



CITY COUNCIL STAFF REPORT

DATE: April 15, 2014 CONSENT CALENDER

SUBJECT: APPROVE A FACADE GRANT AGREEMENT IN THE AMOUNT OF \$50,000 WITH HUFF LATITUDE 33, LP FOR A PROPERTY LOCATED AT 449 EAST ARENAS ROAD, PALM SPRINGS 92262

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

SUMMARY

Review and approve a Facade Grant Agreement in the amount of \$50,000 with Huff Latitude 33, LP for property located at 449 East Arenas Road. The applicant has met the program criteria and qualifies for the Facade grant reimbursement upon evidence of payment of all eligible expenditures allowed under the program.

RECOMMENDATION:

1. Approve Facade Grant Agreement in the amount of \$50,000 with Huff Latitude 33, LP.
2. Authorize the City Manager to execute all documents related to the Facade Grant Agreement.

STAFF ANALYSIS:

On November 5, 2014, the City Council approved expanding the Facade Grant Program to all businesses throughout the City. The action also included a modification to the match dollar requirement for businesses located in the downtown construction zone, and a budget resolution approving the appropriation of \$250,000 for the City-wide Facade Grant Program.


This is an approval of a Facade Grant Agreement in the amount of \$50,000, which is based on \$5,000 per building for the Whispering Palms Apartment complex located at 449 E. Arenas Road. There are 10 separate buildings, consisting of 121 units, undergoing extensive interior and exterior renovations. This grant is essentially calculated on a \$5,000 per building basis, but they are rolled up into a single agreement. The Whispering Palms Apartments have suffered many chronic physical issues.

The applicant is an experienced investor in these types of properties and recently remodeled the Deepwell Apartments on East Palm Canyon Drive and Sunrise Way. The Whispering Palms rehabilitation plan includes complete hot and cold water plumbing replacement, brand new kitchen cabinets and appliances, new flooring, and interior paint scheme. The exterior improvement plan includes new exterior paint, upgraded landscaping, pool area, and removal and replacement of asphalt. The applicant's overall investment for both interior and exterior improvements is estimated at \$3.2 million. The exterior (Facade) improvement estimates for the painting and asphalt work total \$164,100.

This project meets the criteria of the program by undertaking the economically successful renovation of a deteriorating site in a critical section of downtown. The Council Subcommittee recommended the applicant be qualified under the city-wide Facade Grant Program due to the property's location and available funds allocated to the program. Since the Facade Program applies City-wide, there are no issues with the location of the project in terms of eligibility.

FISCAL IMPACT:

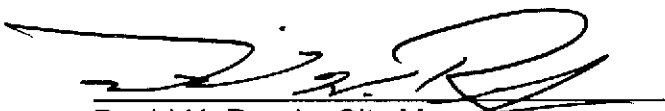
No additional funding needed or is being requested at this time.



John Raymond, Director



Cathy Van Horn, Economic
Development Administrator



David H. Ready, City Manager

Attachments: Facade Grant Agreement with Huff Latitude 33, LP



PALM SPRINGS COMMUNITY & ECONOMIC DEVELOPMENT FACADE IMPROVEMENT GRANT AGREEMENT

FACADE IMPROVEMENT AGREEMENT

THIS FACADE IMPROVEMENT AGREEMENT (the "Agreement") is made and entered into this **15** day of **April, 2015** by and between the City of Palm Springs, Community & Economic Development ("City"), and **Huff Latitude 33, LP** ("Owner"). Collectively the City and Owner are referred to as the Parties.

