



CITY COUNCIL STAFF REPORT

DATE: May 21, 2014 CONSENT CALENDAR

SUBJECT: APPROVE ONE (1) SPECIAL ECONOMIC DEVELOPMENT FOCUS INCENTIVE AREAS PROGRAM GRANT AGREEMENT BETWEEN THE CITY OF PALM SPRINGS AND LAWRENCE SALAMEH

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

SUMMARY

Review and approve a Grant Agreement under the Special Economic Development Focus Incentive Areas program for Interior Remodel. The applicant has met the program criteria and qualifies for the grant reimbursement upon evidence of payment of all eligible expenditures allowed under the program.

RECOMMENDATION:

- 1) Approve an Interior Remodel Grant Agreement with Lawrence Salameh, Larry's Wine Spirits and Gourmet Deli at 2781 N Palm Canyon Drive, in the amount of \$25,000;
- 2) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

On July 3, 2013, the City Council adopted Resolution 23413 approving the creation of two Special Economic Development Focus Incentive Areas generally located along the major corridors south of Ramon Road and north of Tachevah Road, along the entryways into the Downtown and Uptown areas. On September 4, 2013, the City Council adopted Program Guidelines and Resolution 23433, amending the budget for Fiscal Year 2014-14 to provide the \$1,000,000 in funding for the Special Economic Development Focus Incentive Areas.

The Special Focus Incentive Area Program is a collection of several City incentives to create an inducement to redevelop vacant properties or spur stalled development projects in the area. The four types of investments that the City approved include:

- assisting stalled vacant land projects
- renovating and repositioning major vacancies as catalyst projects
- creative uses of the Hotel Incentive Program for small, dilapidated hotels
- extending the Facade Improvement and Interior Remodel programs for the area

Interior Remodel Grant Program

The Interior Remodel Grant Program is designed to encourage the improvement and investment in retail/commercial properties that contribute to the revitalization of the City of Palm Springs. The Interior Remodel Grant Program features a match grant up to \$25,000 to assist in the cost of interior improvements made by a property owner or tenant. Eligible uses include interior painting or wall coverings, window treatments, floor covering, lighting systems, ceiling tiles, display cases (permanent), partition walls and interior electrical to dedicated spaces.

Interested tenants or landlords can apply for the Interior Remodel Grant by completing and submitting the application form to the Economic Development Department. Staff reviews the application and if the applicant has met the qualifications a confirmation letter is sent explaining the additional documentation that may be needed to initiate an Agreement. It is at this point that an applicant may be in the planning and building process waiting for project approvals and permits. Waiting for permits may delay the completion of the actual Agreement, which ensures reimbursement to the Applicant up to the grant limit, and upon evidence of payment for the Scope of Work described in the Agreement. Evidence of payment by the Applicant is the only way the reimbursement request is initiated. If the Applicant is unable to provide evidence of payment for the work, the City is under no obligation to pay the grant reimbursement for unverified invoices. Staff also meets with the applicant to help with the application process and conducts on-site visits to view the work being done.

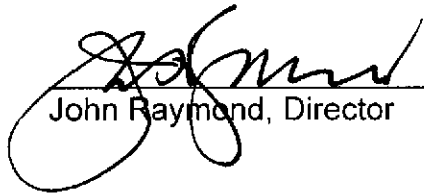
Following is a brief description of applicant for the Interior Remodel Program and the scope of work similarly described in the Agreement. Some Agreements are incomplete because the permits or other documentation are in process and had not yet been issued.

- 1) Lawrence Salameh, Larry's Wine Spirits and Gourmet Deli, 2781 N. Palm Canyon Drive: Scope of work includes: Relocate refrigeration coolers; plumbing to refrigeration; new dividing wall; lighting; painting; shelving; and display cases. Project qualified expenditures total: \$58,706/Grant amount: \$25,000.


