



CITY COUNCIL STAFF REPORT

DATE: September 7, 2010

NEW BUSINESS

SUBJECT: APPROVAL OF A JOB CREATION INCENTIVE REIMBURSEMENT AGREEMENT WITH THE ABBEY COMPANY OF LONG BEACH, CALIFORNIA AND A JOB CREATION INCENTIVE PROGRAM CERTIFICATION OF PROGRAM COMPLIANCE FORM WITH THE DESERT MEDICAL GROUP, INC. OF CALIFORNIA, TO PROVIDE FOR CERTIFICATION OF JOBS LOCATED, CREATED OR RETAINED AT 265 NORTH EL CIELO ROAD, WITH A MINIMUM TO BE NO FEWER THAN FIFTY (50) FULL-TIME JOBS, AND REIMBURSEMENT OF BUILDING AND DEVELOPMENT FEES NOT TO EXCEED \$1,000 PER CERTIFIED JOB, OR 53,041.00 IN BUILDING FEES PAID, PER RESOLUTION NO. 19542 AND RESOLUTION NO. 22693

FROM: David H. Ready, City Manager

BY: Community & Economic Development

SUMMARY

The Job Creation Incentive Program, created by the City in 1999 and amended in 2010, provides for reimbursement of building and development fees to a company that locates or creates a minimum of 50 new full-time jobs within certain industries and certain zones within the city. It was created as an incentive to retain Bird Medical Products after they merged with another company. The assistance lead to the relocation of nearly 100 jobs from the Riverside area to Palm Springs.

The most recent application is from The Abbey Company, which undertook improvements to facilitate the location and expansion of Desert Medical Group, Inc. to the Airport Park office complex. Under these agreements, Desert Medical Group pledges to create a minimum of 50 jobs at the site, for which the property owner would receive a reimbursement of building and development fees up to \$1,000 per certified job created by Desert Medical Group. In 2010, the Council amended the program guidelines in order to further foster business development and job creation in the City of Palm Springs, by reducing the employment requirement from a minimum of 100 full-time jobs to a minimum of 50 full-time jobs. In addition, the program was originally structured for Owner-Operators of businesses, so the guidelines needed to be amended to accommodate a landlord/tenant/TI relationship. The applicant's tenant exceeds the minimum number of jobs created for the owner to qualify for the reimbursement.

ITEM NO. 5A

RECOMMENDATION:

- 1) Adopt Resolution No. _____ "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING A JOB CREATION INCENTIVE REIMBURSEMENT AGREEMENT WITH THE ABBEY COMPANY OF LONG BEACH, CALIFORNIA AND A JOB CREATION INCENTIVE PROGRAM CERTIFICATION OF PROGRAM COMPLIANCE FORM WITH THE DESERT MEDICAL GROUP, INC. OF CALIFORNIA, TO PROVIDE FOR CERTIFICATION OF JOBS LOCATED, CREATED OR RETAINED AT 265 NORTH EL CIELO ROAD, WITH A MINIMUM TO BE NO FEWER THAN FIFTY (50) FULL-TIME JOBS, AND REIMBURSEMENT OF BUILDING AND DEVELOPMENT FEES NOT TO EXCEED \$1,000 PER CERTIFIED JOB, OR 53,041.00 IN BUILDING FEES PAID, PER RESOLUTION NO. 19542 AND RESOLUTION NO. 22693
- 2) Adopt Resolution No. _____ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR FISCAL YEAR 2011-12
- 3) Authorize the City Manager, or his designee, to execute all necessary documents.

STAFF ANALYSIS:

The Council approved the adoption of Chapter 3.38 of the Palm Springs Municipal Code in June 1999, establishing a Job Creation Incentive Program in the City. The purpose of the job creation incentive program was to attract new industrial businesses and encourage significant expansion of existing industrial businesses by waiving or subsidizing development fees based on the number of new full-time jobs brought to the community. The Council recently amended the program guidelines by reducing the requirement from a minimum of 100 full-time jobs to a minimum of 50 full-time jobs.

To be eligible for the program a new or existing business must be located within specific zoned areas of the city; fall within defined classifications established by the North American Industry Classification System (NAICS), and create a minimum of 50 new full-time jobs.

The Abbey Company is the first request since the amendment of the program. It was originally used for the former Bird Medical (CareFusion) in 1998. Staff worked with the Abbey Company when they inquired about incentives to attract a new division of Desert Medical Group into their newly constructed 33,000 square foot facility. The job creation incentive program helped the owner and tenant reach an agreement to locate to the new facility and create or relocate more than 100 jobs to the site.

The original program guidelines anticipated that the company creating the jobs and the company paying the building permits would be the same, but in this case the Reimbursement Agreement is with the property owner/developer, The Abbey Company, while Desert Medical Group would enter into an agreement to provide the initial and annual certification of company employment. Whether the property owner and the job creating business share in the reimbursement proceeds is between them, but the recipient of the fee reimbursement bears the responsibility for obtaining the cooperation of the tenant in certification.

