

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 28, 2023

PREPARED BY: Eric Ceja, Director of Economic Development

REQUEST: APPROVE THE ADDITION OF IMPROVEMENTS FOR PUBLIC PARKING AND OPEN SPACE TO APN 620-400-625 TO THE CITY'S CAPITAL IMPROVEMENT PROGRAM

RECOMMENDATION:

1. Approve the addition of improvements for public parking and open space to APN 620-400-625 to the City's Capital Improvement Program.
2. Authorize the Director of Finance to appropriate \$1,891,588 from unobligated Desert Willow Capital Fund Balance to Account No. 4414195-4809200, Project Code CFA 00025, for the parking lot improvements to Lot A

BACKGROUND/ANALYSIS:

APN 620-400-625 (14.46 acres), also referred to as Parcel A, is located adjacent to 34.25 acres of undeveloped land on Desert Willow Drive north of Country Club Drive. To preserve open space for its residents and visitors, the City of Palm Desert (City) seeks to acquire the parcel from the Successor Agency to the Palm Desert Redevelopment Agency (SARDA) for use as public parking and recreational open space.

To facilitate the construction of the improvements, the City must first acquire the parcel from SARDA, and receive approval from the Riverside County Oversight Board (OB) and the State of California Department of Finance (DOF). To expedite the construction of improvements to Lot A, the City and the SARDA have agreed to a Licensing Agreement that will allow the City to proceed with improvements to Lot A while the formal acquisition process continues with hearings with the OB and DOF.

To expedite the design and construction of the improvements, the City has entered into a Contract (Contract No. C45780) with The Altum Group for the design and engineering of the parking lot improvements; however, the Contract requires an appropriation of funds. The project is currently out for bids. Staff will return to the City Council at its October 26th meeting, to request approval to award the construction contract. Once the contract is approved, construction will commence with substantial completion in December of 2023.

Staff is now seeking City Council approval to add the project to the City's Capital Improvement Program and allocate funds for the design contract and construction cost. The allocation should come from the unobligated Desert Willow Capital Fund Balance for the construction of the parking area. The City has already taken a separate action to allocate funds for the acquisition of the site.

City of Palm Desert
APN 620-400-025 – Lot A Improvements Budget Request

Planning for the second phase of the project, recreational space, will commence in early 2024. Staff will return to the City Council at that time for approval to award a contract for this work.

FINANCIAL IMPACT:

The cost breakdown for the project is as follows:

DESCRIPTION	AMOUNT
ACQUISITION*	4,600,000
CONSTRUCTION	1,583,262
CONTINGENCY	158,326
SOFT COST/ESCROW FEES	150,000
TOTAL APPROPRIATION NEEDED	6,491,588
LESS: REIMB FROM DSRT SURF	(500,000)
TOTAL PROJECT FUNDING	5,991,588

**Appropriation request for Acquisition included with staff report for PSA*

Staff requests an appropriation of \$1,891,588 from unobligated Desert Willow Capital Fund Balance to Account No. 441-4195-4809200, for the parking lot improvements to APN 620-400-025, also known as, Lot A at Desert Willow. With the contribution from Dsrt Surf toward this project, the total amount funded by the City will be \$5,991,588. Fund 441 has adequate funding to cover these costs, therefore there will be no impact to the General Fund.

ATTACHMENT:

Preliminary Parking Lot Design Document