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# Fairfax County Board of Supervisors Land Use Policy Committee, Tuesday, February 27, 2024

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**[00:00:33]** Good afternoon, everyone. I'm going to call the Land Use Policy Committee meeting to order. The first thing on the agenda is we have the meeting summary from the last meeting. If there are no correction or additions, we'll take that as accepted.

**[00:00:50]** Okay, so today we have three presentations about fees. And as you've seen, if you looked at the presentations ahead of time, it's been a long time since we've done this. And without further ado, I'm going to turn to Bill Hicks first. Super. Thank you very much. My name is Bill Hicks. I'm the Director of Land Development Services, and I'm glad to be here before you today. This is, I was appointed to my position almost a decade ago, and it was just days before the board approved its last comprehensive

**[00:01:25]** change to our fee schedule. So nearly a decade has passed, and we passed that, and we went into something we called Fairfax First, and it was about changing the speed, consistency, and predictability of our development review process. And I think we've done some really great things, and I have a long laundry list that I'd love to just tell, but I'm going to mention two things that I think are important to think about as we begin this conversation. The first is when I came in land development services, our average time for review processing for a first

**[00:02:04]** submittal of a site plan was on the average of about 90 days. And today we're at 39. So that is less than half of where we were. I say that not to say that we are done. I say that because we have made

drastic improvements over that time. The second thing I would say is that the national, the NAOP, the National Trade Organization for Commercial Developers, has a research branch, and they did a study two years running. The last time they examined 100 municipalities across the

[00:02:42] country and one in Canada, so we can say it's an international study, and we were ranked number one in our permitting office for both building and site-related processes. They evaluated us on three principles, accountability, transparency, and consistency. And we ranked at the very top.

[00:03:05] So we feel really good about that. But without question, it is time to look at our fee schedules and see if we can make some adjustments. We've got a proposal before you. And it focuses on Appendix Q. The fire marshal fees and land development fees are mostly in Appendix Q.

[00:03:27] We do have one fee that will be discussed. It's in the zoning ordinance in a little while, but most all of our fees are right there. The last update was in 2015, January 2015, and so we are moving on. Since January 2015, not only did we go through the Fairfax First process, but the environment around us has changed.

[00:03:51] We've seen, according to CPI that's published by the Bureau of Labor Statistics, CPI shows that we've had a 32 percent inflation over that period of time. We have moved land development services from a general funded agency into a special revenue fund. So two years ago we started that. So our fees are supposed to cover all of our expenditures. And we've done a couple studies of our neighboring jurisdictions about where our fees are in relation to them. We worked with

[00:04:25] Arlington County, Prince William, Loudon, and our building-related fees are in the lower portion of that. So we are lower on our building side fees. I'm getting ahead of myself on the screen.

[00:04:43] So here are proposed changes. We have a technology surcharge. Our neighboring jurisdictions, I think, have a surcharge of between 10% and 14%. Ours is 4%. We want to raise that from 4% to ten percent so that's a six percent increase and that's across all lds fees as well as the fire marshal fees for fire prevention we want to raise a two percent levy in accordance with state law for our code academy on the building side you either send all of your staff down to richmond or

[00:05:20] withville or wherever they're holding classes or you do it in uh in your own jurisdiction you own your own academy. So that's what we do in Fairfax County. Either way, it's 2% cost. So we're aligning with state law with that. We will increase, our proposal is to increase building related fees 25% across the board with the exception of vertical transportation elevators to you and I. We're going to hold that where it is because we believe that those fees generally

[00:05:56] cover the expenditures there. And in long term, what we really want is not to look at our fees as an aggregate, but we want to look at our fees for every individual fee. Are we expending that much expense to manage the permitting inspection services? So we feel like we've dialed that in pretty well on the elevator side. We propose to increase the site-related fees by 10 percent, so a lesser degree on the site side. Then there's four more kind of dogs and cats that we're going

[00:06:33] to make some changes to, but they're not big. One is we're going to remove some obsolete fees. I'll name those. We're removing the fee for a fallout shelter. We're removing a fee for a recycling study. We haven't seen that in many years and not entirely sure what we would use that for at this point. And we're removing the digitization fee, which we instated a few years ago in the advent of digital submissions where

somebody could come with plans in paper and then we would digitize it. In the end, we just don't see enough to warrant that. Everybody designs

[00:07:11] on the computer, so it comes in on the computer. We will add a new fee for pedestrian bridges. We've worked closely with FCDOT to figure this out. We have not had a specific fee for pedestrian bridges, So it's fallen under a typical building permit, which is really far more expensive than the amount of energy that we put into approving that and inspecting it.

[00:07:37] We're adding a tier for signature sets on the site-related plans. So what happens is that a submitter, an applicant, comes in with their site plans. They go through a review process, and we issue comments.

[00:07:53] If those comments are minor enough, they can correct those and come back in with a signature submission, which allows them to get approval almost immediately once they submit. What we're doing is saying if your comments affect only five sheets, that is free.

[00:08:12] No, you just bring it back in. But if it's beyond that, we're trying to dial in some feedback associated with that. So it's $135 for the signature set, plus $80 for every sheet it affects after the fifth sheet.

[00:08:32] So it's far cheaper than coming in with a second or third submission, but it does kind of give a little bit of feedback loop on that. And the last is we've added a minor revisions fee for site-related plans. This allows somebody to come in, say they're moving forward with a single-family home, and they had to make an adjustment between the time we essentially approved the grading plan for where the area way is or the stairs that come out from your basement.

[00:09:01] It has to be adjusted. Instead of making them come in with a new site amendment, which is much more expensive, this is a minor submittal that makes it easier. So those are the fee changes that we propose.

