

MINUTES

REGULAR PALM DESERT CITY COUNCIL MEETING

THURSDAY, JUNE 13, 2019

CIVIC CENTER COUNCIL CHAMBER

73510 FRED WARING DRIVE, PALM DESERT, CA 92260

I. CALL TO ORDER - 3:00 P.M.

Mayor Weber convened the meeting at 3:00 p.m.

II. ROLL CALL

Present:

Councilmember Jan C. Harnik
Councilman Sabby Jonathan
Councilmember Kathleen Kelly
Mayor Pro Tem Gina Nestande
Mayor Susan Marie Weber

Also Present:

Lauri Aylaian, City Manager
Robert W. Hargreaves, City Attorney
Rachelle D. Klassen, City Clerk
Lori Carney, Director of Administrative Services
Russell Grance, Director of Building & Safety
J. Luis Espinoza, Assistant Finance Director
Bo Chen, City Engineer
Eric Ceja, Principal Planner
Stephen Y. Aryan, Risk Manager
Joseph Belli, Captain, Palm Desert Police/Riverside County Sheriff's Department
Francisco Velasco, Admin. Sgt., Palm Desert Police/Riverside Co. Sheriff's Dept.
M. Gloria Sanchez, Management Specialist II

III. ORAL COMMUNICATIONS - A (CLOSED SESSION ITEMS)

None

IV. ADJOURN TO CLOSED SESSION

Request for Closed Session:

- A. Conference with Legal Counsel regarding existing litigation pursuant to Government Code Section 54956.9(d)(1):

1) Lorraine Salas and Karina Quintanilla v. City of Palm Desert,
Riverside County Superior Court, Case No. PSC 1903800

- B. Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):
Number of potential cases: 2

With City Council concurrence, Mayor Weber adjourned the meeting to Closed Session at 3:01 p.m. She reconvened the meeting at 4:11 p.m.

V. RECONVENE REGULAR MEETING - 4:00 P.M.

- A. REPORT ON ACTION FROM CLOSED SESSION.

Mr. Hargreaves stated that City Council had recessed the Closed Session, will reconvene it after today's regular meeting agendas are concluded, then make any announcements needing to be made at that time.

**VI. PLEDGE OF ALLEGIANCE TO THE FLAG OF
THE UNITED STATES OF AMERICA - Mayor Pro Tem Gina Nestande**

VII. INVOCATION/INSPIRATION - Councilmember Kathleen Kelly

VIII. AWARDS AND PRESENTATIONS

- A. PRESENTATION TO RECOGNIZE RALPH RAYA FOR HIS SERVICE TO
THE CITY OF PALM DESERT AND ITS CITIZENS' SUSTAINABILITY
COMMITTEE, 2011 - 2019.

Although Mr. Raya was unable to be present at today's meeting for this recognition, Mayor Weber expressed sincere appreciation for his service to the City and noted that City staff will ensure that the engraved crystal clock is delivered to him.

IX. ORAL COMMUNICATIONS - B

MR. EDWARD HOLZHAUER, Palm Desert, was distressed by the City Council's inaction after receiving a letter from Attorney Kevin Shenkman in September 2017, outlining his intent to sue the City for being in violation of the California Voting Rights Act, said letter being received some 14 months ahead of the 2018 election. He said the City's choice of response was to bury the letter and not address it at all. Subsequently, just after that election, his husband and he sat in amazement as the newly elected incumbents went against staff recommendations and appointed a development in the City limits to a company that they had taken money from in their re-election campaign. He went on to say that in the past few months he'd requested all financials of all elected officials who sit on City Councils throughout the entire

Coachella Valley, as well as information on any new development that was granted to the developers in question. He was further amazed that he kept seeing the name of these developers in the pockets of numerous elected officials and questioned whether they were acting in the best interests of the cities they represented, and if the developer was doing numerous projects throughout the Coachella Valley that warranted the velvet-glove treatment they had received in the Palm Desert Council Chamber. Yet again, through the Freedom of Information Act (FOIA), he found that the subject company was granted two projects in the entire Coachella Valley - one in Palm Desert and a second in Palm Springs for a sign modification on one of its properties. This led him to dig even further to try and understand why someone was being given preferential treatment because they had given money to election campaigns. Additionally, he began to look at the vanity projects currently being considered in Palm Desert; one being the San Pablo Project awarded to that company and how it was presented that it would be one the residents would be receiving. He said the big undertaking City Council chose to do shortly after the election was another vanity project that could potentially cost tens of hundreds of millions of dollars to bury unsightly utilities in the City. All the while this was going on, he said still no mention of the City being served with district voting, and he asked why it wasn't being addressed. When a reporter asked a City Councilmember why it wasn't addressed, they said they were focused on other issues – the aforementioned 'vanity projects.' One he likened to an expensive pair of drapes on the bay window of the City Hall - in the San Pablo District; the other to bury unsightly utilities. However, he said the Council's actions show that it does not care for diverse representation on the City Council. When the story broke about the City being served, a member of the ACLU stated, and he quoted, "Carlos Pineda ran in the last election cycle; the fact that he was forced to run in at-large rather than a district one hampered his chance; the City of Palm Desert decision to stall implementation of the Voting Rights Act was, in itself, an act of discrimination against Mr. Pineda." He went on to say the City Council has a chance to make this right and urged them not to bury his husband with the City's 'unsightly utilities.'

Mayor Weber followed up on Mr. Holzhauser's comments, asking if staff had responded to any complaints about Freedom of Information Act accessibility, and Mr. Hargreaves said he was unaware of any complaints about any responses to such Public Records Act Requests. Mayor Weber emphasized that everything was public record and all there, it wasn't difficult to locate.

MR. WALLY MELENDEZ, Coachella Valley resident, continued his quest to seek City Council support for enhancing the College of the Desert's (COD) offerings as a post secondary institution with a four-year degree track. He promised to continue making this request until it was successful. COD was synonymous with the Coachella Valley, yet he was fully aware there were other colleges and universities already here, but they aren't important to him - COD was - because it's a homegrown college in this very unique area. He felt it was a disservice for COD to continue as only a two-year college.

Councilman Jonathan suggested that Mr. Melendez be provided with information about the Desert Community College District (College of the Desert) with an elected Board of Trustees and its public meeting schedule so that he could make his appeal there.

X. MAYOR AND COUNCILMEMBER REPORTS & REMARKS TO THE COMMUNITY

A. Councilmember Jan C. Harnik Committee Reports and General Comments.

1. Greater Palm Springs CVB Business Awards – attended the luncheon ceremony this week. Article today in *The Desert Sun* listing award recipients, proudly noting many of them were from Palm Desert.
2. Southern California Association of Governments (SCAG) - working hard on updating the Regional Transportation Plan, which is performed every five years to project needs 20 years into the future.
3. Memorial Day Events - hoped everyone participated in one of the various events held May 27 and was as moved by them as she was when attending the Cathedral City program. Looked forward to marking the day again next year and hoped everyone else did as well.
4. Riverside County Transportation Commission - State Route 60 project has begun; information can be obtained on the RCTC website. Urged everyone to pack their patience and plan ahead as much as possible during this July - December project. There will be one lane of traffic westbound from Jackrabbit Trail to Gilman Springs Road, but it will be a much safer and more pleasant trip upon project completion.
5. Summer Heat - Check On Your Neighbors - during the upcoming hot summer days, encouraged residents to check on neighbors, or anyone else who may need a little extra care, to be sure they're okay.

