The Economics of Land Use

Final Report

Updated Analysis of Development Impact Fees in Western Riverside County

Prepared for:

Western Riverside Council of Governments (WRCOG)

Prepared by:

Economic & Planning Systems, Inc. (EPS)

April 23, 2019

EPS #181032

Economic & Planning Systems, Inc.
One Kaiser Plaza, Suite 1410
Oakland, CA 94612
510 841 9190 tel
510 740 2080 fax

Oakland
Sacramento
Denver
Los Angeles

www.epsys.com

Table of Contents

List of Figures

1. INTRODUCTION AND FINDINGS

The Western Riverside Council of Governments (WRCOG) commissioned this Report to provide increased regional understanding of development impact fees on new development in Western Riverside County. More specifically, the purpose of this Report is to: (1) indicate the types and relative scale of the development impact fees placed on different land uses and (2) indicate the scale of fees relative to overall development costs. The Report is also intended to provide helpful background information on the impact of the Transportation Uniform Mitigation Fee (TUMF) by placing TUMF in the context of the broader development impact fee structure, overall development costs, and other regional dynamics.

This Report represents the first update to the Original Study completed in December 2016.[1] This study provided similar information on development impact fees and development costs based on 2016 fee schedules and development cost estimates. This Report (the 2019 Updated Study) provides updated information based on 2018 fee schedules and estimates of development costs. A companion memorandum provides a summary of the changes in fee levels between 2016 and 2018.[2]

This Report recognizes that there are substantive and ongoing debates about the appropriate levels of development impact fees in regions throughout California and elsewhere in the United States. On the one hand, development impact fees provide revenue to support the construction of critical infrastructure and capital facilities (or in-kind capital facility development) that can generate development value, economic development, and quality of life benefits. On the other hand, development impact fees act as an additional development cost that can influence development feasibility and potentially the pace of new development. **In reality, each fee-adopting jurisdiction needs to weigh the costs and benefits of potential new/increased fee levels in the context of their goals, capital improvement needs, and economic and development dynamics**.

This Report considers development impact fees defined as one-time fees collected for the purposes of funding infrastructure and capital facilities.[3] Because of the broad variation in land use and development projects in Western Riverside County, prototype development projects for single-family, multifamily, retail, Class A/B office and large industrial developments were all developed to support comparisons of fees in different jurisdictions.

A summary of key findings is provided below, followed by a description of the organization of this Report.

---

[1] See Report entitled "Analysis of Development Impact Fees in Western Riverside County", December 2016.

[2] See Technical Memorandum entitled "Overview of Changes in WRCOG Jurisdiction Fees: 2016 to 2018", March 2019.

[3] As used in this report and discussed further below, the phrase "development impact fee" includes all fees adopted pursuant to the Mitigation Fee Act and other monetary exactions due at the time of development.

Summary of Findings

FINDING #1: **New development in Western Riverside County pays a wide range of one-time infrastructure/capital facilities associated fees with a number of different public agencies.**

New development in Western Riverside County is required to pay development impact fees to help fund:

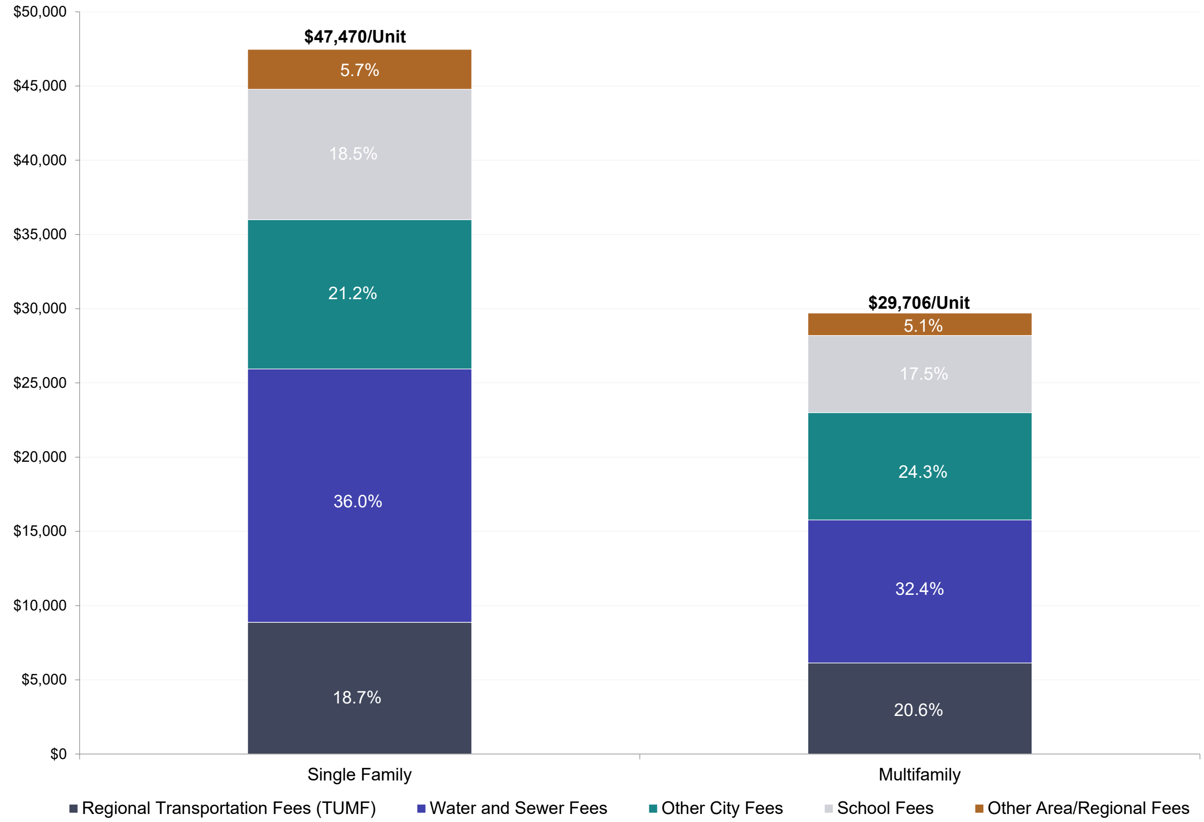
- Water and Sewer Facilities
- School Facilities
- Regional Transportation Infrastructure
- Additional Local Infrastructure/Capital Facilities (local transportation, parks and recreation, public facility, community/civic facilities, and storm drain infrastructure).
- Subregional/Area Fees (habitat mitigation fees, Road and Bridge Benefit Assessment Districts, and other area-specific infrastructure/capital facilities fees).

These fees are set/administered by a combination of water districts, school districts, individual cities, the County, the Western Riverside Council of Governments, the Western Riverside County Resource Conservation Authority, and other special districts.

FINDING #2: **TUMF represents a modest proportion of total residential development impact fees in Western Riverside County and a more variable proportion of nonresidential development impact fees.**

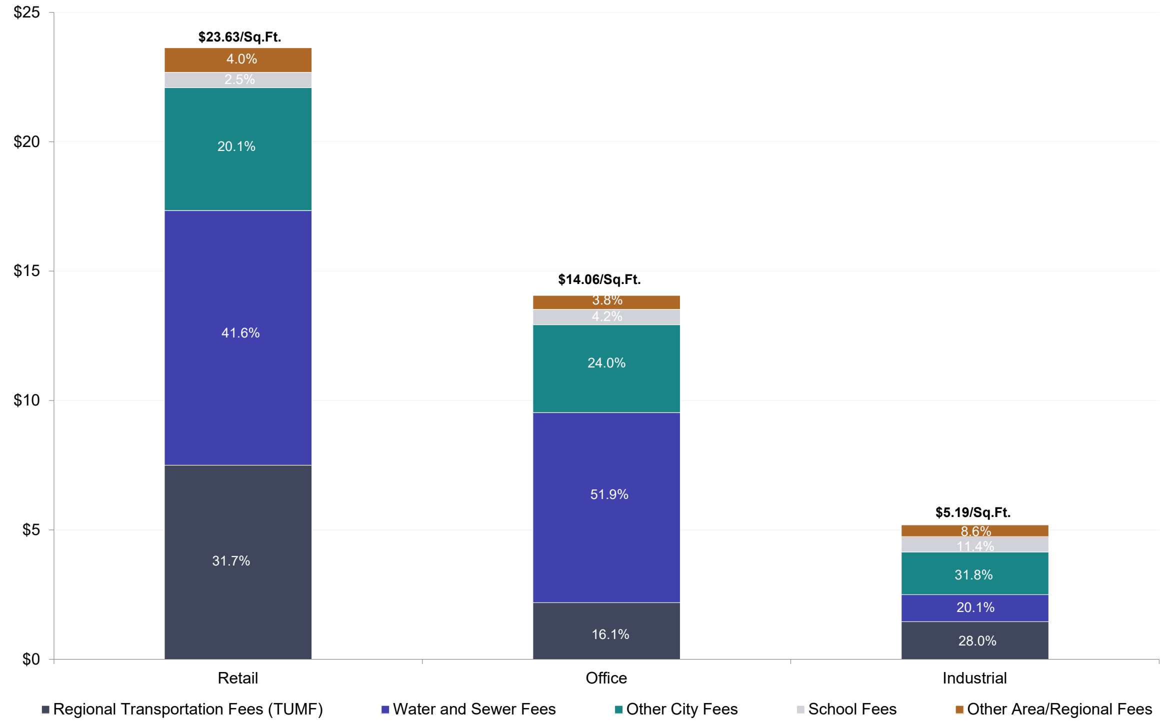
- **On average, TUMF on residential development represents about 20 percent of total development impact fees for both single-family and multifamily development**. Water and sewer fees together represent the greatest proportion of residential development impact fees (36.0 percent/32.4 percent), followed by similar proportions from other City fees (21.2 percent/24.3 percent), TUMF (18.7 percent/20.6 percent), and school fees (18.5 percent/17.5 percent). A smaller proportion is associated with other subregional/area fees (5.7 percent/5.1 percent).

Average WRCOG Residential Development Impact Fees by Fee Category



- **Average TUMF fees as a proportion of total fees show more variation for nonresidential land uses, ranging from 31.7 percent for retail development to 15.6 percent for Class A/B office development**. Retail development impact fees are dominated by water and sewer fees (41.6 percent) with an additional one-third (31.7 percent) associated with the TUMF. The substantial reduction in the TUMF fee on retail development reduced the TUMF proportion from 43.5 percent to the current 31.6 percent. Office development impact fees are also dominated by water and sewer fees (52.2 percent), with TUMF (15.6 percent) representing a lower proportion of total fees relative to all other land uses. Large industrial developments that do not have intensive water needs have a large proportion of water and sewer fees (20.1 percent). While lower in absolute terms, industrial development impact fees are dominated on a proportionate basis by other City fees (31.8 percent) and TUMF (28.0 percent).

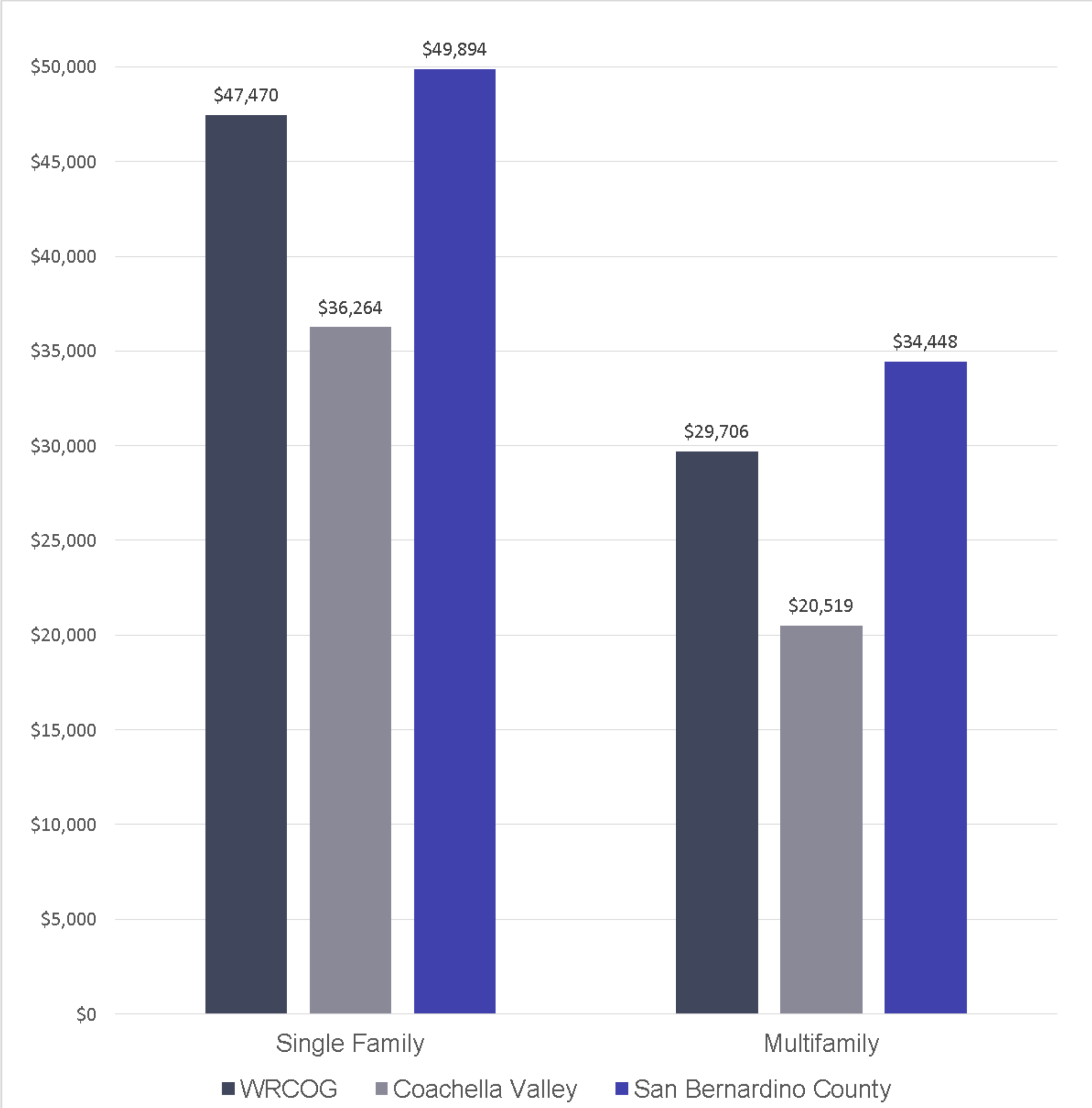
Average WRCOG Nonresidential Development Impact Fees



