

EXHIBIT \_\_\_\_\_

**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



THOMAS COMMITTA ASSOCIATES, INC.  
Town Planners & Landscape Architects

**Fiscal Impact Assessment of the Proposed Development on Garnet Valley School District**  
Chester Heights Borough – Delaware County, PA

April 17, 2019

April 17, 2019; **Updated March 24, 2020**



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**Introduction**

The application for the Powell Property, located at the southwest corner of Valleybrook Road and Smithbridge Road, consists of 52 carriage units configured in an open space design (the Proposed Development). The Powell Estate has requested Thomas Comitta Associates, Inc. to prepare a report regarding the fiscal impact of the Proposed Development on Garnet Valley School District (GVSD). This report is intended to address this inquiry.

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.

In accordance with a study conducted by the Montgomery County Pennsylvania Planning Commission<sup>1</sup> and based upon 2000 Census data, the following table depicts the number of SAC estimated to live in different dwelling unit types. To estimate the total number of SAC, we multiply these factors by the number of units proposed as part of the Proposed Development. There are an estimated **15** school aged children could reside in the Proposed Development.

Therefore:

1. The Proposed Development consists of 52 attached carriage units.
2. By multiplying 0.28 by 52 attached units, we estimate that an additional 15 school aged children would attend GVSD.

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<sup>1</sup> *Characteristics of Population in New Housing*, Montgomery County, PA Planning Commission (2005).



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Table 1. School Aged Children

# Units	SAC Multiplier <sup>1</sup>	Estimated School Aged Children <sup>2</sup>
<b>52 Attached Units</b>	0.28	15
<b>Total<sup>3</sup></b>		15

Notes:

1. Source: *Characteristics of Population in New Housing, Montgomery County, PA Planning Commission (2005)*.
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.

**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.



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*Table 2. Estimated Market and Assessment Values for Proposed Development*

# Units	Estimated Market Value	Estimated Assessment Value per Unit	Total Assessment Value <sup>1</sup>
<b>16 Duplex Units</b>	\$575,000.00 per unit	\$334,305.00	\$5,348,880.00
<b>36 Triplex Units</b>	\$525,000.00 per unit	\$305,235.00	\$10,988,460.00
<b>Total<sup>1</sup></b>	<b>\$28,100,000.00</b>		<b>\$16,337,340.00</b>

Notes:

1. The assessed value is only an estimate and has not been reviewed with the Delaware County Assessment Office, who will determine the official assessment upon project completion.

**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.<sup>2</sup> 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 15 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 \$311,823.60 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, and other minor sources.

<sup>2</sup> [www.futurereadypa.org](http://www.futurereadypa.org)



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Real Estate Property Tax Revenues

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 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% 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*

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

**D. Calculated Net Impact on GVSD**

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

Revenue	\$544,810.96
Expenses	\$311,823.60
<b>Net Impact</b>	<b>\$232,987.36</b>



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**Conclusion**

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

- There could be an estimated 15 school aged children residing in the Proposed Development. While it is not anticipated that all children will attend GVSD, all 15 have been accounted for as part of this analysis.
- The Proposed Development would generate an estimated \$544,810.96 in revenue for GVSD, including both real estate taxes and real estate transfer taxes.
- The total cost to educate 15 children is estimated to be \$311,823.60.
- The net impact of the Proposed Development is estimated to be a positive \$232,987.36 per year to the GVSD.



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**Appendix A: Projections for a By-Right Plan**

**Introduction**

As an alternative, the applicant has submitted a potential By-Right plan for the Powell Property that consists of 23 single-family detached dwellings in lieu of the carriage units. As part of the assessment of this alternate plan, TCA has added this appendix to discuss how this might impact the total school aged children and fiscal impact to Garnet Valley School District.

**1. School Aged Children (SAC)**

In accordance with a study conducted by the Montgomery County (PA) Planning Commission and based upon 2000 Census data, there are 0.83 school aged children per single family detached dwelling. To estimate the total number of SAC, we multiply these factors by the number of units proposed as part of the By-Right plan. Based upon the MCPC numbers, there could be an estimated 19 school-aged children in the Proposed Development.

However, a similar study from Rutgers University that is similarly calibrated for Pennsylvania based on the 2000 Census, but also considers the number of bedrooms should also be examined. The multiplier for a 3-bedroom single family detached dwelling is 0.64 and that for 4-bedroom dwellings is 1.06. If we assume that all of the units in the By-Right plan would be 4-bedroom, the estimate for new school-aged children is 25 students.<sup>3</sup>

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

<sup>3</sup> In previous communications with the GVSD, Christopher Wilson, Director of Business and Support Services, has stated that the District's growth has historically outpaced these models. Apartments in particular had a higher than typical number of students, therefore we would assume the same for single family detached dwellings and that the 25 students here is a conservative estimate.





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

**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.<sup>4</sup> Based on enrollment for that same year of 4,774 students, the per child cost was \$20,788.24.

BWe estimate that there will be approximately **25** 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 **\$519,706.00 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.

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

**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.

<sup>4</sup> [www.futurereadypa.org](http://www.futurereadypa.org)



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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

Property Tax Revenue + Real Estate Transfer Tax Revenue = Total Revenue  
\$308,062.24 + \$8,107.00 = \$316,169.24

**D. Projected Net Impact on GVSD**

*Table 4. Net Fiscal Impact of the By-Right Plan on GVSD*

<b>Revenue</b>	<b>\$316,169.24</b>
<b>Expenses</b>	<b>\$519,706.00</b>
<b>Net Impact</b>	<b>(\$203,536.76)</b>

**E. Conclusion**

The proposed By-Right Plan could potentially increase the number of school aged children over the original plan by 10 children, assuming 4-bedroom units.

The decrease in the number of units combined with the increase in school aged children means that the By-Right plan results in decreased revenue to Garnet Valley School District and an annual net loss of \$203,536.76 from the development.

The proposed carriage unit plan resulted in an annual surplus revenue of \$232,987.36 to GVSD.