

DDEB Finance Committee Summary Report Scenario Analysis

Version 1.5

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Analysis

- This summary report contains forecast scenario analysis of four distinct disposition scenarios (two for scenario 1 and two for scenario 2).
- There are five forecast periods (current, 2010, 2015, 2020, 2025).
- Each scenario has a unique geographical set of jurisdiction boundaries.
- Metrics used throughout the analysis (population per unit, students per unit, etc.) are either regional or nationally defined.
- Commercial-Industrial build out assumptions were determined from regional historical build out.
- Residential build out assumptions influenced by Mass Development analysis.
- Financial methodology and modeling reviewed and excepted by independent consultants (VHB-RKG).
- Expense input defined by FinCom unless towns requested changes.

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Assumptions

- DDEB FinCom Model version 7.3
- Population 2.6 per unit
- Students 0.38 per unit
- Education cost per student (\$7960, State average)
- Residential build out start date 2009
- Residential units per year (81 to 113)
- Commercial-Industrial start date 2006
- Commercial-Industrial build out SQFT per year (232K to 242K)
- Forecast periods (current, 2010, 2015, 2020, 2025)
- Model set to inferred tax rates to derive revenues for town analysis (Ayer=9.50/21.12, Shirley=13.94, Harvard=11.45)
- Model set to calculate tax rates for Devens (scenario 2 only)
- State aid will be limited (scenario 2) while small population drives aid calculations.
- Utilities treated as break-even removing there impact on analysis.
- Major transition items identified and assigned.

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Comments

- The build out assumptions are based on historic development and forecasting however the FinCom build out analysis can not guarantee future development. The economic climate will determine not only Commercial-Industrial build out but residential build out as well.
- This analysis made no attempt to determine the impact of development from competing parcels from different towns with jurisdiction of Devens parcels and other towns in the region.
- The expenses used in the Devens categories were set to “conservative” values to help investigate break-even years.
- Concern that towns expenses are probably “light”.
- Transition items defined seem to be changing (based on conversations between stakeholders) and need to be accurately entered in the model.
- State Aid based on population will be limited.

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Reports

- Map (for Scenario 1B, alternative 1 and 2)
- Scenario 1B (Alternative 1), 3 pages
- Scenario 1B (Alternative 2), 3 pages
- Map (for Scenario 2B, alternative 1)
- Scenario 2B (Alternative 1), 3 pages
- Map (for Scenario 2B, alternative 2)
- Scenario 2B (Alternative 2), 3 pages
- Graphs of Devens tax rates, Scenario 2 (Alternative 1 and Alternative 2)

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Scenario 1B (alternative 1) (total housing units 1300)

This scenario uses historical boundaries as the change to current jurisdiction. The towns of Ayer, Harvard and Shirley would reclaim land that was historically under their respective jurisdictions.

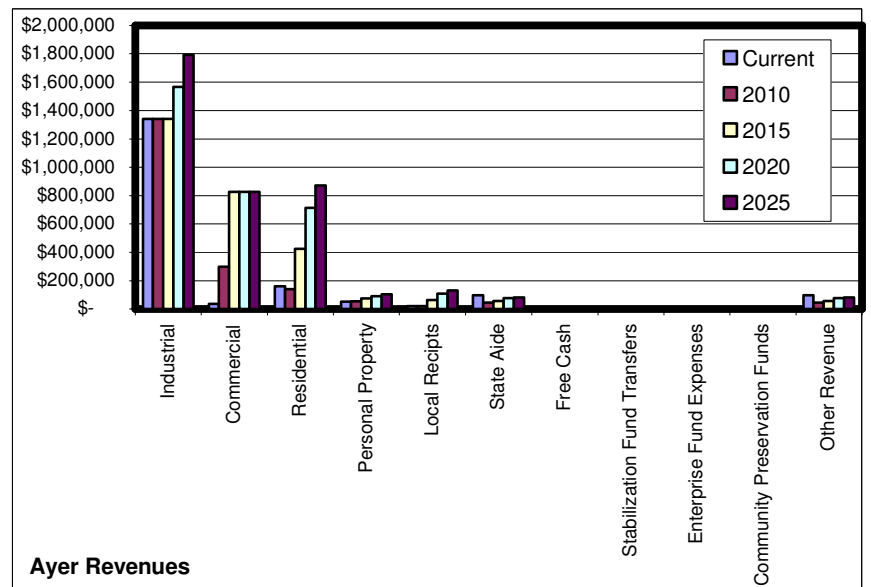
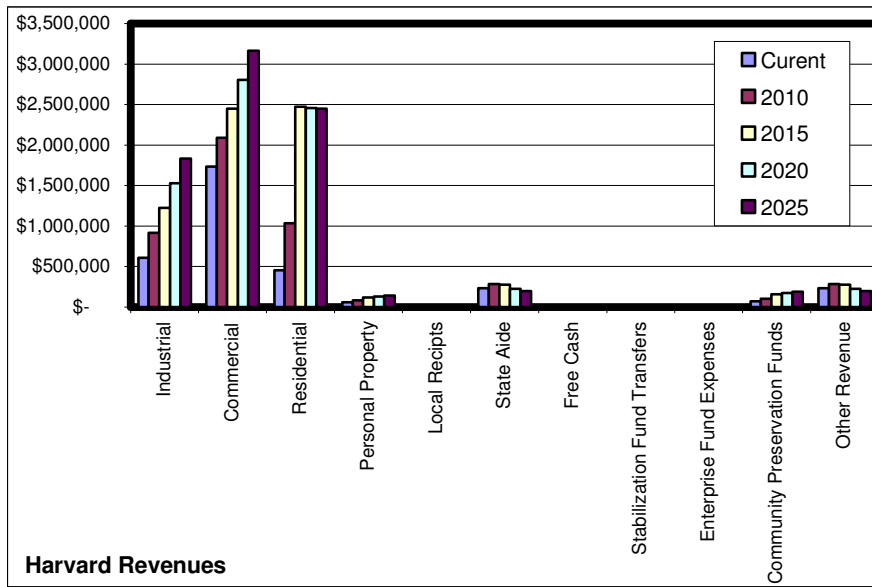
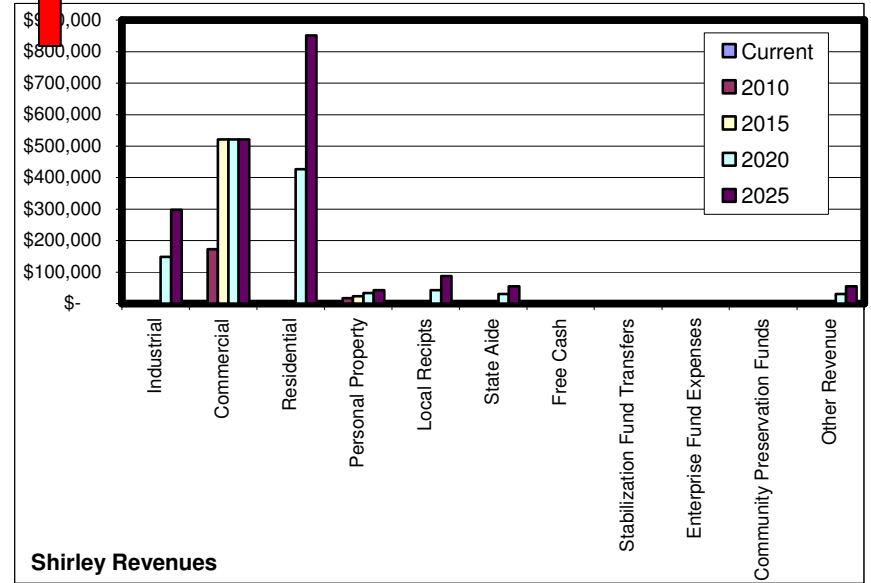
Forecast Year	Geographical Location	New Commercial Development Incremental (sqft)	New Industrial Development Incremental (sqft)	Total New and Existing C&I Incremental (sqft)	New Residential Development Incremental (units)	Total New and Existing Housing (units)	Incremental Revenues	Incremental Expenses	Population All	Population Students
2006	Ayer	13,584	1,187,617	1,201,201	0	45	\$ 1,806,649	\$ 525,786	117	17
	Shirley	0	0	0	0	0	\$ -	\$ -	0	0
	Harvard	1,214,841	997,466	2,212,307	0	105	\$ 3,400,075	\$ 3,960,998	273	40
2010	Ayer	0	100,000	1,301,201	0	45	\$ 1,948,630	\$ 1,296,092	117	17
	Shirley	0	100,000	100,000	0	0	\$ 190,940	\$ -	0	0
	Harvard	250,000	500,000	2,962,307	170	275	\$ 4,802,580	\$ 4,584,496	715	105
2015	Ayer	0	200,000	1,501,201	100	145	\$ 2,845,131	\$ 1,696,822	377	55
	Shirley	0	200,000	300,000	0	0	\$ 544,940	\$ 423,485	0	0
	Harvard	250,000	500,000	3,712,307	425	700	\$ 6,975,799	\$ 6,128,852	1,820	266
2020	Ayer	200,000	0	1,701,201	100	245	\$ 3,459,856	\$ 1,999,302	637	93
	Shirley	200,000	0	500,000	100	100	\$ 1,238,257	\$ 725,965	260	38
	Harvard	250,000	500,000	4,462,307	0	700	\$ 7,546,084	\$ 6,128,852	1,820	266
2025	Ayer	0	200,000	1,901,201	55	300	\$ 3,887,235	\$ 2,684,268	780	114
	Shirley	0	200,000	700,000	200	300	\$ 1,912,172	\$ 1,028,445	520	76
	Harvard	250,000	500,000	5,212,307	0	700	\$ 8,171,704	\$ 6,128,852	1,820	266

Assumptions:

1. Revenues for towns are derived from inferred tax rates (Ayer=9.50/21.12, Shirley=13.94, Harvard=11.45).
2. Approximate buildout across parcels 232K SQFT C&I per year, 81 housing units per year.
3. Population 2.6 per unit, students 0.38 per unit, \$7960 cost per student
4. Stakeholders were given the opportunity to identify forecast expenses or use the FinCom projections.

