

FISCAL IMPACT STUDY

**ROSEBROOK COMMONS:
PROPOSED RESIDENTIAL DEVELOPMENT**

TOWN OF MIDDLETOWN, RI

FOR:

MESOLELLA DEVELOPMENT CORP

**PREPARED BY: JDL ENTERPRISES -
JOSEPH D. LOMBARDO, AICP**

MAY 2022

INTRODUCTION ~

This Fiscal Impact Study (FIS) has been prepared to supplement a Major Land Development Application for a planned Residential Development. Rosebrook Commons is proposed as a 144-unit Residential Development accessed off of 1747 West Main Road in Middletown, Rhode Island. The FIS will use the per capita multiplier method for estimating anticipated public revenues and expenses associated with the proposed development. The per capita multiplier is a generally accepted planning method to complete this study for review by the Town of Middletown. The FIS will attempt to estimate both future revenues and expenses utilizing past and present statistics and financial data from a variety of sources, to be noted.

SUMMARY ~

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The Town of Middletown will realize total estimated Revenues of \$294,209 from Property, Tangibles and Motor Vehicle Taxes on an annual basis with the development of the proposed Rosebrook Commons. By subtracting the total expense estimate of \$390,233 from the total anticipated revenue of \$294,209, the Town of Middletown will actually realize a Net Revenue Loss of \$96,024 with regard to expenses and revenues on an annual basis with the full development at Rosebrook Commons. There will be annual Sewer and Water Use Fees collected. Most importantly, the Town of Middletown will be adding much needed housing and valuable housing alternatives including a large total of 63 LMI units for present and future residents of Middletown.

BASELINE INFORMATION ~

In order to begin the FIS, baseline information needs to be presented, including; population, housing units, Town budget numbers, and school age children. The following table presents this information, and will establish per capita multipliers for Middletown, and this particular development proposal at Rosebrook Commons.

**TABLE # 1:
PER CAPITA MULTIPLIERS - BASE YEAR OF 2021- TOWN OF MIDDLETOWN**

	PUBLIC SCHOOL PUPILS	MUNICIPAL BUDGET	SCHOOL BUDGET	HOUSING UNITS	POPULATION
TOTAL	2073	\$31,615,600*	\$26,557,670*	7,932	17,075
PER HOUSEHOLD	N/A	\$1,851*	N/A	2.15	N/A
PER PUPIL	N/A	N/A	\$12,811	0.26	

NOTES: * Source: Town of Middletown Town Budget: FY 2021-22 Budget -does not include debt service

Pupils: Middletown District Office as of October 1, 2021

School Budget is Town contribution/appropriation to Middletown School District.

Housing Units & Population from: Housing Fact Book – Housing Works RI 2021

Therefore, in summary, the Per Capita Multipliers for Middletown are:

➤	Municipal Budget per capita.....	\$1,851
➤	Revised Municipal Budget per capita	\$925
➤	School Budget per capita	\$12,811
➤	Population Multiplier per household	2.15
➤	School age multiplier per household.....	.0.26

Revised Municipal Multiplier are estimated at 50% of the per resident municipal costs due to private services provided by the development and typical projected expenses that will not occur as this site versus typical residential development. This includes maintenance of new town roadways, and public works related expenses on site. There will be no municipal trash collection. Minimal to no expenses for recreation, library use, and Town Hall departments. The only costs anticipated are for police, fire and safety services encompassed in the 50% projection of services.

ROSEBROOK COMMONS DEVELOPMENT ESTIMATES ~

Based on the per capita multipliers presented above, Table 2 presents the anticipated population projections for Rosebrook Commons – Residential Development:

**TABLE # 2: POPULATION PROJECTIONS -
PROPOSED ROSEBROOK COMMONS DEVELOPMENT - 2021
TOWN OF MIDDLETOWN**

	PER UNIT	# OF UNITS	NUMBER AND PERCENTAGE
POPULATION - 1 BDR	1.50	70	105 - 40%
POPULATION - 2 BDR	2.07	62	128- 49%
POPULATION - 3 BDR	2.50	12	30-11%
TOTALS		144	263- 100%

* The per capita population estimates of for the 1, 2 &3-bedroom units reflect national, regional and local residential housing data, particularly as illustrated in Appendix F and G, and as described below.

In order to determine the school age children that may result from a development such as proposed, normally it can be expected to mirror the national, regional and more closely, local and state averages of: No school-age children in the studio and 1-bedroom units, 0.07 students per household, or 7 students per 100 households in the 2-bedroom units, and 0.50 students per household, or 50 students per 100 households in the 3-bedroom units. To verify the number of school age children that may result from a development such as proposed, numerous studies over the past 10-12 years have shown this to be an average rate of school-age children.

