



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 5, 2019

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: PROPOSED ORDINANCE TO INCLUDE A PROCESS FOR WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS TO CALCULATE AND COLLECT FEES UNDER THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

ISSUE:

Approve an amendment to the Transportation Uniform Mitigation Fee Program to allow the Western Riverside Council of Governments to collect fees on behalf of the City.

RECOMMENDATION:

That the City Council introduce and subsequently adopt an ordinance amending the Transportation Uniform Mitigation Fee Program to allow the Western Riverside Council of Governments to collect Transportation Uniform Mitigation Fees on behalf of the City.

BACKGROUND:

The City 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, the WRCOG Member Jurisdictions approved a plan in 2002-2003 to address a funding shortage necessary to increase vehicular capacity of the Regional System of Highways and Arterials due to new development in Western Riverside County. The plan to address the funding shortage included the implementation of a Transportation Uniform Mitigation Fee ("TUMF") on future residential, commercial, and industrial development, which have a direct impact on the County's roadway network.

Upon recommendation by the WRCOG Executive Committee, WRCOG recently adopted a revision to the TUMF calculation and collection process to provide an option for WRCOG to calculate and collect TUMF on behalf of member agencies that elect to delegate the fee calculation and collection to WRCOG.

DISCUSSION:

City staff is currently responsible for calculating and collecting TUMF for all new development within its jurisdiction. TUMF funds are remitted to WRCOG on a monthly basis, and in-depth reviews are conducted on an annual basis.

On October 1, 2018, WRCOG approved a policy change to the TUMF calculation process to allow member agencies the option to shift responsibility for TUMF calculations and collections to WRCOG in an effort to improve the cost-effectiveness of the process for WRCOG and its member agencies.

The option to delegate the TUMF calculation and collection to WRCOG provides numerous benefits, including elimination of the need for extensive end of the year reviews, and a shift of the responsibility for errors from the member agency to WRCOG. Under the current process, the City bears the responsibility for any errors related to TUMF calculations and collections. This update to the process would result in savings to City Planning, Public Works, and the Finance Department resources.

Under the new TUMF collection process, City staff will be required to complete TUMF calculation worksheets, which include project-specific detail, and submit the worksheets electronically to WRCOG. WRCOG will complete most TUMF calculations within two business days or request additional information if there are unique project circumstances to consider. WRCOG staff will maintain a database of all credit agreements and host a secure, online web portal to provide the option for electronic fee payment by developers. Developers will also have the option of going to the WRCOG office to make TUMF payments in person. Once a project has paid TUMF, a receipt of payment will be forwarded to the developer and applicable City staff. Staff time required for TUMF monthly reports and annual reviews will be reduced significantly, since WRCOG will be responsible for all calculations and collections.

In the event of a TUMF assessment dispute, developers will retain the option to appeal the assessment by WRCOG and pay the TUMF in protest, so that the project can still move forward. The TUMF dispute resolution process will be streamlined, allowing developers to go directly to WRCOG with disputes. Most notably, responsibility for TUMF miscalculations would shift from the City to WRCOG, given that the project information provided by the City is complete and accurate.

WRCOG's calculation and collection of TUMF is permissible under the Mitigation Fee Act. The Public Works Department recommends shifting TUMF calculation and collection responsibility to WRCOG to streamline and simplify this process. WRCOG's calculation and collection of TUMF requires approval of an updated TUMF Ordinance and could take effect as soon as April 2019.

FISCAL IMPACT:

There is no fiscal impact resulting from approval of the recommendations. Amending the ordinance simply changes the organization collecting TUMF payments from the City to WRCOG.

Prepared by: Kris Martinez, Public Works Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Amended Ordinance
2. Presentation