FINDING #3: **Average development impact fees in WRCOG member jurisdictions are within the Inland Empire range.**

- **Average residential development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities and higher than the average of selected Coachella Valley cities.** When compared with the average of selected San Bernardino County cities (Fontana, Yucaipa, San Bernardino, Ontario, Chino, and Rialto), the WRCOG average is modestly lower for both single-family and multifamily development. The average for selected Coachella Valley cities (Indio, Palm Desert, and Palm Springs) is substantially lower for single-family and multifamily development.

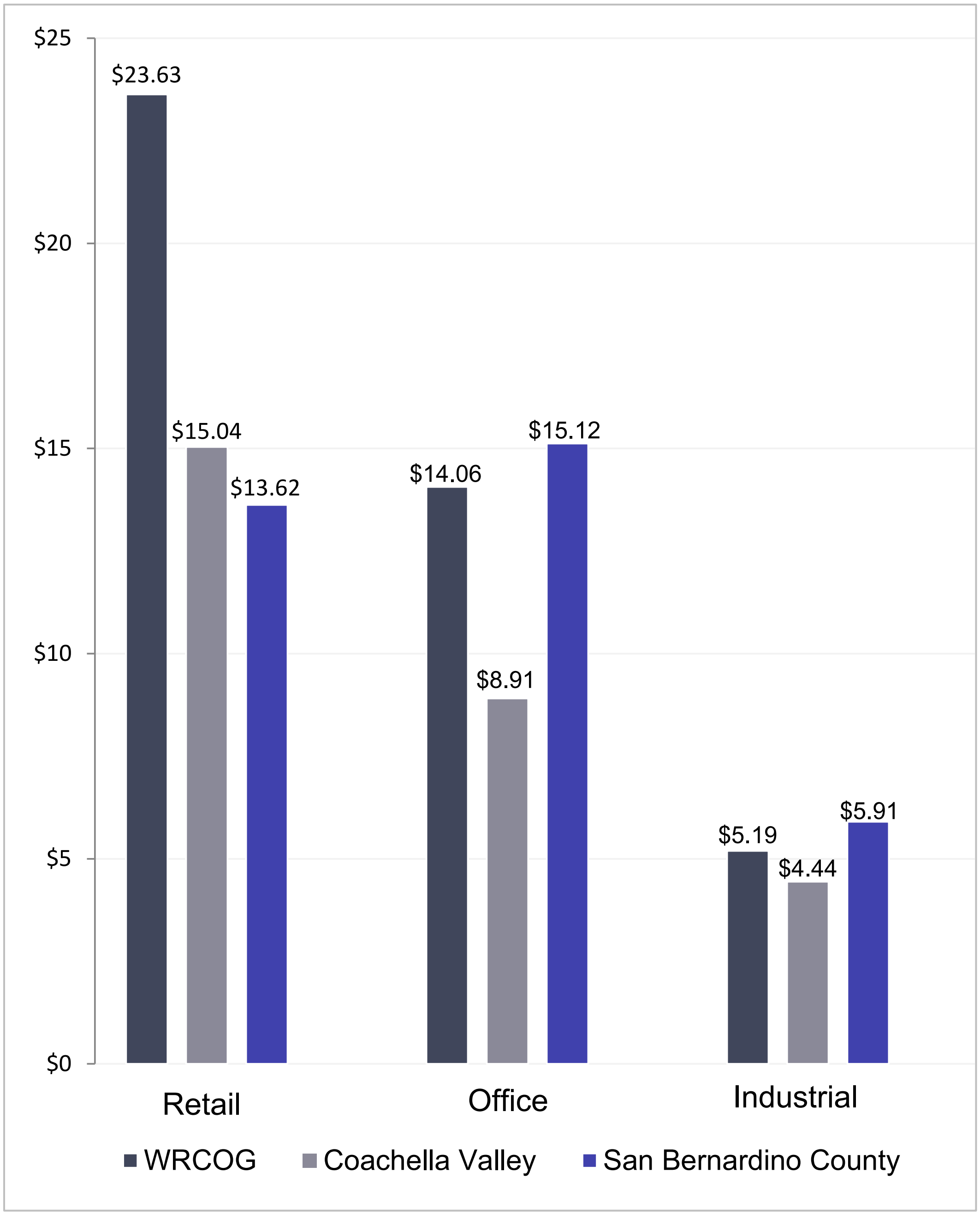
Average Residential Development Impact Fees in Neighboring Jurisdictions



- **Average retail development impact fees are substantially higher than the relatively similar average fee levels for San Bernardino County and Coachella Valley**. At $23.63 per square foot of retail space, the WRCOG average total fee is substantially higher than the equivalent fees in the other areas of study that ranged from $13.62 to $15.47 per square foot. This remains true despite the reduction in the TUMF fee on retail development.[4] For office development, the WRCOG average is slightly below the average of the San Bernardino County cities evaluated, but substantially higher than the average for the Coachella Valley cities evaluated. The WRCOG average for industrial development is somewhat lower than the San Bernardino County average of $5.91 per square foot and somewhat higher than the average for Coachella Valley cities of $4.44 per square foot.

[4] Refinements in the calculation methodology of water/ sewer fees based on input from some jurisdictions resulted in an increase in estimated water/ sewer fees that partially balanced out the reduction associated with the TUMF retail fee.

Average Nonresidential Development Impact Fees in Neighboring Jurisdictions



FINDING #4: Average development impact fees among WRCOG member jurisdictions represent between 3.8 percent and 8.9 percent of total development costs/returns, with TUMF as a lower fraction of these proportions.

- **Total development impact fees represent between 3.8 percent and 8.9 percent of total development costs/returns for the prototype feasible projects.** Total development impact fees represent 8.5 percent and 8.9 percent of total development costs/returns respectively for the prototype single-family and multifamily developments evaluated. As is common, nonresidential development impact fees are lower as a percent of total development cost/return at 3.8 percent for industrial development and 4.3 percent for office development. For retail development, the fee level percentage is 6.9 percent, is between the proportions for residential uses and other nonresidential uses.

- **TUMF represents between 0.7 percent and 2.2 percent of total development costs/returns for the prototype feasible projects. While changes in the TUMF can add or subtract from total development costs, it would take a substantial change to increase/decrease overall development costs/returns by more than 1 percent.** TUMF represents between 16.1 percent and 31.7 percent of total development impact fees with the highest ratios for retail and industrial development and lowest for office development. As a proportion of overall development costs, TUMF represents 1.6 percent and 1.8 percent for single-family and multifamily respectively. For nonresidential uses, TUMF represents 0.7 percent of total development costs for office development, 1.1 percent for industrial development, and 2.2 percent for retail development. Average total development impact fees as a proportion of estimated overall development costs have fallen for all land uses since 2016. Similarly, the TUMF proportion of total development costs has decreased for land uses with the largest change in retail, where the TUMF has fallen from 3.5 percent to 2.2 percent of overall development costs since 2016.

Development Impact Fees as % of Total Developments Costs/Returns

Development Impact Fees	Single Family	Multifamily	Industrial	Retail	Office
TUMF	1.6%	1.8%	1.1%	2.2%	0.7%
Other Development Impact Fees	6.9%	7.0%	2.7%	4.7%	3.6%
Total Development Fees	**8.5%**	**8.9%**	**3.8%**	**6.9%**	**4.3%**

Organization of Report

After this initial chapter, this Report is divided into three other chapters and several appendices. **Chapter 2** describes the definitions, methodology, and results of the fee review and comparison for WRCOG and non-WRCOG jurisdictions. **Chapter 3** describes the overall development cost estimates for land uses/development prototypes evaluated and considers total development impact fees and the TUMF relative to all development costs. Finally, **Chapter 4** provides a brief conclusion on the purposes and goals of this and other development impact fee comparison studies.

The appendices provide a substantial amount of additional supporting detail and information, including:

- **APPENDIX A** provides detailed information on the Development Prototypes.
- **APPENDIX B** provides fee comparison summaries and detailed fee estimation information for each WRCOG jurisdiction/area and each land use category.

2. *DEVELOPMENT IMPACT FEE REVIEW AND COMPARISONS*

This chapter describes the detailed development impact fee research conducted for WRCOG jurisdictions as well as for selected neighboring jurisdictions in Coachella Valley and San Bernardino County. The purpose of this research is to explore the typical composition of development impact fees in WRCOG member jurisdictions, to understand the scale of TUMF relative to other development impact fees, and to consider the development impact fees among WRCOG member jurisdictions relative to neighboring jurisdictions.

While every effort was made to provide an accurate comparison through the use of defined development prototypes and the latest jurisdictional fee schedules, the frequent adjustments to fee programs and the complex, project-specific calculations required for some fees mean that the numbers presented are planning-level approximations. All the development impact fee estimates shown are based on available fee schedules at the time the research was conducted (July 2018) and as applied to the particular land uses/development prototypes developed. The actual fees due from any particular project will depend on the specifications of the individual project and the fee schedule at the pertinent time.

The first section below provides some key definitions. The subsequent section provides a detailed description of the fee research methodology. The final section provides findings concerning development impacts fees in WRCOG member jurisdictions and the other jurisdictions studied. In general, the definitions and approach in this Update Study are consistent with those in the Original Study to maintain consistency. In some situations, as noted below, refinements were necessary; for example, some water districts provided new information on the water meter assumptions to be used in fee calculations.

Study Definitions

Development impact fees have become an increasingly used mechanism among California jurisdictions to require new development to fund the demands it places on local and regional infrastructure and capital facilities. This Report defines development impact fees as one-time fees collected for the purposes of funding infrastructure and capital facilities.[5] This includes fees for the funding of a broad range of capital improvements, including water, sewer, storm drain, transportation, parks and recreation, public safety, and numerous other types of civic/community facilities. The majority of these fees are adopted under or consistent with the Mitigation Fee Act, though the analysis also includes other one-time capital facilities fees, such as parkland in-lieu fees under the Quimby Act and one-time charges through Community Facilities Districts or Benefit Assessment Districts among others.

There are a number of smaller permitting, planning, and processing fees that are charged on new development, but that do not fund capital facilities/infrastructure. Due to the large number of more modest charges typically associated with such fees and their relative modesty compared

[5] As used in this report and discussed further below, the phrase "development impact fee" includes all fees adopted pursuant to the Mitigation Fee Act and other monetary exactions due at the time of development. The term "fee," as used in this report, means "development impact fee."

to development impact fees (most studies find them to be in the 5 to 15 percent range of development impact fees, between 1 and 2 percent of total development costs), these smaller fees were not tracked as part of this study.

Methodology

In order to provide a fee comparison that was as close as possible to an "apples-to-apples" comparison, WRCGOG staff and the Consulting Team identified the following parameters to guide the study:

- Jurisdictions to be studied.
- Land uses to be evaluated and associated development prototypes.
- Selection of service providers where there are multiple service providers in same jurisdiction.
- Organization of development impact fee data.

This section describes these study parameters as well as the process of review with the jurisdictions/relevant service providers.

Selection of Jurisdictions

Jurisdictions selected for this analysis include all eighteen (18) WRCOG member cities. WRCOG staff and the Consulting Team also identified three additional member areas to study, including the March JPA and two unincorporated areas in the County. The selected unincorporated areas included Temescal Valley and Winchester, two areas where substantial growth is occurring and/or planned. The only difference from the Original 2016 Study was the inclusion of the City of Beaumont as a WRCOG member city.

