Special City Council/Housing Authority Joint Strategic Planning Session Agenda

Wednesday, February 1, 2023
9:00 a.m.
Indian Wells Golf Resort, Celebrity Ballroom
44500 Indian Wells Lane, Indian Wells CA



Indian Wells City Hall

Welcome to a Special City Council and Housing Authority Joint Strategic Planning Session of the Indian Wells City Council. All documents for public review are available for public inspection at City Hall, 44-950 Eldorado drive, Indian Wells during normal business hours.

Public Comments: Members of the public who wish to speak during public comments, once the Mayor/Chair has recognized you, please come forward, please note that you may address the City Council and Housing Authority only on items that are listed on the Special Strategic Planning Session agenda.

Notification: If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact the City Clerk at 760-346-2489, 48 hours prior to the meeting.

Please turn off all communication devices (phones) or put them on non-audible mode (vibrate) so it does not cause disruption in the council proceedings.

1. CONVENE THE SPECIAL CITY COUNCIL/HOUSING AUTHORITY JOINT STRATEGIC PLANNING SESSION, PLEDGE OF ALLEGIANCE AND ROLL CALL

MAYOR/CHAIR DONNA GRIFFITH
MAYOR PRO TEM/VICE CHAIR GREG SANDERS
COUNCILMEMBER/COMMISSIONER TY PEABODY
COUNCIL MEMBER/COMMISSIONER BRUCE WHITMAN
COUNCIL MEMBER/COMMISSIONER DANA REED
COMMISSIONER GENEVA BERNS
COMMISSIONER JON O'HEA

2. APPROVAL OF THE FINAL AGENDA

3. PUBLIC COMMENTS

Please note that at this special meeting you may address the City Council and Housing Authority only on items that are listed on the Strategic Planning Agenda.

The Mayor/Chair will recognize members of the public at the appropriate time. Once the Mayor/Chair calls on members of the public for comments, please come forward to the microphone and state your name for the record. Comments are limited to three minutes.

4. INDIAN WELLS CITY COUNCIL/HOUSING AUTHORITY

A. Annual City and Housing Financial Forecast

RECOMMENDED ACTIONS:

Council and Housing Authority **REVIEWS, DISCUSSES,** and provides **DIRECTION** on the 2023 Financial Goals.

B. 2023 Housing Authority Strategic Planning Session

RECOMMENDED ACTIONS:

Housing Authority **REVIEWS, DISCUSSES,** and provides **DIRECTION** on the 2023 Housing Goals.

5. INDIAN WELLS CITY COUNCIL

A. Indian Wells Turf Rebate Program

RECOMMENDED ACTIONS:

Council **DISCUSSES** and provides **DIRECTION** to staff.

B. Resident Benefit Opportunity- Annual Tennis Ticket Allotment

RECOMMENDED ACTIONS:

Council **DISCUSSES** and provides **DIRECTION** to staff.

C. Capital Improvement Program Update

RECOMMENDED ACTIONS:

Council **REVIEWS**, **DISCUSSES**, and provides **DIRECTION** on the Capital Improvement Program.

D. 2023 City Council Strategic Planning Session

RECOMMENDED ACTIONS:

Council **REVIEWS, DISCUSSES,** and provides **DIRECTION** on the 2023 City Council Goals.

6. ADJOURNMENT

To a regularly scheduled meeting of the City Council to be held at 1:30 p.m. on February 16, 2023, in the City Hall Council Chamber.

Affidavit of Posting,

I, Angelica Avila, certify that on January 27, 2023, I caused to be posted and served upon all members of the City Council and Housing Authority, a notice of a Special City Council/Housing Authority Joint Strategic Planning Session to be held on Wednesday, February 1, 2023, at 9:00 a.m. at the Indian Wells Golf Resort, Celebrity Ballroom.

Notices were posted at Indian Wells Civic Center and city's website [www.cityofindianwells.org].



Angelica Avila, CMC
City Clerk

Indian Wells City Council
Housing Authority

February 1, 2023

STAFF REPORT

To: City Council and Housing Authority

From: City Manager Department

Prepared by: Kevin McCarthy, Finance Director

Subject: **Annual City and Housing Financial Forecast**

RECOMMENDED ACTION:

Council **REVIEWS, DISCUSSES,** and provides **DIRECTION** on the 2023 Financial Goals.

CITY COUNCIL FISCAL POLICY DISCUSSION AND DIRECTION:

Staff recommends the City Council discuss and provide direction on the following financial goals for 2023 to include:

- Continue the Council Policy of reserving $2 million annually for long-term capital replacements.
- Continue the Council Policy of maintaining a fully funded pension program.
- Continued progress on Public Safety and Capital Community Facilities Districts.
- Consider expanding the pension program, creating taxpayer savings, and lowering operating costs.
- Discuss the implementation of a new revenue measure designed to diversify revenue streams and recent increases in Police services.
- Discuss the use of RDA Loans repaid to the City.
- Any other City Council items for consideration

HOUSING AUTHORITY FISCAL POLICY DISCUSSION AND DIRECTION:

- Discuss the long-term funding needs of the Housing Authority.
- Complete a Capital needs assessment at the affordable housing communities.
- Any other Housing Authority items for consideration.

SUMMARY:

The Finance Department publishes the Financial Forecast each year in anticipation of the Council's Strategic Planning and Goal Setting meeting(s). The Forecast provides a financial outlook based on updated economic conditions, further discussed in this report. This report aims to assist the City Council and the Finance Committee in crafting the City's Strategic Goals that will be adopted into the upcoming biannual Fiscal Year 2023-25 budget.

Our analysis relies on a variety of assumptions about Indian Wells and its future tourism potential, revenues, and expenditures. Key assumptions include information gathered from national and local economic trends, forecasts from the Greater Palm Springs Convention and Visitors Bureau, tourism estimates from local Hotel and Tennis partners, projections from the State of California, the Desert Valley Builders Association, the County of Riverside, the Riverside County Sherriff Department, CAL Fire, and others. In addition, certain key expenditure assumptions are based on staff input, historical trends and five-year trailing averages, contracted professional services, and Memorandum of Understanding agreements.

Given ongoing concerns relating to the pandemic, plausible consumption of pent-up demand, escalating fuel prices, potential impacts of quantitative easing, and the long-term view of the economy, Indian Wells remains "optimistically cautious" and has taken a fiscally conservative approach to the following year's spending.

The estimates contained in this report are not definitive but reflect our best guidance to the City Council and the Finance Committee based on our professional assessments as of December 2022. As a result, the estimates are lower than our regular conservative estimates due to the heightened risk of an economic downturn and potential recession.

A fiscally conservative approach means we anticipate reducing the fiscal year 2023-24 General Fund expenditures by almost $30,000 net of inflationary impacts, increased administrative costs, and rising public safety services compared to the current year. The updated cash flows presented during strategic planning reflect the City's conservative nature - slower revenue growth has led to lower overall expenditures.

The cash flows, the economic outlook, and other data provided in this report are meant to serve as a barometer of the City's financial landscape in the coming year to eighteen months.

BACKGROUND:

In 2015, the City Council's top strategic goal was to create a financial strategy to improve the City's long-term financial position. Staff prepared the first-ever Annual Financial Forecast as part of the economic strategy. The City uses the Annual Financial Forecast to make budget decisions over future budget cycles.

To ensure the capacity to meet its long-term financial responsibilities, the City has developed a four-pronged approach: (1) pursue new economic development opportunities, (2) enhance current revenue streams, (3) enhance existing reserves, and (4) maintain fully funded pension obligations.

Financial communication with residents and other stakeholders is a fundamental Council Goal and top priority. Throughout the year, Council utilizes the following methods to keep residents fiscally informed:

1. Council meetings and study sessions to encourage public engagement.
2. Presentation of the financial Forecast during the Council's annual Strategic Planning sessions to encourage public engagement.
3. Finance Committee Meetings.
4. Presentation of the annual financial statements.
5. The City's website.
6. The Mayor's letter.
7. Fiscal update eblasts.
8. The Financial Primer mailer sent to all residents.
9. The Capital Improvements overview mailer sent to all residents.
10. Indian Wells Check Book on the City's website.
11. The Budget at a Glance mailer sent to all residents.
12. Resident meetings with the City's Finance Director.
13. Coffee with the City Manager.

Annual City Audits

Consistent with Good Governance practices and auditing standards established by the Government Finance Officers Association (GFOA), the City issues a Request for Proposal (RFP) for audit services every five years. In June 2022, the Finance Committee selected Davis Farr after completing an extensive interview process with multiple firms.

Davis Farr spent approximately 900 hours reviewing the City books and concluded that the City's internal controls and accounting procedures met all compliance requirements and testing procedures. As a result, Davis Farr issued an unmodified opinion on the City of Indian Wells Annual Financial Report for the fiscal year ending June 30, 2022. The unmodified opinion is the most favorable result any City can receive. In addition, the City's annual audit results provided no instances of material weaknesses in the internal control structure or violations of applicable laws and regulations.

The Finance Committee remains committed to improving the City's annual audit(s) quality. One area was focused on enhancing the audited review of operating procedures at the Golf Resort, Housing Authority, and tourism partners and implementing audited contract compliance with more prominent City vendors. These deeper dive audit(s) focus on reporting operational compliance, quality and quantity validations (did we get what we paid for), and financial

performance when appropriate. Vendor contract compliance audits are scheduled to begin in early 2023. Once completed, The City's Auditors will report the results of these new audits to the Finance Committee and then communicate to the full City Council.

Factors Affecting Financial Condition

Facing rising inflation, the Federal Reserve, tasked with maintaining stable price growth, has repeatedly enacted interest rate increases throughout 2022 to cool the economy and, in turn, slow inflation. The longer inflation persists, the higher the Federal Reserve will increase interest rates in response. The chance that the Federal Reserve can tame inflation without inducing a recession is narrow, especially with an inverted yield curve.

A yield curve inversion, when rates for two-year U.S. Treasury notes rise above those for 10-year notes, has preceded every recession since the 1960s. The first apparent inversion in 15 years happened in July 2022, although there were brief and shallow inversions in August 2019 and April 2022.

All of that is old news. What has happened since July is that the inversion, unlike all others since the early 1980s, has become more profound. The two-year yield is now almost 80 basis points, or 0.8 percentage points, higher than the 10-year yield. This inversion was only exceeded by 1978 to 1982 when the Federal Reserve chairman Paul Volcker ramped up benchmark rates to double digits to reverse high inflation at the cost of two long and deep recessions. Investors are naturally asking whether the next recession will be more prolonged and more profound than any of the previous 40 years.

Despite recent interest rate increases, inflation remains well above the Federal Reserve's stated stability goal. Further, factors that tend to predict future inflation—such as recent changes in consumer spending, incomes, and prices for food and energy—suggest that heightened inflation pressures could remain for some time. These observations indicate that the Federal Reserve will take additional steps to curb inflation in the coming months, raising the risk of a recession.

Before predicting disaster, remember that the current inversion is only 77 basis points, compared with the 241-basis-point peak in 1978-1980 and 170 basis points in 1980-1982. Additionally, federal rate increases of 124 basis points are well below the 194 basis points of 1978-1980, and the stock market decline of 14% is not as severe as the 18% of 1980-1982. So, while the signs are ominous, they're not yet at a level to expect Volcker Shock conditions.

A recession seems likely, but how disruptive it will be to Indian Wells isn't abundantly clear. Hotel revenues and occupancy are near record highs, and there is a clear indication that the March 2023 tennis tournament will return to pre-pandemic levels. Moreover, long-term forecasts provided by hotel partners anticipate continued growth through 2023. However, this could all change instantly if the national economy falls into a significant recession.

Why does Indian Wells care about the national economy? Tourism! During the fiscal year 2022, tourism revenues (transient occupancy tax, admissions tax, and a portion of sales tax) accounted for approximately 70.0% of all General Fund revenues.

Tourism significantly impacts the Leisure and Hospitality industries of the Coachella Valley; when the economy is in a recession, people travel less. While international tourism has yet to return to pre-pandemic levels in Southern California and the Coachella Valley, much of it has been compensated by Southern Californians traveling to the area even during hot months. Falling into a new recession will cut tourism from the rest of the U.S. and California.

Some early tourism reports indicate that economic concerns have replaced health as the main apprehension for summer and fall travel. Of course, financial concerns will cause some to stay home, but those who plan to travel are prepared to increase their budgets. Nearly three in 10 travelers plan to spend more than they did in 2019, and high airfares and hotel room rates are the number one reason why.

Displacing Tourism Vulnerability

Until March 2020, the United States was experiencing the longest economic expansion in the Country's history. The impact of COVID-19 caused many in the local tourism community financial hardship. The BNP Paribas Open was canceled the day before the tournament was set to begin. Soon after that, Governor Gavin Newsom issued the Stay-at-Home Order for all of California to help stop the spread of COVID-19.

The cancelation of the 2020 tennis tournament, Coachella and Stagecoach music festivals, and numerous conferences and seminars impacted the City's finances. As a tourist destination, Indian Wells depends on large-scale events and tourism dollars to support the local economy. These events are estimated to bring the region $1 billion in economic activity.

Healthy and robust economic conditions are the primary drivers for several of the City's revenues, with the most impacts in the transient occupancy tax, admissions tax, and sales tax categories. However, due to the COVID-19 pandemic and the necessary response to protect community health and safety, economic activity at the global, national, and local levels was restricted.

To compensate for vulnerability in the tourism marketplace, the City maintains large cash reserves, a fully funded pension, operates a robust grants program, and developed a new energy efficiency program anticipated to save taxpayers more than $12.0 million during the first 20 years of operation. Additionally, as development occurs, the City collects Developer Impact Fees to fund capital projects. The City has also formed Community Facility Districts (CFDs) to offset increasing Public Safety costs and is continually looking to expand or develop new City revenues.

Maintaining Strong Cash Reserves:

Today, Indian Wells has capital reserves of $25.5 million, which is part of nearly $50.0 million in cash reserves held by the City, as shown in the table below.

The City Council established long-term capital replacement funds in the fiscal year 2011/12 as a part of a good governance strategy. Capital replacement Funds provide the funding necessary to construct capital improvement projects identified in the capital budgeting process.

The City reserves approximately $2.0 million annually as a part of the Budget. Identified funding sources in each category are used either to contribute to the annual reserve amount or fund annual capital expenditures, thereby reducing the yearly reserve amount.

Cash Available to the General Fund (as of June 30, 2022)	
General Fund	12,086,056
Golf Resort Operations	1,774,370
Internal Service Funds	1,611,211
Disaster Recovery Fund	142,129
Capital Fund	8,773,144
Capital Reserves	25,490,376
Total	**49,877,286**

City Pension Policy:

In 2017, the City Council elected to pay off the City's unfunded pension liability. Paying off the unfunded liability saved taxpayers $200,000 in annual pension payments, equal to $6.0 million during the initial CalPERS thirty-year amortization period.

Consistent with Council expectations, the City has maintained a fully funded pension program since 2017. As of June 30, 2022, the City's net pension (asset) was $6.4 million, and the net Other Post Employment Benefit Plan, OPEB (asset) was $2.2 million. These pension and OBEB assets are purposeful and have prepared the City well for the current market downturn.

City Grant Funding:

The City seeks out, applies for, and effectively administers Federal, State, and other grants that address the City's priorities and policy objectives and provide a positive benefit to the City.

Before any grant is pursued, the Staff develops a detailed Pro-forma that addresses the City's immediate and long-term costs and benefits. One-time operating grant revenues are not used to begin or support the costs of ongoing programs apart from pilot projects to determine their suitability for long-term funding.

To date, the City has sought twenty grants worth $7.4 million. Of this amount, the has approved funding in the amount of $2.9 million, with the remainder still pending approval. A detailed schedule of Grant Funding is attached (Attachment #1). Remember, those new grant opportunities are constantly under review, and the attached table marks a point in time.

Capital Improvement Projects Funding:

Capital budgeting is a fundamental part of the budgetary process at the municipal level. Municipalities employ it to plan, control, and allocate resources among competing demands. In addition, efforts to improve government efficiency have spurred interest in tools that help public officials make better capital investment decisions. As a result, the capital budgeting process is a vital part of financial planning and decision-making, especially regarding the development, construction, and acquisition of new capital facilities and maintenance of existing capital facilities.

The City Council developed the four initiatives below during the initial development of the current Capital Improvement Plan.

- Maintain healthy, vibrant, and water conscience landscaping.
- Maintain a City Average Pavement Condition Index of seventy-five points or higher.
- Systematically remove and replace trees Citywide.
- Perform annual sidewalk repairs to remove tripping hazards.

Individual projects are compiled, summarized, and identified to the various funding sources, including existing fund balances, projected revenues, developer fees, grants, and interfund loans. Once completed, capital improvements shall be maintained at the level needed to adequately protect the City's capital investment and minimize future replacement costs.

The updated Fiscal Year 2022-23 City capital improvement plan is budgeted at $17.6 million. The City will use $9.7 million of bond proceeds. Developer fees will pay the related debt service.

To the extent possible, the City uses grant funding to develop capital projects. Approximately $7.6 million will come from alternative funding sources such as Capital Grants, State Energy Funding, Housing, insurance proceeds, and FEMA funds. Finally, the City will use $0.3 million of General Fund money to purchase the police motorcycle and qualify for RMRA maintenance of effort (MOE) requirements necessary for State funding.

New energy efficiency program:

The City has devoted $11.1 million to the Renewable Energy Generation Program and Pavilion Energy Efficiency projects. As a result, the City anticipates that energy cost savings will total an estimated $12.0 million (net of original installation costs) in the first 20 years of its lifecycle.

Other Funding Sources Coming to the City

Developer Impact Fees:

Local agencies commonly impose development impact fees (DIFs) on new developments as a precondition in the development application process. Revenues generated by DIF programs must be used to fund the cost of the expanded capacity of public facilities and infrastructure necessary to mitigate the impacts of new development and assure that new developments pay for their share of capital costs associated with growth.

The City recently reviewed its collection of DIF fees, ensuring they are current and reflect the City's needs. The goal of the DIF study is to ensure the City is collecting the proper amount based on its updated needs.

Updating the DIF fees led to the creation of two new fee categories, a recreation fee and the return of the storm drain fee. Over time, these new funding sources will provide the capital necessary for the Indian Wells Golf Resort. A recent project example is the Golf Resort's implementation of the new Toptracer program at the driving range.

New Developer Fee Funds:

- *Recreation Facilities*: The City has improved the City-owned municipal golf course. As new developments occur, the City will need to make additional improvements to the golf course as demand for the use of the facility increases. The recreation facilities fee is calculated, so that new residential and hotel developments contribute to capacity-expanding improvements at the golf course at the same standard.

- *Storm drains facilities*: As new development occurs; it generates impervious surfaces that create storm runoff. Therefore, new storm drains are needed to mitigate the runoff created by new development. This fee was calculated to ensure that new development contributes to storm drain infrastructure at the same level of service currently in the City.

General Fund Loans Update:

Beginning in July 2021, the City's General Fund started collecting $17.7 million in interfund loans between the City and the former Redevelopment Agency. The City has received $3.6 million in

total loan payments and approval from the Riverside County Oversight Board for another $2.6 million.

The interfund loan and the corresponding loan payments below do not appear on the City's Profit and Loss (P&L) cashflows. The interfund loan is a General Fund balance sheet asset. Loan payments received by the City increase cash and decrease the amount of the loan outstanding, as shown in the table below.

Successor Agency Loan Repayments (as of June 30, 2022)

Fiscal Year	Original Loan Amount - General Fund Receivable	Whole Payments made to City	City 20% Contributions to the Housing Authority	Net Payments Held by the City	Status
	17,739,192				
2022	16,400,000	1,339,192	267,838	1,071,354	Paid
2023	14,187,226	2,212,774	442,555	1,770,219	Paid
2024	11,600,000	2,587,226	517,445	2,069,781	Approved
2025	8,850,000	2,750,000	550,000	2,200,000	Estimated
2026	6,000,000	2,850,000	570,000	2,280,000	Estimated
2027	3,000,000	3,000,000	600,000	2,400,000	Estimated
2028	-	3,000,000	600,000	2,400,000	Estimated
Total		**17,739,192**	**3,547,838**	**14,191,354**	

Under the law, the Housing Authority will receive 20% of the interfund loan for operational costs such as administrative costs, funding homelessness organizations, and the future affordable housing project.

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necessary for the Indian Wells Golf Resort. A recent project example is the Golf Resort's implementation of the new Toptracer program at the driving range.

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- *Storm drains facilities*: As new development occurs; it generates impervious surfaces that create storm runoff. Therefore, new storm drains are needed to mitigate the runoff created by new development. This fee was calculated to ensure that new development contributes to storm drain infrastructure at the same level of service currently in the City.

Introduction to Community Facilities Districts:

The City is collaborating with developers to implement Community Facilities Districts to support City services and maintain infrastructure. Community Facilities Districts ("CFDs"), also known as Mello-Roos Districts, are special tax districts created through the Mello-Roos Community Facilities Act of 1982 to obtain additional public funding and financing for numerous services and infrastructural improvements by imposing special taxes on the property.

Any public agency with authority to provide public services and facilities may form a CFD. Cities, counties, school districts, and special districts are typical partners in this collaboration. Thousands of CFDs are created in California to fund billions in public infrastructure. CFDs can be used to support ongoing operations or to fund capital acquisition costs.

New Indian Wells Public Safety CFD:

In 2022, the City formed the "Indian Wells Community Facilities District No. 2023-1 (Public Safety)" CFD to pay for expanding public safety costs. The concept of the CFD allows new developers to pay their rightful fair share of public safety costs without burdening existing property owners.

The CFD is not a levy or a tax on existing homeowners; rather, it affects development projects as they are constructed at vacant sites along Highway 111 and Miles Avenue. Developers and, ultimately, the end users will pay the City a unique public safety fee to cover the increased public safety costs associated with their specific development. The CFD levy applies to hotels, short-term rentals, retail properties, and permanent residential properties.

Final approval of the CFD is subject to Genton or Brixton development agreements— whichever is approved first—by the Council. Implementation of the CFD district is expected in the fiscal year 2023-24.

Special CFDs for Capital Construction:

A CFD may be the most optimal financing structure to meet the construction, services, and maintenance goals in neighborhoods where a superior level of development is desirable to either improve upon outdated public services and facilities or in newly developing areas that need to secure capital to build out the necessary services and infrastructure. In addition, the flexibility of a CFD allows for unlimited opportunities in shaping and reshaping neighborhoods through a special tax levied against the property of residents living in a CFD district.

Capital Projects (Lifespan of Over 5 Years)

- Park, recreation, and open space facilities.
- Infrastructural improvements, such as but not limited to roads, bridges, water systems, and sewage systems.
-

Opportunities to Develop New Revenue

To the extent possible, Indian Wells should work to diversify its revenue streams. The concept of revenue diversity seeks to stabilize base revenue growth in all types of markets. The idea is never to be too dependent on any one source of income so that operations are flexible and financially stable. This stems from the maxim that "*investors can maximize the expected return rate and minimize risk by choosing the right combinations of various assets*."

In addition to revenue diversification, another reason to consider new revenue development is the recent increase in police services. During 2022, the City added a new patrol position increasing police service costs by roughly $1.2 to $1.5 million annually, about 37%.

To diversify revenue and offset the additional police service costs, the City could consider any other revenue opportunities. Some examples to consider are listed in the table below.

New Revenue Opportunities			
Revenue Description	Recommended Action	Annual Financial Benefit	Comments
Sales Tax Measure	Propose a 1% Sales Tax Measure	1,500,000	This has been a common practice since the dissolution of Redevelopment. Five other Valley Cites have passed similar Measures with success.
General Parcel Tax	Propose a $25 per month General Parcel Tax	1,500,000	As a General Tax - the Ballot Measure would need 50% plus one vote to pass
Special Police Services Tax	Propose a $25 per month Special Police Services Tax	1,500,000	As a Special Tax - the Ballot Measure would need 66% to pass. However, because it is a special Tax, the City could set the annual increase of the Tax to equal the yearly percentage of Police Service increase.

By example only: A sales tax initiative would broaden Indian Wells tax collections and minimize revenue impacts during an economic downturn. In addition to an increase in existing sales, the City would begin collecting sales tax on vehicle purchases registered with an Indian Wells address regardless of where the vehicle was purchased.

The cities of Coachella, Indio, La Quinta, Cathedral City, and Palm Springs have passed similar sales tax initiatives. All of them have reported positive experiences with their public engagement process and the results of the new tax.

Specific to Indian Wells, a potential sales tax increase primarily focuses on tourists, generating about 80% of the sales tax paid to the City. Staff anticipates that approximately $1.2 million of the expected $1.5 million in new tax revenue will be generated by people living outside the City.

This means about 20% of the additional tax, roughly $0.3 million, would impact Indian Wells residents primarily in the form of food and beverage sales as California law prohibits most groceries, prescription medicine, and specific medical devices from sales and use taxes. However, arguments could also be made that many residents may already be subjected to the tax if they shop or dine in the other desert cities listed above.

Updated Ten-Year Financial Forecast: January 2023

The ten-year Forecast is an essential metric used by the Council during strategic planning. It supports the decision-making process for continued economic development by driving new revenues to the City and is updated for each new strategic planning session.

The ten-year Forecast is updated to include the fiscal year 2022/23 budget and projections over the next nine years. In addition, a column summarizing the Forecast's long-term expectations was added to increase operating transparency.

The attached forecast tables (Attachment #2) detail the revised revenue and expenditure gaps. The application of various citywide cost-saving measures is incorporated into the Gap Analysis. Implementation of revenue opportunities and cost-saving measures have eliminated the overall funding shortfall from the ten-year Gap Analysis.

Due to the resurgence in tourism during the first half of the fiscal year 2022-23, Staff has forecast General Fund revenues to $20.6 million, recognizing an increase of $0.5 million compared to the Budget. Although spending has been modest, General Fund expenditures remain budgeted at $20.1 million. As a result, the General Fund's re-forecasted total surplus is $0.5 million.

Indian Wells Housing Authority Finance Update

Indian Wells Housing Authority was created to promote and encourage affordable housing units' retention, rehabilitation, and development. Since its inception in 2012, the Housing Authority has purposely reserved funds to construct affordable housing communities to maintain RHNA compliance and reserve funds in the Mountain View and Indian Wells Villas Funds to maintain quality of life issues for the affordable housing residents in our charge. The attached forecast tables (Attachment #3) detail the revised revenue and expenditure gaps.

The Housing Authority includes three primary programs:

Housing Authority General Operations – Approves general operating expenditures for staff salaries and benefits, professional services such as annual audits and legal counsel, insurance premiums, and contributions to homelessness services.

Indian Wells Villas – The Indian Wells Villas Fund account for the rents, operations, and capital investment of the Indian Wells Villas affordable housing project within the City. The Indian Wells Villas project is a 90-unit residential senior affordable housing community. This project is located along the North side of Highway 111 at the intersection of Village Center Drive.

