

# Briefing on Cash Proffer Study

*City of Suffolk, Virginia*

*Presentation to:*

**City of Suffolk Stakeholders Group**

*Presented by:*

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**TischlerBise**  
Fiscal, Economic & Planning Consultants

# TischlerBise, Inc.

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# Cash Proffer Basics

- One-time voluntary monetary commitment by property owner
- Made at time of rezoning
- For capital facilities and additional capacity
- Offsets impact of the rezoning to provide capital facilities
- Represents new growth's fair share of capital facility needs and costs

# Cash Proffer Ground Rules

- Not a revenue raising mechanism but a way to meet growth-related infrastructure needs
  - It's a land use regulation
  - To provide infrastructure as growth occurs
- Reflects proportionate share of capital costs for system improvements
- Payers must receive a benefit
  - Timing and type of improvements
  - Accounting and expenditure controls

# Study Overview

- Interview key staff/obtain information
- Analyze current demographics and growth
- Determine existing levels of service and capital needs due to new growth
- Determine appropriate generators of demand
- Evaluate methodological alternatives
- Evaluate need for credits
- Prepare cash flow analysis
- Calculate cash proffer amounts

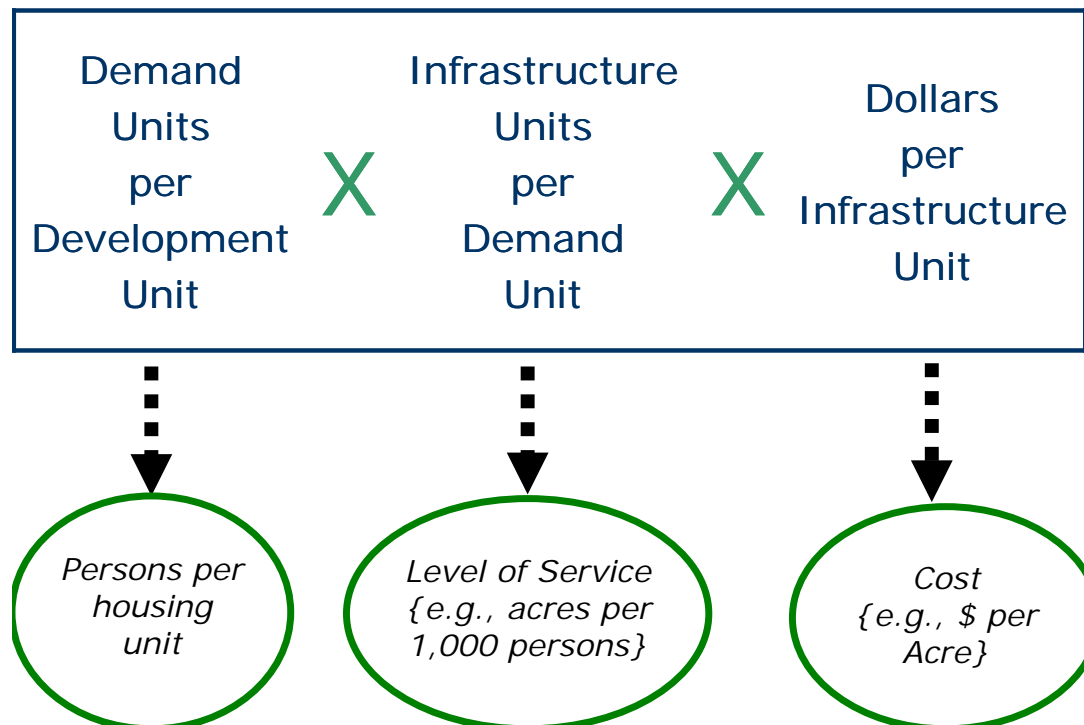
# Cash Proffer Considerations

- Conformity to Comprehensive Plan
- Existence of a CIP and facilities for which cash proffers are made included in CIP
- Time of Payment: Made at rezoning but paid later
- Credits / Reimbursements: Should be included in analysis to ensure fair share
- Unique Circumstances: Allow for special studies, but restrict frequency.
- Separate Accounting: Funds placed in a separate account.
- Time Limitation / Disposition of Funds: Funds spent in a timely manner for purposes collected (within 7 years after final payment)
- Annual Adjustments / Escalators
- Geographic Area

# General Methodologies

- Cost Recovery (past)
  - Oversized and unique facilities
- Incremental Expansion (present)
  - Formula-based approach documents level-of-service with both quantitative and qualitative measures
- Plan-Based (future)
  - Common for utilities and transportation but can also be used for other public facilities

# Methodology Overview: Generic Incremental Formula





# Key Project Issues

- Ensure Proportionality
- Link Proffer Methodology to Land Use/Economic Policy
- Link to Infrastructure Funding Strategies
- Ensure Public Participation

