

# **PALM DESERT CITY COUNCIL STUDY SESSION MEETING AGENDA**

Thursday, June 26, 2025

3:00 p.m.

Council Chamber, City Hall

73-510 Fred Waring Drive

Palm Desert, California

NOTICE IS HEREBY GIVEN that the purpose of the Study Session is to review the items listed on the agenda. No action will be taken.

This is a joint meeting of the Palm Desert City Council, Successor Agency to the Palm Desert Redevelopment Agency, Palm Desert Housing Authority, and Palm Desert Board of Library Trustees. Pursuant to Assembly Bill 2449, this meeting may be conducted as a hybrid meeting allowing public access via teleconference or in person, and up to two Councilmembers may attend remotely.

**WATCH THE MEETING LIVE:** Watch the City Council meeting live at the City's website: <https://palmdesert.zoom.us/> or on the City's [YouTube Channel](#).

## **OPTIONS FOR PARTICIPATING IN THIS MEETING:**

Send your comments by email to: [CityClerk@palmdesert.gov](mailto:CityClerk@palmdesert.gov).

Emails received prior to 10:00 a.m. on the day of the City Council meeting will be made part of the record and distributed to the City Council. Emails will not be read aloud at the meeting.

**1. CALL TO ORDER - STUDY SESSION**

**2. STUDY SESSION TOPICS**

**2.a RECEIVE DIRECTION ON FURTHER STUDY OF THE PORTOLA AVENUE INTERCHANGE PROJECT**

**RECOMMENDATION:**

Provide direction on including Portola Avenue/Interstate-10 Interchange Study to the General Plan Circulation Element Update for long range mobility planning

**3. ADJOURNMENT**

**4. PUBLIC NOTICES**

NOTE: Pursuant to Assembly Bill 2449, this meeting may be conducted by teleconference. Study Session is accessible in person or on the City's website: [www.palmdesert.gov](http://www.palmdesert.gov) under the Council Agenda link at the top of the page.

Agenda Related Materials: Pursuant to Government Code §54957.5(b)(2) the designated office for inspection of records in connection with this meeting is the Office of the City Clerk, Palm Desert Civic Center, 73-510 Fred Waring Drive, Palm Desert. Staff reports for all agenda items considered in open session, and documents provided to a majority of the legislative bodies are available for public inspection at City Hall and on the City's website at [www.palmdesert.gov](http://www.palmdesert.gov) by clicking "Meeting Agendas" at the top of the page.

Americans with Disabilities Act: It is the intention of the City of Palm Desert to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, or in meetings on a regular basis, you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the Office of the City Clerk, (760) 346-0611, at least 48 hours prior to the meeting to inform us of your needs and to determine if accommodation is feasible.

**AFFIDAVIT OF POSTING**

I, Michelle Nance, Acting Assistant City Clerk of the City of Palm Desert, do hereby certify, under penalty of perjury under the laws of the State of California, that the foregoing agenda for the Palm Desert City Council, Successor Agency for the Palm Desert Redevelopment Agency, and Housing Authority, was posted on the City Hall bulletin board and City website [www.palmdesert.gov](http://www.palmdesert.gov) no less than 72 hours prior to the meeting.

/S/ Michelle Nance  
Acting Assistant City Clerk

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: June 26, 2025

PREPARED BY: Carlos Flores, AICP, Interim Deputy Director of Development Services

SUBJECT: RECEIVE DIRECTION ON FURTHER STUDY OF THE PORTOLA AVENUE INTERCHANGE PROJECT

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## **RECOMMENDATION:**

Provide direction on including Portola Avenue/Interstate-10 Interchange Study to the General Plan Circulation Element Update for long range mobility planning

## **BACKGROUND:**

City staff is requesting City Council (Council) direction on whether to add a study of the Portola Avenue/Interstate-10 Interchange (Interchange) to the ongoing Circulation Element Update (Circulation Update) of the General Plan.

Since 2008, Council has periodically discussed construction of the Interchange project (Project), originally estimated at \$72 million. The City entered into a reimbursement agreement (C27330B) with the Coachella Valley Association of Governments (CVAG), where CVAG committed to fund 75% of the project.

- On April 21, 2021, CVAG withdrew its funding commitment.
- On January 27, 2022, Council directed City staff to:
  - Collaborate with CVAG to return the remaining bond proceeds escrowed for the Project;
  - Repurpose money set aside for the Project to other initiatives until construction funding is secured for the Project;
  - Continue pursuing external funding sources for the Project.
- On May 26, 2022, Council approved a Memorandum of Understanding (MOU) authorizing a new reimbursement agreement between the City, the County of Riverside, and CVAG (Attachment 1).

## **Current Update**

On July 11, 2024, Council approved a contract (C48060) with “Fehr & Peers” (Consultant) to complete an amendment of the Palm Desert Mobility (Circulation) Element of the General Plan.

As part of the planning process, City staff recognized that the future of the Portola/I-10 Interchange remains a significant unresolved issue with long-term transportation and development implications. The current Circulation Element does not identify the Interchange on its Circulation network. However, it was included on the Circulation Element’s Truck Route Map and traffic modeling.

