The New Collaborative Region:  
Suburbs and Cities Working on the Future  
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Panel Presentation:  
Transportation, Land Use and Regional Collaboration:  
Southern California Experiences

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I wanted to talk to you very quickly about a program that we have had in place now for two years. It's probably known to most, if not all, of you. It's called the Transportation Uniform Mitigation Fee. And what I want to do is kind of run through the issues that brought this to the table without getting into much detail, assuming that most of you have been hearing the numbers that respond to prolific growth that's been occurring here. I won't really go through that much at all, but I will just kind of provide just a little bit of context, tell you how the program was developed, and then, best of all, tell you how it's working so far.

Just as background, I think we all know the tremendous growth that's occurring in Riverside County. Riverside County, without getting into numbers, is the fastest growing county in the state of California. It's the second fastest growing county in the country. It is actually eighth in terms of rate of employment growth. So things are happening here.

It's a very, very desirable place. The county obviously provides fantastic opportunities for homeownership. And we're seeing that. We are seeing a lot of homes built. And perhaps a topic of another seminar is even with all the homes that are being built here now, we still don't have enough to house what's needed, and we certainly need to improve the variety of homes that are being built here as well. And maybe that might be something that Mark touches on when he talks about the 2 percent strategy.

The economic development opportunities are also tremendous. But from the other side, the challenges that come along with that, particularly as they pertain to the infrastructure and how to provide it, are very, very great. It's great to have this growth, it's great to see people living the American dream, and all the efforts that are occurring here to make that happen, but the infrastructure challenges are certainly very, very formidable.

And this is where we get to the TUMF program, Transportation Uniform Mitigation Fee. What's the purpose of this program? Well, it's not to provide every dollar that is needed for transportation programs, but it's really intended to be a complement to other funding sources that exist fortunately here in Riverside County, specifically Western Riverside County.
TUMF is a supplemental revenue source to augment shortfalls that we all have probably been hearing about and talking about for a long period of time, particularly in western Riverside County.

The basic idea of TUMF is to take a look at future growth, find out what the impacts of that future growth are on our arterial system, and then develop some kind of a connection or a nexus that would enable for transportation improvements to be identified and funded from new developments. And that's basically it in a nutshell.

What makes TUMF very, very unique is its size and scope of application. Local jurisdictions have a number of fee programs to perhaps fund a library or a police station or a fire station, something like that.

And the basic idea of TUMF is that it builds off of that, but on a much larger scale. This program is in place on a uniform basis in 15 jurisdictions. All of the jurisdictions in Western Riverside County implement this program uniformly along with the March JPA.

It complements Measure A revenues. The Measure A is the half-cent sales tax measure that was approved by Riverside County voters in November 2002 and extends that half-cent sales tax for another 30 years. In all, it provides about $4.3 billion for transportation improvements, which certainly would be adjusted based on the cost of goods increasing over time.

But one of the fallacies of sales tax measures, not the measures themselves, but the people that vote them into place is that they kind of have a sense that, "Once I approve this half-cent sales tax, once I agree to tax myself for a period of time, that will take care of all of our transportation needs."

And that's certainly not the case. It is a piece of it. It's a portion of it. It gets you there. It gets you closely there, but not all the way there. So TUMF is designed to help get there.

What I want to do is run you very quickly through the seven steps that are necessary to put a program like this together. And you can see them there. First of all is the forecast of the growth for our area. Then we want to take a look at what transportation improvements are going to be needed to accommodate that future growth, figure out how much they cost. And then after we get over the shock factor and pick ourselves up, try to figure out what funding is already in place to pay for that need.

Then we perform what's called a nexus study. And I will talk about that very briefly. That's what establishes the connectivity between the transportation improvements that are needed to serve future growth and what future growth's contribution to those transportation improvements should be, figure out how it all kind of boils down as far as what you charge to what kinds of developments, and then you go from there and get local jurisdictions to get it going. Now I just said that in three minutes, but it took three years to put that in place. And it's no easy task.

I think I don't really need to show you the numbers here. Obviously, we know this area is growing. We use, for our growth forecast, the forecast that's developed by SCAG in conjunction with its Regional Transportation Plan. It's a growth forecast
that's updated every three years, and we use that as our anchor for figuring out future growth.