[00:09:17] this is our schedule. We are here today. On Thursday, we will be before the Planning Commission's Land Use Committee. Then next Tuesday before the board itself for authorization to move forward. Planning Commission hearing on the 3rd of April, a board hearing on the 16th, and this aligns very tightly with the budget that you guys have before you today. The fees would go live on July 1st. And I'll be glad to field any questions you might have, or if you want the

[00:09:54] laundry list of improvements, I'll be glad to walk through that. I think I'll start with questions. I'm going to start with the chairman. Yeah, thank you for the presentation, Bill. I think an obvious one is nine years is way too long to go. So I don't need you to answer that question here, but I hope we never go nine years again before making an adjustment because it forces very large adjustments and 25% is a huge one-time adjustment.

[00:10:23] I don't think we're going to get credit for not doing that for nine years. People are going to be fixated on the fact that it's a 25% increase. And so, you know, we needed to do that with much, much more regularity. On the regional comparison that you gave, you mentioned that Loudon, Prince William, Arlington have higher building fees than we do do we also know what their average approval timeline looks like compared to ours i i i don't have that uh readily available i think we can look and see if we can provide some data for the board i'd like to see that because i think you know when we did

[00:11:02] this last time i i remember it all too well and the justification of course was that there would be you know major customer service improvements to industry that they would benefit from so this was as much an investment in their line of work as it was in ours. And I think one way to tell that is if they're charging higher fees in these other jurisdictions than we were before, are they getting a better customer service experience there as a result of that?

[00:11:30] Because there's some suggestions made directly and indirectly in here that there'll be more people and improvements, therefore translates into a better customer service experience if we just implement these fees so that you're able to go hire additional people and deal with workflow. And, you know, I think there's probably a mixed reaction to how that's worked since 2015 till now. And so I would like to see, and I don't need you to go through it now, we'll look at it, but what the concrete customer service improvements will be for people who are asked to pay these

[00:12:06] fees. And then my last question is the building permit fee of 25 percent increase is so much larger than any of the other ones in here. Can you help me understand why that one is so much larger than the site fees and or the surcharge fees? So we, it's larger, absolutely, because when we looked at the regional comparison, we were in the lower, I think we were in like the 25 percent of the average. I mean, we were at the bottom. And so instead of moving forward across

[00:12:41] the board with something similar across the board, we came in lesser on the site side and more on the building side. We do not think they are out of alignment with our neighboring jurisdictions. Okay. I, you know, I still think we really need to quantify what people would get for these increased fees. I mean, I appreciate the comparison. We want to know what our other jurisdictions around us are doing but we also want to be better than them and better than them in speed maybe better than them in price too as we're all you know competing for economic development opportunities just because another jurisdiction is charging x does not necessarily mean it is

[00:13:20] okay for us to charge that and so I think giving that concrete list of improvements that people will see if we were to implement this will be at least helpful to me in justifying that and I would like us to as a part of this also approve a schedule uh looking forward on what the frequency is and and looking at these fees and coming back to the board because i don't i don't want somebody to be sitting in this seat 10 years from now saying i can't believe we haven't done this for 10 years and so i think the board should approve a schedule um that you know the staff follows to come back to us and looking at these fee adjustments with much more regularity than

[00:13:59] what we've had here. We 100% agree. We actually, as we were preparing for this, we were saying that what we'd like to do is come forward with something automated, but I think that we cannot do that legally. I think that you have to come through with a board hearing, but annually we would come forward and say, you know, adjustments to, you know, our highest driver for cost is staff.

[00:14:22] So when we raise salaries as a county, that has a huge impact on what it costs us to do business. And so easily we could just point to those numbers and say this is. I think that's fine, and I think we should commit to do that.

[00:14:37] And then lastly, I said lastly already, but one other thing that jumps out to me, because going back when we did this last time, there was a lot of outreach to industry, community, others, and I'm just wondering, has that happened, and if not, when will it happen? It has not happened.

[00:14:53] We wanted to go to the board first. We didn't want to get head of the board. So we're here today, and tomorrow morning I start that outreach with the Engineer Surveyors Institute, and I make the rounds from there. If I may, I'd just like to speak one thing.

[00:15:09] On the NAOP study, our highest ranking was on accountability, and one of the things that we do is we publish our metrics for how long it takes to get through the process. We do it every week. We lay out what our targets are for that, And when we are missing our targets, we show that clearly.

[00:15:30] We've missed this by a day. It's on average, but we publish that every single week. And there's certainly room to improve, but I think that it's very transparent. Thank you. I have Supervisor Pelcher. Thank you, Madam Chair.

[00:15:46] Thank you so much, Bill, and your entire team. I haven't been through this before because it's been nine years, so I'm looking forward to seeing what pops up. There are two things that really stood out to me as a question and an area of focus. Number one, absolutely agree that we need to make sure that we can hire and retain the best staff.

[00:16:05] The one area that I've heard quite a bit of having was the Tysons and Merrifield is on our urban areas and urban design and some new creative things that come our way that maybe we've never done here. And so, you know, knowing that with economic development and commercial being a struggle, we'd love to see some targeted, whether it's targeted recruitment, targeted in those areas that are sort of newer to us, and to try to shorten the amount of time it takes us to look from fire all the way to all the factors and what's worked in other urban areas that we can learn from

[00:16:42] and hopefully not have it be such a slow process sometimes for that. Thank you. Good point. And then the other one, you mentioned pedestrian bridges. I was going to ask that question. I think I heard you correctly that it will actually be less than what people are paying now. But I just really want to encourage pedestrian bridges.

