

**POLICY GUIDE for MONETARY
CONTRIBUTIONS**

Prince William County Office of Planning

Adopted May 2, 2006
Effective July 1, 2006

Policy Guide for Monetary Contributions

I. Background

The Virginia General Assembly, at its 1974 session, enacted legislation allowing counties having an urban county executive form of government to accept the voluntary proffering of certain conditions in writing from a zoning applicant. Va. Code Section 15.2-2303. In a subsequent action, the State Code was amended allowing a handful of other jurisdictions, including Prince William County, to accept proffers. In 1976, the Prince William County Zoning Ordinance was amended to include provisions for the acceptance and enforcement of proffers submitted with rezoning applications. The purpose of the legislation, known as conditional zoning, is to provide additional flexibility to local jurisdictions. The concept intends that the negative effects of a particular zoning application be offset to some degree through the proffering of mitigative conditions by the applicant. Proffers have become an increasingly significant factor in the County's land use regulation process.

II. Purpose of This Document

As part of the 1990 Comprehensive Plan, Prince William County established level of service (LOS) criteria for the various chapters of the Comprehensive Plan. LOS is a standard or benchmark by which to measure the quantity and/or quality of service provided by a government agency. LOS criteria were established for the Transportation, Parks and Open Space, and Fire and Rescue Plans. The Library Plan, adopted in 1994, also includes LOS criteria.

LOS standards are measured on a Countywide basis. The LOS standards provide an objective justification for mitigation requests. If a proposal does not meet the established LOS for a particular chapter of the Plan, either a monetary, facility and/or site proffer is expected to be provided. Such a proffer seeks to mitigate the demand on Countywide schools, parks, roads, fire and rescue services, and libraries presented by the proposed development.

In most cases, LOS standards have been computed on a "per capita" or per resident basis. According to Prince William County's Office of Information Technology (OIT), the population of Prince William County was 354,383 as of June 15, 2005. The purpose of this document is to provide a guide to the methodologies used for those equitable monetary contributions for the Schools, Fire and Rescue, Libraries, Parks and Open Space, and Transportation Plans in the Comprehensive Plan.

Policy Guide for Monetary Contributions

SUMMARY OF REQUESTED MONETARY PROFFER AMOUNTS

Single Family	<u>Amount</u>
Service	
Schools	\$14,462
Parks	\$3,972
Libraries	\$610
Fire and Rescue	\$749
Transportation	\$17,926
Subtotal	\$37,719
Townhouse	
Service	
Schools	\$11,685
Parks	\$3,725
Libraries	\$601
Fire and Rescue	\$720
Transportation	\$15,196
Subtotal	\$31,927
Multifamily	
Service	
Schools	\$5,033
Parks	\$2,679
Libraries	\$418
Fire and Rescue	\$509
Transportation	\$10,887
Subtotal	\$19,526

These suggested voluntary monetary contributions reflect 2005 data. Actual proffer contributions may be adjusted to account for inflation, based on the Consumer Price Index. The Board of County Supervisors reaffirms its commitment to address workforce affordable housing either by requesting affordable units with new development or requesting an increased contribution in lieu of construction of affordable units.

Policy Guide for Monetary Contributions

Schools

Level of Service for Schools is defined as average use capacity determined on a Countywide basis. These average use capacity ratios are used to determine the capital cost per student. In turn, these figures are used to determine the capital cost per unit type based on student generation factor for each education level for each unit type.

Student Generation Factors (SGF)

	<u>Single Family</u>	<u>Townhouse</u>	<u>Multifamily</u>	<u>Total</u>
Elementary	0.289	0.251	0.135	0.252
Middle	0.152	0.118	0.056	0.127
High	0.206	0.151	0.062	0.167
Total	0.647	0.520	0.253	0.546

Costs

Standards	Elementary	Middle	High
Acres/School Site	20	40	80
Cost/Acre **	\$128,468	\$128,468	\$128,468
Cost/Site	\$2,569,360	\$5,138,720	\$10,277,400
Facility Cost	\$16,930,000	\$32,700,000	\$64,190,000
Total Cost	\$19,499,360	\$37,838,720	\$74,467,440
Student Capacity	850	1,250	2,150
Gross Cost/Student	\$22,940	\$30,271	\$34,636

****Cost/Acre based on the average of the public land acquisitions between 7/03 – 7/05**

Policy Guide for Monetary Contributions

Cost per Unit Type

Type	Cost/Student	Single Family		Townhouse		Multifamily	
		SGF*	Cost/Unit	SGF*	Cost/Unit	SGF*	Cost/Unit
Elementary	\$22,940	0.289	\$6,630	0.251	\$5,758	0.135	\$3,097
Middle	\$30,271	0.152	\$4,601	0.118	\$3,572	0.056	\$1,695
High	\$34,636	0.206	\$7,135	.151	\$5,230	0.062	\$2,147
Total			\$18,366		\$14,560		\$6,940

*SGF = Student Generation Factor

Suggested Monetary Contribution

The suggested monetary contribution for schools is determined by subtracting from the gross cost per housing unit both funding received from state and federal sources for capital needs and a debt service credit. The debt service credit is derived annually by amortizing projected CIP school debt.

