

# INDIAN WELLS CITY COUNCIL

## January 30, 2025



**To:** City Council  
**From:** Finance Department  
**Prepared by:** Kevin McCarthy, City Finance Director  
**Subject:** **Adoption of an Addendum to the Coachella Valley Association of Governments' Transportation Uniform Mitigation Fee (TUMF) And Adopt the TUMF Inflation Adjustment and Revised Fee Schedule for Calendar Year 2025**

### RECOMMENDED ACTIONS:

Council **HOLDS** a notice consolidated public hearing and receive public testimony; and

**ADOPTS** Resolution approving an Addendum to the Coachella Valley Association of Governments Transportation Uniform Mitigation Fee (TUMF) 2018 Fee Schedule Update Nexus Report and Adopting the Coachella Valley Association of Governments Executive Committee's TUMF inflation Adjustment and Revised Fee Schedule for Calendar Year 2025 Applicable to all Developments in the City of Indian Wells; and

**FINDS** the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

### DISCUSSION:

In 1989, the Coachella Valley Association of Governments ("CVAG"), collected a transportation uniform mitigation fee ("TUMF") that is utilized by CVAG to fund regional transportation projects within the Coachella Valley. CVAG member cities, including Indian Wells, collects the TUMF fee from new development and pass on the funds to CVAG. No funds are retained by the City.

Since 1989, CVAG has adopted various nexus fee studies to determine the TUMF to be collected by the City related to development projects approved and constructed within the City. The last nexus fee study prepared by CVAG was the Transportation Uniform Mitigation Fee (TUMF) 2018 Fee Schedule Update Nexus Report (the "Study").

The CVAG Executive Committee reviews the TUMF rates each year to determine if an annual inflation adjustment to the existing TUMF rates ("Inflation Adjustment") is required. CVAG has proposed an Inflation Adjustment for 2025.

Imposing TUMF, including increases to existing TUMF rates, is governed by the Mitigation Fee Act (Government Code, section 66000 et seq.) (the "Act"). Pursuant to the Act, anytime the TUMF rates are proposed to be imposed or increased the City is required to hold a noticed public hearing.

Prior to adopting an increase to TUMF the City is required to adopt a nexus impact study meeting certain nexus and proportionality requirements supporting the need for the TUMF increase. CVAG is proposing to impose the Inflation Adjustment. As part of the TUMF increase, CVAG is not proposing to adopt a new nexus study. However, the City is adopting an addendum to the existing Study (the "Addendum") supporting the need for the Inflation Adjustment. Because the Act has been amended since 2018, the year the Study was prepared, the City is proposing to adopt the Addendum to comply with the current Act requirements out of an abundance of caution to ensure compliance with the Act.

On April 24, 2024, the CVAG Executive Committee approved the Inflation Adjustment to be imposed by each of its member agencies. Additionally, on March 21, 2024, the Desert Valleys Builders Association provided its letter in support of the Inflation Adjustment. The actions proposed are the steps required for the City, acting as a member agency of CVAG, to formally implement the Inflation Adjustment.

The Act requires the City to hold a noticed public hearing in order to adopt increases to the TUMF charged by the City. Additionally, the Act requires the City hold a noticed public hearing in order to adopt an impact fee nexus study, or in this case, the Addendum. The City will hold a consolidated public hearing for the adoption of both the Addendum and the Inflation Adjustment.

To adopt the Addendum, the City is required to post the Addendum and supporting documents on its website and to also make the information publicly available at least thirty (30) days prior to the date of the public hearing. Additionally, notice is required to be published in the newspaper and mailed to any interested party that has requested written notice be mailed to them in relation to the City adopting a nexus study.

To adopt the Inflation Adjustment, the City is required to post the 2025 TUMF Fee Schedule and supporting documents on its website and to also make the information publicly available at least fourteen (14) days prior to the date of the public hearing. Additionally, notice is required to be published in the newspaper and mailed to any interested party that has requested written notice be mailed to them in relation to the City adopting new or changes to existing fees.

The City has completed these tasks in compliance with the Act. At this time the City Council shall hold the noticed consolidated public hearing, receive public testimony, and

following the public hearing may approve a resolution adopting the Addendum and Inflation Adjustment as recommended.

CVAG proposed the 2025 TUMF fee schedule to be effective January 2025.

As part of this proceeding, the City Council will authorize future annual Inflation Adjustments, authorized by the CVAG Executive Committee, to be imposed and added to the then current TUMF fee schedule, without future action of the City Council or need for future public hearings, until such time as a new impact fee nexus study and TUMF are adopted, or the authorization is revoked by the City Council.

### **OPTIONS:**

The Council holds consolidated public hearing to recommend or provide alternative direction to staff.

### **FISCAL IMPACT:**

The proposed Addendum and Inflation Adjustment ensures that the City imposes and collects a developer impact fee that appropriately mitigates the cost of completing improvements to the regional roadway system in the Coachella Valley attributed to new development projects. TUMF is charged and collected by the City but is transmitted and paid to CVAG for its administration of the regional system improvements within the Coachella Valley.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):**

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City has determined that this resolution is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

### **ATTACHMENTS:**

1. Resolution