The Indian Wells City Council welcomes and encourages participation at City Council meetings. The Council requests speakers present their remarks in a respectful manner, within the 3 minute time limit, and focus on issues which directly affect the City or which are within the subject jurisdiction of the City. Please fill out a blue Speaker Request form and give it to the City Clerk, preferably before the start of the meeting.

Any public records, relating to an open session agenda item, that is distributed within 72 hours of the meeting is available for public inspection at City Hall reception, 44-950 Eldorado Drive, Indian Wells during normal business hours.
1. CONVENE THE CITY COUNCIL, PLEDGE OF ALLEGIANCE AND ROLL CALL

   MAYOR RICHARD BALOCCO  
   MAYOR PRO TEM KIMBERLY MUZIK  
   COUNCIL MEMBER TED MERTENS  
   COUNCIL MEMBER TY PEABODY  
   COUNCIL MEMBER DANA REED

2. APPROVAL OF THE FINAL AGENDA

3. PUBLIC COMMENTS

   The Council requests speakers present their remarks in a respectful manner, within the 3 minutes time limit, and focus on issues which directly affect the City or which are within the subject jurisdiction of the City. The Mayor will call upon the members of the public to address the Council. When you're called please come forward to the podium, and state your name for the record.

   The Brown Act, with certain exceptions, does not permit the Council to discuss or take action on issues not listed on the agenda. The Council may respond briefly to statements made or questions posed, request clarification, or refer the item to Staff.

   A. PUBLIC COMMENTS

   B. RESPONSE TO PRIOR PUBLIC COMMENTS

4. GENERAL BUSINESS

   The Mayor will call upon the members of the public to address the Council regarding the agenda item being considered. After the public has provided comment, the item is closed to further comment and brought to the Council for discussion and action. Public comments are limited to 3 minutes per speaker, please state your name for the record.
A. 022-17  
Annual Strategic Planning Session - FY 2015-17 City Goals Update; and Discuss, Evaluate Priorities, and Provide Direction to Staff Concerning a Range of Topics Relating to Goals for FY 2017-19

RECOMMENDED ACTIONS:

Council REVIEWS progress on FY 2015-17 City Goals and provides DIRECTION; and REVIEWS discussion topics and provides DIRECTION on FY 2017-19 City Goals.

Attachments:
- Strategic Planning Session Agenda
- FY 2015-17 City Goals Update

B. 026-17  
Implement Strategies to Improve the City’s Long Term Fiscal Position

RECOMMENDED ACTION:

DISCUSSION and DIRECTION relating to this strategic goal.

Attachments:  
- Updated forecasts

C. 028-17  
Encourage and Expand Economic Development Opportunities

RECOMMENDED ACTION:

DISCUSSION and DIRECTION relating to this strategic goal.

Attachments:  
- Urban Land Institute Technical Advisory Plan Report
- Indian Wells Economic Development Plan

D. 027-17  
Improvements to Indian Wells Fire Station 55

Issue:

Does the Council want to pursue one of provided options to bring Fire Station #55 into compliance with modern building seismic standards?
E. **021-17**  
**Wayfinding Sign Program at Resort Campus**

**Issue:**

Does the Council want to refresh the existing wayfinding signs to provide for enhanced directional cues to each hotel and improve the pedestrian connection between the four hotels?

**Attachments:** Photos

F. **020-17**  
**Pedestrian Circulation**

**Issue:**

Does the Council want to pursue the General Plan goal of improving pedestrian access to retail centers and hotels?

**Attachments:** Photos

G. **025-17**  
**Update on Salton Sea Management Plan**

**RECOMMENDED ACTION:**

Council RECEIVES and FILES an update regarding the Salton Sea Plan (SSMP).

**Attachments:** SSMP 10-Year Plan Memo from January 26, 2017

5. **ADJOURNMENT**

To a regularly scheduled meeting of the City Council to be held at 1:30 p.m. on February 16, 2017 in the City Hall Council Chamber.
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Chief Deputy City Clerk at (760) 346-2489. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. 128 CFR 35.102.35.104 ADA Title III Affidavit of Posting and Notice

I, Anna Grandys, certify that on January 27, 2017, I caused to be posted and served upon all members of the City Council, a notice of a City Council Special Meeting to be held on February 2, 2017 at 9:00 a.m. at the Indian Wells Golf Resort, Celebrity Ballroom.

Notices were posted at Indian Wells Civic Center, Village I [Ralph’s], and Indian Wells Plaza [Indian Wells Chamber of Commerce], and were delivered to all City Council members.

Anna Grandys
City Clerk
Indian Wells City Council
Strategic Planning
February 2, 2017

Annual Strategic Planning Session - FY 2015-17 City Goals Update; and Discuss, Evaluate Priorities, and Provide Direction to Staff Concerning a Range of Topics Relating to Goals for FY 2017-19

RECOMMENDED ACTIONS:

Council REVIEWS progress on FY 2015-17 City Goals and provides DIRECTION; and REVIEWS discussion topics and provides DIRECTION on FY 2017-19 City Goals.

DISCUSSION:

The City is working on the 2015-17 strategic planning effort initiated in February 2015 to coincide with the 2015-17 Operating Budget and Capital Improvement Plan. This meeting is intended to review the status of the City Council goals, identify any course correction needed, and develop new goals and action plans for the next two-year budget cycle (2017-19).

The City’s Mission Statement is:

Create an unsurpassed quality of life for our residents and guests by providing superior public safety, exceptional service and outstanding amenities that will further enhance our image as a prestigious community and international resort destination.

The current goals which are supported by a variety of action plans and initiatives. Those goals are:

- Implement Strategies to Improve the City’s Long Term Fiscal Position
- Encourage and Expand Economic Development Opportunities
- Beautify the Highway 111 Corridor
Create a City Communications Plan

5-Year Strategic Plan for Indian Wells Golf Resort

Resort Parking and City Park Facility

LLMD Connection to Mid-Valley Pipeline

The 5-year strategic plan for the Indian Wells Golf Resort was discussed Wednesday February 1, 2017. The reports on progress for the remaining goals are included. Three goals discussed below need additional Council direction. Two goals, financial strategies and economic development carry on to the FY 2017-19 period.

Beautify the Highway 111 Corridor:

Staff worked with an ad hoc committee of former Council Member Hanson and Mayor Balocco to develop concept plans for the Highway 111/Cook Street intersection. Staff developed two alternatives (see Goal 8) from their comments, and both have a similar date grove look. Staff is soliciting Council’s preference as to placement of the City logo, closer to the main roadway or at the intersection of the walking paths. Alternative A is estimated to cost $417,000 and alternative B is estimated to cost $411,000. Once Council selects the preferred option, Staff will proceed with bidding the project.

Resort Parking and City Park Facility. The preferred parking location was the vacant site between the Indian Wells Resort Hotel and the Miramonte Resort. The property owner is not interested in selling the property. Staff investigated other options and did not locate a viable alternative. The detachment process with Desert Recreation District is more cumbersome that originally described by Council and the potential revenue shift is significantly less than initial reports. Staff is recommending that this goal be terminated and that staff works in concert with the Desert Recreation District to provide recreational services at IWGR and the Housing Authority residential communities.

LLMD Connection to Mid-Valley Pipeline:

Staff worked with the LLMD’s and developed an RFP for engineering services to determine the feasibility of connecting to the Mid-Valley Pipeline. All the LLMD’s are interested in the prospect of saving on irrigation costs; however, only one LLMD committed to funding their portion the cost for the engineering study.

- Desert Horizon’s proportional share of costs is $17,850, and they may contribute.
- The Province’s proportional share of costs is $8,593, and they will not contribute.
- Casa Dorado’s proportional share of costs is $3,251, and they will not contribute.
- Sundance’s proportional share of costs is 3,484, and they will contribute.

Staff is recommending the City conclude this project as all four of the LLMD districts need to participate for sufficient funds to be available to pursue the engineering study.
Discussion Issues for 2017-19
City Council Members over the last year identified the following issues as discussion topics and potential 2016-17 goals.

- Fiscal Policies and Procedures.
- City expenditure reductions
- Revenue enhancement opportunities.
- Fire Station 55 improvements.
- Resort Campus Wayfinding
- Pedestrian Accessibility Program.
- Urban Land Institute implementation.
- Entitlement Streamlining
- Heliport.
- Salton Sea

Reports providing background information on these topics are included.

FISCAL IMPACT:
There is no fiscal impact related to the City Goals update. However, each goal may have an individual fiscal impact, which is reviewed when that goal is brought for Council action.

ATTACHMENTS:

1. Strategic Planning Session Agenda
2. FY 2015-17 City Goals update
Thursday - 9:00 a.m.

- Call the Meeting to Order and Welcome - Mayor
- Public Comment
- Strategic Planning
- Introductions
- Communications Exercise
- Council Team
- Mission Statement
- Review City Goals
- Strengths, Weaknesses, Opportunities and Threats (SWOT)
- City Council Discussion Issues
- Next steps and Parking Lot issues
- Adjourn
FY 2015-17 Goal 1:

Implement Strategies to Improve the City’s Long Term Fiscal Position

Co-Champions: Kevin McCarthy, Finance Director  
David Gassaway, Assistant to the City Manager

Desired Outcomes: Implement strategies to increase revenue and control expenses to maintain the high quality standards of Indian Wells.

Action Items

1. Prepare a comprehensive long-term expenditure analysis  Completed
2. Prepare a comprehensive long-term revenue analysis  Completed
3. Describe funding gaps  Completed
4. Build strategies for funding gaps  In progress

<table>
<thead>
<tr>
<th>Cost Estimate</th>
<th>Stage of Progress</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted in FY 2015-17: $35,000</td>
<td>Implementation of funding gaps stage</td>
<td>Top</td>
</tr>
</tbody>
</table>

Attachment #2
### 4. Build strategies for funding gaps

**June 2017**

<table>
<thead>
<tr>
<th><strong>Actions Steps</strong></th>
<th><strong>Status:</strong></th>
</tr>
</thead>
</table>
| a. Analyze opportunities for shared services with Cove Communities to lower Public Safety expenses | • Froze SET Officer position with limited impact to the community.  
• The savings represent a reduction in the Sheriff’s contract costs by $287,000 for FY16/17. Other changes have been identified as possible future modifications to control costs in coming years.  
• The Sheriff’s Department identified contract modifications in all Cove cities and is implementing improved service coordination in FY16/17. |
| 1. Sheriff Department to prepare report on shared service opportunities | Deliverables: FY16/17 savings of approximately $287,000 |
| 2. Shared service report reviewed by Cove Communities Commission |  |
| 3. Presentation of report to IW Public Safety committee |  |
## Actions Steps

### b. Fire service property assessment ballot measure

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Research legislation and election regulations</td>
</tr>
<tr>
<td>2.</td>
<td>Work plan for public engagement</td>
</tr>
<tr>
<td>3.</td>
<td>Propose ballot language-Develop insurance billing program in conjunction with Cove cities for emergency medical transport services</td>
</tr>
</tbody>
</table>

### Status:

- Pursuing insurance billing for emergency medical transport services prior to a ballot measure.
- Interviewed two insurance billing providers to understand plan services and implementation timelines.
- Met with the City of Indio who has implemented the billing program to understand operational challenges.
- Working in partnership with the other Cove cities to create an insurance billing program.
- Continue to monitor the Fire Services Fund to ensure sufficient future funding.

### c. Pursue economic development opportunities

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Status:</td>
<td>See Goal #2</td>
</tr>
</tbody>
</table>
### Actions Steps

<table>
<thead>
<tr>
<th>d. Analyze Valley-wide development fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conduct survey</td>
</tr>
<tr>
<td>2. Determine if Council or Finance Committee review necessary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Staff identified uniform entitlement fees for all 9 Coachella Valley cities, the County of Riverside, and two other Inland Empire cities. Indian Wells generally lands in the middle for fees assessed for entitlements.</td>
</tr>
<tr>
<td>• Staff created four “typical projects” for comparing our building fees to La Quinta, Palm Desert, and Rancho Mirage. Indian Wells generally has lower fees for building permits.</td>
</tr>
<tr>
<td>• Staff is pursuing a Citywide Fee Study to update fees based on current service charges.</td>
</tr>
<tr>
<td>• The proposed timeline for the Citywide Fee study is as follows:</td>
</tr>
<tr>
<td>▪ September 2016 – Issue Request for Proposal</td>
</tr>
<tr>
<td>▪ December 2016 – Award Contract</td>
</tr>
<tr>
<td>▪ May 2017 – Council reviews proposed Citywide fees</td>
</tr>
<tr>
<td>▪ June 2017 – Council adopts new Citywide fees</td>
</tr>
<tr>
<td>▪ July 2017 – Implementation of new Citywide fees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deliverables:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updated fees and service charges as of July 1, 2017.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>e. Create a new strategic plan for Indian Wells Golf Resort</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• See Goal #6.</td>
</tr>
</tbody>
</table>
FY 2015-17 Goal 2:

Encourage and Expand Economic Development Opportunities

Champion: David Gassaway, Community Development Director

Desired Outcomes: Develop projects that create new sustainable revenue to the City.

