



Staff Report

TO: City Council
FROM: Elizabeth Gibbs, City Manager
Robert Vestal, Public Works Director/City Engineer
DATE: November 4, 2025
SUBJECT: Update on Major Projects and Funding Status

Description: Update to City Council on the status of three major projects and their funding status. This item is in anticipation of a future capital improvement project amendment.

Background and Analysis:

Stewart Park

Project purpose and vision

Stewart Park is considered one of Beaumont's historic core assets and an anchor for downtown revitalization. The stated goal of the Stewart Park Improvement / Redevelopment Project is to transform the park into a more inclusive, accessible, multi-use community destination — with updated play areas, lighting, seating, performance space, and improved general park conditions — while also supporting long-term reinvestment in the downtown area.

The City has consistently treated Stewart Park as a funded capital improvement project (CIP) line item. In recent CIPs it appears as "Stewart Park Redevelopment," sometimes called Phase I / Phase II or "Stewart Park Redevelopment and Skate Park," with millions budgeted from a mix of sources including General Fund, Community Park Development Impact Fees, and CFD funds.

FY 2022: Consultant selection and public outreach

On March 1, 2022, staff brought forward an item to City Council asking Council to (1) assign and approve a designated Council Member to participate in reviewing and recommending proposals for landscape architecture and engineering design services for the Stewart Park Improvement Project, and (2) formalize a new RFP review process to increase transparency.

Key details from that report:

- The City had already budgeted for Stewart Park design work in the Capital Improvement Plan.

- An RFP for landscape architecture and engineering design services was advertised January 19, 2022.
- Eight firms submitted proposals by February 23, 2022, including PlaceWorks, RJM Design Group, and others.
- A selection timeline was laid out: proposal scoring in early March 2022; potential interviews mid-March; final evaluation late March; recommendation to full Council by April 5, 2022.
- The new process required an assigned Council Member and the City Treasurer to participate with staff in scoring, interviews, and recommending the preferred design consultant.

Community survey + engagement results

On August 16, 2022, staff presented an item to Council “Update on Stewart Park Improvement Project – Community Outreach and Survey Results.” Staff reported that after Council approved a professional services agreement with PlaceWorks on April 5, 2022, the City began working weekly with the consultant and launched a structured community outreach effort.

Highlights from that report:

- A citywide digital survey opened June 27, 2022, and ran for about a month.
- Staff engaged community members at the City’s July 4th event in Stewart Park to boost participation.
- Over 800 unique community members responded — very high engagement for a single-park project.

Key takeaways from residents:

- Inclusive play space: The playground and splash pad are seen as central. The community emphasized universal accessibility and inclusive play environments.
- Overall park upgrades: Residents don’t just want one new feature; they want the entire park to feel safer, brighter, and more inviting — with better lighting, landscaping, and benches to create places to gather, take photos, sit, and hold small events.
- Events/programming: People want to keep using Stewart Park for community events and suggested performance space (like a bandshell or small stage) rather than a huge permanent structure.
- Active recreation: Basketball, walking, outdoor fitness, and flexible open fields for informal sports, classes, or even disc golf were all mentioned as important.
- Skate park: The community generally felt the existing skate park is about the right size, with interest in upgrading it but not major pressure to expand it.

FY 2023: Design advancement and phasing

Between late 2022 and 2023, Stewart Park moved from visioning into plan refinement, cost modeling, and funding strategy.

Stewart Park is a multi-million-dollar redevelopment that includes splash/spray features, play areas, lighting, seating, shaded gathering areas, event space, and skate park improvements. The project is considered both a quality-of-life investment and a downtown catalyst.

In November 2023, City Council directed staff to split the Stewart Park project into two phases due to budget constraints. Council approved a two-phase approach:

- **Phase I:** Core redevelopment work (park infrastructure, major amenities).
- **Phase II:** Additional/expanded improvements, including the skate park component.

