

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

Thursday, October 26, 2023

2:45 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.

	Pages
1. CALL TO ORDER - STUDY SESSION	
2. STUDY SESSION TOPICS	
2.a UTILITY UNDERGROUNDING UPDATE	3
RECOMMENDATION: Receive an update on the Utility Undergrounding Master Plan.	
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 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 by clicking "Council Agenda" 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, Níamh M. Ortega, 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 no less than 72 hours prior to the meeting.

/S/ Níamh M. Ortega
Assistant City Clerk

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: October 26, 2023
PREPARED BY: Ryan Gayler, Capital Projects Manager
REQUEST: UTILITY UNDERGROUNDING UPDATE

RECOMMENDATION:

Receive an update on the Utility Undergrounding Master Plan.

BACKGROUND/ANALYSIS:

The City contracted with a consultant to create a Utility Undergrounding Master Plan (UUMP). The main goal of the master plan is to determine how to relocate all the overhead utility lines underground.

For a brief overview of the effort to underground utility lines, this process started immediately after the City was organized in 1973. All new developments were required to underground their utilities. In the early 2000's, the City's Redevelopment Agency (RDA) assisted some communities with undergrounding projects. Projects in the Silver Spur and Highlands neighborhoods were successfully completed and a project in the Palm Desert Country Club area failed due to lack of support from the residents. The dissolution of the RDA removed a critical funding mechanism the City used to assist neighborhoods with undergrounding efforts.

In 2015 the City Council wanted to address the challenge of undergrounding the remaining overhead utilities. An Ad Hoc committee was created and met together for over a year resulting in a recommendation to the City Council that the undergrounding of all overhead utilities should be established as a goal of the City Council, and that a Master Plan would be created to assist in the process.

The City contracted with Jeffrey Cooper of NV5 to create the Utility Undergrounding Master Plan. The Master Plan divided the various project locations into three major categories. The intent of the plan was to inventory all locations with overhead utilities and define the project as an Arterial project (City-initiated), a Neighborhood project (Resident-initiated), or an Other project (Developer/HOA initiated). The consultant would then provide a cost estimate for each location. The plan also identifies and analyzes various funding mechanisms and provides recommendations for proceeding with projects.

Arterial projects are for utilities that run along the right-of-way of arterial streets. These locations are highly visible along streets such as Monterey Avenue, Portola Avenue, and Country Club Drive to name a few. Due to the proximity to arterial corridors, these projects are of general benefit to the City.

Neighborhood projects are for residential areas serviced by overhead utilities. The City has developed a step-by-step guide to assist residents with creating an undergrounding assessment district.

Projects categorized as Other projects are projects that are not situated along an arterial street, and they are not within a particular neighborhood. Many of the Other projects are on private property and may be undergrounded as part of a future Land Development project.

Our consultant has recommended continuing the use of Assessment Districts for Neighborhood projects. It is also recommended that the City transition to the use of the fast-track process for resident-initiated projects. The City currently has one active Resident-initiated project that was created using the traditional method. The traditional method designs the project first, then the project goes to a vote of the property owners to determine if the project will be funded. This method requires a large investment in design up front with the potential of the project not being approved. The fast-track method calculates an estimated project cost and initiates a vote of the residents prior to the design of the project. This reduces the risk of wasting funding on design.

Arterial projects were eligible for funding through Southern California Edison under a program known as Rule 20A, but that program has been discontinued, so any projects to underground existing overhead utility lines will need to be funded by one of the methods outlined in the UUMP.



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UTILITY UNDERGROUNDING MASTERPLAN



■ History - 1973

- Undergrounding was required of new developments
- Pre-1973 lines remain in service in older neighborhoods
- Resident Concerns: Safety, Aesthetics, Property Values
- Completed Projects
 - Silver Spur
 - Highlands

