

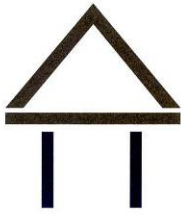
**Proffer Analysis**  
**Rappahannock Landing Apartments**  
**Stafford County, Virginia**

**Prepared for:**

**Mr. Timothy A. Faulkner**  
**The Breeden Company**

**October, 2017**

**S. Patz and Associates, Inc.**  
**46175 Westlake Drive, Suite 400**  
**Potomac Falls, Virginia 20165**



▪ S. PATZ & ASSOCIATES, INC ▪

▪ REAL ESTATE CONSULTANTS ▪

October 17, 2017

Mr. Timothy A. Faulkner  
Chief Operating Officer  
The Breeden Company  
560 Lynnhaven Parkway  
Virginia Beach, Virginia 23452

Dear Mr. Faulkner:

This will set forth our Proffer Analysis for the proposed 324-unit Rappahannock Landing Apartments to be built in Stafford County, Virginia. The report follows the guidelines required by Section 15.2-2303.4 of the Code of Virginia 1950, as amended. The resulting proffer costs for the proposed apartment complex is \$3,247 per housing unit. This cost covers additional school costs, as the new high school is over 90 percent capacity and the new apartment units will impact that one public facility.

The detailed market and economic factors analyzed for the Proffer Analysis are presented in the attached report. Please call if additional data or clarification are needed.

Sincerely,

Stuart M. Patz  
President

SMP/mes

## **Introduction**

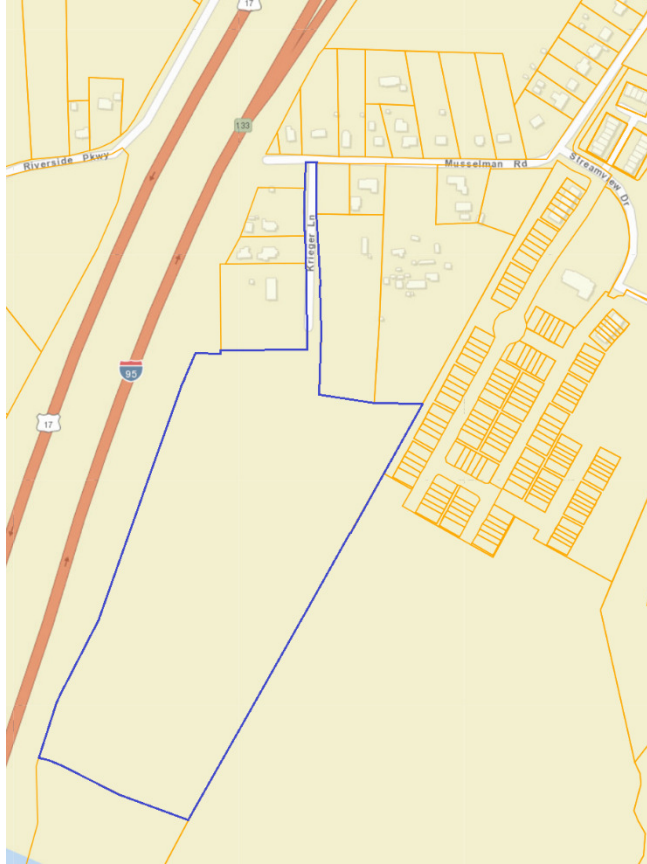
This will set forth our Proffer Analysis for the proposed 324-unit apartment complex, known as Rappahannock Landing, planned for development during 2018 and 2019 in southern Stafford County, Virginia, and near the I-95 corridor in the County. Once built, Rappahannock Landing will have no age, income or rent restrictions. The Proffer Analysis, as required by Section 15.2-2303.4, et. al. of the Code of Virginia 1950, as amended.

The Proffer Analysis evaluates the required County costs associated with the development proposal to support impact costs for schools, fire and rescue service, and parks and recreation facilities.

## **Site Description**

The Rappahannock Landing Apartments site consists of an irregularly-shaped 25.3-acre parcel located at the southern terminus of Krieger Lane, on the southern edge of Stafford County. The study site is located approximately 0.8 miles south of Route 17 Business and its intersection at I-95.

