

FISCAL IMPACT ANALYSIS
Great Valley Revitalization District Development
East Whiteland Township, Chester County

June 1, 2023

Prepared for:
Philadelphia Suburban Development Corporation
and
Greystar

Prepared by:
David C. Babbitt, AICP
David C. Babbitt & Associates, LLC
P.O. Box 922
Frazer, PA 19355-0922
610-651-5717
www.babbittplanning.com
david@babbittplanning.com

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This report examines the annual fiscal impact to East Whiteland Township and the Great Valley School District (GVSD) of the Great Valley Revitalization District Development proposed by Greystar. The report examines the fiscal impact to the Township and School District during any given year after the completion of the proposed project and full occupancy, based on 2023 levels of revenue, expenditures, and taxation.

The proposed development consists of two phases. The residential tract development totals 400 rental apartments, as follows:

- 226 studio and one bedroom apartments, to be rented for an average of \$1,950 per month.
- 161 two bedroom apartments, to be rented for an average of \$2,550 per month.
- 13 three bedroom apartments, to be rented for an average of \$3,100 per month.
- 400 structured parking spaces, in addition to surface parking.

Please note that the projected monthly rents are based on today's market conditions, and are subject to change.

The commercial tract includes the following:

- A 304,000 square foot research and development building.
- 840 structured parking spaces, in addition to surface parking.

In all, the proposed development includes 400 units, 304,000 square feet of research and development building, and 1,240 structured parking spaces, in addition to surface parking.

At buildout and full occupancy, the proposed development is projected to generate \$81,295,374 of assessed value, which represents 4.0 percent of the total assessed value of all properties in the Township, and 1.9 percent of the total assessed value of all properties in the School District. At full occupancy, the proposed development is projected to house 620 persons, including 31 school age children (ages 5-17) of whom 29 are projected to attend public schools, and 768 workers.

The table on the next page shows the annual net fiscal impact (revenue minus expenditures) to the Township and School District of each element of the proposed development. Below the table are sections on assessments, demographics, Township expenditures and revenue, and School District expenditures and revenue. At the end of this report are the spreadsheets for the Township and School District impact, which show the major expenditure and revenue categories for each entity. All cell addresses in the text refer to these spreadsheets.

The annual net fiscal impact of the proposed apartments is projected to be highly favorable for the Township and School District, creating annual net surpluses for each entity. **The annual net combined fiscal impact for the proposed Great Valley Revitalization District Development is projected to total positive (or surplus) \$1,515,379.** The annual combined revenue is projected to exceed the annual combined expenditures by 253.5 percent.

Proposed Use	Number of Units/ Spaces	Annual Net Township Impact	Annual Net School District Impact	Annual Net Combined Impact	Annual Net Combined Impact per Unit Space/1K SF
Studio/1 BR Apartment	226	\$89,153	\$349,499	\$438,652	\$1,941
2 BR Apartment	161	\$79,521	\$132,073	\$211,594	\$1,314
3 BR Apartment	13	\$6,498	\$-70,073	\$-63,575	\$-4,890
Structured Parking	400	\$1,711	\$85,238	\$86,949	\$217
Total Residential Tract	400 / 400	\$176,882	\$496,738	\$673,620	
R & D Building	304,000	\$79,330	\$579,836	\$659,166	\$2,168
Structured Parking	840	\$3,593	\$179,000	\$182,593	\$217
Total Commercial Tract	304,000 / 840	\$82,923	\$758,836	\$841,759	
Total Proposed	400/304,000 /1,240	\$259,805	\$1,255,574	\$1,515,379	

There are four important reasons for the positive annual net fiscal impacts projected for the proposed Great Valley Revitalization District Development:

- First, the proposed development is primarily comprised of smaller one and two bedroom apartment units, which house fewer persons and far fewer school age children than single family detached dwellings, the predominant dwelling type in the Township. The lower number of persons and school age children result in lower expenditures for the Township and School District, which lead to annual surpluses for each entity.
- Second, the proposed apartments are proposed to be high end and will generate higher revenue in the real estate tax and earned income tax categories than many of the existing apartments in the Township.
- Third, the proposed research and development building is projected to generate modest expenditures for the Township and no expenditures at all for the School District, but is projected to generate considerable revenue to the Township and School District, resulting in strong annual net surpluses for each entity.
- Fourth, the proposed structured parking (for the residential and nonresidential elements) adds approximately \$11.5 million in assessed value, resulting in \$269,542 in annual revenue to the Township and School District, but no direct annual expenditures.

The combination of lower expenditures and higher revenue results in annual surpluses to the Township and School District from the proposed development.

Please note that the proposed three bedroom apartments are projected to generate considerable revenue to the School District, but the relatively high demographics of 0.41 school age children per unit generate very high School District expenditures. The proposed three bedroom units are projected to generate a net annual deficit to the School District of \$4,890 per unit. But the substantial annual surpluses from the 387 one and two bedroom units more than offset the annual deficit from the 13 three bedroom units.

In addition to the annual net impacts shown above, the proposed development will also include the following one-time capital benefits to the Township:

- Lapp Road Extension, 430 linear feet of new roadway between Old Morehall Road and Morehall Road.
- One new traffic signal and crosswalks at that intersection.
- Widening of 1,355 linear feet of Old Morehall Road Widening from one lane to two lanes.
- Approximately 1,450 linear feet of a 10 foot wide bike trail along Morehall Road.

