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Memorandum

To: Ben Goldthorp, Select Properties, Inc.
From: Erik Hetzel, AICP/PP, LEED AP
Date: March 22, 2021
Re: Fiscal Impact Analysis – New Hanover Town Center

Select Properties, Inc. is proposing the development of the New Hanover Town Center in New Hanover Township, Montgomery County, Pennsylvania. The development will be comprised of a mix of residential uses totaling 669 units and 315,300 square feet of non-residential gross leasable area (GLA), which includes office, hotel, retail, grocery, and restaurant uses. It is projected that the proposed development will result in beneficial, net-positive annual fiscal impacts to both New Hanover Township and the Boyertown Area School District, with revenues from taxes and other sources exceeding the costs to provide services to the proposed development. These benefits include \$3.6 million annually in new tax revenues and the creation of more than 560 direct jobs with the new business opportunities. 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 Guide to Fiscal Analysis](#)¹ and further developed in a later publication by the same authors entitled [Development Impact Assessment Handbook](#)².

Population Impacts

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.

An estimated 1,699 people will be living in the residential portions of the proposed development, including 99 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 multipliers specific to the Commonwealth of Pennsylvania, categorized by household structure type (i.e., single-family detached, single-family attached, multifamily units, etc.), and by the number of bedrooms per household.

An estimated 563 people will be directly employed working at jobs in the nonresidential portions of the proposed development. This population estimate is based on the gross leasable area of each type of nonresidential use and demographic multipliers published in the Development Impact Assessment Handbook, referenced previously.

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 New Hanover 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 of annual impacts included in this memorandum but will provide economic benefits over and above the annual revenues described therein.

Annual Fiscal Impacts

The estimated net positive fiscal impact in terms of projected revenues over costs for New Hanover Township is expected to be over \$187,000 annually at project completion. The estimated net positive fiscal impact to the Boyertown Area School District is projected to be more than \$3.4 million per year. The combined net positive fiscal impact for both taxing authorities is estimated at over \$3.6 million 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 annual fiscal impacts to the Township and School District.

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).