The original ordinance approved by Council in 1999 made the basic findings as to the appropriateness of the assistance, as well as basic guidelines for the program, which are implemented by Resolution. An additional difference between the proposed agreements and the original guidelines is that the original program guidelines featured a "clawback" provision: i.e. assistance would have been made as a "loan" by the City to the business, but their continued presence and operation in the City with a certain number of jobs for a specified period of time would have "amortized" the loan. If the company left the city, or reduced its employment levels below the committed level, it would have been required to repay the City the unamortized portion of the assistance. The original program would have developed a standard agreement, modeled after a Redevelopment/Agency Owner Participation Agreement.

The proposed agreements are actually more streamlined. Upon the receipt of documentation of the paid building fees (from The Abbey Company) and the initial Certificate of Program Compliance (from Desert Medical Group); the City would enter a Job Creation Reimbursement Agreement with The Abbey Company. Rather than fully refunding the eligible fees or accepting a Promissory Note, as described above, the City would instead reimburse the developer the eligible building fees, up to \$1,000 per job certified, over a five year period.

Beginning with the first year a new certification form shall be submitted to the City for verification. The Abbey Company will be reimbursed one fifth of the qualified building fees paid. This process will continue annually for five years. The actual reimbursement amount will be calculated based on eligible development fees paid against the number of certified employees, with a "not to exceed" number of \$1,000 per job or the actual qualified fees paid, whichever is less.

The Reimbursement Agreement contains several other requirements:

- The parties have entered a lease with a minimum five year term and provided verification of executed lease documents.
- The Developer must provide proof of building fees paid at the end of the tenant improvement (or new construction) process, in the categories of fees described in Resolution No. 19542.
- The tenant has completed a Job Creation Incentive Program Certificate of Program Compliance and provided the initial certification of new jobs created.

- The tenant shall provide an annual certification of jobs retained on the anniversary date of the initial certification; documentation provided to City each year during the five year reimbursement period.

FISCAL IMPACT:

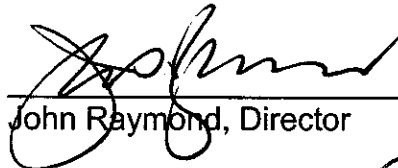
There will be a small fiscal impact based on the amount of a development fee collected, but is relatively smaller than compared to other types of assistance such as land write-downs or construction of off-site improvements. The amount would be one-fifth of the development fees upon the anniversary of the Reimbursement Agreement for a five year period. If the company leaves the city, or reduces its employment levels below the committed level, or fails to recertify, the reimbursements shall cease.

The Abbey Companies reimbursement schedule and fiscal impact is as follows: In Year 1 the tenant certifies more than 50 full-time employees, and the Developer has paid a total of \$53,041.00 in qualified building fees, the qualified reimbursable fees paid annually for five years would be \$10,608.20. The first payment due to Developer is January, 2012.

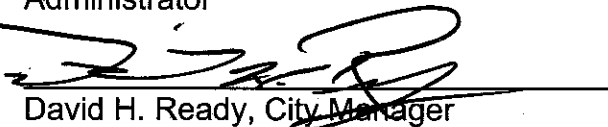
A budget Resolution in the amount of \$10,608.20 will be established for this program for this year. An expense account and annual budget needs to be established for this program for future years.



Cathy Van Horn, Economic Development
Administrator



John Raymond, Director



David H. Ready, City Manager



Tom Wilson, Assistant City Manager

Attachments:

Resolution Approving the Job Creation Reimbursement Agreement

Resolution amending the Budget for the 2011-12 Fiscal Year

Job Creation Reimbursement Agreement

Within Agreements: Exhibits A – Resolutions 19542 & 22693;

Exhibit D – Certificate of Program Compliance

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING OF A JOB CREATION INCENTIVE REIMBURSEMENT AGREEMENT WITH THE ABBEY COMPANY OF LONG BEACH, CALIFORNIA AND A JOB CREATION INCENTIVE PROGRAM CERTIFICATION OF PROGRAM COMPLIANCE FORM WITH THE DESERT MEDICAL GROUP, INC. OF CALIFORNIA, TO PROVIDE FOR CERTIFICATION OF JOBS LOCATED, CREATED OR RETAINED AT 265 NORTH EL CIELO ROAD, WITH A MINIMUM TO BE NO FEWER THAN FIFTY (50) FULL-TIME JOBS, AND REIMBURSEMENT OF BUILDING AND DEVELOPMENT FEES NOT TO EXCEED \$1,000 PER CERTIFIED JOB, OR 53,041.00 IN BUILDING FEES PAID, PER RESOLUTION NO. 19542 AND RESOLUTION NO. 22693

