

MEMORANDUM

To: City of Orange
From: Economic & Planning Systems, Inc.
Subject: Orange TSIP Update - Transportation Fee Comparisons
Date: August 31, 2020

As part of the Transportation System Improvement Program (TSIP) update conducted for the City of Orange (City), Economic & Planning Systems (EPS) conducted a comparison of the City's existing, maximum allowable, and staff recommended transportation impact fees to fees in five peer cities in Orange County. The cities include Anaheim, Fullerton, Santa Ana, Huntington Beach, and Brea.

Table 1 summarizes the transportation impact fees levied by land use category in each city. It includes the current fees charged in Orange—both the actual transportation fee amount calculated in 2008 and that amount escalated to 2020 dollars; the maximum allowable transportation fee for the City as calculated for the TSIP update; and the staff recommended level for the fee update, which is based on 25 percent of the maximum allowable project cost calculated in the nexus analysis. The table includes all eight land use categories that will be included in Orange's updated TSIP, although not all of the peer cities assess distinct fees for all of those categories. The **Figures 1 through 7** show the transportation fee comparisons broken out for each land use category, excluding Medical Office use, which is only levied as distinct fees in Orange and Fullerton.

Overall, Orange's current transportation fees are lower than most of its peers, with the exception of its fee on retail, medical office, and hospital uses. The maximum allowable fees calculated for the TSIP update would be the highest in all land use categories except industrial uses. The staff recommended fee levels would be around the middle of the range represented among the peer cities.

The comparisons contained within this memo are for transportation impact fees only, and do not include any additional impact fees levied in the included cities. In addition to fees for transportation facilities, all six cities levy fees for parks facilities. Orange, Anaheim, Huntington Beach, and Brea levy fees for public safety facilities (i.e. police and fire), and Orange, Anaheim, and Huntington Beach levy fees for library facilities.

The Economics of Land Use



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Table 1: Summary of Transportation Impact Fees Charged by Land Use Type

Land Use Category	Orange (Max Allowable) [1]	Orange (Staff Rec.) [2]	Orange (Existing in 2020\$) [3]	Orange (Existing) [3]	Anaheim	Fullerton [4]	Santa Ana [5]	Huntington Beach [6]	Brea [7]
Single Family (per unit)	\$6,120	\$1,474	\$1,439	\$1,022	\$2,029	\$325	\$3,600	\$2,385	\$1,974
Multifamily (per unit)	\$3,527	\$849	\$1,075	\$764	\$1,297	\$195	\$825	\$1,597	\$1,203
Retail (per square foot)	\$15.76	\$3.80	\$6.53	\$4.64	\$5.50	\$1.74	\$3.27	\$4.18	\$2.35
General Office (per square foot)	\$6.26	\$1.51	\$1.37	\$0.97	\$3.67	\$0.98	\$3.27	\$4.18	\$1.25
Medical Office (per square foot)	\$22.36	\$5.38	\$5.79	\$4.11	N/A	\$1.26	N/A	N/A	N/A
Industrial (per square foot)	\$3.19	\$0.77	\$1.12	\$0.79	\$1.42	\$0.35	\$3.27	\$1.72	\$1.25
Hotel (per room)	\$5,371	\$1,293	\$1,285	\$912	\$1,297	\$242	\$1,308	\$1,438	N/A
Other/Atypical Uses (per trip-end)	\$642	\$155	\$160	\$114	\$1,285	\$186	N/A	N/A	\$89

[1] The maximum allowable fees for Orange include a two percent administration fee.

[2] The staff recommended fees for the Orange TSIP update are based on 25 percent of the maximum allowable project costs, plus a two percent administration fee.

[3] The existing transportation fee for Orange is the average of the three area fees. The table includes the currently charged fee level, set in 2008, as well as the fee level if it were escalated to 2020\$ based on the Construction Cost Index.

Orange's current fee program includes distinct fees for hospital, religious, childcare, and education uses. The updated program will group these uses under Other/Atypical Uses. The single family fee in Orange currently covers condos and townhomes as well. These uses will be charged under the Multifamily category in the updated program.

[4] Fullerton has distinct transportation fees for religious and hospital uses that are not reflected in this table.

Fullerton's hospital fee is charged on a per square foot basis. The fee in the table assumes 2,500 sq. ft. per hospital bed.