RECITALS

- A. City has established an Exterior Property Owner/Tenant Improvement Grant program for businesses in the City of Palm Springs.
- B. Owner is the owner of a real property/business (circle one) located at **449 E. Arenas Road, Palm Springs**, ("Property"), otherwise known as **Whispering Palms Apartments** (building or business).
- C. Grant Limitations. The City shall provide a Grant not to exceed \$5,000 with a match contribution from the applicant. The Grant shall be 50% of the amount of the actual approved expenditure for the improvements described in Exhibit "D", up to the \$5,000 cap. Businesses located on the east side of north Palm Canyon Drive between Tahquitz Canyon Way and Amado Road qualifies for a non-dollar match grant up to \$5,000.
- D. Owner has applied for a Grant in the amount of **\$50,000** to make exterior improvements to the Property as described in Exhibit "A: Confirmation Letter and Exhibit "B," Scope of Work.
- E. Owner 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 **\$164,100**, as shown in Exhibit "D".
- F. The City has reviewed the application, the evidence of financial participation by Owner, 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 the amount of **\$50,000** and Owner agrees to undertake the approved improvements, under the following terms and conditions:

AGREEMENT

1. **Property Ownership/Right to Undertake Work.** Owner represents that it is the Owner of the Property or holds Tenancy in the Property which entitles it to undertake exterior physical improvements to the Property.
2. **Schedule.** The Parties agree that all exterior improvements shall be completed within **90** days of the date of this Agreement.
3. **Contractor.** The Parties agree that Owner 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'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 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 **\$50,000 or \$5,000 per building**. The estimated cost of the work proposed is **\$164,100**, as shown in Exhibit "D".
6. **Evidence of Completion and Open for Business.** The Parties agree that the City will release the Grant funds upon the completion of the work by the Owner 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. The business must be open to consumers.
7. **Release of Liens.** The Parties Agree that the Owner is responsible for obtaining the release of any Mechanics Liens or other liens placed upon Owner's property by any contractor or subcontractor hired under this program.
8. **Maintenance.** Owner agrees and covenants that, after the City issues its Certificate of Completion, Owner 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 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 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 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:

Steve Huffman
8910 University Center Lane, #425
San Diego, CA 92122

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 certifies that the above statements are true and accurate to the best of Owner'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: _____
Administrator, Community & Economic Development

Date: _____ By: _____
Director, Community & Economic Development

Date: _____ By: _____
David H. Ready, Esq., Ph.D.
Executive Director

APPROVED AS TO FORM:

By: _____
Douglas C. Holland
City Attorney

"OWNER"

Date: _____ By: _____
Steve Huffman

Date: _____
_____)

EXHIBIT "A"
CONFIRMATION LETTER

SEE NEXT PAGE

EXHIBIT "B"
SCOPE OF WORK

The Whispering Palms exterior rehabilitation plan includes new exterior paint, upgraded landscaping, revitalized laundry and pool area, and removal and replacement of asphalt.

The exterior (Facade) improvement estimates for the painting and asphalt work total \$164,100.

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

SEE NEXT PAGE

EXHIBIT "D"
CONTRACTOR/VENDOR AGREEMENT

SEE NEXT PAGE

PH. (760) 320-9600 Desert Division
PH. (951) 940-0200
FAX (951) 940-9192



CONTRACT# 55- 8832

NPG CORPORATION
1354 Jet Way
Perris, CA 92571

Cont. Lic. #664779

www.npgasphalt.com

We Handle All Phases of Asphalt
HOA Specialist

"Where integrity & Quality Counts"

ESTIMATE TO (Client)

Steve Huffman
8910 University Center Lane, Ste 425
San Diego, CA 92122

DATE: 12/19/14

PROJECT: Asphalt Paving & Striping

LOCATION: 449 E. Arenas Road
Palm Springs, CA

Attention: Steve

Phone: 619-997-7878

Fax:

E-mail: sellapartments@gmail.com

Estimator: PO

NELSON PAVING & SEALING (hereinafter called Contractor) quotes the following estimate to Client for furnishing the materials, labor and performing the work hereinafter specified, subject to the terms and conditions hereinafter set forth on reverse side of estimate.

