

**POWER POINTS**

**CITY COUNCIL**

**MEETING**

**AUGUST 6, 2024**

**City Council Regular Meeting  
August 6, 2024**



1

**City Council Regular Meeting  
August 6, 2024  
PUBLIC COMMENT – MATTERS  
NOT ON THE AGENDA**



8/8/2024

2

**City Council Regular Meeting  
August 6, 2024  
CLOSED SESSION IN PROGRESS**



3

**City Council Regular Meeting  
August 6, 2024  
PUBLIC COMMENT – MATTERS  
NOT ON THE AGENDA**



8/8/2024

4

# City Council Meeting August 6, 2024

## P1 – Proclamation Recognizing Katherine Vogts



5



6

# City Council Meeting

August 6, 2024

## B1 – 2022/23 Annual Comprehensive Financial Report (ACFR)



7



### Audit Summary

- ✓ Conducted virtually by Eide Bailly LLP, Certified Public Accountants from October 2023 – June 2024
- ✓ Reviewed nearly 1,000 documents & conducted interviews
- ✓ Issued a clean audit opinion – most favorable conclusion
- ✓ All new financial regulatory requirements have been implemented
- ✓ ACFR meets the GFOA's Certificate of Achievement Program's requirements and has been submitted for another certification
- ✓ Auditor comments regarding the City shall be provided tonight

8

# ACFR Content

Major Events

- Transmittal letter
- Management Discussion and Analysis (MD&A)

Financial Statements

- Balance sheets, statement of net position & cash flows
- Budgetary comparison schedules

Summaries & Charts

- 19 Notes
- Statistical section, 10-year comparison

9

# Statement of Net Position

Category	Amount
Capital Assets	574,870,283
Restricted	62,283,620
Unrestricted	221,443,417
<b>TOTAL</b>	<b>\$858,597,320</b>

**Indicators of a City's fiscal health include:**

- ✓ Balanced General Fund budget
- ✓ Strong General Fund reserve fund
- ✓ Making required pension contributions on time
- ✓ Public service levels meet or exceed standards of the community

10

# Governmental Fund Balances

Category	General Fund	All Other Funds	Total Funds
Non-Spendable	\$ 25,130,438	\$ 468	\$ 25,130,906
Restricted	5,317,487	61,906,132	67,223,619
Committed	47,600,009	-	47,600,009
Assigned	63,824,533	-	63,824,533
Unassigned	44,105,041	(8,064,140)	36,040,901
<b>Total</b>	<b>\$ 185,977,508</b>	<b>\$ 53,842,460</b>	<b>\$ 239,819,968</b>

Prepaid Costs	\$ 125,993	Pension Trust	\$ 5,317,487
Land held for resale	5,403,652	Housing Funds	26,365,834
RDA Loan	19,600,793	Restricted Funds	35,540,298

11

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Assigned	63,824,533	-	63,824,533
Unassigned	44,105,041	(8,064,140)	36,040,901
<b>Total</b>	<b>\$ 185,977,508</b>	<b>\$ 53,842,460</b>	<b>\$ 239,819,968</b>

Natural Disaster	\$ 15,000,000	Fire Services	\$ 11,986,970
Economic Disaster	13,000,000	Sales Tax (Measure G)	29,214,191
Cash Flow Reserve	5,000,000	Capital Projects	22,623,372
Capital Replacement	12,000,000		
Operational Carryovers	2,600,009		

12

# Long-Term Debt

Debt Type	2022	2023
Leases	\$ 162,648	\$53,111
Financed Purchases	22,079	551
Compensated Absences	962,229	1,154,090
Subscription IT Liabilities	810,483	495,674
<b>Total</b>	<b>\$1,957,439</b>	<b>\$1,703,426</b>

Irrevocable Section 115 Pension Trust	\$ 6,540,000
19/20 Contribution & Interest Earnings	3,709,738
20/21 Interest Earnings (Gain)	1,132,184
21/22 Interest Earnings (Loss)	(1,244,034)
22/23 Payment & Interest Earnings	(4,820,401)
<b>Total Trust Balance</b>	<b>\$5,317,487</b>

13

# Major Infrastructure Investments

Dune Palms Bridge Improvements  
\$4,050,000

La Quinta Landscape Renovation  
\$2,923,000

Avenue 53 & Jefferson Roundabout  
\$2,758,000

Citywide Striping Refresh  
\$295,000





Highway 111 Corridor Area Plan Design  
\$285,000



14

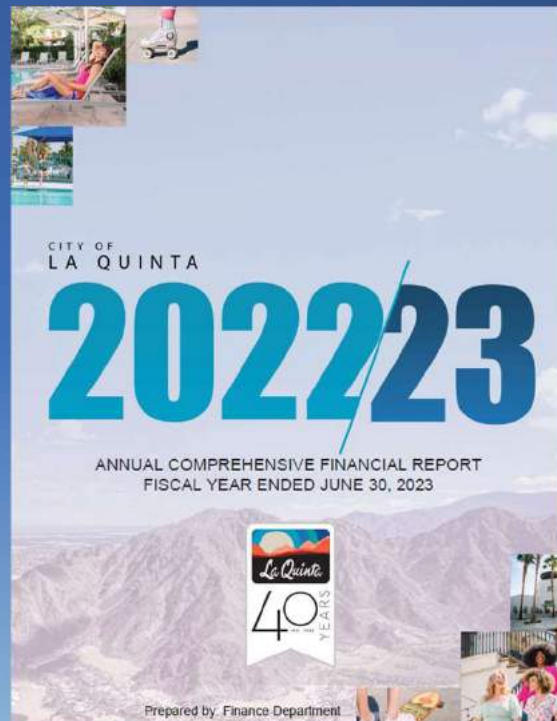


# Fiscal Sustainability

-  Adopted a balanced 2023/24 budget
-  Continue to address long-term liabilities
-  Mixture of housing and commercial developments are under construction
-  Long-term vision and planning are a priority

15

## Eide Bailly Auditor Comments



16



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## CITY OF LA QUINTA, CALIFORNIA

Independent Auditor's Communication to those Charged with Governance (AU-C 260) for the fiscal year  
June 30, 2023

August 6, 2024

17

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### AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

#### Scope of Work

- Comprehensive Annual Financial Report
- Federal Awards Report in Accordance with the Uniform Guidance (Single Audit Report)

#### Results (June 30, 2023)

- Unmodified opinion

18

## OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- We considered internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- Our responsibility, as it relates to the audit of the City's major federal program compliance, is to express an opinion on compliance of the City's major federal program based on our audit of the types of compliance requirements as described in the *OMB Compliance Supplement*.

19

19

## AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

### Significant Accounting Policies

- The City's significant accounting policies are described in Note 1 to the financial statements. As described in Note 1, the City changed accounting policies related to accounting for the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Agreements (SBITAs)*.

### Significant Accounting Estimates

- Amounts related to the net pension liability, deferred inflows and outflows of resources and disclosures were based on actuarial valuations and a proportionate share of the CalPERS collective net pension liability.

### Financial Statement Disclosures

- The disclosure of the City's defined benefit pension plans, net pension liability and related deferred inflows of resources and deferred outflows of resources in Note 9 to the financial statements. As disclosed in Note 9, a 1% increase or decrease in the discount rate has a significant effect on the City's net pension liability.
- The disclosure of the City's net OPEB liability and related deferred inflows of resources and deferred outflow of resources in Note 11 to the financial statements. As disclosed in Note 11, a 1% increase or decrease in the discount rate or healthcare cost trend rate has a significant effect on the City's net OPEB liability.

20

## AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

### Difficulties Encountered in Performing the Audit

- None noted

### Uncorrected and Corrected Misstatements

- There were no uncorrected misstatements identified as a result of our audit procedures.
- In our letter to those charged with governance, date July 19, 2024, we have identified misstatements that were brought to the attention of management and corrected.

### Disagreements with Management

- None noted

### Management Consultations with Other Independent Accountants

- None noted

21

## AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

### Other Significant Matters, Findings or Issues

- Financial Statement Audit
  - Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
    - Financial Statement Finding No. 2023-001 – Reporting and Closing-Material Weakness
    - Financial Statement Finding No. 2023-002 – Schedule of Expenditures of Federal Awards (SEFA) Preparation – Material Weakness

22



# QUESTIONS?

23

# THANK YOU

Lauryn Stapleton  
Senior Manager  
[lstapleton@eidebailly.com](mailto:lstapleton@eidebailly.com)  
909-466-4410



24



25

# City Council Meeting August 6, 2024

## PH1 – Public Nuisance Abatement on Tax Roll



26

## Background

- Code Compliance pursues public nuisance cases to maintain public safety and quality of life.
- Reasons for Lot Abatements:
  - Fire hazard conditions (dense dry bush).
  - Unsightly conditions (abandoned appliances, furniture, construction debris, etc.)
  - Violation of LQMC 11.72.030 – Public nuisances declared.

