

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.22  
(ID # 24350)**

**MEETING DATE:**  
Tuesday, March 12, 2024

**FROM :** OFFICE OF ECONOMIC DEVELOPMENT:

**SUBJECT:** OFFICE OF ECONOMIC DEVELOPMENT: Ratify and Approve the Agreement between the City of Palm Desert and the County of Riverside, Setting Forth Terms for City Withdrawal from the Riverside County Library System (RCLS). District 4. [\$4,000,000 Total Cost – 100% Riverside County Library System] (4/5 Vote Required)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and Approve the Agreement between the City of Palm Desert and the County of Riverside, Setting Forth Terms for City Withdrawal from the RCLS;
2. Authorize the County Executive Officer to Execute the Agreement on Behalf of the County of Riverside; and
3. Approve and direct the Auditor-Controller to Make Budget Adjustments as Detailed in Attached Schedule A.

**ACTION:4/5 Vote Required**

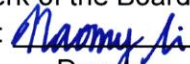
  
Suzanne Holland, Director of Office of Economic Development 2/27/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: March 12, 2024  
xc: OED

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$4,000,000	\$0	\$4,000,000	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$4,000,000	\$0
<b>SOURCE OF FUNDS:</b> 100% RCLS			<b>Budget Adjustment:</b> Yes	
			<b>For Fiscal Year:</b> 23/24	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The Palm Desert Library branch located at 73-300 Fred Waring Drive in the City of Palm Desert (Library) is currently part of the Riverside County Library System (RCLS), a county free library system pursuant to California Education Code Section 19100 et seq. As set forth in Education Code Section 19116, to withdraw from the Riverside County Library System and assume responsibility for providing its own public library services, a City must provide notification to the Board of Supervisors of Riverside County that the City no longer desires to be a part of the county free library system and indicate whether the City intends to acquire property.

On October 12, 2023, the Palm Desert City Council held a public hearing and approved Council Resolution No. 2023-047, approving the City's withdrawal from the Riverside County Library System and announcing intent to assume provision of library services and establish an independent municipal library system. City staff were directed to begin negotiations with the County regarding the lease of the Palm Desert Library building and contents, the transfer of funds for library operations, and the drafting of an agreement in accordance with Education Code Section 19116.

On November 7, 2023 (Agenda item 3.7) the Board of Supervisors received and filed Palm Desert City Council Agenda Resolution No. 2023-047, and County staff provided the California Board of Equalization notice of the City's withdrawal from RCLS effective July 1, 2024, prior to the December 2, 2023 deadline defined in the California Education Code.

On February 15, 2024, the City of Palm Desert City Council approved the agreement in substantial form by and between the City of Palm Desert and the County of Riverside setting the terms for withdrawal from the Riverside County Library System. Effective July 1 of this year, the City of Palm Desert will continue to operate the Library at the current library location. The building is owned by the Desert Community College District; the County will therefore terminate its lease and vacate the building.

Following the dissolution of Redevelopment, the City was required to transfer approximately \$11 million in withheld library-related pass-thru revenues to RCLS pursuant to ABX1 26 (enacted in 2011). Since then, these funds have been utilized for library-specific operations and special programming; however, a portion of the funding had been held for eventual buyout of Desert Community College District's lease. Since its construction, the Palm Desert Library branch has been a multi-agency facility; half of the

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building has been used by RCLS for library services and the other half was used as a Desert Community College District library. In 2006, the Desert Community College District announced plans to vacate its portion of the existing library building to convert an on-campus facility into the College's Library. This would eventually necessitate buy out of the College's lease, with a cost calculated at \$4 million. In 2013, the County agreed to utilize a portion of the previously transferred pass thru revenue to buy out the lease so that the County and City could utilize the entire 42,000 square foot facility for RCLS use. With the City's withdrawal from RCLS, the County would now transfer the \$4 million to the City, to be used for the creation of the new Palm Desert Library.

Palm Desert Library property tax and RDA-pass-through revenues generated within City boundaries are currently allocated to the County of Riverside, as RCLS provides library services in Palm Desert. Pursuant to Education Code Section 19116, once the City of Palm Desert's withdrawal from RCLS becomes effective on July 1 of this year, the Auditor Controller's Office will redirect library revenues to the City, as it will become the direct provider of library services within the City's boundary.

**Impact on Residents and Businesses**

The Palm Desert City Council has expressed its desire for local control through direct provision of library services to City residents as a municipal library. Residents within the City of Palm Desert will still have access to all Riverside County Library System branches utilizing their RCLS card.

