

Economic and Fiscal Health Element

PURPOSE

The Economic & Fiscal Health Element presents a broad range of demographic, economic and fiscal information to provide a multi-dimensional view of the Cathedral City economy. It examines the relationships between City government and the economy, and explores potential economic opportunities and constraints. The element also describes the economic foundations, characteristics and trends of the City and evaluates the City's position in the regional economy. The element explores the relationship between economic policies, urban development, and land use patterns, and their impact on the financial well-being of the City. The element describes the major components that comprise the City's economic base. Fiscal issues, the balance between revenues and services that are important to the City's ability to maintain and enhance the quality of the physical, social, cultural, and economic environment enjoyed by Cathedral City residents, businesses, and visitors, are also discussed. Past conditions, which have contributed to the City's economic and fiscal positions, must be continually reevaluated for their relevance in a growing and changing economy. This element establishes goals, policies, and programs aimed at creating and maintaining a viable, well-balanced economy for current and future residents.

BACKGROUND

Economic and fiscal considerations are integral to all elements of the General Plan. Providing a high quality of life, as measured by the level of public and commercial services, utilities, cultural amenities, employment and housing opportunities, and the protection of City residents from flooding, seismic, and other hazards, are directly related to the local economy and the community's fiscal health. This element has an especially strong and direct relationship with the Land Use Element. Government Code Section 65030.2 provides the statutory reference for this relationship and states that "land use decisions shall be made with full knowledge of their economic and fiscal implications and their relationship to long-term environmental impacts, as well as long-term costs and benefits." The element also examines issues set forth in Government Code Section 65863.6 and 66412.3, which require cities and counties to balance the available fiscal and environmental resources against local housing and public service needs.



The economy of the community is a product of complex interrelationships between the physical environment, regional and local private and governmental economic activity, municipal policy and leadership, workforce opportunities, cultural and educational experiences, public safety, and other factors affecting the community. The Economic & Fiscal Health Element, therefore, is related to some degree to all other General Plan elements. In addition to the Land Use, the Circulation and its effect on the physical development and accessibility within the City also affects economic goals and fiscal health. It is also closely related to the Open Space & Conservation Element, including biological, cultural and open space resources, and is relevant to the Arts & Culture Element, which seek to preserve natural and cultural resources that define and strengthen community identity. Long-term economic and fiscal health is also tied to the management of environmental threats and hazards as discussed in the Safety Element, including earthquakes, floods, hazardous material releases.

REGIONAL ECONOMY

Cathedral City is located in the western portion of the Coachella Valley and has the second highest year-round population in the region. As such, its economy is closely tied to the regional economy of the Coachella Valley. Over the past several decades, the valley has enjoyed a reputation as a world-class tourist destination founded on a strong leisure and hospitality sector, including hotels, resorts, spas, restaurants, and vacation rentals.

Each year, it attracts thousands of visitors for championship golf and tennis tournaments, film festivals, and large-scale music and entertainment events. It is characterized by seasonal population surges and employment trends, as the mild winter climate attract visitors and the extreme summer heat deters them. The regional economy is also largely characterized by strong retail and service sectors which support the tourism industry. The Coachella Valley is poised to become a stage for innovations in renewable energy, medical services, and water management. Focused pursuit of these and other technology-related fields would provide the permanent population, ranging from youth to retirees, better access to higher incomes, more challenging professional opportunities, enhanced quality of life and ultimately improved economic mobility.

“Without continual growth and progress, such words as improvement, achievement, and success have no meaning.”

-Benjamin Franklin

The Coachella Valley includes unincorporated land and nine incorporated cities: Desert Hot Springs, Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, and Coachella. Between 2000 and 2016, the population of Coachella Valley cities increased by approximately 45%, from 255,790 to 371,217 residents.¹

The Coachella Valley is known for its economic strength and rapid growth. In the past, the valley’s economy was largely reliant on agriculture, particularly in the eastern valley, and this industry remains a regional mainstay. Riverside County ranked fourteenth among California counties for total value of agricultural production in 2016, with agricultural

production valued at nearly \$1.27 billion.² The Coachella Valley’s share of the agricultural crop value in 2016 was \$639.6 million, approximately 64% of the County’s total.³

The resort and tourism industry began to emerge throughout the valley in the 1920s. For many decades, the region has been considered a world-class resort destination, and tourism is a fundamental component of the regional economy, providing local jobs and investment dollars in hotels, golf courses, dining and shopping establishments, and timeshare and seasonal home developments.

¹ 2000 US Census; 2016 American Community Survey 5-Year Estimates.

