



**Thursday, October 27, 2022**  
**Minutes of the Regular Meeting of the Palm Desert City Council (CC),**  
**Successor Agency to the Palm Desert Redevelopment Agency (SARDA),**  
**and Housing Authority (HA)**

Pursuant to Assembly Bill 361, this meeting was conducted by teleconference and there was in-person public access to the meeting location.

**CALL TO ORDER:**

A Regular Meeting of the Palm Desert City Council was called to order by Mayor Harnik on Thursday, October 27, 2022, at 2:30 p.m. in the Council Chamber, City Hall, located at 73-510 Fred Waring Drive, Palm Desert, California.

**ROLL CALL:**

**Present:** Councilmembers Kathleen Kelly, Gina Nestande, and Karina Quintanilla; Mayor Pro Tem Sabby Jonathan; and Mayor Jan Harnik.

**Absent:** None.

**PLEDGE OF ALLEGIANCE:**

Mayor Harnik led the Pledge of Allegiance.

**INSPIRATION/INVOCATION:**

Councilmember Kelly offered words of inspiration.

**REPORT OF CLOSED SESSION:**

City Clerk Mejia requested and by a vote of 5-0 to City Council added Closed Session Item B5 (related to Seritage SRC Finance), finding there is a need to immediately discuss, and possibly provide direction to staff, and the need for action came to the attention of the City after the posting of the agenda.

The Regular Closed Session of the City Council of October 27, 2022, was called to order by Mayor Harnik at 2:35 p.m., with all members present.

The meeting convened in Closed Session to discuss the following items as listed on the Regular Closed Session Meeting Agenda:

A. CLOSED SESSION MEETING MINUTES: October 13, 2022

B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

1. Property Description: 1.55 acres at southeast corner of Fred Waring Drive and San Pablo Avenue (APNs 627-101-002, 627-101-017, 627-101-033, 627-101-061, 627-101-062)  
Agency: City of Palm Desert  
City Negotiator: Todd Hileman/Eric Ceja  
Negotiating Parties: Chandi Enterprises, LLC  
Under Negotiation: Price and Terms
2. Property Description: 74-885 Country Club Drive, Palm Desert  
Agency: City of Palm Desert  
City Negotiator: Todd Hileman/Eric Ceja  
Negotiating Parties: JW Marriott Desert Springs Resort and Spa  
Under Negotiation: Development Agreement
3. Property Description: 73-710 Fred Waring Drive, Suites 100, 103, 108, 118, 120, 200, 201, 203, 208, 211 and 217, and 73-720 Fred Waring Drive, Suite 100  
Agency: City of Palm Desert  
City Negotiator: Todd Hileman/Chris Escobedo/Eric Ceja  
Negotiating Parties: Lift to Rise/Paul Golden Construction/Advantech/Act for MS/ Coachella Valley Association of Governments/Virginia Waring International Piano Competition/State of California Department of Food and Agriculture/State of California Water Resources Board  
Under Negotiation: Price and Terms
4. Property Description: Desert Willow Lot Pad B, Desert Willow Drive, south of Desert Willow Clubhouse (APN 620-400-008, 023)  
Agency: City of Palm Desert  
City Negotiator: Todd Hileman/Martin Alvarez/Eric Ceja  
Negotiating Parties: Desert Wave Ventures, LLC  
Under Negotiation: Price and Terms
5. Property Description: 72-880 Highway 111, Palm Desert (APN 640-120-020)  
Agency: City of Palm Desert  
City Negotiator: Todd Hileman/Martin Alvarez/Eric Ceja  
Negotiating Parties: Seritage SRC Finance  
Under Negotiation: Price and Terms

**C. CONFERENCE WITH LEGAL COUNSEL – MATTERS CREATING SIGNIFICANT EXPOSURE TO LITIGATION, Pursuant to Government Code Section 54956.9(d)(2):**

Two (2) matters that, under the existing circumstances, the City Attorney believes creates significant exposure to litigation.

City Attorney Hargreaves reported that the City Council received briefings and provided direction to staff regarding the agendaized Closed Session items. Relative to Closed Session Item B3, the City Council directed that staff finalize the leases. The City Council did not take any other reportable actions.

**PRESENTATIONS:**

**A. PROCLAMATION – PALM DESERT CHARTER MIDDLE SCHOOL WINTER GUARD**

Jose Pena, Palm Desert Charter Middle School Winter Guard Coach, expressed his appreciation for his team, their parents, and supporters; thanked them for their hard work; and thanked the City Council for their recognition. The City Council viewed a video of the winning performance at the Winter Color Guard State Championships and congratulated the team on their achievements at the recent World Championships, competing against high schools in their division.

