

**Riverside
Newtown, Massachusetts**

**Executive Summary
Fiscal Impact Projections**

**PREPARED BY:
MUNICAP, INC**

MARCH 29, 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 675 units of residential, for-sale and for-rent property, with 102 of those units meeting inclusionary housing standards. Furthermore, approximately 780,000 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) ¹	Units/ Rooms/Spaces ¹
<i><u>Residential</u></i>		
<i>For Rent</i>		
Market rate apartments	523,605	524
Inclusionary income apartments		
50% AMI	46,965	47
80% AMI	46,965	47
<i>For Sale</i>		
Market rate condominiums	73,211	49
Inclusionary income condominiums		
50% AMI	5,976	4
80% AMI	5,976	4
Sub-total residential	702,698	675
<i><u>Commercial</u></i>		
Retail	64,429	-
Office ²	579,905	-
Hotel	103,954	194
Sub-total commercial	748,288	194
Total	1,450,986	869

¹Provided by Mark Development, LLC. See Schedule I.

²Does not include mechanical penthouse space.

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 Impacts¹

	Permanent Jobs	Annual Compensation	Average Wage
Retail:			
Direct impacts	141	\$3,885,544	\$27,473
Indirect impacts	39	\$2,432,358	\$62,528
Sub-total retail impacts	180	\$6,317,902	
Office:			
Direct impacts	1,704	\$106,901,919	\$62,733
Indirect impacts	710	\$53,839,584	\$75,866
Sub-total office impacts	2,414	\$160,741,503	
Hotel:			
Direct impacts	52	\$2,477,062	\$47,914
Indirect impacts	17	\$1,510,549	\$86,813
Sub-total hotel impacts	69	\$3,987,611	
Total permanent direct impacts	1,897	\$113,264,524	\$59,701
Total permanent indirect impacts	766	\$57,782,491	\$75,437
Total permanent impacts	2,663	\$171,047,015	

¹Projected 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.

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 – Residents¹

Resident Impacts	
Residents	
New rental units (including vacancy)	587
Persons per household (renter occupied)	2.21
Subtotal rental impacts	1,297
New owner-occupied units	57
Persons per household (owner occupied)	2.76
Subtotal owner occupied impacts	157
Total residents	1,455

¹Source: 2012-2016 American Community Survey 5-Year Housing Estimates for Newton City, Massachusetts. See Appendix A.

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 – Students¹

Student Impacts		
	Scenario A	Scenario B
Students generated (See Schedule VII-A)	161	94
Impact per student ²	(\$15,937)	(\$15,937)
Subtotal student impacts	(\$2,559,951)	(\$1,491,242)

¹See 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*.

²Includes 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 (Newton student generation) and Scenario B (adjusted student generation). The projected revenues and expenses are shown in today's dollars.

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

	<u>Annual (Full Build-Out)</u>	
	Scenario A	Scenario B
Real property tax revenues (See Schedule I)	\$6,799,925	\$6,799,925
Additional revenues (See Schedule V) ¹	\$432,627	\$432,627
City of Newton tax revenues	\$7,232,552	\$7,232,552
City of Newton police and fire expenditures (See Schedule VI)	(\$604,717)	(\$604,717)
City of Newton student expenditures (See Schedule VII-B)	(\$2,559,951)	(\$1,491,242)
City of Newton general fund expenditures (See Schedule VIII) ²	(\$617,175)	(\$617,175)
City of Newton net fiscal impact	\$3,450,709	\$4,519,418

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

²Additional 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) ¹	\$2,802	\$2,802
City of Newton tax revenues	\$599,008	\$599,008
City of Newtown police and fire expenditures (See Schedule XI)	(\$35,601)	(\$35,601)
City of Newton student expenditures ³	\$0	\$0
City of Newton general fund expenditures (See Schedule XI) ²	(\$15,650)	(\$15,650)
City of Newton net fiscal impact	\$547,757	\$547,757

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

²Expenses include treasury collection and public works.

³The 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	\$3,450,709	\$4,519,418
Existing development net fiscal impact	(\$547,757)	(\$547,757)
City of Newton net new fiscal impact	\$2,902,952	\$3,971,661

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**

Prepared By:

MuniCap, Inc.

March 29, 2019

**Riverside
Newton, Massachusetts**

Fiscal Impact Analysis

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

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

	<u>Annual (Full Build-Out)</u>	
Real property tax revenues	\$6,799,925	(Schedule I)
Additional revenues	\$432,627	(Schedule V)
City of Newton tax revenues	\$7,232,552	
City of Newtown police and fire expenditures	(\$604,717)	(Schedule VI)
City of Newton student expenditures	(\$2,559,951)	(Schedule VII)
City of Newton general fund expenditures	(\$617,175)	(Schedule VIII)
City of Newton net fiscal impact	\$3,450,709	

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

	<u>Annual (Full Build-Out)</u>	
Real property tax revenues	\$596,206	(Schedule IX)
Additional revenues	\$2,802	(Schedule X)
City of Newton tax revenues	\$599,008	
City of Newtown police and fire expenditures	(\$35,601)	(Schedule XI)
City of Newton student expenditures ¹	\$0	
City of Newton general fund expenditures	(\$15,650)	(Schedule XIII)
City of Newton net fiscal impact	\$547,757	

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

	<u>Annual (Full Build-Out)</u>	
Projected development net fiscal impact	\$3,450,709	
Existing development net fiscal impact	(\$547,757)	
City of Newton net new fiscal impact	\$2,902,952	

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

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Newton, Massachusetts

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

	Jobs from Riverside Project		
	Permanent Jobs	Annual Compensation	Average Wage
Retail:			
Direct impacts	141	\$3,885,544	\$27,473
Indirect impacts	39	\$2,432,358	\$62,528
Sub-total retail impacts	180	\$6,317,902	
Office:			
Direct impacts	1,704	\$106,901,919	\$62,733
Indirect impacts	710	\$53,839,584	\$75,866
Sub-total office impacts	2,414	\$160,741,503	
Hotel:			
Direct impacts	52	\$2,477,062	\$47,914
Indirect impacts	17	\$1,510,549	\$86,813
Sub-total office impacts	69	\$3,987,611	
Total permanent direct impacts	1,897	\$113,264,524	\$59,701
Total permanent indirect impacts	766	\$57,782,491	\$75,437
Total permanent impacts	2,663	\$171,047,015	

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

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S-3: Summary of Student Impacts

Table 1: Projected Student Enrollment²

	<u>Annual (Full Build-Out)</u>
Total projected student enrollment from new development ¹	161
Total estimated student enrollment from existing development	0
Projected net student enrollment	161

Table 2: Net Student Impacts

	<u>Annual (Full Build-Out)</u>
New student fiscal impacts ²	(\$2,559,951)
Existing student fiscal impacts	\$0
Net new student fiscal impacts	(\$2,559,951)

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^Riverside- FIA Scenario A No.1.xlsx]S-3

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¹See Schedule VII-A.

¹See Schedule VII-B, table 3.

