

HAND OUTS

**CITY COUNCIL
MEETING**

SEPTEMBER 20, 2022

CITY COUNCIL MEETING - SEPTEMBER 20, 2022 - HAND-OUT BY RESIDENT JAMES ALDERSON
 DEPARTMENTAL REPORT NO. 3 - FINANCIAL PROJECTIONS REGARDING MEASURE A
GENERAL FUND FINANCIAL PROJECTIONS - Gradual Recovery

ATTACHMENT 1



City of La Quinta

As of February 23, 2022

	Actual	Growth	Current Budget	2022/23 to 2031/32										
	2020/21	Projections	2021/22 *	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	TOTAL
1. Cash Receipts														
Sales Tax - Measure G *	\$ 12,594,389		\$ 12,300,000	\$ 12,637,800	\$ 12,890,556	\$ 11,142,684	\$ 11,365,538	\$ 11,592,848	\$ 11,824,705	\$ 12,061,200	\$ 12,302,424	\$ 12,548,472	\$ 12,799,441	\$ 121,165,668
Sales Tax - Bradley Burns	10,729,160	2%	10,500,000	10,710,000	10,924,200	11,142,684	11,365,538	11,592,848	11,824,705	12,061,200	12,302,424	12,548,472	12,799,441	117,271,512
Transient Occupancy Tax	11,071,977	1%	11,840,000	11,958,400	12,077,984	12,198,764	12,320,751	12,443,959	12,568,399	12,694,083	12,821,023	12,949,234	13,078,726	125,111,322
Property Tax	9,232,411	2%	8,927,000	9,105,540	9,287,651	9,473,404	9,662,872	9,856,129	10,053,252	10,254,317	10,459,403	10,668,591	10,881,963	99,703,123
Fire Service Property Tax	7,591,078	2%	7,047,900	7,188,858	7,332,635	7,479,288	7,628,874	7,781,451	7,937,080	8,095,822	8,257,738	8,422,893	8,591,351	78,715,989
Fire Property Tax Reserves ^b	70,110		800,200	78,662	225,586	381,262	546,098	720,519	904,969	1,099,910	936,511	936,511	936,511	6,766,539
Motor Vehicle In-Lieu	4,376,455	2%	4,615,000	4,707,300	4,801,446	4,897,475	4,995,424	5,095,333	5,197,240	5,301,184	5,407,208	5,515,352	5,625,659	51,543,622
Other Revenue/Intergovernmental	2,503,819	1%	1,577,100	1,592,871	1,608,800	1,624,888	1,641,137	1,657,548	1,674,123	1,690,865	1,707,773	1,724,851	1,742,100	16,664,955
Franchise Fees	1,942,464	1%	1,825,000	1,843,250	1,861,683	1,880,299	1,899,102	1,918,093	1,937,274	1,956,647	1,976,213	1,995,976	2,015,935	19,284,473
Charges for Services	962,358	1%	876,010	884,770	893,618	902,554	911,580	920,695	929,902	939,201	948,593	958,079	967,660	9,256,653
Development Related Permits	1,289,270	1%	999,000	1,008,990	1,019,080	1,029,271	1,039,563	1,049,959	1,060,459	1,071,063	1,081,774	1,092,592	1,103,518	10,556,268
Document Transfer Tax	1,568,997	1%	750,000	757,500	765,075	772,726	780,453	788,258	796,140	804,102	812,143	820,264	828,467	7,925,126
Business Licenses/Permits	735,341	1%	1,253,000	1,265,530	1,278,185	1,290,967	1,303,877	1,316,916	1,330,085	1,343,386	1,356,819	1,370,388	1,384,092	13,240,244
Fines and Assessments	779,006	1%	294,000	296,940	299,909	302,908	305,938	308,997	312,087	315,208	318,360	321,543	324,759	3,106,649
SilverRock Resort Net Revenue ^c	-		-	-	531,400	1,260,000	2,500,000	2,960,000	2,842,000	3,222,000	3,540,000	3,575,400	3,611,154	24,041,954
Carryover Funding/Use of Reserves	16,589,933		14,640,959											
