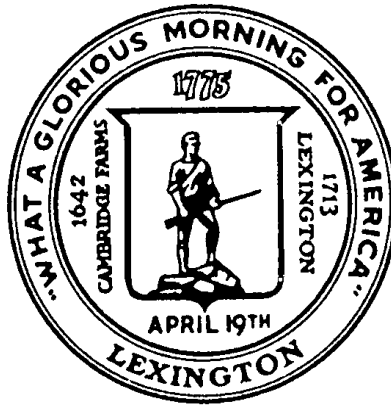


# Town of Lexington Fiscal Year 2014

## Tax Classification Packet



Prepared for: Lexington Board of Selectmen  
Prepared by: Lexington Assessors Office

Chairman, William W. Jackson  
Member, Edmund C. Grant  
Member, Gregory A. Johnson

Robert F. Lent, Director of Assessing

Classification Presentation  
November 18, 2013  
(revised November 20, 2013)

# MEMO

**To: Lexington Board of Selectmen**  
**From: Lexington Board of Assessors**  
**Subject: FY2014 Tax Classification Hearing**  
**Date: November 18, 2013**

This memo is intended to provide the Board of Selectmen with the necessary information to conduct a Public Hearing and Information Session on the tax classification options available under Massachusetts General Laws. The classification amendment requires the Board of Selectmen to consider four selections with respect to the setting the FY2014 tax rate. The decision of the Board for each alternative must be submitted to the DOR on form LA5. The four (4) selections are:

1. Selection of a residential factor
2. Selection of a discount for Open Space
3. A residential exemption
4. A small commercial exemption

These selections are discussed below.

## **1. Selection of a residential factor.**

The Board of Selectmen may adopt a residential factor, thus increasing the commercial, industrial, and personal property (C-I-P) tax rate by a maximum factor of 1.750. The attached Exhibits A & B demonstrate the shift that the various C-I-P factors have on the percentage of the tax levy borne by each class and the resulting tax rates. Approximately 100 of the 351 communities in Massachusetts adopt this component of classification. Adopting the residential factor is, in practice, only available to communities that have a commercial tax base.

## **2. Selection of a discount for Open Space.**

Massachusetts General Law Chapter 59 Sec. 2A Defines Class 2 Open Space as:

"..land which is not otherwise classified and which is not taxable under provisions of chapters 61, 61A or 61B, or taxable under a permanent conservation restriction, and which land is not held for the production of income but is maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public."

A maximum exemption of 25% may be adopted for all property that is classified as Open Space. The Assessors have not identified any property that meets the definition of Open Space according to the statute. Bedford was the only community in the Commonwealth of MA to adopt this exemption in FY2013.

**Board of Selectmen  
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**3. Residential exemption.**

The Board of Selectmen may adopt a maximum residential exemption of 20%. This exemption applies only to owner-occupied properties. Those below the break-even point realize a reduction in taxes and those above pay additional taxes. Non owner-occupied properties would have a substantial increase in taxes including apartments and vacant land. Refer to the example in Exhibit H in this classification packet.

Thirteen (13) communities in the Commonwealth of MA, typically those with a substantial base of rental units, adopted this exemption in FY2013 Barnstable, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Nantucket, Somerset, Somerville, Tisbury, Waltham and Watertown.

In Lexington in FY2014, Single Family Dwellings have an average assessed value of about \$740,000 (rounded); however, the average assessed value for all “residential parcels” in Lexington (including the following categories: single family dwellings, two & three family buildings, vacant land, condominiums, and apartment buildings is (rounded):

**\$689,000**

**4. Small commercial exemption**

An exemption of up to 10% of the property valuation can be granted to *commercial (not industrial)* property that meets the requirements of the law. To qualify, eligible businesses must have occupied the property as of January 1, must have had no more than ten (10) employees during the previous calendar year and the building must have a valuation of less than \$1,000,000. While the eligible business owners do not have to own the building, all occupants of the commercial portion of the building must qualify.

Ten (10) Commonwealth of MA communities adopted the small commercial exemption in FY2013: Auburn, Avon, Bellingham, Braintree, Dartmouth, New Ashford, Seekonk, Somerset, Westford, and Wrentham.

## EXHIBIT A: ALTERNATIVE TAX RATE SCENARIOS FOR FY2014

FY2013-FY2014 Change in Levy Limit and Values				Factors Affecting Determination of FY2014 Levy Limit		
	FY2013	FY2014	% CHANGE			
Maximum Allowable Levy Limit	\$141,639,397	\$148,761,313	5.03%	FY2013 Maximum Allowable Levy Limit	\$141,639,397	N/A
Tax Levy (FY13 actual, and FY14 levy limit)	\$141,585,863	\$148,761,313	5.07%	Amended FY13 New Growth	\$0	0.00%
Residential Valuation	\$7,196,488,310	\$7,411,620,000	2.99%	Proposition 2 1/2 increment	\$3,386,008	2.39%
Comm + Indl + PP Valuation	\$1,111,468,450	\$1,143,975,350	2.92%	New Growth Increment	\$3,017,335	2.13%
Total Valuation	\$8,307,956,760	\$8,555,595,350	2.98%	Override	\$0	0.00%
Residential Tax Rate	\$15.20	T.B.D.	T.B.D.	Debt Exclusion Increment	718,573	0.51%
Comm/Indl/PP Tax Rate	\$28.97	T.B.D.	T.B.D.	FY2014 Maximum Allowable Levy Limit	\$148,761,313	5.03%

Percentage differs because the 5.07% change is based on the FY13 actual levy and the 5.03% change is based on the FY13 levy limit.

