



**STAFF REPORT**  
**11/18/2020**

**TO:** Honorable Mayor and City Council Members

**FROM:** Luis Lopez, Development Services Director

**SUBJECT:** Authorization for use of AHSC and IIG Grant Funds to pay CP Coachella DPSS, LLC for Infrastructure-Related Design and Construction Costs related to development of the Sunline Transit Hub / 5<sup>th</sup> Street Pedestrian Path Extension Project in the amount of \$83,282.00 benefitting City-owned land located at the southeast corner of 4<sup>th</sup> Street and Cesar Chavez Street (APN: 778-080-012 and 778-080-013).

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**STAFF RECOMMENDATION:**

Staff recommends that the City Council authorize the City Manager to use IIG Grant Proceeds to pay for Infrastructure-Related Costs incurred by CP Coachella DPSS, LLC in the amount of \$83,282.00 for 6<sup>th</sup> Street design work, IID Electrical Services Extension work, and Retention Basin Relocation Permitting Fees.

**BACKGROUND:**

The City recently closed escrow on the purchase of two vacant lots totaling 2.21 acres at the southeast corner of Cesar Chavez Street and 4<sup>th</sup> Street. These parcels will be developed with a public transit hub building and shade structure, a new public “loop” street (Mario Lazcano Court) and a landscaped pedestrian path connecting 5<sup>th</sup> Street to the Transit Hub. These improvements are part of the Pueblo Viejo Villas Mixed-Use Development which was the recipient of two State grants including the AHSC (Affordable Housing Sustainable Communities) grant, and the IIG (Infrastructure Improvement Grant).

**DISCUSSION/ANALYSIS:**

The City of Coachella partnered with Chelsea Investment Group to be co-applicants for the AHSC Grant on two different annual cycles, and there were ongoing negotiations regarding a “fair share” contribution of infrastructure costs among all the interested parties (i.e., the land owner, the City, and the Affordable Housing Developer). During the past two years, City staff has been working closely with Mr. John Buckel, representing CP Coachella DPSS, LLC who is the owner / seller of the subject vacant land where the Pueblo Viejo Villas Mixed-Use Building, and the Sunline Transit Hub projects will be constructed. Mr. Buckel was developing the County DPSS Facility during that early period and they were required to design major street improvement plans and

infrastructure plans for off-site improvements that went beyond their property frontage. This included bringing IID electrical infrastructure via overhead lines from Bagdad Avenue along Tripoli Avenue, and feeding them below 6<sup>th</sup> Street to reach the properties. Additionally, due to uncertainty about the final grading design for the future transit hub and mixed-use buildings, the owner installed an “interim retention basin” on the site where the mixed-use building was to be constructed. It was the parties’ mutual understanding that this retention basin would be relocated to an area along the north side of the County facility, and shared with the City who would similarly need drainage facilities for the new “loop” street and transit hub building site. There were easement and maintenance agreement documents recorded as part of the land sales transactions for these parcels sold to the City and Chelsea which have closed escrow this month.

#### 6<sup>th</sup> Street Design Costs:

There were early discussions with the land owners about sharing the costs of designing all of the 6<sup>th</sup> Street improvements between Palm Avenue and Cesar Chavez Street because the owner’s engineers-of-record were already designing the same improvements for the County DPSS Facility project. These enhancements are a continuation of the Pueblo Viejo’s expanded sidewalks and landscaping with pavers, pedestrian bulb-out / street crossings, and decorative lamps and furniture. Accordingly, the City Engineer negotiated deal points whereby the City would reimburse the developer for these design costs because the City would utilize these improvement drawings for the street improvements for the City’s property at the Etherea Park site, and creating off-site pedestrian paths to the south side of 6<sup>th</sup> Street with bulb-outs, similar to what was done at Date Avenue in front of the County facility.

The Chelsea Investment Group is developing the Pueblo Viejo Villas and they similarly have benefited from this design work in that they will use these plans to build out the full street improvements along 6<sup>th</sup> Street in front of their property. The City’s fair-share contribution for these design costs was estimated to be \$13,800.00 and the owner has submitted an invoice and back-up information for these costs.

#### IID Electrical Service Extension:

As previously stated, the developer was required to bring electrical infrastructure to the vacant lots by connection to an existing circuit line along Bagdad Avenue to the south, via overhead power lines along Tripoli Avenue, and undergrounding them to cross 6<sup>th</sup> Street. Similarly, the plans call for connecting to the existing circuitry along 6<sup>th</sup> Street from Palm Avenue to balance the power demand loads for the intensive urban mixed-use building, and to eventually remove the overhead lines along 6<sup>th</sup> Street between Palm Avenue and Cesar Chavez Street. The City’s fair-share costs for these improvements were negotiated at \$64,000 and represents approximately 1/6 of the total costs incurred by the developer, because the City’s will be using far less electricity than the County Facility and the mixed-use building.

#### Permitting Fees:

The developer is currently required to relocate the “interim retention basin” which is on the same location where the Pueblo Viejo Villas Mixed Use Building parking lot will be built. The

landowner will re-direct the storm drain line to the north where it will tie into the City's Transit Hub site retention basin. Chelsea needs this work to commence immediately as they are mobilizing to start grading the site for their own underground retention basin and utility work. Accordingly, the owner has asked for a reimbursement of the City's engineering plan check and permitting fees totaling \$5,482.00

Conclusion:

The infrastructure design and construction costs have been included in cost estimates for the overall project. However, because of the multiple ownership, there are some fair-share components that are being paid back to the land owner/ seller. Attached to this staff report are copies of three invoices for the above stated costs incurred by CP Coachella, LLC. Additionally, there are detailed backup documents substantiating the actual costs from the designers and contractors for this work. Staff recommends that the City Council authorize staff to pay for these costs out of grant proceeds.

**FISCAL IMPACT:**

These invoices will be paid and are reimbursable through the Affordable Housing – Sustainable Communities Grant and Infill Infrastructure Grant (IIG) grants awarded to the City. As such, the City Council appropriates \$83,282 in the City's CIP Fund (182) and approves corresponding transfers from the City's Grants Fund (152) for these costs.

Attachments:     Invoices  
                      Backup Documents