ANALYSIS OF THE FISCAL IMPACT TO EAST WHITELAND TOWNSHIP, THE GREAT VALLEY SCHOOL DISTRICT, AND CHESTER COUNTY OF THE PROPOSED MALIN ROAD DEVELOPMENT

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Fiscal Impact Analysis

Malin Road Development, East Whiteland Township, Chester County

April 23, 2014

This report examines the fiscal impact to East Whiteland Township, the Great Valley School District, and Chester County of the Malin Road development proposed by O'Neill Properties Group and The Benson Companies. The report examines the fiscal impact to the Township, School District and County during any given year after the completion of the proposed development, based on current levels of revenue, expenditures, and taxation.

The proposed development scenario includes 305 townhomes of various sizes, as follows:

- 92 large townhomes, with three bedrooms each, to be sold for an average price of $350,000.
- 133 small townhomes, with three bedrooms each, to be sold for an average price of $320,000.
- 80 stacked townhomes, with two bedrooms each, to be sold for an average price of $280,000.

The table below shows the annual net fiscal impact (revenue minus expenditures) to the Township, School District and County of each dwelling type in the proposed development.

Proposed Dwelling Type	Number of Units	Annual Net Township Impact	Annual Net School District Impact	Annual Net County Impact	**Annual Net Combined Impact**	Annual Net Combined Impact per Unit
3 BR Large Townhomes	92	$42,008	$78,707	$42,725	**$163,440**	$1,777
3 BR Small Townhomes	133	$52,831	$64,673	$51,766	**$169,269**	$1,273
2 BR Stacked Townhomes	80	$31,394	$196,794	$32,097	**$260,285**	$3,254
Total	**305**	**$126,233**	**$340,174**	**$126,588**	**$592,995**	$1,944

The annual net fiscal impact of the residential element of the proposed development is projected to be favorable for East Whiteland Township, the Great Valley School District and Chester County. **The net combined fiscal impact of the proposed development is projected to total positive (or surplus) $592,995 per year. The combined revenue is projected to exceed the combined expenditures by 50.2 percent per year.**

In addition to the annual surpluses shown in the table above, the proposed development will result in $485,800 each to the Township and School District over the buildout period in real estate transfer tax revenue from the initial sales of the units from the developer to the first time home buyers.

There are two primary reasons for these projections:

- The value of the units in the proposed development is higher than that of other, similarly sized units in the Township, resulting in proportionally higher revenue in several categories: real estate tax (especially for the School District and County), real estate transfer tax (especially for the Township and School District), and earned income tax (especially for the Township).

- The size of the townhome units is smaller compared to that of single family detached dwellings (the predominant dwelling type in the Township), resulting in lower demographics (fewer persons and fewer public school students), and therefore lower expenditures to the Township, School District and County.

The combination of higher revenue and lower expenditures results in net surpluses to the Township, School District and County for all three proposed dwelling types.

The report is in three sections, and is keyed to the accompanying spreadsheets, one each for the Township, School District and County. These spreadsheets show the total impact for the proposed development for each of the expenditure and revenue categories. Cell addresses in the text refer to the three spreadsheets that accompany the report.

Assessments and Demographics

The market value of the proposed townhomes is projected to average $350,000 for the large townhomes, $320,000 for the small townhomes, and $280,000 for the stacked townhomes (cells C6-C8). The market value of the proposed development is projected to total $97,160,000 (cells D6-D9). The market value is translated into assessed value by multiplying by the most recent Chester County common level ratio of 60.2 percent (cell D27), from the Pennsylvania State Tax Equalization Board. The assessed value of the proposed development at buildout is projected to total $58,490,320 (cells E6-E9). This figure represents approximately 3.9 percent of the total assessed value of existing development in the Township.

Please note that the Assessors Office can not guarantee the assessments of any proposed development until it is built and inspected. Therefore, these assessment figures represent a range which may vary up to about 10 percent when the property is ultimately assessed.

The number of persons per unit is projected to be 2.22 for all three bedroom units and 1.76 for all two bedroom units (cells F6-F8). These figures are from *Residential Demographic Multipliers – Estimates of the Occupants of New Housing*, by Robert W. Burchell, David Listokin, and William Dolphin of the Rutgers University Center for Urban Policy Research (CUPR), published in June, 2006 (available at http://www.dataplace.org). These multipliers are based on the U.S. Bureau of the Census 2000 Public Use Microdata Sample. The Rutgers CUPR examined housing built between 1990 and 2000 specifically in Pennsylvania, and determined the demographic multipliers for a variety of dwelling types (detached, attached, multifamily, etc.), size (in number of bedrooms), tenure (ownership versus rental), and value or monthly rent. The number of persons projected to reside in the proposed development is determined by multiplying the number of units (totaling 305, cells B6-B8) by the number of persons per unit for each dwelling type (cells F6-F8). The number of persons projected to reside in the proposed development at buildout and full occupancy totals 640 (cells G6-G9).

