FISCAL IMPACT ANALYSIS
Proposed Toll Brothers, Inc. Development at Crebilly Farm
Westtown Township, Chester County

October 13, 2016

Prepared for:
Toll Brothers, Inc.
250 Gibraltar Road
Horsham, PA 19044

Prepared by:
David C. Babbitt, AICP
David C. Babbitt & Associates, LLC
P.O. Box 922
Frazer, PA 19355-0922
Phone 610-651-5717
Fax 610-651-5718
www.babbittplanning.com
david@babbittplanning.com

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This report examines the annual fiscal impact to Westtown Township and the West Chester Area School District (WCASD) of a residential development by Toll Brothers, Inc. of the Crebilly Farm site. 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 2016 levels of revenue, expenditures, and taxation.

Two development scenarios are analyzed and compared in this report. Plan A – Proposed Development consists of 200 four bedroom single family detached homes to be sold for an average price of $810,000, and 117 three bedroom carriage homes to be sold for an average price of $600,000, for total of 317 units. Plan B – Proposed Density Bonus Development consists of 152 four bedroom single family detached homes to be sold for an average price of $813,000, and 243 three bedroom carriage homes to be sold for an average price of $605,000, for a total of 395 units.

The table below shows the annual net fiscal impact (revenue minus expenditures) to the Township and School District of the two proposed development scenarios. The report includes sections on assessments and 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 impacts, which show the major expenditure and revenue categories for each entity. All cell addresses in the text refer to these spreadsheets.

Proposed Plan/ Dwelling Type	Number of Units	Annual Net Township Impact	Annual Net School District Impact	**Annual Net Combined Impact**	Annual Net Combined Impact per Unit
A -- 4 BR SFD Homes	200	$318,801	-$689,980	**-$371,179**	-$1,856
A -- 3 BR Carriage Homes	117	$194,002	$561,031	**$755,034**	$6,453
Total Plan A – Proposed Development	**317**	**$512,803**	**-$128,949**	**$383,854**	**$1,211**
B -- 4 BR SFD Homes	152	$245,077	-$518,816	**-$273,739**	-$1,801
B -- 3 BR Carriage Homes	243	$400,215	$1,180,361	**$1,580,576**	$6,504
Total Plan B – Proposed Density Bonus Development	**395**	**$645,291**	**$661,545**	**$1,306,837**	**$3,308**
Difference	***78***	***$132,488***	***$790,494***	***$922,982***	***$2,098***

Both development plans are projected to result in annual net surpluses to Westtown Township; Plan A – Proposed Development yields a projected annual net surplus of $512,803, and Plan B – Proposed Density Bonus Development yields a projected annual net surplus of $645,291, for a difference of $132,488. Plan A – Proposed Development yields a projected annual net deficit to the West Chester Area School District of $128,949, while Plan B – Proposed Density Bonus Development yields a projected annual net surplus to the School District of $661,545, for a difference of $790,494.

The combined fiscal impact to the Township and School District is projected to be annual net surpluses of $383,854 for Plan A – Proposed Development, and $1,306,837 for Plan B – Proposed Density Bonus Development, for a difference of $922,982.

In addition to the annual net impacts shown above, the proposed development will generate real estate transfer tax revenue to each of the Township and School District from the initial sales of the units from the builder to the purchasers, totaling $1,161,000 for Plan A – Proposed Development and $1,352,955 for Plan B – Proposed Density Bonus Development.

The most important reason for the annual net surpluses to the Township is the relatively high value of the proposed homes. The median housing value in the 2014 American Community Survey (a function of the U.S. Census Bureau) was $389,800 for Westtown Township. In comparison, the market value of the proposed homes is projected to be above $600,000 for the carriage homes and above $810,000 for the single family detached homes. The higher housing value translates to higher revenue in the real estate tax, earned income tax, and real estate transfer tax categories, for both the Township and School District.

For the School District, the annual net fiscal impact is different for each proposed dwelling type. The four bedroom single family detached homes on average house more school age children and public school students, which generate higher School District expenditures. The higher revenue from these units does not offset the higher expenditures generated by the greater number of students. Conversely, the three bedroom carriage homes on average house far fewer school age children and public school students, which generate lower School District expenditures. The revenue from these units exceeds the expenditures, and the net impact is positive for these units.

It is important to note that the School District has considerable nonresidential development throughout its eight municipalities, and this nonresidential development generates substantial tax revenue, effectively subsidizing the residential development in the District.