# Ensure Proportionality

- Use progressive cash proffer structure for all categories
  - Pupil generation rates and household size by size of unit/number of bedrooms
  - Cash proffer schedule by size of unit
  - Promotes housing affordability
- Allocation of costs to residential and nonresidential
  - Using Police calls for service to residential or nonresidential addresses

# Current (2011) Development Base

- Population: 85,476
- Housing Units: 33,527
- Jobs: 25,512
- Nonresidential Floor Area: 18.4 million SF

# City of Suffolk Household Size

Type of Unit	Persons	HUs	Persons Per Housing Unit (rounded)
Single Family*	67,364	25,939	2.60
Townhouse**	4,039	1,568	2.58
MultiFamily/Other	8,406	4,542	1.85

\* Includes single family detached and manufactured homes  
 \*\* Due to data availability, household size is based on 2000 Census  
 Source: U.S. Census Bureau 2005-2009 American Community Survey 5-Yr Estimates; U.S. Census 2000

	Recommended Multipliers for City of Suffolk	
	Trip Ends per Housing Unit	Persons per Housing Unit
Single Family 0-2 Bdrms	8.00	1.78
Single Family 3-4 Bdrms	9.21	2.71
Single Family 5+ Bdrms	12.78	3.68
<b>Single Family Subtotal</b>	<b>9.20</b>	<b>2.60</b>
Townhouse 0-2 Bdrms	4.74	2.22
Townhouse 3+ Bdrms	4.34	2.80
<b>Townhouse Subtotal</b>	<b>4.50</b>	<b>2.58</b>
<b>Multifamily Subtotal</b>	<b>5.60</b>	<b>1.85</b>

# Summary of Projected Growth

	Base Yr. July 1, 2011	5-Yr increments								Cumulative Increase 2011-2031	Avg. Ann. Increase 2011-2031
		1 2012	2 2013	3 2014	4 2015	5 2016	10 2021	15 2026	20 2031		
<b>SUMMARY OF DEMAND PROJECTIONS</b>											
Total Population	85,476	86,325	87,183	88,050	88,926	89,853	95,274	102,078	110,693	25,217	1,261
Total Housing Units	33,527	33,882	34,241	34,604	34,970	35,357	37,612	40,419	43,974	10,447	522
Total Jobs	25,512	26,094	26,560	27,037	27,525	28,023	30,684	33,653	36,971	11,459	573
Total Population and Jobs	110,988	112,419	113,744	115,088	116,451	117,876	125,957	135,731	147,664	36,677	1,834
<i>Jobs to Housing Units Ratio</i>	<i>0.76</i>	<i>0.77</i>	<i>0.78</i>	<i>0.78</i>	<i>0.79</i>	<i>0.79</i>	<i>0.82</i>	<i>0.83</i>	<i>0.84</i>	<i>1.10</i>	<i>1.10</i>

# City of Suffolk Cash Proffer Categories

- Schools
- Parks and Recreation
- Libraries
- Fire & Rescue
- Police
- Municipal Facilities
- Transportation

# Summary of Preliminary Components and Methodologies

Type of Public Facility	Incremental Expansion	Plan Based	Cost Recovery	Cost Allocation
<b><i>Schools</i></b>	<ul style="list-style-type: none"> <li>▪ School Construction</li> <li>▪ Land</li> <li>▪ Mobile Units</li> <li>▪ Buses</li> <li>▪ Admin/Operations Space</li> </ul>	Not applicable	Not applicable	Student Enrollment
<b><i>Parks and Recreation</i></b>	<ul style="list-style-type: none"> <li>▪ Parks land and improvements</li> <li>▪ Trails</li> <li>▪ Rec Centers</li> <li>▪ Admin Space</li> <li>▪ Vehicles/equipment</li> </ul>	Not applicable	Not applicable	100% Residential
<b><i>Libraries</i></b>	<ul style="list-style-type: none"> <li>▪ Buildings</li> <li>▪ Materials</li> <li>▪ Vehicles</li> </ul>	Not applicable	Not applicable	100% Residential
<b><i>Police</i></b>	<ul style="list-style-type: none"> <li>▪ Station Space</li> <li>▪ Animal Control</li> <li>▪ Vehicles/equipment</li> </ul>	<ul style="list-style-type: none"> <li>▪ E-911 Ctr</li> </ul>	Not applicable	Residential and Nonresidential
<b><i>Fire and EMS</i></b>	<ul style="list-style-type: none"> <li>▪ Station Space</li> <li>▪ Vehicles/apparatus</li> </ul>	Not applicable	Not applicable	Residential and Nonresidential
<b><i>Municipal Facilities</i></b>	<ul style="list-style-type: none"> <li>▪ Vehicles</li> </ul>	<ul style="list-style-type: none"> <li>▪ Buildings</li> </ul>	Not applicable	Residential and Nonresidential
<b><i>Transportation</i></b>	<ul style="list-style-type: none"> <li>▪ Maintenance Space</li> <li>▪ Vehicles/equipment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Capacity Road &amp; Intersection Imprvmnts</li> </ul>	Not applicable	Residential and Nonres Vehicle Trips

