



Community Redevelopment Agency Staff Report

DATE: July 7, 2010

PUBLIC HEARING

SUBJECT: APPROVAL OF AN AGREEMENT FOR THE SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS WITH CADENCE DEVELOPMENT, LLC FOR A PROPERTY AT 342 NORTH PALM CANYON DRIVE (CORK 'N BOTTLE), MERGED AREA #1, IN THE AMOUNT OF \$585,000.

FROM: David H. Ready, Executive Director

BY: Community & Economic Development Department

SUMMARY:

This Agreement provides for the sale of a 2,000 ± square foot building parcel at 342 North Palm Canyon Drive (Cork 'n Bottle) to Cadence Development, LLC in the amount of \$585,000. The Agency is not engaged in any discussions to assemble any of the surrounding property with any developers for the purpose of redevelopment. The Agency was approached by the buyer to purchase the building for rehabilitation and renovation to enhance the continued operation of a convenience-liquor store.

RECOMMENDATION:

1. Adopt Resolution No. _____ "A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING AN AGREEMENT FOR THE SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS WITH CADENCE DEVELOPMENT, LLC OF DENVER, CO FOR A PROPERTY AT 342 NORTH PALM CANYON DRIVE (CORK 'N BOTTLE), MERGED AREA #1, FOR THE PURPOSE OF REHABILITATION AND RENOVATION, IN THE AMOUNT OF \$585,000"; and
2. AUTHORIZE THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS RELATED TO THE AGREEMENT

ITEM NO. 1.C.

STAFF ANALYSIS:

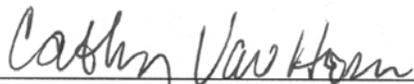
In October 2006, the Agency purchased the Cork N Bottle building as a result of working with the property owner that acquired the Greyhound Station and El Morocco Hotel to seek a developer to assemble the El Morocco and the vacant empty lot into a boutique hotel or other quality redevelopment. The Cork N Bottle building would have been part of the land assembly; however a developer was not able to be designated.

Recently, the tenant leasing and operating the Cork N Bottle has been experiencing financial difficulties and put the business up for sale. The business owner entered into a Letter of Intent with the buyer - - Cadence Development, LLC to purchase the business. The buyer, purchasing the business approached the Agency about buying the Cork 'n Bottle property. The buyer would like to own the real estate in order to make significant interior improvements. Exterior improvements may be considered, but must be reviewed as a Class I Historic Site.

The proposed purchase price for the property is well above current market value and reflects the price the Agency paid in 2006. The proceeds from the sale will go into the Community & Redevelopment Merged Area #1 fund account.

FISCAL IMPACT:

The purchase will have no negative impact on the General Fund or Redevelopment Fund.



CATHY VAN HORN
Economic Development Administrator



THOMAS J. WILSON
Assistant City Manager



DAVID H. READY
Executive Director

Attachments:

1. CRA Resolution

RESOLUTION NO.

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING AN AGREEMENT FOR THE SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS WITH CADENCE DEVELOPMENT, LLC OF DENVER, CO FOR A PROPERTY AT 342 NORTH PALM CANYON DRIVE (CORK 'N BOTTLE), MERGED AREA #1, FOR THE PURPOSE OF REHABILITATION AND RENOVATION, IN THE AMOUNT OF \$585,000.

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs, California ("Agency") is constituted under the Community Redevelopment Law (California Health and Safety Code Section 33000 et. seq.) to carry out the purpose as the redevelopment in the City of Palm Springs ("the City"); and

WHEREAS, Section 33430 of the Community Redevelopment Law allows that an agency may, "for purposes of redevelopment, sell, lease, for a period not to exceed 99 years, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed of trust, or otherwise, or otherwise dispose of any real or personal property or any interest in property;" and

WHEREAS, Section 33432 of the Community Redevelopment Law requires that any such sale or lease shall be conditioned on the redevelopment and use of the property in conformity with the redevelopment plan; and

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Agreement for Sale of Real Property and Escrow Instructions with Cadence Development, LLC of DENVER, CO for a property at 342 North Palm Canyon Drive (Cork 'n Bottle), Merged Area #1, for the purpose of rehabilitation and renovation, in the amount of \$585,000, is hereby approved and incorporated herein by this reference.

SECTION 2. The Executive Director, and/or his designee, is authorized to execute all necessary documents, in a form approved by the Agency Counsel.

ADOPTED THIS 7th day of July, 2010

David H. Ready, Executive Director

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

**CITY OF PALM SPRINGS
PUBLIC HEARING NOTIFICATION**



City Council
Meeting Date: July 7, 2010
Subject: Sale of Cork 'N Bottle, 342 North Palm Canyon Drive

AFFIDAVIT OF PUBLICATION

I, Kathie Hart, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was published in the Desert Sun on June 24 and July 1, 2010.

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "K Hart", is written over a horizontal line.

Kathie Hart, CMC
Chief Deputy City Clerk

AFFIDAVIT OF POSTING

I, Kathie Hart, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was posted at City Hall, 3200 E. Tahquitz Canyon Drive, on the exterior legal notice posting board and in the Office of the City Clerk on June 23, 2010.

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "K Hart", is written over a horizontal line.

Kathie Hart, CMC
Chief Deputy City Clerk

NOTICE OF PUBLIC HEARING
COMMUNITY REDEVELOPMENT AGENCY
CITY OF PALM SPRINGS

SALE OF 342 NORTH PALM CANYON DRIVE
CORK 'N BOTTLE
MERGED PROJECT AREA NO. 1

NOTICE IS HEREBY GIVEN that the Community Redevelopment Agency "Agency" of the City of Palm Springs, California, will hold a public hearing at its meeting of July 7, 2010. The "Agency" meeting begins at 6:00 p.m., in the Council Chamber at City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs.

The purpose of this hearing is to consider the sale of 342 North Palm Canyon Drive, Cork 'N Bottle, situated in Merged Project Area No. 1, to Cadence Development.

REVIEW OF INFORMATION: The staff report and other supporting documents regarding this matter are available for public review at the City Hall between the hours of 8:00 a.m. and 6:00 p.m., Monday through Thursday. Please contact the Office of the City Clerk at (760) 323-8204 if you would like to schedule an appointment to review these documents.

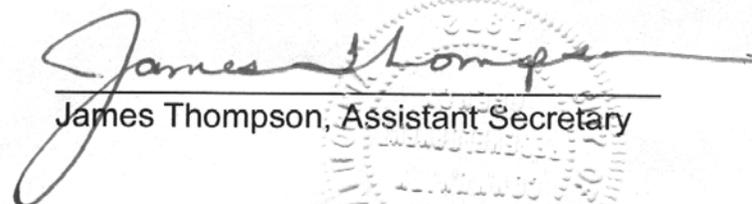
COMMENTS: Response to this notice may be made verbally at the Public Hearing and/or in writing before the hearing. Written comments may be made to the "Agency" by letter (for mail or hand delivery) to:

James Thompson, Assistant Secretary
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Any challenge of the proposed project in court may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the Assistant Secretary at, or prior to, the public hearing. (Government Code Section 65009(b)(2))

An opportunity will be given at said hearing for all interested persons to be heard. Questions regarding this may be directed to Thomas J. Wilson, Assistant Executive Director, (760) 383-8248.

Si necesita ayuda con esta carta, porfavor llame a la Ciudad de Palm Springs y puede hablar con Nadine Fieger telefono (760) 323-8245.


James Thompson, Assistant Secretary