Demographics

The number of persons per unit is projected to be 1.36 for all studio and one bedroom apartments, 1.75 for all two bedroom apartments, and 2.37 for all three bedroom apartments (cells E6-E8). These demographic multipliers 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. These multipliers are based on the U.S. Bureau of the Census 2000 Public Use Microdata Sample, and are specific to each dwelling type, size, rent and state. The Rutgers CUPR (the group that developed the fiscal impact analysis methodology) 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), and value or monthly rent. The multipliers in this analysis are for the highest rent level for each dwelling type. The number of persons projected to reside in the proposed development is determined by multiplying the number of units (totaling 400, cells B6-B10) by the number of persons per unit for each dwelling type (cells E6-E8). The number of persons projected to reside in the proposed development at buildout and full occupancy totals 620 (cells F6-F10).

The number of workers at the proposed apartment complex is projected to be 8 (cells G6-G10). The average annual salary of the workers at the proposed development is projected to be \$78,000 (cell I42).

The number of employees per 1,000 square feet of the proposed research and development building is projected to be 2.50 (cell E11), which is from *Who Lives in New Jersey Housing? New Jersey Demographic Multipliers*, by the Rutgers CUPR, published in November, 2006. In addition to residential demographic multipliers specific to New Jersey (which were not used in this report), this document also includes nonresidential multipliers from nationwide studies. The number of workers at the proposed research and development building is determined by multiplying the number of square feet (304,000, cell B11) by the number of workers per 1,000 square feet (2.50, cell E11). The number of workers at the proposed research and development building at full occupancy is projected to total 760 (cell G11). The overall number of employees in the proposed development at full occupancy is projected to total 768 (cells F6-F14).

The average annual salary of the workers at the proposed research and development building is projected to be \$72,077 (cell I43), as shown in the table below with their respective average annual salaries with data from the *Pennsylvania Metropolitan Area Employment and Wage Estimates*, prepared by the Bureau of Labor Statistics, U. S. Department of Labor, in May, 2022.

Position	% of Workers	Average Annual Salary
Management Occupations	5%	\$143,940
Medical Scientists	20%	\$106,040
Computer Network Support Specialists	5%	\$75,710

Position	% of Workers	Average Annual Salary
Life Scientists	20%	\$57,810
Biological Technicians	20%	\$64,400
Office and Administrative Support Positions	25%	\$47,920
First Line Supervisors of Office and Administrative Support Positions	5%	\$69,280
TOTALS	100%	\$72,077

The number of school age children per unit is projected to be 0.05 for all studio and one bedroom apartments, 0.09 for all two bedroom apartments, and 0.41 for all three bedroom units (cells E55-E57 of the School District spreadsheet). These demographic multipliers are also for the highest rent level for each dwelling type, and are from the Rutgers CUPR study for Pennsylvania. The number of public school students is determined by multiplying the number of units (totaling 400, cells B55-B57) by the number of school age children per unit in each category (cells E55-E57), and by 94.3 percent (cell D91), which is the percentage of school age children in East Whiteland Township attending public schools, according to the 2021 American Community Survey, a function of the U.S. Census Bureau, which reported 2,321 public school students out of 2,461 school age children. The remaining school age children are projected to attend private school or be schooled at home. The number of public school students projected to reside in the proposed development at buildout and full occupancy totals 29 (cells F55-F63). No public school students are projected to reside in the proposed research and development building or structured parking.

Please note that the projection of 29 public school students (or 0.07 per unit) is almost identical to the current demographics from six existing apartment developments in the District, as shown in the table below with enrollment figures from the Great Valley School District as of the current 2022-2023 school year. All six of these apartment complexes are relatively recently constructed, and comparable in size, rents, and amenities to the proposed development. Excluded from the list were older, less expensive apartment complexes and rental townhouse communities, which had a significantly higher aggregate ratio of 0.35 students per unit.

Name	Municipality	GVSD Students	Units	Students/Unit
Haven at Atwater	East Whiteland	42	326	0.13
Royal Worthington	East Whiteland	12	253	0.05
Arlo	East Whiteland	15	244	0.06
AVE Malvern	EWT/Willistown	16	153	0.10
East Side Flats	Malvern	11	190	0.06
Yards at Malvern	East Whiteland	14	225	0.06
TOTALS		110	1,391	0.08

Assessments

The projected assessed value of the proposed rental apartments is based on five comparable apartment complexes constructed since 2017, as shown in the table below with data from the Chester County Board of Assessment database.

Name	Municipality	Built	Assessment	Units	per Unit
Haven at Atwater	East Whiteland	2017	\$35,550,000	326	\$109,049
Arlo	East Whiteland	2020	\$26,662,500	244	\$109,273
Airdrie	Tredyffrin	2020	\$18,064,170	154	\$117,300
J Creekside at Exton	West Whiteland	2020	\$34,825,700	291	\$119,676
Ashbridge Exton	West Whiteland	2020	\$45,567,600	412	\$110,601
TOTALS			\$160,669,970	1,427	\$112,593

Please note that several other, recently constructed apartment complexes in this area of Chester County (e.g., Yards at Malvern, East Side Flats, Royal Worthington, Pointe at Exton) were excluded from this list because they have ground floor retail development and/or a large amount of structured parking, which would skew the assessments of the apartments.

