

July 24, 2006

FOR IMMEDIATE RELEASE

**The Villages of Gloucester will generate more than \$81.2 million in net new County revenues over 20 years, study says**

The Villages of Gloucester would have a positive net impact on County revenues of more than \$81.2 million over the next 20 years, according to a thorough fiscal impact analysis conducted by the nation's leading real estate consulting and economic analysis firm.

Robert Charles Lesser Co. of Bethesda, MD, conducted the study, which found that while the proposed \$750 million planned mixed-use community will require an increase in County services, the revenues it will produce far outweighs those costs.

Specifically, over the 20-year study period—2006-2025—The Villages of Gloucester will generate more than \$210.3 million in County taxes and fees, but will require increased County spending of only \$129 million, according to the analysis.

The Villages of Gloucester is a planned mixed-use golf community. Its developers have filed an application to rezone the 908-acre site to Planned Unit Development for 1,170 homes, a neighborhood retail to serve them, and a business park on US Rt. 17.

“We are delighted with the results of this professional study because it confirms what we have been saying from the outset, that The Villages will more than pay for itself. The Villages is a large project, but its size creates significant public benefits, not only for future residents of the community itself, but for Gloucester County as a whole,” Mike Wilson, a partner in The Villages of Gloucester Ltd., said.

The Lesser Company study found that real property taxes on the planned 1,170 homes a neighborhood convenience shopping center and a business park on U.S. Rt. 17 at state Rt. 615 (Burleigh Road) would produce \$74.8 million in taxes over the 20 years. On average, Gloucester County would net between \$4 and \$5 million a year more in revenues than the new community would demand in County services.

“This is a very conservative fiscal impact analysis,” Wilson pointed out. “The revenues it projects are simply based on the planned investments, but the County's costs are based on a worst case scenario as far as school projections are concerned.”

The Lesser study anticipates that as many as 42% of the households who live in the Villages would have at least one school age child. As a result, educational operating expenses are forecast to exceed \$82.3 million, by far the largest factor in the projected \$129 million of increased County costs.

Other studies have shown that the percentage of households with school children in similar planned communities range from a study that anticipated zero students in homes valued in excess of \$300,000 to 16% of households in similar golf communities nearby in the region. Based on the County's existing population, about 37% of households have students in them.

"We also asked the Lesser Company to examine the fiscal impact of developing the property to its fullest extent under the County's proposed future land use map," Wilson said. That land use plan would restrict the property to about half as many homes.

The fiscal impact on the County would still be positive, but the County would only net \$11.2 million, according to the analysis. New revenues are projected to be \$90.3 million, but required County expenditures would increase by more than \$79.1 million, based on the future land use plan. Again, the largest single cost factor would be educational operating costs, which would amount to \$52.7 million of the total.

The complete Robert Charles Lesser Co. analysis was presented June 6. It will be filed with The Villages of Gloucester's rezoning application under the County's Planned Unit District (PUD) zoning ordinance. Copies will be available in the County's public libraries and at Foster & Wilson, the developers, in the town of Gloucester.

"In addition to paying for itself, The Villages of Gloucester offers significant public benefits under the County's PUD ordinance," Wilson said. "It will increase the range of housing options for residents and newcomers alike, including nearby 10 home sites for Habitat for Humanity, and it will give Gloucester an 18-hole public golf course."

#

For more information, contact mike Wilson (804) 693-7200 or Peter Boisseau (804) 775-2184.

Summary of Fiscal Impact Analysis through exhibits attached.