

## TECHNICAL MEMORANDUM

**TO:** James Moran, Chief Economic Planner  
Department of Planning & Economic Development  
145 Taunton Avenue  
City of East Providence, RI 02914

**FROM:** RKG Associates, Inc.

**DATE:** April 5, 2024

**SUBJECT:** Peer Review – Fiscal Impact of 500 Veteran’s Memorial Parkway

### PROJECT OVERVIEW

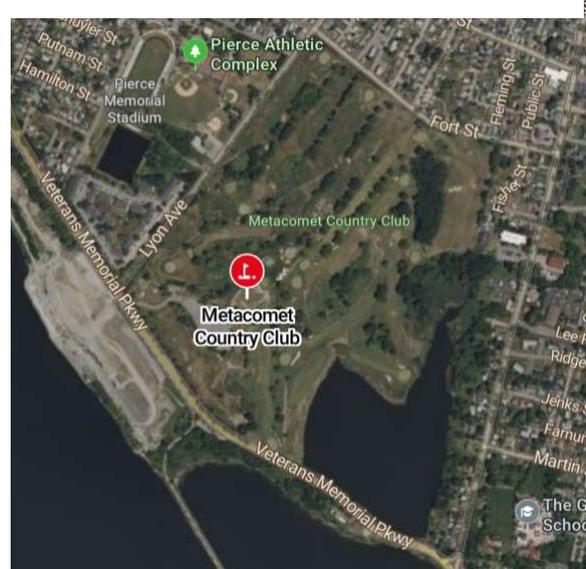
RKG Associates (RKG) was retained by the City of East Providence, RI, to prepare a peer review of the fiscal impact analysis<sup>1</sup> of the proposed redevelopment of the former Metacomet Country Club and Golf Course (herein referred to as “the Project”).

The purpose of this peer review is to offer the City an independent assessment of the reasonableness of the methodology, assumptions, inputs, and findings as presented in the Report.

As RKG understands, the Project is to include 844 multi-family rental units, 22 duplex units, 24 townhomes (for 890 residential units in total), and 163,000 SF of commercial use.<sup>2</sup>

The Report concludes that the Project will render nearly \$5.29M in gross property tax receipts (Table 1) with an estimated net fiscal benefit of nearly \$4.86M.

**Figure 1 – Aerial View of Site**



<sup>1</sup> As prepared by 4Award Planning for Metacomet Property, LLC (Applicant) and dated December 22, 2023 - hereinafter referred to as the Report.

<sup>2</sup> A preliminary conceptual rendering of the 500 Veteran’s Memorial Parkway development is offered in **Figure 2** at the end of this memorandum.

**Table 1 – Gross Valuations/Property Tax and Net Fiscal Impacts by Component**

500 Veteran's Memorial Parkway - Fiscal Impacts	Estimated Valuation (\$mill)	Gross Property Tax	City Costs	NET Impact	% of Total
Multi-Family (1)	\$141.46	\$3,257,731	(\$276,568)	\$2,981,163	61.4%
Multi-Family Senior (1)	\$59.22	\$1,363,943	(\$109,895)	\$1,254,048	25.8%
<b>Subtotal</b>	<b>\$200.68</b>	<b>\$4,621,674</b>	<b>(\$386,463)</b>	<b>\$4,235,211</b>	<b>87.2%</b>
Townhomes (2)	\$13.66	\$201,563	(\$10,989)	\$190,574	3.9%
Duplexes (2)	\$12.52	\$184,766	(\$10,074)	\$174,692	3.6%
<b>Total Residential</b>	<b>\$26.17</b>	<b>\$5,008,003</b>	<b>(\$407,526)</b>	<b>\$4,600,477</b>	<b>94.8%</b>
Commercial (1)	\$12.15	\$279,754	(\$24,960)	\$254,794	5.2%
<b>Total Project</b>	<b>\$239.00</b>	<b>\$5,287,757</b>	<b>(\$432,486)</b>	<b>\$4,855,271</b>	<b>100.0%</b>

Source: 4Award Planning and RKG (2024)

(1) - City commercial tax rate of \$23.03/\$1,000

(2) - City residential tax rate of \$14.76/\$1,000

### SUMMARY of FINDINGS

In general, RKG found the methodology, inputs, assumptions, and findings of the likely fiscal impacts associated with the redevelopment of 500 Veteran’s Memorial Parkway to be applicable and reasonable. While a more detailed discussion of RKG’s peer review is presented throughout this memorandum, the following summarizes RKG’s findings, noting several issues regarding the information and findings offered in the Report.

