

Commission on Local Government

Estimate of Local Fiscal Impact

2020 General Assembly Session

Bill: HB585

Patron: Guzman

Date: 1/16/2020

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:

Comprehensive plan; transit-oriented development. Requires that each locality incorporate into the next scheduled and all subsequent reviews of its comprehensive plan strategies to promote transit-oriented development for the purpose of reducing greenhouse gas emissions through coordinated transportation, housing, and land use planning.

~~~~~

### Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$50,000.00. A majority of localities didn't provide a cost, and noted that the bill would not affect them as they are in compliance with the requirements of the bill. One locality that responded with no cost, noted that the bill would affect them as they have to hire a consultant or use additional staff and resources to develop the strategic plan listed in the bill. Localities that responded with a cost, noted that the bill would require them to hire outside consultant to provide the required analysis, require additional staff time, and additional effort every time they update the plan. Other localities that responded with a cost, noted the bill would disproportionately burden the smaller localities, and would be difficult for them to implement.

\*\*\*\*\*

### Local Analysis:

**Locality:** Augusta County

**Estimated Fiscal Impact:** \$0.00

The language of the bill is pretty vague in the sense that it doesn't specifically detail or define the level or degree to which a locality must incorporate transit-oriented development (TOD) strategies.

Our Comprehensive Plan, through state mandates for Urban Development Areas, already incorporates many of the planning techniques – walkability, interconnectivity, mixed-use development, higher residential densities – of TOD.

It would be more concerning, from a fiscal analysis standpoint, if the bill prescribed a level of detail/study/analysis related to the concept, which went beyond the general policies we have that already support such development.

Therefore, a true fiscal impact cannot be determined.

~~~~~

Locality: City of Alexandria

Estimated Fiscal Impact: \$0.00

The City of Alexandria has already adopted an environmental action plan in June 2008, the first Environmental Charter adopted in the Commonwealth of Virginia. The Charter defined Alexandria's commitment to ecological, economic, and social sustainability. It includes transit-oriented development, aiming to increase mass transit, walking, and bicycling. Charter here: <https://www.alexandriava.gov/uploadedFiles/tes/oeq/EcoCityCharter2008.pdf>

Locality: City of Danville

Estimated Fiscal Impact: \$1,000.00

Staff expects a minimal expenditure impact with additional funds needed to include this section in the next Comprehensive Plan Update.

Locality: City of Harrisonburg

Estimated Fiscal Impact: \$0.00

The fiscal impact would be insignificant.

Locality: City of Martinsville

Estimated Fiscal Impact: \$0.00

This bill would have negligible impact to the City of Martinsville. As the comprehensive plan is updated, this can simply be added in as another element to address. Martinsville is a small community to begin with, and it is practically 100% fully developed, so there is little to no opportunity to do extensive land use planning related to new development to address the subject of the proposed legislation.

Locality: City of Norfolk

Estimated Fiscal Impact: \$0.00

The city anticipates no fiscal impact as we are already compliant. Land use, housing, and transit plans incorporate the potential requirements from the legislation.

Locality: City of Roanoke

Estimated Fiscal Impact: \$7,500.00

The level of effort could vary significantly depending on the locality. For the City of Roanoke, we don't have the most robust transit system compared to other areas (e.g., northern Virginia with Metro, etc.) so the bill would affect our planning but not in a major way (our plans already call for development around Village Centers, which typically have bus stations). In the short term, we don't see big costs for us as far as incorporating this bill in our planning program. We would figure approximately \$7,500 in staff time per year as we look at neighborhood plans and other planning documents.

Locality: City of Virginia Beach

Estimated Fiscal Impact: \$0.00

In our last Comprehensive Plan, the City of Virginia Beach incorporated multi-modal transportation components and strategies into its document. In addition to references elsewhere in the document, the last City of Virginia Beach Comprehensive Plan included a chapter, "Master Transportation Plan." Sub-sections of this chapter detailed such items as regional transit network, regional and local bus transit, and active transportation (such as walking, bicycling, and other use of non-motorized wheeled vehicles). Included in this chapter under issues for the future was "Facilitate strategic growth within the City's Strategic Growth Areas, including Transit-Oriented Development, will need to be supported by a multi-modal transportation system," and "maximize Transportation Demand Management to complement transportation infrastructure investments as another tool to reduce traffic congestion." Absent the requirement proposed by this bill, the City would continue to make this topic a component of our Comprehensive Plan process and document. Therefore, since this subject matter is already within the Comprehensive Plan's scope of work, this bill would create no additional fiscal impact on the City as part of its planning process.

~~~~~  
**Locality:** Fairfax County

**Estimated Fiscal Impact:** \$1.00

Fairfax County incorporates transient oriented development strategies in its comprehensive plan. The County will have a fiscal impact because it might have to hire a consultant or use additional County staff and resources to help with the development of specific strategies listed in the bill.

~~~~~  
Locality: Prince Edward County

Estimated Fiscal Impact: \$50,000.00

Would have to hire an outside consulting firm to provide the required analysis.

~~~~~  
**Locality:** Prince George County

**Estimated Fiscal Impact:** \$0.00

There is no fiscal impact to Prince George County. The county includes similar content in our comprehensive plan which is updated every five years.

~~~~~  
Locality: Richmond County

Estimated Fiscal Impact: \$0.00

Not necessarily a fiscal impact on the way a plan shall be structured.

~~~~~  
**Locality:** Rockingham County

**Estimated Fiscal Impact:** \$0.00

If the requirement is only to address TOD and greenhouse gas emissions by adding footnotes or non-committal "goals" to the Plan, then the impacts would be nominal and could include an additional page written by the locality's staff. If, however, the interpretation would be to require something akin to an audit of transportation trips, uses, and transit viability, then the time and cost of such an imposition could be onerous and may require hiring a consultant to perform the analysis. This could add months of evaluation to the Comp Plan update process and up to \$10,000 to contract with a transportation consultant, depending upon the requirements.

~~~~~

Locality: Town of Ashland

Estimated Fiscal Impact: \$15,000.00

Estimated impact based on per update occurrence assuming it would require 5-10% more effort.

Locality: Town of Blacksburg

Estimated Fiscal Impact: \$0.00

The Town's Comprehensive Plan that will be accepted this year by our Council includes everything in this bill already.

Locality: Town of Luray

Estimated Fiscal Impact: \$10,000.00

Requirement should be limited to cities and counties where it is cost effective to implement transit. Small Towns are already burdened with the cost to update a Comp Plan every five years. Adding an additional requirement for transit that is not cost effective to implement is not cost effective.

Possibly consider requiring the Planning Districts to evaluate.

Locality: Town of Marion.

Estimated Fiscal Impact: \$2,500.00

Rural Virginia, already losing population and associated investment, and not having access to mass transit, would be disproportionately burdened far beyond the financial impact of including language in a Comp Plan that likely could not be implemented.

Locality: Town of Warsaw

Estimated Fiscal Impact: \$0.00

With localities already required to update their Comprehensive Plans, adding transit-oriented development strategies should not create additional financial impact.

Thank you!

Professional and Other Organization

Analysis:

Organization: Accomack-Northampton Planning District
Commission

The fiscal impact for the first ten years is \$13,404 per locality (this would impact counties and towns). The ten year impact is based on one initial development of a plan element (\$11,404 sourced from a quote by a planning firm for element development as part of a larger planning rewrite) and \$500-\$1,000 in staff costs to make changes in two five year reviews. The code requires each county and town to have a comprehensive plan and to review and update it every five years. On the Eastern Shore of Virginia there are two counties and nineteen towns, the largest fiscal impact would be the initial cost to comply.