



COMPREHENSIVE USER FEE AND DEVELOPER IMPACT FEE STUDIES

April 24, 2018



Overview

- **Comprehensive User Fee Study**
- **Development Impact Fee Study**
- **Next Steps**



Comprehensive User Fee Study

- **Comprehensive Analysis to Understand Cost of Providing Services**
- **Quantify Subsidized Costs for all Service Areas**
- **Previous Fee Studies Varied by Department**



Comprehensive User Fee Study

Department	Fees Last Increased	Years Since Last Increase
Building	2013/14	5
Planning	2003/04	15
Public Works	2015/16	3
Police	2008/09	11
Fire		
Life Safety/EMS	2009/10	9
False Alarm Fees	2008/09	10

- **3-15 Years Since Last Fee Increases**
- **Cumulative CPI Increase of 19% since 2008**
- **Average Full-time Labor Increase of 4% Annually**



Comprehensive User Fee Study

Department/Division	Last Study Update	Number of Studied Fees					
		Total	Increasing	Decreasing	Added	Eliminated	Unchanged
Attorney	N/A	8	-	-	-	-	8
City Clerk	2005	28	3	-	2	4	19
Fire & Rescue	N/A	145	117	13	2	3	10
Police	2004	14	6	2	2	-	4
Building	2005	588	530	57	1	-	-
Planning	2005	40	13	4	9	14	-
Public Works	2015	17	8	5	2	-	2
Recreation	N/A	633	94	-	70	90	379
Total		1,473	771	81	88	111	422
			52%	5%	6%	8%	29%

History and Summary of Proposed Fee Changes



Comprehensive User Fee Study

- **Recreation**
 - **60% of Proposed Fees Unchanged**
 - **Most Proposed Increases Relate to Facility Rentals**
 - **Market Rates**
 - **Commercial Usage**
- **Library**
 - **85% of Proposed Fees Unchanged**
 - **Facility Rentals Charged at Market Rates**



Comprehensive User Fee Study

■ Police

- 43% of Proposed Fees Unchanged or Decreasing
- 57% Proposed New or Increasing Fees

■ Fire & Rescue

- 18% of Proposed Fees Unchanged or Decreasing
- 82% Proposed New or Increasing Fees
 - 65 out of 119 fees (55%) have extremely low annual volumes of 10 or less



Comprehensive User Fee Study

- **City Attorney**
 - 100% of Proposed Fees Unchanged
- **City Clerk**
 - 82% of Proposed Fees Unchanged or Decreasing
 - 18% Proposed New or Increasing Fees
- **Citywide Copy Fees**



Comprehensive User Fee Study

- **Building**
 - 10% of Proposed Fee Categories Decreasing
 - 90% of Proposed Fee Categories Increasing
 - 411 out of 531 fees (77%) have extremely low annual volumes of 10 or less
 - 1 Proposed New Fee
- **Planning**
 - 24% of Proposed Fees Categories Decreasing
 - 76% of Proposed Fee Categories Increasing
 - 8 out of 13 fees (62%) have extremely low annual volumes of 10 or less
 - 9 Proposed Fee Categories Changing from Deposit to Flat
 - CUP, with no Construction
 - Variance
 - Minor CUP



Comprehensive User Fee Study

- **Public Works**
 - **41% of Proposed Fees Unchanged or Decreasing**
 - **59% Proposed New or Increasing Fees**



Comprehensive User Fee Study

Restaurant/Small Church

Assembly Building- 3,500 sq ft Project Value \$1,100,000	
City	Fee
Huntington Beach	\$ 13,900
Garden Grove	\$ 11,509
Orange	\$ 9,382
Tustin	\$ 7,860
Santa Ana	\$ 5,269
Anaheim	\$ 4,775
Fullerton	\$ 3,997