² “Riverside County Agricultural Production Report, 2016,” Riverside County Agricultural Commission.

³ Ibid.

Despite the Coachella Valley’s historically strong economy, it was adversely impacted by the economic recession beginning in 2008. Hotel and timeshare occupancy slowed, and home construction significantly slowed as home values declined. The regional economy has begun to rebound in recent years, and economic indicators like job gains, assessed valuation and home prices have shown some growth.

Assessed property value per capita, which measures the ability of property taxes to support city services for each resident, increased in 2017 in five Coachella Valley cities. However, home sales continue to lag; between 2016 and 2017, home deed recordings in the valley decreased 31% for new homes and 2% for existing homes.⁴

The following table shows employment data, by industry, for the Coachella Valley in 2013. The data indicate that the predominant regional employment sectors are: 1) Retail, 2) Hotel and Amusement, and 3) Health. The picture in 2016 was much the same, with job recovery in most but not all sectors, with financial services, professional and business services, and education and health services leading the way in the City. Employment is further discussed below.



Table EF-1
Employment Distribution by Sector
Coachella Valley, 2013

Industry	No. of Residents	% of Total
Retail	31,670	24.1
Hotel/Amusement	19,712	15.0
Health	13,667	10.4
Agriculture	12,090	9.2
Other Services	11,696	8.9
Small Sectors	9,856	7.5
Education	9,462	7.2
Construction	6,702	5.1
Distribution	6,702	5.1
Finance/Insurance/Real Estate	5,257	4.0
Business Services	4,599	3.5
Total:	131,413	100%
Source: California Employment Development Department		

Finally, it should be noted that being located in California means that Cathedral City is embedded in the fifth largest economy in the world (2018) with a gross domestic product of more than \$2.7 trillion in 2017. With nearly 40 million people, a broad range of thriving industries, and as the technological and agricultural centers of the nation, California continues to lead the world. While significant headwinds, including the need for a better educated workforce and higher density housing options, need to be addressed, it is the desirability of the state and our region that will fuel continued growth.

⁴ “Inland Empire Quarterly Economic Report,” Inland Empire Economic Partnership, October 2017.

CITY CHARACTERISTICS

The corporate limits of Cathedral City in 2018 extend from the Santa Rosa Mountain foothills on the south to Edom Hill and the Indio Hills to the north, straddling a state highway (East Palm Canyon Drive/Hwy 111) on the south and US Interstate-10 on the north, which shares a major transportation corridor with the Union Pacific Railroad. The City's corporate limits encompasses approximately 22.3 square miles.

Cathedral City was incorporated in 1981 and has become a popular location for commercial businesses, light industry, and professional services in the Coachella Valley. The City has also established itself as a family-friendly community, with a wide range of affordable housing products, outdoor and amusement opportunities, public art, and high-quality education and library facilities.

Like its neighbors, the predominant land use in Cathedral City is residential, with a variety of housing types, including single- and multi-family residences for a largely permanent but also sizeable seasonal population. The City balances residential development with neighborhood and community commercial, destination and golf resorts, auto dealerships, service and light industrial, and institutional uses.

Cathedral City boasts the greatest amount of family friendly recreational activities in the Coachella Valley, including the Desert Ice Castle (the only ice skating rink in the Coachella Valley) where Olympic athletes have trained; Boomers (miniature golf, bumper cars & batting cage); a 17-acre soccer park, where State championships have been held; Big League Dreams Sports Park, which hosts NCAA Women's softball; and three top-notch golf courses.

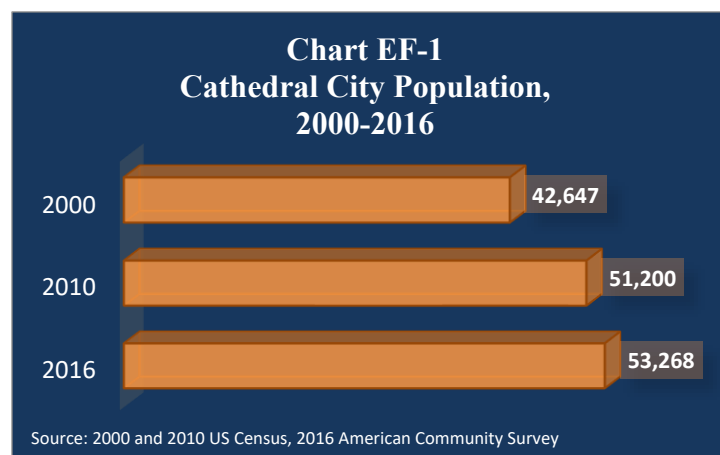
Commercial lands are clustered along East Palm Canyon Drive and major roadways, such as Ramon Road and Date Palm Drive. The City's downtown core is located along the East Palm Canyon Drive corridor. It includes a mix of conventional and entertainment retail commercial, restaurants and theaters, as well as multi-family senior and other residential development. Light industrial and service commercial uses are located south of the Whitewater River along Perez Road, and north of East Palm Canyon Drive between Cathedral Canyon Drive and the West Cathedral Canyon Stormwater Evacuation Channel. There are also future commercial and industrial uses planned along I-10 in the northern portion of the City. Open spaces and schools are integrated throughout the community.

