



CITY OF MENIFEE

SUBJECT: Ordinance Introduction and First Reading for Updating Participation in the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program and Amending the TUMF per the 2024 Nexus Study

MEETING DATE: February 5, 2025

TO: Mayor and City Council

PREPARED BY: Kristen Jensen, Financial Analyst

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Introduce an ordinance repealing and replacing Ordinance No. 2017-229 to update participation in the TUMF program; and
2. Adopt a resolution amending the TUMF applicable to all developments in the City of Menifee.

DISCUSSION

The City of Menifee (“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, 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 supported, in part, by a Transportation Uniform Mitigation Fee (“TUMF”) charged to 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 (“2024 Nexus Study”) upon which updated fees will be based. On September 9, 2024, the WRCOG Executive Committee reviewed the 2024 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.

Participation in the TUMF program has been a critical tool for the City in funding major transportation projects in the Five-Year Capital Improvement Program (CIP). During the last five years, TUMF funding has been allocated to construct major transportation CIP projects including the Holland Road/I-215 Overcrossing and Scott Road/I-215 Interchange. Future TUMF supported projects in the City include the Scott Road Widening Project (Sunset Avenue to I-215), I-215 and Garbani Interchange, and Menifee Road widening from Scott Road to Garbani Road. Each of the constructed and future projects mentioned above provide a local and regional benefit to the City and surrounding communities by providing additional travel lanes and multi-modal connectivity options to support growth in the region.

Conducting a nexus study is considered a best practice for updating fees, is essential for ensuring compliance with new and existing laws, provides a tool for reevaluating the relevance of current projects, and provides an opportunity to incorporate new projects. A nexus study can also address changes in project-related industry costs, update future growth forecasts, and anticipate future changes in regional transportation needs.

The proposed ordinance adopts the 2024 Nexus Study and provides the legal basis for a revised TUMF schedule. The actual TUMF schedule is established through the proposed resolution.

The 2024 Nexus Study identifies the existing level of service for each public facility, identifies the proposed new levels of service, and explains why the new level of service is appropriate.

In accordance with the Mitigation Fee Act, the proposed ordinance and 2024 Nexus Study would:

- Identify the purpose of the fees.
- Identify the use to which the fees are to be put, including identification of any facilities to be financed.
- Determine how there is a reasonable relationship between each fee's use and the type of development project on which each fee is imposed.
- Determine 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.
- Determine how there is a reasonable relationship between the amount of the fees and the cost of the public facilities, or portion of the public facilities, attributable to the development on which the fees are imposed.

The most notable fee changes incorporated in the 2024 Nexus Study address compliance with the requirements of Assembly Bill 602 (AB-602), a law that reformed how cities calculate impact fees for new housing developments. This legislation requires that the size of residential developments be considered when assessing impact fees. During the 2024 Nexus Study, it was determined that different household types generate varying numbers of trips. To align with AB-602, the 2024 Nexus Study transitions Single-Family Residential TUMF fees from their prior per-unit calculation to fees calculated on a tiered square footage basis.

The proposed resolution would establish the Fee Schedule for TUMF as follows:

1. \$12,380 per single family residential unit of 1,800 square feet or less
2. \$13,927 per single family residential unit between 1,801 and 2,300 square feet
3. \$15,476 per single family residential unit between 2,301 and 2,700 square feet
4. \$19,344 per single family residential unit greater than 2,700 square feet
5. \$7,816 per multi-family residential unit
6. \$2.33 per square foot of an industrial project
7. \$7.72 per square foot of a retail commercial project
8. \$4.89 per square foot of a service commercial project
9. \$2.45 per square foot of a service Class A and B Office

If approved, the proposed ordinance and resolution would result in the implementation of the new Fee Schedule for TUMF for the City of Menifee, becoming effective 60 calendar days following the ordinance adoption (Government Code §§ 66000) or on approximately April 20, 2025.

STRATEGIC PLAN OBJECTIVE

Connectivity and Mobility

FISCAL IMPACT

There is no additional fiscal impact associated with this item. Costs incurred for legally required publication of public hearing notices have been absorbed in the current fiscal year 2024/2025 Operating Budget in the Engineering division under Legal Advertising (1100-PWD-ENGR-651400).

The collection and distribution of TUMF funding continues to be administered by WRCOG. Fees collected are held by WRCOG until such time as an approved project has incurred expenses, paid from TUMF Fund 2310, and a request for reimbursement of TUMF funding on the project is submitted by the City. Approval of this item would ensure that TUMF collected in the future reflects the most current anticipated project costs to adequately support TUMF designated projects.

ATTACHMENTS

1. Ordinance
2. Ordinance Exhibit A: TUMF Regional System Map
3. Ordinance Exhibit B: 2024 TUMF Nexus Study
4. Resolution