COUNCIL UPDATE

February 2017

Pardee Homes Settlement
We extend our gratitude to Pardee Homes for cooperating with us to address this outstanding claim, which resulted from the actions of the prior administration and Council. This settlement is a good deal for Beaumont and has been reached at a fraction of the substantial, outstanding claims and leverages unspent bond proceeds to which Pardee was already legally entitled. Our community is now in an improved position to achieve fiscal sustainability in the future.

Two new CFDs were created as part of the settlement agreement. These new districts reflect new City Council policies and practices on how developers pay their impact fees. At a minimum, every developer will now be paying their impact fees when they pull permits. The agreement also provides for these significant commitments from Pardee:

- Pardee guarantees the advance payment of $31 million in impact fees over 5 years (guaranteed payment even if permits are not requested), and
- Advanced impact fees will accelerate the construction of critical infrastructure (Oak Valley/I-10 Interchange, wastewater plant improvements and the west-side fire station).

Other primary elements of the agreement are the elimination of the controversial 2% annual assessment inflator and a requirement for the new residents to pay their fair share of increased public safety costs. We look forward to a Spring workshop on the City's finances, to discuss what we can do to achieve fiscal sustainability and how we might restructure the current CFD program to make it more transparent, understandable and hopefully with relief to the taxpayers.

Appointments of Clerk & Treasurer
As a result of the 2016 election outcome, the City incurred vacancies in the City Clerk and City Treasurer positions. The positions were advertised and a deadline for applications was set for February 2nd. The recruitment netted four (4) Treasurer applications and five (5) Clerk applications. After brief interviews with each candidate, Sharon Geiser was selected as the new City Treasurer based on her past experience and recent involvement in attending Council Meetings. Andreanna "Donna" Pfeiffer was selected as the new City Clerk due to her varied work experience and passion for helping. Ms. Geiser and Ms. Pfeiffer will serve out the remainder of the position term expiring in November 2018.

Takeaways:

- The next local election will be November 2018 with three (3) City Council seats, City Treasurer, and City Clerk available.

8th Street Sidewalk Improvements
In 2015, City of Beaumont was awarded $204,000 of SB 821 grant funding from the Riverside County Transportation Commission (RCTC) for sidewalk improvements on 8th Street between Pennsylvania Avenue and Xenia Avenue. The project included installation of new path of travel for pedestrian traffic on both sides of the 8th street, driveway approaches, ADA ramps and curb and gutter installation.

To complete the project, local match funding is required in accordance with the grant application and approval for Federal funding. On Tuesday, February 21, 2017, the Beaumont City Council approved an amendment to the FY 2016/17 Gas Tax Fund budget in the amount of $345,755 to provide the fund balance needed to complete the project and facilitate the grant requirement. Construction plans and specification for the Project are complete and new cost estimate is $549,755. The project was added to the Capital Improvement Project (CIP) outlay and a Request for Bid has been uploaded to the City's website.

Takeaways:

- The City of Beaumont is committed to the continued improvement of pedestrian right-of-ways
- State Fuel Excise Tax (Gas Tax) - A large portion of transportation funds in California are collected through the State Fuel Excise Tax revenues which are divided between the State Highway Account and local entities. California currently collects about 42.35 cents per gallon on gasoline
- Request for Proposals and Request for Bids can be found at www.ci.beaumont.ca.us under "Doing Business - Bids & RFPs"

Potrero Interchange
Continuing from the January 3rd Workshop where direction was given to work with land owners on providing the remaining construction funds, the Council was pleased to approve a Memorandum of Understanding (MOU) on February 21st, to bridge the funding gap between available grants and the total cost of Phase 1 of the Project. The funding gap being provided by the landowners is estimated at $8.5 million.

In addition to finding alternative funding for the project, staff also presented right-of-way documents for the remaining parcels.
The two remaining property owners located in phase 1 of the project, ASM Beaumont Investors, LLC (ASM) and Jack T. Hall and Carmen Hall Trust (Hall) are both seeking compensation. In the City's continued promise to not contribute any additional monies, right-of-way acquisition funds are being provided by the above mentioned MOU with adjacent property owners.

Takeaways:

- The City will NOT contribute any additional funds
- Coordination between the City and landowners to secured the funding gap will be completed by April 28, 2017
- Land acquisition funds are included in the $8.5 million funding gap by adjacent owners.

###