



HARTZ[®]

HARTZ MOUNTAIN INDUSTRIES, INC.

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September 4, 2018

Via Federal Express and Electronic Mail

Mark S. Rothman, Esq.
Robbins & Robbins
568 Amboy Avenue
Woodbridge, New Jersey 07095-3013

**Re: Hartz Mountain Industries, Inc. Application for Rezoning
750 Walnut Avenue, Cranford**

Dear Mr. Rothman,

During the August 1, 2018 Planning Board hearing on the above-referenced application, Hartz Mountain Industries presented its civil engineer, Jeffrey Martell of Stonefield Engineering & Design, for testimony relating to his concept plan for the proposed residential project. One lengthy line of questioning from the Board dealt with parking requirements for the project and the required dimensions of parking spaces. This line of questioning was predicated on a flawed understanding of the applicable requirements.

In particular, the questions dealing with the parking space dimensions were based on the dimensions set forth in the local ordinance. However, the Town's requirements with regard to parking space dimensions are superseded by the uniform Residential Site Improvement Standards ("RSI Standards"). The New Jersey Legislature previously authorized the Department of Community Affairs ("DCA") to promulgate state-wide design standards for certain site improvements, to establish uniformity among the State's many municipalities and avoid increased housing costs. The DCA established uniform standards for site improvements such as roads, sidewalks, parking, drainage and utilities.

More specifically, the DCA established uniform dimensions for parking spaces: "Each off-street parking space shall measure nine feet in width by 18 feet in length." N.J.A.C. 5:21-4.15. This State standard pre-empts local controls over parking space dimensions. See N.J.S.A. 40:55D-40.5 ("Notwithstanding any provision to the contrary in the [MLUL], the standards set forth in the regulations adopted [by the DCA] *shall supersede any site improvement standards incorporated within the development ordinances of any municipality*") (emphasis added). This pre-emption was affirmed by the Supreme Court of New Jersey in the face of a legal challenge by multiple municipalities throughout the State. New Jersey State League of Municipalities v. Department of Community Affairs, 158 N.J. 211 (1997).

Consequently, in light of the unambiguous state of the law on this subject, the parking spaces designed by Stonefield for the proposed project (which measured nine feet by 18 feet to be consistent with the RSI Standards) are wholly appropriate and will remain unchanged, notwithstanding the local requirements.

In addition, one Board member questioned Mr. Martell's parking counts, claiming that Mr. Martell should have relied on the RSI Standards for "townhouses" instead of "garden apartments". The residential buildings contemplated by Hartz Mountain are decidedly not townhouses, and that fact is self-evident. Nonetheless, we refer you to Table 4.1 at N.J.A.C. 5:21-4.1, which clearly categorizes the proposed buildings as "mid-rise apartments", defined as "apartments in buildings that have more than two levels (floors) and less than ten levels". For purposes of parking requirements, RSI Standards treat mid-rise apartments as garden apartments. N.J.A.C. 5:21-4.14(f) (Table 4.4). Obviously, the buildings contemplated by Hartz Mountain are not townhouses, which the RSI Standards define as, "attached multiple-family dwelling units where the only separation between units is vertical". Mr. Martell clearly used the correct methodology in determining parking requirements for the project.

I know that you were not in attendance at the August 1 meeting to guide the questioning at that time, but I request that you bring these matters to the attention of the members of the Board so they are aware of the appropriate standards for site improvements such as parking.

Finally, I address a few procedural matters. By separate letter addressed to Kathy Lenahan, Hartz submitted eighteen (18) copies of the May 2017 revised plan set prepared by Stonefield Engineering & Design, as requested by the Board at the August 1 meeting. As I mentioned in my letter to Ms. Lenahan, Hartz will submit a further revised plan set in the coming weeks, reflecting changes to be made in light of some of the questions and comments made during the last meeting. Lastly, enclosed are eighteen (18) copies of a revised Fiscal Impact Report prepared by Keenan Hughes of Phillips Preiss Grygiel LLC in light of a recent Rutgers demographic study. Mr. Hughes will provide testimony on the subject matter of this report at the upcoming September 5 meeting.

Thank you for your assistance.

Very truly yours,

HARTZ MOUNTAIN INDUSTRIES, INC.



James P. Rhatican
Vice-President of Land Use and Development
Assistant General Counsel

Enc.

cc: Kathy Lenahan (via email) (w/enc.)
Ronald Johnson (via email) (w/enc.)
Stephen Eisdorfer, Esq. (via email) (w/enc.)



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**FISCAL IMPACTS OF THE PROPOSED
REZONING OF 750 WALNUT AVENUE
CRANFORD, NJ
SUMMARY OF KEY FINDINGS**

PREPARED BY PHILLIPS PREISS GRYGIEL LLC
AUGUST 2018

Overview

This memo summarizes the results of our revised fiscal impact analysis of the proposed rezoning of the 750 Walnut Avenue property in Cranford Township. This analysis newly incorporates affordable housing rental rate calculations based on 2018 income limits. In addition, this analysis provides comparison of fiscal impacts based on two different sets of assumptions to project new public school children. One scenario utilizes data gained from existing development in Cranford provided by the Cranford School District. Another scenario utilizes school age children multipliers from a 2018 study by the Rutgers Center for Real Estate.

Our analysis is based on the proposed phased build-out of the overall development program as summarized in Table 1.

Table 1: Summary of Phased Development Program

		Unit Type	Number of Units
PHASE 1	MARKET RATE	1 BR	210
		2 BR	155
		Sub-Total	365
	AFF.	1 BR	13
		2 BR	41
		3 BR	14
		Sub-Total	68
	PHASE 1 TOTAL		433
	OFFICE-INDUSTRIAL		200,000 sq. ft.
PHASE 2	MARKET RATE	1 BR	170
		2 BR	231
		Sub-Total	401
	AFF.	1 BR	14
		2 BR	42
		3 BR	15
		Sub-Total	71
	PHASE 2 TOTAL		472
	TOTAL BUILD-OUT		905

Methodology

A fiscal impact analysis evaluates the revenues and costs generated by a proposed development in terms of the anticipated impacts on the budgetary finances of the municipality and the local school district. If new revenues exceed new costs, the development has a positive fiscal impact. On the other hand, the fiscal impact is negative if new costs exceed the new revenues generated by the project.