We basically know that for every person that's in Western Riverside County now, there's going to be an additional person here in the next 25 years. For every job that's here now, there will be more than one job here in the future, which is great for achieving a sub-regional job/housing balance that we all hear about, but actually is somewhat detrimental to the arterial system and its performance in Western Riverside County.

What I mean by that is our goal, obviously, is we want to lessen the number of folks that are driving from the Inland Empire into Orange and L.A. counties and are clogging up those freeways. We want to find a way to bring those jobs into Western Riverside County, Riverside County, and the Inland Empire in general.

In doing so, you can eliminate freeway trips or lessen freeway trips, but then where do those trips go? They get off, loaded onto the arterial network.

So the TUMF program is precisely put in place with the job/housing balance in mind in order to serve increased traffic that actually can result and will result from the actual achievement of job/housing balance.

Step No. 2 is to identify what improvements are needed to service this future growth.

Now, the TUMF program is not a freeway program, and if there's a way to define and differentiate the two programs, Measure A and TUMF, I think the easiest way to do it, although it's a little bit general, is to say the half-cent sales tax measure is primarily focused on freeway improvements. The TUMF program is solely focused on arterial, highway and bridge improvements, with the exception of participating in freeway interchanges.

What this process encompassed was that the Public Works directors in all 15 of our jurisdictions got together and, over the course of about a two-year period, established what we now call the TUMF network. It's more formerly known as the regional system of highways and arterials, and basically that is the road network that was designed to be the baseline system that TUMF was premised upon.

Every PowerPoint presentation needs a horrible map that cannot be read, and so here's our version for you. You can go on our Website and download this, and we certainly would be happy to make large wall copies available for you if you so desire.

Step 3 is, "Well, we know how much we're growing and we know what kind of road system we need to accommodate that future growth. How much is it going to cost?" So you start breaking it down.

And we found that two years ago, when we put in the initial TUMF in place, that this system cost was over $3 billion. And you can see it kind of divided up in real summary fashion as to roadway, lanes. Thirteen hundred lane miles are forecast to be added to the program. Right-of-way acquisition, interchanges, grade separations, bridges, transit, intersection improvements. You can see the general breakdown.
After you kind of pick yourself up from the floor on the cost, you then need to figure out, "Well, how much of that is available now?" We went through that exercise and found that virtually nothing was available now.

So not a real good starting point to go from, but one of a reality check. And we found that there are some cases where local fee programs are in place that identify facilities that are also TUMF facilities. So you might get something out of that.

Developers do construct and will construct a number of TUMF facilities just through conditions of approval, which is great. No money exchanges hands. They can do it quickly. And that's great.

And then finally the sales tax measure that was re-approved or reauthorized does provide $300 million for what essentially are future TUMF facilities, but it remains to be seen how RCTC chooses to spend those monies, whether it's looking to spend those dollars in a way that would address the impacts on those highways from new growth or whether they would spend those monies to address existing congestion problems on those arterials now. So there is some money there, but not a whole lot.

So we know what the size and scope of the problem is, and the next thing we need to do is to figure out that connectivity. And that's done by performing what's called a nexus study. It's a state law requirement. You can't just go out and dream up some dollar amount that you want to charge new development, say, "We are going to use it for something." You need to show the connection, the nexus, between a facility you have envisioned and what their cost is, and what the reasonable relationship is between those facilities and the impact on those facilities for new development.

So basically the nexus study, you can see there in the gold. It just answers the primary question, to what extent is new development responsible for improvements too. In this case, the TUMF network.

It also identifies what portions of these improvements cannot be paid for by new development, because there is already existing congestion on a number of roadway facilities right now. That's not in play. You cannot have new development pay to fix the problems that are already on the ground.

So we did this nexus study -- and sorry the print is a little bit small here -- and we found out basically what we thought. The nexus study confirmed a lot. The region is growing. No big shock there. This continued growth will result in increasing congestion on the roadways. Not a real big shock there. We are doing all right so far. There is a real strong connection or a real strong nexus between future new development and the need for these facilities. In fact, you can see it in red, 86.6 percent.

