

PROFFER POLICY GUIDE



ORANGE COUNTY, VIRGINIA

As Adopted by the Orange County Board of Supervisors
on September 23, 2008

ORANGE COUNTY PROFFER POLICY GUIDE

Background and Purpose of This Document

Orange County continues to experience residential growth. Consequently, a greater demand is being placed on county services such as schools, fire and rescue facilities, libraries, parks and recreation, roads, water, solid waste and other government facilities. As properties are rezoned for residential development, the impact of new dwelling units can be adequately reviewed and suggestions for mitigating the impact of an increase in development can be formulated and negotiated with the applicant through the use of proffers. On July 22, 2008, the Orange County Board of Supervisors adopted by ordinance Code of Virginia § 15.2-2303, which gives localities such as Orange County the authority to assess the impact of development in this manner through the conditional zoning process. The purpose of this document is to provide guidelines as to the issues to be addressed through proffers during the rezoning process, including a fee schedule of suggested cash contributions for schools, fire and rescue, parks and recreation, library needs, roads, water, solid waste and other government facilities that are intended to lessen the impacts of a rezoning.

Level of service standards are measured on a countywide basis for services, and provide an objective justification for mitigation requests. If a proposed development is deemed to impact county services, a monetary, facility and/or site proffer will be discussed. Such a proffer seeks to mitigate the demand of the proposed development on countywide schools, parks and recreation facilities, fire and rescue services, libraries, roads, water, solid waste and other government facilities. In the event that land is donated for a public facility site, the assessed value of that dedication will be credited against the suggested monetary contribution.

Proffer Fee Schedule

The following table outlines the suggested schedule of proffer fees. The methodologies for determining these fees are found in item 8 under “B. Methodologies” within this document.

Service	Single Family	Townhouse	Multi-Family
Schools	\$20,455	\$10,467	\$7,989
Fire and Rescue	\$1,172	\$1,193	\$896
Library	\$1,232	\$1,254	\$941
Parks and Recreation	\$381	\$387	\$291
Roads	\$360	\$313	\$216
Water Facilities	\$2,316	\$2,316	\$2,316
Solid Waste Facilities	\$488	\$497	\$373
Other Government Facilities	\$2,567	\$2,614	\$1,961
Total	\$28,972	\$19,042	\$14,983

Proffer Guidelines: Proposal Review Criteria

In reviewing a specific development proposal, staff will evaluate the potential direct impacts of the proposed development on various services and resources, many of which are identified in the county's capital improvements program, including but not limited to schools, transportation, the environment, public facilities, and historic/cultural resources, the resolution of which is critical if a proposal is to receive favorable consideration.

The following is a list of development criteria against which each application for rezoning will be reviewed in advance of being forwarded for review by the Planning Commission and Board of Supervisors.

1. **Development Plan.** Proffer a development plan in which the natural, man-made and cultural features result in a high quality site design that achieves, at a minimum, the following objectives: it complements the existing and planned neighborhood scale, character and materials as demonstrated in architectural renderings and elevations; it establishes logical and functional relationships on- and off-site; it provides appropriate buffers and transitional areas; it provides appropriate berms, buffers, barriers, and construction and other techniques for noise attenuation to mitigate impacts of railroad, highway and other obtrusive noise, it incorporates site design and/or construction techniques to achieve energy conservation; it protects and enhances the natural features of the site; it includes appropriate landscaping and provides for safe, efficient and coordinated pedestrian, vehicular and bicycle circulation; and it includes a mix of land uses.
2. **Public Facilities.** Proffer public facilities (other than parks) such as schools, fire and rescue stations libraries, solid waste facilities, and other government facilities to serve the proposed development in order to alleviate the impact of the proposed development on the community.
3. **Phasing.** Proffer the phasing of development to coincide with planned and programmed provision of public facility construction to reduce impacts of proposed development on the community.
4. **Transportation.** Proffer to contribute to the development of specific transportation improvements that offset adverse impacts resulting from the development of the site.
5. **Parks.** Proffer to dedicate parkland suitable for active recreation and/or to provide developed recreation areas and/or facilities.
6. **Open Space.** Proffer usable and accessible open space areas and other passive recreational facilities in excess of County ordinance requirements.
7. **Environment.** Proffer to enhance, preserve or restore natural environmental resources on-site, (through, for example, wetlands preservation and protection, limits of clearing and grading and tree preservation), and/or proffer to reduce adverse off-site environmental impacts (through, for example, regional storm water management). Contributions to preservation and enhancement of environmental resources must be in excess of ordinance requirements.
8. **Historic, Scenic or Cultural Resources.** Proffer to preserve, protect and/or restore structural, historic or scenic resources which are of architectural and/or cultural significance to the County's heritage.

