



Western Riverside Council of Governments Public Works Committee

AGENDA

**Thursday, August 11, 2016
2:00 p.m.**

**Transportation's 14th Street Annex
3525 14th Street
2nd Floor, Conference Room 3
Riverside, CA 92501**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the WRCOG Public Works Committee meeting, please contact WRCOG at (951) 955-8933. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with the Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting, which are public records relating to an open session agenda items, will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

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

- 1. CALL TO ORDER (Dan York, Chair)**
- 2. SELF INTRODUCTIONS**
- 3. PUBLIC COMMENTS**

At this time members of the public can address the WRCOG Public Works Committee regarding any items with 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 agendized 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 July 14, 2016, WRCOG Public Works Committee meeting are available for consideration. P. 1

Requested Action: 1. Approve the Summary Minutes from the July 14, 2016, WRCOG Public Works Committee.

- B. TUMF Revenue and Expenditures Update Ernie Reyna P. 9

Requested Action: 1. Receive and file.

- C. WRCOG Financial Report Summary through June 2016 Ernie Reyna P. 23

Requested Action: 1. Receive and file.

- D. Regional Streetlight Program Activities Update Tyler Masters P. 29

Requested Action: 1. Receive and file.

- E. 2016 TUMF Network Update Daniel Ramirez-Cornejo P. 41

Requested Action: 1. Receive and file.

5. REPORTS/DISCUSSION

- A. Transportation Department On-Call Engineering Consultant Selection Christopher Gray, WRCOG P. 65

Requested Action: 1. Recommend that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into agreements for on-call engineering services with WGZE, TEP, WSP Parsons Brinckerhoff, and Kimley-Horn.

- B. Update on Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County Christopher Gray, WRCOG P. 67

Requested Action: 1. Receive and file.

- C. TUMF Nexus Study Options Christopher Gray, WRCOG P. 71

Requested Action: 1. Discuss and provide input.

- D. Recommendation to Allow Inter Zonal Loans under the TUMF Program Christopher Gray, WRCOG P. 75

Requested Action: 1. Review and approve staff's recommendation to allow loans between TUMF Zones based on the process identified below.

- E. Staff Review of Potential Options to Allow Financing of TUMF Fees Christopher Gray, WRCOG P. 79

Requested Action: 1. Request that the WRCOG Executive Committee approve WRCOG staff's recommendation to continue WRCOG's Policy of prohibiting the use of financing districts to pay for TUMF Fee.

6. **REPORT FROM THE DIRECTOR OF TRANSPORTATION** *Christopher Gray*

7. **ITEMS FOR FUTURE AGENDAS** *Members*

Members are invited to suggest additional items to be brought forward for discussion at future WRCOG Public Works Committee meetings.

8. **GENERAL ANNOUNCEMENTS** *Members*

Members are invited to announce items / activities which may be of general interest to the WRCOG Public Works Committee.

9. **NEXT MEETING:** **The next WRCOG Public Works Committee meeting is scheduled for Thursday, September 8, 2016, at 2:00 p.m., in the Transportation 14th Street Annex, 2nd Floor, Conference Room 3.**

10. **ADJOURNMENT**

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**Public Works Committee
July 14, 2016
Summary Minutes**

Item 4.A

1. CALL TO ORDER

The meeting of the WRCOG Public Works Committee (PWC) was called to order at 2:00 p.m. by Chair Ati Eskandari at Transportation's 14th Street Annex, 2nd Floor in Conference Room 3.

2. ROLL CALL

Members present:

Michael Thornton, City of Calimesa
Nelson Nelson, City of Corona
Craig Bradshaw, City of Eastvale (2:10 p.m. arrival)
Mike Myers, City of Jurupa Valley
Ati Eskandari, City of Lake Elsinore
Jonathan Smith, City of Menifee
Bob Moehling, City of Murrieta
Sam Nelson, City of Norco
Brad Brophy, Cities of Perris and San Jacinto
Dan Fairbanks, March Joint Powers Authority
Thomas Garcia, City of Temecula (2:05 p.m. arrival)
Dan York, City of Wildomar
Patricia Romo, County of Riverside Transportation & Land Management (TLMA)
Rohan Kuruppu, Riverside Transit Agency

Staff present:

Christopher Gray, Director of Transportation
Donna Dean, Program Manager
Andrew Ruiz, Program Manager
Christopher Tzeng, Program Manager
Tyler Masters, Program Manager
Daniel Ramirez-Cornejo, Staff Analyst
Anthony Segura, Staff Analyst
Lupe Lotman, Executive Assistant

Guests present:

Nino Abad, City of Hemet
Steve Glynn, City of Menifee
Sherry Nour, City of Moreno Valley
Amer Attar, City of Temecula
Mo Salama, TLMA
Paul Rodriguez, Rodriguez Consulting Group, TUMF Consultant
Darren Henderson, WSP Parsons Brinckerhoff, TUMF Consultant
Joe Punsalan, KTU+A

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR - M/S/A (York/Smith) 12-0-0; Items 4.A through 4.C were approved by a unanimous vote of those members present. The Cities of Banning, Canyon Lake, Eastvale, Hemet, Moreno Valley, Riverside, and Temecula were not present.

A. Summary Minutes from the June 9, 2016, WRCOG Public Works Committee meeting.

Action: 1. Approved the Summary Minutes from the June 9, 2016, WRCOG Public Works Committee meeting.

B. TUMF Revenue and Expenditures Update

Action: 1. Received and filed.

C. WRCOG Financial Report Summary through May 2016

Action: 1. Received and filed.

5. REPORTS/DISCUSSION

The reports/discussion items were taken out of order at this time.

B. Selection of WRCOG Public Works Committee Chair, Vice-Chair, and 2nd Vice-Chair positions for Fiscal Year 2016/2017

Christopher Gray presented the Public Works Committee (PWC) outgoing Chair Ati Eskandari with a plaque recognizing her service.

Chair Eskandari replied that it has been a pleasure working with everyone and serving as WRCOG's PWC Chair.

Action: 1. The WRCOG Public Works Committee selected Dan York, City of Wildomar as Chair, Art Vela, City of Banning as Vice-Chair, and Patricia Romo as 2nd Vice-Chair positions for Fiscal Year 2016/2017.

M/S/A (Myers/Smith) 12-0-0; Items 5.B was approved by a unanimous vote of those members present. The Cities of Banning, Canyon Lake, Eastvale, Hemet, Moreno Valley, Riverside, and Temecula were not present.

C. Riverside County Traffic Analysis Model (RIVTAM) Update

Christopher Gray reported that WRCOG's newest staff member Christopher Tzeng, Transportation Program Manager, will be presenting the RIVTAM item.

Mr. Tzeng mentioned that this presentation was provided to the WRCOG Planning Directors Committee earlier in the day. WRCOG is proposing to lead an effort to develop a work plan to update the RIVTAM in 2017. WRCOG met with the original signatory agencies of the RIVTAM in early June.

The RIVTAM development was completed in May 2009 to provide a greater level of detail for Riverside County when it came to transportation. The data utilized is from SCAG's 2009 Regional Transportation Model: Base year 2008 and horizon year 2035.

A Memorandum of Understanding was executed with the Riverside County Transportation Department, Riverside County Transportation Commission, WRCOG, Coachella Valley

Association of Governments, Southern California Association of Governments and California Department of Transportation. The MOU identifies key components to ensure the model stays up-to-date, how it would be utilized, and provides technical guidance.

A travel model provides long term forecasts using socio-economic and transportation data utilized in documents and studies. These forecasts guide the future and current transportation projects the way the regions infrastructure is designed and constructed.

WRCOG would like to move forward with a RIVTAM update. A survey will be conducted of RIVTAM users. A proposed list of questions will be distributed for review and input. The survey will serve as data collection and be shared with the MOU signatories.

WRCOG would like to request three items; 1) update the MOU, 2) propose a model update work plan, and 3) Request For Proposal (RFP).

WRCOG is requesting original MOU signatories to commit staff to participate in the Needs Assessment, review of the updated MOU, participate in the RFP process, and attend the regular RIVTAM monthly meetings.

In the fall, the Needs Assessment will be prepared. Beginning 2017, WRCOG will present the RIVTAM work plan to the WRCOG Committees. The RFP will then be released for the model update.

Mr. Gray added that the RIVTAM update will not be finalized for another 5-to-6 months. This item will be brought back to the committees, in particular the survey. WRCOG's survey will be distributed to the consultants, city staff, agency staff, and non-Riverside County agencies.

Action: 1. *Received and filed.*

A. Regional Streetlight Program Activities Update

Tyler Masters reported that the regional streetlight program was developed to access the feasibility of and assist the jurisdictions through the Southern California Edison (SCE) acquisition process.

A new streetlights logo was developed and is now being used.

A few years ago, member jurisdictions began to identify a large line item on their budget which goes towards SCE streetlights. After an initial assessment, WRCOG staff identified that SCE owns 63,000 streetlights in the WRCOG subregion, which amounts to a \$10,000,000 annual cost to the jurisdictions. SCE rates have increased by 55% since 2001.

Program objectives include: assisting interested member jurisdictions through the acquisition process, retrofit to LED, manage a regional operation and maintenance contract, and support "Smart-City". This will accomplish one regional program instead of 16 separate programs, reductions in energy use, utility costs, and maintenance, and will improve public safety.

An important part of the selection of the next streetlight fixtures is the "Human Factor", what the public thinks of various lighting types. As such, WRCOG will be implementing a regional demonstration area to allow the public to provide input on various types of streetlights. The City of Hemet has been selected as the hosted demonstration area for 9 participating streetlight manufactures, which LED fixtures will be applied. Five sites have been identified. Site 1 is mainly residential. Site 2 is Sanderson Avenue. Site 3 and 4 are also residential areas/school zones and Site 5 is Florida Avenue (Highway 74).

To support public outreach, WRCOG is hosting various media outreach from press releases, social media, surveys, and specialized local residence outreach to residents that live within the proximity of the demonstration area(s). Roadside signage and multiple educational tours are being developed.

The current timeline of the implementation tasks was provided through January 2017. At the conclusion of the Demonstration Areas, WRCOG staff will provide the report and recommendation and selection of streetlight fixtures.

Ati Eskandari asked what is being changed on the streetlights at the existing locations. Are all nine manufactures going to be included in the demonstration?

Mr. Masters replied the entire fixture will be changed out on the streetlight and that there will be sets of three LED's separated by one current streetlight fixture to allow visitors' eyes to adjust between demonstration lights.

Chair York mentioned that in the next 6 months, several cities will be due with their acquisition agreements with Edison and at the same time the operations and maintenance component with WRCOG.

Mr. Masters indicated that WRCOG is hoping to develop a draft request for proposal for operations and maintenance within the next couple of months so that it aligns with financing, which will be taken to the WRCOG Finance Directors Committee meeting on July 28, 2016.

Action: 1. *Received and filed.*

D. 2015 TUMF Nexus Study Responses to Comment

Christopher Gray reported that WRCOG formally responded to all of the TUMF Nexus Study comments and have posted the responses on WRCOG's website.

Mr. Gray wanted to share how the Administrative Plan went with the Executive Committee on June 24, 2016. The Executive Committee approved all the revisions except for the automatic Construction Cost Index (CCI). The Executive Committee asked to specifically not have an automatic CCI and request that the CCI be brought back every year for review and action.

There was concern regarding the Nexus Study, which included a significant fee increase, particularly the retail fee. Therefore, WRCOG would like to put forth a set of options to the Committee for discussion and this item will be brought back to the Committee at its next meeting for action.

Mr. Gray mentioned that if a full fee is not adopted, the shortfall would have to be made up.

- Option 1 is to do nothing with no action on the revised 2016 TUMF Nexus Study.
- Option 2 is to adopt a revised 2016 TUMF Nexus Study and the full proposed TUMF for all land use categories.
- Option 3A is to adopt the revised 2016 TUMF Nexus Study and phase-in fees for all land use categories.
- Option 3A is to adopt the revised 2016 TUMF Nexus Study and phase-in fees for selected land use categories.
- Option 3C is to adopt the revised 2016 TUMF Nexus Study and reduce Nexus Study recommended fees by adopting a formal match requirement.

- Option 3D is to adopt the TUMF Nexus Study and reduce/eliminate soft cost contributions; and
- Option 4 is to remove projects from the TUMF Network.

Rick Bishop added that WRCOG believes that these options can help the Executive Committee understand the TUMF Program and take action on the Nexus Study.

Mr. Gray indicated that WRCOG would like initial feedback. Any other options that WRCOG should consider would be appreciated.

Patricia Romo mentioned that with the County, the projects that are completed are never 100% funded by TUMF and for the most part there is always a local match.

