



**Town of Arlington  
Office of the Town Manager**

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**To:** Members of the Board of Selectmen

**From:** Adam Chapdelaine, Town Manager

**RE:** Debt Exclusion Data and Taxpayer Impacts

**Date:** May 4, 2016

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In order to aid the Board in its consideration of placing several debt exclusion questions on the June 14<sup>th</sup> ballot, we are providing information related to the amount of excluded debt being requested for each project, and also the corresponding impact on the average single family tax bill. In summary, the amounts for each project are as follows:

**Arlington High School Feasibility Study - \$2,000,000**

**Thompson Elementary School Expansion - \$4,000,000**

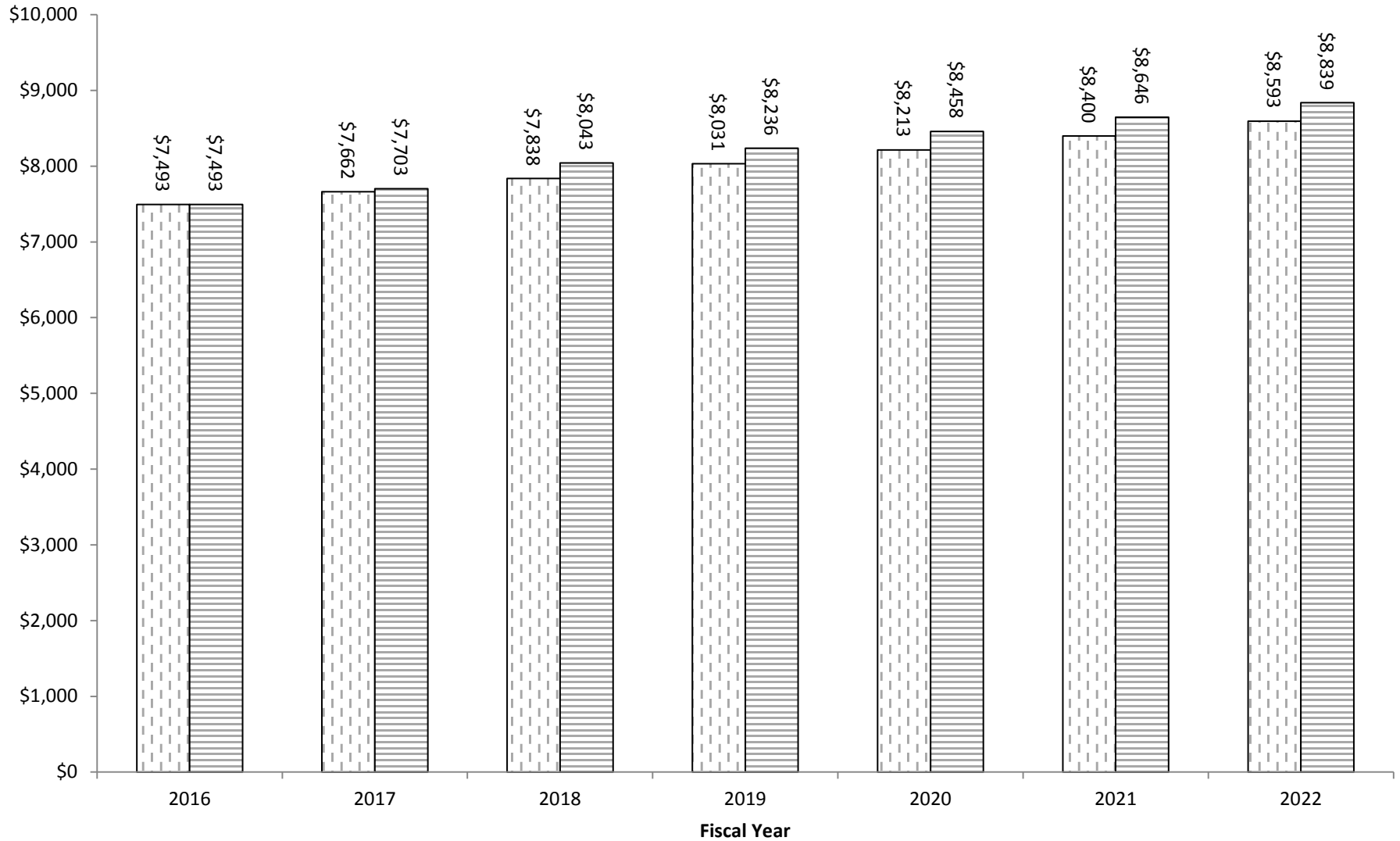
**Gibbs Renovation (Middle School) - \$25,000,000**

