

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 6, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: RESOLUTION FOR ADOPTION AND CREATION OF PERMIT FEES FOR OPERATORS OF VENDING MACHINES WHICH VEND POTENTIALLY HAZARDOUS FOODS, FOOD ESTABLISHMENTS PLAN REVIEW FEES, RESTAURANT PERMIT APPLICATION FEES AND MARKET/GROCERY STORE PERMIT APPLICATION FEES FOR FY 2010

ISSUE: City Council consideration of: 1) establishing an annual fee for operators of vending machines which vend potentially hazardous foods; 2) increasing existing plan review fees for food establishments; 3) establishing restaurant permit application fees; and 4) establishing market/grocery store permits application fees.

RECOMMENDATION: That City Council adopt the proposed Resolution which 1) imposes a \$95 annual permit fee to be implemented on November 1, 2009, for operators of vending machines which vend potentially hazardous foods; 2) increases the existing fee of \$135 to \$200 as of July 1, 2009, for review of plans and specifications of food establishments which are newly constructed, remodeled or are for the conversion of an existing structure to use as a food establishments; 3) imposes an annual permit application fee of \$50, to be implemented on November 1, 2009, for restaurants, mobile food units, caterers, nursing homes, hospitals and colleges and 4) imposes an annual permit application fee of \$95, to be implemented on November 1, 2009, for grocery stores, meat and seafood markets, convenience stores, bakeries, and delis and grocery store salad bars without seating.

DISCUSSION: The proposed fees for permits issued to operators of vending machines which vend potentially hazardous foods, food establishment plan review fees and annual food establishment permit application fees for restaurants and market/grocery stores are comparable to those imposed by other local jurisdictions in the Washington DC Metropolitan area.

1. Potentially Hazardous Food Vending Machine Fee.

The proposed \$95 annual local permit fee is to be imposed on operators of vending machines which vend potentially hazardous foods and is to be implemented on November 1, 2009. This permit fee which is imposed by other jurisdictions in the Washington, D.C. Metropolitan area, will bring the City in line

with other jurisdictions (see chart below). There is currently no state permit fee. There are currently ten vending machines dispensing potentially hazardous foods located in the city. These fees will be billed on a calendar year.

**Permit fees for vending machines which vend potentially hazardous foods
(\$950 in new revenue)**

Locality	Current Permit Cost	Period	Notes
Alexandria City	\$0	1 Year	No current fee.
Arlington County	\$65	1 Year	Considered "Mobile Units"
Fairfax County	\$0	1 Year	Not regulated in Fairfax Co.
DC	\$21-95	1 Year	
Prince George's County	\$125	1 Year	

2. Increase in New Construction Food Establishment Plan Review Fee (\$2,600 in new revenue)

An increase in the City's fee from \$35 to \$200, for plan review of newly constructed, remodeled or existing structures converted to a food establishment use. This fee is to be implemented on July 1, 2009. This increase will bring the City's food establishment plan review fee in line with surrounding jurisdictions. The revenue projection of \$2,600 is based on an estimated 40 plan reviews for food establishments annually, during this economic downturn. Over the last three years, the Health Department has averaged annually, 54 plan reviews.

Fees for food establishment plan review (\$2,600 in new revenue)

Locality	Current Permit Cost	Period	Notes
Alexandria City	\$135	Initial; When Necessary	
Arlington County	\$200	Initial; When Necessary	
Fairfax County	\$275	Initial; When Necessary	
DC	\$70-300	Initial; When Necessary	Depends if just an equipment replacement or new establishment.
Montgomery County	\$55-300	Initial; When Necessary	Depends on risk, size, type, and service; \$70 for equipment replacement; \$55 for mobile unit
Prince George's County	\$200-300	Initial; When Necessary	Depends if just an equipment replacement or new establishment.