FACTOR		% SHARE OF LEVY		TAX LEVY		TAX RATE		% LEVY CHNG: FY13 TO FY14		COMMENTS
C-I-P	RESID	C-I-P	RES	C-I-P	RESID	C-I-P	RESID	C-I-P	RESID	
1.000	1.000	13.37%	86.63%	\$ 19,890,992	\$ 128,870,321	\$17.39	\$17.39	-38.23%	17.81%	SINGLE TAX RATE
1.050	0.992	14.04%	85.96%	\$ 20,885,541	\$ 127,875,772	\$18.26	\$17.25	-35.14%	16.90%	
1.100	0.985	14.71%	85.29%	\$ 21,880,091	\$ 126,881,222	\$19.13	\$17.12	-32.05%	15.99%	
1.150	0.977	15.38%	84.62%	\$ 22,874,640	\$ 125,886,673	\$20.00	\$16.99	-28.96%	15.08%	
1.200	0.969	16.05%	83.95%	\$ 23,869,190	\$ 124,892,123	\$20.87	\$16.85	-25.87%	14.17%	
1.250	0.961	16.71%	83.29%	\$ 24,863,739	\$ 123,897,573	\$21.73	\$16.72	-22.78%	13.27%	
1.300	0.954	17.38%	82.62%	\$ 25,858,289	\$ 122,903,024	\$22.60	\$16.58	-19.69%	12.36%	
1.350	0.946	18.05%	81.95%	\$ 26,852,839	\$ 121,908,474	\$23.47	\$16.45	-16.60%	11.45%	
1.400	0.938	18.72%	81.28%	\$ 27,847,388	\$ 120,913,925	\$24.34	\$16.31	-13.52%	10.54%	
1.450	0.931	19.39%	80.61%	\$ 28,841,938	\$ 119,919,375	\$25.21	\$16.18	-10.43%	9.63%	
1.500	0.923	20.06%	79.94%	\$ 29,836,487	\$ 118,924,826	\$26.08	\$16.05	-7.34%	8.72%	
1.550	0.915	20.73%	79.27%	\$ 30,831,037	\$ 117,930,276	\$26.95	\$15.91	-4.25%	7.81%	
1.560	0.914	20.86%	79.14%	\$ 31,029,947	\$ 117,731,366	\$27.12	\$15.88	-3.63%	7.63%	
1.570	0.912	20.99%	79.01%	\$ 31,228,857	\$ 117,532,456	\$27.30	\$15.86	-3.01%	7.45%	
1.580	0.910	21.13%	78.87%	\$ 31,427,767	\$ 117,333,546	\$27.47	\$15.83	-2.40%	7.26%	
1.590	0.909	21.26%	78.74%	\$ 31,626,677	\$ 117,134,636	\$27.65	\$15.80	-1.78%	7.08%	
1.600	0.907	21.39%	78.61%	\$ 31,825,587	\$ 116,935,726	\$27.82	\$15.78	-1.16%	6.90%	
1.610	0.906	21.53%	78.47%	\$ 32,024,496	\$ 116,736,816	\$27.99	\$15.75	-0.54%	6.72%	
1.620	0.904	21.66%	78.34%	\$ 32,223,406	\$ 116,537,907	\$28.17	\$15.72	0.08%	6.54%	
1.630	0.903	21.79%	78.21%	\$ 32,422,316	\$ 116,338,997	\$28.34	\$15.70	0.69%	6.36%	
1.640	0.901	21.93%	78.07%	\$ 32,621,226	\$ 116,140,087	\$28.52	\$15.67	1.31%	6.17%	
1.650	0.900	22.06%	77.94%	\$ 32,820,136	\$ 115,941,177	\$28.69	\$15.64	1.93%	5.99%	
1.660	0.898	22.20%	77.80%	\$ 33,019,046	\$ 115,742,267	\$28.86	\$15.62	2.55%	5.81%	
1.670	0.897	22.33%	77.67%	\$ 33,217,956	\$ 115,543,357	\$29.04	\$15.59	3.16%	5.63%	
1.680	0.895	22.46%	77.54%	\$ 33,416,866	\$ 115,344,447	\$29.21	\$15.56	3.78%	5.45%	
1.690	0.893	22.60%	77.40%	\$ 33,615,776	\$ 115,145,537	\$29.39	\$15.54	4.40%	5.26%	
1.700	0.892	22.73%	77.27%	\$ 33,814,686	\$ 114,946,627	\$29.56	\$15.51	5.02%	5.08%	
1.710	0.890	22.86%	77.14%	\$ 34,013,596	\$ 114,747,717	\$29.73	\$15.48	5.63%	4.90%	
1.720	0.889	23.00%	77.00%	\$ 34,212,506	\$ 114,548,807	\$29.91	\$15.46	6.25%	4.72%	
1.730	0.887	23.13%	76.87%	\$ 34,411,415	\$ 114,349,897	\$30.08	\$15.43	6.87%	4.54%	
1.740	0.886	23.27%	76.73%	\$ 34,610,325	\$ 114,150,988	\$30.25	\$15.40	7.49%	4.36%	
1.750	0.884	23.40%	76.60%	\$ 34,809,235	\$ 113,952,078	\$30.43	\$15.37	8.11%	4.17%	