**RKG notes that none of these considerations, in our opinion, would negatively impact the Report’s conclusion that the development of 500 Veteran’s Memorial Parkway would result in a positive fiscal benefit to the City, but rather are offered as potential refinements for the City’s consideration in its review process for the Project.**

- The Report notes (**page 36**) two pipeline residential projects in East Providence including Wampanoag Meadows (416 units) and the Newport Center Mixed-Use development (142 units). However, there is no mention of the East Point project on the former Phillipsdale industrial site.<sup>3</sup> The Report also notes (**page 36**) that by 2028 housing demand within the market PMA<sup>4</sup> could equate to 6,690 units with a local demand of 670 to 1,000 units.

**RKG asks how inclusion of the East Point project may otherwise impact demand and absorption for new residential. RKG notes that the Report data is for 2028 and as RKG understands the 500 Veteran’s Memorial Parkway may have a ten-year phasing, which would add another five (5) years to the demand and absorption metric timeframe. Nonetheless, RKG recommends that the Applicant consider the East Point project in their analysis of the market demand metrics and adjust accordingly, if applicable.**

- The Report estimates gross unadjusted property tax receipts of approximately \$5.29M. In general, RKG does not have an issue with this estimate, although it should be noted that 10% of the residential units are to be designated as affordable, this could result in some partial diminishment in valuations and resulting tax receipts.

<sup>3</sup> Reported (*East Bay Media Group 25 March 2024*) to include a combination of 392 single and multi-family residences as well as apartments, including 39 age-restricted affordable units. This project represents a \$120M investment (approximately \$306,100/unit).

<sup>4</sup> Defined as a 20-minute drive-time contour from 500 Veteran’s Memorial Parkway (**page 12**).

- The Report **does not** make a distinction between gross property tax receipts for the City and for the School Department. RKG offers an estimate of this breakdown with gross tax receipts at \$2.75M and \$2.54M, respectively. For the City, this distinction is important as the gross unadjusted tax receipts are later reduced by estimated municipal service costs to arrive at a net fiscal impact, specifically for the City.
- In consideration of separating gross tax receipts and reflecting municipal services costs of the Project (\$432,486 annually), RKG estimates that the net fiscal benefit to the City may be \$2.32M, rather than the approximate \$4.86M in the Report.
- The Report **does not** offer an analysis of the impacts to the School Department, specifically with respect estimated School Department taxes and associated education costs of new students. However, it does offer some metrics for these calculations.

RKG prepared a **hypothetical order of magnitude** calculation for these impacts (refer to Table 8) indicating the potential for 85 new students at an average full cost per student of \$18,677 for an estimated education cost of nearly \$1.59M. When factored against tax receipts of \$2.54M (as calculated by RKG), this results in a net positive fiscal benefit to the School Department of nearly \$950,000.

- The Report estimates municipal service costs using a generally accepted approach<sup>5</sup>, to total \$432,486 with \$407,526 for residential (\$480/unit) and \$24,960 for commercial (\$60/employee).

**As indicated elsewhere in this peer review memorandum, RKG suggests that there could be some level of refinement in these cost estimates. For example, a separation of City taxes/costs relative to School taxes/costs results in a diminished net fiscal impact to the City, proper.**

- The Report **does not** offer an estimate of personal property (vehicle) tax receipts, which if included would increase the estimated overall City tax receipts.
- Lastly, the Report **does not** consider the potential lost tax revenues from the Project “as is”. The estimated valuation<sup>6</sup> for of the Project “as is” is reported at \$502,600 (building improvements only) resulting in tax receipts (**City portion only**) of \$6,021.<sup>7</sup> Assuming these represent lost taxes (as the existing buildings may be demolished), the net estimated fiscal impact for the Project would be nominally reduced from the above estimated \$2.32M for the City (per RKG).

