

SUMMARY FISCAL IMPACT ANALYSIS
Proposed Summerdale Development
East Pennsboro Township, Cumberland County

June 10, 2019

Prepared for:
Metropolitan Development Group, Inc.

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Summary Fiscal Impact Analysis
Proposed Summerdale Development
East Pennsboro Township, Cumberland County
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This report examines the fiscal impact to East Pennsboro Township and the East Pennsboro Area School District (EPASD) of the Summerdale development proposed by Metropolitan Development Group, Inc. The report examines the fiscal impact to the Township and School District during any given year after the completion of the proposed development, based on 2019 levels of revenue, expenditures, and taxation.

The proposed mixed use Summerdale development consists of the following elements:

- 260 apartment units, including 87 one bedroom units to be rented for an average of \$1,100 per month, and 173 two bedroom units to be rented for an average of \$1,350 per month.
- A limited service hotel with 100 guest rooms and no restaurant.
- Seven office buildings with 6,000 square feet each, for a total of 42,000 square feet.
- Retail, restaurant and bank development, including a 7,500 square foot convenience store with gas pumps, two restaurants of 2,500 square feet each, and a 2,500 square foot bank, for a total of 15,000 square feet.

The table below shows the annual net fiscal impact (revenue minus expenditures) to the Township and School District of each proposed use and dwelling type. Below the table are sections on assessments and demographics, Township expenditures and revenue, School District expenditures and revenue, the impact of the LERTA program on the annual net impact to the Township and School District, and 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.

Proposed Use/ Dwelling Type	Number of Units/ Rooms/SF	Annual Net Township Impact	Annual Net School District Impact	Annual Net Combined Impact	Annual Net Combined Impact per Unit/Room/SF
1 BR Apartment	87	\$22,671	\$82,587	\$105,258	\$1,210
2 BR Apartment	173	\$38,980	\$138,875	\$177,855	\$1,028
Hotel	100	\$-3,107	\$87,373	\$84,266	\$843
Office	42,000	\$15,896	\$53,028	\$68,924	\$1,641
Retail/Restaurant/Bank	15,000	\$2,250	\$55,195	\$57,445	\$3,830
Total Proposed	260/100/57,000	\$76,691	\$417,058	\$493,748	

The annual net fiscal impact of the proposed development is projected to be favorable for East Pennsboro Township, and extremely favorable for the East Pennsboro Area School District. **The net combined fiscal impact for the proposed Summerdale development is projected to total positive (or surplus) \$493,748 per year.** For the proposed development, the combined revenue is projected to exceed the combined expenditures by 55.3 percent per year.

There are two primary reasons for these positive fiscal impacts. First is the high assessed value of the proposed development, which results in considerable real estate tax revenue for the Township and School District. The second reason is the presence of considerable nonresidential development, which generates low Township expenditures and no School District expenditures at all, but substantial revenue to both entities. The combination of higher revenue and lower expenditures yields the significant fiscal surpluses each year.

Assessments and Demographics

The assessed value of the proposed apartments is projected to average \$75,000 per unit, comparable to several recently constructed apartment complexes in Cumberland County. The assessed value of the proposed hotel and office development is projected to average \$70,000 per room and \$100 per square foot, respectively, comparable to several recently constructed limited service hotels and office developments in the County. The assessed value of the proposed convenience store, two restaurants and bank is projected to be \$2,000,000, \$850,000 (times two, or \$1,700,000), and \$700,000, respectively, again comparable to numerous existing developments in the County. The assessed value of the entire proposed development at buildout is projected to total \$35,530,000 (cells D6-D11), which represents 1.8 percent of the current total value of all property in East Pennsboro Township (\$2,012,041,400). Please note that the projected assessments are based on data from the Cumberland County Property Assessment Office database, but the actual assessments will be applied only after the proposed development is constructed and inspected. The assessed value of the existing vacant property is \$1,627,100.

