

The Preservation of Portions of Ardrossan: Executive Summary

Three separate issues and processes are (or will be) in front of Radnor regarding Ardrossan:

- 1st: An application for conditional use approval to develop portions of the Ardrossan Estate pursuant to Radnor's density modification ordinance (280.92).
- 2nd: After such application is decided, the standard process for subdivision and land development approval for those portions of Ardrossan will occur.
- 3rd: Consideration of whether to acquire a portion of the estate to preserve as open space.

This paper addresses the third issue: Whether to purchase a portion of the estate as open space.

The preservation of this extraordinary property has been a priority goal of the Radnor community for decades, included in planning documents since we began formal planning. The opportunity is upon us, and while we cannot afford to purchase and preserve the entire estate, we would like to purchase the most important portion of the estate in terms of viewshed protection, expansion of our current park and trail system and environmental conservation.

The proposed acquisition: Approximately 71 acres on Darby Paoli Road and Newtown Roads (See map Exhibit A).

<u>Price:</u> Parcel A, the "Wheeler field" 27.65 acres:	\$2,400,000.00
Parcel B, the "Quarry tract" 16.336 acres:	\$3,600,000.00
Parcel C, the "Rye field" 27.04 acres:	<u>\$5,653,820.00</u>
TOTAL 71.03 acres	\$11,653,820.00

Intended Use: Trails (both walking/running on the perimeter and macadam/biking on the road). (See sketch Exhibit B); Continued agricultural use through a farming licensing agreement; Reforestation, habitat and wetland restoration.

Proposed Payment Plan: The proposed acquisition would be funded by an \$10 million bond issue (previously approved by Radnor voters) as well as supplementary grant funding requested from DCNR, Delaware County and private fundraising.

The bond payments would be largely funded by revenue from our Open Space Fund, which comes from the real estate transfer tax, rather than from property taxes. However, for an 11 year period (2015 to 2026) the projected payments will exceed the amount available in that fund and we would need a millage increase to make up the difference. The millage increase would be structured to sunset in 2026.

The millage increase required would be .15 mills. The median home assessment in Radnor is \$264,710. That landowner would pay \$39.71 a year with such an increase. Further, 67% of the properties in Radnor are assessed under \$344,682 and those taxpayers would pay an average of \$29.34, with the highest in that range paying \$51.70. Again, any increase would sunset in 2026.



The Preservation of Portions of Ardrossan

I. Background

The Ardrossan Estate is an extraordinary 350-acre gentleman's farm situated in the midst of a highly developed suburban landscape. It is the very last of the great Philadelphia Main Line Estates, still owned and occupied by the original owners – the storied Montgomery, Scott and Wheeler families. The property currently hosts both a working farm and a compound of historic buildings, including one of the finest Main Line manor homes of the early 20th century. The Trumbaur-designed Ardrossan Manor Home remains of major historic and cultural importance as a rare ensemble of architecture, landscape and decorative arts kept intact and in excellent condition during a period of history in which other estates have been subdivided and sold off. Ardrossan represents a unique vestige of a by-gone era, preserving a magnificent landscape and the important cultural history of the Philadelphia Main Line lifestyle, as so famously represented in the 1940 classic *The Philadelphia Story*, based on the adored Hope Montgomery Scott and her enchanting life at Ardrossan.

Local, regional and national experts unanimously recognize the critical importance of preserving this unique and extraordinary property. Fortunately, the Montgomery, Scott and Wheeler families concur, and meaningful conservation of the estate has consistently been an overriding goal in their exemplary stewardship and planning for the estate. Presently, the family is poised to sell a significant portion of the estate, and conservation of the Mansion and preservation of the landscape are important aspects of their plans.

The Overall Plan

The Township seeks to purchase approximately 71 acres of the Ardrossan Estate for a purchase price of \$11,653,820.00. The proposed purchase would take place in 2015. This acreage would be purchased in fee simple and include three separate sections: Parcel A, the "Wheeler Field", consisting of 27.65 acres west of Darby Paoli Road and south of Saw Mill Road; Parcel B, the "Quarry Field", consisting of 16.336 acres to the west of Darby Paoli Road at the intersection of Darby Paoli and Newtown Road; and Parcel C, the "Rye Field", consisting of 27.04 acres to the east of Darby Paoli Road at the intersection of Darby Paoli and Newtown Road. (Please see Exhibit A for a map of these parcels.) In addition, seller has agreed to permanently protect 100' buffer of on the eastern border of Parcel C.