There are a number of methods for fiscal impact analysis. We have utilized an average cost analysis, also often called the “per capita multiplier method,” which attributes costs of new development according to the average cost per unit of existing services, multiplied by the number of units the development is estimated to create, based on multipliers derived from the Census and other similar sources. It assumes that current per capita service costs serve as a reasonable estimate of future per capita service costs. The estimates of the anticipated tax revenues as well as the per capita costs to serve the new residential, public school children and employee populations were developed in accordance with the methodology set forth in the *Development Impact Assessment Handbook*, by Burchell, Listokin, et al.

Value Assumptions

The anticipated market-rate and mandated affordable rents¹ for each unit type are listed in Table 2.

Table 2: Monthly Rents for Residential Units

	Unit Type	Monthly Rent Per Unit
MARKET RATE	1 BR	\$2,374
	1 BR w/ den	\$2,690
	2 BR	\$2,840
AFFORDABLE	1 BR	\$735
	2 BR	\$1,070
	3 BR	\$1,244

The above values were used to estimate a gross market value for the residential components of the project.² In Phase 1, the total estimated market value of the residential component is approximately \$125,151,566. Based on Cranford’s equalization ratio of 39.14%, the assessed value of the Phase 1 residential is approximately \$48,984,323. The approximately 200,000 square feet of industrial space that will be retained in Phase 1 has an assessed value of \$6,710,500, making the total assessed value for Phase 1 \$55,694,823. After adding 472 multifamily units in Phase 2, the project at full build-out will total \$265,764,467 in market value. Overall, the project is expected to add a total of \$104,020,212 to Cranford’s tax base.

¹ Rents for affordable units are average values derived from total monthly income of all units priced for all income limits within a unit type.

² Assumptions included a vacancy rate of 5%, operating costs of 35% of gross annual rents and a cap rate of 6%.

Cost Assumptions

The budgetary finances, tax base, resident and non-resident populations were researched for Cranford in order to estimate current per capita spending levels. For example, according to Cranford Township's adopted 2017 municipal budget, the total appropriations funded by local property taxes was \$24.14 million. The residential tax base represents approximately 89% of the total tax base. Thus, approximately \$21.55 million of the total budgetary appropriations raised by local taxes are allocated to provide services to the Township's resident population. Meanwhile, since non-residential uses constitute approximately 10% of the tax base, it is assumed that approximately \$2.46 million of the total appropriations are allocated to services which support the non-residential tax base. Those assumptions are based on what is known as the "proportional valuation" method which assumes that the allocation of municipal services is roughly proportional to the share of the total tax base represented by residential and non-residential uses in the community.³

Given the current population of 23,531, it is estimated that Cranford Township currently spends approximately \$916 per capita from its budgetary appropriations raised by property taxes.⁴ This represents the average per capita cost for residents. However, this average cost reflects many sunk costs that will not be impacted by the added renter population in Cranford. Examples include general government staffing, operations (e.g., the Planning Board budget) and street lighting. It is also true that compact multifamily residential developments generate lesser demands on municipal services than typical residential properties, because many services, such as on-site snow removal, road maintenance and sanitation, will be provided by the property owner. Therefore, it is appropriate to refine the average per capita cost to account for the marginal costs associated with the added population.

Based on a review of the 2017 adopted municipal budget, it is assumed that the project would generate impacts in the service categories of public safety, health and welfare, construction code, insurance, library and sewerage authority (as enumerated in the attached summary). The total budget appropriations for those service categories total approximately \$19.99 million of which 64% are supported by local property taxes. This translates to a local tax – supported appropriation of \$12.8 million. Therefore, based on the current Township population of 23,531, it is estimated that a more realistic per capita cost for the renter population residing in the proposed development is approximately \$544.⁵ Finally, the municipality's service expenditures per employee are approximately \$171 based on the 14,367 total jobs in Cranford Township.⁶

The State of New Jersey's Taxpayers' Guide to Education Spending for 2018 indicates that the "total spending per pupil" for the Cranford Public School District is \$18,296. Of the total amount, 77.5% is supported by local property taxes. This translates to a local tax-supported per pupil cost of \$14,179. It must be emphasized that "total spending per pupil" factors all students for which the district is financially responsible and includes all types of district spending, including transportation, pensions and social security costs,

³ The proportional valuation method is described in the Development Impact Assessment Handbook, by Burchell, Listokin, Dolphin, et al. (Urban Land Institute, 1994), p. 129.

⁴ Population estimate from American Community Survey (2012-2016).

⁵ Population estimate from American Community Survey (2012-2016).

⁶ US Census Bureau, Center for Economic Studies, Longitudinal Employment Household Dynamics, 2015.

food services, special needs services, capital outlay budgeted in the general fund, debt service, etc.⁷ It is considered by the New Jersey Department of Education to be a “comprehensive representation of school district expenditures.”⁸

Demographic Multipliers

Demographic multipliers developed by the Center for Urban Policy Research at Rutgers University in 2006 were utilized to estimate the total population that would reside in the proposed residential community. The Rutgers study provides per unit multipliers for various housing types for the entire state and three regions (i.e., North, Central and South). For this analysis, the North Region multipliers were used in lieu of the statewide set to estimate the total population generated by the project. The Rutgers Multipliers also include a specific set for affordable housing units, which we have applied to the affordable components for the purposes of calculating the total population.