# Schools Cash Proffer

- Incremental expansion
- Potential components
  - School construction
  - Land
  - Mobile Units
  - Buses
  - Admin/Operations facility
- Demand generator: Student enrollment
- Credit for outstanding debt



# Student Generation Rates

<b>Total Students Per Housing Unit (City of Suffolk)</b>				
	<i>0-2 Bdrms</i>	<i>3-4 Bdrms</i>	<i>5+ Bdrms</i>	<i>Wtd Avg</i>
<b>Single Family</b>	0.13	0.48	0.86	<b>0.44</b>
	<i>0-2 Bdrms</i>	<i>3+ Bdrms</i>		<i>Wtd Avg</i>
<b>SF Attached/Townhouse</b>	0.29	0.51		<b>0.42</b>
<b>Multifamily/Other</b>	<i>All bedrooms ==&gt;</i>			<b>0.38</b>

*Source: TischlerBise*

*Based on U.S. Census Bureau, Year 2005-2009 ACS 5-Yr Public Use Microdata Sample for Virginia PUMA 03100 and calibrated to City of Suffolk.*

# Comparison of Updated Rates to Current Rates

Single Family Detached\*  
 Single Family Attached (Townhouse)\*\*  
 Multifamily

	<i>All Grades</i>		
<i>Current</i>		<i>2011 Updated</i>	<i>Increase (Decrease)</i>
0.52		0.44	(0.08)
0.44		0.42	(0.02)
0.50		0.38	(0.12)

\* 2011 updated figures include manufactured homes

\*\* City current rate includes duplexes; the 2011 updated figures include duplexes in the multifamily category

# Parks and Recreation Cash Proffer

- Incremental expansion
- Potential components
  - Parks land and improvements
  - Trails
  - Rec Centers
  - Admin Space
  - Vehicles/equipment
- Demand generator: Population
- No credit likely

# Library Cash Proffer

- Incremental expansion
- Potential components
  - Buildings
  - Materials
  - Vehicles
- Demand generator: Population
- Possible credit if outstanding debt

# Police Cash Proffer

- Incremental and plan-based expansion
- Potential components
  - Station Space
  - Animal Control
  - Vehicles/equipment
  - E-911 Ctr
- Cost allocation: % Calls for service to residential versus nonresidential development
- Demand generator: Population and Nonresidential trips
- Possible credit for future debt

# Fire and Rescue Cash Proffer

- Incremental expansion
- Potential components
  - Station space
  - Vehicles/apparatus
- Cost allocation: % Calls for service to residential versus nonresidential development
- Demand generator: Population and Nonresidential trips
- Possible credit if outstanding debt

# Municipal Facilities Cash Proffer

- Plan-based and incremental expansion
- Potential components
  - Buildings
  - Vehicles
- Cost allocation: Proportionate share for residential versus nonresidential development
- Demand generator: Population and jobs
- Credit for future debt

# Transportation Cash Proffer

- Plan-based and incremental expansion
  - Capacity road and intersection improvements
  - Maintenance/operations space
  - Vehicles/equipment
- Demand Generator: Vehicle trips
  - Trip rates by size of housing unit

<i>Residential Development</i>		<i>Number of</i>	<i>Weekday</i>	<i>Trip Rate</i>
<i>ITE Code</i>	<i>Unit Type</i>	<i>Bedrooms</i>	<i>Trip Ends</i>	<i>Adjustment Factors</i>
			<i>(Per Housing Unit)</i>	
210	Single Family	0-2	8.0	62%
210	Single Family	3-4	9.2	62%
210	Single Family	5+	12.8	62%
210	<i>Single Family</i>	<i>Avg</i>	<i>9.2</i>	<i>62%</i>
230	Townhouse	0-2	4.7	62%
230	Townhouse	3+	4.3	62%
230	<i>Townhouse</i>	<i>Avg</i>	<i>4.5</i>	<i>62%</i>
220	Multifamily	All Sizes	5.60	62%



# Transportation Cash Proffer

- Trip rates vary by type of nonresidential development

<i>Nonresidential Development</i>		<i>Weekday Vehicle Trip Ends</i>	<i>Trip Rate Adjustment Factors</i>
<i>ITE Code</i>		<i>(Per 1,000 sq. ft.)</i>	
820	Commercial / Shpg Ctr Average	42.94	38%
710	Office	11.01	50%
110	Light Industrial	6.97	50%
140	Manufacturing	3.82	50%
150	Warehousing	3.56	50%
152	High-Cube Warehouse <sup>3</sup>	1.44	50%

# Wrap Up

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- Questions / Discussion
- Next steps
- Thank you