New SFD

Single Family Residence- 3,250 sq ft Project Value \$682,500	
City	Fee
Huntington Beach	\$ 9,580
Garden Grove	\$ 7,937
Anaheim	\$ 6,927
Orange	\$ 6,480
Tustin	\$ 5,470
Santa Ana	\$ 2,620
Fullerton	\$ 2,598

Small Warehouse/Rear Portion of Retail Store

Storage Building- 3,775 sq ft Project Value \$415,250	
City	Fee
Huntington Beach	\$ 6,100
Garden Grove	\$ 5,364
Orange	\$ 4,371
Anaheim	\$ 3,719
Tustin	\$ 3,665
Santa Ana	\$ 2,359
Fullerton	\$ 1,810

Building Comparisons with Proposed 15% increase



Comprehensive User Fee Study

Bank/Strip Mall/Doctor Office

Business Building- 8,600 sq ft Project Value \$1,935,000	
City	Fee
Huntington Beach	\$ 20,940
Garden Grove	\$ 16,149
Orange	\$ 13,584
Santa Ana	\$ 7,148
Fullerton	\$ 6,814
Tustin	\$ 6,724
Anaheim	\$ 5,715

Small Business Remodel

Tenant Improvement- 2,450 sq ft Project Value \$245,000	
City	Fee
Huntington Beach	\$ 4,110
Garden Grove	\$ 3,654
Orange	\$ 2,877
Tustin	\$ 2,446
Anaheim	\$ 1,898
Santa Ana	\$ 1,562
Fullerton	\$ 1,103

Small Room Addition

Residential Room Addition- 499 sq ft Project Value \$112,275	
City	Fee
Huntington Beach	\$ 2,560
Garden Grove	\$ 2,321
Orange	\$ 1,712
Anaheim	\$ 1,608
Tustin	\$ 1,475
Santa Ana	\$ 1,309
Fullerton	\$ 708

Building Comparisons with Proposed 15% increase



Comprehensive User Fee Study

City	Target Full Cost Recovery?				
	Building	Planning	Public Works	Police	Fire
Laguna Woods	Yes	Yes	Yes	N/A Contract	N/A Contract
Newport Beach	No, varies by fee up to 50%	No, varies by fee up to 50%	No, varies by fee up to 88%	No	No
Orange	Yes, where possible	In most areas	No	No	No
Seal Beach	Yes	Yes	Yes	Yes	N/A Contract
Stanton	Yes	Yes	Yes	N/A Contract	N/A Contract

*Fee studies planned or in progress in Fountain Valley, Irvine, Mission Viejo and Tustin

Comprehensive User Fee Study

Department/ Division	Costs of User Fee Services	Current Revenue	Recovery %	Subsidy	Up to 15% Increase	Recovery %	Remaining Subsidy
Attorney	\$ 70,000	\$ 15,000	21%	\$ 55,000	\$ -	21%	\$ 55,000
City Clerk	\$ 100,000	\$ 90,000	90%	\$ 10,000	\$ 30,000	120%	\$ (20,000)
Fire & Rescue	\$ 7,500,000	\$ 1,750,000	23%	\$ 5,750,000	\$ 350,000	28%	\$ 5,400,000
Police	\$ 2,100,000	\$ 1,400,000	67%	\$ 700,000	\$ 150,000	74%	\$ 550,000
Building	\$ 7,100,000	\$ 4,600,000	65%	\$ 2,500,000	\$ 565,000	73%	\$ 1,935,000
Planning	\$ 5,750,000	\$ 5,300,000	92%	\$ 450,000	\$ 325,000	98%	\$ 125,000
Public Works	\$ 3,800,000	\$ 2,800,000	74%	\$ 1,000,000	\$ 400,000	84%	\$ 600,000
Total	\$ 26,420,000	\$ 15,955,000	60%	\$ 10,465,000	\$ 1,820,000	67%	\$ 8,645,000