The number of school age children per unit is projected to be 0.21 for all three bedroom units and 0.06 for all two bedroom units (cells F40-F42 of the School District spreadsheet). These demographic multipliers are also from the Rutgers CUPR study. The number of public school students is determined by multiplying the number of units (totaling 305, cells B40-B42) by the number of school age children per unit in each category, and by the percentage of school age children in East Whiteland Township attending public schools, according to the 2010 Census (86.5 percent, cell D62). The number of GVSD students projected to reside in the proposed development at buildout and full occupancy totals 45 (cells G40-G43). The 45 GVSD students are projected to be distributed evenly throughout all 13 grades in the public school system.

Annual Township Expenditures

Annual Township expenditures are determined using the per capita multiplier method, by multiplying the projected number of residents in the proposed development (totaling 640, cells G6-G9) by the existing Township per capita General Fund expenditure of $171.02 (cell D32). The per capita General Fund expenditure is determined by estimating the proportion of existing Township expenditures applied to existing Township residential development, and dividing by the existing Township population.

The total Township budgeted General Fund expenditures in 2014 are $10,094,486 (cell D28). Pass-through funds are subtracted from this total in order to find a more accurate measure of the average annual expenditures for future residents of the proposed development. Pass-through funds are excluded because the proposed development will have no net impact on these funds, since revenue always equals expenditures. Pass-through funds that are excluded are as follows, shown here with their respective sums in the Township's 2014 budget:

Pass-Through Fund	Budgeted Amount
Rent Park House	$12,000
Public Utility Realty Tax	$8,383
PA Alcoholic Beverage License	$3,200
PA Act 205 Pension Aid	$291,326
PA State Recycling/Hazardous Waste Grant	$1,725
Foreign Fire Insurance	$106,000
Police Department Grants	$15,000
County and State Grants	$50,000
Contracted Police Services	$144,000
Contracted Fire Services	$7,000
Engineering Services Reimbursed	$100,000
Inspection Services Fees Reimbursed	$50,000
Extra Duty Details Police	$44,000
Park Permit Fees	$15,000
Summer Recreation Program Fees	$16,780
Sale of Discount Tickets	$18,000
Reimbursement of Park House Utilities	$5,950
State Liquid Fuels Fund	$236,300
Total	$1,124,664

Please note that just as the expenditures for the above pass-through funds are not included in the per capita expenditure calculations of this section, the revenue from these sources is also not included in the revenue analysis, below.

Another pass-through category is charges related to the processing and administration of proposed subdivisions and land developments in the Township, shown in the table below with their respective sums in the Township's 2014 budget. Such charges for services and departmental earnings are excluded because they are in essence one-time pass-through funds for specific functions normally associated with new development. Once a development is completed, the revenue and expenditures for such things as permits and application fees decreases significantly. Only 90 percent of the development related funds is excluded from the expenditure analysis, in acknowledgment that there will still be some expenditures on buildings once they are complete, for things such as building additions, inspections for violations, ongoing use and occupancy permits, etc. Please note that in the revenue analysis, below, only 10 percent of the revenue from development related funds is included.

Development Related Fund	Budgeted Amount
Subdivision and Land Dev. Fees & Permits	$9,000
Hearing Fees, Zoning & Conditional Use	$20,000
Sale of Maps and Ordinances	$500
Certificates of Occupancy	$10,000
Erosion Control Permits	$3,500
Building, Sign, Floodplain Permits	$1,400,000
Electrical Permits	$300,000
Plumbing Permits	$75,000
Highway Occupancy Permits	$3,000
Mechanical Permits	$200,000
UCC Fee	$2,200
Inspection OT Fee	$19,500
Total	$2,042,700
90% of Development Related Expenditures	$1,838,430

The pass-through funds and excluded development related funds total $2,963,094 (cell D29). The 2014 Township General Fund expenditures minus the pass-through funds and development related expenditures total $7,131,752 (cell D30).