Mountain View Villas –The Mountain View Villas Fund accounts for the rents, operations, and capital investments of the Mountain View Villas affordable housing project within the City. The Mountain View Villas project is a 128-unit residential senior affordable housing community. This project is located along the North side of Highway 111 at the intersection of Mountain Cove Drive.

As of June 30, 2022, the combined cash balances of the Housing Authority reached $19.3 million for these purposes.

Affordable Housing Community	Cash Balances June 30, 2022
Housing Authority	14,026,463
Mountain View Villas	3,341,146
Indian Wells Villas	1,925,110
Total Cash	19,292,719

Housing Authority Projects:

- In November 2022, the Housing Authority loaned the City $12.1 million to acquire approximately 34 acres of land to develop 223 units of affordable housing, associated recreational amenities, and open space. The loan is to be repaid, with interest, less the cost of acquiring land for affordable housing and related improvements.

- In May 2022, the Housing Authority identified capital repair needs at Indian Wells and Mountain View Villas. Repairs have included: landscape replacement, irrigation & valve cover repairs, sidewalk and common area concrete repairs, clubhouse and pool area repairs, lighting improvements, and energy generation repairs. Repairs began in June 2022; through November 2022, the Housing Authority has spent $131,722 on capital repairs at Mountain View Villas and $146,662 at Indian Wells Villas.

Due to the age of both housing properties, Housing staff recommends a comprehensive capital needs assessment to be conducted at Indian Wells and Mountain View Villas in 2023 to develop a five-year Capital Improvement Program.

Loss of ongoing revenue in the Housing Authority Fund:

Funding to operate the Housing Authority is derived from two primary sources, Supplemental Education Revenue Augmentation Funds (SERAF) payments from the former Redevelopment Agency and twenty percent (20%) set aside contributions from the City's General Fund for loan payments received from the former Redevelopment Agency (RDA). SERAF payments totaling $11.5 million ended in 2022.

In July 2021, the City's General Fund started collecting $17.7 million in interfund loans between the City and the former Redevelopment Agency under the dissolution of Redevelopment. Under State law, the Housing Authority will receive 20% of the interfund loan repayments to further affordable housing project-related needs. Since 2021, the Housing Authority has received $0.7 million in total contributions, with an additional $2.8 million still due to the Housing Authority. Payments are set to conclude in 2028. A schedule of the former Redevelopment Agency (Successor Agency) Loans is attached (Attachment #4).

All payments received by the Housing Authority are scheduled to end by 2028. However, identifying a revenue source to serve the Housing Authority funding after 2028 still needs to be seen. With the loss of redevelopment in 2012, cities lost a funding mechanism for affordable housing projects. Cities are working with state legislators to advocate for funding tools to meet reasonable housing needs.

ATTACHMENTS:

1. Grant Funding Detail
2. City Financial Forecasts
3. Housing Financial Forecasts
4. City and Housing Loan Payment schedule

ATTACHMENT #1

Grant and Other Funding Opportunities

January 12, 2023

	Project Description	Grant Applications	Approved or Denied	Grant Amount Approved	Received or Anticipated	City Portion (if Required)
1	FEMA - East & West Drop Structure (reimbursement)	2,173,742	Pending	-	Construction late 2023	-
2	Urban Community Drought Relief - Pending	2,000,000	Pending	-	Construction late 2023	500,000
3	FEMA- Miles Bridge (reimbursement)	656,640	Approved	656,640	Received	-
4	Prop 68 Floodplain Mgmt. - Low Flow Channel - Awarded	600,000	Approved	600,000	Construction 2024	-
5	Sale of Imported Material to Housing Property	360,000	Approved	360,000	Received	-
6	SCE Charge Ready - Approved	250,000	Approved	250,000	Construction late 2023	-
7	SS4A - Pending	250,000	Pending	-	Expect to start 2024	50,000
8	Cal Recycle Grant	204,000	Approved	204,000	Payment expected June 2023	-
9	Prop. 68 Park Grant-Passive Park	177,952	Approved	177,952	Payment expected June 2023	-
10	SB2 Planning Grants Award	160,000	Approved	160,000	Payment expected December 2023	-
11	Sale of SCE Rule 20a Credits	146,000	Approved	146,000	Received	-
12	Sale of Imported Material to Housing Property	103,158	Approved	103,158	Received	-
13	Tourism Foundation Grant	99,285	Approved	99,285	Received $49,643 remainder -June 2023	
14	LEAP Grant	65,000	Approved	65,000	Payment expected December 2023	-
15	MSRC Charging Station	50,000	Approved	50,000	Payment expected June 2023	-
16	Cal Recycle (Rubberized Pavement)- Awarded	23,240	Approved	23,240	Post Construction	-
17	SB1383 Local Assistance Grant - Awarded	20,534	Approved	20,534	Received	-
18	Ca Census Grant	7,500	Pending	-	Unknown	-
19	EMPG Grant	6,000	Pending	-	Unknown	-
20	PEG Grant	1,000	Pending	-	Unknown	-
	Total	7,354,051		2,915,809		550,000

General Fund Forecast

Updated January 2023

The General Fund is the primary fund of the City. As shown in the table below, the fiscal year 2023 estimate anticipates an operating surplus of $498,032. The forecast incorporates additional tourism revenues received during the first half of the fiscal year. During the fiscal year 2023, police costs increased more than thirty-seven percent (37%) due to the acquisition of additional patrol services and escalating labor costs. As forecasted, police costs are expected to grow seven percent (7%) per annum based upon recent discussions with the County of Riverside and the Sherriff's Department. As the Financial Forecast Report explains, expanding existing revenues and developing new ones is essential to offset escalating public safety costs.

Table 1 provides an updated forecast of future General Fund revenues and expenditures.

Table 1: 10-year General Fund Surplus/(Gap) Forecast

ACCOUNT TYPE	2023B	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	TOTAL
General Fund Revenues	**20,605,680**	**21,352,981**	**22,079,519**	**22,831,647**	**23,610,288**	**24,416,398**	**25,250,970**	**26,115,031**	**27,009,648**	**27,935,926**	**241,208,088**
Annual % Change	-18.5%	3.6%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	
General Fund Expenditures	**20,107,648**	**20,080,276**	**20,864,575**	**21,688,001**	**22,552,881**	**23,461,692**	**24,417,076**	**25,421,845**	**26,478,997**	**27,591,728**	**232,664,719**
Annual % Change	13.0%	-0.1%	3.9%	3.9%	4.0%	4.0%	4.1%	4.1%	4.2%	4.2%	
Total Surplus/(GAP)	**498,032**	**1,272,705**	**1,214,944**	**1,143,646**	**1,057,407**	**954,706**	**833,894**	**693,186**	**530,651**	**344,198**	**8,543,368**

Indian Wells Golf Resort Forecast

Updated January 2023

The City will hold a special study session specifically for the Golf Resort in light of the results of the Golf Resort Master Plan. The Council requests community input to shape the future of the Golf Resort. The date of the study session is scheduled for March X, 2023. For presentation purposes today, the Golf Resort forecast was updated with the adopted fiscal year 2022-23 budget, and anticipated capital spending was changed to equal the surplus before capital.

Table 2 provides an updated forecast of future Golf Resort revenues and expenditures.

Table 2: 10-year Golf Resort Surplus/(Gap) Forecast

ACCOUNT TYPE	2023B	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	TOTAL
Golf Resort Expected Revenues (IWGR Ops Only)	**17,008,525**	**17,705,875**	**18,431,815**	**19,187,520**	**19,974,208**	**20,793,151**	**21,645,670**	**22,533,142**	**23,457,001**	**24,418,738**	**205,155,645**
Annual % Change	-7.0%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	
Golf Resort Expected Expenditures (IWGR Ops Only)	**15,998,614**	**16,638,559**	**17,304,101**	**17,996,265**	**18,716,116**	**19,464,760**	**20,243,351**	**21,053,085**	**21,895,208**	**22,771,016**	**192,081,074**
Annual % Change	3.3%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
Operating Surplus/(GAP - IWGR Ops Only)	**1,009,911**	**1,067,316**	**1,127,714**	**1,191,255**	**1,258,093**	**1,328,390**	**1,402,319**	**1,480,058**	**1,561,793**	**1,647,722**	**13,074,571**
Golf Resort Expected Revenues (City Only)	**128,080**	**130,642**	**133,254**	**135,920**	**138,638**	**141,411**	**144,239**	**147,124**	**150,066**	**153,067**	**1,402,440**
Annual % Change	-88.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Golf Resort Expected Expenditures (City Only)	**500,301**	**512,908**	**525,737**	**538,900**	**552,405**	**566,261**	**580,478**	**595,066**	**610,034**	**625,393**	**5,607,484**
Annual % Change	21.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Operating Surplus/(GAP -City Only)	**(372,221)**	**(382,266)**	**(392,483)**	**(402,981)**	**(413,767)**	**(424,851)**	**(436,239)**	**(447,942)**	**(459,968)**	**(472,325)**	**(4,205,044)**
Operating Surplus/(GAP) Total of IWGR Ops + City Before Capital)	**637,690**	**685,050**	**735,232**	**788,274**	**844,326**	**903,540**	**966,080**	**1,032,115**	**1,101,825**	**1,175,396**	**8,869,528**
Golf Resort Capital Improvements	**637,690**	**685,050**	**735,232**	**788,274**	**844,326**	**903,540**	**966,080**	**1,032,115**	**1,101,825**	**1,175,396**	**8,869,528**
Total Surplus/(GAP - Total)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Fire Services Fund Forecast

Updated January 2023

The Fire Services Fund is used exclusively to provide fire and emergency medical-related services. The Fund revenues include a special assessment on property tax collections, Riverside County Fire Tax Credit contribution, and a medical insurance billing program. The medical insurance billing program is projected to increase to $0.6 million based on existing medical call volumes. The trend for the Fire Services Fund has improved with the implementation of the medical insurance billing program. The forecast incorporates a six percent (6%) increase for fire services annual increase based on discussions with CalFire personnel.

Table 3 provides an updated forecast of future Fire services revenues and expenditures.

Table 3: 10-year Fire Services Fund Surplus/(Gap) Forecast

ACCOUNT TYPE	2023B	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	TOTAL
Fire Services Fund Revenues	**5,682,457**	**5,878,498**	**6,104,189**	**6,338,895**	**6,582,987**	**6,836,850**	**7,100,883**	**7,375,504**	**7,661,149**	**7,958,270**	**67,519,681**
Annual % Change	9.3%	3.4%	3.8%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	
Fire Services Fund Expenditures	**4,577,853**	**4,924,574**	**5,207,422**	**5,506,911**	**5,824,031**	**6,159,831**	**6,515,421**	**6,891,979**	**7,290,754**	**7,713,068**	**60,611,843**
Annual % Change	7.2%	7.6%	5.7%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	
Total Surplus/(GAP)	**1,104,604**	**953,925**	**896,767**	**831,984**	**758,956**	**677,019**	**585,462**	**483,525**	**370,395**	**245,202**	**6,907,839**

Consolidated Financial Forecast

Updated January 2023

Combining all funds provides a point-in-time forecast of the City's overall fiscal future. Based on the revised forecast, the cash flow has remained positive. Still, compared to the prior year, lower revenue expectations and increased police services have reduced the anticipated General Fund surplus over the next decade by $17.0 million. As the Financial Forecast Report explains, expanding existing revenues and developing new ones is essential to offset escalating public safety costs.

Table 4 combines the net change for the four tables presented.

Updated Financial Analysis

Table 4: 10-year All Funds Surplus/(loss) Forecast

ACCOUNT TYPE	2023B	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	TOTAL
General Fund	498,032	1,272,705	1,214,944	1,143,646	1,057,407	954,706	833,894	693,186	530,651	344,198	8,543,368
Golf Resort											
IWGR Operations Only	1,009,911	1,067,316	1,127,714	1,191,255	1,258,093	1,328,390	1,402,319	1,480,058	1,561,793	1,647,722	13,074,571
City Only	(372,221)	(382,266)	(392,483)	(402,981)	(413,767)	(424,851)	(436,239)	(447,942)	(459,968)	(472,325)	(4,205,044)
Subtotal (Before Capital)	637,690	685,050	735,232	788,274	844,326	903,540	966,080	1,032,115	1,101,825	1,175,396	8,869,528
Capital	(637,690)	(685,050)	(735,232)	(788,274)	(844,326)	(903,540)	(966,080)	(1,032,115)	(1,101,825)	(1,175,396)	(8,869,528)
Golf Resort (Includes Capital)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fire Services	1,104,604	953,925	896,767	831,984	758,956	677,019	585,462	483,525	370,395	245,202	6,907,839
Net change in Fund Balance	**1,602,636**	**2,226,630**	**2,111,710**	**1,975,629**	**1,816,363**	**1,631,725**	**1,419,356**	**1,176,712**	**901,046**	**589,400**	**15,451,207**

INDIAN WELLS VILLAS

	2023B	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Beginning Cash Balance	1,925,110	925,110	925,110	925,110	925,110	925,110	925,110	925,110	925,110	925,110
Revenues										
Investment Earnings	48,128	23,128	23,128	23,128	23,128	23,128	23,128	23,128	23,128	23,128
Rental Income - Sr Housing	859,372	876,560	894,091	911,973	930,212	948,817	967,793	987,149	1,006,892	1,027,030
Total Revenues	**907,500**	**899,688**	**917,219**	**935,101**	**953,340**	**971,944**	**990,921**	**1,010,277**	**1,030,020**	**1,050,157**
Expenditures										
Operating Cost	665,242	695,178	726,461	759,152	793,313	829,013	866,318	905,302	946,041	988,613
Capital Repairs & Maint	242,258	204,510	190,758	175,949	160,027	142,932	124,603	104,974	83,979	61,545
Total Expenditures	**907,500**	**899,688**	**917,219**	**935,101**	**953,340**	**971,944**	**990,921**	**1,010,277**	**1,030,020**	**1,050,157**
Net Surplus / (loss)	-	-	-	-	-	-	-	-	-	-
Transfer out	1,000,000									
Ending Cash Balance	925,110	925,110	925,110	925,110	925,110	925,110	925,110	925,110	925,110	925,110

MOUNTAIN VIEW VILLAS

	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Beginning Cash Balance	3,341,146	941,146	941,146	941,146	941,146	941,146	941,146	941,146	941,146	941,146
Revenues										
Investment Earnings	83,529	23,529	23,529	23,529	23,529	23,529	23,529	23,529	23,529	23,529
Rental Income - Sr Housing	1,288,418	1,314,186	1,340,470	1,367,280	1,394,625	1,422,518	1,450,968	1,479,987	1,509,587	1,539,779
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Revenues	**1,371,947**	**1,337,715**	**1,363,999**	**1,390,808**	**1,418,154**	**1,446,046**	**1,474,497**	**1,503,516**	**1,533,116**	**1,563,307**
Expenditures										
Operating Cost	925,975	967,644	1,011,188	1,056,691	1,104,242	1,153,933	1,205,860	1,260,124	1,316,830	1,376,087
Capital Repairs & Maint	445,972	370,071	352,811	334,117	313,911	292,113	268,636	243,392	216,286	187,221
Total Expenditures	**1,371,947**	**1,337,715**	**1,363,999**	**1,390,808**	**1,418,154**	**1,446,046**	**1,474,497**	**1,503,516**	**1,533,116**	**1,563,307**
Net Surplus / (loss)	-	-	-	-	-	-	-	-	-	-
Transfer out	2,400,000									
Ending Cash Balance	941,146	941,146	941,146	941,146	941,146	941,146	941,146	941,146	941,146	941,146

HOUSING AUTHORITY

	2023B	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Beginning Cash Balance	14,026,463	2,446,460	1,918,343	1,435,280	985,071	577,789	183,783	143,377	101,962	59,511
Revenues										
Investment Earnings	350,662	61,161	47,959	35,882	24,627	14,445	4,595	3,584	2,549	1,488
ROPS - City Loan 20% Contribution	442,555	517,445	550,000	570,000	600,000	600,000	-	-	-	-
Total Revenues	**793,216**	**578,607**	**597,959**	**605,882**	**624,627**	**614,445**	**4,595**	**3,584**	**2,549**	**1,488**
Expenditures										
Administration	883,220	856,723	831,022	806,091	781,908	758,451	25,000	25,000	25,000	25,000
Land Acquisition	12,140,000									
Channel Lining Improvements	2,500,000									
Homelessness Contributions	250,000	250,000	250,000	250,000	250,000	250,000	20,000	20,000	20,000	20,000
Total Expenditures	**15,773,220**	**1,106,723**	**1,081,022**	**1,056,091**	**1,031,908**	**1,008,451**	**45,000**	**45,000**	**45,000**	**45,000**
Net Surplus / (loss)	(14,980,004)	(528,117)	(483,063)	(450,209)	(407,282)	(394,006)	(40,405)	(41,416)	(42,451)	(43,512)
Transfer in	3,400,000									
Ending Cash Balance	2,446,460	1,918,343	1,435,280	985,071	577,789	183,783	143,377	101,962	59,511	15,999

Successor Agency Loan Repayments (as of June 30, 2022)

Fiscal Year	Original Loan Amount - General Fund Receivable	Whole Payments made to City	City 20% Contributions to the Housing Authority	Net Payments Held by the City	Status
	17,739,192				
2022	16,400,000	1,339,192	267,838	1,071,354	Paid
2023	14,187,226	2,212,774	442,555	1,770,219	Paid
2024	11,600,000	2,587,226	517,445	2,069,781	Approved
2025	8,850,000	2,750,000	550,000	2,200,000	Estimated
2026	6,000,000	2,850,000	570,000	2,280,000	Estimated
2027	3,000,000	3,000,000	600,000	2,400,000	Estimated
2028	-	3,000,000	600,000	2,400,000	Estimated
Total		**17,739,192**	**3,547,838**	**14,191,354**	

Indian Wells Housing Authority

February 1, 2023

STAFF REPORT

To: Housing Authority

From: City Manager Department

Prepared by: Christopher Freeland, City Manager

Subject: **2023 Housing Authority Strategic Planning Session**

RECOMMENDED ACTION:

Housing Authority **REVIEWS, DISCUSSES,** and provides **DIRECTION** on the 2023 Housing Goals.

Housing Authority Policy Discussion and Direction

Staff recommends the Housing Authority discuss and provide direction on the following goals for 2023 to include:

- Continuing working with De Novo Planning to process the City's Housing Element through final review and certification with HCD by April 2023.
- Continue the partnership with the City of Indian Wells and other stakeholders in the completion of the channel improvements to allow for development of affordable housing units along Highway 111 adjacent to Mountain View Villas with Abode Communities.
- Continue efforts to monitor and report back the legal efforts to acquire the 34-acre site at the northeast corner of Miles and Warner Trail for the future development of additional affordable housing units.
- Authorize the Housing Authority Director to develop a Request for Proposal (RFP) for new Property Management services at Indian Wells Villas and Mountain View Villas.
- Complete an assessment of maintenance and capital needs for both Mountain View and Indian Wells Villas in 2023.
- Housing Authority to provide any further discussion and direction on housing related initiatives for 2023.

Housing Element Update

The City, along with a majority of California cities, is still in the process of certifying its Housing Element through the State Department of Housing and Community Development (HCD). The following is an outline of the process to date:

- Submitted Draft Housing Element to HCD on December 3, 2021
- Received comments on January 31, 2022
- Planning Commission Public Hearing on May 18, 2022 (Recommended Approval)
- City Council Public Hearing in June 2022 (Adopted)
- Adopted Housing Element was sent to HCD for a second review June 2022.
- Received comments on August 12, 2022.
- Submitting revised Housing Element to HCD for 3rd review February 2023.

City staff and the Housing Consultant, DeNovo Planning Group, continue working diligently toward resolving HCD's concerns. The City's latest update to the Housing Element must incorporate new housing initiatives and programs to address HCDs latest comments, including:

- Address issues related to affirmatively furthering fair housing (AFFH) with goals and actions to overcome patterns of segregation and foster more inclusive communities.
- Address radically concentrated areas of affluence.
- Address disparities in access to transportation opportunities.
- Include actions to amend unit size, height limit, and parking requirements.
- Increase allowable densities through the General Plan Update.
- Include commitment to allow group homes for seven or more persons in all residential zones, consistent with State law.
- Identify commitments with discrete timelines regarding how often the City will apply for alternative funding.
- Include commitment to reach out to non-profit developers at least bi-annually to support persons with developmental disabilities.
- Include table quantifying the number of housing units within the City by socio-economic conditions and locations.

Without a certified Housing Element, the City's General Plan is at risk of being deemed inadequate, and therefore invalid. If a jurisdiction is sued over an inadequate General Plan,

the court may impose requirements for land use decisions until the jurisdiction brings its General Plan—including its Housing Element—into compliance with State law. A Housing Element is considered out of compliance with State law if one of the following applies:

1. It has not been revised and updated by the statutory deadline, or
2. Its contents do not substantially comply with the statutory requirements.

Over the years, the State has steadily increased the penalties for not having a legally compliant Housing Element, and this trend is expected to continue. Some example repercussions include but are not limited to:

1. Loss of Permitting Authority: The court may suspend the locality's authority to issue building permits or grant zoning changes, variances, or subdivision map approvals.
2. Lawsuits: Developers and advocates may sue jurisdictions if their Housing Element is not compliant with State Law. There are several potential consequences of being sued, including:
    - Mandatory compliance – The court may order the community to bring the Element into compliance within 120 days.
    - Court approval of housing developments – The court may step in and approve housing projects, including large projects that may not be desirable to the community.
    - Fees – If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees paid to its own attorneys.
3. Streamlined Ministerial Approval Process: Proposed developments in localities that have not yet made sufficient progress towards their RHNA allocation are now subject to less rigorous "ministerial" approvals to streamline the production of housing and bring a jurisdiction into compliance with its RHNA.
4. Court Receivership: Courts may appoint an agent with all powers necessary to remedy identified housing element deficiencies and bring the jurisdiction's housing element into substantial compliance with housing element law.
5. Financial Penalties: Local governments are subject to court-issued judgements directing jurisdictions to bring a housing element into substantial compliance with state housing element law. If a jurisdiction's housing element continues to be found out of compliance, courts can fine jurisdictions up to $100,000 per month.

Affordable Housing Property Update

The City's Housing Authority currently holds title on two age-restricted affordable housing properties totaling 218 rental units. Indian Wells Villas was constructed in 1996 and consist of 90 one-bedroom units located on the western end of the City at 74800 Village Center Drive. It has affordability covenants recorded with the County of Riverside that are set to expire 2031. Mountain View Villas was constructed in 2004 and consists of 97 one-bedroom units and 31 two-bedroom units located on the eastern end of the City at 78000 Betty Barker Way. It has affordability covenants recorded with the County set to expire 2036. The Authority has a current agreement with Winn Residential to manage both properties in accordance with established regulatory agreements.

The Housing Authority also currently owns a 10.8-acre vacant site along HWY 111, just west of Mountain View Villas and south of the Whitewater River Channel. In October 2020, the Housing Authority entered into an Exclusive Negotiating Agreement (ENA) with Abode Communities for the design and development of a future affordable housing project on the Housing Authority site. However, to build upon the site, the adjacent channel levee needs to be armored (concrete lining) to prevent erosion and scour damage to the site, which would jeopardize the integrity of future structures and hardscape improvements. The required channel improvements have stalled-out the progress of the future affordable housing project with Abode, and consequently, the Housing Authority granted Abode an extension to the ENA in October. The channel lining project is currently in design with construction targeted to begin at the end of this year, with a completion date in 2024. Once the design work for the channel is complete, we will have a better understanding of the available pad area for the future affordable housing project, which will allow Abode to move forward with its design work.

In addition to the Highway 111 affordable housing site, the City has initiated the acquisition of a vacant 34-acre site at the northeast corner of Miles and Warner Trail. At this time there is no additional information when that property may be acquired and is thus not part of this year's strategic planning session. Staff and the City Attorney's Office will continue to monitor the acquisition process and report back at a later date for further discussion.

Existing Property Management, Maintenance, and Improvements

The following is a summary of the property management and associated maintenance and improvement projects that were performed at the two housing properties over the last year.

From April through August of 2022, general improvements to the pool area of Mountain View Villas were made, including repairing locks, replacing signage, removing plants, clearing space for the AC condenser, cleaning and repairing the exterior shower, and replacing all the pool furniture.

In May of 2022, leaking irrigation lines were repaired and broken sprinkler valve covers were replaced at Mountain View Villas.

In June of 2022, to maintain and improve the HVAC systems and air quality, the air ducts in every unit were cleaned, sanitized, and the air filters were replaced at Indian Wells Villas. On July 18, 2022, all the air ducts were cleaned, sanitized, and the filters were replaced in all the units at Mountain View Villas.

On November 4, 2022, exterior light bulbs were replaced with LED light bulbs at Mountain View Villas. Other general improvements to the exterior of the property include plant replacement, palm tree trimming, and bender board replacement.

On December 13, 2022, the City issued a Request for Proposals ("RFP") for design and engineering services for the Sidewalk Improvement Project at Indian Wells Villas. The project's scope of work includes repairing and replacing sidewalks, updating the curbs and sidewalks in compliance with the Americans with Disabilities Act (ADA), removing trees, boulders, and cement walls to improve the safety and maintenance of Indian Wells Villas. On January 12, 2022, the City received two qualified proposals from the bidding process and is moving forward with the best proposal. The City will provide an update on this project once the award is finalized.

Unfortunately, the Housing Authority and staff encountered several complaints and delays associated with Winn Residential's repeated performance issues and non-compliance with the property's Regulatory Agreements. As a result, staff feels there are still several general maintenance and property improvements that were not attended to properly in 2022. Many of the items were only completed after City staff requested certain projects to be completed. Staff's expectation is that Winn should be more pro-active in resolving maintenance issues and responding to resident requests.

It is staff's opinion that Winn's repeated performance issues compromises the safety and quality of life of the residents at both properties and creates a liability for the City. City staff have reviewed Winn's existing contract with the City Attorney and feel confident that the Housing Authority can consider terminating the contract early for just cause. In that regard, staff is recommending the Housing Authority authorize the Director to circulate a Request for Proposal (RFP) for new Property Management services in 2023, to consider options moving forward. In addition, the City understands the sensitivity that an RFP may cause concerns from current residents at both Indian Wells and Mountain View Villas.

Staff will be sure to conduct on-site meetings to reassure existing residents that if a change in management occurs, that the City will be sure to minimize any impact to residents and assure them that they remain our number one priority.

INDIAN WELLS CITY COUNCIL

February 1, 2023

STAFF REPORT

To: City Council

From: City Manager's Office

Prepared by: Christopher Freeland, City Manager

Subject: Indian Wells Turf Rebate Program Update

RECOMMENDED ACTION:

Council **DISCUSSES** and provides **DIRECTION** to staff.

