

Exhibit A-2A.a

APPENDIX A FISCAL IMPACT STUDY

ERIK W. HETZEL, AICP/PP, LEED AP
16 MANOR ROAD
PAOLI, PA 19301
610.322.7154
erik@erikhetzel.com

Memorandum

To: D. Charles Houder, Haverford Properties Inc.

From: Erik Hetzel, AICP/PP, LEED AP

Date: September 17, 2020

Re: Fiscal Impact Analysis – Townhouse Residential Development, Radnor Township

On behalf of Trust U/A Dorrance H. Hamilton dated 3/15/96, Haverford Properties Inc. is proposing a residential development on the site of the Hamilton estate in Radnor Township, Delaware County. Forty-one (41) single-family attached townhome units are planned at the northwest corner of the intersection of Stafford Avenue and Eagle Road. This memorandum describes the anticipated future annual fiscal impacts related to the proposed development. A concise summary of fiscal impacts associated with the proposed development is presented in a table on the last page of this memorandum.

Fiscal impacts presented in this analysis were estimated using a methodology developed by the Rutgers University Center for Urban Policy Research, as originally described in The New Practitioner's Guild to Fiscal Analysis¹ and further developed in a later publication by the same authors entitled Development Impact Assessment Handbook². It is projected that, in total, the proposed development will result in beneficial, net-positive annual fiscal impacts to both Radnor Township and the Radnor Township School District.

Revenue Impacts

Real Estate Property Tax - At full build-out under the proposed concept, the development will have a total market value of approximately \$34.85 million, which translates to an assessed value of approximately \$17.425 million. This assessment

¹ Burchell, Robert W., David Listokin, et al. *The New Practitioner's Guide to Fiscal Impact Analysis*, New Brunswick, NJ: Rutgers, The State University of New Jersey, 1985.

² Burchell, Robert W., David Listokin, et al. *Development Impact Assessment Handbook*. Washington, D.C.: ULI-the Urban Land Institute, 1994.

calculation is based on the current (2020-2021) Delaware County common-level ratio of 2.00, which estimates assessed value at approximately 56.00% of market value. The proposed development will generate ongoing real estate tax revenue to the local taxing authorities, with an estimated \$76,813 going to the Township and \$445,486 going to the School District annually.

Real Estate Transfer Tax – The Township levies the Real Estate Transfer Tax at the rate of 1.0% of sale price, and the School District levies the Real Estate Transfer Tax at 0.5%. This analysis anticipates that an average of approximately 5% of the residential units in the proposed development will transfer ownership (be sold) in any given year, which equates to annual Transfer Tax Revenues totaling \$15,421 to the Township and \$7,711 to the School District. In addition to the annual Transfer Tax revenues estimated here, it is also important to note that the Township and School District will also receive significant Transfer Tax revenues from the initial sales of every residential unit from the builder to the first homeowners. With a total market value of \$34,850,000 in 2020, this equates to an estimated \$348,500 in initial-sales transfer taxes to the Township (\$34,850,000 market value x 1.0% transfer tax rate = \$348,500). For the School District, initial home sales would generate transfer taxes totaling \$174,250 (\$34,850,000 market value x 0.5% transfer tax rate = \$174,250).

Other Revenues - In addition to the aforementioned tax revenues, the proposed development is expected to generate approximately \$26,811 in Township revenues from other sources, as reported in the Radnor Township 2020 General Fund Budget. These sources include licenses & permits, fines & costs, and departmental earnings. Similarly, the School District will realize additional revenues totaling approximately \$44,999 in revenues from non-tax sources (LEA activities and rentals) and intergovernmental sources (State and Federal funding) as identified in the Radnor Township School District 2020-2021 Final General Fund Budget.

Population Impacts

An estimated 91 residents will be living in the proposed development, including 9 school-aged children. These population estimates are based on demographic multipliers published by the Rutgers University Center for Urban Policy Research (2006)³. This source uses information from the U.S. Census to derive population

³ Burchell, Robert W., David Listokin, et al. *Residential Demographic Multipliers (Pennsylvania)*. New Brunswick, New Jersey: Center for Urban Policy Research, Edward J. Bloustein School of Planning and Public Policy - Rutgers, the State University of New Jersey (2006).

multipliers specific to the Commonwealth of Pennsylvania, categorized by household structure type (i.e., single-family detached, single-family attached, apartments, etc.), and by the number of bedrooms per household.

