

**Crebilly Farms Hearing**

**October 24, 2017**

**Comments by Dr. Jim Scanlon, Superintendent – West Chester Area School District**

Good evening. Thank you for allowing me to make comments about the fiscal impact of the Crebilly Farm Development being presented by Toll Brothers, Inc.

Attached to this testimony is a resolution passed by the West Chester Area School District Board of Directors requesting an annual impact fee payment of \$645,000 for five years.

The Toll Brothers fiscal analysis, dated October 13, 2016 for the 317 home development, projects an annual loss of \$128,949 for the school district. It projects a surplus of \$661,545 for Plan B, which increases the number of 3-bedroom carriage homes. With the addition of full day kindergarten, and the number of blended learning classes being offered to high school students, we are seeing more families move into the "affordable" homes just to get into the West Chester Area School District. The carriage homes, while still expensive, are much more affordable than the larger 4-bedroom houses.

The impact study conducted by the district for the Rustin Walk development in 2013 yielded a net annual gain for the township of \$18,927 (note Ray Ott and Associates report dated December 17, 2013), and approximately \$14,699 for the school district. That was based on 25 four-bedroom, and 25 three bedroom homes, yielding approximately 29 students.

Estimates are based on the following:

**Revenue: \$510,983**

\$280,983 - Real Estate income - (\$15,050,000 assessed value x 18.67 mils)

\$230,000 – Earned Income Tax - (\$4,626,408 x .05%)

**Expenses: \$496,284**

\$257,300 - 25 regular education students x 10,292

\$93,984 - 4 special education students x 23,496

\$50,000 – one additional bus

\$ 95,000 – one additional teacher

Page three of the Toll Brothers fiscal analysis also states,

*"...the school district has considerable non-residential development throughout its eight municipalities, and this non-residential development generates substantial tax revenue, effectively subsidizing the residential development in the District."*

**There are two potential problems with this statement:**

1. The fact that our district has the lowest tax rate in Chester County, coupled with excellent schools, makes it attractive for young families to move to the district. We have reached out

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to pre-school parents (currently there are 1740 on a list serv for our pre-school parents group). They have been moving from smaller homes to larger homes within the district because they now have multiple children. The factors used in the past to estimate the number of children coming out of new developments may not be as accurate due to the marketing and program changes that have taken place in our district the past six years.

2. Multiple attempts have recently been made by our state general assembly to limit taxes collected by school districts. HB 1213 was considered last spring, which would make it illegal for school districts to challenge assessments of commercial properties when they sell for an extraordinary amount of money. The bill, if passed, would not allow school districts to appeal an assessed value of a commercial property when it is sold at a much higher value.

We challenged 17 different property assessments over the past two years, generating an additional \$1.4 million in revenue. That is money that is used to pay for programs and services for our students. Those 17 properties went from a cumulative value of \$93 million to \$363 million. If this bill passes, school districts will not be allowed to appeal these new market values. Our ability to "*subsidize*" tax rates for homeowners would be eliminated.

SB 76 was defeated by one tie-breaking vote last spring. This bill would have eliminated most property taxes collected by school districts, and funding for public education would be in the hands of our legislators. That funding would come from an increase in state personal income tax, and sales tax. SB 76 is still being discussed in Harrisburg.

Westtown Township completed a fiscal analysis in January, 2017 yielding approximately 172 students from the Crebilly Development. I provided an analysis of the impact on the school district if we received 172 additional students, with the assumption that Toll brothers would build 317 units. A copy of that memo (dated January 25, 2017) is attached.

Many states already allow municipalities the ability to impose an impact fee on developers. Texas adopted the first general impact fee enabling act in 1987. To date, 29 states have adopted impact fee enabling legislation. The state of Maryland grants the authority to impose school impact fees, as does California, Florida and Washington. Pennsylvania does not allow school districts to impose impact fees, but it does allow municipalities some ability to do so.

I'd like to officially enter this memo into the record, along with a resolution taken by the West Chester Area School District Board of School Directors (dated March 27, 2017) requesting an annual payment of \$645,654 for the next five years to offset the costs incurred by the district for this large development. This is what we believe to be the fiscal impact to the school district and its taxpayers.



# WEST CHESTER AREA SCHOOL DISTRICT

*Educating and inspiring students to achieve their personal best*

Dr. James R. Scanlon, Superintendent of Schools

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Emailed to: [rpingar@westtown.org](mailto:rpingar@westtown.org)  
and  
Hand delivered to: Westtown Board of Supervisors  
Conditional Use Hearing  
Wed. March 29th, Rustin HS, 6 pm

March 29, 2017

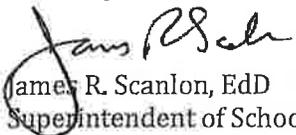
Mr. Robert Pingar  
Township Manager  
Westtown Township  
1039 Wilmington Pike  
West Chester PA 19382

Dear Mr. Pingar,

The West Chester Area School District Board of School Directors officially adopted the attached resolution on Monday, March 27, 2017. Board member Gary Bevilacqua and I have been authorized to provide testimony and public comment on behalf of the District at public meetings and hearings with Westtown Township on the proposed Crebilly Farm development. We respectfully request that the West Chester Area SD be granted party status.

