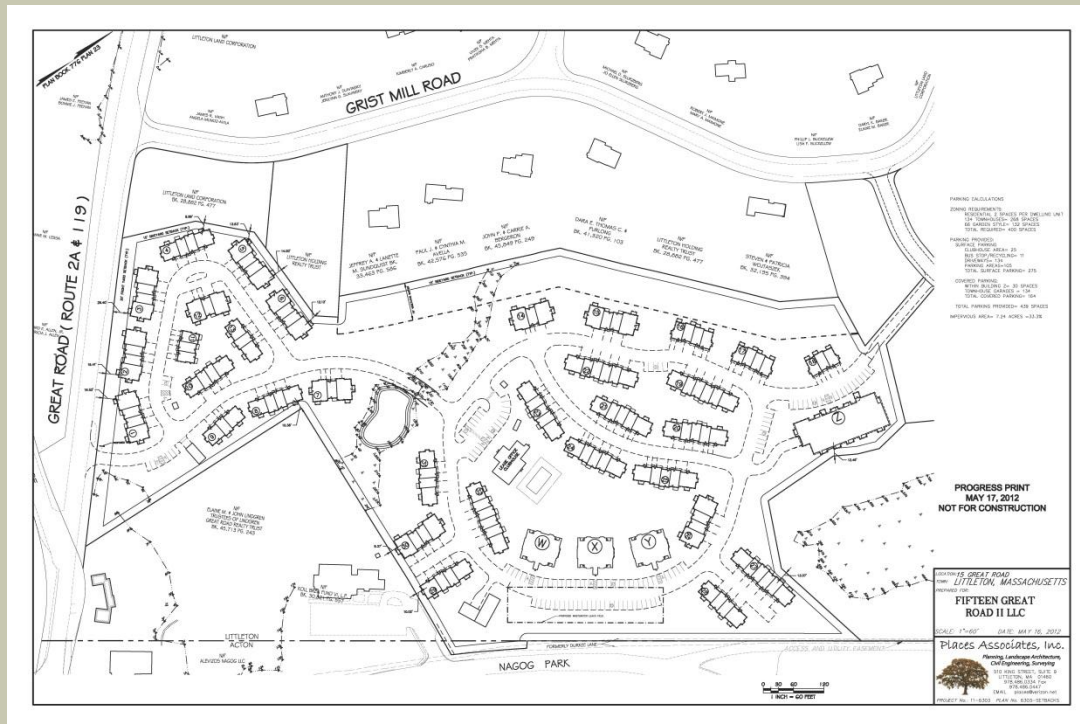


Fifteen Great Road Town Home Village



Agenda

2

- I. Review Municipal Comments
- II. Project in Perspective- **Maginot line?**
Exploding Town Expenses/Need for Revenue vs. students
- III. Plan Changes
 - a) Developer Challenges –Why 3 Beds Needed
 - b) Financial Benefits to Town
- I. Highlight Plans
 - Dimensional Waivers
 - Elevations/First Floor Grades Adjacent to Grist Mill
 - Elevations and Heights of Building W, X,Y and Z
 - Waiver Changes

Selectmen's Presentation May 2011

3

- Town's Priorities for Mitigation
 - If MassDevelopment does approve Project Eligibility determination. Town urges:
 - ✓ No access from Grist Mill Road
 - ✓ Reduce height, scale of buildings
 - ✓ Require traffic, other studies at applicant's expense

Eliminate all 3-bedroom units to minimize impact on public school system – “**generals always fight the last war**”

FY 2013 FinComm Report – Town Meeting

4



FY 2013 **Finance Committee Report**

To the residents of Littleton

Fincomm Report Revenues vs. Expenditures

5

Revenues versus Expenditures

Trendlines: FY 2013 and Beyond

- ▶ Balanced FY13 budget doesn't change the outlook going forward
- ▶ One-time increases to revenue stream balanced the budget this year
- ▶ Trendlines still show FY14 crisis looming
- ▶ Projected growth revenues not even close to growth in expenditures

Highlights from 2011 & 2012 FinComm Reports

6

- Operational costs growth compounding 6%/year
- Tax Revenue Limited to Prop 2½% & New Tax Growth
- Unfunded post-employment benefits \$39.2 Million
- New Tax Growth
 - \$175K in 2011
 - \$100K in 2012
- “Need for new (recurring) revenue growth mentioned 11 times in 2012 report” – (I stopped counting!)

