



# CITY COUNCIL STAFF REPORT

DATE: JUNE 10, 2026

BUSINESS & LEGISLATIVE

SUBJECT: APPROVAL OF A PURCHASE AND SALE AGREEMENT OF REAL PROPERTY WITH TOWN AND COUNTRY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR PROPERTY CONSISTING OF A PORTION OF APN #513-092-009, GENERALLY LOCATED AT THE SOUTHWEST CORNER OF ANDREAS ROAD AND NORTH INDIAN CANYON DRIVE, FOR THE PURPOSE OF OBTAINING A SITE FOR A NEW FIRE STATION #1

FROM: Scott C. Stiles, City Manager

BY: Flinn Fagg, Assistant City Manager

---

## SUMMARY:

The City has been in discussions with Town and Country, LLC, to acquire a portion of their property located at the southwest corner of the intersection of Andreas Road and N. Indian Canyon Drive (APN #513-092-009) for the purposes of constructing a new fire station. The parties have reached consensus on the purchase price and terms of sale; the proposed Purchase and Sale Agreement is being presented to the City Council for consideration and action.

## RECOMMENDATION:

- 1) Approve an Agreement for Purchase and Sale of Real Property with Town and Country, LLC, a California limited liability company; and
- 2) Authorize the City Manager to execute any and all appropriate and related documents in order to effectuate the purchase of the property.

## BUSINESS PRINCIPAL DISCLOSURE:

Town and Country, LLC, is a California limited liability company; a copy of the Public Integrity Disclosure form is on file with the City Clerk.

## BACKGROUND:

The City of Palm Springs retained Citygate Associates to conduct a Fire Services Master Plan to include a Community Risk Assessment (CRA), a Standards of Cover (SOC) deployment analysis, an adequacy review of headquarters support services, and a

physical assessment of all existing fire stations. The report was completed in February 2025 and identified key findings and actionable recommendations for improving services and facilities.

The study assessed the current Fire Station #1 facility, and made the following findings:

- The station is vastly undersized by modern service standards in many aspects, including apparatus bay size and configuration, living quarters, and kitchen facilities.
- An aerial ladder truck, necessary for serving taller buildings, is unable to fit within the existing apparatus bay.
- Dormitories and restrooms should be reconfigured for better gender inclusion and privacy.
- The building does not meet seismic requirements or ADA access requirements.
- The building lacks a fire sprinkler system, a carcinogen contamination control zone, and apparatus door safety features.

Based on the deficiencies of the current building, Citygate Associates identified a preferred zone within the downtown area wherein a new facility would best be located based on the boundaries of the Station Area and optimal response times within that area. This preferred area is bounded by Palm Canyon Drive on the west, the midpoint between Amado Road and Alejo Road on the north, Calle El Segundo on the east, and the midpoint between Arenas Road and Baristo Road on the south. Locations outside of the zone would generally result in longer response times and would encroach into the service areas of surrounding fire stations.

A total of seven sites generally within the preferred zone were initially reviewed by staff for the possible relocation of Fire Station #1. The key criteria utilized in identifying sites were the location of the site relative to the preferred zone identified by Citygate Associates, adequacy of the parcel size and shape, and availability of the parcel for purchase or lease. In addition, City staff met with staff from the Agua Caliente Band of Cahuilla Indians to discuss potential sites on Tribal land, and considered several City-owned sites within the downtown area. Of all the sites under consideration, the City-owned public parking lot to the south of the current Fire Station #1 building offered numerous benefits; however, the use of this site for the new fire station has been put on hold based on feedback received through multiple public input sessions.