City of Palm Desert  
Portola Avenue Interchange Discussion

Given the need for a current, data-informed analysis to support future funding applications and policy decisions, staff asked the Consultant to propose a scope of work to study the Interchange (Attachment 2). The proposed scope of work would include:

- Coordination with key stakeholders (City staff, CVAG, Riverside County Transportation Committee);
- Review and update of previous project documents, cost estimates, and funding opportunities; and
- Analysis of a “No Build” scenario to evaluate the transportation and land use impacts of not constructing the Interchange.

City staff is seeking Council guidance on whether to include Interchange in the Circulation Update. Incorporating the study at this stage would enable the City to:

- Reassess the viability and importance of the project within the context of current transportation priorities;
- Identify updated cost projections and potential new funding sources; and
- Better inform future Council decisions regarding the Interchange and long-range mobility planning.

**Legal Review:**

This report has been reviewed by the City Attorney’s Office.

**FINANCIAL IMPACT:**

No additional appropriation is required at this time. The future impact potential for adding the Interchange into the existing contract (C48060) would be amended to include an additional \$20,000 for the proposed scope of work.

**ATTACHMENTS:**

1. City/CVAG Reimbursement Agreement
2. Fehr and Peers Additional Services Proposal

**MEMORANDUM OF UNDERSTANDING REGARDING REIMBURSEMENT AGREEMENT  
BETWEEN CVAG AND THE CITY OF PALM DESERT  
FOR THE  
PORTOLA AVENUE INTERCHANGE AT 1-10 PROJECT**

The Coachella Valley Association of Governments ("CVAG") and the City of Palm Desert ("Palm Desert") are entering into this Memorandum of Understanding (this "MOU") dated as of May 26, 2022 with reference to the following facts:

RECITALS:

- A. In furtherance of that certain CVAG-City of Palm Desert, Future (Fiscal Year 2012/2013) Reimbursement Agreement, Portola Avenue/Interstate 10 Interchange Design, Right-of-Way & Construction (the "Reimbursement Agreement"), dated February 28, 2008, as amended, and supplemented by that certain Bond Proceeds Funding Agreement Regarding Portola Avenue/I-10 Interchange Project, dated April 24, 2015, Palm Desert paid to CVAG the amount of \$15,000,000 and CVAG deposited such amount into an interest bearing trust account, to be drawn upon by CVAG for purposes of paying costs of the Interchange Project.
- B. As of the date of this MOU, the amount remaining in such trust account is \$14,856,463.49. Work on the Interchange Project has been suspended and CVAG desires to return such amount remaining to Palm Desert.

NOW, THEREFORE, CVAG and Palm Desert agree as follows:

1. Within 30 days of the date of this MOU, CVAG shall pay to Palm Desert the amount remaining in such trust account (\$14,856,463.49), plus any accrued interest through the date of transfer. Thereafter, upon receipt of an invoice from CVAG for final design costs of the Interchange Project, Palm Desert shall pay such costs in accordance with the Reimbursement Agreement, as amended.
2. CVAG and Palm Desert shall continue their efforts to complete the Interchange Project pursuant to and in accordance with the Reimbursement Agreement, as amended.

**[SIGNATURES ON NEXT PAGE]**

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives on this date:

ATTEST

By:   
L. Todd Hileman  
City Manager

CITY OF PALM DESERT

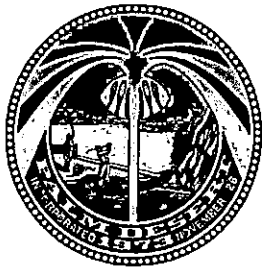
By:   
Jan C. Harnik  
Mayor

ATTEST

By:   
Tom Kirk  
Executive Director

CVAG

By:   
Christy Gilbert Holstege, Esq.  
CVAG Chair



# CITY OF PALM DESERT

73-510 FRED WARING DRIVE  
PALM DESERT, CALIFORNIA 92260-2578  
TEL: 760 346-0611  
info@cityofpalmdesert.org

June 23, 2022

Mr. Tom Kirk  
Executive Director  
Coachella Valley Association of Governments  
73710 Fred Waring Drive, Suite 200  
Palm Desert, California 92260

**Subject: Amendment Number Three to the Reimbursement Agreement (Contract No. C27330B) With the Coachella Valley Association of Governments (CVAG) and the County of Riverside and Memorandum of Understanding (C27330B1) With Coachella Valley Association of Government for the Design, Right-of-Way, and Construction Phases of the Portola Avenue/Interstate 10 (I-10) Interchange Project No. 637-02**

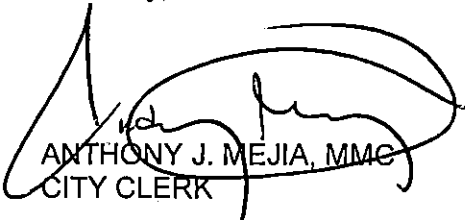
Dear Mr. Kirk:

At its regular meeting of May 26, 2022, the Palm Desert City Council, by Minute Motion, authorized: 1) Amendment No. 3 (C27330B) to the Reimbursement Agreement with CVAG and the County of Riverside for the design, right-of-way, and construction phases of the Portola Avenue/I-10 Interchange project; 2) Memorandum of Understanding (C27330B1) between CVAG and the City regarding Reimbursement Agreement for the Portola Avenue/I-10 Interchange project; and 3) the Mayor to execute the Agreements.

