

14TH AMENDMENT OF THE JOINT POWERS AGREEMENT AND TAX SHARING AGREEMENT REGARDING THE MARCH JOINT POWERS AUTHORITY TERRITORY

City Manager's Office

City Council
February 28, 2023

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BACKGROUND

- 1918 – March Air Force Base established
- 1993 – March AFB selected by Congress for realignment and substantial reduction in use as military base
- 1993 - March Joint Powers Authority (JPA) established through Joint Powers Agreement by cities of Moreno Valley, Perris, and Riverside, and County of Riverside
- 1996 – March JPA established March Joint Powers Redevelopment Agency with formation of March AFB Redevelopment Project Area (Successor Agency)



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BACKGROUND

- 1996 – Base converted to a Reserve Base; 4,400+ acres surplus
- 1996 - March Inland Port Airport Authority formed to create public use airport
- 1997 – Land use authority transfer from County to March JPA
 - March JPA has development and building codes, a General Plan and Master EIR, designed to implement the March Final Reuse Plan;
- 2002 – March Joint Powers Utility Authority formed to operate/maintain gas and electric utilities inherited from military through Base Realignment and Closure process (BRAC)



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CATALYST FOR AMENDMENT

- **December 2021** – March Joint Powers Commission directed March JPA staff to prepare Sunset Plan for March JPA, relinquishing certain duties and refocusing operation to March Inland Port Airport only
- **January 2022 to September 2022** - March JPA staff and representatives from each member agency collaborated to develop conceptual terms
- **October 2022** – March JPA Commission directed preparation of 14th Amendment to Joint Powers Agreement and a Tax and Revenue Sharing Agreement based on terms



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14TH AMENDMENT

A. Updated March JPA Roles & Responsibilities

- Continued operation and management of Successor Agency
- Continued operation and management of March Inland Port Airport Authority (MIPAA) for civilian airport (Exhibit B; See Yellow Area)
- Continued non-exclusive representation of the four March JPA member jurisdictions in state/federal matters affecting the Successor Agency and MIPAA
- Relinquishment of March JPA territory municipal service duties, land use authority, and non-civilian airport responsibilities transfer to County of Riverside



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14TH AMENDMENT

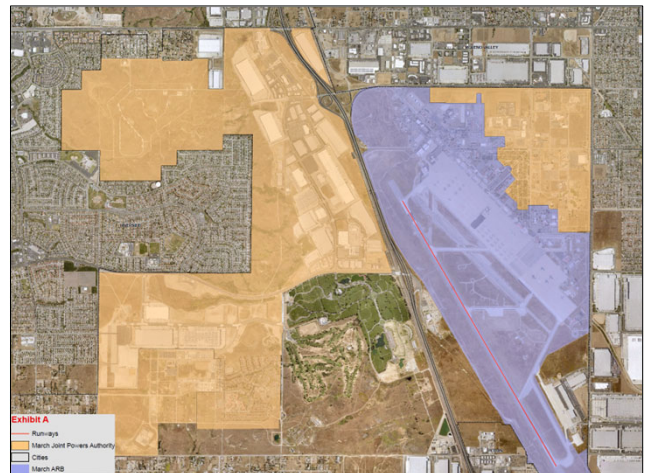
B. Updated County Roles & Responsibilities

Land use authority and municipal services (public works, policing, fire, property management, etc.) for all non-airport property (Orange Area)

C. Updated Responsibilities of All Member Agencies

Continued participation in March JPA to carry out responsibilities of MIPAA and Successor Agency

Effective date: July 1, 2025




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TAX & REVENUE SHARING AGREEMENT				
<ul style="list-style-type: none"> Property Tax Distribution: <ul style="list-style-type: none"> County to retain funds for cost of service (\$2.4M plus CPI annually) Redevelopment Property Tax Trust Fund payment to City of Moreno Valley and City of Riverside Remaining split: 75% to County; 25% split evenly between Cities (8.33% to Riverside) Sales Tax, TOT Tax, Franchise Fees Distribution: 25% each Land Sales Revenue: 25% each Member agencies agree not to annex territory until 2041; penalties applicable 	To County	To Cities	To Riverside	
	75%	Property Taxes*	25%	8.33%
	100%	County Service Costs	0%	0%
	0%	RPTTF to Cities	100%	100%
	25%	Sales Tax	75%	25%
	25%	TOT	75%	25%
	25%	Franchise Fees	75%	25%
Effective July 1, 2023				
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TAX & REVENUE SHARING YEAR ONE	
City of Riverside expected to receive \$1,864,305 in year one	
Member Agency	FY 2023-24
County of Riverside	\$ 6,968,533
City of Moreno Valley	\$ 2,696,436
City of Perris	\$ 1,863,522
City Riverside	\$ 1,864,305
Subtotal	\$ 13,392,796*
*These amounts do not include any money from land sales.	
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TAX & REVENUE SHARING OVER 18 YEARS

City of Riverside expected to receive \$63,600,000 over 18 years

Period	Annual Revenue	Total Revenue
Years 1 - 6 (6 years)	\$1,800,000	\$ 10,800,000
Years 7 – 14 (8 years)	\$3,600,000	\$ 28,800,000
Years 15 – 18 (4 years)	\$6,000,000	\$ 24,000,000
	Subtotal	\$ 63,600,000*

*These amounts do not include any money from land sales.