As shown in Map A below, the Rappahannock Landing site is bordered on the west by I-95 and on the south by the Rappahannock River. Access will be provided from the north via Musselman Road. Mature single-family homes are located north of the site and the Rappahannock Landing townhome subdivision is located east of the site.

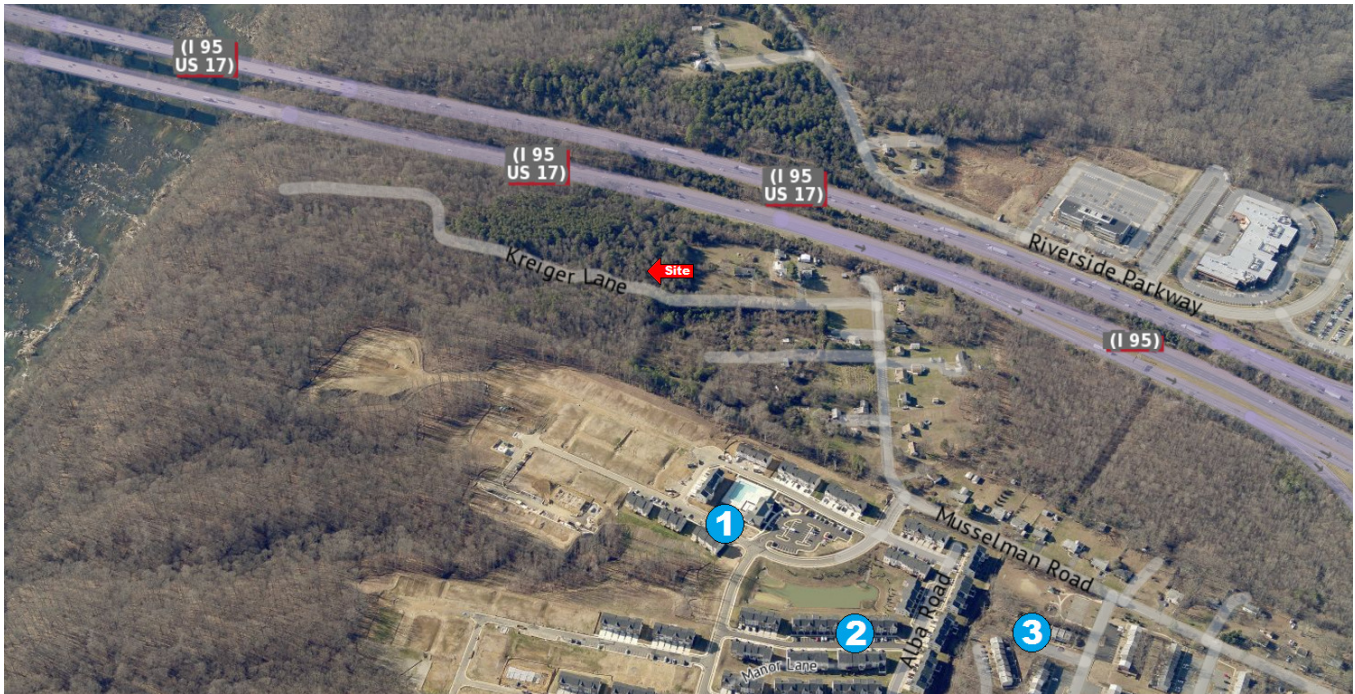


**Map A - Site Location**

The adjacent land uses are better shown in the western aerial view of the site shown next. The aerial view also shows the site to be entirely wooded and served by a gravel roadway from the north. As shown, mature single-family homes front northern portions of Krieger Lane and Musselman Road, north of the study site. These homes were largely built in the 1950's and have most recently sold between the mid-\$100,000's and mid-\$200,000's.

To the east of the site is Rappahannock Landing Sec. 2-4 (Note 1). This townhome subdivision, which began in 2016, is being built by Ryan Homes and Lennar Homes off Musselman Road and will have a total of 561 units at build-out. Amenities in this community include a large clubhouse, fitness center and outdoor swimming pool. Homes in this community are selling in the upper-\$200,000's.