Cathedral City Demographics

The following demographic data provide an overview of changes in the City's population, housing, employment, and other characteristics since year 2000.

Population

City population growth is shown in Chart EF-1. The population increased 25%, from 42,467 to 53,268, between 2000 and 2016. The population of the City was estimated to have reached 52,769 as of January of 2018 and is projected to reach 68,100 by 2040.⁵ Today, City residents age 1 to 19 comprise about 35% of permanent residents, while those age 65 and older comprise about 13.5%.

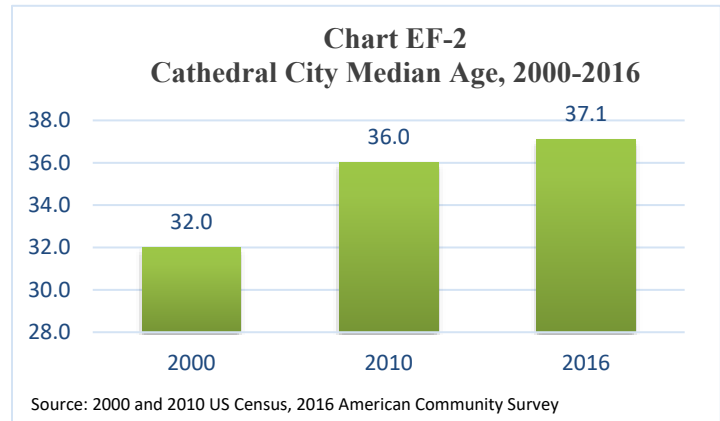


⁵ Appendix Table 11, "Regional Transportation Plan/Sustainable Communities Strategy," Southern California Association of Governments, December 2015.

The most recent City population estimate in July 2017 was 54,596 residents⁶, an increase of 2.5% over the 2016 figure. The population is projected to reach 68,100 by 2040.⁷ The majority of residents are white, with Hispanics or Latinos (of any race) comprising 60.5% of the population in 2016, up from 50% in 2000 (see Ethnicity, below).

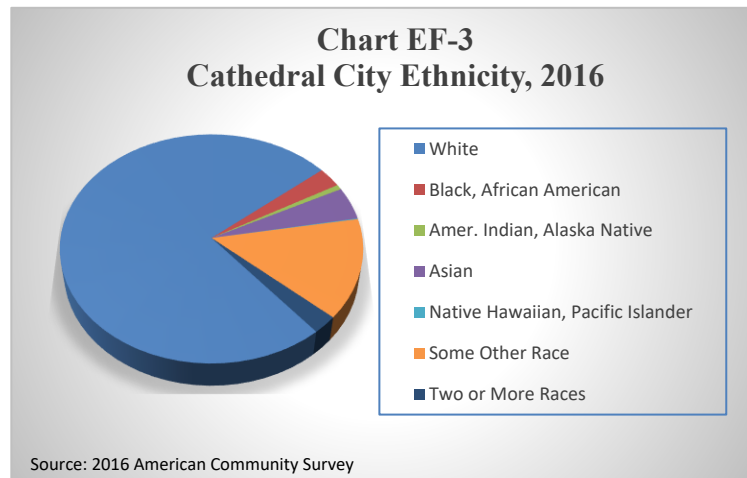
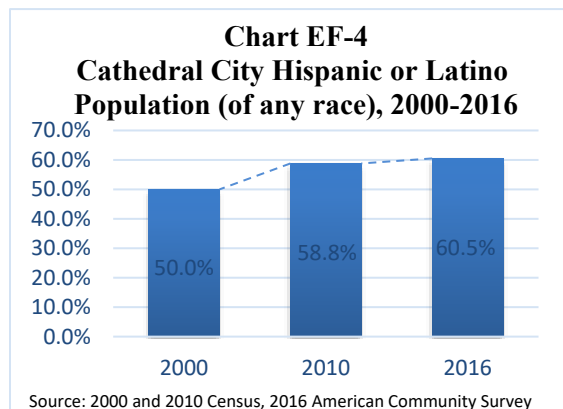
Median Age

The median age increased from 32.0 years in 2000 to 37.1 years in 2016. Today, City residents ages 1 to 19 comprise about 35% of permanent residents, while those aged 65 and older comprise about 13.5%.