27

## Steps

- Public nuisance is declared: notification is posted at the site and sent to the owner via regular and certified mail.
- If owner fails to abate property within a reasonable time, then the City bids the job, and hires a contractor to abate the property.
- City may recover cost associated with the abatement by placing an abatement assessment on Property Tax Roll

28

# Abated Properties

Approve placement of public nuisance abatement assessments on 2024/25 Property Tax Roll

Name	Assessor Parcel Number	Cost of Abatement	Administrative Fee (25%)	Total
BARTON LAND LA QUINTA	764-240-021	\$2,500.00	\$625.00	\$3,125.00
STAMKO DEV CO	600-340-029	\$4,243.00	\$1,060.75	\$5,303.75
DEBRA KASPAROFF	604-251-020	\$300.00	\$75.00	\$375.00

29



30



# City Council Meeting August 6, 2024

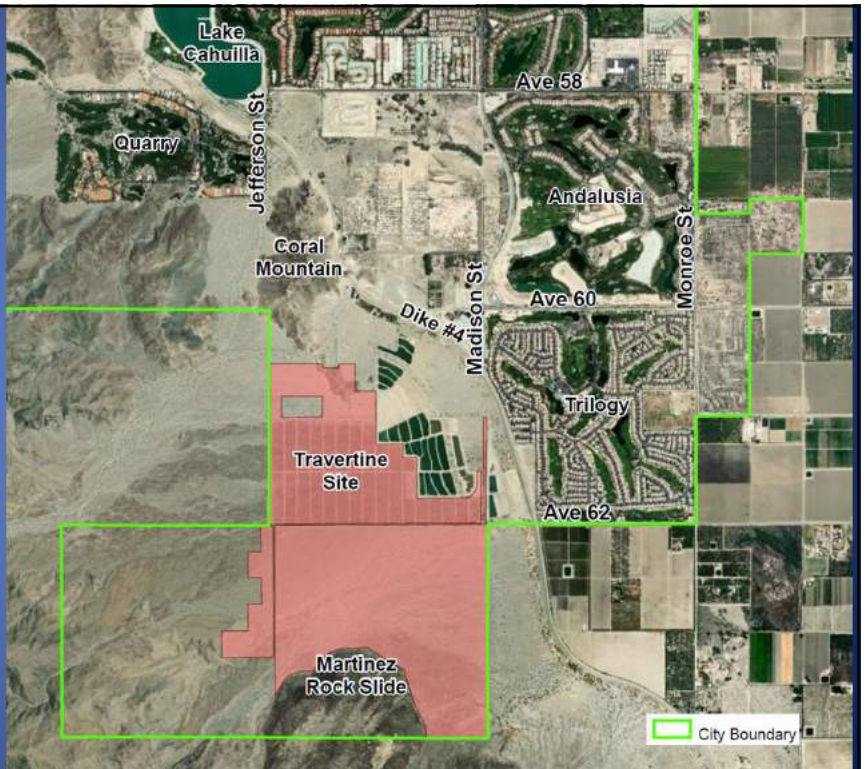
## PH2 – Travertine Development

GPA20217-0002, ZC2017-0002, SP2017-0004, TTM2017-0008,  
DA2021-0001, EA2017-0008



31

## Location



32

## Background

- Travertine Specific Plan adopted 1995
  - 909 acres
  - 2,300 residential units
  - 10 acres of commercial uses
  - 500-room resort hotel
  - 36-hole golf course, tennis club, private recreation
  - 378 acres of open space

33

## Proposal

- Modify project master plan
  - 855 acres
  - 1,200 residential units ranging in size from large lot estates to small lot attached
  - 38-acre spa/hotel with 100 villas and associated amenities
  - 46-acre resort area with golf academy, clubhouse, and banquet restaurant
  - Recreational open space with parks and public trails
  - Natural open space for conservation

34

# Entitlements

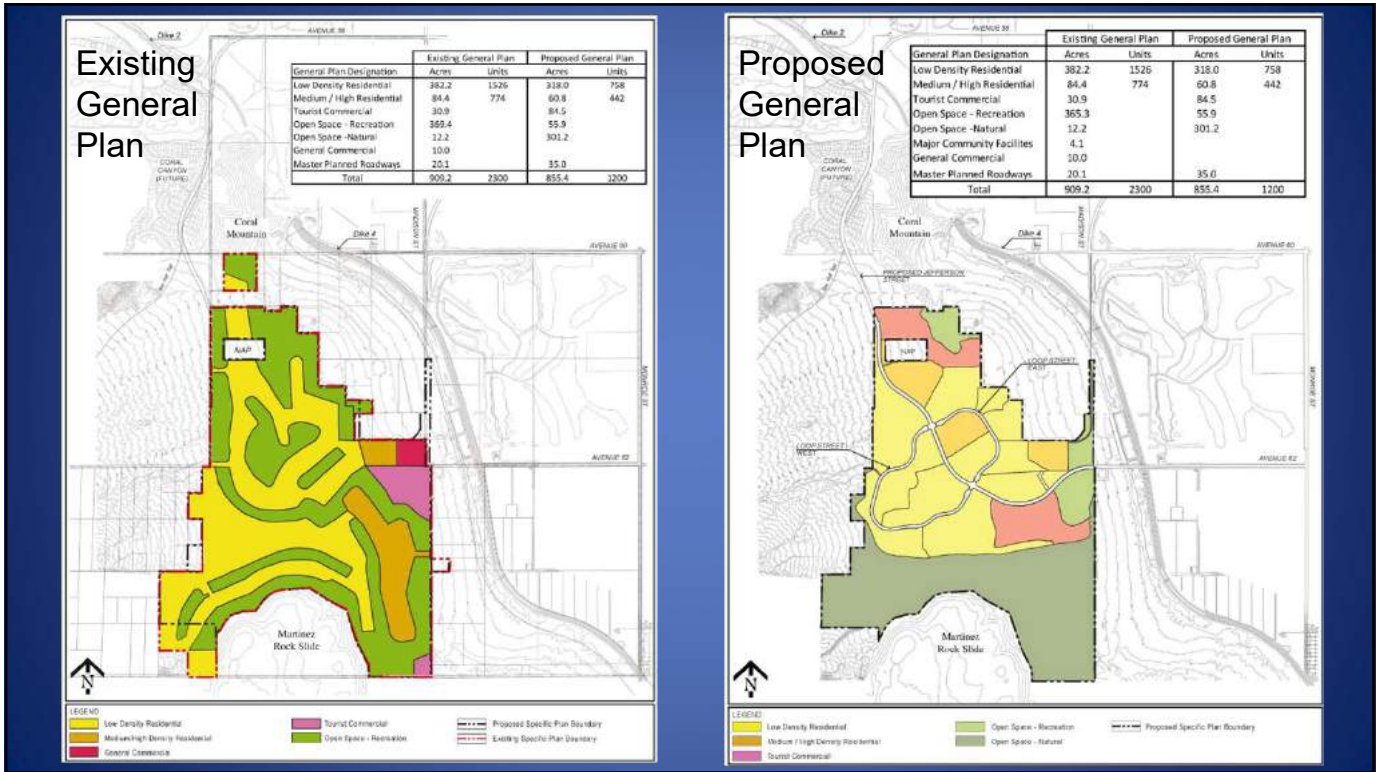
- General Plan Amendment
- Zone Change
- Specific Plan
- Tentative Tract Map
- Development Agreement
- Environmental Impact Report

35

# General Plan Amendment

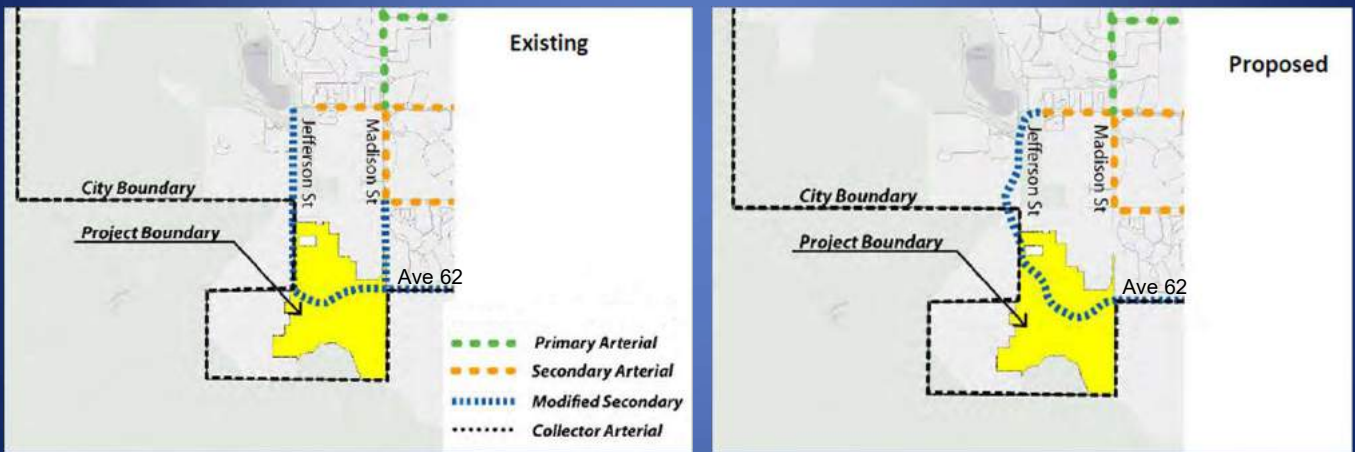
- Land Use Map:
  - Modify land uses per proposed specific plan
- Circulation Plan:
  - Realign Jefferson Street alignment
    - Within and north of Travertine site
  - Remove Madison Street alignment
    - For use as Emergency Vehicle Access only

