Adopted:
July, 5, 2016

Goochland County

PROFFER POLICY

Purpose. This policy is intended to guide applicants through the proffer submission process for rezoning applications. All proffers are voluntary. Proffers enable applicants to address the impacts of proposed development on County infrastructure and facilities.

A. General Guidelines for Residential Projects

1. ***Introduction.*** Goochland County continues to experience residential growth which increases demand for and measurably impacts the capacity of County infrastructure and facilities including schools, public safety, parks and recreation, and roads. As properties are rezoned to permit additional residential development, the impacts of new dwelling units can be adequately ascertained and may be addressed through on-site and off-site proffers.

To address off-site impacts that are specifically attributable to residential development, the Board of Supervisors (the Board) may accept reasonable proffers in accordance with this policy, which may include cash, land, or in-kind improvements to mitigate impacts on the infrastructure and facilities in accordance with county and state law. Land or in-kind improvements may be accepted in addition to or in lieu of cash payments. In its review of rezoning requests, the Board will consider health, safety, and welfare issues and evaluate measures taken or proposed by applicant(s) to address impacts on infrastructure and facilities in accordance with this policy. An application that mitigates the impacts on infrastructure and facilities does not necessarily adequately address all health, safety, and welfare issues.

2. ***Reasonable proffers; Development Impact Statement.*** Notwithstanding any other provision of law, general or special, the County shall not (i) request or accept any unreasonable proffer in connection with any rezoning or proffer condition amendment as a condition of approval of a new residential development or new residential use; nor (ii) deny any rezoning application or proffer condition amendment for a new residential development or new residential use where such denial is based in whole or in part on an applicant's failure or refusal to submit an unreasonable proffer or proffer condition amendment.

Residential use applications shall include a Development Impact Statement that:

1. Specifically identifies all of the impacts of the proposed rezoning and/or proffer amendment;
2. Proposes specific and detailed mitigation strategies and measures to address all of the impacts of the proposed rezoning and/or proffer amendment;
3. Specifically addresses whether all of the mitigation strategies and measures are consistent with all applicable law, including, but not limited to, *Code of Virginia,* § 15.2-2303.4; and
4. Specifically demonstrates the sufficiency and validity of those mitigation strategies using professional best accepted practices and criteria, including all data, records, and information used by the applicant or its employees or agents in identifying any impacts and developing any proposed mitigation strategies and measures.

The Development Impact Statement requires analysis of all impacted capital projects (funded and unfunded) including CIP projects, new capital projects for schools, public safety, parks and recreation, and roads that are identified in the 2035 Comprehensive Plan; Parks, Recreation, and Facilities 2016-2020 Master Plan; Arterial Management and Interstate Access Plan for U.S. Route 250 and State Route 623 (AMP Study); Secondary Six-Year Plan (SSYP); and other applicable reports which address infrastructure and/or facilities. Detailed traffic impact analysis is also required.

3. ***Cash proffers.*** For applicants who plan to propose cash proffers to address the impacts of proposed development, all the requirements above must be met to enable the Board to determine whether the cash proffer proposed is reasonable and in compliance with state law. Cash proffers are voluntary and the amount per dwelling unit is to be determined by the applicant using the information required in the Development Impact Statement.

Exception to Development Impact Statement requirement. However, staff has calculated an amount per dwelling unit using the guidelines set forth in **Attachment A**. Staff (i) calculated the net cost of public facilities that are proposed in the current Capital Improvement Program (CIP) and (ii) calculated the fiscal impact of a rezoning request that proposes new residential uses. Through the methodology described in Attachment A, a conservative number has been established that may be considered by an applicant to address impacts of residential development. This methodology is available for applicants to use if they choose not to provide a development impact statement with their rezoning.

4. ***Operating costs.*** Determining the cost of the impacts to public infrastructure and facilities generated by new residential development relies on the assumption that any revenue derived from growth (real estate taxes, personal property taxes, increased sales tax, fees, etc.) will pay the normal operating costs, but not the capital costs. Cash proffers may only be used for capital costs, not operating costs.

5. ***Countywide facilities.*** To determine how a cash proffer will be spent, the County is considered as a whole with no geographic or service districts. Infrastructure and facilities are considered Countywide, including all projects for roads, parks, public safety, and schools.

6. ***One residential lot.*** This policy shall not apply to rezoning cases involving residential development consisting of one lot.

7. ***Public facilities to be funded.*** The following public infrastructure and facilities may be funded by cash proffers: schools, parks and recreation, public safety, and roads.

8. ***Road improvements.*** Each proposed residential development will be reviewed to determine the need for road improvements. Development anticipated in the Comprehensive Plan and the proportionate cost of improvements needed to implement the Major Thoroughfare Plan, AMP Study, regional transportation plans, traffic impact analysis, and the SSYP to accommodate development provide the basis for consideration of proffers related to road dedication and construction. Road right-of-way dedications to provide for construction are generally needed in order to address the impact of proposed development on planned road corridors. Completion of specific road improvement projects or proportionate contributions to those projects beyond the cash proffer may be needed to provide for the safe and efficient movement of traffic within, through, or to-and-from proposed developments and shall be excluded from any cash proffer calculation. Right-of-way dedications necessary for construction of such improvements shall also be excluded from any cash proffer calculation.

9. ***Timing of contribution.*** In accordance with Code of Virginia, § 15.2 - 2303.1:1, cash proffers will be accepted or collected by Goochland County only after completion of the final inspection and prior to

the time of the issuance of any certificate or occupancy for the subject property. Timing for the dedication of property or in-kind improvements should be specified in the proffer.