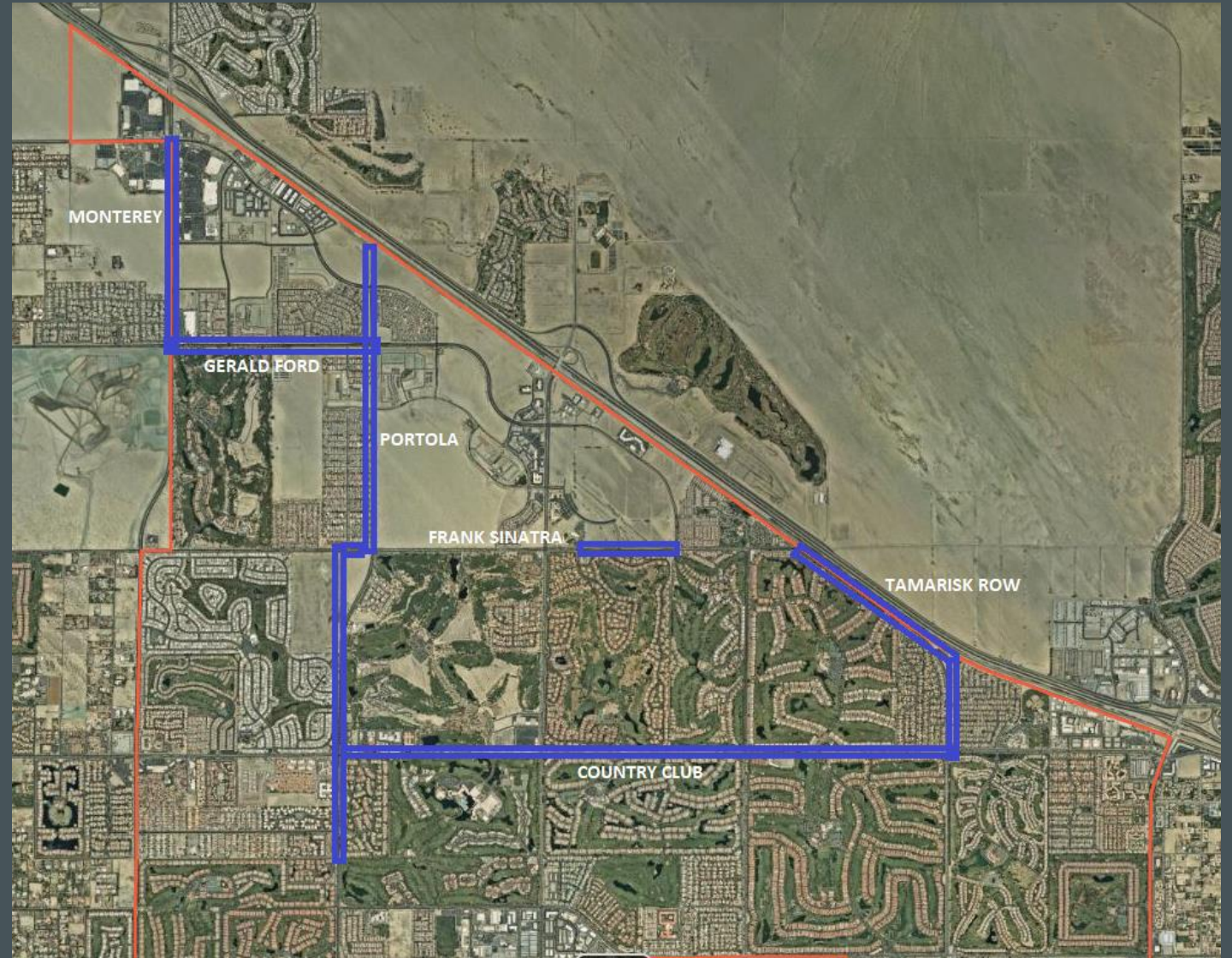
■ How We Got Here

- An Ad Hoc Committee was established (2015)
- Recommendation for Consultant Assistance
 - Utility Undergrounding Master Plan (2016)
 - Master Plan Update

