



Western Riverside Council of Governments TUMF Northwest Zone TAC

AGENDA

Monday, November 28, 2022
4:00 PM

Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

[Join Zoom Meeting](#)

Meeting ID: 876 1423 3521

Password: 494166

Dial in: (669) 900 9128 U.S.

SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the State or local recommendations for social distancing resulting from the threat of Novel Coronavirus (COVID-19), this meeting is being held via Zoom under Assembly Bill (AB) 361 (Government Code Section 54953). Pursuant to AB 361, WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. AB 361 allows WRCOG to hold Committee meetings via teleconferencing or other electronic means and allows for members of the public to observe and address the committee telephonically or electronically.

In addition to commenting at the Committee meeting, members of the public may also submit written comments before or during the meeting, prior to the close of public comment to jleonard@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Janis Leonard 72 hours prior to the meeting at (951) 405-6702 or jleonard@wrcog.us. Later requests accommodated to the extent feasible.

The Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PUBLIC COMMENTS**

At this time members of the public can address the Committee regarding any items within the subject matter jurisdiction

of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

4. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Summary Minutes from the April 20, 2022, TUMF Northwest Zone Technical Advisory Committee Meeting

Requested Action(s):

1. Approve the Summary Minutes from the April 20, 2022, TUMF Northwest Zone Technical Advisory Committee meeting.

5. REPORTS / DISCUSSION

Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion.

A. Request for Early TUMF Reimbursement by a Developer for the Cajalco Road Project in the City of Corona

Requested Action(s):

1. Recommend to the Northwest Zone Executive Committee to either accept or deny authorization for WRCOG to make an early repayment regarding a developer reimbursement for TUMF improvements regarding the Cajalco Road Project in the amount of \$3,355,000.

6. NEXT MEETING

The next meeting has yet to be scheduled.

7. ADJOURNMENT

TUMF Northwest Zone TAC

Minutes

1. CALL TO ORDER

The meeting of the TUMF Northwest Zone Technical Advisory Committee was called to order by Chris Gray, WRCOG Program Manager, at 2:01 p.m. on April 20, 2022, on the Zoom platform.

2. ROLL CALL

- City of Corona - Savat Khamphou
- City of Eastvale - Jimmy Chung
- City of Jurupa Valley - Mike Myers
- City of Norco - Sam Nelson
- City of Riverside - Gil Hernandez
- County of Riverside - Mark Lancaster

3. PUBLIC COMMENTS

There were no public comments.

4. REPORTS / DISCUSSION

A. Review of 2021 Northwest Zone Transportation Improvement Program

Cameron Brown, WRCOG Program Manager, reviewed the 2021 Transportation Improvement Program (TIP), the current Zone balance, and the projected revenue for the next five years. The Committee reviewed the projects under the existing TIP.

The City of Jurupa Valley discussed additional funding of the Market Street Bridge Project. An additional \$5,400,000 was allocated to this project.

The County of Riverside requested an additional \$400,000 for the Wood Road Widening (Krameria Avenue to Cajalco Road) Project.

The City of Riverside requested \$1,900,000 for the final Construction Phase of Iowa Ave (Martin Luther King to University Ave) Project.

The City of Eastvale requested an additional \$2,640,000 for the Limonite Avenue Bridge Project. The eligible funding will be combined with the Limonite Avenue Extension Project from Hellman to Archibald.

Action:

1. Recommended that the Northwest Zone Executive Committee approve the amended 2021

Northwest Zone Transportation Improvement Program.

(Norco / Riverside) 6 yes; 0 no; 0 abstention. Item 4.A was approved.

5. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

6. GENERAL ANNOUNCEMENTS

There were no announcements.

7. NEXT MEETING

The next TUMF Northwest Zone Technical Advisory Committee meeting was not scheduled, but will take place in the spring of 2022.

8. ADJOURNMENT

The meeting of the TUMF Northwest Zone Technical Advisory Committee adjourned at 2:59 p.m.



