

**SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

615B



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
January 6, 2015

SUBJECT: Approval of Homeland/Romoland Area Drainage Plan Fee Credit Agreement
District 3, 5; [\$N/A]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Homeland/Romoland Area Drainage Plan Fee Credit Agreement between the District, the County of Riverside (County) and Homeland/Romoland ADP, Inc. (ADP Inc.), a Delaware corporation; and
2. Authorize the Chairman to execute the Agreement documents on behalf of the District.

BACKGROUND:

Summary

This ADP Fee Credit Agreement (Agreement) grants Homeland/Romoland Area Drainage Plan (H/R ADP) Fee Credit to ADP, Inc. in the amount of \$22,167,878 and authorizes an initial distribution of that credit amongst the entities tentatively identified in Exhibit C thereto.

Continued on Page 2.

MHW:blm
P8/166671

WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET DISTRICT COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	

SOURCE OF FUNDS:

Budget Adjustment: No

For Fiscal Year: N/A

C.E.O. RECOMMENDATION:

APPROVE

BY:
Imelda Delos Santos

County Executive Office Signature

MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT

On motion of Supervisor Benoit, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione and Benoit
Nays: None
Absent: None
Disqualify: Ashley
Date: January 6, 2015
xc: Flood

(Comp. Item 3.49)

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

Prev. Agn. Ref.:

District: 3rd, 5th

Agenda Number:

11-6

Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY:
ANITA C. WILLIS

☐ A-30
☐ Positions Added
☐ Change Order
☐ 4/5 Vote

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FORM 11: Approval of Homeland/Romoland Area Drainage Plan Fee Credit Agreement

District 3, 5; [N/A]

DATE: January 6, 2015

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

Under the Agreement, this ADP Fee Credit may be utilized to pay applicable H/R ADP fee obligations or transferred (sold) to other entities. Pursuant to Ordinance 460 and the Subdivision Map Act, the County of Riverside first adopted the Homeland/Romoland Area Drainage Plan (ADP) in 1988. The ADP establishes a one-time drainage fee for properties located within the boundaries of the Homeland/Romoland watersheds. ADP fees are paid directly to the District and utilized to construct the major flood protection and drainage facilities identified in the ADP.

Circa 2006, a group of developers that owned property within the ADP, formed a corporation, ADP Inc., to prosecute the planning, design and construction of the principal H/R ADP facilities. ADP Inc. subsequently petitioned the District to form CFD F05-1 to, amongst other things, finance the construction of the ADP facilities. Although the economic downturn of 2008 ultimately rendered the bond financing program infeasible, ADP Inc. had nevertheless made substantial progress toward construction of certain ADP facilities.

The District has now pledged to construct the major flood control and drainage facilities on an expedited schedule, thus eliminating the need for CFD financing. Construction of the initial segment, westerly of Interstate 215 is currently underway. A contract for constructing the second segment, from Encanto Road to the Briggs Road Basin, is expected to be awarded in January 2015. A third segment, from the Briggs Road Basin up to the Juniper Flats Basin, is expected to be awarded in the summer of 2015. The District's Board of Supervisors took action dissolving CFD F05-1 on December 9, 2014.

The amount of ADP Fee Credit that is to be granted under this Agreement (\$22,167,878) represents the ADP Inc.'s actual, reasonable cost of i) designing and preparing the project plans and specifications; ii) environmental evaluations and mitigation; iii) fees actually paid by ADP Inc. to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals; iv) plan check and inspection fees; v) the fair market value of easements, real property, or interests therein, necessary for the construction of the H/R ADP facilities. ADP Inc. may earn up to an additional \$5,553,090 in ADP Fee Credit by removing additional material from the Juniper Flats Road Detention Basin and transferring the basin right of way to the District.

County Counsel has approved the Agreement as to legal form. A companion item appears on the Riverside County Transportation Department's Board agenda this same date.

Impact on Residents and Businesses

Once construction of the major flood control and drainage facilities is complete, the flooding and drainage problems currently afflicting the Homeland/Romoland area will be substantially mitigated. Completing construction of this critically needed infrastructure will remedy existing flooding problems and create an environment that is more favorable for economic development. Properties within the former CFD F05-1 will be able to proceed with their development plans in accordance with their respective conditions of approval. Additionally, many other properties in the area will be able to move forward with their development plans.

SUPPLEMENTAL:

Additional Fiscal Information

The District's H/R ADP construction program is funded by the District's Zone 4 ad-valorem property tax revenue and entails no new fees or taxes. However, it is anticipated that some borrowing will be necessary to meet the expedited construction schedule.

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