## EXHIBIT B: HISTORICAL LEVY SUMMARY

FY	MAXIMUM LEVY	RES VALUE	CIP VALUE	TOTAL VALUE	RESIDENTIAL		CIP		CIP FACTOR
					% VALUE	%LEVY	% VALUE	%LEVY	
1982	\$25,840,699	\$981,805,500	\$260,146,400	\$1,241,951,900	79.05%	72.07%	20.95%	27.93%	1.43
1983	\$27,069,102	\$990,919,800	\$276,376,600	\$1,267,296,400	78.19%	71.06%	21.81%	28.94%	1.33
1984	\$28,022,798	\$997,961,400	\$296,494,700	\$1,294,456,100	77.10%	69.73%	22.90%	30.27%	1.32
1985	\$29,632,914	\$1,007,078,700	\$301,942,600	\$1,309,021,300	76.93%	68.88%	23.07%	31.12%	1.32
1986	\$31,019,098	\$1,020,964,400	\$317,326,500	\$1,338,290,900	76.29%	68.76%	23.71%	31.24%	1.32
1987	\$33,153,338	\$2,235,803,100	\$666,024,100	\$2,901,827,200	77.05%	67.03%	22.95%	32.97%	1.44
1988	\$34,836,855	\$2,255,006,000	\$674,748,700	\$2,929,754,700	76.97%	66.81%	23.03%	33.19%	1.44
1989	\$37,264,901	\$2,301,575,500	\$673,074,254	\$2,974,649,754	77.37%	67.26%	22.63%	32.75%	1.45
1990	\$40,392,000	\$2,928,897,300	\$843,484,600	\$3,772,381,900	77.64%	66.71%	22.36%	33.29%	1.49
1991	\$42,322,992	\$2,620,862,100	\$586,620,600	\$3,207,482,700	81.71%	69.14%	18.29%	30.86%	1.69
1992	\$43,474,747	\$2,519,321,000	\$532,077,800	\$3,051,398,800	82.56%	70.86%	17.44%	29.14%	1.67
1993	\$47,365,952	\$2,574,645,700	\$460,616,200	\$3,035,261,900	84.82%	74.14%	15.18%	25.86%	1.70
1994	\$48,686,562	\$2,633,197,000	\$420,527,200	\$3,053,724,200	86.23%	76.59%	13.77%	23.41%	1.70
1995	\$50,261,924	\$2,801,492,000	\$415,545,200	\$3,217,037,200	87.08%	78.04%	12.92%	21.96%	1.70
1996	\$53,185,783	\$2,975,007,040	\$433,858,760	\$3,408,865,800	87.27%	78.36%	12.73%	21.64%	1.70
1997	\$54,713,901	\$3,099,278,410	\$445,558,740	\$3,544,837,150	87.43%	78.63%	12.57%	21.37%	1.70
1998	\$56,940,636	\$3,300,687,100	\$494,410,360	\$3,795,097,460	86.97%	77.85%	13.03%	22.15%	1.70
1999	\$58,891,464	\$3,523,737,000	\$565,977,160	\$4,089,714,160	86.16%	76.47%	13.84%	23.53%	1.70
2000	\$61,263,839	\$3,761,567,000	\$744,710,290	\$4,506,277,290	83.47%	75.21%	16.53%	24.79%	1.50
2001	\$68,753,066	\$4,200,706,000	\$814,607,290	\$5,015,313,290	83.76%	74.01%	16.24%	25.99%	1.60
2002	\$72,024,765	\$4,706,431,500	\$911,710,050	\$5,618,141,550	83.77%	73.71%	16.23%	26.29%	1.62
2003	\$75,793,067	\$5,186,133,750	\$897,438,810	\$6,083,572,560	85.25%	74.92%	14.75%	25.08%	1.70
2004	\$82,109,040	\$6,018,408,000	\$892,768,060	\$6,911,176,060	87.08%	76.75%	12.92%	23.25%	1.80
2005	\$91,165,834	\$6,275,351,000	\$870,816,360	\$7,146,167,360	87.81%	78.07%	12.19%	21.93%	1.80
2006	\$94,751,711	\$6,823,275,250	\$862,993,280	\$7,686,268,530	88.77%	80.01%	11.23%	19.99%	1.78
2007	\$101,074,790	\$7,135,277,500	\$923,957,080	\$8,059,234,580	88.54%	80.05%	11.46%	19.95%	1.74
2008	\$110,222,125	\$6,945,049,000	\$984,115,350	\$7,929,164,350	87.59%	78.90%	12.42%	21.10%	1.70
2009	\$116,338,164	\$6,991,353,500	\$1,042,254,630	\$8,033,608,130	87.03%	77.95%	12.97%	22.05%	1.70
2010	\$121,725,000	\$6,896,447,750	\$995,142,860	\$7,891,590,610	87.39%	77.72%	12.61%	22.28%	1.70
2011	\$127,955,723	\$6,953,985,750	\$1,019,733,440	\$7,973,719,190	87.21%	77.59%	12.79%	22.41%	1.70
2012	\$134,337,548	\$6,974,904,000	\$1,051,783,320	\$8,026,687,320	86.90%	77.72%	13.10%	22.28%	1.70
2013	\$141,639,397	\$7,196,488,310	\$1,111,468,450	\$8,307,956,760	86.62%	77.26%	13.38%	22.74%	1.70
2014	\$148,761,313	\$7,411,620,000	\$1,143,975,350	\$8,555,595,350	86.63%	TBD	13.37%	TBD	TBD

