Albemarle County Planning Commission
September 22, 2015

The Albemarle County Planning Commission held a work session and public hearing on Tuesday, September 22, 2015, at 5:00 p.m., at the County Office Building, Room 241, Second Floor, 401 McIntire Road, Charlottesville, Virginia.

Members attending were Thomas Loach, Cal Morris, Chair; Richard Randolph, Mac Lafferty, Vice Chair; Bruce Dotson, Karen Firehock and Tim Keller. Julia Monteith, AICP, Senior Land Use Planner for the University of Virginia was present.

Staff present was Bill Fritz, Chief of Special Projects; David Benish, Acting Director of Planning; Steve Allshouse, Manager of Economic Analysis and Forecasting; Wayne Cilimberg, Deputy Director of Community Development; Sharon Taylor, Clerk to Planning Commission; Mark Graham, Director of Community Development and Greg Kamptner, Deputy County Attorney.

Fiscal Impact members present were Charlie Armstrong, J. Timothy Keller, Planning Commission Member; David van Roijen, Jeff Werner and Frank Stoner.

Call to Order and Establish Quorum:

Mr. Morris, Chair, called the meeting to order at 5:00 p.m. and established a quorum.

Mr. Allshouse called the meeting of the Fiscal Impact Advisory Committee to order at 5:02 p.m.

Moment of Silence

Mr. Morris asked for a moment of silence at the passing of Thomas Jenkins, a former Planning Commissioner and member of the School Board. He pointed out Mr. Jenkins served in the United States Navy in World War II and was a long time resident of Crozet.

5:00 P.M. JOINT WORKSESSION WITH THE FISCAL IMPACT ADVISORY COMMITTEE (FIAC)

a. Fiscal Impact Advisory Committee Recommendation on Cash Proffer Policy

The Albemarle County Fiscal Impact Advisory Committee will meet and conduct a joint work session with the Albemarle County Planning Commission regarding the Fiscal Impact Advisory Committee's recommendation on the County's cash proffer policy. (Bill Fritz/Steve Allshouse)

Mr. Fritz presented a PowerPoint presentation.

Direction of the Board of Supervisors to Fiscal Impact Advisory Council (FIAC) and the Planning Commission

1) Analyze possible credits for:
- Development in targeted areas. Targeted areas are those areas shown as Priority Areas identified in each Master Plan Area.
- Mixed use developments.
- Development supportive of growth management strategies of the Comprehensive Plan.

2) Provide recommendations on changes to existing credits in the policy, including the credit that may be provided for by-right units, now available by policy only in limited circumstances (Policy § C(6)(c)).

3) Update the County's maximum per unit cash proffer amount by dwelling unit type.

In 2014 the Board of Supervisors requested that FIAC (Fiscal Impact Advisory Committee) provide advice and recommendations on several issues. FIAC was asked to look at some possible credits for different types of development and to consider credits for by-right units. The FIAC was also asked to update the maximum per unit cash proffer amount. FIAC held 18 hour and a half long meetings. The Committee spent a majority of time updating the proffer amounts with less time devoted to discussions about credits. The Board received the finding of FIAC, which are in the Commission's packet, and requested that the Planning Commission provide advice and recommendations on these same issues.

Analyze possible credits.

- Credits should be considered independent of the maximum per unit cash proffer amount.

Evaluation of credits should include consideration of the following:

- Promoting development consistent with the growth management strategies of the Comprehensive Plan and/or recovering cost impacts of development.
- Fiscal impact to the County.

He would go through each of the items that the Board asked for comment on separately. First, was to discuss analyzing possible credits for development in targeted areas, mixed use developments and development supportive of the Comprehensive Plan.

The Committee stated that any credits offered should be considered independent of the maximum cash proffer amounts. That is, credits should not be offered or withheld simply because the maximum cash proffer amount is high or low. Credits should be given on merit.

The Committed noted that due to the limitations of the model used to develop the maximum per unit cash proffer amount and the lack of historical data determining the fiscal impact of granting credits will be difficult.

Recommendations on changes to existing credits.
Credits for existing by-right units should continue.

In order to qualify for credits the applicant must demonstrate the number of by-right units that can reasonably be achieved. This may be accomplished by submitting a concept plan showing the lot layout and road alignments and accounting for steep slopes, floodplain and other features of the property that may limit or reduce by-right development. They already do this for rural preservation developments so we have a template to use. The budgetary impact of this credit is limited due to the fact that if developed by-right these units would not be subject to the cash proffer policy.

Update the County's maximum per unit cash proffer amount by dwelling unit type.

The committee found that the new calculated amounts were:

- SFD - $4,918 (2014 value was $20,987)
- SFA/TH - $3,845 (2014 value was $14,271)

- MF - $5,262 (2014 value was $14,871)

These values are based on eligible projects in the CIP and CNA. Since the adoption of the Cash Proffer Policy the Code of Virginia has been amended to significantly reduce those items that can be considered in a Cash Proffer Policy. Under the revised provisions of the Code of Virginia only those items which expand capacity may be considered. When the Cash Proffer Policy was originally developed a much wider range of projects were eligible for consideration. The CIP and CNA also have been reduced to be essentially a maintenance program with limited capacity expansion. So what has happened is the range of eligible projects has been reduced and the county has reduced funding to the projects which are eligible. The Committee commented that under the current proffer model, as the County's capital budgets grow, so too do the dollar values of the proffer amounts per unit.

Comments on existing CRIM Model and Cash Proffer Policy

- Has limitations that may prevent the County from capturing the total impact of new development
- Existing cash proffer model, although similar to cash proffer models currently in use in other jurisdictions around the Commonwealth, is not a dynamic scoring model.
- Does not accurately capture revenue of new development due to expanded retail sales, commercial development, and employment.
- Possible that lower cash proffer amounts may result in increased revenue to the County as it lowers the cost of a rezoning and therefore results in additional rezoning applications.

