




City Council Agenda Report

To: Mayor and Council Members
From: Lori A. Moss, Assistant City Manager 
Date: September 2, 2003
Subject: Development Impact Fee Reimbursement Agreement with the County of Riverside for permits issues after January 1, 2002 in Murrieta Hot Springs Annexation Area

RECOMMENDATION

Approve the attached Development Impact Fee (DIF) Reimbursement Agreement between the City of Murrieta and the County of Riverside and authorize the mayor to execute the agreement.

BACKGROUND

On July 1, 2002, approximately 3000 acres east of Murrieta became part of the City. This area has been experiencing steady growth. Upon annexation of the area, the County of Riverside continued to collect DIF on permits issued in the area. Prior to annexation City and County staff had transitional meetings regarding permits. Ultimately staff began working with Supervisor Venable's staff to determine the number of permits issued by the County and the amount of DIF collected. On February 18 Council approved an agreement with preliminary reimbursement amounts. After the executed agreement was forwarded to the County, their staff determined that the originally quoted reimbursement amount was in excess of what was collected after July 1, 2002. Further meetings occurred with the Supervisor and County staff and the enclosed agreement reflects a new reimbursement amount that tracks DIF collected on permits back to January 2, 2002. Supervisor Venable and his staff have been cooperative in preparation of the attached agreement for reimbursement of funds that were generated in the area even before annexation.

The County has requested that a portion of the fee relating to administration (approximately \$66 per permit) and the signal mitigation share (\$354 per permit) be retained by the County, an amount that will not exceed \$31,500. The County performed the issuance process of the permits in the area, which is justification for them keeping the administration fee. The County requests the signal mitigation portion, which will be earmarked for the construction of up to six traffic signals on Winchester Road, some of which will be constructed within the Murrieta City limits. The County is spearheading the process with CalTrans, and has already been successful in the installation of several traffic lights along Winchester Road.

The ultimate total after subtraction of the above items is an amount of \$3,318,757. Specifically those funds collected prior to annexation from January 1, approximately \$1,668,248 and those collected after July 1, approximately \$1,682,009. Section C of the agreement specifies projects that the pre-annexation funds will be used for because the projects are in conformance with the County's Public Facilities Needs List. Projects include library collection for the existing and new Murrieta Library, Warm Springs Park and Trails, Date Street improvements, and Fire Station 4 engine and brush truck. A breakdown of post annexation funds is attached.



The agreement was approved by the Board of Supervisors on August 26. In conversations with the County after the approval, and pending Council approval, the City will invoice the County immediately and can expect payment by the end of September. The agreement has been approved as to form by the City Attorney. Since some of these funds were not budgeted for in the City's Capital Improvement Plan, amendments to the CIP will come to Council as part of the mid year adjustment process.

BUDGET IMPACT



None

ATTACHMENT

Development Impact Fee Reimbursement Agreement and related Attachment A

County BOS Staff Report

Murrieta Hot Springs Annexation DIF List of Projects

**DEVELOPMENT IMPACT FEE REIMBURSEMENT AGREEMENT
BETWEEN THE COUNTY OF RIVERSIDE AND THE CITY OF MURRIETA**

This REIMBURSEMENT AGREEMENT (hereinafter referred to as the “Agreement”), is made and entered into this _____ day of _____, 2003, by and between the COUNTY OF RIVERSIDE (herein “County”) and the CITY OF MURRIETA (herein “City”).

RECITALS

1. On July 1, 2002, the 3,000-acre area known as Murrieta Hot Springs bordered by SR 79 to the east, Murrieta Hot Springs Road and the Temecula City limits to the south, the existing City of Murrieta to the west, and the future Clinton Keith Road to the north was annexed into the City of Murrieta (“Annexation Area”).
2. The annexation area is experiencing substantial residential growth as a result of developments processed by the county prior to annexation.
3. The County has been collecting all Development Impact Fees (“DIF”) required of developments in the annexation area, even subsequent to July 1, 2002.
4. The County is willing to turn over the majority of the DIF that have been collected in the annexation area to the City, subject to the City identifying projects for the funds.
5. The County desires to retain the applicable DIF administrative fee that was charged per permit issued and to retain the signal mitigation portion of the DIF and will commit it to signals installed on SR 79 between Murrieta Hot Springs Road and Clinton Keith Road.
6. The parties estimate that a minimum of \$3,349,370 of DIF have been collected in the annexation area since January 1, 2002.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, covenants, conditions, and agreements set forth herein below, the County and the City agree as follows:

- A. The County, upon execution of this Agreement by the City, will provide the final and complete accounting of all the permits, which were issued in the annexation area. Based thereon, and within 90 days of the execution of this agreement, the County will remit to the City the sum identified in Recital #6 of \$3,349,370, which represents the DIF collected in the annexation area after January 1, 2002, from the applicable DIF funds.