2024: Budget escalation, CIP amendments, and groundbreaking

CIP / budget adjustments

In 2024, staff brought forward amendments to the City's Five-Year Capital Improvement Plan. The Stewart Park project (listed as P-10) was split between Phase I and Phase II.

What changed in 2024:

- **Phase I (P-10 Stewart Park Redevelopment and Skate Park / Phase I)**
The City received construction bids and found costs were higher than the earlier budget. Staff requested a budget increase for Phase I to cover the actual low bid and related costs. The request increased total Phase I funding to roughly \$13.6 million. Funding sources included General Fund, Community Park Development Impact Fees, and CFD funds.
- **Phase II (renamed as a new CIP project "P24-01 Stewart Park Redevelopment (Phase II)" in 2024)**
Council had previously allocated about \$3.1 million for Phase II on May 7, 2024, and by June 18, 2024 staff was clarifying that Phase II is now its own project number with its own budget line. This clean separation was meant to track spending, pursue grants, and build Phase II later without holding up Phase I.

At the same time, Stewart Park remained on the City's overall active/future project list in the FY 2025–2029 Capital Improvement Plan, signaling to the community that Council views it as a flagship capital project with multi-year funding needs.

Groundbreaking / construction kickoff (July 2024)

On July 22, 2024, the City held a groundbreaking ceremony for the "highly anticipated Stewart Park Revitalization Project, Phase I." This milestone was framed as "the beginning of a transformative project that aims to create a vibrant and enjoyable public space for the entire community."

FY 2025: Temporary construction pause to protect grant funding for Phase II

On June 3, 2025, City Council directed staff to pause work effective June 4 to protect the eligibility for outside funding:

- In October 2024, Beaumont was selected for a \$3.1 million federal grant intended to support Stewart Park Phase II.
- The City coordinated with the State of California and concluded that pausing construction activity of Phase I for approximately six months would help ensure Beaumont remains eligible to actually receive the grant dollars for Phase II.

This pause was strategic, to maximize external funding for the second phase of improvements rather than continuing construction of Phase I in a way that might disqualify the City from reimbursement/grant criteria for Phase II.