[5] Santa Ana's transportation fee on residential units is levied per square foot; the table shows the single family fee as applied to a 2,000 sq. ft. house and the multifamily fee as applied to a 750 sq. ft. unit. The fee shown here covers most of the city but excludes the the Transit Zoning Code district and Harbor Specific Plan district, which have their own fees. The fees are only applicable to projects including five or more residential units.

Santa Ana's transportation fee on non-residential development is divided into six primary transportation system improvement area (TSIA) districts, and is not distinct by use. The fees shown here are the average of the six TSIA district fees, and excludes the Transit Zoning Code district and Harbor Specific Plan district, which have their own fees. The fee is levied on a per square foot, and the table shows a hotel per room fee assuming 400 sq. ft. per hotel room (includes common space)

[6] Huntington Beach's hotel fee for transportation is levied on a per trip basis. This table assumes 8.36 trips per room.

[7] Brea's transportation fee is based on the density of the residential project. The fee in the table for single family is for projects with densities of 6 dwelling units or fewer per acre, and the fee for multifamily is for projects with densities of 13 units or more per acre.

Brea has distinct transportation fees for Commercial/General/Mixed-Use retail and Regional Commercial retail. The retail fee in the table is for Commercial/General/Mixed-Use.

Figure 1: Transportation Impact Fees on Single Family Development (Per Unit)

