

INDIAN WELLS CITY COUNCIL

October 16, 2025



To: City Council
From: Public Works Department
Prepared by: Dina Purvis, Interim Public Works Director
Subject: **Cost-Sharing Agreement between the City of Indian Wells and the City of Palm Desert for the Fred Waring Drive Rehabilitation Project**

RECOMMENDED ACTIONS:

Council **APPROVES** and **AUTHORIZES** staff to develop and execute a cost-sharing agreement between the City of Indian Wells and the City of Palm Desert for the rehabilitation of Fred Waring; and

FINDS the action to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3).

BACKGROUND:

The Fred Waring Drive Rehabilitation Project involves comprehensive pavement rehabilitation, new striping, signage, and sidewalk/ADA ramp upgrades, along Fred Waring Drive from Deep Canyon Drive on the West to Washington on the East. Fred Waring Drive is the boundary between the cities of Indian Wells and Palm Desert. This critical east-west arterial serves as a major commuter corridor, impacting traffic flow, access, and infrastructure quality for residents and visitors of both cities. The north side of Fred Waring Drive is generally within the City of Palm Desert and the south side within the City of Indian Wells. The City of Indian Wells will assume the lead agency role on the project, with construction slated for the Summer of 2027.

The current condition of the pavement in the relevant segment has deteriorated due to age, traffic volume, and weather exposure, necessitating this rehabilitation to maintain regional mobility and safety. Both cities agree it is necessary to rehabilitate Fred Waring Drive. Given the shared interest and benefits, a cooperative approach through a Cost-Sharing Agreement (CSA) is the most efficient and fiscally responsible method for implementing this essential capital improvement project. The proposed CSA formalizes the collaboration between Indian Wells and Palm Desert, outlining the responsibilities and financial contributions of each municipality.

Approving the CSA offers several advantages:

- Fiscal prudence: Sharing the financial burden significantly reduces the impact on Indian Wells' Capital Improvement Budget compared to undertaking the project unilaterally.
- Regional Cooperation: Establishes a precedent for future inter-jurisdictional infrastructure improvements, fostering stronger working relationships with neighboring cities.
- Timely Improvement: By pooling resources, the project can proceed more quickly than if each city attempted to fund and manage its respective segments independently.
- Uniformity and Quality: Ensures a seamless and consistent level of rehabilitation and quality across the entire project segment, regardless of the jurisdictional line.
- Regional Impact: By combining efforts, the disruption to this regional thoroughfare only occurs once, instead of separate projects that would extend the duration of construction disturbance.

CITY COUNCIL STRATEGIC GOAL:

This agreement furthers the City Council Strategic Goal #2, Fiscal Responsibility and Sustainability, by expanding project partnerships to Expand Fiscal Efficiency.

OPTIONS:

The City Council has the following options:

1. Authorize city staff to develop and execute a cost sharing agreement between Indian Wells and Palm Desert, upon mutual approval by the City of Palm Desert.
2. Do not approve the cost sharing agreement between Indian Wells and Palm Desert.
3. City Council can provide alternative directions.

FISCAL IMPACT:

The CSA proposes a split of projects costs of 60% Indian Wells, 40% Palm Desert. This calculation is based on the square feet of right-of-way involved. The currently approved Capital Improvement Budget sets aside a total of \$2,200,000 for the project, Account No. 3169338 673100.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This action is not a project within the meaning of Section 15378 of the California Environmental Quality Act (CEQA) Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly; and that action is nonetheless

exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. (15061(b)(3).)

ATTACHMENTS:

1. Cooperative Agreement PD/IW