*City Clerk includes fees set by state and federal governments



Summary of Proposed Revenue Potential

Development Impact Fee Study

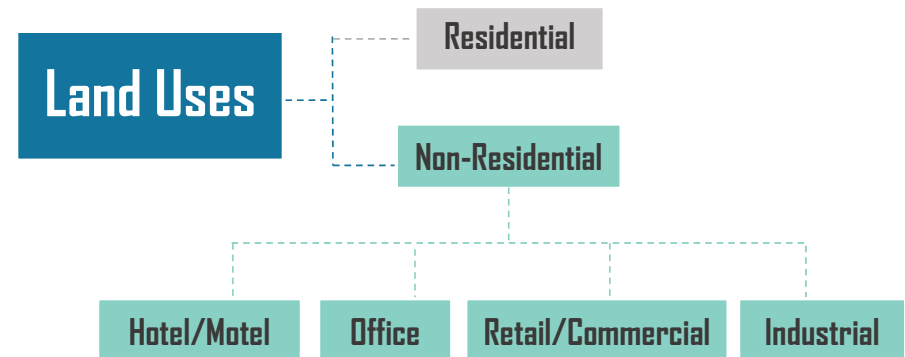
History

	Police Fees	Fire Fees	Transportation Fees	Library Fees	Park Fees
Last Updated	2006	2006	2007	2008	2011

Proposing Citywide Fees with Standardized Land Use Categories

Advantages:

- Streamlining Process for all Developers
- More Efficient to Administer Citywide



Development Impact Fee Study

Land Use	Police		Fire & Rescue		Parks		Library		Transportation	
	Current Fee	No Increase	Current Fee	No Increase	Current Fee	Up to 15% Proposed Increase	Current Fee	Up to 15% Proposed Increase	Current Fee	Up to 10% Proposed Increase
Residential per unit	\$ 747	\$ 747	\$ 1,321-\$2,493	\$ 415	\$ 4,149-8,114	\$ 9,331	\$ 235-487	\$ 560	\$ 1,297-6,312	\$ 2,232
Retail/Commercial per 1000 sq ft	\$ 839	\$ 839	\$ 1,444	\$ 438	N/A	N/A	N/A	N/A	\$5,500-55,500	\$ 6,050
Office per 1000 sq ft	\$ 839	\$ 839	\$ 1,444	\$ 389	N/A	N/A	N/A	N/A	\$ 3,670-15,670	\$ 4,037
Hotel/Motel per room	\$ 726	\$ 524	\$ 891	\$ 193	N/A	N/A	N/A	N/A	\$ 1,474	\$ 1,621
Industrial per 1000 sq ft	\$ 106	\$ 106	\$ 199	\$ 199	N/A	N/A	N/A	N/A	\$ 1,420-4,420	\$ 1,562

SUMMARY OF PROPOSED CHANGES



Development Impact Fee Study

*PT = Platinum Triangle

Residential			
200-unit Residential project built on vacant parcel			
Fees	Current Non-PT	Current PT	Proposed Up To 15% Increase Citywide
Police	\$ -	\$ 747	\$ 747
Fire & Rescue	\$ -	\$ 1,321	\$ 415
Library	\$ -	\$ 487	\$ 560
Parks	\$ 5,409	\$ 8,114	\$ 9,331
Transportation	\$ 1,297	\$ 4,999	\$ 2,232
Total/Unit	\$ 6,706	\$ 15,668	\$ 13,285
Project Total	\$ 1,341,200	\$3,133,600	\$2,657,000

Hotel-Motel			
100-unit Hotel project built on vacant parcel			
Fees	Current Non-PT	Current PT	Proposed Up To 15% Increase Citywide
Police	\$ -	\$ 726	\$ 524
Fire & Rescue	\$ -	\$ 891	\$ 193
Library	\$ -	\$ -	\$ -
Parks	\$ -	\$ -	\$ -
Transportation	\$ 1,474	\$ -	\$ 1,621
Total/Unit	\$ 1,474	\$ 1,617	\$ 2,338
Project Total	\$ 147,400	\$ 161,700	\$ 233,800