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Projected Development
& General Fund Impacts

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Schedule I: Summary of Proposed Development Plan and Estimated Values

Property Type	Building Area ¹			Units/ Rooms/Spaces	Estimated Assessed Value ²			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	410,092	523,605	999	524	\$326	\$325,370	\$170,493,813	1.045%	\$1,781,660
Inclusionary income apartments									
50% AMI	36,783	46,965	999	47	\$57	\$57,288	\$2,692,525	1.045%	\$28,137
80% AMI	36,783	46,965	999	47	\$178	\$178,348	\$8,382,340	1.045%	\$87,595
<i>For Sale</i>									
Market rate condominiums	60,168	73,211	1,494	49	\$786	\$1,174,160	\$57,533,840	1.045%	\$601,229
Inclusionary income condominiums									
50% AMI	4,912	5,976	1,494	4	\$138	\$206,734	\$826,936	1.045%	\$8,641
80% AMI	4,912	5,976	1,494	4	\$431	\$643,602	\$2,574,408	1.045%	\$26,903
Sub-total residential	553,649	702,698		675			\$242,503,860		\$2,534,165
<i>Commercial</i>									
Retail	55,845	64,429	-	-	\$342	-	\$22,037,513	1.994%	\$439,428
Office	529,251	579,905	-	-	\$231	-	\$133,692,260	1.994%	\$2,665,824
Hotel	103,954	103,954	536	194	\$560	\$300,000	\$58,200,000	1.994%	\$1,160,508
Sub-total commercial	689,050	748,288		194			\$213,929,773		\$4,265,760
<i>Parking garage³</i>									
Taxable	-	-	-	1,908	\$0	\$0	\$0		
Total	1,242,699	1,450,986		2,777			\$456,433,634		\$6,799,925

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¹Source: Mark Development, LLC.

²See Schedule II.

³Assumes the value of the parking garage is accounted for within the rest of the development.

Riverside
Newton, Massachusetts

Schedule II: Projection of Assessed Value - Comparison of Approaches¹

Property Type	Comparables ²	Income Capitalization ³
<u>Residential</u>		
<i>For Rent</i>		
Market rate apartments		
Per unit	<u>\$325,369.87</u>	\$445,834.22
Inclusionary income apartments		
50% AMI		
Per unit	<u>\$57,287.76</u>	\$78,497.88
80% AMI		
Per unit	<u>\$178,347.65</u>	\$244,378.76
<i>For Sale</i>		
Market rate condominiums		
Per unit	<u>\$1,174,160.00</u>	-
Inclusionary income condominiums		
50% AMI		
Per unit	<u>\$206,733.94</u>	-
80% AMI		
Per unit	<u>\$643,601.93</u>	-
<u>Commercial</u>		
Retail		
Per SF	<u>\$342.04</u>	\$400.82
Office		
Per SF	<u>\$230.54</u>	\$378.59
Hotel		
Per room	\$226,034.57	<u>\$300,000.00</u>
Parking garage		
Per space	-	-

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

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

³See Schedules IV-A and IV-B.

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

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Units	Per GSF	Per Unit
Apartments									
Avalon at Newton Highlands	51028 0017	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
Average									<u>\$325,370</u>
Condominiums									
77 Court Street Condominiums	23016 0032A	77 Court St #110B	Newton	2017	\$750,000	1,395	1	\$538	\$750,000
77 Court Street Condominiums	23016 0032V	77 Court St #107C	Newton	2017	\$721,800	1,575	1	\$458	\$721,800
99 Tremont Street Condominiums ²	2203711010	99 Tremont St	Boston	2018	\$815,000	-	1	-	\$815,000
Belclare	124-16W202	580 Washington St #202	Wellesley	2015	\$1,791,000	-	1	-	\$1,791,000
Belclare	124-16W401	580 Washington St #401	Wellesley	2015	\$1,793,000	-	1	-	\$1,793,000
Average									<u>\$1,174,160</u>

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29-Mar-19

¹Comparable properties shown represent 2019 values as shown in assessor's database.

²**Additional information required to confirm assessed value.**

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Newton, Massachusetts

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

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Rooms	Per GSF	Per Room
Retail									
In-line retail ²	83028 0078	230 Needham St	Newton	1955	\$10,457,200	34,460	-	\$303.46	-
In-line retail ³	83028 0077	244 Needham St	Newton	1955	\$9,875,400	31,925	-	\$309.33	-
In-line retail ⁴	83028 0002	170 Needham St	Newton	2014	\$2,965,300	7,174	-	\$413.34	-
Average								<u>\$342.04</u>	-
Office									
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								<u>\$230.54</u>	-
Hotel									
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								<u>\$309.98</u>	<u>\$226,034.57</u>

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29-Mar-19

¹Comparable properties shown represent 2019 values as shown in assessor's database.

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

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

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

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

	Apartments		
	Market Rate	Inclusionary Income	
		(50% AMI)	(80% AMI)
Net square feet per unit ¹	821	821	821
Monthly rent per square foot ¹	\$3.65	\$1.19	\$2.35
Monthly rent per unit	\$2,997	\$1,119	\$1,691
Annual rent per unit	\$35,959.80	\$13,427	\$20,297
Annual rent per square foot	\$43.80	\$14.28	\$28.20
Vacancy ¹	5.00%	5.00%	5.00%
Effective rent per square foot	\$42.85	\$13.57	\$26.79
Effective rent per unit	\$35,180	\$11,138	\$21,995
Expense ratio ²	17%	54%	27%
Expenses	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)
Net operating income per square foot	\$35.54	\$6.26	\$19.48
Net operating income per unit	\$29,180	\$5,138	\$15,995
Capitalization rate ¹	5.500%	5.500%	5.500%
Tax rate ³	1.045%	1.045%	1.045%
Fully loaded capitalization rate	6.545%	6.545%	6.545%
Value per net square foot	\$543.04	\$95.61	\$297.66
Value per unit	\$445,834	\$78,498	\$244,379
Value per gross square foot	\$446.17	\$78.56	\$244.56

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29-Mar-19

¹Provided by Mark Development, LLC.

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

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

Riverside
Newton, Massachusetts

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

	Retail	Office
Annual rent per square foot ¹	\$37.00	\$35.00
Vacancy ¹	5.00%	5.00%
Effective rent per square foot	\$36.05	\$34.05
Expense ratio	0.00%	0.00%
Expenses ²	\$0.00	\$0.00
Net operating income per square foot	\$36.05	\$34.05
Capitalization rate ¹	7.000%	7.000%
Tax rate ³	1.994%	1.994%
Fully loaded capitalization rate	8.994%	8.994%
Value per net square foot	\$400.82	\$378.59

MuniCap, Inc.

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29-Mar-19

¹Provided by Mark Development, LLC.

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

³Tax 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
<i>Income Capitalization</i>	
Average daily rate per room	\$156.67
Gross annual income	\$57,184.75
Assumed occupancy rate ²	68.20%
Effective gross income per room	\$39,000.00
Assumed expense ratio ³	25.20%
Less: assumed expenses	(\$9,828.00)
Net operating income per room	\$29,172.00
Capitalization rate ²	7.73%
Tax rate ⁴	1.994%
Fully loaded capitalization rate	9.724%
Total estimated value per room ¹	\$300,000.00
Total estimated value per SF	\$559.86

MuniCap, Inc.

