

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: June 26, 2025

PREPARED BY: Veronica Chavez, Director of Finance

SUBJECT: APPROVE CITY SPONSORSHIP AND OUTSIDE AGENCY FUNDING  
FOR FISCAL YEAR 2025-26

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## **RECOMMENDATION:**

1. Approve Community Sponsorship Awards in the amount of \$540,000 to the agencies listed herein with associated restrictions and conditions, including confirmation of events prior to distribution, if applicable.
2. Approve Outside Agency Funding Awards in the amount of \$1,790,135 to the agencies listed herein with associated restrictions and conditions, and all applicable program requirements.
3. Approve Five-Year Funding Agreement with the McCallum Theatre for \$300,000 per year, Not to Exceed \$1,500,000 for Palm Desert Program Funding Partnership.
4. Authorize the City Manager or his designee, to consider alternative requests during the year provided the request is consistent with the original request and unassigned budget.
5. Pending approval of the FY 2025-26 City of Palm Desert Annual Budget, authorize the City Manager to execute any documents necessary to effectuate the actions taken herewith.

## **BACKGROUND/ANALYSIS:**

The Outside Agency Funding Program was designed to support organizations that further Palm Desert programs and services and assist residents in need of funding. Primary consideration is given to recognized nonprofit organizations that directly benefit Palm Desert residents, nonprofit organizations that indirectly affect the quality of life for the residents of Palm Desert, and those applicants meeting the health and human service needs of underserved populations.

The Outside Agency Program Guidelines provide several rules that the organization is required to qualify for funding. One of the requirements is that organizations receiving funding through Community Development Block Grant (CDBG) and/or other funding in the same period are not considered for Outside Agency funding. The guidelines also call out that recreational fundraising events (i.e. golf tournaments, luncheon/dinner sponsorships and tickets, gala attendance and support) do not qualify for Outside Agency funding. These requests are handled through our Charitable Sponsorships. A copy of each of the guidelines is included in the packet for reference.

In an effort to align programming and enhance operational efficiency, staff consolidated the application period for both Community Event Sponsorships and Outside Agency Funding last year. While both funding programs support community initiatives, Community Event Sponsorships are specifically intended to support events that foster civic engagement, celebrate cultural diversity, promote tourism, stimulate economic vitality, and advance public health and sustainability. Combining the application periods allows for a more strategic and equitable allocation of resources, ensuring that funding is directed toward organizations and events that deliver meaningful benefits to Palm Desert residents and businesses.

Information regarding the availability of Outside Agency Funding and Community Event Sponsorship Funding, as well as the applications, was made available on the City's Procurement Portal, OpenGov, at the beginning of January 2025. To maximize awareness and accessibility, staff also conducted outreach through all City social media avenues, including Facebook, Instagram, and via the Brightside Newsletter. Additionally, staff directly contacted all previous recipients and interested parties via email to ensure they were informed of the application deadline and had the opportunity to apply.

As a reminder, below is the proposed budget as submitted during the Budget Study Session on May 8, 2025. These amounts were proposed primarily from prior year approvals and any incremental updates for partnership agencies.

<b>FY 2025-26 Budget Proposal Breakdown</b>	<b>Original Amount</b>
Sponsored Events	\$540,000
GPSCVB Funding (STR TOT)	\$500,000
OA – Various Agencies	\$162,445
OA – PD Schools	\$52,555
Artist Council Building	\$40,000
City Council Seats	\$12,500
YMCA Jean Benson Child Care Center/Youth Council	\$56,000
Lincoln and PDCMS Afterschool Programs	\$150,000
Joslyn (Cove Communities Agreement)	\$260,000
The Living Desert (5-Year Funding Agreement)	\$250,000
<b>Total Budgeted</b>	<b>\$2,023,500</b>

As part of the application review process, selection teams were established from the Finance and Economic Development Departments for each of the funding programs. The teams reviewed and scored all applicants in OpenGov based on the program guidelines and proposed budget. Proposed budget allocations for each program were reviewed and presented to the Outside Agency Committee on June 3, 2025 and adjustments were made based on their recommendation.