B. Councilman Sabby Jonathan Committee Reports and General Comments.

1. Smoke Trees - after receiving a concerned resident's phone call that some local smoke trees were being annihilated, sought Landscape Supervisor Randy Chavez's and team's help. They were extremely responsive, resulting in a successful effort to preserve the local specimens. Resident was very grateful for the quick action.
2. Homelessness Outreach - continue making strides to implement the City's program, including the two contracted Behavioral Resource Specialists. He thanked Management Analyst Christopher Gerry for putting together a meeting that he participated in recently with relevant staff and outside agencies for some coordination prior to the July 1

start date for the Behavioral Resource Specialists. Meeting participants included - Code Compliance, Parks & Landscape Services, City Manager's Office, Public Information Officer, and Citizens On Patrol Captain Jeff Alley, Sheriff's Station Lieutenant and Deputy, Path of Life Ministries (in which the City makes a \$100,000 investment through CVAG), and Riverside County Department of Behavioral Health's Manager, who will oversee the aforementioned Specialists. Goal for the meeting was to ensure that all parties are working well together and maximize efficiency of all available resources that the City is invested in. The group will follow up by reconvening toward the end or right after summer is over to keep the team working well together.

C. Councilmember Kathleen Kelly Committee Reports and General Comments.

None

D. Mayor Pro Tem Gina Nestande Committee Reports and General Comments.

None

E. Mayor Susan Marie Weber Meeting Summaries Report for the Period of May 11-31, 2019.

With City Council concurrence, the Meeting Summaries Report was received and filed.

F. City Council Requests for Action.

None

G. City Council Consideration of Travel Requests/Reports.

None

XI. STAFF REPORTS AND REMARKS

A. City Manager

1. City Manager's Meeting Summaries Report for the Period of May 13-31, 2019.

With City Council concurrence, the City Manager Meeting Summaries Report was received and filed.

2. Future Portola/I-10 Interchange Aesthetic Treatment Working Group

Ms. Aylaian asked for one or two volunteers from the City Council to work with staff on aesthetic treatment for the Portola/I-10 Interchange.

With City Council concurrence, Councilmembers Harnik and Kelly were nominated and volunteered, respectively, to serve on this ad hoc working group.

3. Employee Notes - Brianne Lawson

Ms. Aylaian congratulated City Human Resources Office Specialist II Brianne Lawson for recently graduating with a Master's Degree in Public Administration.

B. City Attorney

None

C. City Clerk

None

D. Public Safety

1. Fire Department

None

2. Police Department

City Councilmembers were introduced to recently appointed Palm Desert Substation Captain Joseph Belli, who replaced Captain Jason Huskey on his retirement last month. Capt. Belli said he came to the position with 29 years of service with the Sheriff's Department, working 7 of the 10 patrol stations and was very pleased to be posted in Palm Desert. He looked forward to serving the City and the surrounding Coachella Valley, having been last assigned to the Cabazon Station. He further commented that Lt. Matthew Martello would still serve as the City's day-to-day administrator, and the City was still to work with him in that capacity. Then he introduced Lieutenant Dave Walton along with him today, who serves as the Palm Desert Substation Administrative Lieutenant and was returning to the City of Palm Desert after a 12-year hiatus, having worked here 15 years in the past when the substation was next door to City Hall.

Councilmembers welcomed both to the City, and Mayor Weber noted that Capt. Belli had been introduced and answered many questions at yesterday's Public Safety Commission Meeting.

XII. CONSENT CALENDAR

PALM DESERT CITY COUNCIL

- A. MINUTES of the Regular City Council Meeting of May 23, 2019.
Rec: Approve as presented.
- B. CLAIMS AND DEMANDS AGAINST THE CITY TREASURY - Warrants Dated 4/30/2019, 5/3/2019, 5/10/2019, 5/17/2019, and 5/24/2019.
Rec: Approve as presented.
- C. CLAIMS AND DEMANDS AGAINST THE CITY/HOUSING TREASURIES - Warrants Dated 5/17/2019 and 5/24/2019 **(Joint Consideration with the Palm Desert Housing Authority - Item V below)**.
Rec: Approve as presented.
- D. COMPLIANCE ANALYSIS AND INVESTMENT REPORTS for the Months of March 2019 and April 2019 **(Joint Consideration with the Successor Agency to the Palm Desert Redevelopment Agency - Item T below)**.
Rec: Receive and file.
- E. APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE by Marriott Desert Springs Villas, 782 Bougainvillea Circle, Palm Desert.
Rec: Receive and file.
- F. AUDIT, INVESTMENT & FINANCE COMMITTEE MINUTES for the Meeting of March 26, 2019.
Rec: Receive and file.
- G. RESIGNATION of Jacqueline Scibona - Youth Committee.
Rec: Receive with very sincere regret.

- H. INDEPENDENT ACCOUNTANTS' REPORT on Applying Agreed-Upon Procedures Relative to Transient Occupancy Tax for the Calendar Year Ended 2016.

Rec: By Minute Motion, receive and file the Independent Accountants' Report on Applying Agreed-Upon Procedures Relative to Transient Occupancy Tax for the Calendar Year Ended 2016.

- I. REQUEST FOR AUTHORIZATION to Apply For and Accept from the California Governor's Office of Emergency Services, Upon Grant Award, the 2019 Emergency Management Performance Grant (EMPG) in the Amount of \$14,593.

Rec: By Minute Motion: 1) Upon notification of the grant award, accept the FY 2019 Emergency Management Performance Grant (EMPG) through the California Governor's Office of Emergency Services (OES) in the amount of \$14,593; 2) authorize the City Manager to execute the 2019 EMPG application and all subsequent grant documentation.

- J. REQUEST FOR APPROVAL of Mills Act Contract for Property Located at 72477 El Paseo, #1112, in Sandpiper Condominiums (APN 640-200-016) (Ralph E. Siegel and Alicia A. Siegel Trustees of the Siegel California Revocable Residential Trust dated April 2, 2018, Applicants).

Rec: By Minute Motion, approve/authorize: 1) Mills Act Contract(s) for 72477 El Paseo, #1112 (APN 640-200-016), in accordance with Section 29.70.030 of the Palm Desert Municipal Code; 2) City Manager and City Attorney to execute said contracts.

- K. REQUEST FOR APPROVAL of Mills Act Contract for Property Located at 72507 El Paseo, #901, in Sandpiper Condominiums (APN 640-200-018-3) (Burke G. Taylor and Susan M. Harvey, Applicants).