36



37

# Roadway Modifications



38

## Roadways

- Avenue 62 and Jefferson St
  - Both proposed as access to the project
  - Modified Secondary arterials
  - Planned for since 1995
- Madison St
  - Downgrades from Modified Secondary Arterial to Emergency Access

39

## General Plan Build Out

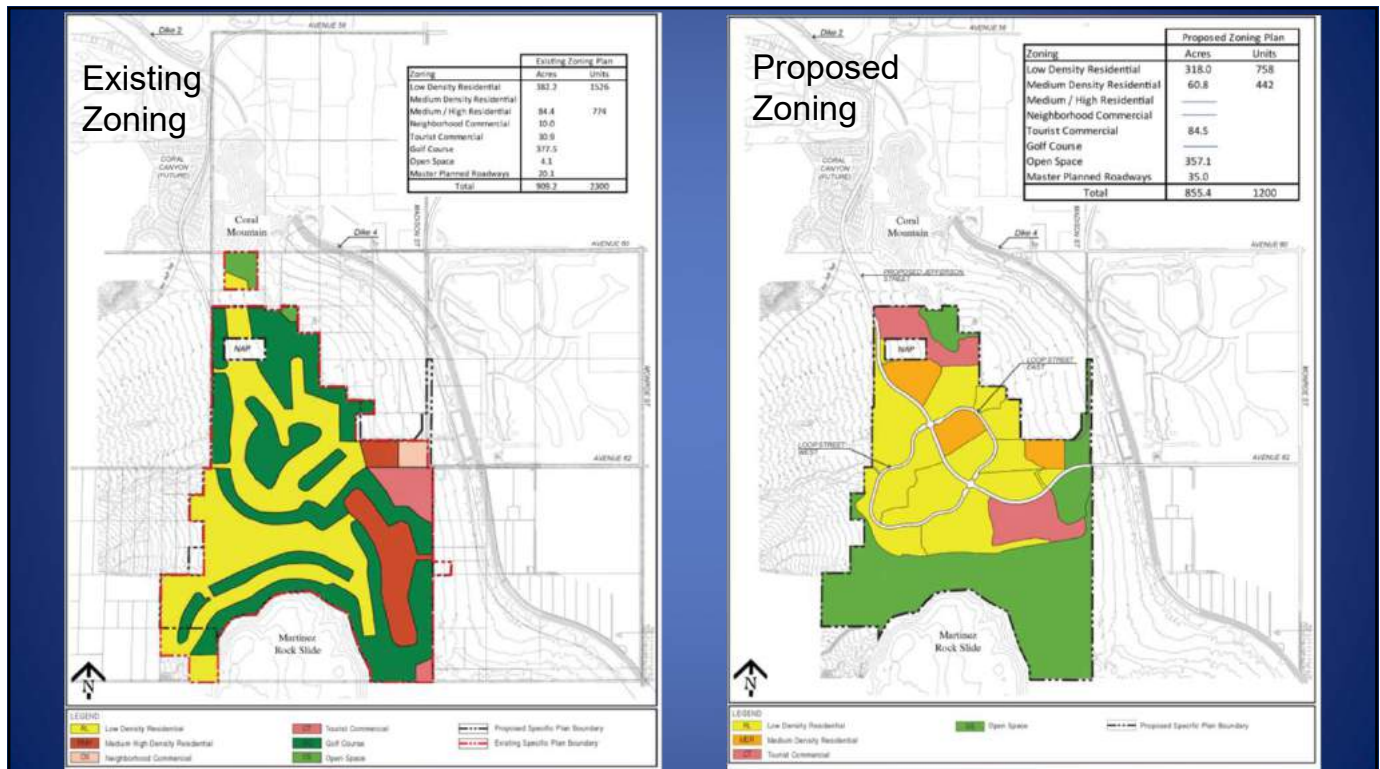
- General Plan estimates build out for community
  - Based on land uses set in General Plan
- Traffic models based on that estimate

40

# Zone Change

- Modify zoning designations to be consistent with proposed general plan designations

41



42

## Specific Plan

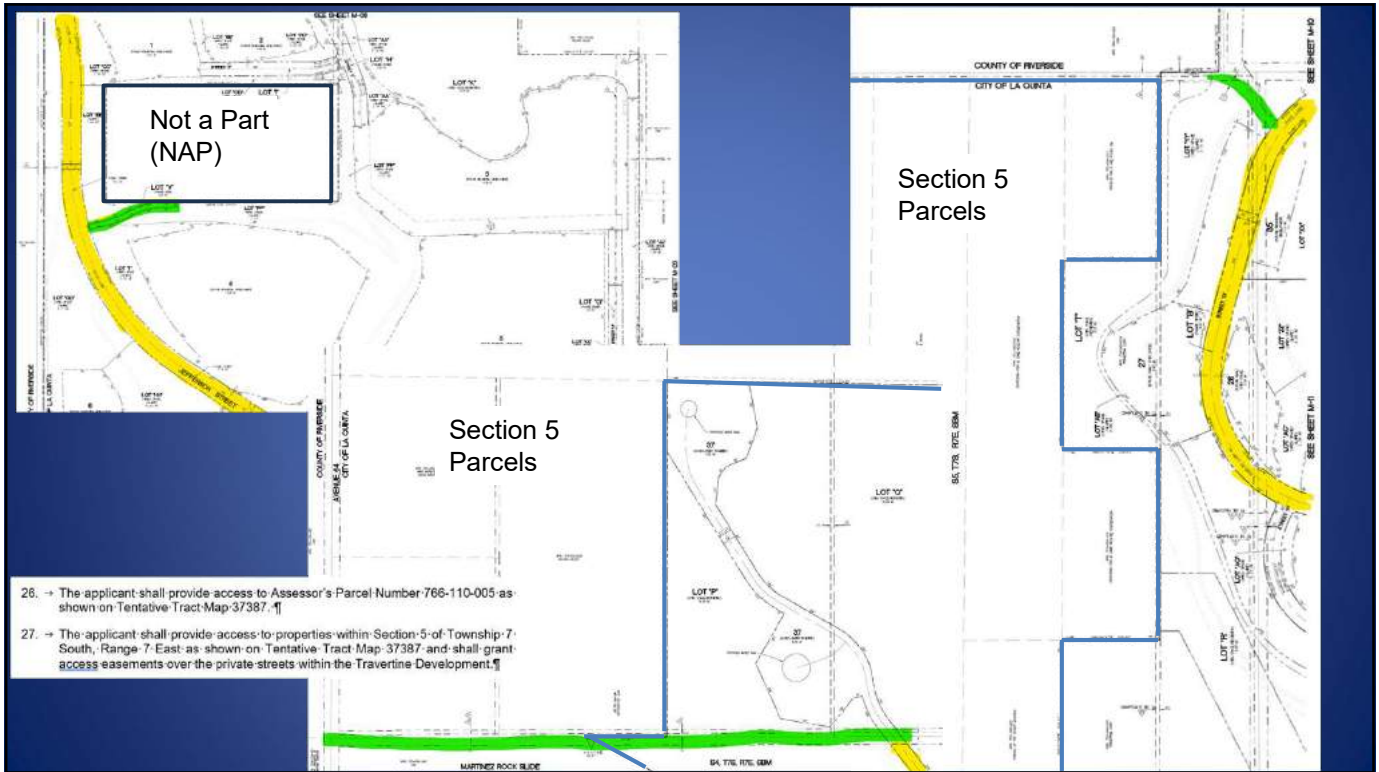
- Reorganize current land uses
- Reduce intensity of the project
- Prescribe permitted uses including short term vacation rentals
- Incorporate design guidelines and standards
- Proposed Specific Plan would repeal and replace the current Specific Plan

43

## Tentative Tract Map

- 38 lots for residential and commercial uses
- 73 open space lots
- Subsequent tract maps required
- Easements required to access NAP parcel and parcels west of the project in Section 5

44



45

# Development Agreement

- 50-year term
- Vests the project approvals
- Requires the applicant to develop pursuant to those approvals for the duration of the term
- Allows STVR permits for the residential units as authorized and allowable per the City's STVR Regulations
- Requires compliance with project design features and mitigation measures in the EIR and conditions of approval