In order to estimate the number of public school children that will be generated by the proposed development, we applied two different sets of multipliers for comparison:

1. Multipliers derived from public school enrollment in three relatively recent multifamily developments in Cranford. The Cranford School District provided the following data:

Public school children in existing multifamily developments

	Total Units	Affordable Units (set aside %)	Public School Children	Public School Children per Unit
Riverfront	127	19 (15%)	6	0.047
Woodmont	163	24 (15%)	28	0.172
Cranford Crossing	50	0	11	0.22

Source: Cranford Public School District, May 2018

Since the proposed development includes a 15% set aside for affordable units, the Riverfront and Woodmont projects were considered good comparables because both are inclusionary multifamily projects with the identical set-aside of affordable housing. Those two developments represent a multiplier of 0.117 public school children per unit. This is the multiplier that was utilized in our analysis to estimate the total number of public school children in the proposed development.

Comparable projects utilized to generate PSC multiplier

	Total Units	Affordable Units (set aside %)	Public School Children	Public School Children per Unit
Riverfront	127	19 (15%)	7	0.047
Woodmont	163	24 (15%)	35	0.172
TOTAL	290	43 (15%)	42	0.117

Source: Cranford Public School District, May 2018

⁷ NJ Department of Education, *Taxpayer's Guide to Education Spending 2018: Introduction and Description*.

⁸ Ibid.

Applying the above multipliers, it is estimated that a total of 109.64 public school children will be generated, with 52.50 generated in Phase I.

	Unit Type	Units	Case Study Multipliers	Public School Children
PHASE 1	MARKET RATE			
	1 BR	210	0.117	24.57
	2 BR	155	0.117	18.14
	AFFORDABLE			
	1 BR	13	0.144	1.87
	2 BR	41	0.144	5.90
	3 BR	14	0.144	2.02
	PHASE 1 TOTAL	433		52.50
PHASE 2	MARKET RATE			
	1 BR	170	0.117	19.89
	2 BR	231	0.117	27.03
	AFFORDABLE			
	1 BR	14	0.144	2.02
	2 BR	42	0.144	6.05
	3 BR	15	0.144	2.16
	PHASE 2 TOTAL	472		57.14
	BUILD-OUT	905		109.64

2. School age children (SAC) multipliers for multifamily rental buildings developed and published in 2018 by the Rutgers Center for Real Estate. Unlike the 2006 study, which derived multipliers for apartments based on number of units in the building and housing price point, the 2018 study accounts for differences due to the type of structure (high, mid, or low rise) and the average household income (<\$50k, \$50k-\$100k, or >\$100k) of residents in the building. The number of bedrooms in a unit is factored as a variable in both studies. The new study also provides multipliers for affordable rental units according to the number of bedrooms. For this analysis, we applied multipliers for mid-rise structures with average household income in the range of \$50k-\$100k.

School Age Children Multipliers from 2018 Rutgers Center for Real Estate Report

	Affordable Units	Market Rate: \$50k-\$100k Mid-rise
Studio/1BR	0.103	0.016
2BR	0.721	0.134
3BR and larger	1.089	0.176

Applying the above multipliers, it is estimated that a total of 152.01 school age children will be generated, with 70.28 generated in Phase I. In order to derive the number of public school children, we applied the enrollment rate of 89%⁹ to the number of school age children, which results in approximately 63 public school students in Phase I and 135 students at full build-out.

⁹ Estimated from data in American Community Survey (2012-2016).

	Unit Type	Units	Rutgers Multipliers	School Age Children
PHASE 1	MARKET RATE			
	1 BR	210	0.016	3.36
	2 BR	155	0.134	20.77
	AFFORDABLE			
	1 BR	13	0.103	1.34
	2 BR	41	0.721	29.56
	3 BR	14	1.089	15.25
	PHASE 1 TOTAL	433		70.28
PHASE 2	MARKET RATE			
	1 BR	170	0.016	2.72
	2 BR	231	0.134	30.95
	AFFORDABLE			
	1 BR	14	0.103	1.44
	2 BR	42	0.721	30.28
	3 BR	15	1.089	16.34
	PHASE 2 TOTAL	472		81.73
	BUILD-OUT	905		152.01

Key Findings

The main conclusions of the analysis are shown in Table 3. In the scenario utilizing multipliers derived from Cranford school district data, the development is estimated to generate an annual net positive benefit of approximately \$1.4 million in Phase 1 and \$2.5 million at full build-out. In the case of 2018 Rutgers SAC multipliers, the project is estimated to generate \$1.3 million in net positive benefit in Phase 1 and \$2.2 million at full build-out. The difference between the two scenarios result from the higher projection of public school children when applying the 2018 Rutgers multipliers. It should be noted that the Rutgers multipliers were derived from a large-scale state-wide survey of multi-family rental buildings performed in 2018. As such, they may not accurately reflect local school district and enrollment characteristics in comparison to multipliers directly derived from local data on existing comparable projects.

This analysis assumes that the project would be subject to conventional ad valorem taxation. The fiscal impact calculations for each phase are reflected in the attached worksheets.



PHILLIPS PREISS GRYGIEL LLC
Planning & Real Estate Consultants

Table 3: Summary of Fiscal Impact Analysis

	School District Multipliers		2018 Rutgers SAC	
	PHASE 1	FULL BUILD-OUT	PHASE 1	FULL BUILD-OUT
Annual Net Benefit to Municipality	\$291,750	\$559,671	\$291,750	\$559,671
Annual Net Benefit to School District	\$1,115,403	\$1,927,068	\$973,613	\$1,572,593
Annual Net Benefit to Municipality and School District	\$1,407,154	\$2,486,738	\$1,265,364	\$2,132,263
Total Residential Population	832	1,761	832	1,761
Number of Public School Students	53	110	63	135
Number of Employees	399	0	399	0

FISCAL IMPACT ANALYSIS - PHASE 1

Cranford School District Case Study Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$1,407,154****UNIT MIX- PHASE 1**Market Rate

1 BR Multifamily	210
2 BR Multifamily	155
SUB-TOTAL	365

Affordable

1 BR Multifamily	13
2 BR Multifamily	41
3 BR Multifamily	14
SUB-TOTAL	68
TOTAL UNITS	433

TOTAL POP

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	210	335.37
2 BR Multifamily	1.996	155	309.38
		SUB-TOTAL	644.75
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	13	20.93
2 BR Multifamily	2.76	41	113.16
3 BR Multifamily	3.82	14	53.48
		SUB-TOTAL	187.57
		TOTAL POPULATION	832.32
		ROUNDED	832.00