Rec: By Minute Motion, approve/authorize: 1) Mills Act Contract for 72507 El Paseo, #901 (APN 640-200-018-3), in accordance with Section 29.70.030 of the Palm Desert Municipal Code; 2) City Manager and City Attorney to execute said contracts.

- L. REQUEST FOR AUTHORIZATION to Streamline the Use of Vendors for the Public Works Department by Granting Exception to Bidding Requirements and Approving the Original Equipment Manufacturer (OEM) Vendor List and the Various Vendors and Qualified Service Providers List for FY 2019-2020.

Rec: By Minute Motion: 1) Grant an exception to the purchasing requirements of the Palm Desert Municipal Code, as provided for in

Section 3.30.160(K); 2) approve the OEM Vendor List; Landscape Services Division Vendors and Service Providers List, and Public Works Various Vendors and Qualified Service Providers List; 3) authorize the City Manager to execute contracts for ongoing services, not to exceed \$50,000 for any one vendor on the list, as needed and recommended by staff during FY 2019-2020 – funds have been included with the FY 2019-2020 operating budget.

- M. REQUEST FOR AUTHORIZATION of the Purchase of Golf Course Irrigation Supplies from High Tech Irrigation, Inc., for the Desert Willow Golf Resort During Fiscal Year 2019-2020 in an Amount Not to Exceed \$80,000.

Rec: By Minute Motion: 1) Grant an exception to the bidding requirements, as provided for by Section 3.30.160(J) of the Palm Desert Municipal Code for FY 2019-2020; 2) authorize the purchase of Rain Bird golf course irrigation supplies from High Tech Irrigation, Inc., Indio, California, during FY 2019-2020 in an amount not to exceed \$80,000 – contingent upon approval of the City's Annual 2019-2020 Budget, funds will be available in Course and Grounds Expenses, Account No. 5204195-4803100.

- N. REQUEST FOR AUTHORIZATION to Streamline the Use of Vendors for Desert Willow Golf Resort by Granting an Exception to Bidding Requirements and Approving the Operating Expense Vendors List for Fiscal Year 2019-2020.

Rec: By Minute Motion: 1) Grant an exception to bidding requirements, as provided for by Section 3.30.160(K) of the Palm Desert Municipal Code, not to exceed \$50,000 for any one vendor during FY 2019-2020; 2) approve the Desert Willow Golf Resort's Operating Expense Vendors List.

- O. REQUEST FOR AUTHORIZATION to Reject All Bids Presented for the 2019 Citywide Striping Project and to Re-advertise for Bids (Contract No. C38090, Project No. 564-20).

This item was removed for separate discussion under Section XIII - Consent Items Held Over of the agenda. Please see that portion of the Minutes for resulting discussion and action.

- P. REQUEST FOR APPROVAL of Contract for Local Area Network (LAN) Cabling Upgrades with VectorUSA in the Amount of \$112,928.47 and Authorize City Manager to Negotiate, Finalize, and Execute the Contract (Contract No. C38740).

Rec: By Minute Motion, approve contract with VectorUSA, Rancho Cucamonga, California, in the amount of \$112,928.47 for LAN Cabling Upgrades and authorize City Manager to execute same – funds are available in the Equipment Replacement Fund.

- Q. REQUEST FOR APPROVAL of Professional Services Contracts for Building Plan Review and Inspection Services for Fiscal Year 2019-2020.

Rec: By Minute Motion: 1) Approve subject contracts with a cumulative total not to exceed \$150,000 for professional services to: a) Scott Fazekas & Associates, Inc. (Contract No. C38750A); b) Willdan Engineering (Contract No. C38750B); c) Interwest Consulting Group (Contract No. C38750C); 2) authorize City Manager to execute said contracts – funds are available in General Fund Account No. 1104420-4301000, as set forth in the 2019-2020 budget, which will be considered at the City Council Meeting of June 27, 2019.

SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY

- R. MINUTES of the May 23, 2019, Regular Meeting of the Board of Directors of the Successor Agency to the Palm Desert Redevelopment Agency.

Rec: Approve as presented.

- S. CLAIMS AND DEMANDS AGAINST SUCCESSOR AGENCY TREASURY - Warrants Dated 5/17/2019 and 5/24/2019.

Rec: Approve as presented.

- T. COMPLIANCE ANALYSIS AND INVESTMENT REPORTS for the Months of March 2019 and April 2019 (**Joint Consideration with the Palm Desert City Council - Item D above**).

Rec: Receive and file.

PALM DESERT HOUSING AUTHORITY

- U. MINUTES of the Housing Authority Meeting of May 23, 2019.

Rec: Approve as presented.

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- V. CLAIMS AND DEMANDS AGAINST THE CITY/HOUSING TREASURIES - Warrants Dated 5/17/2019 and 5/24/2019 (**Joint Consideration with the Palm Desert City Council - Item C above**).

Rec: Approve as presented.

- W. REQUEST FOR APPROVAL of an Extension to Contract with John Harrison Contracting, Inc., for HVAC Mechanical Systems Maintenance Services at the Palm Desert Housing Authority Properties in an Amount Not to Exceed \$175,000 for Fiscal Year 2019-2020 (Contract No. HA37271).

Rec: By Minute Motion, approve/authorize: 1) Extension to subject contract with John Harrison Contracting, Inc., Banning, California, for the HVAC Mechanical Systems Maintenance Services at Palm Desert Housing Authority Properties for a period of 12 months for FY 2019-2020 in a total amount not to exceed \$175,000 for contract services; 2) Executive Director and/or the Chairman to execute the extension and any documents necessary to effectuate the actions taken herewith – monies have been included in the FY 2019-2020 proposed Authority's Replacement Reserve Budget in the appropriate Authority Accounts.

- X. REQUEST FOR AUTHORIZATION to Use Curtis Allan Floorcovering, Inc., for Purposes of Procuring Floor Coverings and Related Supplies and Services with Mohawk Carpet Distribution, Inc., at Palm Desert Housing Authority Properties in a Total Annual Amount Not to Exceed \$125,000 (Contract No. HA38760).

Rec: By Minute Motion, approve/authorize: 1) Use of Curtis Allan Floorcovering, Inc., National City, California, as the authorized vendor for purposes of procuring floor coverings and related supplies and services (includes cost for non-warranty partial replacements and repairs) at the Palm Desert Housing Authority properties for a term of three (3) years under Sourcwell Agreement Contract No. 121715-MCD with Mohawk Carpet Distribution, Inc., pursuant to Sections 3.30.160(L) and 3.30.160(E) of the Palm Desert Municipal Code, in a total amount not to exceed \$125,000; 2) continued participation with the service cooperative Sourcwell, formerly National Joint Powers Alliance; 3) Authority's Legal Counsel to negotiate and finalize an agreement with Curtis Allan Floorcovering, Inc.; 4) Chairman and/or the Executive Director to execute the Agreement and any documents necessary to effectuate the actions taken herewith – monies have been included in the FY 2019-2020 proposed Authority's Operating Budget in the appropriate Authority accounts for each property.

