

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

335



FROM: TLMA – Transportation Department

SUBMITTAL DATE:
December 2, 2004

SUBJECT: Amendment to Ordinance No. 824 Providing for an Administrative Adjustment of TUMF Fees

RECOMMENDED MOTION:

- 1) Introduce proposed Ordinance No. 824.1; and
- 2) Set the proposed Ordinance No. 824.1 for public hearing on December 21, 2004 at 9:30AM with the Clerk to publish notice of the hearing pursuant to Government Code Section 6062a with possible adoption at the close of the public hearing.

BACKGROUND: On December 10, 2002, the Board of Supervisors adopted Ordinance No. 824, establishing the Transportation Uniform Mitigation Fee (TUMF), which is levied and collected from new residential and non-residential development. The purpose of the TUMF is to finance the construction of regional road improvements and transportation programs. Once collected, TUMF fees are transmitted to the TUMF Program Administrator (the Western Riverside Council of Governments, or WRCOG) for allocation and expenditure.

The TUMF Program Ordinance and the Administration Plan calls for an annual adjustment to the fee based on construction costs or other variables that could affect the dollar value to construct the facilities identified in the Program. Construction costs are directly attributable to delivering the projects identified in the TUMF Program.

Departmental Concurrence

(Continue)

George A. Johnson
George A. Johnson
Director of Transportation

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature

Jamie H. Bufat

Consent
 Policy
 Per Exec. Ofc.:
 Policy

Prev. Agn. Ref.: 3.55 of 12/10/02 | **District:** 1,2,3 & 5 | **Agenda Number:**

3.27

NOV 21 2004

The Honorable Board of Supervisors
 RE: Amendment to Ordinance No. 824 Providing for an Administrative Adjustment of
 TUMF Fees
 December 2, 2006
 Page 2 of 2

These annual adjustments serve to maintain pace with inflation, and developer credits and reimbursements are also adjusted proportionately. The adjustment simply maintains the "buying power" of the dollar during the span of the Program. As the Program enters the second year of implementation, staff is undertaking the requisite annual effort to identify construction cost indices for purposes of implementing this administrative adjustment to the Program fee.

On November 1, 2004, the WRCOG Executive Committee approved an 8.8% Construction Cost Index increase to the baseline TUMF fees to offset increases in construction costs. On an annual basis, staff calculates the adjustment to the TUMF based on a national construction cost index. The 8.8% is based on the national construction costs index increase of 7.35% from this time last year, and a 1.5% increase consistent with minor corrections made to the TUMF network approved by the Executive Committee in April 2004. The increase simply maintains the buying power of the dollar; absent these annual adjustments the fees cannot keep pace with increasing construction costs.

As a member agency and participant in TUMF, the County will need to incorporate the revised fee structure (below) into Ordinance No. 824 in order to begin collecting the revised fees by March 1, 2005 (a date selected by the WRCOG Executive Committee). The revised fees will go into effect 60 days after action by the Board of Supervisors.

TUMF fees would increase from the current fee structure by the following amounts:

Fee Category	Current Fee	8.8% increase	New Fee
Residential Single Family	\$6,650/unit	\$598/unit	\$7,248/unit
Residential Multi-Family	\$4,607/unit	\$414/unit	\$5,021/unit
Industrial	\$0.48/sq. ft.	\$0.04/sq.ft.	\$0.52/sq. ft.
Retail Commercial	\$2.60/sq.ft.	\$0.23/sq.ft.	\$2.79/sq.ft.
Service Commercial	\$1.61/sq.ft.	\$0.14/sq.ft.	\$1.73/sq.ft.

An additional related item merits comment here. At the November 10, 2004, RCTC Meeting, a presentation was made to the Commission regarding a projected 5 year TUMF Program revenue analysis. The report indicated a potential of \$220 Million in lost revenue due to credits and/or exemptions. County staff questions the accuracy of the data presented, and as such, is working with RCTC, WRCOG and the consultant team to better quantify the figures. Early indications from WRCOG Staff reveal the identified County credits are due to credits against previously existing Road and Bridge Benefit Districts. Further analysis is necessary to provide a more complete and accurate TUMF Program revenue credit/exemption projection. Staff will report back to the Board as soon as we have accurate figures.

COMMITTEE OF VICEPRESIDENTS
 OF THE BOARD OF SUPERVISORS
 OFFICE
 EXECUTIVE

1
2 **ORDINANCE NO. 824.1**

3 **AMENDING ORDINANCE 824 OF THE COUNTY OF RIVERSIDE**
4 **AUTHORIZING PARTICIPATION IN THE**
5 **WESTERN RIVERSIDE COUNTY TRANSPORTATION**
6 **UNIFORM MITIGATION FEE PROGRAM**
7 **AND ADDING CHAPTER 4.58 TO THE RIVERSIDE COUNTY CODE**

8 The Board of Supervisors of the County of Riverside ordains as follows:

9 **Section 1:** **Section 4:A** is amended to read in its entirety as follows:

10 A. **Adoption.** There is hereby adopted the following schedule of fees:

- 11 \$7248 per Single Family Residential Unit
12 \$5021 per Multi Family Residential Unit
13 \$1.58 per square foot of an Industrial Project
14 \$8.51 per square foot of a Retail Commercial Project
15 \$5.28 per square foot of a Service Commercial Project

16 **Section 2:** **Section 6:B. ii** is amended to read in its entirety as follows:

17 ii. For non-residential projects, the fees shall be phased in as follows:

18 From July 1, 2004 to June 30, 2005, the fee schedule shall be:

- 19 \$0.52 per square foot of an Industrial Project
20 \$2.83 per square foot of a Retail Commercial Project
21 \$1.75 per square foot of a Service Commercial Project

22 From July 1, 2005 to June 30, 2006, the fee schedule shall be:

- 23 \$1.05 per square foot of an Industrial Project
24 \$5.67 per square foot of a Retail Commercial Project
25 \$3.52 per square foot of a Service Commercial Project

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1 **Section 3: Effective Date**

2 This Ordinance shall become effective 60 days after adoption or March 1, 2005, whichever is
3 later.

4 COUNTY OF RIVERSIDE

5 By: _____
6 Chairman, Board of Supervisors

7 ATTEST:

8 NANCY ROMERO
9 Clerk to the Board

10 By: _____
11 Deputy

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FORM APPROVED
COUNTY COUNSEL

DEC 02 2004

13 BY: Joe S. Ranko
14 ASSISTANT COUNTY COUNSEL