Ms. Eskandari mentioned that bringing a match is difficult for the small cities. A required match will impact the smaller cities.

Mr. Gray reported that based on Riverside County Transportation Commission's list of projects, three projects were identified for funding through the TUMF Program 1) Railroad Canyon Road / I-15 Interchange, 2) Limonite Avenue / I-15 Interchange, and 3) French Valley Parkway / I-15 Interchange.

Action: 1. *Receive and filed.*

E. TUMF Fee Calculation Handbook Update

Daniel Ramirez-Cornejo provided an update on the development of the TUMF Fee Calculation Handbook. Mr. Ramirez-Cornejo indicated that fueling stations, high cubed warehouse, and congregate care facilities were identified and included in the Handbook. The last update to the Handbook was in October 2015. Staff has received inquiries to review senior housing, mixed-use development, and fulfillment centers. Staff and the TUMF consultant will survey the data and methodology for these three categories. The data will be presented to the Public Works and Planning Directors' Committees over the next couple of months. Any recommendation from these Committees will be presented to the Executive Committee for approval. On June 24, 2016, the Executive Committee approved a revision to the TUMF Administrative Plan to address mixed-use development. The approved definition requires three or more significant revenue-producing uses and significant physical and functional integration of project components. WRCOG would like to know if there are additional land use categories that should be reviewed.

Mr. Gray indicated that WRCOG will do the research and bring this item back to the Committee.

Action: 1. *Received and filed.*

F. Update on Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County

Christopher Tzeng provided a background of the Fee Analysis Study. The study will provide WRCOG jurisdictions an analysis of fees charged on new development to pay for a range of infrastructure and capital facilities. This study is also reviewing the cost of other development costs, such as the cost of land and interest rates within the overall development of framework and analyze the economic development of transportation.

The development prototypes are single-family unit, multi-family, industrial, retail, and office. Development Impact Fees, water & sewer, city capital, TUMF, or other subregional agencies are some of the fees included in the analysis. The fees listed typically represent 80% to 90% of the overall development fees on new development. WRCOG focused applying the each jurisdiction's fee collection schedule to the development prototypes. Since the Multi-Species Habitat Conservation Plan has been update, it was also applied. Comments for clarifications on districts and railroad and bridge benefit district were made. WRCOG will continue to follow-up with jurisdictions on any further comments or revisions. WRCOG's intention is to provide a final fee schedule at the next Committee meeting.

Rick Bishop asked Mr. Gray to comment on how some of the fees are different in bordering cities.

Mr. Gray indicated that the consultant has been collecting that information. The Cities of Chino, Fontana, and Yucaipa data was also collected.

Chairman York indicated that the City Manager commented that the building, planning and public works departments that provided the majority of the fees and felt that it would be wise to, before the fees are fully published, to submit the final in table form to the City Managers to review and confirm the fees.

Mr. Gray indicated that WRCOG will be happy to submit a copy of the data each city provided.

Action: 1. *Received and filed.*

G. WRCOG TUMF Zone Representatives

Christopher Gray reported that within the agenda packet on Page 157, all of the WRCOG TUMF Zone Representatives are listed for the cities, which correspondences with the Transportation Improvement Program process. WRCOG asks the city to confirm the WRCOG TUMF Zone representatives.

Action: 1. *Received and filed.*

H. Riverside Transit Agency First-Mile / Last-Mile Study Update

Joe Punsalan provided a presentation on the Riverside Transit Agency First-Mile / Last-Mile Study Update. RTA launched a fact sheet, which copies were distributed to the members. RTA's first event was Riverside Summerfest 2016, which had a huge turnout. RTA would like input and assistance in distributing the survey link of:

<https://www.surveymonkey.com/r/RTAFLM>. Currently 280 comments have been received.

The biggest issue is missing sidewalks, followed by automobile traffic. The Active Transportation Plan team looked at boardings, land use mix, commuting characteristics, population and employment densities and street network. RTA is looking to group all the data into a 3-mile bike shed around the County and in the RTA service area. RTA used six categories; 1) Urban Core, 2) Core District, 3) Suburban, 4) Rural, 5) Commercial District, and 6) Industrial & Business Park. The data was also taken for a Geographical Information System analysis. One station will be selected to produce a pilot study. A draft list of stations was provided. If there is a high transit use not listed, to inform RTA by July 22, 2016. The pilot studies RTA will look at existing facilities for bicycles and pedestrians, collision rates, and existing/planned development. RTA will be back in October with recommendations for final feedback.

Action: 1. *Received and filed.*

6. REPORT FROM THE DIRECTOR OF TRANSPORTATION

Christopher Gray reported on three items:

1. Interzonal loans to transfer dollars (development of a formal process to be brought back at the next PWC);
2. Allowing the financing of TUMF Fees (CFD's) through districts; and
3. WRCOG received proposals for on-call TUMF engineering services. Five firms will be interviewed on July 28, 2016. The goal is to provide additional staffing for invoice review and development of a reimbursement manual.

7. ITEMS FOR FUTURE AGENDAS

Nelson Nelson suggested the possibility of future Public Works Committee Go-To (Computer/Screen) meetings.

Mr. Gray replied that WRCOG is happy to consider the suggestion of Go-To PWC meetings and will look in to the capability. Also, the Chair requested to hold the off-meetings in a down south location.

8. GENERAL ANNOUNCEMENTS

There were no general announcements.

9. NEXT MEETING:

The next WRCOG Public Works Committee meeting is scheduled for Thursday, August 11, 2016, at 2:00 p.m., in the Transportation 14th Street Annex, 2nd Floor, in Conference Room 3.

10. ADJOURNMENT:

The meeting was adjourned at 3:44 p.m.

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Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: TUMF Revenue and Expenditures Update

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.cog.ca.us, (951) 955-8432

Date: August 11, 2016

Requested Action:

1. Receive and file.
-

To date, revenues received into the TUMF Program total \$675,438,251. Interest amounts to \$32,509,028, for a total collection of \$707,947,280.

WRCOG has dispersed a total of \$293,716,097, primarily through project reimbursements and refunds, and \$19,627,046 in administrative expenses.

The Riverside County Transportation Commission share payments have totaled \$306,646,395 through June 30, 2016.

Prior WRCOG Action:

July 14, 2016: The WRCOG Public Works Committee received report.

WRCOG Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

1. Summary TUMF Program Revenues.

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Item 4.B

TUMF Revenue and Expenditures Update

Attachment 1

Summary TUMF Program Revenues

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ZONE SUMMARY

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
Commercial/Services	466,828	1,991,720	28,845,294
Retail	62,769	3,645,863	62,881,287
Industrial	1,121,513	3,451,945	46,362,700
Single Family/Residential	3,605,353	23,776,014	484,956,599
Multi-Family Dwellings	166,670	3,793,175	52,392,371
Revenue Sub Total	5,423,132	36,658,716.21	675,438,251
Interest Earned	-	259,637.93	32,509,028.85
Revenue Total	5,423,132	36,918,354	707,947,280
EXPENDITURES			
Refunds	-	-	17,094,884
Developer/Credit Reimbursements	-	-	10,466,553
Local Jurisdiction Reimbursements	10,647	14,548,243	266,154,660
RCTC Share Payments	2,153,753	15,517,212	306,646,395
WRCOG Expenditures	158,758	1,889,138	19,627,046
Expenditure Total	2,323,158	31,954,593	619,989,538
Transfer-In from Zones to WRCOG	(12,944)	468,012	1,566,914
REVENUES OVER<UNDER> EXPENDITURES	3,087,030	5,431,773	89,524,655
ZONE NET REVENUE TOTALS SINCE INCEPTION			
Northwest Zone	1,222,119	3,025,438	11,617,945
Southwest Zone	622,913	2,435,956	27,779,934
Central Zone	1,197,875	(1,727,948)	18,359,790
Pass Zone	4,116	37,244	242,914
Hemet/SJ Zone	78,208	534,334	4,423,543
RTA	59,628	(3,942)	13,328,293
RCTC	(165,916)	960,813	980,850
MSHCP	68,086	169,878	628,558
WRCOG	-	-	-
WRCOG Reserves	-	-	12,162,828
Zone Totals	3,087,030	5,431,773	89,524,655

NORTHWEST ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	36,717.52	224,670.01	5,455,804.28
<i>Retail</i>	9,503.91	388,160.33	5,611,023.38
<i>Industrial</i>	568,182.41	1,536,767.84	11,365,055.39
<i>Single Family/Residential</i>	555,684.93	5,111,014.61	84,091,216.33
<i>Multi-Family Dwellings</i>	52,030.10	1,318,124.69	9,384,413.12
Revenue Sub Total	1,222,119	8,578,737	115,907,513
Interest Earned	-	138,069.31	8,691,010
Revenue Total	<u>1,222,119</u>	<u>8,716,807</u>	<u>124,598,523</u>
EXPENDITURES			
<i>Refunds</i>	-	-	3,719,228
<i>Developer/Credit Reimbursements</i>	-	-	4,921,064
<i>Local Jurisdiction Reimbursements</i>	-	5,691,369	102,398,594
Expenditure Total	<u>-</u>	<u>5,691,369</u>	<u>111,038,886</u>
REVENUES OVER<UNDER> EXPENDITURES	1,222,119	3,025,438	13,559,637
Fiscal Year 2015/2016 Estimated Revenue	5,000,000		
Actual Revenue YTD	<u>8,578,737</u>		
Over/<Under> Budget for FY 2015/2016	3,578,737		

SOUTHWEST ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	16,652	396,382	5,244,116
<i>Retail</i>	21,587	726,805	13,006,746
<i>Industrial</i>	-	69,659	1,818,507
<i>Single Family/Residential</i>	503,739	1,829,244	65,437,105
<i>Multi-Family Dwellings</i>	80,936	497,176	10,446,320
Revenue Sub Total	<u>622,913</u>	<u>3,519,265.47</u>	<u>95,952,794</u>
Interest Earned	-	41,281	10,572,717
Revenue Total	<u>622,913</u>	<u>3,560,547</u>	<u>106,525,511</u>
EXPENDITURES			
<i>Refunds</i>	-	-	3,017,054
<i>Developer/Credit Reimbursements</i>	-	-	4,751,305
<i>Local Jurisdiction Reimbursements</i>	-	1,124,590	66,584,446
Expenditure Total	<u>-</u>	<u>1,124,590</u>	<u>74,352,805</u>
REVENUES OVER<UNDER> EXPENDITURES	622,913	2,435,956	32,172,706
Fiscal Year 2015/2016 Estimated Revenue	4,000,000		
Actual Revenue YTD	<u>3,519,265</u>		
Over/<Under> Budget for FY 2015/2016	(480,735)		

CENTRAL ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	236,810	366,185	1,250,813
<i>Retail</i>	-	254,002	6,270,349
<i>Industrial</i>	214,297	256,906	7,773,426
<i>Single Family/Residential</i>	746,768	3,290,837	54,732,564
<i>Multi-Family Dwellings</i>	-	-	3,878,985
Revenue Sub Total	<u>1,197,875</u>	<u>4,167,931</u>	<u>73,906,136</u>
Interest Earned	-	42,501	7,268,362
Revenue Total	<u>1,197,875</u>	<u>4,210,432.24</u>	<u>81,174,498</u>
EXPENDITURES			
<i>Refunds</i>	-	-	1,011,889
<i>Developer/Credit Reimbursements</i>	-	-	712,455
<i>Local Jurisdiction Reimbursements</i>	-	5,938,380	58,258,430
Expenditure Total	<u>-</u>	<u>5,938,380</u>	<u>59,982,774</u>
REVENUES OVER<UNDER> EXPENDITURES	1,197,875	(1,727,948)	21,191,724
Fiscal Year 2015/2016 Estimated Revenue	3,000,000		
Actual Revenue YTD	<u>4,167,931</u>		
Over/<Under> Budget for FY 2015/2016	1,167,931		

PASS ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
Commercial/Services	-	-	621,989
Retail	-	16,225	989,352
Industrial	-	-	641,009
Single Family/Residential	4,116	20,581	4,247,925
Multi-Family Dwellings	-	-	162,895
Revenue Sub Total	<u>4,116</u>	<u>36,806</u>	<u>6,663,170</u>
Interest Earned	-	439	884,514
Revenue Total	<u>4,116</u>	<u>37,244</u>	<u>7,547,685</u>
EXPENDITURES			
Refunds	-	-	119,248
Developer/Credit Reimbursements	-	-	-
Local Jurisdiction Reimbursements	-	-	5,109,260
Expenditure Total	<u>-</u>	<u>-</u>	<u>5,228,508</u>
REVENUES OVER<UNDER> EXPENDITURES	4,116	37,244	319,176
Fiscal Year 2015/2016 Estimated Revenue	200,000		
Actual Revenue YTD	<u>36,806</u>		
Over/<Under> Budget for FY 2015/2016	(163,194)		