North of this subdivision is the first phase of Rappahannock Landing (Note 2), which is built out with 131 townhome-style condominium units. Homes in this community were sold beginning in 2011 in the \$200,000's. Further north is Olde Forge (Note 3), a townhome subdivision that was built in the 1970's.



**Western Aerial View**

Photos of the site, which is fully wooded are shown next.



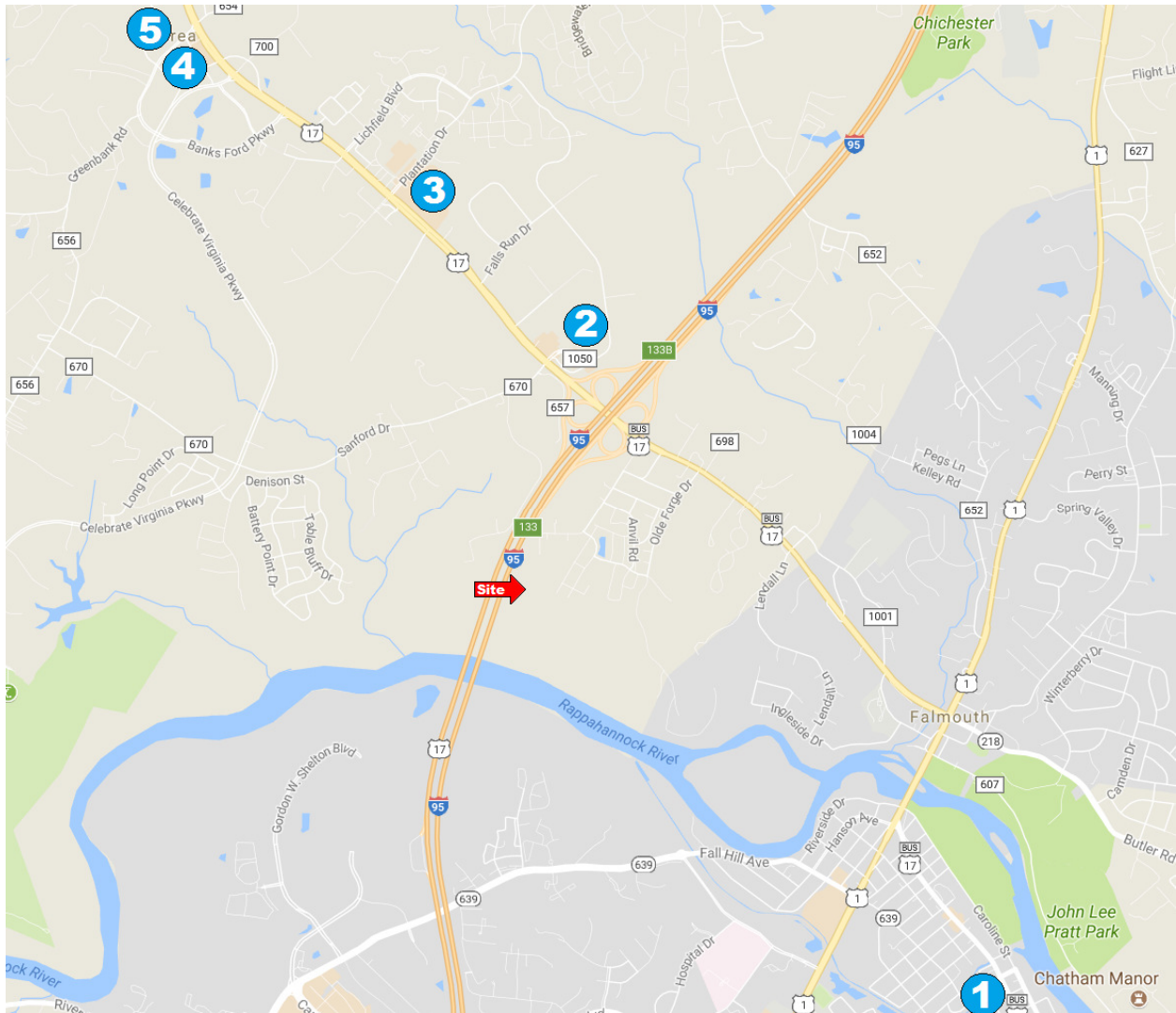
**Rappahannock Landing Apartments Site**

Next shown is a wider map showing the site setting of the proposed Rappahannock Landing Apartments. The site is located within close proximity to Downtown Fredericksburg (Note 1), which is less than a fifteen-minute drive.

