

PAPA DAN'S RECONSTRUCTION

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Economic Development
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PALM DESERT



INTRODUCTION

Invest Palm Desert was established to:

- Enhance the City's ability to promote economic development
- Facilitate the growth of businesses
- Provide high quality jobs
- Support the City's economic base to support services to its residents,
- Diversify the City's economy and promote an improved quality of life within the City



BACKGROUND ANALYSIS

Expense	Amount	Source
Cornerstone Restaurant Supply and Design	\$397,730.84	
Signarama	\$12,770.07	
Placencia Mirror and Glass	\$44,770.00	
Picard	\$71,954.72	Insurance/Private Equity
S&G Plumbing Services	\$38,500.00	
Innovation Building and Design	\$874,380.00	Insurance/Private Equity
Total	\$1,440,105.63	

Contribution	Amount
Insurance	\$650,000.00
Potential City Contribution	\$200,000.00
Private Equity (Ira)	\$167,166.00
Loans/Private Entities	\$422,939.63
Total Cost of Contributions	\$1,440,105.63

AGREEMENT TERMS

- Minimum investment of \$1.2M into restaurant
- Must contract with Palm Desert located businesses
- Operate for 5-years at location (Invest Palm Desert requires 2-years)
- ½ repayment to City if in default (Must be in operation by July 1st, 2025)
- Obligations are transferable to any new owners at this location



FINANCIAL IMPACT

- Papa Dan's historical sales tax revenues projects approximately \$100,000 in sales tax revenue to the City in the next 5 years.
- To support the restaurant and its employees, staff is recommending City Council's approval for financial assistance in the amount of \$200,000 to aid in the reconstruction of Papa Dan's.

Once Papa Dan's is in operation for 10 years, the City is expected to recover the full \$200,000 investment.



THANK YOU

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