



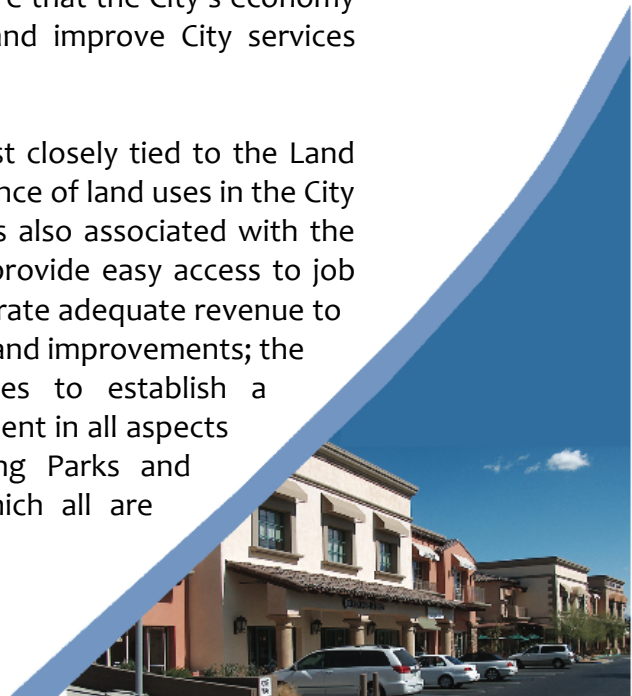
## ECONOMIC DEVELOPMENT

### PURPOSE

The Economic Development Element is intended to establish a framework for the maintenance and expansion of a healthy economic climate in La Quinta. The City's economic health is vital to everyone – residents, business people, and visitors. As such, this Element is intended to guide decision makers to assure that the City offers a balanced job market for its residents; high quality retail and office developments for business owners; and healthy sales and property tax revenues to fund City services, programs and activities.

This Element has been prepared at a time when the City's economy has been significantly impacted by the recession of 2008-2012. Economic cycles, however, will result in good and bad economic times in the City during the life of this General Plan. In 2012, the City has the opportunity to plan for the next economic upturn and assure that the City's economy expands and is successful when growth once again occurs. This Element also provides guidance to assure that the City's economy provides sufficient revenues to maintain and improve City services through 2035.

The Economic Development Element is most closely tied to the Land Use Element, insofar as the pattern and balance of land uses in the City are key to assuring a healthy economy. It is also associated with the Circulation Element – both in the need to provide easy access to job centers and shopping, and the need to generate adequate revenue to fund the high cost of roadway maintenance and improvements; the Livable Community Element, which strives to establish a framework for a resource efficient environment in all aspects of City life; and other Elements, including Parks and Recreation, Open Space and Housing, which all are associated with quality of life.



---

The goals, policies and programs provided in this Element are intended to guide future economic growth in the City in the broadest sense. The City utilizes a number of tools to foster economic growth. In particular, the City adopts an annual Economic Development Plan, which contains goals and activities to help stimulate the local economy and bring new investment to La Quinta.

## BACKGROUND

The City has evolved from a small residential suburb providing affordable housing and limited commercial opportunities, to a community that provides a broad range of housing for permanent and seasonal residents; and one that is a destination for regional shopping. The City has historically had three dominant economic sectors around which its economy has revolved: resort hotels, golf and retail commercial. The growth in these sectors have spurred development of all types in the City. They will continue to be an important part of the City's economy.

As a basis for this Element, a brief summary of statistical data on the City's population, housing and employment growth is provided below. This demographic data clearly demonstrates the significant growth the City has experienced in the recent past.

### Population

According to the US Census, population in the City increased from 12,470 in 1990, to 24,084 in 2000, and 37,467 in 2010. This represents a 93.1% increase between 1990 and 2000, and a 55.5% increase between 2000 and 2010. The Southern California Association of Governments (SCAG) estimates that the City's population will reach 41,625 in 2020, and 46,297 in 2035.