Western Riverside Council of Governments TUMF Northwest Zone TAC

Staff Report

Subject: Request for Early TUMF Reimbursement by a Developer for the Cajalco Road Project in the City of Corona

Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710

Date: November 28, 2022

Requested Action(s):

1. Recommend to the Northwest Zone Executive Committee to either accept or deny authorization for WRCOG to make an early repayment regarding a developer reimbursement for TUMF improvements regarding the Cajalco Road Project in the amount of \$3,355,000.

Purpose:

The purpose of this item is to receive direction regarding a request for early reimbursement for TUMF improvements.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #5 - Develop projects and programs that improve infrastructure and sustainable development in our subregion.

Background:

WRCOG's TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Funds from TUMF are distributed based on an allocation codified in various MOU's between WRCOG, the Riverside County Transportation Commission (RCTC), the Riverside Conservation Agency (RCA), and the Riverside Transportation Agency (RTA). 46% of TUMF collections are retained by WRCOG and allocated to the five TUMF Zones based on the collections within that Zone. Another 46% of TUMF funds are provided to RCTC on a monthly basis for their use in funding regional TUMF projects per the TUMF Administrative Plan. 1.47% of all TUMF funds are allocated to RCA for the purchase of land in support of the Multi-Species Habitat Conservation Plan (MSHCP). 3% of TUMF funds are allocated to RTA for regional transit projects. The remaining 4% of TUMF funds collected go towards WRCOG for Program Administrative Expenses.

The TUMF Administrative Plan allows for three options for new development projects in the WRCOG subregion in order to meet TUMF obligations. The first option is the payment of TUMF fees. The second option is participation in a funding or financing district which directly constructs TUMF improvements. The final option is the construction by the developer of a TUMF improvement for which the developer is entitled to receive credit against its TUMF obligation. In some instances, a developer constructs an improvement which provides credit in excess of its TUMF obligation, which then entitles the developer to

receive a reimbursement from the TUMF Program.

This process is governed by the Developer Credit / Reimbursement Agreement, which sets forth the amount of potential credit, the TUMF obligation, and the process by which developers receive credit and potentially reimbursement from the TUMF Program.

In 2018, the City of Corona, a developer (Arrantine Hills, LLP), and WRCOG entered into an agreement to implement the I-15 / Cajalco Interchange Project, which also included improvements to Cajalco Road adjacent to the Interchange. At the time of this agreement, the Bedford Communities Project was approved for approximately 1,600 dwelling units and 80,000 square feet of commercial / retail uses. As part of this agreement, the Developer worked with the City to complete both the Interchange (I-15 / Cajalco Road) and improvements to Cajalco Road on either side of the Interchange. The total value of the improvements are \$47.6M with the Interchange accounting for \$44.3M and the roadway improvements accounting for the remaining \$3.3M. The Interchange and roadway improvements were completed in 2021. The buildout of the project has an estimated TUMF obligation of approximately \$15M - \$20M, which means that the Developer is due a reimbursement of approximately \$25M - \$30M. The amount of reimbursement can not be definitively determined at this time as the actual TUMF obligation is based on the actual number of units and the fee due at the time of permit issuance.

A portion of the reimbursement will be made by WRCOG through Zone funds and the remainder through TUMF funds controlled by RCTC, which receives 46% of all TUMF funds collected and uses those funds to implement Regional TUMF Projects. The I-15 / Cajalco Interchange is a Regional TUMF Project, which means that RCTC is responsible for funding this Project through Regional TUMF funds. The local street improvements on Cajalco Road are considered part of the WRCOG-administered Zone Program.

Concurrent with the transportation improvements, the Developer has proceeded constructing initial phases of the Project. To date, the City has issued approximately \$3M in TUMF credits against a total obligation of \$47.6M, which means that over \$44M of TUMF credit remains.

Earlier in 2022, the Developer requested that the City provide an early reimbursement of a portion of the total amount it is due. City staff brought this item to the City Council at its March 2, 2022, meeting. The Corona City Council provided direction to staff to request that WRCOG provide a reimbursement of \$3,355,000 to the Developer. This amount corresponds to the reimbursement amount associated with the Cajalco Street improvements. It is staff's understanding that the Developer has requested this reimbursement to assist with the financing of the project and for other related reasons.