Massachusetts School Age Demographics

7

- Pioneer Institute – Massachusetts's Declining Enrolment*
 - **84,000** decline between 2003-2018
 - **Primary causes**
 1. Aging Population
 2. Baby Boom's Children Grew Up
 3. Low Birth Rates

*Pioneer Institute “Enrollment Trends in Massachusetts”, Ken Ardon, September 2008.

Littleton / Middlesex County

8

Middlesex County:

School age children
Housing Units

$$\frac{276,260^{***}}{607,199^{***}}$$

= .45 Students/Household

Littleton:

Public School Students
Littleton Housing Stock

$$\frac{1610^*}{3443^{**}}$$

= .47 Students/Household

* Mass DOE

** DHCD Housing Inventory

*** 2010 U.S. Census

Middlesex County *

9

| Type | Percent | Percent Potential Family Housing |
|-------------------|--------------|-------------------------------------|
| 2 Bedroom | 28.2% | 83.0% 2 or more bedrooms |
| 3 Bedroom | 31.7% | |
| 4 Bedroom | 17.7% | |
| 5+ Bedroom | 5.4% | |
| | | |

Fifteen Great Road

**74%
2 or more bedrooms**

* U.S. Census Bureau

May 17, 2012

Town of Chelmsford 2009 Study

10

- The Courtyard Condominium, 360 Littleton Road Chelmsford MA
- 170 homes (67 3-Bedroom & 103 2-Bedroom)
- 38 Children/170 = **.22/Household**
- **1/2** general population statistic of **.45/household**
- Who lives in the 30+ childless 3-bedroom units?

School Cost Impact Students/Unit

11

Examples

| Town | Project | Units | 1 BR | 2 BR | 3 BR | Students | Ratio |
|---------------------------------|-----------------|-------|------|------|------|----------|-------|
| Acton/ Westford ¹ | Avalon Acton | 380 | 125 | 255 | 0 | 80 | 0.21 |
| Walpole ² | Preserve | 300 | 72 | 180 | 48 | 90 | 0.30 |
| Bedford ³ | Avalon | 139 | 52 | 87 | 0 | 26 | 0.19 |
| Bedford ³ | Heritage | 164 | 54 | 92 | 18 | 36 | 0.22 |

¹ Acton Community Housing Corporation

² "On The Ground: 40B Developments Before and After"

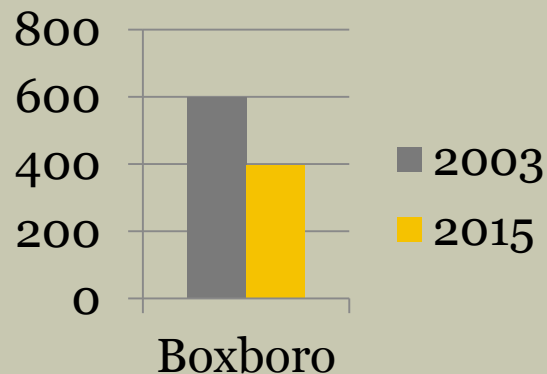
³ "Summary of Key Findings of Five 40B Fiscal Impact Analysis"

Acton/Boxboro Planning for Declining Enrolment

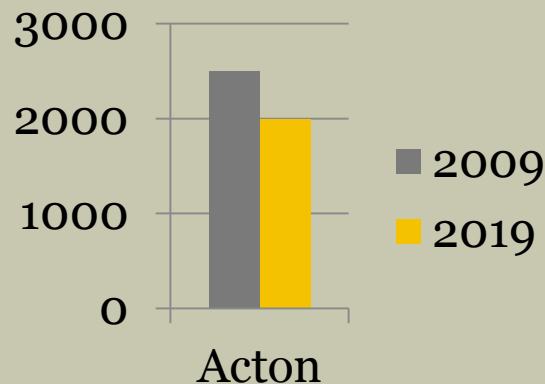
12

- Boston Globe April 15, 2012

Student Enrollment



- 200 Students (-34%)



- 500 Students (-20%)

- 700 empty seats next school district over
- Competition for students?