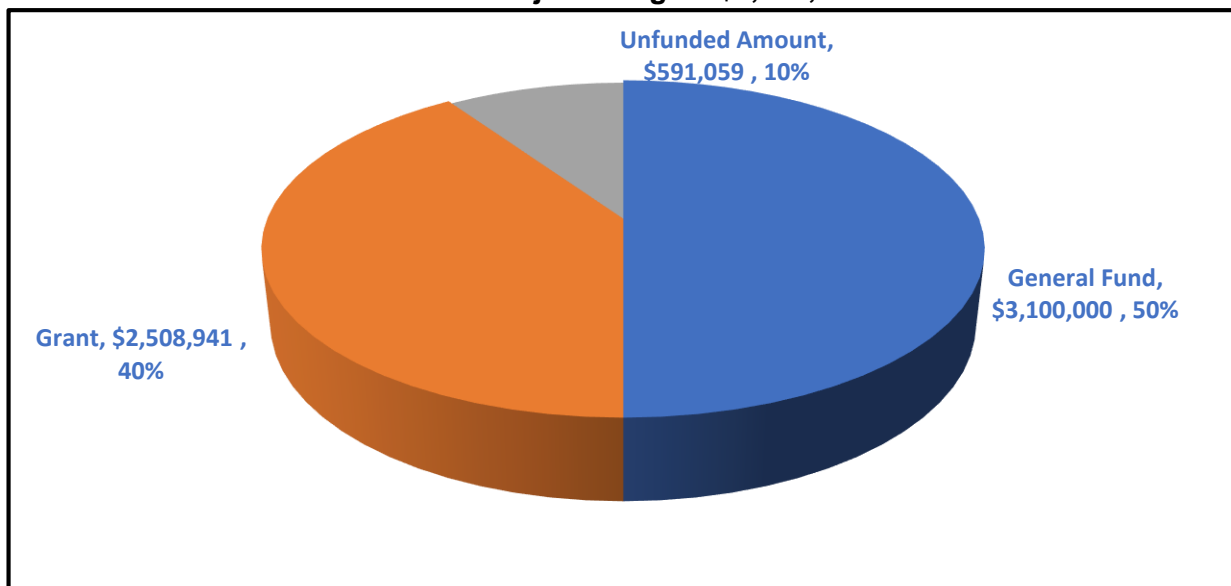
Conclusion

Staff continues to meet frequently with OGALS staff on progress of the Phase II grant. With the federal government shutdown, the National Park Service staff is unable to issue the necessary documents for the grant for Phase II in order for the City to proceed with completion of Phase I.

CIP P24-01 Stewart Park Phase II Project Funding Summary

Estimated Total Project Budget= \$6,200,000

Current Project Budget= \$5,608,941



CIP P24-01 Stewart Park Phase II Project Budget Summary

Project Component	Est. Total Budget	Current Budget	Paid to Date	Remaining Budget
Project Management				
Preliminary Services				
Environmental				
Design				

Permits				
Right-of-Way				
Construction	\$6,200,000	\$5,608,941		\$5,608,941
Construction Management				
Equipment				
Total	\$6,200,000	\$5,608,941	\$-	\$5,608,941

Pennsylvania Grade Separation Project

Project purpose and vision

The Pennsylvania Avenue Grade Separation Project will eliminate the existing at-grade rail crossing of Pennsylvania Avenue at the Union Pacific Railroad (UPRR) mainline just south of I-10 in Beaumont. The plan is to depress (lower) Pennsylvania Avenue under the railroad, preserving four travel lanes, adding sidewalks for pedestrians, adding traffic signals at the I-10 ramp intersections, and widening the eastbound on-ramp to improve safety and operations. The project also includes multimodal features and emergency access benefits.

The current at-grade crossing handles ~36 trains per day, and the gates are down an estimated 90 minutes per day total, with some closures lasting up to an hour when trains stop on the tracks. That blocks north/south circulation, forces long detours, idles trucks and passenger vehicles, delays emergency response, and increases emissions in nearby disadvantaged neighborhoods.

The underpass design is intended to improve safety (removes train/vehicle conflict), reduce congestion, improve air quality, and keep emergency response times consistent even during long rail blockages.

The project limits generally run from just south of 3rd Street up to the I-10 interchange area (the I-10 westbound off-ramp / eastbound on-ramp area).

Total current cost: \$73–78 million

Background

The City began environmental work on a group of related Pennsylvania Avenue corridor projects several years ago: the I-10/Pennsylvania Avenue Interchange Improvement, Pennsylvania Avenue Widening, and the Pennsylvania Avenue Grade Separation. These were being advanced together under a professional services agreement with Moffatt & Nichol for environmental technical studies and CEQA/NEPA documentation.

At the February 2, 2021 City Council meeting, staff recommended approving a second amendment to the Moffatt & Nichol professional services agreement. The requested amendment:

- Extended the contract term and added scope for continued environmental documentation.
- Linked all three Pennsylvania Avenue projects (Interchange, Widening, Grade Separation) under one environmental umbrella.

- Noted that additional time was needed, especially for the Grade Separation and Interchange components.
- Identified dedicated project accounts, including Project 2017-012A for the Pennsylvania Avenue Grade Separation, which at that time had \$1,000,000 budgeted, with \$730,284.60 already committed to consultant work and about \$269,715 remaining.

In 2021, the City's Capital Improvement Plan listed "Pennsylvania Ave/UPRR Grade Separation – Construction" with an identified future funding need of \$34,000,000.

The 35% design level for the grade separation was completed in 2019. After that 35% design milestone, the project was effectively put on hold because there was no full construction funding package identified at the time.

