

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB809

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Stanley

3. Committee: General Laws and Technology

4. Title: Industrial parks, local; DHCD to develop a program for certification of parks.

5. Summary: This bill directs the Department of Housing and Community Development (DHCD) to develop a program for the certification of local industrial parks.

6. Budget Amendment Necessary: Yes to Item 104 of HB1400/SB800.

7. Fiscal Impact Estimates: Preliminary. See item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	N/A	N/A	N/A
2016	242,000	1	General Fund
2017	182,000	1	General Fund
2018	182,000	1	General Fund
2018	182,000	1	General Fund
2020	182,000	1	General Fund
2021	182,000	1	General Fund

7b. Revenue Impact: None.

8. Fiscal Implications: It is anticipated that DHCD will incur additional general fund costs in initiating and staffing a new ongoing certification program. The fiscal impact estimate is preliminary as the proposed legislation gives DHCD some discretion in establishing the size and scope of the certification program. Currently, the Virginia Economic Development Partnership catalogs several hundred industrial/business parks and other sites that might qualify for consideration. While the final costs for this activity are dependent on the actual participation of industrial parks and the program parameters, DHCD believes that 50 or more sites could apply for certification during the initial program rollout with additional applicants seeking recognition in subsequent years.

DHCD's current staff cannot absorb the additional workload associated with this bill. The agency believes it will require at least one program manager whose combined cost for salaries, benefits and other related expenses would total approximately \$122,000. In addition, the program would incur one-time start-up costs of approximately \$60,000 related to establishing the certification program. This funding would cover development of materials,

including online systems, needed to operate the program as well as any consulting fees necessary to engage outside parties in identifying appropriate certification standards. Additional ongoing costs of up to \$60,000 could be anticipated if the use of third-party certifications related to development readiness are needed to implement the program.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.