

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

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WORKSHOP AGENDA *

** Actions may be taken on any item listed on the agenda*

9:00 a.m.

Friday, September 15, 2006

MEETING ROOM

**Embassy Suites Hotel La Quinta
50-777 Santa Rosa Plaza, La Quinta**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in a Commission meeting, please contact the Clerk of the Board at (951) 787-7141. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.

9:00 – 9:15 a.m.

WELCOME AND WORKSHOP OVERVIEW

Marion Ashley, Chair

Eric Haley, Executive Director

9:15 – 9:45 a.m.

BOTTOM LINE REPORT ON GOODS MOVEMENT

Stephanie Wiggins, Regional Programs Director

This item is for the Commission to:

- 1) Receive and file the presentation of the RCTC Goods Movement Bottom Line Report;
- 2) Approve the Southern California National Gateway Memorandum of Understanding (MOU) No. 07-67-041-00; and
- 3) Authorize the Chair, pursuant to legal counsel review, to execute the MOU on behalf of the Commission.

9:45 – 10:30 a.m.

GRADE CROSSING FUNDING STRATEGY

Stephanie Wiggins, Regional Programs Director

10:30 – 10:45 a.m.

BREAK

10:45 – 11:15 a.m.

PERRIS VALLEY LINE PROJECT UPDATE

Stephanie Wiggins, Regional Programs Director

John Standiford, Public Affairs Director

11:15 – 11:30 a.m.

**WESTERN COUNTY TUMF / WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS MOU**

Eric Haley, Executive Director

This item is for the Commission to:

- 1) Direct the Executive Director to formally request the Western Riverside Council of Governments (WRCOG) to adjust in future payments to the Commission based on an existing Memorandum of Understanding (MOU) between the Commission and WRCOG that clarifies the relationship between Measure A and the Western Riverside County Transportation Uniform Mitigation Fee (TUMF); and
- 2) Return to the Commission and the Governing Board of WRCOG for approval of the MOU Amendment that would secure a proportional amount of funding to be provided for regional arterials from the Western Riverside County TUMF.

11:30 a.m. – 12:00 p.m. LUNCH

12:00 – 12:30 p.m. PRESENTATION – MARK WATTS, COMMISSION LOBBYIST

12:30 p.m. ADJOURNMENT

The next Commission meeting is scheduled to be held at 10:00 a.m., **Wednesday, October 11, 2006**, Board Room, County of Riverside Administrative Center, 4080 Lemon Street, Riverside.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	September 15, 2006
TO:	Riverside County Transportation Commission
FROM:	Stephanie Wiggins, Regional Programs Director
THROUGH:	Eric Haley, Executive Director
SUBJECT:	RCTC Goods Movement Bottom Line Report and Southern California National Freight Gateway Memorandum of Understanding No. 07-67-041-00

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the presentation of the RCTC Goods Movement Bottom Line Report;
- 2) Approve the Southern California National Gateway Memorandum of Understanding (MOU) No. 07-67-041-00; and
- 3) Authorize the Chair, pursuant to legal counsel review, to execute the MOU on behalf of the Commission.

BACKGROUND INFORMATION:

At its July 2006 meeting, the Commission approved the Memorandum of Agreement with the Southern California County Transportation Commissions that outlines a collaborate effort to address the goods movement needs in the region.

In January 2005, the Commission approved participation in the development of a Multi-County Goods Movement Action Plan in order to form a consensus for an implementation plan for the region. Scheduled to be completed early next year, the plan will describe and model goods movement growth and trends, identify possible partnerships with the private sector, highlight short, mid, and long-term strategies, as well as identify a list of possible projects to be funded.

Purpose of the Bottom Line Report

Regional international trade has a significant effect on Riverside County because a large percentage of international trade travels through the County on its way to their final destinations. Good policy will result from informed decisions based on an accurate comprehension of Riverside County's role in goods movement, both domestic and international.

Andrew Tang of Cambridge Systematics, Inc. will present the “bottom line” impacts of goods movement on the County in terms of economic structure, industry logistics, commodity flows, infrastructure, and community and environmental issues.

Purpose of the MOU

The increasing goods movement in Southern California offers both benefits (jobs and goods, providing the promise of increased well-being of the region, state, and nation), and challenges (threatened impacts to communities and environment that must be mitigated). The major stumbling block in addressing these benefits and challenges effectively is the fragmentation in governance in addressing the need systemically. The answer is for key local, state, and federal agencies (those named as “Principal Conveners” in the draft MOU), to come together and collaborate in providing shared leadership.