Similar ratios have been determined to exist in several other Apartment & Condominium developments around the state and nearby Connecticut (Refer to Appendix C), notably Greenwich Place and River Farm in Middletown (Refer to Appendix B & D). With regard to apartment complexes, at Cumberland Crossing, a 258-unit two-bedroom style apartment complex, there were only 14 school age children residing at that location in Cumberland in 2006. (See Appendix A & E for additional information on apartment complexes).

Appendix F is a recent compilation of the existing Apartment & Condominium developments in Smithfield, RI which also indicates similar ratios for school age children in that community. Thus, to estimate the school age children that may result from the proposed residential development as proposed for Rosebrook Commons, it can be expected to mirror those complexes.

Thus, **Ten (10) students** would be expected from the multipliers for the 2 bedroom and 3-bedroom units as described above, from the residential development proposed within the Rosebrook Commons development. That is primarily due to the proposed design of mostly one- and two-bedroom units that typically do not attract or retain families with children as potential residents, and in particular, large scale multifamily buildings.

A total of **263** people (including the school age children) will be projected to be residents of the Rosebrook Commons. Review of Conclusions from the Addendum will substantiate the projected number of school age children from the proposed residential development.

The projected school-age children will be spread between the Town's elementary, middle and high school, during any particular school year.

ROSEBROOK COMMONS REVENUE ESTIMATES ~

Based on the projections presented above in Tables 1 & 2, Table 3A and 3 B presents the projected total municipal revenue for the Residential and Commercial Development:

**TABLE # 3A:
TOTAL PROJECT REVENUE PROJECTIONS -
ROSEBROOK COMMONS RESIDENTIAL DEVELOPMENT –
BASE YEAR OF 2021
TOWN OF MIDDLETOWN**

	TOTAL RENTAL INCOME	RATE AT 8%		UNITS			TOTAL REVENUE
RESIDENTIAL MULTIFAMILY MIX OF 1, 2 & 3 BED UNITS MARKET AND LMI RATE	\$2,322,966	\$185,840		144			\$185,840
TOTALS				144			\$185,840

+ Per Mesoella Development Corp – Rosebrook Commons

* Per Town of Middletown Tax Assessor’s Office 2021 – Residential calculation based on rental income for all units per year.

Total gross revenue from the proposed RESIDENTIAL development at Rosebrook Commons is: \$185,840.

**TABLE # 3B:
TOTAL PROJECT REVENUE PROJECTIONS -
ROSEBROOK COMMONS COMMERCIAL DEVELOPMENT –
BASE YEAR OF 2021
TOWN OF MIDDLETOWN**

		ASSESSED VALUE ⁺	TAX RATE *	UNITS	TOTAL REVENUE	TOTAL REVENUE
COMMERCIAL SPACE	23,000 SF @ \$150/SF	\$3,450,000	\$18.21/ \$1000			\$62,825
TOTALS						\$62,825

* Per Town of Middletown Tax Assessor’s Office 2021 –Commercial rate @100%

Total gross revenue from the proposed COMMERCIAL development at Rosebrook Commons is: \$62,825.

Total gross revenue from the proposed RESIDENTIAL and COMMERCIAL development combined at Rosebrook Commons is: \$248,665.

ADDITIONAL REVENUE ~

There will be one-time fee revenue collected for Building Permits, Water and Sewer connections, and Site Plan Review that will accrue to the community for the building and construction of the Rosebrook Commons project.

MOTOR VEHICLE TAX REVENUE ~

I have researched the valuation of motor vehicles in Middletown. It is **\$80,340,407**. If that number, **\$80,340,407**, is divided by **\$1000** and then multiplied by the **\$16.05 per \$1000** valuation, that generates a total of **\$1,289,464** in annual revenue for this current year.

There are **6,924** households in Middletown. Dividing that revenue projection of **\$1,289,464** by the number of households (6,924) that equals **\$186** per household each, on average.

Thus, with 144 new households being added from the proposed Rosebrook Commons at \$186 for each household, that would generate **\$26,784** in additional revenue from the project annually.

TANGIBLE TAX REVENUE ~

Per the Tax Assessor, it was determined that on average, each commercial taxpayer in Middletown pays a total of **\$1,876.00**. Given that Rosebrook Commons will house Ten (10) tenants, averaging approximately 2,500 square feet each within the building, it is estimated that the Commercial Portion of the Rosebrook Commons project will generate an additional tangible tax revenue annually of **\$18,760.00**.