The average assessed value of all existing 1,427 units is \$112,593. The assessed value per unit of the proposed apartments is projected to be \$110,093 (or \$2,500 below the average) for the studio and one bedroom units, \$112,593 for the two bedroom units, and \$115,093 (or \$2,500 above the average) for the three bedroom units (cells C6-C8). The assessed value of the proposed apartments is determined by multiplying the number of units (totaling 400, cells B6-B8) by the assessed value for each dwelling type (cells C6-C8). The assessed value of the proposed apartments is projected to total \$44,504,632 (cells D6-D8).

The projected assessed value of the proposed research and development building is based on the assessed value of six existing complexes constructed in eastern Chester County since 2001, as shown in the table below with data from the County Board of Assessment database.

Owner	Address	Built	Assessment	SF	Per SF
WPT Land 2 LP	2 Liberty Blvd	2001	\$9,962,580	108,480	\$92.81
HM 1200 Atwater LP	1200 Atwater Dr	2002	\$11,395,000	151,447	\$75.24
WS Deerfield LLC	100 Deerfield Ln	2014	\$6,122,500	85,000	\$72.03
Pembroke TCM VC LLC	220-224 Valley Creek	2002	\$23,388,088	263,037	\$88.92
WPT Land 2 LP	1500-1550 Liberty	2003	\$19,462,500	241,190	\$80.69
Hankin Group	747 Constitution Dr	2006	\$3,340,680	37,000	\$90.29
TOTALS			\$73,671,348	886,154	\$83.14

The 886,154 square feet of existing buildings in eastern Chester County has an average assessed value of \$83.14 per square foot (cell C11), which is applied to the 304,000 square feet of proposed research and development building (cell B11) to find the projected assessed value of \$25,273,361 (cell D11).

The assessed value of the proposed structured parking spaces is determined using four recently constructed, comparable structured parking garages in West Chester Borough, as shown in the table below with data from the Chester County Board of Assessment.

Name	Building Assessment	Spaces	Building Assessment per Space
Bicentennial Garage	\$3,823,190	367	\$10,417
Chestnut Garage	\$6,199,890	689	\$8,998
Justice Center Garage	\$4,601,210	493	\$9,333
Sharpless Garage	\$3,431,990	395	\$8,698
TOTALS	\$18,056,280	1,944	\$9,288

Please note that the assessment per structured parking space includes only the value of the building (improvements), and excludes the assessed value of the land. The land assessments for the proposed development are associated with the apartment units and research and development building, and not the parking spaces. The average building assessed value of all existing 1,944 parking spaces is \$9,288 per space (cells C9 and C12), which is applied to the 400 structured parking spaces in the proposed residential development (cell B9) and 840 structured parking spaces in the proposed development (cell B12). The assessed value of the proposed structured parking is projected to total \$11,517,380 (cells D9 and D12).

The assessed value is projected to total \$48,219,916 for the proposed residential tract and \$33,075,457 for the proposed commercial tract, with an overall total of \$81,295,374 (cells D6-D14).

Please note that the actual assessments will be applied by the Chester County Board of Assessment only after the proposed development is constructed and inspected.

Annual Township Expenditures

Annual Township expenditures are determined in two ways. The residential expenditures are determined using the per capita multiplier method, by multiplying the projected number of residents in the proposed development (totaling 620, cells F6-F8) by the existing Township per capita operating expenditures of \$323.01 (cell D46). The per capita operating expenditures are determined by estimating the proportion of existing Township operating expenditures applied to existing Township residential development, and dividing by the existing Township population. The nonresidential expenditures are determined using the proportional valuation method, based on the projected assessed value of the proposed research and development building.

The Township's adopted 2023 budget includes the following six funds, shown in the table below with their respective expenditures:

Fund	Budgeted Expenditure
General Fund	\$16,316,989
Sewer Fund	\$2,204,016
Sewer Reserve Fund	\$0
Park Development Fund	\$2,502,500
Capital Improvement Fund	\$5,927,609
Transportation Improvement Fund	\$0
State Fund	\$314,416
Total	\$27,265,530

The total Township budgeted expenditures in 2023 are \$27,265,530. However, this analysis focuses on annual operating expenditures only, and therefore includes only the following two operating funds, totaling \$16,631,405 (cell D42) and shown in the table below with their respective sums in the 2023 budget:

Operating Fund	Budgeted Expenditure
General Fund	\$16,316,989
State Fund	\$314,416
Total	\$16,631,405

The other funds are excluded from this analysis. The Sewer Fund is a proprietary fund, using fees (such as sewer rents and connection fees) to fund operations and debt service. The Park Development Fund uses revenue from grants, fees from developers, and forwarded fund balances from previous years to fund park capital expenditures, not operating expenditures. The Capital Fund uses revenue from grants, debt, and forwarded fund balances from previous years to fund capital equipment and purchases, not operating expenditures. The Sewer Reserve Fund and Transportation Improvement Fund are budgeted to have \$0 in expenditures in 2023.

