County of Prince George

Cash Proffer Policy

Adopted by the:
Prince George County Board of Supervisors

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Cash Proffer Policy
Revised October 25, 2011

I. APPLICABILITY

These guidelines shall be applicable to all rezoning applications. Amounts set out in this Policy, and subsequently endorsed by the Board of Supervisors, representing the cost of public facilities and public capital costs for each typical unit of development, are general guidelines only. Individual rezoning applications present circumstances, which are to be considered in evaluating application and proffered conditions. Those circumstances and factors include:

1). Proffer of dedication or construction of public facilities or land, or of amenities or facilities available for use in connection with a proposed development, which decrease the need for use of community facilities existing, or planned by the County.

2) The economic benefits of industrial and commercial development and the contribution of a development proposal to the goal of the development of Prince George County, properly apportioned between residential, industrial, and commercial types.
3) The scale of the proposed development and the minimal incremental effect on the community facilities of residential development consisting of only one additional lot.

II. METHODOLOGY

1). General Considerations

The impact of proposed developments on public facilities and the need for capital improvements will be reviewed on a case-by-case basis.

In general, the revenue generated by commercial and industrial development is expected to cover the capital cost of fire protection and emergency medical services, general government, and public safety. Each proposed development would be reviewed to identify any unusual or excessive requirements of that nature. No contribution for schools, parks, or libraries is expected for industrial and commercial applications. The County's policy with respect to cash proffers in commercial and industrial rezonings shall be interpreted liberally in order to promote desirable economic development.

The following public facilities and capital needs will be funded by cash proffers: schools, general government, parks, fire and emergency services, public safety, and libraries. 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 and non-residential uses on the County's capital needs 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. In appropriate situations the Board will accept proffers for commercial rezoning. However, the Board may also accept cash, land or in-kind improvement in accordance with County and state law. Capital Improvements include any property that can be financed through long-term debt.

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 inidividual zoning case.

III. ANALYSIS OF FINANCIAL BENEFITS OF DEVELOPMENT

1) As part of the original cash proffer calculation, staff calculates a credit to apply against the gross cost of each type of public facility, if applicable. Prince George County has issued and plans, dependent upon fiscal constraints, to continue to issue general obligation 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. The contribution of a development to public improvements financed through the tax rate shall be based on the percentage of the tax rate attributable to debt service over the expected or actual term of the debt.

2) Analysis of in-kind donations, such as land or facilities, should be based on the value set out in the written proffer, or a method agreed upon by the county and the applicant.

IV. ADMINISTRATION

1) The projects for which a proffer has been collected, or alternative improvements, as provided by Section 15.2-2303.2 of the 1950 Code of Virginia, as amended, will begin within seven (7) years of the collection of a proffer. Any proffer received which does not comply with the requirements of Section 15.2-2303.2 shall be forwarded to the Commonwealth Transportation Board, as provided for therein, for direct allocation to the secondary system construction program.

2) Cash proffers must be made in writing by the applicant for rezoning. The Board may accept amended proffers once the public hearing has begun if

the amended proffers do not materially affect the overall proposal (effective 7/1/06).

3) Cash proffer amounts shall be paid to the County prior to the issuance of Certificate of Occupancy.

4) The cash proffer guidelines may be reviewed and updated each year subsequent to this year in conjunction with Capital Improvement Program review and adoption. Adjustments to the cash proffer amount may be considered every fiscal year. Staff will recompute net costs based on accepted methodology and recommend adjustments. Any adjustments would be effective upon adoption.

5) The Prince George County Finance Department has established procedures for administration of cash proffer funds through the cash proffer fund account.

6) The service areas for the six facility categories are considered to be County-wide.

7) The maximum cash proffer that the Board will accept from residential rezoning applicants is $12,585 per single family detached dwelling units and $10,974 for all other housing effective June 6, 2006. For proffer payments made after June 6, 2007, the maximum cash proffer for residential single family detached dwelling units is $12,585 per dwelling unit plus the Marshall and Swift Building Cost Index, and $10,974 plus the Marshall and Swift Building Cost Index for all other housing; provided, however, any proffer made prior to June 6, 2006, shall be payable in accordance with the terms of such proffer.