### **Fiscal Reconciliation**

As discussed in further detail throughout this peer review memorandum, RKG offers an alternative fiscal impact reconciliation. The RKG Alternative makes the distinction between gross taxes to the City, reflecting the **City portion only** of the tax rate, and the gross taxes to the School Department, reflecting the **School portion only** of the tax rate. For each, RKG adjusts the gross taxes by the estimated City and School costs. In this manner a distinction is

<sup>5</sup> The per capita multiplier method.

<sup>6</sup> Tax parcel 107-15-001-00 identified by Northeast Revaluation Group LLC.

<sup>7</sup> Commercial tax rate of \$11.98/\$1,000 for the **City portion only**.



made for the net fiscal impact to the City and the net fiscal impact to the Schools. These are offered in Table 2, noting the following:

- **Gross City tax** of \$2.75M with costs of **\$432,486** for a positive net fiscal benefit of \$2.32M to the City.
- **Gross School tax** of \$2.54M with costs of **\$1.59M** for a positive net fiscal benefit of nearly \$950,000 to the Schools.

**RKG considers this distinction to be important as it more accurately reflects the estimated net tax to the City. Additionally, the Report does not include salaries and benefits as a part of the overall costs. While such costs may be nominal to many City departments, RKG believes, at a minimum, the City costs for Police and Fire/EMS would be impacted. The reason for this is that for these departments there will be direct costs associated with call and response activities, i.e., personnel responding to the scene.**

**RKG strongly suggests that the City ask the Applicant to revisit their municipal cost estimate to make this distinction for these departments.<sup>8</sup>**

**Table 2 – Fiscal Impact Comparison and Reconciliation**

500 Veteran's Memorial Parkway - Fiscal Reconciliation		The Report	RKG - City	RKG - Schools
<b>Gross Taxes</b>				
Municipal	\$5,287,757	\$2,750,695	\$0	
Education	\$0	\$0	\$2,537,061	
<b>Costs</b>				
Municipal	(\$432,486)	(\$432,486)	\$0	
Education	\$0	\$0	(\$1,587,542)	
<b>Net Fiscal Impact</b>	<b>\$4,855,271</b>	<b>\$2,318,209</b>	<b>\$949,519</b>	

Source: 4Award Planning and RKG (2024)

**The Report** - applies all inclusive tax rate of \$14.76/\$1,000 for Residential

**The Report** - applies all inclusive tax rate of \$23.03/\$1,000 for Commercial

**RKG Alternative City** - applies *City portion only* of \$7.68/\$1,000 for Residential

**RKG Alternative City** - applies *City portion only* of \$11.98/\$1,000 for Commercial

**RKG Alternative Schools** - applies *School portion only* of \$7.08/\$1,000 for Residential

**RKG Alternative Schools** - applies *School portion only* of \$11.05/\$1,000 for Commercial

**In conclusion, while RKG generally considers the Report to present an acceptable and reasonable analysis of fiscal impacts, RKG suggests that the City request the Applicant to revisit the analysis and offer refinements where applicable**

**RKG suggests the Report be adjusted to offer a distinction between City taxes and costs relative to School Department taxes and costs. Specifically to offer City and School Department taxes/costs as stand-alone reconciliations.**

<sup>8</sup> Please note further, the discussion presented in the **Addendum** of this peer review memorandum.

Additionally, RKG suggests that the City request the Applicant to offer more detail in City costs associated with Police and Fire/EMS, in consideration of the potential call volumes indicated in the separate Fiscal Study. This latter point would include consideration of salaries and benefits of these departments as their costs would be directly impacted by an increase in call volumes to the Project.

