

RESOLUTION

CASH PROFFER POLICY FOR SCHOOLS

WHEREAS, the Virginia Commission on Local Government defines “cash proffer” as “any money voluntarily proffered in writing signed by the owner of the property subject to rezoning, submitted as a part of the rezoning application and accepted by the locality” pursuant to the authority granted in Section 15.2-2298 of the Code of Virginia, 1950 as amended; and

WHEREAS, beginning November 13, 2005, staff will use the procedures and calculation described in this Resolution to guide its recommendation to the Board of Supervisors in all residential rezoning cases. The Board of Supervisors (the “Board”) will use this Resolution to guide its decision whether to accept cash proffered by applicants for a rezoning. The value of proffered land or other in-kind contributions, accepted by the County, shall be credited against the cash proffer amount for schools. In the event the value of proffered land or other in-kind contributions exceed the cash proffer amounts for schools, such excess value may be credited against cash proffers for other impacts; and

WHEREAS, any acceptance of cash proffered by an applicant shall meet a “reasonableness” or “rough proportionality” test, which requires the Board to determine in each zoning case whether the amount proffered is related both in nature and extent to the projected impact of the proposed development on public schools. State and County laws permit the Board to accept cash proffers to fund the public school needs generated by any new residential development; and

WHEREAS, a development proposal’s impact on public schools will be evaluated based on the gross number of proposed dwelling units. When calculating the gross number of dwelling units, staff will not give credit for those dwelling units permitted under existing zoning and will not consider the transferring of allowable units from other properties.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the James City County, Virginia, adopts the following methodology and policy to be used to consider impact on public schools and proffered mitigation of proposed rezoning applications:

1. The five components to be used in calculating what a new dwelling unit will cost the County in terms of providing for new or expanded public school facilities are as follows:
 - a. Demand generators - Pupil generation rates determined by identifying the actual number of public school students residing in housing units built in the last five years in the County.
 - b. Service levels - The County’s estimated costs of constructing new high, middle, and elementary schools, calculated on a per-student basis, become the service levels in the calculation of the cash proffer.

- c. Gross Cost of school facilities –The product of the expected number of students calculated as a demand generator multiplied by the per-student cost of school facilities identified as the service level.
- d. Credits - the gross cost of school facilities is reduced by a credit, representing the portion of real property taxes paid by new residents that would be used to retire debt incurred by the County for schools.
- e. Net cost - this represents the net cost per new residential unit or the maximum cash proffer for schools. This is the Gross Cost minus the Credit.

*The detailed methodology is contained in the Final Report of the James City County Cash Proffer Steering Committee dated July 7, 2005.

- 2. There must be a relationship between the rezoning itself and the need for a public facility. Since public school buildings serve the entire County and new or expanded public school buildings may result in County-wide adjustments to attendance zones, rezoning requests will be analyzed on a County-wide basis to determine the impact on public school buildings.
- 3. The County will continue to consider any unique circumstances about a proposed development that may change the way that staff and the Board view the need for cash proffers for schools. Unique circumstances may include, but not be limited to, a demonstrable effort to meet the objectives of the County’s Comprehensive Plan related to affordable housing.
- 4. Timing for the dedication of property or in-kind improvements should be specified in the proffer. Cash proffers, property dedications, and in-kind improvements must be used for projects identified in the County’s Capital Improvement Program. Payments shall be expended in accordance with State law.
- 5. Adjustments in the cash proffer amount may be considered in August of odd-number years, beginning in 2007. Staff will recompute 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 fiscal year following adoption.
- 6. The cash proffer amount for school construction that the Board will use to guide its decisions in residential zoning applications received after November 13, 2005, are:

Single-Family Detached	\$4,011
Single-Family Attached	\$ 0
Multi-Family	\$4,275

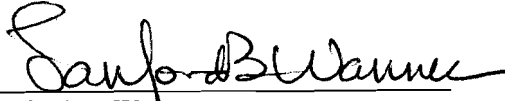
If payment is rendered on or after July 1, 2006, then payments will consist of the adopted cash proffer payment per unit plus any adjustment as included in the Marshall Swift Building Cost Index.