46



## Development Agreement

- Identifies public facilities and improvements tied to the development of the project
- Provides for the establishment of Community Facilities District(s)
- Includes provisions relating to
  - Transfers and assignments to subsequent developers and property owners
  - Defaults and remedies
  - Mortgage/private financing ability by secured real property interests
- Includes Schedule of Performance based on Phasing Plan

47

## State Housing Law Compliance

- Senate Bill 330 contains regulations regarding housing development projects
  - Cities generally are not allowed to downzone
  - Also requires compliance with CEQA
- Proposed project implements mitigation measures necessary to comply with CEQA

48

# Environmental Analysis

- Draft EIR prepared
- Most environmental impacts reduced to less than significant levels with mitigation incorporated
- Air Quality, Greenhouse Gases and Transportation (Vehicle Miles Traveled) remain significant
- Statement of Overriding Considerations required
  - Provided in EIR Resolution

49

# Environmental Analysis

- Draft EIR public review
  - October 27 through December 11, 2023
  - Comments received from various public agencies and residents regarding air quality, noise, aesthetics, geology, land use, housing, and traffic impacts

50

# Environmental Analysis

- Final EIR prepared
  - Incorporates responses to comments received, errata/revisions section and Mitigation Monitoring and Reporting Program
  - Distributed July 26

51

# Planning Commission

- Meetings on May 28 and June 25
- Concerns with noise, aesthetics and traffic associated with Ave 62 extension over Dike 4
- Draft EIR found that noise and aesthetic impacts are less than significant

52

# Planning Commission

- Avenue 62 and Jefferson St
  - Both proposed as access to the project
    - Required for project build out
  - Modified Secondary arterials in existing General Plan
  - Planned for since 1995
- Applicant has added a patterned masonry wall along the sides of the Ave 62 crossing instead of guardrails
  - Extends up to 42 inches in height
  - Help block the views of automobiles traveling along the roadway

53



54



55



Kenneth H. Hofmann

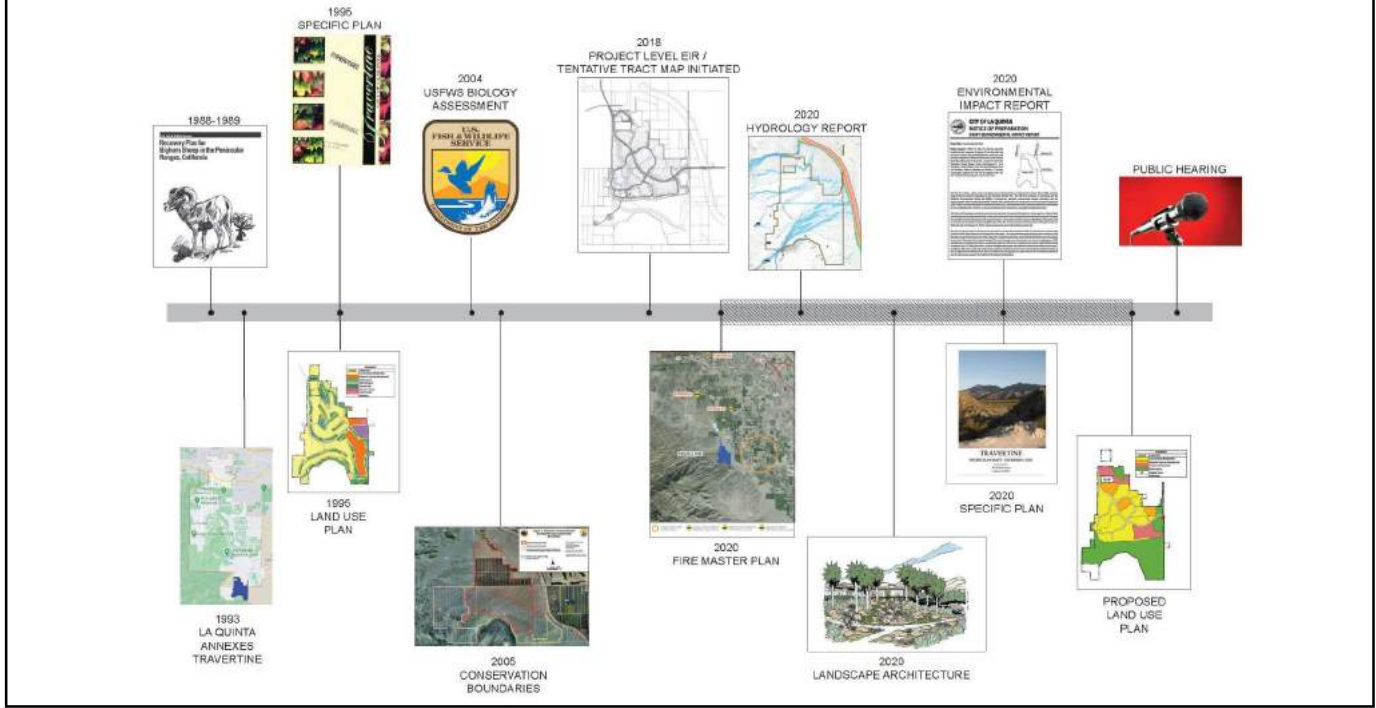
## The Hofmann Family Legacy

**H O F M A N N  
L A N D D E V E L O P M E N T  
C O M P A N Y**

- A visionary and philanthropist devoted to youth education and conservation
- ***In 1948, he began his career in contracting and development as a plastering contractor. He began building homes in 1951. In 1957, he formed The Hofmann Company and since that time has built over 30,000 homes and apartments, and over \$150 million in commercial and industrial properties.***
- Two-time President and member of the Board of Directors of the Building Industry Association. He is also a member of the National Association of Home Builders.
- An active fund raiser for several local causes including Ducks Unlimited, California Waterfowl Association, the Regional Theater for the Arts in Walnut Creek, and the Mount Diablo Medical Center.
- An avid sportsman who enjoys flying, golf, hunting and fishing. He was married for 60 years to the former Jean England and they have two daughters. The Hofmann's own homes in northern California and La Quinta.

