Public Benefit of Broadband Improvement
Calculation of Property Value Increases
Why would property values be increased with improved broadband?

• More desirable purchase
  • The Town can attract younger residents
    • Those whose lives are ones of online social connectedness
  • Attract new businesses
    • Businesses increasingly have online aspects, which, to be satisfied, need broadband
  • Business effectiveness/efficiencies increase
    • “Cloud Computing”; Software As A Service (SaaS) – using or offering; Conducting transactions, ...

• More liquidity in real estate
  • While our town is naturally beautiful, lack of connectedness causes properties to sit longer on the market
How much might property values increase?

• Depends on the potential bandwidth available
• More is better, up to a point

Ref:

<table>
<thead>
<tr>
<th>Currently, if my property is limited to:</th>
<th>With 100Mbps the value would increase by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 20Mbps</td>
<td>+ 3.3%</td>
</tr>
<tr>
<td>25 – 45Mbps</td>
<td>+ 1.4%</td>
</tr>
<tr>
<td>50 - &lt;100Mbps</td>
<td>+ 0.7%</td>
</tr>
<tr>
<td>=+100Mbps</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Harrisville’s Aggregate Value Increase due to Broadband:

$3,945,786
How was the figure $3,945,786 calculated?

1. Find the average value of a property in Harrisville \( (V_{avg}) \)
2. Count the number of properties in each bandwidth category (Cat1..Cat4)
3. Multiply the number of properties in each bandwidth category by the average property value and then by the \% increase for that category
   - This generates the value of the property value increases for that category
4. Finally, sum across the categories

This is how it was calculated – Details follow
1. Find the average value of a property in Harrisville

![Diagram showing calculation of average property value]

- Value* of residential and business properties: $210,706,831
- Number of residential and business properties: 965
- Average: $218,349

* This used the assessed value, not the value at sale. Therefore this metric underestimates the actual value, thus can be viewed as a very conservative measure.
2. Find the number of properties in each bandwidth category

- $N_{\text{Cat1}} (0 - 20\,\text{Mbps}) : \quad 383$
- $N_{\text{Cat2}} (25 - 45\,\text{Mbps}) : \quad 319$
- $N_{\text{Cat3}} (50 - <100\,\text{Mbps}) : \quad 138$
- $N_{\text{Cat4}} (=+100\,\text{Mbps}) : \quad 0$

Ref: Consolidated Communications response to our RFI
3. & 4. Multiply the number of properties in each bandwidth category by the average property value and then by the % increase of that category; finally, sum across the categories

\[
\text{Harrisville BBValue} = \sum_{k=1}^{4} (\text{NCat}_k \times V_{\text{avg}} \times \text{IncCat}_k)
\]

$3,945,786

As stated earlier, this can be considered a minimal estimate of the actual benefit.
Will my taxes increase because of the increased property values?

It’s a Balance
Will my taxes increase because of the increased property values?

It’s a Balance

- **Town Budget Needs**: Budgetary needs stay the same
- **Tax Rate**: Decreases
- **Tax Base Increases**: Town Tax Base

It's a balance between the budgetary needs and the tax base, with the tax rate acting as a balance point.