



County of Albemarle
COMMUNITY DEVELOPMENT
DEPARTMENT

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EXECUTIVE SUMMARY

Background

This project involves identifying best practices regarding fee structures and fee schedule methodologies, to restructure the County's Community Development Department (CDD) fees. With the assistance of consultants, Berkley Group, we examined our current fees and compared/contrasted them with 7 localities to evaluate best practices.

The comparative analysis of the County's fees included six benchmark communities and the City of Charlottesville (Attachment B). The benchmark communities were selected for their similarities to Albemarle in the following ways:

- *Charlottesville*: neighboring city surrounded on all boundaries with the County;
- *Chesterfield County*: rapidly urbanizing area, also with a large agricultural footprint, abutting Richmond south of the James River;
- *Hanover County*: traditional rural area with significant urban pressures from Richmond to the south, as well as Fredericksburg/Spotsylvania County to the north;
- *Henrico County*: rapidly urbanizing area, also with a strong agricultural history, that abuts Richmond north of the James River;
- *James City County*: more traditional suburban-focused county that abuts the majority of Williamsburg; large university presence;
- *Roanoke County*: growing, rural/mountainous region that surrounds the city of Roanoke, with comparative development pressures; and
- *Rockingham County*: rural county that surrounds the city of Harrisonburg, with James Madison University as a major part of its character.

The goals of this fee restructuring project include:

- a) Consolidate the fees into one unified fee schedule in one place within the County Code.
- b) Simplify fees so they are easier for customers to understand and staff to administer.

- c) Consolidate and align the fees to be consistent with the staff efforts required while maintaining projected revenue levels.
- d) Adopt the fee structure in such a way as to provide the option to amend as needed, and
- e) Implement the new fee structure prior to launching the new Community Development System (CDS).

The primary conclusion from the comparative analysis with benchmark communities is that Albemarle has far more fee categories than most localities – almost twice as many as most. Albemarle County Community Development fees currently consist of a total of 312 fee categories in 5 different County Code sections (Chapters 5 (Building Regulations), 7 (Health and Safety), 14 (Subdivision of Land), 17 (Water Protection), and 18 (Zoning Ordinance). The average number of fee categories amongst the localities surveyed is 125. The proposed fee schedule consolidates fees from 312 categories into 148 fee categories, a reduction by of over 50 percent in the number of fees. In the Water Protection Ordinance, for example, the number would go from 68 (existing) to 35 (proposed) fee categories.

None of the communities evaluated have a simple, unified and transparent fee structure. The secondary conclusion from the comparative analysis is that our existing fee structure is the most straightforward and logical in terms of how fees are calculated and applied.

This fee project is a restructuring of the fees. It does not involve a study with an assessment of costs of service. On April 21, 2021, the Board adopted increases in CDD fees consistent with the policy of following Board-approved salary adjustments. In addition, a technology surcharge and fees for several services previously provided without charge were added to the fee schedule.

Public Engagement Process

Staff has engaged with key stakeholder groups (the Blue Ridge Home Builders Association and the Charlottesville Albemarle Developers Roundtable) from the beginning of this process. Most recently, we created a project website with a survey on [Engage Albemarle](#). In addition, we sent an email out to 2,726 previous permit applicants to inform them of this project and to seek their input. Many recommendations from the survey have been incorporated into the revised proposed fee schedule (See Attachment B for further details on the engagement process).

Summary of Proposed Changes

(Attachment C outlines the more substantive changes with the proposed fee schedule. Attachment B, Appendix B includes a crosswalk of existing to proposed fees and, Appendix A is a clean copy of the proposed unified fee schedule.) The proposed changes include:

1. **Bundled and Tiered Single-Family Residential Fee Structure:** To consolidate and simplify fees, we propose bundling fees for building permits for single-family residential applications into different categories or tiers, based on the size of the home. This effort is supported as one of the recommended best practices for fee schedules (Attachment B). We decided not to undertake bundling with the commercial building permits as they are so complex and variable from one application to the next. Our current commercial permit fee structure is simplified and transparent as compared to benchmark localities.

In the current fee schedule, the single-family residential building permit fees are based on three different calculations: {\$0.58 per square foot ft² for finished space + \$0.18 per square foot for unfinished space + \$0.05 per gross square feet (minus the area of unfinished basement) for plan review}. The bundled fee is applied across all types of square footages and includes building plan review and the first 2 inspections per inspection type.

Determining the tiers for these bundled fees involved extensive assessment to assure the proposal is revenue neutral, and that it does not represent substantial changes from current fees paid. The proposed fees were tested against single-family building permit applications received since July 1, 2021 to evaluate the expected revenues with adoption of the updated fee schedule. The proposed tiers recognize that larger homes require more extensive plan review and inspection time.

We are proposing 6 tiers of bundled fees:

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|--------------------------------|---------|
| a. Up to 1,500 ft ² | \$500 |
| b. 1,500-2,500 ft ² | \$1,000 |
| c. 2,501-3,500 ft ² | \$1,500 |
| d. 3,501-4,500 ft ² | \$2,000 |
| e. 4,501-7,500 ft ² | \$3,000 |
| f. Above 7,500 ft ² | \$4,000 |

2. **Newspaper and Mailing Notice Requirements:** The increasing costs of postage and advertising in the newspaper have far exceeded our current fees. To better address these costs, we propose the fee paid for notices be changed to the actual cost for the advertisement (when an advertisement is applicable) and the actual cost of the postage (for mailings). The initial application fee will include a standard administrative fee for the notice. The actual costs for notice will be charged following the mailings and prior to the issuance of related permits. While this approach does not allow complete predictability for this fee, staff recommends it as the best way at this time to capture costs.
3. **Merger of Multiple Fee Categories for Single Flat Fee:** Consistent with best practices, where practical, fee categories have been combined. This includes:
a) fees for multiple similar applications with equivalent staff effort/costs; b) where several separate fees that are involved in a single application; and c) when multiple separate fee categories with the same fee amount.

One example of multiple fee categories is with rezonings and special use permit fees. We propose consolidating two different rezoning fee tiers into one and six different special use permit fee categories into two. Examples of combining several separate fees for one application into a single fee, are found within the Virginia Erosion and Sediment Control Program (VESCP) fees in the Water Protection Ordinance. In this case, the plan or agreement review, permit and 1st year inspections are proposed to be bundled into one fee.

Recommendation and Next Steps

This presentation is provided for the Planning Commission's awareness of our progress to-date and no formal action is necessary.

Next steps are an August 16th work session with the Board. After considering input received at that point, we will set public hearings with the Commission and Board in late fall / early winter for the proposed ordinance amendments.

Staff recommends an effective date of July 1, 2024. This later effective date both allows CDD time to make the necessary changes to our information and systems and limits cost impacts on contracts for development that are underway.