



MEETING AGENDA

Budget and Implementation Committee

Time: 9:30 a.m.

Date: June 24, 2024

Location: BOARD ROOM
County of Riverside Administration Center
4080 Lemon St, First Floor, Riverside, CA 92501

TELECONFERENCE SITES

COUNCIL CHAMBER CONFERENCE ROOM
City of Palm Desert
73510 Fred Waring Drive, Palm Desert, CA 92260

LARGE CONFERENCE ROOM
French Valley Airport
37600 Sky Canyon Drive, Murrieta, CA 92563

COMMITTEE MEMBERS

Linda Molina, **Chair** / Wendy Hewitt, City of Calimesa
Valerie Vandever, **Vice Chair** / Alonso Ledezma, City of San Jacinto
Lloyd White / Julio Martinez, City of Beaumont
Jeremy Smith / Jennifer Dain, City of Canyon Lake
Raymond Gregory / Mark Carnevale, City of Cathedral City
Steven Hernandez / Stephanie Virgen, City of Coachella
Scott Matas / Russell Betts, City of Desert Hot Springs
Bob Magee / Natasha Johnson, City of Lake Elsinore

Ulises Cabrera / Edward Delgado, City of Moreno Valley
Cindy Warren / Lori Stone, City of Murrieta
Jan Harnik / Kathleen Kelly, City of Palm Desert
Lisa Middleton / Grace Garner, City of Palm Springs
James Stewart / Brenden Kalfus, City of Temecula
Chuck Washington, County of Riverside, District III
Yxstian Gutierrez, County of Riverside, District V

STAFF

Aaron Hake, Executive Director
David Knudsen, Deputy Executive Director

AREAS OF RESPONSIBILITY

Annual Budget Development and Oversight
Competitive Federal and State Grant Programs
Countywide Communications and Outreach Programs
Countywide Strategic Plan
Legislation
Public Communications and Outreach Programs
Short Range Transit Plans

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
BUDGET AND IMPLEMENTATION COMMITTEE**

www.rctc.org

AGENDA*

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

9:30 a.m.

Monday, June 24, 2024

BOARD ROOM

**County of Riverside Administrative Center
4080 Lemon Street, First Floor
Riverside, California**

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37600 Sky Canyon Drive, Murrieta, California

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Committee may, either at the direction of the Chair or by majority vote of the Committee, waive this three minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. Also, the Committee may terminate public comments if such comments become repetitious. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Committee shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda which are not listed on the agenda. Board members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. **ADDITIONS/REVISIONS** *(The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*
6. **CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

6A. APPROVAL OF MINUTES – APRIL 22, 2024

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6B. MONTHLY INVESTMENT REPORT

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended May 31, 2024.

7. **SENATE BILL 125 FORMULA-BASED FUNDING FOR THE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM AND ZERO-EMISSION TRANSIT CAPITAL PROGRAM**

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Approve the funding recommendations for the Senate Bill 125 (SB 125) Formula-Based Funding for the Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) apportionments for Fiscal Years (FYs) 2024/25 - 2027/28, contingent upon the adopted state budget, availability of funds, and eligibility by fund type;
- 2) Direct staff to prepare and execute funding agreements with the project sponsors outlining the project scope, schedule, and local funding commitments; and
- 3) Authorize the Executive Director to execute the funding agreements with the project sponsors, pursuant to legal counsel review.

8. STATE AND FEDERAL LEGISLATIVE UPDATE

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file a state and federal legislative update.

9. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

10. EXECUTIVE DIRECTOR REPORT

11. COMMISSIONER COMMENTS

Overview

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

12. ADJOURNMENT

The next Budget and Implementation Committee meeting is scheduled to be held at **9:30 a.m., July 22, 2024.**

AGENDA ITEM 6A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

BUDGET AND IMPLEMENTATION COMMITTEE

Monday, April 22, 2024

MINUTES

1. CALL TO ORDER

The meeting of the Budget and Implementation Committee was called to order by Chair Linda Molina at 9:30 a.m. in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California 92501 and at the teleconference sites: Council Chamber Conference Room, City of Palm Desert, 73510 Fred Waring Drive, Palm Desert, California 92260, and the Large Conference Room, French Valley Airport, 37600 Sky Canyon Dr., Murrieta, California 92563.

2. ROLL CALL

Members/Alternates Present

Edward Delgado
Raymond Gregory**
Jan Harnik**
Scott Matas**
Lisa Middleton**
Linda Molina
Jeremy Smith
Cindy Warren*
James Stewart
Valerie Vandever***
Chuck Washington*
Lloyd White

*Joined the meeting at French Valley.

**Joined the meeting at Palm Desert.

***Arrived after the meeting was called to order.

Members Absent

Steven Hernandez
Yxstian Gutierrez
Bob Magee

3. PLEDGE OF ALLEGIANCE

Chair Molina led the Budget and Implementation Committee in a flag salute.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

M/S/C (White/Smith) to approve the following Consent Calendar item(s):

6A. APPROVAL OF MINUTES – FEBRUARY 24, 2024

6B. SINGLE SIGNATURE AUTHORITY REPORT THRU MARCH 31, 2024

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Single Signature Authority report for the third quarter ended March 31, 2024.

6C. MONTHLY INVESTMENT REPORT

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended March 31, 2024.

6D. STATE AND FEDERAL LEGISLATIVE UPDATE

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file a state and federal legislative update.

6E. AMENDMENT TO CITY OF BANNING'S FISCAL YEAR 2023/24 SHORT RANGE TRANSIT PLAN

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Approve an amendment to the city of Banning's (City) Fiscal Year 2023/24 Short Range Transit Plan (SRTP) to reflect the operating shortfalls in FY 2022/23 and FY 2023/24 and increase the Local Transportation Fund (LTF)

- operating allocation in the net amount of \$155,157;
- 2) Approve the reprogramming of \$100,000 of State Transit Assistance (STA) from the City's capital project No. 23-05 (Heavy Duty Hydraulic Life Replacement) to operating assistance for FY 2022/23; and
 - 3) Approve the reprogramming of \$500,000 of STA from the City's capital project No. 24-02 (Maintenance and Operations Facility Upgrades) to operating assistance for FY 2023/24.

6F. FEDERAL FISCAL YEARS 2022 AND 2023 FEDERAL TRANSIT ADMINISTRATION'S SECTION 5310 ENHANCED MOBILITY FOR SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAM

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file an update on the Federal Fiscal Years (FFY) 2022 and 2023 Federal Transit Administration's (FTA) Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Program.

At this time, Commissioner Valerie Vandever joined the meeting.

7. PROPOSED BUDGET FOR FISCAL YEAR 2024/25

Sergio Vidal, Chief Financial Officer, presented an update for the proposed Budget for Fiscal Year 2024/25, highlighting the following areas:

- Budget process
 - Budget development
 - Budget compilation
 - Budget review and adoption
- FY 2024/25 Budget considerations
 - Sales Tax, Local Transportation funds (LTF), Transportation Uniform Mitigation Fee (TUMF), and Intergovernmental revenues
 - RCTC projects and programs
- Budget summary
- Revenues/sources breakdown and by comparison
- Expenditures/expenses by department
- Capital development and delivery department highlights
- Expenditures/expenses by function
- Measure A cap on Administrative costs
- Next steps

Chair Molina expressed appreciation for Sergio Vidal's presentation it was very thorough and is looking forward to its May 8 Commission meeting, which is being held in Coachella Valley for the start of the public hearing on the Commission's budget.

M/S/C (Stewart/Smith) for the Committee to recommend the Commission take the following action(s):

- 1) Discuss, review, and provide guidance on the proposed Fiscal Year 2024/25 Budget; and**
- 2) Conduct a public hearing to receive input and comments on the proposed FY 2024/25 Budget on May 8 and June 12, 2024, and thereafter close the public hearing.**

8. ADOPTED 2024 STATE TRANSPORTATION IMPROVEMENT PROGRAM

Jillian Guizado, Planning and Programming Director, presented the adopted 2024 State Transportation Improvement Program update, highlighting the following:

- 2024 State Transportation Improvement Program (STIP)
 - STIP required to be financially constrained – in total and in each year
 - California Transportation Commission (CTC) staff contacted regions
 - CTC 2024 STIP Adoption – March 21-22, 2024
- RCTC STIP submittal versus CTC approval
- Displayed a map of the RCTC 2024 STIP proposed projects in Riverside County

M/S/C for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the California Transportation Commission (CTC) adopted 2024 State Transportation Improvement Program (STIP).**

9. CITIZENS AND SPECIALIZED TRANSIT ADVISORY COMMITTEE MEMBERSHIP APPOINTMENTS

Sandra Salgado, Management Analyst, presented an update for the appointments of the Citizens and Specialized Transit Advisory Committee Membership, highlighting the following:

- Background
 - The Transportation Development Act (TDA) of 1971 provides two funding sources:
 - ✓ Local Transportation Fund (LTF)
 - ✓ State Transit Assistance Fund (STA)
 - PUC 99238 – Social Services Transportation Advisory Council

- ✓ All counties are eligible for funding must establish a Social Services Transportation Advisory Council
- PUC 130105 (d) – Citizens Advisory Committee
 - ✓ The Commission shall appoint a citizens advisory committee, which shall represent a broad spectrum of interests and all geographic areas of the county.
- TDA membership requirements
- Recruitment process
- A list of the recommended members

M/S/C (Vandever/Stewart) for the Committee to recommend the Commission take the following action(s):

- 1) Approve the appointments of 14 members to the Citizens and Specialized Transit Advisory Committee (CSTAC) effective May 8, 2024.**

10. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

There were no items pulled from the consent calendar.

