



STAFF REPORT
11/13/2024

TO: Honorable Mayor and City Council Members

FROM: Celina Jimenez, Economic Development Director

SUBJECT: Approve Lease Agreement with Tata's Bakery Company for the City-Owned Facility (Formerly the Sunline Bus Hub) Located at 790 Vine Avenue in the Downtown Pueblo Viejo District

STAFF RECOMMENDATION:

Staff recommends the City Council authorize the City Manager to execute a lease agreement between the City of Coachella and Tata's Bakery Company for the 1,040 square foot building which was formerly the Sunline Transit Building located at 790 Vine Avenue in the Downtown Pueblo Viejo District and that the City Attorney can approve any minor changes to the lease agreement prior to its execution.

BACKGROUND:

On July 11, 2024, the City of Coachella Economic Development/Planning Subcommittee supported repurposing the vacant former Sunline Transit Building. The repurposing would be issuing a Request for Proposal (RFP) similar to that of the Utility Billing Building located at City Hall.

On October 1, 2024, the City of Coachella Economic Development Department issued a Request for Proposals (RFP) to solicit well-qualified business entities the opportunity to operate a 1,040 sq.ft. restaurant/retail business in the former Sunline Transit Building located in the Downtown Pueblo Viejo District. The objective was to provide a unique destination restaurant/café with a distinctive menu and experience that will cater to visitors of the Downtown Pueblo Viejo District and draw people to the area for a memorable experience. The RFP also provided economic development incentives to the well-qualified business in order to assist with startup costs. The deadline for proposals was October 31, 2024. As a result, the City only received one proposal.

Staff reviewed and evaluated the proposal received and qualified Tata's Bakery Co. as an exceptional proposal based on the RFP requirements, conceptual design, marketing, customer service, related business experience and capital investment.



Tata's Bakery Co. will be a unique, American bakery with a soul rooted in Coachella's vibrant Mexican heritage featuring baked goods and a sandwich deli, using fresh and locally sourced produce. Tata's Bakery seeks to create a warm, inclusive and inviting environment by bringing people together through home-baked goods and delicious sandwiches. Tata's Bakery Co. is slated to be a place for connection, celebration, and community.

DISCUSSION/ANALYSIS:

The proposed lease agreement will allow Tata's Bakery Co. to function 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, 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 \$1.00/square foot, which shall equal to a \$1,040/monthly payment to the City, once the cost of the tenant improvements are recovered. The anticipated cost of the tenant improvements are anticipated to be \$216,500.

FISCAL IMPACT

If the City Council approves the staff recommendation, the lease agreement will yield annual revenue of \$12,480.00 plus sales tax revenue, while providing a much-needed amenity to the Downtown Pueblo Viejo District.

ATTACHMENTS:

1. RFP – Building Lease of Former Sunline Transit Building
2. Tata's Bakery Co. Proposal