

City of Somerville FY2020 Classification Hearing

November 26, 2019

Adoption of Tax Levy percentages for FY 2020

Somerville Board of Assessors

Francis J. Golden, MAA
Acting Chief Assessor
& Chairman

Michael Flynn, MAA
Richard Scanlon, MAA



Joseph A. Curtatone
Mayor

Recommendations

1. A motion that the City Council adopts a minimum residential factor of 87.9553, the legal minimum for the City of Somerville for FY 2020.
2. A motion that the City Council accepts the provisions of Chapter 59, section 5C approving a residential exemption of 35% of average assessed value for owner occupied properties for FY 2020.

Comparison of State Form LA-4 FY19 & FY20

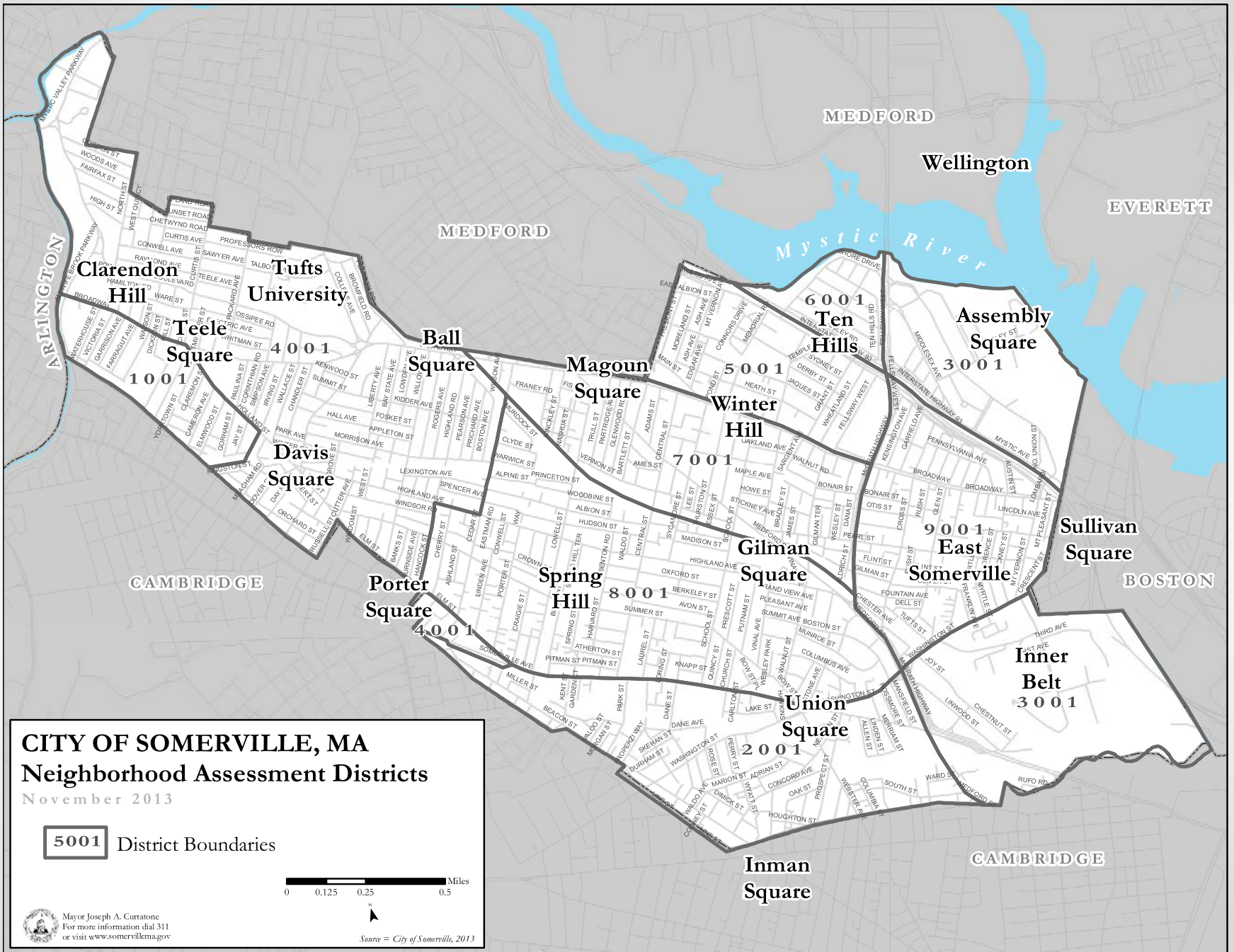
USE CODE	DESCRIPTION	FY 2019 PARCEL COUNT	FY 2020 PARCEL COUNT	FY 2019 ASSESSED VALUE	FY 2020 ASSESSED VALUE
101	SINGLE FAMILY	2,337	2,330	\$1,833,223,700	\$1,992,135,100
102	CONDOMINIUM	5,547	6,010	\$3,181,834,408	\$3,754,783,313
104	TWO FAMILY	5,046	4,990	\$4,147,818,700	\$4,695,040,900
105	THREE FAMILY	2,263	2,253	\$2,308,846,400	\$2,645,109,600
109	2 OR MORE RES. BUILDINGS/1 LOT	72	73	\$98,316,200	\$108,426,200
111-125	APARTMENTS 4+	660	659	\$1,505,309,810	\$1,750,474,480
130-132,106	VACANT RES. LAND	174	174	\$15,755,500	\$19,750,800
300-393	COMMERCIAL	595	594	\$1,371,165,475	\$1,613,775,030
400-452	INDUSTRIAL	99	94	\$354,134,400	\$374,474,600
012-043	MIXED USE RESIDENTIAL	257	261	\$414,171,222	\$540,514,650
	MIXED USE COMMERCIAL			\$132,667,693	\$174,988,823
501-508	PERSONAL PROPERTY	1262	1273	\$293,268,510	\$326,987,090
TOTAL REAL & PERSONAL PROPERTY VALUE		18,339	18,711	\$15,656,512,018	\$17,996,460,586
900-990	EXEMPT REAL ESTATE	404	402	\$1,681,532,000	\$2,013,116,152