3. Restaurant Permit Fee

A \$50 annual food establishment permit application fee is proposed to be implemented on November 1, 2009, for restaurants, mobile food units, caterers, nursing homes, hospitals and colleges. This fee will be in addition to the current \$100 annual fee collected by the Virginia Department of Health. These fees will assist the Health Department to maintain their current level of food safety oversight and will begin to close the gap between the Health Department’s cost of providing food safety services and the costs recovered through these fees. It is anticipated that approximately 440 of these permits will be issued and they will be billed on a calendar year basis. The fee increase for restaurants will not be opposed by the Restaurant Association of Metropolitan Washington (RAMW) provided that, part of the fee increase is used to support the Alexandria Food Safety Advisory Council, the quarterly FoodTalk newsletter to Alexandria’s food establishments, food safety training materials, training for food managers when the 2009 Food Code is adopted, and the voluntary “Smoke-Free Alexandria” restaurant program. It is believed that these initiatives will further strengthen the Health Department’s collaborative relationship with the retail food industry.

Permit fees for restaurants, caterers, mobile units, nursing homes, hospitals and colleges (\$22,000 in new revenue)

Locality	Current Permit Cost	Period	Notes
Alexandria City	\$100	1 Year	No current local fee.
Arlington County	\$100	1 Year	
Fairfax County	\$100	1 Year	
DC	\$349-699	1 Year	
Montgomery County	\$100-440	1 Year	
Prince George’s County	\$175-425	1 Year	
Anne Arundel County	\$195-\$590	1 Year	
Baltimore City	\$185-\$450	1 Year	

4. Market/Grocery Store Permit Fee

A \$95 annual food establishment permit application fee is proposed to be implemented on November 1, 2009. This fee will be imposed on grocery stores, meat and seafood markets, convenience stores, bakeries, and delis and grocery store salad bars without seating. This fee will bring the City’s permit application fees for these types of establishments more in line with surrounding jurisdictions. (see chart below) This fee will be in addition to the current \$40 annual state fee collected by the Virginia Department of Agriculture and Consumer Services (VDACS). The proposed permit application fee recovers less than half of the expenses of staff time and administrative costs associated with the regulation of the smallest markets or convenience stores. It is anticipated that 177 of these

permits will be issued. The application fees will be billed on a calendar year basis.

**Permit fees for groceries, markets, bakeries & convenience stores
(\$16,815 in new revenue)**

Locality	Current Local Permit Cost				Period	Notes
	Grocery/ C-Store	Meat / Seafood Market	Bakery	Deli / Salad Bar		
Alexandria City	0	0	0	0	1 Year	No current local fee
Arlington County	\$100	\$100	\$100	\$100	1 Year	
Fairfax County	0	0	0	0	1 Year	Not regulated by Fairfax Co.
DC	\$289- 384	\$289- 384	\$289- 384	\$346- 441	1 Year	
Montgomery County	\$130	\$130	\$130	\$130	1 Year	
Prince George's County	\$225	\$225	\$225	\$225	1 Year	
Anne Arundel County	\$195- \$590	\$195- \$590	\$195- \$590	\$195- \$590	1 Year	
Baltimore City	\$185- \$450	\$185- \$450	\$185- \$450	\$185- \$450	1 Year	Fee depends on food risk

FISCAL IMPACT: It is estimated that the adoption of, and increase of these fees will generate approximately \$42,365 in additional revenue for the City There should be little implementation cost.

ATTACHMENT: Proposed Resolution

STAFF:

Lisa Kaplowitz, MD, MSHA, Director, Alexandria Health Dept.

Bob Custard, Environmental Health Division Chief, Alexandria Health Dept.

Karen S. Snow, Assistant City Attorney

RESOLUTION NO. ____

**Resolution to Adopt Permit Fees for Operators of Vending Machines
Which Vend Potentially Hazardous Foods, Food Establishment Plan Review Fees,
Restaurant Permit Application Fees and Market/Grocery Store
Permit Application Fees for FY 2010**

WHEREAS, pursuant to Section 2.07 of the City Charter, City Council has the authority to establish fees to be charged for services provided by the City of Alexandria (“City”); and

WHEREAS, the City has not charged operators of vending machines which vend potentially hazardous food a permit fee; and

WHEREAS, other local jurisdictions in the Washington, D.C. Metropolitan area charge a permit fee for the operators of vending machines which vend potentially hazardous foods; and

WHEREAS, the proposed permit fee imposed on the operators of vending machines which vend potentially hazardous foods will bring the City’s vending machine permit fees in line with those fees imposed by surrounding jurisdictions; and

WHEREAS, the City has an established fee of \$135 for the review of plans and/or specifications of food establishments which are newly constructed, remodeled, or for conversion of existing structures for use as food establishments; and