Unit Type	Gross Cost per Unit	Less State/Federal Share of Capital FY06 = 11.2%	Less Credit for Debt Service*	Net Cost
Single Family	\$18,366	-\$2,056	-\$1,848	\$14,462
Townhouse	\$14,560	-\$1,630	-\$1,245	\$11,685
Multifamily	\$6,940	-\$777	-\$1,130	\$5,033

*See attached debt service tables

Total capital budget for schools	=	\$107,454,000
% of Capital budget used for new construction	=	67.6%
% of Capital budget used for renewal	=	32.4%
Total \$ received from state for capital	=	\$17,815,000
$\$17,815,000 \times 0.676$	=	\$12,042,940

Percent of state/federal going to new development	=	11.2%
$\$12,042,940 / \$107,454,000$	=	

Policy Guide for Monetary Contributions

	School Credit		Single Family - 6 Years			
	1.149999695		1.079986668		1.069983687	
	Fiscal Year		Fiscal Year		Fiscal Year	
	2006	2007	2008	2009	2010	2011
Average Assessed Value	\$ 493,565	\$ 567,600	\$ 613,000	\$ 655,900	\$ 688,700	\$ 709,400
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71
Real Estate Tax Revenue	4,491	4,353	4,401	4,611	4,835	5,065
Percent to Credit	1.3%	1.1%	2.6%	3.9%	4.6%	5.3%
Annual debt service credit	\$ 57	\$ 49	\$ 116	\$ 179	\$ 221	\$ 267
Total Credit	\$1,848					
Real Estate Tax Revenue	\$ 392,686,000	\$ 431,840,000	\$ 471,552,000	\$ 513,476,000	\$ 558,333,000	\$ 606,059,000
Debt Service for Schools	\$ 4,954,663	\$ 4,895,500	\$ 12,435,383	\$ 19,969,134	\$ 25,500,993	\$ 31,900,490
Percent to Credit	1.3%	1.1%	2.6%	3.9%	4.6%	5.3%
(Debt service as a percent of real estate revenue)						
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Year	Single Family					
	Fiscal Year					
	2006	2007	2008	2009	2010	2011
1.0	\$ 56.67					\$56.67
2.0		\$ 49.35				\$49.35
3.0			\$ 116.07			\$116.07
4.0				\$ 179.32		\$179.32
5.0					\$ 220.82	\$220.82
6.0						\$ 266.61
7.0						\$253.28
8.0						\$239.95
9.0						\$226.62
10.0						\$213.29
11.0						\$199.96
12.0						\$186.63
13.0						\$173.29
14.0						\$159.96
15.0						\$146.63
16.0						\$133.30
17.0						\$119.97
18.0						\$106.64
19.0						\$93.31
20.0						\$79.98
Discount Rate						Total
						6.1% NPV
						\$3,221.65
						\$1,848

Policy Guide for Monetary Contributions

School Credit

Townhouse - 6 Years

1.149853975 1.080041852 1.069992734 1.050022635 1.029963354

Fiscal Year

2006 2007 2008 2009 2010 2011

Average Assessed Value	\$ 332,477	\$ 382,300	\$ 412,900	\$ 441,800	\$ 463,900	\$ 477,800
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71
Real Estate Tax Revenue	3,026	2,932	2,965	3,106	3,257	3,411
Percent to Credit	1.3%	1.1%	2.6%	3.9%	4.6%	5.3%
Annual debt service credit	\$ 38	\$ 33	\$ 78	\$ 121	\$ 149	\$ 180
Total Credit	\$1,245					
Real Estate Tax Revenue	\$ 392,686,000	\$ 431,840,000	\$ 471,552,000	\$ 513,476,000	\$ 558,333,000	\$ 606,059,000
Debt Service for Schools	\$ 4,954,663	\$ 4,895,500	\$ 12,435,383	\$ 19,969,134	\$ 25,500,993	\$ 31,900,490
Percent to Credit	1.3%	1.1%	2.6%	3.9%	4.6%	5.3%
(Debt service as a percent of real estate revenue)						
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Single Family

Fiscal Year

Year 2006 2007 2008 2009 2010 2011

1.0	\$ 38.17					\$38.17
2.0		\$ 33.24				\$33.24
3.0			\$ 78.18			\$78.18
4.0				\$ 120.79		\$120.79
5.0					\$ 148.74	\$148.74
6.0						\$179.57
7.0						\$170.59
8.0						\$161.61
9.0						\$152.63
10.0						\$143.65
11.0						\$134.68
12.0						\$125.70
13.0						\$116.72
14.0						\$107.74
15.0						\$98.76
16.0						\$89.78
17.0						\$80.81
18.0						\$71.83
19.0						\$62.85
20.0						\$53.87
Total						\$2,169.90
Discount Rate						\$1,245
6.1% NPV						

Policy Guide for Monetary Contributions

	School Credit		Multifamily 6 Years				
			1.149943331	1.080115274	1.069903949	1.050124688	1.029921634
			Fiscal Year				
	2006	2007	2008	2009	2010	2011	
Average Assessed Value	\$ 301,754	\$ 347,000	\$ 374,800	\$ 401,000	\$ 421,100	\$ 433,700	
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71	
Real Estate Tax Revenue	2,746	2,661	2,691	2,819	2,956	3,097	
Percent to Credit	1.3%	1.1%	2.6%	3.9%	4.6%	5.3%	
Annual debt service credit	\$ 35	\$ 30	\$ 71	\$ 110	\$ 135	\$ 163	
Total Credit	\$1,130						
Real Estate Tax Revenue	\$ 392,686,000	\$ 431,840,000	\$ 471,552,000	\$ 513,476,000	\$ 558,333,000	\$ 606,059,000	
Debt Service for Schools	\$ 4,954,663	\$ 4,895,500	\$ 12,435,383	\$ 19,969,134	\$ 25,500,993	\$ 31,900,490	
Percent to Credit	1.3%	1.1%	2.6%	3.9%	4.6%	5.3%	
(Debt service as a percent of real estate revenue)							
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	