[00:17:01] So if you could hear. Absolutely. So most pedestrian bridges that go in, they come in with SCWOT projects or park authority projects. Some are with bigger. Right now, when they come in, we evaluate those against the fee structure for buildings.

[00:17:17] And buildings are done by square footage. And, of course, buildings are much more complicated than pedestrian bridges. And many pedestrian bridges are prefabricated. And so the amount of review that needs to go through that is much less.

[00:17:34] And so, yes, these are absolutely less expensive. That makes me very happy. Thank you. Okay, I have Supervisor to Herity, Lusk, and then Jimenez. And I'll try to be quick. I agree with the chairman on the we can't let this go this long again.

[00:17:49] Just, you know, on top of what we're looking at on the budget side, it's just tough. You know, and as he also said, time is money. I mean, so what industry is going to look for is how does this improve our timeline?

[00:18:08] The only thing that wasn't mentioned, and I go back to my old activity-based costing days in my early public accounting world, And every sheet of paper requires somebody to prepare it, somebody to review it, somebody to fix the corrections, somebody to review it again, et cetera, et cetera, et cetera.

[00:18:28] Do we have any kind of initiatives going with industry to look at actually reducing the cost of these, I know, and the amount of time that it takes in addition to speed? Because, again, each one of those steps also takes time. So two things.

[00:18:47] One is we will start an operational study right after the first of the fiscal year. And that we're going to look at our process and internally and say, for each of these processes, how can we streamline, how can we make that better?

[00:19:02] So that's one piece. And you'll involve industry in that? Absolutely. Okay. The second piece is that we initiated working with the chairman and his roundtable. there was a lot of discussion about the clarity of comments and just our comments always needed are there ways to streamline and so what we started doing about three months ago I think we're on our third pool of comments is that we have hired a third-party firm to take a an outside look at what our comments are and they um I don't have all the criteria off the top of my head but

[00:19:39] some of them are, you know, are the comments referenced to a code? Are they clear? Are they repetitive? I think there's two more criteria. And then each month we get that back and we look at those and that creates this ideal coaching feedback loop to staff to say, were these really necessary? Did they appreciably change the end result? And we're still in the infancy of that, but it's headed in the right place. And it occurs to me that we've made this tremendous step forward three years ago. And I don't, you know, there's very few things I want to say thank you to COVID

[00:20:17] about. But one of the things we did do is we went to 100% digital submissions. And we used to have 700 sheet plans come in. We would have to, on our position descriptions in our advertisements, We would have to say you have to be able to lift 50 to 100 pounds of paper, and none of that happens anymore because we've made this huge step into the current century with digital submissions.

[00:20:44] I don't think we have fully realized the efficiencies that can be gained in that, but we have drastically raised the efficiency so far. Yeah, and you mentioned reviewer comments, and I don't need you to respond to that, but probably the biggest thing I hear is that you get one set of reviewer comments that goes to a different reviewer, and it's like start all over again.

[00:21:05] But you know that's an issue, and you're working on it, but you can respond if you want, or just say you're working on it if you want. Absolutely. Thank you. Thank you. Supervisor Lusk, and then Jimenez.

[00:21:20] Now, I'll just hop in and say from an economic development standpoint, I think this is obviously so vital and important. So consistency, predictability, and expedience is what people are wanting. So going to the points that Supervisor Herity made, it's critical. So I think as part of the discussion about the fee increases is that we've got to be able to talk about where we're making these changes that are going to make it, again, more consistent, more predictable, and faster. So I think that's going to be critical. And then thinking about the reviews

[00:21:57] through the process and sometimes having the need to go back and relook at a review that was previously approved by a different discipline. So you could have mechanical, electrical, and then you get to plumbing, and then you get to fire at the end. And then the fire says, well, actually, we need you to go back and look at that mechanical location or look at that electrical whole box. I mean, are we able to, you know, address some of that and the changes that we've done? Because I think that makes a huge difference as

well. So thank you for your question. Before, when it came in on paper, mostly what we were doing is, you know, the first person gets to

[00:22:36] review it and then it gets passed down to the next person that gets to review it and then down the way. Now, because it's all digital, it goes out quickly and you can overlay what the drawing looks like from those various perspectives. So I think that we are making improvements very much in that area.

[00:22:54] Okay. Because, again, I think that makes us more competitive, and that makes us be able to compete for projects versus other jurisdictions to the point that the chairman was making earlier as well. Thank you. Thank you. Supervisor Hamed? Thank you. And John and Tracy and Bill, nice to see you all.

[00:23:11] One quick comment on what Supervisor Lusk just said. It's about the competitiveness, and if we can do things at a much faster rate, we will have a decline in hopefully others moving to different counties to do their work there, which is kind of what sometimes worries me. Bill, you mentioned the outreach to different stakeholders, developers, and homeowners. Can you talk to me a little bit about how their feedback has been in regards to incorporating a fee schedule? So that outreach starts tomorrow.

[00:23:46] So we can absolutely bring that back, and, you know, we'll be before you at planning at the public hearing, so we'll bring it back, our input then. That would be great, especially to hear kind of what some of the concerns are raised or some of the things that aren't concerns.

[00:24:02] So that would be really helpful. Thank you, Bill. Super. Thank you. Okay. So that one's done. Thank you, Bill. We're going to move on to Tracy. She's up next. Zoning, please. See if I can do the work this.

[00:24:22] Good afternoon. Tracy Strunk, the Director of the Department of Planning and Development, and some of what you're going to hear is going to be a little bit repetitive of some of what you just heard in terms of some of the tidying. Excuse me, I'm battling a cold. So we are talking about the zoning application fees, which are in the zoning ordinance versus bills, which are in Appendix Q, if I have that correct, and ours are a little bit simpler.