#### STAFF ANALYSIS:

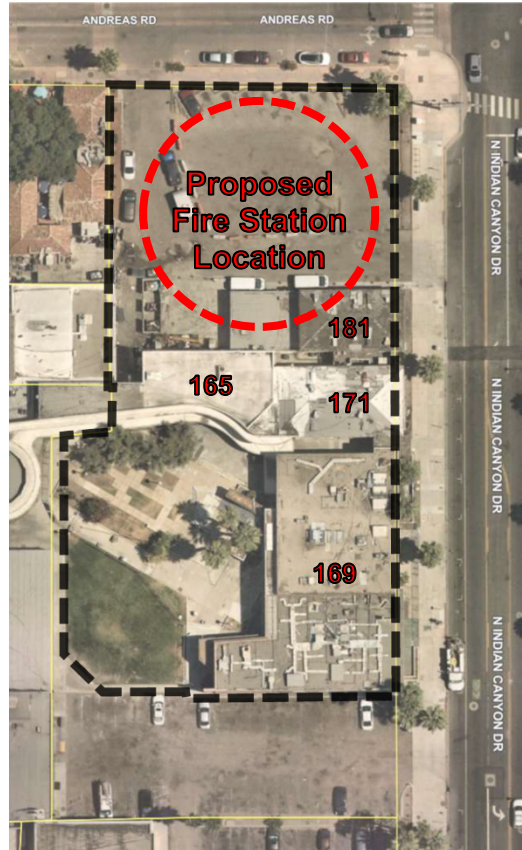
In looking for an alternative site for a new Fire Station #1, the City of Palm Springs (City) contacted the principals of Town and Country LLC (Seller) to discuss the possible purchase of a portion of their property at the southwest corner of Andreas Road and North Indian Canyon Drive. The property offered by the Seller, totaling approximately 0.95 acres, includes four existing buildings:

- 165 N. Indian Canyon – a two-story building of slump block and wood framing originally constructed in the 1920's and expanded between 1946-1948 (architect

unknown).

- 169 N. Indian Canyon – a two-story building with a basement and constructed in 1948 of wood, steel, and concrete, commonly known as the Town & Country Building or alternatively as the Zelda’s Building (Paul R. Williams and A. Quincy Jones, architects).
- 171 N. Indian Canyon – a two-story wood-frame building constructed between 1910 and 1920 (architect unknown).
- 181 N. Indian Canyon – a two-story wood-frame building constructed between 1910 and 1920 (architect unknown).

Three of the buildings (165 N. Indian Canyon, 169 N. Indian Canyon, and 171 N. Indian Canyon) were designated in 2016 as Class 1 historic resources by the City (Case HSPB #51). The property also includes an existing parking lot directly north of the building at 181 N. Indian Canyon, which is where the new fire station would most likely be located.



**Figure 1: Proposed Parcel Boundaries and Building Numbering  
(Portion of APN #513-092-009)**

In considering the purchase of the property, the City has engaged its on-call architect, Interactive Design Corporation (IDC), to provide a conceptual layout of the site to determine if there is sufficient area to accommodate the new fire station. The program for the fire station, as recommended by the Citygate Associates report, would include an

apparatus bay for four vehicles, with associated administrative spaces and living spaces necessary to accommodate the fire crews that would be staffing the station. IDC's analysis has demonstrated that there is sufficient area on the parcel to accommodate the station on the existing parking lot area if a two-story design is utilized. To accommodate the turning radii necessary for the various fire vehicles that would be utilized at the site, it is likely that the buildings at 171 N. Indian Canyon and 181 N. Indian Canyon would need to be demolished. Due to the historic nature of these buildings, approval from the Historic Site Preservation Board (HSPB) would be necessary for the demolition of these structures.

In negotiating the deal points for the purchase, the Seller and the City have agreed to the following terms:

- Purchase price: \$4,000,000.
- Property area: The proposed parcel that is being offered for sale is approximately 0.95 acres in area (as shown in Figure 1 on the preceding page).
- Lot line adjustment: The Seller will prepare all technical drawings and application materials necessary to create the new parcel boundaries, at their own expense.
- Use of grass area – courtyard: At the Seller's request, the City will provide the Seller with an option to lease the grass area for future outdoor dining.
- Demolition: The Seller will demolish the buildings and 171 and 181 N. Indian Canyon (upon approval by HSPB) at its own cost as part of the sales price. Demolition will include removal of the concrete foundations and asphalt parking lot, the application of soil stabilizer on the dirt, and installation of a chain link fence with screening around the demolition site. The Seller will also be responsible for any shoring and stabilization required for the building at 165 N. Indian Canyon Drive. The City will prepare the Certificate of Appropriateness application and present the application to the HSPB. The City will be responsible for dust control and maintenance of the screening following the completion of the demolition work.
- Parking spaces: The Seller will lease 11 spaces to the City in the south parking adjacent to the building at 169 N. Indian Canyon. The parking spaces will be leased at a cost of \$125 per parking space per month for a term of five years, with the rental fees waived for the first 12 months after the closing date. The City will have the option to renew the lease term for two additional five-year terms with an annual 3% increase.
- Affordable housing credit: The Seller will receive an affordable housing credit of six units against any future residential development where affordable units may be required by the City. The buildings at 171 and 181 N. Indian Canyon Drive currently contain six units, and the Seller has requested credit for those units.
- New trash enclosure/block wall: The City will expedite permitting for a new trash enclosure to replace the existing enclosure behind the buildings at 171 and 181 N. Indian Canyon. The new trash enclosure will be located in the south parking lot and will require the removal of 2+/- parking spaces. The Seller also intends to construct a masonry wall to separate the north side of their parking lot from the south side; the City will also expedite the wall permit, subject to compliance with code requirements.
- Space rental: One of the Seller's tenants is currently leasing storage space in the