WHEREAS, the City has established a Job Creation Incentive Program ("Program") that provides economic incentives that are tied to job creation in particular zones and in certain industries, as adopted by City Council Resolution No. 19542 and Resolution No. 22693, and the Palm Springs Municipal Code Chapter 3.38; and

WHEREAS, pursuant to the Program Policies, the City Council may by resolution implement the Program, including the definition and adoption of Program reimbursement terms and the forgiveness of any repayment upon compliance of certain Program conditions; and

WHEREAS, The Abbey Company has applied to participate in the Program for a property it owns at 265 El Cielo Drive, where it has undertaken tenant improvements for Desert Medical Group; and

WHEREAS, Desert Medical Group has completed a Certificate of Program Compliance form and has attested that it has created no fewer than 50 new jobs at the site;

WHEREAS, The Abbey Company and Desert Medical Group have provided evidence that they have entered a lease of no fewer than five years for the site; and

WHEREAS, Developer subsequently improved, renovated or otherwise modified the Property for the purpose of locating Desert Medical Group ("Company"), an eligible company that has created full-time jobs within the City; and

WHEREAS, Developer has paid building and development fees to the City ("Fees") and the building improvements subject to the permit fees have been fully approved and released for occupancy by the City; and

WHEREAS, Developer now seeks reimbursement totaling Fifty Three Thousand

Forty One Dollars (\$53,041.00) over the course of five years, subject to the terms and conditions set forth in this Agreement.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City has received and hereby approves the verification of building and development fees, outlined in Resolution No. 19542, paid by The Abbey Company for the site at 265 El Cielo Road.

SECTION 2. The City has received and hereby approves initial Certificate of Program Compliance of employment by Desert Medical Group, Inc. for its location at 265 El Cielo Road.

SECTION 3. The Job Creation Reimbursement Agreement with The Abbey Company, included herein by reference, is hereby approved.

SECTION 4. Continued participation in the program relies on the annual compliance by the Developer and Company in recertification of employment at the Site.

ADOPTED THIS ____TH DAY OF SEPTEMBER 2011.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on September 7, 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

JOB CREATION REIMBURSEMENT AGREEMENT

(THE CITY OF PALM SPRINGS, CALIFORNIA AND THE ABBEY COMPANY)

JOB CREATION AGREEMENT NO. _____

This Job Creation Reimbursement Agreement ("Agreement") made and entered into this ____ day of _____, 2011 ("Effective Date"), between the City of Palm Springs, California, a municipal corporation ("City") and The Abbey Company, ("Developer"). City and Developer may be referred to individually as "Party" or collectively as "Parties".

RECITALS

WHEREAS, the City has established a Job Creation Incentive Program ("Program") that provides economic incentives that are tied to job creation in particular zones and in certain industries, as adopted by City Council Resolution No. 19542 and Resolution No. 22693, and the Palm Springs Municipal Code Chapter 3.38, as provided in Exhibit A (collectively, the "Program Policies"); and

WHEREAS, the Program Policies set forth the requirements for participation in the Program, including the minimum number of jobs created and the terms of economic incentives; and

WHEREAS, pursuant to the Program Policies, the City Council may by resolution implement the Program, including the definition and adoption of Program loan terms and the forgiveness of any repayment upon compliance of certain Program conditions; and

WHEREAS, the City finds that the total economic benefit of the new jobs to the community exceeds the private benefit to the Developer under the terms of this Agreement and that there are no other reasonable alternative measures available to the Developer to finance the improvements or create the public benefit; and

WHEREAS, the City Council finds that implementing a reimbursement-type agreement is consistent with Program loan terms and repayment guidelines and is in furtherance of the Program Policies; and

WHEREAS, Developer is the owner of the commercial or industrial property located at 265 N. El Cielo, Palm Springs, California and as further identified by legal description in Exhibit B ("Property"); and

WHEREAS, Developer subsequently improved, renovated or otherwise modified the Property for the purpose of locating Desert Medical Group ("Company"), an eligible company that has created full-time jobs within the City; and

WHEREAS, Developer has paid building and development fees to the City ("Fees") and the

building improvements subject to the permit fees have been fully approved and released for occupancy by the City; and

WHEREAS, Developer now seeks reimbursement totaling Fifty Three Thousand Forty One Dollars (\$53,041.00) over the course of five years, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Developer agree as follows:

AGREEMENT

1. Term. This agreement shall terminate five (5) years from the Effective Date, unless extended by mutual written consent by both Parties.

2. Reimbursement.

A. Proof of Program Compliance. Prior to the execution of this Agreement, Developer shall submit: (1) verification of Fees paid by Developer, which shall be attached as Exhibit C, (2) the completed initial Certificate of Continuing Program Compliance, as set forth in Exhibit D, and (3) a Memorandum of Lease verifying the existence of a minimum five year lease term, which shall be attached as Exhibit E. Developer shall also provide any other proof of compliance as may be requested by the City for the implementation of the Program.