The number of persons and school age children per unit for each dwelling type are derived from the Rutgers University Center for Urban Policy Research data published in June, 2006 and 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), and value. The demographic multipliers used in this analysis are 1.36 persons per unit for the one bedroom units and 1.75 persons per unit for the two bedroom units (cells E6-E7), and 0.05 school age children (ages 5-18) per unit for the one bedroom units and 0.09 children per unit for the two bedroom units (cells E45-E46 of the School District spreadsheet). The number of persons projected to reside in the proposed development is determined by multiplying the number of units (cells B6-B7) by the number of persons per unit for each dwelling type (cells E6-E7). The number of persons projected to reside in the proposed apartments at buildout and full occupancy totals 421 (cells F6-F7).

The number of students from the proposed development attending EPASD public schools is determined by multiplying the number of units (cells B45-B46) by the number of school age children per unit for each dwelling type (cells E45-E46), and multiplying by the percentage of school age children in East Pennsboro Township attending public schools (91.6 percent, cell D72), according to the 2017 American Housing Survey of the U.S. Census Bureau, which reported 3,263 public school students out of 3,563 school age children in the Township. The number of EPASD public school students projected to reside in the proposed development at buildout and full occupancy totals 18 (cells F45-F50).

The number of workers for the various proposed nonresidential uses is based on *Who Lives in New Jersey Housing? New Jersey Demographic Multipliers*, by the CUPR, published in November, 2006 (available at <http://www.njmeadowlands.gov/eg/housing/intro.html>). In addition to the residential demographic multipliers specific to New Jersey (which were not used in this analysis – see above for the source of the Pennsylvania multipliers used in this analysis), this document also includes nonresidential multipliers from nationwide studies. The CUPR report shows 0.66 workers per 1,000 square feet of hotel development, which translates to 0.26 workers per hotel room (cell E8). The CUPR report shows 3.25 workers per 1,000 square feet of office development (cell E9). The number of workers for the proposed retail, restaurant and bank uses is a blended average, based on the square footage of each use: 4.00 workers per 1,000 square

feet times the 10,000 square feet of the convenience store and bank, plus 6.26 workers per 1,000 square feet times the 5,000 square feet of the two restaurants. The number of workers at the proposed development upon buildout and full occupancy is projected to be 26 at the hotel, 137 at the offices, and 71 at the retail, restaurant and bank, for a total of 234 workers (cells F8-F11). Please note that it is possible that some people who will live at the proposed apartments may also work at one (or more) of the proposed nonresidential uses. Also, please note that these figures represent the number of full time equivalent positions, not the number of workers. Given part time positions and turnover within positions, the number of workers for the proposed nonresidential uses is likely to be higher.

Annual Township Expenditures and Revenue

Annual Township expenditures are determined using two methods. The expenditures for the proposed apartments are determined using the per capita multiplier method, by multiplying the number of residents in the proposed development by the existing Township per capita expenditure of \$316.34 (cell D37). The per capita expenditure is derived by estimating the proportion of existing Township expenditures attributable to existing Township residential development, and dividing by the existing Township population. The expenditures for the proposed nonresidential uses are determined using the proportional valuation method, based on the projected assessed value of the proposed nonresidential development *vis-a-vis* the assessed value of existing nonresidential development in the Township.

The Township 2019 operating expenditures (in the General Fund, Highway Aid Fund and Fire Fund) total \$12,513,958 (cell D33). The following are subtracted from this total: \$2,371,722 in pass through funds (including Federal, State and County grants, Act 205 Pension Aid, State Liquid Fuels subsidy, etc.); \$225,000 in development related expenditures (pass through funds related to new development, representing 90 percent of the \$250,000 in revenue from building permits); and excluded expenditures of \$1,323,300 for sanitation (attributable to residential development only, see below); for a total of \$3,920,022 (cell D34). The remaining net Township operating expenditures total \$8,593,936 (cell D35).

