

## REIMBURSEMENT AGREEMENT

REIMBURSEMENT AGREEMENT (“**Agreement**”) is made and effective as of the \_\_\_\_ day of \_\_\_\_\_, 2025 (“**Effective Date**”), by and between the CITY OF BEAUMONT (“**CITY**”) whose address is 550 E. 6<sup>th</sup> Street, Beaumont, California 92223 and Inland Harbor, a \_\_\_\_ corporation whose address is \_\_\_\_; Beaumont Heights, a \_\_\_\_ corporation whose address is \_\_\_\_; Beaumont Commerce Center, a \_\_\_\_ corporation whose address is \_\_\_\_; and Legacy Highlands, a \_\_\_\_ corporation whose address is \_\_\_\_ (hereinafter singularly “**DEVELOPER**” and plurally “**DEVELOPERS**”). CITY and DEVELOPERS may be referred to individually as a “**Party**” and collectively as the “**Parties.**”

### RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

- A. DEVELOPERS desire to develop an area west of Pennsylvania Avenue and south of I-10 (“**Potrero Extension Benefit Area**”) as illustrated in **Exhibit “A”**. The DEVELOPERS, which are parties to this Agreement, have submitted or are in the process of submitting applications. with the CITY for several projects within the Potrero Extension Benefit Area consisting of more than 30 million square feet of industrial and commercial developments; and
- B. DEVELOPERS have planned to construct their projects within the Potrero Extension Benefit Area; and
- C. DEVELOPERS have submitted entitlement packages and proposed infrastructure that only benefit their individual projects and do not consider the development of the Potrero Extension Benefit Area, which will be needed to mitigate in part the impacts of their proposed projects; and
- D. CITY and DEVELOPERS agree that there is currently insufficient infrastructure within the Potrero Extension Benefit Area to support the level of development proposed by DEVELOPERS; and
- E. CITY and DEVELOPERS agree that a Nexus Study, as defined in Section 3 of this Agreement, is necessary to analyze and address the issues of street alignment as well as planning and development of cohesive master-planned facilities needed to mitigate the impacts of development within the Potrero Extension Benefit Area. CITY and DEVELOPERS further agree that the Nexus Study needs to be conducted for the benefit of DEVELOPERS to improve traffic infrastructure and facilities necessitated by their proposed developments; and

F. DEVELOPERS voluntarily agree to pay their share of the costs for the Nexus Study in the amounts specified in **Exhibit “B”** attached hereto and incorporated herein by this reference (such amounts hereinafter referred to as “**Reimbursement Sums of DEVELOPERS**”).

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and DEVELOPERS agree as follows:

1. Incorporation of Recitals. The Parties accept the above recitals as true and correct and incorporate them herein as if they were fully restated in this Agreement.

2. Purpose and Scope. The primary purpose of this Agreement is to establish that DEVELOPERS are responsible for funding the cost of the Nexus Study, defined herein below, for the Potrero Extension Benefit Area.

3. Nexus Study. CITY has engaged with FEHR & PEERS, a California corporation whose address is 100 Pringle Avenue, Suite 600, Walnut Creek, California 94596 to perform a focused nexus study and infrastructure delivery plan for the Potrero Extension Benefit Area. The study will consider roadway alignments, connection points, cost estimates, and other factors to ensure the area’s efficient development. FEHR & PEERS proposal is attached hereto as **Exhibit “C” (“Proposal”)**.

4. Nexus Study Cost. The CITY has initially advanced the cost of the Nexus Study. DEVELOPERS shall reimburse the CITY for the full cost of the Nexus Study. Each developer shall pay within thirty (30) days of the Effective Date its fair share of the Nexus Study cost in the amounts set forth in Exhibit “B”. The cost of the Nexus Study is Two Hundred Fifty-Two Thousand Five Hundred Sixty Dollars (\$252,560.00) (“**Study Cost**”).

4.1 Non-Reimbursable Payment. Each DEVELOPER’s payment is non-reimbursable, and non-refundable, meaning that each DEVELOPER is solely responsible for paying their share of the Study Cost and such share shall not be refunded by the CITY for any reason.

