

 TOWN OF CAPE CHARLES	AGENDA TITLE: Professional Review, Consultant Cost Recovery & Escrow Policy		AGENDA DATE Aug 19, 2026
	SUBJECT/PROPOSAL/REQUEST: Seeking Approval for recovering the costs associated with outside professional services		ITEM NUMBER:
	ATTACHMENTS: Professional Review, Consultant Cost Recovery, and Escrow Policy and Resolution		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): Rick Keuroglan, Town Manager	REVIEWED BY: Rick Keuroglan, Town Manager	

PURPOSE:

The proposed Professional Review, Consultant Cost Recovery & Escrow Policy establishes a consistent process for recovering the costs associated with outside professional services required to review complex development applications.

Currently, when specialized expertise is needed beyond the capability or capacity of Town staff, the Town must absorb those costs using public funds. This policy shifts those costs to the applicant whose project creates the need for the additional review, ensuring that taxpayers do not subsidize private development.

ITEM SPECIFICS:

Why is this Policy Needed?

Many development applications require specialized technical review that cannot be adequately performed by existing staff. Examples include:

- Engineering reviews
- Environmental and wetlands analysis
- Stormwater and floodplain evaluations
- Traffic impact studies
- Legal review of development agreements
- Historic preservation consultation
- Architectural or structural review
- Survey and appraisal review
- Other specialized professional services

These services often represent significant costs that are currently borne by the Town.

What the Policy Does

The proposed policy:

- Authorizes the Town to retain qualified outside professionals when necessary.
- Requires applicants to reimburse the Town for reasonable and necessary consultant costs directly related to their application.
- Allows the Town to require escrow deposits before consultant work begins.
- Provides procedures for replenishing escrow accounts and refunding unused balances.
- Allows application processing to be suspended until required deposits or reimbursements are received.
- Provides applicants written notification whenever outside professional review is required.
- Establishes an administrative appeal process regarding consultant costs.
- Clarifies that payment of review costs does not guarantee project approval.

Benefits to the Town

- Protects taxpayer resources.
- Ensures applicants pay for the additional costs generated by their projects.
- Improves the quality and defensibility of development decisions.
- Provides staff access to specialized expertise when needed.
- Creates consistency, transparency, and fairness for all applicants.
- Reduces financial risk to the Town.
- Aligns Cape Charles with common practices used by many Virginia localities.

Fiscal Impact

The policy is not intended to generate revenue. Its purpose is solely to recover the Town's actual costs associated with professional review of complex applications.

Administrative Fee & Escrow Schedule

Shows:

Type of Review	Initial Escrow
Minor Review	\$500
Moderate Review	\$1,500
Major Development	\$5,000
Engineering Review	Actual Cost
Environmental Review	Actual Cost
Legal Review	Actual Cost

This can be amended administratively without changing the policy.

RECOMMENDATION:

Staff recommends adoption of the Professional Review, Consultant Cost Recovery & Escrow Policy and the accompanying Resolution to establish a clear, equitable, and fiscally responsible process for recovering consultant review costs associated with private development applications.