Specifically:

- Beaumont did not yet have the \$60M+ construction funding solution.
- The project stalled while focus shifted to other critical pieces of the Pennsylvania corridor (like widening and interchange improvements) as well as pursued grants.

On July 19, 2022, City Council considered multiple Pennsylvania Avenue corridor items, including a "Second Amendment to the Professional Services Agreement with IDC Consulting Engineers, Inc. for the Pennsylvania Avenue Grade Separation Project."

In that staff report, staff requested that Council:

- Approve a second amendment with IDC Consulting Engineers, Inc., not to exceed \$1,294,849, for additional design/engineering work on the Grade Separation.
- Authorize IDC to continue advancing project development (scope and fee were included as Attachment B, "Penn GS SOW Updated_IDC_7.12.2022").

Council re-engaged the design consultant to keep moving the Pennsylvania Avenue Grade Separation forward — an indication the City was repositioning the project for grant competitiveness.

At that same July 2022 meeting, Council also approved:

- A Union Pacific Railroad agreement for signals / crossing at Pennsylvania Avenue related to widening and circulation,
- An amendment with Kimley-Horn for the Pennsylvania Avenue Widening Project.

After the 2022 IDC amendment, the City continued design work, advancing into the Plans, Specifications & Estimates (PS&E) phase. By 2024, the Pennsylvania Avenue Grade Separation was being tracked as an active, high-priority capital project with a total anticipated cost well above what had been projected in prior years.

In late 2024, staff reports to Council tied the project to SB 125 / state transportation funding programs and requested budget adjustments to match updated cost estimates

and funding opportunities for Project 2017-012 (“Pennsylvania Ave/UPR Grade Separation”).

Key points emerging by 2024:

- The project was now scoped and costed at roughly \$73M-\$78M.
- The City began pursuing major state/federal freight corridor money (Trade Corridor Enhancement Program, or TCEP), positioning the grade separation as a goods movement / safety / air quality project.
- The work had advanced into PS&E, which is the stage just before going out to bid for construction.

Simultaneously to all of the above, the project begins showing up in CTC / TCEP materials and is elevated from “local concept” to “state-recognized freight corridor project.”

2024–2025: California Transportation Commission (CTC) & Trade Corridor Enhancement Program (TCEP)

The Pennsylvania Avenue Grade Separation Project was submitted into the State’s Trade Corridor Enhancement Program (TCEP), which is administered by the California Transportation Commission. TCEP is a competitive statewide freight-mobility / rail / goods movement program funded largely by SB 1 freight dollars.

The Pennsylvania Avenue Grade Separation Project, co-sponsored by Caltrans and the City of Beaumont is categorized as a Tier 1, construction-focused request. The total project cost is shown around \$73.7M, with a requested TCEP contribution of \$50.4M. The remaining match funding (~\$23M) is split amongst local, regional, or other committed sources.

CTC staff noted the following project benefits:

- Eliminating an at-grade rail crossing on a corridor that supports regional freight.
- Reducing vehicle idling and greenhouse gas emissions.
- Improving emergency response.
- Delivering multimodal benefits (sidewalks, safer pedestrian connections) to disadvantaged and low-income communities located along Pennsylvania Avenue south of I-10.

In June 2025, the Pennsylvania Avenue Grade Separation was presented to the CTC with a recommended TCEP construction funding award in the amount of \$50.4M.

The CTC officially adopted the Pennsylvania Avenue Grade Separation project for a potential \$50.4M award through TCEP.

- The project cost is roughly \$78M (the public-facing number rounded slightly higher than the \$73.7M TCEP listing).
- Beaumont and regional partners had already committed more than \$8M in local/regional match.

- With the CTC's \$50.4M recommendation, the project was now within about \$15M of being fully funded for construction.

This significant milestone signaled that construction funding is now essentially real, not hypothetical. Once TCEP dollars are locked in, the City can package final PS&E, go to bid, and move toward award/notice to proceed.