The Special Focus Area Incentive Program represents a significant commitment by the City as a way to encourage new business investment in the project area. To date, the private investment committed by the Interior Remodel Grant Applicants totals \$826,875.00. The City's match grant contribution totals \$200,000.

FISCAL IMPACT:

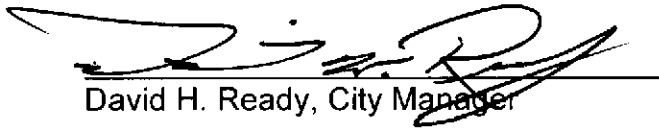
Funding established by Resolution 23433; no additional funding is being requested at this time.



John Raymond, Director



Cathy Van Horn, Economic
Development Administrator



David H. Ready, City Manager

Attachments:

Agreement: Lawrence Salameh, Larry's Wine Spirits and Gourmet Deli



**CITY OF PALM SPRINGS
COMMERCIAL – RETAIL PROPERTY
PROPERTY REMODEL GRANT PROGRAM**

INTERIOR REMODEL GRANT AGREEMENT

THIS REMODEL GRANT AGREEMENT (the "Agreement") is made and entered into this 21 day of May, 2014, by and between the City of Palm Springs, ("City"), and Lawrence Salameh the ("Owner/Tenant"). Collectively the City and Owner/Tenant are referred to as the Parties.

RECITALS

- A. City has established a Property Remodel Grant Program for Owners and Tenants of commercial-retail businesses in the City of Palm Springs.
- B. Owner/Tenant is the owner or tenant of a real property/business (circle one) located within the eligible area at **2781 N Palm Canyon Drive**, Palm Springs, ("Property"), otherwise known as **Larry's Wine Spirits and Gourmet Deli** (building or business).
- C. Grant Limitations. The maximum City matching grant shall not exceed \$25,000. Example: if the applicant's interior improvement cost is \$50,000 the City Match Grant would be \$25,000. If the total improvement cost is \$10,000, the City Match Grant would be \$5,000.00
- D. Owner/Tenant has applied for a Grant in the amount of **\$25,000.00** to make interior improvements to the Property as described in Exhibit "B," Scope of Work.
- E. Owner/Tenant has received all necessary approvals from the City's Planning, Building or Engineering Departments, which are shown in Exhibit "C", Evidence of Approval. The estimated cost of the work proposed is **\$58,706.00**, as shown in Exhibit "D".
- F. The City has reviewed the application, the evidence of financial participation by Owner/Tenant, the location of the Property, and the approvals, and has approved the Grant Application.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, City agrees to grant to Owner/Tenant the amount of **\$25,000.00** and Owner/Tenant agrees to undertake the approved improvements, under the following terms and conditions:

AGREEMENT

1. **Property Ownership/Right to Undertake Work.** Owner/Tenant represents that it is the Owner/Tenant of the Property or holds Tenancy in the Property which entitles it to undertake interior physical improvements to the Property.
2. **Schedule.** The Parties agree that all interior improvements shall be completed within **90** days of the date of this Agreement.
3. **Contractor.** The Parties agree that Owner/Tenant has sole responsibility for choosing and hiring the contractor, which shall be shown in Exhibit "D", Contractor/Vendor Agreements, and the acceptance of the material used and the work performed is Owner/Tenant's responsibility, and the City is not a party to any agreement with the vendor or contractor and does not guarantee the quality of workmanship of the property improvements, nor have any liability whatsoever therefor. At all times hereunder, the Contractor shall have a valid City of Palm Springs Business License.
4. **Design Approval and Permits.** The Parties agree that Owner/Tenant has sole responsibility for obtaining design approval and evidence of required permit approvals from the City of Palm Springs as shown in Exhibit C, and ensuring the compliance with those permits.
5. **Grant Limitations.** The maximum City matching grant shall not exceed **\$25,000.00**. The estimated cost of the work proposed is **\$58,706.00**, as shown in Exhibit "D".
6. **Evidence of Completion.** The Parties agree that the City will release the Grant funds upon the completion of the work by the Owner/Tenant or his contractor. Evidence of completion shall include but is not limited to: photographs of the finished work; a final inspection by a representative of the City of Palm Springs; and, a copy of the final invoice for the work completed and proof of payment to the contractor.
7. **Release of Liens.** The Parties Agree that the Owner/Tenant is responsible for obtaining the release of any Mechanics Liens or other liens placed upon Owner/Tenant's property by any contractor or subcontractor hired under this program.
8. **Maintenance.** Owner/Tenant agrees and covenants that, after the City issues its Certificate of Completion, Owner/Tenant shall be responsible for maintenance of all improvements that may exist at the Property from time to time, including without limitation buildings, parking lots, lighting, signs, and walls in first-class condition and repair, and shall keep the Property free from any accumulation of debris or waste materials. Owner/Tenant shall also maintain all landscaping