The balance of the property, excluding the main Mansion, will be developed for residential housing under the ownership and direction of Eddie Scott. Separate and apart from the Township's purchase of 71 acres, Mr. Scott has submitted an application to the Township for conditional use approval as a Density Modification Development under Radnor's Zoning Ordinance 280.92. His plan seeks approval for approximately 55 to 61 *new* residential units on approximately 280 acres, if the Township proceeds with acquiring Parcels A, B and C as described above.

The main Mansion on the property, and ten acres surrounding it, will remain in the hands of the Trusts who currently own it and will be controlled by the beneficiaries of those Trusts. It is our

understanding that the current intent is to create a non-profit organization that will take ownership of the Mansion and whose mission will be to preserve the building. Should the Trusts at some time in the future decide to convey the Mansion to any entity outside of the family (or within the family for the purposes of development or demolition), the Township is seeking to have a right of first refusal that would provide an opportunity for potential preservation planning.

II. The Importance of this Property to Radnor

Aside from its iconic status, scenic viewsheds and natural beauty, Ardrossan has long been viewed by Radnor, its public officials and residents, as the most important parcel of open space in the Township. The Radnor Township Open Space Committee has, since its inception, placed Ardrossan on the top of its list of most desired land to be protected and, if possible, to be acquired by the Township. In fact, in the Township's 2003 Comprehensive Plan, the acquisition and preservation of open space is repeatedly cited as a goal, and the Plan specifically references the earlier 1988 Plan and its notation that Darby Paoli Road is a scenic roadway worth protecting. In addition, Radnor's 1991 Parks and Open Space Plan specifically lists Ardrossan as one of the few named properties as a priority for preservation. Notably, two of the three other parcels listed (Dubarry tract – now Brooke Farm, and Demoss tract – now Laurier) have both been lost to residential development.

Regional conservation groups, such as the Natural Lands Trust and the Brandywine Conservancy have, for many years, assisted the Township and the Radnor Conservancy in evaluating Ardrossan and possible uses for the property. All of these efforts have been directed towards minimizing development and preserving as much of the open space of Ardrossan as possible.

With only a 350 acre section of Ardrossan remaining (the estate once consisted of nearly 800 acres), the opportunity to acquire and preserve 71 acres of the property cannot be passed up by the Township. As has often been said, "Buy land; they are not making any more of it."¹ Too many important open space parcels have been lost to development in the Township in the past twenty years (e.g., Ravenscliff, Round Hill, Laurier, Cornerstone, Montparnasse and Brooke Farm,), and this is an opportunity to acquire and preserve the most important of these.

In 2006, following the recommendation of the 2003 Comprehensive Plan, the voters of Radnor Township approved a referendum authorizing the Township to sell bonds totaling \$20,000,000.00 for the purchase of open space and maintenance of recreational facilities. In the highly publicized campaign that dominated that election cycle, the supporters clearly identified Ardrossan as the prime target for use of the open space bond money being proposed by the referendum. At the end of the campaign, the voters spoke loud and clear: **80% voted in favor of the referendum.**

Two of the three parcels (Wheeler and Quarry Fields) are adjacent to existing public parks and open space: the Willows, Skunk Hollow and Saw Mill Park. The purchase of this land will allow not only an expansion of existing parks but afford the opportunity to enhance and improve the environmental status and conservation of the Darby Creek and Darby Creek Greenway. Further, the preservation of this greenspace can serve to promote our storm water management program and approach, rather than exacerbate our issues by inviting more development and impervious coverage on this sensitive land. Expanding greenway forestation, enhancing water quality, and promoting good stormwater management through natural infiltration are but a few of the environmental considerations which weigh in favor of acquiring these sections of Ardrossan.