RCTC's role

RCTC (Riverside County Transportation Commission) has for years documented a countywide "grade separation funding strategy" to identify and prioritize rail-highway grade separations and leverage state/federal money for them.

While the 2005 RCTC strategy predates this current funding push, Beaumont is now applying that same model:

- Package a rail-highway grade separation as a freight mobility / safety project.
- Demonstrate local financial participation.
- Compete for state/federal freight corridor funds (in this case, TCEP through CTC).
- Coordinate with Caltrans District 8 on the I-10 interface, because the Pennsylvania Ave crossing is immediately adjacent to I-10 ramps and has regional goods movement implications.

RCTC's regional advocacy and long-standing grade separation program is part of why projects like this are competitive — they align with a known county priority list for separating rail and roadway conflicts in freight corridors.

Environmental / air quality conformity (2025 technical support work)

As of September 23, 2025, the project is included in Southern California Association of Governments (SCAG) transportation conformity documentation as "RIV180129A," and a PM2.5 / PM10 "hot-spot" analysis has been prepared. That analysis notes:

- The project is in a federal PM2.5 nonattainment area (meaning air quality is a regulatory concern).
- Because idling vehicles currently sit and queue at the rail gates, the grade separation is projected to reduce localized particulate emissions over time by eliminating those queues.
- The hot-spot analysis is required for federal conformity approval, which is generally necessary for projects using certain types of state/federal funds.

The project has advanced to the point where federal-level environmental/air quality clearance for construction funding is being documented.

Summary of Key timeline milestones (2019 → present)

2019

- ~35% design completed for the Pennsylvania Avenue Grade Separation (lowering the roadway under UPRR). Project then stalls due to lack of full construction funding.

2021

- Beaumont City Council reviews/approves amendments extending Moffatt & Nichol's contract to continue environmental documentation for the Pennsylvania Avenue Interchange, Widening, and Grade Separation projects. Budget tracking shows ~\$1M allocated to Grade Separation work under Project 2017-012A.
- City's Capital Improvement Plan lists "Pennsylvania Ave/UPRR Grade Separation – Construction" as a \$34M future capital item, establishing it in the City's long-range funding plan.

July 19, 2022

- Beaumont City Council approves a significant amendment (about \$1.29M) to IDC Consulting Engineers, Inc. for the Pennsylvania Avenue Grade Separation Project to advance design, signaling a restart of active engineering and grant positioning after the earlier pause.
- Related Pennsylvania Avenue Widening and UPRR signal agreements are also approved, showing coordinated corridor work.

Late 2022–2024

- Project advances through PS&E (Plans, Specifications & Estimates).
- Staff brings forward CIP/budget amendments and ties the project to state funding programs (SB 1 / SB 125 / Trade Corridor Enhancement Program).
- Total project cost estimates grow into the \$70M+ range, reflecting updated construction pricing and full scope (rail structure, underpass, ramp signalization, pedestrian improvements, utilities).

2024–June 2025

- The California Transportation Commission (CTC) evaluates the Pennsylvania Avenue Grade Separation under the Trade Corridor Enhancement Program (TCEP).
- The project is listed as a Tier 1 candidate for \$50.4M in TCEP construction funding toward a total cost of about \$73.7M.
- Sponsors are Caltrans and the City of Beaumont.
- The CTC officially adopted the Pennsylvania Avenue Grade Separation Project for a potential \$50.4M award.

September 23, 2025

- The project appears in SCAG’s project-level conformity documentation (PM hot-spot analysis), which is a late-stage step consistent with preparing to obligate state/federal funds and move into construction.

Bottom line / executive summary

From 2019 to the present, the Pennsylvania Avenue Grade Separation Project has evolved from a partially designed but unfunded safety concept into a near-construction, state-recognized freight corridor project with a \$50.4M recommended state funding award.