## EXHIBIT C: HISTORY OF AVERAGE SINGLE FAMILY DWELLING AND TAX BURDEN - FY1992 TO PRESENT

Fiscal Year (*)	SINGLE FAMILY DWELLING VALUATION	NUMBER OF SINGLE FAMILY DWELLINGS	AVERAGE SFD A / V	PERCENT INCREASE A / V	TAX RATE	AVERAGE TAXES	PERCENT INCREASE TAXES	CIP FACTOR	TOTAL (Taxable RE & PP)
1992	\$2,268,576,000	8,682	\$261,296	N/A	\$12.23	\$3,195.66	N/A	1.67	\$3,051,398,800
1993	\$2,324,384,000	8,715	\$266,711	2.07%	\$13.64	\$3,637.93	13.84%	1.70	\$3,035,261,900
1994	\$2,386,608,000	8,734	\$273,255	2.45%	\$14.16	\$3,869.29	6.36%	1.70	\$3,053,724,200
1995	\$2,535,745,000	8,752	\$289,733	6.03%	\$14.00	\$4,056.26	4.83%	1.70	\$3,217,037,200
1996	\$2,681,040,000	8,758	\$306,125	5.66%	\$14.01	\$4,288.81	5.73%	1.70	\$3,408,865,800
1997	\$2,791,978,000	8,775	\$318,174	3.94%	\$13.88	\$4,416.26	2.97%	1.70	\$3,544,837,150
1998	\$2,975,012,000	8,798	\$338,146	6.28%	\$13.43	\$4,541.31	2.83%	1.70	\$3,795,097,460
1999	\$3,171,199,000	8,810	\$359,954	6.45%	\$12.79	\$4,603.82	1.38%	1.70	\$4,089,714,160
2000	\$3,376,143,000	8,821	\$382,739	6.33%	\$12.25	\$4,688.56	1.84%	1.50	\$4,506,277,290
2001	\$3,777,857,000	8,840	\$427,359	11.66%	\$12.11	\$5,175.32	10.38%	1.60	\$5,015,313,290
2002	\$4,225,339,000	8,845	\$477,709	11.78%	\$11.28	\$5,388.56	4.12%	1.62	\$5,618,141,550
2003	\$4,693,071,000	8,898	\$527,430	10.41%	\$10.95	\$5,775.36	7.18%	1.70	\$6,083,572,560
2004	\$5,456,206,000	8,887	\$613,954	16.40%	\$10.47	\$6,428.09	11.30%	1.80	\$6,911,176,060
2005	\$5,687,532,000	8,899	\$639,120	4.10%	\$11.34	\$7,247.62	12.75%	1.80	\$7,146,167,360
2006	\$6,206,172,000	8,910	\$696,540	8.98%	\$11.11	\$7,738.56	6.77%	1.78	\$7,686,268,530
2007	\$6,499,630,000	8,917	\$728,903	4.65%	\$11.34	\$8,265.76	6.81%	1.74	\$8,059,234,580
2008	\$6,262,572,000	8,922	\$701,925	-3.70%	\$12.52	\$8,788.10	6.32%	1.70	\$7,929,164,350
2009	\$6,274,760,000	8,934	\$702,346	0.06%	\$12.97	\$9,109.43	3.66%	1.70	\$8,033,608,130
2010	\$6,184,505,000	8,944	\$691,470	-1.55%	\$13.86	\$9,583.77	5.21%	1.70	\$7,891,590,610
2011	\$6,234,563,000	8,949	\$696,677	0.75%	\$14.40	\$10,032.15	4.68%	1.70	\$7,973,719,190
2012	\$6,251,243,000	8,963	\$697,450	0.11%	\$14.97	\$10,440.82	4.07%	1.70	\$8,026,687,330
2013	\$6,441,950,000	8,978	\$717,526	2.88%	\$15.20	\$10,906.40	4.46%	1.70	\$7,411,620,000
2014	\$6,658,875,000	8,996	\$740,204	3.16%	TBD	TBD	TBD	TBD	\$8,555,595,350

\* All values are inclusive of new growth

## EXHIBIT D: CHANGES IN ASSESSED VALUES BY CLASS: FY2013 TO FY2014

This chart is intended to show the change in assessed value by class. FY14 values are shown with and without new growth. The changes in assessed values between FY13 and FY14 are noted below:

	Residential ( R )	Commercial ( C )	Industrial ( I )	<b>Commercial + Industrial Combined</b>	Personal Property ( P )	C-I-P Subtotal	Total Assessed
FY 13 Assessed Value	\$7,196,488,310	\$638,855,290	\$282,519,000	\$921,374,290	\$190,094,160	\$1,111,468,450	\$8,307,956,760
<b>FY 14 Assessed Value</b>	<b>\$7,411,620,000</b>	<b>\$659,735,600</b>	<b>\$296,686,000</b>	<b>\$956,421,600</b>	<b>\$187,553,750</b>	<b>\$1,143,975,350</b>	<b>\$8,555,595,350</b>
\$ increase	\$215,131,690	\$20,880,310	\$14,167,000	\$35,047,310	(\$2,540,410)	\$32,506,900	\$247,638,590
% increase	2.99%	3.27%	5.01%	3.80%	-1.34%	2.92%	2.98%
<b>FY 14 New Growth</b>	<b>\$95,520,000</b>	<b>\$8,983,000</b>	<b>\$12,938,000</b>	<b>\$21,921,000</b>	<b>\$33,115,240</b>	<b>\$55,036,240</b>	<b>\$150,556,240</b>
<b>FY14 Assessed Value w/o New Growth</b>	<b>\$7,316,100,000</b>	<b>\$650,752,600</b>	<b>\$283,748,000</b>	<b>\$934,500,600</b>	<b>\$154,438,510</b>	<b>\$1,088,939,110</b>	<b>\$8,405,039,110</b>
\$ inc./decr. over FY 13	\$119,611,690	\$11,897,310	\$1,229,000	\$13,126,310	(\$35,655,650)	(\$22,529,340)	\$97,082,350
% inc./decr. over FY 13	1.66%	1.86%	0.44%	1.42%	-18.76%	-2.03%	1.17%
<b>FY 13 share of total value</b>	<b>86.62%</b>	<b>7.69%</b>	<b>3.40%</b>	<b>11.09%</b>	<b>2.29%</b>	<b>13.38%</b>	
<b>FY 14 share of total value w/o growth</b>	<b>87.04%</b>	<b>7.74%</b>	<b>3.38%</b>	<b>11.12%</b>	<b>1.84%</b>	<b>12.96%</b>	
<b>Change</b>	<b>0.42%</b>	<b>0.05%</b>	<b>-0.02%</b>	<b>0.03%</b>	<b>-0.45%</b>	<b>-0.42%</b>	

**EXHIBIT D-1: TOWN OF LEXINGTON - Tax Rate Shift Options & Property Comparisons**  
(FY2014 Values are derived net of new growth)

**RESIDENTIAL**

*(Does not include condos, apts, 2-3 family, etc)*

**SINGLE FAMILY DWELLING (# = 8,996)**

	FY 2013	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014
FY'14 Avg. SFD Assmt.(pend'g DOR approval)	\$717,526	\$729,913	\$729,913	\$729,913	\$729,913	\$729,913	\$729,913	\$729,913	\$729,913	\$729,913	\$729,913	\$729,913
Tax Burden Shift Factor	1.70	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75
FY 2013 Tax Rate (per \$1K of Ass'd value)	\$15.20	\$15.64	\$15.62	\$15.59	\$15.56	\$15.54	\$15.51	\$15.48	\$15.46	\$15.43	\$15.40	\$15.37
Avg. FY 2013 Tax Bill (based on Ass'd Value)	\$10,906	\$11,418	\$11,399	\$11,379	\$11,359	\$11,340	\$11,320	\$11,301	\$11,281	\$11,261	\$11,242	\$11,222
\$ Tax differential between FY13-FY14	N/A	\$512	\$493	\$473	\$453	\$434	\$414	\$395	\$375	\$355	\$336	\$316
% Tax differential between FY13-FY14	N/A	4.70%	4.52%	4.34%	4.16%	3.98%	3.80%	3.62%	3.44%	3.26%	3.08%	2.90%

