



Fiscal and Economic Impact Study

Route 32, Montville, CT

February 2025

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Executive Summary

Executive Summary

Executive Summary

Our Housing Crisis

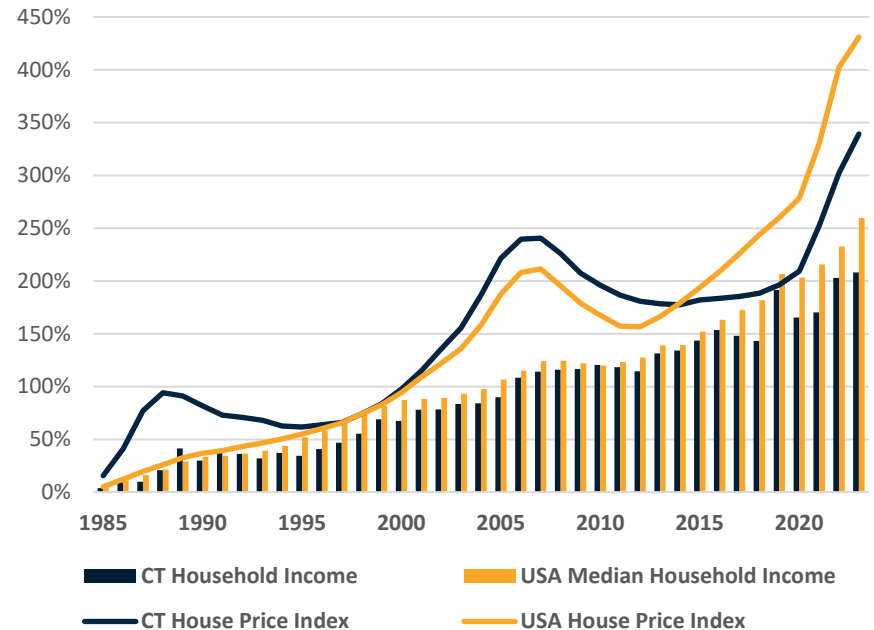
The United States is experiencing a housing crisis, and Connecticut is not immune. This is a crisis of housing supply and affordability (i.e., the need for more housing supply and more affordable housing) and the social and economic ramifications bestowed upon working- and middle-income households who are unable to access housing and affordable housing. The cost of housing has outpaced income growth nationally and locally, especially for lower-income households. This has undermined access to quality housing proximate to transportation infrastructure and economic opportunities at affordable prices.

Historically, an average house in the U.S. costs around 5 times the yearly household income. During the housing bubble of 2006, an average single-family house in the United States cost more than 7 times the U.S. median annual household income. Today, with short supply and higher interest rates, the cost of housing has been pushed even higher.

A recent study commissioned by and the report issued by the State Office of Policy and Management found that Connecticut needs between 115,000 and 372,000 additional housing units and that Southeastern Connecticut needs between 5,900 and 27,200 housing units. Connecticut and Montville have experienced similar increases in housing costs compared to income.

Housing is where jobs go at night. If Connecticut or Southeastern Connecticut cannot provide an adequate supply of housing, then Connecticut and Southeastern Connecticut will not be able to retain and attract a qualified workforce to sustain economic development.

Household Income Growth vs House Price Index Growth



U.S. Federal Housing Finance Agency & US Census

Executive Summary

Executive Summary

The Norwich-New London Housing Market

The Norwich-New London market has experienced meaningful job growth and the multi-family housing market is responding with new inventory. Between 2020 and the end of 2024, an estimated 1,700 new units will have been constructed, with an additional 515 units currently under construction. Such developments include the Harbor Heights II in Mystic, featuring 123 mid-rise apartments, and an approved 124 units in Pawcatuck, CT. This growth in housing demand and the market response to new supply are being driven largely by Electric Boat's ongoing hiring surge, and the economic recovery of Southeastern Connecticut's tourism sector—including new investments at both Mohegan Sun and Foxwoods.

Electric Boat, which employs approximately 20,000 people across its New London and Groton locations, has been expanding its workforce recently, adding 4,100 to 5,300 new hires annually over the past two years, with an estimated 3,000 more expected in 2025. It is estimated that Electric Boat will add an additional 2,500 jobs by 2029 or approximately 500 new hires annually. This means sustained demand for new housing. The Norwich-New London housing market displays healthy indicators, including rising inventory and rental rates, with strong absorption which is projected to continue for the next 5 years.

Montville is well-positioned in the Norwich-New London housing market. Located on I-395, the home of Mohegan Sun, minutes away from Foxwoods, and within the commuter shed of Electric Boat, Montville is an ideal location for new housing. The proposed development of 750 housing units discussed in this report is a direct market reaction to the demand for housing in Southeastern Connecticut, and Montville's strategic position within the housing market.



Job Creation & Consumer Spending

Executive Summary

New Full-Time Employment Jobs

Using an estimated \$15 million in public infrastructure costs and applying labor hours and construction cost multipliers (as explained further in this report), the construction of public infrastructure is projected to create a total of **17** full-time equivalent (FTE) jobs.

For the construction of new multifamily rental units, Goman+York utilized FTE job multipliers from a National Association of Home Builders (NAHB) report:

- 1.25 FTE jobs per unit across all sectors
- 100 newly constructed apartments create and sustain 50 permanent Jobs

Applying these multipliers, the total FTE job creation amounts to **938** jobs directly from construction, and **375** permanent jobs within the community across other sectors.

Annual Consumer Spending of New Residents

Goman+York estimated the consumer spending potential of new residents based on household income, disposable income, and the share of spending that remains local.

Average renter household income: **\$55,360**

Discretionary spending per household: **\$43,292**

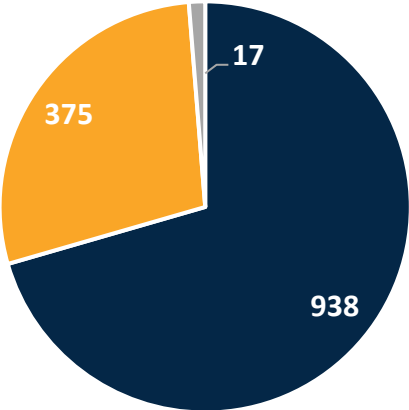
Total discretionary spending: **\$32,469,000** annually across 750 households

Estimated local spending: **\$9,740,700** (30% of total discretionary spending)

Job Creation & Consumer Spending

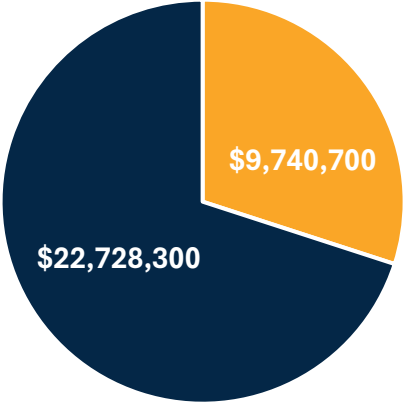
Executive Summary

New Full-Time Employment Jobs



- Construction Jobs
- Permanent Community Jobs
- Public Infrastructure Jobs

Annual Consumer Spending of New Residents



- Within Montville
- Outside Montville

Fiscal Impact

Job Creation & Consumer Spending

Net Fiscal Impact

The table and graph below illustrate the projected fiscal impact of the proposed development. The table provides a 10-year projection of estimated revenues and expenses, while the graph highlights the net fiscal impact per year. The blue bars represent the projected annual net fiscal impact of the proposed development, whereas the yellow bars indicate the current tax revenue generated by the existing parcels.

The development is estimated to have a positive annual fiscal impact of \$2.32 million, totaling \$30.17 million over 10 years, along with over \$3.5 million in one-time fees. In comparison, the parcels currently generate \$63,830 per year.

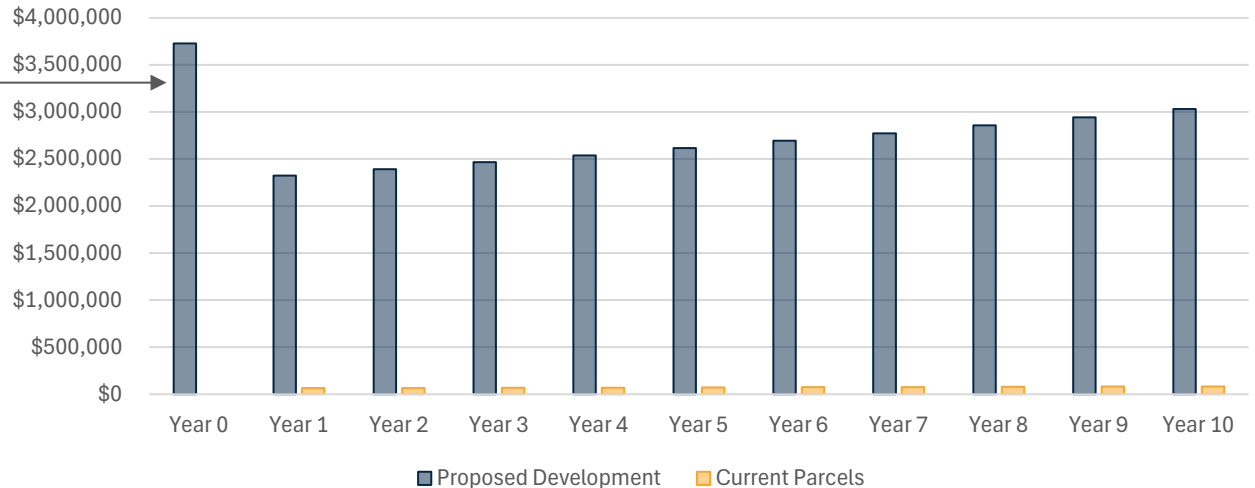
Revenue	Years 1-10
Fixed Assessment (Avg)	\$133,132,916
Residential	\$36,971,011
Personal Property	\$4,512,639
Sewer User Fees	\$2,751,331
One - Time Fees	\$3,727,864
Total	\$47,962,844