Modeled after the Community and Environmental Transportation Acceptability Process (CETAP) MOU with Federal Resource Agencies, the MOU seeks to provide a framework to assist in streamlining the multi-county complex goods movement projects. The MOU is not intended to specify or pre-suppose outcomes or methods. It is expected to expedite environmental review, not so much because of any formal changes in the environmental process (although that could be an outcome), but because federal and state agencies with environmental oversight share responsibility for the product of the effort as a result of their collaboration.

It is anticipated that a formal signatory event will take place in October with federal and state representatives as well as the “Principal Conveners” (CTC’s, Ports, SCAG, state and federal agencies).

Attachment: Draft Memorandum of Understanding

**SOUTHERN CALIFORNIA
NATIONAL FREIGHT GATEWAY STRATEGY**

**MEMORANDUM OF UNDERSTANDING
AMONG FEDERAL, STATE, REGIONAL AND LOCAL AGENCIES**

October __, 2006

This Memorandum of Understanding (“MOU”) is entered into as of October __, 2006 by the undersigned federal, state and local agencies to provide for the cooperative development of a framework strategy to address environmental and community concerns, issues and opportunities relating to the increasing movement of imported goods within the “Southern California National Freight Gateway” area of the Los Angeles Metropolitan region extending from the Ports in San Pedro Bay and the Port of Hueneme to the cities of Barstow and Indio, California (“National Freight Gateway Area” or “Area”).

I. RECITALS.

Acronyms are defined below.¹

Whereas, the San Pedro Bay Ports of Los Angeles and Long Beach are the largest port complex in the Nation and fifth largest in the world. *Together, they process 14.2 million twenty foot equivalent units of containers (“TEUs”), 44% of all the imported goods entering the Nation, with only 30% of these goods being consumed within the region and 70% being distributed primarily by truck and rail nation-wide. The number of TEUs processed per year is projected to increase to 42 million TEUs by 2030. The freight being moved annually has a value of \$200 billion, supports 2 million jobs, and generates \$16.4 billion in state and local taxes.*

Whereas, the population of the National Freight Gateway Area has been projected to increase from 18.1 to 22.9 million by 2030 (an increase of 4.8 million or 25.6% within 24 years), with significant demands on the capacity of the region’s transportation infrastructure, *independent of any consideration of the increasing movement of freight.*

Whereas, the port of Hueneme is the only deep water harbor between Los Angeles and the San Francisco Bay area and is the U.S. Port of Entry for California’s central coast region. It serves international businesses and ocean carriers from the Pacific Rim and Europe. The Port of Hueneme ranks among the top seaports in California for general cargo throughput. The niche markets that Hueneme serves include: the import and export of automobiles, fresh fruit and produce, and forest products. The Port of Hueneme is the top seaport in the United States for citrus export and ranks among the ten ports in the country for automobile and banana imports. By 2020 it is estimated that total port tonnage will range between 3.4 million and 6 million metric tons. Its unique positioning near the Santa Barbara Channel also made the Port of Hueneme the primary support facility for the offshore oil industry in the Central Coast area.

Whereas, the regional freeway and railway systems within the Area are already severely congested, with insufficient funding identified to even maintain existing infrastructure. Combined increases in population and freight volumes will significantly worsen congestion on freeways and railways and will increase the need for major new and upgraded infrastructure and increase the costs of on-going maintenance and repair. The Southern California Association of Governments' Regional Transportation Plan anticipates that daily truck traffic serving the Ports will increase from 54,600 trips in 2005 to 142,000 in 2030 and *daily* freight and passenger train traffic will increase from 176 trains in 2000 to 265 to 390 in 2025 and 441 in 2030.

Whereas, the increase in freight movement offers significant economic opportunities to the region in the form of additional business, more and better quality of jobs, and enhanced local, State and federal tax revenues.

Whereas, without major mitigation and State and federal assistance and action, the existing levels, as well as anticipated increases, of freight movement within the Area are resulting in, and threaten further, significant and adverse impacts to its communities and the environment (including but not limited to air and water quality and natural lands and wildlife) and to the health, safety and quality of life of its population. Of particular and major concern are the adverse impacts on air quality by diesel emissions from trucks, trains and ships, and the various related infrastructure and operations, which are the subject of the various plans described below. These impacts are required to be mitigated under the regulatory and policy quilt of current and future State Implementation Plans, Regional Transportation Plans (which must be found to be in conformance with the SIP), State and Federal air quality laws (e.g., with respect to emission thresholds and air toxics) and the National Environmental Policy Act of 1969 (NEPA) and the California Environmental Quality Act (CEQA). The design and implementation of such mitigation will be a daunting challenge.

