



MEMORANDUM

TO: Chairman Durham and Planning Commissioners
FROM: Mike Craig, Senior Planner
DATE: March 18, 2022 for March 23 Planning Commission Meeting
RE: Capital Impacts Study – Initiation of the Review and Policy Development Process

Issue

Review different values related to new development within the Comprehensive Plan as a lens for review of the Capital Impacts Study.

Discussion

The various sections of Virginia Code §15.2-2303 and §15.2-2286 enable localities in the Commonwealth to receive, respectively, voluntary cash rezoning proffers and special use cash conditions to offset the capital impacts of a development proposal. Such cash contributions are to be used for additional facility capacity, and other costs directly related thereto, to serve the prospective development. Finally, the facilities are to be part of a jurisdiction's Capital Improvement Plan.

The City contracted with the fiscal/economic/planning firm, TischlerBise, to provide an estimate of the capital impact of new development. The focus of the study are the school and Fire/EMS capital costs, specifically: a new school, new buses, a new fire station, expansion of Fire Station 1, and related apparatus. The capital costs of other facilities in the CIP were not included in the analysis as these facilities would not primarily address capacity issues.

The draft Study identifies capital impacts amounts for different types of development. This work should form the basis of a policy adopted by the City Council establishing guidelines on when and how the cash offsets should be applied. In developing the guidelines, the Planning Commission should consider different aspects of land use planning. The following section of the report provide reference to different values within the Comprehensive Plan that can be used to further discussion:

Chapter 5 Environmental Protection: the Environmental Protection Goals (Comprehensive Plan page 5-15) include Resource Protection, Watersheds, Natural Functions of Rivers and Streams, Water Quality, Sustainability, Livability, Sustainability Leadership, and City Leadership.

Generally, the environmental protection goals in the Comprehensive Plan identify areas such as streams and wetlands that are to be protected from externalities of new development. These values are encoded into the zoning ordinance and compliance with them is mandatory.

Some goals, however, can be met through enhanced development. Sustainability and Livability relate to the quality and type of open space as well as the level of sustainable practices incorporated into building design. The City expends Capital Funds on environmental projects (such as the improvements to Pond D) and on upgrading public building systems to promote energy efficiency, etc. *The Planning Commission may consider whether incorporating these environmental values into a project design may generate offset some of the fiscal impacts from generating more capacity demand for school and fire services.*

One other consideration related to sustainability is to encourage development in areas already served by school buses and fire stations. This will be discussed further regarding infill development in the “Area Plans” section.

Chapter 6 Business Opportunities: The Business Opportunities Goals (Comprehensive Plan page 6-8 through 6-9) include Become an Employment Center, Develop the Workforce of Tomorrow, Be a Business-Friendly City, Enhance the City as a Tourism Destination, Rebrand the City of Fredericksburg and Vigorously Defend Brand Standards, Ensure Proper Infrastructure is in Place to Sustain Growth, Build Upon Outdoor Assets, Build Community Through Cultural Vibrancy, Maintain Historic Character as part of Economic Development and Tourism Strategy, Enhance Gateways into the City, Downtown as a Center for Commerce, Culture, and Community, a Well-Balanced Mix of Uses Downtown, Business Development, Community Character, Mixed-Uses in Corridors, Complementary and Connected Business Districts, and A Live Here / Work Here Community.

The TischlerBise study includes a cost per square foot related to fire / public safety capacity for non-residential uses. *The Planning Commission should consider the appropriateness of this approach.*

Several of the goals relate to providing balanced mixes of uses in Corridors and the Downtown as a means to create a sustainable customer base for the sensitive commercial districts there. This will be discussed further regarding infill development in the “Area Plans” section.

Chapter 7 Residential Neighborhoods and Housing: The Residential Neighborhoods and Housing (Comprehensive Plan page 7-7) include Neighborhood Character, Neighborhood Quality, Distinct and Attractive Neighborhoods, Adequate Public Services and Facilities, Enhanced Connections, Compatible Design and Functionality, Affordable Housing, Variety of Housing, Homeownership, and Housing Maintenance and Upkeep.

