TOWN OF Herndon VIRGINIA

ZOTA #25-02: Adjustment of Community Development Fee Schedule in accordance with a Comprehensive Fee Evaluation

Town Council Regular Meeting
March 25, 2025

Collin J. Okoniewski
Planning Operations Manager

Background

- The Town Council approved Resolution 25-G-10, to initiate the consideration of ZOTA #25-02 at its regular meeting, held on January 29th, 2025.
- Development application fees were last adjusted with the adoption of ZOTA #24-01 in May 2024.
  - Immediate change to raise fees in accordance with rising costs
  - Only took the rate of inflation into account with the increase
- Prior to ZOTA #24-01, development fees were last adjusted with ZOTA #06-01 in June 2006.

Project Description

- The proposed development fee schedule was developed to address increased costs to the Town through staff review time, and update 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). Fees include:
  - 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 and permits.

Project Description (cont.)

- The evaluation of fees included:
  - Comprehensive evaluation of fees in neighboring jurisdictions (Leesburg, Fairfax City, Vienna, Fairfax County, Arlington County, Loudoun County, Alexandria City).
  - Staff time and cost analysis per application type.
    - Staff time collected from: Community Development, Public Works-Engineering, Building Inspections, Public Works-Operations, Town Attorney.
  - Process evaluation and fee structure comparison/reform
- Fees limited by the Code of Virginia or other town code sections have not been adjusted as part of this evaluation
- Fees associated with site plans, single lot development plans, and other construction-related fees were not adjusted as part of this fee evaluation
  - Anticipated migration of these processes from Community Development to DPW-Engineering.

Fiscal Impact

- Adoption of the increase in development application fees in its current form will result in increased fee revenue for the Town.
  - Based on applications submitted in FY2024 there would be an increase in application revenue from approximately $11,800 to $50,825; this equates to a 330% 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, due to notable increases in legislative application fees.

Accounting for Major Development Fee Changes

Town of Herndon (current)	Town of Herndon (proposed)	Fairfax City	Town of Leesburg	Town of Vienna	City of Falls Church
$8,943	$24,000	$26,375	$16,000	$16,000	$24,750

- To better demonstrate the fee adjustment impacts on large-scale developments, the above figures have been calculated for fees associated with the 555 Herndon Parkway re-zoning project
  - 4.34-acre property
  - Development Plan
  - Three (3) Modification Requests
  - Does not account for Architectural Review Board Fees (additional $1,000)
  - Under the current fee schedule, there is a potential for less money received due to the current Traffic Impact Study fee structure

Recommendations & Impacts

- Planning Commission recommended approval of ZOTA #25-02 at their regular meeting on February 24, 2025
- Staff recommends the Town Council approve ZOTA #25-02.
- If adopted these new development fees will go into effect on **July 1, 2025**