9. **Land Consolidation.** Proffer to integrate land assembly and/or development plans to achieve Plan objectives for development.
10. **Recreational Facilities.** Proffer to provide on-site recreational facilities such as swimming pools, ball fields, tennis courts, multipurpose courts, tot lots, picnic areas and trails.
11. **Economic Development/Job Creation.** Proffer a mix of land uses that will provide jobs, tourist attractions, and/or implement other economic development goals and objectives of the Orange County Comprehensive Plan.

In applying the development criteria to specific projects, consideration will be given to the size of the project and its ability to successfully mitigate anticipated impacts. Therefore, for some smaller developments, certain criteria may be less significant than they are for larger developments. However, when there has been an identified need or problem which will be created by the proposed development, credit toward satisfying the relevant criterion will be awarded based upon whether proposed commitments by the applicant will significantly mitigate the problem. Additionally, the cumulative impacts of development within an area or corridor can overburden public facilities and infrastructure systems in a manner that cannot be mitigated by a single development proposal. These circumstances may require that the general level of development in areas so affected occur at a lower density until such time as identified deficiencies can be addressed comprehensively.

Due to the differing nature of development impacts at particular sites, the development criteria need not be equally weighted, and in some instances a single criterion may carry more weight in evaluating the merits of a proposal on a particular site. For example, consider an application for an age-restricted housing development through which a transportation initiative could be located. There would be no appreciable school impact, so mitigation measures to this public facility would not seem necessary. However, the impact of the proposed development on an identified potential future transportation route should be heavily weighted. This could be satisfied by dedication of right-of-way, construction, cash or some combination thereof.

In all cases of development, the responsibility for demonstrating that a proposal mitigates its direct impacts and/or merits consideration for increased intensity rests with the applicant. Once applicable development issues have been identified by staff, the degree to which these issues have been satisfactorily addressed will be determined by fulfillment of the relevant development criteria as generally identified above.

Monetary Contribution Policy

In the event that the applicant wishes to consider a monetary contribution to mitigate all or some of the identified impacts that result from the development proposal, the following Monetary Contribution Policy can be used as a baseline to determine the amount of this contribution.

A. General Guidelines

1. Pursuant to this policy, staff will (i) calculate the annual net cost of public facilities, (ii) calculate the fiscal impact of a rezoning request that permits residential uses and (iii)

administer the collection and expenditure of contributed funds. The Board may accept monetary contributions, land or in-kind improvements to mitigate impacts of a requested rezoning in accordance with this policy and state law.

2. Items proffered as part of a rezoning application do not have to be directly related to the impact of the proposed development.
3. Staff will determine the cost of public facilities generated by new growth by relying on the assumption that any revenue derived from growth (residential real estate taxes, sales taxes, fees, etc.) will pay the normal operating costs for services of residents of new developments. State law permits the Board to accept proffers to fund the additional public facility needs generated by any new residential development that results from a rezoning request.
4. In determining the net cost per dwelling unit of a public facility, staff relies on averages by housing unit type (single family detached, townhouse, and multifamily units). In addition, staff will consider the two components described in section "B. Methodology", as well as any other unique circumstances of which staff is aware (historic resources, environment, etc.), related to each zoning case.
5. The adopted Capital Improvements Plan may be used as a guide for determining how, where and when a monetary proffer will be spent.
6. Public facilities for the following may be funded by cash proffers: schools, parks and recreation, fire and rescue, libraries, roads, water facilities, solid waste disposal, and other government facilities.