**B. PRESENTATION BY THE MCCALLUM THEATRE**

Mitch Gershenfeld, McCallum Theatre CEO, narrated a PowerPoint presentation, thanked the City Council for its support and partnership over the years.

In addition to the agendaized presentations, Mayor Harnik congratulated students who participated in the Palm Desert Mini Muster; distributed certificates to winners of the Mini Muster Art Competition; and thanked Historical Society member Mike Lewis for his work with the Mini Muster program.

**CITY MANAGER'S COMMENTS:**

**A. MAINTENANCE ACTIVITIES UPDATE – PUBLIC WORKS DEPARTMENT**

Public Works Deputy Director Ramirez narrated a PowerPoint and discussed the Community Services division's role in maintaining the quality of life Palm Desert residents and visitors have come to expect.

**MAYOR/COUNCILMEMBER REPORTS AND REQUESTS FOR ACTION:**

Councilmember Quintanilla thanked the City Council, staff and the community for their support during her recent health issues.

Councilmember Kelly thanked staff for creating a hybrid system to facilitate both in-person and remote participation at City Council meetings, and spoke about Southern California Association of Governments' work on a storm water recapture program as part of water conservation efforts throughout the region.

Mayor Pro Tem Jonathan thanked staff for their work on the recent Council Chamber remodel.

Mayor Harnik applauded the newly-installed butterfly mural at University of California, Riverside's Palm Desert campus, and reported her attendance at various meetings.

**NON-AGENDA PUBLIC COMMENTS:**

William Colonel, Palm Desert resident, expressed his appreciation for the Mayor and all members of the City Council.

Stephen Nelson, Palm Desert resident and Genesis neighborhood representative, expressed his support for a wind fence near his community; noted issues with neighborhood landscaping and an incomplete sidewalk; and expressed concern with the Millennium Master Plan Homeowners Association.

**1. CONSENT CALENDAR:**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to approve the consent calendar, with the removal of Item No. 1A for separate discussion.

**A. APPROVAL OF CITY COUNCIL, SUCCESSOR AGENCY, AND HOUSING AUTHORITY MINUTES**

This item was excluded from the Consent Calendar. Please refer to page 6 of these minutes for a summary of that action.

**B. APPROVAL OF WARRANTS**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to approve warrants issued for the period of August 31, 2022, through October 14, 2022.

**C. APPLICATION FOR AN ALCOHOLIC BEVERAGE LICENSE FOR HOLY CANNOLI, INC., DBA THE HIDEOUT, 73595 EL PASEO, SUITE B2208, PALM DESERT**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to receive and file the Alcoholic Beverage License application.

**D. 2022 CONFLICT OF INTEREST CODE BIENNIAL NOTICE PURSUANT TO THE POLITICAL REFORM ACT**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to:

1. Receive and file the 2022 Local Agency Biennial Notice.
2. Direct staff to promulgate the necessary amendments and return to the City Council in December 2022 for adoption pursuant to the Political Reform Act.

**E. ADOPT RESOLUTION NO. 2022-87 SETTING THE CITY COUNCIL REGULAR MEETING SCHEDULE FOR THE CALENDAR YEAR 2023 AND RESCINDING RESOLUTION NO. 2022-72**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to waive further reading and adopt Resolution No. 2022-87 setting the City Council regular meeting schedule for the calendar year 2023 and rescinding Resolution No. 2022-72.

**F. APPROVE AMENDMENT NO. 1 TO CONTRACT NO. HA-39040 WITH SERVICE FIRST, LLC, FOR POOL AND WATER FEATURE MAINTENANCE AND REPAIR SERVICES AT THE PALM DESERT HOUSING AUTHORITY PROPERTIES IN A TOTAL AMOUNT NOT TO EXCEED \$347,147**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to:

1. Approve Amendment No. 1 to Contract No. HA-39040 with Service First, LLC, for pool and water feature maintenance and repair services at the Palm Desert Housing Authority properties effective January 1, 2023, for a two-year term in a total amount not to exceed \$347,147.
2. Authorize RPM Company, the Authority's contracted management company, to enter into Amendment No. 1 with Service First, LLC, for the routine and additional services needed, including expenditures.
3. Authorize the Executive Director or its designee to take any necessary actions to facilitate the amendment and any documents necessary to effectuate and implement the actions taken herewith.

**G. REQUEST FOR ACCEPTANCE OF THE CITY'S CITIZENS OPTION FOR PUBLIC SAFETY/SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (COPS/SLESF) EXPENDITURE PLAN AND FUNDING FOR FISCAL YEAR 2022-2023**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to accept the City's Citizens Option for Public Safety/Supplemental Law Enforcement Services Fund (COPS/SLESF) expenditure plan and funding for Fiscal Year 2022-2023.

