Major Thoroughfare
& Bridge Fee Program

February 2, 2011

What is it?

- A fee program, adopted by TCA member agencies, that collects fees on new dwellings, or new non-residential square footage in areas adjacent to the corridors
- A primary revenue source – second only to tolls, fees & fines
- Revenue pledged under the Indentures toward repayment of the bonds
- A program that will remain in place until the bonds are paid off

Fee Program

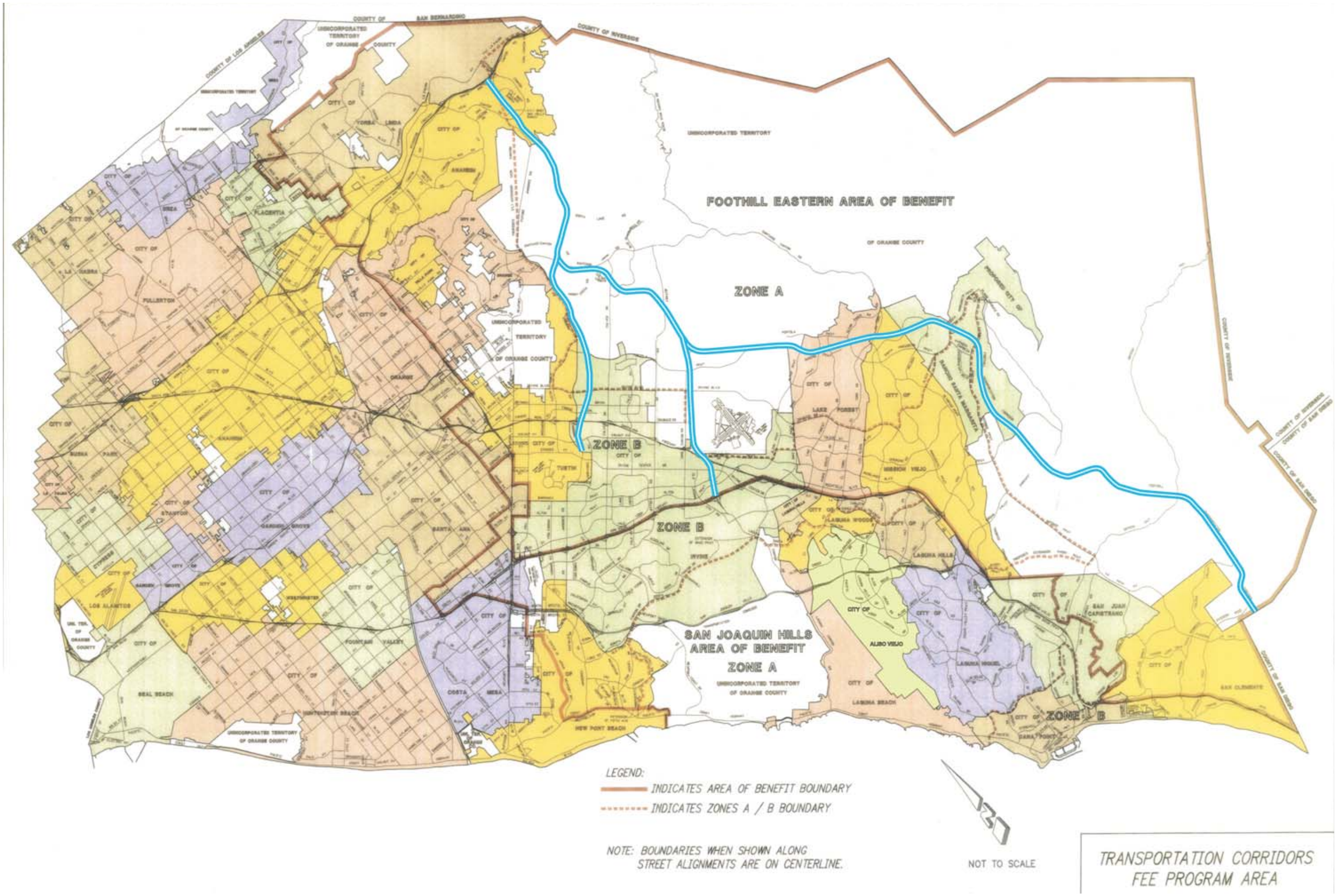
- **Fee Program authorized by California Government Code Section 66484.3**
  - . . the Board of Supervisors of the County of Orange and the city council or councils of any city or cities in that county may, by ordinance, require the payment of a fee as a condition . . . of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares.

