

# **Fiscal Impact Analysis for Wheelbrook, NY: Den-en-Chofu College Campus Redevelopment**

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## Executive Summary

Den-en-Chofu Acquisitions LLC has proposed to construct 94 residences within Wheelbrook, with half of the units designed to attract seniors without children. The plan will generate an additional \$800,000 for local governments and attract 261 new residents, of which only 22 are estimated to be students of the Wheelbrook Central School District. After federal funding and educational costs are applied, this development will result in a surplus of \$260,000 for the school district in 2006 and \$132,000 in 2011. The new students will be easily absorbed into the current Wheelbrook elementary and high schools; however, additional space and teachers may need to be provided in order to educate the additional middle school age children projected to be added by the development. Overall this plan seems to be a positive one for the school district, which will result in additional income with minimal expenses.

## Project Description

The project plan put forth by Den-en-Chofu Acquisitions LLC proposed the construction of 94 new housing units on the site of the currently vacant Den-en-Chofu college campus within Wheelbrook. The development will result in the demolition of the currently vacant academic buildings of the former campus, as well as the reconfiguration Akasasa Hall site condominiums. The proposed development will encompass 28 acres worth of land and will be marketed primarily towards what the developer describes as “senior or empty nester households.”

The developer will seek to attract this market by having approximately half of all units built with downstairs master bedrooms (total 45 out of 94 proposed). Eight of these units are proposed to be single-family detached homes with four bedrooms and approximately 2,600 square feet with half of these targeted towards seniors. The historic homes will be renovated, but none of those four homes will be marketed towards the senior crowd; they will be preserved and the developer estimates that they will sell at a higher price than the newly-built four bedroom homes. An additional 82 units will be built in adjoining townhouse style; 42 of those will have first floor master bedrooms and they will be split between sixty three-bedroom apartments and an additional 22 two bedroom apartments. Each unit in the development will have a two car garage included in the construction.

**Table 1: Proposed Development Program for Den-en-Chofu College Campus, Wheelbrook, NY (2006)**

Quantity	S.F.	Bedrooms	Garage	Unique Feature	Estimated Market Value Per Unit	Total Estimated Market Value
8	2,600	4	2 car	1/2 w/ MB downstairs	\$779,000	\$6,232,000
4	3,000	4	2 car	Historic Homes (Preserved)	\$799,000	\$3,196,000
60	2,200	3	2 car	1/2 w/ MB downstairs	\$599,000	\$35,940,000
22	1,700	2	2 car	1/2 w/ MB downstairs	\$499,000	\$10,978,000
<b>94</b>					<b>Totals</b>	<b>\$56,346,000</b>

Source: Den-en-Chofu Acquisitions, LLC

## Tax Generation

The project as put forth is estimated to generate an additional \$800,000 dollars in tax revenue among taxing jurisdictions (see Table 2 below). These numbers were calculated according to the mill rates published by their respective municipalities for the fiscal year 2006 and the developer's estimated market price for the units. The tax rates are subject to change over the course of the project life cycle; the estimated retail prices could fluctuate as much as plus or minus 25%. Given the trends for real estate value within the Village of Wheelbrook and Princess County in the previous five years, numbers could be higher at the time of actual sale.

**Table 2: Estimated Tax Revenues Generated by Proposed Project**

Taxing District	Tax Rate per \$1000 of Assessed Value	Tax Revenue (projected based on 100% market value)*
Village of Wheelbrook	\$2.77	\$144,515.06
Wheelbrook Central School District	\$8.50	\$443,457.75
Wheelbrook Sewer Benefit Assessment District	\$0.38	\$19,825.17
Wheelbrook Library Tax	\$1.10	\$57,388.65
<b>Below based on 8.4% equalization rate (2006)<sup>2</sup></b>		
Town of Jefferson	\$4.79	\$20,991.72
Princess County	\$31.32	\$137,256.96

<sup>1</sup>Source: Wheelbrook Central School District, Village of Wheelbrook Tax Assessments  
Village of Wheelbrook Assessor

<sup>2</sup>Source: Town of Jefferson Clerk's Office (10/12/06)—equalization rate of 8.4% for assessments

Tax rates were calculated based on the assumption that every home owner takes the STAR deduction for that year. Additionally, for all housing targeted towards the senior market, tax rates were calculated using the conservative assumption that every home will be occupied by seniors eligible for the enhanced STAR deduction; therefore, the values of the tax calculated differ somewhat from the values the developer provided.

