

# Transportation System Improvement Program (TSIP)

## Modernization of the Fee Program

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CITY OF ORANGE

CITY COUNCIL

SEPTEMBER 8, 2020

# Background

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## TSIP Fee

- Mitigation Fee
- New Development = Incremental Impacts
- Cumulative Effect require additional infrastructure
- TSIP Funds that infrastructure
- Ensure New Development Pay Fair Share
- TSIP Fee was last updated in 2008

# TSIP at Work

Tustin Street / Chapman Ave

Signal Modification & Right Turn Lane



Tustin Street/ Lincoln Avenue

Signal Modification & Left Turn Lanes

Katella Avenue/Struck Avenue

Signal Modification & Street Improvements

Tustin Street /Meats Avenue

Signal Modification & Right Turn Lane



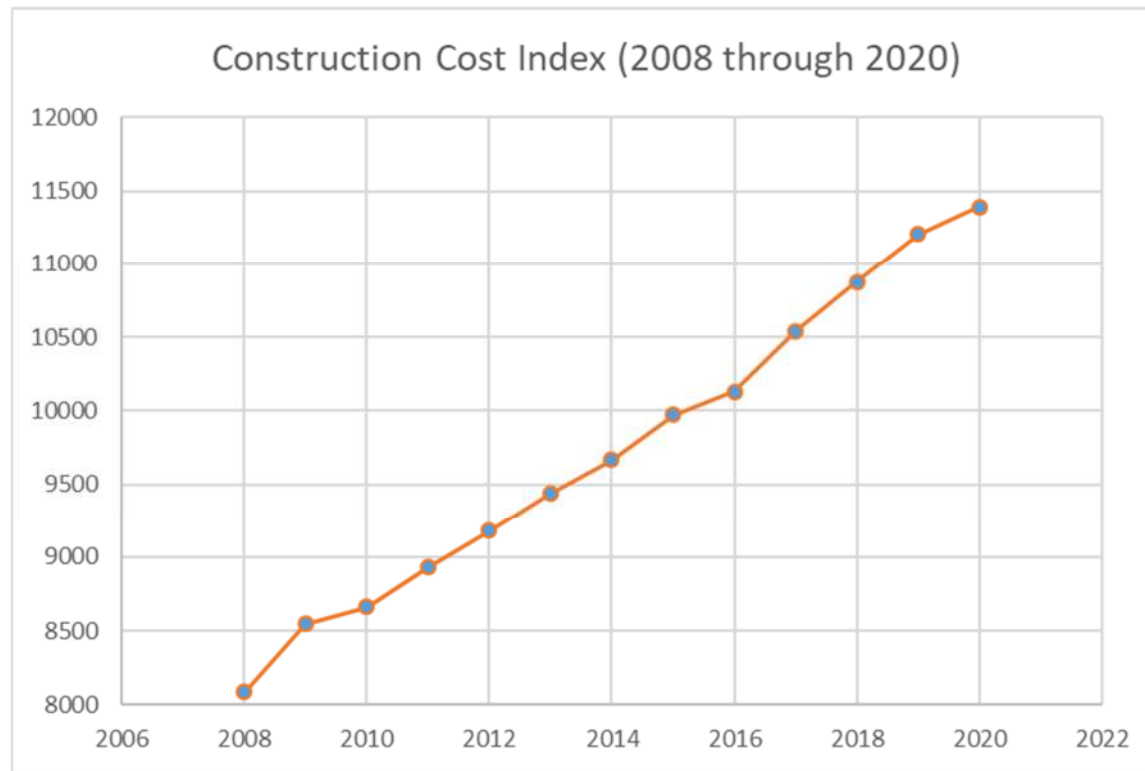
# Current Program in Need of Modernization