ASSESSMENTS AND DEMOGRAPHICS

The projected assessed value of the proposed units is determined by multiplying the average market value (cells C6-C10 in the Township spreadsheet and cells C48-C52 in the School District spreadsheet) by the most recent State Tax Equalization Board common level ratio for Chester County of 53.8 percent (cell D36 in the Township spreadsheet and cell D78 in the School District spreadsheet), and by the number of units for each dwelling type (cells B6-B10 in the Township spreadsheet and cells B48-B52 in the School District spreadsheet). The assessed value of the proposed development at buildout is projected to total $124,923,600 under Plan A and $145,577,958 under Plan B, for a difference of $20,654,358 (cells D6-D12 in the Township spreadsheet and cells D48-D54 in the School District spreadsheet).

The number of persons per unit and number of school age children per unit are derived from the Rutgers University Center for Urban Policy Research (CUPR) data published in June, 2006 and based on the U.S. Census Bureau 2000 Public Use Microdata Sample (available at http://www.dataplace.org). 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 for persons per unit used in this analysis are 3.50 for all four bedroom single family detached houses and 2.22 for all three bedroom carriage homes (cells E6-E10). The number of persons projected to reside in the proposed development is determined by multiplying the number of units (cells B6-B10) by the number of persons per unit (cells E6-E10) for each dwelling type. The number of persons projected to reside in the proposed development at buildout and full occupancy totals 960 under Plan A and 1,071 under Plan B, for a difference of 112 persons (cells F6-F12).

The number of school age children per unit is also from the CUPR research based on the Census figures in Pennsylvania. The demographic multipliers for number of school age children (ages 5-18) per unit used in this analysis are 1.02 for all four bedroom single family detached houses and 0.21 for all three bedroom carriage homes (cells E48-E52 in the School District spreadsheet). The number of school age children projected to reside in the proposed development is determined by multiplying the number of units (cells B48-B52) by the number of school age children per unit (cells E48-E52) for each dwelling type. These figures are then multiplied by 77.4 percent (cell D79), which is the percentage of Westtown Township school age children attending public schools, from the 2014 American Community Survey. The number of public school (WCASD) students projected to reside in the proposed development at buildout and full occupancy totals 177 under Plan A and 160 under Plan B, for a difference of 17 students (cells G48-G54).

Please note that the Rutgers CUPR has not (yet) analyzed the 2010 Census figures to provide demographic multipliers differentiated by dwelling type, size or value, which along with housing tenure are the key variables that the researchers at Rutgers found were associated with statistically significant differences in demographics of housing. By comparison, the number of persons per unit in the 2010 Census for Westtown Township, including all dwelling types, sizes, values, and tenure, was 2.70 (10,827 persons in 4,003 units). Since this figure is a Township-wide average, it includes existing attached and multifamily dwellings and smaller single homes with two or three bedrooms, all of which will have lower demographics. It is therefore lower than the demographic multiplier projected for the four bedroom single family detached homes and somewhat higher than the demographic multiplier projected for the three bedroom carriage homes.

FISCAL IMPACT ON WESTOWN TOWNSHIP

Annual Westtown Township Expenditures

The Westtown Township budget includes the following funds, shown in the table below with their respective 2016 expenditure totals:

Fund	**Budgeted Expenditure**
General Fund	$7,037,661
Refuse Fund	$1,163,750
On Lot Management Fund	$59,196
State Highway Aid Fund	$330,000
Sewer Fund	$2,587,716
Debt Service Fund	$1,270,301
Capital Reserve Fund	$750
Capital Projects Fund	$330,280
TOTAL 2016 EXPENDITURES	**$12,779,654**

The total Township budgeted expenditures in 2016 are $12,779,654, which includes all eight Township funds.

In order to find a more accurate measure of the average annual expenditures for the proposed development, this analysis focuses on the regular, ongoing operating expenditures of the Township. Such operations are quantified in the following three funds, shown in the table below with their respective sums in the 2016 budget.

Operating Fund	Budgeted Expenditure
General Fund	$7,037,661
Refuse Fund	$1,163,750
State Highway Aid Fund	$330,000
TOTAL 2016 EXPENDITURES	**$8,531,411**

The three operating funds total $8,531,411 in expenditures for 2016 (cell D37). These three funds cover nearly all Township operating expenditures, including administration and finance, tax collection, police protection, code enforcement, sanitation, engineering, road maintenance, emergency services, parks and recreation, library, fire protection, and debt service.