5. CITY’s Reservation of Rights and Discretion. Nothing in the Agreement shall grant any DEVELOPER any vested right, property right, guarantee or approval to develop their proposed project. CITY hereby expressly reserves all rights and discretion to approve or disapprove any project relating to the Potrero Extension Benefit Area. This reservation includes, but is not limited to, the right to: (i) review, evaluate, and assess any project proposal; (ii) request additional information or modifications to any project proposal; (iii) approve, conditionally approve, or deny any project proposal; (iv) impose conditions, restrictions, or requirements on any approved project;

(v) revoke or modify any previously granted approval as allowed by applicable law; and (vi) enforce compliance with all applicable laws, regulations, and conditions. CITY's acceptance of DEVELOPER's voluntary payment for the Nexus Study does not constitute a waiver of any of CITY's rights, powers, or authorities. CITY retains full discretion, including but not limited to its discretion in all matters related to land use, zoning, permitting, and project approvals. Developers understand that additional and supplemental studies and analysis may be required in connection with impacts within the Potrero Extension Benefit Area.

5.1 Independent Review. Each DEVELOPER's independent project shall be reviewed and evaluated on its own merits. Prior approvals or disapprovals for similar projects shall not bind or limit the CITY's discretion in reviewing new projects.

6. DEVELOPERS Rights and Discretion.

6.1 No Guarantee. DEVELOPER's payment for the Nexus Study does not guarantee, promise, or imply any future approvals for projects or any other request that requires CITY's approval. Payment for the Nexus Study does not create any expectations of favorable treatment or expedited processing of future project applications.

6.2 Independent Payment for Nexus Study. Each DEVELOPER's payment for the Nexus Study is independent of and separate from any other obligations, deposits and fees related to that DEVELOPER's project.

7. Voluntary Participation. Each DEVELOPER hereby acknowledges and affirms that its participation in paying the Study Cost for the Nexus Study is entirely voluntary and not compelled, coerced, or mandated by CITY in any way. DEVELOPERS decision to contribute financially to the Nexus Study is made of its own free will and accord, without any undue influence, pressure, or inducement from CITY.

8. No City Imposed Conditions. CITY has not conditioned any approvals, permits, or other governmental actions on any DEVELOPER's participation in funding the Nexus Study.

9. Miscellaneous Provisions.

9.1 Entire Agreement and Modifications. This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the Nexus Study and contains all of the covenants and agreements between the parties with respect to the rendering of Study Cost. Any modifications of this Agreement will be effective only if it is in writing signed by both parties.

9.2 Governing Law. This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

9.3 Venue. The Parties agree that exclusive venue for any and all legal proceedings arising out of or relating to this Agreement shall be the state and federal courts located in Riverside County, California.

9.4 Severability. If any portion, section, sentence, provision or paragraph of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

9.5 Liability. If any one of the parties responsible for paying its fair share of the Nexus Study fails to pay such amount, the other non-defaulting Developers shall be responsible to pay the unpaid amount in proportion to their respective fair share amounts exclusive of the defaulting Developer's share. If any Developer fails to pay its prorate share of the defaulted amount it shall be in default of this Agreement and the non Defaulting Developers shall be responsible to pay in accordance with the proportionate shares of the non defaulting Developers.