### **PROJECT INTRODUCTION**

The proposed development mix for 500 Veteran’s Memorial Parkway is summarized in Table 3 (residential) and Table 4 (commercial), noting the following for residential:

- **Sudio units** – 66 units account for 7% of the 890 residential units.
- **1 BR units** – 460 units account for 52% of the 890 residential units.
- **2 BR units** – 308 units account for 35% of the 890 residential units.
- **3 BR units** – 56 units account for 6% of the 890 residential units.
- **Senior living units** – included in the 890 units there is a total of 240 units (a split of 1BR and 2BR units) representing approximately 27% of the total residential development.
- **Affordable units** – the Report notes (**page 8**) that *“the Developer intends to set aside ten-percent (10%) of the residential units as affordable inclusionary housing. Assuming that such units will be rented or sold at or about 80-percent of the area median income (AMI), the reduced rents and sales prices will have a minimal impact on the total redevelopment project’s taxable value.”*

RKG notes that the Report does not specify the unit mix or composition of the 10% set aside for affordable housing. Further, assuming the likely reduced multi-family lease rates of these units, RKG contends that in the valuation approach used in the Report, there could be some impacts on resulting taxable value. While this impact may be minimal, the inclusion of the impacts would reflect a more accurate presentation of value and resulting property tax receipts.





**Table 3 – Proposed Project Mix - Residential**

500 Veteran’s Memorial Parkway - Residential	Proposed Unit Mix				
	Studio	1 BR	2 BR	3 BR	Total
Multi-Family (Bldg A)	4	42	18	4	<b>68</b>
Multi-Family (Bldg B)	9	45	22	4	<b>80</b>
Multi-Family (Bldg C)	12	50	17	5	<b>84</b>
Multi-Family (Bldg D)	22	55	27	5	<b>109</b>
Multi-Family (Bldg E)	0	30	18	4	<b>52</b>
Multi-Family (Bldg F)	12	53	27	4	<b>96</b>
Multi-Family (Bldg G)	0	30	18	4	<b>52</b>
Multi-Family (Bldg H)	7	35	17	4	<b>63</b>
Multi-Family (Bldg I) (1)	0	44	36	0	<b>80</b>
Multi-Family (Bldg J) (1)	0	36	44	0	<b>80</b>
Multi-Family (Bldg K) (1)	0	40	40	0	<b>80</b>
<b>Subtotal Multi-Family</b>	<b>66</b>	<b>460</b>	<b>284</b>	<b>34</b>	<b>844</b>
<b>Percent of Multi-Family</b>	<b>7.8%</b>	<b>54.5%</b>	<b>33.6%</b>	<b>4.0%</b>	<b>100.0%</b>
Townhomes	0	0	24	0	<b>24</b>
Duplexes	0	0	0	22	<b>22</b>
<b>Grand Total Residential</b>	<b>66</b>	<b>460</b>	<b>308</b>	<b>56</b>	<b>890</b>
<b>Percent of All Residential</b>	<b>7.4%</b>	<b>51.7%</b>	<b>34.6%</b>	<b>6.3%</b>	<b>100.0%</b>

Source: 4Award Planning and RKG (2024)

(1) - designated as Senior Living

**Table 4 – Proposed Project Mix - Commercial**

500 Veteran’s Memorial Parkway - Commercial	SF	% of SF
Grocery Store	90,000	55.2%
Free Standing Retail	53,000	32.5%
Ground Floor Retail	10,000	6.1%
Golf Pro Shop	10,000	6.1%
<b>Total Commercial</b>	<b>163,000</b>	<b>100.0%</b>

Source: 4Award Planning and RKG (2024)

**PURPOSE of the PEER REVIEW**

The purpose of RKG’s peer review is to offer the City of East Providence a separate, and independent, perspective of the fiscal impact methodology as presented in The Report, noting the reasonableness of the assumptions and inputs utilized therein. As a result, it is RKG’s intent to provide the City of East Providence with a set of alternative inputs and assumptions, where applicable, should the City of East Providence request that The Report be revisited by the Applicant. It is not the intent or purpose of the RKG peer review to offer a separate fiscal impact analysis.

**FISCAL IMPACT METHODOLOGY OVERVIEW**

In short, a fiscal impact analysis should offer to a community an identification and reconciliation of the likely municipal service and education costs related to a proposed development and the potential municipal revenues that could result from the proposed development.