Whereas, NEPA and CEQA, authorize and encourage coordination and collaboration among local, state and federal agencies and interests (including effective leadership and public participation) in addressing challenges such as those posed by the anticipated increase in goods movement and its impacts on the environment.

Whereas, USDOT, under its recently promulgated *National Strategy to Reduce Congestion on America's Transportation Network*, has established a Southern California "Inter-modal Hot Spot Team", focused on targeting major freight bottlenecks and expanding public outreach in order to assist in convening the constituency of agencies and interests, and, pursuant to Presidential Executive Order 13274, it is designating the Southern California National Freight Gateway a focused area of projects that qualify for coordinated federal agency decision-making.

Whereas, California Governor Arnold Schwarzenegger has issued an executive order, dated September __, 2006, regarding the Southern California National Gateway Strategy which directs State agencies to cooperate and, where appropriate, collaborate with federal, regional and local agencies in addressing goods movement within the National Freight Gateway Area and related community and environmental impacts.

Whereas, CBTH and CEPA are developing a State Goods Movement Action Plan (“State GMAP”) and pursuant to the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (“SAFETEA-LU”; Pub. Law 109-59, 2005; 23 U.S.C. §326), the State has assumed certain responsibilities of the Secretary of Transportation for compliance with NEPA in connection with certain surface transportation projects within California; and, it is anticipated and intended that this MOU will be consistent with and promote the expeditious implementation of the State GMAP.

Whereas, the Ports, SCAG and the CTCs, individually and in some cases collaboratively, are in the process of conducting studies, preparing plans (including, e.g., the San Pedro Ports Clean Air Action Plan, the CTCs/SCAG Multi-County Goods Movement Action Plan, and the updating of SCAG’s Regional Transportation Plan) and undertaking projects to address goods movement and related environmental and community impacts within the National Freight Gateway Area.

Whereas, there are significant delays, inefficiencies, increases in costs and the loss of opportunities resulting from the current fragmented and complex local, state and federal governance systems, processes and practices for planning, designing, funding, implementing and constructing regional freight movement and transportation projects and the regulation thereof for other and related public concerns.

Whereas, the parties now desire through this MOU to establish a process by, among other things, providing for increased cooperation and collaboration among the constituency of affected local, state and national agencies and interests in addressing goods movement and related environmental and community impacts within the National Freight Gateway Area.

II. FURTHER DEVELOPMENT AND IMPLEMENTATION OF A SOUTHERN CALIFORNIA NATIONAL FREIGHT GATEWAY STRATEGY

Based on the foregoing and pursuant to, among other things, the above-mentioned acts and orders, and at the request of Governor Schwarzenegger, CBTH, CEPA and Cal Resources, USDOT, USEPA, USDOJ, USACOE, SCAG, the CTCs, and the Ports, will act as “Principal Conveners” a process referred to in this MOU as the Framework Strategy in convening and managing, as set forth below, a process among affected federal, state, and local agencies and interests and the public, to collaboratively and expeditiously address goods movement and related community and environmental effects within the National Freight Gateway Area in order for Southern California to fulfill its national responsibility to provide and support the conveyance of goods to the rest of the Nation, in a manner, however, that fully addresses and mitigates all adverse community, air quality and environmental effects and impacts.

A. Scoping of the Strategy.

Among other efforts, no later than January 30, 2007, the Principal Conveners shall deliver to the Governor and United States Secretary for Transportation a Phase I Scoping Report. This Report will clearly provide: (i) a preliminary outline of the decision-making and environmental review processes necessary to expeditiously advance the region’s objectives of **providing** goods

movement throughout consistent and together with the mitigation of adverse community and environmental impacts and, (ii) the protocols and procedures, schedule and budget for their work in further assisting the constituency of affected agencies and interests to cooperate in the development and implementation of the Framework Strategy.

SCAG will administer the process under the direction of the Principal Conveners. Concurrent with the taking effect of this MOU, and from time to time thereafter, the Principal Conveners may establish informal operating procedures and rules of order, including, the establishment of a chairperson or co-chairpersons and executive committee for the effort. The Principal Conveners have committed the necessary resources through Phase I of the process. It is anticipated that the Framework Strategy will be developed incrementally and will include elements that can be implemented by individual agencies or agencies acting in collaboration and will take into consideration current and past efforts. Local and public input will be critical.

The process provided for is intended only to promote cooperation, coordination and collaboration, where appropriate, among the various affected public local, state and federal agencies in carrying out their individual responsibilities and the private sector and not to limit, increase or affect the authority of any agency under the law.

B. Participation by Public Agencies and Public and Private Organizations.

Other public and private agencies and organizations may become "Participants" in the process under this MOU, as determined appropriate by the Principal Conveners, by providing notice in writing to SCAG. In addition, public participation shall be encouraged and provided for as required by law.

