

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: SB267

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Stanley

3. Committee: Local Government

4. Title: Virginia Economic Development Partnership Authority; certified industrial parks.

5. Summary: Provides that the Virginia Economic Development Partnership (VEDP) Authority shall develop a program by which local industrial parks may become certified by the Commonwealth. In developing such a program, the Authority shall consider factors such as planning, zoning, engineering, title ownership, and general development readiness. The program shall also certify developments in various categories of industry.

6. Budget Amendment Necessary: Yes, Item 120 of the Introduced Budget Bill (HB30/SB30). See item 8, below.

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

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2014			
2015	\$492,000	-	General Fund
2016	\$392,000	-	General Fund
2017	\$392,000	-	General Fund
2018	\$392,000	-	General Fund
2019	\$392,000	-	General Fund
2020	\$392,000	-	General Fund

8. Fiscal Implications: It is anticipated that VEDP will incur general fund costs in establishing and staffing the new certification program. The fiscal impact to VEDP in administering the new program is preliminary, as the bill leaves it to VEDP to establish the size and scope of the certification program. VEDP is currently in the initial stages of identifying and developing the various aspects required to establish and run an industrial site certification program. VEDP anticipates that they could receive as many as 50 to 75 initial applications for certification with an additional four to five new sites each year applying for certification. VEDP estimates the costs of implementing the bill could be as high as \$492,000 in FY 2015. Staffing costs (\$292,000) would include hiring the following staff:

- One position to serve as a program manager at a cost of \$120,000 including salary, benefits, and support from the general fund.
- Two positions to serve as field analysts for the work of reviewing sites, working with localities and engineering companies to perform preliminary evaluations of sites, working with localities with promising sites on the application process and monitoring the sites on an ongoing basis at a total cost of \$172,000 including salary, benefits, and support from the general fund.

In addition to the annual staffing costs associated with the program, VEDP has indicated that it will need \$100,000 from the general fund for one-time, initial costs associated establishing the certification program. VEDP anticipates consulting with a third-party to assist with identification and development of certification criteria and the development and identification of application materials necessary to seek the certification. Additionally, VEDP anticipates that it would need \$100,000 annually from the general fund for costs associated with obtaining third-party certifications for potential sites.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership, localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.