Expenditures	Years 1-10
Residential Gov. Serv.	\$ 6,770,526
Residential BOE	\$ 10,827,112
Total	\$17,597,638

Net Fiscal Impact	\$30,365,206
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Base Line Tax	\$731,783
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Net Fiscal Impact



Summary of Findings

Executive Summary

Municipal Fiscal Impact

Revenues: Real Property Taxes & User Fees

Residential Real Property Taxes (750 Units @ \$4,300/unit)	\$3,225,000
Personal Property Taxes (1,125 Motor Vehicles at \$350/vehicle/year)	\$393,640
Sewer User Fees Residential (\$320/unit/year)	\$240,000
Estimated Projection – Total Revenues =	\$3,858,640

Expenditures: Education and Municipal Government

Enrollment Expenditures (103 Allocated N-T-D Enrollments @ \$9,169/Year)	(\$944,455)
General Government Services – Residential (17% of property taxes)	(\$590,596)
Estimated Projection – Total Expenditures =	(\$1,535,051)

Fiscal Impact Summary

Total Revenue (Property Taxes & Fees)	\$3,858,640
Total Expenditures – (Education & General Government)	(\$1,535,051)
Estimated Positive Fiscal Impact/Year =	\$2,323,589

One-Time Development Fees

Land Use Commission Permitting Fees	\$4,800
Building Permitting Fees	\$1,098,064
Sewer Connection Fees	\$2,625,000
Estimated One-Time Development Fees =	\$3,727,864

Economic Impact

Job Creation		Discretionary & Consumer Spending	
Construction Jobs Total	938	Total Discretionary Income:	\$32,469,000
Permanent Jobs Total	375	Local Consumer Spending:	\$9,740,700



Introduction

Assignment and Project Overview

Introduction

The Assignment

Goman+York was engaged to provide a preliminary analysis to determine the municipal fiscal and economic impact of the proposed development to the Town of Montville.

Our Municipal Fiscal Impact Analysis of the proposed development includes:

- An evaluation and overview of market trends related to the multifamily real estate market.
- A review of demographic trends, changes in household structure, and their impact on both housing and school district enrollments.
- An analysis of Montville’s housing production, school district enrollment, and education expenditure trends.
- Municipal revenues and expenditures associated with the proposed development.
- Additional revenues created on a state and regional basis through sales tax, state income tax, etc.
- Assumed one-time development fees (one-time revenue) realized by the Town.
- Estimated construction jobs, permanent jobs, discretionary income, disposable income, and consumer spending.
- The impact of additional discretionary income, disposable income, and consumer spending.

Professional Team



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The Residential Landscape

Introduction

The Residential Landscape

Settlement patterns evolve with technology, transportation, economics, and culture. Industry has shifted from riversides to rail-served areas and now to highway-focused industrial parks and distribution centers. These ever-changing patterns have affected location, density, and types of housing. The location, building forms, and space of residential real estate have been continually shifting and changing around technological and transportation innovations, economics, and our social-cultural ways of living in our environment. Adapting to change is crucial for communities and regions to maintain resilience. Embracing shifts and changes in housing preferences fosters housing diversity while driving and supporting economic growth. The proposed 750-unit housing development in Montville aims to meet evolving housing needs by adapting to change while benefiting local businesses (economic development) and stimulating consumer spending.

From the perspective of community and regional planning, the challenge is not to resist change but to *embrace and manage change*. The proposed 750-unit housing development in Montville will help the community and Southeastern Connecticut region adapt to the ever-changing labor and housing market. Embracing diversity in housing options benefits both residents and local businesses. The 750 housing units will generate new disposable income and consumer spending within the community.





Demographics, Housing, and School District Enrollments

Overview

Demographics, Housing, and School District Enrollments

Overview

Until recently, Connecticut has been a slow-to-no-growth state for three decades. Job growth has been mostly stagnant and population growth has been anemic. This lack of statewide economic and demographic growth has changed Connecticut’s demographics and demographic structure. It is often said that *demographics are destiny*. In the case of Connecticut and its communities, including Montville, the primary outcome of our demographic destiny is that we are aging—growing older. Older populations tend to require more government services (e.g., Medicare), need to be supported by a contracting labor force, and result in fewer young families with fewer children—further reducing the next generation of our labor force. This means there are fewer income-earning households to support the government programs and services that support older populations.

Table 1. Connecticut Total Non-Farm Employment

Year	1985	1990	1995	2000	2005	2010	2015	2020	2024
CT	1,549,800	1,653,200	1,567,300	1,689,800	1,666,600	1,601,000	1,683,900	1,698,000	1,715,900

Source: CT Department of Labor - Office of Research

One of the most notable community concerns related to any proposal for new residential housing development is the potential impact of that housing on municipal budgets from new public-school-age children generated by new housing units and enrolled in the local school district. This fiscal concern results from the fact that the largest portion of any municipal budget is the Board of Education budget—typically between 55% and 70% of the total municipal budget. In Montville, the Board of Education budget represents approximately 62.9% of the total municipal budget. However, perceptions related to the number of public school-age children generated by new housing units are often higher than the actual number of school district enrollments that result from new housing. For example, it is common for residents or land use commissions to assume that each new housing unit produces one, two, or even more school district enrollments. These assumptions result from past experiences, memories of prior generations, and failure to understand the changes in demographics and household structure.

Demographics and Demographic Structure

Demographics, Housing, and School District Enrollments

Demographics and Demographic Structure

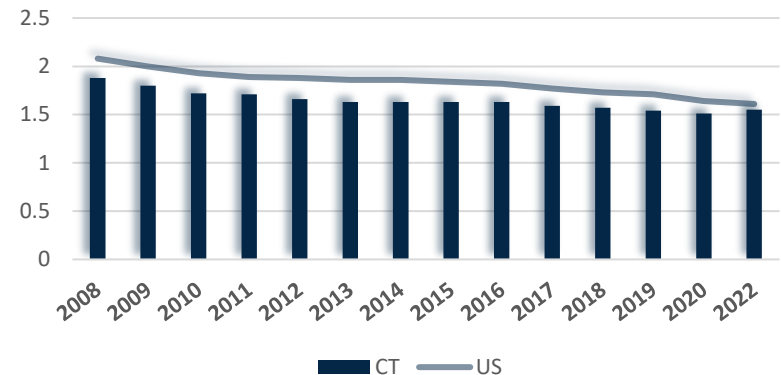
Housing units in a community contribute to its capacity for school-age children, but they are not the primary factor driving school enrollments. Demographics, including age structure and fertility rates, play a more significant role. As populations age and fertility rates decline, school enrollments tend to decrease accordingly. Declining fertility rates are the primary driver of low and declining school district enrollments. The total fertility rate represents the average number of children per woman if all women bore children until the end of their childbearing years. To maintain population stability, the replacement level of this rate is between 2.1 and 2.3 births per woman. When the fertility rate falls below this threshold, as in Connecticut, with a rate of 1.51, the population declines over time. This decline occurs as deaths outnumber births, as shown in Table 2.

Table 2. Fertility Rates

	Fertility Rate	Deaths	Births	Replacement Rate
Above Replacement	2.4	100	120	Growth
Replacement	2.3	100	115	Stable
Replacement	2.2	100	110	Stable
Replacement – USA	2.1	100	105	Stable
Below Replacement	2.0	100	100	Decline
United States	1.64	100	82	Population Implosion
Connecticut	1.51	100	73	Population Implosion

Declining fertility rates nationally and in Connecticut, as shown in the Total Fertility Rate graph, stem not just from an aging population but also from increased economic opportunities and higher education levels. These shifts in demographics span generations, with Baby Boomers (born between 1946 and 1964) typically having more siblings than children and marrying and having children at younger ages than Generation X (born between 1965 and 1980) and Millennials (born between 1981 and 1996). While these changes may not be immediately apparent, studying demographics over time reveals their profound impact. This demographic shift and additional social changes explain the decline in school district enrollments statewide for over a decade and why Montville’s enrollments have dropped by 30.3% since 2007.

Annual Fertility Rate



Demographics and Demographic Structure

Demographics, Housing, and School District Enrollments

Montville, like many Connecticut communities, is aging. In 2000, Montville’s median age was 39, increasing to 42.7 in 2022—well above the national and state median age (Table 4). Older populations have fewer children, resulting in fewer school enrollments.

