City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 26, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER RMY

SUBJECT: BUDGET MEMO #1: TAX AND FEE RATE ADJUSTMENTS IN THE FY 2014 PROPOSED BUDGET

Please find attached a summary of the tax and fee rate changes proposed in the FY 2014 budget and comparisons to neighboring jurisdictions' proposed rates for FY 2014.

For most taxes and fees, the summary includes the City's current rate and proposed rate and the corresponding proposed rate in other jurisdictions, when applicable. In some cases, comparative rates have not been included for all of the other jurisdictions because those jurisdictions do not provide the service (X) or their rates were not available (NA).

Because development fees are often structured differently in other jurisdictions, staff has developed a set of hypothetical projects with which to compare the impact of proposed Planning & Zoning development and Code Administration permitting fees.

Attachments:
1. FY 2014 Tax and Fee Rate Adjustments table
2. Jurisdictional Comparison of Development Fee Costs
3. Marina Fees Effective April 1, 2013
4. Marina Fee Comparison.
5. Proposed Fee Changes for Development Fees and Building Permits

CC: Laura Triggs, Chief Financial Officer
Nelsie L. Smith, Director, OMB

FY 2014 TAX AND FEE RATE ADJUSTMENTS

	Current Rate	Proposed Rate	Rate Change	Arlington County	Fairfax County	Loudoun County	Pr. Wm. County	Revenue Impact
Real Estate Tax (per $100 of assessed value)								$19,100,000
Residential	$0.998	$1.053	$0.055	$1.003	$1.131	$1.230	$1.278	
Commercial Add-on	$0.000	$0.000	$0.000	$0.125	$0.125	$0.000	$0.000	
Personal Property Tax (% of assessed value)	4.75%	5.00%	0.25%	5.00%	4.57%	4.20%	3.70%	$2,000,000
Tobacco Tax (per pack)	$0.80	$0.90	$0.10	$0.30	$0.30	$0.00	$0.00	$334,000
Residential Refuse Collection (per household per year)	$336	$316	-$20	$293.76	$345	X	X	-$350,000
Parking Rates								$472,000
Hourly Rate	$2.00	$2.50	$0.50	$1.00	X	X	X	
Maximum Daily Rate	$8.00	$10.00	$2.00	$10.00	X	X	X	
Monthly Rate	$125.00	$160.00	$35.00	$145.00	X	X	X	
Market Square After Hours	$2.00	$4.00	$2.00	X	X	X	X	
Employee Parking	$70.00	$90.00	$20.00	NA	X	X	X	
Development SUPs								$422,000
DSUP/DSP & CDD	$2,000 + $10 per 100 SF	$2,200 + $12 per 100 SF	$200 + $2 per 100 SF	See attached comparison of hypothetical development projects in Alexandria and Arlington, Fairfax and Montgomery Counties				
TMP	$100 per 1,000 SF	$120 per 1,000 SF	$20 per 1,000 SF					
FSP	$3,000 + $12 per 100 SF	$3,300 + $15 per 100 SF	$300 + $3 per 100 SF					
Maximum Cap	$30,000	$60,000	$30,000					
Amendments and Extensions	$2,000	$5,000	$3,000					
Fire Protection System								$259,000
Retesting	$112/hr	$125/hr	$13/hr	$130/hr	$128/hr	NA	NA	
Cancellations	$175/ inspection	$125/hr	-	$130/hr	$128/hr	NA	NA	
Fire Prevention Permits								
Inspections	$175/ inspection	$200/ inspection	$25/ inspection	$85	$125	NA	NA	
Re-inspections	$62.50/ inspection	$125/hr	-	$130/hr	$128/hr	NA	NA	
Faulty Fire Alarm Inspection	0	$125/hr	$125/hr	$130/hr	$128/hr	NA	NA	
Private Fire Hydrant Inspection	0	$125/hr	$125/hr	X	X	NA	NA	
Reserved Parking								$103,000
Metered Spaces (cost per space)	$30	$40	$10	$15	X	X	X	
Non-Metered Spaces (cost per space)	$20	$30	$10	X	X	X	X	
Recreation Fees								$318,000
Marina User Fees	See attached a summary and comparison of Marina fees adopted by City Council on February 23, 2013							
Therapeutic Recreation Fee	Various fees proposed for 20% increase			NA	NA	NA	NA	
Youth Sports Fee	$40	$50	$10	NA	NA	NA	NA	
Summer Out of School Time	$50	$100	$50	NA	NA	NA	NA	
Out of School Time (annual fee)	$200	$250	$50	NA	NA	NA	NA	
Learn to Swim Fees	$12	$13	$1	NA	NA	NA	NA	
Chinquapin Fees	Across the board increase for various fees to increase cost recovery			NA	NA	NA	NA	