Parcel Count Changes FY19-FY20:

- Added 463 residential condo units (198 conversions/224 new)
- 56 fewer two family properties
- 10 fewer three family properties

Average Valuation Changes FY19-FY20

	Market & Growth	Growth Only
Single family	8%	1%
Two family	14%	1%
Three family	14%	1%
Apartments 4+	13%	9%
Condominiums	7%	4%
Commercial	5%	15%
Industrial	5%	3%
Personal Property	n/a	n/a



Average Assessment Changes By Neighborhood: Single Family

	FY19 Value	FY20 Value	% Change 19-20
1001 West Somerville South & Cambridge Line	882,720	980,255	11.05
2001 Ward 2 Union Square South	782,000	874,369	11.81
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,105,730	1,158,734	4.79
5001 Winter Hill North	555,850	611,660	10.04
6001 Ten Hills	590,330	638,490	8.16
7001 Winter Hill & Magoun Square	659,690	727,005	10.20
8001 Central, Spring & Prospect Hill	791,930	867,947	9.60
9001 East Somerville	583,830	655,028	12.20
City Average	784,435	855,033	8.99

Average Assessment Changes By Neighborhood: Two Family

	FY19 Value	FY20 Value	% Change 18-19
1001 West Somerville South & Cambridge Line	854,600	997,853	16.76
2001 Ward 2 Union Square South	815,090	946,884	16.17
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	975,990	1,096,312	12.33
5001 Winter Hill North	570,470	678,183	18.88
6001 Ten Hills	573,890	676,165	17.82
7001 Winter Hill & Magoun Square	685,270	790,552	15.36
8001 Central, Spring & Prospect Hill	803,750	921,564	14.66
9001 East Somerville	649,400	760,503	17.11
City Average	822,001	940,604	14.43

