

COUNTY OF ALBEMARLE

EXECUTIVE SUMMARY

<p>AGENDA TITLE: Community Development Fees – Subdivision Ordinance</p> <p>SUBJECT/PROPOSAL/REQUEST: Consider revising fees in the Subdivision Ordinance</p> <p>STAFF CONTACT(S): Messrs. Tucker, Foley, Kamptner, Graham, and Fritz</p> <p>LEGAL REVIEW: Yes</p>	<p>AGENDA DATE: September 3, 2008</p> <p>ACTION: X INFORMATION:</p> <p>CONSENT AGENDA: ACTION: INFORMATION:</p> <p>ATTACHMENTS: Yes</p> <p>REVIEWED BY:</p>
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BACKGROUND:

The purpose of this work session is to receive Board direction on staff recommended changes to Subdivision Ordinance ("Ordinance") fees. At the December 5, 2007 Board meeting, staff presented a Community Development Fee Study and a recommendation for a fee policy. (Attachment A) Given the limited amount of time for discussion and the complexity of the topic, it was not possible for the Board to give specific direction on revised fees. To provide adequate consideration of the fees, staff divided this task into several ordinances. The fees imposed under the Building Regulations and Water Protection Ordinances were reviewed at an April 9, 2008 work session and ordinance amendments were adopted by the Board on August 6, 2008. Today's work session is to establish direction for the Subdivision Ordinance fees. Following completion of the Subdivision Ordinance, staff plans to bring forward the Zoning Ordinance fees.

STRATEGIC PLAN:

Goal 5: Fund the County's Future Needs.

DISCUSSION:

The fee study presented to the Board in December 2007 identified County costs for fee related services, estimated revenue from current fees, proposed new fees, and compared the recommended fees to those in eight comparable localities. The fee study extract in Attachment A included an explanation of how the service costs were calculated and the algorithm used by the consultant in developing a recommendation for updated fees.

After reviewing past Board discussions regarding fees and the consultant's fee recommendation, staff recognized it would be appropriate to consider simplifying the fee calculation process. To simplify, staff considered establishing fees at one-half of the County's cost and retaining the fee at its current level where the fee is already greater than one-half of the cost. Fees were then rounded to the nearest \$10. The concept behind splitting the cost of service was to recognize that part of the service is related to the property owner's interest and part is related to notices and other non-mandated County policies and procedures that allow for public involvement. Staff then prepared Attachment B to provide a side by side comparison of the cost of service, the current fee, the consultant's recommended fee, and a staff recommended fee calculated at one-half of the County cost. Staff also included a revenue summary for each fee concept in Attachment B. From this analysis, it appears the consultant's recommendation and staff's recommendation will generate very similar revenues in an average year.

Next, staff provided a comparison of fees for three common subdivision types in Attachment C. Recognizing that each locality has a unique fee structure, staff found it nearly impossible to provide a meaningful comparison of all fees. This simple table provides meaningful examples of how the fees compared with three common subdivisions. This table demonstrates that the fees are similar in most situations, but that there are a few

significant differences. Among the most significant changes would be the fee for a family subdivision (Fee Study ID 90, Attachment B). Staff noted that localities appear to have differing goals in establishing fees for family subdivisions and recognized the Board may wish to treat these differently than other subdivision applications.

Finally, staff notes that some other localities are also attempting to develop a more consistent fee structure and recover a higher percentage of their costs. Chesterfield County is currently attempting to establish a fee structure that sets fees at 75% of its costs and Arlington County is attempting to set many of its fees at 100% cost recovery. Staff noted that either a 75% or 100% cost recovery would set many of Albemarle County's subdivision fees higher than any of the comparison localities. There are good reasons for this higher cost:

- First, most other localities make their processes administrative, meaning the Planning Commission is not involved in the process. For example, by comparing the cost of service for a 20 lot preliminary plat that goes to the Planning Commission to one handled administratively (Fee Study ID 82 versus 87), the cost is roughly double for the plat that is reviewed by the Planning Commission. Staff found a similar result in Attachment C with the Stafford County fees. Additionally, not only are subdivisions often handled administratively in other localities, most of the waivers or modifications are handled administratively. As the Board is aware, administrative waivers were a Development Task Force recommendation and are now being considered by the Planning Commission.
- Second, in keeping with administrative processes, most localities do not send notices to neighbors of proposed subdivisions. Costs associated with notices include the cost of preparing and mailing the notices, as well as staff time to address questions resulting from the mailings. While these notices keep the neighborhood informed, they can generate a considerable demand for staff time in responses.
- Third, it should be recognized that Albemarle County's Ordinance is more complex than most. For example, Albemarle's Ordinance is roughly twice the size of the Greene County Ordinance and the requirements are often more complex. The complexity of the ordinance in relation to staff time required appears to follow the rule of the square. In other words, if there are twice as many requirements, it requires four times as much time to review, due to the increased likelihood of errors or mistakes.

In spite of adequate justification for a higher percentage of cost recovery, staff continues to propose a 50% recovery to be more in line with the comparisons localities utilized in the study.

BUDGET IMPACT:

The County currently collects approximately \$145,000 from subdivision fees in an average year. Under the consultant's recommendation, fees collected would increase to approximately \$486,000. Under staff's recommendation, they would increase to approximately \$476,000, increasing County revenues by approximately \$331,000 in an average year. Due to recent development trends, staff anticipates applications will be two-thirds of an average year for the remainder of this year and most of next year. Assuming the recommended fees were implemented by January 2009, staff anticipates a revenue increase of \$100,000 for the remainder of FY 08-09 and of \$200,000 in FY 09-10.

RECOMMENDATIONS:

Staff offers the following recommendations:

1. The Board direct staff to bring forward changes to the Subdivision Ordinance fees as recommended by staff in Attachment B, with any other changes the Board determines appropriate.
2. The Board adopt the Resolution of Intent in Attachment D to amend the Subdivision Ordinance.

With the above direction, staff will proceed with bringing a Subdivision Text Amendment to the Planning Commission.

ATTACHMENTS

Attachment A – December 5, 2007 Executive Summary, Community Development Fee Study

Attachment B- Summary of Subdivision Ordinance service costs, current fees, and fee alternatives

Attachment C – Fee comparison for subdivisions in other localities.

Attachment D – Resolution of Intent to amend Subdivision Ordinance fees

Return to regular agenda

COUNTY OF ALBEMARLE

EXECUTIVE SUMMARY

<p><u>AGENDA TITLE:</u> Community Development Fee Policy</p> <p><u>SUBJECT/PROPOSAL/REQUEST:</u> Establish County Policy for Development Related Fees</p> <p><u>STAFF CONTACT(S):</u> Tucker, Foley, Davis, Graham, Schlothauer</p> <p><u>LEGAL REVIEW:</u> Yes</p>	<p><u>AGENDA DATE:</u> December 5, 2007</p> <p><u>ACTION:</u> X <u>INFORMATION:</u></p> <p><u>CONSENT AGENDA:</u> <u>ACTION:</u> <u>INFORMATION:</u></p> <p><u>ATTACHMENTS:</u> Yes</p> <p><u>REVIEWED BY:</u></p>
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BACKGROUND:

The purpose of this report is to review the findings of a Community Development Fee Study and to receive Board direction on the development of a County policy for cost recovery with these fee based programs. Recognizing the Board's interest in having development review and inspection fees recover all or part of the costs associated with those programs, the County contracted a study with The PFM Group (PFM) to evaluate Community Development's fee based programs. (Attachment A) PFM will present its report to the Board at this meeting. (Attachment B) Following that presentation, staff will discuss PFM's recommendations and provide a recommendation on phasing in fee increases over time. Based on Board input and discussion, staff will follow up at a future meeting with a final policy and proposed ordinance amendments regarding cost recovery.

