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Norfolk Massachusetts

Southwood Hospital Campus

Fiscal Impact Analysis of the proposed re-development of the Southwood Hospital Campus located at 111 Dedham Street, Norfolk MA.

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Executive Summary

Introduction: The Hoboken Brownstone Company has engaged Frank Sumanski to prepare a Fiscal Impact Analysis of the proposed re-development of the Southwood Hospital Campus on the Norfolk-Walpole border. The proposed development would turn the campus into a mixed-use development that would consist of approximately 220 multi-family residences, 150 assisted living residences (120 IAU), 30 memory care residences, 16,000 sq. ft. of retail, 16,000 sq. ft. of office space, and 150 rental units.

This analysis will examine the impact of the proposed development on both the municipal and school district operating budgets. This will be done by calculating the change in the service population due to the development, and the corresponding impact on fixed and variable costs within the town budgets. The results will be used to determine the expected impact to property taxes for current residents. Additional analysis will be done to determine the impact on school enrollment, including the number of school-age children and the expected number of public school children who will reside within the development.

Background: The campus was opened in 1920 under the name of Pondville State Hospital. It was shut down in 2003 when the Caritas Christi Health Care System built a more modern facility in Foxboro, MA. The site was up for auction in 2008 with an asking bid of \$10 Million; however the highest bid received was \$2 Million. Caritas Christi declined this bid as the facility had been appraised at \$5.5 Million (or an estimated \$10 Million if the property was not contaminated)¹.

Impact on Overall Town Budget: The analysis shows that at full build out, the Project results in an annual net surplus of **\$2.0 to \$2.5 Million** for the Town of Norfolk. The key drivers of this surplus are an estimated \$3.1 Million annual tax levy on the developed project, offset by \$560k to \$1.0M of additional expenses. Due to this surplus, the Project will save the average household approximately **\$8,000 to \$10,000** in property taxes over the first ten years, and \$1,200-\$1,400+ annually thereafter. Unless otherwise stated, all financial impacts will be stated in constant 2015 dollars, and based on a representation of full build out of the Project.

Impact on School Budget: The Project will result in a combined surplus of approximately \$1.0M to \$1.5M within the budgets of the Norfolk Public School district and King Philip School district, using the 2015/16 budgets as a baseline. The Project will provide \$1.7 Million of additional funding from property taxes levied on both the residential and commercial units. The Project will also generate \$200k to \$630k of costs within the King Philip and Norfolk Public School districts. This cost is primarily related to Instruction Costs and maintains the current per-student variable spending level. Please see *Impact of Development on School Budget* for further detail.

¹ <http://www.wickedlocal.com/article/20080724/News/307249179>

Executive Summary (cont.)

Impact on Municipal Budget: The Project will result in an annual net surplus of approximately \$1.0M in the Municipal Budget, using the 2016 budget as a baseline. The Project will generate \$1.39 Million of additional revenue for the town through property taxes levied on both the residential and commercial units. The project will also result in \$375k of additional expenditures to the town based on an increased service population. The largest increase is expected in the Public Safety department, which is projected to receive an additional \$222k of funding. Please see *Impact of Development on Municipal Budget* for further detail.

Impact on Property Taxes: The Project will reduce property taxes based on the surpluses in the municipal and school budgets above. Based on current growth projections within the municipal budget, the average household is expected to see property tax increases of 4.9% annually. The Project will slow the growth to an average of 3.2% annually. This saves the average household approximately \$8k - \$10k in taxes over the first ten years of development, with increasing annual savings of \$1,200 - \$1,400+ thereafter. Please see *Impact of Development on Property Taxes* for more detail.

Job Creation: TBD: The development is expected to create jobs in the following areas: Property Management, Leasing Agents, Medical and Nursing Professionals, and Retail. More analysis is needed to determine the overall magnitude of job creation.

Key Assumptions

Projected Property Values:

Property Use	Projected True Market Value
Assisted Living / Memory Care (180 Units)	\$47,500,000
Rental Apartments (150 units)	\$29,135,742
Medical Office & Services (16,000 sq. ft.)	\$4,000,000
Commercial/Retail Space (16,000 sq. ft.)	\$5,333,333
Townhouses (220 units at \$400k avg)	\$88,000,000
Total	\$173,969,075

Projected Schedule of Construction: (Assumption)

Date	Project Schedule
2017-2019	The Assisted Living, Memory Care, Rental Apartments, and Commercial/Office Space will be completed over a period of three years. 1/3 of each segment will be completed and operational each year during this span.
2017-2022	The Townhouses will be completed over a period of six years. 1/6 of the homes will be completed each year during this span.

Projected increase to the population due to development:

Unit Type	Population Multiplier ²		School-Age Children Multiplier ³	
	Low	High	Low	High
2-Bedroom Townhouse (<i>Age Restricted</i>)	1.53	1.93	-	-
1-Bedroom Apartment	1.31	1.46	0.14	0.45
2-Bedroom Apartment	1.89	2.40	0.14	0.45
Assisted Living / Memory Care	1.00	1.00	-	-

Unit Type	Population Increase		School-Age Children Increase	
	Low	High	Low	High
2-Bedroom Townhouse (<i>220 Units</i>)	337	425	-	-
1-Bedroom Apartment (<i>75 units</i>)	98	110	11	34
2-Bedroom Apartment (<i>75 units</i>)	142	180	11	34
Assisted Living / Memory Care (<i>180 units</i>)	180	180	-	-
Total	757	894	21	68

² A Quick Guide to Residential Demographic Multipliers - <http://policy.rutgers.edu/reports/cupr/QuickGuide.pdf>

³ Please see Appendix E for further detail

Impact of Development on School Budget – King Philip School District

	Low Estimate - 10 Students			High Estimate - 31 Students	
	2016 Budget	Increase due to Develpmnt.	Revised Budget including Development	Increase due to Develpmnt.	Revised Budget including Development
Expenses					
1999 Administration	958,878	-	958,878	-	958,878
2999 Instruction Services	14,342,429	71,784	14,414,213	222,530	14,564,959
3999 Other School Services	2,836,170	14,195	2,850,365	44,005	2,880,175
4999 Operations/Maintenance	2,413,448	-	2,413,448	-	2,413,448
5999 Fixed Charges	5,067,721	-	5,067,721	-	5,067,721
9999 Tuitions	3,478,700	17,411	3,496,111	53,974	3,532,674
Total	29,097,346	103,390	29,200,736	320,509	29,417,855

Basis: The 2016 King Philip School Budget dated 3/2/2015 was used as a baseline for all projections⁴. This budget provided for \$29.0 Million in expenses to be funded by the three towns within the region, Norfolk, Wrentham, and Plainville. This budget is assumed to provide services for a current enrollment of approximately 2,000 students in the High School and Middle School. The development will result in \$103k to \$320k of increased expense funding, as well as a surplus of \$498k to \$715k.