History

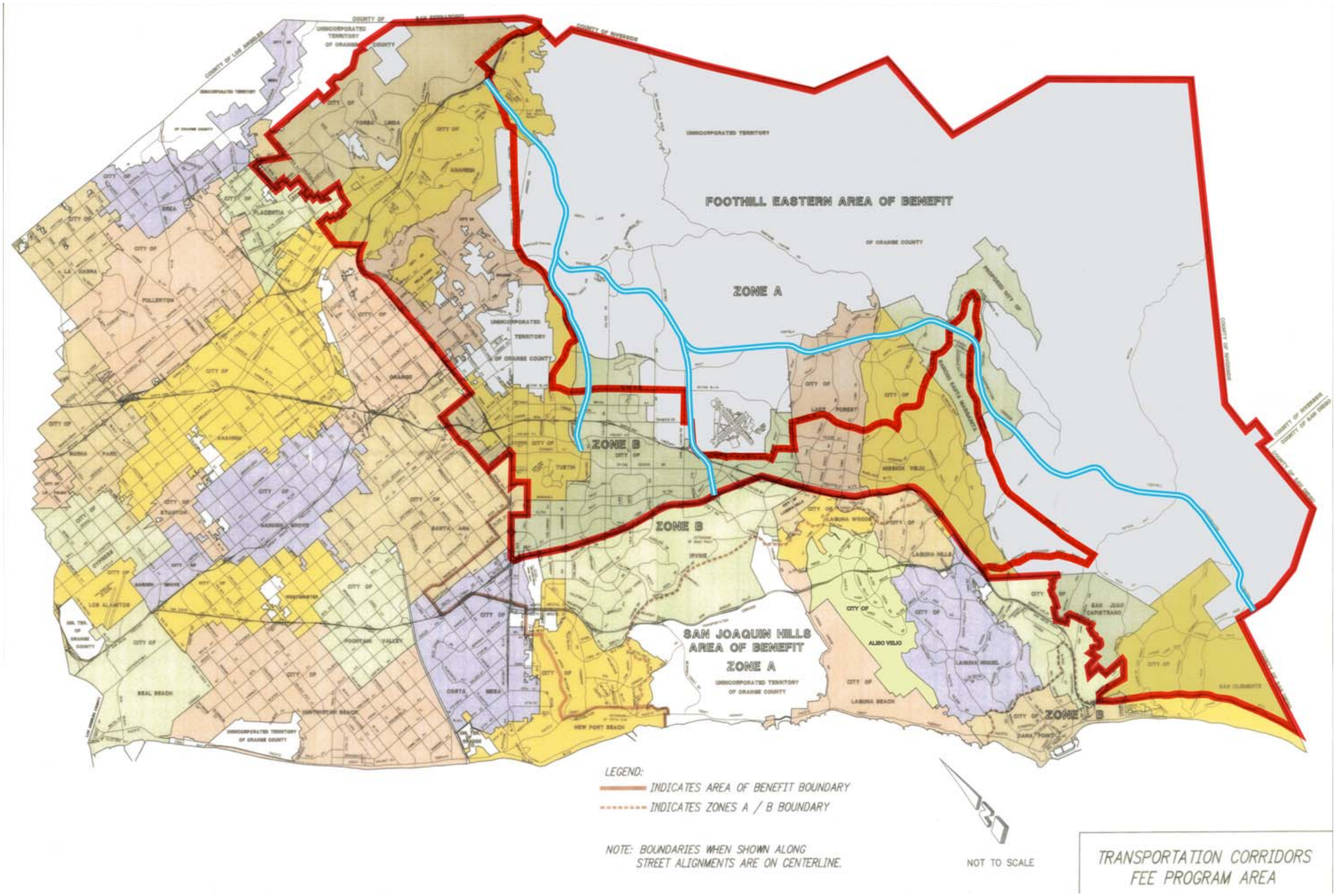
- In mid-1980s the concept of a Fee Program was explored as a means to help finance the corridors. Participants included the County, cities, landowners, development community and the public.
- Computer models analyzed projected travel patterns of corridor users to determine Areas of Benefit (AOB).
- The number of trips attributed to future development were determined and then a portion of the cost of constructing the corridors was allocated to that future development – approximately 48%, to be collected by development fees.
- In 1985 the County of Orange established the Fee Program.
- By 1989 new information changed original assumptions and Deloitte & Touche was hired to review the program.