Four categories of funds are subtracted from this total in order to find a more accurate measure of the average annual expenditures for the proposed development. The first category is pass-through funds, which 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 2023 budget:

Pass-Through Fund	Fund	Budgeted Amount
Rent	General Fund	\$75,000
Public Utility Realty Act	General Fund	\$9,500
Alcoholic Beverages Licenses	General Fund	\$4,600
PA Act 205 Pension Aid	General Fund	\$440,338
Recycling Grant	General Fund	\$1,800
Foreign Fire Insurance Premium	General Fund	\$90,000
Police Department	General Fund	\$12,000
DEP Grant	General Fund	\$25,000
Safety Grant	General Fund	\$3,287
Park Fees	General Fund	\$19,000
Summer Recreation	General Fund	\$45,000
Discount Tickets	General Fund	\$5,000
State Liquid Fuels Tax	State Fund	\$314,416
Total		\$1,044,941

The excluded pass-through funds total \$1,044,941. Please note that just as the expenditures for the above pass-through funds are not included in the 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 2023 budget, all in the General Fund.

Development Related Expenditures	Budgeted Amount
Subdivision and Land Development Fees	\$10,000
Hearing Fees	\$20,000
Zoning Fees	\$1,600
Building Permits	\$500,000
Electrical Permits	\$120,000
Plumbing Permits	\$60,000
Mechanical Permits	\$100,000
UCC Fees	\$6,660
Total	\$818,260
90% of Development Related Expenditures	\$736,434

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. For example, the Township is budgeted to receive \$500,000 in building permit fees, which will be expended on the building inspections and the administration of those permits while a development is under construction, not on other Township functions associated with the time after a development is completed. Once a development is completed, the revenue and expenditures for such permits and application fees decreases significantly, but not completely.

The development related expenditures total \$818,260. Only 90 percent of the development related funds (or \$736,434) is excluded from the expenditure analysis, in acknowledgment that there will still be some expenditures on buildings once they are complete, for building additions, inspections for violations, ongoing permits, etc. Please note that in the revenue analysis, below, only 10 percent of the revenue from development related funds (or \$81,826) is included in the category of miscellaneous revenue.

The third category of excluded funds includes interfund transfers, consisting of \$948,871 transferred from the Sewer Fund to the General Fund. This transfer covers the cost of administrative functions of the Sewer Fund, an excluded proprietary fund.

The fourth category of excluded funds includes expenditures for road maintenance, as shown in the table below, based on the fact that only 430 linear feet of new Township roads will be created as part of the proposed development. Other than this small stretch of new road, the traffic from the proposed development will use the existing Old Morehall Road and Morehall Road (PA Route 29).

The road maintenance expenditures (shown in the table below) total \$2,540,948, but only 75 percent (or \$1,905,711) are excluded. Please note that the reason why the \$314,416 in state liquid fuels funds are not excluded as road maintenance expenditures is because this money is already excluded as a pass-through fund, above.

Road Maintenance Expenditures	Budgeted Amount	75% of Amount
Public Works General	\$2,005,175	\$1,503,881
Public Works Snow Removal	\$172,100	\$129,075
Public Works Traffic Signals	\$128,673	\$96,505
Public Works Street Lighting	\$27,000	\$20,250
Public Works Road Maintenance	\$108,000	\$81,000
Public Works Road Construction	\$100,000	\$75,000
Total	\$2,540,948	\$1,905,711

The excluded funds, including pass-through funds, excluded development related funds, interfund transfers and road maintenance expenditures, total \$4,635,957 (cell D43). The 2023 Township operating expenditures minus the pass-through funds, development related expenditures, interfund transfers and road maintenance expenditures, total \$11,995,448 (cell D44).

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 computer records as of January 10, 2023, the total assessed value of the 4,685 properties in East Whiteland Township was \$2,028,340,137, yielding an average assessed value of \$432,943. Of those properties, 588 were nonresidential (commercial, industrial, institutional, utility, etc., whether taxable or exempt), with a total assessed value of \$1,022,749,150 (representing 50.4 percent of the Township total), and an average assessed value of \$1,739,369. 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 1.24 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 (50.4 percent) is then multiplied by the refinement coefficient of 1.24, and by the 2023 net Township operating expenditures (\$11,995,448, cell D44). The result of this calculation is that \$7,500,090 of the net Township operating expenditures (representing 62.5 percent) is attributable to existing nonresidential development (cell D45). This sum is subtracted from the net Township operating expenditures (\$11,995,448, cell D44), and the remainder (\$4,495,358 in expenditures attributable to existing residential development) is divided by the estimated number of Township residents in 2023, which is 13,917 (cell D47, from the 2020 U.S. Census). The 2023 Township per capita operating expenditures attributable to existing residential development are \$323.01 (cell D46), which are then applied to the projected number of residents of the proposed development at buildout and full occupancy (totaling 620, cells F6-F8) to find the annual projected Township operating expenditures for the proposed residential development of \$200,242 (cells H6-H10). The annual Township operating expenditure per unit is projected to be \$439 for the studio and one bedroom apartments, \$565 for the two bedroom apartments, and \$766 for the three bedroom apartments (cells I6-I8). The annual

Township expenditures for the proposed structured parking spaces are projected to be \$0 (cell H9). Instead, the annual Township expenditures are associated with the proposed apartments.