Single Family

Year	Fiscal Year						
	2006	2007	2008	2009	2010	2011	
1.0	\$ 34.65						\$34.65
2.0		\$ 30.17					\$30.17
3.0			\$ 70.97				\$70.97
4.0				\$ 109.63			\$109.63
5.0					\$ 135.02		\$135.02
6.0						\$ 162.99	\$162.99
7.0						154.84	\$154.84
8.0						146.69	\$146.69
9.0						138.54	\$138.54
10.0						130.39	\$130.39
11.0						122.25	\$122.25
12.0						114.10	\$114.10
13.0						105.95	\$105.95
14.0						97.80	\$97.80
15.0						89.65	\$89.65
16.0						81.50	\$81.50
17.0						73.35	\$73.35
18.0						65.20	\$65.20
19.0						57.05	\$57.05
20.0						48.90	\$48.90
						Total	\$1,969.62
						Discount Rate 6.1% NPV	\$1,130

Policy Guide for Monetary Contributions

Parks (no changes proposed)

Determination of Gross Cost per Dwelling Unit

Step 1	a =	Park Authority standard for acres of parkland per 1,000 residents Park Authority standard is 13.8 acres of parkland per 1,000 residents, calculated as follows:
		acres of neighborhood park per 1,000 residents --- 1
		acres of community park per 1,000 residents ----- 4
		acres of regional park per 1,000 residents ----- 6
		acres of special use park per 1,000 residents ----- 2.8
		total acres of parkland per 1,000 residents 13.8

Based on updated information from the Office of Information Technology, and approved for use by the Policy Committee in February 2003, on average, there are:

3.19 persons/unit	in	Single-family houses
2.94 persons/unit	in	Townhouses
2.14 persons/unit	in	Multifamily/Condominium units

Step 2 **c =** **a x d**

Where: **c =** the gross cost per new dwelling unit to acquire and develop an acre of parkland

d = the cost per acre to acquire and develop an acre of parkland (\$97,259 average cost per acre)

Determination of Net Cost per Dwelling Unit

Step 3 **n =** **c - (g + b)**

Where: **n =** the net cost to the County per new dwelling unit to acquire and develop an acre of parkland

g = state/federal/other contributions for parks (2.50% of c)*

b = debt service credit per dwelling unit

*2.50% average amount of funds from state and federal grants estimated July, 2003

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Per Unit Calculations

Single Family

Gross Cost					
Step 1	a	=	$\frac{3.19 (13.8)}{1000}$	=	0.044022
Step 2	c	=	$(0.044022) * \$97,259$	=	\$4,282
Net Cost					
Step 3	g	=	0.025 (\$4,282)	=	\$107
	b	=	\$202		
	n	=	$\$4,282 - (\$107 + 202)$	=	\$3,972

Townhouse

Gross Cost					
Step 1	a	=	$\frac{2.94 (13.8)}{1000}$	=	.040572
Step 2	c	=	$(0.040572) \$97,259$	=	\$3,946
Net Cost					
Step 3	g	=	0.025 (\$3,946)	=	\$99
	b	=	\$122		
	n	=	$\$3,946 - (99 + 122)$	=	\$3,725

Multifamily/Condo

Gross Cost					
Step 1	a	=	$\frac{2.14 (13.8)}{1000}$	=	.029532
Step 2	c	=	$(.029532)(92,085)$	=	\$2,872
Net Cost					
Step 3	g	=	0.025 (2,872)	=	\$92
	b	=	\$121		
	n	=	$\$2,872 - (72 + 121)$	=	\$2,679

Policy Guide for Monetary Contributions

Suggested Monetary Contribution (Amortize only projected CIP debt)

The suggested monetary contribution for parks is determined by subtracting from the gross cost per housing unit both funding received from state and federal sources for capital needs, and a debt service credit. The debt service credit is derived annually by amortizing projected CIP debt.

Unit Type	Gross Cost per Unit	Less State/Federal Share of Capital 2.5%	Less Credit for Debt Service*	Net Cost
Single Family	\$4,282	-\$107	-\$202	\$3,972
Townhouse	\$3,946	-\$99	-\$122	\$3,725
Multifamily	\$2,872	-\$72	-\$121	\$2,679