- Y. REQUEST FOR APPROVAL of Change Order No. 1 and to Accept Work as Complete for Contract No. HA37350 – Top Stair Handrail Replacement at One Quail Place (Project No. 821-19) (S & T Contractors, Inc., d.b.a. Service Master Restoration by S & T, Santa Clarita, CA).

Rec: By Minute Motion: 1) Approve Change Order No. 1 in the amount of \$4,940 to subject contract for replacement handrail parts for the stair top handrails at One Quail Place; 2) accept subject contract as complete; 3) authorize the City Clerk/Secretary to file a Notice of Completion with the Riverside County Recorder for said project – funds are available in Account No. 8714195-4331100 - Authority's Capital Replacement Budget.

Councilman Jonathan asked that Item O be held over for separate consideration.

Upon a motion by Harnik, second by Kelly, and 5-0 vote of the City Council/Successor Agency Board/Housing Authority Board (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None), the remainder of the Consent Calendar was approved as presented.

XIII. CONSENT ITEMS HELD OVER

- O. REQUEST FOR AUTHORIZATION to Reject All Bids Presented for the 2019 Citywide Striping Project and to Re-advertise for Bids (Contract No. C38090, Project No. 564-20).

Councilman Jonathan asked if the reason for going back out to bid was to drive the cost up to the highest bid of \$900,000, or clarify that it should be in the lower \$300,000 range, and Ms. Aylaian responded that she expected new bids would align with the lower end of the amounts seen in the first round.

Councilman Jonathan moved to, by Minute Motion: 1) Reject all bids presented for the 2019 Citywide Striping Project; 2) direct the Director of Public Works to re-advertise for bids. Motion was seconded by Councilmember Harnik and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

XIV. RESOLUTIONS

None

XV. ORDINANCES

A. For Introduction:

None

B. For Adoption:

None

XVI. NEW BUSINESS

A. REQUEST FOR APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF PALM DESERT AND THE LIVING DESERT AS IT RELATES TO FUNDING OF PROGRAMMING AT THE LIVING DESERT (CONTRACT NO. C38770).

Councilmember Harnik stated for the record that her husband does pro bono legal work for The Living Desert. She said unless otherwise determined and advised, she would plan to vote on the matter, since there is no financial conflict. Mr. Hargreaves agreed that there would be no Political Reform Act conflicts and no need to recuse.

Senior Management Analyst Veronica Tapia remarked that the City Council had identified The Living Desert as an important asset and investment of the City of Palm Desert during its Budget Session in the past year. Since that time, staff has been working diligently with The Living Desert staff to put together a funding agreement that could support their efforts. Living Desert has requested financial assistance that will augment and improve their programming, with certain programmatic requirements to follow the funding agreement. She noted that it will be a five-year agreement for a total of \$1,000,000 over that term, and she offered to answer questions, along with Ms. Hawkins and Ms. Gill from The Living Desert also in attendance today.

Councilman Jonathan noted that during the committee discussions about this matter, discussion was held about the permanent plaque in recognition of this funding arrangement and the City making some requests for it. He pointed out that Exhibit "B" of said agreement was modified to reflect some of those expectations, in general, and asked if any further discussion had been held with Living Desert representatives about it.

Ms. Tapia said there had been, and she understood that City staff will be moving along on it with Living Desert staff, and City Council will have opportunity to review and approve the plaque before installation. In response to the timing for that occurrence, Ms. Hawkins and Ms. Gill answered from the audience that as soon as the contract is signed, they would proceed.

Councilman Jonathan volunteered to help with this aspect and to meet on-site for this purpose.

Councilmember Harnik moved to, by Minute Motion, approve/authorize: 1) Mayor to execute subject contract between the City of Palm Desert and The Living Desert Zoo and Gardens relative to funding of programming at The Living Desert; 2) initial \$200,000 payment in current fiscal year and same amount for the subsequent four (4) years to fund this agreement – funding in the amount of \$1,000,000 was included within the FY 2018-2019 CIP Budget, Account No. 4004800-4387900; upon funding approval and execution of the agreement, first payment of \$200,000 will be due and payable, and the remaining four (4) payments due on the annual anniversary date, to remain in effect through June 30, 2024. Motion was seconded by Mayor Pro Tem Nestande and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

- B. REQUEST FOR APPROVAL OF THE EXTENSION OF CONTRACT BETWEEN CITY OF PALM DESERT AND IDEAPEDDLER, LLC, TO PROVIDE MARKETING SERVICES FOR FISCAL YEAR 2019-2020 (CONTRACT NO. C37181).

Tourism & Marketing Manager Thomas Soule reviewed the request, calling attention to the fact that the Marketing Committee unanimously recommended extension and did so with superlative comments and quite impressed with the agency. He added that staff joins the Committee in that wholehearted recommendation for contract extension.

Councilmember Kelly moved to, by Minute Motion, authorize: 1) Extension of subject contract with Ideapeddler, LLC, Austin, Texas, to provide marketing services for FY 2019-2020; 2) City Attorney to make non-substantive changes to the contract and Mayor to execute on behalf of the City – funds were budgeted in the FY 2019-2020 Marketing Budget, Professional Other, Account No. 1104417-4309000. Motion was seconded by Mayor Pro Tem Nestande.

Councilmember Harnik remarked that if one had been listening to the Committee's discussion, they sounded like the Marketing Committee for Ideapeddler – because they were so appreciative of all the work being done on the City's behalf.

Mayor Weber called for the vote on the motion to approve staff's recommendation, and it carried by 5-0 (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

- C. REQUEST FOR AWARD OF CONTRACT TO M & M SWEEPING, INC., IN A TOTAL AMOUNT OF \$304,551 FOR FISCAL YEARS 2019-2020 AND 2020-2021 FOR COMMERCIAL AND RESIDENTIAL STREET SWEEPING SERVICES (CONTRACT NO. C38460, PROJECT NO. 754-20).

City Engineer Bo Chen reviewed the report, noting this was the annual contract with M & M Sweeping, Inc., in order to comply with NPDES (National Pollutant Discharge Elimination System) and SCAQMD (South Coast Air Quality Management District). Further, he advised that this represented a two-year term with a two-year extension option.

Councilman Jonathan observed that the report indicates there are certain requirements to reduce pollutants and remove sediments, with street sweeping considered one of the most effective methods to achieve compliance, and Mr. Chen concurred. Councilman Jonathan went on to ask if there were other methods or alternatives effective for this purpose.

Mr. Chen answered that public education to eliminate trash being strewn on public streets would assist in the effort – going to the source of the pollutant – along with other ways.

Mayor Pro Tem Nestande questioned how well the street sweepers worked, relating a recent experience where she ended up behind one in a dust cloud after just washing her car.