Action Items

1. Continue to improve the development review process  
   Completed
2. Develop a Comprehensive Economic Development Plan  
   Completed
3. Process Indian Wells Tennis Garden Stadium 3 Project  
   On Hold
4. Coordinate Renaissance Esmeralda Villas and Waterpark Development  
   On Hold
5. Process Indian Wells Tennis Garden Stadium 1 Project  
   February 2017
6. Economic Development Master Plan for northeast quadrant of City  
   TBD
7. Finalize Housing Authority vacant property strategy  
   March 2017

<table>
<thead>
<tr>
<th>Cost Estimate</th>
<th>Stage of Progress</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted in FY 2015-17:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3520,000</td>
<td>Implementation Stage</td>
<td>Top</td>
</tr>
<tr>
<td>Urban Land Institute</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indian Wells
5. Process Indian Wells Stadium 1, Phase I February 2017 Improvements

<table>
<thead>
<tr>
<th>Actions Steps</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Fast track the entitlement and permit process.</td>
<td>City actively working with Tennis Garden and their contractor on the project. Construction nearing completion; end of February in time for 2017 BNP Paribas Open.</td>
</tr>
<tr>
<td>b. Expedite inspections to meet February 2017 completion date.</td>
<td></td>
</tr>
</tbody>
</table>

6. Economic Development Master Plan for Northeast quadrant of City TBD

<table>
<thead>
<tr>
<th>Actions Steps</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Research consulting firms who have successfully designed and developed revenue generating projects and specify Master Plan concept.</td>
<td>Urban Land Institute (ULI) presented their findings October 12, 2016 and provided the attached report. Staff is presenting primary ULI recommendations as new Action Item for Council’s FY 2017-19 Strategic Plan.</td>
</tr>
<tr>
<td>b. Select consultant and hold joint City Council/Housing Authority meetings.</td>
<td></td>
</tr>
<tr>
<td>c. Develop Master Plan</td>
<td></td>
</tr>
<tr>
<td>Status:</td>
<td>Urban Land Institute recommends the City develop a full master plan based on district concepts. Further direction from Council needed. See FY 2017-19 Strategic Plan, Economic Development Goal for more information.</td>
</tr>
<tr>
<td>Deliverables:</td>
<td>ULI provided report with recommendations. (Attached to FY 2017-19 Economic Development goal)</td>
</tr>
</tbody>
</table>
7. Finalize Housing Authority vacant property strategy  

March 2017

<table>
<thead>
<tr>
<th>Actions Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Formal Housing Authority actions taken for property use and/or dispossession.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Authority Board provided direction to Staff in closed session. Public action to come to the Board in coming months.</td>
</tr>
</tbody>
</table>
FY 2015-17 Goal 4:

** Beautify the Highway 111 Corridor 

Co-Champions: Ken Seumalo, Public Works Director  
Nancy Samuelson, Marketing/Community Relations Director  

Desired Outcomes: Implement a phased improvement to the Cook Street Highway 111 intersection to create an Entrance. 

**Action Items**

1. Define Cook Street and Highway 111 improvements  
   Completed  
2. Improve frontage appearance of commercial properties  
   Completed  
3. Determine use of Arts in Public Places funds  
   Completed  
4. Design and construct Cook Street and Highway 111 improvements  
   In Progress  

<table>
<thead>
<tr>
<th>Cost Estimate</th>
<th>Stage of Progress</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted in FY 2015-17: $360,000 Arts in Public Places funds</td>
<td>Concept Design Stage</td>
<td>Mid</td>
</tr>
</tbody>
</table>
4. Design and construct Cook Street and Highway 111 improvements

**June 2017**

<table>
<thead>
<tr>
<th>Actions Steps</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a.</strong></td>
<td>Formalize approved concept with engineered plans.</td>
</tr>
<tr>
<td></td>
<td>• Staff met with Council Members Hanson and Balocco to discuss vision of the project.</td>
</tr>
<tr>
<td></td>
<td>• Project amenities include walkways, benches, trashcans, dog stations and a mosaic of the City logo installed at each corner.</td>
</tr>
<tr>
<td></td>
<td>• Conceptual plan developed. Council to discuss and provide direction to staff at October 12, 2016 Council meeting.</td>
</tr>
<tr>
<td></td>
<td>• Palm tree assessment study for Highway 111 and Cook Street intersection, and Indian Wells Lane completed. Report identified 95% of the trees at both locations require replacement.</td>
</tr>
<tr>
<td></td>
<td>• New 15-foot trees will be planted in a modified configuration.</td>
</tr>
<tr>
<td><strong>b.</strong></td>
<td>Bid finalized plans for construction.</td>
</tr>
<tr>
<td></td>
<td>• Schedule construction for completion by June, 2017</td>
</tr>
<tr>
<td></td>
<td>• February 2017 – Complete construction of arrowhead artwork.</td>
</tr>
<tr>
<td></td>
<td>• May, 2017 – Remove existing palm trees &amp; modify irrigation.</td>
</tr>
<tr>
<td></td>
<td>• June, 2017 – Complete new sidewalk &amp; palm tree planting.</td>
</tr>
</tbody>
</table>
Proposed Logo

HWY 111

Existing Sidewalk

Proposed Sidewalk

78'

18" Water Main & Easement

100'

Proposed Date Palms at 30’ Spacing

1" = 40'

Highway 111-Cook Street Entry
Site Overview - Alternate "A"
Proposed Date Palms at 30' Spacing

18" Water Main & Easement

Proposed Date Palms at 30' Spacing

Existing Sidewalk

Proposed Sidewalk

Proposed Logo

Proposed Date Palms at 30' Spacing

Existing Sidewalk

Proposed Logo
### Alternative "A"

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Remove Unhealthy Date Palm &amp; Root Ball</td>
<td>82.00</td>
<td>EA</td>
<td>$ 900.00</td>
<td>$ 73,800.00</td>
</tr>
<tr>
<td>2</td>
<td>Install New Date Palm (15-ft tall 30-ft O.C.)</td>
<td>69.00</td>
<td>EA</td>
<td>$ 2,500.00</td>
<td>$ 172,500.00</td>
</tr>
<tr>
<td>3</td>
<td>Remove Existing Sidewalk</td>
<td>400.00</td>
<td>SF</td>
<td>$ 2.00</td>
<td>$ 800.00</td>
</tr>
<tr>
<td>4</td>
<td>Install Decorative City Logo in Walk</td>
<td>2.00</td>
<td>EA</td>
<td>$ 4,000.00</td>
<td>$ 8,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Install New PCC Sidewalk (Inc. West of Cook)</td>
<td>3,400.00</td>
<td>SF</td>
<td>$ 10.00</td>
<td>$ 34,000.00</td>
</tr>
<tr>
<td>6</td>
<td>Irrigation Modification</td>
<td>1.00</td>
<td>LS</td>
<td>$ 35,000.00</td>
<td>$ 35,000.00</td>
</tr>
<tr>
<td>7</td>
<td>Lighting/Electrical Modification</td>
<td>1.00</td>
<td>LS</td>
<td>$ 20,000.00</td>
<td>$ 20,000.00</td>
</tr>
<tr>
<td>8</td>
<td>Install Bench</td>
<td>4.00</td>
<td>EA</td>
<td>$ 2,000.00</td>
<td>$ 8,000.00</td>
</tr>
<tr>
<td>9</td>
<td>Install Trash Receptacle</td>
<td>2.00</td>
<td>EA</td>
<td>$ 500.00</td>
<td>$ 1,000.00</td>
</tr>
<tr>
<td>10</td>
<td>Install Doggie Bag Dispenser</td>
<td>2.00</td>
<td>EA</td>
<td>$ 500.00</td>
<td>$ 1,000.00</td>
</tr>
<tr>
<td>11</td>
<td>Turf Repair</td>
<td>1.00</td>
<td>LS</td>
<td>$ 25,000.00</td>
<td>$ 25,000.00</td>
</tr>
</tbody>
</table>

**Sub-Total:** $ 379,100.00  
**10% Conting.:** $ 37,910.00  
**TOTAL:** $ 417,010.00

### Alternative "B"

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Remove Unhealthy Date Palm &amp; Root Ball</td>
<td>82.00</td>
<td>EA</td>
<td>$ 900.00</td>
<td>$ 73,800.00</td>
</tr>
<tr>
<td>2</td>
<td>Install New Date Palm (15-ft tall 30-ft O.C.)</td>
<td>70.00</td>
<td>EA</td>
<td>$ 2,500.00</td>
<td>$ 175,000.00</td>
</tr>
<tr>
<td>3</td>
<td>Remove Existing Sidewalk</td>
<td>-</td>
<td>SF</td>
<td>$ 2.00</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Install Decorative City Logo in Walk</td>
<td>2.00</td>
<td>EA</td>
<td>$ 4,000.00</td>
<td>$ 8,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Install New PCC Sidewalk (Inc. West of Cook)</td>
<td>2,700.00</td>
<td>SF</td>
<td>$ 10.00</td>
<td>$ 27,000.00</td>
</tr>
<tr>
<td>6</td>
<td>Irrigation Modification</td>
<td>1.00</td>
<td>LS</td>
<td>$ 35,000.00</td>
<td>$ 35,000.00</td>
</tr>
<tr>
<td>7</td>
<td>Lighting/Electrical Modification</td>
<td>1.00</td>
<td>LS</td>
<td>$ 20,000.00</td>
<td>$ 20,000.00</td>
</tr>
<tr>
<td>8</td>
<td>Install Bench</td>
<td>4.00</td>
<td>EA</td>
<td>$ 2,000.00</td>
<td>$ 8,000.00</td>
</tr>
<tr>
<td>9</td>
<td>Install Trash Receptacle</td>
<td>2.00</td>
<td>EA</td>
<td>$ 500.00</td>
<td>$ 1,000.00</td>
</tr>
<tr>
<td>10</td>
<td>Install Doggie Bag Dispenser</td>
<td>2.00</td>
<td>EA</td>
<td>$ 500.00</td>
<td>$ 1,000.00</td>
</tr>
<tr>
<td>11</td>
<td>Turf Repair</td>
<td>1.00</td>
<td>LS</td>
<td>$ 25,000.00</td>
<td>$ 25,000.00</td>
</tr>
</tbody>
</table>

**Sub-Total:** $ 373,800.00  
**10% Conting.:** $ 37,380.00  
**TOTAL:** $ 411,180.00

**Fund Balance:** $ 360,000.00
FY 2015-17 Goal 5:

Create a City Communications Plan

Champion: Nancy Samuelson, Marketing/Community Relations Director

Desired Outcomes: Continue to engage the community through effective communication and education on community issues. Implement a plan to bridge any gaps between citizens and government.

Action Items

1. Create a Communication Plan Completed
2. Enhance and Update Website In Progress Completed

Cost Estimate

<table>
<thead>
<tr>
<th>Cost Estimate</th>
<th>Stage of Progress</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted in FY 2015-17.</td>
<td>Implementation Stage</td>
<td>Mid</td>
</tr>
<tr>
<td>$ 55,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants for website redesign and creative services.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Enhance and upgrade website  

**December 2016**

<table>
<thead>
<tr>
<th>Actions Steps</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Consolidate the City’s two websites (City and tourism).</td>
<td>• Completed.</td>
</tr>
<tr>
<td>b. Create new cutting edge design on city site to enhance use and citizen engagement.</td>
<td>• New responsive design website launched in mid-October.</td>
</tr>
<tr>
<td>c. Bring events and sign-up forms to forefront for residents to find easily.</td>
<td>• Completed in new responsive design website.</td>
</tr>
<tr>
<td>d. Enhance the availability of public documents on website.</td>
<td></td>
</tr>
</tbody>
</table>
FY 2015-17 Goal 7:

Resort Parking and City Park Facility

Co-Champions: Wade McKinney, City Manager
               Kevin McCarthy, Finance Director
               Nancy Samuelson, Marketing/Community Relations Director
               Anna Grandys, City Clerk

Desired Outcomes: Council and community understand the options for additional parking areas for the Resorts, and the funding options for a park through the Desert Recreation District or by separating from the District.

Action Items

1. Evaluate feasibility of purchase of parcel between Indian Wells Resort Hotel and Miramonte Resort for parking area & park facility  - Completed
2. Investigate funding options for park facility  - In Progress
3. Design parking area and park facility  - On Hold

<table>
<thead>
<tr>
<th>Cost Estimate</th>
<th>Stage of Progress</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted in FY 2015-17: $25,000</td>
<td>Planning Stages</td>
<td>Mid</td>
</tr>
</tbody>
</table>
### 1. Evaluate feasibility of purchase of parcel  
Completed

<table>
<thead>
<tr>
<th><strong>Actions Steps</strong></th>
<th><strong>Status:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Contact property owner and discuss purchase of parcel</td>
<td></td>
</tr>
<tr>
<td>• Staff discussed purchase of the land between Indian Wells Resort Hotel and the Miramonte Resort with the owner and the owner’s representative. The owner is not interested in selling the entire parcel indicating that he intended to build a project of Villas, at this time he does not want to proceed with concept plans. There is no additional action.</td>
<td></td>
</tr>
<tr>
<td>b. Evaluate other purchase options</td>
<td></td>
</tr>
<tr>
<td>• Staff discussed the purchase of a portion of the northwest corner of Highway 111 and Miles with Mr. Fogelson. He is currently not interested as he actively markets the property. Depending on the type of development eventually approved for the site, there could be opportunities for parking, shared or stand-alone.</td>
<td></td>
</tr>
<tr>
<td>• Staff did not investigate eminent domain options.</td>
<td></td>
</tr>
</tbody>
</table>
### 2. Investigate funding options of City park facility

**July 2016**

<table>
<thead>
<tr>
<th>Actions Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a.</strong> Research funding options</td>
</tr>
<tr>
<td><strong>Status:</strong></td>
</tr>
<tr>
<td>• Staff reviewed existing revenue sources and determined that there are no opportunities given the fiscal analysis recently prepared.</td>
</tr>
<tr>
<td><strong>b.</strong> Evaluate option to detach from Desert Recreation District</td>
</tr>
<tr>
<td><strong>Status:</strong></td>
</tr>
<tr>
<td>• Staff retained Urban Futures to provide general advisory support and prepare a fiscal impact analysis. County Counsel opined that only the District’s AB 8 property tax apportionment is available for potential reallocation to Indian Wells. In Fiscal Year 2016-17 that amount is $321,638. Any reallocation would be based on negotiations with the County Chief Executive’s Office. The District opposes any effort of detachment by Indian Wells.</td>
</tr>
<tr>
<td><strong>Deliverables:</strong></td>
</tr>
<tr>
<td>• A Parks and Recreation Service Plan and the Fiscal Analysis are being developed.</td>
</tr>
<tr>
<td><strong>c.</strong> Investigate option for Desert Recreation District to provide parking facility</td>
</tr>
<tr>
<td><strong>Status:</strong></td>
</tr>
<tr>
<td>• Staff has not developed information for the District to provide parking until additional information is known.</td>
</tr>
</tbody>
</table>
**3. Design parking area and park facility**

*September 2016 On Hold*

<table>
<thead>
<tr>
<th>Actions Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Action item dependent on Council determination after steps 1 and 2</td>
</tr>
</tbody>
</table>

**Status:**

- Staff has identified three potential park sites:
  - Indian Wells Golf Resort
  - Housing Authority property on Highway 111
  - Housing Authority property on Warner Trail
FT 2015-17 Goal 8:

**LLMD Connection to Mid-Valley Pipeline**

Co-Champions: Ken Seumalo, Public Works Director

Desired Outcomes: Pass-through Landscape and Lightening Districts connect to Mid-Valley Pipeline to produce water conservation and cost savings.