Retail/Commercial			
60,000 sq. ft. project built on vacant parcel			
Fees	Current Non-PT	Current PT	Proposed Up To 15% Increase Citywide
Police	\$ -	\$ 839	\$ 839
Fire & Rescue	\$ -	\$ 1,444	\$ 438
Library	\$ -	\$ -	\$ -
Parks	\$ -	\$ -	\$ -
Transportation	\$ 5,500	\$ 55,500	\$ 6,050
Total/Unit	\$ 5,500	\$ 57,783	\$ 7,321
Project Total	\$ 330,000	\$3,466,980	\$ 439,620

Scenarios with Up to Proposed 15% Increase

Developer Impact Fee Study

Police Impact Fees

Residential		Retail/Commercial (1000 sq ft)		Office (1000 sq ft)		Hotel/Motel (per room)		Industrial (1000 sq ft)	
City	Fee	City	Fee	City	Fee	City	Fee	City	Fee
San Clemente	\$ 1,446.71	Huntington Beach	\$ 937.00	Huntington Beach	\$ 937.00	Anaheim (Max)	\$ 524.00	Huntington Beach	\$ 399.00
Anaheim (No Chg)	\$ 747.00	Anaheim (No Chg)	\$ 839.00	Anaheim (No Chg)	\$ 839.00	Orange	\$ 206.00	Orange	\$ 206.00
Huntington Beach	\$ 356.00	Orange	\$ 206.00	Orange	\$ 206.00			Anaheim (No Chg)	\$ 106.00
Orange	\$ 354.89	Brea	\$ 55.00	Brea	\$ 77.00			Brea	\$ 40.00

Fire Impact Fees

Residential		Retail/Commercial (1000 sq ft)		Office (1000 sq ft)		Hotel/Motel (per room)		Industrial (1000 sq ft)	
City	Fire	City	Fee	City	Fee	City	Fee	City	Fee
Orange	\$ 1,200.00	Orange	\$ 595.00	Orange	\$ 595.00	Orange	\$ 595.00	Orange	\$ 595.00
Brea	\$ 1,029.00	Anaheim (Max)	\$ 438.00	Anaheim (Max)	\$ 389.00	Anaheim (Max)	\$ 193.00	Anaheim (No Chg)	\$ 199.00
Huntington Beach	\$ 830.00	Huntington Beach	\$ 296.00	Huntington Beach	\$ 296.00			Brea	\$ 138.00
Anaheim (Max)	\$ 415.00	Brea	\$ 191.00	Brea	\$ 267.00			Huntington Beach	\$ 27.00

COMPARISON TO OC CITIES

Developer Impact Fee Study

Park Impact Fees					
Residential					
City	Park In Lieu	City	Park In Lieu	City	Park In Lieu
Newport Beach	\$ 26,126.00	Dana Point	\$ 11,500.00	Fountain Valley	\$ 7,421.00
La Palma	\$ 18,600.00	Stanton	\$ 11,173.00	Irvine	\$ 7,350.00
Yorba Linda	\$ 16,716.00	Seal Beach	\$ 10,000.00	San Clemente	\$ 6,823.00
Huntington Beach	\$ 16,278.00	Laguna Niguel	\$ 9,929.00	Tustin	\$ 6,386.00
Costa Mesa	\$ 13,572.00	Brea	\$ 9,818.00	Garden Grove	\$ 5,500.00
Laguna Hills	\$ 12,804.00	Anaheim (15%)	\$ 9,331.00	Laguna Beach	\$ 4,580.00
Buena Park	\$ 12,500.00	Orange	\$ 8,444.00	Placentia	\$ 3,740.00
Fullerton	\$ 11,700.00	Cypress	\$ 8,000.00	Westminster	\$ 870.00
San Juan Capistrano	\$ 11,600.00				