[00:24:46] And so we also have an item here, which is about our planned district recreational minimum expenditure, which is a very long way of saying that we expect people who are doing our planned districts, our P districts, to put in a certain amount of amenities for their residents.

[00:25:02] Both of these items have been on our work program, and we're on the FY24-25 work program that you all adopted last fall, I believe. So our most recent zoning ordinance amendment, and Chairman McKay is going to call me on this one, the last time we did this comprehensively was in 2009, which has been a while, and then that was a 200% increase. I should have checked what the time it was before that, but it was certainly obviously a long time. And then in 2011, we were a little bit on that path of looking at these things regularly. That was about a 3% increase to look at inflation. But

[00:25:38] since then, it has somewhat fallen off the regular schedule for a number of reasons. Both of those, the main justification for that very large increase in 2009 was looking at cost recovery, which was the direction of the county executive at the time, and inflation, which we were reflecting.

[00:26:00] And then, again, the 2011 was just trying, again, trying to kind of keep that regularly, keep it in track with inflation regularly. We both, in both of those cases, used basically the CPI to track inflation and also looked at adjacent jurisdictions.

**[00:26:18]** The big story, of course, is inflation, which is what Bill just said. since 2011 which was the last time we did this update we've had a 36 percent increase in CPI um we there has been additional salary increases obviously which is because reflecting inflation that's where our that's where our costs are and also additional staff who are put there to um do some of the board initiatives that we've gotten either in terms of looking at specific areas or really that that big goal of speed consistency and predictability trying to trying to do that

**[00:26:53]** The recommendation for the zoning fees is basically, as I said, they're a little simpler, an increase of 35% across. That's based on inflation and 35%. We will be advertising range, obviously, so the board can make the decision that they want to do.

**[00:27:10]** There are a few that we are not recommending that change. One listed here is the appeals, which is currently 600. We're only recommending a 20% increase on that because appeals are if, as you know, someone gets a determination from the zoning administrator or notice a violation that they don't agree with, and we really want to retain their ability to, their right, actually, to come in and appeal that decision.

**[00:27:35]** And so we've only recommended a 20% increase there, not listed up here, but you'll see in the handout. And I should say the handout lists all of our fees, both the current fees and the proposed 35%. The other two that are not proposed to change are what we call granny pods, which are technically family health care structures.

**[00:27:54]** That is a state code requirement that that fee cannot be more than $100, so we are not proposing to change that. And similarly, there are some telecom fees that are limited by state code, so we obviously would not change that. I'm going to show you these a couple different ways. It's hard to sort of group, but you can see in this slide our administrative permits, which are obviously the administrative ones, run from around 100 to around 200.

**[00:28:20]** Our special permits, which are the lower end of that, you see the 435, are kind of the homeowner permits. We've seen some of those with home child care and other people who are doing these on their own. Up to the higher end, which is really your large, like a large church with a large school would fall into some of that category.

**[00:28:40]** The special exceptions, similarly, we have a range from sort of the smaller community-based organizations up to some of these really larger, more commercial. And the rezoning, which is the last one down there, the base rezoning fee is that same currently, the $27,000. The per acre fee applies to our P districts, which have a significantly higher expectation in terms of design and a commensurate increase in the time they take in the review.

**[00:29:09]** Looking at this a couple different ways, this shows the jurisdiction, the fees comparison across some jurisdictions. The first two columns there show our current fees and the proposed increase. I will say we talked with most of our neighboring jurisdictions, and they are all actually, most of them are also going through the same process right now to look at their fees.

**[00:29:31]** Surprisingly, none of them would tell me what they're proposing before they actually told their own boards, so I can't tell you what they're going to be. But Loudoun County just adopted a new zoning ordinance, and their next step is looking at their fees. Arlington County has been going through a several-year process, and their next step is looking at their fees.

[00:29:47] So pretty much everyone around us. So these are their existing fees, not what they probably will be in the coming year. I'm not going to go through the details here, but we can certainly come back. Obviously, it's a little difficult to compare across jurisdictions because our processes are slightly different.

[00:30:03] But we did try to find on this side sort of the same. Of course, I can't read the fine print now, but the special permit, for example, we found a community pool. So we tried to find a couple that we could really compare where we could tell. And just a third way to look at this, so you have lots of different ways you can look at it, we looked at the high and the low kind of in each of those areas and where Fairfax falls.

[00:30:30] It's not consistent. Some fees were higher, some fees were lower. We do think we have a pretty good bang for our buck for the fees where we are on the higher end. And happy to come back and talk about any specifics on any of those questions.

[00:30:47] Switching gears slightly, as I mentioned, the zoning ordinance requires in our planned district that a developer spend a certain amount of money on amenities for the residents there. The planned districts have a lot more flexibility in the zoning ordinance regulations with the expectation that there is a higher level of design that comes out of that.

[00:31:09] I can't remember exactly how long we've had the recreational minimum expenditure fee in there. Someone told me, I'm sure. But the last time we updated it was 2017, and it's currently $1,900 per dwelling. And most of the time, especially with our larger developments, you're going to see the developers are providing those amenities on site, and they're probably, frankly, providing a lot more than $1,900 per unit.

[00:31:33] You will see often in proffers, there's always kind of a catch-all proffer. If we don't spend this much money, then we'll contribute it to the park authority for off-site fees. But for the most part, that only happens on maybe a very small rezoning where they're kind of fitting into the neighborhood and they might not have the on-site amenities for a fewer number of units.

[00:31:54] So generally, this is not actually a fee that gets paid or a contribution that gets paid. It's just a reflection of the types of amenities that we expect to see. And, of course, since the last time we've updated that, which was in 2017, the CPI has been 25%.