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STRATEGIC PLAN ALIGNMENT



Strategic Priority 3 – Economic Opportunity

Goal 3.4 – Collaborate with key partners to implement policies and programs that promote local business growth and ensure equitable opportunities for all



Strategic Priority 5 – High Performing Government

Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation

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RECOMMENDATIONS

That the City Council:

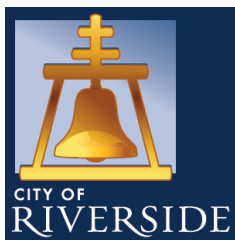
1. Approve the Fourteenth Amended Joint Powers Agreement Between the Cities of Moreno Valley, Perris and Riverside and the County of Riverside;
2. Authorize the Mayor to execute the Fourteenth Amended Joint Powers Agreement, including making minor and non-substantive changes;
3. Approve the Tax and Revenue Sharing Agreement Among the City of Moreno Valley, the City of Perris, the City of Riverside, and the County of Riverside Regarding the March Joint Powers Authority Territory; and
4. Authorize the City Manager to execute the Tax and Revenue Sharing Agreement, including making minor and non-substantive changes.



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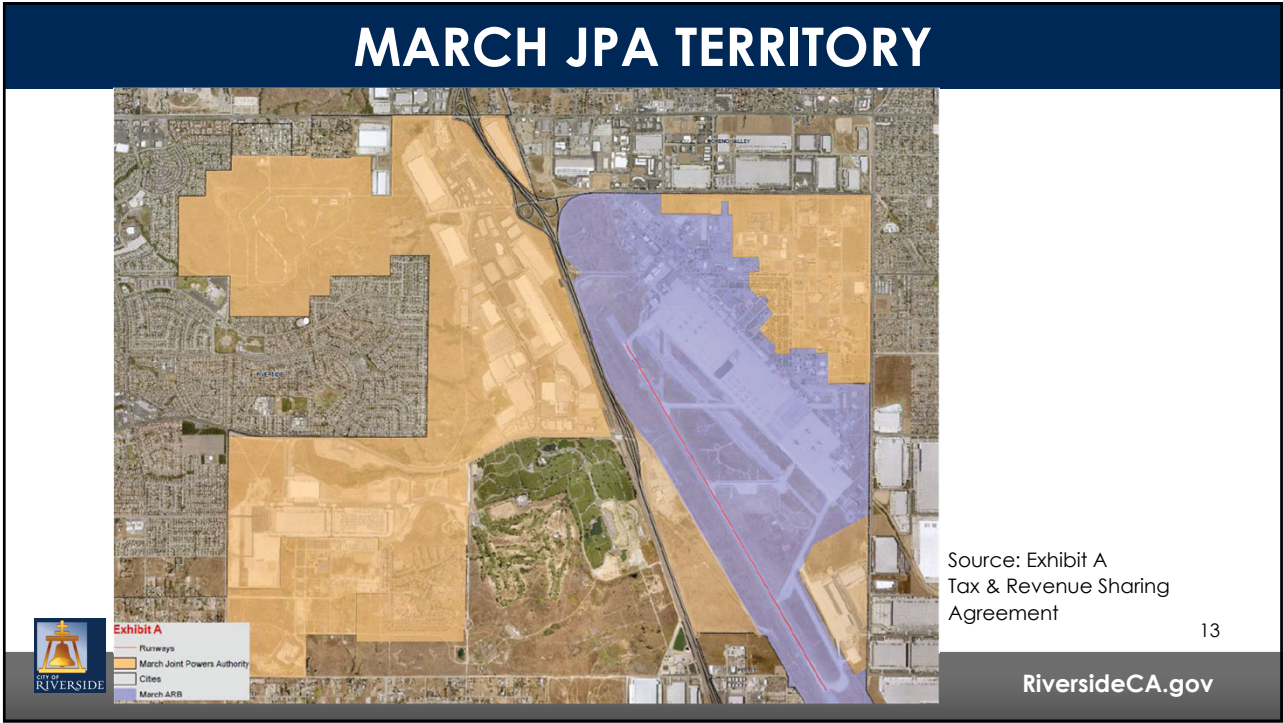
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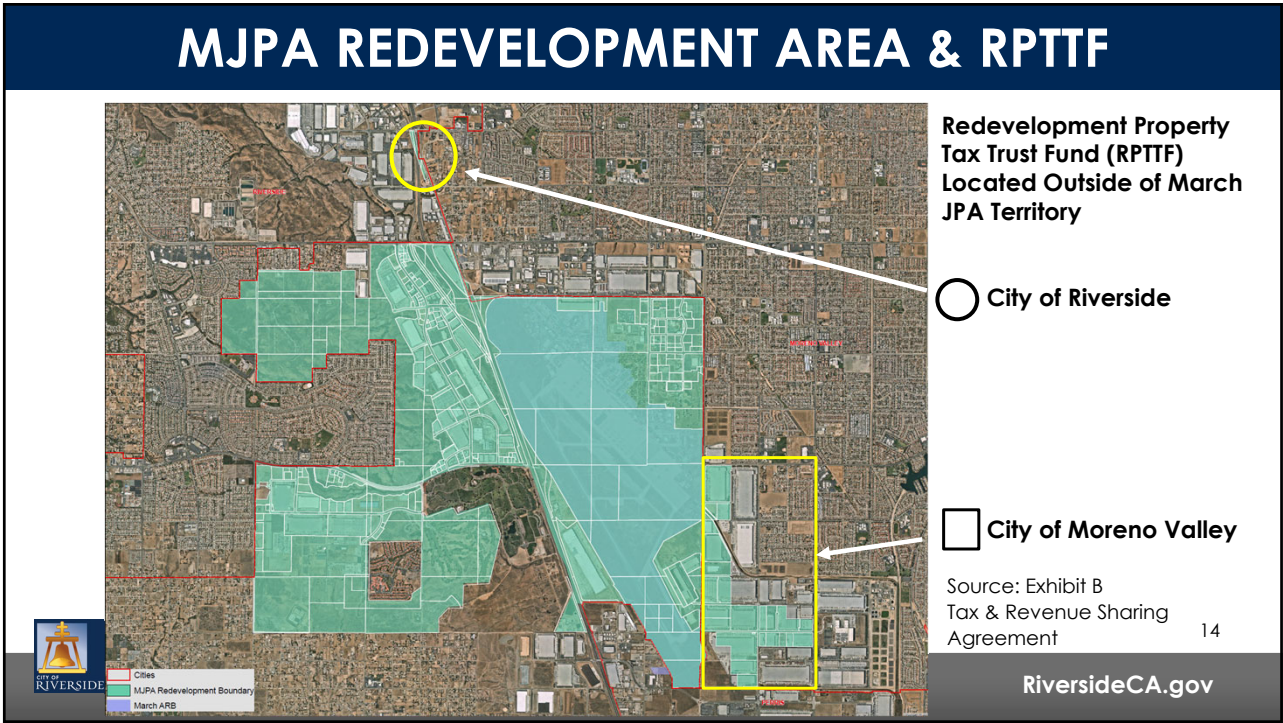
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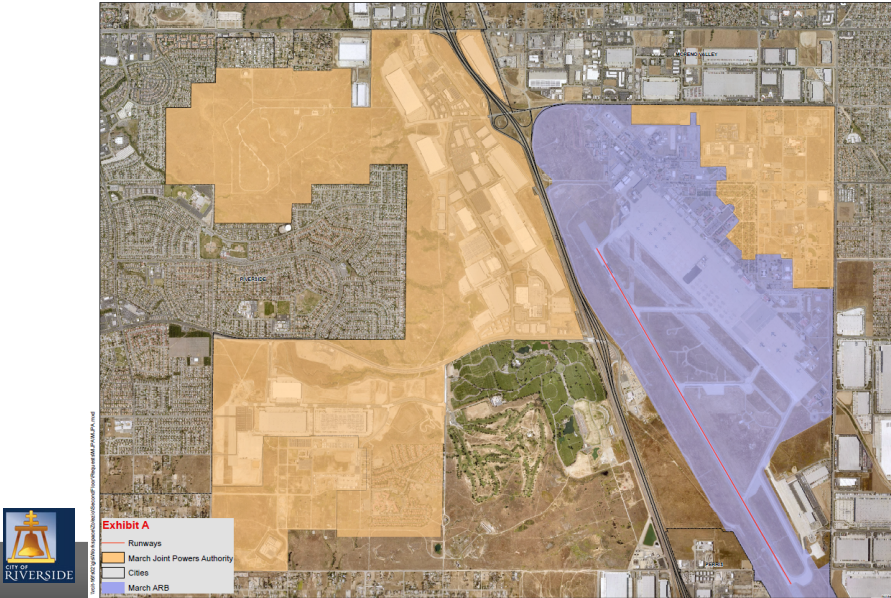


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AUTHORITY AREA WITHOUT AIRPORT AREA



Source: Exhibit A
14th Amendment

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AUTHORITY AREA – AIRPORT FOCUS AREA



Source: Exhibit B
14th Amendment

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