11. DEPUTY EXECUTIVE DIRECTOR REPORT

Aaron Hake announced:

- The CSTAC presentation that was heard was Sandra Salgado’s first presentation to the Commission and she did a great job.
- RCTC’s budget that was heard not only is it \$1 billion of public resources, but staff also prepared that budget on a new software system they have worked on for years to implement to modernize RCTC’s systems. He congratulated the finance team and the entire RCTC staff who put that together.
- A reminder the May 8 Commission meeting will be held in Palm Desert, there will be no satellite locations for that meeting, the meeting will be held at 9:30 a.m., and to look out for the Clerk of the Board email with all the details.

12. COMMISSIONER COMMENTS

- 12A.** Commissioner Stewart announced the Temecula Rod Run is being held on May 2-3, 2024, in Old Town Temecula.
- 12B.** Commissioner Harnik announced Coachella Valley Association of Governments (CVAG) has implemented CV Sync which is the coordination of traffic lights throughout the valley and through the tennis tournament and the festivals going on they have seen the benefits of that. It has taken the edge off those traffic jams through CV Sync, and she congratulated CVAG and that program.

- 12C.** Commissioner Washington announced on April 27 they will be hosting a community open house at the French Valley Airport it's a great family event and it is being held from 1:00 p.m. – 5:00 p.m.
- 12D.** Chair Molina announced the city of Calimesa had RCTC staff at their Earth Day Celebration that was held on April 20 at Mesa View Middle School. She had painted a rock while there in honor of Anne Mayer on her retirement. She thanked staff for coming out and participating in their city for that event. She also announced the May 8 Commission meeting is being held in Coachella.

13. ADJOURNMENT

There being no further business for consideration by the Budget and Implementation Committee, the meeting was adjourned at 10:10 a.m.

Respectfully submitted,



Lisa Mobley
Administrative Services
Director/Clerk of the Board

AGENDA ITEM 6B

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	June 24, 2024
TO:	Budget and Implementation Committee
FROM:	Megan Kavand, Senior Financial Analyst
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Monthly Investment Report

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended May 31, 2024.

BACKGROUND INFORMATION:

The Commission’s investment reports have generally reflected investments primarily concentrated in the Riverside County Pooled Investment Fund as well as investments in mutual funds for sales tax revenue bond debt service payments.

As a result of significant project financings such as the State Route 91 Corridor Improvement Project (91 Project or 91 CIP) and the Interstate 15 Express Lanes Project (I-15 ELP), the Commission engaged MetLife Investment Management, LLC, formerly Logan Circle Partners, L.P. (MetLife), as the investment manager for the bond proceeds and other required funds. Additionally, the Commission engaged Payden & Rygel Investment Management (Payden & Rygel) to make specific investments for Commission operating funds. The Commission approved initial agreements with the investment managers in May 2013 following a competitive procurement and has extended the agreements through the annual recurring contracts process.

MetLife invested the debt proceeds and subsequent other required contributions for the 91 Project and I-15 ELP in separate accounts of the Short-Term Actively Managed Program (STAMP). The Commission completed the 91 Project financing in 2013, the I-15 ELP and 91 Project completion financing (2017 Financing) in July 2017 and the 2021 91 Project refinancing (2021 Financing) in October 2021. Consistent with financing expectations, the Commission expended all 91 Project debt proceeds and equity contributions, except for the toll revenue bonds debt service reserve, and subsequent to commencement of operations, established other required accounts. Additionally, the Commission has fully expended the 2017 Financing bond proceeds for the I-15 ELP except for the Ramp Up Fund which is required to be maintained until the second anniversary of the TIFIA debt service payment commencement date.

The monthly investment report for May 2024, as required by state law and Commission policy, reflects the investment activities resulting from the 91 Project, 2017 Financing, 2021 Financing and available operating cash. As of May 31, 2024, the Commission’s cash and investments were comprised of the following:

CASH AND INVESTMENTS PORTFOLIO	AMOUNTS ¹
Operating	\$ 941,038,633
Trust	337,329,835
Commission-managed	291,650,588
STAMP for 91 CIP	60,151,478
STAMP for 2017 Financing	16,165,991
Total	\$ 1,646,336,525
Note: ¹ Unreconciled and unaudited	

As of May 31, 2024, the Commission’s cash and investments are in compliance with both the Commission’s investment policy adopted on October 11, 2023, and permitted investments described in the indenture for the Commission’s sales tax revenue bonds and the master indentures for the Commission’s toll revenue bonds. Additionally, the Commission has adequate cash flows for the next six months.

FISCAL IMPACT:

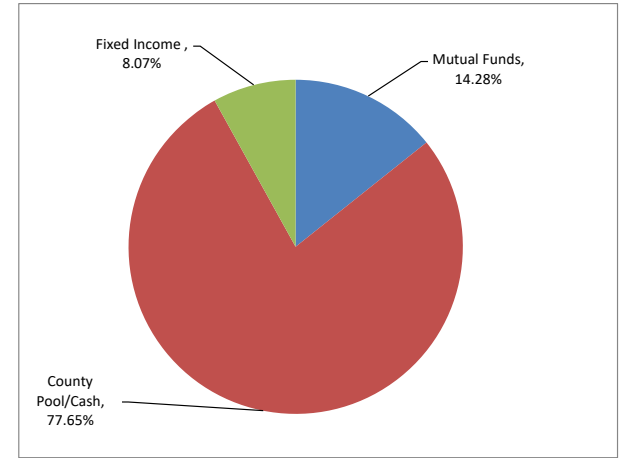
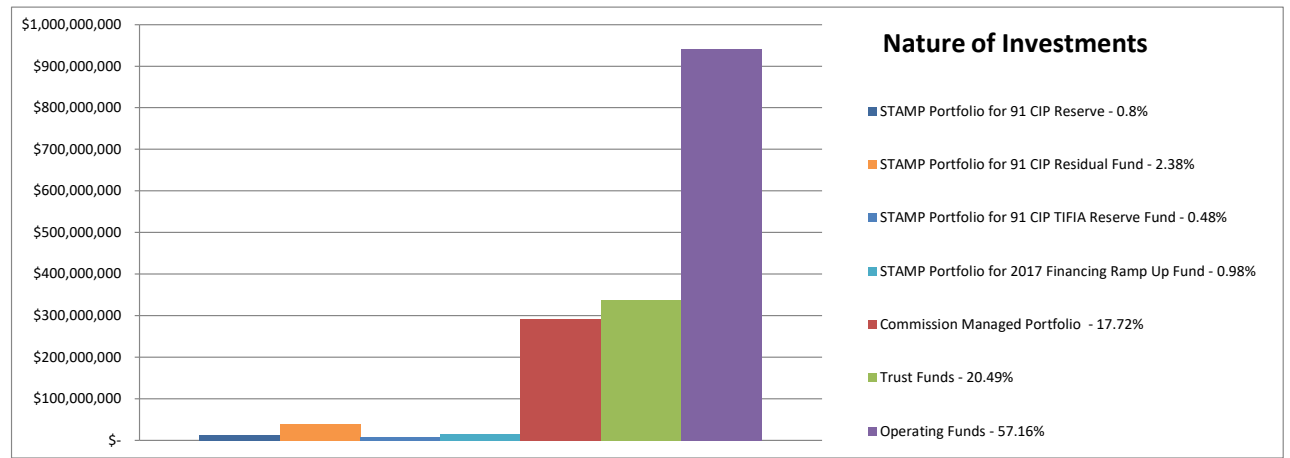
This is an information item. There is no fiscal impact.

Attachment: Investment Portfolio Report

Riverside County Transportation Commission
Investment Portfolio Report
Period Ended: May 31, 2024

	STATEMENT BALANCE ¹	FINANCIAL INSTUTION	STATEMENTS	RATING MOODYS / S&P	COUPON RATE	PAR VALUE	PURCHASE DATE	MATURITY DATE	YIELD TO MATURITY	PURCHASE COST	MARKET VALUE	UNREALIZED GAIN (LOSS)
OPERATING FUNDS												
City National Bank Deposits	15,172,396	City National Bank	Available upon request	A3/BBB+	N/A				N/A			
County Treasurer's Pooled Investment Fund	925,866,237	County Treasurer	Available upon request					Available upon request				
Subtotal Operating Funds	941,038,633											
FUNDS HELD IN TRUST												
County Treasurer's Pooled Investment Fund: Local Transportation Fund	337,329,835	County Treasurer	Available upon request					Available upon request				
Subtotal Funds Held in Trust	337,329,835											
COMMISSION MANAGED PORTFOLIO												
US Bank Payden & Rygel Operating	56,597,512	US Bank	Available upon request					Available upon request				
First American Government Obligation Fund	235,053,076	US Bank	Available upon request	N/A	N/A				N/A			
Subtotal Commission Managed Portfolio	291,650,588											
STAMP PORTFOLIO for 91 CIP												
2013 Series A & Series B Reserve Fund	13,100,150	US Bank	Available upon request					Available upon request				
2021 Series B Reserve Fund	39,147,665	US Bank	Available upon request					Available upon request				
2021 Series C Reserve Fund	7,903,664	US Bank	Available upon request					Available upon request				
Subtotal STAMP Portfolio - 91 CIP	60,151,478											
STAMP PORTFOLIO for 2017 Financing												
Ramp Up Fund	16,165,991	US Bank	Available upon request					Available upon request				
Subtotal STAMP Portfolio - 2017 Financing	16,165,991											
TOTAL All Cash and Investments	\$ 1,646,336,525											

Notes:
¹ Unreconciled and unaudited



AGENDA ITEM 7

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	June 24, 2024
TO:	Budget and Implementation Committee
FROM:	Lorelle Moe-Luna, Multimodal Services Director
THROUGH:	David Knudsen, Deputy Executive Director
SUBJECT:	Senate Bill 125 Formula-Based Funding for the Transit and Intercity Rail Capital Program and Zero-Emission Transit Capital Program

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Approve the funding recommendations for the Senate Bill 125 (SB 125) Formula-Based Funding for the Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) apportionments for Fiscal Years (FYs) 2024/25 - 2027/28, contingent upon the adopted state budget, availability of funds, and eligibility by fund type;
- 2) Direct staff to prepare and execute funding agreements with the project sponsors outlining the project scope, schedule, and local funding commitments; and
- 3) Authorize the Executive Director to execute the funding agreements with the project sponsors, pursuant to legal counsel review.