FY 2014 TAX AND FEE RATE ADJUSTMENTS

	Current Rate	Proposed Rate	Rate Change	Arlington County	Fairfax County	Loudoun County	Pr. Wm. County	Revenue Impact
Commercial Refuse Collection (per unit of service based on volume of waste; customers may receive multiple units)	$217	$316	$99	X	X	X	X	$80,000
Impound Lot								$48,000
Service Charge	$80	$90	$10	NA	NA	NA	NA	
Storage (per day)	$40	$50	$10	NA	NA	NA	NA	
Excavation Permit (per city block per month)	$200	$250	$50	$140	$100	NA	$40 + $3,000 bond	$42,000
Farmers' Market (monthly)	$30	TBD	TBD	NA	NA	NA	NA	$20,000
Mulch Delivery (per load)	$40	$50	$10	$40-$50	X	X	X	$3,000
Building Permits	See attached fee schedule and comparson of hypothetical development projects in Alexandria and Arlington, Fairfax and Montgomery Counties							$200,000
Sewer Connection Fee - Multi-Family Properties (fee per unit)	50% of the Single Family Rate $4,201	70% of the Single Family Rate $5,883	$1,682	NA	NA	NA	NA	$247,545

Jurisdictional Comparison

Entitlement Process Development Review Fees - Typical Projects				
	Alexandria Proposed	Arlington	Fairfax	Montgomery County
Project 1(a): DSUP/FSP 250,000 s.f., mixed use residential	$73,000.00	$108,614.00	$81,883.00	$162,500.00
Project 1(b): MPA/REZ/CDD/TMP/DSUP/FSP 250,000 s.f., mixed use residential	$141,456.00	$143,739.00	$83,863.00	$163,200.00
Project 2(a): DSUP/FSP 450,000 s.f., office	$116,200.00	$231,507.00	$85,430.00	$285,001.00
Project 2(b): MPA/REZ/CDD/TMP/DSUP/FSP 450,000 s.f., office	$232,789.00	$266,632.00	$85,432.00	$289,500.00
Note: Projects over 467,000 s.f. will reach the proposed cap of $60,000 per application in Alexandria and therefore will not go higher as the project gets bigger. In the other jurisdictions, as the project size increases the fee continues to increase.				

Building Permit Review Fees - Typical Projects				
	Alexandria Proposed	Arlington	Fairfax	Montgomery County
Project 3: 3,000 s.f. residential	$3,564.54	$3,700.78	$1,643.80	$3,954.00
Project 1: (same as #1 above) 250,000 s.f., mixed use residential	$518,301.64	$614,078.02	$238,824.00	$612,784.70

Total Development Fee For a Typical Project				
	Alexandria Proposed	Arlington	Fairfax	Montgomery County
Project 1(a): DSUP/FSP 250,000 s.f., mixed use residential	$591,301.64	$722,692.02	$320,707.00	$775,284.70
Project 1(b): MPA/REZ/CDD/TMP/DSUP/FSP 250,000 s.f., mixed use residential	$659,757.64	$757,817.02	$322,687.00	$775,984.70

