TOWN OF Herndon VIRGINIA

Town Council Regular Meeting
Agenda Item 7.b.

Agenda Item: **Resolution 25-G-10 to initiate consideration of a Zoning Ordinance Text Amendment ZOTA #25-02 to amend Chapter 78 (ZONING), Article XV (Decision-Making Authorities, Application Review, and Permitting), Section 78-152.2(b)(3) (Fees for Development Applications) to adjust development fees in accordance with a comprehensive fee evaluation**

Meeting Date: January 28, 2025

Category: Consent

Prepared by: Collin Okoniewski, Planning Operations Manager

Description:
The proposed text amendment will adjust development application fees to account for the increased cost of staff review times and to bring fees in line with neighboring jurisdictions. Development application fees are specified in Article XV of the zoning ordinance in Table 78-152.2(b)(3). This table includes land use applications (rezoning and special exception), design review applications (Architectural Review Board and Historic District Review Board), Board of Zoning Appeals applications (variance and appeals), site plan and subdivision review applications (including bonding), and miscellaneous administrative zoning reviews.

Application fees that are limited by the Code of Virginia or regulated by other sections of the town code have not been adjusted.

A comprehensive evaluation of application fees occurred as part of the process. This analysis identified the amount and estimated cost of staff time that is required to review the various types of applications. In addition, the current fees and their structure were compared to those of similar neighboring localities. With the completion of the comprehensive fee evaluation, the goal is for the adjustment of fees by this ZOTA be approved in concurrence with the FY 2026 budget.

Background:
Development application fees were last adjusted with ZOTA #24-01, which passed with Town Council approval in May 2024. ZOTA #24-01 was created to address an immediate need to raise fees in accordance with rising costs, but only took the rate of inflation into account when increasing the fees. Prior to ZOTA #24-01, the last fee adjustment took place with ZOTA #06-01, approved June 2006.

Timing Impact:
With the approval of this initiating resolution, staff is able to bring the item to the Planning Commission's February meetings for discussion and action, with the hope of bringing a final version of this Zoning Ordinance Text Amendment to the Town Council in March for discussion, consideration and final action. Given the fiscal nature of this item it is best that it presented to the Town Council in proximity to the Town Budget items.

Strategic Focus Area:



Strong Fiscal Stewardship

Fiscal Impact:
The amendment will result in increased development application fee revenue. Based on applications submitted in FY2024 there would be an increase in application revenue from approximately $11,800 to $50,825; this equates to roughly a 430% increase.

This is a conservative estimation and takes into account that FY2024 did not produce any large-scale development application submissions. Staff would project that a significantly higher percentage point increase would be expected as development occurs throughout town. Staff would project that a significantly higher percentage point increase would be expected as development occurs throughout town.

Legal Impact:
The Code of Virginia Section 15.2-2286(A)(7) requires the Planning Commission or governing body to pass an initiating resolution before staff can bring a proposed zoning ordinance amendment to a public hearing. Passing the resolution will allow staff to bring the draft language to a public hearing of the Planning Commission.

Staff Recommendation/Next Steps:
Recommend approval of the initiating resolution.

Attachments:
1. Resolution (Proposed)
2. Proposed Fee Schedule
3. Application Fee Breakdown
4. Application Review Time Analysis
5. Town Review Cost Analysis
6. PowerPoint