required pursuant to Property's approved landscaping plan, if any, in a healthy condition, including replacement of any dead or diseased plants with plants of a maturity similar to those being replaced. Owner/Tenant hereby waives any notice, public hearing, and other requirements of the public nuisance laws and ordinances of the City that would otherwise apply.

MISCELLANEOUS PROVISIONS

9. **Covenant Against Discrimination.** Owner/Tenant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, disability, sexual orientation, national origin, or ancestry.
10. **Notice.** Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

To City: City of Palm Springs
City Manager/City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, California 92262

To Owner/Tenant: Lawrence Salameh
2755 N Palm Canyon Drive
Palm Springs, CA 92262

11. **Integrated Agreement.** This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.
12. **Amendment.** This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.
13. **Severability.** In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

14. **Indemnification.** Owner/Tenant shall indemnify and hold harmless, the City of Palm Springs ("City"), the City Council, its officers, agents, employees and contractors free and harmless from any liability whatsoever based and asserted upon any act or omission of the City for property damage, bodily injury, or death or any other element of damage of any kind or nature, relating to or in any way connected with participation in the Program.

15. **Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement. Owner/Tenant certifies that the above statements are true and accurate to the best of Owner/Tenant's belief. Failure to meet any of the terms of this Agreement shall result in the forfeiture of any Grant funds from the City for this program.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

"City"
City of Palm Springs

Date: _____

By: _____
Community & Economic Development

Date: _____

By: _____
Director, Community & Economic Development

Date: _____

By: _____
David H. Ready, Esq., PhD.
City Manager

ATTEST:

APPROVED AS TO FORM:

By: _____
James Thompson
City Clerk

By: _____
Douglas C. Holland
City Attorney

"OWNER/TENANT"