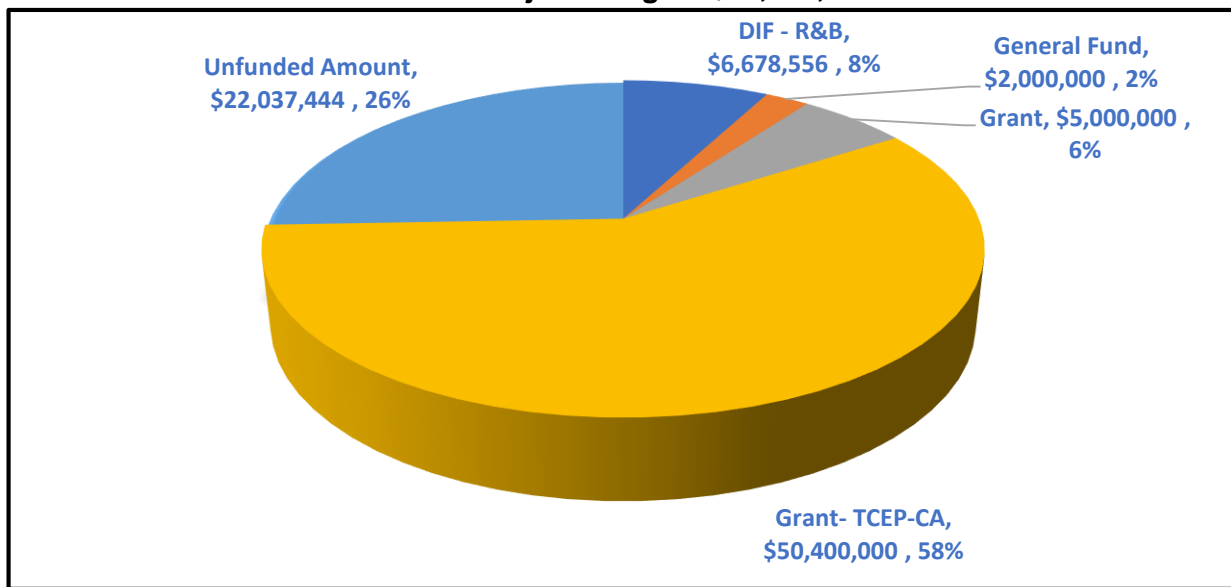
Conclusion

The project is projected to clear the environmental deadline in December 2025. City staff is recommending that RCTC become the lead agency for PS&E, to complete the design by June 2027, deadline. City Council has prioritized this project as one of Beaumont’s top transportation safety priorities and a critical link for emergency response, goods movement, and downtown/industrial circulation.

CIP 2017- 012 Pennsylvania Avenue Grade Separation Project Funding Summary

Estimated Total Project Budget= \$86,116,000

Current Project Budget= \$13,678,556



CIP 2017- 012 Pennsylvania Avenue Grade Separation Project Budget Summary

Project Component	Est. Total Budget	Current Budget	Paid to Date	Remaining Budget
Project Management	\$2,900,000	\$900,000	\$(77,976)	\$822,024
Preliminary Services	\$112,000	\$112,000	\$(106,481)	\$5,520
Environmental	\$297,000	\$297,000	\$(192,936)	\$104,064
Design	\$6,000,000	\$6,000,000	\$(2,165,551)	\$3,834,449
Permits	\$550,000	\$550,000	\$(153,203)	\$396,797

Right-of-Way	\$2,681,000			
Construction	\$65,000,000	\$5,819,556		\$5,819,556
Construction Management	\$8,576,000			
Equipment				
Total	\$86,116,000	\$13,678,556	\$(2,696,146)	\$10,982,410

Potrero Interchange Phase II Project

Project Summary

- Phase I built the overpass for the Potrero/ SR-60 Interchange, an interim WB on/off connection to Western Knolls, and extended Potrero Blvd to 4th Street. Phase I construction was completed in 2019.
- Phase II consists of a six-ramp partial cloverleaf interchange on SR-60 with four on-ramps, two off-ramps, auxiliary/accel/decel lanes, realignment of Western Knolls, and restriping of the Phase I overpass to accommodate six lanes of traffic.
- The goal of Phase I and phase II is to tie Beaumont’s growing southwest/south industrial and residential areas straight into SR-60, open up freight/fulfillment access, and take pressure off the I-10/SR-60 junction.