**ATTACHMENTS:**

- Schedule A Budget Adjustment
- Palm Desert Library Withdrawal Agreement

  
Scott Brukner 3/5/2024

  
Aaron Gettis, Chief Deputy County Counsel 3/5/2024

**AGREEMENT BY AND BETWEEN THE CITY OF PALM DESERT AND THE COUNTY OF RIVERSIDE SETTING THE TERMS FOR WITHDRAWAL FROM THE RIVERSIDE COUNTY LIBRARY SYSTEM**

**THIS Agreement Setting the Terms for Withdrawal from the Riverside County Library System** (hereinafter, "Agreement") is entered into this 15th day of February, 2024 (the "Effective Date") by and between the City of Palm Desert, a California municipal corporation ("City"), and the County of Riverside, a political subdivision of the State of California ("County"). For purposes of this Agreement, the City and the County may each be referred to individually as "Party" and collectively as the "Parties."

**RECITALS**

**WHEREAS**, the Riverside County Library System ("RCLS") is a public library system with multiple branches in Riverside County, California, established by the County pursuant to Education Code, section 19100 et seq.; and

**WHEREAS**, the County operates the Palm Desert Library ("Library"), a county free library, within the Palm Desert Library Building ("Building") located within the City's jurisdictional boundaries; and

**WHEREAS**, the Palm Desert Library is currently a part of RCLS, and its residents receive the benefits of the Library, and the property within the City is liable to taxes levied for county free library purposes; and

**WHEREAS**, the Parties, together with the Palm Desert Redevelopment Agency ("RDA"), and the Desert Community College District ("District"), established the terms and conditions for the funding, planning, construction, operation and maintenance for and of the Building in the 1993 Cooperative Agreement, dated March 11, 1993, by and between the Parties, together with the Lease Agreement, dated March 2, 1993 by and between the County and District for the operation of the Library ("Lease"); and

**WHEREAS**, the District owns the Building and the County leases a portion of the Building for use as the Library; and

**WHEREAS**, the Parties and other affected agencies entered into various RDA Cooperative Agreements in 1987, 1988, 1992 and 1993 to allow RDA to expand into new project areas and set forth the formula for sharing of the resulting tax increment, including in part, the formula for sharing of the resulting tax increment by the City, County, RDA and the District for the Library; and

**WHEREAS**, pursuant to AB X1 26 (enacted in 2011), and the California Supreme Court's decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011), all redevelopment agencies in the State

of California, including the RDA, dissolved as of February 1, 2012, and the Successor Agency of Palm Desert Redevelopment Agency was established as the successor entity to the RDA; and

**WHEREAS**, on October 12, 2023, the City Council held a public hearing and approved Council Resolution No. 2023-047, withdrawing from the RCLS effective on July 1, 2024, and indicating its intent to assume provision of library services by establishing a Palm Desert Municipal Library effective July 1, 2024 (the "Withdrawal"), pursuant to Education Code section 19116. Thereafter the City provided notice to the County of the Withdrawal and the County provided notice to the State Board of Equalization on November 27, 2023; and

**WHEREAS**, on November 7, 2023 the County Board of Supervisors received and filed City Resolution No. 2023-047 regarding the Withdrawal and directed the County's Office of Economic Development to begin negotiations with the City on matters related thereto, including but not limited to (1) Lease of the Library Building and Contents, (2) Transfer of Funds for Library Operations, and (3) Drafting of an agreement regarding the transfer of the Palm Desert Library branch. Thereafter the County provided the California Board of Equalization notice of the City's withdrawal from the RCLS effective July 1, 2024, which notice was provided prior to December 2, 2023; and

**WHEREAS**, the purpose of this Agreement is to establish the terms for the Withdrawal, including the City's assumption of the Lease, the transfer of personal property (including books, computer systems, furniture, and furnishings) and redirection of funding to the City for its operation of the new Palm Desert Municipal Library, and ongoing collaboration between the Parties for the transition to and operation of the new Palm Desert Municipal Library and use of the Building; and

**NOW, THEREFORE**, in consideration of the preceding Recitals and the mutual covenants contained herein, the Parties hereby set forth their respective mutual understanding as to the terms and conditions regarding the Withdrawal.

## **AGREEMENT**

### **Section 1. Recitals.**

The Recitals stated above are incorporated into and made part of this Agreement.