**Action Items**

1. Engineering study to connect pass-through LLMDs to Mid-Valley Pipeline  
   - In Progress

<table>
<thead>
<tr>
<th>Cost Estimate</th>
<th>Stage of Progress</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted in FY 2015-17: None</td>
<td>Planning Stages</td>
<td>Mid</td>
</tr>
</tbody>
</table>
1. Engineering study to connect pass-through LLMDs to Mid-Valley Pipeline

<table>
<thead>
<tr>
<th>Actions Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Preliminary contact with pass-through HOAs to determine interest of HOAs in connecting to Mid-Valley Pipeline and HOA financial participation.</td>
</tr>
<tr>
<td>Status:</td>
</tr>
<tr>
<td>• Preliminary discussions with four LLMD’s resulted in mixed interest in the project due to cost. Only Sundance was interested in financially participating in the study.</td>
</tr>
<tr>
<td>• Cost allocations are based on each LLMD’s landscaped area fronting Highway 111. 53% for Desert Horizons, 26% for Province, 10% for Casa Dorado, and 10% for Sundance.</td>
</tr>
<tr>
<td>• All LLMD’s were interested in the prospect of saving irrigation costs for landscaping; however, two of the four LLMD’s were not interested in financial participation in the engineering study.</td>
</tr>
<tr>
<td>b. Request for Proposals for engineering study to develop method and cost estimates.</td>
</tr>
<tr>
<td>Status:</td>
</tr>
<tr>
<td>• Four proposals were received for the engineering study ranging from 33,000 to 65,000.</td>
</tr>
<tr>
<td>• Staff evaluated the proposals and chose Michael Baker International the lowest bidder at $33,178.</td>
</tr>
</tbody>
</table>
c. Discuss engineering study with pass-through HOAs for final determination as to interest in connecting to Pipeline and HOA financial participation.

| Status: | Staff met with each Board of Directors of the four LLMDs. The synopsis of the discussions relating interest in the project and sharing of costs for the engineering study is:  
| | o Desert Horizon’s proportional share of costs is $17,850, their interest is high, and they may contribute.  
| | o The Province’s proportional share of costs is $8,593, their interest is high, and they will not contribute.  
| | o Casa Dorado’s proportional share of costs is $3,251, their interest is high, and they will not contribute.  
| | o Sundance’s proportional share of costs is $3,484, their interest is high, and they will contribute. |

d. Prepare report as to HOA interest in project, Request for Proposals for design engineering, and estimate budget for Council action.

| Status: | Council to discuss and provide direction to staff at February 2, 2017 Strategic Planning meeting. |
Indian Wells City Council

Goals for Fiscal Year 2017-19: February 2, 2017

Implement Strategies to Improve the City’s Long Term Fiscal Position

RECOMMENDED ACTION:

DISCUSSION and DIRECTION relating to this strategic goal.

Co-Champions: Kevin McCarthy, Finance Director
David Gassaway, Community Development Director

Desired Outcomes: Implement strategies to increase revenue and control expenses to maintain the high quality standards of Indian Wells.

New Action Items Consideration

1. Reduce operating costs
2. Reduce on-going pension costs
3. Streamline processes relating to contract approval, purchasing, and warrants
4. Develop new revenue opportunities

DISCUSSION:

The City Council, in 2015, made their top strategic goal the creation of a financial strategy to improve the City’s long-term financial position. Staff prepared the Financial Strategy Gap Analysis which included a ten-year forecast. The forecast comprised all the major City funds, including the General Fund, Indian Wells Golf Resort, Fire Services, and Other (small special revenue funds lumped together). These funds represent all core services provided by the City.

Staff compiled revenue and expenditure data down to the individual line item dating back to fiscal year 2007. Eliminating all variable data (such as transfers resulting from dissolution of redevelopment), Staff analyzed historical growth rates of revenue and expenditures to create historical trends in revenue and expenditure rates of increases.
File #: 026-17 Item #: B.

Those trends were used to forecast future growth rates for ten years.

Staff updated the ten-year forecast to include fiscal year 2016 audited actuals and fiscal year 2017 year-end estimates. The attached forecast tables (Attachment 1) detail the revised revenue and expenditure gaps. Based on the revised forecast, work is still needed in order to close a long-term Citywide shortfall. The good news is that the overall shortfall is pushed out to fiscal year 2024 from 2022.

To continue efforts to close the financial gap, Staff developed new action items for Council discussion and direction.

1. Reduce operating costs

As part of the development of the 2017/2019 Biennial Budget, Staff will actively explore savings opportunities on a program basis and present a reduced General Fund operating budget to Council. Additionally, the upcoming budget will expand the City’s program budget format by allocating Risk Management and Central Services expenditures to the Golf Resort, Fire Services, Housing Authority, and Club Drive programs, thereby reducing General Fund expenditures.

As an option to further reduce costs, does Council want to consider opportunities to lower long-term utility costs by installing energy efficient improvements and/or solar? Currently, the California Energy Commission (CEC) offers municipalities 1% interest loans to install energy efficiency or generation upgrades on public facilities. Implementing solar photovoltaic, battery backup, and other efficiency improvements could save the City more than $600,000 over 20 years at City Hall and approximately $3 million at the Golf Resort over 20 years. These projects would use no out of pocket costs from the City by utilizing the CEC loan, and the savings include repayment of CEC loan funds.

2. Opportunities to reduce on-going pension costs

Currently, the City’s unfunded pension liability is $1.2 million. Similar to the City’s success in eliminating the Other Post-Employment Benefits (OPEB) unfunded liability, Staff recommends paying off the unfunded pension liability using undesignated General Fund operating reserves. Paying off this pension liability creates a savings of $6 million over the thirty (30) year amortization period according to the August 2016 CalPERS Valuation Report. The savings come from a $200,000 per year reduction in pension payments to CalPERS.

3. Streamline redundant processes relating to contract approval, purchasing, and warrants

The Council directed staff to streamline fiscal procedures and policies. In response, Staff collaborated with the Finance Committee to revise the Fiscal Policy and Procedures manual. Revisions to the manual include alternatives to make the process more efficient while maintaining existing internal control procedures. Staff will present the revised manual to the Council at an upcoming Council meeting.

4. Explore New Revenue Opportunities

Ever since Staff presented the ten-year financial forecast at last year’s Strategic Planning, generating new revenues have become a central focus of the City. In the last year, at Council’s direction, Staff has worked towards implementation of a couple revenue generators.

First is a medical insurance billing program for ambulance services. Currently, the City does not bill any user of ambulance services. Health insurance providers as well as Medicare both pay for some level of ambulance service as part of coverage. By implementing a program to begin billing insurance for ambulance services,
beginning July 1, 2017, new annual revenues are conservatively estimated at $280,000 or more. A contract for a billing service provider will come to Council in February.

Second, the City is conducting a Citywide fee study to analyze the costs of fee-based services. The City is in the beginning stages of the fee study and potential new revenues are not known at this time and is highly dependent on policies of City Council on desired cost recovery rates. Once completed, the fee study will come to Council for policy considerations.

In an effort to continue seeking new revenue streams to help close the long-term financial gap, Staff recommends investigating new revenue sources that have minimum to no direct impact on Indian Wells residents.

Potential areas of additional revenue for the City include sales tax and transient occupancy tax. These taxes are largely tourism based, paid by hotel guests, and represent a minimal financial impact to residents. Both taxes are considered a general-purpose tax collected in the City’s General Fund and will be used for general government services such as public safety, public works, planning and building, water conservation, community activities, the Indian Wells Golf Resort, and other vital City services.

ATTACHMENT:

1. Updated forecasts
The General Fund is the primary fund of the City. The updated forecast provides a more positive outlook compared to the General Fund forecast presented to Council at last year's strategic planning session. The current FY2016/17 estimate anticipates an operating surplus of $1,291,684 compared to the original projection of $1,004,771. Table 1 provides an updated forecast of future General Fund revenues and expenditures.

### Table 1: 10-year General Fund Surplus/(Gap) Forecast

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>17,028,357</td>
<td>17,650,017</td>
<td>18,223,163</td>
<td>18,817,484</td>
<td>19,433,873</td>
<td>20,073,270</td>
<td>20,736,657</td>
<td>21,425,063</td>
<td>22,139,569</td>
<td>22,881,305</td>
<td>23,651,458</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>3.7%</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>16,023,323</td>
<td>16,358,333</td>
<td>16,943,491</td>
<td>17,553,525</td>
<td>18,189,708</td>
<td>18,853,391</td>
<td>19,546,006</td>
<td>20,269,073</td>
<td>21,024,204</td>
<td>21,813,112</td>
<td>22,637,614</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>2.1%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(GAP)</td>
<td>1,005,034</td>
<td>1,291,684</td>
<td>1,279,672</td>
<td>1,263,959</td>
<td>1,244,165</td>
<td>1,219,879</td>
<td>1,190,650</td>
<td>1,155,990</td>
<td>1,115,365</td>
<td>1,068,193</td>
<td>1,013,843</td>
</tr>
</tbody>
</table>

The greatest contributor to future General Fund growth is the expansion of the BNP Paribas Tennis Tournament, “Coachella” and “Desert Trip” style events, and new corporate events like the “Kawasaki” event. Factored into the forecast during FY2016/17, the City froze a SET officer position with limited impact to the community creating a savings of $287,000 annually. Not factored into the updated forecast are potential new revenues resulting from the citywide fee study. City is conducting a citywide fee study updating full allocation of costs for services. The City is in the beginning stages of the fee study and potential new revenues are not known at this time. Once completed, the new fee study will come to Council for final approval and is on schedule for implementation on July 1, 2017. Potential new revenues resulting from the adopted fee study will be included into the City’s FY17-19 budget.
Indian Wells Golf Resort Forecast
Updated January 2017

The Indian Wells Golf Resort is the second largest fund in the City and is accounted for as an enterprise fund. Enterprise funds are used for services provided to the public on a user fee basis, similar to the operation of a commercial or private enterprise. This helps to segregate all revenues and expenses of the Golf Resort from other City operations, thereby giving an accurate accounting of the operational surplus or deficit.

The operating deficit at the Golf Resort increased significantly compared to forecast presented to Council at last year's strategic planning session. Council and the Golf Advisory Committee are aware of this issue and have met on a continual basis since June 30, 2016 when Council adopted a 5-Year Strategic Plan for Indian Wells Golf Resort. The Plan was a result of the City's strategic planning effort and the information developed in the 10-year financial strategy. Action plans for all business segments of Golf Resort were adopted.

The current FY2016/17 estimate for the Golf Resort projects operating deficit of ($815,669). Troon’s original projection was an operating deficit of ($330,258) which missed expectations by ($485,411). Table 2 provides an updated forecast of future revenues and expenditures of the Golf Resort.

The trend shows expenditures outpacing revenues at the Golf Resort, increasing the gap over time. By FY2026, the trend shows an operating deficit of $1,333,520. The Golf Resort is a 2017 Council Strategic Planning discussion item. The Staff Report for the Golf Resort Strategic Plan provides more information on the factors involved in producing the forecasted gap at the Golf Resort.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Golf Resort Expected</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>14,749,882</td>
<td>13,289,244</td>
<td>13,608,166</td>
<td>13,934,741</td>
<td>14,269,154</td>
<td>14,611,593</td>
<td>14,962,249</td>
<td>15,321,321</td>
<td>15,689,011</td>
<td>16,065,524</td>
<td>16,451,073</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>-9.9%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Golf Resort Expected</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>15,540,448</td>
<td>14,104,943</td>
<td>14,472,809</td>
<td>14,850,303</td>
<td>15,237,679</td>
<td>15,635,198</td>
<td>16,043,129</td>
<td>16,461,746</td>
<td>16,891,334</td>
<td>17,332,184</td>
<td>17,784,593</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>-9.2%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(GAP)</td>
<td>(790,566)</td>
<td>(815,699)</td>
<td>(864,644)</td>
<td>(915,562)</td>
<td>(968,525)</td>
<td>(1,023,605)</td>
<td>(1,080,879)</td>
<td>(1,140,425)</td>
<td>(1,202,324)</td>
<td>(1,266,660)</td>
<td>(1,333,520)</td>
</tr>
</tbody>
</table>
The Fire Services Fund is a special revenue fund for fire and emergency medical related services. Fund revenues include a special assessment (Emergency Services Upgrade Assessment) add-on to property tax collections, as well as a Riverside County Fire Tax Credit contribution.

