

## **DEPARTMENT OF ENVIRONMENTAL SERVICES**

**Development Services Bureau** 

2100 Clarendon Boulevard, Suite 800, Arlington, VA 22201 www.arlinatonya.us

## **MEMORANDUM**

**To:** Utility Undergrounding Fund File **Date:** February 15, 2023

From: Robert Gibson

Department of Environmental Services

Subject: 2022 CPI-U Adjustment for Underground Utility Fund Contribution

DES recommends changing the per acre contribution rate for the Underground Utility Fund¹ based on U.S. Department of Labor, Bureau of Labor Statistics (BLS) – Consumer Price Index, All Urban Consumers (CPI-U). The contribution is recommended to be adjusted based on BLS reported percent change from the 2011 Annual Average to the 2022 Annual Average, calculated at the end of each calendar year. BLS reports a change between CPI-U 2011 Annual Average to the CPI-U 2022 Annual Average of 30.10%. By adjusting the \$50,000 per acre value by 30.10%, the new recommended contribution rate would be \$65,050 per acre. This represents a change of 8.0% between CPI-U 2021 Annual Average and the CPI-U 2022 Annual Average. Staff recommends that the updated Underground Utility Fund contribution be used when filling in the blanks and calculating the associated contribution for Condition #33 for all projects going forward for approval to the County Board after April 1, 2023. Staff recommends the standard condition read as follows:

## 33. Underground Utility Fund Contribution (Final Building Permit)

The Developer agrees to contribute to the County underground utility fund in the amount specified by this site plan condition, in addition to funding and constructing the utility undergrounding work required by this Site Plan approval, prior to the issuance of the Final Building Permit. The total utility fund contribution for this site is \$ (\$65,050 x acres). [The Underground Utility Fund Contribution of \$50,000 (2011 dollars) per acre has been adjusted by the change in the Consumer Price Index All Urban Consumers (CPI-U) from 2011 Annual Average to 2022 Annual Average, reflecting a 30.10% increase. The rate shall be fixed from County Board approval until the payment is made by the Developer prior to issuance of the Final Building Permit.] The Developer may request and obtain approval from the County Manager (DES) to prorate the total utility fund contribution for this site consistent with the approved Phasing Plan for the development pursuant to Condition #5 above. These funds may, but need not, be used by the County for the purpose of providing for undergrounding of utilities along the properties which are not redeveloping in this undergrounding district. If the area of the Site Plan is subdivided, the contribution to be made by each owner shall be based proportionally on the amount of site area allocated to each subdivided parcel. The contribution, if not obligated by the County to pay for utility undergrounding projects within 10 years from the date of payment, will be refunded upon receipt of written request without any accrued interest to the development owners of record at the time of any refund.

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<sup>&</sup>lt;sup>1</sup> Underground Utility Fund Account Code: 313.350958.43523.66RC.UU.0000

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## **Track Changes for Proposed Changes:**

\$ (\$60,230-\$65,050-x \_\_\_\_ acres). [The Underground Utility Fund Contribution of \$50,000 (2011 dollars) per acre has been adjusted by the change in the Consumer Price Index All Urban Consumers (CPI-U) from 2011 Annual Average to 20212022 Annual Average, reflecting a 20.46% 30.10% increase.