B. Verification. Upon the City's verification of Developer's compliance with the Program, the City shall pay the Developer an Annual Reimbursable Payment, as further defined in subsection 2(C) and subject to any offset as set forth in Section 3. Any Annual Reimbursable Payment due to the Developer shall be sent to the Developer at the written address on file with City. If Developer does not have a written address on file with City or does not otherwise claim the Annual Reimbursable Payment, City may retain the Annual Reimbursable Payment interest-free.

C. Annual Reimbursable Payment. The Annual Reimbursable Payment is the Total Reimbursable Amount, divided into five (5) equal payments, that is to be paid by the City annually over the course of five years. The Total Reimbursable Amount is calculated by taking the Benefit (as determined by the City to be \$1,000 per certified job created, located or retained at the Property) multiplied by the number of full time jobs created, relocated or retained at the Property, as further described and certified in Exhibit D to this Agreement. Notwithstanding the above, the Total Reimbursable Amount shall not exceed the total amount of Fees set forth in Exhibit C.

3. Continuing Compliance. All Certificates of Continuing Program Compliance shall be due on the anniversary date of the initial certification and must be provided to City by the Developer or Company during each year of the five year reimbursement period. It is the responsibility of the Developer as lessor and beneficiary under this Agreement to ensure the cooperation and compliance of the Company.

A. Adjustment. If the number of jobs created, relocated or retained in any of the

subsequent annual Certificates of Continuing Program Compliance fall short of the original number of jobs identified in the initial Certificate of Program Compliance, the City may adjust the Annual Reimbursable Payment according to the decrease of the current number of jobs created, relocated or retained with the original number of jobs created, relocated or retained.

B. Termination. If Developer or Company fails to provide the City with the initial Certificate of Program Compliance, or the annual Certificate of Continuing Program Compliance, when due, City's obligation to reimburse Developer under this Agreement may terminate and the City shall have no further obligation to the Developer. The City shall have complete and absolute discretion in determining whether to terminate the Agreement for noncompliance with this Section 3 or any other term of this Agreement.

4. No Representations or Liability. Developer understands that Developer is solely responsible for complying with the requirements in this Agreement. City shall have no duty to compel the Company to provide the employment information requested in this Agreement, and City shall not be liable for if Company fails to provide any information required under this Agreement.

5. Non-transferability. The right of Developer to receive any payment stated in this Agreement shall not be transferable to successors and assigns. In addition, if Developer transfers any or all of its interest in this Agreement, City's obligation under the terms of this Agreement shall terminate.

6. Amendment. The Parties mutually agree that this Agreement may be amended at any time by the mutual written consent of the Developer and City.

7. Integration. This Agreement and other documents expressly incorporated herein by reference contain the entire and exclusive understanding and agreement between the Parties relating to the matters contemplated hereby and all prior or contemporaneous negotiations, agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

8. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each Party hereto.

9. Signing Authority. The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound.

10. Non-Liability of Officers and Employees of the City. No councilmember, officer or employee of the City shall be personally liable to Developer, or any successor-in-interest, in the event of any default or breach by City, or for any amount which may become due to Developer, or for any breach of any obligation of the terms of this Agreement.

11 Exhibits. All exhibits referenced in this Agreement are attached to this Agreement and are incorporated herein by reference.

12. Indemnification. To the fullest extent permitted by law, Developer agrees to protect, defend and hold harmless City and its Council members, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damages of any nature, including interference with use of property, arising out of, or in any way connected with the negligence, recklessness and/or intentional wrongful conduct of Developer arising from this Agreement. Developer's responsibility to protect, defend and hold harmless may be offset to the degree caused by the sole negligence, recklessness and/or wrongful conduct of City, or any of its Council members, officers, agents or employees.

* * * *

[SIGNATURES ON FOLLOWING PAGE]

In witness whereof, the City and Developer have hereunto caused this Agreement to be executed the day and year first above mentioned.

DEVELOPER:

By: _____

Its: _____

By: _____

Its: _____

CITY OF PALM SPRINGS, CALIFORNIA

David Ready, City Manager

ATTEST:

James Thompson, City Clerk

APPROVED AS TO FORM:

Douglas C. Holland, City Attorney

Exhibit A
(Resolution Nos. 19542 and 22693; Palm Springs Municipal Code Chapter 3.38)

RESOLUTION NO. 19542

OF THE CITY OF PALM SPRINGS,
CALIFORNIA, ESTABLISHING
GUIDELINES FOR A JOB CREATION
INCENTIVE PROGRAM IN PALM
SPRINGS, CHAPTER 3.38 OF THE
MUNICIPAL CODE.

