

EXHIBIT NO. 1

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 9, 2006
TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER *J*
SUBJECT: PROPOSED PLANNING AND ZONING FEE INCREASES

ISSUE: Proposed fee increases for various land use and development applications.

RECOMMENDATION: That the City Council:

- (1) Receive the attached report related to increasing Planning and Zoning land use and development fees (Attachment 3); and
- (2) Set the proposed fee increases for public hearing on Saturday, February 25, 2006.

The new fees would be effective immediately.

BACKGROUND: As Council is aware, the City is experiencing a tremendous increase in development activity which necessitates additional staff to process the increased number of applications and final site plans. The cost to hire additional staff in Planning and Zoning, T&ES, Code Enforcement, and Recreation and Parks is proposed to come from an increase in Planning and Zoning fees and Code Enforcement building permit fees. This memo addresses increases in Planning and Zoning fees.

During discussions on the FY 2006 budget last June, staff provided City Council with information on potential increases in Planning and Zoning and construction permit fees. City Council concurred in concept the policy direction of increasing Planning and Zoning and building construction fees to offset the costs associated with additional staff needed to handle the substantial increase in development related workload.

The authority for establishing Planning and Zoning fees is found the City Charter, Section 2.07, which provides that "Whenever in the judgment of the council it is advisable in the exercise of any of the powers of the city or in the enforcement of any ordinance or regulation, it may establish and collect such fees as it may determine to be reasonable for the rendering of city services." There is also language in Section 11-104 of the City of Alexandria Zoning Ordinance which provides that the Director of Planning and Zoning shall by general rule, approved by City Council, establish a

schedule of fees required for each application for development approval.

The City last revised Planning and Zoning fees in 2002. At that time, a detailed analysis of staff costs to process land use applications was completed. The analysis showed that staff costs to process applications was much greater than the fees proposed at that time. A review of the analysis shows that staff costs today continue to be substantially higher than the fees charged for processing applications.

The proposed fees are in accordance with the same principles used in 2002 to guide staff in determining appropriate fees. These principles include:

- Maintaining a balance between cost recovery through fees and the general public benefit of development services that should be paid by the General Fund.
- Keeping Alexandria's fees lower than the highest fees charged by other Northern Virginia jurisdictions in most fee categories
- Retaining, to the degree possible, the relative ease of administration associated with the current fee structure.
- Avoiding disproportionately impacting small businesses and homeowners within the City.

The primary source of increased Planning and Zoning fees would be from an increase in the final site plan fee, which would account for approximately 75% of the additional total revenues expected from the proposed fee increases. The other 25% would come from increases in mostly non-development fees such as BAR fees, variances, vacations, encroachments, special use permits, zoning compliance letters, rezonings and text amendments and appeals to the BZA and to City Council.

Staff from Planning and Zoning and Code Enforcement have met with representatives of the development community to discuss proposed permit and final site plan fee increases. At a recent meeting in January 2006, representatives from the development community advised Planning and Zoning staff that they were not opposed to the increases in final site plan fees assuming processing times could be maintained which with the planned added staffing (to be paid from these fees) is the City's intent.

The level of final site plan activity over the next several years will continue to be at levels much higher than the historical level of the late 1990's and early 2000's. Final site plan development activity between 2004 and 2006 will average about 4 million square feet per year. The level of activity projected over the next several years will average about 8 million square feet per year. This high level of development will have an impact on the ability of the Department to process all development plans, including final site plans, in the City's scheduled review times.

The increase in final site plan fees, other Planning and Zoning fees and increased Code Enforcement construction fees will fund the additional staff required to keep up with the expected development volume. These new Planning and Zoning fees will help recover more of the City's cost for staff time required to process final site plans, land use applications, and construction documents.

For purposes of comparison with other jurisdictions, to determine the impact of the proposed increase in the final site plan fee, the example of a commercial project of 100,000 square feet on one acre was used. The respective fees of the City and other jurisdictions in the area is shown below:

Example: Commercial office building of 100,000 square feet

Alexandria (current)	\$ 2,500
Alexandria (proposed)	\$ 8,000
Arlington	\$ 21,000
Fairfax County	\$ 7,000
Loudoun County	\$ 4,895
Montgomery County	\$ 5,820
Prince Georges County	\$ 2,030
Prince William County	\$ 24,000

As can be seen, the City's fee is the second lowest of all of the surrounding jurisdictions. With the proposed increase in our final site plan fee, for the example above, the fee would become \$8,000.