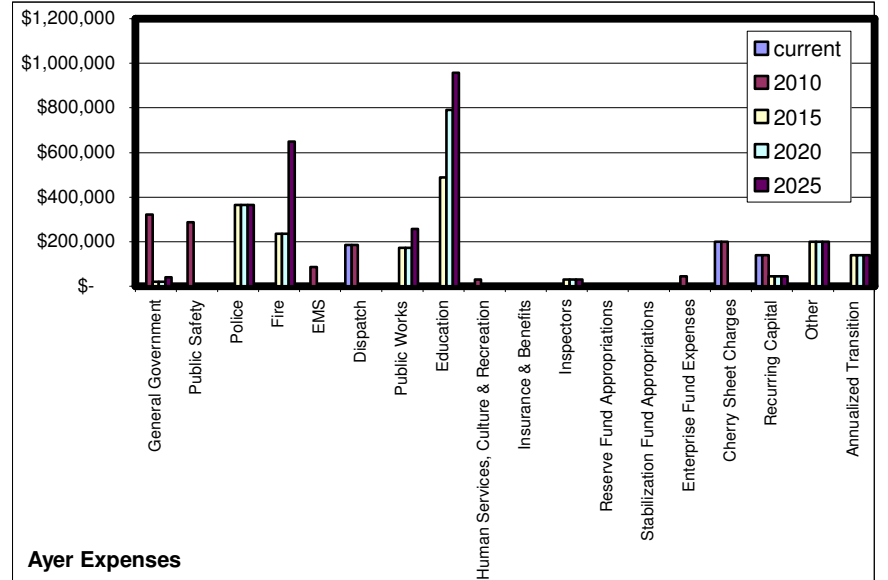
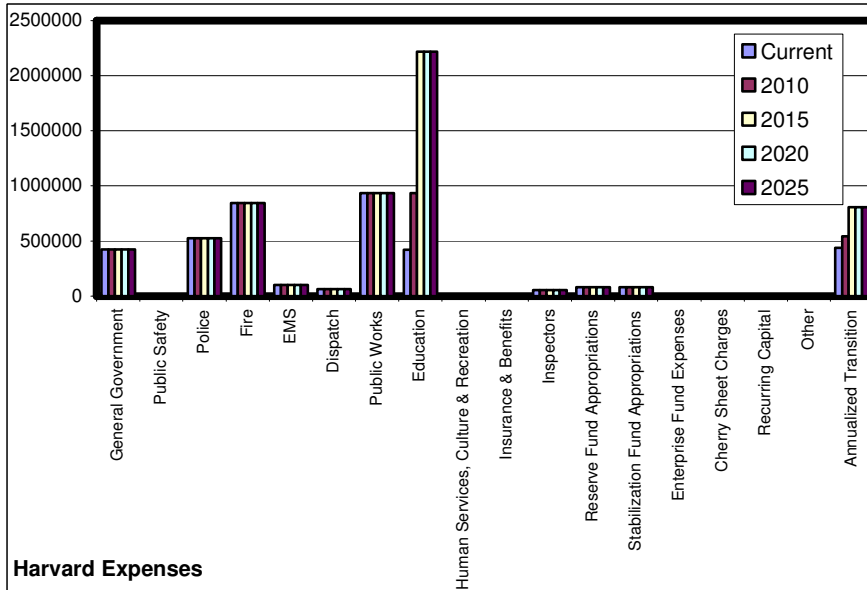
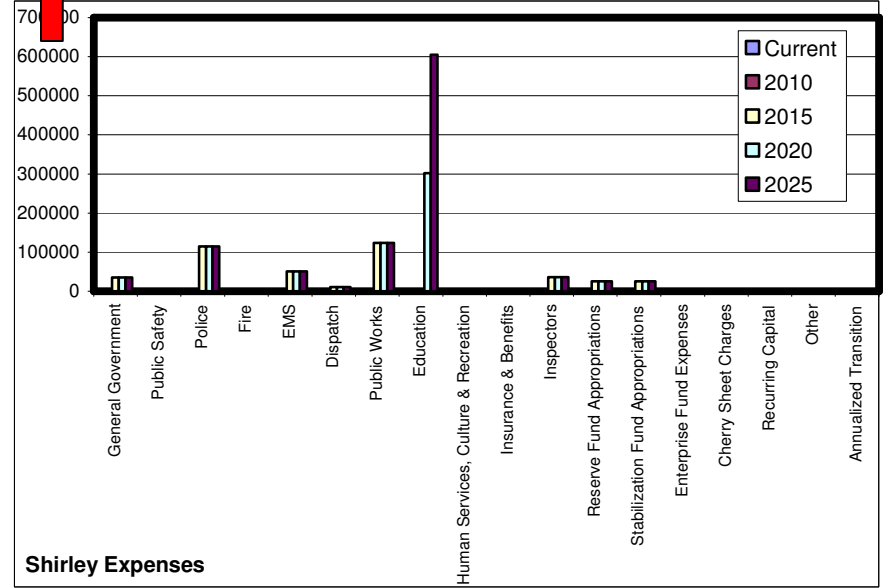
Scenario 1B, Alternative 1 (Incremental Revenues)

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Scenario 1B, Alternative 1 (Incremental Expenses)

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Scenario 1B (alternative 2) (total housing units 180,000)

This scenario uses historical boundaries as the change to current jurisdiction. The towns of Ayer, Harvard and Shirley would reclaim land that was historically under their respective jurisdictions.

