

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

188A



**FROM:** TLMA - Transportation Department

**SUBMITTAL DATE:**  
December 28, 2010

**SUBJECT:** Ordinance No. 824.9, Extending Urgency Interim Ordinance No. 824.8; Ordinance No. 824.10, Extending the Temporary Fee Reduction Period for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Ordinance No. 824.9, extending for an additional 30 days the initial 30-day extension of the temporary fee reduction period for the TUMF Program authorized by Urgency Interim Ordinance 824.8; and

FORM APPROVED COUNTY COUNSEL  
 BY: *Syntha M. Gunzel* 12-29-10  
 SYNTHIA M. GUNZEL / Department of Encurrence

(Continued on Attached Page)

Juan C. Perez, Director of Transportation

<b>FINANCIAL DATA</b>	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

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

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Jennifer Sargent*  
Jennifer Sargent

County Executive Office Signature

Consent     Policy  
 Consent     Policy

Dep't Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.: 12/1/09 3.33 12/14/10 District: 1,2,3,5 Agenda Number:  
3.70

**3.81**

The Honorable Board of Supervisors

RE: Ordinance No. 824.9, Extending Urgency Interim Ordinance No. 824.8; Ordinance No. 824.10, Extending the Temporary Fee Reduction Period for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.

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**RECOMMENDED MOTION:** (continued)

2. Introduce and adopt, on successive weeks, Ordinance No. 824.10, Extending for one year the Temporary Fee Reduction Period for the TUMF Program; and
3. Find the adoption of Ordinance Nos. 824.9 and 824.10 are 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.

**BACKGROUND:**

Urgency Interim Ordinance No. 824.9 immediately extends the 50% temporary fee reduction for an additional thirty days, which otherwise would have expired on December 31, 2010. Ordinance No. 824.10 is an amendment that would extend the temporary fee reduction for one year until December 31, 2011 unless the WRCOG Executive Committee directs that the temporary fee reduction be terminated or modified sooner than one year, if at such time, the aggregate amount of fees that would have been collected, from inception of the fee reduction, reach \$20 million. County would modify this ordinance prior to December 31, 2011 in accordance with WRCOG's directive.

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.

The Honorable Board of Supervisors

RE: Ordinance No. 824.9, Extending Urgency Interim Ordinance No. 824.8; Ordinance No. 824.10, Extending the Temporary Fee Reduction Period for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.

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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.

County Counsel has approved as to form.

1                                   ORDINANCE NO. 824.9

2                                   AN ORDINANCE OF THE COUNTY OF RIVERSIDE

3                                   EXTENDING URGENCY INTERIM ORDINANCE NO. 824.8

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.     Pursuant to section 66017 of the Government Code and notwithstanding any  
9     provision of Ordinance No. 824 to the contrary, Ordinance No. 824.8 is hereby extended for thirty (30)  
10    days from the date of its expiration, because absent an extension, the temporary fee reduction period will  
11    expire prior to the effective date of Ordinance No. 829.10.

12            Section 2.     The introductory sentence of Section 7. of Ordinance No. 824 is amended to read  
13    as follows:

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

18            Section 3.     This ordinance is hereby declared to be an urgency measure and shall take effect  
19    immediately upon its adoption and shall have no further force and effect thirty (30) days after its  
20    adoption unless extended pursuant to law. In accordance with the requirements of Government Code  
21    section 66017, subsection (b), the Board of Supervisors hereby finds that the provisions contained herein  
22    are necessary for the immediate preservation of the public health, welfare and safety for the following  
23    reasons:

24                            a.     On January 13, 2011, the temporary fee reduction schedule for the TUMF  
25                            program will expire; and

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

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

4 d. WRCOG has directed the County to take action concerning the temporary fee  
5 reduction schedule before the schedule expires; and

6 e. Failure to comply with WRCOG's directive may limit the County's ability to  
7 provide necessary road improvements. Absent these improvements, an unacceptably high level  
8 of traffic congestion would occur within and around Western Riverside County.

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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  
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19  
20 APPROVED AS TO FORM  
21 December 29, 2010

22  
23 By: Synthia M. Gunzel  
Synthia M. Gunzel  
24 Deputy County Counsel

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ORDINANCE NO. 824.10  
AN ORDINANCE OF THE COUNTY OF RIVERSIDE  
AMENDING ORDINANCE NO. 824  
AUTHORIZING PARTICIPATION IN THE WESTERN RIVERSIDE COUNTY  
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

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

Section 1. Section 1. of Ordinance No. 824 is amended, in its entirety, to read as follows:

Section 1. TITLE. This ordinance shall be known as the “Western Riverside County Transportation Uniform Mitigation Fee Program Ordinance of 2010” (“Ordinance”).”

Section 2. Section 7. of Ordinance No. 824 is amended, in its entirety, to read as follows:

Section 7. TEMPORARY FEE REDUCTION PERIOD. Pursuant to the fee adjustment authority set forth in Section 6.c. and notwithstanding Section 6.a., or any other provision of this ordinance, the following TUMF fee schedule shall apply:

- a. Temporary Fee Schedule.
  - 1) \$4,437.00 per single-family residential unit
  - 2) \$3,115.00 per multi-family residential unit
  - 3) \$ 0.86 per square foot of an industrial project
  - 4) \$ 5.24 per square foot of a retail commercial project
  - 5) \$ 2.10 per square foot of a service commercial project
  - 6) \$ 1.10 per square foot of a service Class A and B Office
  
- b. Application. The temporary fee reduction described in this section shall not apply to or affect fees owed under any development agreement or other contractual arrangement in effect on or before the effective date of Ordinance No. 824.10. If reduced fees are paid pursuant to this section at the issuance of a building permit and either the building permit or the application

1 there for expires, subsequent building permit applications on the  
2 same parcel shall be subject to the full TUMF amount, unless the  
3 temporary fee reduction is still in effect at the time of the  
4 subsequent application.

5 c. Effect. No provision of this section shall entitle any person who  
6 has already paid the Transportation Uniform Mitigation Fees to  
7 receive a refund, credit or reimbursement of such payment. This  
8 section only effects a temporary change in the County's  
9 Transportation Uniform Mitigation Fees.

10 d. Expiration. As of December 31, 2011, this section is repealed  
11 without further action by the Board of Supervisors, unless the  
12 Board of Supervisors repeals or modifies this section prior to that  
13 date. The repeal of this section shall not affect the validity of  
14 actions taken or Transportation Uniform Mitigation Fees paid  
15 under the authority of this section."

16 Section 3. This ordinance shall take effect thirty (30) days after its adoption.

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18 BOARD OF SUPERVISORS OF THE COUNTY  
OF RIVERSIDE, STATE OF CALIFORNIA

19 By: \_\_\_\_\_  
20 Chairman

21 ATTEST:  
CLERK OF THE BOARD:

22 By: \_\_\_\_\_  
23 Deputy

24 (SEAL)

25 APPROVED AS TO FORM  
26 December 29, 2010

27 By: Synthia M. Gunzel  
28 Cynthia M. Gunzel  
Deputy County Counsel