

Commission on Local Government

Estimate of Local Fiscal Impact

2018 General Assembly Session

Bill: HB640

Patron: Boysko

Date: 1/19/2018

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Provides that a locality's comprehensive plan shall include strategies to provide broadband infrastructure that is sufficient to meet the current and future needs of residents and businesses in the locality. In the preparation of a comprehensive plan, broadband infrastructure shall be included among the matters that the local planning commission shall survey and study.

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**Executive Summary:**

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$100,000.00 due to the additional mandated provisions to be included in their comprehensive plans. Localities noted that the cost could include hiring consultants, legal review, and other administrative measures. Other localities noted that there would be no additional cost as they are in the process of developing a new comprehensive plan with broadband assessment and strategy or that such costs would be absorbed by using existing resources available to the locality.

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**Local Analysis:**

**Locality:** Botetourt County

**Estimated Fiscal Impact:** \$40,000.00

Botetourt County

Specialized consulting to be incorporated into the Comprehensive Plan \$ 25,000

Legal review 3,000

Management / Administrative support 6,000

Subtotal - Costs for inclusion of broadband in the Comp Plan -Plan Year \$34,000

Add: Annual maintenance of the Plan regarding compliance of broadband aspects \$ 6,000

Note: These costs exclude any costs associated with necessary study and efforts to determine County broadband strategies and options.

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Locality: City of Covington

Estimated Fiscal Impact: \$5,000.00

The city is currently in the process of developing a new Comprehensive Plan with our surrounding county. As known, broadband in rural areas can be very costly and we are very rural. Also, each planning commission may or may not have subject matter experts and be required to hire consultants to gather information as well as analyze cost benefits. Greatest concern would be affordability to residents and greatest benefit would be to large business and growth potential for smaller business.

Fiscal Impacts on what is currently a \$50,000 project would at a minimum increase \$5,000 every 5 years as well as increase ongoing costs.

Locality: City of Danville

Estimated Fiscal Impact: \$35,000.00

The \$35,000 estimate is based on the costs for an initial broadband infrastructure plan and the amendment to the currently adopted comprehensive plan. The broadband infrastructure plan would have to take into account future development, redevelopment, current/future infrastructure needs, and economic development goals and would likely have to be performed by an outside consulting group.

Locality: City of Harrisonburg

Estimated Fiscal Impact: \$0.00

Per Community Development staff, we do not think this should cause much of a financial impact on the City as it would simply be another “subject” that must be evaluated and discussed for inclusion into the Comprehensive Plan. The legislation, however, does not define “broadband infrastructure” nor does it provide guidance on who’s responsibility it is to actually provide the infrastructure, regardless of the strategies that might be listed as possibilities.

Locality: City of Norfolk

Estimated Fiscal Impact: \$0.00

Including broadband infrastructure needs in Norfolk’s comprehensive plan would be absorbed into city Planning Commission funding and function.

Locality: City of Portsmouth

Estimated Fiscal Impact: \$100,000.00

Cost for Study for the city of Portsmouth is approximately \$100,000.

Locality: City of Roanoke

Estimated Fiscal Impact: \$0.00

This requirement would have no measurable impact on the City of Roanoke as we would include broadband assessment and strategy in our Comprehensive Plan anyway.

Locality: City of Winchester

Estimated Fiscal Impact: \$0.00

According to our Planning Director he didn't see this mandated provision of the Comp Plan to be a big issue. Most every good Comp Plan done in the last 15 years already has language about internet access and we already have a short blurb about internet in our current Comp Plan. It is more of an issue for rural areas and remote towns where service is lacking.

Locality: County of Henrico

Estimated Fiscal Impact: \$1.00

The current language of the bill is vague and allows for flexibility as to how detailed this component of the comprehensive plan must be, which means the costs could vary. If the bill is intending to create a full-scale broadband infrastructure study with infrastructure routes and other minute details, the administrative costs could be significant. However, the bill as currently written does not appear to require that level of detail, so the fiscal impact for Henrico is minimal.

Locality: Fairfax County

Estimated Fiscal Impact: \$1.00

The goal of broadband adequacy is reasonable, but this might require the County to amend the Comprehensive Plan to add specific broadband policies, and may also require changes to the regulatory framework or licensing, which may require additional staff resources to address. It could require significant fiscal investments to move this from the "comprehensive plan" stage to implementation. At this time, the fiscal impact is unknown but could be significant.

Locality: Prince George County

Estimated Fiscal Impact: \$25,000.00

The amount of fiscal impact provided (\$25,000) is the estimated amount that would be needed to study and add to the comprehensive plan a strategic road map of providing Broadband. This amount does not include providing the broadband infrastructure which would be tens of millions of dollars. In FY2017 Prince George County provided to our IDA a \$1 Million grant to partner with a provider (Prince George Electric Cooperative) in expanding broadband service to County residents. The County issued \$1M in taxable bonds to provide the grant funding.

Locality: Rockingham County

Estimated Fiscal Impact: \$0.00

The County is not opposed to including in the comprehensive plan a survey and study regarding broadband infrastructure. This is a topic that has already been discussed and considered. At this point in time No fiscal impact is expected.

Locality: Town of Christiansburg

Estimated Fiscal Impact: \$4,000.00

\$2,000 Planning Commissioner time (paid per meeting), \$1,000 staff time, \$300 legal advertising for Planning Commission and Town Council public hearing, \$200 for copying and posting on homepage, \$500 for administrative/overhead/miscellaneous - - though this is something the Town of Christiansburg was planning to do anyhow with our next Comprehensive Plan update.

Locality: Town of Marion

Estimated Fiscal Impact: \$0.00

The Town of Marion SUPPORTS this bill. Broadband development continues to be critical to building successful, competitive communities for the future of Virginia.

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