B. Methodology

1. There are two "components" involved in calculating what a new dwelling unit will cost the County in terms of providing public facilities. The components are as follows:
 - a. Demand generators: Staff has determined the average household size by dwelling unit type and a student generation rate to calculate demand generators (number of people and number of students) associated with a new dwelling unit.
 - b. Capital cost of public facilities: Staff calculates the cost of public facilities according to the methodologies outlined in #8 below.
2. Items or cash proffered as part of a rezoning application do not necessarily have to be directly related to the impact of the proposed development. Money that is proffered by an applicant may be used to fund the public facilities necessitated by the development as permitted by Code of Virginia §15.2-2303 et seq.
3. In some instances, a rezoning applicant may wish to mitigate the development's calculated impact on public facilities by dedicating property or doing in-kind improvements in lieu of all or a portion of the monetary contribution. For property designated for dedication (excluding roads) staff will follow the appropriate procedure

for acquisition of private property for public use. 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 monetary contribution. The value of improvements shall be the estimated cost if constructed by a governmental entity. If the dedication or in-kind improvement does not fully mitigate the development's calculated impact on public facilities, then the value of the dedication and/or improvement may be applied as a credit against the development's calculated impact on the applicable public facility. The credit cannot exceed the development's calculated impact on the applicable public facility. If the value of the dedication or improvement is more than the calculated impact, the County may refund the difference. Credit for roads may be allowed for off-site land dedication or improvements.

4. The County will consider any unique circumstances about a proposed development that: (i) mitigate the development's projected impact on public facilities; and (ii) create a demonstrable reduction in capital facility needs. Unique circumstances may include but are not limited to participation in regional road projects and preservation of historic/architecturally significant structures/sites and their related lands. The county, the zoning applicant or any other person may identify such mitigating circumstances.
5. Payment of the monetary contribution for residential development must occur upon the issuance of each building permit for that development. Timing for dedication of property or in-kind improvements must be specified in the proffer statement, and should not extend beyond build-out of the rezoned property. Monetary contributions, property dedications and in-kind improvements must be used for projects impacted by the development.
6. Within seven years of receiving full payment of all cash proffered pursuant to an approved rezoning application, the county must begin or cause to begin construction, site work, engineering, right-of-way acquisition, surveying or utility relocation on the improvements for which the cash payments were proffered. If the county does not comply with this requirement or does not begin alternative improvements as provided for in Code of Virginia §15.2-2303(C), the cash proffer payments shall be forwarded to the Commonwealth Transportation Board no later than December 31st of the year in which the funds are forfeited for allocation to the secondary system construction program.
7. Adjustments to the monetary contribution amount may be considered every fiscal year. Staff will recalculate net costs based on the current methodology and recommend adjustments. Any adjustments would be effective upon adoption, but no sooner than July 1 of the new fiscal year.
8. The following outlines how the suggested cash contributions were calculated for schools, fire & rescue, libraries, parks and recreation, water facilities, solid waste disposal, roads, and other government facilities. In each category, the assumptions used in the calculations are stated.

For each of the categories (except water facilities), the cost per unit was calculated using the cost per capita multiplied by the number of people per household as estimated for 2007. The following tables illustrate how the number of people per household was generated for each unit type:

Housing Units by Type	2000 Census	Percent of Total	2000-2007 increase	2007 Estimate	Percent of Total
Single family units	10384	91%	3372	13756	92%
Townhouse units	310	3%	126	436	3%
Multi-family units	660	6%	114	774	5%
Total	11354	100%	3612	14966	100%

Population by Housing type	2000 Census	Percent of Total	2000-2007 increase	2007 Estimate	Percent of Total
Single Family	24069	93%	6148	30218	93%
Townhouse	776	3%	198	975	3%
Multi-family	1035	4%	264	1300	4%
Total	25881	100%	6611	32492	100%

Occupancy Rate (persons per unit)

	2000	2007
Single Family	2.32	2.20
Townhouse	2.50	2.24
Multi-family	1.57	1.68
Total	2.28	2.17

Schools

It is strongly believed that different housing types generate different numbers of children. Student population counts by housing type as provided by Orange County Schools show this to be true for Orange County.

