

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

268
A



FROM: TLMA - Transportation Department

SUBMITTAL DATE:

June 7, 2012

SUBJECT: Initiation of Amendment to Ordinance No. 824 Relating to Ending the Temporary Fee Reduction for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program and Reinstating the full TUMF

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt an order initiating an amendment to Riverside County Ordinance No. 824, to end the temporary fee reduction for the Western Riverside County TUMF Program and phase-in the full TUMF; and
2. Direct and authorize the Transportation Department and County Counsel to prepare and process the amendment to Ordinance No. 824.

BACKGROUND: On April 2, 2012 the Western Riverside Council of Governments (WRCOG)

Juan C. Perez
Director of Transportation

JCP:gh

(Continued On Attached Page)

FINANCIAL DATA	Current F.Y. Total Cost:	\$1,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	11/12-12/13

SOURCE OF FUNDS: N/A

There are no General Funds used in this project.

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

C.E.O. RECOMMENDATION:

APPROVE

BY
Tina Grande

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY DATE 6/7/12
DALE A GARDNER

Departmental Concurrence

Dept's Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.

District:
1/1,2/2,3/3,5/5

Agenda Number:

3.50

The Honorable Board of Supervisors

RE: Initiation of Amendment to Ordinance No. 824 Relating to Ending the Temporary Fee Reduction for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program and Reinstating the full TUMF

June 7, 2012

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Executive Committee took action to definitively end the temporary 50% reduction in Transportation Uniform Mitigation Fee (TUMF) and to phase-in the full TUMF over a three-month period, beginning January 1, 2013, so that the full TUMF will resume on April 1, 2013. This action also allowed the jurisdictions that choose to add the three-month phase in period to exceed the previously established \$20 million uncollected revenue cap.

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 \$18.8 million through March 2012 for the entire Western County area and is expected to exceed \$20 million before December 31, 2012. 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. 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 \$20 plus 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 \$547 million has been collected since the inception of the program in February 2003.

Temporary fee reductions, while they serve as an important economic stimulus mechanism, must be balanced with limiting such reductions for a restricted time period 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.

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 reflect the end of the 50% TUMF reduction and phase in over a three-month period in which TUMF will be increased back to 100%. The three-month phase in period will begin January 1, 2013, so that the TUMF will resume at 100% on April 1, 2013. There is minimal staff costs associated with this ordinance initiation which is not expected to exceed \$1000.

County Counsel has approved as to form.