Ethnicity

The majority of City residents are white, with Hispanics or Latinos (of any race) comprising 60.5% of the population in 2016, up from 50% in 2000.



Housing

There are approximately 21,816 housing units in Cathedral City; 81% are occupied, and 19% are vacant.⁸ The majority (66.1%) consists of single-family attached and detached homes, 24.3% are multi-family units, 9.6% are mobile homes, and 0.1% are other types (boat, RV, van, etc.). The average household size is 3.04 persons per household.⁹ The median value of dwelling units was \$203,900 in 2016.

The City's broad mix of housing types and values and its geographic location have made it a preferred residential address in the Coachella Valley. Its housing affordability is second only to Desert Hot Springs. At the same time, the City has the lowest percentage of owner-occupied housing, which may relate to levels of discretionary spending by City residents. Housing prices, availability, affordability, and future needs are analyzed in the *Housing Element*.

⁶ US Census Quick Facts, Cathedral City, California. June 15, 2018.

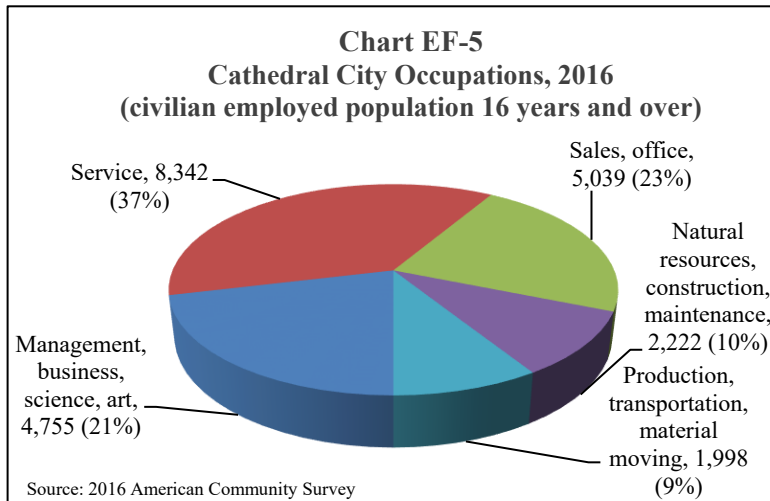
⁷ Table 11, Demographics and Growth Forecast Appendix, 2016-2040 "Regional Transportation Plan/Sustainable Communities Strategy", Southern California Association of Governments, adopted April 2016.

⁸ 2016 American Community Survey.

⁹ Ibid, average of owner-occupied unit household size (2.82) and renter-occupied unit (3.25).

Employment and Income

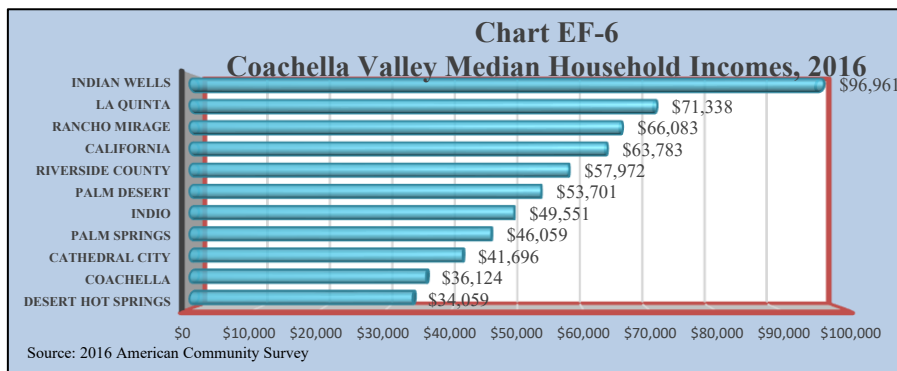
Employment data for Cathedral City are shown in Chart EF-5. The data show that the highest percentages of Cathedral City residents are employed in Service (37%), Sales and Office (23%), and Management, Business, Science, and Arts (21%) occupations.



