



**STAFF REPORT**  
**6/28/2023**

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

**FROM:** Gabriel Perez, Development Services Director

**SUBJECT:** Approval of a Purchase and Sale Agreement between City of Coachella and Hidden Harvest Corporation for purchase of a 2.09 acre parcel, APN 778-030-012, with an approximately 17,800 sq. ft. building at 85-711 Peter Rabbit Lane for \$900,000.00 and 5-year lease agreement for continued operation of Hidden Harvest at the property.

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**STAFF RECOMMENDATION:**

Staff recommends that the Planning Commission:

- Adopt Resolution No. 2023-45 authorizing the City Manager to execute a Purchase and Sale Agreement with Hidden Harvest Corporation for the purchase of 2.09 acre parcel, APN 778-030-012, located at 85-711 Peter Rabbit Lane for a contract amount of \$900,000.
- Adopt Resolution No. 2023-46 authorizing the City Manager to execute a Lease Agreement with Hidden Harvest Corporation for the lease of office and cold storage space located at 85-711 Peter Rabbit Lane, APN 778-030-012, for a contract amount of \$900,000.

**BACKGROUND:**

On February 22, 2023 the City Council authorized staff to Negotiate with Hidden Harvest Corporation (seller) for the sale of parcel identified as APN 778-030-012 located at 85-711 Peter Rabbit Lane herein known as the "Site". Since 2000, Hidden Harvest has harvested over 24 million pounds of fresh, surplus crops from Coachella Valley fields and local packing houses for distribution to nearly 50,000 people monthly through their programs and more than 60 partner agencies that serve low-income families. The Site has served as their operational headquarters since the early 2000s. Staff negotiated a Purchase and Sale Agreement (PSA) with the seller, and is seeking City Council authorization for the City Manager to execute the Agreement and open escrow for the sale of the land pursuant to the terms of the PSA.

**DISCUSSION/ANALYSIS:**

The Site is currently owned by the Hidden Harvest Corporation and consists of 2.09 acres located adjacent to the Union Pacific Railroad and surrounded by agricultural uses (Peter Rabbit Farms) and light industrial uses. The Site has an approximately 17,800 sq. ft. packinghouse building

constructed of a concrete block, steel and wood frame. The appraisal for the building identifies the structure as constructed in 1947 and in fair condition with some deferred maintenance. Sanborn Maps from 1928 identify that the packinghouse was in existence in 1928 and served as the location for the Coachella Valley Grape Grower's Association. The building is divided into three sections: the office area, the warehouse area, and the cold storage area. The office area is a two story wood structure exists at the entrance to the packinghouse with conference rooms, restroom, and storage. The warehouse area is on a raised concrete platform with steel walls, joists and roof cover. There are two docks and truck wells with four roll up doors at the Southside of the building. A dock exists at the rear of the building. The building consists of 3 cooling areas at the east end of the building: 1 is 30' x 40' and the other two are 40' by 40'. The perimeter fencing is chain-link and barbed wire. The on-site groundkeeper indicates that the original rail spur connecting from the railroad to the packinghouse remains buried at the site.

The site is currently in the Manufacturing Service zoning district and is anticipated to change to the Urban Employment zoning district with the proposed Zoning Consistency Update. The Urban Employment zone allows for an expanded list of the uses that include housing, commercial and office uses. The City retains a 60-foot wide easement for street purposes for 5<sup>th</sup> Street connecting from Grapefruit Boulevard across the railroad to the South of the Site. The easement could be improved in the future to provide for an at-grade or overhead pedestrian crossing connecting Pueblo Viejo to the areas East of the railroad. Renderings envisioning the rehabilitation of the packinghouse by Hidden Harvest as a community gathering space are shown in attachment 4, consisting of an urban farm, classrooms, gathering areas offices, and food storage. City staff anticipates that the site could be rehabilitated similar to the vision of a community gathering space that may include a food hub, small business incubator, and event venue with the support of existing State funding opportunities.

Attached for City Council's review is a copy of the latest Purchase and Sale Agreement for the sale of the subject parcel for \$900,000.00 subject to certain terms and conditions. Additionally, a lease agreement is attached for the Hidden Harvest Corporation to continue to at the parcel to continue to gather and distribute produce to low-income families in the Coachella Valley. The City Attorney's office has assisted staff with the PSA and lease documents. A Phase 1 Environmental Site Assessment was prepared and that based on the findings in the assessment there are no known on-site conditions that would warrant regulatory involvement (Attachment 3).

#### **ALTERNATIVES:**

- 1) Adopt Resolution No. 2023-45 authorizing the City Manager to execute a Purchase and Sale Agreement with Hidden Harvest Corporation for the purchase of 2.09 acre parcel, APN 778-030-012, located at 85-711 Peter Rabbit Lane for a contract amount of \$900,000; and Adopt Resolution No. 2023-46 authorizing the City Manager to execute a Lease Agreement with Hidden Harvest Corporation for the lease of office and cold storage space located at 85-711 Peter Rabbit Lane, APN 778-030-012, for a contract amount of \$900,000.
- 2) Continue this item and provide staff with direction.
- 3) Take no action.

**FISCAL IMPACT:**

The land transaction will require a \$900,000 appropriation from the City's General Fund and an estimated obligation of \$30,000 over a five-year term for payment of water and electricity utilities related to the operation of Hidden Harvest at the facility during that period.

**RECOMMENDED ALTERNATIVE(S):**

Staff recommends Alternative #1 as noted above.

Attachment:

1. Resolution No. PC2023-45, General Plan Amendment No. 23-02  
Exhibit A – Draft PSA between City of Coachella and Hidden Harvest Corporation
2. Resolution No. PC2023-46,  
Exhibit A – Lease Agreement between City and Hidden Harvest Corporation
3. Phase 1 Environmental Assessment – APN 778-030-012
4. Vicinity Map
5. Hidden Harvest renderings for future improvement of the site
6. Site Photos