



Morton Township Proposed Campground Recreational Vehicle Park Community Impact Analysis

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Morton Township Campground/RV Park Community Impact Analysis

1.0 Background Brief

Shepstone Management Company has been retained to assist with a Regulatory Conditional Rezoning Application for a proposed Campground/Recreational Vehicle Park by preparing a Community Impact Analysis related to the project.

The project involves 246± proposed Campground/Recreational Vehicle Park sites to be developed on a roughly 45-acre tract located on the north side of the Canadian Lakes in Morton Township, Mecosta County, Michigan.

This report examines impacts on home values, the economy, and the finances of local government.



2.0 Impacts on Home Values

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The home sales data related to the existing Canadian Lakes Campground/RV Park was examined in detail and yielded the following results, segregated by distance and by lakefront and non-lakefront status. The lakefront factor typically having a major effect on a price per square foot basis independent of other values.

Lakefront Homes (0.0 - 0.5 Mile)			
Location	Square Feet	Sale Price	Price/S.F.
7126 Holiday Drive	1,380	\$310,000	\$224.64
Averages	1,380	\$310,000	\$224.64

Lakefront Homes (0.5 - 1.0 Mile)				
Location	Distance	Square Feet	Sale Price	Price/S.F.
11237 Lake Road		2,937	\$414,500	\$141.13
7634 W. Royal Road		1,092	\$180,000	\$164.84
11259 Lake Road		2,527	\$425,000	\$168.18
7170 Southwest Drive		2,329	\$449,000	\$192.79
11187 Westlawn Drive		1,841	\$475,000	\$258.01
7655 W. Royal Road		1,878	\$595,000	\$316.83
Averages		2,101	\$423,083	\$201.40

Non-Lakefront Homes (0.0 - 0.5 Mile)			
Location	Square Feet	Sale Price	Price/S.F.
10797 Dobbryn Drive	1,508	\$250,000	\$165.78
6679 Dunhill Drive	2,451	\$420,000	\$171.36
6684 Abbey Lane	1,737	\$310,000	\$178.47
6314 Abbey Lane	1,817	\$332,000	\$182.72
6252 Kilkenny Drive	1,753	\$334,000	\$190.53
6520 Kilkenny Drive	1,851	\$408,000	\$220.42
Averages	1,853	\$342,333	\$184.76

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Non-Lakefront Homes (0.5 - 1.0 Mile)				
Location	Distance	Square Feet	Sale Price	Price/S.F.
11544 Pierce Road		1,722	\$190,000	\$110.34
11269 Troon Drive		3,380	\$395,000	\$116.86
6245 Dublin Drive		4,949	\$589,000	\$119.01
10653 Birchwood Court		3,078	\$369,900	\$120.18
10691 Birchwood Court		3,050	\$367,000	\$120.33
11573 Wellington Court		3,796	\$458,070	\$120.67
11281 Troon Drive		3,362	\$425,000	\$126.41
11589 Wellington Court		3,082	\$400,000	\$129.79
7620 10th Street		1,408	\$195,000	\$138.49
11955 Port Stewart Drive		3,892	\$540,000	\$138.75
7125 Southwest Drive		2,125	\$297,500	\$140.00
11485 S. Lookout Rdg.		2,320	\$330,000	\$142.24
11479 Fox Row		3,916	\$560,000	\$143.00
10678 Birchwood Court		1,843	\$265,000	\$143.79
6231 Dublin Drive		4,970	\$738,000	\$148.49
11475 Fox Row		3,855	\$585,000	\$151.75
6388 Cedar Trace Drive		2,960	\$453,500	\$153.21
11328 Old Pierce Road		1,300	\$229,500	\$176.54
6251 Dublin Drive		4,165	\$740,000	\$177.67
9551 Club House Drive W		1,453	\$265,000	\$182.38
6314 Abbey Lane		1,817	\$332,000	\$182.72
11359 Killarney Drive		2,790	\$520,000	\$186.38
11320 Killarney Drive		2,364	\$442,500	\$187.18
7114 Southwest Drive		1,792	\$360,000	\$200.89
7570 Hilltop Ridge Road		3,672	\$740,000	\$201.53
11381 Killarney Drive		1,866	\$380,000	\$203.64
11441 Killarney Drive		2,008	\$440,000	\$219.12
11430 N. Lookout Rdg.		1,633	\$369,000	\$225.96
Averages		2,806	\$427,713	\$152.43

As the tables illustrate, lakefront homes within 0.5 mile of the entrance to Canadian Lakes Campground/RV Park sold recently for an average of \$224.64 per square foot versus \$201.40 per square foot for those homes located between 0.5 mile and 1.0 miles of the entrance.

This amounts to a net home value premium of \$23.24 per square foot or 11.6% for the homes located closer to the existing Campground/RV Park entrance.