**COMMERCIAL**

*(Office (non-Lab/Med) > 30,000 sqft GBA)*

**LARGE OFFICE BLDG (# = 21)**

	FY 2013	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014
FY'14-Estm. @ \$122/sf; Avg Prpty Ass'd	\$13,177,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000	\$13,385,000
Tax Burden Shift Factor	1.70	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75
FY 2013 Tax Rate (per \$1K of Ass'd value)	\$28.97	\$28.69	\$28.86	\$29.04	\$29.21	\$29.39	\$29.56	\$29.73	\$29.91	\$30.08	\$30.25	\$30.43
Avg. FY 2013 Tax Bill (based on Ass'd Value)	\$381,738	\$384,010	\$386,337	\$388,664	\$390,992	\$393,319	\$395,646	\$397,974	\$400,301	\$402,628	\$404,956	\$407,283
\$ Tax differential between FY13-FY14	N/A	\$2,272	\$4,599	\$6,927	\$9,254	\$11,581	\$13,909	\$16,236	\$18,563	\$20,891	\$23,218	\$25,545
% Tax differential between FY13-FY14	N/A	0.60%	1.20%	1.81%	2.42%	3.03%	3.64%	4.25%	4.86%	5.47%	6.08%	6.69%

*(Office (non-Lab/Med) 10,000-<30,000 sqft GBA)*

**MEDIUM OFFICE BLDG (# = 7)**

	FY 2013	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014
FY'14- Estm. @ \$122/sf; Avg Prpty Ass'd	\$1,798,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000	\$1,808,000
Tax Burden Shift Factor	1.70	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75
FY 2013 Tax Rate (per \$1K of Ass'd value)	\$28.97	\$28.69	\$28.86	\$29.04	\$29.21	\$29.39	\$29.56	\$29.73	\$29.91	\$30.08	\$30.25	\$30.43
Avg. FY 2013 Tax Bill (based on Ass'd Value)	\$52,088	\$51,871	\$52,185	\$52,499	\$52,814	\$53,128	\$53,443	\$53,757	\$54,071	\$54,386	\$54,700	\$55,014
\$ Tax differential between FY13-FY14	N/A	-\$217	\$97	\$411	\$726	\$1,040	\$1,354	\$1,669	\$1,983	\$2,298	\$2,612	\$2,926
% Tax differential between FY13-FY14	N/A	-0.42%	0.19%	0.79%	1.39%	2.00%	2.60%	3.20%	3.81%	4.41%	5.01%	5.62%

*(Retail, Restaurants, & Banks, w/offices up/down stairs)*

**DOWNTOWN RETAIL (# = 24)**

	FY 2013	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014
FY'14- Estm. @ \$218/sf; Avg Prpty Ass'd	\$2,041,083	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416	\$2,050,416
Tax Burden Shift Factor	1.70	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75
FY 2013 Tax Rate (per \$1K of Ass'd value)	\$28.97	\$28.69	\$28.86	\$29.04	\$29.21	\$29.39	\$29.56	\$29.73	\$29.91	\$30.08	\$30.25	\$30.43
Avg. FY 2013 Tax Bill (based on Ass'd Value)	\$59,130	\$58,826	\$59,182	\$59,539	\$59,895	\$60,252	\$60,608	\$60,965	\$61,321	\$61,678	\$62,034	\$62,391
\$ Tax differential between FY13-FY14	N/A	-\$305	\$52	\$408	\$765	\$1,121	\$1,478	\$1,834	\$2,191	\$2,547	\$2,904	\$3,261
% Tax differential between FY13-FY14	N/A	-0.52%	0.09%	0.69%	1.29%	1.90%	2.50%	3.10%	3.71%	4.31%	4.91%	5.51%

*(Retail Condos are not included)*

**OFFICE CONDO (# = 196)**

	FY 2013	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014
FY'14- Estm. @ \$200/sf; Avg Prpty Ass'd	\$150,513	\$152,415	\$152,415	\$152,415	\$152,415	\$152,415	\$152,415	\$152,415	\$152,415	\$152,415	\$152,415	\$152,415
Tax Burden Shift Factor	1.70	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75
FY 2013 Tax Rate (per \$1K of Ass'd value)	\$28.97	\$28.69	\$28.86	\$29.04	\$29.21	\$29.39	\$29.56	\$29.73	\$29.91	\$30.08	\$30.25	\$30.43
Avg. FY 2013 Tax Bill (based on Ass'd Value)	\$4,360	\$4,373	\$4,399	\$4,426	\$4,452	\$4,479	\$4,505	\$4,532	\$4,558	\$4,585	\$4,611	\$4,638
\$ Tax differential between FY13-FY14	N/A	\$12	\$39	\$65	\$92	\$118	\$145	\$171	\$198	\$224	\$251	\$277
% Tax differential between FY13-FY14	N/A	0.28%	0.89%	1.50%	2.11%	2.71%	3.32%	3.93%	4.54%	5.15%	5.75%	6.36%

**INDUSTRIAL**

*(Laboratory/Medical/Biological Use is Primary)*

**LAB/OFFICE COMBO (# = 12)**

	FY 2013	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014	FY 2014
FY'14- Estm. @ \$236/sf; Avg Prpty Ass'd	\$24,402,000	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667	\$24,755,667
Tax Burden Shift Factor	1.70	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75
FY 2013 Tax Rate (per \$1K of Ass'd value)	\$28.97	\$28.69	\$28.86	\$29.04	\$29.21	\$29.39	\$29.56	\$29.73	\$29.91	\$30.08	\$30.25	\$30.43
Avg. FY 2013 Tax Bill (based on Ass'd Value)	\$706,926	\$710,229	\$714,533	\$718,838	\$723,142	\$727,447	\$731,751	\$736,055	\$740,360	\$744,664	\$748,969	\$753,273
\$ Tax differential between FY13-FY14	N/A	\$3,303	\$7,607	\$11,912	\$16,216	\$20,521	\$24,825	\$29,129	\$33,434	\$37,738	\$42,043	\$46,347
% Tax differential between FY13-FY14	N/A	0.47%	1.08%	1.69%	2.29%	2.90%	3.51%	4.12%	4.73%	5.34%	5.95%	6.56%