History *(continued)*

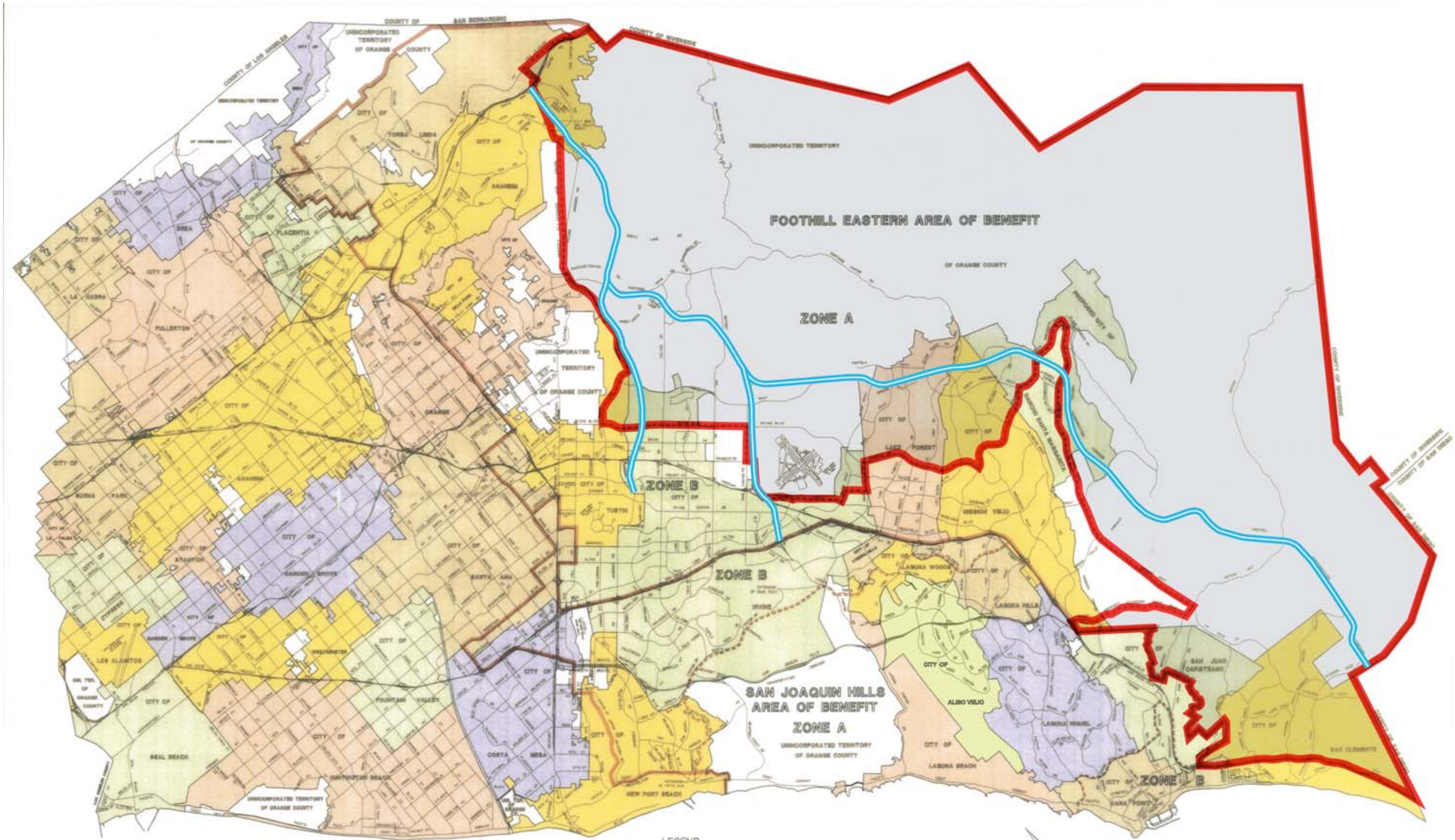
- An 18 month process began to resolve concerns of development community with over 75 models prepared utilizing various assumptions.
- In November 1990, the landowners accepted a proposed methodology of fee rates for the F/ETCA; rates were presented to the Boards in December and Public Hearings were held in January 1991.
- Rates were originally adjusted by using the California Construction Cost Index (CCCI), but wide fluctuations in the index prohibited developers from effective planning.
- In 1997, the Boards adopted a set rate of increase. Each July 1, rates for the F/ETCA increase by 2.206%.



