

# Borough of Dunellen

528 NORTH AVE URBAN RENEWAL, LLC

## Economic Impact Analysis

March 8, 2022

Prepared by:



NW FINANCIAL GROUP, LLC  
*Exceeding Expectations*

*Proven Reputation . Experienced Professionals . Superior Client Service*

# Project Summary

## 528 North Avenue

- Approximately 40,000 SF
- 40 Units (6 Affordable)
- \$9.4 Million Project Cost



# Residents and Public School Children

Type	# of Units	Persons Multiplier	New Persons	Public School Children Multiplier	New Public School Children
1 BR - Market	26	1.662	43	0.143	4
2 BR - Market	6	2.359	14	0.196	1
3 BR - Market	2	3.406	7	0.604	1
1 BR - Affordable	2	1.392	3	0.088	0
2 BR - Affordable	2	2.511	5	0.408	1
3 BR - Affordable	2	3.591	7	1.087	2
<b>Total</b>	<b>40</b>		<b>79</b>		<b>9</b>

<b>2019 Population</b>	7,272
<b>Increase %</b>	1.09%

<b>2020 Enrollment</b>	1,231
<b>Increase %</b>	0.73%

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>
<hr/>	
<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
1 BR - Market	26	43	\$ 5,232	4	\$19,146	\$ 24,378
2 BR - Market	6	14	1,704	1	4,786	6,490
3 BR - Market	2	7	852	1	4,786	5,638
1 BR - Affordable	2	3	365	0	-	365
2 BR - Affordable	2	5	608	1	4,786	5,395
3 BR - Affordable	2	7	852	2	9,573	10,425
<b>Total</b>	<b>40</b>	<b>79</b>	<b>\$ 9,613</b>	<b>9</b>	<b>\$43,078</b>	<b>\$ 52,691</b>

# Net Benefit to Borough

Year	Borough Share of PILOT	Resident Cost	School Cost	Total Cost	Net Benefit
1	\$ 40,059	\$ 4,806	\$ 21,539	\$ 26,345	\$ 13,714
2	77,634	9,613	43,078	52,691	24,944
3	79,187	9,805	43,940	53,745	25,442
4	80,771	10,001	44,819	54,820	25,951
5	82,386	10,201	45,715	55,916	26,470
6	84,034	10,405	46,629	57,034	27,000
7	85,715	10,613	47,562	58,175	27,540
8	87,429	10,825	48,513	59,339	28,091
9	89,178	11,042	49,483	60,525	28,652
10	90,961	11,263	50,473	61,736	29,225
11	92,780	11,488	51,482	62,970	29,810
12	113,563	11,718	52,512	64,230	49,333
13	115,834	11,952	53,562	65,515	50,320
14	118,151	12,191	54,634	66,825	51,326
15	120,514	12,435	55,726	68,161	52,353
16	143,412	12,684	56,841	69,525	73,887
17	146,280	12,937	57,978	70,915	75,365
18	149,206	13,196	59,137	72,333	76,872
19	152,190	13,460	60,320	73,780	78,410
20	155,234	13,729	61,526	75,256	79,978
21	158,338	14,004	62,757	76,761	81,578
22	168,715	14,284	64,012	78,296	90,419
23	172,089	14,570	65,292	79,862	92,228
24	175,531	14,861	66,598	81,459	94,072
25	179,042	15,158	67,930	83,088	95,954
26	182,623	15,461	69,289	84,750	97,873
27	186,275	15,771	70,674	86,445	99,830
28	285,001	16,086	72,088	88,174	196,827
29	290,701	16,408	73,530	89,937	200,764
30	395,353	16,736	75,000	91,736	303,617
<b>Total</b>	<b>\$ 4,298,188</b>	<b>\$ 377,705</b>	<b>\$ 1,692,638</b>	<b>\$ 2,070,343</b>	<b>\$ 2,227,845</b>