

**Municipal Financial Impact Statement**  
**Horton Property – Village Green District**

**Prepared for**  
**Horton Brothers, LLC**

**Stewart Appraisal Services**  
**Robert G. Stewart, SRA**  
**58 Hartford Turnpike**  
**Tolland, CT 06084**

*STEWART APPRAISAL SERVICES*  
*58 Hartford Turnpike*  
*Tolland, CT 06084*

*(860) 871-8015*

August 23, 2004

Mr. Jim Celio  
Century 21 Connecticut Realty Associates  
27 Main Street  
Hebron, CT 06248

Re: Horton Brothers, LLC  
Village Green District  
Hebron, Connecticut

Dear Jim:

As requested I have completed a fiscal impact analysis for the above noted proposed office, retail and residential project covering approximately 148 acres situated on the south side of Main Street (Route 66), the east side of Church Street (Route 85), and the north side of Kinney Road in Hebron. This analysis is based on the specific plans for Section I (Phases I, III, & IV) plus the conceptual plans for Section II (Phases II, V & VI). A preliminary fiscal impact report, based on the entire concept plan, was submitted by me on February 6, 2004 and this is an update using the specific Section II building plans. The project is zoned Village Green District and this report is to meet the requirements of the Hebron Zoning Regulations Section 5.10.4(c)(4)a – Municipal Financial Impact Statement.

A fiscal impact analysis estimates what impact the proposed project will have on the Town of Hebron's annual budget. The analysis involved estimating the new income and expenses to the Town of Hebron when the project is built using the current 2004/2005 budget. It involved estimating the number of new school children that will live in the project including the impact on the existing schools. This Fiscal Impact Analysis was completed in conformance with the professional methodology for completing a fiscal impact analysis. Lastly, the fourth zoning requirement addressing the impact of the project on existing business centers and the demand for ancillary development was discussed. This addresses all four topics listed in the zoning regulations.

The scope of the work involved updating my February 6, 2004 Fiscal Impact Report based on a conceptual plan for the entire project to reflect the final Section I design and the latest plans for the balance of the project. This included reviewing the current Section I site plans plus the concept site plan for Section II with you as the developer and realtor; reviewing the 2004/2005 Town budget with Michael S. Hillsberg, the Finance Director; reviewing the Hebron School District and Region School District 8 budgets with William J. Mazzara, the Director of Finance and Operations; and discussing the project and

assessments with Robert Musson, the Assessor. In addition, public records in the Assessor's and Town Clark's Offices were reviewed. Also, information in other fiscal impact analysis reports in Hebron I have completed was used. This report outlines my analysis and conclusions. The methodology used is based on professional methods outlined in the Fiscal Impact Handbook by Robert W. Burchell and David Listokin and in the New Practitioner's Guide to Fiscal Impact Analysis by Robert W. Burchell, David Listokin and William R. Dolphin. The number of school children and the impact on existing schools is based on the number of children in similar projects in Hebron and a discussion with the Board of Education staff about the existing school facilities. The impact on existing businesses is based on my analysis of activity in other towns when new commercial development has been added.

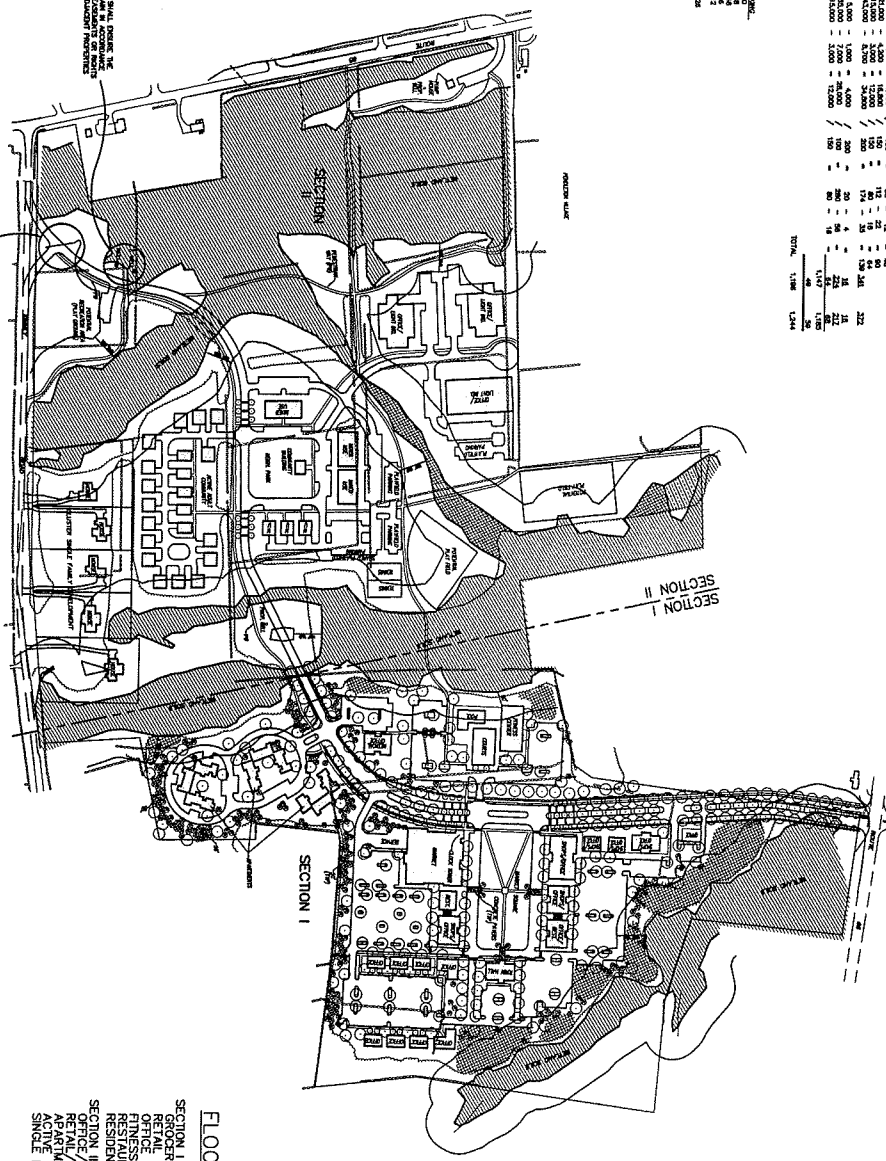
A brief summary of my analysis is that the new income to the town from real estate taxes, motor vehicle taxes, and personal property taxes were estimated based on the taxes paid by similar properties in Hebron, and in some cases, other towns. New expenses considered are based on the current town expenses following the Hebron budget categories. The income and expenses to the Town of Hebron are those that repeat annually. I did not consider, or include, any one-time fees paid to the Town of Hebron associated with new construction. The result of my analysis is that properties in the complex will generate \$1,055,000 annually in taxes. New expenses to the Town of Hebron are \$535,000 per year for a net annual gain to the Town of Hebron of \$520,000 per year. That is, the new taxes to the Town exceed the new expenses by \$520,000 every year based on the current budget and mill rate. There will be approximately 15 new school children which the current facilities have capacity. The new commercial development will increase traffic activity and buyer demand particularly with numerous people working in the planned offices and people living in the center within walking distance of both the new commercial facilities and the existing facilities along Main Street in Hebron. These people will need to shop and eat close to work. Additional buyers add to demand for retail facilities adding value to all (new and existing) the properties.