TOTAL PUBLIC SCHOOL CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.117	210	24.57
2 BR Multifamily	0.117	155	18.14
		SUB-TOTAL	42.71
<u>AFFORDABLE</u>			
1 BR Multifamily	0.144	13	1.87
2 BR Multifamily	0.144	41	5.90
3 BR Multifamily	0.144	14	2.02
		SUB-TOTAL	9.79
		TOTAL PSC	52.50
		ROUNDED	53.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$125,151,565.50	39.14%	\$48,984,322.74
		<u>Phase 1 Industrial</u>
		\$6,710,500.00
		<u>Total Assessed Value</u>
		\$55,694,822.74

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$55,694,822.74	\$1,866,890.46
Municipality	1.459	\$55,694,822.74	\$812,587.46
County	1.371	\$55,694,822.74	\$763,576.02
Total	6.182	\$55,694,822.74	\$3,443,053.94

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	832	\$452,608
<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	53	\$751,487.00
<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	399	\$68,229

TOTAL COSTS \$1,272,324**NET FISCAL IMPACT**

	<u>Annual Tax Revenues Generated</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$812,587.46	\$520,837.00	\$291,750.46
School District	\$1,866,890.46	\$751,487.00	\$1,115,403.46
TOTAL			\$1,407,153.92

FISCAL IMPACT ANALYSIS - FULL BUILD-OUT (PHASE 1 + 2)

Cranford School District Case Study Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$2,486,738****UNIT MIX- FULL BUILD-OUT**Market Rate

1 BR Multifamily	380
2 BR Multifamily	386
SUB-TOTAL	766

Affordable

1 BR Multifamily	27
2 BR Multifamily	83
3 BR Multifamily	29
SUB-TOTAL	139
TOTAL UNITS	905

TOTAL POP

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	380	606.86
2 BR Multifamily	1.996	386	770.46
		SUB-TOTAL	1377.32
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	27	43.47
2 BR Multifamily	2.76	83	229.08
3 BR Multifamily	3.82	29	110.78
		SUB-TOTAL	383.33
		TOTAL POPULATION	1760.65
		ROUNDED	1761.00

TOTAL PUBLIC SCHOOL CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.117	380	44.46
2 BR Multifamily	0.117	386	45.16
		SUB-TOTAL	89.62
<u>AFFORDABLE</u>			
1 BR Multifamily	0.144	27	3.89
2 BR Multifamily	0.144	83	11.95
3 BR Multifamily	0.144	29	4.18
		SUB-TOTAL	20.02
		TOTAL PSC	109.64
		ROUNDED	110.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$265,764,466.50	39.14%	\$104,020,212.19

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$104,020,212.19	\$3,486,757.51
Municipality	1.459	\$104,020,212.19	\$1,517,654.90
County	1.371	\$104,020,212.19	\$1,426,117.11
Total	6.182	\$104,020,212.19	\$6,430,529.52

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	1,761	\$957,984
<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	110	\$1,559,690.00
<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	0	\$0
	TOTAL COSTS	\$2,517,674

NET FISCAL IMPACT

	<u>Annual Tax Revenues</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$1,517,654.90	\$957,984.00	\$559,670.90
School District	\$3,486,757.51	\$1,559,690.00	\$1,927,067.51
TOTAL			\$2,486,738.41

FISCAL IMPACT ANALYSIS - PHASE 1

2018 Rutgers Center for Real Estate Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$1,265,364****UNIT MIX- PHASE 1**Market Rate

1 BR Multifamily	210
2 BR Multifamily	155
SUB-TOTAL	365

Affordable

1 BR Multifamily	13
2 BR Multifamily	41
3 BR Multifamily	14
SUB-TOTAL	68

TOTAL UNITS 433**TOTAL POP**

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	210	335.37
2 BR Multifamily	1.996	155	309.38
		SUB-TOTAL	644.75
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	13	20.93
2 BR Multifamily	2.76	41	113.16
3 BR Multifamily	3.82	14	53.48
		SUB-TOTAL	187.57
		TOTAL POPULATION	832.32
		ROUNDED	832.00

TOTAL SCHOOL AGED CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.016	210	3.36
2 BR Multifamily	0.134	155	20.77
		SUB-TOTAL	24.13
<u>AFFORDABLE</u>			
1 BR Multifamily	0.103	13	1.34
2 BR Multifamily	0.721	41	29.56
3 BR Multifamily	1.089	14	15.25
		SUB-TOTAL	46.15
		TOTAL SAC	70.28
		PSC ENROLLMENT	0.89
		TOTAL PSC	62.50
		ROUNDED	63.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$125,151,565.50	39.14%	\$48,984,322.74
		<u>Phase 1 Industrial</u>
		\$6,710,500.00
		<u>Total Assessed Value</u>
		\$55,694,822.74

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$55,694,822.74	\$1,866,890.46
Municipality	1.459	\$55,694,822.74	\$812,587.46
County	1.371	\$55,694,822.74	\$763,576.02
Total	6.182	\$55,694,822.74	\$3,443,053.94

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	832	\$452,608
<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	63	\$893,277.00
<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	399	\$68,229

TOTAL COSTS \$1,414,114**NET FISCAL IMPACT**

	<u>Annual Tax Revenues Generated</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$812,587.46	\$520,837.00	\$291,750.46
School District	\$1,866,890.46	\$893,277.00	\$973,613.46
TOTAL			\$1,265,363.92

FISCAL IMPACT ANALYSIS - FULL BUILD-OUT (PHASE 1 + 2)

2018 Rutgers Center for Real Estate Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$2,132,263****UNIT MIX- FULL BUILD-OUT**Market Rate

