

**AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

September 11, 2017
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey Street

The following information comprises the agenda for a regular meeting of the City Council; a joint meeting of the Banning City Council and the City Council Sitting in its Capacity of a Successor Agency; and a scheduled meeting of the Banning Utility Authority.

Per City Council Resolution No. 2016-44 matters taken up by the Council before 10:00 p.m. may be concluded, but no new matters shall be taken up after 10:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation – Chaplain Merle Malland
- Pledge of Allegiance
- Roll Call – Councilmembers Andrade, Franklin, Peterson, Welch, Mayor Moyer

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS / CORRESPONDENCE / COUNCIL ANNOUNCEMENTS & REPORTS / CITY MANAGER REPORT / SCHEDULE MEETINGS

PUBLIC COMMENTS – On Items Not on the Agenda

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provided responsive, fair treatment to all and is the pride of its citizens.

CORRESPONDENCE

Items received under this category may be received and filed or referred to staff for future research or a future agenda.

ANNOUNCEMENTS/REPORTS (*Upcoming Events/Other Items if any*)

- City Council Reports
- City Committee Reports
- Report by City Attorney

REPORT BY CITY MANAGER

SCHEDULE MEETINGS

- Open House

IV. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council wishes to remove an item for separate consideration.)

Motion: Approve Consent items 1 through 6: Items ___, ___, ___, to be pulled for discussion. *(Resolutions require a recorded majority vote of the total membership of the City Council)*

1.	Approval of Minutes – Special Meeting – 08/22/17 (Closed Session)	1
2.	Approval of Minutes – Regular Meeting – 08/22/17	3
3.	Ordinance 1510 – 2 nd Reading – Approving a Categorical Exemption and Approving Zoning Text Amendment 17-97502 Amending Various Sections of the Zoning Ordinance (Title 17 of the Banning Municipal Code) to Provide Consistency and Clarifications Within the Text	83
4.	Ordinance 1514 – 2 nd Reading – Amending and Superseding Ordinance 1344 to Update Participation in the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.....	91
5.	Information Regarding Concealed Carry	179
6.	Receive and File Disaster and Mutual Aid Agreement Between the Morongo Band of Mission Indians and the City of Banning	195

- Open Consent Items for Public Comments
- Make Motion

V. REPORTS OF OFFICERS

1.	Resolution 2017-87, Adopting California Statewide Communities Development Authority Community Facilities Districts Goals and Policies Statement.....	221
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(Staff Report – Rochelle Clayton, Deputy City Manager/ASD)

Recommendation: Consider adopting Resolution 2017-87, adopting California Statewide Communities Development Authority Goals and Policies for Mello-Roos Community Facilities Districts.

2. Discuss and Consider direction to City Staff to Prepare Resolutions Calling for an Election on a Proposed Ballot Measure Seeking Voter Approval of a Transactions and Use (Sales) Tax **239**
(Staff Report – Rochelle Clayton, Deputy City Manager)
Recommendation: Direct City Staff to prepare the necessary resolutions to call for a Ballot Measure to increase the Transactions and Use Tax as part of the November 6, 2018, election.

3. Resolution 2017-90, Approving the Joint Use Facility Agreement with Banning Unified School District **247**
(Staff Report – Rochelle Clayton, Deputy City Manager)
Recommendation: Consider adopting Resolution 2017-90, approving the Joint Use Facility Agreement with Banning Unified School District.

4. Request for Sponsorship from the Banning Chamber of Commerce **273**
(Staff Report – Alex Diaz, Interim City Manager)
Recommendation: Consider approving a sponsorship request from the Banning Chamber of Commerce in the amount of \$1,000 for the Membership Appreciation event on October 3, 2017, and authorizing the City Manager or his designee to make necessary budget adjustments.

5. Resolution 2017-86, Approving an Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, California, for a Focused Burrowing Owl Survey **279**
(Staff Report – Art Vela, Public Works Director/City Engineer)
Recommendation: Consider adopting Resolution 2017-86; 1) Approving the First Amendment to the Professional services Agreement with Albert A. Webb Associates of Riverside, California, in the amount of \$7,300 for a Focused Burrowing Owl Survey, increasing the total contract amount to \$74,600. 2) Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations, and transfers. 3) Authorizing the City Manager to execute the First Amendment to the Professional Services Agreement with Albert A. Webb Associates in the amount of \$7,300.

6. Resolution 2017-83, Approving the WSPP Confirmation Letter – Resource Adequacy Purchasing Agreement with Shell Energy North America (US), LP, for Calendar Year 2018..... **293**
(Staff Report – Fred Mason, Electric Utility Director)
Recommendation: Consider adopting Resolution 2017-83; 1) Approving the WSPP Confirmation Letter – Resource Adequacy purchase agreement with Shell Energy North America for calendar year 2018. 2) Authorizing the City Manager to execute the purchase agreement with Shell Energy North America.

SCHEDULED MEETINGS

BANNING UTILITY AUTHORITY (BUA) - no meeting.

BANNING FINANCING AUTHORITY (BFA) - no meeting.

VI. ITEMS FOR FUTURE AGENDAS

New items –

Pending Items – City Council

1. Update on Banning Business Center
2. Information Technology – Media Room/Production Set
3. Visioning Workshop
4. Penalty for Illegal Fireworks
5. Feasibility of Outsourcing Maintenance of Parks
6. Update on Armory Lease
7. Update on Vicious Dogs on Repllier Road
8. Purchasing Program Assessment
9. WRCOG Meeting Attendance by Staff
10. Minutes Typist

VII. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Friday, 8 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and City Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951-922-3102). **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

08/22/17
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Moyer on August 22, 2017, at 3:30 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Andrade
 Councilmember Franklin
 Councilmember Peterson
 Councilmember Welch
 Mayor Moyer

OTHERS PRESENT: Alejandro Diaz, Interim City Manager
 John Cotti, Interim City Attorney
 Rochelle Clayton, Deputy City
 Sonja De La Fuente, Deputy City Clerk
 Marie Calderon, City Clerk

CLOSED SESSION

Mayor Moyer opened the closed session items for public comments; the following people addressed the Council:

Carolyn Johnson (aka Miss CJ) asked if Roosevelt Williams Park will be on the agenda tonight. Mayor Moyer advised it will not be on the Agenda this evening. Ms. CJ is concerned that Roosevelt Williams Park will be the same as it was after the scheduled renovations. Mayor Moyer asked Ms. Johnson to return to the Regular Meeting at 5:00 P.M. if she would like to address the Council regarding items not on the Agenda.

Interim City Attorney John Cotti listed the items on the closed session agenda, which included: 1) Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9(d)(1), Voeltz vs. City of Banning – Workers Comp Claim No. 13-12245 and Escalante vs. City of Banning – Workers Comp Claim Nos. 09-7954 and 13-08840. 2) Public Employee Appointment: Public Employment: Pursuant to Government Code 54957 – Title: City Attorney. 3) Public Employee Appointment: Pursuant to Government Code Section 54957(b) – Title: City Manager. 4) Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1) – City of Banning v. Zukaza LLC et al. – Riverside Superior Court Case No. RIC 1700904. 5) Conference with Labor Negotiator: Labor negotiations pursuant to Government Code Section 54957.6 Agency designated representative: Deputy City Manager Rochelle Clayton. Employee Organizations: International Brotherhood of Electrical Workers (IBEW) – Utility Unit, International Brotherhood of Electrical Workers (IBEW) – General

Unit; and Teamsters Local 1932 (Teamsters), Confidential Employees and Executive Staff. 6) Conference with Real Property Negotiators: Pursuant to Government Code Section 54956.8: Property description: APN 532-130-011, located in the general vicinity of the Banning Municipal Airport. City Negotiators: Alex Diaz, Interim City Manager and Ted Shove, Economic Development Manager – Negotiating Parties: Southern California Gas Company; Under Negotiation: Price and Terms. 7) Conference with Real Property Negotiators: Pursuant to Government Code Section 54956.8: Property description: APN 541-181-032, 541-181-033, 541-181-034, and 541-181-035, located in the general vicinity of Ramsey Street between San Gorgonio Avenue and Martin Street. City Negotiators: Alex Diaz, Interim City Manager and Ted Shove, Economic Development Manager – Negotiating Parties: Vanir Group of Companies, Inc.; Under Negotiation: Price and Terms. 8) Conference with Legal Counsel – Potential Litigation: One case of potential initiation of litigation matter pursuant to Government Code Section 54956.9 (d)(4). Number of cases: One (the Flume). 9) Conference with Legal Counsel – Existing Litigation: Pursuant to paragraph (1) subdivision (d) of Government Code Section 54956.9, to confer with legal counsel with regard to Robertson's Ready Mix, Lt., v. City of Banning and the Banning City Council, et al, Riverside Superior Court Case Nos. RIC 1409829, RIC 1409037, RIC 1500296 and RIC 1513475.

Councilmember Peterson requested item number seven on the Agenda be moved to the end.

The Meeting went into closed session at 3:35 p.m. and reconvened to open session at 5:20 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:25 p.m.

Minutes Prepared by:

Sonja De La Fuente, Deputy City Clerk

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

08/22/17
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Moyer on August 22, 2017, at 5:25 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT:	Councilmember Andrade Councilmember Franklin Councilmember Peterson Councilmember Welch Mayor Moyer
OTHERS PRESENT:	Alejandro Diaz, Interim City Manager John Cotti, Interim City Attorney Rochelle Clayton, Deputy City Manager Heidi Meraz, Community Services Director Patty Nevins, Community Development Director Art Vela, Public Works Director Ted Shove, Economic Development Manager Rita Chapparosa, Human Resources & Risk Manager Sonja De La Fuente, Deputy City Clerk Marie Calderon, City Clerk

The Invocation was given by Elder Ralph M. Bobik, Church of Jesus Christ of Latter-Day Saints. Mayor Moyer led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

Interim City Attorney John Cotti indicated there were nine items on the Closed Session Agenda. 1) Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9(d)(1), Voeltz vs. City of Banning – Workers Comp Claim No. 13-12245 and Escalante vs. City of Banning – Workers Comp Claim Nos. 09-7954 and 13-08840. No reportable action was taken. 2) Public Employee Appointment: Public Employment: Pursuant to Government Code 54957 – Title: City Attorney. No reportable action was taken. 3) Public Employee Appointment: Pursuant to Government Code Section 54957(b) – Title: City Manager. The City Council will ask the Interim City Manager to stay on for an additional six months. 4) Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1) – City of Banning v. Zukaza LLC et al. – Riverside Superior Court Case No. RIC 1700904. The Council received an update and provided direction to the attorney. 5) Conference with Labor Negotiator: Labor negotiations pursuant to Government Code Section 54957.6 Agency designated representative: Deputy City Manager Rochelle Clayton. Employee Organizations: International Brotherhood of Electrical Workers (IBEW) – Utility Unit,

International Brotherhood of Electrical Workers (IBEW) – General Unit; and Teamsters Local 1932 (Teamsters), Confidential Employees and Executive Staff. The Council received an update. 6) Conference with Real Property Negotiators: Pursuant to Government Code Section 54956.8: Property description: APN 532-130-011, located in the general vicinity of the Banning Municipal Airport. City Negotiators: Alex Diaz, Interim City Manager and Ted Shove, Economic Development Manager – Negotiating Parties: Southern California Gas Company; Under Negotiation: Price and Terms. 7) Conference with Real Property Negotiators: Pursuant to Government Code Section 54956.8: Property description: APN 541-181-032, 541-181-033, 541-181-034, and 541-181-035, located in the general vicinity of Ramsey Street between San Gorgonio Avenue and Martin Street. City Negotiators: Alex Diaz, Interim City Manager and Ted Shove, Economic Development Manager – Negotiating Parties: Vanir Group of Companies, Inc.; Under Negotiation: Price and Terms. 8) Conference with Legal Counsel – Potential Litigation: One case of potential initiation of litigation matter pursuant to Government Code Section 54956.9 (d)(4). Number of cases: One (the Flume). 9) Conference with Legal Counsel – Existing Litigation: Pursuant to paragraph (1) subdivision (d) of Government Code Section 54956.9, to confer with legal counsel with regard to Robertson's Ready Mix, Lt., v. City of Banning and the Banning City Council, et al, Riverside Superior Court Case Nos. RIC 1409829, RIC 1409037, RIC 1500296 and RIC 1513475.

PRESENTATIONS

1. Proclamation
 - a. Deputy City Manager Rochelle Clayton recognized Rita Chapparosa for her service of 37 years with the City of Banning and presented her with a Proclamation. Ms. Chapparosa shared some words of gratitude.
2. Leadership Academy Certificates of Completion
 - a. Interim City Manager Alex Diaz presented Certificates of Completion to Jean Dobson, Nicolas Urquidez, Chantal Cedillo, and Tammi Phillips, who completed the City's 2nd Annual Leadership Academy. He also reported that the City will be extending this program to the Banning High School students beginning August 23, 2017. Any citizen interested in this program can call 951-922-4860 for more information.

PUBLIC COMMENTS / APPOINTMENTS / CITY MANAGER REPORT / CORRESPONDENCE / SCHEDULE MEETINGS

PUBLIC COMMENTS

Bill Dickson encouraged volunteering at the Banning Police Department and shared the benefits. For more information he can be reached at 909-237-9655.

Inge Schuler indicated that she had requested Town Hall meetings on June 27th and would like to know when they will be.

Ellen Carr with Tender Loving Critters announced that the Animal Action League will be at Repplier Park between the Aquatic Center and Skate Park on September 13th and 14th. Spay and Neuter services are by appointment only and appointments can be scheduled by calling (760) 366-1100. There is a low cost shot clinic (no appointment necessary) from 10:00 a.m. until 2:00 p.m. on both days. She encouraged everyone to have their animal spayed or neutered and microchipped. She reminded all that if your pet is microchipped, be sure to register the microchip in your name.

Dan Matloff indicated that there is a water issue in the City of Banning and expressed concern about the rates. Mayor Moyer informed Mr. Matloff that this item is on the Agenda and requested he address the Council at that time, as this public comment period is for items not on the agenda.

Bob Rochelle expressed concern about extortion in our neighboring communities. He asked how well the sewer lines are preserved. He requested an Economic Development Committee be re-established, as it had done some good things in the past. He announced that on September 9th his doctor, Dr. Boyd will be inducted into the hall of fame and on September 8th his daughter Tiffany Rochelle has been named to UC Berkeley's California Athletic Hall of Fame.

Steve Velkie informed the Council he is in attendance on behalf of Beaver Medical Group. He said the residents and over 100 doctors are asking for a leadership change at San Gorgonio Memorial Hospital. He wanted to clarify that the Hospital was invited to the Town Hall they recently held at Sun Lakes. He pleaded with the Council to call for an investigation or conduct a Town Hall meeting.

Linda Pippenger announced Stagecoach Days Queen Coronation Dance at Diamond Hills on Saturday, August 26th at 6:30 p.m.

Jerry Westholder informed the Council that he is concerned with the Hospital. He also had noticed that Robertson's was on the closed session agenda and feels it should be done with. He would like the money from Robertson's to fund the City's officers. He also requested a forensic audit of the utility company. He addressed his fluctuating water bills.

Councilmember Peterson asked for a status on the Request for Proposals (RFP) for the audit shared with the Budget & Finance Committee. Deputy City Manager Clayton explained it is being reviewed and distributed. She will email the Council when it is scheduled to go out and will email a copy of the RFP as well.

Frank Burgess expressed his support for the Beaver Clinic doctors in the Pass Area. He explained there is a five-person board elected by the public and in the 90's there was a non-profit organization formed with eight people and the five elected people automatically serve on the non-profit board. He feels a lot of money is wasted there and provided some history.

Charles Huff thanked the City for the Sunset Grade Separation project.

Bonnie Huxley explained that she wrote a letter to the Council regarding water rates. Mayor Moyer informed Ms. Huxley that this item is on the Agenda and requested she address the Council at that time, as this public comment period is for items not on the agenda.

Harry Sullivan provided the Council with a map (Exhibit "A") and shared that he has some concerns regarding a 10-acre parcel that is being leased to the sky-diving operation for \$1,000 per month. He said he is in contact with the FAA to determine who the 10-acre parcel belongs to. The FAA told him the money should be going into the Airport Fund. He would like to know what action will be taken, as the FAA will be investigating this.

Ed Miller suggested the Council change their rules and allow the public to comment on anything on the agenda or not in during the public comment period at the beginning of the meeting, as people oftentimes cannot wait until an item comes up, as it may take hours.

Carolyn Johnson offered a solution for the abandoned buildings on 8th and Lincoln – housing.

Seeing no further comments, Mayor Moyer closed public comment.

CORRESPONDENCE

The Deputy City Clerk read correspondence from Gail Paparian (Exhibit "B").

The Mayor recessed the Regular City Council Meeting and called to order a scheduled meeting of the Banning Utility Authority

BOARD MEMBERS PRESENT: Boardmember Andrade
Boardmember Franklin
Boardmember Peterson
Boardmember Welch
Chairman Moyer

REPORTS OF OFFICERS

1. Utility Rate Study Report on Water and Wastewater

Deputy City Manager Clayton provided the staff report for this item as contained in the Agenda Packet.

Kevin Burnett with Willdan Financial Services provided a presentation (Exhibit "C") regarding the water and sewer rate study.

Councilmember Peterson asked about Chromium 6 regulation being reduced and how that would affect the study. Mr. Burnett shared that the "No Chromium 6 Upgrade" would be the option to go with, but offered some suggestions as to how the City could plan accordingly. Councilmember Peterson asked some questions regarding how calculations were made and what criteria the numbers were based on. Ms. Clayton explained the revenue detail is in the staff report. Councilmember Peterson reviewed page 177 of the agenda packet and asked related questions. There was some discussion about the outstanding bond debt and recent refinancing of the bonds. Mayor Moyer and Councilmember Franklin asked if the Capital Improvement projects were included in this. Mr. Burnett clarified that Willdan worked with City staff to come up with the best Capital Improvement program to consider. Mr. Burnett explained sewer rate increases are needed for the same reasons as water, which include funding debt service needs and capital improvements. Therefore, they are recommending the same increase for both water and wastewater. Mayor Moyer clarified that it would be a 100% increase over three years. Councilmember Peterson asked who would do the Prop. 218 notices. Mr. Burnett clarified that they would work with the City on the noticing and that it is normally done once, but it is up to the City on how many notices they would like to do. The current contract with Willdan includes the preparation of the notice, but not the printing and mailing.

Councilmember Franklin recommended holding community meetings. There was some discussion among the City Council regarding Council and Staff conducting those meetings and explaining to the community members.

Mayor Moyer asked Director Vela if he had a priority list of Capital Improvement Projects. Director Vela explained that the list is not a wish list, but rather a list of projects that need to be done eventually. However, they are prioritized. Mayor Moyer requested Director Vela bring the Capital Improvement Project listed by priority to the Budget & Finance Committee Meeting for review.

Councilmember Andrade asked when the rate increases would be effective if it passes the Prop. 218 process. Manager Clayton indicated it would take effect in January pending a positive outcome from the Prop. 218 Public Hearing.

Councilmember Peterson read a prepared statement (Exhibit "D"). He asked about the purple pipe. Director Vela said the first of three segments of purple pipe has been installed and runs down Highland Home Road Lincoln, but it is not connected at this time. Councilmember Peterson also asked if the City is required to have recycled water by 2014. Director Vela explained there was a bill implemented by Governor Schwarzenegger to have a certain percentage by 2020, and 2014 might have been a milestone. At this time, the City is pretty close to meeting the requirement.

Mayor Moyer asked about requiring developers to have a certain amount of recycled water and if we have the ability for them to connect.

Director Vela explained that recycled water is needed to meet the demands of future needs of the City and new developments would pay for that through the development impact fees paid to the City.

Councilmember Welch explained that when the Council makes decisions, they have good intentions and make decisions based on information presented to them. He believes the Council at that time probably thought it was a good decision. He stated that the City Council was never advised that anything they did at that time was inappropriate.

Councilmember Andrade expressed it is her feeling that anytime the voters are bypassed to approve any type of bond, it is theft.

Councilmember Franklin provided some background to her decision at the time the police station was approved. She assured the public that she always tries to make decisions with the best interest of the City in mind and resents the implication that she or any other Councilmember has done differently.

Mayor Moyer opened the item for public comment.

Dorothy Familetti McLean read a prepared statement (Exhibit "E"). She is opposed to any rate increase.

Paul Perkins suggested revisiting the Capital Improvement Program list and remove items related to Chromium 6. He recommended revising the plan and showing actual costs.

Jerry Westholder mentioned that the City has the highest utility rates in the state when it comes to business. He is opposed to any rate increase.

Gary Hironomous provided some history regarding utility (water, electric and sewer) rate increases (14 times in seven years). He is opposed to any rate increase and wants to be sure the City follows the Prop. 218 process if rate increases are recommended.

Dale Williams is opposed to any rate increase and doesn't feel the people in this City can afford it.

Bonnie Huxley read a prepared statement (Exhibit "F"). She is opposed to any rate increase.

Nancy Waycott expressed her concern that the study was completed when water use was down during the recent drought. She suggested spending the people's money like it is their own. She is opposed to any rate increase.

Val Westholder asked the Council to take responsibility for their decisions and suggested Councilmember Franklin and Councilmember Welch resign. She is opposed to any rate increase.

Charles Huff is opposed to any rate increase.

Ed Miller is opposed to any rate increase, as he feels it would destroy the City. He provided a list of questions (Exhibit "G").

Chuck Hoganson, Co-Vice President with Golden State Manufactured Homeowners League, is opposed to any rate increase and growth in the City.

Ellen Carr is opposed to any rate increase. She announced that the median salary in the City of Banning is under \$40,000 and the citizens cannot afford it.

Jeff Hogue is opposed to any rate increase. He supports keeping the meter readers versus the electronic method.

Patricia Mincey is opposed to any rate increase. She is concerned about the elders and families, and asked that the Council think about the people.

Deborah Taylor is opposed to any rate increase and is inspired by the community members speaking up. She questioned if there are impact reports or studies done in regard to new development.

Seeing no further comments, Mayor Moyer closed public comment.

Mayor Moyer announced that this report is being received by the City and the Capital Improvement Project list will be prioritized and brought back to the Finance Committee. He reminded everyone there will be a lot of discussion and sorting out, but that it is the City's responsibility to provide quality water and in a proper manner according to the law.

Councilmember Peterson recommended Willdan and City staff work together to get updated figures and remove Chromium 6 from the equation.

The Mayor adjourned the Joint Meeting of the Banning City Council and Banning Utility Authority and reconvened the Regular Meeting of the Banning City Council.

The Mayor recessed the Regular Meeting of the Banning City Council at 8:29 p.m. and reconvened at 8:40 p.m.

CITY MANAGER REPORT

Interim City Manager Alex Diaz did not have anything to report.

CITY COUNCIL REPORTS

Councilmember Peterson reported that there are two Concerts in the Park left on Thursday, both this week and next week.

Councilmember Franklin reported on the following:

- At the August 7th Western Riverside Council of Governments meeting there was a presentation from Edison explaining their new time of use rates and general rate case. The Home Energy Renovation Opportunity (HERO) Program has added another vendor, PACE Financing. She congratulated Art Vela who will Chair the Public Works Committee, Patty Nevins who will Chair the Planning Committee, Rochelle Clayton who will Chair the Finance Committee, and Alex Diaz who will Chair the Technical Advisory Committee.
- The Healthcare and Backpack Giveaway last month was a success giving away 1,000 backpacks and providing over 1,000 healthcare check-ups. She thanked the City staff for their assistance.
- The Animal Services Meeting was held on August 21st and a written report to the Council will be forthcoming.
- Saturday, August 26th will be Kiwanis' Pancake Breakfast from 7:00 a.m. until 11:00 a.m. All you can eat for \$5.
- In regard to Beaver Clinic and the Hospital, she is not willing to comment on the situation.

Councilmember Andrade reported on the following:

- She attended Moreno Valley's State of the City and was very impressed and is looking forward to the City of Banning's State of the City.
- She attended the Grand Opening of the Veteran's Resource Center and was impressed with the progress and services they provide.

Mayor Moyer reported on the following:

- Earlier this year the Council held several meetings to discuss their goals and objectives. Two of the objectives were 1) maximizing recreational opportunities for youth and young adults, and 2) support youth and facilities, and promote a healthy lifestyle. This morning the Council attended the groundbreaking of Roosevelt Williams Park and applauded staff for getting the project going and meeting these goals.
- In regard to the Beaver/Hospital situation, Lloyd White wrote a letter as a citizen and the newspaper added Mayor of Beaumont. Therefore, the City of Beaumont has not taken a position on the matter and neither will he.

Councilmember Welch announced that he will not take a position in regard to the Beaver/Hospital situation.

CITY ATTORNEY REPORT

Interim City Attorney John Cotti did not have anything to report.

CONSENT ITEMS

1. Minutes – Special Meeting – 06/27/17 (Closed Session)

Recommendation: Approve the Minutes from the June 27, 2017 Special Meeting of the Banning City Council (Closed Session)

2. Minutes – Regular Meeting – 06/27/17

Recommendation: Approve the Minutes from the June 27, 2017 Regular Meeting of the Banning City Council

3. Minutes – Special Meeting – 07/11/17 (Study Session)

Recommendation: Approve the Minutes from the July 11, 2017 Special Meeting of the Banning City Council (Study Session)

4. Minutes – Special Meeting – 07/11/17 (Closed Session)

Recommendation: Approve the Minutes from the July 11, 2017 Special Meeting of the Banning City Council (Closed Session)

5. Minutes – Regular Meeting – 07/11/17

Recommendation: Approve the Minutes from the July 11, 2017 Regular Meeting of the Banning City Council

6. Opposition of SB649

Recommendation: Oppose SB649 and Submit a Letter to Governor Jerry Brown Conveying the City's Opposition

7. Ordinance 1511 – 2nd Reading

Recommendation: Ordinance 1511, Approving a Notice of Exemption from CEQA and Approving Municipal Code Amendment 17-9503 Amending the Precise Plan of Streets and Highways (Chapter 12.04 Street and Highway Comprehensive Plan) Providing for the Realignment of Joshua Palmer Way and Highland Springs Avenue Intersection to a Location Approximately 250 Feet to the North, pass its 2nd Reading

8. List of Contracts Approved Under the City Manager's Signature Authority

Recommendation: Receive and File List of Contracts Approved Under the City Manager's Signature Authority

9. Capital Improvement Project Status List

Recommendation: Receive and File Capital Improvement Project Status List

10. Accounts Payable and Payroll Warrants Issued in the Month of June 2017

Recommendation: Approve and Ratify Accounts Payable and Payroll Warrants Issued in the Month of June 2017

11. Accounts Payable and Payroll Warrants Issued in the Month of July 2017

Recommendation: Approve and Ratify Accounts Payable and Payroll Warrants Issued in the Month of July 2017

12. Resolution 2017-78 Approving the City of Banning Electric Utility Power Content Label for Calendar Year 2016

Recommendation: Adopt Resolution 2017-78 Approving the City of Banning Electric Utility Power Content Label for Calendar Year 2016

13. Resolution 2017-85 Approving a Temporary Right of Entry Agreement with Southern California Gas Company

Recommendation: Adopt Resolution 2017-85 Approving a Temporary Right of Entry Agreement with Southern California Gas Company

Mayor Moyer opened the item for public comments.

Inge Schuler commented on items 2, 5, and 6. She would like more detail in the written minutes, as only speakers regarding issues were listed, however no details on what they spoke about. She was very pleased and surprised to see the letter to the Governor regarding SB649.

Jerry Westholder agreed with Ms. Schuler regarding the minutes.

Seeing no further comments, Mayor Moyer closed public comment.

Motion Welch/Franklin to approve Consent Items 1 through 13. Motion carried, 5-0.

The Mayor recessed the Regular City Council Meeting and called to order a Joint Meeting of the Banning City Council and the City Council sitting in its capacity of a Successor Agency.

REPORTS OF OFFICERS

1. Resolution 2017-02 SA, Approving an Amendment to the Contract with Urban Futures Incorporated for the Successor Agency's Redevelopment Wind-Down and Related Administrative Services in the Amount of \$25,000

Deputy City Manager Rochelle Clayton presented the Staff Report as contained in the Agenda packet.

Councilmember Peterson asked how long it would take to wind down the Redevelopment Agency and what exactly Urban Futures would be doing.

Steve Dukett with Urban Futures introduced himself and explained that once all of the outstanding payments on bonds are completed (cannot be paid early) then a last and final Recognized Obligation Payment Schedule (ROPS) will be issued. He also recommended selling real estate owned by the former Redevelopment Agency prior to July 1, 2018. The local Oversight Board will be disbanded on June 30, 2018. He reminded the City Council the contract being considered is for on-call/as-needed services, he will not provide services unless asked, and does not anticipate services for the total contract amount being required.

Councilmember Welch is a member of the Oversight Board and explained that the services provided by Mr. Dukett have been very helpful. He thanked everyone on the team. He reminded the Council that funds for this contract do not come out of the General Fund, rather the monies in the EDA circle.

Councilmember Peterson asked if a new RDA Bond was issued in 2016. Mr. Dukett explained that it was refinanced, lowering the debt service and balancing the Successor Agency budget.

Councilmember Franklin asked if they complete all of the paperwork for the State. Mr. Dukett confirmed that they do, but collaborate with staff.

Councilmember Peterson asked if there was any relation between Urban Futures and Urban Logic. Mr. Dukett assured Council there is not.

Mayor Moyer opened the item for public comments.

Paul Perkins asked if the City sold all of the property, would the bond be paid off.

Mr. Dukett explained that the bonds cannot be paid early, the land sale proceeds would be added to the budget and reduce future payments.

Seeing no further comments, Mayor Moyer closed public comment.

Motion Welch/Franklin to adopt Resolution 2017-02 SA, 1) Approving an Amendment to the Contract with Urban Futures Incorporated for the Successor Agency's Redevelopment wind-down and related Administrative Services in the amount of \$25,000, for a total contract amount not to exceed \$305,000. 2) Authorizing the City Manager to execute the Amendment. 3) Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations, and transfers. Motion carried, 5-0.

The Mayor adjourned the Joint Meeting of the Banning City Council and the City Council sitting in its capacity of a Successor Agency and reconvened the Regular City Council Meeting.

PUBLIC HEARINGS

1. Ordinance 1514 to Update Participation in the Transportation Uniform Mitigation Fund (TUMF) Program and Resolution 2017-79 Adopting a TUMF Fee Schedule

Public Works Director Art Vela presented the Staff Report as contained in the Agenda packet. He reminded Council that in order for the City to receive Measure A Funding it must participate in the TUMF program. He introduced Daniel Ramirez with Western Riverside Council of Governments (WRCOG).

Mayor Moyer asked if the money WRCOG owed the City for the Sunset Grade Separation project was received. Director Vela confirmed the City received any outstanding funds from WRCOG.

Mayor Moyer opened the Public Hearing; seeing none, closed the Public Hearing.

Mayor Moyer asked the City Clerk to read the title of Ordinance 1514. The Deputy City Clerk read "Ordinance 1514, an Ordinance of the City of Banning, Amending and Superseding Ordinance 1344 to Update Participation in the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program."

Motion Franklin/Welch to waive further reading of Ordinance 1514. Motion carried, 5-0.

Motion Franklin/Welch that Ordinance 1514 pass its first reading. Motion carried, 5-0.

Motion Franklin/Welch to adopt Resolution 2017-79, amending the applicable Transportation Uniform Mitigation Fee (TUMF) Applicable to all Developments in the City of Banning. Motion carried, 5-0.

2. Ordinance 1510 Approving Zoning Text Amendment 17-97502 Amending Various Sections of the Zoning Ordinance (Title 17 of the Banning Municipal Code) to Address Development Standards, Nonconforming Structures and Lots, and to Provide Consistency and Clarifications within the Text.

Community Development Director Patty Nevins presented the Staff Report as contained in the Agenda packet.

Councilmembers asked some questions and Director Nevins provided answers/clarification.

Councilmember Peterson said he is glad to see these changes.

Mayor Moyer opened the Public Hearing; seeing none, closed the Public Hearing.

Mayor Moyer asked the City Clerk to read the title of Ordinance 1510. The Deputy City Clerk read "Ordinance 1510, an Ordinance of the City of Banning, Approving a Categorical Exemption and Approving Zoning Text Amendment 17-97502 Amending Various Sections of the Zoning Ordinance (Title 17 of the Banning Municipal Code) to Provide Consistency and Clarifications within the Text."

Motion Welch/Franklin to waive further reading of Ordinance 1510. Motion carried, 5-0.

Motion Welch/Franklin that Ordinance 1510 pass its first reading. Motion carried, 5-0.

3. Resolution 2017-75 Approving Billboard Relocation Agreement with Burgess Family Trust

Community Development Director Nevins presented the Staff Report as contained in the Agenda packet.

Councilmember Franklin and Welch are glad to see this being done. Mayor Moyer asked if Caltrans was complete.

Mr. Frank Burgess said the Caltrans permit is pending and he believes the airport/FAA have approved, but not certain. He asked what additional, related action the City Attorney would need to take. He asked the City to remove the appraisal paid for by owner in Section 3.3 since the City is getting it appraised. Director Nevins advised that the section in question is standard language related to deeds, etc. should something come up.

Mayor Moyer opened the Public Hearing; seeing none, closed the Public Hearing.

Motion Welch/Franklin to Adopt Resolution 2017-75: 1) Approving Billboard Relocation Agreement with Burgess Family Trust; and 2) Authorizing the Mayor to Execute the Agreement; and 3) Authorizing the City Attorney to take such additional, related action that may be necessary. Motion carried, 5-0.

4. Resolution 2017-81 Approving a 12 Month Extension of Time for Tentative Tract Map 30906 Located Generally West of Mountain Avenue, East of Highland Home Road, and North of Wilson Street. APN's 535-020-004, 016, 024, and 535-030-039.

Community Development Director Nevins presented the Staff Report as contained in the Agenda packet.

Mayor Moyer opened the Public Hearing; seeing none, closed the Public Hearing.

Inge Schuler questioned page 414 of the Agenda packet, item number three under street improvements and how this would affect this developer and Pardee. Director Nevins will look into any potential conflicts. Director Vela agreed with Ms. Schuler in that staff will need to look into this condition and Pardee's.

Frank Burgess asked about when a developer is allowed to complete certain aspects of a development and when tax changes take effect, as a subdivided lot is worth more than one that is not. Director Nevins advised taxation changes are not implemented with a tentative map, they would not go into effect until the final map is recorded. Director Vela advised after this developer received approval of the tentative map, they later came in and had a phase 1 map approved by Council.

Seeing no further comments; the Mayor closed the Public Hearing.

Motion Welch/Franklin to Adopt Resolution 2017-81, approving a twelve (12) month extension of time for Tentative Tract Map 30906.

SCHEDULE MEETINGS

There was a consensus of the City Council to hold a Joint Meeting of the Banning City Council, Planning Commission, and Parks & Recreation Commission regarding the Code of Conduct, Brown Act, and Robert's Rules of Order on October 24, 2017, at 2:30 P.M.

ITEMS FOR FUTURE AGENDAS

- 1) Assessment of Purchasing Division by the City Manager (requested by Councilmember Peterson)
- 2) Hiring a Typist for the Meeting Minutes (requested by Councilmember Peterson)
- 3) Staff Attendance at WRCOG Meetings (requested by Councilmember Peterson)
- 4) Items of Interest to the Public Listed at the Beginning of the Agenda (requested by Councilmember Franklin)

ADJOURNMENT

By common consent the meeting was adjourned 10:12 P.M.

Minutes Prepared by:

Sonja De La Fuente, Deputy City Clerk

These Minutes reflect actions taken by the City Council. The entire discussion of this meeting can be found by visiting the following website: <https://banninglive.viebit.com/player.php?hash=rwkP8r8TRPSq> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

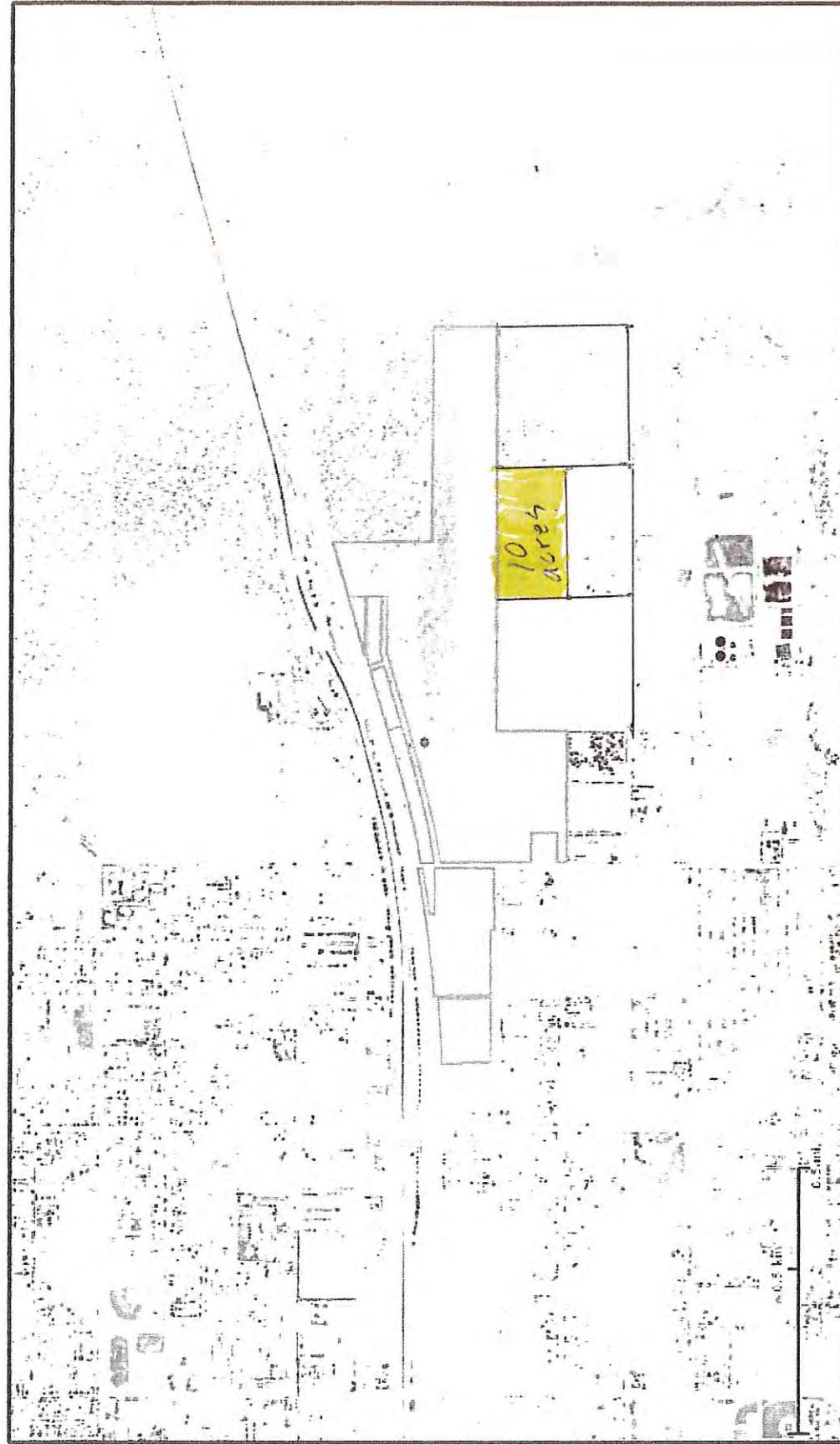
EXHIBIT A

Received 8/22/17

30

EXHIBIT A

AIRPORT PROPERTIES



1" = 1,505 ft	04/17/2017	1
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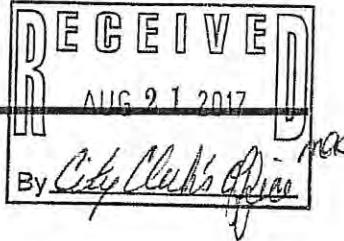
1

This map represents a visual display of related geographic information. Data provided herein is not a guarantee of actual field conditions. To the extent of completeness, accuracy, or up-to-date information, please contact Banning staff.

EXHIBIT B

EXHIBIT B

Marie Calderon



From: Gail Paparian
Sent: Sunday, August 20, 2017 7:20 PM
To: Marie Calderon
Subject: Please read in the correspondence part of Tuesday's session

Marie,

I do not have the luxury of getting myself upset, so instead of coming myself, I ask you to read this under correspondence for the record of Tuesday, August 22. Would you kindly confirm receipt.

Regards,

Gail

My name is Gail Paparian. That is P A P A R I A N..... non Pooparian as has been used on websites that continue to spew wrong news and vicious lies. My husband Bill was a decorated Marine and served his country honorably in World War II. His name and his legacy do not deserve this disrespect. I doubt that a current council member would appreciate being referred to as POOPETERSON.

This same group of people hide behind false names and pictures. They maintain their anonymity on the Internet so it is impossible to find out who they are and address them with facts and logic.

Another of this group's sick sense of humor goes to calling me, THE OXYGEN SNIFFING GAIL PAPARIAN. Using oxygen to stay alive is not a recreational sport. Try holding your breath for an hour and see how much fun you get from that.

I have lived and worked in other cities where people got together to improve their city or do something to enhance the appeal of moving into that neighborhood. Sadly, that cannot be said for Banning. The infighting from the dais and on the Internet would detract anyone from wanting to reside here or bring much needed commercial business here.

I have lived here for over 15 years. The current trend is just to get the hell out of Banning. The infrastructure that has been promised for well over 12 years has not appeared. It's the "kick it down the road" form of government. Let the next bunch deal with it. I have seen no evidence of political courage being put forth for the good of Banning.

As a simple example, have each council member compile a list of what POSITIVE activities, businesses, homes, he/she has been involved with since they took office. FYI, not one single building permit was pulled all year!

The 47 acre parcel behind Albertson's should be filled with retail, offices, etc. Nothing has been done! Somebody with knowledge and courage would already have cut through where

EXHIBIT B
the Rite Aid is so people can get to the back pad which should contain restaurants and everything else that makes a small city a success. Rite Aid would get their choice of pads in the back.

I am proud to say that every other place I have lived in has benefitted by my knowledge, enthusiasm and ability to work with orders. Sad to say I will die in Banning..... a place that could have been...

Gail Paparian (951-769-6970)

Gail Paparian
WritingSolutions.com
gail@WritingSolutions.com
Strategize * Develop * Implement



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EXHIBIT C



CITY OF
BANNING, CALIFORNIA

WATER AND SEWER RATE STUDY

 **WILLDAN**
FINANCIAL SERVICES

Presented by

Kevin Burnett
Chris Fisher

PRESENTATION CONTENTS

- Introduction
- Review purpose of study
- Overview of utility rate setting process
- Summary of proposed revenue increases
- Proposed rates
- Next steps



PURPOSE OF THE RATE STUDY

- Evaluate sufficiency of existing water and sewer revenues to:
 - Provide funding for current and future operating, maintenance, and **capital expenses**
 - Meet minimum reserve level requirements
 - Meet legal obligations associated with outstanding debt
- Develop rates which will generate sufficient revenue **to** meet cost of providing essential services



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TYPICAL UTILITY RATE-SETTING PROCESS



4

FINANCIAL PLANS



5

WHY INCREASE WATER REVENUE?

- Additional revenue is needed to:
 - Reinvest in and maintain the system
 - Fund capital needs
 - Automatic meter readings
 - New reservoirs
 - PRV for pumping/supply
 - Meet repair and replacement capital needs
 - Fire flow improvements
 - New chromium 6 treatment standards?
 - Meet targeted reserve levels
 - Meet debt service coverage requirements



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Proposed Water Financial Plans						
Fiscal Year	No Chromium 6 Upgrades		Additional Chromium 6 Upgrades			Debt Issuance (millions)
	Revenue Increase	Debt Issuance (millions)	Fiscal Year	Revenue Increase	Debt Issuance (millions)	
2017-18	19%	\$-	2017-18	34%	\$-	
2018-19	18%	14.38	2018-19	34%	46.55	
2019-20	18%	-	2019-20	34%	-	
2020-21	5%	4.94	2020-21	5%	-	
2021-22	3%	-	2021-22	0%	-	

WILLDAN
FINANCIAL SERVICES

WHY INCREASE SEWER REVENUE?	
<ul style="list-style-type: none"> - Additional revenue is needed to: <ul style="list-style-type: none"> - Meet debt service coverage requirements - Fund capital needs <ul style="list-style-type: none"> - Improvements to WWTP (expansion) - Capacity projects - Meet repair and replacement capital needs <ul style="list-style-type: none"> - Pipe replacement - Annual sewer line replacements - Meet targeted reserve levels 	

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FINANCIAL SERVICES

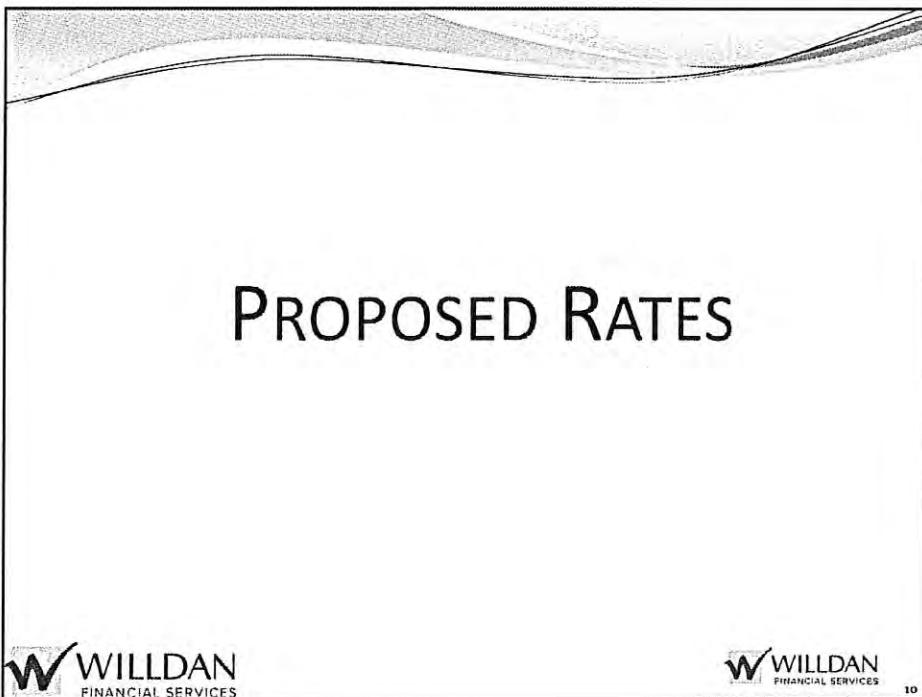
REVENUE RECOMMENDATIONS - SEWER

Proposed Sewer Financial Plan

Fiscal Year	Revenue Increase	Debt Issuance (millions)
2017-18	26%	\$-
2018-19	26%	18.57
2019-20	5%	-
2020-21	0%	-
2021-22	0%	-

WILLDAN
FINANCIAL SERVICES

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Proposed – No Chromium 6							
Meter Size	Current	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	
5/8-inch	\$20.94	\$24.92	\$29.40	\$34.70	\$36.43	\$37.52	
¾-inch	20.94	24.92	29.40	34.70	36.43	37.52	
1-inch	31.75	37.78	44.58	52.61	55.24	56.90	
1 ¼-inch	58.74	69.90	82.48	97.33	102.20	105.26	
2-inch	91.14	108.46	127.98	151.01	158.57	163.32	
3-inch	166.77	198.46	234.18	276.33	290.15	298.85	
4-inch	247.83	327.05	385.92	455.38	478.15	492.49	
6-inch	544.79	648.30	764.99	902.69	947.83	976.26	
8-inch	888.83	1,033.91	1,220.01	1,469.61	1,511.59	1,556.94	

WILLDAN
FINANCIAL SERVICES

Proposed (\$/HCF) – No Chromium 6						
Class/Use	Current	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Residential						
0-9 HCF	\$1.84	\$2.19	\$2.58	\$3.05	\$3.20	\$3.30
10 – 29 HCF	2.34	2.78	3.29	3.88	4.07	4.19
30+ HCF	2.64	3.14	3.71	4.37	4.59	4.73
City Parks						
All Use	0.58	0.69	0.81	0.96	1.01	1.04

WILLDAN
FINANCIAL SERVICES

EXHIBIT C

8/22/2017

Proposed – Chromium 6							
Meter Size	Current	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	
5/8-inch	\$20.94	\$28.06	\$37.60	\$50.38	\$52.90	\$52.90	
¾-inch	20.94	28.06	37.60	50.38	52.90	52.90	
1-inch	31.75	42.55	57.01	76.39	80.21	80.21	
1 ½-inch	58.74	78.71	105.47	141.33	148.40	148.40	
2-inch	91.14	122.13	163.65	219.29	230.26	230.26	
3-inch	166.77	223.47	299.45	401.27	421.33	421.33	
4-inch	247.83	368.27	493.48	661.27	694.33	694.33	
6-inch	544.79	730.02	978.22	1,310.82	1,376.36	1,376.36	
8-inch	888.83	1,164.23	1,560.07	2,090.50	2,195.02	2,195.02	

WILLDAN
FINANCIAL SERVICES

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Proposed (\$/HCF) – Chromium 6							
Class/Use	Current	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	
Residential							
0-9 HCF	\$1.84	\$2.47	\$3.30	\$4.43	\$4.65	\$4.65	
10 – 29 HCF	2.34	3.14	4.20	5.63	5.91	5.91	
30+ HCF	2.64	3.54	4.74	6.35	6.67	6.67	
City Parks							
All Use	0.58	0.78	1.04	1.40	1.47	1.47	

WILLDAN
FINANCIAL SERVICES

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MONTHLY CHROMIUM 6 SURCHARGE- WATER

Meter Size	Chromium 6 Surcharge				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
5/8-inch	\$3.21	\$11.60	\$24.45	\$32.92	\$32.60
¾-inch	3.21	11.60	24.45	32.92	32.60
1-inch	5.37	19.38	40.82	54.97	54.44
1 ½-inch	10.71	38.64	81.40	109.61	108.56
2-inch	17.14	61.85	130.29	175.44	173.76
3-inch	34.30	123.81	260.83	351.24	347.84
4-inch	53.59	193.44	407.50	548.71	543.44
6-inch	107.15	386.76	814.77	1,097.09	1,086.56
8-inch	171.45	618.83	1,303.67	1,755.40	1,738.56

 WILLDAN
FINANCIAL SERVICES

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SEWER RATES

Class/Use	Current	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Single Family	\$19.96	\$25.15	\$31.69	\$33.27	\$33.27	\$33.27
Commercial (EDU)	19.96	25.15	31.69	33.27	33.27	33.27
Tertiary Surcharge (EDU)	2.00	2.52	3.18	3.33	3.33	3.33

 WILLDAN
FINANCIAL SERVICES

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NEXT STEPS

- Prepare Proposition 218 Notice
- Public Hearing
- Adopt New Rates



17

QUESTIONS & DISCUSSION

EXHIBIT D

Most voters of Banning have little or no idea that, on Tuesday July 12th, 2005 the City Council indebted Banning with over \$ 110,000,000 for the next 30 years ! You may say this cannot be true, but Yes, it is true! Over One Hundred and Ten Million Dollars were borrowed in 2005/06 via several bond issues.

This was voted for by none other than Art Welch, who apparently thought that he and the other Councilmembers, - not the voters of Banning – should make the decision to borrow this unprecedented sum of money. The City of Banning needs to pay over 6 million dollars per year just for the interest on this debt – for another 18 years!

By Law, Voters must approve any new indebtedness or taxation, but in this case your elected officials ingeniously found a way around it ; it was done basically by creating a shell game.

In particular, they created the Banning Utility Authority. Now, keep in mind that we had an almost debt free utility at the time. The authority would lease the entire utility system (water and power) from the City of Banning for 30 years.

Using the income stream from the utility system the Authority then issued bonds . The money taken in by the Utility Authority from selling those bonds was then transferred to the City under the guise of “lease payments” . It was subsequently used for anything you can think of including redevelopment grants and a new \$13 million police station.

The latter was part of and openly written in the water bond, however the California Supreme Court has ruled that this type of use is illegal and water utility debt cannot be diverted to purposes other than water . The use of this water bond for a police station **violates Proposition 218** .

The truth about the bond issue is buried in over 1,000 pages of public documents. However, the bond prospectus issued by the Banning Utility Authority gives the reader a good idea of what was done (in particular on page 7). Here is a brief description of usage for the Water Bonds.....

Plan of Finance: Water Bonds

On or after Closing date, the proceeds from the sale of the Water Bonds will be applied as follows:

Water Project Fund. A portion of the proceeds of the Water Bonds will be deposited in to the Water Project Fund for use as follows:

The amount of \$17,000,000 will be transferred as an initial up-front lease payment to the City under the Water Lease.

Said amount will be used to finance certain public capital improvements including, but not limited to the following:

EXHIBIT D

- (A) construction of a new two story police facility anticipated to consist of approximately 41,306 sf of space and 53 secure parking spaces;
- (B) completion of a public swimming pool anticipated to have a bather capacity of 254 people to be located within Repllier Park and to be owned and operated by the City;
- (C) construction of a one stop permitting center consisting of the rehabilitation and retrofit of an existing City-owned structure to construct new office space and meeting rooms to house the City's development related functions;
- (D) construction of a concrete, open air, lighted public skating park with a skating surface anticipated to be approximately 10,000 sf which is to be owned by the City; and
- (E) upgrading and replacement of certain air conditioning units at City Hall.

Today, the \$ 110,000,000 have been spent or have been appropriated. The money is essentially gone and the taxpayers of Banning are left with the tab to pay the interest and repay the debt over the next 18 years !

Now you know the **REAL reason behind Banning's constant utility rate increases.** We can only kick the can so far, and now it is time to pay the piper.

So, we are leaving 2005, and moving forward to the year of 2008, and the Council Meeting held on June 24th.

Minutes from that City Council meeting show that Banning's **Finance Director issued a clear warning** to the Council that the City's **water utility will incur a 20 Million Dollar shortfall in years to come**, should the Council decide to build the new police facility using water bond proceeds.

The record clearly indicates that the **entire Council ignored the warning**: they unanimously voted to spend the money anyway. (page 15) "Bonnie Johnson, Finance Director said the funds that were earmarked for this project came from a Bond issue that was issued in 2005 and there were two series of Bond issues and one was for water and one for wastewater. Out of the wastewater bonds under the structure of the Bonds the Banning Utility Authority was formed but out of the water side of these Bonds, out of those proceeds \$17 million dollars was allocated to the City in the form of a lease payment under the Banning Utility Authority structure and that \$17 million dollars can be used for any capital project of public benefit and at the time the council went through and prioritized the \$17 million dollars and at that time the \$14 million of the \$17 million was earmarked for the police station project.

Since that time the water department has reassessed some of its capital needs and there is going to be challenges as we move forward to put in needed infrastructure in

EXHIBIT D

the time frame that the utility director feels that those infrastructures should be put in to facilitate future developments."

Specifically, during this session , the record shows that Council member **Debbie Franklin** asked whether or not spending the money on the police station would create a fiscal problem for the Water Utility. The answer given by Finance Director Bonnie Johnson was a clear "YES". (page 15) *"Finance Director Bonnie Johnson said, that she could take a guess because she doesn't have the list of the projects in front of her but she believes it is in excess of \$20 million dollars over the next 5 to 7 years that we are going to need that we currently don't have in reserves and don't have as part of the Bond proceeds the water department has to complete improvements that are needed to the system."*

Franklin correctly concluded : *"...we are in a tuff position tonight because we knowwe are short about \$ 20 million but we are taking water money to build a police station",* (page 16). Franklin further stated that it was *"a big disappointment to Council to find out that we don't have the money that we need for the water department afterwards"* (pg.26).

Yet despite clearly realizing that the Water Utility did not have the money, **Franklin proceeded to vote in favor of building the Police Station** anyway. Again, that was on June 24, 2008. (pg.27)

Today, Council member Franklin denies responsibility for her decision : she now falsely claims that the decision to build the police station was not hers and that *"there was no way to change that decision without costing the city a great deal of money".* (see Franklin's "letter to the editor" 8/20/10)

However, the official record identifies **Franklin's claim as complete fabrication** . Nowhere in the minutes can one find any discussion about the potential cost of NOT building the police station. This issue was never discussed by anyone, including Franklin. It was **Franklin**, who – according to the record – **voted to spend the money on the police station**, along with the rest of the Council. **Franklin now is less than truthful about her role in this unprecedented disaster.**

Furthermore, it was Bob Botts who made the motion to spend the water bond money on the police station in 2008

The record shows that Botts knew the money was not there - but he spent it anyway (minutes pg. 26).

EXHIBIT D

Today, Bob Botts raves about the police station as being one of his greatest accomplishments, he even cited it as an example of "PROGRESS" in his Ballot Statement for his 2010 re-election campaign.

However, unlike Botts, the citizens of Banning have long come to realize that rather than "PROGRESS", the police station is yet another **example of the Council's fiscal mismanagement**, the likes of which the City of Banning has never experienced in its history.

The official record makes it clear that no later than the June 24th, 2008 City Council meeting, Botts learned of the 20 million dollar shortfall from the Finance Director.

During the same June 24th, 2008 session, Banning resident **Helen Barnes warned the Council** : " *If we take the \$12 million dollars from the water (utility), who is to say next year or a year down the road we have to raise the water rates to our members of the community which they truly cannot afford ?*" She went on to say that " *...this City Council and our staff should be able to come up with a better alternative than to take the money from the water utility.*" (minutes, pg. 21) . As it turns out, Mrs. Barnes had it exactly right !

But Bob Botts brushed this off by saying " *they (the finance director?) will find the money ...* (minutes pg. 26) . **This indicates that Botts clearly knew that the money was not there.** Needless to say, nobody ever "found" any money. Without any concern that the money was actually there, **Botts moved for approval of the spending.**

In 2008, all 5 City Council members (Botts, Franklin, Salas, Hanna, Machisic) voted in favor of spending water bond proceeds on the police station, and without comment from the City Attorney Julie H. Biggs. This caused an unmitigated fiscal disaster for the City, that the citizens of Banning will have to pay with big increases in water rates, which we are looking at today.

And finally, we move to 2017. By now, the previous City Council's has spent ALL of the Prop 218 Water Bond money on a Police Station, City Hall Air Conditioning upgrades, City Hall office renovations, and other projects, all unrelated to Water and water infrastructure.

But, what about the much talked about and needed "Purple Pipe" ? . What happened to the promise to provide Sun Lakes with recycled water? Was this a Fraud and another Purple Pipe Dream?

EXHIBIT D

For years the Banning City Council has been promising Sun Lakes residents to provide them with much needed reclaimed or recycled water for their golf course. The proposal only makes sense. Sun Lakes wastes massive amounts of precious drinking water to keep its golf course green.

This is not only ecologically irresponsible, but also extremely expensive. Particularly in these hard-economic times, many residents have to struggle to come up with the money necessary to pay for Sun Lakes Association Fees which due to the use of drinking water continue to go up-not down.

Let's take a look back: The promised recycled water project known to all as The Purple Pipe was to be financed by a \$37 million dollar Water Bond in July of 2005. But after the Bond was floated and the money was received, the project was no longer talked about.

Now, more than 12 years later, the City is forced to admit that all of the money is gone, as the previous City Council's squandered it on a new police station and other non-related Water Projects.

Before I ask our Public Works Director to explain the Purple Pipe Fraud to the People, I would like to inform the Public again about Prop 218.

Proposition 218 requires a vote by the People for any diversion of funds from a Water Bond to any purpose other than water related expenditures. Prop 218 was put in to place in 1996 for a reason. It was implemented in order for the people to control taxation, and to ensure that water related utility fees and indebtedness were not used for things that have no relation to water.

People were sick and tired of being charged higher and higher utility rates without the money going to the utility operations themselves.

With that said, what Prop 218 was aiming to stop is exactly the kind of abuse that has been occurring in Banning. The previous City Councils used the water bond proceeds to build the police station, and other projects. For all intents and purposes, the money used for all of the non-water related projects was stolen from the Taxpayer.

While the Water Bond was placed and spent under a previous City Council, there are still two City Council members remaining in office today that are responsible for violating Prop 218. Those members are Art Welch and Debbie Franklin.

And now, I would like to hear from our Public Works Director Art Vela about the Purple Pipe dream.

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/24/08
REGULAR MEETING

A regular meeting of the Banning City Council and a joint meeting of the City Council, the Banning Utility Authority and the Community Redevelopment Agency and a Joint Meeting of the City Council and the Community Redevelopment Agency was called to order by Mayor Salas on June 24, 2008 at 6:30 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts
 Councilmember Franklin
 Councilmember Hanna
 Councilmember Machisic
 Mayor Salas

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Brian Nakamura, City Manager
 Julie Hayward Biggs, City Attorney
 Duane Burk, Public Works Director
 Jim Earhart, Public Utility Director
 Leonard Purvis, Police Chief
 Matthew Bassi, Interim Community Development Dir.
 Leonard Purvis, Police Chief
 Ted Yarbrough, Fire Marshal/ Emergency Services Coordinator
 Jeff Stowells, Battalion Chief
 Tim Steenson, Chief Building Official
 Marie A. Calderon, City Clerk

CLOSED SESSION

Mayor Salas invited the audience to join her in the Pledge of Allegiance to the Flag. The invocation was given by Pastor Don Vollmer.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS ANNOUNCEMENTS/APPOINTMENTS

City Attorney Biggs reported that the City Council met in closed session pursuant to the provisions of Government Code Section 54956.9(a) with regard to the following matters of pending litigation: 1) Highland Springs Conference and Training Center v. City of Banning - (RIC 460950); 2) Center for Biological Diversity v. City of Banning - (RIC 460967); 3) Cherry Valley Pass Acres and Neighbors, and Cherry Valley Environmental Planning Group v. City of Banning - (RIC 461035); and 4) Banning Bench Community of Interest Association, Inc. v. City of Banning - (RIC 461069) and there was no reportable action taken. The Agency Board also met with regard to real property

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negotiations regarding property located at 255 W. Ramsey Street to confer with its real property negotiator Bonnie Johnson on the price and terms of the acquisition of property located at that address and no reportable action was taken. The Council met in closed session pursuant to Government Code Section 54957.6 to confer with its labor negotiators including Bonnie Johnson and John Ruiz regarding the CBAM (City of Banning Association of Managers) bargaining unit and there was no reportable action taken.

Report by City Manager - There was none at this time.

PUBLIC COMMENTS – On Items Not on the Agenda

John Austerman, 5542 Evelyn Dr., thanking Barbara Hanna and Bonnie Johnson for help on an issue.

Chris McCallum, 757 W. Westward addressed the Council regarding healing wounds and our communities working together and that he will be introducing a project in the coming months to help the economy in our area (see Exhibit A).

Charlene Sakurai, 43000 Dillon Road addressed the Council reporting on the success of the market night that was held on Friday. She also went over the themes for the next market night and also artist Sharon Mitchell will be featured at the Banning Center for the Arts on June 11th.

Patty Hanley, Director of Banning Library reported on their summer programs for children and teens and the fundraising dinner to be held on Wednesday, June 25th at the Banning Cultural Alliance at 5:00 p.m.

Doug Monte reported on the “Ready to Ride Youth Safety Expo” to be held on June 28th from 10 a.m. to 2 p.m. at Repplier Park parking Lot. He went over the events that will be happening that day.

CORRESPONDENCE: None at this time.

ANNOUNCEMENTS/COUNCIL REPORTS:

Councilmember Botts –

- In regards to RCTC (Riverside County Transportation Commission) he attended that meeting and they gave a power-point presentation on their Ten-Year vision in regards to transit “Charting a Course for the Future – Transit Vision” and he said that copies were available on the back table or from the City Clerk.

Mayor Pro Tem Franklin –

- Said in regards to transit in the Pass Area there is a group that meets the first Friday of every month at noon at Marla’s called Transportation NOW which is a sub-committee of RCTC and anyone can attend those meetings.
- She attended the Commission on Women event last week from 9 a.m. to 2 p.m. and they heard over 25 testimonies on issues affecting women. There were two

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testimonies from Banning one dealing with child care and one relating to rent in mobile home and manufactured home parks.

- She attending a retreat along with Councilmember Hanna for the members of the Community Action Partnership of Riverside County and one of the things they did was to see a demonstration of weatherization here in Banning. People can call the 211 if they have questions about programs and how they can qualify.

Councilmember Machisic –

- He attended a meeting with Assemblymen Benoit, Jefferies, Garcia and Cook and the prime subject was the State budget and unfortunately he has some bad news. They mentioned a lot of things but the basic argument today in Sacramento is additional taxes versus cuts in the budget. The other thing they mentioned was that a 2/3rds vote is required to pass the budget and it is not there. They indicated that one of the big issues of the Governor is to sell the State Lottery recouping approximately \$15 billion dollars. Assemblyman Garcia mentioned that the budget will probably not be passed until August or September at the best. Assemblyman Jefferies said that they spend hours working on laws, appropriations and conference committees and if they make changes and it comes for a vote, they are not required to report those 72 hours in advance. He said that it was mentioned that Sacramento has an institutional behavior in that the legislators get termed out but the staff stays for years and years and years. Also the State legislature is not sensitive to local government and the best way to overcome that is that you have to communicate with State officials. Also our City Manager is in Sacramento testifying along with some others about the Indian Gaming Funding.

Mayor Salas –

- Said recently there was a Battle of the Bands and congratulated staff on a job well done and it was asked if it could be continued as an annual event. Also the mural painting out at the skate park went well. She asked Duane or Heidi to come up and give a quick report on the Fourth of July. At this time Heidi gave some information in regards to the activities.

REPORTS OF OFFICERS

3. Godbe Tramutola Transient Occupancy Tax Public Outreach and Education Update (Staff Report – Bonnie Johnson, Finance Director)

Finance Director said that at the last Council Meeting the Council had discussed a possible public education campaign as it relates to a possible ballot measure. She said that Bonnie Moss is in attendance to answer any questions that the Council may have.

Bonnie Moss, Chief Operating Officer at Tramutola addressed the Council stating she would be happy to answer any questions that the Council may have.

The Council asked various questions in regards to complexity of putting this on the ballot for an election, education and outreach, timing and scheduling of election, engagement with

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voters, when it would be on the ballot, financial projections, TOT versus a sales tax measure, special election and mail ballot election, number of competing measures on a ballot, and advocacy of a measure.

Councilmember Hanna said that it is unfortunately that we did not pursue this at an earlier point this year, a hotel bed tax. At that time it was estimated that we might generate as much as a half a million dollars from this and it was probably overly optimistic given our present economic situation. But even a quarter of a million would be valuable and it is worth something. However she doesn't see that going forward at this time with a TOT that might be on the ballot for 2010 makes much sense. She would not like to see a TOT and a public safety tax, for example, on the ballot at the same time; it makes no sense to do that. So she doesn't see going forward with a TOT at this time at all. She personally thinks that there is not enough information to determine whether we want to do a public safety tax or any other tax at this point.

Mayor Salas said that right now we have a lot of hotels coming into Banning and we are getting a lot of spill over from Morongo and some of the neighboring communities and we want repeat customers and when they begin to see the prices going up they might not want to stay here. She said she cannot support this. No doubt we need more officers and she doesn't know if this is the way this is going to help us get there. In her opinion after looking at the budget \$200,000 to \$500,000 is not going to provide us with the numbers that we need to try to find to fund some of the programs that we need to continue long term. She said she will not support this for the ballot or any time in the future.

Mayor Salas opened the item for public comments. There were none.

Councilmember Franklin said that she would like to see the Council have further discussion at a later time regarding other issues for raising more significant funds such as a public safety tax since we have already gotten the direction from the public that has already been contracted that it is an issue to them so that may be the way to go to really bring in the kind of dollars we are going to need in that particular area since that is the biggest portion of our budget.

Councilmember Machisic said that we spent a lot of time talking about increased revenue and we have gone through many of the same questions you are asking now and they have been discussed and re-discussed. We decided that we didn't want to tax individual residents and knew that the TOT tax would only come in with a half a million dollars maximum and we brought that choice down to a TOT essentially and we rejected sales tax for a number of reasons and here we are now going to explore the whole subject one more time. He is concerned that we do the right thing but we need to come to a decision on what we are going to do because the time line mentioned was 15 months to 18 months in duration and what we say today will not come to fruition until a year and a half from now. So he thinks we need to be definite in our decision once we make it and stick with it. He said that he would not be in favor of going forward at this time.

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Councilmember Botts said he could support moving forward tonight with a TOT but as we are talking here we need some additional discussion.

There was some further Council discussion in regards to getting more information and explore other options or have a workshop on this.

Finance Director said she would like clarification on exactly how we are going to go forward exploring and is that going to be just options that are brought forward by staff and will that be done with our consultant at this time.

Councilmember Hanna suggested that we don't need the consultant until we have an idea of what direction we want to go in. We need to have a strategy that is going to solve the problem.

Councilmember Botts said he would concur with Councilmember Hanna and we need to take a time out with our consultant. We need to get our act together with direction from staff and then come back in 60 days and see where we are.

Mayor Salas said that when we say staff we mean the police department, the Chief and some of the lieutenants and fire to get their thoughts and needs and take a good look at it. Her concern with a TOT per say is not that we are far below many other cities but if we are going to tax business to provide a service that is needed, it should be direct. The public should know where those dollars are going.

Finance Director said if she understands correctly in approximately 60 days or so we will hold a workshop and further discuss this as a group and in the meantime staff will work together with the appropriate departments to strategize and come up with your revenue generating options and other options as well and bring that forward to a workshop.

CONSENT ITEMS

Mayor Pro Tem Franklin pulled item 6 for discussion.

1. Approval of Minutes – Special Meeting – 06/10/08

Recommendation: That the City Council approve the minutes of the Special Meeting of June 10, 2008.

2. Conflict of Interest Code Notification

Recommendation: That the City Council receive and place on file this notification that the 2008 Conflict of Interest Code will be brought forward to the City Council no later than October 1, 2008 for approval.

3. Accept the Right-of-Way Dedication for 887 W. Ramsey Street.

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Recommendation: Accept the Right-of-Way dedication for 887 W. Ramsey Street, as described in Exhibit "A" and Exhibit "B" and direct the City Clerk to accept and record said dedication.

4. Notice of Completion for Emergency Repairs Related to Water Damage at City Hall Performed by Whitmore Construction, Inc.

Recommendation: That the City Council accept the Emergency Repairs Related to Water Damage at City Hall as complete and direct the City Clerk to record the Notice of Completion.

5. Amending the Existing Agreement for Consultant Services with PARSONS Water & Infrastructure, Inc. to Provide Additional Work for the Design of the Wastewater Treatment Plant Expansion.

Recommendation: That the City Council approves amending the existing Consultant Services Agreement for Design and Construction Management of the Wastewater Treatment Plant Expansion in the amount Not to Exceed of \$91,367.00.

7. Resolution No. 2008-76, Awarding the Construction Contract for Project No. 2008-07, Cabinet and Countertop Replacement at the Banning Community Center to Whitmore Construction, Inc., Banning, California.

Recommendation: That the City Council adopt Resolution No. 2008-76, Awarding the Construction Contract for Project No. 2008-07, Cabinet and Countertop Replacement at the Banning Senior Center to Whitmore Construction, Inc. of Banning, California for an amount Not to Exceed \$31,000.00, which includes an approximate 10% construction contingency.

8. Resolution No. 2008-78, Amending the Transportation Uniform Mitigation Fee (TUMF) Applicable to All Developments in the City of Banning.

Recommendation: That the City Council adopt Resolution No. 2008-78.

9. Resolution No. 2008-81, Awarding the Construction Contract for Project No. 2008-06, Replacement of Flooring at the Banning Community Center and Senior Center to KV's Paint and Decorating Center, Inc. of Beaumont, California.

Recommendation: That the City Council adopt Resolution No. 2008-81, Awarding the Construction Contract for Project No. 2008-06, Replacement of Flooring at the Banning Community Center and Senior Center to KV's Paint and Decorating Center, Inc. of Beaumont, California for an amount Not to Exceed \$36,000.00, which includes an approximate 10% contingency.

10. Resolution No. 2008-84, Approving the Execution and Submittal for the FY 07-08 California Transit Security Grant Program from the Governor's Office of

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Homeland Security.

Recommendation: That the City Council adopt Resolution No. 2008-84.