**Minuteman - \$32,000,000 (approximate maximum impact, variable based on enrollment)**

These amounts have also been input into a tax estimator which has generated the attached charts for the Board's review. As you will see, the annual impact on the average single family tax bill is approximately \$245 once of all the potential debt is issued. The final chart allows the Board to see what the impact of the increase will be after federal tax deductions are taken into account.

As always, I would be happy to answer any questions that the Board may have in regard to this matter.

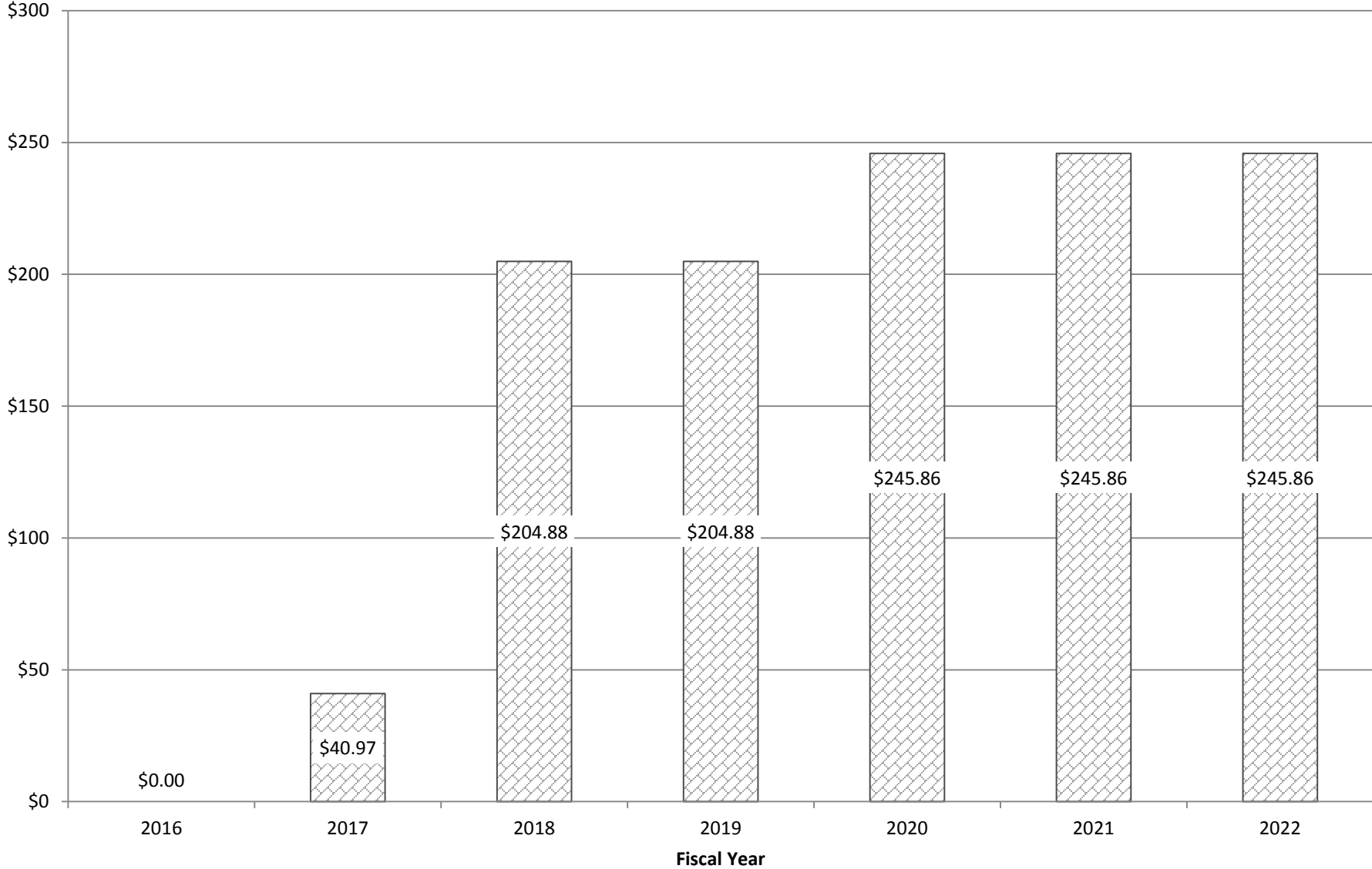
## Average Single Family Property Tax Bill with and without Debt Exclusions for Minuteman, AHS Feasibility study, and Gibbs and Thompson Schools