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29-Mar-19

¹Provided by Mark Development, LLC.

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

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

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

**Riverside
Newton, Massachusetts**

Schedule V: Additional Revenues to City of Newton - Annual

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Projected Increase in Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$342,183,546	100%	\$342,183,546	Schedule VII-C	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	per resident	88,994	\$151.70	-	1,455	\$220,688
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	145,712	-	\$13.43	3,352	\$45,010
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	145,712	-	\$17.16	3,352	\$57,511
Charges for Services									
Recreation	\$128,000	100%	\$128,000	per resident	88,994	\$1.44	-	1,455	\$2,092
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	-	-	-	-	-
Fines and Forfeitures									
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	145,712	-	\$2.38	3,352	\$7,994
Licenses and Permits⁸									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
Investment Income									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Special Assessments									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
Unrestricted general government aid	\$6,076,265	100%	\$6,076,265	per resident	88,994	\$68.28	-	1,455	\$99,330
Other "cherry sheet" aid	\$268,089	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,710,000	0%	\$0	not impacted	-	-	-	-	-
Total Interfund Transfers									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
Grand Total General Fund						\$221.41	\$32.97		\$432,627

MuniCap, Inc.

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29-Mar-19

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

²Based on information provided in *City of Newton FY19 Proposed Budget*. Revenues do not match expenses due to removal of school revenues.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

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

***Riverside
Newton, Massachusetts***

Schedule VI: Projected Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY19 budget allocation ¹	\$23,454,298	\$22,458,284	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls ³	155	516	-
Expenses per service call	\$2,280.44	\$488.22	-
Projected annual increase in expenses	\$352,593	\$252,124	\$604,717

MuniCap, Inc.

Development LLC\Riverside Project\FIA\Final Files\[Riverside- FIA Scenario A No.1.xlsx]VI

29-Mar-19

¹Based on information provided in *City of Newton FY19 Proposed Budget*.

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

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

Riverside
Newton, Massachusetts

Schedule VII-A: Student Generation - Projected Total Students

Table 1: Projected Residential Units¹

Unit Type	Number of AMI Inclusionary Units		Number of Market Rate Units	Total Count
	50%	80%		
<i>Apartments:</i>				
Studio	4	4	49	57
1 Bedroom	27	26	297	350
2 Bedroom	14	14	161	189
3 Bedroom	2	3	17	22
Subtotal	47	47	524	618
<i>Condominiums:</i>				
1 Bedroom	3	2	27	32
2 Bedroom	1	2	22	25
Subtotal	4	4	49	57

Table 2: Projected Student Generation Rates

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

Table 3: Projected Total Students

Unit Type	Project Total Students			
<i>Apartments:</i>				
Studio	0	0	4	5
1 Bedroom	1	1	16	19
2 Bedroom	9	9	102	120
3 Bedroom	1	1	8	11
Subtotal	12	12	131	155
<i>Condominiums:</i>				
1 Bedroom	0	0	2	3
2 Bedroom	1	1	1	3
Subtotal	1	1	4	6
Total				161

MuniCap, Inc.

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29-Mar-19

¹Provided by Mark Development, LLC.

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

Riverside
Newton, Massachusetts

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

Annual Impacts ¹	Current City Budget Amount ²	Percent Impacted ³	Adjusted Current City Budget Amount ³	Basis for Projecting Impacts ⁴	Current City Service Factors ⁵	Impacts by Factor Per Student	Projected Increase in Service Factor ⁶	Total Additional Impacts ⁷
Revenues:								
<i>Charges for Service</i>								
School department	\$80,000	100%	\$80,000	per student	12,780	\$6.26	161	\$1,006
<i>State and Federal Aid</i>								
Chapter 70 school aid	\$23,807,406	100%	\$23,807,406	per student	12,780	\$1,862.86	161	\$299,234
Expenses:								
<i>Expenditures</i>								
Newton public schools	\$226,067,185	100%	\$226,067,185	per student	12,780	(\$17,689.14)	161	(\$2,841,424)
<i>Transfers to Other Funds</i>								
Workers compensation fund - public schools	\$400,000	100%	\$400,000	per student	12,780	(\$31.30)	161	(\$5,028)
School athletic fund	\$1,093,078	100%	\$1,093,078	per student	12,780	(\$85.53)	161	(\$13,739)
Total						(\$15,936.84)		(\$2,559,951)

MuniCap, Inc.

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 29-Mar-19

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

²Based on information provided in *City of Newton FY19 Proposed Budget*.

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

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

⁵Represents current statistics for City. See Appendix A.

⁶See Schedule VII-A.

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

Riverside
Newton, Massachusetts

Schedule VIII: Additional Expenses to City of Newton - Annual

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Projected Increase in Service Factor ⁶	Total Additional Expenditures ⁷
						Total	Serv. Pop.		
General Government⁸									
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	145,712	\$9.39	3,352	\$31,489	
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	145,712	\$174.73	3,352	\$585,686	
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	-	-	-	-	-
Transfers to Other Funds									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	-
Total current expenditures	\$187,535,678					\$184.12		\$617,175	

MuniCap, Inc.

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29-Mar-19

¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY19 Proposed Budget*. Expenses shown do not match revenues due to the removal of school expenses.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

*Riverside
Newton, Massachusetts*

Schedule IX: Summary of Existing Development

Projected Existing Real Property Tax Revenues to City of Newton

Table 1: Existing Development¹

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

Table 2: Existing Demographics

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

*MuniCap, Inc. scenario A No.1.xlsx|IX
29-Mar-19*

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

²Provided by the City of Newton Assessors Department FY 2019.

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

**Riverside
Newton, Massachusetts**

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

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Estimated Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$342,183,546	100%	\$342,183,546	Schedule XV	-	-	-	-	-
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	145,712	-	\$13.43	85	\$1,141
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	145,712	-	\$17.16	85	\$1,458
Charges for Services									
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	-	-	-	-	-
Fines and Forfeitures									
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	145,712	-	\$2.38	85	\$203
Licenses and Permits⁸									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
Investment Income									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Special Assessments									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
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	-	-	-	-	-
Total Interfund Transfers									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
Grand Total General Fund						\$32.97		\$2,802.43	

MuniCap, Inc.

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29-Mar-19

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

²Based on information provided in *City of Newton FY19 Proposed Budget*. Revenues do not match expenses due to removal of school revenues.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

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

***Riverside
Newton, Massachusetts***

Schedule XI: Existing Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY19 budget allocation ¹	\$23,454,298	\$22,458,284	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls ³	10	24	-
Expenses per service call	\$2,280.44	\$488.22	-
Projected annual increase in expenses	\$23,890	\$11,711	\$35,601

MuniCap, Inc.

Development LLC\Riverside Project\FIA\Final Files\[Riverside- FIA Scenario A No.1.xlsx]XI

29-Mar-19

¹Based on information provided in *City of Newton FY19 Proposed Budget*.

²See Schedule VI.

³See Appendix E-3, Tables 3 and 4.