STRATEGIC PLAN:

Effectively Manage Growth and Development

DISCUSSION:

While the PFM study provides a significant amount of detailed information with respect to program costs and revenues, it will be difficult to effectively utilize this information without establishing a policy for cost recovery through development fees. PFM has provided six policy recommendations, which start on page 4 of their report. Staff's perspective on those recommendations is provided below.

1. Improve data quality for fees. Specifically, PFM indicates the complexity of the current fee structure makes it difficult to use, suggesting a need to create unique identifiers for each permit. Staff concurs with this recommendation and believes this can be accomplished as part of consideration of ordinance amendments to revise fees.

2. Reduce the number of fee titles in the schedule. PFM provided a consolidated fee schedule with their report (Table ES-4 starting on page 38). Staff concurs with the need to reduce the number of fee titles and believes this can be accomplished as part of amending the fees in the ordinances.

3. Develop a Board Approved Cost Recovery Policy. PFM has recommended the County implement a policy for cost recovery that 1) identifies the County's costs; 2) establishes the portion of costs to be recovered through associated fees; 3) establishes the frequency with which such fees would be reviewed; and 4) establishes the process for obtaining public input related to fees. In reviewing the minutes of past Board meetings, it appears there was considerable discussion on a fee policy in 1991, but no clear policy was established. (Attachments C & D) Following the 1991 discussions, there has only been one comprehensive fee adjustment, but no further policy consideration. As a result, County fees have not maintained the relationship to costs anticipated in 1991. Staff concurs with the PFM recommendation and believes this policy can assure fees are being implemented in a fair and consistent manner. Within other parts of this discussion, staff is providing recommendations for the issues of identifying the County's costs and the frequency of reviewing the fees. As part of a cost recovery policy with

development fees, the Board will also need to consider the following two issues:

- **Establishing the portion of the costs to be recovered through fees.** In general, staff supports the concept of full cost recovery through fees, but notes there are some services with community benefits that may justify reduced fees and there are other services where full cost recovery would require fees that are significantly higher than any of the comparison localities. For example, the fee associated with an Official Determination of Development Rights is currently \$40, the highest comparable fee was \$100, and the County's cost associated with this determination is estimated at \$2,560. (Fee Study, ID #52, pages 11 & 20). The Board may feel this letter provides a significant community benefit that justifies a lower fee when the determination is done for property being placed in a conservation easement, but might consider a lower fee inconsistent with the County's goals when the letter is used to market the development potential of a Rural Area property. Staff proposes a policy that assumes full cost recovery **where fees would be comparable to similar localities**, but recognizes the Board may need to provide guidance for the remaining services. Staff will develop further information on this in the future. Finally, recognizing fees have not kept in step with cost increases since 1991, staff believes it is appropriate to phase in some fee increases.
- **Establishing the process for consideration of fee revisions.** As the fees are established in County ordinances, the formal process for revising the fees requires public hearings. Beyond this, staff believes that some fee changes could prove controversial and it is desirable to have all concerns with fees identified prior to consideration by the Planning Commission or Board. Staff recommends the process for fee changes include opportunities for public comment before the ordinance amendments are drafted.

4. Adjust fees based on budget growth each year. PFM has recommended an annual adjustment based on a two step process of reviewing work changes and inflation. While staff agrees the fees should be regularly adjusted, staff notes the fee changes require amending ordinances and reprinting of guidance and documents to reflect the new fees. Given the cost / benefit associated with the fee adjustments, staff recommends the policy have fees adjusted every other year, rather than every year, and the adjustment be based on a simple-to-implement inflation factor.

5. Actual time spent providing the services related to each fee should be captured. PFM is recommending Community Development implement a time keeping system to accurately track work time associated with each fee. If fees are to be set at or near full cost recovery, staff agrees this is important. It must be noted that development and implementation of this time keeping system will be a major undertaking. If it is the Board's desire to set fees at or near costs, staff recommends implementation of a fee specific time keeping system as part of Community Development's work program next year. Staff has already started investigating how this may be done and will need to further discuss with the Board the impact of this type of system on the work program.