Then, expenditures attributable to existing Township nonresidential development are subtracted using the proportional valuation method based on the average value of nonresidential property *vis-a-vis* the average value of all Township property, as modified by a refinement coefficient. The annual Township nonresidential expenditures total \$3,007,608 (cell D36), representing 35.0 percent of the annual Township net expenditures. This sum is subtracted from the net Township expenditures, and the remainder (annual expenditures attributable to existing residential development) is added to the Township expenditures for sanitation and then divided by the estimated number of Township residents in 2019 (21,843, cell D38). The 2019 per capita Township expenditure attributable to existing residential development is \$316.34 (cell D37). This figure is then applied to the number of persons projected to reside in the proposed apartments at buildout and full occupancy (totaling 421, cells F6-F7). The annual Township expenditures for the proposed apartments are projected to total \$133,200 (cells G6-G7). The annual Township expenditure per unit is projected to be \$430 for the one bedroom units and \$554 for the two bedroom units (cells H6-H7).

The annual Township expenditures associated with the proposed nonresidential uses are also determined using the proportional valuation method. The proposed hotel is projected to generate \$18,462 in annual Township expenditures, or \$185 per guest room (cells G8-H8). The proposed office development is projected to generate \$13,975 in annual Township expenditures, or \$333 per 1,000 square feet (cells G9-H9). The proposed retail, restaurants and bank are projected to generate \$14,283 in annual Township expenditures, or \$952 per 1,000 square feet (cells G10-H10). The proposed development is projected to generate a total of \$179,920 in annual Township expenditures (cell G11).

The annual Township revenue is determined by adding the following sources:

- Real estate tax revenue, based on the 2019 Township tax rates of 1.10 mills for the General Fund and

0.54 mills for the Fire Fund, for a total of 1.64 mills (cell I33), applied to the projected assessed value of the proposed development (totaling \$35,530,000, cells D6-D11). The annual real estate tax revenue is projected to total \$58,269 (cells B16-B21). Please see below for the impact of the proposed LERTA program on the annual Township real estate tax revenue.

- Earned income tax revenue, determined in two ways. The earned income tax revenue for the apartment units is based on the tax rate of 0.5 percent applied to the household income of residents. Household income is calculated by multiplying the monthly rent for each dwelling type (averaging \$1,100 for the one bedroom units and \$1,350 for the two bedroom units, see the introduction, above) by twelve months and dividing by 25 percent, which is the industry standard for maximum percentage of household income used for rent for prospective tenants of a proposed multifamily development. The minimum annual household income for each unit is projected to be \$52,800 for the one bedroom units and \$64,800 for the two bedroom units. These minimum annual income levels are then multiplied by the number of units in each category (cells B6-B7) and by the tax rate of 0.5 percent, to determine the tax revenue. The annual earned income tax revenue from the proposed apartments is projected to total \$79,020 (cells C16-C17). The earned income tax revenue for the workers at the proposed nonresidential uses is determined by multiplying the number of workers for each use (totaling 234, cells F8-F11) by the average annual wage per job of \$28,852 for the hotel workers (cell I34), \$57,207 for the office workers (cell I35), and \$39,225 for the retail, restaurant, and bank workers (cell I36), and further multiplied by the nonresident worker 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. East Pennsboro 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 forwarded to the municipalities where these nonresident workers live. The annual earned income tax revenue from the proposed nonresidential uses is projected to total \$22,711 (cells C18-C20). The annual earned income tax revenue from the proposed development is projected to total \$101,731 (cells C16-C21). The annual worker salaries are derived from blended averages from the Bureau of Labor Statistics, U. S. Department of Labor, average mean labor wages for the Harrisburg-Carlisle area, from May, 2017 (the most recent data available).
- Per capita and local services taxes, determined in two ways. The per capita tax revenue is determined by applying the tax rate of \$10 per person to the number of persons projected to reside in the proposed apartments (totaling 421, cells F6-F7). The annual per capita tax revenue is projected to total \$4,211 (due to rounding, cells D16-D17). The local services tax revenue is determined by applying the tax rate of \$47 per worker to the number of workers projected to work in the nonresidential uses of the proposed development (totaling 234, cells F8-F11). The annual local services tax revenue is projected to total \$10,989 (cells D18-D20). The annual per capita and local services tax revenue is projected to total \$15,199 (cells D16-D21).
- Liquid fuels revenue and Township fees, determined in several ways. The state liquid fuels revenue is determined by applying the 2019 rate of \$19.7107 per capita (cell I38) to the number of persons projected to reside in the proposed apartments (totaling 421, cells F6-F7). The annual per capita liquid fuels subsidy is projected to total \$8,300. Added to this total is the annual subsidy of \$3,430.1178 per mile applied to the 0.369 miles of roadway in the proposed development that is anticipated to be dedicated to the Township (only the road between the US 15 exit ramp and 1st Street, and the road connecting the first road with the PennDOT facility at the northern end of the property; all other roads are to remain privately owned and maintained). The annual per mile liquid fuels subsidy is projected to total \$1,267. The Township fees are determined by applying the solid waste collection and disposal fee of \$198 per unit per year, plus the rental property inspection fee of \$25 per unit per year, to the number of units of each dwelling type (totaling 260, cells B6-B7). The annual Township fee revenue is projected to total \$57,980. The annual liquid fuels and Township fee revenue is projected to total \$67,546 (cells E16-E21).