Motion Hanna/Machisic to approve Consent Items 1 through 5 and 7 through 9. Mayor Salas opened the item for public comments. There were none. **Motion carried, all in favor.**

6. Bus Shelter Update

Mayor Pro Tem Franklin wanted to know if staff could give more clarification as to what it means when it says in our report that the grant has passed the first round. What does that mean for our City, what are we talking about in terms of completion of that and her understanding is that all that money is to go towards shelters.

Finance Director said that the staff submits each year the Short Range Transit Plan to Riverside County Transportation Commission (RCTC) and that is where we get the funding for 90% of our transit programs and some capital dollars. In that request this year for the 08-09 funding there was a request that included \$40,000 for bus shelter improvements. The process goes on for a couple of months and then staff has to appear before the RCTC Board on two separate occasions. Since the writing of this report staff actually received a letter from RCTC yesterday stating that our Short Range Transit Plan has been approved so all we need to do is to file our claim forms to access our funding so the \$40,000 is in place.

Councilmember Franklin said when this comes back to the Council for the next round to approve it could they find out specifically what the approximate cost is to actually put the shelters in the condition that they need to be to be useful and let us know how many we have, as well as, how many bus benches we still have need of in the city so that the Council knows what they are talking about in terms of moving forward on it.

Finance Director said that staff will bring that information forward.

Councilmember Machisic said he is very concerned about the difference of the cost and the difference between this grant.

Councilmember Botts said that at RCTC yesterday they did approve the money and there was \$800,000 approved in capital expenditures for Banning Pass Transit and it wasn't detailed obviously and do we ever get a breakdown of the money we get from RCTC for Pass Transit.

Finance Director said that the \$800,000 that he was referring to was actually an application that staff submitted to RCTC. So we developed the breakdown of the \$800,000 and in this case it includes various improvements to some of our existing buses, the purchase of a couple of new buses, Dial-a-Ride vehicles and there are various things

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that go into that and she would be happy to get Council a full breakdown of what that was.

Motion Botts/Machisic that the City Council approve Consent Item No. 6 to receive and file this update regarding financing, repairs and improvements to City bus shelters in preparation for transfer to the Banning Chamber of Commerce. Mayor Salas opened the item for public comments. There were none. Motion carried, all in favor.

PUBLIC HEARINGS

1. Tentative Tract Map (TTM) 32370 Time Extension Located Generally in the Northern portion of the city, 1500 feet north of Wilson Street, west of Mountain Avenue. APN: 535-030-038
(Staff Report – Matthew Bassi, Interim Community Development Director)

Mr. Bassi gave the staff report as contained in the agenda packet. He said the applicant has in the last couple of years made significant progress on his project and there are some remaining items that need to be done like capping the street and installing street lights and perimeter block walls so the applicant needs the extra one year time frame in which to get that and the public improvements done in order to record the map. Staff supports this one-year time extension to July 12, 2009.

Mayor Pro Tem Franklin asked if there were efforts being made to make sure that when the wind blows that the dirt isn't moving and if there are no houses being built in the near future that efforts are being made to make sure that if it rains that mud doesn't move.

Mr. Bassi said efforts are being made and there is a Stormwater Pollution and Prevention document on file that during the rainy seasons there is an erosion control time part of that where they will bag the lots to keep runoff from going down. In addition in regards to the high wind time advisories that go out then we have an inspector that goes out and they will be required to water the dirt so it doesn't blow off. So those are conditions on the project.

Mayor Salas opened the public hearing on this item for public comments. Seeing no one come forward Mayor Salas closed the public hearing on this item.

Motion Machisic/Franklin that the City Council adopt Resolution No. 2008-75, approving a one-year extension of time to July 12, 2009, for Tentative Tract Map No. 32370. Motion carried, all in favor.

2. Resolution No. 2008-77, Approving the Price Index (CPI) Increase for the Service Charges for the Collection, Transportation and Disposal of Solid Waste.
(Staff Report Duane Burk, Public Works Director)

Mr. Burk said that staff is recommending that the Council adopt Resolution No. 2008-77 and gave the staff report as contained in the agenda packet. If approved, the rate will be effective on July 1, 2008. The current rate for refuse collection is \$15.46 per month, per

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household and if approved, the rate will be \$17.02 and the commercial rate has been adjusted accordingly, as shown in Exhibit A. He said that it is a significant impact as it relates to the extraordinary fuel costs and the tipping fees at the landfill. He said that Alex Bracovich with Waste Management is in attendance if there are any questions.

Mayor Pro Tem Franklin asked if the vehicles used to collect the refuse are CNG vehicles.

Alex Bracovich, Director of Government Affairs, Waste Management stated that the way they calculated their fuel increase this year was to use a blended rate because approximately 34% on average of your vehicles are CNG, 66% are diesel and that is an average over the course of the year. He said that back in 1999-2000 they invested in a CNG fueling station and currently 30% of their fleet is CNG. They are still in the mode of conversion as their trucks age.

Mayor Salas opened the public hearing on this item for public comments. Seeing no one come forward Mayor Salas closed the public hearing on this item.

Motion Botts/Machisic that the City Council adopt Resolution No. 2008-77, Approving the Consumer Price Index (CPI) Increase for the Service Charges for the Collection, Transportation and Disposal of Solid Waste, as set forth in the City of Banning's Franchise Agreement with Waste Management of the Inland Empire. Motion carried, all in favor.

3. Repeal of Resolutions 2006-128, 129 130 and Ordinance No. 1353.
(Staff Report – Julie Hayward Biggs, City Attorney)

City Attorney stated that this matter came before the Council on June 10th for consideration and at that time there was a request to continue the matter to this evening in the hopes that there would be an opportunity for Sun Cal and the City and the other parties to get together and perhaps find a more positive way to resolve the matter. The City did receive a couple of letters from Sun Cal with one on June 19, 2008 and one on June 26, 2008 asking for further extension. The opposing Counsel in the matter did in fact stipulate to extend their time to respond to file motions for attorney's fees to July 15, 2008 so that has been done. There are four lawsuits involved in this and those are Highland Springs, Center for Biological Diversity, Cherry Valley Pass Acres and Neighbors, and the Banning Bench Community of Interest all versus the City of Banning and Sun Cal as a real party and interest. She said that they were informed just before the meeting on June 10th that Sun Cal had in fact filed a Notice of Appeal with the court and that automatically stays the order and that gave us the ability to postpone a decision on the 10th to this evening. Since that time however, in addition to correspondence from Sun Cal we have had no further exchange with the opposing Counsel but we have received notice that Sun Cal is in default on the appeal and has failed to pay the costs for production of the record and the court has notified them of that default. Again, the question before the Council is whether to go forward and repeal the various approvals that were enacted by this Council or whether to let them stand or continue the matter. First of all the letter received today from Sun Cal suggests that the City somehow violated the development agreement that applied to this project and there is a very clear threat that if you take the action there could be litigation filed against the City. There is a provision in the development agreement that basically grants the City absolute discretion with regard to actions related to CEQA and to actions that it chooses to take and also waives Sun Cal's ability to bring a lawsuit against the City on that basis. The cases that were determined were all CEQA cases and the order is in order under CEQA with a trial board stating that

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at least in the trial courts opinion in order to conform to CEQA these matters should be vacated. She said that they have included updated resolutions for the Council's consideration and the City Clerk has those versions and they are merely corrections and additions of information based upon what has happened since the 10th of June and at this point it is the Council choice as to how to proceed.

Mayor Salas opened the public hearing on this item.

John Benfield, 10610 Gilman Street addressed the Council stating that he represents the Community of Interest and they strongly oppose that extension. They think it is a ploy for Sun Cal to avoid paying their legal fees as long as possible. They are in default on all their properties.

Rod Hanway, Vice President of Planning for Sun Cal addressed the Council stating that he is representing SCC/Black Bench, LLC. He said that they have submitted and the City has acknowledged receipt of two letters from Sun Cal in the past week stating their position on various issues and he really doesn't have anything to add to that. They really address the issues that they are concerned with. He said among the various misstatements and misinformation and lies that have been spread about this project and he heard one more tonight and that was the fees nothing being paid to the court and they have been paid and the appeal is moving forward. He said that he would reiterate their request that you meet and confer with them to address and resolve the issues on this case and they are available to a meet at the Council's discretion at any time.

Pat O'Dell, 977 Gilman Street addressed the council stating that he has 160 acres adjacent to the Black Bench property. This process has many, many years and this Council and other Councils have looked at it along with the Planning Commission and it has been a good process because a lot of people have been involved. He knows that Sun Cal had spent a lot of time meeting with the local people and had come up with an agreement on one of the big problems which was a road that they were going to put a gate on that comes on to the Bluff Road and it seemed like they worked very hard to get that agreement and then they decided to sue when the Council came up with the agreement. It is strange to him that this is a City of Banning issue and he knows that anybody can oppose the City of Banning but all the plaintiffs are not in the city at all and he thinks that is a problem. The other issue is that if you decide to go back on the agreements and tract maps that you have approved, to him that means that you are saying the four people that had these issues were correct and he thinks that is a huge problem because out of all the issues he thinks that the only one major issue that the judge really was upset about was the water issues. There were a number of other issues that went through and were fine but the water issue needed to be addressed. There is no issue about that but if you go ahead and get rid of your approval to him it seems that you are approving what the judge said and the process is not finished because appeals are still out. He would think that this would make this City a City of absolutely no growth because anybody can use this judgment that hasn't been fully appealed to stop any project in the city of Banning for water whether it is a house, whether it is 50 houses or whether it is a Walgreen's or anything and to him that is the issue. Not whether Sun Cal is going to build all these homes or not. The issue is that you are absolutely tying the City of Banning to absolutely no growth and that is fine if that is what you want but in this same meeting you are talking about how to improve revenues. By your decision tonight you are saying no growth and if that is what you want, that is fine. If not, let it go through the process and let the appeals go through and see where it is at.

Larry Walborn, 43455 Doe Circle addressed the Council stating that there have been a lot of statements made and in his case he would like some questions asked. This lawsuit that went through for this Banning Bench property you had nine things that the judge said mistakes were made on and one of them was water. That is the City of Banning's mistake. Where are you going to get the water? Where are you going to have an access road? We need the houses and we need the

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development but before you start opening it up you need to have what we call a "will serve". You can serve that amount of homes with that amount of water. Secondly, you can't just dump 1500 cars on a little trail that comes down off the Bench. That would be 1500 cars morning and evening running up and down the hill. Many people have been killed on that road already because of the winding roads. He is not saying stop the Black Bench. He is saying let's figure out how we are going to give them water first, how we are going to get them in and out second so we don't kill somebody coming down that winding road on the Bench. Let's figure out how we are going to do it and then we will worry about how we are going to get these people up and down.

Mayor Salas closed the public hearing on this item.

Mayor Pro Tem Franklin asked if legal counsel could address the questions that were raised regarding the issue of water and what was the legal opinion regarding the water issue.

City Attorney said that she doesn't have that with her here and it is her understanding that there was a concern that there was not sufficient water certainly for the area.

Councilmember Machisic said that his process in regards to the Black Bench project has been challenged by four different groups none of which were in the city and this has serious consequences to the City. We are talking about the potential of hundreds of thousands of dollars and we have met with our counsel a number of times and he thinks that it is important that the Council consider the legal advice that we have received on this matter.

Councilmember Botts said that he appreciates the comments by a number of folks and he thinks that the Council clearly understands what the issues are and that they are working on. If we were to rescind this tonight, this Council person does not consider that in any way a no growth position. This is a complex issue and the City is trying to protect our taxpayers and we have another developer with 5000 homes processing through the City of Banning right now. He said that it does bother him a little bit that today we get a threatening letter on our desk that we are going to be sued by Sun Cal and we usually like to have, whether they are threatening or not, have our information in advance so that we can properly digest it and hopefully make the right decision.

Motion Machisic/Hanna that the City Council adopt Resolution No. 2008-69, Setting Side and Vacating Adoption of Resolution No. 2006-128, Vacating Adoption of Resolution No. 2006-128 Certifying the Final Black Bench Environmental Impact Report (SCH No. 200411024), Adopting a Statement of Overriding Considerations and Mitigation Monitoring Program. Motion carried, all in favor.

Motion Hanna/Machisic that the City Council adopt Resolution No. 2008-70, Setting Side and Vacating Adoption of Resolution No. 2006-129, Vacating Adoption of Resolution No. 2006-129 Approving General Plan Amendment #06-2502 to Modify Certain Changes to the General Plan Circulation Element in Connection with the Black Bench Project. Motion carried, all in favor.

Motion Botts/Franklin that the City Council adopt Resolution No. 2008-71, Setting Side and Vacating Adoption of Resolution No. 2006-130, Approving Lot Split #04-4509/Tentative Tract Map 34001 Pertaining to the Property Generally Located North of Wilson Street, West of Bluff Street, Between Sunset Avenue and Highland Springs Avenue. Motion carried, all in favor.

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Mayor Salas asked the City Clerk to read the title of Ordinance No. 1389. City Clerk read: "An Ordinance of the City Council of the City of Banning, California, Vacating and Repealing Ordinance No. 1353, Approving Specific Plan #04-209, to Establish the Development Standards and Guidelines to Allow the Development of Up to 1,500 Residential Units, A 13.1 Acre School Site, 81.2 Acres of Parks, and 869 Acres of Open Space on a 1,488 Acre Site Generally Located North of Wilson Street, West of Bluff Street, Between Sunset Avenue and Highland Springs Avenue."

Motion Hanna/Machisic to waive further reading of Ordinance No. 1389. Motion carried, all in favor.

Motion Franklin/Hanna that Ordinance No. 1389 pass its first reading. Motion carried, all in favor.

Meeting recessed at 8:27 p.m. and reconvened at 8:42 pm.

REPORTS OF OFFICERS

1. Resolution No. 2008-55, Awarding the Construction Contract, Approving the Professional Services Agreements for Construction Inspection Services and Miscellaneous Construction Services for Project No. 2006-07, Construction of New Banning Police Station.
(Staff Report – Leonard Purvis, Chief of Police)

Chief Purvis addressed the Council stating that what he would be presenting is a two-prong approach to go over the current state of affairs of the three buildings that they are housed in. He started with a power-point presentation showing a rendering of their proposed police station at 125 E. Ramsey. Currently the police department is operating out of three separate locations. The first one is PD Central at 321 W. Ramsey Street, Dispatch Center located at 3291 W. Wilson Street and also has evidence and other vehicle stored at the Banning Airport. They currently run their patrol division out of 321 W. Ramsey Street and also their department administration, records bureau, detective bureau and evidence storage and currently this building is for sale. He displayed pictures of the current building at 321 W. Ramsey Street and explained the various issues that they are having with regard to privacy when talking to suspects, victims, witnesses and other things such as personnel issues and private matters. He also explained the issues of space in the detective bureau, interview room, evidence room, records and storage and the secured evidence room. He also explained the issues of security in keeping people out from vandalizing any of the vehicles and the parking lot entrance has been a concern of his and his officers because they deal with some various dangerous criminals and suspects. Employee parking is on the street and unfortunately that is a safety concern also. The trailers currently house the briefing room and the men's locker room.

Chief Purvis said that the Dispatch Center is located at 3291 W. Wilson houses the communication center, ARCNET (narcotics task force), gang task force, evidence

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storage, general equipment and information services. Currently in the bays where they used to park the fire engines they have bicycles stored and evidence. He said that the California Peace Officers Standards and Training did an audit of their agency about a month and a half ago and they actually cited them for the way evidence is being stored. He showed the interior dispatch area and IT computer room which is pretty crowded with boxes and equipment. In the storage facility at the Banning Municipal Airport they have evidence stored there, the mobile command center is parked there, general equipment storage and their golf cart and vehicle parking is also located at this facility. He said as you can see they are out of space at that facility also.

Chief Purvis said in regards to accomplishments he is very proud of the work that has been accomplished since John Horton came aboard as Chief of Police and the work of their fine officers and sworn staff and non-sworn staff. He said that they had an absolute crime reduction of 22.6% in Banning from 2005 to 2006 and they are number one in the Inland Empire. They implemented a new Internal Affairs Process and officers have been held accountable and the culture of the department has definitely changed. Public faith in the department has grown, the department image has improved and they definitely have more community involvement. They were also able to bring a Narcotic Enforcement Team to Banning which used to be housed in San Jacinto and they have been the extra eyes and ears for Banning and the citizens of Banning. They were also able to bring the Gang Task Force to Banning and were the first gang task force that was up and running and that was in December 2005 and it has been very successful. They have applied for and received numerous federal, state and local grants. They have implemented the successful Knock Out Gangs in school programs and recently completed their second year in 2008. They implemented the successful Gang Resistance Education and Training Program (G.R.E.A.T.) and that also completed its second year. They re-established the Banning Police Activities League (BPAL) which had been dormant for six years. The department also received an A+ rating in a statewide public records access of police agencies that they did. The first time they did it they received an F- and about a year later they received the A+. They had the 1st Annual Ready to Ride Youth Safety Expo last June, 2007 and the next one is June 28th. They also developed a Five-Year Strategic Plan from 2006 to 2011 and they continually look upon that document to make sure they are on track. They developed Hundred Neighborhoods Community Oriented Policing and Problem Solving Program, purchased a new Mobile Command Post with grant funds, formed their Emergency Tactical Unit and worked with the Finance Department to develop a Community Facility District (CFD) to fund police and fire services through future development.

Chief Purvis said in closing this new police station is definitely an investment in the future. It will give them room to grow and they will all be under one roof. They will definitely be more efficient. Right now there is a disconnect unfortunately, and all they are not working at their full capacity and they feel that by being under one roof, having the space that they need they won't have that disconnect any more and be able to work at their full potential. They will definitely have better communication, better supervision and one of the things he is concerned about is that they need to attract and keep quality

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personnel. They will also be working smarter by not having to work at three different areas and not utilizing their resources as they should be.

Duane Burk, Public Works Director addressed the Council stating that part of the presentation and what they talked about with the ad hoc committee which consisted of in-house staff and Council Members was to talk about the extra operating costs of what they foresee in the future. What the Council has before them and what staff wanted to talk about in this presentation was about the budget and future growth of this facility and that there are going to be some additional costs. It is a 30,000 square foot building however, what is being show in this presentation is that the department is fragmented and they are all over the community as it relates to what they are doing. So when you look at the utility costs they are currently paying \$1,748 which is an average per month and it is anticipated that it is going to up by an additional \$3,000 a month. Gas is probably going to stay about the same, the phone about the same and all the utilities basically about the same. Janitorial is going to go up by about \$1,144, landscape is anticipated to increase by about a couple of hundred, and the projected increases are \$4,412 per month. He said with looking at estimates the facility will be built to a standard that is kind of state-of-the-art application such as automatic lights and the HVA system which will be extremely efficient. In regards to landscaping they are looking at having waterless grass, etc. These are just projected ideas so they are looking at around a \$50,000 increase. He went over the slides showing these figures. Mr. Burk said that the recommendation is for Council to adopt Resolution No. 2005-55, Awarding the Construction Contract, approving the Professional Services Agreements for Construction Inspection Services and Miscellaneous Construction Services for Project No. 2006-07, Construction of the New Banning Police Station. Mr. Burk said that the former Banning Police Station was built approximately 20 years ago and it was demolished to make room. They also didn't demolish it to make room but they really couldn't build around the existing facility and house them there. The idea was to move the Banning Chamber across the street and the police station was moved to 321 W. Ramsey and now it is getting more and more crowded as they continued to operate. On December 15, 2004 the City Council approved a professional services agreement with Holt Architects to design a new police station and the design for the facility was to be completed in September 2006 and the project was advertised on October 2nd and the bid opening was December 19, 2006 and consequently the bids came in too high and this Council directed him to go back and fix the problem. What they did was to redesign the facility to accommodate the needs of the police station. He said that the whole bottom floor of that building is not built for 2025; it is built for 50 years. He said that the bids varied but the lowest responsible bidder if they put in all the contingencies would have been around \$17 million which would have been \$3 million more than what they needed. By cutting the costs they have saved around \$4 million. In order to forward the project in February 2007 the City Council adopted Resolution 2007-20 amending the existing design and architectural services with Holt for a redesign. The police station was completed and that portion was done, a contract with Cal K-12, a management firm to review the police station and plans and specifications were insured for constructability review and that was completed. On May 13, 2008 the City Council awarded the contract to Cal K-12 for the construction management for those services to manage the project. The project was advertised for bids on April 14, 2008 and April 21,

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2008 and actually 23 bidders pulled plans and specifications. They received on May 29, 2008 eleven bids. The lowest bidder was Doug Walt Construction and within a few days he asked to rescind his bid and he cited a calculation error. So tonight staff is asking to let him off the hook for that bid which moved the next contractor, Oakview Construction for \$11,089,836.00 as the lowest responsible and lowest responsive bidder. Cal K-12 reviewed the submitted bids and after reviewing Oakview Construction, Inc. package and references recommended to them the award for the construction contact. Mr. Burk said that Edge Development, Inc. submitted a letter in protest which was submitted to all of the Council on the decision to award the construction contract to Oakview and said letter was evaluated by the City of Banning's attorney who concluded that the items under protest are minor defects in Oakview's bid package. Per the terms of the project specifications these minor defects can be disregarded by you all. The Engineer's estimate for the project was \$9,500,000.00. If approved as anticipated, the construction for Project 2006-07, Construction of the New Banning Police Station will be completed in early 2010.

Mayor Salas asked who was the contractor with Oakview and are they here this evening? Mr. Burk said John Field is in the audience and he actually flew from Wyoming where he was on vacation to be here.

Mayor Pro Tem Franklin said that she has had several calls from residents since this came up on the agenda the last time and she asked staff to state for the public where the funds are coming from and how this impacts us with using these funds for the police department.

Bonnie Johnson, Finance Director said the funds that were earmarked for this project came from a bond issue that was issued in 2005 and there were two series of bond issues and one was for water and one for wastewater. Out of the wastewater bonds under the structure of the bonds the Banning Utility Authority was formed but out of the water side of these bonds, out of those proceeds \$17 million dollars was allocated to the City in the form of a lease payment under the Banning Utility Authority structure and that \$17 million dollars can be used for any capital project of public benefit and at the time the Council went through and prioritized the \$17 million dollars and at that time the \$14 million of the \$17 million was earmarked for the police station project. Since that time the water department has reassessed some of its capital needs and there is going to be challenged as we move forward to put in needed infrastructure in the time frame that the utility director feels that those infrastructures should be put in to facilitate future development.

Mayor Pro Tem Franklin asked how short we are in the water department as far as funding. Finance Director said that she could take a guess because she doesn't have the list of the projects in front of her but she believes it is in excess of \$20 million dollars over the next 5 to 7 years that we are going to need that we currently don't have in reserves and don't have as part of the bond proceeds that the water department has to complete improvements that are needed to the system.

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Mayor Pro Tem Franklin said she asked her to state that because she recalls very clearly when this came up to the Council regarding the water bonds and she wasn't on the Council but she remembers that the question was asked several times of staff at that time if putting this money a side for the police department was going to adversely impact the water department and the answer was stated not once but at least twice, no. That puts the Council in a position that is going to be a no win, win tonight because the Council moved forward based on the recommendations of staff and she knows that the person that made that statement is not here tonight. She said that she doesn't like to say anything about staff but that information has caused Council to move forward and now we are in a very tuff position tonight because we know we have water needs that you have told us we are short about \$20 million but we are taking water money to build a police station and is she correct on that. Finance Director said she was correct.

Mayor Salas said the water projections are not for current but for future growth. It is dealing with current residents and would that be impacted or would it be for future growth that happens down the road as far as construction.

Finance Director said she believes there are projects that are both for current needs and for future needs that are part of the long-range capital plan for the water department. She doesn't have a breakdown as far as dollar value assigned to projects and which ones related to current and which ones relate to future development.

Mayor Pro Tem Franklin said that they know the building is for sale and it is her understanding that the current owner doesn't want to extend the lease so what are the options for the police department if this building is sold.

Chief Purvis said their option is not to stay there. Their option is if they have to do what they need to do is to go to PD West and be even more cramped than they are. They do not want to be in a position where the City is put over a barrel and made to buy a facility that is inadequate and that is not working for them currently. It is \$1.8 million that the City shouldn't spend on a facility that hasn't worked for them from the start. So what they will do is to move to PD West and make it work however they need to make it work but they don't feel the City should be put in a position where they feel they are put into a corner and they now need to buy a building that they are not going to be able to work in any way.

Mayor Salas asked if that happens, how fast can we fast track and construct this building?

Chief Purvis said he was talking to Mr. Burk and his constructability team and they were thinking 15 to 16 months.

Councilmember Hanna said that it is always possible that if it were sold and that is a big if, if it were sold they would be very happy to have us stay as long as possible. It doesn't mean that if it sells necessary, that we have to leave.

Mayor Salas opened the item for public comments.

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Dustin Jones, Attorney representing Edge Development addressed the Council stating that Edge was a bidder on this project and they submitted a protest shortly after the bids were opened. They are protesting the award of this contract to Oakview Constructors basically because Oakview's bid is full of numerous deviations, errors and omissions from the bidding requirements. They have been sending letters back and forth with the City's outside Counsel McEwen on this and he has paid a lot of attention to this issue and he thanks him for that. He said that he didn't have time to go through every deviation and he believes that the Council did receive copies of their bid protest. He said that there are four main categories of deviations in Oakview's bid. The bid documents required them to attach addenda which they didn't. The bid documents required them to clearly name who their subcontractors were going to be and they listed some subcontractors as contractors. They listed a majority of their subcontractors within material supplier worksheets and there was a material supplier within that listing. Those are relatively minor and Mr. McEwen thinks that you could waive those if you wanted to but he is not going to argue that. Some of the more serious stuff is that the bid documents required bidders to do one of two things indicate three projects of a similar nature that they have done to this project or indicate that they hadn't done projects of a similar nature. Oakview listed 16 projects and none of them were anywhere near of a similar nature to this project. The bids for this project were around \$11 million and the low bid was in the mid \$10 million dollar range. The largest project listed by Oakview was a \$3.3 million dollar project. The type of projects listed were school modernizations only and this project is from the ground up construction of a 33,000 square foot law enforcement facility. Whether or not that could be waived is a legal dispute that could be settled and it is not going to get settled here. The final category of deviation was in the bid breakdown. The bid breakdown is basically a budget for the project where the bidder says here is a scope of work, the security system, and he is going to spend a certain amount of dollars on that and it is done for every single scope of work on a project. Oakview rather than filling in every single line as the bid documents require decided to lump this together and they did this 23 times in the bid breakdown and he explained further what this meant. The purpose of the breakdown during the bid is so that at bid time City staff and City Council can say is that a reasonable amount of money to spend on a certain item and that is a deviation that cannot be waived under California law. He also referred to a specific case regarding this issue and he and Mr. McEwen have been going back and forth on that case for two weeks on the different interpretations of that case. He thinks the City Council has the authority to waive it and they think under that case there is no authority. The answer to that dispute is not going to be made here tonight; that can only be made by a judge. What they can decide here tonight is whether or not they are going to need a judge. He said he is not here as a representative of Edge Development saying, award us the contract. What he is saying is that Edge Development wants you to reject all bids and you have three options basically: 1) award to Oakview and maybe see Edge in court next week, 2) award to Edge and maybe see Oakview in court next week, and 3) reject all bids and neither Edge or Oakview can challenge that decision. That is entirely non-reviewable and a judge cannot tell you to award a project. Other than avoiding the litigation, why do they want to reject all bids. There are about 1.6 million reasons why they should reject all bids and rebid this project. If you look on

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page 329 of the agenda packet, the City's engineering estimate for this project was \$9.5 million dollars and Oakview's bid is bordering on \$11.1 million. The low bidder for the project was Doug Wall Construction and its bid was \$10,480,000.00. By either metric the engineering estimate or Doug Wall Construction's low bid, the City's leaving money on the table; money it doesn't have. So if you reject all bids tonight you have an A-1 construction manager that can turn around a project incredible fast. They can rebid it and avoid this messy legal issue possibility and save money and hopefully get a contractor that fills out his bid and has the attention to detail that you want a contractor to have when he is building a 33,000 foot, ground up construction police station.

Mayor Salas asked if the full list of the subs has been submitted to this point now and also to our legal counsel what does this do in a delay frame. She said that generally projects aren't re-bid necessary to lower the price for the City and that is the reason there is a process.

City Attorney Biggs said that she would have Mr. McEwen address that because he has been living with this for the last couple of weeks also in these exchanges.

City Attorney McEwen addressed the Council stating that one of the biggest misconceptions is that Edge started this protest from the perspective of we are a higher bidder; award to us. It has not gotten to reject all bids. The concept to reject all bids what they would do if the City Council elected to go down that road, they would then reject all bids and then start the process all over. They would have to have the whole bidding process start all over and it doesn't necessarily mean that it would end up lower; it could end up higher. They are bound to accept the lowest responsive responsible bidder and that is what staff's recommendation is here tonight in terms of Oakview. Now, Edge went through Oakview's bid with a very fine tooth comb finding things in terms of for example, material supplier sheets. All of the information is there identifying the subcontractors, the scope of work and all the necessary things. Edge just used the wrong sheet. Is that a material defect; staff doesn't believe so because they have the information that they need to evaluate the bid. That is a similar issue with respect to all of the items that have been identified by Edge. He said that both Cal K-12 and City staff and he have reviewed the issues after they were raised and there have been a series of two letters back and forth that address in detail each of the claimed deficiencies. This City Council has in its discretion to treat those deviances as inconsequential and in terms of the review by staff, Cal K-12 and himself believe that they are. In terms of the specifics, he can get into them. The other one that was mentioned by Mr. Jones was actually the failure to acknowledge the addenda. Oakview along with every other contractor on this project received four addenda with an acknowledgement sheet. They faxed it back immediately. Our construction manager had it in their possession, the City had it in their possession prior to bid time so the complaint raised was actually that we didn't resubmit it with the bid packet and the instructions were not real clear that you had to do that. This gives you an idea of the level of detail that Edge has gone into to evaluate the Oakview bid proposal. In terms of those, the items that they have identified, he is confident that this City Council has the ability to waive them as inconsequential. With respect to the inconsistent subcontractor listings that was a situation where there was a bid opening on

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May 29th and that is where the bid was submitted along with a Bid Schedule One that itemized various categories of construction costs what the City originally had in its construction documents that this is what we want to know for purposes of your budget. In Addendum No. 1 the City said that we would like some supplemental information and submit this Bid Schedule Two asking for a little bit more detail and breakout and that is the item that was submitted within 24-hours after the original bid opening. That is the item that Edge is saying 23 of those was where its getting included in this other scope of work and for purposes of Cal K-12 and City staff it was sufficient. The City was able to manage this contract and determine what needs to be done based on what was submitted by Oakview. So from staff's perspective it was okay. In terms of the actual instructions to bidder every line was filled out and had information by reference and so it technically complied with the bid specifications. The discretion rests with the City Council. One of the complaints that Edge raised was that the process has be skewed and that the City Council is not exercising its discretion. We are here today and you have the ability to decide whether to award to Oakview as the lowest responsible bidder, to reject Oakview basically disqualify them based on the argument that Mr. Jones raised that they don't have enough similar projects. He said that he has a different argument because that puts us in a position of saying choosing one subcontractor over another based on what we think is the most applicable experienced to our project and we can't do that under the Public Contract Code. We are left with the standard of the lowest responsive responsible bidder and that is what staff's recommendation is that the award go through what they consider to be that entity Oakview Constructors.

Councilmember Hanna said that she would like more information/detail about their past experience. The impression was that they have only done remodeling and small construction projects. This is a much larger project than they ever done before and different than anything. Our construction management firm is Cal K-12 education background and now we have a company who apparently their background is mostly education. Are they capable? Is it really true that we cannot look at whether someone is capable of producing the end result or not or do we just have to take the lowest responsible bidder.

Mr. McEwen said that there are a couple of things we can look at. They do have a contractor's license issued by the State. They have secured bonding from surety that is willing to put essentially \$11 million dollars of assets on the line. They have also got 16 public projects, ten of which exceed a million dollars and some are \$4.5 to \$5 million dollars in terms of the size. In terms of the responsiveness we would have to make a finding, hold a hearing and say that they are not a responsible bidder based on the information they have provided. You can use the comparison of Edge in which they provided three projects one of which was a \$10 million dollar school project, one fire station of about \$4 million and one other that was not a sizeable project. The real issue for us is does that demonstrate a familiarity with a public project, prevailing wages and do they have a proven track record. The other problem we have in terms of addressing that specific issue is that outside of the project we had the opportunity to pre-qualify contractors and that is a whole different process where we go through and basically narrow it down to only a few contractors based on prior experience or based on certain

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qualifications that we set forth and we didn't go down that road. So, in effect we are tied to the local responsive responsible bidder.

Mayor Pro Tem Franklin asked if he could explain why there is such a different between the engineer's estimate for the project at \$9.5 million but the lowest responsive bid is \$11,089,000.00.

Mr. McEwen said he can't in terms of the specifics of this project. He can say that it happens all the time in terms of the engineer's estimate are sometimes earlier in the project and usually it is not prepared by a contractor but by the architect or the architect's staff and they are sort of saying this is what they think it is going to cost. And quite often it doesn't match what the market depicts. In terms of looking at the eleven responses that they go, if you set aside the Doug Wall, you have a pretty tight spread at the \$11 million with three or four contractors and that is usually what he thinks the professional's will do is look at that in terms of is there much room for the contractor's to sharpen their pencil, are we right on in terms of budget, are the contractor's close to each other in terms of the bid numbers that we are evaluating and in this he thinks the spread was pretty tight.

Mayor Salas asked Mr. Burk if we did our due diligence in looking at all the subcontractors on the State website and federal just to make sure so we have record of that. Mr. Burk said yes. She also asked in his opinion did we work well enough with the architect and the engineer to make sure that there won't be any change orders at the last minute when we approve the contract. Mr. Burk said that they actually had a post-bid interview with Cal K-12 and the contractor of award. He said that Oakview Constructors is not a change order artist. As much as he can appreciate Edge's attorney and his two weeks of working on this, he has been working on this for two and half years and we have paid a tremendous amount of detail to this. This Council hired an A-1 construction management team and they reviewed this and said this bid was good. They have gone through it with a fine tooth comb like they have with the bid and he thinks that they are bringing forward to the Council a really good project and they have met all the plans associated with this project to bring it to this point. He really appreciates Edge's position as it relates to this democracy of bringing the protest forward because that is what this is about. It is nice that they brought this forward because it really gives you all a point to tell you how much of a fine toothed comb they brought this forward to.

Mr. Burk said that between the \$10,480,000.00 and the \$11,089,000.00 he eluded you to say that if you reject all bids that the hands had already shown and your numbers are going to come into that. He would caution that is not the case as it relates to concrete, steel and in fact, they had presentations from the architect before saying that we could look at construction costs increasing 5% per month and that is kind of what they found here. This number is solid in these times.

Mayor Salas asked for further comments from the public.

Bob Fisher, president of the Banning Police Officers Association addressed the Council stating that on behalf of the BPOA they would like to thank the Council for all their

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patience and all their support and concern with the project. They would also like to thank the City Manager, Bonnie Johnson and Duane Burk and Chief Purvis for all of his help and support in moving this project forward.

Helen Barnes, 2102 W. Lincoln Street addressed the Council stating that she is impressed with the fact and disappointed that our guys are in three different facilities in town. It is not acceptable in her opinion. However, she doesn't object to the money that is being spent on the police department and if anything, our communication center – dispatch center should be state-of-the-art because that is the hub of the safety of our officers. However, her objection is to where the money is coming from and she thinks that is the bottom line. This money is coming from future infrastructure improvements where it is needed for the benefit of our community. She is a member of the Banning Economic Development Committee and as a member of that committee she received a copy of the Kossmont Report which the City paid a consultant to get an opinion of how we get new businesses to come to Banning and we all know that new business is new revenue for the City. This report stated numerous times that in order to get new business to come to town we need to upgrade our infrastructure, as well as, build infrastructure where there is none. This would provide incentive for new businesses to locate here. Where else are we going to get the money besides the water funds she doesn't know but she doesn't think it ought to come from the utilities? If we take the \$12 million dollars from the water, who is to say next year or a year down the road we have to raise the water rates to our members of the community which they truly cannot afford. She thinks that this City Council and our staff should be able to come up with a better alternative than to take the money from the water utility.

Mike Nava, Patrol Sergeant with the Banning Police Department addressed the Council stating that this city hall currently sits on what was once the employee parking for the Banning Police Department and Murray Street when it ran all the way across on to Ramsey. The old Banning Police Department where it sat was the old wood-framed Council Chambers and was used at the time as the Banning Police Department's Detective Bureau because he came here in 1979. He said that he worked out of that old detective bureau. The Banning Police Department was across the street where the Sheriff's Department SWAT Team is now and at that time they shared part of that with the Sheriff's Department and they ran that jail facility. He said he was here when city hall was located at Ramsey and Second Street and that building burned down and they moved down to the center next to Bank of America. They built this city hall where we are now and that is called progress. We knocked down the old structure for the detective bureau and they built what is now missing referred to as the old Banning Police Department. We outgrew it and it was poorly constructed to begin with and it leaked from day one and the back door which was coded never worked. Now they are in cramped quarters building that leaks, a back security door that falters periodically and we have to make sure and check that it is secured at times because people have walked in on them. One evening they caught an individual that was in and around their vehicles and that is not a secure area and not a secure facility for the employees. They are so cramped that they keep passing illnesses back and forth. Ventilation is poor, air-conditioners don't work half the time and there is not even a drinking fountain in there. They are spread

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over three different locations and that is ridiculous. He said show him a modern day police department that has spread themselves over three different locations; you are not going to find it. It is pitiful and the sad part about it is that you have the power tonight to vote for progress. A new police department is going to be progress for this city. Tonight you can stop it or let it continue. He said that he will not be here for that because he is retiring after 35 years with 29 and a half with the City of Banning. He said that he has seen progress but not to vote for this new police department would be stopping that. People in this city voted for you for the future hopefully and he knows that in their hearts and in their minds voting for this police department is the right thing to do but the question is are you strong enough to vote the right way.

Chris McCallum addressed the Council stating that he thinks that it is important that when you talk infrastructure to a city he thinks the police department is part of that infrastructure. We can talk about water and stuff but he would absolutely agree that you are in a tough position right now in that you have to make a big decision. The police department is essential for us as business owners to have a place where they can do their job correctly. We have entrusted them with our safety and protection and we have to give them the facilities to do their job. He said that he can remember fourteen years ago talking about the high school being in front of the Council back then that they wouldn't give him the time to talk about the infrastructure at the high school which to this day isn't completed. We want our kids to do whatever and the BPAL program is going on and he would much rather be talking to the Council about giving the BPAL program \$14 million to do what Doug Monte is doing but the reality is that the police department has to do their job and they have to have the tools to do their job. We also need water and that infrastructure is important and he doesn't know if there is a balance point here but he knows one thing is that he doesn't want to see in fourteen years that we are talking about the same issue about the police department because as a business owner he doesn't know how he is going to attract and do business in an area where they can't do their job. The Council has a tough decision and he hopes they make the right one.

A new officer for the City of Banning addressed the Council stating that she came here about eight months ago and was very hopeful when she chose this City as her new employer. She looked forward to this as an incentive when her Chief told her that down the road we are going to have a brand new facility to house our officers and she was very excited and looked forward to that in a City that appeared to take pride in its police department and how it functioned. She said that she wasn't going to make any comments but became frustrated. She said for example; imagine if you had to hold meetings from three different locations; how efficient would that be. How well could you work as a team? She said for example on a daily basis such as simple calls, paperwork, management, communications she has to go from the police department downtown to the opposite end of the city and back again and maybe back again to handle a call. To communicate with other members of her agency she has to drive across town. Everyone is talking about impact on the community and how efficient is it going to be for them to protect and serve the people of the community the way that they are functioning now. When she looked at moving to a city most people that she has spoken with look at their police department's and how safe the community is, if they have children and families do

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they want to move into that city, what is the crime like, how is the police department, how does it function, and where is it located. She said it was almost embarrassing when she describes where she works to fellow officers who work at other agencies and they are in disbelief that our police department is that separated from everybody else that they work with. She feels that the community members that she comes in contact with most of them are concerned about the safety of their community and neighborhoods and would probably be appalled to know how separate we are and how inefficient our department is ran and how the potential for efficiency could be with this. She knows that water is an issue and money is an issue and she understands that but ten years from now you want people and businesses to come into your community, you want families to come into your community but they won't do it if they don't feel safe here. Increased moral, better communications and just feeling that she can do her job to the best of her ability which she doesn't feel she can do now in a building she is housed in. She hopes the Council takes a step back and really thinks about the impact that this could have on the community, the officers, her fellow coworkers and the future of the Banning Police Department as a whole and where we are trying to go ten years from now.

Fred Sakurai addressed the Council stating that he and Charlene do not have the history that Sgt. Nava has because they have only been here five years but during that five years he thinks that they have seen the growth of downtown Banning, the evening activities, the daytime activities grow in a parallel line with the growth of the police department. And at this time we could get downtown Banning even growing steadier and safer with a new police station which will soon be surrounded by the County of Riverside's legal department, a new courthouse hopefully, larger post office and with a new police station at its core he thinks it will make Banning a much better and safer city.

Mayor Salas said over the last eight to ten years she has had the pleasure of watching this police department grow in leaps and bounds in a short time and for government to move fast in eight years is amazing. It has been instrumental to watch the visibility throughout the community groups and a new face has been put to that department through all the officers, men and women and it continues to grow in a positive way everyday. It is amazing the ideas and some of the programs that are being put together that are different than any other city in this county and she would say also in the State. She that our police department is infrastructure but in a different way; it is the backbone to our community and it is the very reason government was formed. Safety is one of the primary reasons why we have tax dollars and where we should be spending them and so many times we end up putting them into so many other things we don't have money for the basics and that is the key element to holding us together. We need to plan ahead and they shouldn't penalize our department. When we say something we need to follow through with it. When we give a promise and give our word we buckle down and find a way to do it and for years we have been saying we are going to do it now let's just get it done and in her opinion that is what they need to do. She thanked each and every one of the police officers for laying down their life for us every single day and everyday it gets harder. People from Los Angeles are moving out by the droves, house prices are going down even more so it creates a lot more crime element to come into our communities but they know not to step a foot into Banning now. There was a day when they didn't act like that

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and thought they could just run amuck here but no longer do you see things happening on the east side of town and you can actually walk by any time of day and feel safe or drive through. We are raising the bar across the board in the City not just in this area but in everything that we do and this will be just another example of how we can raise the bar and show all the other cities that Banning has come a long way and will continue to do so. She is proud of our city and loves our officers and the community and how we work together. This is just something tangible that will show them how serious we are.

Councilmember Machisic said that one of the comments that this gentleman made was that this is the company that has the low bid and it makes him feel that small companies can build big projects and the question is how you go from small to big unless you give them a chance. The other thing that we have is a legal opinion that supports us awarding the contract to this particular company and he feels comfortable with the legal opinion that they have received. Also, he thanked the two Council Members who served on the committee with Duane Burk and the Police Chief in going over these bids and he appreciates their support for the building itself. Also, Mr. Burk mentioned the swimming pool bid and we went out two or three times on that and the engineer's estimate was a couple of million dollars and when it came back three times in a row it was \$4 million dollars and we only had one bidder. He said that when they started this thing about four or five years ago forming the utility commission is that one of the things that we got money from electricity and water and wastewater and he said he was the person who posed the question to the staff that he didn't want to spend one penny on anything else except water and wastewater and you tell me everything you want that you need for long-range growth for the next 5 to 15 years and he was given a list as was the rest of the Council of the projects and they said fund them and there was money left over and the Council had an extensive discussion about soccer fields, police buildings and a number of things and the decision was made that we were going to go with a police building. We moved the Chamber of Commerce across the street and funded them. We tore down the police building, we moved the police department to two locations, we put utilities underground under the police building for the future building and then about nine months ago someone comes to them when they were doing capital funds and all of a sudden they raised the issue that they need a certain amount of millions of dollars and we had gone down this road a long way and then all of a sudden somebody said I need \$15 million dollars. Unfortunately, money is scarce and they had based their decision on what they thought at the time and proceeded for the best part of three years along this road and they only found out about this eight months ago. He said that his expectations of a police department are very high and he expects them to do a good job and they have done a good job. When you talk about wanting to do something downtown and why couldn't we get people downtown Fred Sakuari hit it on the head because they feel safe and comfortable. We had trouble getting people downtown but at the last activities that we have had we have a large number of people coming downtown and he thinks that they are gaining some confidence about coming down and he thinks that is important. The Council has also done other things such as facades, cooperatives and so on and he thinks that it is all kind of coming together. So a safe downtown is the result of the police department and all the men and women in it. Don't forget one of our main missions in

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this city is to provide a safe city. He said that he is supportive of putting up the police building.

Councilmember Hanna said that Ms. Barnes said where are we going to get money for our water utility and that is an important question. She knows that for our wastewater expansion we are looking for a low interest loan from the State of California which will help keep the cost and expense reduced to our residents and knows that they will make very effort to do the same with water to keep it low. It is a reality that our rates will go up over time but everyone's will. This shouldn't be shocking to anyone. The Council will do everything they can as a Council to run this efficiently at the lowest cost possible given the standards we want. But the police department is critical and she thinks the three of them that have been on the Council for the last four years would say with great pride that probably the biggest accomplishment that we have had is the improvement of the police department and we are very, very proud of them and that we can go forward and we can feel that our community has the highest regard for our police department. We were talking earlier about increased sources of revenue and we actually did a bond a number of years ago for additional police services and it lost and it lost because our community did not have confidence in our police department and there were also a number of other reasons. She thinks that our community does have confidence. She was asked why don't they use this money for police officers or cars, etc. and she thinks it is useful to say that our money comes in different buckets and this is one that must be used for construction. We can't use it for anything else and she thinks the Council's choice is to be to build a new police department. It is very hard for City Council's because there are so many different issues that come up that they are confronted with and they will always be criticized for any decision but the one thing they know going forward with this today they will have a visible result within 18 months that they can be proud of and the department will be proud of and that our community will be proud of and it will help in downtown revitalization as well.

Councilmember Botts said for the listening audience it is important to know that Councilmember Machisic and Councilmember Hanna that a previous Council said lets do this and you can argue that you got the right answer or didn't or whatever but we rely upon staff and you made a decision. As staff knows the bids came in at \$15 to \$17 million and the previous city manager asked for some help and Councilmember Hanna and himself volunteered and they spent a lot of time as Councilmembers and he was new on the Council and she was here when they voted for it originally but the bottom line to that was that they looked back and said a previous Council said we need to build this and here are all the reasons. He doesn't think that there is any debate about the need for the facility. But we and Council people can't say let's build it for \$15 or \$17 million dollars and Duane Burk knows that the catch phrase was that wasn't even all in costs; that was construction. They worked hard and agonized over it and said to staff and the previous Chief and the architects the Council said build it for \$14 million dollars and they are not going to decide what is going into that building just go back and build it for \$14 million. And the architects and the previous Chief and existing Chief did that and cut a whole section out of it thousands and thousands of square feet they were able to cut out because in some estimations maybe we were building for the ultimate build out of the city but

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they did cut back on that and yet he doesn't think anyone in this room would argue that we have a good size new police facility. But a lot of effort went into all of this to say are we really getting our bang for the buck. He said that he has agonized over this and has been a Council watcher for a number of years and with just eighteen months on the Council he believes that it doesn't have to be win/lose tonight. He thinks that they will find the money and they are already looking for the money to do the other projects the wastewater and the water. He said that he is of the mind that he certainly supports this tonight to move forward but that it isn't win/lose but that we will do it all and we must have the infrastructure but this is also an important infrastructure also. He wanted the taxpayers to know that he thinks they can do both.

Mayor Pro Tem Franklin said that she has made comments and she has talked to other people about this and the one thing that struck her tonight was the comment about the department as a utility and she hadn't thought of it as being part of our infrastructure. She thanked the police department and all of the men and women that serve but she doesn't think that what makes a department good is based on a building. She thinks it depends on good strong leadership. It depends on the dedication, the integrity of the officers that serve and she thinks that we already have that both in our men and women. She doesn't think that a building is really going to make a difference as to whether or not it is a good department because it is a good department and we don't have a good building right now. But when she looked at all the issues and has had several sleepless nights trying to decide the best thing do for our city because the bottom line is what do we do that is best for our city and she has looked at what has happened in the past and she knows that being in the audience today that the comments were made about where the money was going to go for the water department was a big disappointment to Council to find out that we don't have the money that we need for the water department afterwards. She doesn't want to prolong her comments but she wanted to say that part of her decision tonight is looking at what is best for the whole city and part of it is going to be a protest in not getting the correct information from staff in the past. She does support the police department and she is going to challenge staff next now to help us get the money that we need for water and also to public works not to need the contingency portion because that is almost a million dollars and that would help for the water department if we are able to hold our costs and be able to get what we need for both the department as well as the city.

Mayor Botts made a motion for approval.

City Attorney said that there were a couple of small changes to the resolution and these are for the record. The changes in the resolution are: on the seventh whereas clause it should read: "Whereas, Edge Development, Inc. submitted a letter *dated June 23, 2008* in protest of the decision to award the construction contract to Oakview Construction, Inc. and said letter was evaluated by the City of Banning's attorney who concluded *and responded by letter dated June 24, 2008 prior to the public hearing* that the items under protest were minor defects in Oakview Construction, Inc.'s bid package which, per the project specifications, can be disregarded by the City Council; and".... With regard to the resolution sections we need to add a new Section I and renumber the following sections. The new Section I should read: "*The City Council finds and determines that*

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deviations in the Oakview Construction, Inc.'s bid as identified by Edge Development, Inc. in its bid protest to be immaterial and rejects the bid protest."

Motion Botts/Machisic that the City Council adopt Resolution No. 2008-55 as amended by the City Attorney and I) Awarding the Construction Contract for Project No. 2006-07, Construction of the New Banning Police Station, to Oakview Construction, Inc. of Calimesa, California, in an amount "Not to Exceed" \$11,089,836.00, and II) Approving the Professional Services Agreement for Construction Inspection Services with A&E Inspection Services of Beaumont, California, in an amount "Not to Exceed" \$243,984.00, and III) Awarding Miscellaneous Construction Services, including soils and materials testing, to Landmark Geo-Engineers and Geologists, and surveying to HP Engineering, Inc., for a total amount "Not to Exceed" \$168,000.00, and IV) Approving an approximate 8% construction contingency in an amount of \$890,000.00 to be used in the event that additional work arises from unforeseen conditions, and V) Authorizing the appropriation of \$12,391,820.00 from BUA funds to Account No. 470-2200-413-9010 and authorizing the Director of Finance to make the necessary budget adjustments related to these funds. Motion carried, all in favor.

Motion Botts/Hanna to continued the meeting past 10:00 p.m. Motion carried, all in favor.

There was some discussion regarding deferring some items and the agenda being too long and it is happening all the time.

2. Fire Hazard Severity Zone Determinations for the City of Banning.
(Ted Yarbrough, Fire Marshal/Emergency Services Coordinator)

Fire Marshal said that this item could be deferred to the City Council meeting of July 8, 2008.

Mayor Salas recessed the regular City Council meeting and called to order a Joint Meeting of the City Council, Banning Utility Authority and the Community Redevelopment Agency.

A. REPORTS OF OFFICERS

- A-1. Recommendation to Adopt Three Resolutions (1) Adopting the City's Annual Budgets for the Fiscal Period 2008-09, (2) Adopting the Fiscal Year 2008-09 Gann Limit Calculation and (3) Adopting the Utility Authority's Annual Budget for the Fiscal Period 2008-09.
(Staff Report – Bonnie Johnson, Finance Director)

Finance Director gave her staff report as contained in the agenda packet. She said that this was the same budget that was submitted to the Council during the June 11th workshop. There have been no modifications made to the budget. The resolution to be adopted incorporates the budget committee recommendations.

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Mayor Pro Tem Franklin said that in looking at the documents in regards to Redevelopment Agency it includes the Art Alliance request for \$171,000 and she would like to remove that part of it and have that go through the City Manager before we talk about approving that mainly because we did talk at the meeting we had in talking about the budget that we wanted every community organization that comes forward to the Council to submit some additional information and she doesn't feel that the information they received the night of the presentation from the Art Alliance was sufficient in giving a full financial statement and a full business plan and to address those questions we said we were going to start asking.

Councilmember Botts said it is his understanding that they have been meeting with the City Manager off and on for he doesn't know how long and the City Manager suggested putting this in the budget in this fashion. We have seen their financials.

Councilmember Hanna said that it still has to come back to the Council. This is not approval of the program; it is just in the budget. Mayor Pro Tem Franklin said that is what she wants to be sure of.

Finance Director said that was correct. She said what she has done with this was to include the appropriation into the budget and certainly the Council as the Redevelopment Board can request that the Alliance come back with further information and actually look at the programs that the Alliance plans to do and look at that in further detail. This is an appropriation for one year 2008/09 and beyond that this budget does not cover that. There is no information contained in here that ties you to anything that is multi-year or even single year at this point.

Mayor Salas opened the item for public comments.

Charlene Sakurai addressed the Council stating that a question came up last time having to do with the gallery sale and if it goes through escrow and we subsequently lease it would the rent payments back to the City come out of that fund and the answer is no. That has been adjusted and she thinks that Carol Newkirk turned that into Bonnie and what had initially been put in there as rent has been put into a youth program. So the monies that they would pay in rent would come out of totally different funding. She thinks that really needed to be cleared up and it was a valid question and it was rectified by the next morning. She said that concern has been taken care of.

Councilmember Machisic said he brought up that point about an interest rate and someone was going to study it. The interest rate in the proposed document is 7.5%.

Councilmember Botts said that was a separate issue. This was the operating funds as distinguished from purchase of the building.

Finance Director said that these are the operating funds for the program. Staff has already taken care of the interest rate issue that you brought up.

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Councilmember Machisic said that we have funded the program for the past two and half years and one of the things he spoke to them is that at some point in time they need to begin getting some private donations. He thinks that in regards to the City he thinks it is appropriate that we provide them with the initial money and get them started but after a point of time he thinks that they need to start soliciting private funds of some kind.

Charlene Sakurai said that his point is very well taken and at their past board meetings and executive committee meetings this is exactly what they have been talking about. They have a sponsorship program in creation right now so that they can go after sponsors for their big events. They are working with the University of Redlands with their School of Business and their students are coming in to help them with business plans and also to identify potential grant monies from foundations and corporations. She thinks that will help them a lot.

Karen Clavelot, President of the Alliance addressed the Council stating that when they started the Banning Cultural Alliance they had big plans and she thinks that they are fulfilling the plans and the things that you as a Council would like us to do for the City of Banning. They are facilitating organizations working together which hasn't happened for a long time, they are doing events downtown, they are bringing people downtown and she thinks that they are doing a very good job.

Mayor Salas closed the item for public comments.

Councilmember Botts thanked the staff for their hard work on the budgeting process and he knows that the Council presses hard and he has pressed hard in saying that we need to reduce expenses and reduce costs and you have certainly frozen some positions and taken a look of what we can before we go to the people and ask them to tax themselves. He thanked Councilmembers Hanna and Franklin for the extra time and effort in working on the budget.

Motion Botts/Franklin to adopt 1) Resolution No. 2008-82, Approving the Annual budget for the Fiscal Period July 1, 2008 to June 30, 2009; 2) adopt Resolution No. 2008-83, Approving the Fiscal Year 2008-09 Gann Limit Calculation; and 3) That the Banning Utility Authority Board adopt Resolution No. 2008-03UA, Approving the Annual Budget for the Fiscal; and 4) that the Agency Board adopt CRA Resolution No. 2008-08, Authorizing the adoption of the Annual Budget for the Fiscal Year July 1, 2008 to June 30, 2009. Motion carried, all in favor.

Mayor Salas adjourned the Joint Meeting of the City Council, Banning Utility Authority and Community Redevelopment Agency.

Mayor Salas called to order the Joint Meeting of the City Council and the Community Redevelopment Agency.

CONSENT ITEMS

1. Approval of Minutes – Regular Meeting – 05/27/08

EXHIBIT D

Recommendation: That the minutes of the Regular Meeting of May 27, 2008 be approved.

2. City Council and Agency Board adopt the 2008-09 Cooperative and Repayment Agreement Between the City of Banning and the Banning Redevelopment Agency for the Payment of Administrative Expenses.

Recommendation: That the City Council and the Community Redevelopment Agency adopt the 2008-2009 Cooperative and Repayment Agreement between the City of Banning and the Redevelopment Agency.

3. City Council adopt Resolution No. 2008-85 and Agency Board adopt CRA Resolution No. 2008-10, Approving a Loan and Repayment Between the City and the Redevelopment Agency to Facilitate the Funding of Redevelopment Capital Projects.

Recommendation: That the City Council adopt Resolution No. 2008-85 and the Redevelopment Agency Board adopt CRA Resolution No. 2008-10, Approving a Loan and Repayment Between the City and the Redevelopment Agency to Facilitate the Funding of Redevelopment Capital Projects.

4. City Council adopt Resolution No. 2008-80 and Agency Board adopt CRA Resolution No. 2008-11, Awarding the Construction Contract for Project No. 2008-05, Removal of an Underground Storage Tank and Appurtenances at 311 E. Ramsey Street to West Tek, Inc. of Spring Valley, CA for an amount not to Exceed \$66,000.00, which includes an approximate 10% Construction contingency.

Recommendation: That the City Council adopt Resolution No. 2008-80 and the Redevelopment Agency Board adopt CRA Resolution No. 2008-11, Awarding the Construction Contract for Project No. 2008-05, Removal of an Underground Storage Tank and Appurtenances at 311 E. Ramsey Street to West Tek, Inc. of Spring Valley, CA for an amount Not to Exceed \$66,000.00, which includes an approximate 10% Construction contingency; and Authorizing the appropriation of \$66,000.00 from 2007 Tax Allocation Bond Proceeds to Account No. 855-9500-490.90-01 and authorizing the Director of Finance to make the necessary budget adjustments related to these funds.

Motion Hanna/Machisic to approve Consent Items 1 through 4. Mayor Salas opened the item for public comments. There were none. **Motion carried, all in favor.**

DIRECTOR'S REPORT

1. Review and Approval of Fixed Based Operator Services

This item was deferred to the City Council meeting of July 8, 2008.

EXHIBIT D

Councilman Machisic asked that the Morongo Tribe be informed any time this item is on the agenda so if they wish to send a representative they can do so.

Mayor Salas adjourned the Joint Meeting of City Council and the Community Redevelopment Agency and reconvened the regular meeting of the City Council.

ITEMS FOR FUTURE AGENDAS

New Items –

Mayor Pro Tem Franklin said for a future meeting she would like to suggest that they have a workshop between now and July 15th for Council to meet with staff to finish our vision statement and time permitting, to talk about where we want to go with the RDA dollars because we started it and it was not finished. **Consensus on meeting (Saturday) August 2nd at 9 a.m. until finished.**

Finance Director said that there will be City Attorney interviews on July 18th starting at 4:00 p.m. (6 firms). Councilmember Hanna asked who would develop the questions. Finance Director said that staff would be happy to develop some questions and they can be circulated to Council and Council can add to them.

Mayor Salas would like the Council to attend a presentation at the Moonlight Amphitheater and wanted to invite the City Council, City Manager and leaders in the community to take a look at what Vista Moonlight Amphitheater has done with their park and maybe we could take a look for ours here. They have theater productions in July and August. She also wanted to invite the Arts Group as well. This would also probably have to be noticed as a road trip. **There was consensus to attend on August 8th.**

Mayor Salas said in regards to an ordinance regarding foreclosed housing and bank owned property she would like on pending item. City Attorney said they have that prepared and would go to Planning.

Mayor Salas would like some certificates to the participants who were 1st, 2nd and 3rd in the Battle of the Bands, also a proclamation for Bud Mathewson.

Mayor Pro Tem Franklin would like to find out what is going on with the water master plan and is something being done to update it. George Thacker asked if that was the Urban Water Master Plan and said that won't be due until 2010.

Councilmember Hanna said but we are saying that no new development can occur until that is in place so they think it needs to be done before 2010.

Mayor Salas asked for a memo to the Council on this issue.

EXHIBIT D

Councilmember Hanna said she would like to get an ordinance for smoke free parks. That all city parks be smoke free for our children. Many cities and the counties are doing it. **There was consensus on considering such an ordinance.**

Pending Items –

1. Annual Review of General Plan (*Hanna- 10/9/07*) (*Comm. Dev.*) (*ETA 7/22/08*)
2. Schedule Meeting with the Beaumont City Council (*Salas- 11/27/07*) (*City Mgr.*)
3. Schedule Special Jt. Meeting the Banning Unified School District Board – (*Botts – 11/27/07*) (*City Mgr.*)
4. Schedule Special Jt. Meetings with the City's Various Committees (Planning Commission, Economic Development Committee, and Parks & Recreation) – (*Franklin – 11/27/07*)
5. Review of Development Fees (*Hanna – 12/11/07*) (*Johnson*) (*ETA 6/08*)

FUTURE MEETINGS

1. Joint Meeting of the City Council and the Morongo Band of Mission Indians to be held on June 30, 2008 at 5:30 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 10:42 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

Record Gazette, Letters to the Editor

August 20, 2010

Why I oppose water hike

To the editor,

When I was elected to the Banning City Council almost four years ago, the decision to build the police station with water bond funds had already been made. There was no way to change that decision without costing the city a great deal of money.

I opposed the water rate increase as presented because it will create a hardship for many Banning residents. I believe there are other options, which have not been completely explored. An example is the lack of researching and applying for grant and/or American Reinvestment and Recovery Act (ARRA) funds for water capital improvement projects. I have previously requested several times in council sessions without support from the majority of the council, and in one-on-one sessions with staff that this option be explored. Our city should be in a survival mode and should not spend any monies that are not for emergency purposes until we have secured additional revenue sources.

Over time, the majority of council members have voted again and again to use city money for special projects that benefit a few. The Record Gazette has reported correctly that I have opposed those expenditures that do not benefit everyone. I have and will continue to vote on issues based on the needs of our community. That is why I did vote against buying the Art Gallery, funding Haven, putting additional dollars in the Fox Theater, and giving monies to local agencies after laying off employees. The grand jury investigation recommended that the council stop funding organizations that cannot or will not account for the funds that they have been given. The council majority voted to disregard the grand jury findings. I supported and voted for the grand jury findings. I have stated all along that we must take seriously the grand jury recommendations which were the result of a thorough, independent investigation.

I want to continue to increase business in Banning and improve the way we do business in the City Council without putting sudden huge costs on the public.

Debbie Franklin,
City Council member, Banning

EXHIBIT D

PLAN OF FINANCE

Water Bonds

On or after the Closing Date, the proceeds from the sale of the Water Bonds will be applied as follows:

(i) *Water Project Fund.* A portion of the proceeds of the Water Bonds will be deposited into the Water Project Fund for use as follows:

- a. In connection with the Water CIP described herein, or other capital projects of the Water Enterprise;
- b. The amount of \$17,000,000 will transferred as an initial up-front lease payment to the City under the Water Lease. Said amount will be used to finance certain public capital improvements including, but not limited to the following: (A) construction of a new two-story police facility anticipated to consist of approximately 41,306 square feet of space and 53 secure parking spaces; (B) completion of a public swimming pool anticipated to have a bather capacity of 254 people to be located within Repllier Park and to be owned and operated by the City; (C) construction of a one-stop permitting center consisting of the rehabilitation and retrofit of an existing City-owned structure to construct new office space and meeting rooms to house the City's development related functions; (D) construction of a concrete, open air, lighted public skating park with a skating surface anticipated to be approximately 10,000 square feet which is to be owned by the City; and (E) upgrading and replacement of certain air conditioning units at City Hall;

(ii) *Defeasance of 1986 Certificates.* A portion of the proceeds of the Water Bonds in the amount of \$2,189,246.50 will be used, together with funds currently held by the 1986 Trustee (as defined below), to defease the City's installment payment obligations relating to the City's \$4,055,000 Certificates of Participation (Water System Improvement Project) currently outstanding in the aggregate principal amount of \$2,475,000 (the "1986 Certificates"). The Authority will direct U.S. Bank National Association, in its capacity as trustee for the 1986 Certificates (the "1986 Trustee") to establish an Escrow Fund (the "1986 Certificates Escrow Fund") to be held by the 1986 Trustee in trust as an irrevocable escrow securing the payment of the 1986 Certificates and the City's obligations with respect thereto. Amounts on deposit in the 1986 Certificates Escrow Fund will be used to purchase certain governmental obligations, the principal of and interest on which, together with amounts held as cash in the 1986 Certificates Escrow Fund, if any, will be sufficient to prepay the outstanding 1986 Certificates on May 1, 2006 at a prepayment price of 100% of the purchase amount represented thereby plus interest accrued with respect thereto, without premium. Upon such deposit, the 1986 Certificates will no longer be deemed to be outstanding and the City's obligation to make installment payments under that certain Installment Sale Agreement dated as of November 1, 1986, and relating to the 1986 Certificates, will be discharged. All cash and governmental obligations in the Escrow Fund will be irrevocably pledged as a special fund for the payment of the principal and interest represented by the 1986 Certificates in accordance with the documents under which the 1986 Certificates were delivered. The sufficiency of the deposits and investment earnings for those purposes will be verified by a verification agent to be selected by the Authority. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" below.

(iii) *Defeasance of 1989 Water Certificates.* A portion of the proceeds of the Water Bonds in the amount of \$1,989,364.91 will be used, together with funds currently held by the 1989 Trustee (as defined below), to defease the City's installment payment obligations relating to the City's \$2,585,000 Certificates of Participation (Water System Improvement Project) currently outstanding in the aggregate principal amount of \$1,890,000 (the "1989 Water Certificates"). The Authority will direct U.S. Bank

EXHIBIT E

Received 8/22/17



To: Members of Banning City Council

From: Dorothy Familetti-McLean

Re: Raising water rates 8/22/17

Good evening Mayor and Council Members:

Today's Press Enterprise states that this meeting is starting at 6 p.m. Someone ought to clue them in...

It also states that, "Customers are facing a significant price increase because of major projects that need to be completed and the fact that rates were lowered in 2010.

To begin with, in numerous decisions, the council has voted on several projects that have cost the city money or just sold properties for less than their value.

The Banning Business Center is a bust with vagrants living there and burning up the place. How much did we lose on that project? The police station used water bond money to build an extravagant complex, that, for several years was not even open to the public on a daily basis. The court house property was sold at a lower price to entice those in charge to build here. The court house has not brought much business to our town. The property sold to Pearlman was at a loss to us, and is still a loss b/c we have to sell it and give them the profits. A fully furnished exercise room was added to the remodeling of the facilities on Lincoln St. without the complete council's knowledge.

EXHIBIT E

One could ask...Just who is the council representing? It does not appear that it is the public.

A few months ago, the hot topic was electric bills, with bills being generated for 32, 33, 34 days. People complained b/c their bills in some cases were outrageous, and in many rising to the next tier.

Now we have water rates that will go up. Many in our town cannot afford that. The paper states that rates would go up about \$4 per month in this year and \$5 the following months, with more increases through 2023. The key word here is “about”. Who knows what that means.

It is recommended that the council get back to doing what is best for the public, spending wisely, and not throwing away our money and then asking for it back in water/and or electric rate hikes.

Thank you.

EXHIBIT F

Received 8/22/17


**BONNIE HUXLEY
344 W. KING ST.
BANNING, CALIFORNIA 92220**

August 22, 2017

951-797-3989

TO: City of Banning Ca. Council Members:

Mayor George Moyer , Mayor Pro Tem, Debbie Franklin, Councilmember Art Welch, Councilmember Daniela Andrade, Councilmember Don M. Peterson

**RE:Proposed increases of water rates for the city of
Banning, California**

I am opposed to any increases in the water rates for the city of Banning, California. The significant water rate increases proposed by the City Council is not financially viable for the Citizens living in the city of Banning, California.

The city is made up of many people living at poverty level, retirees, on fixed incomes, low wages, some with good wages and some wealthy. However, high gas prices, high taxes for Banning property, continued increases in taxes by the state and City of Banning has made it difficult for residents to pay their obligations.

If the residents had a very low water bill of \$20.94 per month for one household , at a rate increase of \$4.00 this current year. That is about a 20% increase in the water bill. For the next two years at \$5.00 increase that would be still be about a 20% increase the third year and more for the fourth year. And as you stated in the Newspaper article, it would keep going up. How do you think the residents of this city will be paying their bills? I think it is an unjust tax/fee burden for the residents of Banning.

True, the water system needs to be fixed so the water is safe for drinking, cooking and other household needs. However, it is not the residents of this city that is at fault, that we have an unacceptable Chromium- 6 reading for drinking water.

EXHIBIT F

The citizens of the town have been paying for water that is unfit for humans to drink. We should be getting a refund .

There should be programs and grants to help replace the water districts current outdated methods and outdated plants or machinery.

I would like a public accounting of all the upgrades and efforts put into the Banning Water Department to help clean up the water , I would like the last ten(10) years information. this did not happen overnight. I would also like to know the amount of money spent in the above efforts, for the last ten (10) years.

There are many people ill in this area. There are many with cancer, which is a lifetime illness. This should not have to be happening in Banning. This should be a major concern to the City Council and the City of Banning.

I most sincerely hope you will take this letter serious, Banning needs to try and help the people of Banning not burdening them down with taxes and fees. That is the easy way out for the City of Banning. But not for the people of Banning.

This letter is to be filed with the City of Banning concerning the water, and to be considered in deciding whether to raise the water rates for Banning water.

City Resident,



Bonnie Huxley

EXHIBIT G

Received 8/22/17


WATER QUESTIONS

1. Prior History:
 - A. Were we running a deficit before? What is the history of our water revenue?
 2. How is End of Year Cash computed?
 3. You have listed O&M. Should not pipe replacement have been in OO&M all these years?
 4. What is Transfer Out?
 5. Document shows Revenue increase due to increased rates. How much decrease in water consumption incorporated in this figure?
 6. Why does debt service increase? Was the bond designed to hide the cost of the bond until much later?

WASTEWATER CAPITAL IMPROVEMENT BUDGET

1. Why is digester repair not under Maintenance budget?
2. Why is Boiler control valve repair not under Manteca budget?
3. Vactor Truck - do we have one now? If so why is its replacement not under Maintenance.
4. Similarly, sewer line replacement
5. What is WWPT Expansion. Should new developments pay for this?
6. What are the capacity projects? Are they for new developments? If so, does not the developer pay for them?

WATER CAPITAL IMPROVEMENT PROJECTS

1. Automatic meter reading
4.56 MILLION!! What a saving!
2. Chromium 6 Treatment
\$31.25 MILLION! We have no idea what is required. Why is it in the budget?
3. Pilot well in Cabazon - \$1.5 Million. Is this not pure Chromium free water? Why both this and other chromium cost item.
4. Flume consultant costs \$600,000
Don't you love throwing money at consultants. Where re we that another consultant will get us to the finish line?
5. New Reservoir \$4.93 Million. 6. Why do we need this. Is it for new construction?
6. Fire flow improvement \$10 trillion. Please explain why this is needed so rapidly.
7. New well for Main Zone Supply. \$4.14 Million. Please explain why this

is needed.

8. Pipe Replacement Program

The Council was given a report by Art Villa showing the age of the water pipes in Banning, and a schedule of needed replacements. Why was this not given to the Council 10 years go, and why did the council not ask for one? Why suddenly, this year this is sprung on the city as an impossible demand? And why not have this in the agenda packet?