Date: _____

By : _____

Date: _____

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EXHIBIT "A"
MAP

See Attached

Northern Section - Special Economic Development Focus Incentive

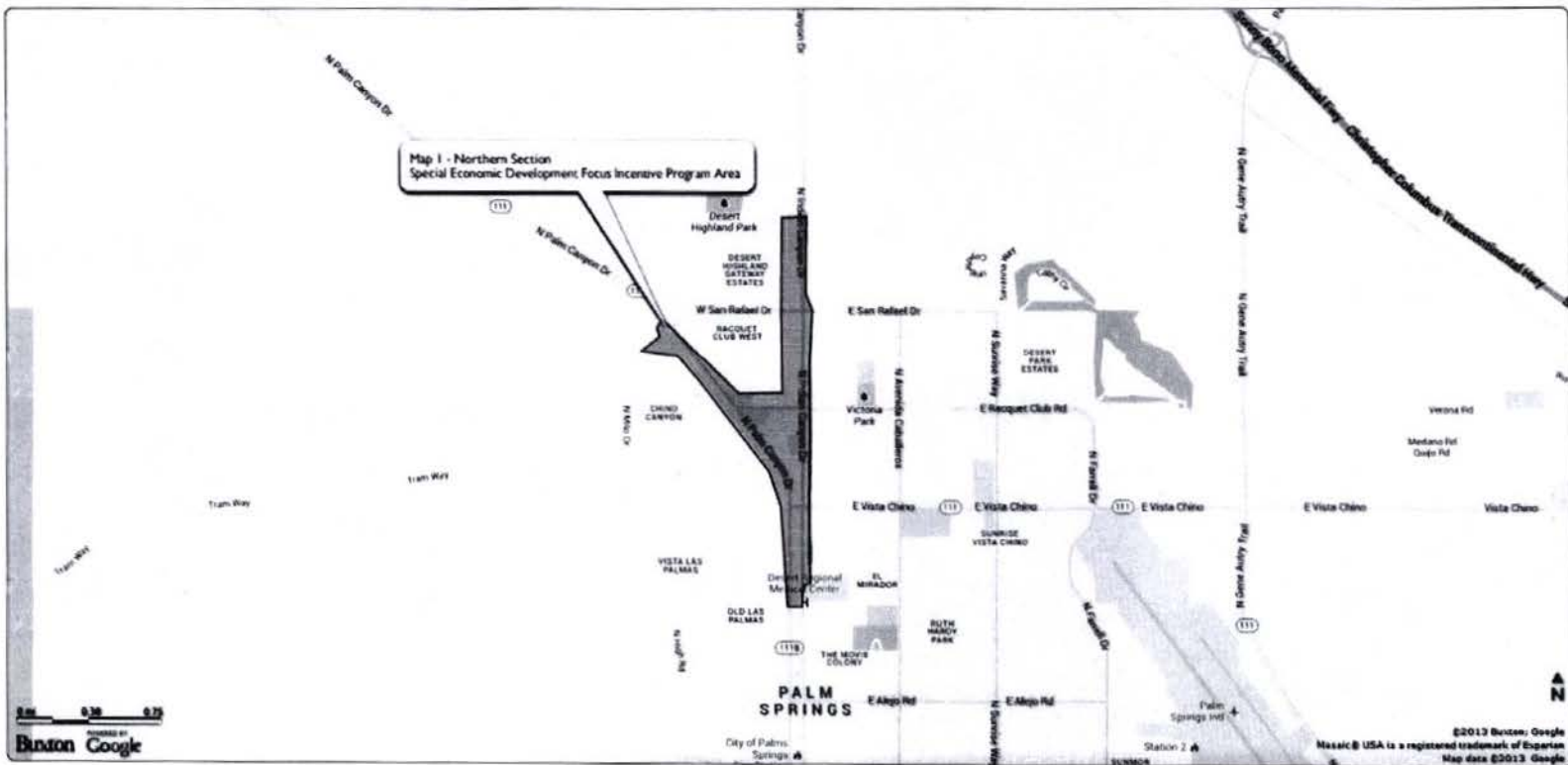


EXHIBIT "B"
SCOPE OF WORK

Relocate refrigeration coolers; plumbing to refrigeration; new dividing wall; lighting; painting; shelving; and display.

EXHIBIT "C"
EVIDENCE OF APPROVAL
(PLANNING, BUILDING, ENGINEERING DEPARTMENT)

Building permit required on all or a portion of the work described in Exhibit "B" Scope of Work. Yes __ No X

If yes, Building Permit # _____

Community & Economic Development Eligibility Letter



April 23, 2014

City of Palm Springs

Community and Economic Development Department

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262
TEL: (760) 323-8259 • FAX (760) 322-8325 • TDD (760) 864-9527

Community Redevelopment Agency • Community Development Block Grant
Downtown Development • Economic Development • Housing • Public Art

Lawrence Salameh
2771 N Palm Canyon Drive
Palm Springs, CA 92262

RE: Interior Remodel Grant Program
2771 N Palm Canyon Drive

Dear Larry:

The City of Palm Springs has received your application for an owner/tenant grant under the Interior Remodel Program. Based on your application you are eligible for a reimbursement grant up to \$25,000.00 from the City following completion of the work. The exact reimbursement grant amount will be defined in the Agreement once all the supporting documents are received.