Map B shows that Warrenton Road, a major east-west roadway connector, is located less than a mile north of the study site, which accesses Falmouth to the east. Development along this roadway, near the study site consists of a mix of mature commercial uses, including two hotels (Knights Inn and Motel 6) as well as several gas stations and auto body shops. Development west along this roadway consists of light industrial and residential uses.

More substantial development is located west of I-95 along Warrenton Road. This includes ten hotels, plus a number of shopping centers, including the Target-anchored Carter's Crossing Shopping Center (Note 2), Weis-anchored Plantation Crossing (Note 3) and Giant-anchored Celebrate Virginia North Shopping Center (Note 4).

Major employers in this area include the Geico's operations center with over 4,000 employees (Note 5). North of this facility is the University of Mary Washington's Graduate and Professional campus, with approximately 1,000 students.



**Map B - Site Setting**

Overall, the site is well-located with quick access to I-95, the Warrenton Road commercial corridor where several big box retailers and grocery stores are located, and nearby historic downtown Fredericksburg.

**Development Proposal**

Rappahannock Landing will have a mix of one-, two- and three-bedroom apartment units with sizes that are quite spacious. The unit mix is presented below. Based on net rents, the apartment units will be affordable for families with incomes of generally \$45,000 and above. The apartment complex will include a wide range of amenities,

commensurate with other new apartment complexes within the market area. These data are summarized in the chart below, following elevations of a typical apartment building. The garden apartment buildings will have large recessed balconies, open stairwells, and large windows that offer an abundance of light and air for each apartment unit.



TYPE B - FRONT BUILDING ELEVATION  
SCALE: 3/32" = 1'-0"



TYPE B - SIDE BUILDING ELEVATION  
SCALE: 3/32" = 1'-0"



TYPE B - REAR BUILDING ELEVATION  
SCALE: 3/32" = 1'-0"

**Rappahannock Landing Proposal, Stafford, VA, September, 2017**

	<b><u>Unit Mix</u></b>	<b><u>Unit Sizes (in sq. ft.)</u></b>	<b><u>Proposed Net Rents</u></b>
One-Bedroom	108	809	\$1,150
Two-Bedroom/Two	144	1,092	\$1,400
Three-Bedroom/Three	<u>72</u>	1,390	\$1,650
Total	324		

**Proffer Analysis**

The proffer analysis presents the calculation of the recommended proffer costs associated with the apartment development proposal. The report includes an



introduction that describes our methodology for evaluating the proffer cost to the County that the developer might pay for project approval.

Up until June 30, 2016, Stafford County staff calculated a cost for new residential development, by housing type, and the County costs to provide services for new residents based on the actual cost to construct the various public facilities needed for new residents.

Effective July 1, 2016, Section 15.2-2303.4 of the Code of Virginia 1950, as amended, governs whether proffers are applicable to a particular residential rezoning, or proffer amendment project. In this regard, generally, cash proffers will be deemed unreasonable unless they address direct impacts to certain County public facilities that are specifically attributable to the proposed new residential development. More specifically, proffers can only be paid for public facility improvements, including off-site public transportation improvements, public safety improvements, public school expansion and public park and recreation improvements.

The methodology to be used for determining appropriate proffer costs is to determine the cost and capacity issues for three identified public facilities that are under this study, excluding transportation costs, which are being provided by the applicant via a separate report. In this regard, certain data were provided, or were requested from, the senior staff of each Stafford County department relating to applicable proffer cost issues.

