



CITY OF PALM DESERT
CITY MANAGER'S OFFICE
INTEROFFICE MEMORANDUM

Date: August 22, 2024
To: Honorable Mayor and Councilmembers
From: Anthony J. Mejia, City Clerk
Subject: City Council Meeting of August 22, 2024

Below you will find questions received from the Mayor or Councilmembers and answers provided by City staff regarding tonight's City Council meeting:

ITEM 9c: UPDATE: PALM DESERT IHUB

Q1: When will the presentation be available?

A1: The presentation is included with the distribution of supplemental materials. The presentation was posted to the agenda website as of August 22, 2024, by 8:30 a.m.

ITEM 13d: ACCEPT CONTRACT No. C43210 FOR CONSTRUCTION OF THE CIVIC CENTER PARK FITNESS, SHADE AND FURNISHINGS IMPROVEMENTS AS COMPLETE

Q1: Civic Center Park Fitness Center, how is an incorrect pour determined and if they are the contractor, why are we paying for their error? Why are we paying \$27,250 for inadequate work PS Commercial Play, Inc.?

A1: There was no incorrect pour by PS Commercial Play, Inc. Instead, staff identified that the existing irrigation system east and west of the planned pour-in-place area would not adequately maintain the turf. As a result, a decision was made to request a change order to extend the pour-in-place surfacing to these areas, reducing the amount of turf. The \$27,250 covers this additional work, not to correct inadequate work or errors by the contractor. Please see the attached site plan for details on the areas added east and west of the original pour-in-place area. The City has not paid for any inadequate work or contractor errors.

ITEM 13g: APPROVE THE PURCHASE OF TWO SCULPTURES FROM THE 2023/24 EL PASEO SCULPTURE EXHIBITION

Q1: Please provide income and expenses for the Public Art Budget since 2020.

A1: Please see the attached documents.

ITEM 13j: AUTHORIZE THE PURCHASE OF BENCH AND WASTE BIN REPLACEMENTS FOR EL PASEO FROM OUTDOOR CREATIONS, INC.

Q1: Please provide pictures of the poor conditions that require replacement. What are the standards for replacement in other parts of the city?

A1: Please see the attached photos showing some of the current benches and trash cans. This was from a presentation to the El Paseo Business Improvement District Board. When concrete furnishings become cracked such as these, they pose a public safety risk and are replaced as soon as possible. Landscape Inspectors monitor the condition of these items on a routine basis to ensure they are well-maintained or replaced.

ITEM 13k: AUTHORIZE OUT-OF-STATE TRAVEL FOR TWO PROJECT MANAGERS TO ATTEND THE AMERICAN PUBLIC WORKS ASSOCIATION CONFERENCE IN ATLANTA, GEORGIA

Q1: Please provide an agenda for the conference

A1: The full schedule can be reviewed at on the [conference website](#).

ITEM 13n: AWARD A CONTRACT TO PAVEWEST, INC., FOR THE PARKING LOT REHABILITATION AND MAINTENANCE PROGRAM (PROJECT NO. MPL00002)

Q1: What is the balance for President's Plaza funds? How much does the city spend to perform the work internally? Please show budget and expenses that include year 2-5. Please provide the amount of the bids submitted for the RFPs for this contract.

A1: For Presidents' Plaza III, the annual levy amount is used to finance the parking lot maintenance fund. Currently, the balance of this fund is \$97,742. The City does not provide funding for parking lot maintenance; it is covered by the business owners. For the Parking Lot Rehabilitation and Maintenance Program, the proposed budget and expenses for years 2 through 5 will be \$600,000 annually. The cost proposal attached in the staff report remains valid for the entire duration of the contract. Regarding the bids submitted, the City received three proposals for this contract. As this is an on-call agreement with a not-to-exceed limit \$368,000 for the first year and \$600,000 thereafter, there are no specific total bid amounts. For the proposals not selected, you can find the fee proposals attached, which includes various unit pricing details.

ITEM 13t: RESOLUTION APPROVING AN ADMINISTRATIVE POLICY REGARDING THE USE OF SERVICE ANIMALS

Q1: How will residents be able to report discrimination and refusal to comply with ADA across Palm Desert?

A1: The ADA Coordinator, appointed by each city, ensures compliance with the Americans with Disabilities Act by addressing accessibility issues, handling discrimination complaints, and providing support to residents with disabilities. Complaints about ADA accessibility at private businesses should be filed with the U.S. Department of Justice. However, complaints regarding ADA accessibility for City facilities and programs should be directed to the City's ADA Coordinator, who works with our disability consultant to resolve the issue. Residents can contact the ADA Coordinator by calling, emailing or mailing the City. Additional information can be found at <https://www.palmdesert.gov/departments/risk-management/ada-and-the-city>.