The annual Township net operating expenditures associated with the proposed research and development building are also determined using the proportional valuation method. The proposed research and development building has a projected assessed value of \$25,273,361 (cell D11) which is 2.5 percent of the assessed value of all 588 existing nonresidential properties in the Township (which is \$1,022,749,150). The ratio of the assessed value of the proposed research and development building (\$25,273,361) to the average assessed value of all existing nonresidential properties in the Township (\$1,739,369) is 14.5 which is used to determine a refinement coefficient of 0.30 from a different line on the same graph in the *Guide*. Then, the proportion of proposed research and development building assessed value to existing overall nonresidential assessed value (2.5 percent) is multiplied by the refinement coefficient of 0.30 and by the 2023 Township net operating expenditures attributable to existing nonresidential development (\$7,500,090, cell D45). The result of this calculation is that the proposed research and development building is projected to generate \$55,601 in annual Township net operating expenditures (cell H11), or \$183 per 1,000 square feet of development (cell I11).

The annual Township net operating expenditures for the proposed development, including both the residential and nonresidential elements, are projected to total \$255,842 (cells H6-H14).

Annual Township Revenue

Real Estate Tax (cells B19-B27)

The annual real estate tax revenue is determined by applying the Township's 2023 General Fund real estate tax of 0.445 mills (cell D48) to the projected assessed value of the proposed development (totaling \$81,295,374, cells D6-D14). The annual real estate tax revenue is projected to total \$36,176.

Earned Income Tax (cells C19-C27)

The annual earned income tax revenue is determined in two ways. The earned income tax revenue from the future residents of the proposed apartments is determined by applying the Township's tax rate of 0.75 percent to the projected household income of the residents. Household income is calculated by multiplying the monthly rent for each dwelling type by twelve months and dividing by 25 percent, which is the industry standard for the maximum percentage of household income used for rent for prospective tenants of a proposed multifamily development. The monthly rent, total annual housing cost, and minimum annual household income for each proposed dwelling type are shown in the table below.

Proposed Dwelling Type	Monthly Rent	Total Annual Housing Cost	Minimum Annual Household Income
Studio/1 BR Rental Apartment	\$1,950	\$23,400	\$93,600
2 BR Rental Apartment	\$2,550	\$30,600	\$122,400
3 BR Rental Apartment	\$3,100	\$37,200	\$148,800

The minimum annual household income for each dwelling type is then multiplied by the number of units (totaling 400, cells B6-B8) and by the Township's earned income tax rate of 0.75 percent. The annual earned income tax revenue from the proposed apartments is projected to total \$320,958. Please note that these are the minimum levels of annual income necessary to cover the housing costs, given the projected rents of the apartments. Most households will have higher income levels and will use a lower percentage

of their household incomes towards their rents, which will result in significantly higher earned income tax revenue to the Township.

The earned income tax revenue from the workers at the proposed residential development is determined by multiplying the number of workers (totaling 8, cells G6-G7) by the projected average annual worker salary of \$78,000 (cell I42), and by the Township's nonresident worker earned income tax rate of 0.75 percent. This figure is then reduced by 80 percent to account for those workers who live in municipalities that charge the earned income tax, including the City of Philadelphia's wage tax. The Township is projected to retain only 20 percent of the earned income tax revenue it collects from the nonresident workers, and the remaining 80 percent is projected to be forwarded to the municipalities where these nonresident workers live. The annual earned income tax revenue from the workers at the proposed development is projected to total \$936. No earned income tax revenue is projected from the proposed structured parking.

The earned income tax revenue from the proposed research and development building is determined by multiplying the number of workers (760, cell G11) by the average annual worker salary of \$72,077 (cell I43; see the Demographics section, above) and by the Township's nonresident worker earned income tax rate of 1.0 percent. This figure is then reduced by 80 percent to account for those workers who live in municipalities that charge the earned income tax. The annual earned income tax revenue from the proposed research and development building is projected to total \$82,167. The earned income tax revenue is projected to total \$404,061 for the entire proposed development. Please note that this one revenue source exceeds the projected annual Township expenditures of \$255,842 (cells H6-H14) by \$148,219 or 57.9 percent.

Local Services Tax (cells D19-D27)

The local service tax revenue is determined by applying the Township's tax rate of \$52 per worker per year to the 768 workers in the proposed development (cells G6-G14). No local services tax revenue is projected from the proposed structured parking. The annual local service tax revenue is projected to total \$39,936.

Franchise Fee & Miscellaneous Revenue (cells E19-E27)

The annual cable TV franchise fee and miscellaneous revenue is determined by adding 10 percent of the \$818,260 for development related funds (or \$81,826; see expenditure analysis, above), and the Township's 2023 budgeted cable franchise fee revenue of \$200,000, for a total of \$281,826. This sum is divided by the current number of housing units in the Township (estimated at 5,333, cell I44, from the 2020 U.S. Census), and that average per unit revenue (\$52.85, cell I45) is then multiplied by the number of units in the proposed residential development (totaling 400, cells B6-B8), and also multiplied by the number of square feet of proposed research and development building (totaling 304,000, cell B11) divided by 10,000. In other words, each 10,000 square feet of the proposed research and development building is projected to generate the same franchise fee and miscellaneous revenue as one home. The annual franchise fee and miscellaneous revenue is projected to total \$22,745. No franchise fee and miscellaneous revenue is projected from the proposed structured parking.