The median age of the City's population, 45.6 years, shows that La Quinta is home to a number of families, particularly since 24% of the City's total population is under 19 years of age.

### Housing Units

The 2010 Census determined that there are 23,489 housing units in the City, and that the total housing vacancy rate stands at 36.9%. It is important to note that the Census estimates the seasonal vacancy rate at 27.5%, and that the City's net vacancy rate is 12.4%. The vacancy rate highlights the importance of the seasonal resident to La Quinta's housing market.

---

The vast majority of housing units (90%) are attached or detached single family homes. The balance are multi-family homes (9%), and mobile homes (1%).

As with other economic sectors, the City has experienced a significant decrease in the number of new homes constructed in recent years. From 2010 to January 2012, there were 96 housing units of all types (single family homes, apartments and condominiums) built in the City. By comparison, 8,473 housing units were built from 2000 to 2009, or an average of almost 850 units annually. As growth in residential development will spur commercial growth, the housing market's recovery will be an indicator of improved economic conditions throughout all market segments.

#### Households and Income

The 2010 Census identified 14,820 households in the City, which translates to an average household size of 2.5 persons. SCAG estimates that there will be 16,580 households in La Quinta in 2020, and 17,948 households in the City in 2035.

It is estimated that the City's median household income in 2010 was \$72,181, and per capita income stood at \$43,450. The median household income has increased significantly in the last twenty years, and the City now ranks higher than the County median household income, which stood at \$54,296 in 2010.

#### Employment

In 1990, there were 5,368 employed residents in La Quinta. By 2010, that number had risen to over 19,700. As shown in Table II-13, the majority of residents, or 61.6%, work in white-collar jobs, followed by service and sales jobs, and blue collar jobs. The largest sector of employment is Sales (14.61%), followed by Management (13.25%). Please note that this Table shows employment regardless of whether the job is in La Quinta or elsewhere.

**Table II-13**  
**Employment by Occupation, 2010**

Occupation	Employed	% of Employed
Architect/Engineer	189	0.96%
Arts/Entertainment/Sports	646	3.27%
Building Grounds Maintenance	1,002	5.07%
Business/Financial Operations	958	4.85%
Community/Social Services	430	2.18%
Computer/Mathematical	125	0.63%
Construction/Extraction	1,343	6.79%
Education/Training/Library	1,031	5.22%
Farm/Fish/Forestry	73	0.37%
Food Prep/Serving	1,758	8.89%
Health Practitioner/Technicians	872	4.41%
Healthcare Support	268	1.36%
Maintenance/Repair	430	2.18%
Legal	248	1.25%
Life/Physical/Social Science	85	0.43%
Management	2,620	13.25%
Office/Admin Support	2,080	10.52%
Production	442	2.24%
Protective Services	618	3.13%
Sales/Related	2,889	14.61%
Personal Care/Service	1,168	5.91%
Transportation/Moving	494	2.50%
<b>Total</b>	<b>19,769</b>	<b>100.00%</b>

Source: Nielsen Claritas, December, 2010.

The major employers in La Quinta are shown in **Table II-14**. The recent economic downturn will have affected the data in this Table, as the school district has experienced significant budgetary reductions, but the importance of retail and resort industry employers is still clearly significant in the City.

**Table II-14  
Major Employers in La Quinta**

<b>Employer</b>	<b>Employment</b>
Desert Sands Unified School District	2,471
La Quinta Resort & Club	1,600
WalMart Supercenter	800
Rancho La Quinta	700
PGA West	285
Imperial Irrigation District	150
Lowe's Home Improvement	150
Home Depot	100
Stater Brothers	100
Tradition Golf Club	100

Source: County of Riverside EDA 2009

**Economic Drivers**

Three economic sectors have been key to the City's growth: tourism, golf and retail sales.

Tourism and the Resort Industry

La Quinta has benefited from the Coachella Valley's climate, physical environment and reputation in the tourism industry. Although for many years the City battled the perception of "Palm Springs" as the only tourism destination in the region, a number of factors, and aggressive marketing, have allowed the City to develop its own identity as a tourist destination. The relatively low intensity of development in the City and region, its wildlife and open space, and the lack of congestion throughout the Valley relative to more urban areas have all served to promote short and long term visitors' interest in the City.