6. A time period should be established for comprehensive review of development related fees. PFM has recommended this review occur every four or five years with implementation of a time keeping system. Assuming a time keeping system is implemented in FY 08-09, staff recommends the next comprehensive review should be planned for FY 11-12 and the interval for future comprehensive reviews should be established as part of that first review.

BUDGET IMPACT:

A cost recovery policy allows the County to establish the expectation for development funding versus County funding of County administered permits. This provides for fair and consistent treatment of permits and simplifies budget preparation. It is noted that there are costs associated with implementing and operating a time keeping system, but those cost can be largely recovered as part of the fees.

RECOMMENDATIONS:

Staff recommends that the Board approve the attached 'Implementation Plan for Development Fee Policy' (Attachment E) as the general direction for moving forward in implementing fee increases. In addition, staff recommends the Board provide direction regarding the points discussed above that can be used in the development of a policy for consideration at a future meeting. Both of these issues will be covered in greater detail through a presentation at Wednesday's Board meeting.

ATTACHMENTS

Attachment A- Albemarle County Development Fee Study 2007

Attachment B – PFM Presentation Outline

Attachment C – June 12, 1991 Board Minutes on Development Ordinance's Fee Schedules

Attachment D - August 14, 1991 Board Minutes on Development Ordinance's Fee Schedules

Attachment E – Implementation Plan for Development Fee Policy

[Go to next attachment](#)

[Return to exec summary](#)

