

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: May 9, 2024

PREPARED BY: Eric Ceja, Director of Economic Development

REQUEST: APPROVE A ONE (1) YEAR LEASE AGREEMENT WITH ONE (1), ONE (1) YEAR EXTENSION WITH CHRIS NELSON FOR THE OPERATION OF A REMOTE CONTROLLED RACETRACK ON THE VACANT CITY-OWNED PARCEL WITH ASSESSOR'S PARCEL NO. 640-091-010

RECOMMENDATION:

1. Approve a one (1) year lease agreement with one (1), one (1) year extension with Chris Nelson for the operation of a remote controlled racetrack on the vacant City-owned parcel with Assessor's Parcel No. (APN) 640-091-010.
2. Authorize the City Attorney to make necessary, nonmonetary changes to the lease agreement.
3. Authorize the City Manager to execute the lease and any and all related documents.

BACKGROUND/ANALYSIS:

The Racetrack is located on a vacant City lot on Painters Path behind Desert Crossing Shopping Center (APN# 640-091-010). In December 2023, the City executed a one (1) year lease with Adam Drake for the operations of the racetrack. The lease allows either party to terminate it with thirty (30) days' notice. Mr. Drake has informed staff that he wishes to exercise the termination clause and has recommended Chris Nelson as a replacement for the management of the track. Staff interviewed Mr. Nelson and, based on his experience with and knowledge of RC racing, recommends moving forward with a lease with him for one (1) year with one (1) extension of one (1) year for one dollar (\$1) per year.

As the leaseholder, Mr. Nelson is responsible for the upkeep and maintenance of the racetrack, submittal of all required insurances to the City, being open a minimum of one (1) weekday and one (1) weekend day per week and producing a minimum of one (1) signature event per year.

In the past, operators were not required to open on specific days or times or for any specified amount of time per month. When leasing with Mr. Drake, staff introduced clauses requiring one (1) signature event annually and a minimum of fifteen (15) hours of track availability per month. Under the new lease with Mr. Nelson, the track would now be required to be open at least one (1) weekday and one (1) weekend day per week with at least one (1) signature event annually to allow broader community access to the track.

Operators	No specified hours	Open a minimum of 15 hours per month	Open 1 weekday and 1 weekend day per week	Signature Event
Previous Operators	X			
Current Operator		X		X
Mr. Nelson as Operator		X	X	X

Track Location



Legal Review:

This report has been reviewed by the City Attorney’s office.

FINANCIAL IMPACT:

The lease agreement calls for the payment of one dollar (\$1) to the City annually. Other than minimal staff time to facilitate the agreement and observe operations of the facility, there are no additional costs incurred by the City.

ATTACHMENT:

1. Lease Agreement