

**SUCCESSOR AGENCY TO THE  
PALM DESERT REDEVELOPMENT AGENCY  
STAFF REPORT**

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MEETING DATE: September 28, 2023

PREPARED BY: Deborah Glickman, Management Analyst

REQUEST: SUCCESSOR AGENCY - APPROVE A LICENSE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY AND THE CITY OF PALM DESERT FOR ASSESSOR'S PARCEL NUMBER 620-400-025

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**RECOMMENDATION:**

1. Approve a License Agreement between the Successor Agency to the Palm Desert Redevelopment Agency (SARDA) and the City of Palm Desert for Assessor's Parcel Number (APN) 620-400-025 for two (2) years at a rate of one dollar (\$1).
2. Authorize the SARDA Attorney to make non-monetary changes to the License Agreement.
3. Authorize the Executive Director to execute the License Agreement and all related documents for the sale.

**BACKGROUND/ANALYSIS:**

APN 620-400-625 (14.46 acres), also referred to as Parcel A, is located adjacent to 34.25 acres of undeveloped land on Desert Willow Drive north of Country Club Drive. To preserve open space for its current residents and visitors, the City seeks to acquire the parcel from SARDA for use as public parking and recreational space.

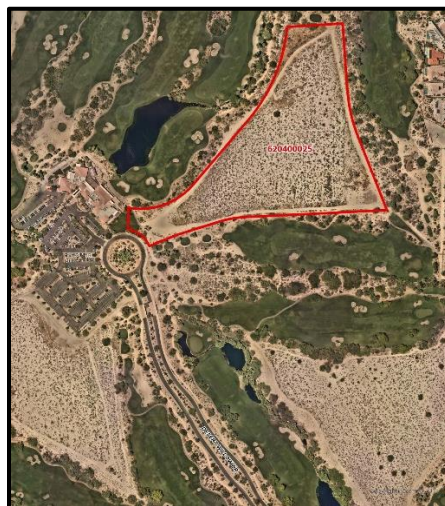
In order to improve the parcel, SARDA needs to attain approval from the SARDA Board, Riverside County Oversight Board (OB), and the State of California Department of Finance (DOF) prior to the sale. The parcel is on SARDA's June 2, 2014, DOF approved Long Range Property Management Plan (LRPMP) with a designation of "No Potential", indicating that there was no intended government use for the parcel and that SARDA will sell it and disburse the proceeds of the sale to the Riverside County designated taxing entities as required.

Subsequent to the DOF's approval of the LRPMP, the City determined that the parcel would be better used for public parking and recreational space for the Palm Desert community and is seeking to acquire the parcel for this purpose. The City anticipates commencing improvements on the parcel in Q4 2023. Prior to commencing with improvements, the City must enter into a short-term license agreement with SARDA for the use of Parcel A during the interim period until a purchase of the property is completed. The license agreement would lease the parcel to the City for two (2) years at a rate of one dollar (\$1). Special legal counsel recommends that the City does not build improvements on the parcel prior to its acquisition or entering into a license agreement with SARDA. If the City commences with improvements prior to doing so, it could be considered a gift of public funds.

A license agreement between SARDA and the City allows the City to start improvements prior to the acquisition of the property; however, there is a risk that the parcel will not be allowed to be sold and the City would lose its investment in the improvements. Special legal counsel acknowledges that this risk is minimal but must be considered prior to the start of the improvements. Furthermore, SARDA is prohibited from conducting work that includes demolition, alteration, construction, site development or improvement, or land clearance, except as required by an enforceable obligation. A license agreement in this context is not an enforceable obligation for the former redevelopment agency, nor does it create any legal interest in the subject property. Rather, the agreement grants permission to the City to enter the property to conduct the licensed activity at the licensee's (the City) own risk.

It is estimated that the sale of the parcel will be completed during Q1 2024, dependent on approvals from all designated entities (SARDA Board, OB, DOF, and designated taxing entities). If the sale of the parcel is completed prior to the end of the license agreement it can be terminated early.

Details and location of the property are as follows.



<b>APN</b>	<b>Size (acres)</b>	<b>Zoning</b>	<b>Property Description</b>	<b>General Plan Designation</b>
620-400-025	14.46	Planned Residential (PR-5)	Vacant	Conventional Suburban Neighborhood

Staff recommends approval of the license agreement between SARDA and the City to allow the City to commence improvements on Parcel A prior to acquiring it.

**Legal Review:**

This report and Resolution have been reviewed by the City Attorney's office and Robert Messinger, Special Counsel to the City.

**FINANCIAL IMPACT:**

SARDA will receive one dollar (\$1) for the two (2) year duration of the License Agreement.

**ATTACHMENTS:**

1. License Agreement
2. Map of Parcel A