¹ The quote is attributed to Mark Twain.

III. The Intended Use(s) of the Property

The Township is currently considering several different and complementary potential uses for this important landscape. They include:

- Perimeter walking trails, possibly incorporating a cross country running course (for potential development and use in partnership with local school and college teams)
- Bicycle/running trail along the length of the west side of Darby Paoli Road
- Continued agricultural use
- Reforestation and buffer restoration of the Darby Creek riparian area

1. Trails

As evidenced by the tremendous popularity of the Radnor Trail and the Skunk Hollow Trails, Radnor residents greatly appreciate and utilize our trails for recreation and transportation. The purchase of a portion of Ardrossan will further enhance our trail system and provide more opportunity for exercise and outdoor recreation.

Exhibit B to this paper sets forth a sketch of the potential for a walking/running path around the perimeter of this property. The surface of this path would be a natural one, either mowed grass or light gravel.

Exhibit B also sets forth a sketch of the potential for a more substantive, macadam surface bicycle trail along side Darby Paoli Road, running from the Willows property to the historic school house used by local Scouts at the intersection of Godfrey Road and Darby Paoli Road.

The cost estimate for the engineering and construction of this project, including all required fencing, is \$612,836. The Township would seek to fund these trail projects through grant money, private fundraising and partnerships with potential users (i.e. institutions that would like to use the cross country course).

2. Agricultural Use

The Township intends to promote the continued agricultural use of the land it purchases. One immediate and low-risk option for the short term future would be to enter into a license agreement with a farmer who would assume responsibility for the care and maintenance of the land. The current farmer and lessor of the land may be an ideal candidate for this scenario, and would continue farm operations largely as they are conducted today, involving a cattle operation and cultivating hay and feed crops. Nearby West Vincent Township has maintained their Township-purchased farmland in this manner and they have been helpful in advising Radnor.

In the longer term, it is possible that the Township may partner with a private, non-profit farming organization to explore the possibility of hosting a Community Supported Agriculture (CSA) venture on some portion of the land. Currently, a very successful community garden exists on the contiguous Skunk Hollow land. In addition, several years ago a pilot project run by the Radnor Conservancy to introduce the concept of a CSA to Radnor demonstrated very strong demand for such a facility (shares were oversubscribed and awarded by lottery), but ultimately ceased operation due to the small size and lack of available land.

3. Reforestation and Wetland Restoration

As noted above, the Darby Creek is a key waterway which feeds the headwaters of a vital water source for southern Delaware County. Currently Parcel A hosts a substantial segment of the Darby, as well as 400' of a tributary, Camp Run. It is essential to our community, and to those downstream, to improve the health of these streams and the ecosystems depending on them by installing an appropriate streamside wooded buffer on each. Both waterways are currently unforested. To this end, the Township has reached out to Stroud Water Research Center to do some initial planning along these lines.

Working in partnership with Stroud, the Township plans to apply for funding from TreeVitalize (which is, in turn, funded by the state, Pennsylvania Horticulture Society, the William Penn Foundation, Aqua, PECO and others) for the planting of 1,500 trees on Parcel A. These trees will be planted in a 100' buffer from the Darby, as well as on either side of Camp Run. The trees will be fenced off from any agricultural use (such as livestock grazing) that may continue to occur on Parcel A. In addition, the trees would be planted in rows that are 10' apart, leaving ample room on the streamside section for the walking/running trail referenced above. The actual planting of the trees will be done by volunteers in the community, organized and guided by our own Radnor Conservancy working in partnership with Stroud.

4. Timing

It is important to note that none of the intended uses currently envisioned will require funding from the Township. In the immediate future, responsibility for the maintenance and care for the land will be assumed by the farmer/licensee. For both the trail use and the reforestation use, grant and partnership funding will be sought, and commencement of each project will wait until such funding is realized.