Among the principal employers in Cathedral City are auto sales and service centers, schools, supermarkets and specialty retail outlets, big-box retail outlets, government, and hotels/resorts. The growth of the cannabis industry and the continued growth of retail and the hospitality industry in the City will be an important source of new jobs in the coming years.

Where Cathedral City residents work is also very instructive and points to a need for the development of employment opportunities in the City. Of the estimated 11,561 City residents actively employed in 2015, a full 35% were employed in Palm Springs, 17% in Palm

Desert and 16.5% in Rancho Mirage. Only about 15.6% of employed City residents worked in Cathedral City in 2015.¹⁰ There are many advantages to employing City residents in the City, including a greater expenditure of discretionary and non-discretionary spending in the community instead of elsewhere. Maximizing local spending also has a multiplier effect on the local economy, inducing greater local economic activity and thereby stimulating job growth.



Principal Employers in Cathedral City

Addus Healthcare
Doubletree Golf Resort
Cathedral City High School
City of Cathedral City
Honda of the Desert
Jessup Auto Plaza
Nellie N. Coffman Middle School
Palm Springs Motors
Stater Bros. Markets (Ramon)
Toyota of the Desert
Target
Palm Springs Lincoln-Mercury
Acura of the Desert
Ford Rent-a-Car Express
Palm Springs Unified School District

Source: 2017 Cathedral City Comprehensive Annual Financial Report

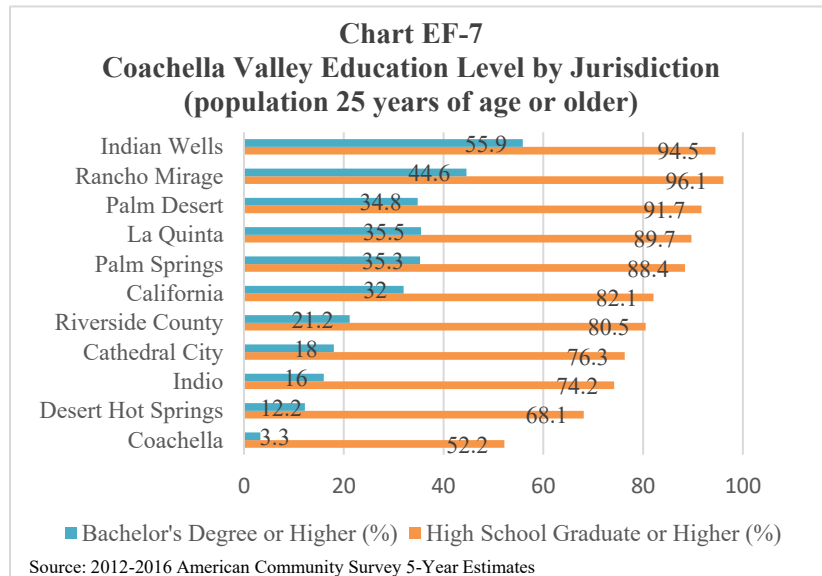
Gaming is also to become an important contributor to local employment in the City downtown, where a new casino by the Agua Caliente Tribe will be combined with new retail development at the corner of Date Palm Drive and East Palm Canyon Drive. The arts and culture industries are also gaining importance and the City Perez Road arts district will help to expand both business and employment opportunities in this growing sector of the economy.

¹⁰ Coachella Valley Economic Partnership Economic Report, prepared by Manfred W. Keil, Ph.D. 2017.

Chart EF-6 compares the median household incomes of Cathedral City, other Coachella Valley cities, Riverside County, and California. The City's median household income in 2016 was \$41,696, the third lowest among Coachella Valley cities (behind Desert Hot Springs and Coachella). It is 39% lower than the Riverside County median household income, and 53% lower than that of California. In 2018, the estimated median household income has risen approximately 3.7% to \$43, 251.

Education

Beyond its intrinsic value, educational attainment is a key economic indicator that helps project future employment and earnings potential. The graph below compares educational attainment in Cathedral City with other Coachella Valley cities, Riverside County and the State. Among Coachella Valley cities, Cathedral City has the fourth lowest percentage of "high school graduates or higher," and the third lowest percentage of "Bachelor's Degree or higher." Both are below the Riverside County and State attainment levels.