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ORDINANCE 1510

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING A CATEGORICAL EXEMPTION AND APPROVING ZONING TEXT AMENDMENT 17-97502 AMENDING VARIOUS SECTIONS OF THE ZONING ORDINANCE (TITLE 17 OF THE BANNING MUNICIPAL CODE) TO PROVIDE CONSISTENCY AND CLARIFICATIONS WITHIN THE TEXT

WHEREAS, on February 14, 2006, the City Council of the City of Banning adopted Ordinance 1339 approving Zone Change 03-3501 repealing the existing zoning ordinance and adopting the new Zoning Ordinance; and

WHEREAS, a review of the existing Zoning Ordinance text reveals certain inconsistencies within the text, conflicting information between sections, and a need for clarifications; and

WHEREAS, the City Council has authority per Chapter 17.116 (Zoning Ordinance Amendments) of the City of Banning Municipal Code to approve, approve with modifications, or disapprove amendments to the Zoning Ordinance; and

WHEREAS, on August 2, 2017, during a duly advertised public hearing, the Planning Commission adopted Resolution 2017-14 recommending to the City Council the adoption of Ordinance 1510 approving the Categorical Exemption and Zoning Text Amendment 17-97502; and

WHEREAS, on the 11thth day of August 2017 the City gave public notice as required under Chapter 17.68 (Hearings and Appeals) of the City of Banning Municipal Code by advertising in the Record Gazette newspaper of the holding of a public hearing at which the Categorical Exemption and Zoning Text Amendment would be considered; and

WHEREAS, on the 22nd day of August, 2017 the City Council held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to the proposed amendments, and at which time the City Council considered the Categorical Exemption and Zoning Text Amendment 17-97502; and

WHEREAS, at this public hearing on the 22nd day of August 2017 the City Council considered and heard public comments on the proposed Categorical Exemption and Zoning Text Amendment; and

WHEREAS, the City Council has carefully considered all pertinent documents and the staff report offered in this case as presented at the public hearing held on the 22nd day of August, 2017;

NOW THEREFORE, BE IT HEREBY ORDAINED by the City Council of the City of Banning as follows:

SECTION 1. ENVIRONMENTAL.

California Environmental Quality Act (CEQA)

In accordance with the requirements of the California Environmental Quality Act (CEQA), the City Council has analyzed proposed Zoning Text Amendment 17-97502 and has determined that it is Categorically Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA. The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Therefore, it can be seen with certainty that there is no possibility that Zoning Text Amendment 17-97502 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Multiple Species Habitat Conservation Plan (MSHCP)

The amendments to the Zoning Ordinance do not relate to any one physical project and are not subject to the MSHCP. Further, projects that may be subject to this Ordinance will trigger individual project analysis and documentation related to the requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

SECTION 2. REQUIRED FINDINGS.

The California Government Code and Section 17.116.050 (Findings) of the City of Banning Municipal Code require that Zoning Text Amendments meet certain findings prior to the approval by the City Council. The following findings are provided in support of the approval of the Zoning Text Amendment 17-97502.

Finding No. 1: Proposed Zoning Text Amendment 17-97502 is consistent with the goals and policies of the General Plan.

Findings of Fact: Proposed Zoning Text Amendment 17-97502 is consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations within the City will not change, and the text amendments will result in clarifying the implementation of the goals, policies and programs of the General Plan. The primary General Plan Land Use Goals state *“A balanced, well planned community including businesses which provides a functional pattern of land uses and enhances the quality of life for all Banning residents”* and *“Preserve and enhance the City’s Neighborhoods.”* The

proposed amendments are intended to establish consistency between regulations within the Zoning Ordinance.

Finding No. 2: Proposed Zoning Text Amendment 17-97502 is internally consistent with the Zoning Ordinance.

Findings of Fact: Proposed Zone Text Amendment 17-97502 is consistent with the existing provisions and intent of the Zoning Ordinance. The proposed amendment to Table 17.08.020 (Permitted, Conditional and Prohibited Residential Uses) is intended to establish a consistency so that existing single family dwellings in the MDR can be utilized even if discontinued for six months or more, consistent with the ability to rebuild such structures if they were destroyed. The proposed amendment to Section 17.08.110 would allow existing single family dwellings less than 1,200 square feet to be reoccupied even if discontinued for six months or more, consistent with the ability to rebuild such structures if they were destroyed. The proposed amendment to Table 17.08.050 (Accessory Structures) will address missing text that was inadvertently deleted. The proposed amendment to Chapter 17.88 (Non-conforming Structures and Non-conforming Uses) is to establish consistency with 17.08.030 with respect to development of substandard lots. The proposed amendment to 17.08.030 Residential Development Standards would create consistency between multi-family development (where allowed) and single family development within the same zoning district for the High Density Residential zoning districts and would not increase densities or numbers of units allowed. The proposed amendment to Table 17.12.020 (Permitted, Conditional and Prohibited Commercial and Industrial Uses) would allow mixed residential/commercial uses that are legal and nonconforming only with respect to Conditional Use Permits to be reoccupied as long as they meet/are consistent with other zoning requirements. The proposed amendments to 17.32 Landscaping Standards and 17.68.140 Reconsideration will correct typographical errors. Therefore, the proposed zone text amendments will eliminate inconsistencies within the Zoning Ordinance.

Finding No. 3: The City Council has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact: In accordance with the requirements of the California Environmental Quality Act (CEQA), the City Council has analyzed proposed Zoning Text Amendment 17-97502 and has determined that it is Categorically Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. *Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA.* The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Therefore, it can be seen with certainty that there is no possibility that Zoning Text Amendment 17-97502 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

SECTION 3. CITY COUNCIL ACTION.

The City Council hereby takes the following actions:

1. **Adoption of Categorical Exemption.** In accordance with Public Resources Code Section 21006 and CEQA Guidelines Section 15061 the City Council hereby adopts the Categorical Exemption prepared pursuant to CEQA Guidelines Section 15061(b)(3) for Zoning Text Amendment 17-97502.
2. **Approve Zoning Text Amendment 17-97502 as follows:**

Amend Table 17.08.020 *Permitted, Conditional and Prohibited Residential Uses* as follows:

	R/A	R/A/H	RR	RR/H	VLDR	LDR	MDR	HDR*	MHP
Single Family Dwelling	P	P	P	P	P	P	<u>C-P</u>	C	X

Amend Section 17.08.110 *Minimum dwelling size standards* as follows:

- A. For new single family homes, minimum livable area in square feet shall be 1,200 square feet.

Amend 17.08.050 Accessory Structures as follows:

Accessory structures in residential zoning districts shall be compatible with the materials and architecture of the primary dwelling of the property. Accessory structures may only be constructed on a lot containing a main dwelling unit. Accessory structures may be built to within 5 feet of the interior side and rear property lines as long as these structures are not closer than 10 feet to any other structure.

~~Building Code regulations may further restrict the distance to be maintained from property lines or other structures. The accessory structure may be a maximum of 50% of the footprint of the primary structure, and may be the same height as the principal structure. Second units are not considered accessory structures, and have specific development standards enumerated in Section 17.08.100.~~

Amend Chapter 17.88 Non-conforming Structures and Non-conforming Uses to add:

17.88.080 Nonconforming Lots. Any lawfully created lot that becomes nonconforming with regard to lot area, lot width, or lot depth may be developed for a structure that would otherwise be allowed in that zone as long as all development standards are met with the exception of lot size or dimension, or a variance is obtained for any standards that cannot be achieved.

Amend Table 17.08.030 *Residential Development Standards* as follows:

	R/A	R/A/H	RR	RR/H	VLDR	LDR	MDR	HDR *	MHP
Min. Lot Size (Ac. or s.f.) Single Family Lot ^{3,4}	10 Ac.	10 Ac.	40,000 s.f.	40,000 s.f.	20,000 s.f.	7,000 s.f. or suffix.	<u>7,000</u> 5,000	7,000	N/A
Min. Lot Size (Ac.) Multi-Family Units	N/A	N/A	N/A	N/A	N/A	2 Ac.	2 Ac.	2 Ac. 7,000	2 Ac. N/A

Amend Table 17.12.020, *Permitted, Conditional and Prohibited Commercial and Industrial Uses* as follows:

Zone	DC	GC	HSC	PO	I	AI	BP	IMR
Mixed-use, residential/commercial ⁷	P	P	C	C	X	C	C	X

⁷ Existing mixed residential/commercial uses that are legal and nonconforming with respect to Conditional Use Permits may be reoccupied.

Amend 17.32 *Landscaping Standards*, as follows:

Article IV III
Landscape Design Guidelines
17.32.140 Purpose
17.32.150 Applicability
17.32.160 General Guidelines

Amend 17.68.140, as follows:

17.68.140- Reconsideration.

If more complete or additional facts or information, which may affect the original action taken on an application by a review authority are presented, the review authority may reconsider such action taken, if a request for reconsideration is filed with the Department within 15 days following the final date of action. If a public hearing was required in the original review process, another public notice as specified in Section 17.68.020 shall be made prior to the reconsideration of the review authority, and all costs associated with the reconsideration shall be paid by the applicant.

SECTION 4. SEVERABILITY.

If any section, subsection, sentence, clause, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council of the City of Banning hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. PUBLICATION; EFFECTIVE DATE.

The City Clerk shall certify to the passage and adoption of this ordinance, and shall make a minute of the passage and adoption thereof in the records of and the proceedings of the City Council at which the same is passed and adopted. This ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) days after its final passage, the City Clerk shall cause it to be published in a newspaper of general circulation and shall post the same at City Hall, 99 E. Ramsey Street, Banning, California.

PASSED, APPROVED, AND ADOPTED this 11th day of September, 2017.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLP

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that Ordinance 1510 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 22nd day of August, 2017, and was duly adopted at a regular meeting of said City Council on the 11th day of September, 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ORDINANCE NO. 1514

AN ORDINANCE OF THE CITY OF BANNING AMENDING AND SUPERSEDING ORDINANCE NO. 1344 TO UPDATE PARTICIPATION IN THE WESTERN RIVERSIDE COUNTY TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) PROGRAM

The City Council of the City of Banning, California "(City)" ordains as follows:

Section 1. Title.

This Ordinance shall be known as the "Western Riverside County Transportation Uniform Mitigation Fee Program Ordinance of 2017" ("Ordinance").

Section 2. Findings.

A. The City is a member agency of the Western Riverside Council of Governments ("WRCOG"), a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. Acting in concert, the WRCOG Member Agencies developed a plan whereby the shortfall in funds needed to enlarge the capacity of the Regional System of Highways and Arterials in Western Riverside County (the "Regional System") could be made up in part by a Transportation Uniform Mitigation Fee ("TUMF") on future residential, commercial and industrial development. A map depicting the boundaries of Western Riverside County and the Regional System is attached here as Exhibit "A" and incorporated herein. As a Member Agency of WRCOG and as a TUMF Participating Jurisdiction, the City participated in the preparation of a certain "Western Riverside County Transportation Uniform Fee Nexus Study," dated October 18, 2002 (the "2002 Nexus Study") prepared in compliance with the Mitigation Fee Act (Gov. Code §§ 66000 *et seq.*) and adopted by the WRCOG Executive Committee. Based on the 2002 Nexus Study, the City adopted and implemented an ordinance, Ordinance 1344, authorizing the City's participation in a TUMF Program.

B. WRCOG, with the assistance of TUMF Participating Jurisdictions, has prepared an updated nexus study entitled "Transportation Uniform Mitigation Fee Nexus Study: 2016 Update" ("2016 Nexus Study") pursuant to California Government Code sections 66000 *et seq.* ("the Mitigation Fee Act"), for the purpose of updating the fees. On July 10, 2017, the WRCOG Executive Committee reviewed the 2016 Nexus Study and TUMF Program and recommended TUMF Participating Jurisdictions amend their applicable TUMF ordinances to reflect changes in the TUMF network and the cost of construction in order to update the TUMF Program.

C. Consistent with its previous findings made in the adoption of Ordinance No. 1344, the City Council has been informed and advised, and hereby finds, that if the capacity of the Regional System is not enlarged and unless development contributes to the cost of improving the Regional System, the result will be substantial traffic congestion in all parts of Western Riverside County, with unacceptable Levels of Service. Furthermore, the failure to mitigate growing traffic impacts on the Regional System will substantially impair

the ability of public safety services (police and fire) to respond and, thus, adversely affect the public health, safety and welfare. Therefore, continuation of a TUMF Program is essential.

D. The City Council finds and determines that there is a reasonable and rational relationship between the use of the TUMF and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and non-residential users of the development in which the TUMF will be levied.

E. The City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the Regional System and the type of development projects on which the TUMF is imposed because it will be necessary for the residential and non-residential users of such projects to have access to the Regional system. Such development will benefit from the Regional System improvements and the burden of such developments will be mitigated in part by payment of the TUMF.

F. The City Council finds and determines that the cost estimates set forth in the new 2016 Nexus Study are reasonable cost estimates for constructing the Regional System improvements and the facilities that compromise the Regional System, and that the amount of the TUMF expected to be generated by new development will not exceed the total fair share cost to such development.

G. The fees collected pursuant to this Ordinance shall be used to help pay for the design, planning, construction of and real acquisition for the Regional System improvements and its facilities as identified in the 2016 Nexus Study. The need for the improvements and facilities is related to new development because such development results in additional traffic and creates the demand for the improvements.

H. By notice duly given and published, the City Council set the time and place for a public hearing on the 2016 Nexus Study and the fees proposed thereunder and at least ten (10) days prior to this hearing, the City Council made the 2016 Nexus Study available to the public.

I. At the time and place set for the hearing, the City Council duly considered data and information provided by the public relative to the cost of the improvements and facilities for which the fees are proposed and all other comments, whether written or oral, submitted prior to the conclusion of the hearing.

J. The City Council finds that the 2016 Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements and facilities to the Regional system.

K. The City Council hereby adopts the 2016 Nexus Study and its findings. The 2016 Nexus Study is attached and incorporated herein as Exhibit "B."

L. The City Council hereby adopts this Ordinance to amend and supersede the provisions of Ordinance No. 1344.

Section 3. Definitions.

For the purpose of this Ordinance, the following words, terms and phrases shall have the following meanings:

A. **“Class ‘A’ Office”** means an office building that is typically characterized by high quality design, use of high end building materials, state of the art technology for voice and data, on-site support services/maintenance, and often includes full service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class ‘A’ Office shall be as follows: (i) minimum of three stories (exception will be made for March JPA, where height requirements exist); (ii) minimum of 10,000 square feet per floor; (iii) steel frame construction; (iv) central, interior lobby; and (v) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/ exits for commercial uses within the building.

B. **“Class ‘B’ Office”** means an office building that is typically characterized by high quality design, use of high end building materials, state of the art technology for voice and data, on-site support services/maintenance, and often includes full service ancillary uses such as, but not limited to a bank, restaurant/office coffee shop, health club, printing shop, and reserved parking. The minimum requirements of an office building classified as Class ‘B’ Office shall be as follows: (i) minimum of two stories; (ii) minimum of 15,000 square feet per floor; (iii) steel frame, concrete or masonry shell construction; (iv) central, interior lobby; and (v) access to suites shall be from inside the building unless the building is located in a central business district with major foot traffic, in which case the first floor may be accessed from the street to provide entrances/exit for commercial uses within the building.

C. **“Development Project” or “Project”** means any project undertaken for the purposes of development, including the issuance of a permit for construction.

D. **“Gross Acreage”** means the total property area as shown on a land division of a map of record, or described through a recorded legal description of the property. This area shall be bounded by road rights of way and property lines.

E. **“Habitable Structure”** means any structure or part thereof where persons reside, congregate or work and which is legally occupied in whole or part in accordance with applicable building codes, and state and local laws.

F. **“Industrial Project”** means any development project that proposes any industrial or manufacturing use allowed in the following Ordinance 1514 zoning classifications: I, AI, BP, or SP with one of the aforementioned zones used as the base zone.

G. **“Low Income Residential Housing”** means “Residential Affordable Units”: (A) for rental housing, the units shall be made available, rented and restricted to “lower income households” (as defined in Health and Safety Code Section 50079.5) at an “affordable rent” (as defined in Health and Safety Code Section 50053), . Affordable units that are rental housing shall be made available, rented, and restricted to lower income households at an affordable rent for a period of at least fifty-five (55) years after the issuance of a certificate of occupancy for new residential development. and (B) for for-

sale housing, the units shall be sold to "persons or families of low or moderate income" (as defined in Health and Safety Code Section 50093) at a purchase price that will not cause the purchaser's monthly housing cost to exceed "affordable housing cost" (as defined in Health and Safety Code Section 50052.5) Affordable units that are for-sale housing units shall be restricted to ownership by persons and families of low or moderate income for at least forty-five (45) years after the issuance of a certificate of occupancy for the new residential development.

H. **“Multi-Family Residential Unit”** means a development project that has a density of greater than eight (8) residential dwelling units per gross acre.

I. **“Non-Residential Unit”** means retail commercial, service commercial and industrial development which is designed primarily for non-dwelling use, but shall include hotels and motels.

J. **“Recognized Financing District”** means a Financing District as defined in the TUMF Administrative Plan as may be amended from time to time.

K. **“Residential Dwelling Unit”** means a building or portion thereof used by one (1) family and containing but one (1) kitchen, which is designed primarily for residential occupancy including single-family and multi-family dwellings. “Residential Dwelling Unit” shall not include hotels or motels.

L. **“Retail Commercial Project”** means any development project that proposes any retail commercial activity use not defined as a service commercial project allowed in the following Ordinance No. 1344 classifications: DC, GC, HSC, or SP with one of the aforementioned zones used as the base zone, which can include any eating/dining facility residing on the retail commercial development premises.

M. **“Service Commercial Project”** means any development project that is predominately dedicated to business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal, and medical offices eating/dining facilities, and other uses related to personal or professional services.

N. **“Single Family Residential Unit”** means each residential dwelling unit in a development that has a density of eight (8) units to the gross acre or less.

O. **“TUMF Participating Jurisdiction”** means a jurisdiction in Western Riverside County which has adopted and implemented an ordinance authorizing participation in the TUMF Program and complies with all regulations established in the TUMF Administrative Plan, as adopted and amended from time to time by the WRCOG.

P. **“Disabled Veteran”** means any veteran who is retired or is in process of medical retirement from military service who is or was severely injured in a theatre of

combat operations and has or received a letter of eligibility for the Veterans Administration Specially Adapted Housing (SAH) Grant Program.

Q. **Government/public buildings, public schools, and public facilities** means any owned and operated facilities by a government entity in accordance with Section G. Exemptions, Subsection 2 of this Ordinance. A new development that is subject to a long-term lease with a government agency for government/public buildings, public schools, and public facilities shall apply only if all of the following conditions are met:

- (a) The new development being constructed is subject to a long-term lease with a government agency.
- (b) The project shall have a deed restriction placed on the property that limits the use to government/public facility for the term of the lease, including all extension options, for a period of not less than 20 years. Any change in the use of the facility from government shall trigger the payment of the TUMF in effect at the time of the change is made.
- (c) No less than ninety percent of the total square footage of the building is leased to the government agency during the term of deed restriction the long term and any extensions thereof.
- (d) The new development is constructed at prevailing wage rates.
- (e) A copy of the lease is provided to the applicable jurisdiction and to WRCOG.
- (f) Based on the facts and circumstances WRCOG determines that the intent of the lease is to provide for a long-term government use, and not to evade payment of TUMF.

R. **“Non-profit Organization”** means an organization operated exclusively for exempt purposes set forth in section 501(c)(3) of the Internal Revenue Code, and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates. For the purposes of the TUMF Program, the non-profit may be a 501(c) (3) charitable organization as defined by the Internal Revenue Service.

S. **“Long-Term Lease”** as used in the TUMF Program, a “long-term lease” shall mean a lease with a term of no less than twenty years.

T. **“Mixed-Use Development”** as used in the TUMF Program, means Developments with the following criteria: (1) three or more significant revenue-producing uses, and (2) significant physical and functional integration of project components.

U. **“Guest Dwellings” and “Detached Second Units”** according to the State of California legal definition as following: 1) The second unit is not intended for sale and may be rented; 2) The lot is zoned for single-family dwellings; 3) The lot contains an existing single-family dwelling; 4) The second unit is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling; and 5) Are ministerially amended by each jurisdiction’s local codes.

V. **“TUMF Administrative Plan”** means that the TUMF Administration Plan adopted by the WRCOG Executive Committee May 5, 2003, as amended, setting forth detailed administration procedures and requirements for the TUMF program.

Section 4. Establishment of the Transportation Uniform Mitigation Fee.

A. **Adoption of TUMF Schedule.** The City Council shall adopt an applicable TUMF schedule through a separate resolution, which may be amended from time to time.

B. **Fee Calculation.** The fees shall be calculated according to the calculation methodology fee set forth in the WRCOG TUMF Fee Calculation Handbook adopted July 14, 2003, as amended from time to time. In addition to data in the Fee Calculation Handbook, WRCOG Staff and the local agency may consider the following items when establishing the appropriate fee calculation methodology:

- Underlying zoning of the site
- Land-use classifications in the latest Nexus Study
- Project specific traffic studies
- Latest Standardized reference manuals such as the Institute of Traffic Engineers Trip Generation Manual
- Previous TUMF calculations for similar uses
- WRCOG staff shall approve final draft credit / reimbursement agreement prior to execution

WRCOG shall have final determination regarding the appropriate methodology to calculate the fee based on the information provided. In case of a conflict between the applicant, WRCOG, and/or the local agency regarding the fee calculation methodology, the dispute resolution process in the TUMF Administrative Plan will apply.

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

D. Purpose. The purpose of the TUMF is to fund those certain improvements to the Regional System as depicted in Exhibit "A" and identified in the 2016 Nexus Study, Exhibit "B."

E. Applicability. The TUMF shall apply to all new development within the City, unless otherwise exempt hereunder.

F. Exemptions. The following types of new development shall be exempt from the provisions of this Ordinance and in TUMF Administrative Plan:

1. Low income residential housing as described in Section 3 Definitions, Subsection G of this Ordinance and in the TUMF Administrative Plan.

2. Government/public buildings, public schools, and public facilities as described in Section 3. Definitions, Subsection Q. of this Ordinance and in the TUMF Administrative Plan, including airports that are public use airports and are appropriately permitted by Caltrans or other state agency.

3. Development Projects which are the subject of a Public Facilities Development Agreement entered into pursuant to Government Code section 65864 *et seq*, prior to the effective date of Ordinance 1344, wherein the imposition of new fees is expressly prohibited, provided that if the term of such a Development Agreement is extended by amendment or by any other manner after the effective date of Ordinance 1344, the TUMF shall be imposed.

4. The rehabilitation and/or reconstruction of any habitable structure in use on or after January 1, 2000, provided that the same or fewer traffic trips are generated as a result thereof.

5. Guest Dwellings and Detached Second Units as described in this Ordinance in Section 3, Definitions, Subsection U, and in the Administrative Plan.

6. Kennels and Catteries established in connection with an existing single family residential unit.

7. Any sanctuary, or other activity under the same roof of a church or other house of worship that is not revenue generating and is eligible for a property tax exemption (excluding concert venues, coffee/snack shops, book stores, for-profit pre-school day-cares, etc., which would be assessed TUMF.)

8. Any nonprofit corporation or nonprofit organization offering and conducting full-time day school at the elementary, middle school or high school level for students between the ages of five and eighteen years.

9. New single-family homes, constructed by non-profit organizations, specially adapted and designed for maximum freedom of movement and independent living for qualified Disabled Veterans.

10. Other uses may be exempt as determined by the WRCOG Executive Committee as further defined in the TUMF Administrative Plan.

G. **Credit.** Regional System improvements may be credited toward the TUMF in accordance with the TUMF Administrative Plan and the following:

Regional Tier

i. **Arterial Credits:** If a developer constructs arterial improvements identified on the Regional System, the developer shall receive credit for all costs associated with the arterial component based on approved Nexus Study for the Regional System effective at the time the credit agreement is entered into. WRCOG staff must pre-approve any credit agreements that deviate from the standard WRCOG approved format.

ii. **Other Credits:** In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by WRCOG and the City in consultation with the developer. All such credits must have prior written approval from WRCOG.

iii. The amount of the development fee credit shall not exceed the maximum amount determined by the Nexus Study for the Regional System at the time the credit agreement is entered into or actual costs, whichever is less.

Local Tier

i. The local jurisdictions shall compare facilities in local fee programs against the Regional System and eliminate any overlap in its local fee program except where there is a Recognized Financing District has been established.

ii. If there is a Recognized Financing District established, the local agency may credit that portion of the facility identified in both programs against the TUMF in accordance with the TUMF Administrative Plan.

Section 5. Reimbursements.

Should the developer construct Regional System improvements in excess of the TUMF fee obligation, the developer may be reimbursed based on actual costs or the approved Nexus Study effective at the time the agreement was entered into, whichever is less. Reimbursements shall be enacted through an agreement between the developer and the City, contingent on funds being available and approved by WRCOG. In all cases, however, reimbursements under such special agreements must coincide with

construction of the transportation improvements as scheduled in the five-year Zone Transportation Improvement Program's adopted annually by WRCOG.

Section 6. Procedures for the Levy, Collection and Disposition of Fees.

A. Authority of the Building Department. The Director of Building & Safety, or his/her designee, is hereby authorized to levy and collect the TUMF and make all determinations required by this Ordinance in a manner consistent with the TUMF Administrative Plan.

B. Payment. Payment of the fees shall be as follows:

i. The fees shall be paid at the time a certificate of occupancy is issued for the Development Project or upon final inspection, whichever comes first (the "Payment Date"). However this section should not be construed to prevent payment of the fees prior to issuance of an occupancy permit or final inspection. Fees may be paid at the issuance of a building permit, and the fee payment shall be calculated based on the fee in effect at that time, provided the developer tenders the full amount of his/her TUMF obligation. If the developer makes only a partial payment prior to the Payment Date, the amount of the fee due shall be based on the TUMF fee schedule in place on the Payment Date. The fees shall be calculated according to fee schedule set forth in the Ordinance and the calculation methodology set forth in the Fee Calculation Handbook adopted July 14, 2003, as amended from time to time.

ii. The fees required to be paid shall be the fee amounts in effect at the time of payment is due under this Ordinance, not the date the Ordinance is initially adopted. The City shall not enter into a development agreement which freezes future adjustments of the TUMF.

iii. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. The obligation to pay the fee shall run with the land and be binding on all the successors in interest to the property.

iv. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to the Executive Director of WRCOG along with a corresponding Remittance Report by the tenth (10) day of the close of the month for the previous month in which the fees were collected for deposit, investment, accounting and expenditure in accordance with the provisions of this Ordinance, TUMF Administrative Plan, and the Mitigation Fee Act.

D. Appeals. Appeals shall be filed with WRCOG in accordance with the provisions of the TUMF Administrative Plan. Appealable issues shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to WRCOG. The Director of Building and Safety, or his/her designee, shall prepare and deliver to the Executive Director of WRCOG, periodic reports as will be established under Section 7 of this Ordinance.

Section 7. Appointment of the TUMF Administrator.

WRCOG is hereby appointed as the Administrator of the Transportation Uniform Mitigation Fee Program. WRCOG is hereby authorized to receive all fees generated from the TUMF within the City, and to invest, account for and expend such fees in accordance with the provisions of this Ordinance and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this Ordinance shall be contained in the TUMF Administrative Plan. Furthermore, the TUMF Administrator shall use the Fee Calculation Handbook adopted July 14, 2003, as amended from time to time, for the purpose of calculating a developer's TUMF obligation. In addition to detailing the methodology for calculating all TUMF obligations of different categories of new development, the purpose of the Fee Calculation Handbook is to clarify for the TUMF Administrator, where necessary, the definition and calculation methodology for uses not clearly defined in the respective TUMF ordinances.

WRCOG shall expend only that amount of the funds generated from the TUMF for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed one percent (1%) of the revenue raised by the TUMF Program. The TUMF Administrative Plan further outlines the fiscal responsibilities and limitations of the Administrator.

Section 8. Effect.

No provisions of this Ordinance shall entitle any person who has already paid the TUMF to receive a refund, credit or reimbursement of such payment. This Ordinance does not create any new TUMF.

Section 9. Severability.

If any one or more of the terms, provisions or sections of this Ordinance shall to any extent be judged invalid, unenforceable and/or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 10. No Procedural Defenses.

Prohibition of Jurisdictions from raising procedural defenses, including without limitation a statute of limitations, laches, the California Government Tort Claims Act, and necessary parties in a dispute with WRCOG regarding the matters set forth herein.

Section 11. Judicial Review.

In accordance with State law, any judicial action or proceeding to attack, review, set aside, void or annul this Ordinance shall be commenced within ninety (90) days of the date of adoption of this Ordinance.

Section 12. Ordinance No. 1514

This Ordinance supersedes the provisions of Ordinance 1344 provided this Ordinance is not declared invalid or unenforceable by a court of competent jurisdiction. If, for whatever reason, this Ordinance is declared invalid or unenforceable by a court of competent jurisdiction, Ordinance 1344 and all other related ordinances and polices shall remain in full force and effect.

Section 13. Effective Date

This Ordinance shall take effect on October 1, 2017.

PASSED, APPROVED, AND ADOPTED this 11th day of September, 2017.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLP

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that Ordinance 1514 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 22nd day of August, 2017, and was duly adopted at a regular meeting of said City Council on the 11th day of September, 2017, by the following vote, to wit:

AYES:

NOES:

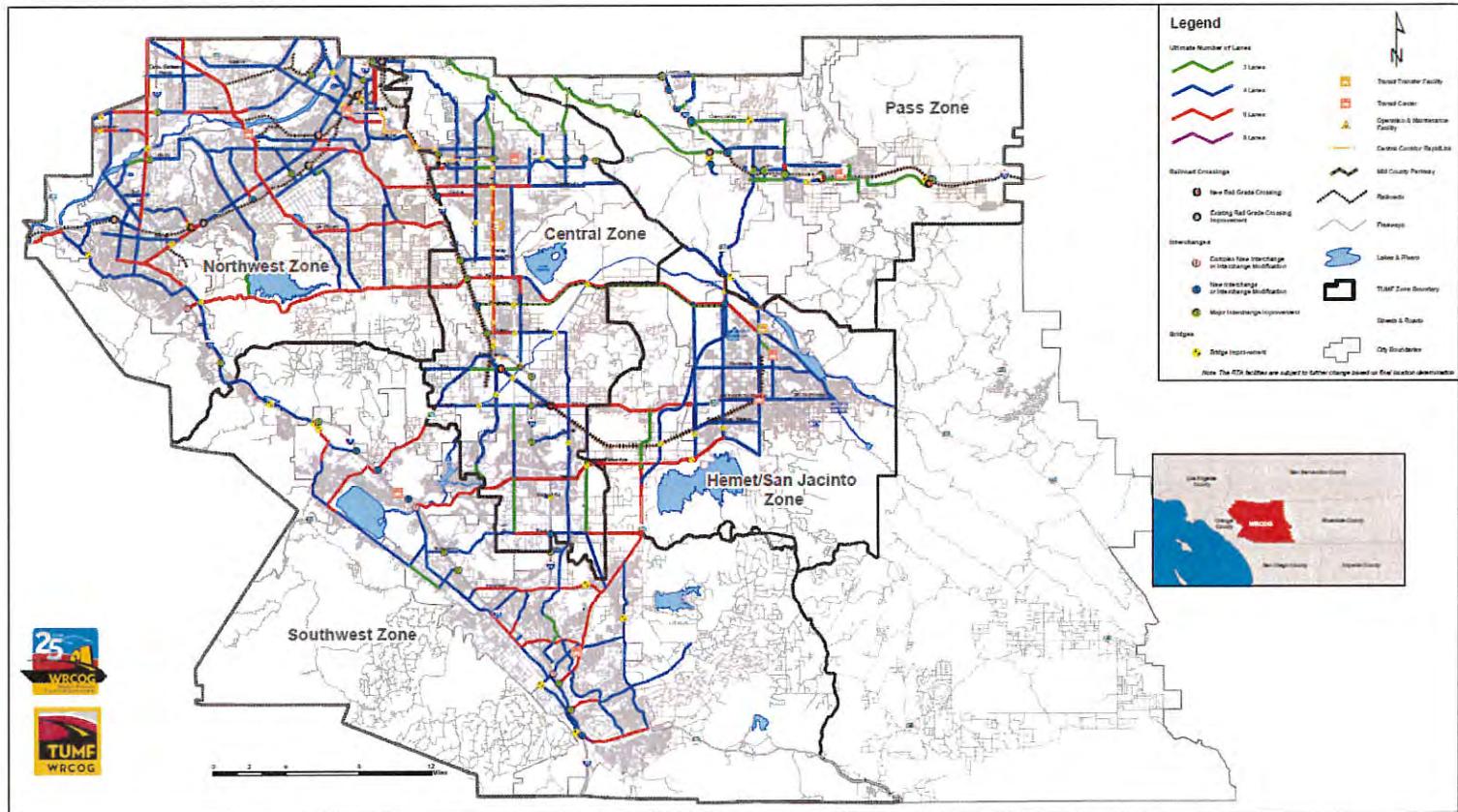
ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

EXHIBIT "A" TO ORDINANCE 1514

MAP OF REGIONAL SYSTEM



Regional System of Highways and Arterials (RSHA)

Transportation Uniform Mitigation Fee Program | Figure 4.4

EXHIBIT “B” TO ORDINANCE 1514

NEXUS STUDY



**TRANSPORTATION UNIFORM MITIGATION FEE
NEXUS STUDY
2016 UPDATE**

FINAL REPORT

Prepared for the Western Riverside Council of Governments

In Cooperation with

The City of Banning
The City of Beaumont
The City of Calimesa
The City of Canyon Lake
The City of Corona
The City of Eastvale
The City of Hemet
The City of Jurupa Valley
The City of Lake Elsinore
The City of Menifee
The City of Moreno Valley
The City of Murrieta
The City of Norco
The City of Perris
The City of Riverside
The City of San Jacinto
The City of Temecula
The City of Wildomar
The County of Riverside
Eastern Municipal Water District
March Joint Powers Authority
Morongo Band of Mission Indians
Riverside County Superintendent of Schools
Riverside Transit Agency
Western Municipal Water District

Prepared by WSP

As adopted by the WRCOG Executive Committee, July 10, 2017



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ES.0 EXECUTIVE SUMMARY

ES.1 Introduction and Purpose of the Nexus Study

Western Riverside County includes 18 incorporated cities and the unincorporated county covering an area of approximately 2,100 square miles. Through the mid 2000's, this portion of Riverside County was growing at a pace exceeding the capacity of existing financial resources to meet increasing demand for transportation infrastructure. Although the economic recession of the late 2000's, and the associated crises in the mortgage and housing industries, has slowed this rate of growth, the region is expected to rebound and the projected growth in Western Riverside County is expected to increase. This increase in growth could significantly increase congestion and degrade mobility if substantial investments are not made in transportation infrastructure. This challenge is especially critical for arterial roadways of regional significance, since traditional sources of transportation funding (such as the gasoline tax and local general funds) will not be nearly sufficient to fund the needed improvements.

In February 1999, the cities of Temecula, Murrieta and Lake Elsinore, the Western Riverside Council of Governments (WRCOG), the Riverside County Transportation Commission (RCTC) and the Building Industry Association (BIA) met to discuss the concept of a Transportation Uniform Mitigation Fee (TUMF) for southwest Riverside County. In August 2000, the concept was expanded to include the entire WRCOG sub-region.

The TUMF Program is implemented through the auspices of WRCOG. As the council of governments for Western Riverside County, WRCOG provides a forum for representatives from 18 cities, the Riverside County Board of Supervisors, the Eastern and Western Municipal Water Districts, the Riverside County Superintendent of Schools, the March Joint Powers Authority, the Riverside Transit Agency and the Morongo Band of Mission Indians to collaborate on issues that affect the entire subregion, such as air quality, solid waste, transportation and the environment. While the TUMF cannot fund all necessary transportation system improvements, it is intended to address a current transportation funding shortfall by establishing a new revenue source that ensures future development will contribute toward addressing the impacts of new growth on regional transportation infrastructure. Funding accumulated through the TUMF Program will be used to construct transportation improvements that will be needed to accommodate future travel demand in Western Riverside County. By levying a fee on new developments in the region, local agencies will be establishing a mechanism by which developers and in turn new county residents and employees will effectively contribute their "fair share" toward sustaining the regional transportation system.

This TUMF Draft Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 Fees for Development Projects (also known as California Assembly Bill 1600 (AB 1600) or the Mitigation Fee Act) which governs imposing development impact fees in California. The initial WRCOG TUMF Nexus Study was completed in October 2002 and adopted by the WRCOG Executive Committee in November 2002. The results of the first review of the Program were

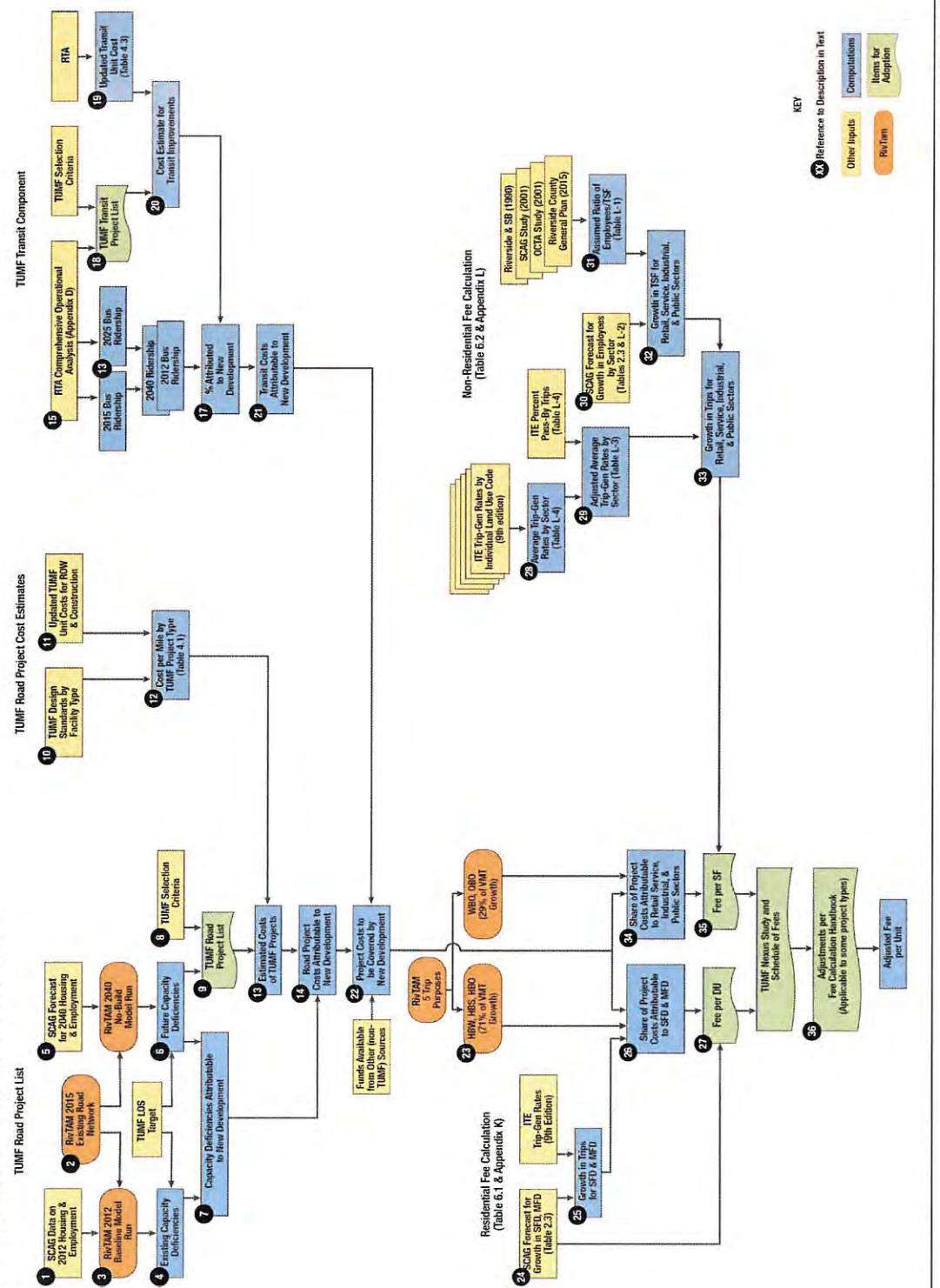
documented in the TUMF Nexus Study 2005 Update adopted by the WRCOG Executive Committee on February 6, 2006. A second comprehensive review of the TUMF Program was conducted in 2008 and 2009 in part to address the impacts of the economic recession on the rate of development within the region and on transportation project costs. The findings of the 2009 review of the program were adopted by the WRCOG Executive Committee on October 5, 2009.

A third comprehensive review of the TUMF Program was conducted in 2014 and 2015 leading to a Draft Nexus Study document being distributed for review in August 2015. The WRCOG Executive Committee subsequently considered comments related to the Draft Nexus Study 2015 Update at the meeting held on September 14, 2015 where it was resolved to "delay finalizing the Nexus Study for the TUMF Program Update until the 2016 Southern California Association of Governments' 2016 Regional Transportation Plan / Sustainable Communities Strategy growth forecast is available for inclusion in the Nexus Study". The Southern California Association of Governments (SCAG) adopted the 2016-2040 Regional Transportation Plan/ Sustainable Communities Strategy (2016 RTP/SCS) on April 7, 2016 enabling WRCOG staff to proceed with finalizing the update of the TUMF Nexus Study.

The overall process for establishing the TUMF nexus is illustrated in **Figure ES.1**. Each technical step is denoted with a number on the flow chart with the numbers correlating to the detailed description of each step provided in **Section 1.3** of the Nexus Study Report. The flow chart also incorporates color coding of the steps to indicate those steps that involved the application of the Riverside County Traffic Analysis Model (RivTAM), steps that utilized other input data, steps that are computations of various inputs, and steps that required specific actions of the various WRCOG committees to confirm major variables. Where appropriate, the flow chart also includes specific cross references to the sections or tables included in the Nexus Study document that correlate to the particular step.

This version of the WRCOG TUMF Nexus Study Report documents the final results of the third comprehensive review of the TUMF Program to incorporate the revisions completed during 2016. This version of the document also incorporates revisions in response to comments received during the 45 day review of the earlier Draft TUMF Nexus Study 2016 Update. The findings of this report were ultimately adopted by the WRCOG Executive Committee on July 10, 2017.

Figure ES.1 - Flowchart of Key Steps in the TUMF Nexus Study Process



ES.2 Future Growth

For earlier versions of the TUMF Nexus Study, the primary available source of consolidated demographic information for Western Riverside County was provided by the Southern California Association of Governments (SCAG). Recognizing the need to develop a more comprehensive source of socioeconomic data for Riverside County, the Riverside County Center for Demographic Research (RCCDR) was established under the joint efforts of the County of Riverside, the Western Riverside Council of Governments, the Coachella Valley Association of Governments, and the University of California, Riverside in 2005. RCCDR provided demographic estimates and forecasts for Riverside County as input to the SCAG regional forecasts as well as providing the demographic basis for the Riverside County Traffic Analysis Model (RivTAM). RCCDR data was used as the basis for the TUMF Nexus Study 2009 Update.

As directed by the WRCOG Executive Committee, the SCAG 2016 RTP/SCS demographics forecasts were utilized as the basis for this 2016 Update of the TUMF Nexus Study. A major distinction between RCCDR data used for the TUMF Nexus Study 2009 Update and the SCAG 2016 RTP/SCS data used for this 2016 Update is the change in the base year from 2007 to 2012, as well as the change in the horizon year from 2035 to 2040. This shift in the base year and horizon year demographic assumptions of the program carries through all aspects of the nexus analysis, including the travel demand forecasting, network review and fee calculation.

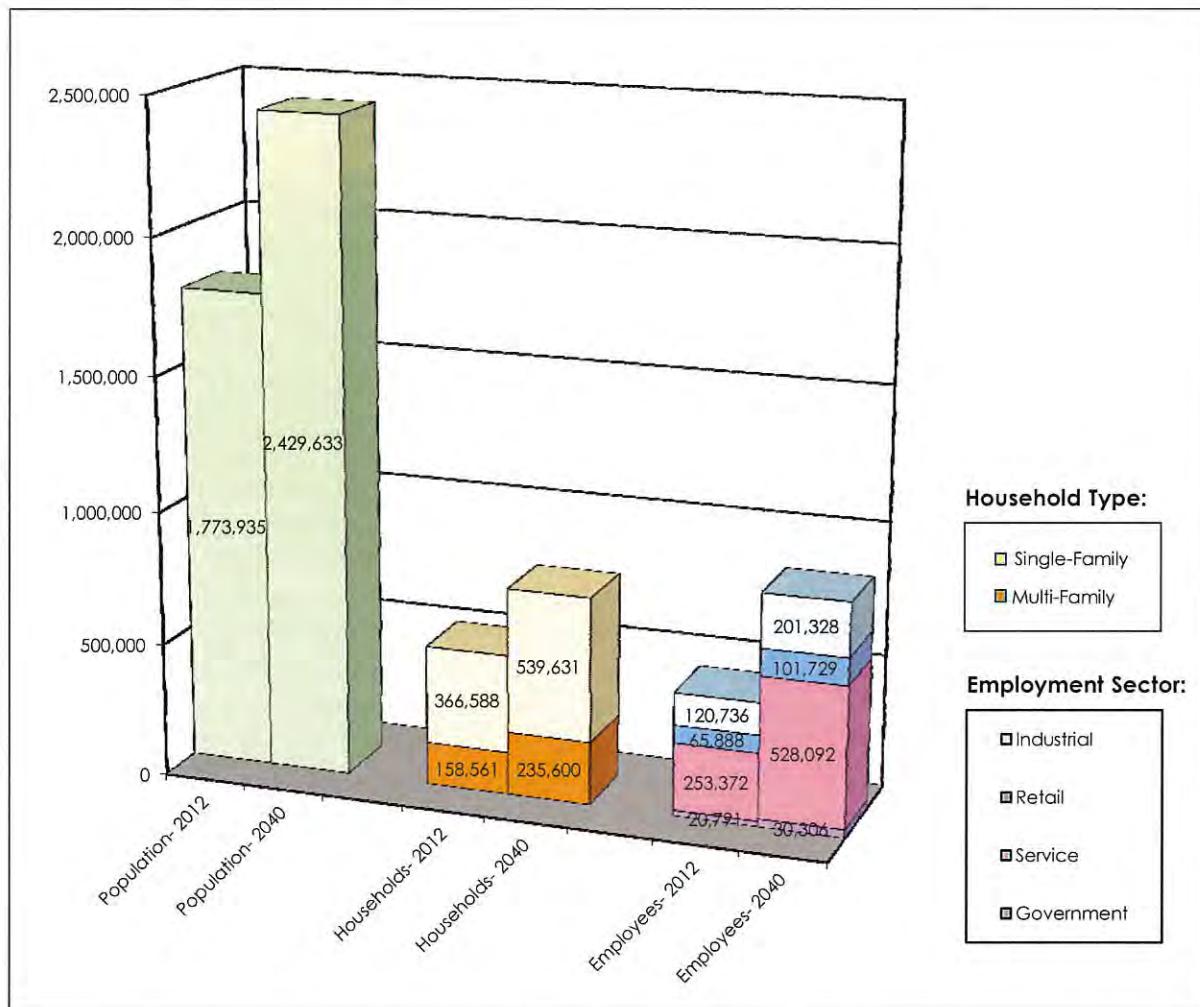
The population of Western Riverside County is projected to increase by 37% in the period between 2012 and 2040. During the same period, employment in Western Riverside County is anticipated to grow by 87%. **Figure ES.2** illustrates the forecast growth in population, household and employment for Western Riverside County.

ES.3 Need for the TUMF

The WRCOG TUMF study area was extracted from the greater regional model network for the purpose of calculating measures for Western Riverside County only. Peak period performance measures for the TUMF study area included total vehicle miles of travel (VMT), total vehicle hours of travel (VHT), total combined vehicle hours of delay (VHD), and total VMT experiencing unacceptable level of service (LOS E).

As a result of the new development and associated growth in population and employment in Western Riverside County, additional pressure will be placed on the transportation infrastructure, particularly the arterial roadways, with the peak period VMT on the TUMF Network estimated to increase by 63% between 2012 and 2040. By 2040, 57% of the total VMT on the TUMF Network is forecast to be traveling on facilities experiencing peak period LOS E or worse. Without improvements to the arterial highway system, the total vehicle hours of delay (VHD) experienced by area motorists on the TUMF Network will increase over 4.9% per year. The need to improve these roadways and relieve future congestion is therefore directly linked to the future development which generates the travel demand.

Figure ES.2 - Population, Households and Employment in Western Riverside County (2012 to 2040)



As population and employment in Western Riverside County grows as a result of new development, demand for regional transit services in the region is also expected to grow. Weekday system ridership for RTA bus transit services is approximately 31,016 riders per day in Western Riverside County in 2015. By 2025, bus transit services are forecast to serve approximately 46,572 riders per weekday. This represents an average increase of 1,414 weekday riders each year. Based on this rate of ridership growth, weekday ridership is estimated to increase by 41,011 riders per weekday between 2012 and 2040.

The idea behind a uniform mitigation fee is to have new development throughout the region contribute equally to paying the cost of improving the transportation facilities that serve these longer-distance trips between communities. Thus, the fee should be used to improve transportation facilities that serve trips between communities within the region (primarily arterial roadways) as well as the infrastructure for public transportation.

The fee should be assessed proportionately on new residential and non-residential development based on the relative impact of each use on the transportation system.

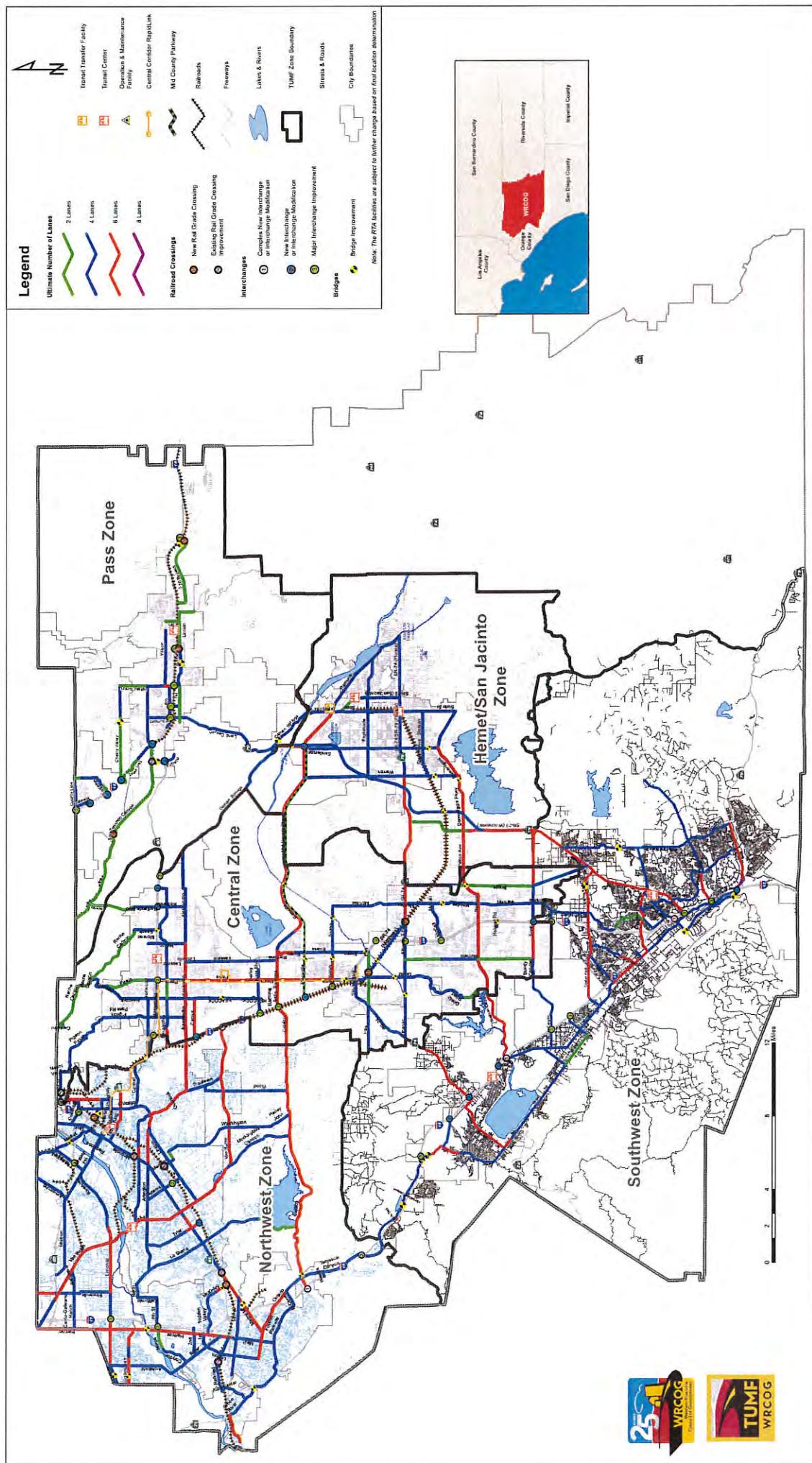
ES.4 The TUMF Network

The Regional System of Highways and Arterials (also referred to as the TUMF Network) is the system of roadways that serve inter-community trips within Western Riverside County and therefore are eligible for improvement funding with TUMF funds. Transportation facilities in Western Riverside County that generally satisfied select performance guidelines were identified, and a skeletal regional transportation framework evolved from facilities where multiple guidelines were observed. This framework was reviewed by representatives of all WRCOG constituent jurisdictions and private sector stakeholders, and endorsed by the WRCOG Public Works Committee, WRCOG Technical Advisory Committee, TUMF Policy Committee and the WRCOG Executive Committee.

The TUMF Network was refined to distinguish between facilities of "Regional Significance" and facilities of "Zonal Significance". The Facilities of Regional Significance have been identified as the "backbone" highway network for Western Riverside County. Facilities of Zonal Significance (the "secondary" network) represent the balance of the Regional System of Highways and Arterials for Western Riverside County. A portion of the TUMF is specifically designated for improvement projects on the backbone system and on the secondary network within the zone in which it is collected.

Figure ES.3 illustrates the TUMF improvements to the Regional System of Highways and Arterials.

The total cost of improving the TUMF system is \$3.76 billion. Accounting for obligated funds and unfunded existing needs, the estimated maximum eligible value of the TUMF Program is \$2.96 billion. The maximum eligible value of the TUMF Program includes approximately \$2.71 billion in eligible arterial highway and street related improvements and \$92.6 million in eligible transit related improvements. An additional \$43.3 million is also eligible as part of the TUMF Program to mitigate the impact of eligible TUMF related arterial highway and street projects on critical native species and wildlife habitat, while \$112.2 million is provided to cover the costs incurred by WRCOG to administer the TUMF Program.



Regional System of Highways and Arterials (RSHA)

Transportation Uniform Mitigation Fee Program | Figure ES.3

ES.5 TUMF Nexus Analysis

There is a reasonable relationship between the future growth and the need for improvements to the TUMF system. These factors include:

- Western Riverside County is expected to continue growing as a result of future new development.
- Continuing new growth will result in increasing congestion on arterial roadways.
- The future arterial roadway congestion is directly attributable to the cumulative regional transportation impacts of future development in Western Riverside County.
- Capacity improvements to the transportation system will be needed to mitigate the cumulative regional impacts of new development.
- Roads on the TUMF network are the facilities that merit improvement through this fee program.
- Improvements to the public transportation system will be needed to provide adequate mobility for transit-dependent travelers and to provide an alternative to automobile travel.

The split of fee revenues between the backbone and secondary highway networks is related to the proportion of highway vehicle travel that is relatively local (between adjacent communities) and longer distance (between more distant communities but still within Western Riverside County). To estimate a rational fee split between the respective networks, the future travel forecast estimates were aggregated to a matrix of peak period trips between zones. The overall result is that 50.7% of the regional travel is attributable to the backbone network and 49.3% is assigned to the secondary network.

In order to establish the approximate proportionality of the future traffic impacts associated with new residential development and new non-residential development, peak period growth in VMT between 2012 and 2040 was derived from RivTAM and aggregated by trip purpose. It was concluded that home-based person trips represent 71.0% of the total future person trips, and the non-home-based person trips represent 29.0% of the total future person trips.

ES.6 Fair-Share Fee Calculation

The balance of the unfunded TUMF system improvement needs is \$2.96 billion which is the maximum value attributable to the mitigation of the cumulative regional transportation impacts of future new development in the WRCOG region, and will be captured through the TUMF Program. By levying the uniform fee directly on future new developments (and indirectly on new residents and new employees to Western Riverside County), these transportation system users are assigned their "fair share" of the

costs to address the cumulative impacts of additional traffic they will generate on the regional transportation system.

Of the \$2.96 billion in unfunded future improvement needs, 71.0% (\$2.10 billion) will be assigned to future new residential development and 29.0% (\$858.7 million) will be assigned to future new non-residential development.

ES.7 Conclusions

Based on the results of the Nexus Study evaluation, it can be demonstrated that there is reasonable relationship between the cumulative regional transportation impacts of new land development projects in Western Riverside County and the need to mitigate these transportation impacts using funds levied through the proposed TUMF Program. Factors that reflect this reasonable relationship include:

- Western Riverside County is expected to continue growing as a result of future new development.
- Continuing new growth will result in increasing congestion on arterial roadways;
- The future arterial roadway congestion is directly attributable to the cumulative regional transportation impacts of future development in Western Riverside County;
- Capacity improvements to the transportation system will be needed to mitigate the cumulative impacts of new development;
- Roads on the TUMF network are the facilities that merit improvement through this fee program;
- Improvements to the public transportation system will be needed to provide adequate mobility for transit-dependent travelers and to provide an alternative to automotive travel.

The Nexus Study evaluation has established a proportional “fair share” of the improvement cost attributable to new development based on the impacts of existing development and the availability of obligated funding through traditional sources. The fair share fee allocable to future new residential and non-residential development in Western Riverside County is summarized for differing use types in **Table ES.1**.

Table ES.1 - Transportation Uniform Mitigation Fee for Western Riverside County

Land Use Type	Units	Development Change	Fee Per Unit	Total Revenue (\$ million)
Single Family Residential	DU	173,043	\$9,418	\$1,629.8
Multi Family Residential	DU	77,039	\$6,134	\$472.5
Industrial	SF GFA	64,710,138	\$1.77	\$114.8
Retail	SF GFA	17,920,500	\$12.31	\$220.5
Service	SF GFA	105,211,915	\$4.56	\$480.0
Government/Public	SF GFA	2,696,349	\$16.08	\$43.4
MAXIMUM TUMF VALUE				\$2,961.0

1.0 INTRODUCTION AND PURPOSE OF THE NEXUS STUDY

1.1 Background

Western Riverside County includes 18 incorporated cities and the unincorporated county covering an area of approximately 2,100 square miles. Through the mid 2000's, this portion of Riverside County was growing at a pace exceeding the capacity of existing financial resources to meet increasing demand for transportation infrastructure. Although the economic recession of the late 2000's, and the associated crises in the mortgage and housing industries, slowed this rate of growth, the regional economy is continuing to rebound and the projected rate of development in Western Riverside County is expected to increase. This increase in growth could significantly increase congestion and degrade mobility if substantial investments are not made in transportation infrastructure. This challenge is especially critical for arterial roadways of regional significance, since traditional sources of transportation funding (such as the gasoline tax and local general funds) will not be nearly sufficient to fund the needed improvements. Development exactions only provide improvements near the development site, and the broad-based county-level funding sources (i.e., Riverside County's half-cent sales tax known as Measure A) designate only a small portion of their revenues for arterial roadway improvements.

In anticipation of the continued future growth projected in Riverside County, several county-wide planning processes were initiated in 1999. These planning processes include the Riverside County General Plan Update, the Community Environmental Transportation Acceptability Process (CETAP) and the Multi-Species Habitat Conservation Plan (MSHCP). Related to these planning processes is the need to fund the mitigation of the cumulative regional transportation impacts of future new development.

Regional arterial highways in Western Riverside County are forecast to carry significant traffic volumes by 2040. While some localized fee programs exist to mitigate the local impacts of new development on the transportation system in specific areas, and while these programs are effective locally, they are insufficient in their ability to meet the regional demand for transportation infrastructure. Former Riverside County Supervisor Buster recognized the need to establish a comprehensive funding source to mitigate the cumulative regional transportation impacts of new development on regional arterial highways. The need to establish a comprehensive funding source for arterial highway improvements has evolved into the development of the Transportation Uniform Mitigation Fee (TUMF) for Western Riverside County.

In February 1999, the cities of Temecula, Murrieta and Lake Elsinore, the Western Riverside Council of Governments (WRCOG), the Riverside County Transportation Commission (RCTC) and the Building Industry Association (BIA) met to discuss the concept of a TUMF. The intent of this effort was to have the southwest area of Western Riverside County act as a demonstration for the development of policies and a process for a regional TUMF Program before applying the concept countywide. From February 1999 to September 2000, the Southwest Area Transportation Infrastructure System

Funding Year 2020 (SATISFY 2020) Program progressed with policy development, the identification of transportation improvements, traffic modeling, cost estimates, fee scenarios and a draft Implementation Agreement.

In May 2000, Riverside County Supervisor Tavaglione initiated discussions in the northwest area of Western Riverside County to determine the level of interest in developing a TUMF for that area of the county. Interest in the development of a northwest area fee program was high. In August 2000, the WRCOG Executive Committee took action to build upon the work completed in the southwest area for the SATISFY 2020 program and to develop a single consolidated mitigation fee program for all of Western Riverside County. This action was predicated on the desire to establish a single uniform mitigation fee program to mitigate the cumulative regional impacts of new development on the regional arterial highway system, rather than multiple discrete and disparate fee programs with varying policies, fees and improvement projects. A TUMF Policy Committee comprising regional elected officials was formed to recommend and set policies for staff to develop the TUMF Program and provide overall guidance to all other staff committees.

While the TUMF cannot fund all necessary transportation system improvements, it is intended to address a current transportation funding shortfall by establishing a new revenue source that ensures future new development will contribute toward addressing its indirect cumulative traffic impacts on regional transportation infrastructure. Funding accumulated through the TUMF Program will be used to construct transportation improvements such as new arterial highway lanes, reconfigured freeway interchanges, railroad grade separations and new regional express bus services that will be needed to accommodate future travel demand in Western Riverside County. By levying a fee on new developments in the region, local agencies will be establishing a mechanism by which developers and in turn new county residents and employees will effectively contribute their "fair share" toward sustaining the regional transportation system.

This TUMF Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 Fees for Development Projects (also known as California Assembly Bill 1600 (AB 1600) or the Mitigation Fee Act), which governs imposing development impact fees in California. The Mitigation Fee Act requires that all local agencies in California, including cities, counties, and special districts follow two basic rules when instituting impact fees. These rules are as follows:

- 1) Establish a nexus or reasonable relationship between the development impact fee's use and the type of project for which the fee is required.
- 2) The fee must not exceed the project's proportional "fair share" of the proposed improvement and cannot be used to correct current problems or to make improvements for existing development.

1.2 TUMF Nexus Study History

The TUMF Program is implemented through the auspices of WRCOG. As the council of governments for Western Riverside County, WRCOG provides a forum for

representatives from 18 cities, the Riverside County Board of Supervisors, the Eastern and Western Municipal Water Districts, the Riverside County Superintendent of Schools, the March Joint Powers Authority, the Riverside Transit Agency and the Morongo Band of Mission Indians to collaborate on issues that affect the entire subregion, such as air quality, solid waste, transportation and the environment. A current list of the standing WRCOG TUMF related committees and committee membership is included in **Appendix A**.

The initial WRCOG TUMF Nexus Study was completed in October 2002 and adopted by the WRCOG Executive Committee in November 2002. Its purpose was to establish the nexus or reasonable relationship between new land development projects in Western Riverside County and the proposed development impact fee that would be used to improve regional transportation facilities. It also identified the proportional "fair share" of the improvement cost attributable to new development.

Consistent with the provisions of the Mitigation Fee Act, the WRCOG Executive Committee has established that the TUMF Nexus Study will be subject of a comprehensive review of the underlying program assumptions at least every five years to confirm the Nexus. Acknowledging the unprecedented and unique nature of the TUMF Program, the Executive Committee determined that the first comprehensive review of the Program should be initiated within two years of initial adoption of the Program primarily to validate the findings and recommendations of the study and to correct any program oversights. The results of the first review of the Program were documented in the TUMF Nexus Study 2005 Update adopted by the WRCOG Executive Committee on February 6, 2006. A second comprehensive review of the TUMF Program was conducted in 2008 and 2009 in part to address the impacts of the economic recession on the rate of development within the region and on transportation project costs. The findings of the 2009 review of the program were adopted by the WRCOG Executive Committee on October 5, 2009.

A third comprehensive review of the TUMF Program was conducted in 2014 and 2015 leading to a Draft Nexus Study document being distributed for review in August 2015. The WRCOG Executive Committee subsequently considered comments related to the Draft Nexus Study 2015 Update at the meeting held on September 14, 2015 where it was resolved to "delay finalizing the Nexus Study for the TUMF Program Update until the 2016 Southern California Association of Governments' 2016 Regional Transportation Plan / Sustainable Communities Strategy growth forecast is available for inclusion in the Nexus Study". The Southern California Association of Governments (SCAG) adopted the 2016-2040 Regional Transportation Plan/ Sustainable Communities Strategy (2016 RTP/SCS) on April 7, 2016 enabling WRCOG staff to proceed with finalizing the update of the TUMF Nexus Study. This version of the WRCOG TUMF Nexus Study Report documents the final results of the third comprehensive review of the TUMF Program to incorporate the revisions completed during 2016. The findings of this report were ultimately adopted by the WRCOG Executive Committee on July 10, 2017.

To ensure new development continues to contribute a fair share of the cost to mitigate its cumulative regional transportation impacts in the period between the comprehensive review of program assumptions completed at least every five years, the

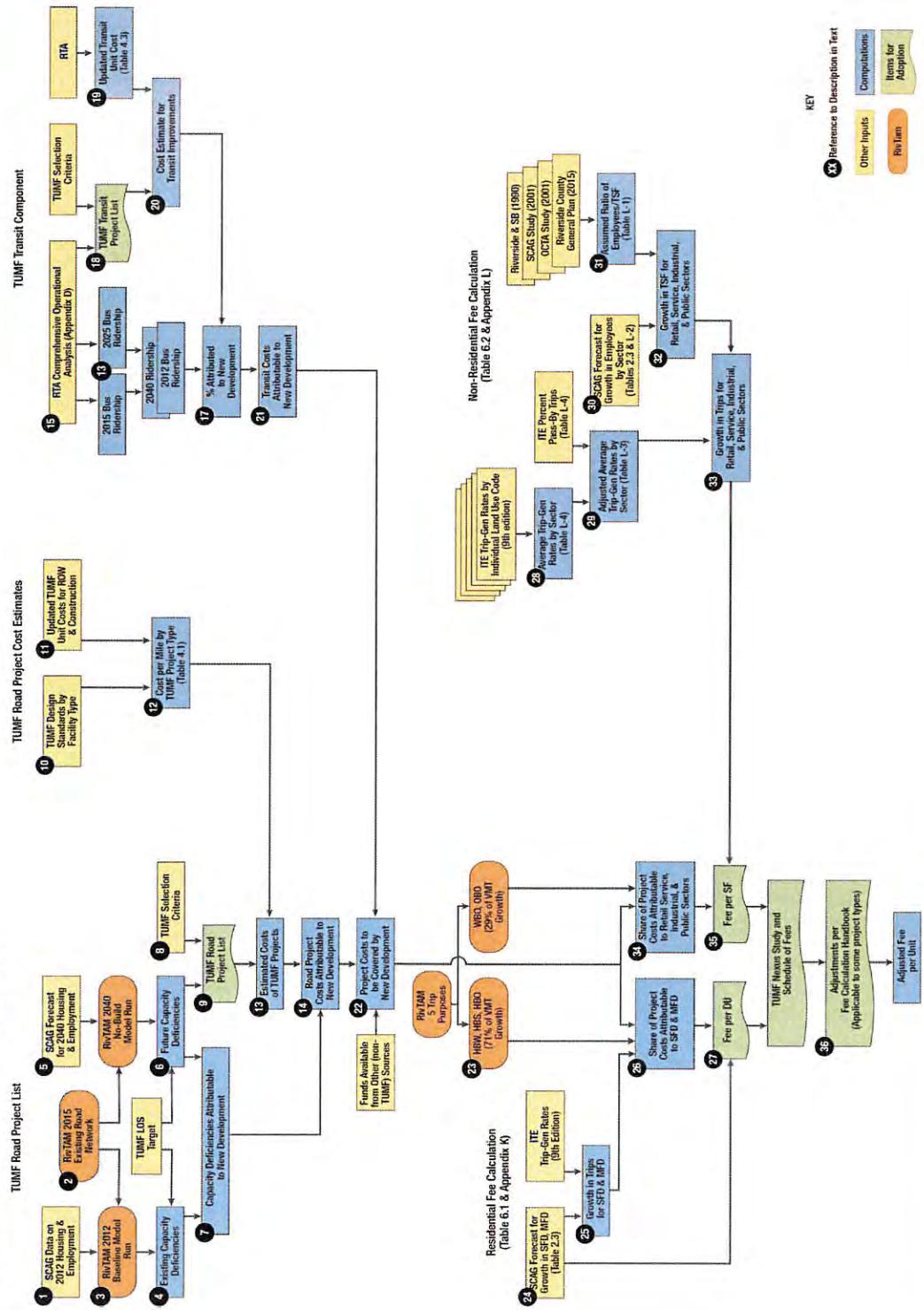
WRCOG Executive Committee has also established that the TUMF Schedule of Fees will be reviewed annually, and adjusted, as needed, on July 1st to reflect current costs. The revised schedule of fees will be recalculated in February of each year based on the percentage increase or decrease in the Engineering News Record (ENR) Construction Cost Index (CCI) for the twelve (12) month period from January of the prior year to January of the current year, and the percentage increase or decrease in the National Association of Realtors (NAR) Median Sales Price of Existing Single Family Homes in the Riverside/San Bernardino Metropolitan Statistical Area for the twelve (12) month period from the 3rd Quarter of the second year prior to the 3rd Quarter of the prior year (to coincide with the publication of the most recently updated index). If approved by the Executive Committee, the resultant percentage change for each of the indices will be applied to the unit cost assumptions for roadway and bus transit costs, and land acquisition costs, respectively, to reflect the combined effects of changes in eligible project costs on the resultant per unit fee for each defined land use category.

1.3 TUMF Nexus Study Process

In coordination with WRCOG, city and county representatives, developers, and other interested parties reviewed and updated the underlying assumptions of the Nexus Study as part of this comprehensive program review. In particular, the most recent socioeconomic forecasts developed by SCAG as the basis for the 2016 RTP/SCS were incorporated, as resolved by the WRCOG Executive Committee at the September 14, 2015 meeting. This use of the most recent SCAG forecasts resulted in a shift of the program base year from 2007 to 2012, as well as a shift in the program horizon year from 2035 to 2040. Furthermore, the TUMF Network was re-examined in detail based on travel demand forecasts derived from the most recent version of the Riverside County Transportation and Analysis Model (RivTAM) to more accurately reflect future project needs to address the cumulative regional impacts of new development in Western Riverside County as well as eliminating those projects having been completed prior to the commencement of the Nexus review in 2016.

The subsequent chapters of this Nexus Study document describe the various assumptions, data inputs and analysis leading to the determination of each major variable in the TUMF calculation, and ultimately leading to the determination of the TUMF Schedule of Fees that indicates the maximum "fair share" fee for each of the various use types defined in the TUMF program. The overall process for establishing the TUMF nexus is summarized in this section, including the flow chart in **Figure 1.1** that illustrates the various technical steps in this fee calculation process. Each technical step that was followed to determine the TUMF Schedule of Fees and establish the program nexus is summarized below, with the numbers denoted on the flow chart correlating to the steps described. The flow chart also incorporates color coding of the steps to indicate those steps that involved the application of RivTAM, steps that utilized other input data, steps that are computations of various inputs, and steps that required specific actions of the various WRCOG committees to confirm major variables. Where appropriate, the flow chart also includes specific cross references to the sections or tables included in this Nexus Study document that correlate to the particular step.

Figure 1.1 - Flowchart of Key Steps in the TUMF Nexus Study Process



1.1.1. Establish the TUMF Network Project List

The roadway network in Western Riverside County must be evaluated to determine how new development activity will impact the performance of the network, and how the resultant traffic impacts can be mitigated by completing various roadway improvements. The following steps integrate the latest SCAG socio-economic forecasts into RivTAM as the basis for determining future roadway deficiencies and identifying the list of eligible improvements to address these future deficiencies. The rational and methodology for accomplishing these steps is further explained in **Chapters 2 and 3** of this report, with the resultant TUMF Network described in **Chapter 4**.