1 BR Multifamily	380
2 BR Multifamily	386
SUB-TOTAL	766

Affordable

1 BR Multifamily	27
2 BR Multifamily	83
3 BR Multifamily	29
SUB-TOTAL	139
TOTAL UNITS	905

TOTAL POP

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	380	606.86
2 BR Multifamily	1.996	386	770.46
		SUB-TOTAL	1377.32
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	27	43.47
2 BR Multifamily	2.76	83	229.08
3 BR Multifamily	3.82	29	110.78
		SUB-TOTAL	383.33
		TOTAL POPULATION	1760.65
		ROUNDED	1761.00

TOTAL SCHOOL AGED CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.016	380	6.08
2 BR Multifamily	0.134	386	51.72
		SUB-TOTAL	57.80
<u>AFFORDABLE</u>			
1 BR Multifamily	0.103	27	2.78
2 BR Multifamily	0.721	83	59.84
3 BR Multifamily	1.089	29	31.58
		SUB-TOTAL	94.21
		TOTAL SAC	152.01
		PSC ENROLLMENT	0.89
		TOTAL PSC	135.19
		ROUNDED	135.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$265,764,466.50	39.14%	\$104,020,212.19

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$104,020,212.19	\$3,486,757.51
Municipality	1.459	\$104,020,212.19	\$1,517,654.90
County	1.371	\$104,020,212.19	\$1,426,117.11
Total	6.182	\$104,020,212.19	\$6,430,529.52

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	1,761	\$957,984

<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	135	\$1,914,165.00

<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	0	\$0

TOTAL COSTS \$2,872,149**NET FISCAL IMPACT**

	<u>Annual Tax Revenues</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$1,517,654.90	\$957,984.00	\$559,670.90
School District	\$3,486,757.51	\$1,914,165.00	\$1,572,592.51
TOTAL			\$2,132,263.41



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**FISCAL IMPACTS OF THE PROPOSED
REZONING OF 750 WALNUT AVENUE
CRANFORD, NJ
SUMMARY OF KEY FINDINGS**

PREPARED BY PHILLIPS PREISS GRYGIEL LLC
AUGUST 2018

Overview

This memo summarizes the results of our revised fiscal impact analysis of the proposed rezoning of the 750 Walnut Avenue property in Cranford Township. This analysis newly incorporates affordable housing rental rate calculations based on 2018 income limits. In addition, this analysis provides comparison of fiscal impacts based on two different sets of assumptions to project new public school children. One scenario utilizes data gained from existing development in Cranford provided by the Cranford School District. Another scenario utilizes school age children multipliers from a 2018 study by the Rutgers Center for Real Estate.

Our analysis is based on the proposed phased build-out of the overall development program as summarized in Table 1.

Table 1: Summary of Phased Development Program

		Unit Type	Number of Units
PHASE 1	MARKET RATE	1 BR	210
		2 BR	155
		Sub-Total	365
	AFF.	1 BR	13
		2 BR	41
		3 BR	14
		Sub-Total	68
	PHASE 1 TOTAL		433
OFFICE-INDUSTRIAL		200,000 sq. ft.	
PHASE 2	MARKET RATE	1 BR	170
		2 BR	231
		Sub-Total	401
	AFF.	1 BR	14
		2 BR	42
		3 BR	15
		Sub-Total	71
	PHASE 2 TOTAL		472
TOTAL BUILD-OUT		905	

Methodology

A fiscal impact analysis evaluates the revenues and costs generated by a proposed development in terms of the anticipated impacts on the budgetary finances of the municipality and the local school district. If new revenues exceed new costs, the development has a positive fiscal impact. On the other hand, the fiscal impact is negative if new costs exceed the new revenues generated by the project.

There are a number of methods for fiscal impact analysis. We have utilized an average cost analysis, also often called the “per capita multiplier method,” which attributes costs of new development according to the average cost per unit of existing services, multiplied by the number of units the development is estimated to create, based on multipliers derived from the Census and other similar sources. It assumes that current per capita service costs serve as a reasonable estimate of future per capita service costs. The estimates of the anticipated tax revenues as well as the per capita costs to serve the new residential, public school children and employee populations were developed in accordance with the methodology set forth in the *Development Impact Assessment Handbook*, by Burchell, Listokin, et al.

Value Assumptions

The anticipated market-rate and mandated affordable rents¹ for each unit type are listed in Table 2.

Table 2: Monthly Rents for Residential Units

	Unit Type	Monthly Rent Per Unit
MARKET RATE	1 BR	\$2,374
	1 BR w/ den	\$2,690
	2 BR	\$2,840
AFFORDABLE	1 BR	\$735
	2 BR	\$1,070
	3 BR	\$1,244

The above values were used to estimate a gross market value for the residential components of the project.² In Phase 1, the total estimated market value of the residential component is approximately \$125,151,566. Based on Cranford’s equalization ratio of 39.14%, the assessed value of the Phase 1 residential is approximately \$48,984,323. The approximately 200,000 square feet of industrial space that will be retained in Phase 1 has an assessed value of \$6,710,500, making the total assessed value for Phase 1 \$55,694,823. After adding 472 multifamily units in Phase 2, the project at full build-out will total \$265,764,467 in market value. Overall, the project is expected to add a total of \$104,020,212 to Cranford’s tax base.

¹ Rents for affordable units are average values derived from total monthly income of all units priced for all income limits within a unit type.

² Assumptions included a vacancy rate of 5%, operating costs of 35% of gross annual rents and a cap rate of 6%.

Cost Assumptions

The budgetary finances, tax base, resident and non-resident populations were researched for Cranford in order to estimate current per capita spending levels. For example, according to Cranford Township's adopted 2017 municipal budget, the total appropriations funded by local property taxes was \$24.14 million. The residential tax base represents approximately 89% of the total tax base. Thus, approximately \$21.55 million of the total budgetary appropriations raised by local taxes are allocated to provide services to the Township's resident population. Meanwhile, since non-residential uses constitute approximately 10% of the tax base, it is assumed that approximately \$2.46 million of the total appropriations are allocated to services which support the non-residential tax base. Those assumptions are based on what is known as the "proportional valuation" method which assumes that the allocation of municipal services is roughly proportional to the share of the total tax base represented by residential and non-residential uses in the community.³

Given the current population of 23,531, it is estimated that Cranford Township currently spends approximately \$916 per capita from its budgetary appropriations raised by property taxes.⁴ This represents the average per capita cost for residents. However, this average cost reflects many sunk costs that will not be impacted by the added renter population in Cranford. Examples include general government staffing, operations (e.g., the Planning Board budget) and street lighting. It is also true that compact multifamily residential developments generate lesser demands on municipal services than typical residential properties, because many services, such as on-site snow removal, road maintenance and sanitation, will be provided by the property owner. Therefore, it is appropriate to refine the average per capita cost to account for the marginal costs associated with the added population.

