,252,691	not impacted	\$342,184	-	\$3.66	\$5,227	\$19,137
Treasury and Collection	\$1,368,833	100%	\$1,368,833	total service population	\$342,184	-	\$4.00	\$5,227	\$20,911
City Solicitor/Judgment & Settlements	\$2,244,514	0%	\$0	not impacted	-	-	-	-	-
Human Resources Department	\$1,091,588	0%	\$0	not impacted	-	-	-	-	-
Information Technology	\$1,824,873	0%	\$0	not impacted	-	-	-	-	-
Financial Information Systems	\$555,338	0%	\$0	not impacted	-	-	-	-	-
Planning & Development	\$2,067,503	0%	\$0	not impacted	-	-	-	-	-
Public Building	\$5,002,010	0%	\$0	not impacted	-	-	-	-	-
Police	\$22,458,284	0%	\$0	Schedule XXII	-	-	-	-	-
Fire	\$23,454,298	0%	\$0	Schedule XXII	-	-	-	-	-
Inspectional Services	\$1,629,336	0%	\$0	not impacted	-	-	-	-	-
Public Works	\$25,459,735	100%	\$25,459,735	total service population	144,671	\$175.98	-	2,650	\$466,366
Health and Human Services	\$4,179,523	0%	\$0	not impacted	-	-	-	-	-
Senior Services	\$667,829	0%	\$0	not impacted	-	-	-	-	-
Veteran Services	\$384,184	0%	\$0	not impacted	-	-	-	-	-
Newton Public Library	\$5,842,390	50%	\$2,921,195	permanent population	88,904	\$32.86	-	1,238	\$40,682
Parks and Recreation	\$7,022,607	50%	\$3,511,304	permanent population	88,904	\$39.50	-	1,238	\$48,900
Newton History Museum	\$288,595	0%	\$0	not impacted	-	-	-	-	-
Debt and Interest	\$24,048,174	0%	\$0	not impacted	-	-	-	-	-
Retirement	\$39,175,944	0%	\$0	not impacted	-	-	-	-	-
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-	-
Snow and Ice Reserve	\$2,750,000	0%	\$0	not impacted	-	-	-	-	-
Wage Reserve	\$2,000,000	0%	\$0	not impacted	-	-	-	-	-
State and County Assessments	\$6,235,332	0%	\$0	not impacted	-	-	-	-	-
<b>Transfers to Other Funds</b>									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total current expenditures</b>	<b>\$187,535,678</b>					<b>\$248.34</b>			<b>\$595,997</b>

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<sup>1</sup>Not all expenditures are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Expenses shown do not match revenues due to the omission of school expenses.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

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

<sup>7</sup>Represents 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.

<sup>8</sup>Excludes 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 Development<sup>1</sup>**

Property Type	Building Area		Total Market Value	FY 19 Newton Commercial Tax Rate Per \$1,000 A.V. <sup>2</sup>	Projected Existing Development Tax Revenues
	GSF	Rooms			
<i>Commercial</i>					
Hotel	74,553	191	\$29,900,000	\$19.940	\$596,206
<b>Total existing development</b>	<b>74,553</b>	<b>191</b>	<b>\$29,900,000</b>		<b>\$596,206</b>

**Table 2: Existing Demographics**

<i>Existing employees<sup>3</sup></i>	
Existing hotel employees	85
<b>Existing total service population</b>	<b>85</b>

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

<sup>2</sup>Provided by the City of Newton Assessors Department FY 2019.

<sup>3</sup>Provided by the Human Resources Department of the existing hotel.