The Committee noted the existing model and policy have limitations. The Committee will continue to work within its existing charter from the Board of Supervisors to consider modifications to the existing CRIM model or the possibility of replacing the model with a new one. This was outside the scope that was the direction so there are additional comments.

In addition to the specific items contained in the Board's September 2014 direction to FIAC the following additional comments were offered by the Committee.

Additional advice and recommendations included:

1) Revise the policy name to "Proffer Policy to Address Impact to Public Facilities Resulting from Residential Rezoning."

This clarifies that contributions equivalent to the maximum per unit cash proffer amount by dwelling unit type will be accepted. This may include cash, land or actual improvements to public facilities.

2) Further incentivize credits for produced affordable units. Currently cash payment for affordable housing is provided.

The actual *production* of affordable units advances the housing strategies of the County. The budgetary impact of this credit is unclear.

3) Tie updates the maximum per unit cash proffer amount by dwelling unit type to the bi-annual adjustment based on the Board's adoption of the updated 5 year CIP and 10 year CNA.

This provides for more regular updates tied to the goals of the County. Regular updates should lessen significant increases or decreases in the cash proffer amount.

4) Consider expanding items considered when calculating the maximum per unit cash proffer amount to the extent permitted.

Currently the Cash Proffer Policy is based on the impact of new residential development on schools, transportation, parks, libraries and public safety. Impacts on jails, solid waste facilities and other government facilities are not included in determining the amount of the maximum per unit cash proffer amount by dwelling unit type.

5) Credits should be offered to incentivize development the County encourages and especially to encourage the *production* of affordable housing.

The budgetary impact of these credits is unclear. Because of the Cash Proffer Model's limitations, in addition to the lack of credible historical data that make reliable analysis at best challenging, the Committee advises the Board that the County is unable to identify the fiscal impact of granting new credits.

6) Staff should provide the board with an ongoing accounting of the net fiscal impact of the approval of new units to the budget at each meeting for approval of projects.

By giving regular updates on the accounting of net fiscal impact this will allow the County to have a better understanding of the budgetary impacts generated by development and how it is being offset by proffers.

7) Anecdotal evidence points to increased interest by the development community in by right residential development.

Staff has put forward that proffers discourage the higher density development desired by the Comprehensive Plan. County initiated rezoning to achieve increased density would reduce revenues generated from proffers, but may generate additional revenues from increased property tax. (See Attachment B of staff report for a more detailed discussion.)

That concludes staff formal recommendation. Staff turns this back over to the Planning Commission to review and discuss as follows.

Planning Commission Action

- Review the FIAC report and make your own findings and recommendations and forward that information to the Board of Supervisors.

The Planning Commission received the same document that the Board of Supervisors received in the packet. It has had no changes to it. It has the comments of the Fiscal Impact Advisory Committee. The document was approved by that committee. It has the recalculations of per unit cash proffer amounts. It has the cash proffer policy changes in staff's recommendation in Attachment B. Just for information it has the third quarter cash proffer report.

Mr. Morris invited question for staff.

Mr. Keller asked Mr. Allshouse if he had the spreadsheet that was developed to come up with the figures and if he could explain it to the Planning Commission.

Mr. Allshouse replied that report was a little thicker than this item; however, he generally can speak about the methodology that was used.

Mr. Keller said that would be helpful.

Mr. Allshouse said he would like to provide a little bit of historical background as well.

The county historically for about 20 years has had something known as the county's cost revenue impact model. This was a spreadsheet model that the county bought back in the mid 90's. Mr. Dotson was on the Fiscal Impact Model at the time when it was originally purchased. In a nutshell what this model did was it looked at the various costs and revenues associated with what we call demand units that might be in a residential dwelling unit. For example, a single-family home might have a certain number of students or people which might generate certain costs via vehicle trips. What this model attempted to do was anytime there was a rezoning that would come up we would look at the number of new dwelling units by type that they would be adding to the county's overall stock of housing and using the estimated number of demand units (example population, students, vehicle trips) we would calculate the number of dollars involved in revenues that would accrue from this new development as well as the number of dollars implied in expenses that would accrue to the county as a result of this development. We would net the two numbers out and that would be our net fiscal impact of new development.

So we had this model and historically for several years every time there was a rezoning he did a report. They calculated the net fiscal impact of the county for the proposal and compared that against what could be built under the by right scenario, and the difference was seen as the amount that the county would be taking on if it were a residential project. This went on both for residential and nonresidential development. We had commercial projects that came along that they did Fiscal Impact Analysis on, and what we found generally was residential was not paying for itself. Sometimes commercial would, but sometimes it was a mixed bag. This went on for several years.

In 2006, the county decided to go full throttle with proffers and so we looked at what other jurisdictions were doing. We found one model in Chesterfield County that looked especially interesting because it seemed to make sense intuitively, theoretically and it also survived a court challenge or two. The then Fiscal Impact Advisory Committee looked at that model; took a number of components from it; adopted its methodology basically as ours and it came up with our proffer numbers in 2007 at which point we generally stopped doing fiscal impact analyses on site specific projects.

Since 2007 the world obviously has changed quite a bit and the Fiscal Impact Advisory Committee (FIAC) has not been as active as it was before 2007. This year with the impetus to update the proffer numbers obviously the FIAC has become very active. At our meetings this year he walked the committee through sort of the methodology of the nuts and bolts of the spreadsheet so were involved in recalculating the numbers. Essentially, as Mr. Fritz said the main problem is that we are now somewhat limited by the State Code to include only items that expand capacity. We can no longer include maintenance and replacement items. For example, if we build a new school to accommodate growth that cost could go in the calculation. If we have an existing school where there is a new roof that is needed we cannot include that cost. So these numbers that Mr. Fritz was telling you about a minute ago are much lower than what they would be if we still had it in our schools with the methodology that existed in 2007. But, it is largely a moot point because by State Code we

are not allowed to use this in our methodology. In a different world if we had a CIP CNA that was more than just a maintenance these numbers would in fact be very different.