Average Assessment Changes By Neighborhood: Three Family

	FY19 Value	FY20 Value	% Change 19-20
1001 West Somerville South & Cambridge Line	1,153,600	1,320,418	14.46
2001 Ward 2 Union Square South	1,124,430	1,300,244	15.64
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,145,460	1,289,981	12.62
5001 Winter Hill North	882,340	1,024,964	16.16
6001 Ten Hills	674,940	780,360	15.62
7001 Winter Hill & Magoun Square	852,890	1,006,536	18.01
8001 Central, Spring & Prospect Hill	1,009,370	1,162,492	15.17
9001 East Somerville	839,570	987,540	17.62
City Average	1,020,259	1,174,076	15.08

Average Assessment Changes By Neighborhood: Condominium

	FY19 Value	FY20 Value	% Change 19-20
1001 West Somerville South & Cambridge Line	675,120	734,325	8.77
2001 Ward 2 Union Square South	580,700	640,816	10.35
3001 Ward 2 Cobble Hill	451,640	600,761	33.02
4001 West Somerville	683,840	725,612	6.11
5001 Winter Hill North	412,990	472,694	14.46
6001 Ten Hills	509,950	562,286	10.26
7001 Winter Hill & Magoun Square	461,940	518,838	12.32
8001 Central, Spring & Prospect Hill	581,960	637,235	9.50
9001 East Somerville	479,420	527,123	9.95
City Average	570,835	626,502	9.75

FY20 Growth

Use Type	New Growth Valuation	Tax Levy Growth
Single Family	15,050,446	
Condominium	113,250,341	
Two & Three Family	55,451,495	
Four+ Units	133,865,763	
Mixed-Use Residential & Other	3,045,380	
Total Residential	321,027,025	3,454,251
Commercial	199,741,519	3,461,521
Industrial	10,170,300	176,251
Personal Property	74,068,270	1,283,603
Total Commercial, Industrial & Personal Property	283,980,089	4,921,375
Total Real & Personal Property	605,007,114	\$8,375,626

Major Contributors to New Growth Valuation

Assembly Row	New Valuation	FY20 Tax (Estimate)
375A Canal St. Alloy (Block 5: Condos in FY20)	\$18.8M	\$202,933
391 Revolution Dr. (Partners Retail)	\$14M	\$242,620
449 Canal St. Montaje (Block 6: Apartments)	\$18M	\$193,680
375 Canal St. Marriott (Block 5: Hotel)	\$19.8M	\$343,626
Cambridge Crossing - Other		
250 Dawes Street – Inner Belt (Com – Land) Approved for Office building	\$73.4M	\$1,272,265
0 Dawes Street – Inner Belt (Office/Lab) Building currently 50% complete 6/30/2019	\$22.2M	\$384,530
Wayfair LLC – Inner Belt (Personal Property)	\$22.8M	\$395,422



