



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Interim City Manager

PREPARED BY: Nate Smith, Deputy Director of Public Works/City Engineer

MEETING DATE: January 27, 2026

SUBJECT: Consideration of Resolution 2026-16, Authorizing the City Manager to Execute the Voluntary VMT Exchange Program Participation Agreement between the Western Riverside Council of Governments and the City of Banning

RECOMMENDATION:

Adopt Resolution 2026-16

BACKGROUND:

City staff presented the Voluntary VMT Exchange Program to City Council on November 12, 2025. That staff report and presentation are attached to this report for reference.

At the November 12, 2025 meeting, City staff was asked to have legal review the agreement, and to request that staff from the Western Regional Council of Governments attend the meeting to answer additional question by City Council. Legal Counsel did review the agreement and there were no significant concern about the contents of the agreement. Here tonight is staff from WRCOG to answer questions regarding the program.

The action tonight recommended by staff would be to approve the resolution and execute the participation agreement.

JUSTIFICATION:

If the City of Banning elects to participate as a Credit Generator, staff would prepare a list of projects that are VMT mitigation eligible. These projects could include bus passes, transit stop enhancements, transit route enhancement, bike lane implementation and construction, walking trails, or other projects that support non-motorized transportation.

As projects throughout the WRCOG region identify and require mitigation for VMT impacts, the City of Banning can utilize this program to meet goals of the General Plan, Active Transportation Plan, and support the Transit enterprise.

Public Works staff has reviewed the requirements to participate in the program and is comfortable in its responsibilities to participate.

FISCAL IMPACT:

There is no cost to the City to participate in the program as a credit generator and submit certain types of projects, such as bus passes.

After the City and WRCOG are able to show success for transit passes, other project types may be considered to add to the exchange. For other projects, the City would be responsible to fully construct the project as offered on the VMT Mitigation marketplace, if selected by a Credit User. Upon completion of the project, WRCOG would reimburse the City for the work completed, up to the amount listed in the marketplace. For example, a transit stop enhancement project may include a shelter, benches, and trash receptacle. The City would provide a fixed cost to construct that facility to the marketplace. Upon completion, WRCOG would provide reimbursement up to the cost that the improvement was purchased for. The City would be responsible for cost overruns.

City staff can update projects on an as-needed basis for items not yet purchased by a Credit User with WRCOG. It would be incumbent on City Staff to properly assess the anticipated costs of any project listed to the marketplace, and update as costs change.

ALTERNATIVES:

Do not approve Resolution 2026-16

BUDGETED?:

No

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution 2026-16 - VMT Exchange Agreement.docx](#)
2. [Resolution 2026-16 Exhibit A - Credit Generator Participation Agreement.docx](#)
3. [2025_1112 CC Staff Report Packet - VMT Program.pdf](#)
4. [2025_1112 CC Staff Report Presentation - VMT Program.pdf](#)