**H. APPROVE AMENDMENT NO. 1 TO CONTRACT NO. C43390 WITH IDEA PEDDLER FOR MARKET RESEARCH AS EXTRA WORK**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to:

1. Approve Amendment No. 1 to Contract No. C43390 with Idea Peddler in an amount not to exceed \$30,000 for one-time market research to support the evolution of the City's tourism advertising campaign.
2. Authorize the City Manager to execute the Amendment and any documents necessary to effectuate and implement the actions taken herewith.

**I. APPROVE AGREEMENT NO. C44280 WITH CASC ENGINEERING AND CONSULTING, INC., FOR MS4 PERMIT INSPECTIONS AND NPDES SUPPORT SERVICES IN THE AMOUNT OF \$50,000 PER FISCAL YEAR**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to:

1. Approve a three year agreement with CASC Engineering and Consulting, Inc., for MS4 Permit Inspections and NPDES Support Services in the amount of \$50,000 per year.
2. Authorize the City Manager or his designee to review and execute change orders for unanticipated conditions, per Section 3.30.170, Section A, of Ordinance No. 1335.
3. Authorize the City Manager to execute said agreement and up to two one-year contract amendments/extensions.

**EXCLUDED CONSENT CALENDAR:**

**A. APPROVAL OF CITY COUNCIL, SUCCESSOR AGENCY, AND HOUSING AUTHORITY MINUTES**

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 4-0-1 (QUINTANILLA ABSTAIN), to approve the Minutes of October 13, 2022.

**2. ACTION CALENDAR:****A. AWARD CONTRACT NO. HA44290 FOR THE DESIGN-BUILD OF THE TAOS PALMS TRELLIS AND ENTRANCE STRUCTURE REHABILITATION TO DOUG WALL CONSTRUCTION, INC., OF BERMUDA DUNES, CALIFORNIA, IN THE AMOUNT OF \$1,067,588.35 (PROJECT NO. 813-21) (Housing Authority)**

Due to a conflict of interest, Mayor Pro Tem Jonathan recused himself from this item and left the dais.

Housing Manager Gonzales narrated a PowerPoint presentation and responded to City Council inquiries.

MOTION BY COUNCILMEMBER NESTANDE, SECOND BY COUNCILMEMBER QUINTANILLA, CARRIED 4-0-1 (JONATHAN RECUSED) to:

1. Award Contract No. HA44290 for the design-build of the Taos Palms Trellis and Entrance Structure Rehabilitation to Doug Wall Construction, Inc., of Bermuda Dunes, California, in the amount of \$1,067,588.35 (includes \$22,500 add alternate).
2. Authorize the Finance Director to set aside approximately 20% contingency of \$213,520 for unforeseen conditions.
3. Authorize the Executive Director or designee to review and approve written requests for the use of the contingency, to take any necessary actions to facilitate the agreement, to execute the agreement and any documents necessary to effectuate the actions taken herewith.
4. Authorize the Executive Director or designee to execute the Notice of Completion (NOC) and the Secretary to file the NOC, upon satisfactory completion of the Project.
5. Funds are available in the Fiscal Year 2022-23 Housing Authority Capital Replacement Budget.

**B. AWARD OF CONTRACT NO. C44300 TO WELLS FARGO BANK, N.A., FOR COMPREHENSIVE BANKING SERVICES**

Deputy Finance Director Ramont presented a staff report and responded to City Council inquiries.

MOTION BY COUNCILMEMBER NESTANDE, SECOND BY MAYOR HARNIK, CARRIED 4-1 (QUINTANILLA), to:

1. Award a contract to Wells Fargo Bank, N.A., to provide comprehensive banking services for a term of five years with an option to renew two (2) additional three-year periods based on satisfactory performance.
2. Authorize the City Manager or designee to negotiate and/or take any necessary actions to facilitate the agreement, to execute the agreement and any documents necessary to effectuate the actions taken herewith.

**C. RECEIVE AND FILE AN INFORMATIONAL REPORT ON THE CURRENT STATE OF THE CANNABIS INDUSTRY IN PALM DESERT**

Director of Economic Development Ceja narrated a PowerPoint presentation and responded to City Council inquiries.

Kenneth Churchill, owner of West Coast Cannabis Club, thanked staff for their efforts over the past few years and spoke about the negative impact of Palm Desert's cannabis tax on his business.

Keva King, CEO of Your Royal Highness, spoke about the negative impact of Palm Desert's cannabis tax on her business.

Following discussion, the City Council referred this item to the Economic Development subcommittee to explore potential alternatives with staff and industry representatives, and present the findings at a future City Council meeting.

**D. RECEIVE AND FILE AN INFORMATIONAL REPORT REGARDING POTENTIAL REGULATION OF CANNABIS CONSUMPTION AREAS, TEMPORARY SPECIAL EVENTS, AND OTHER RELATED AMENDMENTS**

Deputy Director of Development Services Rosie Lua narrated a PowerPoint presentation and responded to City Council inquiries.