The results for non-lakefront homes show a similar pattern. Non-lakefront homes within 0.5 miles of the entrance to Canadian Lakes Campground/RV Park sold recently for an average of \$184.76 per square foot versus \$152.43 per square foot for those homes located between 0.5 mile and 1.0 miles of the entrance. This amounts to a home value advantage of \$30.84 per square foot or 20% for the homes closer to the Campground/RV Park entrance.

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Entrance to Canadian Lakes Campground/RV Park

Given these results, it is clear that home values will not experience a negative impact from the proposed Campground/RV park development. Indeed, the Canadian Lakes Campground/RV Park is not a modern facility. Conversely, the proposed Campground/RV Park will offer modern Campground/RV Park features with a plethora of amenities and activities not offered by Canadian Lakes Campground or School Section Lake Campground (both in Morton Township).

These modern features will include a mix of concrete and crushed stone site pads, club house, restaurant, arcade, pool, playground, dog park, miniature golf, jumping pillow, pickle ball/sport courts, entertainment, and supervised activities. Accordingly, there should be an even greater positive impact on home prices and the tourism appeal of the area as a whole.

A unique example of this is offered by the Tall Timbers Campground/RV Park in Vernon, New Jersey. This Campground/RV Park is comprised of 500 sites laid into 10 sections.

The project was largely developed in the 1970s and has undergone upgrades throughout its history. The owner proposed to develop another Campground/RV Park section along Lake Wallkill Road that adjoined existing campground sections, however the market for residential had boomed.

The developer amended plans and developed a residential subdivision adjacent to the Campground/RV Park. The following map depicts the subdivision east of Lake Wallkill Road and three home sales in the last three years are summarized below:

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Green highlighted area was originally part of Tall Timbers Campground/RV Park to right.

The three relatively recent sales sold for an average of \$446,667 or \$188 per square foot. These three homes are located between 450 and 1,300 feet of Tall Timbers campsites.

Home Sales East of Lake Walkkill Road			
Location	Square Feet	Sale Price	Price/S.F.
5 Tudor Hill Road	2,481	\$400,000	\$161
10 Tudor Hill Road	2,160	\$435,000	\$201
72 Lake Walkkill Road	2,481	\$505,000	\$204
Averages	2,374	\$446,667	\$188

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The following table summarizes recent comparable sales on the west side of Lake Wallkill Road:

Home Sales West of Lake Wallkill Road			
Location	Square Feet	Sale Price	Price/S.F.
24 Stratfordshire Drive	2,674	\$459,000	\$172
30 Stratfordshire Drive	2,012	\$435,000	\$216
1 Revere Lane	2,616	\$450,000	\$172
12 Stratfordshire Drive	2,688	\$545,000	\$203
Averages	2,498	\$472,250	\$189

These four sales averaged \$472,250 and \$189 per square foot which, for all intents and purposes, is the same as the east side of Lake Wallkill Road, closer to the campground.

This data generally confirms the earlier findings from studying sales in Morton Township. The proposed Campground/RV Park is simply unlikely to negatively impact any home values.



Lakefront home within 1.0 mile of the Canadian Lakes Campground/RV Park which sold for \$325,000 in 2016, and \$595,000 in 2022



Non-Lakefront home within 0.5 miles of the Canadian Lakes Campground/RV Park which sold for \$138,450 in 2013, and \$310,000 in 2023

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3.0 Socioeconomic Benefits

The proposed 246-site Morton Township Campground/RV Park will generate both construction and ongoing jobs and other direct, indirect and induced economic impacts on both Morton Township and Mecosta County.



Proposed site of Morton Township Campground/RV Park

Construction of the project will take place during a single phase and involve a roughly \$12.5 million investment. Labor cost percentages in construction generally fall between 40% and 60% of the total project budget.

It is anticipated the lower figure will apply in this instance as a high proportion of the work will involve site improvements where much of the cost is associated with equipment and materials costs. This indicates the project can be expected to produce roughly \$5 million in labor payroll.

The average construction salary in Michigan is \$35,400 according to salary.com, meaning the project should produce as many as 145 construction jobs. Assuming 50% of these jobs go to Mecosta County residents, a typical local share, this amounts to \$2,500,000 of labor payroll (personal income) expected to be generated for local workers.

The typical indirect employment multiplier for the construction industry (2.261) suggests the estimated 72.5± local jobs should yield another 164 in supplier and induced jobs. The latter number of jobs supported by re-spending of income from direct jobs and supplier jobs, bringing the total number of likely jobs created from construction to 236 altogether.

The Campground/RV Park operation itself can be expected to produce site rental and amenity income plus outside spending within the community from guests. Economic studies of other Campground/RV Parks indicate the outside spending within the community is likely to amount to roughly \$5,000-5,100 per year per campsite (\$1.26 million altogether) with \$7,700-7,800 spent on site rentals and campground amenities, bringing the total to roughly \$3.15 million annually for the project as a whole.