[00:32:12] So, again, and actually the construction cost index is, I think, what we use to look at this one. And, again, that's a reflection of sort of, you know, $1,900 in 2017 is not buying you what $1,900 will. And so this is just a reflection of the types of amenities that we expect to see.

[00:32:33] And same timeline that you have just heard. We're here with you today, and we'll be going to the Planning Commission on Thursday. And then we'll start our general outreach, which will align with the outreach that LDS is doing, and come back for public hearings in April.

[00:32:50] So with that, happy to answer any questions. Thank you, Tracy. I am going to turn to the trailer. Yeah, I won't repeat what I said about how long it takes to get back. I will say I think a 35% increase is too much at one time.

[00:33:09] I realize we're making up for a lot of time here, but when I look at the chart on page five, I really am worried about our competitiveness because we are way higher in some categories than some of the other jurisdictions. And so I guess my question is, in terms of cost recovery, where are we now and what is our goal to get to?

[00:33:34] We haven't had a specific goal, I would say. We have started looking at sort of the numbers and how that compares to staff time. I will say that what you see here, the 35% increase is pretty much commensurate with the Zoning Evaluation Division staff, which are the ones that handle the rezonings, and the initial review that we've done does not include all the rest of the staff who look at those.

[00:34:00] So I think we're actually pretty much on target for what those numbers are. It's not 100% cost recovery by any stretch of the imagination, but it is, I don't want to give you a number, but we can understand that question and we can come back and look at it.

[00:34:17] Yeah, I think that would be helpful for us on this and I might add on the previous one just so that we know what we're striving to get to in terms of cost recovery. I do think a policy decision for the board will be what is that number because obviously to get to 100% would be difficult.

[00:34:35] I might argue that that shouldn't necessarily be our goal, and I think we probably could have a pretty good conversation and debate about that. I mean, when I look at these numbers, I think a 35% increase is too much in one year. And so I guess the other question I would have is, given the fact that we are so far behind in doing this, have you looked at a phased-in approach over multiple years as opposed to just a 35% at one time?

[00:35:02] I mean, I realize there's some administrative things associated with making a structure change to cost, but it just seems too high at one time to me. And I'm just wondering if there's any phasing strategies that have been discussed. We've certainly talked about what it would be.

[00:35:19] It wouldn't be that complex. It would be whatever you wanted it to be if the board chose to do a certain percentage this year and direct us to bring back a public hearing next year. We do have to do a public hearing. So we could, and I think it's a great idea to actually put that into policy now because what tends to happen is you say that.

[00:35:43] we all say that now, yes, we should do this. And then when two years rolls around, something's happened. One of the years that was supposed to happen, I think, was the recession. And then we were just about to kick this off, and we had a pandemic. So I think setting the structure up front would actually take a lot of burden off of why are you looking at this now in the future.

[00:36:02] And as far as what that could be, you know, we're recommending you advertise a zero to 35% range. We certainly don't recommend you stick with zero, but that gives you the ultimate flexibility to decide how much of this you want to do this year and then give us some direction as to how much you'd like to see next year.

[00:36:20] And we can do the math for you to give you some options, but it would not be difficult. I think that would be helpful, at least for me. I don't know where the rest of the board is, but it seems to me like making up for that amount of lost time in one year doesn't seem fair, really, and I think hurts our competitiveness.

[00:36:38] I would say, and this is maybe a question for the county attorney, maybe this is something that's already been discussed, but it does strike me as to why we couldn't be making much smaller adjustments to the fee structures here as part of our budget on an annual basis where we have a public hearing.

[00:36:55] We make adjustments to a lot of tax districts and other fees. I certainly don't want to minimize, I want to maximize the amount of industry input in conversations like this. I don't want them buried necessarily in the budget. But it'd be one thing if you were talking about a 2% or 3% change as a part of a budget discussion versus a we haven't done this for over a decade, here's 35%.

[00:37:17] That warrants a different amount of community outreach and industry outreach. And so I would like to know if this is something that could be these fees, adjustments to the structure here could be something that could be considered on an annual basis as part of our budget process. There may be years that you would suggest they go down.

[00:37:34] I doubt it. But I would guarantee that if we were doing it that way, we wouldn't be looking at a 35% proposal on the table. So I think that makes sense. Yeah, and I think anything you can find to let us understand the cost recovery will be helpful.

[00:37:52] We want the people that use the services to pay the fees, but how we move forward with this is important. Okay, I'm going to start with Stork and then Herity. Thank you, Madam Chair. And I want to absolutely echo the Chairman's remarks.

[00:38:08] I definitely would align myself with 35% is too high, and I think we do need a system. We do need it on an annual or biannual basis. I would be open to either, but I think it needs to be that kind of a system.

[00:38:24] My question is related to we've hired staff, we've done other things. Do we have some metric that says what's the ratio of number of cases to number of staff members, And have we increased that ratio of staff member management of a particular matter?

[00:38:46] I mean, obviously, it's a natural, you look at both of what you all do, the number of different land use, building permits, et cetera, that you have. There ought to be some ratio that we look at. We obviously added the PLUS system.

[00:39:02] We've done other things to kind of increase the efficiency of that. So I heard CPI, I heard additional staff, but I didn't hear the efficiency levels, the amount of work per person. In other words, our folks are working hopefully a lot smarter than they were before, and that should also be reflected in what we do.

[00:39:22] And again, I share the concern about where we are with neighboring jurisdictions and the economic development impact it can have, and I'm going to be very sensitive to that. So thank you. Supervisor Herodic. I'm going to echo. I agree. The 35% is too much. I'm sure this has got a budget impact. So along with each of those percent increases, what's the budget impact? I assume that's what you're going to be sending to us. Okay. Just wanted to make sure of that. I'll go back to the same thing I said before and probably try to do it shorter.