FY20 Tax Levy & Classification

FY20 Levy Limit: \$168,272,052

FY20 Levy: \$167,905,653

FY19 Levy: \$155,031,240

Tax Levy Change: \$ 12,874,413

FY20 Change:
8.3%

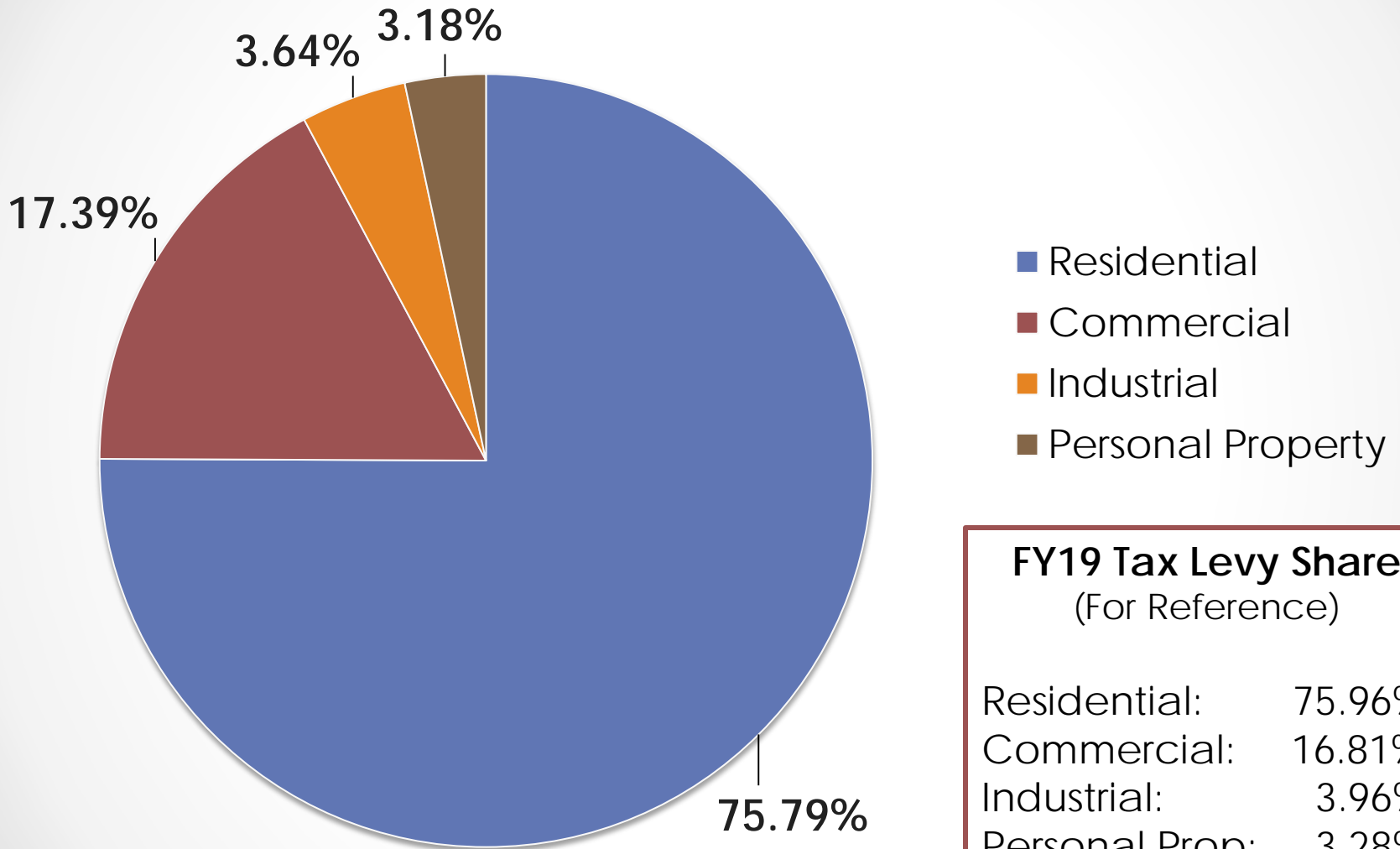
Excess Levy Capacity: \$ 366,399

	As Assessed	With 175% Classification
Commercial Value Percentage	13.8373	24.2153
Residential Value Percentage	86.1627	75.7847

Commercial Levy: \$ 40,658,857.60

Residential Levy: \$127,246,795.40

Tax Levy Share: FY20



FY19 Tax Levy Share (For Reference)	
Residential:	75.96%
Commercial:	16.81%
Industrial:	3.96%
Personal Prop:	3.28%

Option 1: No Classification & No ResX

- Single Tax Rate: \$ 9.33

NOT RECOMMENDED

Use Type	FY19 Average Value	FY20 Average Value	FY19 Average Tax	FY20 Average Tax	Tax Change FY19-FY20
CONDO	570,835	624,756	\$5651	\$5,829	\$178
1 FAMILY	784,434	854,994	\$7,766	\$7,977	\$211
2 FAMILY	822,001	940,890	\$8,138	\$8,779	\$641
3 FAMILY	1,020,259	1,174,039	\$10,101	\$10,954	\$853
4-8 FAMILY	1,338,176	1,587,380	\$13,248	\$14,810	\$1,562
9+ APTS	5,667,019	6,397,258	\$56,104	\$59,686	\$3,582
COM/IND	2,486,023	2,889,898	\$24,612	\$26,963	\$2,351