	FY 2013 MARINA FEES	
FEE CATEGORY	**CURRENT FEE**	**PROPOSED FEE**
Pleasure Boats		
Drop off or Pick-up Fee	$5	No Change
Overnight Docking	$2 per foot, per night	**$2.50 per foot, per night**
Short-Term Docking Fee	$15 up to 4 hours	**$20 up to 4 hours**
Annual Licensing		
Resident	$8 per ft., per mo., paid annually	**$9 per ft., per mo., paid annually**
Nonresident	$9 per ft., per mo., paid annually	**$11 per ft., per mo., paid annually**
T-Head / Commercial / Cruise / Charter / Business Vessels		
Base rate - no utilities	$3 per foot, per day	No Change
Utilities/Electrical (includes water in-season)		
30 amp electrical connection	$4 per connection, per night	No Change
50 amp electrical connection	$7 per connection, per night	No Change
100 amp electrical connection	$13 per connection, per night	No Change
Sewage Pump-out Facility		
Per Use	$25	No Change

Proposed Fee Increase – Marina Comparison					
Fee Category City Marina	**City Alexandria**	*** Columbia Island**	*** Gangplank**	*** National Harbor**	*** James Creek**
Annual License Fee per foot per month average	$9 per foot per month Resident (Proposed) & $11 per foot per month Nonresident	$11.50 - $12.50 per foot per month	$11.50 - $12 per foot per month	$13.75 per foot per month	$9 per foot per month
Transient Overnight	$2.50 per foot per 24-hour Proposed	$1.50 per 24-hour	$1.50 per 24-hour	$2.50 per 24-hour	$1.25 per 24-hour
Short Term	$20 up to 4-hours Proposed	NA	NA	$10 up to 4-hours M-Th & $20 up to 4-hours weekends and holidays	NA
* Marinas within close proximity of the City of Alexandria					

Proposed Fee Changes

Entitlement Process Development Review Fees (P&Z)		
	Current Fee	*Proposed Fee*
DSUP/DSP:	$2000 plus $10 per 100 s.f., $30,000 cap	$2200 plus $12 per 100 s.f., $60,000 cap
CDD:	$2000 plus $10 per 100 s.f., $30,000 cap	$2200 plus $12 per 100 s.f., $60,000 cap
TMP SUP:	$100 per 1000 s.f., $30,000 cap	$120 per 1000 s.f., $60,000 cap
FSP:	$3000 plus $12 per 100 s.f., $30,000 cap	$3300 plus $15 per 100 s.f., $60,000 cap

Building Permit Fees (Code)		
ADMINISTRATIVE FEE	A fee of 13.5% on all (base) permits fees	A fee of 14.0% on all (base) permits fees
PERMIT CENTER FEE	A fee of 9.0% on all (base) permits fees	A fee of 11.0% on all (base) permits fees
TRAINING PROGRAM FEE	A fee of 0.3% on all (base) permits fees	A fee of 0.25% on all (base) permits fees
INFORMATION TECHNOLOGY FEE	A fee of 2.5% on all (base) permits fees	A fee of 3.0% on all (base) permits fees
Permit Application Deposit	25% deposit of the estimated permit fee	35% deposit of the estimated permit fee
Advanced Plan Review, IBC	$0.08 per square foot	$0.09 per square foot
Advanced Plan Review, IRC	$0.04 per square foot	$0.045 per square foot
Advanced Plan Review, IEBC	$0.05 per square foot	$0.075 per square foot
Advanced Plan Review, Maximum	$7,500	$10,000
Non-residential Tenant Improvements, Alterations and Repairs	$0.215 per square foot	$0.48 per square foot
Residential Alterations and Repairs	$0.195 per square foot	$0.30 per square foot
Decks to 100 square foot	$75.00	$100.00
Decks 101 square foot and Larger	$110.00	$125.00
Swimming Pools	$110.00	$0.215 per square foot or $19.75 per $1,000 of the total construction cost, whichever is higher
Non-Residential Re-roofing	$0.215 per square foot or $19.75 per $1,000 of the total construction cost, whichever is higher	$0.03 per square foot of roof area or the minimum permit fee, whichever is higher **(REDUCTION)**
Demolition, Non-residential Structures	$230.00	$250.00
Amusement Rides	$50.00 plus $25.00, $35.00 or $55.00	Fees in accordance with the rates established by the Virginia Amusement Device Regulations - currently, $25.00, $35.00 or $55.00
Certificate of Completion - Residential Addition or Alteration	$141.75	$70.00 **(REDUCTION)**
Certificate of Completion - Commercial Space 1000 square feet and less	$157.50	$100.00 **(REDUCTION)**
Certificate of Completion - Commercial Space 1001 to 2500 square feet	$183.75	$125.00 **(REDUCTION)**