ITEM 13z: AWARD CONTRACT C47830 TO GRANITE CONSTRUCTION COMPANY FOR THE PD LINK PHASE 2 PROJECT, PROJECT NO. CST00005

Q1: Please provide a map of the PD Link, Phase 2 improvements to identify where the improvements are being made.

A1: Please see the attached map.

ITEM 13aa: AWARD A CONTRACT FOR THE ON-CALL CITYWIDE ADA CURB RAMP MODIFICATIONS AND SIDEWALK REPLACEMENT PROGRAM (PROJECT NO. MST00013)

Q1: Please provide the amount of the bids submitted for the RFPs for this contract.

A1: The City received two proposals for this contract. Since it is an on-call agreement with a not-to-exceed limit of \$600,000 annually, there are no specific total bid amounts. For the proposal that was not selected, you can find the fee proposal attached, which includes various unit pricing details.

ITEM 13ab: REVISE FISCAL YEAR 2024-25 ALLOCATION OF PERMANENT LOCAL HOUSING ALLOCATION PROGRAM FUNDS PURSUANT TO CONDITIONAL AWARD LETTER IN THE AMOUNT OF \$439,873

Q1: How is the City preparing for the impact we will face as a result of City of Grants Pass v Johnson?

A1: We've reviewed our ordinances with the City attorney's office and confirmed they are compliant and effective. To address potential increases in encampments, we're working closely with the Sheriff's Department and community partners to ensure adequate resources and support are available.

ITEM 14a: RESOLUTION APPROVING FINAL TRACT MAP NO. 38434-1 AND GRADING, SUBDIVISION IMPROVEMENT, AND MAINTENANCE AND EASEMENT AGREEMENTS

Q1: What is the process that residents would be referred to request property damage claims? Subdivision Maps, Easements

A1: The Pulte developer has provided an e-mail (dwexploreland@pultegroup.com) for residents to submit property damage claims for their project.

ITEM 14b: PROPOSAL FOR A FARMERS' MARKET ON EL PASEO

Q1: Why was the Farmers Market opposed to other locations such as San Pablo Avenue, Civic Center Park, the parking lot at the Shops at Palm Desert (formerly Westfield Mall), and various sites near El Paseo?

A1: In discussing alternate locations for the proposed Farmers' Market, the vendor mentioned considerations of available space, parking, and visibility. The vendor's other markets typically require 35,000 to 54,000 square feet, for example, and some of the proposed alternate sites would not accommodate a market of that size. The vendor also stated to the EPPBID Board that her specific goal is to have the Market set on an El Paseo block.

Q2: How long has the PD Certified Farmers' Market been in the parking lot? Have there been any complaints?

A2: The vendor operated a Wednesday Farmers' Market in the parking lot at Entrada del Paseo from October 2023 to May 2024. No complaints were received about this market.

Q3: Of the 146 surveyed, how many were owners, operators, versus shoppers? What was the methodology in creating the survey?

A3: The survey outreach focused on merchants who are members of the EPPBID. To the best of our knowledge, all 146 surveys were filled out by merchants, not shoppers. Three of the questions reflect the information staff felt would be most helpful to the City Council in deciding on this matter, and the fourth was designed to allow the merchants to express their thoughts in their own words.

ITEM 14c: ADOPT THE UPDATED MILLS ACT PROGRAM APPLICATION MANUAL

Q1: Is it still the intention to "grandfather" existing approved plans? Where is that made clear?

A1: Any existing Mills contract is signed and recorded and we are not revising those contracts. The update would be for new applications beginning in 2024 and for any applicants renewing upon expiration of their 10-year improvement plan.

Q2: Some work seems to meet both criteria (structural integrity and historical integrity). Is there a reason not to check both? This applies to 7, 8, 10, 16, 20-26.

A2: The separation is meant to focus on what is critical for the structure vs aesthetics and help Staff/Applicant focus on intent behind the work. Some items would not be eligible if they are proposing to replace/restore and they are not integral to the reasoning behind the landmark designation (Ex: Original roof material, windows, doors).

Q3: Why is a new water heater (35) marked as preserving historical integrity rather than structural?

A3: Originally it was recommended to be ineligible but CRPC's recommendation was to change it to eligible for architectural and/or historical integrity.

Q4: The following upgrades could easily avert damage or harm to the building: 40, 41, 44, 48, 50, and 52. If repair of damage would qualify, shouldn't improvements that prevent damage qualify? 48 is included here because faulty fixtures can cause leaking and mold.