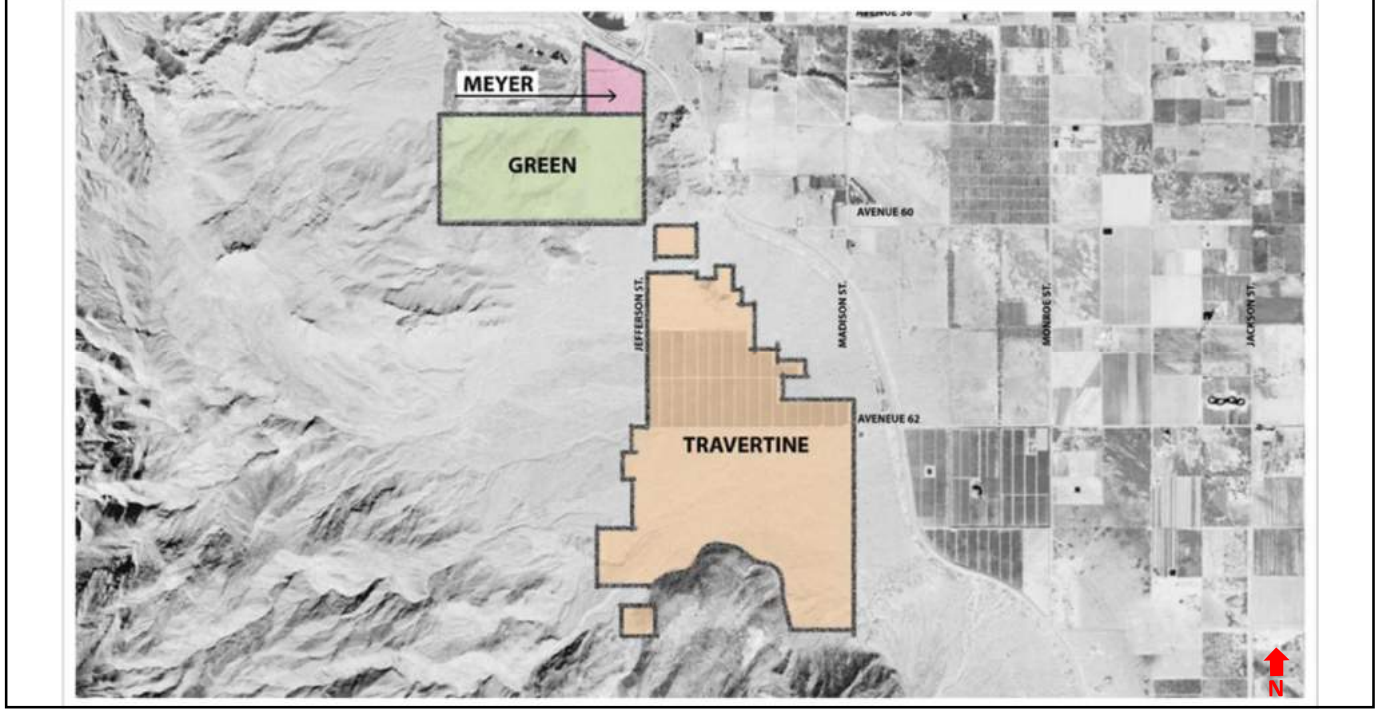
56

# ENVIRONMENTAL REVIEWS, 1988

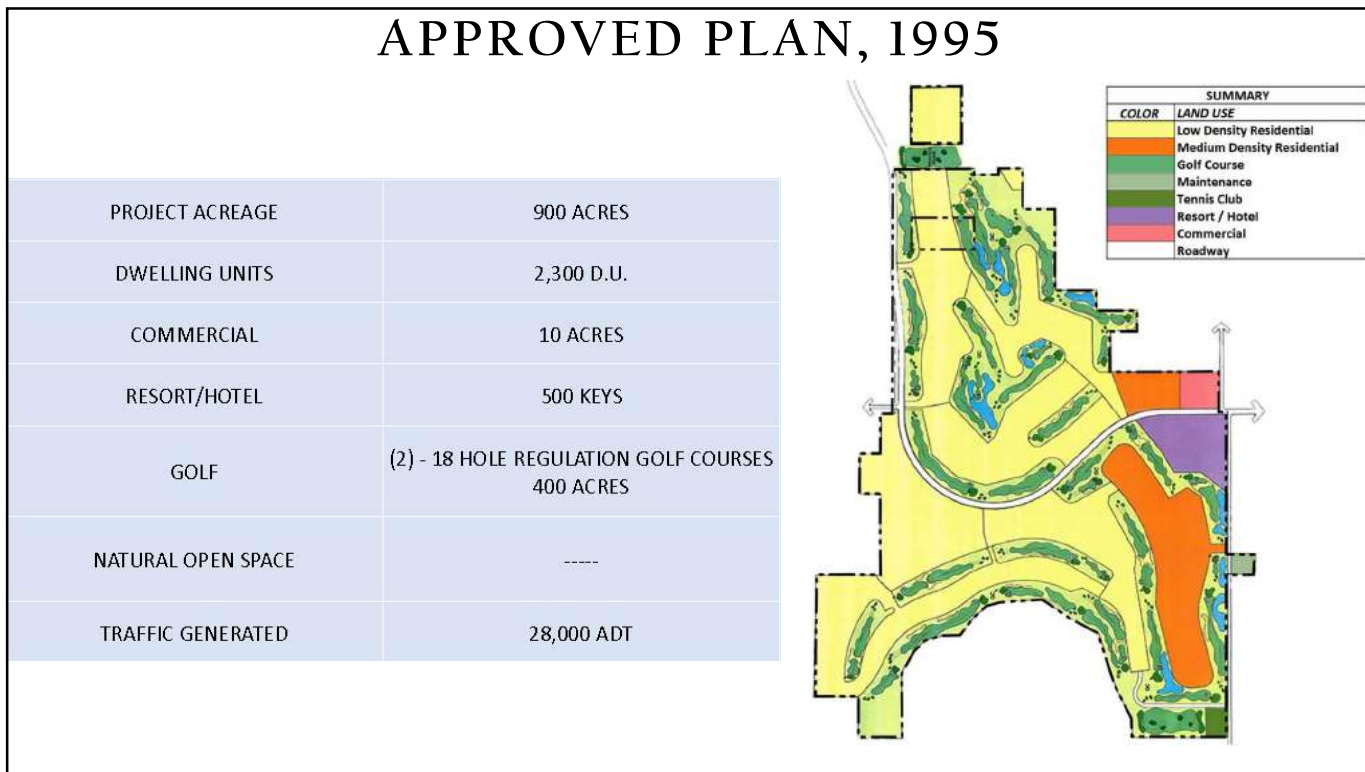


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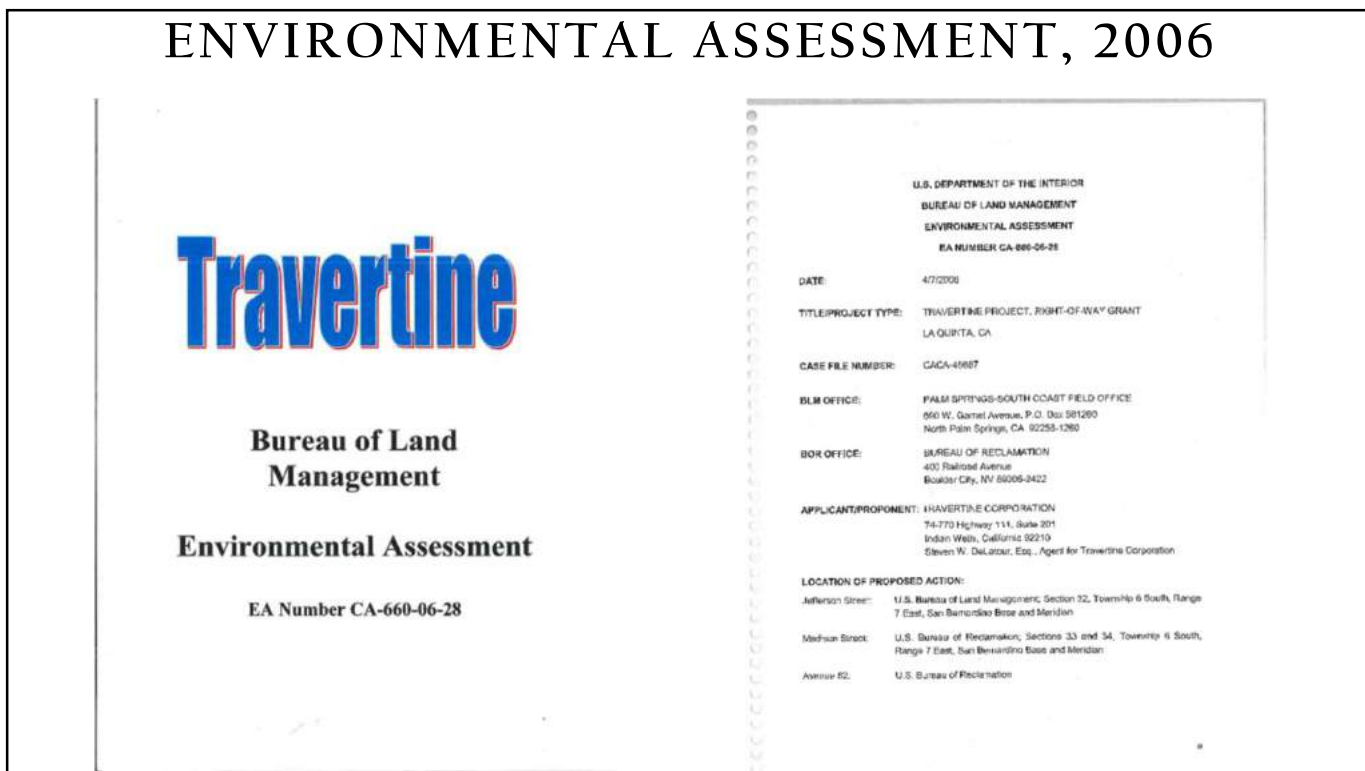
# TRAVERTINE & GREEN, 1995