Library Impact Fees		
Residential		
City		Fee
Huntington Beach	\$	1,535.00
Orange	\$	742.52
Anaheim (15%)	\$	560.00

COMPARISON TO OC CITIES



Developer Impact Fee Study

Transportation Impact Fees

Residential		Retail/Commercial (1000 sq ft)		Office (1000 sq ft)		Hotel/Motel (per room)		Industrial (1000 sq ft)	
City	Fee	City	Fee	City	Fee	City	Fee	City	Fee
San Juan Capistrano	\$ 7,387.00	Seal Beach	\$ 12,240.00	Seal Beach	\$ 4,150.00	Newport Beach	\$ 2,135.00	Huntington Beach	\$ 1,788.65
Aliso Viejo	\$ 4,902.00	Newport Beach	\$ 8,132.00	Anaheim (10%)	\$ 4,037.00	Anaheim (10%)	\$ 1,621.00	Anaheim (10%)	\$ 1,562.00
Santa Ana	\$ 2,467.00	Anaheim (10%)	\$ 6,050.00	Newport Beach	\$ 2,643.00	Huntington Beach	\$ 1,537.73	Brea	\$ 1,250.00
Costa Mesa	\$ 2,226.00	Huntington Beach	\$ 4,175.67	Huntington Beach	\$ 2,097.00	Seal Beach	\$ 866.95	Newport Beach	\$ 1,016.00
Newport Beach	\$ 2,236.00	Westminster	\$ 2,780.00	Westminster	\$ 1,850.00	Fullerton	\$ 241.80	Westminster	\$ 370.00
Anaheim (10%)	\$ 2,232.00	Yorba Linda	\$ 1,980.00	Brea	\$ 1,250.00			Fullerton	\$ 350.00
Irvine	\$ 2,174.00	Garden Grove	\$ 1,800.00	Fullerton	\$ 980.00			Garden Grove	\$ 310.00
Huntington Beach	\$ 1,985.69	Fullerton	\$ 1,740.00	Garden Grove	\$ 940.00			Yorba Linda	\$ 150.00
Brea	\$ 1,974.00			Yorba Linda	\$ 480.00				
San Clemente	\$ 1,880.00								
Brea (Multi)	\$ 1,453.00								
Seal Beach	\$ 1,452.00								
Westminster	\$ 880.00								
Garden Grove	\$ 800.00								
Stanton	\$ 795.00								
Orange	\$ 600.00								
Fullerton	\$ 325.00								



COMPARISON TO OC CITIES

Next Steps

Proposed Fee Changes No More Than 15% Increase

Continue Stakeholder Input

Public Notice of Proposed Fee Changes

Public Hearing on June 19

60-90 Days for Implementation



Questions?

Comprehensive User Fee Study

Fee Categories - INCREASING	Building	Fire & Rescue	Recreation	Library	Planning	Police	Public Works	City Clerk	Grand Total
+ Building Fees	325								325
+ Improvement Permits	188								188
+ Facility Rental			76	29					105
+ Inspection Fees	7	60							67
+ Permits		62				1	2		65
+ Planning Services					16				16
+ Miscellaneous Services		3				2	6	2	13
+ Copies and Data Requests	1	2				9			12
+ Plan Check	10								10
+ Recreation Services and Events			10						10
+ Recreation Classes and Sport Leagues			6						6
+ First Responder		2							2
+ Fines and Penalties						2			2
+ Sport Fields			2						2
Grand Total	531	129	94	29	16	14	8	2	823



Developer Impact Fee Study

Police Impact Fees											
City		Fee	City		Fee	City		Fee	City		Fee
Anaheim (No Chg)	\$	747.00	Anaheim (No Chg)	\$	839.00	Anaheim (No Chg)	\$	839.00	Anaheim (Max)	\$	524.00
Long Beach	\$	703.00	Fresno	\$	624.00	Fresno	\$	594.00	Fresno	\$	297.00
Fresno	\$	586.00	Long Beach	\$	442.00	Long Beach	\$	538.00	Long Beach	\$	218.00
									Anaheim (No Chg)	\$	106.00