Summary of Annual Fiscal Impacts

| | RESIDENTIAL | | | | | | | NON-RESIDENTIAL | | | | | | TOTAL Residential + Non-Residential |
|--|--------------------|------------------------------|---------------------|---------------------|-----------------------|------------------------|-----------------------|-------------------|--------------------|--------------------|--------------------|-------------------|-----------------------|-------------------------------------|
| | Detached Dwellings | Age-Restricted Village Homes | Twins | Atrium Homes | Townhomes | Mixed Use Multi-Family | TOTAL RESIDENTIAL | Office | Hotel 240 Rooms | Retail | Grocery | Restaurant | TOTAL NON-RESIDENTIAL | |
| Residential Units | 2 | 189 | 98 | 81 | 285 | 14 | 669 | 0 | 0 | 0 | 0 | 0 | 0 | 669 |
| Non-Residential Square Feet | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,800 | 139,100 | 74,400 | 68,000 | 17,000 | 315,300 | 315,300 |
| Value per Unit/Square Foot | \$475,000 | \$475,000 | \$350,000 | \$325,000 | \$325,000 | \$325,000 | - | \$200 | \$175 | \$200 | \$200 | \$200 | - | - |
| Total Market Value | \$950,000 | \$89,775,000 | \$34,300,000 | \$26,325,000 | \$92,625,000 | \$4,550,000 | \$248,525,000 | \$3,360,000 | \$24,342,500 | \$14,880,000 | \$13,600,000 | \$3,400,000 | \$59,582,500 | \$308,107,500 |
| Assessed Value (approx. 46.94% of market value) | \$446,009 | \$42,147,887 | \$16,103,286 | \$12,359,155 | \$43,485,915 | \$2,136,150 | \$116,678,404 | \$1,577,465 | \$11,428,404 | \$6,985,915 | \$6,384,977 | \$1,596,244 | \$27,973,005 | \$144,651,408 |
| Residential Population | 7 | 662 | 218 | 180 | 633 | 0 | 1,699 | 0 | 0 | 0 | 0 | 0 | 0 | 1,699 |
| School-Aged Children | 2 | 0 | 21 | 17 | 60 | 0 | 99 | 0 | 0 | 0 | 0 | 0 | 0 | 99 |
| Employees (Non-Residential Population) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 67 | 97 | 186 | 170 | 43 | 563 | 563 |
| New Hanover Township | | | | | | | | | | | | | | |
| Real Estate Tax Revenue (1.587 mills) | \$ 708 | \$ 66,889 | \$ 25,556 | \$ 19,614 | \$ 69,012 | \$ 3,390 | \$ 185,169 | \$ 2,503 | \$ 18,137 | \$ 11,087 | \$ 10,133 | \$ 2,533 | \$ 44,393 | \$ 229,562 |
| Non-Property Tax Revenue | \$ 240 | \$ 22,636 | \$ 9,878 | \$ 7,908 | \$ 27,824 | \$ 1,291 | \$ 69,777 | \$ 426 | \$ 3,089 | \$ 1,888 | \$ 1,726 | \$ 431 | \$ 7,561 | \$ 77,338 |
| Earned Income Tax Revenue (0.5%) | \$ 1,416 | \$ 66,916 | \$ 52,570 | \$ 40,669 | \$ 143,096 | \$ 7,029 | \$ 311,698 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 311,698 |
| Real Estate Transfer Tax (0.5%) | \$ 475 | \$ 44,888 | \$ 17,150 | \$ 13,163 | \$ 46,313 | \$ 2,275 | \$ 124,263 | \$ 1,680 | \$ 12,171 | \$ 7,440 | \$ 6,800 | \$ 1,700 | \$ 29,791 | \$ 154,054 |
| Local Services Tax (\$5 per worker) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 335 | \$ 485 | \$ 8,742 | \$ 7,990 | \$ 1,974 | \$ 19,526 | \$ 19,526 |
| Act 511 Per Capita Tax (\$5 per adult resident) | \$ 20 | \$ 3,305 | \$ 980 | \$ 810 | \$ 2,860 | \$ - | \$ 7,975 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,975 |
| Total Township Revenues | \$ 2,859 | \$ 204,634 | \$ 106,135 | \$ 82,164 | \$ 289,105 | \$ 13,986 | \$ 698,881 | \$ 4,945 | \$ 33,882 | \$ 29,157 | \$ 26,649 | \$ 6,639 | \$ 101,271 | \$ 800,153 |
| Total Township Expenditures | \$ (2,211) | \$ (208,934) | \$ (68,716) | \$ (56,796) | \$ (199,837) | \$ - | \$ (536,494) | \$ (9,131) | \$ (13,230) | \$ (25,273) | \$ (23,099) | \$ (5,775) | \$ (76,507) | \$ (613,001) |
| Net Township Fiscal Impact | \$ 648 | \$ (4,300) | \$ 37,419 | \$ 25,368 | \$ 89,268 | \$ 13,986 | \$ 162,388 | \$ (4,186) | \$ 20,652 | \$ 3,884 | \$ 3,550 | \$ 864 | \$ 24,764 | \$ 187,152 |
| Boyetown Area School District | | | | | | | | | | | | | | |
| Real Estate Tax Revenue (28.2 mills) | \$ 12,577 | \$ 1,188,570 | \$ 454,113 | \$ 348,528 | \$ 1,226,303 | \$ 60,239 | \$ 3,290,331 | \$ 44,485 | \$ 322,281 | \$ 197,003 | \$ 180,056 | \$ 45,014 | \$ 788,839 | \$ 4,079,170 |
| Non-Property Tax Revenue | \$ 322 | \$ 30,382 | \$ 9,992 | \$ 8,259 | \$ 29,059 | \$ - | \$ 78,014 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 78,014 |
| Intergovernmental Revenue | \$ 11,423 | \$ - | \$ 115,241 | \$ 95,250 | \$ 335,140 | \$ - | \$ 557,054 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 557,054 |
| Earned Income Tax Revenue (0.5%) | \$ 1,089 | \$ 51,474 | \$ 40,439 | \$ 31,284 | \$ 110,074 | \$ 5,407 | \$ 239,768 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 239,768 |
| Real Estate Transfer Tax (0.5%) | \$ 475 | \$ 44,888 | \$ 17,150 | \$ 13,163 | \$ 46,313 | \$ 2,275 | \$ 124,263 | \$ 1,680 | \$ 12,171 | \$ 7,440 | \$ 6,800 | \$ 1,700 | \$ 29,791 | \$ 154,054 |
| Local Services Tax (\$5 per worker) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 335 | \$ 485 | \$ 930 | \$ 850 | \$ 210 | \$ 2,810 | \$ 2,810 |
| Act 511 Per Capita Tax (\$5 per adult resident) | \$ 20 | \$ 3,305 | \$ 980 | \$ 810 | \$ 2,860 | \$ - | \$ 7,975 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,975 |
| Section 679 Per Capita Tax (\$5 per adult resident) | \$ 20 | \$ 3,305 | \$ 980 | \$ 810 | \$ 2,860 | \$ - | \$ 7,975 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,975 |
| Total School District Revenues | \$ 25,927 | \$ 1,321,924 | \$ 638,895 | \$ 498,104 | \$ 1,752,608 | \$ 67,922 | \$ 4,305,379 | \$ 46,500 | \$ 334,937 | \$ 205,373 | \$ 187,706 | \$ 46,924 | \$ 821,440 | \$ 5,126,819 |
| Total School District Expenditures | \$ (34,853) | \$ - | \$ (351,608) | \$ (290,615) | \$ (1,022,534) | \$ - | \$ (1,699,610) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,699,610) |
| Net School District Fiscal Impact | \$ (8,927) | \$ 1,321,924 | \$ 287,287 | \$ 207,489 | \$ 730,074 | \$ 67,922 | \$ 2,605,769 | \$ 46,500 | \$ 334,937 | \$ 205,373 | \$ 187,706 | \$ 46,924 | \$ 821,440 | \$ 3,427,209 |
| Total Development-Generated Revenues (Township + School District) | \$ 28,785 | \$ 1,526,558 | \$ 745,029 | \$ 580,268 | \$ 2,041,713 | \$ 81,907 | \$ 5,004,260 | \$ 51,444 | \$ 368,819 | \$ 234,530 | \$ 214,355 | \$ 53,563 | \$ 922,711 | \$ 5,926,972 |
| Total Development-Generated Expenditures (Township + School District) | \$ (37,064) | \$ (208,934) | \$ (420,324) | \$ (347,411) | \$ (1,222,371) | \$ - | \$ (2,236,104) | \$ (9,131) | \$ (13,230) | \$ (25,273) | \$ (23,099) | \$ (5,775) | \$ (76,507) | \$ (2,312,611) |
| Total Net Annual Fiscal Impact | \$ (8,279) | \$ 1,317,624 | \$ 324,705 | \$ 232,857 | \$ 819,342 | \$ 81,907 | \$ 2,768,156 | \$ 42,314 | \$ 355,589 | \$ 209,257 | \$ 191,256 | \$ 47,788 | \$ 846,204 | \$ 3,614,361 |

