



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared by: Nicole Dailey, Assistant to the City Manager

Date: July 28, 2020

Subject: License Agreement for Seasonal Sales Lot on Dexter Road

Recommendation

Authorize the City Manager to execute a License Agreement with ABC Tree Farms, LLC for the temporary seasonal use of the City-owned vacant and unimproved lot at 18614 Dexter Rd. for the purposes of seasonal sales in such final form as approved by the City Attorney.

Background

The City-owned, vacant lot located at 18614 Dexter Avenue has been used for many years for seasonal sales such as pumpkins and Christmas trees. Traditionally, companies applied and paid for a Temporary Use Permit (TUP) to use the lot for up to 120 days.

In 2015, the City initiated a more formal process for use of this vacant lot. A Request for Proposals was issued for the license and temporary use for the purposes of seasonal sales. The associated parcel numbers for the lot are 377040024, 257040024, and 237040024. A site map is provided in Exhibit C. These City parcels can only be used for temporary uses since they may be needed for future Central Avenue interchange improvements.

In September 2015, the City entered into a license agreement with ABC Tree Farms, LLC for three (3) years with an option for two additional one (1) year extensions. This agreement expired on June 30, 2020.

The license agreement is limited to the use of the property for up to 120 days per year, which can be broken into different events, provided they meet all provisions of Chapter 17.200 Temporary Uses of the Lake Elsinore Municipal Code.

Discussion

In June 2020, staff issued a Request for Proposals for those interested and qualified to use this City lot for seasonal sales. One proposal was received from ABC Tree Farms, LLC.

ABC Tree Farms, LLC has been conducting seasonal sales on this Dexter lot since 2012 and has been operating retail Christmas Tree Sales Sites, Halloween Pumpkin Sales Sites, Summer Fun Zones, Fruit Stands and Farmer Markets for over thirty years.

The proposed uses by ABC Tree Farms include the following for 2020 with similar dates and uses in subsequent years:

- **Halloween Pumpkin Patch** – September 8 through November 10, 2020. Hours of operation will be seven days a week. Sunday through Thursday from 10:00 a.m. to 9:00 p.m. and Friday and Saturdays from 10:00 a.m. to 10:00 p.m. Items that will be sold will be pumpkins, gourds, squash, corn, Halloween items and décor. Anticipated attendance over the course of 30 days is approximately 2500 people.
- **Christmas Tree Lot** – November 10 through December 31, 2020. Hours of operation will be seven days a week from Thanksgiving to Christmas Eve, Sunday through Thursday from 10:00 a.m. to 9:00 p.m. with Friday and Saturdays from 9:00 a.m. to 9:30 p.m. Items that will be sold will be Christmas trees, wreaths and garlands and assorted Christmas Holiday Items. Anticipated attendance over the course of the 30-day period is approximately 1500 families.

ABC Tree Farms is required to obtain a Business License prior to execution of the license agreement and a Temporary Use Permit (TUP) prior to the establishment of each use, each year. They will be responsible under the license agreement for the use of electricity and water, and maintenance of the lot. The Vendor is also responsible for connectivity of both utilities, repairs, and any permits for repairs. A license fee and cleaning deposit of \$2,000 will be paid each year in accordance with the following schedule:

License Year 1:	License Fee:	\$15,200.00
	Security Deposit:	\$2,000
License Year 2:	License Fee:	\$15,656.00
	Security Deposit:	\$2,000
License Year 3:	License Fee:	\$16,125.68
	Security Deposit:	\$2,000
License Year 4 (if exercised):	License Fee:	\$16,609.45
	Security Deposit:	\$2,000
License Year 5 (if exercised):	License Fee:	\$17,107.73
	Security Deposit:	\$2,000

The site must be kept clean and free of debris and left in the same condition as found upon commencement of use. In addition, the ABC Tree Farms will be required to provide up to \$1,000 in products free of charge to the City and up to \$500 in product to be donated to a community group of the City's choice each year of the license agreement term.

The term of the agreement is for three (3) years with an option for two additional one (1) year extensions at the sole discretion of the City. The license agreement is attached in Exhibit A.

Fiscal Impact

The proposed annual license fee to the City is \$15,200 for the first year and increasing 3% annually throughout the term which will provide \$46,981.68 to the City for the initial three-year term and up to \$64,089.41 if the term is extended for the two one-year renewal terms.

Exhibits

A – License Agreement

B – Use Proposal

C – Site Map