The subject property in its entirety covers approximately 148 acres on the south side of Main Street, a/k/a Route 66, the east side of Church Street, a/k/a Route 85, and the north side of Kinney Road. The project will create a village center on a new boulevard road running south off Main Street (CT Route 66) opposite the existing Ted's Market center. New buildings planned include numerous retail shops and offices, a grocery store, pharmacy, restaurants, a fitness center, light industrial, elderly and conventional apartments, age-restricted condominiums, and detached single-family dwellings. A copy of the total site concept is on the following page.

**SITE INFORMATION**

| AREA  | USE    | GROSS FLOOR AREA (S.F.) | PARKING CALCULATIONS |                          | TOTAL RESIDENTIAL UNITS   |             |
|-------|--------|-------------------------|----------------------|--------------------------|---------------------------|-------------|
|       |        |                         | NET FLOOR AREA       | PERCENTAGE OF FLOOR AREA | PERCENTAGE OF TOTAL UNITS | TOTAL UNITS |
| 51    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 52    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 53    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 54    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 55    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 56    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 57    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 58    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 59    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 60    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 61    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 62    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 63    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 64    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 65    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 66    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 67    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 68    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 69    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 70    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 71    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 72    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 73    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 74    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 75    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 76    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 77    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 78    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 79    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 80    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 81    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 82    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 83    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 84    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 85    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 86    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 87    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 88    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 89    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 90    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 91    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 92    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 93    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 94    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 95    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 96    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 97    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 98    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 99    | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| 100   | OFFICE | 12,000                  | 12,000               | 100%                     | 0                         | 0           |
| TOTAL |        | 1,188                   | 1,188                | 100%                     | 1,188                     | 1,188       |

**NOTES:**  
 1. ALL AREAS SHOWN ARE SUBJECT TO THE CITY OF HEBRON ZONING ORDINANCES.  
 2. THE CITY OF HEBRON HAS A 10% SETBACK REQUIREMENT FOR ALL BUILDINGS.  
 3. THE CITY OF HEBRON HAS A 5% SIDE SETBACK REQUIREMENT FOR ALL BUILDINGS.  
 4. THE CITY OF HEBRON HAS A 5% FRONT SETBACK REQUIREMENT FOR ALL BUILDINGS.  
 5. THE CITY OF HEBRON HAS A 5% REAR SETBACK REQUIREMENT FOR ALL BUILDINGS.  
 6. THE CITY OF HEBRON HAS A 5% CORNER SETBACK REQUIREMENT FOR ALL BUILDINGS.  
 7. THE CITY OF HEBRON HAS A 5% MAXIMUM BUILDING HEIGHT REQUIREMENT FOR ALL BUILDINGS.  
 8. THE CITY OF HEBRON HAS A 5% MAXIMUM BUILDING FOOTPRINT REQUIREMENT FOR ALL BUILDINGS.  
 9. THE CITY OF HEBRON HAS A 5% MAXIMUM BUILDING AREA REQUIREMENT FOR ALL BUILDINGS.  
 10. THE CITY OF HEBRON HAS A 5% MAXIMUM BUILDING DENSITY REQUIREMENT FOR ALL BUILDINGS.



**FLOOR AREA TABLE**

| SECTION    | USE                 | AREA (S.F.) | UNITS      |
|------------|---------------------|-------------|------------|
| SECTION I  | GROCERY             | 12,000      |            |
|            | RETAIL              | 12,000      |            |
|            | FITNESS CENTER      | 12,000      |            |
|            | RESTAURANT          | 12,000      |            |
|            | RESIDENTIAL         | 7,000       | 49 UNITS   |
| SECTION II | OFFICE/INDUSTRIAL   | 75,000      | 3,000 S.F. |
|            | APARTMENTS          | 24,000      | 24 UNITS   |
|            | OFFICE              | 24,000      | 24 UNITS   |
|            | ACTIVE ADULT        | 24,000      | 24 UNITS   |
|            | SINGLE FAMILY HOMES | 6,000       | 6 HOMES    |

MINIMUM SET BACK FROM WETLANDS  
 BUILDINGS 50'  
 PARKING LOTS 50'

**GRAPHIC SCALE**



|         |           |
|---------|-----------|
| REV.    | 2-5-04    |
| REV.    | 12-9-04   |
| DATE:   | 8-19-04   |
| SCALE:  | 1"=200'   |
| SHEET:  | 1 OF 3    |
| MAP NO: | 221-99-52 |

MASTER CONCEPT PLAN  
 OVERALL SITE LAYOUT PLAN  
**HEBRON VILLAGE GREEN DISTRICT**  
 HEBRON, CONN.

**MEGSON & HEAGLE**  
 CIVIL ENGINEERS & LAND SURVEYORS, LLC  
 81 RANKIN ROAD  
 GLASTONBURY, CONN. 06033  
 PHONE (860)-659-0587

The following lists the size of the proposed improvements in Section I, as finalized, and in Section II as conceptually planned but subject to change following market demand.

Section I

|                |                            |
|----------------|----------------------------|
| Office         | 153,000 square feet        |
| Retail         | 51,000 square feet         |
| Restaurant     | 7,500 square feet          |
| Grocery Market | 35,000 square feet         |
| Fitness Center | 35,000 square feet         |
| Residential    | 49 conventional apartments |

|            |                         |                                     |
|------------|-------------------------|-------------------------------------|
| Section II | Office/Light Industrial | 75,000 square feet                  |
|            | Residential             | 44 elderly apartments               |
|            |                         | 24 active adult living condominiums |
|            |                         | 6 single-family homes               |

Section I is the eastern half of the parcel and will have a 2,100 foot long boulevard type road extending from Main Street past a market square to a cluster of apartments with no age restrictions. New buildings will be a supermarket, a drugstore, numerous retail shops and offices, and a restaurant. At the end of the market square will be a space for a new Town Hall (if and when built). Behind these buildings will be the needed parking lots plus eight more office buildings. Across the boulevard will be a fitness center (exercise, therapy, and indoor and outdoor swimming pools). After this the boulevard narrows to a conventional design road temporarily ending at a medical office building and a cluster with three buildings containing 49 apartments.

Section II extends the main access road another 2,300 feet out to Church Street replacing part of Kinney Road. This section has a neighborhood park/town square with a community building that is surrounded by three active adult living condominium units plus three elderly apartment buildings. Beyond this is a three building office and light industrial park. Opposite the neighborhood park are 21 more active adult living condominium units. The existing Kinney Road will be realigned and there will be six single-family house lots on the current road. There will be town greens, parks, recreation areas, and walking trails encouraging the integration of residential and retail uses with a walkable, active environment. The quality of construction will be above average to good establishing an attractive residential and commercial village setting. The town will be responsible for the maintenance of the main road and the road to the industrial area but not the interior roads around the apartments or the commercial parking lots.

The first step in the fiscal impact study is to estimate the income in taxes to the Town. The income is from three items – real estate taxes, personal property taxes (commercial properties), and motor vehicle taxes. First, the assessment of the to-be-built commercial buildings and site improvements were estimated. It is to be noted, the specific building designs and finishes are not yet finalized, but the sizes in Section I are close to finalized. Section II is subject to change following market demand so the sizes are more general. The assessment of the new buildings and land were estimated by looking at the current assessments of similar retail and office properties in Hebron and other towns when needed. The chart below lists the 2003 Grand List assessments of several existing properties in the center of Hebron. As no similar fitness center exists in Hebron, a similar fitness center in Glastonbury and a health club in Manchester were listed. Glastonbury did its revaluation in 2002 so the assessment is slightly higher than Hebron's 2001

revaluation. Manchester did its revaluation in 2000 so the assessment is slightly lower than Hebron's. For comparison purposes, the total assessment (land, building, and site improvements) was divided by the total square footage of the building. The age and use of each comparable is also provided. The charts are split by various commercial uses.