## EXHIBIT E: TAX FACTORS AND TAX RATES - COMPARABLE COMMERCIAL COMMUNITIES AND CONTIGUOUS COMMUNITIES

<u>COMPARABLE COMMERCIAL COMMUNITIES</u>							
<u>MUNICIPALITY</u>	FY 2013 <u>C / I / P</u>	<u>FY2012</u>			<u>FY2013</u>		
		<u>RESID RATE</u>	<u>C-I-P RATE</u>	<u>C-I-P SHIFT</u>	<u>RESID RATE</u>	<u>C-I-P RATE</u>	<u>C-I-P SHIFT</u>
Cambridge	\$9,647,363,248	\$8.48	\$20.76	1.697	\$8.66	\$21.50	1.710
Waltham	\$2,834,415,729	\$13.35	\$31.27	1.750	\$13.49	\$31.77	1.750
Newton	\$2,199,307,223	\$11.17	\$21.32	1.740	\$11.49	\$21.93	1.740
Woburn	\$1,731,778,084	\$10.40	\$26.83	1.750	\$10.40	\$27.01	1.750
Burlington	\$1,682,027,668	\$11.55	\$30.95	1.672	\$11.85	\$31.70	1.668
<b>Lexington</b>	<b>\$1,111,468,450</b>	<b>\$14.97</b>	<b>\$28.45</b>	<b>1.700</b>	<b>\$15.20</b>	<b>\$28.97</b>	<b>1.700</b>
Wellesley	\$1,121,425,185	\$11.48	\$11.48	1.000	\$11.70	\$11.70	1.000
Needham	\$1,001,947,130	\$10.95	\$21.50	1.750	\$11.30	\$22.18	1.750
Watertown	\$950,669,622	\$14.40	\$26.64	1.750	\$14.68	\$27.15	1.750

<u>COMMUNITIES CONTIGUOUS TO LEXINGTON</u>							
<u>MUNICIPALITY</u>	<u>FY2012</u>			<u>FY2013</u>			
	<u>RESID RATE</u>	<u>C-I-P RATE</u>	<u>C-I-P SHIFT</u>	<u>RESID RATE</u>	<u>C-I-P RATE</u>	<u>C-I-P SHIFT</u>	
Arlington	\$ 13.66	\$ 13.66	1.00	\$ 13.61	\$ 13.61	1.000	
Belmont	\$ 13.35	\$ 13.35	1.00	\$ 13.33	\$ 13.33	1.000	
Burlington	\$ 11.55	\$ 30.95	1.672	\$ 11.85	\$ 31.70	1.668	
Bedford	\$ 15.21	\$ 33.21	1.750	\$ 15.37	\$ 33.80	1.750	
Concord	\$ 13.58	\$ 13.58	1.00	\$ 14.07	\$ 14.07	1.000	
Lincoln	\$ 13.81	\$ 18.17	1.300	\$ 14.23	\$ 18.72	1.300	
Winchester	\$ 12.55	\$ 11.77	N/A	\$ 12.77	\$ 12.01	N/A	
Waltham	\$ 13.35	\$ 31.27	1.75	\$ 13.49	\$ 31.77	1.750	