District testimony will include a request for an annual impact fee of \$645,000 to be paid to the district for not less than five years. Further, the analysis in the memorandum dated January 25, 2017 will serve as the talking points and position for any testimony or public comments on behalf of the District. This analysis is also attached.

Sincerely,

  
James R. Scanlon, EdD  
Superintendent of Schools

Attachment

**BOARD OF SCHOOL DIRECTORS OF THE  
WEST CHESTER AREA SCHOOL DISTRICT**

**RESOLUTION**

March 27, 2017

**WHEREAS**, West Chester Area School District (the "District") is a municipal corporation and public entity formed by and for the communities of East Bradford Township, East Goshen Township, West Chester Borough, West Goshen Township, Thornbury Township, Westtown Township, and West Whiteland Township in Chester County and Thornbury Township in Delaware County operating under the Commonwealth of Pennsylvania's Public School Code of 1949, as amended from time to time;

**WHEREAS**, the Westtown Township (the "Township") Board of Supervisors is considering approval of a plan to develop the Crebilly Farm property located along Wilmington Pike bounded by West Pleasant Grove Road to the north, South New Street to the west and Street Road to the south;

**WHEREAS**, TOLL PA XVIII, L.P. has proposed the development of 317 homes on the property;

**WHEREAS**, the impact of this development will be significant on the West Chester Area School District;

**WHEREAS**, the superintendent submitted an analysis to the Township on January 25, 2017 regarding the impact of the proposed development on the District;

**WHEREAS**, the estimated District expense generated from this development is estimated to be in excess of \$2.4 million;

**WHEREAS**, the estimated District revenue generated from this development is estimated to be approximately \$1.8 million;

**WHEREAS**, the District has requested party status from the Township for the Township hearings relative to the Crebilly Farm proposed development; and

**WHEREAS**, the Board wishes to authorize certain elected officials and personnel to present its position on the development, consistent with the January 25, 2017 memorandum, as testimony and public comment to the Township at public meetings and hearings.

**NOW THEREFORE, LET IT BE RESOLVED** that WE, the Board of School Directors of the West Chester Area School District, hereby authorize Superintendent Dr. Jim Scanlon and Board member Gary Bevilacqua to provide testimony and public comment on behalf of the District at public meetings and hearings with Westtown Township on the proposed Crebilly Farm development, and that the testimony include a request for an annual impact fee of \$645,000 be paid to the district for not less than five years.

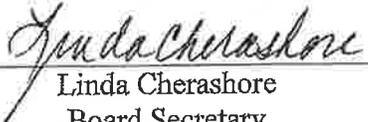
**THEREFORE LET IT FURTHER BE RESOLVED**, that information and analysis in the memorandum dated January 25, 2017 will serve as the talking points and position for any testimony or public comments on behalf of the District.

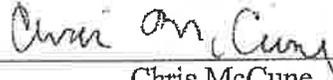
**THEREFORE LET IT BE FURTHER RESOLVED**, that all actions taken by individuals acting on behalf of the District prior to the date of this Resolution in furtherance of obtaining party status and presenting the position set forth in the January 25, 2017 memorandum and in furtherance of other District's business in this regard are hereby ratified and confirmed.

Adopted this 27<sup>th</sup> day of March 2017.

ATTEST:

BOARD OF SCHOOL DIRECTORS OF THE  
WEST CHESTER AREA SCHOOL DISTRICT

  
\_\_\_\_\_  
Linda Cherashore  
Board Secretary

By:   
\_\_\_\_\_  
Chris McCune  
President



# WEST CHESTER AREA SCHOOL DISTRICT

*Educating and inspiring students to achieve their personal best*

Dr. James R. Scanlon, Superintendent of Schools

TO: Todd J. Poole

FROM: Jim Scanlon, Superintendent West Chester Area School District

RE: Impact on the West Chester Area School District of a Complete Build Out at Crebilly Farms

DATE: January 25, 2017

I am responding to your request of the estimated cost and impact of a complete build out of the Crebilly farm site being proposed by Toll Brothers. The estimates are based on the numbers you have provided me with e assumption that Toll will construct 317 homes.

