



Engineering  
& Design

# Community Impact Statement

August 1, 2022

## Old York Country Club

Block 701, Lot 2.01

Township of Chesterfield, Burlington County, New Jersey

## Introduction

Colliers Engineering & Design is pleased to submit this Community Impact Statement in support of the proposed development of Block 701, Lot 2.01 in Chesterfield Township, Burlington County, New Jersey. The site is currently developed with a golf course formerly known as the "Old York Country

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Club” (which closed as of December 31, 2021). The site is adjacent to a variety of uses, including farmland to the north, east, and west across Old York Road, residential uses to the northwest and northeast, and the Manheim Auto Auction to the south.

The subject property is presently located in the AG Agricultural Zone District. The property was designated as an Area in Need of Rehabilitation by the Chesterfield Township Committee in May 2020. The Township is in the process of considering a Redevelopment Plan for the property, which would allow for the redevelopment of the former Old York County Club. Permitted uses within the Redevelopment District are anticipated to include light industrial uses, warehousing and storage, distribution facilities (excluding last mile distribution facilities), wholesaling, scientific or research facilities, and indoor agriculture.

The proposed development of the subject property involves the construction of a 1,134,000-square foot warehouse, including 20,000 square feet of office space, along with 581 parking spaces, 290 trailer parking stalls, 212 loading bays, stormwater basins, wastewater treatment facilities, and a potential water storage tank/pump house.

This report has been prepared in accordance with §130-107 of the Township’s Land Development Ordinance, which requires all preliminary major site plan applications to submit a community impact statement detailing the population, school, facilities, services, and financial impacts of the proposed development. Specifically, this report analyzes the existing revenues and costs generated by the subject property as well as the anticipated revenues and costs expected to be generated from the proposed development.

## Employment Impact

The estimated employment for the proposed warehouse is based on a ratio of one employee per every 2,000 square feet of floor area, which is on the higher end of the range for of today’s modern warehouses. Based on this multiplier, the floor area of the proposed warehouse would generate approximately 567 jobs.

**Table 1 – Projected Employment**

| Commercial Type | Floor Area (sq. ft.) | Employees per 1,000 sq. ft. | Employees |
|-----------------|----------------------|-----------------------------|-----------|
| Warehouse       | 1,134,000            | 0.500                       | 567       |

According to the latest estimates from the New Jersey Department of Labor and Workforce Development (“NJDLWD”), Chesterfield Township had an average of 618 private sector jobs in 2019.<sup>1</sup> The proposed increase in jobs from the proposed development would represent an 88.6 percent increase in the total municipal private-sector employment base.

<sup>1</sup> NJ Department of Workforce Development, Quarterly Census of Employment and Wages (QCEW) 2019 Municipal Report by Sector (NAICS), [http://www.nj.gov/labor/lpa/employ/qcew/qcew\\_index.html](http://www.nj.gov/labor/lpa/employ/qcew/qcew_index.html)

## Population & School Impacts

There are no residential units proposed as part of this warehouse development. Therefore, there will be no direct impact to the existing population of Chesterfield and no direct impact to the enrollment of the Chesterfield Township School District or the Northern Burlington County Regional School District.

It is not anticipated that the proposed development would result in an increased demand for housing in the region. Warehouse facilities typically draw employees from existing residents within the local community and surrounding region. While there may be a slight increase in housing demand, it is expected that the employees would occupy the existing housing stock rather than generating a demand for new construction. It is expected that potential employees would commute less than 30 minutes to work at the proposed warehouse, which is the average commute time for all jobs in Burlington County according to the US Census<sup>2</sup>. Employees are unlikely to relocate to Chesterfield for employment with the possible exception of executives or high-level managers.

## Facilities Impact

### Municipal Facilities

The proposed warehouse development would not require any significant additional municipal investment in library, recreation, or other municipal facilities or services since no residential aspect is proposed. Use of recreational facilities tied to project employees will consist of limited daytime use either before work, during lunch hour and after work. The municipal library would only be accessible to Chesterfield residents.

### Police Services

The Chesterfield Township Police Department currently consists of 12 full-time officers, including a Chief, 2 Sergeants, 1 Detective, and 8 full-time Patrolmen.<sup>3</sup> An interview with Police Chief Michael Davison indicated that no additional officers are anticipated to be hired as a result of the proposed development. The Police Department has responded to mutual aid calls for warehouse developments in the adjacent community of Bordentown Township but there are no existing warehouses in Chesterfield for comparison.

In order to provide comparable impacts, an interview with Bordentown Township Police Chief Brian Pesce was also conducted.<sup>4</sup> Chief Pesce indicated that the largest warehouse in Bordentown is the Grainger 1.3 million-square foot distribution facility on Bordentown-Hedding Road. Chief Pesce

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<sup>2</sup> US Census Bureau, American Community Survey 2019, Table S0802 Means of Transportation to Work by Selected Characteristics.

<sup>3</sup> Phone interview with Chesterfield Police Chief Michael Davison, conducted on July 1, 2022.

<sup>4</sup> Phone interview with Bordentown Police Chief Brian Pesce, conducted on July 1, 2022.

stated that there had been a total of 358 calls regarding the Grainger warehouse facility in the past 8 years (2014 to 2022). Approximately half of those calls were self-initiated property checks from the property owner. Property checks are non-emergency requests for the police to perform a visual check of the building perimeter for security purposes. While the property check still requires a police response, it is less of a strain since the officer can perform the check between calls rather than responding immediately. Approximately 22 calls per year (or less than 2 calls per month) are attributed to emergency responses. Chief Pesce also noted that the Amazon last mile facility on Rising Sun Road has a slightly greater call volume, primarily due to suspected thefts and other similar activity. Chief Pesce did not believe that either the Grainger or Amazon warehouse presented a significant strain on police resources and did not require any additional staff or equipment in Bordentown Township.