Based on a review of the 2017 adopted municipal budget, it is assumed that the project would generate impacts in the service categories of public safety, health and welfare, construction code, insurance, library and sewerage authority (as enumerated in the attached summary). The total budget appropriations for those service categories total approximately \$19.99 million of which 64% are supported by local property taxes. This translates to a local tax – supported appropriation of \$12.8 million. Therefore, based on the current Township population of 23,531, it is estimated that a more realistic per capita cost for the renter population residing in the proposed development is approximately \$544.⁵ Finally, the municipality's service expenditures per employee are approximately \$171 based on the 14,367 total jobs in Cranford Township.⁶

The State of New Jersey's Taxpayers' Guide to Education Spending for 2018 indicates that the "total spending per pupil" for the Cranford Public School District is \$18,296. Of the total amount, 77.5% is supported by local property taxes. This translates to a local tax-supported per pupil cost of \$14,179. It must be emphasized that "total spending per pupil" factors all students for which the district is financially responsible and includes all types of district spending, including transportation, pensions and social security costs,

³ The proportional valuation method is described in the Development Impact Assessment Handbook, by Burchell, Listokin, Dolphin, et al. (Urban Land Institute, 1994), p. 129.

⁴ Population estimate from American Community Survey (2012-2016).

⁵ Population estimate from American Community Survey (2012-2016).

⁶ US Census Bureau, Center for Economic Studies, Longitudinal Employment Household Dynamics, 2015.

food services, special needs services, capital outlay budgeted in the general fund, debt service, etc.⁷ It is considered by the New Jersey Department of Education to be a “comprehensive representation of school district expenditures.”⁸

Demographic Multipliers

Demographic multipliers developed by the Center for Urban Policy Research at Rutgers University in 2006 were utilized to estimate the total population that would reside in the proposed residential community. The Rutgers study provides per unit multipliers for various housing types for the entire state and three regions (i.e., North, Central and South). For this analysis, the North Region multipliers were used in lieu of the statewide set to estimate the total population generated by the project. The Rutgers Multipliers also include a specific set for affordable housing units, which we have applied to the affordable components for the purposes of calculating the total population.

In order to estimate the number of public school children that will be generated by the proposed development, we applied two different sets of multipliers for comparison:

1. Multipliers derived from public school enrollment in three relatively recent multifamily developments in Cranford. The Cranford School District provided the following data:

Public school children in existing multifamily developments

	Total Units	Affordable Units (set aside %)	Public School Children	Public School Children per Unit
Riverfront	127	19 (15%)	6	0.047
Woodmont	163	24 (15%)	28	0.172
Cranford Crossing	50	0	11	0.22

Source: Cranford Public School District, May 2018

Since the proposed development includes a 15% set aside for affordable units, the Riverfront and Woodmont projects were considered good comparables because both are inclusionary multifamily projects with the identical set-aside of affordable housing. Those two developments represent a multiplier of 0.117 public school children per unit. This is the multiplier that was utilized in our analysis to estimate the total number of public school children in the proposed development.

Comparable projects utilized to generate PSC multiplier

	Total Units	Affordable Units (set aside %)	Public School Children	Public School Children per Unit
Riverfront	127	19 (15%)	7	0.047
Woodmont	163	24 (15%)	35	0.172
TOTAL	290	43 (15%)	42	0.117

Source: Cranford Public School District, May 2018

⁷ NJ Department of Education, *Taxpayer's Guide to Education Spending 2018: Introduction and Description*.

⁸ Ibid.

Applying the above multipliers, it is estimated that a total of 109.64 public school children will be generated, with 52.50 generated in Phase I.

	Unit Type	Units	Case Study Multipliers	Public School Children
PHASE 1	MARKET RATE			
	1 BR	210	0.117	24.57
	2 BR	155	0.117	18.14
	AFFORDABLE			
	1 BR	13	0.144	1.87
	2 BR	41	0.144	5.90
	3 BR	14	0.144	2.02
	PHASE 1 TOTAL	433		52.50
PHASE 2	MARKET RATE			
	1 BR	170	0.117	19.89
	2 BR	231	0.117	27.03
	AFFORDABLE			
	1 BR	14	0.144	2.02
	2 BR	42	0.144	6.05
	3 BR	15	0.144	2.16
	PHASE 2 TOTAL	472		57.14
	BUILD-OUT	905		109.64

2. School age children (SAC) multipliers for multifamily rental buildings developed and published in 2018 by the Rutgers Center for Real Estate. Unlike the 2006 study, which derived multipliers for apartments based on number of units in the building and housing price point, the 2018 study accounts for differences due to the type of structure (high, mid, or low rise) and the average household income (<\$50k, \$50k-\$100k, or >\$100k) of residents in the building. The number of bedrooms in a unit is factored as a variable in both studies. The new study also provides multipliers for affordable rental units according to the number of bedrooms. For this analysis, we applied multipliers for mid-rise structures with average household income in the range of \$50k-\$100k.

School Age Children Multipliers from 2018 Rutgers Center for Real Estate Report

	Affordable Units	Market Rate: \$50k-\$100k Mid-rise
Studio/1BR	0.103	0.016
2BR	0.721	0.134
3BR and larger	1.089	0.176

Applying the above multipliers, it is estimated that a total of 152.01 school age children will be generated, with 70.28 generated in Phase I. In order to derive the number of public school children, we applied the enrollment rate of 89%⁹ to the number of school age children, which results in approximately 63 public school students in Phase I and 135 students at full build-out.