Mr. Keller asked if he could put up the spreadsheet so the Commission could see the complexity in what the model was.

Mr. Allshouse replied that he did not have those; however, he could send this report to the Commission under separate cover that explains both in English and numbers pretty much what went on. As Mr. Keller has alluded to and as Mr. Dotson is well aware of from his time on FIAC, this is a very complicated procedure and calculation. He noted the committee in looking at the model we used for submitting proffer numbers did have a number of concerns. A number of these concerns would be also applicable to the county's old cost revenue impact model. One thing that he mentioned to the committee was that no model is perfect. Every model is an abstraction of the real world. There are certain things about the cost revenue impact model that the committee thought we are lacking, for example, a more dynamic scoring approach. That is a very specific way of saying that if you change a variable over here that necessarily can have an impact on other variables in the model. Our current model presumes for the most part that a lot of these other models are staying constant. So he thinks the committee's thought is at this point that we need to also be looking at other models that might be out there as we move forward.

Mr. Morris said when he was on the FIAC he understood that the model was not giving what you wanted it to. He asked if they have done any searching around for other models.

Mr. Allshouse replied specifically we are going to be looking at what other counties are using and if there is anything updated. He mentioned to the committee that there are certain regional economic models that are more dynamic in nature. There was one called computable general equilibrium models. REMI is one company for example that has this type of model. These are much more sophisticated than what we had traditionally with the CRIM Model. So we are going to be looking around. In terms of not getting this other thing that you wanted, again, that is a problem with any model here.

Mr. Dotson noted the staff report indicated that there are some cost items that have not been looked at such as jails, solid waste and some other things. How big of an effort would it be to incorporate those?

Mr. Allshouse replied that it would not be huge. We could go back and certainly include those items if the Planning Commission is interested in having these. He will say though that in advance it probably is not going to make a huge difference in the bottom line dollar numbers that we come up with. But, if the Planning Commission is interested in seeing that he would be happy to go back and include those.

Mr. Fritz noted that it was just a matter of pulling it out and going through each item to see whether or not it expands the capacity or not.

Mr. Dotson noted another question like the first, again, the staff report indicates that there is a desire to look at the tools used by some other jurisdictions, Chesterfield and some others. Would that be time consuming to do that?

Mr. Allshouse replied that would be more time consuming than doing a quick analysis of these other categories. He actually did have an intern do sort of a preliminary look around the state a

few months ago, and she said generally what we are doing looks remarkably like what other counties are still doing in terms of their level of analysis and their list of sophistication of their tools. But, that would be an involved project.

Mr. Dotson said what we don't know at this point is whether other jurisdictions are coming up with per dwelling unit cost that has shifted as dramatically as ours is being proposed to shift.

Mr. Allshouse replied that would be an analysis we could do.

Mr. Dotson noted that seems like it could be done pretty quickly and be useful. Do we have a list of capital facility expansions that are needed as part of the comprehensive plan? In other words, the comprehensive plan looks at 20 years, the CIP is 5 years, and the CNA is 6 to 10 years. What about that 10 to 20 years because those are real needs and dwelling units that come on line today will still be there in that 11 through 20 period.

Mr. Fritz pointed out what we have is the comprehensive plan which might identify these facilities, but there is no dollar amount associated with it. Therefore, we can't calculate it. The only things that we have any numbers that we can calculate against are the CIP and CNA.

Mr. Dotson suggested if we made assumptions of an inflation factor an elementary school now versus an elementary school then that would seem a good rule of thumb.

Mr. Allshouse agreed that they would have to make assumptions, and we would have to vet those assumptions with Community Development.

Mr. Dotson said this is sort of time sensitive because you could have a huge capital expense in the CIP, but then you don't do it again for decades. An example would be the courts. Or, you could have a situation where yes it is the year after the CIP or CNA that you had a major expenditure, but it is as if that was not the case. Since we are doing 20 years for time horizons for plans it seems like; and, in fact the proffer policy says the comprehensive plan and master plans would be the basis.

Mr. Fritz noted that is what the State Code says also because we must have the numbers.

Mr. Allshouse agreed and noted that was the issue.

Mr. Dotson said that it sounds like we have not tried.

Mr. Fritz pointed out the Board would need to adopt something with some numbers associated with it.

Mr. Dotson noted the Commission could possibly recommend to the Board that would be important to do. Otherwise, they are sort of flying with one eye open. He had a very specific question about methodology. It seems that in the previous version that we were saying okay here are capital costs that has some components, which includes expansion, repair, and maintenance. In the new normal we are told you can't look at repair and maintenance, but only at expansion. So then we are looking at revenues. Before we were looking at the stream of all the revenues that came from a residential dwelling unit. This strikes me as logical then under the new normal we should be partitioning those revenues to say part of it is going to capital expansion and part of it is going to repairs and maintenance. We can't consider that on the cost side so we can't consider it on the revenue side either. That is double entry bookkeeping.

Mr. Allshouse noted that was something they could break out.

Mr. Fritz said that was part of looking at a new model.

Mr. Dotson said that would give you dramatically potentially a different answer than the one they are coming up with.

Mr. Allshouse agreed that it possibly is.

Mr. Dotson said that strikes me as not very difficult to do, and asked if he was wrong.

Mr. Allshouse suggested that they think about what he was about looking at the revenue and what part are going toward maintenance versus expansion on the revenue side.

Mr. Dotson said in other words doing the same thing to the revenue side that we are doing to the cost side.

Mr. Allshouse noted staff would have to look into that.

David van Roijen said in the accounting doing his taxes for a farm it seems if it is a repair it is a yearly expense. But, if it is a major repair then he can appreciate it and it becomes a capital expense. His accountant asks are you substantially replacing it or just attaching it. So when you up put a 30-year roof on, then it seems to be a capital expense and not a repair.

Mr. Fritz pointed out it has not expanded the capacity of the school. That is the problem.