Liquid Fuels Revenue (cells F19-F27)

The annual liquid fuels revenue is determined by multiplying the number of residents of the proposed development (totaling 620, cells F6-F8) by the 2023 per capita revenue from PennDOT of \$18.0810 (cell I46), according to the current Department of Transportation Bureau of Municipal Services *Municipal Liquid Fuels Allocations Report*, dated February 1, 2023. In addition, the linear miles of new roadway to be constructed (430 linear feet, or 0.08 mile) is multiplied by the 2023 per mile revenue from PennDOT of

\$3,211.1451 (cell I47) for a projected revenue of \$262, proportionally distributed across all three dwelling types. The proposed research and development building and structured parking are projected to generate no liquid fuels revenue. The annual liquid fuels revenue is projected to total \$11,472.

Interest Earnings (cells G19-G27)

The annual interest earnings are determined by dividing the projected assessed value of the proposed development (totaling \$81,295,374, cells D6-D14) by the total Township taxable assessment of \$1,868,609,937 (from the Chester County Board of Assessment computer records as of January 10, 2023, representing the total Township assessed value minus the assessment of all institutional, utility and government owned properties), and multiplying that quotient by the sum the Township budgeted for interest earnings in the two operating funds in 2023 (\$28,000 in the General Fund and \$900 in the State Fund, for a total of \$28,900, cell I48). The annual interest earnings are projected to total \$1,257.

Total Township Revenue (cells H19-H27)

The annual Township revenue from all sources is projected to total \$515,647. Annual revenue per unit is projected to be \$834 for the studio and one bedroom apartments, \$1,059 for the two bedroom apartments, \$1,265 for the three bedroom apartments, \$444 per 1,000 square feet of proposed research and development building, and \$4 per structured parking space (cells I19-I25).

Annual Net Township Revenue (cells B31-B39)

After subtracting the expenditures from the revenue, the annual net impact to the Township is projected to total positive (or surplus) \$259,805. Annual net revenue per unit is projected to be positive \$394 for the studio and one bedroom apartments, positive \$494 for the two bedroom apartments, positive \$500 for the three bedroom apartments, positive \$261 per 1,000 square feet of proposed research and development building, and positive \$4 per structured parking space (cells C31-C37).

Annual Township revenue is projected to exceed annual expenditures by 89.8 percent for the studio and one bedroom apartments, 87.4 percent for the two bedroom apartments, 65.3 percent for the three bedroom apartments, 142.7 percent for the proposed research and development building, and 101.5 percent overall (cells D31-D39).

Again, please note that these are annual revenue and expenditure figures after buildout, and do not include the one-time revenue sources during development, such as road and intersection improvements, bike trail construction, traffic impact fees, park and recreation fees in lieu of open space, and permits.

Annual School District Expenditures

The number of units, structured parking spaces and square feet of proposed research and development building (cells B55-B63 of the School District spreadsheet), the average assessed value per unit, per square foot and per parking space (cells C55-C61), and the projected assessed value (totaling \$81,295,374, cells D55-D63) are determined using the same method as was used for the Township impact, above. As noted in the demographic section, above, the number of public school (GVSD) students at buildout and full occupancy is projected to total 29 for the proposed development (cells F55-F63).

The Great Valley School District General Fund budgeted expenditures total \$117,721,319 for the 2022-2023 year (cell D92; the proposed 2023-2024 school year budget is not projected to be adopted until mid-June). The following pass-through funds are subtracted from this total:

Pass-Through Fund	Budgeted Amount
Public Utility Realty Taxes	\$80,000
Revenue from LEA Activities	\$310,000
Revenue from Intermediary Sources	\$550,000
Rentals	\$210,000
TOTAL	\$1,150,000

In addition, the budgetary reserve of \$198,526 is subtracted, representing funds not projected to be expended during the school year. The pass-through funds and budgetary reserve total \$1,348,526 (cell D93), with the remaining net School District expenditures totaling \$116,372,793 (cell D94). This figure is then divided by the 2022-2023 District-wide enrollment of 4,671 students (cell D95, from the April 28, 2023 GVSD enrollment report) to find the 2022-2023 GVSD net expenditure of \$24,914 per student (cell I91).

This per student expenditure is applied to the 29 students from the proposed development projected to attend public schools (cells F55-F63) to determine the projected annual School District expenditures of \$731,214 (cells G55-G63). The annual School District expenditure per unit is projected to be \$1,175 for the studio and one bedroom apartments, \$2,115 for the two bedroom apartments, \$9,634 for the three bedroom apartments, and \$0 for the structured parking spaces and proposed research and development building (cells H55-H61).

Annual School District Revenue

Real Estate Tax (cells B68-B76)

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 2022-2023 tax rate of 22.9190 mills (cell I92) is applied to the assessed value of the proposed development (totaling \$81,295,374, cells D55-D63). No School District homestead exemption is applied, because the proposed units are rentals, not owner occupied. The annual real estate tax revenue is projected to total \$1,863,209. Please note that this one revenue source is \$1,131,994 (or 154.8 percent) greater than the projected annual School District expenditures of \$731,214 for the proposed development (cells G55-G63).

State & Federal Revenue (cells C68-C76)

The state and federal revenue is determined by adding the School District's budgeted revenue of \$19,362,693 combined from the state and federal governments, and dividing by the 2022-2023 student enrollment of 4,671 (cell D95) for a per student revenue of \$4,145 (cell I93), and applying that per student revenue to the projected number of GVSD students from the proposed development (totaling 29, cells F55-F63). The annual state and federal revenue is projected to total \$121,663.

