



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Mark Staples, Planning Manager

MEETING DATE: March 10, 2026

SUBJECT: Consideration of Second Reading and Adoption of of Ordinance No. 1621, an amendment to Chapter 15.76 the Transportation Uniform Mitigation Fee (TUMF) Program

RECOMMENDATION:

Approved second reading and adoption of Ordinance No. 1621

BACKGROUND:

The City of Banning is a Member Jurisdiction of the Western Riverside Council of Governments (“WRCOG”), a joint powers agency comprised of the County of Riverside and eighteen (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 made up in part by a Transportation Uniform Mitigation Fee (“TUMF”) on 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 Ordinance No. 1291 authorizing the City’s participation in the TUMF Program and established Section 15.76 in the Banning Municipal Code. The City’s participation in the Program has since been amended by Ordinance No. 1322 (2005), Ordinance No. 1344 (2006), Ordinance No. 1514 (2017), Ordinance No. 1549 (2019).

Pursuant to the Mitigation Fee Act (Gov. Code Section 66000 et seq.), WRCOG prepared a new nexus study (“2024 Nexus Study”) to update the TUMF fees. 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 the changes in the TUMF network and the cost of construction. The City Council adopted Ordinance No. 1607 on January 14, 2025, based on 2024 Nexus Study, and Resolution No. 2024-196 on December 10, 2024, establishing the current TUMF fees, which went into effect on April 1, 2025.

The TUMF Administrative Plan calls for a Construction Cost Index (“CCI”) adjustment to be brought forth to the WRCOG Executive Committee on an annual basis. On December 1, 2025, the WRCOG Executive Committee approved the implementation of an automatic CCI adjustment for all TUMF land uses tied to the September indices of the National Association of Realtors and Engineering News Record with a cap at 5% of any annual adjustments.

JUSTIFICATION:

The proposed ordinance is to provide the legal basis for a revised TUMF schedule. The Ordinance amends the definitions of Multi-Family Residential Unit and Single-Family Residential Unit. Section 15.76.030(C) Fee Adjustment is amended to include the CCI Index adjustment as follows:

15.76.030 Establishment of the Transportation Uniform Mitigation Fee

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the WRCOG Executive Committee. Fees may be increased or decreased to reflect the changes in actual and estimated costs of the Regional System including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, estimated revenues received pursuant to this Ordinance, as well as the availability or lack thereof of other funds with which to construct the Regional System. WRCOG shall review the TUMF Program no less than every four (4) years after the effective date of this Ordinance.

1. *Beginning July 1, 2026, and annually thereafter, the Transportation Uniform Mitigation Fee (TUMF) shall be automatically adjusted to reflect changes in construction costs. The annual adjustment shall be calculated by WRCOG based on a blended Construction Cost Index derived from: (1) the National Association of Realtors – Median Sales Price of Existing Single-Family Homes, and (2) the Engineering News-Record (ENR) Construction Cost Index, using the September values of each index from the prior calendar year. The percentage adjustment applied to the TUMF shall equal the annual percentage change in the blended index; provided, however, that in no event shall the annual adjustment exceed five percent (5%), whether positive or negative. The calculated adjustment shall be implemented on July 1 of the year following index calculation. If either referenced index is discontinued or materially altered, WRCOG shall apply a comparable, industry-recognized index that most closely reflects regional transportation construction costs.”*

In accordance with the Mitigation Fee Act, the proposed Ordinance and 2024 Nexus Study with the CCI Index adjustment: (i) identify the purpose of the revised fees; (ii) identify the use to which the revised fees is to be put, including identification of any facilities to be financed; (iii) determine how there is a reasonable relationship between the fee’s use and the type of development project on which the is imposed; (iv) 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; and (v) determine how there is a reasonable relationship between the amount of the fees and the cost of the public facilities or portion or the public facility attributable to the development on which the fees are imposed.

The City Council adopted Resolution No. 2026-35 at their regular meeting on February 24, 2026, that established the updated Fee Schedule for TUMF as follows:

1. \$12,705 per single family residential unit 1,800 square feet or less
2. \$14,292 per single family residential unit between 1,801 and 2,300 square feet
3. \$15,881 per single family residential unit between 2,301 and 2,700 square feet
4. \$19,851 per single family residential unit greater than 2,700 square feet
5. \$8,021 per multi-family residential unit
6. \$2.39 per square foot of an industrial project
7. \$7.92 per square foot of a retail commercial project
8. \$5.02 per square foot of a service commercial project
9. \$2.51 per square foot of a service Class A and B Office

The effective date for the new TUMF Schedule is April 1, 2026.

FISCAL IMPACT:

The fiscal impact for the ordinance preparation includes publication costs and some City staff time to prepare the staff report and attachments, however, WRCOG prepared most information (nexus study, and templates for the ordinance) to minimize impacts to City staff.

If adopted, the proposed ordinance will ensure the City as a Member Agency of WRCOG collects its share of development impact fees from development projects consistent with the other Member Agencies of WRCOG, to receive benefits from the shared funding pool for roadway improvements in the region and City of Banning. Recent local transportation projects that have benefitted from the City's compliance with and implementation of the TUMF Program include the Sun Lakes Boulevard extension and the Highland Springs Interchange. The City has benefitted from the funding towards the Sunset Grade Separation Project, and future projects eligible for funding include the Hargrave Grade Separation, Sunset Interchange Improvements, and the Cabazon Connector Project.

ALTERNATIVES:

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [7.1a CC Ordinance No 1621.pdf](#)
2. [7.1b Exhibit A TUMF Regional System Map.pdf](#)
3. [7.1c Exhibit B TUMF 2024 Nexus Study.pdf](#)
4. [7.1e PHN CC Meeting 2-24-2026 TUMF.pdf](#)
5. [column_affidavit_Aeru7JIVQDeUIWiXrb99.pdf](#)