WHEREAS, the City’s fee for the review of plans and/or specifications of food establishments is less than the fee imposed by other jurisdictions in the Washington, D.C. Metropolitan area; and

WHEREAS, the proposed increase of the City’s food establishment plan review fee from \$135 to \$200, shall bring the City’s food establishment plan review fee in line with surrounding jurisdictions; and

WHEREAS, the City has not charged a restaurant permit application fee for restaurants, mobile food units, caterers, nursing homes, hospitals and colleges; and

WHEREAS, the proposed food establishment permit application fee is in addition to the annual state fee charged to these establishments and will be billed on a calendar year basis; and

WHEREAS, other local jurisdictions in the Washington, D.C. metropolitan area charge food establishment permit application fees at or above the fees proposed by the City and this proposed fee will cover only a portion of the cost of staff time to process such food establishment application permits and will be used to support the Alexandria Food Safety Advisory Council, the quarterly Food Talk newsletter, food safety training materials, and training for food managers, in addition to other costs incurred by the City; and

WHEREAS, the City has not charged permit application fees for grocery stores, meat and seafood markets, convenience stores, bakeries, and delis and grocery store salad bars without seating; and

WHEREAS, the proposed application permit fee for grocery stores, meat and seafood markets, convenience stores, bakeries and delis and grocery store salad bars without seating, is in addition to the annual state fee charged to these establishments and will be billed on a calendar year basis; and

WHEREAS, the proposed permit application fees for grocery stores, meat and seafood markets, convenience stores, bakeries and delis, and grocery store salad bars cover less than one half of the cost of staffing and administrative costs associated with the regulation of grocery stores, meat and seafood markets, convenience stores, bakeries, and delis and grocery store salad bars without seating, in the City and these costs increase year-by-year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alexandria, Virginia:

1. That an annual permit fee for operators of vending machines which vend potentially hazardous foods shall be and hereby is set at \$95 and shall be implemented on November 1, 2009. This fee shall be billed on a calendar year basis.

2. That a fee for the review of plans and specifications of food establishments which are newly constructed, remodeled, or for existing structures which are converted to use as a food establishment is hereby set at \$200.

3. That an annual food establishment permit application fee for restaurants, mobile food units, caterers, nursing homes, hospitals and colleges shall be and hereby is set at \$50 and is to be implemented on November 1, 2009. This fee shall be billed on a calendar year basis. This fee shall be in addition to the annual state fee collected by the Virginia Department of Health.

4. That an annual food establishment permit application fee for grocery stores, meat and seafood markets, convenience stores, bakeries, and delis and grocery store salad bars without seating shall be and is hereby set at \$95 and is to be implemented on November 1, 2009. This fee shall be billed on a calendar year basis. This fee shall be in addition to the annual state fee collected by the Virginia Department of Agriculture and Consumer Services.

5. That Section 2 of this resolution shall be effective upon passage.

ADOPTED:

WILLIAM D. EUILLE
MAYOR

ATTEST:

Jacqueline M. Henderson, CMC, City Clerk

FOOD FEES FINALFOOD FEES.DOC

ATTACHMENT 2

Comparison of Current and Proposed Food Establishment Fees in Alexandria and Current Fees in Surrounding Jurisdictions

Restaurant Permit Fee (\$22,000 in new revenue)

A \$50 annual City food establishment permit application fee is proposed for FY10 (implemented November 1, 2009) for restaurants, mobile food units, caterers, nursing homes, hospitals, and colleges. This fee will be in addition to the current \$100 annual state fee collected by the Virginia Department of Health. (No fee increase is proposed schools, child care centers, adult care centers, jails, or group homes.) This fee will bring Alexandria’s food establishment permit application fees for these types of establishments more in line with surrounding jurisdictions (see table below). This fee increase has received the support of the Restaurant Association of Metropolitan Washington provided that the fee increase is used to support the Alexandria Food Safety Advisory Council, the quarterly FoodTalk newsletter to Alexandria’s food establishments, food safety training materials, training for food managers when the 2009 Food Code is adopted, and the voluntary “Smoke-Free Alexandria” restaurant program. It is anticipated that approximately 440 of these permits will be issued. These will be billed on a calendar year basis.