9.6 Attorneys Fees. If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

**CITY:**  
CITY OF BEAUMONT

By: \_\_\_\_\_

**DEVELOPER:**  
INLAND HARBOR  
By: \_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

**DEVELOPER:**  
BEAUMONT HEIGHTS  
By:  \_\_\_\_\_  
Name: Grant Ross Title: Manager

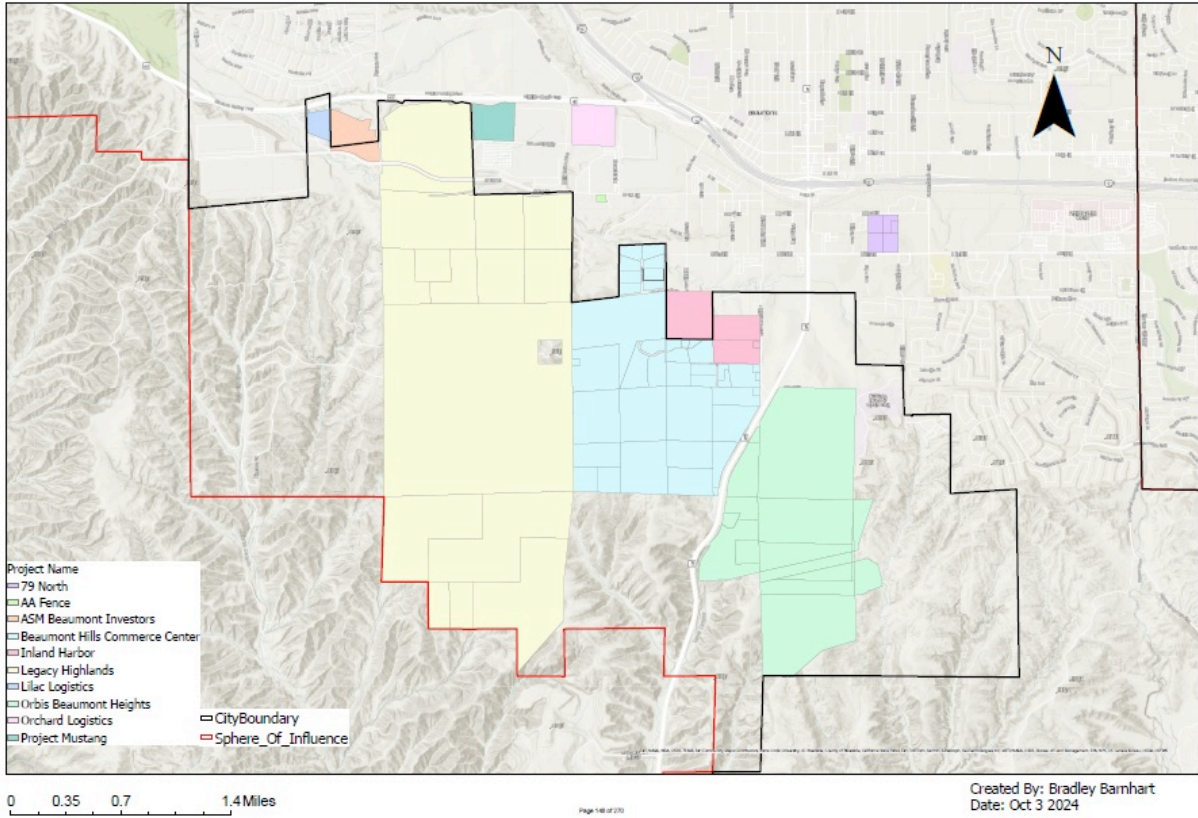
**DEVELOPER:**  
BEAUMONT COMMERCE  
CENTER

By: \_\_\_\_\_  
Name:                      Title:

**DEVELOPER:**  
LEGACY HIGHLANDS

By: \_\_\_\_\_  
Name:                      Title:

# EXHIBIT "A" (Potrero Extension Benefit Area)



**EXHIBIT “B”  
(Reimbursement Sums of DEVELOPERS)**

<b>Industrial Development Fairshare Analysis</b>		
<b>Project Name</b>	<b>Total SQF</b>	<b>Fair Share</b>
<b>Legacy Highlands</b>	<b>15,048,740</b>	<b>\$150,666</b>
<b>Beaumont Commerce Center</b>	<b>6,234,338</b>	<b>\$62,417</b>
<b>Inland Harbor</b>	<b>1,037,498</b>	<b>\$10,387</b>
<b>Beaumont Heights</b>	<b>5,146,891</b>	<b>\$51,530</b>
<b>Total</b>	<b>27,467,467</b>	<b>\$275,000</b>

<b>Traffic Study</b>	<b>\$</b>	<b>252,560</b>
<b>Review</b>	<b>\$</b>	<b>22,440</b>
<b>Total</b>	<b>\$</b>	<b>275,000</b>

**EXHIBIT “C”**  
**(FEHR & PEERS Proposal)**



Updated October 2, 2024

Robert Vestal  
Director of Public Works | City Engineer  
City of Beaumont  
550 E. 6<sup>th</sup> Street  
Beaumont, CA 92223

