



CITY COUNCIL STAFF REPORT

DATE: July 21, 2010 UNFINISHED BUSINESS
SUBJECT: CITY MANAGER – SIX MONTH UPDATE – ECONOMIC RECOVERY
AND DEVELOPMENT PLAN
FROM: David H. Ready, City Manager
BY: Thomas J. Wilson, Assistant City Manager

SUMMARY

At the January 20, 2010, Palm Springs City Council Meeting the City Council adopted a ONE MILLION DOLLAR Economic Recovery and Development Plan for implementation in the 2010 calendar year. Staff will present the update and status report on the first six months of the Plan.

RECOMMENDATION:

1. Receive and file the update and status report.
2. Approve supplemental funding in the amount of \$100,000 each for the Façade Improvement Program and the Commercial Interior Remodel Program.
3. Approve and initiate a "New Residential Construction Incentive Program" with funding of \$400,000.

STAFF ANALYSIS:

Staff's update and status report demonstrates the implementation of programs which have been well received by the development community and embraced by the public. Two elements of the Plan have been so successful that Staff recommends that supplemental funding be designated to continue the programs.

The Façade Improvement Program has completed 95 projects with 15 additional projects underway, for a total of 110 individual façade projects. It is proposed that an additional \$100,000 be provided for the program. Similarly the Commercial Interior Remodel Program has also demonstrated strong interest with 7 projects underway with the initial \$100,000 funding. At present there are 3 worthy projects on a waiting list, and staff recommends \$100,000 in supplemental funding for the program.

ITEM NO. 4A.

Finally, Staff has received input from Palm Springs residential developers who believe that, with some assistance, new residential development which has been stalled due to the depressed economy can be now successfully initiated. Based on this input and the recent renewal of some new residential in Coachella Valley, Staff recommends that the Council consider establishing a New Residential Construction Incentive Program.

The new incentive program would provide the following:


- City waiver of Park In-Lieu Fees and Public Art Fees.
- City contribution of 50% of a project's "Plan Check" fees, not to exceed \$50,000 per project.
- City contribution of \$4,000 per unit in "off-site" public improvement.

The incentive program would be available for new construction residential projects only, of no less than 20 units and no more than 100 units. The incentive program would be available for one year beginning August 1, 2010 and would only apply to units in projects which are fully permitted for construction and begin vertical construction no later than July 31, 2011.

Staff would recommend an initial funding of the incentive program at \$400,000.

FISCAL IMPACT:

Funds for these programs are available from the sale of White Water stock to the Desert Water Agency, with the transfer of funds from the City's Trust & Agency Account to the General Fund Revenue Account #001-37802.



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