Then, the Township expenditures associated with existing nonresidential development are subtracted from the net General Fund expenditures using the "proportional valuation method" of *The New Practitioner's Guide to Fiscal Impact Analysis*. First, a portion of the total Township expenditures is assigned to existing nonresidential development, based on the average value of property. According to the Chester County Board of Assessment as of April 18, 2014, the total assessed value of the 3,765 properties in East Whiteland Township is $1,494,672,978, yielding an average assessed value of $396,991. Of those properties, 553 are nonresidential (commercial, industrial, institutional, utility, etc., whether taxable or exempt), with a total assessed value of $883,004,711 (representing 59.1 percent of the Township total), and an average assessed value of $1,596,754. The proportion of average nonresidential assessed value to average Township assessed value (residential and nonresidential combined) is 4.02, which is then used to determine the refinement coefficient of 1.26 from a graph in the *New Practitioner's Guide to Fiscal Impact Analysis*, also by Robert W. Burchell, David Listokin, and William Dolphin of the Rutgers University Center for Urban Policy Research (1985). The refinement coefficient is based on empirical research by the Rutgers University CUPR, and is necessary to adjust the costs of existing nonresidential development in communities without extensive nonresidential development of very high average assessed value, such as East Whiteland Township. By comparison, in communities where the ratio between the average nonresidential assessment and the average overall assessment is above 6, an economy of scale reduces the nonresidential expenditures on a per square foot basis, and the refinement coefficient is below 1.00.

The proportion of Township assessed value in nonresidential uses (59.1 percent) is then multiplied by the refinement coefficient of 1.26, and by the 2014 net Township General Fund expenditures ($7,131,752, cell D30). The result of this calculation is that $5,308,644 of the net Township General Fund expenditures (representing 74.4 percent) is attributable to existing nonresidential development (cell D31). This sum is subtracted from the net Township General Fund expenditures ($7,131,752, cell D30), and the remainder (expenditures attributable to existing residential development) is divided by the estimated number of Township residents in 2014, which is 10,660 (cell I27). The 2014 per capita Township General Fund expenditures attributable to existing residential development are $171.02 (cell D32). This figure is then applied to the projected number of residents of the proposed development at buildout and full occupancy (totaling 640, G6-G9) to find the annual projected Township General Fund expenditures of $109,506 (cells H6-H9). The annual Township General Fund expenditure per unit is projected to be $380 for all three bedroom units, $301 for all two bedroom units, and $359 overall (cells I6-I9).

The 2014 Township population is estimated from the 2012 U.S. Census Bureau estimate of 10,655 plus two years' worth of additional population growth between 2010 and 2012 (5 persons over those two years), for a total of 10,660 (cell I27).

Annual Township Revenue

<u>Real Estate Tax</u> (cells B14-B17)

The real estate tax revenue is determined by applying the Township's real estate tax millage of 0.445 (cell I29) to the projected assessed value of the proposed development (totaling $58,490,320, cells E6-E9). The annual real estate tax revenue is projected to total $26,028.

<u>Earned Income Tax</u> (cells C14-C17)

The earned income tax revenue is determined by applying the rate of 0.5 percent to the projected earned income of the residents. Earned income is determined by calculating the minimum annual household income needed to afford the annual housing costs, according to Fannie Mae criteria (maximum 28 percent of annual household income used for housing costs). The housing costs include the mortgage (90 percent of the unit sales price at a 4.26 percent mortgage rate, the average rate for the northeastern United States, according to the April 17, 2014 Freddie Mac web site's Primary Mortgage Market Survey), homeowners association fees, insurance, and real estate taxes (totaling 24.198 mills for the Township, School District and County). The unit prices, monthly mortgage, monthly HOA fee, monthly insurance, monthly real estate taxes, total annual housing costs and minimum annual household income are all shown in the table below.

Housing Costs and Minimum Income	Large Townhomes	Small Townhomes	Stacked Townhomes
Unit Price	$350,000	$320,000	$280,000
Monthly Mortgage	$1,551	$1,418	$1,241
Monthly HOA Fee	$100	$100	$80
Monthly Insurance	$80	$80	$80
Monthly Real Estate Taxes	$425	$388	$340
Total Annual Housing Costs	$25,876	$23,843	$20,893
Minimum Annual Household Income	$92,414	$85,154	$74,617

The minimum annual household income for each dwelling type is then multiplied by the number of units (totaling 305, cells B6-B9) and by the Township's earned income tax rate of 0.5 percent. The annual earned income tax revenue is projected to total $128,985. Please note that this one revenue source exceeds the annual Township expenditures of $109,506 (cells H6-H9) by nearly 18 percent. Also, please note that these are the minimum levels of annual income necessary to cover the housing costs, given the projected prices of the homes and the current tax and mortgage rates. Most households will have higher income levels, which will result in higher earned income tax revenue to the Township.