IV. How Radnor Might Fund this Acquisition

The price for the acquisition of this land is \$11,653,820.00, broken down as follows:

Parcel A, the "Wheeler field" 27.65 acres:	\$2,400,000.00 (\$86,799 per acre)
Parcel B, the "Quarry tract" 16.336 acres:	\$3,600,000.00 (\$220,372 per acre)
Parcel C, the "Rye field" 30.5 acres:	<u>\$5,653,820.00</u> (\$209,091 per acres)
	\$11,653,820.00

The Township plans to fund this sum as follows:

State Funding (grant through DCNR):	\$1,000,000.00
Delaware County Funding:	\$ 500,000.00
Private Fundraising :	\$ 408,820.00
Township Open Space Bond proceeds:	<u>\$9,745,000.000</u>
	\$11,653,820.00

1. The Bond Issue

In 2006, Radnor voters were asked if they would be willing to issue up to \$20 million in bond debt to fund future open space purchases. The campaign that accompanied this referendum vote centered squarely upon the purchase of Ardrossan and clearly set forth the tax consequences of financing such a bond. An extraordinary 80% of Radnor voters answered yes to this proposition.

In the seven years since that referendum vote, our nation experienced a severe economic downturn, and Radnor – to a lesser extent – has had to face several economic challenges. Accordingly, Radnor's open space program has been dormant during those years, and the Township has passed up numerous opportunities to acquire open space and protect important landscapes.

The current opportunity to purchase these Parcels and avoid development of portions of Ardrossan is of tremendous import to our community. The opportunity will be lost forever if the Township fails to act. Further, the economic circumstances offer an unmatched opportunity to purchase the Parcels at a favorable price. While in some ways the timing of this opportunity is not optimal because there is still outstanding debt on our last open space bond, land prices have fallen, and interest rates have also declined. In addition, the financial picture in Radnor has improved dramatically and we are, in fact, in a much better financial position today than we were in 2006 when the referendum passed so overwhelmingly. As a result, the Township has significant unexpected surpluses that may be used to address other important non-related obligations and liabilities.

2. How Radnor Might Fund the Bond Payments

The following discussion assumes 30-year bonds issued in 2015 for \$10 million. At current rates, the annual payments for a \$10 million bond issue will be approximately \$600,000 per year. The funding to cover these annual payments will come from a combination of revenue from our Open Space Fund (which receives annual income from the Real Estate Transfer Tax) and a small millage increase to be earmarked for this payment.

The Open Space Fund: The annual revenue that the Open Space Fund is projected to receive over the next 30 years ranges from \$594,621 in 2014 to \$635,975 in 2043. This revenue will not be fully available to cover the cost of the proposed bond issue until 2026. That is because until that date, a portion of the Open Space Fund is allocated to repay a prior open space bond. (The payments on the prior bond are approximately \$700,000 per year until 2017 and then approximately \$490,000 per year until the bond is completely paid off in 2026.) After the earlier bond is paid off in 2026, the predicted Open Space Funds will fully cover the cost of the current proposed bond.

In a perfect world, the Township would simply seek to delay payments for this new open space debt until the last bond issue was paid off and Open Space Fund revenue is fully available. However, as noted above, that option is not available. The land is available now, and the opportunity to acquire this open space will be lost if the Township does not act.

The millage increase: A small millage increase will be necessary and sufficient to cover the shortfall and fund this debt without affecting the Township's general fund budget. To determine the amount of the tax increase necessary \$3,152,787,000 is used as total assessed taxable for Radnor. The amount necessary to achieve this would be an increase of .15 mills (see Exhibit C, Ardrossan Bond Funding Chart). This millage increase would generate sufficient funding, in combination with the balance available from the Open Space Fund, to cover the bond payments during the period of overlap of debt payments. After

2026, the revenue from the millage increase would no longer be necessary to cover payments on the open space bonds. As a result, the millage increase may be structured to sunset in 2026. The impact of this millage increase is discussed below.