Real Estate Assessment – 2003 Grand List

Retail:

| Address            | Total Assessment | Building Sq. Ft. | Assessment Per Sq. Ft. | Age          | Comment   |
|--------------------|------------------|------------------|------------------------|--------------|---|
| 127 Main Street    | \$1,862,980      | 34,242           | \$54.06                | 1974         | Ted's plus tenants  |
| 41-61 Main Street  | \$1,116,160      | 21,876           | \$51.02                | 1969<br>1984 | One-story retail 9 ten.<br>Two-story office               |
| 117 Main Street    | \$353,950        | 7,165            | \$49.40                | 1992         | Hebron Pharmacy   |
| 81 Main Street     | \$253,910        | 6,670            | \$38.07                | 1950         | Ace Hardware,<br>including 2,000 sq ft<br>metal warehouse |
| 38 Pendleton Drive | \$356,070        | 6,785            | \$52.48                | 1988         | Gymnastic School  |
| 45 Pendleton Drive | \$231,700        | 4,073            | \$56.89                | 1987         | Day Care  |

Restaurants:

| Address        | Total Assessment | Building Sq. Ft. | Assessment Per Sq. Ft. | Age  | Comment    |
|----------------|------------------|------------------|------------------------|------|------------|
| 54 Main Street | \$231,000        | 2,728            | \$84.68                | 1983 | Donato's   |
| 71 Main Street | \$206,180        | 1,896            | \$108.75               | 1969 | Gina Marco |

Office:

| Address            | Total Assessment | Building Sq. Ft. | Assessment Per Sq. Ft. | Age  | Comment                                    |
|--------------------|------------------|------------------|------------------------|------|--|
| 10 Pendleton Drive | \$272,250        | 4,122            | \$66.05                | 1987 | Office & dental<br>including finished bsmt |
| 20 Pendleton Drive | \$166,210        | 2,788            | \$59.62                | 1989 | Office                                     |
| 15 Pendleton Drive | \$112,920        | 2,048            | \$55.14                | 1936 | Office remodeled 1987                      |
| 19 Pendleton Drive | \$241,220        | 3,745            | \$64.41                | 1989 | Office                                     |
| 21 Pendleton Drive | \$109,510        | 2,538            | \$43.14                | 1987 | Low cost office                            |
| 25 Pendleton Drive | \$195,210        | 3,100            | \$62.97                | 1988 | Office                                     |
| 33 Pendleton Drive | \$226,900        | 3,456            | \$65.65                | 1994 | Office                                     |
| 107 Main Street    | \$276,760        | 3,744            | \$73.92                | 1970 | Village Prof. Offices                      |
| 93 Main Street     | \$549,060        | 5,972            | \$91.94                | 1999 | Post Office                                |
| 43 West Main St.   | \$250,900        | 2,427            | \$103.38               | 1984 | Veterinary offices with<br>basement        |

Fitness Center:

| Address                          | Total Assessment | Building Sq. Ft. | Assessment Per Sq. Ft. | Age  | Comment  |
|----------------------------------|------------------|------------------|------------------------|------|--|
| 628 Hebron Avenue<br>Glastonbury | \$3,055,300      | 52,586           | \$58.10                | 1983 | Glastonbury Health<br>Center with indoor<br>pool in basement |
| Tolland Turnpike<br>Manchester   | \$1,357,949      | 45,192           | \$30.05                | 1979 | Court House Plus with<br>indoor pool                         |

The subject buildings will all be new versus the comparables, which were built from 1950 to 1999 with depreciation rates of 1% to 15%. Therefore, values at the high end of each type were concluded. As the buildings will have similar features, including individual buildings, parking lots, porches, storage areas, etc., using the assessment per square foot of building is consistent. As noted, the land value is included in the existing assessments and the estimated assessments. The following chart lists my concluded assessments for the subject planned commercial buildings. A total for each section is listed. It is to be noted, as the Town Hall would not be taxable, it was not included.

| Section I          | Sq. Ft. | Assessment per Sq. Ft. | Assessed Value |
|--------------------|---------|------------------------|----------------|
| General Office     | 138,000 | \$65.00                | \$8,970,000    |
| Medical Office     | 15,000  | \$95.00                | \$1,425,000    |
| Retail             | 51,000  | \$60.00                | \$3,060,000    |
| Restaurant         | 7,500   | \$100.00               | \$750,000      |
| Grocery Market     | 35,000  | \$60.00                | \$2,100,000    |
| Fitness Center     | 35,000  | \$60.00                | \$2,100,000    |
| Section I Subtotal |         |                        | \$18,405,000   |

| Section II              | Sq. Ft. | Assessment per Sq. Ft. | Assessed Value |
|-------------------------|---------|------------------------|----------------|
| Office/Light Industrial | 75,000  | \$50.00                | \$3,750,000    |

Next the residential portion of the project was considered by type housing unit. In Section I there will be 49 apartment units with no age restrictions and Section II will contain 44 apartment units for the elderly (62 years and older). The present proposal is copied from projects Metro Realty is, and has done, in several area towns including South Windsor, Avon, Farmington, and Berlin. In the existing complexes, there are affordable restrictions on most of the units just as there will be for the subject. Due to differing revaluation years in these other towns, the actual taxes per unit were compared, rather than assessment. The following chart lists the complex, town, percentage affordable, year built, and current (2003 Grand List) taxes per unit.

|                  |               |                 |      |            |
|------------------|---------------|-----------------|------|------------|
| Watson Commons   | South Windsor | 80% affordable  | 2001 | \$1,094    |
| Berry Patch I    | South Windsor | 80% affordable  | 2003 | \$1,100    |
| Whispering Pines | Avon          | 100% affordable | 2000 | \$862.35   |
| Hunters Ridge    | Farmington    | 100% affordable | 2001 | \$712.25   |
| Orchard Ridge    | Berlin        | 80% affordable  | 2000 | \$1,062.82 |

Based on these taxes, the estimated taxes in Hebron will be \$1,100 per unit. Using the current mill rate this converts to an assessment of \$34,950 per unit. As the layout and size will be the same for the non-age and age restricted apartments, there is no differential in the assessment for the units in Section I and II.

Section II will contain 24 age-restricted active adult condominium units. The units will be 2,200 to 2,400 square feet detached units with garages. My May 2003 fiscal impact study of the similar Loveland Hills active adult living age-restricted condominiums in Hebron indicated an average unit assessment of \$140,805. The subject units will be similar in size and this assessment was used for the proposed subject units. This assessment was estimated based on the estimated market value of the units and the ratio

of assessment to sales price. The specific analysis is outlined in my May 2003 report, which is part of the public file for the Loveland Hills Planning and Zoning application.

Section II will also contain 6 single-family dwellings that are projected to be approximately 3,000 square feet each. New houses of this size in Hebron are presently selling for \$425,000 to \$500,000. The Hebron Assessor, Bob Musson, estimates the assessment to sales ratio for sales in 2004 is 50% to 55%. Therefore, a 52.5% ratio was used for an indicated assessment of \$241,500 for a \$460,000 house. Mr. Musson also estimates taxes are presently around 1.9% of the sales price. Using the \$236,500 assessment and the 31.48 mill rate, the taxes are \$7,600. Using 1.9% of the \$460,000 sales price, the taxes are \$8,740. Therefore, using \$241,500 for an average assessment is conservative.