Real Estate Transfer Tax (cells D14-D17)

The real estate transfer tax revenue from the proposed development is determined by multiplying the market value of the units (cells C6-C8) by the annual housing turnover rate for townhomes of 10.0 percent (cell I29), and by the Township's tax rate of 0.5 percent of market value. The annual real estate transfer tax revenue is projected to total $48,580 (cell D11). Please note that this annual revenue figure does not include the one-time real estate transfer tax revenue from the initial sales of the units over the buildout period, projected to total $485,800 (cell A33).

Cable TV & Miscellaneous Revenue (cells E14-E17)

The cable TV and miscellaneous revenue is determined by adding 10 percent of the $2,042,700 for development related funds (or $204,270; see expenditure analysis, above), and the cable television franchise fee of $196,800, for a total of $401,070. This sum is divided by the current number of housing units in the Township (estimated at 3,826, cell I30), and that average per unit revenue ($104.82, cell I31) is then multiplied by the number of units in the proposed development (totaling 305, cells B6-B9). The annual cable TV and miscellaneous revenue is projected to total $31,970.

The 2014 Township housing units are estimated from the 2010 U.S. Census Bureau figure of 3,813, plus the units built in 2010-2012 (totaling 8, according to the Chester County Planning Commission's Data Sheets on New Housing Units for those years), plus two years' worth of the average annual increase during those years (for an additional 5 units), for a 2014 total of 3,826 (cell I30).

Interest Earnings (cells F14-F17)

The interest earnings are determined by dividing the total assessment of the proposed development (totaling $58,490,320, cells E6-E9,) by the total Township assessment of $1,494,672,978, and multiplying that quotient by the sum the Township budgeted for interest earnings in 2014 ($4,500). The annual interest earnings are projected to total $176.

Total Township Revenue (cells G14-G17)

The annual Township revenue from the proposed development is projected to total $235,739. The annual revenue per unit is projected to be $836 for the large townhomes, $777 for the small townhomes, $693 for the stacked townhomes, and $773 overall (cells H14-H17).

Annual Net Township Revenue (cells B21-B24)

After subtracting the expenditures from the revenue, the annual net revenue to the Township is projected to total positive $126,233. The annual net revenue per unit is projected to be positive $457 for the large townhomes, positive $397 for the small townhomes, positive $392 for the stacked townhomes, and positive $414 overall (cells C21-C24).

Annual revenue is projected to exceed annual expenditures by 120.3 percent for the large townhomes, 104.6 percent for the small townhomes, 130.4 percent for the stacked townhomes, and 115.3 percent overall (cells D21-D24).

The revenue figures in this analysis do not include any revenue from the following sources, shown here with their respective sums in the 2014 Township General Fund budget:

Excluded Revenue	Budgeted Amount
Delinquent & Interim Real Estate Taxes	$8,000
Local Services Tax	$1,044,680
Motor Vehicle & Ordinance Violations	$160,000
Other Police & Fire Marshal Revenue	$23,300
Miscellaneous Revenue	$2,100
Sale of General Fixed Assets	$25,000
Total	$1,263,080

Annual School District Expenditures

The market value (totaling $97,160,000, cells D40-D43) and total assessment (totaling $58,490,320, cells E40-E43) are determined using the same method as was used for the Township impact, above.

The annual School District expenditures are determined by multiplying the number of GVSD students projected from the proposed development (totaling 45, cells G40-G43) by the 2013-2014 Great Valley School District per student expenditure of $20,158 (cell I62).

The total School District 2013-2014 General Fund budgeted expenditures are $80,700,000 (cell D63). Subtracted from this sum are the following: $265,000 in budgetary reserve (essentially funds not budgeted to be spent in the current fiscal year); and pass-through funds of $395,000 in revenue from intermediary sources, $225,000 in rentals, and $10,000 in tuition from patrons; for a total of $895,000 (cell D64). The 2013-2014 net GVSD General Fund expenditures are $79,805,000 (cell D65), which are then divided by the 2013-2014 GVSD total enrollment of 3,959 (cell I61), to determine the 2013-2014 School District per student expenditure of $20,158 (cell I62). The per student expenditure is applied to the number of GVSD students projected from the proposed development at buildout and full occupancy (totaling 45, cells G40-G43). The annual School District expenditures from the proposed development are projected to total $907,573 (cells H40-H43). The annual School District expenditure per unit is projected to be $3,662 for all three bedroom units, $1,046 for all two bedroom units, and $2,976 overall (cells I40-I43).

Annual School District Revenue

<u>Real Estate Tax</u> (cells B48-B51)

The real estate tax revenue is determined using the same method as was used for the Township impact, above, except that the School District's 2013-2014 tax millage rate of 19.59 (cell I63) is applied to the assessed value of the proposed development (totaling $58,490,320, cells E40-E43). The annual real estate tax revenue is projected to total $1,145,825. Please note that this one revenue source exceeds the annual School District expenditures of $907,573 (cells H40-H43) by more than 26 percent.