A Summary of Comparative Site Plan Fees in Other Jurisdictions is shown on Attachment 1. A Summary of Proposed Fee Increases is shown on Attachment 2. A table of the Projected Revenues with Fee Increases is shown on Attachment 4, and includes final site plan as well as other land use applications fees. A comparison of the land use application fees to similar fees in other jurisdictions is shown on Attachment 5. The comparison indicates that, even with the increases proposed, the new fees would be competitive with other local jurisdictions.

FISCAL IMPACT: The fiscal impact of the proposed fee changes would result in additional annual revenue of approximately \$423,000. These additional revenues will be used to recover the costs of additional City staff needed to keep up with the expected volume of land use and development applications. The purpose of the proposed increases is to help recover more of the cost incurred by the City for staff time involved in processing applications so that the beneficiaries of these reviews bear none of the cost of these reviews.

ATTACHMENTS:

- Attachment 1. Summary of Comparative Final Site Plan Fees in Other Jurisdictions
- Attachment 2. Summary of Proposed Fee Increases

- Attachment 3. Planning and Zoning Fee Schedule
- Attachment 4. Projected Revenues with Fee Increases
- Attachment 5. Comparable Fees in Other Jurisdictions

STAFF:

Eileen Fogarty, Director, Planning and Zoning
Rich Josephson, Deputy Director, Planning and Zoning
Bruce Johnson, Director, Management and Budget

Summary of Comparative Final Site Plan Fees in Other Jurisdictions

How do Alexandria's final site plan fees compare to similar fees in other jurisdictions?

Current final site plan fees in the City and other jurisdictions are as follows:

Alexandria (current)	\$1,000 + \$1.50/100 SF with a maximum fee of \$20,000
Arlington County	\$2,500/\$8,000 + \$20/100 SF office & commercial; \$20/d.u.
Fairfax County	\$4,800 + \$2,200/disturbed hectare
Loudoun County	\$4,800 + \$95/acre
Montgomery County, MD	\$2,675 for 1-9 dus \$4,020 for 10 or more du's + \$27/du over 10 for residential \$2,675 up to 9,999 SF; \$4,020 + \$.02/SF over 10,000 for commercial
Prince Georges County, MD	Residential: \$1000 (1-9 lots or dus), \$2,000 plus \$10/each lot (10 or more lots or dus) Non-Residential: \$2,000 plus \$30/acre
Prince William County	\$450 + \$21/acre + \$.60/gross SF of proposed floor area up to 10,000 SF; \$.20/gross SF thereafter

Summary of Proposed Fee Increases

Final Site Plans

Increase fee from \$1,000 per site plan plus \$1.50 per 100 square feet of development to \$2,000 per site plan plus \$6.00 per 100 square feet of development

Residential Variance

Increase fee from \$250 to \$300

BAR Demolition

Increase fee from \$50 to \$100 if done in conjunction with building alteration with no DSP/DSUP

Increase fee from \$50 to \$200 if done in conjunction with building addition with no DSP/DSUP

Increase fee from \$50 to \$1000 if there is a complete demolition and no DSP/DSUP and from \$500 to \$1000 if there is a DSP/DSUP

BAR Additions

Increase fee from \$250 to \$500 for residential additions with no DSP/DSUP

Increase fee from \$500 to \$800 for commercial additions with no DSP/DSUP

BAR New Buildings

Increase fee from \$500 to \$800 for two or fewer new residential buildings and no DSP/DSUP

Increase fee from \$1,000 to \$1,500 for more than two residential buildings or commercial buildings and no DSP/DSUP

Increase fee from \$2,500 to \$3,000 if a DSP/DSUP is required

BAR Alterations

Increase fee from \$50 to \$100 for commercial alterations

Special Use Permit

Increase fee from \$500 to \$1,000, except for non-profits, day care and single family residential uses, and parking reductions in non DSP/DSUP case or for administrative approvals where the fee will be \$250

Zoning Compliance Letter

Increase fee from \$250 to \$500

Appeal to Board of Zoning Appeals

Increase fee from \$350 to \$500

Appeal to City Council for Site Plan, Subdivision or Chesapeake Bay Issue

Increase fee from \$150 to \$500

Rezoning and Text Amendment

Increase fee from \$2,000 plus \$200 for each ½ acre to \$3,000 plus \$300 for each ½ acre over 1 acre

