



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 17, 2020

FROM: CITY MANAGER'S OFFICE WARDS: 1 & 2

SUBJECT: TIG/M STREETCAR SYSTEM – PROFESSIONAL SERVICES AGREEMENT WITH TIG/M LLC FOR A STREETCAR FEASIBILITY STUDY THROUGH JUNE 30, 2021 IN AN AMOUNT NOT TO EXCEED \$416,494.25 – FUND TRANSFER

ISSUE:

Approve a Professional Services Agreement with TIG/m LLC for a Streetcar System feasibility study through June 30, 2021 in an amount not to exceed \$416,494.25.

RECOMMENDATIONS:

That the City Council:

1. Approve a Professional Services Agreement with TIG/m LLC for a Streetcar Feasibility Study for a term through June 30, 2021 in an amount not to exceed \$416,494.25;
2. Approve an interfund transfer of \$361,494.25 from the Development Grants fund to the Grants and Restricted Programs Fund; and
3. Authorize the City Manager, or his designee, to hire a third-party consultant to peer review the numbers and assumptions within the Streetcar Feasibility Study; and
4. Authorize the City Manager, or his designee, to execute the Professional services Agreement with TIG/m LLC, including making minor and non-substantive changes.

BACKGROUND:

On February 25, 2020, the City Council received a presentation from TIG/m LLC President Brad Read about the company's innovative, self-powered and completely sustainable streetcar line. The City Council voted 7-0 to direct staff to explore financing options, evaluate project feasibility, and provide site selection assistance to TIG/m for the purpose of relocating their manufacturing and operation headquarters to the City of Riverside; and authorized the City Manager to apply for grants, seek state/federal funding, encourage private capital investment and evaluate City funding opportunities for the purpose of initiating a feasibility study to establish a world-class advanced technology manufacturing facility and an operational public transportation rail system in the City of Riverside.

Since February 2020, the City has explored and/or applied for numerous grants to fund the feasibility study including, but not limited to, the CARB Sustainable Transportation Equity Project, the SCAG Sustainability Program and the Federal Department of Transportation Intelligent Transportation Funding Deployment Program. To date the City has not been awarded a grant for this endeavor. City staff will continue to monitor and explore grant opportunities.

DISCUSSION:

On October 6, 2020, the City Council voted 6-1 to direct staff to pursue internal funding sources for the feasibility study and bring recommendations back to the City Council. The Council also directed staff to prepare an agreement with TIG/m designating TIG/m as the entity that will complete the streetcar feasibility study and bring to the City Council for approval in 45 days.

In keeping with the recently approved Strategic Priorities, the Streetcar Feasibility Study advances the following priorities:

- Economic Opportunity;
- Environmental Stewardship; and,
- Infrastructure, Mobility & Connectivity.

A third-party consultant will be hired to peer review the numbers and assumptions within the Streetcar Feasibility Study in keeping with the cross-cutting threads of “Community Trust” and “Fiscal Responsibility”. The cross cutting threads of “Sustainability and Resiliency” and “Innovation” are supported with the world’s first self-powered (via battery and hydrogen), sustainable and no wayside power infrastructure streetcar line concept.

The Public Works Director and Community & Economic Development Director all concur with the recommendations in this report.

FISCAL IMPACT:

The total fiscal impact of the Streetcar Feasibility Study is \$438,415. TIG/m has agreed to contribute 5% or \$21,920.75 toward the project cost, reducing the City’s contribution to \$416,494.25. Sufficient funding is available in the accounts listed below:

FUND	ACCOUNT #	ACCOUNT NAME	AMOUNT	DESCRIPTION
Development Grants	2870000-453001	UDAG Unprogrammed Funds	\$361,494.25	Economic development funding
Air Quality Improvement (AQMD)	4140100-450105	Research & Dev Projects	\$15,000	Air quality research and development funding
General Fund	7211200-450247	Fiscal Management	\$40,000	Special projects funding
	TOTAL		\$416,494.25	

The General Fund and AQMD funding sources will remain in their respective funds, with funds transferred to the Street Car project accounts (9172) established to track the project. Upon Council approval of the interfund transfer, the Development Grant funds totaling \$361,494.25 will be transferred to the Grants and Restricted Projects fund.

Prepared by: Rafael Guzman, Assistant City Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, City Manager
Approved as to form: Kristi J. Smith, Chief Assistant City Attorney

Attachment: Agreement