



**STAFF REPORT**  
**10/14/2020**

**TO:** Honorable Mayor and City Council Members

**FROM:** Gabriel Martin, Economic Development Director

**SUBJECT:** Staff recommends that the City Council consider approving the execution of a lease agreement between the City of Coachella and Coachella Bar for space in the Old Water Billing Building.

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**STAFF RECOMMENDATION:**

Staff recommends that the City Council consider approving the execution of a lease agreement between the City of Coachella and Coachella Bar for 2,024 square feet of space in the Old Water Billing Building.

**BACKGROUND:**

On May 16, 2019, the City of Coachella Economic Development Department issued a Request for Proposals (RFP) to solicit well-qualified business entities the opportunity to operate a 2,024 square foot restaurant/café in the old Water Billing 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 February 27, 2020.

On March 5, 2020, City staff provided any update to the Economic Development Sub-Committee meeting on the number of proposals received and the evaluation process. Upon review of the RFP requirements, that included conceptual design, marketing and customer service, related business experience and capital investment, staff and the Sub-Committee determined that the Coachella Bar was the most suitable and qualified proposal.

**DISCUSSION/ANALYSIS:**

The proposed lease agreement will allow the bar 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 \$2,024/monthly payment to the City, once the cost of the tenant improvements are recovered.

**ALTERNATIVES:**

1. Execute Lease Agreement with Coachella Bar with economic development incentive package.
2. Execute Lease Agreement with Coachella Bar with no economic development incentive package.
3. Not execute Lease Agreement with Coachella Bar.

**FISCAL IMPACT:**

If the City Council approves the staff recommendation, the lease agreement will yield annual revenue of \$24,288.00 plus sales tax revenue, while providing a much-needed amenity to the Downtown Pueblo Viejo District.

**ATTACHMENT(S):**

1. Lease Agreement
2. RFP – Old Water Billing Department