Mr. Chen agreed there was no perfect solution, but the subject contract represented the manner in which the City complies with the requirements.

Councilmember Harnik pointed out that she had previously asked Director of Public Works Tom Garcia about the occurrence of dust spewing from the sweeper while it's operating, and he advised that they are supposed to have sufficient water application to keep the dust down. In addition, she was aware that the City is mandated to comply with the aforementioned requirements, asking if the company recommended here was the same as contracted by CVAG (Coachella Valley Association of Governments) for street sweeping. Mr. Chen said it was, and the City has used them previously as well.

Councilmember Harnik went on to say, as discussed at today's Coachella Valley Conservation Commission Meeting, that there are areas of desert locally that need sand replenishment as a result of development or other occurrences. Now they're taking the sand picked up by street sweepers, after it ends up there as a result of natural movement or wind event, cleaning, and returning it to the desert as infill for some of the Valley's native species. Therefore, she said sweepers pick up sufficient volume that it can be reused in this manner. She added that when you see a sweeper kicking up dust, it

would be beneficial to note the time, date, and location, and forward the information to Public Works so that the operator can be notified of the need to add water. Further, she remarked that since residents are allowed to park on Palm Desert's streets, it's often apparent that the sweeper has to go around parked cars; she asked if there was a way to alert residents of the sweeping schedule.

Mr. Chen responded that staff could reach out to M & M Sweeping to seek better publicity for informing residents of the schedule. In further response to comment, he agreed that the standard schedule could be listed in the City's *Bright Side* newsletter, as well.

Councilmember Kelly noted the schedule for her street was observable, so it should be possible for the City to secure that information and publicize it, as it was probably not an obligation of the sweeping company to do so. Further, she underscored Councilmember Harnik's comment that if the sweeper is kicking up dust, then it is not operating as designed, and anyone observing this should be sure to detail the information and pass it along to the Public Works Department for follow-up. When sweepers are operating as designed, she said the operation does remove sediment from the street that is noticeable. It also means that the next time there is a windstorm, that sediment is not part of what's in the air affecting residents' breathing, which was the whole point of the effort.

Councilman Jonathan acknowledged that there may be some unanswered questions about the effectiveness of and alternatives to street sweeping, and he asked whether there was time to send it back to staff to answer these and maybe others.

Mr. Chen answered that there wasn't much time; although, the concerns raised here had been brought up some time ago, and staff was still endeavoring to find the perfect answer. Further responding, he said it was possible to continue the matter for two weeks.

Councilman Jonathan said while the will of the Council may not be to continue the matter, he still had unanswered questions. He had been and continues to be concerned about the effectiveness of street sweeping, likening it to the Charlie Brown character "Pigpen," who was always surrounded by a cloud of dust. He believed there were other substantive schools of thought that would agree that it's ineffective, but he's not an expert in the matter. Therefore, he wanted to understand from staff if there was any verifiable documentation to show that this method is effective. Secondly, he said the staff report says it's 'one of the most effective methods,' so before the City puts up over \$300,000 into something that may not be effective, he wanted to understand what other options are, if any. Then he could make an informed decision.

Mr. Chen offered that the most effective method would be to go to the source of the pollutant and control it, and Councilman Jonathan responded he would prefer that staff go through a thoughtful process to answer his questions.

Councilmember Kelly countered that if the major alternative was to educate people, it would not be nearly as effective; people are inherently using products in their yards that create runoff, that runoff includes sand and sediment on the street. She reiterated that it was completely observable to her that after the street sweeper goes by, all of that has been removed. She was unsure how much more was likely to be learned about the issue in two weeks' time.

Councilman Jonathan agreed, but pressed for an answer regarding what other alternatives existed and for education about them in order to make an informed decision.

Councilmember Harnik said staff suggested one alternative of education about litter, but she felt the main point for the South Coast Air Quality Management District (SCAQMD) and National Pollutant Discharge Elimination System (NPDES) was about PM10 (Particulate Matter 10 micrometers or less) or dust in the air. When the street sweeper uses adequate water, it's very evident that it has cleaned the street. That is why she felt it was very important to give the operator a heads-up that there have been a number of Councilmembers who've noticed dust being kicked up during their route, meaning there wasn't the right amount of water being applied. She reiterated her prior remark from today's CVCC (Coachella Valley Conservation Commission) meeting at CVAG, the street sweepers are taking the sand and dust collected from the streets, treating it to remove toxins, and returning it to the desert where it's needed.

Councilman Jonathan acknowledged the point and didn't disagree, but reaffirmed his quest to first get more information. He didn't want to commit \$300,000 only to find out there was new technology that was more effective and less expensive. Although, he said it was likely that staff would come back in two weeks and report after studying the issue that street sweeping is the most effective, and he could then go along. However, they may also modify the contract to specify that the vendor shall clean up, treat, and recirculate the sand, and be required to use sufficient water. At a minimum, he would desire a clean-up of the contract. Mayor Pro Tem Nestande agreed.

Councilmember Harnik believed staff was already saying here that street sweeping was the best method, and she was ready to approve it, subject to a tightening up of the contract that speaks specifically to the operator about guaranteeing the unit will have the correct amount of water being utilized in the equipment to keep the dust down.

Councilmember Harnik moved to, by Minute Motion: 1) Award subject contract to M & M Sweeping, Inc., Thousand Palms, California, in a total amount of \$304,551 for Fiscal Years 2019-2020 and 2020-2021 for Commercial and Residential Street Sweeping Services, with an option to renew for two additional years, subject to modifying the contract to guarantee the correct amount of water application; 2) authorize the Mayor to execute said agreement - funds are available in General Fund Account No. 1104310-4332000 - Street Repair and Maintenance. Motion was seconded by Councilmember Kelly.

Mayor Weber noted that since the City Council has discussed this over and over, and it's still the identical recommendation, she now wondered if there wasn't something else out there for it instead.

Councilman Jonathan made a substitute motion to postpone the matter for two weeks for staff to address the questions raised at this meeting. Mayor Pro Tem Nestande seconded the substitute motion.

Responding to Councilmember Harnik's request, Mr. Chen recalled for City Council that it conducted the same discussion in 2015, and staff went back and looked at other methods for cleaning the streets, but didn't find anything more effective.

Councilman Jonathan pointed out that was four years ago and supported his reasoning for a two-week continuance to see what new developments have transpired since that time.

Mayor Weber called for a vote of the City Council regarding acceptance of the substitute motion, and it carried on a 3-2 vote (AYES: Jonathan, Nestande, and Weber; NOES: Harnik and Kelly).

Mayor Weber called for a vote on the substitute motion to continue the matter for two weeks, with staff requested to address questions raised at this meeting, and it carried on a 3-2 vote (AYES: Jonathan, Nestande, and Weber; NOES: Harnik and Kelly).

D. REQUEST FOR AUTHORIZATION TO START PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR FISCAL YEAR 2019-2020 FOR CITY OF PALM DESERT BENEFIT ASSESSMENT DISTRICT NO. 1.