building at 165 N. Indian Canyon Drive. The Seller has requested that the tenant be allowed to continue to use the space until such time as another space can be located or until the City needs to vacate the building for construction. The Seller will manage the lease of the space at no cost to the City, and will provide the monthly lease payment of \$700 to the City.

To assist in determining an appropriate purchase price for the site, the City engaged an independent consultant, CBRE Valuation & Advisory Services, to prepare an appraisal for the property. The consultant considered the square footage of the proposed site boundaries (approximately 41,400 square feet), the existing buildings on the site, and the highest and best use of the property based on the zoning standards and requirements currently in place. Based on their assessment, the property is valued at \$3,150,000, or approximately \$76 per square foot including the improvements.

As a point of comparison, the Seller shared a copy of an appraisal that they had commissioned from Reliance Evaluation Group in 2023, which included the parcel that is being offered to the City, the parking lot to the south of the City parcel, and the retail buildings fronting Palm Canyon Drive (total parcel size = 96,267 square feet). The appraisal valued the entire property at \$14,500,000, or approximately \$151 per square foot including all improvements.

The discrepancy between the two appraisals might be attributed to a variety of factors, including the following:

- Differing economic and real estate conditions between 2023 and 2026;
- The Seller's appraisal includes the buildings along the Palm Canyon Drive frontage, which are in better condition than the buildings to be acquired by the City and can command higher rents per square foot;
- The two appraisals included different comparables, which may have impacted the resulting appraised values.

It should be noted that since date of appraisal by CBRE, the Seller has offered an additional land area of approximately 4,000 square feet to the City, encompassing the grass-covered area of the courtyard and the sidewalk along the south side of the 169 N. Indian Canyon Building. Consequently, the City's appraisal would be adjusted upward in value if it were to include the additional land area.

In considering whether the purchase price of \$4,000,000 is fair market value for the property based on the appraisal prepared for the City, the following additional factors may be considered:

- The appraisal prepared by CBRE did not include the additional land area that was later offered by the Seller, which increases the appraised value of the property;
- The Seller will pay for all costs associated with the preparation and submittal of all technical documentation required for the lot line adjustment that will be necessary to create the parcel to be acquired the City;
- The Seller will demolish the buildings at 171 N. Indian Canyon and 181 N. Indian

Canyon, shore and stabilize the building at 165 N. Indian Canyon, remove all concrete foundations and asphalt, and will fence and stabilize the soil on the site in preparation for the sale to the City;

- The Seller will grant access via a lease to 11 parking spaces immediately south of the building at 169 N. Indian Canyon for use by tenants of the buildings that the City is acquiring.

The additional land and the accompanying services listed above that will be provided by the Seller add value and reduce the City's costs in preparing the site for eventual construction of the fire station building. In addition, a voluntary, negotiated purchase of the property avoids the cost, expense and uncertainty of litigation, should the City Council have found it necessary to acquire the property through eminent domain. These factors help to bridge the gap between the City's appraisal and the asking price for the site.

ENVIRONMENTAL ASSESSMENT:

This purchase of land is not a "project" for purposes of the California Environmental Quality Act (CEQA), as that term is defined by CEQA guidelines (Guidelines) Section 15378. The City has not committed itself to the construction of the project as a whole or to any particular features, so as to effectively preclude any alternatives or mitigation measures that CEQA would otherwise require to be considered, including the alternative of not going forward with the project. The City will prepare the necessary environmental assessment should the City commit to any future development project at the site.

ALIGNMENT WITH STRATEGIC PLANNING:

This item aligns with the following City Council Strategic Plan Broad Goal: Public Safety and Community Services.

FISCAL IMPACT:

The purchase price of \$4 million will be a new appropriation to the General Fund.

REVIEWED BY:

Assistant City Manager:	Flinn Fagg
Finance & Treasury Director:	Kristopher J. Mooney
City Attorney:	Jeffrey S. Ballinger
City Manager:	Scott Stiles

ATTACHMENTS:

- A. Proposed Purchase and Sale Agreement