Step 1: Calculate the student generation rate per unit type.

To determine the average student generation rate per school level for each housing type, the number of students for each level is divided by the total number of housing units per type:

Housing Units by Type	2000 Census	2000-2007 increase	2007 Estimate
Single family units	10384	3372	13756
Townhouse units	310	126	436
Multi-family units	660	114	774
Total	11354	3612	14966

Students by Housing Type by Level (March 2008)				
	Elementary	Middle	High School	Total
Single Family	2071	1314	1488	4873
Townhouse	43	15	21	79
Multi-Family	53	19	33	105
Total	2167	1348	1542	5057
Source: Orange County Schools				

Student Generation Rates by Housing Type by School Level (for all housing units) using actual student counts by unit				
	Elementary	Middle	High	Total
Single Family	0.151	0.096	0.108	0.354
Townhouse	0.099	0.034	0.048	0.181
Multi-Family	0.068	0.025	0.043	0.136

Step 2: Determine the cost per student for construction.

The cost per student for school construction is based on estimated land acquisition, construction and furnishing costs for each school type divided by the capacity for each school level. The middle and high school cost per student are based on actual cost figures from the county's capital improvements plan. Consequently, the cost per student for each school level is as follows:

Construction Costs per Student			
Level	Cost	Capacity	Cost per Student
Elementary	\$32,500,000	600	\$54,167
Middle	\$52,012,095	1200	\$43,343
High	\$90,525,000	1200	\$75,438

Step 3: Calculate the proffer fees for school construction.

School	Construction Cost per Student	Single Family Student Generation Rate	School Const. Cost per Single Family Unit	Townhouse Student Generation Rate	School Const. Cost per Townhouse Unit	Multi-Family Student Generation Rate	School Const. Cost Per Multi-Family Unit
Elementary	\$54,167	0.151	\$8,155	0.099	\$5,342	0.068	\$3,709
Middle	\$43,343	0.096	\$4,140	0.034	\$1,491	0.025	\$1,064
High	\$75,438	0.108	\$8,160	0.048	\$3,633	0.043	\$3,216
Total			\$20,455		\$10,467		\$7,989

Therefore, the suggested monetary contribution per dwelling unit for schools is as follows:

Unit Type	Cost Per Unit
Single Family	\$20,455
Townhouse	\$10,467
Multi-Family	\$7,989

Fire and Rescue

Fire and rescue services are provided on a county-wide basis. The cost per unit as calculated below is based on fire and rescue items listed in the current capital improvements program as well as existing inventory:

Step 1: Determine the cost per capita for fire and rescue station construction.

Cost of Existing Inventory (equipment and property)	\$14,277,533
Current Population	32,492
Current Cost per Capita	\$439
Cost of New Facility and Equipment	\$3,579,217
2015 Projected Population	38,074
Projected Cost per Capita (2015)	\$94
Total Cost per Capita	\$533

Step 2: Determine the suggested cash contribution per dwelling unit type.

<i>Single family</i>	=	$\$533 \times 2.20 \text{ persons per household} = \mathbf{\$1,172}$
<i>Townhouse</i>	=	$\$533 \times 2.24 \text{ persons per household} = \mathbf{\$1,193}$
<i>Multi-family</i>	=	$\$533 \times 1.68 \text{ persons per household} = \mathbf{\$896}$

Library

The cost to provide library services to new residents is based on the cost of existing and new infrastructure (CIP) divided by the county's current population:

Step 1: Determine the cost per capita for library infrastructure:

	Current Infrastructure Costs	Future CIP Costs	Total
Wilderness Library	\$1,515,300	\$1,564,000	\$3,079,300
Orange Library	\$5,196	\$7,265,000	\$7,270,196
Gordonsville Library	\$137,400	\$1,014,006	\$1,151,406
Total	\$1,657,896	\$9,843,006	\$11,500,902

	2008	2015	Total
Library Costs	\$1,657,896	\$9,843,006	\$11,500,902
Population	32,492	38,047	
Volume cost per Capita	\$100	\$150	\$250
Infrastructure Cost per Capita	\$51	\$259	\$310
Total Cost per Capita	\$151	\$409	\$560
 Total Library Cost per capita	 \$560		

Step 2: Determine the suggested cash contribution per dwelling unit type.