Next personal property for the commercial properties was estimated. This was done by looking at the amount of personal properties paid by existing commercial properties in Hebron. Properties along Main Street and on Pendleton Drive were analyzed and the current taxes were broken down to a per square foot basis. Each commercial use has various amounts of personal property so my analysis was divided into different uses. The chart on the following page outlines the properties considered, their 2003 personal property taxes and their amount of personal property taxes per square foot of building. When more than one business is in a building, all the occupants' taxes were combined except for Ted's Market. Again to reflect the fitness center, the two properties in Glastonbury and Manchester were considered.

| Address           | Owner/Occupant                      | Pers Prop Assessment | Annual Taxes | Total Taxes Per Address | Total Sq. Ft. | Taxes Per Sq. Ft. |
|-------------------|-------------------------------------|----------------------|--------------|-------------------------|---------------|-------------------|
| <b>Retail</b>     |                                     |                      |              |                         |               |                   |
| 41-61 Main Street | Tikendra Inc./Country Farms         | 5,930                | \$186.68     |                         |               |                   |
| 41-61 Main Street | B.I.S.S.                            | 250                  | \$7.87       |                         |               |                   |
| 41-61 Main Street | Subway of Hebron                    | 12,140               | \$382.17     |                         |               |                   |
| 47 Main Street    | Greenleaf Café                      | 7,620                | \$239.88     |                         |               |                   |
| 47 Main Street    | Soda Service & Alpine Refrigeration | 700                  | \$22.04      |                         |               |                   |
| 49 Main Street    | Plaza Package Store                 | 7,020                | \$220.99     |                         |               |                   |
| 49 Main Street    | Golden Eagle Leasing                | 50                   | \$1.57       |                         |               |                   |
| 51 Main Street    | Ace Amusement                       | 2,240                | \$70.52      |                         |               |                   |
| 51 Main Street    | Hebron Laundry                      | 11,770               | \$370.52     |                         |               |                   |
| 53 Main Street    | Hebron Auto Supply                  | 2,380                | \$74.92      |                         |               |                   |
| 55 Main Street    | Lainey LLC/Elaines's Bakery         | 14,720               | \$463.39     |                         |               |                   |
| 57 Main Street    | China Star                          | 16,690               | \$525.40     |                         |               |                   |
| 61D Main Street   | John Pickett, DMD                   | 12,990               | \$408.93     |                         |               |                   |
| 61E Main Street   | Donald Rossler, DMD                 | 18,440               | \$580.49     |                         |               |                   |
| 61 Main Street    | Sabre Travel                        | 1,400                | \$44.07      |                         |               |                   |
| 61 Main Street    | Hebron Travel                       | 2,820                | \$88.77      |                         |               |                   |
| 61C Main Street   | Hebron Chiropractic                 | 11,990               | \$377.45     |                         |               |                   |
| 61G Main Street   | Diecast Miniatures                  | 2,530                | \$79.64      |                         |               |                   |
| 61B Main Street   | EDS Information Systems             | 210                  | \$6.61       | 4,151.90                | 21,876        | \$0.190           |



| Address                          | Owner/Occupant                       | Pers Prop Assessment | Annual Taxes | Total Taxes Per Address | Total Sq. Ft. | Taxes Per Sq. Ft. |
|----------------------------------|--------------------------------------|----------------------|--------------|-------------------------|---------------|-------------------|
| 38 Pendleton Drive               | Patti Dunne's Gymnastics             | 33,620               | \$1,058.36   | 1,058.36                | 6,785         | \$0.156           |
| 45 Pendleton Drive               | Children's Discovery                 | 14,390               | \$453.00     |                         |               |                   |
| 45 Pendleton Drive               | Scott A & Norma N. Busey             | 390                  | \$12.28      | \$465.27                | 4,073         | \$0.114           |
| 81 Main Street                   | Hebron Ace Hardware                  | 14,260               | \$448.90     | \$448.90                | 6,670         | \$0.067           |
| 117 Main Street                  | Hebron Pharmacy                      | 35,190               | \$1,107.78   |                         |               |                   |
| 117 Main Street                  | McKesson Automation Systems          | 11,120               | \$350.06     | \$1,457.84              | 7,165         | \$0.203           |
| 127 Main Street                  | Angies Pizza Restaurant              | 17,960               | \$565.38     |                         |               |                   |
| 127 Main Street                  | Colonial Country Store               | 1,050                | \$33.05      |                         |               |                   |
| 127 Main Street                  | Daniel Cahill DMD                    | 47,940               | \$1,509.15   |                         |               |                   |
| 127 Main Street                  | Mobile Redemption Inc.               | 8,530                | \$268.52     |                         |               |                   |
| 127 Main Street                  | Movie Doctor                         | 39,820               | \$1,253.53   |                         |               |                   |
| 127 Main Street                  | The Package Store Inc.               | 9,630                | \$303.15     |                         |               |                   |
| 127 Main Street                  | Panoramic Corp                       | 400                  | \$12.59      |                         |               |                   |
| 127 Main Street                  | Integrated Leasing Corp              | 170                  | \$5.35       |                         |               |                   |
| 127 Main Street                  | Northern Leasing Systems             | 1,220                | \$38.41      |                         |               |                   |
| 117 & 127 Main                   | Hallmark Marketing Corp              | 740                  | \$23.30      | 4,012.44                | 11,700        | \$0.343           |
| 127 Main Street                  | Ted's Inc.                           | 301,310              | \$9,485.24   | \$9,485.24              | 22,542        | \$0.421           |
| <b>Restaurant</b>                |                                      |                      |              |                         |               |                   |
| 54 Main Street                   | Donato's                             | 36,040               | \$1,134.54   | \$1,134.54              | 2,728         | \$0.416           |
| 71 Main Street                   | Gina Marie's Family Restaurant       | 27,290               | \$859.09     | \$859.09                | 1,896         | \$0.453           |
| <b>Office</b>                    |                                      |                      |              |                         |               |                   |
| 15 Pendleton Drive               | DataType Inc.                        | 4,250                | \$133.79     |                         |               |                   |
| 15 Pendleton Drive               | George David Co.                     | 10,490               | \$330.23     | \$464.02                | 2,048         | \$0.227           |
| 19 Pendleton Drive               | Radiation Safety Assoc. Inc.         | 420                  | \$13.22      |                         |               |                   |
| 19 Pendleton Drive               | Capital Telecommunications Inc.      | 22,700               | \$714.60     | \$727.82                | 3,745         | \$0.194           |
| 32 Main Street                   | Allstate Insurance/Janina Wasilausky | 280                  | \$8.81       |                         |               |                   |
| 32 Main Street                   | RamAmitabh MD LLC                    | 20,280               | \$638.41     |                         |               |                   |
| 32 Main Street                   | David A. Rudolph, Atty.              | 2,180                | \$68.63      |                         |               |                   |
| 32 Main Street                   | Robert Hellstrom Surveying           | 12,590               | \$396.33     | \$1,112.19              | 3,520         | \$0.316           |
| 107 Main Street                  | Kalom Borst & Aissis PC              | 10,160               | \$319.84     |                         |               |                   |
| 107 Main Street                  | Hebron Dental                        | 63,190               | \$1,989.22   |                         |               |                   |
| 107 Main Street                  | Panoramic Rental Corporation         | 5,040                | \$158.66     |                         |               |                   |
| 107 Main Street                  | Brazel Snyder & Company              | 1,200                | \$37.78      | \$2,505.49              | 3,744         | \$0.669           |
| <b>Medical Office</b>            |                                      |                      |              |                         |               |                   |
| 10 Pendleton Drive               | MPE Inc.                             | 28,180               | \$887.11     |                         |               |                   |
| 10 Pendleton Drive               | Hebron Chiropractic                  | 27,325               | \$860.19     | 1,747.30                | 4,122         | \$0.424           |
| 105 Main Street                  | CT Sports Medicine & Orthopaedic     | 925                  | \$29.12      |                         |               |                   |
| 105 Main Street                  | Sandra Dykhuis, MD                   | 25,160               | \$792.04     |                         |               |                   |
| 105 Main Street                  | Village Springs Distributor          | 310                  | \$9.76       | \$830.91                | 2,398         | \$0.347           |
| 43 West Main Street              | Hebron Veterinary/Steven Beauchene   | 23,550               | \$741.35     | 741.35                  | 2,427         | \$0.305           |
| <b>Fitness Center</b>            |                                      |                      |              |                         |               |                   |
| 628A Hebron Ave<br>Glastonbury   | Glast. Wellness & Fitness            | 235,720              | \$7,283.76   | \$7,283.76              | 52,586        | \$0.139           |
| 3 Tolland Turnpike<br>Manchester | Court House Plus                     | 375,900              | \$13,558.72  | \$13,558.72             | 45,192        | \$0.300           |