⁹ Estimated from data in American Community Survey (2012-2016).

	Unit Type	Units	Rutgers Multipliers	School Age Children
PHASE 1	MARKET RATE			
	1 BR	210	0.016	3.36
	2 BR	155	0.134	20.77
	AFFORDABLE			
	1 BR	13	0.103	1.34
	2 BR	41	0.721	29.56
	3 BR	14	1.089	15.25
	PHASE 1 TOTAL	433		70.28
PHASE 2	MARKET RATE			
	1 BR	170	0.016	2.72
	2 BR	231	0.134	30.95
	AFFORDABLE			
	1 BR	14	0.103	1.44
	2 BR	42	0.721	30.28
	3 BR	15	1.089	16.34
	PHASE 2 TOTAL	472		81.73
	BUILD-OUT	905		152.01

Key Findings

The main conclusions of the analysis are shown in Table 3. In the scenario utilizing multipliers derived from Cranford school district data, the development is estimated to generate an annual net positive benefit of approximately \$1.4 million in Phase 1 and \$2.5 million at full build-out. In the case of 2018 Rutgers SAC multipliers, the project is estimated to generate \$1.3 million in net positive benefit in Phase 1 and \$2.2 million at full build-out. The difference between the two scenarios result from the higher projection of public school children when applying the 2018 Rutgers multipliers. It should be noted that the Rutgers multipliers were derived from a large-scale state-wide survey of multi-family rental buildings performed in 2018. As such, they may not accurately reflect local school district and enrollment characteristics in comparison to multipliers directly derived from local data on existing comparable projects.

This analysis assumes that the project would be subject to conventional ad valorem taxation. The fiscal impact calculations for each phase are reflected in the attached worksheets.



PHILLIPS PREISS GRYGIEL LLC
Planning & Real Estate Consultants

Table 3: Summary of Fiscal Impact Analysis

	School District Multipliers		2018 Rutgers SAC	
	PHASE 1	FULL BUILD-OUT	PHASE 1	FULL BUILD-OUT
Annual Net Benefit to Municipality	\$291,750	\$559,671	\$291,750	\$559,671
Annual Net Benefit to School District	\$1,115,403	\$1,927,068	\$973,613	\$1,572,593
Annual Net Benefit to Municipality and School District	\$1,407,154	\$2,486,738	\$1,265,364	\$2,132,263
Total Residential Population	832	1,761	832	1,761
Number of Public School Students	53	110	63	135
Number of Employees	399	0	399	0

FISCAL IMPACT ANALYSIS - PHASE 1

Cranford School District Case Study Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$1,407,154****UNIT MIX- PHASE 1**Market Rate

1 BR Multifamily	210
2 BR Multifamily	155
SUB-TOTAL	365

Affordable

1 BR Multifamily	13
2 BR Multifamily	41
3 BR Multifamily	14
SUB-TOTAL	68
TOTAL UNITS	433

TOTAL POP

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	210	335.37
2 BR Multifamily	1.996	155	309.38
		SUB-TOTAL	644.75
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	13	20.93
2 BR Multifamily	2.76	41	113.16
3 BR Multifamily	3.82	14	53.48
		SUB-TOTAL	187.57
		TOTAL POPULATION	832.32
		ROUNDED	832.00

TOTAL PUBLIC SCHOOL CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.117	210	24.57
2 BR Multifamily	0.117	155	18.14
		SUB-TOTAL	42.71
<u>AFFORDABLE</u>			
1 BR Multifamily	0.144	13	1.87
2 BR Multifamily	0.144	41	5.90
3 BR Multifamily	0.144	14	2.02
		SUB-TOTAL	9.79
		TOTAL PSC	52.50
		ROUNDED	53.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$125,151,565.50	39.14%	\$48,984,322.74
		<u>Phase 1 Industrial</u>
		\$8,710,500.00
		<u>Total Assessed Value</u>
		\$55,694,822.74

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$55,694,822.74	\$1,866,890.46
Municipality	1.459	\$55,694,822.74	\$812,587.46
County	1.371	\$55,694,822.74	\$763,576.02
Total	6.182	\$55,694,822.74	\$3,443,053.94

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	832	\$452,608
<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	53	\$751,487.00
<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	399	\$68,229
	TOTAL COSTS	\$1,272,324

NET FISCAL IMPACT

	<u>Annual Tax Revenues Generated</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$812,587.46	\$520,837.00	\$291,750.46
School District	\$1,866,890.46	\$751,487.00	\$1,115,403.46
TOTAL			\$1,407,153.92

FISCAL IMPACT ANALYSIS - FULL BUILD-OUT (PHASE 1 + 2)

Cranford School District Case Study Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$2,486,738****UNIT MIX- FULL BUILD-OUT**Market Rate

1 BR Multifamily	380
2 BR Multifamily	386
SUB-TOTAL	766

Affordable

1 BR Multifamily	27
2 BR Multifamily	83
3 BR Multifamily	29
SUB-TOTAL	139
TOTAL UNITS	905

TOTAL POP

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	380	606.86
2 BR Multifamily	1.996	386	770.46
		SUB-TOTAL	1377.32
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	27	43.47
2 BR Multifamily	2.76	83	229.08
3 BR Multifamily	3.82	29	110.78
		SUB-TOTAL	383.33
		TOTAL POPULATION	1760.65
		ROUNDED	1761.00

TOTAL PUBLIC SCHOOL CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.117	380	44.46
2 BR Multifamily	0.117	386	45.16
		SUB-TOTAL	89.62
<u>AFFORDABLE</u>			
1 BR Multifamily	0.144	27	3.89
2 BR Multifamily	0.144	83	11.95
3 BR Multifamily	0.144	29	4.18
		SUB-TOTAL	20.02
		TOTAL PSC	109.64
		ROUNDED	110.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$265,764,466.50	39.14%	\$104,020,212.19