BACKGROUND INFORMATION:

TIRCP was created by the state as a competitive program in 2014 to provide grants from the Greenhouse Gas Reduction Fund (GGRF) via cap-and-trade proceeds to fund transformative capital improvements that will modernize California’s intercity, commuter, and urban rail systems, and bus systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. In 2017, SB 1 gas tax funding added a substantial increase with funds directed to the TIRCP from the Public Transportation Account. Assembly Bill 398 (AB 398) extended the Cap-and-Trade Program that supports TIRCP from 2020 through 2030. TIRCP has awarded six cycles of funding totaling over \$10 billion for 132 projects throughout the state.

In July 2023, the Governor signed AB 102 and SB 125 amending the Budget Act of 2023 to appropriate about \$4 billion of general fund to TIRCP over FYs 2023/24 and 2024/25, and \$910 million of GGRF funding and \$190 million of Public Transportation Account funding over FYs 2023/24 – 2026/27 to establish the Zero-Emission Transit Capital Program (ZETCP). This created the formula-based TIRCP and ZETCP. SB 125 guides this process and requires that the California State Transportation Agency (CalSTA) develop and administer the program to govern distribution of the funds.

CalSTA published the final SB 125 Formula-Based TIRCP and ZETCP Guidelines in September 2023. The objectives of the program are to reduce emissions of greenhouse gases; expand and improve transit service to increase ridership; integrate rail service of the state’s various rail operations; and improve transit safety. The guidelines identify the regional transportation planning agencies (RTPAs), such as RCTC, as the recipient of these funds. The guidelines give the Commission discretion to suballocate or distribute funds within their region based on local needs, existing priorities, policies, and procedures, as long as the SB 125 program requirements and goals are met.

TIRCP projects eligible to receive funding include transit operations and capital improvements, grade separations, and rail crossing improvements. ZETCP funding is only available to public transit operators already eligible to receive State Transit Assistance funds and can only be used for zero-emission capital and operating expenditures.

DISCUSSION:

RCTC is identified to receive about \$247.1 million of TIRCP and \$39.8 million of ZETCP, for a total of \$286.9 million over multiple years. Table 1 reflects the original programming years of SB 125 and is subject to change based on the Governor’s Budget Proposal and May Revision.

Table 1. RCTC share of SB 125 Formula-Based TIRCP and ZETCP Funding

Fund	Year 1 - FY24	Year 2 – FY25	Year 3 – FY26	Year 4 – FY27	Total
TIRCP	\$ 123,382,700	\$ 123,693,468	n/a	n/a	\$ 247,076,168
ZETCP	14,828,290	8,318,309	\$ 8,318,309	\$ 8,318,309	39,783,217
Total	\$ 138,210,990	\$ 132,011,777	\$ 8,318,309	\$ 8,318,309	\$ 286,859,385

Staff has reviewed the CalSTA SB 125 guidelines and has aligned them with Commission-approved plans, goals, and policies from documents such as the Traffic Relief Plan, Grade Separation Priority Study, Short Range Transit Plans, and Zero-Emission Bus Roll-out Plans to identify projects. Staff has also coordinated and consulted with each transit operator in the county as required in the guidelines.

At the December 2023 Commission meeting, the Commission approved Year 1 projects for TIRCP and ZETCP formula funding, which staff submitted to CalSTA before the December 30, 2023, deadline. The following categories for project selection were identified for the remaining years of TIRCP and ZETP funding:

1. Zero-Emission and Transit Capital Projects – includes projects such as zero-emission infrastructure and buses, facility upgrades, and integrated passenger fare systems.
2. Western Riverside County Rail Capital Improvements – examples of projects may include Metrolink’s Zero-Emission Pilot Project, locomotives, and/or track expansion; and grade separations that will support the expansion of future passenger rail service.

Contingent upon the adopted state budget, availability of funds, and that projects are eligible for funding based on the revised fund type, staff recommends that the Commission approve the list of projects in Attachment 1 for TIRCP and ZETCP formula funding and to direct staff to prepare and enter into agreements with the project sponsors.

Staff has emphasized to the project sponsors that their proposed projects should be completed by 2030. Although the funds do not have an expenditure deadline, this will help prevent funds from being programmed onto a project indefinitely when another project that can move forward could have the opportunity for funding. The Commission has the right to rescind funds if a project does not progress or complete the intended project phases within the timeframe. Any cost savings will also be returned to the SB 125 formula program for consideration of other projects. Should these situations occur, staff will return to the Commission for approval. Additionally, staff has encouraged project sponsors to continue seeking competitive funds to leverage this program and other formula programs and is committed to working with them to strategize and assist with future grants as appropriate. Staff will follow normal accounting procedures like the State Transit Assistance and State of Good Repair programs which are done on a reimbursement basis.

Jurupa Road Grade Separation

At the March 2024 Commission meeting, the Commission approved programming up to an additional \$35 million of 2009 Measure A Western County Regional Arterial (MARA) funding for the city of Jurupa Valley's Jurupa Road Grade Separation Project (led by County of Riverside) and directed staff to explore other potential funding alternatives to minimize the impact on MARA. Staff has explored other funding alternatives as directed and has identified SB 125 TIRCP funds as a better option for the project. Mitigating the impact of MARA funds is critical because it provides the most flexibility for regional projects and is needed to meet other funding obligations. Programming SB 125 TIRCP funds on the Jurupa Road Grade Separation constitutes a swap of fund types, not additional funding.

McKinley Street Grade Separation

On March 28, 2024, the city of Corona submitted a letter (Attachment 2) to the Commission regarding cost increases on the McKinley Street Grade Separation project currently under construction. Due to structural steel shortages and unforeseen delays in the fabrication process of the bridge, there is an approximate 210 working-day delay to the overall schedule. This delay is resulting in additional costs to right of way, construction management, and construction. Staff recommends programming \$10 million of SB 125 TIRCP funds on the project to see it through to completion. The funding agreement will indicate this will be the Commission's final contribution to the project.

SB 125 Legislative Update

When the Commission approved the first year of projects, it was expected that Year 1 funds would be approved by CalSTA and disbursed to RTPAs by April 30, 2024. In January 2024, the

Governor released the Budget Proposal which reflected a portion of the second year (26 percent) of TIRCP funds would shift to GGRF instead of general funds and that the funds would be apportioned over two years, FY 2024/25 and 2025/26. On April 29, 2024, the California Department of Finance issued an expenditure freeze on one-time appropriations from the Budget Act of 2023 impacting SB 125 funds. On May 10, 2024, the Governor released the May Revision of the FY 2024/25 budget and reflects a shift of \$555.1 million of general funds from Year 1 of SB 125 funds to GGRF, thus, maintaining the formula TIRCP and ZETCP funding levels. The May Revision also reflects a shift in ZETCP funding from the original four years of programming to five years with PTA funding in the first year and GGRF funding over FY 2024/25 through 2027/28. If approved, overall funding in the first three years would be reduced and shifted to later years, but the total overall funding that RCTC is identified to receive would not change. Table 2 reflects updated programming amounts through FY 2027/28 based on the Governor’s Budget Proposal and May Revision and is subject to change pending the adopted state budget.

Table 2. Updated RCTC share of SB 125 Formula-Based TIRCP and ZETCP Funding


Fund	Year 1 - FY24	Year 2 – FY25	Year 3 – FY26	Year 4 – FY27	Year 5 – FY28	Total
TIRCP	\$ 123,382,700	\$ 61,846,734	\$ 61,846,734	n/a	n/a	\$ 247,076,168
ZETCP	6,871,647	7,956,643	-	\$ 8,318,309	\$ 16,636,618	39,783,217
Total*	\$ 130,254,347	\$ 69,803,377	\$ 61,846,734	\$ 8,318,309	\$ 16,636,618	\$ 286,859,385

*Based on the Governor’s Budget Proposal and May Revision. Subject to change pending the adopted state budget.

As of the writing of this report, staff is still awaiting the final approval letter from CalSTA for Year 1 projects and has been working diligently with regional and state partners to urge the Legislature to continue to fully fund formula TIRCP and ZETCP programs as proposed in the Governor’s May Revision. If reductions are made, staff will return to the Commission for further action.

FISCAL IMPACT:

There is no financial impact for this item in the current or upcoming fiscal years. The funds anticipated to be received during FY 2023/24 were incorporated with the December 2023 Commission action and the FY 2024/25 TIRCP and ZETCP apportionments and associated expenditures are included in the Commission’s proposed FY 2024/25 budget. If the adopted state budget impacts the FY 2024/25 funding availability, staff will update the budget at the mid-year revision to document the changes. Funds anticipated to be received in FY 2025/26 and later will be accounted for in the respective year’s budget. Funds awarded to transit operators will be programmed and allocated in the annual Short Range Transit Plan updates.