An interview was also conducted with Florence Township Police Chief Brian Boldizar to obtain information regarding the police incident calls related to the warehouse developments in Florence Township.<sup>5</sup> Chief Boldizar provided call volumes from 2019 to present for the Subaru and QPSI warehouse facilities on Route 130 in Florence Township, which are similar in size and character to the proposed warehouse in Chesterfield. According to Chief Boldizar the Subaru warehouse had 8 police calls in the past two and a half years (31 months), an average of 2 or 3 calls per year. The QPSI warehouse had a total of 62 calls during the same period, an average of 24 calls per year or 2 per month.

Based on the above, this analysis finds that there would be no discernible financial impact to the Police Department resulting from the proposed development.

## Fire Response Services

Chesterfield Township is currently served by the Chesterfield Township Fire Department, which was created by merging Union Fire Company #1 of Crosswicks and Chesterfield Hose Company in 2019.<sup>6</sup> The Chesterfield Township Fire Department has its own trucks, utility vehicles, a ladder, and firehouse. The Fire Department currently has 7 full-time paid employees, a part-time chief, and 15 active volunteers.<sup>7</sup> The Burlington County Office of Emergency Management also provides assistance with emergencies related to hazmat, tower rescue, and water/ice rescue. Chief Lynch indicated that while there are currently no warehouses in Chesterfield for comparison, the Chesterfield Fire Department does respond to mutual aid calls in surrounding towns that do have warehouse development. Chief Lynch does not anticipate any additional volunteers, paid employees, or fire equipment would be required to serve the proposed development. Chief Lynch noted that the Fire Department staff is anticipated to be increased but that would happen regardless of the proposed warehouse development. Based on the above, this analysis finds that

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<sup>5</sup> Phone interview with Florence Township Police Chief Brian Boldizar on July 29, 2022

<sup>6</sup> Information from Chesterfield Township Fire Department Facebook page, [https://www.facebook.com/pg/Chesterfield-Township-Fire-Department-201888307095/about/?ref=page\\_internal](https://www.facebook.com/pg/Chesterfield-Township-Fire-Department-201888307095/about/?ref=page_internal)

<sup>7</sup> Phone interview with Chesterfield Fire Chief Ryan Lynch on July 1, 2022.

there would be no discernible financial impact to the Fire Department resulting from the proposed development.

### Emergency Medical Services

The project will comply with applicable building codes regarding ingress and egress. Emergency service officials will have the opportunity to review and comment on the site plan application to address potential design concerns regarding emergency access.

The Mansfield Township Ambulance Corps provides primary EMS services to the citizens in Mansfield Township, Chesterfield Township and Wrightstown Borough. According to Chief Senf, the Corps currently employs 32 emergency responders.<sup>8</sup> Chief Senf estimates that the Corps responds to an average of approximately 5 calls per year at the Old York Country Club. When asked whether the proposed warehouse development would have an impact on the current Corps services, Chief Senf responded that the number of calls would be expected to be greater for seasonal, part-time, or transient type of workers as compared to full-time regular employees. In either case, Chief Senf did not believe that the proposed development would have any significant impact on the Corps services. The proposed warehouse is expected to require the same level of service as other existing developments in the Township and would not require any additional EMS personnel or equipment to service the proposed development. Chief Senf also noted that there are new warehouses in Mansfield Township and Florence Township which do not require a significant number of EMS responses from the Corps.

It is noted that the Township of Chesterfield pays an annual fee to the Mansfield Township Ambulance Corps to be included in the service area. There are no direct costs to Chesterfield Township for EMS response calls. Mansfield Township Ambulance Corps bills the recipient/patient for each individual service provided. As such, the proposed project is not expected to result in any increased costs for EMS services.

Emergency hospital care will be handled at Robert Wood Johnson University Hospital at Hamilton, Capital Health Regional Medical Center located in Trenton, or Saint Francis Medical Center in Trenton. The impacts resulting from hospital and healthcare needs associated with the proposed use will be de minimis due to the low demand generated by the proposed use.

### Utility Service and Infrastructure

The proposed development will be serviced by on-site potable well with an anticipated demand of approximately 17,000 gallons per day (GPD) or 0.510 million gallons per month (MGM). The development will not have any impacts to public water supply since the facility will be serviced by an on-site well.

The former Old York Country Club had a water allocation permit from NJDEP which allowed for a maximum water diversion rate of 8 million MGM or 34.7 million gallons per year (MGY) for use in the

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<sup>8</sup> Phone interview with Mansfield EMS Chief George Senf on June 30, 2022.

clubhouse and irrigation of the golf course.<sup>9</sup> According to the Water Conservation Plan for the property, peak water usage for the golf course was 9.08 MGM in August 2010 with a total of 41.37 MGY that year.<sup>10</sup> The proposed warehouse use is projected to use only about 17 percent of the water that was used for the golf course.

The site is also proposed to be served by an on-site subsurface wastewater disposal system (septic system). No extension of public sewer is proposed. Therefore, there will be no impact to the public wastewater management system.

The project site is currently serviced by Public Service Energy & Gas (PSE&G) Company. A warehouse facility typically demands 3,500 Amp service with variable connection loads depending upon the end user requirement. PSE&G performs a comprehensive review of load requirements and determines if any upgrades are required, and applicable costs are provided to the developer. The impacts of the proposed warehouse use will be de minimis relative to electric service.

## Traffic Volumes

Traffic volumes anticipated to be generated by this facility will not cause significant deterioration of existing municipal roadways resulting in the need for repaving/repair before the anticipated life expectancy of the roadway. The project prohibits a left turn-in and right turn-out to maintain circulation on Old York Road, US Highway 206 and the New Jersey Turnpike, which are all County or State roadways. The impacts will be de minimis relative to the impact of truck traffic on the durability of local roadway.

