



Economic Impact Analysis Virginia Department of Planning and Budget

24 VAC 30-155 – Traffic Impact Analysis Regulations
Department of Transportation
December 1, 2009

Summary of the Proposed Amendments to Regulation

The Commonwealth Transportation Board (Board) proposes to allow more flexibility for local governments that develop small area plans for all of or a portion of an urban development area designated pursuant to Section § 15.2-2223.1 of the Code of Virginia, or for a transit oriented development. Under the proposed regulations local governments may complete a single traffic impact statement (TIS) for all parcels included in the small area plan at the comprehensive plan stage of the development process. This traffic impact analysis would be used for the TIS required for any parcel within the small area plan at the rezoning stage of the development proposal provided the rezoning is in substantial conformance with the small area plan.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

By permitting local governments to complete a single TIS for all parcels included in the small area plan at the comprehensive plan stage of the development process, and to use this TIS for the TIS required for any parcel within the small area plan at the rezoning stage of the development proposal provided the rezoning is in substantial conformance with the small area plan, the Board's proposed amendments will significantly reduce the number of traffic impact analyses required for developments located within small area plans. The Virginia Department of Transportation (VDOT) estimates that there will be potentially 15 to 40 fewer TIS required due to this proposed change. VDOT estimates that TIS preparation costs range from \$1,000 to \$75,000 per statement. Both the current and proposed regulations state that TIS "data collection

shall be by the locality, developer, or owner, as determined by the locality and the locality shall prepare or have the developer or owner prepare the TIS.” In practice, localities typically require the developer or owner to prepare the TIS.¹ Thus, the proposed amendments will likely reduce TIS preparation costs for developers and property owners somewhere in the range of \$15,000 to \$3,000,000 annually. Developers and property owners typically hire engineering firms to prepare the TIS. The reduced need for the TIS will commensurately reduce demand for their services.

Additionally, VDOT charges a \$1,000 fee to review the TIS. Thus, the proposal will also likely reduce fees charged to developers of property within small area plans for all of or a portion of an urban development area by \$15,000 to \$40,000 per annum.

Businesses and Entities Affected

The 71 local governments in Virginia with designated urban development areas, the developers who work in those localities and engineering firms which are hired to produce traffic impact analyses are particularly affected by the proposed amendments.

Localities Particularly Affected

The proposed amendments particularly affect the 71 localities with designated urban development areas.

Projected Impact on Employment

The proposed amendments will not likely produce a large net impact on employment. The reduced development costs within designated urban development areas may moderately increase development and employment there; but there may also be moderately reduced work hours for employees of traffic engineering firms as well with reduced demand for traffic impact statements.

Effects on the Use and Value of Private Property

The proposed amendments will reduce the frequency that traffic impact statements are required. This will reduce costs for businesses and individuals developing land, but will also reduce business for engineering firms that prepare such reports. The lower costs may moderately encourage development within urban development areas.

¹ Source: Virginia Department of Transportation

Small Businesses: Costs and Other Effects

The proposed amendments will reduce the frequency that traffic impact statements are required. This will reduce costs for small businesses developing land, but will also reduce business for small engineering firms that prepare such reports.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments do not produce a net adverse impact for small businesses.

Real Estate Development Costs

The proposed amendments moderately reduce real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 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. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.