[00:39:57] I mean, I'd like to, Dan's question on, you know, staff to plans is an interesting one, but also how have the plans grown in size in terms of number of pages per submission, if there's a way to look at that and what's driving that?

[00:40:15] Because, again, that drives cost. You know, we do want to get to the cost recovery level because we're spending the money. We don't, you know, there's a reason to try to get that. But the real objective

here needs to be to drive down the cost where we can. And that's working with industry that's looking at requirements, that's backing off requirements where they're not doing us any good.

[00:40:37] And that's where you work with industry to try to find out where that is or within your own shop to find out where that is. So anything you can give on that that would be very helpful. And I don't know. It looks like Prince George's County is subsidizing an awful lot.

[00:40:53] If they're at 100% cost recovery, they've got a pretty efficient system. I doubt that's the case, though. Okay, I don't see any other comments, so thank you, Tracy.

[00:41:09] And now we're going to turn to John. Thank you. All right, good afternoon. I'm John Walser with the Fire and Rescue Department, and I'm an assistant chief, and I appreciate you allowing me to come back in this forum.

[00:41:26] It's a little bit out of my wheelhouse now, but I'm glad to be back. So we will be talking about the proposed fee changes today within the fire marshal's office. And just for context, within the fire marshal's office, two different chapters of the county code regulate how fees are charged to the consumers.

[00:41:50] And the first part from the fire protection standpoint within Chapter 62, those are the fees that existing buildings are largely charged. So those are your annual permit fees. So the regulated activities that go on either within a building or the way the building is used, those uses are regulated and the permits are applied accordingly within those buildings.

[00:42:20] this is largely how the county is reimbursed for the safety that is provided within our commercial buildings. Chapter 61 is the work that the fire marshal's office does for the building official. So through an MOU, the fire marshal's office conducts plan review and does witnessed acceptance testing of fire protection systems. So sprinkler systems, fire alarm systems are all reviewed by plan and then inspected by fire marshal office inspectors

[00:42:57] that is done for the building officials. So two different fee structures, largely time-based for what comes out of Appendix Q because of how our plan reviewers look at the plans and then also the time our inspectors spend out at new and renovated buildings. And I do want to address the the time frame because our last fee update was done in in 2015 which is a very long time ago time wise but our fee structure up until the 2018-2019 era kept us within 90 to 100 percent

[00:43:33] of our revenue recovery so for those those four years or so there was no need for a fee change because we were within that corridor, and we were very cautious within those parameters. Now since 2019 to now, the fees have not kept pace, largely with what our operational costs are for compensating our inspectors. And there was a grade change within the fire inspector class several years ago, which did drive up our compensation needs for our inspectors, and that

[00:44:08] largely was a driver for where our path kind of fell off with the reimbursement to the county for the efforts that they put forward. But I will say that was a necessary change for our fire inspectors because they were largely very lowly compensated and they are the face of Fairfax County to many of our commercial buildings because there is virtually no other agency that handles a building from cradle to grave. So the fire marshal's office, not only at the initial acceptance inspection,

[00:44:44] but all the way till the time that building is renovated and torn down, has a fire inspector largely in it if it's in one of the regulated processes. So that is important to keep in mind how our fire inspectors really are what the community witnesses as far as a county representative.

[00:45:02] And we did, just as everyone said, we largely looked how our fees align with our neighboring jurisdictions. And we're sort of in the middle, very different fee structures in how other communities are looking to reimburse for their efforts.

[00:45:23] So some of our permit fees are right in the middle. We're more expensive than some. We're cheaper than others. It really is a wide range of what we see within our neighboring jurisdictions. So this slide largely explains the time frame and where we were 2016 and up until that 2018-2019 area where we were in that 90 to 100 percent corridor.

[00:45:51] But then you can see that over the last two, three years, our cost recovery has fallen out of that 90 percent corridor and and now we're we're touching on this the 70 percent and if we don't increase fees we do have the potential to drop down to to 70 percent so the expenditures that that we've seen have increased 35 percent largely our our compensation for for our team our fire inspectors and that that has really driven the need to increase our our fees and if

[00:46:27] we hold steady where we are, that would be about a 9% decline based on the decreased revenues largely through the construction that is not going on, buildings that are not occupied. And that really drives down our recovery efforts as well. So as you see, it'll be less than 70% without a fee increase for the next fiscal year. And with the permit and inspection fees, which come out of

[00:47:00] chapter 62, you can see the recommendation is at 30% that puts us just under $200 for most of our permits. And then within the plan review and inspections of new and renovated buildings, a 33% increase, and that puts us slightly over $200 an hour for the reimbursement fees. So we did try to coordinate with other agencies based on their increases and

[00:47:36] tried to stay within a relatively close margin with them so that we're not completely out of the ballpark with where they are with their fee changes as well. And then the timeline, largely lines up with the other agencies. When the slide was developed, we did anticipate presenting at the safety and security meeting, but that won't happen in the next month. So we won't be providing an additional update there. We'll just go through the authorization hearing and then the future hearing aligned with the budget. And that is my last slide, and I appreciate

[00:48:16] the attention. Thank you, John. John was a last-minute addition to this, but it made sense to have all these fees together in one meeting. I'll turn to the Chairman first. I think everything I said earlier pertains to this, too. I mean, I appreciate the fact that in these particular cases, there were areas where cost recovery was nearly 100%, so there was no reason to make an adjustment. But clearly in the last three years, you know, your chart on page five clearly shows that we've fallen behind and need to make the adjustment. I'm not so sure that this isn't also a candidate for a

[00:48:55] phase-in approach, though, realizing it's maybe not as long a time horizon. But again, 35 percent, you know, seems like a lot to me. I guess the only day-to-day question I would have is, and maybe this isn't as profound a problem as it was years ago, but I remember years ago there were a lot of people in industry, especially restaurants, who were suggesting, hey, you know, it'd be really great if we could get inspections after hours or on weekends or other times.