Revenues: King Philip School District receives funding primarily from Local and State sources. We are projecting an increase of \$819k in funding from Norfolk property taxes due to the development. Using the 2015 local tax rate of 0.01766 with an equalization rate of 101% we project the total revenue generated from the development to be approximately \$3.1M. Historically, 55% of taxes raised have gone to fund school expenses, which translates to \$1.7M. Based on the expected distribution of school-age children among grade levels, 48% of this funding will be directed towards King Philip.

Expenses: This analysis assumes increased funding of variable expenses with the intention of maintaining the same per-student spending with the growth in enrollment (*est. 10-31 students total*)⁵. Instruction Services account for approximately 70% of the increase.

Conclusion: The development will allow for improved service levels due to increased per-student funding within the King Philip School District. The development will result in a surplus of \$498k to \$715k which can be used to hire more teachers and reduce class sizes.

⁴ Please see Appendix B for further details.

⁵ See Key Assumptions on Page 3

Impact of Development on School Budget – Norfolk Public School District

	Low Estimate - 11 Students			High Estimate - 37 Students	
	2015 Approved Budget	Increase due to Develpmnt	Revised Budget including	Increase due to Develpmnt	Revised Budget including
District Administration	593,413	-	593,413	-	593,413
H Olive Day Elementary	2,500,494	24,681	2,525,175	83,019	2,583,513
Freeman Elementary	3,289,258	34,171	3,323,429	114,939	3,404,197
Student Support Services	3,183,657	32,743	3,216,400	110,137	3,293,794
Operations Support	864,625	-	864,625	-	864,625
Total	10,431,447	91,596	10,523,043	308,095	10,739,542

Basis: The 2015 Norfolk Public School Budget was used as a baseline for all projections⁶. This budget provided for \$10.4 Million in expenses. This budget is assumed to provide services for a current enrollment of approximately 895 students in H. Olive Day School and Freeman-Kennedy Elementary. The development will result in increased expense funding of between \$92k to \$308k, as well as a surplus of \$579k to \$795k.

Revenues: Norfolk Public School District receives funding primarily from Local and State sources. We are projecting an increase of \$887k in funding from Norfolk property taxes due to the development. Using the 2015 local tax rate of 0.01766 with an equalization rate of 101% we project the total revenue generated from the development to be approximately \$3.1M. Historically, 55% of taxes raised have gone to fund school expenses, which translates to \$1.7M. Based on the expected distribution of school-age children among grade levels, 52% of this funding will be directed towards Norfolk PS.

Expenses: This analysis assumes increased funding of variable expenses with the intention of maintaining the same per-student spending with the growth in enrollment (*est. 11-37 students total*)⁷. The primary expenditures are in teacher salaries and student support services.

Conclusion: The development will allow for improved service levels due to increased per-student funding within the Norfolk Public School District. The development will result in a surplus of \$579k to \$795k which can be used to hire more teachers and reduce class sizes.

⁶ Please see Appendix C for further details

⁷ See Key Assumptions on Page 4

Impact of Development on Municipal Budget

	Low Population - 757			High Population - 894	
	2016 Budget	Increase due to Develpmnt.	Revised Budget including Development	Increase due to Develpmnt.	Revised Budget including Development
All Revenue Sources					
Local Tax Levy	26,067,037	3,103,017	29,170,054	3,103,017	29,170,054
Other Revenues	7,382,617	-	7,382,617	-	7,382,617
Non-Recurring Revenues	481,884	-	481,884	-	481,884
Total Revenue	33,931,538	3,103,017	37,034,555	3,103,017	37,034,555
Discretionary Costs					
Education	19,236,385	194,986	19,431,371	628,604	19,864,989
General Government	2,658,057	17,577	2,675,634	20,761	2,678,818
Public Safety	4,543,813	222,800	4,766,613	222,800	4,766,613
Public Works - Operations	1,197,878	-	1,197,878	-	1,197,878
Culture and Recreation	664,285	-	664,285	-	664,285
Total Non-Discretionary Costs	5,631,120	128,966	5,760,086	134,598	5,765,718
Total Expenses	33,931,538	564,329	34,495,867	1,006,763	34,938,301
Total Surplus/Deficit	-	2,538,688	2,538,688	2,096,254	2,096,254

Basis: The 2016 Municipal Budget dated 5/5/2015 was used as a baseline for all projections⁸. This budget provided for \$33.9M in expenses to be funded by \$33.9M in revenues for a net-zero budget. This budget is assumed to provide services for a projected 2016 population of approximately 12,080. The development will result in \$560k - \$1M of increased expense funding, as well as a \$2.1M - \$2.5M Surplus. This includes the school-related spending and surpluses mentioned above. If you exclude the schools, it results in approx \$375k of additional spending and a surplus of \$1.0M.

Revenues: We are projecting an increase of \$1.39M in revenue from Norfolk property taxes due to the development. Using the 2015 local tax rate of 0.01766 with an equalization rate of 101% we project the total revenue generated from the development to be approximately \$3.1M. Historically, 45% of taxes raised have gone to fund non-school expenses, which translates to \$1.39M of Municipal Revenue.

Expenses: This analysis assumes increased funding towards all variable expenses with the intention of maintaining the same per-resident spending with the growth in population (*est. 757 - 894 residents*)⁹. The only exception is Public Safety, which includes Police/Fire salaries & benefits, as well as one new ambulance calculated based on actual additional cost.