HEMET/SAN JACINTO ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
<i>Commercial/Services</i>	-	-	839,595
<i>Retail</i>	-	308,329	3,542,110
<i>Industrial</i>	-	-	284,755
<i>Single Family/Residential</i>	78,208	1,004,349	19,217,040
<i>Multi-Family Dwellings</i>	-	-	553,442
Revenue Sub Total	<u>78,208</u>	<u>1,312,679</u>	<u>24,436,941</u>
Interest Earned	-	20,496	2,431,957
Revenue Total	<u>78,208</u>	<u>1,333,174</u>	<u>26,868,898</u>
EXPENDITURES			
<i>Refunds</i>	-	-	322,647
<i>Developer/Credit Reimbursements</i>	-	-	81,729
<i>Local Jurisdiction Reimbursements</i>	-	798,840	23,311,030
Expenditure Total	<u>-</u>	<u>798,840</u>	<u>23,715,406</u>
REVENUES OVER<UNDER> EXPENDITURES	78,208	534,334	5,153,492
Fiscal Year 2015/2016 Estimated Revenue	800,000		
Actual Revenue YTD	<u>1,312,679</u>		
Over/<Under> Budget for FY 2015/2016	512,679		

RIVERSIDE TRANSIT AUTHORITY

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	5,404	30,729	762,345
<i>Retail</i>	969	59,725	1,607,490
<i>Industrial</i>	9,868	48,094	1,177,768
<i>Single Family/Residential</i>	53,012	383,495	15,329,554
<i>Multi-Family Dwellings</i>	1,022	60,496	1,264,202
Revenue Sub Total	<u>70,275</u>	<u>582,539</u>	<u>20,141,359</u>
Interest Earned	-	8,583	2,511,715
Revenue Total	<u>70,275</u>	<u>591,122</u>	<u>22,653,074</u>
EXPENDITURES			
<i>Refunds</i>	-	-	541,895
<i>Developer/Credit Reimbursements</i>	-	-	-
<i>Local Jurisdiction Reimbursements</i>	10,647	595,064	6,592,667
Expenditure Total	<u>10,647</u>	<u>595,064</u>	<u>7,134,562</u>
REVENUES OVER<UNDER> EXPENDITURES	59,628	(3,942)	15,518,512
Fiscal Year 2015/2016 Estimated Revenue	350,000		
Actual Revenue YTD	<u>582,539</u>		
Over/<Under> Budget for FY 2015/2016	232,539		

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
<i>REVENUES</i>	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	152,858	869,203	13,508,742
<i>Retail</i>	27,412	1,689,407	29,351,888
<i>Industrial</i>	295,591	1,376,881	21,430,155
<i>Single Family/Residential</i>	1,483,071	10,831,294	227,052,933
<i>Multi-Family Dwellings</i>	28,906	1,711,241	24,385,571
Revenue Sub Total	<u>1,987,838</u>	<u>16,478,025</u>	<u>315,729,289</u>
Interest Earned	-	-	32,918
Revenue Total	<u>1,987,838</u>	<u>16,478,025</u>	<u>315,762,207</u>
<i>EXPENDITURES</i>			
<i>Refunds</i>	-	-	8,134,962
<i>RCTC Share Payments</i>	2,153,753	15,517,212	306,646,395
<i>Local Jurisdiction Reimbursement</i>	-	-	-
Expenditure Total	<u>2,153,753</u>	<u>15,517,212</u>	<u>314,781,357</u>
REVENUES OVER<UNDER> EXPENDITURES	(165,916)	960,813	980,850

MULTI-SPECIES HABITAT CONSERVATION PROGRAM

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	5,206	29,604	309,548
<i>Retail</i>	934	57,540	704,768
<i>Industrial</i>	9,507	46,335	481,697
<i>Single Family/Residential</i>	51,455	369,847	2,415,175
<i>Multi-Family Dwellings</i>	985	58,283	604,737
Revenue Sub Total	<u>68,086</u>	<u>561,609</u>	<u>4,515,925</u>
Interest Earned	-	8,269	114,181
Revenue Total	<u>68,086</u>	<u>569,878</u>	<u>4,630,106</u>
EXPENDITURES			
<i>Refunds</i>	-	-	101,316
<i>RCA Reimbursements</i>	-	400,000	3,900,232
Expenditure Total	<u>-</u>	<u>400,000</u>	<u>4,001,548</u>
REVENUES OVER<UNDER> EXPENDITURES	68,086	169,878	628,558

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending June 30, 2016

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	13,180	74,947	852,341
<i>Retail</i>	2,364	145,670	1,797,561
<i>Industrial</i>	24,068	117,303	1,390,329
<i>Single Family/Residential</i>	129,298	935,353	12,433,086
<i>Multi-Family Dwellings</i>	2,792	147,853	1,711,806
Revenue Sub Total	171,702	1,421,126	18,185,124
Interest Earned	-	-	1,655
Revenue Total	171,702	1,421,126	18,186,779
EXPENDITURES			
<i>Refunds</i>	-	-	126,646
<i>Expenditures</i>	158,758	1,889,138	19,627,046
Expenditure Total	158,758	1,889,138	19,753,692
Transfer-In from Zones	(12,944)	468,012	1,566,914
REVENUES OVER<UNDER> EXPENDITURES	-	-	-



Western Riverside Council of Governments Public Works Directors' Committee

Staff Report

Subject: WRCOG Financial Report Summary through June 2016

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.cog.ca.us, (951) 955-8432

Date: August 11, 2016

Requested Action:

1. Receive and file.
-

Attached is WRCOG's financial statement through June 2016.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

This item is informational only; therefore there is no fiscal impact.

Attachment:

1. WRCOG Financial Report Summary – June 2016.

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Item 4.C

WRCOG Financial Report Summary
through June 2016

Attachment 1

WRCOG Financial Report
Summary – June 2016

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Western Riverside Council of Governments
Monthly Budget-to-Actuals
For the Month Ending June 30, 2016

	Approved FY 15/16 Budget	6/30/2016 Actual	Remaining Budget
Revenues			
Member Dues	\$ 298,910	\$ 298,910	\$ -
Government Relations	960	1,170	(210)
WRCOG HERO	1,489,005	1,489,005	-
WRCOG HERO Recording	440,800	440,800	-
WRCOG HERO Commercial	22,873	25,785	(2,912)
CA HERO	5,948,521	5,948,521	-
CA HERO Recording	1,593,055	1,593,150	(95)
Gas Company Partnershp	54,347	54,347	-
SCE WRELP	74,152	78,793	(4,641)
SCE Phase II & III	69,215	83,855	(14,640)
Solid Waste	91,370	91,370	-
Used Oil	258,015	233,015	25,000
Air Quality	140,500	140,500	-
SCAQMD	38,750	26,351	12,399
LTF	684,750	684,750	-
Other Miscellaneous	9,671	9,671	-
General Assembly	300,000	204,400	95,600
TUMF - 4% Administration	1,405,095	1,435,437	(30,342)
TUMF - Total Program less Admin	30,000,000	34,704,098	(4,704,098)
Fund Balance Carryover	2,234,871	-	2,234,871
Total Revenues	\$ 45,574,861	\$ 47,543,928	\$ (1,969,068)
Expenditures			
Salaries and Wages	\$ 1,892,595	\$ 1,830,016	62,579
Fringe Benefits	1,056,135	666,391	389,744
Overhead Allocation	1,500,089	1,375,082	125,007
General Legal Services	726,986	563,723	163,263
Audit Services	26,357	26,357	-
Bank Fees	81,357	81,357	0
Committee Per Diem	57,650	57,150	500
Interest Expense	57	57	0
Office Lease	140,000	133,898	6,102
Auto Fees Expense	232	232	(0)
Auto Maintenance Expense	48	48	0
Special Mail Services	2,741	2,741	(0)
Parking Validations	3,541	2,226	1,315
Staff Recognition	3,489	3,489	-
Event Support	150,287	133,834	16,453
General Supplies	31,920	21,535	10,385
Computer Supplies	9,779	7,063	2,716
Computer Software	23,740	20,402	3,338
Rent/Lease Equipment	27,871	29,711	(1,840)
Membership Dues	33,070	29,206	3,864
Subscriptions/Publications	6,589	6,589	-
Meeting Support Services	13,543	8,135	5,408
Postage	5,843	5,149	694
Other Household	2,447	2,447	(0)
COG Partnership Agreement	43,901	43,901	0
Storage	20,000	15,537	4,463
Printing Services	30,757	13,177	17,580
Computer/Hardware	5,859	5,858	1
Communications - Phone	4,146	4,146	0
Communications - Long Dist	1,200	1,059	141
Communications - Cellular	12,195	9,421	2,774
Communications - Comp Serv	17,142	12,680	4,462
Communications - Web Site	10,500	3,733	6,768
Equipment Maint - General	16,100	5,447	10,653
Equipment Maint-comp/Software	1,214	1,214	0
Insurance - Gen/Business Liasion	67,120	66,865	255
WRCOG Auto Insurance Expenses	1,883	1,883	-
County RIFMIS Charges	2,700	1,941	759
Data Processing Support	15,630	15,630	(0)
HERO Recording Fee	1,355,155	1,353,702	1,453
Seminars/Conference	16,075	12,290	3,785
General Assembly	300,000	117,506	182,494
Travel - Mileage Reimbursements	26,002	14,076	11,926
Travel - Ground Transportation	8,407	6,504	1,903
Travel - Airfare	31,095	28,380	2,715
Lodging	25,643	16,370	9,273
Meals	9,060	6,944	2,116
Other Incidentals	43,895	24,854	19,041
Training	3,343	647	2,696
Supplies/Materials	41,322	5,175	36,147
Newspaper Ads	8,730	4,500	4,230
Billboard Ads	5,000	3,823	1,177
Radio & TV Ads	90,748	89,262	1,486
Consulting Labor	2,310,176	1,879,789	430,387
Consulting Expenses	37,547	5,610	31,937
Gov Relations Reimbursement	243,237	243,237	0
Computer Equipment Purchase	60,588	55,313	5,275
Water Task Force Program	899	899	0
Motor Vehicles Purchased	33,037	33,037	(0)
TUMF Program less Admin Expenditures	28,800,000	31,506,189	(2,706,189)
Overhead transfer in	(1,500,000)	(1,375,082)	(124,918)
Transfer out to Reserve	5,140,260	5,140,260	-
Total Expenditures	\$ 43,214,947	\$ 44,382,613	\$ (1,167,666)



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Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Tyler Masters, Program Manager, masters@wrcog.coq.ca.us, (951) 955-8378

Date: August 11, 2016

Requested Action:

1. Receive and file.

WRCOG's Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison (SCE)-owned and operated streetlights. The Program has three phases, which include: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. The overall goal of the Program is to provide significant cost savings to the member jurisdictions.

Program Update

At the direction of the WRCOG Executive Committee, WRCOG is developing a Regional Streetlight Program that will allow jurisdictions (and Community Service Districts) to purchase the streetlights within their boundaries that are currently owned / operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will then be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs, reduced energy use, and improvements in public safety). Local control of its streetlight system allows jurisdictions opportunities to enable future revenue generating opportunities such as digital-ready networks, and telecommunications and IT strategies.

The goal of the Program is to provide cost-efficiencies for local jurisdictions through the purchase, retrofit, and maintenance of streetlights within jurisdictional boundaries, without the need of additional jurisdictional resources. As a regional Program, WRCOG is working with each of the jurisdictions to move through the acquisition process, develop financing recommendations, develop / update regional and community-specific streetlight standards, and manage the regional operations and maintenance agreement that will increase the level of service currently being provided by SCE.

Cash-flow meeting update: WRCOG staff has conducted streetlight cash-flow meetings with the Cities of Calimesa, Eastvale, Hemet, Lake Elsinore, Menifee, Murrieta, Norco, Perris, San Jacinto, Temecula, Wildomar, the County of Riverside, and with the Rubidoux and Jurupa Community Services Districts. Meetings with remaining jurisdictions have yet to be scheduled.

The purpose of the cash-flow meetings is to provide jurisdictional staff (i.e., finance director, city manager, senior staff, etc.) with the financial information needed for staff to make a recommendation on whether it is feasibility to move forward with the acquisition and retrofit of the streetlights currently owned by SCE.