Riverside
Newton, Massachusetts

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

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Estimated Service Factor ⁶	Total Additional Expenditures ⁷
						Total Serv. Pop.			
General Government⁸									
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	145,712	\$9.39	85	\$798	
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	145,712	\$174.73	85	\$14,852	
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	-	-	-	-	
Transfers to Other Funds									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	
Total current expenditures	\$187,535,678					\$184.12		\$15,650	

MuniCap, Inc.

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29-Mar-19

¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY18 Proposed Budget*. Expenses shown do not match revenues due to the removal of school expenses.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

**Riverside
Newton, Massachusetts**

Appendices

Riverside
Newton, Massachusetts

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

City of Newton permanent population ¹	88,994
City of Newton employed population ²	56,718
Employee population equivalent ³	56,718
Total service population ⁴	145,712
Non-resident employees ⁵	50,763
Non-resident employee population equivalent ³	50,763
Net service population ⁶	139,757
Percent of newly created City of Newton employees assumed to live in City of Newton ⁷	10.5%
Percent of newly created City of Newton employees assumed to live outside City of Newton ⁸	89.5%
Service population rates	
Resident	1.00
Employee ³	1.00
Proposed new rentals ⁹	618
Vacancy rate ¹⁰	5.0%
Occupied new households	587
Persons per household (renter occupied) ¹¹	2.21
Expected population increase (renter occupied) ¹²	1,297
Proposed new owner-occupied households ⁹	57
Persons per household (owner-occupied)	2.76
Expected new owner-occupied population increase ¹¹	157
Total population increase ¹²	1,455
Projected new employees ¹³	1,897
Projected new employee population equivalent ³	1,897
Total new service population increase ¹⁴	3,352
Current students ¹⁵	12,780
Projected student increase ¹⁶	161

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Scenario A No. 1.xlsx
29-Mar-19

¹Source: U.S Census Bureau QuickFacts.

²Source: OnTheMap, U.S. Census Bureau based on 2015 data.

³Service rate for employees based on 40 hour work week.

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

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

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

⁷Represents the percent of new employees generated by Riverside development living and working in City of Newton. Source: OnTheMap, U.S. Census Bureau based on 2015 data.

⁸Calculated as inverse of percentage of newly created employees assumed to live in City of Newton.

⁹See Schedule I.

¹⁰See Schedule IV-A.

¹¹Source: 2013-2017 American Community Survey 5-Year Housing Estimates for Newton City, Massachusetts.

¹²Represents total new occupied households multiplied by the persons per household.

¹³See Appendix B.

¹⁴Represents the total new employee or non-resident employee equivalents plus the expected population increase. See Appendix B.

¹⁵Represents the current student enrollment in citywide elementary, middle, and high schools for Fiscal Year 2018-2019. Source: Superintendent's Proposed Operating Budget Fiscal Year 2019.

¹⁶See Schedule VII.

Riverside
Newton, Massachusetts

Appendix B: Total Projected Employees - New Development

Projected Employees - New Development	
<i>Retail</i>	
SF ¹	64,429
Employees per 1,000 SF ²	2.20
<hr/>	
Sub-total retail employees	141
<i>Office</i>	
SF ¹	579,905
Employees per 1,000 SF ²	2.94
<hr/>	
Sub-total office employees	1,704
<i>Hotel</i>	
Rooms ¹	194
Employees per room ²	0.27
<hr/>	
Sub-total hotel employees	52
<hr/>	
Total projected employees	1,897

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Riverside- FIA Scenario A No.1.xlsx]B

29-Mar-19

¹See Schedule I.

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

Riverside
Newton, Massachusetts

Appendix C: Estimated Sales Data

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

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29-Mar-19

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

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

Riverside
Newton, Massachusetts

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

	<u>Total</u>
Retail square feet ¹	64,429
Sales per square foot ²	\$347
Retail sales	\$22,345,944
Total retail jobs ³	164
Full time equivalent factor ⁴	0.8619
Total full time equivalent employees ("FTE")	141
Total FTE jobs per 1,000 square feet	2.20
Total labor income ³	\$4,626,389
Labor income to wage factor ⁵	1.1907
Sub-total employee wages	\$3,885,544
Average retail income per FTE -- annual	\$32,711
Average retail wage per FTE -- annual	\$27,473
Total operating revenue	\$9,089,212
Multiplier for retail wages ³	1.5258
Total earnings	\$7,058,747
Indirect earnings	\$2,432,358
Multiplier for retail jobs ³	1.2371
Total jobs	203
Indirect jobs	39
Multiplier for retail output ³	1.7326
Total economic output	\$15,747,909
Indirect output	\$6,658,697

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29-Mar-19

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

²See Appendix C.

³Retail wages, jobs, and output were calculated using IMPLAN software by IMPLAN Group, LLC. The software calculates labor income and the number of jobs based on industry multipliers derived from National Income and Product Accounts data published by the U.S. Bureau of Economic Analysis. This data is then indexed to local industry data compiled by the U.S. Census Bureau. For ease of interpretation, multipliers are shown to illustrate the effects retail development within the Washington Street Corridor development will have in Middlesex County. The multiplier for retail jobs is 1.2371, meaning that for each job at the development, 1.2371 jobs will be created in Middlesex County, 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 Middlesex County, 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 Middlesex County will be \$1.7326, including the \$1.00 at the development.

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

⁵Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. 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 ¹	579,905
Square feet per office worker ²	310
<hr/>	
Total office jobs ³	1,872
Full time equivalent factor ³	0.9102
Total full time equivalent employees ("FTE")	1,704
Total FTE jobs per 1,000 square feet	2.94
Total labor income ⁴	\$126,535,955
Labor income to wage factor ⁴	1.1837
Sub-total employee wages	\$106,901,919
Average office income per FTE -- annual	\$74,255
Average office wage per FTE -- annual	\$62,733
Total operating revenue	\$203,915,398
Multiplier for office wages ⁵	1.4255
Total earnings	\$180,375,539
Indirect earnings	\$53,839,584
Multiplier for office jobs ⁵	1.3790
Total jobs	2,582
Indirect jobs	710
Multiplier for office output ⁵	1.6596
Total economic output	\$338,409,482
Indirect output	\$134,494,084

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29-Mar-19

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

²Source: *Building Owners and Managers Association International 2017 Office Experience and Exchange Reports* for office properties in the Massachusetts market.

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

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

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

Riverside
Newton, Massachusetts

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

	<u>Total</u>
Hotel rooms ¹	194
Average nightly room rate ²	\$157
Average nightly occupancy ²	68.2%
Hotel operating revenue	\$7,566,000
Total hotel service jobs ³	57
Full time equivalent factor ⁴	0.9086
Total full time equivalent employees ("FTE")	52
Total FTE jobs per room	0.27
Total labor income ³	\$2,875,512
Labor income to wage factor ⁵	1.1609
Sub-total employee wages	\$2,477,062
Average hotel income per FTE -- annual	\$55,622
Average hotel wage per FTE -- annual	\$47,914
Multiplier for hotel wages ³	1.5253
Total earnings	\$4,386,061
Indirect earnings	\$1,510,549
Multiplier for hotel jobs ³	1.4372
Total jobs	74
Indirect jobs	17
Multiplier for hotel output ³	1.5047
Total economic output	\$11,384,458
Indirect output	\$3,818,458

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29-Mar-19

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

²See Schedule IV.