## Other Municipal Services

All infrastructure within the site will be maintained by the property owner. Solid waste, recycling, and snowplowing services will be privately contracted. Solid waste disposal will consist of refuse being stored within compactors in designated loading docks which will be picked up by a private waste hauler. Therefore, the proposed project will have no adverse impact on these municipal services.

## Fiscal Impact Analysis

In the State of New Jersey, municipalities, school districts, and county governments are given the authority to raise taxes from property owners in order to fund local government services. It is the costs of these services, which vary widely from one locality to another, that are the primary drivers in the property tax rates. Property tax revenues are also based on the assessed valuation of both the land and the improvements to a property. Properties that are more valuable will be responsible for a larger portion of the property tax burden.

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<sup>9</sup> NJDEP Water Allocation Permit #WAP060001, issued 12/29/2006.

<sup>10</sup> Water Conservation and Drought or Water Supply Emergency Management Plan Report for Public Water Supply Systems, dated 6/5/2019.

This section analyzes the existing economic conditions and examines the anticipated impacts of the proposed development. Specifically, the analysis examines the existing revenues and service costs generated by the subject property as well as the anticipated revenues and service costs expected to be generated from the proposed development.

It should be noted that, to determine the financial impacts, all dollars used were based on the 2021 fiscal year municipal operating budget, as reported in the 2022 Adopted Budget for the Township of Chesterfield. For the purposes of consistency of available data, the anticipated fiscal impacts shown reflect the forecasted impact as if the proposed development were completed, occupied, and assessed during 2021.

### Existing Tax Revenues Generated by the Subject Property

Currently, the subject property is assessed at \$3.0 million, including \$1.9 million for the land and \$1.1 million for the existing improvements. At the 2021 tax rate of 3.091 per \$100 of assessed property value, the property contributed \$92,730.00 in property taxes in 2021.

**Table 2 – 2021 Tax Contribution**

| Existing Assessed Property Values |                    | Tax Rate Per \$100 of Assessed Value |              | Annual Tax Contribution |                 |
|-----------------------------------|--------------------|--------------------------------------|--------------|-------------------------|-----------------|
| Land Value                        | \$1,900,000        | x                                    | 3.091        | =                       | \$58,729        |
| Improvements                      | \$1,100,000        | x                                    | 3.091        | =                       | \$34,001        |
| <b>Total Assessed</b>             | <b>\$3,000,000</b> | <b>x</b>                             | <b>3.091</b> | <b>=</b>                | <b>\$92,730</b> |

The tax rate of 3.091 is composed of seven individual taxes, as shown in Table 3. There are two municipal tax lines, which total 0.493 (or 16 percent) of the total tax rates. The two school district taxes total 2.192 (or 70.9 percent) of the total 2021 tax rates. Finally, there are three tax lines for Burlington County, which total 0.406 (or 13.2 percent of the total tax rate). Table 3 illustrates the 2021 tax contribution breakdown for each tax line item based on the current assessed value.

**Table 3 – 2021 Existing Property Tax Contribution Breakdown**

| Tax Type                 | Existing Assessed Property Value | Tax Rate Per \$100 of Assessed Value | Annual Tax Contribution |
|--------------------------|----------------------------------|--------------------------------------|-------------------------|
| Municipal Purpose Tax    | \$3,000,000<br>↓                 | 0.364                                | \$10,920.00             |
| Municipal Fire District  |                                  | 0.129                                | \$3,870.00              |
| Local School District    |                                  | 1.411                                | \$42,330.00             |
| Regional School District |                                  | 0.781                                | \$23,430.00             |
| County Purposes          |                                  | 0.353                                | \$10,590.00             |
| County Library           |                                  | 0.032                                | \$960.00                |
| County Open Space        |                                  | 0.021                                | \$630.00                |
| <b>Total</b>             | <b>\$3,000,000</b>               | <b>3.091</b>                         | <b>\$92,730.00</b>      |

### Projected Tax Revenues to be Generated by the Proposed Project

This section calculates the tax revenues anticipated to be generated by the proposed development. In New Jersey, there are several accepted methods for estimating property value for tax purposes. The replacement cost approach estimates the cost of creating a building with the same or similar utility as the developed property, accounting for depreciation. The sales comparison approach attempts to find the market value through comparisons to similar properties recently sold. The income approach is based on an analysis of the income produced by a property in order to estimate the sum which a person might prudently invest in the purchase of the property.

Robert S. Powell, Jr. of Nassau Capital Advisors has prepared a fiscal analysis of the proposed project (see Appendix B). According to Mr. Powell, the project is expected to generate net rental income of \$9.50 per square foot, which would yield a net operating income (“NOI”) of \$10,234,350 at a 95 percent stabilized occupancy rate. Mr. Powell has calculated an assessment capitalization rate of 10.59 percent, based on a capitalization rate of 7.5 percent and the general tax rate of 3.091 percent. The \$10,234,350 NOI is then divided by the 10.59 percent assessment capitalization rate, resulting in an estimated assessment value of \$96,632,518. **Note that these estimated valuations are shown only for the purposes of this fiscal analysis and are ultimately determined by the Township Tax Assessor.**

Based on the 2021 property tax rates, under normal taxation the projected long-term annual tax contribution by the proposed development would generate approximately \$2.987 million annually, as shown in Table 4.