- Franchise fee and miscellaneous revenue, which includes 10 percent of the \$250,000 for development related funds (or \$25,000; see the expenditure analysis, above), and the franchise fee revenue of \$380,000, for a total of \$405,000. This sum is divided by the current number of housing units in the Township (estimated at 9,435, cell I37), and that average per unit revenue (\$42.92) is then applied to the number of units in the proposed development (totaling 260, cells B6-B7). The same per unit revenue is applied to the number of guest rooms in the proposed hotel (totaling 100, cell B8) at the rate of four hotel rooms equals one housing unit. The same per unit revenue is applied to the number of square feet in the proposed office development and retail, restaurant and bank (totaling 57,000, cells B9-B10) at the rate of 2,000 square feet of nonresidential development equals one housing unit. The annual franchise fee and miscellaneous revenue is projected to total \$13,456 (cells F16-F21).
- Interest earnings, determined by dividing the assessed value of the proposed development (totaling \$35,530,000, cells D6-D11) by the total assessed value of all taxable Township properties (\$2,002,371,800, from the Cumberland County Property Assessment Records), and multiplying the quotient by the interest earnings projected in the 2019 Township budget (\$21,000 in the General Fund and \$2,000 in the Fire Fund, for a total of \$23,000). The annual interest earnings are projected to total \$408 (cells G16-G21).

The annual Township revenue at buildout and full occupancy is projected to total \$256,611 (cells H16-H21). The annual Township revenue per unit is projected to be \$691 for the one bedroom units and \$779 for the two bedroom units (cells I16-I17). The annual Township revenue is projected to be \$154 per hotel guest room, \$711 per 1,000 square feet of office development, and \$1,102 per 1,000 square feet of retail, restaurant and bank development (cells I18-I20).

The annual Township net revenue (revenue minus expenditures) is projected to total positive \$76,691 (cells B25-B30). The annual Township net revenue per unit is projected to be positive \$261 for the one bedroom units and positive \$225 for the two bedroom units (cells C25-C26). The annual Township net revenue is projected to be negative \$31 per hotel guest room, positive \$378 per 1,000 square feet of office development, and positive \$150 per 1,000 square feet of retail, restaurant and bank development (cells C27-C29). Annual revenue is projected to exceed annual expenditures by 60.6 percent for the one bedroom units, 40.7 percent for the two bedroom units, 113.7 percent for the office development, 15.8 percent for the retail, restaurant and bank development, and 42.6 percent overall. Annual expenditures are projected to exceed annual revenue by 16.8 percent for the hotel (cells D25-D30). The projected \$76,691 in annual net Township surplus represents 0.6 percent of the Township's 2019 operating expenditures (\$12,513,958).