## Population and Demographic Changes based on Development

The project as proposed is estimated to attract approximately 261 new residents to Wheelbrook<sup>1</sup> (see Table 3 below). Due to the target audience of seniors and empty-nesters, actual numbers of new residents may actually be somewhat lower than the numbers predicted by Burchell's multipliers. These 261 new residents will be spread among 94 tax paying parcels.

<sup>1</sup> Based on Burchell's multipliers (2006), see Appendix

**Table 3: Number of People added by development**

Quantity	Bedrooms	Unique Feature	Type	Estimated Market Value Per Unit	People / Unit	Total People
4	4	MB Upstairs	Single-Family detached	779,000	3.67	14.68
4	4	MB Downstairs			3.67	14.68
4	4	Historic Homes (Preserved)	Single Family detached	\$799,000	3.67	14.68
30	3	MB Upstairs	Duplex Semi-detached*	\$599,000	2.84	85.2
30	3	MB Downstairs			2.83	84.9
11	2	MB Upstairs	Duplex Semi-detached*	\$499,000	2.09	22.99
11	2	MB Downstairs			2.09	22.99
					<b>Total</b>	<b>260.12</b>

Source: Den-en-Chofu Acquisitions, LLC

Source, Burchell Multipliers, 2006

\* "Duplex" semi-detached units are considered to be attached

Among these 261 new residents, there will children moving also, who will need to be absorbed by the Village of Wheelbrook school District. For the analysis we take the word “empty” nester literally and predict zero Wheelbrook school District children to be added from that unit. As Table 4 shows, we predict twenty-two new students that the district will need to be absorbed immediately, and another fourteen children under the age of four, who will be pre-existing and of school age within five years of the development being completed. Further cohorts we will be more predictable as the Village of Wheelbrook will be able to see them within village birth records for coming years.

The numbers of children added was predicted using the same mechanism as above described for overall people, again using Burchell’s 2006 multipliers for people added by the various types of development.

**Table 4: Number of School Age Children added by development**

Quantity	Bedrooms	Unique Feature	Type	Estimated Market Value Per Unit	Ages 0-4	Grades K-2	Grades 3-6	Grades 7-9	Grades 10-12	Total School Age Children**
4	4	MB Upstairs	Single-Family detached	779,000	1.72	1.24	1.52	0.92	0.56	4.24
4	4	MB Downstairs			0	0	0	0	0	0
4	4	Historic Homes (Preserved)	Single Family detached	\$799,000	1.72	1.24	1.52	0.92	0.56	4.24
30	3	MB Upstairs	Duplex Semi-detached*	\$599,000	8.4	2.7	3.3	3.3	2.4	11.7
30	3	MB Downstairs			0	0	0	0	0	0
11	2	MB Upstairs	Duplex Semi-detached*	\$499,000	1.43	0.55	0.44	0.33	0.22	1.54
11	2	MB Downstairs			0	0	0	0	0	0
Totals					13.27	5.73	6.78	5.47	3.74	21.72

Source: Den-en-Chofu Acquisitions, LLC

Source, Burchell Multipliers, 2006

\* "Duplex" semi-detached units are considered to be attached

Not all of children coming to the Village of Wheelbrook will attend public schools; some will attend private schools within the village, county and adjoining areas. The costs of educating these students will not be incurred by the village school district. According to 2003 numbers at the National Center for Education Statistics it can be assumed that at least 9% of students will go to private schools (see Table 4.2).

Overall, this means that the school district will be expected to accept twenty students due to the project's construction, among which eleven will be elementary, five in middle school and the other six in high school<sup>2</sup>.

**Table 4.2 Students expected to Enroll in Public School\***

Ages 0-4	Grades K-2	Grades 3-6	Grades 7-9	Grades 10-12	Total School Age Children**	Total Public School	Elementary School	Middle School	High School
13.27	5.73	6.78	5.47	3.74	21.72	19.77	10.99	4.75	5.61

\* assuming 91% of students going to public school, source NCES, 2003

\*\* numbers used to project enrollment in future years, not current students

<sup>2</sup> Numbers will slightly over estimate the amount of middle school students and under estimate the amount of high school students. The method for calculating the classification of students was as followed: Elementary school is grades K-2 and grades 3-6. Middle school was grades 7-9 and Grades 10-12 was considered high school.

Based on enrollment numbers calculated above, Table 5 projects what the current enrollment would be in each division of schools within the Wheelbrook Village school district.

The Village of Wheelbrook’s overall population growth has been steady within the last five years; therefore, there is no projected growth within student numbers occurring within the community<sup>3</sup>.