2. Total Revenue	\$82,036,768		\$78,245,169	\$64,036,411	\$65,797,807	\$65,779,173	\$68,266,744	\$70,003,554	\$71,192,421	\$72,910,185	\$74,228,407	\$75,448,618	\$76,690,776	\$704,354,097
3. Cash Paid Out														
Police Services Contract ^d	16,395,945	6%	17,706,000	18,768,360	19,894,462	21,088,129	22,353,417	23,694,622	25,116,299	26,623,277	28,220,674	29,913,914	31,708,749	247,381,905
Fire Service Contract ^d	6,164,684	4%	6,988,000	7,267,520	7,558,221	7,860,550	8,174,972	8,501,970	8,842,049	9,195,731	9,563,561	9,946,103	10,343,947	87,254,624
Salaries (Full-Time Employees)	5,993,384	3%	6,335,400	6,525,462	6,721,226	6,922,863	7,130,549	7,344,465	7,564,799	7,791,743	8,025,495	8,266,260	8,514,248	74,807,109
Maintenance & Operations ^e	5,183,300	2%	7,273,850	7,419,327	7,567,714	7,719,068	7,873,449	8,030,918	8,191,537	8,355,367	8,522,475	8,692,924	8,866,783	81,239,561
Other Contract Services	2,797,373	2%	4,467,700	4,557,054	4,648,195	4,741,159	4,835,982	4,932,702	5,031,356	5,131,983	5,234,623	5,339,315	5,446,101	49,898,470
Transfers Out ^g	2,185,000	1%	1,082,000	1,092,820	1,103,748	1,114,786	1,125,934	1,137,193	1,148,565	1,160,050	1,171,651	1,183,367	1,195,201	11,433,315
Employee Medical Insurance Costs	1,276,886	3%	1,690,000	1,740,700	1,792,921	1,846,709	1,902,110	1,959,173	2,017,948	2,078,487	2,140,841	2,205,067	2,271,219	19,955,175
Other Personnel Costs	469,347	2%	976,320	995,846	1,015,763	1,036,079	1,056,800	1,077,936	1,099,495	1,121,485	1,143,914	1,166,793	1,190,129	10,904,240
PERS Unfunded Pension Liability ^h	2,008,514		1,477,100	1,283,698	1,377,000	1,476,400	1,539,800	1,580,600	1,659,600	1,699,600	1,740,600	1,784,600	1,771,600	15,913,498
PERS Normal Payroll Costs	504,405	2%	569,300	580,686	592,299.72	604,146	616,229	628,553	641,124	653,947	667,026	680,366	693,974	6,358,350
Salaries (Part-Time/Temporary)	178,248	2%	281,700	307,053	334,688	341,382	348,209	355,173	362,277	369,522	376,913	384,451	392,140	3,571,808
Capital Expenses ^f	4,610,911		6,315,356	2,052,000	2,052,000	2,052,000	2,052,000	2,052,000	2,052,000	2,052,000	2,052,000	2,052,000	2,052,000	20,520,000
Measure G Reserves	7,524,389		3,578,644	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	5,000,000
Multi-Year Project Carryovers	14,640,959		14,640,959	-	-	-	-	-	-	-	-	-	-	-
4. Total Operational Expenses	\$69,933,347		\$73,382,329	\$53,590,526	\$55,658,237	\$57,803,269	\$60,009,450	\$62,295,306	\$63,727,049	\$66,233,193	\$68,859,772	\$71,615,161	\$74,446,090	\$634,238,053
5. Yearly Operating Cash Position (2 minus 4)	12,103,421		4,862,840	10,445,885	10,139,570	7,975,905	8,257,294	7,708,248	7,465,371	6,676,992	5,368,634	3,833,457	2,244,686	70,116,043
6. RDA Loan Repayment ^j														
Repayment based on Last & Final ROPS	2,591,066		2,642,888	2,695,746	2,749,661	2,804,654	2,860,747	2,917,962	2,976,321	3,035,847	2,748,258	-	-	22,789,196
7. Cash Position After RDA Repayment (5 plus 6)	\$ 14,694,487		\$ 7,505,728	\$ 13,141,631	\$ 12,889,231	\$ 10,780,559	\$ 11,118,041	\$ 10,626,210	\$ 10,441,692	\$ 9,712,839	\$ 8,116,892	\$ 3,833,457	\$ 2,244,686	\$ 92,905,239