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

⁴Total 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").

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

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

²See Schedule III-B.

**Riverside
Newton, Massachusetts**

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

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

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¹Provided 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.

²See Schedule III-B.

Riverside
Newton, Massachusetts

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

Table 1: Fire and EMS Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	675	0.1330	90
Office	579,905	0.0558	32
Retail	64,429	0.2773	18
Hotel	103,954	0.1405	15
Total fire and EMS calls			155

¹See Schedule I.

²See Appendix E-1.

³Residential calls provided by the developer.

Table 2: Police Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	675	0.3780	255
Office	579,905	0.3063	178
Retail	64,429	0.7794	50
Hotel	103,954	0.3217	33
Total police calls			516

¹See Schedule I.

²See Appendix E-2.

³Residential calls provided by the developer.

Table 3: Fire and EMS Projected Calls - Existing Development

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

¹See Schedule I.

²See Appendix E-1.

Table 4: Police Projected Calls - Existing Development

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

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¹See Schedule IX.

²See Appendix E-2.

**Riverside
Newton, Massachusetts**

Fiscal Impact Analysis

Exhibit B
Newton School District Generation Factors

Prepared By:

MuniCap, Inc.

March 29, 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	\$6,799,925	(Schedule I)
Additional revenues	\$432,627	(Schedule V)
City of Newton tax revenues	\$7,232,552	
City of Newtown police and fire expenditures	(\$604,717)	(Schedule VI)
City of Newton student expenditures	(\$1,491,242)	(Schedule VII)
City of Newton general fund expenditures	(\$617,175)	(Schedule VIII)
City of Newton net fiscal impact	\$4,519,418	

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

	Annual (Full Build-Out)	
Real property tax revenues	\$596,206	(Schedule IX)
Additional revenues	\$2,802	(Schedule X)
City of Newton tax revenues	\$599,008	
City of Newtown police and fire expenditures	(\$35,601)	(Schedule XI)
City of Newton student expenditures ¹	\$0	
City of Newton general fund expenditures	(\$15,650)	(Schedule XIII)
City of Newton net fiscal impact	\$547,757	

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

	Annual (Full Build-Out)	
Projected development net fiscal impact	\$4,519,418	
Existing development net fiscal impact	(\$547,757)	
City of Newton net new fiscal impact	\$3,971,661	

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

Riverside
Newton, Massachusetts

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

	Jobs from Riverside Project		
	Permanent Jobs	Annual Compensation	Average Wage
Retail:			
Direct impacts	141	\$3,885,544	\$27,473
Indirect impacts	39	\$2,432,358	\$62,528
Sub-total retail impacts	180	\$6,317,902	
Office:			
Direct impacts	1,704	\$106,901,919	\$62,733
Indirect impacts	710	\$53,839,584	\$75,866
Sub-total office impacts	2,414	\$160,741,503	
Hotel:			
Direct impacts	52	\$2,477,062	\$47,914
Indirect impacts	17	\$1,510,549	\$86,813
Sub-total office impacts	69	\$3,987,611	
Total permanent direct impacts	1,897	\$113,264,524	\$59,701
Total permanent indirect impacts	766	\$57,782,491	\$75,437
Total permanent impacts	2,663	\$171,047,015	

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

***Riverside
Newton, Massachusetts***

S-3: Summary of Student Impacts

Table 1: Projected Student Enrollment²

	<u>Annual (Full Build-Out)</u>
Total projected student enrollment from new development ¹	94
Total estimated student enrollment from existing development	0
Projected net student enrollment	94

Table 2: Net Student Impacts

	<u>Annual (Full Build-Out)</u>
New student fiscal impacts ²	(\$1,491,242)
Existing student fiscal impacts	\$0
Net new student fiscal impacts	(\$1,491,242)

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¹See Schedule VII-A.

¹See 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 ¹			Units/ Rooms/Spaces	Estimated Assessed Value ²			Tax Rate	Taxes
	Rentable SF	Gross Area			Value Per GSF	Value per Unit/Room/Space	Total Assessed Value		
	Total SF	Per Unit/Room/Space							
<i>Residential</i>									
<i>For Rent</i>									
Market rate apartments	410,092	523,605	999	524	\$326	\$325,370	\$170,493,813	1.045%	\$1,781,660
Inclusionary income apartments									
50% AMI	36,783	46,965	999	47	\$57	\$57,288	\$2,692,525	1.045%	\$28,137
80% AMI	36,783	46,965	999	47	\$178	\$178,348	\$8,382,340	1.045%	\$87,595
<i>For Sale</i>									
Market rate condominiums	60,168	73,211	1,494	49	\$786	\$1,174,160	\$57,533,840	1.045%	\$601,229
Inclusionary income condominiums									
50% AMI	4,912	5,976	1,494	4	\$138	\$206,734	\$826,936	1.045%	\$8,641
80% AMI	4,912	5,976	1,494	4	\$431	\$643,602	\$2,574,408	1.045%	\$26,903
Sub-total residential	553,649	702,698		675			\$242,503,860		\$2,534,165
<i>Commercial</i>									
Retail	55,845	64,429	-	-	\$342	-	\$22,037,513	1.994%	\$439,428
Office	529,251	579,905	-	-	\$231	-	\$133,692,260	1.994%	\$2,665,824
Hotel	103,954	103,954	536	194	\$560	\$300,000	\$58,200,000	1.994%	\$1,160,508
Sub-total commercial	689,050	748,288		194			\$213,929,773		\$4,265,760
<i>Parking garage³</i>									
Taxable	-	-	-	1,908	\$0	\$0	\$0		
Total	1,242,699	1,450,986		2,777			\$456,433,634		\$6,799,925

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¹Source: Mark Development, LLC.

²See Schedule II.

³Assumes the value of the parking garage is accounted for within the rest of the development.

Riverside
Newton, Massachusetts

Schedule II: Projection of Assessed Value - Comparison of Approaches¹

Property Type	Comparables ²	Income Capitalization ³
<u>Residential</u>		
<i>For Rent</i>		
Market rate apartments		
Per unit	<u>\$325,369.87</u>	\$445,834.22
Inclusionary income apartments		
50% AMI		
Per unit	<u>\$57,287.76</u>	\$78,497.88
80% AMI		
Per unit	<u>\$178,347.65</u>	\$244,378.76
<i>For Sale</i>		
Market rate condominiums		
Per unit	<u>\$1,174,160.00</u>	-
Inclusionary income condominiums		
50% AMI		
Per unit	<u>\$206,733.94</u>	-
80% AMI		
Per unit	<u>\$643,601.93</u>	-
<u>Commercial</u>		
Retail		
Per SF	<u>\$342.04</u>	\$400.82
Office		
Per SF	<u>\$230.54</u>	\$378.59
Hotel		
Per room	\$226,034.57	<u>\$300,000.00</u>
Parking garage		
Per space	-	-

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

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

³See Schedules IV-A and IV-B.