For the comparison of WRCOG jurisdictions to neighboring/peer areas, the jurisdictions selected included: (1) selected Coachella Valley communities in eastern Riverside County, and (2) selected San Bernardino County communities. These jurisdictions were selected by WRCOG staff and the Consulting Team and refined based on feedback from the WRCOG Planning Directors' Committee and WRCOG Public Works Committee in 2016. The San Bernardino County communities selected were those likely to compete for development with neighboring WRCOG jurisdictions. All these jurisdictions remain the same as in the 2016 Study.

Figure 1 shows the cities/communities evaluated, including the twenty-one (21) WRCOG cities/communities and the nine (9) non-WRCOG comparison communities.

Figure 1 Jurisdictions included in Fee Study

WRCOG Jurisdictions		Coachella Valley	San Bernardino County
Banning	Murrieta	Indio	Fontana
Canyon Lake	Norco	Palm Desert	Yucaipa
Beaumont	Perris	Palm Springs	San Bernardino
Calimesa	Riverside		Ontario
Corona	San Jacinto		Chino
Eastvale	Temecula		Rialto
Hemet	Wildomar		
Jurupa Valley	Temescal Valley		
Lake Elsinore	Winchester		
Menifee	March JPA		
Moreno Valley			

Land Uses and Development Prototypes

Land Uses

The TUMF is levied on a variety of residential and Nonresidential land uses with variations for certain product types built into the fee program. TUMF includes fees on the following land uses:

- **Single-Family Residential Development** – Per unit basis.
- **Multifamily Residential Development** – Per unit basis.
- **Retail Development** – Per gross building square foot basis.
- **Industrial Development** – Per gross building square foot basis. The industrial fee includes a base fee on square footage up to 200,000 square feet and then, where the building meets the definition of a "high cube" building, an effective discount of 73 percent in the base fee for all additional development above 200,000 square feet.[6] "High Cube" is defined as warehouses/distribution centers with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet.
- **Service (including Office) Development** – Per gross building square foot basis. There is a per-building square foot fee for Service Development. Office development is a sub-category within Service Development. Class A and B office development is charged a discounted TUMF fee relative to other land uses in the service category.

For the purposes of this study, five (5) land use types were selected, including the single-family residential, multifamily residential, and retail development categories in addition to a large "high-cube" industrial building, and a Class A/B office building. The large industrial building land use

[6] The square footage above 200,000 square feet is multiplied by 0.27 and then the base fee is applied resulting in an effective increment fee of about $0.47 per square foot.

was selected based on industrial development trends in Western Riverside County, while the Class A/B office building was selected due to its reduced fee level.

Development Prototype Selection

Within each of the five (5) general land use types selected, it is necessary to select specific development prototypes. Because development impact fees vary based on a number of development characteristics, the definition of development prototype improves the extent to which the fee comparison will be "apples-to-apples".

In order to identify appropriate development prototypes for the five land uses, in 2016, the Consulting Team reviewed data on the general characteristics of new single-family, multifamily, office, retail, and industrial development among Western Riverside County communities in recent years.

Information on multifamily, retail, office, and industrial developments developed between 2010 and 2016 were reviewed as was information on single-family developments between 2014 and 2016. A smaller time period was used for single-family developments as there were substantially more single-family developments. The characteristics of the median development for each of the land use types was identified and used as the selected development prototype. For single-family development, the median home and lot size characteristics were identified, while for multifamily residential, office, retail, and industrial buildings the average building sizes were identified.

Based on this analysis, the following development prototypes were developed for each of the selected land uses and reviewed, in 2016, with the WRCOG Planning Directors' Committee, Public Works Committee, and Technical Advisory Committee (images represent examples of projects that matched the development prototypes). The same prototypes are used in this Study Update.

Single-Family Residential Development
50-unit residential subdivision; 2,700 square foot homes and 7,200 square foot lots

Example Prototype Single-Family Home, City of Riverside

Multifamily Residential Development
200-unit market-rate, 260,000 gross square foot apartment building

Example Prototype Multi-Family Development, City of Temecula

Retail Development
10,000-gross square foot retail building

Example Prototype Retail Development, City of Hemet

Office Development
20,000-gross square foot, Class A or Class B office building

Example Prototype Office Development, City of Hemet

Industrial Development
265,000 gross square foot "high cube" industrial building[7]

Example Prototype Industrial Development, City of Perris

In addition to development scale, there are a number of other development characteristics that can affect development impact fees. For example, many water facilities fees are tied to the number and size of meters associated with a new development. Other fees are tied to the gross site area or other characteristics that will vary for each development. The Consulting Team developed a set of additional development prototypes assumptions to use in the fee estimates (see **Appendix A**). These assumptions were based on a review of the equivalent assumptions

[7] "High Cube" is defined as warehouses/distribution Centers with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet.

used in other regional fee studies (e.g., in the San Joaquin Valley and the Sacramento Valley) and were refined based on feedback, when provided, from Western Riverside County service providers. In some cases, the formula for fee calculation required even more assumptions. In these cases, service providers typically conducted their own fee estimates and provided the results to WRCOG Staff/the Consulting Team. The assumptions used in this Update Study were maintained the same as in the Original Study except where individual jurisdictions recommended changes. Changes primarily occurred where Water Districts/ Cities provided updated information on their typical water meter assumptions.

Service Provider/Subarea Selection

In some cities, there were multiple service providers providing the same type of facilities in different parts of the city. For example, some cities were served by two or more distinct School Districts, while many cities were served by two or more Water Districts. For the purposes of the fee comparison one set of service providers was assumed based on the following approach:

- Suggestions from the City.
- Commonality of service provider between multiple cities; for example, Eastern Municipal Water District serves many cities.
- Scale/nature of service areas was also considered; for example, in some cases the majority of a City was served by one service provider and/or the majority of the growth areas were served by a particular service provider.
- In some cases, there was one service provider – e.g., the City – with different fees by City subarea (e.g., storm drain). In these cases, an effort was made to select the area expected to see the most growth based on discussions with City and WRCOG staff.
- In other cases, area-specific one-time fees/assessments/special taxes were in place to cover the costs of capital facilities in a new growth area. Where substantial in scale, these areas and the associated area fees were used in the fee comparison.

Organization of Fee Information/Categories

The primary focus of the fee research is to develop estimates of existing development impact fees charged on new development in the selected jurisdictions. While there is some conformance in fee categories (e.g., School District fees), there is also variation in the naming and facilities included in water and sewer facilities fees and substantial variation in the capital facilities fees that different cities charge. The fee review sought to obtain all the development impact fees charged from all the jurisdictions studied and then compiled them into normalized set of categories to allow for comparisons. The key fee categories are as follows:

- **Regional Transportation Fees**. This category includes the respective TUMFs in Western Riverside County and Coachella Valley. It also included regional transportation impact fees in other subregions/jurisdictions where they were clearly called out. The lines between regional transportation fees and local transportation fees are harder to discern in San Bernardino County where cities are required to contribute towards regional transportation funding, but do not necessarily separate out those fees from the other, local transportation fees.

- **Water/Sewer Connection and Capacity Fees**. All jurisdictions charged some form of water and sewer development impact fee and these were combined together into one aggregate water/sewer category. In several cases, the County, city, or water district provided their own calculations due to the complexity of the fee calculation. In some cases, Water District/ City staff adjusted the prior underlying water meter assumptions to better match their current practice. In these cases, the water fees changed in part due to the updated methodology.

- **City/County Capital Facilities Fees**. Beyond any water/sewer fees that in some cases might be charged by individual jurisdictions (cities/County), these jurisdictions frequently adopt a large number of additional citywide fees. Such fees often include local transportation fees, parks and recreation facilities fees, Quimby Act requirements in-lieu parkland fees, storm drain fees, public safety facilities fees, other civic/community facilities fees, and, on occasion, affordable housing fees. This category captures all of these local development impact fees.

- **School Development Impact Fees**. School facilities fees are governed by State law and therefor show more similarity between jurisdictions than most fees. Under State law, School Districts can charge specified Level 1 development impact fees. If School Districts go through the process of identifying and estimating required capital improvement costs, higher Level 2 fees can be charged to fund up to 50 percent of the School District's capital improvement costs. At present, about nine of the fifteen School Districts studied (that serve WRCOG member jurisdictions) appear to charge Level 2 fees.

- **Other Area/Regional Fees**. A final category was developed to capture other fees not included in the above categories, typically other sub-regional fees as well as area-specific fees. For example, this category includes the Western Riverside County MSHCP mitigation fee, relevant Road and Bridge Benefit Districts (RBBD) fees, as well as other one-time CFD charges/impact fees for infrastructure/capital facilities applied in particular growth areas.

Data Compilation and Review Process

For WRCOG member jurisdictions, the following data collection and review process was followed:

- Identify set of service providers and development impact fees charged in jurisdiction.

- Obtain development impact fee schedules from City, County, and other service provider online sources.

- Review available mitigation fee nexus studies, Ordinances, and Resolutions.

- Where sufficient data was not available, contact City, County, or other service provider to obtain appropriate fee schedules.

- Develop initial estimates of development impact fees for each jurisdiction for each development prototype.

- Share PowerPoint document noting development prototypes specifications and initial fee estimates with each jurisdiction and selected other service providers (e.g., Eastern Municipal Water District).

- Receive feedback, corrections, and refinements (and in some cases actual fee calculations).
- Refine fee estimates based on feedback.
- Share revised fee estimates with jurisdictions.

For other non-WRCOG jurisdictions, fee information was obtained either on-line or by contacting cities directly. Fee information was then compiled in a similar structure to the WRCOG jurisdictions.

Findings from WRCOG Member Jurisdiction Fee Review

General findings from fee research concerning WRCOG member jurisdictions are summarized below and in **Figures 2** to **4**. **Appendix B** provides more detailed comparison charts for the WRCOG jurisdictions studied.

On average, WRCOG TUMF residential fees represent about 20 percent of total development impact fees for both single-family and multifamily development. Single-family TUMF and multifamily TUMF both represent about 20 percent of the respective average total development impact fees of about $47,470 per unit and $29,706 per unit. Due to the variation in overall development impact fees – from $33,993 per unit to $60,763 per unit for single-family development and from $19,267 per unit to $47,196 per unit for multifamily development – and the fixed nature of the TUMF across jurisdictions, TUMF as a percent of total development impact fees ranges from 14.6 percent to 26.1 percent for single-family development and 13.0 percent to 31.8 percent for multifamily development (see **Figures 2 to 4**).

Figure 2 TUMF as a Proportion of Total Fees

Item	Average	Range	
		Low	High
Single Family			
Total Fees per Unit	$47,470	$33,993	$60,763
TUMF as a % of Total Fees	18.7%	26.1%	14.6%
Multifamily			
Total Fees per Unit	$29,706	$19,267	$47,196
TUMF as a % of Total Fees	20.6%	31.8%	13.0%
Retail			
Total Fees per Sq.Ft.	$23.63	$13.48	$41.21
TUMF as a % of Total Fees	31.7%	55.6%	18.2%
Industrial			
Total Fees per Sq.Ft.	$5.19	$2.76	$9.64
TUMF as a % of Total Fees	28.0%	52.6%	15.1%
Office			
Total Fees per Sq.Ft.	$14.06	$6.62	$22.28
TUMF as a % of Total Fees	15.6%	33.1%	9.8%

* Average and ranges as shown encompass 21 jurisdictions, including 18 cities and the unincorporated areas of Temescal Valley, Winchester, and March JPA.

On average, WRCOG Nonresidential TUMF show more variation in level and in proportion of overall development impact fees (between 10 percent and 56 percent) than for the residential fee categories. Average retail development impact fees are about $24 per square foot and TUMF represents 32 percent of the average total fees on new retail development. Due to the variation in the total development impact fees on retail development among jurisdictions from $13.48 to $41.21 per square foot, the TUMF as a percent of the total fees ranges from 18.2 percent to 55.6 percent. Average industrial development impact fees are substantially lower at $5.19 per square foot with a range from $2.76 per square foot to $9.64 per square foot. TUMF represents about 28 percent of the average total industrial fees, with a range from 15.1 percent to 52.6 percent. Total development impact fees on office development fall in between the retail and industrial fees at an average of $14.06 per square foot and a range from $6.62 to $22.28 per square foot. The TUMF fee represents a relatively low 15.6 percent of average overall fees on office development with a range from 9.8 percent to 33.1 percent (see **Figure 2** to **Figure 4**).

Water and sewer fees together represent the greatest proportion of residential development impact fees followed by similar proportions from other City fees, TUMF, and school fees. Single-family and multifamily development both show that about 34 percent of their development impact fees are associated with water and sewer fees, about 21 percent with other City capital facilities fees, about 20 percent with regional transportation fees, about 18 percent with school facilities fees, and the remaining 5 percent associated with other regional fees or area-specific fees (see **Figure 3** and **Figure 4**).