Annual School District Expenditures and Revenue

The annual School District expenditures are determined by multiplying the number of EPASD students projected from the proposed development (totaling 18, cells F45-F50) by the 2019-2020 EPASD per student expenditure of \$16,207 (cell D76). The per student expenditure is determined by subtracting the following pass through funds from the total 2019-2020 School District expenditures of \$42,350,599 (cell D73): \$80,000 in District activity revenue, \$484,538 in pass through funds from intermediary sources, \$25,000 in rental income, \$75,000 in tuition from patrons, and \$33,500 in public utility realty taxes, for a total of \$698,038 (cell D74). The 2019-2020 net School District expenditures total \$41,652,561 (cell D75), which is divided by the projected District-wide student enrollment of 2,570 (cell D77) to find the net expenditure of \$16,207 per student (cell D76), which is then applied to the projected 18 public school students from the proposed development (cells F45-F50). The annual School District expenditures from the proposed development are projected to total \$295,664 (cells G45-G50), or \$742 per unit for the one bedroom units and \$1,336 per unit for the two bedroom units (cells H45-H46). The proposed nonresidential development is projected to generate no School District expenditures.

The annual School District revenue is determined by adding the following sources:

- Real estate tax revenue, based on the School District's tax rate of 12.3792 mills (cell I72) applied to the projected assessed value of the proposed development (totaling \$35,530,000, cells D45-D50). The annual real estate tax revenue is projected to total \$439,833 (cells B55-B60). Please note that this one revenue source exceeds the projected annual School District expenditures of \$295,664 (cells G45-G50) by 48.8 percent. Please see below for the impact of the proposed LERTA program on the annual School District real estate tax revenue.
- Earned income tax revenue, determined using the same method as was used for the Township impact, above, except that the School District's earned income tax rate of 1.1 percent is applied to the household income of residents. The annual earned income tax revenue is projected to total \$173,844 (cells C55-C60). No earned income tax revenue will accrue to the School District from the proposed nonresidential development.
- Local services tax revenue, determined using the same method as was used for the Township impact, above, except that the School District's tax rate of \$5 is applied to the number of workers projected for the development (totaling 234, cells F8-F11 of the Township spreadsheet). The annual local services tax revenue is projected to total \$1,169 (cells D55-D60).
- State and Federal revenue, based on the School District's 2019-2020 budgeted revenue from State and Federal sources. These revenue sources total \$13,367,774, which is divided by the projected 2019-2020 student enrollment of 2,570 (cell D77) to find the per student revenue of \$5,201 (cell I76). This per student revenue is then applied to the School District students projected from the proposed development (totaling 18, cells F45-F50). The annual State and Federal revenue is projected to total \$94,889 (cells E55-E60).
- Earnings on investments, determined by dividing the projected assessed value of the proposed development (totaling \$35,530,000, cells D45-D50) by the total assessed value of all School District properties (\$1,784,219,000, from the 2019-2020 EPASD budget), and multiplying the quotient by the earnings on investments projected in the budget (\$150,000). The annual interest earnings are projected to total \$2,987 (cells F55-F60).

The annual School District revenue at buildout and full occupancy is projected to total \$712,722 (cells G55-G60). The annual School District revenue per unit is projected to be \$1,691 for the one bedroom units and \$2,139 for the two bedroom units (cells H55-H56). The annual School District revenue is projected to be \$874 per hotel guest room, \$1,263 per 1,000 square feet of office development, and \$3,680 per 1,000 square feet of retail, restaurant and bank development (cells H57-H59).

The annual School District net revenue (revenue minus expenditures) is projected to total positive \$417,058 (cells B64-B69). The annual School District net revenue per unit is projected to be positive \$949 for the one bedroom units and positive \$803 for the two bedroom units (cells C64-C65). The annual School District net revenue is projected to be positive \$874 per hotel guest room, positive \$1,263 per 1,000 square feet of office development, and positive \$3,680 per 1,000 square feet of retail, restaurant and bank development (cells C66-C68). Annual revenue is projected to exceed annual expenditures by 127.9 percent for the one bedroom units, 60.1 percent for the two bedroom units, and 141.1 percent overall (cells D64-D69). Since there are no School District expenditures attributable to the proposed nonresidential uses, every dollar of revenue from those uses becomes surplus. The projected \$417,058 in annual net School District surplus represents 1.0 percent of the School District's 2019-2020 expenditures (\$42,350,599).

