

City of La Quinta

CITY COUNCIL MEETING: July 21, 2015

STAFF REPORT

AGENDA TITLE: ECONOMIC DEVELOPMENT STRATEGIES

RECOMMEDATION

Provide direction regarding economic development strategies.

EXECUTIVE SUMMARY

- On March 17, 2015, City Council provided staff with direction to develop an economic development strategic plan that would preserve La Quinta's retail, tourism, recreation, quality of life and economic base.
- Attachment 1 presents the strategic plan for Council review and input.

FISCAL IMPACT

None.

BACKGROUND/ANALYSIS

On May 20, 2014, City Council formed an Economic Development Subcommittee. Since formation, the Subcommittee has meet with a wide breadth of business stakeholders to better understand emerging trends in the retail and hospitality sectors, and market forces affecting them. These discussions then stimulated the need for an economic development strategy wherein City resources would be invested to stimulate: job creation and retention; tax base enhancement; quality of life (creation, enhancement and preservation); strategic partnerships; and resource programming.

The City Council discussed economic development strategies at the March 17, 2015 Study Session and subsequently, the community was geographically categorized into four distinct opportunities including: the Village, SilverRock Resort, the Highway 111 corridor, and the eastern unincorporated area. Understanding the unique characteristics of these four critical areas has been essential for drafting a long-term economic development plan.

On July 8, 2015, a draft plan was presented to the Economic Development Subcommittee. Their input has been incorporated into the La Quinta Economic Development Strategic Plan, which is subdivided into the following components:

- **VISION** - a broad, overarching goal illustrating the intentions of the plan.

- **Guiding Principles** - provide greater detail to the long-range focus by a specific opportunity, for example, preserving quality of life.
- **Objectives** - 'half way point' objectives that bridge immediate resource use and the long-range intent of the plan outlined in each of the guiding principles.
- **Strategies** - resource deployment or tactical plan for the current fiscal year (defines a set of activities with measurable outcomes, corresponding budget and a program evaluation).

The draft plan is in a pyramid format with the vision at the top. As the document progresses, the components that comprise the plan become more directional in nature and shift from qualitative to quantitative goals.

The recommended next steps include:

- Provide direction on plan implementation.
- Consider policymaking for the Economic Development Reserve. Examples could include adoption or development of incentives such as transient occupancy tax or sales tax sharing agreements.

Report prepared by: Ted Shove, Business Analyst

Report approved by: Frank J. Spevacek, City Manager

Attachment: 1. Draft La Quinta Economic Development Strategic Plan

2015

La Quinta Economic Development Strategic Plan



City of La Quinta



2015 Economic Development Strategic Plan

After a period of organizational readjustment in response to the dissolution of California Redevelopment Agencies, the City of La Quinta is now forging ahead with an economic growth based vision. This long-term vision is supported by the Economic Development Strategic Plan (“Plan”), which directs organizational resources toward expanded economic development over a ten-year period through strategic plan components including a set of seven guiding principles. The guiding principles are objectives that set performance standards in five-year intervals.

Local municipalities most commonly operate on an annual budget cycle wherein resources are allocated for specific initiatives through a tactical plan, which matches budgeted resources with defined efforts and measurable outcomes. Strategies are an incremental approach to accomplish objectives, allowing for annual adjustments. The tactical plan within this document outlines a pathway to allocate resources for economic development in La Quinta.

Prior to the beginning of each year, a program evaluation is conducted. The report, presented to the City Council, identifies the effectiveness of resources allocated and provides recommendations for the next fiscal year. The tactical plan portion of this document would then be revised to incorporate the recommended changes.

In the following section, the economic development based vision is identified and serves as the central focus of each of the guiding principles. The Plan’s central thrust is a focused approach at preserving and enhancing La Quinta’s business environment and community profile.

VISION

To preserve La Quinta’s vibrant community through enhanced amenities, exceptional quality of life, full spectrum housing supply, and a robust, year-round economic base; that will act as a beacon to the community for the future.

STRATEGIC PLAN COMPONENTS

The Plan’s components are broken down into seven ***Guiding Principles*** with corresponding **Objectives** and further categorized into **Strategies**.

- I. ***Robust Economic Base - Develop a year-round, recession resistant economic base in La Quinta through business attraction, expansion and retention.***
 - a. **Implement** approaches that maintain communitywide low commercial vacancy rates.
 - I. **Identify** alternatives from national emerging trends to reoccupy existing commercial vacancies.
 - II. **Attract** a new end user to most challenged commercial developments, consistent with current General Plan.
 - III. **Develop** a City-owned property disposition strategy yielding greater business attraction marketability.
 - b. **Streamline** business-related municipal code sections, encourage expedience and business friendliness.
 - I. **Maintain** ongoing dialogue with local businesses through outreach, survey concerns and challenges. Categorize similar challenges; develop potential solutions, present recommendations to Council, as appropriate.
- II. ***Expand Hotel and Hospitality Amenities - Stimulate expansion of La Quinta’s hotel/resort/hospitality industries.***
 - a. **Champion** full build out and long term economic viability of SilverRock Resort.