Erik W. Hetzel, AICP/PP, LEED AP

Education

1993: B.A. Geography and Planning,
West Chester University

2000: Master of Regional Planning,
University of Pennsylvania

Professional Certifications

American Institute of Certified Planners

Professional Planner, State of New
Jersey

Professional Affiliations

American Planning Association

Pennsylvania Planning Association

Mr. Hetzel provides professional consulting services to public and private sector clients seeking a wide range of land planning expertise. He has a diverse background in geography, land planning, community/fiscal/environmental impact analysis, technology management, project management, and in the application of geospatial technologies to planning and engineering projects. He has been qualified as an expert to testify before numerous municipal zoning, planning, and elected boards and commissions; prepared community fiscal and environmental impact analyses; coordinated the development and adoption of local and multi-municipal comprehensive plans; applied land planning and fiscal analysis expertise to complex tax appeal assessment cases; analyzed and drafted zoning ordinances; and managed the preparation of site designs and site plans. He maintains a high proficiency using Geographic Information Systems (GIS) for mapping projects and land planning analyses.

Mr. Hetzel's professional experience spans twenty-five years working at principal and senior-level positions in private-sector and non-profit organizations. In 2014, Mr. Hetzel established EH Creative Services, a professional land planning consulting practice. Previously, he spent eleven years working at Glackin Thomas Panzak Inc., a privately-owned land planning and landscape architecture firm in Paoli, PA. Before that, he held a position at Environmental Systems Research Institute (ESRI), where he used his extensive GIS and planning experience leading enterprise GIS solutions for county and local governments. Prior to his tenure at ESRI, Mr. Hetzel spent twelve years at Weston Solutions, Inc. as a Technical Manager, working on projects that ranged from planning and engineering consulting for municipal governments, to complex environmental analyses and assessments on large projects of regional scope.

Mr. Hetzel resides in Paoli, Pennsylvania, and has served on numerous municipal boards and commissions. He is a past member of the East Whiteland Township Planning Commission, where he served as Chairman for three years. In that role, he was the liaison between the Township Environmental Advisory Council and the township's Planning Commission. Mr. Hetzel has also served on the West Whiteland Township Planning Commission and spent two years as West Whiteland's delegate to the West Chester Regional Planning Commission.