A4: For item 40 (electrical panel upgrade), that is a staff typo and should be labeled as eligible for "Structure Integrity", I will mention this in my presentation. The other upgrades noted focus on the interior of the building, rather than the exterior, and the intent is to allow for exterior upkeep for public benefit.

ITEM 14d: CONSIDERATION OF A SPONSORSHIP REQUEST FOR THE TOUR DE PALM SPRINGS IN COACHELLA VALLEY

Q1: They have applied in the past. Were they notified of the application period for sponsorship requests? How much are other cities contributing to CVSPIN, Inc.? What is the economic impact of the 18% of participants expected to stay in Palm Desert?

A1: CVSPIN, Inc. was notified of the application period and were unable to submit in time as they needed to run the Palm Desert second start location concept by their Board for approval before applying for funding.

Q2: How much are other cities contributing to CVSPIN, Inc.?

A2: The organization submitted sponsorship requests for the 2025 event to the City of Palm Springs for \$100,000 and PS Resorts for \$40,000, as well as requests for in-kind public safety and traffic control services to other cities they pass through during the event. The City of Palm Springs and PS Resorts have not formally reviewed the requests yet; however, for the 2024 event, CVSPIN was awarded \$65,000 from the City of Palm Springs and \$40,000 from PS Resorts, which were the full amounts requested.

Q3: What is the economic impact of the 18% of participants expected to stay in Palm Desert?

A3: As for the economic impact of 18 percent of the participants expected to stay in Palm Desert, that information is not available at this time. While CVSPIN does track overnight stays, they do not track shopping and dining. However, given that the event sees an annual attendance of 5,000-10,000 cyclists, some of which may travel with their families, that 18 percent could result in a beneficial economic impact to Palm Desert.

Q4: Is CVSPIN, Inc., a for profit entity? The budget lists \$300,000 for donation to charities. Is there any verification of donations from past years? Profit/Loss statements from past years?

A4: According to the Tour de Palm Springs in the Coachella Valley website, CVSPIN, Inc. is a not-for-profit organization. Their website includes a [list of charities](#) that they are associated with and attached is the non-profit distribution list from the 2024 event as well as a list of Palm Desert organizations. CVSPIN indicated that they would be willing to offer profit/loss statements from past years upon request.

ITEM 14e: ESTABLISH THE PALM DESERT CITY FOUNDATION, A 501(C)(3) NONPROFIT PUBLIC BENEFIT CORPORATION, DETERMINE BOARD STRUCTURE, AND APPROVE DRAFT DOCUMENTS

Q1: Please provide the original ordinance that established the governing board for the library.

A1: Please see the attached document.

Q2: Given that most boards with a fundraising mission are larger than five members to leverage a broader network, what is the rationale for limiting this Board to five members? Would it be prudent to consider establishing two bodies: a smaller one with legal authority for operations and a larger advisory group focused on active fundraising efforts?

A2: The recommendation to start with a five-member Board is based on the premise that establishing a foundation is a new endeavor for the City. A smaller, more manageable Board allows for focused and efficient decision-making during the initial stages. As the foundation evolves, the Board has the authority to create additional advisory and fundraising committees. These committees can broaden the network and actively engage in fundraising while the smaller Board retains legal authority for operations.

ITEM 14f: THIRD AMENDMENT TO THE SECOND REVISED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF PALM DESERT AND DESERT WAVE VENTURES, LLC

Q1: What is projected TOT for Desert Wave Ventures, LLC, and how much will be paid to the city in the next 5 years?

A1: The latest financial projections for DSRT Surf were completed in 2022. At that time, the City required a minimum 92-key, AAA four-diamond hotel as part of the DSRT Surf project. The projections indicated a total of \$42.5 million in City revenue over 20 years. However, this includes a \$16 million TOT reimbursement for the hotel development, resulting in a net revenue of \$26.5 million. The \$42.5 million consists of \$39 million in TOT, \$2.2 million in Sales Tax, and \$1.3 million in Property Tax. Five-year financial projections are not available

Q2: What is the reason for replacing the bond requirement with a combination of bond/letter of credit/& cash deposit? Does it afford the same level of protection?

A2: The proposed amendment to the development agreement is to broaden the language around a specific bond requirement. The developer has requested that, rather than a bond, that the City accept other financial instruments, which are less expensive for the developer. Whether a bond, or other financial instrument, the City remains protected to reacquire and remediate the land should the developer be found in default of the project.

ITEM 15b: RESOLUTION UPDATING THE FEES FOR DOG LICENSES

Q1: Are reimbursement forms available online for people that can't come during our business hours?

A1: The reimbursement forms were online, but we are currently updating them and expect to have them available in the next week.