

July 20, 2015

Kevin Sweet, Town Administrator
Town Building
195 Main St.
Maynard, MA 01754

Reference: 129 Parker Street: Fiscal Impact of "The Shoppes at Maynard Crossing"

Dear Mr. Sweet:

Per Bill Nemser's request, I am providing an updated fiscal impact assessment of the proposed "Shoppes at Maynard Crossing" at 129 Parker Street. As we understand it, the Town and developer have negotiated the following project changes:

- The development will provide 175 rental apartments, including 95 one-bedroom units, each with approximately 750 sq. ft. of living space, and 80 two-bedroom units ranging from 1,000 to 1,250 sq. ft. of living space. Together, the 175 apartments will not exceed a combined total of 255 bedrooms.
- Seventeen of the 175 units will be one-bedroom low- or moderate-income units. These units may be provided within the development or off-site in other locations in Maynard. If all seventeen are created elsewhere, the maximum number of multifamily units at 129 Parker Street will be 158, all being market-rate units.

The rest of the development will include the components we discussed in our June 8, 2015 report. Specifically:

- A supermarket consisting of 65,000 sq. ft.
- Retail and restaurant uses totaling 163,050 sq. ft.
- Flex/office space at 82,720 sq. ft.
- A 127,328 sq. ft. senior housing (independent living) residence with 142 suites

Since the only changes involve a reduction in the number of apartments and a redistribution of the affordable units, we will focus our comments on the multifamily component of the project. For purposes of this review, we have to assume that all 175 units will be constructed at the Parker Street site because the potential off-site locations are unknown. We have also used the same building value (per sq. ft.) estimates provided by your town assessor in June while adjusting the total multifamily revenue estimate to reflect the smaller size of the units and buildings.

Multifamily Component: 129 Parker Street (Negotiated Project Change)					
Unit Size	Market-Rate	Average Household Size	Average Number of School Students	Household Population	Students
1 BR	78	1.380	0.030	108	2
2 BR	80	2.120	0.220	170	18
	Affordable				
1 BR	17	1.310	0.100	22	2
2 BR		2.400	0.420		
Total	175			300	22

Sources: Rutgers University, Center for Urban Policy Research, Residential Demographic Multipliers (June 2006), and RKG Associates, Inc.
* Note: There is a very low probability of any school-age children living in the one-bedroom market rate or affordable units. For purposes of this review, RKG has used the Rutgers multipliers but in our experience, the only children (if any) in one-bedroom units are infants and toddlers.

As a result of changes negotiated by the Town and developer, we estimate the project's fiscal impact as follows:

Net Impact at Buildout: General Fund Expenditures and Revenue, 129 Parker Street						
Component	Recurring (Annual) Revenue			Community Service Costs	Net Revenue	Revenue Ratio
	Real Estate	Excise	Total			
Nonresidential	\$1,025,100		\$1,025,100	\$264,100	\$761,000	0.26
Residential	<u>\$494,800</u>	<u>\$75,100</u>	<u>\$569,900</u>	<u>\$502,000</u>	<u>\$67,900</u>	0.88
Total	\$1,519,900	\$75,100	\$1,595,000	\$766,100	\$828,900	0.48

Sources: Town of Maynard, RKG Associates.

In addition, the project will generate construction permit fees (one-time revenue) of approximately \$763,000. This amount could be somewhat less if the seventeen affordable units are created from existing units elsewhere in Maynard or provided through a fee in lieu of units payment to an affordable housing fund.

Please don't hesitate to contact me if you have questions.

Sincerely,



Judi Barrett
Director of Municipal Services

cc: John Witten, Esq.