The next step is for you to obtain all necessary permits and approvals from the City's Building Department. You may need to submit diagrams or floor plans showing the work proposed. It is recommended that you check with the building department at 760-323-8242 to determine what permits will be necessary to comply with the 2013 California Building Codes. Please show a copy of this letter to the planning or building staff when you apply for permits as evidence of your enrollment in the Interior Remodel Program. All fees must be paid at the time permits are issued.

Once you obtain a permit from the Building Department; have a signed contract with your contractor, you will enter into a Reimbursement Agreement with the City. To complete the Reimbursement Agreement, please provide copies of the contractor's proposal; a copy of their Contractors License and a copy of their City of Palm Springs Business License. When the Agreement is signed you will be notified via email, mail or phone. When you are notified that the Agreement has been fully executed you may authorize your contractor to do the work.

When the work is completed you will need to submit proof of payment to the City for reimbursement, as well as a signed job card showing all applicable inspections, including final building inspection. If you have any questions or require further assistance, please don't hesitate to contact me at 323-8175 or email Cathy.Vanhorn@palmsprings-ca.gov.

Sincerely,

Cathy VanHorn
Economic Development Administrator

P.S. Don't forget to take some digital before and after photos and email them to us!
Post Office Box 2743 • Palm Springs, California 92263-2743

EXHIBIT "D"
CONTRACTOR/VENDOR AGREEMENT

SEE NEXT PAGE

Hello Kathy

Larrys wine and spirits Interior Remodling coast

Refrigeration relocation 21606 ✓

Plumbing 6000 ✓

Walls. 4000 ✓

Deli meat display2x60. 5800 ✓

Deli meat display 48. 2500 ✓

Produce case24 ft. 6000 ✓

Coffe grinder. 600

Essepresso machin. 1600

Coffe machine. 475

Plender 2x200. 400

Vegtable juicer. 955

Grass weed juicer. 269

Og juicer. 899

Fruit juicer. 800

Shelvings. 4800 ✓

Dry food dispencers. 4500

Inside paint. 3000 ✓

Inside lightining. 5000 ✓

Total. 69204

Thank you

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21,606.00+

6,000.00+

4,000.00+

5,800.00+

2,500.00+

6,000.00+

4,800.00+

3,000.00+

5,000.00+

58,706.00*

PROPOSAL

G&A Refrigeration
 1129 Mockingbird Ln.
 Fillmore Ca. 91340
 (818) 426-7281 Fax (805) 524-1016 Lic# 875196

PROPOSAL NO. 14-509
SHEET NO. 1
DATE 5/09/14

PROPOSAL SUBMITTED TO:

WORK TO BE PERFORMED AT:

NAME Larry
ADDRESS 2781 Palm Canyon Blvd.
Palm Springs Ca.
PHONE NO. (760) 835-6260

ADDRESS Same
DATE OF PLANS
ARCHITECT

We hereby propose to furnish the materials and perform the labor necessary for the completion of <u>Remove and relocate walk in coolers and 1ea. 3 door reach in freezer. (Cut per Plan, and install.)</u>	\$12,300.00
Install Star Fire LED Lights on all door openings. 22 Doors @ \$ 255.54 per opening	\$ 5,621.88
Install New 26 X 24" Shelves. @ \$ 55.23 ea. 48 shelves =	\$ 2,651.04
Crane Service,	\$ 450.00
Tax,	\$ 583.34

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work, and completed in a substantial workmanlike manner for the sum of Twenty One Thousand Six Hundred and sixty six Dollars (\$ 21,606.66)

with payments to be made as follows:

Respectfully submitted _____

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Per _____

Note - This proposal may be withdrawn by us if not accepted within _____ days.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature _____

Date _____

Signature _____