My concluded per square foot personal property taxes for the various subject commercial uses is as follows:

|                      |                     |
|----------------------|---------------------|
| Retail .....         | 21¢ per square foot |
| Grocery Market ..... | 42¢ per square foot |
| Restaurant .....     | 45¢ per square foot |
| General Office.....  | 25¢ per square foot |
| Medical Office ..... | 45¢ per square foot |
| Fitness Center.....  | 20¢ per square foot |

Next taxes on motor vehicles were estimated. As noted earlier, most commercial businesses do not have motor vehicles so motor vehicle taxes were only applied for the subject residential uses. For existing apartments and detached houses, the number of cars per unit is virtually impossible to analyze from the existing public records. Therefore, I am relying on my analyses completed for the Loveland Hills (age-restricted) and Loveland 2 condominium complexes. I completed fiscal impact studies for both in 2003 and 2004 and concluded there will be 1.54 and 1.5 cars per unit, respectively. For the subject non-age restricted apartments, the number was reduced 33% to 1.0 cars per unit reflecting the smaller size of the units. For the subject age-restricted apartments, this number was reduced by 50% to .75 cars per apartment. For the age-restricted detached condominiums, the same 1.5 cars per unit was concluded. For the detached houses, it was increased to 2.0 cars per house. Therefore:

|  |                  |
|--|------------------|
| 49 non-age restricted apartments at 1.0 car/unit = | 49.0 cars        |
| 44 age-restricted apartments at .75 cars/unit =    | 33.0 cars        |
| 24 active adult condominiums at 1.5 cars/unit =    | 36.0 cars        |
| 6 detached single-family houses at 2 cars/unit =   | <u>12.0 cars</u> |
|  | 130.0 cars       |

For the assessment of motor vehicles, the 2003 Grand List average car (not all motor vehicles) assessment of \$6,817 per car was used. Therefore, new motor vehicle taxes are estimated as follows:

|                             |                    |
|-----------------------------|--------------------|
| Average 2003 car assessment | \$6,817            |
| x number of new cars        | 130 cars           |
| x 2003 mill rate            | <u>31.48 mills</u> |
| = annual taxes              | \$27,897.89        |

Although many commercial businesses have motor vehicles, no motor vehicles were estimated for the subject project. Commercial motor vehicles are very occupant specific and therefore difficult to estimate. By not including any, my estimate of tax income is slightly lower than actual.

Next the new expenses to the Town of Hebron were estimated. These expenses are based on past and current discussions with Michael Hillsberg of the Hebron Finance Department, and my review of the current Hebron 2004/2005 budget. For the non-age restricted apartments and the six detached houses on Kinney Road, the education budget was reviewed including discussions with William J. Mazzara, the Director of Finance and Operations for the Hebron School District and Region School District 8 (RHAM). Additional factors were extracted from past fiscal impact studies I have done for residential complexes in Hebron and other towns including a large commercial project in Vernon.

The new expenses to Hebron were applied to the subject project using two methods. For the commercial portion, the Proportional Valuation Method was used. For the residential portion the Per Capita Multiplier Fiscal Impact Method was used. The Town budget amounts were adjusted using the residential and non-residential adjustment factors to reflect the portion of expenses attributable to commercial and to residential properties. These methodologies are the professionally recognized methods for estimating new expenses to a town for commercial and residential properties.

The Proportional Valuation Method is based on the conclusion that the percentage of non-residential assessments and their average assessment, with a refinement coefficient based on statistical analysis, indicates the percentage of town expenses attributable to non-residential properties. This was used for the non-residential portion of the subject. The remainder was used for the residential portion of the subject. Doing this, the increase in expenses to the Town of Hebron because of the subject project based on the current Hebron Town budget was able to be estimated.

The first step in this method is to calculate the percentage of non-residential real estate assessed values for the entire town. Then the average non-residential assessment and the average assessment are calculated and the ratio of average non-residential assessment to average assessment is calculated. A refinement coefficient is then taken from The New Practitioner's Guide to Fiscal Impact Analysis by Burchell, Listokin & Dolphin. This refinement coefficient adjusts for the fact that the percentage of non-residential expenses is not the same as the percentage of non-residential assessments and it varies with the overall percentage. By applying this refinement coefficient to the ratio of nonresidential to total assessments, the percentage of town expenses attributable to commercial can be calculated. The percentage of expenses attributable to residential uses is the remainder. The following is the mathematical formulas and calculations to complete this methodology using the Hebron 2003 Grand List values.

1. Nonresidential assessment as percentage of total grand list =

$$\frac{\text{gross non-residential real property assessment}}{\text{total local taxable real property value assessment}}$$

$$\frac{19,100,380}{501,606,030} = .0381$$

Therefore, the non-residential uses (commercial, industrial, and vacant commercial land, but not apartment land) comprise 3.8% of the assessment of all locally taxable real estate.

2. Average nonresidential assessment =

$$\frac{\text{total non-residential real property assessment}}{\text{number of nonresidential real property parcels}}$$

$$\frac{19,100,380}{67} = \$285,080 \text{ per non-residential parcel}$$

3. Average townwide assessment =

$$\frac{\text{total local real property assessment}}{\text{total local land parcels}}$$

$$\frac{501,606,030}{3,773} = \$132,946 \text{ per parcel}$$

4. ratio of average non-residential to average parcel assessment =

$$\frac{285,080}{132,946} = 2.14$$

The average assessment of local non-residential property is 2.14 times the average assessment of all local properties. When these averages are not equal, an inaccurate share of local costs is being allocated to nonresidential properties. To compensate for this factor, the authors of The New Practitioner's Guide to Fiscal Impact Analysis developed a Refinement Coefficient, which changes with the percentage of nonresidential properties on the grand list. The refinement coefficient is the vehicle used to be sure that the municipal costs assigned to a certain sector are accurate. The refinement coefficient I used is taken from Exhibit 9 (page 33) in The New Practitioner's Guide to Fiscal Impact Analysis. A copy of this table is attached and the following is a short summation of how it is determined: The upper band shows a relationship between valuation of property for the average nonresidential to average local real property value. The x-axis is the ratio of the average non-residential to the average of all assessments. The refinement coefficient is found on the y-axis, opposite the intersection of the relationship between valuation of properties and the upper band.

Using the upper curve with the average non-residential property valued at 2.14 times the average local property, a refinement coefficient of 1.575 is indicated. Applying the refinement coefficient to the simple proportion of value and multiplying the total municipal operating costs results in the applicable share of total municipal operating costs assigned to local non-residential uses.

To calculate the total percentage of municipal expenditures attributable to non-residential uses, the percentage of non-residential assessment is multiplied by this factor ( $3.8\% \times 1.575 = 5.99\%$  rounded to 6%). This means the non-residential expenses are 6% of all the expenses. Inversely, 94% of the expenses are attributable to residential properties. These factors were applied to the municipal expenses for the subject project.