Certificate of Completion - Commercial Space Greater Than 2501 square feet	$210.00	$150.00 **(REDUCTION)**
Temporary Certificate of Use and Occupancy or Certificate of Completion	125% of the Certificate of Occupancy or Certificate of Completion Fee	Additional 25% of the Certificate of Occupancy or Certificate of Completion Fee **(NO CHANGE)**
Documentation of Existing Certificate of Use and Occupancy or Replacement Certificate(s) **(NEW)**	N/A	Certificate of Occupancy was issued or that a structure does not have a Certificate of Occupancy, but there are no known code violations shall be $35. The fee to replace an issued Certificate of Occupancy shall be $25. **(NEW)**
Electrical Permit Fees - New Residential	$182.00	$194.00
Electrical Permit Fees - New Construction Non-residential and Building Core and Shell for Use Groups A, F, I, H, R1	$260.00 per floor	$0.07 per square foot - In addition to the base fee *(not changed)*, a per square fee shall be charged for each floor above the first
Electrical Permit Fees - New Construction Non-residential and Building Core and Shell for Use Groups B, M, E, S, U	$130.00 per floor	$0.06 per square foot - In addition to the base fee *(not changed)*, a per square fee shall be charged for each floor above the first
Electrical Permit Fees - Apartment/Condominium Units R2	$90.00	$92.00
Plumbing Permit Fees - New Residential	$182.00	$194.00
Plumbing Permit Fees - New Construction Non-residential and Building Core and Shell for Use Groups A, F, I, H, R1	$260.00 per floor	$0.07 per square foot - In addition to the base fee *(not changed)*, a per square fee shall be charged for each floor above the first
Plumbing Permit Fees - New Construction Non-residential and Building Core and Shell for Use Groups B, M, E, S, U	$130.00 per floor	$0.06 per square foot - In addition to the base fee *(not changed)*, a per square fee shall be charged for each floor above the first
Plumbing Permit Fees - Apartment/Condominium Units R2	$90.00	$92.00
Mechanical Permit Fees - New Residential	$182.00	$194.00
Mechanical Permit Fees - New Residential - Additional Zones **(NEW)**	N/A	In addition to the base fee, an additional $42.00 per zone shall be charged **(NEW)**
Mechanical Permit Fees - New Construction Non-residential and Building Core and Shell for Use Groups A, F, I, H, R1	$260.00 per floor	$0.07 per square foot - In addition to the base fee *(not changed)*, a per square fee shall be charged for each floor above the first

Mechanical Permit Fees - New Construction Non-residential and Building Core and Shell for Use Groups B, M, E, S, U	$130.00 per floor	$0.06 per square foot - In addition to the base fee *(not changed)* , a per square fee shall be charged for each floor above the first
Mechanical Permit Fees - Apartment/Condominium Units R2	$90.00	$92.00
Gas Permit Fees - Residential **(NEW)**	N/A	Base Fee -$40.00 Plus Equipment Fees **(NEW)**
Gas Permit Fees - Commercial **(NEW)**	N/A	Base Fee -$60.00 Plus Equipment Fees **(NEW)**
Gas Permit Fees - Equipment **(NEW)**	N/A	Each Outlet -$20.00, Extending/Relocating Gas Line/Pipe - $15.50, Automatic Gas Valve (Commerical Range Hood) - $15.00 **(NEW)**
Annual Elevator Certificate	N/A	Replacing a Previously Issued Elevator Certificate -$25.00 per elevator or device **(NEW)**
Administrative Amendments to Existing Permits or Certificate/Replacement Charges **(NEW)**	N/A	Replace an Issued Permit or Certificate without Changes - $25.00 **(NEW)**
Registration of Vacant Buildings - Administrative Fee **(NEW)**	N/A	$85.00 - Offset Managing Clean-up or Mowing Activity **(NEW)**