

ECONOMIC DEVELOPMENT SUBSIDY REPORT
(GOVERNMENT CODE SECTION 53083)

REGARDING AN AGREEMENT FOR DISBURSEMENT AND USE OF FUNDS
BETWEEN THE CITY OF PALM DESERT

AND

FINE QUALITY FOODS, INC. DBA PAPA DAN'S PIZZA AND PASTA
IN CONNECTION WITH THE RE-ESTABLISHMENT OF PAPA DAN'S PIZZA AND PASTA AT 73011
COUNTRY CLUB DRIVE F-1, PALM DESERT, CA 92270

Pursuant to Government Code Section 53083, the City Council of the City of Palm Desert must hold a noticed public hearing and, prior to the public hearing, provide all of the following information in written form available to the public including through the City's website, regarding a proposed economic development subsidy to be provided by the City of Palm Desert ("City") pursuant to an Agreement for Disbursement and Use of Funds ("Agreement") by and between the City and Fine Quality Foods, Inc. dba Papa Dan's Pizza and Pasta ("Business").

This Economic Development Subsidy Report ("Report") is being published on the City's website in advance of the public meeting to be held on February 27, 2025. The purpose of this Report is to provide the information to inform the public about the subsidy provided under the Agreement, as required pursuant to Government Code Section 53083. This Report shall remain available to the public and posted on the City's website until the end of the economic development subsidy, as further described in Section 2 below.

1. The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy.

This Agreement is between the City and Fine Quality Foods, Inc. dba Papa Dan's Pizza and Pasta, who will own and operate the business benefitting from the economic development subsidy.

2. The start and end dates and schedule, if applicable, for the economic development subsidy.

The Agreement will go before the City Council on February 27, 2025. The Agreement will commence upon execution by both parties, following approval by City Council. The Business is required to operate for a period of five (5) years. The operational requirements of the Agreement will end five (5) years from the commencement of operation of the Business (the deadline for which is July 1, 2025, at the latest), unless earlier terminated pursuant to the terms of the Agreement. The Agreement itself does not have an explicit end-date. The subsidy is provided in a lump-sum up front upon the Business meeting certain conditions of funding.

3. A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.

The economic development subsidy to be provided by the City consists of a payment to be made by the City to the Business, from the Invest Palm Desert Program for capital improvements. The amount of Two Hundred Thousand (\$200,000) will be disbursed once approved by the City Council and once the City staff administering the Agreement have determined the funding conditions are satisfied.

4. A statement of the public purposes for the economic development subsidy.

The public purposes for the economic development subsidy include: (i) restoring a long-lasting community fixture; (ii) the contribution to the economic vitality of the City; (iii) generation of increased transient occupancy, sales and use taxes and other revenue to the City; (iv) creation and provision of additional jobs in the City; and (v) otherwise improve economic and physical conditions in the City. Taken together, these benefits would enhance the quality of facilities, goods and services available to the City and its residents, such as police, fire, street maintenance, and parks and recreation programs.

5. The projected tax revenue to the local agency as a result of the economic development subsidy.

Based on historical sales tax revenues, staff projects that Papa Dan's will generate approximately \$100,000 in sales tax revenue to the City in the next 5 years. The City is anticipated to net over \$87,000 in sales tax revenue over the next 5 years. The total amount of \$200,000 will be replenished within a 10-year period.

6. Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

It is anticipated that a total of 40-45 full-time positions will be created as a result of the City's economic development subsidy of the capital improvement project for the Papa Dan's Pizza and Pasta Restaurant. All jobs created are anticipated to be full-time, no part-time or temporary positions are estimated at this time.