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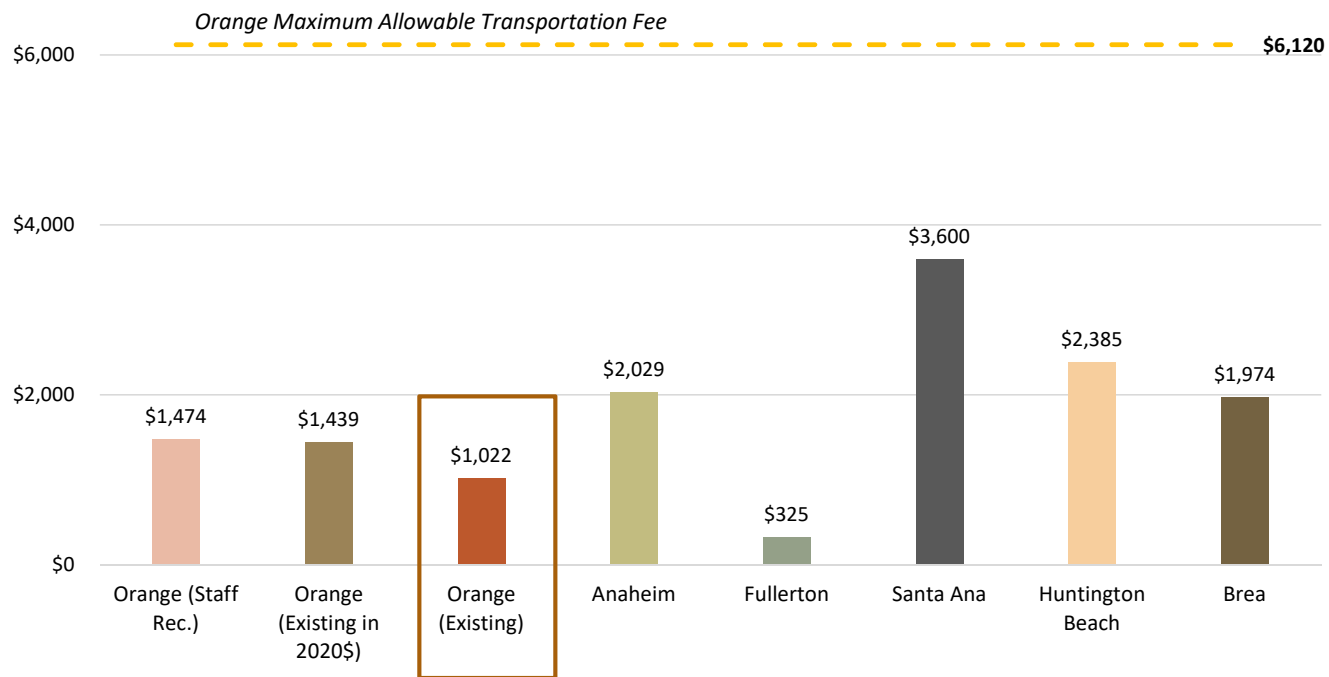
- Increase Programming Flexibility
  - Citywide Fee (remove geographic constraints)
    - Funding availability and needs are not aligned
    - Medium sized, built-out cities, typically benefit from the added flexibility of a citywide transportation fee program.
  - Diversify Eligible Projects
    - Fund additional types of transportation projects, including those that can make our streets safer, smarter, and more vibrant.
    - Use technology as additional capacity enhancement tool
- Fiscal Sustainability
  - CCI Adjustments moving forward
  - One-time fee realignment
    - Recover some of the deferments since 2008