February 2023

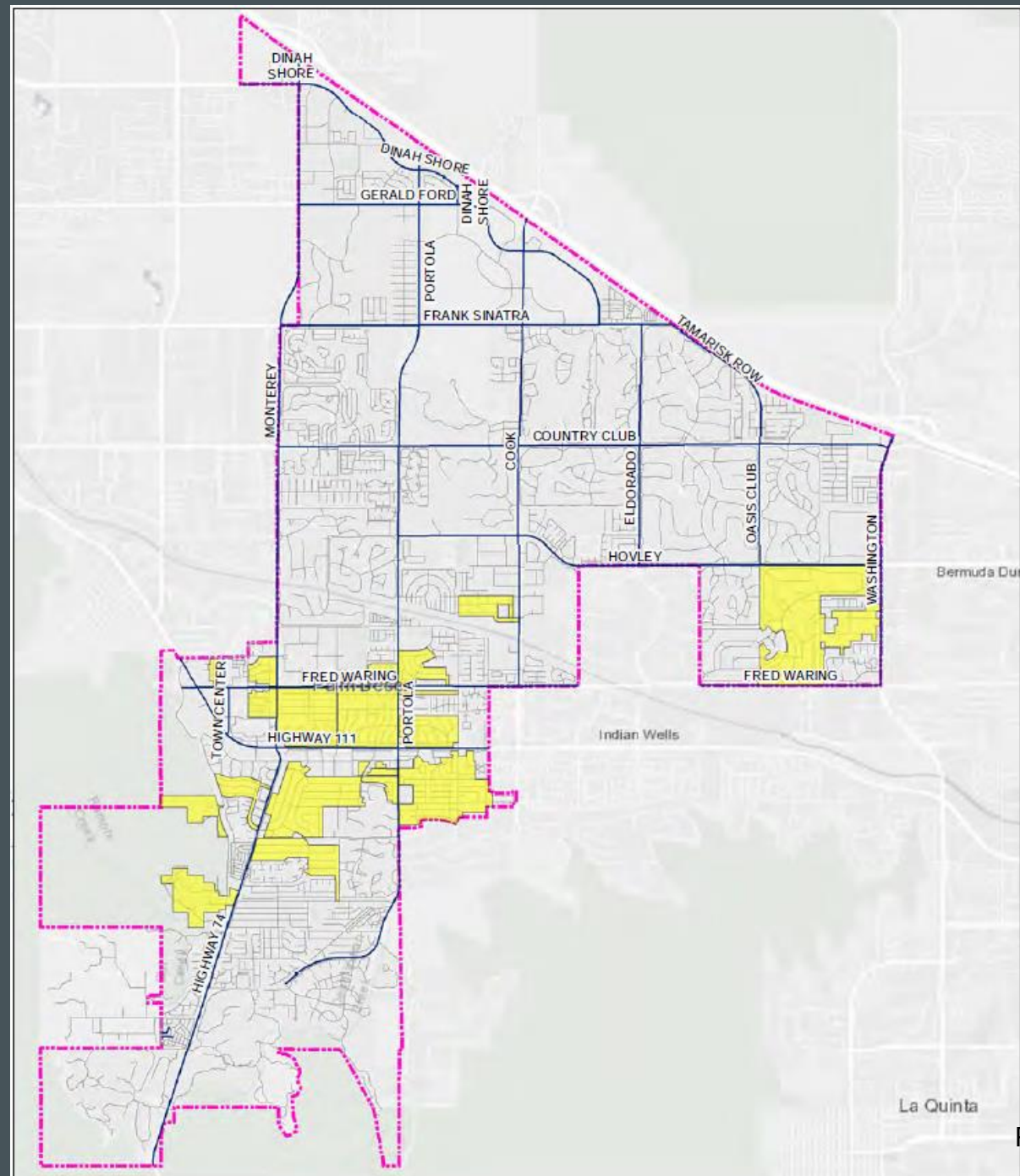
ARTERIAL LOCATIONS

- Seven arterials
- \$164 Million in today's dollars
- 10.5 miles of lines
- Proposed project delivery of 1.5-mile to 2-mile segments every five years
- Estimated cost of approx. \$33 million per project
- Need to Identify Funding Source



NEIGHBORHOOD LOCATIONS

- Seven major neighborhoods
- \$481 Million
- 266,500 lineal feet
- Funded by Assessment Districts - fast track process
- Projects approved by an affirmative vote from greater than 50% of property owners.





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UTILITY UNDERGROUNDING MASTER PLAN

February 2023



■ Funding Mechanisms

- City-Initiated Projects -
 - Utility Surcharge, or Utility Users Tax
 - Community Facilities District
 - Sales Tax
- Resident-Initiated Project
 - Assessment Districts – fast track process



■ Projected Cost

- Funding City-initiated projects - \$164M
- Funding Resident-initiated projects - \$481M
- Funding other private property projects - \$41M



■ Projects

- Tamarisk Utility Undergrounding District
- Citywide Utility Undergrounding (corridors)



<https://www.palmdesert.gov/undergrounding>