On a regional basis, WRCOG is identifying a 50-60% reduction in utility bills after streetlights acquisition and retrofit to LED fixtures. These savings are due primarily to the reduction in maintenance and energy costs. Additionally, WRCOG has developed a feasibility model that includes a variety of financial sensitivities,

including utility cost reduction, energy cost reductions, operations and maintenance costs (including pole knockdown replacement costs), debt service of ownership, and LED retrofit for each jurisdiction's streetlight system, and also includes a re-lamp reserve. The re-lamp reserve is a reserve that each jurisdiction can configure to set aside funds to ensure that in 15 years (when the LED streetlights begin to wear out) each jurisdiction will have funds to retrofit to the next generation of energy efficient street lighting, without negatively impacting the jurisdiction's general fund. This model has been provided to each member jurisdiction for their records. This tool will allow City staff to toggle variables (interest rates, re-lamp reserve, number of poles, etc) to quantify how cash flows are impacted in various scenarios.

Financing Update: On August 10, 2016, Public Financial Management (PFM) will provide a presentation to the WRCOG Administration & Finance Committee on the financing strategies being proposed for the Program.

On July 28, 2016, the WRCOG Finance Directors' Committee received a presentation provided by PFM on the financing strategies being proposed for the Program. The Finance Directors' Committee members approved the requested action to recommend to the WRCOG Executive Committee, for those jurisdictions interested in using financing for the acquisition and retrofit of streetlights, that they utilize Banc of America Public Capital Corporation (BACPP) (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, PFM, for being able to provide the most competitive financing for the Regional Streetlight Program). A copy of PFM's recommendation memo, which also outlines the bid process that was undertaken, is attached for members review.

WRCOG and PFM staff has considered numerous financing options. These options include: WRCOG-pool financing, individual city-issues bonds, California Infrastructure bank loans, California Energy Commission, and direct placement leases financing options. Member jurisdictions have expressed interest in the WRCOG-pool and direct placement lease options as potential financing structures. Upon Executive Committee authorization, staff will begin to work with BACPP to develop a financing structure for acquisition and retrofit of the streetlights.

Background on the bid process: On March 7, 2016, WRCOG released a Request for Bids (RFB) to select a financing vendor that would provide capital to member jurisdictions for the acquisition process at a competitive rate. WRCOG staff and its Financial Advisor, PFM, have been working with BACCP, which was deemed the most responsive and best option during the bid process and meets the needs of the Program. BACPP has proven to have the following:

1. Ability to provide financing to all participating jurisdictions in the Program
2. Provide financing for both purchase and LED retrofit
3. Streetlights accepted as sole collateral
4. Able to finance as either taxable or tax-exempt debt
5. Smart City usage permitted
6. The qualifications and experience of the proposing firm
7. Competitive fee proposal for all jurisdictions

Regional Demonstration Area Update: WRCOG will be conducting a Regional Streetlight Demonstration Area in five different locations throughout the City of Hemet to showcase various LED streetlights from nine different vendors. The Demonstration Areas incorporate multiple land use types (residential, commercial, industrial, etc.) that stakeholders will be able to view and provide feedback. The Demonstration Areas will allow community stakeholders (i.e., jurisdictional elected officials and staff, engineers, public safety personnel, community and environmental groups, and residents), inside and outside the Western Riverside County area, to experience and provide feedback on a variety of LED lights in a "real-life" context.

To gain additional input, staff will coordinate multiple educational tours for stakeholders in October / November 2016. The use of electronic and physical surveys will be used to gain feedback from the public. Results from the surveys will be used to assess preferences of the LED lights and rank the selection of viable LED lights to use for the Program. The Streetlights will be marked with a designated pole tag to help stakeholders identify which lights are or are not part of the Program.

A media kit is being developed and will include sample press releases, brochures and informational items, a “frequently asked questions” sheet, signage, social media language, and a map of the Demonstration Areas. The media kit will be available for all member jurisdictions to distribute to their community by late August 2016.

While the lights will be installed August 2016, the Demonstration Areas will officially kick-off on September 1, 2016, and will be active through early 2017. Recommendation and selection of the new lighting fixtures will be provided to WRCOG Committees at the conclusion of the Demonstrations Areas.

The following is a map depicting Demonstration Area locations and a sample of the streetlight pole identification tag that will be used.



Map of Demonstration Areas



City of Hemet streetlight pole identification tag on the left.

Demonstration Area Streetlight tag identification tag on the right.

Prior WRCOG Actions:

August 1, 2016: The WRCOG Executive Committee received report.
July 28, 2016: The WRCOG Finance Directors' Committee received report.
July 21, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget.

Attachment:

1. PFM Streetlight Financing Partner Recommendation.

Item 4.D

Regional Streetlight Program Activities Update

Attachment 1

PFM Streetlight Financing Partner Recommendation

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Public Financial Management, Inc. 213-489-4075
601 S. Figueroa St., Suite 4500 213-489-4085 fax
Los Angeles, CA 90017 www.pfm.com

July 21, 2016

Memorandum

To: Western Riverside Council of Governments:
Rick Bishop, Executive Director
Barbara Spoonhour, Director of Energy and Environmental Programs
Tyler Masters, Program Manager
Anthony Segura, Staff Analyst

From: Public Financial Management, Inc.
Laura Franke, Managing Director
Felicia Williams, Senior Managing Consultant

CC: Phil Bowman, Muni-Fed Energy
Jim Filanc, Southern Contracting

Re: Western Riverside County of Governments:
RFP # S-727, Financing for Streetlight Acquisition & Retrofit

On behalf of Western Riverside Council of Governments (“WRCOG”), Public Financial Management, Inc. (“PFM”) has been pleased to assist with the solicitation, evaluation and additional consideration of funding partner selection for the Regional Streetlight Program. Based on the offers received and questioning of the respondents, we recommend the appointment of Bank of America Public Capital Corporation (“BAPCC”) to serve as funding partner for WRCOG’s Regional Streetlight Program (the “Program”).

On March 7, 2016, WRCOG solicited Requests For Bids from the 56 firms identified in the following table. The table indicates which of the solicited firms responded.

Lender	Response	Lender	Response	Lender	Response
Banc of America Public Capital Corp	✓	GE Capital	-	Siemens Financial Services	-
Bank of Marin	-	Hannon Armstrong	-	Signature Bank	×
Bank of the West	-	Holman Capital	-	Solano First Credit Union	-
Barclays	-	IBEW	-	SolarMax	✓
BB&T	-	I-Bank	×	Sovereign Bank	-
BBVA Compass	✓	JP Morgan Chase	×	State Street Bank and Trust Company	-
BMO Harris	-	KeyBank	-	Stifel	-
BNY Mellon	-	Lance Capital	-	STRS	-
California Bank and Trust	-	Mitsubishi	-	Sumitomo Mitsui Banking Corporation	-
CapitalOne Public Funding	-	Mizuho	-	Suntrust Bank	-
Citi	-	NECA	-	TD Bank	-
Citizens Bank	-	New Resource Bank	-	Travis Credit Union	-
City National Bank	-	Northern Trust	-	Umqua Bank	-
Comerica Leasing Corp	-	Oppenheimer	-	Union Bank	-
Duetsche Bank	-	PNC Bank	×	Wells Fargo Bank	-
Eas West Bank	-	RBC	-	Western Alliance Equipment Finance	-
First Republic Bank	-	Rockfleet Financial	-	Wulff, Hansen & Co.	✓
First Security Leasing	-	Rosemawr Management	-	Zion's Bank/NSB	-
Fremont Bank	-	Santander	-		

In evaluating the responses received, the primary considerations were:

- (1) Provide financing for all participating jurisdictions in the Program
- (2) Provide financing for both purchase and LED retrofit
- (3) Streetlights accepted as sole collateral
- (4) Able to finance as either taxable or tax-exempt debt
- (5) Smart City usage permitted
- (6) The qualifications and experience of the proposing firm
- (7) Competitive fee and interest rate proposals for all jurisdictions

After receiving the proposals, telephone interviews were scheduled with the respondents. Through these interviews PFM discerned that one of the firms was not proposing a compliant structure to serve as funding partner:

- SolarMax suggested a structure that would not be viable under the regulatory framework for streetlight acquisition. The structure suggested would require that SolarMax become the purchaser of the streetlights from Southern California Edison ("SCE" or "Edison") and then sell the streetlights to the jurisdictions after retrofitting. In addition to the financial structuring concerns, SolarMax indicated a requirement for use of their equipment, and a significantly higher borrowing rate than the other respondents. WRCOG's evaluation team discussed these concerns with SolarMax during the verbal evaluation and no additional information or follow up was provided by the bidder.

Of the remaining bidders, it was determined that BBVA was qualified but lacked the depth of specific streetlight experience of the other two bidders. Wulff, Hansen initially provided a vague level of specificity in their response; and after several conversations, provided a formal bid from an investor, Hannon Armstrong, who would actually provide capital for the transactions. Wulff, Hansen's representative is a former energy service company finance professional with experience in this type of project finance; and, Hannon Armstrong, is a real estate investment trust that specifically invests in energy-related improvements. Wulff, Hansen and Hannon Armstrong provide a reasonable alternative, but the coordination between the two firms relative to the timing of providing their bid raised concerns on their ability to meet the Program's schedule and conform to timely processing needs. The remaining bidder, Bank of America, provided a complete and timely bid, was able to respond to questions relative to the content of that bid, has demonstrated experience with other streetlight financing; and, upon request, and was able to verbally indicate pricing levels that were in the range expected by the evaluation team.

Given their experience, understanding of Program needs and competitive pricing, it is PFM's opinion and recommendation that the Program appoints Bank of America as the funding partner for the WRCOG Streetlight Program. We appreciate your consideration of this recommendation, and we are available to provide additional information or answer any questions you have.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
Able to provide financing to all cities? ¹	Yes	Maybe	Yes	Yes
Financing for purchase, retrofit and soft costs	Yes	Yes	Yes	Yes
Enhancement / Reserve requirements	Maybe	Maybe	No	Jurisdictions will deposit one year of lease payments into a DS Reserve Fund at closing
15 year financing term	Yes	Yes	Yes	Yes (up to 23 years)
12 month construction period	Yes	Yes	Yes	Yes
Streetlights sole collateral	Yes	Yes - strong credit cities. Weaker credit cities may need essential property as additional collateral	Yes	Yes
Smart cities usage allowed	Yes	Maybe	Yes, but reserve right of first refusal. If Solar Max product exists for smart city purpose, SolarMax product must be used.	Yes
<i>Indicative</i> ² 15 year Tax-Exempt Rate	2.25 – 2.75%	2.75 – 3.25%	No. Tax-exempt financing has no benefits to foreign investors	4.64%
<i>Indicative</i> 15 year Taxable Rate	3.50 – 4.25%	4.25 – 4.60%	8.0% for 15 year term	4.64%

¹ Banks are all subject to additional credit approvals, Solar Max not.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
5 year optional call	2% premium (200 bps) on any payment date after fifth year	+15-30 bps on interest rate	No	3% premium (300 bps) on any payment date after fifth year
10 year optional call	2% premium (200 bps) on any payment date after fifth year	No additional spread/premium	No	No premium after ten years
Fees	Usual and customary fees ³ , including lender counsel	Lender counsel fee \$5k-\$10k / transaction	0.5% (50 bps) \$2,000 doc fee	Usual and customary fees, no charge for lender counsel
Flexible/open to additional retrofit financing for already owned streetlights	Yes	Yes	Yes	Yes
Flexible/open to additional jurisdictions not originally in the program	Yes	Yes	Yes	Yes

² Indicative rates were provided verbally by Bank of America and BBVA. Final rates will be subject to individual credit and market conditions at the time of pricing.

³ Fees include standard transaction closing costs: Bond Counsel, Financial Advisor, Escrow Agent, CDIAAC fees, insurance.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
Notes / Considerations	All subject to underwriting and credit approval/due diligence Has extensive experience working with streetlight financing.	All subject to underwriting and credit approval/due diligence	Financing dependent on use of Solar Max products EB-5 funding is only available to the retrofit costs and has a 5 year maximum term	All subject to underwriting and credit approval/due diligence

In addition to the responses detailed above, California I-Bank and Signature Public Funding indicated an interest in future opportunities, though likely on a city-by-city basis.

JP Morgan and PNC were not able to get approval to submit an indication of interest.



Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: 2016 TUMF Network Update

Contact: Daniel Ramirez-Cornejo, Staff Analyst, cornejo@wrcoq.cog.ca.us, (951) 955-8307

Date: August 11, 2016

Requested Action:

1. Receive and file.

WRCOG's Transportation Uniform Mitigation Fee (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. Each of WRCOG's member jurisdictions participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA).