Economic Impacts

The proposed development will have a beneficial economic “ripple effect” in the local economy, as the new residents and employees use goods and services in and around Radnor Township. In addition, the development phase of the project will provide construction jobs and result in construction-related consumption expenditures in the local and regional economies. These impacts are not reflected in the summary table included in this memorandum but will provide economic benefits over and above the annual revenues described therein.

Cost Analysis

Annual Township and School District expenditures attributable to the proposed development were projected using the Per Capita Multiplier Method described in the Development Impact Assessment Handbook. In calculating the per capita expenditure value for the Township, the methodology uses information from the current (2020) Township budget and accounts for the fact that costs are divided differently among serving both residential and non-residential portions of the Township, based on the actual mix of land uses provided by the County Board of Assessment. Overall, it is estimated that the proposed development will result in Township costs totaling approximately \$84,604 annually, which is more than offset by revenues totaling \$119,045 annually from the tax and non-tax sources described previously.

A similar per capita cost calculation is used for the Radnor Township School District. Based on current (2020-2021) enrollment and budget information provided by the School District, the estimated annual total cost-per-student in the Radnor Township School District used in this analysis is approximately \$24,082. With 9 school-aged children projected to reside in the proposed development, this results in projected annual costs of \$216,741 to the School District, which is more than offset by revenues from taxes and other sources totaling \$498,196. This estimate assumes that all 9 school-aged children will be attending public schools; however, it is likely that some will attend private schools, which would result in lower costs to the Radnor Township School District than estimated here, and a higher net-positive fiscal impact.

Impacts to Public Safety Services and Facilities

Overall, impacts on public safety services and facilities from the proposed development are expected to be minimal. Demands for Police, Fire, and Emergency Management Services (EMS) personnel, vehicles, and facilities are presented in the following table, using planning standards published in the Development Impact Assessment Handbook. Personnel, vehicles, and facilities for Police and Fire are based on the noted planning standards per 1,000 population. EMS standards for personnel and vehicles are per 30,000 population, and EMS calls are per 1,000 population per year.

**Public Safety Demand Factors and
Projected Demand from Proposed Development**

	Residential Planning Standard	Projected Demand
<i>Police</i>		
Personnel	1.50	0.14
Vehicles	0.45	0.04
Facilities (square feet)	150	14
<i>Fire</i>		
Personnel	1.24	0.11
Vehicles	0.15	0.01
Facilities (square feet)	187.5	17
<i>EMS</i>		
Personnel	3.08	0.01
Vehicles	0.75	0.00
Calls per year per 1,000 population	27.4	2

Conclusions and Summary

In conclusion, the net positive fiscal impact in terms of projected revenues over costs for Radnor Township is expected to be over \$34,000 annually at project completion. The projected net positive fiscal impact to the Radnor Township School District is projected to be over \$280,000 per year. The combined net positive fiscal impact for both taxing authorities is estimated at over \$300,000 annually. Not included in these annual estimates are significant real estate transfer fees that will be paid on the initial sales of every unit from the builder to the first homeowners. The table on the next page summarizes the fiscal impacts to the Township and School District.

Fiscal Impact Summary

	Townhomes
Residential Units	41
Value per Unit	\$850,000
Market Value of Proposed Development	\$34,850,000
Assessed Value (approx. 50% of market value)	\$17,425,000
New Residential Population	91
New School-Aged Children	9
Radnor Township	
Real Estate Tax Revenue (4.4082 mills)	\$ 76,813
Non-Property Tax Revenue	\$ 26,811
Real Estate Transfer Tax (0.5%)	\$ 15,421
Total Township Revenues	\$ 119,045
Total Township Expenditures	\$ (84,604)
Net Township Fiscal Impact	\$ 34,441
Radnor Township School District	
Real Estate Tax Revenue (25.5659 mills)	\$ 445,486
Non-Property Tax Revenue	\$ 4,428
Intergovernmental Revenue	\$ 40,571
Real Estate Transfer Tax (0.5%)	\$ 7,711
Total School District Revenues	\$ 498,196
Total School District Expenditures	\$ (216,741)
Net School District Fiscal Impact	\$ 281,455
Total Development-Generated Revenues (Township + School District)	\$ 617,241
Total Development-Generated Expenditures (Township + School District)	\$ (301,345)
Total Net Annual Fiscal Impact	\$ 315,895