ASPHALT PAVING

1. Mill out 56,132 sq. ft. at 1.5" thick of asphalt, remove, haul, and dispose of legally offsite.
2. Clean existing asphalt paving as needed prior to placement of asphalt overlay.
3. Place 56,132 sq. ft. of SS-1H material prior to placement of asphalt material (binder).
4. Place 1.5" of PG64-10 asphalt material in order to construct 8 asphalt overlays totaling approx. 56,132 sq. ft. Roll and compact.

STRIPING

5. Stripe project per existing layout with 131 double line stalls, 9 handicaps, 6 crosshatches, 2 speed bumps, 978 in. ft. of red curb with 4" "No Parking Fire Lane" stencil, 595 in. ft. of white curb, and 183 in. ft. of blue curb.

Total Items 1-5:\$77,700.00

***Price is valid through January 31st, 2015

OPTION - SIGNS

1. Remove 9 handicap signs with posts and 6 handicap entry signs with posts, haul, and dispose of legally offsite.
2. Furnish and place 9 new handicap signs with posts and 6 new handicap entry signs with posts.

Total Option:\$2,775.00 Initial If Accepted

***Price is valid through January 31st, 2015

**Note: Please follow our Facebook page at NPG Asphalt.

**Note: Please visit our website at www.npgasphalt.com and www.goldstarasphalt.com

**Note: Project will be completed in 3 move-ins.

**EXCLUSIONS: Permits, water costs, adjusting utilities, and ADA upgrades.

PRICE TO BE DETERMINED BY OWNERS OPTIONS AS INITIALED ABOVE

NOTE: PAYMENT TERMS NET 30. NPG Inc. WARRANTIES all materials/workmanship for a period of 1yr from date of installation, except rock shine, & crack filling as cracks are subject to re-opening. NPG is not responsible for any tracking of materials. Should NPG's recommended scope of work not be approved, NPG shall be indemnified & held harmless by customer for ANY claims arising out of or related to the rejection of recommended work. NPG is not responsible for any unforeseen issues that may arise out of tree root removals. ADA construction does not warrant 100% compliance. Price excludes engineering, plans, permits, underground utility repair, landscape & sprinkler repair. If permits are required, they will be charged at cost PLUS \$1,200.00. This proposal may be withdrawn by NPG Inc. if work not completed within 30 days. Contracts requiring any type of asphalt removals- extra charges will apply to customer if pavement reinforcing fabric is encountered- change order will apply.

NOTE: UPON ACCEPTANCE OF THIS CONTRACT ALL TERMS, PROVISIONS, AND CONDITIONS AS SET FORTH ON THE REVERSE SIDE OF THIS CONTRACT SHALL BECOME PART OF THIS CONTRACT.

ACCEPTANCE OF PROPOSAL

The above prices, specifications, and conditions are hereby accepted. You are hereby authorizing NPG Inc. to do the work as specified above with payment in full upon completion of work.

Accepted by: Print Name

Title

Authorized Signature

Date

Exterior Paint



P.O. Box 420067, San Diego, CA 92142
 Ph: (619) 328-2140 Fax: (619) 328-2142
 contact@dcpaint.com Lic.# 817829

PROPOSAL

DATE	PROPOSAL #
10/10/2014	11077

PROPOSAL SUBMITTED TO	PROJECT
Atlas Management Group 4455 Morena Blvd., #208 San Diego, CA 92117 Attn: Steve Huffinan (619) 997-7878	Whispering Palms Apartments