<u>Real Estate Transfer Tax</u> (cells C48-C51)

The real estate tax revenue is determined using the same method as was used for the Township impact, above. The annual real estate transfer tax revenue is projected to total $48,580. Again, please note that this annual revenue figure does not include the one-time real estate transfer tax revenue from the initial sales of the units over the buildout period, projected to total $485,800 (cell A66).

<u>State Revenue</u> (cells D48-D51)

The state revenue is determined by adding all of the School District's budgeted revenue of $2,363,777 from the State for items that will increase with enrollment (namely medical and dental payments, state share of retirement contributions, and social security payments, totaling $4,651,014), dividing by the 2013-2014 student enrollment of 3,959 (cell I61) for a per student revenue of $1,152 (cell I65), and applying that per student revenue to the projected number of GVSD students from the proposed development (totaling 45, cells G40-G43). The annual state revenue is projected to total $51,870.

<u>Interest Earnings</u> (cells E48-E51)

The interest earnings are determined by dividing the assessment of the proposed development (totaling $58,490,320 cells E40-E43,) by the total School District assessment of $3,378,032,635 (from the 2013-2014 budget), and multiplying that quotient by the sum the School District budgeted for interest earnings in 2013-2014 ($85,000). The annual interest earnings are projected to total $1,472.

<u>Total Revenue</u> (cells F48-F51)

The annual School District revenue at buildout is projected to total $1,247,747. The annual School District revenue per unit is projected to be $4,517 for the large townhomes, $4,148 for the small townhomes, $3,506 for the stacked townhomes, and $4,091 overall (cells G48-G51).

Annual Net School District Revenue (cells B55-B58)

The annual School District net revenue is projected to total positive $340,174. The annual School District net revenue per unit is projected to be positive $856 for the large townhomes, positive $486 for the small townhomes, positive $2,460 for the stacked townhomes, and positive $1,115 overall (cells C55-C58). Annual revenue is projected to exceed annual expenditures by 23.4 percent for the large townhomes, 13.3 percent for the small townhomes, 235.1 percent for the stacked townhomes, and 37.5 percent overall (cells D55-D58).

The revenue figures in this analysis do not include any revenue from the following sources, shown here with their respective sums in the 2014 School District General Fund budget:

Excluded Revenue	Budgeted Amount
Interim Real Estate Taxes	$450,000
Public Utility Realty Tax	$85,000
Delinquencies on Taxes Levied	$1,000,000
Revenues from District Activities	$372,000
Refunds and Miscellaneous Revenue	$80,000
Excluded State Revenue	$5,966,552
Federal Revenue	$358,500
Total	$8,312,052

Annual County Expenditures

The market value (totaling $97,160,000, cells D73-D76), total assessment (totaling $58,490,320, cells E73-E76), persons per unit (cells F73-F75) and number of persons (totaling 640, cells G73-G76) are all determined using the same method as was used for the Township impact, above.

Similar to the Township expenditures, above, the annual County expenditures are determined using the per capita multiplier method, by multiplying the number of future residents of the proposed development (totaling 640, cells G73-G76) by the County per capita operating expenditure of $256.04 (cell I95). The County per capita expenditure is derived by dividing the 2014 net County operating expenditures attributable to existing residential development by the 2014 estimated County population of 512,995 (cell I94).

The total County expenditures for 2014 are $522,750,992 (cell D95). These are for all expenditures in all funds, including general government (commissioners, finance, human resources, general services, public information, voter services, assessment office, treasurer, controller, solicitor, public defender, recorder of deeds, facilities management, information services, records services, and veterans affairs), judicial (courts administration, district justices, law library, clerk of courts, constables, coroner, district attorney, prothonotary, register of wills, sheriff, and domestic relations), public safety (emergency services and public safety communications), corrections (prison, adult and juvenile probation), public works (bridge program), human services (public health, community development, human services, mental health, managed behavioral care, aging, drug and alcohol, children and families, child care and Pocopson Home), culture and recreation (library and parks and recreation), conservation and development (planning, water resources, open space preservation and conservation district), debt service, miscellaneous, and capital expenditures.

The following sums are subtracted from the total expenditures: assuming a carryover from year to year, the appropriated fund balance of $9,220,468 is subtracted; the interfund transfers of $22,091,087 are also subtracted so as to avoid double counting these expenditures; and the Capital Investment Program funds of $92,929,096 are subtracted in order to focus on operating expenditures; for a total of $124,240,651 (cell D96).