- b. *Identify potential hotel/short-term vacation rental property development 'Opportunity Sites' throughout the community.*

III. Ensure Vitality of La Quinta Village - Create critical mass in the La Quinta Village to support its economic base.

- a. **Promote** mixed-use development in and around the Village to bolster critical mass via foot traffic to support existing and future business base.
- b. **Develop** practices to create year-round critical mass that will support the economic base, including pedestrian-friendly infrastructure.

IV. Assure an All-Inclusive Housing Community - Support opportunities that create a full spectrum housing inventory.

- a. **Adopt** policies that encourage the expansion of community housing options (i.e. affordable, special needs, live/work, sustainable).
 - I. *Develop in conjunction with other City departments - a program that proactively addresses residential properties that are in a state of disrepair/blighted.*
 - II. *Identify and market housing sites in close proximity to the Village that encourage critical mass in the area.*

V. Preserve Quality of Life - Encourage recreational and cultural events that promote La Quinta's quality of life and support existing economic base.

- a. **Maximize** co-branding opportunities with Thermal's BMW Driving School.
- b. **Develop** an annual event that is unique to La Quinta's values.

VI. Support Regional Economic Development - Maintain a stake in regional economic development by supporting initiatives that lead to: Increased educational opportunities that support local job creation; Plentiful supply of high value housing; Quality of life

preservation; and Development of an industrial base derived from specific clusters.

a. **Actively** participate in regional economic development efforts as a stakeholder, seeking: greater educational opportunities, local job creation/retention and industrial cluster development.

I. **Support** creation of an overall East Valley Coalition in regional economic development initiatives.

VII. Program Evaluation - Periodically evaluate alignment of guiding principles with objectives and tactical plan. Realign short- and long-term strategies as necessary to ensure overall success of the Plan: preserve sound fiscal stability.

a. **As** a periodic component of program evaluation, alignment towards guiding objectives and outcomes achieved will be evaluated. Alignment corrections will reflect a demonstrable link to both midrange and long term goals established

I. **Seek** input through community stakeholder engagement to validate economic development strategy. Update Objectives and Guiding Principles to reflect stakeholder input.

City of La Quinta FY 2015-16 Economic Development Tactical Plan

Tactical Plan Components	Annual Measurable Outcomes	Associated Activities	Estimated Budget
<p>Business Attraction - Village/U.S. Highway 111 Corridor</p>	<p>Stimulate at least 20,000/sf commercial development creating 20 permanent jobs with an initial capital investment of \$500,000.</p>	<p>Encourage regular communication with local real estate brokerage community: stay current with market trends.</p>	<p>\$ 20,000</p>
		<p>Complete a market analysis for 'Opportunity Sites', identify and target potential end users.</p>	
		<p>Identify, develop marketing materials and market at least 9 vacant, commercially zoned AND 4 hotel/short term vacation rental property 'Opportunity Sites'.</p>	
		<p>Complete an auto dealer regional market analysis for City-owned real property located on U.S. Highway 111.</p>	
		<p>Develop a 'Cost of Doing Business Analysis' for the retail and hotel industries - comparing La Quinta to regional communities.</p>	
		<p>Attend ICSC and other regional events, set and attend at least 25 appointments.</p>	
		<p>Facilitate at least 5 site tours with site selector/corporate rep.</p>	
		<p>Develop business attraction collateral materials.</p>	

City of La Quinta FY 2015-16 Economic Development Tactical Plan

Streamline Business Permitting	Implement survey questionnaires, quantify all data recorded. Provide periodic reporting to Council.	Revise existing business outreach program utilizing a qualitative approach. Include an 'exit interview' survey	\$ 5,000
		Develop an add-in function to the City website: "How are we doing" customer service survey.	
	Complete at least 40 outreach visits	Establish customer service satisfaction metrics.	
		Report findings to Council with recommended solutions.	
Address blighted/aesthetically challenged conditions in and adjacent to residential districts	Carry out at least two community clean up events	Identify funding for residential community clean up events.	In-kind
	Develop a program and alternate funding to assist current City efforts in turf reduction initiatives	Identify alternate sources of funding for turf replacement of single-family dwelling residential units and City owned right of way and median properties.	
SilverRock	Ensure project adheres to approved development schedule/agreement		In-kind
Special Events	Partner with community stakeholders to add an additional community event	Identify special community event venues that would increase economic activity in the community.	\$ 2,000
		Engage event organizers; determine optimal conditions for an additional community event.	

City of La Quinta FY 2015-16 Economic Development Tactical Plan

Community Marketing	Stimulate the increase of BMW Driving School co-marketing opportunities at community events	Identify existing opportunities to engage BMW Driving School for co-marketing purposes.	In-kind
		Engage BMW to encourage participation in co-marketing with the City of La Quinta.	
Support Mission of East Valley Coalition (EVC).	Attain at least 80% completion of EVC Matrix for first fiscal year	Champion EVC initial set up to include hiring the EVC Manager.	\$ 10,000
		Act as a resource for the Coalition by providing guidance, staffing, and required financial contribution.	
		Provide periodic and final annual report to Council.	
Economic Development (ED) Strategy Validation	Utilize an online platform to engage La Quinta residents in providing input to validate ED Strategy	Identify cost-appropriate online platform to engage community.	In-kind
		Market online platform to residents and stakeholders for the purposes of receiving feedback.	
		Compile feedback; incorporate changes to main document, as necessary.	
		Report feedback to Council, seek final approval.	
		Estimated Budget:	\$ 37,000.00