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Ms. Bailey Hernandez
Vintage Luxury Homes

Dear Bailey

It is a pleasure to present this draft fiscal impact analysis of your proposed residential development in Warrenville, Illinois. This report addresses the following:

- Estimating the total incremental direct revenue sources and costs to the City of Warrenville and Consolidated School District 203 as a result of this project over a 20-year period.

The analysis is dependent on a number of financial and market assumptions that were developed in connection with this report. Since future events are not subject to precise forecasts, some assumptions may not materialize in the exact form presented in this analysis. In addition, other unanticipated events or circumstances may occur which could influence the future outcome and performance of the project. Nonetheless, we believe that the underlying assumptions provide a reasonable basis for this analysis.

We appreciate the opportunity to work with you on this engagement and look forward to discussing the results of the report with you.

Very truly yours,
Laube Consulting Group LLC

Michael S. Laube

By
Michael S. Laube

I. EXECUTIVE SUMMARY

The development program is currently contemplated to be 48 townhomes (single family attached homes).

We have analyzed the net cost/benefit to the City and School District 203. The net (cost)/benefit over 20-years for each is as follows:

- City of Warrenville – Net Benefit of \$543,992
- School District 203 – Net Benefit of \$696,577
- Estimated Number of School Children – 17.35

Please see the Appendix for the further detail of these summaries.

II. DEVELOPMENT PROGRAM

The development program for this site is planned to entail the construction of 48 townhomes.

Under the current site plan, there will be fourteen 2-bedroom units, twenty four 3 bedroom units, and ten 4-bedroom units.

The development site is located on 2 parcels within the City. Those parcels are:

- 07-02-203-007
- 07-02-203-009

The proposed development is located on a site commonly referred to as 28301 Ferry Rd. in the City. Hereinafter referred to as the “Project”.

III. PROPERTY TAXES

Overview

The assessment process involves several steps. First, the County assessor's office establishes the fair market value ("FMV") of the property. The FMV is the most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to a fair rate. The FMV is determined by any number of factors including, but not limited to: property location, age, type, and condition of facilities and infrastructure.

Second, the "assessed value" is calculated by multiplying the property's FMV by an assessment rate. The assessment rate is determined by county ordinance, in the case of DuPage County, wherein this development resides.

Third, the property's assessed value is multiplied by an equalization factor to determine the equalized assessed value ("EAV"). The equalization factor is used to ensure that property is assessed consistently throughout the state. The equalization factor for DuPage County is determined by the Illinois Department of Revenue. Finally, the EAV is multiplied by the property tax rate to determine the tax for the property.

Key Assumptions

- Because the project is planned to be a for sale produce, we have used the sales comp approach to valuing this for property taxes. We have used the average sale price and discounted that by 10%. That results in an average tax per unit of \$9,800 annually. We believe that this methodology is in line with DuPage County assessment practices and is reasonable and conservative.
- We have trended the initial assessed value by a reassessment growth rate of 2.5% annually.

For a complete list of all assumptions used, please see the Appendix.

Collections

(All shown in aggregate dollars over a 20-year period)

- Total Property Tax Collections - \$11.3 million
- City of Warrenville - \$540,000
- School District 203 Collections – \$7 million

Please see the Appendix for the annual cash flows and all detail.

IV. INCREMENTAL MUNICIPAL COSTS

Overview

In order to objectively look at the impact to the City, the incremental cost of this proposed project must also be evaluated. Incremental municipal costs can come in the form of the need for increased fire, police or emergency services. Additionally, there can also be incremental costs of providing water and sewer as well as City staff time in order to evaluate the proposed plans for construction, the related zoning. This section will provide a discussion of all of them.

Police, Fire and Ambulance Services

These types of developments require very little service from municipal police, fire or emergency. Typical multi-family building code requires various types of sprinklers or other fire suppression systems. Furthermore, this is an infill site that already exists in the City and is serviced by police and fire. Additional services will not be needed.

Police

These types of residential developments experience very few incidents. While it is conceivable that the police may need to respond on occasion, these incidents are very rare.

Emergency

Due to the nature of the development, being a small infill residential development, the need for emergency services certainly could occur, but should be very rare.

City Staff Costs

The time incurred by City staff to review and work through the zoning and building process is covered by the normal permits and fees paid for a facility like this. Based upon industry averages, the permit fees are approximately 0.75% - 1% (all in) of the hard costs of the project aggregately. At a minimum, this will cover the costs of review and time.

Water and Sewer Costs

This facility will be a user of the municipal water and sewer and will pay the normal and customary charges for this service. Therefore, this use will not have a negative impact on the City.

V. SCHOOL DISTRICT 203 COSTS

Overview

We have looked at the incremental costs of the new student generation to School District 203 as a result of the proposed 48 unit residential development.

Key Assumptions

- We have used some data for student generation of these types of urban, high density developments that we believe more accurately reflects actual generation in these types of developments. This data came from ISCS. We believe that these are more appropriate and accurate ratios to estimate the student population for this development. The rationale for this is that our direct experience tells us that the student generation is much less than standard ratios calculate. This is due to many reasons. Some of those reasons is the aging population wherein some of these units will be marketed to empty nesters. Additionally, student trends are on the decline. This is corroborated by the Developer's direct experience in developing these types of attached single family homes in in-fill locations. Therefore, we still believe that the ratios we used here for student generation are very conservative and very likely show costs higher than will actually occur.
- We have used the total operational cost per student of \$15,298 for District 203 as published by the Illinois School Report Card for 2020.
- We have used a 5-year average consumer price index as the inflation rate for these costs.

Please see the Appendix for a complete list of assumptions.

Costs

- Over a 20-year period the incremental cost to School District 203 is about \$6.3 million.

Please see in the Appendix for the annual cash flow summary.

VI. NET COST BENEFIT CALCULATIONS OVER 20-YEARS

City of Warrenville

- Total Revenues Collected - \$543,992
- Incremental Costs - \$0

- **Net (Cost)/Benefit to the City - \$543,992**

City 5-Year Cash Flow

Year	Collections	Costs	Net (Cost)/Benefit
Year 1	\$ 0	\$0	\$ 0
Year 2	\$ 22,717	\$0	\$ 22,717
Year 3	\$ 23,285	\$0	\$ 23,285
Year 4	\$ 23,868	\$0	\$ 23,868
Year 5	\$ 24,464	\$0	\$ 24,464

School District 203

- Total Revenues Collected - \$7,032,327
- Incremental Costs - \$6,335,751

- **Net (Cost)/Benefit to SD 203 - \$696,577**

School District 203 5-Year Cash Flow

Year	Collections	Costs	Net (Cost)/Benefit
Year 1	\$ 0	\$265,420	\$ (265,420)
Year 2	\$ 293,674	\$270,255	\$ 23,419
Year 3	\$ 301,016	\$275,179	\$ 25,837
Year 4	\$ 308,542	\$280,192	\$ 28,350
Year 5	\$ 316,255	\$285,296	\$ 30,959

APPENDIX

The Appendix is an integral part of this Report. The written narrative is meant to provide an overview of key assumptions and conclusions.

Table 1 – Executive Summary

Table 2 – City Summary

Table 3 – School District 203 Summary

Table 4 – Fair Market Value - Residential

Table 5 – Property Tax Assumptions

Table 6 – Total Property Tax Projections

Table 7 – City Property Tax Projections

Table 8 – School District 203 Property Tax Projections

Table 9 – Number of School Children

Table 10 – School District 203 Cost Assumptions

Table 11 – School District 203 Cost Projections