COUNTY OF SAN BERNARDINO
COUNTY OF RIVERSIDE
COUNTY OF LOS ANGELES
FOOTHILL EASTERN AREA OF BENEFIT
ZONE A
ZONE B
ZONE B
SAN JOAQUIN HILLS
AREA OF BENEFIT
ZONE A
ZONE B
LEGEND:
INDICATES AREA OF BENEFIT BOUNDARY
INDICATES ZONES A / B BOUNDARY
NOTE: BOUNDARIES WHEN SHOWN ALONG STREET ALIGNMENTS ARE ON CENTERLINE.
NOT TO SCALE
TRANSPORTATION CORRIDORS
FEE PROGRAM AREA



TRANSPORTATION CORRIDORS
FEE PROGRAM AREA



LEGEND:

INDICATES AREA OF BENEFIT BOUNDARY

INDICATES ZONES A / B BOUNDARY

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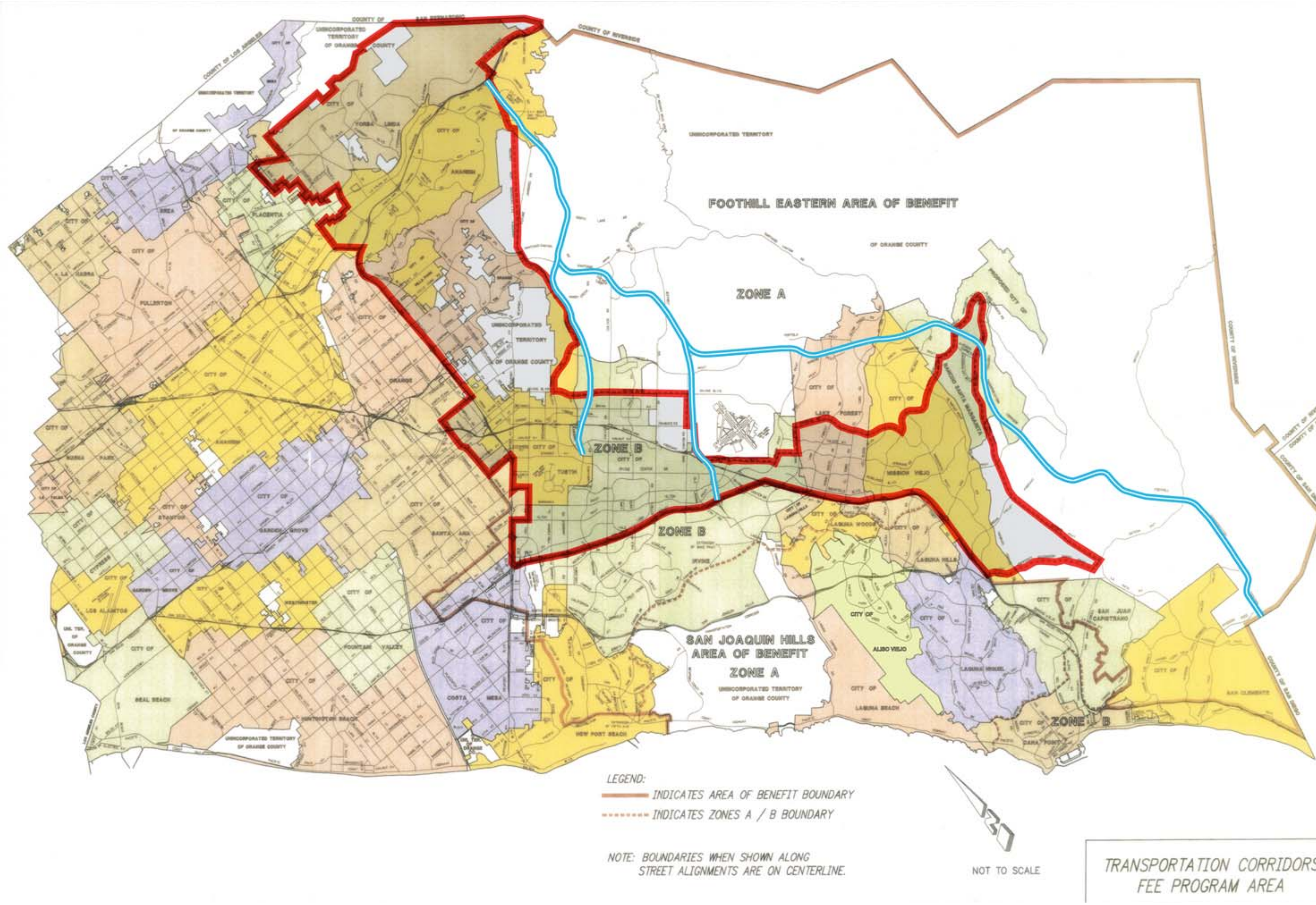
TRANSPORTATION CORRIDORS FEE PROGRAM AREA