Also subtracted are several expenditures that are largely unrelated to new development, including 100 percent of the Pocopson Home net expenditures (total expenditures minus departmental revenue, including revenue from the Federal and State governments) of $1,260,620, and 50 percent of the net expenditures for corrections of $31,965,712 (prison, adult and juvenile probation), judicial system of $27,209,876 (courts, district justices, district attorney, prothonotary, sheriff, domestic relations, etc.), and public defender of $3,829,611. These expenditures total $63,005,199, and 50 percent of that sum represents the excluded expenditures, or $31,502,600 for these categories. The 2014 non-development related expenditures total $32,763,220 (cell D97). Finally, the Federal and State pass-through grants totaling $174,019,008 are subtracted (cell D98). The 2014 net County General Fund operating expenditures total $191,728,114 (cell D99).

Then, the expenditures associated with existing nonresidential development are subtracted from the net expenditures using the Proportional Valuation Method of *The New Practitioner's Guide to Fiscal Impact Analysis*, similar to the Township impact, above. First, a portion of the total County expenditures is assigned to existing nonresidential development, based on the average value of property. The total assessed value of the 183,341 properties in Chester County is $37,977,502,625 as of March 16, 2006 (from the Board of Assessment), yielding an average assessed value of $207,141. Of those properties, 12,345 are nonresidential (commercial, industrial, institutional, utility, etc., whether taxable or exempt), with a total assessed value of $8,992,288,544 (representing 23.7 percent of the County total), and an average assessed value of $728,415. The proportion of average nonresidential assessed value to average County (residential and nonresidential combined) assessed value is 3.52, which is then used to determine the refinement coefficient of 1.33 from a graph on page 33 of the *Guide*. The refinement coefficient is based on empirical research by the Rutgers University Center for Urban Policy Research, and is necessary to adjust the cost of existing nonresidential development in communities without extensive nonresidential development of very high average assessed value, such as Chester County.

The percentage of nonresidential assessed value to total County assessed value (23.7 percent) is then multiplied by the refinement coefficient of 1.33, and by the 2014 net County operating expenditures ($191,728,114, cell D99). The result of this calculation is that $60,378,354 of the net County expenditures (representing 31.5 percent of the total) is attributable to existing nonresidential development (cell D100). This sum is subtracted from the 2014 net County expenditures, and the remainder (expenditures attributable to existing residential development) is divided by the estimated number of County residents in 2014 (512,995, cell I94) to find the per capita annual County operating expenditure attributable to existing residential development of $256.04 (cell I95). This figure is then multiplied by the projected number of persons residing in the proposed development upon buildout and full occupancy (totaling 640, cells G73-G76) to determine the projected annual County expenditures from the proposed development of $163,945 (cells H73-H76). The annual expenditures per unit are projected to be $568 for all three bedroom units, $451 for the two bedroom stacked units, and $538 overall (cells I73-I76).

The number of County residents in 2014 is estimated by adding the 2013 U.S. Census Bureau population estimate of 509,468 persons, plus one years' worth of additional population growth between 2010 and 2013 (10,582 persons during those three years, or 3,527 per year), for a total of 512,995 (cell I94).

Annual County Revenue

Real Estate Tax (cell B81-B84)

Chester County uses four different millage rates – for general fund, libraries, parks and recreation, and debt service – which total 4.163 mills (cell I96). The real estate tax is determined using the same method as for the Township, except that the County millage rate is applied to the total assessment of the proposed development (totaling $58,490,320, cells E73-E76). The annual real estate tax revenue is projected to total $243,495. Please note that this one revenue source exceeds the total annual County expenditures for the proposed development ($163,945, cells H73-H76) by nearly 50 percent.

Departmental Revenue (cells C81-C84)

Departmental revenue is from such sources as public safety communications, assessment office, recorder of deeds, community development, and public health. The 2014 County departmental revenue totals $55,998,671. Subtracted from this sum is the departmental revenue for the excluded funds, above (100 percent of the departmental revenue from the Pocopson Home and 50 percent of the departmental revenue from corrections, judicial system and public defender, totaling $30,409,240). The remaining net departmental revenue ($25,589,431) is divided by the County's estimated 2014 number of housing units of 198,470 (cell I97), yielding per unit departmental revenue of $128.93 (cell I98). This figure is multiplied by the number of units in the proposed development (totaling 305, cells B73-B76). The annual departmental revenue from the proposed development is projected to total $39,325.