Nonresidential development impact fees show more variation in terms of the distribution between fee categories. Retail development impact fees are dominated by water and sewer fees (41.6 percent) with an additional one-third associated with the regional transportation fee. While the overall fees are lower, industrial development impact fees are more dominated on a proportionate basis by other City fees (31.8 percent) and TUMF (28.0 percent), for non-intensive water using industrial buildings. Office development impact fees show a different pattern with substantial water and sewer fees at 52.2 percent followed by other city fees at 24.1 percent then regional transportation fees at 15.6 percent (see **Figure 3** and **Figure 4**).

Unincorporated jurisdictions have slightly lower total fees as compared to the average for all WRCOG study jurisdictions. For residential uses, total fees for the unincorporated study areas were approximately 80 percent of the WRCOG average total fee amount for residential uses. For nonresidential uses, total fees for unincorporated study areas were between 60 and 75 percent of the WRCOG average for nonresidential uses. Most of this difference can be attributed to the lack of substantial local fees for all land use types. See **Figure 5** for further detail.

Figure 3 Average Development Impact Fee Costs by Category in WRCOG Jurisdictions

Fee	Single Family (per Unit)	Multifamily (per Unit)	Industrial (per Sq.Ft.)	Retail (per Sq.Ft.)	Office (per Sq.Ft.)
Regional Transportation Fees (TUMF)	$8,873	$6,134	$1.45	$7.50	$2.19
Water and Sewer Fees	$17,070	$9,636	$1.04	$9.84	$7.34
Other City Fees	$10,055	$7,231	$1.65	$4.75	$3.39
School Fees	$8,785	$5,191	$0.59	$0.59	$0.59
Other Area/Regional Fees	$2,686	$1,512	$0.45	$0.95	$0.54
Total Fees	**$47,470**	**$29,706**	**$5.19**	**$23.63**	**$14.06**

Figure 4 Average Development Impact Fee Costs in WRCOG Jurisdictions

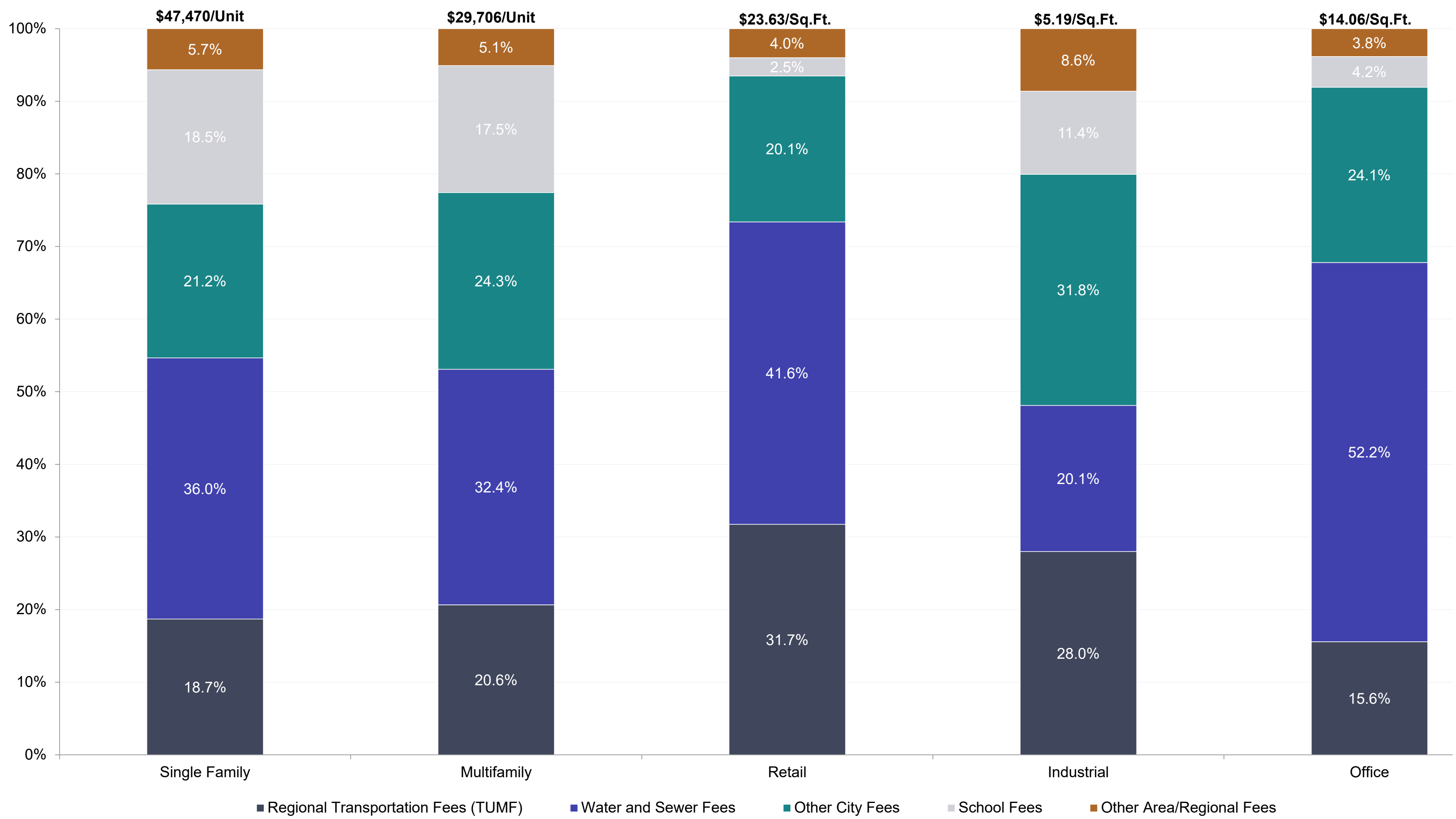


Figure 5 Unincorporated Jurisdictions/March JPA and Total Jurisdictions Comparison

Item	Single Family	Multifamily	Retail	Industrial	Office
Unincorporated Jurisdictions and March JPA	$37,326	$23,653	$17.61	$3.16	$10.54
Total Jurisdictions	$47,470	$29,706	$23.63	$5.19	$14.06
Unincorporated Jurisdictions and March JPA / Total Jurisdictions	79%	80%	75%	61%	75%

Findings from Fee Comparison with Non-WRCOG Jurisdictions

Figures 6 through **10** compare the average overall WRCOG development impact fees (and their proportionate distributions between the five major fee categories) with other cities/group of cities for all five land uses/development prototypes studied. The comparative cities/subregions include selected jurisdictions in the Coachella Valley and San Bernardino County.

Average development impact fees for WRCOG jurisdictions are modestly lower than the average of selected San Bernardino County cities, with the exception of retail development impact fees. When compared with the average of selected San Bernardino County cities (Fontana, Yucaipa, San Bernardino, Ontario, Chino, and Rialto), the WRCOG average is modestly lower for residential land uses, roughly equivalent for industrial and office land uses, with retail development the exception, where it is substantially higher. New development in San Bernardino County cities is required to make payments towards regional transportation infrastructure, though the distinction between the regional and local transportation fees is often unclear. Overall, the combination of regional transportation fees, other City fees, and area/other regional fees is higher in San Bernardino County than in Riverside County for single-Family and multifamily development.

The average development impact fees for selected Coachella Valley cities is below that of the WRCOG average for all land uses. The average for selected Coachella Valley cities (Indio, Palm Desert, and Palm Springs) is substantially lower for single-family, multifamily, office, and retail development, and modestly lower industrial development. For residential development, there are substantial differences in regional transportation fees, water and sewer fees, and other City fees. Regional transportation fees are set at an equal rate for both office and retail in Coachella Valley resulting in higher regional transportation fees for office development in Coachella Valley but lower fees for retail development.

Figure 6 Average Single-Family Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

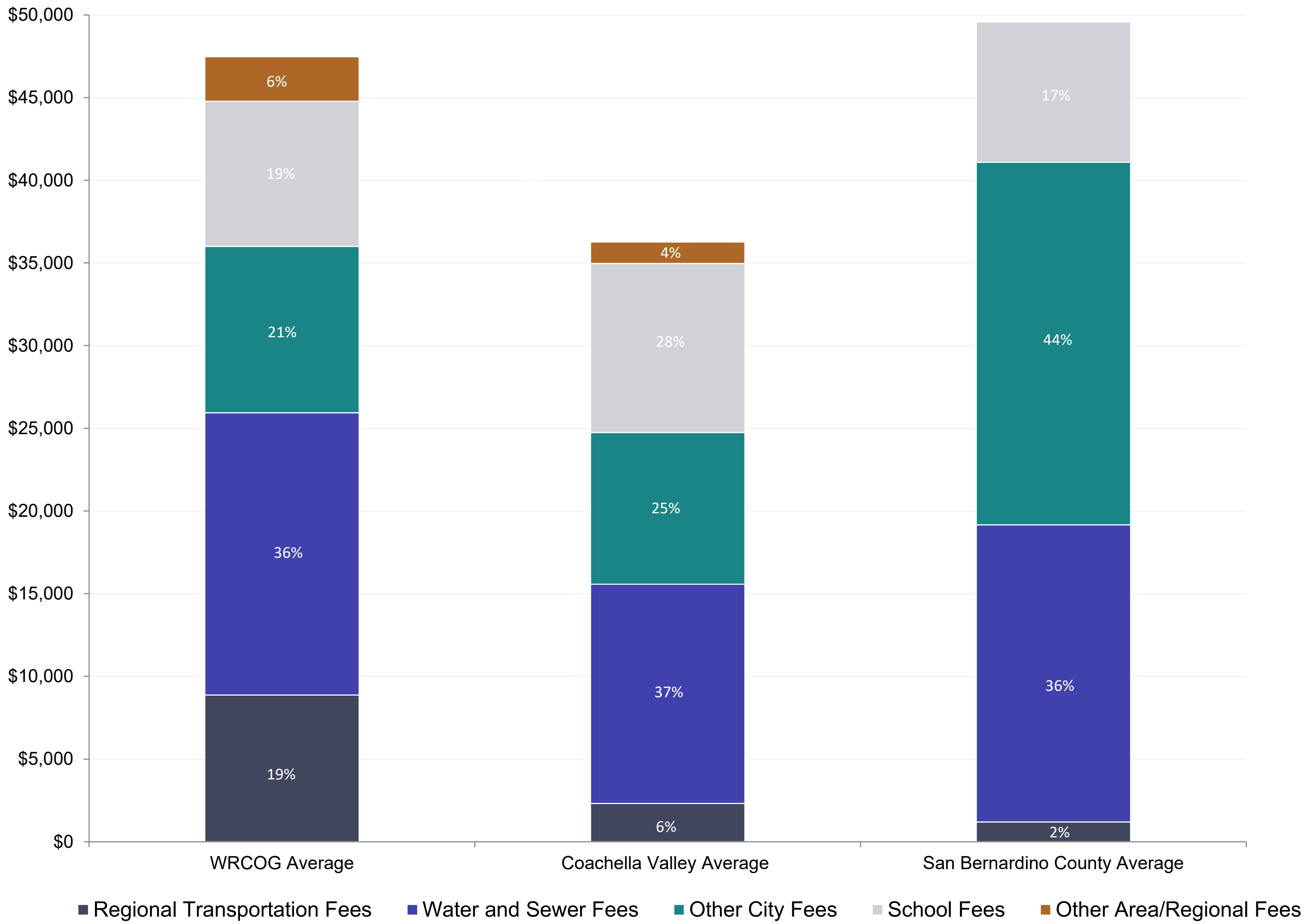


Figure 7 Average Multifamily Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