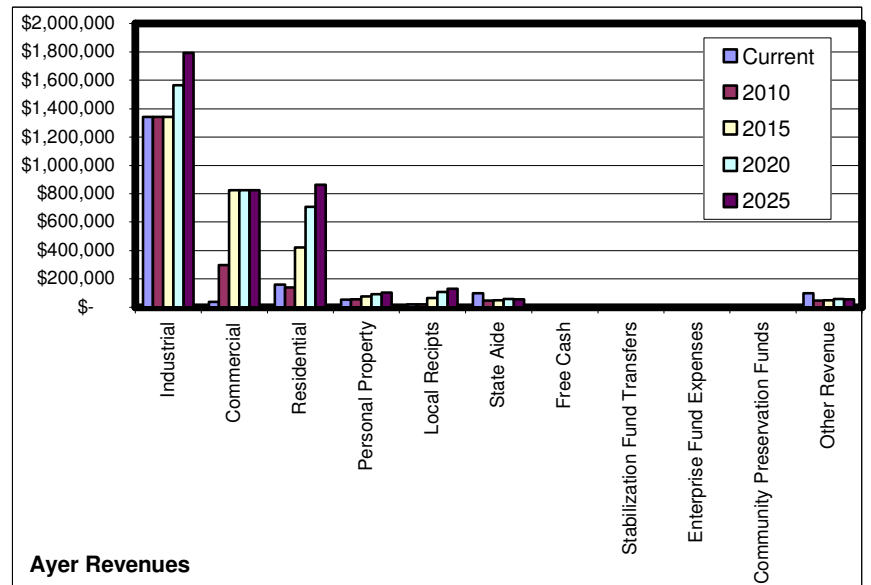
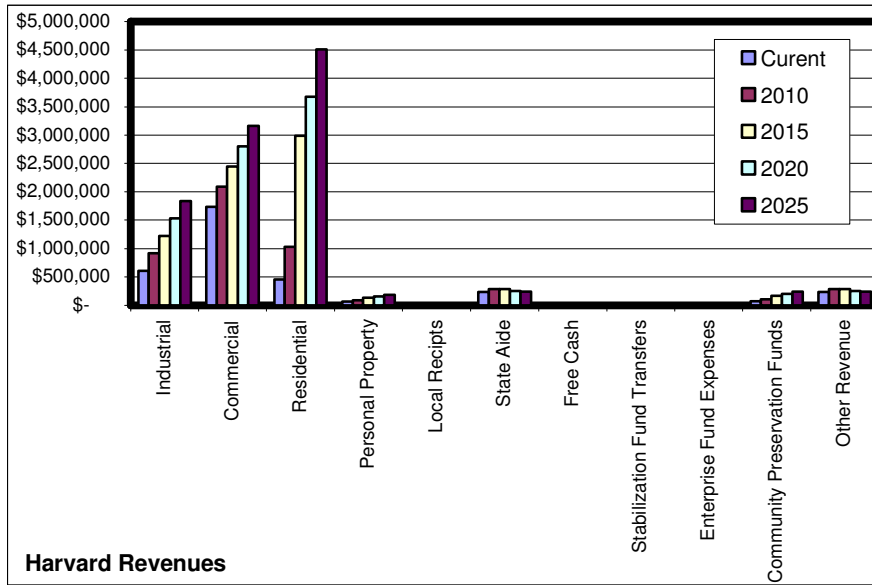
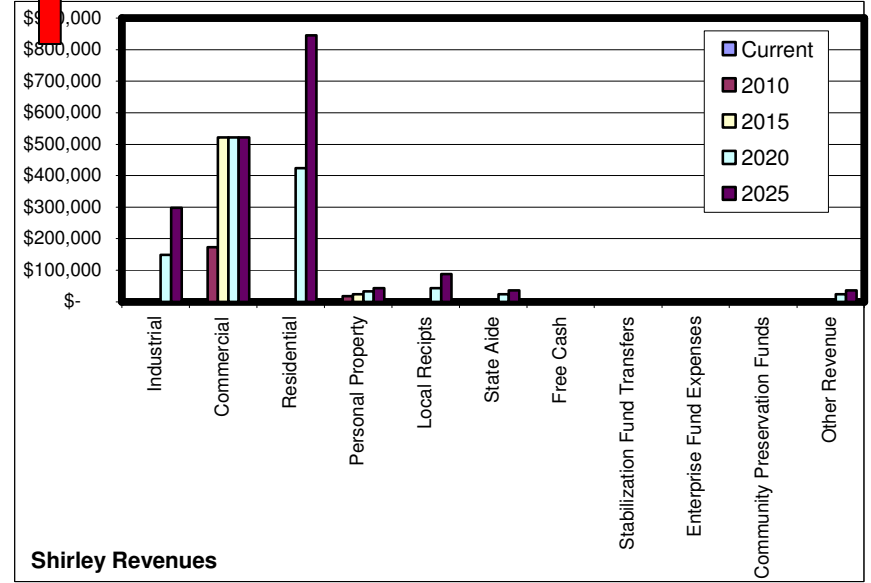
Forecast Year	Geographical Location	New Commercial Development Incremental (sqft)	New Industrial Development Incremental (sqft)	Total New and Existing C&I Incremental (sqft)	New Residential Development Incremental (units)	Total New and Existing Housing (units)	Incremental Revenues	Incremental Expenses	Population All	Population Students
2006	Ayer	13,584	1,187,617	1,201,201	0	45	\$ 1,806,649	\$ 525,786	117	17
	Shirley	0	0	0	0	0	\$ -	\$ -	0	0
	Harvard	1,214,841	997,466	2,212,307	0	105	\$ 3,400,075	\$ 3,960,998	273	40
2010	Ayer	0	100,000	1,301,201	0	45	\$ 1,948,630	\$ 1,296,092	117	17
	Shirley	0	100,000	100,000	0	0	\$ 190,940	\$ -	0	0
	Harvard	250,000	500,000	2,962,307	170	275	\$ 4,802,580	\$ 4,584,496	715	105
2015	Ayer	0	200,000	1,501,201	100	145	\$ 2,825,799	\$ 1,696,822	377	55
	Shirley	0	200,000	300,000	0	0	\$ 544,940	\$ 423,485	0	0
	Harvard	250,000	500,000	3,712,307	575	850	\$ 7,529,122	\$ 6,675,612	2,210	323
2020	Ayer	200,000	0	1,701,201	100	245	\$ 3,415,555	\$ 1,999,302	637	93
	Shirley	200,000	0	500,000	100	100	\$ 1,219,230	\$ 725,965	260	38
	Harvard	250,000	500,000	4,462,307	100	950	\$ 8,873,537	\$ 7,423,809	2,743	401
2025	Ayer	0	200,000	1,901,201	55	300	\$ 3,825,231	\$ 2,166,462	780	114
	Shirley	0	200,000	700,000	200	300	\$ 1,868,701	\$ 1,028,445	520	76
	Harvard	250,000	500,000	5,212,307	250	1200	\$ 10,413,754	\$ 8,315,891	3,380	494

Assumptions:

1. Revenues for towns are derived from inferred tax rates (Ayer=9.50/21.12, Shirley=13.94, Harvard=11.45).
2. Approximate buildout across parcels at 232K SQFT C&I per year, 113 housing units per year.
3. Population 2.6 per unit, students 0.38 per unit, \$7960 cost per student
4. Stakeholders were given the opportunity to identify forecast expenses or use the FinCom projections.

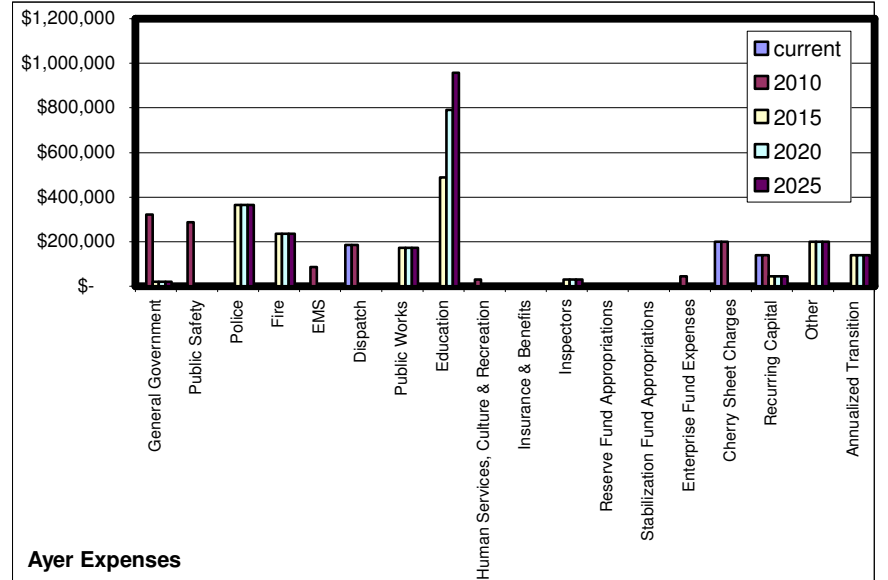
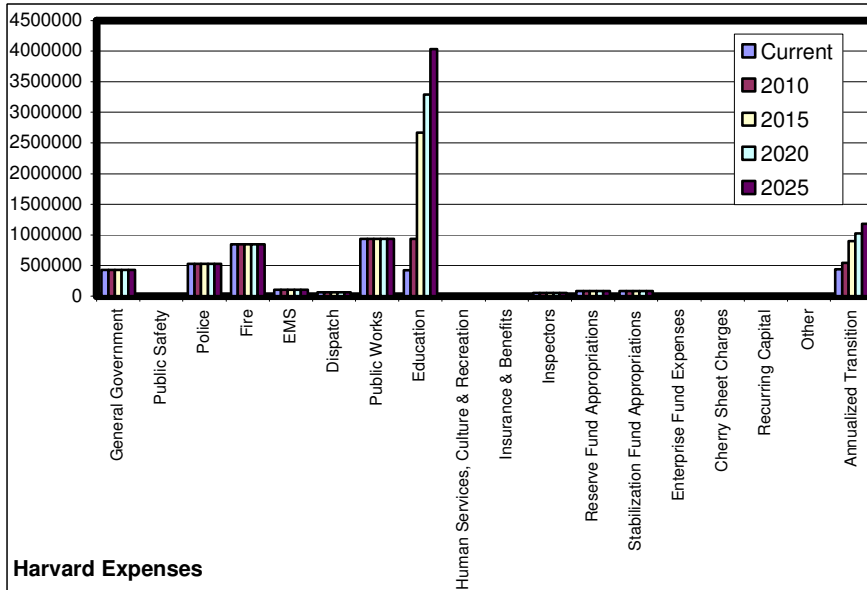
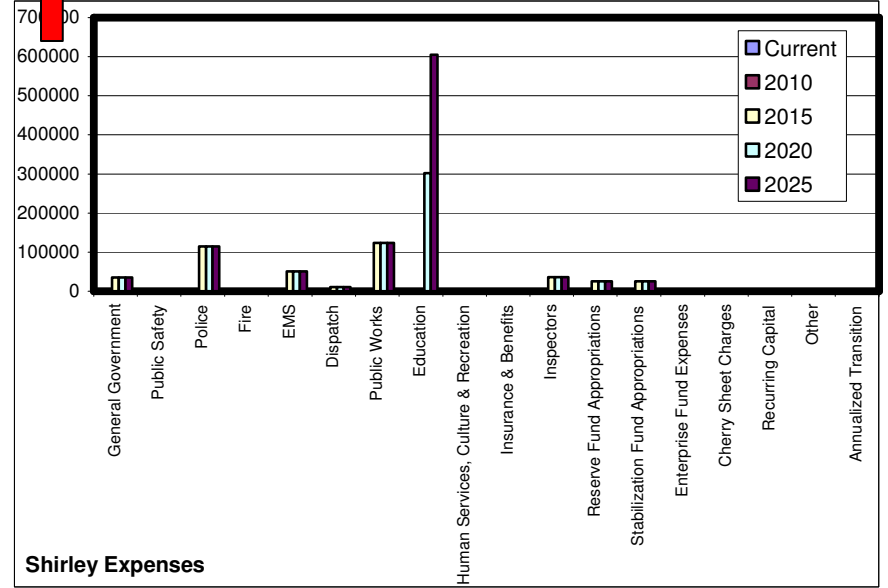
Scenario 1B, Alternative 2 (Incremental Revenues)

