

**From:** Rob Zeitter <rzeitter@khps.org>  
**To:** <fwash@ci.walker.mi.us>  
**Date:** 6/22/2006 5:53:40 PM  
**Subject:** (possible spam: 7.7118) Orchard Park Impact Analysis

Frank,

Superintendent Jim Gillette asked me to get back to you regarding your questions to us on the impact of the proposed Orchard Park development on the Kenowa Hills Public Schools. First, we appreciated the opportunity to meet with you on May 18th. It provided us with an opportunity to have a better understanding of the proposed development.

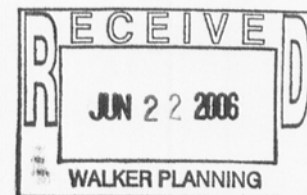
Jim Gillette and I have discussed the potential impacts of this project in the four areas where you requested input; need for a new school on the development site, impact on school enrollment, impact on school district finances and impact on our student transportation services. The following is our combined opinion on the potential impact (if any) of Orchard Park as it is currently proposed on the school district:

Impact on school enrollment - Our evaluation of the proposed residential housing for the project indicates there will be no significant impact on the school district's future student enrollment. Based on the type or kind of housing Orchard Park would include, it is unlikely there will be the need for any additional classrooms or school facility construction. The type of housing being proposed does not typically contain many school age children. However, experience has shown us that sometimes the type of housing first proposed for a development evolves to something quite different than called for in initial planning. Market considerations usually drive such changes. So for example, if the developer should opt to include more apartments or other kinds of housing more likely to contain children, then we could be looking at a significant impact on the need for school facilities and school services.

Besides the possibility of a change in the type of housing for the project, we expect a development of this magnitude to spur housing growth in the general area outside the development itself. The number of jobs and commerce the proposed development would bring to the area is bound to have an impact on the need for more housing in the vicinity of the development. Again, it is quite possible that this housing outside the development could be of the type that would contain more households with school age children.

Need for a new school on the site - Based on our evaluation of future enrollment potential from the project and what we know about other housing developments either planned or being proposed for areas of Walker and Alpine Township that are in proximity to Orchard Park, it is conceivable a new school could be needed in the future. We feel it would be desirable for 10 - 12 acres of the project to be committed by the developer for a future school site. The property just south of District A and east of Baumhoff Rd. would be nice location for a future school site. Based on what we know today and the amount of vacant land in the immediate area, it is possible that a spin off effect leading to housing growth and student enrollment growth could occur in the future.

The development that has occurred along Alpine Avenue is a good



example.

**Fiscal Impact Projections** - The added tax base of the proposed development will have no impact at all on the school district's daily or annual operational funding. This may seem counter intuitive to most people who aren't aware of how the State funds public schools. Briefly explained, the formula the State of Michigan uses to fund daily school operations includes both property taxes and State funding up to a certain level such as \$7,000 per student. If the property tax portion of the \$7,000 per student increases, then the State portion is decreased by an offsetting amount according to the funding formula.

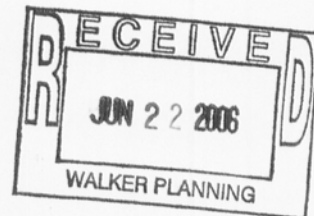
Operational funding could benefit if the development brings more student enrollment growth to the area. Student enrollment growth is beneficial to the school district when each new student brings \$7,000+ dollars of funding into the school system. However, student enrollment growth can shift from being a positive financial force to a negative financial force when the number of new students coming into the school district overtakes available classroom space. When this point is reached, the \$7,000 per student is not sufficient funding by itself to cover operational costs and the costs to construct added or new classroom space.

The proposed development will provide a very positive impact on the school district's Debt Retirement Fund. The Debt Retirement Fund collects local taxes to pay off outstanding bonds of the school district. There is no State funding involved with the Debt Retirement Fund, so there is no State offset to taxes collected locally. Based on a projected taxable value of \$278,292,116 for the Orchard Park development when it is completed, we estimate it will generate \$935,062 in school taxes for Debt Retirement Fund. This has the potential to reduce to current school district debt retirement levy of 3.36 mills by nearly 1 full mill to 2.40 mills. A 1 mill reduction in this tax would be a financial benefit to all Kenowa Hills taxpayers with property not only in Walker, but throughout the school district.

**Transportation Impact** - The network of roads within the proposed development should be fine in terms of the school district providing bus transportation to potential residents with school age children. The traffic circles being proposed need to be large enough to service a 77 passenger conventional style school bus. If there will be any cul-de-sacs within residential areas of the project school, school bus service should be taken into account, if you think that area will require children to be picked up by a school bus.

Outside of the project itself we would have concerns about the Bristol and 4 Mile Road intersection needing realignment, widening and traffic lights. Bristol between 4 Mile Rd. and 3 Mile Rd. should also be widened. The project will bring more traffic to the area and all roads around the development should be considered for improvement including Walker and 4 Mile Rd. The new interchange now under construction at Walker and I-96 will be a major improvement.

Thank you for the opportunity to provide input on the Orchard Park project. Please feel free to contact either Jim Gillette or me if you have any further questions.



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Kenowa Hills Public Schools

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