WHEREAS, private sector jobs, especially those in the manufacturing sector, are an important component of a diverse and vibrant economic base for the City; and

WHEREAS, attracting businesses to the City and encouraging existing manufacturing and other major businesses to undertake expansion that results in a significant number of new jobs or other economic benefits to the City provides a community benefit; and

WHEREAS, development fees charged by the City for new construction or expansion of existing manufacturing, retail, or other commercial facilities are designed to offset the impact such new facilities have on the City and its residents. Such fees can also act as a disincentive for such businesses to locate in the City or for existing businesses to expand facilities in the City; and

WHEREAS, it is in the public interest and consistent with the City charter to implement economic incentive programs that would diminish the disincentive caused by the application of development fees to the construction and/or expansion of new and/or existing manufacturing or other commercial facilities; and

WHEREAS, such economic incentive programs serve a public purpose and provide for the general welfare of the community by securing a diverse economic base for the City; and

WHEREAS, the City Council established a Job Creation Incentive Program by adopting Chapter 3.38 of the Palm Springs Municipal Code, to be implemented by one or more resolutions of the City Council.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Palm Springs, that the following guidelines for the Job Creation Incentive Program, are adopted:

- Section 1. The purpose of the program is to attract to the City eligible businesses and encourage significant expansion of eligible businesses already located in the City in order to promote the creation of jobs in the private sector and other direct or indirect economic benefits to the City by waiving or subsidizing development fees for such businesses based on the number of new full-time jobs brought to the community.
- Section 2. Funds for this program shall be appropriated annually in an amount deemed necessary.
- Section 3. Businesses eligible for participation in the program shall be located in the "A," "M-1," "M-1-P," "M-2," "C-M" and "C-2" zones of the City.
- Section 4. The job-creating businesses, as defined by classifications established by the North American Industry Classification System (NAICS) of the U.S. Bureau of the Census (adopted April 9, 1997), eligible for the Program, are:

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<u>Category</u>	<u>NAICS 2-digit code</u>
Manufacturing	31-33
Information	51
Professional, Scientific, and Technical Services	54
Management of Companies and Enterprises	55
Administrative and Support, Waste Management and Remediation Services	56

The Council may amend the list of eligible NAICS categories from time to time.

Section 5. Certain non-manufacturing businesses not listed by category in Section 4 may also be eligible for participation in the program provided they meet the other eligibility criteria for participation and provide other significant, measurable economic benefits such as, but not limited to, increased sales tax and property tax, to the city.

Section 6. The minimum number of new full-time jobs created by an eligible manufacturing company shall be no less than one hundred (100). The number of jobs created by another type of benefit-producing business shall be one hundred (100) nominal jobs, equivalent to no fewer than forty (40) full-time positions. These employment levels shall be agreed to in writing and remain in effect during the period of the agreement between the City and the business.

Section 7. The maximum amount of assistance (the earned incentive credit) any one business may receive from this program shall not exceed \$1,000 per job created, with the total amount of assistance not to exceed the total dollar amount of development fees assessed. The business is responsible for payment of all fees that may exceed the amount of earned incentive credit.

Section 8. The eligible development fees to which the Program assistance may be applied, and the order in which they are applied, are:

- 1 Plan Check
- 2 Building Permit
- 3 Planning Fee
- 4 SMIP Tax
- 5 Microfilm
- 6 Construction Tax
- 7 Construction Permit
- 8 Dbl.Fee/Rmw/Misc.
- 9 Misc. Filing Fee
- 10 Sewer Inspection
- 11 Sewer Main
- 12 Sewer Agreement
- 13 Sewer Connection Fee
- 14 Drainage Fee
- 15 Permit Issuance
- 16 Public Arts Fee
- 17 School Fee
- 18 TUMF Fee

The total dollar amount of fees owed by the business will be calculated by the City, and the Job Creation Incentive Program benefit, based on the number of pledged jobs, shall be applied toward the total fee amount in the order noted in this Section.

- Section 9. Other criteria for participation in the program may be established by separate resolutions of the City Council.
- Section 10. Prior to approving assistance to an eligible business under this program, the City Council must make the findings described in Section 3.38.040 of the Palm Springs Municipal Code.
- Section 11. The program assistance shall be in the form of a loan to an eligible business, made on the following terms:
- A. The City and the eligible business will have a written agreement detailing the responsibilities of both parties, including but not limited to the waiver of certain development fees by the City and the maintenance of minimum employment levels by the business for the period of the agreement, but no fewer than five years; and
 - B. The City may include repayment provisions that may or may not require monetary repayment, depending on the business' performance meeting criteria defined in Section 6; such agreement shall be secured by a lien against the business and/or the property at which the business is located; and
 - C. The company shall attest that the minimum number of new jobs created in Palm Springs meets the criteria established in Section 6 of this resolution, and that the business would not have located or expanded in the City without the benefit; and
 - D. The City shall attest that the total economic benefit to the community of the new jobs, by its own calculations, exceeds the fee revenue lost, and that the broad public benefit created by the program in terms of payroll and taxes paid exceeds the private benefit (the amount of fee waiver), and that there are no other reasonable alternative measures available to the business to finance the improvements or create the public benefit; and
 - E. The agreement shall assure that the business will remain in the City for a minimum of five (5) years at the established employment level, or repay the City based on a straight-line amortization of the assistance; the job commitment "amortizes" the City's loan to the business at a rate of 20% of the dollar amount of the benefit per year.