DESCRIPTION	TOTAL
We hereby submit this proposal for the above mentioned project located at 449 E. Arenas Rd. in Palm Springs: STUCCO/CONCRETE SURFACES 1. All stucco/concrete surfaces will be powerwashed to remove dirt, dust, and debris in preparation for painting. 2. Areas of stucco with cracks and holes or where the stucco is disintegrating will be patched with stucco patching material. 3. Areas of concrete where peeling paint occurs will be scraped to remove loose paint and primed where bare concrete exists. 4. Stucco/concrete surfaces such as building walls, overhangs, and low walls will be repainted for complete coverage in an exterior 100% acrylic flat paint. WOOD SURFACES 1. All wood surfaces will be powerwashed to remove dirt, dust, and debris in preparation for painting. 2. Areas of wood where peeling paint occurs will be scraped to remove loose paint and primed where bare wood exists. 3. Wood surfaces such as siding panels, utility cabinets, and fire extinguisher cabinets will be repainted for complete coverage in an exterior 100% acrylic flat paint. 4. The exterior side of resident entry doors & frames, laundry room doors & frames, and utility doors & frames will be sanded and then repainted for complete coverage in an exterior semi-gloss enamel paint. METAL SURFACES 1. Metal surfaces such as stair railings, stair stringers, balcony railings, handrails, support posts, pool fencing, perimeter fencing & gates, fire extinguisher boxes, trash gates, pedestrian gates, light poles, and monument sign will be scraped or sanded, spot primed where rust or bare metal exists, and repainted for complete coverage in an exterior industrial semi-gloss enamel paint. 2. Metal surfaces such as flashings, rain gutters, downspouts, gas meters, vents, conduit will be prepped, spot primed where bare metal exists, and repainted one coat in flat to match the adjacent surfaces. EXCLUSIONS: Concrete decks, Tables & benches, Curbs & stenciling, A/C boxes, Utility transformer boxes, Patching of hairline cracks, Rooftop equipment & vents, Removal of plants & shrubs, Light fixtures, Window cleaning after power washing, Any previously unpainted surfaces, Wood repair & replacement, Any lead testing or abatement, Any items not listed above. ALTERNATES 1. The fiberglass panels below the windows, which are in bad condition, will be replaced with a new smooth piece of plywood. Price (not included in total proposal price).....\$120.00 per panel	86,400.00

THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THIS SUBJECT MATTER, AND SUPERSEDES ALL PRIOR AGREEMENTS, REPRESENTATIONS, STATEMENTS, AND NEGOTIATIONS. EACH PARTY HAS FULL POWER AND AUTHORITY TO ENTER INTO THIS AGREEMENT, AND ACKNOWLEDGES THAT IT HAS BEEN READ AND AGREES TO BE BOUND BY ITS TERMS AND OBLIGATIONS.

IN THE EVENT OF ANY LEGAL PROCEEDING ARISING IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION OF THE PARTIES' RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR FOR DAMAGES IN CONNECTION WITH A BREACH OF THIS AGREEMENT, THE PARTY PREVAILING IN SUCH PROCEEDING SHALL BE ENTITLED TO RECOVER ITS REASONABLE ATTORNEY'S FEES AND COSTS. THE PARTIES FURTHER AGREE THAT IN THE CONTEXT OF OBTAINING A JUDICIAL JUDGMENT, REASONABLE ATTORNEY'S FEES SHALL BE FIXED AT \$700.00 PER HOUR OR OTHER GREATER AMOUNT AS IS DEEMED REASONABLE BY THE COURT.