Financial Information					
In Fiscal Year Budget:	Yes	Year:	FY 2024/25 FY 2025/26+	Amount:	\$69,803,377 \$86,801,661
Source of Funds:	SB 125 TIRCP and ZETCP			Budget Adjustment:	No
GL/Project Accounting No.:	<i>Revenue:</i> 002233 415 41501 0000 243-62-41501 <i>Budget Expenditure(s):</i> 002231 – 86102 – 00000 0000 Inter-agency support (Transit Capital) 002232 – 81301 – 00000 0000 Construction (Grade separation) 002232 – 81101 – 00000 0000 Preliminary Engineering (Grade separation)				
Fiscal Procedures Approved:				Date:	06/18/2024

Attachments:

- 1) SB 125 Formula-Based TIRCP and ZETCP Funding Recommendations
- 2) March 28, 2024, Letter from City of Corona

RCTC SB 125 Formula-Based TIRCP and ZETCP Funding Recommendations ¹

Project Type	Year 1 FY 2023/24	Years 2 - 5 FY 2024/25 - FY 2027/28	Total
Zero Emission and Transit Capital Projects ²			
Riverside Transit Agency	\$ 14,828,290	\$ 24,954,927	\$ 39,783,217
SunLine Transit Agency	16,000,000	24,000,000	40,000,000
Palo Verde Valley Transit Agency	16,010,000	2,966,440	18,976,440
City of Corona Transit	10,322,620	9,577,380	19,900,000
City of Banning Transit	2,489,413	4,095,390	6,584,803
City of Beaumont Transit	10,300,000	4,025,000	14,325,000
City of Riverside Transit	5,392,073	6,225,488	11,617,561
Passenger Rail Project Development			
RCTC - Coachella Valley Rail Tier 2 Environmental	40,000,000	-	40,000,000
City of Banning - Hargrave Ave Grade Separation	5,000,000	-	5,000,000
City of Beaumont - Pennsylvania Ave Grade Separation	5,000,000	-	5,000,000
County of Riverside - Broadway Grade Separation	10,000,000	-	10,000,000
Western Riverside County Rail Capital Improvements			
RCTC - Metrolink Double Track (Moreno Valley to Perris)	-	5,500,000	5,500,000
Southern California Regional Rail Authority	-	22,303,770	22,303,770
County of Riverside - Jurupa Rd Grade Separation	-	35,000,000	35,000,000
City of Corona - McKinley St Grade Separation	-	10,000,000	10,000,000
Program Administration (Maximum 1% of total) ³			
Grade Separation Study Update, Technical Assistance, Program Administration	2,868,594	-	2,868,594
Total	\$ 138,210,990	\$ 148,648,395	\$ 286,859,385

¹ Contingent upon adopted state budget, available funding, and project eligibility by revised fund type.

² Includes projects such as zero-emission infrastructure and buses, facility upgrades, and integrated passenger fare systems.

³ Year 1 administrative share was approved by the Commission on December 13, 2023 for \$791,214 and revised as requested by CalSTA to reflect the entire administrative share of \$2,868,594, or 1%. The difference of \$2,077,380 was reduced from the City of Corona Transit in Year 1 and reprogrammed in Years 2-5.



March 28, 2024

Anne Mayer
 Executive Director
 Riverside County Transportation Commission
 4080 Lemon Street
 Riverside, CA 92501

SUBJECT: REQUEST FOR ADDITIONAL FUNDING – MCKINLEY STREET GRADE SEPARATION

Dear Ms. Mayer,

The City of Corona (“City”) is nearing completion of the construction phase for the McKinley Street Grade Separation Project (“Project”). The Project includes the construction of a 4-lane overhead grade separation with substantial pre-cast panel/ Mechanically Stabilized Earth (MSE) retaining wall systems over the Burlington Northern Santa Fe Railway (BNSF) railroad crossing and Arlington Channel south of Sampson Avenue. Additional improvements include loop on-ramp, slip on-ramp, new loop road and modifications to the State Route 91 eastbound off-ramp. The Project is funded by the State Senate Bill 132 (SB 132) along with several other state and local sources of funding. Table 1 below illustrates the allocated funding for the project.

Table 1 – McKinley Street Grade Separation Project Funding Summary:

Funding Source	Amount
State Senate Bill 132	\$84,450,000
Trade Corridor Enhancement Program (TCEP)	\$10,300,000
Measure A Western County Regional Arterial (MARA)	\$9,889,692
City of Corona Measure X Funds	\$5,001,956
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Burlington Northern Santa Fe Railway (BNSF) Contributions	\$3,810,000
Highway Railroad Crossing Safety Crossing Account (HRCSA)	\$2,876,960
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Western Municipal Water District (WMWD) Utility Contributions	\$1,439,143
Developer Impact Fees (DIF) - Drainage	\$1,000,000
Developer Impact Fees (DIF) - Streets/Signals	\$1,000,000
Gas Tax	\$729,724
Road Maintenance Rehabilitation Accountability (RMRA)	\$500,000
Total	\$133,648,559

The Riverside County Transportation Committee approved \$9.89 million of funding to the City of Corona on November 10, 2021, under the 2009 Measure A Western County Regional Arterial (MARA) for the McKinley Grade Separation project. Since then, the City continued its efforts to accelerate the Project to construction completion by its original schedule.

During the course of construction, the City has encountered structural steel shortages and unforeseen delays in the fabrication process of the bridge. These delays created an approximate 210 working-day delay to the overall schedule. Thus, the construction completion was extended to November 2024 with the following increased costs:

- **Construction Management:** Due to the delayed project schedule, additional efforts of construction management are required to provide inspections, contract administration, and quality assurance oversight. Effectively, the 210 working day delay increased the original schedule of 460 days by nearly 45%. The construction management consultant has worked diligently to identify efficiencies in their operations and several value engineering efforts including alternative approaches to traffic handling, deck construction, over-excavation of MSE walls, and reinforced concrete box construction that have presented some reduction to the schedule impacts and construction costs savings. However, the increase in the overall schedule requires an additional \$2.5 million to account for these efforts, which represents approximately 20% increase to their original awarded contract.
- **Right of Way:** As a result of the delay, Temporary Construction Easements (TCEs) extensions are required to complete this project thus creating substantial claims for lost business goodwill and damages to businesses/property values that were recently settled through mediation. In several cases, the City received tenant rent tolls and profit loss statements from owners throughout mediation that are substantially higher than expected numbers beyond original available market information. Additionally, in two cases, properties were sold during the development of the project for substantially higher than normal market values that also influenced market data and comparable sales / business information.
- **Construction Contingency:** The time impact created change orders necessary to facilitate the completion of this project. As a result of these impacts, the construction contingency is fully exhausted and will need to be replenished for future potential impacts.

Due to other unforeseen utility impacts, the project has also experienced additional schedule delays expenditures including:

- Southern California Edison: Additional service requests for temporary and permanent power in various locations previously not identified during our utility coordination phases with other stakeholders.
- Burlington Northern Santa Fe Railway: BNSF has identified additional needs for flagging and relocation of signal equipment that were identified after the Contractor established their means and methods for the bridge move resulting in higher railroad coordination costs.
- Utility Relocation: Several unidentified utilities were encountered during construction that resulted in additional efforts needed to relocate these conflicts.

Over the past several months, the City and its Consultants have assessed the cost to complete construction for the Project and has identified a deficit of \$20,641,971 between the allocated funding and estimated cost of completion (as illustrated in Table 2).

Table 2 – Current and Estimated Project Budget (As of March 25, 2024)

Expenditure Source	Approved Budget	Estimated Cost to Complete	Shortfall
Construction	\$ 60,432,290	\$ 68,500,000	\$ 8,067,710
Right of Way & Utilities Expenditures	\$ 38,734,728	\$ 47,280,000	\$ 8,545,272
Staff/Consulting Services (Design, Acquisition, Legal, and Project Management)	\$ 22,080,533	\$ 23,321,000	\$ 1,240,467
Construction Management Consulting Services	\$ 10,494,620	\$ 13,002,000	\$ 2,507,380
BNSF Railroad	\$ 1,718,858	\$ 2,000,000	\$ 281,142
Building Demolition	\$ 187,530	\$ 187,530	\$ 0
Total	\$ 133,648,559	\$ 154,290,530	\$ 20,641,971

The City recognizes the McKinley Street Grade Separation as a much-needed project to provide safety enhancements and congestion reliefs. The Project falls within a Disadvantaged Community (DAC) and aims to provide improved emergency response time, improved circulation for rail crossing, reduction in noise, reduction in collisions, improved air quality, and improved mobility and safety for both motorists and pedestrians. The material and labor availability issues were unprecedented and has led to complications that could not have been previously identified. In response to these challenges, the City has utilized over \$12 million in local funds and pursued all available funding opportunities eligible for this project.

As such, the City of Corona hereby respectfully and formally requests the Riverside County Transportation Commission to provide the remaining funding needed in the amount of **\$20,641,971**. The City will continue its efforts to limit cost overruns and expedite the Project

schedule to substantial completion by April 2025. Specifically, the following practices will be implemented:

- 1) Closely monitoring construction costs and the schedule while working with the Contractor as necessary to identify value engineering and changes to minimize delays or potential for change orders.
- 2) Provide necessary studies, expert services, and eminent domain counsel services to minimize exposure for remaining properties that have not been settled or received a final order of condemnation.
- 3) Continue to coordinate with Project stakeholders as potential challenges and risks develop.

