

EXHIBIT NO. 1

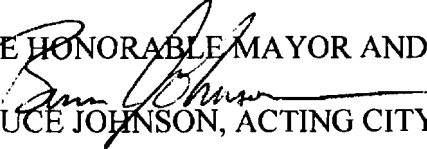
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6-25-11 ~~20~~
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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 6, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:  BRUCE JOHNSON, ACTING CITY MANAGER

SUBJECT: ORDINANCE TO EXTEND THE CONSUMER PRICE INDEX-URBAN (CPI-U) INCREASE FOR SEWER TAP FEES TO FY 2012 AND BEYOND

ISSUE: Consideration of a proposed ordinance to amend existing City Code section 5-6-25.1(a)(5) to extend the CPI-U increase for sewer tap fees to include FY 2012 and beyond.

RECOMMENDATION: That City Council introduce the ordinance, pass it on first reading, and schedule it for public hearing, second reading and final passage on Saturday, June 25.

DISCUSSION: In May 2008, the sanitary sewer connection fees were increased by Council for FY 2009 with a provision for Transportation & Environmental Services (T&ES) staff to administratively increase the rate by the Bureau of Labor Statistics (BLS) urban consumer price index (CPI-U) for the Washington, DC-Maryland-Virginia-West Virginia, region for FY 2010 and FY 2011.

The FY 2012 budget approved on May 2, 2011, included an increase in the sewer tap fees by the CPI-U as in previous years. This amendment will codify the approval included in the FY 2012 budget and extend the current annual CPI-U adjustment approach set forth in the Code into the future.

Staff recommends that City Council continue the CPI-U increase for FY 2012 (3.0%¹), and that T&ES continue to review and adjust this rate annually using the CPI-U Index for the Washington-Baltimore area, DC-MD-VA-WV.

The proposed rate for FY 2012 is \$7,860 per single family dwelling, a 3.0% increase over FY 2011. The multi-family dwelling fee will remain at 50% of the single family dwelling fee and would adjust upward to \$3,930. Commercial and non-residential fees will also increase at the same rate of inflation based on the maximum capacity on a gallons-per-minute capacity basis linked to the size of the water main connection. The fees use as their basis the single family fee

¹ Based on Washington-Baltimore, DC-MD-VA-WV CPI-U Index (1996 = 100) 3.0% change from March 2010 (141.741) to 2011 (146.044). Source: Bureau of Labor Statistics

and are adjusted proportionately by meter size. The following chart reflects the proposed fee for sewer connections of various sizes:

FY 2012 Fee Chart for Nonresidential Property

<i>Meter Size (inches)</i>	<i>Maximum Capacity (GPM)</i>	<i>3/4" Meter Equivalent</i>	<i>Fee</i>
3/4 or smaller	30	1.00	\$7,860
1	50	1.67	\$13,126
1 1/2	100	3.33	\$26,174
2	160	5.33	\$41,894
3	320	10.76	\$85,574
4	500	16.67	\$131,026
6	1000	33.33	\$261,974
8	1600	53.33	\$419,174
10	2300	76.67	\$602,626

The new higher fees will be effective for final site plan submissions submitted for review after April 1, 2011. T&ES has customarily made this increase slightly retroactive in order to prevent a risk of applications trying to beat the rate increase.

T&ES is currently studying sanitary sewer system capacity and needs as part of a multiyear process and may develop a new sewer tap fee proposal upon the study's conclusion. Any new fee proposal will be discussed with the development community prior to being proposed to Council.

Revenues generated by the sanitary sewer connection fee are dedicated for sanitary sewer CIP expenditures. The proposed rate increase would have no impact on the FY 2012 General Fund operating budget.

FISCAL IMPACT: Estimating annual sanitary sewer connection fee revenue is difficult because of the variability in the amount of development that may occur in any given year. In developing the FY 2012 budget, staff budgeted total sanitary sewer connection fee revenue to be \$800,000 which includes a 3.0% increase in the connection fee. This means the inflationary rate increase's fiscal impact is around \$24,000 annually. All revenue from the sanitary sewer connection fee will be deposited in the City's Capital Projects Fund and will be used solely for sanitary sewer capital projects.