FOOTHILL EASTERN AREA OF BENEFIT
ZONE A
ZONE B
SAN JOAQUIN HILLS
AREA OF BENEFIT
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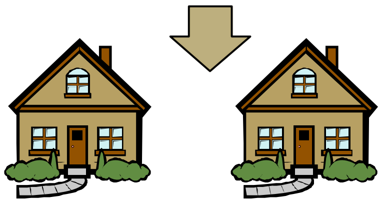
Three categories established

- Single Family Units
- Multi-Family Units [condos, apartments, granny units, etc.]
- Non-Residential

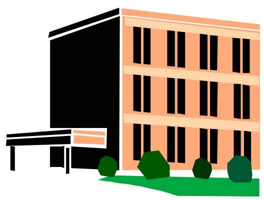
How Does the Program Work?

Permit Desk



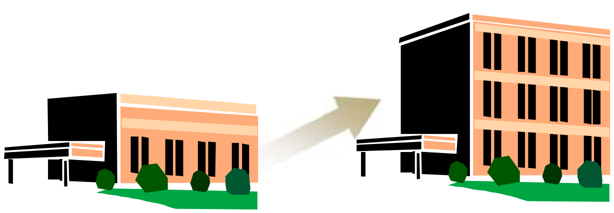
X Rate for Zone A or B = Fee Due

OR



Total Gross Square Footage X Rate = Fee Due

= No Fee Due



Additional Square Footage (30,000) X Rate = Fee Due

15,000 Sq. Ft. 45,000 Sq. Ft.