DISCUSSION:

At your October 6, 2022, City Council Meeting, the Council implemented a $500,000 turf rebate program for residential and Homeowner Association (HOA) properties. This program was developed in response to the drought declaration by the State of California requesting a reduction in water used for landscaping. The Coachella Valley Water District (CVWD) implemented their own turf rebate program to incentivize the replacement of turf with drought tolerant landscaping. The intent of this program is to reduce the amount of potable water being used for landscape irrigation.

The CVWD Turf Rebate Program provides the following:

- $3 per Square Foot ($3/SF) for a minimum area of 200-SF and maximum area of 10,000-SF of removal for residential applications.

- $3/SF for a maximum of 25,000 square feet for commercial applications.

City of Indian Wells Turf Rebate Program provides the following:

- $3 per Square Foot ($3/SF) for a minimum area of 200-SF and maximum area of 5,000-SF of removal for residential applications. (Funding of $300,000 for this program).

- $13/SF for a maximum of 15,000 square feet for HOA applications. (Funding of $200,000 for this program).

Eligibility for the program requires approval from the City and CVWD before any work has been completed:

The City's residential turf rebate program has proven to be very successful. To date, 62 projects have been funded, reducing 112,904 SF of turf (60 residential and 2 HOA projects). HOAs have not taken advantage of the program. To date, only $23,900 has been utilized for the 2 projects.

The residential turf rebate program has exhausted its funding, while a balance of $176,100 remains in the HOA turf rebate program fund. The City has also established a waiting list of 23 properties.

At the October 6, 2022, City Council meeting, Council requested staff to monitor the program and provide the Council updates. In addition, Council expressed interest to modify funding based upon use.

OPTIONS:

Staff is seeking direction from Council to:

1. Transfer a portion of funding from the HOA turf rebate program to the residential turf rebate program;
2. Combine funding sources for both residential and HOA projects until funding is exhausted. Those on waiting list would receive priority funding first;
3. End the residential turf rebate program and continue the HOA turf rebate program until existing funding is exhausted;
4. Appropriate additional funding for the residential turf rebate program; or
5. Provide alternative direction.

INDIAN WELLS CITY COUNCIL

February 1, 2023

STAFF REPORT

To: City Council

From: City Manager's Department

Prepared by: Christopher Freeland, City Manager

Subject: **Resident Benefit Opportunity – Annual Tennis Ticket Allotment**

RECOMMENDED ACTIONS:

Council **DISCUSSES** the proposal from Desert Champions and provides **DIRECTION** to staff.

BACKGROUND:

In 2006, the City of Indian Wells and Indian Wells Tennis Garden (Desert Champions) entered a Host Sponsorship Agreement for the annual BNP Paribas Open. The agreement grants the City certain rights in connection with the tennis tournament, including rights to two stadium suites (Suite 302 and 216), additional tickets for each tournament session, parking passes, food and beverage credit, and sponsor credentials.

As the host sponsor, the City also receives extensive signage, recognition, and promotional opportunities for the City during the tournament, including branding around the stadium and Indian Wells on the tennis court playing surface. This agreement has been amended on four occasions, with the most recent amendment to extend the partnership through the conclusion of the 2043 tournament. The Host Sponsorship agreement and four extensions are attached to this report.

Currently, as part of the sponsorship, the City receives the following in Stadium 1:

- Suite 216 (44 tickets per session)
- Suite 302 (32 tickets per session)
- 48 tickets for each session dispersed in the box, prime loge, and loge sections.
- 2,500 tickets for Residents' Day (Schedule for Thursday, March 9, 2023)

DISCUSSION:

On January 17, 2023, Desert Champions (DC) contacted the City of Indian Wells, expressing an interest in negotiating a revision to the current allotment of tickets between the City and DC for

the BNP Paribas Open. Specifically, DC is negotiating with a major corporate sponsor for the 2023 BNP Paribas Open, which is interested in acquiring the City's Suite 216.

Desert Champions Proposal

For the City to entertain any proposal, the staff made it clear to DC that the valuation of their proposal must exceed the current value of the City's Suite 216. In addition, the City shared with DC that the City views these tickets as a premier Resident Benefit and that any proposal must be of not only a monetary value more significant than the valuation of Suite 216 but must be an enhancement to the current tennis benefit residents receive. In response, DC's proposal to exchange Suite 216 is summarized below and will be offered annually through the conclusion of the 2043 tournament.

DC Champions receives:

- Suite 216 (44 tickets per session)

City receives:

- 20 seats per session in Suite 209.
    - This fully serviced suite provides free food and beverages for all guests. Suite 216 has food and non-alcoholic beverages supplied at a cost to the City. Guests pay for alcoholic beverages.
- 50 additional seats per session in the lower bowl (Box Seats).
- Use of an additional suite during seven tournament sessions for City-related business activities (e.g., hotel partners' familiarization meetings, etc.)
- Desert Champions will host an exclusive VIP cocktail party for 75 Indian Wells residents during the tournament. The party will be held in a private banquet room featuring a "Meet and Greet" with a current player or legend. This "Meet and Greet" will be hosted by John Lloyd, a former Wimbledon title holder and current TV star interviewing the celebrity guest and fielding questions from the audience.

Staff performed the attached valuation of DC's proposal that included the monetary value of Suite 216 being proposed for exchange compared to the value of DC's offer, including the potential loss of admission tax. The City collects a 10% City Admission Tax from each individual tennis ticket sold. However, this does not apply to purchasing suites that are part of a sponsorship package, nor does the City charge the tax. Therefore, the calculation includes the maximum "potential" loss of admission tax revenue from the reduction in box seats being offered to sale to the public.

Staff's monetary valuation of the proposal is as follows:

- City's Suite 216 is valued at $340,000 for 968 total seats (all sessions).
- DC's proposal has an overall value of $618,824 for 1,764 total seats (all sessions).

Net Benefit:

- Increase value of $278,824 and 796 seats.
    - Maximum potential Admission Tax of $57,782 not included in the above net value.

ATTACHMENTS:

1. Host Sponsorship Agreement (2002)
2. First Amendment (2005)
3. Second Amendment (2006)
4. Third Amendment (2018)
5. Fourth Amendment (2020)
6. Valuation of Proposal

Sponsorship #1

February 21, 2002

City of Indian Wells
44-950 Eldorado Drive
Indian Wells, California 92210
Attention: Greg Johnson

Dear Mr. Johnson:

This letter sets forth the agreement (the "Agreement") which has been reached between the City of Indian Wells, a municipal corporation of the State of California ("City"), and Desert Champions LLC, a California limited liability company ("DC"), with regard to the Pacific Life Open tennis tournament to be played at the Indian Wells Tennis Garden (the "Facility") in Indian Wells, California in March 2002 (the "Tournament").

1. Term. The term of this Agreement commences as of the date hereof and extends until the full performance by each party of its obligations hereunder in accordance with the terms hereof, unless otherwise earlier terminated or extended as set forth herein. Notwithstanding anything to the contrary contained herein, the rights granted in Paragraphs 2 and 5 hereof shall terminate upon the conclusion of the Tournament unless expressly specified otherwise and unless otherwise earlier terminated or extended as set forth herein.

2. Grant of Sponsorship Rights. In consideration for City's full and timely payment of the fee specified in Paragraph 4 hereof, DC grants to City the exclusive right to be the "presenting sponsor" of the Tournament, subject to the terms and conditions set forth herein. City may use such sponsorship rights in connection with the City's advertising and promotion of City as a resort destination and the Golf Resort at Indian Wells and the resort properties within the City's boundaries (presently the Hyatt Grand Champions Resort, Indian Wells Resort Hotel, Miramonte Resort and Renaissance Esmeralda Resort) may be mentioned in this context (collectively, such advertising and promotion will be referred to in this Agreement as the "City Promotions"), subject always to the provisions of Paragraph 6 hereof and provided that any such City Promotions shall not conflict with or violate any of the rights or agreements of DC or Garden of Champions LLC, an affiliate of DC, relating to the Tournament or the Facility (the "Other Agreements"). DC represents to City that no current Other Agreement would prohibit City with respect to City Promotions. All rights related to the Tournament not specifically granted to City shall be and remain the property of DC to be used in any manner that DC deems appropriate. City expressly acknowledges and agrees that the name of the Tournament is "Pacific Life Open" and that City's name and City Marks (as defined below) may be located

from time to time in proximity to the Tournament name and logo, but shall not be incorporated into the Tournament name or logo itself.

3. Agreements of DC. In furtherance of the grant contained in Paragraph 2, DC shall provide City with the following during the term hereof:

(a) Pacific Life Insurance Company, a California corporation ("PL"), is the title sponsor of the Tournament. The Tournament will be known as the "Pacific Life Open" and "City of Indian Wells" will be recognized as the presenting sponsor, subject to any restrictions contained in the agreement with PL.

(b) The exclusive use of Stadium Suite #211, a forty-two (42) seat stadium suite, which will be located above the northeast baseline of the Stadium Court, during each Tournament session. DC shall provide City with fifty-four (54) passes for Stadium Suite #211 for each Tournament session. In addition, City shall have the exclusive use of Stadium Suite #211 through and until January 31, 2003 for all other events held within the Stadium, except for events not open to the public and DC shall provide City with fifty-four (54) passes and twelve (12) VIP parking passes for all such other events. This right shall survive expiration (but not termination) of this Agreement's term. Furthermore, all catering for Stadium Suite #211 during the Tournament and other events will be supplied by a caterer designated by DC and City will be responsible for any and all food and beverages costs, as authorized and approved by City's designated representative.

(c) Twelve (12) VIP parking passes for each Tournament session.

(d) Sixteen (16) Tournament sponsor credentials allowing access to the Facility as the parties agree is necessary in order for City to fully enjoy its benefits hereunder.

(e) Two backwall signage positions at the north and south ends of the Stadium Court, Stadium 2, Stadium 3 and field courts 4, 5, 6 and 7. These positions are referenced as positions N2 and S2 as marked on Exhibit A hereto.

(f) Recognition of City as the presenting sponsor on the Sponsor Recognition Board.

(g) City shall receive name recognition as the presenting sponsor on all advertising and Promotional Materials produced and disseminated by DC for the 2002 Tournament during the term hereof. As used herein "Promotional Materials" includes all press releases, advertising (print, television and radio), pamphlets, maps, brochures and informational material in written form. City shall have no right to approve or disapprove of any matter or item unrelated to City included in any Promotional Materials.

(h) Subject to any third party restrictions, DC shall mail direct response campaign materials (limited to City Promotions) provided to it by City which promote City as a resort destination (such materials to be subject to DC's prior approval) to entities included in DC's database a maximum of two times, the first to be done by June 30, 2002 and the second to be done by December 31, 2002. All out of pocket costs associated with such mailing (e.g., the creation of the materials, postage, etc.) will be the sole expense of City. This right shall survive expiration but not termination of the term hereof.

(i) Recognition as the presenting sponsor on the cover of the Official Tournament Program.

(j) Space to place a one (1) full-page four-color advertisement on the inside front cover and inside back cover in the Official Tournament Program produced and disseminated by DC for the Tournament. DC acknowledges that such advertisements along with camera ready artwork have been provided to DC.

(k) Space to place one (1) Welcome Letter within the Official Tournament Program produced and disseminated by DC for the Tournament. DC acknowledges that such letter along with camera ready artwork have been provided to DC.

(l) Recognition as the presenting sponsor within the daily drawsheet.

(m) Space to place one (1) one-quarter (1/4) page black and white advertisement within the daily drawsheet for one Tournament session on each of March 7, 2002 and March 15, 2002. Such advertisement is to be provided to DC with camera ready artwork by February 15, 2002.

(n) Recognition as the presenting sponsor on the official Tournament web site at all times such web site is operational throughout the Tournament.

(o) March 15, 2002 will be branded as "City of Indian Wells Day".

(p) March 7, 2002 will be designated as "Indian Wells Residents Day." In connection with such designated day, each individual presenting a valid Indian Wells Property Owner's Card and driver's license (or other form of picture identification) may obtain, at no cost, the best available prime loge seat tickets for one Tournament session on that date, up to a maximum of four tickets per household, and one general parking pass per household. Tickets are subject to availability for each Tournament session and distributed on a first come first served basis. Tickets and parking passes will be distributed directly from the

Indian Wells City Hall in advance of "Indian Wells Residents Day" and at the Facility on such designated day.

(q) The option to use up to four (4) ten foot by ten foot (10' x 10') Display Booths at the Facility during the Tournament, in a location or locations selected by DC. These Display Booths can be used for City Promotions or, at City's option, to promote non-profit groups or other governmental agencies, selected by City and approved by DC. City will advise DC by February 15, 2002 how many of the Display Booths it will use and/or make available for use by its designated non-profit groups or other governmental agencies. Each Display Booth comes complete with: carpeted flooring, general lighting, 1 four-outlet electrical outlet, 1 telephone line with local access only, if required, 2 six-foot tables, 2 chairs and signage on the booth canopy. Any supplemental furnishings, signage, power, telephone, special equipment, security or other needs are the responsibility of City, are at City's sole expense and are subject to DC's prior reasonable approval. City agrees to have an attendant at each Display Booth at all times the Facility is open to the public from March 4-17, 2002. Attendants may distribute sales and promotional literature at the Display Booths, such literature being subject to DC's prior review and approval.

(r) The mayor or other designated City representative may participate in, and will be recognized during, the men's and women's awards ceremonies, along with PL and other Tournament representatives as designated by DC.

(s) Ten (10) :30 (thirty) second advertising units on the national network broadcast of the men's final, the times for which are subject to the broadcaster's approval, in its sole and absolute discretion.

(t) One (1) opening billboard and one (1) closing billboard during the national network broadcast of the men's final, the contents of which are subject to the broadcaster's approval, in its sole and absolute discretion.

(u) Two (2) :30 (thirty) advertising units on each national cable broadcast of the Tournament, the times for which are subject to the broadcaster's approval, in its sole and absolute discretion.

(v) One (1) billboard during each national cable broadcast of the Tournament, the contents of which are subject to broadcaster's approval, in its sole and absolute discretion.

(w) Subject to broadcaster's approval in its sole and absolute discretion, area of interest/beauty shot "bumpers" during the national network broadcast of the Tournament.

(x) Subject to broadcaster's approval in its sole and absolute discretion, the mayor (or other individual designated by City) interview/welcome to be aired at such times during the national network broadcast of the Tournament as City, DC and the broadcaster(s) may agree. The contents of such interview/welcome shall be supplied by City and are subject to DC's and the broadcaster's(s') prior approval in its absolute and sole discretion. Such interview shall be produced and edited by DC or its designee at DC's expense.

In connection with the benefits listed above, any and all advertisements provided by City hereunder must be provided with camera-ready artwork by the date or dates specified by DC, are subject to DC's editing and approval, which approval shall not unreasonably withheld, and DC is not responsible for any errors or misprints therein. City shall have no right to approve or disapprove of any matter or item unrelated to City included in the Official Tournament Program, the daily draw sheet, the Promotional Materials, the Tournament website or in any other materials in which City Promotions, City's advertisements or City Marks appear. Any and all signage bearing City's identification shall be created by DC at DC's expense and in conformance with DC's then-current specifications for such signage and will be subject to City's prior approval, which approval shall not be unreasonably withheld or delayed. DC shall own all such signage. All signage will be installed, maintained in good repair and removed by DC at its expense. All benefits listed above are subject to Paragraph 6 hereof, as applicable.

City acknowledges and agrees that it is not entitled to any credit, deduction, rebate or refund of any kind for any benefit listed above which is not used by City, in whole or in part.

4. Consideration. In consideration for granting to City the exclusive right to be the "presenting sponsor" of the Tournament, City agrees to pay to DC the amount of Five Hundred Thousand U.S. Dollars ($500,000.00), due and payable within ten (10) days after the execution and delivery of this Agreement. Any amounts due and payable under this Agreement are due and payable either by wire transfer or in lawful money of the United States of America, by certified or bank check drawn from a U.S. bank and mailed to the address set forth below. Any sums and other considerations paid or delivered hereunder by City to DC are to be made without any deduction or withholding. Any sales, admission, excise, remittance, value-added, services or other taxes now or hereafter imposed by any governmental authority on City in respect of City's obligations hereunder are the sole obligation of City. Past due payments hereunder shall bear interest at the rate of (a) one and one-half percent (1.5%) per month or (b) the maximum interest permissible under law, whichever is less.

Wire transfer instructions are:

Palm Desert National Bank
73-745 El Paseo
Palm Desert, California 92260
ABA #122238585
Account #1071971 / Desert Champions LLC Treasury Account

Checks are to be made payable to Desert Champions LLC and sent to:

Desert Champions LLC
78-200 Miles Avenue
Indian Wells, California 92210
Attention: Bruce Scott

5. Trademarks.

(a) During the term hereof, City grants to DC the limited right to use any trademarks, trade names, service marks, and logos owned by it (the "City Marks") in connection with the Tournament and any activities or promotions reasonably incidental thereto.

(b) During the term hereof, DC grants to City the limited right to use the trademarks, trade names, service marks, and logos owned by it (the "DC Marks") in connection with the promotion of the Tournament and City's role of presenting sponsor in accordance with the terms and conditions of this Agreement.

(c) Neither party has an interest in or right to the use of the other party's Marks except for the limited right of usage which each grants the other in this Agreement and each such grant is expressly limited to the Tournament and any activities, promotions or advertising reasonably incidental thereto. It is mutually understood that improper use of Marks by the other party may cause immediate and irreparable harm and shall entitle the non-defaulting party to seek injunctive relief without the necessity of posting a bond or other security or showing actual damages.

6. Advertising Approvals. Any advertising or other material prepared by one party which contains the other party's Marks, shall be provided to the other party in advance of publication or other use for its review. All such materials must receive the written approval of the other party prior to any publication of it, such approval not to be unreasonably withheld or delayed. Each of the parties agrees that any material submitted to it for approval as provided herein may be deemed by the other to have been approved hereunder if the same is not

disapproved in writing within ten (10) days after receipt hereof. Each of the parties acknowledges that any such use previously approved by it or deemed approved by the other as set forth herein shall be deemed approved and accepted for any and all future use unless the other party is informed otherwise in writing.

7. Default; Remedies.

(a) The following events shall constitute an event of default ("Event of Default") under this Agreement regardless of whether any such event shall be voluntary or involuntary or shall result from the operation of applicable laws, rules or regulations or shall be pursuant to or in compliance with any judgment, decree or order of any court of competent jurisdiction:

(i) Either party shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law, or shall make a general assignment for the benefit of creditors, or shall have an involuntary case or other proceeding instituted against it seeking similar relief;

(ii) Either party shall otherwise fail to perform or observe any other material covenant, material representation or material condition set forth herein and such failure shall continue unremedied for a period of five (5) days after the receipt of written notice thereof from the nondefaulting party;

(iii) City terminates the City of Indian Wells Sponsorship Agreement dated as of October 28, 1998, as amended, respecting naming rights for the Facility (the "Naming Right Sponsorship Agreement") pursuant to Section 11.1 thereof in which case DC shall be considered the defaulting party hereunder;

(iv) DC terminates the Naming Right Sponsorship Agreement pursuant to Section 11.2 thereof in which case City shall be considered the defaulting party hereunder; or

(v) The Tournament is not held at the Facility in 2002.

(b) Upon the occurrence of an Event of Default, and at any time thereafter so long as the same shall be continuing, the nondefaulting party may declare, at its option, this Agreement to be in default and: (i) may immediately terminate this Agreement without any liability whatsoever other than liabilities accrued to such date; (ii) may seek enforcement by appropriate court action of the terms hereof and recover damages for the breach hereof; (iii) may exercise any other right or

remedy available to it under law or in equity; or (iv) may seek any permitted combination of such remedies. No remedy is intended to be exclusive, but each shall be cumulative and the exercise of any such remedy shall not preclude the simultaneous or later exercise of any other remedy. Notwithstanding the foregoing, if City is the nondefaulting party and terminates this Agreement, or the Agreement is terminated under subparagraph (a)(v) above, City may elect as it sole and complete remedy that DC repay to City within sixty (60) days following such termination all sums paid by City to DC hereunder plus interest at the then current prime rate as announced by Chase Manhattan Bank.

8. Right of Exclusive Negotiation. For the period commencing upon the conclusion of the Tournament until June 30, 2002, City shall have the right of exclusive negotiation for a presenting sponsorship agreement for a subsequent year or years on terms to be mutually agreed. This paragraph shall survive the termination or expiration of this Agreement, provided this Agreement was not terminated by DC pursuant to Paragraph 7 hereof.

9. Indemnity.

(a) City agrees to indemnify, defend and hold DC, its parent, its subsidiaries and the affiliates of each such entity, harmless from and against any and all expenses, damages, claims, suits, losses, actions, judgments, liabilities and costs whatsoever (including attorney fees) (collectively, "Losses") arising out of: (i) City's breach, misrepresentation or non-performance under this Agreement or City or City's agent's negligence or willful misconduct; (ii) City's products or services or the distribution or use of City's products or services; (iii) DC's use (in conformance with the terms of this Agreement) of City's Marks; (iv) any advertising or promotional material furnished by or on behalf of City or City Promotions; (v) any payment owed by City to persons or entities associated with the Tournament (including, without limitation, catering costs); (vi) City's failure to comply with any third party obligations or any applicable local, state, federal or site laws, rules or regulations regarding any and all promotions or activities it conducts in connection with the Tournament; or (vii) acts or omissions of City while in attendance at the Tournament or at the Facility. Notwithstanding the foregoing, City shall not be required to so indemnify DC for any Losses to the extent they arise from the negligence or willful misconduct of DC or any of its employees or agents.

(b) DC agrees to indemnify, defend and hold City harmless from and against any and all Losses arising out of: (i) DC's breach, misrepresentation or non-performance under this Agreement or DC's or DC's agent's negligence or willful misconduct; (ii) any claim or action for personal injury, death, bodily injury, property damage or otherwise, suffered by participants, competitors, spectators or others at the

Tournament; (iii) any advertising or promotional material furnished by or on behalf of DC; (iv) City's use (in conformance with the terms of this Agreement) of DC's Marks; (v) any payment owed by DC to persons or entities associated with the Tournament (including, without limitation, prize money); or (vi) DC's failure to comply with any third party obligations or any applicable local, state, federal or site laws, rules or regulations regarding any and all promotions or activities it conducts in connection with the Tournament. Notwithstanding the foregoing, DC shall not be required to so indemnify City for any Losses to the extent they arise from the negligence or willful misconduct of City or any of its employees or agents.

10. Governing Law/Arbitration. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any dispute arising under this Agreement will be first referred for resolution to City's and DC's respective management designee. To the extent that the designees of the parties cannot resolve the dispute within five (5) business days of referral to them, the parties agree to try in good faith to settle the dispute by non-binding mediation under the Commercial Mediation Rules of the Judicial Arbitration and Mediation Services, Inc. ("JAMS"). If after three (3) days of mediation with the mediator, the dispute is not settled, or if the mediator declares an impasse prior to the end of the three (3) day period, then and only then may the aggrieved party pursue arbitration as set forth herein.

The parties agree to submit to arbitration any dispute related to this Agreement unresolved by mediation and agree that the arbitration process shall be the exclusive means for resolving disputes which the parties cannot resolve by mediation. Any arbitration hereunder shall be conducted under the Dispute Resolution Rules of JAMS as modified herein. Arbitration proceedings shall take place in Riverside County, California, before a single arbitrator who shall be a lawyer. All arbitration proceedings shall be confidential. Neither party shall disclose any information about the evidence produced by the other party in the arbitration proceedings, except in the course of judicial, regulatory, or arbitration proceeding, or as may be demanded by government authority or as may be required under the Public Records Act. Before making any disclosure permitted by the preceding sentence, a party shall give the other party reasonable advance written notice of the intended disclosure and an opportunity to prevent disclosure. In connection with any arbitration provisions hereunder, each party shall have the right to take the deposition of one individual and any expert witness retained by the other party. Additional discovery may be had only where the arbitrator so orders, upon a showing of substantial need. Only evidence that is directly relevant to the issues may be obtained in discovery. Each party bears the burden of persuasion of any claim or counterclaim raised by that party. The arbitration provisions of this Agreement shall not prevent any party from obtaining injunctive or other equitable relief from a court of competent jurisdiction to enforce the obligations for which such party may obtain provisional relief pending a decision on the merits by the arbitrator. Each of the parties hereby consents to the jurisdiction of California courts for such purpose. The arbitrator shall have authority to award any remedy or relief that a court of the State of California could

grant in conformity to applicable law, except that the arbitrator shall have no authority to award attorneys' fees or punitive damages. Any arbitration award shall be accompanied by a written statement containing a summary of the issues in controversy, a description of the award, and an explanation of the reasons for the award. The arbitrator's award shall be final and judgment may be entered upon such award by any court.

11. Notices. Whenever notice is to be served hereunder, service shall be made personally or by registered or certified mail, return receipt requested, postage prepaid or by confirmed facsimile. Notice shall be effective only upon receipt by the party being served, except notice shall be deemed received 72 hours after posting by the United States Post Office, by method described above. All notices shall be sent to the addresses described below:

To City:
City of Indian Wells
44-950 Eldorado Drive
Indian Wells, California 92210
Attention: Greg Johnson, City Manager
Facsimile No. (760) 346-0407

To DC:
Desert Champions LLC
78-200 Miles Avenue
Indian Wells, California 92210
Attention: Steve Simon
Facsimile No. (760) 360-2606

with a copy to: International Merchandising Corporation
IMG Center, Suite 100
1360 East Ninth Street
Cleveland, Ohio 44114-1782
Attention: Polly Grunfeld Sack
Facsimile No. (216) 436-3173

12. Force Majeure.

(a) No delay or failure of DC to perform any of its obligations under this Agreement shall be considered a breach of this Agreement if such delay or failure results from any cause beyond the control of DC, including, without limitation, any act of God, fire, flood, strike, lockout or other labor dispute, natural catastrophe, weather or other climatic conditions, public emergency, insurrection, riot, war, act or threat of terrorism, transportation shortage, delay of a common carrier, or actions of governmental authorities (a "Force Majeure Event").

(b) Without limiting the generality of the foregoing, City acknowledges that (i) the Tournament is an outdoor event and agrees that certain Tournament sessions may be canceled or rescheduled due to inclement weather and (ii) the Tournament is a sporting event in which players occasionally withdraw or otherwise fail to complete their scheduled matches. Any of the events contemplated by the preceding sentence shall not be a default hereunder.

(c) Except as otherwise provided by Paragraph 13 hereof, in the event of any such occurrence set forth in this Paragraph 12, City shall not be entitled to any remuneration or credit for tickets, catering credits, suite use and/or passes or any other consideration.