It should also be noted that a fiscal impact analysis is only concerned with local public costs and expenditures. As a result, state aid, grants, and one-time sources of revenue (such as

building permit fees) are generally not included as a component of the fiscal impact analysis or reconciliation.

- **Costs** – these are City costs associated with providing essential services to the development. These typically include public safety (Police and Fire/EMS); some level of general government expenses (tax collector, assessing and the like); some level of costs relative to the Department of Public Works (varying by the costs to be borne by the development relative to the City for the property upkeep and maintenance); and, if a residential component is included, education costs as a result of additional students into the local School system.
- **Revenues** – property tax payments and, if applicable, vehicle excise taxes generally comprise the annual and ongoing revenue streams to the City. Other revenues may include building permit fees, but these are considered one-time payments.

## **FISCAL IMPACT INPUTS - REVENUES**

### **Property Tax Receipts**

The estimated valuation of a proposed development forms the basis for estimating gross and unadjusted property tax receipts for the City of East Providence. There are several accepted methodologies for estimating valuation, each identified in varying appraisal approaches.

- **Cost Based Approach** - this includes an estimate of the construction costs, typically on a per unit (residential) or per SF (commercial) basis, as may often be offered by the Applicant.
- **Comparable Sales Approach** – this includes a review of comparable properties throughout the City, utilizing their assessed valuation as a representation of the likely valuation for the proposed development.
- **Income Based Approach** – This reflects an analysis of the likely rents, leases and selling prices of the various components of the proposed development, as adjusted for assumed vacancy and other expenses, to arrive at an estimate of net operating income (NOI). The NOI is then reconciled with the prevailing market based capitalization rates (CAP rate)<sup>9</sup> to determine an estimate of the property’s valuation which then forms the basis for estimating tax receipts. Applicant provided lease rates include the following, which are contrasted to Kettle Point (refer to Table 5).

**Table 5 – Comparison of Asking Lease Rates**

<b>500 Veteran's Memorial Parkway - Residential</b>	<b>Project</b>	<b>Kettle Point</b>	<b>Project as % Kettle Point</b>
Studio	\$1,979	\$2,268	87.3%
One BR	\$2,161	\$1,980	109.1%
Two BR	\$2,851	\$2,593	110.0%
Three BR	\$3,000	\$3,910	76.7%

Source: 4Award Planning, Homes.com and RKG (2024)

<sup>9</sup> A Cap rate is generally defined as the expected rate of return that is to be generated on a real estate investment property.

The Report utilizes the latter, an income based approach to valuation, in its analysis of the Project. RKG notes that this methodology is typically the preferred methodology used by appraisers and assessors, and RKG takes no issue with its applicability for this analysis.

However, as noted previously, the Report notes that 10% of the residential units will be set aside as affordable units, without specifying mix or bedroom count. As a result, assuming the likely reduced multi-family lease rates of these units, RKG contends that there could be some impacts on resulting taxable value. Essentially, diminished rent/lease levels result in diminished revenues. While this impact may be minimal, the inclusion of these impacts would reflect a more accurate presentation of value and resulting property tax receipts. RKG suggests that the City of East Providence may request a refinement to these metrics from the Applicant.

**Commercial** – the Report offers a summary of gross rents for the commercial portions of the development (page 89) as provided by the Applicant. These total a little over \$1.86M annually, or approximately \$11.42 on a per SF basis (all commercial). The Report also offers Applicant provided metrics (page 89) to establish an NOI of a little over \$1.13M and a resulting market valuation of nearly \$12.15M for the commercial component. The valuations and resulting gross property taxes, by component, are offered in Table 6.