**Riverside  
Newton, Massachusetts**

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

Annual Revenues <sup>1</sup>	Current City Revenues <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Revenues <sup>3</sup>	Basis for Projecting Revenues <sup>4</sup>	Current City Service Factors <sup>5</sup>	Revenues by Factor		Estimated Service Factor <sup>6</sup>	Total Additional Revenues <sup>7</sup>
						Per Resident	Total Serv. Pop.		
<b>Taxes</b>									
Property taxes	\$342,183,546	100%	\$342,183,546	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	\$1,956,589	100%	\$1,956,589	total service population	144,671	-	\$13.52	85	\$1,150
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	144,671	-	\$17.28	85	\$1,469
<b>Charges for Services</b>									
Recreation	\$128,000	100%	\$128,000	not impacted	-	-	-	-	-
Other departments	\$1,506,450	0%	\$0	not impacted	-	-	-	-	-
Fees	\$681,900	0%	\$0	not impacted	-	-	-	-	-
Rental income	\$1,126,349	0%	\$0	not impacted	-	-	-	-	-
<b>Fines and Forfeitures</b>									
Court fines	\$100,000	0%	\$0	not impacted	-	-	-	-	-
Administrative fines and restitution	\$5,000	0%	\$0	not impacted	-	-	-	-	-
Library fines	\$120,000	0%	\$0	not impacted	-	-	-	-	-
Parking violation fines	\$1,390,000	25%	\$347,500	total service population	144,671	-	\$2.40	85	\$204
<b>Licenses and Permits<sup>8</sup></b>									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
<b>Investment Income</b>									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
<b>Special Assessments</b>									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
<b>Miscellaneous Local Revenues</b>									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total State and Federal Aid<sup>9</sup></b>									
Unrestricted general government aid	\$6,076,265	0%	\$0	not impacted	-	-	-	-	-
Other "cherry sheet" aid	\$268,089	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,710,000	0%	\$0	not impacted	-	-	-	-	-
<b>Total Interfund Transfers</b>									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
<b>Total Fund Balance to Support Budget</b>									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
<b>Grand Total General Fund</b>						<b>\$33.21</b>		<b>\$2,822.59</b>	

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<sup>1</sup>Not all sources of revenues are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Revenues do not match expenses due to the omission of school revenues.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

<sup>6</sup>Represents the current service factor to City as a result of existing development. Appendix A.

<sup>7</sup>Represents 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.

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

<sup>9</sup>Excludes 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	<b>Total</b>
City of Newton FY19 budget allocation <sup>1</sup>	\$23,454,298	\$22,458,284	-
Current Newton total service calls <sup>2</sup>	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls <sup>3</sup>	10	24	-
Expenses per service call	\$2,280.44	\$488.22	-
<b>Projected annual increase in expenses</b>	<b>\$23,890</b>	<b>\$11,711</b>	<b>\$35,601</b>

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<sup>1</sup>Based on information provided in *City of Newton FY19 Budget*.

<sup>2</sup>See Schedule VI.

<sup>3</sup>See Appendix E-3 Tables 3 and 4.