N/A = not applicable

## EXHIBIT F: TOP 25 COMMUNITIES BY TOTAL ASSESSED VALUE

Division of Local Services

Municipal Databank/Local Aid Section

### Fiscal Year 2013 Assessed Values by Class

	Municipality	Fiscal Year	Residential Value	Open Space Value	Commercial Value	Industrial Value	Personal Property Value	Comm/Indl/Pers (C/I/P)	Total Assessed Value	R & O as % of Total Value	CIP as % of Total Value
1	Boston	2013	\$60,147,396,114	\$0	\$26,762,023,122	\$707,703,032	\$4,582,149,430	\$32,051,875,584	\$92,199,271,698	65.2	34.8
2	Cambridge	2013	\$15,566,609,253	\$0	\$5,405,660,055	\$3,171,456,253	\$1,070,246,940	\$9,647,363,248	\$25,213,972,501	61.7	38.3
3	Newton	2013	\$18,445,998,977	\$0	\$1,696,718,623	\$150,970,900	\$351,617,700	\$2,199,307,223	\$20,645,306,200	89.3	10.7
4	Nantucket	2013	\$15,890,745,965	\$22,428,100	\$932,271,034	\$50,373,351	\$205,311,229	\$1,187,955,614	\$17,101,129,679	92.2	7.8
5	Brookline	2013	\$14,045,797,140	\$0	\$1,274,617,400	\$14,225,100	\$184,589,740	\$1,473,432,240	\$15,519,229,380	90.5	9.5
6	Barnstable	2013	\$11,220,887,767	\$0	\$1,223,179,078	\$80,290,800	\$197,055,870	\$1,500,525,748	\$12,721,413,515	88.2	11.80
7	Worcester	2013	\$7,817,606,588	\$0	\$1,931,240,336	\$546,003,855	\$584,005,500	\$3,061,249,691	\$10,878,856,279	71.9	28.1
8	Quincy	2013	\$8,650,383,843	\$0	\$1,627,994,157	\$83,725,700	\$259,846,850	\$1,971,566,707	\$10,621,950,550	81.4	18.6
9	Falmouth	2013	\$9,783,235,733	\$3,289,200	\$574,980,651	\$72,537,600	\$180,898,159	\$828,416,410	\$10,614,941,343	92.2	7.8
10	Wellesley	2013	\$8,234,182,000	\$0	\$1,005,915,000	\$7,438,000	\$108,072,185	\$1,121,425,185	\$9,355,607,185	88	12
11	Plymouth	2013	\$6,708,046,206	\$0	\$807,144,212	\$877,170,900	\$219,863,050	\$1,904,178,162	\$8,612,224,368	77.9	22.1
12	Somerville	2013	\$7,293,246,502	\$0	\$843,242,898	\$273,007,500	\$185,838,150	\$1,302,088,548	\$8,595,335,050	84.9	15.1
13	Waltham	2013	\$5,697,874,745	\$0	\$2,054,231,833	\$462,439,256	\$317,744,640	\$2,834,415,729	\$8,532,290,474	66.8	33.2
<b>14</b>	<b>Lexington</b>	<b>2013</b>	<b>\$7,196,488,310</b>	<b>\$0</b>	<b>\$638,855,290</b>	<b>\$282,519,000</b>	<b>\$190,094,160</b>	<b>\$1,111,468,450</b>	<b>\$8,307,956,760</b>	<b>86.6</b>	<b>13.4</b>
15	Needham	2013	\$6,922,042,800	\$0	\$703,067,800	\$121,108,800	\$177,770,530	\$1,001,947,130	\$7,923,989,930	87.4	12.6
16	Framingham	2013	\$5,581,503,793	\$0	\$1,204,498,235	\$239,864,800	\$242,767,540	\$1,687,130,575	\$7,268,634,368	76.8	23.2
17	Arlington	2013	\$6,750,291,829	\$0	\$332,259,203	\$16,149,400	\$102,576,650	\$450,985,253	\$7,201,277,082	93.7	6.3
18	Andover	2013	\$5,441,912,945	\$8,391,900	\$544,010,554	\$574,064,300	\$234,340,227	\$1,352,415,081	\$6,802,719,926	80.1	19.9
19	Springfield	2013	\$4,858,355,700	\$0	\$1,047,246,800	\$159,725,600	\$631,025,200	\$1,837,997,600	\$6,696,353,300	72.6	27.4
20	Edgartown	2013	\$6,117,331,730	\$0	\$372,908,780	\$3,682,900	\$104,066,828	\$480,658,508	\$6,597,990,238	92.7	7.3
21	Medford	2013	\$5,608,195,443	\$0	\$624,690,357	\$93,287,900	\$127,072,430	\$845,050,687	\$6,453,246,130	86.9	13.1
22	Natick	2013	\$4,779,077,420	\$0	\$1,291,280,110	\$40,213,000	\$118,400,530	\$1,449,893,640	\$6,228,971,060	76.7	23.3
23	Peabody	2013	\$4,728,970,924	\$0	\$1,091,236,893	\$237,378,400	\$112,342,910	\$1,440,958,203	\$6,169,929,127	76.6	23.4
24	Lowell	2013	\$5,005,369,487	\$0	\$526,424,699	\$344,529,092	\$206,194,580	\$1,077,148,371	\$6,082,517,858	82.3	17.7
25	Dennis	2013	\$5,385,094,151	\$595,200	\$354,865,229	\$23,894,000	\$76,659,520	\$455,418,749	\$5,841,108,100	92.2	7.8

## EXHIBIT G: TAX FACTORS and TAX RATES FOR Aaa RATED COMMUNITIES

MASSACHUSETTS MUNICIPALITY	BOND RATING	FY13 TAX RATE RESID	FY13 TAX RATE C-I-P	FY13 SHIFT FACTOR	RESID % OF TOTAL VALUE	C-I-P % OF TOTAL VALUE	RESID ADOPTED	POP ULA TION	2010* AREA SQ MILES	2007* DENSITY PER SQ MILE	2009* PER SQ MILE	2010** PER CAPITA INCOME
LEXINGTON	Aaa	15.20	28.97	1.70	86.62%	13.38%	NO	31,394	16.5	1,886		\$86,260
ACTON	AAA	19.10	19.10	1.00	87.20%	12.80%	NO	21,924	20.3	1,079		\$55,496
ANDOVER	Aa1	14.51	24.26	1.48	80.12%	19.88%	NO	33,201	32.1	1,034		\$69,120
ARLINGTON	Aa1	13.66	13.66	1.00	93.74%	6.26%	NO	42,844	5.5	7,776		\$43,414
BARNSTABLE	AAA	8.76	7.89	1.00	88.20%	11.80%	YES	45,193	76.3	593		\$29,719
BEDFORD	Aa1	15.37	33.8	1.75	78.58%	21.42%	NO	13,320	13.9	960		\$52,676
BELMONT	AAA	13.33	13.33	1.00	94.33%	5.67%	NO	24,729	4.7	5,250		\$65,808
BROOKLINE	AAA	11.65	18.97	1.73	90.51%	9.49%	YES	58,732	6.8	8,612		\$58,434
CANTON	AAA	11.91	24.23	1.65	77.57%	22.43%	NO	21,561	19.6	1,101		\$48,744
CHATHAM	AAA	5.03	5.03	1.00	92.90%	7.10%	NO	6,125	24.4	251		\$38,178
CONCORD	Aaa	14.07	14.07	1.00	90.68%	9.32%	NO	17,668	25.9	682		\$103,066
DEDHAM	AAA	15.79	34.37	1.75	79.29%	20.71%	NO	24,729	10.6	2,324		\$41,722
DOVER	Aaa	12.80	12.80	1.00	97.31%	2.69%	NO	5,589	15.4	363		\$206,084
DUXBURY	AAA	14.19	14.19	1.00	95.69%	4.31%	NO	15,059	37.6	400		\$66,332
HINGHAM	Aaa	12.32	12.32	1.00	87.20%	12.80%	NO	22,157	25.0	885		\$74,095
LINCOLN	AAA	14.23	18.72	1.30	96.23%	3.77%	NO	6,362	15.0	424		\$122,383
MARBLEHEAD	AAA	10.85	10.85	1.00	94.53%	5.47%	NO	19,808	19.6	1,009		\$69,497
NATICK	AAA	14.34	14.34	1.00	76.72%	23.28%	NO	33,006	16.1	2,056		\$46,091
NEEDHAM	AAA	11.30	22.18	1.75	87.36%	12.64%	NO	28,886	12.7	2,274		\$80,902
NEWTON	Aaa	11.49	21.93	1.74	89.35%	10.65%	NO	85,146	18.2	4,678		\$97,648
NORWELL	AAA	16.10	16.10	1.00	84.41%	15.59%	NO	10,506	21.2	496		\$64,495
SHERBORN	AAA	19.72	19.72	1.00	95.06%	4.94%	NO	4,119	16.2	254		\$150,435
SUDBURY	AAA	17.99	23.52	1.28	92.93%	7.07%	NO	17,659	24.6	717		\$98,133
WAYLAND	Aaa	17.89	17.89	1.00	94.75%	5.25%	NO	12,994	15.9	817		\$136,900
WELLESLEY	Aaa	11.70	11.70	1.00	88.01%	11.99%	NO	27,982	10.5	2,667		\$134,245
WESTON	Aaa	12.40	12.40	1.00	95.10%	4.90%	NO	11,261	17.3	650		\$281,236
WINCHESTER	Aaa	12.77	12.01	NA	94.65%	5.35%	NO	21,374	6.3	3,398		\$87,306