**Table 4 – Projected Tax Contribution Breakdown**

| <b>Tax Type</b>          | <b>Estimated Equalized Assessed Value</b>   | <b>Tax Rate Per \$100 of Assessed Value</b> | <b>Annual Tax Contribution</b> |
|--------------------------|---|---|--------------------------------|
| Municipal Purpose Tax    | <div style="text-align: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; height: 100px; margin: 0 auto; width: 20px;"></div> </div> | 0.364                                       | \$351,742.37                   |
| Municipal Fire District  |   | 0.129                                       | \$124,655.95                   |
| Local School District    |   | 1.411                                       | \$1,363,484.83                 |
| Regional School District |   | 0.781                                       | \$754,699.97                   |
| County Purposes          |   | 0.353                                       | \$341,112.79                   |
| County Library           |   | 0.032                                       | \$30,922.41                    |
| County Open Space        |   | 0.021                                       | \$20,292.83                    |
| <b>Total</b>             | <b>\$96,632,518</b>   | <b>3.091</b>                                | <b>\$2,986,911.14</b>          |

## One-Time Benefits

In addition to the tax ratables generated each year, there will be significant one-time benefits as well. One-time benefits usually occur during the construction phase and include the jobs, wages, and services associated with the actual construction of the development.

Pursuant to Section 130-122E of the Township Ordinance and the Statewide Non-Residential Development Fee Act (P.L. 2008, c.46), the proposed development will be subject to a non-residential development fee equal to 2.5 percent of the assessed value of the project. Based on an estimated assessed value of \$96,632,518 at the completion of the project, the 2.5 percent fee would generate \$2,415,813 in development fees to fund the Township's affordable housing trust fund.

## Estimated Costs of Public Service

### Municipal Services Costs

The fiscal impacts of the proposed development can be evaluated by using the proportional valuation method and a hybrid of the per capita multiplier method. This analysis assigns the costs of municipal services based on the relative percentage of the municipal tax base represented by non-residential properties versus residential properties.<sup>11</sup>

As indicated previously, the projected municipal service demands resulting from the project are minor. Services associated with police, fire, EMS, utilities, public works and educational costs will be minimal since there are no residents or school children associated with the project.

<sup>11</sup> This method for analyzing the fiscal impact of development is widely accepted and appears in *The New Practitioner's Guide to Fiscal Impact Analysis*, published by the Center for Urban Policy Research (CUPR), at Rutgers University, 1985 and the *Development Impact Assessment Handbook* published jointly by CURP and the Urban Land Institute in 1994.

As seen in Table 8, there were 2,378 taxable parcels in Chesterfield Township in 2021, which had a total assessed value of \$833.5 million. This table shows the columns of “Percentage of Parcels” and “Percentage of Tax Base” having only three values. The eight individual tax classifications are grouped into three categories to determine the split between the residential versus non-residential base. Non-residential (commercial and industrial) properties compose only 1.72 percent of the Township’s taxable parcels and 2.7 percent of the tax base. Therefore, 2.21 percent is the combined average percent  $([1.72\% + 2.70\%] \div 2)$  of the total current municipal expenditures that would be assigned to the 41 non-residential properties within the Township.

**Table 5 – Chesterfield Township 2021 Ratable Base**

| Classification | Parcels      | Total Value          | Percentage of Parcels | Percentage of Tax Base | Proportional Percentage |
|----------------|--------------|----------------------|-----------------------|------------------------|-------------------------|
| Apartments     | 1            | \$311,900            |                       |                        |                         |
| Residential    | 1,895        | \$736,184,600        | 85.74%                | 95.85%                 | 90.80%                  |
| Farm Homestead | 143          | \$62,457,000         |                       |                        |                         |
| Vacant Land    | 74           | \$5,942,300          |                       |                        |                         |
| Farm           | 224          | \$6,112,200          | 12.53%                | 1.45%                  | 6.99%                   |
| Commercial     | 40           | \$22,228,900         |                       |                        |                         |
| Industrial     | 1            | \$289,700            | 1.72%                 | 2.70%                  | 2.21%                   |
| <b>Total</b>   | <b>2,378</b> | <b>\$833,526,600</b> | <b>100%</b>           | <b>100%</b>            | <b>100%</b>             |

Source: [https://www.state.nj.us/dca/divisions/dlgs/resources/property\\_tax.html](https://www.state.nj.us/dca/divisions/dlgs/resources/property_tax.html)

Using a hybrid of the proportional valuation method and the per capita multiplier method, the costs of municipal services on a per employee basis for the year 2021 is estimated at \$114.60. This figure is calculated by multiplying the revenue raised by taxes in support of municipal purposes for budget year 2021 (\$3,042,819.65)<sup>12</sup> by the proportional percentage of the Township’s ratable base attributed to non-residential properties (2.21 percent). The product is then divided by the private employment estimate from 2019 (which is the most recent figure available). (See calculations in Table 6.)

Prior to permanently closing at the end of 2021, the Old York Country Club employed approximately 15 full-time, non-seasonal employees. During the peak season, the employment grew to 70 employees.<sup>13</sup> In order to estimate the annual municipal costs of the prior Country Club use, the 55 part-time employees would be equivalent to roughly 27 full-time employees. Combined with the 15 full-time employees, the Country Club employed an estimated 43 full-time equivalent employees. The existing municipal costs associated with the property are presented in Table 6. On a pro rata share basis, the 43 existing employees are assigned a municipal service cost of \$4,524 of the annual budget.

<sup>12</sup> Chesterfield Township 2022 User Friendly Budget, [https://www.chesterfieldtwpnj.gov/images/finance/2022\\_USER\\_FRIENDLY\\_BUDGET.pdf](https://www.chesterfieldtwpnj.gov/images/finance/2022_USER_FRIENDLY_BUDGET.pdf)

<sup>13</sup> Email correspondence with David Wheeler, General Manager of Old York Country Club on April 9, 2020.