Subdivision Recommended Fees

of applications in 2006

Fee Study ID	Area	Fee Type	Units	Unit Cost	Current Fee Amount	Est. Current Fee Revenue	Fee Study Recommendation	Est. Fee Study Revenue	Staff Recommendation (see notes at bottom)	Est. Staff Recommended Revenue	Notes
80	Preliminary Plat for Subdivision	If Subject to Review by the Commission: 1 to 9 lots	9	\$4,322	\$720	\$6,480	\$3,840	\$34,560	\$2,200	\$19,800	1
81	Preliminary Plat for Subdivision	If Subject to Review by the Commission: 10 to 19 lots	3	\$4,559	\$1,100	\$3,300	\$4,070	\$12,210	\$2,200	\$6,600	1
82	Preliminary Plat for Subdivision	If Subject to Review by the Commission: 20 or more lots	8	\$4,862	\$1,330	\$10,640	\$4,380	\$35,040	\$2,200	\$17,600	1
84	Preliminary Plat for Subdivision	If Subject to Review by the Agent: Two-Lot Subdivision as Described in Section 14-202.b.2 or if All Lots Front on an Existing Public Street	1	\$491	\$95	\$95	\$245	\$245	\$250	\$250	
85	Preliminary Plat for Subdivision	If subject to review by the agent: 1 to 9 lots	10	\$2,301	\$360	\$3,600	\$1,550	\$15,500	\$1,150	\$11,500	1
86	Preliminary Plat for Subdivision	If Subject to Review by the Agent: 10 to 19 lots	3	\$2,227	\$550	\$1,650	\$1,550	\$4,650	\$1,150	\$3,450	1
87	Preliminary Plat for Subdivision	If Subject to Review by the Agent: 20 or more lots	3	\$2,464	\$670	\$2,010	\$1,550	\$4,650	\$1,150	\$3,450	1
88	Preliminary Plat for Subdivision	Reinstatement of Review	2	\$1,041	\$65	\$130	\$80	\$160	\$520	\$1,040	
90	Final Plat for Subdivision	Final Plat for Rural Subdivision, Family Subdivision, Resubdivision, or Boundary Line Adjustment	219	\$1,377	\$95	\$20,805	\$800	\$175,200	\$690	\$151,110	
303	Final Plat for Subdivision	If Subject to Review by the Commission: 1 to 9 lots	22	\$4,201	\$720	\$15,840	\$800	\$17,600	\$2,100	\$46,200	2
304	Final Plat for Subdivision	If Subject to Review by the Commission: 10 to 19 lots	5	\$4,438	\$1,100	\$5,500	\$1,210	\$6,050	\$2,210	\$11,050	2
305	Final Plat for Subdivision	If Subject to Review by the Commission: 20 or more lots	2	\$4,675	\$1,330	\$2,660	\$1,470	\$2,940	\$2,340	\$4,680	2
306	Final Plat for Subdivision	If Subject to Review by the Agent: Two-Lot Subdivision as Described in Section 14-202.b.2 or if All Lots Front on an Existing Public Street	56	\$1,084	\$95	\$5,320	\$115	\$6,440	\$540	\$30,240	
307	Final Plat for Subdivision	If subject to review by the agent: 1 to 9 lots	22	\$1,990	\$360	\$7,920	\$435	\$9,570	\$1,000	\$22,000	2
308	Final Plat for Subdivision	If subject to review by the agent: 10 to 19 lots	5	\$2,227	\$550	\$2,750	\$610	\$3,050	\$1,100	\$5,500	2
309	Final Plat for Subdivision	If subject to review by the agent: 20 or more lots	11	\$2,464	\$670	\$7,370	\$740	\$8,140	\$1,230	\$13,530	2
310	Final Plat for Subdivision	Reinstatement of Review		\$1,041	\$65	\$0	\$0	\$0	\$520	\$0	
91	Easement Plat	Easement Plat (Without a Deed)	17	\$973	\$95	\$1,615	\$610	\$10,370	\$490	\$8,330	
180	Easement Plat	Easement Plat (With a Deed)	17	\$1,522	\$95	\$1,615	\$850	\$14,450	\$760	\$12,920	
93	Other Matters Subject to Review	Waiver After Approval of Preliminary Plat	4	\$1,660	\$180	\$720	\$480	\$1,920	\$830	\$3,320	
311	Other Matters Subject to Review	Waiver After Approval of Final Plat	5	\$1,660	\$180	\$900	\$220	\$1,100	\$830	\$4,150	
94	Other Matters Subject to Review	Relief from Plat Conditions Imposed by Commission Prior to the Date of Adoption of this Chapter	0	\$771	\$180	\$0	\$690	\$0	\$390	\$0	
95	Other Matters Subject to Review	Appeal of Plat to Board of Supervisor	4	\$534	\$240	\$960	\$540	\$2,160	\$270	\$1,080	
56	Groundwater Assessment	Tier 1 Assessment (County Code 17-401)	183	\$43	\$50	\$9,150	\$50	\$9,150	\$50	\$9,150	
96	Review of Groundwater Assessment Information Required by Section 14-308.1	Tier 2 Assessment Under Section 17-402	78	\$391	\$250 plus \$25/lot	\$23,400	\$330	\$25,740	\$330	\$25,740	
97	Review of Groundwater Assessment Information Required by Section 14-308.2	Tier 3 Assessment Under 17-403	11	\$1,347	\$400 plus \$25/lot	\$4,950	\$510	\$5,610	\$510	\$5,610	
98	Review of Groundwater Assessment Information Required by Section 14-308.3	Tier 4 Assessment Under Section 17-404	2	\$1,526	\$1,000	\$2,000	\$1,100	\$2,200	\$1,100	\$2,200	
99	Other Matters Subject to Review	Extension of Plat Approval	1	\$237	\$45	\$45	\$240	\$240	\$120	\$120	
100	Other Matters Subject to Review	Bonding Inspection for Plat, Bond Reduction	58	\$491	\$60	\$3,480	\$60	\$3,480	\$250	\$14,500	
101	Other Matters Subject to Review	Vacation of Plat or Plat Thereof	1	\$474	\$170	\$170	\$475	\$475	\$240	\$240	
	NEW FEES	Subtotal Estimated Existing Fees				\$145,075		\$412,900		\$435,360	
	New Fee: Public Road Plans	Public Road Plans	20	\$491	New Fee	\$0	\$310	\$6,200	\$250 / submission	\$5,000	3
	New Fee: Private Road	Authorization Per Subdivision Ordinance	6	\$1,348	New Fee	\$0	\$1,620	\$9,720	\$670	\$4,020	
	New Fee: Private Road	Plans	6	\$1,595	New Fee	\$0	\$920	\$5,520	\$400 / submission	\$4,800	3
	New Fee: Waiver Request	Critical Slope Per Zoning Ordinance 4.2	13	\$1,078	New Fee	\$0	\$1,080	\$14,040	\$540	\$7,020	
	New Fee: Waiver Request	Street Standards	13	\$1,078	New Fee	\$0	\$1,080	\$14,040	\$540	\$7,020	
	New Fee: Waiver Request	Curb and Gutter	6	\$1,078	New Fee	\$0	\$1,080	\$6,480	\$540	\$3,240	
	New Fee: Waiver Request	Street Interconnection	7	\$1,078	New Fee	\$0	\$1,080	\$7,560	\$540	\$3,780	
	New Fee	Bond Estimate Request for Subdivision Improvements	26	\$491	New Fee	\$0	\$370	\$9,620	\$250	\$6,500	
		Subtotal Estimated New Fees				\$0		\$73,180		\$41,380	
		TOTAL ESTIMATED REVENUES (Average Year)				\$145,075		\$486,080		\$476,740	

