



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **24 VAC 30-121 –Comprehensive Roadside Management Program Virginia Department of Transportation (Commonwealth Transportation Board) March 17, 2005**

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

Pursuant to Chapter 679 of the 2004 Acts of the Assembly, the proposed regulation establishes a roadside management program. It establishes procedures for approval and criteria for evaluation of roadside management proposals.

### **Estimated Economic Impact**

The proposed roadside management program contains rules for businesses, individuals, and community groups, who wish to landscape portions of state-owned highway rights-of-way through local governments. The Virginia Department of Transportation (VDOT) has been receiving donations from individuals, groups, and government organizations through two programs. Under the wildflower program, colorful, attractive plantings can be donated to improve highway aesthetics. The roadside landscape program, a more informal program, is established for other types of vegetation alongside the highways. Currently, these programs defer to VDOT's Land Use Permit Manual (24 VAC 30-150 et seq.), but are generally administered without specific regulations.

In addition to the wildflower and landscape programs, there is increasing interest from businesses, subdivisions, and localities to contribute to large-scale roadside improvements to include designing, installing, and maintaining landscaped state rights-of-way and enabling roadside acknowledgement signage that identifies the contributing or sponsoring entity. Currently, no such written rules or formal programs exist.

One of the primary reasons for the proposed regulation is the success of the City of Lynchburg's LEAF Program. The formation of the Lynchburg Expressway Appearance Fund (LEAF) by the Keep Lynchburg Beautiful Committee has resulted in a dramatic improvement to both the safety and appearance of the City of Lynchburg's Route 29 bypass roadside, also known as the Lynchburg Expressway. Currently, over 4.7 miles of right-of-way have been improved to include 140 acres of turf and 22 acres (78 plant beds) of landscape plantings. So far, funds raised by local contributors for plant materials and installation amount to over \$1.45 million. However, there are no formal rules or regulations governing the City of Lynchburg's LEAF program.

In short, there currently is no comprehensive formal approach to enabling local government-led improvements to state maintained roadsides. However, there is significant interest from individuals and community groups to plan, design, develop, and maintain state-owned corridors and gateways. This regulation addresses the needs of those who wish to landscape portions of state-owned highway rights-of-way and erect identification signs and structures.

The proposed regulation requires projects proposed by individuals and community groups to be approved by the local government (by means of passing a resolution) prior to being submitted to VDOT for evaluation. This requirement is intended to ensure availability of means to maintain the project once it is installed. Parties or localities seeking approval are required to assume all installation and maintenance costs of projects for perpetuity. The proposed rules also require local governments to hold public hearings for the projects. This requirement will ensure that public is afforded an opportunity to comment on the proposal. Once a locality submits an application, VDOT then evaluates whether the project complies with highway safety standards. The standards for plan, design, development, and maintenance of landscape installations are included or referenced in the regulation.

The proposed regulations adopt current federal and state regulations and VDOT operating policies and procedures that are intended to minimize hazards to workers, motorists, pedestrians, as well as the likelihood of property damage. These regulations also provide a legal framework and general guidance for roadside improvements. It enables VDOT to ensure that improved roadside areas including associated landscaping and acknowledgement signs are well maintained and are not placed where they will become a safety hazard to the motoring public.

The proposed regulation should benefit the state by enabling roadside areas currently being managed by VDOT to be managed by other public and private entities under permit issued to a local government. Depending on the type of landscaping, maintenance and management costs include costs for trash pickup, mowing, fertilizing, overseeding, weed control, plant maintenance, mulching, and spraying. The annual costs to maintain a mile of highway range from \$2,000 for a low maintenance landscape type to \$3,850 for a high maintenance landscape type. However, as the program is not a mandatory requirement, there is no information on how many miles of state-owned highway are likely to be maintained by private parties under the proposed regulations. Only those local governments and corresponding citizen/private business that are interested in applying for permits to conduct large-scale roadside improvements must follow these regulatory requirements.

In addition, as such roadside improvements are enabled and implemented by local communities, they may result in a number of indirectly correlated benefits to the Commonwealth such as increased well-being of citizens and increased pride of citizens in their community, tourism, and real estate property values.

The proposed regulation will also introduce some administrative costs associated with evaluating initial applications and monitoring compliance once a project is approved and installed. The size of the total ongoing costs cannot be accurately determined presently because it is not known with certainty how many other localities or private individuals may wish to participate. There may also be some minor administrative costs associated with training personnel on the new regulations and the development and delivery of future guidance material.

In summary, most of the benefits of the proposed regulation will be enjoyed by the localities and the costs will be borne by them. Several localities have expressed interest in Lynchburg's current program and the proposed regulation. The willingness of these localities to

participate implies that the benefits of the proposed regulation likely exceed the costs. Also, as it is a voluntary program, such projects are likely to be undertaken by entities only in instances when the costs are less than the potential benefits.

### **Businesses and Entities Affected**

The proposed regulation will affect localities that wish to initiate roadside management programs similar to Lynchburg's and the individuals and businesses that wish to participate in these programs. As this program is not mandatory, the number of affected businesses and entities is not known at this time.

### **Localities Particularly Affected**

The proposed regulation applies to localities throughout the Commonwealth. Currently, the Town of Blacksburg, City of Roanoke, City of Richmond, Henrico County, Dinwiddie County, Fairfax County, and Prince William County have expressed an interest in initiating these types of programs.

### **Projected Impact on Employment**

The proposed regulation will provide a framework for individuals, businesses, and localities to undertake roadside management programs. The proposed legal framework should encourage new business activity in areas of roadside landscaping and signage and have a positive impact on employment.

### **Effects on the Use and Value of Private Property**

Improved roadside landscape should have a positive impact on nearby real property values. Also, revenues from new landscaping should increase the profitability and the asset values of landscape and related businesses.