Mr. Dotson said he had a couple other clarifications. Again, in the staff report it is talking about land in lieu of cash. He assumes that the density that is on a 5 acre site that is being given over to the county for a school or whatever facility that the density stays with that land. In other words, the developer has not said in my gross acreage he could have developed 100 units, but he can still develop 100 units but giving you 5 acres. Is that the way we interpret this that you can't have it both ways and can't have the density and a credit for the dedicating land.

Mr. Fritz replied actually because it would be a rezoning of the land the numbers and densities would be different. In a by right development if there is a donation of land they actually get credit for the land they donate plus some because of the bonus density for dedication of land not otherwise required.

Mr. Dotson noted that he would have to go back and read that section. He suggested that it be explained in the report that the base line is the normal obligations.

Mr. Randolph asked if the concept plan that is going to be required going to be filed with Community Development, and thereby would be in the property in perpetuity. He asked does it fit into the GIS system.

Mr. Fritz replied that the concept plan would be part of the rezoning packet submitted with the application. It would be part of the review analysis. That document does not get recorded, but is just a part of the submission packet.

Mr. Frank Stoner arrived at 5:38 p.m.

The Planning Commission continued their discussion with the Albemarle County Fiscal Impact Advisory Committee and staff including input by David van Roijen, Charlie Armstrong, Jeff Werner and Frank Stoner.

Mr. Morris opened the work session for public comment and invited public input.

Public comment was received from the following persons:

- Morgan Butler, Southern Environmental Law Center, acknowledged the tremendous work that the committee and staff have put into it. He asked in looking at the July 15, 2015 memo from the committee under section A there were a number of supplemental recommendations under section B. Number 4 of those mentions that currently the policies limited to schools, transportation, parks, libraries and public safety. It says the committee actually recommended expanding the categories to include things like jails, and solid waste facilities. He was curious where that recommendation stands and if there was any work done to see how the proffer numbers would be different by including those. If not, what would it take to run some calculations based on the jail projects and the solid waste projects that are in the current CIP and CNA to see how those would affect the recommended proffer amount.
- Neil Williamson, Free Enterprise Forum, complimented the committee's work. He noted the real solution here is the elimination of cash proffer because it would provide the comprehensive plan an opportunity to be realized. Right now the policy is about a piggy bank and not about a comprehensive plan. Cash proffers is a welcome stranger tax that is improper and should be repealed.

There being no further public comment, Mr. Morris closed the public comment to bring the matter back to the Commission for further discussion and recommendations.

Mr. Allshouse noted to answer Mr. Butler's question that other categories were not included in the analysis. They have not made any additional efforts to include other categories in the recalculation numbers. That would not be a huge undertaking so is certainly something that staff can work on.

Mr. Fritz asked for input from the Planning Commission on the questions raised.

Mr. Dotson said he did not have time to look at all the different priority areas and to see what they are. He thinks they need some staff analysis on this and a focused meeting at least on this. He did not feel prepared to make a recommendation on these credits tonight speaking personally. It was indicated that the committee spent most of their time on recalculating the per unit value and less time perhaps on this. He thinks Mr. Keller has indicated that they might think of this as opening these very important questions rather than closing it at this point.

Mr. Morris noted that the committee has done a wonderful job and hopefully the work of the committee will continue.

Mr. Keller said the Commission needs to ask the Supervisors to provide the staff time for support for the committee to continue.

Mr. Randolph said they are on two separate tracks right now. They have an affordable housing track that was started and now they are on the cash proffer track. So they need to look for a way to merge those two down the line because right now they are so intermeshed. They need

to have a discussion about whether that is in fact appropriate that they be merged or treated separately and distinctly.

Mr. Keller said the committee would agree with that.

Mr. Morris noted that the affordable housing was only a piece of it and staff was working on how it would go forward.

Mr. Fritz said he had heard the Commission wants some more information. He asked what type of information the Commission would be looking for so staff could bring that back and figure out what sort of timeframe they can do that in.

Mr. Morris asked Mr. Dotson if he had any amplification as to what he would need.

Mr. Dotson replied in terms of information both in what he said and what he heard from other people is: the factoring in the cost of jails, solid waste and other facilities; looking at this since it is a state wide measure causing change state wide they need to look at some other communities to see what adjustments they have made just sort of gleaning for ideas; and the very specific question which he will talk to Mr. Allshouse separately about this idea of partitioning the revenues. Maybe this will take some sleeping on for that, but that might generate some additional information. He suggested additional effort to at least maybe in words identify externalities even if they can't be quantified, which was getting at something that Mr. Randolph was saying.

Mr. Randolph noted that they need to look at #2 and #7, which was Mr. Cilimberg's idea. It is worth looking at the county initiated rezoning and whether it would generate additional revenues from increased property taxes. Has anybody else done that in the Commonwealth in the last five years and what was their results? He assumed they would have tracked that and have some perspective on that. It will be helpful to use our five comparables here if in fact they are using proffers as noted by Mr. Allshouse. If they are not using proffers, then try to find some other counties that are roughly similar to find out what their proffer policy is. We need to be comparative, which he would find very valuable. To go out and look where Albemarle County stands compared to different counties would be very helpful and give a lot of insight on a lot of areas. It would demonstrate when they do come out with recommendations as a Planning Commission or perhaps jointly as two bodies; but, he did not necessarily think we have to be on two tracks.

Mr. Randolph said if the FIAC continues to meet, if the Board of Supervisors is comfortable with that, and the Commission meets periodically to tackle the subject, then he thinks we can have a merger of the minds. On the other hand maybe what we need to do is meet collectively. Or, maybe they are at a point now where there is no value in continuing to operate a separate entity. The committee has reported this back to us and maybe they should collectively work this through together because they really are in this together. He would echo the kind of work that this committee has done. He thinks it is outstanding and did not want to see it fall by the wayside. However, it is unrealistic to expect us in a single one hour meeting to come together and reach consensus on a set of recommendations on issues that have tremendous implications. There are people out there that want to see us increase the proffers. Mr. Williamson represents the other point of view who would like to see the county eliminate them. So there are a range of opinions that would be beneficial for us to work through collectively. He would look forward to that.