2019 - Phase I done, Phase II unfunded

Phase II design commenced in 2018 and progressed to the 95% completion stage. However, the project was placed on hold during the construction of Phase I due to funding limitations.

2021 - Traffic analysis & CIP

City staff presented to Council:

- Phase 1 was completed at the end of 2019.
- Phase 2 would be design and construction of a six-ramp, partial cloverleaf.
- The full build would deliver the circulation benefits the bridge was designed for.

2018–2023 CTC/TCEP background and summary

In 2018, City staff submitted a Transportation Corridor Enhancement Program (TCEP) grant application for \$8.19M to the California Transportation Commission (CTC) . The City was not successful.

In 2023, City staff submitted a TCEP grant application for \$33.5M to CTC, highlighting the limited access to freight movement at the Potrero Interchange. The City was successful in that grant application and the project was added to the TCEP list of projects. Note that the project must meet several requirements to be awarded the construction funding once on the list.

2024 Project continues in active TCEP program

The requirements to awarded construction funding include right-of-way, environmental addendum, agreements, and local match.

After the Project was added to the TCEP project list, RCTC and the City enter into an agreement for the project. RCTC would assist with design and be the lead during construction. RCTC has extensive experience delivering complex, regional projects.

After a thorough review of all documents, RCTC notified City staff that their team estimated the total cost of the project closer to \$80M.

City Council authorized budget adjustments and the use of fund balance to close the funding gap and fully fund the project.

2025 - CTC acceptance of the environmental documents

City staff and RCTC, completed the design and environmental clearance and delivered the project to the CTC as Ready to List (RTL). The CTC authorized RCTC and the City to move forward with the construction bid advertisement.

The project is currently being advertised with a scheduled bid opening date of November 5th, 2025.

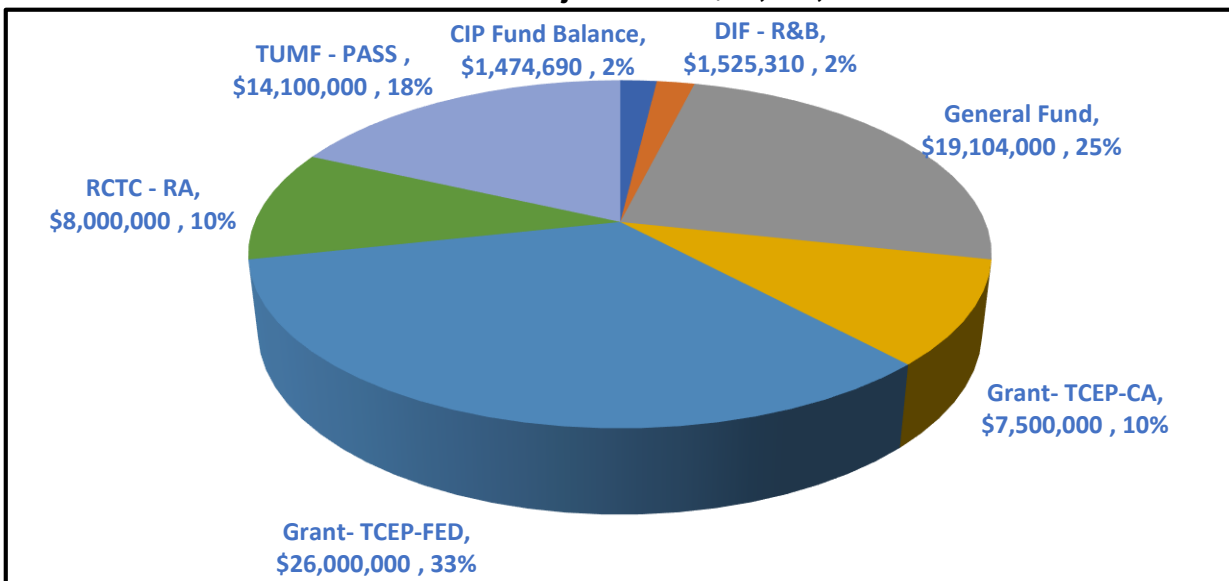
Construction is anticipated to commence in the winter or spring of 2026.