C. Early cooperative efforts of Participants.

The Principal Conveners will cooperate with respect to the consideration and implementation of current goods movement infrastructure projects in accordance with existing laws and regulations.

III. MISCELLANEOUS PROVISIONS.

A. Designation of Representatives.

Each Principal Convener shall designate a person to serve at its pleasure and represent it under and for the purposes of this MOU by notification in writing to SCAG for the Principal Conveners.

B. No Obligation to Provide Funding.

The commitment to participate under this MOU is subject to existing authorities and the availability of funds. This MOU does not obligate nor commit local, State or Federal funds and will not give rise to a claim for local, State or Federal funds. Any activity involving

reimbursement or contribution of funds between the parties to this MOU must be independently authorized by law and will be subject to applicable laws, regulations, and procedures.

C. Non-binding.

Notwithstanding any other provision of this MOU, this MOU will take effect upon its signing (as a single original or in counter-parts) by all of the Principal Conveners and is intended to: (i) state the intent of the parties in order to provide an informal basis for coordination among them and is and shall not be legally binding on any party for any purpose; and, (ii) shall be interpreted to be consistent with applicable provisions of State and Federal law.

D. Amendments; Termination.

Any amendment to this MOU shall be effective as to a party only if agreed to in writing by that party. Any party to this MOU may terminate its participation hereunder by written notice to the SCAG for the Principal Conveners.

IN WITNESS WHEREOF, the parties have signed this MOU on the dates set forth below their signatures.

PRINCIPAL CONVENERS

[The following signature blocks should be revised and completed by the individual agencies]

FEDERAL AGENCIES

Department of Transportation
Dated: _____

Assistant Administrator for Air and
Radiation
Environmental Protection Agency
Dated: _____

Assistant Secretary for Fish, Wildlife and
Parks
Department of the Interior
Dated: _____

Assistant Secretary of the Army
for Civil Works
United States Army Corps of Engineers
Dated: _____

STATE OF CALIFORNIA

Business, Transportation and Housing
Dated: _____

Los Angeles County Metropolitan
Transportation Authority
Dated: _____

California Resources Agency
Dated: _____

San Bernardino Associated Governments
Dated: _____

Environmental Protection Agency
Dated: _____

Riverside County Transportation
Commission
Dated: _____

Orange County Transportation Authority
Dated: _____

Ventura County Transportation
Commission.
Dated: _____

Imperial County
Dated: _____

REGIONAL/LOCAL AGENCIES

“Ports”

Southern California Association of
Governments
Dated: _____

Long Beach Board of Harbor
Commissioners
Dated: _____

“CTCs”

Los Angeles Board of Harbor
Commissioners

Dated: _____

Port of Hueneme, Oxnard Harbor District

Dated: _____

1 **Acronyms:**

- CARB: Calif. Air Resources Board
- CBTH: Calif. Business, Transportation and Housing Agency
- CEPA: Calif. Environmental Protection Agency
- CTCs: County Transportation Commissions including:
MTA, OCTA, RCTC, SANBAG, VCTC and IC
- DOI: United States Department of the Interior
- IC: County of Imperial
- LAEDC: Los Angeles Economic Development Corporation
- MTA: Los Angeles Metropolitan Transportation Authority
- OCTA: Orange County Transportation Agency
- Ports: Port of Los Angeles and Port of Long Beach
- RCTC: Riverside County Transportation Commission
- SANBAG: San Bernardino Associated Governments
- SCAQMD: South Coast Air Quality Management District
- SCAG: Southern California Association of Governments
- USDOT: United States Department of Transportation
- USEPA: United States Environmental Protection Agency
- VCTC: Ventura County Transportation Commission
- USACOE United State Army Corps Of Engineers

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	September 15, 2006
TO:	Riverside County Transportation Commission
FROM:	Eric Haley, Executive Director
SUBJECT:	Consideration of Amendment to Memorandum of Understanding Between RCTC and WRCOG Regarding the Western Riverside TUMF Program

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Direct the Executive Director to formally request the Western Riverside Council of Governments (WRCOG) to adjust in future payments to the Commission based on an existing Memorandum of Understanding (MOU) between the Commission and WRCOG that clarifies the relationship between Measure A and the Western Riverside County Transportation Uniform Mitigation Fee (TUMF); and,
- 2) Return to the Commission and the Governing Board of WRCOG for approval of the MOU Amendment that would secure a proportional amount of funding to be provided for regional arterials from the Western Riverside County TUMF.

BACKGROUND INFORMATION:

In the spring of 2002, the Commission placed an Expenditure Plan for the extension of Measure A on the November 2002 ballot. Within the plan, there were commitments of \$370 million for CETAP corridors and \$300 million for the regional arterial program.

