Hanover County Board of Supervisors March 13 th, 2013

Board Workshop

Business and Residential Development Road Improvements Transportation Policy

Hanover: People, Tradition & Spirit

Outline for Today's Workshop

- How did we get here
- What's been proposed
- Pros & Cons of Proposals
- Board Discussion
- Board Decision

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How Did WE GET Here

- Ordinance 89-13 adopted June 28, 1989 amended the provisions of the Zoning Ordinance pertaining to the establishment of proffered conditions at the time of rezoning including the payment of cash
- Cash Proffers Policy initially adopted by the Board August 1990 and modified annually until 2011
- Changes were made to reflect changing operations
  - Landfill component eliminated in 1991
  - Road proffers instituted in 1994
  - Separate multi and single family categories consolidated into residential unit methodology in 1996
  - Jail component eliminated in 1997
- Citizen Proffer Committee Established By Board on June 12, 2012

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Proffer Committee Recommendation

- Committee meet 8 times and ultimately adopted the final recommendations:
  1. Eliminate all Cash Proffers, both future & the balance of receivables
  2. Establish a $10 Motor Vehicle License (generating $1.3 million)
  3. Pursue General Assembly approval for other options

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Board Actions - November 28 & December 12, 2012

- Eliminated Cash Proffer Policy
- Established Debt Service Reserve Utilization Guidelines
- Authorized Advertisement of Vehicle License Fee Public Hearing
- Rescinded Vehicle License Fee Public Hearing advertisement authorization
- Requested staff develop transportation funding policy for developments

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Transportation Fund Policy - Key Assumptions

- Blended Growth Rate – FY2013-17 = 1%, 1.5% remainder
- $2,500,000 annual MPO allotment years 6 thru 15
- VDOT Revenue Sharing up to $10,000,000 / year
- Development share to balance after other revenues
- No escalation for inflation, present day dollars
- Developments with greater than 50 lots perform Traffic Impact Analysis

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Base Proffer Under 50 Lots– Average Starting Point

Funding Analysis	Horizon 10 year	Horizon 15 year
Project Cost	$61,400,000	$61,400,000
MPO	$12,500,000	$25,000,000
Rev. Sharing	$24,450,000	$18,200,000
GF @current	$2,500,000	$3,750,000
Development	$21,950,000	$14,450,000
Ave $/Dwelling	$6,134	$2,306

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Transportation Proffer Fee

Pro's

- Provides transportation funding revenue source linked to residential growth
- Reduces burden of transportation funding on the general tax base
- Provides flexibility to best address transportation impacts arising from a specific zoning request

Con's

- Does not distribute cost of growth across by-right and Ashland development
- Does not provide predictable revenue source
- "One and done" payment system; does not capture all components of growth and demand
- Complicates zoning process
- Revenues based on macro forecasts
- Provides limited flexibility for utilization of revenues

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Citizens Committee Proposal

Pro's

- Recommended by Citizens Committee
- Consistent & Predictable Revenue Source (estimated to be $1.3 Million)
- Less Administrative Burden than Transportation Proffer
- Transportation improvements are paid by all who use the improvements
- Greatly simplifies rezoning process
- Revenues will grow as overall road impacts are affected (more cars on road)
- Most of our peer jurisdictions have this fee as part of their revenue stream
- Would free up funding currently programed to come from Debt Service Saving Fund
- Business will contribute

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Citizens Committee Proposal

Con's

- Fee was recently eliminated by Board of Supervisors
- Growth related expenses paid for by all citizens
- Taxes citizens with pleasure vehicles disproportionally
- Ashland residents will not be subject to this fee as they already have a vehicle License Fee
- Approximately 14,000 citizens who don't receive a Personal Property Bill would receive a Vehicle License Fee

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Questions & Board Discussions

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