Other Source Revenue (cell D81-D84)

Revenue from other sources includes emergency services, library, park and recreation, soil conservation, and interest. The 2014 County other source revenue totals $6,180,008. Subtracted from this sum is the other source revenue for the excluded funds, above (100 percent of the departmental revenue from the Pocopson Home and 50 percent of the departmental revenue from corrections, judicial system and public defender, totaling $490,819). The remaining net other source revenue ($5,689,189) is divided by the County's estimated 2014 population of 512,995 (cell I94), yielding per capita other source revenue of

$12.05 (cell I99). This figure is multiplied by the number of residents from the proposed development at buildout and full occupancy (totaling 640, cells G73-G76). The annual other source revenue from the proposed development is projected to total $7,714.

Total County Revenue (cells E81-E84)

The annual County revenue is projected to total $290,533. The annual County revenue per unit is projected to be $1,033 for the large townhomes, $958 for the small townhomes, $852 for the stacked townhomes, and $953 overall (cells F81-F84).

Annual Net County Revenue (cells B88-B91)

After subtracting the expenditures from the revenue, the annual net revenue to the County is projected to total positive $126,588. The annual net revenue per unit is projected to be positive $464 for the large townhomes, positive $389 for the small townhomes, positive $401 for the stacked townhomes, and positive $415 overall (cells C88-C91).

Annual revenue is projected to exceed annual expenditures by 81.7 percent for the large townhomes, 68.5 percent for the small townhomes, 89.0 percent for the stacked townhomes, and 77.2 percent overall (cells D88-D91).

ANALYSIS OF THE FISCAL IMPACT TO EAST WHITELAND TOWNSHIP

Of the Proposed Malin Road Development at Buildout

April 23, 2014

Proposed Dwelling Type	Number Units	Average Market Value per Unit	Market Value	Total Assessment	Persons per Unit	Number of Persons	**Annual Township Expenditures**	Expenditures per Unit
3 BR Large Townhomes	92	$350,000	$32,200,000	$19,384,400	2.22	204	**$34,930**	$380
3 BR Small Townhomes	133	$320,000	$42,560,000	$25,621,120	2.22	295	**$50,496**	$380
2 BR Stacked Townhomes	80	$280,000	$22,400,000	$13,484,800	1.76	141	**$24,080**	$301
Total	**305**		**$97,160,000**	**$58,490,320**		**640**	**$109,506**	$359

	Annual Township Revenue						
Proposed Dwelling Type	Real Estate Tax	Earned Income Tax	Real Estate Transfer Tax **	Cable TV & Misc. Revenue	Interest Earnings	**Total Revenue**	Revenue per Unit
3 BR Large Townhomes	$8,626	$42,511	$16,100	$9,643	$58	**$76,938**	$836
3 BR Small Townhomes	$11,401	$56,628	$21,280	$13,941	$77	**$103,327**	$777
2 BR Stacked Townhomes	$6,001	$29,847	$11,200	$8,385	$41	**$55,474**	$693
Total	**$26,028**	**$128,985**	**$48,580**	**$31,970**	**$176**	**$235,739**	$773

Proposed Dwelling Type	**Annual Net Township Revenue**	Annual Net Township Revenue per Unit	Revenue > Expenditures
3 BR Large Townhomes	**$42,008**	$457	120.3%
3 BR Small Townhomes	**$52,831**	$397	104.6%
2 BR Stacked Townhomes	**$31,394**	$392	130.4%
Total	**$126,233**	$414	115.3%

NOTES:

2013-2014 STEB Common Level Ratio (Market Value to Assessed Value)		60.2%	2014 Township Estimated Population	10,660
2014 Total Township General Fund Expenditures		$10,094,846	2014 Township Real Estate Tax Millage	0.445
Minus Pass-Through & Development Related Funds		$2,963,094	Annual Housing Turnover Rate	10.0%
2014 Net Township General Fund Expenditures		$7,131,752	2014 Township Estimated Housing Units	3,826
Existing Township Nonresidential Expenditures	74.4%	$5,308,644	2014 Cable TV & Miscellaneous Revenue per Unit	$104.82
2014 Township per Capita General Fund Expenditure		$171.02		

** Does not include the real estate transfer tax revenue from the initial sales of the units, or $485,800 over the buildout period.