Kenneth Churchill, owner of West Coast Cannabis Club, spoke in support of regulated consumption areas and responded to a City Council inquiry.

Following discussion, the City Council directed staff to explore options for regulated cannabis consumption areas for all types of consumption excluding smoking.

**E. ADOPT RESOLUTION NO. 2022-88 DECLARING SIX PARCELS AT THE SOUTHEAST CORNER OF FRED WARING DRIVE AND SAN PABLO AVENUE IN PALM DESERT ARE NOT SURPLUS LAND FOR PURPOSES OF THE SURPLUS LAND ACT**

Management Analyst Glickman noted the six parcels being discussed were at the northeast corner of Fred Waring Drive, not the southeast corner as stated in her report. She narrated a PowerPoint presentation and responded to City Council inquiries.

MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to adopt Resolution No. 2022-88 declaring Assessor's Parcel Numbers (APN) 627-101-002 (.35 acres), 627-101-017 (.20 acres), 627-101-033 (.25 acres), 627-101-061 (.46 acres), 617-101-062 (.17 acres), and Right of Way (.11 acres), Palm Desert, are not Surplus Land for purposes of the Surplus Land Act.



**F. INTRODUCE AN ORDINANCE AMENDING PALM DESERT MUNICIPAL CODE SECTION 2.36.060 REGARDING THE PLACEMENT OF ITEMS ON MEETING AGENDAS AND A PROCESS FOR MEMBERS OF THE CITY COUNCIL TO SPONSOR AGENDA ITEMS**

City Clerk Mejia provided a staff report and responded to City Council inquiries.

Following discussion, MOTION BY MAYOR PRO TEM JONATHAN, SECOND BY COUNCILMEMBER QUINTANILLA, CARRIED 5-0, to refer this item to a subcommittee (Mayor Harnik, Councilmember Kelly) to work with staff and further develop a proposed ordinance incorporating feedback received during discussion.

**G. AWARD CONTRACT NO. C43100 TO DECKARD TECHNOLOGIES, INC., OF SAN DIEGO, CALIFORNIA, FOR SHORT-TERM RENTAL MONITORING, COMPLIANCE, ENFORCEMENT, AND TAX COLLECTION SERVICES IN THE AMOUNT OF \$69,400**

Director of Development Services Cannone narrated a PowerPoint presentation and responded to City Council inquiries.

MOTION BY COUNCILMEMBER KELLY, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to:

1. Approve the award of competitive Request for Proposals No. 2022-RFP-133 and draft contract to Deckard Technologies, Inc., of San Diego, California, for Short-term Rental Compliance Services in the amount of \$69,400 for the initial one-year period of November 1, 2022, through October 31, 2023. With extensions, this contract spans five (5) fiscal years and would be funded from the Development Services Approved Budget in each fiscal year.
2. Approve the option to renew the resulting contract for four (4) additional one-year periods, subject to departmental and City Manager concurrence and available funding.
3. Authorize the City Manager to execute said contract.

**3. PUBLIC HEARINGS:****A. RESOLUTION NO. HA 111: REQUEST FOR APPROVAL FOR THE PROPOSED SALE OF THE PROPERTY LOCATED AT 42162 VERDIN LANE, PALM DESERT (APN 624-440-004), PURSUANT TO HEALTH AND SAFETY CODE SECTION 33433(C) (Housing Authority)**

Director of Finance Chavez provided a staff report.

Mayor Harnik opened and closed the public hearing, there being no one from the public desiring to speak.

MOTION BY COUNCILMEMBER QUINTANILLA, SECOND BY COUNCILMEMBER NESTANDE, CARRIED 5-0, to:

1. Conduct a public hearing and accept testimony on the proposed sale of the property located at 42162 Verdin Lane, Palm Desert, to a qualified household of very low, low or moderate income.
2. Following public testimony, waive further reading and adopt Resolution No. HA 111 approving the sale of 42162 Verdin Lane, Palm Desert (APN 624-440-004), to a qualified household of low or moderate income pursuant to the attached Purchase and Sale Agreement.
3. Authorize the Executive Director to finalize and execute the Purchase and Sales Agreement and any ancillary documents related to the sale to a qualified household of low or moderate income.

**INFORMATION ITEMS:**

None.

**ADJOURNMENT:**

The City Council adjourned at 6:57 p.m.

Respectfully submitted,

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Níamh M. Ortega  
Deputy City Clerk/Assistant Secretary

ATTEST:

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Anthony J. Mejia, MMC  
City Clerk/Secretary

APPROVED BY CITY COUNCIL: \_\_/\_\_/2022