The Expenditure Plan mandates that the first \$400 million of Western Riverside County TUMF revenues be transferred to the Commission and be equally divided between regional arterials and CETAP corridors. This commitment was made to compensate for the shift of \$400 million to the streets and roads local subvention program in the final approved Expenditure Plan.

As is the case with the Coachella Valley's successful program, revenue from the Western County TUMF program is intended to primarily fund regional arterials. This is a logical policy because arterials are necessary to support new development that crosses local boundaries and jurisdictions and that have regional impacts on thoroughfares that might cross into multiple cities.

Development of MOU

In 2003, the Commission and WRCOG developed an MOU (Attachment 1) in order to formalize and implement the working relationship between the two agencies and to address the disbursement and use of the \$400 million specified in the Measure A ordinance. Transferring the first \$400 million directly to the Commission was one option; however after numerous meetings throughout the county with various jurisdictions, it was made clear that the integrity and effectiveness of the Western Riverside County TUMF program required a detailed plan for the use of the \$400 million. A complicating factor is that the voter-approved Measure A extension does not take effect until 2009. The approval of the MOU made it possible for TUMF funding to flow immediately to regional arterials and pay down the TUMF obligation to Measure A.

Financial Allocations

The previously approved MOU addresses the expenditure of TUMF funds until April 1, 2009, as follows:

- a) 48.1 percent to RCTC for regional arterials and CETAP development
- b) 48.1 percent shall be allocated to the five TUMF Improvement Zones which are outlined in the WRCOG TUMF Administrative Plan
- c) 3.8 percent for regional transit

Funds received by the Commission would be eligible for the development of regional arterials or for Community and Environmental Transportation Acceptability Process (CETAP) development needs including mitigation, although funding would be precluded from being spent on CETAP corridors that are not designated on the Regional System of Highways and Arterials. The TUMF Improvement Zones have been established by WRCOG as part of the agency's ongoing efforts to develop a TUMF administrative plan and will help direct funding to ensure that a significant portion of TUMF dollars raised are spent in the general area in which the dollars are raised. The allocation for regional public transit capital projects is an outgrowth of the WRCOG TUMF Nexus Study that provides funding for public transit needs.

The current MOU is effective until April 1, 2009, however once the \$400 million responsibility is satisfied, the requirements of the MOU will cease. Conversely, if the \$400 million responsibility to the Commission is not satisfied by April 1, 2009, all TUMF revenues would revert to the Commission until the \$400 million is satisfied. To date, the Commission has received approximately \$178 million in TUMF funding, which leaves a balance of \$222 million to be received for regional arterials and CETAP corridors.

Changes in Assessments Require Change in MOU

Over the last three years, WRCOG has raised TUMF assessments substantially to compensate for project cost increases. The WRCOG Board has approved two annual rounds of fee increases applied to new development. The revenues for the TUMF programming have risen proportionately. Of relevance to the financial viability of the Commission's regional projects, there has been no upward adjustment of the \$400 million obligation to the Commission. In essence, the action of splitting early TUMF revenues between regional and zonal projects has amplified the inflationary impacts on the remaining \$222 million balance of TUMF obligations to the regional arterial program and CETAP, *because while assessments and costs grow – the \$400 million figure remains static.*

Two different approaches could be taken to level the playing field. Between regional and zonal projects, a calculation could be made that would retroactively apply the 2004 TUMF increase to the outstanding obligation of \$400 million on the date of the increases, or the Commission could recommend to WRCOG that the remaining \$222 million balance be upwardly adjusted by the most recent July 2006 fee increases. Under this scenario – the increased assessments would be allocated proportionately to the Commission's regional projects from July 1, 2006.

In February 2006, WRCOG approved an increase in single family housing assessments from a previous figure of \$7,248 to the current total of \$9,693. This represents an increase of approximately 33 percent. The assessment for multi-family housing was raised from \$5,021 per unit to \$6,806, which is a larger boost of 35 percent. Fee increases for retail and industrial development are even higher than the multi-family fee.

Staff is proposing that discussions begin with WRCOG to increase the \$222 million existing TUMF balance to Measure A by an amount that is proportional to the most recent TUMF fee increase. Currently, the TUMF obligation to regional arterials and CETAP corridors stands at \$222 million. A 33 percent increase in that amount would increase the total by \$73 million to a total of \$295 million. The final percentage increase would have to be agreed upon by both WRCOG and the Commission and will be brought back to both governing boards for final approval after staff, legal and board discussions. Given the importance of regional arterials and CETAP corridors such as the Mid County Parkway, at a minimum a proportional increase in the \$222 million balance is in the best interest of all parties.