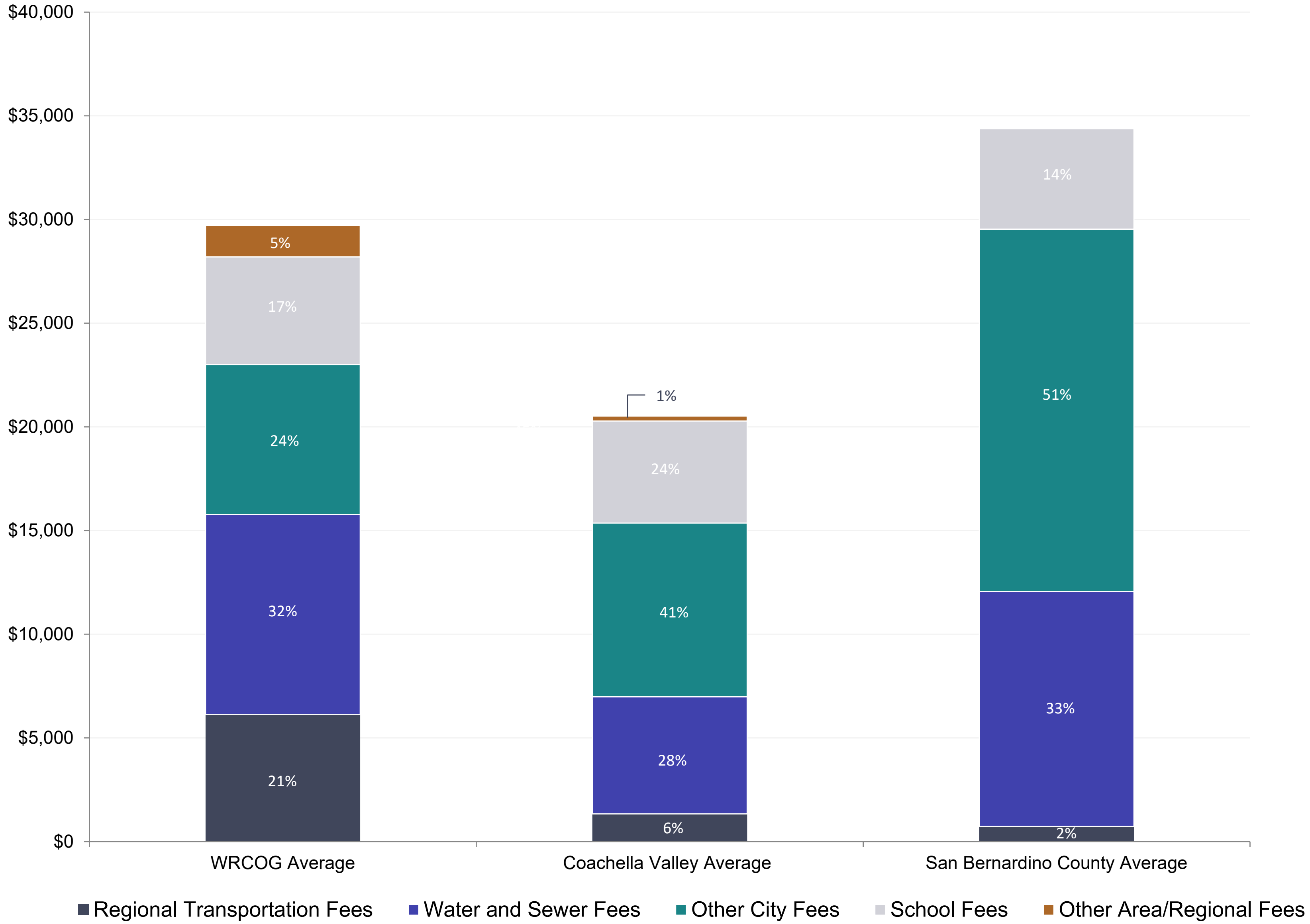


Figure 8 Average Retail Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

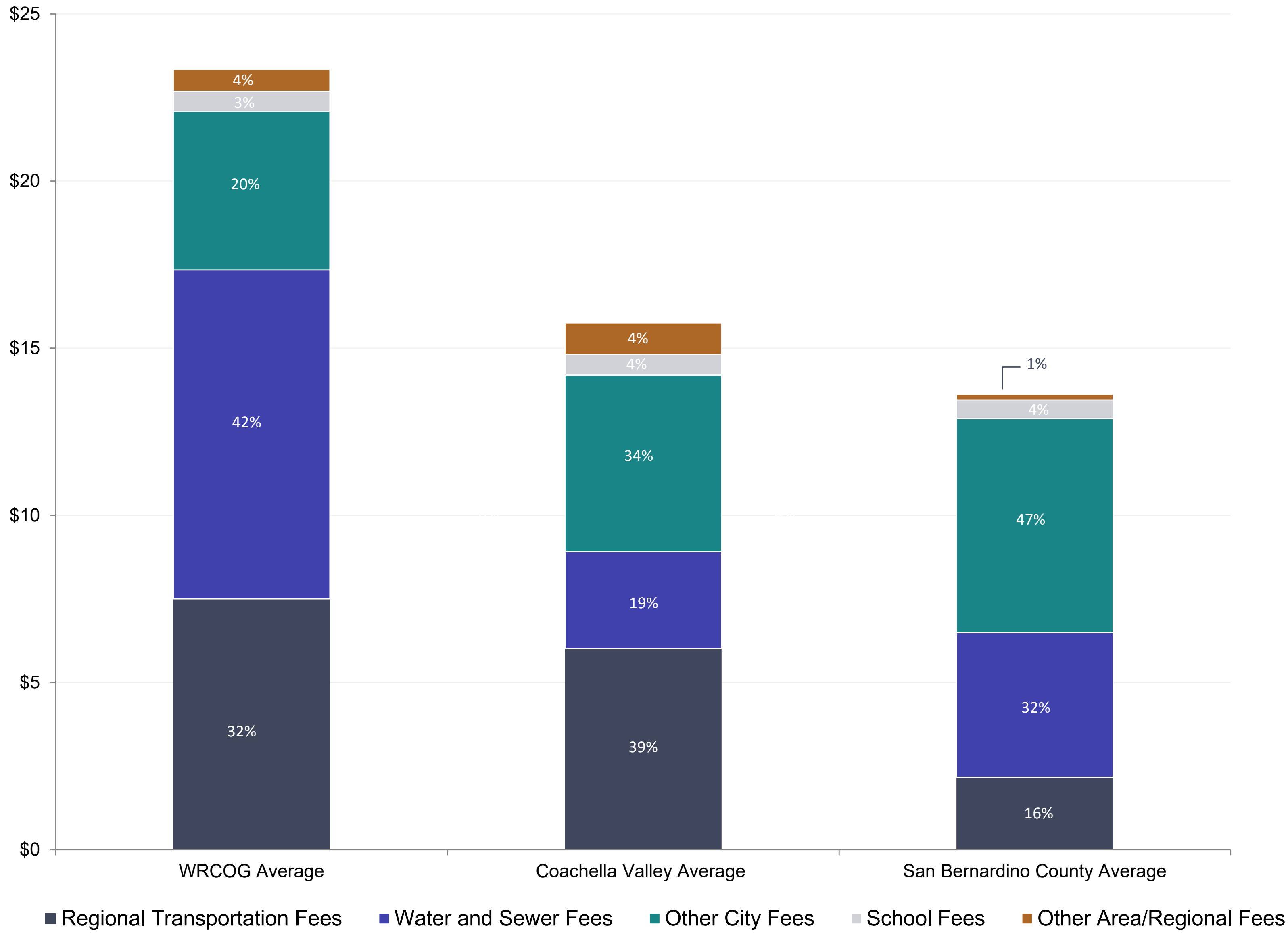


Figure 9 Average Industrial Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

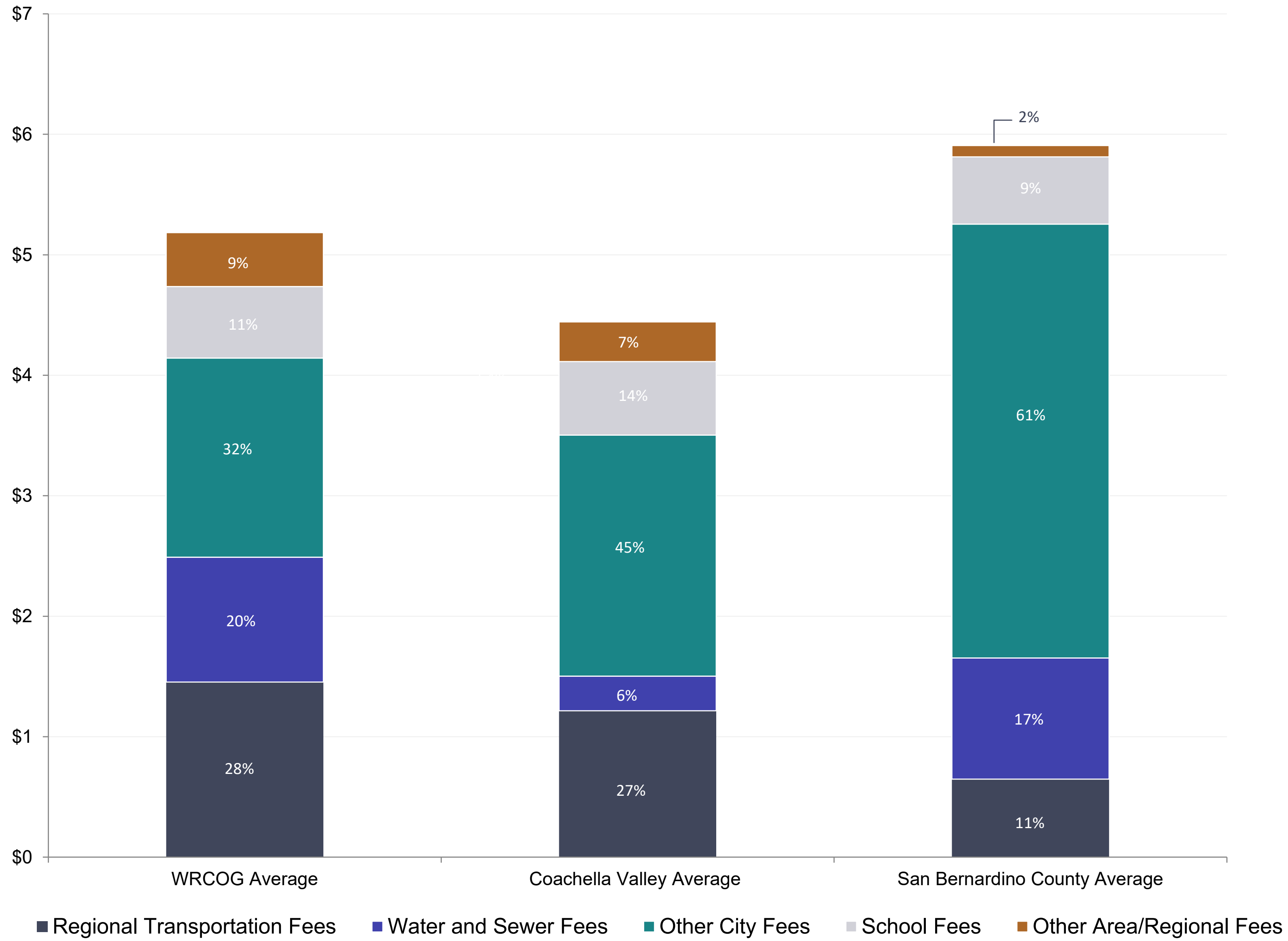
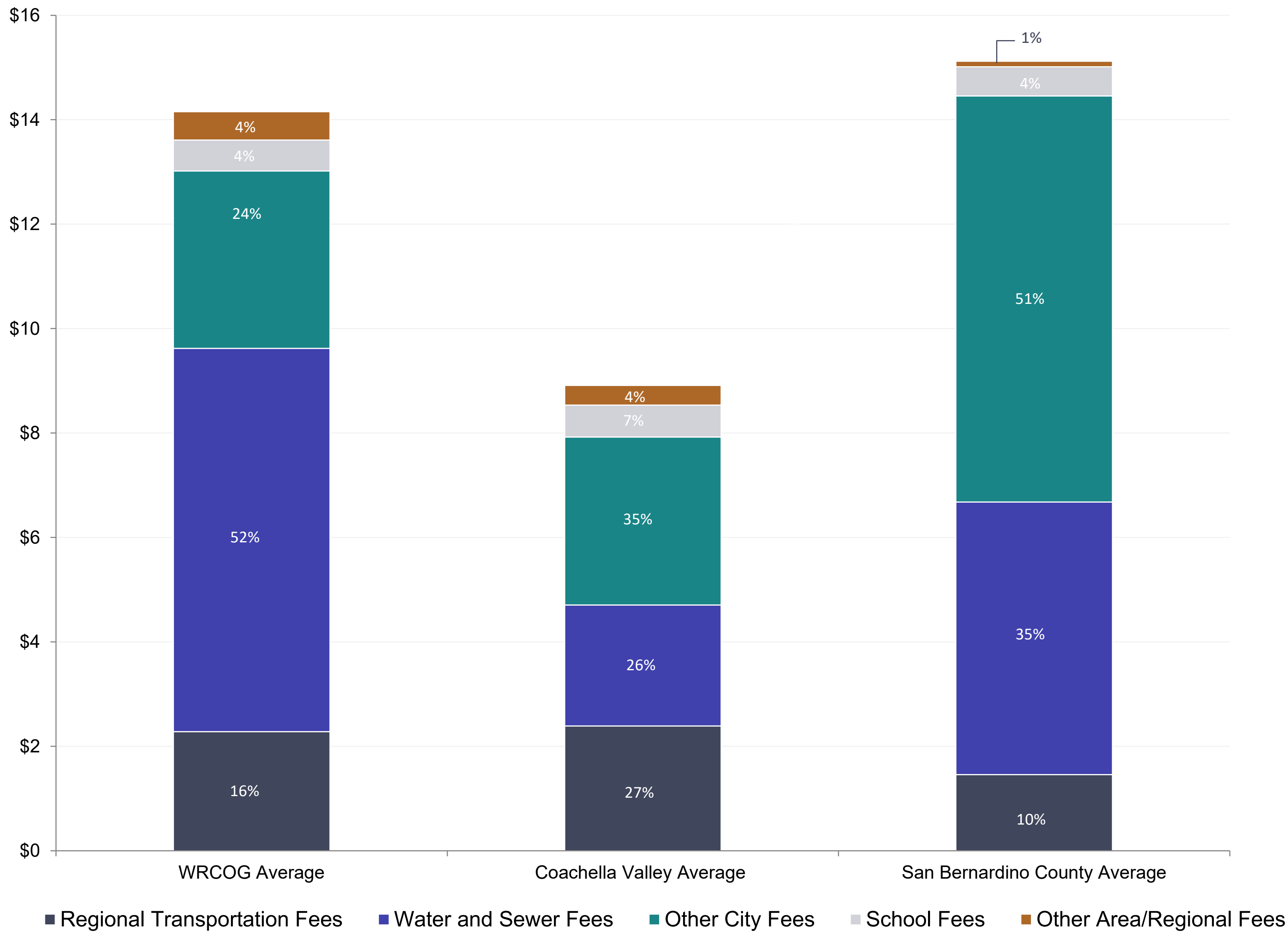


Figure 10 Average Office Development Impact Fee Costs and Proportions in Neighboring Jurisdictions



3. *DEVELOPMENT IMPACT FEES AND DEVELOPMENT COSTS*

This chapter evaluates development impact fees, including the TUMF, in Western Riverside County in the context of overall development costs. The first section below provides an overview of the complex factors that influence decisions to develop, one of which is development cost. The subsequent section describes the methodology used to estimate development costs for different land use types. The next section provides conclusions concerning the level of development impact fees and TUMF in the context of overall costs.