*See attached debt service tables

Policy Guide for Monetary Contributions

	Parks Credit		Single Family - 6 Years			
	1.080000562		1.039999792		1.0400001	1.039998941
			Fiscal Year			
	2004	2005	2006	2007	2008	2009
Average Assessed Value	\$ 355,835	\$ 384,302	\$ 399,674	\$ 415,661	\$ 432,287	\$ 449,578
Real Estate Tax Rate	1.16	1.16	1.16	1.16	1.16	1.16
Real Estate Tax Revenue	4,128	4,458	4,636	4,822	5,015	5,215
Percent to Credit	0.0%	0.3%	0.3%	0.3%	0.6%	0.6%
Annual debt service credit	\$ -	\$ 13	\$ 12	\$ 15	\$ 28	\$ 29
Total Credit	\$202					
Real Estate Tax Revenue	\$ 315,284,640	\$ 354,952,584	\$ 382,745,950	\$ 411,525,970	\$ 442,338,782	\$ 475,458,689
Debt Service for Parks	\$ -	\$ 999,521.25	\$ 975,173.94	\$ 1,265,826.63	\$ 2,461,379.31	\$ 2,679,637.00
Percent to Credit (Debt service as a percent of real estate revenue)	0.0%	0.3%	0.3%	0.3%	0.6%	0.6%
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Single Family

Year	Fiscal Year					
	2004	2005	2006	2007	2008	2009
1.0	\$ -					\$0.00
2.0		\$ 12.55				\$12.55
3.0			\$ 11.81			\$11.81
4.0				\$ 14.83		\$14.83
5.0					\$ 27.90	\$27.90
6.0						\$ 29.39
7.0						27.92
8.0						26.45
9.0						24.98
10.0						23.51
11.0						22.04
12.0						20.57
13.0						19.10
14.0						17.64
15.0						16.17
16.0						14.70
17.0						13.23
18.0						11.76
19.0						10.29
20.0						8.82
Total						\$353.67
Discount Rate						\$202
6.1% NPV						

Policy Guide for Monetary Contributions

	Parks Credit		Multifamily 6 Years			
	1.080002058		1.039997921	1.040000333	1.039999359	1.039999359
	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Average Assessed Value	\$ 213,807	\$ 230,912	\$ 240,148	\$ 249,754	\$ 259,744	\$ 270,134
Real Estate Tax Rate	1.16	1.16	1.16	1.16	1.16	1.16
Real Estate Tax Revenue	2,480	2,679	2,786	2,897	3,013	3,134
Percent to Credit	0.0%	0.3%	0.3%	0.3%	0.6%	0.6%
Annual debt service credit	\$ -	\$ 8	\$ 7	\$ 9	\$ 17	\$ 18
Total Credit	\$121					
Real Estate Tax Revenue	\$ 315,284,640	\$ 354,952,584	\$ 382,745,950	\$ 411,525,970	\$ 442,338,782	\$ 475,458,689
Debt Service for Parks	\$ -	\$ 999,521.25	\$ 975,173.94	\$ 1,265,826.63	\$ 2,461,379.31	\$ 2,679,637.00
Percent to Credit (Debt service as a percent of real estate revenue)	0.0%	0.3%	0.3%	0.3%	0.6%	0.6%
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Multifamily

Year	Fiscal Year					
	2004	2005	2006	2007	2008	2009
1.0	\$ -					\$0.00
2.0		\$ 7.54				\$7.54
3.0			\$ 7.10			\$7.10
4.0				\$ 8.91		\$8.91
5.0					\$ 16.77	\$16.77
6.0						\$ 17.66
7.0						16.78
8.0						15.89
9.0						15.01
10.0						14.13
11.0						13.25
12.0						12.36
13.0						11.48
14.0						10.60
15.0						9.71
16.0						8.83
17.0						7.95
18.0						7.06
19.0						6.18
20.0						5.30
Total						\$212.51
Discount Rate						6.1% NPV
						\$121

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Libraries

Level of Service for Libraries is defined as building square footage and volumes (books) needed in order to meet nationally recognized standards for suburban populations.

Square Feet of Library Building Needed = 0.41 square feet per capita

Volumes Needed = 2.5 volumes per capita

COSTS:

Standards

Square feet/capita	0.41	\$173.84
Building cost/square foot	\$424	
Acres/capita	0.000053	\$6.81
Cost/acre **	\$128,468	
Subtotal to construct building per capita		\$180.65
Volumes/capita	2.5	\$60.00
Cost/volume ***	\$24.00	

GROSS COST PER CAPITA \$240.65

Multiply by 3.19 for single-family dwelling, 2.94 for townhouse, or 2.14 for multifamily

Suggested Monetary Contribution

Unit	Amount	Less Credit for Debt Service	Net
Single Family	\$767.67	-\$157.00	\$610.67
Townhouse	\$707.51	-\$106.00	\$601.51
Multifamily	\$514.99	-\$96.00	\$418.99

****Cost/Acre based on the average of the public land acquisitions between 7/03 – 7/05**

*****Cost/Volume is computed by using the acquisitions module to determine the actual average cost per volume paid in the last fiscal year, then adjusted based on assumptions about collections.**

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Library Credit	Single Family - 6 Years									
	1.149999695		1.079986668		1.069983687		1.050007623		1.030056628	
	Fiscal Year									
	2006	2007	2008	2009	2010	2011				
Average Assessed Value	\$ 493,565	\$ 567,600	\$ 613,000	\$ 655,900	\$ 688,700	\$ 709,400				
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71				
Real Estate Tax Revenue	4,491	4,353	4,401	4,611	4,835	5,065				
Percent to Credit	0.0%	0.0%	0.4%	0.5%	0.5%	0.4%				
Annual debt service credit	\$ -	\$ -	\$ 18	\$ 24	\$ 23	\$ 21				
Total Credit	\$157									
Real Estate Tax Revenue	\$ 392,686,000	\$ 431,840,000	\$ 471,552,000	\$ 513,476,000	\$ 558,333,000	\$ 606,059,000				
Debt Service for Libraries	\$ -	\$ -	\$ 1,918,500	\$ 2,694,950	\$ 2,606,950	\$ 2,518,950				
Percent to Credit (Debt service as a percent of real estate revenue)	0.0%	0.0%	0.4%	0.5%	0.5%	0.4%				
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%				