The Current Budget for 2021/22 INCLUDES carryovers from 2019/20.

Revenue projections are based on current economic conditions and historical trends.

Current Fire Service Reserve balance as of June 30, 2021 is \$11,423,931.

Expenditure projections are based on current operations, identified projects and regulatory requirements.

RDA loan repayments end in 2029/30 and are allocated 80% to the General Fund and 20% to the Housing Authority Fund.

OPERATING BUDGET NOTES:

- a - Measure G transaction and use sales tax effective April 1, 2017 is projected to be 110% of Bradley Burns sales tax collected.
- b - Fire Property Tax Reserve account balance as of June 30, 2021 is \$11,423,931. These funds are held in trust by the County of Riverside and restricted for fire services.
- c - SilverRock Resort Net Revenue includes revenue derived from sales tax, property tax, and transient occupancy taxes.
- d - Police and Fire services are provided by the County of Riverside and subject to the County's annual budget and contractual obligations.
- e - Maintenance and operations includes utilities and internal services charges.
- f - Ongoing capital expense projections include minimum capital funding required for street and sidewalk improvements to secure Measure A and Gas Tax funding (both restricted for road improvements).
- g - Transfers Out supports the Gas Tax Fund for street improvements, the Lighting and Landscape District, Art in Public Places, and SilverRock golf course.
- h - PERS unfunded pension liability projections are based on CalPERS actuarial valuations as of June 30, 2020 issued in August 2021.
- j - Annual RDA loan repayments represent the 80% General Fund portion. The remaining 20% is recognized in a Housing Authority Fund. The final repayment is scheduled for FY 2029/30.

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CITY COUNCIL MEETING - SEPTEMBER 20, 2022 - HAND-OUT BY RESIDENT JAMES ALDERSON
DEPARTMENTAL REPORT NO. 3 - FINANCIAL PROJECTIONS REGARDING MEASURE A

GENERAL FUND FINANCIAL PROJECTIONS
Measure G Revenue growth projection set at 110%
As of February 23, 2022