It is critical to note that this analysis uses generalized development prototypes and development cost and return estimates to draw overall conclusions about development impact fees relative to development costs. This analysis does not represent a project-specific analysis as the development program, development costs, and returns associated with any individual project can vary widely. No conclusions concerning the feasibility of any specific project should be drawn from this analysis.

Economics of Development

Key Factors in New Development

The drivers of growth and development are complex and multifaceted. Broader global, national, and regional economic conditions are key drivers. As witnessed by the recent Great Recession, there are no regional and local policy options available to fully counterbalance a strong economic downturn. Under more moderate or strong market conditions, the regional demand for housing and workspaces translate into the potential for cities and subregions to capture new residential and economic/workforce development.

Developers (whether looking to do speculative development or to provide build-to-suit developments for larger users) will review a number of conditions before determining whether to move forward with site acquisition/optioning and pre-development activities. Factors will include: (1) the availability of appropriate sites, (2) the availability of/proximity to/quality of infrastructure/facilities (e.g., proximity to transportation corridors, schools, and other amenities), (3) local market strength (achievable sales prices/lease rates) in the context of competitive supply, (4) expected development costs (including land acquisition costs, construction materials and labor costs, the availability and costs of financing, and development impact fees, among others), and, (5) where sites are unentitled, the entitlement risk.

For some subregions, cities, and/or areas, market conditions for particular uses may be too weak to have a realistic chance of attracting certain types of development. For example, to the extent the market-supported lease rates for new office development in a particular area of a City do not support Class A office development construction costs, the attraction of this type of space will not be realistic in the short term. Similarly, some users, like major retailers, will only be interested in sites along major transportation corridors. In other cases, there may be a nominal or potential demand, but the willingness of home-buyers/businesses to pay may still not be sufficient to cover the development costs. This willingness to pay will be constrained by competitive supply and prices, whether the price points/lease rates among existing homes/workspaces in the same community or by the price points/lease rates offered in neighboring communities with different characteristics (proximity to jobs centers, local infrastructure/amenities, school district quality, among other factors).

In other cases, the strength of market demand for new residential and Nonresidential development will spur more detailed review and evaluation of sites by developers. Even in cases where market factors look strong, there is a complex balance between development revenues, development costs, land costs, and required developer returns that must be achieved to catalyze new development. Modest fluctuations in development revenues (i.e., market prices), development costs (materials, labor costs, etc.), and landowner expectations (perceived value of land) can all affect development decisions as can assessments of entitlement risk and complexity, where entitlements are still required. And many of these factors, such as the price of steel, the complexities of CEQA, the market for labor, and landowner's land value preferences, to name a few, are outside of the control of developers and local public agencies.

Methodology

Every development project is different and will have different development costs. For the purposes of this analysis, EPS considered the same set of land use prototypes as for the fee review and comparison and developed an illustrative estimate of the full set of development costs. The steps taken in developing the development cost estimates are described in the subsections below.

Land Uses Evaluated

The development cost evaluation considered the following land uses/development prototypes, consistent with those used in **Chapter 2**:

- Residential Single-family Development – Single-family Units in a 50-unit subdivision
- Residential Multifamily Development – Multifamily Units in a 200-unit apartment building.
- Industrial Development – Industrial Space in a 265,000 square foot "high cube" development.
- Office Development – Office Space in a 20,000 square foot office building.
- Retail Development- Retail Space in a 10,000 square foot retail building.

Development Cost Estimates

An illustrative static pro forma structure was developed. The pro forma incorporated different categories of development costs (see below). It also considered potential land values/acquisition costs based on a residual land value approach that considered potential development values, subtracted direct and indirect development costs and developer return requirements, and indicated a potential residual land value. The development values were refined based on available market data ranges and the need to generate a land value of an appropriate level to support land acquisition and new development. Available information on land transactions was also reviewed. As noted above, this analysis is designed to provide overall insights on general economic relationships and does not draw conclusions concerning the feasibility of individual projects.

It is also important to note that the pro formas developed were specifically configured to represent a potentially feasible set of relationships, in terms of revenues, costs, and returns. This allows for consideration of development impact fees in the context of illustrative projects that would make sense to undertake. To the extent, development costs/ returns are higher than those indicated – a reality which could certainly be true for many projects – development values would need to be higher or feasibility is not likely to be attained. To the extent, this is true, development impact fees as a proportion of development costs/ returns would be lower than those shown.

In 2016, the key development cost categories were estimated for all land uses as described below. In this Update, major cost categories were revised, including direct construction costs, land costs, and development impact fees.

- **Direct Construction Costs** – Site Work/Improvements and Vertical Construction Costs. Estimates were taken from RS Means (a construction cost data provider) estimates, available pro formas, and feedback from developers where provided.
- **Indirect Costs** – Architecture and Engineering Costs, Sales and Marketing, Financing, Development Impact Fee, and other soft costs. Estimates were taken from RS Means, the WRCOG Fee Comparison, available pro formas, and feedback from developers where provided.
- **Developer Return Requirements** – Developer return requirements were set to be equal to 10 percent of development value for all land uses. This represented between 10 and 20 percent of direct and indirect construction costs consistent with typical developer hurdle returns.
- **Land Costs** – Land costs were based on the estimated residual land values when costs and returns were subtracted from estimates of development value and/or information on actual land transactions. Development values in all cases were adjusted to ensure land values reached between 25 and 35 percent of development value, unless other information was available to justify a different percentage. This was used as a general metric of potential feasibility; i.e., if the residual land value fell below this level, developers would have a hard time finding willing sellers of land and so the project as a whole may not be feasible.[8]

It is also important to note that the following additional assumptions were used in this analysis:

- **Development Impact Fees**. The development cost estimates include the average development impact fees for WRCOG jurisdictions identified in **Chapter 2**. In reality, the fees, like other development costs factors, vary by jurisdiction.
- **Land Values**. Land values will vary by area and by development prospects as well as by the level of entitlement and improvement of the land. The land value estimates provided represent illustrative estimates for the purposes of this analysis.

[8] A similar evaluation was not conducted for retail development as the location decisions of major retailers are typically more tied to location/site characteristics than to modest variations in development costs.

- **Direct Construction Costs**. The direct construction costs shown, whether provided by developers or through RS Means, assume non-union construction costs per square foot. The actual construction cost per square foot would be higher if union-labor is required. Depending on the specific union roles required, direct construction would be expected to increase by 10 percent or more.

Results

As context for the description of the results of this analysis, it is worth repeating that there will be considerable variation throughout Western Riverside County in terms of different development cost components and overall development costs. On an average/illustrative basis, overall development costs included in this analysis may be conservative as they do not include union labor costs and may be conservative with regard to entitlement costs. Given that the focus of this analysis is on the relationship between development impact fees and total development costs, an underestimate in total development costs would mean that the proportionate significance of development impact fees has been overestimated.

It is again important to note that the analysis shown here is not an evaluation of development feasibility. Such an analysis would require a more-location specific analysis and is highly dependent on site characteristics, local market conditions, and site land values, among other factors.

Figure 11 summarizes the estimated development costs/returns on a per residential unit and per Nonresidential building square foot basis. **Figure 12** converts the cost estimates into percent allocations out of the total development/return. It should be noted that the total cost/return (equivalent to the 100 percent) equals the sum of direct and indirect costs, estimated land costs, and required development return. This total cost/return is equivalent to the sales prices/capitalized building value a developer would need to command to cover all costs/return requirements. To the extent, actual costs are higher (e.g., higher land costs or construction costs), the achievable sales prices/capitalized lease rates would also need to be higher.

Figure 11 Proportionate Development Costs/Return for Development Prototypes

Development Costs, Land Values, and Return	Single Family Per Unit	Multifamily Per Unit	Industrial Per Bldg Sq.Ft.	Retail Per Bldg Sq.Ft.	Office Per Bldg Sq.Ft.
DIRECT					
Basic Site Work/ Lot Improvements	$31,652	$9,766	$12.13	$26.38	$15.07
Direct Construction Cost	$227,898	$196,540	$37.98	$138.75	$148.31
Hard Cost Total	$259,550	$206,307	$50.12	$165.13	$163.38
INDIRECT					
TUMF	$8,873	$6,134	$1.45	$7.50	$2.19
Other Development Impact Fees	$38,597	$23,572	$3.74	$16.13	$11.87
Other Soft Costs	$56,893	$47,674	$20.05	$31.26	$33.02
Soft Cost Total	$104,363	$77,380	$25.24	$54.89	$47.08
Total Direct and Indirect Costs	**$363,913**	**$283,686**	**$75.35**	**$220.01**	**$210.46**
Developer Return Requirement	$56,160	$33,492	$13.68	$34.02	$32.52
Land Value	$141,527	$17,737	$45.75	$86.21	$82.38
TOTAL COST/RETURN	**$561,600**	**$334,915**	**$136.19**	**$340.25**	**$325.36**

* Assumes generally feasible market conditions (i.e. ability to generate developer return and positive land value).

Figure 12 Average Development Costs/Return for Development Prototypes

Development Impact Fees	Single Family	Multifamily	Industrial	Retail	Office
DIRECT					
Basic Site Work/ Lot Improvements	5.6%	2.9%	8.9%	7.8%	4.6%
Direct Construction Cost	40.6%	58.7%	27.9%	40.8%	45.6%
Hard Cost Total	46.2%	61.6%	36.8%	48.5%	50.2%
INDIRECT					
TUMF	1.6%	1.8%	1.1%	2.2%	0.7%
Other Development Impact Fees	6.9%	7.0%	2.7%	4.7%	3.6%
Other Soft Costs	10.1%	14.2%	14.7%	9.2%	10.1%
Soft Cost Total	18.6%	23.1%	18.5%	16.1%	14.5%
Total Direct and Indirect Costs	**64.8%**	**84.7%**	**55.3%**	**64.7%**	**64.7%**
Developer Return Requirement	10.0%	10.0%	10.0%	10.0%	10.0%
Land Value	25.2%	5.3%	33.6%	25.3%	25.3%
TOTAL COST/RETURN	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

* Assumes generally feasible market conditions (i.e. ability to generate developer return and positive land value).

Key findings include:

- **Direct construction costs represent the largest proportion of total development costs/returns, typically followed by other land costs, other soft costs (collectively), developer returns, and development impact fees.** Unsurprisingly, direct construction costs are the largest cost, representing between 27.9 percent and 58.7 percent of total costs/returns for the prototypes evaluated. Land costs are likely to be most variable, depending on circumstance, range from 5.3 percent to 33.6 percent for the prototypes. Other soft costs collectively are the next highest component, though their individual components, such as sales and marketing, architecture and engineering, financing costs, are smaller. The expected hurdle developer return at 10 percent is the next highest factor. The range for total development impact fees is below all these other ranges, though when indirect costs are considered individually development impact fees represent the largest component.

- **Total development impact fees represent between 3.8 percent and 8.9 percent of total development costs/returns for the prototype feasible projects.** Total development impact fees represent 8.5 percent and 8.9 percent of total development costs/returns respectively for single-family and multifamily developments. As discussed in Chapter 2, these capital facilities fees included water and sewer fees, school district fees, other local jurisdiction fees, TUMF, and other agency/subarea fees. As is common, Nonresidential development impact fees are lower as a percent though show a significant range from 3.8 percent for industrial development, to 4.3 percent for office development, and 6.9 percent for retail development.