Conclusion: The development will allow for improved service levels due to the projected surpluses, providing additional funding, while also lowering the tax burden on existing households.¹⁰

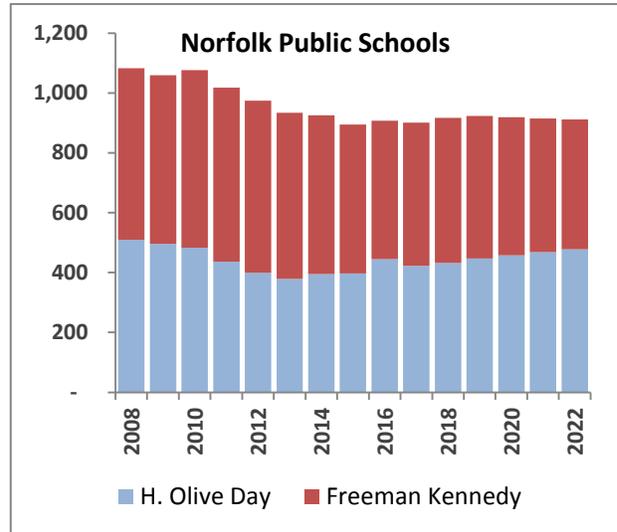
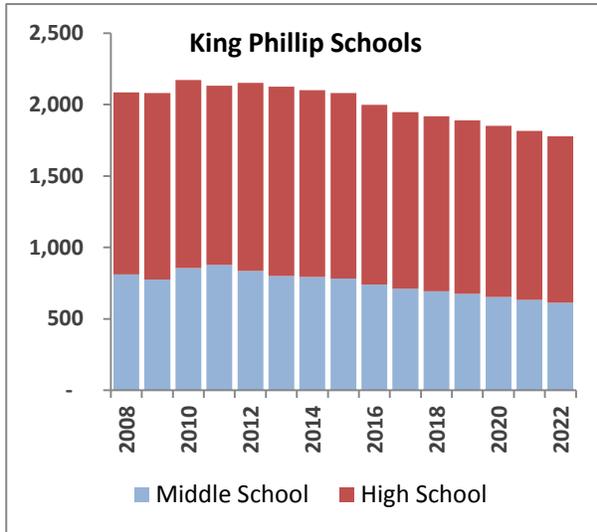
⁸ http://www.virtualnorfolk.org/public_documents/NorfolkMA_documents/towndocs/F000193D4/

⁹ See Key Assumptions on Page 4

¹⁰ See full budget detail in Appendix A

Impact of Development on School Enrollment

Projected Enrollment (High Estimate):



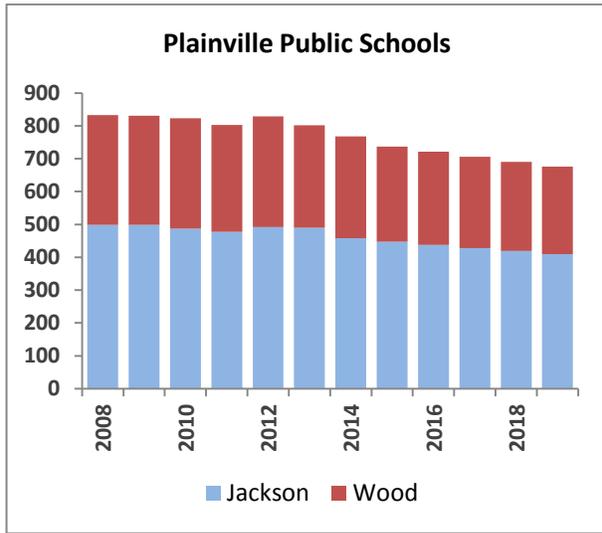
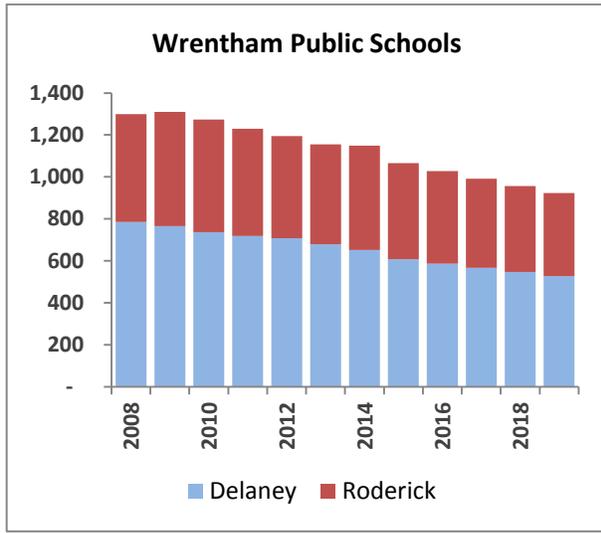
King Philip: King Philip enrollment has remained relatively steady around 2,100 students from 2008 through 2014, with a decline projected to begin in 2015.¹¹ We are projecting that there will be 10-31 additional students attending King Philip schools as a result of this development.¹² Given their current growth trends, King Philip will be able to absorb these additional students without any strain. The additional funding will more than offset the cost of the students, likely leading to smaller class sizes than at present.

Norfolk Public Schools: Norfolk Public School enrollment has shown a noticeable decline, from nearly 1,200 students in 2002, to 1,080 in 2008, to 895 in 2015 (projected).¹³ We are projecting that there will be 11-37 additional students attending King Philip schools as a result of this development.¹⁴ This development will help to stabilize the declining student base. The additional funding will more than offset the cost of the students, likely leading to improved instructional ability and smaller class sizes than at present.

Both graphs above are based on the highest estimate of new students under our projections. (31 students for King Philip, and 37 students for Norfolk Public Schools)

Impact of Development on School Enrollment (continued)

¹¹ See Appendix D for further detail
¹² See the Key Assumptions (page 3) for details
¹³ See Appendix D for further detail
¹⁴ See the Key Assumptions (page 3) for details



Plainville/Wrentham Public Schools: In order to evaluate the expected decrease at the King Philip Middle and High Schools, it is necessary to examine the enrollment trends within the feeder schools as well. King Philip serves students in grades 7-12 from both Wrentham and Plainville, in addition to Norfolk.