Tourism in the City is not limited to hotel development. Resort residential development is also an important economic driver in the City. The regional demand for second homes and vacation homes, as well as retirement housing, have resulted in a number of golf and recreation oriented projects geared to part-time residency. The City is home to a number of seasonal residences, which represent 27.5% of the City's housing stock and increase the population by almost 50% each winter; and fractional ownership or timeshare projects, which attract tourists for shorter periods, ranging from a week to a month.

Resort residential development began at PGA West, but has expanded to include golf course country club developments such as Rancho La Quinta, retirement communities such as Trilogy, and exclusive communities such as The Hideaway. The City's growing reputation as a

---

destination resort community adds depth to the economy, while generating lower annualized demand for roads, public services and utilities.

#### Golf Courses and SilverRock Resort

The City's winter residents and visitors have long been attracted to the many golf courses that have been developed in the City. Much of the single family residential development in the City is built around these golf courses. Golf is a revenue generating industry in the City, both in terms of retail sales, and in terms of the increased disposable income golf-oriented visitors and residents bring to the City.

Golf has also been a successful marketing tool for the City. The City promotes golf and recreation in its marketing efforts across the country. In addition, professional golf tournaments in La Quinta have raised the public awareness of the City as a destination.

The SilverRock Resort represents a potentially significant economic development opportunity for the City. SilverRock is a 525 acre property on which the City's golf course has been developed. The course has hosted professional and amateur tournaments, and has been a featured course in the PGA's Bob Hope Classic in the past (the tournament is now the Humana Challenge). The golf course is the first phase of an adopted Specific Plan for the entire property. The Specific Plan includes two hotels, one a boutique hotel, as well as resort retail and related development. Prior to the current economic downturn, the City had actively marketed the hotel and resort commercial development, and was actively working toward its implementation. The current market has stalled these development plans, but the City can expect that in the next economic cycle, the development opportunities offered by SilverRock will be significant. It will be important to conduct outreach activities with potential developers, local stakeholders, event sponsors, and the local community to ensure future development of SilverRock embraces current and future trends, such as health and wellness, in order to remain relevant.

As the revenue potential for this property is tied to golf, the City's continued marketing of the golf course, and its use for professional and amateur events, will continue to be significant to the City's long term economic health. The land around the existing golf course is planned for hotel and resort retail development.

---

### Retail Commercial Development

In the last two decades, the most significant growth in the City has been its retail sales. In 1995, there were \$121 million in taxable sales in the City. By the year 2000, that number had grown to \$318 million; and to \$683 million in 2005. Even in recessionary times, the City's total taxable sales in 2009, the last year for which full year data is available, were \$623 million.

Commercial lands are identified throughout the City. Approximately 65% of all commercial land in the City is developed in 2012. There are 184 acres of vacant General Commercial land in the City, 139 acres of vacant Tourist Commercial land, and 13 acres of vacant Village Commercial land. In the future, the expansion of commercial development will include not only Highway 111, Washington Street and Jefferson Street, but also commercial lands identified on the Land Use Map in the southeastern portion of the City, including lands on Madison Street, and on the east side of Monroe Street, in the Sphere of Influence.

Retail commercial development has focused historically in two areas: the most significant expansion has occurred along Highway 111, and the Village has developed a reputation as a specialty retail center. Both these areas will continue to play an important role in the City's economy.

#### *Highway 111*

The Highway 111 corridor represents the majority of retail activity in the City. It has been, and will continue to be the focus of regional shopping, and can be expected to continue to attract national retailers. The challenge in the long term will be its redevelopment, as the majority of the corridor is now developed, and pressure for expansion will continue as the City and region grows. Development along Highway 111 has been dominated by shopping centers, auto dealerships and big-box retail pads. As retail development continues to change in the future, the pattern of development along Highway 111 may change as well.