Landscape Supervisor Randy Chavez reviewed the request and resolution included in the agenda, and noted staff recommended approval.

Mayor Pro Tem Nestande moved to waive further reading and adopt Resolution No. 2019 - 24, declaring the intention to levy the annual assessment for Fiscal Year 2019-2020 for City of Palm Desert Benefit Assessment District No. 1, pursuant to *The Benefit Assessment Act of 1982*, and appointing a time and place for a public hearing on these matters. Motion was seconded by Councilmember Kelly and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

- E. REQUEST FOR AUTHORIZATION TO START PROCEEDINGS TO LEVY AND COLLECT ANNUAL ASSESSMENTS WITHIN, AND TO GRANT PRELIMINARY APPROVAL OF THE ENGINEER'S ANNUAL LEVY REPORT FOR, CONSOLIDATED PALM DESERT LANDSCAPING & LIGHTING MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2019-2020.

Mr. Chavez advised that staff recommended approval of the two resolutions included with the printed report.

Councilmember Harnik moved to waive further reading and adopt: 1) Resolution No. 2019 - 25, starting proceedings to levy and collect the annual assessments for Consolidated Palm Desert Landscaping & Lighting Maintenance District No. 1 for Fiscal Year 2019-2020; 2) Resolution No. 2019 - 26, declaring the intent to levy and collect annual assessments within, and granting preliminary approval of the Engineer's Annual Levy Report for Consolidated Palm Desert Landscaping & Lighting Maintenance District No. 1 for Fiscal Year 2019-2020. Motion was seconded by Councilman Jonathan and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

- F. REQUEST FOR ADOPTION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) NOTICE OF EXEMPTION FOR THE LINE 4 DRAINAGE PROJECT AND TO AWARD CONTRACT THEREFOR IN THE AMOUNT OF \$4,018,922 TO GRANITE CONSTRUCTION COMPANY (CONTRACT NO. C35310A, PROJECT NO. 522-16).

Project Administrator Ryan Gayler stated the subject request represented award of contract for a storm drain project in the east end of the City.

Councilmember Harnik moved to, by Minute Motion: 1) Adopt the CEQA Notice of Exemption for the Line 4 Drainage Project; 2) award subject contract, including Bid Alternate #1, in the amount of \$4,018,922 to Granite Construction Company, Indio, California, for Construction of the Line 4 Drainage Project; 3) authorize Director of Finance to set aside a 10% contingency for the project in the amount of \$401,892; 4) authorize the City Manager or designee to review and approve written requests for the use of contingency for unanticipated conditions, per Section 3.30.170(A) of Ordinance No. 1335; 5) authorize the Mayor to execute said contract – funds are available in Account No. 4514690-4400100 - Capital Bond Funds for the Storm Drain Construction - \$2,448,635, and Account No. 2134311-4332000 - Measure "A" Street Maintenance for the street reconstruction on Tamarisk Row - \$1,972,179. Motion was seconded by Mayor Pro Tem Nestande and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

- G. REQUEST FOR AWARD OF CONTRACT FOR PROFESSIONAL INSTALLATION SERVICES FOR THE COUNCIL CHAMBER AUDIO VISUAL REMODEL TO PRESENTATION PRODUCTS, INC., D.B.A. SPINITAR (CONTRACT NO. C37960B).

Information Systems Manager Clay von Helf stated the subject request was for updating the Council Chamber audio-visual system, the last project of its kind occurring in 2011. At that time, he said some of the choices were a result of value engineering, the biggest one being the main display at a 4:3 aspect ratio and on the way to being obsolete even then. He said a 16:9 aspect ratio was really standard, but cost for redoing the existing rear-projection screen was just exorbitant at that time; therefore, it was decided to retain the 4:3, understanding that it would eventually require replacement. He explained that incorporating as much future-proofing as possible is goal of the current project. The rear projection screen will be replaced with a 16:9 high-definition video wall that will be mounted on the exterior of the structural wall; the rear-projection room will be converted into a control room to allow moving some staff in, making it a much safer work area. He said the display will be very bright and clear, helping the audience and public see whatever is being presented. Additionally, once the move is made to the 16:9 display, all monitors along the dais will be smaller. Most of the other upgrades will occur behind the scenes with some simplified voting and microphone controls being notable.

He went on to say that staff was also requesting direction for a second screen on the easternmost wall at the front of the Chamber, replacing the New Zealand artwork residing there currently. The second screen will have three planned uses:

- 1) Mirror image of the primary display, giving better access to audience members who are sitting at a sharp angle to the primary.
- 2) Projection of the agenda to highlight current item under consideration for anyone entering the Council Chamber after the meeting starts to identify where the Council is at in the proceedings.
- 3) Camera feed for the podium to show the speaker for the audience's benefit.

Mr. von Helf stated the City issued an RFP (Request For Proposals) and received the one submission from Spinitar. Their experience and work quality were found to be exceptional, and the fee proposal was well below staff's estimates. Therefore, staff recommended moving forward with their proposal. He pointed out that construction would take place during the summer recess, after the July 11 meeting, planning to be back up and running for the August 22 meeting. In case of delay, staff has made some

other plans for an alternate location and would so advise City Council and the public well in advance of any venue change. He offered to answer questions.

Upon inquiry, he stated the photos included in Spinitar's proposal were not representative of Palm Desert's Council Chamber but of other jobs they have done in the past. Further, he said none of the structural features or fixtures in the Council Chamber would be changed in this project; he believed that Public Works was planning on making some ADA (Americans with Disabilities Act) improvements next summer. This project is strictly the A-V system, with biggest change being the video wall.

Councilman Jonathan understood the modifications will trigger new ADA requirements and asked if the City had the luxury of waiting a year to implement them. Mr. von Helf didn't think the subject changes triggered the ADA requirements, but the idea for new carpet and seating did. Responding further, he said there was an access issue for the control room, but he understood it was acceptable as long as a plan was in place to address it. When asked about the reason only one A-V firm from out of the area responded and none did locally, Mr. von Helf said staff was also surprised and then reached out to a few local firms. One of them mentioned the time constraints involved as being a reason they didn't bid. Additionally, since this project is equipment installation only with actual system programming to be done by the City's consultant, some of the firms didn't like that arrangement.

Councilmember Harnik commented that although she liked the idea of removing said artwork from the wall and installing it where more of the public could enjoy, she questioned the need for an additional screen.

Mayor Weber stated she was definitely in favor of the additional screen, commenting she's been to several meetings where it's nice to go in and see the current location on the agenda displayed so people can keep track. She also felt it would be very valuable to see people speaking at the podium.

Councilman Jonathan added he'd been privileged to attend City Council Meetings throughout the Coachella Valley, with the majority having a second screen. He finds them very effective and used in the exact three ways Mr. von Helf described. In particular, the audience knows where Council's at on the agenda, the second advantage being people able to see - either if they're sitting close to the display or if it's difficult to see that far away. Lastly, being able to see the speaker personalizes the meeting for the audience so they're not looking at the person's back. Therefore, he's seen the second screen in use and finds it of great benefit, in this case at a nominal cost of \$8,500 more.

