

EXHIBIT 8

REVISED

Fiscal Impact Assessment of the Powell Property

On Garnet Valley School District

Chester Heights Borough – Delaware County, PA

Submitted by:



Thomas Comitta Associates, Inc.

Town Planners & Landscape Architects

November 19, 2020; Further Updated November 24, 2020; REVISED January 5, 2021



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Overview of Previous Fiscal Impact Assessment Reports

In the fall of 2019, TCA produced a Fiscal Impact Assessment of the Powell Property on the Garnet Valley School District (GVSD). That original report dated April 17, 2019 focused on the Proposed Development of 52 carriage homes and concluded that it could generate 15 school aged children and a projected net annual revenue to the GVSD of \$232,987.36. That assessment was updated on March 25, 2020 to include an examination of a by-right development of 23 single-family detached dwellings. This update concluded that the by-right plan could generate an estimated 25 school aged children would result in an annual net loss of \$203,536.76. Both previous assessments utilized industry standard multipliers from the Montgomery County, Pennsylvania Planning Commission to calculate the number of school aged children projected to live in the Proposed Development. In spring 2020, the Borough Council requested that these multipliers be better customized to local data. This current report reflects the use of multipliers received directly from GVSD.

Fiscal Impact Assessment using GVSD-Specific Data

A fiscal impact assessment is a tool that compares local government and/or school district costs against local government and school district revenues associated with development projects. The fiscal impact assessment focuses on projections of future revenues, costs, population levels, and numbers of public school-age children as a result of the new development. The assessment results can help the community better understand and evaluate the impact of a particular development to the municipality or school district.

1. School Aged Children (SAC)

The first step in calculating the potential fiscal impact of the Proposed Development to the GVSD is to estimate the number of school aged children (SAC) who would live in the development.

According to the GVSD Business Office, a 2019 District Enrollment Study estimated the following factors were used to project school aged children in the district:

- 0.36 SAC per 3-4 bedroom townhouse/attached unit; and
- 0.75 SAC per 3-4 bedroom single family detached dwelling.



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As shown in Table 1 below, the projected school aged children for both the Proposed Development and a By-right Plan are nearly identical.

Table 1. School Aged Children

# Units	SAC Multiplier ^{1,4,5}	Estimated School Aged Children ^{2, 3}
52 Attached Units	0.36	19
23 Single Family Detached Units	0.75	18

Notes:

1. Source: Garnet Valley School District 2019 Demographic Study
2. Numbers are rounded to the greater whole number.
3. While according to 2017 American Community Survey data, Chester Heights Borough has approximately 9% of students who attend private school (and thus do not increase expenses for GVSD), we assume that all students will attend GVSD.
4. **As of the 20-21 school year, there are 33 school aged children living in the 61 occupied townhomes at Brookefield at Chester Heights, resulting in a multiplier of 0.54 for this particular development. While this is higher than the district average for townhomes, these children were already been accounted for in the 2019 demographic study. In addition, the SAC in one development does not mean that the Proposed Development will also produce a higher-than-average number of school aged children.**
5. Council asked if the 0.36 multiplier was based on all townhouses in the district, including 55+ communities. Based on information received from GVSD, townhouses found in 55+ communities are included in the calculation, except where part of a continuing care retirement community, such as Maris Grove.
6. Neighboring Rose Tree Media School District conducted a demographic study in 2016. For purposes of comparison, RTMSD uses a factor of 0.20 for determining the average number of school aged children found in a townhouse. This number is significantly lower than the 0.36 used by GVSD.



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2. Fiscal Impact Analysis of GVSD for the Proposed Development

The following 4 steps are used to determine the Fiscal Impact of a development on a school district:

- A. Estimate market and assessment values;
- B. Estimate cost incurred by GVSD to educate potential students from the Proposed Development;
- C. Estimate revenues generated by the Proposed Development benefitting GVSD; and
- D. Calculate the net impact on the GVSD.

A. Estimated Market and Assessed Values

The Proposed Development includes 16 duplex carriage units (8 groups of 2 units) and 36 triplex carriage units (12 groups of 3 units) for a total of 52 dwelling units. All units are proposed to have 3 bedrooms.

The market values are estimated to range between \$525,000 and \$600,000. In order to calculate an estimated assessed value, the Common Level Ratio for Delaware County is used. The Common Level Ratio factor for Delaware County as of July 1, 2018 is 1.72. The reciprocal of this number (i.e., 58.14%) is used to convert market value to assessed value.

Table 2. Estimated Market and Assessment Values for Proposed Development¹

# Units	Estimated Market Value	Estimated Assessment Value per Unit	Total Assessment Value
16 Duplex Units	\$575,000.00 per unit	\$334,305.00	\$5,348,880.00
36 Triplex Units	\$525,000.00 per unit	\$305,235.00	\$10,988,460.00
Total¹	\$28,100,000.00		\$16,337,340.00

Notes:

- 1. We recognize that the Common Level Ratio for 2020 is 56.4% and that for 2021 the assessment will equal the fair market value (and thus no common level ratio will be needed) due to the County’s reassessment. However, in order to maintain consistency between the reports and the ability to compare “apples to apples,” this update continues



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to use the 2018 factor. In addition, it should be noted that the reassessment is intended to be revenue neutral for all taxing entities, including GVSD, and so the millage rate will be adjusted accordingly.

B. Estimated costs incurred by GVSD to educate potential students from the Proposed Development

According to the PA Department of Education, GVSD expenditures for the 2016-2017 school year equaled \$99,243,049.92.¹ Based on enrollment for that same year of 4,774 students, the per child cost was \$20,788.24.