The remaining funds are either capital funds (Capital Projects Fund), pass-through funds (On-Lot Management Fund, Sewer Fund and Debt Service Fund), or reserve funds (Capital Reserve Fund). These funds are excluded because they are capital funds which fluctuate significantly year to year, represent transfers between funds (and therefore double counting), and/or are not associated with ongoing operations.

Three categories of funds are subtracted from the total operating expenditures of $8,531,411 (cell D37). The first category is pass-through funds, which are subtracted from this total in order to find a more accurate measure of the average annual expenditures for future residents of the proposed development, shown here with their respective sums in the Township's 2016 budget:

Pass-Through Fund	Fund	Budgeted Amount
Rents and Royalties	General	$115,184
Comcast Capital Grant/Gov't Access	General	$14,000
PennDot Go Green Grant/Rt. 3	General	$10,000
PURTA	General	$6,400
Foreign Fire Insurance	General	$105,000
State Aid Pension	General	$46,000
State Aid Police Pension	General	$90,000
Other State and County Grants	General	$6,500
Community Garden Annual Dues	General	$650
Community Garden Fees	General	$300
Recreation Program Fees	General	$2,300
Reimbursement/American Tower	General	$10,000
Developer's Reimbursements	General	$225,000
DER Grant - Recycling	Refuse	$15,000
Hazard Waste Reimbursement	Refuse	$2,000
Liquid Fuels State Revenue	State Highway Aid	$340,756
Turnback Allocation State Revenue	State Highway Aid	$7,080
TOTAL		**$996,170**

Pass-through funds are excluded because the proposed development will have no net impact on these funds, since revenue always equals expenditures. Pass-through funds total $996,170 in the 2016 Township budget.

The second excluded category includes those 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 2016 budget, all in the General Fund.

Development-Related Fund	**Budgeted Amount**
SALDO Fees	$780
CU Hearing Fees	$2,000
ZHB Hearing Fees	$1,500
Residential Building Permits	$35,000
Commercial Building Permits	$60,000
Ordinance Violations	$1,000
General Government Administration	$1,200
Expedite Plan Reviews	$15,000
Permit Re-inspections	$5,000
Electrical Inspections	$8,000
HVAC Permits	$4,000
Solar Building Permits	$1,000
U&O Permit - New	$3,000
Highway Occupancy Permit	$2,000
E&S Permits	$2,000
Plumbing Permits	$5,000
TOTAL	**$134,180**
90% of Development Related	**$120,762**
10% of Development Related	**$13,418**

Such charges for services and departmental earnings are excluded because they are in essence one-time pass-through funds for specific functions normally associated with new development. Once a development is completed, the revenue and expenditures for such things as permits and application fees decreases significantly. Only 90 percent of the development-related funds (or $120,762) is excluded from the expenditure analysis, in acknowledgment that there will still be some expenditures on buildings once they are complete, for things such as building additions, ongoing use and occupancy permits, etc. Please note that in the revenue analysis, below, only 10 percent of the revenue from development-related funds (or $13,418) is included.

The third excluded category includes fund transfers which are excluded in order to avoid double counting transfers between funds, and in order to exclude payments to capital funds for future capital expenditures. The following table shows the fund transfers, totaling $540,100, which are excluded from the Township net operating expenditures.

Fund Transfers	Budgeted Amount
Refuse Fund to General Fund	$415,600
General Fund to Capital Future Reserve	$20,000
General Fund to Capital Replacement Reserve	$104,500
TOTAL	**$540,100**

The excluded pass-through, development related and transfer funds total $1,657,032 (cell D38). The 2016 net Township operating expenditures (minus pass-through funds, development related expenditures and transfers) are $6,874,379 (cell D39). Please note that just as the expenditures for the above 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.

Then, the Township expenditures associated with existing nonresidential development are subtracted from the net operating expenditures using the "proportional valuation method" of *The New Practitioner's Guide to Fiscal Impact Analysis*. First, a portion of the total Township expenditures is assigned to existing nonresidential development, based on the average value of property. According to the Chester County Board of Assessment as of August, 2016, the total assessed value of the 3,690 properties in Westtown Township was $902,803,813, yielding an average assessed value of $244,662. Of those properties, 211 were nonresidential (commercial, industrial, institutional, utility, etc., whether taxable or exempt), with a total assessed value of $196,406,458 (representing 21.8 percent of the Township total), and an average assessed value of $930,836. The proportion of average nonresidential assessed value to average Township assessed value (residential and nonresidential combined) is 3.80, which is then used to determine the refinement coefficient of 1.28 from a graph in the *New Practitioner's Guide*. 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. 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 (21.8 percent) is then multiplied by the refinement coefficient of 1.28, and by the 2016 net Township operating expenditures of $6,874,379 (cell D39). The result of this calculation is that $1,914,282 of the net Township operating expenditures (representing 27.8 percent) is attributable to existing nonresidential development (cell D40). This sum is subtracted from the 2016 net Township operating expenditures $6,874,379 (cell D39), and the remainder ($4,960,097 in operating expenditures attributable to existing residential development) is divided by the number of Township residents in 2016, which is estimated at 10,898 (cell I36). The per capita Township operating expenditures attributable to existing residential development are $455.16 (cell D41).