- 1) The SCAG 2016 RTP/SCS was developed using housing and employment data for 2012 as its base year. This officially-adopted dataset was updated for the base for the TUMF 2016 Nexus Update, including redistribution of the SCAG data to correspond to the RivTAM TAZ structure.
- 2) The RivTAM model¹ has datasets available that represent the capacity of the different facilities in the road network for several different study years. For this nexus update, the RivTAM 2012 base network that was developed following the adoption of the SCAG 2012 RTP was selected as the one most closely resembling current conditions. This network was subsequently reviewed and updated, including a detailed review by WRCOG and participating jurisdictions, as well as partner entities, including BIA, to identify projects that were completed on the arterial network in the period between 2012 and December 2015. The arterial network was then recoded to reflect the changes to the TUMF Network to create a 2015 existing network as the basis for analysis.
- 3) RivTAM was run using the 2012 socio-economic data (SED) and the 2015 road network to produce the baseline volumes on the roads in the TUMF Network.
- 4) The baseline volume-to-capacity (V/C) ratio was then determined. The target LOS for TUMF facilities is "D", meaning that facilities with LOS "E" or "F", i.e. those with a V/C ratio of 0.9 or higher, are deemed to have inadequate capacity. The result of this step is a list of roads that have existing capacity deficiencies.
- 5) The SCAG 2016 RTP/SCS was developed using housing and employment data for 2040 as its forecast horizon year. This officially-adopted dataset was also used as the future base year for the TUMF update calculation.
- 6) RivTAM was run using the arterial road network for 2015 with the land use assumptions for 2040. This "No Build" scenario was used to determine where

¹ The macro-level traffic forecasting was conducted using the Riverside County Transportation and Analysis Model (RivTAM). RivTAM is a version of SCAG's six-county model with additional detail (traffic analysis zones and local roads) added within Riverside County. It was developed for use in traffic studies in Riverside County as a replacement for several older models that covered different portions of the county. RivTAM has both the geographic scope needed to analyze all TUMF facilities and conformity with regional planning assumptions. There is a memorandum of understanding among the jurisdictions of Riverside County that encourages the use of the RivTAM model for use in traffic studies.

deficiencies would occur in the roadway system if development occurred as expected but no roadway improvements were implemented.

- 7) Comparing the existing capacity deficiencies with the future deficiencies showed where new deficiencies would occur that are entirely attributable to new development. Comparing the existing and future traffic volume to capacity ratio on the roads that are currently deficient shows the portion of the future deficiency that is attributable to new development.
- 8) It is generally acknowledged that the TUMF program cannot and should not attempt to fund every roadway improvement needed in Western Riverside County. WRCOG has adopted a set of selection criteria that was used to choose which roadway improvements would be eligible for TUMF funding.
- 9) The selection criteria were applied to the forecast deficiencies to identify projects for the TUMF Project List. The project list was subsequently reviewed to confirm the eligibility of proposed projects, including projects previously included in the TUMF program, as well as additional projects requested for inclusion as part of the current update. The project list was then subsequently updated to reflect those projects considered eligible for TUMF funding as part of the 2016 Nexus.

1.1.2. Determine the TUMF Network Project Costs

The estimated costs of proposed improvements on the TUMF Network are calculated based on the prices of construction materials, labor and land values for the various eligible project types included as part of the TUMF program. The approach and outcomes of the following steps is described in Chapter 4 of this report.

- 10) The TUMF program has design standards covering the road project components that are eligible for TUMF funding. This ensures that projects in jurisdictions with different design standards are treated equally².
- 11) The unit costs for the various construction components were updated based on the current cost values for labor and materials such as cement, asphalt, reinforcing steel, etc., as derived from Caltrans cost database, RCTC and other sources, effective March 2016. Additionally, the ROW cost components per square foot for various land use types were also updated based on current property valuations in Riverside County as researched by Overland, Pacific and Cutler in March 2016.
- 12) The design standards and the unit costs were combined to create conceptual engineering cost estimates for different eligible project types (road costs per lane-mile, typical costs per arterial-freeway interchange, bridge costs per linear foot, etc.). The unit costs from the previous step were then applied to the project list to estimate the costs of the improvements on the TUMF project list.

² A jurisdiction may choose to design to a higher standard, but if it does so TUMF will only fund up to the equivalent of what costs would have been had the TUMF design standards been followed.

- 13) The percentage of each project that was attributable to new development was then applied to the costs of TUMF road projects to find the total road project cost that is attributable to new development.

1.1.3. Determine the TUMF Transit Component

A portion of the TUMF funding is made available for transit services that provide an alternative to car travel for medium-to-long distance intra-regional trips. The eligible transit projects and their associated costs are determined using the following steps, with additional explanation provided in **Chapter 4** of this report.

- 14) The Riverside Transit Agency (RTA) commissioned a Comprehensive Operational Analysis (COA) that was completed in January 2015. This analysis looked at existing and future ridership and identified potential projects to expand and improve transit service in Riverside County.
- 15) The COA's ridership figures for 2015 and 2025 were extrapolated to 2012 and 2040 to match the analysis years used for TUMF road projects.
- 16) The growth in ridership between 2012 and 2040 was compared to total ridership in 2040 to determine the portion of 2040 ridership that is attributable to existing passengers and the portion attributable to new growth.
- 17) As was the case for road improvements, possible transit projects from the COA were screened using a set of criteria to determine whether they should receive TUMF funding. The COA project list was then reviewed by WRCOG and RTA staff to confirm the validity of the project list and to reflect any changes in RTA project recommendations established since the adoption of the COA to establish a final recommended transit project list to be included as part of the program. The result was the TUMF Transit Project List.
- 18) RTA provided information on current costs for transit infrastructure.
- 19) The cost information was then used to determine the cost of the items on the TUMF Transit Project List.
- 20) The percent attribution from Step 21 was applied to the project cost estimates from Step 24 to determine the cost of transit improvements that are attributable to new development.
- 21) The costs for road and transit projects that are attributable to new development are then combined along with information on other (non-TUMF) funds to determine the total cost for TUMF projects that is to be cover by new development through the imposition of the fees. The available alternate funding sources were reviewed as part of the Nexus update, specifically including the completion of a detailed review of available federal, state and local funding sources administered by RCTC.

1.1.4. Computing the Fee for Residential Developments

Having determined the total project costs to be covered by new development under the TUMF program, it is necessary to divide these costs among different types of

developments roughly in proportion to their expected traffic impacts. The following steps described the process for determining the proportion attributable to new residential development. These approach for accomplishing these steps along with the findings of this analysis are described in detail in **Chapter 5** and **Chapter 6** of this report.

- 22) California legislation encourages the use of vehicle miles of travel (VMT) as the primary indicator of traffic impacts because it takes into account both to the number of vehicle trips and the average length of those trips to reflect the proportional impact to the roadway network. As a result, the methodology for determining the relative distribution of traffic impacts between residential and non-residential uses for the purposes of TUMF was revised from a trip based approach used in the earlier nexus studies to a VMT based approach for the 2016 update. The RivTAM 2012 existing and 2040 no-build model runs were examined to determine the VMT of various trip types that would take place in Western Riverside County (excluding through trips). The results were compared to determine the growth in VMT for each trip type. Per WRCOG policy (based on National Cooperative Highway Research Program (NCHRP) recommended practice) trips originating in or destined for a home are attributed to residential development while trips where neither the origin nor the destination are a home are attributed to non-residential development.
- 23) The SCAG 2016 RTP/SCS socio-economic forecasts were used to estimate the number of single-family and multi-family dwelling units that will be developed during the 2012 to 2040 period.
- 24) The Institute of Transportation Engineers' (ITE's) trip generation rates, which come from surveys of existing sites for various development types, were then used to estimate the daily number of trips that will be generated by future single- and multi-family developments that will occur in the region from 2012 to 2040.
- 25) The cost to be covered by residential development was divided into the portion attributable to new single-family dwellings and portion attributable to new multi-family development to calculate the cost share for each use.
- 26) The cost share for single-family dwellings and multi-family dwellings was divided by the number of dwellings of each type to determine the fee level required from each new dwelling unit to cover their fair share of the cost to mitigate the impacts of new developments.

1.1.5. Computing the Fee for Non-Residential Developments

A process similar to that used for residential units was used to determine the fee level for non-residential development. However, the determination of fees for non-residential development involves additional steps due to the additional complexity of accounting for a greater variety of development types within each use category. **Chapter 5** and **Chapter 6** of this report provide additional explanation regarding the methodology for accomplishing these steps along with the results of this analysis.

- 27) Like most impact fee programs, TUMF groups similar development projects together into general use categories in order to simplify the administration of the program. TUMF groups the various land use categories found in ITE's Trip

Generation Manual into four non-residential categories (industrial, retail, service, and government/public sector) based on the North American Industry Classification System (NAICS), which is also used by the U.S. Census Bureau and SCAG for demographic classifications, and is the basis for such classifications in the SCAG Regional Travel Demand Model as well as the RivTAM model. The ITE trip generation rates for all uses were reviewed for accuracy updated to reflect the most current ITE published rates. The median value for the trip-generation rates for all uses within each category was used in the nexus study to represent the trip-generation characteristics for the category as a whole.

- 28) The trip-generation rates of retail uses and service uses were adjusted to take into account the share of pass-by trips these uses generate. Pass by trip rates for various retail and service uses were derived from the ITE Trip Generation Manual to determine the median value of all uses as the basis for the adjustment. The ITE pass by trip rates for all uses were reviewed for accuracy and updated to reflect the most current ITE published rates.
- 29) The SCAG 2016 RTP/SCS socio economic forecasts included non-residential employment for 2012 and 2040. These forecasts were used to estimate the growth in employment in each of the four non-residential uses.
- 30) The SCAG employment forecasts are denominated in jobs while development applications are typically denominated in square feet of floorspace. The ratio of floorspace per employee was determined as a median value derived from four studies, including a comprehensive study San Bernardino and Riverside Counties conducted in 1990, an OCTA study conducted in 2001, a SCAG study (including a specific focus on Riverside County) conducted in 2001, and the Riverside County General Plan adopted in 2015. It should be noted the SCAG study and Riverside County General Plan were identified and included as part of the 2016 Nexus Update in response to a recommendation made during the review of the prior draft 2015 Nexus Study.
- 31) The forecast growth in employees was multiplied by the floorspace per employee to produce a forecast of the floorspace that will be developed for each of the four non-residential use types.
- 32) The trip-generation rate for each of the four uses was multiplied by the forecast of new floorspace to estimate the number of trips generated by each use.
- 33) The amount of project costs to be covered by non-residential development was split between the four non-residential uses to determine the TUMF cost share for each.
- 34) The TUMF cost share for each of the four non-residential uses was divided by the forecast growth in floorspace to determine the fee level required from each new square foot of non-residential development to cover their fair share of the cost to mitigate the impacts of new developments.
- 35) WRCOG has adopted a TUMF Fee Calculation Handbook that allows for fee adjustments to be made to account for unusual circumstances for certain types of residential and non-residential development (fuel filling stations, golf courses, high-cube warehouses, wineries, electric charging stations, etc.) These

adjustments are intended to calculate a fairer proportional fee based on the unique trip generation characteristics of these particular development types.

The outcome of this process is a schedule of fees for the various use categories identified as part of the TUMF program. The study conclusions including the Schedule of Fees is presented in **Chapter 7** of this report. The schedule of fees represents the maximum fee permissible under California law for the purposes of the TUMF program. The WRCOG Executive Committee has the option to adopt lower fees, however, in doing so each use category subject to a lower fee would not be contributing a fair share of the cost of their impacts. This would in turn create a funding gap for the program that would necessitate identifying additional project funding from some other source in order to ensure the cumulative regional impacts of new development are being mitigated fully in accordance with the program.

2.0 FUTURE GROWTH

2.1 Recent Historical Trend

Western Riverside County experienced robust growth in the period from the late 1990's to the mid 2000's. The results of Census 2000 indicate that in the year 2000, Western Riverside County had a population of 1.187 million representing a 30% increase (or 2.7% average annual increase) from the 1990 population of 912,000. Total employment in Western Riverside County in 2000 was estimated by the SCAG to be 381,000 representing a 46% increase (or 3.9% average annual increase) over the 1990 employment of 261,000.

Despite the impacts of the Great Recession and the associated residential mortgage and foreclosure crisis, Western Riverside County continued to grow due to the availability of relatively affordable residential and commercial property, and a generally well-educated workforce. By 2010, the population of the region had grown to 1.742 million, a further 47% growth in population from 2000. Similarly, total employment in the region had also grown from 2000 to 2010 with 434,000 employees estimated to be working in Western Riverside County. This represents a 12% increase from the 381,000 employees working in the region in 2000.

2.2 Available Demographic Data

A variety of alternate demographic information that quantifies future population, household and employment growth is available for Western Riverside County. For earlier versions of the TUMF Nexus Study, the primary available source of consolidated demographic information for Western Riverside County was provided by SCAG. SCAG is the largest of nearly 700 Councils of Government (COG) in the United States and functions as the Metropolitan Planning Organization (MPO) for six counties in Southern California including Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial. SCAG is mandated by the federal government to research and plan for issues of regional significance including transportation and growth management. As part of these responsibilities, SCAG maintains a comprehensive database of regional socioeconomic data and develops demographic projections and travel demand forecasts for Southern California.

Recognizing the need to develop a more comprehensive source of socioeconomic data for Riverside County, the Riverside County Center for Demographic Research (RCCDR) was established under the joint efforts of the County of Riverside, the Western Riverside Council of Governments, the Coachella Valley Association of Governments, and the University of California, Riverside in 2005. RCCDR was responsible for establishing and maintaining demographic information and ensuring data consistency through a centralized data source of demographic characteristics. RCCDR provided demographic estimates and forecasts for Riverside County as input to the SCAG regional forecasts as well as providing the demographic basis for RivTAM. RCCDR forecasts were utilized as the basis for the TUMF Nexus Study 2009 Update.

The functions of the RCCDR have been subsequently integrated into the Riverside County Information Technology – Geographic Information Systems (RCIT-GIS) group, and their role in the development and distribution of SED has recently diminished. Although RCIT-GIS, WRCOG and other regional partners participated in the process to develop regional demographic forecasts as part of the SCAG 2016 RTP/SCS, SCAG remained the lead agency in the compilation and dissemination of the forecasts that were ultimately adopted in 2016, including those specific to Western Riverside County. For this reason, the SCAG forecasts adopted for the 2016 RTP/SCS were used as the basis for the TUMF Nexus Study 2016 Update, with the adopted SCAG data being disaggregated to correlate to the traffic analysis zone (TAZ) structure utilized for RivTAM.

2.3 Demographic Assumptions Used for the Nexus Study Analysis

A major distinction between RCCDR data used for the TUMF Nexus Study 2009 Update and the SCAG 2016 RTP/SCS data used for this 2016 Update is the change in the base year from 2007 to 2012, as well as the change in the horizon year from 2035 to 2040. This shift in the base year and horizon year demographic assumptions of the program carries through all aspects of the nexus analysis, including the travel demand forecasting, network review and fee calculation.

The SCAG 2016 RTP/SCS data were compared to the RCCDR 2007 data used in the TUMF Nexus Study 2009 Update. As can be seen in **Table 2.1** and **Figure 2.1**, the 2012 data reflects a modest increase in population, a very slight decline in households, and a modest decline in overall employment, with a notable shift in employment away from industry and government/public sector to retail. These changes reflect a restructuring of the regional economy in response to the influences of the Great Recession during this time.

Table 2.1 - Base Year Socioeconomic Estimates for Western Riverside County

SED Type	2009 Update (2007)	2016 Update (2012)	Change	Percent
Total Population	1,569,393	1,773,935	204,542	13%
Total Households	530,289	525,149	-5,140	-1%
Single-Family	395,409	366,588	-28,821	-7%
Multi-Family	134,880	158,561	23,681	18%
Total Employment	515,914	460,787	-55,127	-11%
Industrial	175,571	120,736	-54,835	-31%
Retail	39,576	65,888	26,312	66%
Service	256,813	253,372	-3,441	-1%
Government/Public Sector	43,954	20,791	-23,163	-53%

Source: Riverside County CDR, May 2008; SCAG 2016 RTP; WSP, April 2016

Figure 2.1 – Base Year Socioeconomic Estimates for Western Riverside County

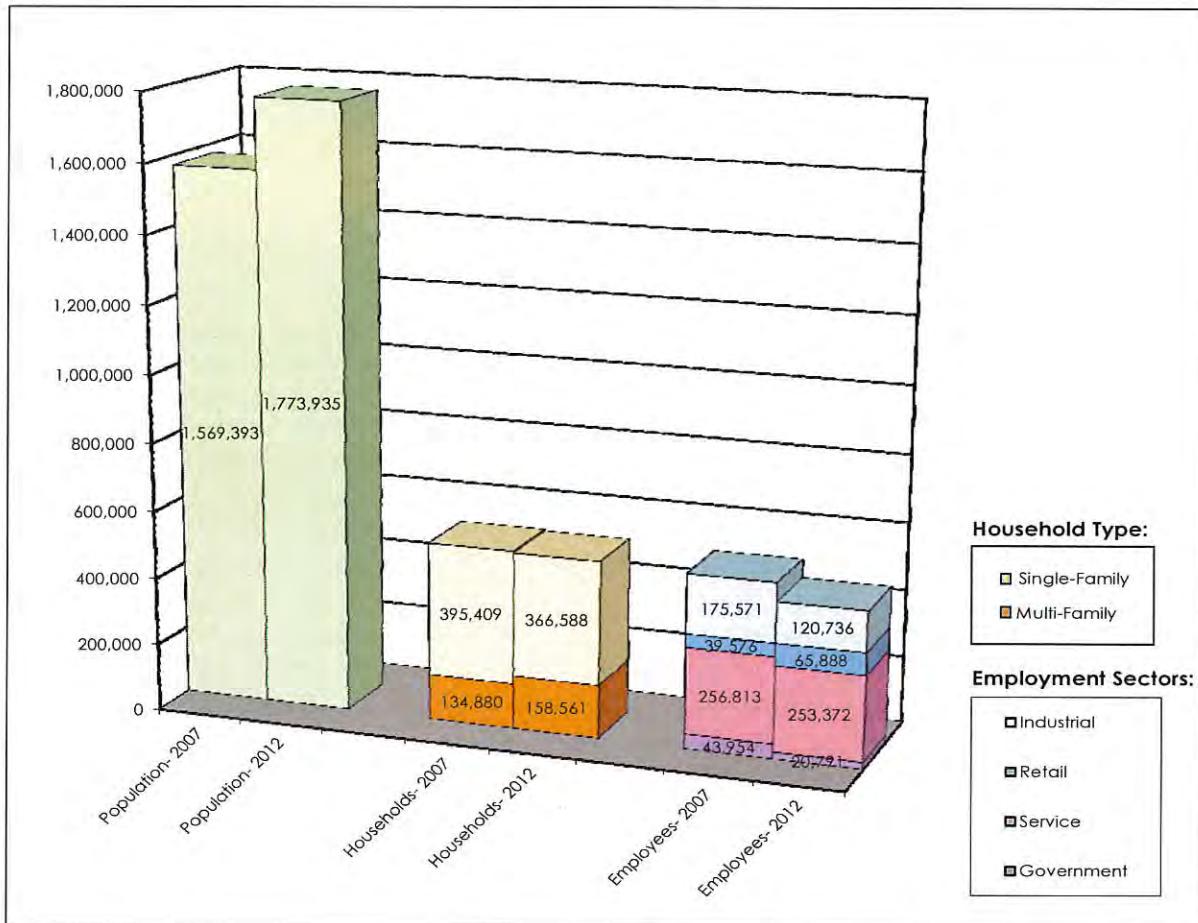


Table 2.2 and **Figure 2.2** compare the socioeconomic forecasts for the program horizon year of 2035 used in the TUMF Nexus Study 2009 Update and 2040 for this study. The most recent forecasts reflect a reduction in the horizon year population, households and overall employment in Western Riverside County, as well as shifts in the projected growth in employment sectors away from government/public sector and service towards retail. These changes are considered to be consistent with the influence of the economic recession on the rate of growth in Western Riverside County.

Table 2.2 - Horizon Year Socioeconomic Estimates for Western Riverside County

SED Type	2009 Update (2035)	2016 Update (2040)	Change	Percent
Total Population	2,537,583	2,429,633	-107,950	-4%
Total Households	881,968	775,231	-106,737	-12%
Single-Family	552,154	539,631	-12,523	-2%
Multi-Family	329,814	235,600	-94,214	-29%
Total Employment	1,090,833	861,455	-229,378	-21%
TUMF Industrial	276,782	201,328	-75,454	-27%
TUMF Retail	87,170	101,729	14,559	17%
TUMF Service	595,039	528,092	-66,947	-11%
TUMF Government/Public Sector	131,842	30,306	-101,536	-77%

Source: Riverside County CDR, May 2008; SCAG 2016 RTP; WSP, April 2016

Figure 2.2 - Horizon Year Socioeconomic Estimates for Western Riverside County

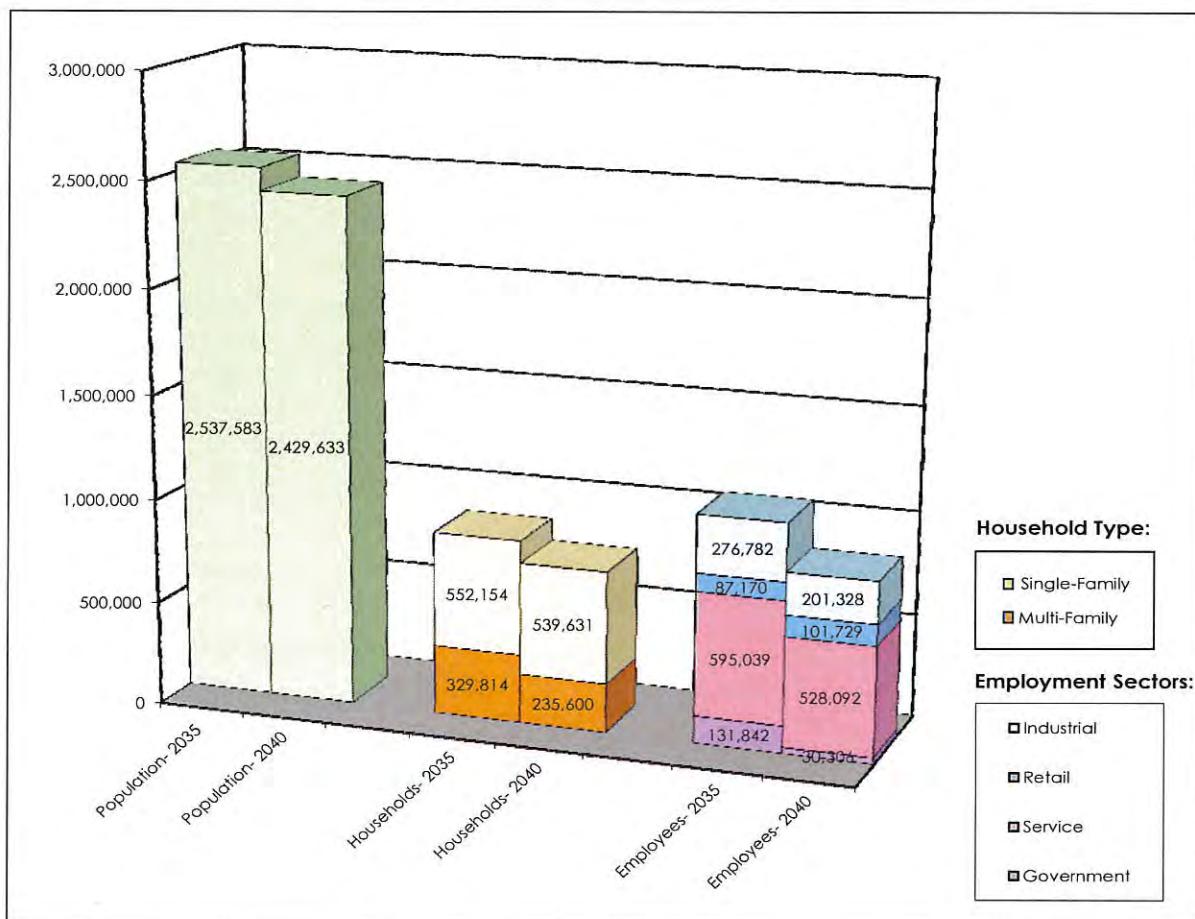


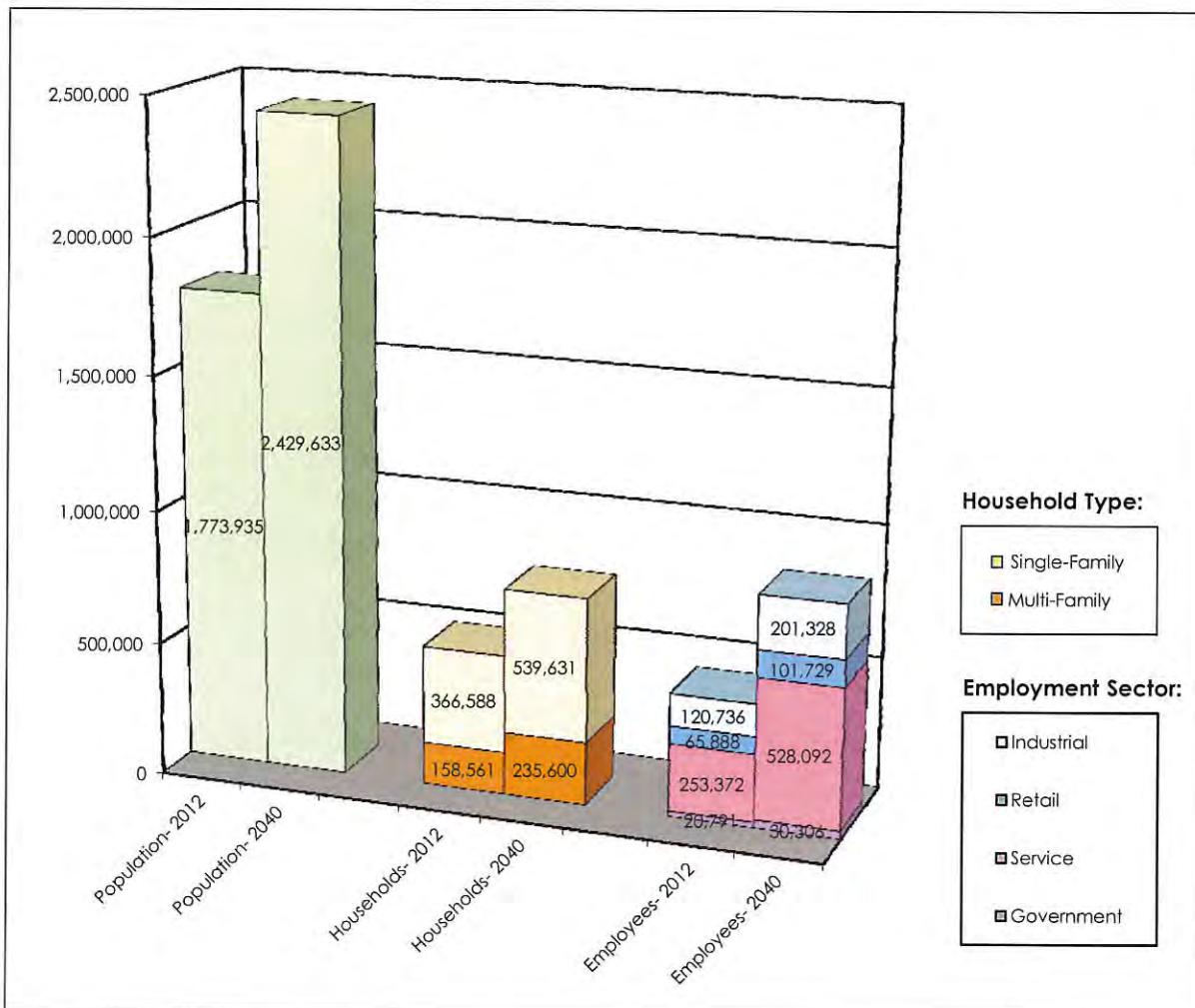
Table 2.3 and Figure 2.3 summarize the socioeconomic data obtained from SCAG and used as the basis for completing this Nexus Study analysis. The SCAG employment data for 2012 and 2040 was provided for thirteen employment sectors consistent with the California Employment Development Department (EDD) Major Groups including: Farming, Natural Resources and Mining; Construction; Manufacturing; Wholesale Trade; Retail Trade; Transportation, Warehousing and Utilities; Information; Financial Activities; Professional and Business Service; Education and Health Service; Leisure and Hospitality; Other Service; and Government. For the purposes of the Nexus Study, the EDD Major Groups were aggregated to Industrial (Farming, Natural Resources and Mining; Construction; Manufacturing; Wholesale Trade; Transportation, Warehousing and Utilities), Retail (Retail Trade), Service (Information; Financial Activities; Professional and Business Service; Education and Health Service; Leisure and Hospitality; Other Service) and Government/Public Sector (Government). These four aggregated sector types were used as the basis for calculating the fee as described in **Section 6.2. Appendix B** provides a table detailing the EDD Major Groups and corresponding North American Industry Classification System (NAICS) Categories that are included in each non-residential sector type.

Table 2.3 - Population, Households and Employment in Western Riverside County (2012 to 2040)

SED Type	2012	2040	Change	Percent
Total Population	1,773,935	2,429,633	655,698	37%
Total Households	525,149	775,231	250,082	48%
Single-Family	366,588	539,631	173,043	47%
Multi-Family	158,561	235,600	77,039	49%
Total Employment	460,787	861,455	400,668	87%
TUMF Industrial	120,736	201,328	80,592	67%
TUMF Retail	65,888	101,729	35,841	54%
TUMF Service	253,372	528,092	274,720	108%
TUMF Government/Public Sector	20,791	30,306	9,515	46%

Source: SCAG 2016 RTP; WSP, April 2016

Figure 2.3 - Population, Households and Employment in Western Riverside County (2012 to 2040)



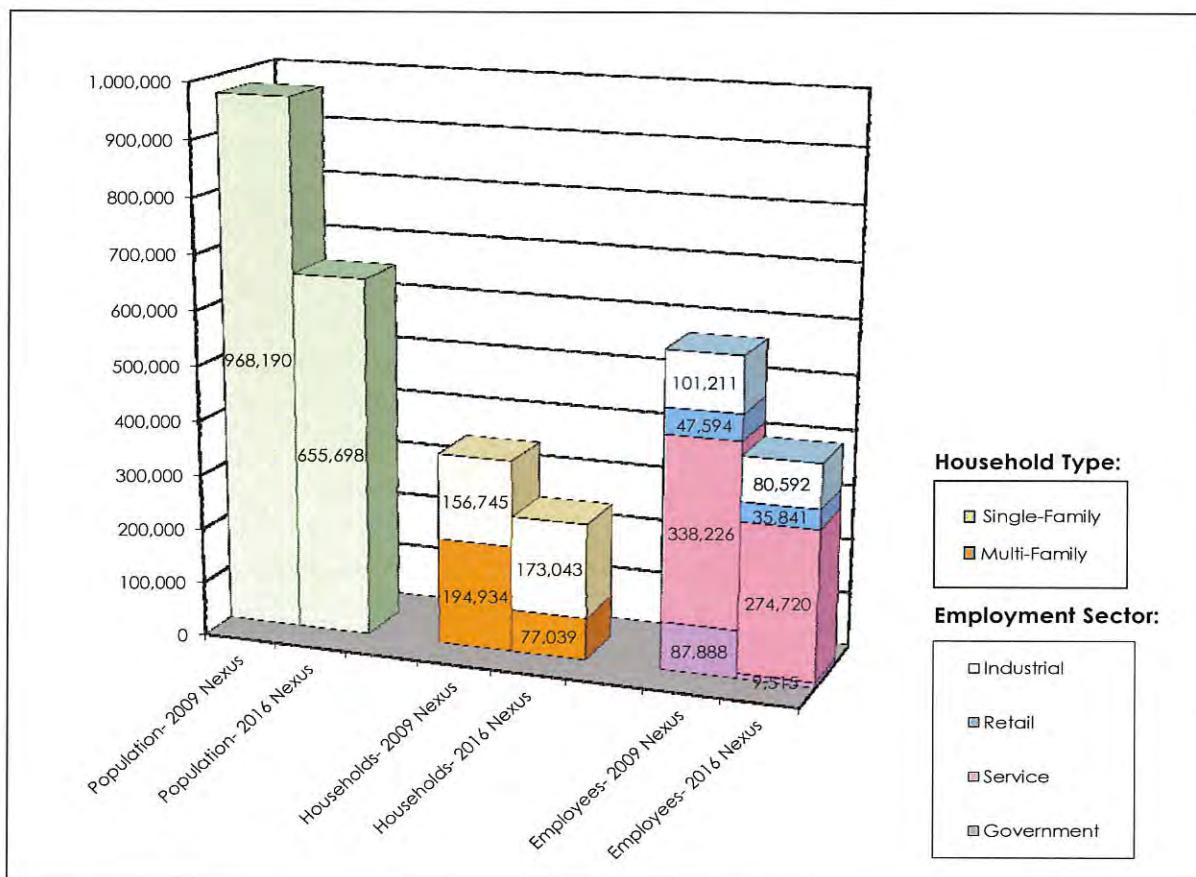
The combined effects of the changes in the base year and horizon year socioeconomic data is a notable reduction in the total growth in population, households and employment for the current Nexus Update compared to the 2009 Nexus Update. **Table 2.4** and **Figure 2.4** provide a comparison of the changes in population, households and employment between the 2016 Nexus Update and the 2009 Nexus Update. The table and figure clearly illustrate the reduction in the rate of growth in Western Riverside County largely attributable to the effects of the economic recession. This reduced rate of growth in the region will serve as the basis for reevaluating the level of impact of new development on the transportation system in the next section, as well as providing the basis for the determination of the fair share fee for each land use type.

**Table 2.4 - Population, Households and Employment in Western Riverside County
(Existing to Future Change Comparison)**

SED Type	2009 Update (2007-2035)	2015 Update (2012-2040)	Difference	Percent
Total Population	968,190	655,698	-312,492	-32%
Total Households	351,679	250,082	-101,597	-29%
Single-Family	156,745	173,043	16,298	10%
Multi-Family	194,934	77,039	-117,895	-60%
Total Employment	574,919	400,668	-174,251	-30%
TUMF Industrial	101,211	80,592	-20,619	-20%
TUMF Retail	47,594	35,841	-11,753	-25%
TUMF Service	338,226	274,720	-63,506	-19%
TUMF Government/Public Sector	87,888	9,515	-78,373	-89%

Source: Riverside County CDR, May 2008; SCAG 2016 RTP; WSP, April 2016

**Figure 2.4 - Population, Households and Employment in Western Riverside County
(Existing to Future Change Comparison)**



3.0 NEED FOR THE TUMF

All new development has some effect on the transportation infrastructure in a community, city or county due to an increase in travel demand. Increasing usage of the transportation facilities leads to more traffic, progressively increasing VMT, traffic congestion and decreasing the level of service (LOS)³. In order to meet the increased travel demand and keep traffic flowing, improvements to transportation facilities become necessary to sustain pre-development traffic conditions.

The projected growth in Western Riverside County (37% growth in population and 87% growth in employment in under 30 years) and the related growth in VMT can be expected to significantly increase congestion and degrade mobility if substantial investments are not made in the transportation infrastructure. This challenge is especially critical for arterial highways and roadways that carry a significant number of the trips between cities, since traditional sources of transportation improvement funding (such as the gasoline tax and local general funds) will not be nearly sufficient to fund the improvements needed to serve new development. Development exactions generally provide only a fraction of the improvements with improvements confined to the area immediately adjacent to the respective development, and the broad-based county-level funding sources (i.e., Riverside County's half-cent sales tax known as Measure A) designate only a small portion of their revenues for arterial roadway improvements.

This section documents the existing and future congestion levels that demonstrate the need for future improvements to the transportation system to specifically mitigate the cumulative regional transportation impacts of new development. It then describes the TUMF concept that has been developed to fund future new developments' fair share of needed improvements.

The forecast of future congestion levels is derived from Year 2040 No-Build travel demand forecasts for Western Riverside County developed using RivTAM. The Year 2040 No-Build scenario evaluates the effects of 2040 population, employment and resultant traffic generation on the 2015 existing arterial highway network.

3.1 Future Highway Congestion Levels

To support the evaluation of the cumulative regional impacts of new development on the existing arterial highway system in Western Riverside County, existing (2012) and

³ The Highway Capacity Manual (Transportation Research Board, National Research Council, Washington, D.C., 2010, pp 2-2, 2-3) describes LOS as a "quality measure describing operational conditions within a traffic stream, generally in terms of such service measures as speed and travel time, freedom to maneuver, traffic interruptions, and comfort and convenience." Letters are used to designate each of six LOS (A to F), with LOS A representing the best operating conditions and LOS F representing the worst. According to the Highway Capacity Manual, LOS C or D is typically used in planning efforts to ensure an acceptable operating service for facility users. Therefore, LOS E represents the threshold for unacceptable LOS.

future (2040) SED were modeled on the existing (2015) arterial highway network using RivTAM. To quantify traffic growth impacts, various traffic measures of effectiveness were calculated for the AM and PM peak periods for each of the two scenarios. The WRCOG TUMF study area was extracted from the greater regional model network for the purpose of calculating measures for Western Riverside County only. Peak period performance measures for the Western Riverside County TUMF study area included total VMT, total vehicle hours of travel (VHT), total combined vehicle hours of delay (VHD), and total VMT experiencing unacceptable level of service (LOS E). These results were tabulated in **Table 3.1**. Plots of the Network Extents are attached in **Appendix C**.

Total Arterial VMT, VHT, VHD and LOS E Threshold VMT were calculated to include all principal arterials, minor arterials and major connectors, respectively. Regional values for each threshold were calculated for a total of all facilities including arterials, freeways, freeway ramps and High-Occupancy Vehicle (HOV) lanes.

Table 3.1 - Regional Highway System Measures of Performance (2012 Baseline to 2040 No-Build)

Measure of Performance*	Peak Periods (Total)			
	2012	2040	% Change	% Annual
VMT - Total ALL FACILITIES	19,532,437	29,277,587	50%	1.5%
VMT - FREEWAYS	11,019,155	14,487,570	31%	1.0%
VMT - ALL ARTERIALS	8,513,282	14,790,016	74%	2.0%
TOTAL - TUMF ARTERIAL VMT	5,585,202	9,089,495	63%	1.8%
VHT - TOTAL ALL FACILITIES	575,154	1,361,907	137%	3.1%
VHT - FREEWAYS	296,542	736,433	148%	3.3%
VHT - ALL ARTERIALS	278,611	625,474	124%	2.9%
TOTAL TUMF ARTERIAL VHT	181,151	396,981	119%	2.8%
VHD - TOTAL ALL FACILITIES	175,765	739,075	320%	5.3%
VHD - FREEWAYS	117,430	502,549	328%	5.3%
VHD - ALL ARTERIALS	58,334	236,527	305%	5.1%
TOTAL TUMF ARTERIAL VHD	45,080	172,944	284%	4.9%
VMT LOS E - TOTAL ALL FACILITIES	6,188,644	16,966,992	174%	3.7%
VMT LOS E - FREEWAYS	4,532,703	10,156,363	124%	2.9%
VMT LOS E & F - ALL ARTERIALS	1,655,941	6,810,629	311%	5.2%
TOTAL TUMF ARTERIAL VMT w/ LOS E or worse	1,462,061	5,160,911	253%	4.6%
% of TUMF ARTERIAL VMT w/ LOS E or worse	26%	57%		

* Based on RivTAM 2012 network provided by Riverside County Transportation Department and SCAG 2016 RTP/SCS SED with updated 2015 arterial network completed by WSP, September 2016.

NOTES:

Volume is adjusted by PCE factor

VMT = vehicle miles of travel (the total combined distance that all vehicles travel on the system)

VHT = vehicle hours of travel (the total combined time that all vehicles are traveling on the system)

VHD = vehicle hours of delay (the total combined time that all vehicles have been delayed on the system based on the difference between forecast travel time and free-flow (ideal) travel time)

LOS = level of service (based on forecast volume to capacity ratios).

LOS E or Worse was determined by V/C ratio that exceeds 0.9 thresholds as indicated in the Riverside County General Plan.

The following formulas were used to calculate the respective values:

$$VMT = \text{Link Distance} * \text{Total Daily Volume}$$

$$VHT = \text{Average Loaded (Congested) Link Travel Time} * \text{Total Daily Volume}$$

$$VHD = VHT - (\text{Free-flow (Uncongested) Link Travel Time} * \text{Total Daily Volume})$$

$$VMT \text{ LOS E or F} = VMT \text{ (on links where Daily V/C exceeded 0.90)}$$

Note: Volume to capacity (v/c) ratio thresholds for LOS E are based on the Transportation Research Board 2010 Edition of the Highway Capacity Manual (HCM 2010) LOS Maximum V/C Criteria for Multilane Highways with 45 mph Free Flow Speed (Exhibit 14-5, Chapter 14, Page 14-5).

The calculated values were compared to assess the total change between 2012 Baseline and 2040 No-Build, and the average annual change between 2012 Baseline and 2040 No-Build. As can be seen from the RivTAM outputs summarized in **Table 3.1**, the additional traffic generated by new development will cause VMT on the arterial highway network to increase by approximately 74% by the year 2040 (approximately 2.0% per year). In the absence of additional improvements to the transportation network in Western Riverside County, the growth in VMT will cause congestion on the highway system to increase almost exponentially, with the most significant increase in congestion observed on the arterial highway system that includes the TUMF Network. Many facilities will experience a significant increase in vehicle delay and deterioration in LOS to unacceptable levels as a result of new development and the associated growth in traffic. According to the Highway Capacity Manual (Transportation Research Board, 2010), LOS C or D are required to "ensure an acceptable operating service for facility users." LOS E is generally recognized to represent the threshold of unacceptable operating service and the onset of substantial systemic traffic congestion.

The Congestion Management Program for Riverside County (CMP) published by the Riverside County Transportation Commission (RCTC) in 2011 designates LOS E as the "traffic standards must be set no lower than LOS E for any segment or intersection along the CMP System of Highways and Roadways" in Riverside County. "The intent of the CMP is to more directly link land use, transportation, and air quality, thereby prompting reasonable growth management programs that will effectively utilize new transportation funds, alleviate traffic congestion and related impacts, and improve air quality."⁴ The CMP provides a mechanism for monitoring congestion on the highway system and, where congestion is observed, establishes procedures for developing a deficiency plan to address improvement needs. The reactive nature of the CMP to identify and remediate existing congestion differs from the proactive nature of the TUMF program to anticipate and provide for future traffic needs. For this reason, the TUMF program follows the guidance of the Highway Capacity Manual in establishing LOS E as the threshold for unacceptable level of service, and subsequently as the basis for measuring system performance and accounting for existing needs. This approach ensures a more conservative accounting of existing system needs as part of the

⁴ Congestion Management Program for Riverside County – Executive Summary (Riverside County Transportation Commission, 2011) Page ES-3, ES-1

determination of the “fair share” of mitigating the cumulative regional impacts of future new development on the transportation system.

The continuing need for a mitigation fee on new development is shown by the adverse impact that new development will have on Western Riverside County’s transportation infrastructure, and in particular, the arterial highway network. As a result of the new development and associated growth in population and employment in Western Riverside County, additional pressure will be placed on the transportation infrastructure with the total VMT on the Western Riverside County Regional System of Highways and Arterials (RSAH; also referred to as the TUMF Network) estimated to increase by approximately 63% or 1.8% compounded annually.

As shown in **Table 3.1**, the VMT on arterial facilities within the TUMF Network experiencing LOS of E or worse will increase by approximately 253% or 4.6% compounded annually in Western Riverside County in the period between 2012 and 2040. By 2040, 57% of the total VMT on the TUMF arterial highway system is forecast to be traveling on facilities experiencing daily LOS E or worse. Without improvements to the TUMF arterial highway system, the total vehicle hours of delay (VHD) experienced by area motorists on TUMF arterial highways will increase by approximately 4.9% per year. The combined influences of increased travel demand and worsened LOS that manifest themselves in severe congestion and delay highlight the continuing need to complete substantial capacity expansion on the TUMF arterial highway system to mitigate the cumulative regional impact of new development.

The RivTAM outputs summarized in **Table 3.1** clearly demonstrate that the travel demands generated by future new development in the region will lead to increasing levels of traffic congestion, especially on the arterial roadways. The need to improve these roadways to accommodate the anticipated growth in VMT and relieve future congestion is therefore directly linked to the future development which generates the additional travel demand.

3.2 Future Transit Utilization Levels

In addition to the roadway network, public transportation will play a role in serving future travel demand in the region. Transit represents a critical component of the transportation system by providing an alternative mode choice for those not wanting to use an automobile, and particularly for those who do not readily have access to an automobile. As population and employment in Western Riverside County grows as a result of new development, demand for regional transit services in the region is also expected to grow.

While some future transit trips will be accommodated by inter-regional transit services such as Metrolink, a substantial number of the trips within Western Riverside County will be served by bus transit services and for this reason the provision of regional bus transit service is considered integral to addressing the cumulative regional transportation impacts of new developments. Regional bus transit services within Western Riverside County are primarily provided by RTA. To support the evaluation of regional bus service

needs to accommodate new development, daily transit trip forecasts were derived from the RTA Comprehensive Operational Analysis⁵. Weekday projected system ridership for 2015 and 2025 were interpolated to 2012 and 2040 to represent existing and future transit trips consistent with the analysis of highway trips described in **Section 3.1**. The interpolated year 2012 and year 2040 existing and future transit ridership were compared in order to assess the impact of new development on transit demand. The weekday projected system ridership indicates that RTA bus transit services accommodate approximately 31,016 riders per day in Western Riverside County in 2015. By 2025, bus transit services are forecast to serve approximately 46,572 riders per weekday. This represents an increase in projected weekday ridership of 15,556 between 2015 and 2025, or an average increase of 1,414 weekday riders each year. Based on these projected weekday ridership levels and rate of ridership growth each year, the interpolated weekday ridership for 2012 is 26,773 while the interpolated weekday ridership for 2040 would be 67,785. This translates into an increase of 41,011 riders per weekday between 2012 and 2040. Weekday projected system ridership for 2015 and 2025, as presented in Table 7 of the RTA Comprehensive Operational Analysis Executive Summary, along with the interpolated weekday system ridership in 2012 and 2040 are included in **Appendix D**.

The significant future growth in demand for public transit services is reflective of the cumulative regional impacts of new development, and the associated increase in demand for all types of transportation infrastructure and services to accommodate this growth. Furthermore, bus transit ridership is expected to grow as the improved services being planned and implemented by RTA attracts new riders and encourages existing riders to use transit more often as an alternative to driving. Attracting additional riders to bus transit services contributes to the mitigation of the cumulative regional transportation impacts of new development by reducing the number of trips that need to be served on the highway system. The need to provide additional bus transit services within Western Riverside County to satisfy this future demand is therefore directly linked to the future development that generates the demand.

3.3 The TUMF Concept

A sizable percentage of trip-making for any given local community extends beyond the bounds of the individual community as residents pursue employment, education, shopping and entertainment opportunities elsewhere. As new development occurs within a particular local community, this migration of trips of all purposes by new residents and the new business that serve them contributes to the need for transportation improvements within their community and in the other communities of Western Riverside County. The idea behind a uniform mitigation fee is to have new development throughout the region contribute uniformly to paying the fair share cost of improving the transportation facilities that serve these longer-distance trips between communities. Thus, the fee is intended to be used primarily to improve transportation

⁵ Riverside Transit Agency (RTA), Comprehensive Operational Analysis Executive Summary, January 2015, Table 7

facilities that serve trips between communities within the region (in particular, arterial roadways and regional bus transit services).

Some roadways serve trips between adjacent communities, while some also serve trips between more distant communities within the region. The differing roadway functions led to the concept of using a portion of the fee revenues for a backbone system of arterial roadways that serve the longer-distance trips (i.e. using TUMF revenues from the entire region), while using a second portion of the fee revenues for a secondary system of arterials that serve inter-community trips within a specific subregion or zone (i.e. using TUMF revenues from the communities most directly served by these roads – in effect, a return-to-source of that portion of the funds). Reflecting the importance of public transit service in meeting regional travel needs, a third portion of fee revenues was reserved for improvements to regional bus transit services (i.e. using TUMF revenues from the entire region).

Much, but not all, of the new trip-making in a given area is generated by residential development (i.e. when people move into new homes, they create new trips on the transportation system as they travel to work, school, shopping or entertainment). Some of the new trips are generated simply by activities associated with new businesses (i.e. new businesses will create new trips through the delivery of goods and services, etc.). With the exception of commute trips by local residents coming to and from work, and the trips of local residents coming to and from new businesses to get goods and services, the travel demands of new businesses are not directly attributable to residential development. The consideration of different sources of new travel demand is therefore reflected in the concept of assessing both residential and non-residential development for their related transportation impacts.

In summary, the TUMF concept includes the following:

- A uniform fee that is levied on new development throughout Western Riverside County.
- The fee is assessed roughly proportionately on new residential and non-residential development based on the relative impact of each new use on the transportation system.
- A portion of the fee is used to fund capacity improvements on a backbone system of arterial roadways that serve longer-distance trips within the region; a portion of the fee is returned to the subregion or zone in which it was generated to fund capacity improvements on a secondary system of arterial roadways that link the communities in that area; and a portion of the fee is used to fund improvements to regional bus transit services that serve longer-distance trips between the communities within the region.

4.0 THE TUMF NETWORK

4.1 Identification of the TUMF Roadway Network

An integral element of the initial Nexus Study was the designation of the Western Riverside County Regional System of Highways and Arterials. This network of regionally significant highways represents those arterial and collector highway and roadway facilities that primarily support inter-community trips in Western Riverside County and supplement the regional freeway system. As a result, this system also represents the extents of the network of highways and roadways that would be eligible for TUMF funded improvements. The TUMF Network does **not** include the freeways of Western Riverside County as these facilities primarily serve longer distance inter-regional trips and a significant number of pass-through trips that have no origin or destination in Western Riverside County⁶.

The TUMF Network is the system of roadways that serve inter-community trips within Western Riverside County and therefore are eligible for improvement funding with TUMF funds. The RSA for Western Riverside County was identified based on several transportation network and performance guidelines as follows:

1. Arterial highway facilities proposed to have a minimum of four lanes at ultimate build-out (not including freeways).
2. Facilities that serve multiple jurisdictions and/or provide connectivity between communities both within and adjoining Western Riverside County.
3. Facilities with forecast traffic volumes in excess of 20,000 vehicles per day in the future horizon year.
4. Facilities with forecast volume to capacity ratio of 0.90 (LOS E) or greater in the future horizon year.
5. Facilities that accommodate regional fixed route transit services.
6. Facilities that provide direct access to major commercial, industrial, institutional, recreational or tourist activity centers, and multi-modal transportation facilities (such as airports, railway terminals and transit centers).

Appendix E includes exhibits illustrating the various performance measures assessed during the definition of the RSA.

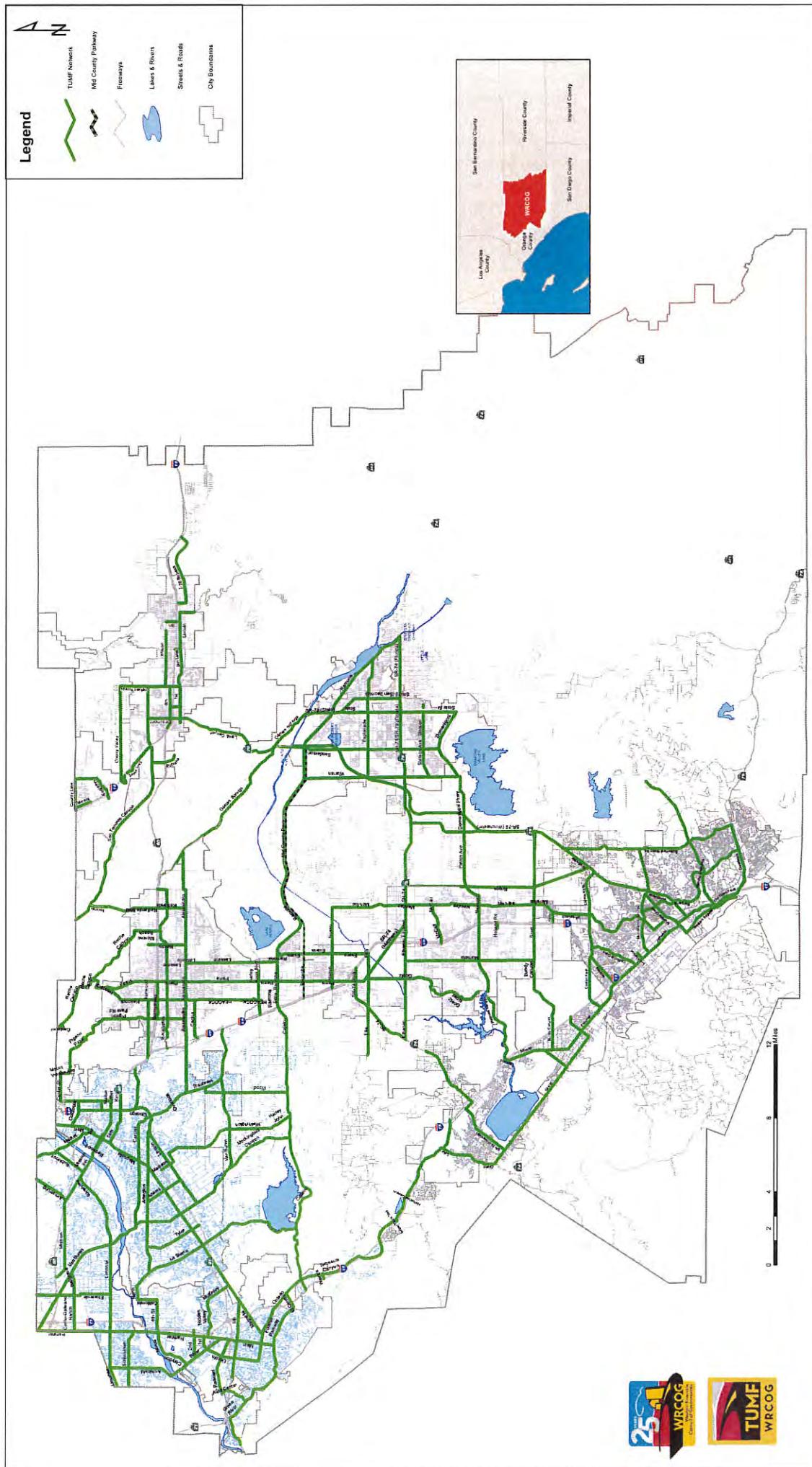
Transportation facilities in Western Riverside County that generally satisfied the respective guidelines were initially identified, and a skeletal regional transportation framework evolved from facilities where multiple guidelines were observed. Representatives of all WRCOG constituent jurisdictions reviewed this framework in the context of current local transportation plans to define the TUMF Network, which was

⁶ Since pass-through trips have no origin or destination in Western Riverside County, new development within Western Riverside County cannot be considered responsible for mitigating the impacts of pass-through trips. The impact of pass-through trips and the associated cost to mitigate the impact of pass-through trips (and other inter-regional freeway trips) is addressed in the Riverside County Transportation Commission (RCTC) Western Riverside County Freeway Strategic Plan, Phase II – Detailed Evaluation and Impact Fee Nexus Determination, Final Report dated May 31, 2008.

subsequently endorsed by the WRCOG Public Works Committee, WRCOG Technical Advisory Committee, TUMF Policy Committee and the WRCOG Executive Committee.

The RSHA is illustrated in **Figure 4.1**. As stated previously, the RSHA represents those regional significant highway facilities that primarily serve inter-community trips in Western Riverside County and therefore also represents the extents of the network of highways and roadways that would be eligible for TUMF funded improvements.

Consistent with the declining rate of new development forecast for Western Riverside County post the Great Recession, the TUMF Network was reviewed as part of the 2016 Nexus Update to ensure facilities generally still met the previously described performance guidelines, and/or that the scope and magnitude of specific improvements to the TUMF Network were roughly proportional to the impacts needing to be mitigated. This review process resulted in the removal of various facilities from the TUMF Network, as well as various changes in the scope and magnitude of specific improvements to the TUMF Network are discussed in **Section 4.3** of this report.



Regional System of Highways and Arterials - Western Riverside County
Transportation Uniform Mitigation Fee Program | Figure 4.1

Developed using data from the County of Riverside and the Western Riverside County Regional Transportation Commission. The data is subject to change and is not necessarily current. The Western Riverside County Regional Transportation Commission is not responsible for the accuracy of the data. The Western Riverside County Regional Transportation Commission is not responsible for any damages resulting from the use of this data.

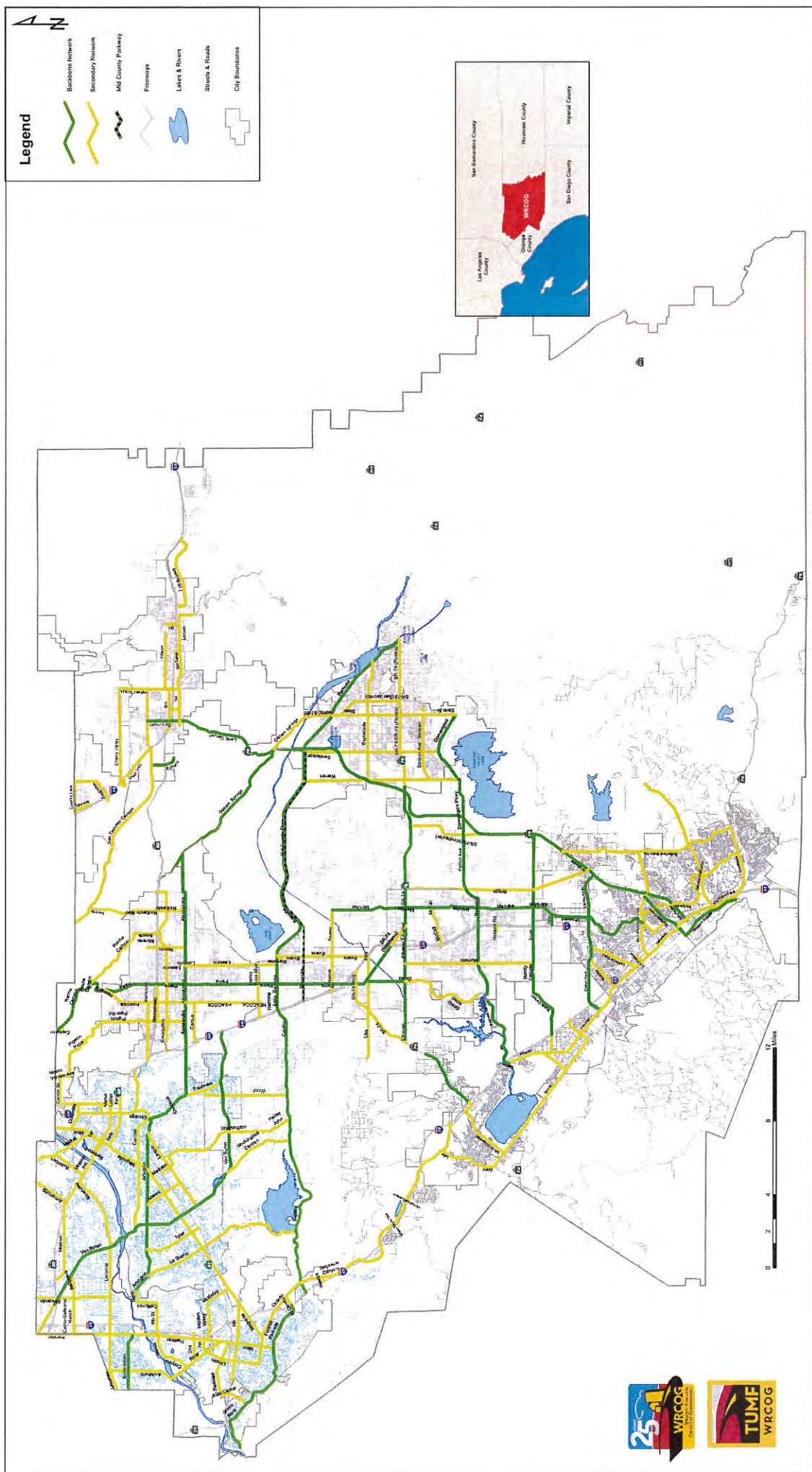
4.2 Backbone Network and Secondary Network

As indicated previously, the TUMF roadway network was refined to distinguish between facilities of "Regional Significance" and facilities of "Zonal Significance." Facilities of Regional Significance were identified as those that typically are proposed to have a minimum of six lanes at general plan build-out⁷, extend across and/or between multiple Area Planning Districts⁸, and are forecast to carry at least 25,000 vehicles per day in 2040. The Facilities of Regional Significance have been identified as the "backbone" highway network for Western Riverside County. A portion of the TUMF fee is specifically designated for improvement projects on the backbone system. The backbone network is illustrated in **Figure 4.2**.

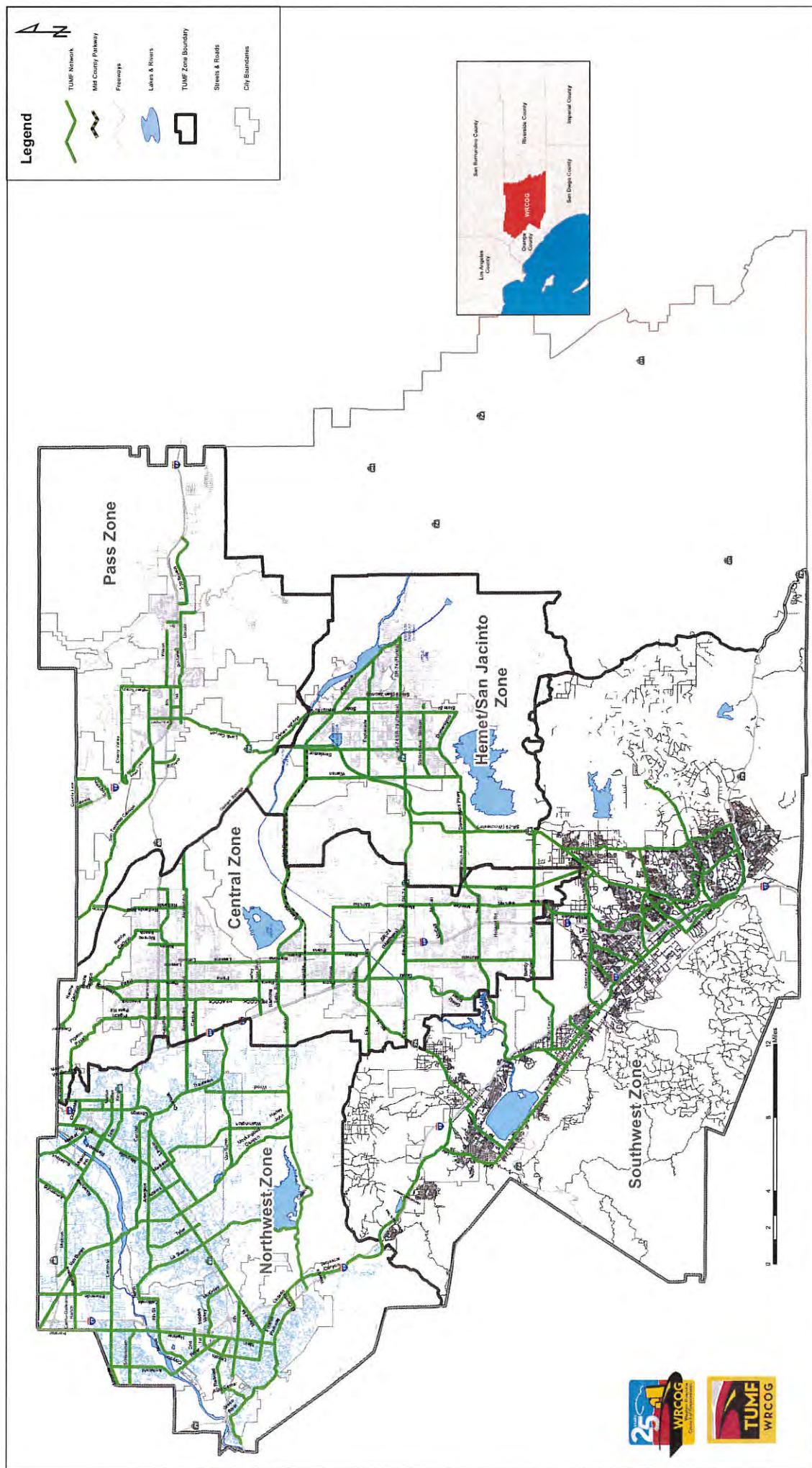
Facilities of Zonal Significance (the "secondary" network) represent the balance of the RSA for Western Riverside County. These facilities are typically within one zone and carry comparatively lesser traffic volumes than the backbone highway network, although they are considered significant for circulation within the respective zone. A portion of the TUMF is specifically designated for improvement projects on the secondary network within the zone in which it is collected. The WRCOG APD or zones are illustrated in **Figure 4.3**.

⁷ Although facilities were identified based on the minimum number of lanes anticipated at general plan buildout, in some cases it was determined that sufficient demand for all additional lanes facilities may not exist on some facilities until beyond the current timeframe of the TUMF Program (2040). As a result, only a portion of the additional lanes on these facilities have currently been identified for funding with TUMF revenues, reflecting the cumulative impact of new development through the current duration of the TUMF Program.

⁸ Area Planning Districts (APD) are the five aggregations of communities used for regional planning functions within the WRCOG area. Area Planning Districts are interchangeably referred to as TUMF Zones.



Backbone Network of Highways and Arterials - Western Riverside County
Transportation Uniform Mitigation Fee Program | Figure 4.2



Western Riverside County Area Planning Districts (TUMF Zones)

Transportation Uniform Mitigation Fee Program | Figure 4.3

Disclaimer: This map is for informational purposes only and is not to be used for navigational purposes. The boundaries shown on this map are not necessarily official or legally defined boundaries. The data used to create this map is subject to change and may not reflect the most current information. The map is provided "as is" and without any warranties, express or implied. The map is not intended to be a substitute for a professional survey or map. The map is the property of the Western Riverside County Transportation Uniform Mitigation Fee Program and is not to be reproduced without permission.

4.3 Future Roadway Transportation Needs

For the purpose of calculating a "fair share" fee for new development, it is necessary to estimate the cost of improvements on the TUMF system that will be needed to mitigate the cumulative regional impacts of future transportation demands created by new development. Estimates of the cost to improve the network to mitigate the cumulative impacts of new development were originally developed based on unit costs prepared for the Coachella Valley Association of Governments (CVAG) Regional Arterial Cost Estimate (RACE)⁹, and the WRCOG Southwest District SATISFY 2020 Summary of Cost Estimates¹⁰ (TKC/WRCOG 2000). The RACE cost estimates were developed based on a summary of actual construction costs for projects constructed in Riverside County in 1998.

The initial unit cost estimates for the TUMF (based on inflated RACE cost estimates) were reviewed in the context of the SATISFY 2020 Draft Cost Estimates and were consolidated to provide typical improvement costs for each eligible improvement type. The refinement of unit costs was completed to simplify the process of estimating the cost to improve the entire TUMF network. Based on RACE and SATISFY 2020, consolidated cost estimates included typical per mile or lump sum costs for each of the improvement types eligible under the TUMF Program. The resultant revised unit cost estimates were used as the basis for estimating the cost to complete the necessary improvements to the TUMF network to mitigate the cumulative regional transportation impacts of new development.

Variations in the consolidated cost estimates for specific improvement types were provided to reflect differences in topography and land use across the region. Unit costs for roadway construction were originally varied to account for variations in construction cost (and in particular, roadway excavation and embankment cost) associated with construction on level (code 1) rolling (code 2) and mountainous (code 3) terrain, respectively. Right-of-way acquisition costs which originally included consideration for land acquisition, documentation and legal fees, relocation and demolition costs, condemnation compensation requirements, utility relocation, and environmental mitigation costs were also varied to account for variations in right-of-way costs associated with urban (developed commercial/residential mixed uses – code 1), suburban (developed residential uses – code 2) and rural (undeveloped uses – code 3) land uses, respectively. Lump sum costs for interchange improvements were originally varied to account for variations in cost associated with new complex, new standard (or fully reconstructed), or major (or partially reconstructed) or minor (individual ramp improvements) interchange improvements.

As part of the 2016 TUMF Nexus Update, the original unit cost categories were revised to generate entirely new unit cost values based on the most recent available construction cost, labor cost and land acquisition cost values for comparable projects within

⁹ Parsons Brinckerhoff/Coachella Valley Association of Governments, 1999, Regional Arterial Cost Estimate (RACE)

¹⁰ TKC/Western Riverside Council of Governments, 2000, SATISFY 2020 Summary of Cost Estimates

Riverside County. The recalculation of the TUMF unit cost components was completed as part of the 2016 Nexus Update to reflect the effects of the ongoing recovery from the economic recession that has seen the costs of materials, labor and land acquisition in California rebound from relative historical lows. **Appendix F** provides a detailed outline of the assumptions and methodology leading to the revised TUMF unit cost assumptions developed as part of the 2016 Nexus Update. In addition, supplemental categories were added to the cost assumptions to better delineate the need to mitigate the cumulative multi-species habitat impacts of TUMF arterial highway improvements in accordance with the Riverside County Multiple Species Habitat Conservation Plan (MSHCP), and to account for the costs associated with WRCOG administration of the TUMF Program.

Section 8.5.1 of the Riverside County Integrated Project (RCIP) MSHCP adopted by the Riverside County Board of Supervisors on June 17, 2003 states that "each new transportation project will contribute to Plan implementation. Historically, these projects have budgeted 3% - 5% of their construction costs to mitigate environmental impacts." This provision is reiterated in the MSHCP Final Mitigation Fee Nexus Report (David Taussig and Associates, Inc., July 1, 2003) section 5.3.1.2 which states that "over the next 25 years, regional infrastructure projects are expected to generate approximately \$250 million in funding for the MSHCP" based on mitigation at 5% of construction costs. To clearly demonstrate compliance with the provisions of the MSHCP, the TUMF Program will incorporate a cost element to account for the required MSHCP contribution to mitigate the multi-species habitat impacts of constructing TUMF projects. In accordance with the MSHCP Nexus Report, an amount equal to 5% of the construction cost for new TUMF network lanes, bridges and railroad grade separations will be specifically included as part of TUMF Program with revenues to be provided to the Western Riverside County Regional Conservation Authority (RCA) for the acquisition of land identified in the MSHCP. The relevant sections of the MSHCP document and the MSHCP Nexus Report are included in **Appendix F**.

Table 4.1 summarizes the unit cost estimate assumptions used to develop the TUMF network cost estimate as part of the current Nexus Update. **Table 4.1** also includes a comparison of the original TUMF unit cost assumptions, and the 2009 Nexus Update unit cost assumptions. Cost estimates are provided in current year values as indicated.

To estimate the cost of improving the regional transportation system to provide for future traffic growth from new development, the transportation network characteristics and performance guidelines (outlined in **Section 4.1**) were initially used as a basis for determining the needed network improvements. The initial list of improvements needed to provide for the traffic generated by new development was then compared with local General Plan Circulation Elements to ensure that the TUMF network included planned arterial roadways of regional significance. A consolidated list of proposed improvements and the unit cost assumptions were then used to establish an initial estimate of the cost to improve the network to provide for future traffic growth associated with new development. This initial list of proposed improvements has since been revised and updated as part of each subsequent Nexus Update to reflect the changing levels of new development and the associated travel demand and transportation system impacts to be mitigated as part of the TUMF program.

As discussed in **Section 2.3**, the effects of the economic recession since the 2009 Nexus Update have included a reduction in the rate of forecasted growth in Western Riverside County. As indicated in **Table 2.4** and **Figure 2.4**, the anticipated rate of forecasted growth in Western Riverside County has been reduced overall by 32% for population, 29% for households and 30% for employment. This reduced rate of socioeconomic growth is reflected in a reduction in the forecast horizon year population, households and employment depicted in **Table 2.2** and **Figure 2.2**, with the 2040 forecasts used as the basis for the 2016 Nexus Update being reduced by 4% for population, 12% for households and 21% for employment compared to the 2035 horizon year forecasts used as the basis for the 2009 Nexus Update, despite the horizon year being extended out by 5 years in the most recent SCAG forecasts. This reduced rate of forecasted socioeconomic growth has a commensurate impact on the forecasted daily traffic in the region as demonstrated by the 2009 Nexus Update VMT compared to the 2016 Nexus Update VMT in **Table 4.2**. As shown in the table, the forecast daily traffic is reduced by about 7% in the year 2040 as the basis for the 2016 Nexus Update compared to the year 2035 as used for the 2009 Nexus Update. As a result of the reduced traffic growth in the region, it is anticipated that the cumulative regional impacts of new development on the arterial highway and transit systems in the region is also reduced necessitating a reduction in the projects identified on the TUMF Network to mitigate the impacts of new development.

