



Billy Walsh <bwalsh@natickma.org>

Proposed Operating Override Recommendations

Bob Caplin <bobcaplin@gmail.com>

Wed, Feb 12, 2025 at 4:06 PM

To: "Selectboard@natickma.org" <Selectboard@natickma.org>

Select Board,

Having listened to the Town's recent budget discussions, I would like to offer some recommendations with the intent of making the proposed override more palatable for Natick's residents.

It's important to note that over the past ten years (FY 2016 to FY 2025) taxes paid by some of Natick's largest commercial taxpayers have declined, while taxes on an average single-family home have increased by 53%. For example, taxes paid by Middlesex Savings Bank on 8 Washington St. declined by 7.04%, Cognex on 1 Vision Drive declined by 5.69%, MathWorks Apple Hill declined by 8.71% and McDonalds on Route 9 declined by 9.88%. Attached are an Excel summary, and the property record cards for the four properties for both FY 2016 and FY 2025.

Declining taxes paid by the commercial class shifts the tax burden to the residential class. I recommend analyzing the annual amount of taxes that have shifted between the property classes for each of the past ten years to quantify the long-term impact of current market conditions. An annual calculation of the dollar tax shift between property classes should also be added to the Tax Assessor's report provided at the Tax Classification Hearing so that the tax classification percentage can be modified as needed.

My analysis indicates that the combination of a 130% split tax and a \$8 million override would shift almost \$8 million from the residential class to the commercial class. The attached FY 2025 tax levy Excel model calculates the impact of the tax levy on both residential and commercial properties with and without an operating override using tax classification ranges from 100% (single rate) to 150% (maximum shift).

A split tax has been adopted by most Massachusetts municipalities with similar populations and commercial/residential mixes as Natick and most use higher 150% or 175% splits. A commitment from the Select Board to seriously consider tax classification may increase the likelihood of passing the override, as well as future debt exclusions for the Memorial School, etc.

Regards,

Bob Caplin

508 655-7686

10 attachments

 1 Vision Dr FY 2016.pdf
760K

PARCEL: 19-0000022A **STATE_CLASS:** 340

LOCATION: 1 VISION DR

ASSESSMENT: \$22,058,500

NEIGHBORHOOD: 401

OWNER_NAME_1: COGNEX CORPORATION

OWNER NAME 2: JACK ZUFFANTE FACILITY MANAGER

OWNER_NAME_3:

MAILING ADDRESS: ONE VISION DRIVE

MAILING CITY: NATICK, MA 01760

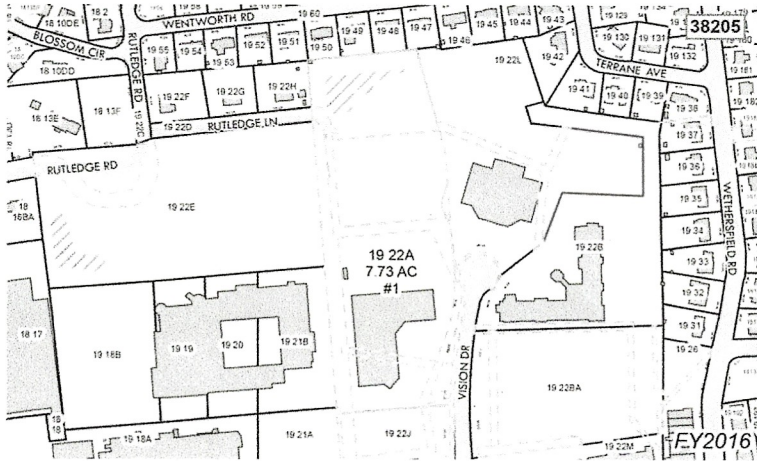
ZONING: RSA :

DEED_BOOK: 24219

DEED_PAGE: 00520

DEED_DATE: 19940131

TOTAL ACRES: 7.727

**Town of Natick**

Commercial Property Record Card

INCOME APPROACH - MARKET DATA

POTENTIAL_GROSS_INCOME: \$3,551,976

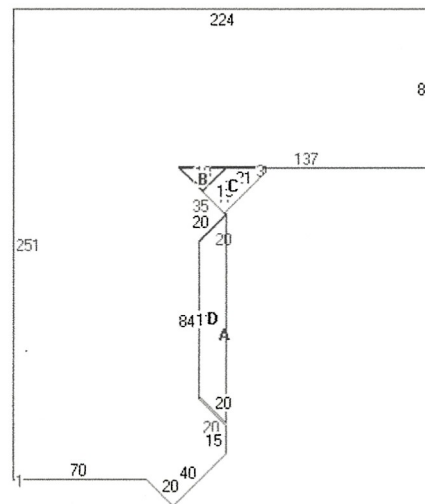
VACANCY: 10.00%**EFFECTIVE_GROSS_INCOME: \$3,196,779****TOTAL_EXPENSES: \$1,118,873**

