

Fiscal Impact Summary
Hicks Tract Residential Development
East Goshen Township, Chester County, PA

	Residential (Apartments)
Residential Units	170
Anticipated Value per Unit	\$285,441
Market Value of Proposed Development	\$48,525,000
Assessed Value (approx. 51.28% of market value)	\$24,884,615
New Residential Population	275
New School-Aged Children	20
East Goshen Township	
Real Estate Tax Revenue (1.25 mills)	\$ 31,106
Non-Property Tax Revenue	\$ 20,710
Earned Income Tax Revenue (0.5%)	\$ 41,184
Real Estate Transfer Tax (0.5%)	\$ -
Local Services Tax (\$52 per resident worker)	\$ 2,808
Total Township Revenues	\$ 95,808
Total Township Expenditures	\$ (52,620)
Net Township Fiscal Impact	\$ 43,188
West Chester Area School District	
Real Estate Tax Revenue (21.2723 mills)	\$ 529,353
Non-Property Tax Revenue	\$ 5,809
Intergovernmental Revenue	\$ 78,184
Earned Income Tax Revenue (0.5%)	\$ 41,184
Real Estate Transfer Tax (0.5%)	\$ -
Total School District Revenues	\$ 654,530
Total School District Expenditures	\$ (437,880)
Net School District Fiscal Impact	\$ 216,650
Total Development-Generated Revenues (Township + School District)	\$ 750,338
Total Development-Generated Expenditures (Township + School District)	\$ (490,500)
Total Net Annual Fiscal Impact	\$ 259,838

NOTES:

- This analysis assumes the following mix of multi-family apartment unit types and values:
 - 65 1-bedroom apartment units valued at \$275,000 per unit.
 - 20 1-bedroom apartment units valued at \$310,000 per unit.
 - 85 2-bedroom apartment units valued at \$340,000 per unit.
- Population estimates for total household size and number of school-aged children based on demographic multipliers published by the Rutgers University Center for Urban Policy Research (2006).
- Assessed Value based on Chester County common-level ratio of 1.95, which equates to approximately 51.28% of market value.

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4. "Non-property tax revenues" for East Goshen Township includes revenues from licenses & permits, fines & fees, and charges for services. (Source: East Goshen Township 2019 Budget.)
5. "Non-property tax revenue" for West Chester Area School District includes revenues from District activities, rentals, and contributions and donations from private sources. "Intergovernmental revenue" to the West Chester Area School District includes funding from State and Federal sources. (Source: West Chester Area SD 2018-2019 Final General Fund Budget.)
6. Earned Income Tax (EIT) revenue calculation assumes a median household income based on an affordability ratio where household income represents 30% of rent. The calculation further assumes that approximately 60% of households in the proposed development will be eligible to pay the EIT, i.e., they are not retired or are not temporary residents who live elsewhere on a permanent basis.
7. This summary table represents ongoing annual fiscal impacts after project completion. It is not anticipated that the proposed development will generate Real Estate Transfer Tax revenue on an annual basis because it is unlikely that it will undergo such frequent transfer of ownership. However, significant Transfer Taxes would be paid when/if the property is sold. Using the estimated 2019 market value shown in this table as a basis, the Township and School District could each anticipate Transfer Taxes totaling \$259,000 on a future sale of the property.
($\$51,800,000$ market price \times 0.5% transfer tax rate = $\$259,000$ to each taxing authority.)
8. Annual Township expenditures based on information provided by East Goshen Township, which estimates per capita expenses for this type of development at approximately \$192 per person. Annual School District expenditures based on per-student spending as described in the West Chester Area SD 2018-2019 Final General Fund Budget.