**Table 6 – Cost of Municipal Services (Existing)**

|   |   |                    |
|---|---|--------------------|
|   | Revenue to be Raised by Taxes for Municipal Purposes (2021) | \$3,042,819.65     |
| x | Share of Non-Residential-Associated Expenditures            | 2.21%              |
| = | <b>Cost of Municipal Services</b>                           | <b>\$67,333.69</b> |
| ÷ | Estimated Private Sector Employees (2019)                   | 640                |
| = | <b>Cost of Municipal Services per Employee</b>              | <b>\$105.21</b>    |
| x | Estimated Existing Employment                               | 43                 |
| = | <b>Existing Municipal Costs</b>                             | <b>\$4,524.03</b>  |

The proposed warehouse is projected to employ 567 persons, which would generate a pro rata service cost of \$59,654 to the Township for municipal services, as shown in Table 7.

**Table 7 – Cost of Municipal Services (Proposed)**

|   |   |                    |
|---|---|--------------------|
|   | Revenue to be Raised by Taxes for Municipal Purposes (2021) | \$3,042,819.65     |
| x | Share of Non-Residential-Associated Expenditures            | 2.21%              |
| = | <b>Cost of Municipal Services</b>                           | <b>\$67,333.69</b> |
| ÷ | Estimated Private Sector Employees (2019)                   | 640                |
| = | <b>Cost of Municipal Services per Employee</b>              | <b>\$105.21</b>    |
| x | Projected Employees   | 567                |
| = | <b>Estimated Municipal Costs</b>                            | <b>\$59,654.07</b> |

However, these estimated municipal service costs associated with a development such as that proposed are likely overstated. New self-contained nonresidential properties that are investor owned and professionally managed income-producing properties typically have a much lower average per capita cost for municipal services. This is because many services, such as street maintenance, snow removal, trash collection, etc. are provided by the property owner rather than municipal employees. Additionally, there are other appropriations line items in the municipal budget, such as existing debt service and reserve for uncollected taxes, which will not be increased as a result of this project. In our experience in fiscal impact analysis, the marginal costs associated with a new self-contained development such as that proposed are typically around 60 percent of the average per capita costs. We have generally found this to be true, but it does vary by municipality.

A review of the Chesterfield budget appropriations indicates that approximately 29% of the revenue raised by taxes is dedicated to services/costs that would not be utilized by the proposed development, including debt service, reserve for uncollected taxes, capital services, parks and recreation, education (including library), snow removal and road maintenance. Assuming that, in the case of Chesterfield, the marginal costs associated with a new self-contained development are 71% of the average per capita costs, the cost of municipal services on a per capita basis is approximately \$83.27.

As shown in Table 8, the 567 employees that would be generated by the project be assigned a projected annual service cost of \$43,293 of the annual budget.

| Table 8 – Adjusted Cost of Municipal Services (Proposed) |   |                    |
|--|---|--------------------|
|  | Revenue to be Raised by Taxes for Municipal Purposes (2022)                       | \$3,042,819.65     |
| x  | Share of Non-Residential-Associated Expenditures                                  | 2.21%              |
| =  | <b>Cost of Municipal Services</b>   | <b>\$67,246.31</b> |
| ÷  | Estimated Private Sector Employees (2019)   | 618                |
| =  | <b>Cost of Municipal Services per Employee</b>                                    | <b>\$108.81</b>    |
| x  | Percent of Applicable Appropriations to be Raised by Taxes for Municipal Purposes | 70.2%              |
| =  | <b>Adjusted Cost of Municipal Services per Employee</b>                           | <b>\$76.36</b>     |
| x  | Projected Employees   | 567                |
| =  | <b>Estimated Municipal Costs</b>  | <b>\$43,293.48</b> |

## Public Education Cost

The proposed development would not produce any school age children in the Chesterfield Township School District or Northern Burlington County Regional School District. Therefore, the anticipated public education costs will be \$0. However, it is noted and acknowledged that the Board of Education estimates that the increase in property tax revenues would result in a loss of \$241,628 from State Aid. While this figure has not been independently verified, it is shown in this analysis as a potential cost to the local school district.

## County Services Cost

Burlington County provides a broad range of services to residences, such as Human Services, Public Safety, open space and recreation, and education services. On a per capita basis, the County services costs are pro-rated at \$78.72 per employee. This is based the 2021 Burlington County budget amount of \$169.7 million raised by taxation<sup>14</sup> multiplied by the proportional percentage of the County's ratable base attributed to non-residential properties (10.3 percent) and divided by the 175,095 private sector jobs in Burlington County<sup>15</sup>. As applied to the proposed project, the cost for County services would equate to \$44,634.24. However, given the insignificant increase in County employment (0.32 percent), it is anticipated that the existing County facilities and services could easily accommodate the proposed development without incurring any significant additional costs.

<sup>14</sup> Burlington County 2022 Budget <http://www.co.burlington.nj.us/Archive.aspx?ADID=3569>

<sup>15</sup> NJ Department of Workforce Development, Quarterly Census of Employment and Wages (QCEW) 2019 Municipal Report by Sector (NAICS), [http://www.nj.gov/labor/lpa/employ/qcew/qcew\\_index.html](http://www.nj.gov/labor/lpa/employ/qcew/qcew_index.html)

## Fiscal Impact Summary

Table 9 provides a summary of the project's long-term financial impacts, as set forth previously in this report. The table calculates the net tax revenue surplus to the municipality, school districts, and county after subtracting the pro rata share of budget costs for services.

Under conventional property taxation, the proposed development would result in a net positive tax revenue of \$433,105 for the Township of Chesterfield from general taxes and fire district taxes, annually. The proposed development would also generate over \$1.12 million in net revenue for the local school district after consideration of a potential reduction in State Aid and over \$754,000 in tax revenues for the regional school district each year. Burlington County would also see over \$347,000 in net tax revenues annually from the project. As shown below, the project tax revenues that would be generated from the proposed development would more than offset the potential costs associated with the development.