Earnings on Investments (cells D68-D76)

The earnings on investments are determined by dividing the projected assessment of the proposed development (totaling \$81,295,374, cells D55-D63) by the total School District taxable assessment of \$4,240,824,888 (from the 2022-2023 GVSD budget), and multiplying that quotient by the sum the School District budgeted for interest earnings in 2022-2023 (\$100,000, cell I94). The annual earnings on investments are projected to total \$1,917.

Total School District Revenue (cells E68-E76)

The annual School District revenue from all sources at buildout and full occupancy is projected to total \$1,986,789. Annual School District revenue per unit is projected to be \$2,721 for the studio and one bedroom apartments, \$2,935 for the two bedroom apartments, \$4,243 for the three bedroom apartments, \$1,907 per 1,000 square feet of proposed research and development building, and \$213 per structured parking space (cells F68-F74).

Annual Net School District Revenue (cells B80-B88)

After subtracting the expenditures from the revenue, the annual net impact to the School District is projected to total positive (or surplus) \$1,255,574 for the proposed development. Annual net revenue per unit is projected to be positive \$1,543 for the studio and one bedroom apartments, positive \$820 for the two bedroom apartments, negative \$5,390 for the three bedroom apartments, positive \$1,907 per 1,000 square feet of proposed research and development building, and positive \$213 per structured parking space (cells C80-C86).

Annual revenue is projected to exceed annual expenditures by 131.6 percent for the studio and one bedroom apartments, 38.8 percent for the two bedroom apartments, and 171.7 percent overall. Annual expenditures are projected to exceed annual revenue by 56.0 percent for the three bedroom apartments. Since there are no projected School District expenditures from the proposed research and development building and structured parking, all revenue from these uses becomes surplus. Overall, the annual projected revenue from the proposed development is projected to be nearly three times the annual projected expenditures.

	A	B	C	D	E	F	G	H	I
1	ANALYSIS OF THE ANNUAL FISCAL IMPACT TO EAST WHITELAND TOWNSHIP								
2	Of the Proposed Great Valley Revitalization District Development							June 1, 2023	
3									
4	Proposed Use	Number of Units/ Spaces / SF	Assessed Value per Unit / Space / 1K SF	Total Assessed Value	Persons per Unit / Workers per 1K SF	Total Persons	Total Workers	Annual Township Expenditures	Expenditures per Unit / Space / 1K SF
6	Studio/1 BR Apartment	226	\$110,093	\$24,880,980	1.36	307	4	\$99,281	\$439
7	2 BR Apartment	161	\$112,593	\$18,127,446	1.75	282	4	\$91,009	\$565
8	3 BR Apartment	13	\$115,093	\$1,496,207	2.37	31	0	\$9,952	\$766
9	Structured Parking	400	\$9,288	\$3,715,284	0.00	0	0	\$0	\$0
10	Total Res. Tract	400 / 400		\$48,219,916		620	8	\$200,242	
11	R & D Building	304,000	\$83.14	\$25,273,361	2.50	0	760	\$55,601	\$183
12	Structured Parking	840	\$9,288	\$7,802,096	0.00	0	0	\$0	\$0
13	Total Comm. Tract	304,000 / 840		\$33,075,457		0	760	\$55,601	
14	Total Proposed	400 / 304,000 / 1,240		\$81,295,374		620	768	\$255,842	
15									
16	Annual Township Revenue								
17	Proposed Use	Real Estate Tax	Earned Income Tax	Local Services Tax	Franchise Fee & Misc. Revenue	Liquid Fuels Revenue	Interest Earnings	Total Annual Revenue	Revenue per Unit / Space / 1K SF
19	Studio/1 BR Apartment	\$11,072	\$159,120	\$208	\$11,943	\$5,706	\$385	\$188,434	\$834
20	2 BR Apartment	\$8,067	\$148,266	\$208	\$8,508	\$5,200	\$280	\$170,529	\$1,059
21	3 BR Apartment	\$666	\$14,508	\$0	\$687	\$566	\$23	\$16,450	\$1,265
22	Structured Parking	\$1,653	\$0	\$0	\$0	\$0	\$57	\$1,711	\$4
23	Total Res. Tract	\$21,458	\$321,894	\$416	\$21,138	\$11,472	\$746	\$377,124	
24	R & D Building	\$11,247	\$82,167	\$39,520	\$1,607	\$0	\$391	\$134,931	\$444
25	Structured Parking	\$3,472	\$0	\$0	\$0	\$0	\$121	\$3,593	\$4
26	Total Comm. Tract	\$14,719	\$82,167	\$39,520	\$1,607	\$0	\$512	\$138,524	
27	Total Proposed	\$36,176	\$404,061	\$39,936	\$22,745	\$11,472	\$1,257	\$515,647	
28									
29	Proposed Use	Annual Net Township Revenue	Net Township Revenue per Unit / Space	Revenue > Expenditure					
31	Studio/1 BR Apartment	\$89,153	\$394	89.8%					
32	2 BR Apartment	\$79,521	\$494	87.4%					
33	3 BR Apartment	\$6,498	\$500	65.3%					
34	Structured Parking	\$1,711	\$4	--					
35	Total Res. Tract	\$176,882		88.3%					
36	R & D Building	\$79,330	\$261	142.7%					
37	Structured Parking	\$3,593	\$4	--					
38	Total Comm. Tract	\$82,923		149.1%					
39	Total Proposed	\$259,805		101.5%					
40									
41	NOTES:								
42	2023 Township Operating Expenditures (2 funds)			\$16,631,405	Average Annual Apartment Worker Salary			\$78,000	
43	Minus 2023 Pass-Through and Excluded Expenditures			\$4,635,957	Average Annual R & D Worker Salary (2021 BLS)			\$72,077	
44	2023 Net Township Operating Expenditures			\$11,995,448	2023 Township Housing Unit Estimate			5,333	
45	2023 Township Non-Residential Expenditures		62.5%	\$7,500,090	2023 Township Franchise Fee & Misc. Revenue per Unit			\$52.85	
46	2023 Township per Capita Expenditure			\$323.01	2023 State Liquid Fuels Revenue per Capita			\$18.0810	
47	2023 Township Population Estimate			13,917	2023 State Liquid Fuels Revenue per Mile			\$3,211.1431	
48	2023 Township General Fund Real Estate Tax Millage			0.445	2023 Township Interest Earnings (2 funds)			\$28,900	