Thank you in advance for your consideration in this request for additional funds to the McKinley Street Grade Separation Project. Should you have any questions please do not hesitate to contact Public Works Director, Savat Khamphou, through email at [Savat Khamphou@CoronaCA.gov](mailto:Savat.Khamphou@CoronaCA.gov) or phone at (951) 279-3604.

Sincerely,



Jacob Ellis
City Manager

CC: Brett Channing, Assistant City Manager
Savat Khamphou, Public Works Director/City Engineer
Kenny Nguyen, CIP Manager/Assistant City Engineer

AGENDA ITEM 8

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	June 24, 2024
TO:	Budget and Implementation Committee
FROM:	Andrew Sall, Senior Management Analyst, Legislative Affairs
THROUGH:	Tyler Madary, Legislative Affairs Manager
SUBJECT:	State and Federal Legislative Update

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file a state and federal legislative update.

BACKGROUND INFORMATION:

State Update

Fiscal Year 2024-25 Budget

Following Governor Newsom’s release of the May Revise to the FY 2024-25 budget, the Legislature issued their Joint Legislative Plan. Notably, this plan calls for the following:

- Maintains the overall \$5.1 billion investment for the Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) under SB 125, as recommended in the May Revise. While the May Revise proposed a delay of \$1 billion in TIRCP funding to FY 2025-26, the Joint Legislative Plan instead calls for spreading the \$1 billion delay over two years, allocating \$500 million in each FY 2025-26 and FY 2026-27.
- Rejects \$148 million in cuts to the competitive TIRCP Cycle 6 funds, as proposed in the May Revise.
- Rejects \$600 million in cuts to the Active Transportation Program proposed in the Governor’s January Budget Proposal and May Revise, paid for with a backfill from the State Highway Account.
- Restores \$250 million of the \$300 million in proposed cuts to the Regional Early Action Planning (REAP 2.0) program, which seeks to integrate housing and climate goals while allowing broad planning and implementation investments at the regional and local levels.

As of the publish date of this report, the Legislature and Governor continue to negotiate final budget legislation, which must be passed by June 15.

SB 125 Transit Funding Advocacy

Freezing the SB 125 funds, as indicated in previous updates to the Commission, in the first year of the program could cause delay to projects across Riverside County. Looking forward, it is critically important that the second year of the SB 125 funding distribution is not delayed because of further impacts to projects. In particular, staff is recommending to program SB 125 funds for the McKinley Street Grade Separation project, where construction costs continue to increase. The McKinley Street Grade Separation project is counting on \$10 million of the second year of SB 125 formula TIRCP funds to be programmed to the city of Corona for the project. RCTC and the city of Corona have coordinated efforts to communicate with the region's state elected officials, including to Assemblymember Sabrina Cervantes (Riverside), Assemblymember Bill Essayli (Corona), and Senator Seyarto (Murrieta) to demonstrate how any cuts or delays to the second year of SB 125 formula TIRCP funding could impact RCTC's ability to program funding for the McKinley Street Grade Separation project. RCTC's letters to Assemblymember Cervantes, Assemblymember Essayli, and Senator Seyarto are attached.

Senate Bill 768 (Caballero) – Support via Platform

On June 4, RCTC took a support position on Senate Bill 768 by Senator Anna Caballero (Stockton), which requires the California State Transportation Agency, in consultation with stakeholders such as RCTC, to conduct a study by 2028 highlighting how vehicle miles traveled (VMT) is used as a metric for measuring transportation impacts across rural, suburban, and urban regions. This good governance proposal aims to better understand VMT policy impacts on transportation projects in regions such as Riverside County, which is experiencing rapid population growth, significant housing construction mandates, and an increased role in goods movement. Staff submitted a letter of support for SB 768 to the Assembly Natural Resources Committee ahead of the bill's hearing on June 10. SB 768 passed the committee and was referred to the Assembly Appropriations Committee.

Supporting this legislation is consistent with the Commission's adopted 2024 State and Federal Legislative Platform, including:

Equity and Fairness

- Ensure that rural, low-income, and disadvantaged communities in Riverside County benefit from equity-based transportation planning and implementation policies.
- Policies should be developed and implemented with regional variance to limit disproportionate impacts on regions with fast-growing populations, including low-income and disadvantaged communities priced out of coastal urban centers.

Regional Control

- State and federal rulemakings, administrative processes, program guidelines, and policy development activities should include meaningful collaboration from regional transportation agencies.

- Policies should be sensitive to each region’s unique needs and avoid “one size fits all” assumptions, over-reliance on single modes of transportation that would disadvantage regional mobility, and lack of distinction between urban, suburban, and rural needs.

Climate Action and Air Quality

- Support alternative metrics to VMT that more accurately account for environmental impacts. Support use of per capita measurements when mitigating transportation sector impacts in growing regions.

Assembly Bill 6 (Friedman)

Assembly Bill 6 by Assemblymember Laura Friedman (Glendale) was amended on May 30 after having been held in the Senate since June 2023. The Commission previously opposed the bill in May 2023, as it provides significant oversight to the California Air Resources Board (CARB) in the approval process of a metropolitan planning organization’s (MPO) Sustainable Community Strategy (SCS) and the methodology used to estimate greenhouse gas emissions (GHG). The latest amendments to AB 6 provide additional oversight to CARB in approving any amendments to an MPOs Regional Transportation Plan – even those technical in nature – and requires CARB to quantify GHG emissions reduced as a result of the amendments. The bill also sets new GHG reduction targets of 2045, which does not reflect current and future cost constraints, particularly as revenue sources such as state gasoline taxes continue to diminish. While the amendments removed language requiring projects funded by the Solutions for Congested Corridors Program established under SB 1 (2017) to demonstrate how they would help achieve the state’s GHG targets, the new authorities provided to CARB, including the ability to veto an MPO’s SCS, upend transportation planning and jeopardize the delivery or projects, including those in inland regions with less capacity to transition to other modes of transportation.

Staff submitted a letter of opposition on AB 6 to the Senate Transportation Committee, which heard the bill on June 11. As a result of RCTC’s advocacy in coordination with partner agencies and stakeholders, AB 6 was pulled from the Senate Transportation Committee by the author and is considered dead.

Assembly Bill 2645 (Lackey) – Letter of Concern

Assembly Bill 2645 by Assemblymember Tom Lackey (Palmdale) requires transportation agencies with toll operations, including RCTC, to notify law enforcement agencies if a vehicle involved in an emergency alert activated by the California Highway Patrol (CHP) is identified by the toll’s camera-based or electronic system. RCTC currently works with law enforcement agencies in emergency situations when information is requested via search warrant. Understanding Assemblymember Lackey’s interest in coordinated emergency response, staff, together with the California Toll Operators Committee (CTOC) Legislative Committee, met with representatives of the bill’s author and sponsor to discuss potential challenges and costs associated with implementation. Following this discussion, staff submitted a letter of concern to the author on June 6, highlighting the following challenges:

- RCTC’s camera-based system only captures the license plate numbers of vehicles without a transponder, representing approximately 25 percent of vehicles in the toll lanes. However, only 30 percent of those license plates are identifiable within 24 hours due to current operational capabilities, creating a challenge in providing a response time sufficient to meet the intent of the bill.
- RCTC does not maintain an automated system to send and receive alert information to CHP. Implementing such a system will take upwards of 12 months and cost \$200,000 for per toll facility. Toll operators are limited regarding how toll revenue is spent, and developing an automated system amounts to an unfunded mandate.
- The bill lacks safeguards regarding the sharing of personally identifiable information, raising legal concerns for toll operators, who have been subject to litigation.

RCTC will continue to work with the author, CTOC, and other stakeholders to identify amendments that address concerns as the bill progresses.

Federal Update

Congress is beginning to markup the first set of budget bills for Fiscal Year 2025, including RCTC’s Community Project Funding (CPF)/Congressionally Directed Spending (CDS) requests:

- \$4 million for the State Route 91 Eastbound Corridor Operations Project, submitted by Representative Young Kim;
- \$3 million for the Mid County Parkway: Ramona Expressway Project, submitted by Senator Alex Padilla and Senator Laphonza Butler;
- \$3 million for the Interstate 15 Express Lanes Project Southern Extension, submitted by Representative Ken Calvert; and
- \$2.5 million for the Metrolink Double Track Project: Moreno Valley to Perris, submitted by Representative Mark Takano.