Enclosed are three original MOUs as executed by the City of Palm Desert. Once the MOU is fully executed by your agency, please forward one original for our file. However, once the Amendments are executed by your agency, please forward all three originals to our office and we will ensure the County receives them for the final signatures.

If you have any question or require additional information, please do not hesitate to contact my office.

Sincerely,



ANTHONY J. MEJIA, MMC  
CITY CLERK

AJM/mgs

Enclosures (as noted)

cc/enc: Andy Firestine, Director of Public Works





March 13, 2025

Nick Melloni and Richard Cannone  
City of Palm Desert  
73-510 Fred Waring Drive  
Palm Desert, CA  
92260

**Subject: Additional Services Proposal for Portola Interchange Study**

Dear Nick and Richard,

Fehr & Peers is pleased to submit this proposal for additional services to support the City's Circulation Element Update and further study of the Portola Avenue Interchange Project. Our understanding is that the proposed interchange at Portola Avenue has completed the Caltrans PA&ED and PS&E stages yet is on hold due to a lack of available funding. The City may be interested in continuing the project and would like to understand the next steps required for implementation. Additionally, the proposed development project at the northwest corner of Portola Avenue and Dinah Shore Drive is prompting the City to ensure the necessary right-of-way is preserved for future construction.

## Scope of Work

Fehr & Peers proposes working with Mark Thomas & Company, a civil engineering firm who has an extensive track record of working on Caltrans interchange projects in District 8 and assisting with infrastructure funding and cost estimating.

### Task 1: Meetings and Coordination

Fehr & Peers and Mark Thomas will meet virtually with City staff and any other relevant parties (e.g. CVAG, RCTC) up to three times to discuss project status, findings, revised cost estimates, and next steps for implementation. This scope also includes time for coordinating with relevant agencies. We anticipate this including a kick-off meeting to discuss our approach and verify all stakeholder's questions are addressed, one meeting to review the results, and one additional meeting that could include discussions with other stakeholders or presentations to Council.

### Task 2: Project Document and Cost Estimates Review

Mark Thomas will review the current project documents, including the PA&ED package and the PS&E package and identify any updates that are required. It is anticipated that, at a minimum, an environmental revalidation process would be required since the opening year and design year



horizons identified in the environmental document have changed. Additionally, the proposed design will be reviewed and compared to the California Highway Design Manual and other Caltrans design standards to determine any changes that need to be made.

Mark Thomas will also review the cost estimates prepared as part of the PS&E package and update the cost estimates to 2025 dollars. This will include an assessment of the current design and consideration of any value engineering that can be incorporated that may reduce construction costs.

### **Task 3: Funding Opportunities Review**

Mark Thomas will review relevant local, state, and federal infrastructure grant and funding opportunities to identify potential funding sources for construction. This will be delivered in the form of a funding opportunities matrix, summarizing each funding opportunity, relevant deadlines/application cycles, and the relative competitiveness of the project for grant funding.

### **Task 4: “No-Build” Review and Planning Level Cost Estimates**

Fehr & Peers and Mark Thomas will review the transportation impact study report for Classic Club Specific Plan (submitted January 2025) and/or any other recent transportation impact study provided by the City that does not assume the construction of the Portola Avenue interchange in the future year analysis. We will provide brief comments on the level of effort required to implement these improvements, including planning level cost estimates of these improvements. Please note that improvements at the Cook Street and/or Monterey Avenue interchanges would need to be fully analyzed through the Caltrans Project Development process.

### **Task 5: Documentation**

The findings, project implementation timeline, updated cost estimates, and a funding opportunities matrix will be summarized in a PowerPoint presentation that will be shared with the City and presented at one virtual meeting.

## **Fee and Schedule**

The current authorized amount for the Circulation Element Update is \$139,076. Fehr & Peers proposes an additional fee of \$20,000, which is broken down by task below. The total revised budget would be \$159,076.

Task	Fee
Task 1: Meetings and Coordination	\$3,000
Task 2: Project Document and Cost Estimate Review	\$5,000
Task 3: Funding Opportunities Review	\$5,000
Task 4: No Build Review and Planning Level Cost Estimates	\$5,000



Task 5: Documentation

\$2,000

Fehr & Peers can begin work on Task 1 upon receipt of written notice to proceed. Tasks 2 through 5 can be completed within six weeks following a kick-off call.

Sincerely,

FEHR & PEERS

Jason Pack, P.E.  
Principal

Brian Wolfe  
Project Manager

OC24-1083