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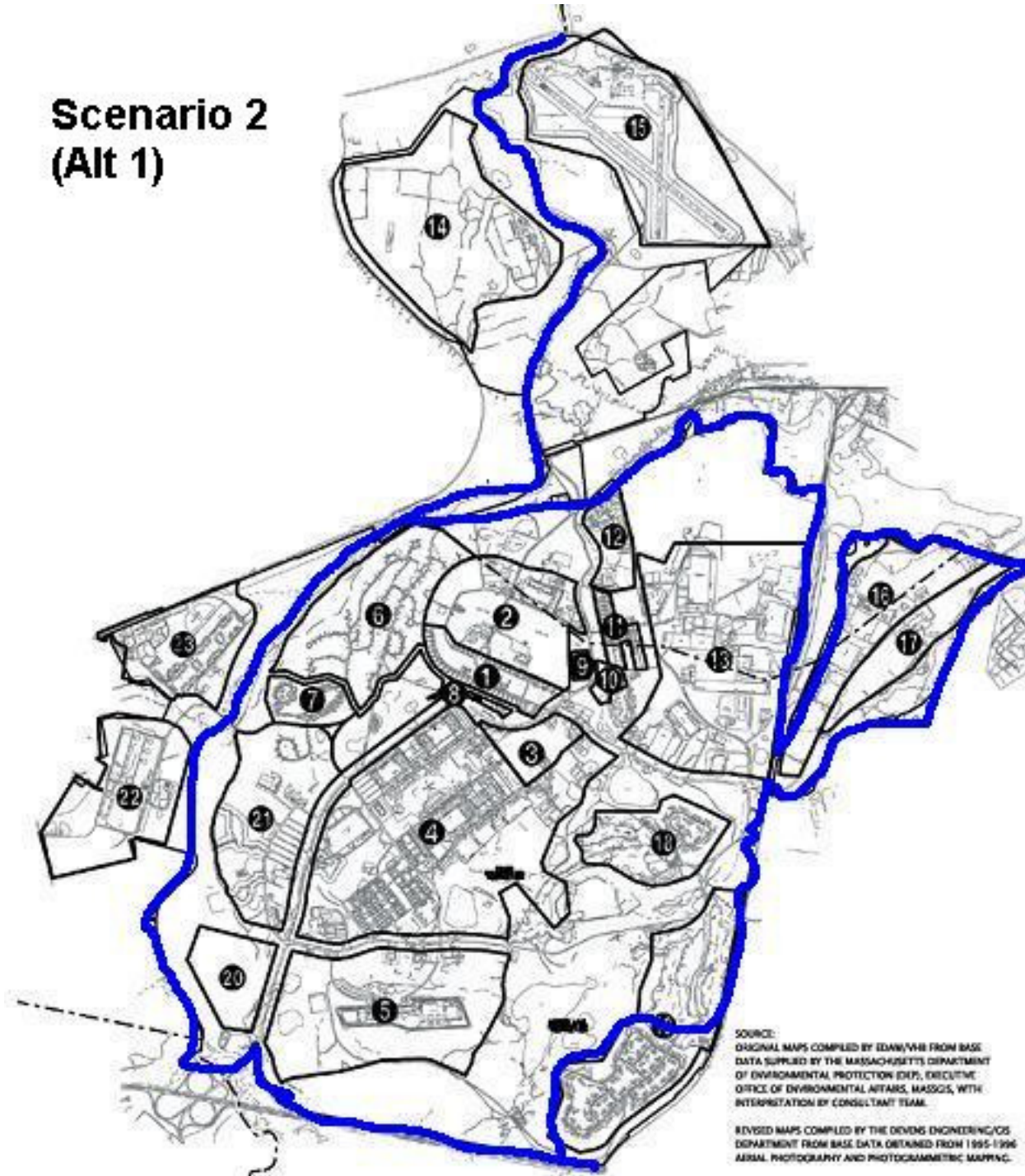


Scenario 1B, Alternative 2 (Incremental Expenses)

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Scenario 2 (Alt 1)



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Scenario 2B (alternative 1) (total housing units 1602)
 This scenario assumes North Post parcel becomes part of Ayer, Village Growth I and Village Growth II parcels become part of Shirley, Salerno Circle becomes part of Harvard. The remaining parcels will form the town of Devens.

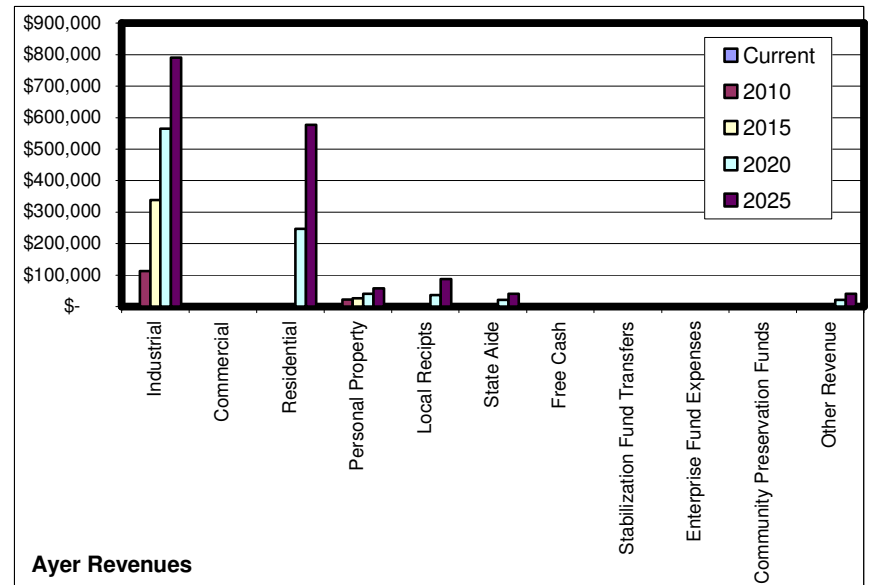
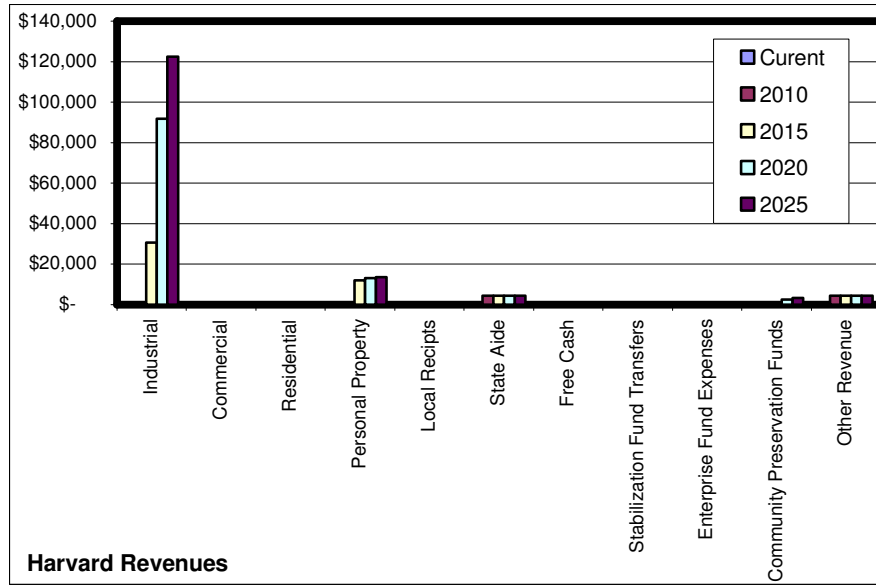
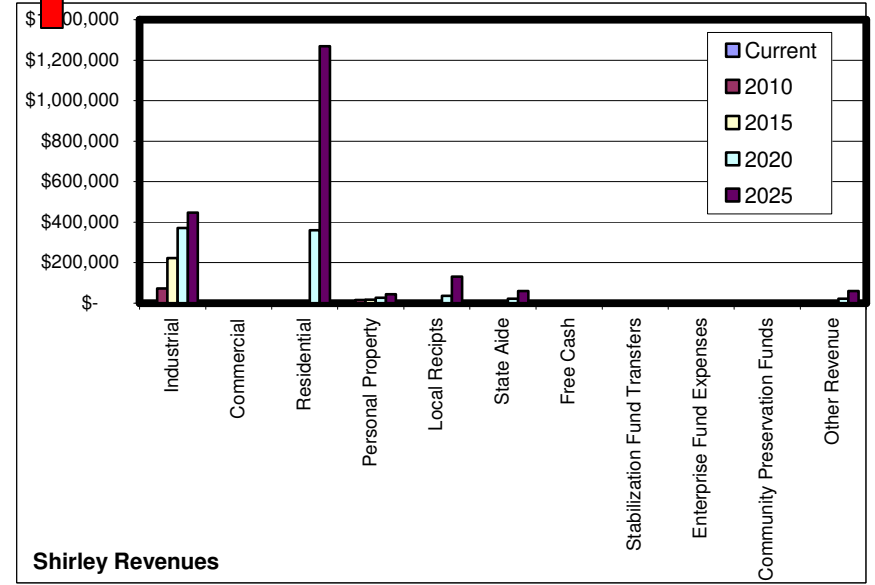
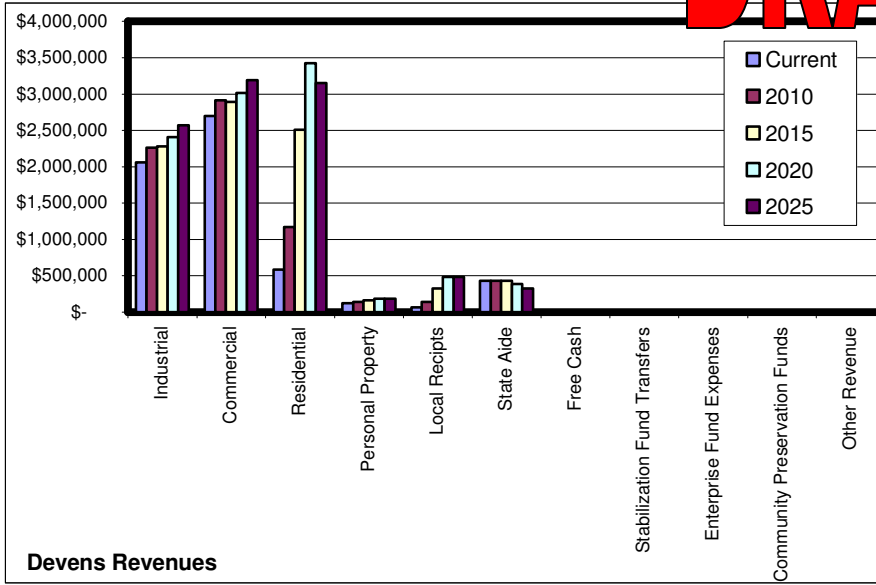
Forcast Year	Geographical Location	New Commercial Development Incremental (sqft)	New Industrial Development Incremental (sqft)	Total New and Existing C&I Incremental (sqft)	New Residential Development Incremental (units)	Total New and Existing Housing (units)	Incremental Revenues	Incremental Expenses	Population All	Population Students
2006	Ayer	0	0	0	0	0	\$ -	\$ -	0	0
	Shirley	0	0	0	0	0	\$ -	\$ -	0	0
	Harvard	0	0	0	0	0	\$ -	\$ -	0	0
	Devens	1,228,425	2,185,083	3,413,508	0	150	\$ 5,958,693	\$ 5,958,693	390	57
2010	Ayer	0	100,000	100,000	0	0	\$ 136,049	\$ 186,658	0	0
	Shirley	0	100,000	100,000	0	0	\$ 89,797	\$ -	0	0
	Harvard	0	0	0	0	0	\$ 9,000	\$ -	0	0
	Devens	250,000	500,000	4,163,508	170	320	\$ 7,055,088	\$ 7,055,088	832	122
2015	Ayer	0	200,000	300,000	0	0	\$ 365,906	\$ 201,908	0	0
	Shirley	0	200,000	300,000	0	0	\$ 241,512	\$ -	0	0
	Harvard	0	50,000	50,000	0	0	\$ 52,662	\$ -	0	0
	Devens	250,000	500,000	4,913,508	425	745	\$ 8,599,444	\$ 8,599,444	1,937	283
2020	Ayer	0	200,000	500,000	85	85	\$ 933,013	\$ 569,714	221	32
	Shirley	0	200,000	500,000	85	85	\$ 842,282	\$ -	221	32
	Harvard	0	100,000	150,000	0	0	\$ 116,517	\$ -	0	0
	Devens	250,000	500,000	5,663,508	425	1170	\$ 9,894,401	\$ 9,894,401	2,860	418
2025	Ayer	0	200,000	700,000	200	200	\$ 1,594,981	\$ 519,714	520	76
	Shirley	0	200,000	700,000	300	300	\$ 2,015,857	\$ -	780	114
	Harvard	0	50,000	200,000	0	0	\$ 148,444	\$ -	0	0
	Devens	250,000	500,000	6,413,508	130	1,300	\$ 9,894,401	\$ 9,894,401	2,860	418

