

CEO Special Report

BIA Orange County Chapter
June 28, 2010



Kristine Thalman
BIA/OC CEO

Members,

Our government affairs team has started this summer off with a bang! This June has been full of major accomplishments on behalf of our membership. BIA/OC continues to work hard for your industry by removing governmental barriers to recovery. Here are just a few of the major successes we have accomplished:

1. Major County Park Fee Reductions – Last week the OC Board of Supervisors voted unanimously to support a BIA/OC proposal that **reduced municipal park dedication in-lieu (Quimby) fees by as much as 56%**! BIA/OC submitted the proposal to the County this spring and moved quickly to ensure its success. This is a huge benefit to our members with the potential to save hundreds of thousands of dollars for builders and developers throughout the County. This action will also set the stage for major park fee reductions in cities throughout Orange County.

2. OC Sanitation District Fees Reduced by 35% - Earlier this month, the Orange County Sanitation District (OCSD) Board of Directors voted to reduce Capital Facilities Connection Charges (CFCCs) by 35%. This reduction will account for a **reduction of up to \$2,500 per unit** in most cases; **meaning a typical 100 unit project would save \$250,000 on development fees!** This reduction applies to all OCSD service areas spanning most of the central and northern parts of OC.

3. OCFA Development Fee Increases Blocked – In a successful team effort, BIA/OC and our coalition partners were successful in blocking a significant development services fee increase by the Orange County Fire Authority (OCFA). Despite the recommendations of the OCFA Finance Committee, the OCFA Board of Directors rejected the fee increase and directed staff to balance the 2010-11 budget without fee hikes. It should be noted that these increases have been annual and automatic for many years. This action of the OCFA Board marks a departure from OCFA policy and will create an opportunity for financial reform that will benefit our industry.

4. Fee Deferral Extensions – BIA/OC Development Impact Fee Deferral Programs continue to be extended. This month the OCSD and the County of Orange deferral programs are both set to be extended for an additional year. This effort continues to assist our members by allowing them to pay development impact fees at the end of the development process. This is especially helpful when it comes to construction loans because it allows the builder to borrow less and frees up cash flow during the construction process.

What a great start to the summer! Congratulations to our government affairs team! As always, BIA/OC is working hard for your business and the success of our industry...This is the value of membership!

A handwritten signature in black ink, appearing to read 'Kristine Thalman', written in a cursive style.