Generally, the Residential Neighborhoods and Housing goals set standards for how new neighborhoods should be developed. These goals are encoded into the zoning ordinance and provide a baseline for the quality of residential development necessary to ensure it remains a healthy place to live overtime. The state code, however, prohibits the City from mandating that new housing be “affordable” within the zoning ordinance. Housing in the City is expensive and is often unattainable to the City’s workforce. Much of the workforce then must reside some distance from the City, which leads to automobile dependence. The City’s

expenditures on active transportation (ie. bike facilities and shared use paths) and transit are then less efficient and, by the same token, the City then must design and build more expensive automobile infrastructure.

The market demand for residential is so strong in the City that there is little current incentive to develop “affordable” housing. *The Planning Commission should discuss whether or not the inclusion of “affordable” housing in a development plan may offset some of the fiscal impacts from generating more capacity demand for school and fire services.*

Chapter 8 Historic Preservation: The City’s goals for Historic Preservation (Comprehensive Plan page 8-9) include Pursue a Program of Inventory, Enhance Incentives, Reconcile Conflicts, Recognize a Broader Spectrum, Build Equity, Address Issues of Housing Affordability, Ensure Accountability and Consistency, Pursue Best Practices, Nurture a Community Ethic that Embraces Preservation, Enhance Public Awareness, Sustain its Perpetual Quest for Prosperity, Shape Home and Community, and Seek to tell the Full Story of the City’s Diverse Past.

The City’s diverse stock of historic buildings and character structures (as defined in the Area Plans) are an irreplaceable core of the City’s identity. The nature and age of these structures create inherent fiscal challenges their rehabilitation and reuse. Successful rehabilitation and reuse of these structures provides a unique value that cannot be created by any other means. This value not only creates a cohesive community but also forms an attractive core that generates substantial tourism. *The Planning Commission should discuss whether this value may offset some of the fiscal impacts from generating more capacity demand for school and fire services.* If the Commission wishes to exempt historic structures from a capital impact offset, it should be applied to the rehabilitation and reuse of structures either meeting the definition of a “Historic Building” in the City’s zoning ordinance or designated as a “Character Structure” in the area plans.

Chapter 11 Planning Areas: The City has now adopted five out of ten Area Plans. Three of the plans, Area 1 Celebrate Virginia / Central Park, Area 2 Fall Hill, and Area 3 Plank Road / Route 3 are in the western portion of the City adjacent to Interstate 95. They are characterized by land available for larger greenfield developments consisting of potentially hundreds of units a piece. The scale of potential developments in this area require expansions of the service boundaries for school buses and fire / emergency vehicles. They also require new transportation investment (often, though not entirely through the development process) for new trail connections, new streets, and new transit routes.

Two of the plans, Area 6 Princess Anne Street / Route 1 and Area 7 Downtown are nearly entirely within the historic City’s historic grid system. They are characterized by smaller lots appropriate for infill development consisting of small numbers of residential units and concentrations of historic buildings and character structures. The neighborhoods in these areas include historic “missing middle” housing that naturally serve a diversity of people of

varying ages and socio-economic status. The City has undertaken zoning reforms as a result of these plans to encourage new “missing middle” housing in these areas.

The City’s business districts within Area 6 and Area 7 have a unique character and walkability that is difficult to replicate in the western portions of the City. Several of the goals in the Business Opportunity chapter of the Comprehensive Plan encourage infill in and around these corridors as a means to ensure their stability into the future. Stabilizing (and growing) the vibrancy of the commercial activity in the Downtown is a substantial economic development strategy that attracts regional and national visitors to the City. Stabilizing (and growing) the vibrancy of the corridor neighborhood centers makes them part of a more sustainable less automobile dependent urban fabric for the residents of the area.

Infill developments within Area 6 and Area 7 occur within established service boundaries for school buses and fire / emergency vehicles. They are often (though not entirely) served by existing trails, streets, and transit routes. Adding users where these services and facilities are already located makes these systems more fiscally efficient.

The Planning Commission should consider whether the sustainability, economic, housing, and public service efficiency provided by infill development within Area 6 and Area 7 may offset some of the fiscal impacts from generating more capacity demand for school and fire services.

These items are provided as a general overview of the major values identified within the City’s Comprehensive Plan. This memo is intended to provide some framework for the discussion of the Capital Impacts policy development in anticipation of the Planning Commission’s public hearing on this item on April 13.

Attachments

Draft Capital Impacts Study