

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew Ching, Town Manager
Chad Weaver, Community Development Director
Shar Johnson, Town Engineer
Sam Kayat, CIP Manager

DATE: May 28, 2026

DEPARTMENT: Community Development
Chad Weaver, 480-348-3522

AGENDA TITLE:
SRP Underground Conversion – Rose Lane Construction Contract

SUMMARY STATEMENT:

The Rose Lane electric utility undergrounding project is ready for construction. Salt River Project (SRP) has completed the final design revisions and submitted updated construction contracts for Town approval. Two SRP construction service contracts are required to complete the project. The combined amount of the two contracts is \$225,400.

The proposed underground utility conversion work is located at the southwest corner of Rose Lane and Palo Cristi Road. The project includes:

- Removal of three utility poles, overhead electric lines, and transformers.
- Installation of new underground electrical conduits and wiring.

RECOMMENDATION:

Authorize the Town Manager to execute SRP Construction Services Contract No. 4227754 in an amount not to exceed \$218,700 and SRP Construction Services Contract No. 4227757 in an amount not to exceed \$6,700 for the Rose Lane electric utility undergrounding project.

BACKGROUND:

Implemented in 1989, the SRP Municipal Aesthetics Program was established to encourage partnerships between SRP and local municipalities by providing funding assistance for aesthetic improvements to existing and new SRP water and electric utility facilities.

Since the program's inception, SRP has provided annual funding to municipalities to support utility undergrounding and related aesthetic improvements. Under the program,

the Town of Paradise Valley receives \$200,000 annually from SRP to assist with underground utility conversion projects.

Over the years, the Town has successfully completed numerous underground conversion districts. Currently, four conversion districts remain within the Town: Rose Lane, 40th Street, 38th Street, and Denton Lane.

The SRP aesthetics funding request for this project was submitted in June 2023, initiating the design and coordination process that has now advanced to the construction phase. A summary of the project timeline is provided below:

- Town/SRP design agreement executed: May 2024
- Design start: August 2024
- Initial SRP construction contracts submitted to Town: June 2025
- Resident outreach and cost-share discussions: June 2025
- Final revised SRP construction contracts submitted to Town: March 2026
- Anticipated Town Council contract approval: May 2026
- Anticipated construction start: June 2026
- Estimated construction duration: 2 to 4 weeks

General Plan:

This project seeks to support the Town’s General Plan Scenic Environmental Design Policy CC&H 3.6 - The Town will continue to promote the undergrounding of all existing and new overhead utility lines through the combined efforts of the Town, the utility companies, Special Use Permit properties, and residents.

BUDGETARY IMPACT:

The Town’s FY26 CIP budget includes \$320,000 for construction of this project. The total project cost is \$450,900. SRP aesthetics funding will contribute \$225,500 toward the project, with the remaining \$225,400 to be shared in accordance with Town Resolutions 813 and 577. Under this cost-sharing structure, the Town will fund 66.7% and participating residents will fund 33.3%.

Total project cost	\$	450,900
SRP aesthetics funding	\$	225,500
<hr/>		
Remaining balance to be split	\$	225,400
Town contribution (66.7%)	\$	150,342
Residents contribution (33.3%)	\$	75,058

ATTACHMENT(S):

- A. Staff Report.
- B. Presentation.
- C. SRP contracts
- D. Resolutions 577 and 813