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ENGINEERING · PLANNING · SURVEYING · ENVIRONMENTAL

FISCAL IMPACT ANALYSIS

HINGHAM SHIPYARD

MULTIFAMILY DEVELOPMENT

SHIPYARD DRIVE

TOWN OF HINGHAM, PLYMOUTH COUNTY, MA

prepared for:

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PROJECT SUMMARY

ESE Consultants was retained by Toll Brothers to analyze the tax revenue implications of a proposed multifamily development on the Town of Hingham. Toll Brothers is proposing a 52-unit community on a property across from Hingham Ferry Terminal. The subject property is currently part of a large parking lot and is proposed to be redeveloped for new housing along the public street, consistent with new residential and commercial development surrounding the site. Vehicular access into the homes will be from a proposed alley off Shipyard Drive, with garage doors facing the parking lot at the back of the site. All of the front doors of the proposed homes will face the existing public streetscape.

The subject site is ± 2.2 acres. The plan proposes (52) 4-story condo duplex townhomes, also known as stacked flats. The stacked flats will have a lower unit with two bedrooms and an upper unit with three bedrooms; each unit is two stories. Each home will have a one-car garage.

This analysis finds that the proposed development will provide a surplus of annual tax revenue to the town and school district. The proposed community will have smaller household sizes than traditional larger single-family homes would, generating approximately 15 new school children from a total of 111 new residents. **Our projection shows that each new home will provide \$3,587 in surplus property tax revenue each year, paying more into the tax base than they will consume in local services.** This estimate is consistent with the tax benefits realized in other towns with existing multifamily residential communities.

PROJECTED FISCAL IMPACTS

Proposed Duplex Townhome/Stacked Flat Development:

- (52) new homes at the Hingham Shipyard
- Average delivered home price \$1,294,000
- Private access alley and open space
- Net fiscal SURPLUS of \$3,587 per home, per year

Taxing Entity	Annual Property Tax Revenue	Annual Cost of Services	Annual NET SURPLUS From New Homes
Town of Hingham (Including Schools)	\$ 690,536 <i>(Average \$13,280/ Home)</i>	(\$ 503,998) <i>(Average \$9,692/ Home)</i>	\$ 186,538 <i>(Average \$3,587/ Home)</i>

See attached spreadsheets for detailed calculations and source data.

METHODOLOGY

This analysis uses the Per Capita Multiplier method of fiscal impact analysis, which establishes average costs per person for public services and compares those costs with projected tax revenue streams from a proposed development. The Per Capita Multiplier cost of services calculation used herein was developed in the 1980's by the Rutgers University Center for Urban Policy Research (CUPR) and has since become the industry standard method for computing public fiscal impacts of proposed development. This method uses current budget amounts for town services divided by the current town census population to determine an average cost of services per person, factoring out the school district budget (which is calculated separately and based on state-reported per pupil spending).

This methodology does not account for increased capital or staffing costs that may be incurred incrementally due to population growth, such as the need for additional equipment or personnel. Such costs need to be determined by interviewing individual departments to see if they are at or near full capacity, if current equipment, infrastructure, and staffing levels are adequate, and if investments need to be made to accommodate new development. This next level of analysis is typically helpful if the development is projected to create a budget deficit, which is not the case here.

Projected revenue surpluses can be used pay for any needed investments through budgeted expenses, as permitted by state laws, or if expenses do not increase, the additional tax base may lower the effective tax rate for existing and future residents.

The per capita multipliers used herein to project the population increase from the proposed homes is based on the EConsult Solutions report entitled “Who Moves into Massachusetts Housing?” published in 2017, which analyzed U.S. census data from households in Massachusetts for the decade prior and determined average household sizes across the state for different housing types and number of bedrooms per household.

Hingham Shipyard - Town of Hingham, MA

Duplex Townhome Development

The following calculations model the impact of the proposed development on the FY 2025 Budget, as though the homes were already built, using 2025 tax rate and budget numbers.