We estimate that there will be approximately 19 new students in the Proposed Development. By applying the cost per student to these new students, the estimated cost to GVSD to educate these students is approximately \$394,976.56 per year.

C. Estimated revenues generated for GVSD by the Proposed Development

In the GVSD Budget for 2016-2017, real estate property taxes comprise over 82% of all revenues. Other local sources of revenue to the School District include the real estate transfer tax.

Real Estate Property Tax Revenues

The primary revenue source for GVSD revenue is the real estate tax. The tax rate in 2020 for GVSD was 32.4876 mills. Applying this to the estimated assessed value of the Proposed Development of \$16,337,340.00 results in annual tax revenue of \$530,760.96.

$$(\$16,337,340.00/1,000) \times 32.4876 = \$530,760.96$$

Real Estate Transfer Tax

The local real estate transfer tax of 1% is split equally between the municipality and school district. Assuming that a residential property is sold once every ten years, we estimate .05%

¹ www.futurereadypa.org



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of the current sales price for each unit and annualize it over the ten-year period to estimate a per year revenue to the school district.

Thus the total market value of \$28,100,000 is multiplied by .005 and divided over 10 years results in an additional \$14,050 per year of income for GVSD.

$$(\$28,100,000 \times .005)/10 = \$14,050$$

Table 3. Revenues generated by the Proposed Development for GVSD

Source	Amount
Property Tax	\$530,760.96
Real Estate Transfer Tax	\$14,050.00
Total Revenues	\$544,810.96

D. Calculated Net Impact of the Proposed Development on GVSD

Table 4. Net Fiscal Impact of the Proposed Development on GVSD

Revenue	\$544,810.96
Expenses	\$394,976.56
Net Impact	\$149,834.40

Summary of Net Impact: The Proposed Development of 52 carriage homes generates an estimated \$150,000 annual revenue increase to the GVSD.

3. Fiscal Impact Analysis of GVSD for the By-Right Plan

A. Estimated Market and Assessed Values

Table 5 illustrates the estimated market and assessed values of a by-right plan comprised of 23 4-bedroom single family detached dwellings.



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Table 5. Estimated Market and Assessment Value of the By-Right Plan¹

# Units	Estimated Market Value	Estimated Assessment Value per Unit	Total Assessment Value ¹
4 Bedroom Units (23)	\$705,000.00 per unit	\$412,280.70	\$9,482,456.14
Total ¹	\$16,215,000		\$9,482,456.14

Notes:

1. We recognize that the Common Level Ratio for 2020 is 56.4% and that for 2021 the assessment will equal the fair market value (and thus no common level ratio will be needed), due to the County’s reassessment. However, in order to maintain consistency between the reports and the ability to compare “apples to apples,” this update continues to use the 2018 factor. In addition, it should be noted that the reassessment is intended to be revenue neutral for all taxing entities, including GVSD, and so the millage rate will be adjusted accordingly.

B. Estimated costs incurred by GVSD to educate potential students from the By-right Plan

According to the PA Department of Education, GVSD expenditures for the 2016-2017 school year equaled \$99,243,049.92.² Based on enrollment for that same year of 4,774 students, the **per child cost was \$20,788.24.**

We estimate that there will be approximately **18** new students in the Proposed Development. By applying the cost per student to these new students, the estimated cost to GVSD to educate these students is **\$374,188.32 per year.**

C. Revenue

Property Tax Revenue

The primary revenue source for GVSD revenue is the real estate tax. The current tax rate for GVSD is 32.4876 mills. Applying this to the total estimated assessed value of the By-Right plan of \$9,482,456.14 results in an annual tax revenue estimate of \$308,062.24.

² www.futurereadypa.org



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$$(\$9,482,456.14/1,000) \times 32.4876 = \$308,062.24$$

Real Estate Transfer Tax

The local real estate transfer tax of 1% is split equally between the municipality and school district. Assuming that a residential property is sold once every ten years, we estimate .05% of the current sales price for each unit and annualize it over the ten-year period to estimate a per year revenue to the school district.

Thus the total market value of \$16,215,000.00 is multiplied by .005 and divided over 10 years results in an additional \$8,107.00 per year of income for GVSD.

$$(\$16,215,000.00 \times .005)/10 = \$8,107.00$$

Projected Total Annual Revenue

$$\begin{aligned} \text{Property Tax Revenue} + \text{Real Estate Transfer Tax Revenue} &= \text{Total Revenue} \\ \$308,062.24 + \$8,107.00 &= \$316,169.24 \end{aligned}$$

D. Projected Net Impact on GVSD

Table 6. Net Fiscal Impact of the By-Right Plan on GVSD

Revenue	\$316,169.24
Expenses	\$374,188.32
Net Impact	(\$58,019.08)

Summary of Net Impact: The By-Right Plan of 23 single-family detached dwellings generates an estimated \$60,000 annual loss to the GVSD.

4. Conclusion

This report has taken a simplified approach to estimating the fiscal impact of both the Proposed Development and the By-Right Plan on GVSD. The estimate is as follows:

- There could be an estimated:
 - 19 school aged children residing in the Proposed Development or



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- 18 school aged children residing in the By-Right Plan.
- While it is not anticipated that all children will attend GVSD, all children have been accounted for as a part of this analysis.
- The net impact of the proposed carriage home development is estimated to be a positive \$149,834 per year to the GVSD.
- The net impact of the by-right plan with single-family detached dwellings is an estimated \$60,000 annual loss to the GVSD.



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