Decline in Massachusetts School Age Demographics

13

- School Committee Co-chair Peter Ashton^{**}:
 - “When you have declining enrollment, you still have all of the same fixed costs”

^{**}Boston Globe April 15, 2012

Littleton Schools

14

- Capacity 2000 ± Students
- Enrollment 1610 Students
- 80% capacity

| | Amount* |
|------------------------|--------------------|
| Debt Service – Schools | \$3,111,100 |
| Bonds Outstanding | |
| High School | \$14,275,000 |
| Middle School | \$8,248,067 |
| Russell Street School | <u>\$5,600,000</u> |
| | \$28,123,000 |
| | |

*Annual Town Report 2012

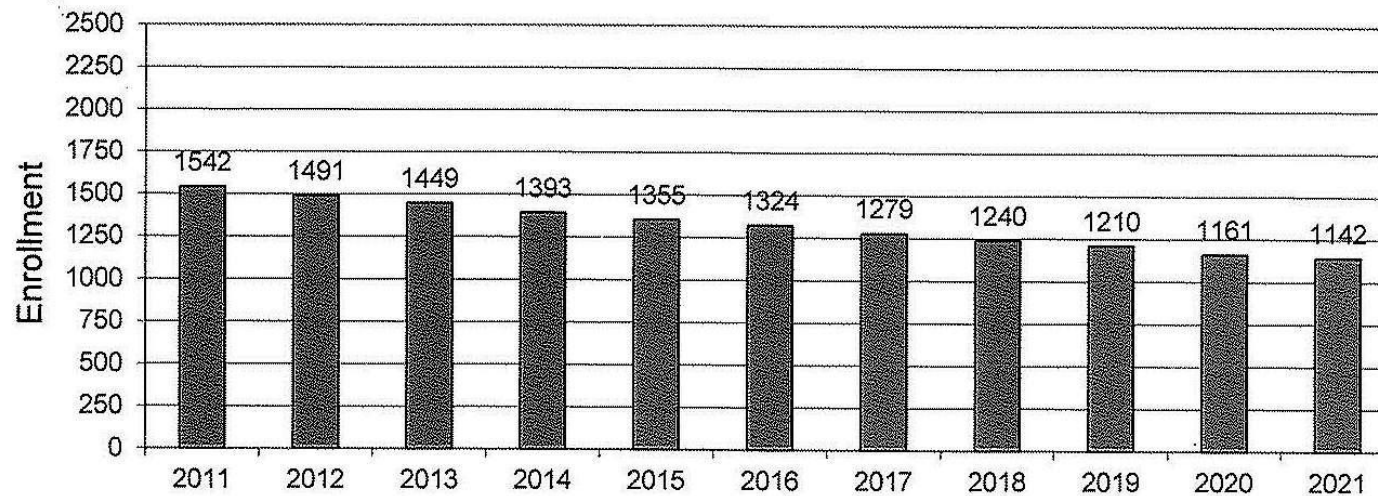
Projected Enrollment

15

NESDEC

Littleton, MA Projected Enrollment

PK-12 TO 2021 Based On Data Through School Year 2011-12



**26%
Decline**

**57%
Capacity**

\$2,000

Debt Service Per Student

\$2,600

© New England School Development Council • 508.481-9444 • www.nesdec.org

Town of Chelmsford 2009 Study

16

- The Courtyard Condominium, 360 Littleton Road Chelmsford MA
- 67 3-Bedroom Units & 103 2-Bedroom Units
- Total 170 Units = 38 Children = **.22/Household**
- Who lives in the 30+ childless 3-bedroom units?

