

Neighborhood Improvement District Plan

Woodlands at Greystone



Presentation Outline

- I. Why Create a Neighborhood Improvement District (a “NID”)
- II. Neighborhood Improvement District Legislative Approval Schedule
- III. Neighborhood Improvement District Plan Contents

I. Why Create a Neighborhood Improvement District

Site Plan



What is NID Financing?

A self-financing tool available to local governments to:

- Expedite the construction of public infrastructure
- Accelerate the installation of needed/desired public infrastructure
- Encourage economic development

Proposed Public Improvements

- Arterial collector road, inclusive of multiple bridges
- Road improvements to:
 - Route 322
 - Phoenixville Pike
 - Collector Road
 - Greenhill Road West
 - Fernhill Road
 - Pottstown Pike
 - Sunset Lane
- Sidewalk and curbing
- Landscaping
- Street lights
- Water and sewer improvements
- Pump station
- Open space improvements
- Dam repairs
- Wetland mitigation

Timing of Improvements: No NID

- Without NID, public improvements are deferred until parcels are developed and sold
- Improvements conditioned upon success of project
- Upon dedication of improvements to Township, full cost of maintenance is responsibility of Township

Benefits of NID

- NID Act authorizes imposition of special assessments on property within the designated boundary of the NID
- Special assessments provide source of funding public improvements through NID financing
- NID financing can expedite construction of public improvements – at start of project

Special Obligation Special Assessment Bonds

- Characteristics of these types of bonds are as follows:
 - Does not include the pledge of the full faith and credit of the township or any other governmental body
 - Secured solely by the special assessments levied and collected within the NID
 - Typically sold to sophisticated institutional buyers
 - Propose having bonds issued by CCIDA, not Township
- In the event of default, the bondholders have a claim only on the special assessments and the lien created on the property by the assessments

II. Neighborhood Improvement District Legislative Approval Schedule

NID-Related Legislative Requirements

- NID Plan is sent to property owners in the proposed NID 30 days prior to public hearing
- Township advertised public hearing on establishment of NID on or before October 25, 2017
- Township holds public hearing on November 8, 2017
- Township waits 45 days following the public hearing for any objections to the NID from affected property owners within the proposed NID
- Assuming no objections, Township enacts ordinance establishing the NID in January, 2018

NIDMA

- NID Ordinance also designates a nonprofit corporation to serve as the Neighborhood Improvement District Management Association (the “NIDMA”) for overseeing the NID
- Third-party administrator hired to perform the following tasks so there is very limited Township involvement:
 - Calculate the annual installment of the special assessment
 - Calculate any prepayments
 - Field any questions by homeowners in the NID
 - Complete any monitoring and reporting required by the IRS or MSRB
- Township, Property Owners and Bond Issuer have representation on the NIDMA board of directors

III. Neighborhood Improvement District Plan Contents

Tax Parcels

The following tax parcels are proposed to be included in the NID District:

Map Number	Owner	Address	Total Acreage
52-03-0062.0000	Jerrehian	257 E Lancaster Avenue	10.10
52-03-0075.0000	Jerrehian	257 E Lancaster Avenue	23.90
52-02R-0001.0000	Jerrehian	257 E Lancaster Avenue	0.80
52-03-0061.0100	Jerrehian	257 E Lancaster Avenue	19.70
52-02-0114.0000	Jerrehian	257 E Lancaster Avenue	40.00
52-03-0185.0000	Jerrehian	257 E Lancaster Avenue	43.30
52-03-0182.0000	Jerrehian	257 E Lancaster Avenue	40.80
52-03-0181.0000	Jerrehian	257 E Lancaster Avenue	40.80
52-03-0095.0000	Jerrehian	257 E Lancaster Avenue	1.40
52-02-0114.0200	Jerrehian	257 E Lancaster Avenue	39.70
52-02-0105.0000	Jerrehian	257 E Lancaster Avenue	1.31
52-02-0114.0500	Jerrehian	257 E Lancaster Avenue	18.80
52-02-0114.0100	Jerrehian	257 E Lancaster Avenue	40.00
52-02-0114.0400	Jerrehian	257 E Lancaster Avenue	39.00
Total			359.61

Proposed Development

- The property comprising the proposed NID District is currently vacant wooded land
- The property will serve as the site for the proposed residential development for the Woodlands at Greystone project as shown in the table below

Property Type	Units
<i>Residential - For Sale</i>	
Townhomes	48
Twins	110
Active adult	261
Single family	151
Estate	28
Total	598

- The property requires significant public infrastructure improvements before development can move forward

