



**STAFF REPORT**  
**1/26/2022**

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

**FROM:** Jacob Alvarez, Assistant to the City Manager

**SUBJECT:** Approve Lease Agreement with Coachella General for the City owned former Chamber of Commerce Building located at 1258 Sixth Street in the Downtown Pueblo Viejo District

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**STAFF RECOMMENDATION:**

That the City Council approve the City Manager to execute a lease agreement between the City of Coachella and Coachella General (Teddy Lee) for the 722 sq.ft. former Chamber of Commerce Building located at 1258 Sixth Street 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 February 6, 2020, the City of Coachella Economic Development/Planning Subcommittee supported repurposing the vacant former Coachella Chamber of Commerce Building. The repurposing would be issuing a Request for Proposal (RFP) similar to that of the Utility Billing Building located at City Hall.

On September 16, 2021, the City of Coachella Economic Development Department issued a Request for Proposals (RFP) to solicit well-qualified business entities the opportunity to operate a 722 sq.ft. restaurant/retail business in the former Coachella 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 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 21, 2021.

As a result, the City only received 2 proposals and staff decided to provide an addendum extending the deadline to December 14<sup>th</sup>.

Staff reviewed and evaluated the 6 proposals that the City received and identified Teddy Lee and Steve Garcia's Coachella General as the best proposal based on the RFP requirements, conceptual design, marketing, customer service, related business experience and capital investment.

Coachella General will be a multi-purpose space, utilizing both its indoor and outdoor spaces. Firstly, Coachella General will serve as a tap-room, serving wine, beer, and small bites, as well as housing a coffee roastery. Coachella General will be the first public coffee roaster in Coachella. Secondly, Coachella General will host various activities in its large rear yard. Such activities include food truck vendors, farmers' markets, dry goods markets, and a place for eating, drinking, and gathering for the community. Additional information about the Coachella General business is available under Exhibit 3.

**DISCUSSION/ANALYSIS:**

The proposed lease agreement will allow the Coachella General 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 \$722/monthly payment to the City, once the cost of the tenant improvements are recovered.

**FISCAL IMPACT:**

If the City Council approves the staff recommendation, the lease agreement will yield annual revenue of \$8,664.00 plus sales tax revenue, while providing a much-needed amenity to the Downtown Pueblo Viejo District.

**EXHIBIT(S):**

- 1) RFP- Former Coachella Chamber of Commerce Building Lease – Includes - Exhibit C of RFP (pg13)- Draft Lease Agreement
- 2) RFP Addendum #1
- 3) Coachella General Business Proposal