[00:49:21] And dealing with some of the staffing issues, it was suggested that maybe that might be to the benefit of some of the employees, too, who might want to work a more flexed work schedule. And so as a part of these fee increases, have we given any thought to, would that free up any resources to help maybe on the inspection side to offer inspections that are maybe outside the normal office hours? Sure and the landscape has really changed from that that era with the Gartner study and and we did have a lot of overtime inspections and the booster shot paid for a lot of

[00:49:56] that that compensation for our inspectors so that they could do work after hours on weekends. The The requests come up once in a while, but it's certainly not like it was back in that era. We're not seeing that problem before those requests.

[00:50:12] And when they do come up, we're typically able to accommodate them? We are usually able to accommodate it. It has not been a significant problem in several years at this point. Okay. I appreciate that. I mean, I think, you know, the questions that I had with the previous ones are the same here.

[00:50:30] 35%, you know, I realize some of these are 30, 33, other numbers that are in here, but most of them start with a three, and at least speaking for myself, I think that's a lot in one year. So I still would be interested in a phased approach.

[00:50:45] I understand we have to advertise a certain, you know, level of flexibility, and I also understand going in what your numbers are that would get you to full-cost recovery, and it's up to us, I guess, to decide, A, do we want to go to full-cost recovery, And then, B, how quickly do we want to do that?

[00:51:04] And so that'll be for us to discuss. But thank you for the presentation. I appreciate it. Certainly. And so the other part of that question is how this has already been built into the budget that the county executive presented to us, if these are at the levels that we see here. And then there would be other adjustments with the budget as we move forward.

[00:51:22] So we'll need information about that. Thank you. Supervisor Palchuk. Thank you, Madam Chair, and thank you so much, John. First of all, I just, because you didn't seem 100% comfortable sitting at that table when you started, I want to say that I have heard feedback so positive for your work, not just personally, but just recently from one of our large companies saying that they find you to be the utmost professional and public servant.

[00:51:50] So I just want to share that. I know you're quite humble, so I hope I'm embarrassing you right now. And to that, I do, well, I know we want to consider the balance of the increases. I do know that the majority of concerns I have heard and that you have dealt with so quickly have been about being able to hire the most professional, forward-facing professionals from the fire marshal's office, sometimes with our permits and other different ways to read the book, the handbook, and to be able to both understand it and communicate

[00:52:25] it in a positive manner to our clients and to other county staff. So this is one area where I'm more inclined to say that I want to make sure that you have the budget to continue to hire and retain the best, because I know that has been a challenge and a struggle for your office.

[00:52:45] Yes, and thank you. And it really has. And being that excellent communicator, because all of the codes all of the standards for for all of our agencies are very difficult to digest it's not something that your average homeowner it's not not something your average business person could just pick up and understand and and how our inspectors communicate that is of utmost importance because if if we just

hand somebody a book they're just words on the page how they get translated into safety is is really the the important component of what our inspectors do on a day-to-day

[00:53:22] basis. Thank you. And finally, I want to say, as I brought up the urban challenges these days, I know that you and your team are working very diligently, but it is a challenge knowing that we're not used to some of the types of buildings that are being built and being able to address those appropriately, whether they're new or repurposed or refit. And that's something within the whole industry. It's very difficult right now. And ICC is going through a process where they're updating the performance code and and it's even very difficult from a designer standpoint because it's very easy from a prescriptive standpoint if you just pick up a book and say

[00:54:00] you you will have a fire alarm device every 20 feet and it will be 20 decibels it's very easy but when you have to develop the performance standards to get to a level of safety it becomes very challenging, not just from a jurisdiction's regulatory standpoint, but also from a design standpoint, because they have to put so much more effort into it. And they really have to be incredibly knowledgeable to be able to provide a similar level of safety that we all expect.

[00:54:31] And we really have seen significant tragedies around the world based on not only the design of buildings but how buildings are maintained and even just last week the the two high-rises that burned at the same time in in spain truly a tragedy and and then in china they had a high-rise fire there as well that began largely from lithium-ion batteries in e-bikes and it it burned up the entirety of the the high-rise by skipping floors and and those are the the things that are are fire inspectors because they're out in these buildings on a uh

[00:55:08] Annual basis. Hopefully they catch these maintenance problems and we're able to to more accurately meet the the risk and Mitigate that within our our community. Thank you Supervisor here. Yeah, I'm just going to say a little bit of ditto but I'd also Significant improvement because I've seen it and what I've heard Fire marshal is always the tough one because you're the last the last gate So if that gate gets held up, it's all your fault, even if there were delays earlier.

[00:55:44] But anyway, you know, the number one thing, again, I go back to the change in reviewers and some of the inconsistencies and whatever you can do to address that, I think, goes the rest of the way towards making that process better. But I've heard a lot of good things.

[00:56:01] Well, thank you. And oftentimes, we do give the option for designers. Do you want to go a little bit quicker and have a reviewer that maybe doesn't have a big plan already on his desk, or would you like to wait for your original reviewer? So they do have options.

[00:56:18] Usually they pick the original. Thank you. Supervisor Stewart. I thank you as well in the work you're doing. I think it was captured well as you guys are last, so it's always going to be the one that people are most focused on. Kind of consistent with the question I asked previously about efficiencies or effectiveness, Assuming we're continuing to increase our fire safety focus and protections, how have we been able to do more with less?