Single Family	\$560 x 2.20 people per household	= \$1,232
Townhouse	\$560 x 2.24 people per household	= \$1,254
Multi-Family	\$560 x 1.68 people per household	= \$941

Parks and Recreation

The level of service standards for parks and recreation are based on acreage per capita for the provision of active and passive recreation opportunities. In calculating the cost per capita for parks and recreation needs, the following assumptions were made:

Acres of park land needed per capita:	10 acres per 1,000 population (based on state standards)
Avg. cost per acre:	\$15,000
Avg. cost for site development:	\$ 6,658 (based on CIP cost per acre for Mt. Track Road Park: \$818,910/123 acres)
Total cost to acquire and develop park land	\$21,658

The following steps were taken to arrive at the final per unit cash contribution:

Step 1: Determine acres of park land per dwelling unit.

$$\frac{\text{Persons}}{\text{Single family unit}} \times \frac{10 \text{ acres}}{1000 \text{ persons}} = \frac{2.22 \times 10}{1000} = .022 \text{ acres per single family unit}$$

$$\frac{\text{Persons}}{\text{townhouse unit}} \times \frac{10 \text{ acres}}{1000 \text{ persons}} = \frac{2.24 \times 10}{1000} = .022 \text{ acres per townhouse unit}$$

$$\frac{\text{Persons}}{\text{Multi-family unit}} \times \frac{10 \text{ acres}}{1000 \text{ persons}} = \frac{1.68 \times 10}{1000} = .017 \text{ acres per multi-family unit}$$

Step 2: Determine the gross cost to acquire and develop park land per dwelling unit.

$$\frac{\text{Acre}}{\text{Single family unit}} \times \frac{\text{cost}}{\text{acre}} = .022 \times \$21,658 = \$476 \text{ gross cost per single family unit}$$

$$\frac{\text{Acre}}{\text{townhouse unit}} \times \frac{\text{cost}}{\text{acre}} = .022 \times \$21,658 = \$484 \text{ gross cost per townhouse unit}$$

$$\frac{\text{Acre}}{\text{Multi-family unit}} \times \frac{\text{cost}}{\text{acre}} = .017 \times \$21,658 = \$368 \text{ gross cost per multi-family unit}$$

Step 3: Determine the net cost per unit to acquire and develop park land. For each park there is a certain percentage of open space for which there is no cost to develop the property. A "credit" is given for that percentage by determining what the cost would have been to develop it and

subtracting that from the gross cost per unit. For Orange County, the estimated percentage of open space that will remain undeveloped per park is 20%.

<i>Single family net cost</i>	= \$476 - .20(\$476)	= \$381
<i>Townhouse net cost</i>	= \$484 - .20(\$484)	= \$387
<i>Multi-family net cost</i>	= \$368 - .20(\$368)	= \$294

Road Improvements

Growth and development within the county has an impact on the entire secondary road network such that the cost of all improvements is considered in establishing proffer fees for road improvements. The cost per housing unit is calculated as follows:

Step 1: Determine the cost per residence for road improvements:

Total cost of road improvements: (from FY08-09 to FY12-13 CIP)	\$8,416,000
Projected % of 2015 traffic generated by Residential uses within Orange County (Based on ITE standards)	63%
Total Residential cost (\$8,416,000 x 63%)	\$5,302,080
Residential Units Projected by 2015 (2015 projected county population (38,074)/2.5 pph)	15,230 units
Cost per Residential Unit	\$348

Step 2: Determine the cost per unit type for road improvements:

Unit Type	Projected Units by 2015	Unit/Day Trip Generation	Total Trips by Unit	% Total Residential Trips
Single Family	12,945	10.0	129,450	87.9%
Townhouse	1,523	8.7	13,250	9.0%
Multi-Family	762	6.0	4,572	3.1%
Total	15,230		147,272	100%

Unit Type	Road Costs From Residential	% Total Residential Trips	Road Costs/ Unit Type	Projected Units by 2015	Cost/Unit
Single Family	\$5,302,080	.879	\$4,660,450	12,945	\$360
Townhouse	\$5,302,080	.090	\$477,029	1,523	\$313
Multi-Family	\$5,302,080	.031	\$164,601	762	\$216
Total		1.00	\$5,302,080	15,230	

An applicant for rezoning for residential development should construct transportation improvements and dedicate right-of-way for roads as identified. If these dedications are deemed necessary to mitigate the transportation impact of the proposed development and satisfy VDOT safety requirements, the value of that construction and dedication will be credited against the suggested monetary contribution. The value of that credit will be determined based on the County's assessed value of the right-of-way and the cost of the transportation improvements. Applicants for nonresidential development will be asked to contribute right-of-way, roadway construction and other transportation improvements to mitigate the impacts on the roads serving the development.

Water Facilities

The level of service standard for water facilities is determined on a county-wide basis as shown below:

Total Cost of Water Impoundment (as per FY08-09 CIP)	\$38,931,999
Projected Residences by 2020	16,808
Cost per Residence	\$2,316

Solid Waste Facilities

Growth and development have a county-wide impact on the provision of solid waste disposal. The cost to provide solid waste services and to close the current landfill structure and pursue the development of a solid waste transfer station as shown in the current CIP are the basis for the per unit cost for this service and is calculated as follows:

Step 1: Determine the cost per unit for solid waste disposal infrastructure:

Solid Waste Disposal Cost (per CIP)	\$5,840,164
Projected 2015 Population	38,074
Cost per capita	\$153
2008 Solid Waste Inventory Cost	\$2,227,603
2008 Population	32,492
2008 Cost per capita	\$69
Total Solid Waste Cost per capita	\$222

Step 2: Determine the suggested cash contribution per dwelling unit type.

Single Family	\$222 x 2.20 people per household	= \$488
Townhouse	\$222 x 2.24 people per household	= \$497
Multi-family	\$222 x 1.68 people per household	= \$373

Other Government Facilities

Growth and development have a county wide impact on the provision of government services such as administration, animal shelter, sheriff's office, court services, etc. The following shows how the cost per capita for these services is calculated:

Step 1: Determine the cost per capita for other government facilities:

	Current Costs (2008)	Future Costs/ CIP (thru 2015)	Total
County Administration Building	\$1,628,500	N/A	\$1,628,500
Community Development Building	\$680,600	N/A	\$680,600
Sedwick Building	\$3,105,200	N/A	\$3,105,200
Orange County Courthouse	\$6,007,700	\$353,144	\$6,360,844
Barboursville Community Park	\$851,700	\$97,600	\$949,300
Ruritan Building	\$466,700	N/A	\$466,700
Animal Shelter	\$521,065	\$450,733	\$971,798
Sheriff's Office	\$581,305	\$18,920	\$600,225
Government Space Study Implementation	N/A	\$3,350,000	\$3,350,000
Total Facility Cost	\$13,842,770	\$4,270,397	\$18,113,167
Orange County Estimated Population	32,492	38,074	
Facility Cost Per Capita	\$426	\$112	\$538
Central Virginia Regional Jail Percent of Orange County contribution	\$48,421,200 31%	\$20,550,000 31%	
Total cost for Orange County	\$15,010,572	\$6,370,500	
Jail Cost Per Capita	\$462	\$167	\$629
Total Cost Per Capita			\$1,167

Step 2: Determine the suggested cash contribution per dwelling unit type:

Single Family	\$1,167 x 2.20 people per household	= \$2,567
Townhouse	\$1,167 x 2.24 people per household	= \$2,614
Multi-Family	\$1,167 x 1.68 people per household	= \$1,961