A Commission policy of proportionality already governs the distribution of Measure A funds. For example, as revenues have dramatically increased, the local road maintenance subventions to the cities and the county have grown consistent with the percentage share of Measure A dollars in the 1988 Expenditure Plan.

In the instance of the TUMF, in the Western County, if per unit revenues have grown by 40% then a \$2 billion revenue stream grows to \$2.8 billion.

Unfortunately in the case of the WRCOG MOU and the Measure A category that cites a specific figure of \$400 million for regional arterials, by remaining constant, less real funding flows to regional backbone projects.

The issue of proportionality is actually a much larger issue that will have to be resolved in the future on the future distribution of new Measure A resources in 2009-39. RCTC's bonding limitation is also impacted by robust revenue growth.

Staff is not currently prepared to present a recommendation on either subject until the revenue estimates prepared by UCLA and the Measure A Delivery Plan have been fully completed. However, today's presentation of funding options for grade separations referenced a possible upward revision of the funding for the Commission's economic development program. Likewise all of the programs included within the 2009-39 Expenditure Plan will be impacted. As of matter of policy and organizational history, it seems a secure assumption that road maintenance subventions to the county and cities will not be terminated abruptly. When the specific dollar target has been met, e.g., \$970 million in Western Riverside County, the Commission will likely continue the funding stream.

This leads to the subject of the Commission's \$500 million cap on outstanding bonds, which was tied to a revenue estimate of only \$4.6 billion. Setting aside the fact that the Commission's revenue estimates are conservative and the bonded debt coverage is very high; a minimum increase in the Commission's bonding cap should be consistent with the revised revenue estimates. At the Commission's 2005 Workshop, staff proposed going to the ballot in 2008 to gain voter consent for a more robust program.

Staff recommends more discussions of the bonding cap and a 2008 ballot measure with the New York-based rating agencies during the anticipated New York trip in March 2007.

Attachments:

- 1) Memorandum of Understanding with WRCOG
- 2) Measure A Expenditure Plan Language on Western Riverside County TUMF

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CLARIFYING THE RELATIONSHIP BETWEEN MEASURE "A" AND TUMF**

THIS MEMORANDUM OF UNDERSTANDING, is made and effective this 10th day of July, 2003, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("RCTC") and the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG") RCTC and WRCOG are sometimes collectively referred to herein as the "PARTIES"

RECITALS

A On May 8, 2002, RCTC enacted Ordinance No 02-001 for the purpose, among others, of imposing a 0.5% retail transactions and use tax (Measure "A" (2002)) the proceeds of which would be spent in accordance with the Transportation Improvement Plan attached to the Ordinance as Exhibit "B" ("TIP") The collection of Measure "A" (2002) sales taxes shall commence upon the expiration of the existing Measure "A" sales tax on or about April 2009

B On November 5, 2002, a supermajority of Riverside County voters approved Measure "A" (2002), including the TIP By its terms, the TIP conditioned the expenditure of Measure "A" (2002) revenues in city and county jurisdictions with the requirement, among other things, that matching revenues be generated within such jurisdictions in the form of a "Transportation Uniform Mitigation Fee", or "TUMF"

C WRCOG is a joint powers public agency consisting of the County of Riverside and the fourteen cities situated in the western end of Riverside County WRCOG developed a form of ordinance to be considered for adoption by its member agencies that would serve to implement the TUMF In summary, the TUMF is expected to result in transportation improvements in Western Riverside County valued at about \$2.5 billion, and the form of ordinance serves to appoint WRCOG as the program administrator

D The TIP includes a requirement that \$400 million of TUMF revenues (the "\$400 Million TUMF Requirement") be transferred to RCTC to fund, equally, the Measure "A" (2002) Regional Arterial System and the CETAP Corridors System The \$400 Million TUMF Requirement shall not be reduced to account for any WRCOG program administration costs

E Because the TUMF program was not fully developed and finalized by the time Measure "A" (2002) was approved by Riverside county voters, the details necessary to fully coordinate the two revenue programs could not be worked out Therefore, it is the purpose of this Memorandum of Understanding to amplify and clarify certain aspects of the relationship of the administration of Measure "A" (2002) by RCTC and the administration of TUMF revenues by WRCOG

MUTUAL UNDERSTANDINGS

NOW, THEREFORE, in consideration of the foregoing facts and mutual understandings, the PARTIES wish to memorialize, by this Memorandum, the following mutual understandings

1 **Allocation of TUMF Revenues Prior to April 1, 2009.** Until April 1, 2009, after a set aside of funds for Program Administration, TUMF revenues shall be allocated as follows