Automobile dealerships contribute significantly to the City's revenues. In 2010, there were \$43.3 million dollars in vehicle and auto parts sales in the City, down significantly from 2005's \$121.9 million. In the recent recession, the difficulties of the auto industry as a whole were reflected in the City's dealerships as well. The City has traditionally supported existing dealerships, and actively recruited new ones, and will continue to do so. Their continued success and expansion will

---

contribute to the City's long term financial health. Vacant land within the La Quinta Auto Center, and lands planned for auto dealerships in the Dune Palms and Highway 111 Specific Plan must be preserved for these uses; and active recruiting to develop these properties will continue to be an important economic development strategy.

Highway 111 also provides the City with the best opportunity for Mixed Use development – or more specifically the integration of more intense residential development. Its access to transit, and proximity to employment centers, schools and other services make it ideal for mixed use projects. These projects in the future may include retail below residential units, but could also include residential projects next to existing or future commercial development. Mixed Use projects serve multiple purposes: they bring residents close to shopping and employment opportunities, which is good for the businesses because their customers are close at hand; they lower the number of vehicle trips by allowing people to walk between home and work or home and shopping; and they help the City meet its regional planning goals established in the Southern California Association of Governments Sustainable Community Strategies.

The Land Use Element and the Livable Community Element provide greater detail on Mixed Use development in the Highway 111 corridor.

#### *The Village*

The City has also seen the expansion of the Village as a specialty retail district with a focus on cultural and special events and venues. The Village has established its identity in part through the Civic Center and Park, which also includes the Library and Senior Center; the La Quinta Arts Festival, which occurs on the Civic Center campus annually; the development of the Old Town shopping and dining area, which has provided a focus for the specialty retail market; and through the conversion of single family homes to offices and restaurants. Critical to its economic health is the expansion of this retail niche, and the continued attractiveness of residential living in a pedestrian-friendly environment. The Village can provide another opportunity for Mixed Use development in the City, but on a completely different scale than the Highway 111 corridor. Mixed Use development in this neighborhood will be of a smaller scale, consistent with the commercial development in the area, and will integrate with the existing mix of single family homes and smaller apartment projects that already exist in the area. The Village is also the commercial area for the Cove, being located at the base of the Cove. It has taken advantage of this position in the past, and will continue to do so into the future.



---

The Village will continue to be challenged by its isolated location, and its small land area. It has not yet developed to its full potential, and can provide La Quinta's residents and visitors with a greater range of shops and businesses, all located in easy walking distance for most. As it expands, the Village will need to include pedestrian and golf cart facilities, shaded paseos and seating, and an interconnection of projects that make it an all day destination for shoppers and business people. The Village also will benefit from offering full time residents jobs, shopping and entertainment opportunities, so that activity and revenues are not dependent on visitors and part-time residents.

Please also see the Land Use and Livable Community Elements.

#### The City's Economic Development Plan

The City maintains an Economic Development Plan, updated annually, that helps guide its economic development efforts. The Plan's primary focus is on the long term economic health of the City, as opposed to immediate short term economic influences. As such, it provides the City's decision makers and staff with a vision for the economic future of the City. However, since the Plan is updated annually, it allows the City to consider changes to its economic development policies based on current trends.

The Plan supports the City's active involvement in economic development. Historically, this has included active recruiting of businesses, the commitment of funds to assist with infrastructure and other costs, and working closely with property owners, developers, and brokers in the recruitment and retention of businesses, and the diversification of the City's economy to take advantage of emerging economic trends, and fill gaps in the existing market.

As the City continues to grow and mature, the Plan must also address changes in the Highway 111 corridor, and the reuse and redevelopment of retail centers in this area.

#### Changing Municipal Revenues

The most significant challenge for the City in the short term implementation of the Economic Development Plan is the 2012 loss of the La Quinta Redevelopment Agency. The Agency contributed significantly to the City's ability to promote economic development projects, and its elimination will significantly impact the City's ability to participate in economic development through infrastructure investment and land acquisition. The City must look to creative

partnerships and financing models in the future to replace the Agency’s efforts. In addition, the City has a vested interest in encouraging legislative efforts to reintroduce redevelopment or another economic development tool at the State level in the future.

