

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: November 16, 2023

PREPARED BY: Deborah Glickman, Management Analyst

REQUEST: RECEIVE AND FILE AN UPDATE ON THE COMPENSATION AGREEMENT FOR ASSESSOR'S PARCEL NO. 620-400-625

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## **RECOMMENDATION:**

Receive and file an update on the Compensation Agreement for Assessor's Parcel (APN) No. 620-400-625.

## **BACKGROUND/ANALYSIS:**

APN 620-400-625 (14.46 acres), also referred to as Parcel A, is located adjacent to 34.25 acres of undeveloped land on Desert Willow Drive north of Country Club Drive. To preserve open space for its residents and visitors, the City seeks to acquire the parcel from the Successor Agency to the Palm Desert Redevelopment Agency (SARDA) for use as public parking and recreational space. To facilitate the construction of the improvements, the City needs to acquire the parcel from SARDA, and to do so the City needs to enter into a Purchase and Sale Agreement (PSA) with SARDA for the Fair Market Value (FMV) for the parcel. Based on a September 2023 appraisal the FMV is \$4,600,000.

The sale of the parcel from SARDA to the City is contingent on approvals from the Riverside County Oversight Board (OB) and the State of California Department of Finance (DOF). On September 28, 2023, the City Council approved the City to purchase the parcel at FMV and directed staff to enter into a Compensation Agreement with the Riverside County designated taxing entities that are the recipients of the proceeds of the sale.

The parcel is listed on the June 2, 2014, DOF approved Long Range Property Management Plan (LRPMP) as having "No Potential" for government use. Since the parcel is being sold for a purpose other than its designation on the LRPMP, staff was advised that the City is required to enter into Compensation Agreements with each of the designated taxing entities.

Upon further discussions with the OB staff liaison and its legal counsel, City staff was informed that Compensations Agreements are not necessary since the parcel is being purchased at FMV. Therefore, staff will move the request forward to the OB for review and approval of the sale of the property from SARDA to the City without a Compensation Agreement. The request for approval of the sale will go before the OB at its meeting in January 2024. Once approved by the OB, the request will be forwarded to the State of California's Department of Finance for final review and approval.

Details and location of the parcel are as follows:



<i>APN</i>	<i>Size (acres)</i>	<i>Zoning</i>	<i>Property Description</i>	<i>General Plan Designation</i>
620-400-025	14.46	Planned Residential (PR-5)	Vacant	Conventional Suburban Neighborhood

**Legal Review:**

This report has been reviewed by the City Attorney's office and Robert Messinger, special counsel to the City.

**FINANCIAL IMPACT:**

There is no fiscal impact related to this item.