Mr. Dotson pointed out there were two other pieces of information. One is the spreadsheets with the actual numbers, which Mr. Keller suggested, and perhaps even the case studies that were mentioned. He did not know whether Mr. Werner was saying that he had put together some tracking information or that staff had on how much of the development that has been happening in recent years that has been by right; how much has been by rezoning; and where do we stand on the rezonings, etc. So he thinks some of these things are maybe a little more time demanding unless in the committee work they have already been generated, and then they would simply need to digest them and take advantage of them.

Mr. Keller said if they want the staff report to give the direction that the Planning Commission wants, then we need to come up with that wording now. He was not sure how to synthesize everything that he heard to do that. One way would be to pick up what both of you have said and then see if we can get a vote on the Planning Commission requesting the Board of Supervisors to continue the Fiscal Impact Advisory Committee's efforts to meet areas that are outlined in their report that would be in conjunction with the Planning Commission, and then it was staff who would work through how those series of meetings, individual and collective, would be accomplished.

Mr. Randolph said he would second that motion.

Mr. Kamptner said just to clarify you are talking about the third item on that list in their recommendations in Section b of their committee report. He said the committee has completed their task with respect to 1 and 2, and they have provided their recommendation to the Commission. He thinks A1 and A2 are in the Commission's hands now, and he heard that the Commission wants some additional information to better understand before it forwards its recommendation to the Board.

Mr. Keller replied that would be great; although, he thinks it is really kind of an expansion a bit beyond 3.

Mr. Kamptner agreed that 3 is big.

Mr. Keller said 3 is giving us that ability to say we need to continue to work on more than the 3 things that they have asked us to do. That is why you are suggesting this.

Mr. Kamptner agreed, and pointed out your recommendations for the Board was to recharge the committee to further explore these issues.

Mr. Keeler suggested that less senior staff time be spent working with this group in the future.

Mr. Morris asked did you capture the motion that was made.

Mr. Fritz replied that he had captured the concept of what the Commission was saying.

Mr. Loach asked what the motion is.

Mr. Fritz said the motion is to have the Board of Supervisors recharge or direct FIAC to continue working on updating the cash proffer amount by looking into new models.

Mr. Morris asked Mr. Kamptner do we need a vote on that.

Mr. Kamptner asked the Commission to go ahead and take a vote. It will be something that will be forwarded to the Board.

Mr. Morris pointed out the motion was made by Mr. Keller with a second by Mr. Randolph. He asked for a roll call.

The motion passed by a vote of 6:0. (Firehock absent)

Mr. Kamptner asked to clarify one thing that the recommendations that FIAC had made under Section B of their report. He thinks the one that really ties into #3 is B4, which deals with exploring all of the different other types of categories.

Mr. Fritz agreed that was the correct number.

Mr. Morris thanked everyone for their time since they already had spent 18 one hour and a half sessions.

Mr. Keller asked should we then pick up on what both Mr. Randolph and Mr. Dotson have said and also send a message to the Supervisors that the Planning Commission would like to take these policy areas and further explore them before commenting on the specifics of the other portion of the report.

Mr. Dotson said he would second that.

Mr. Loach said he appreciates the work the committee has done and all the input and update. However, the Planning Commission is an appointed body and not an elected body and when they start talking about things being revenue specific he gets a little uncomfortable and thinks that really is the jurisdiction of the Board of Supervisors. The Commission should recommend to the Board to continue that work essentially to get more data for them. If it is going to correlate directly to revenue then he would abstain.

Mr. Keller said Mr. Loach's point is well taken. However, he was moving beyond the committee and thinking in terms of a way for these alternatives. For instance, the rezoning of merits and thinking of it from a land use stand point do we think that rezoning areas within the county rezoning areas within the growth areas could be beneficial to continue with the proffer process the way it is now.

Mr. Loach asked isn't that why we just voted for them and to allocate staff time to get that data?

Mr. Fritz said that was outside of it. He heard potentially that the Commission is saying that on items #1 and #2 go ahead and forward what the FIAC did and to say we have received it and they are sending that on to the Board of Supervisors. At the same time Board we would like you to direct the Planning Commission and the staff to look at the B recommendations that FIAC had. He asked if that was where he was going with this.

Mr. Keller agreed.

Mr. Randolph agreed it was an accurate statement.

Mr. Keller agreed that his point was well taken about we are not weighing in on the fiscal aspect, it is from the land view.

Mr. Dotson said he was with Mr. Fritz right up to the end. What he was thinking is that we would be asking the Board to request that the Planning Commission discuss, advise, and forward recommendations on #1 and #2. He sees those as land use questions and not as dollar questions because the output not does help or hinder the budget. The output is does it help us achieve the neighborhood model.

Mr. Loach said if it was within those limits, then he had no problem as long as that is understood.

Mr. Morris asked Mr. Fritz if he got it.

Mr. Fritz replied that he was not sure and asked Mr. Dotson if he can restate it.

Mr. Dotson noted on #1 and #2 you said tell the Board we have received the report of FIAC.

Mr. Kamptner noted what is communicated to the Board for #1 and #2 is that the Commission is still looking at that, needs additional time and wants to get some more information.

Mr. Dotson added and discuss.

Mr. Fritz agreed that he understood.

Mr. Morris asked if there were any other items. There being none, he called a ten minute recess. He thanked everyone for being here.

The Planning Commission took a ten minute recess at 6:38 p.m. and reconvene at 6:45 p.m. for the regular public hearing.

Call to Order and Establish Quorum

Mr. Morris called the regular meeting of the Albemarle County Board of Supervisors to order at 6:45 p.m.

From the Public: Matters Not Listed for Public Hearing on the Agenda.

Mr. Morris invited comment from the public on other matters not listed on the agenda. There being no public comment, the meeting moved to the next agenda item.