- a 3 8% shall be allocated for regional transit,
- b 48 1% shall be provided to RCTC consistent with Measure "A" (2002) and the TIP, and
- c 48 1% shall be allocated to the five TUMF Improvement Zones, as more specifically provided for in the WRCOG TUMF Administrative Plan

2 **Allocation of TUMF Revenues, on or After April 1, 2009.** After a set aside of funds for Program Administration and credits allowed under Section 4 below, on or after April 1, 2009, 100% of TUMF revenues shall be transferred to RCTC for use consistent with Measure "A" (2002), the TIP and State law

3 **Satisfaction of the \$400 Million TUMF Requirement.** The requirements of this MOU shall cease at such time as the \$400 Million TUMF Requirement is satisfied

4 **Credit for In-Kind Improvements.** WRCOG shall receive a credit towards the \$400 Million TUMF Requirement for TUMF facilities that are constructed by developers as a condition of residential, commercial or industrial development, provided that each of the following is true

- a The TUMF facility constructed by the developer is part of the Regional Arterial System included in the TIP and approved by the Commission
- b The TUMF facility is a High Priority Regional Arterial, as defined below
- c The credit is in an amount not more than the cost of the improvement as set forth in the most recent Nexus Study adopted in support of the TUMF

A "High Priority Regional Arterial" is defined as the highest priority regional arterial roadways as designated by the RCTC Board RCTC shall, within four months of the execution of this Agreement, designate six to eight roadways on the Regional Arterial System as High Priority Regional Arterials

In no event shall WRCOG receive a total credit towards the \$400 Million TUMF Requirement under this section in excess of \$200 million. The parties agree that at least once every three (3) years until the satisfaction of the \$400 Million TUMF Requirement the parties shall discuss, in good faith, lowering the maximum credit to an amount less than (but no greater than) \$200 Million based on the actual percentage of in-lieu TUMF facilities constructed by developers on the entire TUMF system.

5 CETAP Corridors as TUMF Improvements. TUMF revenues shall not be used to develop new CETAP corridors that are not also designated on the Regional System of Highways and Arterials as established in the TUMF Nexus Study.

6 RCTC's Expenditure of TUMF Revenues. RCTC is solely responsible for programming the expenditure of TUMF Program revenues transferred to RCTC pursuant to Sections 1 and 2 above. In programming such expenditures, RCTC shall consider project priorities established in the TUMF 10-Year Strategic Plan adopted by WRCOG's Executive Committee. Accounting and expenditure of TUMF revenues shall be in conformance with applicable state laws, including Government Code Sections 66000 *et seq*.

7 Allocation of Unclaimed Measure "A" (2002) Local Streets and Roads Funds. Section 5 D of the "General Provisions of the Transportation Improvement Plan" of the TIP establishes the method for allocating Local Streets and Roads Funds of agencies not participating in the TUMF. RCTC agrees that in allocating such funds, that it will consider, among other things

- a The zones created by WRCOG for the TUMF
- b The allocation to Regional Arterial improvements so as to allow the timely use of such funds

8 Establishment of a Coordinating Committee. There is hereby established a seven-member "Measure "A"/TUMF Policy Coordinating Committee", consisting of the Chairperson, Vice-Chairperson and the Second Vice Chairperson of RCTC, and the Chairperson, Vice-Chairperson and Past Chairperson of the WRCOG Executive Committee, and one member of Caltrans. The Policy Coordinating Committee shall meet as necessary for the purpose of coordinating the allocation and expenditure of TUMF and Measure "A" revenues. If any of the above listed positions at WRCOG or RCTC are vacant, the Chair of the respective agency may appoint a temporary member.

9 **Amendment.** This Memorandum of Understanding may be amended in writing by mutual agreement of the PARTIES

IN WITNESS WHEREOF, the Parties have caused this Amendment to be signed as of the date first above written

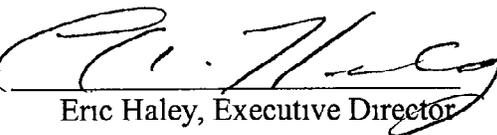
**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

By 
Ron Roberts, Chairperson

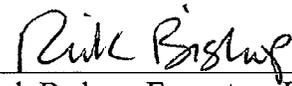
**WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS**

