

ARBORCREST Lot D -

Summary of Net Fiscal Impact for Vacant Land vs. Age-Qualified vs. Market Rate

Vacant Land

	Annual Cost	Annual Revenue	Net Annual Impact
Montco	-0-	\$ 4,864	\$ 4,864
Whitpain	\$ 8,882	\$ 3,658	\$ (5,224)
Wiss. S.D.	\$ -0-	\$ 23,761	<u>\$ 23,761</u>
			\$ 23,401

Age-Qualified

Montco	-0-	\$ 158,658	\$ 158,658
Whitpain	\$ 67,298	\$ 222,884	\$ 155,586
Wiss. S.D.	\$ -0-	\$ 800,652	<u>\$ 800,652</u>
			\$1,114,896

Market Rate

Montco	-0-	\$ 158,658	\$ 158,658
Whitpain	\$ 165,424	\$ 319,708	\$ 154,284
Wiss. S.D.	\$ 396,112	\$ 887,100	<u>\$ 490,990</u>
			\$ 803,932

Notes:

- Municipal cost for vacant land is based on proportional valuation of nonresidential land in Whitpain Township.
 - There will be more residents in a market rate community, which will require additional municipal expenditures.
 - Market rate housing will produce school children which will increase costs to the Wissahickon School District.
 - Earned income tax revenue to both the township and school district will be greater in a market rate community.
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FISCAL IMPACT ANALYSIS

LOT D – ARBORCREST

PROPOSED ACTIVE ADULT COMMUNITY

WHITPAIN TOWNSHIP

WISSAHICKON SCHOOL DISTRICT

MONTGOMERY COUNTY, PENNSYLVANIA

Prepared For:

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Summary

ELU MidAtlantic DeLuca proposes to construct a new active adult community of 95 carriage homes on Lot “D” - Arborcrest in Whitpain Township, Montgomery County. The proposed roads, stormwater management system, and amenities within the community will be privately owned and will not require any municipal funds for maintenance.

Included in the report is an examination of the fiscal impacts of the project to Montgomery County, Whitpain Township and the Wissahickon School District.

The following analysis demonstrates that the proposed redevelopment, when complete, will produce anticipated net annual revenue of:

\$ 158,658	to Montgomery County,
\$ 155,586	to Whitpain Township, and
\$ 800,652	to the Wissahickon School District

Additionally, one-time revenue will be generated by the development as follows:

\$ 427,500	to Whitpain Township from the Transfer Tax for initial conveyance of the units from developer to buyer.
\$ 427,500	to Wissahickon SD from the Transfer Tax for initial conveyance of the units from developer to buyer.

Other one-time revenue such as permit, license, and utility connection fees has not been included in this study.

Fiscal Analysis

This analysis is based upon methodologies contained in The Fiscal Impact Handbook, by Robert W. Burchell and David Listokin, published by Rutgers University.

The Per Capita Multiplier Method was employed to forecast the fiscal impact of the proposed community. This method is the most widely accepted fiscal impact procedure available and is especially effective in projecting the impacts of residential development.

Exhibit A

Background Data and Information

Whitpain Township Tax Assessment Data¹

A.	Total local assessed real property value (taxable)	\$2,010,334,174
B.	Nonresidential assessed real property value	\$ 451,780,320
C.	Total number of taxable land parcels	7,057
D.	Total number of taxable nonresidential land parcels	232
E.	Average assessed real property value per parcel	\$ 284,871
F.	Average assessed real property value per nonresidential parcel	\$1,947,329

Proposed Development

- A. Active Adult Community, including:
- 95 Carriage Homes

¹ Montgomery County Board of Assessment
Land Use Classification Report – 12/18/2024

Exhibit B

Township and School District Expenditures²

Whitpain Township, Montgomery County, Pennsylvania
Wissahickon School District, Montgomery County, Pennsylvania

TOWNSHIP OPERATING FUNDS (2025)

General Fund	\$19,715,273
Debt Service	<u>556,993</u>
Total	\$20,272,266

SCHOOL DISTRICT (2024-2025)