13. Non-Staging of Tournament. If the Tournament is not staged as scheduled in 2002, and City does not exercise its right, if any, to terminate this Agreement, this Agreement shall remain in full force and effect and will apply to the next "Tournament" held at the Facility and all time periods will be extended accordingly to reflect the delay.

14. Limitation of Liability. Notwithstanding anything to the contrary contained herein, no party shall be liable for any consequential, punitive, indirect, incidental, reliance, or special damages, whether or not such party has been advised about the possibility thereof.

15. Entire Agreement. This Agreement constitutes the entire agreement between City and DC in respect to the subject matter of this agreement and supersedes all prior agreements.

16. Naming Rights Sponsorship Agreement. City's rights under this Agreement are separate from and are in addition to its rights under the Naming Rights Sponsorship Agreement.

17. Joint Venture. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between City and DC. Neither party shall have any right to obligate or bind the other party in any manner whatsoever.

18. Severability. If any court of competent jurisdiction finds any provision of this Agreement to be unenforceable or invalid, then such provision shall be ineffective to the extent of the court's finding without affecting the enforceability or validity of the Agreement's remaining provisions.

19. Assignment. This Agreement is non-assignable by City and does not inure to the benefit of City's successors. DC may assign this Agreement when, as and if the Tournament is sold or transferred to another party. City will be promptly notified in writing of any assignment by DC of the rights or obligations under this Agreement.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original instrument and all of which together shall constitute the same instrument.

If the foregoing numbered paragraphs accurately set forth the understanding, please sign the enclosed copy of this letter and return it to me and this letter will then set forth our agreement.

Very truly yours,

DESERT CHAMPIONS LLC

By: International Merchandising Corporation, Member

By _____
Name: David A. Osborne, Jr.
Title: Senior Staff Vice President and Treasurer

By: PM Sports Tournament, LLC, Member

By: Athlone, LLC, Member

By: _____
Name: Raymond J. Moore
Title: Manager

ACKNOWLEDGED AND AGREED

CITY OF INDIAN WELLS

By _____
Name: Conrad Negron, Sr.
Title: Mayor

ATTEST

_____
City Manager / City Clerk

APPROVED AS TO FORM

_____
City Attorney

APPROVED AS TO
LEGAL FORM

PGS/NK

LD-PGS/NK/lmb/rgr – 47385

AMENDMENT NO. 1
TO AGREEMENT BETWEEN CITY OF INDIAN WELLS
AND DESERT CHAMPIONS LLC

AMENDMENT

This Amendment No. 1 ("Amendment") is dated March 1, 2005, and is by and between the City of Indian Wells, a municipal corporation of the State of California ("City"), and Desert Champions LLC, a California limited liability company ("DC").

Reference is made to the sponsorship letter agreement, dated as of September 19, 2003, by and between City and DC (the "Original Agreement"). All capitalized terms used but not defined herein have the meaning ascribed to them in the Agreement. The Original Agreement, as amended hereby, is hereinafter referred to as the "Agreement".

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Amendment.

(a) Paragraph 1 of the Agreement is deleted in its entirety and the following inserted in lieu thereof:

1. Term. The term of this Agreement commences as of the date hereof and terminates at the conclusion of the 2007 Tournament, unless earlier terminated or extended as set forth herein (the "Term").

(b) Paragraph 2 of the Agreement is renumbered as Paragraph 2(a) and all references therein to the 2005 Tournament are deleted.

(c) A new Paragraph 2(b) is added as follows:

In consideration for City's full and timely payment of the fees specified in Paragraph 4 hereof, DC grants to City the exclusive right to be the "presenting sponsor" for each of the 2005, 2006 and 2007 Tournaments, subject to the terms and conditions set forth herein. City may use such sponsorship rights in connection with the City's advertising and promotion of City as a resort destination and the Golf Resort at Indian Wells and the resort properties within the City's boundaries (presently the Hyatt Grand Champions Resort, Indian Wells Resort Hotel, Miramonte Resort and Renaissance Esmeralda Resort) may be mentioned in this context

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(collectively, such advertising and promotion will be referred to in this Agreement as the "City Promotions"), subject always to the provisions of Paragraph 6 hereof and provided that any such City Promotions shall not conflict with or violate any of the rights or agreements existing as of the date of this Amendment, of DC or Garden of Champions LLC, an affiliate of DC ("GOC"), relating to the Tournament or the Facility (the "Other Agreements"). DC represents to City that no current Other Agreement would prohibit City with respect to City Promotions. All rights related to the Tournament not specifically granted to City shall be and remain the property of DC to be used in any manner that DC deems appropriate. City expressly acknowledges and agrees that the current name of the Tournament is "Pacific Life Open" and that City's name and City Marks (as defined below) may be located from time to time in proximity to the Tournament name and logo, but shall not be incorporated into the Tournament name or logo itself.

(d) The first sentence of Paragraph 3 of the Agreement is deleted in its entirety and the following inserted in lieu thereof:

In furtherance of the grant contained in Paragraph 2(a), DC shall provide City with the following in connection with the 2004 Tournament:

(e) The following is added after Paragraph 3(ff) of the Agreement:

In furtherance of the grant contained in Paragraph 2(b), DC shall provide City with the following in connection with each of the 2005 Tournament, the 2006 Tournament and the 2007 Tournament (unless indicated otherwise):

(a) Pacific Life Insurance Company, a California corporation ("PL"), is the current title sponsor of the Tournament. The Tournament will be known as the "Pacific Life Open" or such other name as a subsequent title sponsor may reasonably designate and "City of Indian Wells" will be recognized as the presenting sponsor, subject to any restrictions contained in the agreement with PL or with a subsequent title sponsor.

(b) For the 2005 Tournament, the exclusive use of Stadium Suite #323 , a thirty-four (34) seat stadium suite (the "2005 Stadium Suite") during each 2005 Tournament session. DC shall provide City with forty-six (46) passes for the 2005 Stadium Suite for each 2005 Tournament session. For

each of the 2006 Tournament and the 2007 Tournament, the exclusive use of Stadium Suite #211, a forty-two (42) seat stadium suite (the "2006/7 Stadium Suite") during each 2006 and 2007 Tournament session. DC shall provide City with fifty-four (54) passes for the 2006/7 Stadium Suite for each 2006 and 2007 Tournament session. Either of the 2005 Stadium Suite and the 2006/7 Stadium Suite, as applicable, is referred to as the "Stadium Suite". Any supplemental signage or decorations within the Stadium Suite are the responsibility of City, are at City's expense and are subject to DC's prior approval, which shall not be unreasonably withheld or delayed. Subject to the foregoing, DC shall install and deinstall signage or banners bearing City's logo within the Stadium Suite during City's use of it at City's request. At the end of each Tournament or the earlier termination of this Agreement, the Stadium Suite and the furnishing and property therein provided by DC shall be surrendered and returned to DC in the same condition as when received by City, ordinary wear and tear excepted.

(c) All catering for the Stadium Suite during the applicable Tournament will be supplied by a caterer designated by DC. DC shall, at DC's expense, provide City with an individual chosen by DC from time to time to act as Host or Hostess within the Stadium Suite at all times play is occurring within the Stadium Court. DC shall provide City with an aggregate Seventy-Five Thousand Dollar ($75,000) catering credit for each Tournament for use only within the Stadium Suite and/or any other stadium suite for which City has the exclusive right to use during each Tournament under this Agreement or any other agreement with DC. Any unused portion of this catering credit is not refundable and may not be carried over to another Tournament. City will be responsible for all food and beverage charges over the above-described catering credit.

(d) Six (6) special and clearly marked VIP parking spaces for the exclusive use of the City for each Tournament session within the North Gate entrance.

(e) Twenty-four (24) VIP valet parking passes for each Tournament session.

(f) Fifty (50) general parking passes for each Tournament session.

(g) Sixteen (16) four-seat box seat tickets (total of 16 seats) in the Stadium Court for each Tournament session, in a location selected by DC.

(h) Sixteen (16) loge seat tickets in the Stadium Court for each Tournament session, in a location selected by DC.

(i) Sixteen (16) grandstand seat tickets in the Stadium Court for each Tournament session, in a location selected by DC.

(j) Sixty (60) Tournament sponsor credentials allowing access to the Facility as the parties agree is necessary in order for City to fully enjoy its benefits hereunder.

(k) For the 2005 Tournament, one north backwall and one south backwall signage position on all match courts. These positions are referenced as positions NE2 and SE2 as marked on Exhibit A hereto.

(l) For each of the 2006 and 2007 Tournaments, two north backwall and two south backwall signage positions on all match courts. These positions are referenced as positions NW2, NE2, SE2 and SW2 as marked on Exhibit A hereto.

(m) For the 2005 Tournament, two upper wing signage positions on the Stadium Court. These positions are referenced as position NE3 and SE3 as marked on Exhibit A hereto.

(n) In the event that any or all of the signage positions referenced as positions NW3, NE3, SW3 and SE3 of Stadium Court as marked on Exhibit A hereto remain unsold by DC at the commencement of any Tournament, City shall be provided with the use of such unsold signage positions for that Tournament, subject to all the terms and conditions hereof.

(o) Recognition of City as the presenting sponsor at each Facility entrance.

(p) Recognition of City as the presenting sponsor on the Sponsor Recognition Board.

(q) City shall be credited as a "Presenting Sponsor" of the Tournament in at least three (3) :15 second public address

announcements each day of the Tournament. City and DC will consult as to the content of such announcements as they relate to City. City shall have no right to approve or disapprove of any material unrelated to City included in any such announcement.

(r) City will be recognized as a presenting sponsor on an electronic scoreboard at least six times (:15 second duration) each day during the Tournament that an electronic scoreboard is in use.

(s) City will be provided with the ability to place one (1) panel on each on-site information kiosks, such kiosks and the number of such kiosks to be in locations and as determined by DC, at the Facility. The contents of the panel are subject to DC's prior review and approval, which shall not be unreasonably withheld or delayed.

(t) The opportunity to conduct one on-court promotion between matches on Stadium Court as selected by DC during each Tournament. Such consent is subject to DC's prior approval, which shall not be unreasonably withheld or delayed. City is solely responsible for determining that any such promotional contest complies with all applicable federal, state and local laws, rules and regulations regarding such contests and for complying therewith.

(u) City shall receive name recognition on the Media Interview Backdrop placed in the Media Interview Room at the Facility.

(v) City shall receive name recognition as the presenting sponsor on all advertising and Promotional Materials produced and disseminated by DC after the date of this Amendment for each Tournament during the Term. As used herein "Promotional Materials" includes all press releases, advertising (print, television and radio), pamphlets, maps, brochures and informational material in written form. City shall have no right to approve or disapprove of any matter or item unrelated to City included in any Promotional Materials.

(w) Recognition as the presenting sponsor on the cover of the Official Tournament Program.

(x) For the 2005 Tournament, space to place one (1) full-page four-color advertisement in the Official Tournament Program in a location determined by DC in its sole discretion produced and disseminated by DC for each such Tournament. DC acknowledges that such advertisements along with camera ready artwork have been provided to DC.

(y) For each of the 2006 and 2007 Tournaments, space to place one (1) full-page four-color advertisement on the inside front cover and one (1) full-page four-color advertisement on the inside back cover in the Official Tournament Program produced and disseminated by DC for each such Tournament. DC acknowledges that such advertisements along with camera ready artwork have been provided to DC.

(z) Space to place one (1) Welcome Letter within the Official Tournament Program produced and disseminated by DC for each Tournament.

(aa) Recognition as the presenting sponsor on the cover of the daily drawsheet.

(bb) Space to place one (1) one-half (1/2) page black and white advertisement within the daily drawsheet for two Tournament (the first Thursday and the first Sunday for each Tournament). For the 2005 Tournament, those dates are March 10, 2005 and March 13, 2005.

(cc) The first Thursday of each Tournament will be branded as "City of Indian Wells Day" (March 10, 2005 for the 2005 Tournament). In connection with such designated day, each individual presenting a valid Indian Wells Property Owner's Card and driver's license (or other form of picture identification) may obtain, at no cost, the best available prime loge seat tickets for one Tournament session on that date, up to a maximum of four tickets per household, and one general parking pass per household. Tickets are subject to availability for each Tournament session and distributed on a first come first served basis. Tickets and parking passes will be distributed directly from the Indian Wells City Hall in advance of "Indian Wells Residents Day" and at the Facility on such designated day.

(dd) The option to use one (1) twenty foot by twenty foot (20' x 20') Display Booth and one (1) ten foot by ten foot (10' x 10') Display Booth, at the Facility during each Tournament, in a location selected by DC. Each Display Booth comes complete with: carpeted flooring, general lighting, 1 four-outlet electrical outlet, 1 telephone line with local access only, if required, 2 six-foot tables, 2 chairs and signage on the booth canopy. Any supplemental furnishings, signage, power, telephone, special equipment, security or other needs are the responsibility of City, are at City's sole expense and are subject to DC's prior approval, which shall not be unreasonably withheld or delayed. If City exercises the option to use either or both Display Booths, City agrees to have an attendant at such Display Booth at all times the Facility is open to the public during each Tournament. All property of City stored or located at the Facility will be the responsibility of City and City bears all risk of loss or damage to such property. City agrees that, at the end of each Tournament or the earlier termination of this Agreement, each Display Booth and the furnishings and property therein provided by DC shall be surrendered and returned to DC in the same condition as when received by City, ordinary wear and tear excepted.

(ee) City may distribute sales and promotional literature during the Tournament, such literature and location and method of distribution being subject to DC's prior review and approval, which shall not be unreasonably withheld or delayed.

(ff) The mayor or other designated City representative may participate in, and will be recognized during, each of the men's and women's awards ceremonies, along with PL (or other title sponsor) and other Tournament representatives as designated by DC.

(gg) For the 2005 Tournament and subject to availability, up to four (4) :30 (thirty second) advertising units each hour of the ESPN/ESPN2 broadcast, if any, of such Tournament, the times for which are subject to the broadcaster's approval, in its sole and absolute discretion. City understands there are currently no such units available.

(hh) For each of the 2006 and 2007 Tournaments, four (4) :30 (thirty) second advertising units each hour of the ESPN/ESPN2 broadcast, if any, of each such Tournament,

the times for which are subject to the broadcaster's approval, in its sole and absolute discretion.

(ii) For each of the 2006 and 2007 Tournaments, one (1) opening billboard and one (1) closing billboard during each ESPN/ESPN2 broadcast, if any, of each such Tournament, the contents of which are subject to the broadcaster's approval, in its sole and absolute discretion.

(jj) For the 2005 Tournament, and subject to the availability of commercial units as contemplated above, up to one (1) opening billboard and one (1) closing billboard during each ESPN/ESPN2 broadcast, if any, of such Tournament, the contents of which are subject to the broadcaster's approval, in its sole and absolute discretion. City understands that there are currently so such units available.

(kk) Subject to broadcaster's approval in its sole and absolute discretion, broadcast of a "vignette" of the City of Indian Wells during the ESPN/ESPN2 broadcast, if any, of each Tournament. Such vignette shall be produced and edited by City at its sole cost and expense.

(ll) Subject to broadcaster's approval in its sole and absolute discretion, area of interest/beauty shot "bumpers" during the ESPN/ESPN2 broadcast, if any, of each Tournament.

(mm) Subject to broadcaster's approval in its sole and absolute discretion, the mayor (or other individual designated by City) interview/welcome to be aired at such times during the ESPN/ESPN2 broadcast, if any, of each Tournament as City, DC and the broadcaster(s) may agree. The contents of such interview/welcome shall be supplied by City and are subject to DC's and the broadcaster's(s') prior approval in their absolute and sole discretion. Such interview shall be produced and edited by DC or its designee at DC's expense.

(nn) If DC has a video wall in the Facility area known as the "Garden Village" during any Tournament, City will have the opportunity to air four (4) 30-second spots and one 90-second travel log once each day during such Tournament, which spots and travel log will be subject to DC's approval.

(oo) Subject to any third party restrictions, DC shall mail direct response campaign materials (limited to City Promotions)

provided to it by City which promote City as a resort destination (such materials to be subject to DC's prior approval) to entities included on DC's database a maximum of one time. All out of pocket costs associated with such mailing (e.g., the creation of the materials, postage, etc.) will be the sole expense of City. This right shall survive expiration but not early termination of the Term.

(pp) Recognition as the presenting sponsor on the official Tournament web-site at all time such web site is operational throughout each Tournament.

(f) In Paragraph 4(a) of the Agreement, all references to the 2005 Tournament are deleted and the reference to "Six Hundred Thousand Dollars ($600,000)" is changed to "Three Hundred Thousand Dollars ($300,000)".

(g) A new Paragraph 4(b) is added as follows:

(b) In consideration for granting to City the right to be a "presenting sponsor" of each of the 2005 Tournament, the 2006 Tournament and the 2007 Tournament, City agrees to pay to DC the amount of One Million Eight Hundred Thousand Dollars ($1,800,000) (i.e., $600,000 per Tournament (the "Annual Fee")). DC acknowledges receipt of $300,000 of the Annual Fee for the 2005 Tournament. The remainder of the Annual Fee for the 2005 Tournament is due on March 1, 2005. For each of the 2006 Tournament and the 2007 Tournament, fifty percent (50%) of the applicable Annual Fee is due on the July 1 immediately preceding the applicable Tournament and the remaining fifty percent (50%) is due on the March 1 immediately preceding the applicable Tournament (assuming each Tournament shall begin no earlier than March 2 in any calendar year).

(h) Paragraphs 7(a)(iii)-(iv) of the Agreement are deleted in their entirety and the following inserted in lieu thereof:

(ii) The Tournament is not held at the Facility in any of 2004, 2005, 2006 or 2007.

(i) Paragraph 12 of the Agreement is deleted in its entirety and the following inserted in lieu thereof:

12. Non-Staging of Tournament. If a Tournament for which the City is a presenting or host sponsor, as the case may be, is not staged as scheduled in any of 2005 or 2006 or 2007, and City does not exercise its right, if any, to terminate this Agreement, this Agreement shall remain in full force and effect and will apply to the next "Tournament" held at the Facility and all time periods will be extended accordingly to reflect the delay.

(j) Paragraph 14 of the Agreement is deleted in its entirety and the following inserted in lieu thereof:

14. Entire Agreement. This Agreement constitutes the entire agreement between City and DC in respect to the subject matter of City's host sponsorship and presenting sponsorship supersedes all prior agreements, except as expressly set forth herein. Each party acknowledges, as of the date of this Amendment, full and satisfactory performance under the Original Agreement of all of the other party's obligations accrued to date with respect to the 2004 Tournament.

(k) Adding a new Paragraph 20 as follows:

20. Sales Taxes. DC will, for each of the 2006 and 2007 Tournaments, require the Tournament's vendors to obtain a business license from the City and to register with City and the California Board of Equalization to collect and pay to the State Board of Equalization sales taxes, a portion of which will be remitted by the State Board of Equalization to the City. DC will, for the 2005 Tournament, request the Tournament's vendors to obtain a business license from City and to register with City and the California Board of Equalization to collect and pay to the State Board of Equalization sales taxes, a portion of which will be remitted by the State Board of Equalization to the City, and advise such vendors of such upcoming requirement in 2006 and 2007. In all events, DC is not responsible for, nor is DC guaranteeing, that any such vendors for any of the 2005, 2006 or 2007 Tournaments will indeed obtain a business license, register or collect or pay the required taxes.

(l) Adding a new Paragraph 21 as follows:

21. Right of First Negotiation. Before (a) granting any rights to others in connection with the presenting sponsorship of

the 2008 Tournament or (b) entering into negotiations with any third party regarding the foregoing, DC agrees that (in each case, only if at the time City is a presenting sponsor of the Tournament), it will first negotiate in good faith for purposes of granting such rights exclusively with City during a sixty (60) day period of negotiations commencing October 1, 2006 (the "Negotiation Period"). If such negotiations do not result in agreement during the Negotiation Period, DC may enter into an agreement with any third party on any terms and conditions. Notwithstanding anything to the contrary contained herein, if at any time during the Negotiation Period, City's sponsorship status changes from that of presenting sponsor to host sponsor pursuant to Paragraph 22 below, the Negotiation Period shall immediately terminate, DC shall have no further obligation to continue exclusive negotiations with City regarding the 2008 Tournament and DC shall have no restrictions on entering into an agreement with any third party.

(m) Adding a new Paragraph 22 as follows:

22. Change in Sponsorship Status. Notwithstanding anything to the contrary contained in this Agreement, if DC desires to enter into an agreement with a third party (the "Third Party Sponsor") for the presenting sponsorship of the 2006 and /or 2007 Tournament, and subsequently does so (such Tournaments where a Third Party is the presenting sponsor, the "Affected Tournaments"), City shall, without further action by any party, become a host sponsor (instead of a presenting sponsor) for such Affected Tournaments (and all subsequent Tournaments during the term) on the same terms and conditions as set forth in the Original Agreement for the 2004 Tournament. For each of the Affected Tournaments for which City has hereby become a host sponsor, to the extent City has paid the Annual Fee in full, DC shall refund to City $300,000 of such Annual Fee within 15 days of DC's receipt of sponsorship payments in full from the Third Party Sponsor, and shall retain the remaining $300,000 as the applicable host sponsorship fee; provided, however, that in the event that DC fails to receive sponsorship payments in full from the Third Party Sponsor for any Affected Tournament on or before March 1 of the calendar year of the Affected Tournament, then DC shall refund to City said $300,000 due City on or before March 5 of such calendar year."

2. Other Provisions. This Amendment is effective as of the date hereof. All other provisions of the Agreement shall remain unchanged and in full force and effect, and nothing in this Amendment shall affect any other provision of the Agreement as in effect prior to the date hereof.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

DESERT CHAMPIONS LLC

By: International Merchandising Corporation, Member

By _____
Name:
Title:

By: PM Sports Tournament, LLC, Member

By: Athlone, LLC, Member

By: _____
Name: **Steven R. Simon**
Title: **Authorized Signatory**

CITY OF INDIAN WELLS

By _____
Name:
Title:

ATTEST:

By _____
Greg Johnson
City Clerk

APPROVED AS TO FORM:

By _____
Stephen P. Deitsch
City Attorney

SECOND AMENDMENT TO HOST SPONSORSHIP AGREEMENT
(Between City of Indian Wells and Desert Champions LLC)

This Second Amendment to Host Sponsorship Agreement is entered into and made effective as of October 21, 2016 (the "Second Amendment") by and between Desert Champions LLC, a California limited liability company ("DC") and the City of Indian Wells, a municipal corporation of the State of California ("City").

City and DC are parties to that certain letter agreement ("Host Sponsorship Agreement") made and effective as of March 23, 2006, as amended by that certain Amendment dated November 19, 2013 (collectively, the "Agreement"). Capitalized terms not defined in this Second Amendment shall have the meaning ascribed thereto in the Agreement.

DC has engaged in a major renovation of Stadium 1 at the Indian Wells Tennis Garden that will be completed before the 2017 BNP Paribas Open and will result in the remodel, reconfiguration, redecorating, and renumbering of all suites and the renumbering of seating within Stadium 1.

In recognition of the foregoing changes to Stadium 1, City and DC agree to amend the Agreement as follows:

1. Throughout the Agreement, "Stadium Court" shall be deemed to mean "Stadium 1," as such facility has been renamed.

2. The first two (2) sentences of Paragraph 3(a) of the Agreement are hereby deleted and replaced in their entirety by the following:

"(a) The exclusive use of Stadium Suite 302 (the "Stadium Suite"), a thirty-three (33) seat stadium suite, during each Tournament session. DC shall provide City with up to forty-five (45) tickets for the Stadium Suite for each Tournament session."

3. Paragraph 3(ff) of the Agreement is hereby deleted and replaced in its entirety by the following:

"(ff) City shall have the exclusive use of the Stadium Suite for all other events held within Stadium 1, except for events not open to the public (as so limited, a "Special Event" or the "Special Events"). For each Special Event, DC shall provide City with up to thirty-three (33) tickets for the Stadium Suite, six (6) VIP parking passes (valet parking, if provided for the event) and twelve (12) general parking passes (if such are issued for the event). For each Special Event, DC shall use its commercially reasonable best efforts to provide up to twelve (12) additional tickets for the Stadium Suite. All catering, if any, for the Stadium Suite during a Special Event will be supplied by a caterer designated by DC. There is no catering credit for any Special Event and City will be responsible for all food and beverage charges it incurs in respect of its use of the Stadium Suite during a Special Event. At the end of each Special Event, the Stadium Suite and

the furnishing and property therein provided by DC shall be surrendered and returned to DC in the same condition as when received by City, ordinary wear and tear excepted."

4. Except as provided in this Second Amendment, the terms of the Agreement shall remain in full force and effect.

The parties have executed this Second Amendment as of the date first written above.

CITY OF INDIAN WELLS, a Municipal corporation of the State of California

By: _____
Name: Richard Balocco
Title: Mayor

DESERT CHAMPIONS LLC, a California limited liability company

By: _____
Name: Steve Birdwell
Title: Chief Operating Officer

APPROVED AS TO FORM

_____
City Attorney

THIRD AMENDMENT TO HOST SPONSORSHIP AGREEMENT
(Between City of Indian Wells and Desert Champions LLC)

This Third Amendment to Host Sponsorship Agreement is entered into and made effective as of October 10, 2018 (the "**Third Amendment**") by and between Desert Champions LLC, a California limited liability company ("**DC**") and the City of Indian Wells, a California municipal corporation ("**City**").

City and DC are parties to that certain letter agreement ("**Host Sponsorship Agreement**") made and effective as of March 23, 2006, as amended by that certain Amendment dated November 19, 2013 and that certain Second Amendment to Host Sponsorship Agreement (Between City of Indian Wells and Desert Champions LLC) dated October 21, 2016 (collectively, the "**Agreement**"). Capitalized terms not defined in this Third Amendment shall have the meaning ascribed thereto in the Agreement.

City and DC acknowledge and agree that the Agreement has constituted a mutually beneficial arrangement for the parties, and desire to extend the term of the Agreement, as provided herein.

Now, therefore, City and DC agree to amend the Agreement as follows:

1. The first sentence of Paragraph 1 of the Agreement is hereby amended to read as follows:

> 1. Term. The term of this Agreement commences as of the closing under the Purchase Agreement (as defined below) and terminates at the conclusion of the 2042 Tournament, unless earlier terminated as set forth herein (the "Term").

2. This Third Amendment may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute on and the same instrument.

3. Except as provided in this Third Amendment, the terms of the Agreement shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
THIRD AMENDMENT TO HOST SPONSORSHIP AGREEMENT
(Between City of Indian Wells and Desert Champions LLC

City and DC have executed this Third Amendment as of the date first written above.