Assumptions:

1. Revenues for towns are derived from inferred tax rates (Ayer=9.50/21.12, Shirley=13.94, Harvard=11.45).
2. Approximate buildout across parcels at 242K SQFT C&I per year, 81 housing units per year.
3. Population 2.6 per unit, students 0.38 per unit, \$7960 cost per student
4. Stakeholders were given the opportunity to identify forecast expenses or use the FinCom projections.

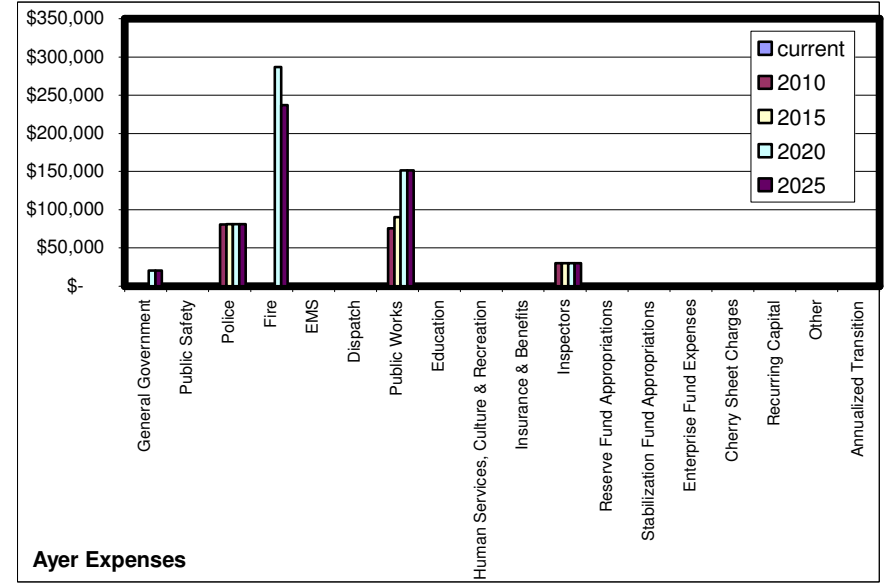
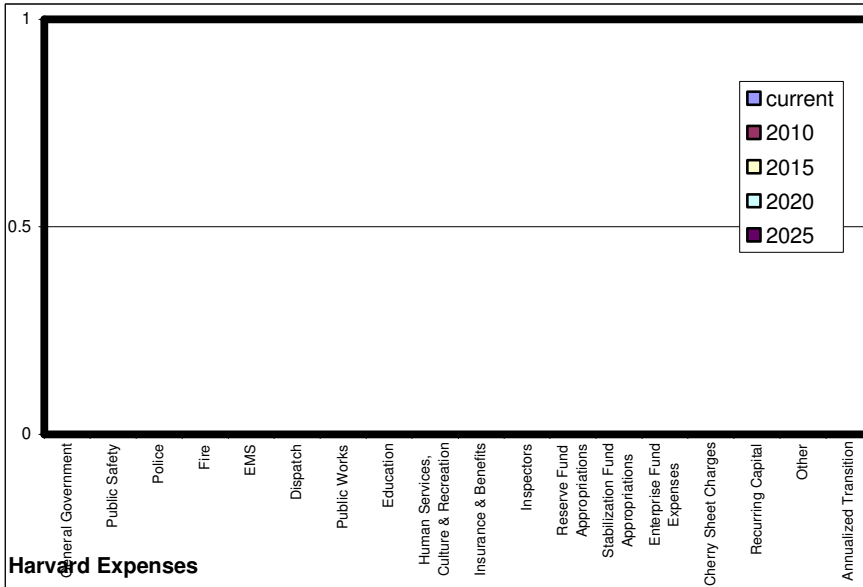
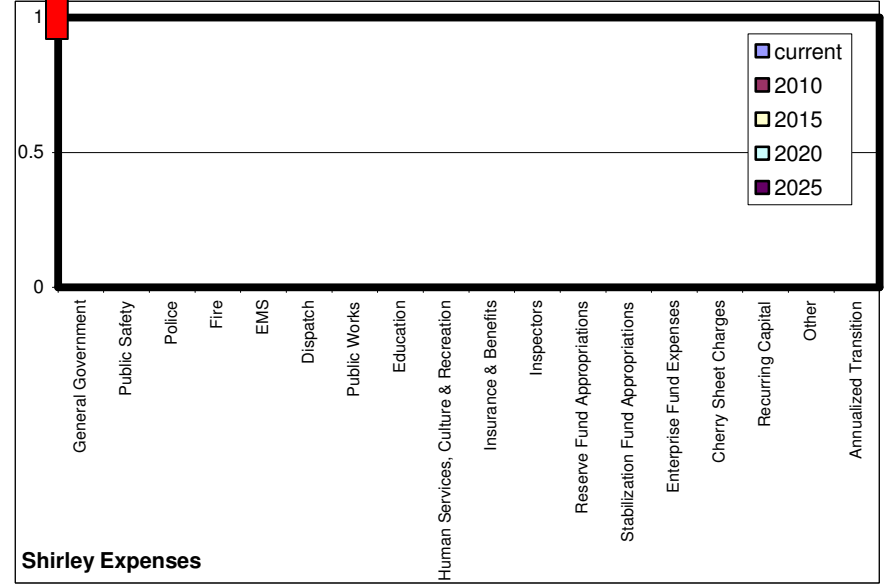
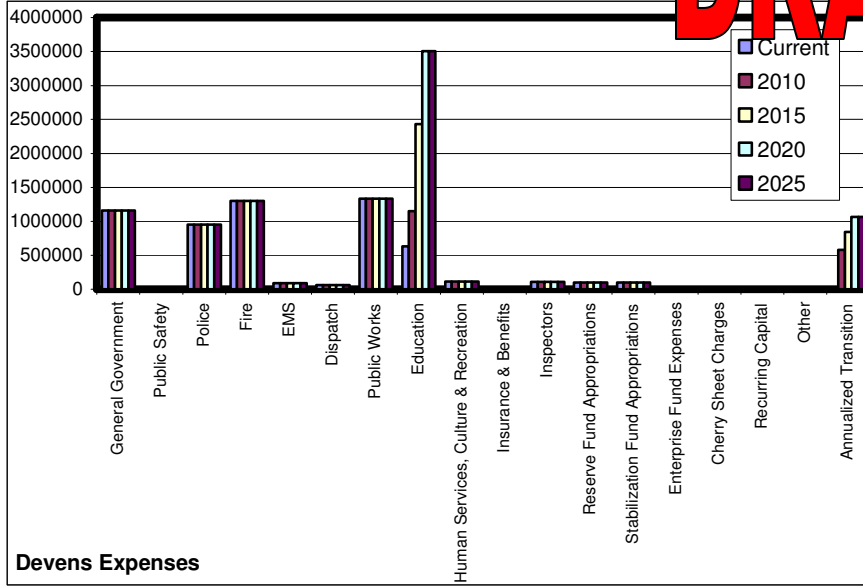
Scenario 2B, Alternative 1 (Incremental Revenues)

