

*Regional Conservation Authority***RECOMMENDATION REGARDING INFRASTRUCTURE
CONTRIBUTION TO MSHCP****Staff Contact:****Joe Richards,
Deputy Executive Director
(951) 955-9700****Background:**

As we have emphasized on many occasions, the MSHCP is intended to expedite the construction of infrastructure, particularly roads, and for that reason many infrastructure projects received “coverage” under the Plan. As a corollary to coverage, permittees agreed to an infrastructure contribution, however, there is still some confusion over these payments. Staff has met several times with representatives of permittee public works staffs, and believe we have resolved administrative/remittance issues. To clarify the matter, however, we believe that the Board should confirm the Plan provisions relating to covered projects and formally convey that to the permittees.

Transportation Projects: The Plan calls for \$371 million in transportation infrastructure contributions, with \$121 million coming from Measure A, and \$250 million from local transportation projects. The latter would include contributions from TUMF facilities, estimated at \$64 million over 25 years. The Plan provides no funding estimate for NON-TUMF transportation projects, but if the total transportation contribution is \$371 million, then an estimate would be \$186 million (\$250 million minus the \$64 million from TUMF). According to the funding section of the Plan, this \$186 million would be realized by a contribution of 5% of the capital cost of any new road; or for a road widening project, 5% of that portion of the cost associated with the widening.

Non-Transportation Public Works: The Plan contains no contribution estimate for “non-transportation” projects, but the “5% of capital costs” would apply. However, the Flood Control District pays 3% of capital costs, per the Implementing Agreement.

Developer-Constructed Roads: Some permittees assumed that the acreage within the limits of a General Plan road constructed by the developer was included in the

calculation of the development impact fee. We do not believe this assumption is correct for the following reasons:

- The Nexus Study (the study prepared to support the fees) calculated the MSHCP development mitigation fee based on the Plan costs ***less*** expected revenues from local and regional infrastructure. Therefore, the fee does not assume the road improvement acreage.
- The Plan does not distinguish between General Plan roads constructed by a local permittee or those constructed by a developer. The Plan considers both as “public infrastructure”.

We would conclude that the construction of road improvements by a developer should be subject to the same 5% contribution as a facility constructed by the jurisdiction. **However, permittee staffs have pointed out that it would be difficult to calculate the 5% contribution, considering all the variables that may be relevant to a particular improvement. We will continue to work with the permittees on this component of the contribution program.**

Other Public Facilities: In addition to road contributions, permittees pay the commercial and industrial acreage fee (\$6,131 per acre) for facilities such as civic buildings and parks.

RECOMMENDATION:


That the RCA Board of Directors:

- 1) Endorse the following tenets regarding MSHCP infrastructure contributions;
- 2) Direct staff to forward the tenets to the County Executive Officer and City Managers for action;
- 3) Work with the County and cities to ensure that qualified infrastructure projects contribute to the Plan;

Tenets Relating to Local Infrastructure Contribution

- A. **TUMF:** TUMF contributions have been adopted and stand at 5% of the facility cost or about \$64 million over 25 years. WRCOG is maintaining a separate account for these contributions and will release funds, at our request, for acquisitions.

- B. City and County Roadways Covered by the Plan:** These facilities would contribute 5% of the facility construction cost subject to the following:
1. The 5% contribution applies to new facilities, or the widened portions of existing facilities for capacity enhancement.
 2. Maintenance and safety projects as defined in Section 7 the Plan are exempt from the 5% contribution.
 3. For projects with multiple fund sources, the 5% does not apply to:
 - a) Portions paid for by Measure A (contribution already paid directly by RCTC).
 - b) Portions paid for by TUMF (contribution already paid directly by WRCOG).
 4. Payment of federal funds is contingent on approval by the Federal Highway Administration.
 5. Contributions for all Caltrans facilities are covered by the Caltrans mitigation bank, regardless of fund source(s).
 6. Contributions for transportation facilities not funded by TUMF or Measure A will be remitted to the RCA upon approval of the construction contract by the permittee.
- C. Local Non-Transportation Facilities (i.e. parks and civic buildings):** The Plan calls for permittees to contribute the appropriate commercial / industrial fee for these types of facilities.
- D. Covered Projects by Riverside County Flood Control and Water Conservation District:** The Implementing Agreement calls for a contribution of 3% of capital costs. The funds are remitted to the RCA annually.

FINANCIAL INFORMATION	
In Fiscal Year 2007 Budget: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Cost: \$ None Annual Cost: \$ None
Source of Funds Revenue Accounts: City and County Roadways - Plan Covered, Local Non-Transportation Facilities, and Flood Control Covered Projects	Budget Adjustment: None From To
Approved by: 	Date: January 31, 2007