



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 13, 2026

SUBJECT: Consideration of Resolution 2026-14, to Authorize the City Manager to Execute Amendment No. 2 to Cooperative Agreement Between Riverside County Transportation Commission, City of Banning and City of Beaumont for the Management of the I-10/Highland Springs Avenue Interchange Project Study Report and to Include Project Approval and Environmental Document (PA/ED) Phase

RECOMMENDATION:

Approve Resolution 2026-14

BACKGROUND:

On September 10, 2019, the City Council adopted Resolution 2019-114 to enter into a cooperative agreement with the Riverside County Transportation Commission (RCTC), the City of Banning, and the City of Beaumont for RCTC to manage the Project Study Report for the Highland Springs Interchange Project. This was funded with \$2,000,000 provided by the Western Regional Council of Governments (WRCOG) Transportation Uniform Mitigation Fee (TUMF) program by a separate funding agreement between RCTC and WRCOG.

A subsequent amendment to the agreement was made on May 21, 2021 with City Council Resolution 2021-43 that allowed RCTC to continue to manage the project into the Project Approval/Environmental Document (PA/ED) phase and authorize moving unspent funding of about \$1,500,000 from the PSR phase to the PA/ED phase. The funding agreement between RCTC and WRCOG was updated to reflect this direction, and to allocate an additional \$2,000,000 of TUMF money for the PA/ED phase. Total funding at this stage was \$3,500,000

This Amendment No. 2 memorializes recent additional funding that was approved by WRCOG of \$2,000,000 in additional TUMF funding for the interchange project to continue with the PA/ED phase, bringing the total authorized funding to \$5,500,000. This additional funding was necessary based on comments and new analyses required by Caltrans that was discussed at a June 24, 2025 City Council workshop. A copy of that staff report and presentation is included as an attachment to this report.

JUSTIFICATION:

Approval of this Amendment will allow RCTC to continue to process the Highland Springs Interchange Plans through Caltrans to complete the PA/ED phase at the end of 2027, based on current estimates and the additional Caltrans requirements.

FISCAL IMPACT:

None to the City of Banning. Funding is through the WRCOG TUMF program, with fees previously

collected from new development.

ALTERNATIVES:

Do not approve Resolution 2026-14 and provide alternate direction to staff.

BUDGETED?:

No

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Reso_2026-14_-_HSA_RCTC_Coop_Agreement_Amendment_No._2 \(1\).docx](#)
2. [Reso 2026-14 Exhibit A - Amendment No. 2 to 3 Party Cooperative Agreement No. 20-31-008-02.pdf](#)
3. [CC Resolution No. 2019-114.pdf](#)
4. [2019_0910 Agreement 20-31-008-00 - HSA Interchange.pdf](#)
5. [CC Resolution No. 2021-043.pdf](#)
6. [2021_0521 Agreement 20-31-008-00 Amend 1 - HSA Interchange.pdf](#)
7. [2025_0624 RCTC HSA Presentation.pdf](#)