Consent Agenda:

a. **Approval of minutes**: July 21, 2015

Mr. Morris asked if any Commissioner would like to pull an item from the consent agenda for further review.

Motion: Mr. Keller moved and Mr. Randolph seconded for approval of the consent agenda.

The motion carried by a vote of (7:0).

Mr. Morris said the consent agenda was approved.

Public Hearing Items

a. **STA 2015-00002 Fees** – The Planning Commission will hold a public hearing to receive comments on its intent to recommend an ordinance to amend Sec. 14-203, Fees, of Chapter 14, Subdivision of Land, of the Albemarle County Code. This ordinance would amend Sec. 14-203, Fees, by increasing all current fees imposed in that section by up to eight percent (8%), rounded to the nearest dollar, an increase that reflects the increase in the County's reasonable costs to provide services for which each fee is imposed since 2009, when the current fees were established after a comprehensive study; and to impose fees to review a subdivision plat following final site plan approval in the amounts of $1,075 (1 to 9 lots), $1,182 (10 to 19 lots), $1,322 (20 or more lots). The proposed fees and fee increases are authorized by Virginia Code § 15.2-2241(9). A copy of the full text of the ordinance, and the documentation pertaining to the proposed fees being imposed and increased, is on file in the office of the Clerk of the Board of Supervisors and in the Department of Community Development, County Office Building, 401 McIntire Road, Charlottesville, Virginia. (Mark Graham)

b. **ZTA 2015-00011 Fees** – The Planning Commission will hold a public hearing to receive comments on its intent to recommend an ordinance to amend Secs. 35.1, Fees, 35.2, Calculation of fees in special circumstances, to add a new Sec. 35.3, Mode and timing for paying fees, and to amend and renumber current Sec. 35.3 (to Sec. 35.4), Fee refunds, of Chapter 18, Zoning, of the Albemarle County Code. This ordinance would amend Sec. 35.1, Fees, by increasing all current fees imposed in that section by up to eight percent (8%), rounded to the nearest dollar, an increase that reflects the increase in the County's reasonable costs to provide services for which each fee is imposed since 2009, when the current fees were established after a comprehensive study; and to impose a new fee for applications to the board of zoning appeals to interpret a district map ($258.00), and for variations or exceptions under Sec. 32.3.5 before ($892.00) and after ($892.00) approval of a final site plan; amend Sec. 35.2 to clarify the text without changing its substance; to add new Sec. 35.3 to state the mode (cash or check) and timing (when application submitted, subject to specified exceptions) for paying fees; and to renumber current Sec. 35.3 to Sec. 35.4. The proposed fees and fee increases are authorized by Virginia Code §§ 15.2-2241(9) (pertaining to Sec. 32, Site Plans) and 15.2-2286(A)(6). A copy of the full text of the ordinance, and the documentation pertaining to the proposed fees being imposed, is on file in the office of the Clerk of the Board of Supervisors and in the Department of Community Development, County Office Building, 401 McIntire Road, Charlottesville, Virginia. (Mark Graham)

Mark Graham presented a PowerPoint presentation on STA-2015-2 and ZTA-2015-11 Fees. There can be one public comment period and separate motions for the two ordinances. In a quick overview he would explain what they are doing, how they got to this point, and then take questions.

The focus would be on four basis things:
- Basic questions they have gotten over time about the fee policy.
- Review the 2007 fee study, the recommendations and how that turned into a policy.
- Review what they have done since that did become policy.
- Provide the recommendation on the revised fees.

The basic questions we keep getting on fees is they are the same as taxes. Staff put out an announcement and people say don't raise my taxes. So the first thing staff has to explain is the fees are not taxes. These fees only apply to applications and permits for new development and do not apply to existing property that is not changing.

Why do we have fees? Fees place the cost of approving and inspecting the new development on that development rather than the public at large because without the fees the county programs would need to be supported by increased taxes.

Why have the fee policies? To ensure consistence and predictability and to simplify the administration, which also reduces the cost.

The following recommendations came out of the study:

1. Improve the data and quality for fees by the unique fee identifiers and collection of revenue per fee. That was accomplished through these ordinance amendments that had already been done.
2. Reduce the number of the fees in the schedule, which was also accomplished through these ordinance amendments.
3. Develop a Board approved cost recovery policy. It was done through a blended approach which looked at the fees to see full cost recovery; but, then the Board would balance that with assuring there was consistency with our fees on what they saw in neighboring and similar localities.
4. Adjust the fees based on budget growth each year. That was because in 2007 the fees had last been updated in 1991. So they set a policy to regularly update the fees on a bi-annual basis.
5. Actual time spent on the services should be captured. This is something that has been deferred because they need a detailed time keeping system, which is still not funded.
6. Comprehensive review of the fees, which also requires that detailed time keeping system. When we get that in place we will begin on that.

The fees that have been changed:

1. In August, 2008 adopted new fees for the building regulations. In this one we were able to go to 100 percent cost recovery while keeping the fees very similar to what they saw in surrounding localities.
2. Adopted fees for Water Protection Ordinance in 2008. The Board set those at roughly 50 percent of the direct cost of the program. However, when they revised the fees last year, as a result of the Virginia Stormwater Management Program (VS&P Program) regulatory changes, at that time the Board directed staff to set fees for that VS&P Program at 100 percent cost recovery and maintain the 50 percent for the other programs. This would be things such as the Groundwater Program and the Stream Buffer Program that the county has. Those fees are in place and we will plan to look at them again next year.
3. Subdivision fees were done in May, 2009. It averaged out about 50 percent of the direct cost. Since then we have done some process improvements that reduce some costs by eliminating the need for Planning Commission review. It also freed the Planning Commission up to focus on the comprehensive plan. Staff estimates that it saved about 10 percent of the previous direct cost meaning that we are still far below 100 percent cost recovery so there is room to work as far as any cost adjustments there.
4. With the zoning the revised fees were set in August, 2010. The zoning fees probably have the lowest and the widest range of cost recovery. Some of the direct zoning fees as far as inspections were close to 100 percent. On the other end of the perspective the legislative review, such as the rezoning and the special use permits, we probably recover about 10 percent of the county's cost on those applications.

