



STAFF REPORT
2/11/2026

TO: Honorable Mayor and City Council Members

FROM: Celina Jimenez, Director of Economic Development

SUBJECT: Approve Lease Agreement with El Tranvia, Inc. for the City-Owned Building Located at 1258 Sixth Street in the Downtown Pueblo Viejo District and Authorize the City Attorney to Approve Minor Changes to the Lease Agreement Prior to its Execution

STAFF RECOMMENDATION:

Staff recommends the City Council authorize the City Manager to execute a lease agreement between the City of Coachella and El Tranvia Inc., for the 722 square foot building which was formerly the Chamber of Commerce building located at 1258 Sixth Street in the Downtown Pueblo Viejo District and authorize the City Attorney to approve any minor changes to the lease agreement prior to its execution.

BACKGROUND:

On December 18, 2025, the City of Coachella Economic Development Department issued a Request for Proposals (RFP) to release a Request for Proposal process to allow well-qualified business entities the opportunity to propose a restaurant/retail business in the former Chamber of Commerce building located in the Downtown Pueblo Viejo District. The objective was to provide a unique destination restaurant/café with a distinctive menu and an experience that will bring visitors into the Downtown Pueblo Viejo District. The RFP also provided economic development incentives in order to assist with startup costs. The deadline for proposals was January 29, 2026. As a result, the City only received one proposal. This RFP release would be the second one released since the previous RFP opportunity of October, 2025.

DISCUSSION/ANALYSIS:

Staff reviewed and evaluated the proposal received and qualified Oscar Ventura as an exceptional proposal based on the RFP requirements, conceptual design, marketing, customer service, related business experience and capital investment.

This space will afford El Tranvia restaurant to expand in a manner that will complement the Pueblo Viejo District's identity through traditional Mexican architectural design, the use of rustic natural materials, and lush landscaping that evokes an inviting, timeless aesthetic. The new space will

celebrate Coachella’s cultural identity by incorporating live music performances, local art displays, and family-oriented themed events that highlight the region’s traditions. The project aims to enrich the district’s quality of life by creating a safe, welcoming environment for families to gather after hours and by contributing to a lively, walkable downtown corridor. El Tranvía is willing to make a sizeable capital investment toward property renovations. Funding will be sourced through existing business reserves and private investment, underscoring their long-term commitment to Coachella’s economic vitality and sustainable development.

The proposed lease agreement will allow El Tranvia, Inc. to operate on an annual basis and provide economic development incentives that will allow for a successful start-up. The Lessee will be responsible for all tenant improvements; however, the Lessee will be subsidized by the City with a reduced lease rate until the cost of the tenant improvements is recovered. The City will also waive all permitting/planning fees for the first year of operation. The lease rate will be \$2.00/square foot, which shall equal to a \$1,444/monthly payment to the City, once the cost of the tenant improvements are recovered. The anticipated cost of the tenant improvements are estimated to be between \$150,000 and \$200,000.



FISCAL IMPACT

If the City Council approves the staff recommendation, the lease agreement will yield annual revenue of \$17,328.00 (once the tenant improvement costs are recovered), plus sales tax revenue and business license renewal costs.

ALTERNATIVES:

1. Approve Lease Agreement with El Tranvia, Inc. for the City-Owned Building Located at 1258 Sixth Street in the Downtown Pueblo Viejo District and Authorize the City Attorney to Approve Minor Changes to the Lease Agreement Prior to its Execution
2. Not Approve Lease Agreement and Release Another RFP

ATTACHMENTS:

1. RFP – Lease of Building Located at 1258 Sixth Street, Coachella, CA 92236
2. Proposal - El Tranvia, Inc.
3. Lease Agreement