Wrentham has two public schools: Delaney School, which serves students from pre-school through 3rd grade, and Charles E Roderick School, which serves grades 4-6. Both schools have seen a noticeable decrease in enrollment over the past several years, with total district enrollment falling from 1,299 students in 2008, to 1,065 students in 2015.¹⁵ Based on this trend, we are projecting that enrollment in Wrentham Public Schools will continue to decrease.

Plainville has two public schools: Anna Ware Jackson School which serves students from pre-school to 3rd grade, and Beatrice H Wood Elementary School which serves grades 4-6. Both schools have seen a minor decrease in enrollment over the past several years, with total district enrollment falling from 833 students in 2008, to 737 students in 2015. Based on this trend, we are projecting that enrollment in Plainville Public Schools will continue to decrease.

Summary: Pre-school through grade 6 enrollment has been steadily decreasing in Norfolk, Plainville, and Wrentham over the past 5 years. Due to the consistency of this trend, we expect it to continue. This suggests that all 3 towns have additional capacity for new students immediately, and over the next 5 years.

Impact of Development on Property Taxes for Existing Households

¹⁵ <http://profiles.doe.mass.edu/>

Average Single Family Tax Bills - Historical¹⁶

Year	Average Single Family Tax Bill	Growth
2011	\$6,391	
2012	\$6,927	8.4%
2013	\$7,186	3.7%
2014	\$7,368	2.5%
2015	\$7,603	3.2%
Average Growth Rate		4.5%

Projected Single Family Tax Bills – 10 Years from Development

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Without Dev	\$8,400	\$8,798	\$9,215	\$9,657	\$10,120	\$10,611	\$11,125	\$11,672	\$12,244	\$12,853
Low Population										
With Dev	\$8,179	\$8,321	\$8,460	\$8,771	\$9,092	\$9,415	\$9,894	\$10,388	\$10,907	\$11,460
\$ Savings	\$222	\$477	\$755	\$886	\$1,028	\$1,196	\$1,231	\$1,283	\$1,337	\$1,394
% Savings	2.6%	5.4%	8.2%	9.2%	10.2%	11.3%	11.1%	11.0%	10.9%	10.8%
High Population										
With Dev	\$8,225	\$8,416	\$8,609	\$8,924	\$9,252	\$9,581	\$10,065	\$10,565	\$11,090	\$11,649
\$ Savings	\$175	\$382	\$607	\$733	\$868	\$1,030	\$1,060	\$1,106	\$1,154	\$1,204
% Savings	2.1%	4.3%	6.6%	7.6%	8.6%	9.7%	9.5%	9.5%	9.4%	9.4%

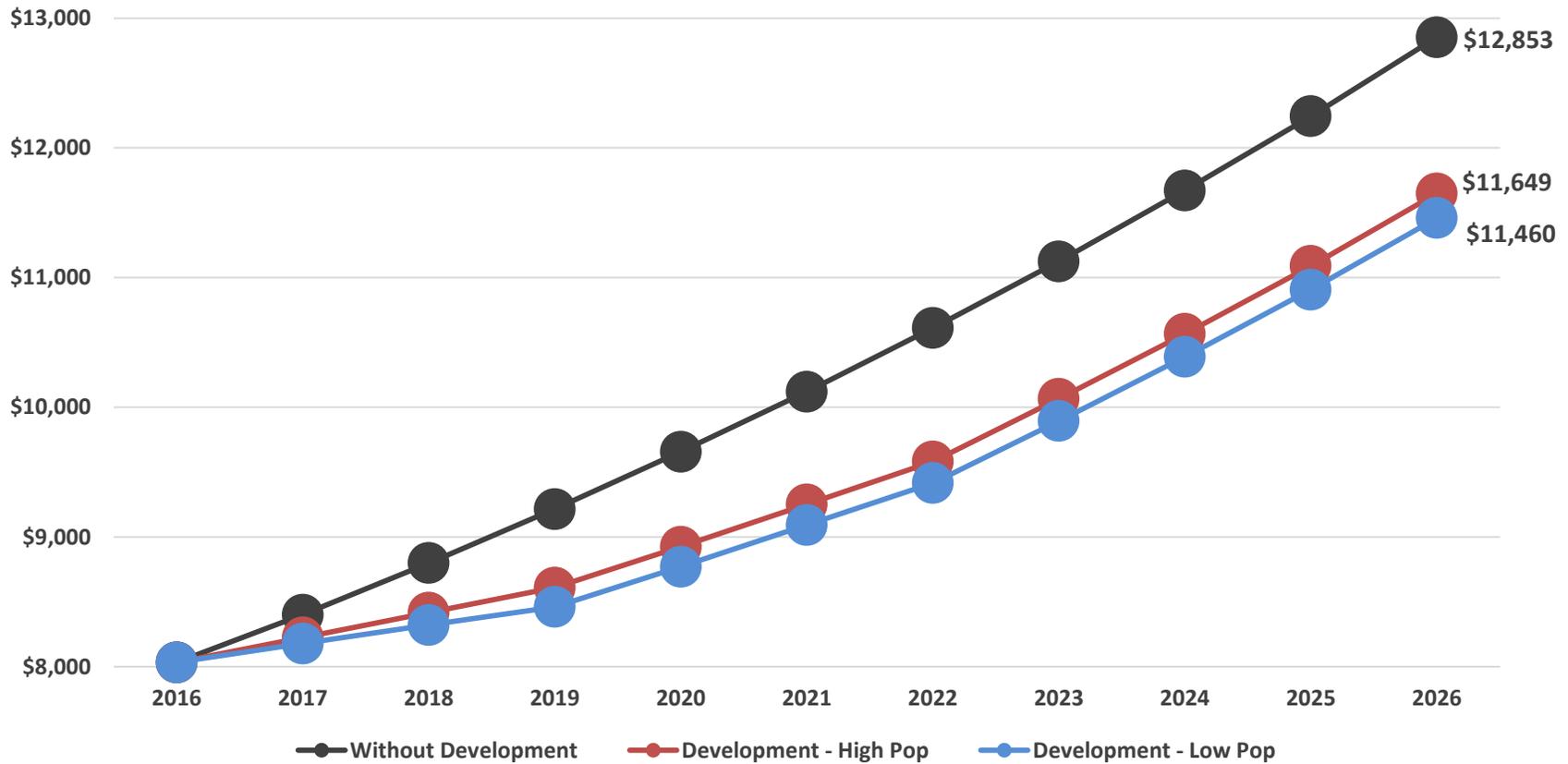
Basis: The average single family tax bill has increased by 4.5% over the last 4 years. We have projected the municipal budget through 2026, assuming the historical growth of expenses in order to determine the tax bill “Without Development”.