Total gross revenue from the proposed RESIDENTIAL, COMMERCIAL, TANGIBLES and MOTOR VEHICLES combined at Rosebrook Commons is: \$294,209.

ROSEBROOK COMMONS EXPENSES ESTIMATES ~

Based on the per capita multipliers and population and school age children projections presented above, Table 4 presents the projected total municipal expenses for the Rosebrook Commons Development:

**TABLE # 4:
TOTAL PROJECT EXPENSES PROJECTIONS – ROSEBROOK COMMONS
TOWN OF MIDDLETOWN - 2021**

	SCHOOL PUPILS	MUNICIPAL BUDGET	HOUSING UNITS	POPULATION
TOTAL	10	N/A	144	263
PER CAPITA	N/A	\$925*	Varies	N/A
PER PUPIL	\$12,811 ⁺	N/A	---	N/A
TOTAL EXPENSES	\$128,110	\$243,275	N/A	N/A

*Revised Municipal Multiplier @75% due to private services provided by the development

⁺ School Multiplier reflects Town contribution/appropriation only

Therefore, the actual cost to the Town for school and municipal expenses for the proposed residential project is **\$371,385.**

The municipal expenses highlighted above in Table 4 and referenced on Page #3, are conservative and estimated at 50% of the per resident municipal costs due to private services provided by the development and typical projected expenses that will not occur as this site versus typical residential development. This includes maintenance of new town roadways, and public works related expenses on site. There will be no municipal trash collection. Minimal to no expenses for recreation, library use, and Town Hall departments. The only costs anticipated are for police, fire and safety services encompassed in the 50% projection of services.

**TOTAL PROJECT EXPENSES PROJECTIONS:
COMMERCIAL PORTION OF
ROSEBROOK COMMONS DEVELOPMENT**

Additional expenses for the commercial portion of the project are offset by the revenue projected. From a cost of services perspective for a Commercial project, it can be anticipated that for every dollar of tax revenue collected by the Town of Middletown, approximately 30% would be spent on providing municipal services. The 30% expenditure is a conservative estimate. Some of the projected expenses will not occur as this site development is to be maintained by a private developer/owner. (See Appendix G)

It is expected that the Town will incur minimal expenses from the project development. There would be an expectation to have small incremental demands for services that would be a result of the proposed development, including:

- Police – small increase in traffic and accident calls

- Emergency Services – small increase in calls to serve the facility (customers & employees)

The anticipated Tax Revenue from the Commercial portion of the Rosebrook Commons Project is **\$62,825** as calculated in Table 3A. Taking into account that 30% of this revenue will be utilized by the Town of Middletown for Town services this totals **\$18,848**. That would provide approximately **\$ 43,977** in available net revenue to offset other Townwide municipal expenses and can be allocated annually as the Town may decide to best utilize these financial revenue resources. This project will provide additional financial resources to the Town of Middletown on an annual basis to assist with keeping tax rate more stable over time.

**ROSEBROOK COMMONS ANTICIPATED
REVENUE AND EXPENSE COMPARISON~**

Based on information and statistics presented above in Tables 1-4, Table 5 presents a comparison of the projected total municipal revenue with total projected expenses for Rosebrook Commons, as anticipated:

**TABLE # 5:
ROSEBROOK COMMONS REVENUE AND EXPENSE COMPARISON –
BASE YEAR OF 2021 - TOWN OF MIDDLETOWN**

	TOTAL MUNICIPAL COSTS	TOTAL SCHOOL COSTS	TOTAL COSTS	TOTAL ESTIMATED REVENUE	NET RESULTS
TOTAL PROJECT	\$262,123 Residential & Commercial	\$128,110 (10 students)	\$390,233	\$294,209	-\$96,024]

SUMMARY ~

The Town of Middletown will realize total estimated Revenues of \$294,209 from Property, Tangibles and Motor Vehicle Taxes on an annual basis with the development of the proposed Rosebrook Commons. By subtracting the total expense estimate of \$390,233 from the total anticipated revenue of \$294,209, the Town of Middletown will actually realize a Net Revenue Loss of \$96,024 with regard to expenses and revenues on an annual basis with the full development at Rosebrook Commons. There will be annual Sewer and Water Use Fees collected. Most importantly, the Town of Middletown will be adding much needed housing and valuable housing alternatives including a large total of 63 LMI units for present and future residents of Middletown.