Summary

Phase II construction is scheduled to commence in early 2026. Although the project is presently fully funded, market uncertainties could lead to bid results surpassing cost estimates, which may necessitate supplemental funding.

CIP 2016-003 Potrero Phase II Project Funding Summary

Estimated Project Cost= \$80,106,257



CIP 2016-003 Potrero Phase II Project Budget Summary

Project Component	Budget	Encumbered	Paid to Date	Remaining Budget
Project Management		\$(43)	\$(43)	\$(43)
Preliminary Services		\$(10,048)	\$(10,048)	\$(10,048)
Environmental	\$354,211	\$(210,679)	\$(181,292)	\$143,532
Design	\$3,933,046	\$(3,900,437)	\$(2,867,607)	\$32,609
Permits				
Right-of-Way	\$7,706,000	\$(7,859,153)	\$(232,248)	\$(153,153)
Construction	\$58,000,000	\$(68,113,000)		\$(10,113,000)
Construction Management	\$10,113,000			\$10,113,000
Equipment				
Total	\$80,106,257	\$(80,093,360)	\$(3,291,238)	\$12,897

Summary and Conclusion

The City of Beaumont continues to make substantial progress on its three most significant capital projects—**Stewart Park Revitalization**, **Pennsylvania Avenue Grade Separation**, and **Potrero Interchange Phase II**—each representing major investments in the community’s quality of life, safety, and regional mobility.

The **Stewart Park Revitalization Project Phase I** has entered a strategic construction pause to safeguard federal grant eligibility for Phase II. City staff remain in active coordination with the State and federal agencies to finalize documentation and resume construction once funding authorizations are secured.

The **Pennsylvania Avenue Grade Separation Project** has advanced from conceptual design to a fully recognized, state-supported transportation improvement. With the California Transportation Commission’s \$50.4 million TCEP award, the project is positioned to clear environmental approvals by the end of 2025 and transition to RCTC leadership for final design completion by 2027.

The **Potrero Interchange Phase II Project** has achieved full environmental clearance and release of its \$33.5 million TCEP grant. RCTC has assumed project delivery responsibilities, with construction anticipated to begin in early 2026 following bid and award.

Collectively, these projects demonstrate the City’s proactive approach to leveraging state and federal partnerships, securing external funding, and strategically sequencing capital improvements to maximize return on investment. Each project contributes to Beaumont’s long-term goals of enhancing mobility, expanding recreation opportunities, and strengthening regional connectivity.

Staff will continue to provide periodic updates and bring forward a necessary Capital Improvement Plan amendment public hearing at the November 18th City Council meeting for consideration.

In anticipation of that presentation, staff has compiled a list of potential funding options for Council's consideration at that public hearing that include a mix of projects with general fund revenues and restricted revenues programming (Attachment A). This is not an exhaustive list but rather staff's recommendation on potential funding sources. By reprogramming current funding from other less prioritized projects, it allows Council to keep any current financial/budget reserves (fund balance) in place and untouched.

Fiscal Impact:

This is a discussion item only; therefore, there is no fiscal impact. Staff estimates the cost to prepare this staff report is \$647.

Recommended Action:

Discussion and direction on funding sources to offset the three major projects' funding deficits.

Attachments:

A. Possible CIP Repurposing