The TUMF Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 (also known as the California Mitigation Fee Act) which governs imposing development impact fees in California. The Study establishes a nexus or reasonable relationship between the development impact fee's use and the type of project for which the fee is required.

TUMF Network Update

Staff is in the process of finalizing its review of the TUMF Network for inclusion in the 2016 TUMF Nexus Study. During the comment period of the draft 2015 TUMF Nexus Study, WRCOG received comments that identified facilities for removal on the TUMF Network because they are complete. WRCOG has determined that associated costs for projects that were completed by December 2015 and/or have executed Reimbursement Agreements with WRCOG would be removed from the TUMF Network. Such projects include the following:

- Nason Street / SR-60 Interchange
- Perris Boulevard (Cactus Avenue to Harley Knox Boulevard)
- Auto Center Drive Grade Separation
- Sunset Avenue Grade Separation

As part of this process, WRCOG agreed to continue funding for any project for which there is an executed Reimbursement Agreement even if that project is no longer in the TUMF Network to avoid the appearance that the Nexus Study is including costs for completed projects.

Additionally, the TUMF Network includes facilities that have been partially widened, but not fully widened to the extent that the facilities are identified in the Program. Therefore, the cost attributable to new development in the Nexus Study is a pro-rated portion of the improvement. WRCOG staff and its consultant reviewed the TUMF Network to update any percentages that did reflect recently improved segments of facilities. Such projects include the following, amongst others:

- Evans Road (Placentia Avenue to Nuevo Road)
- Perris Boulevard (Reche Vista Drive to Ironwood Avenue)
- Ethanac Road (Keystone Drive to Goetz Road)
- Van Buren Boulevard (Santa Ana River to SR-91)
- Whitewood Road (Keller Road to Clinton Keith Road)

The TUMF Network identifies existing obligated funding that has been secured through traditional funding sources to complete necessary improvements. Since funding has been obligated to provide for the completion of needed improvements to the TUMF Network, the funded cost of these improvements will not be recaptured from future developments through the TUMF Program. As a result, the TUMF Network cost was adjusted accordingly to reflect the availability of obligated funds. Since the delay in the TUMF Nexus Study, staff has reviewed SCAG's draft 2017 Federal Transportation Improvement Program (FTIP) to determine additional obligated funding that can potentially be removed from the TUMF Network. Staff has identified an additional \$80 million in State and/or Federal funding for TUMF Network facilities that can potentially be removed. Projects with significant State and/or Federal funding are identified below.

Cajalco Road / I-15 Interchange	\$	8M
Cajalco Road (I-15 to Harley John)	\$	10M
SR-79 Bridge	\$	2M
SR-79 (Ramona Expressway to SR-74)	\$	4M
Railroad Canyon Road / I-15 Interchange	\$	3M
French Valley Parkway / I-15 Interchange	\$	50M
Theodore Street / SR-60 Interchange	\$	1M
Madison Avenue Grade Separation	\$	5M
I-10 Bypass	\$	2M

TUMF consultant, Parsons Brinckerhoff, will be conducting model runs in the month of August for the draft 2016 TUMF Nexus Study. The models runs will assist WRCOG in determining if requested additions to the TUMF Network meet the requirements for inclusion in the TUMF Program. Such projects include the following:

- Keller Road / I-215 Interchange
- Iowa Avenue (University Avenue to Martin Luther King Boulevard)
- Ramona Expressway / I-215 Interchange
- Moreno Beach Road / SR-60 Interchange

All requested additions will be vetted through the criteria as defined in Section 4 (The TUMF Network) of the TUMF Nexus Study.

In addition to review of the TUMF Network facilities, Parsons Brinckerhoff is in the process of calculating the existing need portion of the Network for the base year of 2012. This process allows for review of TUMF Network facilities that are currently experience congestion and are operating at unacceptable levels of service. The need to improve these segments of the system is generated by existing demand, rather than the cumulative regional impacts of future new development, so future new development cannot be assessed for the equivalent cost share of improvements providing for this existing need.

Transportation Improvement Program (TIP) Update

The TIP Update occurs in the fall after the financial year-end close for the TUMF Program Fiscal Year (FY) 2015/2016. This fall, staff will distribute Project Worksheets associated with projects programmed on the Zone TIP's for jurisdictions to review and make any necessary adjustments for each programmed project to be returned updated and signed by the Public Works Director / City Engineer. Because this is a full Biennial TIP Review, jurisdictions may request additional funding and / or add projects on the TIP's if there is sufficient revenue to support the programmed funding.

In anticipation of the upcoming TIP update process, staff would like to provide jurisdictions with all programmed projects by zones, which includes payments processed through July 2016. Please notify staff if there are any discrepancies in the programmed amounts and reimbursements to date. Each Zone TIP with programmed projects is an attachment to this Staff Report.

Prior WRCOG Actions:

August 1, 2016: The WRCOG Executive Committee 1) directed staff to convene an Ad Hoc Committee composed of three members of the Executive Committee, two members of the Technical Advisory Committee, and two members of the Public Works Committee to discuss potential options related to completion of the Nexus Study; and 2) appointed three members of the Executive Committee to serve on the Ad Hoc Committee.

July 21, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

TUMF Nexus Study Update activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachments:

1. Central Zone 5-Year TIP – Programmed Projects.
2. Hemet / San Jacinto 5-Year TIP – Programmed Projects.
3. Northwest Zone 5-Year TIP – Programmed Projects.
4. Pass Zone 5-Year TIP – Programmed Projects.
5. Southwest Zone 5-Year TIP – Programmed Projects.

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2016 TUMF Network Update

Attachment 1

Central Zone 5-Year TIP - Programmed Projects

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Central Zone 5-Year Transportation Improvement Program - Programmed Projects

Fiscal Year	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost										
Programmed Expenditures																		
County of Riverside																		
06-CN-RCY-1103	Cajalco Rd, Alexander St to I-215 (3,280 mi. 2 to 4 lanes)	PND	PA&ED	\$	1,320,741	\$	833,334	\$	-	\$	2,154,075	\$	(259,263)	\$	2,413,338			
City of Menifee/County of Riverside																		
05-CN-RCY-1004	Newport Road/I-215 Interchange (CFD)	PND	PA&ED	\$	264,500	\$	-	\$	-	\$	264,500	\$	(2,573,829)	\$	2,838,329			
		STD	CON	\$	737,475	\$	1,813,447	\$	-	\$	2,550,922	\$	(2,889,418)	\$	5,440,340			
City of Menifee																		
16-CN-MEN-1178	Scott Road/I-215 Interchange	PLN	CON	\$	593,600	\$	-	\$	-	\$	593,600	\$	-	\$	593,600			
Menifee Rd, Simpson Rd to Aldergate Rd (0.5 mi. 0 to 4 lanes)									CPL	CON	\$	(0)	\$	-	\$	(906,400)	\$	906,400
City of Moreno Valley																		
05-CN-MOR-1012	Moreno Beach/SR-60 Interchange Phase I	CLD	PA&ED	\$	0	\$	-	\$	-	\$	0	\$	(500,000)	\$	500,000			
		PND	ENG	\$	272,978	\$	-	\$	-	\$	272,978	\$	(2,459,502)	\$	2,732,480			
		CLD	ROW	\$	-	\$	-	\$	-	\$	-	\$	(5,626,000)	\$	5,626,000			
		CLD	CON	\$	-	\$	-	\$	-	\$	-	\$	(3,500,000)	\$	3,500,000			
		CLD	PA&ED	\$	-	\$	-	\$	-	\$	-	\$	(500,000)	\$	500,000			
105-CN-MOR-1013	Nason/SR-60 Interchange w/Bridge Phase II	CLD	ENG	\$	-	\$	-	\$	-	\$	-	\$	(1,381,451)	\$	1,381,451			
		CLD	ROW	\$	-	\$	-	\$	-	\$	-	\$	(60,500)	\$	60,500			
		CLD	CON	\$	1,134,500	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	(1,133,500)	\$	11,261,500			
		PND	PA&ED	\$	(0)	\$	-	\$	-	\$	-	\$	(64,429)	\$	64,429			
05-CN-PER-1015	Evans Rd, 700' N of Placentia Ave to Nuevo Rd.(Phase I&II) (1.655 mi. 0 to 4 lanes)	PLN	ENG	\$	20,000	\$	-	\$	-	\$	20,000	\$	(86,059)	\$	106,059			
		PND	CON	\$	0	\$	-	\$	-	\$	0	\$	(1,277,181)	\$	1,277,181			
13-CN-PER-1164	Perris Blvd., I-215 to Case Rd Phase I (0.993 mi. 2 to 4 lanes)	STD	ENG	\$	15,000	\$	-	\$	-	\$	15,000	\$	(135,000)	\$	150,000			
		PLN	CON	\$	800,000	\$	750,000	\$	400,000	\$	2,700,000	\$	-	\$	2,700,000			
13-CN-PER-1173	Ramona Expressway, I-215 to Webster Ave. (.4 mi. 4 to 6 lanes)	STD	PA&ED	\$	100,480	\$	-	\$	-	\$	100,480	\$	-	\$	100,480			
16-CN-PER-1177	Nuevo Road/I-215 Interchange Ramp Improvements	PLN	CON	\$	1,000,000	\$	364,603	\$	-	\$	1,364,603	\$	-	\$	1,364,603			
05-CN-PER-1019	Nuevo Road, Murrieta Rd. to Dunlap w/ 300' Bridge (0.979 mi. 2 to 4 lanes)	STD	PA&ED	\$	202,489	\$	-	\$	-	\$	202,489	\$	(47,317)	\$	249,806			
City of Perris/City of Menifee																		
05-CN-PER-1001	Ethanac Road, Goetz Rd to I-215 (1.936 mi. 2 to 4 lanes)	STD	PA&ED	\$	161,804	\$	-	\$	-	\$	161,804	\$	(88,196)	\$	250,000			
1 Nason/SR-60 CON funding in FY16/17, FY17/18, FY18/19, FY19/20, and FY20/21 are illustrative only and not actual commitment.																		

¹ Nason/SR-60 CON funding in FY16/17, FY17/18, FY18/19, FY19/20, and FY20/21 are illustrative only and not actual commitment.



Central Zone 5-Year Transportation Improvement Program - Programmed Projects

Fiscal Year	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Programmed Expenditures, continued								
City of Moreno Valley/ March JPA								
05-CN-JPA-1021	CLD	PA&ED	\$	-	\$	-	\$	65,600
	CLD	ENG	\$	-	\$	-	\$	91,167
	CLD	ROW	\$	-	\$	-	\$	32,959
	PND	CON	\$	300,000	\$	-	\$	1,637,202
16-CN-JPA-1178	Heacock Ave, Gentian Way to Iris Ave. (0.510 mi. 2 to 4 lanes)	PLN	CON	\$	667,500	\$	-	667,500
RCTC/City of Perris								
05-CN-PER-1018	CLD	PA&ED	\$	-	\$	-	\$	1,050,000
	CLD	ENG	\$	(0)	\$	(0)	\$	721,058
	CLD	ROW	\$	0	\$	0	\$	2,110,036
	CPL	CON	\$	627,570	\$	627,570	\$	5,600,000

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2016 TUMF Network Update

Attachment 2

Hemet / San Jacinto Zone 5-Year
TIP - Programmed Projects

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Hemet/San Jacinto Zone 5-Year Transportation Improvement Program - Programmed projects

Fiscal Year	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Current Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Funded Expenditures								
City of Hemet								
06-HS-HEM-1091								
Sanderson Ave, Acacia Ave to BNSF Railroad tracks (.620 mi. 2 to 4 lanes)	CPL	ENG						
	\$ 18,652	\$				\$ 18,652	\$ (73,488)	\$ 92,140
	\$ 76,738	\$				\$ 76,738	\$ (13,262)	\$ 90,000
	\$ 0	\$				\$ 0	\$ (1,409,275)	\$ 1,409,275
City of San Jacinto								
07-HS-SJC-1122								
Ramona Expressway, Sanderson St to Main St, Phase I & II (5.05 mi. 2 to 4 & 2 to 6 lanes)	CPL	PA&ED						
	\$ 0	\$				\$ 0	\$ (380,428)	\$ 380,428
	\$ (0)	\$				\$ (0)	\$ (419,573)	\$ 419,573
	\$ 236,658	\$	400,000	\$		\$ 1,036,658	\$ (5,674,912)	\$ 6,711,570
Cities of San Jacinto and Hemet								
05-HS-SJC-1025								
Esplanade Ave, Warren Road to State St (Phase I & II) (3.53 mi. 2 to 4 lanes)	STD	PA&ED						
	\$ 223,350	\$				\$ 223,350	\$ (70,675)	\$ 294,025
	\$ 427,423	\$				\$ 427,423	\$ (48,577)	\$ 476,000

