



CITY OF SOMERVILLE, MASSACHUSETTS
BOARD OF ASSESSORS
JOSEPH A. CURTATONE
MAYOR

In regards to the attached 10 year revenue projection: How were new values and taxes projected?

Planning and ISD provided all specifications regarding new development projects in terms of building size and use. In addition, they also supplied the timing or phasing of development projects. Assessing has been meeting with ISD and Planning every other month to update the 'what and the when' as specifications and timing change.

Assessing then took the specifications and applied current assessing valuation factors (which were shared with RKG for DIF projections). Assessing assumed higher end buildings, new construction or substantial rehab of existing buildings clustered around new MBTA stations. In this regard, we looked to valuation factors that have been used at Assembly Row and to a lesser degree, Davis Square.

These factors * include:

Condos @	\$750,000 per unit
Market Apts. @	\$225,000 per unit
Affordable @	\$108,000 per unit
Commercial/office @	\$375/ per sf
Retail @	\$350/ per sf
Hotel @	\$290,000 per room

*Depending on exact location, some development projects used lower factors.

Other assumptions included a 4% valuation add-on per year for commercial, residential and personal property (for the last 5-6 years commercial has been averaging 5%, residential in the 7-8% range and personal property in the 6-8% range). This factor was applied to all other use groups in addition to the large or larger scale projects identified in the 10 year project detail spreadsheet. Of course the underlying value of the larger scale projects was subtracted to avoid double counting.

Parcel counts were adjusted for each year based upon an average of 130 additional condo units per year and an average of 30 fewer two family properties and 15 fewer three family properties. Other minor parcel counts were adjusted from year to year. One hundred additional residential exemptions per year were estimated. Growth was calculated from the large scale project detail and past trends.

From this point the exercise was rather straight forward and involves the same DOR recap process used in any year. First, a new LA-4 was adjusted for the year in question along with parcel counts. Next, the LA-7 (the form that determines the minimum residential factor or the split with classification) was derived.



After that, the LA-5 or levy options was calculated by entering the new estimated levy for the year based upon the additional 2.5% along with allowable growth. New parcel counts were entered on the form along with the residential exemption data. Once all the relevant variables are entered, the LA-5 calculates the new tax rates for the year. With a new levy and the new valuation split, the 10 year results show a steady decline in the residential share and an increase in the commercial share. All years were assumed to have no excess levy capacity.

10 YEAR REVENUE PROJECTION DETAIL PROVIDED BY OSPCD

DAVIS SQUARE	\$5,340,895	\$22,769,080	19%	81%	\$13,229,699	\$56,400,301	\$69,630,000	\$7,888,804	\$33,631,221	150,000 COMMERCIAL	66	FY 2019 - FY 2027+	NO
GILMAN SQUARE:													
350-360 MEDFORD ST (HOMAN'S & XTRA FUELS), 61-G-1, 2, 3 & 4	\$3,845,800	\$1,894,200	67%	33%	\$17,056,000	\$8,400,000	\$25,456,000	\$13,210,200	\$6,505,800	6,000 COMM/18,000 MFG	82	3.3% FY 2019-2027+	YES
										(INCLUDES 4 WORK-LIVE ARTIST UNITS)			
255 PEARL ST, ABJ SITE, 60-E-10	\$1,014,000	\$546,000	65%	34%	\$4,992,000	\$2,730,000	\$7,722,000	\$3,978,000	\$2,184,000	7,800 COMM	24	3.3% FY 2019-2027+	YES
ASQ OTHER (88-A-1 & 87-B-1, 2, +3)	\$5,035,250	\$246,727,250	2%	98%	\$12,288,528	\$602,137,872	\$614,426,400	\$7,253,278	\$355,410,622	1,600,000 COMMERCIAL	80	20% FY 2020/50% FY 2022/65% FY 2026 COMPLETE FY 2027	NO
GRAND JUNCTION	\$6,106,563	\$16,510,337	27%	73%	\$31,620,000	\$85,446,175	\$117,066,175	\$25,513,437	\$68,935,838	201,039 COMM./28,733 RETAIL	155	10% FY 2023-2027 +	YES
200 INNER BELT RD (2ND BLDG.) 115-A-3		\$21,498,768				\$56,250,000	\$56,250,000		\$34,751,232	150,000 R & D		FY 2025	YES
299 BROADWAY (STAR MARKET) 70-D-27	\$8,217,888	\$17,463,012	32%	68%	\$28,435,200	\$60,424,800	\$88,860,000	\$20,217,312	\$42,961,788	160,800 COMMERCIAL	140	FY2025	YES
90 WASHINGTON ST 106-A-3	\$8,641,275	\$1,291,225	87%	13%	\$31,272,150	\$4,672,850	\$35,945,000	\$22,630,875	\$3,381,625	13,000 RETAIL	154	LITIGATION-VALUE NOT COUNTED	
												*WOULD LIKELY NEED INFRASTRUCTURE IMPROVEMENTS TO PROCEED	
TOTAL ALL DEVELOPMENT	\$260,931,334	\$790,966,434			\$945,052,177	\$2,681,994,973	\$3,546,546,650	\$676,985,743	\$1,865,357,539		4,293		
MINUS GLX DEPENDENT	\$173,326,800	\$383,396,226			\$617,347,144	\$1,284,788,019	\$1,902,135,163	\$444,020,344	\$901,391,793		2,568		
TOTAL MINUS GLX DEPENDENT	\$87,604,534	\$407,570,208			\$327,705,033	\$1,397,206,954	\$1,644,411,487	\$232,965,399	\$963,965,746		1,725		