Councilmember Kelly supposed she was in the other camp on the issue of a second screen - feeling it was excessive for the size of Palm Desert's

Council Chamber. From her perspective, the primary display was entirely visible to everyone except staff seated immediately below it, but they have monitors for viewing the display. Regarding tracking the agenda, she thought most people just asked the person seated next to them for that information, and it was kind of friendly. Sometimes \$8,500 was a big deal, other times not; in this instance, she felt the second screen was unnecessary. Although, she certainly affirmed the importance of the technology upgrades involved.

Mayor Pro Tem Nestande moved to, by Minute Motion: 1) Award subject contract for professional installation services for the Council Chamber Audio Visual Remodel to Spinitar in an amount not to exceed \$225,125.68, and authorize City Manager to take measures necessary to effectuate and execute the contract; 2) provide staff with direction to include the alternate proposed screen, as proposed; 3) declare existing Audio Visual assets as surplus and authorize staff to properly dispose of them in a manner consistent with electronics disposal processes – funds are budgeted from the Equipment Replacement Fund, as part of the Capital Improvement Plan (under the IT Master Plan), and are available for FY 2018-2019 in Account No. 5304190-4404000. Motion was seconded by Councilman Jonathan and carried by 5-0 vote (AYES: Jonathan, Harnik, Kelly, Nestande, and Weber; NOES: None).

Councilmember Kelly requested staff consult with the Sister Cities Foundation Board in connection with finding an alternative location for the artwork, and Ms. Aylaian agreed to do so.

H. REQUEST FOR APPROVAL OF AGREEMENT WITH GLYN DONALD GRAY D.B.A. GDG FOR OPERATION OF THE EL PASEO COURTESY CARTS FOR FISCAL YEAR 2019-2020 (CONTRACT NO. C38440).

City Business Advocate Deborah Glickman recalled for City Council that contract for the current Courtesy Cart Operations expired on Memorial Day, with the service now on break until October. In April staff solicited proposals for a new operations contract, two bids were received. Current operator GDG provided the low bid, having been the current operator. As the City has been satisfied with his services to date, staff recommended approval of awarding the new contract to GDG.

Upon inquiry, Ms. Glickman confirmed that staff was still working on achieving related features to benefit the Courtesy Cart Program discussed at the City Council's Study Session earlier in the spring – an app for tracking the cart on the street. She had just participated in a meeting about it this morning, and it's progressing. Additionally, staff was working toward getting signage on the carts. She was experiencing some challenges in securing illuminated signs for the carts, and she was now in the second round of bidding for them. All three aspects were being worked on simultaneously.

Councilman Jonathan noted that the aforementioned Study Session was conducted several weeks ago where staff was given direction to, in fact, include the app and advertising in the program. In the time that has elapsed since, he was disappointed that the whole package was not ready for consideration at this point and asked for an explanation.

Ms. Glickman responded that the subject request was only to deal with the operations of the cart; each item was being developed separately and will be different contracts. She was now in the process of developing the advertising policy. Staff was working with SunLine Transit Agency on the app, but they didn't feel the rush to have it right back to the City. Although, she met with them this morning to get the project on track, noting the app is a pretty straightforward process but would require a Memorandum of Understanding (MOU) with SunLine to complete it. She assured City Council that it was all being worked on at once.

Ms. Aylaian pointed out that staff didn't have the budget for it in the current fiscal year (2018-2019), and planned to bring the plans for that expenditure at the next City Council Meeting with the FY 2019-2020 Budget.

Councilman Jonathan was surprised by that information, because when City Council discussed it, the golf cart subject matter was one topic – the appearance, number of units operating, signage on top, advertising, and the app – and Council gave direction. Now, however, it was coming back piecemeal, and he was really disturbed to hear that SunLine is setting the City's priority for it because it's not one for them. He asked for clarification.

Ms. Aylaian offered that the Courtesy Cart Study Session was purposely scheduled in advance of the Budget Study Session so staff would know how City Council wished to proceed with the program, in order to plan a budget for it in the next fiscal year. She said staff needed to know if City Council wished to continue contracting for operating the service with a third-party operator or have it be City-run, and/or expand it. With the direction given, that was reason for the operations contract being brought forward at this time so it's in place for the next fiscal year, the funding for it will not be available until July 1. Secondly, she didn't believe that SunLine establishes the priority or schedule for work of the City.

Ms. Glickman agreed and clarified her earlier misstatement. She said staff looked at the realistic timeline to get the app in place before next season and was working toward it, accordingly.

Councilman Jonathan asked if the operations contract was approved here, was there reasonable certainty that the carts would have the signage on top, advertising, and an app in place by the time season begins and they're ready to go on El Paseo.

Ms. Glickman affirmed that she was actively working on all of those elements, all of them as late as earlier today, and hoped to bring them back as soon as possible. She, too, was surprised that seeking illuminated signs for tops of the carts was more difficult than anticipated, but was forging ahead to find a vendor who could supply them. She reiterated that she's working on all of the aspects concurrently – signage, advertising policy, and the app. The least solid timeline she could offer was for getting the advertising program up and running, because it will depend on City Council's response to the proposed advertising policy.

Mayor Pro Tem Nestande moved to, by Minute Motion, approve/authorize: 1) Subject contract with Glyn Gray d.b.a. GDG in an amount not to exceed \$118,000, including regularly scheduled, special event, and flex hours, and vehicle maintenance/repairs for operation of the El Paseo Courtesy Cart Program during FY 2019-2020; 2) Mayor to execute said contract, allowing City Attorney to make non-substantive changes; 3) expenditure of up to \$21,000 for Commercial Automobile Liability Insurance for the three (3) Courtesy Carts – funds have been requested in the FY 2019-2020 Budget in Account No. 1104416-4368100 - Courtesy Carts. Motion was seconded by Councilmember Kelly and it carried by 4-1 vote (AYES: Harnik, Kelly, Nestande, and Weber; NOES: Jonathan).