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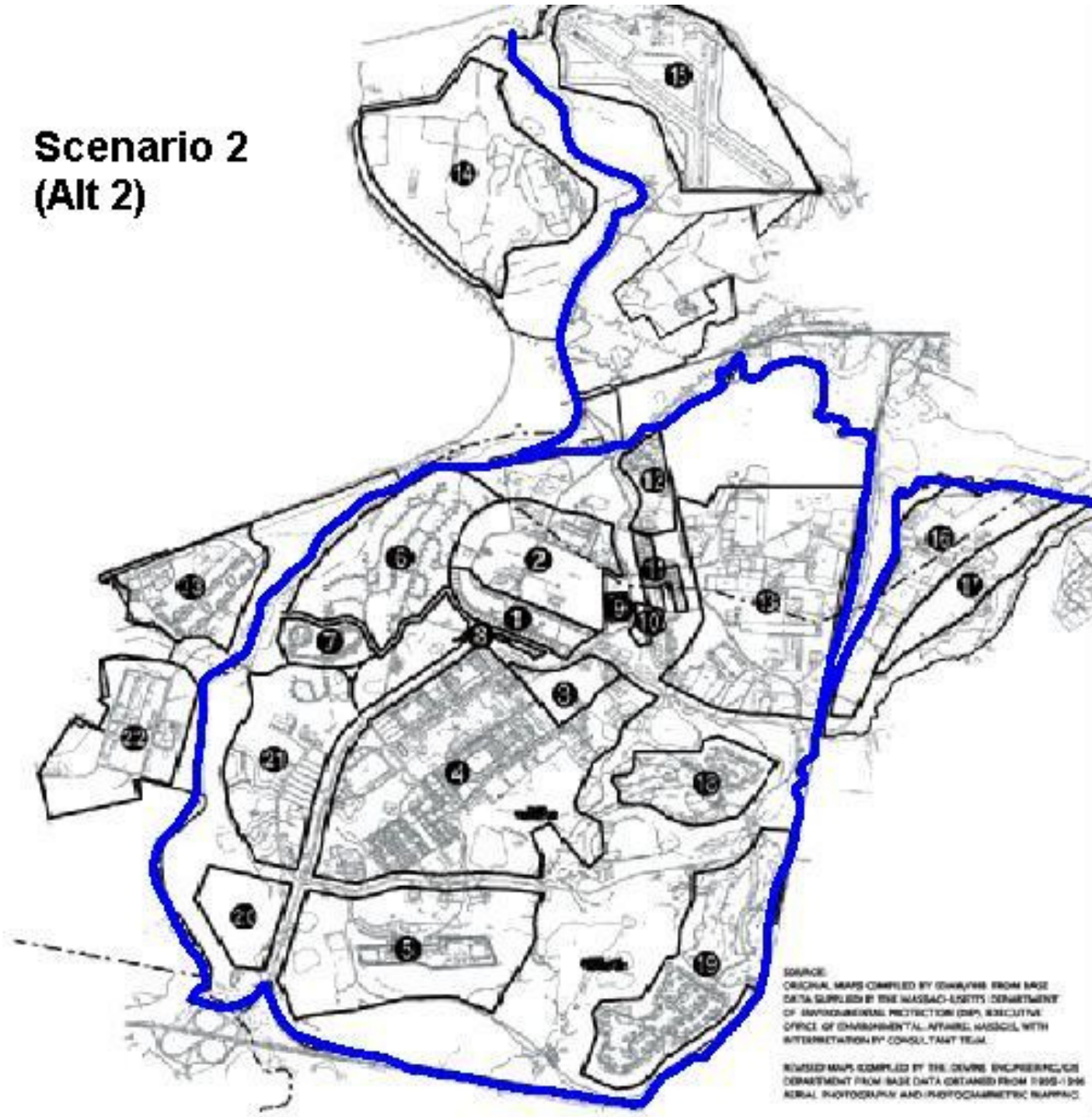


Scenario 2B, Alternative 1 (Incremental Expenses)

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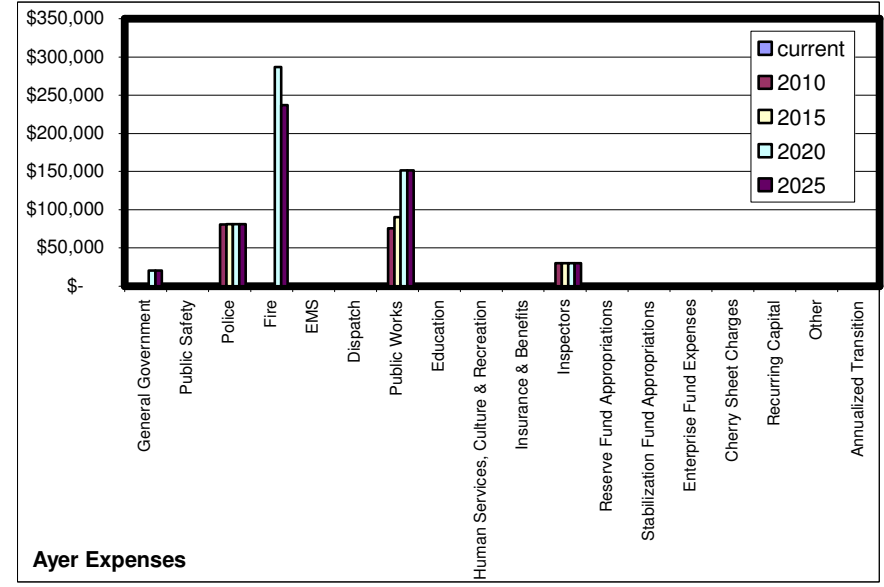
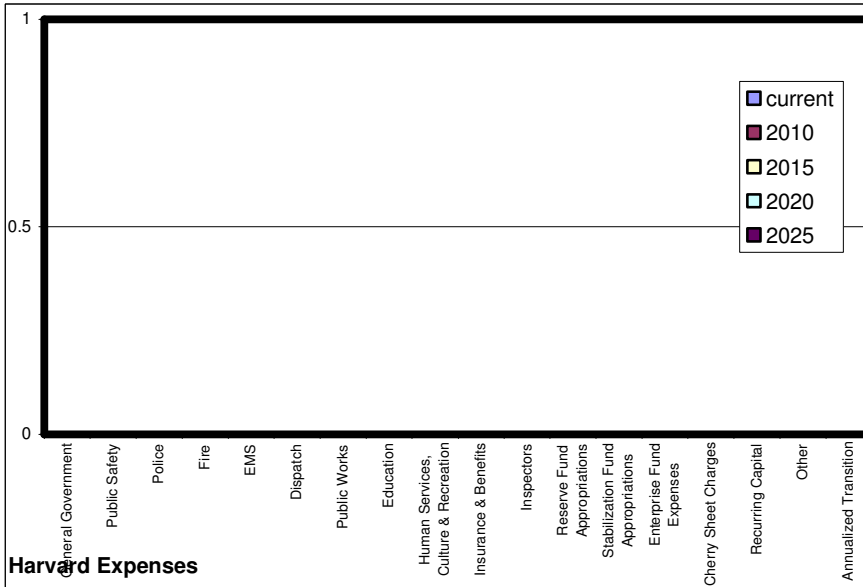
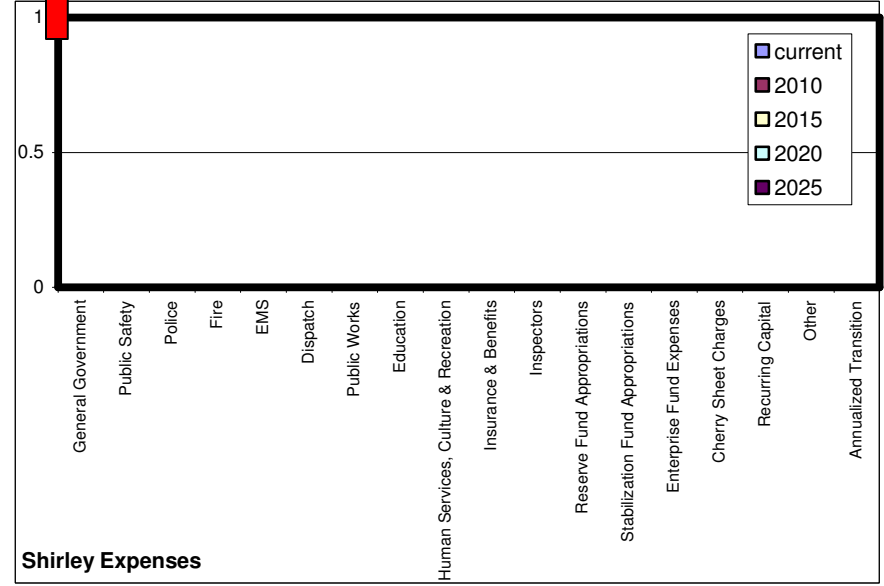
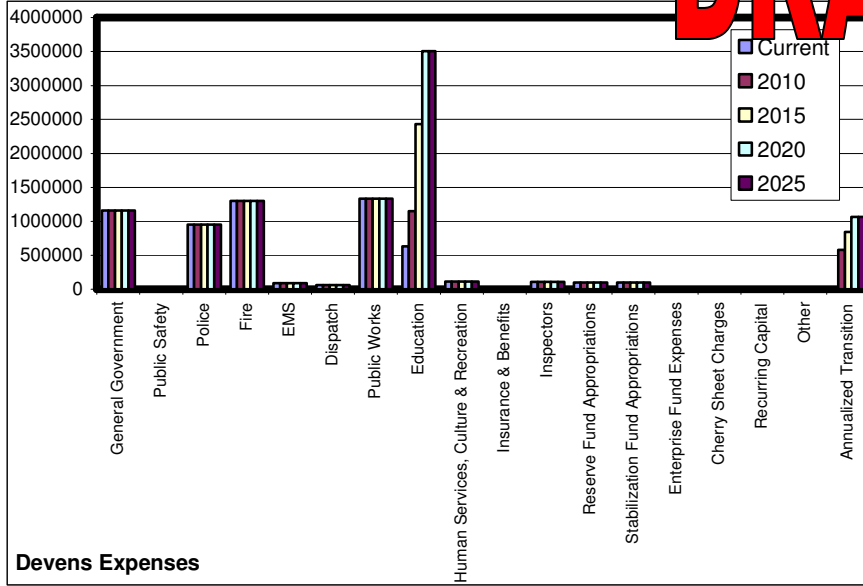
**Scenario 2
(Alt 2)**