LERTA Program

The proposed Summerdale development has been approved for the LERTA program. Under the LERTA (Local Economic Revitalization Tax Assistance Act of 1977) program, the incremental increase in assessed value created by the development is exempt from all real estate taxes for a period of ten years from the completion of construction. The extent of the exemption decreases each year, from 100 percent in Year 1 to 10 percent in Year 10. In Year 11 and beyond, the full assessed value of the proposed development is subject to all real estate taxes. The Township and School District continue to receive the real estate tax revenue from the property's existing assessed value of \$1,627,100 throughout the duration of the LERTA program.

The spreadsheet at the end of this summary report shows the impact of the LERTA program on the annual revenue to the Township and School District from the proposed development. It assumes that all elements of the proposed development are completed in Year 1, even though realistically different elements will be completed in different years. For each year (1 through 10, and 11 and beyond), the spreadsheet shows the following:

- Percentage of real estate tax exemption, which is 100 percent in Year 1 declining in 10 percent increments to 0 percent in Year 11 and beyond.
- Township Revenue, which includes the percentage of Township real estate tax revenue for that year, plus 100 percent of all other revenue sources (earned income tax, per capita and local services taxes, liquid fuels revenue and Township fees, franchise fee and miscellaneous revenue, and interest earnings).
- Township Expenditures, which remain a constant \$179,920 per year.
- Net Township Impact, which is the Township revenue minus the Township expenditures for that year.
- School District Revenue, which includes the percentage of School District real estate tax revenue for that year, plus 100 percent of all other revenue sources (earned income tax, local services tax, State and Federal revenue, and earnings on investments).
- School District Expenditures, which remain a constant \$295,664 per year.
- Net School District Impact, which is the School District revenue minus the School District expenditures for that year.
- Net Combined Impact of both the Township and School District.

The Township net impact stays positive (or surplus) throughout all years of the LERTA program. The reason for this is because the Township receives most of its revenue from sources other than the real estate tax (including the earned income tax, per capita and local services taxes, liquid fuels revenue and Township fees, franchise fee and miscellaneous revenue, and interest earnings), and a significantly smaller proportion from the real estate tax. Therefore, exempting some (or even all) of the real estate tax revenue does not reduce the Township revenue below the Township expenditures (and thus create a net deficit) in any year of the LERTA program.

On the other hand, the School District does receive the vast majority of its revenue from its real estate tax, which means that during the first year of the LERTA program, the District's expenditures are projected to exceed the revenue by a small amount (\$2,633). The District moves back into a net surplus in Year 2 and all subsequent years, because of the rather low expenditures from the apartment units and only 18 projected public school students, and because the District's real estate tax revenue increases to the point where it covers the expenditures for that year.

The net impact to the combined Township and School District remains positive (or surplus) in each year during the 10 year LERTA program. At the end of the LERTA period, the net combined impact totals positive \$493,748 per year.