I. **REQUEST FOR AUTHORIZATION OF AMENDMENTS THAT MAY BE NECESSARY TO THE AGREEMENTS WITH PD HOVLEY LP, FOR THE PROJECT KNOWN AS HOVLEY GARDENS, TO ACCOMPLISH A TRANSFER OF OWNERSHIP, REFINANCE, REHABILITATION, AND AN EXTENSION OF THE AFFORDABILITY PERIOD (JOINT CONSIDERATION WITH THE PALM DESERT HOUSING AUTHORITY).**

Ms. Aylaian stated the subject item was a request for staff to negotiate amendments to existing agreements for Hovley Gardens, an affordable apartment complex that was built in the early 2000s with a loan of approximately \$7.6 million from the Redevelopment Agency before it was dissolved. It was a low-interest loan provided to developer Dan Horn, who is well known to all but whose company name has changed since inception of the project, now Palm Communities. The developer has identified an opportunity to do a number of positive things for the property that will require a change and transfer in ownership. Therefore, they're proposing to amend the existing agreements in order to accomplish the project benefitting the residents and City, including renovation and rehabilitation that will incorporate ADA (Americans with Disabilities Act) improvements, energy efficiencies, new appliances, floors, and cabinetry on the interiors; renovation of the laundry room and some of the common areas, landscaping, exterior painting, and new playground equipment – a refresh to the entire development. Benefits to the City include that the 55-year limitation on affordability will restart, extending it from the original expiration. One drawback is that the City currently receives a payment in lieu of property taxes (a.k.a. PILOT),

which would not be carried forward under the new agreement; however, the proposal would allow the City to negotiate some other payment that would be roughly equivalent, but technically not a PILOT. This request also allows the developer to resyndicate and transfer ownership, but he will continue as principal in the new group and be responsible for performing the aforementioned improvements. Staff was seeking authorization at this time for the draft agreements to be negotiated, as the developer needs it in order to propose documents for the next tax credit funding cycle application deadline of July 1. She advised that Mr. Horn was present today to answer any questions, as was Senior Management Analyst Veronica Tapia.

Responding to question, she confirmed that the project was initially constructed in 2003, adding that the agreements for it were signed in 2001. In further response, she agreed that if nothing else happened, the affordability period would be up through 2058. Although, she believed the affordability period started to run when the documents were executed and agreement finalized, not at completion of the renovation project. She confirmed that it would essentially add 16 years to that period.

In answer to another question, she responded that the affordability covenant is 45 years for ownership units and 55 years for rentals. She went on to answer that it does not add any further credit to the City's RHNA (Regional Housing Needs Assessment) required unit production numbers.

Councilmember/Member Harnik moved to, by Minute Motion: 1) Consent to the transfer of property commonly known as Hovley Gardens, located at 74501 Avenue 42, Palm Desert, from PD Hovley LP to Palm Communities (formerly known as Palm Desert Development Company), or a new limited partnership; 2) authorize staff to proceed with the drafting of amendments to the existing agreements with PD Hovley LP and the Palm Desert Housing Authority, allowing for a transfer of ownership, refinance, rehabilitation, and extension of the affordability period; 3) authorize Palm Communities to submit an application to the Tax Credit Allocation Committee (TCAC) on or before July 1, 2019, for the rehabilitation of Hovley Gardens; 4) authorize the following related to the Authority Loan: a) Assumption of the Authority loan in the event of a transfer of property by the new owner; b) subordination of the Authority's loan to a construction loan if tax credits are allocated to the project; c) extension of the term of the loan for a period of 41 years (for a total of 55 years) from the close of any purchase; d) suspension of payments to the Authority on the loan for the 12- to 24-month construction timeframe, once established; 5) authorize the City Manager, Executive Director, Mayor, Chairman, and legal counsel to finalize the selected option and execute any documents necessary, consistent with the actions contemplated herewith. Motion was seconded by Mayor Pro Tem/Vice Chairman Nestande.

Councilmember/Member Kelly wished to affirm for the record on this proposal that it is increasingly challenging to enable affordable housing after the loss of Redevelopment, so it does certainly achieve a key City goal, as does the

inclusion of energy efficiency for this property. That meant it was positive on two fronts.

Mayor/Chairman Weber called for the vote, and it carried 5-0 (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

XVII. CONTINUED BUSINESS

None

XVIII. OLD BUSINESS

None

XIX. PUBLIC HEARINGS

- A. REQUEST FOR APPROVAL OF THE MANAGEMENT DISTRICT PLAN FOR, AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN, THE PRESIDENT'S PLAZA I PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2019-2020.

Landscape Supervisor Randy Chavez reviewed the request before City Council to adopt two resolutions for President's Plaza I Property and Business Improvement District for Fiscal Year 2019-2020.

Councilman Jonathan said prior to today's meeting, he'd contacted Mr. Chavez to express concern that as the City goes through refurbishment and reshaping of the President's Plaza I parking lot, that costs of maintenance may be impacted following completion of those renovations. He asked for clarification that he'd understood Mr. Chavez's response, which was that the situation is addressed, because as opposed to previously doing five-year time increments, the subject request was for one year. This would provide an opportunity after improvements are completed to again look at that budget.

Mr. Chavez explained that the District is currently in its fifth year, meaning the only thing that could be increased is CPI (Consumer Price Index), which is 3%. Next fiscal year a group of City staff would be assembled to reach out to the property owners there to inquire how they wanted to proceed. For the time being, the budget is for maintenance at status quo; at this point the prospective project is still very conceptual, so it's not yet determined what will be maintained in the future. Once next fiscal year is further along, the City will have a better idea of how to proceed with maintenance. Upon question, he confirmed that the City will not be bound with a set budget for five years at this point in time, and once plans for the renovation are determined, then staff can recommend accordingly.

Mayor Weber declared the public hearing open and invited testimony SUPPORTING or OPPOSING the subject request. With no public testimony offered, she declared the public hearing closed.

Councilman Jonathan moved to waive further reading and adopt: 1) Resolution No. 2019 - 27, approving the Management District Plan for President's Plaza I Property and Business Improvement District, FY 2019-2020; 2) Resolution No. 2019 - 28, ordering the levy and collection of annual assessments with the President's Plaza I Property and Business Improvement District, FY 2019-2020. Motion was seconded by Councilmember Kelly and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

- B. REQUEST FOR APPROVAL OF THE MANAGEMENT DISTRICT PLAN FOR, AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN, THE PRESIDENT'S PLAZA III PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2019-2020.

Landscape Supervisor Randy Chavez reviewed the request before City Council today for President's Plaza III.

Mayor Weber declared the public hearing open and invited testimony SUPPORTING or OPPOSING the subject request. With no public testimony offered, she declared the public hearing closed.

Councilmember Kelly moved to waive further reading and adopt: 1) Resolution No. 2019 - 29, approving the Management District Plan for the President's Plaza III Property and Business Improvement District, FY 2019-2020; 2) Resolution No. 2019 - 30, ordering the levy and collection of annual assessments within the President's Plaza III Property and Business Improvement District, FY 2019-2020. Motion was seconded by Councilmember Harnik and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Nestande, and Weber; NOES: None).

XX. ADJOURNMENT

With City Council concurrence, Mayor Weber adjourned the meeting to the recessed Closed Session at 5:31 p.m. City Clerk Rachelle Klassen reconvened the meeting at 5:43 p.m., with no reportable action, and immediately adjourned to Monday, June 17, 2019, at 8:00 a.m. for a continuation of the Closed Session.

SUSAN MARIE WEBER, MAYOR

ATTEST:

RACHELLE D. KLASSEN, CITY CLERK
CITY OF PALM DESERT, CALIFORNIA