- **TUMF represent between 0.7 percent and 2.2 percent of total development costs/returns for the prototype feasible projects**. TUMF represent between 16.1 percent and 31.7 percent of total development impact fees, on average, as indicated in the Fee Comparison with the highest ratios for retail and industrial development and lowest for office development. As a proportion of overall development costs, TUMF represent 1.6 percent and 1.8 percent of total residential development costs for single-family and multifamily respectively. For nonresidential uses there is greater variation with TUMF representing 0.7 percent of total costs for office development, 1.1 percent of total costs for industrial development, and 2.2 percent of total costs for retail development.

4. CONCLUSIONS

The Western Riverside Council of Governments (WRCOG) commissioned the Original 2016 Study and this Study Update to provide increased regional understanding of development impact fees on new development in Western Riverside County. As noted in **Chapter 1**, the purpose of the Original and this Updated Report is to: (1) indicate the types and relative scale of the development impact fees placed on different land uses; and, (2) indicate the scale of fees relative to overall development costs. This Report is intended to provide helpful background information on development impacts fee in the region as they are introduced, updated, and debated. It is also intended to indicate the Transportation Uniform Mitigation Fee (TUMF) in the context of the broader development impact fee structure, overall development costs, and other regional dynamics.

At this point in time, it is common practice for new and updated Development Impact Fee Nexus Studies to be accompanied by some consideration of development impact fees in neighboring and peer communities and, less frequently, by consideration of development impact fees in the context of overall development costs and economics. This is true where individual jurisdictions are introducing/ updating a single development impact fee category (e.g. transportation or parks) as well as when jurisdictions undertake more comprehensive updates to a larger number of different fee categories.

Similarly, there have been a number of efforts to provide a regional/ subregional review of development impact fee practices and levels to inform regional conversations about the appropriate use and level of development impact fees. All of these regional studies require definitions of development impact fees included and land use and development prototypes utilized to ensure as close of an "apples-to-apples comparison" as possible. Examples of such studies include:

- **Residential Development Impact Fees in California Cities and Counties**. This August 2001 publication by the State of California Division of Housing was entitled: "Pay to Play: Residential Development Fees in California Cities and Counties, 1999" and was prepared by John Landis, Michael Larice, Deva Lawson, and Lan Deng at the Institute of Urban and Regional Development, University of California, Berkeley. This study considered 89 cities and counties spread throughout California.

- **Regional Development Fee Comparative Analysis for San Joaquin County**. This 2013 publication by San Joaquin Partnership represented a fourth publication prepared for the Partnership's public and private sector investors. The regional development fee comparison compared a snapshot of development fees in 21 jurisdictions, including eight (8) in San Joaquin County and thirteen (13) in comparative/ neighboring California counties.

- **Ongoing Development Impact Fee Databases**. In addition to these regional efforts, there are a number of consulting companies that keep ongoing databases of development impact fees in regions, such as the Sacramento Valley, to inform their work for public and private sector clients. In these cases, development impact fee schedules are typically updated every year or two due to the dynamic nature of the development impact fees and the numerous different agencies that charge development fees.

In 2016, WRCOG recommended that this Report/ Study be updated periodically to ensure the regional understanding of development impact fees in Western Riverside County remains current in the context of: (1) frequent adjustments to fee levels by individual jurisdictions, (2) changing development cost and economic conditions, and, (3) less frequent, but highly significant changes in State law that affect the use and availability of other public financing tools. This development of this Update Study followed that recommendation and represents the first update to the Original Study, bringing the Original Study "up-to-date".

- **APPENDIX A** provides detailed information on the Development Prototypes.
- **APPENDIX B** provides fee comparison summaries and detailed fee estimation information for each WRCOG jurisdiction/area and each land use category.

APPENDIX A:

Development Prototypes

Single Family Prototype

- Reflects median home size for Western Riverside County home sales since 2014

Product Type:	Single Family Detached Unit	
Development Type:	Residential Subdivision	
No. of Acres:	10	Acres
No. of Units:	50	Units
Building Sq.Ft.	2,700	Sq.Ft.
No. of Bedrooms:	4	
No. of Bathrooms:	3	
Garage Space (Sq.Ft):	500	Sq.Ft.
Habitable Space (Sq.Ft:)	2,200	Sq.Ft.
Lot Size:	7,200	Sq.Ft.
Density:	5	DU/AC
Lot Width:	60	Ft.
Lot Depth:	120	Ft.
Total Lot Dimensions (Sq.Ft.):	7,200	Sq.Ft.
Water Meter Size	One 1	Inch Meter

Example Prototype Home, City of Riverside

Multi-Family Prototype

- Reflects median building size for multi-family developments since 2010

Example Prototype Multi-Family Development, City of Temecula

Product Type:	Multi Family Apartment Unit	
Development Type:	Multi Family Apartment Building	
Number of Acres:	10	Acres
Apartment Building Square Feet:	260,000	Sq.Ft.
FAR:	0.60	
Number of Stories:	3	
Dwelling Units:	200	
Density:	20.0	DU/AC
Average Unit Size:	1,100	
Water Meter Sizes*:	Eight 2 inch Meters	
Roof Area:	86,667	Sq.Ft.
Lot Width:	515.3	Ft.
Lot Depth:	717.2	Ft.

*Note: Assumption is for analytical simplicity. Different assumptions are used where recommended by individual jurisdictions.

Industrial Prototype

- Reflects median building size for industrial developments since 2010

Product Type:	Warehouse/ Distribution	
Criteria:	Meets criteria for High-Cube	
No. of Acres:	15.2	Acres
Rentable Square Feet:	265,000	Sq.Ft.
FAR:	0.4	
Water Meter Sizes:	One 2	Inch Meter
Roof Area:	265,000	Sq.Ft.
Lot Width:	813.9	Ft.
Lot Depth:	813.9	Ft.

Example Prototype Industrial Development, City of Perris

Retail Prototype

- Reflects building size for retail developments since 2010

Example Prototype Retail Development, City of Hemet

Product Type:	Retail Building	
No. of Acres:	1.15	Acres
Rentable Square Feet:	10,000	Sq.Ft.
FAR:	0.2	
No. of Stories:	1	
Water Meter Sizes:	One 2	Inch Meter
Roof Area:	10,000	Sq.Ft.
Lot Width:	223.6	Ft.
Lot Depth:	223.6	Ft.

Office Prototype

- Reflects median building size for office developments since 2010

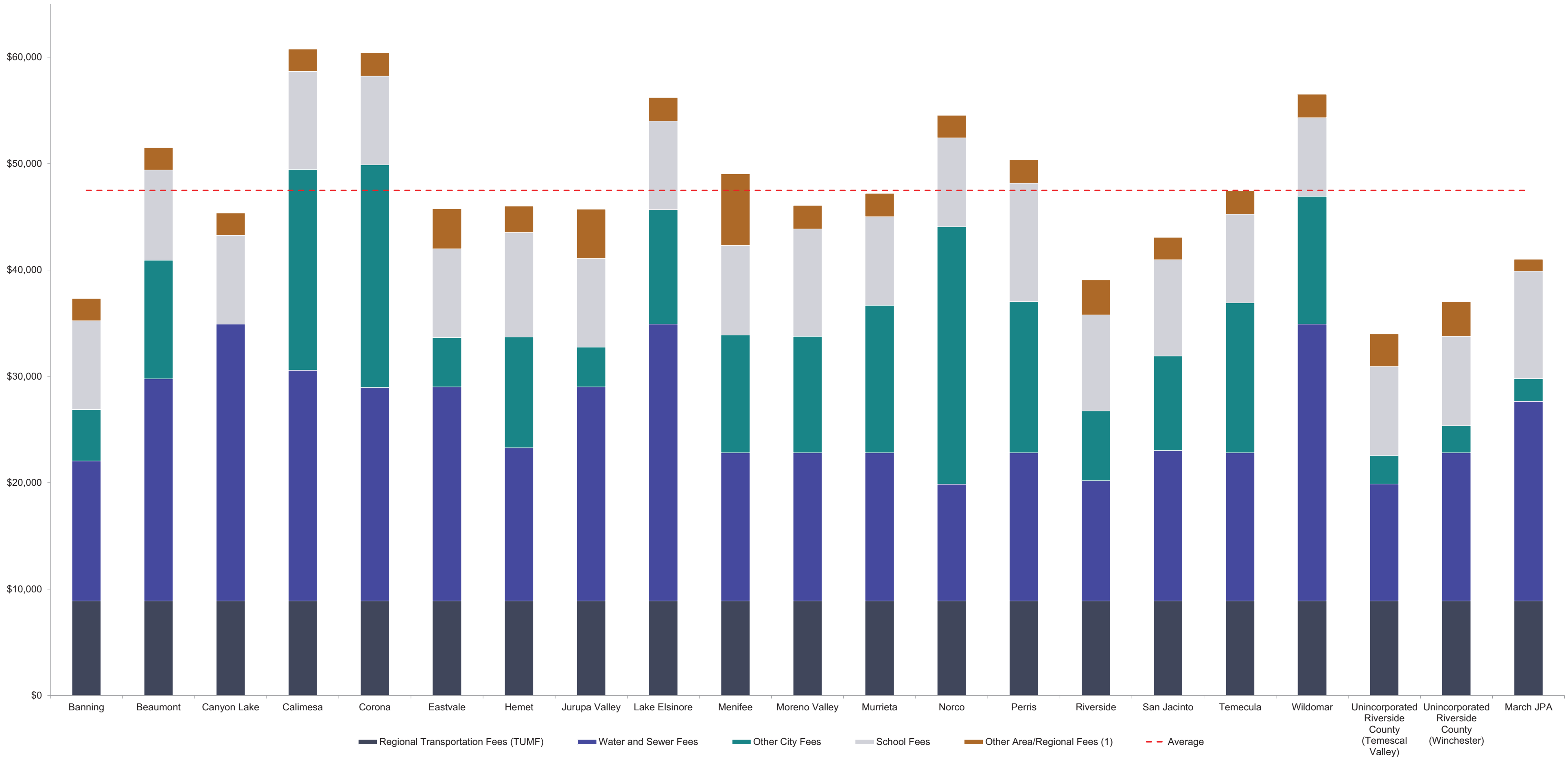
Product Type:	Office Building	
Number of Acres:	1.3	Acres
Rentable Square Feet:	20,000	Sq.Ft.
FAR:	0.35	
No. of Stories:	2	
Water Meter Sizes:	One 2	Inch Meter
Roof Area:	10,000	Sq.Ft.
Lot Width:	239.0	Ft.
Lot Depth:	239.0	Ft.

Example Prototype Office Development, City of Hemet

APPENDIX B:

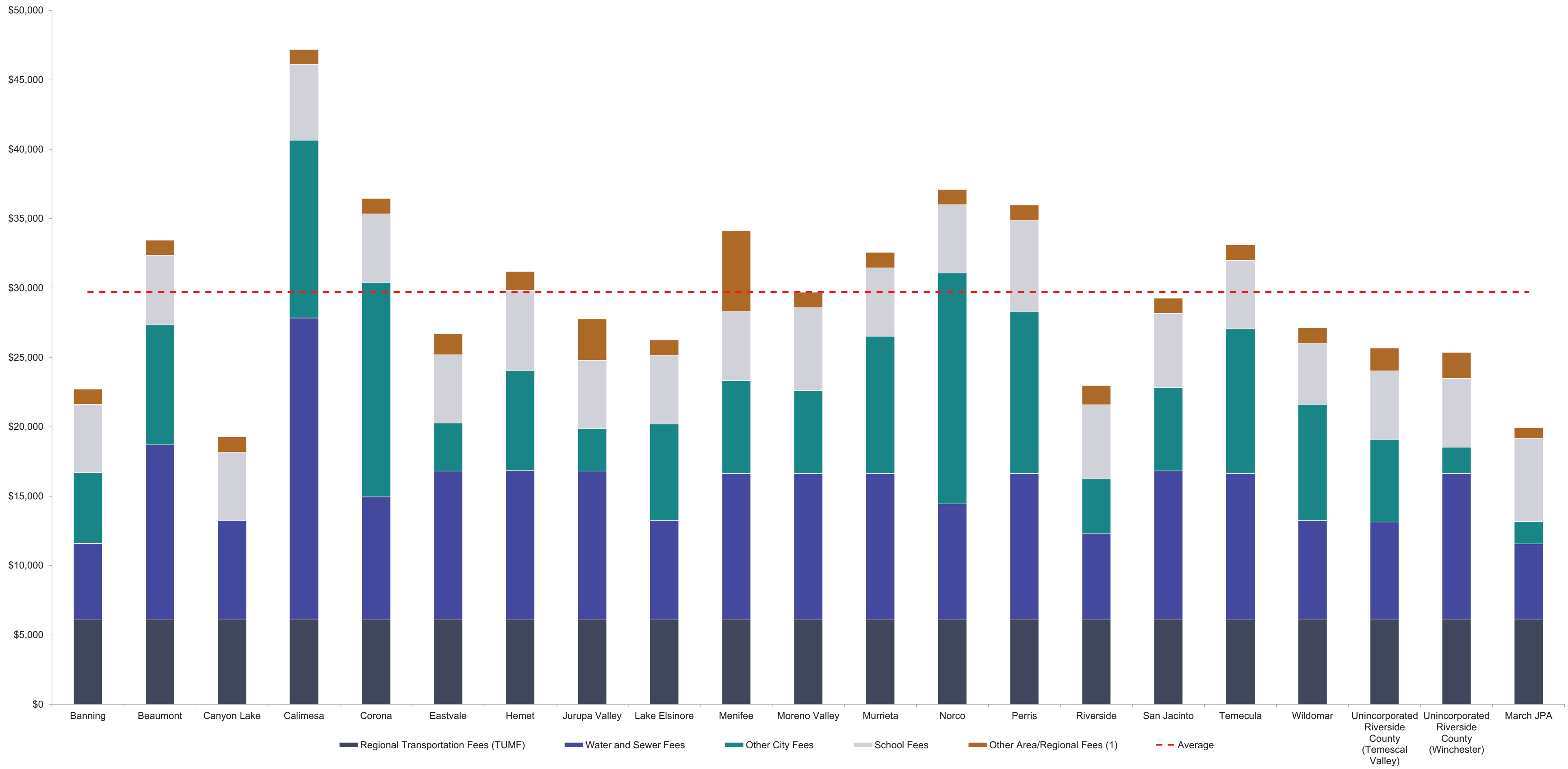
Fee Comparison Summaries and Estimations for WRCOG Jurisdictions

