

REPORT TO THE CITY COUNCIL



DATE: December 3, 2019

TITLE: Grocery Outlet – Traffic Signal Fair Share Agreement

Prepared by: Daniel Porras Public Works Director

RECOMMENDATION

Authorize the City Manager to execute the Agreement for Payment of Fair Share of Development Impact Fees by and between the City of Desert Hot Springs and Best Development Group LLC. for the fair share cost of the installation of a new Traffic Signal at the intersection of Palm Drive and Park Lane.

DISCUSSION

The Grocery Outlet Project (The Project) is located on the North-West corner of Palm Drive and Park Lane. The Project includes a 20,000 square foot grocery store with associated parking, lighting, landscaping, and site improvements (see conceptual plan and elevations in Exhibit 1). On March 12, 2019, the Planning Commission approved various entitlements for The Project subject to a number of Conditions of Approval shown in Exhibit 2.

The street improvement and traffic signal plans for The Project include the widening of Palm Drive to its ultimate width of 55 feet of Right of Way from centerline along the frontage of the property, a southbound right turn pocket, a bike lane merge/transition lane, new striping, and a new traffic signal with associated intersection improvements at the intersection of Palm Drive and Park Lane.

During the review process, The Project was found to result in an increase in traffic in which the installation of a traffic signal would be required in order to address the impacts of the project at the intersection of Palm Drive and Park Lane. In order to determine the amount of traffic associated with the project, the City retained KD Anderson and Associates Inc. to complete a traffic signal fair share analysis. The analysis conducted by KD Anderson and Associates Inc. dated July 8, 2019, determined that the difference in vehicular traffic from The Project would result in a 15% increase in traffic based on long-term cumulative traffic volumes, see Exhibit 3.

Per Condition of Approval Number 88, The Applicant has agreed to enter into a fair share agreement with the City to pay 15% of the fair share costs of the installation of a new traffic signal at the subject intersection. The Agreement for payment of fair share of Development Impact Fees by and between the City of Desert Hot Springs and Best Development Group LLC. is shown in Exhibit 4. If the agreement is approved by Council, the City will be the lead on the project and move forward with the installation of the traffic signal at the subject intersection and will invoice the Applicant 15% of the associated costs.

The costs for the installation of the Traffic Signal Improvements are estimated at \$360,242.14, a detailed estimate is shown in Exhibit 5. Based on this estimate, the Applicant will be required to pay 15% of the total costs which is equivalent to \$54,036.32. The final amount will be based on actual construction costs contracted through the City's formal public bidding procedure.

Staff recommends that Council Authorize the City Manager to execute the Agreement for Payment of Fair Share of Development Impact Fees by and between the City of Desert Hot Springs and Best Development Group LLC. For the installation of a new Traffic Signal at the intersection of Palm Drive and Park Lane.

FISCAL IMPACT

If this agreement is approved, the City will receive 15% reimbursement of the total costs associated with the installation of the traffic signal. The total cost is estimated at \$360,242.14 which brings the 15% estimated cost at \$54,036.32. The final amount will be based on actual construction costs contracted through the City's formal public bidding procedure.

EXHIBIT(S)

- 1) Grocery Outlet Conceptual Plans
- 2) Conditions of Approval
- 3) Fair Share Traffic Signal Analysis – KD Anderson and Associates Inc
- 4) Agreement for Payment of Fair Share of Development Impact Fees
- 5) Engineers Estimate for Traffic Signal Improvements