CITY:

CITY OF INDIAN WELLS,
a California municipal corporation

By: _____
David Gassaway
Acting City Manager

DC:

DESERT CHAMPIONS, LLC,
a California limited liability company

By: _____
Steve Birdwell
Chief Operating Officer

Approved as to form:

By: _____
Ethan Walsh
Special Counsel
Best Best & Krieger LLP

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SIGNATURE PAGE TO
THIRD AMENDMENT TO HOST SPONSORSHIP AGREEMENT
(Between City of Indian Wells and Desert Champions LLC

City and DC have executed this Third Amendment as of the date first written above.

CITY:

CITY OF INDIAN WELLS,
a California municipal corporation

By:_____
David Gassaway
Acting City Manager

Approved as to form:

By:_____
Ethan Walsh
Special Counsel
Best Best & Krieger LLP

DC:

DESERT CHAMPIONS, LLC,
a California limited liability company

By:_____
Steve Birdwell
Chief Operating Officer

3707703.2
23190-940

SIGNATURE PAGE TO
THIRD AMENDMENT TO HOST SPONSORSHIP AGREEMENT
(Between City of Indian Wells and Desert Champions LLC

City and DC have executed this Third Amendment as of the date first written above.

CITY:

CITY OF INDIAN WELLS,
a California municipal corporation

By: _____
David Gassaway
Acting City Manager

Approved as to form:

By: _____
Ethan Walsh
Special Counsel
Best Best & Krieger LLP

DC:

DESERT CHAMPIONS, LLC,
a California limited liability company

By: _____
Steve Birdwell
Chief Operating Officer

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ATTACHMENT #5

FOURTH AMENDMENT TO HOST SPONSORSHIP AGREEMENT
(Between City of Indian Wells and Desert Champions LLC)

This Fourth Amendment to Host Sponsorship Agreement is entered into and made effective as of July 7, 2020 (the "**Fourth Amendment**") by and between Desert Champions LLC, a California limited liability company ("**DC**") and the City of Indian Wells, a California municipal corporation ("**City**").

City and DC are parties to that certain letter agreement ("**Host Sponsorship Agreement**") made and effective as of March 23, 2006, as amended by that certain Amendment dated November 19, 2013, that certain Second Amendment to Host Sponsorship Agreement (Between City of Indian Wells and Desert Champions LLC) dated October 21, 2016, and that certain Third Amendment to Host Sponsorship Agreement (Between City of Indian Wells and Desert Champions LLC) dated October 10, 2018 (collectively, the "**Agreement**"). Capitalized terms not defined in this Fourth Amendment shall have the meaning ascribed thereto in the Agreement.

City and DC acknowledge and agree that the Agreement has constituted a mutually beneficial arrangement for the parties, and desire to extend the term of the Agreement, as provided herein.

Now, therefore, City and Desert Champions agree to amend the Agreement as follows:

1. The first sentence of Paragraph 1 of the Agreement is hereby amended to read as follows:

> 1. Term. The term of this Agreement commences as of the closing under the Purchase Agreement (as defined below) and terminates at the conclusion of the 2043 Tournament, unless earlier terminated as set forth herein (the "Term").

2. This Fourth Amendment may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute on and the same instrument.

3. Except as provided in this Fourth Amendment, the terms of the Agreement shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
FOURTH AMENDMENT TO HOST SPONSORSHIP AGREEMENT
(Between City of Indian Wells and Desert Champions LLC)

City and Desert Champions have executed this Fourth Amendment as of the date first written above.

CITY:

CITY OF INDIAN WELLS,
a California municipal corporation

By:_____
Chris Freeland
City Manager

DESERT CHAMPIONS:

DESERT CHAMPIONS LLC,
a California limited liability company

By:_____
Steve Birdwell
Chief Operating Officer

Approved as to form:

By: _____
Jeffrey S. Ballinger
City Attorney
Best Best & Krieger LLP

ATTACHMENT #6

		City	Indian Wells Tennis Gardens Package					
		Suite 216 Trade	Suite 209	Box Seats	VIP Reception	Suite TBD	Total Package Value	Max Potential (Loss) of Admissions Tax
1	seats	44	20	50	75	32		
2	Sessions	22	22	22		7		
3	Total Seats of All Sessions	968	440	1,100		224		
4	Value per VIP Seat				573			
5	Seat price per Session	351	630	200		351		
6	Seat price per All Sessions	7,727	13,860	4,400				
7	Ticket Value	340,000	277,200	220,000	43,000	78,624	**618,824**	575,824
8	Admissions Tax Rate							10.0%
9	Potential Loss							**(57,582)**

Indian Wells City Council

February 1, 2023

STAFF REPORT

To: City Council

From: City Manager Department

Prepared by: Christopher Freeland, City Manager

Subject: **Capital Improvement Program Update**

RECOMMENDED ACTION:

Council **REVIEWS, DISCUSSES,** and provides **DIRECTION** on the 2023 City Council City Goals.

City Council Policy Discussion and Direction

Staff recommends the City Council discuss and provide direction on the following financial goals for 2023 to include:

- Develop a new five-year CIP as part of the upcoming budget cycle.
- Continue investing in street maintenance program with the goal to achieve a City Average Pavement Condition Index of 80 points or higher.
- Maintain healthy, vibrant, and water conscience landscaping citywide.
- Perform annual sidewalk repairs to remove tripping hazards.
- Implement other Capital Improvement Projects to be identified during the City Council's 2023 Strategic Planning Session.
- City Council to provide any further discussion and direction on CIP initiatives for 2023.

BACKGROUND:

The Capital Improvement Program (CIP) is the City's comprehensive multi-year plan for the development of the City's capital facilities, improvements, and maintenance. The plan outlines the expected capital projects over a five-year period. Capital projects usually involve higher costs and traditionally take a year long process to design and construct.

The Capital Improvement Program preparation is an ongoing process of accumulating suggestions and observations then evaluating priorities to satisfy the needs of the City while still working within the available resources they would be drawing on.

The Capital Improvement Program is not a budget but rather a financial plan for capital improvements for the next five years. The program is not a commitment to spend; no authorization to spend funds exists until the City Council adopts the budget that includes the first two years of the five-year program.

A capital improvement project includes the construction, acquisition, expansion, rehabilitation, or non-routine maintenance work that generally costs $5,000 or more and results in the creation or preservation of a capital asset. The Capital Improvement Program attempts to identify all capital maintenance, facilities, and improvements needed within the next five years. It may include equipment purchases such as vehicles, capital-related studies, and master plans.

The program is updated yearly to provide a continuous five-year projection of the City's future capital needs. In each program year, projects are identified with a project description, justification, priority, and funding source. Next, the capital projects are placed into the citywide long-range cash flow. Individual projects are then compiled, summarized, and identified to the various funding sources, including existing fund balances, projected revenues, developer fees, grants, and interfund loans. Once completed, capital improvements shall be maintained at the level required to adequately protect the City's capital investment and minimize future replacement costs.

DISCUSSION

The five-year capital improvement plan will include safety, conservation, improvement, and maintenance projects approved by the City Council. The list of projects will include cost estimates including design, construction, inspections, and project management costs. To the extent possible, the City uses grant funding to develop capital projects. The location and description of each capital project are discussed within the capital budget.

This CIP Budget allocates existing funds and anticipated revenues to new and continuing projects in the City's multi-year CIP. The budget is based on analyzing available funding sources and reviewing project needs and priorities. The City's CIP needs often outweigh available resources; therefore, the Budget is constrained by the availability of funds.

The CIP program is overseen by the Public Works Department and is managed by individual departments depending on the specific project. The Finance Department provides fiscal oversight and accountability. The program serves as a planning and funding tool for the City Council and staff. A comprehensive list of projects with detailed descriptions of the work, funding needs, and funding sources is nominated by staff and approved by the Council.

Source and Use of Funds

Knowing how much to budget and when those funds will be needed is the underlying goal of the CIP. Without a long-term capital budgeting process, the quality of the City's infrastructure will

diminish to unacceptable levels and the cost to revitalize the infrastructure increases dramatically. Research has shown that an active capital budgeting program is the most cost-effective and efficient way for a municipality to maintain its infrastructure.

Some funding sources are very flexible and can be used for various tasks. In contrast, other funding sources are restricted, in some cases, to certain types of projects or areas of the community. Further, funds to support capital projects are limited, requiring that project needs and priorities be evaluated within the funding source's requirements.

Various funding sources are included for all capital programs. The funding source displays capital revenues for each year of the five-year CIP. In addition, the funding source shows the capital expenditures by line item for each year of the five years. CIP project detail pages are designed to provide accurate and informative financial and logistical information for projects.

Use of Capital Reserves

The City Council established long-term capital replacement funds in the fiscal year 2011/12 as a part of a good governance strategy. Capital replacement Funds provide the funding necessary to construct capital improvement projects identified in the capital budgeting process. The capital replacement funds have a combined cash balance of approximately $25.4 million.

Reserve funding is broken down into four categories - City, Golf Resort, Fire, and Housing based on the funding source of the capital asset. Revenues in each category are used to fund the annual reserve amount. In this fashion, capital reserves act like long-term savings accounts; cash is deposited based on calculated reserve amounts, and cash is withdrawn based on the need for capital repairs or replacements. This ensures enough cash reserves are maintained to make necessary repairs without the need to defer maintenance. To ensure the City's long-term capital needs are met, the Policy requires an annual review by the Finance Director.

Funding the Annual Reserve

The City reserves approximately $2.0 million annually as a part of the Budget. Identified funding sources in each category are used either to contribute to the annual reserve amount or fund annual capital expenditures, thereby reducing the yearly reserve amount. The annual reserve is funded using a priority system.

The funding priority is as follows:

1. Grant awards for specific capital projects.
2. Interest income earned in Reserve funds.
3. Regional funding sources (e.g., Measure A, SB1 Funds, etc.).
4. Capital grant reserves.

5. Remainder of funding amount from General Fund, Fire Fund, FAMD, or Housing Authority based on the funding source of the capital asset.

Attached is the City's current five-year CIP schedule that will be reviewed and discussed at the February 1, 2023, Strategic Planning Session.

ATTACHMENTS:

1. Indian Wells five-year CIP Schedule

ATTACHMENT #1

INDIAN WELLS
CALIFORNIA

Capital Improvement Program: Fiscal Years 2022-2026

City of Indian Wells
Public Works Department

Adopted June 2021



Capital Improvement Program: Fiscal Years 2021/22-2025/2026

City Council

Richard Balocco, Mayor
Dana Reed, Mayor Pro Tem
Kimberly Muzik, Councilmember
Donna Griffith, Councilmember
Greg Sanders, Councilmember

City Manager

Chris Freeland

City Executive Management Team

Angelica Avila, City Clerk
Peter Castro, Deputy City Manager
Kevin McCarthy, Finance Director
Kevin Seumalo, Public Works Director

CIP Manager

Tanya Williams, Management Analyst II

City of Indian Wells

In response to the Americans with Disabilities Act (ADA), this report, and all its contents, is available upon request in alternative formats. For more information, or to make a request, please contact the City's ADA Coordinator at (760) 776-0237.

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Note from the City Manager

The Capital Improvement Budget (FY 2021/22-2022/23) and Program (FY 2021/22-2025/26) for the City of Indian Wells details the capital investments required by the community to maintain and enhance our residents' quality of life. Given the significant costs associated with capital investments, the Capital Improvement Program (CIP) is a multi-year document and is updated regularly as part of the biennial budget process.

Guided by the City Council's strategic priorities, and the City of Indian Wells' General Plan, this CIP continues targeted investments to maintain, rehabilitate, and rejuvenate a wide array of public infrastructure to improve system reliability, enhance recreational experiences, advance public safety, and in general ensure that Indian Wells remains well positioned for further economic growth and opportunity. The aim of the CIP is to community the city's current and future infrastructure needs, and how the city is budgeting for the significant resources required to meet those needs.

During the previous fiscal year, the City made adjustments to accommodate the ongoing impacts from the COVID-19 pandemic. This included expenditure adjustments in the previous CIP. However, even during this uncertain time the city and staff still completed a number of significant projects in our community including landscape improvements on Eldorado Dr, the repaving of El Camino Drive, the Manitou Basins Project in the Fire Access Maintenance District (FAMD), and a number of projects have continued to move forward with planning and design.

While the revenue for our capital needs tightened over the last year, the identified needs and priorities in our communities has continued to grow. In this current CIP, the city has identified a number of immediate needs in the first year of this budget cycle. The next two years lay out a robust plan to address critical infrastructure needs to help ensure that our community continues to prosper and grow. The following program includes capital projects across a number of categories including public safety, streets and roads, landscaping, facilities, citywide storm drain improvements, within the FAMD district, and capital improvements at our Golf Resort. Each of these projects is reviewed and carefully considered and programmed in a way to ensure the long term needs of our community are met while also addressing short term concerns and deferred maintenance.

This CIP program overview and document is intended to serve as a communications tool to better help our community understand where and how the city invests our capital dollars to help ensure that Indian Wells can continue to attract a high quality of life for its residents and ensure that those who are visiting recognize the beauty in our city and community.



Chris Freeland, City Manager

Capital Improvement Program Overview

The City of Indian Wells' Capital Improvement Program (CIP) is a five-year plan for all capital projects and their funding source(s). This program is overseen by the Public Works Department and is managed by individual departments depending on the specific project. The Finance Department provides fiscal oversight and accountability. CIP projects range from new construction, infrastructure improvements, building and facilities maintenance, landscape maintenance and major equipment purchase. The program serves as a planning and funding tool for the City Council, staff, and our community. A comprehensive list of projects with detailed descriptions of the work, funding needs, and funding sources are nominated by staff and approved by the Council.

Capital Improvement Program Process

The Capital Improvement Program process consists of 4 main steps that starts with the input from Council and our community. City staff also keep an ongoing list of deferred maintenance or infrastructure needs that then goes into a list to be prioritized through the biennial budget process. Through the prioritization process, staff also reviews available funding, including any grants or community partnerships with time sensitivity. The fully completed CIP document takes this whole process, the summary of projects, priorities and funding and creates a road map to address the city's capital needs over a five year period.



The CIP is reviewed and approved as part of the budget process, including a review and approval by the Finance Committee and City Council. The CIP also must be approved by the Planning Commission to ensure that the projects within the CIP comply with the City's general plan.

CIP Planning Policies, Goals, and Objectives

All Capital projects have a cost greater than $5,000 and have a life expectancy greater than three years. Projects typically fit within one of the seven categories below:

- **Public Safety:** projects affecting local public safety needs
- **Streets & Roads:** projects that improve streets and roads including pavement maintenance
- **Landscaping:** projects that improve the city owned landscaping along public right of way
- **Facilities & Equipment:** projects improving public facilities or purchase of new equipment
- **Storm Drains:** projects that address concerns in the citywide storm drain system
- **FAMD:** projects funded through the special district FAMD
- **Golf Resort:** projects at the golf resort including to facilities, equipment and fleet

CIP Criteria

Through the CIP planning process, CIP projects are identified and prioritized through looking at several different layers of criteria. These include:

- **Addressing health and safety concerns**- enhancing, improving or protecting public safety
- **Supporting Council and community goals**- supporting those goals identified by Council to address city-wide long-term needs
- **Meeting a regulatory or mandated requirement**- proposed projects that satisfy regulatory or mandated programs
- **Outside funding & partnerships**- funding has been committed or obligated through community partnerships and obligations.

Goals of the CIP

Looking ahead over the next five years, there were several goals that helped guide the identified projects in this next cycle. These included:

- Maintain healthy, vibrant, and water conscience landscaping
- Maintain a City Average Pavement Condition Index of 80 points or higher
- Perform annual sidewalk repairs to remove tripping hazards
- Address deferred maintenance in all city infrastructure
- Support ongoing public safety needs

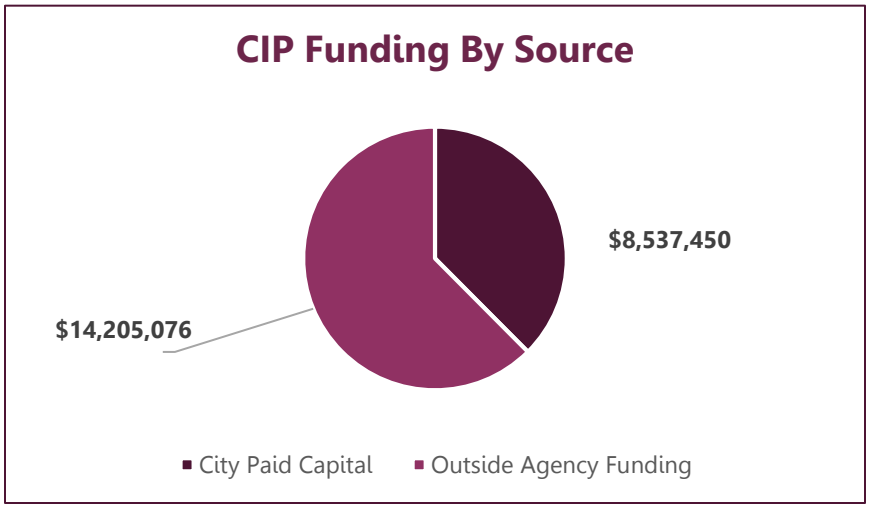
Capital Improvement Program Funding

The five-year Capital Improvement Plan includes nearly 40 capital projects budgeted at just over $22.7 million. Through the process of identifying and scoping projects, city staff also takes into consideration the funding resources and mechanisms available as part of the comprehensive capital budget.

Total Projects by Category

	FY 21/22	FY22/23	FY23/24	FY24/25	FY25/26	Total
Public Safety	$900,000					$900,000
Streets & Roads	$1,317,000	$1,561,250	$1,620,000	$1,845,000	$850,000	$7,193,250
Landscaping	$150,000	-	$750,000	-	$350,000	$1,250,000
Facilities & Equipment	$130,000	$150,000	$245,000	$105,000	-	$630,000
Storm Drains	$3,589,000	$1,534,500	$70,000	$34,500	$187,500	$5,415,500
FAMD	$970,972	$539,063	$907,506	$879,873	$178,990	$3,476,403
Golf Resort	$1,749,234	$389,375	$567,083	$606,145	$545,536	$3,857,373
						$22,742,526

To the extent possible, the City utilizes outside agencies and grant funds to pay for capital projects. Over the last few years, city staff has expanded its grant funding program and has sought additional outside funding for our capital program. This will continue to be a significant part of the funding program in the future. The chart below summarizes the split between the funding of our capital programs between general fund dollars and those projects funded through outside agencies, grants or other funds such as the Fire Fund, Housing Authority or the Golf Resort fund.

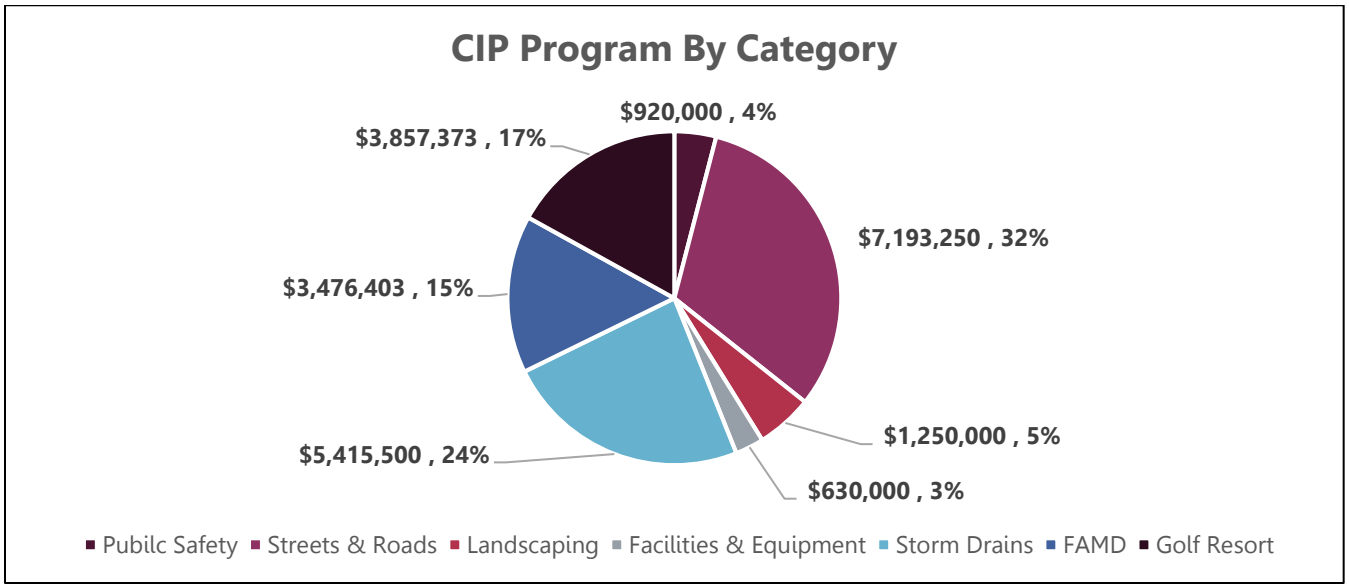


Approximately $16.7 million in capital funding will come from outside agencies, developer fees, and capital grants funds. This includes funding through programs such as the Road Maintenance and Rehabilitation Account (RMRA) or Gas tax funds that support the annual asphalt program and the Community Development Block Grant (CDBG) fund that supports small American Disability Act improvements (ADA). The City's remaining share, or those projects paid for by general fund dollars, of the five-year capital improvement plan is roughly $8.5 million.

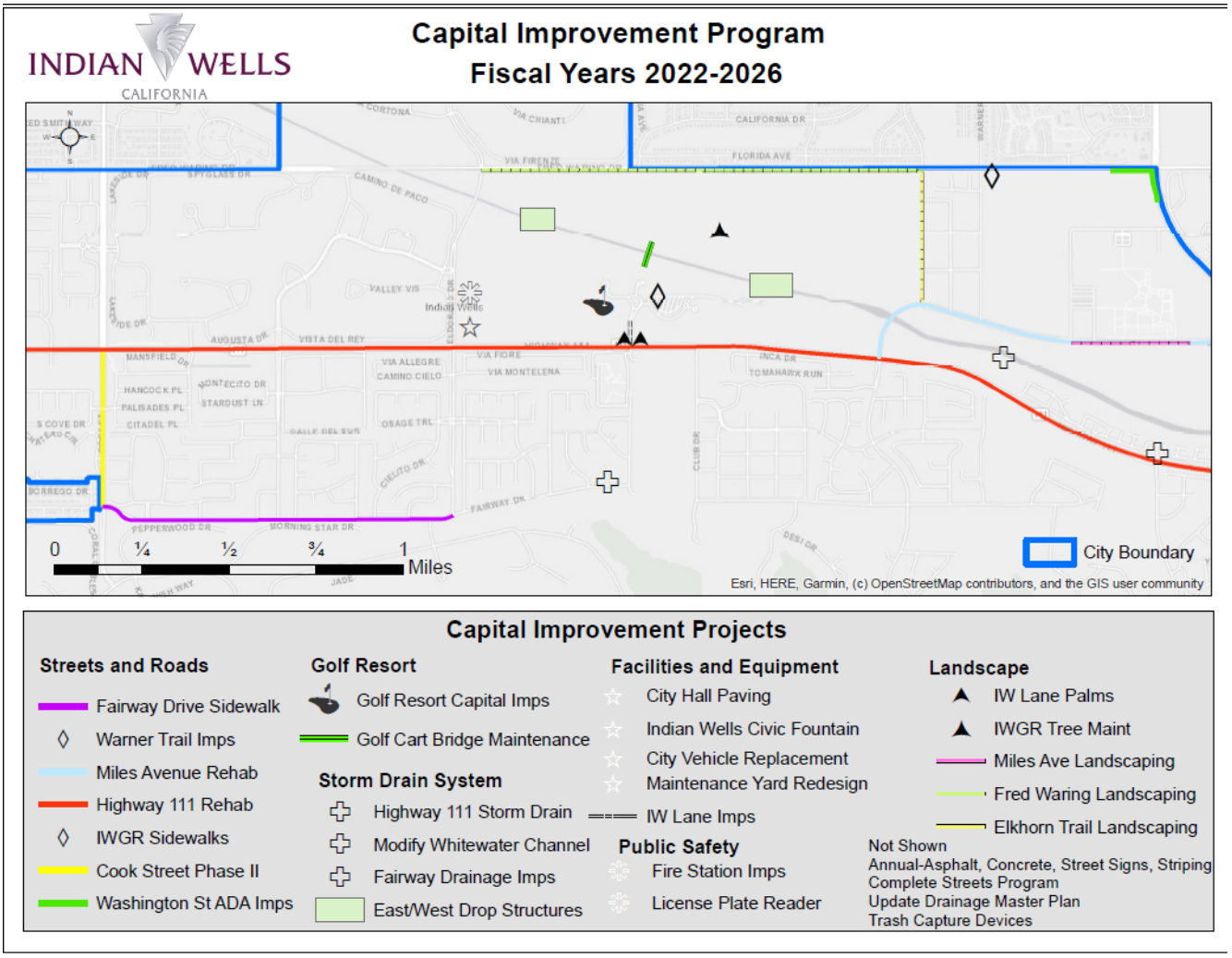
Program Summary and Details

The CIP contains a robust program over the next five years to improve and maintain the city's infrastructure. The city anticipates spending just over $7.1 million to improve our streets and roads, including several major arterials such as Highway 111, Washington and Cook Street. We are also planning several large infrastructure projects, with just over $5.4 million to our storm drain system, including two significant projects that are repairs from the February 2019 storm which was declared a local emergency. Several landscaping projects are planned throughout the city, as well as ongoing maintenance and improvements at our city facilities. There are several large capital projects planned at the Indian Wells Golf Resort as well as within the Fire Access Maintenance District (FAMD). Each of the projects categorized below are included in more detail in project sheets included in the following sections of this document.

The table below provides a quick snapshot of the projects by category, categorizing the total investments made in each category over the next five years. Full descriptions of each of the projects proposed in each of the categories below can be found in the detailed project sheets in the following pages.



The map below captures each of the projects and their locations throughout the city.