So what has this meant to us? If they look at it from a calendar year they did the fee study and

the policy back in 2008 and started changing the fees that significantly improved the revenue for the county. If we even go back to prerecession days in 2006 we are still collecting about a half million dollars more than we were prior to the fee changes. As far as the net cost for the Community Development Program it significantly reduced what it cost the county as far as tax payer support for this.

This fee adjustment will take the cost back down from what you see for FY15 to something closer to the FY14 number as far as the net costs for the county to operate Community Development. In the next steps we are following the Board Policy in their resolutions of intent with these proposed ordinance amendments on the budget and salary increases. We looked at that and it is a cumulative increase of 7.5 percent since 2008. There were no salary adjustments in 2009/2010 so that did not even come into play. Then with the salary increase for staff that is incurring this month it comes out to 2.3 percent, which is including that 7.5 percent.

They are currently working to update all of our forms and application fees and advising the public of the proposed ordinance amendments so that nobody is surprised when they come in to submit an application and the fees have changed. With that we are also going to be recommending to the Board to set an effective date of November 1, 2015 assuming the Board actually adopts the ordinances on October 14, 2015.

The recommendations are laid out for you. If you recommend it as drafted the motion would also need to include the one change for the ZTA that Mr. Kamptner emailed today and handed out to everybody. It just includes an exception for the fees for temporary signs submitted under our new section that is being proposed to deal with projects in road construction areas such as the Route 29 Solutions. That is the first one. If after considering this the Commission wants to add other changes staff recommends you use the second motions where you would do it as presented by staff with the following changes. Finally, if you want to recommend denial use the last motions. With that he would be glad to try to answer any questions the Commission may have.

Mr. Morris invited questions for Mr. Graham.

Mr. Keller asked how does cost recovery work in the county. Do you have that as part of the budget line for a particular area or is it just assumed that there are going to be so many fees that are coming into the general fund.

Mr. Graham said that is actually a good question. We do not operate Community Development as an enterprise funded. The revenue that comes in the form of fees simply goes into the big pot, the general fund. Community Development is budgeted on the expense side as part of the annual budget rather than those fees being programed into our budget directly.

Mr. Keller said they are just as we have an assumption on what our real estate tax will give us. On the positive side we have an assumption of what this fee will be unless we have a big dip.

Mr. Graham agreed that was correct. Every year as part of the budget development the Office of Management and Budget and Finance are both on me pretty hard as far as what our estimates for the fees are next year. Basically, it is requiring us to take a crystal ball and say how much development activity do we think is going to occur next year.

Mr. Keller pointed out it would include proffers as well.

Mr. Graham agreed that proffers is part of that as well.

Mr. Randolph asked is that the same way the Police Department operates. If they give somebody a speeding ticket does that money also go into the general budget? He asked is it a consistent policy across all departments?

Mr. Kamptner replied that it depends on whether it is violating a county ordinance or a state statute. But, a portion of that goes to the state.

Mr. Randolph said part of that would go to the state, but the other part would not stay with the department it would go in the general revenue for the county.

Mr. Kamptner agreed.

Mr. Dotson said you have answered my basic question, which was the percentage. In my reading I was trying to trouble shoot and say think of anything that might have a fee that he did not see in here and maybe should not be in here. What I thought of was freedom of information requests.

Mr. Graham replied we have never put a cost as a fee here in the ordinance for FOIA requests because they tend to go all over the place as far as not being a particular ordinance.

Mr. Kamptner pointed out what the county can recover are reasonable costs for searching, copying and things like that.

Mr. Dotson said he just thinks it is useful to put a sentence in some report that goes to the Board that the public can see so they understands how FOIA requests work.

Mr. Graham pointed out they do have other fees like that which they collect such as doing large prints for people. Some people ask us to print out maps and we have direct cost for those things as well. With the FOIA's if it is a large project we give people an estimate. Staff looks at it and tries to estimate how much time and paper there is.

Mr. Dotson noted the Commission sometimes get emails asking how much we have. So that is what brought it to my attention.

Mr. Graham said it was a fairly routine activity for us since we get about 300 FOIA requests a year.

Mr. Dotson suggested putting in a line someplace that somebody might see that there are these cost aspects to it. He assumed that community meetings would be covered by the zoning fee.

Mr. Graham replied that is correct that special community meetings with the legislative is built into those fees.

Mr. Randolph said it is not the county's responsibility to mail everything out, is it.

Mr. Graham replied no the county does not have the responsibility to mail it, but staff will often attend those community meetings and be there to answer questions.

Mr. Dotson asked about property owner initiated comprehensive plan amendments.

Mr. Graham replied that is in there under the zoning fees.

Mr. Dotson asked if GIS information is on a cost recovery basis, too.

Mr. Graham replied yes, that is outside of these ordinances as well. However, it is just an administrative function and we have a cost table for services that we can provide.

Mr. Dotson noted in trouble shooting he could not find much trouble.

Mr. Loach asked if increased fees will help with staffing.

Mr. Graham replied obviously it provides a source of revenue to pay for those fees. That did play quite a roll, for example, in the Virginia Stormwater Management Program (VS&P) in 2014 because that program greatly expanded our work load and we were going to have to hire new staff. We built the fees for that program based on cost recovery through those fees. So those positions were neutral as far as new taxes.

Mr. Loach said he thought it was interesting about staff putting in for the software to follow your time by the hour. It is good news. As someone who has done consulting work in that for a department it had its down side, too. He always felt he was chasing hours versus trying to get my work done. There are both sides of that coin.

Mr. Graham agreed from having managed a professional engineering office and trying to get the time sheets done he found people get creative with it.

Mr. Loach said he thinks it is useful for gathering data to get to the cost that you would need to recover for it. If you use it as the complete generator it becomes problematic like Mr. Graham said then you are chasing costs and not any projects.