Table 4.1 - Unit Costs for Arterial Highway and Street Construction

Component Type	Original Cost Assumptions as published October 18, 2002	Cost Assumptions per 2009 Nexus Update October 5, 2009	Cost Assumptions per 2016 Nexus Update	Description
Terrain 1	\$550,000	\$628,000	\$692,000	Construction cost per lane mile - level terrain
Terrain 2	\$850,000	\$761,000	\$878,000	Construction cost per lane mile - rolling terrain
Terrain 3	\$1,150,000	\$895,000	\$1,064,000	Construction cost per lane mile - mountainous terrain
Landuse 1	\$900,000	\$1,682,000	\$2,509,000	ROW cost factor per lane mile - urban areas
Landuse 2	\$420,000	\$803,000	\$2,263,000	ROW cost factor per lane mile - suburban areas
Landuse 3	\$240,000	\$237,000	\$287,000	ROW cost factor per lane mile - rural areas
Interchange 1	n/a	\$43,780,000	\$50,032,000	Complex new interchange/interchange modification cost
Interchange 2	\$20,000,000	\$22,280,000	\$25,558,000	New interchange/interchange modification total cost
Interchange 3	\$10,000,000	\$10,890,000	\$12,343,000	Major interchange improvement total cost
Bridge 1	\$2,000	\$2,880	\$3,180	Bridge total cost per lane per linear foot
RRXing 1	\$4,500,000	\$4,550,000	\$6,376,000	New Rail Grade Crossing per lane
RRXing 2	\$2,250,000	\$2,120,000	\$2,733,000	Existing Rail Grade Crossing per lane
Planning	10%	10%	10%	Planning, preliminary engineering and environmental assessment costs based on construction cost only
Engineering	25%	25%	25%	Project study report, design, permitting and construction oversight costs based on construction cost only
Contingency	10%	10%	10%	Contingency costs based on total segment cost
Administration		3%	4%	TUMF program administration based on total TUMF eligible network cost
MSHCP		5%	5%	TUMF component of MSHCP based on total TUMF eligible construction cost

Table 4.2 – Forecasted Daily Traffic in Western Riverside County

Measure of Performance	2016 Nexus Update		2009 Nexus Update	
	Daily		Daily	
	2012 Baseline	2040 No-Build	2007	2035
VMT - Total ALL FACILITIES	36,844,082	56,574,656	39,187,718	60,772,353
VMT - FREEWAYS	21,798,155	30,678,958	24,056,704	32,920,502
VMT - ALL ARTERIALS	15,045,927	25,895,698	15,131,014	27,851,851
TOTAL - TUMF ARTERIAL VMT	10,059,547	16,515,642		

Source: Based on RivTAM 2012 network provided by Riverside County Transportation Department and SCAG 2016 RTP/SCS SED with updated 2015 arterial network completed by WSP, September 2016; RivTAM provided by Iteris (2008)

A peer review process utilizing real world experience and perspectives from both the private and public sectors was critical in developing a realistic network of proposed improvements to mitigate the additional traffic resulting from future development in Western Riverside County. Representatives of private development firms and the BIA have continued to participate in the process of developing and updating the TUMF Program. This involvement has included active participation of private developer staff at various workshops conducted at critical milestone points in the process of completing the Nexus update, as well as a formal review of the TUMF Network and associated elements of the Nexus Study by the BIA and their hired consultant staff.

As part of the 2015 Nexus Update, the list of proposed improvements included in the initial Nexus Study and validated during the subsequent Nexus updates was reviewed for accuracy and, where necessary, amended to remove or modify projects that have changed in need to mitigate impacts based on changes in the patterns of growth and travel demand within the region. Projects completed since the adoption of the 2009 Nexus Update were also removed from the network to reflect the fact that mitigation at these locations is no longer required. The specific network changes were screened by the WRCOG Public Works Committee for consistency with TUMF network guidelines including travel demand and traffic performance, and were subsequently reviewed by representatives of the public and private sectors at a series of workshop meetings conducted between November 2014 and January 2015.

In response to the release of the 2015 Nexus Update draft study document, the TUMF Network was further reviewed by a consultant team hired by the BIA, with findings and recommendations provided in a letter dated August 8, 2015. A final review of the TUMF Network and associated improvements was conducted by WRCOG staff in cooperation with the Public Works Committee during the summer and fall of 2016 specifically in conjunction with the 2016 Nexus Update to include consideration of the revised travel forecasts based on the SCAG 2016 RTP/SCS demographic forecasts.

Based on the findings of the network screening, workshop meetings and other reviews, elements of specific projects were revised to reflect necessary network corrections and modifications to project assumptions. Matrices summarizing the disposition of the requests received as part of both the 2015 and 2016 TUMF Nexus Updates were developed and are included in **Appendix G**.

Eligible arterial highway and street improvement types to mitigate the cumulative regional transportation impacts of new development on Network facilities include:

1. Construction of additional Network roadway lanes;
2. Construction of new Network roadway segments;
3. Expansion of existing Network bridge structures;
4. Construction of new Network bridge structures;
5. Expansion of existing Network interchanges with freeways;
6. Construction of new Network interchanges with freeways;
7. Grade separation of existing Network at-grade railroad crossings;

All eligible improvement types provide additional capacity to Network facilities to accommodate future traffic growth generated by new development in Western Riverside County. Following the comprehensive update of the TUMF Program, the estimated total cost to improve the RSA for Western Riverside County is \$3.45 billion with this cost including all arterial highway and street planning, engineering, design, right-of-way acquisition and capital construction costs, but not including transit, MSHCP or program administration costs that will be subsequently described. It should be noted that the full cost to improve the TUMF Network cannot be entirely attributed to new development and must be adjusted to account for the previous obligation of other funds to complete necessary improvements and unfunded existing needs. **Sections 4.5** and **4.6** describe the adjustments to the total TUMF Network improvement need to account for existing needs and obligated funds.

In addition to the arterial highway and street improvement costs indicated above, the TUMF Nexus Update included specific consideration for the TUMF Program obligation to the MSHCP program to mitigate the impact of TUMF network improvements on species and habitat within Western Riverside County. The TUMF obligation to MSHCP was calculated at a rate of 5% of the total construction (capital) cost of new lane segments, bridges and railroad grade separations on the TUMF Network. The total obligation to the MSHCP as indicated in the TUMF Network cost fee table is approximately \$45.4 million, although the total obligation specific to the TUMF program is reduced to account for MSHCP obligations associated with improvements addressing existing needs and therefore excluded from TUMF.

The TUMF 2016 Nexus Update similarly includes specific consideration of the costs associated with WRCOG administration of the TUMF Program. The average cost for WRCOG to administer the TUMF Program was calculated at a rate of 4% of the total eligible cost of new lane segments (including interchanges, bridges and railroad grade separations) on the TUMF Network and new transit services. Administration costs incurred by WRCOG include direct salary, fringe benefit and overhead costs for WRCOG staff assigned to administer the program and support participating jurisdictions, and costs for consultant, legal and auditing services to support the implementation of the TUMF program. The total cost for WRCOG administration of the TUMF Program as indicated in the TUMF Network cost fee table is approximately \$112.2 million.

The detailed TUMF network cost calculations are provided in **Section 4.7**, including each of the individual segments and cost components considered as part of the TUMF Program, and the maximum eligible TUMF share for each segment following adjustments for obligated funding and unfunded existing needs as described in subsequent sections.

4.4 Public Transportation Component of the TUMF System

In addition to the roadway network, public transportation plays a key role in serving future travel demand in the region. Public transportation serving inter-community trips is generally provided in the form of public bus transit services and in particular express bus

or other high frequency services between strategically located community transit centers. In Western Riverside County, these bus transit services are typically provided by RTA. Transit needs to serve future regional travel in Western Riverside County via bus transit include vehicle acquisitions, transit centers, express bus stop upgrades, maintenance facilities and other associated capital improvements to develop express bus or other high frequency inter-community transit bus services within the region. Metrolink commuter rail service improvements were not included in the TUMF Program as they typically serve longer inter-regional commute trips equivalent to freeway trips on the inter-regional highway system.

The network of regionally significant bus transit services represents those express bus and other high frequency transit bus services that primarily support inter-community trips in Western Riverside County and supplement the regional highway system and inter-regional commuter rail services. As a result, this portion of the bus transit system also represents the extents of the network of bus services that would be eligible for TUMF funded improvements.

The TUMF Bus Transit Network is the system of bus services that serve inter-community trips within Western Riverside County and therefore are eligible for improvement funding with TUMF funds. The Bus Transit Network for Western Riverside County was identified based on several transit network and performance guidelines as follows:

1. Bus transit routes (or corridors comprised of multiple overlapping routes) proposed to have a frequency of greater than three buses per direction during peak hours at ultimate build out.
2. Routes or corridors that serve multiple jurisdictions and/or provide connectivity between communities, both within and adjoining western Riverside County.
3. Routes or corridors with forecast weekday bus ridership in excess of 1,000 person trips per day by 2040.
4. Routes or corridors that are proposed to provide timed interconnections with at least four other routes or corridors at ultimate build out.
5. Routes or corridors that utilize the majority of travel along the TUMF RSA.
6. Routes or corridors that provide direct access to areas of forecast population and employment growth, major commercial, industrial, institutional, recreational or tourist activity centers, and multi-modal transportation facilities (such as airports, railway terminals and transit centers).

Express bus routes and other high-frequency bus transit routes and corridors in Western Riverside County that generally satisfied the respective guidelines were identified by RTA based on service information developed as part of the RTA Comprehensive Operational Analysis completed in January 2015. The TUMF Bus Transit Network was subsequently endorsed by the WRCOG Public Works Committee, WRCOG Technical Advisory Committee, and the WRCOG Executive Committee as the basis for the transit component of the 2016 Nexus Update.

Updated cost estimates for improving the infrastructure serving public transportation, including construction of transit centers and transfer facilities, express bus stop upgrades, and capital improvements needed to develop express bus and other high

frequency bus transit service within the region were provided by RTA. The updated transit unit cost data provided by RTA are shown in **Table 4.3**.

Table 4.3 - Unit Costs for Transit Capital Expenditures

Component Type*	Cost Assumptions as published October 18, 2002	Cost Assumptions per 2009 Nexus Update October 5, 2009	Cost Assumptions per 2015 Nexus Update	Description
Transit Center 1			\$6,000,000	Relocation/expansion of existing Regional Transit Center with up to 14 bus bays and park and ride
Transit Center 2	\$6,000,000	\$5,655,000	\$9,000,000	New Regional Transit Center with up to 14 bus bays and park and ride
Transfer Facility			\$1,000,000	Multiple route transfer hub
O & M Facility			\$50,000,000	Regional Operations and Maintenance Facility
Bus Stop	\$10,000	\$27,000	\$40,000	Bus Stop Amenities Upgrade on TUMF Network
BRT Service Capital	\$540,000	\$550,000	\$60,000	BRT/Limited Stop Service Capital (per stop**)
Vehicle Fleet 1			\$155,000	Medium Sized Bus Contract Operated
Vehicle Fleet 2	\$325,125	\$550,000	\$585,000	Large Sized Bus Directly Operated
COA Study			\$950,000	Comprehensive Operational Analysis Study component of Nexus Study Update

* Transit Cost Component Types were restructured as part of the 2015 Nexus Update in accordance with the RTA Comprehensive Operational Analysis (January 2015)

** BRT Service Capital Cost Assumption was based on a per mile unit in 2009 Nexus Update. 2016 Nexus Update uses a per stop unit cost for BRT Service Capital

The estimated total cost for future RTA bus transit services to accommodate forecast transit demand is approximately \$153.1 million with this cost including all planning, engineering, design and capital improvement costs. Detailed transit component cost estimates are included in **Section 4.7**.

4.5 Existing Obligated Funding

For some of the facilities identified in the TUMF network, existing obligated funding has previously been secured through traditional funding sources to complete necessary improvements, including most recently California Senate Bill (SB) 1 Transportation Funding approved by Governor Brown on April 28, 2017. Since funding has been obligated to provide for the completion of needed improvements to the TUMF system, 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.

To determine the availability of obligated funds, each jurisdiction in Western Riverside County (including the County of Riverside, the participating cities, and RCTC) was asked to review their current multi-year capital improvement programs to identify transportation projects on the TUMF system. A detailed table identifying the obligated funds for segments of the TUMF network is included in **Appendix H**. A total of \$303.5 million in obligated funding was identified for improvements to the TUMF system. The estimated TUMF network cost was subsequently reduced by this amount.

4.6 Unfunded Existing Improvement Needs

A review of the existing traffic conditions on the TUMF network (as presented in **Table 3.1**) indicates that some segments of the roadways on the TUMF system currently experience congestion and operate at unacceptable levels of service. In addition, demand for inter-community transit service already exists and future utilization of proposed inter-community transit services will partially reflect this existing demand. The need to improve these portions 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.

In the initial TUMF Nexus Study, the cost of existing improvement needs was estimated by identifying the roadway segments on the TUMF network that operate at LOS E or F according to the modeled 2000 base year volumes. The application of the LOS E threshold is consistent with national traffic analysis guidance that stipulates LOS D as the minimum acceptable LOS for arterial roadway facilities. The cost to improve these roadway segments with existing unacceptable LOS was calculated using the same method applied to estimate the overall system improvement cost. This method estimated the share of the particular roadway segment (including all associated ROW, interchange, structure and soft costs) that was experiencing unacceptable LOS, and reduced the estimated cost to reflect the relative share. The adjusted value reflected the maximum eligible under the TUMF Program to improve only those portions of the segment (and the relative share of associated improvement costs) that were not experiencing an existing need and were therefore considered to be exclusively addressing the cumulative impacts of new development.

By the application of this methodology, the initial TUMF Nexus Study did not account for the incremental cumulative impact of new development on those segments with an identified existing need. For this reason, the methodology to account for existing need was reviewed as part of the TUMF 2005 update to provide for the inclusion of incremental traffic growth on those segments with existing need.

As part of the 2016 Nexus Update, the methodology to account for existing need on arterial segments was further refined to utilize peak period traffic conditions as the basis for the calculation, rather than daily traffic conditions. Peak period performance measures typically reflect the highest level of demand for transportation facilities and therefore are typically utilized as the basis for project design making peak period a more appropriate basis for determining existing need (and future mitigation needs) as part of the TUMF program. The existing need methodology for the 2016 Nexus Update was also expanded to include spot improvements on the TUMF Network (including interchanges, bridges and railroad crossings). Due to limitations in previously available traffic forecast data, prior versions of the TUMF Nexus Study only determined existing need for arterial segments and did not explicitly include existing need for spot improvements.

To account for existing need in the TUMF Network as part of the 2016 Nexus Update, the cost for facilities identified as currently experiencing LOS E or F was adjusted. This was done by identifying the portion of any TUMF facility in the RivTAM 2012 Baseline scenario with a volume to capacity (v/c) ratio of greater than 0.9 (the threshold for LOS E), and extracting the share of the overall facility cost to improve that portion. This cost adjustment provides for the mitigation of incremental traffic growth on those TUMF segments with an existing high level of congestion. The following approach was applied to account for incremental traffic growth associated with new development as part of the existing need methodology:

1. Facilities with an existing need were identified by reviewing the RivTAM 2012 Baseline scenario assigned traffic on the 2015 existing network and delineating those facilities included on the TUMF Cost Fee Summary Table that have an average directional v/c exceeding 0.90.
 - a. Weighted directional v/c values were used to determine existing need for network segments, which was calculated by:
 - i. Determining the length for the portion of each segment (model link), and calculating the ratio of link length to the overall segment length
 - ii. Generating the average directional v/c for each link, for both directions in AM and PM periods, and multiplying by link/segment length ratio
 - iii. Determining the maximum peak-period peak-direction v/c for each link, representing the highest directional v/c in either AM or PM
 - iv. Calculating weighted average v/c for each TUMF segment, based on the sum of all weighted max v/c values of each link within a segment

- b. A similar method was used to determine existing need for spot improvements including interchanges, railroad crossings and bridges. However, no weighting was used in the calculation of existing need for spot improvements. For these facilities, the peak-period peak-direction v/c values (highest directional v/c in either AM or PM) were utilized in the existing need calculation. This was based on the individual link within a network segment where a bridge or railroad crossing is located, or on- and off-ramps in the case of interchanges.

2. Initial costs of addressing the existing need were calculated by estimating the share of a particular roadway segments "new lane" cost, or individual spot improvement cost (including all associated ROW and soft costs).
3. Incremental growth in v/c was determined by comparing the average directional base year v/c for the TUMF facilities (delineated under step one) with the horizon year v/c for the corresponding segments and spot improvements calculated based on the RivTAM 2040 No-Build scenario assigned traffic on the 2012 existing network using the same methodology as the base year v/c.
4. The proportion of the incremental growth attributable to new development was determined by dividing the result of step three with the total 2040 No-Build scenario v/c in excess of LOS E.
5. For those segments experiencing a net increase in v/c over the base year, TUMF will 'discount' the cost of existing need improvements by the proportion of the incremental v/c growth through 2040 No-Build compared to the 2012 Baseline v/c (up to a maximum of 100%).

The unfunded cost of existing highway improvement needs (including the related MSHCP obligation) totals \$431.7 million. **Appendix H** includes a detailed breakdown of the existing highway improvement needs on the TUMF network, including the associated unfunded improvement cost estimate for each segment and spot improvement experiencing unacceptable LOS.

For transit service improvements, the cost to provide for existing demand was determined by multiplying the total transit component cost by the share of future transit trips representing existing demand. The cost of existing transit service improvement needs is \$60.5 million representing 39.5% of the TUMF transit component. **Appendix H** includes tables reflecting the calculation of the existing transit need share and the existing transit need cost.

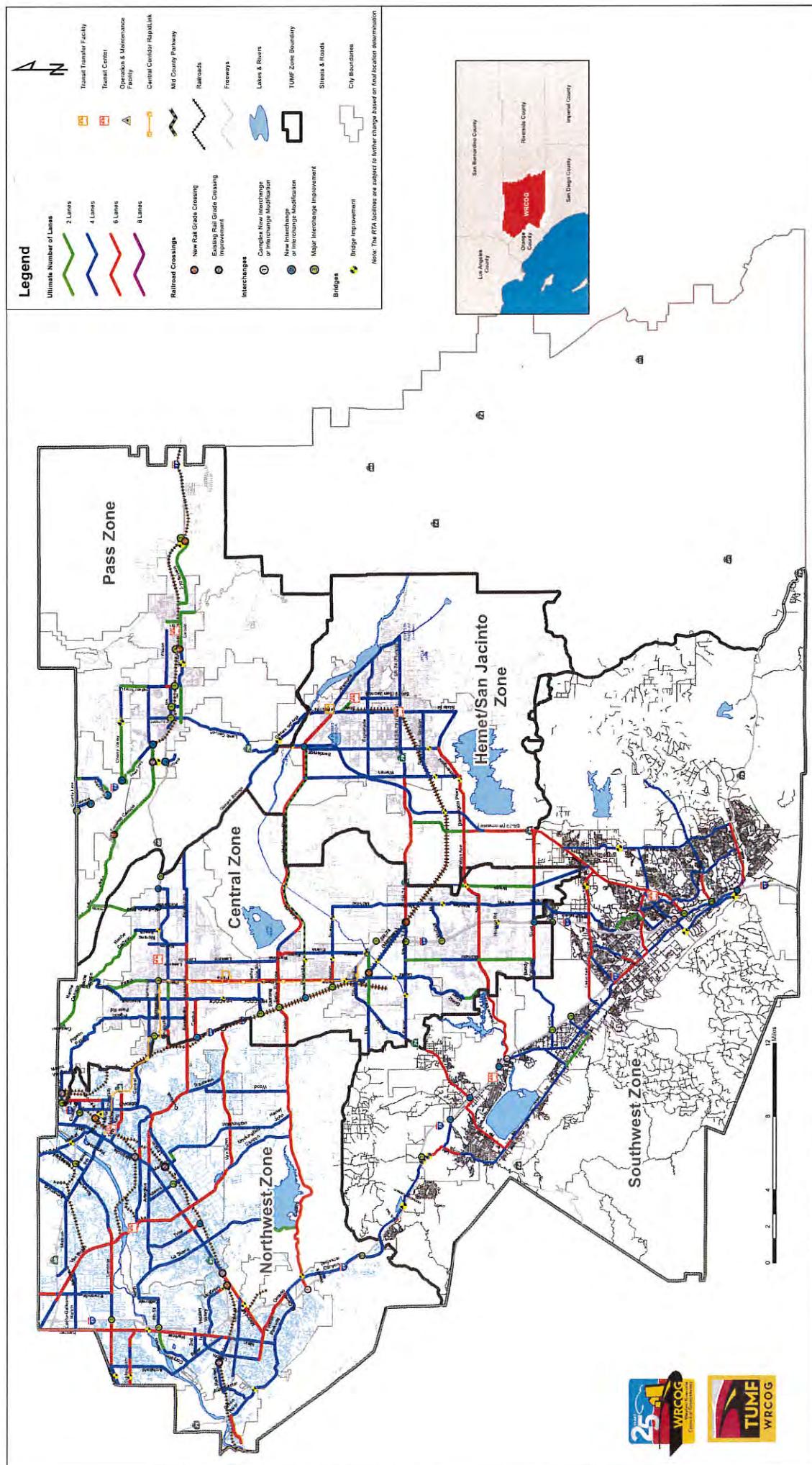
4.7 Maximum TUMF Eligible Cost

A total of \$303.5 million in obligated funding was identified for improvements to the TUMF system. Since these improvements are already funded with other available revenue sources, the funded portion of these projects cannot also be funded with TUMF revenues. Furthermore, the total cost of the unfunded existing improvement need is

\$492.2 million. These improvements are needed to mitigate existing transportation deficiencies and therefore their costs cannot be assigned to new development through the TUMF.

Based on the estimated costs described in **Sections 4.3** and **4.4**, the total value to complete the identified TUMF network and transit improvements, and administer the program is \$3.76 billion. Having accounted for obligated funds and unfunded existing needs as described in **Sections 4.5** and **4.6**, respectively, the estimated maximum eligible value of the TUMF Program is \$2.96 billion. The maximum eligible value of the TUMF Program includes approximately \$2.71 billion in eligible arterial highway and street related improvements and \$92.6 million in eligible transit related improvements. An additional \$43.3 million is also eligible as part of the TUMF Program to mitigate the impact of eligible TUMF related arterial highway and street projects on critical native species and wildlife habitat, while \$112.2 million is provided to cover the costs incurred by WRCOG to administer the TUMF Program.

Figure 4.4 illustrates the various improvements to the RSA included as part of the TUMF network cost calculation. **Table 4.4** summarizes the TUMF network cost calculations for each of the individual segments. This table also identifies the maximum eligible TUMF share for each segment having accounted for obligated funding and unfunded existing need. A detailed breakdown of the individual cost components and values for the various TUMF Network segments is included in **Appendix H**. **Table 4.5** outlines the detailed transit component cost estimates. It should be noted that the detailed cost tables (and fee levels) are subject to regular review and updating by WRCOG and therefore WRCOG should be contacted directly to obtain the most recently adopted version of these tables (and to confirm the corresponding fee level).



Regional System of Highways and Arterials (RSHA)

Transportation Uniform Mitigation Fee Program | Figure 4.4

Table 4.4 - TUMF Network Cost Estimates

AREA PLAN DIST	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	TOTAL COST	MAXIMUM TUMF SHARE
Central	Menifee	Ethanac	Goetz	Murrieta	0.99	\$0	\$0
Central	Menifee	Ethanac	Murrieta	I-215	0.90	\$0	\$0
Central	Menifee	Ethanac	I-215	interchange	0.00	\$17,897,000	\$15,766,000
Central	Menifee	Ethanac	Sherman	Matthews	0.61	\$1,617,000	\$1,617,000
Central	Menifee	Ethanac	BNSF San Jacinto Branch	railroad crossing	0.00	\$36,980,000	\$33,018,000
Central	Menifee	Menifee	SR-74 (Pinacate)	Simpson	2.49	\$0	\$0
Central	Menifee	Menifee	Salt Creek	bridge	0.00	\$0	\$0
Central	Menifee	Menifee	Simpson	Aldergate	0.64	\$0	\$0
Central	Menifee	Menifee	Aldergate	Newport	0.98	\$0	\$0
Central	Menifee	Menifee	Newport	Holland	1.07	\$0	\$0
Central	Menifee	Menifee	Holland	Garbani	1.03	\$0	\$0
Central	Menifee	Menifee	Garbani	Scott	1.00	\$2,635,000	\$2,635,000
Central	Menifee	Menifee/Whiteswood	Scott	Murrieta City Limit	0.53	\$0	\$0
Central	Menifee	Newport	Goetz	Murrieta	1.81	\$0	\$0
Central	Menifee	Newport	Murrieta	I-215	2.05	\$5,405,000	\$5,405,000
Central	Menifee	Newport	I-215	Menifee	0.95	\$0	\$0
Central	Menifee	Newport	Menifee	Lindenberger	0.77	\$0	\$0
Central	Menifee	Newport	Lindenberger	SR-79 (Winchester)	3.58	\$0	\$0
Central	Menifee	Scott	I-215	Briggs	2.04	\$0	\$0
Central	Menifee	Scott	I-215	interchange	0.00	\$37,060,000	\$37,060,000
Central	Menifee	Scott	Sunset	Murrieta	1.01	\$2,654,000	\$2,654,000
Central	Menifee	Scott	Murrieta	I-215	1.94	\$10,254,000	\$10,254,000
Central	Menifee	SR-74	Matthews	Briggs	1.89	\$4,994,000	\$4,994,000
Central	Moreno Valley	Alessandro	I-215	Perris	3.52	\$6,394,000	\$6,394,000
Central	Moreno Valley	Alessandro	Perris	Nason	2.00	\$22,632,000	\$22,632,000
Central	Moreno Valley	Alessandro	Nason	Moreno Beach	0.99	\$6,922,000	\$6,922,000
Central	Moreno Valley	Alessandro	Moreno Beach	Gilman Springs	4.13	\$10,902,000	\$10,902,000
Central	Moreno Valley	Gilman Springs	SR-60	Alessandro	1.67	\$4,411,000	\$3,724,000
Central	Moreno Valley	Gilman Springs	SR-60	interchange	0.00	\$17,897,000	\$17,897,000
Central	Moreno Valley	Perris	Reche Vista	Ironwood	2.09	\$0	\$0
Central	Moreno Valley	Perris	Ironwood	Sunnymead	0.52	\$0	\$0
Central	Moreno Valley	Perris	SR-60	interchange	0.00	\$17,897,000	\$0
Central	Moreno Valley	Perris	Sunnymead	Cactus	2.00	\$0	\$0
Central	Moreno Valley	Perris	Cactus	Harley Knox	3.50	\$0	\$0
Central	Moreno Valley	Reche Vista	Moreno Valley City Limit	Heacock	0.44	\$3,310,000	\$1,705,000
Central	Perris	11th/Case	Perris	Goetz	0.30	\$2,100,000	\$2,100,000
Central	Perris	Case	Goetz	I-215	2.36	\$16,486,000	\$13,538,000
Central	Perris	Case	San Jacinto River	bridge	0.00	\$1,126,000	\$495,000
Central	Perris	Ethanac	Keystone	Goetz	2.24	\$7,327,000	\$7,327,000
Central	Perris	Ethanac	San Jacinto River	bridge	0.00	\$7,378,000	\$7,378,000
Central	Perris	Ethanac	I-215	Sherman	0.35	\$2,435,000	\$1,945,000
Central	Perris	Goetz	Case	Ethanac	2.00	\$5,267,000	\$2,506,000
Central	Perris	Goetz	San Jacinto River	bridge	0.00	\$3,688,000	\$1,925,000
Central	Perris	Mid-County (Placentia)	I-215	Perris	0.87	\$13,127,000	\$12,627,000
Central	Perris	Mid-County (Placentia)	I-215	interchange	0.00	\$37,060,000	\$12,354,000
Central	Perris	Mid-County	Perris	Evans	1.57	\$32,902,000	\$32,902,000
Central	Perris	Perils	Perils Valley Storm Channel	bridge	0.00	\$8,299,000	\$8,299,000
Central	Perris	Perils	Harley Knox	Ramona	1.00	\$0	\$0
Central	Perris	Perils	Ramona	Citrus	2.49	\$6,578,000	\$6,578,000
Central	Perris	Perils	Citrus	Nuevo	0.50	\$0	\$0
Central	Perris	Perils	Nuevo	11th	1.75	\$12,206,000	\$9,034,000
Central	Perris	Perils	I-215 overcrossing	bridge	0.00	\$2,767,000	\$1,356,000
Central	Perris	Ramona	I-215	Perris	1.47	\$2,769,000	\$2,769,000
Central	Perris	Ramona	I-215	interchange	0.00	\$17,897,000	\$5,965,000
Central	Perris	Ramona	Perris	Evans	1.00	\$0	\$0
Central	Perris	Ramona	Evans	Mid-County (2,800 ft E of Rider)	2.62	\$0	\$0
Central	Perris	SR-74 (4th)	Ellis	I-215	2.29	\$0	\$0
Central	Unincorporated	Ethanac	SR-74	Keystone	1.07	\$5,646,000	\$5,646,000
Central	Unincorporated	Gilman Springs	Alessandro	Bridge	4.98	\$15,815,000	\$8,105,000
Central	Unincorporated	Menifee	Nuevo	SR-74 (Pinacate)	4.07	\$10,737,000	\$10,737,000
Central	Unincorporated	Mid-County	Evans	Ramona (2,800 ft E of Rider)	0.77	\$8,587,000	\$8,587,000
Central	Unincorporated	Mid-County (Ramona)	Ramona (2,800 ft E of Rider)	Pico Avenue	0.44	\$1,161,000	\$1,161,000
Central	Unincorporated	Mid-County (Ramona)	Pico Avenue	Bridge	5.95	\$31,413,000	\$25,287,000
Central	Unincorporated	Mid-County (Ramona)	San Jacinto River	bridge	0.00	\$23,978,000	\$15,835,000
Central	Unincorporated	Reche Canyon	San Bernardino County	Reche Vista	3.35	\$12,457,000	\$9,429,000
Central	Unincorporated	Reche Vista	Reche Canyon	Moreno Valley City Limit	1.22	\$9,180,000	\$4,729,000
Central	Unincorporated	Scott	Briggs	SR-79 (Winchester)	3.04	\$16,042,000	\$0
Central	Unincorporated	SR-74	Ethanac	Ellis	2.68	\$0	\$0
Northwest	Corona	Cajalco	I-15	Temescal Canyon	0.66	\$2,306,000	\$2,306,000
Northwest	Corona	Cajalco	I-15	interchange	0.00	\$72,546,000	\$44,251,000
Northwest	Corona	Foothill	Paseo Grande	Lincoln	2.60	\$19,330,000	\$7,282,000
Northwest	Corona	Foothill	Wardlow Wash	bridge	0.00	\$5,534,000	\$0
Northwest	Corona	Foothill	Lincoln	California	2.81	\$0	\$0
Northwest	Corona	Foothill	California	I-15	0.89	\$6,207,000	\$4,304,000
Northwest	Corona	Green River	SR-91	Dominguez Ranch	0.52	\$3,624,000	\$1,000
Northwest	Corona	Green River	Dominguez Ranch	Palisades	0.56	\$4,214,000	\$1,639,000
Northwest	Corona	Green River	Palisades	Paseo Grande	2.01	\$0	\$0
Northwest	Eastvale	Schleisman	San Bernardino County	600' e/o Cucamonga Creek	0.65	\$2,271,000	\$2,271,000
Northwest	Eastvale	Schleisman	Cucamonga Creek	bridge	0.00	\$923,000	\$923,000
Northwest	Eastvale	Schleisman	600' e/o Cucamonga Creek	Harrison	0.87	\$0	\$0
Northwest	Eastvale	Schleisman	Harrison	Sumner	0.50	\$0	\$0
Northwest	Eastvale	Schleisman	Sumner	Scholar	0.50	\$3,493,000	\$3,493,000
Northwest	Eastvale	Schleisman	Scholar	A Street	0.31	\$0	\$0
Northwest	Eastvale	Schleisman	A Street	Hamner	0.27	\$0	\$0
Northwest	Jurupa Valley	Van Buren	SR-60	Bellegrave	1.43	\$9,976,000	\$3,628,000
Northwest	Jurupa Valley	Van Buren	Bellegrave	Santa Ana River	3.60	\$25,115,000	\$7,444,000

Table 4.4 - TUMF Network Cost Estimates (continued)

AREA PLAN	DIS CITY	STREET NAME	SEGMENT FROM	SEGMENT TO	MILES	TOTAL COST	MAXIMUM TUMF SHARE
Northwest	Riverside	Alessandro	Arlington	Trautwein	2.21	\$0	\$0
Northwest	Riverside	Arlington	North	Magnolia	5.92	\$7,031,000	\$7,031,000
Northwest	Riverside	Arlington	Magnolia	Alessandro	2.02	\$13,957,000	\$10,001,000
Northwest	Riverside	Van Buren	Santa Ana River	SR-91	3.44	\$7,456,000	\$7,456,000
Northwest	Riverside	Van Buren	SR-91	Mockingbird Canyon	3.10	\$20,845,000	\$10,847,000
Northwest	Riverside	Van Buren	Wood	Trautwein	0.43	\$0	\$0
Northwest	Riverside	Van Buren	Trautwein	Orange Terrace	1.27	\$3,470,000	\$3,470,000
Northwest	Unincorporated	Alessandro	Trautwein	Vista Grande	1.22	\$0	\$0
Northwest	Unincorporated	Alessandro	Vista Grande	I-215	1.26	\$0	\$0
Northwest	Unincorporated	Cajalco	El Sobrante	Harley John	0.76	\$4,806,000	\$3,465,000
Northwest	Unincorporated	Cajalco	Harley John	Harvil	5.79	\$80,889,000	\$66,905,000
Northwest	Unincorporated	Cajalco	Harvil	I-215	0.28	\$749,000	\$749,000
Northwest	Unincorporated	Cajalco	Temescal Canyon	La Sierra	3.21	\$23,864,000	\$23,864,000
Northwest	Unincorporated	Cajalco	Temescal Wash	bridge	0.00	\$3,229,000	\$3,229,000
Northwest	Unincorporated	Cajalco	La Sierra	El Sobrante	6.11	\$45,421,000	\$45,421,000
Northwest	Unincorporated	Van Buren	Mockingbird Canyon	Wood	4.41	\$30,785,000	\$28,309,000
Northwest	Unincorporated	Van Buren	Orange Terrace	I-215	1.89	\$7,637,000	\$7,637,000
Pass	Beaumont	Beaumont	Oak Valley (14th)	I-10	1.37	\$0	\$0
Pass	Beaumont	Potrero	Oak Valley (San Timoteo Cr)	SR-60	0.72	\$1,615,000	\$1,615,000
Pass	Beaumont	Potrero	SR-60	interchange	0.00	\$37,060,000	\$23,760,000
Pass	Beaumont	Potrero	UP	railroad crossing	0.00	\$7,927,000	\$7,927,000
Pass	Beaumont	Potrero	Noble Creek	bridge	0.00	\$2,306,000	\$2,306,000
Pass	Beaumont	Potrero	SR-60	4th	0.45	\$2,376,000	\$2,376,000
Pass	Beaumont	SR-79 (Beaumont)	I-10	Mellow	0.80	\$0	\$0
Pass	Beaumont	SR-79 (Beaumont)	I-10	interchange	0.00	\$17,897,000	\$5,369,000
Pass	Unincorporated	SR-79 (Beaumont)	Mellow	California	0.38	\$0	\$0
Pass	Unincorporated	SR-79 (Lamb Canyon)	California	Gilman Springs	4.87	\$0	\$0
San Jacinto	Hemet	Domenigoni	Warren	Sanderson	1.77	\$4,674,000	\$4,674,000
San Jacinto	Hemet	Domenigoni	Sanderson	State	2.14	\$0	\$0
San Jacinto	Hemet	SR-74	Winchester	Warren	2.59	\$16,085,000	\$16,085,000
San Jacinto	San Jacinto	Mid-County (Ramona)	Warren	Sanderson	1.73	\$12,065,000	\$12,065,000
San Jacinto	San Jacinto	Mid-County (Ramona)	Sanderson/SR-79 (Hemet Byp)	interchange	0.00	\$37,060,000	\$37,060,000
San Jacinto	San Jacinto	Ramona	Sanderson	State	2.39	\$0	\$0
San Jacinto	San Jacinto	Ramona	State	Main	2.66	\$0	\$0
San Jacinto	San Jacinto	Ramona	Main	Cedar	2.08	\$11,623,000	\$11,139,000
San Jacinto	San Jacinto	Ramona	Cedar	SR-74	1.10	\$0	\$0
San Jacinto	Unincorporated	Domenigoni	SR-79 (Winchester)	Warren	3.10	\$8,173,000	\$8,173,000
San Jacinto	Unincorporated	Domenigoni	San Diego Aqueduct	bridge	0.00	\$2,767,000	\$2,767,000
San Jacinto	Unincorporated	Gilman Springs	Bridge	Sanderson	2.95	\$7,782,000	\$7,782,000
San Jacinto	Unincorporated	Mid-County (Ramona)	Bridge	Warren	2.35	\$12,396,000	\$11,045,000
San Jacinto	Unincorporated	SR-74	Briggs	SR-79 (Winchester)	3.53	\$9,301,000	\$9,301,000
San Jacinto	Unincorporated	SR-79 (Hemet Bypass)	SR-74 (Florida)	Domenigoni	3.22	\$16,990,000	\$16,990,000
San Jacinto	Unincorporated	SR-79 (Hemet Bypass)	San Diego Aqueduct	bridge	0.00	\$5,534,000	\$5,534,000
San Jacinto	Unincorporated	SR-79 (Hemet Bypass)	Domenigoni	Winchester	1.50	\$7,914,000	\$7,914,000
San Jacinto	Unincorporated	SR-79 (San Jacinto Bypass)	Mid-County (Ramona)	SR-74 (Florida)	6.50	\$34,296,000	\$30,076,000
San Jacinto	Unincorporated	SR-79 (Sanderson)	Gilman Springs	Ramona	1.92	\$5,060,000	\$2,376,000
San Jacinto	Unincorporated	SR-79 (Sanderson)	San Jacinto River	bridge	0.00	\$12,910,000	\$6,100,000
San Jacinto	Unincorporated	SR-79 (Winchester)	Domenigoni	Keller	4.90	\$0	\$0
Southwest	Canyon Lake	Goetz	Railroad Canyon	Newport	0.50	\$0	\$0
Southwest	Canyon Lake	Railroad Canyon	Canyon Hills	Goetz	1.95	\$0	\$0
Southwest	Lake Elsinore	Railroad Canyon	I-15	Canyon Hills	2.29	\$3,021,000	\$3,021,000
Southwest	Lake Elsinore	Railroad Canyon	I-15	interchange	0.00	\$72,546,000	\$28,636,000
Southwest	Lake Elsinore	SR-74	I-15	interchange	0.00	\$37,060,000	\$17,725,000
Southwest	Murrieta	Clinton Keith	Copper Craft	Toulon	0.83	\$0	\$0
Southwest	Murrieta	Clinton Keith	Toulon	I-215	0.83	\$2,187,000	\$2,187,000
Southwest	Murrieta	Clinton Keith	I-215	Whitewood	0.75	\$0	\$0
Southwest	Murrieta	French Valley (Date)	Murrieta Hot Springs	Winchester Creek	0.24 ^r	\$3,352,000	\$3,352,000
Southwest	Murrieta	French Valley (Date)	Winchester Creek	Margarita	0.61	\$0	\$0
Southwest	Murrieta	French Valley (Date)	Menifee City Limit	Keller	0.55 ^r	\$0	\$0
Southwest	Murrieta	Whitewood	Keller	Clinton Keith	2.00	\$2,111,000	\$2,111,000
Southwest	Temecula	French Valley (Date)	Margarita	Ynez	0.91	\$0	\$0
Southwest	Temecula	French Valley (Date)	Ynez	Jefferson	0.73	\$10,199,000	\$10,199,000
Southwest	Temecula	French Valley (Date)	I-15	interchange	0.00 ^r	\$72,546,000	\$55,760,000
Southwest	Temecula	French Valley (Cherry)	Jefferson	Diaz	0.56	\$5,711,000	\$5,711,000
Southwest	Temecula	French Valley (Cherry)	Murrieta Creek	bridge	0.00	\$7,746,000	\$7,746,000
Southwest	Temecula	Western Bypass (Diaz)	Cherry	Rancho California	2.14	\$5,382,000	\$5,382,000
Southwest	Temecula	Western Bypass (Vincent Mar)	Rancho California	SR-79 (Front)	1.48	\$21,961,000	\$21,961,000
Southwest	Temecula	Western Bypass (Vincent Mar)	I-15	interchange	0.00	\$37,060,000	\$20,682,000
Southwest	Temecula	Western Bypass (Vincent Mar)	Murrieta Creek	bridge	0.00	\$5,534,000	\$5,534,000
Southwest	Temecula	SR-79 (Winchester)	Murrieta Hot Springs	Jefferson	2.70	\$0	\$0
Southwest	Temecula	SR-79 (Winchester)	I-15	interchange	0.00 ^r	\$17,897,000	\$8,442,000
Southwest	Unincorporated	Benton	SR-79	Eastern Bypass	2.40	\$0	\$0
Southwest	Unincorporated	Clinton Keith	Whitewood	SR-79	2.54	\$20,104,000	\$3,604,000
Southwest	Unincorporated	Clinton Keith	Warm Springs Creek	bridge	0.00 ^r	\$33,200,000	\$27,052,000
Southwest	Unincorporated	SR-74	I-15	Elhanac	4.89	\$13,064,000	\$13,064,000
Southwest	Unincorporated	SR-79 (Winchester)	Keller	Thompson	2.47	\$17,220,000	\$17,220,000
Southwest	Unincorporated	SR-79 (Winchester)	Thompson	La Alba	1.81	\$12,652,000	\$12,652,000
Southwest	Unincorporated	SR-79 (Winchester)	La Alba	Hunter	0.50	\$3,514,000	\$2,771,000
Southwest	Unincorporated	SR-79 (Winchester)	Hunter	Murrieta Hot Springs	1.14	\$513,000	\$513,000
Southwest	Wildomar	Bundy Canyon	I-15	Monte Vista	0.32 ^r	\$793,000	\$793,000
Southwest	Wildomar	Bundy Canyon	Monte Vista	Sunset	3.10	\$9,850,000	\$9,850,000
Southwest	Wildomar	Bundy Canyon	I-15	interchange	0.00 ^r	\$17,897,000	\$7,159,000
Southwest	Wildomar	Clinton Keith	Palomar	I-15	0.55	\$0	\$0
Southwest	Wildomar	Clinton Keith	I-15	Copper Craft	2.48	\$5,627,000	\$4,275,000
		Subtotal			255.28 ^r	\$1,642,525,000 ^r	\$1,227,955,000

Table 4.4 - TUMF Network Cost Estimates (continued)

AREA PLAN DIS CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	TOTAL COST	MAXIMUM TUMF SHARE
Central	Menifee	Briggs	Newport	3.05	\$0	\$0
Central	Menifee	Goetz	Juanita	2.61	\$6,884,000	\$6,593,000
Central	Menifee	Goetz	Newport	1.36	\$0	\$0
Central	Menifee	Holland	Antelope	1.00	\$13,971,000	\$13,971,000
Central	Menifee	Holland	I-215 overcrossing	0.00	\$6,455,000	\$6,455,000
Central	Menifee	McCall	I-215	1.23	\$0	\$0
Central	Menifee	McCall	I-215	0.00	\$17,897,000	\$16,930,000
Central	Menifee	McCall	Aspel	0.95	\$2,517,000	\$2,517,000
Central	Menifee	Menifee	Menifee	1.95	\$0	\$0
Central	Menifee	Murieta	Ethanac	2.03	\$0	\$0
Central	Menifee	Murieta	McCall	3.00	\$0	\$0
Central	Menifee	Murieta	Newport	1.81	\$2,022,000	\$0
Central	Moreno Valley	Cactus	I-215	0.00	\$37,060,000	\$37,060,000
Central	Moreno Valley	Cactus	I-215	0.28	\$0	\$0
Central	Moreno Valley	Day	Ironwood	0.00	\$17,897,000	\$17,897,000
Central	Moreno Valley	Day	SR-60	0.77	\$0	\$0
Central	Moreno Valley	Day	SR-60	1.00	\$4,050,000	\$4,050,000
Central	Moreno Valley	Eucalyptus	I-215	0.67	\$0	\$0
Central	Moreno Valley	Eucalyptus	Towngate	1.01	\$0	\$0
Central	Moreno Valley	Eucalyptus	Frederick	1.01	\$0	\$0
Central	Moreno Valley	Eucalyptus	Heacock	1.01	\$0	\$0
Central	Moreno Valley	Eucalyptus	Kitching	2.42	\$339,000	\$0
Central	Moreno Valley	Eucalyptus	Kitching	2.28	\$16,882,000	\$16,882,000
Central	Moreno Valley	Eucalyptus	Moreno Beach	1.55	\$0	\$0
Central	Moreno Valley	Frederick	SR-60	2.79	\$4,482,000	\$4,482,000
Central	Moreno Valley	Heacock	Cactus	4.73	\$0	\$0
Central	Moreno Valley	Heacock	Reche Vista	0.74	\$1,958,000	\$1,532,000
Central	Moreno Valley	Heacock	San Michele	1.33	\$2,695,000	\$2,695,000
Central	Moreno Valley	Ironwood	SR-60	2.01	\$0	\$0
Central	Moreno Valley	Ironwood	Day	1.00	\$0	\$0
Central	Moreno Valley	Laselle	Alessandro	3.14	\$0	\$0
Central	Moreno Valley	Laselle	John F Kennedy	1.37	\$9,548,000	\$9,548,000
Central	Moreno Valley	Moreno Beach	Reche Canyon	0.00	\$2,306,000	\$2,306,000
Central	Moreno Valley	Moreno Beach	SR-60 overcrossing	0.35	\$0	\$0
Central	Moreno Valley	Nason	SR-60	1.51	\$0	\$0
Central	Moreno Valley	Pigeon Pass	Ironwood	0.43	\$0	\$0
Central	Moreno Valley	Pigeon Pass/CETAP Corridor	Cantarini	3.23	\$0	\$0
Central	Moreno Valley	Reche Canyon	Moreno Valley City Limit	2.68	\$18,721,000	\$18,013,000
Central	Moreno Valley	Redlands	Locust	0.00	\$37,060,000	\$37,060,000
Central	Moreno Valley	Redlands	SR-60	0.26	\$1,817,000	\$1,817,000
Central	Moreno Valley	Theodore	SR-60	0.00	\$37,060,000	\$19,096,000
Central	Perris	Evans	Oleander	0.99	\$0	\$0
Central	Perris	Evans	Ramona	0.59	\$1,562,000	\$1,562,000
Central	Perris	Evans	Morgan	0.49	\$0	\$0
Central	Perris	Evans	Rider	0.58	\$0	\$0
Central	Perris	Evans	Placentia	1.50	\$1,347,000	\$1,347,000
Central	Perris	Evans	Nuevo	1.99	\$10,521,000	\$10,521,000
Central	Perris	Evans	San Jacinto River	0.00	\$7,378,000	\$7,378,000
Central	Perris	Goetz	Lesser	1.04	\$2,745,000	\$1,238,000
Central	Perris	Harley Knox	I-215	1.53	\$0	\$0
Central	Perris	Harley Knox	I-215	0.00	\$17,897,000	\$7,110,000
Central	Perris	Harley Knox	Indian	0.50	\$0	\$0
Central	Perris	Harley Knox	Perris	0.50	\$0	\$0
Central	Perris	Nuevo	I-215	1.36	\$9,480,000	\$9,480,000
Central	Perris	Nuevo	I-215	0.00	\$17,897,000	\$17,897,000
Central	Perris	Nuevo	Murieta	1.00	\$2,035,000	\$2,035,000
Central	Perris	Nuevo	Dunlap	0.00	\$2,767,000	\$2,767,000
Central	Perris	SR-74 (Matthews)	I-215	1.25	\$0	\$0
Central	Perris	SR-74 (Matthews)	Interchange	0.00	\$17,897,000	\$8,815,000
Central	Unincorporated	Briggs	SR-74 (Pinacate)	2.50	\$6,596,000	\$6,596,000
Central	Unincorporated	Briggs	Simpson	1.53	\$0	\$0
Central	Unincorporated	Briggs	Newport	0.00	\$0	\$0
Central	Unincorporated	Briggs	Salt Creek	1.50	\$0	\$0
Central	Unincorporated	Center (Main)	I-215	0.00	\$17,897,000	\$17,897,000
Central	Unincorporated	Center (Main)	I-215	0.00	\$7,927,000	\$7,927,000
Central	Unincorporated	Center (Main)	BNSF	0.00	\$6,989,000	\$6,989,000
Central	Unincorporated	Ellis	Post	2.65	\$2,252,000	\$2,252,000
Central	Unincorporated	Mount Vernon/CETAP Corridor	Center	0.61	\$0	\$0
Central	Unincorporated	Nuevo	Dunlap	2.00	\$5,273,000	\$5,273,000
Central	Unincorporated	Nuevo	San Jacinto River	0.00	\$3,688,000	\$3,688,000
Central	Unincorporated	Pigeon Pass/CETAP Corridor	Cantarini	3.38	\$25,146,000	\$25,146,000
Central	Unincorporated	Post	Santa Rosa Mine	0.44	\$0	\$0
Central	Unincorporated	Reche Canyon	Reche Vista	3.20	\$0	\$0
Central	Unincorporated	Redlands	San Timoteo Canyon	2.60	\$0	\$0

Table 4.4 - TUMF Network Cost Estimates (continued)

AREA PLAN	DIS CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	TOTAL COST	MAXIMUM TUMF SHARE
Northwest	Corona	6th	SR-91	Magnolia	4.50	\$0	\$0
Northwest	Corona	Auto Center	Railroad	SR-91	0.48	\$0	\$0
Northwest	Corona	Cajalco	Bedford Canyon	I-15	0.15	\$1,049,000	\$1,049,000
Northwest	Corona	Hidden Valley	Norco Hills	McKinley	0.59	\$0	\$0
Northwest	Corona	Lincoln	Parkridge	Ontario	3.20	\$0	\$0
Northwest	Corona	Magnolia	6th	Sherborn Bridge	0.47	\$3,283,000	\$3,283,000
Northwest	Corona	Magnolia	Temescal Creek	bridge	0.00	\$2,767,000	\$2,767,000
Northwest	Corona	Magnolia	Sherborn Bridge	Rimpau	0.52	\$0	\$0
Northwest	Corona	Magnolia	Rimpau	Ontario	1.17	\$0	\$0
Northwest	Corona	Main	Grand	Ontario	0.88	\$2,325,000	\$575,000
Northwest	Corona	Main	Ontario	Foothill	0.89	\$0	\$0
Northwest	Corona	Main	Hidden Valley	Parkridge	0.35	\$2,427,000	\$1,912,000
Northwest	Corona	Main	Parkridge	SR-91	0.86	\$0	\$0
Northwest	Corona	Main	SR-91	S. Grand	0.86	\$0	\$0
Northwest	Corona	McKinley	Hidden Valley	Promenade	0.40	\$0	\$0
Northwest	Corona	McKinley	Promenade	SR-91	0.33	\$0	\$0
Northwest	Corona	McKinley	SR-91	Magnolia	0.31	\$2,346,000	\$2,346,000
Northwest	Corona	McKinley	Arlington Channel	bridge	0.00	\$923,000	\$923,000
Northwest	Corona	McKinley	BNSF	railroad crossing	0.00	\$55,472,000	\$0
Northwest	Corona	Ontario	I-15	El Cerrito	0.89	\$6,217,000	\$4,924,000
Northwest	Corona	Ontario	Lincoln	Buena Vista	0.32	\$2,242,000	\$1,883,000
Northwest	Corona	Ontario	Buena Vista	Main	0.65	\$0	\$0
Northwest	Corona	Ontario	Main	Kellogg	0.78	\$0	\$0
Northwest	Corona	Ontario	Kellogg	Fullerton	0.32	\$2,410,000	\$1,785,000
Northwest	Corona	Ontario	Fullerton	Rimpau	0.42	\$0	\$0
Northwest	Corona	Ontario	Rimpau	I-15	0.60	\$0	\$0
Northwest	Corona	Railroad	Auto Club	Buena Vista	2.45	\$0	\$0
Northwest	Corona	Railroad	BNSF	railroad crossing	0.00	\$15,851,000	\$15,851,000
Northwest	Corona	Railroad	Buena Vista	Main (at Grand)	0.58	\$4,052,000	\$3,203,000
Northwest	Corona	River	Corydon	Main	2.27	\$0	\$0
Northwest	Corona	Serfas Club	SR-91	Green River	0.96	\$0	\$0
Northwest	Eastvale	Archibald	San Bernardino County	River	3.63	\$1,725,000	\$1,725,000
Northwest	Eastvale	Hamner	Mission	Bellegrave	3.03	\$2,158,000	\$2,158,000
Northwest	Eastvale	Hamner	Bellegrave	Amberhill	0.20	\$528,000	\$528,000
Northwest	Eastvale	Hamner	Amberhill	Limonite	0.71	\$3,222,000	\$3,222,000
Northwest	Eastvale	Hamner	Limonite	Schleisman	1.00	\$0	\$0
Northwest	Eastvale	Hamner	Schleisman	Santa Ana River	1.00	\$2,638,000	\$2,638,000
Northwest	Eastvale	Limonite	I-15	East Center	0.35	\$0	\$0
Northwest	Eastvale	Limonite	I-15	interchange	0.00	\$17,897,000	\$0
Northwest	Eastvale	Limonite	East Center	Hamner	0.27	\$0	\$0
Northwest	Eastvale	Limonite	Hamner	Sumner	1.00	\$1,319,000	\$1,319,000
Northwest	Eastvale	Limonite	Sumner	Harrison	0.50	\$0	\$0
Northwest	Eastvale	Limonite	Harrison	Archibald	0.49	\$1,293,000	\$1,293,000
Northwest	Eastvale	Limonite	Archibald	Hellman (Keller SBD Co.)	1.12	\$5,910,000	\$5,910,000
Northwest	Eastvale	Limonite	Cucamonga Creek	bridge	0.00	\$3,688,000	\$3,688,000
Northwest	Jurupa Valley	Armstrong	San Bernardino County	Valley	1.53	\$1,601,000	\$1,601,000
Northwest	Jurupa Valley	Bellegrave	Cantu-Galleano Ranch	Van Buren	0.29	\$759,000	\$759,000
Northwest	Jurupa Valley	Cantu-Galleano Ranch	Wineville	Bellegrave	1.82	\$2,400,000	\$2,400,000
Northwest	Jurupa Valley	Etiwanda	San Bernardino County	SR-60	1.00	\$0	\$0
Northwest	Jurupa Valley	Etiwanda	SR-60	Limonite	3.00	\$0	\$0
Northwest	Jurupa Valley	Limonite	I-15	Wineville	0.40	\$0	\$0
Northwest	Jurupa Valley	Limonite	Wineville	Etiwanda	0.99	\$0	\$0
Northwest	Jurupa Valley	Limonite	Etiwanda	Van Buren	2.72	\$14,345,000	\$12,319,000
Northwest	Jurupa Valley	Limonite	Van Buren	Clay	0.79	\$1,672,000	\$1,672,000
Northwest	Jurupa Valley	Limonite	Clay	Riverview	2.45	\$0	\$0
Northwest	Jurupa Valley	Market	Rubidoux	Santa Ana River	1.74	\$4,605,000	\$4,314,000
Northwest	Jurupa Valley	Market	Santa Ana River	bridge	0.00 ^r	\$9,222,000	\$7,849,000
Northwest	Jurupa Valley	Mission	Milliken	SR-60	1.61	\$0	\$0
Northwest	Jurupa Valley	Mission	SR-60	Santa Ana River	7.39	\$0	\$0
Northwest	Jurupa Valley	Riverview	Limonite	Mission	0.95	\$0	\$0
Northwest	Jurupa Valley	Rubidoux	San Bernardino County	Mission	2.65	\$0	\$0
Northwest	Jurupa Valley	Rubidoux	SR-60	interchange	0.00 ^r	\$17,897,000	\$8,948,000
Northwest	Jurupa Valley	Valley	Armstrong	Mission	0.48	\$0	\$0
Northwest	Norco	1st	Parkridge	Mountain	0.26	\$677,000	\$677,000
Northwest	Norco	1st	Mountain	Hamner	0.26	\$0	\$0
Northwest	Norco	2nd	River	I-15	1.44	\$3,789,000	\$3,789,000
Northwest	Norco	6th	Hamner	California	1.71	\$0	\$0
Northwest	Norco	6th	I-15	interchange	0.00 ^r	\$17,897,000	\$5,593,000
Northwest	Norco	Arlington	North	Arlington	0.97	\$2,570,000	\$2,570,000
Northwest	Norco	California	Arlington	6th	0.98	\$6,848,000	\$6,848,000
Northwest	Norco	Corydon	River	5th	1.46	\$0	\$0
Northwest	Norco	Hamner	Santa Ana River	bridge	0.00	\$22,132,000	\$0
Northwest	Norco	Hamner	Santa Ana River	Hidden Valley	3.05	\$21,325,000	\$21,325,000
Northwest	Norco	Hidden Valley	I-15	Norco Hills	1.52	\$0	\$0
Northwest	Norco	Hidden Valley	Hamner	I-15	0.13	\$0	\$0
Northwest	Norco	Norco	Corydon	Hamner	1.20	\$0	\$0
Northwest	Norco	North	California	Arlington	0.81	\$0	\$0
Northwest	Norco	River	Archibald	Corydon	1.14	\$1,114,000	\$803,000

Table 4.4 - TUMF Network Cost Estimates (continued)

AREA PLAN	DIS	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	TOTAL COST	MAXIMUM TUMF SHARE
Northwest		Riverside	14th	Market	Martin Luther King	0.89	\$0	\$0
Northwest		Riverside	1st	Market	Main	0.08	\$0	\$0
Northwest		Riverside	3rd	SR-91	I-215	1.34	\$0	\$0
Northwest		Riverside	3rd	BNSF	railroad crossing	0.00	\$36,980,000	\$36,980,000
Northwest		Riverside	Adams	Arlington	SR-91	1.56	\$0	\$0
Northwest		Riverside	Adams	SR-91	Lincoln	0.54	\$0	\$0
Northwest		Riverside	Adams	SR-91	Interchange	0.00	\$17,897,000	\$17,897,000
Northwest		Riverside	Buena Vista	Santa Ana River	Redwood	0.30	\$0	\$0
Northwest		Riverside	Canyon Crest	Market	Central	0.95	\$0	\$0
Northwest		Riverside	Canyon Crest	Central	Country Club	0.59	\$0	\$0
Northwest		Riverside	Canyon Crest	Country Club	Via Vista	0.94	\$2,990,000	\$1,855,000
Northwest		Riverside	Canyon Crest	Via Vista	Alessandro	0.68	\$0	\$0
Northwest		Riverside	Central	Chicago	I-215/SR-60	2.15	\$0	\$0
Northwest		Riverside	Central	Chicago	Magnolia	0.76	\$0	\$0
Northwest		Riverside	Central	SR-91	Alessandro	2.05	\$0	\$0
Northwest		Riverside	Central	Van Buren	Magnolia	3.53	\$0	\$0
Northwest		Riverside	Chicago	Alessandro	Spruce	3.42	\$0	\$0
Northwest		Riverside	Chicago	Spruce	Columbia	0.75	\$0	\$0
Northwest		Riverside	Columbia	Main	Iowa	1.09	\$0	\$0
Northwest		Riverside	Columbia	I-215	Interchange	0.00	\$17,897,000	\$17,897,000
Northwest		Riverside	Iowa	Center	3rd	2.25	\$13,815,000	\$13,815,000
Northwest		Riverside	Iowa	3rd	University	0.51	\$0	\$0
Northwest		Riverside	Iowa	University	Martin Luther King	0.51	\$3,530,000	\$3,265,000
Northwest		Riverside	JFK	Trautwein	Wood	0.48	\$0	\$0
Northwest		Riverside	La Sierra	Arlington	SR-91	3.56	\$0	\$0
Northwest		Riverside	La Sierra	SR-91	Indiana	0.19	\$0	\$0
Northwest		Riverside	La Sierra	Indiana	Victoria	0.78	\$0	\$0
Northwest		Riverside	Lemon (NB One way)	Mission Inn	University	0.08	\$0	\$0
Northwest		Riverside	Lincoln	Van Buren	Jefferson	2.00	\$0	\$0
Northwest		Riverside	Lincoln	Jefferson	Washington	1.00	\$4,331,000	\$4,331,000
Northwest		Riverside	Lincoln	Washington	Victoria	1.43	\$8,193,000	\$8,193,000
Northwest		Riverside	Madison	SR-91	Victoria	0.86	\$0	\$0
Northwest		Riverside	Madison	BNSF	railroad crossing	0.00	\$15,851,000	\$10,851,000
Northwest		Riverside	Magnolia	BNSF Railroad	Tyler	2.70	\$0	\$0
Northwest		Riverside	Magnolia	BNSF	railroad crossing	0.00	\$15,851,000	\$15,851,000
Northwest		Riverside	Magnolia	Tyler	Harrison	0.65	\$0	\$0
Northwest		Riverside	Magnolia	Harrison	14th	5.98	\$0	\$0
Northwest		Riverside	Main	1st	San Bernardino County	2.19	\$0	\$0
Northwest		Riverside	Market	14th	Santa Ana River	2.03	\$0	\$0
Northwest		Riverside	Martin Luther King	14th	I-215/SR-60	2.11	\$6,340,000	\$6,340,000
Northwest		Riverside	Mission Inn	Redwood	Lemon	0.79	\$0	\$0
Northwest		Riverside	Redwood (SB One way)	Mission Inn	University	0.08	\$0	\$0
Northwest		Riverside	Trautwein	Alessandro	Van Buren	2.19	\$0	\$0
Northwest		Riverside	Tyler	SR-91	Magnolia	0.43	\$0	\$0
Northwest		Riverside	Tyler	SR-91	Interchange	0.00	\$37,060,000	\$3,089,000
Northwest		Riverside	Tyler	Magnolia	Hole	0.27	\$0	\$0
Northwest		Riverside	Tyler	Hole	Wells	1.06	\$0	\$0
Northwest		Riverside	Tyler	Wells	Arlington	1.35	\$9,443,000	\$9,443,000
Northwest		Riverside	University	Redwood	SR-91	0.86	\$0	\$0
Northwest		Riverside	University	SR-91	I-215/SR-60	2.01	\$0	\$0
Northwest		Riverside	Victoria	Lincoln	Arlington	0.16	\$0	\$0
Northwest		Riverside	Victoria	Madison	Washington	0.52	\$0	\$0
Northwest		Riverside	Washington	Victoria	Hermosa	2.05	\$14,352,000	\$14,352,000
Northwest		Riverside	Wood	JFK	Van Buren	0.70	\$923,000	\$923,000
Northwest		Riverside	Wood	Van Buren	Bergamont	0.11	\$0	\$0
Northwest		Riverside	Wood	Bergamont	Krameria	0.39	\$0	\$0
Northwest		Unincorporated	Cantu-Galleano Ranch	Hanner	Wineville	0.94	\$0	\$0
Northwest		Unincorporated	Dos Lagos (Weirick)	Temescal Canyon	I-15	0.21	\$0	\$0
Northwest		Unincorporated	El Cerito	I-15	Ontario	0.56	\$0	\$0
Northwest		Unincorporated	El Sobrante	Mockingbird Canyon	Cajalco	1.05	\$3,337,000	\$3,226,000
Northwest		Unincorporated	Harley John	Washington	Scottsdale	0.12	\$0	\$0
Northwest		Unincorporated	Harley John	Scottsdale	Cajalco	1.19	\$3,134,000	\$3,134,000
Northwest		Unincorporated	La Sierra	Victoria	El Sobrante	2.22	\$0	\$0
Northwest		Unincorporated	La Sierra	El Sobrante	Cajalco	2.36	\$0	\$0
Northwest		Unincorporated	Mockingbird Canyon	Van Buren	El Sobrante	3.29	\$10,454,000	\$9,003,000
Northwest		Unincorporated	Temescal Canyon	Ontario	Tuscany	0.65	\$1,644,000	\$740,000
Northwest		Unincorporated	Temescal Canyon	Tuscany	Dos Lagos	0.91	\$0	\$0
Northwest		Unincorporated	Temescal Canyon	Dos Lagos	Leroy	1.10	\$3,507,000	\$3,507,000
Northwest		Unincorporated	Temescal Canyon	Leroy	Dawson Canyon	1.89	\$5,994,000	\$5,994,000
Northwest		Unincorporated	Temescal Canyon	Dawson Canyon	I-15	0.28	\$0	\$0
Northwest		Unincorporated	Temescal Canyon	I-15	Interchange	0.00	\$17,897,000	\$17,897,000
Northwest		Unincorporated	Temescal Canyon	I-15	Park Canyon	3.41	\$12,661,000	\$12,661,000
Northwest		Unincorporated	Temescal Canyon	Park Canyon	Indian Truck Trail	2.55	\$8,094,000	\$8,094,000
Northwest		Unincorporated	Washington	Hermosa	Harley John	3.96	\$7,840,000	\$7,840,000
Northwest		Unincorporated	Wood	Krameria	Cajalco	2.99	\$7,880,000	\$7,880,000

Table 4.4 - TUMF Network Cost Estimates (continued)

AREA PLAN DIS CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	TOTAL COST	MAXIMUM TUMF SHARE
Pass	Banning	8th	Wilson	1-10	0.54	\$0
Pass	Banning	Highland Springs	Wilson (8th)	0.76	\$2,661,000	\$2,661,000
Pass	Banning	Highland Springs	I-10	0.00	\$17,897,000	\$17,897,000
Pass	Banning	Highland Springs	Oak Valley (14th)	0.73	\$5,128,000	\$5,128,000
Pass	Banning	Highland Springs	Cherry Valley	1.53	\$0	\$0
Pass	Banning	I-10 Bypass South	I-10	3.29	\$22,952,000	\$22,952,000
Pass	Banning	I-10 Bypass South	I-10	0.00	\$17,897,000	\$17,897,000
Pass	Banning	I-10 Bypass South	San Gorgonio	0.00	\$2,767,000	\$2,767,000
Pass	Banning	I-10 Bypass South	UP	0.00	\$18,490,000	\$18,490,000
Pass	Banning	Lincoln	Sunset	SR-243	2.01	\$0
Pass	Banning	Ramsey	I-10	1.70	\$0	\$0
Pass	Banning	Ramsey	8th	Highland Springs	3.55	\$0
Pass	Banning	SR-243	I-10	Wesley	0.62	\$0
Pass	Banning	Sun Lakes	Highland Home	Sunset	1.00	\$13,971,000
Pass	Banning	Sun Lakes	Smith Creek	bridge	0.00	\$3,688,000
Pass	Banning	Sun Lakes	Highland Springs	Highland Home	1.33	\$0
Pass	Banning	Sunset	Ramsey	Lincoln	0.28	\$0
Pass	Banning	Sunset	I-10	interchange	0.00	\$17,897,000
Pass	Banning	Wilson	Highland Home	8th	2.51	\$0
Pass	Banning	Wilson	Highland Springs	Highland Home	1.01	\$0
Pass	Beaumont	1st	Viele	Pennsylvania	1.28	\$0
Pass	Beaumont	1st	Pennsylvania	Highland Springs	1.10	\$0
Pass	Beaumont	6th	I-10	Highland Springs	2.24	\$0
Pass	Beaumont	Desert Lawn	Champions	Oak Valley (STC)	0.99	\$912,000
Pass	Beaumont	Oak Valley (14th)	Highland Springs	Pennsylvania	1.13	\$0
Pass	Beaumont	Oak Valley (14th)	Pennsylvania	Oak View	1.40	\$0
Pass	Beaumont	Oak Valley (14th)	Oak View	I-10	0.65	\$2,270,000
Pass	Beaumont	Oak Valley (14th)	I-10	interchange	0.00	\$37,060,000
Pass	Beaumont	Oak Valley (STC)	Beaumont City Limits	Cherry Valley (J St / Central Over	3.46	\$0
Pass	Beaumont	Oak Valley (STC)	Cherry Valley (J St / Central C-10	1.67	\$0	
Pass	Beaumont	Pennsylvania	6th	1st	0.53	\$3,018,000
Pass	Beaumont	Pennsylvania	I-10	interchange	0.00	\$8,949,000
Pass	Calimesa	Bryant	County Line	Avenue L	0.38	\$0
Pass	Calimesa	Calimesa	County Line	I-10	0.80	\$0
Pass	Calimesa	Calimesa	I-10	interchange	0.00	\$37,060,000
Pass	Calimesa	Tukwet Canyon	Roberts	Palmer	0.50	\$0
Pass	Calimesa	County Line	Roberts	Bryant	1.86	\$6,497,000
Pass	Calimesa	County Line	I-10	interchange	0.00	\$17,897,000
Pass	Calimesa	Desert Lawn	Palmer	Champions	1.42	\$0
Pass	Calimesa	Singleton	Avenue L	Condit	1.86	\$11,834,000
Pass	Calimesa	Singleton	Condit	Roberts	0.85	\$0
Pass	Calimesa	Singleton	I-10	interchange	0.00	\$37,060,000
Pass	Unincorporated	Cherry Valley	Noble	Desert Lawn	3.40	\$0
Pass	Unincorporated	Cherry Valley	I-10	interchange	0.00	\$37,060,000
Pass	Unincorporated	Cherry Valley	San Timoteo Wash	bridge	0.00	\$0
Pass	Unincorporated	Live Oak Canyon	Oak Valley (STC)	San Bernardino County	2.81	\$0
Pass	Unincorporated	Oak Valley (STC)	San Bernardino County	Beaumont City Limits	5.65	\$0
Pass	Unincorporated	Oak Valley (STC)	UP	railroad crossing	0.00	\$18,490,000
Pass	Unincorporated	Cherry Valley	Bellflower	Noble	1.47	\$7,757,000
Pass	Unincorporated	Cherry Valley	Highland Springs	Bellflower	0.44	\$0
San Jacinto	Hemet	Sanderson	Acacia	Menlo	0.98	\$0
San Jacinto	Hemet	Sanderson	Domenigoni	Stelson	1.08	\$0
San Jacinto	Hemet	Sanderson	RR Crossing	Acacia	0.42	\$0
San Jacinto	Hemet	Sanderson	Stelson	RR Crossing	0.58	\$0
San Jacinto	Hemet	Sanderson	Menlo	Esplanade	1.00	\$0
San Jacinto	Hemet	SR-74 (Florida)	Warren	Cawston	1.02	\$0
San Jacinto	Hemet	SR-74 (Florida)	Columbia	Ramona	2.58	\$0
San Jacinto	Hemet	SR-74/SR-79 (Florida)	Cawston	Columbia	4.03	\$0
San Jacinto	Hemet	State	Domenigoni	Chambers	1.31	\$0
San Jacinto	Hemet	State	Chambers	Stelson	0.51	\$0
San Jacinto	Hemet	State	Florida	Esplanade	1.74	\$0
San Jacinto	Hemet	State	Stelson	Florida	1.25	\$9,377,000
San Jacinto	Hemet	Stelson	Cawston	State	2.52	\$0
San Jacinto	Hemet	Stelson	Warren	Cawston	1.00	\$2,635,000
San Jacinto	Hemet	Warren	Esplanade	Domenigoni	4.99	\$13,163,000
San Jacinto	Hemet	Warren	Salt Creek	bridge	0.00 ^r	\$2,767,000
San Jacinto	San Jacinto	Esplanade	Ramona	Mountain	0.20	\$2,794,000
San Jacinto	San Jacinto	Esplanade	Mountain	State	2.55	\$0
San Jacinto	San Jacinto	Esplanade	State	Warren	3.53	\$9,320,000
San Jacinto	San Jacinto	Sanderson	Ramona	Esplanade	3.55	\$0
San Jacinto	San Jacinto	SR-79 (North Ramona)	State	San Jacinto	1.02	\$0
San Jacinto	San Jacinto	SR-79 (San Jacinto)	North Ramona Blvd	7th	0.25	\$1,722,000
San Jacinto	San Jacinto	SR-79 (San Jacinto)	7th	SR-74	2.25	\$0
San Jacinto	San Jacinto	State	Ramona	Esplanade	1.99	\$0
San Jacinto	San Jacinto	State	Gilman Springs	Quandt Ranch	0.76	\$2,007,000
San Jacinto	San Jacinto	State	San Jacinto River	bridge	0.00 ^r	\$4,611,000
San Jacinto	San Jacinto	State	Quandt Ranch	Ramona	0.70	\$0
San Jacinto	San Jacinto	Warren	Ramona	Esplanade	3.47	\$9,156,000
San Jacinto	Unincorporated	Gilman Springs	Sanderson	State	2.54	\$6,714,000
San Jacinto	Unincorporated	Gilman Springs	Massacre Canyon Wash	bridge	0.00	\$923,000
San Jacinto	Unincorporated	SR-79 (Winchester)	SR-74 (Florida)	Domenigoni	3.23 ^r	\$0

