

Commission on Local Government

Estimate of Local Fiscal Impact

2021 General Assembly Session

Bill: HB2001

Special Session:

Patron: Helmer

Date: 1/26/2021

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:

Building standards for certain state and local buildings. Requires that any executive branch agency or institution or locality entering the design phase for the construction of a new building greater than 5,000 gross square feet in size or the renovation of a building where the cost of the renovation exceeds 50 percent of the value of the building ensure that such building has sufficient electric vehicle charging infrastructure, defined in the bill, and has features that permit the agency or institution to track the building's energy efficiency and carbon emissions. The bill authorizes the Director of the Department of General Services to grant exemptions to such standards, in writing and with certain terms. The bill requires agencies to annually report to the Governor the energy efficiency and carbon emissions metrics for each such building built or renovated.

The bill requires localities to design such building projects according to the same standards. The bill requires that any exemption from the standards granted by resolution of the governing body of a locality be made in writing and explain the basis for granting the exemption.

Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$2,630,000.00. Almost all localities responded with a cost, and noted that the bill would increase the costs to design, build, and lifetime tracking of energy use in the building. One locality noted that the bill would add approximately 5% to 7% to the construction costs of public buildings based upon reports published by the U.S. Green Building Council (USGBC). Additionally, the bill would also costs to get LEED Green certification, and installing electric vehicle charging infrastructure in the building. Only one locality responded with no cost, and noted the cost of the bill is indeterminate and depends on location, and footprint etc.

Local Analysis:

Locality: City of Manassas

Estimated Fiscal Impact: \$1,500,000.00

This standard would add approximately 5% to 7% to the construction costs of public buildings. This percentage is based upon reports by the U.S. Green Building Council (USGBC). The City is currently constructing a new public safety facility that will cost \$30 million. Requiring these new building standards would add 5% or \$1,500,000 to the cost of this project. In addition, electric charging stations would add an additional \$15,000 per charging station to the cost of the project.

Locality: City of Norfolk

Estimated Fiscal Impact: \$1,000,000.00

This will have an impact on design, build, and lifetime tracking of energy use in a building. This bill will increase design and construction costs on all current and future capital projects this could add 1-2 percent on construction costs, the monitoring will increase costs in installation, reporting, and data analysis to report metrics.

Locality: County of Fauquier

Estimated Fiscal Impact: \$0.00

The specific cost for such actions is not measurable as it would be based on location, footprint, etc. However such a determination should be based on need assessment completed at the local level at time of construction scoping and availability of such local level funding. Such a measure could be tied to State funding programs if through grants were made available, and not a requirement.

Locality: Town of Blacksburg

Estimated Fiscal Impact: \$150,000.00

The electric vehicle charging infrastructure is being built into our design as well energy efficiencies. A current project is used to estimate the cost. The annual reporting will have future costs as they will require the assistance of consultants

Locality: Town of Leesburg

Estimated Fiscal Impact: \$2,630,000.00

Assumptions: \$30,000 per electric vehicle charging station – using a \$26,000 estimate from 3 years ago
\$100,000 increase in design costs to get to LEED Green certification
\$500,000 increase in construction costs to get to LEED Green certification – this will fluctuate depending on the type of facility, but I’m going with the higher number because there are so many variables.
Total estimated impact: \$2,630,000.
The facilities that we think could be impacted that are currently in the CIP, this will be dependent on when the bill is passed and if they grandfather based on where a project is in its life:
Police Station Expansion
Shop Expansion
Utility Maintenance Storage Building
Airport N Hangars

Total potential impact based on those facilities and estimated costs.

Locality: Town of Marion.

Estimated Fiscal Impact: \$500,000.00

This provision could cause smaller communities to halt construction/renovation plans on municipal buildings, especially those in regions where electric vehicle charging stations are not yet warranted due to scarcity of electric vehicles. Further, tracking emissions will create an additional burden on staff to track, calculate and report annually.