**Table 6 – Summary Valuations and Gross Property Tax**

500 Veteran's Memorial Parkway - Fiscal Impacts	Estimated Valuation (\$mill)	% of Total	Gross Taxes (\$1,000s)	% of Total
Multi-Family (1)	\$141.46	59.2%	\$325,773	61.6%
Multi-Family Senior (1)	\$59.22	24.8%	\$136,394	25.8%
<b>Subtotal</b>	<b>\$200.68</b>	<b>84.0%</b>	<b>\$462,167</b>	<b>87.4%</b>
Townhomes (2) (3)	\$13.66	5.7%	\$20,156	3.8%
Duplexes (2) (3)	\$12.52	5.2%	\$18,477	3.5%
<b>Total Residential</b>	<b>\$226.85</b>	<b>94.9%</b>	<b>\$500,800</b>	<b>94.7%</b>
Commercial (1)	\$12.15	5.1%	\$27,975	5.3%
<b>Total Project</b>	<b>\$239.00</b>	<b>100.0%</b>	<b>\$528,776</b>	<b>100.0%</b>

Source: 4Award Planning and RKG (2024)

(1) - City commercial tax rate of \$23.03/\$1,000

(2) - City residential tax rate of \$14.76/\$1,000

(3) - Applicant provided valuation of \$569,000 per unit

**RKG takes no issue with these valuations and resulting gross property taxes other than the aforementioned potential adjustment for the affordable residential units.**

However, the Report indicates (page 90) that the estimated total tax levy of approximately \$5.29M is inclusive of taxes to be allocated to the East Providence School District. The specific amount of this allocation *is not provided*. In RKG’s opinion, whatever that portion may be, it is for the School district and not an otherwise general fund tax receipt to the City of East Providence, proper.

RKG spoke with a representative of the City of East Providence Assessor’s Department who indicated that as a part of the \$14.76/\$1,000 residential tax rate there was the inclusion of \$7.08/\$1,000 for the School Department. Further, of the \$23.03/\$1,000 commercial tax rate there was the inclusion of \$11.05/\$1,000 for the School Department. The following



Table 7 reflects these adjustments for that portion of gross property tax for the School Department relative to the total gross tax as indicated in the Report.

**Table 7 – Adjustment for City Tax and School Department Tax**

500 Veteran’s Memorial Parkway - Fiscal Impacts	Estimated Valuation (\$mill)	Gross Taxes	Education Tax (4)	NET City Tax
Multi-Family (1)	\$141.46	\$3,257,732	(\$1,563,089)	\$1,694,643
Multi-Family Senior (1)	\$59.22	\$1,363,943	(\$654,432)	\$709,511
<b>Subtotal</b>	<b>\$200.68</b>	<b>\$4,621,674</b>	<b>(\$2,217,521)</b>	<b>\$2,404,154</b>
Townhomes (2) (3)	\$13.66	\$201,563	(\$96,684)	\$104,878
Duplexes (2) (3)	\$12.52	\$184,766	(\$88,627)	\$96,138
<b>Total Residential</b>	<b>\$226.85</b>	<b>\$5,008,002</b>	<b>(\$2,402,833)</b>	<b>\$201,016</b>
Commercial (1)	\$12.15	\$279,754	(\$134,229)	\$145,526
<b>Total Project</b>	<b>\$239.00</b>	<b>\$5,287,756</b>	<b>(\$2,537,061)</b>	<b>\$2,750,695</b>

Source: 4Award Planning and RKG (2024)

- (1) - City commercial tax rate of \$23.03/\$1,000
- (2) - City residential tax rate of \$14.76/\$1,000
- (3) - Applicant provided valuation of \$569,000 per unit
- (4) - Residential at \$7.08/\$,1000 and Commercial at \$11.05/\$1,000

**Based on the analysis above, RKG offers that the gross taxes available to the City of East Providence total \$2.75M with an additional \$2.54M for the School department. This adjustment would further impact the estimated net fiscal benefit to the City once adjusted for estimated municipal service costs, although remaining as a net positive fiscal benefit overall.**

**Personal Property Tax Receipts**

The Report **does not** offer an estimate of personal property (vehicle) tax receipts as may be associated automobile ownership among the residents of the proposed 500 Veteran’s Memorial Parkway development, nor with any fleet vehicles (from the commercial components) which may registered locally.