Table 4.4 - TUMF Network Cost Estimates (continued)

AREA PLAN	DIS	CITY	STREETNAME	SEGMENTFROM	SEGMENTTO	MILES	TOTAL COST	MAXIMUM TUMF SHARE
Southwest		Lake Elsinore	Corydon	Mission	Grand	1.53	\$2,019,000	\$2,019,000
Southwest		Lake Elsinore	Diamond	Mission	I-15	0.24	\$0	\$0
Southwest		Lake Elsinore	Franklin (Integral to Railroad	I-15	interchange	0.00	\$37,060,000	\$14,629,000
Southwest		Lake Elsinore	Grand	Lincoln	Toft	1.29	\$0	\$0
Southwest		Lake Elsinore	Grand	Toft	SR-74 (Riverside)	0.86	\$1,357,000	\$1,357,000
Southwest		Lake Elsinore	Lake	I-15	Lincoln	3.10	\$14,794,000	\$13,592,000
Southwest		Lake Elsinore	Lake	I-15	interchange	0.00	\$17,897,000	\$7,291,000
Southwest		Lake Elsinore	Lake	Temescal Wash	bridge	0.00	\$1,973,000	\$822,000
Southwest		Lake Elsinore	Mission	Railroad Canyon	Bundy Canyon	2.39	\$0	\$0
Southwest		Lake Elsinore	Nichols	I-15	Lake	1.80	\$3,324,000	\$3,324,000
Southwest		Lake Elsinore	Nichols	I-15	interchange	0.00	\$37,060,000	\$37,060,000
Southwest		Lake Elsinore	SR-74 (Collier/Riverside)	I-15	Lakeshore	2.10	\$29,357,000	\$28,315,000
Southwest		Lake Elsinore	SR-74 (Grand)	Riverside	SR-74 (Ortega)	0.64	\$8,892,000	\$7,495,000
Southwest		Lake Elsinore	SR-74 (Riverside)	Lakeshore	Grand	1.74	\$21,830,000	\$21,830,000
Southwest		Lake Elsinore	Temescal Canyon	I-15	Lake	1.21	\$3,846,000	\$3,846,000
Southwest		Lake Elsinore	Temescal Canyon	Temescal Wash	bridge	0.00	\$2,270,000	\$2,270,000
Southwest		Murieta	California Oaks	Jefferson	I-15	0.32	\$555,000	\$555,000
Southwest		Murieta	California Oaks	I-15	Jackson	0.50	\$0	\$0
Southwest		Murieta	California Oaks	Jackson	Clinton Keith	1.76	\$0	\$0
Southwest		Murieta	Jackson	Whitelwood	Ynez	0.53	\$0	\$0
Southwest		Murieta	Jefferson	Palomar	Nutmeg	1.02	\$2,691,000	\$2,691,000
Southwest		Murieta	Jefferson	Nutmeg	Murieta Hot Springs	2.37	\$21,520,000	\$21,520,000
Southwest		Murieta	Jefferson	Murieta Hot Springs	Cherry	2.26	\$0	\$0
Southwest		Murieta	Keller	I-215	Whitelwood	0.75	\$1,571,000	\$1,571,000
Southwest		Murieta	Keller	I-215	interchange	0.00	\$17,897,000	\$17,897,000
Southwest		Murieta	Los Alamos	Jefferson	I-215	1.77	\$0	\$0
Southwest		Murieta	Murieta Hot Springs	Jefferson	I-215	1.11	\$0	\$0
Southwest		Murieta	Murieta Hot Springs	I-215	Margarita	1.48	\$0	\$0
Southwest		Murieta	Murieta Hot Springs	Margarita	SR-79 (Winchester)	1.01	\$2,660,000	\$2,660,000
Southwest		Murieta	Nutmeg	Jefferson	Clinton Keith	1.97	\$0	\$0
Southwest		Murieta	Whitelwood	Clinton Keith	Los Alamos	2.01	\$0	\$0
Southwest		Murieta	Whitelwood	Los Alamos	Murieta Hot Springs	1.93	\$0	\$0
Southwest		Murieta	Whitelwood	Murieta Hot Springs	Jackson	0.80	\$8,066,000	\$8,066,000
Southwest		Murieta	Ynez	Jackson	SR-79 (Winchester)	1.22	\$0	\$0
Southwest		Temecula	Jefferson	Cherry	Rancho California	2.29	\$0	\$0
Southwest		Temecula	Margarita	Murrieta Hot Springs	SR-79 (Temecula Pkwy)	7.38	\$0	\$0
Southwest		Temecula	Old Town Front	Rancho California	I-15/SR-79 (Temecula Pkwy)	1.45	\$0	\$0
Southwest		Temecula	Pechanga Pkwy	SR-79 (Temecula Pkwy)	Via Gilberto	1.32	\$0	\$0
Southwest		Temecula	Pechanga Pkwy	Via Gilberto	Pechanga Pkwy	1.44	\$0	\$0
Southwest		Temecula	Rancho California	Jefferson	Margarita	1.89	\$6,824,000	\$6,824,000
Southwest		Temecula	Rancho California	I-15	interchange	0.00	\$17,897,000	\$12,009,000
Southwest		Temecula	Rancho California	Margarita	Butterfield Stage	1.96	\$0	\$0
Southwest		Temecula	Rancho California	Butterfield Stage	Glen Oaks	4.26 ^r	\$32,064,000	\$32,064,000
Southwest		Temecula	SR-79 (Temecula Pkwy)	I-15	Pechanga Pkwy	0.64	\$1,692,000	\$1,576,000
Southwest		Temecula	SR-79 (Temecula Pkwy)	Pechanga Pkwy	Butterfield Stage	3.08	\$0	\$0
Southwest		Unincorporated	Briggs	Scott	SR-79 (Winchester)	3.39	\$8,950,000	\$8,950,000
Southwest		Unincorporated	Butterfield Stage	Murrieta Hot Springs	Calle Chapos	0.82	\$0	\$0
Southwest		Unincorporated	Butterfield Stage	Calle Chapos	La Serena	0.70	\$0	\$0
Southwest		Unincorporated	Butterfield Stage	La Serena	Rancho California	0.90	\$2,860,000	\$2,860,000
Southwest		Unincorporated	Butterfield Stage	Rancho California	Pauba	0.85	\$0	\$0
Southwest		Unincorporated	Butterfield Stage	Pauba	SR-79 (Temecula Pkwy)	1.69	\$269,000	\$269,000
Southwest		Unincorporated	Butterfield Stage	SR-79 (Winchester)	Auld	2.28	\$7,245,000	\$7,245,000
Southwest		Unincorporated	Butterfield Stage	Auld	Murrieta Hot Springs	2.23	\$14,172,000	\$14,172,000
Southwest		Unincorporated	Butterfield Stage	Tucalota Creek	bridge	0.00 ^r	\$3,688,000	\$3,688,000
Southwest		Unincorporated	Horsestail Canyon	Temescal Canyon	I-15	0.17	\$0	\$0
Southwest		Unincorporated	Indian Truck Trail	Temescal Canyon	I-15	0.18	\$0	\$0
Southwest		Unincorporated	Murrieta Hot Springs	SR-79 (Winchester)	Pourroy	1.75	\$0	\$0
Southwest		Unincorporated	Pola	Pechanga	San Diego County	1.38	\$0	\$0
Southwest		Unincorporated	Temescal Canyon	Horsestail Canyon Wash	bridge	0.00	\$2,214,000	\$2,214,000
Southwest		Unincorporated	Temescal Canyon	Indian Truck Trail	I-15	2.57	\$8,166,000	\$8,166,000
Southwest		Unincorporated	Temescal Canyon	Indian Wash	bridge	0.00	\$941,000	\$941,000
Southwest		Wildomar	Baxter	I-15	Palomar	0.37	\$974,000	\$921,000
Southwest		Wildomar	Baxter	I-15	interchange	0.00 ^r	\$17,897,000	\$7,159,000
Southwest		Wildomar	Bundy Canyon	Mission	I-15	0.94	\$6,537,000	\$6,537,000
Southwest		Wildomar	Central	Baxter	Palomar	0.74	\$5,143,000	\$5,143,000
Southwest		Wildomar	Central	Grand	Palomar	0.51	\$3,570,000	\$3,570,000
Southwest		Wildomar	Grand	Ortega	Corydon	4.96	\$34,648,000	\$25,011,000
Southwest		Wildomar	Grand	Corydon	Central	2.02 ^r	\$0	\$0
Southwest		Wildomar	Mission	Bundy Canyon	Palomar	0.84	\$0	\$0
Southwest		Wildomar	Palomar	Clinton Keith	Jefferson	0.74	\$1,941,000	\$1,691,000
Southwest		Wildomar	Palomar	Mission	Clinton Keith	2.79	\$7,358,000	\$7,358,000
Subtotal						473.09	\$1,803,495,000	\$1,484,916,000
Totals			Network			728.37	\$ 3,446,020,000	\$ 2,712,871,000
			Transit				\$ 153,120,000	\$ 92,639,000
			Administration				\$ 112,220,400	\$ 112,220,400
			MSHCP				\$ 45,401,000	\$ 43,308,000
			Total				\$ 3,756,761,400	\$ 2,961,038,400

Table 4.5 – TUMF Transit Cost Estimates

AREA PLAN DIST	LEAD AGENCY	PROJECT NAME	LOCATION	UNITS (number/length in miles)	UNIT COST	TOTAL	MAXIMUM TUMF SHARE
Northwest	RTA	Riverside Mobility Hub at Vine Street	Riverside	1	\$6,000,000	\$6,000,000	\$3,630,000
Central	RTA	Moreno Valley Mobility Hub	Moreno Valley	1	\$9,000,000	\$9,000,000	\$5,445,000
Northwest	RTA	Jurupa Valley Mobility Hub	Jurupa Valley	1	\$9,000,000	\$9,000,000	\$5,445,000
Pass	RTA	Banning Mobility Hub	Banning	1	\$9,000,000	\$9,000,000	\$5,445,000
Southwest	RTA	Lake Elsinore/Canyon Lake Mobility Hub	Lake Elsinore	1	\$9,000,000	\$9,000,000	\$5,445,000
Southwest	RTA	Temecula/Murrieta Mobility Hub	Temecula	1	\$9,000,000	\$9,000,000	\$5,445,000
San Jacinto	RTA	Hemet Mobility Hub	Hemet	1	\$9,000,000	\$9,000,000	\$5,445,000
San Jacinto	RTA	San Jacinto Mobility Hub	San Jacinto	1	\$9,000,000	\$9,000,000	\$5,445,000
San Jacinto	RTA	Mt. San Jacinto College Mobility Hub	San Jacinto	1	\$1,000,000	\$1,000,000	\$605,000
Regional	RTA	Regional Operations and Maintenance Facility	Riverside	1	\$50,000,000	\$50,000,000	\$30,251,000
Regional	RTA	Annual Transit Enhancements Program	Various locations region wide	290	\$40,000	\$11,600,000	\$7,018,000
Central	RTA	Central Corridor RapidLink Implementation	UCR, Riverside to Perris	42	\$60,000	\$2,520,000	\$1,525,000
Regional	RTA	Vehicle Fleet Medium Buses	Various locations region wide	7	\$155,000	\$1,085,000	\$656,000
Regional	RTA	Vehicle Fleet Large Buses	Various locations region wide	29	\$585,000	\$16,965,000	\$10,264,000
Regional	RTA	Comprehensive Operational Analysis Study	Various locations region wide	1	\$950,000	\$950,000	\$575,000
Total						\$153,120,000	\$92,639,000

4.8 TUMF Network Evaluation

To assess the effectiveness of the proposed TUMF Network improvements to mitigate the cumulative regional impact of new development in Western Riverside County, the proposed network improvements were added to the 2015 existing network in RivTAM and the model was run with 2040 socioeconomic data to determine the relative impacts on horizon year traffic conditions. To quantify the impacts of the TUMF Network improvements, the various traffic measures of effectiveness described in **Section 3.1** for the 2012 Baseline and 2040 No-Build scenarios were again calculated for the 2040 TUMF Build scenario. The results for VMT, VHT, VHD, and total VMT experiencing unacceptable level of service (LOS E) were then compared to the results presented in **Table 3.1** for the no-build conditions. The 2040 TUMF Build comparison results are provided in **Table 4.6**. Plots of the Network Extents are attached in **Appendix H**.

As shown in **Table 4.6**, the 2040 VMT on arterial facilities experiencing LOS of E or worse will decrease with the addition of the TUMF Network improvements while the share of VMT on the regional arterial highway system experiencing daily LOS E or worse will be reduced to 38% (which is still above the level experienced in 2012). It should be noted that the total VMT on the arterial system **increases** as a result of freeway trips being diverted to the arterial system to benefit from the proposed TUMF improvements.

Despite a greater share of the total VMT in 2040, the arterial system is able to more efficiently accommodate the increased demand with the proposed TUMF improvements. Although VMT on the TUMF improved arterial system increases by approximately 9% in 2040 compared to the No Build condition, VHT on the arterial system decreases by approximately 11% indicating traffic is able to move more efficiently. Additionally, a notable benefit is observed on the freeway system with VMT and VHT being substantially reduced following TUMF Network improvements. By completing TUMF improvements, the total VHD experienced by all area motorists would be reduced by over one third from the levels that would be experienced under the 2040 No-Build scenario. These results highlight the overall effectiveness of the TUMF Program to mitigate the cumulative regional transportation impacts of new development commensurate with the level of impact being created.

**Table 4.6 – Regional Highway System Measures of Performance
(2012 Baseline and 2040 No-Build Scenarios to 2040 TUMF Build Scenario)**

Measure of Performance*	Peak Periods (Total)		
	2012 Baseline	2040 No-Build	2040 Build
VMT - Total ALL FACILITIES	19,532,437	29,277,587	31,022,272
VMT - FREEWAYS	11,019,155	14,487,570	13,411,377
VMT - ALL ARTERIALS	8,513,282	14,790,016	17,610,895
TOTAL - TUMF ARTERIAL VMT	5,585,202	9,089,495	9,902,433
VHT - TOTAL ALL FACILITIES	575,154	1,361,907	1,180,647
VHT - FREEWAYS	296,542	736,433	530,849
VHT - ALL ARTERIALS	278,611	625,474	649,797
TOTAL TUMF ARTERIAL VHT	181,151	396,981	354,639
VHD - TOTAL ALL FACILITIES	175,765	739,075	489,238
VHD - FREEWAYS	117,430	502,549	312,669
VHD - ALL ARTERIALS	58,334	236,527	176,569
TOTAL TUMF ARTERIAL VHD	45,080	172,944	114,833
VMT LOS E - TOTAL ALL FACILITIES	6,188,644	16,966,992	14,299,498
VMT LOS E - FREEWAYS	4,532,703	10,156,363	8,982,566
VMT LOS E & F - ALL ARTERIALS	1,655,941	6,810,629	5,316,932
TOTAL TUMF ARTERIAL VMT w/ LOS E or worse	1,462,061	5,160,911	3,735,762
% of TUMF ARTERIAL VMT w/ LOS E or worse	26%	57%	38%

* Based on RivTAM 2012 network provided by Riverside County Transportation Department and SCAG 2016 RTP/SCS SED with updated 2015 arterial network completed by WSP, September 2016.

NOTES:

Volume is adjusted by PCE factor

VMT = vehicle miles of travel (the total combined distance that all vehicles travel on the system)

VHT = vehicle hours of travel (the total combined time that all vehicles are traveling on the system)

VHD = vehicle hours of delay (the total combined time that all vehicles have been delayed on the system based on the difference between forecast travel time and free-flow (ideal) travel time)

LOS = level of service (based on forecast volume to capacity ratios).

LOS E or Worse was determined by V/C ratio that exceeds 0.9 thresholds as indicated in the Riverside County General Plan.

5.0 TUMF NEXUS ANALYSIS

The objective of this section is to evaluate and document the rational nexus (or reasonable relationship) between the proposed fee and the transportation system improvements it will be used to help fund. The analysis starts by documenting the correlation between future development and the need for transportation system improvements on the TUMF network to mitigate the cumulative regional impacts of this new development, followed by analysis of the nexus evaluation of the key components of the TUMF concept.

5.1 Future Development and the Need for Improvements

Previous sections of this report documented the projected residential and employment growth in Western Riverside County, the expected increases in traffic congestion and travel delay, and the identification of the transportation system improvements that will serve these future inter-community travel demands. The following points coalesce this information in a synopsis of how the future growth relates to the need for improvements to the TUMF system.

- Western Riverside County is expected to continue growing.
Development in Western Riverside County is expected to continue at a robust rate of growth into the foreseeable future. Current projections estimate the population is projected to grow from a level of approximately 1.77 million in 2012 to a future level of about 2.43 million in 2040, while employment is projected to grow from a level of about 461,000 in 2012 to approximately 861,000 in 2040 (as shown in **Table 2.3**).
- Continuing growth will result in increasing congestion on arterial roadways.
Traffic congestion and delay on arterial roadways are projected to increase dramatically in the future (as shown in **Table 3.1**). Without improvements to the transportation system, congestion levels will grow rapidly and travelers will experience unacceptable travel conditions with slow travel speeds and lengthy delays.
- The future arterial roadway congestion is directly attributable to future development in Western Riverside County.
Traffic using arterial roadways within Western Riverside County is virtually all generated within or attracted to Western Riverside County, since longer-distance trips passing through the region typically use the freeway system, not arterial roadways. Therefore, the future recurring congestion problems on these roadways will be attributable to new trips that originate in, terminate in, or travel within Western Riverside County.
- Capacity improvements to the transportation system will be needed to alleviate the future congestion caused by new development.
To maintain transportation service at or near its current levels of efficiency, capacity enhancements will need to be made to the arterial roadway system. These enhancements could include new or realigned roads, additional lanes on existing

roads, new or expanded bridges, new or upgraded freeway interchanges, or grade separation of at-grade rail crossings. The completion of improvements to the arterial roadway system would enhance regional mobility, and reduce the total peak period vehicles hours of travel (VHT) by approximately 13%, reduce peak period vehicle hours of delay (VHD) by approximately 34%, and reduce the share of traffic experiencing congestion in the peak periods by 16% (as shown in **Table 4.6**). The specific needs and timing of implementation will depend on the location and rate of future development, so the specific improvements to be funded by the TUMF and their priority of implementation will be determined during future project programming activities as improvement needs unfold and as TUMF funds become available.

- Roads on the TUMF network are the facilities that merit improvement through this fee program.

The criteria used to identify roads for the TUMF network (future number of lanes, future traffic volume, future congestion level, and roadway function linking communities and activity centers and serving public transportation) were selected to ensure that these are the roadways that will serve inter-community travel and will require future improvement to alleviate congestion.

- Improvements to the public transportation system will be needed to provide adequate mobility for transit-dependent travelers and to provide an alternative to automobile travel.

Since a portion of the population does not own an automobile and depends on public transportation for mobility, the public transportation infrastructure and service will need to be enhanced and expanded to ensure continued mobility for this segment of the population. In addition, improvements to the public transportation system will be required to ensure that transit service can function as a viable option for future new Western Riverside County residents and employees who choose to avoid congestion by using public transportation.

For the reasons cited above, it can be readily concluded that there is a rational nexus between the future need for transportation improvements on the TUMF system and the future development upon which the proposed TUMF would be levied. The following sections evaluate the rational nexus in relation to the system components and the types of uses upon which the fee is assessed.

5.2 Application of Fee to System Components

As noted in **Section 3.2**, the TUMF concept includes splitting the fee revenues between the backbone system of arterials, the secondary system of arterials, and the public transportation system. This section evaluates the travel demands to determine the rational nexus between the future travel demands and the use of the fee to fund improvements to the future system components.

The split of fee revenues between the backbone and secondary highway networks is related to the proportion of highway vehicle trips that are relatively local (between

adjacent communities) and longer distance (between more distant communities but still within Western Riverside County). To estimate a rational fee split between the respective networks, the future combined AM and PM peak period travel forecast estimates were aggregated to a matrix of trips between zones to show the percentage of trips that remain within each zone in relation to the volume that travels to the other zones. This analysis was completed using the Year 2040 No-Build scenario trip tables from RivTAM.

The first step in the analysis was to create a correspondence table between the TAZs in the model and the five WRCOG TUMF zones (i.e. Northwest, Southwest, Central, Hemet/San Jacinto and Pass). The TAZs were then compressed into six districts (the five WRCOG zones and one for the rest of the SCAG region).

Table 5.1 shows the estimated peak period vehicle trips within and between each of the zones. **Table 5.2** shows the percentage of peak period vehicle trips within and between the respective zones. **Appendix I** includes the detailed RivTAM outputs used to develop the regional trip distribution profile shown in **Table 5.1** and **5.2**.

Table 5.1 - 2040 Peak Period Vehicle Trips By WRCOG Zone

From \ To	Central	Hemet/San Jacinto	Northwest	Pass	Southwest	Outside WRCOG	TOTAL
Central	285,556	15,102	60,146	6,274	34,821	41,799	443,699
Hemet/San Jacinto	14,876	190,792	7,396	5,256	17,138	13,851	249,310
Northwest	64,066	8,082	742,299	6,569	25,648	211,686	1,058,350
Pass	6,721	5,563	6,536	103,901	1,791	32,830	157,341
Southwest	34,785	17,514	24,135	1,785	452,345	28,424	558,988
Outside WRCOG	43,352	14,690	212,699	33,337	29,242		333,320
TOTAL	449,357	251,743	1,053,210	157,123	560,984	328,590	2,801,008

Based on RivTAM Year 2040 No-Build scenario

Table 5.2 - 2040 Percent Peak Period Vehicle Trips By WRCOG Zone

From \ To	Central	Hemet/San Jacinto	Northwest	Pass	Southwest	Outside WRCOG	TOTAL
Central	64.4%	3.4%	13.6%	1.4%	7.8%	9.4%	100%
Hemet/San Jacinto	6.0%	76.5%	3.0%	2.1%	6.9%	5.6%	100%
Northwest	6.1%	0.8%	70.1%	0.6%	2.4%	20.0%	100%
Pass	4.3%	3.5%	4.2%	66.0%	1.1%	20.9%	100%
Southwest	6.2%	3.1%	4.3%	0.3%	80.9%	5.1%	100%

Based on RivTAM Year 2040 No-Build scenario

Table 5.3 summarizes the calculation of the split between the backbone and secondary highway networks as derived from the peak period trip values provided in **Table 5.1**. Peak period vehicle trips to and from areas outside Western Riverside County were subtracted from the calculation, on the presumption that most of their inter-regional travel would occur on the freeway system. Peak period trips between zones (regional) were assigned to the backbone network, since these trips are primarily served by the arterial roadways that provide connections between the zones. Peak period trips within zones (local) were split between the backbone network and the secondary network in proportion to their lane-miles, since roadways on both networks serve intra-zonal trips. The backbone network includes approximately 40.5% of the lane-miles on the future TUMF system, and the secondary network includes approximately 59.5% of the lane-miles.

The backbone network is therefore assigned all of the inter-zonal peak period trips plus 40.5% of the intra-zonal peak period trips. The secondary network is assigned 59.5% of the intra-zonal peak period trips and none of the inter-zonal peak period trips. The overall result is that 50.7% of the regional travel is assigned to the backbone network and 49.3% is assigned to the secondary network.

Table 5.3 - Backbone-Secondary Network Share Calculation

Calculation Value Description	Input Values	Backbone Value	Backbone Share	Secondary Value	Secondary Share
Total Western Riverside County Peak Period Vehicle Trips	2,801,008				
Less Internal/External Peak Period Vehicle Trips	-661,910				
Total Peak Period Vehicle Trips Internal to Western Riverside County	2,139,098				
Peak Period Vehicle Trips Between TUMF Zones	364,205				
Peak Period Vehicle Trips Within TUMF Zones	1,774,893				
TUMF Future Network Lane-Miles	3,151.1	1,277.7	40.5%	1,873.4	59.5%
Peak Period Vehicle Trips Between TUMF Zones	364,205	364,205	100.0%	0	0.0%
Peak Period Vehicle Trips Within TUMF Zones (as share of intra-zonal trips)	1,774,893	719,679	40.5%	1,055,214	59.5%
Total Peak Period Vehicle Trips Assigned	2,139,098	1,083,884	50.7%	1,055,214	49.3%

Based on RivTAM Year 2040 No-Build scenario; TUMF Nexus Study Exhibit H-2

5.3 Application of Fee to Residential and Non-Residential Developments

In order to establish the approximate proportionality of the future traffic impacts associated with new residential development and new non-residential development, the growth in peak period VMT between the 2012 Baseline and 2040 No-Build Scenarios from RivTAM were aggregated by trip purpose. RivTAM produces person trips (irrespective of mode choice) on the basis of five trip purposes: home-based-work (HBW), home-based-other (HBO), home-based-school (HBSC), work-based-other (WBO), and other-based-other (OBO).

NCHRP Report #187 Quick Response Urban Travel Estimation Techniques and Transferable Parameters User's Guide (Transportation Research Board, 1978) details operational travel estimation techniques that are universally used for the travel demand modeling. Chapter 2 of this report, which details trip generation estimation, states that "HBW (Home Based Work) and HBNW (Home Based Non Work) trips are generated at the households, whereas the NHB (Non-Home Based) trips are generated elsewhere." In accordance with NCHRP Report #187, growth in peak period VMT was aggregated into home-based growth in peak period VMT (combining the first three purposes: HBW, HBO, HBS) and non-home-based growth in peak period VMT (combining the last two purposes: WBO, OBO). The home-based growth in peak period VMT represent 71.0% of the total future growth in VMT in the peak periods, and the non-home-based growth in peak period VMT represent 29.0% of the total future growth in VMT in the peak period as shown in **Table 5.4**. Appendix J includes the RivTAM outputs used to develop the trip purpose summary in **Table 5.4**.

Table 5.4 - Peak Period VMT Growth by Trip Purpose for Western Riverside County (2012 - 2040)

VEHICLE TRIP PURPOSE	2012 BASELINE PEAK PERIOD VMT	2040 NO-BUILD PEAK PERIOD VMT	PEAK PERIOD VMT GROWTH	PEAK PERIOD VMT GROWTH SHARE
Home-Based-Work	5,849,895	8,331,921	2,482,026	52.9%
Home-Based-Other	2,214,102	2,932,929	718,827	15.3%
Home-Based-School (K-12)	413,303	542,911	129,608	2.8%
Work-Based-Other	945,539	1,583,034	637,496	13.6%
Other-Based-Other	1,772,020	2,493,667	721,647	15.4%
TOTAL	11,194,859	15,884,463	4,689,605	100.00%
Home-Based Trips (Residential Uses)			3,330,462	71.0%
Non-Home-Based Trips (Non-Residential Uses)			1,359,143	29.0%

Based on RivTAM Year 2012 Baseline Scenario, September 2016 and RivTAM Year 2040 No Build Scenario, September 2016

6.0 FAIR-SHARE FEE CALCULATION

The fee amounts, by type of development, that are justified to mitigate the cumulative regional impacts of new development on transportation facilities in Western Riverside County are quantified in this section. The total cost of improving the TUMF system is \$3.76 billion. Existing funding obligated for improvements to the TUMF system totals \$303.5 million while unfunded improvement needs generated by existing development represent \$492.2 million of the total cost. The balance of the unfunded TUMF system improvement needs is \$2.96 billion which is the maximum value attributable to the mitigation of the cumulative regional transportation impacts of future new development in the WRCOG region, and will be captured through the TUMF Program. By levying the uniform fee directly on future new developments (and indirectly on new residents and new employees to Western Riverside County), these transportation system users are assigned their "fair share" of the costs to address the cumulative impacts of additional traffic they will generate on the regional transportation system.

Of the \$2.96 billion in unfunded future improvement needs, 71.0% (\$2.10 billion) will be assigned to future new residential development and 29.0% (\$858.7 million) will be assigned to future new non-residential development.

6.1 Residential Fees

The portion of the unfunded future improvement cost allocable to new residential development through the TUMF is \$2.10 billion. Since this future transportation system improvement need is generated by new residential development anticipated through the Year 2040, the fee will be spread between the residential developments projected to be constructed between 2012 and 2040. The projected residential growth from year 2012 to 2040 is 250,082 households (or dwelling units) as is indicated in **Table 2.3**.

Different household types generate different numbers of trips. To reflect the difference in trip generation between lower density "single-family" dwelling units and higher density "multi-family" dwelling units, the TUMF was weighted based on the respective trip generation rates of these different dwelling unit types. For the purposes of the TUMF Program, single family dwelling units are those housing units with a density of less than 8 units per acre while multi-family units are those with a density of 8 or more units per acre. According to the SCAG 2016 RTP/SCS forecasts included in **Table 2.3** and **Appendix B**, single family dwelling units (including mobile homes) are forecast to constitute 69.2% of the growth in residential dwelling units in the region between 2012 and 2040.

Data provided in the Institute of Transportation Engineers (ITE) Trip Generation Manual, Ninth Edition (2012) show that, on average, single-family dwelling units generate 9.52 vehicle trips per dwelling unit per day, whereas apartments, condominiums and townhouses (considered to be representative of higher density multi-family dwelling units) generate a median of 6.20 vehicle trips per unit per day. The growth in dwelling units for single-family and multi-family, respectively, were multiplied by the corresponding trip generation rates to determine the weighted proportion of the

change in trips attributable to each use type as the basis for determining the per unit fee required to levy the necessary \$2.10 billion to mitigate the cumulative regional transportation impacts of future new residential development. **Table 6.1** summarizes the calculation of the fee for single-family and multi-family dwelling units. **Appendix K** includes worksheets detailing the calculation of the residential (and non-residential) TUMF for Western Riverside County.

Table 6.1 - Fee Calculation for Residential Share

Residential Sector	2012 Dwelling Units	2040 Dwelling Units	Dwelling Unit Change	Trip Generation Rate	Trip Change	Percentage of Trip Change	Fee/DU
Single-Family	366,588	539,631	173,043	9.52	1,647,369	77.5%	\$9,418
Multi-Family	158,561	235,600	77,039	6.20	477,642	22.5%	\$6,134
Total	525,149	775,231	250,082		2,125,011	100.0%	

Household data based on SCAG 2016 RTP/SCS and WSP, April 2016;
Trip Generation based on ITE Trip Generation (2012).

6.2 Non-Residential Fees

The portion of the unfunded future improvement cost allocable to new non-residential development through the TUMF is \$858.7 million. Estimates of employment by sector were obtained from the SCAG 2016 RTP/SCS socioeconomic data included in **Table 2.3** and **Appendix B**. From the 2040 employment forecast, the amount of employee growth in each sector was calculated. The employment figures were then translated into square footage of new development using typical ratios of square feet per employee derived from four sources including: Cordoba Corporation/Parsons Brinckerhoff Quade and Douglas (PBQD), Land Use Density Conversion Factors For Long Range Corridor Study San Bernardino and Riverside Counties, August 20, 1990; Orange County Transportation Authority (OCTA), Orange County Subarea Model Guidelines Manual, June 2001; SCAG, Employment Density Study, October 31, 2001; and the County of Riverside, General Plan, As Amended December 15, 2015. Worksheets showing the development of the TUMF employee conversion factors and the application of the conversion factors to calculate the square footage of future new non-residential development in Western Riverside County are included in **Appendix L**.

To account for the differences in trip generation between various types of non-residential uses, the new non-residential development was weighted by trip generation rate for each sector. Typical trip generation rates per employee were obtained from the Institute of Transportation Engineers (ITE) Trip Generation – Ninth Edition (2012), and were weighted based on a calculated value of trips per employee as derived from the employee conversion factors and ITE typical trip generation rates per square foot of development, before being assigned to the non-residential categories as follows: Industrial – 3.8 trips per employee, Retail – 16.2 trips per employee, Service – 4.6 trips per

employee, and Government/Public – 12.0 trips per employee¹¹. These rates were applied to the employment growth in each sector to determine the relative contribution of each sector to new trip-making, and the \$858.7 million was then allocated among the non-residential categories on the basis of the percentage of new trips added. This proportionate non-residential fee share by sector was then divided by the estimated square footage of future new development to obtain the rate per square foot for each type of use. The calculation of the non-residential fee by sector is shown in **Table 6.2**.

Table 6.2 - Fee Calculation for Non-Residential Share

Non-Residential Sector	Employment Change	Trip Generation Rate per Employee	Trip Change	Percentage of Trip Change	Change in Square Feet of Gross Floor Area	Fee/SF
Industrial	80,592	3.8	302,220	13.4%	64,710,138	\$1.77
Retail	35,841	16.2	580,624	25.7%	17,920,500	\$12.31
Service	274,720	4.6	1,263,712	55.9%	105,211,915	\$4.56
Government/Public	9,515	12.0	114,180	5.1%	2,696,349	\$16.08
Total	400,668		2,260,736	100.0%	190,538,901	

Employment Change data based on SCAG 2016 RTP/SCS; Trip Generation based on ITE (2012); Change in Square Feet conversion factor based on Cordoba (1990), OCTA (2001), SCAG (2001) and County of Riverside (2015).

¹¹ The median trip generation rate for 'Retail' and 'Service' was reduced to reflect the influence of pass-by trips using the weekday PM peak median pass-by trip rate for select uses as derived from the ITE Trip Generation Handbook (June 2004).

7.0 CONCLUSIONS

Based on the results of the Nexus Study evaluation, it can be seen that there is reasonable relationship between the cumulative regional transportation impacts of new land development projects in Western Riverside County and the need to mitigate these transportation impacts using funds levied through the ongoing TUMF Program. Factors that reflect this reasonable relationship include:

- Western Riverside County is expected to continue growing as a result of future new development.
- Continuing new growth will result in increasing congestion on arterial roadways.
- The future arterial roadway congestion is directly attributable to the cumulative regional transportation impacts of future development in Western Riverside County.
- Capacity improvements to the transportation system will be needed to mitigate the cumulative regional impacts of new development.
- Roads on the TUMF network are the facilities that merit improvement through this fee program.
- Improvements to the public transportation system will be needed to provide adequate mobility for transit-dependent travelers and to provide an alternative to automobile travel.

The Nexus Study evaluation has established a proportional "fair share" of the improvement cost attributable to new development based on the impacts of existing development and the availability of obligated funding through traditional sources. Furthermore, the Nexus Study evaluation has divided the fair share of the cost to mitigate the cumulative regional impacts of future new development in Western Riverside County in rough proportionality to the cumulative impacts of future residential and non-residential development in the region. The respective fee allocable to future new residential and non-residential development in Western Riverside County is summarized for differing use types in **Table 7.1**.

Table 7.1 - Transportation Uniform Mitigation Fee for Western Riverside County

Land Use Type	Units	Development Change	Fee Per Unit	Total Revenue (\$ million)
Single Family Residential	DU	173,043	\$9,418	\$1,629.8
Multi Family Residential	DU	77,039	\$6,134	\$472.5
Industrial	SF GFA	64,710,138	\$1.77	\$114.8
Retail	SF GFA	17,920,500	\$12.31	\$220.5
Service	SF GFA	105,211,915	\$4.56	\$480.0
Government/Public	SF GFA	2,696,349	\$16.08	\$43.4
MAXIMUM TUMF VALUE				\$2,961.0



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Alejandro Diaz, Interim City Manager

PREPARED BY: Alejandro Diaz, Chief of Police

MEETING DATE: September 11, 2017

SUBJECT: Informational Report: Police Department to issue Carry Concealed Weapons (CCW) Permits

RECOMMENDED ACTION:

Receive and file.

BACKGROUND:

The Police Department has examined the concept of issuing Carry Concealed Weapons CCW licenses to Banning residents who meet the strict requirements set forth in the Government Code. The practice of issuing CCW licenses has consistently been referred to the Riverside County Sheriff's Department through an unofficial agreement between the Chief of Police and the Sheriff.

The reason for the deferment to the Sheriff's department was based exclusively on the lack of police department staff to process applicants. Due to a number of police departments countywide deferring their CCW applicants to the Sheriff, the wait for the initial interview with the Sheriff's department has grown to approximately 22 months. Although the Sheriff is accommodating to the many residents of the County, his preference is that police chiefs issue CCWs to their residents to relieve the burden on his staff and ease the backlog on the waiting list. The Police Chief believes Banning residents should have the ability to protect themselves with the option to legally and responsibly carry a concealed firearm.

The Police Department began looking at ways in which the Department could provide this service without it being labor intensive with existing staff. The Chief learned of a CCW program being offered by the Murrieta Police Department and the Beaumont

Police Department where most of the components of the CCW process were outsourced. It was determined that outsourcing the background portion of the CCW license process would save staff time, and would be an efficient way to process CCW requests.

ISSUES/ANALYSIS:

The Department examined whether: (1) the CCW license process could be completed in a reasonable amount of time, (2) if the overall cost for CCW issuance would be affordable for residents of Banning and (3) would the program be cost neutral for the City of Banning.

The Department concluded that the average time to process a CCW license would be 3-4 months, and the estimated total cost for the CCW applicants would be approximately \$900 but may vary.

FISCAL IMPACT:

This program is cost neutral and has no fiscal impact on the Police Department's FY 17/18 operating budget.

ALTERNATIVES:

1. The Banning Police Department enters into partnership with M. Pino and Associates, Inc. to provide an alternative CCW program to Banning residents.
2. The Banning Police Department continues deferring the CCW process to the Riverside County Sheriff's Department.

ATTACHMENTS:

1. CCW License Process (Banning)

Approved by:



Alejandro Diaz
Interim City Manager

ATTACHMENT 1

Carry Concealed Weapon (CCW)

License Process Packet

ESTABLISHED 1913

POLICE

Banning Police Department

Chief Alex Diaz

STATEMENT FROM THE CHIEF

On behalf of the men and women of the Banning Police Department, I would like to thank you for taking the first steps toward your CCW permit. I hope you find this to be a valuable resource offered by this Department and the City of Banning.

The Banning Police Department was established in 1913. Although much has changed since the Department began operations, the commitment by the men and women of the Banning Police Department to provide the highest level of service possible has never wavered.

It is for these reasons and the continued improvement as a community that we are proud to offer this service to our residents.

Thank you,

Chief Alex Diaz

CONTACT INFORMATION

Please read through this entire packet if you have any questions. Additional information can be found on the website <http://MyCCW.us>. If you still have questions or immediate concerns, you can contact a representative at the information below.

Banning Police Department

125 E. Ramsey

Banning, CA 92220

(951) 922-3170

banning@myccw.us



REQUIREMENTS FOR ALL APPLICANTS

Initial Review

1. Complete the online *CCW License Request* at <http://MyCCW.us>.
 - A. Download the **California DOJ Application** (BOF 4012) and complete all required fields (type or print in black ink).
 - B. Upload your completed California DOJ Application to the online **CCW License Request Form** and submit with the processing fee.

*Please allow 7-10 business days for complete *Initial Review*.

Interview

1. After the *Initial Review*, an Agent will contact you to schedule the *Interview*.
 - A. Your interview will consist of a formal meeting with an Agent to review your application. You must bring the following documents to the *Interview*:
 1. **Copy of your birth certificate and/or naturalization papers.**
 2. **Copy of your valid CA Driver's License or Identification Card.**
 3. **Copy of two of your most recent utility bills or other proof of full-time residency within the city for which you are applying.**
 4. **Copy of military discharge form DD214 (if applicable).**
 5. **Three letters of character reference (initial applicants only).** Letters must be originals and contain the referrer's name, address, and phone number where they can be reached during business hours. In the body of the letter the referrer should state that he or she is aware the applicant is applying for a CCW license. Letters from family members or employees are not accepted.
 6. **Signed copy of the CCW LICENSE ACKNOWLEDGMENT below.**

Live Scan Fingerprinting

1. After the *Interview*, you will be provided with information to schedule your *Live Scan*.
 - B. *Live Scan* will be offered for your convenience at the Department.
 1. You will need to bring a credit card, personal or cashier's check, or money order for License and Live Scan Fees outlined below.
 2. You may elect to *Live Scan* at any approved location, but will still need to deliver remaining fee payments to the Department.

Psychological Review

1. The *Psychological Review* will be conducted by a professional from:

The Counseling Team
1881 Business Center Dr., Suite #11
San Bernardino, CA 92408
(800) 222-9691

2. You may elect to schedule your *Psychological Review* at any time following the *Interview*. However, you are advised to do so after a response regarding your application is received from DOJ.

CCW Firearms Safety Course & Weapon(s) Qualification

1. Upon successfully completing all previous steps, you may request to complete the *CCW Firearms Safety Course and Weapon(s) Qualification*.
 - A. A list of approved vendors to complete the state-mandated CCW firearms safety course and department-mandated weapon(s) qualification is provided below.
 - B. For more information regarding training and qualifications please contact the approved vendor of your choice.

*Licenses are limited to 3 qualified firearms.

<u>FACILITY</u>	<u>LOCATION</u>	<u>CONTACT</u>
Riverside Magnum Range (Special Enforcement and Security Services)	12391 Sampson St. Riverside, CA 92503	(909) 821-7881 instructor9098217881@gmail.com
Street Safe Defense Firearms Training Program (Martinelli & Associates, Inc.)	27475 Ynez Rd. Ste. 716 Temecula, CA 92591	(951) 719-1450 www.streetsafedefense.com

BANNING POLICE DEPARTMENT CCW LICENSE ACKNOWLEDGMENT

The following restrictions are attached to your CCW license.

While carrying a concealed weapon, a license holder shall not:

1. Consume any alcoholic beverage.
2. Be under the adverse or inhibiting influence of any medication or narcotic.
3. Unjustifiably display any portion of a concealed weapon.
4. Violate any law, ordinance, or municipal code of any state, county, or city.
5. Refuse to present CCW license, or surrender weapon to any Peace Officer.
6. Impede any Peace Officer in the performance of his/her duties.
7. Identify oneself as a Peace Officer, unless in fact a Peace Officer as defined by the California Penal Code or Federal Statute.

Additionally, if a license holder is arrested or detained by any law enforcement agency, or is asked to present CCW license to any Peace Officer, the license holder must notify the **Banning Police Department** CCW Coordinator at **(951) 922-3170**, as soon as it is practical to do so. This notification shall be made to the supervisor administrating the license process and will require the license holder to describe the details of the law enforcement encounter.

Any violation of the above restrictions may result in revocation of your CCW license.

I hereby acknowledge receipt of the **BANNING POLICE DEPARTMENT CCW LICENSE ACKNOWLEDGMENT**. My signature below certifies my understanding of all restrictions and agreement to comply with them.

Signature

Date

Print Name

LICENSE AMENDMENTS

1. Complete the online *CCW License Amendment Request* at <http://MyCCW.us>. Please note that *CCW License Amendment Requests* can only be processed with the Department that issued the original license.
 - A. Download the **California DOJ License Amendment Form** and complete all required fields (type or print in black ink).
 - B. Upload your completed **California DOJ License Amendment Form** and new **Weapons Qualification Certificate** (if adding a firearm) to the online CCW License Amendment Request Form, and submit with the processing fee.

*Please allow 7-10 business days for your request to be processed.

2. CCW licenses may be amended for the following reasons:
 - A. To add or delete a particular firearm (licenses are limited to 3 firearms).
 - B. For a change to the restrictions or conditions on the license, including: the time, place, manner, or circumstances the person may carry a concealed firearm.
 - C. For a change of address the license holder must notify the licensing authority in writing within 10 days of any change in the license holder's place of residence.
 1. A new license will be issued reflecting the new address.
 2. A CCW license will not be revoked solely if the license holder changes his/her place of residence to another county/city if the license holder has not breached any condition or restrictions set forth in the license and has not become prohibited by state or federal law from possessing, receiving, owning, or purchasing a firearm. However, a license will expire 90 days after the license holder moves from the county/city where the license was originally issued if the license holder's place of residence was the basis for issuance of the license.

*An amendment to the license does not extend the original expiration date of the license.

The license must still be renewed according to the original license expiration date.

DEPARTMENTAL EMPLOYEES

The following requirements and restrictions regarding the carrying of concealed weapon(s) by employees of the **Banning Police Department** apply at all times the employee has a firearm in their possession, and are in addition to those described in the above **REQUIREMENTS FOR ALL APPLICANTS** section.

The following shall apply and be in full effect at all times:

1. Non-sworn and classified personnel **SHALL NOT** carry a weapon during their on-duty work hours unless specifically approved.
2. All **GENERAL ORDERS** apply regarding the use of force.
3. All discharges of a weapon or firearm, other than at a designated firing range, by any departmental employee, either active or retired, shall be investigated to determine if the shooting was lawful and within departmental policy.
4. The weapon(s) carried by a departmental employee must be on the Department approved list of acceptable weapons.
5. The weapon(s) carried by a departmental employee must be properly registered with the California Department of Justice.
6. Only Department approved ammunition may be carried or used in the approved weapon(s).

The following is PROHIBITED while carrying a weapon, concealed or not:

1. Consuming any alcoholic beverage.
2. Being under the adverse or inhibiting influence of **ANY** over the counter or prescription medication.
3. Unjustifiably displaying any portion of a concealed weapon or carrying it in a manner that violates Department policy.

BANNING POLICE DEPARTMENT

4. Violating any law, ordinance, or municipal code, including: federal, state, county, or city.
5. Refusing to present identification card or surrender weapon to any Peace Officer upon demand.
6. Impeding any Peace Officer in the performance of their duties.
7. Identifying oneself as a Peace Officer, or a person with any Peace Officer powers, unless in fact a Peace Officer, as defined by California Penal Code or Federal Statute.

The Department shall be immediately notified if any of the following occurs:

1. If you are arrested, detained, or become aware that you are a subject of any criminal investigation.
2. If you are involved in the drawing, displaying, or discharge of a firearm other than at a designated firing range.
3. If you are served with, or are the subject of an injunction or temporary restraining order.
4. If you have a permanent change of address.

Any violation of the requirements and/or restrictions mentioned in this section may result in suspension or revocation of the issued CCW license. Please notify the **Banning Police Department** of any of the above occurrences as soon as possible by calling **(951) 922-3170** and leaving a message if no person can be reached.

BANNING POLICE DEPARTMENT

Departmental Employee Supervisor Approval Form

PLEASE PROVIDE THIS FORM TO THE NECESSARY PARTIES FOR COMPLETION, AND SUBMIT WITH THE ONLINE CCW LICENSE REQUEST FORM.

Requestor Name:

ID #:

Social Security #:

Department:

CDL #:

Date of Birth:

Home Address:

Date of Hire:

Immediate Supervisor:

Rank:

Date:

Comments:

Supervisor Signature:

Approve?

YES

NO

Division Commander:

Rank:

Date:

Comments:

Division Commander Signature:

Approve?

YES

NO

By signing below I certify that I have read and understand all requirements and restrictions outlined in the **Departmental Employees** section of the **CCW License Process & Information Packet**, and I agree to abide by them accordingly.

Requestor Signature:

Date:

Printed Name:

ADMINISTRATIVE & PROCESSING FEES

Fees	Payment Type	Payable to:	During	Amount
Processing	Online	Online	<i>Initial Application</i>	\$298.00
Standard 2-Year License	Credit Card; Personal or Cashier's Check; Money Order	Banning Police Department	<i>Live Scan</i>	\$93.00 (initial) \$52.00 (renewal)
Local Administrative Fee (Part 1 - 20%)	Credit Card; Personal Cashier's Check; Money Order	Banning Police Department	<i>Live Scan</i>	\$20.00
Live Scan	Credit Card; Personal or Cashier's Check; Money Order	Banning Police Department	<i>Live Scan</i>	\$10.00
Psych Review	Credit Card; Personal or Cashier's Check; Money Order	The Counseling Team	<i>Psych Review</i>	\$150.00
CCW Firearms Safety Course and Weapons Qualification	Approved Course/ Location	Approved Course/ Location	<i>Approved Course/ Location</i>	\$140.00
Local Administrative Fee (Part 2 - 80%)	Credit Card; Personal or Cashier's Check; Money Order	Banning Police Department	<i>CCW License Issuance</i>	\$80.00

BANNING POLICE DEPARTMENT

Judicial 3-Year License	Credit Card; Personal or Cashier's Check; Money Order	Banning Police Department	<i>Live Scan</i>	\$115.00 (initial) \$74.00 (renewal)
License Amendment	Online	Online	<i>Online</i>	\$98.00

*Administrative & Processing Fees are subject to change, and are non-refundable. The **Banning Police Department** is offering this service as an alternative option for the convenience of its residents. As a resident within the County of Riverside you have the option to apply for a CCW license through the Riverside County Sheriff's Department.



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Alejandro Diaz, Interim City Manager

PREPARED BY: Alejandro Diaz, Chief of Police

MEETING DATE: September 11, 2017

SUBJECT: Receive and File, Disaster and Emergency Mutual Aid Agreement Between the Morongo Band of Mission Indians and City of Banning

RECOMMENDED ACTION:

Receive and file.

BACKGROUND:

On June 9, 2015, Council unanimously ratified Resolution 2008-110, approving a Disaster and Emergency Mutual Aid Agreement between the Morongo Band of Mission Indians and the City of Banning.

Although the agreement was approved, the Mutual Aid Agreement was not signed by Council.

ISSUES/ANALYSIS:

None.

FISCAL IMPACT:

None.

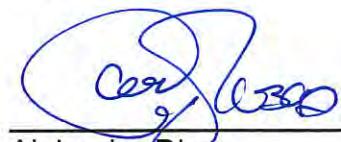
ALTERNATIVES:

None.

ATTACHMENTS:

1. 2017 Mutual Aid Agreement
2. 2008 Minutes/Resolution
3. 2008 Staff Report
4. 2009 Minutes Resolution/Staff Report

Approved by:



Alejandro Diaz
Interim City Manager

ATTACHMENT 1

(2017 Mutual Aid Agreement)

**MUTUAL AID AGREEMENT
BETWEEN
THE CITY OF BANNING AND THE MORONGO BAND OF MISSION INDIANS**

A. DEFINITIONS:

The following terms shall have the following meaning:

1. **Disaster:** shall mean any happening that causes great harm or damage likely to be beyond the control of the services, personnel, equipment, and facilities of either of the parties, requiring the combined forces of other levels of government or political subdivisions to combat.
2. **Emergency Situation:** shall mean the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the jurisdiction of either of the parties caused by such conditions
3. **Lending Entity:** Shall mean the governmental agency (either city of Banning ("City") or the Morongo Band of Mission Indians ("Tribe") that sends equipment, materials and/or personnel to assist the Requesting Entity during a Disaster or Emergency Situation.
4. **Requesting Entity:** shall mean the governmental agency (either the City or the Tribe) that requests and receives equipment, materials, and/or personnel from the Lending Entity to assist during a Disaster or Emergency Situation.

B. PURPOSE:

The purpose of this Agreement is to provide a formal mechanism for intergovernmental cooperation and coordination between the City and the Tribe during disasters and emergency situations.

No provision of this Agreement shall be construed as relieving any Party hereto of any duty to respond to the emergency situations in ways required by applicable laws of the United States, the State of California, and the laws and ordinances of the Tribe.

C. SERVICES:

Whenever any Party to this Agreement suffers a Disaster or Emergency Situation which requires additional aid beyond that which either Party is able to provide for itself, it shall request help from other Party to this Agreement through the City's Police Department Dispatch Center, Emergency Services Coordinator or the City Manager and the Tribe's Office of Emergency Services (OES). Each Party to this Agreement shall consider the request for aid and shall in its sole discretion determine what equipment, resources and personnel it can make available to the Requesting Entity.

The services that a Lending Entity may provide include, but are not necessarily limited to, trained and equipped emergency management, law enforcement, public works, and other City or Tribal resources, with the intent of making all resources available.

Nothing in this Agreement shall require a Lending Entity to commit or supply personnel, equipment and/or other resources the Lending Entity determines in its sole discretion to be necessary for the protection of its own community.

D. JOINT EMERGENCY OPERATION PLAN:

No later than 45 days after execution of this Agreement, the City's Emergency Coordinator and the Tribe's Office of Emergency Services (OES) shall meet and develop a current Joint Emergency Operation Plan ("JEOP"). The JEOP shall state the particular personnel, equipment and/or services each Party can provide under this Agreement and shall provide a management and command structure, which will incorporate the National Incident Management System (NIMS) as recommended by the United States Department of Homeland Security (DHS) and the California Standardized Emergency Management System (SEMS). The JEOP shall also provide all current emergency contact information of both Parties as necessary for the execution of this Agreement. The Parties agree that the JEOP will be updated as necessary and no less frequently than annually to maintain an effective emergency plan.

E. WORKERS COMPENSATION:

It is understood and agreed that any personnel furnished to the Requesting Entity will be covered under applicable Worker's Compensation insurance by the Lending Entity and shall receive benefits for any injury or death that may occur under applicable Worker's Compensation law.

F. LIABILITY:

Each of the Parties to this Agreement does hereby expressly waive all claims against the other Party for compensation for any loss, damage, personal injury, or death arising from the performance of this Agreement.

G. INDEMNIFICATION:

The City shall, with respect to all actions covered by or incidental to this Agreement, indemnify and hold harmless the Tribe and its officers, employees and agents from and against any and all claims, losses, liabilities, demands, damages or costs (including reasonable attorneys' fees and costs) made against the Tribe, but only to the extent any such claim arises from the negligence or willful misconduct of the City or an individual or entity for which the City is legally liable including, but not limited to, officers, agents, employees, consultants or sub-contractors of the City. The Tribe shall, with respect to all actions covered by or incidental to this Agreement, indemnify and hold harmless the City and its officers, employees and agents from and against any and all claims, losses, liabilities, demands, damages or costs (including reasonable attorneys' fees and costs) made against the City, but only to the extent any such claim arises from the negligence or willful misconduct of the Tribe or an individual or entity for which the Tribe is legally liable

including, but not limited to, officers, agents, employees, consultants or sub-contractors of the Tribe. Nothing herein shall be intended as a waiver of either Parties sovereign immunity.

H. INSURANCE:

(A) Each Party shall procure and maintain, at its own cost and expense during the period of this Agreement, comprehensive general liability insurance coverage, for its acts or omissions described herein in the following minimum amounts:

Bodily Injury (including death) \$2,000,000

Each person, each occurrence \$2,000,000

Property Damage \$2,000,000

(B) Each policy of insurance satisfying any of the obligations set forth in (A) above shall name the other Party as an additional insured, shall state that it is primary as to that Party, and shall provide at least thirty (30) days' written notice to the other Party prior to any material change in coverage, termination or cancellation. Each Party shall provide the other Party with certificate(s) issued by the insurer evidencing the existence of the insurance and that it satisfies the obligations set forth herein and in (A) above.

(C) Each policy of insurance shall insure against all liability of the Party procuring insurance, its representatives, employees, invitee and agents arising from, or in connection with, each Party's acts or omissions in connection with this Agreement and shall insure performance by such Party of any of the hold-harmless provisions set forth herein.

(D) The insurance required under this section shall be issued by either a reputable insurance company admitted to do business in California, in a form reasonably acceptable to the other Party, or through a joint powers agency, or similar entity, formed for the purpose of providing insurance to public entities.

(E) The Parties recognize that insurance practices and requirements of a municipality may differ from that of private parties and may change from time to time. During any period of time in which the Parties, as regular practice do not maintain insurance but rather self-insure or participate in a Joint Powers Agreement with other governmental entities, the Parties may meet their insurance requirements under this Section in the same manner.

I. REQUEST FOR ASSISTANCE:

No later than 45 days after full execution of this Agreement The City and Tribe will prepare detailed mutual aid requesting procedures in emergency operations plans that are approved from time to time by appropriate legislative and Tribal authorities.

A Lending Entity shall be responsible for providing equipment that is properly inspected and maintained. A Lending Agency will provide operators for equipment as required. Operators shall have current licenses and/or certifications as required for the equipment they are operating.

J. COSTS AND PAYMENT:

A Lending Entity rendering aid to a Requesting Entity pursuant to this Agreement agrees to provide such aid at no charge for the first twenty-four (24) hours starting from the time personnel and/or equipment reports to a Requesting Entity.

The Parties agree that a Lending Entity shall receive payment for all services rendered under this Agreement beyond the first twenty-four (24) hours as follows:

1. For any employee provided by a Lending Entity, a Receiving Entity shall reimburse a Lending Entity at the employee's regular pay rate including employee benefits, plus overtime where applicable.
2. For any equipment provided by a Lending Entity, a Receiving Entity shall reimburse a Lending Entity per the current Federal Emergency Management Association's Schedule of Equipment Rates plus twenty-five percent (25%) to account for cost of resources in California.

In addition to any charges a Lending Entity is entitled for services rendered under this Agreement, a Lending Entity shall be reimbursed by the Requesting Entity for any loss of, or damage to, any equipment incurred while rendering services under this Agreement in an amount not to exceed the cost of repair or replacement cost, whichever is the lesser amount. A Lending Agency shall be entitled to reimbursement for the replacement of materials used while rendering services in the first twenty-four (24) hours under this Agreement in an amount not to exceed the actual cost of replacement.

A Lending Entity shall provide an invoice or billing statement to a Requesting Entity within forty-five (45) days of rendering any services under this Agreement. A Requesting Entity shall pay a Lending Entity the amount stated on an invoice or billing statement within thirty (30) days of its receipt, provided that no charges or costs are disputed. The Parties agree that a Requesting Entity shall be charged a penalty equal to the current interest rate of the Local Agency Investment Fund (LAIF) for failure to pay the amount stated on any invoice or billing statement within the thirty (30) day time period.

It is understood that both the City and the Tribe are responsible for their own submittal of claims for reimbursement of costs incurred under this Agreement to each other for Stafford Act and other declared disasters. Reimbursement from the federal or other levels of government has no bearing on payments under this Agreement. Further, it is understood and agreed that both Parties may have different requirements and processes for making a Disaster Declaration such that state and federal funding and reimbursement may be available. Each Party further understands and agrees that such requirements shall be complied with and in all cases both Parties will assist each other, for example, by providing billing and/or other financial information and necessary consents, for either Party, when seeking available state

and/or federal emergency services reimbursements that they might be entitled to, in the time frame permitted by FEMA or the State of California.

K. MISCELLANEOUS:

Agreement Review. The City (Emergency Services Coordinator) and Tribe (Director of Emergency Services) will meet at least once a year to review this Agreement.

Agreement Modification. Changes within the scope of this Agreement shall be made by the approval of the City and the Tribe.

L. EFFECT AND TERMINATION:

Effect. This Agreement shall remain in effect for five years from 30 days after the latest original signature.

Termination. Any Party to this Agreement may withdraw from the Agreement at any time and for any reason before the date of expiration by providing a ninety (90) day written notice to the other Party, as follows:

City Manager City of Banning PO Box 998 Banning, CA 92220	Administrative Services Director City of Banning PO Box 998 Banning, CA 92220	Emergency Services Coordinator City of Banning PO Box 998 Banning, CA 92220
--	--	--

Chief Executive Officer Morongo Band of Mission Indians 11581 Potrero Road Banning, CA 92220	Director, Office of Emergency Services Morongo Band of Mission Indians 11581 Potrero Road Banning, CA 92220
---	--

Dated:

RECOMMENDED BY:	REVIEWED BY:	APPROVED BY:
Alejandro Diaz Emergency Services Coordinator	Rochelle Clayton Administrative Services Director	Chief Alejandro Diaz Banning Police Department, Interim City Manager

**MORONGO BAND OF MISSION INDIANS
CERTIFICATION**

This undersigned hereby certify that the foregoing Tribal Motion No. _____ was adopted, as presented, at a duly called meeting of the Morongo Band of Mission Indians Tribal Council at which a quorum was present on _____, 2017, by a vote of _____ "for", _____ "against", _____ "abstaining".

ROBERT MARTIN, CHAIRMAN

COUNCIL MEMBER

**CITY COUNCIL AGENDA
CONSENT ITEM**

Date: June 9, 2009

TO: Honorable Mayor and Members of the City Council

FROM: Brian S. Nakamura, City Manager

SUBJECT: Approval of Disaster and Emergency Mutual Aid Agreement Between the Morongo Band of Mission Indians and City of Banning

RECOMMENDATION:

That the City Council approve the Disaster and Emergency Mutual Aid Agreement ("MAA) between the Morongo Band of Mission Indians and City of Banning.

JUSTIFICATION:

It is in the public's interest that a mutual aid Agreement providing a method whereby the Morongo Band of Mission Indian Tribe and City of Banning agree to voluntarily furnish available resources, equipment, and manpower, on an emergency basis, to each other should a natural or other disaster occur.

BACKGROUND & ANALYSIS:

The Morongo Band of Mission Indians and City of Banning are responsible for the safety and health of their communities, continuity of government, public safety, and community recovery after disasters; Both parties are subject to natural and man-made disasters, which could overwhelm their resources and value the intergovernmental relationships and continuously seek to improve response and recovery capabilities following a disaster and an informed, cooperative, coordinated response by all governments provides the most safe and immediate response and recovery to disasters and emergencies.

Pursuant to the MAA, the Receiving Entity may request assistance from the Lending Entity in personnel and equipment to respond to emergencies and the Lending Entity is entitled to reimbursement for employee costs and for the use or destruction of equipment based on the Federal Emergency Management Association Schedule of Rates.

The MAA provides for continuing coordination by the parties and permits a 90-day written notice of termination.

We are anxious to get this MAA in place to deal with any possible emergencies. Any additional issues with the MAA can be dealt with through future amendments.

FISCAL IMPACT:

The fiscal impacts are outlined within the Agreement and shall be incurred and agreed upon by both parties accordingly.

RECOMMENDED BY:

Brian Nakamura
City Manager

ATTACHMENT 2

(2008 Minutes and Resolution)

great staff and have a good City Council that listens but sometimes we are criticized for that and she would just like to say just know that we are working together to do what is best for Banning and will continue to do that and it is key that we give our businesses due process whether or not we want them here. We have to listen and read objectively what is coming forward. But she had no doubt that we agree on one issue and what we want and don't want in the community and we have read plenty of information. A few of us on the dais have taken stances but she can respect her colleagues who may or may not want to take a stance and that is fine because she knows in her heart and her gut and she knows that there are residents out there that know that this Council at the end of the day will make the best decision for the community. This is your neighborhood and if you don't want that, we don't want that because we represent you ultimately. Continue to come to the City Council meetings and be involved. It is nice that we have a large audience here and that they continue to be involved and would like to see it after the election also. It is good that this issue was brought forward to the community but lets not let it anger or tear us apart but bring us together. When she says us she means both the City Council and the residents. She doesn't support anything that would divide our community. She supports everything that says we are working together.

CONSENT ITEMS

City Manager asked the Council to pull Consent Item No. 2 from the agenda and it will be brought back to the next Council Meeting. Mayor Pro Tem Franklin pulled Consent Item No. 11 for discussion.

1. Approval of Minutes – Regular Meeting – 09-23-08

Recommendation: That the minutes of the regular meeting of September 23, 2008 be approved.

2. Resolution No. 2008-110, Adopting a Disaster and Emergency Mutual Aid Agreement Between the City of Banning and the Morongo Band of Mission Indians.

This item was pulled from the agenda.

3. Resolution No. 2008-112, Accepting and Authorizing the Expenditure of SB-821 Bicycle and Pedestrian Facilities Grant Program Funds for Fiscal Year 2008/09.

Recommendation: That the City Council adopt Resolution No. 2008-112, Accepting and Authorizing the expenditure of SB-821 Bicycle and Pedestrian Facilities Grant Program Funds for Fiscal Year 2008/09, to be utilized to pay for sidewalk improvements on Sims Street that will be constructed as part of the City's Annual Street Rehabilitation Project.

4. Resolution No. 2008-115, Authorizing the Police Department to Enter Into an Agreement with the California Office of Traffic Safety to Receive \$19,773 in Overtime funds to be Used for Officers Participating In the California "Next Generation" Click It or Ticket Campaign.

Recommendation: That the City Council adopt Resolution No. 2008-115, appropriating \$19,773 into police department account 002-2200-421-1030 to fund the Banning Police Department's grant

2008

information of what we are looking at, he is sure that the City Manager and the Finance Director would be happy to provide you with some information.

Mayor Pro Tem Franklin said to add to what Councilmember Machisic said we've talked about how we are going to address the issue and she thinks that if we are able to have after we get more information from what is going to happen on the State level with the TASIN funds, then it might be a good time after that to have another workshop where we can sit and talk about what our policies are going to be in regards to whatever shortfall we may have.

Councilmember Hanna said going along with both comments she really hopes that when these decisions are coming forward that we will take the time outside of a Council meeting to meet with the community so that any interested residents could come, hear the facts as we understand them and then be able to discuss the possible solutions so that before we make a decision the community will have a chance to be a part of a discussion of that with more than three minutes before the Council.

Motion Machisic/Franklin to approve Consent Item No. 5. Mayor Salas opened the item for public comments. There were none. **Motion carried, all in favor.**

2. Resolution No. 2008-110, Adopting a Disaster and Emergency Mutual Aid Agreement between the City of Banning and the Morongo Band of Mission Indians.
4. Resolution No. 2008-121, Approving an Agreement with CA Kabir, Inc. For the Deferral of Development Impact fees in the Amount of \$447,006.12 Associated with the Development of the Holiday Inn Express Hotel Located at 3020 W. Ramsey St. (APN: 538-340-005).

Motion Hanna/Machisic to tabled Consent Items 2 & 4 to a future meeting. Mayor Salas opened the item for public comments. There were none. **Motion carried, all in favor.**

PUBLIC HEARINGS

1. Resolution No. 2008-119, A Resolution of the City Council of the City of Banning Authorizing an Adjustment in the Banning Municipal Transit System Fixed Route and Dial-a-Ride Fare Structure.
(Staff Report – Bonnie Johnson, Finance Director)

Finance Director addressed the City Council giving the staff report as contained in the initial agenda packet. The proposed fare adjustment is a phased approach wherein the initial adjustment would be effective on January 1, 2009 and would be followed by a second adjustment effective July 1, 2009. It would also be modified to include the introduction of daily and monthly passes. The pricing structure for these new passes is consistent with Riverside Transit agency's (RTA) pass pricing structure. The City of Beaumont will also be

ATTACHMENT 3

(2008 Staff Report)

Item continued from the
10/14/08 Council Meeting
to the 11/14/08 Council Meeting

CITY COUNCIL AGENDA
CONSENT ITEM

Date: October 14, 2008
TO: City Council
FROM: Ted Yarbrough, Fire Marshal/Emergency Services Coordinator
SUBJECT: Resolution 2008-110 Adopting a Disaster and Emergency Mutual Aid Agreement
between the City of Banning and the Morongo Band of Mission Indians

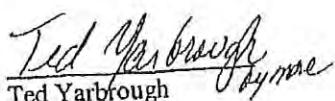
RECOMMENDATION: The City Council adopts Resolution No. 2008-110, "A Resolution of the City Council of Banning Adopting a Disaster and Emergency Mutual Aid Agreement between the City of Banning and The Morongo Band of Mission Indians."

JUSTIFICATION: During emergency situations, it may become necessary for neighboring communities to support one another to the extent possible. This agreement lays the foundation for the sharing of resources with the Morongo Band of Mission Indians (the Tribe) during such times. The federal government, through the National Incident Management System (NIMS), has mandated communities to establish mutual aid agreements with neighboring communities and local entities to help expedite the mitigation of damage caused by large or small events. Support for fire and law enforcement activities are supported through the "Master Mutual Aid Agreement" but nothing has been established to provide support for other City functions.

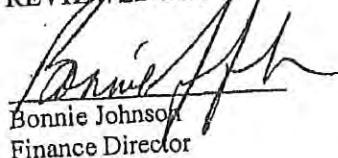
BACKGROUND: Early in 2007 the City's Emergency Services Coordinator (ESC) was asked by the Director of Emergency Services (DES) for the Tribe if the City would consider entering into a mutual aid agreement for the sharing of resources during emergency situations. The City's ESC then met with the City Manager and numerous department heads to discuss the agreement. Everyone agreed that this would be a positive step for the City. The draft agreement was reviewed and modified numerous times by City and Tribal staff before being finalized.

FISCAL DATA: Through this agreement, should the City require assistance from the Tribe, that assistance would be provided free of charge for the first 24 hours. After that period the Tribe would be reimbursed for their assistance as outlined in the agreement. Conversely, should the Tribe require assistance; the City would provide that assistance for the first 24 hours and would have to pay its employees for that period of time. The cost for assistance provided after the first 24 hours would be reimbursed to the City.

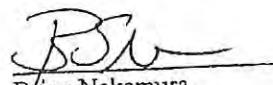
RECOMMENDED BY:


Ted Yarbrough
Fire Marshal/
Emergency Services Coor.

REVIEWED BY:


Bonnie Johnson
Finance Director

APPROVED BY:


Brian Nakamura
City Manager

ATTACHMENT 4

(2009 Minutes and Staff Report)

12009

Recommendation: That the City Council receive and place these required monthly Reports of Investments on file.

5. Approval of 1st Amendment to the Joint Powers Agreement of the Western Riverside Council of Governments to Add Water District to the WRCOG Governing Board.

Recommendation: That the City Council approve the Joint Powers Agreement amendment to add water districts to the Western Riverside Council of Governments (WRCOG) Governing Board.

6. Approval of Disaster and Emergency Mutual Aid Agreement between the Morongo Band of Mission Indians and City of Banning.

Recommendation: That the City Council approve the Disaster and Emergency Mutual Aid Agreement ("MAA") between the Morongo Band of Mission Indians and City of Banning.

7. Stagecoach Days City of Banning In-Kind Service Costs Waiver of \$15,500 for 2008/09.

Recommendation: That the City Council approve a fee waiver of \$15,500 to Stagecoach Days for Fiscal year 2008-09.

8. Banning Cultural alliance In-Kind Costs Waiver of \$11,500 for 2008/09 Cool Summer Nights Events and Consideration of Request for City Hall Parking Restrictions

Recommendation: That the City Council approve a public safety fee waiver of \$11,700 for Fiscal Year 2008/09 Cool Summer Nights, an event sponsored by the Banning Cultural Alliance and consider the Alliance's request to close City Hall parking lot at 12 noon for event preparation.

Motion Franklin/Hanna to approved Consent Items 1 through 8. Mayor Botts open the item for public comments. There were none. Motion carried, all in favor.

REPORTS OF OFFICERS

1. Municipal Code Section 3.24.140 Local Preferences in Regards to Purchase of Goods and Professional Services.
(Staff Report – Brian Nakamura, City Manager)

City Manager gave the staff report as contained in the agenda packet.

Mayor Pro Tem Hanna asked staff to help understand the current municipal code under local preference A which states, "In order to promote the economic health of the city and to encourage local participation in the procurement process, the City council shall give a preference to local businesses, to the extent that such preference does not give an unlawful

**CITY COUNCIL AGENDA
CONSENT ITEM**

Date: **June 9, 2009**

TO: **Honorable Mayor and Members of the City Council**

FROM: **Brian S. Nakamura, City Manager**

SUBJECT: **Approval of Disaster and Emergency Mutual Aid Agreement Between the Morongo Band of Mission Indians and City of Banning**

RECOMMENDATION:

That the City Council approve the Disaster and Emergency Mutual Aid Agreement ("MAA) between the Morongo Band of Mission Indians and City of Banning.

JUSTIFICATION:

It is in the public's interest that a mutual aid Agreement providing a method whereby the Morongo Band of Mission Indian Tribe and City of Banning agree to voluntarily furnish available resources, equipment, and manpower, on an emergency basis, to each other should a natural or other disaster occur.

