

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 10, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JAMES HARTMAN, CITY MANAGER

SUBJECT: BUDGET MEMO # 108: USING CONSULTANTS INSTEAD OF HIRING FULL-TIME STAFF FOR PLANNING PROJECTS; COST OF EISENHOWER WEST STUDY AND HISTORIC DISTRICTS STUDIES

This budget memorandum is response to Councilman Gaines' and Councilwoman Woodson's request for information regarding cost savings, if any, to the City by using consultants instead of hiring full-time employees to handle planning projects. Councilman Gaines has also specifically requested for information regarding the costs necessary to proceed with the Eisenhower West planning initiative in the Fall of 2006. In addition, Councilman MacDonald has asked staff to estimate the cost of hiring outside professionals to study each of the historic districts, with the goal of listing the Parker Gray District on the National Historic Register and updating basic preservation guidelines for the Old and Historic Alexandria District.

1) What are the cost savings, if any, to the City by using consultants instead of hiring full-time employees to handle caseload and projects.

Efficiencies from Professional Services Budget for Planning and Zoning

Since 2001 when Council adopted the *Plan for Planning*, and each subsequent year as it has reassessed its planning priorities, it has allocated significant funds to hire the services of outside professionals. Council made a conscious decision in 2001 to update its Master Plan and Zoning Ordinance over time with limited additional staff and with the establishment of a professional services budget for Planning and Zoning. Professional services are necessary because the scope of the program Council has undertaken, and the increase and complexity of development activity, are beyond what staff alone could feasibly manage on its own. Specifically,

- To fund the same program through staff alone would cost approximately twice the past and currently proposed budget amounts;
- To perform the work of FY2006 without outside professional expertise, Planning and Zoning would require 11 additional senior level planning positions at an approximate ongoing annual cost of an additional \$1.4 million.

Proactive Planning has a Front-End Cost

Council has chosen to plan and manage the City's growth. Over the last five years, the City has seen 20 million square feet of proposed new development; 70% of that development is located within the areas planned under the *Plan for Planning* program. Council is reaping the community benefits that result from front-end planning: Plans that have clear guidelines and expectations for developers: open space, infrastructure, high quality buildings, and coordinated development. Without Council's proactive planning approach, the City would be reacting to the current explosive development, and the result would be piecemeal and chaotic. Instead, Council is absorbing the growth within a planned, livable city. While the City's decision to do comprehensive planning has a front-end cost in professional services, there is clear savings and investment over the long term in the form of economic activity and community benefits. Attachment A describes these efforts in more detail.

The City's *Plan for Planning* program is work intensive – the long range planning component includes new or revised small area plans, with its data collection, design and planning analysis, and the development of alternatives; its involvement of the community with numerous workshops and meetings with residents, businesses and landowners, and graphic presentations; the drafting and production of the final plan document with graphics; and the creation of new zoning where required; all with the appropriate reporting and presentations to the Planning Commission and City Council. Urban design, market economics, transit/transportation/land use analysis, and community facilitation are all required. Even with Council's difficult prioritizing of areas of the City, there are two to three long range planning efforts going on at any time. Council's commitment to this ambitious program could not go forward without significant assistance from outside professionals.

2) *What costs (money and staff time) would be necessary to proceed with the Eisenhower West Planning process in the Fall of 2006?*

2007 Budget

The City Manager's budget supports the continuation of the above approach, and the Planning and Zoning program will include such planning initiatives as the following:

- Three major new planning efforts: *Waterfront, Eisenhower West, and Infill development analysis and implementation.*
- Historic Preservation: National Register listing for Parker Gray; expansion of the historic districts; and the 100 year old building survey.
- Infrastructure and planning coordination, and plan implementation for Eisenhower East, Braddock Road, Landmark, Van Dorn and Mount Vernon Avenue.
- Review and analysis of complex, new development in Braddock, Landmark, Van Dorn and Eisenhower East.

Eisenhower West Planning Study

The Eisenhower West planning study is anticipated to cost approximately \$175,000. The exact cost will be determined when the full scope of work is established. If the \$100,000 reduction in

the 6% budget remains in the adopted budget, staff would not initiate the Eisenhower West study until closer to the start of FY 2008 to enable the study to be funded over two fiscal years, assuming funds are made available in FY 2008 for the completion of the project.

3) Please estimate the cost of hiring a consultant to conduct a “new” National Register survey of both the Parker-Gray and Old Historic Alexandria Districts.

Historic Preservation Studies

The historic preservation program in the FY 2007 budget is anticipated at the \$125,000 level and would include the evaluation of expanded district boundaries, the 100-year old building survey and initiating work on the National Register nomination for the Parker-Gray district (with completion during FY2008). Based on Arlington County’s recent experience, the cost for National Register Historic Property listings ranges between \$50 and \$75 per property, depending on the availability of information on individual properties. We believe the costs will be towards the higher end as both the Old and Historic and Parker Gray districts do not represent homogenous periods of development and the earlier records are not easily available. The Parker Gray district has about 900 properties, with survey and nomination costs to range between \$45,000 and \$67,000. The Old and Historic District has about 4,200 properties, with an estimated cost in the range of \$210,000 - \$315,000. A project of this magnitude could be phased over many years.

Planned New Development

The level, quality and complexity of development review has greatly increased over the last several years. Five years ago the City processed 1.5 million square feet. At the moment, there is approximately 14.5 million square feet of development being reviewed by Planning and Zoning. The impact on staff is significant: the per staff development workload has increased from 165,000 sq. ft in 2001 to 1.6 million sq. ft in 2005 and is projected to remain at that level or higher for the next few years. Staff cannot review, process, analyze, report on and present for decision the extensive, complex and challenging development before it without significant assistance in the form of urban design, town planning, architecture, and technical professionals. In addition, the intensive complexity of several major developments - such as Hoffman, Potomac Yard and Landmark Mall – require significant outside expertise to match the requirements of the projects and the stature of Alexandria.

Planning Accomplishments Implemented and Underway with Professional Services

The City's ambitious planning program has led to adoption of a number of plans and initiatives, including:

- The adoption of the Eisenhower East Plan, with its increased development envelope for transit oriented development, and the new plans for high quality, well designed development projects for Carlyle and Eisenhower East;
- The adoption of the Mount Vernon Avenue and Arlandria/Upper Potomac West, which reflect redevelopment options and enhanced retail strategies, and the King Street Retail Strategy for renewed business and pedestrian activity in Old Town;
- City-wide initiatives such as historic preservation planning, open space, zoning studies, and the creation of Principle Design Guides for development;
- The approval of a series of high quality development projects for every part of the City, including Whole Foods, Mill Race, Winkler, and Postmasters;
- The processing of the Potomac Yard development, with its design guidelines, infrastructure, bridge realignment, development parcels, open space, and town center issues;
- The approval of the Hoffman concept plan, with its 6.8 million square feet of development, its complex technical infrastructure phasing requirements, its affect on Eisenhower East and Carlyle, and its negotiated settlement, with extensive financial savings to the City in potential court costs and legal damage awards; and,

Planning Accomplishments Implemented and Underway with Professional Services, continued

- The planning studies underway for:
 - Landmark, Van Dorn area and for a redeveloped Landmark Mall area
 - Braddock Road Metro Area;
 - Route 1 North Corridor; and
 - Washington Street Public Space Guidelines