

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: March 27, 2025

PREPARED BY: Mariela Salazar, Management Analyst  
Martin Alvarez, Director of Economic Development

SUBJECT: APPROVE BLIEU COMPANIES LEASE FOR SUITE 117 AT THE  
PARKVIEW BUILDING

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## **RECOMMENDATION:**

1. Approve a short-term lease with Blieu Companies for suite 117 at the Parkview Building for tenant qualifying and interview purposes.
2. Approve leasing term requested by Blieu from April 2025 to September 2025.
3. Authorize the City Attorney to make any necessary non-monetary changes to the agreement.
4. Authorize City Manager to execute all documents required to effectuate lease.

## **BACKGROUND/ANALYSIS:**

Blieu Companies (aka Urban Housing Communities) is an affordable housing developer currently constructing The Crossings at Palm Desert project, consisting of 176 units at the southeast corner of Dick Kelly Drive and Gateway Drive. In 2022, the developer was provided with a \$7.2 Million Housing Authority Loan restricting the property for 55 years to assist with meeting affordable housing needs within Palm Desert. The developer is currently in the process of leasing units but no longer has room for office space on the site while the units are completed.

Blieu has requested to temporarily lease Unit 117 (1,227 square feet) in the City owned Parkview Building located at 73-710 Fred Waring Drive. The space is needed to finalize their resident leasing through the end of September 2025. The suites are available to be occupied, and no tenant improvements are required.

The Parkview Building needs to be vacant by December 31, 2025, to accommodate the deconstruction of the site for the new Palm Desert Library. Upon approval of the proposed price and terms, staff will finalize negotiations and provide an agreement for final approval in an upcoming open session.

The prior rental amount was based at \$1.90 per square foot. Blieu has requested a rental rate of \$1.55 per square foot due to their budgeting constraints. As a partner in the Affordable Housing Project, staff is recommending accommodation of their request by offering Suite 117 at a price of \$1.72 per square foot with utilities included and Blieu has indicated they were amenable to that consideration. Below are the suggested lease terms:

Suite #	Sq Ft	Price Per Sq Ft	Total Monthly
117	1,227	Blieu request \$1.55	\$1,901.85

117	1,227	City's Proposal \$ 1.72 (inc utils)	\$2,110.44
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**FINANCIAL IMPACT:**

Approval of this lease agreement will support Blier's affordable housing project during its critical development phase and provide the City with a mutually beneficial arrangement. This lease agreement at the \$1.72/sf rate will generate \$2,110.44 per month in rental income, totaling approximately \$12,662.64 over the six-month period. Staff recommends approval of the lease and terms.

**ATTACHMENTS:**

1. Lease Agreement
2. Term Sheet