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2016 TUMF Network Update

Attachment 3

Northwest Zone 5-Year TIP -
Programmed Projects

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Northwest Zone 5-Year Transportation Improvement Program - Programmed Projects

Fiscal Year	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Programmed Expenditures								
City of Corona								
05-NW-COR-1046	PA&ED	CLD	- \$	- \$	- \$	(0) \$	(74,238) \$	74,238
	ENG	CLD	- \$	- \$	- \$	0 \$	(295,057) \$	295,057
	ROW	PND	- \$	- \$	- \$	857,026 \$	(823,986) \$	1,681,012
	CON	PND	- \$	- \$	- \$	69,694 \$	- \$	69,694
05-NW-COR-1048	PA&ED	CLD	- \$	- \$	- \$	(0) \$	(175,582) \$	175,582
	ENG	STD	- \$	- \$	- \$	1,454,532 \$	- \$	1,454,532
County of Riverside								
06-NW-RCY-1094	PA&ED	CLD	- \$	- \$	- \$	- \$	(648,000) \$	648,000
	ENG	CLD	- \$	- \$	- \$	- \$	(500,000) \$	500,000
	ROW	CLD	- \$	- \$	- \$	- \$	(2,000,000) \$	2,000,000
	CON	STD	- \$	- \$	- \$	3,200,000 \$	(4,000,000) \$	7,200,000
05-NW-RCY-1027	CON	PND	- \$	300,000 \$	- \$	300,000 \$	- \$	300,000
City of Jurupa Valley								
11-NW-JVL-1150	PA&ED	STD	- \$	- \$	- \$	51,098 \$	(51,902) \$	103,000
	ENG	STD	- \$	- \$	- \$	41,838 \$	(400,162) \$	442,000
	CON	PLN	- \$	658,000 \$	- \$	658,000 \$	- \$	658,000
	CON	CLD	- \$	- \$	- \$	- \$	- \$	- \$
City of Norco								
05-NW-NOR-1049	PA&ED	CLD	- \$	- \$	- \$	- \$	(70,320) \$	70,320
	ENG	CLD	- \$	- \$	- \$	- \$	(185,241) \$	185,241
	ROW	CLD	- \$	- \$	- \$	- \$	(1,722,700) \$	1,722,700
	CON	CPL	- \$	- \$	- \$	- \$	(451,779) \$	451,779
County of Riverside/Cities of Norco and Eastvale								
05-NW-EAV-1050	PA&ED	STD	- \$	- \$	- \$	592,852 \$	(157,148) \$	750,000
City of Riverside								
06-NW-RIV-1097	PA&ED	PND	- \$	- \$	- \$	3,200,000 \$	(10,800,000) \$	14,000,000
	ROW	PND	- \$	- \$	- \$	- \$	- \$	- \$

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2016 TUMF Network Update

Attachment 4

Pass Zone 5-Year TIP -
Programmed Projects

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TUMF
WRCOG

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2016 TUMF Network Update

Attachment 5

Southwest Zone 5-Year TIP -
Programmed Projects

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Southwest Zone 5-Year Transportation Improvement Program - Programmed Projects

Fiscal Year	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Programmed Expenditures								
County of Riverside								
06-SW-RCY-1073	Clinton Keith Rd. I-215 to SR-79 (3.191 m. 4 to 6 lanes)	STD	ROW	\$ (0)	\$ -	\$ -	(0) \$ (7,000,000)	\$ 7,000,000
		STD	CON	\$ 6,834,338	\$ 1,500,000	\$ -	\$ 8,334,338	\$ (1,665,662) \$ 10,000,000
City of Lake Elsinore								
05-SW-LEL-1060	SR-74/I-15 Interchange	PLN	PA&ED	\$ -	\$ -	\$ -	\$ -	\$ -
		CLD	ROW	\$ -	\$ -	\$ -	\$ (1,356,465)	\$ 1,356,465
		STD	CON	\$ -	\$ -	\$ 2,634,251	\$ (1,727,104)	\$ 4,361,355
13-SW-LEL-1175	Railroad Canyon Road/I-15 Interchange	PLN	PA&ED	\$ 950,000	\$ -	\$ -	\$ 950,000	\$ -
		PLN	ROW	\$ 972,179	\$ -	\$ -	\$ 972,179	\$ 972,179
City of Murrieta								
09-SW-MUR-1134	Whitewood (Meadowlark) (Clinton Keith to Keller) Phase I & II (2.0 mi 2 to 4 lanes)	PND	CON	\$ 375,568	\$ -	\$ -	\$ 375,568	\$ (2,624,432) \$ 3,000,000
City of Temecula								
05-SW-TEM-1063	SR-79 Western Bypass Bridge, over Murrieta Creek (300' 0 to 4 lanes)	PND	PA&ED	\$ -	\$ -	\$ -	\$ 54,044	\$ (377,096) \$ 431,140
		STD	ENG	\$ -	\$ -	\$ -	\$ 701,879	\$ (345,981) \$ 1,047,860
		PLN	ROW	\$ -	\$ -	\$ -	\$ 310,000	\$ - \$ 310,000
05-SW-TEM-1064	SR-79 Winchester Rd/I-15 Interchange	CLD	PA&ED	\$ (0)	\$ -	\$ -	(0) \$ (108,724)	\$ 108,724
		STD	ENG	\$ 614,349	\$ -	\$ -	\$ 614,349	\$ (3,319,947) \$ 3,934,296
		PLN	ROW	\$ 1,925,000	\$ -	\$ -	\$ 1,925,000	\$ - \$ 1,925,000
06-SW-TEM-1079	French Valley Parkway/I-15 Overcrossing & Interchange (300')	CLD	PA&ED	\$ (0)	\$ -	\$ -	(0) \$ (975,752)	\$ 975,752
		STD	ENG	\$ 2,471,083	\$ -	\$ -	\$ 2,471,083	\$ (6,330,792) \$ 8,801,875
		STD	ROW	\$ 1,471,308	\$ -	\$ -	\$ 1,471,308	\$ (202,940) \$ 1,674,248
13-SW-TEM-1163	SR-79/I-15 South Overcrossing & Interchange	PLN	CON	\$ 2,265,778	\$ 3,759,466	\$ 4,000,000	\$ -	\$ 10,025,244
City of Lake Elsinore/County of Riverside								
07-SW-LEL-1115	Temescal Canyon Road Bridge (2 to 4 lanes)	STD	PA&ED	\$ 154,670	\$ -	\$ -	\$ 154,670	\$ (109,865) \$ 264,535
		STD	ENG	\$ 272,328	\$ -	\$ -	\$ 272,328	\$ (15,339) \$ 287,667



Southwest Zone 5-Year Transportation Improvement Program - Programmed Projects

Fiscal Year		FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Programmed Expenditures, continued									
City of Wildomar									
12-SW-WIL-1153	Clinton Keith Rd, I-15 to Copper Craft Dr (1.936 mi. 2 to 4 lanes)	ENG \$ 470,811	\$ -	\$ -	\$ -	\$ -	470,811	\$ (260,140)	\$ 730,951
12-SW-WIL-1151	Bundy Canyon Road (Cherry Street to Sunset Rd) (4.524 mi. 2 to 4 lanes)	PLN PA&ED \$ 250,000	\$ -	\$ -	\$ -	\$ -	250,000	\$ -	\$ 250,000
		STD ENG \$ 691,239	\$ -	\$ -	\$ -	\$ -	691,239	\$ (283,761)	\$ 975,000
		PLN ROW \$ 425,390	\$ -	\$ -	\$ -	\$ -	425,390	\$ -	\$ 425,390
12-SW-WIL-1058	Palomar St, Mission Trail to Jefferson (3.568 mi. 2 to 4 lanes)	CLD PA&ED \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (507,000)	\$ 507,000
		CLD ENG \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (246,442)	\$ 246,442
City of Wildomar/County of Riverside									
09-SW-WIL-1141	Clinton Keith/I-15 Interchange	CPL CON \$ 334,159	\$ -	\$ -	\$ -	\$ -	334,159	\$ (8,965,841)	\$ 9,300,000



Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: Transportation Department On-Call Engineering Consultant Selection

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: August 11, 2016

Requested Action:

1. Recommend that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into agreements for on-call engineering services with WGZE, TEP, WSP Parsons Brinckerhoff, and Kimley-Horn.

WRCOG's Transportation Department is comprised of the Transportation Uniform Mitigation Fee (TUMF) Program, the Active Transportation Plan, and the Western Riverside County Clean Cities Coalition. The 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. As administrator of the TUMF Program, WRCOG allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA).

WRCOG Transportation staff efforts are supported by a variety of consultants who provide both planning and engineering services. As such, WRCOG recently undertook an effort to identify additional engineering consultants to support the departments various activities over the next 1-2 years.

Background

WRCOG has retained a variety of consultants to assist with various efforts, primarily focusing on the TUMF Program. Since 2006, WRCOG has retained one engineering consultant to assist with the review of TUMF invoices prepared by jurisdictions, conduct field reviews, and review developer cost estimates for Program eligibility. One of the main roles of this consultant is to review the invoices and determine whether these requests are consistent with the requirements of the TUMF Program and, therefore, eligible for payment.

Over the past year, the need for additional on-call engineering consultants has grown based on the following:

- The number of invoices submitted for reimbursement have increased and member agencies have requested that WRCOG expedite review to provide more timely reimbursement
- Several member agencies have also requested that WRCOG prepare additional guidance documents such as a manual or sample invoices to guide the reimbursement process
- WRCOG has initiated work on a regional Active Transportation Plan and requires technical assistance to review elements of the ATP, particularly conceptual designs and cost estimates for future facilities
- WRCOG is also evaluating a potential regional Water Quality Mitigation Program, in coordination with Riverside County Flood Control, and staff requires additional technical expertise in that regard

Proposal and Interviews

WRCOG distributed RFP 16-01, with a due date of July 1, 2016. A pre-proposal meeting was held on June 13, 2016. Six firms submitted written proposals for consideration. Staff reviewed these proposals and recommended that five firms be interviewed, which were conducted on July 28, 2016.

The interview panel consisted of WRCOG Transportation Department staff and a representative of the City of Perris. After interviewing the firms, the interview panel recommended that WRCOG select four firms to provide on-call engineering services as listed below:

1. WGZE
2. TEP
3. WSP Parsons Brinckerhoff
4. Kimley-Horn

WRCOG staff has notified each of the firms regarding the selection results, including those firms that were not selected.

Next Steps

Once approved by the WRCOG Executive Committee, WRCOG staff will prepare contracts for each of these firms. WRCOG staff will also be meeting with each selected firm to identify initial work assignments, which are expected to include:

- TUMF invoice review
- TUMF Reimbursement Manual
- Attending future meetings of stakeholder group discussing our proposed regional Water Quality Mitigation Program (or Alternative Compliance Program - ACP)
- Supporting staff in the review of Credit Agreements, Reimbursement Agreements, and other TUMF-related documents

Prior WRCOG Actions:

June 9, 2016: The WRCOG Public Works Committee received report.
May 12, 2016: The WRCOG Public Works Committee received report.

WRCOG Fiscal Impact:

Funding for these consultants is included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.



Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: Update on Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: August 11, 2016

Requested Action:

1. Receive and file.

WRCOG's Transportation Department is comprised of the Transportation Uniform Mitigation Fee (TUMF) Program, the Active Transportation Plan, and the Western Riverside County Clean Cities Coalition. The 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. As administrator of the TUMF Program, WRCOG allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA).

WRCOG has received comments from public and private stakeholders regarding the impact of TUMF on the regional economy and the fees' effect on development in the subregion. WRCOG is conducting a study to analyze fees / exactions required and collected by jurisdictions / agencies in, and immediately adjacent to the WRCOG subregion.

Fee Analysis Study

Overview of Fee Study

In July 2015, WRCOG distributed the draft 2015 TUMF Nexus Study for review and comment. During the comment period, WRCOG received various comments from public and private stakeholders regarding the impact of TUMF on the regional economy and the fees' effect on development in the subregion. In response to the comments received on the draft Nexus Study, WRCOG released a Request for Proposal (RFP) to solicit firms interested in performing an analysis of fees / exactions required and collected by jurisdictions / agencies in and immediately adjacent to the WRCOG subregion. In March 2016, the WRCOG Executive Committee authorized a Professional Services Agreement with Economic & Planning Systems (EPS), in association with Rodriguez Consulting Group (RCG), to conduct the fee analysis.

The Fee Analysis Study (Study), expected to be completed by the end September 2016, will provide WRCOG jurisdictions with comprehensive fee comparisons. The Study will also discuss the effect of other development costs, such as the cost of land and interest rates, within the overall development framework. Another key element of the Study will be an analysis documenting the economic benefits of transportation investment.