Existing capacity information was provided by County staff and the cost data used for selected public costs are from prior proffer analyses, which have been developed by County staff, and according to staff, are the best and most current data regarding capital costs. To date, no new cost data has been established for the three public facilities under study, according to County staff.

The following report calculates the anticipated impacts from the new apartments at Rappahannock Landing, and recommends proffers, to address impacts, as required under the aforesaid new Virginia Code. Our data for evaluating capacity totals

specifically attributable to the proposed Rappahannock Landing apartment development derive from published data that include the Stafford County FY2018 Adopted Budget, Capital Improvements Program and Debt Management. Staff from the County school system and Department of Parks and Recreation were called to verify published data and provide input on evolving trends to be evaluated for the proffer cost analysis. Staff at the Fire and Rescue provided us with the data presented in the report.

For purposes of evaluating the applicable public costs associated with the aforementioned capacity analysis, we utilized the Stafford County Proposed Proffer Guidelines for zoning reclassifications dated June 17, 2014. This was prepared by staff at the Department of Planning and Zoning. These cost guidelines were confirmed by County staff as the most recent cost data for said analysis.

### **Stafford County Public School Analysis**

Rappahannock Landing Apartments is in the school attendance areas of Falmouth Elementary School, TB Gayle Middle School, and Stafford High School. School data show that current occupancy (average daily membership, or ADM) at the area elementary school and middle school are currently under capacity. This is not the case for the high school. The area high school is currently over 90 percent pupil capacity. County officials report that schools at 90+ percent capacity are considered at “effective” full capacity for planning purposes. Thus, the estimated public school students to be generated at Rappahannock Landing Apartments could cause over-crowding at the area high school under the County’s definition, and pursuant to the data provided by the County Capital Improvements Program for FY2018. This finding is based on County staff’s definition of “capacity”. Again, a capacity issue within the Rappahannock Landing Apartments school service area is only relevant for the area high school, and not the applicable area middle or elementary schools.

**Table 1 Pupil Capacity at Schools Serving Rappahannock Landing Apartments, Stafford County, 2017**

<u>Schools</u>	<u>Capacity</u>	<u>ADM</u>	<u>Percent Utilized</u>	<u>ADM for 90% Cap.</u>	<u>Available Capacity 1/</u>
Falmouth Elementary	794	536	67.5%	715	179
T.B. Gayle Middle	1,100	888	80.7%	990	102
Stafford High	2,150	1,963	91.3%	1,935	-28

Note: 1/ At 90% development capacity  
Source: Stafford County Capital Improvements Plan and Adopted FY2018 Budget

Considerable pupil capacity exists in the area elementary school and middle school. The high school is at a 91.3 percent capacity for the school’s designed number of students with only 28 students over the 90 percent capacity for student to capacity ratio.

Data in Table 2 show the pupil generation rate for apartment units by type of school in Stafford County, based on data provided by County staff. Total pupil generation averages 0.32 per apartment unit. These are calculations provided to us by County staff. The 324 apartment units at Rappahannock Landing could generate 104 new students, with most of these elementary school students.

These data indicate that Rappahannock Landing Apartments will need to provide funds to expand the high school capacity by 26 additional students to accommodate the pupils from Rappahannock Landing. The elementary and middle schools have enough available capacity to absorb new pupils from Rappahannock Landing Apartments without exceeding 90 percent capacity.

<b>Table 2 <u>Pupil Generation From Rappahannock Landing Apartments and Calculation of Additional Capacity Needs</u></b>					
<u>Schools</u>	<u>Dwelling Units</u>	<u>Pupil Generation</u>	<u>Pupils</u>	<u>Available Capacity</u>	<u>Needed Capacity</u>
Elementary School	324	0.18	58	179	0
Middle School	324	0.06	19	102	0
High School	324	<u>0.08</u>	<u>26</u>	<u>0</u>	<u>26</u>
		0.32	104	281	26
Source: Stafford County Capital Improvement Plan and Department of Planning					

The analysis in Table 2 shows that the 324 apartment units could generate 104 students for the Stafford County school system, except there appears to generally be available school capacity within the apartment site’s school service area for middle and elementary school aged children, and slight capacity impact for high school aged children.

