

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.24
(ID # 22999)

MEETING DATE:
Tuesday, September 26, 2023

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Approve and Execute the First Amendment to the Inter-Agency Funding Agreement Between the County of Riverside and City of Riverside for the Van Buren Boulevard Sewer Improvement Project. 2nd District. [\$10,030,348 Total Cost - Flood Control District Zone 2 Funding - 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the First Amendment to the Inter-Agency Funding Agreement Between the County of Riverside and City of Riverside for the Van Buren Boulevard Sewer Improvement Project; and
2. Authorize the Chair of the Board of Supervisors to Execute the Inter-Agency Funding Agreement on behalf of the County.

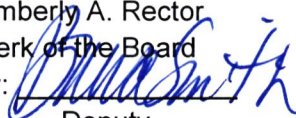
ACTION:


Suzanne Holland, Director of Office of Economic Development 9/6/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: September 26, 2023
xc: OED

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 5,015,174	\$ 5,015,174	\$ 10,030,348	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Flood Control District Zone 2 Funding			Budget Adjustment:	No
			For Fiscal Year:	23/24-24/25

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside is partnering with the City of Riverside’s Public Works department to complete an extension of the sanitary sewer system along the Van Buren corridor. Van Buren Boulevard is a major transportation arterial between the 91 and 215 freeways crossing the jurisdictions of both the County and City. There are significant development challenges within the portion of the Van Buren corridor between Wood Road and King Avenue due to a lack of sanitary sewer infrastructure. The general area of Van Buren Boulevard near the southern boundary of the City and unincorporated community of Woodcrest has generally relied on individual septic systems for wastewater disposal which are not adequate to support current or anticipated growth due to water quality concerns and physical factors impacting septic system performance.

The Inter-Agency Funding Agreement between the County of Riverside and City of Riverside was approved on April 26, 2022 (Agenda Item 3.35). Based on the results of the City’s public works bid process, the Project costs have increased from \$14,000,000 to \$21,805,103. The County’s contribution remains at 46%, thereby increasing from \$6,440,000 to \$10,030,348; the proposed First Amendment to the Inter-Agency Funding Agreement memorializes this increase in project costs. All other terms memorialized in the original Agreement will remain intact.

Expansion of sanitary sewer to this region will potentially provide environmental benefits and serve future commercial properties, including Woodcrest Elementary, the only remaining Riverside Unified School District school on a septic system. Stakeholders have been engaged through this process and some have provided letters of support, particularly the Woodcrest Municipal Advisory Council, the Greater Riverside Chambers of Commerce, the Riverside Unified School District, Stater Brothers, the KZ Companies LLC, Riverside County Flood Control and Water Conservation District (“District”), County of Riverside Department of Environmental Health, and Ward 4 Councilmember as the Project is considered a catalyst for economic growth.

Approximately 340 acres of undeveloped and underdeveloped property within the Project limits would benefit from this Project. Sanitary sewer allows for maximum use of an undeveloped lot and can spur redevelopment. Septic systems can be limited by inadequate or inappropriate soils, excessive slopes, or high ground water tables which can influence or limit large development projects. Sewer connection and monthly service fees collected from new and existing commercial development on and near Washington Street would help offset project

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investment within a 20 to 25-year period. Sewer lines have a service life up to 100 years which brings stability to the area and expands services to new customers. The expansion of services would secure new customers and generate increased funding for continued system financial health, operation, maintenance, and repair which are consistent with good utility practice. Indirect benefits can also include increased property values, new jobs, and increased sales tax associated with new commercial development.

The Project is located on Van Buren Boulevard between King Avenue and Wood Road and is fully within the Western Municipal Water District (WMWD) and the City sewer service areas, which overlap. The specific sewer service boundaries between the City and WMWD are governed by interagency agreements. While some parcels are outside of the City's municipal boundaries, they are within the sewer service boundaries. In 2010, WMWD pursued a sewer Project in this area, but in 2012, it dissolved the assessment district due to legal challenges that prevented them from securing bond funds to construct the projects. In 2015, WMWD and the City of Riverside conducted Cost of Sewer Analysis studies which concluded that construction costs were similar between the two agencies, but the City has lower sewer connection and monthly service fees. WMWD conceded that due to the rate structure, the City should take the lead to construct the project as sewer connection and monthly service cost savings will be passed on to customers.

Due to benefits and potential service cost savings, the County anticipates that many businesses and property owners within the project limits would connect to the public sewer. Nonetheless, businesses that do not construct significant tenant improvements nor wish to connect to the sewer line will not be required to do so. Through public and stakeholder engagement, the project is anticipated to meet a strong need for a public sewer in the area to spur economic growth, better serve two schools, protect the environment, and help improve the quality of life of the local community in both City and County unincorporated areas.

The City of Riverside City Council approved the First Amendment to the Interagency Funding Agreement on September 5, 2023.

County Counsel has approved the First Amendment to the Interagency Funding Agreement as to legal form.

Impact on Residents and Businesses

The installation of sanitary sewer within this zone would serve the existing community by providing environmental benefits, and infrastructure for future economic growth. By partnering with the City, Riverside County will be able to connect unincorporated businesses and residential communities to the City's system for regional sewer collection, transmission, and treatment.