By 
Kelly Seyarto, Chairperson

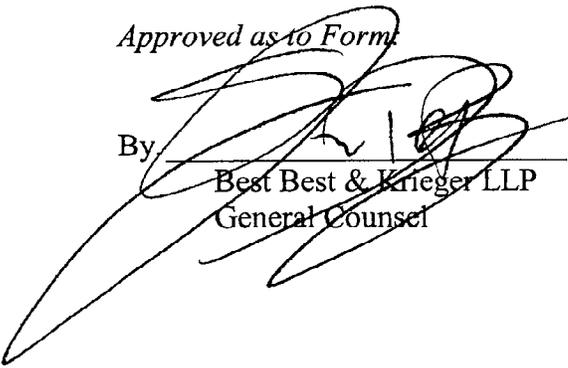
*Reviewed and Recommended
for approval*

By 
Eric Haley, Executive Director

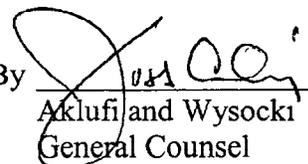
*Reviewed and Recommended
for approval*

By 
Rick Bishop, Executive Director

Approved as to Form

By 
Best Best & Krieger LLP
General Counsel

Approved as to Form

By 
Aklufi and Wysocki
General Counsel

EXCERPT FROM THE 2009 MEASURE A EXPENDITURE PLAN**4. REGIONAL ARTERIAL SYSTEM**

The freeway and state highway system can no longer be expected to handle the traffic demands for travel between and through the cities of the Western County area, with the development projected for the future. A system of regional arterials (major local roadways) with limited access, freeway interchanges, grade separations, and coordinated traffic signals are needed to supplement the highway backbone system. The Western Riverside Council of Governments (WRCOG), in conjunction with the cities and the County, has developed this system of roadways to meet this need. This roadway system will be periodically updated by the Commission, or the Western Riverside Council of Governments, to reflect actual development trends.

Funding to widen existing roads and construct new roads on this system will be funded by an estimated \$300 million in revenues generated by Measure "A" and by matching revenues to be generated by the cities and County implementing a Transportation Uniform Mitigation Fee (TUMF) administered by the Commission or the Western Riverside Council of Governments (WRCOG).

Examples of the roadways on the regional arterial system that may be eligible to receive Measure "A" and TUMF funding for widening and other improvements to increase capacity and traffic flow are:

- Van Buren Boulevard from I-215 to State Route 60
- Alessandro Boulevard from I-215 westerly to Central Avenue
- Central Avenue from Alessandro Blvd to Van Buren Boulevard
- Arlington Avenue from Central Avenue to Van Buren Boulevard
- Green River Road from Dominguez Ranch Rd to State Route 91
- Foothill Parkway from Lincoln Ave to Green River Road
- Scott Road from State Route 79 to I-215
- Clinton Keith Road from State Route 79 to I-215
- Date Street from State Route 79 to I-15
- State Route 79/I-10 Interchange Improvements and possible bypass to I-10
- Ramsey Street from Banning City Limits to Field Road
- Ramona Expressway from San Jacinto to I-215
- Cajalco Road from I-215 to I-15

- Perris Boulevard from State Route 74 to San Bernardino Co. Line
- Pyrite Street from San Bernardino County Line to State Route 60
- Schleisman Road from San Bernardino County Line to I-15 and Arlington Avenue
- Domenigoni Parkway from State Street to I-215
- Railroad Canyon/Newport Road from I-215 to I-15

The final scope and project limits of all improvements proposed for the regional arterial system will be determined through noticed public hearings, environmental clearance process, and agreement with affected agencies.

5. LOCAL STREETS AND ROADS

The local street and road system is critical to the every day movement of people within the cities and the county. This system is reaching “middle age”, with potholes and is in need of continued maintenance and rehabilitation. New local roads adjacent to new residential and business developments will continue to be constructed and paid for by the developers.

Current resources, without the extension of the existing sales tax revenues for transportation, cannot provide adequate funding to maintain the local street and road system at the level necessary to adequately serve the public.

The Transportation Improvement Plan will provide an estimated \$970 million specifically for this purpose. The funds made available in the Western County area will be distributed to the cities and the county by a formula based 75% on proportionate population and 25% on revenues generated by Measure “A”. In order to be eligible for these funds, each agency will be required to: 1) File a Five-Year Capital Improvement Program, updated annually, with the Commission; 2) Participate in a Transportation Uniform Mitigation Fee (TUMF) Program to be developed and administered by the Commission or the Western Riverside Council of Governments (WRCOG); and, 3) Participate in the Multi- Species Habitat Conservation Plan (MSHCP) currently under development by the County of Riverside by endorsing the Permit Application and signing the Implementation Agreement.

The TUMF Program shall be adopted according to all applicable laws and shall provide that the **first \$400 million** of TUMF revenues will be made available to the Commission to fund equally the: 1) Regional Arterial System, as described above; and, 2) Development of New Corridors ("CETAP") described above.