	Actuals 2020/21	Growth Projections	Current Budget 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
1. Cash Receipts														
Sales Tax - Measure G *	\$12,594,389		\$12,300,000	\$12,637,800	\$12,890,556	\$12,256,952	\$12,502,091	\$12,752,133	\$13,007,176	\$13,267,319	\$13,532,666	\$13,803,319	\$14,079,386	\$130,729,399
Sales Tax - Bradley Burns	\$10,729,160	2.00%	\$10,500,000	\$10,710,000	\$10,924,200	\$11,142,684	\$11,365,538	\$11,592,848	\$11,824,705	\$12,061,200	\$12,302,424	\$12,548,472	\$12,799,441	\$117,271,512
Transient Occupancy Tax	\$11,071,977	1.00%	\$11,840,000	\$11,958,400	\$12,077,984	\$12,198,764	\$12,320,751	\$12,443,959	\$12,568,399	\$12,694,083	\$12,821,023	\$12,949,234	\$13,078,726	\$125,111,322
Property Tax	\$9,232,411	2.00%	\$8,927,000	\$9,105,540	\$9,287,651	\$9,473,404	\$9,662,872	\$9,856,129	\$10,053,252	\$10,254,317	\$10,459,403	\$10,668,591	\$10,881,963	\$99,703,123
Fire Service Property Tax	\$7,591,078	2.00%	\$7,047,900	\$7,188,858	\$7,332,635	\$7,479,288	\$7,628,874	\$7,781,451	\$7,937,080	\$8,095,822	\$8,257,738	\$8,422,893	\$8,591,351	\$78,715,989
Fire Property Tax Reserves ^b	\$70,110		\$800,200	\$78,663	\$225,586	\$381,262	\$546,098	\$720,519	\$904,969	\$1,099,910	\$936,511	\$936,511	\$936,511	\$6,766,540
Motor Vehicle In-Lieu	\$4,376,455	2.00%	\$4,615,000	\$4,707,300	\$4,801,446	\$4,897,475	\$4,995,424	\$5,095,333	\$5,197,240	\$5,301,184	\$5,407,208	\$5,515,352	\$5,625,659	\$51,543,622
Other Revenue/Intergovernmental	\$2,503,819	1.00%	\$1,577,100	\$1,592,871	\$1,608,800	\$1,624,888	\$1,641,137	\$1,657,548	\$1,674,123	\$1,690,865	\$1,707,773	\$1,724,851	\$1,742,100	\$16,664,955
Franchise Fees	\$1,942,464	1.00%	\$1,825,000	\$1,843,250	\$1,861,683	\$1,880,299	\$1,899,102	\$1,918,093	\$1,937,274	\$1,956,647	\$1,976,213	\$1,995,976	\$2,015,935	\$19,284,473
Charges for Services	\$962,358	1.00%	\$876,010	\$884,770	\$893,618	\$902,554	\$911,580	\$920,695	\$929,902	\$939,201	\$948,593	\$958,079	\$967,660	\$9,256,653
Development Related Permits	\$1,289,270	1.00%	\$959,000	\$1,008,990	\$1,019,080	\$1,029,271	\$1,039,563	\$1,049,959	\$1,060,459	\$1,071,063	\$1,081,774	\$1,092,592	\$1,103,518	\$10,556,268
Document Transfer Tax	\$1,568,997	1.00%	\$750,000	\$757,500	\$765,075	\$772,726	\$780,453	\$788,258	\$796,140	\$804,102	\$812,143	\$820,264	\$828,467	\$7,925,126
Business Licenses/Permits	\$735,341	1.00%	\$1,253,000	\$1,265,530	\$1,278,185	\$1,290,967	\$1,303,877	\$1,316,916	\$1,330,085	\$1,343,386	\$1,356,819	\$1,370,388	\$1,384,092	\$13,240,244
Fines and Assessments	\$779,006	1.00%	\$294,000	\$296,940	\$299,909	\$302,908	\$305,938	\$308,997	\$312,087	\$315,208	\$318,360	\$321,543	\$324,759	\$3,106,649
SilverRock Resort Net Revenue ^c	-		-	\$531,400	\$1,260,000	\$2,500,000	\$2,960,000	\$2,842,000	\$3,222,000	\$3,540,000	\$3,575,400	\$3,611,154	\$24,041,954	
Carryover Funding/Use of Reserves	\$16,589,933		\$14,840,959											
2. Total Revenue	\$82,036,768		\$78,245,169	\$84,036,412	\$86,797,808	\$86,893,442	\$89,403,298	\$91,162,839	\$92,374,891	\$94,116,306	\$95,468,649	\$97,703,465	\$97,970,721	\$713,917,829
3. Cash Paid Out														