What a millage increase of .15 would mean to taxpayers:

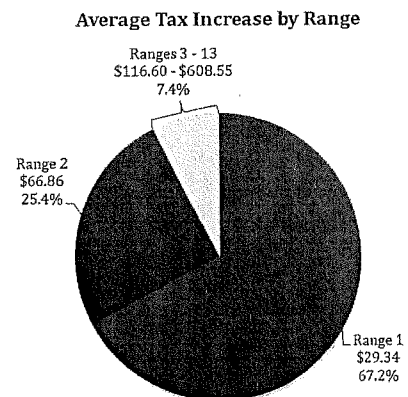
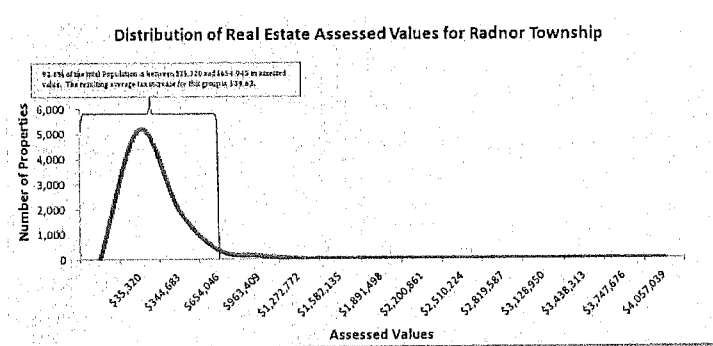
The median home assessed value in Radnor is \$264,710. The increase in tax on a home of that value would be \$39.71 per year. Over 67% of the taxpayers in Radnor would pay \$30 or less a year for this purchase, and 92.6% of all taxpayers would be pay less than \$98 a year. Moreover, if the Township chooses to sunset the millage increase, this surcharge would last only until 2026. The charts below depict the tax impact on properties of varying assessed values, as well as the percentage of taxpayers falling at each level.

Assessed Value Range	Number of homes in this range	Percentage of all homes	Average Assessment in This Range	Resulting Real Estate Tax Impact			
				Average For homes in Range	Low for Homes in this Range	High for Homes in this Range	
\$35,320	344,682	5,186	67.19%	195,599	29.34	5.30	51.70
344,683	654,045	1,957	25.36%	445,762	66.86	51.70	98.11
654,046	963,408	374	4.85%	777,318	116.60	98.11	144.51
963,409	1,272,771	144	1.87%	1,085,500	162.83	144.51	190.92
1,272,772	1,582,134	29	0.38%	1,374,351	206.15	190.92	237.32
1,582,135	1,891,497	11	0.14%	1,720,616	258.09	237.32	283.72
1,891,498	2,200,860	6	0.08%	1,987,236	298.09	283.72	330.13
2,200,861	2,510,223	7	0.09%	2,374,670	356.20	330.13	376.53

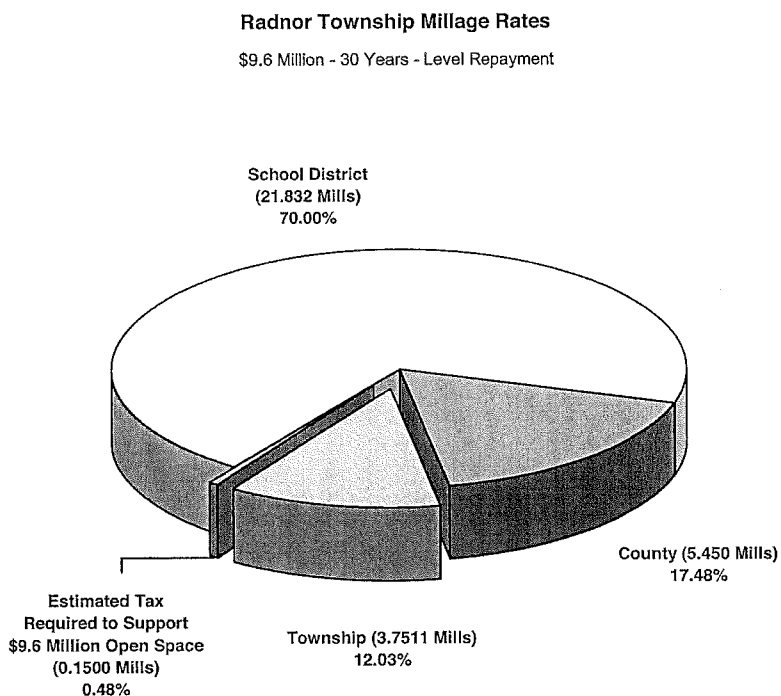
Data Summary:

- Population Mean: **\$315,390** = \$47.31 Tax Increase
- Population Median: **\$264,710** = \$39.71 Tax Increase

The table above and diagram below show the additional tax incurred with a .15 millage increase for each range of assessed values, specifically. It also reflects the number of homes in those ranges who would experience that level.