Changes in demographics and socioeconomics over recent decades have transformed household structure. For example, in 1960, only 13.0% of housing units in the United States were occupied by 1-person households. Today, 28% of our nation’s housing units and 29.9% of Connecticut’s housing units are occupied by 1-person households. As of 2021, 21.1% of Montville’s occupied housing stock and 38.5% of renter-occupied housing units were occupied by 1-person households. That means that 38.5% of rental housing units in Montville are not producing any school-age children or school district enrollments. The high percentage of 1-person rental households is important to understand, providing meaningful context to the proposed 750 multi-family rental housing units.

From 2010 to 2020, Montville’s total population decreased by 6% (1,184 persons). During that same period, Montville’s adult population decreased by 3% (506 persons). For the under-18 population (Table 5), Connecticut decreased by 10%, New London County decreased by 13%, and Montville’s under-18 population declined by 17% (678 persons). This data is essential to understanding school district enrollments.

Table 4. Median Age

Year	USA	CT	Montville
2022	38.3	40.6	42.7
2010	37.2	40.0	40.7
2000	35.3	37.4	39.0

Table 5. 2020 Census of Population

Population Under 18	Population 2010	Population 2020	Population Change 2010 - 2020	% Change 2010-2020
Connecticut	817,015	736,717	-80,296	-10%
New London County	204,043	186,073	-17,970	-9%
Montville	4,009	3,331	-678	-17%

United States Census, [www.https://data.census.gov](https://data.census.gov) (2019).

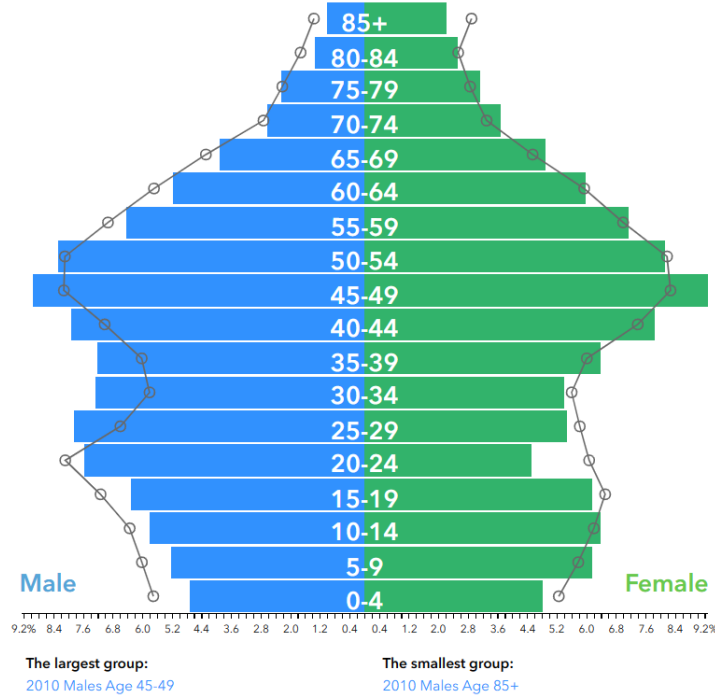
Age Pyramids

Demographics, Housing, and School District Enrollments

The Age Pyramids (Figure 1) below provide a comparative graphic representation of Montville’s population structure in 2010 and 2024 by age cohort. Montville’s Age Pyramids are top-heavy in both 2010 and 2024, more so in 2024, showing that the community is aging. The Age Pyramids also show a substantial contraction in populations under the age of 25, indicating the loss of young persons and school-age children since 2010.

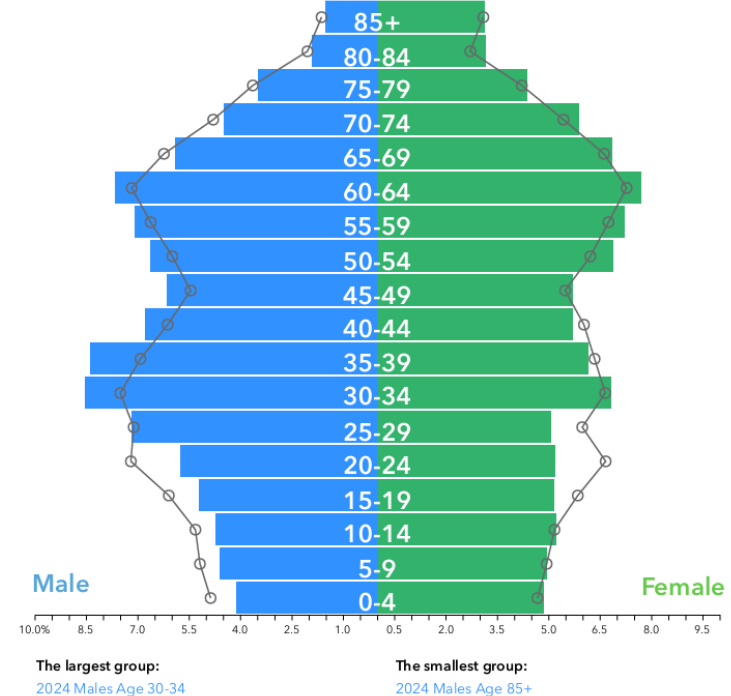
Figure 1. Montville’s Population Structure

AGE PYRAMID - 2010



Dots show comparison to **New London County**

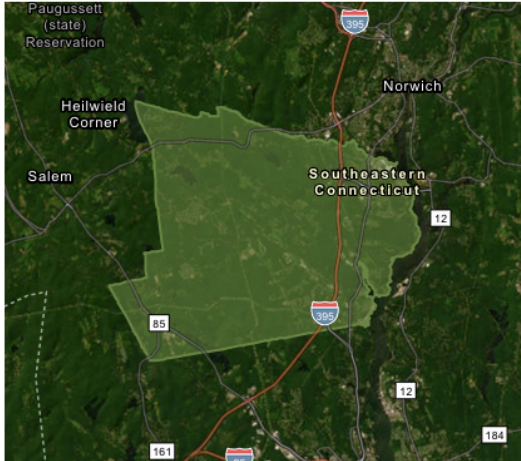
AGE PYRAMID - 2024



Dots show comparison to **Southeastern Connecticut Planning Region**

Community Profile & Trends: Montville

Demographics, Housing, and School District Enrollments



Community Profile & Trends

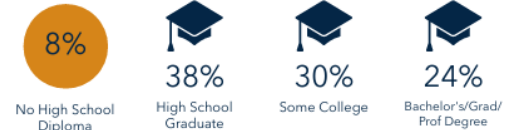
Geography: County Subdivision

18,006	2.41	31,579	577	2.6%	43.1	\$110,378	\$1,297,758
Population	Avg Size Household	2024 Retail Goods (Avg)	2022 Total Businesses	Unemployment Rate - 2022	Median Age	Average HH Income	Average Net Worth

Housing Stats



Education

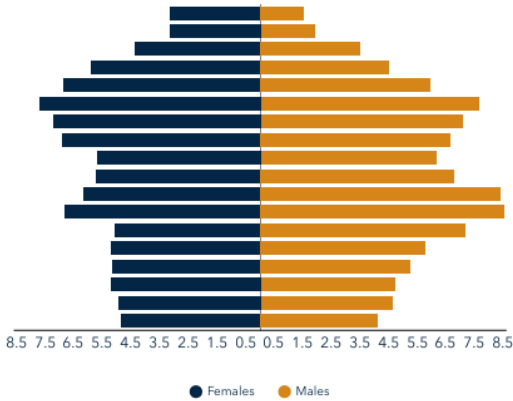


Projected Growth

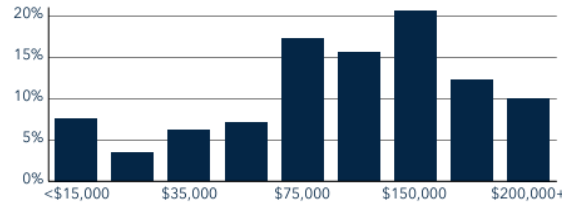


Tapestry segments

5C Parks and Rec 4,728 households	68.3% of Households
2B Pleasantville 626 households	9.0% of Households
4A Workday Drive 591 households	8.5% of Households



Household Income



Annual Household Spending



Source: Esri, Esri-U.S. BLS, ACS, Esri-MRI-Simmons, Esri-Data Axle
Esri forecasts for 2024, 2029, 2018-2022
© 2025 Esri

Top Tapestries: Montville

Demographics, Housing, and School District Enrollments

- 4,728 Households
- 68.3% of Households
- Median Age: 42
- Average Income: \$69,300
- Top Employments:
Professional Services, Management

- 626 Households
- 9.0% of Households
- Median Age: 43
- Average Income: \$106,100
- Top Employments:
Professional Services, Management

- 591 Households
- 8.5% of Households
- Median Age: 37
- Average Income: \$102,300
- Top Employments:
Professional Services, Management

Parks and Rec: These suburbanites have achieved the dream of home ownership by purchasing homes within their means. Their homes are older, often townhomes and duplexes. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, and budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that support their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.