**Subject: South of SR 60 Roadway Infrastructure Delivery Plan and Fee Program  
Nexus Study**

**P23-2244-OC**

Dear Robert:

This proposal reflects our recent phone conversations with City staff and our concerns related to delivering needed infrastructure in the City concurrent with industrial development in the referenced area of the City. Specifically, as we have started working with the City to review development applications generally located south of SR-60 and west of SR-79, we have realized the following:

1. The City is processing more than 30 million sq. ft. of industrial/warehousing development in this area.
2. Warehousing development trip generation can vary significantly depending on the client, with uses like High-Cube Transload and Short-Term Storage Warehouse generating daily trips at a rate of 1.4 trips per 1,000 sq. ft.; whereas General Light Industrial or High-Cube Fulfillment Center Warehouse – Sort generate between 4.87 and 6.44 trips per 1,000 sq. ft. Given that most of the studies we have seen come through utilize the lower end of the trip rate range, it is imperative to understand how roadway capacity needs may change with more trip intensive land uses.
3. The City's General Plan identified three key roadway connections to serve this general area. These facilities are:
  - a. The Potrero interchange (e.g. add ramp connections from the overcrossing to SR-60) – recent funding of the interchange ramps will deliver this project sooner; however, there is only so much traffic this interchange can support and understanding how its capacity constrains may or may affect operations on Potrero and other streets needs to be understood
  - b. The extension of Potrero to the east, connecting it to SR-79 (and eventually over to the other portion of Potrero east of SR-79)
  - c. A new east/west roadway generally paralleling Potrero to the south
  - d. The Beaumont Avenue interchange has limited capacity and routing trucks and passenger cars to it will increase the deficiency at that location
4. Although the traffic studies we have seen to-date have all followed the City's guidelines and generally identify spot improvements at various locations, none of them look at



- identifying *when* each of these key infrastructure connections would be required to serve the proposed development. Additionally, none identify the final roadway alignment for the Potrero connection to SR-79 nor do they identify the best alignment for the new east-west roadway located south of Potrero.
5. The traffic studies assume much of this infrastructure is completed in the future without identifying how that infrastructure will be funded. As such, conceptual cost estimates for the identified roadway alignments would be helpful so that the City can start identifying a mechanism for funding and delivering the infrastructure (such as an updated transportation impact fee program or a road and bridge benefit district (RBBD)).
  6. The City would benefit from a fee program/nexus study to determine new development's fair share contributions toward these projects.

The purpose of this proposal is to provide the City with services to help answer key questions noted above. Fehr & Peers has included Mark Thomas & Company to our team to assist in identifying alignment for the two east-west roadways noted above and to develop cost estimates for the proposed infrastructure.

Our proposed scope of work is described in detail below:

## SCOPE OF WORK

### TASK 1 – KICK OFF MEETING

The Fehr & Peers team will attend a kick-off meeting at the City with City staff. At this meeting, we will work with staff to better understand what development applications the City has received in the general study area and get a better understanding of any geometric layouts already developed for the facilities noted above. Fehr & Peers will also review any approved or submitted traffic studies in the area to better understand the availability of count data in the area.

We will work with the City to identify if they have a mechanism for controlling the tenants of the facilities after they are entitled. Specifically, if the traffic study assumed a trip generation rate of High-Cube Transload but the actual tenant is a High-Cube Fulfillment Center Warehouse – Sort, does the City have a mechanism to reassess infrastructure needs or obtain increased funding to deal with transportation needed infrastructure that would be required for the increased trips.

### TASK 2 – CAPACITY MODEL ASSESSMENT

Fehr & Peers will develop a capacity model to assist in assessing the roadway capacity infrastructure. We propose to initially look at roadway segment capacity to assist with answering some of the bigger questions of when development would occur.



As we build the capacity model, we will work with staff to pre-build in traffic from entitled projects. We will propose to then set up specific zones for proposed projects so that we can test different development yields (e.g. 25%, 50%, 75%, and 100%) that we will use to test when specific segments approach capacity and identify key facilities needed to address those capacity issues. We will also build into the assessment a two-step process; one using rates we are seeing used in the submitted traffic studies and another where more intensive uses (like Light Industrial or Fulfillment Center Warehouse – Sort) and how those assumptions change the results of the infrastructure needs.