PLANNING AND ZONING FEE SCHEDULE
(Fee Changes are in Bold Caps)

BOARD OF ZONING APPEALS	
Variance/Special Exception	\$300 RESIDENTIAL \$750 Commercial \$1,000 Commercial/Industrial
Appeal to BZA	\$350
BOARD OF ARCHITECTURAL REVIEW	
Demolition	\$100 IF ASSOCIATED WITH ALTERATION \$200 IF ASSOCIATED WITH ADDITION \$1,000 IF COMPLETE DEMOLITION
Addition	\$500 RESIDENTIAL \$800 COMMERCIAL \$1,000 If requires DSP/DSUP
New Buildings	\$800 RESIDENTIAL \$1500 COMMERCIAL \$3000 IF REQUIRES DSP/DSUP
Waiver - Vision Clearance/HVAC Screen/Signs	\$50 Residential
Alterations	\$50 Residential \$100 COMMERCIAL
Appeal to City Council	\$500
PLANNING COMMISSION	
Vacation	\$500
Encroachment	\$500
Master Plan Amendment	\$3,000 plus \$300 per each ½ acre over 1 acre
Rezoning	\$3,000 plus \$300 per each ½ acre over 1 acre
Special Use Permit	\$1,000 EXCEPT: \$250 FOR NON-PROFITS, DAY CARE AND SINGLE FAMILY RESIDENTIAL USES, AND PARKING REDUCTIONS IN NON DSP/DSUP CASES OR FOR ADMINISTRATIVE APPROVALS
Subdivision	\$500 plus \$30/lot for each lot including outlots if total lots < 10 \$1,500 plus \$30/lot for each lot including outlots if 10 or more lots
CDD Concept Plan	\$1,000 plus \$2.00/100 SF, maximum \$20,000, or if preliminary application filed with the concept application, 50% of this amount

PLANNING AND ZONING FEE SCHEDULE
(Fee Changes are in Bold Caps)

Development Site Plan/Special Use Permit	\$1,000 plus \$2.00/100 SF, maximum \$20,000, plus \$1,000 for resubmission beyond first completeness plus \$ 150 revised application plus \$ 150 deferred application
Development Site Plan/Special Use Permit Amendment or Extension	\$1,000 plus \$2.50/100 SF of additional floor area
Transportation Management Plan Special Use Permit	\$10 Per 1,000 SF
Appeal to City Council for Site Plan, Subdivision or Chesapeake Bay Issues	\$500
ADMINISTRATIVE	
Zoning Compliance Letter	\$500
Final Development Site Plan	\$2,000 PLUS \$6.00/100 SF, MAXIMUM \$20,000 FOR FIRST REVIEW \$1,000 PER EACH REVIEW BEYOND SECOND
Final Subdivision	\$350 per less than 10 lots; plus \$250 for each review beyond second \$1,000 for 10 or more lots; plus \$250 for each review beyond second

Projected Revenues with Fee Increases

Projected Revenues with Fee Increases									
	Current Fee	Proposed Fee	Additional Fee	Annual # of Cases	Projected Annual Additional Revenues				
					FY2007	FY2008	FY2009	FY2010	FY2011
Type of Fee									
Site Plan (final)	\$1,000 plus \$1.50/100 sq. ft.	\$2,000+\$6.00/100 sq.ft.	\$1,000+\$4.50/100 sq. ft	50	\$414,500	\$392,000	\$257,000	\$257,000	\$257,000
Residential Variance	\$250	\$300	\$50	60	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Rezoning and Text Amend	\$2,000, plus \$200 for each ½ acre over 1 acre	\$3,000, plus \$300 for each ½ acre over 1 acre	1,000	10	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Vacation	100	500	400	6	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Encroachment	150	500	350	6	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100
Special Use Permit	500	1,000	500	60	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Zoning Compliance Letter	250	500	250	100	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Appeal to Board of Zoning Appeals	350	500	150	10	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Appeal to City Council of Site Plan, Subdivision, BAR	150	500	350	10	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
BAR Demolition w/addition	\$50	\$200	\$150	45	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750
BAR Demolition w/alteration	\$50	\$100	\$50	25	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
BAR Complete Demolition	\$50	\$1,000	\$950	5	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750
BAR Residential Addition	\$250	\$500	\$250	40	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
BAR Commercial Addition	\$500	\$800	\$300	2	\$600	\$600	\$600	\$600	\$600
BAR New Residential Bldg	\$500	\$800	\$300	5	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
BAR New Commercial Bldg	\$1,000	\$1,500	\$500	1	\$500	\$500	\$500	\$500	\$500
BAR New Bldg w/DSP/DSUP	\$2,500	\$3,000	\$500	5	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500