58



59



60





# 2017

## HOW BIG IS TOO BIG? HOW SMALL IS TOO SMALL?

63

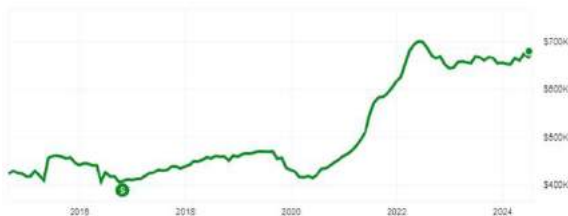


Listing Provided by: Donna Ambrose DRE #02038551 206-755-9633, Equity Union

**\$679,900**  
60138 Katie Cir, La Quinta, CA 92253

**3** beds **3** baths **1,641** sqft

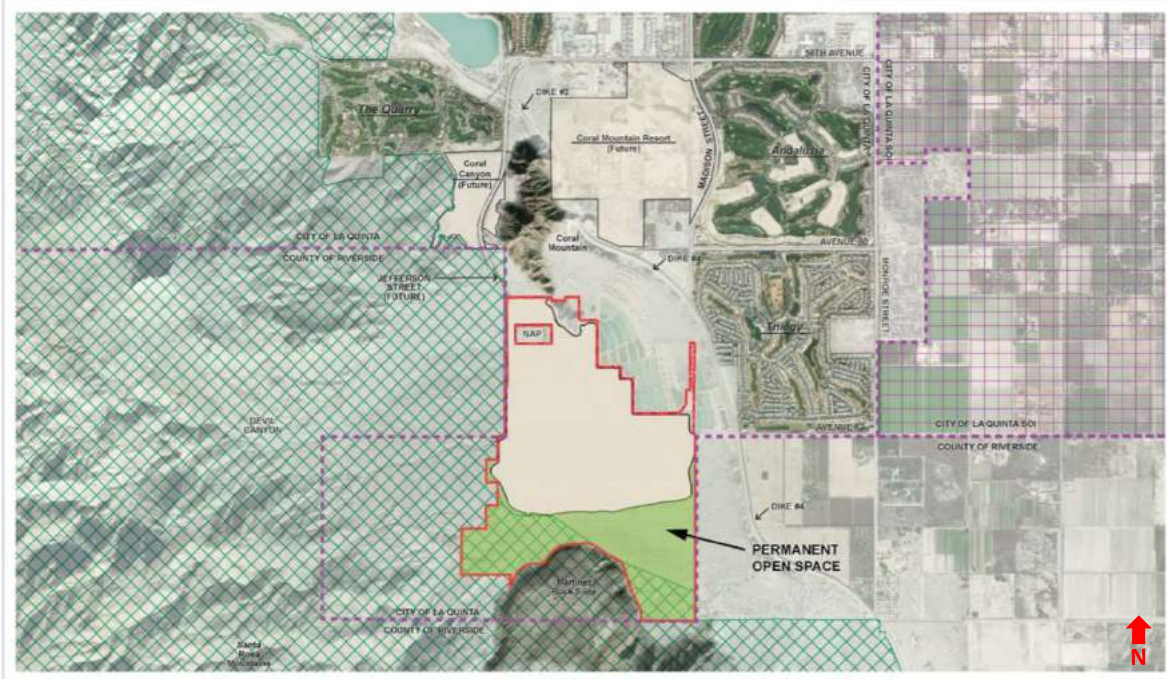
Est. **\$4,831/mo** [Get pre-qualified](#)



Date	Event	Price
7/4/2024	Listed for sale	\$679,900 +67.9% \$414/sqft
Source: <a href="#">Palm Springs Regional ADR #219113798 Report</a>		
9/2/2016	Sold	\$405,000 -7.7% \$247/sqft
Source: <a href="#">CDAR/ Desert Area MLS #216016634 Report</a>		
7/30/2016	Pending sale	\$439,000 \$268/sqft
Source: <a href="#">Bennion Deville Homes #216016634 Report</a>		
6/1/2016	Listed for sale	\$439,000 -4.4% \$268/sqft
Source: <a href="#">Bennion Deville Homes #216016634 Report</a>		
3/29/2016	Listing removed	\$459,000 \$280/sqft
Source: <a href="#">The Lori Bowens Group #216014680 Report</a>		

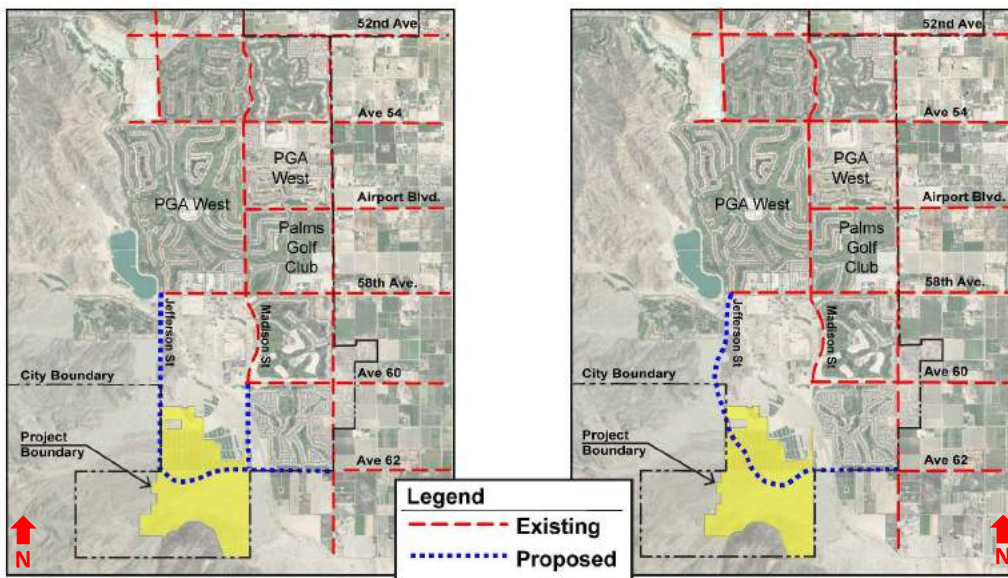
64

# REDUCED IMPACTS



65

# MODIFIED ROADS



### Existing - Master Plan

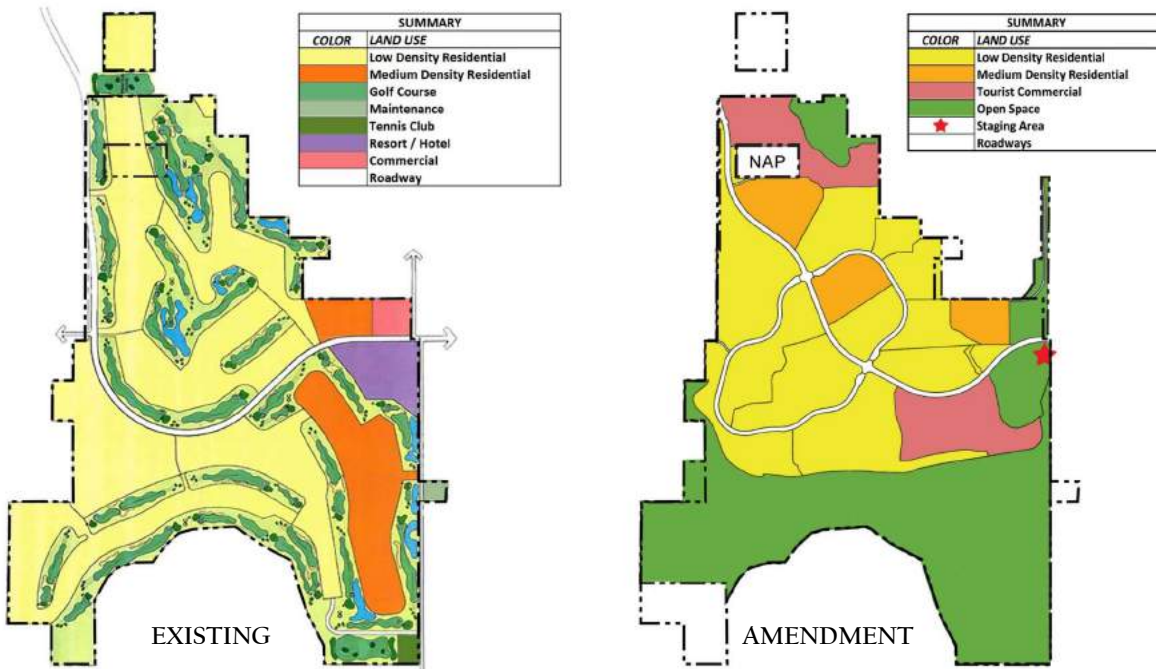
- Madison, Jefferson and Avenue 62 Modified Secondary Highway

### Proposed

- Removal of Madison south of Avenue 60
- Realignment of Jefferson Street

66

# ZONING PLAN



67

# COMPARISON TABLE

LAND USE	1997 SPECIFIC PLAN	PROPOSED SP AMENDMENT	% CHANGE
PROJECT ACREAGE	900 ACRES	855 ACRES	----
DWELLING UNITS	2,300 D.U.	1,200 D.U.	48 % LESS
COMMERCIAL	10 ACRES	-	100 % LESS
RESORT/HOTEL	500 KEYS	100 KEYS	80 % LESS
GOLF	(2) - 18 HOLE REGULATION GOLF COURSES 400 ACRES	GOLF TRAINING FACILITY 46 ACRES	91 % LESS
NATURAL OPEN SPACE	----	301 ACRES	100 % MORE
TRAFFIC GENERATED	28,000 ADT	11,000 ADT	60 % LESS

68

# SITE PLAN, 2024



69

# ACCESS



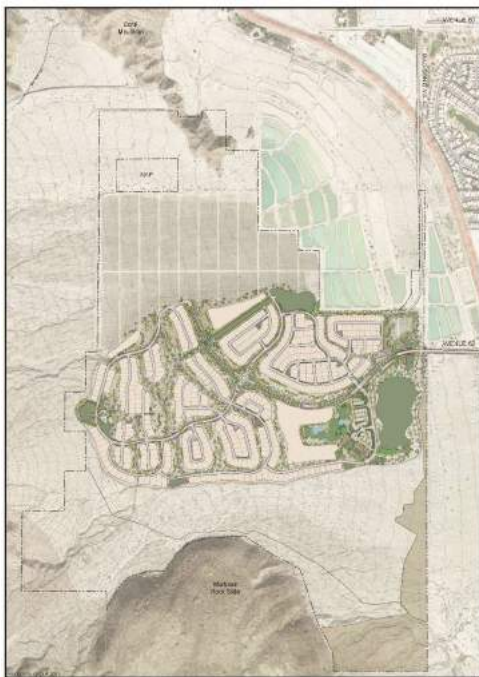
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# CIRCULATION