	A	B	C	D	E	F	G	H	I
1	<u>ANALYSIS OF THE FISCAL IMPACT TO EAST PENNSBORO TOWNSHIP</u>								
2	Of the Proposed Summerdale Development						June 10, 2019		
3									
4	Proposed Use/	Number of	Assessed Value	Total	Persons per Unit	Total	Annual EPT	Expenditures per	
5	Dwelling Type	Units/Rooms/SF	per Unit/Room/SF	Assessed Value	Workers per Room/1K SF	Persons/Workers	Expenditures	Unit/Room/1K SF	
6	1 BR Apartment	87	\$70,000	\$6,090,000	1.36	118	\$37,429	\$430	
7	2 BR Apartment	173	\$80,000	\$13,840,000	1.75	303	\$95,771	\$554	
8	Hotel	100	\$70,000	\$7,000,000	0.26	26	\$18,462	\$185	
9	Office	42,000	\$100	\$4,200,000	3.25	137	\$13,975	\$333	
10	Retail/Restaurant/Bank	15,000	\$293	\$4,400,000	4.75	71	\$14,283	\$952	
11	Total	260/100/57,000		\$35,530,000		421/234	\$179,920		
12									
13	Annual Township Revenue								
14	Proposed Use/	Real Estate	Earned Income	Per Capita &	Liquid Fuels Revenue &	Franchise Fee &	Interest	Total Annual	Revenue per
15	Dwelling Type	Tax (@ 100%)	Tax	Local Services Taxes	Township Fees	Misc. Revenue	Earnings	Revenue	Unit/Room/1K SF
16	1 BR Apartment	\$9,988	\$22,968	\$1,183	\$22,157	\$3,734	\$70	\$60,100	\$691
17	2 BR Apartment	\$22,698	\$56,052	\$3,028	\$45,389	\$7,426	\$159	\$134,751	\$779
18	Hotel	\$11,480	\$1,500	\$1,222	\$0	\$1,073	\$80	\$15,356	\$154
19	Office	\$6,888	\$15,618	\$6,416	\$0	\$901	\$48	\$29,871	\$711
20	Retail/Restaurant/Bank	\$7,216	\$5,593	\$3,351	\$0	\$322	\$51	\$16,533	\$1,102
21	Total	\$58,269	\$101,731	\$15,199	\$67,546	\$13,456	\$408	\$256,611	
22									
23	Proposed Use/	Annual Net	Net Township Revenue	Revenue >					
24	Dwelling Type	Township Revenue	per Unit/Room/1K SF	Expenditure					
25	1 BR Apartment	\$22,671	\$261	60.6%					
26	2 BR Apartment	\$38,980	\$225	40.7%					
27	Hotel	-\$3,107	-\$31	-16.8%					
28	Office	\$15,896	\$378	113.7%					
29	Retail/Restaurant/Bank	\$2,250	\$150	15.8%					
30	Total	\$76,691		42.6%					
31									
32	NOTES:								
33	2019 Township Operating Expenditures (3 Funds)			\$12,513,958	2019 Twp. Real Estate Tax Millage (Gen & Fire Funds)			1.64	
34	Minus 2019 Pass-Through and Excluded Expenditures			\$3,920,022	Average Annual Salary per Hotel Worker (BEA)			\$28,852	
35	2019 Net Township Operating Expenditures			\$8,593,936	Average Annual Salary per Office Worker (BEA)			\$57,207	
36	2019 Township Non-Residential Expenditures		35.0%	\$3,007,608	Average Annual Salary per Ret./Rest./Bank Worker (BEA)			\$39,225	
37	2019 Township per Capita Expenditure			\$316.34	2019 Township Housing Unit Estimate			9,435	
38	2019 Township Population Estimate			21,843	2019-2020 State Liquid Fuels Revenue per Capita			\$19.7107	