NET_OPERATING_INCOME: \$2,077,906

CAP_RATE: 9.42

INCOME VALUE: \$22,058,500

BUILDING AREA:147,999

Descriptor/Area

A: 4s OFFICE
36045 sqft

B: 1sOFF (OPE
169 sqft

C:1s/-/-/1s0
451 sqft

D:2sOFFICE 0
1372 sqft

Situs : 1 VISION DR

PARCEL ID: 19-0000022A

Class: 340

Card: 1 of 1

Printed: October 30, 2024

CURRENT OWNER

COGNEX CORPORATION
MICHAEL SKIOTIS DIR FACILITIES
ONE VISION DRIVE
NATICK MA 01760
24219/520 01/01/1994

GENERAL INFORMATION

Living Units
Neighborhood 401
Alternate ID 19-0000022A
Vol / Pg 24219/520
District
Zoning HM-II
Class COMMERCIAL

Property Notes

91 LAND SPLIT
ABATE FY95

Land Information			
Type	Size	Influence Factors	Influence % Value
Primary	AC 7.7270		7,136,130
Total Acres: 7.727			
Spot: Location:			

Entrance Information			
Date	ID	Entry Code	Source
08/09/23	517	Desktop Review	Mis-Near Map
07/28/20	520	Not At Home	Cyclical Re-Insp
11/07/18	518	Entry/Interior	Other
12/04/14	513	Entry/Interior	Other
08/14/14	513	Entry/Interior	Other

Assessment Information					
	Assessed	Appraised	Cost	Income	Prior
Land	0	7,136,100	7,136,100	7,136,100	7,136,100
Building	0	16,468,900	17,411,900	16,468,900	16,343,300
Total	0	23,605,000	24,548,000	23,605,000	23,479,400
Value Flag INCOME APPROACH					
Gross Building: Manual Override Reason					
Base Date of Value					
Effective Date of Value					

Permit Information			
Date Issued	Number	Price	Purpose
06/07/18	B-2018-078	203,000	RENOS
05/29/18	B-2018-067	481,000	RENOS
02/01/18	B-2018-011	275,000	RENOS
12/22/17	B-1453	43,000	BLDG
11/28/17	B-1365	1,619,921	BLDG

Sales/Ownership History			
Transfer Date	Price	Type	Validity
01/01/94	6,032,800	Land + Bldg	Valid Sale

Deed Reference			
Deed Reference	Deed Type	Grantee	
24219/520		COGNEX CORPORATION	

Inspection Witnessed By _____

Town of Natick

Commercial Property Record Card

FY 2016

PARCEL: 19-00000007 **STATE_CLASS:** 340

LOCATION: 2 APPLE HILL DR

NEIGHBORHOOD: 401

ASSESSMENT: \$49,542,400

OWNER_NAME_1: MATHWORKS INC

OWNER_NAME_2:

OWNER_NAME_3:

MAILING ADDRESS: 3 APPLE HILL DR

MAILING CITY: NATICK, MA 01760

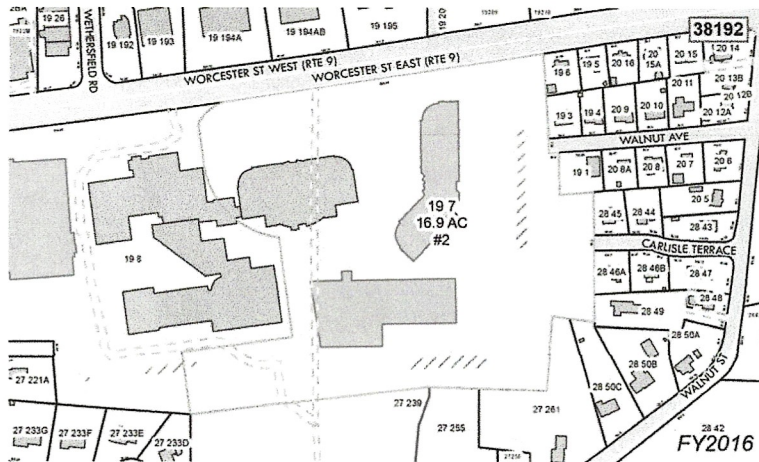
ZONING: HIGHPU:

DEED_BOOK: 43933

DEED_PAGE: 0317

DEED_DATE: 20041020

TOTAL ACRES: 16.9



Town of Natick

Commercial Property Record Card

INCOME APPROACH - MARKET DATA

POTENTIAL_GROSS_INCOME: \$7,953,041

VACANCY: 9.96%

EFFECTIVE_GROSS_INCOME: \$7,161,039

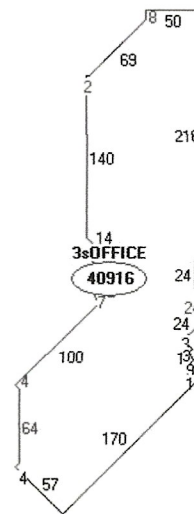
TOTAL_EXPENSES: \$2,494,146

NET_OPERATING_INCOME: \$4,666,893

CAP_RATE: 9.42

INCOME VALUE: \$49,542,400

BUILDING AREA:297,333



Descriptor/Area

A: 3sOFFICE
40916 sqft

Status : 2 APPLE HILL DR

PARCEL ID: 19-00000007

Class: 340

Card: 1 of 3

Printed: October 30, 2024

CURRENT OWNER

THE MATHWORKS INC
3 APPLE HILL DR
NATICK MA 01760
43933/317 08/20/2004

GENERAL INFORMATION

Living Units
Neighborhood 401
Alternate ID 19-000000007
Vol / Pg 43933/317
District
Zoning HPU
Class COMMERCIAL

Property Notes

LAND TIE IN 19-08

03819201.JPG

Land Information

Type	Size	Influence Factors	Influence %	Value
Primary	AC	16.9000		15,162,500

Total Acres: 16.9
Spot:
Location:

Assessment Information

	Assessed	Appraised	Cost	Income	Prior
Land	0	15,162,500	15,162,500	15,162,500	15,162,500
Building	0	36,151,400	36,528,900	36,151,400	35,859,800
Total	0	51,313,900	51,691,400	51,313,900	51,022,300

Value Flag INCOME APPROACH
Gross Building:
Manual Override Reason
Base Date of Value
Effective Date of Value

Entrance Information

Date	ID	Entry Code	Source
08/09/23	517	Desktop Review	Mls-Near Map
06/22/20	516	Entry/Interior	Other
03/20/14	513	Entry/Interior	Other
06/13/06	513	Entry/Interior	Other
09/02/05	513	Entry/Interior	Other

Permit Information

Date Issued	Number	Price	Purpose	% Complete
06/03/19	B-19-0950	15,902,499	RENOS	100
11/17/15	1509	122,495	BLDG	100
09/16/15	1143	837,000	BLDG	100
03/05/15	197-203	8,304,000	BLDG	100
11/14/11	1172	178,718	BLDG	100

Sales/Ownership History

Transfer Date	Price	Type	Validity	Deed Reference	Deed Type	Grantee
08/20/04	49,700,000	Land + Bldg	Sale Of Multiple Parcels	43933/317		THE MATHWORKS INC
11/24/97	19,135,000	Land + Bldg	Valid Sale	27904/348		METROPOLITAN LIFE INSURANCE
11/01/97	19,135,000	Land + Bldg	Sale Of Multiple Parcels	26934/451		METROPOLITAN LIFE INSURANCE COMPAI
01/01/95	2,250,000	Land + Bldg	Sale Of Multiple Parcels	018165/231		

Inspection Witnessed By _____

Town of Natick

Commercial Property Record Card

FY 2016

PARCEL: 44-00000018 **STATE CLASS:** 341

LOCATION: 8 WASHINGTON ST

ASSESSMENT: \$3,394,900

NEIGHBORHOOD: 403

OWNER NAME 1: MIDDLESEX SAVINGS BANK

OWNER_NAME_2: C/O BRUCE S WEISBERG

OWNER NAME 3:

MAILING ADDRESS: 36 SUMMER ST

MAILING CITY: NATICK, MA 01760-0004

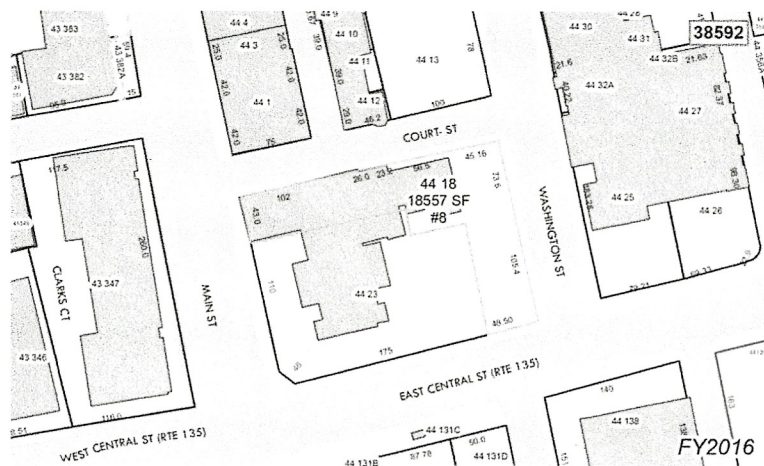
ZONING: RSC :

DEED BOOK: 13058

DEED PAGE: 00410

DEED DATE: 19760916

TOTAL ACRES: 0.426



Town of Natick

Commercial Property Record Card

INCOME APPROACH - MARKET DATA

POTENTIAL GROSS INCOME: \$442,173

VACANCY: 9.38%

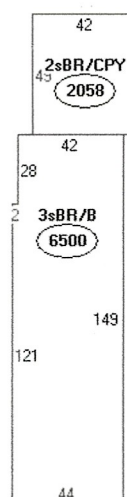
EFFECTIVE_GROSS_INCOME: \$400,715**TOTAL_EXPENSES: \$108,757**

NET_OPERATING_INCOME: \$291,959

CAP_RATE: 8.60

INCOME VALUE: \$3,394,900

BUILDING AREA:23,616



Descriptor/Area

A: 3sBR/B
6500 sqft

B: 2sBR/CFY
2058 sqft

Situs : 8 WASHINGTON ST

PARCEL ID: 44-00000018

Class: 341

Card: 1 of 1

Printed: November 1, 2024

CURRENT OWNER
MIDDLESEX SAVINGS BANK C/O ACCOUNTING 36 SUMMER ST NATICK MA 01760-0004 13058/00410

GENERAL INFORMATION
Living Units 404 Neighborhood 44-00000018 Alternate ID 13058/00410 Vol / Pg District DM Zoning COMMERCIAL Class

Property Notes

03859201.JPG

Type	Size	Influence Factors	Influence %	Value
Primary	SF 18,564			574,400
Total Acres: .4262 Spot:				
Location:				

Assessment Information				
Assessed	Appraised	Cost	Income	Prior
Land 0	574,400	574,400	574,400	524,300
Building 0	3,006,500	3,002,000	3,006,500	3,056,600
Total 0	3,580,900	3,576,400	3,580,900	3,580,900
Manual Override Reason Base Date of Value Value Flag INCOME APPROACH Effective Date of Value Gross Building:				

Entrance Information			Source
Date	ID	Entry Code	
08/25/23	517	Desktop Review	Mls-Near Map
08/26/20	520	Not At Home	Cyclical Re-Insp
03/06/14	513	Entry/Interior	Other
07/12/12	970	Entry/Interior	Other
08/16/06	513	Not At Home	

Permit Information				% Complete
Date Issued	Number	Price	Purpose	
10/03/18	B-1497	80,000	RENOS	Minor Reconfig In Bank
07/02/13	660	509,886	BLDG	Alt - 1st Flr
05/23/12	569	0	BLDG	Repl Sign
11/07/08	967	7,500	BLDG	Repl Cabinet &
09/30/04	895	1,800	BLDG	Int Alt

Sales/Ownership History		
Transfer Date	Price Type	Validity
09/16/76		
Deed Reference 13058/410		
Deed Type Grantee		

Inspection Witnessed By

Town of Natick

Commercial Property Record Card

FY 2016

PARCEL: 20-0000001B **STATE CLASS:** 326

LOCATION: 290 WORCESTER ST

ASSESSMENT: \$1,733,500

NEIGHBORHOOD: 401

OWNER NAME 1: MCDONALDS REAL ESTATE CO

OWNER_NAME_2:

