

Council Recap - December 19, 2023

City Council members on Tuesday discussed options for funding the undergrounding of utilities throughout the city, estimated to cost more than \$200 million.

The financial analysis presented Tuesday outlined options for funding that include the formation of assessment districts or Mello-Roos Community Facilities Districts, state and federal grants and funds, local funds including Imperial Irrigation District (IID) cost sharing along with the pros and cons of each option.

There are approximately 4,600 single-family homes and 266 vacant lots in the Cove, which would be done in phases of about 300 homes each. The Cove area is bordered by Avenida Montezuma to the west, Avenida Bermudas to the east, Calle Tampico to the north and Calle Tecate to the south.

Most costly would be the Cove at \$147 million to \$172 million.

The second most costly area is the Downtown Residential area, estimated at \$12.7 million to \$15.3 million. The other four areas range in cost from \$4.1 million to \$6 million.

NV5 Inc. did an undergrounding feasibility study that estimates the cost per parcel, which does not include participation by utility companies, including Imperial Irrigation District (IID), which could lower the price for property owners.

NV5's estimated costs per parcel range \$23,207.83 to \$48,725.78 if in cash. If bonds are used to cover the costs for undergrounding, property owners could pay \$38,761 to \$89,699 per parcel over 20 years at 4.5% interest, or \$1,938 to \$4,484 per year.

With completion of undergrounding, property owners will have to pay a reconnection fee which ranges \$8,000 to \$12,000.

In presenting the options, NV5 Senior Project Manager Jeff Cooper said assessment districts, formed through the Municipal Improvement Act of 1913, are most commonly used by communities and more easily formed through a vote by the property owners involved rather than a Mello-Roos which would be voted on by all residents.

Cooper outlined two options for forming an assessment district: form the district, then prepare plans and specifications and get construction bids; or prepare complete plans and specifications and have construction bids in hand before forming the district.

An assessment district is initiated by an interested property owner who then acts as the liaison between the City, utility companies and neighbors. A City consultant will then prepare a boundary map which is submitted to the utility companies for review. A petition is circulated among property owners within the proposed district boundaries, and once certified a public hearing is scheduled to get Council approval to proceed. Property owners will then receive ballots in the mail and submit them to the City. The district passes with approval by more than 50% of property owners who voted. Each project can take five years or longer from start to finish, NV5 senior project manager Jeff Cooper said.

Tuesday's meeting was a Study Session, so there was no vote by Council and no recommendation, except to encourage staff and NV5 to pursue the possibility of federal and state funds or grants.

The Financial Options report done by NV5 is included in the Council agenda packet, available on the City's website, www.laquintaca.gov.

Additional highlights from Tuesday's City Council meeting:

- Council members unanimously denied a General Plan amendment and zoning change request by the developers of La Villeta at Avenue 58 housing development. The developer planned to build an 80-unit single-family residential development on two vacant lots totaling 8.94 acres south of Avenue 58, between Madison and Monroe streets, with nine units to the acre. Currently zoned low-density residential (up to four units per acre), the request was for a change to medium- and high-density zoning (up to 16 units per acre). Council members said they liked the project, but it was wrong for that location, which neighbors Andalusia Country Club. Tuesday's public hearing was continued from September 19 for the applicant to address project concerns raised by Council members that included electrical supply constraints, density, and parking. While the applicant mitigated the power issue, Council members said the applicant did not address other concerns raised in September.
- Council members approved \$866,000 to purchase 88 golf carts plus four utility carts for SilverRock. The current lease for golf carts expires December 31 and does not have an end-of-lease purchase option.

- Council members elected John Pena as mayor pro tem for 2024. The position is rotated annually.

The La Quinta City Council meets twice monthly on the first and third Tuesday at 4 p.m. at City Hall. The January 2, 2024, meeting has been canceled due to the New Year's Day holiday. The next scheduled meeting is January 16, 2024. We invite the public to attend to stay in the know of all things LQ.

If you can't make it to a meeting or missed a meeting, you can livestream or watch the video online at <https://laquinta.12milesout.com>.

Agenda packets with staff reports can be viewed on the City's website, www.laquintaca.gov, or received via email or text by signing up for Quail Mail.