Who lives in 30+ Courtyard in Chelmsford Childless 3-Bedroom Units?

17

- Higher income
- Empty Nesters –Adult children
- Divorced
- People with pre-school children
- **Need home offices**

Office Development Trends Affect Housing Need

18

- 1970 Space / Employee 500-700 sf*
- 2010 Space / Employee 200 sf*
 - Shared work spaces- **Home offices**
 - Mobile hard drives / cloud storage – mobility!
- “40 percent of IBM employees work from a location other than an office at IBM” **
- “Younger workers’ lives are all integrated, they work anywhere – at a kitchen table or wherever.”**

* Los Angeles Times 12-15-2010

**Sam Newburg – Urban Land Institute 4-24-11

Fifteen Great Road

Target Childless 3-Bedroom Residents

19

- Higher income
- Need a home office
- Empty nesters a)with adult children b) live south 1/2 yr. **(18 first floor master bedrooms in plan)**
- Divorced
- New IBM / CISCO employees (can't sell in Phoenix, Austin, Portland)
- Families with pre-school children
- Would be Buyers and
- Future home buyers

Estimate of Students

20

| Residence type | Students /Unit Market Rate | Students/ Unit Affordable Rate | Average Rate with 25% affordable | Unit Mix | Original Estimated Number of Students | New Plan Estimated Number of Students |
|----------------|----------------------------|--------------------------------|----------------------------------|----------|---------------------------------------|---------------------------------------|
| 1 Bedroom | 0.00 | 0.00 | 0.00 | 54 | 0 | 0 |
| 2 Bedroom | 0.15 | 0.40 | 0.21 | 82 | 16 | 17 |
| 3 Bedroom | 0.40 | 1.00 | .55 | 64 | 33 | 35 |
| Total | | | | | 49 | 52 |
| | | | | | | |

Response to Selectmen, ZBA and Public?



- No access from Grist Mill Road
 - Acquired emergency access thru Lots 27 and 27
 - No subdivision road – no future town expenses
- Reduce height, scale of buildings
 - Acquired land

What have we done?

Reduction in Height and Mass

22

- Acquired lots
- Paid for land
- Paid \$185,000 in back taxes



Bigger and More Challenging

23

Original Plan

- 238,000 Rentable Square Feet
- Construction related fees: \$270,000

Final Plan

- 300,000 Rentable Square Feet
- Additional Cost +/- \$6,000,000
- Additional Equity +/- \$2,000,000
- **Construction related fees: \$330,000**

Financial Challenges

24

- Higher Costs: Hard cost, A+E, Financing
- Higher Financial and Marketing risk
- Higher affordable unit subsidies

Financial Challenges

25

- Affordable Rent Subsidies Higher

| | 2 Bedrooms | 3 Bedrooms |
|-----------------------|------------|------------|
| Old Plan Market Rent | \$1,750.00 | \$2,200.00 |
| Less: Affordable Rent | \$1,338.00 | \$1,425.00 |
| Subsidies | \$412.00 | \$775.00 |
| | | |
| New Plan Market Rent | \$2,500.00 | \$2,900.00 |
| Less: Affordable Rent | \$1,338.00 | \$1,425.00 |
| Subsidies | \$1,162.00 | \$1,475.00 |