OWNER NAME 3:

MAILING ADDRESS: 290 WORCESTER ST

MAILING CITY: NATICK, MA 01760

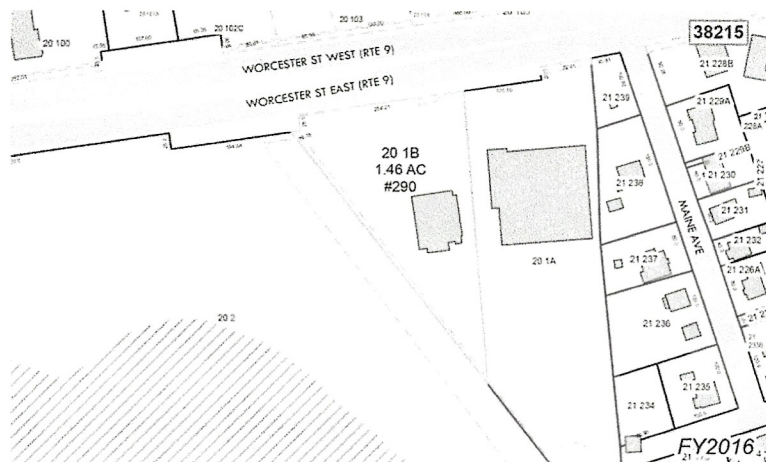
ZONING: RSC :

DEED BOOK: 63315

DEED PAGE: 00406

DEED DATE: 20140227

TOTAL ACRES: 1.46



Town of Natick

Commercial Property Record Card

INCOME APPROACH - MARKET DATA

POTENTIAL_GROSS_INCOME: \$172,340

VACANCY: 5.00%

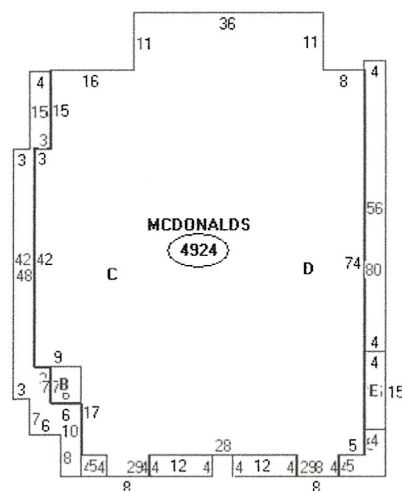
EFFECTIVE_GROSS_INCOME: \$163,723**TOTAL_EXPENSES: \$16,372**

NET OPERATING INCOME: \$147,351

CAP_RATE: 8.50

INCOME VALUE: \$1,733,500

BUILDING AREA:4,924



Descriptor/Area

A: MCDONALDS
4924 sqft

B:EE1
42 sqft

C:CP6
434 sqft

D:CP6
328 sqft

E:EE1
60 sqft

tyler
city division

COMMERCIAL PROPERTY RECORD CARD

2025

Situs : 290 WORCESTER ST

PARCEL ID: 20-0000001B

Class: 326

Class: 326

Card: 1 of 1

Printed: October 30, 2024

CURRENT OWNER

MCDONALDS REAL ESTATE CO
MCDONALD CORP 020-0017
PO BOX 182571
COLUMBUS OH 43218
63315/406 02/27/2014

GENERAL INFORMATION

Living Units
Neighborhood 401
Alternate ID 20-0000001B
Vol / Pg 63315/406
District
Zoning CII
Class COMMERCIAL

Property Notes

Land Information

Type	Size	Influence Factors	Influence %	Value
Residual	AC	0.4600		11,500
Primary	AC	1.0000	-10	1,125,000

Total Acres: 1.46
Spot:

Location:

Assessment Information

	Assessed	Appraised	Cost	Income	Prior
Land	0	1,136,500	1,136,500	1,136,500	1,136,500
Building	0	636,100	624,300	636,100	636,100
Total	0	1,772,600	1,760,800	1,772,600	1,772,600

Value Flag INCOME APPROACH
Gross Building:

Manual Override Reason
Base Date of Value
Effective Date of Value

Entrance Information

Date	ID	Entry Code	Source
08/24/23	517	Desktop Review	Mls-Near Map
08/04/20	520	Estimated For Misc Reason	Cyclical Re-Insp
03/10/15	513	Not At Home	Other
09/25/14	513	Entry/Interior	Other
06/06/12	513	Entry/Interior	Other