Mr. Morris asked if there were any other questions.

Mr. Kamptner noted to answer Mr. Dotson's question the zoning ordinance does not deal with comprehensive plan fees. There may be a policy. The comprehensive plan is not a zoning type of application. He was looking through another chapter of the Code right now to see if we have any.

Mr. Graham noted we do have an application with a fee.

Mr. Kamptner pointed out that may be set by policy or resolutions instead of in the ordinance.

Mr. Graham said it would be worth going back to look at because they may need the Board to revisit that question.

Mr. Morris opened the public hearing and invited public comment. There being no public comment, the public hearing was closed and the matter before the Planning Commission for discussion and action.

Mr. Kamptner pointed out they will need two separation actions.

Mr. Morris asked for a motion on STA-2015-00002 Fees.

Motion: Mr. Loach moved and Mr. Lafferty seconded to recommend approval of STA-2015-

00002 Fees as presented by staff.

The motion passed by a vote of 6:0. (Firehock absent)

Mr. Morris noted STA-2015-00002 Fees would be forwarded to the Board of Supervisors recommending approval at a time to be determined.

Motion: Mr. Loach moved and Mr. Lafferty seconded to recommend approval of ZTA-2015-00011 Fees presented by staff as amended.

Mr. Kamptner noted that includes the revision for an exception for the fees for temporary signs submitted under our new section that is being proposed.

The motion passed by a vote of 6:0. (Firehock absent)

Mr. Morris noted ZTA-2015-000011 will be forwarded to the Board of Supervisors recommending approval by a unanimous vote at a time to be determined.

Old Business

Mr. Morris asked if there was any old business. There being no old business, the meeting proceeded.

New Business

Mr. Morris asked if there was any new business.

Mr. Graham informed the Planning Commission that Community Development is looking at making some organizational changes. Nothing has been finalized, but they are being considered. This is really in response to several issues. One is, of course, Mr. Cilimberg is leaving us next May and those are big shoes to fill. It is leaving from an institutional knowledge and expertise that is leaving us a huge gap. That is one issue. The next issue is Mr. Cilimberg's pending retirement has also made him aware that he was not far behind him and he has nobody positioned in Community Development right now to step in. So we are trying to look at that and see if they can identify some things.

Mr. Graham said the other thing we have identified in looking around is there is somewhat of a bottle neck at my level in trying to get decisions pushed down. So that means he kind of needs a little more help to try to get some of those things done. What they are looking at and considering right now this fall is creating a Deputy Director. They have already talked about it and we are working on it. We are actually piloting this right now; but, it is not finalized. But, what we have done is moved Mr. Cilimberg into this role as an Acting Deputy Director for Community Development where he will have a responsibility over those development divisions for building, engineering, planning and zoning trying to make sure they are coordinated and working well together while reporting to me. With Mr. Cilimberg doing that we have the vacancy in the director of planning position. So we have also moved Mr. Benish into the role as the Acting Director of Planning. He is kind of stepping in and over this fall you will see him acting more as that director of planning than Mr. Cilimberg.

Mr. Graham noted that in turn has created other things for us. They have looked into the planning division itself and looked at making both Elaine Echols and Margaret Maliszewski Acting Chiefs of Planning where one will have the legislative issues and the other the current

development issues trying to see how that works. He just wanted to make the Commission aware that this is in process right now. It is an organization that is not finalized or set in stone or anything. But, it is something they are experimenting with and will be working on for the remainder of this calendar year. By December they hope to know what we are doing and lock this all down. Then if it looks good they are going to then advertise for a deputy director in the beginning of 2016 and try to get somebody on before Mr. Cilimberg leaves. He knows the Commissioners are very active working with staff, which we greatly appreciate. Obviously we will update the Commission as we get further along with this and start making some decisions here.

Mr. Morris said he owed Mr. Graham an apology since he caught him off guard when we were talking about getting together and looking at kind of setting up a program to tackle the question of housing. In talking with Mr. Benish he thought there was going to be a meeting of the minds and that might be the time to really tackle that. What would you like me to do as far as trying to identify things that could be taken up on off weeks where we currently do not have a meeting and that we could meet and tackle the items dealing with housing one at a time? He would like to put that together and asked who he should sit down with now. It now includes Ron White and David Benish. He asked who else.

Mr. Graham replied for Community Development he would encourage you to continue working with David Benish on this and coordinate through him. Mr. Benish has got his hands on those kinds of issues and can best figure out how to deal with those and how to make it work for our end as far as staffing.

Mr. Morris asked Mr. Benish if he had any ideas about anyone else.

Mr. Benish said they had the meeting last week and he thinks the idea was they were going to try to get together and come back with some concepts and conclusions about your discussion and the next steps. We realized it will take a little more time than they had to have that before you today so are shooting for our next meeting on October 6. He was going to try to get a meeting with Mr. Morris and Ron White and we will kind of step through it regarding the conclusions on what we thought we heard and how to schedule the further steps.

Mr. Morris said that was very good, but asked to keep him in the loop.

Mr. Graham pointed out related to that he would just note that with the October 7th discussion with the work session for the Community Development Work Program we are trying to make sure we are presenting the Planning Commission's recommendations for the strategies in the Comp Plan that they should move forward with first. He would say it is very challenging since everybody has a lot of interest to move things forward. They are trying to balance the resources and it is proving pretty difficult. So he did not know where all of this is going to fall out with us right now.

Mr. Morris noted they will not have a Planning Commission meeting next week. The next meeting will be on Tuesday, October 6 at 6 p.m. in the auditorium.

There being no further new business, the meeting moved to adjournment.

Adjournment

With no further items, the meeting adjourned at 7:03 p.m. to the Tuesday, October 7, 2015 meeting at 6:00 p.m. at the County Office Building, Room 241, Second Floor, 401 McIntire Road, Charlottesville, Virginia.

David Benish, Secretary

(Recorded and transcribed by Sharon C. Taylor, Clerk to Planning Commission & Planning)