### **Section 2. Terms of Withdrawal.**

The Parties agree as follows with regard to the Withdrawal:

#### **A. Transfer of Property Taxes and RDA Pass Through Funds.**

1. Transfer of Property Taxes and RDA Pass Through Funds by the County to the City:

- a. Effective July 1, 2024, and annually thereafter (subject to future adjustment as set out in Section 2.A.1.b below), in accordance with Education Code Section 19116(b) the County's Auditor Controller shall direct an estimated \$2,208,000 of funding from the sources described below (the "Funding Sources") to the City:
  - i. AB 8 Funding attributable to real property within the City's boundaries: estimated at \$954,000.00
  - ii. Library related RDA Pass Through Funding (from all applicable project areas): estimated at \$1,254,000.00
- b. Base Year: The County and the City shall, no later than December 31, 2024, confirm the actual amounts identified in section 2.A.1.a for the 2023/24 fiscal year in order to establish the Base Year amount, as defined and set forth in Education Code Section 19116. The County's Auditor-Controller shall direct the transfer of AB 8 property tax funding and RDA pass through funding to a separate account, details of which shall be specified by City. Following the Base Year, the funds will be listed as general property tax revenue to the City and be adjusted forward according to the normal property tax rules in accordance with Education Code Section 19116(b).

**B. Transfers of Library Capital Funds by County to the City.**

The County shall transfer \$4 Million in Library Capital Funds previously titled, Palm Desert Library District Improvement Fund, for the construction or improvement of the Palm Desert Library. Funds shall be transferred the earlier of 30 days of execution of this Agreement, or June 30, 2024.

**C. Building Lease.**

The City anticipates entering into a new lease with the District for the Building. County intends to enter into a separate Lease termination agreement with the District.

**D. Transfer of Personal Property within the Library.**

The County shall transfer, ownership of the mutually agreed upon personal property within the Library, including, but not limited to, all collections excluding local history (including books and materials) (the "Personal Property"), to the City for the operation of the Palm Desert Municipal Library. The Parties hereby agree to work collaboratively to memorialize an inventory of the Personal Property to be transferred to the City, which transfer shall be at no cost to the City, and shall be effective on or before May 10, 2024.

**E. Employment of County Library Staff.**

The City has the option to offer employment to staff employed at the Library prior to June 30, 2024. Employment opportunities at the new Palm Desert Municipal Library are subject to an interview, selection, and probationary process with the City.

**F. Transfer of Data.**

Within fifteen (15) days of the Effective Date the County shall provide the City all Library related records, data, information on patron numbers, and circulation data, along with the Library's bibliographic and item records from the RCLS integrated library system for use by the City in the provision of services for the future Palm Desert Municipal Library. The Parties hereby agree to work collaboratively to memorialize the records, data and information to be transferred to the City, which transfer shall be at no cost to the City. Additionally, between April 30 and May 10, 2024, the County will resupply the City with up-to-date bibliographic and item records from the RCLS integrated library system.

**G. Access of Library/ Building by City.**

The City intends to conduct work to refresh the Library/ the Building commencing on or around May 13, 2024. Accordingly, the County shall:

1. Grant the City access to the Library between the Effective Date of this Agreement and April 30, 2024 for the purposes of City work in conducting facility assessment and preparation of improvements to the Library and/or Building, and development of a transition schedule for the City's operation of the Library.
2. Cease provision of services from the Library on April 30, 2024 (provided however the County shall continue to provide electronic book and database services to City residents through June 30, 2024, as described below).
3. Vacate the Library and/or Building (with the exception of the Library staff workroom) and remove any content to be retained by the County, as agreed to in writing by the County and City by May 10, 2024, which date may be extended upon written request by the County and written approval of the City.
4. Vacate the Library staff workroom by May 13, 2024, which date may be extended to May 31, 2024 upon written request by the County and written approval of the City.

5. Continue to offer electronic book and database access to City residents through June 30, 2024. On and after July 1, 2024, City residents that are also RCLS cardholders will maintain their RCLS library cards, and may continue to access RCLS services.
6. Work with the City to collect RCLS-owned materials mistakenly returned to the Library after April 30, 2024. From May 1, 2024-June 30, 2024, the County shall collect materials from the exterior book drop at the Library and shall return any materials to be transferred to the City pursuant to this Agreement, for use by the City in the provision of services for the future Palm Desert Municipal Library.

H. The Parties shall agree, as a provision of the Withdrawal Agreement, to settle and release all claims or controversies that they may have against each other related to the Library, Building, or any agreements related thereto.

**Section 3. Settlement and Release of Claims.**

The County and City hereby agree that the terms of this Agreement fully resolve all claims related to those portions of the various above referenced Cooperative Agreements pertaining to the Library, the Building, and funding related thereto.