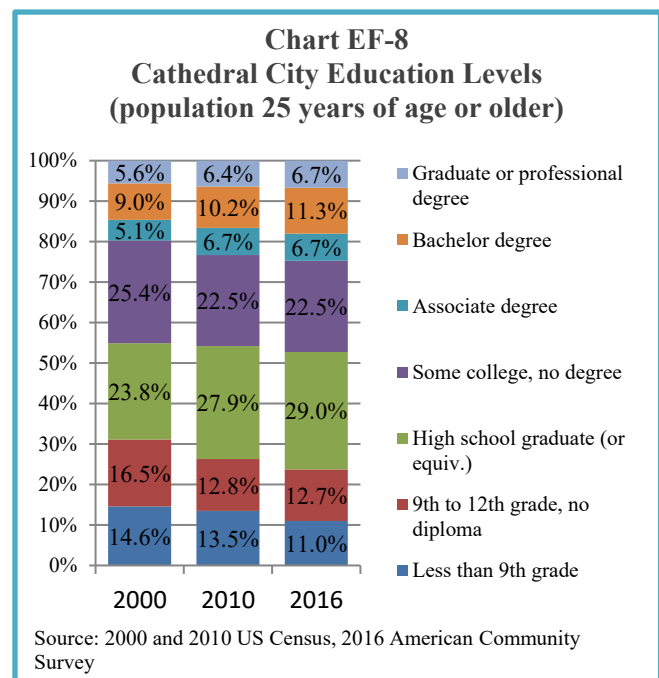
Educational characteristics of Cathedral City residents are shown in Charts EF-7 & 8. The data show that the percentage of residents achieving higher educational levels increased between 2000 and 2016. In 2016, the largest percentage of residents (29.0%) obtained high school (or equivalent) degrees, followed by those with some college but no degree (22.5%). Also see the *Public Services and Facilities Element* for additional information and goals, policies, and programs regarding community schools and education.

FISCAL HEALTH

Like many communities across the country, Cathedral City felt the impacts of the Great Recession of 2007-2013, some of which includes stalled construction and increased personal debt, home foreclosures, and unemployment. However, the regional and local economies have rebounded, and today the City enjoys strong fiscal health. Its net position (assets minus liabilities) totaled \$53.4 million at the end of Fiscal Year 2016/17.¹¹

Revenues

Having incorporated in 1981, Cathedral City is considered a post-Proposition 13 city. Since the City did not have a separate property tax rate prior to the voter enactment of Proposition 13, the City cannot impose one without a vote of the citizens.



¹¹ "2017 Comprehensive Annual Financial Report, Year ended June 30, 2017," City of Cathedral City.

Therefore, additional property tax revenues generated by development projects within the city, but not within the boundaries of the former redevelopment agency, are not remitted to the City's General Fund. Instead, the taxes are remitted to other taxing agencies such as Riverside County, school districts, and special districts. As a result, the City's General Fund generally receives less than 7% of its total revenue from property tax on an annual basis.

After operating grants and contributions, sales tax is the single largest source of municipal revenue. In calendar year 2016, the City's top taxable sales tax generators included "auto dealers and supplies" which generated 50.0% of all City sales tax income, followed by "all other outlets" (16.9%), "eating and drinking establishments" (7.7%), and "service stations" (7.5%).¹² Additional revenue is generated by charges for services, capital grants and contributions, special assessments, development fees, investments, and interest.

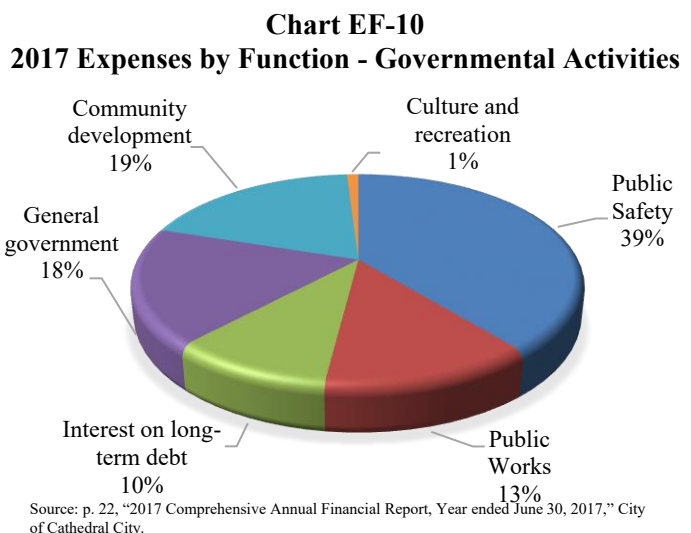
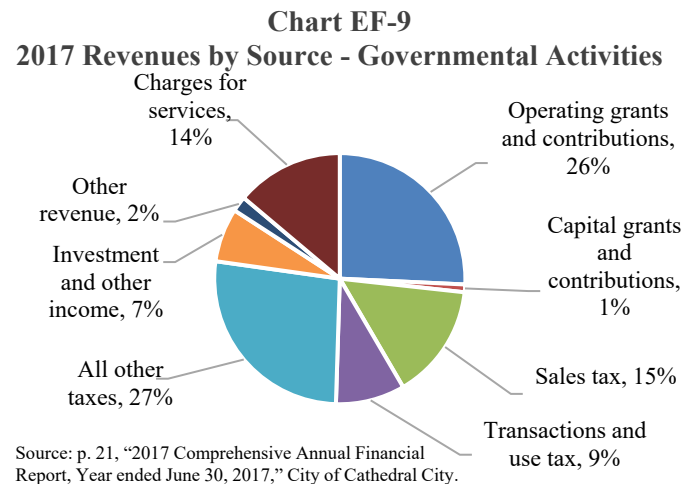
Expenditures

