

# Resolution



*of the Board of Supervisors of Warren County*

**A RESOLUTION OF THE  
WARREN COUNTY BOARD OF SUPERVISORS  
ESTABLISHING THE WARREN COUNTY PROFFER POLICY  
FOR RESIDENTIAL ELEMENTS OF REZONING APPLICATIONS**

**WHEREAS**, the Board of Supervisors approved a contract on October 17, 2000 with Anderson & Associates for the development of a fiscal impact model to look at the impact of residential development on the County; and

**WHEREAS**, the model has been completed and updated by Anderson & Associates in 2002; and

**WHEREAS**, staff has developed a Proffer Policy regarding residential development and its public infrastructure costs for consideration; and

**WHEREAS**, the Planning Commission has reviewed the draft policy and has conducted a public hearing on May 14, 2003 on the Proffer Policy;

**WHEREAS**, the Planning Commission forwarded the Proposed Proffer Policy to the Board of Supervisors with a unanimous recommendation for adoption; and

**WHEREAS**, the Warren County Board of Supervisors held a public hearing on June 17, 2003; and

**WHEREAS**, the Board of Supervisors finds this Proffer Policy to be in the best interest of the citizens of Warren County and provides a refined tool with which to estimate the infrastructure costs generated through proposed residential rezoning applications; now, therefore, be it

**NOW, THEREFORE, BE IT RESOLVED** by the Warren County Board of Supervisors this 17<sup>th</sup> day of June 2003, that the Proffer Policy presented below shall apply to all residential elements for any rezoning application.

**WARREN COUNTY, VIRGINIA  
BOARD OF SUPERVISORS PROFFER POLICY**

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 through the County's fiscal impact model and (iii) administer the collection and expenditure of proffered funds. The Board will accept cash proffers for rezoning requests that permit residential uses in accordance with this policy. However, the Board may also accept cash, land or in-kind improvements in accordance with county and state law. Staff will provide a recommendation for a maximum proffer based upon this policy. Any such acceptance of cash, land or in-kind improvements is subject to approval of the rezoning of the property by the Board of Supervisors pursuant to Sections 15.2-2296 through 15.2-2303 of the Code of Virginia as amended.
2. Historic experience has demonstrated that revenue derived from residential growth (residential and commercial real estate taxes, sales taxes, fees, and associated revenue sources) typically will not pay all of the normal operating costs for service delivery to residents of new developments, with no funds remaining to compensate for the cost of public facilities needed to serve these residents. State and county laws permit the Board to accept cash proffers to fund the public facility needs generated by any new residential development.
3. In determining the net cost per dwelling unit of a public facility, staff relies on countywide averages, where possible. In addition, staff will consider the five components described below, as well as any other unique circumstances of which might qualify, related to an individual zoning case.
4. To determine how and where a proffer will be spent, the County is divided into service districts. For facilities which have a Countywide service implication, (for example, parks, schools, libraries, police protection and emergency services), the proffer may be spent Countywide. For roads, the proffer will generally be spent within the associated service areas as described below, except in circumstances, which warrant otherwise.
5. The following public facilities will be funded by cash proffers: schools, roads, parks and recreational facilities, libraries, fire and rescue facilities,

waste disposal facilities and sheriff facilities including the Warren County Jail.

B. Methodology and Policy Terms

1. There are five "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 uses the weighted average of single family and multi-family persons per household (2.57 FY 2000) and an average number of students per household (.40 for FY 2000) to calculate demand generators (number of people and number of students) associated with a new dwelling unit.
  - b. Service levels – The fiscal impact model calculates existing service levels for each type of facility for which a cash proffer will be accepted.
  - c. Gross cost (replacement) of public facilities. – The fiscal model calculates the gross cost of public facilities. The term gross cost is used because a credit (described in (d) below) for anticipated future revenues from a new dwelling unit will be applied against the gross cost.
  - d. Credits – The fiscal impact model calculates a credit for anticipated taxes paid by a development to apply against the gross cost for each public facility. Warren County has issued and plans, dependent upon fiscal constraints, to continue to issue bonds to finance the construction of public 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. So that new dwelling units are not paying twice (once through payment of a cash proffer and again through real estate taxes) a credit is computed.
  - e. Net cost – The fiscal impact model calculates the net cost per public facility or maximum cash proffer. This is the gross cost per public facility minus the applicable credit per public facility.
2. There must be a relationship between the rezoning itself and the need for a public facility. In order to ensure that money proffered by an applicant is used to fund the public facilities necessitated by the development, service areas or districts are established across the County.
  - a. Since parks, libraries, and fire and rescue stations serve areas greater than a specific service district, the geographic service areas for these facilities are determined to be Countywide. Rezoning requests can be analyzed on

- a County-wide basis to determine their impact on these facilities and proffers may be spent to fund these facilities Countywide.
- b. Rezoning requests will be analyzed on a County-wide basis to determine their impact on schools. In order to ensure that money proffered by an applicant is used to fund the public facilities necessitated by the development, the county is divided into elementary school service areas corresponding to the attendance zones of the County's elementary schools. Funds collected from a development within a District can be spent on school improvements within that District or for any school improvement, including new construction, which provides relief for the District within which the development is located.
  - c. With respect to public streets, rezoning requests shall be analyzed based on project consistency with the Comprehensive Plan, VDOT recommendations, and the Traffic Impact Analysis (TIA). Residential rezoning applications can be required to submit a TIA, which examines VDOT/County designated offsite intersections, existing traffic conditions, future traffic conditions (without and with the project), level of service impacts at specified phases, and recommended improvements and/or other mitigation measures. Proffered improvements must be timed with proffered phases and associated threshold residential unit totals. Proffered cash contributions for transportation improvements will be placed in specified County accounts to ensure expenditure for those identified improvements.
3. In some instances, a rezoning applicant may wish to diminish 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 cash proffer. Land conveyed for County facilities shall be deeded to the County or its designee. 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 (not the estimated value after rezoning). 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 alleviate the development's calculated impact on public facilities, then the dedication and/or improvement's value 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.

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4. Warren 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 not be limited to, participation in regional road projects and affordable housing projects. Either the county or the applicant may identify such projects and present the justification for Board of Supervisors consideration.
5. Payment of the cash proffer for residential development must occur prior to release of a building permit. Timing for dedication of property or in-kind improvements should be specified in the proffer statement.
6. Proffered conditions shall provide for disposition of real property or cash in the event the property or cash payment is not used for the purposes for which tendered.
7. Adjustments in the fiscal impact model amount may be considered every fiscal year. Staff will recompute net costs based on the current methodology and recommend adjustments.
8. The maximum cash proffer that the Board of Supervisors will accept from residential rezoning applicants shall be determined per dwelling unit by the fiscal impact model. The Proffers should identify an appropriate index, such as the Consumer Price Index, to provide an adjustment for inflation. It needs to be noted that this total does not include the cost of offsite road improvements proffered by the applicant, or other utility requirements under the auspices of the Town of Front Royal.



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Chairman, Board of Supervisors  
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Douglas P. Stanley,  
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