City of Indian Wells Capital Improvement Program Schedule and 5-Year Projection

Project Number	Fund	Program Budget Activity No.	Project Description	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	Total Project	City Paid Capital Cost	Outside Agency, Developer Fees, or Other Grant Reimbursement	Reimbursing Agency
Public Safety												
	316		License Plate Readers	$ 220,000					$ 220,000	$ 220,000		
	228		Public Safety Access	$ 700,000					$ 700,000	$ -	$ 700,000	Fire Fund
			Total Public Safety	**$ 920,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 920,000**	**$ 220,000**	**$ 700,000**	
Streets & Roads												
	316/219		Annual Asphalt Program	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 2,500,000	$ 1,740,000	$ 760,000	RMRA
	316		Hwy 111 Pavement Rehabilitation	$ 550,000					$ 550,000	$ 350,000	$ 200,000	AB939/Developer Fees
	316		Cook Street Phase II		$ 200,000	$ 925,000			$ 1,125,000	$ 977,700	$ 147,300	Rubberized Grant
	316		Sidewalk Repair & Replacement	$ 55,000	$ 55,000	$ 60,000	$ 60,000		$ 230,000	$ 230,000		
	316		Washington St ADA Improvements			$ 75,000			$ 75,000	$ 50,000	$ 25,000	CDBG
	316		Warner Trail Road Improvements	$ 50,000	$ 500,000				$ 550,000	$ 550,000		
	316		Roadway Striping		$ 81,250				$ 81,250	$ 81,250		
	316		Miles Ave Rehabilitation		$ 150,000		$ 85,000	$ 350,000	$ 585,000	$ 585,000		
	316		IWGR Sidewalk Improvements	$ 150,000					$ 150,000	$ 150,000		
	316		Complete Streets			$ 60,000	$ 1,200,000		$ 1,260,000	$ 1,260,000		
			Fairway Sidewalk	$ 12,000	$ 75,000				$ 87,000	$ 87,000		
			Total Streets & Roads	**$ 1,317,000**	**$ 1,561,250**	**$ 1,620,000**	**$ 1,845,000**	**$ 850,000**	**$ 7,193,250**	**$ 6,060,950**	**$ 1,132,300**	
Landscaping												
	316		IW Lane Palm Tree Removal & Replacement	$ 150,000					$ 150,000	$ 150,000		
	316		Elkhorn Trail Landscape Renovation			$ 200,000			$ 200,000	$ 200,000		
	316		Miles Ave Landscaping Improvements					$ 350,000	$ 350,000	$ 350,000		
	316		Fred Waring Landscape Improvements			$ 550,000			$ 550,000	$ 550,000		
			Total Landscaping	**$ 150,000**	**$ -**	**$ 750,000**	**$ -**	**$ 350,000**	**$ 1,250,000**	**$ 1,250,000**	**$ -**	
Facilities & Equipment												
	316		IW Lane Improvements			$ 140,000			$ 140,000	$ 140,000		
	316		IW Fountain Repair & Replacement	$ 50,000					$ 50,000	$ 50,000		
	316		Maintenance Yard Redesign			$ 65,000	$ 65,000		$ 130,000	$ 130,000		
	316		City Vehicle Replacement	$ 80,000	$ 40,000	$ 40,000	$ 40,000		$ 200,000	$ 200,000		
	316		City Hall Parking Pavement		$ 110,000				$ 110,000	$ 110,000		
	316		Fred Waring Landscape Improvements						$ -	$ -		
			Total Facilities & Equipment	**$ 130,000**	**$ 150,000**	**$ 245,000**	**$ 105,000**	**$ -**	**$ 630,000**	**$ 630,000**	**$ -**	
Storm Drain System												
	316		East Drop Structure		$ 1,500,000				$ 1,500,000	$ -	$ 1,500,000	FEMA
	316		West Drop Structure	$ 1,539,000					$ 1,539,000	$ -	$ 1,539,000	FEMA
	316		Trash Capture Devices		$ 34,500		$ 34,500		$ 69,000	$ 69,000		
	316		Update Drainage Master Plan					$ 187,500	$ 187,500	$ 187,500		
	316		Hwy 111 Drainage Improvements			$ 70,000			$ 70,000	$ 70,000		
	316		Fairway Dr. Drainage Improvements	$ 50,000					$ 50,000	$ 50,000		
	256		Modify WWR Channel Bank (HA Property)	$ 2,000,000					$ 2,000,000	$ -	$ 2,000,000	Housing Authority
			Total Storm Drain System	**$ 3,589,000**	**$ 1,534,500**	**$ 70,000**	**$ 34,500**	**$ 187,500**	**$ 5,415,500**	**$ 376,500**	**$ 5,039,000**	
FAMD												
	209		FAMD Capital	$ 970,972	$ 539,063	$ 907,506	$ 879,873	$ 178,990	$ 3,476,403	$ 0	$ 3,476,403	FAMD
			Total FAMD	**$ 970,972**	**$ 539,063**	**$ 907,506**	**$ 879,873**	**$ 178,990**	**$ 3,476,403**	**$ 0**	**$ 3,476,403**	
Indian Wells Golf Resort												
	560		Clubhouse/Facility	$ 234,335	$ 215,500	$ 293,596	$ 477,807	$ 363,286	$ 1,584,524	$ -	$ 1,584,524	Golf Fund
	560		Common Area Structure	$ 47,686	$ 37,316	$ 41,948	$ 74,816	$ 41,038	$ 242,804	$ -	$ 242,804	Golf Fund
	560		Golf Course and Range Equipment	$ 186,920	$ 65,038	$ 135,897	$ 22,623	$ 113,012	$ 523,490	$ -	$ 523,490	Golf Fund
	560		Pavilion	$ 3,139	$ 70,070	$ 27,757			$ 100,966	$ -	$ 100,966	Golf Fund
	560		Resturant/Food & Beverage	$ 26,575	$ 1,451	$ 56,385	$ 30,899	$ 16,700	$ 132,010	$ -	$ 132,010	Golf Fund
	560		Cart Fleet	$ 1,239,079					$ 1,239,079	$ -	$ 1,239,079	Golf Fund
	560		Golf Cart Bridge Maintenance	$ 11,500		$ 11,500		$ 11,500	$ 34,500	$ -	$ 34,500	Golf Fund
			Total Indian Wells Golf Resort	**$ 1,749,234**	**$ 389,375**	**$ 567,083**	**$ 606,145**	**$ 545,536**	**$ 3,857,373**	**$ -**	**$ 3,857,373**	
			Total	**$ 8,826,206**	**$ 4,174,188**	**$ 4,159,589**	**$ 3,470,518**	**$ 2,112,026**	**$ 22,742,526**	**$ 8,537,450**	**$ 14,205,076**	

CIP Project Descriptions and Location Maps

Public Safety

1. License Plate Reader Program
2. Public Safety Access

Streets & Roads

1. Annual Asphalt Program
2. Highway 111 Rehabilitation
3. Cook St Phase II
4. Sidewalk Repair & Replacement
5. Washington St ADA Improvements
6. Warner Trail Improvements
7. Roadway Striping
8. Miles Ave Rehabilitation
9. IWGR Sidewalk Improvements
10. Complete Streets
11. Fairway Sidewalk Improvements

Landscaping

1. Indian Wells Lane Tree Remove & Replacement
2. Elkhorn Trail Landscape Renovation
3. Miles Ave Landscape Improvements
4. Fred Waring Landscape Improvements

Facilities & Equipment

1. IW Lane Improvements
2. IW Lane Fountain Replacements
3. Maintenance Yard Redesign
4. City Vehicle Replacement
5. City Hall Parking Pavement

Storm Drains

1. East Drop Structure
2. West Drop Structure
3. Trash Capture Devices
4. Citywide Drainage Master Plan Update
5. Highway 111 Drainage Improvements
6. Fairway Drive Drainage Improvements
7. Whitewater Channel Bank Modifications (Housing Authority)

FAMD

1. FAMD Capital Improvements

Indian Wells Golf Resort

1. Capital Improvements
2. Golf Bridge Maintenance

PROJECT NAME: License Plate Readers

PROJECT NUMBER:

Location	Citywide	**Department**	Public Safety	**Priority**	**High**
Plan Reference		**Contact**	Peter Castro, Deputy City Manager	**Fund**	**316**
Category	Public Safety	**Type**	Equipment Purchase		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$220,000**

Project:

The Automatic License Plate Reader (APLR) system supports the efforts of law enforcement with increased public safety. This is an alternative to installing safety cameras at intersections throughout the city. Funding for this project will come from Fund 316 the Capital Improvement Program.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design	$	$ -	$ -	$ -	$ -	$ -
Construction	$ 220,000	$ -	$ -	$ -	$ -	$ 220,000
Administration/Inspection	$ -	$ -	$ -	$ -	$ -	$ -
Contingency	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -	$ -	$ -	**$ -**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -	$ -	$ -	**$ -**

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Public Safety Access

PROJECT NUMBER:

Location	Citywide	**Department**	Public Safety	**Priority**	**High**
Plan Reference		**Contact**	Peter Castro, Deputy City Manager	**Fund**	**228**
Category	Public Safety	**Type**			

Status

☑ New Project ☐ Continuing Project

☑ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$700,000**

The Public Safety Access Project provides a secondary access to the Pavilion at the Golf for emergency vehicles, especially a fully equipped Fire Truck. The secondary access will traverse the Whitewater River Channel just east of the driving range, continue up the north slope of the Channel and to the Pavilion.

Reimbursing agency: Fund 228 Fire Agency

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design	$ -	$ -	$ -	$ -	$ -	$ -
Construction	$ 700,000	$ -	$ -	$ -	$ -	$ 700,000
Administration/Inspection	$ -	$ -	$ -	$ -	$ -	$ -
Contingency	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -	$ -	$ -	**$ -**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Fire Fund	$ 700,000	$ -	$ -	$ -	$ -	$ 700,000
	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -	$ -	$ -	**$ -**

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Annual Asphalt Program

PROJECT NUMBER:

Location	Citywide	**Department**	Public Works	**Priority**	**Medium**
Plan Reference	Pavement Management	**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Road Maintenance		

Status

☐ New Project ☑ Continuing Project

☑ Construction ☑ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$2,500,000**

Annual asphalt pavement maintenance construction throughout the City, focusing on deferred maintenance on local streets and roads.

Implementing a regular and proper maintenance program assists in extending the life of the City's roadways. Asphalt maintenance includes crack sealing, slurry sealing, overlay, resurfacing, and full reconstruction depending on several factors including, distress type, distress severity, and distress quantity. The Pavement Management Assessment completed near the end of FY21 will identify and prioritize projects that will roll into this annual program.

This project is budgeted under the 316 Capital Improvement Fund and is budgeted and planned for annually. RMRA Funding allocated through Senate Bill 1 supports the funding for this annual program.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design	$40,0000	$40,000	$40,000	$40,000	$40,000	$200,000
Construction	$445,000	$445,000	$445,000	$445,000	$445,000	$2,225,000
Administration/Inspection	$5,000	$5,000	$5,000	$5,000	$5,000	$25,000
Contingency	$10,000	$10,000	$10,000	$10,000	$10,000	$50,000
TOTAL	**$500,000**	**$500,000**	**$500,000**	**$500,000**	**$500,000**	**$2,500,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
RMRA/SB1	$ 152,000	$152,000	$152,000	$152,000	$152,000	**$ 760,000**

PROJECT LOCATION

The Annual Asphalt location is primarily on local streets and roads citywide.

PROJECT NAME: Highway 111 Rehabilitation

PROJECT NUMBER:

Location	Highway 111 City Limits	**Department**	Public Works	**Priority**	**HIGH**
Plan Reference	Pavement Management	**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Road Maintenance		

Status

☑ New Project ☐ Continuing Project

☑ Construction ☑ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$550,000**

Highway 111, the major arterial through the heart of Indian Wells, is in need of maintenance to extend the life of the road. This project will do a thin grinding of the existing asphalt and overlay with new rubberized asphalt pavement.

In 2019 the City applied for and received a grant from CalRecycle to utilize rubberized asphalt on Hwy 111 for $204,270. This will supplement the overall project cost.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design	$40,000					$40,000
Construction	$500,000					$500,000
Administration/Inspection	$5000					$5,000
Contingency	$5000					$5,000
TOTAL	**$550,000**					**$550,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
CalRecycle Rubberized Asphalt Grant	$204,270					**$204,270**

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Cook St Phase II

PROJECT NUMBER:

Location	Cook St Fairway to Hwy 111	**Department**	Public Works	**Priority**	**MEDIUM**
Plan Reference	Pavement Management	**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Road Maintenance		

Status

☑ New Project ☐ Continuing Project

☑ Construction ☑ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification

Total Project Cost: $1,125,000

Full reconstruction and redesign of Cook St both North and South bound from Hwy 111 to Fairway. This also includes the removal and replacement of palm trees as part of the landscaping design.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design		$200,000				$200,000
Construction			$900,000			$900,000
Administration/Inspection			$5,000			$5,000
Contingency			$20,000			$20,000
TOTAL		**$200,000**	**$925,000**			**$1,125,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Sidewalk Repair & Replacement

PROJECT NUMBER:

Location	Various locations citywide	**Department**	Public Works	**Priority**	**HIGH**
Plan Reference	ADA Improvement Plan	**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Safety Maintenance		

Status

☐ New Project ☑ Continuing Project

☑ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$290,000**

The Annual Concrete Program is a citywide program that repairs or replaces damaged concrete facilities within the City's right-of-way. Sidewalk, curb, gutter, and ramp repairs or replacements occur when concrete moves up or down in excess of 3/4 inch, cracks exceed more than 1 inch wide, the surface of the sidewalk becomes significantly cracked or damaged, there is inadequate drainage, there is a safety hazard, or there are ADA hazards and inaccessibility.

This project is budgeted under the 316 Capital Improvement Fund.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	$55,000	$55,000	$60,000	$60,000	$60,000	
Administration/Inspection						
Contingency						
TOTAL	**$55,000**	**$55,000**	**$60,000**	**$60,000**	**$60,000**	**$290,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION

Citywide and various locations.

PROJECT NAME: Washington St ADA Improvements

PROJECT NUMBER:

Location	Washington St near Fred Waring	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Safety Maintenance		

Status

☑ New Project ☐ Continuing Project
☑ Construction ☑ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification

Total Project Cost: $75,000

Complete ADA ramps at the intersection, ramp repairs by SW Church and modify entrance.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction		$75,000				
Administration/Inspection						
Contingency						
TOTAL		**$75,000**				**$75,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
CDBG		$25,000				**$25,000**

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Warner Trail Street Improvements

PROJECT NUMBER:

Location	Warner Trail near Fred Waring	**Department**	Public Works	**Priority**	**HIGH**
Plan Reference	Pavement Management	**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Safety Improvements.		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$550,000**

This project will address two concerns on Warner Trail near Fred Waring. The first is an active sinkhole that is need of repair. The second issue will be the addition of a right hand turn lane near Gerald Ford Elementary. The right hand turn lane will improve accessibility and safety near Gerald Ford Elementary School.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design	$50,000					
Construction		$480,000				
Administration/Inspection		$5,000				
Contingency		$15,000				
TOTAL	**$50,000**	**$500,000**				**$550,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Roadway Striping

PROJECT NUMBER:

Location	Various locations	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Streets & Roads	**Type**	Safety Improvements.		

Status

☐ New Project ☑ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$81,250**

The Roadway Striping Program complements the Pavement Management System, recommending re-striping of the City's roadways (including arterial, collector, and local). The program evaluates current striping on roadways, installs new and rehabilitates existing pavement markings, legends, and traffic striping within City limits, and recommends modifications based on public needs and safety (such as discouraging high traffic speed by narrowing lane width). The program divides the City into thirds and includes Highway 111 as a separate project to maintain safe, highly visible roadway striping.

This project is budgeted under the 316 Capital Improvement Fund.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction		$81,250				
Administration/Inspection						
Contingency						
TOTAL		**$81,250**				**$81,250**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION

Various citywide locations.

PROJECT NAME: Miles Ave Rehabilitation

PROJECT NUMBER:

Location	Miles Ave	**Department**	Public Works	**Priority**	**Medium**
Plan Reference	Pavement Management	**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Road Maintenance		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$435,000**

Complete repair and rehabilitation of miles ave from Hwy 111 to Washington St.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design				$85,000		$85,000
Construction					$330,000	$330,000
Administration/Inspection					$5,000	$5,000
Contingency					$15,000	$15,000
TOTAL						**$435,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Indian Wells Golf Resort Sidewalk Improvements

PROJECT NUMBER:

Location	Indian Wells Lane	**Department**	Public Works	**Priority**	**HIGH**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Sidewalk Improvements		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$150,000**

This project will improve the pedestrian accessibility at the Indian Wells Golf Resort and particularly address safety concerns for pedestrians walking to access opposite ends of the campus. The design for this project was completed in FY 2021.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	$140,000					$140,000
Administration/Inspection	$5000					$5,000
Contingency	$5000					$5,000
TOTAL	**$150,000**					**$150,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Complete Streets Program

PROJECT NUMBER:

Location	Multiple Locations	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Safety & Mobility		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$1,260,000**

The complete streets program will address design considerations to address all modes of travel for all users to ensure accessibility and comfort of travel. This project will specifically address safety concerns for all users along Cook St, Club St. and Rancho Palmeras Dr.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design			60000			
Construction				1,175,000		$1,175,000
Administration/Inspection				$5,000		$5,000
Contingency				$20,000		$5,000
TOTAL						**$1,260,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION

The complete streets program will identify future and potential streets at a later date. Cook St, Club, Rancho Palmeras and Fairway are preliminary as of FY 21.

INDIAN WELLS CALIFORNIA

PROJECT NAME: Fairway Sidewalks

PROJECT NUMBER:

Location	Fairway St Btw Cook & Eldorado	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Streets & Roads	**Type**	Safety & Mobility		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification

Total Project Cost: $90,000

This project will construct sidewalks along the North side of Fairway drive from Cook st to Eldorado drive improving the safety and accessibility of this road for local users.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design	$12,000					
Construction		$75,000				
Administration/Inspection						
Contingency						
TOTAL	**$12,000**	**$75,000**				**$87,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS CALIFORNIA

PROJECT NAME: Indian Wells Lane Palm Tree Replacement

PROJECT NUMBER:

Location	Indian Wells Lane	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Landscaping	**Type**	Safety		

Status

☑ New Project ☐ Continuing Project

☑ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$150,000**

The City's trees suffered damage from the early heat experienced by the Coachella Valley during Spring 2016. This project (carried over from the City's previous Capital Improvement Plan) replaced trees that died or were dying from early high heat, assessed the remaining trees for health from insects and disease, and replaced the City's palm trees that line City streets.

This project addresses the palm trees along Indian Wells Lane behind the fountains and will remove 21 Palm Trees, and replace with 14 new trees.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	$150,000					
Administration/Inspection						
Contingency						
TOTAL	**$150,000**					**$150,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Elkhorn Trail Landscape Renovation

PROJECT NUMBER:

Location	Elkhorn Trail	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Landscaping	**Type**	Safety		

Status

☑ New Project ☐ Continuing Project

☑ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** $200,000

Retaining Wall improvements, remove & replace trees along Elkhorn Trail from Fred Waring Ave to Miles Ave.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction			$200,000			$200,000
Administration/Inspection						
Contingency						
TOTAL						**$200,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Miles Ave Landscape Renovations

PROJECT NUMBER:

Location	Elkhorn Trail	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Landscaping	**Type**	Safety		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

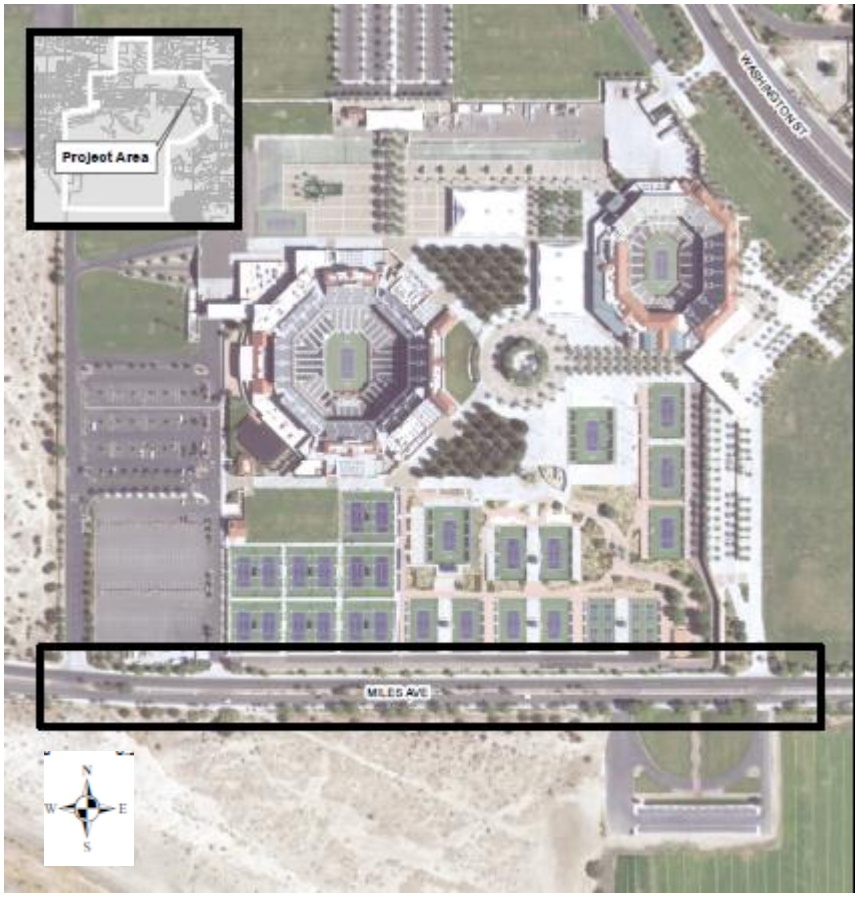
Description & Justification **Total Project Cost:** $350,000

Complete landscaping redesign and improvements along miles ave in conjunction with the road rehabilitation.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction					$350,000	$350,000
Administration/Inspection						
Contingency						
TOTAL						**$350,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Fred Waring Landscape Renovations

PROJECT NUMBER:

Location	Fred Waring Eldorado to Elkhorn Trail	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Landscaping	**Type**	Maintenance		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

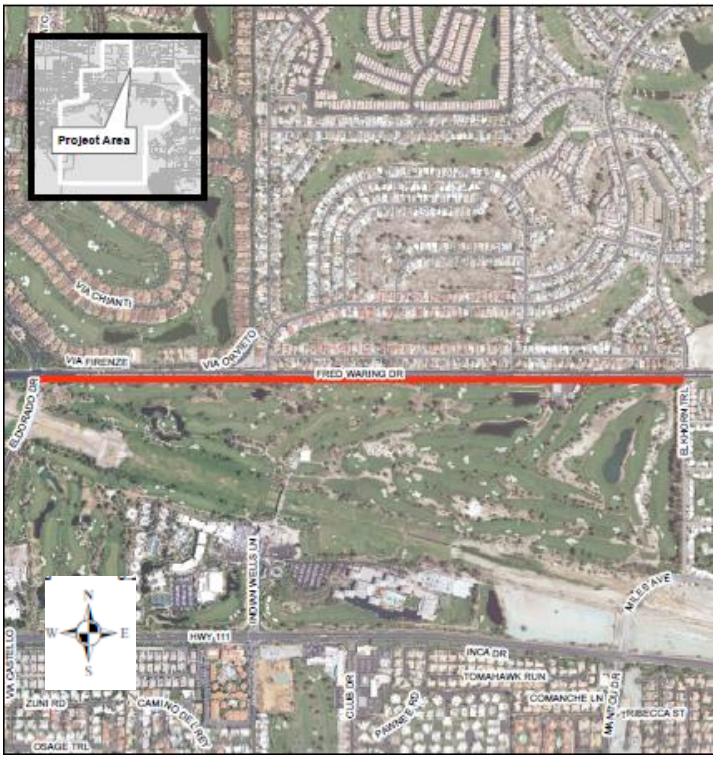
Description & Justification **Total Project Cost:** **$550,000**

Remove rock, lower grade, remove and replace trees along Fredwaring from Eldorado to Elkhorn Trail.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction			$550,000			$550,000
Administration/Inspection						
Contingency						
TOTAL						**$550,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Indian Wells Lane Facilities Improvements

PROJECT NUMBER:

Location	Indian Wells Lane	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Facilities	**Type**	Maintenance		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$140,000**

Construct pony wall, refurbish existing iron fencing on Indian Wells Lane near Hwy 111.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction			$140,000			$140,000
Administration/Inspection						
Contingency						
TOTAL						**$140,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Indian Wells Lane Fountain Repair

PROJECT NUMBER:

Location	Indian Wells Lane	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Facilities	**Type**	Maintenance		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$50,000**

The fountain pump in the large fountains on Indian Wells Lane near Hwy 111 is in need of repair and replacement to ensure that the fountains remain in excellent working condition. The fountains have not functioned properly for over a year.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	$50,000					$50,000
Administration/Inspection						
Contingency						
TOTAL						**$50,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Maintenance Yard Redesign

PROJECT NUMBER:

Location	IW Maintenance Yard	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Facilities	**Type**	Maintenance		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$130,000**

This project will redesign the layout and flow for the storage of equipment and movement of vehicles at the IW Public Works Maintenance Yard. This includes the rehabilitation of the parking and pavement areas.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design			$65,000			$65,000
Construction				$65,000		$65,000
Administration/Inspection						
Contingency						
TOTAL						**$130,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



PROJECT NAME: City Vehicle Replacements

PROJECT NUMBER:

Location	City Facilities	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Facilities	**Type**	Maintenance		

Status

☐ New Project ☑ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$200,000**

The vehicle replacement program incrementally updates the City's existing fleet to newer, more efficient models. Vehicles are prioritized for upgrades based on condition, age, history of and projected repair costs, mileage, frequency of use and nature of work performed, depreciation, and annualized cost-to-own. The current program includes the purchase of one new additional vehicle for FY22 for an additional staff person, and replacing an existing vehicle every year after that.