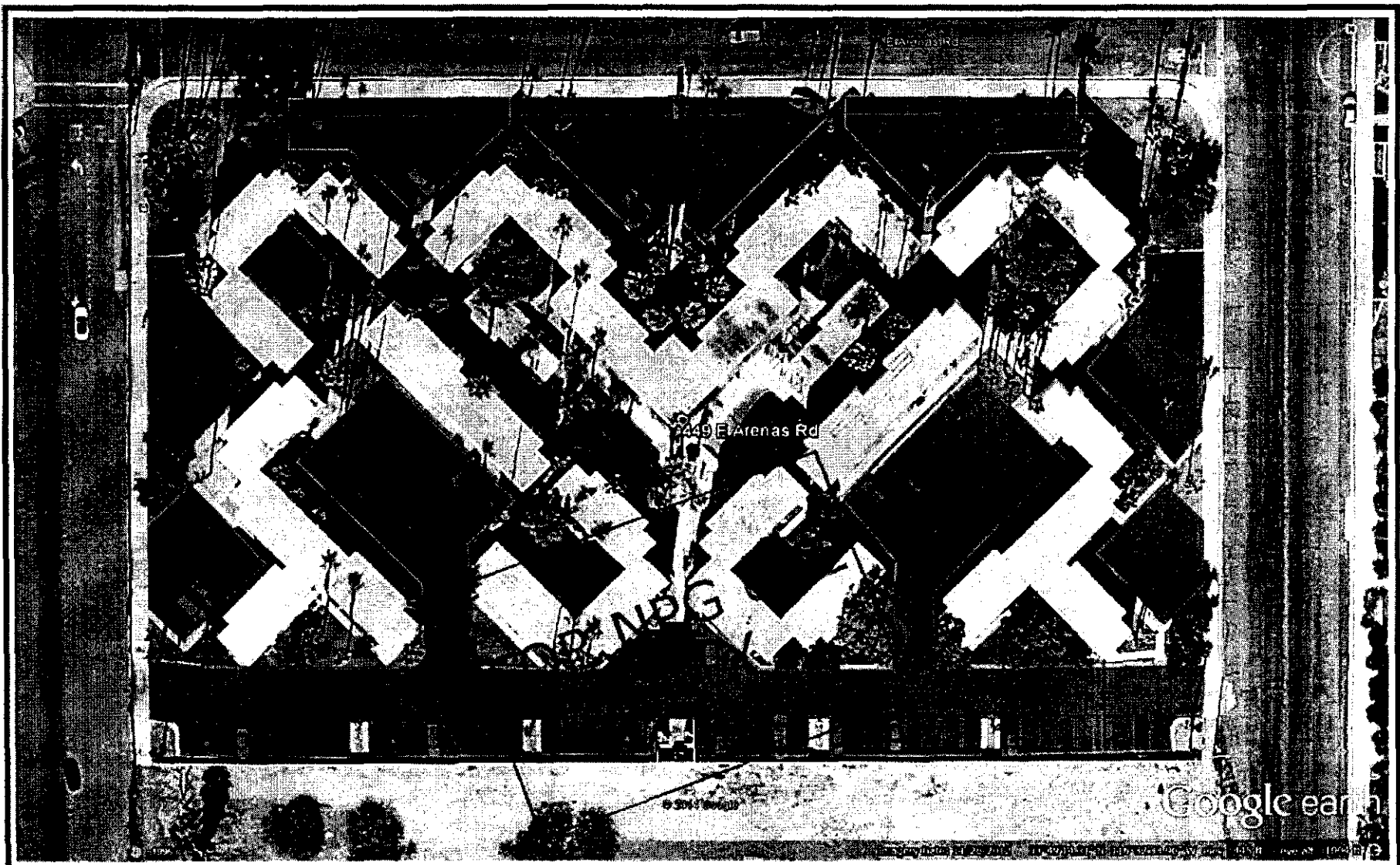
ALL PAYMENTS DUE 30 DAYS AFTER SUBSTANTIAL COMPLETION. SIMPLE INTEREST SHALL ACCRUE ON ANY AND ALL PAST DUE AMOUNTS AT THE RATE OF ONE AND ONE HALF (1.5) PERCENT PER MONTH CALCULATED DAILY FROM THE DATE THE PAYMENT BECAME DUE AND INCLUDING THE DATE OF PAYMENT.

TOTAL \$86,400.00

For DC Painting, Inc.: 
 (its authorized representative)

For Customer: _____
 (Signature)

Name of Customer: _____
 (Print full name)



Phil Ornelas
Project Manager

Cell: 951.204.8656

Email: pornelas@npgasphalt.com

Licenses: A-Engineer, B-General Paving, C19-Grading & Paving

WWW.NPGASPHALT.COM
1354 Jet Way, Perris, CA 92571

Inland Empire: 951.840.0200 Tel
951.840.9188 Fax
Desert Division: 760.320.9600 Tel



APARTMENT BUILDINGS
449 E. ARENAS RD.
PALM SPRINGS, CA