The updated analysis provides a more positive outlook as compared to the Fire Services Fund forecast presented to Council at last year’s strategic planning session. The current FY2016/17 estimate shows an operating deficit of ($25,799) compared to the original deficit projection of ($232,022). Table 3 provides an updated forecast of future Fire Service Fund revenues and expenditures.

The City is on schedule to implement a new medical insurance billing program in the Fire Services program beginning July 1, 2017 accounting for the 10.4% increase in anticipated revenues during FY2018. Based upon existing medical call volumes, annual insurance billing revenues are estimated at $280,000.
The Other Funds category accounts for less than 2% of total City revenues. Other Funds include several small, special revenue funds that act as pass-through funds. The funds are spent when they are received. Most of these funds are provided by the State of California for specific purposes, mostly transportation projects and public safety services.

The only fund in this category that does not act as a pass-through is the Club Drive Enterprise Fund which accounts operations of the City’s Club Drive rental property. Operations from the Club Drive Enterprise Fund account for the operating surplus in this category. The current FY2016/17 estimate shows an operating surplus of $93,946 compared to the original projection of $6,413. Table 4 provides an updated forecast of all other funds revenues and expenditures.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>641,110</td>
<td>645,424</td>
<td>659,957</td>
<td>674,824</td>
<td>690,032</td>
<td>705,590</td>
<td>721,504</td>
<td>737,785</td>
<td>754,439</td>
<td>771,477</td>
<td>788,907</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>0.7%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual % Change</td>
<td>-12.1%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>
Combining all funds provides a point-in-time forecast of the City’s overall fiscal future. Table 5 combines the revenue and expenditures for the four individual funds presented.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>35,783,249</td>
<td>35,018,617</td>
<td>36,283,146</td>
<td>37,304,490</td>
<td>38,358,301</td>
<td>39,445,774</td>
<td>40,568,151</td>
<td>41,726,731</td>
<td>42,922,867</td>
<td>44,157,972</td>
<td>45,433,519</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>-2.1%</td>
<td>3.6%</td>
<td>2.8%</td>
<td>2.8%</td>
<td>2.8%</td>
<td>2.8%</td>
<td>2.9%</td>
<td>2.9%</td>
<td>2.9%</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>-2.6%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Based on the revised forecast, work is still needed to close a long-term Citywide shortfall. The good news is that the overall shortfall is pushed out to fiscal year 2024 from 2022. Staff’s trend shows overall City expenditures continue to outpace revenues by four tenths of one percent (0.4%), or more, annually. As previously discussed, the primary drivers of future deficits are increases in Public Safety costs and subsidy of the Indian Wells Golf Resort.
City of Indian Wells

2/2/2017

Indian Wells City Council
Goals for Fiscal Year 2017-19: February 2, 2017

Encourage and Expand Economic Development Opportunities

RECOMMENDED ACTION:

DISCUSSION and DIRECTION relating to this strategic goal.

Co-Champions: David Gassaway, Community Development Director
               Nancy Samuelson, Marketing/Community Relations Director

Desired Outcomes: Develop projects that create new sustainable revenue to the City.

Action Items

1. Implement Urban Land Institute TAP recommendations
2. Streamline entitlement process
3. Pursue tourism as economic development
4. Develop retail recruitment strategy
5. Coordinate Renaissance Esmeralda Water Park development
6. Investigate helicopter landing area development
7. Partner with Tennis Gardens in continued growth

DISCUSSION:

1. Urban Land Institute TAP Recommendations:

The Urban Land Institute (ULI) Technical Advisory Panel (TAP) made a number of recommendations for development of the remaining vacant parcels in the northeast corner of the City. Detailed in Attachment 1 of this report, ULI’s overall recommendation to the City is to “focus on building high-energy entertainment uses
that [will] complement the golf course and tennis facility. The goal is to create a setting that will, in the long term, draw in more retail and commercial businesses.”

This report discusses briefly some of the recommendations of the TAP report and organizes them into possible action steps. At strategic planning, Staff seeks Council input and direction on which action items to pursue in the coming years 2017-2019.

Action Steps:

a. **Actively pursue high-impact entertainment mixed-use development opportunities**

ULI presented a couple ‘blue-sky’ recreation and entertainment based development projects. Staff conducted some preliminary research to provide here.

**Whitewater/Kayaking Facility** - these types of facilities are growing in popularity internationally as a recreation-based economic driver. Generally costing anywhere between $15-40 million (highly dependent on scale of project), the facility is essentially a concrete channel with a slight elevation fall into a large man-made pond at the bottom. Using a large pump system, water is taken to the top of the channel and gravity creates the water flow. Obstacles placed inside the channel (think large Lego blocks) creates the whitewater.

The facilities are built through a number of financing mechanisms including publicly funded, privately funded, and through private/public partnerships. In conversations with firms that specialize in designing and building these types of facilities, a park in Indian Wells is plausibly feasible. This type of facility could be designed with tourism in mind, being surrounded by a full-scale mixed use development consisting of condos, shops, restaurants, and even commercial office uses. The facility itself would create a one of a kind attraction in the valley, helping to drive the success of surrounding uses.

To further study feasibility, the City could hire a consultant who specializes in these facilities. Initial feasibility testing is around $20,000, with a full scale study costing around $100,000 for design, project costing, economic impact, and operations plan development.

**Cable Wakeboard and Aqua Park** - The only location large enough would be in the Whitewater drainage channel, which would face difficult, if not impossible, permitting requirements. Additionally, water availability would be a limiting factor and surrounding development opportunities would be sparse in density. For these reasons, Staff does not believe this concept to be feasible.

**Card Club** - Card clubs in urban areas of California have proven to be lucrative ventures, producing revenue streams for cities. However, currently the California Business and Professions Code Section 19962 prohibits local jurisdictions from authorizing legal gaming. Further, Business and Professions Code Section 19963 prohibits the Gaming Commission from issuing any licenses. Both provisions of the code are scheduled to sunset January 1, 2020, with further extension of the moratorium likely,
according to the City’s Sacramento representative. Additionally, the prevalence of casinos within the area make the project difficult.

**Riverwalk and Indoor/Outdoor Environments** - creating an environment around water and/or a retractable roof facility may be feasible. Retractable roof technology is seen on shopping malls, swimming facilities, and sports arenas throughout the country. A facility with a retractable roof may provide an appeal to retailers and restauranteurs given the ability to create a year-round outdoor space. However, such a facility would not be without considerable challenge.

The cost of construction of retractable roof systems for large projects runs around $60-85 per square foot. The added expense would result in higher lease rates. Currently, there is available retail and restaurant commercial space in neighboring jurisdictions, creating rate competition. Further, a broader societal shift is happening, leading to shrinking retail storefronts and struggling shopping malls. The likely driver for tenants to pay higher than typical rates for the valley would be whether or not the facility was the “it” place to be, thereby increasing demand.

If Council desires including indoor/outdoor facilities within a district master plan concept, Staff recommends first further studying feasibility. Firms that specialize in these types of facilities can study initial feasibility for $10,000-20,000.

**Other Entertainment Uses** - there is a trend in restaurants towards creating an entertainment atmosphere where patrons come for dinner and drinks, but stay to socialize. Called “eatertainment,” these facilities combine the traditional entertainment venue - think bowling, billiards, arcades, live music, and other games - with a quality dining experience and a trendy bar.

Few national brands exist, with successful chain examples being Dave & Busters, Chuck-e-Cheeses, and TopGolf (discussed further in the Golf Resort Strategic Plan). Increasingly, however, there are a variety of new, higher-end companies finding success such as Punch Bowl Social, Pinstripes, and Plank. Firms that specialize in feasibility analysis for eatertainment exist, with studies costing in the $10,000-20,000 range.

b. **Residential development viability**

ULI referenced residential development as being the most likely feasible development in Indian Wells currently. Residential development does not generate the long-term revenue streams desired by the City, but is a viable and complimentary piece to any master planned development concept. In addition, ULI recommended that residential development be mixed-use, incorporating commercial with residential.

Currently, the vacant lots in the northeast corner of the City are zoned a combination of Resort Commercial, Community Commercial, and Medium Density Residential. Resort and Community Commercial zoning designations would currently allow for a mixed-use project, but only through a specific plan to be reviewed and approved by the Planning Commission and City Council. Residential
zoning in Indian Wells does not allow for mixed uses.

While the City’s current zoning allows for some mixed-use development, it is generally unclear what would or would not be acceptable to City Council. If City Council desires, Staff can develop a General Plan and Zone Text amendment that clarifies the City’s requirements for mixed-use development. Doing so would help developers better understand the City’s goals. The planning document amendments can be accomplished through Staff in the near-term, or could be included in a broader Master Plan development process identified in Action Step c.

c. Develop district master plan concept for vacant properties on Highway 111 and surrounding the Tennis Gardens

ULI recommends the City work collaboratively with property owners to further clarify desired development types within the City, based on a district concept that includes an Entertainment district, Recreation district, and a Mixed-use district. The goal would be to develop standards and definitions of desired types of projects within each district, while maintaining flexibility for City Council to determine where each district ultimately gets placed (i.e. the districts aren’t fixed in a location, but the eligible types of projects within a district are).

Staff agrees with ULI’s recommendation. Currently, the City’s Zoning Code provides flexibility for the types of projects eligible in both Community and Resort Commercial zones. However, the flexibility comes from an open-ended requirement to establish a Specific Plan for individual projects, allowing for negotiation on a project by project basis. While creating maximum flexibility for the City, it also causes a lack of vision for what the City desires. By creating a District Based Master Plan, Council could further clarify the goals of project types by district, further clarifying favorable projects for potential developers.

The City should consider utilizing a consultant for development of the Master Plan. Costs are wide ranging depending on how granular the level of detail the City desires. Staff’s estimate to Council prior to ULI’s efforts was $50,000-100,000.

d. Promote connectivity with the existing resort campus, new development on Highway 111, and Tennis Gardens

ULI recommended ensuring pedestrian connectivity around the northeast corner of the City. Another FY17-19 Strategic Goal consideration proposes hiring a consultant to create a citywide pedestrian circulation plan. If that goal moves forward, Staff recommends including connectivity with the existing resort campus, new developments on Highway 111, and the Tennis Garden as part of the plan. Further, Staff recommends requiring future developments to build their portion of the connectivity as a condition of their projects, or to reimburse the City for our cost in creating the connection if completed prior to development.

e. Develop market feasibility studies on various concepts presented within the district master plan
Staff outlined a number of areas for potential feasibility study under ULI recommendation a. above, and recommends pursuing some level of study based on Council’s desired direction.

**Action Item Policy Question:** Does Council want Staff pursuing the recommendations made by ULI? In what order of priority does Council see the recommendations? Are there other areas where Staff should be pursuing development outside of ULI’s recommendations?

### 2. Streamline Entitlement Process:

Identified in the 2016 Economic Development Plan (Attachment 2), Staff identified a number of areas where Indian Wells has more stringent entitlement and planning approvals than most surrounding jurisdictions. In an effort to support business development and retention, Staff recommends streamlining the City’s process for Temporary Use Permits (TUP), Conditional Use Permit (CUP) amendments, and the Sign Program.

The primary issues Staff has identified with each program pertains to the City’s municipal code and generally unclear and non-uniform language. For example, a new TUP applicant (think special event) may be required to go through Architecture and Landscape Committee approval, Planning Commission approval, and City Council approval. These approvals, plus Staff’s needed time for application review and processing, can take upwards of four months. This is generally problematic for special event organizers who need to start advertising their events once they decide on a location. CUP and signage modifications are similar in complexity.

As part of the Economic Development Plan, Staff reviewed neighboring jurisdictions processes and generally found Indian Wells to have one of the more stringent approval processes for most planning processes.

**Action Item Policy Question:** As an economic development, to encourage more special events and support retention and attraction of small businesses, does Council want Staff to bring forward Zoning Code Amendments aimed at facilitating more streamlined process for TUPs, CUP amendments, and Sign modifications?

### 3. Tourism as economic development:

The Partner Marketing Strategic Plan (approved by City Council December 15, 2015) is used to promote the Indian Wells brand and position the City as a preferred tourism destination within both the leisure and meeting market. The main goal of this program is to influence growth of Transient Occupancy Tax (TOT). Partner marketing strategies include branding opportunities, relationship marketing, strategic partnerships, tennis marketing, and other opportunities that arise annually and fit within the strategic objectives. A detailed wrap-up report was presented and approved by City Council (September 15, 2016). Staff continually works with the resorts to implement strategies, and encourage business development.

### 4. Retail Recruitment:
There are currently commercial property owners actively pursuing tenants for vacant space, as well as tenants for future space within conceptual development projects. In 2015, the City hired Buxton to produce consumer psychographic information on tourism, as well as some targeting of retailers who might find interest in Indian Wells. In conversations with commercial property owners, there is desire for a coordinated effort to market Indian Wells to targeted retail and/or restaurant establishments.

**Action Item Policy Question:** In an effort to assist property owners in filling vacant commercial space, and to assist with development of conceptual projects, does Council have desire for Staff to seek retail recruitment firms to assist in marketing and filling vacant space? Within Council’s consideration, there may be opportunity for cost sharing with commercial property owners.

5. **Helicopter Landing pad:**

There has been interest expressed in providing an area for helicopter transport service into and out of Indian Wells. Currently, the City’s Municipal Code Section 9.20.010 prohibits the landing of non-emergency aircraft in Indian Wells, “except upon an airport, aircraft landing field, heliport or helistop approved by the City Council.”