Police Services Contract ^d	\$16,395,945	6.00%	\$17,706,000	\$18,768,360	\$19,894,462	\$21,088,129	\$22,353,417	\$23,694,622	\$25,116,299	\$26,623,277	\$28,220,674	\$29,913,914	\$31,708,749	\$247,381,905
Fire Service Contract ^e	\$6,164,684	4.00%	\$6,968,000	\$7,267,520	\$7,558,221	\$7,860,550	\$8,174,972	\$8,501,970	\$8,842,049	\$9,195,731	\$9,563,561	\$9,946,103	\$10,343,947	\$87,254,624
Salaries (Full-Time Employees)	\$5,993,384	3.00%	\$6,335,400	\$6,525,462	\$6,721,226	\$6,922,863	\$7,130,549	\$7,344,465	\$7,564,799	\$7,791,743	\$8,025,495	\$8,266,260	\$8,514,248	\$74,807,109
Maintenance & Operations ^a	\$5,183,300	2.00%	\$7,273,850	\$7,419,327	\$7,567,714	\$7,719,068	\$7,873,449	\$8,030,918	\$8,191,537	\$8,355,367	\$8,522,475	\$8,692,924	\$8,866,783	\$81,239,561
Other Contract Services	\$2,797,373	2.00%	\$4,467,700	\$4,557,054	\$4,648,195	\$4,741,159	\$4,835,982	\$4,932,702	\$5,031,356	\$5,131,983	\$5,234,623	\$5,339,315	\$5,446,101	\$49,898,470
Transfers Out ^a	\$2,185,000	1.00%	\$1,062,000	\$1,092,820	\$1,103,748	\$1,114,786	\$1,125,934	\$1,137,193	\$1,148,565	\$1,160,050	\$1,171,651	\$1,183,367	\$1,195,201	\$11,433,315
Employee Medical Insurance Costs	\$1,276,886	3.00%	\$1,660,000	\$1,740,700	\$1,792,921	\$1,846,709	\$1,902,110	\$1,959,173	\$2,017,948	\$2,078,487	\$2,140,841	\$2,205,067	\$2,271,219	\$19,955,175
Other Personnel Costs	\$469,347	2.00%	\$976,320	\$995,846	\$1,015,763	\$1,036,079	\$1,056,800	\$1,077,936	\$1,099,495	\$1,121,485	\$1,143,914	\$1,166,793	\$1,190,129	\$10,904,240
PERS Unfunded Pension Liability ^h	\$2,008,514		\$1,477,100	\$1,283,698	\$1,377,000	\$1,476,400	\$1,539,800	\$1,580,600	\$1,659,600	\$1,699,600	\$1,740,600	\$1,784,600	\$1,771,600	\$15,913,498
PERS Normal Payroll Costs	\$504,405	2.00%	\$569,300	\$580,686	\$592,300	\$604,146	\$616,229	\$628,553	\$641,124	\$653,947	\$667,026	\$680,366	\$693,974	\$6,368,360
Salaries (Part-Time/Temporary)	\$178,248	2.00%	\$261,700	\$307,053	\$334,688	\$341,382	\$348,209	\$355,173	\$362,277	\$369,522	\$376,913	\$384,451	\$392,140	\$3,671,808
Capital Expenses ⁱ	\$4,610,911		\$6,315,356	\$2,052,000	\$2,052,000	\$2,052,000	\$2,052,000	\$2,052,000	\$2,052,000	\$2,052,000	\$2,052,000	\$2,052,000	\$2,052,000	\$20,520,000
Measure G Reserves	\$7,524,389		\$3,578,644	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000						\$6,000,000
Multi-Year Project Carryovers	\$14,640,959		\$14,640,959											
4. Total Operational Expenses	\$69,933,345		\$73,382,329	\$83,590,526	\$86,658,237	\$87,803,269	\$90,009,450	\$92,295,306	\$93,727,049	\$96,233,193	\$98,859,772	\$101,615,161	\$104,446,090	\$634,238,053
5. Yearly Operations Cash Position (2 minus 4)	\$12,103,423		\$4,862,840	\$10,445,886	\$10,139,671	\$8,090,173	\$9,393,848	\$8,867,533	\$8,647,842	\$7,883,113	\$6,598,877	\$6,088,304	\$3,524,630	\$79,679,776
6. RDA Loan Repayment Repayment based on Last & Final ROPS	\$2,691,066		\$2,642,889	\$2,685,746	\$2,749,661	\$2,804,654	\$2,860,747	\$2,917,862	\$2,976,321	\$3,036,847	\$2,748,258			\$22,789,196
7. Cash Position After RDA Repayment (5 plus 6)	\$14,694,489		\$7,505,723	\$13,141,632	\$12,889,232	\$11,894,827	\$12,254,595	\$11,785,495	\$11,624,163	\$10,918,960	\$9,347,135	\$5,088,304	\$3,524,630	\$102,468,972