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Section 12. All allocation of Program assistance to any applicant shall be at the discretion of the City Council. Nothing herein shall require the City Council to allocate Program funds to any applicant.

ADOPTED this 16th day of June, 1999.

AYES: Members Barnes, Hodges, Oden, Reller-Spurgin and Mayor Kleindienst

NOES: None

ABSENT: None

ATTEST:

CITY OF PALM SPRINGS, CALIFORNIA

By: _____

City Clerk

City Manager

REVIEWED AND APPROVED AS TO FORM: _____

RESOLUTION NO. 22693

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE ELIGIBILITY CRITERIA FOR THE JOB CREATION INCENTIVE PROGRAM, AND AMENDING RESOLUTION NO. 19542.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY FIND AS FOLLOWS:

A. The City Council established a Job Creation Incentive Program by adopting Chapter 3.38 of the Palm Springs Municipal Code, to be implemented by one or more resolutions of the City Council.

B. The City Council adopted Resolution No. 19542, establishing the criteria for the Job Creation Incentive Program.

C. The City Council desires to amend the criteria as established in Resolution No. 19542.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Section 6 of Resolution No. 19542 is hereby amended to read:

The minimum number of new full-time jobs created by an eligible manufacturing company shall be no less than fifty (50). The number of jobs created by another type of benefit-producing business shall be fifty (50) nominal jobs, equivalent to no fewer than fifty (50) full-time positions. These employment levels shall be agreed to in writing and remain in effect during the period of the agreement between the City and the business.

SECTION 2. All other provisions of Resolution No. 19542 shall remain in full force and effect.

ADOPTED THIS 7TH DAY OF APRIL, 2010.

ATTEST:


David H. Ready, City Manager


James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. 22693 is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 7th of April, 2010, by the following vote:

AYES: Councilmember Foat, Councilmember Mills, Councilmember Weigel,
Mayor Pro Tem Hutcheson, and Mayor Pougnet.
NOES: None.
ABSENT: None.
ABSTAIN: None.

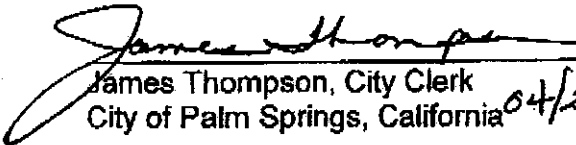

James Thompson, City Clerk
City of Palm Springs, California 04/22/2010

Exhibit B
(Legal Description of the Property)

Legal Description for property at 265 N. El Cielo, Palm Springs, California

3.40 ACRES M/L IN LOT 1 MB 109/097 TR 14573

Exhibit C
(Verification of Building fees paid for tenant improvements)



City of Palm Springs
TENTATIVE BUILDING PERMIT
 Not a final or enforceable permit
 No rights conferred

Permit Technician **Angela LaFrance**

DATE SUBMITTED 4/28/2010		PLAN CHECK NUMBER 8878		PLAN CHECK FEE 4000		CASE NUMBER 5.0533		B E M P E P H P PERMITS X X X X X X	
Owner The Abbey Co		Address 340 S. Farrell, PS				Phone 760)320-2050		State Lic. Number	
Contractor NL Services		Address 2423 Winston Rd. Anaheim, Ca				Phone 714)635-1788		State Lic. Number 704214	
Architect David Liang		Address 2423 Winston Rd. Anaheim, Ca				Total value of work \$ 500,000.00		Sewer Agreement #	
Engineer Empire 3		Address 7010 Arlington, Riverside, Ca				School Fee		Fixture Units 53	
Lot # 2	Block # +	Tract 14573		Building Address 0265 EL CIELO ROAD NORTH BLDG A		Building Permit 001-32204		Fee 4,271.31	
Lot Size		Zone A	Height	Occupancy B/A3	A.A. No. 5.0533	Total Area		Plan Check 001-34301 1,177.74	
Setbacks As Constructed		Front	Side	Side	Rear	Parcel Number 502-150-011		SMIP Tax 001-37112 105.00	
Square Footage		Building		Garage/Carport		Roofed Patio/Porch		Microfilm 001-34308 100.00	
Use of building Commercial		SMIP Type 2	Permit Type CMA	Const. Type VB	Fire Sprinkler Y	Units 0	New Sew Cn 0	Permit Issuance 001-32204 104.44	
Class of Work		New	Additions	Alterations	Repair	Remodel X	Removal	Replace	Construction Tax 001-31601 0.00
Describe work in detail: Interior tenant improvements at existing medical office building for Desert Oasis Healthcare.						Dbl.Fee/Rmw/Misc. 001-32210 0.00			
Special Conditions:						Construction Permit 001-32203 0.00			
DO NOT CONCEAL OR COVER ANY CONSTRUCTION UNTIL THE WORK IS INSPECTED						Sewer Inspection 001-32202 0.00			
<p align="center">IMPORTANT</p> <p>This Tentative Building Permit is provided solely for the convenience and information of the applicant regarding identification of estimated fees, charges, and requirements that may be applicable to the proposed project. No rights are conferred on the applicant and the City reserves the right to modify any or all fees, charges, and requirements specified in this Tentative Building Permit prior to or at the time a final Building Permit is issued.</p>						Sewer Main 420-38704 0.00			
						Sewer Agreement T&A 0.00			
						Sewer Connection Fee 420-38703 16,218.00			
						Drainage Fee 0.00			
						TUMF Fee 134-33110 0.00			
						Misc. Filing Fee 001-34210 104.00			
						Public Arts Fee 150-34390 2,500.00			
						Planning Fee 001-34303 0.00			
						Technology Fee 261-32214 650.00			
						General Plan Maint. Fee 001-34310 0.00			
001-32219 20.00									
TOTAL FEE						25,250.49			
OWNER/CONTRACTOR/AGENT						DATE		ISSUED BY	
								22	