The regulation for landing aircraft was adopted in 1968 and to date, City Council has not created any approval or designation of an area in the City to be used as a landing field or approved space for helicopter landing.

For comparison, Staff researched surrounding communities:

- Rancho Mirage has the same code language as Indian Wells and does not allow landings other than emergency use;
- Palm Desert allows for helicopters to land under a Temporary Use Permit (TUP) authorized by the Community Development Director. Typically, they are only approved for large areas such as at golf courses or open land, where there is minimal impact to neighboring residents.
- La Quinta does not have provisions in their code to address this type of service. Instead, they have provisions for the conditional approval of helicopter pads, but have not yet had any applications.

**Action Item Policy Question:** As an economic development tool, to allow for greater access to and from Indian Wells, does Council want Staff to investigate and/or develop a policy to designate helicopter landing areas within Indian Wells?

6. **Tennis Garden:**

The Tennis Garden currently has a building permit for Stadium 3, which expires in April 2018. Staff does not believe Stadium 3 will be built next year. Instead, we believe a smaller project will take place to finalize a number of items from the Stadium 1 remodel. Staff is committed to continued support of all Tennis Garden activities and will work proactively with their team.
File #: 028-17 Item #: C.

ATTACHMENTS:

1. Urban Land Institute Technical Advisory Panel Report
2. Indian Wells Economic Development Plan
‘The final outcome of every ULI TAP is that it is Transparent, Objective and Unique’
## Contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Executive Summary</td>
</tr>
<tr>
<td>5</td>
<td>Indian Wells TAP Scope</td>
</tr>
<tr>
<td>6</td>
<td>Opportunity Sites</td>
</tr>
<tr>
<td>8</td>
<td>Due Diligence</td>
</tr>
<tr>
<td>10</td>
<td>Indian Wells Tennis Garden</td>
</tr>
<tr>
<td>12</td>
<td>Indian Wells Golf Resort and Hotel Resorts</td>
</tr>
<tr>
<td>13</td>
<td>Stakeholder Outreach</td>
</tr>
<tr>
<td>14</td>
<td>Recommendations</td>
</tr>
<tr>
<td>16</td>
<td>Potential Uses for Opportunity Sites</td>
</tr>
<tr>
<td>18</td>
<td>Planning Concepts</td>
</tr>
<tr>
<td>20</td>
<td>Illustrative Examples</td>
</tr>
<tr>
<td>25</td>
<td>Conclusions and Implementation Strategy</td>
</tr>
<tr>
<td>26</td>
<td>Appendix A – Indian Wells City Overview</td>
</tr>
<tr>
<td>28</td>
<td>Appendix B – Indian Wells Panelists and Stakeholders</td>
</tr>
<tr>
<td>30</td>
<td>Appendix C – About ULI and the TAP Process</td>
</tr>
</tbody>
</table>
Positioning Indian Wells for Economic Opportunity

Famous for its pro golf resort and pro tennis tournament, the City of Indian Wells (the City) has moments in the international spotlight comparable to that of a much larger community. The City asked the Urban Land Institute (ULI) for a Technical Assistance Panel (TAP) to help further capitalize on the assets in its community. The challenge put to the ULI professional members, who made up the TAP panel, was to come up with an Economic Development Master Plan that addressed ten vacant opportunity sites in the heart of the City. Indian Wells is a resort and retirement community and prides itself on its high-end leisure brand. Indian Wells is a vacation destination in the Coachella Valley; and Coachella Music Festivals, the Indian Wells 36 hole Championship Golf Course, and the BNP Paribas Tennis Garden Tournament provide great event and seasonal tourist draw. However, there is a need for more year-round diversification of economic activities.

The ULI TAP team made a site visit on June 17, 2016. Thereafter, the team performed rigorous due diligence research and stakeholder outreach, culminating in a TAP workshop day on October 12, 2016. On the day of the workshop, the panelists refined ideas and proposals and then presented their recommendations to the City Council and members of the public.

The panelists suggested that the City of Indian Wells look at the opportunity sites in a more holistic manner, and develop a vision for the entire area through a thorough master planning process. The panelists recommend that a vision and master plan for Indian Wells should focus on building high-energy entertainment uses that would complement the golf course and tennis facility. The goal is to create a setting that will, in the long term, draw in more retail and commercial businesses.

The TAP team provided a list of potential uses as a starting point, and an illustrative master plan that shows an example of how some of the suggested uses could fit together in a physical layout. The TAP team recommends that the city appoint a strong leader to champion the visioning and master planning effort, which can be used for marketing and position Indian Wells to open a new chapter in economic development.
Indian Wells TAP Scope

Opportunity Sites to Support Economic Development

The City of Indian Wells developed a series of questions that it presented to the TAP team. This “Scope of Work” charged the panelists to study ways in which the City can facilitate future development sites that would generate a long-term financial benefit, as well as bolster the City’s brand. The City also sought ULI’s input on development of an implementation strategy that takes into account multiple property owners and the current state of the economy.

The Indian Wells TAP Scope of Work addressed these questions:

1. What is the highest and best use for individual vacant properties to
   - Generate long-term revenue sources for the City?
   - Provide amenities to residents at a level of quality indicative of the Indian Wells brand?
   - Bolster the City as the premier resort destination in the Coachella Valley?

2. What projects are economically viable and within what time-frame?

3. How can the City remove barriers to development of priority projects?

4. How do individual projects fit within the broader coordination of land use planning, specifically in support of continued expansion of the Tennis Garden?
Opportunity Sites

Places for Opportunity and Future Change

Just over 170 acres of undeveloped land present opportunities to develop projects that support the fiscal sustainability of the City.

The vacant properties are located in the northeast portion of the City, between Miles Avenue and Highway 111 and surrounding the Indian Wells Tennis Garden. These properties include resort commercial, community commercial, and residential land use designations. The vacant properties are held by either private ownership, the City, or the City’s Housing Authority. Near-term development of vacant property is a critical factor in the long-term economic sustainability of the City.

Most development interest to date has focused on the east and west sides of Miles Avenue at Highway 111 (sites 8 and 9). Interest has included development of for-sale and fractional ownership residential uses, a hotel, a museum, a driving range, and senior housing. While there has not been any formal development proposal on either property, the City has consistently acknowledged that the preferred uses for the vacant properties along Highway 111 include hotels or other commercial uses that generate revenue for the city. Residential projects are not a development priority in the City due to the weak fiscal impact generated from residential use.

Owners of the vacant properties near the Tennis Garden (sites 3, 4 & 7) have not shown interest in immediately developing their properties. The Tennis Garden owns the 37.7-acre property on the south side of Miles Avenue (Site 7) and uses it for parking during the BNP Tennis Tournament. The Tennis Garden will continue to use Site 7 for the tournament unless a viable parking alternative is developed. The owners of the other vacant properties (Sites 3 & 4) in the area are waiting for market conditions to improve; including tenant demand, before developing their properties.

View of the Indian Wells Tennis Garden area looking to the south. The Southwest Church and the Gerald R. Ford elementary school are located in the foreground. There are three access points to the Indian Wells Tennis Garden along Washington Ave., four along Miles Ave., two along Warner Trail and 1 to the private drive for Southwest Church which leads to a additional access point on Washington Ave.
Opportunity Sites in Indian Wells

Private properties are depicted in red and the City and Housing Authority properties are identified in yellow.

- Parcel No. 1
  - Size: 4.3 Acres
  - Zone: Residential Low

- Parcel No. 2
  - Size: 11.8 Acres
  - Zone: Residential Med

- Parcel No. 3
  - Size: 34 Acres
  - Zone: Residential Med

- Parcel No. 4
  - Size: 2.7 Acres
  - Zone: Resort Commercial

- Parcel No. 5
  - Size: 11.6 Acres
  - Zone: Commercial

- Parcel No. 6
  - Size: 10.2 Acres

Bird’s eye view looking to the east-southeast. Currently street access is connected from Fred Waring Dr. to Miles Ave. with Warner Trail.

There is a private drive on the Southwest Church property with a gated connection to the Indian Wells Tennis Garden.
Due Diligence

Sites, Area Visit and Review of Existing Information

Leading up to the TAP workshop day, the team undertook due diligence research, which included an overview presentation and tour of Indian Wells and vacant parcels by city staff on June 17, 2016. TAP panelists then reviewed previous plans and economic reports relevant to the vacant study sites and to Indian Wells as a whole. Tourism dollars are critical to the financial welfare of the city, but attracting retail is challenging since much of the regions’ retail is already established in proven concentrations in adjacent Palm Desert and La Quinta.

Takeaway points from due diligence:
- Tourism related revenue make up 64% of the General Fund Budget for 2015/16.
- 96% of money spent in Indian Wells is from Visitors, only 4% from residents
- The four existing hotel resorts and the Indian Wells Tennis Garden are the largest contributors to City revenues

Strengths/Opportunities:
- brand, existing tourism base, Indian Wells Tennis Garden, Hwy. 111, remaining vacant land

Weaknesses/Threats:
- summer heat, limited revenue generating land use, lack of a master plan or vision for remaining vacant land

1 Subsequently determined that the quoted figures may be distorted due to the methodology used, however the overwhelming majority of spending in Indian Wells is through Visitors

Indian Wells Opportunity Sites
1 - Residential Low 4.3 Acres, 2 - Residential Medium 11.8 Acres, 3 - Residential Medium 34 acres, 4 - Resort Commercial 2.7 acres, 5 - Residential Med 5.6 Acres, 6 - Resort Commercial 24.3 Acres, 7 - Resort Commercial 37.7 acres, 8 - Resort Commercial 12.3 Acres, 9 - Community Commercial 11.6 Acres, 10 - Residential Medium and Community Commercial 10.2 Acres. Yellow is City owned Property and Red is privately owned.
Existing Information Reviewed

- Indian Wells Market Overview – Buxton 2015
- City of Indian Wells Economic Development Plan–IW Economic Dev. Dept. 2016-17
- Destination Development Plan - Greater Palm Springs Convention & Visitor’s Bureau 2016
- Profile of the City of Indian Wells – Southern California Association of Governments (SCAG)
- General Plan Housing Element/Zoning – City of Indian Wells
- Miles Crossing SP – Miles Avenue Development & City of IW 2006 (TAP Parcels 5,8 & 9)
- Town Center Specific Plan – City of Indian Wells 2007 (TAP Parcels 4, Partial 6 & 7)
- Stakeholder List – City of Indian Wells 2016
- CV Link Conceptual Master Plan - 2016
Indian Wells Tennis Garden

World Class Tennis Tournament and Facilities

The Indian Wells Tennis Garden, home to the BNP Paribas Open Tennis Tournament and owned by Larry Ellison brings an international tourist draw two weeks of the year. The Tennis Garden embodies the high end brand the City of Indian Wells possesses and is a driving force of the local economy during the two week tournament every March.

Improvements and Expansion of the Tennis Garden are currently underway, a future additional stadium and a five star Boutique Hotel and Tennis Museum are in their long term plan. Indian Wells Tennis Garden with Larry Ellison’ direction will become the best tennis tournament and tennis venue in the world.

Ticket sales tax are a considerable source of city revenue, and the aim of the ULI TAP is to suggest complimentary uses that will assist in retaining tennis tournament guests for leisure and holiday in the City.
Tennis Garden Grounds and Planned Improvements
Indian Wells Resorts are Critical to the Local Economy

The Indian Wells Golf Resort and four resort style hotels; Hyatt Regency Indian Wells Spa & Resort, Indian Wells Resort Hotel, Miramonte Resort & Spa, and Renaissance Indian Wells Resort & Spa, make up the heart of the Indian Wells tourist economy. The 36 hole Championship Golf Course and Golf Resort currently struggles to attract the numbers it used to; and outside of large events, the resort hotels are no longer attracting golf leisure business year round. The resorts are undertaking improvements in their amenity base such as water parks but more is needed to attract guests to Indian Wells and retain them there. Transient Occupancy Tax is the largest contributor to Indian Wells City revenue.
Stakeholder Interviews

Over a period of four months, TAP panelists undertook phone and in person interviews with key stakeholders; including city government officials, property owners, developers, commercial real estate brokers, and hotel and resort management. TAP panelists structured their questions around core components of the TAP scope of work. The goal was to better understand what the community of Indian Wells as a whole was missing and what barriers exist in developing the opportunity sites. In addition, the panelists wanted to understand from the stakeholders their view on potential uses and underutilized potential of vacant land.

Key themes that emerged during the interviews were connectivity, drawing in tourism and visitor spending. Key findings are summarized in the box below.

Takeaway points from stakeholder interviews:
- Unique destination uses are needed that will draw people to Indian Wells and create revenues for the city.
- Increase summer visitation through the use of water related or indoor uses.
- The opportunity sites should be connected to the existing resort area.
- There is a lack of way-finding and pedestrian connectivity in the resort area.
- Facilitate Indian Wells resort guests consumer spending in the City, rather than outside the City.
- Additional hotels would be an economic challenge due to seasonality and existing competition.
- Uses should be connected and complementary to each other and should tie into the Indian Wells Tennis Garden as much as possible.
- A mixed-use master plan should be prepared in coordination with all landowners and stakeholders.
- Convention Centers may not be economically feasible as they are typically not profitable, and there does not appear to be significant demand.
- Residential uses are not preferred due to existing supply (and lack of tax revenues) and negative fiscal impact on the city since service costs outweigh revenues.
- The city’s approval process has been streamlined by outsourcing plan checkers.
- There is a lack of demand for retail in Indian Wells due to the existing abundant supply in contiguously adjacent Bermuda Dunes, La Quinta, and Palm Desert.
Recommendations

Responses to Scope of Work Questions

Responses to the City of Indian Wells’ scope of work posed to the TAP members are as follows:

Question 1:
What is the highest and best use for individual vacant properties to:

- Generate long-term revenue sources for the City?
- Provide amenities to residents at a level of quality indicative of the Indian Wells brand?
- Bolster the City as the premier resort destination in the Coachella Valley?