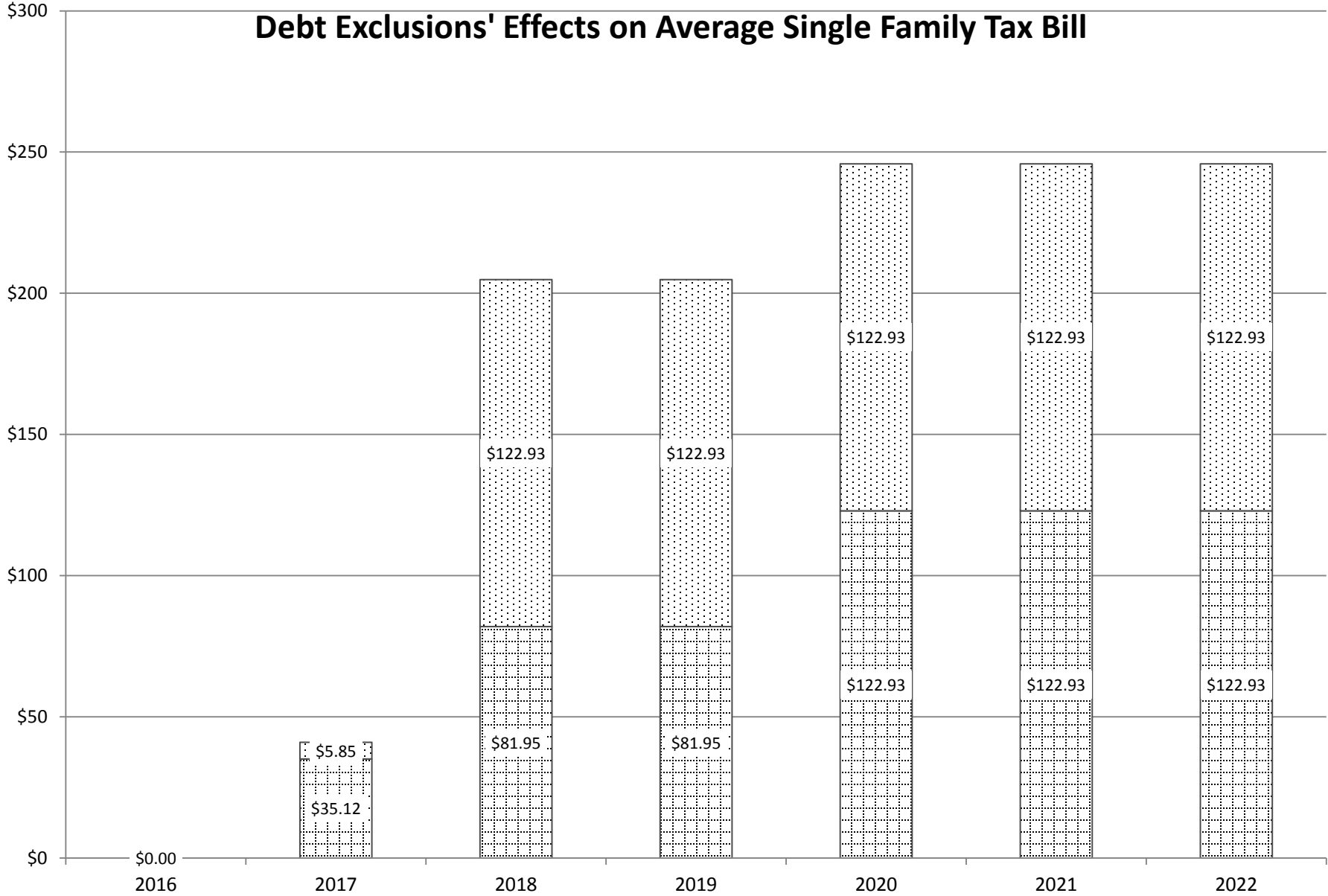
□ Estimated Avg. Tax Bill - Status Quo

▨ Estimated Avg. Tax Bill - With Debt Exclusions

# Total Average Single Family Tax Bill Increases for Minuteman, AHS Study, and Gibbs and Thompson Schools Debt Exclusions



# Debt Exclusions' Effects on Average Single Family Tax Bill



Minuteman

AHS Study, Thompson School and Gibbs Renovation

# How Much Would a Debt Exclusion Cost?

The following chart shows how the override would effect various residential taxpayers with representative assessed valuations. The chart also shows the net effect of tax increases accounting for the Federal deduction in the various tax brackets, assuming a taxpayer was able to take advantage of this deduction.

**Estimated Increased Taxes for Debt Exclusion Overrides for Minuteman, AHS Study, Middle School and Thompson School  
Showing FY 2016 Taxes Plus Incremental Taxes Paid at Various Federal Tax Brackets**

Property Type	Assessed Value	FY16 Tax Bill	ESTIMATED COST OF EXCLUSION					
			Federal Tax Bracket					