The elementary school is projected to have no issues absorbing an additional eleven students nor the ensuing cohort of fourteen more. Class sizes within Blue Moon Elementary and Sullivan Elementary are already operating at well below the service standard<sup>4</sup> prescribed by the school board, and the schools have room to accept the additional students. Similarly, the high school is well equipped to handle the additional students, as they have classrooms operating at below capacity also.

There may be challenge involved at the middle school level, where already-full classrooms may have difficulty accepting even another five students immediately<sup>5</sup>, but perhaps even more difficulty processing the next two cohorts which project to have an even greater number of students.

**Table 5, Enrollment in Wheelbrook Village School District**

School	Location	2006 Baseline	2006 w/ Development**
Blue Moon Elementary	41 Exeter Place, Village of Wheelbrook	610	621
Sullivan Elementary	12 Farm Drive, Village of Wheelbrook		
Wheelbrook Middle School	43 Exeter Place, Village of Wheelbrook	217	222
Wheelbrook High School	70 Temple Street, Village of Wheelbrook	341	347
Out of District / Un-graded students		36	36
Total Students		1204	1226

Source: Wheelbrook Central School District

\* assuming 91% of students going to public school, source NCES, 2003

\*\* numbers of additional students are rounded up to the next nearest whole number

\*\*\* The next cohort of children aged 0-4 will bring an estimated 14 students into the Elementary school system by 2011

## Costs

The cost for each additional student within the Wheelbrook Central school District is \$11,500<sup>6</sup>. The overall cost of educating the additional students will cause the amount of money required to educate students within the system to balloon to 18.6 million dollars in 2006, and to 18.8 million dollars by 2011 (see Table 6 below).

Based on the number of students being added, it is not estimated that there will be a significant impact on additional administration to handle the increase, nor on the district’s debt and operations cost. Therefore, the whole of the increase is represented within the 2.75% increase within program costs. Despite the increased enrollment, overall program costs will stay steady at 74% of the overall budget amount.

<sup>3</sup> Source: Wheelbrook Central School District. Since 2001 overall growth has been stable at 0%.

<sup>4</sup> Source: Wheelbrook Central School District 2005-06

<sup>5</sup> Source: personal interview with Dr. Karl Popper, Superintendent of Schools and Mr. Michael Brown, Business Administrator, Wheelbrook Central School District, August 16, 2006 and Wheelbrook Central School District Data

<sup>6</sup> Calculated based on Wheelbrooke Central School District data, 2006

**Table 6: Wheelbrook Central School District Spending, 2005-06\*\***

Current School District Expenses			Projected Expenses (2006)			Projected Expenses (2011)		
Budget Line Item	Budget Amount	Percent of Total	Budget Amount	Percent of Total*	% Increase	Budget Amount	Percent of Total*	% Increase
Program—teaching, transportation, benefits	\$13,617,291	74%	\$ 13,843,492	74%	1.63%	\$14,001,832	74%	2.75%
Capital—debt service, operations	\$2,699,010	15%	\$ 2,699,010	14%	0.00%	\$2,699,010	14%	0.00%
Administration—administrative costs and operations management	\$2,115,145	11%	\$ 2,115,145	11%	0.00%	\$2,115,145	11%	0.00%
<b>Totals</b>	<b>\$18,431,446</b>	<b>100%</b>	<b>\$ 18,657,647</b>	<b>100%</b>	<b>1.21%</b>	<b>\$18,815,987</b>	<b>100%</b>	<b>2.04%</b>

\* Percentages don't add to 100% because of rounding

\*\* Number of students rounded up to nearest whole number

Source: WCSD 2005-06 (Budget line item data tabulated by Wheelbrook Central School District)

Though there will be an increased cost associated with the new development, based on formulas and historic trends for state, federal, and other aid (see Table 7) it can be projected that Wheelbrook Central school district will only be responsible for generating an additional 312,000 dollars by 2011 to educate the additional students (see Table 8). The other 75,000 dollars is anticipated to come from other aid sources.

**Table 7: Wheelbrook Central School District Revenues, 2005-06**

Source	Amount	Percent of Total
Local Taxes	\$14,918,419	81%
State and Federal	\$1,983,666	11%
Other	\$1,529,361	8%
<b>Total Budget</b>	<b>\$18,431,446</b>	<b>100%</b>

Source: Wheelbrook Central School District Data

**Table 8: Local and Federal share of Costs**

Total costs incurred through enrollment of new students	Share in Other aid	Share from Federal aid	Share from local taxes
2006 (projected)	\$227,000	\$18,160	\$24,970
2011 (projected)	\$385,000	\$30,800	\$42,350

## Estimated Fiscal Impact

Based on the tax received numbers from Table 2 and the expenses calculated in Table 8, the overall impact of the additional development will result in a surplus to the Wheelbrook Central school district.