Basically, what that means is that of that $3.2 billion cost that was identified for the TUMF system, 86 percent of that cost to make those improvements is the result of new development. Very, very powerful number. Very, very strong number. And it also confirmed that the capacity improvements that were designed by our Public Works directors were, in fact, the ones that needed to be addressed through this system.

And then, finally, the nexus study also found that not everybody that is going to be living here in the future will want to or will desire to use their car, that there's a
strong need for transit. And just to -- well, let me see a show of hands. How many people took the bus in to the conference here today?

Well, that's part of the problem. We just don't really have any confidence in transit. We don't feel good about transit.

So we've done everything we need to. Assessed growth, figured out what our road network is, figured out the connection to new development. And now comes the hard part, to convert that all to numbers and what kind of assessments need to be made on new development.

And it's really based on the different kinds of trips that are generated by different kinds of land uses. And here it is kind of in a nutshell. It certainly is in more detail than this, but, boy, to get 3 1/2 or $3.2 billion; you need to charge a lot of money to get there. And our fee is not insignificant.

It's a significant fee. And right now we are in the process to revamp the system, revise the system to keep it current with existing costs. And there's a very good chance that fee could go up even higher in the future.

The last step. And I love this slide, because this is, "Adopt and implement the program via ordinance." And that was just a task that only took eight months to do. Fifteen different jurisdictions, 75 or so elected officials. Torn between the need to, provide infrastructure and between the general lack of desire to charge fees on new development. It's a very, very tough quandary to be put into. But the result has been a unanimous implementation of a program. And it's in place.

Just very quickly, just to give you a couple ideas, I'll mention a few other things. It's a very unique program. There's nothing like this, again, size or scope or context in the country. And we've tried to put expertise where it belongs in how we set it up. WRCOG's job is to keep the nexus study strong and legal, to collect the money, and then disburse it out. Our partner agencies, RCTC, RTA, the Riverside Transit Agency, and cities and the county, they are charged with prioritizing what projects they want to build and spending the money and building it. It's a great relationship, and it's one that makes the program really, really work.

Even better, we've divvied the dollars up in a way where we are able to spend money for regional improvements, and then improvements at the local level that are a little bit smaller in size. So for every dollar we bring in, part goes to RCTC, part goes to the cities based on the dollars that were generated in there for them to program, and part goes to the transit.

What's the current status of the program? Well, it's all in place. It's going. We generated about $225 million so far to date. That gives you an idea of the pace of development here. About $2 million a week comes into the program. We do regular cost indexing to try to make sure the program keeps pace with inflation so that the value of that dollar remains whole. And yet we've got a lot of money and we are two years in. And this is kind of about where we are right now. We are two years into the program, and we've got a lot of bitter, angry, ugly people yelling and screaming about, "Where are the projects?"
We take pictures of them as they come in the office. And you can kind of see them along there. Some of them don't even look human, but they want to know, "We've got all this money, and where are the projects?"

It takes a while to put this stuff on the ground. We have collected money and we're moving ahead very, very quickly, actually, with project implementation, recognizing that a lot of this work that needs to occur before you get a TUMF project on the ground is invisible work. It's the planning. It's the project engineering. It's acquiring a right-of-way. It's getting the environmental clearances. We call all that invisible planning. You can kind of see it in the gold-colored background.

And then the actual construction, that's the last thing to occur. That's when you start seeing progress, at least in people's minds. But a typical TUMF project, two to 10 years to put in place. And about 80 percent of that is kind of that behind-the-scenes invisible work.

But where are we? Well, when you start telling people where we are with the program, two years in place, all of the five zones have adopted their tips; they have programmed more than $300 million dollars in projects. RCTC's programmed nearly $100 million in projects. RTA's programmed more than $20 million in projects. Add it all up, about 100 projects; $400 million has been programmed. And better yet, of those 97 projects, 54 of them are already underway and a number of them have already been completed.

And when we tell folks that, you can see the smiles that they get on their faces. And so it's a very successful program.

The next thing that we'll be doing -- and we will be seeing this in the next week or two -- is the signage. We are going to get signage out on all these sites. So, hopefully, in the near future, the biggest complaint people will have about the TUMF program is the signage pollution that they're seeing and ruining their aesthetic values because so many projects will be being built in the region.

If you want more information, give me a call or check out our website.