Riverside
Newton, Massachusetts

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

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Units	Per GSF	Per Unit
<i>Apartments</i>									
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
Average									<u>\$325,370</u>
<i>Condominiums</i>									
77 Court Street Condominiums	23016 0032A	77 Court St #110B	Newton	2017	\$750,000	1,395	1	\$538	\$750,000
77 Court Street Condominiums	23016 0032V	77 Court St #107C	Newton	2017	\$721,800	1,575	1	\$458	\$721,800
99 Tremont Street Condominiums ²	2203711010	99 Tremont St	Boston	2018	\$815,000	-	1	-	\$815,000
Belclare	124-16W202	580 Washington St #202	Wellesley	2015	\$1,791,000	-	1	-	\$1,791,000
Belclare	124-16W401	580 Washington St #401	Wellesley	2015	\$1,793,000	-	1	-	\$1,793,000
Average									<u>\$1,174,160</u>

MuniCap, Inc.

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29-Mar-19

¹Comparable properties shown represent 2019 values as shown in assessor's database.

²**Additional information required to confirm assessed value.**

Riverside

Newton, Massachusetts

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

Development Type	Parcel ID	Property Address	Town	Year Built	Total Assessed Value	Area		Assessed Value	
						GSF	Rooms	Per GSF	Per Room
Retail									
In-line retail ²	83028 0078	230 Needham St	Newton	1955	\$10,457,200	34,460	-	\$303.46	-
In-line retail ³	83028 0077	244 Needham St	Newton	1955	\$9,875,400	31,925	-	\$309.33	-
In-line retail ⁴	83028 0002	170 Needham St	Newton	2014	\$2,965,300	7,174	-	\$413.34	-
Average								\$342.04	-
Office									
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								\$230.54	-
Hotel									
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	\$226,034.57

MuniCap, Inc.

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29-Mar-19

¹Comparable properties shown represent 2019 values as shown in assessor's database.

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

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

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

	Market Rate	Apartments	
		Inclusionary Income	
		(50% AMI)	(80% AMI)
Net square feet per unit ¹	821	821	821
Monthly rent per square foot ¹	\$3.65	\$1.19	\$2.35
Monthly rent per unit	\$2,997	\$1,119	\$1,691
Annual rent per unit	\$35,959.80	\$13,427	\$20,297
Annual rent per square foot	\$43.80	\$14.28	\$28.20
Vacancy ¹	5.00%	5.00%	5.00%
Effective rent per square foot	\$42.85	\$13.57	\$26.79
Effective rent per unit	\$35,180	\$11,138	\$21,995
Expense ratio ²	17%	54%	27%
Expenses	(\$6,000.00)	(\$6,000.00)	(\$6,000.00)
Net operating income per square foot	\$35.54	\$6.26	\$19.48
Net operating income per unit	\$29,180	\$5,138	\$15,995
Capitalization rate ¹	5.500%	5.500%	5.500%
Tax rate ³	1.045%	1.045%	1.045%
Fully loaded capitalization rate	6.545%	6.545%	6.545%
Value per net square foot	\$543.04	\$95.61	\$297.66
Value per unit	\$445,834	\$78,498	\$244,379
Value per gross square foot	\$446.17	\$78.56	\$244.56

MuniCap, Inc.

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29-Mar-19

¹Provided by Mark Development, LLC.

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

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

Riverside
Newton, Massachusetts

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

	Retail	Office
Annual rent per square foot ¹	\$37.00	\$35.00
Vacancy ¹	5.00%	5.00%
Effective rent per square foot	\$36.05	\$34.05
Expense ratio	0.00%	0.00%
Expenses ²	\$0.00	\$0.00
Net operating income per square foot	\$36.05	\$34.05
Capitalization rate ¹	7.000%	7.000%
Tax rate ³	1.994%	1.994%
Fully loaded capitalization rate	8.994%	8.994%
Value per net square foot	\$400.82	\$378.59

MuniCap, Inc.

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29-Mar-19

¹Provided by Mark Development, LLC.

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

³Tax 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
<i>Income Capitalization</i>	
Average daily rate per room	\$156.67
Gross annual income	\$57,184.75
Assumed occupancy rate ²	68.20%
Effective gross income per room	\$39,000.00
Assumed expense ratio ³	25.20%
Less: assumed expenses	(\$9,828.00)
Net operating income per room	\$29,172.00
Capitalization rate ²	7.73%
Tax rate ⁴	1.994%
Fully loaded capitalization rate	9.724%
Total estimated value per room ¹	\$300,000.00
Total estimated value per SF	\$559.86

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29-Mar-19

¹Provided by Mark Development, LLC.

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

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

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

Riverside

Newton, Massachusetts

Schedule V: Additional Revenues to City of Newton - Annual

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Projected Increase in Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$342,183,546	100%	\$342,183,546	Schedule VII-C	-	-	-	-	-
Motor vehicle excise taxes	\$13,500,000	100%	\$13,500,000	per resident	88,994	\$151.70	-	1,455	\$220,688
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	145,712	-	\$13.43	3,352	\$45,010
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	145,712	-	\$17.16	3,352	\$57,511
Charges for Services									
Recreation	\$128,000	100%	\$128,000	per resident	88,994	\$1.44	-	1,455	\$2,092
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	-	-	-	-	-
Fines and Forfeitures									
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	145,712	-	\$2.38	3,352	\$7,994
Licenses and Permits⁸									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
Investment Income									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Special Assessments									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
Unrestricted general government aid	\$6,076,265	100%	\$6,076,265	per resident	88,994	\$68.28	-	1,455	\$99,330
Other "cherry sheet" aid	\$268,089	0%	\$0	not impacted	-	-	-	-	-
Other State and Federal aid	\$1,710,000	0%	\$0	not impacted	-	-	-	-	-
Total Interfund Transfers									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
Grand Total General Fund						\$221.41	\$32.97		\$432,627

MuniCap, Inc.

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29-Mar-19

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

²Based on information provided in *City of Newton FY19 Proposed Budget*. Revenues do not match expenses due to removal of school revenues.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

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

***Riverside
Newton, Massachusetts***

Schedule VI: Projected Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY19 budget allocation ¹	\$23,454,298	\$22,458,284	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls ³	155	516	-
Expenses per service call	\$2,280.44	\$488.22	-
Projected annual increase in expenses	\$352,593	\$252,124	\$604,717

MuniCap, Inc.

Development LLC\Riverside Project\FIA\Final Files\[Riverside- FIA Scenario B No.1.xlsx]VI

29-Mar-19

¹Based on information provided in *City of Newton FY19 Proposed Budget*.