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$104,020,212.19	\$3,486,757.51
Municipality	1.459	\$104,020,212.19	\$1,517,654.90
County	1.371	\$104,020,212.19	\$1,426,117.11
Total	6.182	\$104,020,212.19	\$6,430,529.52

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	1,761	\$957,984

<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	110	\$1,559,690.00

<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	0	\$0

TOTAL COSTS \$2,517,674**NET FISCAL IMPACT**

	<u>Annual Tax Revenues</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$1,517,654.90	\$957,984.00	\$559,670.90
School District	\$3,486,757.51	\$1,559,690.00	\$1,927,067.51
TOTAL			\$2,486,738.41

FISCAL IMPACT ANALYSIS - PHASE 1

2018 Rutgers Center for Real Estate Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$1,265,364****UNIT MIX- PHASE 1**Market Rate

1 BR Multifamily	210
2 BR Multifamily	155
SUB-TOTAL	365

Affordable

1 BR Multifamily	13
2 BR Multifamily	41
3 BR Multifamily	14
SUB-TOTAL	68

TOTAL UNITS 433**TOTAL POP**

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	210	335.37
2 BR Multifamily	1.996	155	309.38
		SUB-TOTAL	644.75
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	13	20.93
2 BR Multifamily	2.76	41	113.16
3 BR Multifamily	3.82	14	53.48
		SUB-TOTAL	187.57
		TOTAL POPULATION	832.32
		ROUNDED	832.00

TOTAL SCHOOL AGED CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.016	210	3.36
2 BR Multifamily	0.134	155	20.77
		SUB-TOTAL	24.13
<u>AFFORDABLE</u>			
1 BR Multifamily	0.103	13	1.34
2 BR Multifamily	0.721	41	29.56
3 BR Multifamily	1.089	14	15.25
		SUB-TOTAL	46.15
		TOTAL SAC	70.28
		PSC ENROLLMENT	0.89
		TOTAL PSC	62.50
		ROUNDED	63.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$125,151,565.50	39.14%	\$48,984,322.74
		<u>Phase 1 Industrial</u>
		\$6,710,500.00
		<u>Total Assessed Value</u>
		\$55,694,822.74

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$55,694,822.74	\$1,866,890.46
Municipality	1.459	\$55,694,822.74	\$812,587.46
County	1.371	\$55,694,822.74	\$763,576.02
Total	6.182	\$55,694,822.74	\$3,443,053.94

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	832	\$452,608
<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	63	\$893,277.00
<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	399	\$68,229
	TOTAL COSTS	\$1,414,114

NET FISCAL IMPACT

	<u>Annual Tax Revenues Generated</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$812,587.46	\$520,837.00	\$291,750.46
School District	\$1,866,890.46	\$893,277.00	\$973,613.46
TOTAL			\$1,265,363.92

FISCAL IMPACT ANALYSIS - FULL BUILD-OUT (PHASE 1 + 2)

2018 Rutgers Center for Real Estate Multipliers

**ANNUAL NET FISCAL IMPACT ON
MUNICIPALITY AND REGIONAL
SCHOOL DISTRICT****\$2,132,263****UNIT MIX- FULL BUILD-OUT**Market Rate

1 BR Multifamily	380
2 BR Multifamily	386
SUB-TOTAL	766

Affordable

1 BR Multifamily	27
2 BR Multifamily	83
3 BR Multifamily	29
SUB-TOTAL	139
TOTAL UNITS	905

TOTAL POP

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	1.597	380	606.86
2 BR Multifamily	1.996	386	770.46
		SUB-TOTAL	1377.32
<u>AFFORDABLE</u>			
1 BR Multifamily	1.61	27	43.47
2 BR Multifamily	2.76	83	229.08
3 BR Multifamily	3.82	29	110.78
		SUB-TOTAL	383.33
		TOTAL POPULATION	1760.65
		ROUNDED	1761.00

TOTAL SCHOOL AGED CHILDREN

<u>Unit Type</u>	<u>Multiplier</u>	<u># of Units</u>	<u>Pop</u>
<u>MARKET-RATE</u>			
1 BR Multifamily	0.016	380	6.08
2 BR Multifamily	0.134	386	51.72
		SUB-TOTAL	57.80
<u>AFFORDABLE</u>			
1 BR Multifamily	0.103	27	2.78
2 BR Multifamily	0.721	83	59.84
3 BR Multifamily	1.089	29	31.58
		SUB-TOTAL	94.21
		TOTAL SAC	152.01
		PSC ENROLLMENT	0.89
		TOTAL PSC	135.19
		ROUNDED	135.00

ASSESSED VALUE

<u>Total Market Value</u>	<u>Equalization Ratio</u>	<u>Assessed Value</u>
\$265,764,466.50	39.14%	\$104,020,212.19

TAX REVENUES

<u>Source</u>	<u>Rate</u>	<u>Total Assessed Value</u>	<u>Annual Tax Revenues</u>
School District	3.352	\$104,020,212.19	\$3,486,757.51
Municipality	1.459	\$104,020,212.19	\$1,517,654.90
County	1.371	\$104,020,212.19	\$1,426,117.11
Total	6.182	\$104,020,212.19	\$6,430,529.52

COSTS

<u>Annual Municipal Expenditure Per Resident</u>	<u>Number of Residents</u>	<u>Annual Municipal Costs for Project Residents</u>
\$544	1,761	\$957,984
<u>Annual School Expenditure Per Student</u>	<u>Number of Students</u>	<u>Annual School Costs</u>
\$14,179	135	\$1,914,165.00
<u>Annual Municipal Expenditure Per Employee</u>	<u>Number of Employees</u>	<u>Annual Municipal Costs for Project Employees</u>
\$171	0	\$0
TOTAL COSTS		\$2,872,149

NET FISCAL IMPACT

	<u>Annual Tax Revenues</u>	<u>Annual Costs</u>	<u>Net Fiscal Impact</u>
Municipality	\$1,517,654.90	\$957,984.00	\$559,670.90
School District	\$3,486,757.51	\$1,914,165.00	\$1,572,592.51
TOTAL			\$2,132,263.41