**Riverside**  
**Newton, Massachusetts**

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

Annual Expenditures <sup>1</sup>	Current City Expenses <sup>2</sup>	Percent Impacted <sup>3</sup>	Adjusted Current City Expenses <sup>3</sup>	Basis for Projecting Expenses <sup>4</sup>	Current City Service Factors <sup>5</sup>	Expenditures by Factor		Estimated Service Factor <sup>6</sup>	Total Additional Expenditures <sup>7</sup>
						Total Serv. Pop.			
<b>General Government<sup>8</sup></b>									
City Clerk/Clerk of the Board	\$2,079,392	0%	\$0	not impacted	-	-	-	-	-
Executive	\$1,070,093	0%	\$0	not impacted	-	-	-	-	-
Comptroller/Property Insurance/Audit	\$1,404,589	0%	\$0	not impacted	-	-	-	-	-
Purchasing/General Services	\$528,023	0%	\$0	not impacted	-	-	-	-	-
Assessing Department	\$1,252,691	0%	\$0	not impacted	-	-	-	-	-
Treasury and Collection	\$1,368,833	100%	\$1,368,833	total service population	144,671	\$9.46	85	\$804	
City Solicitor/Judgment & Settlements	\$2,244,514	0%	\$0	not impacted	-	-	-	-	
Human Resources Department	\$1,091,588	0%	\$0	not impacted	-	-	-	-	
Information Technology	\$1,824,873	0%	\$0	not impacted	-	-	-	-	
Financial Information Systems	\$555,338	0%	\$0	not impacted	-	-	-	-	
Planning & Development	\$2,067,503	0%	\$0	not impacted	-	-	-	-	
Public Building	\$5,002,010	0%	\$0	not impacted	-	-	-	-	
Police	\$22,458,284	0%	\$0	Schedule XXII	-	-	-	-	
Fire	\$23,454,298	0%	\$0	Schedule XXII	-	-	-	-	
Inspectional Services	\$1,629,336	0%	\$0	not impacted	-	-	-	-	
Public Works	\$25,459,735	100%	\$25,459,735	total service population	144,671	\$175.98	85	\$14,959	
Health and Human Services	\$4,179,523	0%	\$0	not impacted	-	-	-	-	
Senior Services	\$667,829	0%	\$0	not impacted	-	-	-	-	
Veteran Services	\$384,184	0%	\$0	not impacted	-	-	-	-	
Newton Public Library	\$5,842,390	0%	\$0	not impacted	-	-	-	-	
Parks and Recreation	\$7,022,607	0%	\$0	not impacted	-	-	-	-	
Newton History Museum	\$288,595	0%	\$0	not impacted	-	-	-	-	
Debt and Interest	\$24,048,174	0%	\$0	not impacted	-	-	-	-	
Retirement	\$39,175,944	0%	\$0	not impacted	-	-	-	-	
Budget Reserve	\$500,000	0%	\$0	not impacted	-	-	-	-	
Snow and Ice Reserve	\$2,750,000	0%	\$0	not impacted	-	-	-	-	
Wage Reserve	\$2,000,000	0%	\$0	not impacted	-	-	-	-	
State and County Assessments	\$6,235,332	0%	\$0	not impacted	-	-	-	-	
<b>Transfers to Other Funds</b>									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	
<b>Total current expenditures</b>	<b>\$187,535,678</b>					<b>\$185.45</b>		<b>\$15,763</b>	

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<sup>1</sup>Not all expenditures are expected to be impacted.

<sup>2</sup>Based on information provided in *City of Newton FY19 Budget*. Expenses shown do not match revenues due to the omission of school expenses.

<sup>3</sup>Represents the percent by which the proposed increase is assumed to be impacted.

<sup>4</sup>Method 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).

<sup>5</sup>Represents current statistics for City. See Appendix A.

<sup>6</sup>Represents the current service factor to City as a result of existing development. Appendix A.

<sup>7</sup>Represents 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.

<sup>8</sup>Excludes 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 <sup>1</sup>	88,904
Newton residents employed in the city <sup>2</sup>	5,937
Non-resident workers <sup>2</sup>	49,830
Employee population equivalent <sup>3</sup>	49,830
Total service population <sup>4</sup>	144,671
Percent of newly created City of Newton employees assumed to live in City of Newton <sup>5</sup>	10.6%
Percent of newly created City of Newton employees assumed to live outside City of Newton <sup>6</sup>	89.4%
Service population rates	
Resident	1.00
Employee <sup>3</sup>	1.00
Proposed new rentals <sup>7</sup>	524
Vacancy rate <sup>8</sup>	5.0%
Occupied new households	498
Persons per household (renter occupied) <sup>9</sup>	2.21
Expected population increase <sup>10</sup>	1,100
Current students <sup>11</sup>	13,000
Projected student increase <sup>12</sup>	138
Total population increase	1,238
Projected new employees <sup>13</sup>	1,412
Projected new employee population equivalent <sup>3</sup>	1,412
Total new service population increase <sup>14</sup>	2,650
Projected new non-resident employees <sup>15</sup>	1,262
Projected new non-resident employee population equivalent <sup>3</sup>	1,262
Net service population increase <sup>16</sup>	2,500
Current Newton real property tax revenues (per \$1,000) <sup>17</sup>	\$342,184
Projected increase in Newton's real property tax revenues (per \$1,000) <sup>18</sup>	\$5,227

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

<sup>2</sup>Source: OnTheMap, U.S. Census Bureau based on 2017 data.