The panel suggested looking at the opportunity areas in a more holistic manner rather than on an individual parcel-by-parcel basis. Focus should be on high impact entertainment mixed-use concepts to be the catalyst to drive demand for the area and create uses that would complement the Indian Wells Tennis Garden. The key will be to create an energetic upscale gathering place that will be attractive to both visitors and residents alike; as well as being functional both during the peak season and summer months. Concepts should be developed collaboratively with surrounding Coachella Valley communities to create more of a regional draw than to directly compete with other Coachella Valley municipalities.

Question 2:
What projects are economically viable and within what time-frame?

Residential development may be the only product that could have market viability today; recognizing this would not provide a positive fiscal impact for the city without an increased property tax rate. With the present lack of demand for key commercial product (retail, hospitality and office), the ability to economically develop new stand alone product within the opportunity sites is doubtful in the near-term. Hospitality product cannot be constructed for current re-sale values, and upscale retailers will not come to Indian Wells without a strong (year-round) regional demand generator.

Once a regional demand generator is established, the potential for commercial development is greatly enhanced. A caveat to this, which would need further market analysis to verify, could be the creation of a regionally recognized attraction in Indian Wells (in addition to the Tennis Garden) that would draw tourists year round. The proposed illustrative example or something like it could possibly provide enough of a draw for tourists to stay, eat, play, and spend money in Indian Wells. This is most likely only possible if there is collaboration with all affected landowners and stakeholders in a holistic approach to making Indian Wells one of the most desirable places to visit in the Coachella Valley.

Indian Wells Tennis Garden Stadium
Question 3: How can the City of Indian Wells remove barriers to development of desired priority projects?

The panel strongly recommends that the city undertake a master planning process, which results in a physical site plan and indicates economically viable preferred uses. As part of that process, a strong community outreach program should accompany the master planning effort. Consultant firms should be hired to provide conceptual designs. A strong leader or facilitator should be appointed to push forward and champion a public/private collaboration effort to implement an agreed upon master plan for the downtown.

Question 4: How do individual projects fit within the broader coordination of land use planning, specifically in support of continued expansion of the Tennis Gardens?

Individual parcels need to be looked at in context of a larger master plan approach. The master plan should be flexible to accommodate fluctuating market demands in product type and scale, and propose uses should be complementary to the Tennis Garden.

Ideally, the plan would promote connectivity with the existing Resort Center and the potential CV Link multi-modal transportation path. Indian Wells sits near the middle of the proposed CV Link route, which is designed to encourage short trips to divert local traffic by residents and visitors off of Highway 111. A master plan should incorporate an analysis of the potential impact of construction of all or part of CV Link.
Potential Uses for Opportunity Sites

List of potential uses that could be located on vacant land

The panelists took all the stakeholders’ suggestions into account as well as brainstormed additional potential uses that could be located on the vacant sites to build upon Indian Wells’ current tourist draw and community infrastructure. The following pages present a comprehensive list of ideas to be used as a starting off point in a master planning process and an economic marketing campaign to attract desired users to Indian Wells.

Entertainment and Attractions
- Domed (retractable) multi-purpose venue - for hosting wine & cheese festivals, concerts, art shows, car shows, farmers markets etc
- TopGolf
- Entertainment retail
- Amphitheater/concerts arena
- Bowling - higher end (Lucky Strike/Splitsville/Pinstripes)
- Entertainment themed clubs - Dave & Busters / Escape Room / Punch Bowl Social
- Movie theater - higher end (Cinépolis/ Soho House)
- Rock climbing wall - Momentum indoor climbing
- High end casino /card club
- Music venue – year-round music supported by the annual festivals
- Pop up shopping
- Farmer’s market

Outdoor Destination/Sports
- Sports management and training facility
- Fitness Centers
- White water kayaking
- Lawn bowling/croquet facility
- Extreme outdoor athletic events venue
- Water/wakeboard park.
- Ferrari world race car driving simulators
- Zip lines
- Rock climbing walls and facilities
- Bungee jumping
- Large indoor sporting complex

Water Activities
- Water park
- Cable wake/aquatic park
- White water rapids kayaking
- Wave/surf pool/surf riders
- Aquarium
- Chillers for pools
- Lazy rivers
- Water slides
- Great Wolf

Covered Amphitheater
Water Activities
Medical, Health & Wellness Destination
- Holistic health development, vegan restaurants and education center.
- Medical facilities (coordinating and partnering with Eisenhower/Argyos)
- Mayo facilities and Cleveland Clinic Annex
- Health and wellness retreat (e.g. Canyon Ranch, Mirasol)
- Venue for Wanderlust Festivals (yoga festivals)
- Longevity concepts.
- Full service spa

Food and Dining
- Culinary school (Le Cordon Bleu, Johnson & Wales, Leiths)
- Food and real estate forums
- Incubator food courts that allow new chefs to share their talents, rotational restaurants including craft breweries, specialty shops and butchers.
- Avant-garde craft dining concepts (The Camp, The Lab, SoCo and the Packing House adjusted to the Desert life)
- High end “Restaurant Row” on Hwy. 111

Art and Culture
- Museums
- Historical Hollywood Era
- Tennis museum
- Golf museum
- Art museum
- Artist’s facilities (e.g. ARTLAB, Ox-Bow, WAV, etc.)

Boutique Hotels and Vacation Homes
- Boutique hotel
- Fractional, vacation ownership, etc
- Shared economy oriented product (Airbnb, VRBO)

Education
- Educational facilities - annex of prestigious universities (Harvard, Princeton, Cornell) with focus on hospitality and sports medicine & management

Transportation and Wayfinding
- Signage to coordinate with Coachella Valley Government Association valley-wide efforts
- Trails and bicycle friendly streets
- Shuttle services
- CV Link
- Bike rental docks
- Events
- Parking structure with shared parking

Growing Business Midweek
- Convention Center/Conferences.
- Company retreats/workshops.

Events That Fill Need Periods
- Bicycle races (e.g. Patriotic Bike Race)
- Running races
- Concerts
- Festivals (art, food, microbrew, chili cook-off, film festivals, etc.)
- Speaker’s series

Eco-sustainable Destination
- Ecology Center – similar to the one in San Juan Capistrano.
Planning Concepts

A development scenario for the opportunity sites

The following plans and maps show an analysis and illustrative example of how the elements of the afore-listed uses could take shape in a physical layout. The Connectivity Diagram, District Plan and Example Illustrative Master Plan are intended solely to initiate the conversation on how the City of Indian Wells could start to develop a vision for the center of the city and opportunity sites.

“Retailers have been struggling in the post-recession economy, but the sharpest brands in this sector are doing something differently. They are moving beyond focusing on the transaction and using entertainment to get consumers to part with their hard-earned cash.”

Retail: The New Entertainment by Ida Rezvani – Campaign US

The Connectivity Diagram below indicates approximately where pedestrian bike connections could be placed to link the opportunity sites, existing and future destination points.
The above District Plan shows an example how high impact entertainment uses could be organized in and around the opportunity sites. The plan proposes a mixed-use building type and area along Highway 111. This would connect the golf resort and hotels into the heart of Indian Wells. An outdoor recreation district, destination retail/food, and a health and wellness district could neighbor the Indian Wells Tennis Garden. A large scale parking structure and/or a dispersed parking strategy throughout the districts would serve the parking needs of the entertainment districts and the Tennis Garden throughout the year.

Top Golf, a popular and potentially complementary use to the current Indian Wells Golf Resort. There are over 30 locations nationally and growing.

Mall of America in Bloomington, Minnesota, exemplifies a large scale amusement park that attracts visitors and supports retail.
Illustrative Examples

Example Concept Master Plan

The Concept Master Plan below provides an example of what a physical layout of high impact entertainment uses could look like. The Master Plan utilizes and connects all the opportunity sites in a holistic form. The Concept Master Plan provides gathering spaces to draw visitors to Indian Wells, keep resort guests in the City so they spend their vacation dollars within the city's borders. These uses and urban form also provide residents with new locations to meet, socialize and people watch.

For example, the outdoor recreation district could have a central plaza with a man-made river for whitewater kayaking and rafting, and a large rock-climbing wall in the center, surrounded by buildings that would house other related activities. From the center of the plaza, a zip line could go down to the basin of the flood channel where an aqua park could be located that would include cable wake boarding and a floating challenge course could be a year-round attraction.

The destination food hub and retail district could take a similar form to the San Antonio Riverwalk and/or have a retractable roof like the City Creek Mall in Salt Lake City. The food hub would be a foodie destination for the Coachella Valley and provide a gathering space for local residents.

The health and wellness center could incorporate sports and spa facilities. A Great Wolf Lodge with indoor water slides and entertainment would be a great draw for families. The highway mixed-use area could incorporate cultural attractions such as a museum and support buildings that would support retail and residential. The various districts could have uses as illustrated on the following pages.
Whitewater Kayaking/Rafting and Rock Climbing

Zip Lines

Cable Wakeboard and Aqua Park

Man made whitewater kayaking

Ziplining over water

Rock-climbing wall

Cable wake boarding
River-Walk and Indoor/Outdoor Environments

Health Sports and Wellness

Great Wolf Lodge

Great Wolf Lodge combines hospitality lodging with indoor water-park geared towards families.
**Mixed Use District Along Highway 111**

The highway mixed-use area could incorporate cultural attractions such as a museum and support buildings that would support retail and residential.

![A Frank Gerry Art Museum](image1)

![Mixed Use Building in Encinitas California](image2)
Card Club

A card club is a highly lucrative investment for the city in terms of tax dollars. ULI suggests a high-end card club with a dress code and no slot machines be explored as a use on an opportunity site.

Although not without legislative barriers, a card club is an achievable goal for the City of Indian Wells should it pursue that use as an avenue. A card club could potentially provide the city with a million dollars per month in tax revenue.

Example of a high end card club and bar

Community card club

Sample Plan for an Indian Wells Card Club
Conclusions and Implementation Strategy

Create a Vision and Master Plan for Indian Wells

The ULI TAP members recommend that the City of Indian Wells and stakeholder community look at the opportunity sites in city ownership and private ownership holistically. An overarching bold vision is the best course of action for Indian Wells to find a secure footing for a positive economic future.

Presently, the City of Indian Wells struggles to retain and attract retailers due to the seasonality of its tourist attractions and small quantity of resident-oriented business, since the surrounding communities of Palm Desert, Bermuda Dunes, and La Quinta already contain retail hubs that attract vendors and shoppers. Indian Wells finds itself in the ‘donut hole’ of retail. Therefore, Indian Wells must creatively find a different anchor with which to bring in and retain visitors spending tax dollars.

The master planning process should begin with a public outreach program and develop a shared vision for the community and stakeholders. The Indian Wells Resorts and hotels, as well as the Tennis Garden should be integral in this process.

The ULI TAP for the City of Indian Wells recommends the development of an overall vision and master plan for the entire community but focused on the opportunity sites that are underpinned by high-impact entertainment uses. The master plan can then be used to market and attract the desired end uses and shape a new economic development future for the city.

The ULI suggests the following strategy and steps to achieving that goal:

- Create a public/private collaboration
- Appoint a strong leader or facilitator of the public/private collaboration
- Prepare a strategy for the study area including the Tennis Garden and resorts
- Require market studies, economic models, and development proformas to assess feasibility
- Identify joint public/private partnership projects, such as parking structures
- Identify economic development incentives
Appendix A - Indian Wells City Overview

Retirement Community, Golf Resorts and World Class Tennis

Indian Wells can be characterized as a desirable wealthy second home community. The City of Indian Wells incorporated in 1967 and consists of 14.5 square miles, yet much of the land area of the city is consumed by Eisenhower Mountain. Indian Wells has approximately 5,000 residents, and 2,600 voters in 1,600 households. The community consists of primarily single-family households with 5,500 single-family homes.

The economy of Indian Wells is tourism focused and seasonal, with the population effectively doubling during five months of the year during the tourism season and special events. Major annual events, such as the BNP Paribas Open tennis competition in March and Coachella Music and Arts Festival in April, draw visitors during the tourism season. Indian Wells Golf Resort, a 36-hole municipal golf resort is the primary city amenity. Indian Wells is home to four resort style hotels; Hyatt Regency Indian Wells Spa & Resort, Indian Wells Resort Hotel, Miramonte Resort & Spa, and Renaissance Indian Wells Resort & Spa.

