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Summary of Fiscal Impact Alternative Uses of St. Mary's Site:

- **Current Usage**
- **Proposed Development With Standard Projected Student Enrollment**
- **Proposed Development With Extreme School District Enrollment**

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Introduction

This memorandum summarizes the Fiscal Impact Assessment originally prepared by Urban Partners for the St. Mary's site in November, 2013, with modifications to reflect subsequent adjustments to the proposed development program and additional analysis intended to demonstrate the fiscal impact of extreme assumptions of enrollment impacts on Upper Dublin Schools.

The first section details the fiscal impact on Upper Dublin Township and the Upper Dublin School District from the Current Use.

The second section details the fiscal impact of the proposed development under our standard assumptions for calculating school enrollment which consider both the frequently cited approach developed by Rutgers University and separate modeling customized by Urban Partners to the comparative attractive circumstances of the Upper Dublin District.

The third section details the fiscal impact of the proposed development under the extreme, and very unlikely, condition that school enrollment from this development would be double that expected under standard assumptions and analysis.

Current Use

The current facility provides residential-based services to 72 youth. 25 of the 72 youth attend Upper Dublin schools (2013-2014 school year). The facility employs 140 staff with an average salary of \$30,000.

Local Tax Revenues

Upper Dublin Township

Earned Income Tax: \$4,200, based on Upper Dublin Township retaining revenue from 20% of the current estimated payroll of \$4.2 million and splitting this revenue with the School District.

Emergency Services Tax: \$7,300 based on \$52 per employee.

Total Estimated Annual Revenue: \$11,500

Upper Dublin School District

Earned Income Tax: \$4,200.

Local Service Costs Impacts

Upper Dublin Township

The current use includes both residential and employment-based costs. The site includes 45 acres of developed property resulting in estimated streets & infrastructure expenditures of \$23,800 annually (\$528 per acre—2013 dollars). The 72 residents and 140 staff require general government/public safety expenditures of approximately \$69,200. Total Township service costs are estimated at \$93,000 annually.

Upper Dublin School District

Service costs for Upper Dublin School District (UDSD) for the youth residents of St. Mary's Villa are quite complex. One portion of these children attends UDSD schools; a second group is served at St. Mary's Villa and these services are paid for by UDSD. Based on 2013-14 occupancy, 25 students are being educated in UDSD schools while 47 are receiving services on-site at St. Mary's Villa. For the youth being served on site at St. Mary's Villa, recent UDSD payments to St. Mary's Villa have averaged \$1.536 million annually. These payments are partially reimbursed (about 82%) by the Philadelphia School District and the State of Pennsylvania. The average annual net cost to UDSD is \$280,000. In addition, lags in reimbursement result in implicit interest costs to UDSD of \$10,000 to \$15,000 annually. The local cost of school services for the 25 resident youth attending UDSD schools is \$16,962 per child, generating service costs to the school district of \$424,000 annually, at 2013-14 costs. Philadelphia School District reimbursement averages 94% of cost, with a 6-month delay resulting in net costs to the school district of \$35,000. Taken together, the net service cost to Upper Dublin School District is \$325,000 annually.

Net Local Fiscal Impact

The net fiscal impact of the current use at St. Mary's Villa is:

- for Upper Dublin Township, revenues of \$11,500 versus costs of \$93,000, or a ***net loss of \$81,500 annually***;
- for Upper Dublin School District, revenues of \$4,200 versus net costs of \$325,000, or a ***net fiscal loss of \$320,800 annually***.

Proposed Development: Standard School Attendance Assumptions

The proposed 374-unit development includes a 250-unit senior independent living facility and 124 sales housing units. The senior independent living facility is targeted to older seniors (age 75+) and has an estimated market value of \$65,000,000 (assessed value of \$40,375,000 at 2013 ratios and valuations). This complex is anticipated to house 325 persons, with no children under age 18. The 124 units of sales housing include 30 carriage homes of 3,400 SF selling for an average of \$692,500; 54 townhomes projected to sell for an average of \$545,000; and 40 condominium units averaging 1,500 SF and selling for an average of \$337,500. The carriage homes and townhomes will be three-bedroom units, while the condominiums will have two bedrooms. Based on these anticipated sale prices, the market value for the 124 sales units will be \$63,705,000, yielding a likely assessed value of \$39,570,000.

The independent assessment of population and school enrollment impact, "Who Lives in New Jersey?," from Rutgers University calculates these impacts for specific development projects. These factors are applied to the proposed development program as shown on **Table 1**, estimating 604 residents, with 28 being of school age and 24 attending UDSD schools.

**Table 1: Resident Characteristics--St. Mary's Villa Redevelopment
Rutgers Center for Urban Policy Research Factors Analysis**

	Estimated Residents (1)	Estimated School Age Children (1)	Estimated Public School Enrollment (1)
30 Carriage Homes 3-Bedroom	73	8	7
54 Townhomes 3-Bedroom	132	15	13
40 Condominiums 2-Bedroom	74	4	4
250 Senior Apartments (2)	325		
Total	604	28	24

Footnotes:

- (1) From Factors In "Who Lives In New Jersey Housing," November, 2006
- (2) Urban Partners; U.S. Census 2010

For a community with especially attractive schools, such as Upper Dublin, there may be more significant impacts from housing development. On **Table 2**, we consider a more localized analysis of demographic impact. As reported in the 2010 U.S. Census, owner-occupied homes in Upper Dublin had an average of 0.76 residents per bedroom. Applying this factor, we estimate additional population for this development at 578 persons.