7. The amounts identified in this Resolution are general guides for rezoning applications. Determination of whether an amount proffered by an applicant for rezoning is sufficient to offset the impacts of the proposed development shall be made on a case-by-case basis. Proffering a set amount is in no way a requirement to obtaining a positive decision on a residential rezoning application. In addition, the acceptability of a proffered school cash proffer under this Resolution, by itself, will not result in the approval of a residential rezoning application.



Michael J. Brown
Chairman, Board of Supervisors

ATTEST:



Sanford B. Wanner
Clerk to the Board

<u>SUPERVISOR</u>	<u>VOTE</u>
HARRISON	NAY
GOODSON	NAY
MCGLENNON	AYE
BRADSHAW	AYE
BROWN	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 13th day of September, 2005.

Proffer_Sch.res

James City County Cash Proffers - Schools

There are five components involved in calculating what a new dwelling will cost the County to provide new schools.

(1) **Demand generators** - the weighted average current public school enrollment of single family and multi-family homes, based on the Sept 30 official school enrollment and the number of developed units in the two categories as determined in the latest land book.

Schools - previous September 30th official enrollment:

	Elementary	Middle	High	Total
Total City/County	4,171	2,246	2,988	9,405
	44.3%	23.9%	31.8%	
County only	3,812	2,050	2,752	8,614
	44.3%	23.8%	31.9%	

Source: Official Sept 30, 2004 enrollment report, WJCC Schools

COUNTY ONLY - Developed housing units - previous land book and actual enrollment count

	Units	Elementary	Middle	High	Total
Single Family - Detached	16,907	3,159	1,704	2,292	7,155
Single Fam - Attached	2,796	198	101	156	455
Multi Family	2,477	260	155	183	598
Mobile Homes	1,254	195	90	121	406
	23,434	3,812	2,050	2,752	8,614

Source: Units and numbers of units are those reported by category in the James City County land book, published as of July 1, 2004 and the number of mobile homes taken from the personal property book, Jan 1, 2004, as maintained by the Commissioner of Revenue.

EXCLUDED - the count of residential units above does not include any residential units or beds in six senior housing facilities - Williamsburg Landing, Chambrel, Patriots Colony, Tandem, Dominion or Manorhouse, also excluded are seven homes in Colonial Heritage, the only age-restricted single-family development in the County

Student enrollment comes from the list of County public age school students captured in the Sept 30, 2004 enrollment, sorted by address and then assigned to one of the four housing categories by address. All addresses are confirmed as legitimate County addresses to create the funding split in the School contract between the City and County.

STUDENTS PER UNIT	Elementary	Middle	High	Total
Single Family - Detached	0.20	0.10	0.15	0.45
Single Fam - Attached	0.07	0.04	0.06	0.16
Multi Family	0.10	0.06	0.07	0.24
Mobile Homes	0.16	0.07	0.10	0.32
	0.17	0.09	0.13	0.39

Source - calculated using landbook totals and WJCC School enrollment

ASSUMPTION: Used the actual student addresses against only those SF - detached units that were built in the last five years - there were 3,261 units, 1,467 students - 0.45 kids per unit. That is higher than the overall average of 0.42 - but the housing values are higher as well. Actual counts of students in multi-family housing built in the last five years mirror those found in that group in total, but the actual count for single-family attached built over the past five years is only eight students per hundred units.

James City County Cash Proffers - Schools

- (2) **Service levels** - existing service levels for each type of school for which a cash proffer will be accepted - based on estimates provided by Moseley Architects in its February, 2005 study of school capital facility needs. Design, SF and acreage standards adopted by the WJCC School Board as part of the CIP adopted on February 15, 2005.

	Elementary	Middle	High	
Design Capacity	600	800	1,250	WJCC CIP
Core Design	700	900	1,450	WJCC CIP
County Capacity	645	830	1,336	

ASSUMPTION: "County capacity" becomes the core capacity multiplied by the current split between County and City students (92.17%).