25% More Tenant Income

Marketing/Financial Challenges

26

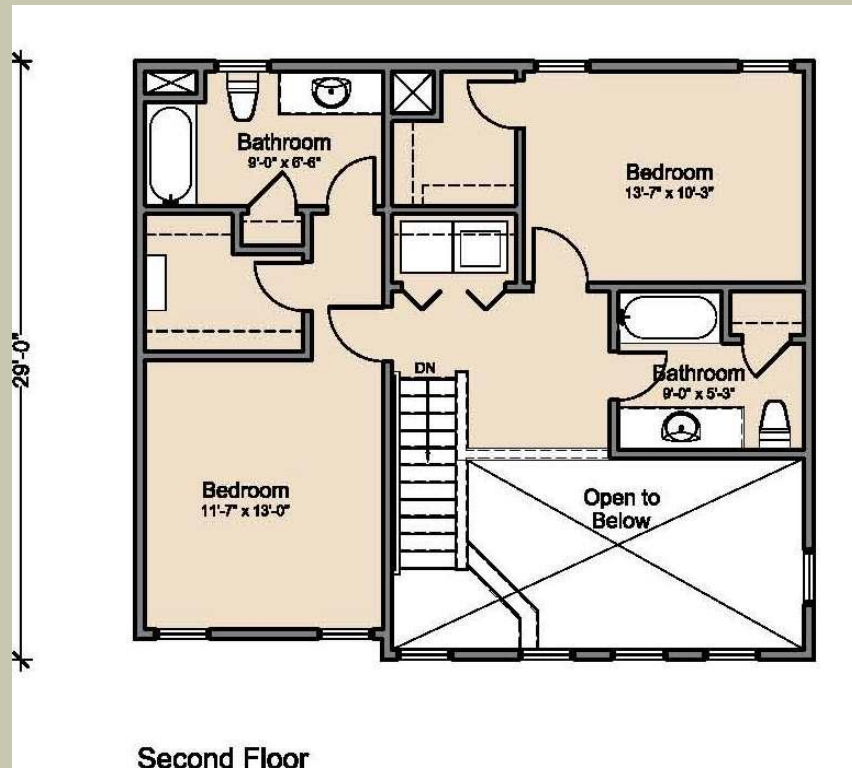
| | Original Plan | Final Plan |
|--------------------------------|---------------|--------------|
| Average Monthly Market Rent | \$1,792 | \$2,400 |
| Annual Rent per Market Unit | \$21,502 | \$28,800 |
| Income Required (28%) per unit | \$76,794 | \$103,000 |
| Tenants Income added to town | \$14,115,814 | \$17,697,257 |

+34%

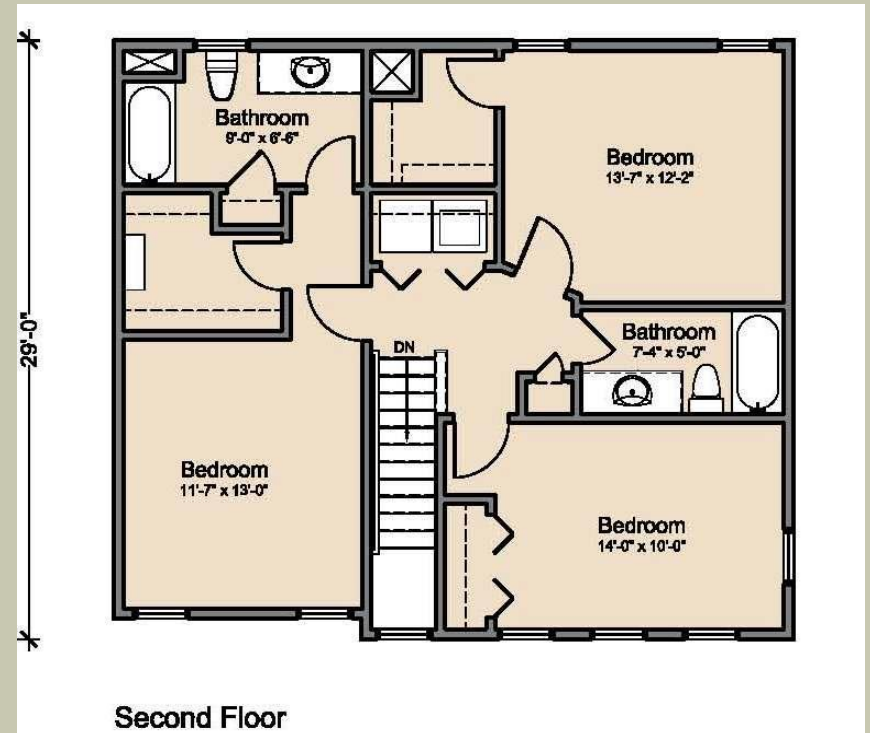
2 to 3 Bed Townhome Adds Little Additional Cost