General Fund (from Local Sources)	\$106,534,094
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² Whitpain Township Budget – 2025
Wissahickon School District Budget – 2024-2025

Exhibit C

Total Township Expenditures Attributable to Nonresidential Uses

A.	Total <u>Nonresidential Assessed Value</u>	<u>\$451,780,320</u>	
	Total Assessed Value	\$2,010,344,174	= 0.225
B.	<u>Average Nonresidential Assessed Value</u>	<u>\$1,947,329</u>	
	Average Assessed Value	\$ 284,871	= 6.84
C.	Coefficient to refine B., above ³ :		.95
D.	Total Township Expenditures Attributable to Nonresidential Uses:		
	Total Township Expenditures (from Exhibit B)	\$20,272,266	
	multiplied by A., above	x 0.225	
	multiplied by C., above	x <u>.95</u>	
		\$ 4,333,197	

³ Since the costs are allocated based on the proportion of nonresidential to total assessed value, and this relationship is nonlinear, it must be scaled to reflect this deviation through the application of a refinement coefficient. The source of this coefficient is from The Fiscal Impact Handbook.

Exhibit D

Net Annual Per Capita Expenditures

- A. Total Township Expenditures minus Township Expenditures Attributable to Nonresidential Uses = Expenditures Attributable to Residential Uses⁴

$$\$20,272,266 - \$4,333,197 = \$15,939,069$$

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|----|---|--------|
| B. | Township Population from 2020 Census: | 20,333 |
| C. | Annual Per Capita Cost for Township Services: | \$784 |
| D. | Reduction in Per Capita Cost as an Age-Qualified Community ⁵ : | \$278 |
| E. | Net Per Capita Cost for Age-Qualified Community: | \$506 |

⁴ Township expenditures attributable to residential uses also include institutional uses such as churches, schools, seminaries, etc., because these are used by the residential population and are difficult to separate, since non-profits are not taxed.

⁵ On average, residents of age-qualified communities generate far lower Township expenditures when compared to residents of standard housing, particularly in the budgetary line items for police protection and road maintenance. To reflect this difference, the per-capita cost has been reduced by the proportional ratio of these line items to the residential portion of total expenditures

Exhibit E

Anticipated Total Resident Population from the Proposed Active Adult Community

A. Number of Housing Units by Type

New Carriage Homes:	95
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B. Anticipated Residential Population

from New Carriage Homes ⁶ :	133
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⁶ Demographic multiplier for total occupants of single-family attached, age-restricted, homes in the northeastern United States is 1.39.

$$95 \times 1.39 = 133 \text{ residents}$$

Exhibit F

Projected Annual Township Expenses Generated by New Residents

A. Anticipated Population x Per Capita Cost

$$133 \times \$506 = \$67,298$$

Exhibit G

Anticipated Number of Public-School Students from Proposed Development

A.	Number of Housing Units by Type and Number of Bedrooms	
	New Age-Restricted Carriage Homes, 3 Bedrooms:	95
B.	Anticipated Number of Public School Children ⁷ :	-0-

⁷ According to federal law, each unit in an age-restricted development must house at least one person who is 55 years old or older, and no resident can be under the age of 18. Therefore, no school age children are projected to reside in the proposed development.

Exhibit H

Public School Costs from Proposed Development

A.	Total School District Expenditures (from Local Sources)	
		\$106,534,094
B.	Current School District Enrollment ⁸	
		5,110
C.	Annual Cost per Public School Student	
		\$20,848
D.	Annual Public School District Costs for Proposed Residential Development	
		-0-

⁸ Wissahickon School District Enrollment Data

Exhibit I

Projected Total Annual County Revenues Assignable to the Proposed Development

A. Taxes

Real Property ⁹	\$ 147,691
Community College Funding ¹⁰	<u>10,967</u>
TOTAL COUNTY REVENUE	\$ 158,658

⁹ Assessed value is determined by taking the market value of the homes and multiplying by the common level ratio for Montgomery County, which is currently 32.89%. Real property taxes are based on assessed value.