To estimate the new expenses because of the new commercial portion of the subject, the 2004/2005 Hebron budget is used. A copy of the budget summary is on the following page. Commercial properties do not cause any education expenses, so no education budget expenses were considered. Deducting the education section (RHAM assessment, RHAM Debt Service, and Board of Education) budgeted expenses for all town expenses is \$6,859,861. This total amount was used to calculate the 6% that is attributable to commercial properties. It is to be noted using all town expenses actually overstates the expenses as commercial properties do not use all town services. That is, they pay for their own refuse removal and do not increase Human Services and Recreational expenses.

TOWN OF HEBRON  
 SUMMARY OF EXPENDITURES

4/20/04

**Final**

| <u>DEPARTMENT</u>                | <u>BUDGET<br/>2003-2004</u> | <u>RECOMMENDED<br/>2004-2005</u> | <u>% OF<br/>BUDGET</u> |
|----------------------------------|-----------------------------|----------------------------------|------------------------|
| TOWN                             |                             |                                  |                        |
| GENERAL GOVERNMENT               | \$ 1,883,030                | \$ 1,960,628                     | 7.8%                   |
| PUBLIC SAFETY                    | 580,869                     | 623,017                          | 2.5%                   |
| CIVIC & HUMAN SERVICES           | 451,723                     | 460,166                          | 1.8%                   |
| PLANNING & LAND USE              | 90,260                      | 100,871                          | 0.4%                   |
| PUBLIC WORKS                     | 755,950                     | 803,354                          | 3.2%                   |
| INSURANCE & BENEFITS             | 741,940                     | 779,232                          | 3.1%                   |
| TOWN PROP. SEWER FEES            | 7,830                       | 7,830                            | 0.0%                   |
| TOTAL TOWN                       | \$ 4,511,602                | \$ 4,735,098                     | 18.7%                  |
| CONTRIBUTION TO CAPITAL PROJECTS | 290,857                     | 300,000                          | 1.2%                   |
| CONTR. TO OPEN SPACE ACQUISITION | 197,040                     | 205,000                          | 0.8%                   |
| DEBT SERVICE                     | 1,460,956                   | 1,619,763                        | 6.4%                   |
| EDUCATION                        |                             |                                  |                        |
| RHAM ASSESSMENT                  | 7,978,544                   | 8,259,616                        | 32.7%                  |
| RHAM DEBT SERVICE                | 875,881                     | 1,006,181                        | 4.0%                   |
| BOARD OF EDUCATION               | 8,547,298                   | 9,145,609                        | 36.2%                  |
| TOTAL EDUCATION                  | 17,401,723                  | 18,411,406                       | 72.9%                  |
| TOTAL BUDGET                     | \$ 23,862,178               | \$ 25,271,267                    | 100.0%                 |

TOWN OF HEBRON  
 SUMMARY OF REVENUES

4/20/04

| <u>REVENUE SOURCE</u>       | <u>BUDGET<br/>2003-2004</u> | <u>% OF<br/>BUDGET</u> | <u>PROPOSED<br/>2004-2005</u> | <u>CHANGE</u> | <u>% OF<br/>BUDGET</u> |
|-----------------------------|-----------------------------|------------------------|-------------------------------|---------------|------------------------|
| GENERAL GOVT. - STATE       | \$ 245,874                  | 1.0%                   | \$ 274,449                    | \$ 28,775     | 1.1%                   |
| EDUCATION-STATE             | 5,417,626                   | 22.7%                  | 5,531,770                     | 114,144       | 21.6%                  |
| TOWN                        | 30,000                      | 0.0%                   | -                             | (30,000)      | 0.0%                   |
| DEPARTMENTAL                | 589,850                     | 2.5%                   | 935,190                       | 345,340       | 3.7%                   |
| WPCA ASSESSMENTS            | 480,000                     | 2.0%                   | 480,000                       | -             | 1.9%                   |
| OTHER REVENUE               | 172,183                     | 0.7%                   | 182,094                       | 9,911         | 0.7%                   |
| DEBT MGMT. FUND CONTR.      | 387,000                     | 1.6%                   | 116,075                       | (270,925)     | 0.5%                   |
| EXCESS RHAM APPROP. 03-04FY | -                           | 0.0%                   | 358,925                       | 358,925       |                        |
| TOTAL TAX REVENUE           | 16,539,845                  | 69.3%                  | 17,692,763                    | 1,152,918     | 69.2%                  |
| TOTAL REVENUES              | \$ 23,862,178               | 100.0%                 | \$ 25,571,266                 | \$ 1,709,088  | 100.0%                 |

Also, most of the roads are private driveways and the parking lots that are not town maintained. However, commercial often uses a disproportionate amount of public safety that at least partially offsets the not used expenses.

Now the new town expenses due to the subject commercial properties can be estimated. This amount is calculated by taking the existing town expenditures attributable to non-residential uses, which was just calculated, and multiplying it by the percentage of all of the existing non-residential assessments that the subject represents, times another refinement coefficient. The refinement coefficient is taken from the lower band on the earlier noted chart (in addendum). It is based on the assessment of the subject in comparison to the typical non-residential assessment and is needed as the large size of the subject would artificially inflate the amount of town expenses the subject will create. To compare one property to the average existing property, the subject total commercial assessment was divided by the 23 planned buildings. The following is the explanation and calculations of these factors.

The percentage of the entire current non-residential Grand List that the subject will represent is calculated to be 116%. This is based on the earlier estimated assessment for the subject of \$22,155,000 and the current Grand List total assessment of all non-residential properties of \$19,100,380 (\$22,155,000 divided by \$19,100,380 = 115.99%). The subject will have 23 buildings for an average assessment of \$963,261. Dividing this by the average existing commercial assessment of \$285,080 indicates the subject average property assessment will be 3.38 times the average non-residential assessment. Using 3.38 along the X-axis of Exhibit 6-3 (in addendum) and using the lower curve, indicates a coefficient of .69 for the subject. Multiplying these factors together indicates the new municipal expenses due to the new facility to be \$328,614.

The following are the actual calculations, first outlining the formula and then applying the actual Hebron and subject numbers.

Amount of Hebron Expenses that are attributable to nonresidential properties:

|                                 |   |   |   |                        |   |  |
|---------------------------------|---|---|---|------------------------|---|--|
| Total Town and Capital Expenses | x | Proportion of Nonresidential Value to Total Local Real Property Value | x | Refinement Coefficient | = | Total Existing Town Expenses Attributable to Nonresidential Uses |
| \$6,859,861                     | x | 3.8%  | x | 1.575                  | = | \$410,563  |

Amount of Town Expenses due to the proposed subject:

|  |   |  |   |                        |   |   |
|--|---|--|---|------------------------|---|---|
| Total Existing Town Expenses Attributable to Nonresidential Uses | x | Proportion of Subject to Total Local Nonresidential Real Property Val. | x | Refinement Coefficient | = | Town Expenses Allocated to the Incoming Nonresidential Facility |
| \$410,563  | x | 116%   | x | .69                    | = | \$328,614   |

This means that the subject commercial properties will create \$328,614 of new expenses per year to the Town of Hebron. Splitting this between the two sections indicates new

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expenses of \$272,992 for Section I and \$55,622 for Section II for the commercial properties (based on assessment).

Next the specific new expenses to the Town due to the new residential properties are estimated. First, the Town expenses on a per person basis were estimated.

Discussions with Finance Directors and Town Planners in numerous towns including Hebron, indicated expenses in the categories below will increase due to the proposed apartments and condominium complex (due to more Hebron residents). The categories listed follow the categories in the Hebron Town Budget. Following the fiscal impact handbook, as well as experience in towns with apartments and condominium complexes, the increase of each of these expenses can be calculated on a per person basis. Therefore, the current budget was divided by the current number of Hebron residents and then the new expenses were based on the number of new residents. The 2000 census indicated the Town of Hebron has a population of 8,610. Based on the number of new house starts since 2000, the population has increased roughly 521 people to 9,131 although no formal count has been done by Town Officials. The State Department of Health lists Hebron's population at 9,025. In my analysis a population of 9,100 was used.

