

INDIAN WELLS CITY COUNCIL

May 16, 2024



To: City Council
From: Public Works
Prepared by: Dina Purvis, Public Works Manager
Subject: **Proposed Capital Improvement Project Advancement**

RECOMMENDED ACTIONS:

Council **REVIEWS, DISCUSSES** and **PROVIDES** direction to advance projects from the currently approved Capital Improvement Program as outlined in this staff report and

FINDS the action is not a "project" under CEQA and, alternatively, is exempt from CEQA review under CEQA Guidelines section 15061(b)(3).

DISCUSSION:

The City's current Capital Improvement Program spans five years, with an approved, fully funded budget for each of the five years. This allows for staggered implementation of various infrastructure projects. While this approach offers flexibility, it also prolongs the delivery of specific improvements, leading to increased costs due to inflation and changing market conditions. By condensing the timeline, the City can expedite project completion, maximize resource utilization, and better respond to community needs.

During the recent City Council Strategic Planning meeting, the Council requested staff to look at advancing specific projects to enhance efficiency, streamline project implementation, and address critical infrastructure needs promptly.

The condensed timeline will require careful planning, budget adjustments, and prioritization of projects. Below are the details of the proposed plan, including seven key projects for consideration by the City Council.

Key Projects for Consideration: The following seven projects are recommended for inclusion in the expedited Capital Improvement Program. Staff is prepared to advance all or any of these projects with Council Direction.

1. Local (Residential) Road Resurfacing and Repair (Phases 2, 3, and 4): Addressing deteriorating road conditions to improve safety and mobility for residents and commuters. Generally, these are the public residential streets south of Highway

111, between Rancho Palمراس and Indian Wells Lane. Currently, this project is scheduled to be completed over the summers of 2024, 2025, and 2026. This roadwork could be ready to construct by the end of Fall 2024.

2. Palm Tree Replacement: Replacing end-of-life palm trees on the city's iconic Highway 111 corridor. 35 Palm Trees have been rated in 'poor' condition, and 195 trees have been rated in 'fair' condition. Advancing from a phased approach to a concurrent approach may take advantage of quantity pricing and remove trees that have been identified as potential hazards in the community. Program currently is scheduled to complete over the next four years. This project can begin in Spring 2025 and would replace as many trees as the total funding would allow, estimated to cover about 60 trees.
3. Paver Replacement Citywide: The City uses pavers at four intersections along Highway 111. Time, utility work, and use have caused deterioration and settling. Replacing pavers and using raised pavement markers instead of paint would restore the beauty intended for these areas. This project is currently scheduled for Summer 2026. This project can occur in the Summer of 2025.
4. Safer Streets Program: Implementing infrastructure projects, such as road dieting and sidewalk installation, to improve safety and mobility for pedestrians, residents, bicyclists, and commuters. Over the past few months, the City has held discussions on the City's Traffic Safety Program. Based on the input from the community, there is enough public input to begin this project. This project is scheduled to begin in Summer of 2025 and be completed in 2029. If authorized by the Council to advance this project, staff will begin design work this summer and hold community meetings in the fall that would help shape the community's preferred Safer Streets design. Project phasing would be advanced to complete over the Summer of 2025 and 2026. City has already received some grant money for this project and is constantly seeking additional grant opportunities. Advancing these projects ahead of the current schedule may create challenges in seeking additional grant funding. Staff will monitor and report back on availability of grant opportunities for this project and if it impacts any design or construction schedules.
5. City Vehicle Replacement: As a 'small fleet' city, state-mandated zero-emission vehicle requirements are delayed until 2027. Replacement of internal combustion engine vehicles can be purchased now and remain in the City's fleet. The City's CIP includes the purchase of 4 vehicles over the next 4 years. City would purchase 4 new vehicles before the new state mandate takes effect.
6. Replace City Hall Ductwork: This project revises HVAC 'zoning' within City Hall and replaces failing ductwork to eliminate hot/cold areas throughout the building. This work can begin in the Fall of 2024. Currently scheduled for Fiscal Year 2025.