Acres	25	35	50	Comp Plan
Land Cost Per Acre	\$25,000	\$25,000	\$25,000	Estimated
Land Cost	\$ 625,000	\$ 875,000	\$ 1,250,000	Calculated
Construction Cost	\$ 12,717,390	\$ 13,695,652	\$ 44,244,444	WJCC CIP
Engineering / Planning	\$ 1,017,390	\$ 1,095,652	included	WJCC CIP
Other project Costs	\$ 1,891,922	\$ 2,020,145	included	WJCC CIP
Site Work	\$ 1,925,000	\$ 2,054,348	included	M Rinaldi
Off-site work	\$ 153,000	\$ 153,000	included	M Rinaldi
Gross Cost	\$ 16,534,312	\$ 17,770,145	\$ 45,494,444	WJCC CIP
County Funding Share	90.37%	90.37%	90.37%	FY2006 Contract
County Cost	\$ 14,942,058	\$ 16,058,880	\$ 41,113,329	Calculated
County Capacity (above)	645	830	1,336	
County Cost Per Student	\$ 23,159	\$ 19,359	\$ 30,763	

ASSUMPTIONS: "County cost" becomes the total cost multiplied by the funding split between City and County. The current split has the County paying 90.37%. "Other project costs" taken directly from the WJCC School Capital Improvement Program - and are less than the 17.1% that was tentatively agreed to by the Committee.

- (3) **Gross cost** of public facilities is then calculated per dwelling unit. The term "gross cost" is used because a credit is calculated for each dwelling unit based on future operating revenues.

	Elementary	Middle	High	
County Cost Per Student	\$ 23,159	\$ 19,359	\$ 30,763	Calculated above

Students by grade by housing unit as was previously calculated above

	Elementary	Middle	High
Single Family - Detached	0.20	0.10	0.15
Single Fam - Attached	0.07	0.04	0.06
Multi Family	0.10	0.06	0.07
Mobile Homes	0.16	0.07	0.10

Costs per:	Elementary	Middle	High	TOTAL
Single Family - Detached	\$ 4,632	\$ 1,936	\$ 4,614	\$ 11,182
Single Fam - Attached	\$ 1,640	\$ 699	\$ 1,716	\$ 4,056
Multi Family	\$ 2,431	\$ 1,211	\$ 2,273	\$ 5,915
Mobile Homes	\$ 3,601	\$ 1,389	\$ 2,968	\$ 7,959

James City County Cash Proffers - Schools

- (4) **Credits** - a credit will apply against the cost for each public school. The County has issued, and plans to issue, general obligation bonds for school construction. Residents of new developments will pay property taxes and a portion of these taxes will go to debt service. The credit is needed to avoid paying twice - through both a cash proffer and by real property taxes, for the same new schools.

SINGLE FAMILY DETACHED

Average Value - Built Last 5 Years	\$ 330,627			
Annual Tax Payments		Real Estate	School Debt	Percent
\$0.825/\$100 Tax Rate		<u>Tax Revenue</u>	<u>Service</u>	<u>to Credit</u>
Tax Payment	FY2006	\$ 61,082,995	\$ 10,497,594	17.2%

Avg Value times tax rate	Tax Payment	\$ 2,728	
	Credit	\$ 469	(portion of real property tax for school debt service)
Net Present Value of Credit		\$ 7,171	
Discount Rate of 4.2% for 25 years			

May 24, 2005 sale of \$39,820,000 in County bonds had, as a low bid, an interest rate of 4.2%

- (5) **Calculate a proposed proffer** - the cost per household minus the credit per household

SINGLE FAMILY DETACHED	Avg Value
Cost for each Single family detached unit	\$ 11,182
CREDIT - calculated above	(7,171)
Proposed Proffer - single family detached	<u>\$ 4,011</u>

REPEAT FOR SINGLE FAMILY ATTACHED AND MULTIFAMILY

	<u>SF Attached</u>	<u>Multi Family</u>
Average Value - Built Last 5 Years	\$ 280,392	\$ 75,543

Avg Value times tax rate	Tax Payment	\$ 2,313	\$ 623
	Credit	\$ 398	\$ 107
Net Present Value of Credit		\$ 6,086	\$ 1,640
Discount Rate of 4.2% for 25 years			

PROFFERS

	Average	Average
	<u>SF Attached</u>	<u>Multi Family</u>
Cost for each unit	\$ 4,056	\$ 5,915
CREDIT - calculated above	(6,086)	(1,640)
Proposed Proffer - single family detached	<u>\$ -</u>	<u>\$ 4,275</u>