

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: December 14, 2023

PREPARED BY: Deborah Glickman, Management Analyst

REQUEST: APPROVE A LICENSE AGREEMENT BETWEEN THE CITY OF PALM DESERT AND DESERT WAVE VENTURES FOR USE OF A PORTION OF ASSESSOR'S PARCEL NUMBERS 620-450-002, 620-370-003, 620-370-004, 620-370-020, 620-370-033, AND A PORTION OF 620-370-043

RECOMMENDATION:

1. Approve a License Agreement between the City of Palm Desert and Desert Wave Ventures (DWV) for the use of Accessor's Parcel Nos. (APNs) 620-370-002, 620-370-003, 620-370-004, 620-370-020, 620-370-033, and a portion of 620-370-043.
2. Authorize City Attorney to make non-monetary changes to the License Agreement.
3. Authorize City Manager to execute any and all documents related to the License Agreement.

BACKGROUND/ANALYSIS:

In December 2022, DWV acquired parcels adjacent to the Desert Willow Golf Resort for the future development of DSRT Surf; a 5.5-acre surf lagoon, surf center, and villas. Construction of the surf lagoon is set to begin in January 2024, and DWV anticipates pre-construction activity to begin in December 2023. In order to provide construction parking, construction trailers, and material staging nearby to the DSRT Surf construction site, DWV has requested to license APNs 620-370-002, 620-370-003, 620-370-004, 620-370-020, 620-370-033, and a portion of 620-370-043 (see attached) from the City from December 2023 through December 31, 2025. If approved, vehicles will enter the site from Marketplace Drive, and the developer will provide chain link fencing and security cameras around the area.

In order to do so, DWV must enter into a License Agreement with the City. The City may charge a fee for use of the site. Since this is a temporary use intended to support a new development in the immediate area, staff is recommending a lease rate of \$1 per year. This rate is consistent with previous leases between the City and the JW Marriott for use of the same property.

Since the City is currently in the negotiation phase of the Surplus Land Act requirements to sell the parcel, the License Agreement includes a thirty (30) day cancellation provision that will allow the City to terminate the License Agreement with DWV if the City enters into an agreement to sell the property to a prospective buyer prior to December 31, 2025.

Legal Review:

This report has been reviewed by Robert Messinger, BW&S Law, special counsel to the City and the City Attorney's office.

FINANCIAL IMPACT:

If the License Agreement is approved, the City will receive \$1 per year.

ATTACHMENTS:

1. License Agreement
2. Site Utilization Plan