- B. The City and County agree that \$1,682,009 was collected on behalf of the City by the County after July 1, 2002. This amount shall be forwarded to the City to fund projects in conformance with the City DIF program.
- C. Additionally, \$1,667,361 was collected between January 1 to June 30, 2002. The City, upon execution of this Agreement by the County and receipt of the funds will commit funding to priority projects in the area as follows:
Fire Station 4 engine and brush truck purchase - \$204,000
Date Street improvements from Margarita Road to Murrieta Hot Springs Road - \$763,200
Right-of-way costs associated with Date Street construction - \$130,000
Warm Spring Park and Trails - \$449,464
Library collection for the existing and new Murrieta Library (In accordance with Attachment A) - \$121,584
Estimated Total: \$1,668,248
- D. The City and County agree upon execution of this Agreement that the County will retain the portion of the DIF that was collected and identified as Fee Program Administration, which is collected at \$66 per permit. Furthermore, the County will retain the portion of the fee that is dedicated to traffic signals at a rate of \$354 per permit. These funds will be used to fund traffic signals on SR 79 between Murrieta Hot Springs Road and Clinton Keith Road. The total amount related to the Fee Program Administration and Traffic Signal component is \$31,500.00.
- E. It shall be the intention of both the County and the City to complete the above projects as expeditiously as possible. Should any project extend beyond December 31, 2006, it shall be understood a joint status review will be made towards continuing or aborting the project effort.
- F. Each party hereto represents and warrants that it has full power to enter into this Agreement, and that the individual executing this Agreement on its behalf is fully empowered to bind it and fully authorized to enter this Agreement. Each party represents and warrants that it has not assigned, encumbered or in any manner transferred all or any portions of the claims, causes or action, or other matters released by it herein. Each party hereto acknowledges and agrees that the warranties and representations made by each party in this paragraph are each an essential and material term of this Agreement, without which the consideration given herein would not have been given by any of them.
- G. This Agreement shall be binding upon and shall inure to the benefits of the parties hereto and their respective successors and assigns.

- H. This Agreement is made and entered into in the State of California and shall be interpreted, applied, and enforced under and pursuant to the laws of the State of California.
- I. This Agreement constitutes the entire Agreement of the parties with respect to the matters set forth herein, and no other prior or contemporaneous agreement, statement, or promise made by any party, or made to any employee, officer, or agent of any party shall be valid or binding.
- J. Should interpretation of this Agreement, or any portion thereof, be necessary, it is deemed that this Agreement was prepared by each of the parties hereto jointly and equally and shall not be interpreted against any party on the ground that the party drafted the Agreements or caused it to be prepared.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date herein above set forth.

COUNTY OF RIVERSIDE

CITY OF MURRIETA

 Chairperson, Riverside County
 Board of Supervisors

 Mayor, City of Murrieta

ATTEST:

ATTEST:

 Clerk of the Board

 City Clerk

APPROVED AS TO FORM:
 FORM:

APPROVED AS TO

 County Counsel

 City Attorney



CITY OF MURRIETA

August 19, 2003

Mr. Tony Carstens
Deputy County Executive Officer
County of Riverside Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501

Dear Mr. Carstens:

Per our previous discussions, this letter will serve as an attachment by reference to the "Development Impact Fee Reimbursement Agreement between the County of Riverside and the City of Murrieta". The Agreement authorizes reimbursement of DIF collected in the annexation area by the County for projects listed, specifically "Library collection for the existing and new murrieta Library" in the amount of \$121,584. With this in mind the City agrees to the following:

"In order to insure that County residents have access to library materials paid for with library related DIF monies, the City shall provide seamless access to its library automation system so that County residents will have access to library materials. City agrees to remain a member of the Inland Library System (or similar State cooperative library agency) and not charge County residents a non-user fee for library use, so that County residents can continue to use City owned library facilities. County agrees to same provisions for City residents for use of County Library materials and facilities."

Our thanks to you and your staff for working with us on this item, which will be of benefit to both County and City residents.

Sincerely,

Steve N. Mandoki
City Manager

C: Lori Moss
Diane Satchwell

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

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FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:
August 19, 2003

SUBJECT: Development Impact Fee Reimbursement Agreement between the County of Riverside and the City of Murrieta

RECOMMENDED MOTION: That the Board of Supervisors approve the agreement between the County and the City of Murrieta and authorize the chairman to sign.

BACKGROUND: On July 1, 2002, LAFCO No. 2001-15-3 was finalized in which approximately 3,200 acres was annexed to the City of Murrieta from the County of Riverside. The agreement between the city and county stipulates the transfer of Development Impact Fees (DIF) that were collected and paid within the annexation area by the county beginning from January 1, 2002 to the present. Building and Safety is coordinating with the city to transfer over any remaining existing permits within the annexation area that are non-DIF related. The city has agreed to use pre-annexation DIF monies for projects related to the Public Facilities Needs List. County Counsel has approved the agreement as to form.

Departmental Concurrence

Lisa Brandl

LISA BRANDL
Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 3,317,870.00	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	03-04

SOURCE OF FUNDS: Countywide Public Facilities Fund No. 30501; Western County Public Facilities Fund No. 30545; Western County Fire Facilities Fund No. 30505; Southwest Area Plan Roads, Bridges, Major Improvement Fund No. 30525; Western Riv. Co. Regional Park Facilities Fund No. 30528; Western Riv. Co. Multipurpose Trail Facilities Fund No. 30533; Western County Library Book Fund No. 30542	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Tung Ota

County Executive Office Signature

Policy
 Consent
 Dept Recomm
 Per Exec Ofc

Prev. Agenda # **ATTACHMENTS FILED** | District: 3rd | Agenda Number: **WITH THE CLERK OF THE BOARD**

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Murrieta Hot Springs Annexation DIF List of Projects

(As a result of Reimbursement Agreement between the
City of Murrieta and County of Riverside - September 2, 2003)

Pre Annexation Reimbursement - \$1,668,248

Fire Station 4 engine and brush truck purchase - \$204,000
Date Street improvements from Margarita Road to Murrieta Hot
Springs Road - \$763,200
Right-of-way costs associated with Date Street construction - \$130,000
Warm Springs Park and Trails - \$449,464
Library collection for the existing and new Murrieta Library - \$121,584

Post Annexation Reimbursement - \$1,682,009

Public Facilities, City Hall Construction – \$730,128
Fire Station 4 engine and brush truck purchase – \$194,250
Widening of Murrieta Hot Springs Road between Warm Springs Creek
and Margarita Road - \$465,803
Regional Parks - \$181,099
Library collection for the existing and new Murrieta Library – \$110,729

Total 3,318,757