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Aerial view of the proposed Campground/RV Park

The Campground/RV Park will yield another 42.1% or \$1.33 million in indirect economic output (camping income re-spent with suppliers of services and supplies) and 14.9% or \$470,000 in induced impacts (increased spending in the economy as a result of new employment and associated incomes). These percentages come from a very recent study conducted by the Dakota Institute for Business and Economic Analysis and bring the total annual economic output to \$4.95 million.

In addition, the labor income is estimated at 18-20% of this economic output or roughly \$940,000, which amounts to roughly 25+ jobs in total, with 10± jobs being directly associated with the Campground/RV Park's operation.

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4.0 Community Fiscal Impact Analysis

4.1 Revenues

There are two major types of direct tax revenue that will be generated by the proposed project: a) sales taxes, and b) property taxes. There are also indirect tax revenues from employment generated and associated multiplier effects that have not been considered in this instance so as to produce a conservative analysis.

A portion of Michigan sales tax revenue comes back to Morton Township, but not necessarily in direct relationship to sales taxes generated in the township. The sales tax rate in Mecosta County is 6% theoretically split into two taxes of 4% and 2%. The 4% tax is subject to Constitutional Revenue Sharing, which provides that 15% of collections from the 4% sales tax be distributed to cities, villages, and townships on a per capita basis.



East-facing view of project site

This means additional sales revenue attributable to the proposed Campground/RV Park will amount to 0.06% of sales (15% of 4%) that will go to the state and come back in funds redistributed on a per capita basis. It is a complicated system, but Morton Township derived \$466,583 from state grants for the fiscal year ending June 30, 2023, which amount presumably includes state sales tax sharing.

Applying the 0.06% rate to the estimated \$3.15 million of total revenue (direct, indirect and induced) expected to be generated from the project yields a total of roughly \$11,000 in sales tax revenue that would return to local governments.

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Part of the Buchanan Road commercial district within 1,200 feet of project site

Property taxes apply to taxable values of land and improvements and the current ratio of taxable value to market value on the site varies widely across the five parcels involved; from 14% to 83%. Their combined taxable value ratio is 60%, which is comparable to some other developed properties in the vicinity and is a reasonable basis for estimating taxable values in this instance.

Assuming \$12.5 million of investment, 50% being real property (the remainder being soft costs or non-taxable equipment and similar features), with a State equalized value of 50% of this amount to which the 60% local taxable value ratio is then applied, this add yields a net taxable value of \$1,875,000 to which property taxes will apply. The following chart illustrates the taxes that will result for each municipality and fund from application of current tax rates to the taxable value.

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Current Property Tax Rates and Projected Taxes			
Municipality/Fund	Tax Rate	Taxable Value	Taxes
MOISD Education	0.50200%	\$1,875,000	\$9,413
Emergency Medical Services	0.00500%	\$1,875,000	\$94
Aging Services	0.04954%	\$1,875,000	\$929
Township Operating Fund	0.12270%	\$1,875,000	\$2,301
Fire Protection	0.12791%	\$1,875,000	\$2,398
Library Services	0.07825%	\$1,875,000	\$1,467
Debt Service	0.04520%	\$1,875,000	\$848
MOTA	0.04934%	\$1,875,000	\$925
CHIP/Hills	1.80000%	\$1,875,000	\$33,750
Bond #1	0.06900%	\$1,875,000	\$1,294
Bond #2	0.17200%	\$1,875,000	\$3,225
State Education	0.60000%	\$1,875,000	\$11,250
Mecosta County	0.58700%	\$1,875,000	\$11,006
Sinking Fund	0.14655%	\$1,875,000	\$2,748
Totals	4.35449%	\$1,875,000	\$81,647

Application of these taxation rates indicates the project will generate a combined estimated total of \$81,647 annually to the various affected municipalities.

4.2 Expenses

This development of the proposed Campground/RV Park will create no Township roads needing to be maintained, which is typically the largest expense for municipalities. There may be an occasional demand for emergency services, but this is likely to be a minimal expense. Because no additional residences will be created, there are, likewise, few, if any, other expenses to Morton Township and no expenses for education either.

County expenses will be limited to such expenses as are associated with any emergency services requested from Mecosta County agencies. Overall, therefore, the total fiscal impact is expected to be very positive.

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This is a very conservative analysis. It indicates the proposed Campground/RV Park should have a distinctly positive fiscal impact on all units of government, while, at the same time, contributing significantly to the local economy, fiscal health, and be a catalyst for supportive businesses and tourism. Its location is such that it is extremely convenient for visiting guests to patronize the small but growing commercial center that has developed around the intersection of Buchanan Road and 100th Avenue, as shown below as well as the area's attractions including wineries, farm stands, restaurants and other businesses.