BACKGROUND & ANALYSIS:

The Morongo Band of Mission Indians and City of Banning are responsible for the safety and health of their communities, continuity of government, public safety, and community recovery after disasters; Both parties are subject to natural and man-made disasters, which could overwhelm their resources and value the intergovernmental relationships and continuously seek to improve response and recovery capabilities following a disaster and an informed, cooperative, coordinated response by all governments provides the most safe and immediate response and recovery to disasters and emergencies.

Pursuant to the MAA, the Receiving Entity may request assistance from the Lending Entity in personnel and equipment to respond to emergencies and the Lending Entity is entitled to reimbursement for employee costs and for the use or destruction of equipment based on the Federal Emergency Management Association Schedule of Rates.

The MAA provides for continuing coordination by the parties and permits a 90-day written notice of termination.

We are anxious to get this MAA in place to deal with any possible emergencies. Any additional issues with the MAA can be dealt with through future amendments.

FISCAL IMPACT:

The fiscal impacts are outlined within the Agreement and shall be incurred and agreed upon by both parties accordingly.

RECOMMENDED BY:



Brian Nakamura
City Manager

**DISASTER AND EMERGENCY
MUTUAL AID AGREEMENT
BETWEEN THE CITY OF BANNING AND
THE MORONGO BAND OF MISSION INDIANS**

This Joint Resolution and Agreement ("Agreement") is made and entered into by and between the City of Banning ("City") and the Morongo Band of Mission Indians ("Tribe"), hereinafter collectively referred to as the "Parties."

WHEREAS, the City is a municipal corporation incorporated in the State of California and located in the County of Riverside; and

WHEREAS, the Tribe is an Indian tribe recognized by the Secretary of the Interior as maintaining government-to-government relations with the United States and exercising governmental authority over the lands of the Morongo Indian Reservation ("Reservation") in Riverside County, California; and

WHEREAS, the Parties respectively are responsible for the safety and health of their communities, continuity of government, public safety, and community recovery after disasters; and

WHEREAS, the Parties are subject to natural and man-made disasters, which could overwhelm their resources; and

WHEREAS, the Parties value the intergovernmental relationships and continuously seek to improve response and recovery capabilities following a disaster; and

WHEREAS, an informed, cooperative, coordinated response by all governments provides the most safe and immediate response and recovery to disasters and emergencies; and

WHEREAS, it is lawful and in the public interest that a mutual aid Agreement providing a method whereby the City and Tribe agree to voluntarily furnish available resources, equipment, and manpower, on an emergency basis, to each other should a natural or other disaster occur.

NOW, THEREFORE, based on the foregoing and for good and valuable consideration, the Parties agree to the following:

DEFINITIONS:

The following terms shall have the following meaning:

1. **Disaster:** shall mean any happening that causes great harm or damage likely to be beyond the control of the services, personnel, equipment, and facilities of either of the Parties, requiring the combined forces of other levels of government or political subdivisions to combat.

2. **Emergency Situation:** shall mean the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the jurisdiction of either of the Parties caused by such conditions as air pollution, fire, flood, storms, epidemic, riot, earthquake, or other conditions, including conditions resulting from a labor controversy, which conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of the Parties, requiring the combined forces of other political subdivisions to combat.
3. **Lending Entity:** shall mean the governmental agency (either the City of Banning or the Morongo Band of Mission Indians) that sends equipment, materials and/or personnel to assist the Requesting Entity during a Disaster or Emergency Situation.
4. **Requesting Entity:** shall mean the governmental agency (either the City of Banning or the Morongo Band of Mission Indians) that requests and receives equipment, materials, and/or personnel from the Lending Entity to assist during a Disaster or Emergency Situation.

PURPOSE:

The purpose of this Agreement is to provide a formal mechanism for intergovernmental cooperation and coordination between the City and the Tribe during disasters and emergency situations.

No provision of this Agreement shall be construed as relieving any Party hereto of any duty to respond to emergency situations in ways required by applicable laws of the United States, the State of California, and the constitution and bylaws of the Tribe.

SERVICES:

Whenever any Party to this Agreement suffers a Disaster or Emergency Situation which requires additional aid beyond that which either Party is able to provide for itself, it shall request help from the other Party to this Agreement through the City of Banning's Police Department Dispatch Center, Emergency Services Coordinator or the City Manager and the Tribe's Office of Emergency Services (OES). Each Party to this Agreement shall consider the request for aid and shall in its sole discretion determine what equipment, resources and manpower it can make available to the entity making the request.

The services that a Lending Entity may provide include, but are not necessarily limited to, trained and equipped emergency management, law enforcement, public works, and other City or Tribal resources, with the intent of making all resources available.

Nothing in this Agreement shall require a Lending Entity to commit or supply personnel, equipment and/or other resources the Lending Entity determines in its sole discretion to be necessary for the protection of its own community.

JOINT EMERGENCY OPERATION PLAN:

Upon Execution of this Agreement, the City's Emergency Coordinator and the Tribe's Office of Emergency Services (OES) shall prepare a Joint Emergency Operation Plan ("JEOP"). The JEOP shall state the particular personnel, equipment and/or services each Party can provide under this Agreement and shall provide a management and command structure, which will

incorporate the National Incident Management System (NIMS) as recommended by the United States Department of Homeland Security (DHS) and the California Standardized Emergency Management System (SEMS). The JEOP shall also provide all current emergency contact information of both Parties as necessary for the execution of this Agreement. The Parties agree that the JEOP will be updated as necessary to maintain an effective emergency plan.

WORKERS COMPENSATION:

It is understood and agreed that any workers furnished to the Requesting Entity will be covered under applicable Worker's Compensation insurance by the Lending Entity and shall receive benefits for any injury or death that may occur under applicable Worker's Compensation law.

LIABILITY:

Each of the Parties to this Agreement does hereby expressly waive all claims against the other Party for compensation for any loss, damage, personal injury, or death arising from the performance of this Agreement.

INDEMNIFICATION:

The City shall, with respect to all actions covered by or incidental to this Agreement, indemnify and hold harmless the Tribe and its officers, employees and agents from and against any and all claims, losses, liabilities, demands, damages or costs (including reasonable attorneys' fees and costs) made against the Tribe, but only to the extent any such claim arises from the negligence or willful misconduct of the City or an individual or entity for which the City is legally liable including, but not limited to, officers, agents, employees, consultants or sub-contractors of the City. The Tribe shall, with respect to all actions covered by or incidental to this Agreement, indemnify and hold harmless the City and its officers, employees and agents from and against any and all claims, losses, liabilities, demands, damages or costs (including reasonable attorneys' fees and costs) made against the City, but only to the extent any such claim arises from the negligence or willful misconduct of the Tribe or an individual or entity for which the Tribe is legally liable including, but not limited to, officers, agents, employees, consultants or sub-contractors of the Tribe.

INSURANCE:

(A) Each Party shall procure and maintain, at its own cost and expense during the period of this Agreement, comprehensive general liability insurance coverage, for its acts or omissions described herein in the following minimum amounts:

Bodily Injury (including death)	\$2,000,000.00
Each person, each occurrence	\$2,000,000.00
Property Damage	\$2,000,000.00

(B) Each policy of insurance satisfying any of the obligations set forth in (A) above shall name the other Party as an additional insured, shall state that it is primary as to that Party, and shall provide at least thirty (30) days' written notice to the other Party prior to any material change in coverage, termination or cancellation. Each Party shall provide the other Party with certificate(s) issued by the insurer evidencing the existence of the insurance and that it satisfies the obligations set forth herein and in (A) above.

- (C) Each policy of insurance shall insure against all liability of the Party procuring insurance, its representatives, employees, invitee and agents arising from, or in connection with, each Party's acts or omissions in connection with this Agreement and shall insure performance by such Party of any of the hold-harmless provisions set forth herein.
- (D) The insurance required under this section shall be issued by either a reputable insurance company admitted to do business in California, in a form reasonably acceptable to the other Party, or through a joint powers agency, or similar entity, formed for the purpose of providing insurance to public entities.
- (E) The Parties recognize that insurance practices and requirements of a municipality may differ from that of private parties and may change from time to time. During any period of time in which the Parties, as regular practice do not maintain insurance but rather self-insure or participate in a Joint Powers Agreement with other governmental entities, the Parties may meet their insurance requirements under this Section in the same manner.

REQUEST FOR ASSISTANCE:

The City and Tribe will detail mutual aid requesting procedures in emergency operations plans that are approved from time to time by appropriate legislative authorities.

A Lending Entity shall be responsible for providing equipment that is properly inspected and maintained. A Lending Agency will provide operators for equipment as required. Operators shall have current licenses and/or certifications as required for the equipment they are operating.

COSTS AND PAYMENT:

A Lending Entity rendering aid to a Requesting Entity pursuant to this Agreement agrees to provide such aid at no charge for the first twenty-four (24) hours starting from the time personnel and/or equipment reports to a Requesting Entity.

The Parties agree that a Lending Entity shall receive payment for all services rendered under this Agreement beyond the first twenty-four (24) hours as follows:

1. For any employee provided by a Lending Entity, a Receiving Entity shall reimburse a Lending Entity at the employee's regular pay rate including employee benefits, plus overtime where applicable.
2. For any equipment provided by a Lending Entity, a Receiving Entity shall reimburse a Lending Entity per the current Federal Emergency Management Association's Schedule of Equipment Rates plus twenty-five percent to account for cost of resources in California.

In addition to any charges a Lending Entity is entitled for services rendered under this Agreement, a Lending Entity shall be reimbursed by the Requesting Entity for any loss of, or damage to, any equipment incurred while rendering services under this Agreement in an amount not to exceed the cost of repair or replacement cost, whichever is the lesser amount. A Lending Agency shall also be entitled to reimbursement for the replacement of materials used while rendering services in the first twenty-four (24) hours under this Agreement in an amount not to exceed the actual cost of replacement.

A Lending Entity shall provide an invoice or billing statement to a Requesting Entity within forty-five (45) days of rendering any services under this Agreement. A Requesting Entity shall pay a Lending Entity the amount stated on an invoice or billing statement within thirty (30) days of its receipt, provided that no charges or costs are disputed. The Parties agree that a Requesting Entity shall be charged a penalty equal to the current interest rate of the Local Agency Investment Fund (LAIF) for failure to pay the amount stated on any invoice or billing statement within the thirty (30) day time period.

It is understood that both the City and the Tribe are responsible for their own submittal of claims for reimbursement of costs incurred under this Agreement for Stafford Act and other declared disasters. Reimbursement from the federal or other levels of government has no bearing on payments under this Agreement.

MISCELLANEOUS:

Agreement Review. The City (Emergency Services Coordinator) and Tribe (Director of Emergency Services) will meet at least once a year to review this Agreement.

Agreement Modification. Changes within the scope of this Agreement shall be made by the approval of the City and the Tribe.

EFFECT AND TERMINATION:

Effect. This Agreement shall remain in effect for five years from 30 days after the latest original signature.

Termination. Any Party to this Agreement may withdraw from the Agreement at any time and for any reason before the date of expiration by providing a ninety (90) day written notice to the other Party, as follows:

City Manager City of Banning Post Office Box 998 Banning, CA 92220	Finance Director City of Banning Post Office Box 998 Banning, CA 92220	Emergency Services Coordinator City of Banning Post Office Box 998 Banning, CA 92220
Chief Administrative Officer Morongo Band of Mission Indians 11581 Potrero Road Banning, CA 92220		Director, Office of Emergency Services Morongo Band of Mission Indians 11581 Potrero Road Banning, CA 92220

Dated: June 9, 2009

RECOMMENDED BY:	REVIEWED BY:	
Brian S. Nakamura City Manager	Bonnie Johnson Finance Director	

**MORONGO BAND OF MISSION INDIANS
CERTIFICATION**

The undersigned hereby certify that the foregoing Tribal Resolution No. _____ was adopted, as presented, at a duly called meeting of the Morongo Band of Mission Indians Tribal Council at which a quorum was present on _____, 2008, by a vote of _____ "for," _____ "against," _____ "abstaining."

ROBERT MARTIN, CHAIRMAN

COUNCIL MEMBER

*City
Clerk
could not find a signed
agreement.
Craw*

CITY CLERK COULD NOT
FIND A SIGNED AGREEMENT



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Alejandro Diaz, Interim City Manager

PREPARED BY: Rochelle Clayton, Deputy City Manager
Ted Shove, Economic Development Manager

MEETING DATE: September 11, 2017

SUBJECT: Resolution 2017-87, Adopting California Statewide Communities Development Authority Community Facilities Districts Goals and Policies Statement

RECOMMENDED ACTION:

Consider approving Resolution 2017-87, adopting California Statewide Communities Development Authority Amended and Restated Goals and Policies for Mello-Roos Community Facilities Districts

BACKGROUND:

In the past several years, the San Gorgonio Pass region has experienced significant growth, especially in the residential sector. This growth was afforded by large residential development projects that have utilized Community Facility District (CFD) financing to fund required infrastructure, community amenities, and ongoing public safety.

Within the past five years, the City approved two large residential development projects, both of which included a requirement within their respective development agreements for the City to adopt a Community Facility District Goals and Policy Statement.

It is anticipated that future residential and commercial development of a similar size and complexity as the two recently approved projects will seek CFD's as a financing instrument. The proposed action does not authorize formation of a community facility district.

JUSTIFICATION:

The City recently approved two large residential development projects (Butterfield – 2012, Rancho San Gorgonio – 2016), both were approved through a development agreement. Within their respective agreements, outlines specific conditions of approval for the project, one of which is for the City to adopt a Community Facility District Goals and Policy Statement.

California Government Code Section 53312.7(a) requires local agencies, such as the City of Banning, to adopt a local goals and policies statement prior to establishing a community facility district as defined under the Mello-Roos Communities Facilities Act of 1982.

Community Facility Districts are defined as a financing instrument utilized to fund infrastructure needs for new development. These needs, in many cases, are high relative to building and construction costs that the financial hurdle becomes too great for most large development projects. Specifically, CFDs are used to fund roads, street, water and sewer piping, parks and community center-oriented facilities. Funding may also be utilized for development impact fees, connection charges, and other local government fees required for development. CFDs are also used for ongoing maintenance of the above outlined facilities and required increases in public safety (staffing, buildings, and equipment).

The City does not currently possess the staff resources for administering community facility districts. However, staff consulted with the California Statewide Communities Development Authority (CSCDA), the current administrator for the Statewide Communities Infrastructure Program (similar financing instrument on a smaller scale). CSCDA is a Joint Powers Authority (JPA), to which the City belongs. CSCDA administers CFDs for communities across California. Their finance team includes bond counsel, a special tax consultant, and underwriter at a relatively low cost due to the relatively large volume of bond transactions. The cost of these services are borne by the project and not by the City.

CSCDA conducts their own underwriting process on each development project within communities that have been petitioned by the developer and consented to by the local agency. In order for the City to utilize CSCDA as a CFD administrator, the City is required to adopt CSCDA's Goals and Policies for Mello-Roos Community Facilities Districts. Upon adoption, a developer would petition CSCDA to review and financially evaluate the project. If the project is considered financially feasible by CSCDA staff, the project comes back to the City Council for consideration and final approval by Resolution.

Approval by Resolution of this item would only establish criteria by which the City Council would consider future requests for formation of a CFD.

FISCAL IMPACT:

The proposed actions do not require a financial commitment by the City. The adoption of Mello-Roos goals and policies does not commit the City to any future actions.

OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction to staff

ATTACHMENTS:

1. Resolution 2017-87
2. California Statewide Communities Development Authority Amended and Restated Goals and Policies for Mello-Roos Community Facilities Districts

Approved by:



Alejandro Diaz
Interim City Manager

ATTACHMENT 1

RESOLUTION 2017-87

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ADOPTING CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY GOALS AND POLICIES FOR MELLO- ROOS COMMUNITY FACILITIES DISTRICTS

WHEREAS, the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Section 53312.7(a) of the Government Code of the State of California, now provides that a local government, including the City of Banning (the "City"), may initiate proceedings to establish a community facilities district pursuant to the Act only if the legislative body thereof has first considered and adopted local goals and policies concerning the use of the Act; and

WHEREAS, the California Statewide Communities Development Authority ("CSCDA") is a Joint Powers Authority to which the City of Banning belongs; and

WHEREAS, the City now desires to adopt CSCDA's Goals and Policies for Mello-Roos Community Facilities Districts and to authorize CSCDA to act as the lead agency for formation of CFD's within the community, subject to City Council approval and adoption of a relevant joint community facilities agreement with CSCDA on an individual project basis.

NOW, THEREFORE, BE IT RESOLVED, FOUND AND DETERMINED, by the City Council of the City of Banning as follows:

1. Resolution No. 2017-87 is approved adopting California Statewide Communities Development Authority Goals and Policies for Mello-Roos Community Facilities Districts.
2. The "California Statewide Communities Development Authority Amended and Restated Goals and Policies for Mello-Roos Community Facilities Districts" (the "Goals and Policies") attached as Exhibit "A" hereto and incorporated herein by this reference are hereby adopted. A copy of the Goals and Policies shall be kept on file in the Office of the City Clerk.
3. This resolution shall become effective upon its adoption.

PASSED, APPROVED AND ADOPTED this 11th day of September, 2017.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLP

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2017-87 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 11th day of September, 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
AMENDED AND RESTATED GOALS AND POLICIES
FOR
MELLO-ROOS COMMUNITY FACILITIES DISTRICTS**

I. INTRODUCTION

Section 53312.7(a) of the California Government Code provides that, on and after January 1, 1994, a local agency may initiate proceedings to establish a community facilities district ("CFD") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act") only if it has first considered and adopted local goals and policies concerning the use of the Act. The following goals and policies have been considered and adopted by the California Statewide Communities Development Authority (the "Authority") and are intended to meet the requirements of the Act.

II. GOALS AND POLICIES GENERALLY

The Authority's goal is to use the Act to promote economic development within the boundaries of the Authority's members by assisting in the development of property to be used for residential, commercial or industrial purposes, including multi-family apartment and office buildings. Therefore, it is the policy of the Authority to use the Act to finance public facilities that will encourage the development of property for such residential, commercial or industrial purposes. The Authority may use the Act in situations where the CFD special tax is expected to be levied on property used for residential, commercial or industrial purposes, including multi-family apartment and office buildings. The Authority will use the Act only in situations where it has been petitioned to do so by the owners of 100% of the property in the proposed CFD and where the local agency which issues building permits for the project (the "Local Agency Participant") has consented to the use of the Act by the Authority.

III. PRIORITIES FOR FINANCING

The priority that various kinds of public facilities will have for financing through the Authority's use of the Act is as follows:

- a. facilities needed to serve approved development which is deficient in infrastructure needed to develop the area as planned;
- b. other facilities for which there is a clearly demonstrated public benefit;
- c. development impact fees, connection charges and other local government levies applicable to the new development which are to be used to fund public capital improvements by the local agency which levies the fee; and
- d. other facilities permitted by the Act.

The Authority will, at the request of the Local Agency Participant, include special taxes in a CFD for services provided by the Local Agency Participant; provided, that the Local Agency Participant must certify that the services comply with and are eligible under the provisions of the Act and the Local Agency Participant shall be responsible for all budgets, expenditure controls and reporting requirements for any such services.

IV. CREDIT QUALITY REQUIREMENTS FOR CFD BOND ISSUES

The Authority will require that the credit quality of any CFD bond issue be such that the requirements of Section 53345.8 of the Act will be met; provided, however, that the Authority will require that the value of the real property that would be subject to the special tax to pay debt service on the bonds be at least four times the principal amount of the bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the CFD or a special assessment levied on property within the CFD.

In order to enhance the credit quality of bond issues, the Authority will require that each bond issue be secured by a reserve fund funded in an amount no less than the least of (a) 10% of the original proceeds of the bond issue, (b) maximum annual debt service on the bonds of such issue, and (c) 125% of the average annual debt service on the bonds of such issue.

The Authority may require additional measures to increase the credit quality of a bond issue, or may require credit enhancement with respect thereto, in any particular case.

V. DISCLOSURE TO PROSPECTIVE PROPERTY PURCHASERS

In order to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under the Act, the Authority will require that the requirements of disclosure to prospective property purchasers contained in the Act, including, but not limited to, Sections 53328.3, 53328.5 (including the referenced sections of the California Streets and Highways Code), 53340.2 and 53341.5, be met. The Authority reserves the right to require additional disclosure procedures in any particular case.

VI. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES

The Authority's criteria for evaluating the equity of tax allocation formulas, and the desirable and maximum amounts of special taxes to be levied against any parcel pursuant to the Act, are set forth in this section.

Special taxes must be allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property) receiving general or special benefit from the public facilities financed through the CFD. Exemptions from the special tax may be given to parcels which are publicly-owned, are held by property owners associations, are used for public purposes such as open space or wetlands, or are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easement.

The CFD special tax allocation formula must be structured so as to annually produce special tax revenues sufficient to pay (a) annual debt service on all CFD bonds, and (b) reasonable and necessary annual administrative expenses of the CFD. Additionally, the special tax formula may be structured so as to produce amounts sufficient to fund (a) any amounts required to establish or replenish any reserve fund established for a CFD bond issue, (b) the accumulation of funds reasonably required for future debt service on a CFD bond issue, (c) amounts equal to projected delinquencies in special tax payments, (d) remarketing, credit enhancement or liquidity fees, (e) differences between expected earnings on any escrow account and the interest payments due on CFD bonds associated with such escrow account, and any costs associated with the release of funds from an escrow account, and (f) any other costs or payments permitted by law. The special tax allocation formula must be structured such that the projected maximum special tax that could be levied in any year would produce special tax revenues at least equal to (a) 110% of projected annual debt service on all CFD bonds for such year, plus (b) projected reasonable and necessary administrative expenses of the CFD for such year.

The total projected property tax levels for any CFD may not exceed any maximum specified in the Act. The annual increase, if any, in the maximum special tax for any parcel may not exceed any maximum specified in the Act. The increase in the special tax levied on any parcel as a consequence of delinquency or default by the owner on any other parcel may not exceed any maximum specified in the Act.

VII. APPRAISALS

The definitions, standards and assumptions to be used in appraisals required in connection with the Authority's use of the Act are as set forth in the Appraisal Standards for Land Secured Financings (the "Standards") published by the California Debt Advisory Commission and dated May 1994 and revised July 2004, with the following modifications:

- a. the independent review appraiser is an option, and not a requirement;
- b. the comparable sales method may be used whenever there is sufficient data available;
- c. the appraiser should assume the presence of the public infrastructure to be financed with the bonds;
- d. the special tax lien need not be computed as the present value of the future tax payments if there is a pre-payment mechanism or other more appropriate measure;
- e. except where necessary to make a meaningful comparable sale comparison, the appraiser is not to discount the value of property for the amount of the special tax or assessment liens; This also means that the special tax should be ignored in any discounted cash flow analysis; and

f. the definition of "Bulk Sale Value" on page 29 of the Standards states the requirement that *all* parcels within a tract or development be included; instead it may be *any* defined portion of the property.

VIII. CONSULTANTS

The selection of all consultants necessary for the formation of a CFD and the issuance of bonds, including the appraiser, market absorption study analyst, special tax consultant, bond counsel and underwriter, will be subject to final approval by the Authority. The applicant for CFD financing may not recommend, or participate in the selection of, the appraiser.

IX. APPLICATIONS; CONDITIONS

The owner or owners of the property the development of which is to be assisted through the Authority's proposed use of the Act, will be required to complete an application in such form as the Authority may prescribe. Any information provided in the application must be considered public information by California law.

The applicant must have the approval of the city or the county in which the project is located. Such approval may be in the form of a letter from an appropriate city or county official supporting the project or in such other form as the Authority may approve.

All Authority and consultant costs incurred in the evaluation of any CFD application, or in the formation of a CFD or the issuance of CFD bonds, will be paid by the applicant, which payment will be secured by an advance deposit with the Authority. The Authority will not incur any nonreimbursable expenses for processing a CFD, and expenses not chargeable to the CFD will be borne by the applicant.

Each applicant will be required to provide an indemnity to the Authority, its members, officers, agents and employees for all costs, expenses and attorney fees, as well as any judgment or settlement costs arising out of or involved in the CFD financing, or in any of the documentation related thereto.

X. MINIMUM STANDARDS; WAIVERS AND AMENDMENT

The policies set forth herein reflect the minimum standards under which the Authority will assist in the development of property through the use of the Act. The Authority may, in its discretion, require additional measures and procedures, enhanced security and higher standards in particular cases.

The Authority may, in limited and exceptional circumstances and to the extent permitted by law, in its discretion, waive any of the policies set forth herein in particular cases.

The goals and policies set forth herein may be amended at any time and from time to time by the Authority.

CITY OF BANNING

Community Facilities District Goals and Policies

WHAT IS A COMMUNITY FACILITIES DISTRICT (CFD)?

The CFD Act of 1982 allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

WHY MUST THE CITY ADOPT CFD GOALS AND POLICIES?

After 1993, the CFD Act of 1982 was amended to provide that a public agency may initiate proceedings to establish a CFD only if such public agency has first considered and adopted local goals and policies concerning the use of the Act.

In 2012 and 2016 respectively, the City entered into Development Agreements for the Butterfield and Rancho San Gorgonio master planned community developments. Each Agreement contained a provision for the City to adopt such goals and policies.

WHY ADOPT THE SAME GOALS AND POLICIES AS CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (CSCDA)?

The Authority's goal is to use the Act to promote economic development within the boundaries of CSCDA members by assisting in the development of property to be used for residential, commercial or industrial purposes. The City of Banning is a member of CSCDA.

If the City allows CSCDA to administer any proposed CFDs within the City's boundaries, the City can direct the CFD policies without staff providing the administration, and Council shall approve stand alone districts on a project by project basis.



Stand Alone Community Facilities Districts (CFDs)

A Program of the California Statewide Communities Development Authority



Community Facilities Districts

CSCDA is available to form CFDs and Issue bonds for Stand Alone Projects

Local Agency will adopt a Resolution requesting CSCDA form a CFD including a Joint Community Facilities Agreement (JCFA)

- Will attach a boundary map of the project
- A list of facilities and fees to be financed
- May include and O&M component in addition to facilities
- Can include more than one Local Agency in the CFD (with approval)

CSCDA credit requirements⁽¹⁾:

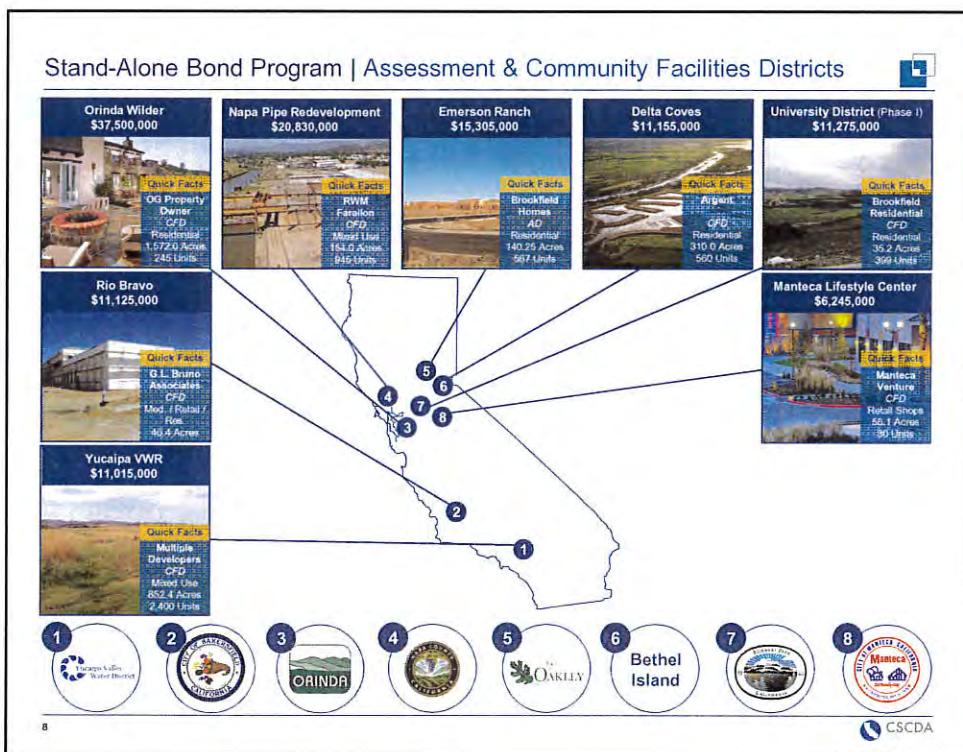
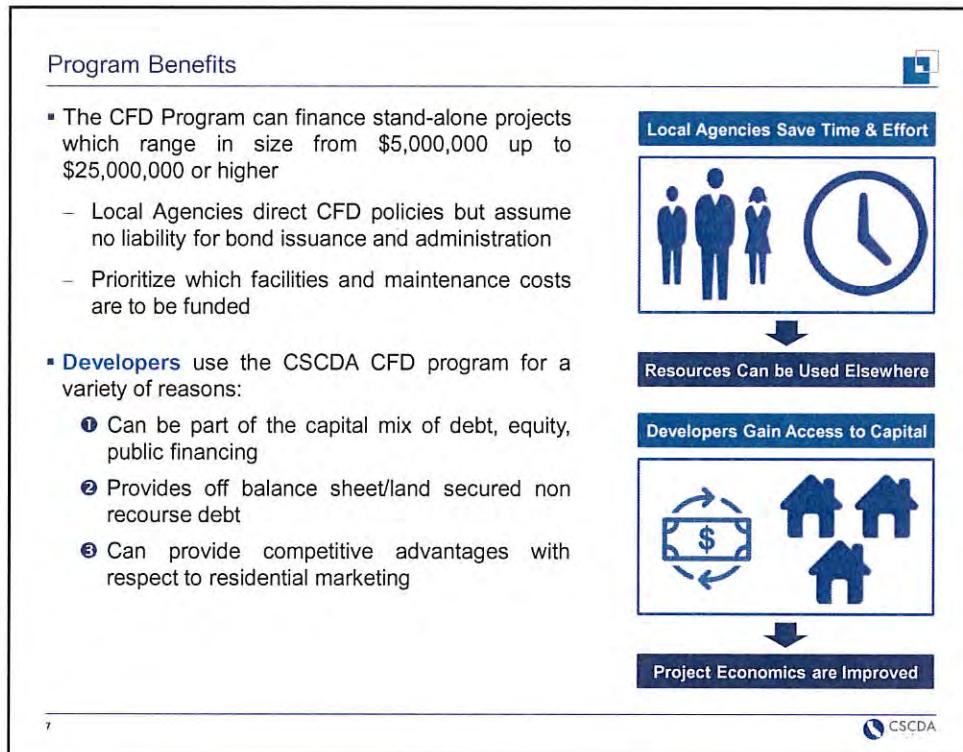


- 1 At Least a 4x value to lien ratio (including overlapping debt)
- 2 Combined tax burden cannot exceed 2% of the estimated home value
- 3 Debt service may escalate at up to 2% per year
- 4 Project must have received its discretionary entitlements

The minimum size for a stand alone CFD is \$5 million

6

CSCDA



Local Agency Requirements

- ① Adopt Joint Community Facilities Agreement (JCFA) and Resolution directing CSCDA to conduct CFD Proceedings which:
 - a) Establishes Goals and Polices for the CFD;
 - b) Identifies Facilities and Annual Maintenance Costs to be included;
 - c) Includes a boundary Map of the proposed CFD;
 - d) Approves a form of Acquisition Agreement to reimburse developer for completed facilities
- ② Will execute an acquisition agreement to reimburse developer for public improvements, the form of which is included with the SCIP Resolution
- ③ Will sign a closing certificate which certifies that funds will be spent in accordance with federal tax law
- ④ Approve disbursement of funds

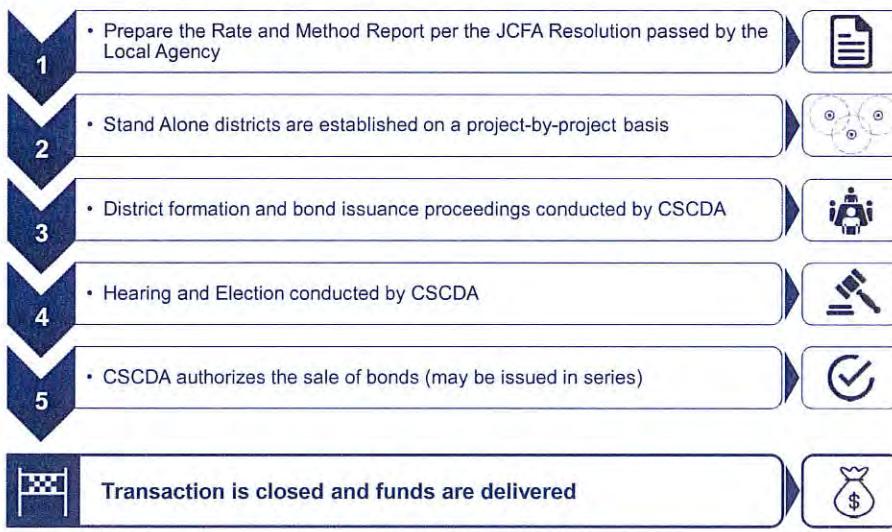
9

 CSCDA

Key Events

The City or County **does not** issue bonds or levy assessments

The schedule of proceedings is described below:



10

 CSCDA

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Alejandro Diaz, Interim City Manager

PREPARED BY: John C. Cotti, Interim City Attorney
Rochelle Clayton, Deputy City Manager

MEETING DATE: September 11, 2017

SUBJECT: Discuss and Consider Direction to City Staff to Prepare Resolutions Calling for an Election on a Proposed Ballot Measure Seeking Voter Approval of a Transactions and Use (Sales) Tax

RECOMMENDATION:

It is recommended that the City Council direct City staff to prepare the necessary resolutions to call for a Ballot Measure to Increase the Transactions and Use Tax as part of the November 6, 2018, election.

BACKGROUND:

The City Council directed City staff to present an item relative to the issues surrounding a ballot measure proposing to raise revenue through a Transactions and Use Tax (i.e., local sales tax) within Banning. The tax would be paid in addition to the existing sales tax and would be collected at the same time and in the same manner as existing sales taxes. California law authorizes the City Council to impose this sales tax provided the tax is approved by the voters.

The Sales Tax Increase

As noted above, the local sales tax increase is what is known as a "Transactions and Use Tax." The Transactions and Use Tax was adopted by the legislature in 1969, authorizing the adoption of local "transactions and use tax" add-ons to the combined state and local sales tax rate. Over the years, the law was amended to allow for specific authorizations for various particular cities, counties, special districts and countywide authorities. Prior to 2003, the most common transactions and use tax

measures were those for a specific countywide need, most commonly transportation. But since a 2003 change in the law, add-on Transaction and Use Taxes (local sales tax add-ons) by cities for general purposes have become more frequent. In California, there are approximately 100 cities, counties and special districts with local sales tax add-ons. In Riverside County for example, the cities of Menifee and Indio have 1.0% sales tax add-ons, increasing the sales tax rate to 8.75%.

There are differences between the statewide “Sales and Use Tax” and the locally approved “*Transactions and Use Tax*.” The statewide Sales and Use Tax, currently at 7.5%, includes portions that go to the State General Fund, to several specific State funds, the cities, and the counties, based on the *location of the purchase*. The Transactions and Use Tax, however, generally applies to merchandise that is *delivered* in a jurisdiction that imposes the tax. For purchases of everyday items, the state allocates the taxes paid on those purchases to the city or county in which the item was purchased; but, for the sale or lease of a vehicle, vessel or aircraft, the Transactions and Use Tax is charged and allocated based on the location in which the property will be registered.

For example: If the city Ms. Smith lives in has a Transaction and Use Tax of a .5%, she will pay that tax (in addition to the base 7.75% sales tax) when she purchases a car, regardless of whether she makes the purchase in a neighboring city or county, or regardless of whether the neighboring city or county has its own Transactions and Use Tax. Conversely, if Ms. Smith purchases hand soap in another city or county without a Transactions and Use Tax, she would not pay her city's Transactions and Use Tax. But, if the city in which she purchases the hand soap has a Transactions and Use Tax, she will pay that city's total tax (base sales tax plus Transactions and Use Tax).

From the perspective of the consumer, a .5% increase in the sales tax would add \$6.50 to the purchase of a \$1,299 refrigerator and \$97.15 to the purchase of a 2014 Chevrolet Cruze LS (with a sticker of \$19,430). An increase in the sales tax of 1% would add \$5.00 to the purchase of a \$500 dishwasher and \$194.30 to the cost of the Chevrolet Cruze.

A 0.5% sales tax increase would generate an additional \$1.2M in revenues on an annual basis. The tax revenue generated by the sales tax will stay in Banning and cannot be taken away by the State or used for purposes other than Banning City services.

General vs. Special Tax

If the City Council chooses to pursue additional revenue sources for a specific purpose, such as police and fire safety, there are different mechanisms to consider.

If the Council chooses to place a “general tax” on the ballot, all revenue generated from the proposed sales tax would be deposited into the City's General Fund and would be available for use by the City to pay for general City operations and services.

The City would not be legally bound in any way to use the tax monies for any special purpose or for any particular facilities or programs. However, it may be possible to include a non-binding advisory provision in the ballot materials indicating the City's intent to use the new tax revenue for specific purposes, such as public safety. However, as a general tax, the funds could be used for other general government purposes if the City so desired.

A ballot measure proposing a "general tax" rather than a "special purpose tax" requires approval by a simple majority of the City's voters. A general tax requires a supermajority of the Council to place the measure on the ballot. By contrast, passage of a special tax requires a two-thirds supporting vote of the public. If the Council chooses to place a measure on the ballot, a majority of the Council would have to approve the ballot measure prior to the election.

Unlike a general tax, use of special tax revenue is legally restricted to the purposes identified in the ballot measure. So if the ballot measure requires the use of funds for public safety, the revenue raised through a special tax could not be re-purposed to other City operations, programs or services.

Oversight

As previously noted, if approved as a special tax, the revenue raised can only be used for the specific purposes described in the proposed ordinance and ballot language. The tax rate cannot increase without voter approval. There are several other provisions that can be implemented to assure adequate oversight, auditing and reporting.

The tax ordinance should include a provision requiring the mandatory auditing by the City's independent auditors of the collection, management and expenditure of the tax revenue. The audit report would be available to the public and require review and approval by the City Council.

Additionally, a revenue oversight committee could be created to review and report on the receipt of revenue and expenditure of funds. This will ensure that tax revenues are spent on the specific areas indicated by the measure.

A sunset provision could provide that the tax cease to have effect after a specific date, unless further action is taken to extend the law.

The Required Resolutions

Should the Council choose to put forth a sales tax measure on the November 6, 2018, ballot, the City would need to approve three resolutions. The first resolution would approve the ballot measure language, the conditional implementing sales tax ordinance, and places the measure on the ballot. As set forth above, this resolution

requires either a four-fifths vote of the City Council for a general tax, or a simple majority for a special tax.

A second resolution would establish the requirements for the writing of ballot arguments and rebuttals. Although Elections Code §9287 sets forth the priority order of which ballot arguments are to be printed if multiple arguments are received, the City Council may decide to take precedence and write the ballot argument and rebuttal itself. Staff recommends Council approve by minute action the designation of itself as the Measure's proponent and write and file the ballot argument and rebuttal. This resolution and minute action require a simple majority vote of the Council.

A third and final resolution would direct the City Attorney to prepare and file an Impartial Analysis of the measure showing its affect, if any, on existing law and the operation of the measure. This resolution requires a simple majority vote of the Council.

Requested Action

Approval of the recommended action tonight requires the approval of a majority of the City Council. Upon receiving that approval, depending on the tax measure supported by the Council (i.e., .5% or 1%, special or general tax, purpose of the tax), the City Attorney will bring back several procedural resolutions involving, among others, ballot arguments and the impartial analysis.

If it is the Council's desire to place a sales tax measure on the ballot, City staff requests the following information in order to prepare the necessary documentation:

1. The Tax:

Special (2/3) or General (50%)
.5% or 1%

2. Sunset Provision

Yes or no

3. If special tax:

Specify purpose (police, fire and/or roads)
Specify percentage for each

OPTIONS:

- A. Direct City staff to prepare the necessary resolutions to call for a Ballot Measure to Increase the Transactions and Use Tax as part of the November 6, 2018, consolidated election; or
- B. Decline to include a ballot measure on the November, 2018, election ballot.

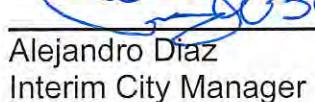
FISCAL IMPACT:

According to the County, the cost to include a ballot measure on the November, 2018, consolidated ballot would increase the City's election cost by approximately \$5,000. The cost would be appropriated from the General Fund.

If the voters pass a half percent sales tax increase ballot measure, the City will receive approximately \$1,200,000, annually. Whether, as discussed below, the ballot measure is proposed as a general tax or special tax will determine how the revenue can be used.

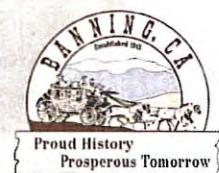
ATTACHMENTS:

- 1. City of Banning Sales Tax Update for the 1st Quarter of 2017

A handwritten signature in blue ink, appearing to read "Alejandro Diaz".

Alejandro Diaz
Interim City Manager

ATTACHMENT 1



City of Banning Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2017)

Banning In Brief

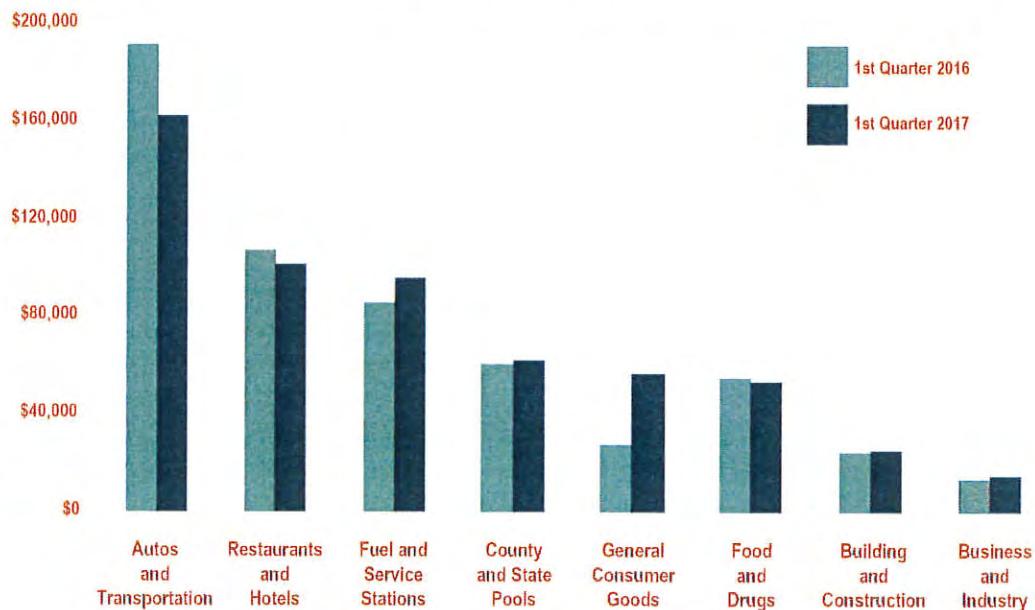
Banning's receipts from January through March were 1.2% above the first sales period in 2016. Excluding reporting aberrations, actual sales were up 10.3%.

Recent additions that helped boost revenues from several categories of general consumer goods were primarily responsible for the current increase. The City experienced a strong sales quarter for service stations.

The gains were offset by onetime accounting adjustments that inflated year ago returns and exaggerated the drops in the autos/transportation sector and casual dining restaurants.

Net of aberrations, taxable sales for all of Riverside County grew 3.3% over the comparable time period; the Southern California region was up 2.0%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS In ALPHABETICAL ORDER

Albertsons	Highland Springs
Arco AM PM	Mobil
Auto Source	Hobby Lobby
AutoZone	Jack in the Box
Banning Arco	Marshalls
Banning RV Discount Center	McDonald's
Beaumont Motorcycles	Mobil
Big 5	Rite Aid
Carl's Jr.	Shell
Cart Guy	Sizzler
Chevron	Sun Lakes Country Club
Diamond Hills Chevrolet Buick GMC	Walgreens
	Wausau Tile
	Western Hydro

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2015-16	2016-17
Point-of-Sale	\$1,880,544	\$1,998,335
County Pool	219,474	248,896
State Pool	1,126	1,577
Gross Receipts	\$2,101,144	\$2,248,808
Less Triple Flip*	\$(383,698)	\$0

*Reimbursed from county compensation fund

Statewide Results

Local tax receipts from January through March sales were 2.1% higher than the first quarter of 2016 after factoring for accounting anomalies.

Rising fuel prices, auto sales, county use tax pool allocations and dining out added most to the overall gain. Some general consumer goods and B2B sales were flat or down.

This quarter reflects the start of an anticipated leveling off of future tax revenues. After seven years of recovery, analysts are reporting an end to the previous pent-up demand for autos. Demand for new cars will ease due to more buyers tied to long-term loans and a glut of used cars coming off lease.

Price competition and store closures have reduced tax receipts from consumer goods. Business investment remains strong but much of the growth is for non-taxable items such as cloud computing and large data solutions. Declines in foreign tourist visits and lower costs of eating at home are expected to slow the growth in restaurant sales.

New Sales Tax Organization

As of July 1, the operating divisions responsible for allocation of tax revenues other than property, insurance and alcoholic beverages will shift from the State Board of Equalization (BOE) to the Governor's new Department of Tax and Fee Administration.

The BOE was first established by constitutional amendment in 1879 to oversee property tax assessment practices by all counties in the state. It eventually became responsible for other tax revenues including sales, insurance, corporate franchise and special fees.

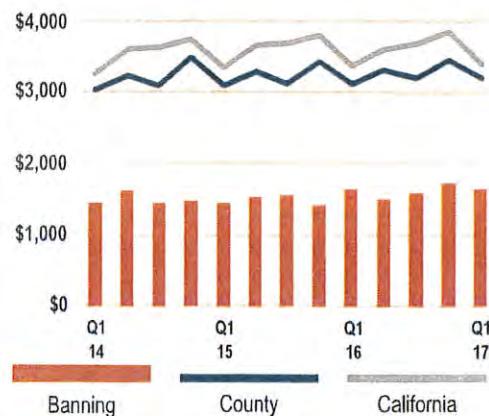
In 2011, HdL detected discrepancies in the BOE's allocation of public safety revenues which led to the recovery of over \$124 million in revenues for counties. Subsequent audits by the State

Controller and State Department of Finance revealed further shortcomings. The result was the passage of budget trailer bill SB86/AB102 that reduces the BOE to its previous constitutionally defined functions.

The BOE is also empowered to hear appeals and disputes over tax assessments including sales/use, personal income and corporate taxes and is the only elected Tax Board in the United States that hears tax disputes. Effective January 1, 2018, that function will be turned over to a new Office of Tax Appeals (OTA) composed of panels of administrative law judges appointed by the Governor with locations in Sacramento, Fresno and Los Angeles.

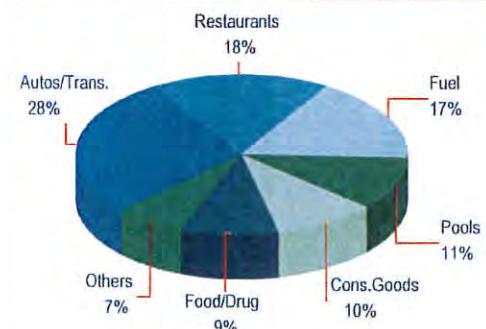
For functions other than the appeal process, this is primarily a reshuffling of existing personnel so the change will have little impact on local agencies. However, the issue of local government's ability to provide input regarding future policy and regulation changes that impact revenues remains under discussion. HdL will share more about the BOE transition as details become available in the weeks ahead.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Banning This Quarter



BANNING TOP 15 BUSINESS TYPES

Business Type	Banning		County	
	Q1 '17	Change	Change	Change
Auto Repair Shops	11,688	38.7%	6.5%	5.2%
Automotive Supply Stores	13,636	12.4%	4.2%	0.0%
Boats/Motorcycles	— CONFIDENTIAL —		7.7%	1.0%
Casual Dining	43,437	-13.8%	6.4%	0.0%
Contractors	23,630	2.9%	7.1%	-3.9%
Drug Stores	— CONFIDENTIAL —		-1.8%	-2.5%
Family Apparel	15,147	851.7%	-0.6%	0.7%
Grocery Stores	20,201	1.7%	0.8%	0.5%
Heavy Industrial	10,363	3.2%	40.5%	3.4%
New Motor Vehicle Dealers	— CONFIDENTIAL —		4.7%	4.4%
Quick-Service Restaurants	48,449	3.1%	4.7%	4.8%
Service Stations	95,135	12.0%	12.8%	9.9%
Specialty Stores	16,106	229.6%	-7.3%	0.7%
Trailers/RVs	— CONFIDENTIAL —		14.5%	10.9%
Used Automotive Dealers	19,979	-25.4%	17.9%	2.0%
Total All Accounts	510,839	1.1%	3.9%	1.8%
County & State Pool Allocation	62,403	2.5%	5.3%	2.9%
Gross Receipts	573,242	1.2%	4.1%	1.9%



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Alejandro Diaz, Interim City Manager

PREPARED BY: Rochelle Clayton, Deputy City Manager

MEETING DATE: September 11, 2017

SUBJECT: Resolution 2017-90, Approving the Joint Use Facility Agreement with Banning Unified School District (BUSD)

RECOMMENDATION:

That the City Council consider adopting Resolution 2017-90, approving the Joint Use Facility Agreement with Banning Unified School District (BUSD)

JUSTIFICATION:

The City of Banning and BUSD are in need to use of each other's facilities from time to time in order to operate certain functions. The City and BUSD have worked together to schedule and wish to memorialize the use of facilities in an agreement. The agreement would ensure facility availability and access by each party for certain programs, including many youth programs, provided the use is scheduled in advance. Such scheduling meetings shall occur on or before May 31st and September 30th of each year.

BACKGROUND:

The previous agreement was entered into on October 20, 2005 and expired in October 2015. There was an option to review for ten years, however, both parties felt that the agreement should be updated as well as to change the renewal options to three years.

FISCAL IMPACT:

None.

ALTERNATIVES:

1. Approve the Agreement as recommended.
2. Provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2017-90
2. Joint Use Facility Agreement

Approved by:



Alejandro Diaz
Interim City Manager

ATTACHMENT 1

RESOLUTION 2017-90

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING AN AGREEMENT WITH THE BANNING UNIFIED SCHOOL DISTRICT FOR JOINT FACILITY USE

WHEREAS, California Government Code Sections 6500 et seq. ("Joint Powers Law") provide the two or more public agencies may, by agreement, jointly exercise any power common to the contracting parties; and

WHEREAS, pursuant to the Joint Powers Law, School District and City are each public agencies and are authorized and empowered to contract for the joint exercise of powers; and

WHEREAS, California Education Code Sections 10900 et seq. ("Community Recreation Programs Law") authorizes public authorities to organize, promote, and conduct such programs of community recreation as will contribute to the attainment of general educational and recreational objectives for children and adults and further empowers public authorities to cooperate with each other to attain such objectives; and

WHEREAS, the Community Recreation Programs Law defines "recreation" to include any activity, voluntarily engaged in, which contributes to the mental, or moral development of the individual or group participating therein, and includes any activity in the fields of art, handicrafts, nature contacting, aquatic sports, and athletics; and

WHEREAS, the School District and City are authorized under California law to operate and maintain recreation centers, as defined in Education Code Section 10901(f), for community recreation ("Recreation Centers"); and

WHEREAS, the School District and City desire to enter into an agreement pursuant to the aforesaid provisions of the Education Code, providing for the joint use of Recreation Centers which are located within the boundaries of both School District and City ("Facilities"); and

WHEREAS, the School District owns certain Recreation Center sites ("School District Facilities") and desires that the City may have the use of School District Facilities, pursuant to the terms of this Agreement, for community recreation; and

WHEREAS, the City owns certain Recreation Center sites ("City Facilities") and desires that the School District may have the use of City Facilities, pursuant to the terms of this Agreement, for community recreation; and

WHEREAS, the Parties desire the costs, rights, and obligations of each Party with respect to the Agreement to be proportionately equal;

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1: The City Council approves the Joint Use Facility Agreement between the City of Banning and the Banning Unified School District.

PASSED, APPROVED AND ADOPTED this 11th day of September 2017.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

John C. Cotti, Interim City Attorney
Jenkins & Hogan, LLP

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2017-90, was duly adopted by the City of Council of the City of Banning, California, at a regular meeting thereof held on the 11th day of September, 2017, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

JOINT-USE FACILITY AGREEMENT

Banning Unified School District

and

City of Banning

This **JOINT-USE FACILITY AGREEMENT** ("Agreement") dated as of September 11, 2017, is made by and between the CITY OF BANNING, a California charter law ("City"), and the BANNING UNIFIED SCHOOL DISTRICT, a public school district duly organized and existing pursuant to the laws of the State of California ("School District"). The School District and the City may hereinafter be referred to individually as "Party" and collectively as "Parties."

1. **RECITALS:**

A. California Government Code Sections 6500 et seq. ("Joint Powers Law") provide the two or more public agencies may, by agreement, jointly exercise any power common to the contracting parties;

B. Pursuant to the Joint Powers Law, School District and City are each public agencies and are authorized and empowered to contract for the joint exercise of powers;

C. California Education Code Sections 10900 et seq. ("Community Recreation Programs Law") authorizes public authorities to organize, promote, and conduct such programs of community recreation as will contribute to the attainment of general educational and recreational objectives for children and adults and further empowers public authorities to cooperate with each other to attain such objectives;

D. The Community Recreation Programs Law defines "recreation" to include any activity, voluntarily engaged in, which contributes to the mental, or moral development of the individual or group participating therein, and includes any activity in the fields of art, handicrafts, nature contacting, aquatic sports, and athletics;

E. School District and City are authorized under California law to operate and maintain recreation centers, as defined in Education Code Section 10901(f), for community recreation ("Recreation Centers");

F. School District and City desire to enter into an agreement pursuant to the aforesaid provisions of the Education Code, providing for the joint use of Recreation Centers which are located within the boundaries of both School District and City ("Facilities");

G. School District owns certain Recreation Center sites ("School District Facilities") and desires that the City may have the use of School District Facilities, pursuant to the terms of this Agreement, for community recreation;

H. City owns certain Recreation Center sites ("City Facilities") and desires that the School District may have the use of City Facilities, pursuant to the terms of this Agreement, for community recreation; and

I. The Parties desire the costs, rights, and obligations of each Party with respect to the Agreement to be proportionately equal.

2. AGREEMENT

In consideration of the foregoing recitals and of the mutual promises and covenants herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as described below.

3. DESCRIPTION OF FACILITIES

A list of Facilities subject to this Agreement is attached as Exhibit "A".

4. USE OF FACILITIES

4.1 School District and City hereby grant a non-exclusive license to each other to use each other's Facilities in accordance with the terms and conditions set forth in this Agreement, including the following:

4.1.1 The School District and the City may utilize each other's Facilities without monetary consideration to the other party. Notwithstanding any other language in the Agreement and in consideration for City's use of the School District Facilities, School District shall not be required to pay to the City or its departments any fee or increase relating to improvements or expansion at the School District Facilities, except that the District is required to pay fees related to improvements or expansion that the City collects on behalf of any other agency. The City fee waiver does not negate any permit or regulatory requirements

4.1.2 Whenever possible, School District and City agree to utilize their own Facilities prior to utilizing each other's Facilities.

4.1.3 With respect to the use of Facilities, School District and City shall conduct two meetings annually for the purpose of scheduling anticipated uses of the Facilities ("Scheduling Meetings").

4.1.3.1 At the first meeting, which shall take place on or before May 31 of each year, School District and City shall agree upon a schedule, in writing, for the summer months (i.e., June, July, August, and September) with respect to the use of the Facilities, including, but not limited to the times, uses and users of the Facilities.

4.1.3.2 At the second meeting, which shall take place on or before September 30 of each year, School District and City shall agree upon a schedule, in writing, for the non-summer months with respect to the use of the Facilities, including, but not limited to the times, uses and users of the Facilities.

4.1.3.3 After the schedules are set at the Scheduling Meetings, both Parties shall notify each other in writing in case of any scheduling changes at least two weeks in advance, if possible. In the event of an unanticipated event that is not included

on the schedules set at the Scheduling Meetings, each party agrees to reasonably accommodate the other party with respect to such event.

4.1.4 Both the School District and the City agree that prior to the use of any School District Facilities or City Facilities, each Party will prepare and submit a Facilities Use Form to the other party, in the form attached as Exhibit "B".

4.2 Notwithstanding anything in this Agreement to the contrary, School District shall have exclusive use of the School District Facilities, Monday through Friday (except on School Holidays), from one-half (1/2) hour before the commencement of the school day until one-half (1/2) hour after school closing time. School Holidays shall be defined as those days or portions of days when school is not in session.

4.3 School District shall notify City at the Scheduling Meetings of any school athletic events that are anticipated to extend more than one-half (1/2) hour beyond a school's closing time so that such games may be included in the schedule which is agreed upon at the Scheduling Meetings. In addition, should School District require the use of any School District Facilities for any California Interscholastic Federation activity, such use shall take precedent over any pre-existing use at any of the School District Facilities as long as forty-eight (48) hours' notice is given, whether or not such use is during school hours or included in the schedules agreed upon at the Scheduling Meetings.

4.4 On school days, School District Facilities will be available to City one-half (1/2) hour after a school's closing time unless a school athletic event is in progress.

4.5 On non-school days, School District Facilities shall be available from 7:00 a.m. until dusk (for all outdoor non-lighted School District Facilities) and until 10:00 p.m. (for all indoor and outdoor lighted Facilities), and in no event later than 11:00 p.m., unless special permission is expressly granted by School District. Outdoor lighting will be regulated by automated time clocks to assure compliance.

4.6 City shall schedule uses of School District Facilities which are consistent with the ordinances, regulations, and policies of School District, as well as State and Federal law.

4.7 The use of School District Facilities by City shall be in such manner as not to interfere with the School District's normal use of School District Facilities, including, but not limited to back to school nights, school assemblies, and cleaning/gardening activities.

4.8 Each Party agrees to utilize the Facilities in conformance with Federal and State law as well as School District and City administrative regulations.

4.9 Each Party shall have the right at all times to enter any portion or area of its Facilities, including at any reasonable time during any event, activity, or program sponsored or conducted by the other Party.

4.10 In the event that the School District or the City determines that an emergency need requires the use of any of the School District Facilities or City Facilities listed in Exhibit "A", the School District and the City shall have the right to make use of all or any portion of any such Facility for the entire time that such emergency need exists. For purposes of this Agreement, emergency is defined as any circumstance or event that poses an actual or potential danger to life or property.

5. MAINTENANCE RESPONSIBILITIES

5.1 School District and City shall be responsible for the maintenance of their respective Facilities, however, should either of the Parties cause maintenance costs out of the ordinary with respect to their use of the others' Facilities, such Party shall be responsible for these additional maintenance costs. The term "maintenance" in this section includes cleaning, repair, and all other custodial services.

5.2 The Parties agree that graffiti will be the responsibility of the Facility owner unless otherwise specified in a separate document.

5.3 The Parties agree that, with written authorization from the Facility owner, the other Party or a City-sponsored local recreation organization ("Recreation Organization") may be allowed to provide special maintenance or improvements to a Facility which is considered beneficial to all Parties as long as such other Party or Recreation Organization complies with all applicable laws and regulations regarding the provision of maintenance or construction of improvements to public entity facilities.

5.4 The Parties agree that all outdoor fields and indoor sports Facilities will be kept in good repair and in a manner suitable for usage by City, School District and Recreation Organizations with respect to athletic programs. The facilities and ground staff of each Party shall meet from time to time to decide how to cooperatively establish and achieve this standard of care.

5.5 The Parties agree to schedule any planned renovation or repairs in a manner to minimize impact upon each other, Recreation Organization and other community uses and to submit any planned renovations/repairs to Facilities at the Scheduling Meetings so as to assist in accurate seasonal planning. Such work will be coordinated with the affected sites' administrator.

6. CIVIC CENTER ACT

Both parties acknowledge that School District's Facilities may be a "civic center" pursuant to the Civic Center Act (Education Code Sections 38130 et seq.) and that the use of School District's Facilities may be required to comply with the provisions of the Civic Center Act. Both Parties understand that other individuals or entities may utilize the School District Facilities pursuant to the Civic Center Act.

7. TERM OF THIS AGREEMENT

7.1 Original Term.

The term of this Agreement shall be for a period of three (3) years and shall commence upon the entry of this Agreement.

7.2 Option to Renew.

The Parties may extend this Agreement by mutual agreement for four additional terms of three (3) years each ("Subsequent Terms").

7.3 Termination.

In the event that either Party wishes to terminate this Agreement for any reason or remove one or more of the School District Facilities or City Facilities listed in Exhibit "A" from use under this Agreement, the terminating Party shall notify the other Party in writing six (6) months in advance of the intended date of termination.

7.3.1 Notwithstanding the foregoing, the Parties may agree to extend or otherwise waive any termination right, upon mutual approval by the Parties respective governing boards, in order to maximize any applicable State, Federal, or local public agency grant applications that are approved by the School District prior to application by the City.

8. INDEMNIFICATION AND INSURANCE

8.1 Mutual Indemnification.

8.1.1 School District agrees to hold harmless, defend, and indemnify City against all actions, claims, or demands for injury, death, loss, or damage, regardless of fault or cause, by anyone whomsoever (except to the extent such injury, death, loss, or damage was due to the willful acts or omissions of City, its agents, servants, or employees), whenever such injury, death, loss or damage is a consequence of, arises out of the use of the Facilities by School District or its agents, servants, employees, or implementation of this Agreement, including without limitation, negligent acts or omissions of School District involving the condition of the Facilities for which the School District was obligated to maintain or supervise.

8.1.2 City agrees to hold harmless, defend, and indemnify School District against all actions, claims, or demands for injury, death, loss or damages, regardless of fault or cause, by anyone whomsoever (except to the extent such injury, death, loss, or damage was due to the willful acts or omissions of School District, its agents, servants, or employees), whenever such injury, death, loss, damage or claim is a consequence of, or arises out of the use of the Facilities by City or its agents, servants, employees, or implementation of this Agreement, including without limitation, negligent acts or omissions of City or Recreation Organizations involving the condition of the Facilities for which the City was obligated to maintain or supervise.

8.1.3 The provision of indemnity set forth in this Section 8.1 shall not be construed to obligate a Party to pay any liability including but not limited to punitive damages, which by law would be contrary to public policy or otherwise unlawful.

8.2 Insurance

8.2.1 Each party shall procure and maintain, at its own cost and expense during the period of this Agreement, comprehensive general liability insurance coverage, for its acts or omissions described herein in a form satisfactory to the other Party in the following minimum amounts:

Bodily injury (including death)	\$1,000,000.00
Each person, each occurrence	\$1,000,000.00
Property damage	\$1,000,000.00

8.2.2 Policies and certificates evidencing each Party's coverage shall be filed with the other Party, shall include the other Party as a named additional insured, and shall be primary. Said policies or certificates shall provide thirty (30) days' written notice to the other Party prior to any material change, termination or cancellation.

8.2.3 The insurance limits referred to herein may be increased from time to time by mutual written consent in accord with then accepted practice for California public agencies.

8.2.4 The insurance policies shall insure against all liability of the Party procuring insurance, its representatives, employees, invitee and agents arising from or in connection with, each Party's use of the Facilities and shall insure performance by such Party of any of the hold harmless provisions set forth herein. Each Party shall make certain that the other Party is named as an additional insured under the insurance policy.

8.2.5 The insurance required under this section shall be issued by either a reputable insurance company admitted to do business in California, in a form reasonably acceptable to the other Party, or through a joint powers authority, or similar entity, formed for the purpose of providing insurance to public entities.

8.2.6 The Parties recognize that insurance practices and requirements of a school district and a municipality may differ from that of private parties and may change

from time to time. During any period of time in which the Parties, as regular practice do not maintain insurance but rather self-insurer or participate in a joint powers agreement with other governmental entities, the parties may meet their insurance requirements under this Section in the same manner.

8.3 Privileges and Immunities.

Notwithstanding anything to the contrary in this Agreement, neither Party waives any of the privileges, immunities from liability, exemptions from laws, ordinances, rules, or other benefits which apply to the activity of officers, agents, or employees of either Party.

9. NOTICES

9.1 All formal notices, demands, and communications between the Parties shall be given either by (i) personal service; (ii) delivery by reputable document delivery service, such as FedEx, that provides a receipt showing date and time of delivery; (iii) email; or (iv) mailing via first-class United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

If to School District:

Banning Unified School District
Attention: Superintendent
161 West Williams Street
Banning, CA 92220
Fax: (951) 922-2766

If to City:

City of Banning
Attention: City Manager
99 East Ramsey Street
Banning, CA 92220
Fax: (951) 922-3112

9.2 Notices personally delivered, delivered by document delivery service, or emailed shall be deemed effective upon receipt. Notices mailed shall be deemed effective at noon on the second business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent such other addresses as any Party may from time to time designate in a notice delivered in accordance with the requirements of this Section.

9.3 The notice requirements in this Section shall not be construed to apply to any communications between the Parties from time to time for purposes of scheduling or other routine administration of this Agreement.

9.4 The Parties will provide each other after-hours emergency contact phone numbers of appropriate supervisory staff which shall be periodically updated. Such lists will also include emergency contact numbers for other facilities which may be utilized in the event of a community emergency.

10. MISCELLANEOUS

10.1 Binding on Successors.

The terms and conditions herein contained shall apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the parties hereto.

10.2 Supervision

10.2.1 Each Party must ensure its respective activities at the Facilities are appropriately supervised.

10.2.2 With Respect to Recreation Organizations, City shall be responsible for the scheduling of recreation programs by such Recreation Organizations. City shall require each of the Recreation Organizations to execute a document stating the following:

[Name of Recreation Organization] agrees to hold harmless, defend and indemnify School District and City against all action, claims, or demands, for injury, death, loss or damages, regardless of fault or cause, by anyone whomsoever (except where such injury, death, loss or damage was solely due to the willful acts or omissions of City or School District, its agents, servants, or employees), whenever such injury, death, loss, damage or claim is a consequence of, or arises out of the use of the Facilities by [Name of Organization] or its agents, servants or employees.

10.3 Inconsistent Use.

In the event that either Party's governing board should determine that the other Party's use of its Facilities is inconsistent with its own use of its Facilities or that the other Party's use interferes with necessary programs and activities at its Facilities, the Parties agree to resolve such dispute pursuant to Section 7.3 or 10.4 of this Agreement.

10.4 Dispute Resolution.

In the event any dispute arises over the scheduling of Facilities or any other terms of this Agreement, it is the intention of the Parties to quickly and cost-effectively resolve such dispute. Each Party shall, upon the occurrence of a dispute, immediately make informal attempts to resolve the dispute. Not less than 30 calendar days after first making informal attempts to resolve the dispute, a Party may, as a condition precedent to filing any action, initiate mediation or arbitration. If the Parties settle a dispute after mediation or arbitration has commenced, the Parties shall cancel the mediation or arbitration and, unless agreed otherwise, shall equally share the costs of the mediation or arbitration. An arbitration shall be binding only upon consent of both Parties. Unless a mediation or arbitration is canceled by the Parties due to settlement of the relevant dispute, the mediation or arbitration must be completed prior to the filing of any related action or judicial proceeding. The Parties shall not be required to comply with this section if seeking injunctive or other equitable relief.

10.5 Official Representatives.

The official representatives for School District and City shall be the Superintendent or his/her designee and the City Manager or his/her designee respectively. These official representatives shall be responsible for assuring compliance with the rules for the use of the Facilities including without limitation School District and City's administrative regulations.

10.6 No Assignment of Rights.

No rights which School District or City has under this Agreement may be assigned to any other person or corporation without prior written approval of the Parties.

10.7 Employees.

10.7.1 For purposes of this Agreement, all persons employed in the performance of services and functions for the City shall be deemed City employees and no City employee shall be considered as an employee of the School District under the jurisdiction of the School District, nor shall such City employees have any School District pension, civil service, or other status while an employee of the City.

10.7.2 For purposes of this Agreement, all persons employed in the performance of services and functions for the School District shall be deemed School District employees and no School District employee shall be considered as an employee of the City under the jurisdiction of the City, nor shall such School District employees have any City pension, civil service, or other status while an employee of the School District.

10.8 Recreation Program Costs.

Except as otherwise provided, neither Party shall be responsible to the other Party for the cost of the other Party's recreation programs or the cost of any third party organization which might benefit from a particular aspect of this Agreement. The City covenants and agrees to bear all costs that it should incur in respect to the operation of any recreation program, including the cost of service of its employees and incidental costs in connection therewith. School District covenants and agrees to bear all costs that should incur in respect to the operation of any school activity.

10.9 Specific Provisions.

10.9.1 Locks – Keying and Access Authorization.

The lock style, types of gates, and key/code authorization to be utilized at each individual Facility will be coordinated in such a manner to allow access to both Parties while maintaining the safety and property security of such Facility. Whichever Party used the Facility last shall be responsible for ensuring the Facility is appropriately locked or otherwise secured.

10.9.2 Joint Parking.

The Parties concur to allow parking in designated parking areas which will minimize off-site parking intrusion to surrounding properties.

10.9.3 Irrigation.

In recognition of the Parties' mutual interest in controlling short and long term costs, the Parties mutually agree to explore, and implement at sites where it is found to be feasible, the installation and/or use of recycled and/or well water for irrigation purposes.

10.9.4 Utilities.

Each Party shall specify in advance special use that may incur charges, and each shall promptly pay, after written request, charges for utilities (including without limitation, water, sewage, electrically and gas) attributable to the special use.

10.10 Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California and to the extent that there is any conflict between this Agreement and the laws of the State of California, the laws of the State of California shall prevail.

10.11 Improvements.

Title to all improvements to be constructed on the Facilities shall be held by the owner of the Facility upon which such improvements were made unless the Parties enter into an agreement to the contrary.

10.12 Entire Agreement.

This Agreement is intended by the Parties as a final expression of their understanding with respect to the use of recreational use of Facilities and is a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. This Agreement may be changed or modified only upon written consent of the Parties.

10.13 Amendments.

The Parties agree that it may be desirable in the future to modify the rights and obligations of the Parties. Therefore, this Agreement may be modified or amended upon written agreement of the Parties, duly executed by both Parties.

10.14 Joint Preparation.

This Agreement shall be deemed to have been prepared jointly by the Parties, and the usual rule that the provisions of a document are to be construed against the drafter shall not apply.

10.15 Waiver.

Failure by a Party to enforce any term, condition, restriction, or provision herein, in any certain instance or on any particular occasion, shall not be deemed a waiver of such enforcement right, with respect to that or any future breach of the same or any other term, condition, restriction, or provision.

10.16 Severability.

If any Article, Section, provision, paragraph, sentence, clause or phrase contained in this Agreement shall become illegal, null or void, or against public policy for any reason, or shall be held by a court of competent jurisdiction to be illegal, null or void, or against public policy, the remaining Articles, Sections, provisions, paragraphs, sentences, clauses and phrases contained herein shall not be affected thereby.

IN WITNESS WHEREOF, the District and the City have executed this Agreement as of the date first above written.

