



**STAFF REPORT**  
**5/14/2025**

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

**FROM:** Andrew Simmons, P.E., City Engineer

**SUBJECT:** Amendment No. 2 to the Reimbursement Agreement with Coachella Valley Association of Governments (CVAG) in an amount of \$5,375,000 for plans, specifications, and estimates and right-of-way activities and appropriate \$125,000 for the Interchange at State Route 86 on Avenue 50 project and Avenue 50 between Oates Lane and Cabazon Drive project, City Projects ST-81 and ST-146.

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**STAFF RECOMMENDATION:**

- Authorize the Interim City Manager and Mayor to Execute Amendment No. 2 to the Reimbursement Agreement with Coachella Valley Association of Governments (CVAG) in an amount of \$5,375,000 for plans, specifications, and estimates and right-of-way activities, and;
- Appropriate \$125,000 from Street DIF for the Interchange at State Route 86 on Avenue 50 and Avenue 50 between Oates Lane and Cabazon Drive, City Projects ST-81 and ST-146.

**BACKGROUND:**

On November 13, 2013, a reimbursement agreement was made and entered by and between the City of Coachella and the Coachella Valley Association of Governments for a total of \$1,108,500 regional funds toward the engineering, design and environmental work for two projects along Avenue 50: a new bridge over the Coachella Valley Stormwater (CVS) Channel and a new interchange at State Route 86 (S-86). Amendment No. 1 provided additional funding for the bridge over the CVS Channel, City Project ST-69. Amendment No. 2 is for the New Interchange at State Route 86 on Avenue 50 (ST-81) and include improvements to an additional segment of Avenue 50 between Oates Lane and Cabazon Drive Project (ST-146), increasing the Regional Arterial Program Funding Contribution from \$5,535,626 to \$10,910,626, an increase of \$5,375,000 to provide shovel ready plans, specifications and estimates (PS&E) and right-of-way (R/W). This Amendment is in response to the request made by the City on March 20, 2025. The CVAG Executive Committee approved it on April 28, 2025.

**DISCUSSION/ANALYSIS:**

Avenue 50 is classified as a primary arterial with bicycle facilities per the Mobility Element of the General Plan. Avenue 50 between Oates Lane and Cabazon Drive is currently a 2-lane road. The proposed roadway segment will have two lanes in each direction and include pedestrian and bicycle facilities on the southside of Avenue 50 within City right-of-way. The project is adjacent to the 4-lane bridge over the Whitewater Channel that is scheduled to begin construction in FY 25/26. The City has requested from CVAG additional regional funding for the final design phase (PS&E) and right-of-way acquisition of the Avenue 50 roadway widening between Oates Lane and Cabazon Drive and the Interchange at SR-86. This will make the project shovel ready, which will help make it more competitive as the City seeks to secure additional funding for the interchange and street improvements.

**FISCAL IMPACT:**

This amendment adds \$5,000,000 to the Interchange at State Route 86 on Avenue 50. For this project, the City's reimbursement to CVAG of the additional \$1,250,000 in regional funding will be deferred until the project construction phase. The regional contribution for the segment on Avenue 50 between Oates Lane and Cabazon Drive is \$375,000, and City share is \$125,000. With this action, Council approves the appropriation of \$125,000 from Street DIF (Fund 127).

**ATTACHMENTS:**

1. Amendment No. 2 to the Reimbursement Agreement