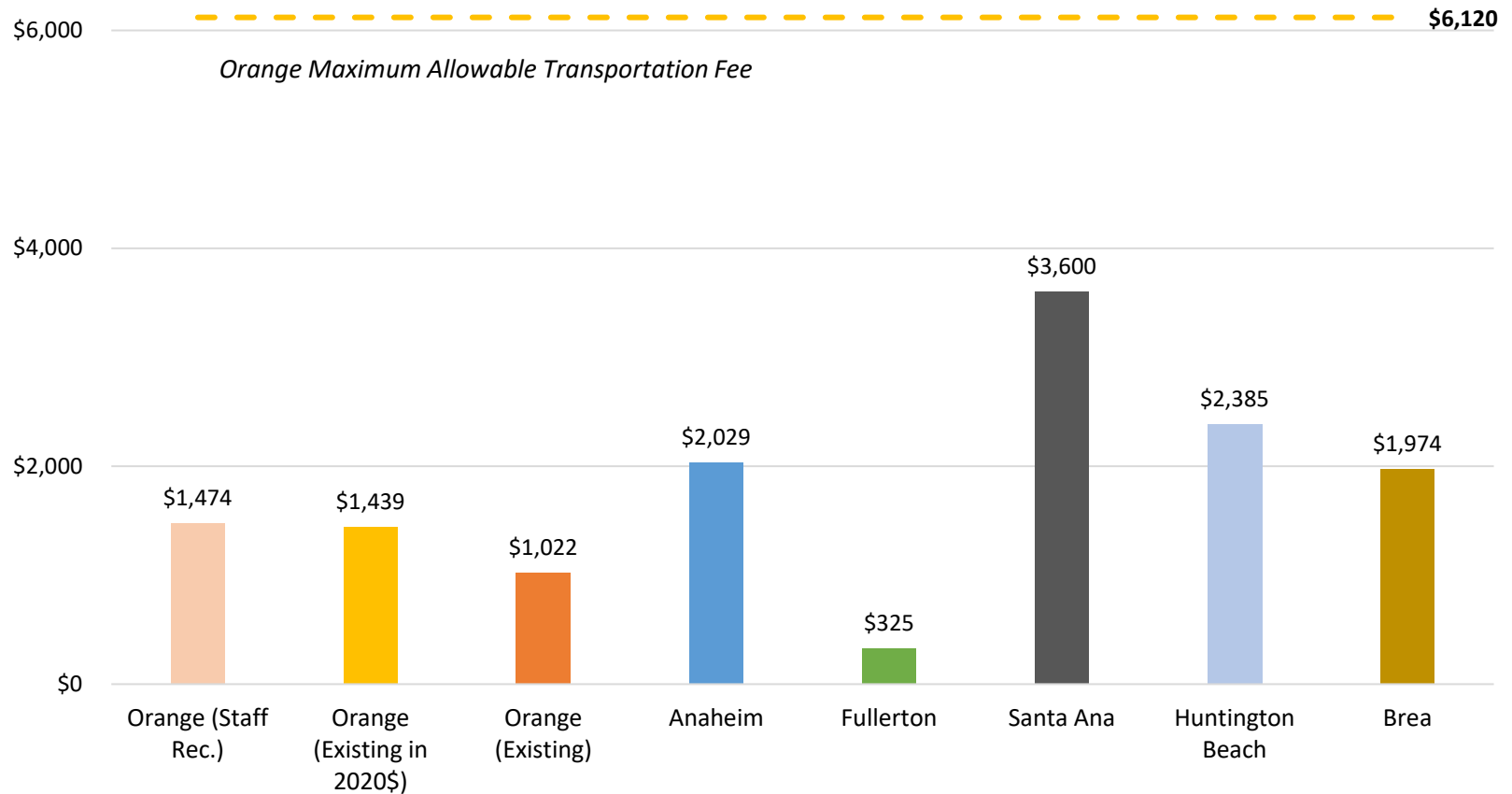


Figure 2: Transportation Impact Fees on Multifamily Development (Per Unit)