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

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

Riverside
Newton, Massachusetts

Schedule VII-A: Student Generation - Projected Total Students

Table 1: Projected Residential Units¹

Unit Type	Number of AMI Inclusionary Units		Number of Market Rate Units	Total Count
	50%	80%		
<i>Apartments:</i>				
Studio	4	4	49	57
1 Bedroom	27	26	297	350
2 Bedroom	14	14	161	189
3 Bedroom	2	3	17	22
Subtotal	47	47	524	618
<i>Condominiums:</i>				
1 Bedroom	3	2	27	32
2 Bedroom	1	2	22	25
Subtotal	4	4	49	57

Table 2: Projected Student Generation Rates

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

Table 3: Projected Total Students

Unit Type	Project Total Students			
<i>Apartments:</i>				
Studio	0	0	0	0
1 Bedroom	0	0	0	0
2 Bedroom	14	14	34	63
3 Bedroom	6	8	14	28
Subtotal	20	23	48	91
<i>Condominiums:</i>				
1 Bedroom	0	0	0	0
2 Bedroom	1	2	0	3
Subtotal	1	2	0	3
Total				94

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29-Mar-19

¹Provided by Mark Development, LLC.

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

Riverside
Newton, Massachusetts

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

Annual Impacts ¹	Current City Budget Amount ²	Percent Impacted ³	Adjusted Current City Budget Amount ³	Basis for Projecting Impacts ⁴	Current City Service Factors ⁵	Impacts by Factor Per Student	Projected Increase in Service Factor ⁶	Total Additional Impacts ⁷
Revenues:								
<i>Charges for Service</i>								
School department	\$80,000	100%	\$80,000	per student	12,780	\$6.26	94	\$586
<i>State and Federal Aid</i>								
Chapter 70 school aid	\$23,807,406	100%	\$23,807,406	per student	12,780	\$1,862.86	94	\$174,312
Expenses:								
<i>Expenditures</i>								
Newton public schools	\$226,067,185	100%	\$226,067,185	per student	12,780	(\$17,689.14)	94	(\$1,655,208)
<i>Transfers to Other Funds</i>								
Workers compensation fund - public schools	\$400,000	100%	\$400,000	per student	12,780	(\$31.30)	94	(\$2,929)
School athletic fund	\$1,093,078	100%	\$1,093,078	per student	12,780	(\$85.53)	94	(\$8,003)
Total						(\$15,936.84)		(\$1,491,242)

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 29-Mar-19

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

²Based on information provided in *City of Newton FY19 Proposed Budget*.

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

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

⁵Represents current statistics for City. See Appendix A.

⁶See Schedule VII-A.

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

Riverside
Newton, Massachusetts

Schedule VIII: Additional Expenses to City of Newton - Annual

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Projected Increase in Service Factor ⁶	Total Additional Expenditures ⁷
						Total	Serv. Pop.		
General Government⁸									
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	145,712	\$9.39	3,352	\$31,489	
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	145,712	\$174.73	3,352	\$585,686	
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	-	-	-	-	-
Transfers to Other Funds									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	-
Total current expenditures	\$187,535,678					\$184.12		\$617,175	

MuniCap, Inc.

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29-Mar-19

¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY19 Proposed Budget*. Expenses shown do not match revenues due to the removal of school expenses.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

*Riverside
Newton, Massachusetts*

Schedule IX: Summary of Existing Development

Projected Existing Real Property Tax Revenues to City of Newton

Table 1: Existing Development¹

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

Table 2: Existing Demographics

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

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29-Mar-19*

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

²Provided by the City of Newton Assessors Department FY 2019.

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

**Riverside
Newton, Massachusetts**

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

Annual Revenues ¹	Current City Revenues ²	Percent Impacted ³	Adjusted Current City Revenues ³	Basis for Projecting Revenues ⁴	Current City Service Factors ⁵	Revenues by Factor		Estimated Service Factor ⁶	Total Additional Revenues ⁷
						Per Resident	Total Serv. Pop.		
Taxes									
Property taxes	\$342,183,546	100%	\$342,183,546	Schedule XV	-	-	-	-	-
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	145,712	-	\$13.43	85	\$1,141
Hotel and motel taxes	\$2,500,000	100%	\$2,500,000	total service population	145,712	-	\$17.16	85	\$1,458
Charges for Services									
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	-	-	-	-	-
Fines and Forfeitures									
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	145,712	-	\$2.38	85	\$203
Licenses and Permits⁸									
Inspection services	\$5,435,000	0%	\$0	not impacted	-	-	-	-	-
Other licenses and permits	\$1,045,675	0%	\$0	not impacted	-	-	-	-	-
Investment Income									
	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Special Assessments									
	\$50,000	0%	\$0	not impacted	-	-	-	-	-
Miscellaneous Local Revenues									
	\$60,000	0%	\$0	not impacted	-	-	-	-	-
Total State and Federal Aid⁹									
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	-	-	-	-	-
Total Interfund Transfers									
	\$4,730,682	0%	\$0	not impacted	-	-	-	-	-
Total Fund Balance to Support Budget									
	\$1,602,738	0%	\$0	not impacted	-	-	-	-	-
Grand Total General Fund						\$32.97		\$2,802.43	

MuniCap, Inc.

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29-Mar-19

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

²Based on information provided in *City of Newton FY19 Proposed Budget*. Revenues do not match expenses due to removal of school revenues.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

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

***Riverside
Newton, Massachusetts***

Schedule XI: Existing Fire and Police Annual Expenses

	Fire and Rescue	Police Department	Total
City of Newton FY19 budget allocation ¹	\$23,454,298	\$22,458,284	-
Current Newton total service calls ²	10,285	46,000	-
Expenses per total service call	\$2,280.44	\$488.22	
Projected increase in total service calls ³	10	24	-
Expenses per service call	\$2,280.44	\$488.22	-
Projected annual increase in expenses	\$23,890	\$11,711	\$35,601

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¹Based on information provided in *City of Newton FY19 Proposed Budget*.

²See Schedule VI.

³See Appendix E-3 Tables 3 and 4.

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Newton, Massachusetts

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

Annual Expenditures ¹	Current City Expenses ²	Percent Impacted ³	Adjusted Current City Expenses ³	Basis for Projecting Expenses ⁴	Current City Service Factors ⁵	Expenditures by Factor		Estimated Service Factor ⁶	Total Additional Expenditures ⁷
						Total Serv. Pop.			
General Government⁸									
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	145,712	\$9.39	85	\$798	
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	145,712	\$174.73	85	\$14,852	
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	-	-	-	-	-
Transfers to Other Funds									
Workers Compensation Fund - Municipal	\$800,000	0%	\$0	not impacted	-	-	-	-	-
Rainy Day Stabilization Fund	\$150,000	0%	\$0	not impacted	-	-	-	-	-
Total current expenditures	\$187,535,678					\$184.12		\$15,650	

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¹Not all expenditures are expected to be impacted.

²Based on information provided in *City of Newton FY18 Proposed Budget*. Expenses shown do not match revenues due to the removal of school expenses.

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

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

⁵Represents current statistics for City. See Appendix A.