# Construction Cost Index Adjustment

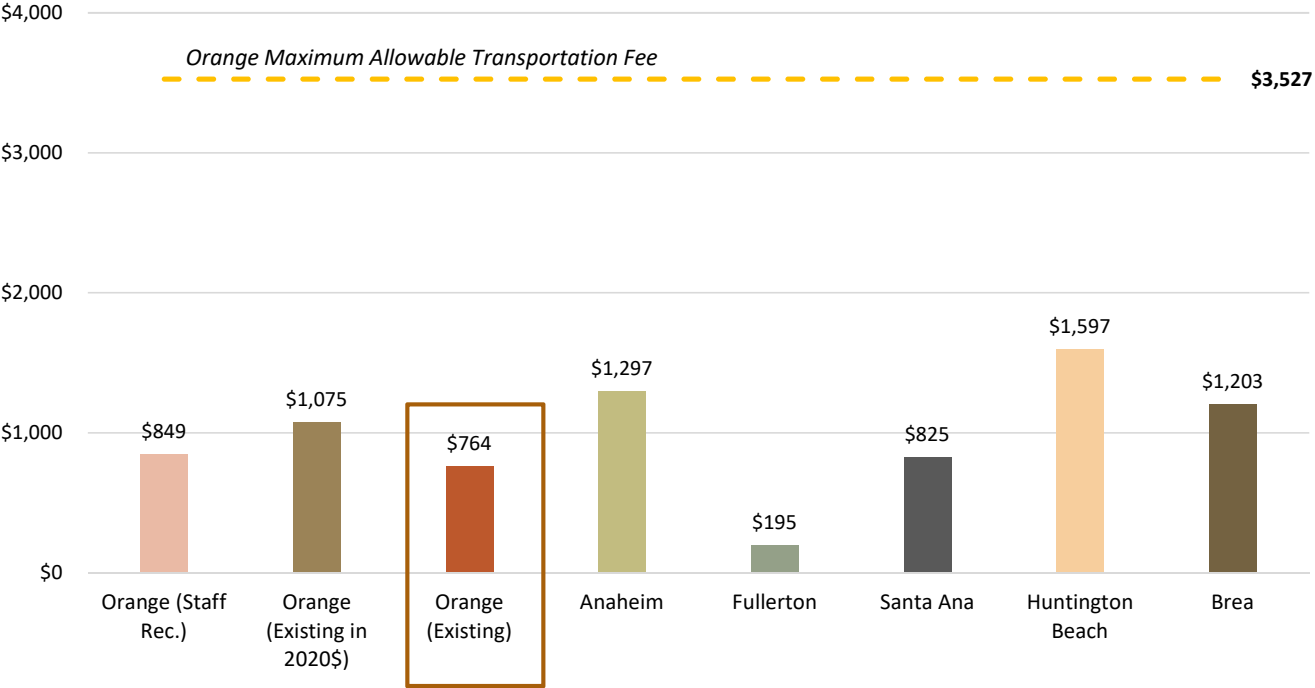
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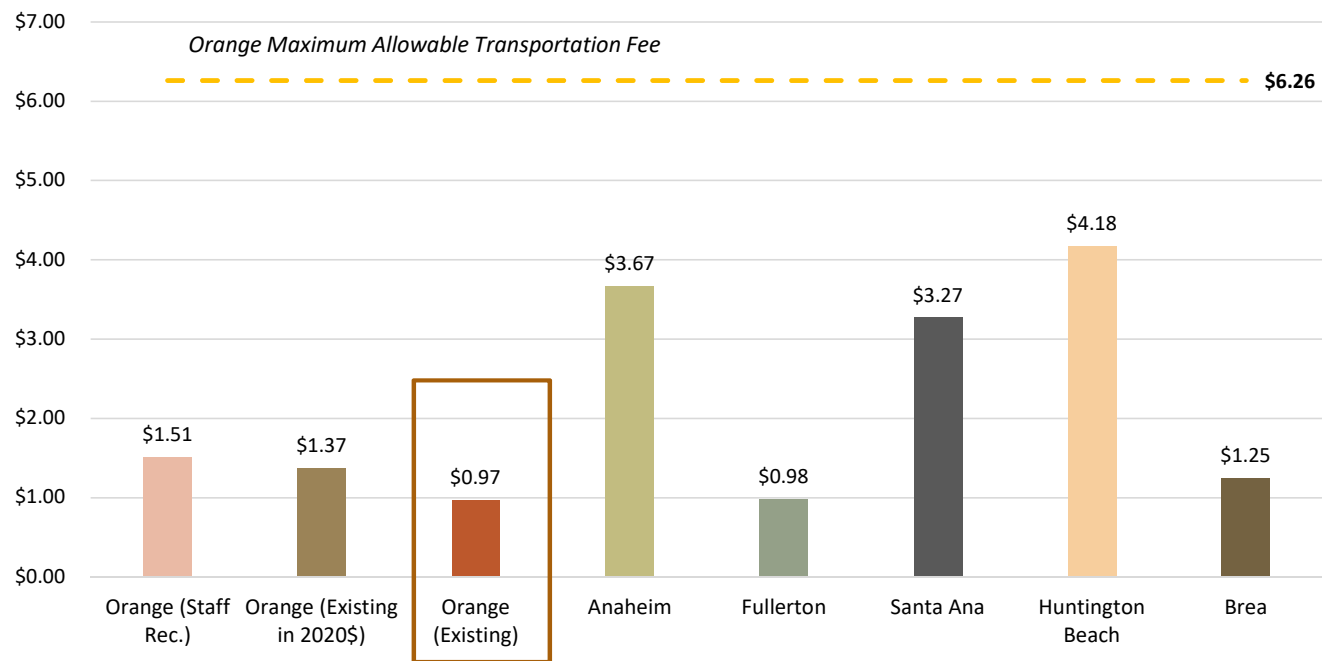
## Transportation Impact Fees on Single Family Development (Per Unit)