This project is budgeted under the 316 Capital Improvement Fund.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Equipment	$80,000	$40,000	$40,000	$40,000		$200,000
Administration/Inspection						
Contingency						
TOTAL	**$80,000**	**$40,000**	**$40,000**	**$40,000**		**$200,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION

City Facilities & Equipment Yard

PROJECT NAME: City Hall Parking Lot Pavement

PROJECT NUMBER:

Location	IW City Hall	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Mihai Dan, Maintenance Supervisor	**Fund**	**316**
Category	Facilities	**Type**	Maintenance		

Status

☑ New Project ☐ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

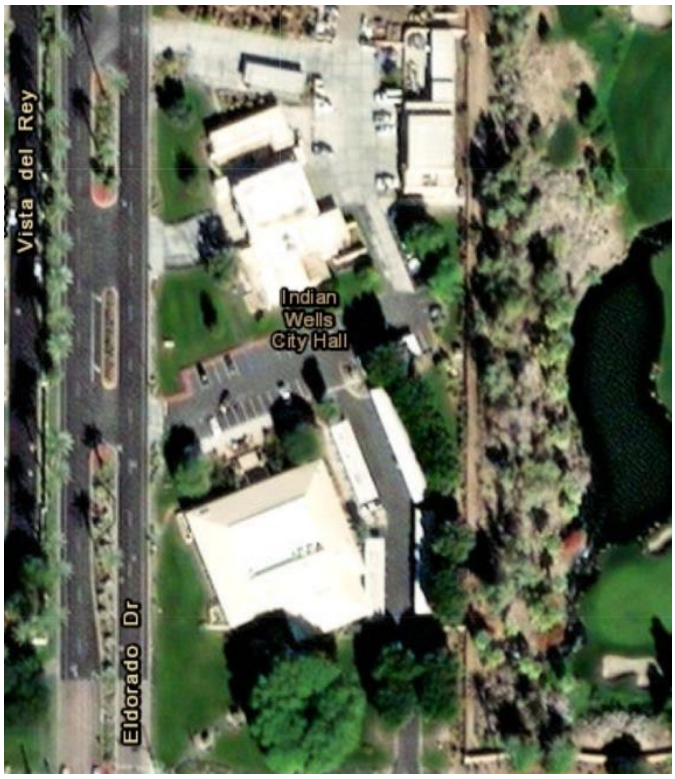
Description & Justification **Total Project Cost:** **$110,000**

This project will remove and replace the pavement and city hall.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction		$110,000				$110,000
Administration/Inspection						
Contingency						
TOTAL						**$110,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: East Drop Structure Repair

PROJECT NUMBER:

Location	Whitewater Channel Near Miles Ave	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Storm Drains	**Type**	Maintenance & Repairs		

Status

☑ New Project ☐ Continuing Project

Description & Justification **Total Project Cost:** **$1,500,000**

During the storm events of February 2019, the Whitewater Storm Channel experienced considerable flooding that damaged the East Drop Structure located behind the Renaissance hotel. Design is underway for FY 21-22 and we anticipate construction in FY 23.

This project will receive partial reimbursement from FEMA

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction		$1,500,000				$1,500,000
Administration/Inspection						
Contingency						
TOTAL						**$1,500,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
FEMA		$1,500,000				**$1,500,000**

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: West Drop Structure Repair

PROJECT NUMBER:

Location	Whitewater Channel Near Eldorado Ave	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Storm Drains	**Type**	Maintenance & Repairs		

Status

☑ New Project ☐ Continuing Project

Description & Justification **Total Project Cost:** **$1,539,000**

During the storm events of February 2019, the Whitewater Storm Channel experienced considerable flooding that damaged the West Drop Structure near Eldorado Drive. The approved design restores the flow of water through the channel to prevent future flooding in the area.

The design for this project was completed in FY 21 and construction is expected to last through FY22.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	1,539,000					$1,539,000
Administration/Inspection						
Contingency						
TOTAL						**$1,539,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
FEMA		$1,539,000				**$1,539,000**

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Trash Capture Devices

PROJECT NUMBER:

Location	Storm Drains Citywide	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Chris Wiggins, PW Inspector	**Fund**	**316**
Category	Storm Drains	**Type**	Maintenance		

Status

☑ New Project ☐ Continuing Project

Description & Justification **Total Project Cost:** **$69,000**

The California State Water Board adopted new trash amendments that requires cities and local jurisdictions (under the NPDES municipal separate storm sewer systems (MS4) permits) to install new trash catch basins within the next 10 years to capture runoff for all storm drains (13383 Orders). Trash capture devices are required to capture particles 5 mm and larger. The City has approximately 33 catch basins that will need trash capture devices installed. There were 10 installed in FY 19-20.

This project is budgeted under the 316 Capital Improvement Fund.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction		$34,500		$34,500		$69,000
Administration/Inspection						
Contingency						
TOTAL						**$69,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION

Various Storm Drain facilities and locations throughout the city.

PROJECT NAME: Drainage Master Plan Update

PROJECT NUMBER:

Location	Storm drain facilities	**Department**	Public Works	**Priority**	**Medium**
Plan Reference	Storm Drain Master Plan	**Contact**	Ken Seumalo, PW Director	**Fund**	**316**
Category	Storm Drains	**Type**	Master Planning		

Status

☑ New Project ☐ Continuing Project

Description & Justification **Total Project Cost:** **$187,500**

The Citywide Drainage Master Plan will provide the City of Indian Wells with a comprehensive planning document that provides basic information and guidance necessary for the stewardship of the municipal storm drainage system. The plan is updated approximately every 7 to 10 years after adoption. The plan:

- Compiles basic information about the storm drainage system and describes its functions including hydrology (drainage) and hydraulics (pipes)
- Maps the system and updates GIS data layers
- Highlights known system deficiencies
- Describes and graphically illustrates recommended improvements
- Presents estimated cost information for general budgeting and development/integration of an adoptable 20-year CIP program

This project is budgeted under the 316 Capital Improvement Fund.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design					$187,500	$187,500
Construction						
Administration/Inspection						
Contingency						
TOTAL						**$187,500**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION

Various storm drains master plan.

PROJECT NAME: Highway 111 Drainage Improvements

PROJECT NUMBER:

Location	Hwy 111 at Mt View Villas	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Storm Drains	**Type**	Maintenance & Repairs		

Status

☑ New Project ☐ Continuing Project

Description & Justification **Total Project Cost:** **$70,000**

This project will assess the drainage issues on the Westbound side of Hwy111 at the Mt View villas and construct a solution to resolve the issue.

This project is budgeted under the 316 Capital Improvement Fund.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design			$20,000			$20,000
Construction			$50,000			$50,000
Administration/Inspection						
Contingency						
TOTAL						**$70,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Fairway Dr Drainage Improvements

PROJECT NUMBER:

Location	Fairway Dr Drainage	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Tanya Williams, Sr Mgmnt Analyst	**Fund**	**316**
Category	Storm Drains	**Type**	Maintenance & Repairs		

Status

☑ New Project ☐ Continuing Project

Description & Justification **Total Project Cost:** **$70,000**

This project will address ongoing drainage issues near storm drain facilities along Fairway drive just West of Indian Wells Ln. This is budgeted in Capital Fund 316.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	$50,000					$50,000
Administration/Inspection						
Contingency						
TOTAL						**$50,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

PROJECT NAME: Whitewater Channel Bank Redesign (HA)

PROJECT NUMBER:

Location	Whitewater Channel	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Dina Purvis, Assistant Engineer	**Fund**	**256**
Category	Storm Drains	**Type**	Maintenance & Repairs		

Status

☑ New Project ☐ Continuing Project

Description & Justification **Total Project Cost:** **$2,000,000**

The Housing Authority owns property located on the north side of Highway 111 boarded by the Mountain View Villas community on the east and the Brixton property on the west. The privately owned Brixton site has developed a plan with the Coachella Valley Water District to widen their lot and the Housing Authority lot into the Whitewater River Channel. The widening plan increases the buildable area of both lots between Highway 111 and the Channel by 60 feet. This project supports the design and construction of the expanded buildable area into the channel.

Design for this project was completed in FY 21.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	$2,000,000					$2,000,000
Administration/Inspection						
Contingency						
TOTAL						**$2,000,000**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Housing Authority						

PROJECT LOCATION



INDIAN WELLS CALIFORNIA

PROJECT NAME: FAMD Capital Improvements

PROJECT NUMBER:

Location	FAMD Various Locations	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Ken Seumalo, Public Works Director	**Fund**	**209**
Category	FAMD	**Type**	Maintenance		

Status

☐ New Project ☑ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost:** **$3,476,403**

The Fire Access Maintenance District is managed by an independent district board. Annually, they identify maintenance projects that uphold and quality of life for residents in that area. Projects are to include street and road maintenance, sidewalk improvements and landscaping.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Planning/Design						
Construction	$970,972	$539,063	$907,506	$879,873	$178,990	$3,476,403
Administration/Inspection						
Contingency						
TOTAL	$970,972	$539,063	$907,506	$879,873	$178,990	**$3,476,403**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
FAMD FUNDING						**$3,476,403**

PROJECT LOCATION

City hall parking lot facilities.

PROJECT NAME: IWGR Capital Improvements

PROJECT NUMBER:

Location	Indian Wells Golf Resort	**Department**	Public Works	**Priority**	**Medium**
Plan Reference		**Contact**	Ken Seumalo, Public Works Director	**Fund**	**560**
Category	IWGR	**Type**	Maintenance		

Status

☐ New Project ☑ Continuing Project

☐ Construction ☐ Design ☐ Report/Plan ☐ Env. ROW

Description & Justification **Total Project Cost: $3,857,373**

The Indian Wells Golf Resort has planned for maintenance to several facilities to ensure the continuation of operations at this facility. Improvements over the five years planned in this CIP include upgrades to club facilities, the clubhouse and pavilion. The golf resort is also planning to replace equipment and cart fleet.

Expenditures	FY 2022	FY2023	FY2024	FY2025	FY2026	Total
Clubhouse Facility	$234,335	$215,500	$239,596	$477,807	$363,286	$1,584,524
Clubhouse	$47,686	$37,316	$41,948	$74,816	$41,038	$242,804
Equipment	$186,920	$65,038	$135,897	$22,623	$113,012	$523,490
Pavilion	$3,139	$70,070	$27,757			$100,966
Food & Beverage	$26,575	$1,451	$56,385	$30,899	$16,700	$132,010
Cart Fleet	$1,239,079					$1,239,079
Bridge Maintenance	$11,500		$11,500		$11,500	
TOTAL						**$3,857,373**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
IWGR FUNDING						**$3,857,373**

PROJECT LOCATION



INDIAN WELLS
CALIFORNIA

Appendixes

Appendix A – Abbreviations

#	Number
ADA	Americans with Disabilities Act
CIP	Capital Improvement Program
COIW	City of Indian Wells
FAMD	Fire Access Maintenance District
FY	Fiscal Year
GP	General Plan
HWY 111	Highway 111
IW	Indian Wells
IWGR	Indian Wells Golf Resort
LLD	Landscape & Lighting District
MSRC	Mobile Source Air Pollution Reduction Review Committee
O&M	Operations and Maintenance
PW/PWD	Public Works/Public Works Department
$XM	$X Million


INDIAN WELLS
CALIFORNIA

Indian Wells City Council

February 1, 2023

STAFF REPORT

To: City Council

From: City Manager Department

Prepared by: Christopher Freeland, City Manager

Subject: **2023 City Council Strategic Planning Session**

RECOMMENDED ACTION:

Council **REVIEWS, DISCUSSES,** and provides **DIRECTION** on the 2023 City Council City Goals.

BACKGROUND:

Strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it'll know if it got there or not. This is the City's "Game Plan." The focus of a strategic plan is to outline the goals of the City Council for the entire community/organization over a period of time (one, three, or five year are common). Goals-based planning starts with focus on the organization's vision and/or values, then the selection of projects and programs to meet and achieve the goals, and analysis of the resources needed and available, and finally who will do what and by when. Over the past few months, the City Manager has met individually with Councilmembers to identify potential goals for the coming year, which have been included for discussion.

The goals also need to be realistic and obtainable, does the City have the internal capabilities, or the necessary resources to complete the goals. It is also especially important to have a consensus of the goals to maximize the use of resources and to streamline the process of approving the individual projects and programs that make up the goals.

Goal setting by the City Council has the following benefits:

- Formally adopted City Council Goals provide staff official direction to plan and organize resources to ensure their completion.
- The strategic plan is used to identify funding priorities for inclusion in the City's two-year budget;
- A better understanding by citizens and staff of the City Council's plans as a single governing body for the future of the City of Indian Wells.
- Goals are established to meet the changing needs of the community.
- City staff is more focused and effective in addressing City Council priorities.

- City staff is more accountable to the City Council for achieving City Council Goals.

In addition, Goals should also reflect how they support and further the City's Mission Statement.

Indian Well's Mission Statement:

> *Create an unsurpassed quality of life for our residents and guests by providing superior public safety, exceptional service and outstanding amenities that will further enhance our image as a prestigious community and international resort destination.*

DISCUSSION:

On February 17, 2022, the City Council approved several goals as part of its 2022 City Council Strategic Planning Session. The following pages provide the status of the City Council Goals established in 2022, with updates for 2023. Some of the goals are ongoing and are being suggested to rollover for 2023. Staff is also proposing new goals for 2023 for discussion and deliberation by the City Council.

Based on the comments during today's study session, staff intends to bring back a summary of the approved 2023 City Council Goals at your next regular scheduled meeting.

As a reminder, a separate Strategic Planning Session for the Indian Wells Golf Resort is scheduled for March 23, 2023.

Staff also wants to note that the following 2022 City Council Goal is being retired, as the goal was completed in 2022.

City Council Policy Manual Update

In 2022, the City Council recommended the formation of a two-Councilmember Policy Ad-Hoc Committee of then Mayor Pro Tem Griffith and Council Member Sanders to conduct a comprehensive review and recommended revisions to the Council. The revisions were completed in 2022.

There are no planned activities planned for 2023, unless the City Council wishes to provide any further discussion and direction on City Council Policy Manual Update.

Indian Wells City Council

February 1, 2023

Subject: General Plan Update

Department: Community Development

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023 to include:

- Continue working with De Novo Planning in collaboration with the Indian Wells Historical Preservation Foundation to complete the Historic Property Survey Report.
- Complete the City's Comprehensive General Plan Update and Programmatic EIR in 2023.
- Continue discussions to incorporate complete streets in the community.
- The Council to provide further discussion and direction on General Plan related initiatives for 2023.

Project Summary:

A General Plan is considered the City's Constitution and serves as the blueprint for the long-term development of the City and has a 10-20-year horizon. On May 21, 2020, the City selected De Novo Planning Group to conduct the Comprehensive General Plan Update and supporting environmental analysis.

Project Update:

De Novo has completed the Existing Conditions sections for each of the seven (7) Elements of the General Plan along with three (3) supporting technical studies, including the Economic Background Report, Infrastructure Existing Conditions Report, and a Mobility Existing Conditions Report, all of which can be reviewed via the City's General Plan Update website (indianwells.generalplan.org). They have also recently submitted a draft of the Historic Property Survey Report, which staff reviewed and provided comments to finalize. As part of the City's initiative to build a stronger partnership with the Indian Wells Historical Preservation Foundation (HPF), City staff and the consultant will work collaboratively with the HPF to ensure their historic knowledge and experience is incorporated into the study, as appropriate.

Due to new State housing legislation, a considerable amount of De Novo's time and effort has been focused on updating and processing the Housing Element through the State Department of

Housing and Community Development's (HCD) review. To this end, De Novo and staff have circulated the draft Housing Element to HCD and the public for review/comment, held a community workshop at the Golf Resort in April 2022 and conducted stakeholder meetings to solicit input, held two public hearings with the Planning Commission in January and May of 2022, held two public hearings with the Council in February and then again in June 2022 to adopt the Housing Element, submitted the Council adopted Housing Element to HCD for review and certification, and are now completing responses and revisions addressing HCD's 3rd round of comments.

In addition to the workshop and public hearings held in support of the Housing Element, DeNovo and Staff held three (3) additional community workshops with residents and stakeholders to gather input and solicit suggestions regarding goals and policies related to community vision and values, health and wellness, and circulation/transportation systems including complete streets. The information provided by the community is being incorporated throughout the Draft General Plan Update, which will be circulated for further public review and comment prior to formal adoption.

Indian Wells City Council

February 1, 2023

Subject: Evaluate Energy Efficiency Opportunities

Department: Public Works

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023 to include:

- Monitor completion of the Energy Efficiency program and report back to the City Council once complete.
- Apply for the Institute for Local Government Beacon Awards that the City may qualify.
- Replace the title of this goal to Sustainable Community Goal, that better reflects the various projects the City is working on.
- Examine opportunities to expand recycled water (purple pipe) infrastructure in the community, as well as other sustainable best practices.
- City Council to provide any further discussion and direction on other sustainable related initiatives for 2023.

Project Summary:

Energy costs are a significant expense in the City and Golf Resort's operating budgets. Over the years, the City has made upgrades to City facilities to become more energy efficient. In May 2021, the City approved a $8.9 million energy efficiency program to install solar at City Hall and the Golf Resort, replace inefficiency heating and cooling systems, install efficient lighting, electric car chargers, back-up generators, and a battery backup system at the Golf Resort.

Project Update:

The project has completed the installation of solar panels, energy efficient heating and cooling systems, and low voltage lighting upgrades at both the Indian Wells Golf Resort Clubhouse and at the City Hall campus. Supply shortages and material availability have delayed the completion of this project. The new completion estimate is Fall 2023. Staff will continue to work with the contractors to complete projects as equipment is received and to energize the solar systems as soon as possible. Staff has also been informed that the City may qualify for additional solar infrastructure grants and rebates. Staff will provide Council with an update as that information is received.

The City's Energy Efficiency Program, as well as other efforts to reduce water consumption (e.g., turf reduction), use of mulch at the golf resort, and organic waste recycling are excellent sustainable practices that were implemented in 2022. The Council had also instructed staff to examine opportunities to expand recycled water (purple pipe) access in the City in collaboration with Coachella Valley Water District. As such, staff is recommending a change of this goal from Energy Efficiency to Sustainable Community. The Institute for Local Government is a non-profit organization based in California that promotes best practices in local government. The organization promotes the Beacon Awards for excellence in sustainable practices. Staff intends to submit recognition for this program once the Energy Efficiency Program is completed. Any recognition can assist in promoting Indian Wells as a sustainable community that can be further promoted to conference promoters and other visitors to Indian Wells.

Indian Wells City Council

February 1, 2023

Subject: Develop Landscape Uniformity Along Highway 111

Department: Public Works

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023 to include:

- Request staff include an approved list of plants suitable to maintain the City's distinctive landscaping along Highway 111 into the General Plan update.
- Instruct staff to develop a multi-year phasing strategy to budget the removal and replacement of publicly owned palm trees throughout the City.
- Examine grant opportunities to develop a citywide tree inventory and to plant new trees.
- Provide direction, if the Council sees merit, in staff researching opportunities to partner with commercial centers to control the landscaping along Highway 111 or focus on the development of landscaping standards for these areas.
- Discuss and provide staff direction on a turf reduction program along Highway 111.
- City Council to provide any further discussion and direction on other Highway 111 landscaping related initiatives for 2023.

Project Summary:

The landscaping along Highway 111 is an iconic characteristic of the City and requires high quality maintenance to preserve the City's standards. At times, the maintenance along Highway 111 is inconsistent, due to a lack of attention, limited funding, timing of maintenance, and/or different standards of care between the City, the five Landscape and Lighting Maintenance Districts (LLMD's) managed HOAs, and commercial property owners. Council and staff have expressed an interest to develop uniform standards for landscaping materials used and consistency of maintenance efforts. The General Plan update will assist in this process. In addition, staff is to discuss partnerships with HOA's along Highway 111 to discuss options for more consistent landscaping in HOA owned areas.

Project Update:

As a feature of the City's General Plan Update, the Landscaping Uniformity component will appear as a list of acceptable plant pallets for use along the Highway 111 corridor. These changes will be instrumental in creating landscape standards along Highway 111. This year, staff made two attempts to reach out to the five LLMD's who currently perform their own landscape maintenance. To date, the Casa Dorado LLMD is the only District to express interest in relinquishing their landscape maintenance along Highway 111 to the City. Staff is working with the landscape consultant to develop a cost for the maintenance along the Highway 111 frontage of Casa Dorado.

New drought restrictions were implemented in 2022. Local water districts and the State are requiring communities, especially shopping centers to reduce water consumption for landscaping and encouraging the conversion of turf to more drought tolerant landscaping. Village I Shopping Center located at the southwest corner of Highway 111 and Cook Street, has indicated a desire to remove the turf along their frontage and replace the landscaping with more water efficient desert scape. The water conservation rules instituted by the State have levied a financial burden on irrigating landscaping in commercial areas. Similar to the desire to manage landscaping of LLMDs along Highway 111, the City may have an opportunity to partner with local commercial centers along Highway 111 through a dedication and control the types of water efficient landscaping while maintaining the lush image that is iconic to Indian Wells. In addition, Desert Horizons was approved for landscape improvements in front of their community gate along Highway 111 that will be completed in 2023.

In 2022, the City approved a turf rebate program in partnership with the Coachella Valley Water District (CVWD) to reduce residential and HOA turf in the community. During that discussion, City Council requested the Council discuss a turf reduction program along Highway 111 during its Strategic Planning Session. The turf along the Highway 111 corridor uses a significant amount of water compared to other ground cover, particularly when transitioning from summer Bermuda to Winter Rye. As Bermuda grass goes dormant in the winter, it is trimmed back and an overseeding of Winter Rye grass is instituted. The irrigation requirements to establish Winter Rye grass is intensive, requiring a 20-minute watering cycle three times per day for approximately two weeks. The irrigation schedule is triple the amount of water during the normal growth cycle of both Bermuda or Winter Rye grass. This is in addition to the normal watering cycle for turf and other landscaping along Highway 111.

During a 2022 winter windstorm, two palm trees located on Eldorado Drive fell onto private property. Fortunately, no one was injured and only property damage was sustained. Many of these iconic palm trees in the City are past their maturity and need replacing. Other trees in the City and Indian Wells Golf Resort may also need replacement. During the 2022 League of California Cities Annual Conference, Mayor Griffith and City Manager Freeland met with a tree consultation firm that has expressed interest in conduction a citywide tree inventory and obtain grants to pay for this inventory, installation of new trees, and the maintenance of these new trees.

Indian Wells City Council

February 1, 2023

Subject: Tourism Update and Opportunities

Department: City Manager

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023 to include:

- Evaluate and revise the City Marketing and Tourism Plan with Visit GPS' assistance.
    - Evaluate where tourism funds are invested to promote Indian Wells as a tourism destination and to incorporate opportunities to highlight the Indian Wells Golf Resort.
    - A review of other marketing opportunities provided by Visit GPS or other organizations will also be considered.
    - Incorporate sustainability efforts into marketing materials, which has proven to be an important factor for conference planners when making decisions about where to host their meetings.
    - The plan will be presented to the Marketing Committee followed by a presentation to the full Council. A review of the City's Incentive Program is also timely.
- Promote Indian Wells events throughout the year, such as Winterfest, BNP Paribas Open, Ironman, and Pickleball.
- Evaluate the partnership with Acrisure Arena and suggest revisions to the media plan to maximize the City as the official city partner of the arena.
- City Council to provide any further discussion and direction on Tourism related initiatives for 2023.

Project Summary:

The Tourism program in collaboration with Visit Greater Palm Springs strategically supports the resort partners to influence growth in TOT. The programs developed create demand for the product of Indian Wells by building brand awareness and strategically leveraging Indian Wells to develop and execute marketing strategies to influence both group and leisure markets. 2022 was

a year of transition as Sean Smith left the position in August and the contract was paused for the remainder of the year.

Project Update:

The beginning of 2022 was marked by a temporary setback with spike of Covid cases which created some uncertainty for the tourism industry. This resulted in some leisure and group cancellations for January, but this quickly subsided by mid-January.

The Indian Wells sales and marketing 2022 plan encompassed various forms of media to build brand awareness with Indian Wells among the leisure and group meetings markets. Leisure marketing include building on the momentum of social media efforts including a successful sweepstakes campaign, continuation of digital ads with focus on the resorts as well as weddings, golf, tennis, and pickleball. Additionally, exploration, planning and execution of the Indian Wells Winterfest was executed including full marketing support. Group meetings initiatives such as the BNP FAM in March and Smart Meetings FAM in October that brought 13 meeting planners to Indian Wells. This event allowed us to showcase all the IW hotel properties, the IW Golf Resort and other destination experiences. This partnership also included a variety of marketing opportunities. A site visit workshop was also hosted to further build collaboration between IW hotel partners offering a cohesive experience for potential meeting planners and attendees. Additional meetings marketing included a video retargeting campaign through Cvent which launched in February 2022.

Occupancy growth for the destination continued in 2022 with a 14.1% increase YOY attributed to the increase in group meetings and conventions. The increased air service to Palm Springs International Airport has been an important factor impacting visitation in 2022. Service was significantly enhanced with 13 airlines now providing service to 33 nonstop cities (there were 21 nonstop flights pre-COVID). Over 500 cities now connect to Palm Springs International Airport. This growth is extremely beneficial to both the leisure and group meetings markets. The additional air service has been very well received with record breaking passenger counts at Palm Springs International Airport for 2022 with nearly 3 million passengers. This is an increase of 16.3% from 2019 numbers.

VGPS filled their position of Director of Indian Wells Tourism in late December 2022. On-boarding with partners partnership will be a primary focus in Q1 2023. Additionally, marketing support for IW events such as Winterfest, BNP, Ironman, and Pickleball will be a focus. Planning and execution of the BNP FAM with hotel partners will be a priority during the first quarter of the year.

The 2023 Acrisure Arena partnership and media plan will continue to be executed. This was evaluated in partnership with Visit Greater Palm Springs to determine value for reaching consumers through sponsorship. In the short-term, this has proved to beneficial in raising awareness for the city of Indian Wells locally and in the Seattle market.

We will evaluate and develop the City Marketing and Tourism Plan with Visit GPS' assistance and the Marketing Committee to show where funds are being utilized. The plan will be presented to the Marketing Committee followed by a presentation to the full Council. We will also be making recommendations for adjustments to the Incentive Program.

We will partner with VGPS in their efforts on sustainability which has proven to be an important factor for conference planners when making decisions about where to host their meetings.

Indian Wells City Council

February 1, 2023

Subject: Community Events and Activities

Department: City Manager's Office

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023 to include:

- Continue identifying new community events and activities for residents and seek partnerships with Desert Recreation District and other organizations that may be able to assist in providing enhanced benefits to residents.
- Provide direction to the Sister City Ad-Hoc Committee if there is an interest to develop a sister city with a Canadian community, possibly Kelowna, Canada.
- Provide direction if the City Council wishes to review the current Resident Benefit Program.
- City Council to provide any further discussion and direction on other community events and benefits initiatives for 2023.

Project Summary:

The Indian Wells Community Activities Committee advises and makes recommendations to the City Council regarding an overall plan for encouraging and fostering community interaction among residents. Included in the committee's scope of work is proposing an annual calendar for community activities, as well as planning and implementation of such activities. The Committee is comprised of five members and managed by the City Managers Department. Some special projects also fall in this category with Council direction, including Sister City relations and Resident Benefits.

Project Update:

The Council has continued to support the addition of new events and expand offerings for residents. The committee completed a survey toward the end of 2022 to help guide the planning of events in 2023 - 2025. In addition, the committee completed a series of Back 9 Walks, End of Season Party, Memorial Day and Veteran's Day ceremony, Pickleball Resident Day with additional social event, a Summer social, and a Welcome Back Party showcasing the new TopTracer Technology and Indian Wells Winterfest. Based on the results of the community survey, various

events are being considered for 2023, including: Back 9 Walks, a possible Tram Tour, a Salton Sea tour in late March, a possible social for residents at the Acrisure arena, Indian Wells Film Series, education/lectures ideas, end of season party, and Memorial Day. In addition, the Committee continues to work with the Indian Wells Golf Resort on expanded offerings based upon the 2022 survey and partnering with Desert Recreation District for additional programming in the community. The District has provided various programs in the community and was essential in operating the Winterfest Ice Skating Rink during its 6 weeks.