In order to calculate the tax bill “With Development”, we projected the Municipal Budget forward through the first ten years after construction, assuming the additional revenues and expenses projected above. The increased revenues result in a lower average tax bill for existing households.

Conclusion: Existing Households will see much lower tax bills due to the development. They will see savings immediately, with the benefits increasing as each phase of the project is completed.

¹⁶ <http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/data-bank-reports/property-tax-information.html>

Impact of Development on Property Taxes for Existing Households



Conclusion: Existing Households will see immediate tax relief due to the development, in the form of lower tax bills. They will save approximately \$830 - \$980 annually on average over the first ten years. This is an average savings of 7.7% - 9.1%, or almost \$8k - \$10k over the first ten years. This is due to the development generating proportionately more revenues than expenses.

Appendix A

Norfolk Municipal Budget – Historical and Projected

	Official Township Budgets			Projections based on average historical growth									Growth %				
	2014-B	2015-B	2016-B	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2015	2016	Avg	
All Revenue Sources																	
Local Tax Levy	a	23,578,861	24,794,060	26,067,037	27,407,921	28,817,780	30,300,161	31,858,797	33,497,608	35,220,719	37,032,467	38,937,411	40,940,345	43,046,309	5.2%	5.1%	5.1%
Other Revenues	a	6,911,181	7,062,167	7,382,617	7,630,755	7,887,233	8,152,332	8,426,341	8,709,559	9,002,297	9,304,874	9,617,622	9,940,881	10,275,005	2.2%	4.5%	3.4%
Non-Recurring Revenues	a	458,916	143,562	481,884	481,884	481,884	481,884	481,884	481,884	481,884	481,884	481,884	481,884	481,884	-68.7%	235.7%	83.5%
Total Revenue	a	30,948,958	31,999,789	33,931,538	35,520,560	37,186,897	38,934,377	40,767,021	42,689,051	44,704,900	46,819,225	49,036,916	51,363,109	53,803,197	3.4%	6.0%	4.7%
Non-Discretionary Costs																	
Debt Service (Non-Excluded)	a	573,000	523,199	545,402	545,402	545,402	545,402	545,402	545,402	545,402	545,402	545,402	545,402	545,402	-8.7%	4.2%	-2.2%
Health Insurance	a	1,800,000	1,926,032	1,985,235	2,085,247	2,190,298	2,300,641	2,416,543	2,538,283	2,666,157	2,800,473	2,941,555	3,089,745	3,245,401	7.0%	3.1%	5.0%
Norfolk County Retirement	a	1,363,285	1,421,572	1,645,469	1,810,225	1,991,478	2,190,879	2,410,246	2,651,577	2,917,072	3,209,150	3,530,473	3,883,970	4,272,861	4.3%	15.7%	10.0%
Unemployment Benefits	a	100,000	20,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	-80.0%	50.0%	-15.0%
Medicare	a	178,000	182,000	188,000	193,211	198,567	204,071	209,728	215,541	221,516	227,656	233,967	240,452	247,118	2.2%	3.3%	2.8%
Other Employee Benefits	a	102,200	108,460	116,000	123,585	131,665	140,274	149,446	159,218	169,629	180,720	192,536	205,125	218,538	6.1%	7.0%	6.5%
Building Liability	a	300,000	300,000	325,000	338,542	352,648	367,341	382,647	398,591	415,199	432,499	450,519	469,291	488,845	0.0%	8.3%	4.2%
Tri-County	a	589,226	624,630	633,187	656,547	680,768	705,884	731,925	758,928	786,927	815,958	846,061	877,274	909,639	6.0%	1.4%	3.7%
Norfolk Agricultural School	a	10,000	10,000	16,800	16,800	22,512	22,512	30,166	30,166	40,423	40,423	54,166	54,166	72,583	0.0%	68.0%	34.0%
Transfer Station Expenses	a	369,162	388,836	389,941	400,886	412,138	423,706	435,598	447,824	460,394	473,316	486,601	500,259	514,300	5.3%	0.3%	2.8%
Road Program	a	1	1	1	1	1	1	1	1	1	1	1	1	1	0.0%	0.0%	0.0%
Reserve Fund	a	50,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	0.0%	-50.0%	-25.0%
Shared Services (Fuel, St. Lights, Landfill)	a	382,168	380,273	406,073	418,841	432,011	445,595	459,607	474,058	488,965	504,339	520,198	536,555	553,426	-0.5%	6.8%	3.1%
Total Non-Discretionary Costs	a	5,817,042	5,935,003	6,306,108	6,644,287	7,012,488	7,401,306	7,826,309	8,274,590	8,766,683	9,284,937	9,856,480	10,457,240	11,123,112	2.0%	6.3%	4.1%
Discretionary Costs																	
Norfolk Elementary	a	10,006,184	10,431,447	10,876,598	11,339,799	11,822,727	12,326,222	12,851,158	13,398,450	13,969,050	14,563,949	15,184,184	15,830,833	16,505,020	4.3%	4.3%	4.3%
General Government	a	2,369,620	2,461,349	2,633,057	2,775,864	2,926,416	3,085,133	3,252,459	3,428,859	3,614,827	3,810,881	4,017,568	4,235,466	4,465,181	3.9%	7.0%	5.4%
Public Safety	a	3,979,967	4,275,096	4,543,813	4,855,087	5,187,685	5,543,067	5,922,795	6,328,536	6,762,072	7,225,308	7,720,278	8,249,155	8,814,264	7.4%	6.3%	6.9%
Public Works - Operations	a	1,057,586	1,121,713	1,197,878	1,274,863	1,356,796	1,443,994	1,536,797	1,635,564	1,740,678	1,852,548	1,971,607	2,098,318	2,233,173	6.1%	6.8%	6.4%
King Phillip Operating Budget	a	7,093,834	7,309,859	7,709,800	8,038,103	8,380,385	8,737,243	9,109,297	9,497,194	9,901,609	10,323,244	10,762,834	11,221,143	11,698,967	3.0%	5.5%	4.3%
Culture and Recreation	a	587,836	634,575	664,285	706,244	750,854	798,281	848,704	902,312	959,306	1,019,900	1,084,322	1,152,812	1,225,629	8.0%	4.7%	6.3%
Total Expenses	a	25,095,027	26,234,039	27,625,431	28,989,960	30,424,863	31,933,941	33,521,210	35,190,915	36,947,542	38,795,831	40,740,793	42,787,727	44,942,234	4.5%	5.3%	4.9%
Total Surplus/Deficit		36,889	(169,253)	(1)	(113,687)	(250,454)	(400,870)	(580,497)	(776,454)	(1,009,324)	(1,261,542)	(1,560,357)	(1,881,858)	(2,262,148)	-558.8%	-100.0%	-329.4%
Number of Households	b	2,939	2,972	2,998	3,023	3,049	3,074	3,100	3,125	3,151	3,176	3,202	3,227	3,253	33	26	
Average Household Tax Bill	b	\$7,368	\$7,603	\$7,821	\$8,400	\$8,798	\$9,215	\$9,657	\$10,120	\$10,611	\$11,125	\$11,672	\$12,244	\$12,853	3.2%	2.9%	
Total Tax Levy	c	23,578,861	24,794,060	26,067,037	27,521,608	29,068,234	30,701,031	32,439,294	34,274,062	36,230,043	38,294,009	40,497,767	42,822,203	45,308,457			
Total Tax Levy from Residential Sources	d	21,654,552	22,596,116	23,442,034	25,394,101	26,821,168	28,327,745	29,931,634	31,624,569	33,429,347	35,333,762	37,367,162	39,511,912	41,805,970			
% of Tax Levy paid for by Residential Sources	e	92%	91%	90%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%			