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SCENARIO NO. 1 - IF THE INITIATIVE IS APPROVED

Category	Change Y-O-Y %	Current 2022/23	1-year 2023/24	2-years 2024/25	3-years 2025/26	5-years 2027/28	6-years 2028/29	7-years 2029/30	10-years 2032/33
Sales Tax									
Measure G		\$ 13,500,000	\$ 13,239,600	\$ 13,504,392	\$ 13,774,480	\$ 14,330,969	\$ 14,617,588	\$ 14,909,940	\$ 15,822,548
Bradley Burns	2%	\$ 11,000,000	\$ 11,220,000	\$ 11,444,400	\$ 11,673,288	\$ 12,144,889	\$ 12,387,787	\$ 12,635,542	\$ 13,408,939
STVR- Potential Sales Tax Loss		\$ -	\$ -	\$ (700,000)	\$ (1,400,000)	\$ (1,456,560)	\$ (1,485,691)	\$ (1,515,405)	\$ (1,608,160)
Property Tax	2%	\$ 9,915,000	\$ 10,113,300	\$ 10,315,566	\$ 10,521,877	\$ 10,946,961	\$ 11,165,900	\$ 11,389,218	\$ 12,086,330
Transient Occupancy Tax									
Hotel	2%	\$ 7,300,000	\$ 7,446,000	\$ 7,594,920	\$ 7,746,818	\$ 8,059,790	\$ 8,220,986	\$ 8,385,405	\$ 8,898,659
Bed & Breakfast/Resort Fees	1%	\$ 475,000	\$ 479,750	\$ 484,548	\$ 489,393	\$ 499,230	\$ 504,222	\$ 509,264	\$ 524,696
STVR Exempt	5%	\$ 1,000,000	\$ 1,050,000	\$ 1,102,500	\$ 1,157,625	\$ 1,276,282	\$ 1,340,096	\$ 1,407,100	\$ 1,628,895
STVR Non-Exempt	1%	\$ 4,000,000	\$ 4,040,000	\$ 4,080,400	\$ 4,121,204	\$ 4,204,040	\$ 4,246,081	\$ 4,288,541	\$ 4,418,489
STVR Non-Exempt- Potential Loss	1%	\$ -	\$ 4,040,000	\$ (4,080,400)	\$ (4,121,204)	\$ (4,204,040)	\$ (4,246,081)	\$ (4,288,541)	\$ (4,418,489)
Fees/Permits	1%	\$ 3,424,300	\$ 3,458,543	\$ 3,493,128	\$ 3,528,060	\$ 3,598,974	\$ 3,634,963	\$ 3,671,313	\$ 3,782,558
STVR Fees/Permits Exempt	5%	\$ 188,400	\$ 197,820	\$ 207,711	\$ 218,097	\$ 240,451	\$ 252,474	\$ 265,098	\$ 306,884
STVR Fees/Permits Non-Exempt	1%	\$ 753,600	\$ 761,136	\$ 768,747	\$ 776,435	\$ 792,041	\$ 799,962	\$ 807,961	\$ 832,443
STVR Fees/Permits Non-Exempt- Potential Loss	1%	\$ -	\$ 761,136	\$ (768,747)	\$ (776,435)	\$ (792,041)	\$ (799,962)	\$ (807,961)	\$ (832,443)
SilverRock Proceeds	20%	\$ -	\$ -	\$ -	\$ 500,000	\$ 720,000	\$ 864,000	\$ 1,036,800	\$ 1,791,590
Other Revenue	1%	\$ 16,764,800	\$ 16,932,448	\$ 17,101,772	\$ 17,272,790	\$ 17,619,973	\$ 17,796,173	\$ 17,974,135	\$ 18,518,769
Total Adopted Budget		\$ 68,321,100							
RDA Loan Repayment		\$ 2,695,746	\$ 2,749,661	\$ 2,804,654	\$ 2,860,747	\$ 2,976,321	\$ 3,035,847	\$ 2,748,258	\$ -
Measure A		\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
SB 1, Road Maintenance & Rehab Tax		\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000
Total Revenues:		\$ 73,966,846	\$ 79,439,394	\$ 70,303,591	\$ 71,293,175	\$ 73,907,279	\$ 75,284,345	\$ 76,366,669	\$ 78,111,706
Police Services	6%	\$ 18,072,000	\$ 19,156,320	\$ 20,305,699	\$ 21,524,041	\$ 24,184,413	\$ 25,635,477	\$ 27,173,606	\$ 32,364,200
Fire Services	5%	\$ 8,123,000	\$ 8,529,150	\$ 8,955,608	\$ 9,403,388	\$ 10,367,235	\$ 10,885,597	\$ 11,429,877	\$ 13,231,511
Operations	1%/4%	\$ 16,840,158	\$ 17,446,054	\$ 18,075,509	\$ 18,729,459	\$ 20,114,771	\$ 20,848,198	\$ 21,610,251	\$ 24,079,768
Administration	2%/3%	\$ 11,557,516	\$ 11,880,622	\$ 12,212,949	\$ 12,554,764	\$ 13,267,967	\$ 13,639,928	\$ 14,022,527	\$ 15,237,279
Capital Improvements	3%	\$ 7,817,000	\$ 8,051,510	\$ 8,293,055	\$ 8,541,847	\$ 9,062,045	\$ 9,333,907	\$ 9,613,924	\$ 10,505,394
PERS Unfunded Liability		\$ 2,241,600	\$ 1,377,000	\$ 1,476,400	\$ 1,539,800	\$ 1,659,600	\$ 1,699,600	\$ 1,740,600	\$ 1,756,600
Total Adopted Budget		\$ 64,651,274							
Measure G Reserves		\$ -	\$ -	\$ -	\$ -				
Total Expenses:		\$ 64,651,274	\$ 66,440,657	\$ 69,319,221	\$ 72,293,299	\$ 78,656,031	\$ 82,042,707	\$ 85,590,784	\$ 97,174,753
Ending Cash Position		\$ 9,315,572	\$ 12,998,737	\$ 984,371	\$ (1,000,124)	\$ (4,748,751)	\$ (6,758,362)	\$ (9,224,115)	\$ (19,063,047)

JAZ

La Quinta Comparison of 2021/2022

Taxes to Budget and 10 Year Forecast

	Actual	Budget	Actual	10 Year	Scenrio 1
	<u>2020/2021</u>	<u>2021/2022</u>	<u>2021/2022</u>	<u>Forecast</u>	<u>2022/2023</u>
				<u>2022/2023</u>	<u>2022/2023</u>
Sales Tax Measure G	\$ 12,594,389	\$ 12,300,000	\$ 15,615,411	\$ 12,637,800	\$ 13,500,000
Sales Tax - Bradley Burns	\$ 10,729,160	\$ 10,500,000	\$ 12,589,104	\$ 10,710,000	\$ 11,000,000
Transient Occupancy Tax	\$ 11,071,977	\$ 11,840,000	\$ 16,652,391	\$ 11,958,400	\$ 12,775,000
	<u>\$ 34,395,526</u>	<u>\$ 34,640,000</u>	<u>\$ 44,856,906</u>	<u>\$ 35,306,200</u>	<u>\$ 37,275,000</u>