Discussions will continue between the House and Senate over the coming months as they seek to pass a federal budget bill before September 30. Staff will keep Commissioners apprised as the federal appropriations process continue.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

Attachments:

- 1) Legislative Matrix – July 2024
- 2) RCTC Letter to Assemblymember Cervantes – State Budget Impacts to the McKinley Street Grade Separation
- 3) RCTC Letter to Assemblymember Essayli – State Budget Impacts to the McKinley Street Grade Separation

- 4) RCTC Letter to Senator Seyarto – State Budget Impacts to the McKinley Street Grade Separation
- 5) RCTC SB 768 Support letter
- 6) RCTC AB 6 Oppose Letter
- 7) RCTC AB 2645 Letter of Concern

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – JULY 2024

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 6 (Friedman)	This bill provides significant new oversight to the California Air Resources Board in the approval process of a metropolitan planning organization’s Sustainable Communities Strategy, methodology used to estimate greenhouse gas emissions (GHG), and amendments to a Regional Transportation Plan. AB 6 also sets new GHG reduction targets of 2045, which does not reflect future cost constraints and diminishing revenue from the state’s gasoline taxes. These new burdensome requirements will likely result in significant delays to transportation projects.	Amended on May 30, 2024. Pulled from Senate Transportation Committee. June 11, 2024	<i>Oppose Based on Platform</i>	5/24/2023
AB 7 (Friedman)	This bill requires the California State Transportation Agency, California Department of Transportation, and California Transportation Commission to consider specific goals as part of their processes for project development, selection, and implementation. AB 7 may impact the allocation of billions of dollars in state transportation funding, infringing on RCTC’s ability to deliver critically needed transportation infrastructure in Riverside County.	Ordered to the inactive file. Two-year bill. September 11, 2023	<i>Oppose Based on Platform</i>	5/25/2023
AB 558 (Arambula)	This bill restructures the Fresno County Transportation Authority (FCTA) by increasing its board membership from nine to thirteen members. This restructuring is done without the consensus and support from regional stakeholders and sets a concerning precedent for RCTC and other regional transportation agencies that rely upon a collaborative process to be effective. Additionally, the bill was amended on April 18 to subject a county transportation expenditure plan prepared by the Fresno County Transportation Authority (FCTA) to the requirements of the California Environmental Quality Act.	Failed deadline. January 31, 2024	<i>Oppose Based on Platform</i>	4/10/2023
AB 1385 (Garcia)	This bill would raise RCTC’s maximum tax rate authority from 1% to 1.5%.	Approved by the Governor. October 8, 2023	<i>Support</i>	3/8/2023
AB 1525 (Bonta)	This bill significantly narrows the location and types of projects eligible to receive state transportation funding by requiring 60% of funds to be allocated to priority populations.	Failed deadline. January 31, 2024	<i>Oppose Based on Platform</i>	4/11/2023

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 1957 (Wilson)	This bill extends the sunset date to 2030 on a pilot program allowing for specified counties to utilize the best value procurement process for construction projects in excess of \$1 million. The bill additionally expands the program to all counties.	Passed Senate Appropriations Committee. Ordered to Senate Floor Consent Calendar. June 11, 2024	<i>Support Based on Platform</i>	2/15/2024
AB 2535 (Bonta)	This bill prohibits the programming of funding under the Trade Corridor Enhancement Program (TCEP) established under Senate Bill 1 (2017) from projects that expand the physical footprint of a highway in communities with high impacts from international trade and goods movement. The bill also sets a target of expending 15% of TCEP funds towards zero-emission freight infrastructure, with increases in each funding cycle until reaching 50%.	Failed deadline. May 16, 2024	<i>Oppose Based on Commission Action</i>	3/13/2024
SB 617 (Newman)	This bill, until January 1, 2029, would authorize a transit district, municipal operator, consolidated agency, joint powers authority, regional transportation agency, or local or regional agency, as described, to use the progressive design-build process for up to 10 public works projects in excess of \$5 million for each project. The bill would specify that the authority to use the progressive design-build process.	Approved by the Governor. October 4, 2023	<i>Support Based on Platform</i>	4/5/2023
SB 768 (Caballero)	This bill requires the California State Transportation Agency, in consultation with stakeholders such as RCTC, to conduct a study by 2028 highlighting how vehicle miles traveled (VMT) is used as a metric for measuring transportation impacts pursuant to CEQA. The bill would require the study to include, among other things, an analysis of the differences in the availability and feasibility of mitigation measures for vehicle miles traveled in rural, suburban, and urban areas.	Passed Assembly Natural Resources Committee. Pending in Assembly Appropriations Committee. June 10, 2024	<i>Support Based on Platform</i>	6/4/2024



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

May 31, 2024

The Honorable Sabrina Cervantes
 California State Assembly
 1021 O Street, Suite 4240
 Sacramento, CA 95814

Subject: State Budget Impacts on the McKinley Street Grade Separation Project

Dear Assemblymember Cervantes:

On behalf of the Riverside County Transportation Commission (RCTC), I write to express concern regarding potential state budget cuts that could jeopardize RCTC's ability to provide needed funding for the McKinley Street Grade Separation Project. This project would not be under construction today if it were not for your courageous leadership to secure funding through SB 132 (2017). This project is well on its way to delivering tangible safety, air quality, and congestion relief benefits for your constituents and Riverside County residents. The City of Corona requested RCTC's assistance to identify an additional \$20 million to complete the project (see attached). The Western Riverside Council of Governments, in collaboration with RCTC, identified approximately \$11 million in Transportation Uniform Mitigation Fee funds, and RCTC identified \$10 million in SB 125 (2023) formula Transit and Intercity Rail Capital Program (TIRCP) funds to address the City of Corona's funding gap. However, SB 125 funds are at risk.

SB 125 allocated \$4 billion in one-time TIRCP funds, with \$2 billion disbursed in Fiscal Year 2023-24 and \$2 billion prescribed for disbursement in Fiscal Year 2024-25. The Legislature wisely directed these funds to be distributed by formula to regional transportation agencies such as RCTC to fund high-priority projects that enhance public transit ridership and directly benefit local communities. RCTC approved the first-year allocation of approximately \$123 million. RCTC staff was poised to recommend the Commission allocate \$10 million in second-year funding to the McKinley Street Grade Separation until the Department of Finance issued a budget freeze on April 29, 2024, for Fiscal Years 2021-23, which impacts the \$123 million in funding disbursed by RCTC for vital projects. Between the freeze and ongoing budget deliberations, all years of SB 125 funds hang under a cloud of uncertainty.

RCTC respectfully urges your support to fully fund formula TIRCP programs under SB 125 and prevent future cuts and freezes. While RCTC is optimistic that the recent legislative budget agreement appears to preserve SB 125 funding for now, we understand that additional details must be negotiated and request your continued diligence. Thank you for your continued leadership to ensure the county receives its fair share of transportation investments. If you have any questions, please contact me at (951) 212-3636 or ahake@rctc.org.

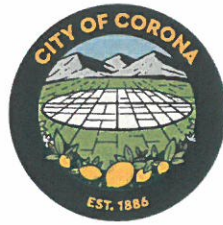
Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron Hake".

Aaron Hake
 Executive Director

Enclosure: City of Corona letter to RCTC on March 28, 2024

CC: Corona City Council
 Jacob Ellis, City Manager, City of Corona



March 28, 2024

Anne Mayer
 Executive Director
 Riverside County Transportation Commission
 4080 Lemon Street
 Riverside, CA 92501

SUBJECT: REQUEST FOR ADDITIONAL FUNDING – MCKINLEY STREET GRADE SEPARATION

Dear Ms. Mayer,

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During the course of construction, the City has encountered structural steel shortages and unforeseen delays in the fabrication process of the bridge. These delays created an approximate 210 working-day delay to the overall schedule. Thus, the construction completion was extended to November 2024 with the following increased costs:

- **Construction Management:** Due to the delayed project schedule, additional efforts of construction management are required to provide inspections, contract administration, and quality assurance oversight. Effectively, the 210 working day delay increased the original schedule of 460 days by nearly 45%. The construction management consultant has worked diligently to identify efficiencies in their operations and several value engineering efforts including alternative approaches to traffic handling, deck construction, over-excavation of MSE walls, and reinforced concrete box construction that have presented some reduction to the schedule impacts and construction costs savings. However, the increase in the overall schedule requires an additional \$2.5 million to account for these efforts, which represents approximately 20% increase to their original awarded contract.
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Due to other unforeseen utility impacts, the project has also experienced additional schedule delays expenditures including:

- Southern California Edison: Additional service requests for temporary and permanent power in various locations previously not identified during our utility coordination phases with other stakeholders.
- Burlington Northern Santa Fe Railway: BNSF has identified additional needs for flagging and relocation of signal equipment that were identified after the Contractor established their means and methods for the bridge move resulting in higher railroad coordination costs.
- Utility Relocation: Several unidentified utilities were encountered during construction that resulted in additional efforts needed to relocate these conflicts.

Over the past several months, the City and its Consultants have assessed the cost to complete construction for the Project and has identified a deficit of \$20,641,971 between the allocated funding and estimated cost of completion (as illustrated in Table 2).

Table 2 – Current and Estimated Project Budget (As of March 25, 2024)

Expenditure Source	Approved Budget	Estimated Cost to Complete	Shortfall
Construction	\$ 60,432,290	\$ 68,500,000	\$ 8,067,710
Right of Way & Utilities Expenditures	\$ 38,734,728	\$ 47,280,000	\$ 8,545,272
Staff/Consulting Services (Design, Acquisition, Legal, and Project Management)	\$ 22,080,533	\$ 23,321,000	\$ 1,240,467
Construction Management Consulting Services	\$ 10,494,620	\$ 13,002,000	\$ 2,507,380
BNSF Railroad	\$ 1,718,858	\$ 2,000,000	\$ 281,142
Building Demolition	\$ 187,530	\$ 187,530	\$ 0
Total	\$ 133,648,559	\$ 154,290,530	\$ 20,641,971

The City recognizes the McKinley Street Grade Separation as a much-needed project to provide safety enhancements and congestion reliefs. The Project falls within a Disadvantaged Community (DAC) and aims to provide improved emergency response time, improved circulation for rail crossing, reduction in noise, reduction in collisions, improved air quality, and improved mobility and safety for both motorists and pedestrians. The material and labor availability issues were unprecedented and has led to complications that could not have been previously identified. In response to these challenges, the City has utilized over \$12 million in local funds and pursued all available funding opportunities eligible for this project.

As such, the City of Corona hereby respectfully and formally requests the Riverside County Transportation Commission to provide the remaining funding needed in the amount of **\$20,641,971**. The City will continue its efforts to limit cost overruns and expedite the Project

schedule to substantial completion by April 2025. Specifically, the following practices will be implemented:

- 1) Closely monitoring construction costs and the schedule while working with the Contractor as necessary to identify value engineering and changes to minimize delays or potential for change orders.
- 2) Provide necessary studies, expert services, and eminent domain counsel services to minimize exposure for remaining properties that have not been settled or received a final order of condemnation.
- 3) Continue to coordinate with Project stakeholders as potential challenges and risks develop.