Single Family Detached Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Unit)



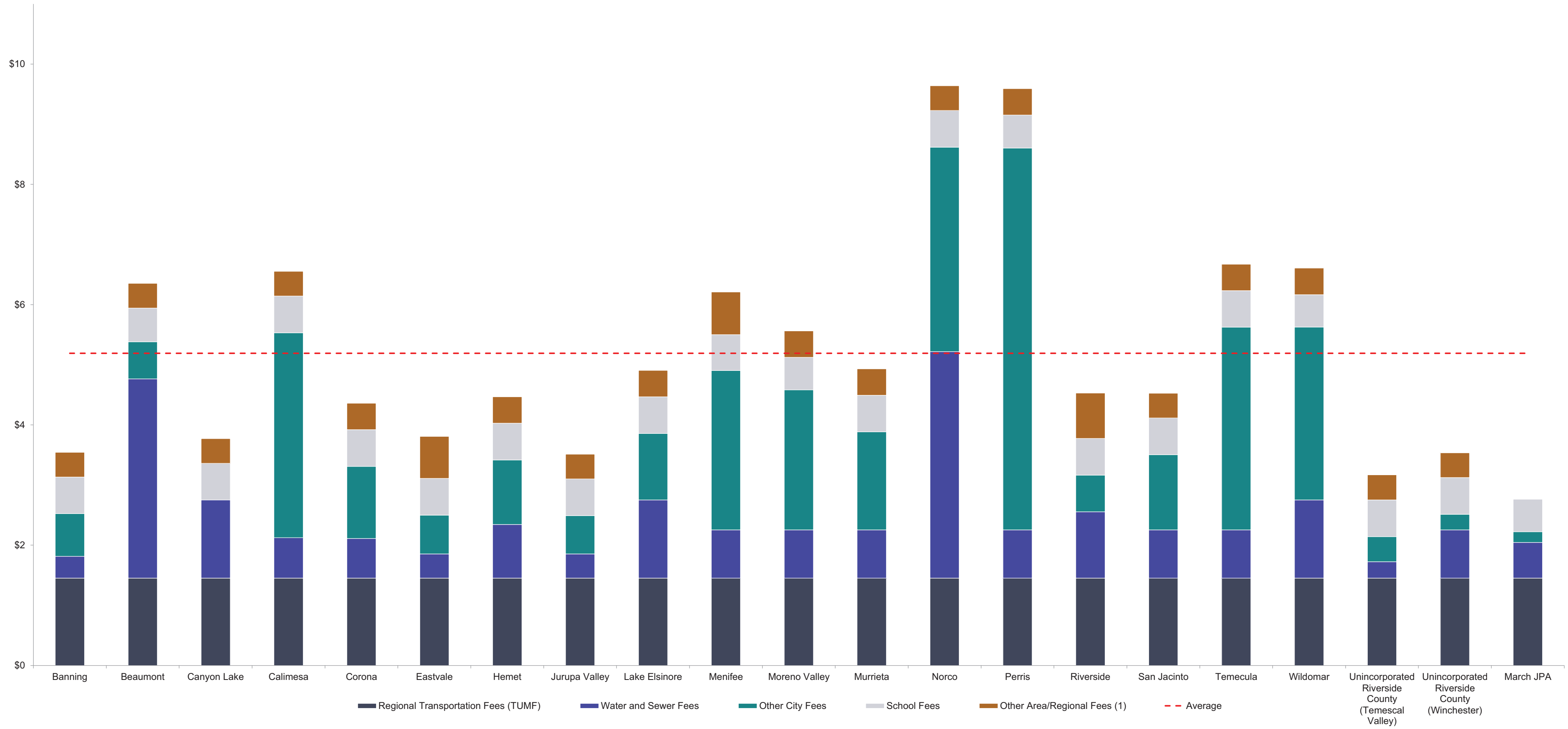
* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

Multifamily Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Unit)



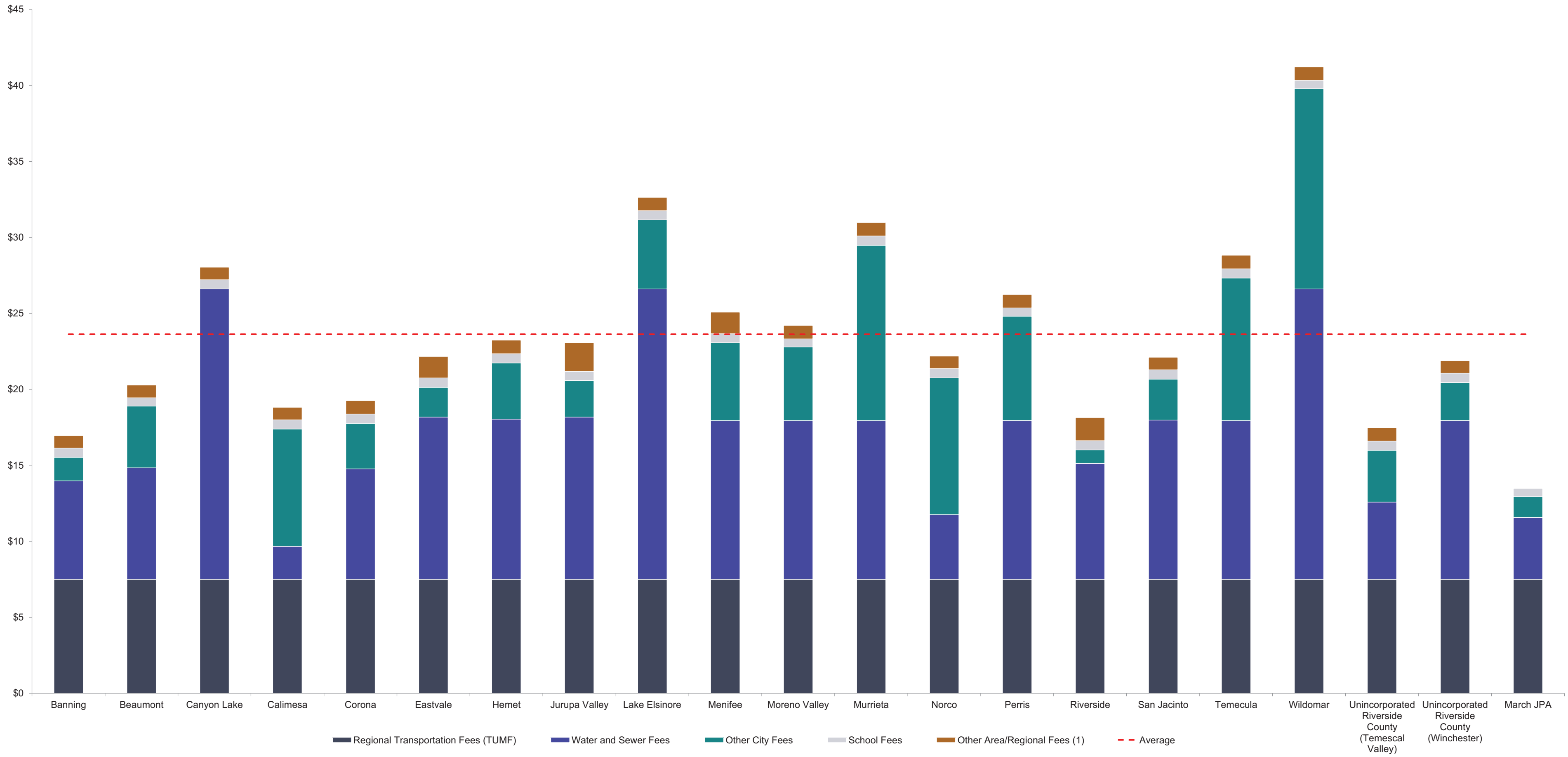
* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

Industrial Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Building Sq.Ft.)



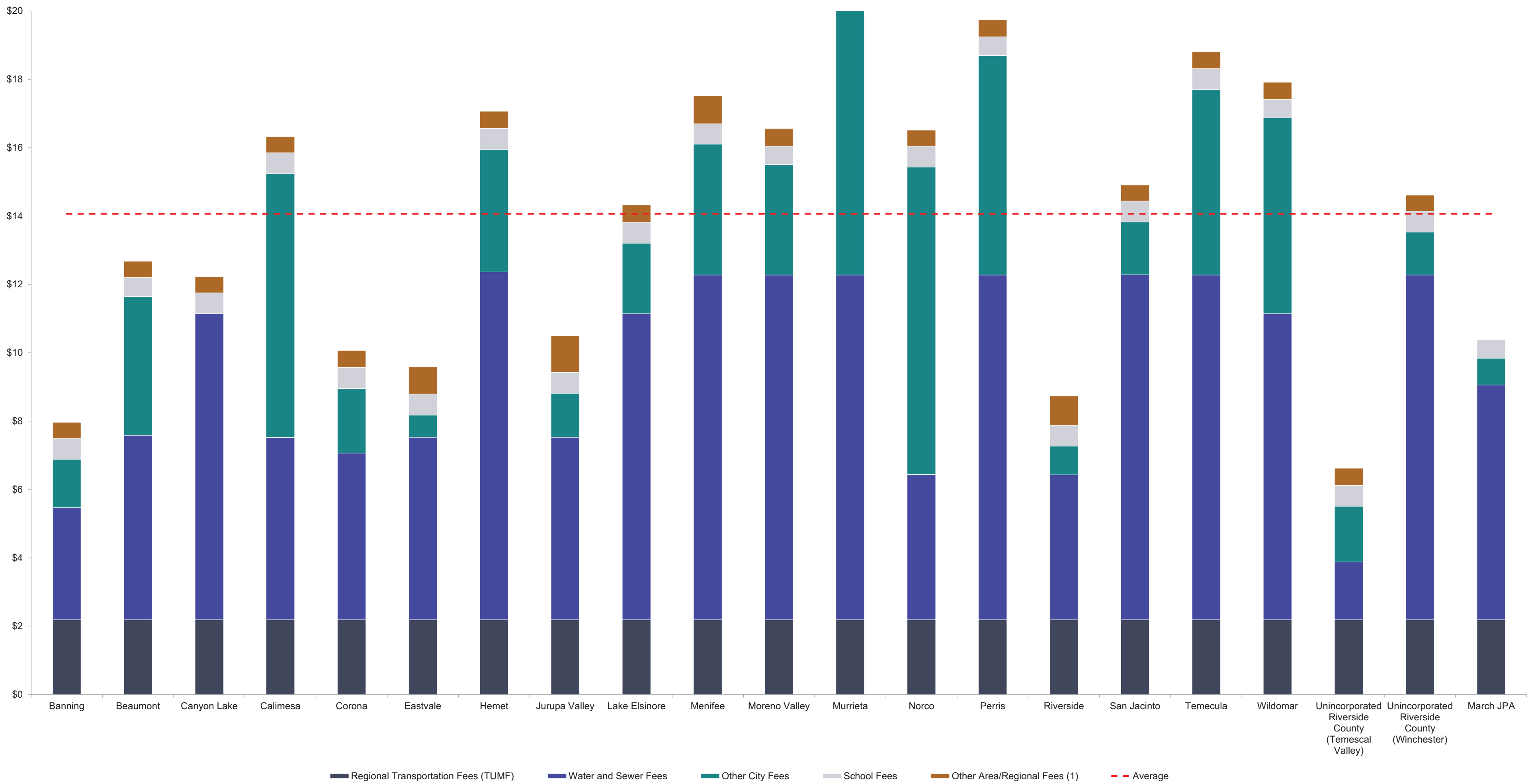
* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

Retail Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Building Sq.Ft.)



* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fe es, and habitat mitigation fees.

Office Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Building Sq.Ft.)



* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.