Public Improvement Costs

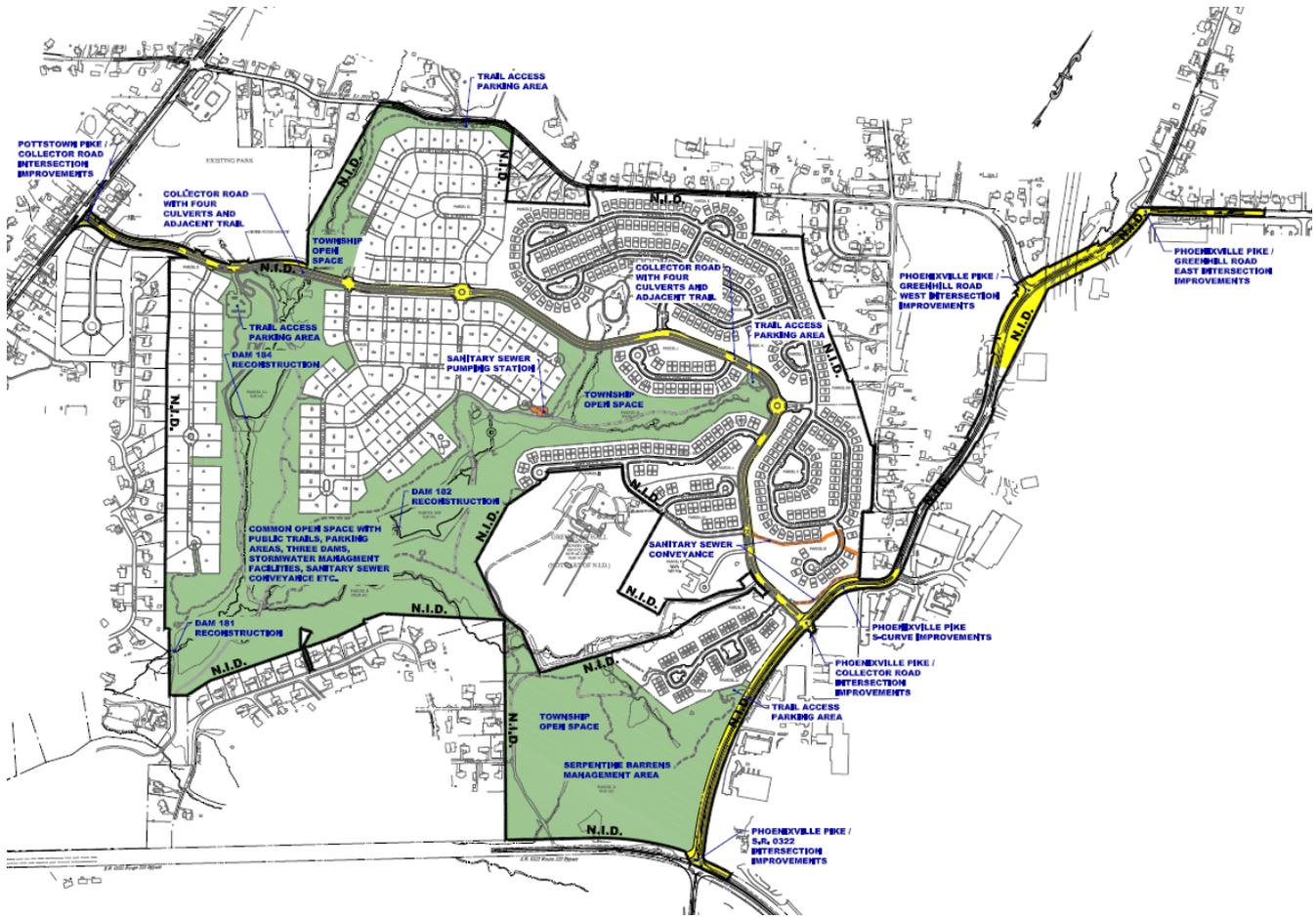
- The public improvement costs are shown in the below table:

Improvement	Total Costs ¹
Hard Costs	
<i>Demolition, earthwork, erosion control, and clear and grub</i>	\$1,893,750
<i>Collector Road structures</i>	\$5,650,518
<i>Contingency</i>	\$1,097,220
<i>Dedication and repairs</i>	\$110,000
<i>Open space improvements</i>	\$3,233,902
<i>Dam repairs</i>	\$2,202,530
<i>Road improvements:</i>	
Route 322 and Phoenixville Pike	\$485,562
Collector Road at Phoenixville Pike	\$1,017,700
Phoenixville Pike and Greenhill Road West - Phase I and East	\$449,523
Phoenixville Pike and Greenhill Road East	\$536,639
Pottstown Pike and Collector Road	\$187,897
<i>Rock and unsuitable soils</i>	\$305,000
<i>Sanitary sewer</i>	\$1,241,440
<i>Pump station</i>	\$871,499
<i>Storm sewer/BMP's</i>	\$832,900
<i>Signs</i>	\$30,000
<i>Water system</i>	\$682,585
<i>Wetlands mitigation</i>	\$218,011
Sub-total hard costs	\$21,046,676
Soft Costs²	\$2,264,822
Total public improvement costs	\$23,311,498

¹Provided by A&E Consulting, LLC.