Thank you in advance for your consideration in this request for additional funds to the McKinley Street Grade Separation Project. Should you have any questions please do not hesitate to contact Public Works Director, Savat Khamphou, through email at [Savat Khamphou@CoronaCA.gov](mailto:Savat.Khamphou@CoronaCA.gov) or phone at (951) 279-3604.

Sincerely,



Jacob Ellis
City Manager

CC: Brett Channing, Assistant City Manager
Savat Khamphou, Public Works Director/City Engineer
Kenny Nguyen, CIP Manager/Assistant City Engineer



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

June 10, 2024

The Honorable Bill Essayli
 California State Assembly
 P.O. Box 942849
 Sacramento, CA 94249-0063

Subject: State Budget Impacts on the McKinley Grade Separation Project

Dear Assemblymember Essayli:

On behalf of the Riverside County Transportation Commission (RCTC), I write to express concern regarding potential state budget cuts that could jeopardize RCTC's ability to provide needed funding for the McKinley Street Grade Separation Project in Corona. This regionally significant project is under construction and well on its way to delivering tangible safety, air quality, and congestion relief benefits for Riverside County residents. The City of Corona requested RCTC's assistance to identify an additional \$20 million to complete the project (see attached). The Western Riverside Council of Governments, in collaboration with RCTC, identified approximately \$11 million in Transportation Uniform Mitigation Fee funds, and RCTC identified \$10 million in SB 125 (2023) formula Transit and Intercity Rail Capital Program (TIRCP) funds to address the City of Corona's funding gap. However, SB 125 funds are at risk.

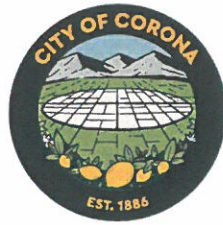
SB 125 allocated \$4 billion in one-time TIRCP funds, with \$2 billion disbursed in Fiscal Year 2023-24 and \$2 billion prescribed for disbursement in Fiscal Year 2024-25. The Legislature wisely directed these funds to be distributed by formula to regional transportation agencies such as RCTC to fund high-priority projects that enhance public transit ridership and directly benefit local communities. RCTC approved the first-year allocation of approximately \$123 million. RCTC staff was poised to recommend the Commission allocate \$10 million in second-year funding to the McKinley Street Grade Separation until the Department of Finance issued a budget freeze on April 29, 2024, for Fiscal Years 2021-23, which impacts the \$123 million in funding disbursed by RCTC for vital projects. Between the freeze and ongoing budget deliberations, all years of SB 125 funds hang under a cloud of uncertainty.

RCTC respectfully urges your support to fully fund formula TIRCP programs under SB 125 and prevent future cuts and freezes. While RCTC is optimistic that the recent legislative budget agreement appears to preserve SB 125 funding for now, we understand that additional details must be negotiated and request your continued diligence. Thank you for your continued leadership to ensure the county receives its fair share of transportation investments. If you have any questions, please contact me at (951) 212-3636 or ahake@rctc.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aaron Hake', written over a light blue background.

Aaron Hake
 Executive Director



March 28, 2024

Anne Mayer
 Executive Director
 Riverside County Transportation Commission
 4080 Lemon Street
 Riverside, CA 92501

SUBJECT: REQUEST FOR ADDITIONAL FUNDING – MCKINLEY STREET GRADE SEPARATION

Dear Ms. Mayer,

The City of Corona (“City”) is nearing completion of the construction phase for the McKinley Street Grade Separation Project (“Project”). The Project includes the construction of a 4-lane overhead grade separation with substantial pre-cast panel/ Mechanically Stabilized Earth (MSE) retaining wall systems over the Burlington Northern Santa Fe Railway (BNSF) railroad crossing and Arlington Channel south of Sampson Avenue. Additional improvements include loop on-ramp, slip on-ramp, new loop road and modifications to the State Route 91 eastbound off-ramp. The Project is funded by the State Senate Bill 132 (SB 132) along with several other state and local sources of funding. Table 1 below illustrates the allocated funding for the project.

Table 1 – McKinley Street Grade Separation Project Funding Summary:

Funding Source	Amount
State Senate Bill 132	\$84,450,000
Trade Corridor Enhancement Program (TCEP)	\$10,300,000
Measure A Western County Regional Arterial (MARA)	\$9,889,692
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Burlington Northern Santa Fe Railway (BNSF) Contributions	\$3,810,000
Highway Railroad Crossing Safety Crossing Account (HRCSA)	\$2,876,960
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Developer Impact Fees (DIF) - Drainage	\$1,000,000
Developer Impact Fees (DIF) - Streets/Signals	\$1,000,000
Gas Tax	\$729,724
Road Maintenance Rehabilitation Accountability (RMRA)	\$500,000
Total	\$133,648,559

The Riverside County Transportation Committee approved \$9.89 million of funding to the City of Corona on November 10, 2021, under the 2009 Measure A Western County Regional Arterial (MARA) for the McKinley Grade Separation project. Since then, the City continued its efforts to accelerate the Project to construction completion by its original schedule.

During the course of construction, the City has encountered structural steel shortages and unforeseen delays in the fabrication process of the bridge. These delays created an approximate 210 working-day delay to the overall schedule. Thus, the construction completion was extended to November 2024 with the following increased costs:

- **Construction Management:** Due to the delayed project schedule, additional efforts of construction management are required to provide inspections, contract administration, and quality assurance oversight. Effectively, the 210 working day delay increased the original schedule of 460 days by nearly 45%. The construction management consultant has worked diligently to identify efficiencies in their operations and several value engineering efforts including alternative approaches to traffic handling, deck construction, over-excavation of MSE walls, and reinforced concrete box construction that have presented some reduction to the schedule impacts and construction costs savings. However, the increase in the overall schedule requires an additional \$2.5 million to account for these efforts, which represents approximately 20% increase to their original awarded contract.
- **Right of Way:** As a result of the delay, Temporary Construction Easements (TCEs) extensions are required to complete this project thus creating substantial claims for lost business goodwill and damages to businesses/property values that were recently settled through mediation. In several cases, the City received tenant rent tolls and profit loss statements from owners throughout mediation that are substantially higher than expected numbers beyond original available market information. Additionally, in two cases, properties were sold during the development of the project for substantially higher than normal market values that also influenced market data and comparable sales / business information.
- **Construction Contingency:** The time impact created change orders necessary to facilitate the completion of this project. As a result of these impacts, the construction contingency is fully exhausted and will need to be replenished for future potential impacts.

Due to other unforeseen utility impacts, the project has also experienced additional schedule delays expenditures including:

- Southern California Edison: Additional service requests for temporary and permanent power in various locations previously not identified during our utility coordination phases with other stakeholders.
- Burlington Northern Santa Fe Railway: BNSF has identified additional needs for flagging and relocation of signal equipment that were identified after the Contractor established their means and methods for the bridge move resulting in higher railroad coordination costs.
- Utility Relocation: Several unidentified utilities were encountered during construction that resulted in additional efforts needed to relocate these conflicts.

Over the past several months, the City and its Consultants have assessed the cost to complete construction for the Project and has identified a deficit of \$20,641,971 between the allocated funding and estimated cost of completion (as illustrated in Table 2).

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The City recognizes the McKinley Street Grade Separation as a much-needed project to provide safety enhancements and congestion reliefs. The Project falls within a Disadvantaged Community (DAC) and aims to provide improved emergency response time, improved circulation for rail crossing, reduction in noise, reduction in collisions, improved air quality, and improved mobility and safety for both motorists and pedestrians. The material and labor availability issues were unprecedented and has led to complications that could not have been previously identified. In response to these challenges, the City has utilized over \$12 million in local funds and pursued all available funding opportunities eligible for this project.

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Sincerely,



Jacob Ellis
City Manager

CC: Brett Channing, Assistant City Manager
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Kenny Nguyen, CIP Manager/Assistant City Engineer



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 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

June 10, 2024

The Honorable Kelly Seyarto
 California State Senate
 1021 O Street, Room 7120
 Sacramento, CA 95814

Subject: State Budget Impacts on the McKinley Grade Separation Project

Dear Senator Seyarto:

On behalf of the Riverside County Transportation Commission (RCTC), I write to express concern regarding potential state budget cuts that could jeopardize RCTC's ability to provide needed funding for the McKinley Street Grade Separation Project in Corona. This regionally significant project is under construction and well on its way to delivering tangible safety, air quality, and congestion relief benefits for Riverside County residents. The City of Corona requested RCTC's assistance to identify an additional \$20 million to complete the project (see attached). The Western Riverside Council of Governments, in collaboration with RCTC, identified approximately \$11 million in Transportation Uniform Mitigation Fee funds, and RCTC identified \$10 million in SB 125 (2023) formula Transit and Intercity Rail Capital Program (TIRCP) funds to address the City of Corona's funding gap. However, SB 125 funds are at risk.