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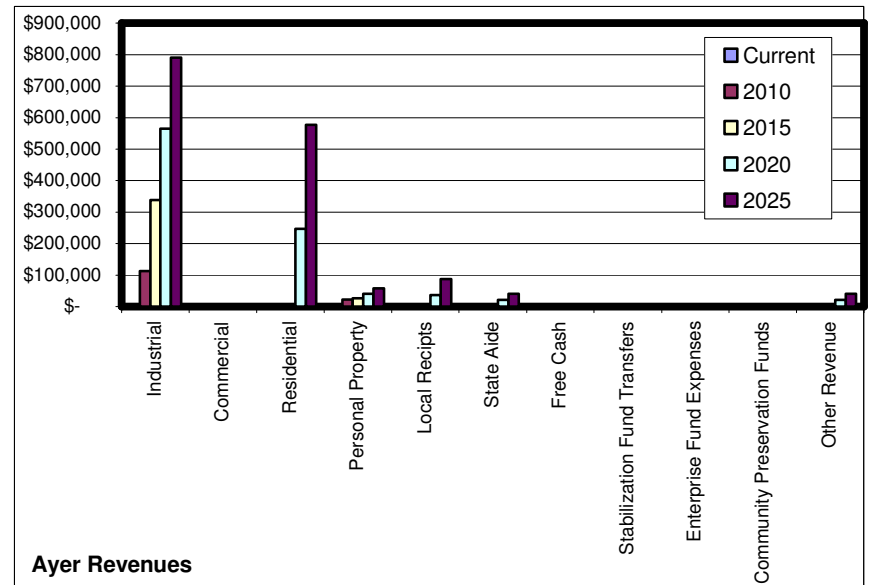
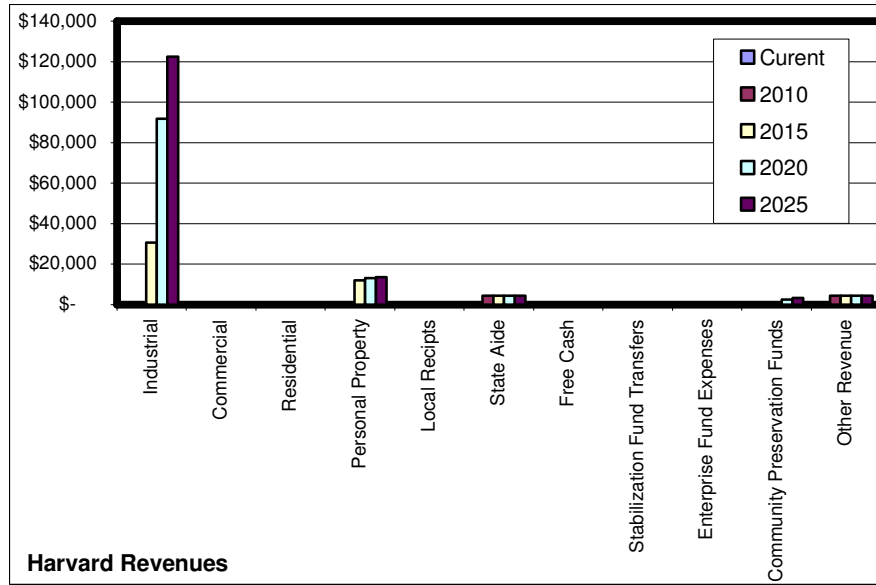
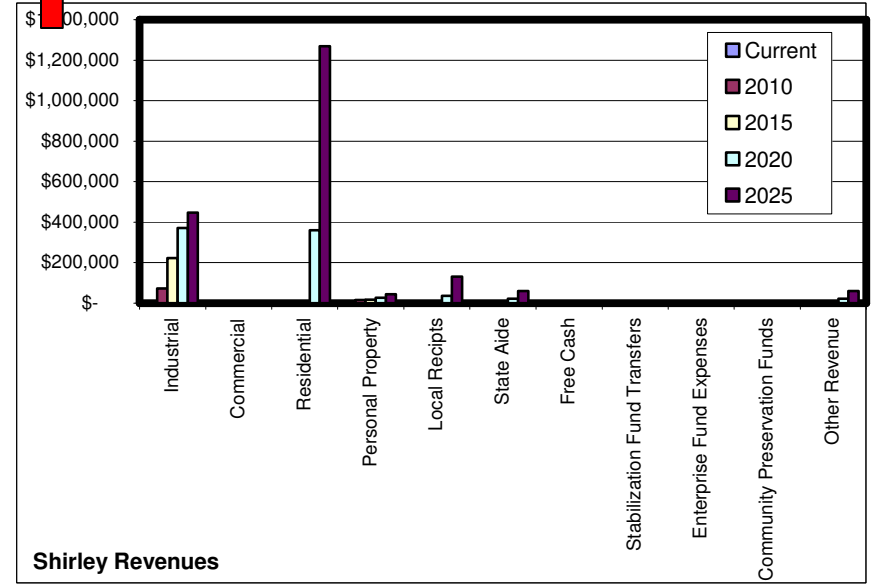
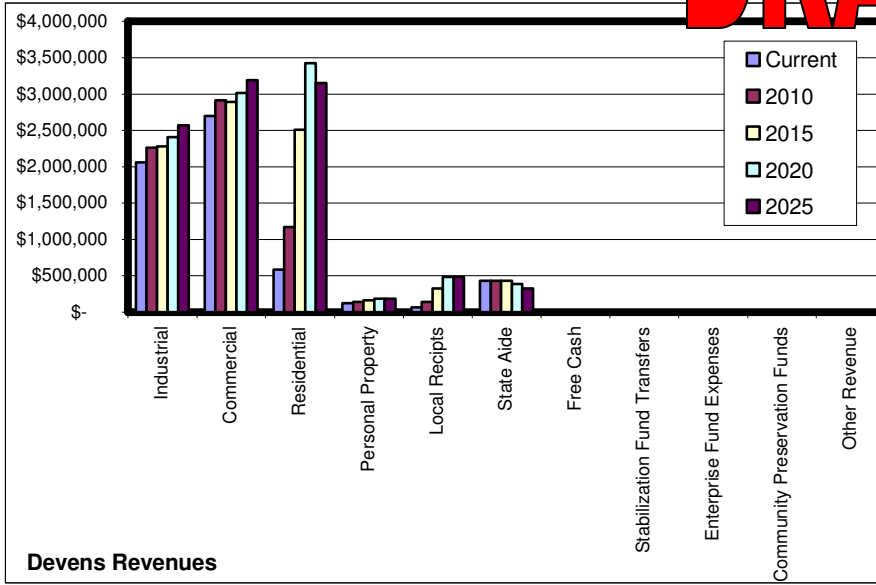
Scenario 2B, Alternative 2 (Incremental Expenses)