Permit Information

Date Issued	Number	Price	Purpose	% Complete
02/06/23	B-22-1305	65,000	RENOS	100
08/22/17	B-0892	350,000	BLDG	100
09/02/14	917	75,000	BLDG	100
09/18/08	757	54,500	BLDG	100
10/28/05	375	12,885	BLDG	100

Sales/Ownership History

Transfer Date	Price	Type	Deed Reference	Deed Type	Grantee
02/27/14	535,000	Land + Bldg	63315/406		MCDONALDS REAL ESTATE CO

Inspection Witnessed By

Town of Natick

10 Year Change in Assessments and Taxes for Sample Properties

Parcel ID	Owner Name	Property Location	Property Class	FY 2016 (Tax Rate - 13.57)		FY 2025 (Tax Rate - 11.96)		10 Year Assessment Change		10 Year Tax Change	
				Assessment	RE Taxes	Assessment	RE Taxes	Dollars	Percent	Dollars	Percent
44-00000018	MIDDLESEX SAVINGS BANK	8 WASHINGTON ST	Commercial	3,394,900	46,069	3,580,911	42,828	186,011	5.48%	-3,241	-7.04%
19-0000022A	COGNEX CORPORATION	1 VISION DR	Commercial	22,058,500	299,334	23,605,000	282,316	1,546,500	7.01%	-17,018	-5.69%
19-00000007	MATHWORKS	2 APPLE HILL DR	Commercial	49,542,400	672,290	51,313,900	613,714	1,771,500	3.58%	-58,576	-8.71%
20-0000001B	MCDONALDS REAL ESTATE CO	290 WORCESTER ST	Commercial	1,733,500	23,524	1,772,600	21,200	39,100	2.26%	-2,323	-9.88%
	AVERAGE SINGLE FAMILY		Residential	506,084	6,868	877,913	10,500	371,829	73.47%	3,632	52.89%

Fiscal Year 2025 Tax Levy Calculation

FY2025 Levy Limit Calculation

II. To Calculate the Levy Limit

A.	FY2024 Levy Limit							Totals
A1	Add FY2024 Amended Growth							131,858,638
B.	Add (A + A1) X 2.5%							0
								3,296,466
C.	Add Current FY New Growth	New Growth	FY2024 Single Tax Rate	Tax by class		FY 2024	FY 2025 New Growth	
	Residential	113,489,182	12.26	1,391,377		Classification %	% by Class	
	Commercial	23,901,060	12.26	293,027		17.9238%	82.6035%	
	Total Current FY New Growth	137,390,242		1,684,404			17.3965%	
D.	Add Current FY Override							1,684,404
E.	Current FY Subtotal - Levy Limit							136,839,508
F.	Current FY Levy Ceiling	Total assessed property * 2.5%	304,098,994	FY2025 Levy Ceiling				
			12,163,959,770 * 2.5%					
III.	To Calculate the Maximum Allowable Levy							
A.	FY2025 Levy Limit							136,839,508
B.	FY2025 Debt Exclusions							8,717,477
G.	FY2025 Maximum Allowable Levy							145,556,985