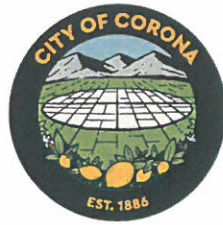
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Aaron Hake
 Executive Director



March 28, 2024

Anne Mayer
 Executive Director
 Riverside County Transportation Commission
 4080 Lemon Street
 Riverside, CA 92501

SUBJECT: REQUEST FOR ADDITIONAL FUNDING – MCKINLEY STREET GRADE SEPARATION

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Sincerely,



Jacob Ellis
City Manager

CC: Brett Channing, Assistant City Manager
Savat Khamphou, Public Works Director/City Engineer
Kenny Nguyen, CIP Manager/Assistant City Engineer



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

June 4, 2024

The Honorable Isaac Bryan
 Chair, Assembly Natural Resources Committee
 1020 N Street, Room 164
 Sacramento, CA 95814

Subject: Support for SB 768 (Caballero), as Amended on May 29, 2024

Dear Chair Bryan:

On behalf of the Riverside County Transportation Commission (RCTC), I write in support of Senate Bill (SB) 768 by Senator Anna Caballero, to be heard in the Assembly Natural Resources Committee on June 10. SB 768 is a good governance measure to evaluate aspects of the State's Vehicle Miles Traveled (VMT) policies and their implementation. SB 768 will help identify how current VMT policies impact the design and construction of transportation infrastructure across rural, suburban, and urban regions that affect mobility and access to opportunity and prosperity for disadvantaged communities.

Riverside County sits at the crossroads of the State's transportation, housing, and climate action policies. Difficulty in achieving the State's goals in these areas is exacerbated by continuous population growth and the explosion of goods movement in our region. Forty percent of the nation's goods travel from the Ports of Los Angeles and Long Beach through our region to the rest of the country, generating substantial goods and freight traffic. The Southern California Association of Governments estimates that Riverside County's population will grow to 3 million, adding 500,000 more residents in the next 25 years. Additionally, state mandates require Riverside County to build over 165,000 new housing units by 2029. As a result, transportation mobility represents a steep challenge – balancing the need for resilient, multimodal infrastructure with functional highways that move people safely.

The process to analyze VMT impacts of transportation projects and determine suitable mitigation requires transparency and partnership and should recognize the diversity of community needs, built environment, and economies across regions. Projects intended to reconnect communities and strengthen access to employment and education centers are often delayed, downsized, or abandoned because VMT reduction or required mitigation cannot be met. As a result, disparities in transportation access are escalating, particularly in underserved areas without the necessary resources and rights-of-way to implement reliable and far-reaching transit alternatives.

SB 768 pragmatically proposes the California State Transportation Agency to collaboratively study these challenges. Together, we could chart a path to sustainability and set up inland regions for success as the State advances its climate goals. For these reasons, RCTC supports SB 768. If you have any questions, please contact me at (951) 787-7141 or ahake@rctc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Aaron Hake', is written over a light blue background.

Aaron Hake
 Executive Director

CC: Members, Assembly Natural Resources Committee
 Senator Anna Caballero, 14th Senate District
 Riverside County Legislative Delegation



4080 Lemon St. 3rd Fl. Riverside, CA 92501
Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
951.787.7141 • rctc.org

June 4, 2024

The Honorable David Cortese
Chair, Senate Transportation Committee
1021 O Street, Suite 6630
Sacramento, CA 95814

Subject: Opposition to AB 6 (Friedman), as Amended on May 30, 2024

Dear Senator Cortese:

On behalf of the Riverside County Transportation Commission (RCTC), I write in opposition to Assembly Bill (AB) 6, to be heard in the Senate Transportation Committee on June 11. Riverside County sits at the crossroads of the State's transportation, housing, and climate action policies. Difficulty in achieving the State's goals in these areas is exacerbated by continuous population growth and the explosion of goods movement in our region from the Ports of Los Angeles and Long Beach. RCTC strives to balance the need for resilient, multimodal infrastructure with functional roads and highways that move people and goods safely, but AB 6 as amended would upend transportation planning in a manner that disproportionately impacts inland regions with less capacity to transition to alternative modes of transportation.

In partnership with state and federal agencies, metropolitan planning organizations (MPO) and regional transportation planning agencies (RTPA) engage in a thorough process to review and approve long-term planning documents to ensure projects delivered meet current and future transportation needs while aligning with state climate goals. AB 6 challenges this process by providing the California Air Resources Board (CARB) with unilateral discretion and oversight in the approval process of an MPO's Sustainable Communities Strategy (SCS) and the methodology used to estimate greenhouse gas (GHG) emissions.

Under the bill, CARB would be given broad authority to reject an SCS if it is determined that the strategy is unlikely to be implemented. Federal law already requires that an MPO's SCS be considered reasonable in reducing GHG emissions, deeming this provision in AB 6 as an unnecessary overreach with potential for catastrophic effects. The bill adds further red tape by subjecting to CARB's approval any amendments to a regional transportation plan (RTP) – even those technical in nature – and requiring CARB to quantify GHG emissions reduced as a result of the amendments. Collectively, these provisions are burdensome and add new conformity requirements that increase the likelihood of major delays for critical transportation projects.

AB 6 sets a new GHG emissions reduction target of 2045, which does not reflect current and future cost challenges, particularly as revenue sources such as gasoline taxes continue to diminish. The SCS is a fiscally constrained document and new funding sources must be provided to achieve the State's multimodal transportation targets across California. Is the State prepared to fund these transformational improvements, particularly for residents in Riverside County and across the state that lack reliable alternatives to driving? Without a just transition that maintains or improves access to jobs and education centers, under-resourced and disadvantaged communities will be left behind.

The Honorable David Cortese
June 4, 2024
Page 2

RCTC maintains its support for collaborative approaches to reimagining how we effectively, equitably, and sustainably move people and goods across the state. We remain concerned that the new duties imposed on MPOs, CARB, RTPAs, and others require meaningful engagement from these very entities. To date, these entities and stakeholders – who wish to be a part of the solution – have not been sufficiently consulted in the development of the bill.

For these reasons, RCTC opposes AB 6. If you have any questions, please contact me at (951) 787-7141 or ahake@rctc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron Hake". The signature is fluid and cursive, with a large initial "A" and "H".

Aaron Hake
Executive Director

CC: Members, Senate Transportation Committee
Assemblymember Laura Friedman, 44th Assembly District
Riverside County Legislative Delegation



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

June 6, 2024

The Honorable Tom Lackey
 California State Assembly
 1021 O Street, Suite 5340
 Sacramento, CA 95814

Subject: Letter of Concern – Cost and Ability to Implement Intent of AB 2645

Dear Assemblymember Lackey:

On behalf of the Riverside County Transportation Commission (RCTC), I write to share concerns regarding our ability to implement Assembly Bill (AB) 2645 and its associated costs. We join in your commitment to public safety and recognize the laudable goal of improving response times during an emergency alert activated by the California Highway Patrol (CHP).

RCTC, which owns and operates the 91 Express Lanes and 15 Express Lanes toll facilities in Riverside County, currently works with law enforcement agencies in emergency situations when information is requested via search warrant. However, AB 2645 imposes several cost and systematic challenges for toll operators that, even once addressed, may still not achieve the underlying goal of the bill.

We would like to thank your team for meeting with RCTC and the California Toll Operators Committee Legislative Committee on May 14 to discuss AB 2645 and hear from toll operators directly regarding challenges associated with the bill. To further specify, RCTC has identified the following cost and implementation challenges:

- **Implementation of AB 2645 is not Feasible with RCTC’s Existing System** – The bill requires toll operators to notify CHP if a license plate number or vehicle involved in an emergency alert is identified using the toll agency’s camera-based or electronic systems and requires review of prior “footage” within a reasonable timeframe. This suggests that all toll systems use video to capture license plates which is not the case. The RCTC operated express lanes require the use of a transponder for toll payment. Thus, license plates are only captured for vehicles that do not have a transponder, which is less than 25% of all vehicles in the express lanes. Only 30% of the plates associated with those images are available within 24 hours and the remaining are available within 72 hours. Currently, the standard practice is to respond to search warrants for vehicle plate data with a manual search conducted by RCTC employees during business hours. Without improvements to its existing system, RCTC would need to conduct similar manual searches in response to emergency alerts as described in the bill. RCTC is concerned that this response time may not be sufficient to meet the intent of AB 2645.
- **Time and Cost to Implement an Automated System** – There is currently no automated system between the law enforcement and RCTC’s toll systems to send and receive alert information. Developing an automated system will take more than 12 months to implement, with initial costs to RCTC anticipated to surpass \$200,000 for each of its toll facilities as well as additional costs that will be incurred for ongoing management. This is significant, as revenue that RCTC and other agencies generate from tolls are heavily restricted and pay for the financing, development, maintenance, and operations of the existing toll facilities.

The Honorable Tom Lackey
June 6, 2024
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- **Unfunded Mandate for Financially Restrained Facilities** – It is important to note that these toll facilities provide vital improvements to highway corridors across the state, which due to insufficient funding, would not have been constructed without this financing. As such, RCTC is limited by state law in its discretion as to how toll revenue is expended and developing an automated notification system, as may be necessary under AB 2645, would amount to an unfunded mandate.
- **Limitations of an Automated System** – Even with an automated system, the limitations identified above regarding the number of images captured and delay in availability of the images would still impact the efficacy of a search of toll system generated images in response to an emergency alert.
- **Exposure to Litigation** – The California Legislature has enacted some of the most stringent privacy protections in the country, particularly related to the sharing of personally identifiable information (PII). The bill raises legal concerns for RCTC, as tolling agencies across the state have been subject to costly litigation related to the sharing of PII for legitimate and necessary purposes. For reasons previously outlined, transportation agencies with financed facilities cannot afford this risk.

Thank you for taking an interest in RCTC’s concerns about our ability to implement AB 2645 as written. These issues are significant for RCTC, and we look forward to our continued discussion.

Should you have any questions, please do not hesitate to contact Legislative Affairs Manager Tyler Madary at (951) 787-7141 or tmadary@rctc.org.

Sincerely,



Aaron Hake
Executive Director