Pleasantville: Prosperous domesticity best describes the settled denizens of *Pleasantville*. Situated principally in older housing in suburban areas in the Northeast and secondarily in the West, these slightly older couples move less than in any other market. Many couples have already transitioned to empty nesters; many are still home to adult children. Families own older, single-family homes and maintain their standard of living with dual incomes. These consumers have higher incomes and home values and much higher net worth (Index 364). They shop online and in a variety of stores, from upscale to discount, and use the internet largely for financial purposes.

Workday Drive: *Workday Drive* is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

Community Profile & Trends: Southeastern Connecticut Council of Governments

Demographics, Housing, and School District Enrollments



Community Profile & Trends

Geography: County

279,889	2.34	31,235	11,583	3.3%	41.5	\$109,717	\$1,412,089
Population	Avg Size Household	2024 Retail Goods (Avg)	2022 Total Businesses	Unemployment Rate - 2022	Median Age	Average HH Income	Average Net Worth

Housing Stats

\$342,678	127,103	\$1,067
Median Home Value	2022 Total Housing Units (Esri)	Median Contract Rent

Education

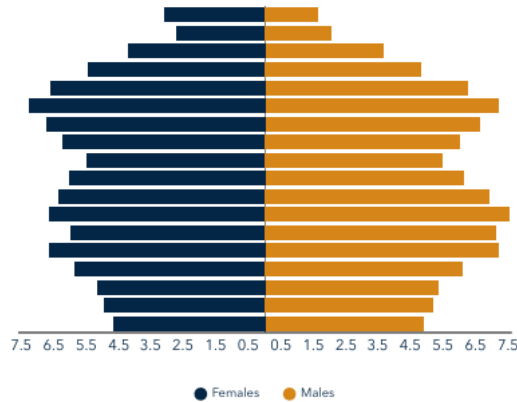
7%			
No High School Diploma	31% High School Graduate	28% Some College	35% Bachelor's/Grad/Prof Degree

Projected Growth

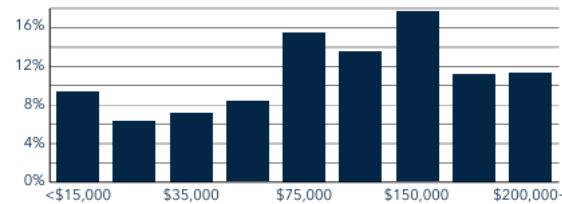
278,033	128,737	\$4,134,212,172
2027 Total Population (Esri)	2027 Total Housing Units (Esri)	2027 Retail Goods

Tapestry segments

	5C Parks and Rec 16,320 households	14.2% of Households
	8E Front Porches 11,670 households	10.2% of Households
	6A Green Acres 10,999 households	9.6% of Households



Household Income



Annual Household Spending

\$2,321	\$265	\$7,098
Apparel & Services	Computers & Hardware	Groceries
\$7,503	\$436,989,666	
Health Care	Eating Out	



Source: Esri, Esri-U.S., BLS, ACS, Esri-MRI-Simmons, Esri-Data Axle
Esri forecasts for 2024, 2029, 2018-2022
© 2025 Esri

Top Tapestries: Southeastern Connecticut Council of Governments

Demographics, Housing, and School District Enrollments

- 16,320 Households
- 14.2% of Households
- Median Age: 42
- Average Income: \$69,300
- Top Employments:
Professional Services, Management,

- 11,670 Households
- 10.2% of Households
- Median Age: 36
- Average Income: \$51,400
- Top Employments:
Professional Services, Administration

- 10,999 Households
- 9.6% of Households
- Median Age: 45
- Average Income: \$86,100
- Top Employments:
Professional Services, Management

Parks and Rec: These suburbanites have achieved the dream of home ownership by purchasing homes within their means. Their homes are older, often townhomes and duplexes. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, and budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that support their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.

Front Porches: *Front Porches* are a blend of household types, with more young families with children and more single households than average. More than half of householders are renters, and many of the homes are older townhomes or duplexes. Friends and family are central to *Front Porches* residents and help to influence household buying decisions. Households tend to own just one vehicle, but it is used only when needed.

Green Acres: The *Green Acres* lifestyle features country living and self-reliance. Avid do-it-yourselfers, they maintain and remodel their homes with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf.



Market Conditions and Housing Characteristics

Current Multi-Family Market

Market Conditions & Housing Characteristics

Current Multi-Family Market

Norwich-New London Market

The multi-family market in the Greater Norwich-New London area has experienced significant growth, driven mainly by Electric Boat's ongoing hiring surge. This housing market displays healthy indicators, including rising inventory and rental rates, with strong absorption and no signs of slowing down. In a state and region already suffering from a housing and affordability shortage, the demand for housing is significant. More importantly, the need for housing to support Electric Boat's employment growth is critical—*housing is where jobs go at night*.

Electric Boat, with approximately 20,000 employees across its New London and Groton locations, has been adding new jobs annually, with approximately 4,000 to 5,000 new hires in recent years. It is estimated that Electric Boat will add 2,500 jobs by 2029, or approximately 500 new hires annually. The company's recruitment strategy primarily targets recent and prospective graduates, injecting a steady influx of working-class residents into the region while fueling demand for housing.

In response, the market has seen a surge in multifamily developments. Between 2020 and the end of 2024, an estimated 1,700 new units will have been constructed, with an additional 515 units currently under construction. Such developments include the Harbor Heights II in Mystic, featuring 123 mid-rise apartments, and an approved 124 units in Pawcatuck, CT. This construction activity is beginning to extend beyond New London and Groton, reflecting sustained confidence among developers and municipalities in the region's long-term demand. Most importantly, Montville is 18 minutes from Electric Boat, well within the 26-minute average commute time.

Electric Boat's influence extends beyond employment. Over the past decade, the Greater Norwich-New London multifamily market has demonstrated strong and consistent growth. Key metrics reflect this momentum:

- **Rent Growth:** Surged to 11% in 2021 and remains above 4.5% annually, exceeding the national average.
- **Sales Price Per Unit:** Increased by \$60,000 over the last decade, with continued growth projected through 2030.
- **Market Asking Rents:** Climbed from \$1,100 per unit in 2014 to nearly \$1,800 today, with forecasts suggesting an increase to \$2,100 by 2030.

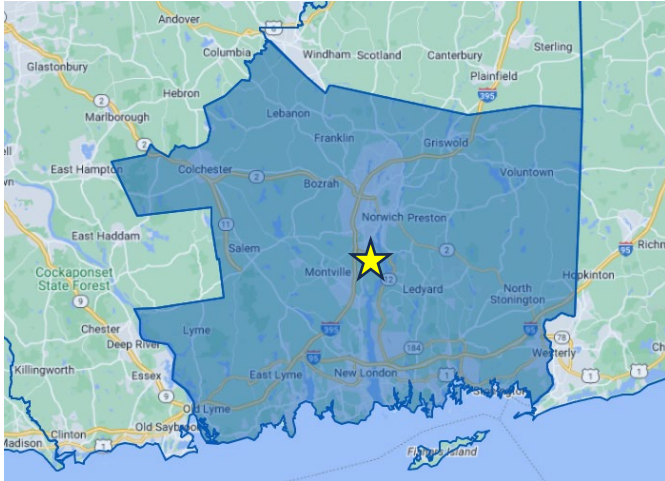
Northeast New London/Norwich Sub-Market

The Northeast New London/Norwich submarket is the second-largest submarket within the Greater Norwich area, accounting for 32% of the overall inventory. While the growth trends align with the broader market, this submarket has seen slightly slower inventory expansion, increasing by 18% over the past 10 years. Notable contributions include the completion of the Lofts at Ponemah Mills in 2017, which added substantial capacity. The most recent development in the submarket is Oxoboxo Lofts, a senior housing project comprising 72 units that recently began leasing. Low vacancy rates and steady rent growth continue to characterize this submarket, ensuring its alignment with the broader regional trends.