‡ Data obtained from township budgets.

All line items are expected to grow according to their historical growth rates as detailed in the "Growth %" field at the right; with the following exceptions.

- 1) Non-recurring revenues are held to the same level as 2016. By definition these revenues would be expected to go away, but in the absence of further detail we are assuming other additional non-recurring sources will be obtained each year.
- 2) Debt Service is held to the same level as 2016 based on the assumption that the township's debt obligations will remain constant.
- 3) Unemployment Benefits are held to the same level as 2016. This line-item has decreased slightly since 2014, however we felt it was more conservative to assume that the decline will not continue.
- 4) Norfolk Agricultural School has the trend adjusted to increase every other year. Due to the small one-time increase of \$6k, a 34% annual increase is unlikely to be sustained.
- 5) The Reserve Fund is held flat at \$25k per year.

† The Average Household Tax Bill, and Number of Households for 2013-2015 were obtained from Mass.gov website.

The township has seen an average of 26 new households added annually between 2013-2015. We are assuming this trend will continue, independent of the proposed development.

The Average Household Tax Bill for 2016-2026 is based on the Total Tax Levy from Residential Sources / Number of Households

‡ The Total Tax Levy from 2013-2016 is obtained from the township budgets.

The Total Tax Levy from 2017-2026 is a projection based on the historical growth rates seen above.

As Expenses are growing faster than Revenues, the annual deficit will increase each year. The assumption is that this shortfall will be recovered by increasing the tax rate. Therefore the projected deficit is added on to the Total Tax Levy each year.

‡ Total Tax Levy from Residential Sources multiplies the Average Household Tax Bill * the number of Households. The remainder of the tax levy is assumed to come from other sources such as commercial or industrial.

‡ The percentage of the Tax Levy from Residential Sources is used to determine the average distribution of the tax burden. The average tax burden for Residential was 92% based on the 2013-2016 budget and historical info. Our projections from 2017-2026 will assume that Residential sources will be responsible for 92% of the annual tax burden.

Appendix B

King Philip Regional School District
Section: Summarized DataFY 2016 Operating Budget
Adopted 3/2/15

FINAL BUDGET

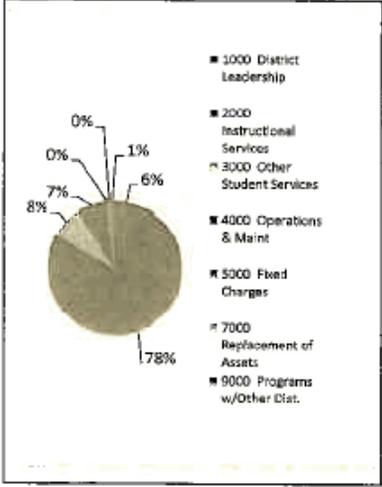
Account Code	FY 12 Actual	FY 13 Actual	FY 2014 Actual	FY 2015 Final Budget	FY 2015 YTD	FY 16 Budget	\$ Change	% Change
Budget Summary								
1999 Administration School Committee, District Office	826,855	727,471	834,923	879,196	813,843	958,878	79,682	9.1%
2999 Instruction Services All Instructional Accounts	11,645,874	12,329,941	12,845,790	13,579,381	13,014,808	14,342,429	763,049	5.6%
3999 Other School Services Health Services, Transportation, Athletics, Co-Curricular	2,132,617	2,150,459	2,378,687	2,846,087	2,404,884	2,836,170	-9,917	-0.3%
4999 Operations/Maintenance Utilities, Maintenance & Operations	2,382,981	2,454,632	2,210,287	2,287,226	2,146,891	2,413,448	126,222	5.5%
5999 Fixed Charges Benefits & Non-Employee Insurance	4,659,814	5,174,903	4,762,333	4,809,014	4,484,006	5,067,721	258,707	5.4%
9999 Tuitions Charter, School Choice, and Out of District Tuitions	2,318,625	2,431,085	2,682,962	3,104,270	2,752,587	3,478,700	374,430	12.1%
Budget Summary Total	\$23,966,764	\$25,268,491	\$25,714,983	\$ 27,505,175	\$25,617,019	\$29,097,346	\$1,592,171	5.8%