Municipal expenditures cover the costs of public safety, general government, community development, public works, interest on long-term debt, and culture and recreation. The largest percentage of expenses (39%) is for public safety, which is comprised of law enforcement and fire protection and will continue to be a major cost category for the City. Chart EF-10 summarizes City expenditures for the 2016-2017 fiscal year.

ECONOMIC GROWTH

New Cannabis Industry

Proposition 64, approved by voters in November 2016, legalized adult recreational marijuana use in California. Since then, the cannabis industry has emerged as a new business sector comprised of cultivators, manufacturers, and dispensaries. The City introduced new ordinances and started accepting development applications for cannabis facilities on April 1, 2016. During Fiscal Year 2016/17, eleven dispensaries and two cultivation sites opened and generated nearly \$450,000 in tax revenue.¹³ A 500,000± square foot medical marijuana cultivation and testing facility located on Ramon Road is expected to employ 150 to 200 people. When operating at maximum capacity, this facility alone is anticipated to generate several million dollars a year in tax revenue.



"California's land is an exhaustible resource, not just a commodity, and is essential to the economy, environment and general well-being of the people of California. It is the policy of the state ... to protect California's land resource, to insure its preservation and use in ways which are economically and socially desirable in an attempt to improve the quality of life in California."
(Gov. Code 65030).

¹² P. 171, "2017 Comprehensive Annual Financial Report, Year ended June 30, 2017," City of Cathedral City.

¹³ City of Cathedral City 2017 Comprehensive Annual Financial Report, Year ended June 30, 2017

The market for cannabis cultivation, related manufacturing infusion, and distribution is steadily growing and is posed to be a major component of City economic activity in the coming years. However, in 2018 this industry is still in its infancy, the relationship of state and federal cannabis law and regulations is still evolving, and how cannabis enterprises will evolve in the mid- to long-term remains an open question. Presently, cannabis represents a major new opportunity for the City's economy.

Recent and Current Growth

In 2017, more than 300 new business licenses were activated in Cathedral City. Among these were restaurants, hotels, auto dealership relocations and expansions, health care facilities, a cinema, a fitness center, and multiple cannabis facilities. The City's housing market continued to grow, with 61 building permits issued for new residential units, which can be expected to contribute to job growth and increased sales tax and property tax revenues. The City periodically reviews its policies and codes pertaining to short-term vacation rentals to assure positive experiences for visitors and permanent residents, and to assure transient occupancy tax revenues are captured.

In February 2018, the first segment of CV Link was built and became operational along the Whitewater River Stormwater Channel between Vista Chino and Ramon Road. Additional segments are planned that will connect residents and visitors to key destinations throughout the City and Coachella Valley. CV Link and the City Active Transportation/Neighborhood Electric Vehicle Plan (ATP) are also opening new avenues for economic development by enhancing active recreational opportunities, and increasing multi-modal access to commercial services and employment centers.



Over the past few years, more than \$100,000,000 has been invested in public infrastructure projects in Cathedral City. Among these are reconstruction of major arterials, resurfacing of neighborhood roads, sidewalk improvements, and the \$20.5 million widening and seismic retrofitting of the Date Palm Drive bridge over the Whitewater River Stormwater Channel. Upcoming capital improvement projects include a new \$22.7 million Cathedral Canyon Drive bridge over the channel to begin in 2019, and the \$26 million Ramon Road bridge project over the channel that will include bridge widening, new sidewalk construction, and connection to CV Link.