²Soft costs include the state park maintenance budget, legal fees, municipal inspection fees, tap and utility connection fees, letters of credit and performance bonds, maintenance, survey and engineering, and consulting fees.

Woodlands at Greystone Public Improvement Plan



Public Improvements

- Public improvements shown on the public improvement plan are:
 - Projected to be completely constructed by September 1, 2020
 - Estimated to cost approximately \$23.3 million
 - Necessary for the project to go forward
- Public improvement costs include all right-of-way, acquisition, design and engineering, and other costs related to the construction of all of the public improvements
- Bonds are proposed to be issued to finance the public improvements

Special Obligation Special Assessment Bonds

The estimated sources and uses for the proposed bonds in the preliminary NID Plan are shown in the table below:

	Total Bonds
Sources of funds:	
Total bond proceeds	\$35,075,000
Interest earned in the improvement fund	\$111,314
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Total sources of funds	\$35,186,314
Total uses of funds:	
Project public improvements	\$23,311,498
Issuance costs	\$500,000
Underwriter's discount	\$526,125
Capitalized interest	\$7,340,466
Reserve fund	\$3,507,500
Rounding	\$725
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Total uses of funds	\$35,186,314

Special Obligation Special Assessment Bonds (cont.)

- The proposed bonds will be issued based on the timing of several factors:
 - The proposed development requires the construction of necessary improvements, or
 - The required public improvements have been constructed by developer to expedite the proposed development and bonds are issued to reimburse the developer
- The proposed bonds will be repaid by special assessment revenues generated by the proposed development
 - Assessments will be collected proportionately on each of the parcels in the NID District in an amount equal to the debt service on the bonds plus administrative expenses

Determination of Special Assessments

- The reasonable basis for the special assessments proposed to be levied in the NID District is as follows:
 - The special assessment costs do not exceed the special benefit received from the public improvements
 - The special assessments are levied in an equal amount to repay debt service and associated administrative expenses
 - The special assessments are allocated to parcels within the NID District on a basis that reasonably reflects the benefit each parcel receives
- The special benefit to the property is greater than the special assessments imposed as the improvements to be financed are required for the highest and best use of the property

Determination of Special Assessments (cont.)

- Special assessments are allocated based on the benefit received between the five land use classes identified within the NID District, shown below:

Land Use Class	Proposed Development (Units)	Equivalent Unit Factors	Total Equivalent Units
Single family	151	1.00	151
Townhomes	48	0.78	37
Twins	110	0.83	91
Active adult	261	0.91	237
Estate	28	1.52	43
Total			559

- Special assessments are allocated to each parcel pro rata to the equivalent unit factor of each parcel
 - Equivalent unit factors represent the ratio of estimated value per residential dwelling unit for each class

Terms of the Special Assessments

- Special assessments will be imposed in amounts equal to:
 - Principal of the bonds issued by the Authority
 - Interest on the bonds
 - Administrative expenses of the Authority, Township, and NIDMA
- Special assessments may be paid in the same manner as regular property taxes, or may be prepaid in full at any time
- Special assessments will only be collected up to thirty years (30) from the date bonds are issued

Neighborhood Improvement District Management Association

- Pursuant to the NID Act, the West Goshen Township Board of Supervisors will designate a nonprofit corporation to serve as the Neighborhood Improvement District Management Association (NIDMA)
- The NIDMA will do any and all things necessary to govern and administer the NID District, guided by the By-Laws for the NIDMA, which outlines the duties, powers, and obligations of the NIDMA

Neighborhood Improvement District Management Association (cont.)

- In conjunction with the NID Act, the NID Management Agreement has been prepared which describes the duties and responsibilities of the Township and the NIDMA
- Based on the NID Management Agreement, the NIDMA shall:
 - Impose special assessments on property within the NID District
 - Approve the calculations made each year for the billing and collection of the special assessments
 - Bill and collect the annual installments of the special assessment from each property within the NID District
 - Prepare any reports necessary to comply with the NID Act