The estimated number of Township residents is determined by taking the U.S. Census estimate for 2014 (the most recent estimate available) of 10,874, and adding two years' worth of the average annual increase between 2010 and 2014 (47 over those four years, or 11.75 additional residents per year and 24 over two years) to find the current estimate of 10,898 (cell I36).

The per capita Township expenditure of $455.16 attributable to existing development (cell D41) is then applied to the number of persons projected to reside in the proposed homes at buildout and full occupancy (cells F6-F10) to find the projected annual Township expenditures totaling $436,834 for Plan A and $487,685 for Plan B, for a difference of $50,850 (cells G6-G12). The annual expenditures per unit are projected to be $1,593 for all single family detached homes and $1,010 for all carriage homes. The annual expenditures per unit across all units are projected to total $1,378 under Plan A and $1,235 under Plan B, for a difference of $143 (cells H6-H12).

Annual Westtown Township Revenue

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

- Real estate tax revenue, based on the Township tax rate of 3.500 mills (cell I37) applied to the projected assessed value of the proposed development (cells D6-D10). The annual real estate tax revenue is projected to total $437,233 for Plan A and $509,523 for Plan B, for a difference of $72,290 (cells B17-B23). Please note that under both plans, the real estate tax revenue is projected to cover all of the projected expenditures from the proposed development.

- Earned income tax revenue, based on the rate of 0.5 percent applied to the earned income of the residents of the proposed development. Earned income is determined by calculating the minimum annual household income needed to afford the annual housing costs, according to Fannie Mae criteria that no more than 28 percent of annual household income be used for housing costs. The housing costs include the mortgage (90 percent of the unit market value, at a 3.545 percent jumbo mortgage rate, which is 1/8 percent higher than the standard mortgage rate of 3.420 percent according to the October 6, 2016 Freddie Mac Primary Mortgage Market Survey, available at www.freddiemac.com; the monthly mortgage payments are $3,292 for the single family detached homes under Plan A, $2,438 for the carriage homes under Plan A, $3,304 for the single family detached homes under Plan B, and $2,459 for the carriage homes under Plan B), real estate taxes (totaling 27.7612 mills for the Township, School District and County; the monthly tax payments are $1,008 for the single family detached homes under Plan A, $747 for the carriage homes under Plan A, $1,012 for the single family detached homes under Plan B, and $753 for the carriage homes under Plan B), insurance ($90 per month for all units), and homeowners association fee ($265 per month for all carriage homes and $175 per month for all single family detached homes). The minimum annual household income in order to afford the units is projected to be $195,644 for the single family detached homes under Plan A, $151,723 for the carriage homes under Plan A, $196,326 for the single family detached homes under Plan B, and $152,861 for the carriage homes under Plan B. These minimum annual household income figures are then multiplied by the number of units for each dwelling type (cells B6-B10) and by the Township earned income tax rate of 0.5 percent. The annual earned income tax revenue from the proposed development is projected to total $284,402 under Plan A and $334,934 under Plan B, for a difference of $50,532 (cells C17-C23). Please note that these figures are the minimum level of annual income necessary to cover the housing costs, given the projected prices of the homes and the current tax and mortgage rates. Most households will have higher income levels, which will result in higher earned income tax revenue to the Township.

- Real estate transfer tax revenue, based on the market value of the proposed units (cells C6-C10) multiplied by the number of units of each dwelling type (cells B6-B10), multiplied by the annual housing turnover rate of 5.0 percent for the single family detached homes and 10.0 percent for the carriage homes (cells I39-I40), and multiplied by the Township's tax rate of 0.5 percent of the market value. The annual real estate transfer revenue from the proposed development is projected to total $75,600 under Plan A and $104,402 under Plan B, for a difference of $28,802 (cells D17-D23). Please note that this annual revenue figure does not include the one-time real estate transfer tax revenue from the initial sales of the units over the buildout period, projected to total $1,161,000 under Plan A and $1,352,955 under Plan B (cell A42).