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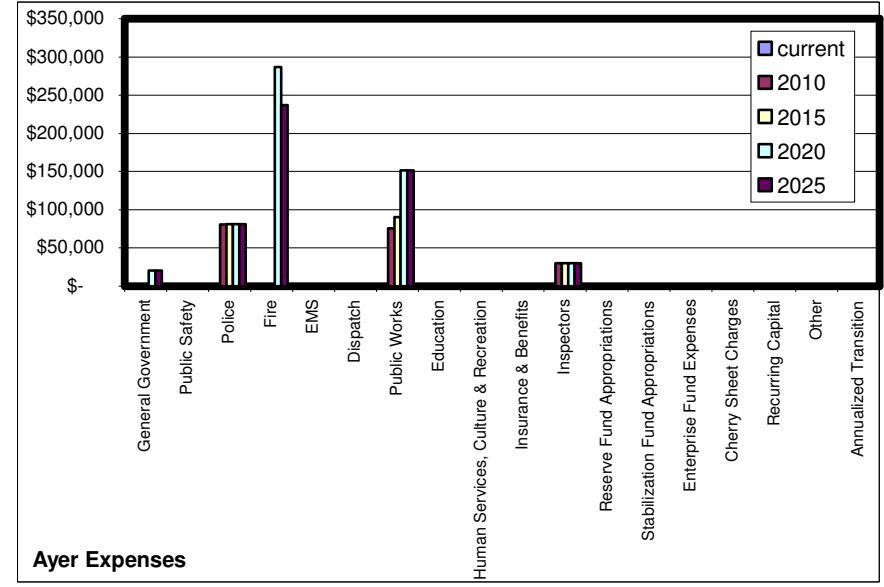
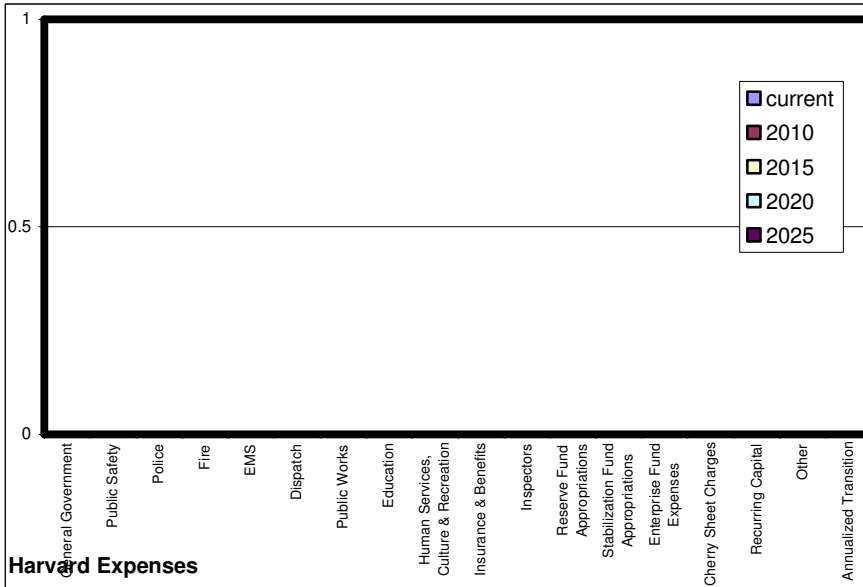
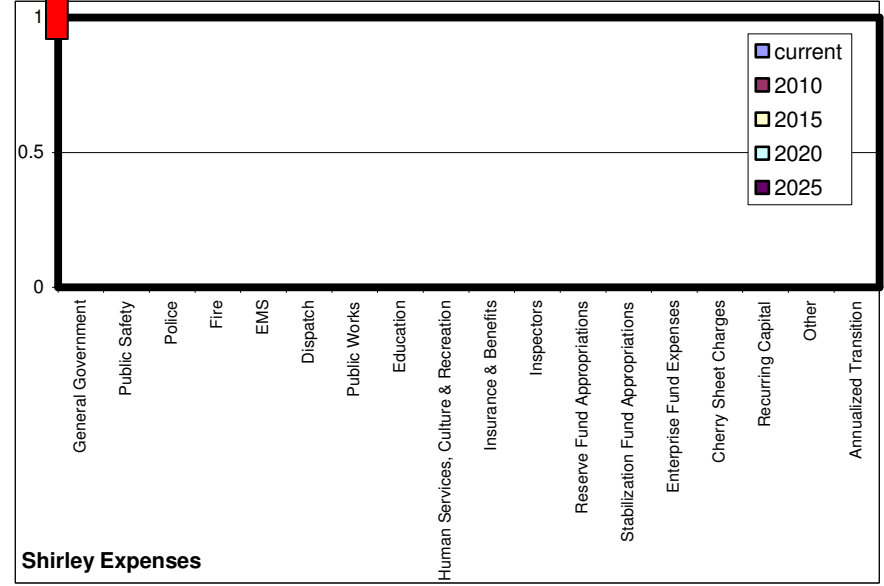
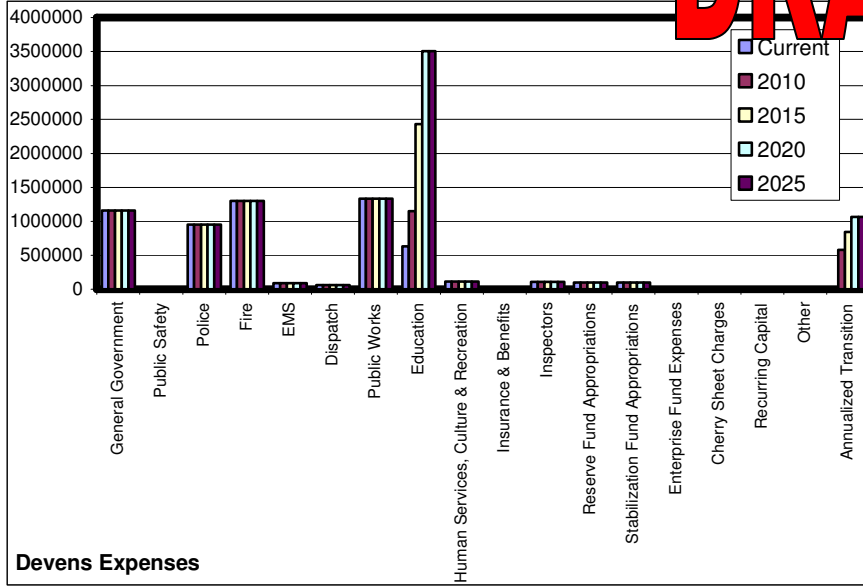
Scenario 2B, Alternative 2 (Incremental Revenues)

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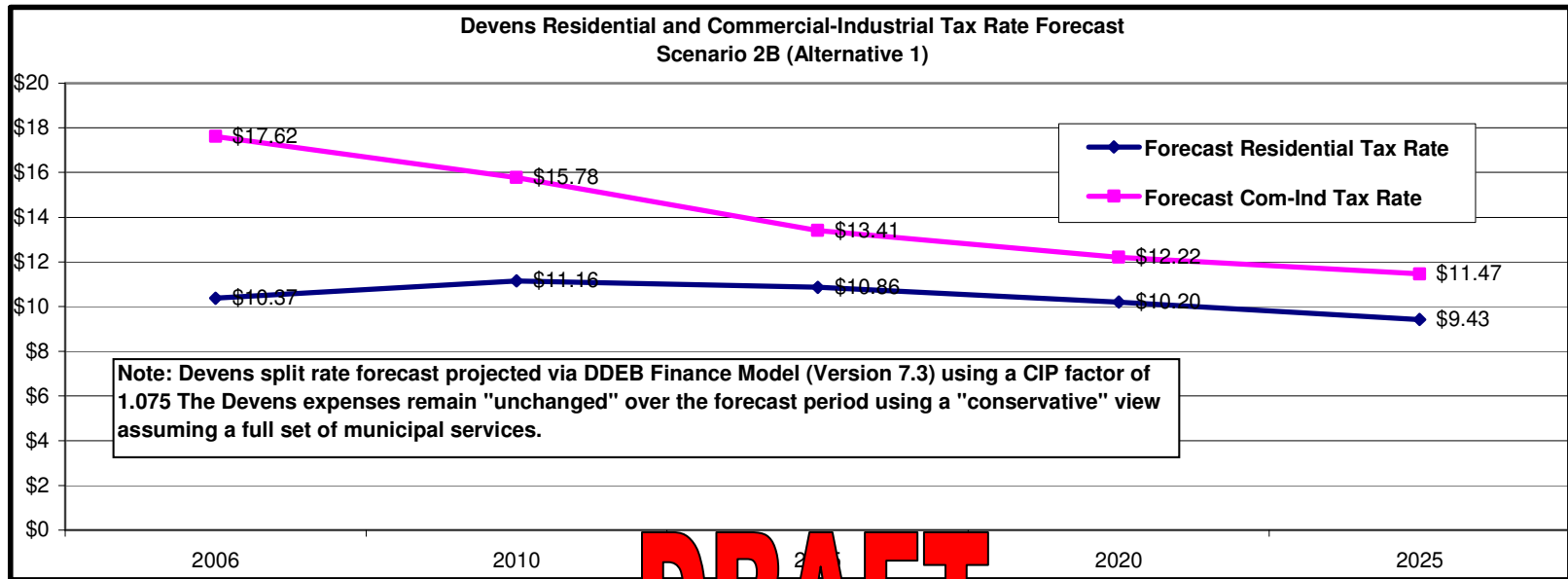


Scenario 2B, Alternative 2 (Incremental Expenses)

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Scenario 2B, Alternative 1 and 2 (Devens forecast tax rates)



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