



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Remon Habib, City Engineer

Date: September 24, 2024

Subject: TUMF Credit/Reimbursement Agreement for Transportation Improvements Constructed by Zairey, Inc.

Recommendation

Approve and authorize the Mayor to execute the Credit/Reimbursement Agreement between the City, Western Riverside Council of Governments (WRCOG), and Zairey, Inc. for the construction of improvements in such final form as approved by the City Attorney.

Background

Section 16.83.040.G of the Lake Elsinore Municipal Code titled Transportation Uniform Mitigation Fee ("TUMF") Program provides that a developer may obtain fee credits by constructing public improvements that are to be otherwise funded by the TUMF Program.

Discussion

Zairey, Inc. (Zairey) is the developer of the Bamiyan Marketplace project located at the western corner of Grand Avenue and Ortega Highway. As a condition for obtaining these entitlements, Zairey is required to construct off-site street improvements.

As part of satisfying those requirements, Zairey and Western Riverside Council of Governments (WRCOG) have requested the City to enter into a credit agreement with respect to the TUMF Mitigation Fee, where Zairey will construct eligible TUMF public improvements on Grand Avenue. The project will be constructing approximately 1,500 linear feet of street widening on Grand Avenue, where such improvements are cumulatively eligible for TUMF credits up to an estimated amount of \$2,080,966. The credit or reimbursement value for the difference in the total obligation and fee credit may differ depending on the final reconciliation.

Fiscal Impact

There is no fiscal impact to the City. The agreement provides for the actual construction of eligible public improvements in lieu of payment of fees.

Attachments

Attachment 1 - TUMF Credit/Reimbursement Agreement
Exhibit A - Improvement Exhibit