- Refuse collection fee revenue, based on an annual fee of $320 per unit (cell I41) applied to the number of units (cells B6-B10). The annual refuse collection fee revenue is projected to total $101,440 under Plan A and $126,400 under Plan B, for a difference of $24,960 (cells E17-E23).

- Franchise fees and miscellaneous revenue, which includes revenue from development related funds and interest earnings. The 2016 budgeted cable television franchise fee revenue is $263,000 and revenue from development related funds is $13,418 (ten percent of the $134,180 of revenue from development related funds, representing the possibility of ongoing permits, fees and inspections; see the expenditure analysis, above), for a total of $276,418. This sum is divided by the current number of housing units in the Township (estimated at 4,246, cell I38, from the 2014 American Community Survey of the U.S. Census applying the same procedure used to estimate the current Township population, above), and that average per unit revenue ($65.10) is then applied to the units in the proposed development (cells B6-B10). Interest earnings are determined by dividing the assessed value of the proposed development (cells C6-C10) by the total assessed value of all Township properties ($902,803,813, from the Chester County Board of Assessment as of August, 2016), and multiplying the quotient by the interest earnings projected in the 2016 Township budget (totaling $6,600, including $6,500 from the General Fund and $100 from the State Highway Aid Fund). The sum of the projected annual cable television franchise fee, development related and interest revenue is projected to total $21,550 for Plan A and $26,779 under Plan B, for a difference of $5,229 (cells F17-F23).

- State highway aid revenue, which is annual State municipal liquid fuels revenue distributed to municipalities based on the linear miles of public roadway and total population in the municipality. The public roadways in the proposed development are projected to be 21,725 linear feet under Plan A and 20,980 linear feet under Plan B. Based on the February 4, 2016 Municipal Liquid Fuels Allocation Report from the Department of Transportation of the Commonwealth of Pennsylvania, Westtown Township will receive $17.5278 per person in state highway aid revenue and $3,060.0201 per linear mile of new public roads. The projected annual state highway aid revenue for the proposed development is determined by multiplying the state highway aid population factor ($17.5278 per person) by the number of persons at buildout and full occupancy (cells F6-F10) and multiplying the state highway aid roadway factor ($3,060.0201 per linear mile of public roadway) by the mileage of new public roadway in the proposed development. The state highway aid revenue is projected to total $29,413 under Plan A and $30,939 under Plan B, for a difference of $1,526 (cells G17-G23).

The annual Township revenue from all sources is projected to total $949,637 under Plan A and $1,132,976 under Plan B, for a difference of $183,339 (cells H17-H23). The annual revenue per unit is projected to be $3,187 for the single family detached homes under Plan A, $2,669 for the carriage homes under Plan A, $3,205 for the single family detached homes under Plan B, and $2,657 for the carriage homes under Plan B. The annual revenue per unit across all units is projected to total $2,996 under Plan A and $2,868 under Plan B, for a difference of $127 (cells I17-I23).

The annual net Township impact is projected to total positive $512,803 under Plan A – Proposed Development and positive $645,291 under Plan B – Proposed Density Bonus Development, for a difference of $132,488 (cells B27-B33). The annual net revenue per unit is projected to be positive $1,594 for the single family detached homes under Plan A, positive $1,658 for the carriage homes under Plan A, positive $1,612 for the single family detached homes under Plan B, and positive $1,647 for the carriage homes under Plan B. The annual net revenue per unit across all units is projected to total positive $1,618 under Plan A and positive $1,634 under Plan B, for a difference of $16 (cells C27-C33).

Annual revenue is projected to exceed annual expenditures by 100.1 percent for the single family detached homes under Plan A, 164.1 percent for the carriage homes under Plan A, 101.2 percent for the single family detached homes under Plan B, and 163.0 percent for the carriage homes under Plan B. Across all units, the annual revenue is projected to exceed annual expenditures by 117.4 percent under Plan A and 132.3 percent under Plan B, for a difference of 14.2 percent (cells D27-D33).

FISCAL IMPACT ON WEST CHESTER AREA SCHOOL DISTRICT

Annual West Chester Area School District (WCASD) Expenditures

The number of units (cells B48-B54), average market value (cells C48-C52), and projected assessment (cells D48-D54) under each Plan are the same as for the Township impact, above.