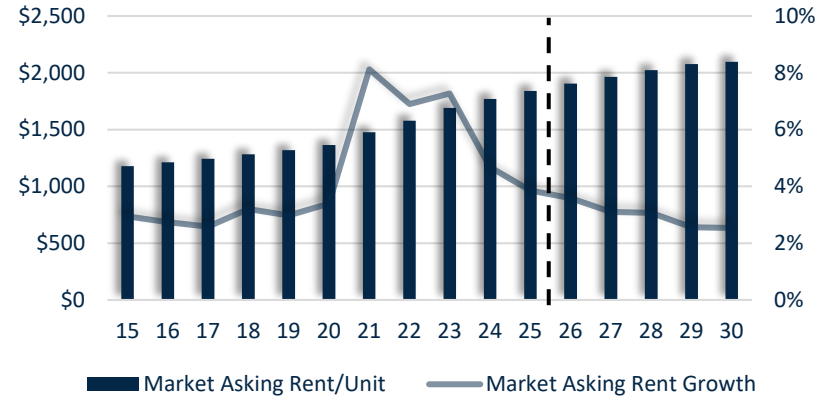
Source: CoStar

Key Metrics: Greater Norwich Market

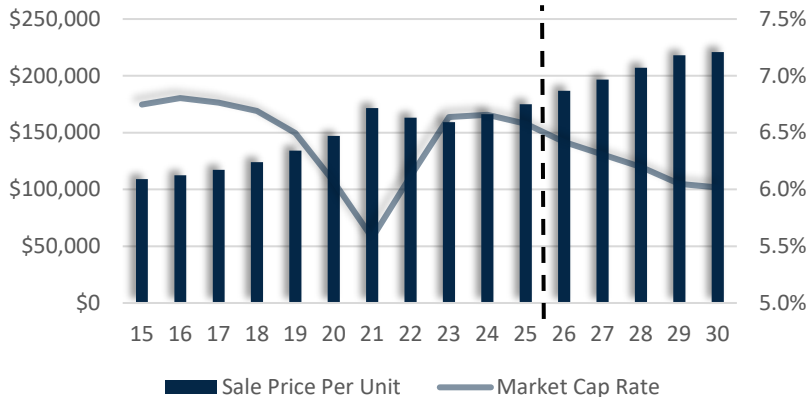
Market Conditions & Housing Characteristics



Market Asking Rent

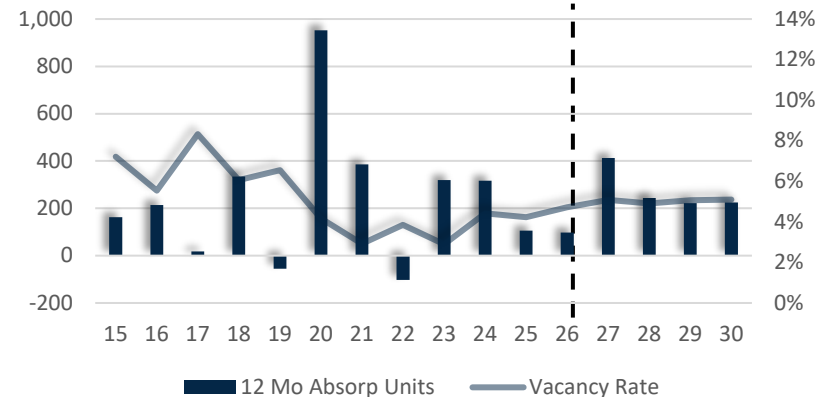


Market Sale Price Per Unit



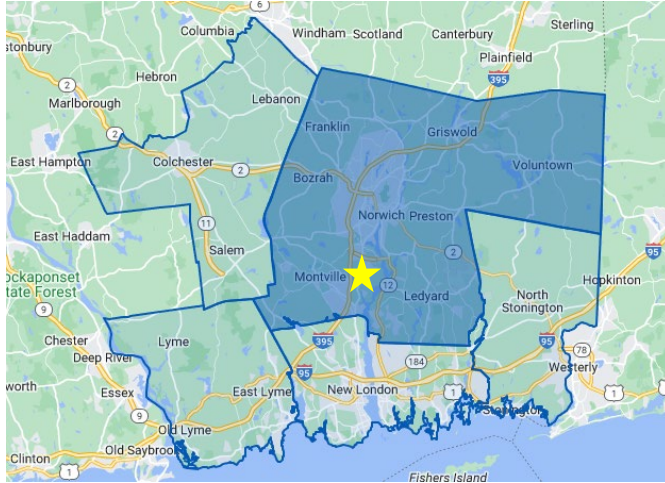
Source: CoStar

12 Mo Net Absorption Units

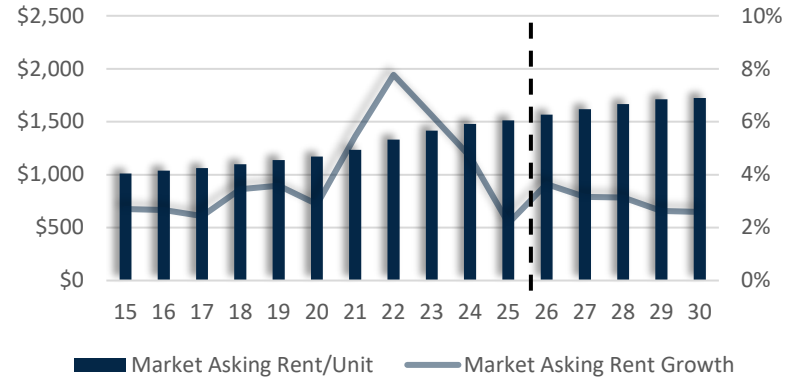


Key Metrics: Northeast New London/Norwich Sub-Market

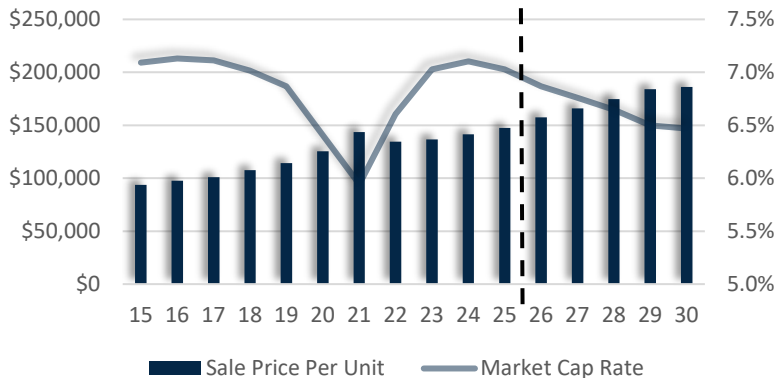
Market Conditions & Housing Characteristics



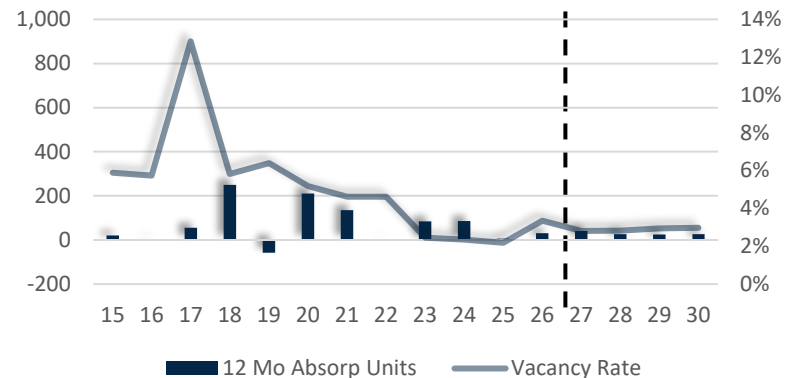
Market Asking Rent



Market Sale Price Per Unit



12 Mo Net Absorption Units



Source: CoStar

Housing Characteristics

Market Conditions & Housing Characteristics

The hard-to-notice, slow-moving changes in demographics and demographic structure also impact housing and the housing market. Montville has 7,164 housing units, of which 6,613 are occupied housing units. Montville’s occupied housing stock is 83.5% owner-occupied, 81.9% single-family (detached units equal 80.6% and attached units equal 1.3%), and 72% of the housing stock has 3- or more bedrooms per unit (Table 6).

It is important to understand that owner-occupied housing, with 3+ bedrooms per unit, is the housing stock most appealing to family households with children. Simply put, with an 83.5% homeownership rate, 81.9% of the housing stock as single-family, and 72% of housing units having 3- or more bedrooms, Montville’s housing stock was designed and built to house families—and the housing stock predominately favors family-households with children. As a result, Montville’s housing stock is attracting the very kind of households it was designed for—family households with children.

Table 6. Number of Bedrooms

Bedrooms	Montville	
	Estimate	Percent
Total Housing Units	7,164	100.0%
No Bedroom	16	0.2%
1 Bedroom	494	6.9%
2 Bedrooms	1,490	20.8%
3 Bedrooms	3,174	44.3%
4 Bedrooms	1,830	25.5%
5+ Bedrooms	160	2.2%

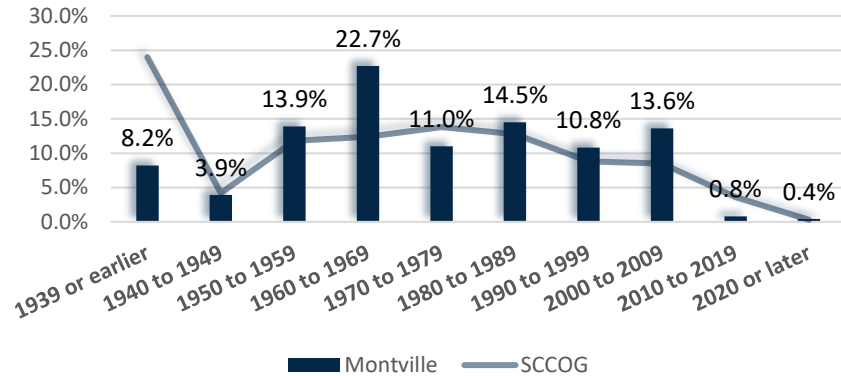
United States Census, www. <https://data.census.gov> (2021).

