

Orange County Defers Decision on Proposed Transportation Impact Fee Increases

Article

Lowndes

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On Tuesday, June 16, the Orange County Board of County Commissioners (BCC) heard Orange County Staff's updated 2026 Transportation Impact Fee Study and considered whether to make changes to transportation impact fees (TIFs). Ultimately, the BCC voted to defer the decision, directing staff to return at a future date if the Board wishes to take action.

What the Study Found

The study highlighted significant cost increases since 2020. Actual construction costs have risen 33%, with total costs (including review, design, and right-of-way) up 50%, bringing the average cost per lane mile to \$6.8 million.

Staff also noted reduced trip generation for certain land uses (reflecting societal shifts like remote work), the recognition of other funding sources to avoid double charging, and potential legal challenges Orange County may face if rates are increased.

How Rates Would Change by Land Use

The study's calculated rates vary significantly across land use types and various districts (Urban, Suburban, and Rural). Below is a summary of how some of the most common land use types will be affected:

Single-family homes

(2,001-3,500 sq. ft., per unit)

Current Rate

Proposed Rate

% Change

Related Attorneys

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Urban

\$11,617

\$19,506

+68%

Suburban

\$14,299

\$20,959

+47%

Rural

\$16,339

\$22,345

+37%

Mid-rise multifamily apartments

(3–10 floors, per unit)

Current Rate**Proposed Rate****% Change****Urban**

\$5,024

\$4,812

-4%

Suburban

\$6,197

\$5,106

-18%

Rural

\$7,085

\$5,467

-23%

General office

(10,000–50,000 sq.ft, per 1,000 sq.ft)

Current Rate**Proposed Rate****% Change****Urban**

\$9,296

\$9,175

-1%

Suburban

\$11,473

\$9,860

-14%

Rural

\$13,115

\$10,516

-20%

Options Presented and Outcome

The BCC was presented with three options:

1. Defer any decision, maintaining current fee collections at ~\$56.5 million;

2. Advance with phase-in limitations, resulting in a 20.9% increase and an estimated \$68.3 million in collections;
or
3. Assert extraordinary circumstances for a 36.1% increase, estimating \$76.9 million in collections but requiring a unanimous vote.

The BCC chose Option 1, deferring any changes for now.

We will continue to monitor Orange County's Transportation Impact Fee (TIF) Study, along with other real property rights, land use, and zoning matters. If you have any questions, please contact Hal Kantor, Becky Wilson, or Erik Clifton.