The West Chester Area School District 2016-2017 General Fund budgeted expenditures total $237,424,295 (cell D80 of the School District spreadsheet). The following pass-through funds are subtracted from this total:

Pass-Through Fund	Budgeted Amount
Revenue from Intermediary Sources/Pass Through Funds	$1,193,717
Revenue from LEA Activities	$251,500
Rentals	$360,000
Tuition from Patrons	$461,075
Public Utility Realty Taxes	$200,000
TOTAL	**$2,466,292**

The pass-through funds total $2,466,292 (cell D81), with the remaining net School District expenditures totaling $234,958,003 (cell D82). This figure is then divided by the 2016-2017 District-wide enrollment of 11,423 students (cell D83) to establish the 2016-2017 WCASD net expenditure of $20,569 per student (cell I78). This per student expenditure is applied to the number of students from the proposed development projected to attend public schools (cells G48-G54). The annual School District expenditures are projected to total $3,640,060 under Plan A and $3,281,740 under Plan B, for a difference of $358,321 (cells H48-H54).

The annual expenditures per unit are projected to be $16,244 for all single family detached homes and $3,344 for all carriage homes. The annual expenditures per unit across all units are projected to total $11,483 under Plan A and $8,308 under Plan B, for a difference of $3,175 (cells I48-I54).

Annual West Chester Area School District Revenue

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 20.0982 mills (cell I79) applied to the projected assessed value of the proposed development (cells D48-D54). The annual School District real estate tax revenue is projected to total $2,510,739 under Plan A and $2,925,855 under Plan B, for a difference of $415,115 (cells B59-B65).

- Earned income tax revenue, determined using the same method as was used for the Township impact, above. The annual School District earned income tax revenue is projected to total $284,402 under Plan A and $334,934 under Plan B, for a difference of $50,532 (cells C59-C65).

- Real estate transfer tax revenue, determined using the same method as was used for the Township impact, above. The annual School District real estate transfer tax revenue is projected to total $75,600 under Plan A and $104,402 under Plan B, for a difference of $28,802 (cells D59-D65). Please note that this annual revenue figure does not include the one-time real estate transfer tax revenue from the initial sales of the units over the buildout period, projected to total $1,161,000 under Plan A and $1,352,955 under Plan B (cell A84).

- State and Federal revenue, based on the 2016-2017 WCASD budgeted revenue from those sources totaling $41,148,186 divided by the WCASD enrollment of 11,423 (cell D83), or $3,602 per public school student (cell I80), applied to the projected number of WCASD students from the proposed development (cells G48-G54). The annual School District state and federal revenue is projected to total $637,484 under Plan A and $574,731 under Plan B, for a difference of $62,753 (cells E59-E65).

- Interest earnings, based on the projected assessed value of the proposed development (cells D48-D54) divided by the School District's total assessed value ($8,399,494,496, according to the 2016-2017 WCASD budget), and multiplying by the School District's projected $194,088 revenue from interest earnings (cell I83). The annual School District interest earnings are projected to total $2,887 under Plan A and $3,364 under Plan B, for a difference of $477 (cells F59-F64).

The annual School District revenue from all sources is projected to total $3,511,112 under Plan A and $3,943,285 under Plan B, for a difference of $432,173 (cells G59-G65). The annual revenue per unit is projected to be $12,794 for the single family detached homes under Plan A, $8,139 for the carriage homes under Plan A, $12,831 for the single family detached homes under Plan B, and $8,202 for the carriage homes under Plan B. The annual revenue per unit across all units is projected to total $11,076 under Plan A and $9,983 under Plan B, for a difference of $1,093 (cells H59-H65).

The annual net School District impact is projected to total negative (or deficit) $128,949 under Plan A – Proposed Development and positive $661,545 under Plan B – Proposed Density Bonus Development, for a difference of $790,494 (cells B69-B75). The annual net revenue per unit is projected to be negative $3,450 for the single family detached homes under Plan A, positive $4,795 for the carriage homes under Plan A, negative $3,413 for the single family detached homes under Plan B, and positive $4,857 for the carriage homes under Plan B. The annual net revenue per unit across all units is projected to total negative $407 under Plan A and positive $1,675 under Plan B, for a difference of $2,082 (cells C69-C75).