**Although not critical to this peer review, the inclusion of these taxes would positively impact the estimated City of East Providence tax receipts.**

**FISCAL IMPACT INPUTS - EXPENSES**

Expenses represent the ongoing “cost” to the City of East Providence to provide municipal services to the development and to provide education services to any new students living in the development. Typically, such costs are indexed or benchmarked to housing units (residential basis); to employment (commercial basis); or to education (cost per student basis).

The Report utilizes a per capita multiplier methodological approach to estimating municipal service costs to the City. This approach provides a distinction between household costs (residential) and employee costs (commercial) calibrated percentage of the citywide property valuations for residential and commercial. In short, this approach reflects the relative breakdown per \$1.00 spent by the City for offering municipal serves. In the Report this equates to \$0.84 for residential and \$0.16 for commercial.



The Report identifies (**page 74**) the City’s 2023 total budget appropriation (approximately \$187.81M) and then reduces this for certain expenditures including debt service<sup>10</sup>, the School Department appropriations<sup>11</sup> and salaries and benefits.<sup>12</sup> The result is a City adjusted budget of nearly \$17.42M and when calculated on a per capita cost comes to \$373/capita in total. This is then calibrated to the aforementioned 84% (residential) and 16% (commercial).

**RKG generally accepts this as a reasonable approach, it should be noted that the Report does not offer any interviews or input from various Department Chiefs or Department Heads in the City. RKG’s approach to estimating such costs typically includes comments from such sources as there may be extraordinary circumstances or impacts.**

**For example, the proposed 240 residential designated for senior living may increase the required call and response capacities for EMS services. While RKG suggests that the City may request the Applicant to conduct such outreach, it is considered to be more of a measure of refinement and is not considered to adversely impact of the Report findings of an overall net positive fiscal benefit to the City.**

### **EDUCATION IMPACTS**

These represent an estimate of the likely costs associated with providing an education to any new students that may reside at 500 Veteran’s Memorial Parkway. The Report states (**page 62**) that *“the mixed-use development is projected to produce fewer than 85 public school age children - less than two percent of the East Providence School District’s current enrollment of 5,026.”*

While the Report **does not** offer a potential breakdown of these students by unit mix, the Report does provide estimates of the number of public school age children (SAC metric) for the various residential components of the Project (**page 67**) which RKG has adopted for this peer review.

**RKG’s methodology estimates a potential of 85 students resulting from the Project. RKG has rounded up to the nearest whole number of students to arrive at an estimate of 85 students. Were it not for this rounding, the RKG estimate would be consistent with the “fewer than 85” as indicated in the Report.<sup>13</sup>**

While the Report **does not** offer an estimate of the education costs associated with the Project, it does reference an estimate of the 2023 school department total appropriation (**page 74**) of approximately \$93.87M and school enrolment (**page 62**) of 5,026 students. Under these inputs, as referenced in the Report, RKG estimates an approximate full cost per student at \$18,677.

**RKG considers this an important calculation to offer, noting the previously discussed distinction between property taxes available to the City of East Providence and those available to the school district.**

---

<sup>10</sup> Approximately \$15.62M.

<sup>11</sup> Approximately \$93.87M.

<sup>12</sup> Approximately \$60.90M.

<sup>13</sup> This includes 70 students from the multi-family rental housing (non-age restricted) and 13 from the single-family attached housing elements.

Table 8 presents a *hypothetical and order of magnitude* estimate of the number students and the associated student costs, based on these metrics. As previously noted, RKG estimates that the school district would garner nearly \$2.54M in gross property tax receipts from the Project – indicating that relative to estimated education costs of \$1.59M, the net fiscal benefit for the School Department would be positive at nearly \$950,000.