Actual 2021/2022 Sales Tax and TOT

\$ 44,856,906

Scenario 1 2022/2023

\$ (37,275,000)

Additional Revenue to forecast each year

\$ 7,581,906

Actual 2021/2022

\$ 44,856,906

10 Year forecast 2022/2023

\$ (35,306,200)

Additional Revenue to forecast each year

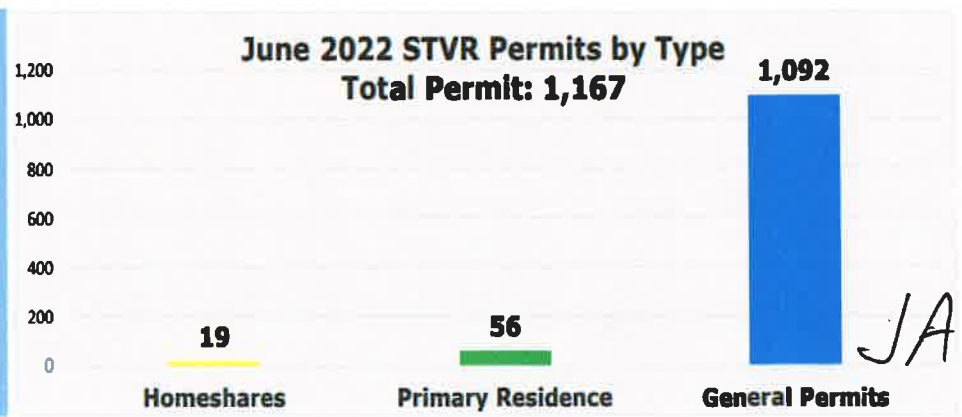
\$ 9,550,706

J A 4

The STVR program consists of several interdependent activities such as permitting, tax collection, and compliance. Compliance functions include managing complaints, conducting investigations, and enforcement (violations, citations, and suspensions)

- **Active STVR Permits in Permit Ban Areas have collectively decreased by 30.93% since January 2021.**
- **Density of STVR Permits in Permit Ban Areas have collectively decreased from 9.14% to 6.98% between January 2021 and June 2022.**

STVR Permit Area Allocations - 2021 & 1st Half of 2022									
Areas	Jan-21	Q-1 Mar 2021	Q-2 Jun 2021	Q-3 Sept 2021	Q-4 Dec 2021	Q-1 Mar 2022	Q-2 Jun 2022	Density as of Jun 2022	% change since Jan. '21
North La Quinta	137	124	115	112	112	110	110	4.3%	-16.36%
Mid La Quinta	140	132	127	121	118	109	97	9.5%	-44.33%
The Cove	292	276	263	258	252	246	245	5.2%	-19.18%
South La Quinta (PGA West)	468	438	407	375	354	348	340	11.2%	-37.65%
Permit Ban Area Totals:	1,037	970	912	866	836	813	792	7.0%	-30.93%
STVR Exempt Areas	269	276	297	309	321	340	367	40.3%	26.70%
HOA Restricted Legacy	14	11	7	6	8	8	8	0.1%	-75.00%
Citywide Totals:	1,320	1,257	1,216	1,181	1,165	1,161	1,167	5.3%	-13.11%



I am presenting information which should have been covered in the City's Impartial Analysis of Measure A.

Measure A seeks to return the City of La Quinta to compliance with their own Municipal Code regulations on Zoning and Land use. Residential zoning uses do not include mention of unsupervised short duration hotel businesses, or STVRs. Chapter 3.25.055 does delineate the areas where STVRs are allowed: Transient Commercial, Village Commercial, and developments subject to a development agreement with the City.

At the August 2, 2022, meeting the City reported 1105 parcels in existing TC zones, of which 367 are permitted STVRs, an increase of 23.5% from June of 2021. Included in that 1105 number is the Cordoniz development which has 142 parcels, none of which has a permit. They are currently listed as 71% owners and 29% long term renters (30 days or more). Also listed is the Homewood Suites property with 32 parcels, no permits. Homewood suites business is as an extended stay hotel, so I also removed the 32 from the count of available parcels. The Signature at PGA West has 201 parcels in development, so it is also removed from current availability. Removing these 375 parcels from the list leaves 363 parcels in TC zones available to become STVRs today.

The 201 parcels at The Signature at PGA West are due to be online by mid-summer 2023, as well as the 29 Montage and 55 Pendry Residences by the end of 2024, according to the Talus report dated January 6, 2022. These 285 new parcels bring the total available by the end of 2024 to 648 parcels. In addition to the 334 Montage and Pendry hotel rooms.