Single Family

Year	Fiscal Year						
	2006	2007	2008	2009	2010	2011	
1.0	\$ -						\$0.00
2.0		\$ -					\$0.00
3.0			\$ 17.91				\$17.91
4.0				\$ 24.20			\$24.20
5.0					\$ 22.57		\$22.57
6.0						\$ 21.05	\$21.05
7.0						20.00	\$20.00
8.0						18.95	\$18.95
9.0						17.89	\$17.89
10.0						16.84	\$16.84
11.0						15.79	\$15.79
12.0						14.74	\$14.74
13.0						13.68	\$13.68
14.0						12.63	\$12.63
15.0						11.58	\$11.58
16.0						10.53	\$10.53
17.0						9.47	\$9.47
18.0						8.42	\$8.42
19.0						7.37	\$7.37
20.0						6.32	\$6.32
						Total	\$269.94
Discount Rate						6.1% NPV	\$157

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Library Credit	Townhouse - 6 Years											
	1.149853975		1.080041852		1.069992734		1.050022635		1.029963354			
	Fiscal Year											
	2006	2007	2008	2009	2010	2011						
Average Assessed Value	\$	332,477	\$	382,300	\$	412,900	\$	441,800	\$	463,900	\$	477,800
Real Estate Tax Rate		0.91		0.77		0.72		0.70		0.70		0.71
Real Estate Tax Revenue		3,026		2,932		2,965		3,106		3,257		3,411
Percent to Credit		0.0%		0.0%		0.4%		0.5%		0.5%		0.4%
Annual debt service credit	\$	-	\$	-	\$	12	\$	16	\$	15	\$	14
Total Credit		\$106										
Real Estate Tax Revenue	\$	392,686,000	\$	431,840,000	\$	471,552,000	\$	513,476,000	\$	558,333,000	\$	606,059,000
Debt Service for Libraries	\$	-	\$	-	\$	1,918,500	\$	2,694,950	\$	2,606,950	\$	2,518,950
Percent to Credit (Debt service as a percent of real estate revenue)		0.0%		0.0%		0.4%		0.5%		0.5%		0.4%
Discount Rate		6.1%		6.1%		6.1%		6.1%		6.1%		6.1%

Single Family

Year	Fiscal Year						
	2006	2007	2008	2009	2010	2011	
1.0	\$						\$0.00
2.0		\$					\$0.00
3.0			\$				\$12.06
4.0				\$			\$16.30
5.0					\$		\$15.21
6.0						\$	\$14.18
7.0							\$13.47
8.0							\$12.76
9.0							\$12.05
10.0							\$11.34
11.0							\$10.63
12.0							\$9.93
13.0							\$9.22
14.0							\$8.51
15.0							\$7.80
16.0							\$7.09
17.0							\$6.38
18.0							\$5.67
19.0							\$4.96
20.0							\$4.25
Total							\$181.81
Discount Rate							\$106
6.1% NPV							

Policy Guide for Monetary Contributions

	Library Credit		Multifamily 6 Years				
			1.149943331	1.080115274	1.069903949	1.050124688	1.029921634
			Fiscal Year				
	2006	2007	2008	2009	2010	2011	
Average Assessed Value	\$ 301,754	\$ 347,000	\$ 374,800	\$ 401,000	\$ 421,100	\$ 433,700	
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71	
Real Estate Tax Revenue	2,746	2,661	2,691	2,819	2,956	3,097	
Percent to Credit	0.0%	0.0%	0.4%	0.5%	0.5%	0.4%	
Annual debt service credit	\$ -	\$ -	\$ 11	\$ 15	\$ 14	\$ 13	
Total Credit	\$96						
Real Estate Tax Revenue	\$ 392,686,000	\$ 431,840,000	\$ 471,552,000	\$ 513,476,000	\$ 558,333,000	\$ 606,059,000	
Debt Service for Libraries	\$ -	\$ -	\$ 1,918,500	\$ 2,694,950	\$ 2,606,950	\$ 2,518,950	
Percent to Credit (Debt service as a percent of real estate revenue)	0.0%	0.0%	0.4%	0.5%	0.5%	0.4%	
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Single Family

Year	Fiscal Year						
	2006	2007	2008	2009	2010	2011	
1.0	\$						\$0.00
2.0		\$					\$0.00
3.0			\$				\$10.95
4.0				\$	14.80		\$14.80
5.0					\$	13.80	\$13.80
6.0						\$	\$12.87
7.0							\$12.23
8.0							\$11.58
9.0							\$10.94
10.0							\$10.30
11.0							\$9.65
12.0							\$9.01
13.0							\$8.37
14.0							\$7.72
15.0							\$7.08
16.0							\$6.44
17.0							\$5.79
18.0							\$5.15
19.0							\$4.50
20.0							\$3.86
						Total	\$165.03
Discount Rate						6.1% NPV	\$96

Policy Guide for Monetary Contributions

Fire and Rescue

NEEDS:

Needs are defined as building square footage, acreage, and equipment needed to provide fire and rescue service that meets local service standards for suburban populations, expressed as cost/capita (residential) and cost/incident (nonresidential).