Local Jurisdictions Restaurant Permit Fee Comparison

Locality	Current Permit Cost	Period	Notes
Alexandria City	\$100	1 Year	No current local fee.
Arlington County	\$100	1 Year	
Fairfax County	\$100	1 Year	
DC	\$349-699	1 Year	
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Market/Grocery Store Permit Fee (\$16,815 in new revenue)

A \$95 annual City food establishment permit application fee is proposed for FY10 (implemented November 1, 2009) for grocery stores, meat and seafood markets, convenience stores, bakeries, and delis and grocery store salad bars without seating. This increase will bring Alexandria’s permit application fees for these types of establishments more in line with surrounding jurisdictions (see table below). This fee will be in addition to the current \$40 annual state fee collected by the Virginia Department of Agriculture

and Consumer Services (VDACS). The proposed permit application fee recovers less than half the approximately \$200 in annual staff time and administrative costs associated with regulation of even the smallest markets or convenience stores. It is anticipated that approximately 177 of these permits will be issued. These will be billed on a calendar year basis.

Local Jurisdictions Market/Grocery Store Permit Fee Comparison

Locality	Current Permit Cost				Period	Notes
	Grocery/ C-Store	Meat / Seafood Market	Bakery	Deli / Salad Bar		
Alexandria City	\$40	\$40	\$40	\$40	1 Year	No current local fee
Arlington County	\$140	\$140	\$140	\$140	1 Year	
Fairfax County	\$40	\$40	\$40	\$40	1 Year	Not regulated by Fairfax Co.
DC	\$289-384	\$289-\$384	\$289-\$384	\$346-\$441	1 Year	
Montgomery County	\$130	\$130	\$130	\$130	1 Year	
Prince George's County	\$225	\$225	\$225	\$225	1 Year	
Anne Arundel County	\$195-\$590	\$195-\$590	\$195-\$590	\$195-\$590	1 Year	
Baltimore City	\$185-\$450	\$185-\$450	\$185-\$450	\$185-\$450	1 Year	Fee depends on food risk

RESOLUTION NO. 2336

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Permit Application Fees for FY 2010**

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WHEREAS, other local jurisdictions in the Washington, D.C. Metropolitan area charge a permit fee for the operators of vending machines which vend potentially hazardous foods; and

WHEREAS, the proposed permit fee imposed on the operators of vending machines which vend potentially hazardous foods will bring the City’s vending machine permit fees in line with those fees imposed by surrounding jurisdictions; and

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WHEREAS, the proposed food establishment permit application fee is in addition to the annual state fee charged to these establishments and will be billed on a calendar year basis; and

WHEREAS, other local jurisdictions in the Washington, D.C. metropolitan area charge food establishment permit application fees at or above the fees proposed by the City and this proposed fee will cover only a portion of the cost of staff time to process such food establishment application permits and will be used to support the Alexandria Food Safety Advisory Council, the quarterly Food Talk newsletter, food safety training materials, and training for food managers, in addition to other costs incurred by the City; and

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WHEREAS, the proposed permit application fees for grocery stores, meat and seafood markets, convenience stores, bakeries and delis, and grocery store salad bars cover less than one half of the cost of staffing and administrative costs associated with the regulation of grocery stores, meat and seafood markets, convenience stores, bakeries, and delis and grocery store salad bars without seating, in the City and these costs increase year-by-year.

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2. That a fee for the review of plans and specifications of food establishments which are newly constructed, remodeled, or for existing structures which are converted to use as a food establishment is hereby set at \$200.

3. That an annual food establishment permit application fee for restaurants, mobile food units, caterers, nursing homes, hospitals and colleges shall be and hereby is set at \$50 and is to be implemented on November 1, 2009. This fee shall be billed on a calendar year basis. This fee shall be in addition to the annual state fee collected by the Virginia Department of Health.

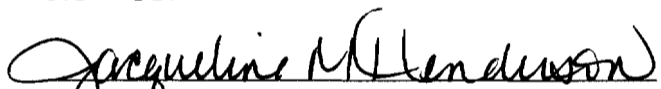
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5. That Section 2 of this resolution shall be effective upon passage.

ADOPTED: May 12, 2009


WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, CMC City Clerk