### Costs of Public Schools

Stafford County’s Proffer Guidelines (2016) derive the costs of new schools by type. These costs are separated for school type and show the school capacity and cost of school construction per pupil. The derivation of the costs provided by the County is shown in Table 3 below, as these costs will be used for our report conclusions. The pupils per multifamily dwelling units data have been revised to incorporate the most recent standards from the Stafford County Planning Department. The rationale is fully described below in Table 3. School costs were confirmed by Ms. Kate Gilliam in Budget and Planning, Stafford County Public Schools, from projected costs of selected new schools.

We have found several school cost estimates in the County’s various reports. The costs listed in Table 3 appear to be the most recent cost estimates. There are variations in school capacity ratio, also. Data on schools and capacity presented in Table 3 have been accepted in previous proffer analyses.

<b>Table 3. <u>Derivation of Costs of New Schools by Type and for Dwelling Unit, Stafford County, 2017</u></b>			
<b><u>School Capacity</u></b>	<b><u>New School Costs</u></b>	<b><u>School Capacity</u></b>	<b><u>Cost Per Pupil</u></b>
Elementary School	\$23,400,000	925	\$25,297
Middle School	\$40,300,000	1,100	\$36,636
High School	\$88,000,000	2,175	\$40,460
Source: Capital Improvements Plan, Stafford County Public Schools; and Planning Department of Stafford County.			

Rappahannock Landing Apartments need only support the additional 26 pupils it will add to the high school, as noted above. Total costs to provide that capacity would come to \$1.05 million, or \$3,247 per apartment unit, as data in Table 4 shows. This amount is to be taken as the cash proffer amount from Rappahannock Landing Apartments for school facility costs. (The source for school costs is from Mr. Quentin Sullivan, based on the cost of future schools, as reported in the Capital Improvement for schools.) It is the cost of over \$3,200 per student for 26 students.

<b>Table 4. <u>Costs Per Apartment Unit for Rappahannock Landing Apartments to Meet Capacity Requirements by School Type, Stafford County, 2017</u></b>			
<b><u>Costs by School</u></b>	<b><u>Elementary School</u></b>	<b><u>Middle School</u></b>	<b><u>High School</u></b>
Pupil Expected Capacity	0	0	26
Cost Per Pupil	\$25,297	\$36,636	\$40,460
Total Cost	\$0	\$0	\$1,051,960
Dwelling Units	324	324	324
Cost Per Dwelling Unit	\$0	\$0	\$3,247
Source: Capital Improvements Plan, Stafford County Public Schools; and Planning Department of Stafford County.			

## Other Public Facilities Proffer Costs

### Fire and Rescue

There are 15 fire and rescue stations in Stafford County serving 45,000 households. Rappahannock Landing Apartments will receive support from either or both Fire and Rescue Stations #1 (Falmouth) and/or Station #12 (Berea). The physical facilities at these two stations are reported to be sufficient in size and capability for future growth, according to senior County officials. There are no capital improvements planned in the CIP for these two fire and rescue stations. Thus, there are no cash proffers necessary for Fire and Rescue stations from Rappahannock Landing Apartments. The County staff contacted with reference to these findings and conclusions is Mr. Andrew Milliken.

### Parks and Recreation

There are two recreational parks in the vicinity of Rappahannock Landing Apartments, both adjacent to each other, including St. Claire Brooks Memorial Park, and John Lee Pratt Memorial Park. The Parks and Recreation Department reports that both are heavily utilized, but are not over capacity under current usage (source: Mr. Brian Southall). No capital improvements for these two parks are included in the CIP. Thus, no cash proffers for capital improvements are necessary from Rappahannock Landing Apartments for parks and recreation.

### Summary of Proffers

Altogether, total proffers from Rappahannock Landing Apartments would come to \$3,247 dwelling unit as summarized below.

<b><u>Public Facilities</u></b>	<b><u>Amount</u></b>
Public Schools	\$3,247
Fire and Rescue	\$0
Parks and Recreation	<u>\$0</u>
Total Proffers	\$3,247