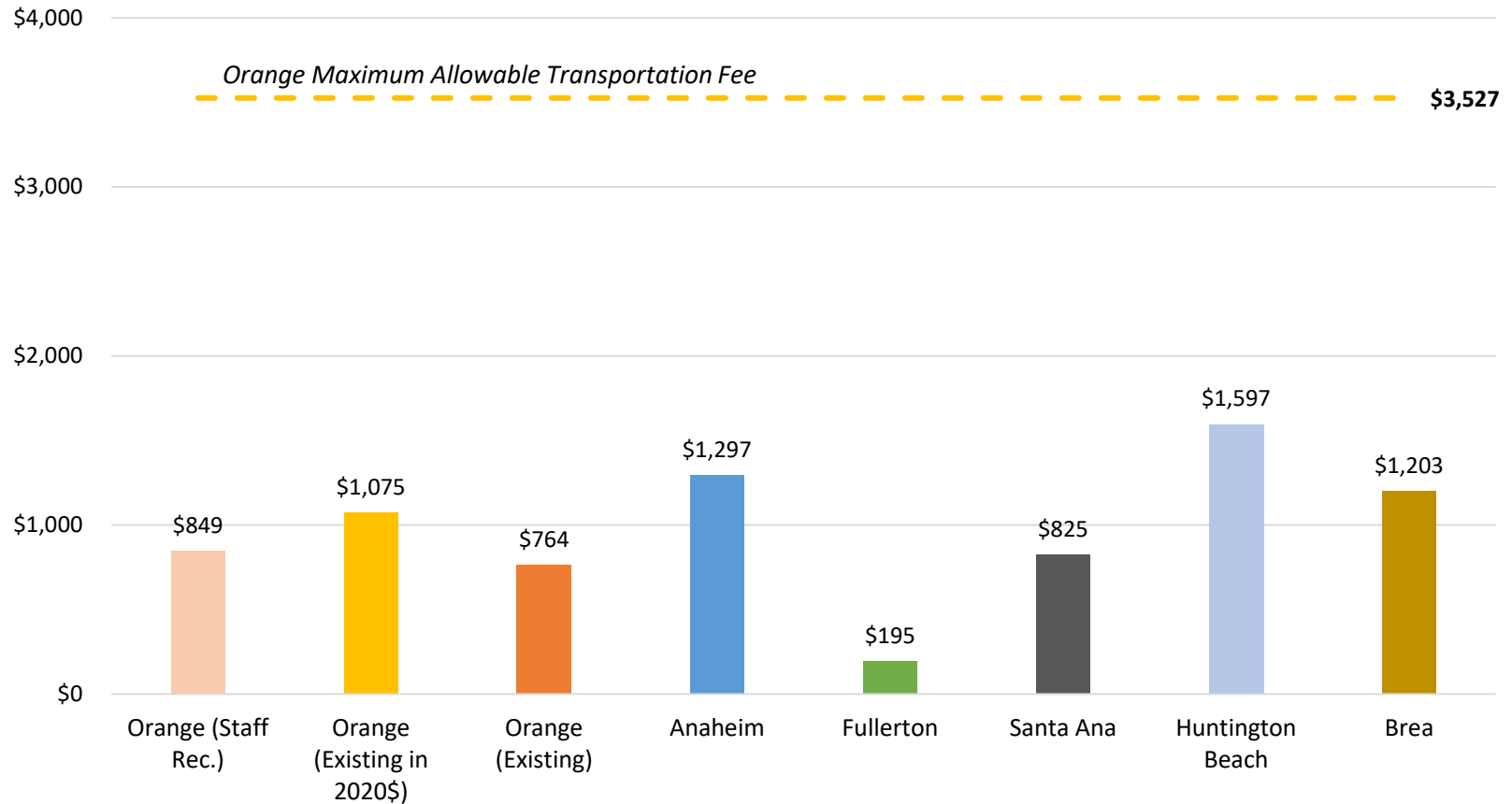


Figure 3: Transportation Impact Fees on Retail Development (Per Sq. Ft.)