<sup>3</sup>Service rate for employee is assumed to be same as resident population rate.

<sup>4</sup>Represents the total City permanent population plus the total employee population equivalent.

<sup>5</sup>Represents the total City employees assumed to live outside of City of Newton.

<sup>6</sup>Represents the total City permanent population plus the non-resident employee population equivalent.

<sup>7</sup>See Schedule I.

<sup>8</sup>See Schedule IV-A.

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

<sup>10</sup>Represents total new occupied households multiplied by the persons per household.

<sup>11</sup>Represents 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.

<sup>12</sup>See Schedule VII.

<sup>13</sup>See Appendix B.

<sup>14</sup>Represents the total new employees of resident employee equivalents plus the expected population increase.

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

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

<sup>17</sup>Based on information provided in *City of Newton FY19 Budget*. See Schedule X.

<sup>18</sup>See Schedule I.

***Riverside***  
***Newton, Massachusetts***

**Appendix B: Total Projected Employees - New Development**

Projected Employees - New Development	
<i>Retail</i>	
SF <sup>1</sup>	64,176
Employees per 1,000 SF <sup>2</sup>	2.20
<hr/>	
Sub-total retail employees	141
 <i>Office</i>	
SF <sup>1</sup>	523,509
Employees per 1,000 SF <sup>2</sup>	2.36
<hr/>	
Sub-total office employees	1,235
 <i>Hotel</i>	
Rooms <sup>1</sup>	154
Employees per room <sup>2</sup>	0.23
<hr/>	
Sub-total hotel employees	36
Total projected employees	1,412

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<sup>1</sup>See Schedule I.

<sup>2</sup>Jobs 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 <sup>1</sup>	Type of SF <sup>2</sup>	Adjusted Sales PSF	Avg. SF Per Store
<b><i>Retail</i></b>				
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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<sup>1</sup>Sales data based on 2017 Bizminer Sales Report (2016 sales).

<sup>2</sup>Adjusted 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 <sup>1</sup>	64,176
Sales per square foot <sup>2</sup>	\$347
Retail sales	\$22,258,196
Total retail jobs <sup>3</sup>	164
Full time equivalent factor <sup>4</sup>	0.8619
Total full time equivalent employees ("FTE")	141
Total FTE jobs per 1,000 square feet	2.20
Total labor income <sup>3</sup>	\$4,608,222
Labor income to wage factor <sup>5</sup>	1.1907
Sub-total employee wages	\$3,870,286
Average retail income per FTE -- annual	\$32,702
Average retail wage per FTE -- annual	\$27,465
Multiplier for retail income <sup>3</sup>	1.5258
Total income	\$7,031,029
Indirect and induced income	\$2,422,807
Multiplier for retail jobs <sup>3</sup>	1.2355
Total jobs	202
Indirect jobs	39
Multiplier for retail output <sup>3</sup>	1.7326
Total economic output	\$15,686,070
Direct Output	\$9,053,521
Indirect output	\$6,632,549

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<sup>1</sup>Based on projected development at full buildout. See Schedule I.

<sup>2</sup>See Appendix C.

<sup>3</sup>Retail 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 1.2370, meaning that for each job at the development, 1.2370 jobs will be created in Newton, including the job at the development. Similarly, the multiplier for the retail wages is 1.5258, meaning that for every \$1.00 paid in retail wages at the development, \$1.5258 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.

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

<sup>5</sup>Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. This 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 <sup>1</sup>	523,509
Square feet per office worker <sup>2</sup>	379
<hr/>	
Total office jobs <sup>3</sup>	1,357
Full time equivalent factor <sup>3</sup>	0.9102
Total full time equivalent employees ("FTE")	1,235
Total FTE jobs per 1,000 square feet	2.36
Total labor income <sup>4</sup>	\$97,730,109
Labor income to wage factor <sup>4</sup>	1.1837
Sub-total employee wages	\$82,565,751
Average office income per FTE -- annual	\$79,144
Average office wage per FTE -- annual	\$66,863
Multiplier for office income <sup>5</sup>	1.4310
Total income	\$139,848,573
Indirect and induced income	\$42,118,464
Multiplier for office jobs <sup>5</sup>	1.5059
Total jobs	2,043
Indirect jobs	686
Multiplier for office output <sup>5</sup>	1.6801
Total economic output	\$260,508,083
Direct Output	\$155,050,720
Indirect output	\$105,457,363

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<sup>1</sup>Based on projected development at full buildout. See Schedule I.