Projected Revenues with Fee Increases

Projected Revenues with Fee Increases									
	Current Fee	Proposed Fee	Additional Fee	Annual # of Cases	Projected Annual Additional Revenues				
					FY2007	FY2008	FY2009	FY2010	FY2011
Type of Fee									
BAR Commercial Alterations	\$50	\$100	\$50	25	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Total					\$521,100	\$498,600	\$363,600	\$363,600	\$363,600

ATTACHMENT 5 - COMPARATIVE FEES IN OTHER JURISDICTIONS

Fee	Alexandria	Arlington	Fairfax County	Prince William County
Rezoning or Zoning Map Amendment Site Plan	<p>\$2,000 plus \$200 for each 1/2 acre over 1 acre</p> <p>\$1,000 plus \$2.00/100 SF prelim \$1,000 plus \$1.50/100 SF final</p>	<p>\$3,520 to \$12,000 depending on zoning district</p> <p>\$2,500 + \$20/100 sq ft of office and commercial space final site plan (ie PRELIMINARY SITE PLAN);</p> <p>\$20/dwelling unit for site plans in R and RA districts of fewer than 25 units, C-2 and Voluntary Coordinated Housing Preservation and Development District</p> <p>\$8,000 + \$20/100 sq ft of office and commercial space final site plan (ie PRELIMINARY SITE PLAN); \$20/du</p> <p>\$1,000 + \$20/100 sq ft of office and commercial space + \$20/du, \$20/ hotel unit final site plan (ie FINAL SITE PLAN)</p> <p>\$16,860 + \$100/acre PHASED DEVELOPMENT SITE PLAN</p>	<p>\$8,820 plus \$185 to \$435/acre</p> <p>\$2,400 Preliminary Site Plans (site plan base fee not to exceed \$24,000)</p> <p>\$4,800 + \$2,200 (construction plans—as-builts) per disturbed hectare or fraction thereof after 1st hectare</p> <p>\$2,300 per submission after second submission</p> <p>\$1,400 minor site plan</p>	<p>\$1,962 to \$6,540 plus \$70 to \$205/acre</p> <p>NONRESIDENTIAL SUB/SITE PLAN REVIEW:</p> <p>\$450 preliminary site plan + \$.50 per 1,000 gross bldg sq ft proposed</p> <p>\$450 final site plan + \$12/lot,</p> <p>\$21/disturbed acre + \$.60/gross sq ft of proposed buildings up to 10,000 sq ft; \$.20/gross sq ft thereafter</p> <p>RESIDENTIAL SUB/SITE PLAN REVIEW:</p> <p>\$450 preliminary site plan or \$30/proposed lot/unit (whichever is greater)</p> <p>\$450 + \$12/lot/unit Final SFD Residential sub/site plan (less than 5 lots)</p> <p>\$450 + \$248/lot/unit Final Th/Mf residential sub/site plan</p> <p>RESIDENTIAL SUB/SITE PLAN LAND DEVELOPMENT PERMIT: \$700/lot SFD</p> <p>\$205/lot TH/MF</p> <p>\$700/lot or parcel for nonresidential SUB</p> <p>\$.54/gross sq ft of proposed buildings</p>

