

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT PREPARED PURSUANT TO GOVERNMENT CODE SECTION 53083 REGARDING AN AGREEMENT FOR DISBURSEMENT AND USE OF FUNDS BY AND BETWEEN THE CITY OF PALM DESERT AND FINE QUALITY FOODS, INC. DBA PAPA DAN'S PIZZA AND PASTA AND FIND THAT THE ACTIVITY DOES NOT CONSTITUTE A PROJECT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND ALTERNATIVELY IS CATEGORICALLY EXEMPT FROM REVIEW UNDER SECTION 15301.

WHEREAS, the City of Palm Desert ("City") and Fine Quality Foods, Inc., a Nevada corporation, d/b/a Papa Dan's Pizza and Pasta ("Papa Dan's") have negotiated an Agreement for Disbursement and Use of Funds ("Agreement") to disburse funds from the City's Invest Palm Desert Program to assist with rebuilding Papa Dan's restaurant at 73011 Country Club Drive F-1 in the City, which has operated within the City for over 40 years and recently burned down in a fire; and

WHEREAS, pursuant to that Agreement, Papa Dan's is committed to opening and to continue operating an Italian restaurant in the City for a five (5) year period; and

WHEREAS, Papa Dan's has also covenanted to, among other things, use the funds to purchase equipment and services from local vendors based in the City; and

WHEREAS, based on information provided by City staff, and other such written and oral evidence, as presented to the City, the City finds and determines that the allocation of funds to Papa Dan's pursuant to the Agreement is reasonably related to a legitimate governmental purpose in that the retention of the restaurant will provide numerous public benefits including:

- Generating substantial revenue for the City through additional Local Sales Tax Revenue which may be used by the City for the funding of necessary public services and facilities, including but not limited to, public safety services and facilities, public improvements and recreational opportunities that otherwise may not be available to the community for many years; and
- Papa Dan's is a highly successful restaurant who will be committed to maintaining the restaurant in the City of Palm Desert which will ensure the retention and creation of jobs and provide opportunity for additional job growth throughout the term of this Agreement; and
- Entering into this Agreement and retaining the restaurant may attract additional businesses and investment in the community due to increased services and economic activity in the area; and

- Retaining this business within the City will create jobs, maintain economic diversity in the community and stimulate the economic recovery of the City by generating new opportunities for economic growth within the region; and
- Retaining Papa Dan's' operations within the City will generate substantial revenue for the City, allow for the retention of jobs, and result in community and public improvements that might not otherwise be available to the community for many years; and

WHEREAS, in accordance with Government Code Section 53083, the City provided certain information in written form to the public and on its website, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, and held a noticed public hearing on February 27, 2025 to consider all written and oral comments on the Economic Development Subsidy Report; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palm Desert as follows:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Findings. The City Council additionally finds and determines that (a) there are identifiable public purposes fulfilled by the Agreement, as set forth in the Recitals, that outweigh the benefit to private persons; and (b) the findings set forth in this Resolution are based upon substantial written and oral evidence presented to the City Council.

SECTION 3. The City Council hereby finds that pursuant to the California Environmental Quality Act ("CEQA") (Pub. Res. Code, § 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs, tit. 14 § 15000 et seq.), acceptance of the Economic Development Subsidy (EDS) Report is not a "project" for purposes of CEQA and therefore is not subject to CEQA review.

State CEQA Guidelines section 15378 defines a "project" as an activity that "has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." (State CEQA Guidelines, § 15378(a).) Here, the acceptance of the EDS Report to provide funding to a restaurant for interior improvements will not result in any physical changes to the environment. Accordingly, it does not meet the definition of a "project" subject to CEQA. (State CEQA Guidelines, § 15060(c).) In addition, section 15378(b) explicitly excludes certain activities from the definition of a 'project.' Specifically, section 15378(b)(5) states that "organizational or administrative activities of governments that will not result in direct

or indirect physical changes in the environment” are not considered projects. The acceptance of the EDS Report is an administrative activity that does not result in physical changes to the environment and is therefore not subject to CEQA.

Even if the action were considered a “project” subject to CEQA, it would qualify for a categorically exemption pursuant to State CEQA Guidelines Section 15301, Class 1, (Existing Facilities). Class 1 consists of the “operation, repair, maintenance or minor alteration of existing private structures ... involving negligible or no expansion of existing or former use.” Section 15301 provides some, but does not limit project scope to, examples of such projects, including “interior or exterior alterations”. The acceptance of the EDS Report involves modifications to the interior of a private structure, which are confined to the existing space and do not introduce new uses or intensify current operations. Therefore, the project meets the criteria for the Class 1 categorical exemption.

Further, none of the exceptions outlined in CEQA Guidelines section 15300.2 apply. There is no potential for significant cumulative impacts, as staff does not anticipate other similar projects at the project site or in the surrounding area. The property does not present any unusual circumstances, such as unique environmental resources, an unusual location, or physical characteristics that could result in significant impacts. The project area is fully developed and does not contain environmentally sensitive areas. The project would not damage any scenic resources, including trees, historic buildings, rock outcroppings, or similar features, within a highway officially designated as a state scenic highway. The project site is not located on a hazardous waste site or any other site included on a list compiled pursuant to Government Code section 65962.5. Lastly, the proposed project will not cause a substantial adverse change in the significance of a historical resource, as no such resources are present near the project site that could be impacted.

Staff is directed to prepare, execute, and file a Notice of Exemption with the County Clerk and the State Clearinghouse within five (5) working days of the project’s approval and adoption of this resolution.

SECTION 4. Acceptance of Economic Development Subsidy Report. The City Council finds and determines that this Economic Development Subsidy Report is in compliance with applicable law and specifically Government Code Section 53083.

SECTION 5. Custodian of Records. The documents and materials associated with this Resolution that constitute the record of proceedings on which these findings are based are located at Palm Desert City Hall 73510 Fred Waring Drive Palm Desert, CA 92260. The City Clerk is the custodian of records for the record of proceedings.

SECTION 6 Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 7. Effective Date. This Resolution shall become effective immediately upon its adoption.

The City Clerk of the City of Palm Desert shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 27th day of February 2025.

JAN HARNIK, MAYOR

ATTEST:

ANTHONY MEJIA, CITY CLERK

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE CITY OF)
PALM DESERT)

I, ANTHONY MEJIA, City Clerk of the City of Palm Desert, DO HEREBY CERTIFY that foregoing Resolution No. 2025-XX was duly passed and adopted by the City Council of the City of Palm Desert at their regular meeting held September __, 2023 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ANTHONY MEJIA, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2025-## duly passed and adopted by the Palm Desert City Council at their regular meeting held February 27, 2025.

ANTHONY MEJIA, CITY CLERK

(SEAL)

EXHIBIT A
ECONOMIC DEVELOPMENT SUBSIDY REPORT

[Attached behind this cover page]