$$\begin{array}{lcl} \text{Carriage Homes:} & 95 \times \$ 900,000 & = \$85,500,000 \\ \text{Total Market Value:} & & \$85,500,000 \end{array}$$

$$\text{Assessed Value: } \$85,500,000 \times .3289 = \$ 28,120,950$$

Montgomery County real property tax rate for 2025 is 5.252 mills.

$$28,120,950 \times .005252 = \$147,691$$

¹⁰ Montgomery County collects an additional property tax of .39 mills for the benefit of the Community College.

$$28,120,950 \times .00039 = \$10,967$$

Exhibit J

Projected Total Annual Township Revenues Assignable to the Proposed Development

A. Taxes

Real Property ¹¹	\$111,078
Earned Income ¹²	41,496
Transfer Tax ¹³	42,750

B. Charges/Miscellaneous

Licenses & Permits ¹⁴	\$ 12,851
Interest ¹⁵	<u>14,709</u>

TOTAL TOWNSHIP REVENUE **\$222,884**

¹¹ Estimated assessment for the Active Adult Community is \$ 28,120,950. Whitpain Township real property tax for 2025 is 3.95 mills.

$$\$28,120,950 \times .00395 = \$ 111,078$$

¹² Earned Income Tax. Whitpain Township has enacted an Earned Income Tax at the rate of .56%. If this proposal were for a conventional community, expected EIT revenue would be \$138,320. As an active adult community, it is estimated that the EIT revenue will be reduced by 70%.

$$\$138,320 \times .30 = \$41,496$$

¹³ Transfer Tax. Assumes that 10% of the total number of homes will change ownership each year. Whitpain Township collects .5% of the sale price for each unit transferred.

$$\$85,500,000 \times .10 \times .005 = \$42,750$$

¹⁴ Current licenses and permit revenue (\$918,700) multiplied by the ratio of anticipated assessment of the proposed development (\$28,120,950) to total existing real property assessment (\$2,010,334,174).

$$\$918,700 \times 28,120,950 / \$2,010,334,174 = \$12,851$$

¹⁵ Current interest and rent earnings (\$1,051,500) multiplied by the ratio of anticipated assessment of the proposed development (\$28,120,950) to total existing real property assessment (\$2,010,334,174).

$$\$1,051,500 \times 28,120,950 / \$2,010,334,174 = \$14,709$$

Exhibit K

Projected Total Annual School District Revenues Assignable to the Development

A. Taxes

Real Property ¹⁶	\$720,852
Earned Income ¹⁷	37,050
Transfer Tax ¹⁸	<u>42,750</u>

TOTAL SCHOOL DISTRICT REVENUE \$ 800,652

¹⁶ Estimated assessment for the Active Adult Community is \$28,120,950. Wissahickon School District real property tax for 2024-2025 is 25.634 mills.

$$\$28,120,950 \times .025634 = \$720,852$$

¹⁷ Earned Income Tax. The Wissahickon School District collects an Earned Income Tax at the rate of .5%. If this proposal were for a conventional community, expected EIT revenue would be \$123,500. As an active adult community, it is estimated that the EIT revenue will be reduced by 70%.

$$\$123,500 \times .30 = \$37,050$$

¹⁸ Transfer Tax. Assumes that 10% of the total number of homes will change ownership each year. The Wissahickon School District collects .5% of the sale price for each transaction.

$$\$85,500,000 \times .10 \times .005 = \$42,750$$

Exhibit L

Annual Cost-Revenue Surplus or Deficit for Proposed Development

	Total Annual Public Cost	Total Annual Public Revenue	Total Annual Net Fiscal Impact
COUNTY	-0-	\$ 158,658	\$ 158,658
TOWNSHIP	\$ 67,298	\$ 222,884	\$ 155,586
SCHOOL DISTRICT	<u>-0-</u>	<u>\$ 800,652</u>	<u>\$ 800,652</u>
	\$ 67,298	\$1,182,194	\$1,114,896