Councilman Dr. Radi has frequently referred to a Bell Curve wherein numbers of STVRs reduce by natural attrition and TC zone permits will rise naturally as more come online.

According to the City's statistics, in 2021 the city had 20% fewer permits in the permit ban areas at the end of the year. 1037 down to 836. If the 20% a year rate continues, as stated in the Tourism Economics report, the end of 2022 will have 640 permits and the end of 2023 will have 512 permits. Meanwhile, the exempt area permits rose 18% from 269 to 321 in 2021, and another 14% in 6 months of 2022, to 367. With the 648 parcels in the 11 TC zones, maybe we can ring Councilman Radi's Bell Curve before 2025.

Looking to the future development of Silver Rock/Talus, according to the Silver Rock Development Plan, there are 300 parcels called Future Residential, 150 parcels called Future Village, 25 parcels called Future Golf Cabins. Also planned are 7 parcels in the Polo Villas development.

These already planned additional TC parcels add another 482 properties for STVR use.

City Staff has reported that they project 30 percent of new parcels in the TC zone will join the STVR program, based on past history. The flaw in that analysis is that in the past, investors had a choice of buying in the TC zone or buying in a Residential community. When you consider the 800 or so La Quinta permits in non-exempt residential areas, and the 650 or so former STVRs in other valley cities which have banned STVRs, there will be plenty of investors looking to transition into TC zoned properties.

Palm Desert banned STRs in R-1 and R-2 zones in 2019, eliminating 343 permits. In an August 16, 2022 report, 467 new permits in the STR allowed PR zone have more than replaced those eliminated.

Cathedral City expected up to a \$5 million deficit after eliminating STVRs, but just reported a \$7 million surplus.

With the City of La Quinta returning to proper Zoning rules, eliminating the choice of Residential zone STVRs, investors will buy solely in TC zones. Since La Quinta has proven to be the STVR Goose that lays the golden egg for investors, they will take that Goose into the TC zones for the future.

At the July 19, 2022 Council meeting Councilman Radi mentioned some kind of incentive to entice developers to develop the TC zones more. Taking STVRs out of residential zones and only allowing them in TC zones should show developers the green light, knowing that what they build in TC zones will not be undercut by the City allowing STVRs in residential communities. Returning the City to the original concept of separation of Municipal, Industrial, Commercial, Residential, Transient Commercial, and Parks and Recreation zones.

Multiple council members spoke about the STVRs being removed from the short-term rental pool will not exactly be "affordable housing" for young families, and the City's presentation on August 2, 2022 included supposed mortgage affordability sheets with emphasis on unlikelihood of new families being able to afford La Quinta now.

Interestingly, at the July 19, 2022 Council meeting, a young man spoke, I could not catch his name, but he said he purchased across the street from the high school, in North La Quinta. He explained that he had been paying \$1800 a month for a one bedroom apartment in L.A. and is now paying a couple hundred a month more for a mortgage on a 3 bedroom house with a pool and jacuzzi. Apparently, La Quinta is not out of range.

He spoke about enjoying interacting with neighbors and the feeling of safety after he inadvertently left his door open over a weekend away and found nothing amiss on his return. The area across from L.Q. high school, where he lives has no STVRs, unlike my street with 50% STVRs.

Houses transitioning from STVRs to owner occupied are not necessarily for young families, but more likely for people who are ready to move up from their current starter home, leaving that home for the young people to move into La Quinta. Many of the houses which will become available in residential zones can become long term rentals at a lower rate than currently available due to increased house availability.

Another area the Council feels will be underdeveloped is the number of school children coming into the system when STVRs in residential communities go out of the rental business. How many school children come from the existing STVRs? NONE, so any more is an improvement.

To summarize, there are more parcels in the pipeline by 2025 than currently permitted, plus the Montage and Pendry hotels will be operational.

Visitors do not come to La Quinta just to stay in residential neighborhoods, they come for all the good things available here and will stay in short term rentals in transient commercial zones or hotels.

Development of new TC properties will be enhanced by the removal of competing rentals in Residential Zones.

Houses will become available for families moving up in La Quinta, and houses for starter owners and renters will be made available by removing nightly renters from our neighborhoods, returning the neighborhoods to the neighbors.

Don't let the City cater to the fewer than 500 outside investors to the detriment of our neighborhoods.

These are the reasons to Vote for Measure A, put the short-term renters in the TC zones which were designed for them.

James Lambert, 81270 Legends Way, La Quinta.