**Table 9: Overall Fiscal Impact of Proposed Development**

Year	Cost of Educating Students	School Tax Received	Net Surplus
2006	\$184,000	\$444,000	\$260,000
2011	\$312,000	444,000	\$132,000

Source: Wheelbrook Central School District Data

This surplus is calculated to be \$260,000 dollars within 2006, the first year of occupancy, but to shrink to \$132,000 as the younger cohort of children age 0-4 enrolls in Wheelbrook Central schools.

## Mitigation of potential impacts

The primary concern to the Wheelbrook Central School District is the impending enrollment of an additional cohort of middle school students that the system is not prepared to handle. The current middle school houses administrative offices where an additional classroom could be placed. Additionally, the surplus received could be used in part to hire an additional teacher for the additional middle school classroom, which would (have to?) be added. Even after benefits and salary, there will still be a surplus left for the school district to use towards debt services or new capital projects.

It is possible that the new students could require additional transit costs or teaching costs, as the numbers do not account for the possibility of special needs children which could be added to the community as part of the development. Transportation costs would arise if the number of students begins to exceed the spaces that the buses can hold (bus service capacity numbers were not available at the time the report was written) or if special needs students may require busing to other schools outside the district.

Overall, the numbers seem to indicate a potential surplus for the school district within this development and no serious problems which are likely to exceed existing revenue streams.

## Appendices

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**Table A1: Wheelbrook Central School District Class Size, Service Standards and Capacity by School Type, 2005-06**

Type	Class Size	Service Std.	Available Classrooms
Elementary School	19	23	4
Middle School	21	22	1
High School	17	20	7

Source: Wheelbrook Central School District

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**Table A2: Total Enrollment and Percentage Change Per 5-Year Period, Wheelbrook Central School District 1986-2006**

	1986	1991	1996	2001	2006
<b>Total Enrollment</b>	859	960	1,091	1,205	1,204
<b>Change from prior period</b>	-9.70%	11.70%	13.60%	10.40%	0.0% (no change)

Source: Wheelbrook Central School District

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**Table A3: Burchell's Demographic Multipliers for Selected Structure Types**

Number of Bedrooms and 2005 Assessed Value	Total Persons	0-4	5-13	14-17	18-44	25-44	45-64	65-74	75+
<b>Single-Family Detached, 4 BR</b>									
More than \$194,500	2.95	0.28	0.45	0.13	0.11	1.10	0.72	0.12	0.04
All Values	3.76	0.42	0.91	0.26	0.15	1.35	0.58	0.07	0.03
Less than \$224,500	3.87	0.38	0.95	0.34	0.19	1.40	0.50	0.07	0.03
\$224,500 to \$329,500	3.74	0.43	0.91	0.24	0.12	1.39	0.56	0.06	0.03
More than \$329,500	3.67	0.43	0.86	0.19	0.14	1.26	0.68	0.08	0.04
<b>Single-Family Attached, 2 BR</b>									
All Values	2.16	0.16	0.16	0.06	0.13	0.73	0.57	0.23	0.13
Less than \$135,000	2.10	0.17	0.19	0.07	0.11	0.81	0.48	0.18	0.10
\$135,000 to \$194,500	2.23	0.17	0.18	0.06	0.16	0.75	0.56	0.22	0.13
More than \$194,500	2.09	0.13	0.10	0.03	0.07	0.58	0.70	0.30	0.17
<b>Single-Family Attached, 3 BR</b>									
All Values	3.08	0.28	0.44	0.18	0.24	1.01	0.69	0.16	0.07
Less than \$164,500	3.10	0.26	0.60	0.21	0.27	0.96	0.59	0.14	0.08
\$164,500 to \$269,500	3.17	0.30	0.45	0.19	0.25	1.06	0.70	0.15	0.07
More than \$269,500	2.83	0.28	0.26	0.12	0.22	0.95	0.76	0.18	0.05
Source: Burchell, Robert W, Listokin, David, Dolphin, William, 2006									

## Additional Sources

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Blieck, Stacey; Chapman, Christopher. Trends in the Use of School Choice 1993 to 1999 Statistical Analysis Report. National Center for Education Statistics. 2003.

Burchell, Robert W; Listokin, David; Dolphin, William. Residential Demographic Multipliers: Estimates of the Occupants of New Housing. Rutgers University, Center for Urban Policy Research. 2006.

Popper, Karl; Brown, Michael. Personal interview. 16 August 2006.