Appendix C

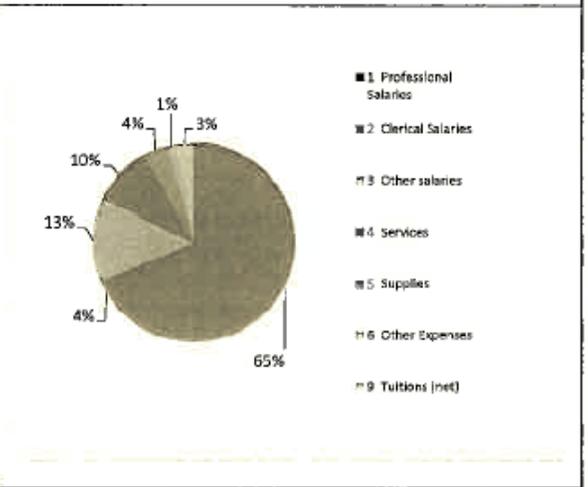
Norfolk Public Schools

BUDGET SUMMARY

Overview:	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 BUDGET	FY2016 Request	Budget Variance FY16 - FY15	FY2014 FTE	FY2015 FTE	FY2016 FTE	FTE Variance FY15 - FY14
1. District Administration	\$ 565,498	\$ 534,634	\$ 612,812	\$ 593,413	599,672	\$ 6,259	4.0	4.2	4.2	-
2. H. Olive Day Elementary School	2,068,604	2,256,008	2,187,974	2,500,494	2,915,201	\$ 414,707	26.3	28.3	33.3	5.0
3. Freeman-Centennial Elementary School	2,985,800	2,879,562	3,046,045	3,289,258	3,353,262	\$ 64,004	37.5	38.9	38.9	-
4. Student Support Services	2,893,338	3,013,763	3,162,280	3,183,657	3,078,707	\$ (104,950)	48.6	50.0	50.0	-
5. Operations Support	894,101	749,527	846,707	864,625	929,756	\$ 65,131	11.0	11.5	11.5	-
TOTALS	\$ 9,407,341	\$ 9,433,494	\$ 9,855,818	\$ 10,431,447	10,876,598	\$ 445,150	127.4	132.9	137.9	5.0
				Amended Budget ---->	\$ 10,876,598	4.27%				



By DESE Expense Type:	FY2014 ACTUAL	FY2015 BUDGET	FY2016 Request
1 Professional Salaries	\$ 6,170,192	\$ 6,738,346	\$ 7,170,631
2 Clerical Salaries	420,179	434,152	443,057
3 Other salaries	1,215,266	1,378,150	1,416,325
4 Services	930,186	1,009,494	1,119,920
5 Supplies	539,858	429,445	439,395
6 Other Expenses	87,278	139,360	139,856
9 Tuitions (net)	492,859	302,500	147,420
TOTALS	\$ 9,855,818	\$ 10,431,447	\$ 10,876,598



4.27%

Appendix D

Student Enrollment Projections

Norfolk Public Schools														
ENROLLMENT														
Grade	Actual Pupil Enrollment (October 1st)											Projected Enrollment		
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Total Pupil Census														
Prek	61	61	63	55	47	56	57	57	58	56	66	65	65	65
K	165	148	145	162	140	123	121	105	92	135	96	129	102	105
1	180	139	146	145	166	141	124	115	118	89	136	115	135	115
2	141	176	134	148	143	163	134	122	111	115	99	136	110	135
Subtotal, HOD	537	524	488	510	496	483	436	399	379	395	397	445	417	420
3	149	136	170	132	145	144	162	130	120	111	121	100	136	116
4	182	151	130	166	131	150	136	161	138	122	115	121	100	136
5	153	148	152	127	166	136	140	135	161	136	126	115	121	100
6	149	150	148	148	121	163	135	150	136	161	136	126	115	121
Subtotal, FK	603	585	600	573	563	563	562	576	555	530	498	462	472	472
Total	1,140	1,109	1,088	1,083	1,059	1,076	1,018	975	934	925	895	907	889	892
Change	-44	-31	-21	-5	-24	17	-56	-43	-84	-50	-39	-16	-16	3

Norfolk K-6 Students Attending Other Schools

115	91	80	69
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Other Schools include:
 Collaboratives
 Charter Schools
 Private Schools
 Home School

Appendix D (continued)

King Philip Regional School District

Pupil Census / Projections:

FY 2015 - FY 2017

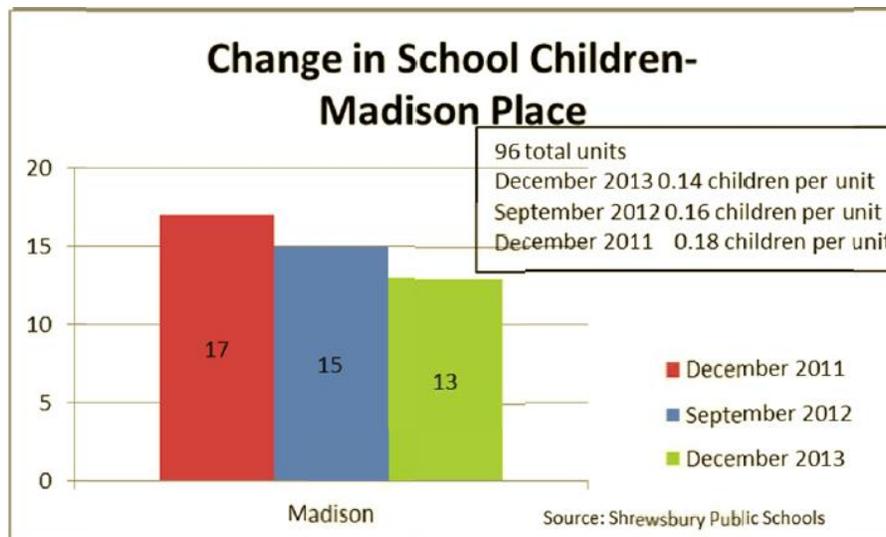
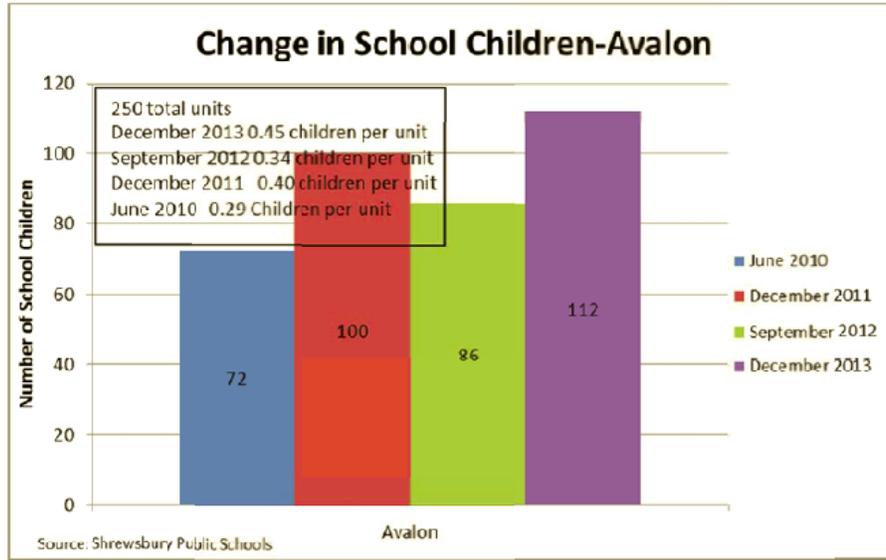
Financial Office