The chart on the following page first states the entire budget amount, then applies the residential portion of each expense (as determined earlier to be 94%), and then divides that by the 9,100 population resulting in a per person expense for residential properties. As this chart was only used for the Town expenses (the education budget was looked at later on a per student basis) no education expenses were included.

To the total budget amounts the following adjustments were made. The roads around the apartments and condominiums will be private and maintained by the owner and condominium association as will the trash removal & recycling. Therefore, these public works expenses were not included. However, as residents will be allowed to use the town bulky waste disposal, this expense was included. The Insurance in the Insurance & Benefits category is liability insurance on town property and will not change due to the subject complex. The Benefits are employee benefits, which will increase if the number of employees increases. While no specific employee increase is being identified, there may be more town employees in the future because of this project. Therefore, this category was increased on the same basis. The contributions to Open Space Land Acquisition and Capital Projects were included in my analysis. Technically debt service does not change on a per person basis. However, when adding a project the size of the subject, the Town may need to do additional bonding creating more debt service. Therefore, to be high on the new expense estimate, debt service was increased in my analysis. All town expenses, including debt service, were included earlier in the commercial analysis. All of these adjustments were discussed with Michael Hillsberg of the Finance Department.

| Category                      | Total<br>2004/2005<br>Budget | Residential<br>Ratio | Total<br>Residential<br>Expense | Per Person<br>Expense |
|-------------------------------|------------------------------|----------------------|---------------------------------|-----------------------|
| General<br>Government         | \$1,960,628                  | 94%                  | \$1,842,990                     | \$202.53              |
| Public<br>Safety              | \$623,017                    | 94%                  | \$585,636                       | \$64.36               |
| Civic & Human<br>Services     | \$460,166                    | 94%                  | \$432,556                       | \$47.53               |
| Planning &<br>Land Use        | \$100,871                    | 94%                  | \$94,819                        | \$10.42               |
| Public Works &<br>Environment | \$201,427                    | 94%                  | \$189,341                       | \$20.81               |
| Insurance &<br>Benefits       | \$641,089                    | 94%                  | \$602,624                       | \$66.22               |
| Open Space Acq                | \$205,000                    | 94%                  | \$192,700                       | \$21.18               |
| Capitol Projects              | \$300,000                    | 94%                  | \$282,000                       | \$30.99               |
| Debt Service                  | \$1,619,763                  | 94%                  | \$1,522,577                     | \$167.32              |

To estimate how many new residents the subject 49 non-age restricted apartments will create, occupancy in the Hillside apartments (formerly condominiums) were considered. There are 26 voters registered in 22 units or 1.18 voters per unit. As not all residents register to vote, only the units with registered voters were used in this calculation. Plus the school bus company reported they pick up 7 students from the 32 unit apartment complex. This is .22 students per unit for a total of 1.4 people per apartment which was used in my analysis. For the subject 44 age-restricted apartments, and 24 condominium units, management agencies were consulted. The management agent at The Mill at Stonecroft Condominium complex (age-restricted) in Hebron reported the last known count was 59 residents in the 36 units (1.64 people per unit). This condominium complex has almost all two-bedroom units. The Town owned and subsidized Stonecroft age-restricted apartments have 25 residents in 25 units (1 person per unit). Metro Realty, the management agency for the earlier cited age-restricted apartments that the subject units are modeled after, reported the following average occupancy:

|                             |                     |
|-----------------------------|---------------------|
| Watson Farms, South Windsor | 1.5 people per unit |
| Whispering Pines, Avon      | 1.3 people per unit |
| Hunters Ridge, Farmington   | 1.3 people per unit |
| Orchard Ridge, Berlin       | 1.5 people per unit |

Plus my earlier analysis for the Loveland Hills active adult condominium found there will be 1.65 people per condominium. Based on these counts, I conclude there will be 1.4 people per age-restricted apartment and 1.65 people per condominium unit. Therefore:

|   |                         |
|---|-------------------------|
| 49 not age restricted apartments @ 1.4 people = | 68.6                    |
| 44 age restricted apartments @ 1.4 people =     | 61.6                    |
| 24 condo units @ 1.65 people =                  | <u>39.6</u>             |
|   | 169.8 or 170 new people |



Next the number of new residents in the six detached houses was estimated. Public data was very limited to determine the number of residents in a house. Therefore, the current Hebron population was divided by the number of living units in Hebron. Living units are single-family houses, condominiums, and apartments. There are 9,100 residents in Hebron and 2,983 houses, 64 condominiums, and 100 apartments. Dividing 9,100 by 3,147 indicates an average of 2.89 people per residential unit. This is virtually the same rate estimated by the 2000 census. As outlined in the August 2004 Hebron Plan of Conservation and Development Report on page 27, the census calculated 2.88 people per household. Assuming houses typically have more people than a condominium or apartment (as just estimated), this number was rounded up to 3.0 for 18 new residents in the 6 new detached houses.

Using the same data, the number of new school children was estimated. However, 36 of the 64 existing condominium units in Hebron are in the age-restricted Mill at Stonecroft complex. Therefore these 36 units were deducted from the total living units. In October of 2003 there were 808 Hebron students at RHAM High School and Middle School and 1,149 students in the Hebron school system (grades K to 6). Dividing 1,957 students by 3,111 living units equals .629 students per living unit. Applying this to the 6 planned houses indicated 3.77 new students. For the 49 non-age restricted apartments, the same rate of students in the Hillside Apartments (.22 students per unit) was used. Therefore:

$$\begin{array}{r} 6 \text{ houses at } .629 \text{ students per house} = 3.77 \\ 49 \text{ apartments at } .22 \text{ students per unit} = 10.78 \\ \hline 14.55 \text{ students} \\ \text{rounded to 15 students} \end{array}$$

This count was applied to Hebron's education expenses on a per student basis. The per student current education expense is as follows. Hebron's education expenses are split between the Town Board of Education for grades K to 6 and Region School District No. 8 (RHAM) for grades 7 to 12. The following is the Town Board of Education budget, the RHAM Assessment and the RHAM Debt Service combined with the State Education Assistance provided to the Town deducted. The RHAM expenses are already net the State assistance. This net cost of Education to Hebron is then divided by the 1,957 students from Hebron in all the schools to get the cost per student paid from tax dollars.

|                                 |                        |
|---------------------------------|------------------------|
| Board of Education              | \$9,145,609            |
| RHAM Assessment                 | 8,259,616              |
| RHAM Debt Service               | 1,006,181              |
| Less State Education Assistance | (5,531,770)            |
| Net Total Education Expense     | \$12,879,636           |
| Divided by 1,957 students =     | \$6,581.32 per student |

For the apartments and condominiums, no road maintenance or trash removal expenses were included. These services are available to the six detached houses on Kinney Road and were added for the 18 house residents after the other town expenses.

The final step in determining the fiscal impact on the Town of Hebron is to calculate the estimated income to the town from the subject and to deduct the new expenses to the town because of the subject using all the factors concluded. This is outlined on the following page.