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

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

<sup>4</sup>Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. This factor, provided by IMPLAN Group, LLC converts total labor income into direct wages and salary.

<sup>5</sup>Existing 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 <sup>1</sup>	154
Average nightly room rate <sup>2</sup>	\$126
Average nightly occupancy <sup>2</sup>	72.9%
Hotel operating revenue	\$5,147,059
Total hotel service jobs <sup>3</sup>	40
Full time equivalent factor <sup>4</sup>	0.9086
Total full time equivalent employees ("FTE")	36
Total FTE jobs per room	0.23
Total labor income <sup>3</sup>	\$2,282,623
Labor income to wage factor <sup>5</sup>	1.1609
Sub-total employee wages	\$1,966,327
Average hotel income per FTE -- annual	\$63,124
Average hotel wage per FTE -- annual	\$54,377
Multiplier for hotel income <sup>3</sup>	1.5253
Total income	\$3,481,718
Indirect and induced income	\$1,199,095
Multiplier for hotel jobs <sup>3</sup>	1.6316
Total jobs	59
Indirect jobs	19
Multiplier for hotel output <sup>3</sup>	1.7558
Total economic output	\$9,037,147
Indirect output	\$3,890,088

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<sup>1</sup>Based on projected development at full buildout. See Schedule I.

<sup>2</sup>See Schedule IV.

<sup>3</sup>Hotel wages, jobs and output were calculated using IMPLAN software by IMPLAN Group, LLC. Multipliers function in the same manner as retail impacts.

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

<sup>5</sup>Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. This factor, provided by IMPLAN Group, LLC, converts total labor income into direct wages and salary.

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

	Historical Fire and EMS Calls <sup>1</sup>					Square Feet/Units <sup>2</sup>	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	
<b>Development:</b>												
<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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<sup>1</sup>Provided 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.

<sup>2</sup>See Schedule III-B.



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

	Historical Police Calls <sup>1</sup>			Square Feet/Units <sup>2</sup>	Historical Police Calls (per 1,000 Square Feet)			Average Historical
	2016	2017	2018		2016	2017	2018	Calls per 1,000 Square Feet
<b>Development:</b>								
<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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<sup>1</sup> 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.

<sup>2</sup> 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 <sup>1</sup>	Call/Unit/SF <sup>2</sup>	Total Calls
<i>Development</i>			
Residential <sup>3</sup>	524	0.1330	70
Office	523,509	0.0558	29
Retail	64,176	0.2773	18
Hotel	79,683	0.1405	11
Total fire and EMS calls			128

<sup>1</sup>See Schedule I.

<sup>2</sup>See Appendix E-1.

<sup>3</sup>Residential calls provided by the developer.

**Table 2: Police Projected Calls - New Development**

	Units/SF <sup>1</sup>	Call/Unit/SF <sup>2</sup>	Total Calls
<i>Development</i>			
Residential <sup>3</sup>	524	0.3780	198
Office	523,509	0.3063	160
Retail	64,176	0.7794	50
Hotel	79,683	0.3217	26
Total police calls			434

<sup>1</sup>See Schedule I.

<sup>2</sup>See Appendix E-2.

<sup>3</sup>Residential calls provided by the developer.

**Table 3: Fire and EMS Projected Calls - Existing Development**

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

<sup>1</sup>See Schedule I.

<sup>2</sup>See Appendix E-1.

**Table 4: Police Projected Calls - Existing Development**

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

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<sup>1</sup>See Schedule IX.

<sup>2</sup>See Appendix E-2.