United States Census, www. <https://data.census.gov> (2020).

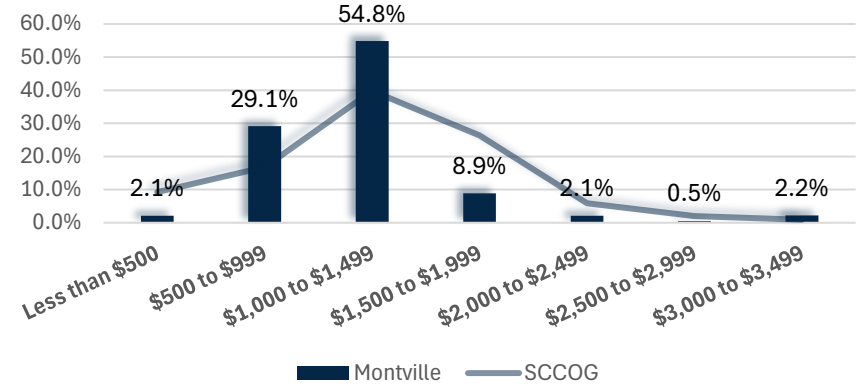
Housing Characteristics

Market Conditions & Housing Characteristics

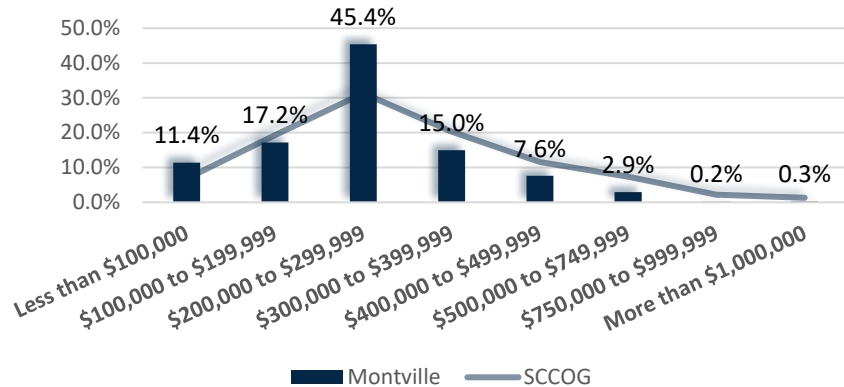
Housing Units by Year Built



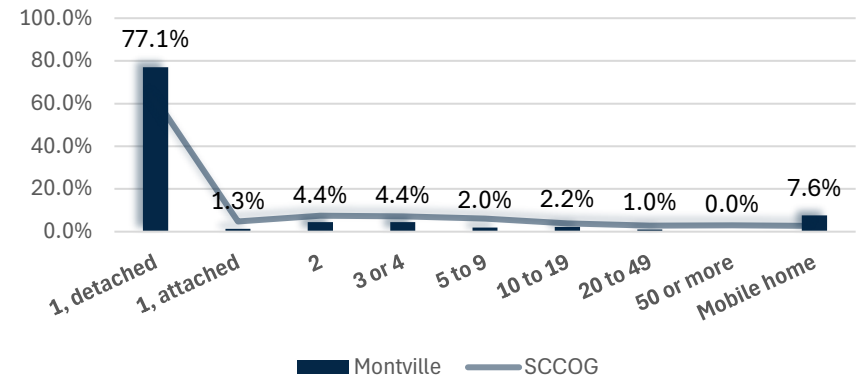
Renter-Occupied Housing Units by Gross Rent



Owner-Occupied Housing Units by Value



Housing Units by Units in Structure





School District Enrollments

Households and School Enrollment

Demographics, Housing, and School District Enrollments

Overview

Changes in demographics and generational changes to lifestyle result in fewer family households and fewer school-age children. For example, some simple calculations can dispel the myth of one or more school enrollments per housing unit. Statewide,

- Connecticut has 508,402 PSAC and 1,420,170 households.
 - **0.358** enrollments per household.
- Montville has 2,001 PSAC and 6,596 households
 - **0.303** school district enrollments per household

Enrollments statewide and in Montville are well below the commonly assumed one or more enrollment per new housing unit.

Statewide, and in most Connecticut communities, school district enrollments have declined for over a decade. For example, in 2007/08, statewide enrollments were 574,848 compared to 508,402 in 2024/25 (a loss of 66,446 statewide school district enrollments). Montville's school district enrollment was 2,871 in 2007/08, compared to 2,001 in 2024/25 (a loss of 870 school district enrollments or a 30.3% decline).

The disconnect between perceived enrollments from new housing and actual enrollments and the fact that most school districts have experienced declining enrollments for a decade or more should cause us to pause, think, and ask questions. For example, why are actual enrollments per household so low? Or why have school enrollments been declining over the past decade or more? The answers can be found in demographics, specifically the changes in the demographic structure of the population.



School District Enrollments

Demographics, Housing, and School District Enrollments

Montville's changing demographics significantly affect school district enrollments. The 17% decrease in the under-18 population (-678) correlates with the 30.3% decline (-870) in school enrollments. Despite an increase of 117 housing units from 2008 to 2023, school enrollments peaked around 2008 at 2,871 pupils. The declining fertility rate has led to a contraction in the young population, surpassing the growth in housing units and contributing to the decline in school enrollments.

New housing construction is often assumed to drive up education costs by increasing school enrollments, but an analysis of Montville's situation from 2008 to 2025 challenges this assumption.

- Net gain of 117 new housing units
- School enrollments decreased by 870 pupils
- Board of Education budget increased by \$8,022,650
- Per pupil spending rising from \$12,462 to \$21,716

This increase in per-pupil spending is primarily due to fixed costs being spread across fewer pupils rather than new housing. Montville's education spending has risen at a rate lower than inflation, reflecting prudent fiscal management. Overall, demographic trends, rather than housing, drive enrollments, while education expenditures are influenced primarily by per-pupil costs.

Connecticut State Department of Community and Economic Development

Table 7. Montville New Housing Permits by Year vs Enrollments

Year	New Housing	Enrollments	Enroll. Change	BOE Budget	PPE
2010-24	117		-870	\$8,022,650	\$9,254
2025	---	2,001	-20	---	---
2024	---	2,021	4	--	---
2023	13	2,017	18	\$43,800,752	\$21,716
2022	-9	1,999	35	\$42,243,454	\$21,132
2021	16	1,964	-100	\$40,501,677	\$20,622
2020	20	2,064	-13	\$39,307,610	\$19,044
2019	10	2,077	-103	\$38,999,611	\$18,776
2018	8	2,180	-30	\$37,415,897	\$17,163
2017	10	2,210	-46	\$38,582,525	\$17,458
2016	4	2,256	-100	\$38,753,533	\$17,178
2015	0	2,356	-62	\$38,294,772	\$16,254
2014	2	2,418	-37	\$37,545,830	\$15,528
2013	12	2,455	-120	\$37,253,209	\$15,174
2012	10	2,575	-95	\$38,193,948	\$14,833
2011	-7	2,670	-28	\$37,888,119	\$14,565
2010	20	2,698	-86	\$37,542,952	\$13,915
2009	7	2,784	-87	\$36,641,639	\$13,161
2008	1	2,871	---	\$35,778,102	\$12,462

* Only finalized budgets were utilized

School District Enrollments

Demographics, Housing, and School District Enrollments

Generations Population Structure

The demographic structure of the Millennial Generation is working against younger families, producing large numbers of school-age children (and enrollments), as once was expected. In fact, more than half the Millennials are already over 29, the peak age for births.

- Millennial births peaked at 11% of women at the age of 29
- Generation X peaked at 12% of women at the age of 29
- Millennial births at age 22 were 9.2% of women
- Generation X at age 22 were 11.3% of women

This shows that Millennials are not likely to produce a large cohort of children that will substantially increase school enrollments. Add to this the fact that the youngest Baby-Boomers are now 60 years old, Montville's population structure is expected to continue aging for the next decade. Last, and possibly most important, it appears that the COVID-19 pandemic is projected to cause further declines in the fertility rates (births) and likely cause a baby bust in 2020 with approximately 300,000 fewer births in the United States—with the potential for longer-term declines in fertility rates.



Residential Demographic Multipliers

Demographics, Housing, and School District Enrollments

Residential Demographic Multipliers

Understanding the broader demographic impact on households and school enrollments allows us to analyze the specific impact of the proposed 750 multi-family housing units. We rely on Rutgers University's study to estimate school enrollments based on the unit mix. Additionally, we compare these projections with recent new housing developments in Connecticut to ensure accuracy.

This provides the projected school district enrollments from the 750 dwellings, calculated based on the unit mix. The proposed development is estimated to house 136 School-Aged Children, producing about 103 New-To-District Enrollments in the Montville School District (see Table 8). That averages approximately 0.18 School-Aged Children per unit— and approximately 0.14 New-To-District Enrollments per unit, an enrollment rate lower than Montville's current enrollment rate of 0.303 enrollments per household (occupied housing unit).