ANNUAL FISCAL IMPACT ON THE TOWN OF HEBRON

Income:

Real Estate taxes:

|  |           |
|--|-----------|
| Section I commercial \$18,405,000 @ 31.48 mills      | \$579,389 |
| Section I age apartments 49 units @ \$1,100          | 53,900    |
| Section II commercial \$3,750,000 @ 31.48 mills      | 118,050   |
| Section II age apartments 44 units @ \$1,100         | 48,400    |
| Section II condos 24 x \$140,805 @ 31.48 mills       | 106,381   |
| Section II single family 6 x \$241,500 @ 31.48 mills | 45,615    |

Personal Property taxes:

|  |               |
|--|---------------|
| Retail 51,000 sq. ft. @ 21¢ per sq. ft.          | 10,710        |
| Grocery Market 35,000 sq. ft. @ 42¢ per sq. ft.  | 14,700        |
| Restaurants 7,500 sq. ft. @ 43¢ per sq. ft.      | 3,225         |
| General office 138,000 sq. ft. @ 25¢ per sq. ft. | 34,500        |
| Medical office 15,000 sq. ft. @ 45¢ per sq. ft.  | 6,750         |
| Fitness Center 35,000 sq. ft. @ 20¢ per sq. ft.  | 7,000         |
| Motor vehicles 130 cars x \$6,817 @ 31.48 mills  | <u>27,898</u> |

Total Income \$1,056,518

Expenses:

Commercial

|            |           |
|------------|-----------|
| Section I  | \$272,992 |
| Section II | 55,622    |

Residential:

|  |               |
|--|---------------|
| General Government @ \$202.53 pp x 170 people    | \$34,430      |
| Public Safety @ \$64.36 pp x 170 people          | 10,941        |
| Civic & Human Services @ \$47.53 pp x 170 people | 8,080         |
| Planning & Land Use @ \$10.42 pp x 170 people    | 1,771         |
| Public Works @ \$20.81 pp x 170 people           | 3,538         |
| Insurance & Benefits @ \$66.22 pp x 170 people   | 11,257        |
| Open Space @ \$21.18 pp x 170 people             | 3,601         |
| Capital Projects @ \$30.99 pp x 170 people       | 5,268         |
| Debt Service @ \$167.32 pp x 170 people          | 28,444        |
| Single Family Town Exp. @ \$62.18 pp x 18 people | 1,119         |
| Education @ \$6,581.32 per student x 15 students | <u>98,720</u> |

Total Expenses 535,783

Net Annual Impact to the Town of Hebron .....\$520,735

In other words, the new tax income to the Town of Hebron exceeds the new expenses to the Town of Hebron by \$520,000 per year.

It is to be noted in this analysis the assessments were estimated low and the expenses were estimated high resulting in a conservative conclusion of the net impact to the Town of Hebron budget. That is, the real estate assessment of the commercial properties was estimated by looking at the existing assessments of 2 to 51 year old properties. The concluded values were at the high end, but not out of the stated range. Personal property was assessed on the same basis although most of the personal property will be new when moving into new buildings. Personal property is depreciated annually and quickly so the initial few year assessment and taxes will be higher. Lastly, no motor vehicles were assessed for any of the commercial properties.

For the residential properties, the apartment assessments were based on taxes being paid in four different communities for the same design apartments with the same restrictions on 44 of the 93 apartments. In comparison to typical apartments, the assessment is drastically reduced due to the affordability limitation. In fact, the Assessor in South Windsor stated the affordability restriction lowered the assessment (and taxes) 57%. Plus except for one of the complexes in South Windsor, all of the comparables are two or three years old which reduces the assessment and taxes. The condominiums and single family dwelling assessments were reasonably estimated based on my analysis completed earlier for the Loveland Hills active adult living condominiums and recent sales of single family dwellings in Hebron. The motor vehicle assessments were reasonably estimated using the town average assessment and the car counts I concluded earlier for the Loveland Hills active adult living and the Loveland II condominium projects. All of this resulted in a realistic to slightly conservative, or low, estimation of the tax income to the Town of Hebron.

Expenses were estimated using the professionally recognized Fiscal Impact analysis methodologies. First the town expenses were split between commercial and residential. Then the new expenses attributable to the commercial portions were estimated based on the average and total assessments of the planned commercial properties. It is noted and recognized that all the new commercial property is almost 1.2 times the amount of all the existing commercial properties in town.

The new residential expenses were estimated on a per person and per student basis. Good data was available to estimate the number of new residents resulting in a good estimate of the new expenses. The only Town expenses not included in the analysis for the apartments and condominiums were Town building insurance, road maintenance, and trash removal. By adding the subject project, the Town's insurance on their existing buildings will not change. The maintenance of the driveways and parking lots around the apartments and condominiums will be paid for by the owner and the condominium association. The same is true for the trash removal for the entire project. The road maintenance and trash removal was included for the six detached single-family dwellings on Kinney Road. These expenses were also included for the commercial properties where the only road to be Town maintained is the main road and the road to the industrial buildings. With commercial properties, the owner, not the Town, pays for trash removal and parking lot and driveway snow removal and maintenance. This resulted in a realistic to slight high estimation of the new expenses to the Town of Hebron.

Next the impact of the new students on the school facilities were addressed. My analysis indicated there will be 15 new students living in the entire subject project. The following

chart outlines the present school population and school capacity by school. As can be seen, even if all the students went to the same school, there is room for them. The added expenses of each student were included in the new expenses to the Town in my fiscal impact calculations.

| School            | Grades  | Enrollment<br>10/1/03 | Capacity |
|-------------------|---------|-----------------------|----------|
| Gilead Hill       | Pre K-3 | 565                   | 665      |
| Hebron Elementary | 4-6     | 584                   | 725      |
| RHAM Middle       | 7-8     | 542                   | 750      |
| RHAM High         | 9-12    | 1,035                 | 1,200    |

The next item addressed is the “impact of ancillary business to be generated in existing business centers by the population of and visitors to the project, and the demand for ancillary development to be generated.” [Zoning Regulation 5.10.4(c)(4)iv.] In other words, what impact will the new residents and shoppers/employees in the new living units, stores, and offices have on the existing businesses in Hebron Center. Adding 170 people within walking distance of Main Street will generate more shoppers and users of the existing stores and restaurants along Main Street. Adding commercial development will also add shoppers to the new area who will frequent both the businesses in the new project and the existing business in Hebron Center. Good commercial development generates new commercial development and activity. The extreme example of this is the still growing and expanding Buckland Hills Mall area. New businesses want to be near other businesses to capture some of the traffic and more businesses add more traffic as the area becomes a center for multiple services (work, grocery, restaurant, miscellaneous retail, etc.) Adding the subject project will create a shopping and work village that people will go to rather than traveling to Manchester or Glastonbury or Colchester. They will go to both this project and existing facilities on Main Street in Hebron Center.

In regard to demand for such a project, local residents I have spoken with are excited and happy about a new village center with more shopping, employment opportunities, and places to live. At present there is virtually no vacant office or retail facilities in Town. Developers tell me they are getting calls from grocery stores looking to go into Hebron indicating there is demand for that space and the grocers feel there is demand for that type shopping facilities.

In conclusion, my detailed analysis of the subject project breaking down the new buildings to type and looking at the Town budget resulted in a good, but conservative, indication of the fiscal impact to the Town of Hebron. The concluded impact is that the new income will exceed the new expenses to the Town of Hebron by \$520,000 each year. This is based on the current 2004/2005 budget and does not include one time fees such as building permits, sewer connection fees, zoning permit fees, conveyance taxes, etc.

The number of new school children is minimal (15 in addition to the existing 1,957) and the four schools in Town have capacity for them.

There is demand for this type project including offices, retail, grocery, fitness center, apartments, age restricted housing (both apartment and condominiums), conventional apartments, and light industrial. The project will include walking trails and athletic fields, all of which are in big demand. This property will compliment the existing businesses on Main Street in Hebron not presenting any adversity to them.

Very truly yours,



Robert G. Stewart, SRA  
CT General Appraiser License # RCG.581  
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