

# Borough of Dunellen

CHELSEA BUILDERS, LLC (440 NORTH AVENUE)

## Economic Impact Analysis

March 8, 2022

Prepared by:



NW FINANCIAL GROUP, LLC  
*Exceeding Expectations*

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# Project Summary

## 440 North Avenue

- 9 Units (1 Affordable)
- 918 SF of Retail



# Residents and Public School Children

Type	# of Units	Persons Multiplier	New Persons	Public School Children Multiplier	New Public School Children
2 BR - Market	8	2.359	19	0.196	2
2 BR - Affordable	1	2.511	3	0.408	0
<b>Total</b>	<b>9</b>		<b>22</b>		<b>2</b>

<b>2019 Population</b>	7,272
<b>Increase %</b>	11.43%

<b>2020 Enrollment</b>	1,225
<b>Increase %</b>	4.82%

Multipliers are from “Who Lives in New Jersey Housing – The Profile of Occupants of Residential Development in New Jersey”, a study by the Center for Urban Policy Research at Rutgers University, which was last updated in November 2018.

# Resident Cost Calculation

<b>Budget Category</b>	<b>Appropriations</b>	<b>% of Spending Applied in Municipal Cost Calculation</b>	<b>Resident Portion</b>
General Government	\$ 1,334,715	10.00%	\$ 133,472
Land-Use Administration	26,000	10.00%	2,600
Uniform Construction Code	103,770	10.00%	10,377
Public Safety	2,152,067	25.00%	538,017
Public Works	615,700	10.00%	61,570
Health and Human Services	66,500	25.00%	16,625
Education (including Library)	215,297	10.00%	21,530
Landfill / Solid Waste Disposal	59,434	10.00%	5,943
Statutory Expenditures	760,989	10.00%	76,099
Court and Public Defender	161,900	10.00%	16,190
<b>Total</b>	<b>\$ 5,496,373</b>		<b>\$ 882,422</b>
<b>Population</b>			<b>7,252</b>
<b>Per Resident Cost</b>			<b>\$ 122</b>

The Division of Local Government Services created a PILOT Financial Agreement Forecast model (“PFAF”), which uses budget data provided by the municipality to calculate a baseline cost of services from the municipality associated with a proposed project.

# Public School Children Cost Calculation

<b>Cost Per Student Calculations</b>	<b>2018-19 (Actual)</b>	<b>2019-20 (Actual)</b>	<b>2020-21 (Original Budget)</b>	<b>2020-21 (Revised Budget)</b>	<b>2021-22 (Proposed)</b>
Total Budgetary Comparative Per Pupil Cost	\$ 12,253	\$ 13,011	\$ 12,656	\$ 14,532	\$ 14,730
Total Classroom Instruction	7,047	7,373	7,050	8,069	8,381
Classroom-Salaries and Benefits	6,576	7,030	6,644	7,636	7,932
Classroom-General Supplies and Textbooks	301	104	167	157	197
Classroom-Purchased Services	169	239	239	277	252
Total Support Services	1,819	2,005	2,028	2,347	2,219
Total Administrative Costs	1,767	1,861	1,773	2,061	2,015
Total Operations and Maintenance of Plant	1,248	1,409	1,432	1,621	1,681
Total Extracurricular Costs	372	364	373	434	433
Total Equipment Costs	-	55	51	39	31
Legal Costs	20	28	28	33	39
<b>Total Cost Per Student for PILOT Analysis</b>	<b>\$ 8,866</b>	<b>\$ 9,378</b>	<b>\$ 9,078</b>	<b>\$ 10,416</b>	<b>\$ 10,600</b>

The information above comes from the 2021-2022 Dunellen Board of Education User Friendly Budget.

# Public School Children Cost Calculation

<b>Board of Education General Fund Revenues</b>	<b>Amount</b>
Local Sources	\$ 12,506,844
State Sources	11,315,446
Federal Sources	27,914
Other Sources	3,847,178
<b>Total</b>	<b>\$ 27,697,382</b>
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<b>% from Local Sources</b>	<b>45.16%</b>

Total Cost Per Student	\$ 10,600
Local Revenue Sources	45.16%
<b>Net Cost Per Student</b>	<b>\$ 4,786</b>

# Resident and Public School Children Impact

Type	# of Units	New Persons	New Municipal Costs	New Public School Children	New School Costs	Total New Costs
2 BR - Market	8	19	\$ 2,312	2	\$ 9,573	\$ 11,885
2 BR - Affordable	1	3	365	0	-	365
<b>Total</b>	<b>9</b>	<b>22</b>	<b>\$ 2,677</b>	<b>2</b>	<b>\$ 9,573</b>	<b>\$ 12,250</b>

# Net Benefit to Borough

Year	Borough Share		Borough Benefit	School Share		School Benefit	Total Benefit
	of Taxes	Resident Cost		of Taxes	School Cost		
1	\$ 12,925	\$ 1,338	\$ 11,587	\$ 29,663	\$ 4,786	\$ 24,876	\$ 36,463
2	13,184	2,677	10,507	30,256	9,573	20,683	31,190
3	13,448	2,730	10,717	30,861	9,764	21,097	31,814
4	13,717	2,785	10,932	31,478	9,960	21,519	32,450
5	13,991	2,841	11,150	32,108	10,159	21,949	33,099
6	14,271	2,898	11,373	32,750	10,362	22,388	33,761
7	14,556	2,956	11,601	33,405	10,569	22,836	34,436
8	14,847	3,015	11,833	34,073	10,781	23,292	35,125
9	15,144	3,075	12,069	34,755	10,996	23,758	35,828
10	15,447	3,136	12,311	35,450	11,216	24,234	36,544
11	15,756	3,199	12,557	36,159	11,441	24,718	37,275
12	16,071	3,263	12,808	36,882	11,669	25,213	38,021
13	16,393	3,328	13,064	37,620	11,903	25,717	38,781
14	16,720	3,395	13,325	38,372	12,141	26,231	39,557
15	17,055	3,463	13,592	39,139	12,384	26,756	40,348
16	17,396	3,532	13,864	39,922	12,631	27,291	41,155
17	17,744	3,603	14,141	40,721	12,884	27,837	41,978
18	18,099	3,675	14,424	41,535	13,142	28,393	42,817
19	18,461	3,748	14,712	42,366	13,404	28,961	43,674
20	18,830	3,823	15,007	43,213	13,673	29,541	44,547
21	19,207	3,900	15,307	44,077	13,946	30,131	45,438
22	19,591	3,978	15,613	44,959	14,225	30,734	46,347
23	19,983	4,057	15,925	45,858	14,509	31,349	47,274
24	20,382	4,139	16,244	46,775	14,800	31,976	48,219
25	20,790	4,221	16,569	47,711	15,096	32,615	49,184
26	21,206	4,306	16,900	48,665	15,397	33,267	50,167
27	21,630	4,392	17,238	49,638	15,705	33,933	51,171
28	22,062	4,480	17,583	50,631	16,020	34,611	52,194
29	22,504	4,569	17,934	51,644	16,340	35,304	53,238
30	22,954	4,661	18,293	52,676	16,667	36,010	54,303
<b>Total</b>	<b>\$ 524,362</b>	<b>\$ 105,184</b>	<b>\$ 419,179</b>	<b>\$ 1,203,361</b>	<b>\$ 376,142</b>	<b>\$ 827,219</b>	<b>\$ 1,246,397</b>