71

# PHASING



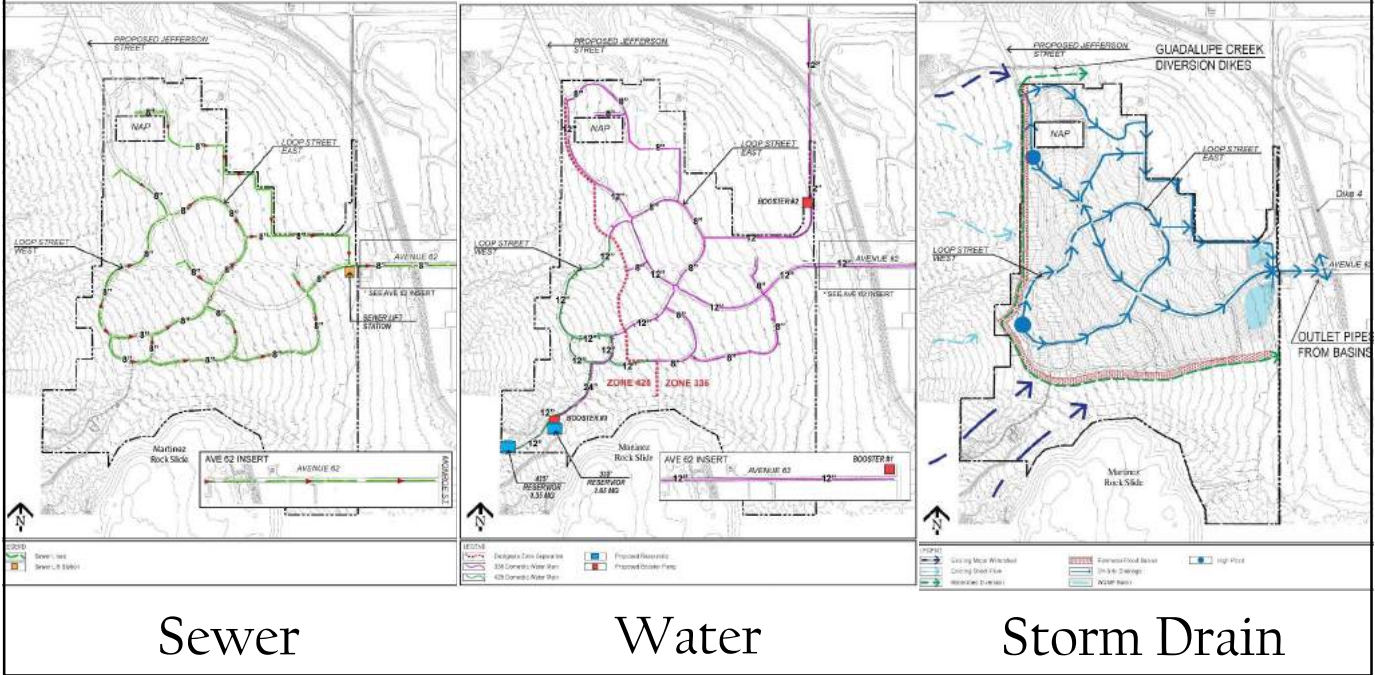
PHASE 1



PHASE 2

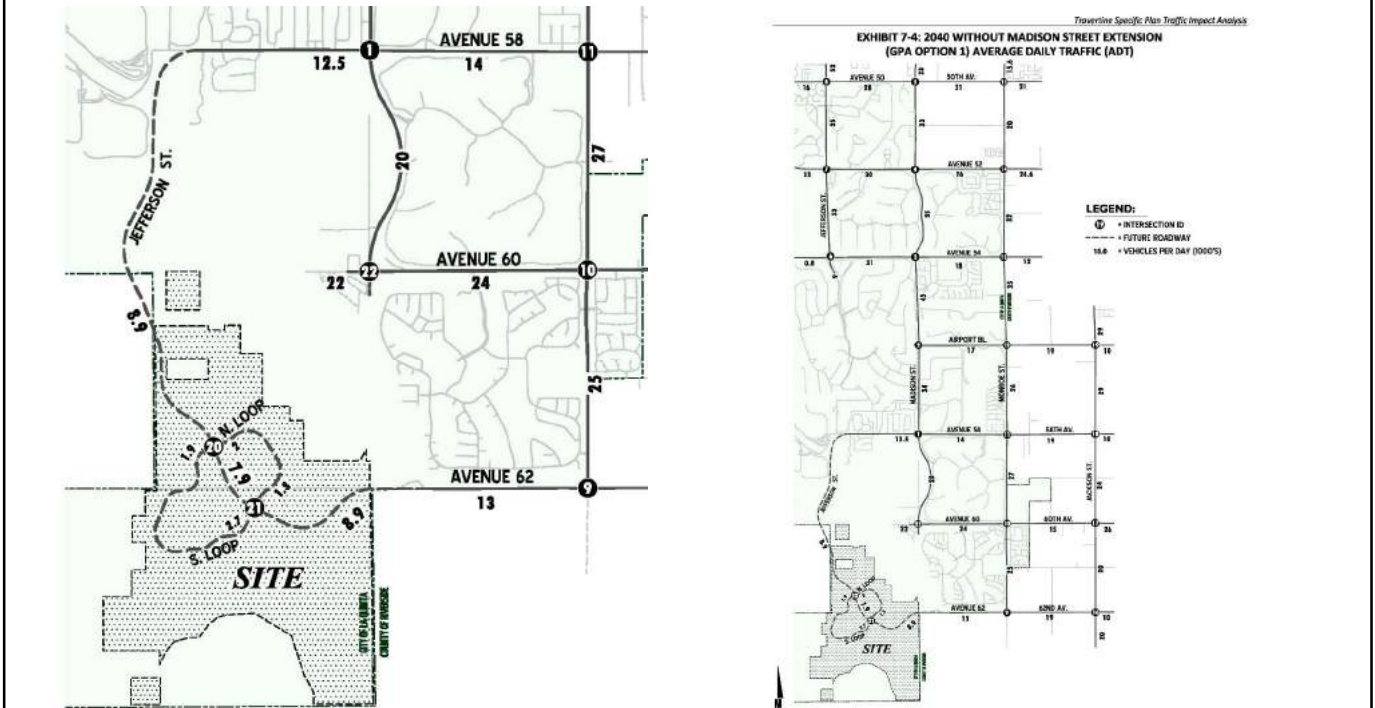
72

# Ave 62 – Our Project Begins



73

# 2040 ROADWAY CAPACITIES



74

# 2040 Roadway Capacities

TABLE 7-4: ROADWAY VOLUME/CAPACITY ANALYSIS FOR 2040 WITHOUT MADISON STREET EXTENSION (GPA OPTION 1)

Roadway	Segment	Roadway Designation	Through Travel Lanes <sup>1</sup>	Capacity <sup>2</sup>	ADT <sup>3</sup>	Volume/Capacity Ratio
Avenue 58	West of Madison Street	Secondary	<u>4</u>	28,000	12,500	0.45
	West of Monroe Street	Secondary	4	28,000	14,000	0.50
	West of Jackson Street	Secondary	<u>4</u>	28,000	19,000	0.68
Madison St.	South of Avenue 56	Primary	4	42,600	34,000	0.80
60th Avenue	West of Jackson Street	Primary	<u>4</u>	42,600	15,000	0.35
Avenue 62	West of Monroe Street	Modified Secondary	2	19,000	13,000	0.68
	West of Jackson Street	Secondary	<u>4</u>	28,000	19,000	0.68
Monroe St.	South of Avenue 60	Secondary	<u>4</u>	28,000	25,000	0.89
	South of Avenue 58	Primary	<u>4</u>	42,600	27,000	0.63
	South of Avenue 56	Primary	<u>4</u>	42,600	26,000	0.61
Jackson St.	South of Airport Boulevard	Primary	<u>4</u>	42,600	29,000	0.68

<sup>1</sup> 1 = Existing number of lanes; 1 = City of La Quinta General Plan Buildout number of lanes

<sup>2</sup> Source: City of La Quinta Engineering Bulletin #06-13 (July 2015)

**BOLD** = Estimated to exceed threshold daily capacity values and subject to further evaluation of peak hour performance at key intersections along these routes.

<sup>3</sup> Average Daily Traffic (ADT) expressed in vehicles per day.