Fire Impact Fees											
Residential		Retail/Commercial (1000 sq ft)		Office (1000 sq ft)		Hotel/Motel (per room)		Industrial (1000 sq ft)			
City	Fire	City	Fee	City	Fee	City	Fee	City	Fee		
San Diego	\$	1,153.00	San Diego	\$	2,652.00	Anaheim (Max)	\$	389.00	Anaheim (Max)	\$	193.00
Fresno	\$	758.00	Anaheim (Max)	\$	438.00	Long Beach	\$	325.00	Fresno	\$	152.00
Long Beach	\$	496.00	Long Beach	\$	267.00	Fresno	\$	303.00	Long Beach	\$	132.00
Anaheim (Max)	\$	415.00	Fresno	\$	265.00				Anaheim (No Chg)	\$	199.00

COMPARISON TO TOP 10 CA CITIES



Developer Impact Fee Study

Park Impact Fees

Residential		Retail/Commercial (1000 sq ft)		Office (1000 sq ft)		Industrial (1000 sq ft)	
City	Park In Lieu	City	Fee	City	Fee	City	Fee
San Jose	\$ 54,900.00	Sacramento	\$ 420.00	Sacramento	\$ 570.00	Sacramento	\$ 180.00
Los Angeles	\$ 12,500.00						
San Diego (high)	\$ 11,374.00						
Anaheim (15%)	\$ 9,331.00						
Sacramento	\$ 5,100.00						
Long Beach	\$ 4,613.00						
Fresno Park Facility Impact Fee	\$ 3,816.00						
San Jose (low)	\$ 3,100.00						
Bakersfield	\$ 1,716.00						
Fresno	\$ 1,153.00						

Library Impact Fees

Residential	
City	Fee
Los Angeles	\$ 959.00
Anaheim (15%)	\$ 560.00

COMPARISON TO TOP 10 CA CITIES



Developer Impact Fee Study

Transportation Impact Fees									
Residential		Retail/Commercial (1000 sq ft)		Office (1000 sq ft)		Hotel/Motel (per room)		Industrial (1000 sq ft)	
City	Fee	City	Fee	City	Fee	City	Fee	City	Fee
San Francisco	\$ 18,360.00	San Jose	\$ 21,090.00	Fresno	\$ 14,266.00	San Jose	\$ 15,410.00	San Jose	\$ 4,560.00
Oakland	\$ 17,925.00	San Francisco	\$ 19,990.00	Anaheim (10%)	\$ 4,037.00	San Francisco	\$ 7,990.00	Fresno	\$ 4,056.00
Bakersfield	\$ 12,870.00	Fresno	\$ 13,469.00	Sacramento	\$ 3,190.00	Sacramento	\$ 2,190.00	Anaheim (10%)	\$ 1,562.00
San Diego (high)	\$ 12,229.00	Anaheim (10%)	\$ 6,050.00	Long Beach	\$ 2,000.00	Anaheim (10%)	\$ 1,621.00	Sacramento	\$ 888.00
San Jose	\$ 10,326.00	Sacramento	\$ 3,230.00	Oakland	\$ 850.00	Long Beach	\$ 1,100.00	Long Beach	\$ 750.00
Fresno	\$ 7,617.00	Long Beach	\$ 3,000.00			Oakland	\$ 550.00	Oakland	\$ 650.00
Anaheim (10%)	\$ 2,232.00	San Diego (high) per ADT	\$ 1,919.00			Fresno	\$ 348.00		
Sacramento	\$ 2,152.00	Oakland	\$ 750.00						
Long Beach	\$ 1,125.00								

COMPARISON TO TOP 10 CA CITIES

