



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: AUGUST 5, 2025**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: 1 AND 2**

**SUBJECT: THIRD STREET GRADE SEPARATION – AMENDMENT NO. 3 TO
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM AGREEMENT
WITH WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS –
SUPPLEMENTAL APPROPRIATION**

ISSUES:

Approval of Amendment No. 3 to Transportation Uniform Mitigation Fee Program Agreement with Western Riverside Council of Governments (WRCOG) to increase the funding amount by \$2.5 million from \$11.25 million to \$13.75 million for the Third Street Grade Separation Project; and a supplemental appropriation of Transportation Uniform Mitigation Fee funds.

RECOMMENDATIONS:

That the City Council:

1. Approve Amendment No. 3 to Transportation Uniform Mitigation Fee Program Agreement with the Western Riverside Council of Governments to increase the funding amount by \$2.5 million from \$11.25 million to not to exceed \$13.75 million for the Third Street Grade Separation project;
2. With at least five affirmative votes, authorize the Chief Financial Officer or his designee to record an increase in revenues and an equal amount of expenditures in the amount of \$2.5 million in Transportation Uniform Mitigation Fee funds in the TUMF Fund, Third Street/BNSF Grade Separation revenue and expenditure accounts; and
3. Authorize the City Manager, or designee, to execute the Third Amendment to Agreement with WRCOG, including making minor and non-substantive changes.

BACKGROUND:

On January 7, 2025 the City Council approved the second amendment to the Transportation Uniform Mitigation Fee Program agreement with the Western Riverside Council of Governments (WRCOG) to increase funding for the Third Street Grade Separation. The project has continued to advance through the right-of-way phase, and the City's current agreement allows for amendments to increase funding amounts.

DISCUSSION:

The Third Street Grade Separation project will construct a railroad underpass at Third Street and the BNSF railroad tracks. Third Street will be lowered between Vine Street and Park Avenue and a bridge will be constructed to convey rail traffic. The project will require the realignment of Commerce Street, construction of slopes, retaining walls, a storm water pump station, and relocation of wet and dry utilities.

The approval of Amendment No. 3 to the Transportation Uniform Mitigation Fee (TUMF) Program Agreement with WRCOG will increase the total funding for this Project by \$2.5 million bringing the total amount to \$13.75 million (\$6.5 million for Project Approval & Environmental Documentation (PA&ED) and Plans, Specifications, and Estimate (PS&E) phases, and \$7.25 million for the Right-of-Way acquisition phase).

The PS&E and the Right-of-Way phases are anticipated to be complete by December 2025. Construction is anticipated to start in summer of 2026 and project completion is anticipated in late 2028.

STRATEGIC PLAN ALIGNMENT:

This project aligns with **Strategic Priority 6 — Infrastructure, Mobility, and Connectivity** by improving safety, circulation, and providing critical infrastructure for our community to thrive and is in accordance with **Goal 6.3** — Identify and pursue new and unique funding opportunities to develop, operate, maintain, and renew infrastructure and programs that meet the community's needs.

Furthermore, this Project aligns with each of the five Cross -Cutting Threads as follows:

1. **Community Trust** — The Public Works Department has engaged community members regarding the Third Street Grade Separation, and the Project was developed in response to prior City Council action. Public Works will continue to inform and engage the public regarding the Grade Separation Project.
2. **Equity** — The Project will benefit all who travel on Third Street whether in a car, on foot, or via bicycle. It will provide a safer and more reliable roadway network to schools, shopping centers and to various neighborhoods. The Project will also improve the quality of life in the surrounding neighborhood.
3. **Fiscal Responsibility** — In order to maximize Local dollars, the City pursues Local, State, and Federal Grant funding for large and complicated construction projects, including WRCOG TUMF funding allocations.
4. **Innovation** — This Project will permanently relocate the existing tracks; minimizing impacts to rail operations and reducing the construction duration by eliminating the need to construct temporary shoofly tracks and temporary rail crossing.
5. **Sustainability & Resiliency** — This project will make the street safer by eliminating the at - grade railroad crossing, , and encourage active modes of transportation by providing sidewalk amenities that no longer traverse the railroad tracks.

FISCAL IMPACT:

The total fiscal impact of this action is an increase in revenues and expenditures of \$2.5 million. Upon Council approval, an increase in revenue and an appropriation of expenditures will be recorded in the TUMF Fund, Third Street/BNSF Grade Separation revenue account number 9990119-339100 and expenditure account number 9990119-440315.

Prepared by:	Swetaben Patel, Principal Engineer
Approved by:	Gilbert Hernandez, Public Works Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Location Map
2. Amendment No.3 to Transportation Uniform Mitigation Fee Program Agreement