\* Statistics directly from US Census Bureau data

\*\* DOR Per Capita Income

Note: AAA denotes Standard & Poors rating and Aaa denotes Moody's rating

# EXHIBIT H: RESIDENTIAL EXEMPTION: FY2014 PROPERTY IMPACT ANALYSIS

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
ASSESSED VALUE	ACTUAL TAX RATE	ACTUAL TAXES	Exemption	NEW A / V	NEW TAX RATE	NEW TAXES	\$ Change (g-c)	% Change (h/c)
\$5,000	\$0.01520	\$76	\$0	\$5,000	\$0.01899	\$95	\$19	24.93%
\$25,000	\$0.01520	\$380	\$0	\$25,000	\$0.01899	\$475	\$95	24.93%
\$50,000	\$0.01520	\$760	\$0	\$50,000	\$0.01899	\$949	\$189	24.93%
\$100,000	\$0.01520	\$1,520	\$0	\$100,000	\$0.01899	\$1,899	\$379	24.93%
\$300,000	\$0.01520	\$4,560	\$138,000	\$162,000	\$0.01899	\$3,076	-\$1,484	-32.54%
\$400,000	\$0.01520	\$6,080	\$138,000	\$262,000	\$0.01899	\$4,975	-\$1,105	-18.17%
\$500,000	\$0.01520	\$7,600	\$138,000	\$362,000	\$0.01899	\$6,874	-\$726	-9.55%
\$600,000	\$0.01520	\$9,120	\$138,000	\$462,000	\$0.01899	\$8,773	-\$347	-3.81%
\$650,000	\$0.01520	\$9,880	\$138,000	\$512,000	\$0.01899	\$9,722	-\$158	-1.60%
* \$691,700	\$0.01520	\$10,514	\$138,000	\$553,700	\$0.01899	\$10,514	\$0	0.00%
\$700,000	\$0.01520	\$10,640	\$138,000	\$562,000	\$0.01899	\$10,672	\$32	0.30%
\$800,000	\$0.01520	\$12,160	\$138,000	\$662,000	\$0.01899	\$12,571	\$411	3.38%
\$900,000	\$0.01520	\$13,680	\$138,000	\$762,000	\$0.01899	\$14,469	\$789	5.77%
\$1,000,000	\$0.01520	\$15,200	\$138,000	\$862,000	\$0.01899	\$16,368	\$1,168	7.69%
\$1,100,000	\$0.01520	\$16,720	\$138,000	\$962,000	\$0.01899	\$18,267	\$1,547	9.25%
\$1,250,000	\$0.01520	\$19,000	\$138,000	\$1,112,000	\$0.01899	\$21,116	\$2,116	11.13%
\$1,500,000	\$0.01520	\$22,800	\$138,000	\$1,362,000	\$0.01899	\$25,863	\$3,063	13.43%
\$1,750,000	\$0.01520	\$26,600	\$138,000	\$1,612,000	\$0.01899	\$30,610	\$4,010	15.08%
\$2,000,000	\$0.01520	\$30,400	\$138,000	\$1,862,000	\$0.01899	\$35,357	\$4,957	16.31%
\$2,500,000	\$0.01520	\$38,000	\$138,000	\$2,362,000	\$0.01899	\$44,852	\$6,852	18.03%
\$3,000,000	\$0.01520	\$45,600	\$138,000	\$2,862,000	\$0.01899	\$54,346	\$8,746	19.18%
\$5,000,000	\$0.01520	\$76,000	\$138,000	\$4,862,000	\$0.01899	\$92,324	\$16,324	21.48%
\$10,000,000	\$0.01520	\$152,000	\$0	\$10,000,000	\$0.01899	\$189,888	\$37,888	24.93%
\$20,000,000	\$0.01520	\$304,000	\$0	\$20,000,000	\$0.01899	\$379,777	\$75,777	24.93%
\$30,000,000	\$0.01520	\$456,000	\$0	\$30,000,000	\$0.01899	\$569,665	\$113,665	24.93%

RESIDENTIAL EXEMPTION WORKSHEET	
FISCAL YEAR 2014 INFORMATION	
TOTAL RESIDENTIAL VALUE	\$7,411,620,000
TOTAL # RESID. PARCELS	10,759
AVG. RESIDENTIAL PARCEL	\$689,000
EXEMPTION @ 20%	20%
EXEMPTION \$ AMOUNT	\$137,800
\$\$ AMOUNT ROUNDED	\$138,000
<b>ESTIMATED # EXEMPTIONS</b>	<b>9,500</b>
TOTAL RESID. EXEMPT VALUE	\$1,311,000,000
PRELIMINARY RESID. RATE (FY201)	\$15.63
TOTAL RESID. REVENUE	\$115,843,621
NEW RESID. ASSESSED VALUE	\$6,100,620,000
NEW RESID. RATE	<b>\$18.99</b>

NON-OWNER OCCUPIED PROPERTIES WILL HAVE A **17.69%** INCREASE IN TAXES

\* BREAKEVEN ASSESSED VALUE, NO TAX IMPACT.