Table 8. School District Enrollment Projections

Unit Mix – Bedrooms	Units	Multiplier	SAC	NTD
Studio	37	0.03	1.11	1
One-Bedroom	337	0.04	13.48	10
Two-Bedroom	338	0.25	84.5	64
Three-Bedroom	38	0.96	36.48	28
Total	750	0.18076	135.57	103

- *Multiplier:* Derived from the SCCOG, *Residential Demographic Multipliers in Connecticut (2016 data update)*, July 2020.
- *SAC = Public School Age Children:* Projected school enrollments.
- *N-T-D = New-To-District:* Represents the number of student enrollments who are projected to be new to the Montville School District across all grades.



Municipal Fiscal Impact Analysis

Introduction and Revenues

Municipal Fiscal Impact Analysis

Introduction

Understanding that the proposed 750 multi-family housing units will generate 136 School-Aged Children, with just 103 New-To-District Enrollments, provides the starting point for calculating the municipal fiscal impacts. To accomplish this, this section calculates and presents the municipal revenues and expenditures relevant to the proposed 750 multi-family apartments. For revenues, the analysis estimates the new real property taxes, personal property taxes (motor vehicles), and sewer user fees associated with the proposed development. For expenditures, the analysis calculates the education costs associated with the 103 New-To-District Enrollments and the cost of general government services related to the residential units.

Real Property Taxes

To estimate the initial property value and property taxes for the proposed 750 multi-family housing units, we utilized industry software to determine the construction cost of the proposed 750-unit development. In the process of determining the total value of improvements, the assessed value was determined, and the real property taxes were estimated to be \$3,225,000 (or \$4,300/ unit) per year. This provides the starting point for determining the municipal fiscal impacts, as the \$3,225,00 in real property taxes provides the majority of revenues to be realized by the Town of Montville.



Revenues from Personal Property Taxes

Municipal Fiscal Impact Analysis

Revenues – Personal Property Tax

The Town of Montville will also receive personal property tax revenue from the motor vehicles owned by the occupants of the housing units. For taxable property purposes, we estimate a total of 1,125 motor vehicles to be associated with the 750 residential units (1.5 vehicles/unit). Table 9 provides the assumptions, calculations, and estimates for the appraised, assessed, and tax value of the 1,125 motor vehicles. Conservatively, we estimate \$393,640 per year in personal property taxes.

The proposed 750 residential units are projected to generate approximately \$3,225,000 in new real property tax revenues and approximately \$393,640 in new personal property tax revenue from motor vehicles. Therefore, the total real and personal property tax revenue is estimated at \$3,618,640 annually.

Table 9. Proposed Development – Personal Property Tax (Motor Vehicles)

Housing Units	Motor Vehicles Per Unit	Total Motor Vehicles	Assessed Value	Mill Rate	Total Estimated Taxes	Taxes Per Vehicle
750	1.5	1,125	\$14,175,000	27.77	\$393,639.75	\$525

Notes:

- Specific data related to the average appraised value of motor vehicles in Montville was not found in the Town of Montville Windsor financial statements. Therefore, based on our experience, research, and similar assignments in dozens of CT communities, we estimate the appraised value of motor vehicles at \$18,000 and the assessed value at \$12,600 per motor vehicle.

Revenues – WPCA User Fees

In addition, we evaluated the user fees to be generated for public sewers. The WPCA user fee rate of \$80 per unit per quarter, or \$320 per unit per year, was used for service fee revenues—a total of \$240,000 per year. Combined, the real and personal property taxes with WPCA fees are estimated to contribute an estimated \$3,858,640 annually in revenues to the Town of Montville.

Expenditures – Education

Municipal Fiscal Impact Analysis

To estimate the cost of enrollments resulting from the proposed 750 housing units, we make three calculations to make assumptions of the actual cost of *new per-pupil enrollments* rather than the common and misleading assumption and calculation of total per-pupil spending. Table 10 provides a summary of these calculations and detailed notes to explain the specifics of the calculations.

Total expenditures per pupil is misleading because it assumes each new enrollment will include an increase in all costs associated with the school district. This is not the case; many educational costs are fixed and do not change because of changes in school district enrollments.

Table 10. Projected Enrollments & Education Expenditures

BOE Expenditures	Per Pupil	N-T-D Enrollments	Total Cost
Total Expenditures	\$22,430.71	103	\$2,310,363
Local-Share Expenditures	\$14,106.86	103	\$1,453,007
Allocated Expenditures	\$9,169.46	103	\$944,455

Calculation Notes:

- **Total Expenditures** is the BOE budget divided by the total enrollment. The BOE Operating budget for the 2024 school year is \$44,883,851 and the total enrollments as of October 1, 2024, are 2,001 pupils. Divide \$44,883,851 by 2,001 equals \$22,430 per pupil expenditures.
- **Local-Share Expenditures** are the per pupil Total Expenditures less non-local tax revenues (intergovernmental revenue sources). Montville’s property taxes account for 63.7% of total revenue in the 2024-25 budget. Therefore, local property taxes account for 62.9% of the education budget or \$14,107 per pupil—the Local-Share Expenditures per pupil is 62.9% of the Total Expenditures.
- **Allocated Expenditures** are based on a general analysis of the BOE budget that isolates approximately 35% of the budget unlikely to be impacted by changes in enrollment. For example, district office expenditures, school administrative offices, utilities, building operations and maintenance, prorated staffing, etc. Therefore, the Local-Share Expenditure is reduced by 35% to provide for the Allocated Expenditure.

Expenditures – General Government

Municipal Fiscal Impact Analysis

General Government Services Methodology

To estimate general government expenditures associated with the proposed 750 housing units, we isolate those portions of the budget that can be attributed to residential uses by a process of elimination. For example, we have already accounted for (isolated) education expenditures (\$44,883,851), or 62.9% of the total Town of Montville budget (\$71,367,860), by allocating the education expenditures to the fiscal impact of school district enrollments discussed above.

To further isolate portions of the budget, we note that commercial and industrial properties accounted for approximately 12.0% of the total Grand List. It is commonly understood that commercial and industrial land uses are fiscal positives regarding municipal tax revenue and expenditures. For example, a study showed that commercial and industrial land uses require, on average, only \$0.27 in community services for every \$1.00 generated in tax revenue. Therefore, commercial and industrial properties pay their way and subsidize the residential tax burden. To estimate the share of commercial and industrial taxes that pay for services utilized by such uses, we use \$0.33 cents on the dollar of taxes paid.

Town of Montville Adopted Budget, 2024-2025.

American Farmland Trust and the Connecticut Conference of Municipalities, (2012): Planning for Agriculture: A Guide for Connecticut Municipalities. Connecticut.

To further isolate residential government services, we account for and deduct 12% of the Montville general government budget that is funded by commercial and industrial property tax revenues. Therefore, combined with education expenditures (62.9%) and commercial and industrial properties (12.0%), a total of 74.9% of the municipal budget expenditures can be accounted for, leaving 25.1% of Montville’s budget to be allocated exclusively to the residential share of general government services/expenditures. However, as with the Allocated Expenditures of the Board of Education budget, we assume a marginal cost approach for local government services—assume that much of the cost associated with the new residential units is absorbed into the existing budget. **The result, we allocate \$590,596 (16.3%) of the \$3,618,640 in real and personal property tax revenues generated by the proposed 750 housing units to the cost of general government services (expenditures).**



Summary – Revenues and Expenditures

Municipal Fiscal Impact Analysis

Annual Revenues and Expenditures

Based on the analysis presented previously, the Fiscal Impact findings are straightforward. The Municipal Fiscal Impact, based on the calculations in Table 11, for the proposed 750 housing units is estimated to be fiscally positive. Goman+York finds the 750 housing units will generate approximately \$2,323,589 in net positive revenues annually.

Table 11. Municipal Fiscal Impact – Revenues & Expenditures

Revenues & Expenditures	Total
Annual Revenues	
Residential Real Property Taxes (750 Multi-Family Units)	\$3,225,000
Personal Property Taxes (Motor Vehicles)	\$393,640
Sewer Use - Residential (\$320/Unit/Year)	\$240,000
Total Annual Revenue	\$3,858,640
Annual Expenditures	
Education Expenditures	\$944,455
General Government Services (17% of Property Taxes)	\$590,596
Total Annual Expenditures	\$1,535,051
Annual Municipal Fiscal Impact	\$2,323,589



One-Time Municipal Development Fees

Summary – Revenue Table

One-Time Municipal Impact Fees

Understanding One-Time Development Fees

In addition to the yearly recurring revenues from property taxes and WPCA user fees, land use applications and developments pay several one-time permitting fees. These fees are designed to offset the cost of government costs services (i.e., permitting, inspections, and other related municipal expenses) directly related to the development. These fees (revenues) come primarily from four sources: land use permit fees, building permit fees, fire marshal review fees, and sewer connection charges.



