FREE ENTERPRISE FORUM
INSPIRING POSITIVE PUBLIC POLICY

25 January 2021

Ms. Jodie Filardo
Mr. Steven Allshouse
Albemarle County Community Development
401 McIntire Road
Charlottesville, VA 22902

RE: CDD Proposed Fee Increases

Dear Jodie and Steve,

Thank you for taking the time last week to meet with members of the development community and me via Zoom. I sincerely appreciate the proactive outreach after the initial Board Resolution of Intent (ROI) kind of blindsided us.

As I mentioned in our meeting, the 2008 CDD Fee increases came based on an outside consultant's fee study. When we took issue with the study, CDD staff indicated a new workforce software program was being implemented that promised to provide significantly more specific hours associated with each CDD application. In Tuesday's meeting, it was revealed that Albemarle so customized the software that it eliminated this promised functionality.

We understand the calculations completed for the fees included in the ROI were based on Salary increases since the last fee increase. This has been described as "Accepted Board Policy", but such a policy has clearly not been uniformly implemented by staff over the last dozen years.

In addition, when the 2008 fees were enacted there was an understanding that the work of Community Development positively impacts the community. It was understood that there should be a "cost share" where the applicant pays 80% of the actual cost to administer the application and the community pays the balance. It would be appropriate to reduce the fee increases by 80% to honor this "Accepted Board Policy".

The ROI includes new fees designed to generate revenue to cover the cost of implanting Albemarle's complex zoning code and Comprehensive Plan. The fees for architectural review are most troubling. Applicants generally spend thousand of dollars for multiple engineering diagrams, project renderings and meeting attendance to build needed commercial enterprises in the development areas. I would argue these reviews are for the public benefit and the applicant sees no tangible increase in value by being subjected to this costly and time intensive process. In this instance, I believe the cost share should be reversed where the community pays 80% of the cost and the applicant pays 20%.

Another new fee for Albemarle County is a "Technology Fee" to purchase an improved application intake software that will significantly reduce the amount of data entry required by CDD staff. It is anticipated this will also reduce the clerical errors. The Free Enterprise Forum questions if labor is the most expensive part of your budget and this software will reduce labor costs, wouldn't those cost saving produce enough revenue to pay for the software upgrade?

It is our understanding that both Fairfax and Montgomery County have the technology fee. In addition, Steve mentioned the City of Alexandria has many of the same kind of architectural reviews as Albemarle County.

As I mentioned in the meeting, I take great issue with utilizing Fairfax or Alexandria as comparable to Albemarle County. Beyond the cost of land and labor differentials that would impact local government cost, Alexandria comes in with a population density of 4,800 people per square mile; Fairfax population is more than 1 million; The Fairfax Economic Development has offices in Los Angeles, Bangalore/Mumbai, Berlin, London, Seoul, and Tel Aviv. Albemarle Economic Development Department consists of three full time employees. **The localities are NOT comparable**.

I appreciated your willingness to consider other comparable localities. While every locality is unique, I believe the following nine to be close to comparable to Albemarle:

- Culpeper
- Fredericksburg
- Henrico
- Hanover
- Harrisonburg
- James City County
- Lynchburg
- Montgomery
- Roanoke

As the fee proposal moves forward, I am hopeful that an economic impact statement could be developed for the cumulative impact of these fees on housing affordability by type. As one participant mentioned, increased costs (and carrying costs) will mean much less on the million-dollar house than it will on a more affordable unit.

Finally based on the meeting, I understand that CDD is currently operating with seven frozen positions. I am curious, if the number of applications is holding steady or increasing and your departmental costs are down, as a department you should be generating more net revenue compared to FY20. This information should be tracked and presented to the Board as a part of the CDD Fee increase review.

Thank you again for your time and thoughtful consideration of our concerns.

Respectfully Submitted,



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