**Table 2: Resident Characteristics--St. Mary's Villa Redevelopment
Localized Bedroom-Count Analysis**

	Estimated Residents (1)	Estimated School Age Children (2)	Estimated Public School Enrollment (3)
30 Carriage Homes 3-Bedroom	69	13	11
54 Townhomes 3-Bedroom	124	24	20
40 Condominiums 2-Bedroom	61	9	7
250 Senior Apartments (2)	325		
Total	578	46	38

Footnotes:

- (1) 2.81 Population Per Household & 3.68 Bedrooms Per Household for Owner Occupied Units In Upper Dublin (U.S. Census--2010)
- (2) Estimated .222 School-Age Children per bedroom beyond the first bedroom in Upper Dublin (American Community Survey 2007-11; U. S. Census--2010)
- (3) Public-School Enrollment Ratio in Upper Dublin of .820 of School-Age Children

In general, the extent to which children reside in new housing developments is heavily determined by the type of housing units provided. For instance, subdivisions with a large percentage of three-, four-, and five-bedroom homes will likely house a significant number of school-age children. On the other hand, a complex of one-bedroom apartments will house very few children—it is almost always true that no children sleep in the first bedroom in any housing unit. Based on these relationships, the strongest predictor of school-aged children in a new housing development is the number of bedrooms *after the first bedroom*. The 2010 census reported that Upper Dublin had 9,625 housing units with 5,182 school age children (age 5-17). Utilizing ratios for bedroom counts derived from the 2007-11 American Community Survey, we estimate that these 9,625 housing units contained 32,940 bedrooms, or 23,315 bedrooms after the first bedroom. As a result the ratio of school age children to bedrooms beyond the first bedroom was 0.222 (5,182 divided by 23,315). Applying this ratio to the proposed 124 new residential units yields this analysis:

- this proposed unit mix includes 332 bedrooms or 208 bedrooms after the first bedroom;
- at a ratio of .222 school-age children per bedroom beyond the first bedroom, these 208 “bedrooms after the first” yield 46 children ages 5 through 17.

During the 2009-2010 school year, the ratio of public school students to children ages 5 through 17 was 0.820. Applying this ratio to 46 expected school-age children yields increased attendance of 38 students.

Local Tax Revenues

Upper Dublin Township

Real Estate Tax: Estimated assessed value of \$79,945,000 (senior complex--\$40,375,000; sales units--\$39,570,000); Township real estate tax revenues--\$424,500.

Earned Income Tax: Estimated gross taxable income of residents of \$8.81 million; EIT of \$88,100. EIT from building staff of \$900. Total EIT of \$89,000, with half for the Township and half for UDSD.

Real Estate Transfer Tax: Initial sale of 124 units over a three-year period will yield \$637,050 in real estate transfer taxes—half each for the Township and the School District. After that initial sales period, homes will likely resell at an annual rate of \$4.65 million (2013 prices), yielding \$46,500 per year in real estate transfer taxes.

Other: (Estimated) \$35,300

Total Anticipated Annual Revenue \$527,800

School District

Real Estate Tax (29.6536 mils): Estimated assessed value of \$79,945,000; UDSD real estate tax revenues--\$2,370,700.

Earned Income Tax and Real Estate Transfer Tax: As noted above, the School District will receive \$44,500 annually from the EIT and an average of \$23,200 from the real estate transfer tax, in addition to \$318,500 in real estate transfer taxes from the initial sale of the 124 owner-occupied units.

Total Anticipated Annual Revenue \$2,438,400

Local Service Costs

Upper Dublin Township

The site's 45 acres of developed property will continue to result in estimated streets & infrastructure expenditures of \$23,800 annually (2013 dollars). The estimated 578-604 residents require general government/public safety expenditures of approximately \$375,700 to \$392,700. The new households will not increase sanitation costs because of private trash hauling for the complex. Total Township service costs are estimated at \$399,500 to \$416,500 annually.

Upper Dublin School District

The estimated number of students for the school district from this development is 24 to 38 students. This would generate a marginal cost to the school district of \$407,100 to \$644,600 annually, at 2013 local costs of \$16,962 per child.

Net Local Fiscal Impact

The net fiscal impact of the proposed 374-unit development is:

- for the Township, revenues of \$527,800 versus costs of \$399,500 to \$416,500, or a ***net fiscal gain of \$111,300 to \$128,300 annually***;
- for the School District, revenues of \$2,438,400 versus costs of \$407,100 to \$644,600, or a ***net fiscal gain of \$1,793,800 to \$2,031,300 annually***.

Proposed Development: Double School Attendance Assumptions

As a check on the sensitivity of this analysis to varying assumptions about school attendance, a second analysis of the proposed 374-unit development was undertaken assuming that **school attendance would be double the number projected from the standard models.**

Local Tax Revenues (Same As Base Analysis of Proposed Development)

Upper Dublin Township

Total Anticipated Annual Revenue \$527,800

School District

Total Anticipated Annual Revenue \$2,438,400

Local Service Costs

Upper Dublin Township

Same as base analysis: total Township service costs are estimated at \$399,500 to \$416,500 annually.

Upper Dublin School District

Doubling the anticipated number of new students yields an estimated number of students for the school district from this development at 48 to 76 students. This would generate a marginal cost to the school district of \$814,200 to \$1,289,100 annually, at 2013 local costs of \$16,962 per child.

Net Local Fiscal Impact

The net fiscal impact of the proposed 374-unit development—**assuming double school attendance**-- is:

- for the Township, revenues of \$527,800 versus costs of \$399,500 to \$416,500, or a *net fiscal gain of \$111,300 to \$128,300 annually*;
- for the School District, revenues of \$2,438,400 versus costs of \$814,200 to \$1,289,100, or a *net fiscal gain of \$1,149,300 to \$1,624,200 annually*.