

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

825 A



**FROM:** TLMA - Transportation Department

**SUBMITTAL DATE:**  
November 15, 2011

**SUBJECT:** Ordinance No. 824.12, 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. Introduce and adopt, on successive weeks, Ordinance No. 824.12, extending for one year the temporary fee reduction period for the TUMF Program, and;
2. Find the adoption of Ordinance No. 824.12 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.

**BACKGROUND:** Ordinance No. 824.12 is an amendment that would extend the temporary fee

Juan C. Perez  
Director of Transportation

(Continued On Attached Page)

|                       |                               |      |                         |     |
|-----------------------|-------------------------------|------|-------------------------|-----|
| <b>FINANCIAL DATA</b> | Current F.Y. Total Cost:      | \$ 0 | In Current Year Budget: | N/A |
|                       | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment:      | N/A |
|                       | Annual Net County Cost:       | \$ 0 | For Fiscal Year:        | N/A |

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

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

APPROVE

BY:   
Tina Grande

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: Dale A. Gardner 11/3/11  
DATE: 11/3/11  
Departmental Concurrence

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above ordinance is approved as introduced with waiver of reading.

Ayes: Buster, Stone, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: November 15, 2011  
xc: Transp., COB

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

**Prev. Agn. Ref.** 11/08/11, 3.26 | **District:** 1,2,3,5 | **Agenda Number:**

3.15

Dept's Recomm.:  Consent  Policy   
Per Exec. Ofc.:  Consent  Policy

The Honorable Board of Supervisors

RE: Ordinance No. 824.12, Extending the Temporary Fee Reduction Period for the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program

November 15, 2011

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reduction for one year until December 31, 2012 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, 2012 in accordance with WRCOG's directive.

At the October 3, 2011 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 lesser temporary fee reduction or not agreeing to any fee reduction. This Board took a position last year to extend 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. This action is consistent with recent Board action to reduce the County's Development Impact Fee (DIF) temporarily to 50%.

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 \$14.2 million through September 2011 for the entire Western County area. 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 \$20 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 \$570 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 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 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.

This revision to Ordinance No. 824 extends the temporary fee reduction for one year until December 31, 2012 or until the aggregate amount of fees that would have been collected reach \$20 million, whichever comes first, at which point the ordinance would be brought back to the Board for consideration based on WRCOG's directions.