Fee Comparison Methodology

Jurisdictions for Fee Comparison: In addition to the jurisdictions within the WRCOG subregion, the Study will analyze jurisdictions within the Coachella Valley, San Bernardino and Orange Counties, and the northern portion of San Diego County. The inclusion of additional neighboring / peer communities will allow for consideration of relative fee levels between the WRCOG subregion and jurisdictions in surrounding areas that may compete for new development. At its April 14, 2016, meeting, the WRCOG Planning Directors' Committee provided input on the additional jurisdictions to be studied. An additional 13 jurisdictions outside of the WRCOG subregion were selected for comparison.

Land Uses and Development Prototypes: Fee comparisons are being conducted for five key land use categories – “development prototypes”, including single family residential, multi-family residential, office, retail, and industrial developments. Since every development project is different, and because fee structures are often complex and derived based on different development characteristics, it is helpful to develop “development prototypes” for each of the land uses studied. The use of consistent development prototypes increases the extent to which the fee comparison is an “apples-to-apples comparison”.

Development prototypes were selected based on recent trends in new development in Western Riverside County. For single-family development, the selected prototype represents the median home and lot size characteristics of homes built and sold in Western Riverside County since 2014. Development prototypes for the multi-family residential, office, retail, and industrial buildings represent the average building sizes for similar buildings developed since 2010 in Western Riverside County. The proposed prototypical projects being analyzed are as follows:

- **Single-Family Residential Development** – 50 unit residential subdivision with 2,700 square foot homes and 7,200 square foot lots
- **Multi-Family Residential Development** – 200 unit market-rate, multi-family residential development in 260,000 gross square foot of building space
- **Retail Development** – 10,000 square foot retail building
- **Office Development** – 20,000 square foot, Class A or Class B office building
- **Industrial Development** – 265,000 square foot “high cube” industrial building

Fee Categories: The primary focus of the Study is on the array of fees charged on new development to pay for a range of infrastructure / capital facilities. The major categories of fees include: (1) school development impact fees; (2) water / sewer connection / capacity fees; (3) City capital facilities fees; (4) regional transportation fees (TUMF in Western Riverside County), and (5) other capital facilities / infrastructure / mitigation fees charged by other regional / subregional agencies. As noted in prior fee comparisons, these fees typically represent 80 to 90 percent of the overall development fees on new development. Additional processing, permitting, and entitlement fees are not included in this analysis. Based on the consultant team's initial review of fees, they concluded that the scale of planning / processing fees versus development impact fees was different in that most jurisdictions charge moderate levels of planning / processing fees as compared to development impact fees – meaning the development impact fees are much higher than the planning / processing fees. The initial analysis focuses on development impact fees, as these fees are much larger than planning / processing fees for comparison purposes. WRCOG does leave open the option to include processing fees if there are certain jurisdictions where the processing fees are substantial compared to the permit fees.

Service Providers and Development Prototypes: The system of infrastructure and capital facilities fees in most California jurisdictions is complicated by multiple service providers and, often, differential fees in different parts of individual cities. Multiple entities charge infrastructure / capital facilities fees – e.g. City, Water Districts, School Districts, and Regional Agencies. In addition, individual jurisdictions are often served by different service providers (e.g. more than one Water District or School District) with different subareas within a jurisdiction, sometimes paying different fees for water facilities and school facilities. In addition, some City fees, such as storm drain fees, are sometimes differentiated by jurisdictional subareas.

For the purposes of the Study, an individual service provider was selected where multiple service providers were present, and an individual subarea was selected where different fees were charged by subarea. An effort was made to select service providers that cover a substantive portion of the jurisdiction, as well as to include service providers that serve multiple jurisdictions (e.g. Eastern Municipal Water District).

Completed To-Date

After identification of the cities for fee evaluation and development prototypes by land use, the focus of the Study efforts has been on collecting fee schedules and applying them to the development prototypes. The research effort has involved: (1) reviewing available development impact fee schedules online; (2) reaching out to service providers (Jurisdiction, Water Districts, School Districts) where fee levels or fee calculations were difficult to discern; (3) conducting necessary fee calculations; and, (4) presenting initial fee estimates for all seventeen (17) WRCOG cities.

WRCOG staff sent a PDF file to each jurisdiction's representative on WRCOG's Planning Directors' Committee and Public Works Committee for review and comment on the week of June 20, 2016. This file contained the initial fee estimates for each jurisdiction. WRCOG staff presented an update of the fee analysis to the Planning Director's Committee and Public Works Committee on July 14, 2016. The update included a summary of jurisdictions that have provided confirmation and feedback on their initial fee analysis, and those whose comments were pending. WRCOG followed up with those jurisdictions whose comments still had yet to be addressed and those that had not provided any comments.

Each WRCOG jurisdiction has finalized their initial fee analysis and a report will be produced for their use. The goal of this initial fee analysis is to provide jurisdictions in the WRCOG region the opportunity to review their fee collection structure while being able to compare it to the fee collection structure of neighboring jurisdictions. WRCOG is committed to presenting the findings in the best possible manner. This analysis is an informational item only.

The table below displays each development prototype's range of total fees, and the percentage of the total fees TUMF makes up.

WRCOG Development Impact Fee Summary *

Item	Average	Range	
		Low	High
Single Family			
Total Fees per Unit	\$45,319	\$32,935	\$59,366
TUMF as a % of Total Fees	19.6%	26.9%	10.8%
Multifamily			
Total Fees per Unit	\$28,685	\$19,262	\$40,573
TUMF as a % of Total Fees	21.7%	32.3%	15.4%
Retail			
Total Fees per Sq.Ft.	\$24.08	\$15.66	\$33.20
TUMF as a % of Total Fees	43.6%	67.0%	31.6%
Industrial			
Total Fees per Sq.Ft.	\$4.71	\$2.59	\$9.60
TUMF as a % of Total Fees	30.1%	54.9%	14.8%

Office

Total Fees per Sq.Ft.	\$12.91	\$6.53	\$19.07
TUMF as a % of Total Fees	17.0%	33.6%	11.5%

* Average and ranges as shown encompass 19 jurisdictions, including 17 cities, the unincorporated City of Temescal Valley, and March JPA.

Note: Total fees and TUMF as a % of total fees are not connected - i.e. low fees do not correlate to low TUMF percentage.

Ongoing/ Next Steps

Fee information has also been collected for the non-WRCOG region jurisdictions and similar initial fee estimates are being compiled for each of them. In addition, preliminary development feasibility analyses are being prepared to provide insights into the costs of new development in Western Riverside County, including development impact fees, as well as the overall economic / feasibility of these development products. Finally, research is beginning on the economic benefits of regional transportation.

Prior WRCOG Actions:

July 14, 2016: The WRCOG Planning Directors' Committee and Public Works Committee received report.
May 12, 2016: The WRCOG Public Works Committee received report.

WRCOG Fiscal Impact:

The Analysis of Fee and Their Potential Impact on Economic Development in Western Riverside County is included in the Agency's adopted Fiscal Year 2015/2016 Budget under the Transportation Department.

Attachment:

None.



Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: TUMF Nexus Study Options

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: August 11, 2016

Requested Action:

1. Discuss and provide input.

WRCOG's Transportation Uniform Mitigation Fee (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. Each of WRCOG's member jurisdictions participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA). The TUMF Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 (also known as the California Mitigation Fee Act) which governs imposing development impact fees in California. The Study establishes a nexus or reasonable relationship between the development impact fee's use and the type of project for which the fee is required.

TUMF Nexus Study Options

The TUMF Program is a development impact fee and is subject to the California Mitigation Fee Act (AB 1600, Govt. Code § 6600) which mandates that a Nexus Study be prepared to demonstrate a reasonable and rational relationship between the fee and the proposed improvements for which the fee is used. AB 1600 also requires the regular review and update of the Program and Nexus Study to ensure the validity of the Program. The last TUMF Program Update was completed in October 2009.

In September 2015, the WRCOG Executive Committee took action to delay finalizing the Nexus Study and include the growth forecast from the 2016 Southern California Association of Governments Regional Transportation Plan / Sustainable Communities Strategy (RTP / SCS). The 2016 RTP / SCS was approved by SCAG in spring 2016 and the growth forecast for the WRCOG subregion has been integrated into the TUMF Nexus Study.

While the technical work on the 2016 TUMF Nexus Study is nearing completion, staff has met with various regional stakeholders including elected officials, representatives of the development community, city staff, and others to discuss the current status of the TUMF Nexus Study and what the next steps would be given that the previous Nexus Study was delayed.

Instead of forwarding only a final draft Nexus Study and fee schedule, staff is preparing a number of options for discussion and direction in moving forward.

These options as currently defined include:

Option 1: Do nothing and continue to use the 2009 Nexus Study and fee structure

The outcome of the implementation of Option 1 includes no change in the TUMF schedule from the schedule that is currently in effect and has been since 2009. Without the adoption of the Nexus Study Update, more than twenty-five project additions that were approved for inclusion in the TUMF Network by the Executive Committee in March 2015 would not be part of the TUMF Program. Facilities that would not be included in the TUMF Program are as follows:

- Eucalyptus Avenue (Redlands Avenue to Theodore Street) – widen 2 to 4 lanes
- Eucalyptus Avenue (Frederick Street to Moreno Beach Drive)
- Eucalyptus Avenue (Moreno Beach Drive to Redlands Avenue) – widen 0 to 4 lanes
- Theodore Street / SR-60 Interchange
- Theodore Street (SR-60 to Eucalyptus Avenue) – widen 2 to 4 lanes
- Day Street / SR-60 Interchange
- Ironwood Avenue (Day Street to Perris Boulevard)
- Case Road (Goetz Road to I-215) with a 122' bridge – widen 2 to 4 lanes
- Limonite Avenue (Harrison Street to Hellman Avenue) with a 200' bridge – widen 0 to 4 lanes
- Corydon Road (Mission Trail to Grand Avenue) – widen 2 to 4 lanes
- Franklin Street / I-15 Interchange
- Lake Street / I-15 to Temescal Canyon Road with 107' bridge – widen 2 to 6 lanes
- Lake Street (Temescal Canyon Road to Mountain Avenue) – widen 2 to 6 lanes
- Nichols Road / I-15 Interchange
- Nichols Road (I-15 to Lake Street) – widen 2 to 4 lanes
- Temescal Canyon Road (Indian Truck Trail to Lake Street) – correcting arterial segment mileage
- Temescal Canyon Road (I-15 to Lake Street) with 246' bridge – approve 2 to 4 lanes and realign bridge to 246'
- Whitewood Road (Murrieta Hot Springs Road to Jackson Avenue) – widen 0 to 4 lanes

Without adoption of the Nexus Study Update, the above mentioned facilities would be ineligible to receive TUMF funding.

Additionally, there are facilities in the TUMF Network are eligible for additional funding based on updated information in the new Nexus Study as follows:

- French Valley Parkway / I-15 Interchange and Overcrossing – restore \$12.9 million to cover loss of State and Federal Funds
- Foothill Parkway (Lincoln Avenue to Paseo Grande) – restore \$7 million to cover loss of State and Federal Funds
- Scott Road / I-215 Interchange- currently ineligible for any additional TUMF Funding based on the 2009 Nexus Study which assumed that 100% of the interchange cost would be funded through a CFD which no longer can fund the interchange
- Cajalco Road / I-15 Interchange – upgrade facility from a Type 2 Interchange to a Type 1 Interchange

Another outcome of this option relates to the validity of the Nexus Study, which if not updated may jeopardize the integrity of the Program, as in part reflected by the issues with the projects described above.

Option 2: Complete the 2016 Nexus Study with the recommended fee levels

Implementation of this option would result in a fee schedule that would generate additional revenue for the program. The effect of this fee increase would be to provide approximately \$5-\$10 million per year in additional TUMF funding based on current levels of development.

Option 3: Complete 2016 Nexus Study with reduced fees (compared to Option 2 above) by way of one or more of the sub options below:

- 3A - Phase in of fees

Phasing in the fees could result in the loss of approximately \$5-\$10 million per year. If you assume a 3 year phase-in period, the net loss to the program could be \$15-\$30 million total. The actual impact of this phased in approach would need to be verified based on phase in scenario identified (number of years, phase in percentage, etc.). Local agencies would have to provide supplemental funding to fill any gaps generated by this shortfall. The shortfall that produced by the phase in could be made up with a local match contribution or delivery of soft costs, among another options.