B. General Guidelines for Commercial and Industrial Projects

1. ***Introduction.*** Goochland County continues to experience growth which increases demand for and measurably impacts the capacity of County infrastructure and facilities. As properties are rezoned to permit additional development, the impacts of new development can be adequately ascertained (using the methodology explained in Attachment A) and the onsite and offsite impacts of the proposed development mitigated.

2. ***Cash proffers to fund certain categories.*** For commercial and industrial development, each proposed development will be reviewed individually to identify public infrastructure and facilities that are needed, such as roads, traffic signals, and public safety. No contribution for schools or parks is expected for commercial and industrial applications.

Attachment A: Methodology

IMPORTANT: USE OF THIS METHODOLOGY

- This alternative methodology is available for applicants to use in lieu of providing a Development Impact Statement (see Paragraph (A)(2) above).
- An applicant may not use this methodology if the cash proffer amount is unreasonable for a particular project.
- Any figures included within Attachment A shall not be construed to be either a suggestion or request by the County for any particular cash proffer amount.
- Attachment A is provided as a tool (and example) for applicants to use—nothing contained herein is a requirement for a rezoning or proffer amendment.

1. *Five components.* The County uses the five components below to calculate the cost to provide public infrastructure and facilities for each new dwelling unit.

   a. *Demand generators.* The County uses the weighted average of single family persons per household (2.5 for FY16) and an average number of students per household (0.3 for FY16) to calculate demand generators (number of people and number of students) associated with a new dwelling unit.

   b. *Service levels.* The County calculates existing service levels for each type of facility for which a cash proffer will be accepted. Examples of service levels are: acres per capita and square feet of space per elementary school child.

   c. *Gross cost of public facilities.* The County calculates the gross cost of public infrastructure and facilities. The term gross cost is used because a credit (described in (d) below) for anticipated future real estate revenues from a new dwelling unit will be applied against the gross cost.

   d. *Credits.* The County calculates credits to apply against the gross cost for each public facility, if applicable. To the extent Goochland incurs debt to finance the construction of public infrastructure and facilities, residents of new developments will pay real estate taxes to the County and a portion of these taxes will go to help retire this debt. To prevent new dwelling units from paying twice (once through payment of a cash proffer and again through real estate taxes) a credit is computed. Credits are only applicable if debt has been incurred for the infrastructure or facilities.

   e. *Net cost.* The County calculates the net cost per public infrastructure or facility or cash proffer. This is the gross cost minus the applicable credit per public facility.

2. *Calculating impacts.* The fiscal impact of a development's proposal on infrastructure and facilities will be evaluated based on the estimated number of possible new dwelling units or square footage. When calculating this number, the County will:

   a. Use the lesser of the estimated lot yields or the number of dwelling units proffered by the applicant;

   b. Will consider credits for certain lots allowed under the existing zoning for the parcel(s) under consideration; and

   c. Will not consider transferring of allowable units from other properties.

3. *Effect of change in cash proffer on pending applications.* The fiscal impact of a proposed development on infrastructure and facilities shall be established under the Board's cash proffer policy that is in effect at the time the case is being heard; however, if the Board changes the cash proffer amount while the development proposal is still pending, the revised cash proffer amount shall be applied.

4. *Computation of road proffers.* The current methodology for computing the CIP road cash proffer is outlined in the "Road Cash Proffer Study prepared by Tischler & Associates, Inc. dated March 1, 2005" (copies available upon request). The road cash proffer calculation in the report is a conservative figure. Until such time as an update is completed, this figure will be used when determining the road proffer.

5. *Alternate contributions.* In some instances, a rezoning applicant may wish to mitigate the calculated impact on public infrastructure and facilities by dedicating property or doing in-kind improvements in lieu of all or a portion of the cash proffer. The value of donated land generally will be based on the current assessed value of the property, not to exceed the cost per acre used in the calculation of the proffer. The value of improvements shall be the estimated cost as determined by the County as if constructed by a governmental entity. If the dedication or in-kind improvement does not fully mitigate the calculated impact, then the dedication and/or improvement value may be applied as a credit against the calculated impact on the applicable public infrastructure or facility. The credit cannot exceed the calculated impact on the applicable public facility. Credits may be allowed for off-site land dedication or improvements, as determined by the County.

6. *Unique circumstances.* The County may consider any unique circumstances about a proposed development that: (a) mitigate the development's projected impact on public infrastructure and facilities and (b) create a demonstrable reduction in capital needs. Either the county, the zoning applicant, or any other person may identify such mitigating circumstances.

7. *Expenditure.* Cash proffer payments shall be expended in accordance with State law.

8. *Periodic adjustments.* Adjustments to the cash proffer amount will be considered at reasonable intervals. The County may re-compute net costs based on this methodology and recommend appropriate adjustments. Any adjustments are effective upon adoption and apply to both pending and future applications.

9. *Annual adjustments.* The cumulative percentage increase (or decrease) in the Marshall & Swift Building Cost Index, for the most recently published twelve months, shall be added to (or subtracted from) the amount proffered, in the year following the rezoning, and added to (or subtracted from) the recalculated amount for each subsequent year. Cash proffer amounts, recalculated due to the index provided above, shall be effective July 1 each year. Any CIP cash proffer made in accordance with this policy shall be increased (or decreased) automatically in accordance with this method.

Current cash proffer amount. The cash proffer that the Board will accept from residential rezoning applicants is $13,950 (per dwelling unit for schools, parks, public safety, and roads) as outlined by category below.

Facilities	Net Cost per Household*
Fire / Rescue	$1,318
Parks	$287
Schools	$8,582
Roads	$3,779
Calculated Proffer:	$13,966
Recommended:**	$13,950
	*All costs last calculated in 2015 **This number has been rounded down