Demographics of Indian Wells:
- 2015 Population - 5,137
- Median Age - 68.9
- Median Household Income - $85,000
- Per Capita Income - $81,000
- Educational Attainment - 52% college degree or higher
- Voters - 2,600 in - 1,600 households
- Ethnicity - 90% white
- 200 people are under 18 years of age
- 1,545 people over 75 years of age
- Single Family Houses - 5,500
- Households - 2,750
- Median House Value - $630,000
- Mortgages - 50% of housing w/out a mortgage
2. Tennis Garden Facility

3. Senior Affordable Housing

4. Elementary School

5. Conference Center

6. Hotels/Resorts

7. Golf Resort
Appendix B - Indian Wells Panelists and Stakeholders

**ULI TAP Panelists**

**TAP Chair**
Allen Parker, former City Manager San Bernardino

**ULI Member Panelists**
Ann Cutner, Landscape Architect, Ima+Design
Gustavo Duran, Principal, Core Realty Advisors
Adam Gilbert, Broker & Attorney, Gilbert Avriette
Steve McCormick, President, Agora Planning & Design
Carl Rieger, Managing Director, Eastdil Secured
Angelina Tovar, Financial Analyst, Shopoff Realty Investments

**ULI Staff & Support**
Phyllis Tuchmann, Executive Director ULI OC/IE
Kendra Chandler, Senior Director, ULI OC/IE
Oscar Uranga, ULI OC/IE TAP Advisor, Shopoff Realty Investments
Samantha Singer, ULI Report Designer and Writer

Back row from the left: Steve McCormick, Allen Parker, Adam Gilbert, Carl Rieger
Front row from the left: Ann Cutner, Angelina Tovar, Kendra Chandler, Gustavo Duran
TAP Stakeholders

Indian Wells City Council
Dana Reed, Mayor/Chairman
Richard Balocco, Mayor Pro Tem/Vice Chairman
Douglas Hanson, Council Member/Commissioner
Ted Mertens, Council Member/Commissioner
Ty Peabody, Council Member/Commissioner

Housing Authority
Bob Mitchel, Commissioner
Bobbi Fletcher, Commissioner

Indian Wells Chamber of Commerce
Mike Avila, Executive Director

Property Owners
Terry Taylor, PM Sports Magmt. Indian Wells Tennis Garden
Christopher Fahey, Representative for Alex Haagen, Owner
Albert Lissoy, Owner Lissoy Property
Gerry Fogelson, Owner Fogelson Property
Travis King, CEO Brixton Capital Brixton Property

Resorts
Steve Rosen, General Manager, Indian Wells Golf Resort
Doug Sears, General Manager, Hyatt Regency Indian Wells Resort & Spa
Tom Tabler, General Manager, Renaissance Indian Wells Resort & Spa
Brad Weimer, General Manager, Indian Wells Resort Hotel
Shawn Jervis, General Manager, Miramonte Resort & Spa
Steve McKenzie, Managing Partner, Channel West Group
(for Miramonte Resort & Spa)

Developers
Phil Smith, President & COO Sunrise Company (Toscana)
Dick Oliphant, President & Founder Oliphant Enterprises

Commercial Brokers
Sam Spinello, Spinello Commercial Real Estate
Dick Baxley, Baxley Properties, Inc.

Thank you to all the Stakeholders for their time and input, and to the Indian Wells City Staff who provided information and support to aid the TAP Panelists efforts.
Appendix C – About ULI and the TAP Process

Professional Members Providing Technical Assistance

About ULI was founded in 1936 as a non-profit research and education organization (not a lobbying group). Worldwide, there are over 30,000 public and private sector professionals in all aspects of land use planning and real estate development. ULI Orange County/Inland Empire is one of the 10 largest District Councils in the world with over 1,000 members.

Our mission is to provide leadership in the responsible use of land in creating and sustaining thriving communities worldwide. ULI has been providing advisory services since 1947.

Technical Assistance Panels (TAPs) are possible with ULI members volunteering their time and giving back to the community. TAPs provide public sector with a tool to solve complex real estate and land use issues in a uniquely objective, transparent way.

Through the TAP process, professionals with expertise in real estate, planning, financial, design, marketing, and development provide unbiased findings and recommendations.

Meet with City & Stakeholders
- Clearly understand issues, vision, and objectives
- Maximize ULI’s land use expertise
- Provide relevant solutions and recommendations

Establish a Scope of Work

Due Diligence
- Review existing information
- Perform a site visit
- Conduct interviews

Brainstorm
- SWOT Analysis
- Cost Analysis
- Concept Plans

Panelists Present their Conclusions and Provide a Written Report.
Indian Wells 2016 TAP Schedule

March 23 - City Reached out to ULI
March 28 - City and ULI discussed undertaking a TAP
April 29 - Scope of Work was drafted and due diligence materials were assembled
June 17 - Panelists toured city and sites
July 15 - October 10 - Panelists Conducted due diligence and interviewed stakeholders
October 12 - TAP Workshop and Presentation
December 7 - Key findings and conclusions delivered to the City of Indian Wells
City of Indian Wells Economic Development Plan

FY 2016-17

Attachment #2
The purpose of the City of Indian Wells Economic Development Plan is to develop and prioritize strategies for continued economic viability, create and influence development, and support business growth and attraction to increase long-term revenues to the City. Revenue growth and sustainability are necessary to continue to maintain a vibrant community and deliver “an unsurpassed quality of life for residents and guests”.
This Economic Development Plan provides an analysis of the City’s current economic profile, assesses the relative strengths, weakness, opportunities and threats that are perceived, and offers tools for addressing economic needs.

The Economic Development Plan relies on the following underlying assumptions:

- Indian Wells relies heavily on Transient Occupancy and Admissions Tax revenue, which comprise nearly two-thirds of City revenues.
- Future growth in Tourism will significantly affect future City revenue growth.
- Indian Wells has a valuable and identifiable brand as a premier residential community and tourism destination.
- Highway 111 is the major commercial route through the Coachella Valley.
- The BNP Paribas Open tennis tournament is expected to continue attendance growth in future years.
- Efforts for development of vacant commercial properties has not materialized.
Located in the heart of Southern California’s desert resort communities, the City of Indian Wells is recognized worldwide for its tranquil and luxurious resort environment. Astute planning and city leadership have helped Indian Wells achieve status as one of the premier residential resorts and vacation destinations in the United States. Guests and residents alike are continually drawn to the many amenities Indian Wells offers, including four world-class resorts, the Indian Wells Golf Resort, the Indian Wells Tennis Garden (home to the BNP Paribas Open Tennis Tournament), and a variety of cultural events and resident benefits.

Demographics/Characteristics

- Population – 5,137
- Age – The median age of residents 63.6. The median age for Riverside County is 34.2
- Education – 53% of residents 25 years and over completed a bachelor’s degree or higher.
- Number of Households - 2,774. The average household size is 1.9
- Income – Median household income is $85,000. Approximately 36% of households earn $100,000 or more.
Hotel Resorts

- Renaissance Indian Wells Resort & Spa
  - 538 rooms
  - 100,000 square feet of meeting space
- Miramonte Resort & Spa
  - 215 rooms
  - 30,000 square feet of meeting space
- Indian Wells Resort Hotel
  - 155 rooms
  - 18,000 square feet of meeting space
- Hyatt Regency Indian Wells Resort & Spa
  - 530 rooms
  - 28,000 square feet of meeting space

Indian Wells Golf Resort

- Two 18-hole Championship golf courses
- 53,000 square foot clubhouse
- 300+ guest conference/event facilities
Indian Wells Tennis Garden

- Annual BNP Paribas Open Tennis Tournament (456,672 attendees) (March)
- Indian Wells Art Festival (April)
- Desert Lexus Jazz Festival (May)
- Dr. George Car Show (February)

Indian Wells is home to six outstanding residential country clubs, which often function as “cities within a city.” These clubs offer a broad range of amenities for homeowners including golf courses and tennis courts, fitness centers, spas, and social/educational programs.

- Eldorado Country Club
- The Vintage Club
- Indian Wells Country Club
- Desert Horizons Country Club
- The Reserve
- Toscana Country Club
CITY PROFILE

Trade Area Demographics

Within Trade Area:

- **10 minutes**
  - Population – 101,981
  - Median Household Income - $57,484

- **15 minutes**
  - Population – 193,060
  - Median Household Income - $53,394

- **20 minutes**
  - Population – 269,378
  - Median Household Income - $51,470

Average Daily Trips

- **Highway 111**: 38,012 average daily trips
- **Washington Street**: 36,148 average daily trips
- **Fred Waring Drive**: 30,522 average daily trips
- **Cook Street**: 5,047 average daily trips

Information obtained from Southern California Association of Governments (SCAG), Coachella Valley Association of Governments (CVAG) and Buxton Company Market Overview Report (April, 2014)
As part of the process in developing the Economic Development Plan, City Staff conducted an initial SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. The goal of the analysis is to identify the community’s current strengths from which to build the Economic Development Plan, weaknesses that could serve as potential impediments to maximizing economic opportunities for future, improvements and initiatives that are currently available to the community or may become available in the future, and factors in the community that could serve to inhibit the crafting of effective economic development strategies or threats. The SWOT analysis will be updated as conditions change or more information comes to light.
The results of the SWOT workshop:

**Strengths**

1. Brand
2. Existing Tourism base
3. Indian Wells Tennis Garden
4. Small/flexible government organization
5. Highway 111 (main Coachella Valley thoroughfare)
6. Affluent community
7. Fiscally sound organization
8. Resorts – cooperative partnership
9. City facilities
10. Weather
11. Well maintained infrastructure
12. Indian Wells Golf Resort
13. Residents – connections for development
14. Regional amenities
15. Access to healthcare & higher education
16. Low crime rate
Weaknesses

1. Small size
2. Resources – limited vendors available in Coachella Valley
3. Summertime heat and subsequent population reduction
4. City’s complex entitlement process
5. Limited developable land
6. Limited sales & property tax
7. Decline of golf’s popularity
8. Limited retail market
9. Weak retail development market
10. Limited development preferences identified by City
11. Seasonal swing in population
12. Located away from freeway, air, train transportation
13. Increased State and CVWD water restrictions
SWOT ANALYSIS

Opportunities

1. Vacant land
2. Expansion of the Indian Wells Tennis Garden
3. Resort campus
4. IW Art Museum
5. Larry Ellison
6. Sands Hotel
7. Proactive efforts for development
8. City solar
9. Parking
10. 300 Club Drive building
11. Demographics
12. Grow existing businesses
13. Chamber of Commerce
SWOT ANALYSIS

Threats
1. Competition
2. Weather/floods/wind
3. Declining golf
4. Cost of capital improvements
5. Development process
6. Utility costs
7. Legislation
8. Salton Sea
9. Loss of existing retail
10. Unknown cultural resources
The City is targeting three areas for economic growth:

1. Tourism
2. Development
3. Business Retention & Attraction

**Tourism**

Tourism is the strongest economic driver of the City of Indian Wells. Tourism makes up 64%, about $10.5 million, of the $16.4 million General Fund Budget for fiscal year 2015/16. Transient Occupancy tax, Admission’s tax, and Sales Tax collections account for the tourism revenues received by the City.

The City works with its partners under the Partner Marketing Strategic Plan to implement objectives to strategically support our partners and to influence growth in Transient Occupancy Tax (TOT). TOT from the City’s four resorts and residential vacation rentals contribute 42% ($6.9 million) of the City’s General Fund revenue. Admission
Tax from the Tennis Garden and other events contributes another 16% ($2.6 million). Finally, the City collects the remaining 6% ($1.1 million) of its revenues from Sales Taxes generated predominantly from the City’s four hotels and the Indian Wells Golf Resort.

The City developed a separate Partner Marketing Strategic Plan to promote Tourism and the Indian Wells brand. The goal of the Partner Marketing Strategic Plan is to develop and execute marketing strategies to promote Indian Wells to our target audience to influence growth. The strategies including branding opportunities, relationship marketing, strategic partnerships, tennis marketing, and other opportunities that fit into the plan’s strategic objectives. Additional information pertaining to Tourism goals and strategies can be found in the Partner Marketing Strategic Plan.
Development

Approximately 170 plus acres of undeveloped land presents opportunities to develop projects that support the fiscal sustainability of the City. Much of the vacant property is located in the northeast portion of the City, between Miles Avenue and Highway 111 and surrounding the Indian Wells Tennis Garden. These properties include resort commercial, community commercial and residential land use designations. Additionally, a 7.0 acre vacant commercial property sits adjacent to the Indian Wells Resort and a 2.63 residential property remains at the corner of Rancho Palmeras Drive and Highway 111, which are not shown on the below Opportunity Sites exhibit. Near-term development of vacant property is a critical factor in the long-term economic sustainability of the City.
Opportunity Sites (Northeast Corner of City)
Vacant Properties

Vacant properties in the City are held by either private ownership, the City, or the Housing Authority. The private properties in the northeast portion of the city are depicted in red and the City and Housing Authority properties are identified in yellow in the exhibit. These properties are further identified below.

<table>
<thead>
<tr>
<th>#</th>
<th>Acres. (approx.)</th>
<th>Location</th>
<th>Zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>12.6</td>
<td>East side of Warner Trail/South of Fred Waring</td>
<td>Medium Density Residential (7.0 du/ac)</td>
</tr>
<tr>
<td>3</td>
<td>34</td>
<td>NEC Miles Avenue &amp; Warner Trail</td>
<td>Medium Density Residential (7.0 du/ac)</td>
</tr>
<tr>
<td>4</td>
<td>2.5</td>
<td>NWC Washington Street &amp; Miles Avenue</td>
<td>Resort Commercial</td>
</tr>
<tr>
<td>5</td>
<td>5.6</td>
<td>South side of Miles Avenue</td>
<td>Medium Density Residential (7.0 du/ac)</td>
</tr>
<tr>
<td>7</td>
<td>37.7</td>
<td>SWC Washington Street &amp; Miles Avenue</td>
<td>Resort Commercial</td>
</tr>
<tr>
<td>8</td>
<td>15.4</td>
<td>NWC Highway 111 &amp; Miles Avenue (including channel lining improvements)</td>
<td>Resort Commercial</td>
</tr>
<tr>
<td>9</td>
<td>15.4</td>
<td>NEC Highway 111 &amp; Miles Avenue (including channel lining improvements)</td>
<td>Community Commercial</td>
</tr>
</tbody>
</table>
Most development interest is focused on the east and west sides of Miles Avenue at Highway 111 (Sites 8 and 9 in the opportunity site exhibit). The interest in the two sites has included development of for-sale and fractional ownership residential uses. In addition, interest has occurred on the east side of Miles Avenue for development of a hotel, museum, driving range, and senior housing uses. While there has not been any formal development proposal on either property, the City has consistently acknowledged that the preferred uses for the vacant properties along Highway 111 include hotels or other commercial uses that would generate TOT, or an amenity, admission, or sales tax for the City. Residential projects are not considered ideal uses as they have no long-term financial benefit to the City.