			0%	15%	25%	28%	33%	35%
<b>Single Family Home</b>								
Mean	\$585,361	\$7,493	\$246	\$209	\$184	\$177	\$165	\$160
25% Quartile	\$487,200	\$6,236	\$205	\$174	\$153	\$147	\$137	\$133
Median	\$546,300	\$6,993	\$229	\$195	\$172	\$165	\$154	\$149
75% Quartile	\$640,100	\$8,193	\$269	\$229	\$202	\$194	\$180	\$175
<b>Residential Condos</b>								
Mean	\$352,067	\$4,506	\$148	\$126	\$111	\$106	\$99	\$96
25% Quartile	\$236,300	\$3,025	\$99	\$84	\$74	\$71	\$66	\$65
Median	\$351,050	\$4,493	\$147	\$125	\$111	\$106	\$99	\$96
75% Quartile	\$444,400	\$5,688	\$187	\$159	\$140	\$134	\$125	\$121
<b>2 Family Median</b>	\$638,817	\$8,177	\$268	\$228	\$201	\$193	\$180	\$174
<b>3 Family Median</b>	\$699,862	\$8,958	\$294	\$250	\$220	\$212	\$197	\$191
The 0% column ( the actual tax increase) should be used by taxpayers who do not itemize or are subject to the Federal Alternative Minimum Alternative Tax ( AMT )								

Increment to tax rate from debt exclusions: \$0.42

Source: Town of Arlington Town Manager's Office