

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



FROM: TLMA - Transportation Department

SUBMITTAL DATE:
December 8, 2010

SUBJECT: Urgency Interim Ordinance No. 824.8, Extending the Temporary Fee Reduction Period for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program; Initiation of Amendment to Ordinance No. 824.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Urgency Interim Ordinance No. 824.8, extending for thirty days the temporary fee reduction period for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program; and
2. Find the adoption of Ordinance No. 824.8 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty there is no possibility the ordinance may have a significant effect on the environment; and
3. Adopt an order initiating an amendment to Riverside County Ordinance No. 824, to extend the temporary fee reduction period for one year; and
4. Direct and authorize the Transportation Department to prepare and process the amendment to Ordinance No. 824.

(Continued on Attached Page)

Juan C. Perez, Director of Transportation

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

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

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: Dean Deines

FORM APPROVED COUNTY COUNSEL
 BY: Synthia M. Gunzel 12-13-10
 SYNTHIA M. GUNZEL DATE
 Departmental Concurrence

Consent Policy
 Consent Policy

Dept' Recomm.:
 Per Exec. Ofc.:

The Honorable Board of Supervisors

RE: Urgency Interim Ordinance No. 824.8, Extending the Temporary Fee Reduction Period for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program; Initiation of Amendment to Ordinance No. 824.

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At the December 6, 2010 meeting of the Western Riverside Council of Governments (WRCOG), the Executive Committee unanimously endorsed giving local jurisdictions the options of extending the 50% temporary TUMF fee reduction adopted in December 2009, adopting a 25% temporary fee reduction or not agreeing to any fee reduction. This Board took a position last year to adopt the 50% temporary fee reduction to stimulate development activity and construction jobs. The reduction was also taken in recognition of the fact that the cost of delivering transportation projects had been reduced during this economic cycle. A number of cities also adopted the 50% fee reduction at that time.

The information gathered by WRCOG indicates that the amount of additional funds that would have been collected, had the 50% reduction not been adopted, is estimated to be roughly \$10 million for the entire Western County area. It is unknown if this is truly lost revenue, or if some development projects would not have moved forward without the fee reduction, thereby creating even less revenue for the program. By extending this temporary fee reduction, the County understands it will need to demonstrate that any loss of fees that would have been collected will be made up through recommended specific, effective costs savings, repayment methods or alternative funding sources. A reduction in project costs and cost saving measures is the County's preferred choice. The \$10 million is a small percentage of the overall TUMF Program, which is expected to generate over \$3.7 billion over the next 25 years. Over \$520 million has been collected since the inception of the program in February 2003.

We are not seeing any signs of a rebound in economic conditions, and we are still seeing significantly lower construction costs that can offset the reduction in revenue. However, there is a recognition that this needs to be monitored closely so that we are able to react to significant changes in either development activity or a rise in construction prices. Given this, the WRCOG Executive Committee recommended that the allowance of the temporary fee reduction be brought back for another look should the aggregate amount of the fees that would have been collected, from inception of the fee reduction, reach \$20 million.

It is imperative to make the same fee reduction adjustment to the entire TUMF Schedule to assure that each development continues to contribute a fair share of the total TUMF Program costs. The benefit of extending the temporary fee reduction outweighs the resulting limited decrease in TUMF revenues and will not have a material effect on the ability to fulfill the purposes of the TUMF program. Temporary fee reductions, while they serve as an important economic stimulus mechanism, must be balanced with extending such reductions for the proposed limited time so as to not jeopardize the applicability of the Nexus Study, the integrity of the TUMF Program, and the ability to deliver currently programmed and future planned projects.

Urgency Interim Ordinance No. 824.8 immediately extends the 50% temporary fee reduction for thirty days, which otherwise would expire on December 31, 2010. If granted, the request for an order initiating an amendment to Ordinance No. 824 would allow staff to prepare and present an amendment that would extend the temporary fee reduction for one year until December 31, 2011.

1 ORDINANCE NO. 824.8

2 AN URGENCY INTERIM ORDINANCE OF THE COUNTY OF RIVERSIDE

3 AMENDING ORDINANCE NO. 824

4 AUTHORIZING PARTICIPATION IN THE WESTERN RIVERSIDE COUNTY

5 TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

6
7 The Board of Supervisors of the County of Riverside ordains as follows:

8 Section 1. The introductory sentence of Section 7. of Ordinance No. 824 is amended to read
9 as follows:

10 "Section 7. TEMPORARY FEE REDUCTION PERIOD. Pursuant to the fee
11 adjustment authority set forth in Section 6.c. and notwithstanding Section 6.a., or any
12 other provision of this ordinance, the following TUMF fee schedule shall apply for the
13 period commencing on January 1, 2010 and ending on January 13, 2011:"

14 Section 2. This ordinance is hereby declared to be an urgency measure and shall take effect
15 immediately upon its adoption and shall have no further force and effect thirty (30) days after its
16 adoption unless extended pursuant to law. In accordance with the requirements of Government Code
17 section 66017, subsection (b), the Board of Supervisors hereby declares that the provisions contained
18 herein are necessary for the immediate preservation of the public health, welfare and safety for the
19 following reasons:

20 a. On December 31, 2010, the temporary fee reduction schedule for the TUMF
21 program will expire; and

22 b. The extension of the temporary fee reduction will reduce the overall costs of
23 development, thereby encouraging economic growth and minimizing the ongoing impact of the
24 economic recession on development and construction in Western Riverside County; and

25 c. Absent an immediate extension of the temporary fee reduction, permits and
26 construction starts anticipated from pending development projects will either be halted or
27 delayed until expiration of the otherwise required thirty (30) day waiting period; and

28 d. WRCOG has directed the County to implement this temporary fee reduction

1 immediately and the County must comply with this directive to remain a participating agency in
2 the Western Riverside County TUMF Program and stay eligible to receive the funds necessary
3 for its vital transportation projects; and

4 e. The loss of funds the County would suffer if it fails to comply with WRCOG's
5 directive would significantly and detrimentally affect public welfare by severely limiting the
6 County's ability to provide necessary road improvements. Absent these improvements, an
7 unacceptably high level of traffic congestion would occur within and around Western Riverside
8 County.

9
10 BOARD OF SUPERVISORS OF THE COUNTY
OF RIVERSIDE, STATE OF CALIFORNIA

11 By: _____
12 Chairman

13 ATTEST:
CLERK OF THE BOARD:

14 By: _____
15 Deputy

16 (SEAL)

17 APPROVED AS TO FORM
18 December 13, 2010

19 By: Synthia M. Gunzel
20 Cynthia M. Gunzel
21 Deputy County Counsel
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