ATTACHMENT 5 - COMPARATIVE FEES IN OTHER JURISDICTIONS

Fee	Alexandria	Arlington	Fairfax County	Prince William County
Use Permits	<p>\$500 base application</p> <p>\$200 for parking reduction in non DSP/DSUP or for administrative approval (ownership change or minor amendment)</p> <p>\$150 for non-profits, day care, single family residential uses</p> <p>\$1,000 for coordinated sign program or increase in density</p>	<p>\$100 Family Day Care</p> <p>\$115 to \$275 Schools</p> <p>\$1,500 Comm and Non-Comm</p> <p>\$1,000 Entertainment, Garages and Food Delivery</p> <p>\$7,000 Drive thru restaurants, auto service stations, vehicle repair</p>	<p>\$5,295 Extraction/Excavation/Interment Uses; Commercial Recreation Uses; Older Structures; Temporary Uses approved by Board of Zoning Appeals</p> <p>\$3,565 Institutional Uses (church, child care center, nursery/private school with 100+ enrollment) all other uses \$100</p> <p>\$1,320 Community Uses</p> <p>\$130 Temporary Uses approved by Zoning Administrator</p> <p>\$585 Open Air Produce Stands</p> <p>\$140 Accessory Dwelling Unit</p> <p>\$60 Modification to side yard requirements R-C lots</p> <p>¼ prevailing fee Amend previously approved and currently valid special permit with no new construction</p> <p>1/8 prevailing fee Amend previously approved and currently valid special permit with new construction</p>	<p>up to 10,000 sq ft, \$.18/gross sq ft thereafter for nonresidential site plan (total not to exceed \$25,000)</p> <p>\$100 Family day-care home</p> <p>\$200 Child care facility 6-9 children; group homes; private schools ancillary to residence; mobile unit use ancillary to existing religious institution</p> <p>\$400 Adult day care up to 9 persons; breeding animals; commercial riding facility; noncommercial kennel; petting farm; rural home business without storage</p> <p>\$1,000 Adult day care 10 or more; child care facility 10-40 children; homeless shelter; locational advertising signs; medical care facility less than 20 beds; private school (not accessory to residence); rooftop radio towers over 10ft from roof; sign package 1-5 signs</p> <p>\$1,500 Child care facility over 40 children; religious institution; farmer's market; flea market; live entertainment/dancing; motor vehicle impound yard as ancillary; motor vehicle parts, with service 3 or less work bays; motor vehicle uses 3 or less service bays; outdoor storage; veterinary hospital; sign package 6 or more signs</p>

ATTACHMENT 5 - COMPARATIVE FEES IN OTHER JURISDICTIONS

Fee	Alexandria	Arlington	Fairfax County	Prince William County
				<p>\$4,500 commercial uses greater than 30,000 sf floor area; car wash; commercial catering; cemetery; civic club; commercial parking lot; commercial recreation; condo conversion; country club; drive-in facilities; garden center; hotel/motel; medical care facility 20 or more beds; motor vehicle uses 4 or more service bays; motorcycle sales and repair; nursing home; restaurant drive-in; self storage; specialty food stores</p> <p>\$6,000 ambulance service maintenance; civic center; town center; hospital; manufacturing, non-hazmat; mobile home; motor vehicle impoundment; quick service food store; race track; taxi/limo operation/service facility; motor vehicle uses 3 or less repair bays</p> <p>\$7,500 airport; asphalt plant; assembly; hazmat storage facility; heavy industry; motor vehicle fuel station; motor vehicle repair 4 or more bays; truck stop</p> <p>Modification of development standards: Increase in FAR--FAR proposed minus FAR by right divided by FAR by right x \$1,000; Increase in height--#feet over the by-right limit x \$100.</p> <p>\$285</p>
Variances	<p>\$250 Residential \$750 Apartments \$1,000 Commercial/Indust</p>	<p>\$285 plus \$57 for each subsection for additions to SF \$2,260 plus \$452 for each subsection</p>	<p>\$295 residential; modification of location or use limitations for residential accessory structures; fence</p>	

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Fee	Alexandria	Arlington	Fairfax County	Prince William County
		for new SF \$2,820 plus \$564 for each subsection for HD Res, TH, Apts, Office and Comm Bldgs \$235 Non-profits \$340 Decisions of Z.A.	height \$2,645 others	
Vacation	\$100	\$350	\$200	\$0
Encroachment	\$150	\$150	VDOT	VDOT
Master Plan Amendment	\$2,000 plus \$200 for each 1/2 acre over 1 acre	\$2,555 when accompanied by site plan	\$0	\$0
Appeal to City Council – Site Plan or Subdivision	\$150			
Zoning Compliance Letter	\$250	\$275	\$90 SF each lot \$265 All Others each lot	\$20-\$25
BZA Appeal	\$350			\$425
BAR	\$50 to \$500 for demolition \$250 to \$1,000 for addition \$500 to \$2,500 for new building \$50 for waiver vision clearance/HVAC screen/signs \$150 for appeal to City Council		\$0	\$0

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