Single Tax Rate - FY 2025

11.96

Rate per thousand = Actual Levy/Total taxable property * 1,000

FY2025 Actual Levy

145,480,959

excludes excess levy

Total taxable property

12,163,959,770

capacity of 76,026

excess levy capacity results from rounding tax rate to 2 digits

Fiscal Year 2025 Impact of Tax Classification

Tax Shift by Property Examples

Single Tax Rate - 100%	Residential (RO)	Commercial (CIP)	Tax Shift by Class	Assessment	Avg Single Family	Single Family	Office Bldg	Mall
Classification percentages	82.9426%	17.0574%			877,913	1,800,000	25,000,000	360,000,000
Assessed Property by class	10,089,106,457	2,074,853,313						
Tax Rate per thousand - Single	11.96	11.96						
Levy by class	120,665,713	24,815,246	0	Single Tax Rate	11.96	11.96	11.96	11.96
Percentage share of total tax levy	82.9426%	17.0574%		Tax	10,500	21,528	299,000	4,305,600
Split Tax Rate per thousand - 110%	Residential (RO)	Commercial (CIP)	Tax Shift by Class	Assessment	Avg Single Family	Single Family	Office Bldg	Mall
100% Levy by class	11.71	13.16			877,913	1,800,000	25,000,000	360,000,000
10% shift - residential to CIP	120,665,713	24,815,246		110% Tax Rate	11.71	11.71	13.16	13.16
110% Levy by class - without Small Commercial Exemption	118,184,189	27,296,770	2,481,525	Tax	10,280	21,078	329,000	4,737,600
Percentage share of total tax levy	81.2369%	18.7631%		Change from Single Rate	(219)	(450)	30,000	432,000
Rate Change from single	-0.25	1.20						
Percent change	-2.09%	10.03%						
Residential Factor at 110% CIP shift ratio	97.94%	110.00%						
Split Tax Rate per thousand - 120%	Residential (RO)	Commercial (CIP)	Tax Shift by Class	Assessment	Avg Single Family	Single Family	Office Bldg	Mall
100% Levy by class	11.47	14.35			877,913	1,800,000	25,000,000	360,000,000
20% shift - residential to CIP	120,665,713	24,815,246		120% Tax Rate	11.47	11.47	14.35	14.35
120% Levy by class - without Small Commercial Exemption	(4,963,049)	4,963,049	4,963,049	Tax	10,070	20,646	358,750	5,166,000
Percentage share of total tax levy	115,702,664	29,778,295		Change from Single Rate	(430)	(882)	59,750	860,400
Rate Change from single	79.5311%	20.4689%						
Percent change	-4.10%	19.98%						
Residential Factor at 120% CIP shift ratio	95.89%	120.00%						
Split Tax Rate per thousand - 130%	Residential (RO)	Commercial (CIP)	Tax Shift by Class	Assessment	Avg Single Family	Single Family	Office Bldg	Mall
100% Levy by class	11.22	15.55			877,913	1,800,000	25,000,000	360,000,000
30% shift - residential to CIP	120,665,713	24,815,246		130% Tax Rate	11.22	11.22	15.55	15.55
130% Levy by class - without Small Commercial Exemption	(7,444,574)	7,444,574	7,444,574	Tax	9,850	20,196	388,750	5,598,000
Percentage share of total tax levy	113,221,140	32,259,819		Change from Single Rate	(650)	(1,332)	89,750	1,292,400
Rate Change from single	77.8254%	22.1746%						
	-0.74	3.59						

Percent change	-6.19%	30.02%						
Residential Factor at 130% CIP shift ratio	93.83%	130.00%						
	Residential (RO)	Commercial (CIP)	Tax Shift by Class	Assessment	Avg Single Family	Single Family	Office Bldg	Mall
Split Tax Rate per thousand - 140%	10.98	16.74	40.00%	140% Tax Rate	877,913	1,800,000	25,000,000	360,000,000
100% Levy by class	120,665,713	24,815,246			10.98	10.98	16.74	16.74
40% shift - residential to CIP	(9,926,098)	9,926,098						
140% Levy by class - without Small Commercial Exemption	110,739,615	34,741,344	9,926,098					
				Tax	9,639	19,764	418,500	6,026,400
Percentage share of total tax levy	76.1197%	23.8803%		Change from Single				
Rate Change from single	-0.98	4.78		Rate	(860)	(1,764)	119,500	1,720,800
Percent change	-8.19%	39.97%						
Residential Factor at 140% CIP shift ratio	91.77%	140.00%						
	Residential (RO)	Commercial (CIP)	Tax Shift by Class	Assessment	Avg Single Family	Single Family	Office Bldg	Mall
Split Tax Rate per thousand - 150%	10.73	17.94	50.00%	150% Tax Rate	877,913	1,800,000	25,000,000	360,000,000
100% Levy by class	120,665,713	24,815,246			10.73	10.73	17.94	17.94
50% shift - residential to CIP	(12,407,623)	12,407,623						
150% Levy by class - without Small Commercial Exemption	108,258,090	37,222,868	12,407,623					
				Tax	9,420	19,314	448,500	6,458,400
Percentage share of total tax levy	74.4139%	25.5861%		Change from Single				
Rate Change from single	-1.23	5.98		Rate	(1,080)	(2,214)	149,500	2,152,800
Percent change	-10.28%	50.00%						
Residential Factor at 150% CIP shift ratio - Minimum Residential Factor	89.7174%	150.00%						