Normally, WRCOG staff processes Developer credit and reimbursement requests in accordance with the TUMF Administrative Plan. WRCOG's policy is to only provide Developer reimbursement only after the completion of both the Development Project (TUMF obligation) and the Transportation Project (TUMF credit). This policy is memorialized in the TUMF Administrative Plan (Chapter 4 - Developer TUMF Credits).

The primary reason for this policy is that it ensures the overall fiscal stability of the TUMF Program by limiting instances in which WRCOG would reimburse a developer for its TUMF credit and then have to assess additional TUMF on a project, which then requires the payment of additional fees. Paying the reimbursement only after the completion of all project elements also simplifies the accounting of each project's TUMF obligation and ensures that there is only one reconciliation of a project's TUMF obligation. Consistent with WRCOG's policy, WRCOG has denied previous reimbursement requests that

have been requested before the Development Project and TUMF obligation have have been completed.

There are several factors which could cause this request to be viewed from a different perspective. First, the reimbursement request is for a portion of the total reimbursement. Staff estimates that the reimbursement request corresponds to less than 20% of the total future reimbursement so this reimbursement is a partial reimbursement request instead of a full reimbursement. Given the magnitude of the projected reimbursement, a partial reimbursement at this time is not likely to create a situation whereby the Developer must return some or all of the reimbursement to WRCOG. Staff estimates that if this early reimbursement request is provided, then the remaining reimbursement will be in excess of \$20M. Second, any reimbursement would be paid out of the Zone balances currently held by WRCOG. As of July 2022, the Northwest Zone Balance is \$25M and there are sufficient available funds within the Northwest Zone to provide this reimbursement. For reference, the Northwest Zone includes the Cities of Corona, Eastvale, Jurupa Valley, Norco, and Riverside, and the County of Riverside. Third, the reimbursement request is tied to one of the largest TUMF projects completed in the 20-year history of the TUMF Program. The I-15 / Cajalco Road interchange was a needed regional infrastructure project and it is likely that the Interchange would not have been built when it was but for the contribution provided by the Developer. The Project is an example of an effective public / private partnership between the City of Corona, the Developer, WRCOG, RCTC, and other parties. Finally, this reimbursement request is solely for TUMF Zone funds, which are administered by WRCOG. The remaining reimbursement amount will be the responsibility of RCTC and any reimbursement will be paid through the RCTC Regional Program.

This item was brought to the the Public Works Committee, the Technical Advisory Committee, and the Administration & Finance Committee in August 2022. The Public Works and Technical Advisory Committees recommended against approving this request. The Administration & Finance Committee directed WRCOG staff to perform the following actions:

1. Develop a comprehensive policy related on how to address early reimbursement requests. This policy was prepared and presented to the Public Works Committee and the Technical Advisory Committee. Both Committees rejected the proposed policy language and recommended that WRCOG maintain the existing policy of denying early reimbursements.
2. Convene meetings of the Northwest Zone Technical Advisory Committee and the Northwest Zone Executive Committee to advise on this specific request related to the Cajalco Road project.
3. Return with both items to a future meeting of the Administration & Finance Committee for that Committee to provide a recommendation to the Executive Committee.

If approved by the Executive Committee, staff would program this reimbursement through the Northwest Zone Technical Advisory Committee and the Northwest Zone Executive Committee to determine the yearly reimbursement amount.

Prior Action(s):

November 17, 2022: The Technical Advisory Committee recommended that the Executive Committee deny an amendment to the TUMF Administrative Plan / Reimbursement Manual to allow for reimbursement prior to credit exhaustion for Developer Credit / Reimbursement Agreements.

February 5, 2018: The Executive Committee approved a Memorandum of Understanding with the City of Corona and the Riverside County Transportation Commission regarding a TUMF Improvement and

Credit / Reimbursement Agreement for the Cajalco Road / I-15 Interchange Project.

Fiscal Impact:

Reimbursement of these funds would come from TUMF funds, specifically the Northwest Zone. The current balance of these funds is \$25M. The reimbursement request is for \$3,355,000. Any reimbursement would be paid out of the TUMF Fund (220) and would be programmed and approved by the Northwest Zone Technical Advisory Committee, the Northwest Zone Executive Committee, and the WRCOG Executive Committee.

Attachment(s):

None.