The pie chart below depicts the proportional amount of a taxpayer's bill that would go toward this purchase.



3. Why Can't We Get This Land for Free?

A very common question that arises in connection with this acquisition is "Why can't we just change our zoning or find some other way to get this land for free, or for a reduced price?" It is important to note that Radnor residents have had the preservation of Ardrossan in mind in all of our planning, formal and informal, for decades. Hence, Township officials and community groups have spent a great deal of time and energy exploring different avenues of preservation. Listed below is a brief timeline of some of those avenues:

- In the late 1990's, the Township endeavored to research zoning changes that would have been advantageous to us in terms of either obtaining more open space through ordinance or reducing the value and making the land more affordable. We hired Natural Lands Trust to put forth possible legislative changes. During that process, the Township was put on notice that the property owners would vest their current property rights by submitting a plan immediately rather than await the enactment of the changes. The Township declined to pursue the zoning changes.
- In 2004 and 2005, the Township worked with Radnor Conservancy, Natural Lands Trust and Brandywine Conservancy to host a five day Conservation Expert Conference at the property with conservation leaders from all over the country and world and many of our regional leaders (this conference was fully funded by donors, not the Township). This group of advisers included the owners and management of Shelburne Farms in VT, the Biltmore in North Carolina, the Rockefeller estate in New York, and several other notable properties. In addition, workshops were held with many representatives from our Philadelphia regional organizations, such as the Philadelphia Museum of Art, the Philadelphia Tourism Bureau, Philadelphia Hospitality, Winterthur, Penn State Cooperative Extension Service, Chanticleer, the Pennsylvania Historic

and Museum Commission and many others. These experts produced a report that is available on Radnor's website. Notably, many of their suggestions are incorporated in the Township's current planning.

- Recognizing that acquisition was the most realistic solution, the Township went to the voters for a referendum vote in 2006 to ask voters whether they would authorize up to \$20 million in debt to finance the purchase of open space. The referendum passed by a resounding 80%.
- Although there has been interest from individual private buyers for the property, no such buyer has put forward an offer that is acceptable to the family.
- In 2006-2008, the Township and other preservation groups spent a great deal of time trying to find a way to fund an acquisition without raising taxes. One avenue that was explored in depth was the use of a TIF, Tax Increment Financing, which would basically serve to earmark the increase in real property tax revenue resulting from the residential development of a portion of the property for a certain period of time to fund the acquisition costs of the open space portion. This notion was ultimately rejected as unsupported by the TIF legislation, which was passed by our state legislature for the purpose of redeveloping blighted areas.
- The Township is legally precluded from changing the zoning on this specific property to advance our desire to obtain open space (either by upzoning and allowing more development in the developed side in exchange for open space, or by downzoning and disallowing the owner of the right to develop the open space). This would be considered illegal contract zoning.
- If the property owner wanted to make full use of our Density Modification ordinance, the Township could decide that a high density development that required the developer to designate a great deal of private open space would be appropriate. However, we would have to fully consider the consequences of that decision. As is reflected in all of our planning documents, there are few – if any – Radnor residents who would desire to see hundreds of new homes on the last few remaining large parcels in exchange for portions of those properties left as open space.
- Finally, the notion of purchasing conservation easements to preserve the portion of Ardrossan has been also been explored at length and rejected. First and foremost, an easement holder does not own the property and does not have the right to use the property, which would preclude the Township's ability to extend our current park and trail system. Secondly, a conservation easement that would prevent all building on the parcels, purchasing all of the development rights, would be priced very close to the purchase price of the parcel outright. It would make little sense to pay close to market rate for a parcel without gaining control of the property.