



■ S. PATZ & ASSOCIATES, INC ■
■ REAL ESTATE CONSULTANTS ■

November 7, 2017

Mr. Shujaat Ali
Partner
Spectrum Partners Investments, LLC
435 Fincastle Drive
Carey, North Carolina 27516

Dear Mr. Ali:

Attached is the proffer analysis for the proposed 14 new townhomes at Roseland. Since six homes can be built by-right, the proffer analysis will focus on the 8 homes that are above by-right. The proffer cost is minimal at approximately \$133 per housing unit, as there are no required proffer costs for schools.

The detailed, required data and analysis for the proffer cost determination are presented in the attached report. Please call if additional data or clarification are needed.

Sincerely,

Stuart M. Patz
President

SMP/mes

Proffer Analysis

The fiscal impacts analysis shows that the 14 homes to be built at the Roseland subdivision will have a small positive impact on the operating budget of Spotsylvania County, Virginia, yielding net surplus tax revenue for the County of \$2,060 per year after full build out. This is essentially a break-even situation, with revenues to the County covering costs.

The Roseland townhomes will also have direct impacts on certain capital facilities of the County, and this analysis calculates those impacts. In this regard, this report analyzes the reasonable and direct capital cost impacts of the new townhomes at Roseland and the public costs associated with these direct impacts. This report also provides our recommendations of cash proffers required to address those impacts all in accordance with §15.2-2303.4 et al. of the Code of Virginia 1950, as amended (“Code”) applicable as of July 1, 2016.

The public capital facilities, which are to be analyzed and for purposes of Code, and this application, are public schools, fire and rescue stations, parks and recreation facilities, and roads. The impacts on libraries and solid waste facilities are no longer considered and the project is not expected to have an impact on the level of services or capacity of transportation/traffic within the immediate impact area.

We analyzed existing public data and information pertaining to the planned public facilities which would most likely be impacted by the 14 new townhomes. We also reviewed the County’s Capital Improvements Plan (CIP), including the CIP for Schools, which are the source for determining the total costs of implementing the plans for those facilities likely to be impacted by Roseland. The methodology for determining recommended proffers is based on derivation of the per dwelling unit costs of each impacted facility.

Many of the parameters applied in this analysis are found in the County's Capital Improvements Program, representing much research on the part of the County staff, including school staff. Such research on facility costs, household size, pupil generation per household, County population, etc. are based on past analyses by the county staff and are well documented.

Much reliance has been made on the County's Comprehensive Plan and, as noted above, on its Capital Improvements Plan. The key department personnel in the various County Government offices were helpful in providing information on planned new facilities in the County and how each should be treated in terms of allocated proffer costs.

Roseland will have only modest impact on most public facilities of the County. The project, in its entirety, will consist of 14 townhomes. Six of the 14 proposed homes can be built "by right" and thus, 8 lots/homes from the proposed project will be the net via the rezoning. The subdivision is planned to be built over the next year with a start date of mid-2018.

These unit costs for the impacted facilities are summed up in the following analyses, which derive the total amounts recommended as proffers from Roseland for each new home development. The recommended proffers are about \$133 per new dwelling unit. No proffered costs for public schools are needed, as area schools in the Roseland attendance areas are under capacity, and no new schools, particularly high schools, are in active planning at this time. In addition, there are no capacity impacts to public roads.

Public Schools

Table 1 lists the schools in the attendance areas for the townhomes under study. The table shows that the elementary school has sufficient available capacity for new students, but that the middle school is nearing capacity, and the high school is slightly over capacity. Overall, the school capacity data in the attendance areas are in balance.

Table 1. Schools with Attendance Areas Including the Roseland Townhomes, and School Capacity and Enrollment Characteristics, Spotsylvania County, Virginia

<u>Schools by Level</u>	<u>Student Capacity</u>	<u>2016-2017 Enrollment</u>	<u>Percent Of Capacity</u>	<u>Capacity Availability</u>
Spotswood Elementary School	641	512	79.9%	129
Battlefield Middle School	807	802	99.4%	5
Massaponax High School	<u>1,830</u>	<u>2,022</u>	<u>110.5%</u>	<u>0</u>
Total	3,278	3,336	101.8%	134

Source: Spotsylvania County Public Schools and Capital Improvement Plan

These trends are based by the location of Roseland, which is somewhat of a mature community without an abundance of new homes being built. Thus, with area families aging in place, more “older” students live in the area, as compared with younger school children from families in new homes and classified as first-time home buyers.

The County school district report shows that additional capacity was obtained for the schools during FY2016, which increased total capacity at the schools marginally, as the following chart shows. These changes did not alter school capacity to any degree, and this is certainly the case for high school students.

Table 2 New Available School Capacity within Roseland Homes Service Areas, Spotsylvania County, Virginia, 2017

<u>Schools by Level</u>	<u>New Availability Projected FY2016 to FY2017</u>	<u>FY 2016 Current Availability</u>	<u>Net New Availability</u>
Spotswood Elementary School	3	129	132
Battlefield Middle School	9	5	14
Massaponax High School	<u>3</u>	<u>0</u>	<u>0</u>
Total Capacity	15	134	146

Source: Spotsylvania County Public Schools and Capital Improvement Plan

The 8 new townhomes which are above by-right at the Roseland site, are expected to generate only five (5) new public school pupils within these attendance areas at build-out, as shown below. This conclusion is based on pupil generation rates provided by the County. These data show that newer townhomes will generate a small number of students for the 14 homes proposed. The new towns will generate three elementary school students, one students for the middle school and two students for the high school.