**Section 4. Indemnification.**

Each Party (the "Indemnifying Party") shall defend, indemnify, and hold harmless the other Party and its officials, officers, employees, contractors, agents, and authorized volunteers ("Indemnified Parties") from any and all claims, demands, damages, liabilities, fines, expenses, and related costs and fees, including attorney's fees, arising from or related to the Indemnifying Party's material breach of this Agreement or the negligence, recklessness, or willful misconduct of the Indemnifying Party or its officials, officers, employees, contractors, agents, and authorized volunteers.

**Section 5. Costs.**

The Parties shall be responsible solely for their own costs and expenses, including attorney's fees, related to the drafting, negotiation, and execution of this Agreement.

**Section 6. Nature of Agreement.**

The Parties acknowledge, understand and agree that this Agreement does not, and shall not be construed to create, a principal-agent relationship; a master-servant relationship; an employer-employee relationship; a partnership relationship; a joint venture relationship; or any like association.



**Section 7. Notices.**

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by fax or certified mail, postage prepaid and return receipt requested, addressed as follows:

**City**

L. Todd Hileman  
City Manager  
73-510 Fred Waring Drive  
Palm Desert, CA 92260-2578

**County**

Jeffrey A. Van Wagenen  
County Executive Officer  
4080 Lemon Street, 4<sup>th</sup> Floor  
Riverside, CA 92501-3659

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

**Section 8. Severability.**

If any term or condition of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

**Section 9. Attorney's Fees.**

In the event any Party initiates legal action to enforce any provision of this Agreement or to recover damages for the breach of any provision contained herein, the prevailing Party in such litigation shall recover such costs and expenses as may be incurred by the prevailing Party, including court costs, reasonable attorney's fees and other related costs and expenses. This provision shall survive the early termination or expiration of this Agreement.

**Section 10. Governing Law/Venue.**

This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Riverside County Superior Court of the State of California. If applicable law absolutely requires that all or part of any such litigation be tried in a United States Federal District Court, venue, without exception, shall be in the Eastern Division of the Central District of California located in the City of Riverside, California. This provision shall survive the termination of this Agreement.

**Section 11. Modification.**

No amendment to, or modification of, this Agreement shall be valid or enforceable unless made by mutual written agreement of the Parties.

**Section 12. Third Parties.**

The Parties agree that nothing in this Agreement may be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement. All rights and benefits under this Agreement inure exclusively to the Parties.

**Section 13. Time Is Of The Essence.**

The Parties agree that time is of the essence under this Agreement. The Parties agree to initiate and complete all actions required under this Agreement with all reasonable diligence.

**Section 14. Entire Agreement.**

This Agreement, including any attached exhibits, constitutes the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between the Parties prior to the execution of this Agreement.

**Section 15. Assignment.**

No Party may assign any of its rights under this Agreement, except with the written prior consent of the other Parties. All other assignments of rights are prohibited under this section.

**Section 16. Authority To Sign.**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of their respective legal entities.

**Section 17. Counterparts.**

This Agreement shall be executed in any number of counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

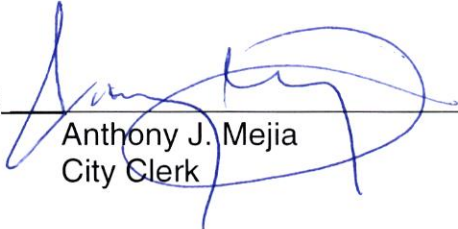
**[SIGNATURES ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the City and the County have executed this Agreement setting terms for withdrawal from the Riverside County Library System to be in effect as of the Effective Date set forth above.

**CITY OF PALM DESERT**, a California municipal corporation

DATE: February 15, 2024

BY:   
L. Todd Hileman  
City Manager

ATTEST:   
Anthony J. Mejia  
City Clerk

**COUNTY OF RIVERSIDE**, a political subdivision of the State of California

DATE: 3.12.24

BY:   
Jeffrey A. Van Wagenen  
County Executive Officer

ATTEST: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FORM APPROVED COUNTY COUNSEL

BY  RYAN D. YABKO 3/5/24 DATE

SCHEDULE A  
Office of Economic Development County Free Library  
City of Palm Desert withdrawal from Riverside County Library System  
Fiscal Year 2023/2024

Increase appropriations:		
21200-1900700000-536200	Contrib To Non-County Agency	\$4,000,000
Use of restricted fund balance:		
21200-1900700000-322100	Rst For Construction/Cap Proj	\$4,000,000