**Table 9 - Financial Summary Comparison**

| Item                                     | Existing Property | Proposed Development |
|--|-------------------|----------------------|
| Employees                                | 42                | 567                  |
| Population                               | 0                 | 0                    |
| School Children                          | 0                 | 0                    |
| Municipal General Tax Revenue            | \$10,920          | \$351,742            |
| + Municipal Fire Tax Revenue             | \$3,870           | \$124,656            |
| - Municipal Costs (pro rata share)       | \$4,524           | \$43,293             |
| <b>= Municipal Tax Difference</b>        | <b>\$10,266</b>   | <b>\$433,105</b>     |
| Municipal School Tax Revenue             | \$42,330          | \$1,363,485          |
| - Municipal School Costs                 | \$0               | \$241,628*           |
| <b>= Municipal School Tax Difference</b> | <b>\$42,330</b>   | <b>\$1,121,857</b>   |
| Regional School Tax Revenue              | \$23,430          | \$754,700            |
| - Regional School Costs                  | \$0               | \$0                  |
| <b>= Regional School Tax Difference</b>  | <b>\$23,430</b>   | <b>\$754,700</b>     |
| County Tax Revenue                       | \$12,180          | \$392,328            |
| - County Costs                           | \$3,385           | \$44,634             |
| <b>= County Tax Difference</b>           | <b>\$8,795</b>    | <b>\$347,694</b>     |

\* Estimated loss of State Aid from the Board of Education

## Local Economy

One-time benefits usually occur during the construction phase and include the jobs, wages, and services associated with the construction of the development. The ongoing benefits are the economic benefits to local providers of various goods and services and employees.

The proposed development will provide a net positive tax benefit to the Township, county, and local and regional school districts. Additionally, the proposed development does not contain a residential component; therefore, the proposed development will not directly impact the Township's population and school enrollment.

During the construction phase of the development, the project will have short term direct and indirect economic benefits to the local and regional economy. The direct benefits during the construction phase would include the jobs, wages and services associated with the actual construction of the development. Indirect benefits would be to other industries in the region by way of purchase of goods and services resulting from the wages of the construction of the development.

Regarding long term employment impacts, the anticipated 567 employees would generate income and have a positive effect on the community as businesses provide goods and services to the proposed warehouse facility and its employees. According to the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, the 2020 average annual household expenditures in New Jersey total \$66,377. Based on this data, 567 employees from the proposed development have the potential to spend over \$37.6 million annually on goods and services. Since there are a limited number of existing commercial businesses in Chesterfield, it is not possible to estimate the increase in spending within Chesterfield versus other retail areas in the region or online sales. Additionally, as the proposed warehouse will not sell goods or services directly to the consumer, there would be no direct competition to the existing local businesses.

## Conclusion

The proposed warehouse will provide a number of benefits to the local economy of Chesterfield Township, including "one-time benefits" and "ongoing benefits". One-time benefits usually occur during the construction phase and include the jobs, wages, and services associated with the construction of the development. The ongoing benefits are the economic impacts to residents and employees of the local providers of various goods and services. This project as proposed will have a positive ongoing benefit to the current tax base for the Township of Chesterfield, the local and regional school districts, and the County of Burlington by generating net positive total annual tax revenues.

# Appendix

## Appendix A | Community Impacts

### Noise

The proposed development intends to comply with NJDEP noise regulations. Sound barriers, berms, landscape screening or other sound attenuation measures will be installed as necessary to achieve compliance. The project will not have a substantial impact on noise to surrounding properties. Additionally, it is the applicant's intention to propose signage prohibiting engine breaking along the property frontage to reduce potential noise to the adjacent parcel.

### Lighting

The proposed site lighting will consist of full cutoff, dark sky compliant LED fixtures. The light source will be fully enclosed and include backlight cut-off optics so there is virtually no spillage behind the fixture. The lenses are fully programmable with a dimmable driver allowing lights to be dimmed and programmed to shut off during specific timeframes. Due to the LED fixtures, cut-off optics, dimming and shut off options, the project will not have a substantial impact on light pollution to surrounding properties.

### Historic Resources

The existing historic home on the property known as the Black House circa 1740 will be relocated on the subject property for a proposed office use. The existing homestead site is currently undergoing a Phase III archaeological excavation to recover and preserve any artifacts. The property has undergone extensive historical studies to identify and evaluate on site cultural resources in coordination with the New Jersey State Historic Preservation Office. Due to the proposed turn restrictions at the access road entrance prohibiting a right-in and left-out turn movements for trucks, no substantial traffic impacts to the historic village are anticipated.

### Agricultural Character of Chesterfield

There is no direct impact expected from the proposed development that would impact the agricultural characteristics of Chesterfield Township. Due to the size of the proposed project coupled with the lack of public water supply and sanitary sewer service, it is unlikely the proposed project would generate development pressure on adjacent properties. It is noted that the subject property is not currently utilized for agricultural purposes as it was a former country club. According to the Chesterfield Township Tax Assessor, there are presently 223 qualified farms (class 3B) and 144 farm homestead (Class 3A) properties in Chesterfield. The number of farm properties in Chesterfield will not change as a result of this proposed development.

### Old York Stables

The proposed development is located across Old York Road adjacent to the southern corner of the Old York Stables property, which is located within the Township of Bordentown. The Old York

Stables property is adjacent to the New Jersey Turnpike directly to the northwest of the property and the existing Matrix warehouse development to the northeast of the property.

The access drive to the proposed warehouse restricts truck turning movements to right-in and left-out, resulting in truck traffic only on the southern corner of the frontage. The location of the access, turn restriction, and engine brake prohibition will mitigate the potential impact on the Old York Stables and other agricultural uses, particularly in comparison to the existing adjacent uses.