Fehr & Peers will use some combination of a refined RIVCOM model and/or a sub-area refined trip assignment model to assist in developing the roadway network. We will use trip generation information using ITE and/or WRCOG trip rates including PCE conversion estimates to review roadway capacity at a PCE level.

Fehr & Peers will also utilize two sources for estimating the distribution of trips to/from this area. First, we will use the RIVCOM travel demand model to assist with trip distribution estimates, but we also propose to use big data (Streetlight) to assist with this effort. Streetlight data will be used to estimate origin/distribution and trip routing for both passenger car and heavy vehicles from already developed industrial areas in the City. This will provide valuable information that will ensure that the trip distribution and trip assignment assumptions used reflect current demands in the study area. Please note that Streetlight data is available for no cost through the SCAG data portal and we have already pulled that data for our use in the City's truck route study.

Once the number of trips, distribution of trips, and routing of trips have been refined, we will include that information into our capacity assessment. Our goal would be to identify the number of trips that could be accommodated from the study area using the existing infrastructure (on a roadway segment basis) and start identifying when subsequent infrastructure would be required. These trips will be "backed into" the development utilizing the bookends of trip generation noted above to assist in planning this infrastructure in the City.

### TASK 3 – ROADWAY ALIGNMENT DEVELOPMENT

Mark Thomas & Company will lead the roadway alignment assessment. scope proposes to utilize available data from Riverside County (such as contours), an assumed roadway cross-section, an assumed roadway design speed, existing utility information, and available right-of-way information to identify a potential alignment for connecting Potrero road in the study area and the best alignment for the future east-west roadway south of Potrero identified in the City's General Plan. Once the alignments are identified, they will share that information with City staff to confirm the appropriateness of the alignment.

In addition to developing the alignments, Mark Thomas & Company will also complete a cost estimate for each facility (including review of the Potrero interchange). This will include a planning-level cost estimate, but will include assumptions for roadway costs, right-of-way estimates,



engineering and design considerations, major drainage considerations, and a description of needed permits and environmental considerations needed to progress the projects.

## TASK 4 – DOCUMENTATION

Fehr & Peers will work with the City on the most appropriate form of documentation but believe a memorandum summarizing the results of the traffic work, alignment strip maps, and planning cost estimates would be appropriate for the City to review and approve our work on Tasks 1-3.

## TASK 5 – NEXUS STUDY

Fehr & Peers will utilize the information in Tasks 1-4 to develop a nexus study for this effort. The nexus study will utilize information from the City's General Plan along with estimates of development that will contribute traffic to these facilities.

Fehr & Peers will utilize the information to establish the following key components associated with impact fee programs, including:

- Rough proportionality of the fee related to the development contributing to the facility needs.
- Identification of any existing deficiencies and fair share calculations reflecting new development's fair share contribution toward those facilities.
- Establishment of a metric to be used for the fee program calculation. That could be trips, passenger car equivalent trips, vehicles miles of travel, or other metric that normalizes the fee charged to new development.
- Establishment of an approach to address AB 602 requirements with the City. AB 602 requires the City to incorporate projects into their capital improvement program, update the fee every eight years, and to assure that any housing projects incorporated into the fee program address whether unit size should be accounted for in the impact fee program.
- Preparation of a proposed fee schedule that can be utilized for this fee using typical land uses that would occur in the area.
- Draft and final nexus studies to be used by City staff.

## SCHEDULE AND FEE

The Fehr & Peers team proposes to complete Tasks 1-5 within 20 weeks following our receipt of a work order for this effort. We will complete this effort on a time-and-materials basis for a not-to-exceed amount of \$252,560 (\$105,292) of which is Mark Thomas's effort for this project).



We look forward to our continued work with the City of Beaumont. If you have any questions, please call me directly at 949-308-6312.

Sincerely,  
FEHR & PEERS

Jason D. Pack, P.E.  
*Principal*