27

2 Bedroom Second Floor



3 Bedroom Second Floor



3 Beds Overcome Marketing/Financial Challenges

28

- \$300-\$400/Month Additional Revenue
- Overcome added commute time
- Compete - Product/Design/Space/Price
- Covert \$3400/month Bedford/Waltham/Concord 2 bed TH renter to \$2900/Month 3 bed renter
- Convert \$500K 2 bed Condo Buyer to \$2900/Month 3 bed renter.

Fiscal Benefits Updated

29

| Estimated Recurring Revenue Townhome Rentals | Original | Updated | Difference |
|---|-------------------------|-----------|------------|
| Residential Real Estate Tax | \$306,000* | \$400,000 | \$94,000 |
| Auto Excise Tax | \$60,000** ¹ | \$70,000 | \$10,000 |
| Water Fees | \$43,000 | \$43,000 | - |
| Total | \$409,000 | \$513,000 | \$104,000 |

*Based on valuation/unit:

\$100,000

\$130,500

**Based on 1.2 cars / unit at:

\$250

\$292

¹ Chapter 40R School Cost Analysis. “Report and Recommendation for “The Commonwealth Housing Task Force”

Order of Tax Value – Littleton MA

30

| Address | Type | Valuation | Real Estate Taxes |
|----------------------------------|------|--------------|-------------------|
| 550 King Street (IBM) | C/I | \$60,000,000 | \$1,485,000 |
| Fifteen Great Rd Town Apartments | R | \$26,000,000 | \$400,000 |
| Distribution Center Drive | C/I | \$12,259,300 | \$303,417 |
| 153 Taylor (HP) | C/I | \$11,718,900 | \$290,042 |
| 20 Harvard Rd | C/I | \$9,588,700 | \$237,320 |
| 295 Foster St | C/I | \$8,098,200 | \$200,430 |
| 221 Great Rd (Toyota) | C/I | \$7,501,200 | \$185,654 |
| 1 Monarch Dr. | C/I | \$6,933,500 | \$171,604 |
| 300 Foster St | C/I | \$6,827,100 | \$168,970 |
| 151 Taylor St | C/I | \$6,321,900 | \$156,467 |
| 147 King St | R | \$5,971,700 | \$96,024 |
| 303 Foster St | C/I | \$5,817,600 | \$143,985 |

May 17, 2019

School Dollars

31

52 new students x \$5,400* = \$280,800

Vs.

\$513,000 Total Tax revenue

Net \$232,200 Annually

- 1.) Could payoff \$4.4 Million in bonds over 30 years
(16% of school bonds or 11% of unfunded pensions)
- 2.) Could defray 6% expense growth

*Littleton receives \$5,400 per incoming school choice student (cost must be less)