## Appendix B | Financial Memo from Nassau Capital Advisors, LLC, dated July 6, 2022



## NASSAU CAPITAL ADVISORS, LLC

### MEMORANDUM

**TO: MR. ROB KASUBA  
ACTIVE ACQUISITIONS OY LLC**

**FROM: ROBERT S. POWELL, JR.  
MANAGING DIRECTOR**

**RE: ANALYSIS OF FINANCIAL IMPACT ON CHESTERFIELD TOWNSHIP  
OF PROPOSED WAREHOUSE/DISTRIBUTION DEVELOPMENT PROJECT  
AT SITE OF OLD YORK COUNTRY CLUB**

**DATE: July 8, 2022**

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At your request, I have prepared this updated and revised report to assess the financial impact of the potential development of a warehouse-distribution project by Active Acquisitions OY LLC on the site of the Old York Country Club.

#### Background: The Proposed Development Project

The project site is located at 228 Old York Road in Chesterfield. The property is described on the tax map of the Township as Block 7.01, Lot 2.01, and consists of 159 acres. The property has functioned as a private golf club for many years. The property has a 2020 assessed value for real estate tax purposes of \$3,000,000 and 2021 real estate taxes were \$92,730.

Active Acquisitions, LLC proposes to develop the site with a modern, state-of-the-art warehouse and distribution facility. The new building will contain 1,134,000 square feet of space, of which 1,114,000 square feet will be warehouse space and another 20,000 square feet will be office space.

#### Financial Analysis of Proposed Development Project for the Township

In consultation with you and your development team, I have prepared a financial summary of the proposed project which is illustrated in the attached worksheets. I have reviewed the assumptions in these tables and compared them with the financial profile of a number of very similar warehouse-distribution projects developed in New Jersey in recent years with which I am familiar. In my professional opinion, the projected rental income of the project is consistent with rents generated by similar projects in the Central and Southern New Jersey markets.


I have projected that the proposed building will attract one or more tenants which will enter into leases for the space which will generate net rental income of \$9.50 per square foot. There has been a significant increase in the rents of warehouses recently, which is why this anticipated rental income is greater than my earlier analysis. Such rental income will be "triple net" of operating costs of the building, which means that, in addition to the net rent, tenants will pay as additional rent all operating costs of the space, including real estate taxes, repairs and maintenance, insurance and property management.

To determine the financial benefit to the Township of this project, I have prepared the attached worksheets which calculate the *ad valorem* property taxes the project will generate upon completion and stabilization. This calculation is based upon the standard methodology utilized by property tax assessors throughout New Jersey to establish a fair and equalized valuation for the land and improvements. I then apply the current property tax rate to the new assessed valuation to indicate the real estate taxes the project will generate to the Township.

Financial Impact on Township: Findings and Conclusions:

1. Page 1 attached summarizes the key financial assumptions used to determine the assessed value of the project. As noted, the property is currently assessed at \$3,000,000, and paid \$92,730 in taxes for the past year.
2. The project can be expected to create a new property tax ratable upon completion of **\$96,632,518** (see attached page 2). The project is projected to generate in its **first year total property tax payments of \$2,986,911**. Note that these estimated valuations are shown only for the purposes of this fiscal analysis and are ultimately determined by the Township Tax Assessor.
3. The total equalized taxable value of real property in Chesterfield Township in 2021 was \$862,683,295. (See attached page 4.) Thus, this project will result in a net increase in the 2021 ratable base over the entire Township of 10.9%.
4. This new ratable will result in a substantial reduction in taxes paid by homeowners in Chesterfield. Based on the Chesterfield 2022 User Friendly Local Budget, the total amount of property tax revenues to be raised this year by the Township for all local government purposes (i.e., municipal, schools and county) is \$26,510,829. Page 3 of the attached breaks out the allocation of those real estate tax collections among the various units of local government. This project will increase net real estate tax revenues over the 2021 level by \$2,652,553 (after adjusting for the loss of \$92,730 in tax revenues from Old York Country Club and an adjustment in state aid to the board of education). That would represent an increase over 2021 tax collections of 10.28%.

Respectfully submitted,



Robert S. Powell, Jr.  
Managing Director

Attachments

**Active Acquisitions, LLC**  
**Proposed Warehouse-Distribution Project**  
**At Old York Country Club Site**  
**Chesterfield Township, NJ**  
**Rev. 07.08.2022**

| <b>Development/Tax Worksheet Assumptions</b> |                     |
|--|---------------------|
| <b>New Building Size (Sq Ft)</b>             | <b>1,134,000</b>    |
| <b>Proj. Net Rental Income (PSF)</b>         | <b>\$9.50</b>       |
| <b>Proj. Stabilized Occupancy</b>            | <b>95%</b>          |
| <b>Proj. NOI</b>                             | <b>\$10,234,350</b> |
| <b>2021 General Tax Rate</b>                 | <b>3.091%</b>       |
| <b>2021 Equalization Ratio</b>               | <b>96.780%</b>      |
| <b>2021 Effective Tax Rate</b>               | <b>2.991%</b>       |

| <b>Current Assessment Old York CC</b> |                    |
|---------------------------------------|--------------------|
| <b>Assessed Value 2021</b>            | <b>\$3,000,000</b> |
| <b>RE Taxes Paid 2021</b>             | <b>\$92,730</b>    |



**Active Acquisitions, LLC**  
**Proposed Warehouse-Distribution Project**  
**At Old York Country Club Site**  
**Chesterfield Township, NJ**  
**Rev. 07.08.2022**

**Ad Valorem Property Tax Calculation**

*(At Stabilized First Year)*

|   |                     |
|---|---------------------|
| <b>NOI Before Taxes</b>                       | <b>\$10,234,350</b> |
| <b>Cap Rate</b>                               | <b>7.50%</b>        |
| <b>Cap Rate Adjustment (General Tax Rate)</b> | <b>3.091%</b>       |
| <b>Assessment Cap Rate</b>                    | <b>10.591%</b>      |
|   |                     |
| <b>Value</b>                                  | <b>\$96,632,518</b> |
| <b>Value Per Sq. Ft.</b>                      | <b>\$85.21</b>      |
| <b>2021 General Tax Rate</b>                  | <b>3.091%</b>       |
| <b>Ad Valorem Taxes</b>                       | <b>\$2,986,911</b>  |
|   |                     |