**Table 8 – Estimated School Age Children and Education Costs**

500 Veteran's Memorial Parkway - Residential	Unit Count	PSAC (1)	Estimated Students	Estimated Costs (5)
Multi-Family (2)				
Studio	66	0.01	1.0	(\$18,677)
One BR	340	0.02	7.0	(\$130,739)
Two BR	164	0.25	41.0	(\$765,756)
Three BR	34	0.61	21.0	(\$392,216)
<b>Subtotal Multi-Family</b>	<b>604</b>	<b>na</b>	<b>70.0</b>	<b>(\$1,307,388)</b>
Townhomes (3)	24	0.11	3.0	(\$56,031)
Duplexes (4)	22	0.51	12.0	(\$224,124)
<b>Total these Residential</b>	<b>650</b>	<b>na</b>	<b>85.0</b>	<b>(\$1,587,542)</b>

Source: 4Award Planning and RKG (2024)

(1) - public school age children multiplier grades K - 12

(2) - excludes senior living designated units

(3) - all two BR units

(4) - all three BR units

(5) - average total expenditure per student at \$18,677

note - estimated students rounded up to whole number

**RKG notes that this is a hypothetical only. If the City of East Providence requires a further refinement and discussion of possible impact(s) on the particular School district impacted, these should be requested of the Applicant. Nonetheless, this hypothetical results in a positive net fiscal benefit to the School department.**

### ADDENDUM

As RKG understands (from discussions with City representatives), portions of the baseline input metrics in the Report may have been developed, in part, from a separate study.<sup>14</sup> The separate Fiscal Study indicates (page 2) “this report attempts to answer the likely direct impacts on public safety in East Providence, to include considerations of crime, calls for police service, calls for medical services, calls for fire services, and traffic collisions. It does not attempt to address more indirect or esoteric effects related to socio-economic factors that are both hard to measure and geographically diffuse.”

**Anticipated Calls for Police Service** – The Fiscal Study estimates (Table 3, page 8) a potential for 161 to 404 calls for police services as the result of the Project. The Fiscal Report caveats “unfortunately, this data is based solely on comparison agencies and not existing data in East Providence.” That stated, the Fiscal Study further suggests that “East Providence currently takes about 40,000 calls for service per year, and thus I would expect the Metacomet property to add between 0.4% and 1% to the agency’s annual call total.”

<sup>14</sup> Metacomet Development Public Safety Impact Study, prepared by Christopher W. Bruce and dated 28 December 2023 – hereinafter referred to as the **Fiscal Study**.

**RKG notes that the Fiscal Study does not offer an estimated average cost per service call, nor is there an indication that the estimated call volumes were vetted with the East Providence Police Chief.**

**Anticipated Calls for Fire/EMS Service** – The Fiscal Study estimates (**Table 4, page 9**) a potential for 301 to 359 calls for Fire/EMS services as the result of the Project. In conjunction with a review and analysis of the East Providence Department existing call volume the Fiscal Study concludes *“the new development should be expected to add between 2 and 3 percent to the East Providence Fire Department’s annual call load.”*

**RKG notes that while the Fiscal Study does reference a review and analysis of existing service calls from Fire/EMS, it does not offer an estimated average cost per service call.**

In its discussion of the methodology for fiscal impact analysis (**pages 63-74**), the Report **does not** appear to have taken these estimated call volume, as presented in the Fiscal Study, into account and reconciliation. Rather, the Report concludes (**page 75**) a lump sum estimate of municipal costs of **\$432,486** without reference or delineation to department specifics.

As a hypothetical, and purely for illustrative purposes **only**, if an average cost per response call were assumed to be \$50, for Police and for Fire/EMS, this could add as much as \$23,100 (total low call volume) to as much as \$38,150 (total high call volume), to the municipal cost estimate of **\$432,486**, as indicated in the Report. This would effectively diminish the estimated net fiscal benefit to the City from \$4.86M (as in the Report) to a range of \$4.81M to \$4.83M.

**RKG strongly recommends that the Applicant offer a reconciliation of metrics from the Fiscal Study and the conclusions in the Report, if applicable. How were the metrics from the Fiscal Study incorporated, if they were incorporated, and if not, why not?**

**RKG further recommends that the Applicant offer an inclusion of comments, discussions and input from the potentially impacted City of East Providence Department Heads, at a minimum, Police and Fire/EMS.**

**Figure 2 – Preliminary Conceptual Rendering of 500 Veteran’s Memorial Parkway**