CITY OF BANNING

By: _____
Alejandro Diaz, Acting City Manager

ATTEST:

Sonja De La Fuente, Deputy City Clerk

BANNING UNIFIED SCHOOL DISTRICT

By: _____
Robert T. Guillen, Superintendent

ATTEST:

Catherine Bagnara, Director, Fiscal Services

APPROVED AS TO FORM BY THE CITY
ATTORNEY FOR THE CITY OF BANNING

John C. Cotti, Jenkins & Hogin LLP
Interim City Attorney

APPROVED AS TO FORM BY THE
ATTORNEY FOR THE BANNING
UNIFIED SCHOOL DISTRICT

Banning USD Attorney

EXHIBIT "A"

DESCRIPTION OF THE FACILITIES SUBJECT TO THIS AGREEMENT

Banning Unified School District Facilities:

Central Elementary School – 295 n. San Gorgonio Avenue, Banning

- Play fields
- Multi-purpose building (for non-sport events)

Cabazon Elementary School – 50575 Carmen Street, Cabazon

- Play fields
- Multi-purpose building (for non-sport events)

Hemmerling Elementary School – 1928 W. Nicolet Street, Banning

- Play fields
- Multi-purpose building (for non-sport events)

Hoffer Elementary School – 1115 East Hoffer Street, Banning

- Play fields
- Multi-purpose building (for non-sport events)

Coombs Alternative Education – 1151 West Wilson Street, Banning

- Play fields
- Multi-purpose building (for non-sport events)

Nicolet Middle School – 101 East Nicolet Street, Banning

- Gym
- Football field
- Track
- Baseball field

Banning High School – 100 West Westward Street, Banning

- Gym (for special events only, such as annual Community Youth Basketball, and with adequate security and supervision)
- Baseball fields (maximum of twice per year for annual Tournaments, with adequate security and supervision)
- Pool (for staff training and certification only, with adequate security and supervision)
- Multi-purpose building (for non-sport events)

City of Banning:

Civic Center – 99 East Ramsey Street, Banning
Facilities limited to: Small Conference Room
Large Conference Room
Council Chambers
Restrooms (ancillary to use of other listed facilities)
Parking Lot (ancillary to use of other listed facilities)

Banning Community Center – 789 North San Gorgonio Avenue, Banning

Banning Senior Center – 769 North San Gorgonio Avenue, Banning

Repplier Park Aquatic Center – 749 North San Gorgonio Avenue, Banning

Repplier Park – Corner of 4th Street and George Street, Banning (includes amphitheater)

Roosevelt Williams Park – 1100 East George Street, Banning

Sylvan Park – Corner of Nicolet Street and Sylvan Avenue, Banning

Lions Park – Corner of Charles Street and Hargrave Street, Banning

Dysart Park – 2101 West Victory Street, Banning

City wide light poles

EXHIBIT "B"

FACILITIES USE FORMS

BANNING UNIFIED SCHOOL DISTRICT

Attached

CITY OF BANNING

Attached

00595-00005/3793299.1

Use of Kitchen Facilities:

Kitchen facilities are available after 2:00 p.m. on days when school is in session.

Time of Use: From _____ a.m./p.m. to _____ a.m./p.m. No. Persons to be served _____ Coffee Urn Needed

A Food Service employee of the district must be present whenever kitchens are used. Service fees may apply in accordance with district board policy. Questions should be directed to Nutrition Services Department at (951) 922-0217.

APPROVED DENIED Director of Nutrition Services (if kitchen use is requested) _____ Date _____
Comments:

Use of Athletic Facilities:

Questions should be directed to Maintenance, Operations & Transportation at (951) 922-0274.

APPROVED DENIED Director of MOT (if athletic use is requested) _____ Date _____
Comments:

Applicant Certification

I certify that I shall be personally responsible on behalf of our organization for any damage or unnecessary abuse of school buildings, grounds and equipment growing out of the occupancy of the premises by our organization. I agree to abide by and enforce Board Policy and rules and regulations (attached) of the Banning Unified School District governing the non-school use of buildings, grounds and equipment, and acknowledge receipt of a copy of the rules and regulations. On behalf of my organization and myself, we agree to hold harmless, defend, and indemnify the Banning Unified School District, its Board of Education, the individual members thereof, and all district officers, agents and employees, against all actions, claims, or demands for injury, death, loss or damages, regardless of fault or cause, by anyone whomsoever, whenever such injury, death, loss, damage or claim is a consequence of, or arises out of the use of the facilities by the applicant or its agents, servants, employees, or implementation of this agreement.

Applicant's Name (Please Print) _____

Applicant's Signature _____ Date _____

Site Approval

Site will be responsible for the necessary set-up. Site will require the assistance of MOT for the necessary set up.

APPROVED DENIED Principal's Signature _____ Date _____
Send completed form to the Facilities Office for approval

Business Office Approval

Group 1 Group 2 Banning Unified School District Entity

Certificate of Insurance naming district as additional insured to a minimum of \$1,000,000.00 received by District on _____

Facility Fee: \$ _____ /hr. x _____ hrs. = \$ _____ Labor Fee for District Employee: \$ _____ /hr. x _____ hrs. = \$ _____

TOTAL FEES: \$ _____ Invoice # _____ NO CHARGE

APPROVED DENIED Superintendent _____ Date _____

Banning Unified School District is a Tobacco Free Zone – No smoking on District property.

Incomplete applications will be returned to the site.

BANNING UNIFIED SCHOOL DISTRICT
USE OF FACILITIES APPLICATION AND AGREEMENT
Not District Sponsored Event

Submission of this form does not constitute approval. A copy will be returned to organization marked approved or denied.

Applicants must be able to produce an approved copy of the application by the site on the day of the event.

Lack of such document could be grounds for dismissal from the facility with no refund due to organization.

Applicant/Organization Information

Name of Organization: _____ Contact Phone: _____

Billing Address: _____ Alternate Phone: _____

Authorized Contact Person: _____ Contact Email: _____

Statement of Information as Required by Education Code: The undersigned states that, to the best of his/her knowledge, the school property for use of which application is hereby made will not be used for the commission of any act intended to further any program or movement, the purpose of which is to accomplish the overthrow of the Government of the United States by force, violence or other unlawful means.

That _____ (organization name) does not, to the best of his/her knowledge, advocate the overthrow of the Government of the United States or of the State of California by force, violence, or other unlawful means, and that, to the best of his/her knowledge, it is not a Communist front organization required by law to be registered with the Attorney General of the United States. This statement made under the penalties of perjury.

Authorized Officer _____ Title _____

Authorized Signature _____ Date _____

Event Information

Event: _____

Open to the Public: Yes No Expected Attendance _____ Will admission be charged or donation accepted: Yes No

Certificate of Insurance naming the district as additional insured to a minimum of \$1,000,000.00 must be attached with application.

Please Note: District sponsored events take precedence over outside entities. There is a possibility that a District program may preempt your scheduled use. In the rare event you are preempted, a choice of an alternative location may be offered or a full refund for that use will be granted. The District shall not be held liable in any way for any preemptions.

Site Request Information

Site being Requested: _____

Date of Event*: _____ Mon Tues Weds Thurs Fri Sat Sun

Start time of event _____ am/pm End time of event _____ am/pm Total Hours Requested _____

*For multiple dates please attach a schedule.

Facility/Equipment Request Information

<input type="checkbox"/> Athletic Field/Lawn**	<input type="checkbox"/> Field Lining**	<input type="checkbox"/> P.A. System	<input type="checkbox"/> Stadium w/Lights**	<input type="checkbox"/> Stadium**	<input type="checkbox"/> Overhead
<input type="checkbox"/> Athletic Field w/Lights**	<input type="checkbox"/> Gymnasium**	<input type="checkbox"/> Multi-Purpose Room	<input type="checkbox"/> Parking Lot	<input type="checkbox"/> Music Room	<input type="checkbox"/> Library
<input type="checkbox"/> Auditorium	<input type="checkbox"/> Gymnasium w/Locker Room **	Boys _____	Girls _____	<input type="checkbox"/> Tennis Courts	<input type="checkbox"/> Pool**
<input type="checkbox"/> Scoreboard	<input type="checkbox"/> Classroom RM# _____		<input type="checkbox"/> Multi-Purpose w/Kitchen*		<input type="checkbox"/> Kitchen*
<input type="checkbox"/> Restrooms	<input type="checkbox"/> Chairs # _____		<input type="checkbox"/> D.O. Conference Room		<input type="checkbox"/> Lectern
<input type="checkbox"/> TV/Monitor	<input type="checkbox"/> Tables # _____		<input type="checkbox"/> Other: _____		

* = requires Kitchen Facilities Approval; ** = requires Athletic Facilities Approval

CITY OF BANNING COMMUNITY SERVICES DEPARTMENT

789 N. San Gorgonio Avenue, P.O. Box 998, Banning, CA 92220 • (951) 922-3242 • Fax (951) 849-0639

APPLICATION FOR FACILITY USE PERMIT

Organization Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Day Phone: _____ Fax: _____

Evening Phone: _____

Check One: Private/Commercial Non Profit #: _____

Activity: _____

Date(s) Requested: _____

Set-up/Preparation Time: From _____ To _____

Event Time: From _____ To _____

Clean-up Time: From _____ To _____

Expected Attendance: _____ Public Invited? Yes No

Please Check Requested Facility(ies):

COMMUNITY CENTER	Private/Commercial	Non Profit
<input type="checkbox"/> Gymnasium (380 Max.)	\$120.00	\$60.00
<input type="checkbox"/> Large Meeting Room (40 Max.)	\$60.00	\$30.00
<input type="checkbox"/> Small Meeting Room (25 Max.)	\$60.00	\$30.00
<input type="checkbox"/> Kitchen & Gym	\$300.00	\$175.00

SENIOR CENTER	Private/Commercial	Non Profit
<input type="checkbox"/> Nutrition Site (135 Max.)	\$85.00	\$45.00
<input type="checkbox"/> Multi-Purpose Room (75 Max.)	\$85.00	\$45.00

REPLPLIER PARK	Private/Commercial	Non Profit
<input type="checkbox"/> Amphitheater Stage	\$35.00	\$30.00

BANNING MUNICIPAL POOL	Private/Commercial	Non Profit
<input type="checkbox"/> Pool (180 max)	\$110 per hour	

PARK FACILITIES	Private/Commercial	Non Profit
<input type="checkbox"/> Picnic Shelter - Park _____	\$25.00	\$25.00
<input type="checkbox"/> Ballfield Park _____	\$25.00	\$25.00
<input type="checkbox"/> Ballfield Lights (per hour, 2 hour min.)	\$15.00	\$15.00
<input type="checkbox"/> Ballfield Preparation	\$35.00	\$35.00
<input type="checkbox"/> Dysart Park	\$120.00	\$120.00

OFFICE USE ONLY

Date Received: _____ By: _____

Approved: _____ Entered: _____

Fees: Rental: _____

Staff*: _____

Subtotal: _____

(Deposit) _____

Total: _____

*Staff _____ hrs x \$ _____ /hr

Fees Waived: _____

Fees Rec'd: _____

Receipt #: _____

Security Deposit
Security Deposit: _____

Receipt #: _____

Insurance Received: _____

CC: Police Department
 Parks Division

Comments: _____

I, on behalf of the above named organization certify that I have read and understand the policies governing the rental and use of the City of Banning facilities and agree to abide by and enforce these policies. I understand that I may be held responsible on behalf of the organization for any damages or unnecessary abuse of the buildings, grounds or equipment as a result of the occupancy of this reservation.

Signature of Applicant: _____ Date: _____

(page 1) Office Copy - (page 2) Customer Copy

POLICIES GOVERNING THE USE OF CITY OF BANNING FACILITIES
(ORDINANCE NO. 1194)

1. City of Banning sponsored events have priority on all facility usage. Other groups may reserve facilities on a first come, first served basis.
2. Applications for use of facilities must be submitted to the Community Center Office a minimum of fifteen (15) working days prior to the requested dates.
3. An Application Deposit (\$25.00/Private or Commercial Groups, \$10.00/Non-Profit Groups) Must accompany a completed Facility Rental Application. If an application is approved, the Application Deposit becomes non-refundable and will be applied to the total rental fees, deposits will be returned for denied applications. Please note: The application deposit is waived for groups having a working agreement with the City of Banning (e.g. Banning Unified School District, etc.)
4. All applications are subject to final approval by staff, and he/she shall have the right to deny use to any applicant.
5. All rental fees, including Security Deposit, Equipment Deposit, shall be paid in full a minimum of two weeks prior to the event. Only acceptable form of payment are cash, cashier check or money order. If all fees are not received a minimum of two weeks prior to event, scheduled event will be cancelled.
6. All events are subject to a Security Deposit (\$200/Private or Commercial Groups, \$100/Non-Profit Groups), and the Security Deposit must be submitted at the time rental fees are paid. Security deposit must be paid in cash only. CHECKS WILL NOT be accepted for the Security Deposit. The Security Deposit will be refunded the Wednesday after completion of the event, provided the facility has been cleaned, no repairs are needed, and all equipment is returned. If damage to the facility is sustained during the event, or equipment is damaged or missing, charges will be determined by City Staff and deducted from the deposit. Note: Equipment, such as TV, VCR, PA System, etc., may require a separate equipment deposit.
7. User of facility shall assume full liability for injury to person or damage to property caused by negligence or the improper or unauthorized usage of the facility. As a result, applicants must provide a Certificate of Insurance, naming the City of Banning as additional insured, with limits of \$1,000,000.00 Bodily Injury and Property Damage combined. Special Event Insurance packets may be picked up by applicant at the Community Center.
8. Depending upon the nature of the event, applicants may also be required to secure any or all of the following: Special Event Permit, Security Guards (1 for 100 people), etc.
9. Decorations are not permitted unless prior approval is given. If permitted, the following requirements apply:
 - Decorations may not be fastened to light fixtures
 - Only masking tape may be used to hang decorations
 - Existing Facility Decorations may not be removed
 - Open flame devices are prohibited
 - All decorations must be removed following the event
10. No one, other than assigned City of Banning staff, shall operate the lighting, heating, cooling, or PA system.
11. Absolutely no alcoholic beverages will be permitted at any facility.
12. All events must be completed according to reservation. No event may extend past 12:30 a.m., and all facilities must be completely cleaned and vacated by 1:00 a.m.
13. All facilities (including parking lots) must be returned to original condition following all events.
14. Staff fees will be required for groups using park site buildings. Staff fees will also be required for community center or senior center facilities outside regular working hours (Monday - Friday, 8:00 a.m. - 5:00 p.m.). In addition, groups reserving a Picnic Shelter, who require special maintenance prior to use, will be charged a minimum of two (2) hours staff time. Staff fees are:
 - \$12.00/hour Monday - Thursday (8:00 a.m. - 9:00 p.m.)
 - \$21.00/hour Monday - Thursday (9:00 p.m. - 1:00 a.m.), Fridays, Saturdays, Sundays and City Holidays.



**CITY OF BANNING
CITY COUNCIL REPORT**

TO:

CITY COUNCIL

FROM:

Alejandro Diaz, Interim City Manager

PREPARED BY: **Sonja De La Fuente, Deputy City Clerk**

MEETING DATE: **September 11, 2017**

SUBJECT: **Request for Sponsorship from the Banning Chamber of Commerce**

RECOMMENDATION:

Consider approving a Sponsorship request from the Banning Chamber of Commerce in the amount of \$1,000 for the Membership Appreciation event on October 3, 2017 and authorizing the City Manager or his designee to make necessary budget adjustments.

BACKGROUND:

The City is in receipt of a \$1,000 sponsorship request from the Banning Chamber of Commerce for their Membership Appreciation Event on October 3, 2017.

OPTIONS:

1. Approve request for sponsorship.
2. Approve a sponsorship in a different amount.
3. Deny request for sponsorship.

FISCAL IMPACT:

\$1,000 would be transferred from the City's Contingency Fund to the City Council Special Programs/Community Promotion Fund.

ATTACHMENTS:

1. Request for Sponsorship

Approved by:



Alejandro Diaz
Interim Manager

ATTACHMENT 1

Honorable Mayor
and Members of the City Council

Board of Directory

Onoalyse Lyons
President

Laura Leindecker
Vice President

Steve Walther
Treasurer

Reako Davis
Secretary

Ron Duncan
Board Member

Michael O'Neil
Board Member

Juan De La Fuente
Board Member

Robin Calder
Board Member

Heather Perry
Board Member

Joshua Chavez
Office Manager

On October 3 the Banning Chamber of Commerce will be holding the *Membership Appreciation* event, at which time we feel an ideal sponsor, match for this event would be the City of Banning, who better to let businesses know that the City cares about "commerce"; and want to recognize this community, by being a sponsor of said event.

Membership Appreciation - October 3 event. A commerce event, a thank you event, a time to say hello. Gives the members/businesses an opportunity to meet you the Council, opportunity to say hello to each and everyone of you, Don - Debbie - George - Art - and Daniela.

Banning Chamber has never attempted this before . . . we knew it was time for recognition, and we cannot do it alone - together, a dynamic event. Banning Council your presence is an open invitation, sponsorship or no. Sponsorship request a \$1,000.00; this will give signage on ephemera, social media. more than that unity. We thank you for your consideration, and time. Invitation attached.

Onoalyse Lyons,
Onoalyse Lyons
President

Board of Directory

Onealyse Lyons
President

Laura Leindecker
Vice President

Steve Walthers
Treasurer

Reako Davis
Secretary

Ron Duncan
Board Member

Michael O'Neil
Board Member

Juan De La Fuente
Board Member

Robin Calder
Board Member

Heather Perry
Board Member

Joshua Chavez
Office Manager



Honorable Mayor
and Members of the City Council:

Membership Appreciation Day, the Banning Chamber of Commerce Board of Directors felt it was time to say *Thank You* to our Members for coming on board, and *Thank You* for those who have remained on board. Many times people say: no Executive Director - we say we have an active Board, and we do!

We hold events where we partner with nonprofits, to give back to organizations, the community. We have honored the Banning Police at last years Installation Dinner; our St. Patrick's Day Golf Tournament gave to B.P.A.L., the car show benefited VFW Post 233, and the Membership Appreciation is a gratis/Thank You to our members/ business community.

Our Board work as a whole, diligently/happily with businesses/community, schools - with nonprofits; we are part of the community - as City Council can attest to: George Moyer, Debbie Franklin, Art Welch and Councilwoman Andrade have seen when attending our Sunrise Banning Breakfasts.



*You're
Invited!*

Banning Chamber of Commerce
Membership Appreciation Day

Tuesday October 3, 2017

5:00 p.m. - 7:00 p.m.

Drum Room, Morongo Casino Resort

Members Gratis / Guests \$35.00 - Cash Bar

R.S.V.P. Joshuah, Banning Chamber 951.849.4695



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Alejandro Diaz, Interim City Manager

PREPARED BY: Art Vela, Director of Public Works

MEETING DATE: September 11, 2017

SUBJECT: Resolution 2017-86, Approving an Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, CA for a Focused Burrowing Owl Survey

RECOMMENDED ACTION:

The City Council consider adopting Resolution 2017-86:

1. Approving the First Amendment to the Professional Services Agreement with Albert. A. Webb Associates of Riverside, CA in the amount of \$7,300 for a Focused Burrowing Owl Survey, increasing the total contract amount to \$73,600.
2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations, and transfers related to Resolution 2017-86.
3. Authorizing the City Manager to execute the First Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, CA in the amount of \$7,300.

BACKGROUND:

On November 7, 2016 City Council awarded a Professional Services Agreement to Albert A. Webb Associates (Webb) for Lions Park Environmental Services in the amount of \$66,300 under Resolution 2016-102. Webb's scope of work includes the development of documents to support compliance with the California Environmental Quality Act (CEQA).

The original proposal listed optional tasks including a focused burrowing owl survey, narrow endemic plant survey and Determination of Biologically Equivalent or Superior Preservation (DBESP) analysis. The necessity of these items were to be determined at a later date and not included in the original contract award, to be decided once the services were underway and a thorough site assessment could be conducted.

JUSTIFICATION:

Following the site assessment, Webb determined that based on the Western Riverside County MSCHP Consistency Report that the project lies with the Western Riverside Multiple Species Habitat Conservation Plan (MSHCP). Furthermore, upon surveying the site, it appeared that burrowing owl habitat may be present; therefore, requiring a focused burrowing owl survey.

If the burrowing surveys were not completed, then the project would not be able to demonstrate consistency with Section 6.3.2 of the MSHCP and therefore would not be able to make the CEQA findings that the project would not conflict with the MSHCP. Section 6.3.2 of the MSHCP requires all projects within the burrowing owl survey area to conduct a habitat suitability survey and if suitable habitat is found, then focused surveys are required. The biological assessment completed for the Lions Park project did determine there was suitable habitat on site, therefore focused surveys are required.

As a result, the amendment includes a focused burrowing owl survey conducted in accordance with the "Burrowing Owl Survey Instructions for the Western Riverside MSHCP Area" in the amount of \$7,300.

FISCAL IMPACT:

The First Amendment to the Professional Services Agreement with Albert A. Webb Associated in the amount of \$7,300 will be funded by the Parkland Development Fund, Account No. 451-3600-461.90-69.

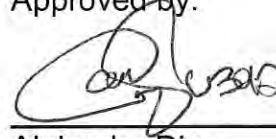
OPTIONS:

1. Approve as recommended.
2. Do not approve and provide alternative direction.

ATTACHMENTS:

1. Resolution 2017-86
2. Resolution 2016-102
3. Webb Proposal

Approved by:



Alejandro Diaz
Interim City Manager

ATTACHMENT 1

(Resolution 2017-86)

RESOLUTION 2017-86

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ALBERT A. WEBB ASSOCIATES OF RIVERSIDE, CA FOR A FOCUSED BURROWING OWL SURVEY IN THE AMOUNT OF \$7,300

WHEREAS, the Lions Park Expansion project must comply with the requirements of the California Environmental Quality Act (CEQA); and

WHEREAS, on November 7, 2016 City Council awarded a Professional Services Agreement (PSA) to Albert A. Webb Associates (Webb) for Lions Park Expansion Environmental Services which includes identifying environmental impacts that the project may create and the preparation of CEQA documents; and

WHEREAS, assessment of the site and surveying indicated that the site was within and regulated by the Western Riverside County Multiple Species Habitat Conservation Plan Consistency Report requiring a focused burrowing owl survey; and

WHEREAS, the site assessment also indicated that there may be burrowing owl habitat requiring further investigation; and

WHEREAS, the First Amendment to the Professional Services Agreement with Albert A. Webb Associates in the amount of \$7,300 will be funded by the Parkland Development Fund, Account No. 451-3600-461.90-69.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The Banning City Council adopts Resolution 2017-86 approving a First Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, California in an amount of \$7,300 for a Focused Burrowing Owl Survey.

SECTION 2. The City Manager or his designee is authorized to make necessary budget adjustments, appropriations and transfers related to this amendment.

SECTION 3. The City Manager is authorized to execute the First Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, California, in a form approved by the City Attorney.

PASSED, APPROVED AND ADOPTED this 11th day of September, 2017.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLP

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2017-86, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 11th day of September, 2017, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

(Resolution 2016-102)

RESOLUTION 2016-102

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA,
AWARDING A PROFESSIONAL SERVICES AGREEMENT TO ALBERT A. WEBB
ASSOCIATES FOR LIONS PARK ENVIRONMENTAL SERVICES IN AN AMOUNT
OF \$66,300**

WHEREAS, Lions Park is located in southeast Banning on the northwest corner of South Hargrave Street and Charles Street (APN543-080-008) and is approximately 9.12 acres and consists of three baseball diamonds, snack bar facility and children's playground; and

WHEREAS, the City owns the vacant 7.46 acres to the west of Lions Park (APN 543-080-006) and intends to expand the existing park to include two multi-purpose fields, parking lot, landscaping and irrigation; and

WHEREAS, the scope of services for environmental services includes the preparation of complete California Environmental Quality Act (CEQA) documents including application preparation, preparation of the initial study checklist, evaluation of the environmental setting and impacts, and the preparation or review of all technical studies associated with the environmental documents required in order to proceed with the construction of said project; and

WHEREAS, on May 16, 2016 City Council approved Resolution 2016-38, shortlisting three (3) qualified environmental firms to provide the City On-Call services and City staff solicited proposals from the three (3) qualified firms for the preparation of environmental documents required for the expansion of Lions Park; and

WHEREAS, staff received proposals from two of the firms with the recommendation of a contract award to Albert A. Webb Associates in the amount of \$66,300; and

WHEREAS, the Lions Park Expansion project is on the approved Capital Improvement Projects List for Fiscal Years 2016-2020 and the Professional Services Agreement with Albert A. Webb Associates in the amount of \$66,300 will be funded by the Parkland Development and Beyond Program Grant funds, Account No. 451-3600-461.90-69.

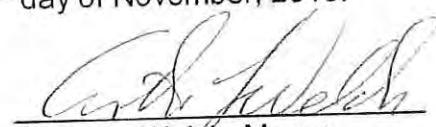
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The Banning City Council adopts Resolution 2016-102 awarding a Professional Services Agreement to Albert A. Webb Associates of Riverside, CA in an amount of \$66,300 for Lions Park Environmental Services.

SECTION 2. The City Manager or his designee is authorized to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement for Lions Park Environmental Services.

SECTION 3. The City Manager is authorized to execute the Professional Services Agreement with Albert A. Webb Associates of Riverside, CA in an amount of \$66,300 for the Lions Park Environmental Services

PASSED, APPROVED AND ADOPTED this 7th day of November, 2016.



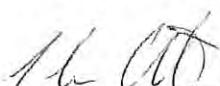
Arthur L. Welch, Mayor
City of Banning

ATTEST:



Marie A. Calderon, City Clerk
City of Banning

APPROVED AS TO FORM AND
LEGAL CONTENT:



John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLC

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2016-102, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 7th day of November, 2016, by the following vote, to wit:

AYES: Councilmembers Franklin, Miller, Moyer, Peterson, Mayor Welch

NOES: None

ABSTAIN: None

ABSENT: None



Marie A. Calderon,
City of Banning, California

ATTACHMENT 3

(Webb Proposal)

Corporate Headquarters
3788 McCray Street
Riverside, CA 92506
951.686.1070

August 21, 2017

Palm Desert Office
36-951 Cook Street #103
Palm Desert, CA 92211
760.568.5005

Art Vela
City of Banning Public Works Department
99 E. Ramsey Street
Banning, CA 92220

Murrieta Office
41391 Kalmia Street #320
Murrieta, CA 92562
951.686.1070

Re: Request for Contract Amendment No. 1
LION'S PARK – Focused Burrowing Owl Surveys

Dear Mr. Vela,

This amendment request includes the scope necessary to perform a Focused Burrowing Owl Survey which was included as an optional study in our original proposal but not included as part of the City's Purchase Order No. 028227. Because the Western Riverside County MSCHP Consistency Report for the proposed Lion's Park Project concluded that the Project site lies within the Western Riverside Multiple Species Habitat Conservation Plan survey area for burrowing owl and contains some burrowing owl habitat, Focused Burrowing Owl Surveys were required and conducted. Therefore, we are requesting a contract amendment to cover this additional service.

Should you find this amendment request acceptable, please sign, date, and return a signed copy to me for our files. We appreciate the opportunity to be of continued service. If you have questions, or need additional information, please contact me at (951)686-1070.

Sincerely,

ALBERT A. WEBB ASSOCIATES



Stephanie Standerfer
Vice President

Agreed to and accepted by [City of Banning]

Printed Name & Title: _____

Signature: _____

Date: _____



www.webbassociates.com

Focused Burrowing Owl Survey

- If the burrowing owl (BUOW) habitat assessment reveals that a burrowing owl burrow survey and focused Burrowing Owl surveys are required, the surveys will be conducted in accordance with *Burrowing Owl Survey Instructions for the Western Riverside Multiple Species Habitat Conservation Plan Area* (County of Riverside Environmental Programs Department, 3/29/06) as further described below.
- Part A: Focused Burrow Surveys – A focused burrow survey that includes natural burrows or suitable man-made structures will be conducted. A systematic survey for burrows including burrowing owl sign will be conducted by walking through suitable habitat over the entire survey area (i.e. the project site and within 150 meters). Pedestrian survey transects will be spaced to allow 100% visual coverage of the ground surface. The distance between transect center lines will be no more than 30 meters (approximately 100 feet) and will be reduced to account for differences in terrain, vegetation density, and ground surface visibility. The location of all suitable burrowing owl habitat, potential owl burrows, burrowing owl sign, and any owls observed will be recorded and mapped, including GPS coordinates. If the survey area contains natural or man-made structures that could potentially support burrowing owls, or owls are observed during the burrow surveys, then systematic surveys should continue as described in Part B. If no potential burrows are detected, no further surveys will be required.
- Part B: Focused Burrowing Owl Surveys – Focused burrow surveys and four breeding season focused BUOW surveys will need to be performed between March 1 and August 31 (during the breeding season). Focused Burrowing Owl Surveys will consist of visits to the project area on four separate days. If practicable, the first one will be conducted concurrent with the Focused Burrow Survey. Upon arrival at the survey area and prior to initiating the walking surveys, biologists will scan all suitable habitat, location of mapped burrows, owl sign, and owls, including perch locations to ascertain owl presence the site using binoculars and/or spotting scopes. A survey for owls and owl signs will then be conducted by walking through suitable habitat over the entire project alignment and within the adjacent 150 m (approx. 500 feet). These “pedestrian surveys” will follow transects (i.e. survey transects that are spaced to allow 100% visual coverage of the ground surface. The distance between transect center lines will be no more than 30 meters (approx. 100 feet) and will be reduced to account for differences in terrain, vegetation density, and ground surface visibility. If there is no access to the area surrounding the project site (vicinity), then the area adjacent to the project site will also be surveyed using binoculars and/or spotting scopes to determine if owls are present in areas adjacent to the project alignment site. This 150-meter buffer zone is included to fully characterize the population. If the site is determined not to be occupied, no further surveys are required until 30 days prior to grading. Results of the BUOW surveys including the methodology transect width, duration, conditions, and findings will be incorporated into a WRCMSHCP compliant burrowing owl report. A draft copy of the report will be provided for review. One revision to the draft report is included. Following review, any necessary changes will be made and a final report will be prepared. Appropriate maps showing burrow locations will be included. If BUOW are present, a Determination of Biologically Equivalent or Superior Preservation (DBESP) will be required. In addition, a relocation program and preconstruction surveys may also be necessary. This proposal does not include costs for any type of relocation program or pre-construction survey.

Deliverables:

- Focused Burrowing Owl Survey

SCOPE SERVICES	FEES
Focused Burrowing Owl Survey	\$7,300
Total	\$7,300



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Alejandro Diaz, Interim City Manager

PREPARED BY: Fred Mason, Electric Utility Director
Jim Steffens, Power Resource & Revenue Administrator

MEETING DATE: September 11, 2017

SUBJECT: Resolution 2017-83, Approving the WSPP Confirmation Letter
– Resource Adequacy Purchase Agreement with Shell Energy
North America (US), LP, for Calendar Year 2018

RECOMMENDED ACTION:

The City Council consider adopting Resolution 2017-83:

1. Approving the WSPP Confirmation Letter – Resource Adequacy purchase agreement with Shell Energy North America for calendar year 2018, attached herewith as Exhibit "A" to Attachment 1.
2. Authorizing the City Manager to execute the purchase agreement with Shell Energy North America.

BACKGROUND:

After the California energy crisis, the California Independent System Operator ("CAISO") developed market modifications to ensure that all Load Serving Entities ("LSE"), including the City, have acquired sufficient electricity / capacity to serve their peak demand. The CAISO determined that each LSE must maintain capacity reserves of at least 15% above its projected peak demand and implemented policy changes to ensure that these capacity reserves are available to meet that demand. Additionally, the CAISO requires that a specified amount of each participant's total capacity be from local generating resources, as defined by the CAISO. Lastly, the CAISO requires that a specified amount of each participant's total capacity be "flexible" (fast ramping), as defined by the CAISO.

In order to satisfy the CAISO's requirements, Staff solicited bids from the following twelve qualified energy marketers for 10 MWs of Flexible Local Capacity:

1. Shell Energy North America
2. Tenaska Power Services
3. Inland Empire Energy Center, LLC
4. Evolution Markets Inc.
5. Dynergy
6. Sempra U.S. Gas & Power
7. Calpine
8. EDF Trading
9. NRG Energy
10. Middle River Power
11. California Resource Corporation
12. Energy Dynamix

Attached herewith as Attachment 2 are the requests for bids that were sent out via email. Staff received two responses. However, one of the two responses was for less than the amount of capacity that we had requested, therefore that bid was deemed non-responsive. The responsive bid that we did receive was:

Shell Energy North America	\$3.00/kilowatt month
-----------------------------------	------------------------------

One of the reasons for the limited number of responses is that the minimum standard capacity product is 25 MWs, and there is only a limited amount of marketers that will deal in substandard quantities. Staff did contact other members of SPPA, and the \$3.00/kilowatt month is consistent with the bids that they are receiving. Additionally, the bid price received is the same price as last year's low-price bid. Therefore, staff is confident that this bid price is a competitive price.

JUSTIFICATION:

It is a requirement of all CAISO participants to have a minimum of fifteen percent (15%) capacity reserves. Additionally, the CAISO requires that a specified amount of each participant's total capacity be from local generating resources and "flexible" (fast ramping), as those terms are defined by the CAISO. Banning is a Participating Transmission Owner ("PTO") with the CAISO.

FISCAL IMPACT:

The cost of this transaction is \$3.00/kilowatt month, for a total cost of \$360,000 over the twelve-month contract period. This is a continuing operating expense, and funds have been allocated in the FY 18 and FY 19 budgets to cover the ongoing expenditure.

OPTIONS:

1. Approve as recommended.
2. Do not approve the WSPP Confirmation Letter – Resource Adequacy purchase agreement with Shell Energy North America for calendar year 2018. The lack of flexible local resource adequacy capacity would subject the Electric Utility to penalties and fines by the CAISO.

ATTACHMENTS:

1. Resolution 2017-83
2. Requests for Bids

Approved by:



Alejandro Diaz
Interim City Manager

ATTACHMENT 1

(Resolution 2017-83)

RESOLUTION 2017-83

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE WSPP CONFIRMATION LETTER - RESOURCE ADEQUACY PURCHASE AGREEMENT WITH SHELL ENERGY NORTH AMERICA (US), LP FOR CALENDAR YEAR 2018

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, the City is a Participating Transmission Owner ("PTO") with the California Independent System Operator ("CAISO"); and

WHEREAS, the CAISO has implemented Resource Adequacy ("RA") requirements of 115% requiring a minimum of 15% capacity reserves for all Load Serving Entities ("LSE"); and

WHEREAS, the CAISO requires that a specified amount of each participant's total capacity be from local generating resources, as defined by the CAISO; and

WHEREAS, the CAISO requires that a specified amount of each participant's total capacity be "flexible" (fast ramping), as defined by the CAISO; and

WHEREAS, the City solicited bids from qualified energy marketers for 10 MWs of Flexible Local Capacity and received one qualified response. Shell Energy North America (US), LP, had the lowest responsive bid; and

WHEREAS, funds are available in the FY 18 and FY 19 budgets to cover the expenditures associated with this purchase agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution 2017-83 approving the WSPP Confirmation Letter – Resource Adequacy purchase agreement between the City of Banning and Shell Energy North America (US), LP, attached herewith as Exhibit "A" (the "Agreement").

SECTION 2. Authorize the City Manager to execute the Agreement.

PASSED, APPROVED AND ADOPTED this 11th day of September, 2017.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLP

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2017-83, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 11th day of September, 2017, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

Exhibit “A”

**WSPP CONFIRMATION LETTER - RESOURCE ADEQUACY
BETWEEN
SHELL ENERGY NORTH AMERICA (US), L.P.
AND
CITY OF BANNING**

This Confirmation Letter ("Confirmation") confirms the Transaction between **Shell Energy North America (US), L.P.**, a Delaware limited partnership ("Seller") and **City of Banning** ("Buyer"), and each individually a "Party" and together the "Parties", dated as of August 11, 2017 (the "Confirmation Effective Date") in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Confirmation.

This Transaction is governed by the WSPP Agreement, as amended from time to time (the "WSPP Agreement"). The WSPP Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement or the Tariff (as defined herein below).

ARTICLE 1. DEFINITIONS

- 1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer from a Replacement Unit in accordance with the terms of Section 4.5.
- 1.2 "Applicable Laws" means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body of competent jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.
- 1.3 "Availability Incentive Payments" has the meaning set forth in the Tariff.
- 1.4 "Availability Standards" shall mean the availability standards set forth in Section 40.9 of the Tariff.
- 1.5 "Buyer" has the meaning specified in the introductory paragraph hereof.
- 1.6 "CAISO" means the California Independent System Operator Corporation or its successor.
- 1.7 "Capacity Replacement Price" means (a) the price actually paid for any Replacement Capacity purchased by Buyer pursuant to Section 4.7 hereof, plus costs reasonably incurred by Buyer in purchasing such Replacement Capacity, or (b) absent a purchase of any Replacement Capacity, the market price for such Designated RA Capacity not provided at the Delivery Point. The Buyer shall determine such market prices in a commercially reasonable manner. For purposes of Section 1.51 of the WSPP Agreement, "Capacity Replacement Price" shall be deemed to be the "Replacement Price."
- 1.8 "Confirmation" has the meaning specified in the introductory paragraph hereof.
- 1.9 "Confirmation Effective Date" has the meaning specified in the introductory paragraph hereof.
- 1.10 "Contingent Firm RA Product" has the meaning specified in Section 3.2 hereof.
- 1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth in Section 4.9.
- 1.12 "Contract Quantity" means, with respect to any particular Showing Month of the Delivery Period, the amount of Product (in MWs) set forth in table in Section 4.3 which Seller has agreed to provide to Buyer from the Unit for such Showing Month.
- 1.13 "CPUC Decisions" means, to the extent still applicable, CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050 and subsequent decisions related to resource adequacy, as may be amended from time to time by the CPUC.
- 1.14 "CPUC Filing Guide" means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE's to demonstrate compliance with the CPUC's resource adequacy program.

1.15 **Delivery Period** has the meaning specified in Section 4.1 hereof.

1.16 **Delivery Point** has the meaning specified in Section 4.2 hereof.

1.17 **Designated RA Capacity** shall be equal to, with respect to any particular Showing Month of the Delivery Period, the Contract Quantity of Product (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

1.18 **Flexible RA Attributes** means any and all flexible resource adequacy attributes, as may be identified at any time during the Delivery Period by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and LAR Attributes.

1.19 **Flexible RAR** means the flexible resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.20 **Flexible RAR Showing** means the Flexible RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction over the LSE.

1.21 **Forced Outage** means the removal from service availability of a generating unit, transmission line, or other facility for emergency reasons, or the condition in which the equipment is unavailable due to unanticipated failure (such unanticipated failure does not include a Fuel Impediment).

1.22 **Governmental Body** means (i) any federal, state, local, municipal or other government; (ii) any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and (iii) any court or governmental tribunal.

1.23 **LAR** means local area reliability, which is any program of localized resource adequacy requirements established for jurisdictional LSEs by the CPUC pursuant to the CPUC Decisions, or by another LRA of competent jurisdiction over the LSE. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.24 **LAR Attributes** means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines existing local areas, then such change will not result in a change in payments made pursuant to this Transaction.

1.25 **LAR Showings** means the LAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction over the LSE.

1.26 **Local RAR** means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction. Local RAR may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

1.27 **LRA** means Local Regulatory Authority as defined in the Tariff.

1.28 **LSE** means load-serving entity. LSEs may be an investor-owned utility, an electric service provider, a community aggregator or community choice aggregator, or a municipality serving load in the CAISO Control Area (excluding exports).

1.29 **WSPP Agreement** has the meaning specified in the introductory paragraph hereof.

1.30 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

1.31 "Monthly RA Capacity Payment" has the meaning specified in Section 4.9 hereof.

1.32 "Net Qualifying Capacity" has the meaning set forth in the Tariff.

1.33 "Non-Excusable Event" means any event, other than a Planned Outage, a Forced Outage, or an event of Uncontrollable Force, that causes Seller to fail to perform its obligations under this Confirmation, including, without limitation, any such event resulting from (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller's failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable.

1.34 "Notification Deadline" has the meaning specified in Section 4.5 hereof.

1.35 "Outage" means any CAISO approved disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff.

1.36 "Planned Outage" means, subject to and as further described in the CPUC Decisions, a CAISO-approved, planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.

1.37 "Product" has the meaning specified in Article 3 hereof.

1.38 "RA Attributes" means, with respect to a Unit, any and all resource adequacy attributes, as they are identified as of the Confirmation Effective Date by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

1.39 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR or LAR and, if applicable, Flexible RAR purposes for the Delivery Period, as determined by the CAISO or other Governmental Body authorized to make such determination under Applicable Laws. RA Capacity encompasses the RA Attributes, LAR Attributes, and if applicable, Flexible RA Attributes of the capacity provided by a Unit.

1.40 "RAR" means the resource adequacy requirements (other than Local RAR or Flexible RAR) established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.41 "RAR Showings" means the RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction.

1.42 "Replacement Capacity" has the meaning specified in Section 4.7 hereof.

1.43 "Replacement Unit" has the meaning specified in Section 4.5.

1.44 "Resource Category" shall be as described in the CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

1.45 "Scheduling Coordinator" has the same meaning as in the Tariff.

1.46 "Seller" has the meaning specified in the introductory paragraph hereof.

1.47 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, as set forth in the CPUC Decisions. For illustrative purposes only, pursuant to the CPUC Decisions in effect as of the Confirmation Effective Date, the monthly RAR Showing made in June is for the Showing Month of August.

1.48 "Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

1.49 "Tariff" means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time. For purposes of Article 5, the Tariff refers to the tariff and protocol provisions of the CAISO as they exist on the Confirmation Effective Date.

1.50 "Transaction" for purposes of this Agreement means the Transaction (as defined in the WSPP Agreement) that is evidenced by this Agreement.

1.51 "Unit" or "Units" shall mean the generation assets described in Article 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Buyer.

1.52 "Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

1.53 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that for the period in which the adjustment is effective, the Unit NQC shall be deemed the lesser of (i) the Unit NQC as of the Confirmation Effective Date, or (ii) the CAISO-adjusted Net Qualifying Capacity.

ARTICLE 2. UNIT INFORMATION

Name	Indigo Peaker Unit 3
Location	Palm Springs, CA
CAISO Resource ID	INDIGO_1_UNIT 3
Unit SCID	CRLP
Unit NQC	42 MWs
Unit EFC	42 MWs
Resource Type	LLM6000 Peaker
Resource Category (1, 2, 3 or 4)	4
Flexible RAR Category (1, 2 or 3)	1
Path 26 (North or South)	South
Local Capacity Area (if any, as of Confirmation Effective Date)	LA Basin
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	N/A
Run Hour Restrictions	N/A

ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, RA Attributes or LAR Attributes and, if applicable, Flexible RA Attributes for a Contingent Firm RA Product, as specified in Section 3.2 below (the "Product"). The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation. Specifically, no energy or ancillary services associated with any Unit is required to be made available to Buyer as part of this Transaction and Buyer shall not be responsible for compensating Seller for Seller's commitments to the CAISO required by this Confirmation. Seller retains the right to sell any RA Capacity from a Unit in excess of that Unit's Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.1 RA Attributes, LAR Attributes and Flexible RA Attributes

Seller shall provide Buyer with the Designated RA Capacity of RA Attributes, LAR Attributes and, if Section 3.3 is selected, Flexible RA Attributes from each Unit, as measured in MWs, in accordance with the terms and conditions of this Agreement.

3.2 Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units. If those Units are not available to provide the full amount of the Contract Quantity as a result of a Non-Excusable Event, then, subject to Section 4.4, Seller shall have the option to notify Buyer in writing by the Notification Deadline that either (a) Seller will not provide the full Contract Quantity during the period of such non-availability; or (b) Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Contract Quantity as a result of a Non-Excusable Event and has failed to notify Buyer in writing by the Notification Deadline that it will not provide the full Contract Quantity during the period of such non availability as provided in Section 4.4, then Seller shall be liable for damages and/or required to indemnify Buyer for any resulting penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof. Notwithstanding anything herein to the contrary, if Seller provides less than the full amount of the Contract Quantity for any reason other than a Non-Excusable Event or in accordance with Section 4.4, Seller is not obligated to provide Buyer with Alternate Capacity or to indemnify Buyer for any resulting penalties or fines. The Product is a Contingent Firm RA Product, and with respect to this Contingent Firm RA Product, "Contingent Firm" shall have the same meaning as "Unit Firm" in the WSPP Agreement.

3.3 Flexible RA Product

Seller shall provide Buyer with Designated RA Capacity of Flexible RA Attributes from the Unit(s) in the amount of the applicable Contract Quantity.

ARTICLE 4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be: January 1, 2018, through December 31, 2018, inclusive.

4.2 Delivery Point

The Delivery Point for each Unit shall be the CAISO Control Area, and if applicable, the LAR region in which the Unit is electrically interconnected.

4.3 Contract Quantity. The Contract Quantity for each Monthly Delivery Period shall be:

Contract Quantity (MWs)

Contract Month	RAR or LAR Contract Quantity (MWs)	RAR or LAR with Flexible RAR Contract Quantity (MWs)
January	N/A	10
February	N/A	10
March	N/A	10
April	N/A	10
May	N/A	10
June	N/A	10
July	N/A	10
August	N/A	10
September	N/A	10
October	N/A	10
November	N/A	10
December	N/A	10

4.4 Adjustments to Contract Quantity

- (a) **Planned Outages:** If Seller is unable to provide the applicable Contract Quantity for a portion of a Showing Month due to a Planned Outage of a Unit, then Seller shall have the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to either (a) reduce the Contract Quantity in accordance with the Planned Outage for such portion of the Showing Month; or (b) provide Alternate Capacity up to the Contract Quantity for the applicable portion of such Showing Month.
- (b) **Invoice Adjustment:** In the event that the Contract Quantity is reduced due to a Planned Outage as set forth in Section 4.4(a) above, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.
- (c) **Reductions in Unit NQC and/or Unit EFC:** Seller's obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced if the Unit experiences a reduction in Unit NQC and/or Unit EFC as determined by the CAISO. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to provide the applicable Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has sufficient remaining and available Product, and/or (ii) Alternate Capacity.

4.5 Notification Deadline and Replacement Units

- (a) The **Notification Deadline** in respect of a Showing Month shall be ten (10) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.
- (b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a "Replacement Unit"), then Seller may, at no additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer

in writing of such Replacement Units no later than the Notification Deadline. If Seller notifies Buyer in writing as to the particular Replacement Units and such Units meet the requirements of this Section 4.5, then such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for the remaining portion of that Showing Month.

- (c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) Seller shall not be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof if such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

- (a) Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month.
- (b) Seller shall submit, or cause the Unit's Scheduling Coordinator to submit, by the relevant deadlines for submission of the Supply Plans applicable to that Showing Month (i) Supply Plans to the CAISO, LRA, or other applicable Governmental Body identifying and confirming the Designated RA Capacity to be provided to Buyer for the applicable Showing Month, unless Buyer specifically requests in writing that Seller not do so; and (ii) written confirmation to Buyer that Buyer will be credited with the Designated RA Capacity for such Showing Month per the Unit's Scheduling Coordinator Supply Plan.

4.7 Damages for Failure to Provide Designated RA Capacity

If Seller fails to provide Buyer with the Designated RA Capacity of Product for any Showing Month, and such failure is not excused under the terms of the Agreement, then the following shall apply:

- (a) Buyer may, but shall not be required to, replace any portion of the Designated RA Capacity not provided by Seller with capacity having equivalent RA Attributes, LAR Attributes and, if applicable, Flexible RA Attributes as the Designated RA Capacity not provided by Seller; provided, however, that if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having solely RA Attributes and no LAR Attributes or Flexible RA Attributes, and no such RA Capacity is available, then Buyer may replace such portion of the Designated RA Capacity with capacity having any applicable Flexible RA Attributes and/or LAR Attributes ("Replacement Capacity") by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.
- (b) Seller shall pay to Buyer at the time set forth in Section 21 of the WSPP Agreement, the following damages in lieu of damages specified in Section 21 of the WSPP Agreement: an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer for any Replacement Capacity, and (B) each Capacity Replacement Price times the amount of the Designated RA Capacity neither provided by Seller nor purchased by Buyer pursuant to Section 4.7(a); and (ii) the Designated RA Capacity not provided for the applicable Showing Month times the Contract Price for that month. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any future amounts it may owe to Seller under this Confirmation pursuant to Section 28 of the WSPP Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Subject to any adjustments made pursuant to Section 4.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from any of the following:

- (a) Seller's failure to provide any portion of the Designated RA Capacity due to a Non-Excusable Event;

- (b) Seller's failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Sections 3.2, 4.4 and 4.5; or
- (c) A Unit Scheduling Coordinator's failure to timely submit accurate Supply Plans that identify Buyer's right to the Designated RA Capacity purchased hereunder.

With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties and fines. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Buyer for those penalties, fines or costs, then Buyer may offset those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation.

4.9 Monthly RA Capacity Payment

In accordance with the terms of Section 9 of the WSPP Agreement, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit, in arrears, after the applicable Showing Month. Each Unit's Monthly RA Capacity Payment shall be equal to the product of (a) the applicable Contract Price for that Monthly Delivery Period, (b) the Designated RA Capacity for the Monthly Delivery Period, and (c) 1,000, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

RA CAPACITY PRICE TABLE

Contract Month	RA Capacity Price (\$/kW-month)
January	\$3.00
February	\$3.00
March	\$3.00
April	\$3.00
May	\$3.00
June	\$3.00
July	\$3.00
August	\$3.00
September	\$3.00
October	\$3.00
November	\$3.00
December	\$3.00

4.10 Allocation of Other Payments and Costs

Seller may retain any revenues it may receive from the CAISO or any other third party with respect to any Unit for (a) start-up, shut-down, and minimum load costs, (b) revenue for ancillary services, (c) energy sales, (d) any revenues for black start or reactive power services, or (e) the sale of the unit-contingent call rights on the generation capacity of the Unit to provide energy to a third party, so long as such rights do not confer on such third party the right to claim any portion of the RA Capacity sold hereunder in order to make an RAR Showing, LAR Showing, Flexible RAR Showing, as may be applicable, or any similar capacity or resource adequacy showing with the CAISO or CPUC. Buyer acknowledges and agrees that all Availability Incentive Payments are for the benefit of Seller and for Seller's account, and that Seller shall receive, retain, or be entitled to receive all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards. Any

Non-Availability Charges are the responsibility of Seller, and for Seller's account and Seller shall be responsible for all fees, charges, or penalties, if any, resulting from Seller failing to achieve Availability Standards. However, Buyer shall be entitled to receive and retain all revenues associated with the Designated RA Capacity of any Unit during the Delivery Period (including any capacity or availability revenues from RMR Agreements for any Unit, Reliability Compensation Services Tariff, and Residual Unit Commitment capacity payments, but excluding payments described in clauses (a) through (e) above). In accordance with Section 4.9 of this Confirmation and Section 9 of the WSPP Agreement, all such Buyer revenues received by Seller, or a Unit's Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Buyer does not receive, and Seller shall pay such revenues to Buyer if the Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer. If Seller or the Unit's Scheduling Coordinator, owner, or operator (as applicable) fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues pursuant to Section 28 of the WSPP Agreement against any future amounts it may owe to Seller under this Confirmation. If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit Designated RA Capacity provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues.

ARTICLE 5. CAISO OFFER REQUIREMENTS

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, that results in a partial or full outage of that Unit, Seller shall either schedule or cause the Unit's Scheduling Coordinator to schedule with, or make available to, the CAISO each Unit's Designated RA Capacity in compliance with the Tariff, and shall perform all, or cause the Unit's Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the sale of Designated RA Capacity hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit's Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit's Scheduling Coordinator, owner, or operator for such noncompliance.

ARTICLE 6. [RESERVED]

ARTICLE 7. OTHER BUYER AND SELLER COVENANTS

7.1 Further Assurances

Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Contract Quantity for the sole benefit of Buyer's applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

- (a) Cooperating with and providing, and in the case of Seller causing each Unit's Scheduling Coordinator, owner, or operator to cooperate with and provide requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering the applicable RAR, LAR, and Flexible RAR under Applicable Laws, to certify or qualify the Contract Quantity as RA Capacity and Designated RA Capacity. Such actions shall include, without limitation, providing information requested by the CPUC, the CAISO, a LRA of competent jurisdiction, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, pursuant to the "deliverability" standards established by the CAISO or other Governmental Body of competent jurisdiction.
- (b) Negotiating in good faith to make necessary amendments, if any, to this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, or other Governmental Body of competent jurisdiction to administer the applicable RAR,

LAR and Flexible RAR, so as to maintain the purpose and intent of the Transaction agreed to by the Parties on the Confirmation Effective Date. The above notwithstanding, the Parties are aware that the CPUC and CAISO are considering changes to RAR and/or LAR in CPUC Rulemaking 11-10-023 and potentially other proceedings.

7.2 Seller Representations and Warranties

Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:

- (a) Seller owns or has the exclusive right to the RA Capacity sold under this Confirmation from each Unit, and shall furnish Buyer, the CAISO, the CPUC, a LRA of competent jurisdiction, or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;
- (b) No portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy such third party's applicable RAR, LAR or Flexible RAR or analogous obligations in CAISO markets, other than pursuant to an RMR Agreement between the CAISO and either Seller or the Unit's owner or operator;
- (c) No portion of the Contract Quantity has been committed by Seller in order to satisfy RAR, LAR or Flexible RAR, or analogous obligations in any non-CAISO market;
- (d) Each Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, or is under the control of CAISO;
- (e) The owner or operator of each Unit is obligated to maintain and operate each Unit using Good Utility Practice and, if applicable, in accordance with General Order 167 as outlined by the CPUC in the Enforcement of Maintenance and Operation Standards for Electric Generating Facilities Adopted May 6, 2004, and is obligated to abide by all Applicable Laws in operating such Unit; provided, that the owner or operator of any Unit is not required to undertake capital improvements, facility enhancements, or the construction of new facilities;
- (f) The owner or operator of each Unit is obligated to comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;
- (g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA Attributes that Seller has sold, assigned or transferred for any Unit does not exceed that Unit's RA Capacity;
- (h) With respect to the RA Capacity provided under this Confirmation, Seller shall, and each Unit's Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;
- (i) Seller has notified the Scheduling Coordinator of each Unit that Seller has transferred the Designated RA Capacity to Buyer, and the Scheduling Coordinator is obligated to deliver the Supply Plans in accordance with the Tariff;
- (j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit's Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, the Designated RA Capacity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and
- (k) Seller has notified each Unit's Scheduling Coordinator that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 8. CONFIDENTIALITY

In addition to the rights and obligations in Section 30 of the WSPP Agreement, the Parties agree that Buyer may disclose the Designated RA Capacity under this Transaction to any Governmental Body, the CPUC, the CAISO or any LRA of competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the

Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans.

ARTICLE 9. BUYER'S RE-SALE OF PRODUCT

Buyer may re-sell all or a portion of the Product hereunder.

ARTICLE 10. MARKET BASED RATE AUTHORITY

Upon Buyer's written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, submit a letter of concurrence in support of any affirmative statement by Buyer that this contractual arrangement does not transfer "ownership or control of generation capacity" from Seller to Buyer as the term "ownership or control of generation capacity" is used in 18 CFR Section 35.42. Seller shall not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Buyer.

ARTICLE 11. COLLATERAL REQUIREMENT

The Parties acknowledge that a liquid market for the Product does not presently exist; thus, there is no reliable index for the Product. Accordingly, the Parties agree that for the purposes of calculating the Collateral Requirement pursuant to Paragraphs 3 and/or 10 of the Collateral Annex, as applicable, the Current Mark-to-Market Value for this Transaction shall be deemed to be zero. If, during the Delivery Period, a liquid market for the Product develops and a reliable index for the Product is established, the Parties shall meet and confer to determine whether to adopt such index for purposes of determining the Current Mark-to-Market Value for the Transaction from such time through the end of the Delivery Period.

ARTICLE 12. WSPP AGREEMENT AMENDMENTS

12.1 WSPP Agreement Amendments. For purposes of this Transaction only, the WSPP Agreement shall be amended as follows:

- (a) Section 4 of the WSPP Agreement is amended by adding "or the Friday after the United States Thanksgiving holiday" before the period at the end of the first sentence.
- (b) The following definition of "Unit Firm" is added to Section 4 of the WSPP Agreement in alphabetical order:

"Unit Firm" means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a generation asset or assets specified in the Transaction. Seller's failure to deliver under a "Unit Firm" Transaction shall be excused: (i) if the specified generation asset(s) are unavailable as a result of a Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the specified generation asset(s) so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, and which is not within the reasonable control of, or the result of the negligence of, the Seller or (iii) by Buyer's failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Section 21 of the WSPP Agreement."
- (c) The sentence "**ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED.**" in Section 21.1 of the WSPP Agreement is deleted in its entirety and replaced with the following:

"LIMITATION OF DAMAGES. FOR BREACH OF ANY PROVISION OF THIS CONFIRMATION AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES IS THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY FOR THE BREACH SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES FOR DAMAGES AT

LAW OR IN EQUITY ARE WAIVED. IF NO EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT FOR A PARTICULAR BREACH, LIABILITY FOR THE BREACH IS LIMITED TO DIRECT DAMAGES ONLY, SUCH DIRECT DAMAGES ARE THE SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT FOR THE BREACH, AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY IS LIABLE FOR ANY OTHER TYPE OF DAMAGE, INCLUDING INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES OF ANY NATURE (INCLUDING DAMAGES ASSOCIATED WITH LOST PROFITS, BUSINESS INTERRUPTION AND LOSS OF GOODWILL) ARISING AT ANY TIME, WHETHER IN TORT (INCLUDING THE SOLE OR CONTRIBUTORY NEGLIGENCE OF EITHER PARTY OR ANY RELATED PERSON), WARRANTY, STRICT LIABILITY, CONTRACT OR STATUTE, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE."

- (d) Sections 22.1(d) and 27 of the WSPP Agreement shall not apply to either Party with respect to this Transaction.
- (e) Section 24 of the WSPP Agreement is deleted and replaced with the following:
"This WSPP Agreement and any Confirmation shall be governed by and construed, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflicts of law or contrary provisions of the WSPP Agreement, if any."
- (f) Subsections 34.1 and 34.2 of the WSPP Agreement are hereby deleted and replaced with the following:
"34.1 Waiver of Jury Trial. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THIS AGREEMENT."
- (g) The rest of Section 34 of the WSPP Agreement shall be re-numbered accordingly.
- (h) Section 35 of the WSPP Agreement is modified by inserting the following paragraph between the first and second sentences: "The Parties agree that each Party's business consists in whole or in part of entering into forward contracts as or with merchants in capacity or energy, which is presently the subject of dealing in the forward contract trade. The Parties further agree that the transactions entered into pursuant to any Confirmations hereunder (as provided in Article 32 of the WSPP Agreement) are forward contracts involving the sale of capacity and/or energy, which are presently the subject of dealing in the forward contract trade. No Party shall assert before any court or other governmental authority either that another Party is not, or shall not be treated as, a forward contract merchant or that the transaction entered into pursuant to any Confirmations hereunder (as provided in Article 32 of the WSPP Agreement) are not, or shall not be treated as, forward contracts under the United States Bankruptcy Code."
- (i) Section 35 of the WSPP Agreement is further modified by adding the following sentence at the end:
"City of Banning represents and warrants that it is:
 - (i) a federal agency;
 - (ii) a state, state agency, city, county, municipality, or other political subdivision of a state;
 - (iii) an employee benefit plan, as defined in Section 3 of the Employee Retirement Income Security Act of 1974;
 - (iv) a governmental plan, as defined in Section 3 of the Employee Retirement Income Security Act of 1974;
 - (v) an endowment, including an endowment that is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986; or
 - (vi) a "special entity" as defined in Section 4s(h)(2)(C) of the U.S. Commodity Exchange Act and 17 C.F.R. § 23.401(c)."

- (i) The following phrase is inserted at the beginning of Section 37: "On the date of entering into this Confirmation,".
- (j) Section 41 "Witness" of the WSPP Agreement shall become Section 42 and the following "Standard of Review" Section shall be inserted as Section 41:

"The Parties agree as follows:

From the date of entering into a Transaction under this Agreement and throughout the term of such Transaction, the Parties each warrant and covenant as follows:

- (i) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010).
- (ii) In addition, and notwithstanding the foregoing subsection (i), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (ii) shall not apply, provided that, consistent with the foregoing subsection (i), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in the foregoing section (i).
- (iii) The Parties, for themselves and their successors and assigns, (a) agree that this "public interest" standard shall apply to any proposed changes in any other documents, instruments or other agreements executed or entered into by the Parties in connection with this WSPP Agreement and (b) hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review, including the "just and reasonable" standard."

[Signatures on Following Page]

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

SHELL ENERGY NORTH AMERICA (US), L.P.

By:
John W. Pillion

By:

Name: John W. Pillion

Title: Confirmations Team Lead

CITY OF BANNING

By:

Name:

Title:

ATTACHMENT 2

(Request for Bids)

Jim Steffens

From: maribel.robin@shell.com
Sent: Thursday, August 03, 2017 3:01 PM
To: Jim Steffens
Cc: wade.vandusen@shell.com
Subject: RE: Request for Bid - CAISO Resource Adequacy Capacity / Shell

Dear Jim –

Please see below the Indicative Pricing from Shell Energy North America for your Resource Adequacy needs:

1. 10 MWs Local / Flexible RA Capacity for calendar year 2018. Indicative Price: \$3.00/kw-mo. This RA Capacity meets the CAISO's requirements for Flexible Category 1 as well as requirements for Local Capacity for the L.A. Basin.
2. The amounts indicated below are for System RA Capacity for the four summer months of 2018.
Volume:
 - a. June – 8 MWs.
 - b. July – 12 MWs.
 - c. August – 17 MWs
 - d. September – 4 MWs.

System RA Indicative Price: \$2.50/kw-mo

This proposal is for discussion purposes only and is not intended to be complete and all-inclusive of the terms and conditions of the related transaction. This proposal is not an offer, a solicitation of an offer or a commitment of Shell Energy, Shell or a parent or affiliate of Shell. The proposed transaction described herein is subject to further review and approval of Shell and execution of definitive agreements containing all appropriate provisions including those related to credit and limitation of damages. This proposal does not purport to identify or suggest any or all of the risks (direct or indirect), which may be associated with this proposed transaction. As the information contained herein is proprietary, please keep this material confidential.

Best regards,

Maribel



Maribel Robin | Shell Energy North America (US) | 4445 Eastgate Mall, Ste. 100, San Diego, CA 92121
Telephone: 1-858-526-2131 | Cell: 858-888-2883 | Email: maribel.robin@shell.com

Companies within the Shell Trading business may monitor and record communications for legal, regulatory and/or business purposes. Such communications will be controlled by Shell Energy North America (US) LP on behalf of all Shell Trading entities within the United States and by Shell

International Trading and Shipping Company Ltd for all other Shell Trading entities. Personal data is handled and protected in accordance with applicable data protection laws and relevant Shell policies and rules. Personal data may be disclosed to other Shell companies and to third party organizations providing services to the relevant Shell Company or as required by law.

From: Johnson, Steve T SENA-STX/A/39
Sent: Monday, July 31, 2017 11:19 AM
To: Robin, Maribel S SENA-STX/A/39 <maribel.robin@shell.com>
Subject: FW: Request for Bid - CAISO Resource Adequacy Capacity / Shell

From: jsteffens@ci.banning.ca.us [mailto:jsteffens@ci.banning.ca.us]
Sent: Monday, July 31, 2017 9:27 AM
To: Johnson, Steve T SENA-STX/A/39 <Steve.Johnson@shell.com>; Van Dusen, Wade G SENA-STX/A/33
<wade.vandusen@shell.com>; Denby, Brett E SENA-STX/A/331 <brett.denby@shell.com>
Cc: jsteffens@ci.banning.ca.us
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Shell

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

1. 10 MWs Local / Flexible RA Capacity for calendar year 2018. This RA Capacity must meet the CAISO's requirements for Flexible Category 1. This RA Capacity must also meet the CAISO's requirements for Local Capacity for the L.A. Basin.
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 - c. August – 17 MWs
 - d. September – 4 MWs.

The System RA Capacity will be awarded and approved upon identification of the most competitive bid. However, the Local / Flexible RA Capacity will be conditionally approved upon identification of the most competitive bid, pending final approval of the City Council on September 11, 2017.

The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens
Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst

NO LOCAL RA AVAILABLE

Jim Steffens

From: Shannon Frederick <Shannon.Frederick@edfenergyservices.com>
Sent: Monday, August 07, 2017 11:50 AM
To: Jim Steffens
Subject: RE: Request for Bid - CAISO Resource Adequacy Capacity / EDF

My apologies, to clarify, that price is \$6.50/kW-month for the entire summer strip.

From: Shannon Frederick
Sent: Monday, August 07, 2017 1:43 PM
To: 'jsteffens@ci.banning.ca.us' <jsteffens@ci.banning.ca.us>
Subject: RE: Request for Bid - CAISO Resource Adequacy Capacity / EDF

Hi Jim,

Thank you for including EDF in this solicitation. We appreciate being considered.

EDF can offer the summer strip of System RA (South) @ \$6.50. I do not have any units that can offer LA Basin currently.

Please let me know if you have any questions or concerns.

Thank you and have a great week!

Shannon



EDF Energy Services, LLC

Shannon Frederick, Manager, West Marketing

Shannon.Frederick@edfenergyservices.com
O (281) 653-1720
M (281) 216-1514 AIM EDFShannon
www.edfenergyservices.com

From: jsteffens@ci.banning.ca.us [mailto:jsteffens@ci.banning.ca.us]
Sent: Monday, July 31, 2017 11:32 AM
To: Shannon Frederick <Shannon.Frederick@edfenergyservices.com>
Cc: jsteffens@ci.banning.ca.us
Subject: Request for Bid - CAISO Resource Adequacy Capacity / EDF

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

1. 10 MWs Local / Flexible RA Capacity for calendar year 2018. This RA Capacity must meet the CAISO's requirements for Flexible Category 1. This RA Capacity must also meet the CAISO's requirements for Local Capacity for the L.A. Basin.
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 - a. June – 8 MWs.
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 - d. September – 4 MWs.

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The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



City of Banning Electric Utility
176 E. Lincoln
Banning, CA 92220
(951) 922-3266 Direct
(951) 849-1550 Fax
jsteffens@ci.banning.ca.us
www.ci.banning.ca.us

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NO LOCAL RA, SYSTEM RA ONLY

Jim Steffens

From: Jim Steffens
Sent: Wednesday, August 09, 2017 9:35 AM
To: Jim Steffens
Subject: FW: Request for Bid - CAISO Resource Adequacy Capacity / CRC

From: Wen, Steven H [mailto:Steven.Wen@crc.com]
Sent: Monday, July 31, 2017 12:29 PM
To: Jim Steffens <jsteffens@ci.banning.ca.us>
Subject: RE: Request for Bid - CAISO Resource Adequacy Capacity / CRC

Hi Jim,

Thanks for reaching out. This is what I have remaining for 2018 NP System RA:

- a. June – 6 MWs.
- b. July – 0 MWs.
- c. August – 1 MWs
- d. September – 4 MWs.

Just for your information. I typically have 340 MWs of North System RA but for 2018 I sold most of it really early. The majority of what I have remaining is for 1Q18 and 4Q18 of about 20 MWs.

STEVEN WEN

Manager Natural Gas Marketing



111 W OCEAN BLVD, SUITE 800
LONG BEACH, CA 90802

P: 562.283.2121
M: 562.714.6819
F: 562-283-2139
steven.wen@crc.com

From: jsteffens@ci.banning.ca.us [mailto:jsteffens@ci.banning.ca.us]
Sent: Monday, July 31, 2017 9:38 AM
To: Wen, Steven H <Steven.Wen@crc.com>
Cc: jsteffens@ci.banning.ca.us
Subject: Request for Bid - CAISO Resource Adequacy Capacity / CRC

Good Morning,

The City of Banning Electric Utility (the “City”) is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

1. 10 MWs Local / Flexible RA Capacity for calendar year 2018. This RA Capacity must meet the CAISO's requirements for Flexible Category 1. This RA Capacity must also meet the CAISO's requirements for Local Capacity for the L.A. Basin.
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Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

**Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst**



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www.ci.banning.ca.us

FORWARDED REQUEST TO SOUTH WEST GENERATION.

SOUTHWEST GENERATION HAD INSUFFICIENT QUANTITIES. DEEMED
Jim Steffens

UNRESPONSIVE.

From: Jim Steffens
Sent: Monday, July 31, 2017 9:43 AM
To: 'bob@energydynamix.net'
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Energy Dynamix

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

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The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



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jsteffens@ci.banning.ca.us
www.ci.banning.ca.us

NO Response

Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:11 AM
To: 'jason.armenta@calpine.com'; mark.guzman@calpine.com; 'crystal.walton@calpine.com'
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Calpine

Good Afternoon,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

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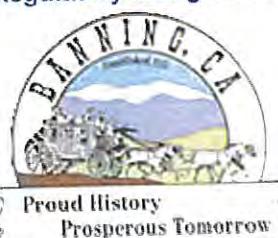
The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



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jsteffens@ci.banning.ca.us
www.ci.banning.ca.us

NO Response

Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:19 AM
To: alan.padgett@dynegy.com; jerry.keeney@dynegy.com
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Dynergy

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

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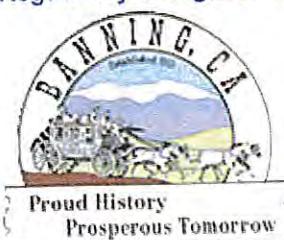
The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



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NO RESPONSE

Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:22 AM
To: frank.escobedo@ge.com
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Inland Energy

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

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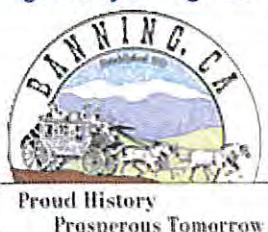
The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



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(951) 849-1550 Fax
jsteffens@ci.banning.ca.us
www.ci.banning.ca.us

NO RESPONSE

Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:24 AM
To: 'brian.long@nrg.com'; Bockholt, Greg D (Greg.Bockholt@nrg.com)
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / NRG

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

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 - d. September – 4 MWs.

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The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



City of Banning Electric Utility
176 E. Lincoln
Banning, CA 92220
(951) 922-3266 Direct
(951) 849-1550 Fax
jsteffens@ci.banning.ca.us
www.ci.banning.ca.us

No response

Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:26 AM
To: kding@semprausgp.com; Wilson, Katy (kmwilson@SempraUSGP.com)
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Sempra

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

1. 10 MWs Local / Flexible RA Capacity for calendar year 2018. This RA Capacity must meet the CAISO's requirements for Flexible Category 1. This RA Capacity must also meet the CAISO's requirements for Local Capacity for the L.A. Basin.
2. The amounts indicated below are for System RA Capacity for the four summer months of 2018. The amounts required are:
 - a. June – 8 MWs.
 - b. July – 12 MWs.
 - c. August – 17 MWs
 - d. September – 4 MWs.

The System RA Capacity will be awarded and approved upon identification of the most competitive bid. However, the Local / Flexible RA Capacity will be conditionally approved upon identification of the most competitive bid, pending final approval of the City Council on September 11, 2017.

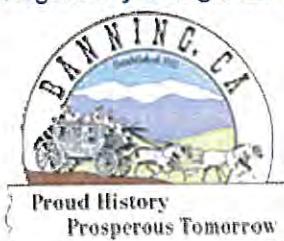
The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

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NO Response

Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:29 AM
To: cmorris@tnsk.com
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Tenaska

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

1. 10 MWs Local / Flexible RA Capacity for calendar year 2018. This RA Capacity must meet the CAISO's requirements for Flexible Category 1. This RA Capacity must also meet the CAISO's requirements for Local Capacity for the L.A. Basin.
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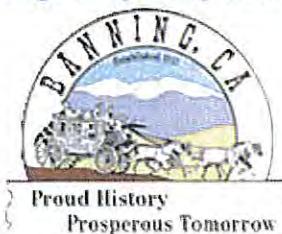
The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



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Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:31 AM
To: 'jmalone@mrgenco.com'
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Middle River Power

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

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The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



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jsteffens@ci.banning.ca.us
www.ci.banning.ca.us

No Response

Jim Steffens

From: Jim Steffens
Sent: Monday, July 31, 2017 9:41 AM
To: LennyH@evomarkets.com
Cc: Jim Steffens
Subject: Request for Bid - CAISO Resource Adequacy Capacity / Evolution

Good Morning,

The City of Banning Electric Utility (the "City") is requesting bids to provide Resource Adequacy Capacity for calendar year 2018. The City is looking to enter into two separate agreements to purchase RA Capacity:

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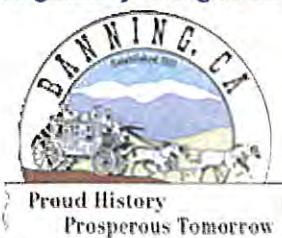
The City will be accepting bids through **August 7, 2017**. Please submit your bids via email to me at jsteffens@ci.banning.ca.us.

Please feel free to contact me if you have any questions regarding this Request for Bid.

Thank you,

Jim Steffens

Power Resources & Revenue Administrator,
Regulatory & Legislative Analyst



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