- 3B - Phase in of fees for either residential or non-residential uses

Implementation of this option would provide the opportunity for a phase in of selected land use categories, such as the retail land use category. Initial review of the preliminary estimates show that a four year phase in for only the retail land use category would result in a total Program shortfall of approximately \$5-10 million. Under this approach, the retail fees would be phased in with the other fees being increased. Similar to Option 3A, local agencies would have to provide supplemental funding to fill any gaps generated by this shortfall.

- 3C - Require local match for projects

The implementation of a local match would require member jurisdictions to seek additional funding sources for the delivery of projects and to meet the requirement. We anticipate that a local match requirement of approximately 10% would result in a reduction in network costs of approximately \$300 million and would have the net effect of a commensurate reduction in the fee levels.

- 3D - Reduce contributions for non-construction related costs

Implementation of this option would reduce the cost of the TUMF Network by removing associated soft costs for facilities and/or the contingency component of the Program. One option would be to remove contingency costs, which account for 10% of the total network costs and would be similar to Option 3C in terms of effects on the network costs and fee levels.

Option 4: Remove projects from the TUMF Network to reduce costs

Another option for WRCOG would be to remove facilities from the TUMF Network to reduce the overall network costs. Staff is proposing to review all facilities against the criteria as defined in Section 4 (The TUMF Network) of the TUMF Nexus Study. These criteria include the number of lanes, projected traffic volumes and roadway capacity. The projects for potential removal include the following facilities based on previous model runs include:

- Meniffee Road (Ramona Expressway to Nuevo Road)
- Potrero Boulevard (4th Street to SR-79 Beaumont Avenue)
- SR-79 Eastern Bypass
- McCall Boulevard (Meniffee Road to Warren Road)
- Ellis Road (SR-74 to I-215)
- I-10 Bypass

These projects are potential candidates for removal based on traffic volume projections that show that these roadways no longer have sufficient traffic volume to require four travel lanes, which is a minimum guideline for the TUMF Network. Staff will be evaluating all of the TUMF Network roadways once the final set of model runs is complete. Staff estimates that removal of the above projects could result in a reduction in program costs of approximately \$200 million as an example.

Ad Hoc Committee: At its August 1, 2016 meeting, the WRCOG Executive Committee directed staff to form the Ad Hoc Committee to review the options previously described in regard to the TUMF Nexus Study Update. The Executive Committee took action to appoint Mayor Pro Tem Jeffrey Giba from the City of Moreno Valley,

Mayor Rusty Bailey from the City of Riverside, and Mayor Jeff Hewitt from the City of Calimesa to the Ad Hoc Committee. The members from the PWC and TAC will assist the Executive Committee members in making any recommendations to the Executive Committee.

It is anticipated that the Ad Hoc Committee would meet in between meetings of the Executive Committee, Technical Advisory Committee, and Public Works Committee in order to receive updates from these committees and help formulate and guide the development of a preferred option for eventual consideration by the Executive Committee.

Prior WRCOG Actions:

August 1, 2016: The WRCOG Executive Committee 1) directed staff to convene an Ad Hoc Committee composed of three members of the Executive Committee, two members of the Technical Advisory Committee, and two members of the Public Works Committee to discuss potential options related to completion of the Nexus Study; and 2) appointed three members of the Executive Committee to serve on the Ad Hoc Committee.

July 21, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

TUMF Nexus Study Update activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.



Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: Recommendation to Allow Inter Zonal Loans under the TUMF Program

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: August 11, 2016

Requested Action:

1. Review and approve staff's recommendation to allow loans between TUMF Zones based on the process identified below.

WRCOG's Transportation Department is comprised of the Transportation Uniform Mitigation Fee (TUMF) Program, the Active Transportation Plan, and the Western Riverside County Clean Cities Coalition. The 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. As administrator of the TUMF Program, WRCOG allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA).

WRCOG periodically receives requests from member agencies and other stakeholder to modify elements of the TUMF Program. WRCOG recently received a request to consider whether we would allow loans between different Zones within the TUMF Program for the purpose of facilitating near-term project delivery.

Background

Under the TUMF Program, WRCOG receives funds from local agencies based on fees collected at the time various permits are issued. These funds are remitted to WRCOG and then provided to local agencies when requests for reimbursement are received.

When funds are received, these funds are divided into the following allocations:

- 46% is transferred directly to the Riverside County Transportation Commission (RCTC)
- 4% is allocated to WRCOG for Program administration
- 1.56% is allocated to the Riverside Transit Agency (RTA)
- 1% is allocated to the Riverside Conservation Agency (RCA) for the purchase of sensitive habitat

The remainder of the fee payments (46%) are allocated to WRCOG and then distributed to the various TUMF Zones, including the Pass Zone, the Central Zone, the Northwest Zone, the Hemet/San Jacinto Zone, and the Southwest Zone.

One long-standing policy is that WRCOG keeps separate accounting for each TUMF Zone to ensure that funds are not shared between zones. This policy ensures that half of the total funds collected within the Zone stay within the Zone to fund projects within that Zone.

In times of an extreme funding shortfall that would affect project delivery, the 10-Year Strategic and the Administrative Plans contain language that allow for funding transfers and value sharing through interzonal loans. However, in order for the transfer of funding to occur, the transferred funds (or loan) necessary to cover a funding shortfall “shall be proposed and approved by both impacted Zone Committees as well as the Executive Committee”.

Within the past several years, we have seen three of the five TUMF Zones accumulative balances in excess of \$10 million including:

- Southwest Zone (\$26 million)
- Central Zone (\$17 million)
- Northwest Zone (\$10 million)

The Pass Zone, which includes Banning and Calimesa, currently has a balance of less than \$250,000.

Loan Process

WRCOG staff has reviewed the Administrative Plan and determined that there is currently a provision which allows loans between zones with no defined prohibitions. As the TUMF Zones are unique to WRCOG, there are no formal legal requirements to limit any zones.

After discussions with Best Best and Krieger (BB&K), staff concluded that it would be beneficial to create a formal framework to track any loans. Therefore, WRCOG staff proposes the following process to allow loans between zones, which would have a cap of \$1 million per zone:

1. Agency requesting the loan must submit and receive approval from other members in the zone at a Zone Meeting.
2. The Agency requesting the funds would then makes a formal written request to WRCOG and WRCOG would provide the Agency with a listing of zones that have dollars available.
3. The Agency would then submit and receive written approval from the Zone they are requesting funds from.
4. A recommendation for approval would then be forwarded to the WRCOG Technical Advisory Committee (TAC) and the WRCOG Executive Committee, with direction for the WRCOG Executive Director to enter into a formal loan agreement with that Agency., consistent with 10-year Strategic Plan and other documents
5. Once approved, the Agency and WRCOG would enter into a formal loan agreement that would specify the amount to be repaid, the term of repayment, and the interest rate. Monies would then be repaid from future TUMF receipts for that zone.

Implications for TUMF Program

There are potentially near-term and long-term implications for the TUMF Program. One benefit is that WRCOG would have the option of shifting funding if there were projects with near-term issues affecting project delivery. For example, if a City required immediate funding for a technical study or because of a cost overrun on a project phase, the loan could provide that interim funding to help the Zone address a short-term cash flow issue. On a short-term basis, there are likely to be limited issues as several of the Zones currently have significant balances and TUMF collections are currently increasing. Long-term, there may be challenges in that Zones could be committing future funds to current projects, thereby making it difficult for future projects to be funded. Staff recommends that the loans be capped at \$1 million to limit the potential for a Zone to overcommit itself.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

This activity is included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.

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Western Riverside Council of Governments Public Works Committee

Staff Report

Subject: Staff Review of Potential Options to Allow Financing of TUMF Fees

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: August 11, 2016

Requested Action:

1. Request that the WRCOG Executive Committee approve WRCOG staff's recommendation to continue WRCOG's Policy of prohibiting the use of financing districts to pay for TUMF Fees.

WRCOG's Transportation Department is comprised of the Transportation Uniform Mitigation Fee (TUMF) Program, the Active Transportation Plan, and the Western Riverside County Clean Cities Coalition. The 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. As administrator of the TUMF Program, WRCOG allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA).

WRCOG periodically receives requests from member agencies and other stakeholder to modify elements of the TUMF Program. WRCOG recently received a request to consider whether it would allow projects to form financing districts or use other similar approaches as an alternative method to pay TUMF fees.

Background

The TUMF Program currently provides three means through which a developer can meet their TUMF obligations.

1. Payment of fees in cash at the time of the issuance of the building permit or certification of occupancy.
2. Participation in a Community Financing District (CFD), which is then responsible for the construction of a TUMF facility. The development receives TUMF credit which then offset their TUMF obligations.
3. The development assumes responsibility for the construction of a TUMF facility, either the entirety of the project or a portion of the project. As with the second option, the development receives TUMF credit, which then offsets their TUMF obligation.

WRCOG staff has determined that the majority of developers pay their fees directly, though there are instances in which developers and the local agency avail themselves of the second or third option. The choice between these options depends on the size of the project, its location, whether the project is a phase of a larger project, and other considerations.

One option that is not currently available to developers is the payment of fees through some sort of financing mechanism, such as a CFD. Under this option, developers would finance their TUMF fees and pay those costs directly rather than use CFD funding to build infrastructure directly. Staff has received three separate inquiries in the last six months regarding whether this approach would be allowable. Two requests were from property owners or their representatives while the third was from the City of Lake Elsinore. Staff determined

that this approach is currently not allowed under the Administrative Plan and WRCOG would have to take some form of overt action to allow this option. A similar request was also considered in 2008 but rejected.

Financing of TUMF Fees

Based on staff's review and information provided by Best Best and Krieger (BB&K), we anticipate that the process to finance TUMF fees could proceed using a couple of different approaches.

Under the first approach, the developer would participate in the Statewide Community Infrastructure Program (SCIP), which is administered by the California Statewide Community Development Authority (CSCDA). CSCDA would then sell bonds and the funds from the bond sale would be transferred to first to the local agency, and then WRCOG as cash payment, thereby allowing the developer to meet their obligations under the TUMF program. Additional information regarding the SCIP program can be found at [http://www.cscda.org/Infrastructure-Finance-Programs/Statewide-Community-Infrastructure-Program-\(SCIP\).aspx](http://www.cscda.org/Infrastructure-Finance-Programs/Statewide-Community-Infrastructure-Program-(SCIP).aspx)

The second approach would entail a developer forming a CFD through a local agency, which would then issue bonds. The bond proceeds would then be transferred through the local agency to WRCOG as a cash payment, thereby meeting the developer's TUMF obligations.

Implications for TUMF Program

WRCOG staff has reviewed available information regarding this proposed approach and determined that there would be both positive and negative aspects if WRCOG were to allow projects to pay their fees through financing districts.

The strongest positive aspect is that it would allow developers another option to meet their TUMF obligation. We have anecdotal information that some development projects could proceed more quickly if we allowed this projects to meet their TUMF obligation in this manner; however, we have no way of verifying that information directly absent a more extensive outreach process.

There are several negative aspects, which should be addressed:

- First, and likely the most problematic issue, is that WRCOG would have to certify that the funds received through these financing mechanisms are spent in a timely fashion. State law requires that funds from bond sales must be spent within three years of their receipt or the agency receiving these funds becomes liable for the payment of interest. Because of these requirements, WRCOG would have to maintain separate accounting records for each of these bond issuances for the period prior to and after the funds are expended.
- Second, the TUMF Program is a pass through program in which WRCOG receives funds and then provides those funds to local agencies to reimburse expenses for TUMF Projects. Local agencies receiving these funds would have to provide additional certifications beyond those already required to demonstrate that these funds were spent appropriately. These certifications and documents would be in addition to record keeping requirements already noted in the TUMF Program. WRCOG Staff could foresee additional challenges in that funds distributed through this process may go to multiple agencies, which would require these requirements to accrue to all agencies involved. For example, if funding from this source was used for projects in Banning, Wildomar, and Corona, each of these cities would have to prepare these additional documents.

One of the primary challenges with allowing fees to be paid through financing mechanisms is that unlike a City, School District, or other similar agency, WRCOG does not directly fund or construct infrastructure. WRCOG simply acts as an intermediary who collects funds and distributes these funds to local agencies to reimburse their expenses. Therefore, WRCOG may be liable for actions taken by other agencies for which we have no direct control.

Based on our review, we are not aware of another regional program similar to the TUMF that allows fee obligations to be paid in this manner.

Staff Recommendation

Based on the information above, staff would recommend that WRCOG maintain its currently policy and prohibit the use of financing districts for the payment of TUMF fees. As part of this recommendation, the current options to allow a project to meet its TUMF obligations would be maintained. Staff would be willing to reconsider this issue if additional information becomes available.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

This activity is included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.