The owners of the vacant properties near the Tennis Garden have not shown interest in developing their properties. The 37.7 acre property owned by the Tennis Garden located on the south side of Miles Avenue (Site 7) is used for parking during the BNP Tennis Tournament and will continue to be needed for the tournament until a viable parking alternative is developed. The other vacant property owners of the 34 acre and 2.5 acres properties (Nos. 3 & 4) in the area are waiting until the market conditions are right before developing their properties.

The Housing Authority is in the process of developing a property strategy plan for the vacant properties owned by the Board (Sites 1, 6 & 10).
The Housing Authority properties include:

<table>
<thead>
<tr>
<th>#</th>
<th>Acres. (approx.)</th>
<th>Location</th>
<th>Zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4.2</td>
<td>Warner Trail/South of Fred Waring</td>
<td>Low Density Residential (4.5 du/ac)</td>
</tr>
<tr>
<td>6</td>
<td>50.1 (24.3 developable)</td>
<td>South of Miles Avenue, west of Washington Street</td>
<td>Resort Commercial</td>
</tr>
<tr>
<td>10</td>
<td>10.3</td>
<td>North of Highway 111, east of Brixton Property</td>
<td>Community Commercial/ Medium Density Residential (7.0 du/ac)</td>
</tr>
</tbody>
</table>
Goal #1:
Support the development of vacant commercial sites

Tools
- Hire a consultant(s) to provide conceptual designs and/or help market the commercial properties.
- Develop a vacant property Master Plan with preferred uses on all vacant sites.
- Contact/meet with vacant property owners on a regular basis to discuss development opportunities.
- Create vacant property profiles and market these to developers.
- Consider offering development incentives for potential preferred/target projects.
Entitlement Process:

The City can positively affect the economic environment of the City by streamlining the entitlement process. Review of the City’s current entitlement process identified areas to be consistent with other cities and reduce the entitlement cost and time to process applications. In comparing the City’s entitlement process with some other cities in and outside of the Coachella Valley, many of the City’s entitlement applications currently require both Planning Commission and City Council approval, while other cities have final approval authority given to the Planning Commission or Director for non-legislative actions.
The below table outlines the approval process for the cities researched. Typically all of the entitlement applications listed in the table that require City Council approval require Planning Commission action first, prior to approval by the Council.

<table>
<thead>
<tr>
<th>Approval Authority</th>
<th>Indian Wells</th>
<th>La Quinta</th>
<th>Rancho Mirage</th>
<th>Palm Desert</th>
<th>Palm Springs</th>
<th>Rancho Cucamonga</th>
<th>Chino</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Plan Amendment</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
</tr>
<tr>
<td>Zone Change</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
</tr>
<tr>
<td>Zone Text Amendment</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
</tr>
<tr>
<td>Master Development Plan / Specific Plan</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>City Council</td>
<td>City Council</td>
</tr>
<tr>
<td>Conditional Use Permit</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>City Council</td>
<td>Planning Director</td>
<td>Planning Commission</td>
</tr>
<tr>
<td>Variance</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
</tr>
<tr>
<td>Temporary Use (New)</td>
<td>City Council</td>
<td>Planning Director</td>
<td>Planning Director</td>
<td>Planning Director</td>
<td>Planning Director</td>
<td>Planning Director</td>
<td>Community Development Director</td>
</tr>
<tr>
<td>Sign Program</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
<td>Architectural Review Committee</td>
<td>Planning Commission</td>
<td>Planning Director</td>
<td>Community Development Director</td>
</tr>
<tr>
<td>Tentative Parcel Map</td>
<td>City Council</td>
<td>Planning Director</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
</tr>
<tr>
<td>Tentative Tract Map</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>City Council</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
</tr>
<tr>
<td>Final Maps</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>City Council</td>
<td>Engineer</td>
<td>City Council</td>
<td>City Council</td>
</tr>
<tr>
<td>Use Determination</td>
<td>Planning Commission</td>
<td>N/A</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
<td>Planning Commission</td>
<td>Planning Director</td>
<td>N/A</td>
</tr>
<tr>
<td>Administrative Relief</td>
<td>Community Development Director</td>
<td>N/A</td>
<td>N/A</td>
<td>Zoning Administrator</td>
<td>N/A</td>
<td>Planning Director</td>
<td>Community Development Director</td>
</tr>
</tbody>
</table>
Goal #2:
Streamline the entitlement process

Tools
- Revise the final approval authority for Conditional Use Permits, Variances, Temporary Uses, Sign Programs and Tentative Parcel and Tract Maps to reduce processing cost and time.
- Expand the list of development deviations that can be approved under an Administrative Relief application.
- Create an expedited plan check process for desired development.
- Update the development and plan check submittal checklists.
Business Retention & Attraction:
The importance of retaining existing businesses and attracting new businesses is essential to the long-term fiscal sustainability of the City. In addition, supporting temporary uses and special events will help support existing business and help vacant properties obtain income and bring visitors to the City that will support existing local businesses.

Goal #1:
Expand and enhance marketing to attract new businesses and events to the City

Tools
- Support temporary uses/special events on vacant property.
- Support opportunities to recruit businesses in target categories.
- Work with the Indian Wells Chamber of Commerce to attract businesses.
- Develop relationships with commercial brokers.
Goal #2:
Support the retention and expansion of existing businesses

Tools
- Develop relationship with existing centers to support businesses.
- Offer businesses shared advertising in the City’s newsletter.
- Support business retention programs implemented by the Indian Wells Chamber of Commerce.
- Promote local businesses via the City tourism website.
- Support special events to attract people to support local businesses.
- Increase the use of social media tools to promote businesses and events.
- Participate with regional Riverside County Economic Development partners to assist and retain existing businesses.
Indian Wells City Council
Discussion Topic for FY 2017-19: February 2, 2017

Improvements to Indian Wells Fire Station 55

Issue:

Does the Council want to pursue one of provided options to bring Fire Station #55 into compliance with modern building seismic standards?

Discussion:

For the current Fiscal Year, the budget included capital replacement funds to make improvements to the barracks in the Indian Wells Fire Station #55. In the process of designing those improvements, it was discovered there is need of a seismic retrofit and additional repairs to bring Station #55 into structural conformance with the California Building Code.

The City’s structural engineer and architect analyzed the retrofit and repair needs based on various priority levels to bring the station into structural compliance. They provided rough drawings and cost alternatives, which were presented to the Public Safety Committee in October 2016. The repairs range from minor renovations up to and including a cost estimate of building a new fire station. The Public Safety Committee recommended bringing the item to Strategic Planning for Council direction.

Action Steps Options:

1. Renovate the barracks

This option would include renovating the existing barracks from an 8 bed room to a 10 bed room, eliminating exercise space that currently exists in the barracks, and updating old and outdated fixtures. This was the original project proposed by Staff in the current Fiscal Year Capital Improvement Plan. Under this option, no seismic retrofits would be completed.

2. Seismic Retrofit of Apparatus Bay
This option would include a partial seismic retrofit to the Station, only improving the structural performance of the Apparatus Bay. The City’s structural engineer recommended this project as the highest priority need for improvements at the Fire Station.

3. **Full Seismic Retrofit**

This option would include a full seismic retrofit of the entire Fire Station building.

4. **Full Retrofit and Barracks Renovation**

This option would augment the full seismic retrofit option with the inclusion of the barracks improvements from Option 1. In this option, the architect also incorporated enclosure of the open top interior courtyard for added energy efficiency gains.

5. **New Fire Station**

To provide Council with a comparison, this option includes demolition of the existing station and construction of a new 8,100 square foot fire station.

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barracks Improvement Only</td>
<td>Seismic Retrofit of Apparatus Bay Only</td>
<td>Full Seismic Retrofit</td>
<td>Full Seismic Retrofit &amp; Barracks Improvement</td>
<td>New Fire Station Construction</td>
</tr>
<tr>
<td>$125,000.00</td>
<td>$530,000.00</td>
<td>$880,000.00</td>
<td>$1,005,000.00</td>
<td>$2,835,000.00</td>
</tr>
</tbody>
</table>
Wayfinding Sign Program at Resort Campus

Issue:

Does the Council want to refresh the existing wayfinding signs to provide for enhanced directional cues to each hotel and improve the pedestrian connection between the four hotels?

Discussion:

In early 2016, the hotel partners and Staff began discussions to improve the wayfinding signs for all resort properties. Before the discussion could progress, the City shifted focus to replacing the median landscaping along Indian Wells Lane do to the unhealthy and hazardous condition of the Palm Trees.

With the landscaping project complete, the focus is once again on the wayfinding issue. The hotel partners report guests are having trouble finding their destination because the existing directional signs along Indian Wells Lane are difficult to read. The existing signs are weathered and the scale is too small for motorists to read. The hotel partners and Staff also want to explore better pedestrian circulation infrastructure with directional signage between the four properties and the Golf Resort.

ATTACHMENT:

1. Photos
RESORT CAMPUS WAYFINDING

Existing Wayfinding Sign

Wayfinding Sign w/ Modified Directional Arrows
Indian Wells City Council

Discussion Topic for FY 2017-19: February 2, 2017

Pedestrian Circulation

Issue:

Does the Council want to pursue the General Plan goal of improving pedestrian access to retail centers and hotels?

DISCUSSION:

The City’s General Plan encourages the development of street systems that contribute to the resident’s quality of life including, among other things, pedestrian access to retail centers and hotels. With the exception of the undeveloped parcels near Miles Avenue, Highway 111 has a meandering sidewalk on both sides of the roadway that access the resorts and commercial/office centers. Residential access to Highway 111 is on any of the seven publicly maintained side streets. Four of these side streets (Cook Street south, Rancho Palamas, Eldorado Drive north and south, and Club Drive) have incomplete or no sidewalks at all. Improving pedestrian access and circulation includes completing sidewalks as necessary.

Over the past 12-months, Staff has received requests for sidewalks along Rancho Palamas and Club Drive, two of the side streets identified above. Staff seeks City Council discussion and direction to develop a project list and priority protocol through the five-year Capital Improvement Program for sidewalk connections along the side streets feeding Highway 111.

ATTACHMENT:

1. Photos of missing sidewalk areas
Eldorado Drive – Missing Sidewalk Link

Rancho Palmeras Drive – Pedestrians in Street

CITY WIDE PEDESTRIAN CIRCULATION
Indian Wells City Council  
Goal Topics FY 2017-19: February 2, 2017

Update on Salton Sea Management Plan

RECOMMENDED ACTION:

Council RECEIVES and FILES an update regarding the Salton Sea Plan (SSMP).

DISCUSSION:

At the October 12, 2016 Council Meeting, Council Member Mertens facilitated a discussion regarding the co-sponsorship of a Seminar for Coachella Valley Elected Officials on Salton Sea Restoration with the League of California Cities Riverside Division. It was the consensus of the Council to co-host this seminar in conjunction with the Salton Sea Action Committee and the Salton Sea Authority held in December 2016 or January 2017 and directed Staff to organize the event.

Staff have been in touch with Phil Rosentrater, Executive Director and General Manager for the Salton Sea Authority, and Bruce Wilcox, Assistant Secretary for Salton Sea Policy with California’s Natural Resources Agency. Mr. Wilcox supports the idea of a seminar and the seminar should occur after the release of the SSMP 10-Year Plan which is still in circulation for internal review and comment and has not been made public. The Plan is now scheduled for a tentative release in mid to late February 2017.

Mr. Rosentrater and Mr. Wilcox facilitated a discussion of the concepts included in the Salton Sea 10-Year Plan at the January 26 Salton Sea Authority Meeting. The memorandum from that meeting is attached.

ATTACHMENT:

1. SSMP 10-Year Plan Memo from January 26, 2017
MEMORANDUM

To: Salton Sea Authority Board of Directors
From: Phil Rosentrater, GM/Executive Director
Date: January 26, 2017
Re: SSMP 10-Year Plan
CM No. VI.B – 01-26-2017

BACKGROUND:

At the November 15, 2016 Salton Sea workshop for the State Water Resources Control Board, stakeholders and partner agencies of the Salton Sea Authority (SSA) called upon the state of California to provide greater definition of its priorities, plans and commitments for progress within the next ten years.

The urgency of this request is underscored by mounting pressures from drought on the Colorado River system in addition to looming deadlines for acceleration of water transfers in accord with the Quantitative Settlement Agreement. While the federal government, other states and water rights holders on the Colorado seek certainty of their supply, the certainty of a reciprocal commitment to offset potential impacts to the Sea is not as certain. Thus, stakeholders around the Sea have expressed strong interest in establishing greater surety for a valid restoration strategy in the next decade for the Sea prior to risking commitment of additional local resources.

In response, the California Natural Resources Agency (CNRA) has adjusted the draft Salton Sea Management Plan (SSMP) to propose projects and timelines that will adhere to a ten year time frame. This plan is still in circulation for internal review and comment, and has not been made public. However, the Assistant Secretary of CNRA for Salton Sea Policy has agreed to discuss the draft with the SSA board at the January 26, 2017 meeting, in advance of the release of the final draft of the 10-Year Plan.

RECOMMENDATION:

The Salton Sea Authority Staff recommends that the Salton Sea Authority Board consider the draft report on the 10 Year Plan as discussed by the Assistant Secretary of CNRA. No action to be taken at this time.

Respectfully submitted,

Phil Rosentrater
GM/Executive Director