Table 12. One-Time Development Related Revenues – Permits and Other Fees

Local Permits	Fees/Rate	Base	Total
Building Permit	\$15 per \$1,000 of Construction	\$66,361,438	\$995,422
Building C/O	\$100 per Multi-Family Building	31	\$3,100
Building Plan Review	10% of Building Permit Fee	\$995,422	\$99,542
Land Use (Wetlands/Zoning)	\$750	6	\$4,500
Zoning Permit	\$50	6	\$300
Sub-Total Fees			\$1,102,864
Other Revenue Sources	Fees/Rate	Base	Total
WPCA Connection Charge	\$3,500 per Connection	750	\$2,625,000
Total Fees			\$3,727,864

This table provides the estimated fees for each category, sub-totals, and the total one-time development-related fees to be paid by the proposed mixed-use development. The proposed development will pay approximately **\$995,422** in permitting fees and **\$2,625,000** in WPCA connection fees, a total of approximately **\$3,727,864** in one-time development fees.

Building Permit Fee is based on reduced Hard Costs to costs specific to Building Permitting Fees



Economic Impact Analysis - State, Region, and Local

Multipliers and Calculations

Economic Impact Analysis

Economic Impact – Multipliers & Calculations

The aim of our economic impact assessment is to provide policymakers with a reasonable estimate of the overall economic impact of the proposed 750 housing units. To accomplish this, for construction jobs related to the \$15,000,000 in public infrastructure upgrades, we utilized economic development research studies and industry sources to develop multipliers, allowing Goman+York to estimate job creation. For job creation related to housing unit construction, Goman+York utilizes housing economic impact numbers from the National Association of Home Builders. In addition, we analyze income, disposable income, and consumer spending to understand the economic benefits of the housing upon completion and stabilization.

Permanent Jobs

To calculate the permanent jobs created for the 750 residential housing units, an NAHB study that found 100 newly constructed apartments create and sustain approximately 50 jobs in year two (and beyond). These jobs include facilities management and maintenance (e.g., landscaping, HVAC service, etc.) and the spillover of consumer spending into surrounding businesses from the new residents—that consumer spending creates (and/or sustains) jobs in the community.

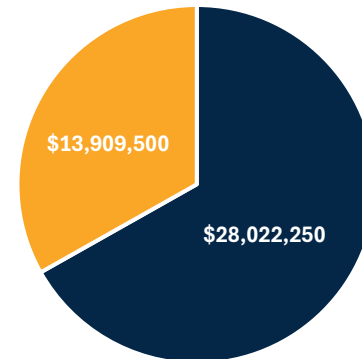
The NAHB findings when applied to the 750 proposed housing units estimate that 375 jobs will be created in the local community and region.

Table 2. Impacts on Government Revenue

	Per New Single-family Home:	Per New Multi-family Rental Unit:	Per \$100,000 Spent on Remodeling:
Total government revenue generated	\$129,647	\$55,909	\$29,797
Federal	\$86,759	\$37,363	\$21,796
Income taxes	\$44,081	\$18,928	\$10,931
Government social insurance*	\$41,270	\$17,849	\$10,512
Excise taxes and customs duties	\$1,408	\$586	\$353
State and local	\$42,888	\$18,546	\$8,001
Income taxes	\$12,444	\$5,344	\$3,086
Permit, hook-up, impact, etc. fees	\$15,805	\$7,108	\$1,250
Sales taxes	\$5,458	\$2,272	\$1,367
Other business taxes & license fees	\$9,181	\$3,823	\$2,299

Source: NAHB estimates, as described in the text and appendix.

Government Revenue from Proposed Development



■ Federal ■ State & Local

Job Creation Estimates

Economic Impact Analysis

Construction Jobs

To calculate the jobs created by the construction for the public infrastructure upgrades (e.g. public sewer extensions and roadway improvements). we start by using a labor hour and construction cost multiplier to provide an estimate based on our experience. Per our estimates, the public infrastructure improvement costs for extending sewers and improving roadways are approximately \$15,000,000. The calculation, total construction costs of \$15,000,000 x 2.2 (labor hour multiplier) = \$33,000,000 / \$1,000 (per \$1,000 of construction cost) = 33,000 hours / 2,000 (1-year full-time employment hours) = 17 full-time equivalent (FTE) construction jobs to be created and/or sustained during the construction period of infrastructure improvements. That said, it should be understood that many more construction workers will be employed to work on these public improvements, but the actual job creation will be 17 FTE construction jobs.

A 2020 report, *How Home Building Can Lead a Recovery by Generating Jobs*, by the National Association of Home Builders (NAHB), found that "building an average single-family home generates 2.90 jobs, measured in full-time equivalents" for one year and resulting in \$188,962 in wages and salaries or \$65,159 per job created. The same report shows that "building an average rental apartment generates 1.25 (full-time equivalent jobs; as well as ... \$55,909" in federal, (\$37,363) state, and local fees and taxes (\$18,546).

Per the NAHB job creation statistics, each of the 750 proposed housing units will generate **0.75** full-time equivalent construction jobs for a total of **563** FTE jobs. In addition, 0.50 FTE jobs are created per unit across other sectors, totaling an additional **375** FTE jobs. That means **938** full-time equivalent jobs (equal to one year of employment) would be created by the 750 housing units to be constructed.

NAHB Study Statistics

Table 1. Income/Employment Impacts of Residential Construction on the U.S. Economy

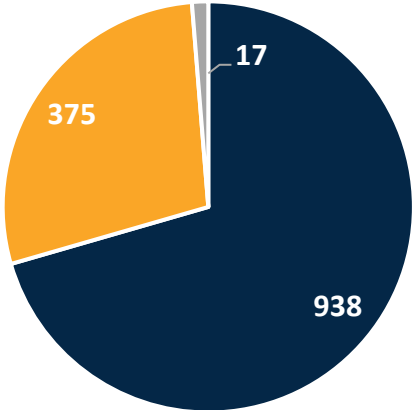
	Full Time Equivalent Jobs	Wages and Salaries	Profits Before Taxes		Wages and Profits Combined
			Proprietors	Corporations	
Per New Single-family Home:					
All industries	2.90	\$188,962	\$71,963	\$66,656	\$327,581
Construction	1.71	\$111,668	\$45,029	\$19,760	\$176,457
Manufacturing	0.36	\$22,197	\$1,955	\$18,259	\$42,411
Wholesale & retail trade, Transportation & warehousing	0.37	\$19,475	\$3,097	\$9,052	\$31,623
Finance and insurance	0.06	\$6,132	\$151	\$4,486	\$10,768
Real estate and rental and leasing	0.02	\$1,542	\$8,650	\$2,024	\$12,216
Professional, Management, Administrative services	0.21	\$16,585	\$4,711	\$3,148	\$24,445
Other	0.18	\$11,362	\$8,371	\$9,928	\$29,661
Per New Multifamily Rental Unit:					
All industries	1.25	\$80,334	\$32,189	\$29,619	\$142,141
Construction	0.75	\$48,660	\$23,685	\$10,393	\$82,739
Manufacturing	0.16	\$10,223	\$669	\$8,119	\$19,011
Wholesale & retail trade, Transportation & warehousing	0.19	\$9,671	\$1,555	\$4,403	\$15,629
Finance and insurance	0.01	\$1,583	\$43	\$1,197	\$2,822
Real estate and rental and leasing	0.01	\$516	\$1,759	\$894	\$3,169
Professional, Management, Administrative services	0.07	\$5,547	\$1,345	\$852	\$7,745
Other	0.06	\$4,135	\$3,132	\$3,761	\$11,027
Per \$100,000 Spent on Remodeling:					
All industries	0.75	\$48,212	\$17,975	\$17,215	\$83,402
Construction	0.46	\$29,975	\$12,833	\$5,631	\$48,439
Manufacturing	0.09	\$5,550	\$434	\$4,872	\$10,855
Wholesale & retail trade, Transportation & warehousing	0.10	\$5,371	\$829	\$2,432	\$8,632
Finance and insurance	0.01	\$990	\$24	\$577	\$1,591
Real estate and rental and leasing	0.00	\$308	\$759	\$602	\$1,668
Professional, Management, Administrative services	0.04	\$3,241	\$742	\$492	\$4,475
Other	0.04	\$2,779	\$2,354	\$2,610	\$7,743

Source: NAHB estimates, as described in the text and appendix.

Job Creation Estimates

Economic Impact Analysis

New Jobs (FTE)



- Construction Jobs
- Permanent Community Jobs
- Public Infrastructure Jobs



Total FTE Jobs Created Directly from Public Infrastructure Improvements:
17

Total FTE Jobs Created Directly from the Development:
938

New, Permanent, FTE Jobs Created On-Site and in the Surrounding Area:
375

Disposable Income & Consumer Spending by Residents

Economic Impact Analysis

To estimate the consumer spending impact of new housing, we utilize the assumptions on household income, disposable income (spending power), and disposable income (local share spending). Based on these assumptions, we estimate that each renter household will earn approximately \$55,360 annually and have approximately \$43,292 in discretionary income. That totals **\$32,469,00** in discretionary spending for 750 households in a single year.

Recognizing that our lives and consumer spending habits stretch across municipal borders, we assume and estimate that 30% of household discretionary spending will be spent in the local community, within Montville, and 70% will be spent within the region. Therefore, Goman+York estimates the local discretionary spending will be approximately \$12,988 per household, totaling approximately \$9,740,700 in consumer spending annually at local businesses.

Annual Consumer Spending of New Residents