[00:56:48] Some sense of that. I know we obviously, some of the electronic systems that we use probably support that process, but there's also boots on the ground. And is there anything for that you all are doing there? Sure. And I think Bill largely addressed the digital plan review.

[00:57:04] And I'm not really sure we've experienced all the traction that we really could with digital plan review. There are a lot of benefits. It's not always faster than a paper plan review. There are huge benefits to it across the board.

[00:57:21] The fire marshal's office alone every month had 600 to 800 visitors in our office, largely just dropping off plans, picking up plans. So not having to devote our resources to those people that are coming inside the building has been a huge benefit.

[00:57:40] But it isn't always quicker. It's like reading a book. Sometimes it's very hard to read a digital book. You can't flip back and forth and reference other pages very easily. Similarly with plans, and when it gets large, it's very difficult.

[00:57:55] But when you can flip on one page and look at another, it's just not as easy digitally. It makes a world of difference. We've had our plan reviewers are able to telework. So I think in no small measure, we've extended the careers of many of our people just because they don't have to necessarily come into the office to conduct plan reviews.

[00:58:17] It makes it very easy when reviewers are talking to designers when it's digital. It really clears up a lot of confusion between the two. So I think it's still a work in progress. We have a few years under our belt with digital plan review, but I think we can do better.

[00:58:37] And I don't know that we've experienced all the benefits with PLUS, and hopefully nobody attacks me, because I do think PLUS, we're still early in the adoption of that. And as our inspectors, plan reviewers, everyone becomes more accustomed to it, and we get better design as we go.

[00:58:59] i think we'll see some significant improvement there as well thank you and i would like to see some data comparisons of the number of reviews that you do and some sense of the staffing that goes with it just along the lines of what i've asked for from tracy and bill as well so i think it just helps me understand the challenges that you face but also maybe the opportunities that are that are there for us to to do more you know frankly more with less and in the end that helps us to keep our prices lower and keeps us more competitive.

[00:59:33] Okay. Sure. Supervisor Bierman. Thank you, Madam Chairwoman. Just to build on the other chairmen's of the day's point, Chairman McKay, about trying to raise these fees not once every 13 or 14 years. It seems like with all three of your departments, the biggest driver of your cost increases is compensation and is is people. It's, it's either getting more people or paying our people better so that we can retain

[01:00:10] them. Uh, I think that it's just really important for us to try to figure out a way to, uh, revisit these fees far more often because it's not as easy as director Hicks pointed out to say, well, you're paying 35% more and we've gone from 90 days to 39 days every time. Uh, you know, it's not always easy to do that or to have those kinds of metrics, but if we've tied it to every year our, you know, basic inflation, having, you know, paying our employees what we got

[01:00:44] to pay them to keep them, you know, attracting better employees, it's a more intelligent way of doing this. I just echo the Chairman's point about trying to do this more often. Thank you. Supervisor Le.

[01:01:00] Thank you, Madam Chairman. I'll just ask two quick questions. One is on the re-inspections. How do we price them? Are they the same as the original inspection in terms of cost, or do we have a

lower rate for that? For our permit inspection, so if you have a regulated process within a business, the re-inspection fees two times are incorporated into that original fee.

[01:01:27] So they effectively would get three inspections on that original fee. Re-inspections from a new construction or tenant fit-out, so what would come out of Chapter 61, would just be an additional fee based on hours.

[01:01:42] But that is borne by the permit holder, the developer, that person. So handled very differently. I do think the benefit with that negative feedback is important because if a building owner developer knows they're going to get two, three inspections at the same cost, They'll just use the fire inspector as the punch list effectively and not do the good job up front.

[01:02:09] They won't do the pre-testing of the system. And then we almost can guarantee they'll have two or three inspections versus if you come in and do it right the first time, it will be relatively cheap. Okay. And then second, in terms of the actual inspections on site, are those virtual or could you also give the option in person?

[01:02:32] How do you structure that? We almost across the board now are in-person inspections. Through COVID, we did a fair number of virtual inspections. We still offer that in certain limited instances, but we really saw a lot of challenges with virtual inspections, and it was very hard to ensure that we were doing a complete and thorough job.

[01:02:58] Just areas could be missed depending on how the person guided you through their area. And some of the details that, especially the new construction, the inspectors have to see, it really is important that they're out in person.

[01:03:16] And then the last point I'll make is acknowledging how important your inspection is. So you are the last inspection before occupancy. And there are times when if there's a need for re-inspection, waiting several days in the future would cause a delay in the company moving into the space.

[01:03:38] That delay then translates into additional fees and staying in their old space as opposed to moving into their new space. So I want to acknowledge that I've seen instances where you've been able to do inspections on a Saturday or a Sunday, making sure that this was done to allow them to be able to move into their space in their appointed date and time.

[01:04:02] So I just wanted to acknowledge that as well. Well, thank you. Thank you. Thank you. I think for me, as we look at raising fees, it's that balance between having the users pay for the service they're using as opposed to spreading this out in the general fund.

[01:04:20] And, you know, I think that's the process. We sit here and we go, oh, my goodness, it's such a big increase. But for me, as we go forward with this, that's part of my decision point of where we put the fees that the users are using them. And with that being said, my opinion, Tracy, is I don't think you can advertise 0% to 35% because we do have increased costs, and I don't know the details of doing that, but I would think you might want a little tighter range for the board, just my opinion to be looked at, because I don't think zero is realistic when people are using services.

[01:04:55] I want to thank you all for your detailed presentations and the information you presented to the board and giving us about 24 minutes left over. So I am going to adjourn this meeting. Thank you very much.




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