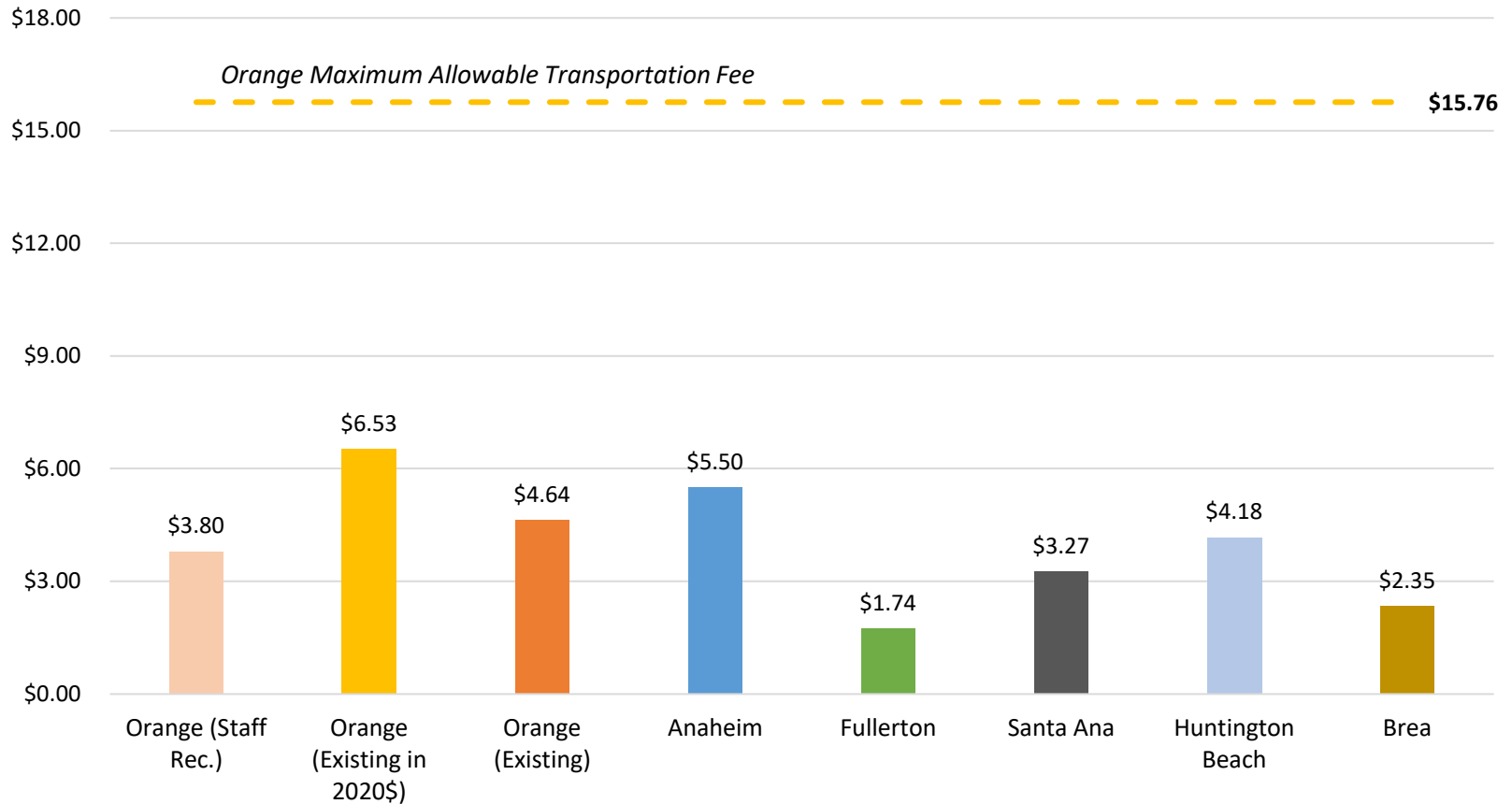


Figure 4: Transportation Impact Fees on Office Development (Per Sq. Ft.)

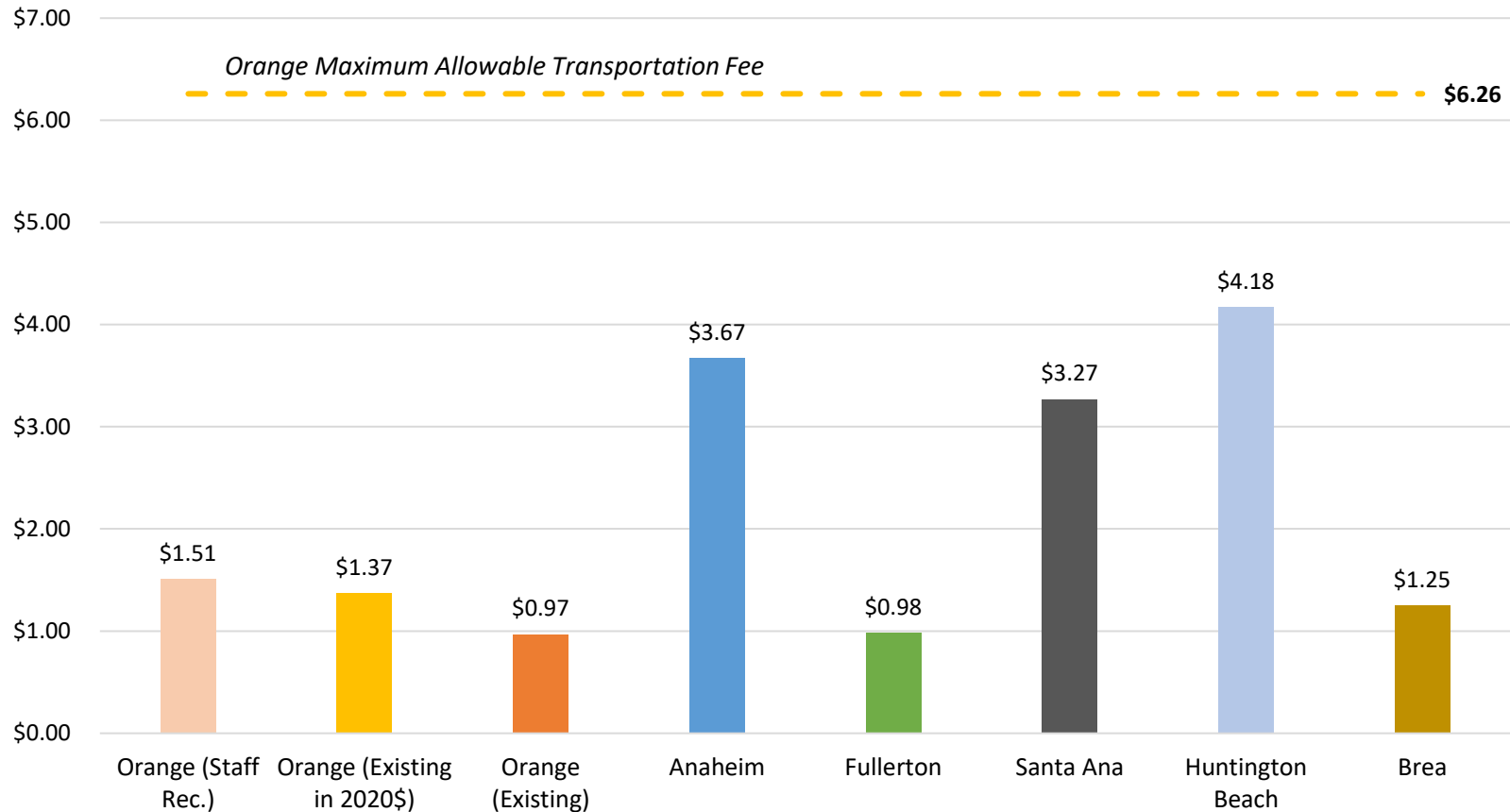


Figure 5: Transportation Impact Fees on Industrial Development (Per Sq. Ft.)