Option 2: With Classification & No ResX

- Residential Rate: \$ 8.21
- Commercial Rate: \$16.33

NOT RECOMMENDED

Use Type	FY19 Average Value	FY20 Average Value	FY19 Average Tax	FY20 Average Tax	Tax Change FY19-FY20
CONDO	570,835	624,756	\$4,978	\$5,129	\$151
1 FAMILY	784,434	854,994	\$6,840	\$7,019	\$179
2 FAMILY	822,001	940,890	\$7,168	\$7,725	\$557
3 FAMILY	1,020,259	1,174,039	\$8,897	\$9,639	\$742
4-8 FAMILY	1,338,176	1,587,380	\$11,669	\$13,032	\$1,363
9+ APTS	5,667,019	6,397,258	\$49,416	\$52,522	\$3,106
COM/IND	2,486,023	2,889,898	\$43,058	\$47,192	\$4,134

Option 3: With Classification & ResX

- Residential Rate: \$10.10 **ResX Value Reduction: \$324,011**
- Commercial Rate: \$16.33 **Tax Savings of \$3,272.51**

RECOMMENDED

(ResX included for condo, 1, 2, 3 & 4-8 family) – **Excess Levy Capacity = \$366,399**

Use Type	FY19 Average Value	FY20 Average Value	FY19 Average Tax	FY20 Average Tax	Tax Change FY19-FY20
CONDO	570,835	624,756	\$3,038	\$3,038	\$0
1 FAMILY	784,434	854,994	\$5,336	\$5,363	\$27
2 FAMILY	822,001	940,890	\$5,740	\$6,231	\$491
3 FAMILY	1,020,259	1,174,039	\$7,873	\$8,585	\$712
4-8 FAMILY	\$1,338,176	1,587,380	\$11,294	\$12,760	\$1,466
9+ APTS	5,667,019	6,397,258	\$60,977	\$64,612	\$3,635
COM/IND	2,486,023	2,889,898	\$43,058	\$47,192	\$4,134

Reviewing the Impact of the Residential Exemption

Use Type	FY20 Average Value	Tax Change w/o ResX	Tax Change WITH ResX	Difference
CONDO	624,756	\$151	\$0	\$151
1 FAMILY	854,944	\$179	\$27	\$152
2 FAMILY	940,890	\$557	\$491	\$66
3 FAMILY	1,174,039	\$742	\$712	\$30
4-8 FAMILY	1,587,380	\$1,363	\$1,466	\$103
9+ APTS	6,397,258	\$3,106	\$3,635	\$529
COM/IND	2,889,898	\$4,134	\$4,134	\$0

FY19 Residential Tax Community Comparison

Municipality	Residential Tax Rate	Comm/Ind/PP Levy Share	Average FY19 Res Value	ResX Percentage	ResX Savings	Average Residential Tax Bill
Waltham	\$12.66	34.34%	\$537,971	35%	\$2,384	\$4,427
Boston	\$10.54	34.58%	\$737,066	35%	\$2,719	\$5,050
Cambridge	\$6.29	39.93%	\$1,252,241	30%	\$2,232	\$5,206
Somerville	\$10.76	24.05%	\$824,397	35%	\$3,105	\$5,766
Watertown	\$12.88	20.20%	\$643,680	23%	\$1,907	\$6,384
Newton	\$10.45	10.04%	\$1,032,766	no	-	\$10,792

Future development will build commercial tax base and lower residential tax liability

New commercial space projected in the next 10 years:

Assembly Square	2,500,000 SF
Union Square	1,400,000 SF
Brickbottom	300,000 SF
Inner Belt	1,200,000 SF
Davis Square	150,000 SF
Gilman Square	22,200 SF
Boynton Yards	1,000,000 SF
Other	580,000 SF

Total 7,152,200 SF

**Projections provided by OSPCD*

Current Approximate Square Footage Citywide

Retail:	5,250,000
Office:	1,680,000
Industrial:	3,100,000
Total:	10,030,000



Source: FRIT

Other Initiatives to Ease Tax Impact

The Green Line Extension will unlock development potential in station areas, especially Union Square. This will spur new commercial development easing the tax liability on the residential sector.

The Zoning Overhaul will require new commercial development with a commercial only zoning district that will help to ease the tax impact on the residential sector (this was partially implemented with Union Square Zoning Overlay).

Brickbottom and ASQ planning kicking off 2020. Minimum Mixed Use Ratio Study – Ongoing.