Exemptions to the Fee Program

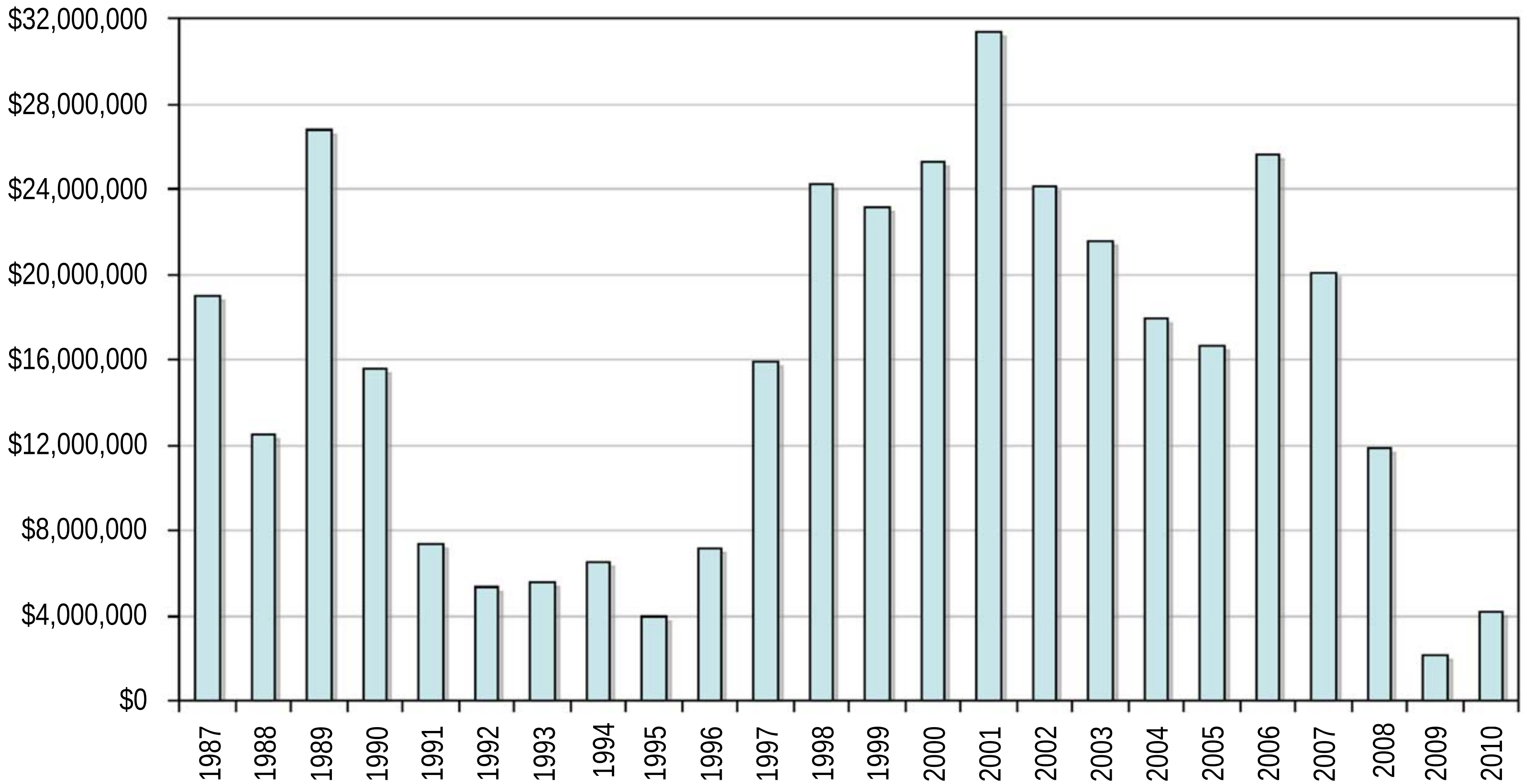
- **Development that is exempt from property tax**
  - Churches
  - Schools
  - Welfare exemptions
- **Government-owned facilities or utilities unless they generate revenue**
- **Parking garages (generally)**

Rates

F/E TCA - July 1, 2010 – June 30, 2011

	Type of Structure	DIF
Zone A	Single Family	$4,869/unit
	Multi-Family	$2,843/unit
	Non-Residential	$6.77/sq. ft.
Zone B	Single Family	$3,466/unit
	Multi-Family	$2,018/unit
	Non-Residential	$3.92/sq. ft.

Foothill/Eastern DIFs Collected



Total F/E DIFs through 2010 = $378,910,807

Monitoring & Dispute Resolution

- TCA audits member agencies on a rotating basis to confirm proper collection of fees and identify areas of concern
- Questions are referred to TCA staff for resolution
- TCA consults with developer/property owner and member agency staff over disputes; legal counsel is engaged, if necessary
- Past items of dispute – self-storage units, time shares, mezzanines, uses of non-residential space

Monitoring & Dispute Resolution *(continued)*

- **Administrative appeal process:**
  - – Fees must be paid prior to appeal
  - – Appeal is presented to the Technical Advisory Committee (TAC)
    - Binding opinions concerning the calculation of the fees
    - Advisory opinions to the Parties concerning the applicability of the fees
  - – Board has the authority to render a binding opinion on an appeal by a majority vote