	A	B	C	D	E	F	G	H	I
50	ANALYSIS OF THE ANNUAL FISCAL IMPACT TO THE GREAT VALLEY SCHOOL DISTRICT								
51	Of the Proposed Great Valley Revitalization District Development						June 1, 2023		
52							Annual		
53	Proposed Use	Number of Units/ Spaces / SF	Assessed Value per Unit / Space / 1K SF	Total Assessed Value	School Age Children per Unit / Space / SF	GVSD Students	School District Expenditures	Expenditures per Unit / Space / 1K SF	
54									
55	Studio/1 BR Apartment	226	\$110,093	\$24,880,980	0.05	11	\$265,512	\$1,175	
56	2 BR Apartment	161	\$112,593	\$18,127,446	0.09	14	\$340,466	\$2,115	
57	3 BR Apartment	13	\$115,093	\$1,496,207	0.41	5	\$125,237	\$9,634	
58	Structured Parking	400	\$9,288	\$3,715,284	0.00	0	\$0	\$0	
59	Total Res. Tract	400 / 400		\$48,219,916		29	\$731,214		
60	R & D Building	304,000	\$83.14	\$25,273,361	0.00	0	\$0	\$0	
61	Structured Parking	840	\$9,288	\$7,802,096	0.00	0	\$0	\$0	
62	Total Comm. Tract	304,000 / 840		\$33,075,457		0	\$0		
63	Total Proposed	400 / 304,000 / 1,240		\$81,295,374		29	\$731,214		
64									
65	Annual School District Revenue								
66	Proposed Use	Real Estate Tax	State & Federal Revenue	Earnings on Investments	Total Annual Revenue	Revenue per Unit / Space / 1K SF			
67									
68	Studio/1 BR Apartment	\$570,247	\$44,177	\$587	\$615,011	\$2,721			
69	2 BR Apartment	\$415,463	\$56,648	\$427	\$472,539	\$2,935			
70	3 BR Apartment	\$34,292	\$20,838	\$35	\$55,164	\$4,243			
71	Structured Parking	\$85,151	\$0	\$88	\$85,238	\$213			
72	Total Res. Tract	\$1,105,152	\$121,663	\$1,137	\$1,227,952				
73	R & D Building	\$579,240	\$0	\$596	\$579,836	\$1,907			
74	Structured Parking	\$178,816	\$0	\$184	\$179,000	\$213			
75	Total Comm. Tract	\$758,056	\$0	\$780	\$758,836				
76	Total Proposed	\$1,863,209	\$121,663	\$1,917	\$1,986,789				
77									
78	Proposed Use	Annual Net School District Revenue	Net School District Rev. per Unit / Space / 1K SF	Revenue > Expenditure					
79									
80	Studio/1 BR Apartment	\$349,499	\$1,546	131.6%					
81	2 BR Apartment	\$132,073	\$820	38.8%					
82	3 BR Apartment	-\$70,073	-\$5,390	-56.0%					
83	Structured Parking	\$85,238	\$213	--					
84	Total Res. Tract	\$496,738		67.9%					
85	R & D Building	\$579,836	\$1,907	--					
86	Structured Parking	\$179,000	\$213	--					
87	Total Comm. Tract	\$758,836		--					
88	Total Proposed	\$1,255,574		171.7%					
89									
90	NOTES:								
91	Pct. of Township School Age Children in Public Schools (2021 ACS)				94.3%	2022-2023 GVSD Net Expenditure per Student		\$24,914	
92	2022-2023 GVSD Total Expenditures				\$117,721,319	2022-2023 GVSD Real Estate Tax Millage		22.9190	
93	Minus 2022-2023 Pass-Through Expenditures				\$1,348,526	2022-2023 GVSD State/Federal Revenue per Student		\$4,145	
94	2022-2023 GVSD Net Expenditures				\$116,372,793	2022-2023 GVSD Earnings on Investments		\$100,000	
95	2022-2023 GVSD Student Enrollment				4,671				