

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 15, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER /s/

DOCKET TITLE:

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Consideration of a Resolution to Adopt Code Administration Fee Adjustments.

..BODY

ISSUE: Resolution to adopt the Department of Code Administration FY 2014 permit fee schedule.

RECOMMENDATION: That the City Council adopt the attached Resolution (Attachment 1). The new fees would be effective June 1, 2013.

BACKGROUND: This memo provides information regarding the proposed Department of Code Administration fee adjustments for the 2014 budget year. The proposed fee adjustments are designed to improve customer service through implementation of a full service permit center where all permits are processed in a team environment. Additional costs associated with the Permit Center include the moving of positions from the following departments from General Fund to Special Revenue: Planning & Zoning (Urban Planner II -\$120,295), OHA (Archaeologist- \$94,986), TES (Civil Engineer-\$70,791 and three Engineering Aide I \$220,799), and GIS (Analyst III-\$52,820). As the development and expansion of a multipurpose Permit Center continues for FY 2014 implementation, costs show an increase in expenditures associated with additional personnel costs (increase of \$771,051 in transferred positions and new Code positions) and non-personnel costs (increase of \$77,995). The proposed fee increase includes reductions in some fee areas that were traditionally not in proportion with the services rendered (small projects with limited plan review and/or inspection requirements). The proposed changes in the fee structure will increase the special revenue fund by \$200,000. These savings have been reflected in the City Manager's FY 2014 budget presented to City Council in Budget Memos #1 and #3.

DISCUSSION: When compared to Arlington and Fairfax Counties, Alexandria is consistently in the middle of the fee structure. Our goal is to have a strong customer service orientation that helps both the novice and the experienced customer get through the process as quickly and simply as possible. This can translate into time and money savings for the customer. The highlights of the proposed fee schedule are:

- Allowance by the Director of Code Administration to allow work to proceed in accordance with the provisions of the Virginia Construction Code in advance of an approved permit.
- Discretionary authority to reduce fees that obviously exceed the necessary work by Code

- Administration to carry out plan review and inspection functions.
- Increases to the administrative (4% increase) and permit center (18% increase) fees to assist in covering the cost of the expanded permit center.
- Reduction by 33% to the training program levy.
- Increase from 2.5% to 5% of the information technology fee to assist in covering cost associated with customer automation enhancement and permit/inspection software.
- Increase to the plan review deposit (29%) so that the exposures to uncompensated plan review services are decreased.
- Increases to the optional, but popular, advanced plan review service (11%).
- Clarification of third party plan review and inspection services to indicate no reductions in fees will occur.
- Clarification and reduction of fee for plan resubmissions.
- Increase by 4% in new commercial building permit fees.
- A shift from square footage or estimated cost option, whichever were higher, for renovations and alterations for residential and commercial permits. The new fee established a higher square footage fee, but should be revenue neutral and easier to calculate.
- Minor changes in special construction permits. However, commercial roofing jobs will be significantly reduced as the cost to review the permits and conduct inspections are not in line with the fees currently charged.
- Minor increase in demolition fees.
- Removal of the amusement device fees from the schedule as they are set by the Virginia Board of Housing and Community Development and are not subject to local amendment. This will allow proposed future fee changes to be incorporated by reference.
- The addition of a lower fee certificate of completion for minor projects not subject to certificate of occupancy requirements of the Virginia Construction Code.
- An increase of 7% to residential new construction plumbing, electrical, and mechanical permit fees.
- An increase by changing from a-per floor to per square footage calculation for all new commercial plumbing, mechanical, and electrical permit fees.
- A simplification of permit fees for electrical service changes. The current schedule also generated extraordinarily high fees for work that require limited staff hours.
- The implementation of a gas permit that had typically been part of mechanical permits under the existing schedule. This will help provide clarity that this work has been properly permitted and it will be simpler to obtain. It will also assist in simplifying the release of gas services to the utility companies allowing faster turn-around times for customers.
- The implementation of an administration fee for City-initiated debris, trash, and grass cuttings.

FISCAL IMPACT: The proposed fee schedule modification increases the Special Revenue Fund by \$200,000 and remains competitive with other localities. These fee increases will better align services with the cost of administration; ensuring that the department can meet the needs of the customer; as well as offset the cost of a consolidated full-service Permit Center.

ATTACHMENTS:

- Attachment 1 - Resolution
- Attachment 2 - Code Administration Fee Schedule
- Attachment 3 – Comparison of Current and Proposed Fee Rates

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