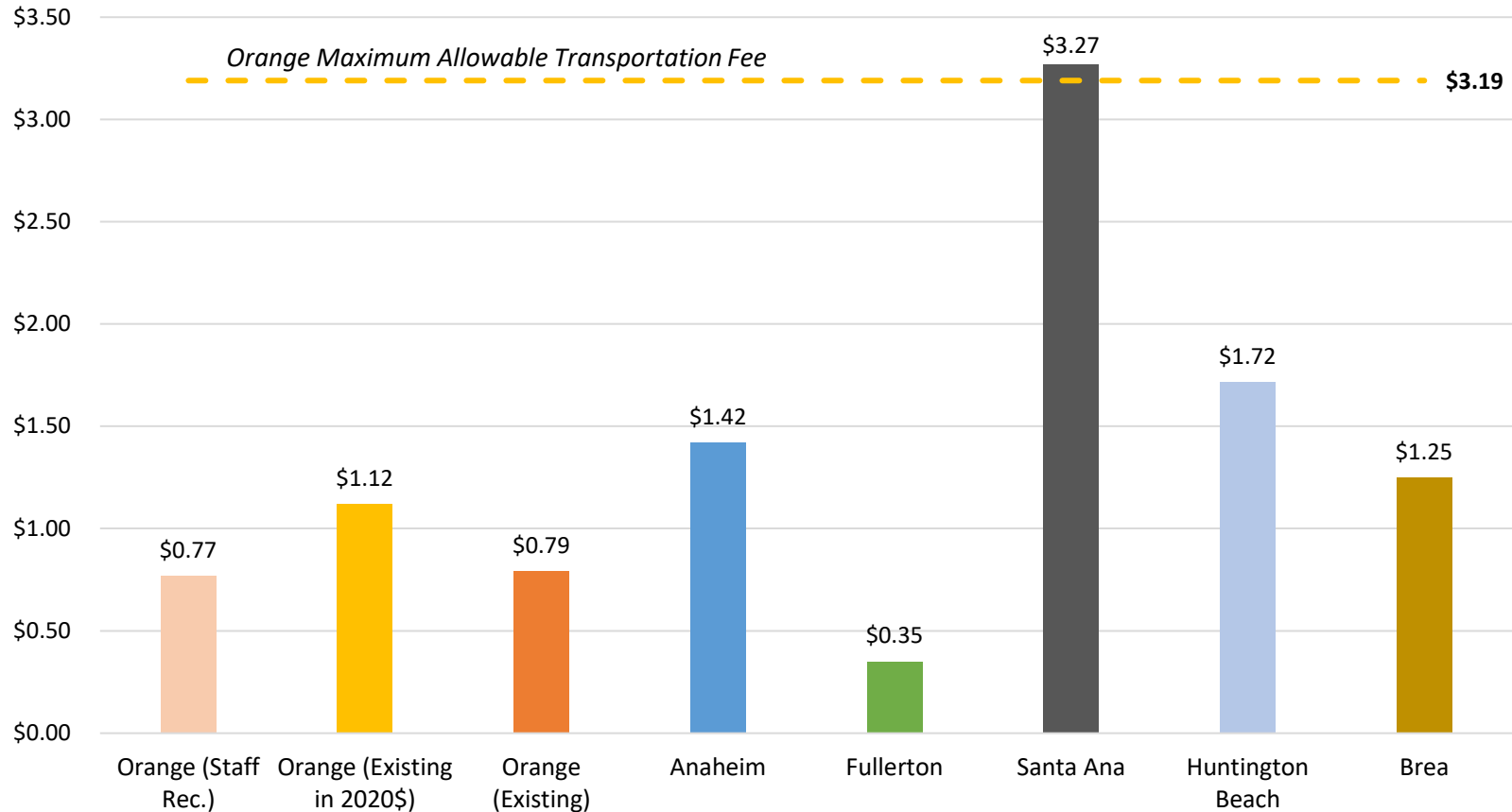


Figure 6: Transportation Impact Fees on Hotel Development (Per Room)