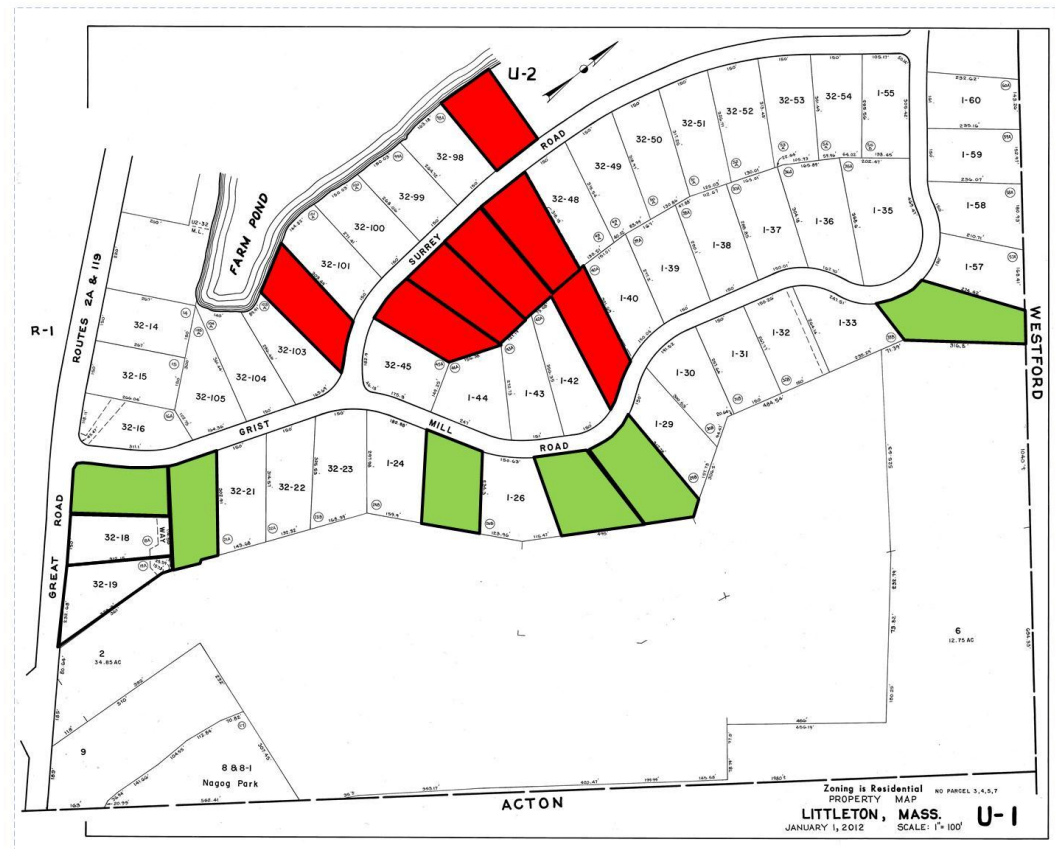
**WWTF
Investment
Makes lots more
valuable to Town**

**Potential Annual
Revenues:**

60,000±
70,000 ±
\$130,000 ±

**Average Real
Estate and Excise
Taxes Abutting
lots: \$10,000+**

**What have we done? \$0.0/yr. tax lots to
\$10,000/yr. tax lots**



What does our project do for the town?

33

| Upfront | | |
|--------------------------|--|------------------|
| | Back Taxes Paid | \$185,000 |
| Construction | | |
| | Construction Related Fees | <u>\$330,000</u> |
| | Total Prior to Building Permits | \$515,000 |
| Potential Annual Revenue | | |
| | Townhome Apartments | 513,000 |
| | 6 Grist Mill lots | 60,000 |
| | 7 Surrey Rd lots | 70,000 |
| | 19 New Subdivision lots | <u>190,000</u> |
| | Total Potential Recurring | \$733,000 |

34

BUILDING TYPE Z - FRONT ELEVATION
SCALE: 1/8"=1'-0"

BUILDING TYPE Z - RIGHT ELEVATION
SCALE: 1/8"=1'-0"

Drawing Title:
Building Type 2
Exterior Elevations

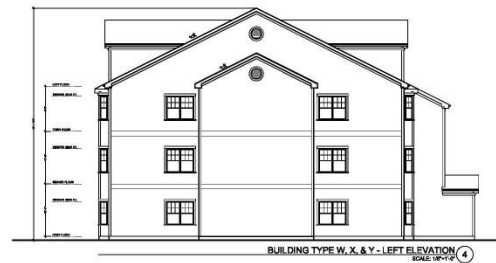
Sheet Number:
A.201

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Key Plant:

Architect's Stamp

Project:
Fifteen Great Road II LLC
15 Great Road,
Littleton, MA,
01460
Client:
Ornel Properties, LLC
200 Beaver Ave, Suite 203
Concord, MA 01742
Tel: (978) 399-4584
Project #: 12025
Scale: As Noted

Issue: _____ **Date:** _____
Progress: _____ 4/30/2012

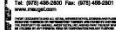
Revisions: _____ **Date:** _____

Drawing Title:
Building Type W, X, & Y
Exterior Elevation
Sheet Number:

A.201

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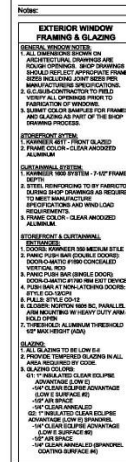
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37

SCALE: 1/8"=1'-0"

38

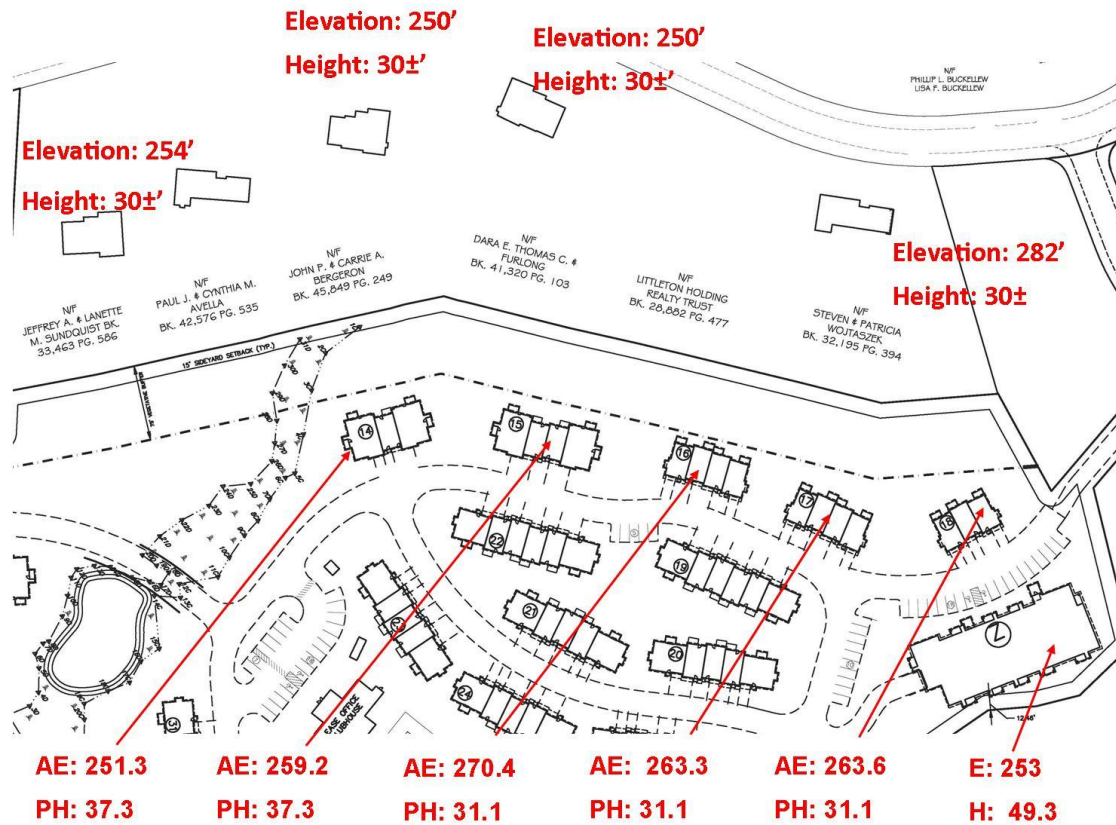


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Elevations/Heights

40



Next Steps / Schedule

41

- Grading Plan
- Landscape Plan
- Civil Peer Review
- Draft Decision