The FY 2025-26 CDBG funding awards were approved by the City Council in December 2024 to comply with the County of Riverside's deadline, as the County is now administering the program for the first time. None of the approved CDBG Grantees were considered or awarded Outside Agency or Event Funding, pursuant to the respective policies.

1) Sponsored Event Recommendations for FY 2025-26:

<b>Sponsored Event Recommendations</b>	<b>Applicants and</b>	<b>Funding Request</b>	<b>Funding Recommendation</b>
1 7th Regiment 29 Palms Marine Corp Program		\$5,000	\$5,000
2 Fashion Week El Paseo (Yr. 3 of 3)		\$200,000	\$200,000

3	PD Food & Wine (Yr. 3 of 3)	\$100,000	\$100,000
4	Restaurant Week	\$5,000	\$5,000
5	Modernism Week	\$5,000	\$5,000
6	Riverside County Fair and National Date Festival	\$5,000	\$5,000
7	PD's Student Art & Essay Contest	\$3,500	\$3,500
8	Community Event Sponsorships	\$181,500	\$181,500
9	Charitable Sponsorships	\$35,000	\$35,000
<b>Total Requested/Recommended</b>		<b>\$540,000</b>	<b>\$540,000</b>

Except for the multi-year request from the McCallum Theatre and a nominal increase in support for the Artist Council, Children's Discovery Museum, and Coachella Valley Rescue Mission, funding recommendations have been made within the proposed budget. Based on the committee's recommendation, an additional \$306,635 is needed.

## 2) Outside Agency Funding Recommendations for FY 2025-26

Outside Agency Applicants and Recommendations		Funding Request	Funding Recommendation s
<b>Palm Desert Schools (3-Year Agreements)</b>			
1	Abraham Lincoln Elementary School (Yr. 2 of 3)	\$5,000	\$3,000
2	James E. Carter Elementary School PTO (Yr. 2 of 3)	\$10,000	\$7,500
3	Palm Desert Middle School Foundation (Yr. 2 of 3)	\$14,000	\$9,500
4	Palm Desert Middle School PTO (Yr. 2 of 3)	\$10,000	\$9,500
5	Palm Desert High School Foundation (Yr. 2 of 3)	\$10,000	\$10,000
6	Ronald Reagan Elementary School (Yr. 1 of 3)	\$6,000	\$5,555
7	Washington Charter PTO (Yr. 2 of 3)	\$15,000	\$7,500
		<b>\$70,000</b>	<b>\$52,555</b>
<b>Non-Profit Organizations</b>			
1	AAUW- American Association of University Women	\$6,000	\$2,000
2	ACT for Multiple Sclerosis	\$7,500	\$5,000
3	Alzheimer's Coachella Valley (ACV)	\$7,000	\$1,500
4	Artists Council	\$10,000	\$2,500
5	Assistance League Coachella Valley	\$4,000	\$2,500
6	Big Brothers Big Sisters of the Desert	\$10,000	\$2,000
7	Children's Discovery Museum of the Desert	\$20,500	\$7,500
8	Coachella Valley Preparedness Network (CVDPN)	\$5,000	\$2,500
9	Coachella Valley Rescue Mission	\$50,000	\$5,000
10	Coachella Valley Youth Golf Foundation/First Tee CV	\$7,500	\$5,000
11	Desert Autism Foundation	\$5,000	\$4,000
12	Do the Right Thing – Greater Palm Springs	\$5,000	\$3,480
13	Doves Landing School	\$100,000	\$2,500
14	Green Room Theatre Company	\$5,000	\$1,000
15	HARC, Inc.	\$5,000	\$0