Joseph D. Lombardo, AACP

JDL ENTERPRISES

DATE: May 2022

ADDENDUM – CONCLUSIONS RE: MULTIFAMILY HOUSING & SCHOOL AGE CHILDREN

In order to determine and substantiate the number of school age children that may result from a residential development of apartments or Apartment & Hotels, normally it can be expected to mirror the national, regional and more closely, local state averages. Empirical data collected over the past 10 years primarily in Rhode Island and a lesser degree from Connecticut, a ratio of 0.05 students per household, or 5 students per 100 households has been verified numerous times.

To verify the number of school age children that may result from any such development that is to be newly constructed, in densities exceeding 50 units, contain one- and two-bedroom units, the selection of the developments to study over the years of research of similar type developments is key.

Usually this involves an inquiry to the local School Department or bus company to quantify the number of students residing in the various selected residential developments. This will produce a ratio of school age children per 100 units to be used as a multiplier. These ratios have been determined to exist in numerous Apartment & Hotel and apartment developments throughout Rhode Island and Connecticut over the past 10 years.

Based on a recent study in October of 2011 by Community Opportunities Group, Inc. for the Town of Maynard, MA, the following findings and conclusions verify and substantiate the projection of a ratio of 0.05 students per household, or 5 students per 100 households:

- Statistics derived from the Census Bureau's new American Community Survey (ACS) indicates virtually no school-age children in one-bedroom units, and very few in two-bedroom multi-family units
- Households in new multifamily housing are quite different from their counterparts in older multi-family developments. The differences range from household size and composition to household income and employment characteristics. A key factor separating new from old developments is that the former are frequently designed to cater to childless households.
- The number of school-age children in new multi-family housing is driven primarily by the size of the dwelling units (number of bedrooms) and whether the units are subject to age restrictions. For non-age-restricted housing, two-bedroom units attract a mixed population, including some families with school-age children; and one-bedroom units rarely have dependent children, especially older children.

In addition to unit sizes, new multi-family developments have a lesser tendency to attract families based on:

- *Density.* Higher - density developments tend to have fewer children of any age than lower density developments. This seems to correlate with unit size because very high-density developments are usually dominated by one- and two-bedroom units.
- *Other choices in the housing market.* Since new multifamily developments are so often designed to discourage family occupancy, families seeking rental housing will choose other options if available in the same market area
- *Housing costs.* In a given market area, the higher the rent, the more likely it is that a renter household will not have school age children
- *Older multi-family dwellings* are more likely to house families with children because they are relatively small buildings with yards, and the rents (or Apartment & Hotel sale prices) tend to run below market. Families that can afford to own a home generally purchase one.

IN SUMMARY, statistics gathered in a broader manner for an entire community may not accurately reflect the anticipated number of school age children that will be residents of newly constructed, more dense multi-family housing. Townwide averages blend all multifamily residents and do not account for the large differences that determine the choices a family with children will make based on age, density, amenities and most importantly, number of bedrooms. There have been very few studies completed in the three-state region (MA, RI & CT) during the past 10-15 years to really assist any particular community to assess the impact of school age children that may reside in a proposed residential development. Given all the specific and detailed data collection prepared by JDL ENTERPRISES and the chosen methodology, there is a higher degree of confidence in predicting school age children for a new development, such as proposed for the Town of Middletown, RI than attempting to utilize generalized older studies that do not reflect the actual project being reviewed by the community.

Appendix A
COMAPARABLE APARTMENT COMPLEXES
SCHOOL AGE CHILDREN (SAC)

<i>COMMUNITY</i>	<i>APARTMENT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
Cranston	Springfield	216	9	4.1
No. Prov.	Windsor	240	6	2.5
Warwick	Villa Del Rio	391	25	6.3
Warwick	Briarwood Meadows	456	6	1.3
Providence	Centre Place	225	2	.8
Narragansett	Pier Village	99	0	0
W. Warwick	Greenwich Place	168	15	8.9
TOTALS		1794	63	3.5

Source: Community Impact Study for South County Commons, LLC, So. Kingstown, RI
 By Dan Varin – March 2003

Appendix B
COMPARABLE APARTMENT &
HOTEL/APARTMENT COMPLEXES
SCHOOL AGE CHILDREN (SAC)

<i>COMMUNITY</i>	<i>DEVELOPEMNT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
Cumberland	Cumberland Crossing	258	14	5.4
Westerly	7 Complexes	268	7	2.6
W. Warwick	Riverview Farm	125	4	3.2
Stonington, CT	8 Complexes (detail in Appendix C)	209	5	2.4
TOTALS		860	30	3.5