The City’s economy directly impacts government’s ability to provide services. La Quinta relies on a large number of revenue sources from regional and state programs and agencies, but is dependent on three sources of revenue for general services: sales tax, property tax and transient occupancy tax. Although all revenues have been reduced in recent years, **Table II-15** shows the major sources of revenue received by the City.

**Table II-15**  
**Major General Fund Revenue Sources, 2008-2012**

	2008-09	2009-10	2010-11	2011-12
Property Tax	\$5,681,900	\$5,406,000	\$6,509,500	\$5,957,300
Sales Tax	\$9,062,000	\$7,490,000	\$6,637,000	\$7,136,000
Transient Occupancy Tax	\$5,600,000	\$4,128,000	\$4,000,000	\$4,500,000
Motor Vehicle In Lieu Fees	\$3,942,100	\$3,931,500	\$3,627,800	\$3,315,000
Franchise Fees	\$1,764,400	\$1,584,500	\$1,454,600	\$1,457,730
<b>Total</b>	<b>\$26,050,400</b>	<b>\$22,540,000</b>	<b>\$22,228,900</b>	<b>\$22,366,030</b>

Source: 2011-2012 City Budget

Because of the current recession, all income sources have been significantly reduced. As a result, the City has considered and implemented revenue enhancements and reductions in expenditures to counter the revenue losses. Although through the life of this General Plan economic downturns and upturns will continue to occur, the City’s ability to carefully plan for downturns by expanding reserves during upturns will be critical to the City’s long term economic health. As described in the Parks and Recreation and Public Facilities elements of this document, the City still intends to provide its residents with a full range of services, and preserve its quality of life in the long term. In order to meet the demand, the City must assure that sufficient revenue is generated to provide these services.

---

## PLANNING FOR THE FUTURE

The City will continue to experience economic growth and downturns throughout the life of this General Plan. In order to protect the services the City provides its residents, the City will need to continue to adapt and grow to stabilize its revenues and expenditures.

An economic analysis was conducted to determine the costs and revenues associated with the build out of the Land Use Map. That analysis found that the City's revenues could increase to \$115.1 million annually, including considerable increases in transient occupancy tax and sales tax. The analysis also found, however, that expenditures could rise to \$121.2 million, including general services, public safety and recreation. This is primarily due to the costs associated with providing services to residential development, which does not 'pay for itself' in terms of revenue generation to the City. As a result of the high number of residential units in the City, revenue generating land uses, including commercial and resort development in particular, may need to be expanded and enhanced to assure long term economic stability.

The Land Use Element identifies the potential for 3.2 million square feet of commercial space, including resort hotel, retail and office space in the City limits at build out. The effective use of this space, particularly for revenue generating businesses, hotels and resorts, is key to the City's economic health. At build out of the City, the 660 acres of General Commercial and Village Commercial land could generate \$24.1 million annually in sales tax revenue to the City, more than tripling that revenue source. However, it is critical that the uses that develop on these lands be primarily focused upon generating sales tax revenue, such as retail uses, while carefully balancing other important land uses with less revenue potential, such as professional office developments. The City must also consider the potential for the redevelopment and expansion of existing retail centers over the life of the General Plan, to assure that under-performing projects do not limit the potential for revenue in the long term.

The incorporation of Mixed Use in the Zoning Ordinance for all General Commercial and Village Commercial lands also provides the City with an opportunity to increase revenues and limit costs. The synergies associated with Mixed Use can reduce vehicle trips (and the associated road maintenance costs), increase the use of transit, and allow the addition of residential units in tandem with higher revenue commercial projects. Mixed Use development in the future may facilitate a more

---

balanced cost-revenue for the City, and should be considered on that basis as projects are proposed.