Elementary (K-5): 105  
 Middle School (6-8): 38  
 High School (9-12): 30

Special Needs Students: 21

**Total Students: 172**

*I would estimate the expenses to the school district to be between \$2.3 million and \$2.4 million. Sustainable revenue generated from this development is estimated to be \$1.8 million.*

With 21 students requiring special education services and 151 requiring regular education services, I consulted with our Business Department to estimate costs to the school district. The state of Pa does not recognize a per pupil cost by district but it does recognize a tuition rate to reimburse charter schools. The tuition rate for a regular education student is approximately \$11,762, and \$29,727 for each special education student. Using this as a reference point, the cost to the district will be approximately \$2.4 million.

21 x \$29,727 = \$624,267  
 151 x 11,762 = \$1,776,062  
**TOTAL: \$2,400,329**

Starkweather Elementary School will be impacted the greatest. We may need an additional teacher at each grade level (6 teachers). This will require the school district to purchase 3-4 modular classrooms to accommodate the growth. It has a building capacity of 550 students, but currently is using three modular classrooms to expand capacity to 625. Its current enrollment is 583. With 105 new students, its enrollment will grow to 688. Depending on what grade level the children fall, we could be looking at 3-4 additional classrooms.

Stetson Middle School has a capacity of 965 students, so it may not be able to accommodate the additional 38 students. It has a current enrollment of 973 students so it is already scheduled beyond capacity. With 38 more students it will go over capacity it may need 1-2 modular classrooms because the capacity will be exceeded by 46 students, or the equivalent of two sections. We may be able to accommodate those students on the core team of teachers (math, science, English, social studies), but the electives will require additional space, most likely one or two modular classrooms.

Rustin High School has a capacity of 1350 and should be able to accommodate the additional students. Its current enrollment is 1286.

The school district completed a demographic study in 2014 to estimate enrollment projections and growth. This data was used to redistrict students. That study can be found at [http://home.wcasd.net/files/DJKkM/b52f6b9733f854f73745a49013852ec4/Report\\_3-1\\_Final\\_WCASD\\_5.8.2014.pdf](http://home.wcasd.net/files/DJKkM/b52f6b9733f854f73745a49013852ec4/Report_3-1_Final_WCASD_5.8.2014.pdf)

We redistricted approximately 526 students to accommodate growth as outlined in our demographic study conducted in 2014: 342 elementary, 76 middle and 108 high school, primarily out of Starkweather, Stetson and Rustin to other schools in the district. I have attached a copy of that final report approved by our school board in December, 2014. Barring any other large developments in the area, we are projecting enrollment to begin to decline in 2021 at Stetson and Starkweather.

If we cost out the 172 students by looking at specific costs, I would estimate the following:

<b>Construction of four classrooms at Starkweather Elementary School -</b>	<b>\$1,300,000 (\$325,000 x 4)</b>
<b>Lease of two modular classrooms at Stetson -</b>	<b>\$240,000 (30,000x 4 years)</b>
<b>Six teachers at Starkweather - (\$77,000 salary and benefits x 6)</b>	<b>\$462,000</b>
<b>One additional Full Time equivalent Teacher at Stetson</b>	<b>\$77,000</b>
<b>Two buses -</b>	<b>\$100,000 (2x \$50,000)</b>
<b>Three aides for special education students -</b>	<b>\$90,000 (\$30,000 x 3)</b>
<b>Utilities -</b>	<b>\$4,000</b>
<b>School supplies for 172 students -</b>	<b>\$51,600 (\$300 x 172)</b>
<b>TOTAL:</b>	<b>\$2,324,600</b>

The sustainable revenue generated from this development is estimated to be \$1,592,782. With 317 single family and carriage homes at an average assessed value of \$250,000 (250,000 x 317 x .0200982)

The median household income in our school district is approximately \$102,141. This would generate approximately \$161,893 in Earned Income Tax (102,141 x 317 x .01 / 2) for the school district.

In summary, the net financial impact would be estimated at:

<b>Expenses:</b>	<b>\$2,400,329</b>
<b>Revenue generated:</b>	<b>\$1,754,675</b>
<b>TOTAL:</b>	<b>(645,654)</b>

This is an analysis of just the Crebilly Development. It does not take into consideration of another Toll Brother's development going through land development process in East Bradford Twp. While that development is smaller and consists of 76 homes, it is located in the Starkweather/Stetson/Rustin feeder pattern, which will increase the numbers I have provided in this analysis of the Crebilly property.

While the township only needs to be concerned about approval of development in its boundaries, the school district must consider development in eight municipalities. I believe your estimated number of students generated from this development is low. For each regular education student coming from the development, we can add an additional expense of \$11,762, and for each special needs child we can add an additional \$29,727.

PC: WCASD School Board  
WCASD Central Office Cabinet  
Dr. Mike Marano, Principal, Rustin HS  
Dr. Charles Cognato, Principal, Stetson Middle School  
Mr. John Meanix, Principal, Starkweather Elementary School