75

# RESORT



76

# GOLF TRAINING



77

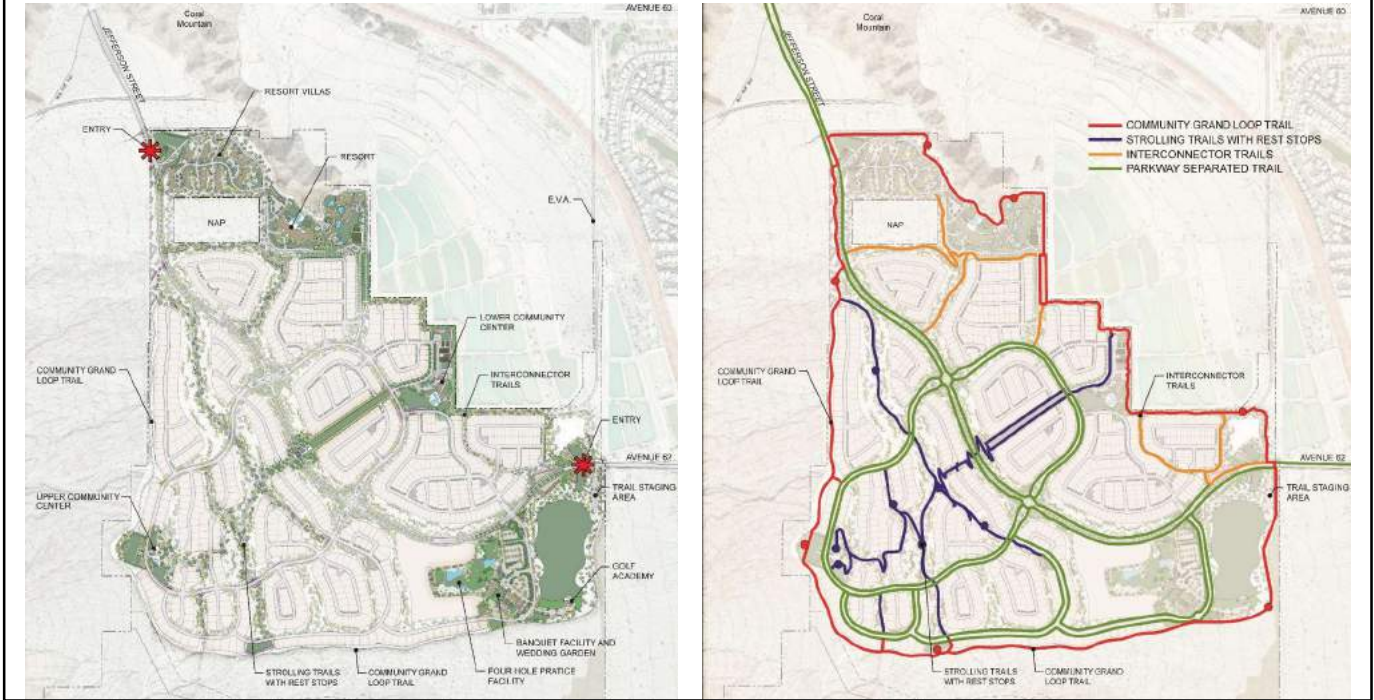
# RECREATION CENTERS



78



# TRAILS



79

# TRAIL RENDERING



80

## POSITIVES

Consider a Resolution to **recommend City Council certify an Environmental Impact Report (EIR)** (EA2017-0008, SCH# 2018011023) for the Travertine Project and direct staff to prepare Findings and a Statement of Overriding Considerations.

### 7-0 Approval

Consider a Resolution to **recommend City Council approve** General Plan Amendment 2017-0002, Zone Change 2017-0002, Specific Plan 2017-0004, Tentative Tract Map 2017-0008 (TTM 37387), and Development Agreement 2021-0001.

### 6-1 Approval

*"There are very significant environmental challenges that the applicant has addressed."* - Commissioner Tyerman

*"What a tremendous effort from the applicant's team to put together this really incredible project in South La Quinta. Years in the making. So much effort has been put into it and the persistence...all that resonates especially with the team of experts. I personally have full faith in the EIR that was presented."* - Commissioner Nieto

*"I don't find any fatal flaws in the EIR."* - Commissioner Caldwell

*"We love the project."* - Alena Callimanis

81

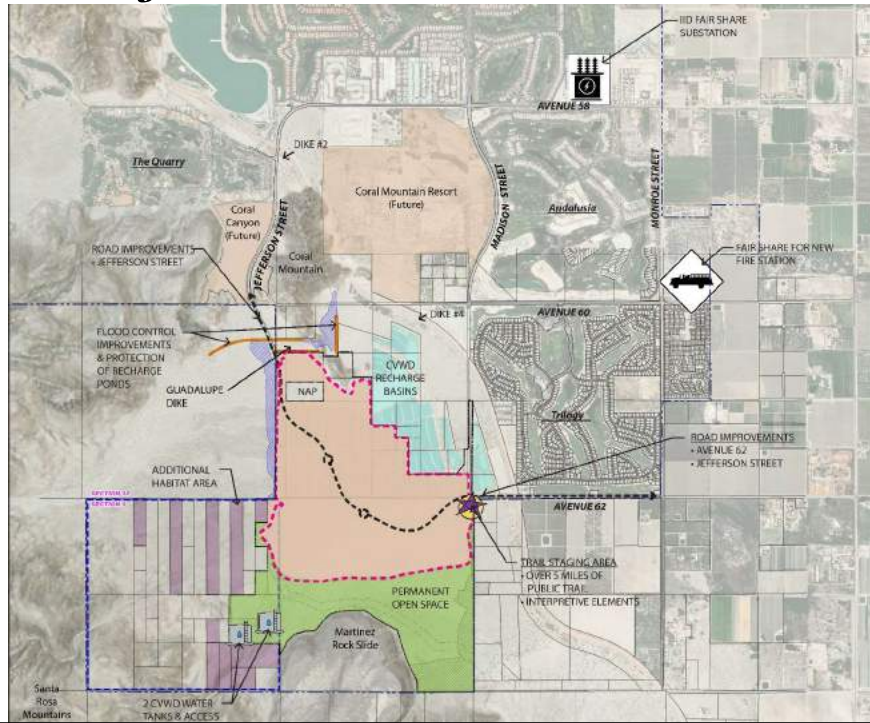
## PROJECT BENEFITS

- Majority contributor to IID Improvements for power.
- Construction of 2 major circulation elements in the GP Master Plan of Circulation. (Jefferson Street and Ave 62).
- Contributions to Public Safety and other public services costs with mitigation fees.
- Creation of a plan for moderate housing types envisioned by the General Plan.
- Construction of 2 water tanks that will serve 2 pressures zones with additional capacity for CVWD.
- Major trails and open space contribution.
- Total acres of valley floor developed: 826 ac. in 2005, 554 ac. in 2022
- Total acres contributed to conservation: 301.2 ac. (2022) + 135 ac. (2005) = **436.2 ac.**
- Total dollars committed to conservation: \$2.6m (BO) + \$500k (CVMSHCP Fees) = **\$3.1m**

82

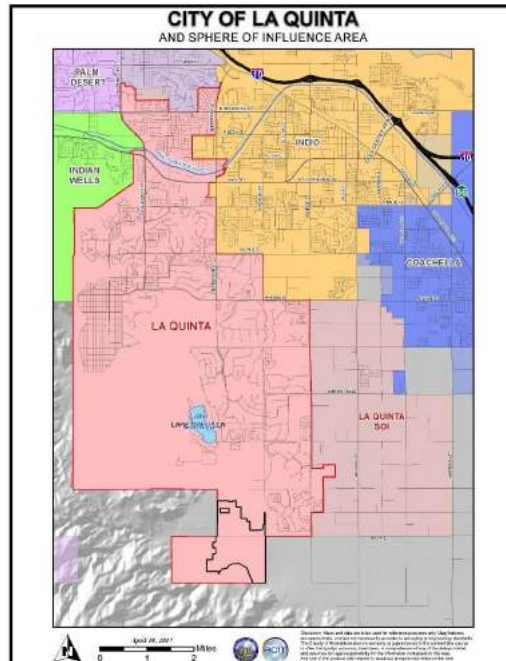
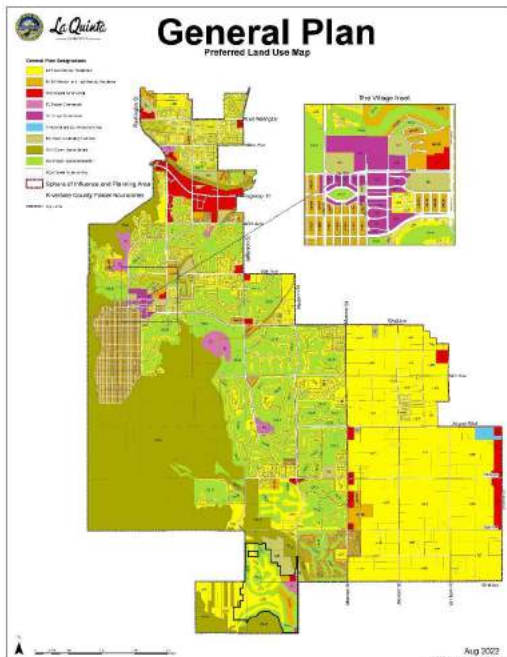
82

# PROJECT BENEFITS DIAGRAM



83

# GENERAL PLAN & SPHERE OF INFLUENCE



84

# Travertine

## A SOCIALLY RESPONSIBLE PROJECT

85



86



87



88



89



90

# AESTHETICS

1

91



92