- NOTES: 1 Single preliminary fee used for 80-82 and 85-87
 2. For Final w/o Preliminary, fees for preliminary must be added to 303-309
 3. Fee charged for each review of a plan, including revisions after approval

Subdivision Recommended Fees

Attachment C

Subdivision Type	Phase	County Cost	Current Fee	Fee Study	Staff Recommended	Charlottesville	Fluvanna Co	Greene Co	James City Co	Stafford Co
2 Lot Family Division		\$1,377	\$95	\$800	\$690	\$100	\$190	\$600	\$200	\$800
5 Lot Subdivision	Preliminary - Admin	\$2,301	\$360	\$1,550	\$1,150	NA	\$400	\$1,500	\$400 (+ \$250/reubmission)	\$1,750
	- PC	\$4,322	\$720	\$3,840	\$2,200					\$6,750
	Final - Admin	\$1,990	\$360	\$435	\$1,000	\$100	\$100	\$750	NA	\$1,500
20 Lot Subdivision	Preliminary - Admin	\$2,464	\$670	\$1,550	\$1,150	\$1,730	\$700	\$3,000	\$1,510 (+\$250/resubmission)	\$2,500
	- PC	\$4,862	\$1,330	\$4,380	\$2,200					\$7,500
	Final - Admin	\$2,464	\$670	\$740	\$1,230	\$1,730	\$100	\$1,500	NA	\$3,500

ATTACHMENT D

RESOLUTION OF INTENT

WHEREAS, Section 14-203, Fees, of the Subdivision Ordinance (Chapter 14 of the Albemarle County Code) establishes a schedule of fees for various subdivision and related applications and approvals under the Subdivision Ordinance; and

WHEREAS, the fees imposed are inadequate to cover the reasonable cost of the services provided by the County in the implementation and administration of the Subdivision Ordinance; and

WHEREAS, the County has conducted an extensive fee study to determine the cost of services provided by the County under the Subdivision Ordinance; and

WHEREAS, it is desired to amend Section 14-203 in order to establish a schedule of fees that is adequate to cover the reasonable cost of the services provided.

NOW, THEREFORE, BE IT RESOLVED THAT for purposes of public necessity, convenience, general welfare and good land development practices, the Albemarle County Board of Supervisors hereby adopts a resolution of intent to amend Section 14-203 of the Subdivision Ordinance to achieve the purposes described herein; and

BE IT FURTHER RESOLVED THAT the Planning Commission will hold a public hearing on the zoning text amendment proposed pursuant to this resolution of intent, and make its recommendations to the Board of Supervisors at the earliest possible date.

[Return to exec summary](#)