City of Palm Desert

Approve City Sponsorship and Outside Agency Funding for Fiscal Year 2025-26

16	Jewish Community Center Chabad	\$10,000	\$2,000
17	Jewish Family Service of the Desert	\$10,000	\$3,000
18	John F Kennedy Memorial Foundation	\$1,672	\$1,600
19	Palm Desert Swim Club	\$60,000	\$1,000
20	Palm Springs International Film Society	\$30,000	\$1,000
21	PDLQ Youth Football, Inc.	\$10,000	\$2,500
22	PS Air Museum	\$10,000	\$8,000
23	Read with Me Volunteer Programs	\$3,000	\$3,000
24	Tolerance Education Center	\$40,612	\$3,000
25	Tools For Tomorrow	\$4,763	\$1,000
26	Variety the Children's Charity of the Desert	\$5,000	\$2,500
27	World Affairs Council of the Desert	\$4,000	\$3,000
		<b>\$436,547</b>	<b>\$78,080</b>
<b>Partnerships- City Funded Programs</b>			
1	YMCA of the Desert - Jean Benson (Yr. 2 of 3)	\$44,000	\$44,000
2	YMCA - Youth & Gov (Yr. 2 of 3)	\$12,000	\$12,000
3	The Living Desert (Yr. 2 of 5)	\$250,000	\$250,000
4	Abraham Lincoln Elementary School (Yr. 1 of 3)	\$75,000	\$75,000
5	Palm Desert Charter Middle School (Yr. 1 of 3)	\$75,000	\$75,000
6	PS Air Museum Expansion of Education Programs (Yr. 2 of 2)	\$75,000	\$75,000
7	Historical Society of Palm Desert (Yr. 2 of 3)	\$16,000	\$16,000
8	Friends of the Cultural Center, Inc., dba McCallum Theatre (Yr. 1 of 5)	\$300,000	\$300,000*
9	Joslyn Center (Cove Communities Agreement)	\$260,000	\$260,000
10	GPSCVB Funding (STR TOT)	\$500,000	\$500,000
11	Artist Council Building	\$40,000	\$40,000
12	City Council Individual Seats	\$12,500	\$12,500
		<b>\$1,659,500</b>	
		<b>0</b>	<b>\$1,659,500</b>
<b>Disqualified</b>			
1	Coachella Valley Journalism Foundation	\$10,000	\$0
2	July Blue Sky	\$30,000	\$0
		<b>\$40,000</b>	<b>\$0</b>
		<b>\$2,206,047</b>	
<b>Total Requested/Recommended</b>			<b>\$1,790,135</b>

Any specific award requirements, conditions or restrictions will be noted in the draft minutes of the meeting and will be incorporated into the agreement. Those requests that included funding for an event will be subject to confirmation that the event will be held. If the event is not held, or

held in a different format, it is recommended that the City Manager or his designee be authorized to consider alternative requests from the same agencies provided the revised request is consistent with the original request. Staff recommends that the City Council approve the recommended funding to the above-listed organizations as presented.

**FINANCIAL IMPACT:**

Approval of this request will result in the programming of Sponsorship/Event Funding, as well as the above-listed agencies receiving the designated amounts as Outside Agency Funding in FY 2025-26 contingent upon completion of all necessary requirements included in the Agreement. Funds are included in the City of Palm Desert FY 2025-26 Palm Desert Annual Budget (General Fund) pending Council approval.

The additional \$300,000 for McCallum Theatre and \$6,635 allocated to support multiple agencies as recommended by the OA Committee members, will reduce the operating surplus anticipated during the May 8th budget study session. That said, staff has identified additional revenue to offset those increases, so the net impact to the surplus is minimal.

<b>FY 2025-26 Budget Proposal Breakdown</b>	<b>Recommended Amount</b>
Sponsored Events	\$540,000
Outside Agency Funding – Schools	\$52,555
Outside Agency Funding – Non-Profits	\$78,080
Funding Agreements/Community Partnerships	\$1,359,500
<i>New Funding Agreement – McCallum Request (Year 1 of 5)</i>	<i>\$300,000</i>
<b>Total All Recommendations</b>	<b>\$2,330,135</b>
<b>Total Amount Previously Proposed</b>	<b>(\$2,023,500)</b>
<b>Additional Budget Needed</b>	<b>\$306,635</b>

**ATTACHMENTS:**

1. FY 25-26 Funding Recommendation for Community Event Sponsorships
2. FY 25-26 Funding Recommendation for Charitable Event Sponsorships
3. FY 25-26 Funding Recommendation for Outside Agency Funding
4. Community Event Sponsorship Guidelines
5. Outside Agency Guidelines