The ability of the City to provide a full range of services and a high quality of life is directly tied to its annual budget. The Land Use Map establishes the development potential of lands within the City and its Sphere of Influence. Based on this Map and the development potential associated with it, an analysis of potential revenues and costs to the City's General Fund was prepared. The assumptions included the following components:

- For residential development in the City, a total of 31,603 units, and a build out population of 79,956 at 100% occupancy.
- For residential development in the Sphere, a total of 21,500 units, and a build out population of 54,395 at 100% occupancy.
- For commercial development throughout the City and Sphere, building coverage of 22%.
- For industrial development in the Sphere, building coverage of 22%.
- For Tourist Commercial lands, a total of 3,074 hotel rooms (including 1,160 rooms at SilverRock Resort and 500 rooms at the Travertine project), with an average occupancy rate of 65%, and a hotel room rate averaging \$184.

As shown in **Table II-16** below, the analysis concludes a negative cash flow to the City. The analysis then added the build out of the Sphere of Influence, based on the Land Use designations assigned on the La Quinta Land Use Map. As shown in **Table II-17**, below, the analysis identifies that build out of the Sphere of Influence significantly increases the negative cash flow the City will experience.

**Table II-16  
Buildout Revenues and Costs  
City Limits Only**

<b>REVENUES</b>	
<b>TAXES</b>	
Property Tax	\$14,139,771
Document Transfer Tax	\$826,658
Sales Tax	\$ 24,088,281
Transient Occupancy Tax	\$ 40,529,562
Franchise Tax	\$ 7,098,909
<b>LICENSES AND FEES</b>	
Business License	\$ 953,993
Animal License	\$ 151,964
Development Permits	\$472,444
Miscellaneous Permits	\$ 225,801
General Government Fees	\$ 21,709
Community Service Fees	\$ 1,649,899
Departmental Fees	\$ 1,888,387
<b>INTERGOVERNMENTAL</b>	
Motor Vehicle In-Lieu	\$ 8,833,184
MVLF	\$ 424,302
Fines and Forfeitures	\$ 1,584,772
Other	\$852,944
<b>OTHER REVENUE</b>	
Miscellaneous Revenue	\$ 434,184
<b>REIMBURSEMENTS</b>	
Gas Tax Fund	\$ 5,369,673
Landscaping & Lighting	\$ 1,040,606
Library & Museum	\$ 4,327,862
<b>TOTAL REVENUES</b>	<b>\$114,914,907</b>
<b>EXPENDITURES</b>	
<b>GENERAL GOVERNMENT</b>	
Legislative	\$ 2,395,945
City Manager	\$ 1,135,769
Development Services	\$ 4,534,437
Management Services	\$ 3,659,078
City Clerk	\$ 1,849,570
Finance	\$ 3,195,626
Community Services	\$14,388,927
Building & Safety	\$ 11,713,218
Planning	\$ 4,564,809
Public Works	\$ 15,245,973
<b>POLICE</b>	<b>\$ 58,468,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$121,151,351</b>
<b>Net Impact</b>	<b>\$(6,236,444)</b>

**Table II-17  
Buildout Revenues and Costs  
City and Sphere of Influence**

<b>REVENUES</b>	
<b>TAXES</b>	
Property Tax	\$24,149,225
Document Transfer Tax	\$1,361,634
Sales Tax	\$ 34,496,740
Transient Occupancy Tax	\$ 40,529,562
Franchise Tax	\$ 12,243,046
<b>LICENSES AND FEES</b>	
Business License	\$ 1,086,151
Animal License	\$ 262,084
Development Permits	\$ 814,795
Miscellaneous Permits	\$ 389,424
General Government Fees	\$ 37,441
Community Service Fees	\$ 2,845,479
Departmental Fees	\$ 3,256,784
<b>INTERGOVERNMENTAL</b>	
Motor Vehicle In-Lieu	\$ 15,086,138
MVLF	\$ 731,768
Fines and Forfeitures	\$ 2,733,157
Other	\$1,299,247
<b>OTHER REVENUE</b>	
Miscellaneous Revenue	\$ 748,810
<b>REIMBURSEMENTS</b>	
Gas Tax Fund	\$ 9,257,806
Landscaping & Lighting	\$ 1,040,606
Library & Museum	\$ 4,327,862
<b>TOTAL REVENUES</b>	<b>\$156,697,758</b>
<b>EXPENDITURES</b>	
<b>GENERAL GOVERNMENT</b>	
Legislative	2,395,945
City Manager	1,135,769
Development Services	4,534,437
Management Services	3,659,078
City Clerk	2,132,733
Finance	3,195,625
Community Services	19,847,690
Building & Safety	17,459,664
Planning	6,719,998
Public Works	16,737,998
<b>POLICE</b>	<b>92,817,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$170,635,905</b>
<b>Net Impact</b>	<b>\$(13,938,147)</b>