Source: JDL ENTERPRISES – March 2006

APPENDIX C

~TOWN OF STONINGTON, CT ~

PUBLIC SCHOOL STUDENTS: EXISTING CONDOMINUM DEVELOPMENTS

• Stonington Landing	54 units	1 Student
• Whitehall Pond Rte (Mystic)	26 units	0 Students
• Whitehall Landing	24 units	4 Students
• Hewitt Road(Mystic)	12 units	0 Students
• Mystic River Square	25 units	0 Students
• Broadway School (Mystic)	21 units	0 Students
• Riverwalk Condos (Pawcatuck)	37 units	0 Students
• Pequot Run (Pawcatuck)	10 units	0 Students
	TOTAL =	5 STUDENTS
	209 UNITS	

**AVERAGE NUMBER OF STUDENTS PER UNIT = $209/5 = 0.024$
OR 2.4 STUDENTS PER ONE HUNDRED APARTMENT & HOTEL UNITS**

SOURCES OF INFORMATION:

1. First Student Bus Company – (Data Released by Mr. Frank Connolly of the Stonington School Dept. – Business Office)
2. Tax Assessor – Town of Stonington, CT

Date: February 15, 2006

Appendix D
ADDITIONAL COMPARABLE APARTMENT &
HOTEL COMPLEXES
SCHOOL AGE CHILDREN (SAC)

<i>COMMUNITY</i>	<i>DEVELOPEMNT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
No.	Silver Pines	29	1	3.5
Middletown				
Woonsocket	Laurelwood (age- restricted)	162	0	0
Cumberland	3 complexes	57	1	1.7
TOTALS		248	2	<1

Source: JDL ENTERPRISES – March 2006

Appendix E
ADDITIONAL COMAPARABLE APARTMENT &
HOTEL/APARTMENT COMPLEXES
SCHOOL AGE CHILDREN (SAC)

<i>COMMUNITY</i>	<i>DEVELOPEMNT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
W. Greenwich (Apts)	Centre of NE*	240	21	8.75
S. Kingstown (Apts) #	So County Commons	234	16	6.84
S. Kingstown (Condo)#	Preserve	52	0	0.00
Coventry	Centre of NE + – Hopkins Hill	90	4	4.44
TOTALS		616	41	6.65

Source: JDL ENTERPRISES – February 2009

*Per City of West Greenwich Planning Dept – as of Dec 1, 2008. A total of 26 of the 240 units are 3 bedroom units.

The balance of units is mostly 2 bedroom units, and some 1 bedroom units. These are apartments for rent.

+ Per Universal Properties – as of Dec. 30, 2008

Per Vin Murray – Planning Director – City of South Kingstown – Current school year statistics

Appendix F
APARTMENT & HOTEL COMPLEXES
SCHOOL AGE CHILDREN (SAC)
Town of Smithfield, RI

<u>Condo</u>	<u>Total #</u> <u>Units</u>	<u>Student total</u>	
Apple Valley Condo	74	7	
Apple Valley Estates	48	3	
Autumn Run	86	5	
Cedar Crest	38	2	
Homestead Mills Apts.	125	14	
Orchard Meadow	94	5	
Pheasant Run	94	4	
Pleasant View condos	54	8	
Shadowbrook	68	1	
Stonehenge	48	1	
Tamarac	84	5	
Timberlane	84	5	
Village at Summerfield (Detached 1- fam.)	125	2	
Village in the Woods (Detached 1- fam.)	<u>31</u>	<u>11</u>	
	1053	73	Students Per Unit
		0.069326	Average

Source: Unit Count - Smithfield Planning Department

Student count by development provided by Smithfield School Department - October 2014

Appendix G

FACT SHEET: COST OF COMMUNITY SERVICES STUDIES

The Median cost per dollar of revenue raised to provide all public services to different land uses.

- **Commercial & Industrial = \$0.29**
- **Working & Open Land = \$0.35**
- **Residential = \$1.16**

Source: American Farm and Land Trust - Farmland Information Center
AFT NATIONAL OFFICE
1200 18th Street, NW, Suite 800
Washington, DC 20036
(202) 331-7300
www.farmland.org

From a cost of services perspective, and studies compiled by American Farm and Land Trust - Farmland Information Center in its Fact Sheet: Cost of Community Services Studies (See Fact Sheet above) it can be anticipated that for every dollar of tax revenue collected by the Town of Middletown, no more than 29% (or \$0.29 per dollar) would be spent on providing municipal services. The 29% expenditure is dependent on type and the nature of the development as Commercial/Industrial.

For the purposes of this report, that figure has been rounded up to 30%.