

COMMUNITY IMPACT STATEMENT

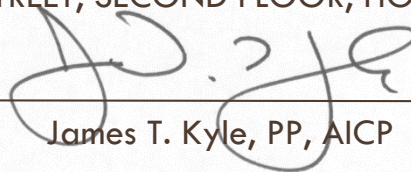
PREPARED FOR JEMAL'S ROLLO LLC

BLOCK 308, LOT 5

TOWNSHIP OF NEPTUNE

KYLE + MCMANUS ASSOCIATES

2 EAST BROAD STREET, SECOND FLOOR, HOPEWELL, NJ 08525



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The original of this document was signed and sealed

in accordance with N.J.S.A. 45:14A-12



9/1/2020

Community Impact Statement

TABLE OF CONTENTS

Introduction	3
The Subject Property	3
Population Impact.....	3
School Impact	3
Township Services Impact.....	3
Financial Impact.....	4
Table 1 – Existing Tax Revenues.....	4
Table 2 – Projected Revenues	5
Table 3 – Residential versus Nonresidential Ratables	5
Table 4 – Cost Projection Utilizing Proportional Valuation Method.....	6
Conclusions	6

Introduction

This community impact statement has been prepared in support of an application by Jemal's Rollo, LLC to construct a second-floor addition that will add approximately 2,130 square feet of office space to the existing building at 111 South Main Street. The purpose of this report is to analyze the likely impact of the project on Township services by way of projected costs to Neptune versus the tax revenues generated by the subject property.

In short, the proposed nonresidential project will have little to no impact on municipal facilities and should generally provide a fiscal benefit to the municipality and school district by way of increased tax revenues. Additionally, the proposal will provide for general improvement of the site that will have a visual benefit to this area of the Township.

The Subject Property

The subject property is designated as Block 308, Lot 5 on the Township tax maps and has a street address of 111 South Main Street. Located on the west side of South Main Street just south of State Route 33 (Corlies Avenue), the site is 20,708 square feet in area with approximately 93' of frontage on South Main Street. Presently the site is developed with a 14,670 square foot (footprint) structure that also contains 691 square feet of office space on the second floor at the front of the building. From the street, the façade of the structure is two-stories clad in brick with a parapet wall. A roll-up door provides access to space through the front of the structure along with 3 entry doors and limited storefront windows. The second story office space includes windows facing South Main Street. An additional roll-up door provides additional access to the remaining warehouse space to the rear of the building. Parking areas and accessways are located at the east side of the building along South Main Street.

Surrounding parcels include primarily commercial uses, with vacant property located immediately to the north of the subject site along Route 33. The property is located in the C-6 Route 33 East Commercial District, which permits a wide array of commercial, office and personal service uses.

In its current condition, the site has a number of existing nonconforming conditions, as the current structure is built to the property lines and the site is 100% covered with impervious surface.

Population Impact

The proposed project consists of development of additional office space at the subject property. As this is a nonresidential project, there is no anticipated increase in the population of the Township as a result.

School Impact

As the proposed project is nonresidential in nature, there will be no increase in the number of pupils attending the local and regional school as a result. Generally, the project should have a positive impact on the school district in the form of additional tax revenue, which is further detailed later this report.

Township Services Impact

Generally speaking, nonresidential development, and more particularly that which is currently proposed, has little impact on municipal services typically provided. Development of the site as proposed will rely on public facilities for the provision of sewage disposal and water supply. Given the modest nature of the addition, there will be no significant increase in demand for public water or sewage facilities resulting from

the project. There is no anticipated impact to library or recreation facilities. While police and fire protection may be needed at some point, that need could be characterized as limited at best. As part of development of the site, the applicant will comply with all building code requirements related to fire protection, and the building currently has a sprinkler system to assist fire protection. Solid waste disposal and recycling will be handled through contract with a private hauler. As development of the site proposes only access driveways and not any public roadways, all maintenance of such facilities is the responsibility of the applicant and will not burden the municipal public works department.

Financial Impact

In order to assess the financial impact of the project, a fiscal impact study was performed utilizing the proportional valuation method developed by the Center For Urban Policy Research as detailed in “The New Practitioner’s Guide to Fiscal Impact Analysis”, published in 1985. This methodology analyzes the municipal ratable base and budget to estimate the cost of providing services to proposed nonresidential development based on the proportion of nonresidential properties’ values in the overall ratable scheme. Fiscal impact analysis also involves applying the total tax rate to the expected value of the project to determine likely revenues to the municipality, school district and county. These are then compared to expected costs to assess the overall fiscal impact of a project.

At present, the subject property has a total assessed value of \$548,300 (considering the 2019 equalization ratio of 127.51%) and paid a total of \$11,761 in taxes. Table 1, below, shows the amount of existing revenue for each portion of the tax rate based on rates and assessed value for 2019, the latest available from Monmouth County.