Annual revenue is projected to exceed annual expenditures by 143.4 percent for the carriage homes under Plan A and 145.2 percent for the carriage homes under Plan B. Annual expenditures are projected to exceed annual revenue by 21.2 percent for the single family detached homes under Plan A and 21.0 percent for the single family detached homes under Plan B. Across all units, annual expenditures are projected to exceed annual revenue by 3.5 percent under Plan A, and annual revenue is projected to exceed annual expenditures by 20.2 percent under Plan B, for a difference of 23.6 percent (cells D69-D75). At an annual deficit of 3.5 percent, the net fiscal impact of Plan A is very close to break even.

Once again, the primary reason for the difference between the impacts to the School District is that the single family detached homes house more school age children and more public school students, which generates higher School District expenditures. Plan A is projected to house 177 WCASD students, while Plan B is projected to house only 160 students, and the difference in annual expenditures is $358,321. And yet Plan B generates $432,173 more in revenue than Plan A. The combination of higher expenditures and lower revenue results in net deficits for the School District for Plan A.

ANALYSIS OF THE FISCAL IMPACT TO WESTTOWN TOWNSHIP

Of the Proposed Toll Brothers Development at Crebilly Farm

October 13, 2016

Proposed Plan/ Dwelling Type	Number of Units	Average Market Value per Unit	Total Assessed Value	Persons per Unit	Number of Persons	Annual Township Expenditures	Expenditures per Unit
A – 4 BR Single-Family Detached	200	$810,000	$87,156,000	3.50	700	**$318,611**	$1,593
A – 3 BR Carriage Homes	117	$600,000	$37,767,600	2.22	260	**$118,223**	$1,010
Total Plan A Development	**317**		**$124,923,600**		960	**$436,834**	**$1,378**
B – 4 BR Single-Family Detached	152	$813,000	$66,483,888	3.50	532	**$242,145**	$1,593
B – 3 BR Carriage Homes	243	$605,000	$79,094,070	2.22	539	**$245,540**	$1,010
Total Plan B Density Bonus	**395**		**$145,577,958**		1,071	**$487,685**	**$1,235**
Difference	***78***		***$20,654,358***		*112*	***$50,850***	***-$143***

Proposed Plan/ Dwelling Type	Annual Township Revenue: Real Estate Tax	Earned Income Tax	Real Estate Transfer Tax**	Refuse Collection Fee	Franchise Fees & Misc. Revenue	State Highway Aid Revenue	Total Annual Revenue	Revenue per Unit
A – 4 BR Single-Family Detached	$305,046	$195,644	$40,500	$64,000	$13,657	$18,565	**$637,412**	$3,187
A – 3 BR Carriage Homes	$132,187	$88,758	$35,100	$37,440	$7,893	$10,848	**$312,225**	$2,669
Total Plan A Development	**$437,233**	**$284,402**	**$75,600**	**$101,440**	**$21,550**	**$29,413**	**$949,637**	**$2,996**
B – 4 BR Single-Family Detached	$232,694	$149,208	$30,894	$48,640	$10,381	$15,404	**$487,221**	$3,205
B – 3 BR Carriage Homes	$276,829	$185,726	$73,508	$77,760	$16,398	$15,535	**$645,755**	$2,657
Total Plan B Density Bonus	**$509,523**	**$334,934**	**$104,402**	**$126,400**	**$26,779**	**$30,939**	**$1,132,976**	**$2,868**
Difference	***$72,290***	***$50,532***	***$28,802***	***$24,960***	***$5,229***	***$1,526***	***$183,339***	***-$127***

Proposed Plan/ Dwelling Type	Annual Net Township Revenue	Annual Net Township Revenue per Unit	Revenue > Expenditure
A – 4 BR Single-Family Detached	**$318,801**	$1,594	100.1%
A – 3 BR Carriage Homes	**$194,002**	$1,658	164.1%
Total Plan A Development	**$512,803**	**$1,618**	**117.4%**
4 BR Single-Family Detached	**$245,077**	$1,612	101.2%
B – 3 BR Carriage Homes	**$400,215**	$1,647	163.0%
Total Plan B Density Bonus	**$645,291**	**$1,634**	**132.3%**
Difference	***$132,488***	***$16***	***14.2%***

Notes

2015-2016 STEB Common Level Ratio for Chester County		53.8%	2016 Estimated Township Population		10,898
2016 Township Operating Expenditures		$8,531,411	2016 Township Real Estate Tax Millage		3.5
Minus 2016 Pass-Through and Excluded Expenditures and Transfers		$1,657,032	2016 Estimated Township Housing Units		4,246
2016 Net Township Operating Expenditures		$6,874,379	Annual Housing Turnover Rate	SFD Units	5.0%
2016 Township Non-Residential Expenditures	27.8%	$1,914,282		Carriage Homes	10.0%
2016 Township per Capita Operating Expenditure		$455.16	Annual Refuse Collection Fee per Unit		$320

** Does not include the real estate transfer tax revenue from the initial sales of the units over the buildout period, totaling $1,161,000 for Plan A and $1,352,955 for Plan B.