7. Sidewalk Widening: Completing the sidewalk widening between Ranch Palmeras and Cook Street will require upgrading the access ramp at Camino Dorado. That work involves storm drain inlet relocation. Advancing this project ahead of the current schedule may allow construction to occur before grant funding is available. If funded by the Council prior to grant funding availability, this work could happen by the end of Fall 2025. This 'shovel ready' work is not currently scheduled for construction.

To transition from a five-year to a condensed Capital Improvement Program timeline for any of these projects, the following steps are recommended:

1. Project Prioritization: In the event that the Council chooses not to advance all seven projects, conduct a thorough review of all proposed projects and prioritize them based on urgency, impact on public safety, community benefit, and alignment with strategic objectives.
2. Budget Adjustment: Reallocate funds from future years' budgets to the upcoming fiscal year to ensure adequate resources for accelerated project implementation. Continue to investigate potential additional funding sources, such as grants, bonds, or public-private partnerships, to supplement the budgetary requirements. Review timelines for available funding sources to maximize their use with construction timing.
3. Utilize and increase existing service contracts to provide staff support for project management, inspection, design, environmental analysis, and public outreach.
4. Continue to follow the Public Contract Code and the city's Fiscal Policy by following the public bid process for any services that are not accounted for.

Accelerating the Capital Improvement Program timeline presents an opportunity for the City to address critical infrastructure needs more expeditiously and efficiently. By prioritizing projects, adjusting the budget, streamlining processes, and closely monitoring progress, the City can achieve tangible improvements in a shorter timeframe while maximizing the value of public investments. The proposed plan, along with the identified key projects, is presented for consideration and approval by the City Council.

OPTIONS:

1. Staff recommendation – all seven projects are feasible to be advanced, with staggered timelines to accommodate for grant applications/awards.
2. Make no changes and keep the CIP schedule as it was approved in 2023.
3. Alternative direction – The Council chooses key projects to see advanced.

FISCAL IMPACT:

No additional appropriation is requested, and there are no proposed additions to the currently approved Capital Improvement Program. Instead, the approved budgets are being advanced from future fiscal years.

According to the table provided below, the total capital spending through fiscal year 2024-25 is proposed to be \$32,928,000. A further breakdown reveals that staff has identified \$22,808,000 in cash and available bond proceeds. Additionally, \$14,128,000 in available grant funding has been approved for these projects. If funding needs change, or grant applications are not approved, staff will come to Council for reprioritization of projects. This includes any projects that exceed current estimates.

Consequently, Staff has identified a total of \$36,936,000 in available funding, exceeding the required amount by \$4,008,000. This surplus indicates that additional funding from the City's General Fund is unnecessary.

Expanding on the financial aspect, the surplus in available funding reflects efficient budget management and the successful acquisition of external funding sources such as grants. This surplus not only ensures the timely execution of the proposed projects but also underscores the fiscal responsibility and strategic planning of the organization.

Moreover, the absence of the need for additional funding signifies prudent financial planning and adherence to established budgetary frameworks. This approach not only minimizes financial strain on the City's General Fund but also enhances transparency and accountability in resource allocation.

<u>Cash and Bond Proceeds</u>	<u>Amount</u>
Bonds	6,640,000
State Energy	1,500,000
2023 Insurance	2,328,000
Sign Insurance	90,000
CIP Fund	12,250,000
	<u>22,808,000</u>
<u>Grants</u>	<u>Amount</u>
RMRA	760,000
SS4A, SB 821 Complete Streets	1,631,000
Club Drive Improvements LLMD share	20,000
Casa Dorado HSP	805,000
Audible signal - HSP	120,000
DWR Palm Tree	650,000
Indian Wells Lane & Sign insurance	90,000
Federal	5,000,000
Insurance East Drop	
Structure	1,452,000
Genton	3,000,000
DWR low flow	600,000
	<u>14,128,000</u>
Total Capital Cash and	
Grants Available :	<u>36,936,000</u>
Capital Project rolling into FY2024-25	11,485,000
Proposed FY2024-25 Capital Project	21,443,000
Total Capital Through FY2024-25	<u>32,928,000</u>
Expected Cash Surplus in CIP fund	<u>4,008,000</u>

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is not a "project" under CEQA and, alternatively, is exempt from CEQA review under CEQA Guidelines section 15061(b)(3)."