RESIDENTIAL COSTS:

Residential Factor: (2005 data)

$$\frac{\text{Residential incidents}}{\text{Total incidents}} = \frac{17,939}{30,655} = 0.585$$

Residential factor applied to total cost of fire and rescue services.

Standards for Residential:

Bldg. cost/capita ¹	\$298.00	x	0.585	=	\$174.33
Land cost/capita ²	\$68.88	x	0.585	=	\$ 40.29
Equipment cost/capita ¹	\$106.43	x	0.585	=	\$ 62.26

COST PER CAPITA **\$276.89**

Multiply by 3.19 for single-family dwelling, 2.94 for townhouse, or 2.14 for multifamily

¹ This figure is based on the average cost over the proceeding 3 years.

² This figure is based on the average cost of recent land acquisitions for county agencies.

Policy Guide for Monetary Contributions

Suggested Monetary Contribution (Amortize current debt and project CIP debt)

Unit Type	Gross Cost per Unit	Less Funds Fire Levy for Capital = 1.97%	Less Credit for Debt Service	Net Cost
Single Family	\$883.27	-\$17.40	-\$116.00	\$749.87
Townhouse	\$814.04	-\$16.04	-\$78.00	\$720.00
Multifamily	\$592.54	-\$11.67	-\$71.00	\$509.87

*Based on FY05 Capital Budget

NONRESIDENTIAL COSTS:

Standards for Nonresidential:

Capital cost of station (land, building, and equipment)	\$ 8,828,031	=	\$ 2,942.68	
Maximum desirable incidents served per station	3,000			Capital cost per incident

Capital cost per incident x nonresidential incident generation factor (0.000206sf)
 $\$ 2942.68 \times 0.000206 = \$ 0.61$
 per square foot

Suggested Monetary Contribution

Unit	Amount
Nonresidential	\$ 0.61 per sq. ft.

Policy Guide for Monetary Contributions

F&R Credit

Single Family - 6 Years

1.149999695 1.079986668 1.069983687 1.050007623 1.030056628

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Average Assessed Value	\$ 493,565	\$ 567,600	\$ 613,000	\$ 655,900	\$ 688,700	\$ 709,400
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71
Real Estate Tax Revenue	4,491	4,353	4,401	4,611	4,835	5,065
Percent to Credit	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%
Annual debt service credit	\$ 2.68	\$ 10.42	\$ 13.16	\$ 15.07	\$ 14.13	\$ 13.91
Total Credit	\$116					
Real Estate Tax Revenue	\$ 392,686,000	\$ 431,840,000	\$ 471,552,000	\$ 513,476,000	\$ 558,333,000	\$ 606,059,000
Debt Service for F&R	\$ 234,375	\$ 1,034,081	\$ 1,409,679	\$ 1,678,029	\$ 1,632,196	\$ 1,664,464
Percent to Credit	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%
(Debt service as a percent of real estate revenue)						
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Single Family

	Fiscal Year					
Year	2006	2007	2008	2009	2010	2011
1.0	\$ 2.68					\$2.68
2.0		\$ 10.42				\$10.42
3.0			\$ 13.16			\$13.16
4.0				\$ 15.07		\$15.07
5.0					\$ 14.13	\$14.13
6.0						\$13.91
7.0						\$13.22
8.0						\$12.52
9.0						\$11.82
10.0						\$11.13
11.0						\$10.43
12.0						\$9.74
13.0						\$9.04
14.0						\$8.35
15.0						\$7.65
16.0						\$6.96
17.0						\$6.26
18.0						\$5.56
19.0						\$4.87
20.0						\$4.17
Total						\$191.09
Discount Rate						6.1% NPV
						\$116

Policy Guide for Monetary Contributions

	F&R Credit					
	Townhouse - 6 Years					
	1.149853975	1.080041852	1.069992734	1.050022635	1.029963354	
	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Average Assessed Value	\$ 332,477	\$ 382,300	\$ 412,900	\$ 441,800	\$ 463,900	\$ 477,800
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71
Real Estate Tax Revenue	3,026	2,932	2,965	3,106	3,257	3,411
Percent to Credit	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%
Annual debt service credit	\$ 2	\$ 7	\$ 9	\$ 10	\$ 10	\$ 9
Total Credit	\$78					
Real Estate Tax Revenue	\$ 392,686,000	\$ 431,840,000	\$ 471,552,000	\$ 513,476,000	\$ 558,333,000	\$ 606,059,000
Debt Service for F&R	\$ 234,375	\$ 1,034,081	\$ 1,409,679	\$ 1,678,029	\$ 1,632,196	\$ 1,664,464
Percent to Credit	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%
(Debt service as a percent of real estate revenue)						
Discount Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%