ANALYSIS OF THE FISCAL IMPACT TO THE WEST CHESTER AREA SCHOOL DISTRICT

Of the Proposed Toll Brothers Development at Crebilly Farm

October 13, 2016

Proposed Plan/ Dwelling Type	Number of Units	Average Market Value per Unit	Total Assessment	School Age Children per Unit	School Age Children	WCASD Students	Annual School District Expenditures	Expenditures per Unit
A – 4 BR Single-Family Detached	200	$810,000	$87,156,000	1.02	204	158	**$3,248,774**	$16,244
A – 3 BR Carriage Homes	117	$600,000	$37,767,600	0.21	25	19	**$391,286**	$3,344
Total Plan A Development	**317**		**$124,923,600**		**229**	**177**	**$3,640,060**	**$11,483**
B – 4 BR Single-Family Detached	152	$813,000	$66,483,888	1.02	155	120	**$2,469,068**	$16,244
B – 3 BR Carriage Homes	243	$605,000	$79,094,070	0.21	51	40	**$812,671**	$3,344
Total Plan B Density Bonus	**395**		**$145,577,958**		**206**	**160**	**$3,281,740**	**$8,308**
Difference	***78***		***$20,654,358***		***-23***	***-17***	***-$358,321***	***-$3,175***

Proposed Plan/ Dwelling Type	Annual School District Revenue						
	Real Estate Tax	Earned Income Tax	Real Estate Transfer Tax**	State/Federal Revenue	Interest Earnings	**Total Annual Revenue**	Revenue per Unit
A – 4 BR Single-Family Detached	$1,751,679	$195,644	$40,500	$568,958	$2,014	**$2,558,794**	$12,794
A – 3 BR Carriage Homes	$759,061	$88,758	$35,100	$68,526	$873	**$952,317**	$8,139
Total Plan A Development	**$2,510,739**	**$284,402**	**$75,600**	**$637,484**	**$2,887**	**$3,511,112**	**$11,076**
4 BR Single-Family Detached	$1,336,206	$149,208	$30,894	$432,408	$1,536	**$1,950,253**	$12,831
B – 3 BR Carriage Homes	$1,589,648	$185,726	$73,508	$142,323	$1,828	**$1,993,032**	$8,202
Total Plan B Density Bonus	**$2,925,855**	**$334,934**	**$104,402**	**$574,731**	**$3,364**	**$3,943,285**	**$9,983**
Difference	***$415,115***	***$50,532***	***$28,802***	***-$62,753***	***$477***	***$432,173***	***-$1,093***

Proposed Plan/ Dwelling Type	**Annual Net School District Revenue**	Net School District Revenue per Unit	Revenue > Expenditures
A – 4 BR Single-Family Detached	**-$689,980**	-$3,450	-21.2%
A – 3 BR Carriage Homes	**$561,031**	$4,795	143.4%
Total Plan A Development	**-$128,949**	**-$407**	**-3.5%**
B – 4 BR Single-Family Detached	**-$518,816**	-$3,413	-21.0%
B – 3 BR Carriage Homes	**$1,180,361**	$4,857	145.2%
Total Plan B Density Bonus	**$661,545**	**$1,675**	**20.2%**
Difference	***$790,494***	***$2,082***	***23.6%***

Notes

2015-2016 STEB Common Level Ratio for Chester County	53.8%	2016-2017 WCASD Net Expenditure per Student		$20,569
Percentage Of Township School Age Children in WCASD Schools (Census)	77.4%	2016-2017 WCASD Real Estate Tax Millage		20.0982
2016-2017 WCASD Total Expenditures	$237,424,295	2016-2017 WCASD State/Federal Revenue per Student		$3,602
Minus 2016-2017 Pass-Through Expenditures	$2,466,292	Annual Housing Turnover Rate	SFD Units	5.0%
2016-2017 WCASD Net Expenditures	$234,958,003		Carriage Homes	10.0%
2016-2017 WCASD Student Enrollment	11,423	2016-2017 WCASD Interest Earnings		$194,088

** Does not include the real estate transfer tax revenue from the initial sales of the units over the buildout period, totaling $1,161,000 for Plan A and $1,352,955 for Plan B.