---

In order to assure that the City continues to receive at least as much revenue as it has expenses, the fiscal impacts of future development projects and annexations must be carefully monitored.

The City must continue to fully consider the importance of the resort industry in its planning. Catering to a broad range of visitors – from hotel guests to winter residents – and assuring that their needs are met is vital to the City’s economy. The land designated for tourist commercial development, particularly the hotel sites at SilverRock Resort, have the potential to increase transient occupancy tax from its current \$4.5 million annually to as much as \$40.5 million. The City’s Economic Development Plan has focused on SilverRock’s hotel and tourist retail development in the past, and the City must continue to promote and market the property for these uses in the future.

By 2035, the City’s core will likely be built out and the Highway 111 corridor will have experienced significant reuse and redevelopment. Care must be taken to assure that the development that replaces existing projects is geared to meet future trends and opportunities.

The City must also consider carefully the balance of costs and revenues when considering expansion of its boundaries into its Sphere of Influence. Although the recent elimination of redevelopment in California will have changed the revenue potential for this area, the City must fully consider costs and revenues when contemplating future annexations. The annexation of the Sphere of Influence has the potential to be a financial drain on the City, if development is primarily residential in nature. Of particular concern is that this area will not generate any property tax revenue for many years to come, due to bonded indebtedness of Riverside County. If residential lands are to be annexed, these lands will need to offset their fiscal impact to the City to assure that the annexation is revenue neutral. The Master Plan for the east Sphere, and annexation proposals in the future, must demonstrate a balance between costs and revenues, and may need to be revenue-positive in order to be supportable.

The City’s Economic Development Plan will continue to be a valuable tool to guide future revenue expansion in the City. As an annually updated document, it can respond quickly to changes in market trends, and direct the City’s focus to take advantage of these opportunities.

---

## GOALS, POLICIES AND PROGRAMS

### GOAL ED-1

A balanced and varied economic base which provides fiscal stability to the City, and a broad range of goods and services to its residents and the region.

#### ❖ [Policy ED-1.1](#)

The Land Use Element shall maintain a balance of land use designations to address economic needs, meet market demand, and assure a wide range of development opportunities.

- *Program ED-1.1.a:* Use the City's GIS capabilities to annually monitor the remaining capacity of vacant and under-utilized lands to assure that sufficient inventory exists to address market needs.
- *Program ED-1.1.b:* Development proposal review for commercial development shall include consideration of the proposal's compatibility with surrounding existing uses, its efficient and revenue-generating use of the land, and its compatibility with the City's Economic Development Plan.

#### ❖ [Policy ED-1.2](#)

Support and assist in the retention of existing businesses, and the recruitment of new businesses.

- *Program ED-1.2.a:* Continue to annually update and implement the City's Economic Development Plan.
- *Program ED-1.2.b:* Participate, where feasible and justifiable, in public/private partnerships or other means for the retention of existing businesses, and the development of new projects which generate significant economic activity.
- *Program ED-1.2.c:* Focus marketing and publicity efforts on the commercial and resort sectors, as revenue generation sources.
- *Program ED-1.2.d:* Every five years, in the Economic Development Plan, complete an analysis of existing commercial projects to identify under-performing locations, and develop



---

strategies and public/private partnerships to improve or redevelop these projects.