Single Family		Fiscal Year					
Year	2006	2007	2008	2009	2010	2011	
1.0	\$ 1.81						\$1.81
2.0		\$ 7.02					\$7.02
3.0			\$ 8.86				\$8.86
4.0				\$ 10.15			\$10.15
5.0					\$ 9.52		\$9.52
6.0						\$ 9.37	\$9.37
7.0						8.90	\$8.90
8.0						8.43	\$8.43
9.0						7.96	\$7.96
10.0						7.50	\$7.50
11.0						7.03	\$7.03
12.0						6.56	\$6.56
13.0						6.09	\$6.09
14.0						5.62	\$5.62
15.0						5.15	\$5.15
16.0						4.68	\$4.68
17.0						4.22	\$4.22
18.0						3.75	\$3.75
19.0						3.28	\$3.28
20.0						2.81	\$2.81
Total							\$128.71
Discount Rate							\$78
6.1% NPV							

Policy Guide for Monetary Contributions

F&R Credit

Multifamily 6 Years

1.149943331 1.080115274 1.069903949 1.050124688 1.029921634

Fiscal Year

2006 2007 2008 2009 2010 2011

Average Assessed Value	\$ 301,754	\$ 347,000	\$ 374,800	\$ 401,000	\$ 421,100	\$ 433,700
Real Estate Tax Rate	0.91	0.77	0.72	0.70	0.70	0.71
Real Estate Tax Revenue	2,746	2,661	2,691	2,819	2,956	3,097
Percent to Credit	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%
Annual debt service credit	\$ 2	\$ 6	\$ 8	\$ 9	\$ 9	\$ 9

Total Credit \$71

Real Estate Tax Revenue \$ 392,686,000 \$ 431,840,000 \$ 471,552,000 \$ 513,476,000 \$ 558,333,000 \$ 606,059,000

Debt Service for F&R \$ 234,375 \$ 1,034,081 \$ 1,409,679 \$ 1,678,029 \$ 1,632,196 \$ 1,664,464

Percent to Credit 0.1% 0.2% 0.3% 0.3% 0.3% 0.3%
(Debt service as a percent of real estate revenue)

Discount Rate 6.1% 6.1% 6.1% 6.1% 6.1% 6.1%

Single Family

Fiscal Year

Year 2004 2005 2006 2007 2008 2009

1.0	\$ 1.64					\$1.64
2.0		\$ 6.37				\$6.37
3.0			\$ 8.04			\$8.04
4.0				\$ 9.21		\$9.21
5.0					\$ 8.64	\$8.64
6.0						\$ 8.50
7.0						\$8.08
8.0						\$7.65
9.0						\$7.23
10.0						\$6.80
11.0						\$6.38
12.0						\$5.95
13.0						\$5.53
14.0						\$5.10
15.0						\$4.68
16.0						\$4.25
17.0						\$3.83
18.0						\$3.40
19.0						\$2.98
20.0						\$2.55

Discount Rate

Total
6.1% NPV

\$116.83
\$71

Policy Guide for Monetary Contributions

Transportation

In accordance with the Comprehensive Plan, the following calculations are based upon roadways classified as Major Collector and above. Roadways classified as Minor Collectors and Local Streets are evaluated in conjunction with development proposals as stipulated in the Prince William County Design and Construction Standards Manual (DCSM). Calculations reference lane-miles. Lane-miles are defined as the product of the number of through-traffic lanes for a given segment of roadway multiplied by the length in miles of that given segment of roadway.

Standards:

Total lane-miles needed in 2025 to meet LOS goals in adopted Thoroughfare Plan network	=	1,659.0 ⁽³⁾
Less lane-miles opened to traffic through January 1, 2006		- 967.6
		<hr/>
Additional lane-miles of road needed by 2025	=	691.4
Less improvements included in the Metropolitan Washington Council of Governments (COG's) 2005 Financially Constrained Long-Range Plan (CLRP)		- 346.9 ⁽⁴⁾
		<hr/>
Lane-miles of unfunded road improvements (rounded to nearest mile)	=	344.5
Multiplied by the estimated average cost/mile of new road		x \$4,000,000 ⁽⁵⁾
		<hr/>
Total estimated cost of unfunded road improvements	=	\$ 1,378,000,000

The following are forecasted residential trips based on current Thoroughfare Plan and COG Round 7 forecast.

Total trips per day forecasted for 2025	=	1,989,731 ⁽⁶⁾
Resident-based trips per day		
Home-based work trips	=	108,067
Home-based other trips	=	473,862
Home-based shopping trips	=	222,097
Trips to other counties	=	367,581
		<hr/>
Total resident-based trips per day	=	1,171,607

³ Includes Interstates, Parkways, Principal and Minor Arterials, Major Collectors and ramps identified in 2025 Thoroughfare Plan.

⁴ The number shown includes the 41.1 lane-miles approved by Prince William County voters for funding in 2002, the 102.0 lane-miles under consideration for a 2006 bond referendum and the 49.5 lane-miles under consideration for a 2010 bond referendum.

⁵ Based upon actual costs for recent Road Bond Branch construction projects.

⁶ Forecasted trips per day from 2006 Comprehensive Plan transportation model.

Policy Guide for Monetary Contributions

Residential share of total trips (1,171,607 / 1,989,731 rounded to whole percent) = 59%

Residential share of unfunded road improvements (\$1,378,000,000 x .59) = \$ 813,020,000

Residential Share

An applicant for a rezoning for residential use will be asked to proffer a LOS contribution to help offset the unfunded road improvements identified above. The methodology for calculating this LOS contribution is shown below. If the applicant elects to dedicate transportation improvements and/or right-of-way for roads identified in the Thoroughfare Plan which are above and beyond what is required to mitigate the transportation impact of the proposed development and satisfy VDOT safety requirements, the value of that dedication will be credited against the suggested monetary contribution. The value of that credit will be determined based on the County's assessed value of the right-of-way and the cost of the transportation improvement using the County's Unit Price List. The value of the credit will be determined during subdivision plan approval.