Additional Fiscal Information

The County's portion of costs associated with this Project will be funded utilizing Flood Control District Zone 2 Funding, which was secured pursuant to a separate funding agreement with the

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Riverside County Flood Control District approved April 26, 2022. A First Amendment to the Funding Agreement between Riverside County Flood Control District and Riverside County was approved on August 1, 2023 (Agenda Item 3.43).

Attachments:

- First Amendment to the Interagency Funding Agreement

FIRST AMENDMENT TO
VAN BUREN BOULEVARD SEWER IMPROVEMENTS PROJECT
INTERAGENCY FUNDING AGREEMENT

This First Amendment to Funding Agreement ("First Amendment"), dated September 26 2023 is entered into by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("CITY"), and the County of Riverside, a political subdivision of the State of California, on behalf of the Office of Economic Development Department ("COUNTY"), the parties to this First Amendment, will be referenced herein individually as a "Party" and collectively as "Parties". The Parties hereby agree as follows:

RECITALS

A. CITY and COUNTY have entered into that certain Funding Agreement dated April 26, 2022 ("Original Agreement") pursuant to which CITY and COUNTY have mutually agreed that the Van Buren Boulevard project area requires a sanitary sewer system be constructed to mitigate failing private septic systems and to facilitate infrastructure for future economic development.

B. The Original Agreement together with this First Amendment are collectively referred to herein as the "Agreement".

C. The Parties wish to amend the Original Agreement to increase the total financial contribution amount for COUNTY as the total projects costs have increased from an estimated \$14,000,000.00 to \$21,805,103.00 based on the results of CITY's public works bid process.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Recital K of the Original Agreement is hereby replaced in its entirety by the following:

K. WHEREAS, the purpose of this Agreement is to set forth the terms and conditions whereby the COUNTY will contribute Ten Million Thirty Thousand Three Hundred Forty Eight Dollars (\$10,030,348.00) toward CITY's construction of the project infrastructure.

2. Section 2, Section 2 (A), and Section 2 (A)(i) of the Original Agreement are hereby replaced in their entirety by the following:

2. Agreement: COUNTY, hereby, agrees to pay CITY Ten Million Thirty Thousand Three Hundred Forty Eight Dollars (\$10,030,348.00) toward CITY's construction of the Project generally depicted in Exhibit A, hereto. Such payment, made by COUNTY, shall be used by CITY for the sole purpose of offsetting construction costs of the portions of Project within unincorporated territory of the County of Riverside. CITY shall reimburse COUNTY the portion of connection fees collected from properties in the unincorporated territory of the County or Riverside deemed to cover capital improvement costs. Payments by COUNTY and CITY shall be paid in accordance with the following schedule:

A. In Accordance with the Project Construction - Ten Million Thirty Thousand Three Hundred Forty Eight Dollars (\$10,030,348.00) payable by COUNTY to CITY

- i. COUNTY shall pay CITY Ten Million Thirty Thousand Three Hundred Forty Eight dollars (\$10,030,348.00) to assist with Project costs ("County Contribution").

3. The provisions of this First Amendment shall prevail over any inconsistent or conflicting provisions of the Agreement as heretofore amended and shall supplement the remaining provisions thereof.

4. Except as amended or modified herein, all the terms of the Agreement shall remain in full force and effect and shall apply with the same force and effect. Subject to the provisions of the Agreement as to assignment, the agreements, conditions, and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this First Amendment or the Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Agreement, and all such other provisions shall remain in full force and effect. The language in all parts of the Agreement shall be construed according to its normal and usual meaning and not strictly for or against either DISTRICT or COUNTY.

5. This First Amendment shall not be binding or consummated until it is

fully executed by the Parties.

6. This First Amendment to Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

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IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Funding Agreement as of the day and year first written above.

RECOMMENDED FOR APPROVAL:

CITY OF RIVERSIDE
a California charter city and municipal corporation

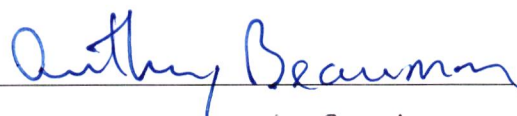
By 
MICHAEL FUTRELL
City Manager

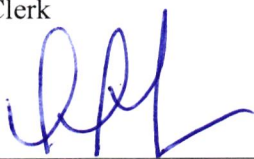
APPROVED AS TO FORM:

ATTEST:

CITY ATTORNEY

DONESIA GAUSE
City Clerk

By 
cc Deputy City Attorney for Brandon
Mercer

By 
City Clerk

CERTIFIED AS TO FUNDS AVAILABILITY:

BY: 
ASSISTANT CHIEF FINANCIAL OFFICER

[Signed in Counterpart]

RECOMMEND FOR APPROVAL:

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By 
KEVIN JEFFRIES, Chairman
Board of Supervisors

APPROVED AS TO FORM:
MINH C. TRAN
COUNTY COUNSEL

ATTEST:

KIMBERLY RECTOR
Clerk of the Board

By 
STEPHANIE K. NELSON
Deputy County Counsel

By 
Deputy

[Signed in Counterpart]

SEP 26 2023 3.24