A Sister City Ad-Hoc committee of then Mayor Dana Reed and Mayor Pro Tem Donna Griffith was formed in 2022 under the City Manager Department. The committee worked diligently to explore a possible Sister/Friendship City relationship with Turin, Italy. Dialogue between both communities occurred over the last several months, but Turin has not been successful in advancing this program. Recently, the Canadian Consulate met with staff to improve relations between their office and our community. It was suggested that they may be of assistance of developing a potential relationship with a Canadian community, and recommended Kelowna, Canada.

Recently, Council Members expressed an interest to review the City's Resident Benefit program and recently have added new benefits this year (e.g., Indian Wells Night at Acrisure Arena). Attached is a listing of the current Resident Benefit Program. As part of a review, it would be appropriate for the Council and staff to revisit the rules for use of a Resident Benefit Card (e.g., age limits to obtain one) and other programs related to its use.

ATTACHMENT:

-Information on City of Indian Wells Resident Benefits

INDIAN WELLS

Resident Benefit Card Discounts

All hotel discounts are subject to change and are at the discretion of the hotel.
With a valid Resident Benefit Card, cardholders can enjoy savings at the locations listed below.

Miramonte Indian Wells Resort & Spa

45-000 Indian Wells Lane – 442.305.4500

- 20% discount on all food and non-alcoholic beverages
- 20% discount on all spa services (Sunday–Thursday only)

Renaissance Esmeralda Resort & Spa, Indian Wells

44-000 Indian Wells Lane – 760.773.4444

- 20% discount on all food and non-alcoholic beverages
- 20% discount on a la carte spa services (Monday–Thursday only, excludes holidays) and 15% discount on a la carte spa services (Friday–Sunday only, excludes holidays)
- 15% resident room rate discount using code L9Z (Resident Benefit Card required at check-in, max. 2 rooms, rate based on availability, blackout dates apply, tax and daily resort fee are additional)

Hyatt Regency Indian Wells Resort & Spa

44-600 Indian Wells Lane – 760.341.1000

- 20% discount on all food and non-alcoholic beverages
- 20% discount on spa services and complimentary use of workout room
- 10% discount on purchases at The Citrus (excludes reading materials, tobacco, stamps and liquor)

Indian Wells Resort Hotel

76-661 Highway 111 – 760.345.6466

- 20% discount on all food and non-alcoholic beverages

Indian Wells Tennis Garden

78-200 Miles Avenue – 760.200.8400

- 10% discount on merchandise (food and beverage excluded), not applicable during the weeks of the BNP Paribas Open

INDIAN WELLS

Resident Benefit Card Perks

At the Indian Wells Golf Resort



Special Green Fee on a Round of Golf:

With a Resident Golf Benefit Card, Indian Wells residents may play the championship golf courses at the Indian Wells Golf Resort for just:

- $50 (January 1 – April 30),
- $35 (May 1 – December 31),
- $35 (Walk-up per round, day-of only).

Based on availability. All residents must present their Resident Benefit Card (RBC) at check-in to receive the special resident rates.

Accompanied resident guest rate:

July 1– Aug 29	$55 (Mon-Thurs)	$65 (Fri-Sun)
Aug 30–Sept 30	$65 (Mon-Thurs)	$75 (Fri-Sun)
Oct 1–April 30	$110 (Mon-Thurs)	$110 (Fri-Sun)
May 1–May 17	$89 (Mon-Thurs)	$99 (Fri-Sun)
May 18–May 31	$79 (Mon-Thurs)	$89 (Fri-Sun)
June 1–June 30	$55 (Mon-Thurs)	$65 (Fri-Sun)

Any cancellations or modifications to a resident golf reservation must be handled 3 days in advance of play by 10 a.m. to avoid charges. A credit card is required to make reservations. The credit card used to make the reservation will be charged $45 per player for any player canceled inside of the cancellation period. Failure to cancel will result in a fully charged fee.

Special Reserved Tee Times

From October 1 through May 31, the Golf Resort reserves the allocated daily tee times (from 7 a.m. through 1 p.m.) for RBC holders. RBC holders may call (760) 346-4653 or book their times online at www.iwgr.com starting at 6 a.m. 14 days in advance of play. In addition, two days out at 10:00 a.m., which will not appear online, any unsold nonresident and RBC holder tee times will be available to any booking group. Any unsold hotel tee times will be released at 10 a.m. the day before. These times will not appear online and would be available by calling (760) 346-4653.

Resident Benefit Discounts

RBC holders also receive:

- 20% discount on all food and non-alcoholic beverages at the VUE Grille & Bar and food truck for breakfast & lunch only (excluding Happy Hour).
- 20% discount on all merchandise sold within the Golf Resort (excludes sale items and hard goods).
- Thursday nights only, residents receive one free hour of play with purchase of one hour at Shots in the Night! Resident must be part of the group playing.
- 20% off food at the food truck on Thursday nights by presenting a valid card (golf or social).



Indian Wells City Council

February 1, 2023

Subject: Provide Responsive, Innovative, and Efficient Public Safety

Department: City Manager's Office

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023 to include:

- Continue monitoring the various public safety initiatives contained in this report and provide regular updates to the Public Safety Committee and the City Council.
- Examine opportunities for the Sheriff Department and Public Works to further address speeding in the community.
- Continue offering various emergency preparedness training for residents sponsored by the City and at participating HOAs.
- Complete the update to the City's Local Hazard Mitigation Plan.
- Discuss any additional goals as presented by the Public Safety Committee.
- City Council to provide any further discussion and direction on other public safety initiatives.

Project Summary:

The City continues to emphasize public safety as a major priority, addressing matters in real time as well as at Coffee with a Cop events, quarterly Public Safety Committee meetings, quarterly updates to the City Council, and during the annual State of the City event. Through contract services with the Riverside County Sheriff's and Fire Departments, the City maintains a safe and low-crime environment for residents and visitors.

Project Update:

2022 saw an ongoing focus on enhanced public safety for the City. Staff continued to frequently redistribute several public safety public service announcements covering various topics such as calling 911, how to subscribe to Nixle alert notifications, and signing up for the Indian Wells Crime Blotter. Thorough updates to City public safety webpages were implemented, an updated

Emergency Operations Plan (EOP) was adopted, and the annual Emergency Preparedness eNewsletter was distributed to residents in September to align with Emergency Preparedness Month.

Sheriff Efforts

Starting the year off, ten (10) Advanced License Plate Reader cameras were installed strategically throughout the City in January to assist officers with the tracking and apprehension of criminals making their way through the community. These cameras connect to the larger Vigilant camera system, allowing officers to follow the path of travel throughout the Valley and improving the chances of an arrest. Local HOAs are also looking or have installed cameras in their communities.

Later that month, the Palm Desert Station Traffic Bureau conducted a speed enforcement operation in the City of Indian Wells. The mission of the operation was to improve the quality of life for the citizens by addressing speeding concerns on Highway 111, Fred Waring Drive, Cook Street, and Fairway Drive. Four motor enforcement deputies were utilized, and thirty-five (35) citations were issued during the operation.

Staff recommends the Sheriff's Department, Public Works, and other City staff work on measures to further reduce speeding in the community (e.g., street redesign, signage, and new portable speed radar signage to be delivered in early 2023).

In February, the Riverside County 2022 Homeless Point-in-Time Count (PIT Count) for the City of Indian Wells reported zero homeless individuals.

Coffee with a Cop returned to its original in-person format at the Indian Wells Golf Resort where it continued to occur the entire year in the Player's Room every other month.

Representatives from the Riverside County Sheriff's Department continue to try to coordinate public safety outreach meetings throughout the community to provide residents with real-time information on policing efforts in the City and answer any questions residents may have about public safety issues.

Both the Indian Wells Public Safety Committee and City Council endorsed Staff's recommendation to continue the utilization of budgeted overtime to increase police presence and patrol to address traffic enforcement, burglary suppression, and other specialized efforts (e.g., speed stings, specialized Race Team, commercial enforcement, etc.).

Council authorized the immediate increase of two additional deputies (12 service hours) to the Sheriff's contract to provide increased evening patrol staffing at a $1 million annualized budget increase. This in addition to an increase in the overtime budget to accommodate a second motor officer to ensure traffic coverage 7 days per week.

March 2022 saw a wide variety of public safety initiatives take effect:

- The Vacation Home Check Program was replaced with two more proactive efforts: The Home Security Rebate Program and Crime Prevention Through Environmental Design (CPTED) Program. From the start of the Program on July 1, 2022 to current, the City has processed 83 applications for a total of $6,592.65 in rebates being issued to Indian Wells residents. In that same time, the Riverside County Sheriff's Department received requests for and completed 10 CPTED Assessments.
- The creation of the #IWFastFact social media campaign which focused on weekly posts addressing public safety issues, efforts, and facts in the community. To date, this campaign has seen some of Indian Wells' highest social media engagement numbers.
- The completion of an Engineering and Traffic Survey for Speed Limits helped address resident concerns of speeding in the City by documenting no data to support an increase in speed limits within the Community.

Riverside County Sheriff and Riverside County Fire/Cal Fire coordinated efforts to ensure both Sheriff and Fire have the necessary keys to access KNOX Box access points throughout the community, ensuring prompt response times even in gated areas.

The Sheriff's Department also took a more supporting role with Code Enforcement during the evening hours and on weekends. Deputies monitor for Short Term Rental violations, as well as several other code issues such as Recreational Vehicle storage, noise complaints, etc.

A Public Safety Mailer was sent to Indian Wells residents in April, and eBlasts with public safety public service announcement information were distributed regularly throughout the year.

For the first time in over five (5) years, the Riverside County Sheriff's Department received a Selective Traffic Enforcement Program (STEP) grant from the California Office of Traffic Safety. The $71,000 grant will be used through September 2023 to provide Indian Wells specific DUI enforcement. A DUI Checkpoint is scheduled for Friday, January 27th.

The City has taken further action to be proactive in preventing criminal behavior through targeted enforcement and high-visibility patrols, as well as community involvement and education. The City allocated budgeted overtime funding to expand traffic enforcement throughout the City and several overtime opportunities were authorized for targeted burglary suppression efforts throughout the year.

<u>2023 Activities:</u>

As we have already entered the current year, many projects and programs have continued. On Thursday, January 19th, 2023, the Valley Motor Enforcement Team consisting of the Indian Wells motor deputy and four (4) other motor officers conducted speed enforcement throughout the city of Indian Wells. Forty-eight (48) citations were issued during the operation. The 2023 Homeless Point-in-Time Count (PIT Count) took place on January 25. Staff is waiting for the official

count results to be released. Coffee with a Cop continues to take place every other month in-person at the Indian Wells Golf Resort.

For the first time in over five (5) years, the Riverside County Sheriff's Department received a Selective Traffic Enforcement Program (STEP) grant from the California Office of Traffic Safety. The $71,000 grant will be used through September 2023 to provide Indian Wells specific DUI enforcement. A DUI Checkpoint is scheduled for Friday, January 27th.

Fire Efforts

Numerous updates were completed in 2022 for Fire as well, including:

- Updated and upgraded all apparatus bay door safety equipment.
- Implemented a new supply purchase program whereby the Firefighters can purchase needed equipment through the city's discount program with Lowes.
- Renewed the Lease Agreement with City of Palm Desert allowing them to utilize one paramedic apparatus bay and house Palm Desert's two (2) person paramedic unit at Station 55 and recouping thirty percent (30%) of all costs associated with repairs/ ongoing maintenance
- Updated MSA 6000+ thermal imaging camera (TIC). A TIC is a type of thermographic camera which renders infrared radiation as visible light, allowing firefighters to see areas of heat through smoke, darkness, or heat-permeable barriers. The camera will become part of the county cost allocation process and the department will be responsible for the repairs and replacement with a new TIC once this current camera reaches its end of life.
- Deployed SEEK cameras (smaller, personal TICs) to each seat on Indian Wells fire equipment and ambulance. The other cove communities, as well as the majority of CalFIRE's other city partners, have purchased personal thermal imaging cameras for our firefighters that can be attached to their self-contained breathing apparatus for quick deployment.

Emergency Services Efforts

The City hosted our first CERT Class since COVID began. Scheduled for February 25 – 27, this free, in-person training, hosted by the city's Emergency Services Coordinator and Riverside County Emergency Services Division, provided twenty-six (26) Indian Wells residents with emergency preparedness skills.

The City's Emergency Services Coordinator also began reaching out to HOAs to set up free 12 Steps of Emergency Preparedness training for residents. In April, Toscana Country Club welcomed 45 residents who received shelter in place information along with a variety of other preparedness tips.

Staff participated in several emergency preparedness activities, including:

- CPR/First Aid/AED Training (April and November)
- EOC Section Specific Training (April)
- Coordination of a free Shot Clinic/ Safety Expo with Riverside County Animal Services, Riverside County Sheriff, CalFIRE, Riverside County Emergency Management Division, local utility companies, and other local emergency preparedness vendors (April)
- EOC Position Specific Training (August)
- EOC Soft Opening Sessions (September)
- Great Shakeout Training followed by a soft EOC Opening/activation drill (October) which resulted in the aggregation of a list of procurement items to ensure continuity of government in the event of a true EOC activation.
- Sheltering and Shelter Supervisor Certification training through the American Red Cross (October)

Staff has coordinated with the American Red Cross to reassess existing Facility Use Agreements for potential sheltering needs and are in the process of developing a sheltering protocol to add to the existing Emergency Operations Plan.

Staff is currently working with the Riverside County Emergency Management Department to update the existing Local Hazard Mitigation Plan (LHMP). The LHMP has already gone through two (2) stakeholder study sessions and two (2) eBlast requests to residents for public comment. The final version will go before Council for adoption in early 2023.

Recently, Public Safety Committee Members Greg Sanders and Bruce Whitman requested the Public Safety Committee have initial discussions on the current Sheriff's Department deployment model and a review of the various State mandated fire inspections conducted by CalFire. The Public Safety Committee is meeting to discuss these two items on January 31, 2023, and may wish to incorporate their findings into goals for 2023.

Indian Wells City Council

February 1, 2023

Subject: Encourage and Expand Economic Development Opportunities in the Community

Departments: City Manager, Community Development, and Public Works

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023:

- Support the implementation of a streamlined online plan check and permit process.
- Continue efforts for the development of the Genton and Brixton sites, including channel improvements and present Council with development agreements for consideration in 2023.
- Discuss whether to bring back a report explaining the value of memberships with the various regional economic development organizations in early 2023 and before adoption of the Fiscal Year 2023-25 budget.
- Conduct additional meetings with Riverside County to determine feasibility of an EIFD.
- City Council to provide any further discussion and direction on Economic Development related initiatives for 2023.

Project Summary:

Economic Development opportunities in Indian Wells remain strong. In 2020, the City Council formed an Economic Development Division of the City Manager's Office focused on shaping the future of the city through relationship building, research, and advocacy of development. These efforts were categorized into three areas: Monitoring Current and Future Development, the evaluation of an Enhanced Infrastructure Financing District (EIFD), and Business Assistance and Relationship Building.

Project Update:

Monitor Current and Future Development

Recognizing the City of Indian Wells as a mostly built out community, the City Council authorized Staff to engage in activities which focused on ensuring these final opportunities for development were monitored accordingly.

Project Update 2022:

Staff continues to work with both property owners of the Genton Development (formerly the Miles Lodge site) and Brixton properties located at the northwest and northeast corners of Miles Avenue and Highway 111, respectively. Genton purchased the property in 2022 and has indicated they are doing their due diligence on the development of a five-star hotel with wellness center. Genton has indicated they plan to be under construction in 2025. Brixton Development presented their development concept in 2022 to include a hotel on the eastern edge of their property, short-term rental community in the middle section of the property, and retail/dining space on the western portion of their property. Staff continues to work with both Genton and Brixton to advance the channel improvements needed for their projects to move forward and corresponding development agreements for the City Council's consideration in 2023.

In 2022, Sprouts announced it was coming to Indian Wells, filling the vacant Ralphs market. Sprouts recently met with City staff to coordinate tenant improvements of the former Ralph's site, which is to begin in the next several weeks. Sprouts intends to open later in 2023. In 2022, Miramonte also announced it has partnered with Tommy Bahama's to become the first Tommy Bahama's resort in the United States. Improvements are to begin in the next several weeks and be completed in late 2023. Hyatt hotel has also indicated they will be completing a multi-million investment to rooms, restaurants, and overall property space.

Enhanced Infrastructure Financing District (EIFD)

Project Summary:

On September 29, 2014, then California Governor Jerry Brown approved Senate Bill 628 authorizing the legislative body of a city or a county to establish an enhanced infrastructure financing district (EIFD), adopt an infrastructure financing plan, and issue bonds.

EIFDs provide broad authority for local agencies to use tax increment to finance a wide variety of projects, including infrastructure, affordable housing, transit and open space. At the January 29, 2020, Indian Wells Strategic Planning Session, as part of a renewed focus on economic development, Council authorized staff to solicit proposals for the completion of an EIFD feasibility study

Project Update 2022:

Over an eighteen-month period, staff and Kosmont Companies examined the feasibility of an Enhanced Infrastructure Financing District (EIFD), designed to leverage property tax increment from the City with a portion of County of Riverside allocated property tax to encourage

development in Indian Wells. Projects that could be funded included channel lining improvements for future development along the Whitewater Channel; affordable housing opportunities; repairs to the Indian Wells Golf Resort (IWGR); parking improvements; etc.

Kosmont conducted research regarding the identification of potential district boundaries and compiled a funding and financing analysis to show an EIFD is feasible if the County of Riverside is willing to participate. Unfortunately, after numerous meetings with the County of Riverside, they have indicated they are not willing to share their property tax revenue unless the City of Indian Wells was willing to backfill those lost revenues with Indian Wells' transient oriented taxes (TOT). This County proposal does not make economic sense for Indian Wells.

Council leadership has indicated they wish to meet with the County of Riverside to see if there is any flexibility on their part before retiring this goal.

Business Assistance and Relationship Building

Project Summary:

The Economic Development Division is focused on growing and sustaining our local economy. During the economic retraction and downturn caused by COVID, it was imperative that the Indian Wells business community strategize for growth and resiliency. For Indian Wells, this included the evaluation of business assistance opportunities, as well as the understanding that building relationships with other key stakeholders in the Valley was necessary to provide much-needed services.

The city is actively involved with the Greater Coachella Valley Chamber (GCVCC), Visit Greater Palm Springs, the Coachella Valley Economic Partnership (CVEP), and the Indian Wells Chamber to assist in economic development and tourism efforts.

The City Council has indicated an interest to better understand the value of membership and the cost-benefit of the various outside organizations that serve the business community or are advocates for economic development/tourism in Indian Wells, including the Greater Coachella Valley Chamber (GCVCC), Visit Greater Palm Springs, the Coachella Valley Economic Partnership (CVEP), and the Indian Wells Chamber.

Council should discuss if they wish to include this as a goal for 2023.

Project Update 2022:

Economic development opportunities to expand relationships with regional organizations, including our contract partnerships with the Greater Coachella Valley Chamber of Commerce (GCVCC), the Indian Wells Chamber of Commerce, Kosmont Companies and others, allowed for work to continue during COVID and into recovery.

In collaboration with GCVCC, Indian Wells Economic Development Division representatives worked to develop initiatives designed specifically to engage the local business community. These efforts included the implementation of regularly occurring business walks designed to provide in-person visits to businesses to check in on the welfare of each, advise business owners of local resources, and gather insight about issues impacting their businesses. The first of these walks occurred on October 20th, with a follow up on December 6th. Indian Wells businesses have access to Greater Chambers' resources including but not limited to their GCV Educates series focused on how to improve their businesses and/or professional development opportunities. Finally, the Chamber will be assisting the city with the development of our first Relocation Packet and the creation of at least three infographics promoting business in Indian Wells, all designed to bring attention to Indian Wells as a business-friendly community.

The addition of a Farmer's Market at Indian Wells Village for residents helped draw attention to Indian Wells Village Center businesses as efforts continued to market and advocate for a new tenant in the former Ralph's Supermarket. The Farmer's Market saw over 40 vendors and 1,200 visitors weekly from January 7, 2021, until they moved to Southwest Church in Fall 2022.

In addition, Community Development began examining opportunities to streamline the permit submittal process and plans to complete an online submittal process in early 2023. Many other communities offer this program for the business and development community to improve plan check review time and overall customer service. This service will also facilitate a quicker processing of permits by the city.

Indian Wells City Council

February 1, 2023

Subject: Identify Potential Park Sites

Department: City Manager's Office

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on the following goals for 2023 to include:

- Consensus to have the park designer incorporate some or all of the resident comments from the Passive Park Study Session into a final design, including the possible partnership with the Indian Wells Historic Preservation Foundation.
    - Discuss and provide direction on an additional community meeting to provide any final input into the passive park design.
- Research possible partnership with Southwest Church and Desert Recreation District for the development of park amenities on the Southwest Church campus that includes park amenities of interest to Indian Wells (e.g., Pickleball, Dog Park, and any other amenities).
- City Council to provide any further discussion and direction on the Passive Park or other related park opportunities for 2023.

Project Summary:

The City Council has instructed staff to continue to explore new recreational or park sites in the community. Staff has continued to engage resident input and provide community meetings to examine how to continue to move forward on the current passive park location at the northwest corner of Eldorado and Fairway as well as to find other potential locations, to include other types of amenities with potential partnership opportunities with Desert Recreation District (DRD).

Project Update:

At the November 7, 2022, Planning Commission Study Session on the Passive Park, the City's residents and stakeholders were able to provide valuable input on the three designs that were submitted for consideration (Attached) and what amenities should be included with the proposed park. Most of the comments requested the park be landscaped only, no benches or parking, security lighting, hedges along the wall to deter people from jumping into backyards, no

tall trees or shrubs that block the views of the mountains or shade solar panels, and potential partnership with the Indian Wells Historical Preservation Foundation on a park name and a small monument celebrating architect William Cody. In addition, safe pedestrian access to the park was also discussed. Based on community input from the November Study Session with the Planning Commission, Design #3 seemed to have the most support from residents. (Designs #1, #2, and #3 are attached) To continue the momentum of the project, staff is seeking Council's direction to have the park designed incorporate some or all of the community's comments and conduct an additional community meeting, perhaps a joint City Council-Planning Commission meeting to seek any remaining input before authorizing Desert Recreation District to finalize design and develop the passive park site.

In late 2022, Southwest Church approached the City about a potential partnership with them and Desert Recreation District to develop a gymnasium with general park space and recreational uses on their property. They are interested in developing sports fields, with an indoor playground, and gymnastics complex. Over the last few years, residents have expressed interest in more walking trails, community dog park, and pickleball courts developed in the City. The City is excited about the partnership opportunity to provide these types of amenities at the site for residents.

ATTACHMENTS:

-Passive Park Conceptual Designs #1, #2, and #3


INDIAN WELLS PARK
CONCEPT 1
FAIRWAY DRIVE
ELDORADO DRIVE
HERMANN
DESIGN
GROUP
01/24/23

INDIAN WELLS PARK
CONCEPT 2



INDIAN WELLS PARK
CONCEPT 3



Indian Wells City Council

February 1, 2023

Subject: New Initiatives for 2023

Department: City Manager's Office

City Council Policy Discussion and Direction:

Staff recommends the City Council discuss and provide direction on adding additional goals from the list of initiatives presented below or any additional initiatives that have not been previously discussed.

Project Summary:

Over the past several months, Councilmembers have expressed interest in considering various projects and programs and have deferred them for discussion at the City's Strategic Planning Session. Some of these items are referenced in updates to the current City Council Goals for 2023, while others are listed below for discussion and direction before being added to the 2023 Goals.

Projects for Consideration:

- **Update Communications Plan**

The residents of Indian Wells are very active and interested in the happenings of their community. Annually, the City communicates with the community through email blasts, newsletters, social media postings, specialized mailings, city website, and cable access. Council has expressed an interest to update the City's Communication Policy (last updated in 2018) and expand communication programs.

Proposed Activities for 2023

If approved, staff proposes a comprehensive update to the City's communications plan to proactively ensure that all City stakeholders (e.g., residents, businesses, Golf Resort, HOAs, etc.) are receiving comprehensive information in a timely manner. The plan would also evaluate the City's current practices for communicating with the community and seek recommendations to

improve communication with all stakeholders. Plan would also be used for communication with the media and cover components of the City's emergency communications during a disaster.

- **Expand Partnership with the Indian Wells Preservation Foundation**

For the last several months, the Indian Wells Historic Preservation Foundation (IWHPF) has been cataloging all items in their possession that documents the history of Indian Wells. The City and IWHPF have agreed to have all items become the possession of the City with the IWHPF as the caretakers of this information. The City will begin storing these materials at a local storage center until City staff and Foundation members can complete the inventory of all documents.

The relationship between the City and IWHPF has never been better. The City is looking to further expand its relationship with the IWHPF in 2023 to help educate the community on the history of Indian Wells and support the IWHPF's efforts to become more involved with its community.

Proposed Activities for 2023

The IWHPF is seeking the City's support to modernize their organization with a revised website. In addition, IWHP wishes to assist the City on other projects of mutual interest in the coming year, including a history of the Indian Wells Golf Resort exhibit at the golf resort and possible assistance with the passive park or other projects in the community. IWHPF is likely to seek the City's assistance to expand their projects and programs.

- **Review of City Administrative Processes and Municipal Code Update**

The City routinely reviews its administrative processes and recommends Municipal Code updates. Regular review and updates are important part of policies and procedure best practice. Based on comments from Council Members, community, and other stakeholders, staff is recommending a discussion on the following activities for 2023:

- With the completion of the General Plan in 2023, a zoning code update is prudent. This will reflect changes in the General Plan and new State laws affecting Indian Wells.

- The Council Members expressed the need to review the administration of the various Council appointed resident committees. Topics include a review of appointed individual duties, selection of a Chair and Vice Chair, selection process, and terms of office.

- Council Member Whitman indicated his desire to have a discussion on Measure J-City Council Term Limit Measure that was adopted by voters in March 2020. In July 2020, the legality of the retroactivity portion of Measure J was challenged by a Council candidate and former Council Member. Riverside County Superior Court ruled in August 2020 that the retroactivity

of Measure J was unlawful. Council Member Whitman has requested discussions relating to the options available to the City to reinstitute the retroactivity portion of Measure J.

Proposed Activities for 2023

If approved, staff recommends the following, unless directed otherwise by the Council:

- Update to the City's zoning code upon completion of the City's General Plan update.
- Establish a Two Council Ad-hoc Review Committee to assist in the review of the Commission and Committee process.
- Discuss Measure J and provide the City Attorney or staff direction on the matter.

As the City Council finalizes the list of 2023 City Council Goals, this is the appropriate time to add any additional initiatives not previously discussed.