Cost per unit type:

Forecasted residential trip generation by type of dwelling unit in 2025:

Type of Dwelling Unit	New Units by 2025	Daily Trip Generation/Unit	Total New Trips by Unit Type	% New Trips by Unit Type
Single family	25,397	10.0	253,970	56%
Townhouse	5,885	8.7	51,200	11%
Multifamily	24,642	6.0	147,852	33%
TOTAL	55,924		453,022	100%

Distribution of costs attributable to residential trip making to type of dwelling unit in 2025:

Type of Dwelling Unit	Residential Share of Unfunded Needs	% New Trips by Unit Type	Residential Share by Unit Type	New Units by 2025	Cost/Unit
Single-family	\$813,020,000	0.56	\$455,291,200	25,397	\$17,926
Townhouse	\$813,020,000	0.11	\$ 89,432,200	5,885	\$15,196
Multifamily	\$813,020,000	0.33	\$268,296,600	24,642	\$10,887
TOTAL		1.00	\$813,020,000	55,924	

Policy Guide for Monetary Contributions

Non-Residential Share

Based upon the per unit residential calculations shown above, Prince William County will still experience a shortfall of \$564,980,000 for necessary roadway improvements required by 2025. The Council of Governments (COG) Round 7 forecasts however, approximately 73,000 additional jobs will be created from nonresidential uses by 2025. Applicants for nonresidential development will be asked to contribute right-of-way, roadway construction, and other transportation improvements that serve to mitigate the impacts of that development on the LOS of roads serving that development. Cash contributions in lieu of transportation improvements may also be requested, provided the cash contribution is calculated based on the approximate costs of the transportation improvements that serve to mitigate and have a reasonable relationship to the proposed development. The Traffic Impact Analysis (TIA) submitted with each nonresidential development application will serve as an indication of the extent of that impact and the mitigation required to maintain LOS. These mitigating improvements and the anticipated revenue growth from new nonresidential development are anticipated to alleviate the \$564 million shortfall.

Policy Guide for Monetary Contributions

Suggested Proffer Language

To facilitate the subsequent review of site and subdivision plans, the proffer statement should be written in clear and concise language with consideration toward future interpretation. The performance details of a proffered condition should be defined. More specifically, the proffer text should include information pertaining to not only what is being proffered, but also when the action will occur and who is involved in performance of the action.

Where possible, proffers should define objective standards of performance to avoid any subsequent debate regarding interpretation. Restatements of already existing state or local requirements should be omitted from the proffer text.

Each proffer should state the time frame within which the proffered obligation will be performed. In the absence of explicit language indicating when performance is to occur, the County will generally request demonstration of performance of the proffered obligation with the preliminary or first final site or subdivision plan affecting the rezoned property. Actual performance is expected at the time of development subject to approved plans and issuance of permits. Examples of preferred collection dates for monetary proffers generally are listed below:

- Final plan approval
- Lump sum with the issuance of a land disturbance permit
- Lump sum with the first building permit for a particular type of unit
- Per lot or unit amount with every building permit for a particular type of unit

Pursuant to direction from the Board of County Supervisors, applicants will be encouraged to make monetary contributions for transportation improvements as a lump sum prior to issuance of a site development permit.

In order to facilitate more efficient use of proffered monetary contributions, the direction of such contributions to specific capital projects will be discouraged, as will limitation of monetary contributions to a specific area of the County.

Applicants proffering monetary contributions will be encouraged to include a provision to adjust the proffered amount consistent with the increase in the cost of improvements over time. The County will maintain a cost of construction "index" to assist the applicant in determining the appropriate rate.

The County Attorney's Office will assist the Planning Office in review of proffer language. Applicants seeking assistance with drafting specific proffer language are encouraged to contact the Planning Office.

Policy Guide for Monetary Contributions

Exception Policies

There are some instances where the strict adherence to the Policy Guide is inappropriate. Although each proposal will be looked at on a case by case basis, these exceptions can be divided into three broad categories:

1. Credits for on site or off site improvements

Since the beginning of the proffer process in late 1970's, the County has allowed credits for physical improvements and donations of land. The County will continue this policy with the understanding that physical improvements (such as school site donation, road construction above and beyond that required by the code) must address the level-of-service measures outlined in the Comprehensive Plan. Confirmation of value, correct location, useable acreage, and need will be determined by the County.

2. Uses that have reduced or have no impact on certain levels of service

There are some uses that have no impact on a specific level-of-service measure. In particular, developments with an age-restricted component that prohibits school-age children will have no impact on the Schools level of service; therefore, the proffer amounts for schools may not be requested. Similarly, units such as assisted living may have a lower traffic generation rate based on population per unit type and may be eligible for reduced proffers. Each proposal will be considered on a case-by-case basis and at the sole discretion of the County. Consideration may be given to reducing proffer amount requests.

3. Targeted or desirable land uses

There are a select number of targeted industries and land uses for which the County may consider a reduction in monetary contributions. These targeted industries are listed by the Department of Economic Development.