



**City of Beaumont, CA and Western Riverside Council of Governments (WRCOG)  
JOINT PRESS RELEASE**

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**Beaumont City Council and WRCOG Settling \$67 Million Judgment**

Beaumont City Council and the Western Riverside Council of Governments (“WRCOG”) have negotiated a settlement relating to a \$67 million court judgment that was awarded in favor of WRCOG and against the City in 2014. The judgment arose from a lawsuit filed by WRCOG over unpaid Transportation Uniform Mitigation Fees (“TUMF”). The negotiations began more than two years ago and was made possible due to the support of Riverside County Supervisor Marion Ashley and the negotiating efforts of Mr. Ben Benoit, Wildomar Mayor Pro Tem and Chair of WRCOG’s Executive Committee, and Mrs. Deborah Franklin, Banning Mayor Pro Tem and Vice Chair of WRCOG’s Executive Committee

The TUMF program is administered by WRCOG and involves 17 cities, Riverside County and other local agencies where participants agree to levy a uniform fee on new development to help pay for needed improvements to the regional transportation system. Since its inception in 2003, the TUMF program has generated revenues in excess of \$705,000,000 and has been responsible for funding 90 transportation projects in western Riverside County. Even though Beaumont was a TUMF participant, WRCOG alleged in its lawsuit that the City failed to remit tens of millions of dollars of TUMF fees to WRCOG and failed to conform to the TUMF program administrative rules. All the events that led up to the lawsuit and the judgment occurred under

a prior City administration, many of whom are now facing criminal charges. Given the City lacked the financial resources to pay the \$67 million judgment, the City and WRCOG have worked together for months to develop a mutually agreeable resolution.

In reaching this milestone settlement, Beaumont Mayor Lloyd White stated, “Under the prior City of Beaumont administration, the City has failed to live up to its obligation as a regional partner to address transportation funding in western Riverside County and the pass area. It is time to correct the mistakes of the past and join the regional effort to upgrade our transportation system to accommodate growth and facilitate sustainable economic development. When people travel to work or to shop, they don’t nor should they care about jurisdictional boundaries. We need to work with our neighboring cities and the region to address our shared challenges and pursue our common interests. This simply has not happened in the past, but it will happen from this day forward.”

“We believe this agreement not only addresses multiple years of fiscal harm to the regional WRCOG effort due to actions of the City’s past administration; but it also brings Beaumont back into full participation with the TUMF program for the future,” said WRCOG Executive Committee Chair Ben Benoit He went on to say, “We appreciate the new sense of regional partnership from Beaumont’s City Council and administration evidenced by the settlement agreement and by their desire to rejoin WRCOG.”

The terms of the agreement require Beaumont to invest one-time monies into TUMF regional transportation facilities that benefit neighboring cities, the region and Beaumont residents, such as Highland Springs Avenue, Pennsylvania Avenue, Oak Valley Parkway and Cherry Valley Boulevard. This will largely be paid from City transportation fees collected from developers to pay for growth. As part of the settlement, the City and WRCOG have agreed to partner in pursuing claims against former City employees, consultants and contractors that caused and/or contributed to the various problems faced by Beaumont. The City and WRCOG will share in any recoveries.

By joining the WRCOG/TUMF program again, Beaumont will be eligible for a share of the “½-cent Measure A Sales Tax” that goes towards addressing local transportation needs. Cities that participate in the WRCOG/TUMF program receive a share of those proceeds they can use towards maintaining their roads. A portion of those funds will be provided to WRCOG. Beaumont expects to receive approximately \$4.5 million in Measure A revenues over the next 5 years.

“My fellow Council members and I are clearly disappointed with the extremely poor decisions and management practices of the past. We have worked hard with WRCOG to address those poor decisions and to collectively move forward in a positive direction,” said Mayor White. “We look forward to not only becoming a TUMF Program participant, but also in rejoining WRCOG so that we can work together with local governments in western Riverside county to address the many common issues we face.”

Both WRCOG and Beaumont believe that the settlement agreement will benefit the City, the region and the County.

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