This is a Building when properly filled out, signed and validated, and is not transferable.



City of Palm Springs
TENTATIVE BUILDING PERMIT
 Not a final or enforceable permit
 No rights conferred

Permit Technician **Angela LaFrance**

DATE SUBMITTED 4/28/2010		PLAN CHECK NUMBER 8878		PLAN CHECK FEE 4000		CASE NUMBER 5.0533		B E M P E P H P PERMITS X X X X X X	
Owner The Abbey Co		Address 340 S. Farrell, PS				Phone 760)320-2050		State Lic. Number	
Contractor NL Services		Address 2423 Winston Rd. Anaheim, Ca				Phone 714)635-1788		State Lic. Number 704214	
Architect David Liang		Address 2423 Winston Rd. Anaheim, Ca				Total value of work \$ 500,000.00		Sewer Agreement #	
Engineer Empire 3		Address 7010 Arlington, Riverside, Ca				School Fee		Fixture Units 60	
Lot # 2	Block # +	Tract 14573		Building Address 0265 EL CIELO ROAD NORTH		Building Permit BLDG B		4,520.07	
Lot Size		Zone A	Height	Occupancy B	A.A. No. 5.0533	Total Area		Plan Check 001-34301 1,327.00	
Setbacks As Constructed		Front	Side	Side	Rear	Parcel Number 502-150-011		SMIP Tax 001-37112 105.00	
Square Footage		Building 0		Garage/Carport 0		Roofed Paty/Porch 0		Microfilm 001-34308 100.00	
Use of building Commercial		SMIP Type 2	Permit Type CMA	Const. Type VB	Fire Sprinkler Y	Units 0	New Sew On 0	Permit Issuance 001-32204 104.44	
Class of Work		New	Additions	Alterations	Repair	Remodel X	Removal	Replace	Construction Tax 001-31601 0.00
Describe work in detail: Interior tenant improvements at existing medical office building for Desert Oasis Healthcare.								Dbl.Fee/Rmw/Misc. 001-32210 0.00	
Special Conditions:								Construction Permit 001-32203 0.00	
DO NOT CONCEAL OR COVER ANY CONSTRUCTION UNTIL THE WORK IS INSPECTED								Sewer Inspection 001-32202 0.00	
IMPORTANT								Sewer Main 420-38704 0.00	
<p>This Tentative Building Permit is provided solely for the convenience and information of the applicant regarding identification of estimated fees, charges, and requirements that may be applicable to the proposed project. No rights are conferred on the applicant and the City reserves the right to modify any or all fees, charges, and requirements specified in this Tentative Building Permit prior to or at the time a final Building Permit is issued.</p>								Sewer Agreement T&A 0.00	
								Sewer Connection Fee 420-38703 18,360.00	
								Drainage Fee 0.00	
								TUMF Fee 134-33110 0.00	
								Misc. Filing Fee 001-34210 104.00	
								Public Arts Fee 150-34390 2,500.00	
								Planning Fee 001-34303 0.00	
								Technology Fee 261-32214 650.00	
								General Plan Maint. Fee 001-34310 0.00	
								001-32219 20.00	
OWNER/CONTRACTOR/AGENT								TOTAL FEE 27,790.51	
DATE								ISSUED BY	
This is a Building when properly filled out, signed and validated, and is not transferable.								23	

Exhibit D
(Certificate of Program Compliance executed by Company)



3200 Tahquitz Canyon Way
P.O. Box 2743
Palm Springs, CA 92263
760.323.8259

The City of Palm Springs

Job Creation Incentive Program Certificate of Program Compliance

Part A: Employer Information:

Company Name: DESERT OASIS
Address: 275 N. El Cielo (265)
City, State, Zip: Palm Springs Ca 922
Contact Name: Kay Etzell Phone: 760-320-8814 x 1004
Email: ketzell@mydohc.com

Part B: Employee Information (to be verified by City of Palm Springs Staff)

EMPLOYMENT CERTIFICATION

Period Covered from 5/1/11 to 4/30/12

The undersigned, a Vice President of the Company, has read and is thoroughly familiar with the provisions of the Job Creation Reimbursement Agreement ("JCRA") and documents referred to therein executed by the owner of the Property in the City of Palm Springs where the Company is located ("Developer") and the City of Palm Springs ("City"), as such terms are defined in Resolution No. 19542 of the City of Palm Springs. As of the date of this Certificate, for the period shown above, the following number of full-time employees employed at the Company is:

Total full-time employees who worked during reporting period: 660

Total new* full-time employees who worked during reporting period: 102
(*Number of new employees as a result of expansion to 265 N. El Cielo, Palm Springs, CA)

I have read the aforementioned statement and understand all of the items. I execute voluntarily, on the date listed below, with full knowledge of its significance. I certify under penalty of perjury under the laws of the State of California that the facts and statements presented in this Job Creation Incentive Program and Certificate of Program Compliance, as well as any attached documents are true and accurate.

[Signature]
Signature of Company's Representative

6/16/11
Date

Verified by: [Signature]
City of Palm Springs

6/14/11
Date

Note: City of Palm Springs Staff completing this Certificate has relied on the employment information supplied by the Company in determining the eligibility of the Employee.

Exhibit E
(Memorandum of Lease)

LEASE AGREEMENT MEMORANDUM

BASIC LEASE INFORMATION

Date: March 15, 2010.

Landlord: AP-PALM SPRINGS AIRPORT LLC, a Delaware limited liability company.

Tenant: DESERT MEDICAL GROUP, INC., a California corporation.

The Project: Palm Springs Airport Center, 255 - 275 N. El Cielo Road, Palm Springs, California.

The Premises: 265 N. El Cielo Road, Buildings A & B, Palm Springs, California, containing approximately 33,724 rentable square feet of space, which area shall be measured and certified by Landlord's architect using BOMA standards, without modification, upon completion of the Initial Leasehold Improvements in the Premises and shall thereafter be the basis for all Rent and other obligations of Tenant hereunder.

Tenant's Percentage Share: 100%.

Term: Eighty-Seven (87) full calendar months.

Option Term: Two (2) options to extend the initial Term of the Lease for an additional sixty (60) months each, pursuant to the terms and conditions of Section 4.6 below.

Commencement Date: December 1, 2010, subject to Sections 4.2 and 4.3 below.

Base Rent: \$65,761.80 per month, subject to increase in accordance with Exhibit "B" attached hereto.

Security Deposit: \$131,141.05.

Use: General medical office use consistent with the character of a first class medical office building which includes pharmacy, immediate care, and general medical administration.

Monthly Project Operating Costs Charge: \$15,045.00 monthly, subject to adjustment as provided under Paragraph 5.3 below.

Landlord's and Tenant's Address for Notices:

If to Landlord:

AP-Palm Springs Airport LLC
c/o The Abbey Management Company LLC
310 Golden Shore, Suite 300
Long Beach, CA 90802
Attn: Asset Manager
Phone: 562.435.2100
Fax: 562.435.2109

If to Tenant:

Desert Medical Group, Inc.
265 N. El Cielo Road
Palm Springs, California
Phone: 760.320.8814 ext 1004
Attn: Kay Etsell

Brokers: None.

Parking: One Hundred Twenty-two (122) total unreserved parking permits.

This Basic Lease Information shall be a part of this Lease, provided that in the event of any conflict between any Basic Lease Information and the provisions contained in the body of this Lease, the latter shall control.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR THE 2011-12 FISCAL YEAR.

WHEREAS, Resolution No. 22926 approving the budget for the Fiscal Year 2011-12 was adopted on June 1, 2011; and

WHEREAS, the City Manager has recommended, and the City Council desires to approve, certain amendments to said budget.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE, that the Director of Finance is authorized to record inter-fund cash transfers as required in accordance with this Resolution, and that Resolution No. 22926, adopting the Fiscal Year 2011-12 budget is hereby amended as follows:

SECTION 1. ADDITIONS

Fund	Activity	Account	Amount
001-General Fund	1400 – Community & Eco Dev	New Acct – “Job Creation Incentive Program”	\$11,000

Purpose: Establish funding for

SECTION 2. SOURCE

Fund	Activity	Account	Amount
001 – Fund Balance	TBD	TBD	\$11,000

ADOPTED THIS _____ DAY OF _____, 2011.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California