Transportation Impact Fees on Multifamily Development  
(Per Unit)



## Transportation Impact Fees on Office Development (Per Sq. Ft.)





# Fee Realignment

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## Magnitude

- Balance infrastructure needs with promoting development
- Recover cumulative CCI increases since 2008

## Proportion

- Reapportion fees across land uses
  - Based on traffic generation intensity for each land use
  - Land Use traffic intensity change over time and fee should be adjusted to reflect this
- More Equitable

# Proposed Fee Table

Land Use	EXISTING	Maximum Allowable	PROPOSED (25 percent of Maximum Allowable)	% change
	Average			
Single Family (per unit) <sup>1</sup>	\$1,022.00	\$6,119.86	\$1,473.90	44%
Apartments/Multi Family (per unit) <sup>2</sup>	\$763.67	\$3,526.70	\$849.37	11%
Hotel (per room)	\$912.33	\$5,370.77	\$1,293.49	42%
General Office (per square foot)	\$1.25	\$6.26	\$1.51	55%
Medical Office (per square foot)	\$4.11	\$22.36	\$5.38	31%
Industrial (per square foot)	\$0.79	\$3.19	\$0.77	-3%
Retail/Commercial (per square foot)	\$4.64	\$15.76	\$3.80	-18%
Hospital (per bed)	\$1,342.33	\$14,339.18	n/a <sup>3</sup>	n/a
Church/Synagogue (per square foot)	\$1.04	\$4.46	n/a <sup>3</sup>	n/a
School (per student)	\$146.67	\$1,304.15	n/a <sup>3</sup>	n/a
Child Care (per square foot)	\$8.91	\$6.97	n/a <sup>3</sup>	n/a
Atypical/Other (per trip end)	\$113.67	\$642.44	\$154.72	36%

# Outreach & Next Steps

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Business Industry Association, OC Chapter commented on the fee study.

- Fee increases for single family dwellings should not exceed 25%
- Would like to see fee increase phased in over 6 to 12 months

Second Reading of TSIP Ordinance in October

Fee to take effect on November 12, 2020

# Summary of Recommendations

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1. Single Citywide Fee Area
2. Project Diversification
3. Build-In Future CCI Adjustments
4. Realign fees