

I.D.E.A.L. DOWNINGTOWN

Invigorate Downingtown's Economy And Lifestyle

Key Links:

IDEAL Downingtown on Facebook

www.idealdowntown.blogspot.com

Email: IdealDowningtown@gmail.com

Facts about

Kardon Park: www.KardonParkFacts.Com

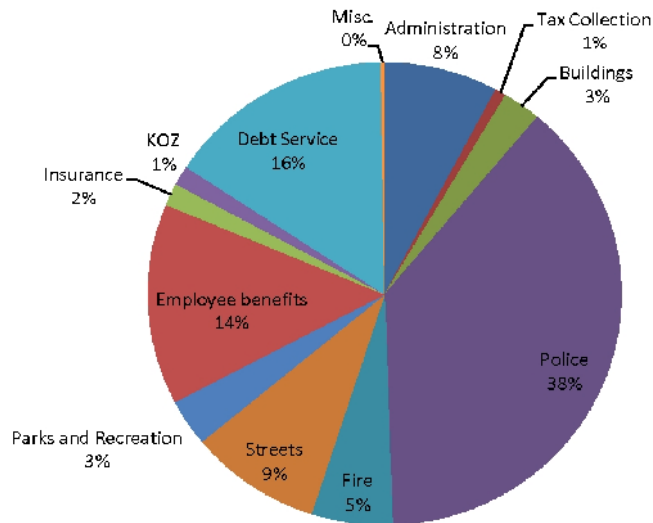
Did you know...

- That the Borough's tax rate of 6.7 mils has increased 50% over the past four years? The Borough held the line on taxes in 2011 but only by laying off employees. This is an unsustainable model going forward.
- Downingtown needs new revenues, otherwise it will be forced to continuously borrow more money to cover operations. More debt means increased debt service expense which puts pressure on taxes.
- New developments and new investments in the Borough bring in more revenues while new residents help shoulder the tax burden. The Kardon Park project alone will generate over \$1 million annually in net revenues – to the Borough, the School district, the County and East Whiteland township.
- Most of the Borough's budget are fixed expenses and not discretionary. The only place to really cut expenditures and lower Borough costs is by reducing the debt and therefore the debt service. Debt service is currently about \$860,000 per year or 35% of annual tax collections.
- The Kardon Park project will generate net cash to the Borough of more than \$9 million. The entire debt of the Borough is about \$8.6 million.
- The cost of cleaning up the Kardon Park site is about \$1.5 million dollars. If taxpayers had to clean up the site without a private developer, that amount would represent 25% the total current \$6 million budget. State grants that do not demonstrate an economic development benefit are almost impossible to obtain.
- The opposition to the Kardon Park development has already cost Borough taxpayers \$1,600 per tax payer.

How can taxes be lowered – or kept stable?

1. New residents help shoulder the load, bringing in new tax revenues
2. Cash generated from new projects can pay down Borough debt, thereby lowering debt service. In Downingtown debt service accounts for 40% of tax revenue collected and 16% of the overall budget.

Borough of Downingtown: Your Tax Dollars at Work



Very little of the Borough's budget is discretionary spending except for debt service.

Borough Tax Increases Since 2006

Year	Tax Rate (Millage)	Percent Increase
2006	4.5	
2007	5.5	22.2%
2008	5.8	5.5%
2009	6.2	6.9%
2010	6.7	8.1%
Total Increase	2.2	48.9%

Borough taxes have gone up nearly 50% in the past 4 years due to cost of basic operations. Without new investments and new residents, the Borough must borrow more to cover operations.

Why do property values go up with new development in the Borough?

1. New residents generate demand for services and new restaurants
2. Retail establishments then grow and invest more in their businesses and Downingtown
3. More restaurants and activity make the Borough more desirable
4. New sales generate higher comps for appraisers, boosting values of existing properties.