Table 1 – Existing Tax Revenues

<i>Categories</i>	<i>Tax Rate per \$100 (2019)</i>	<i>Revenue</i>
School District	0.979	\$5,368
Local Library	0.034	\$186
Local Purpose	0.749	\$4,107
County	0.248	\$1,360
County Health	0.005	\$27
County Open Space	0.029	\$159
Fire District #1	0.101	\$554
Total Revenue	2.044	\$11,761

Based on the current improvement assessment of \$310,700, the assessed value per square foot is approximately \$20.23. Considering the addition of 2,130 square feet of floor area to the building is assumed to increase the improvement assessment by \$43,090 for a total improvement assessment of \$353,790. Adding this to the land assessment of \$146,500 brings the total assessed value to \$500,290. In order to compare the current taxes and assessment to the new assessed value, the 2019 equalization ratio of 127.51 is applied, bringing the assessed value to \$637,920. Table 2, on the following page,

shows projected tax revenue for the project based on the increase in assessed value resulting from the proposed addition, which increases by \$1,278 annually.

Table 2 – Projected Revenues

<i>Categories</i>	<i>Tax Rate per \$100 (2020)</i>	<i>Revenue</i>
School District	0.979	\$6,245
Local Library	0.034	\$217
Local Purpose	0.749	\$4,778
County	0.248	\$1,582
County Health	0.005	\$32
County Open Space	0.029	\$185
Fire District #1	0.101	\$644
Total Revenue	2.044	\$13,039

Analysis of the Township's ratable base shows the total value of nonresidential ratables is \$688,711,000, which represents 17% of the total value of the ratable base of \$4,037,304,000. Applying the proportional valuation method to the Township's total budget to be raised through taxation of \$31,220,939 reveals the proposed project is estimated to require \$362 in municipal costs annually to service. Table 3 below details calculation of the proportion of both residential and nonresidential ratables while Table 4 (on the following page) details calculation of the proportional valuation method yielding projected municipal costs for the proposed project.

Table 3 – Residential versus Nonresidential Ratables

<i>Property Classification</i>	<i># of Parcels</i>	<i>Total Valuation</i>
1 - Vacant	300	\$ 51,270,300
2 - Residential (4 families or less)	9,720	\$ 3,173,574,200
3a - Farm	1	\$ 288,000
3b - Farm Qualified	2	\$ 9,800
4a - Commercial	413	\$ 568,793,400
4b - Industrial	55	\$ 68,648,500
4c - Apartments	69	\$ 174,719,800
Total Residential	9,790	\$ 3,348,582,000
Total Nonresidential	770	\$ 688,722,000
Grand Total	10,560	\$ 4,037,304,000

Table 4 – Cost Projection Utilizing Proportional Valuation Method

	Municipal tax supported expenditures	\$ 31,220,939
1	Total property valuation	\$ 4,037,304,000
2	Total number of parcels	10,560
3	Total nonresidential property value	\$ 688,722,000
4	Total number of nonresidential parcels	770
5	Average valuation per parcel (2/3)	\$ 382,320
6	Average nonresidential valuation (4/5)	\$ 894,444
7	Proposed nonresidential project valuation (from above)	\$ 637,920
8	Average nonresidential valuation to total average valuation (7/6)	2.340
9	Project valuation to average nonresidential valuation (8/7)	0.71
10	Proportion of Nonresidential valuation to total valuation (4/2)	0.171
11	Refinement coefficient (from Burchell graph) Use Item 9 and Upper Band	2.340
12	Total existing municipal expenditures attributable to nonresidential uses (1x11x12)	\$1,448,147
13	Proportion of proposed nonresidential project to existing nonresidential valuation (8/4)	0.001
14	Refinement coefficient (from Burchell graph) Use Item 10 and Lower Band	0.27
15	Municipal Costs Allocated to the Proposed Nonresidential Project (13x14x15)	\$ 362

Comparing the projected annual municipal tax revenue of \$4,778 to the projected annual municipal costs to service the proposed development of \$362 reveals a surplus of \$4,416 based on the proportional valuation method. In addition to this surplus, it should be noted the project is estimated to annually contribute \$6,245 in school taxes with no school costs. The project is also estimated to annually contribute \$217 to the library, \$1,582 to the County, \$32 to the County health fund, \$185 to the County open space fund and \$644 to Fire District #1.

Conclusions

Based on the analysis contained in this Community Impact Statement, the proposed addition of office space to the existing building is not expected to have any significant impact on municipal services and will generate a surplus of tax revenue when compared to the estimated municipal cost to service the development. The project can generally be viewed as being fiscally positive for the Township.