Table 3 <u>Student Generation by School, Spotsylvania County, Virginia, 2017</u>				
<u>Roseland Townhomes</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Total</u>
Pupil Generation Rate (TH)	0.3072	0.1286	0.1453	0.5811
Number of Dwelling Units above by-right	8	8	8	8
Number of Pupils	2.5	1.0	1.2	4.7
Source: Spotsylvania County Public Schools and Capital Improvement Plan				

Both the elementary and middle schools will have adequate available capacity to absorb new students from the Roseland townhomes. The high school's capacity will essentially remain the same, as only two students of high school age are expected.

Table 4 <u>Student Availability Analysis by School, Spotsylvania County, VA, 2017</u>			
	<u>Pupil Availability</u>	<u>Roseland School Pupils</u>	<u>Need For Rose-Land Capacity</u>
Spotswood Elementary School	132	2.5	0
Battlefield Middle School	14	1.0	0
Massaponax High School	<u>0</u>	<u>1.2</u>	<u>2.0</u>
Total	146	4.7	2.0
Source: Spotsylvania County Public Schools and Capital Improvement Plan			

At the pupil generation rates provided by the County for new school students and school capacity, the Roseland townhomes will generate the need (cost) for only two students, if new schools were planned in the attendance areas.

Cost per pupil at new schools in Spotsylvania County range from \$28,000 for an elementary school to \$49,000 for a high school. These costs are based on future schools that are in the County Schools Capital Improvement Plan, as noted in Table 5. **However, no schools are planned in the County for the immediate future, as the overall growth in the attendance areas under study is projected to be modest.**

Table 5. <u>New School Costs By School Size, Spotsylvania County, 2017</u>			
	<u>School Cost</u>	<u>Capacity</u>	<u>Cost per Pupil</u>
Elementary School (No. 18, No. 19)	\$26,194,000	936	\$27,985
Middle School (No. 8)	\$36,312,000	948	\$38,304
High School (No.6)	<u>\$98,630,000</u>	1,995	<u>\$49,439</u>
Average	\$53,712,000		\$38,576
Source: Spotsylvania County Public Schools, Capital Improvements Plan			

Roseland townhomes will generate only two pupils at the high school level. However, there are no new high schools in active planning at this time, so there are no proffer costs required for this public use. This conclusion is based on past directions from County staff for other housing proposals in the attendance areas under study.

Fire and Rescue Facilities. Roseland will be in the service area of fire and rescue station No. 4, where no capital improvements are scheduled. A new \$2.0 million fire and rescue training center is planned for FY2018-FY2019, which will be impacted county-wide from developments, such as Roseland.

The table below shows that the County per capita cost for the new fire and rescue facility will be \$15.15, based on data provided by the County’s senior staff responsible for fire and

rescue squad budget. At 2.41 persons per household, Roseland population is 34 plus the County at 132,010, for 132,044 population, and the proffer cost is \$15.15 (rounded) per person for the new training center.

Table 6 <u>Per Capita Cost for New Fire and Rescue Facility, Spotsylvania County, Virginia, 2017</u>	
	<u>Amount</u>
Fire and Rescue FY 2018	
Training Center -- FY 2018	\$2,000,000
County Population + Roseland	132,044
Cost Per Capita	\$15.15
Source: Spotsylvania County Capital Improvement Plan	

Parks and Recreation. The nearest park to Roseland is Loriella Park. County staff report that this park, though well-used, is not over-capacity and there are no improvements planned. County-wide park and recreation facilities that would be impacted by new development, and the costs of improvements to those parks, are shown in Table 3, below. The cost of improvements to these five parks is \$5.0 million, or \$38.00 (rounded) per capita for the County (and for Roseland residents).

Table 7. <u>Improvements Planned for County-wide Parks and Recreation Facilities, and Per Dwelling Unit Costs for Roseland Townhomes, Spotsylvania County (constant \$2017)</u>	
<u>Facility</u>	<u>Amount</u>
Marshall Center Auditorium FY 2019	\$304,000
Ni River Park FY 2019-FY2020	\$3,370,000
Belmont Passive Park	\$420,000
Livingston Community Center	\$715,000
Patriot Park – Playground	\$198,700
Total	\$5,007,700
Population + Roseland	132,044
Cost Per Capita	\$37.93
Source: Spotsylvania County Capital Improvement Plan, and Parks and Recreation Staff	

Summary of Proffers. Proffers are calculated by multiplying the per capita requirements derived above times the population at Roseland; the population in units above by right are as follows:

Units Above By right	8
Average Size	2.41
Total Population	20*

Below are the per capita costs per facility as derived above, with no proffer for schools.

<u>Per Capita Costs</u>	
Schools	\$0.00
Fire and Rescue	\$15.15
Parks and Recreation	<u>\$37.93</u>
Total Costs Per Capita	\$53.08

Total proffers are calculated by multiplying the population above by right at Roseland, or 20 persons, by the total per capita costs of proffered facilities in the chart above. Altogether, the public improvements that might be impacted by the residents of Roseland Subdivision come to \$1,061.60, which will serve as the basis for the recommended proffers per dwelling unit at the Roseland subdivision. The costs of these improvements for Roseland proffers are summarized in the chart below.

<u>Summary of Proffers</u>	
Schools	\$0.00
Fire and Rescue	\$303.00
Parks and Recreation	<u>\$758.60</u>
Total Proffers	\$1,061.60
Lots Above By-Right	8
Proffers Per Unit	\$132.70

*Actual Total Population is 19.28, but has been rounded up to 20. S. Patz & Associates, Inc. does not agree with this rounding, but has made this change to match the County's analysis.