ATTACHMENT:

Attachment 1: Proposed ordinance

STAFF:

Mark Jinks, Deputy City Manager

Richard J. Baier, P.E., LEED AP, Director, T&ES

Emily A. Baker, P.E., City Engineer, T&ES

Antonio Baxter, Administrative Services Division Chief, T&ES

Shanna Austin, Site Plan Coordinator, T&ES

Introduction and first reading: 6/14/11
Public hearing: 6/25/11
Second reading and enactment: 6/25/11

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Division 1 (GENERAL PROVISIONS), Article B (SEWAGE AND DISPOSAL SYSTEMS), Chapter 6 (WATER & SEWER), of Title 5 (TRANSPORTATION & ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance amends the sewer tap fees to administratively increase annually by the rate of inflation as determined by the annual CPI-U for the Washington-Baltimore-Northern Virginia, DC-MD-VA-WVA Combined Statistical Area without further action of Council.

Sponsor

N/A

Staff

Mark Jinks, Deputy City Manager
Richard J. Baier, PE, LEED AP, Director, T&ES
Emily A. Baker, PE, City Engineer
Christopher P. Spera, Deputy City Attorney

Authority

§2.03(e) and (t), Alexandria City Charter

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

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ORDINANCE NO. _____

AN ORDINANCE to amend and reordain Division 1 (GENERAL PROVISIONS), Article B (SEWAGE AND DISPOSAL SYSTEMS), Chapter 6 (WATER & SEWER), of Title 5 (TRANSPORTATION & ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Division 1, Article B, Chapter 6, all of Title 5 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained by the amendment of Sections 5-6-25.1 to read as follows:

(New language is underscored; deleted material is ~~stricken~~)

Sec. 5-6-25.1 - Sewer connection permits and service fees; construction costs; constructing sewers by owners rather than city; additional connections.

(a) Any person who is required, or who desires, to provide a connection for sewer service from his property, through any sewer constructed by or belonging to the city or any sewer serving the area annexed to the city in 1952, but belonging to a county, by direct connection at a city sewer main, trunk or lateral, shall, before starting to make such connection, apply to the director for a permit to make the connection, and the director shall issue a permit for the sewer connection when and after the person shall have paid to the department of finance the sum hereinafter provided.

[Intervening sections are unchanged.]

(5) The chart set forth in section (3) above reflects the fees for fiscal year 2009. Those fees were adjusted upward at the rate of inflation as determined by the annual CPI-U for the Washington-Baltimore-Northern Virginia, DC-MD-VA-WVA Combined Statistical Area on On July 1 of each of fiscal years 2010 and 2011. For fiscal year 2012 and going forward, the foregoing fees shall increase each year at the rate of inflation as determined by the annual CPI-U for the Washington-Baltimore-Northern Virginia, DC-MD-VA-WVA Combined Statistical Area. The fees applicable to each fiscal year after FY 2011 are subject to annual review by city council.

[Subsequent sections are unchanged]

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Section 2. That this ordinance shall become effective July 1, 2011.

WILLIAM D. EUILLE
Mayor

Introduction: 6/14/11
First Reading: 6/14/11
Publication:
Public Hearing:
Second Reading:
Final Passage:

ORDINANCE NO. 4730

AN ORDINANCE to amend and reordain Division 1 (GENERAL PROVISIONS), Article B (SEWAGE AND DISPOSAL SYSTEMS), Chapter 6 (WATER & SEWER), of Title 5 (TRANSPORTATION & ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

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[Intervening sections are unchanged.]

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[Subsequent sections are unchanged]

Section 2. That this ordinance shall become effective July 1, 2011.

WILLIAM D. EUILLE
Mayor

Final Passage: June 25, 2011