	A	B	C	D	E	F	G	H	I
40	ANALYSIS OF THE FISCAL IMPACT TO THE EAST PENNSBORO AREA SCHOOL DISTRICT								
41	Of the Proposed Summerdale Development						June 10, 2019		
42									
43	Proposed Use/	Number of	Assessed Value	Total	School Age Children	Public School	Annual EPASD	Expenditures per	
44	Dwelling Type	Units/Rooms/SF	per Unit/Room/SF	Assessed Value	per Unit/1K SF	(EPASD) Students	Expenditures	Unit/Room/1K SF	
45	1 BR Apartment	87	\$70,000	\$6,090,000	0.05	4	\$64,565	\$742	
46	2 BR Apartment	173	\$80,000	\$13,840,000	0.09	14	\$231,099	\$1,336	
47	Hotel	100	\$70,000	\$7,000,000	0.00	0	\$0	\$0	
48	Office	42,000	\$100	\$4,200,000	0.00	0	\$0	\$0	
49	Retail/Restaurant/Bank	15,000	\$293	\$4,400,000	0.00	0	\$0	\$0	
50	Total	260/100/57,000		\$35,530,000		18	\$295,664		
51									
52	Annual School District Revenue								
53	Proposed Use/	Real Estate	Earned Income	Local Services	State & Federal	Earnings on	Total Annual	Revenue per	
54	Dwelling Type	Tax (@ 100%)	Tax (1.1%)	Tax	Revenue	Investments	Revenue	Unit/Room/1K SF	
55	1 BR Apartment	\$75,389	\$50,530	\$0	\$20,721	\$512	\$147,152	\$1,691	
56	2 BR Apartment	\$171,328	\$123,314	\$0	\$74,168	\$1,164	\$369,974	\$2,139	
57	Hotel	\$86,654	\$0	\$130	\$0	\$588	\$87,373	\$874	
58	Office	\$51,993	\$0	\$683	\$0	\$353	\$53,028	\$1,263	
59	Retail/Restaurant/Bank	\$54,468	\$0	\$357	\$0	\$370	\$55,195	\$3,680	
60	Total	\$439,833	\$173,844	\$1,169	\$94,889	\$2,987	\$712,722		
61									
62	Proposed Use/	Annual Net School	Net School District Revenue	Revenue >					
63	Dwelling Type	District Revenue	per Unit/Room/1K SF	Expenditure					
64	1 BR Apartment	\$82,587	\$949	127.9%					
65	2 BR Apartment	\$138,875	\$803	60.1%					
66	Hotel	\$87,373	\$874	--					
67	Office	\$53,028	\$1,263	--					
68	Retail/Restaurant/Bank	\$55,195	\$3,680	--					
69	Total	\$417,058		141.1%					
70									
71	NOTES:								
72	Pct. of EPT School Age Children in Public Schools (2017 ACS)			91.6%		2019-2020 EPASD Real Estate Tax Millage		12.3792	
73	2019-2020 EPASD Total Expenditures			\$42,350,599		Average Annual Salary per Hotel Worker (BEA)		\$28,852	
74	Minus 2019-2020 Pass-Through Funds			\$698,038		Average Annual Salary per Office Worker (BEA)		\$57,207	
75	2019-2020 EPASD Net Expenditures			\$41,652,561		Average Annual Salary per Ret./Rest./Bank Worker (BEA)		\$39,225	
76	2019-2020 EPASD Net Expenditure per Student			\$16,207		2019-2020 EPASD State/Federal Revenue per Student		\$5,201	
77	2019-2020 EPASD Projected Student Enrollment			2,570					

LERTA Program Schedule for Proposed Summerdale Development

June 10, 2019

Year	% RE Tax Exemption	Township Revenue	Township Expenditures	Net Township Impact	School District Revenue	School District Expenditures	Net School District Impact	Net Combined Impact
Year 1	100%	\$201,010	\$179,920	\$21,090	\$293,031	\$295,664	-\$2,633	\$18,457
Year 2	90%	\$206,837	\$179,920	\$26,917	\$337,015	\$295,664	\$41,350	\$68,267
Year 3	80%	\$212,664	\$179,920	\$32,744	\$380,998	\$295,664	\$85,333	\$118,077
Year 4	70%	\$218,491	\$179,920	\$38,571	\$424,981	\$295,664	\$129,317	\$167,888
Year 5	60%	\$224,318	\$179,920	\$44,398	\$468,965	\$295,664	\$173,300	\$217,698
Year 6	50%	\$230,145	\$179,920	\$50,225	\$512,948	\$295,664	\$217,283	\$267,508
Year 7	40%	\$235,971	\$179,920	\$56,051	\$556,931	\$295,664	\$261,267	\$317,318
Year 8	30%	\$241,798	\$179,920	\$61,878	\$600,914	\$295,664	\$305,250	\$367,128
Year 9	20%	\$247,625	\$179,920	\$67,705	\$644,898	\$295,664	\$349,233	\$416,939
Year 10	10%	\$253,452	\$179,920	\$73,532	\$688,881	\$295,664	\$393,217	\$466,749
Year 11 and beyond	0%	\$256,611	\$179,920	\$76,691	\$712,722	\$295,664	\$417,058	\$493,748
TOTAL		\$2,528,921	\$1,979,120	\$549,802	\$5,622,284	\$3,252,309	\$2,369,975	\$2,919,777