*Active Acquisitions, LLC*  
*Proposed Warehouse-Distribution Project*  
*At Old York Country Club Site*  
*Chesterfield Township, NJ*  
*Rev. 07.08.2022*

|  |                      |
|--|----------------------|
| <i>2021 Equalized Township Valuation</i> | <i>\$862,683,295</i> |
| <i>Added Valuation From Project</i>      | <i>\$96,632,518</i>  |
| <i>Current Assessed Value of Site</i>    | <i>\$3,000,000</i>   |
| <i>Net Added Valuation</i>               | <i>\$93,632,518</i>  |
| <i>Net Increase in Twp. Ratable Base</i> | <i>10.9%</i>         |

*Chesterfield 2021 Calendar Yr. Tax Levies*  
*Property Tax Breakdowns Est.*

| <i>Est. Assessed Value of Project</i>               | <i>\$96,632,518</i> | <i>Est. Prop. Taxes Year 1 of Project</i> | <i>Current RE Taxes Old York CC</i> | <i>Net Increase in Prop. Taxes</i> | <i>Adjust for Loss of State Eq. Aid</i> | <i>Net New Prop Tax Revs From Project</i> |
|---|---------------------|---|-------------------------------------|------------------------------------|---|---|
| <i>Tax Rate Per \$100 of Project Assessed Value</i> |                     |   |                                     |                                    |   |   |
| <i>Munic Purpose Budget</i>                         | <i>0.364%</i>       | <i>\$351,742.37</i>                       | <i>(\$10,920.00)</i>                | <i>\$340,822.37</i>                |   | <i>\$340,822.37</i>                       |
| <i>Fire District</i>                                | <i>0.129%</i>       | <i>\$124,655.95</i>                       | <i>(\$3,870.00)</i>                 | <i>\$120,785.95</i>                |   | <i>\$120,785.95</i>                       |
| <i>Local School District</i>                        | <i>1.411%</i>       | <i>\$1,363,484.83</i>                     | <i>(\$42,330.00)</i>                | <i>\$1,321,154.83</i>              | <i>(\$241,628.00)</i>                   | <i>\$1,079,526.83</i>                     |
| <i>Regional School District</i>                     | <i>0.781%</i>       | <i>\$754,699.97</i>                       | <i>(\$23,430.00)</i>                | <i>\$731,269.97</i>                |   | <i>\$731,269.97</i>                       |
| <i>County Purposes</i>                              | <i>0.353%</i>       | <i>\$341,112.79</i>                       | <i>(\$10,590.00)</i>                | <i>\$330,522.79</i>                |   | <i>\$330,522.79</i>                       |
| <i>County Library</i>                               | <i>0.032%</i>       | <i>\$30,922.41</i>                        | <i>(\$960.00)</i>                   | <i>\$29,962.41</i>                 |   | <i>\$29,962.41</i>                        |
| <i>Other County Levies (total)</i>                  | <i>0.021%</i>       | <i>\$20,292.83</i>                        | <i>(\$630.00)</i>                   | <i>\$19,662.83</i>                 |   | <i>\$19,662.83</i>                        |
| <i>Total Costs Funded w RE Taxes</i>                | <i>3.091%</i>       | <i>\$2,986,911.14</i>                     | <i>(\$92,730.00)</i>                | <i>\$2,894,181.14</i>              | <i>(\$241,628.00)</i>                   | <i>\$2,652,553.14</i>                     |

|  |                        |
|--|------------------------|
| <i>Total 2021 Real Estate Tax Levy</i> | <i>\$25,795,188.87</i> |
| <i>New Project Taxes</i>               | <i>\$2,652,553.14</i>  |
| <i>Increase over 2021 Levy</i>         | <i>10.28%</i>          |

**Active Acquisitions, LLC**  
**Proposed Warehouse Project**  
**At Old York Country Club Site**  
**Chesterfield Township, NJ**  
**Rev. 07.08.2022**

**2021 Property Tax Ratable Breakdown**  
**Source: NJ Division of Taxation - Abstract of Ratables**

| <i>Jurisdiction</i> | <i>Class 1<br/>Vacant Land</i> | <i>Class 2<br/>Residential</i> | <i>Class 3A<br/>Farm Regular</i> | <i>Class 3B<br/>Farm Qualified</i> | <i>Class 4A<br/>Commercial</i> | <i>Class 4B<br/>Industrial</i> | <i>Class 4C<br/>Apartment</i> | <i>Total</i>   |
|---------------------|--------------------------------|--------------------------------|----------------------------------|------------------------------------|--------------------------------|--------------------------------|-------------------------------|----------------|
| Chesterfield Twp    | 5,942,300                      | 736,184,600                    | 62,457,000                       | 6,112,200                          | 22,226,900                     | 289,700                        | 311,900                       | 833,524,600    |
| Percent of Total    | 1%                             | 88%                            | 7%                               | 1%                                 | 3%                             | 0%                             | 0%                            | 100%           |
| Equalized (96.62%)  |                                |                                |                                  |                                    |                                |                                |                               | 862,683,295    |
| Burlington County   | 510,925,311                    | 34,662,165,820                 | 467,732,000                      | 51,882,120                         | 5,744,475,448                  | 1,587,581,630                  | 1,332,749,700                 | 44,357,512,029 |
| Percent of Total    | 1%                             | 78%                            | 1%                               | 0%                                 | 13%                            | 4%                             | 3%                            | 100%           |



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