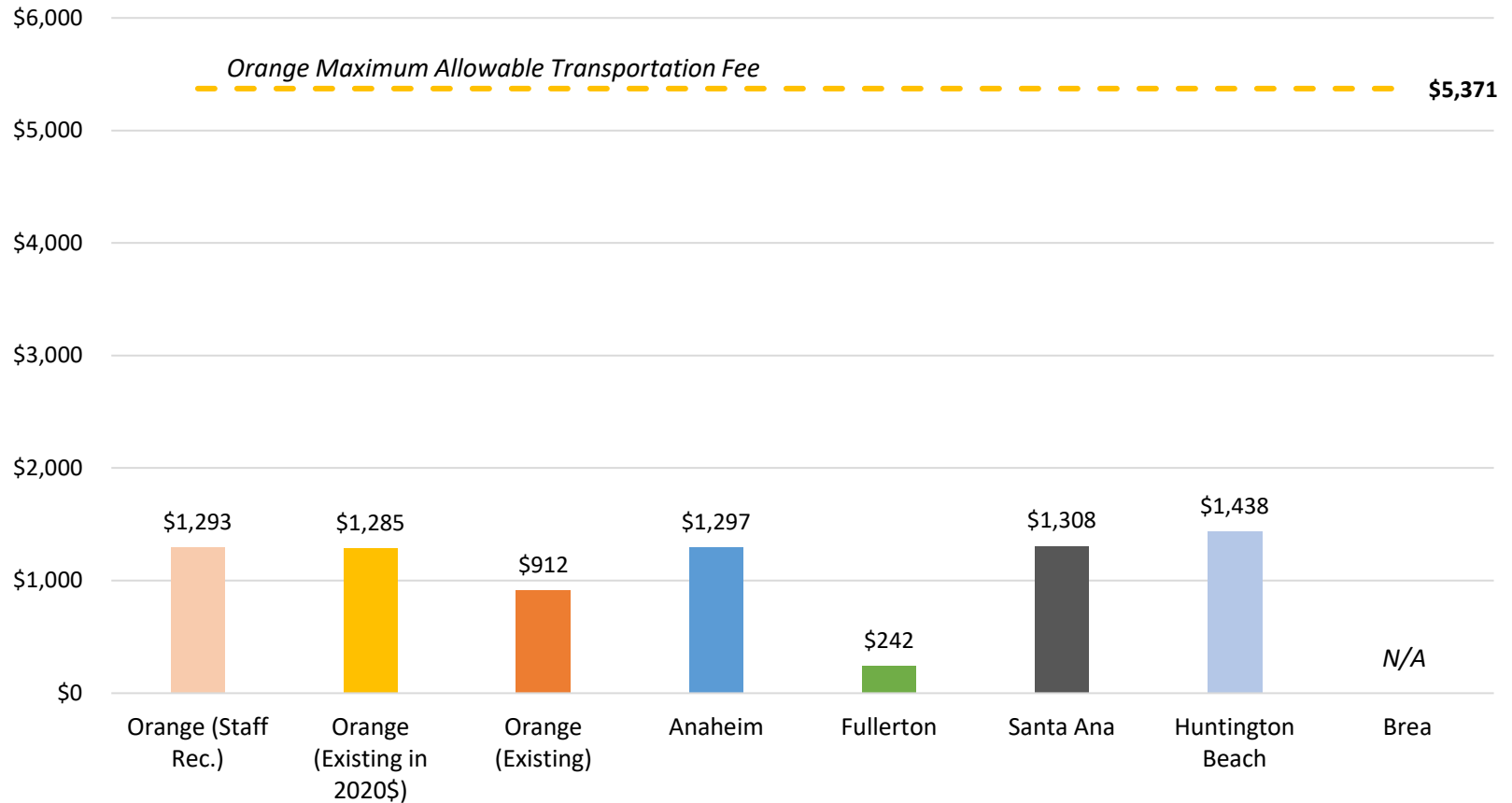


Figure 7: Transportation Impact Fees on Other/Atypical Uses (Per Trip-End)