ANALYSIS OF THE FISCAL IMPACT TO THE GREAT VALLEY SCHOOL DISTRICT

Of the Proposed Malin Road Development at Buildout

April 23, 2014

Proposed Dwelling Type	Number Units	Average Market Value per Unit	Market Value	Total Assessment	School Age Children per Unit	GVSD Students	**Annual School Dist. Expenditures**	Expenditures per Unit
3 BR Large Townhomes	92	$350,000	$32,200,000	$19,384,400	0.21	17	**$336,874**	$3,662
3 BR Small Townhomes	133	$320,000	$42,560,000	$25,621,120	0.21	24	**$487,003**	$3,662
2 BR Stacked Townhomes	80	$280,000	$22,400,000	$13,484,800	0.06	4	**$83,695**	$1,046
Total	**305**		**$97,160,000**	**$58,490,320**		**45**	**$907,573**	$2,976

	Annual School District Revenue					
Proposed Dwelling Type	Real Estate Tax	Real Estate Transfer Tax **	State Revenue	Interest Earnings	**Total Revenue**	Revenue per Unit
3 BR Large Townhomes	$379,740	$16,100	$19,253	$488	**$415,581**	$4,517
3 BR Small Townhomes	$501,918	$21,280	$27,833	$645	**$551,676**	$4,148
2 BR Stacked Townhomes	$264,167	$11,200	$4,783	$339	**$280,490**	$3,506
Total	**$1,145,825**	**$48,580**	**$51,870**	**$1,472**	**$1,247,747**	$4,091

Proposed Dwelling Type	**Annual Net School District Revenue**	Annual Net School District Revenue per Unit	Revenue > Expenditures
3 BR Large Townhomes	**$78,707**	$856	23.4%
3 BR Small Townhomes	**$64,673**	$486	13.3%
2 BR Stacked Townhomes	**$196,794**	$2,460	235.1%
Total	**$340,174**	$1,115	37.5%

NOTES:

2013-2014 STEB Common Level Ratio (Market Value to Assessed Value)	60.2%	2013-2014 GVSD Student Enrollment	3,959
Percent of Twp. School Age Children attending GVSD Schools (2010 Census)	86.5%	2013-2014 GVSD per Student Expenditure	$20,158
2013-2014 GVSD Total General Fund Expenditures	$80,700,000	2013-2014 GVSD Real Estate Tax Millage	19.59
Minus Pass-Through Funds, Budgetary Reserve	$895,000	Annual Housing Turnover Rate	10.0%
2013-2014 GVSD Net General Fund Expenditures	$79,805,000	2013-2014 State Revenue per Student	$1,152

** Does not include the real estate transfer tax revenue from the initial sales of the units, or $485,800 over the buildout period.

ANALYSIS OF THE FISCAL IMPACT TO CHESTER COUNTY

Of the Proposed Malin Road Development at Buildout

April 23, 2014

Proposed Dwelling Type	Number Units	Average Market Value per Unit	Market Value	Total Assessment	Persons per Unit	Number of Persons	**Annual County Expenditures**	Expenditures per Unit
3 BR Large Townhomes	92	$350,000	$32,200,000	$19,384,400	2.22	204	**$52,295**	$568
3 BR Small Townhomes	133	$320,000	$42,560,000	$25,621,120	2.22	295	**$75,600**	$568
2 BR Stacked Townhomes	80	$280,000	$22,400,000	$13,484,800	1.76	141	**$36,051**	$451
Total	**305**		**$97,160,000**	**$58,490,320**		**640**	**$163,945**	$538

	Annual County Revenue				
Proposed Dwelling Type	Real Estate Tax	Departmental Revenue	Other Source Revenue	**Total Revenue**	Revenue per Unit
3 BR Large Townhomes	$80,697	$11,862	$2,460	**$95,020**	$1,033
3 BR Small Townhomes	$106,661	$17,148	$3,557	**$127,366**	$958
2 BR Stacked Townhomes	$56,137	$10,315	$1,696	**$68,148**	$852
Total	**$243,495**	**$39,325**	**$7,714**	**$290,533**	$953

Proposed Dwelling Type	**Annual Net County Revenue**	Annual Net County Revenue per Unit	Revenue > Expenditure
3 BR Large Townhomes	**$42,725**	$464	81.7%
3 BR Small Townhomes	**$51,766**	$389	68.5%
2 BR Stacked Townhomes	**$32,097**	$401	89.0%
Total	**$126,588**	$415	77.2%

NOTES:

2013-2014 STEB Common Level Ratio (Market Value to Assessed Value)		60.2%
2014 Total County Expenditures		$522,750,992
Minus Appropriated Fund Balances, Interfund Transfers, Capital Expenditures		$124,240,651
Minus Non-Development Related Expenditures		$32,763,220
Minus Federal and State Pass-Through Grants		$174,019,008
2014 Net County Operating Expenditures		$191,728,114
Existing County Nonresidential Expenditures	31.5%	$60,378,354

2014 Estimated County Population	512,995
2014 Net County Per Capita Operating Expenditure	$256.04
2014 County Real Estate Tax Millage	4.163
2014 Estimated County Housing Units	198,470
2014 Departmental Revenue per Unit	$128.93
2014 Other Source Revenue per Person	$12.05