



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 7, 2021
FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL
**SUBJECT: ADOPTION OF THE RESOLUTION AMENDING THE APPLICABLE
TRANSPORTATION UNIFORM MITIGATION FEE APPLICABLE TO ALL
DEVELOPMENT IN THE CITY OF RIVERSIDE**

ISSUE:

Adopt the proposed Resolution amending the applicable Transportation Uniform Mitigation Fee applicable to all development in the City of Riverside.

RECOMMENDATION:

That the City Council adopt a Resolution amending the applicable Transportation Uniform Mitigation Fee applicable to all development in the City of Riverside.

BACKGROUND:

The City of Riverside is a Member Jurisdiction of the Western Riverside Council of Governments (WRCOG), a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. Acting in concert, in 2002-2003, the WRCOG Member Jurisdictions developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials due to new development in Western Riverside County could be made up in part by a Transportation Uniform Mitigation Fee (TUMF) on future residential, commercial, and industrial development. As a Member Jurisdiction of WRCOG and as a TUMF Participating Jurisdiction, the City participated in the preparation of a certain "Western Riverside County Transportation Uniform Fee Nexus Study," (2002 Nexus Study) later adopted by the WRCOG Executive Committee. Based on the 2002 Nexus Study, the City adopted and implemented an ordinance authorizing the City's participation in a TUMF Program.

Pursuant to the Mitigation Fee Act (Gov. Code §§ 66000 *et seq.*), WRCOG has prepared a new nexus study (2016 Nexus Study) to update the fees. On July 10, 2017, the WRCOG Executive Committee reviewed and approved the 2016 Nexus Study and recommended TUMF Participating Jurisdictions update their fees by amending their applicable TUMF ordinances to reflect changes in the TUMF network and the cost of construction.

DISCUSSION:

The proposed resolution provides the legal basis for a revised TUMF schedule. The actual TUMF schedule will be established through the Resolution.

In accordance with the Mitigation Fee Act, the proposed resolution and 2016 Nexus Study: (i) identifies the purpose of the revised fees; (ii) identifies the use to which the revised fees is to be put, including identification of any facilities to be financed; (iii) determines how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed; (iv) determines how there is a reasonable relationship between the need for the public facilities and the type of development project upon which the fees are imposed; and (v) determines how there is a reasonable relationship between the amount of the fees and the cost of the public facilities or portion of the public facility attributable to the development on which the fees are imposed.

The resolution has established the current TUMF Fee Schedule as follows:

- (1) \$9,810.00 per single family residential unit
- (2) \$6,389.00 per multi-family residential unit
- (3) \$1.81 per square foot of an industrial project
- (4) \$7.50 per square foot of a retail commercial project
- (5) \$4.75 per square foot of a service commercial project
- (6) \$2.38 per square foot of a service Class A and B Office

Beginning 60 days from adoption of this resolution, the TUMF Fee Schedule will be amended as follows to reflect regional changes in construction costs:

- (1) \$10,104.00 per single family residential unit
- (2) \$6,580.00 per multi-family residential unit
- (3) \$1.86 per square foot of an industrial project
- (4) \$7.72 per square foot of a retail commercial project
- (5) \$4.89 per square foot of a service commercial project
- (6) \$2.45 per square foot of a service Class A and B Office

STRATEGIC PLAN ALIGNMENT:

The City's participation in the TUMF program aligns with the Infrastructure, Mobility, and Connectivity strategic priority as detailed below:

Goal 6.2 – Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Furthermore, this item aligns with the Cross-Cutting Threads as outlined below:

1. **Community Trust** – The TUMF nexus study and any interim Construction Cost Index adjustments undergo a rigorous and transparent development process with participation from all member agencies in technical advisory committees.
2. **Equity** – The City participates in the development of the TUMF program and fee schedule

and advocates for geographic equity to help assess the appropriateness of identified fees.

3. **Fiscal Responsibility** – The City's administration of local TUMF fees allows private development to help pay its share towards regional transportation impacts, saving the City funds in the execution of key transportation infrastructure projects. By adopting the adjusted TUMF fees, the TUMF program can continue to execute on its envisioned project list while accounting for changes in construction costs.
4. **Innovation** – The TUMF program has applied an innovative approach to leveraging regional development fees to make improvements in Western Riverside County.
5. **Sustainability & Resiliency** – The TUMF program has helped to construct key improvements such as grade separations in the WRCOG region, which contributes to improved sustainability through reduced vehicle emissions and idling times.

FISCAL IMPACT:

There is no immediate fiscal impact related to this report. However, adoption of the resolution is necessary to remain compliant with the TUMF program and be recognized by WRCOG as a TUMF Participating Jurisdiction. Failure to do so could result in loss of TUMF return funding and contribute towards substantial traffic congestion in the City and Western Riverside County.

A total of 19 TUMF-funded projects have been completed in the City of Riverside for a total of \$81.2M in TUMF funding. The City is currently administering \$20M in TUMF funds. The updated fees will allow WRCOG and the City to continue to execute on projects envisioned in the TUMF nexus study by accounting for rising construction costs. The next full TUMF nexus study is anticipated to begin in late 2021 and will take 12-18 months to complete.

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Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Kris Martinez, Interim Assistant City Manager
Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. Resolution
2. Presentation-Public Works
3. Presentation-WRCOG