In-District Students Only

Grade	As of October 1st of Each Year									Projections: 3 Year Survival %		
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actual												
Total Pupil Census												
K	409	432	386	385	357	390	323	369	296	329	331	319
1	415	405	442	378	399	357	364	316	368	294	327	330
2	431	421	405	444	369	401	361	382	325	369	298	329
3	466	428	421	399	438	370	384	351	374	322	366	293
4	399	464	423	421	399	440	406	396	347	372	320	364
5	428	407	469	430	423	400	404	391	395	353	379	325
6	412	416	402	463	432	428	407	440	381	389	347	374
Elem	2,960	2,973	2,948	2,920	2,817	2,786	2,649	2,645	2,486	2,428	2,366	2,334
Chg	-76	13	-12	-28	-103	-31	-137	-4	-159	-58	-62	-32
7	429	412	401	383	469	415	418	380	420	367	376	336
8	406	426	410	393	386	462	418	421	373	415	363	371
KP-M	835	838	811	776	855	877	836	801	793	782	739	707
Chg	-12	3	-24	-35	79	22	-41	-35	-8	-11	-43	-32
9	333	334	339	334	333	290	388	330	328	303	335	294
10	280	327	337	342	331	324	281	375	326	330	304	337
11	312	292	326	307	330	319	328	287	365	313	318	293
12	275	299	272	321	322	321	318	332	289	353	302	306
KP-H	1,200	1,252	1,274	1,304	1,316	1,254	1,315	1,324	1,308	1,299	1,259	1,230
Chg	35	52	74	30	12	-62	61	9	-16	-9	-40	-29
Total KP	2,035	2,090	2,085	2,080	2,171	2,131	2,151	2,125	2,101	2,081	1,998	1,937
Chg	23	55	50	-5	91	-40	20	-26	-24	-20	-83	-61

Appendix E

Memorandum
 Shrewsbury Board of Selectmen
 December 16, 2013
 Page 2 of 5



Southwood Hospital Campus-Norfolk, MA

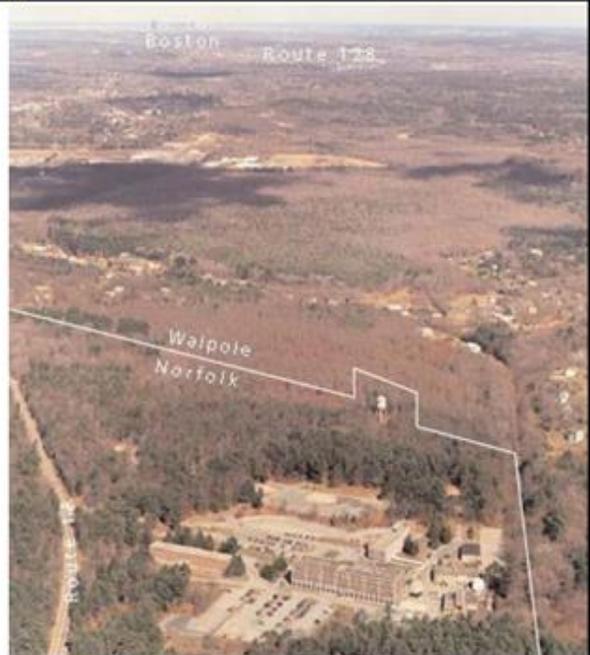
110 Dedham Street



Assets, Buildings, Capacity and Zoning

80+ Acres

- **Direct Access to Rt 1A**
0.5 mile to Rt 115, 1.2 miles to Rt 1 then 3.4 miles to I-495
- **8 minutes to Interstate I-495**
- **2 Buildings in Cold Shell Condition**
Hospital-56K SF Footprint/235K GSF 5-floors
Nursing School-12K SF Footprint-50K GSF 4 floors
- **Future Buildout: 600K+GSF @ 2 floors for Commercial-Office-R and D**
- **Parking for 1,500 cars, 600 available now**
- **Commuter Rail to Boston-within 2 miles in Norfolk**
- **1/2 mile existing paved roads**



- **Zoning: "As of right" for commercial-medical office-R and D and biotechnology**
- **Has a SILVER rating from the Massachusetts Biotechnology Resource Council**
- **Adopted 43D Permitting Program-to mandate land use decisions within 180 days of an application**

Utilities

Water: has on-site water distribution piping from Dedham St (Rt 1A) to the buildings.
Town of Norfolk water available in 6 months

On-Site Sewer: The site has the capability of constructing 40-50K gpd waste water treatment facility within 6 months, both Title V and soil testing compliant

Wind Energy: The site could generate alternative energy from wind sources per the Massachusetts Renewable Energy Trust.

