

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

448 A



FROM: TLMA - Transportation Department

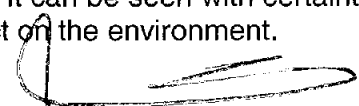
SUBMITTAL DATE:
January 27, 2011

SUBJECT: Ordinance No. 824.11, Extending Urgency Interim Ordinance No. 824.8, 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. 824.11, 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
2. Find the adoption of Ordinance No. 824.11 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.

(Continued on Attached Page)

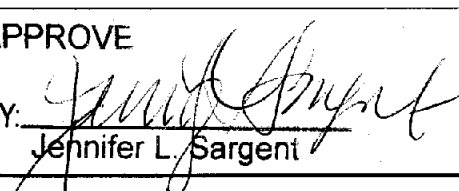


Juan C. Perez, Director of Transportation

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	☐
	Requires 4/5 Vote	☐

C.E.O. RECOMMENDATION: APPROVE

BY: 
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY:  2-1-11
CYNTHIA M. GUNZEL
Department of Transportation

☒ Policy

☒ Policy

ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

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 1/11/11 3.81

3.42

BACKGROUND:

Urgency Interim Ordinance No. 824.11 immediately extends the 50% temporary fee reduction for an additional thirty days the initial 30 day extension, which otherwise would have expired on December 31, 2010. To extend this additional thirty days will preserve the 50% temporary fee reduction and will be repealed without further action by the Board upon the effective date of Ordinance No. 824.10. Ordinance No. 824.10 was introduced on January 11, 2011, adopted on January 25, 2011 and effective on February 24, 2011 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.

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.

The Honorable Board of Supervisors

RE: Ordinance No. 824.11, Extending Urgency Interim Ordinance No. 824.8

January 27, 2011

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BACKGROUND: (continued from page 2)

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.

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1 economic recession on development and construction in Western Riverside County; and

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

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

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

10 Section 4. Upon the effective date of Ordinance No. 824.10, this ordinance is repealed
11 without further action of the Board of Supervisors.

12
13 BOARD OF SUPERVISORS OF THE COUNTY
14 OF RIVERSIDE, STATE OF CALIFORNIA

15 By: _____
Chairman

16 ATTEST:
CLERK OF THE BOARD:

17 By: _____
18 Deputy

19 (SEAL)
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24 APPROVED AS TO FORM
January 31, 2011

25 By: Synthia M. Gunzel
26 Cynthia M. Gunzel
27 Deputy County Counsel
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