A. Estimated Number of New Residents

Unit Type	Quantity New Homes	Average Number of Residents Per Unit*		New Residents
2-Bdrm. & 3-Bdrm. Stacked Flats / Duplex Townhomes	52	2.126	=	111
Total New Residents			=	111

**Source: Average residents per home from "Who Moves Into Massachusetts Housing?" published by EConsult Solutions in 2017. The publication analyzes census data from households that moved between 2008 and 2015. This analysis uses the multiplier for multifamily units for the 2- and 3-bedroom flats (2.126).*

B. Estimated Number of New School Aged Children

Unit Type	Quantity New Homes	Average Number School Age Residents Per Unit*		New School Age Residents
2-Bdrm. & 3-Bdrm. Stacked Flats / Duplex Townhomes	52	0.289	=	15
Total New Pupils			=	15

**Source: Average School-Age Children per home from "Who Moves Into Massachusetts Housing?" published by EConsult Solutions in 2017. This analysis uses the multipliers for School-Age Children for multifamily units for the 2- and 3-bedroom flats (.289). School-Age children are between the ages of 5 and 17.*

C. Estimated Taxable Value of New Homes

	Number of New Homes	Average Market Value Per Home*		Total Market Value
2-Bdrm. & 3-Bdrm. Stacked Flats / Duplex Townhomes	52	\$ 1,294,000	=	\$ 67,288,000
TOTAL MARKET VALUE:				\$ 67,288,000
x EQUALIZATION RATIO**:				0.96
TOTAL ASSESSED TAXABLE VALUE OF PROPOSED HOMES:				\$ 64,596,480
AVERAGE Assessed Taxable Value Per New Home:				\$ 1,242,240

**Average delivered market-rate home prices provided by Toll Brothers, based on own-company sales in the region for similar home models, and local area comparable sales for new homes (all builders), using data from MLS reports and proprietary market research data.*

***According to the State of Massachusetts Dept. of Revenue, Division of Local Services, the Town of Hingham has an equalized value ratio of .96, such that assessed values are approximately 96% of fair market values for taxation purposes.*

D. Estimated Tax Revenue Generated by New Homes

Receiving Entity	Residential Tax Rate per \$1000 of Assessed Value (2025 Rate)		Total 2025 Tax Revenues
Town of Hingham & Hingham Public Schools	\$ 10.69	=	\$ 690,536
TOTAL ANNUAL PROPERTY TAX REVENUE:			= \$ 690,536
AVERAGE Annual Property Tax Per New Home:			= \$ 13,280

E. Estimated Annual Cost of Services for New Residents

	Average Cost Per Resident or Pupil*	Number of New Residents or Pupils		Total Annual Cost
Town of Hingham: Per Capita Tax-Supported Cost of Municipal Services	\$ 1,720	111	=	\$ 190,920
Hingham Public Schools	\$ 20,833	15	=	\$ 313,078
TOTAL ANNUAL COST OF PUBLIC SERVICES*:			=	\$ 503,998
AVERAGE Service Cost Per New Home:			=	\$ 9,692

**Per capita cost of municipal services is calculated by dividing total Town of Hingham Annual Budget by the number of residents, adjusted to subtract education costs and funds contributed by non-residential taxes and other revenue sources. According to the US Census and the 2025 Town Meeting Warrant, Hingham has a population of 24,284 people and a total operating budget of \$137,898,133. Hingham's Total FY 2025 property tax levy for the annual budget was \$114,428,009, of which \$68,003,625 goes to the School Department. The resulting amount raised by taxes for municipal services is approximately \$46,424,384. This amount divided by 24,284 residents equals \$1,911 cost per capita for municipal services. Approximately 10% of the property tax levy is paid by commercial, industrial and personal property taxes (CIP). The resulting per capita share of municipal service costs paid by residential property taxes for residents of Hingham is approximately \$1,911*.90= \$1,720 per capita, per year.*

*** Per Pupil Cost for Hingham School District reported by Massachusetts Department of Elementary & Secondary Education, data last updated 2023.*

F. Projected Net Annual Fiscal Impact on Town of Hingham

	Annual Property Tax Revenue	Annual Public Cost		Annual Net SURPLUS
Town of Hingham (Including Schools)	\$ 690,536	\$ (503,998)	=	\$ 186,538
AVERAGE Net Surplus Per New Home:			=	\$ 3,587