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

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

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

**Riverside
Newton, Massachusetts**

Appendices

Riverside
Newton, Massachusetts

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

City of Newton permanent population ¹	88,994
City of Newton employed population ²	56,718
Employee population equivalent ³	56,718
Total service population ⁴	145,712
Non-resident employees ⁵	50,763
Non-resident employee population equivalent ³	50,763
Net service population ⁶	139,757
Percent of newly created City of Newton employees assumed to live in City of Newton ⁷	10.5%
Percent of newly created City of Newton employees assumed to live outside City of Newton ⁸	89.5%
Service population rates	
Resident	1.00
Employee ³	1.00
Proposed new rentals ⁹	618
Vacancy rate ¹⁰	5.0%
Occupied new households	587
Persons per household (renter occupied) ¹¹	2.21
Expected population increase (renter occupied) ¹²	1,297
Proposed new owner-occupied households ⁹	57
Persons per household (owner-occupied)	2.76
Expected new owner-occupied population increase ¹¹	157
Total population increase ¹²	1,455
Projected new employees ¹³	1,897
Projected new employee population equivalent ³	1,897
Total new service population increase ¹⁴	3,352
Current students ¹⁵	12,780
Projected student increase ¹⁶	94

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¹Source: U.S Census Bureau QuickFacts.

²Source: OnTheMap, U.S. Census Bureau based on 2015 data.

³Service rate for employees based on 40 hour work week.

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

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

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

⁷Represents the percent of new employees generated by Riverside development living and working in City of Newton. Source: OnTheMap, U.S. Census Bureau based on 2015 data.

⁸Calculated as inverse of percentage of newly created employees assumed to live in City of Newton.

⁹See Schedule I.

¹⁰See Schedule IV-A.

¹¹Source: 2013-2017 American Community Survey 5-Year Housing Estimates for Newton City, Massachusetts.

¹²Represents total new occupied households multiplied by the persons per household.

¹³See Appendix B.

¹⁴Represents the total new employee or non-resident employee equivalents plus the expected population increase. See Appendix B.

¹⁵Represents the current student enrollment in citywide elementary, middle, and high schools for Fiscal Year 2018-2019. Source: Superintendent's Proposed Operating Budget Fiscal Year 2019.

¹⁶See Schedule VII.

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Newton, Massachusetts

Appendix B: Total Projected Employees - New Development

Projected Employees - New Development	
<i>Retail</i>	
SF ¹	64,429
Employees per 1,000 SF ²	2.20
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Sub-total retail employees	141
<i>Office</i>	
SF ¹	579,905
Employees per 1,000 SF ²	2.94
<hr/>	
Sub-total office employees	1,704
<i>Hotel</i>	
Rooms ¹	194
Employees per room ²	0.27
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Sub-total hotel employees	52
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Total projected employees	1,897

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¹See Schedule I.

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

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Appendix C: Estimated Sales Data

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

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

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

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Newton, Massachusetts

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

	<u>Total</u>
Retail square feet ¹	64,429
Sales per square foot ²	\$347
Retail sales	\$22,345,944
Total retail jobs ³	164
Full time equivalent factor ⁴	0.8619
Total full time equivalent employees ("FTE")	141
Total FTE jobs per 1,000 square feet	2.20
Total labor income ³	\$4,626,389
Labor income to wage factor ⁵	1.1907
Sub-total employee wages	\$3,885,544
Average retail income per FTE -- annual	\$32,711
Average retail wage per FTE -- annual	\$27,473
Total operating revenue	\$9,089,212
Multiplier for retail wages ³	1.5258
Total earnings	\$7,058,747
Indirect earnings	\$2,432,358
Multiplier for retail jobs ³	1.2371
Total jobs	203
Indirect jobs	39
Multiplier for retail output ³	1.7326
Total economic output	\$15,747,909
Indirect output	\$6,658,697

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

²See Appendix C.

³Retail wages, jobs, and output were calculated using IMPLAN software by IMPLAN Group, LLC. The software calculates labor income and the number of jobs based on industry multipliers derived from National Income and Product Accounts data published by the U.S. Bureau of Economic Analysis. This data is then indexed to local industry data compiled by the U.S. Census Bureau. For ease of interpretation, multipliers are shown to illustrate the effects retail development within the Washington Street Corridor development will have in Middlesex County. The multiplier for retail jobs is 1.2371, meaning that for each job at the development, 1.2371 jobs will be created in Middlesex County, 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 Middlesex County, 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 Middlesex County will be \$1.7326, including the \$1.00 at the development.

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

⁵Total labor income includes wages and salary, benefits, payroll taxes, and proprietor's income. 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 ¹	579,905
Square feet per office worker ²	310
<hr/>	
Total office jobs ³	1,872
Full time equivalent factor ³	0.9102
Total full time equivalent employees ("FTE")	1,704
Total FTE jobs per 1,000 square feet	2.94
Total labor income ⁴	\$126,535,955
Labor income to wage factor ⁴	1.1837
Sub-total employee wages	\$106,901,919
Average office income per FTE -- annual	\$74,255
Average office wage per FTE -- annual	\$62,733
Total operating revenue	\$203,915,398
Multiplier for office wages ⁵	1.4255
Total earnings	\$180,375,539
Indirect earnings	\$53,839,584
Multiplier for office jobs ⁵	1.3790
Total jobs	2,582
Indirect jobs	710
Multiplier for office output ⁵	1.6596
Total economic output	\$338,409,482
Indirect output	\$134,494,084

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

²Source: *Building Owners and Managers Association International 2017 Office Experience and Exchange Reports* for office properties in the Massachusetts market.

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

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

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

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Newton, Massachusetts

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

	<u>Total</u>
Hotel rooms ¹	194
Average nightly room rate ²	\$157
Average nightly occupancy ²	68.2%
Hotel operating revenue	\$7,566,000
Total hotel service jobs ³	57
Full time equivalent factor ⁴	0.9086
Total full time equivalent employees ("FTE")	52
Total FTE jobs per room	0.27
Total labor income ³	\$2,875,512
Labor income to wage factor ⁵	1.1609
Sub-total employee wages	\$2,477,062
Average hotel income per FTE -- annual	\$55,622
Average hotel wage per FTE -- annual	\$47,914
Multiplier for hotel wages ³	1.5253
Total earnings	\$4,386,061
Indirect earnings	\$1,510,549
Multiplier for hotel jobs ³	1.4372
Total jobs	74
Indirect jobs	17
Multiplier for hotel output ³	1.5047
Total economic output	\$11,384,458
Indirect output	\$3,818,458

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

²See Schedule IV.

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

⁴Total 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").

⁵Total 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.

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

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

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

²See Schedule III-B.

**Riverside
Newton, Massachusetts**

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

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

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

² See Schedule III-B.

***Riverside
Newton, Massachusetts***

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

Table 1: Fire and EMS Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	675	0.1330	90
Office	579,905	0.0558	32
Retail	64,429	0.2773	18
Hotel	103,954	0.1405	15
Total fire and EMS calls			155

¹See Schedule I.

²See Appendix E-1.

³Residential calls provided by the developer.

Table 2: Police Projected Calls - New Development

	Units/SF ¹	Call/Unit/SF ²	Total Calls
<i>Development</i>			
Residential ³	675	0.3780	255
Office	579,905	0.3063	178
Retail	64,429	0.7794	50
Hotel	103,954	0.3217	33
Total police calls			516

¹See Schedule I.

²See Appendix E-2.

³Residential calls provided by the developer.

Table 3: Fire and EMS Projected Calls - Existing Development

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

¹See Schedule I.

²See Appendix E-1.

Table 4: Police Projected Calls - Existing Development

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

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¹See Schedule IX.

²See Appendix E-2.