- *Program ED-1.2.e:* Establish a program to regularly monitor City costs and revenues based on existing development and projected development allowed under the Land Use Map. Consider amendments to the Land Use Map to increase revenue generation potential, based on the cost revenue analysis and sound economic forecasting.
- *Program ED-1.2.f:* Improve and enhance the City’s application process for commercial development proposals.

### ❖ [Policy ED-1.3](#)

Encourage the expansion of the Village as a specialty retail, dining and residential destination.

- *Program ED-1.3.a:* Maintain, in the Zoning Ordinance, standards and guidelines that encourage the development of a pedestrian-friendly, interconnected neighborhood with a balance of residential and commercial development.
- *Program ED-1.3.b:* Include the Village in the Mixed Use Overlay in the Zoning Ordinance.
- *Program ED-1.3.c:* Continue to sponsor and support special events in the Village and at the Civic Center, as a means of attracting visitors to the area.

### ❖ [Policy ED-1.4](#)

Support and facilitate the reuse and redevelopment of commercial projects on Highway 111.

- *Program ED-1.4.a:* As provided in the Land Use Element, establish comprehensive standards for Mixed Use development in commercial zones.
- *Program ED-1.4.b:* Development proposals for the reuse and redevelopment of existing projects shall be encouraged to implement creative design, include pedestrian access, and facilitate transit and alternative transportation.

---

❖ [Policy ED-1.5](#)

Projects proposed on commercial land shall be evaluated for their job creating and revenue generating potential.

- *Program ED-1.5.a:* The City may require the preparation of fiscal impact analyses for commercial projects when deemed appropriate in the application review process.

❖ [Policy ED-1.6](#)

Assure that all revenues due to the City are collected.

- *Program ED-1.6.a:* Establish and maintain a comprehensive program to enforce the payment of transient occupancy tax, sales tax, and other fees and licenses due to the City.

❖ [Policy ED-1.7](#)

All annexation applications by land owners shall include a fiscal analysis that fully addresses the fiscal impact of the proposed annexation. Subsequently, all annexation applications shall also include a Development Agreement application or other mechanism that demonstrates how the annexation will be revenue neutral or revenue positive for the City.

❖ [Policy ED-1.8](#)

Aggressively lobby for the passage of legislation that restores redevelopment funds to local jurisdictions, or provides other equivalent economic development tools.

**GOAL ED-2**

The continued growth of the tourism and resort industries in the City.

❖ [Policy ED-2.1](#)

Actively pursue the build out of the SilverRock Resort.

- *Program ED-2.1.a:* Through the City's Economic Development Plan, annually review the land use allocation within SilverRock's Specific Plan to assure that future development meets market needs and generates a long term revenue stream for the City.
- *Program ED-2.1.b:* Continue to promote professional and amateur golf tournaments, activities and events that publicize SilverRock in the local, state and national media.

---

### ❖ [Policy ED-2.2](#)

Support increased room occupancy at the City's existing hotels and resorts.

- *Program ED-2.2.a:* Continue to participate in co-op marketing, and include the City's resorts and hotels in City-sponsored marketing and advertising efforts.
- *Program ED-2.2.b:* Incorporate short term vacation rentals into the City's transient occupancy tax revenues.
- *Program ED-2.2.c:* Consider incentive programs for hotel remodeling and refurbishing, tied to increased transient occupancy tax revenue generation in the future.

### ❖ [Policy ED-2.3](#)

Actively pursue the development of additional hotel properties in all economic ranges, to accommodate all segments of the visitor market.

## RELATED GOALS

**GOAL LU-2:** High quality design that complements and enhances the City.

**GOAL CIR-1:** A transportation and circulation network that efficiently, safely and economically moves people, vehicles, and goods using facilities that meet the current demands and projected needs of the City.

**GOAL LU-6:** A balanced and varied economic base which provides a broad range of goods and services to the City's residents and the region.

**GOAL SC-1:** A community that provides the best possible quality of life for all its residents.



*La Quinta*

— GEM *of the* DESERT —

---