Numerous new development projects are either approved or underway in the Downtown area, including two hotels, a commercial project, a casino and mixed-use facility by the Agua Caliente Band of Cahuilla Indians, and a 2.5-acre amphitheater park. The Coachella Valley Repertory Theater has purchased and renovated the Desert Cinemas theater for use as a 208-seat performing arts venue. Since opening, the CV Rep has hosted sold-out performances. New downtown pedestrian directory signs and new City entry signs were recently installed, and solar photovoltaic systems were installed that will provide nearly 75% of the annual energy needs of the Civic Center complex. Elsewhere in the City in 2018, the Doubletree Hotel and Resort completed a \$17 million renovation, and a new \$12 million Staybridge Hotel has been built adjacent to Cimarron Golf Course.

Directly and indirectly, City government operations and the financial resources they rely upon are intimately tied to the health and success of the local economy. In addition to addressing basics like community safety, City government has created and maintains an environment which supports and promotes new development and the expansion of current businesses. City Staff assists developers and business owners in understanding and navigating development standards, guidelines, codes and other regulations. This assistance allows entrepreneurs to efficiently obtain the necessary approvals so they may focus on executing their business plans. All levels of the City, from Council to front line staff positions, are transparent, straightforward and accessible. The City recognizes its role to promote and support innovation and development, and in turn receives additional revenues which are reinvested in City services.

NEW REVENUE RESOURCES

Approximately half the City's revenues come from taxes (sales, TOT, transfer, etc.). In 2018, when new revenues began to flow to the City as a consequence of cannabis business development, City revenues were enhanced by a new \$0.12 per gallon state gasoline tax, facilitated by Senate Bill 1, implemented on November 1, 2017. Gas tax revenues are being used to fund roadway improvement projects in the City. State and federal revenue sharing has and will continue to be an important source of funding for City projects and improvements. The City also has excellent access to and exposure along the US Interstate-10 corridor. The General Plan provides excellent opportunities for freeway-oriented commercial businesses on the hundreds of acres that make up Cathedral City's North City Specific Plan and North City Extended Specific Plan. Major freeway interchanges offer an abundance of retail, hotel, and residential development opportunities with immediate access to a large drive-by market. Other opportunities include development of office and industrial space, and/or distribution facilities.

There are also important opportunities for the City to build upon progress in the downtown and elsewhere in the City and to expand its participation in the hospitality market and collection of TOT, including new hotel development serving a variety of market segments. Other hospitality businesses that should thrive in the future include restaurants catering to the permanent and seasonal populations, as well as the tourist visitor. The City's market for restaurants extends well beyond its corporate limits, and the valley's seasonal residents and tourists are an important market the City will continue to cultivate.

Arts and culture, and entertainment retail have been important commercial trends emerging as a function of the consumer's growing interest in quality of life experiences. The City Downtown Arts and Entertainment District incorporates elements of entertainment retail and arts and culture commercial activities anchored by the Mary Pickford Theater and the CV Rep theater. The Amphitheater Park is another downtown venue that further synergizes the mix of civic and commercial activity that has made the Downtown a focus of robust community activity.

The healthcare industry is the single largest component of the US economy, totaling more than \$3 trillion in 2014, and reaching \$3.65 trillion in 2018¹⁴. This sector of the economy is a major employer, generating more than 14,000 local jobs in 2017, with three major hospitals, a variety clinic and outer outpatient facilities, and a host of in-home services. Health care inclusive of the social assistance sector is projected to grow at an annual rate of 2.6 percent, adding 5.0 million jobs between 2012 and 2022. This accounts for nearly one-third of the total projected increase in US jobs. The growth reflects, in part, the demand for healthcare workers to address the needs of an aging population.¹⁵

SUSTAINABILITY AND SMART GROWTH

The concept of sustainability permeates the Cathedral City General Plan and is an ethos by which it has been developed and updated. The outgrowth of sustainability is a response to economic and environmental pressures that have become progressively more evident the longer they have been neglected. Regions that do not wisely manage land and water resources, transportation and other infrastructure, schools, and other key components of a healthy community will not thrive.



¹⁴ Plunkett Research, Ltd. 2014; Axios 2019.

¹⁵ US Bureau of Labor Statistics, Employment Projections: 2012-2022. December 19, 2013.

Sustainable communities are not risk-takers, rather they assure the long-term viability of their communities. In the long-term, investments in sustainability positively impact property values, the City's fiscal balance, private sector profitability, and enhanced quality of life and security. Future local and regional economic performance and prosperity will require a highly skilled and well- educated work force, and are strongly influenced by community form and character. Sustainability policies that promote a high quality of life will enjoy enhanced economic performance and improved overall economic prosperity.

FUTURE DIRECTIONS

There is no substitute for a diverse local economy. It provides resilience against the periods of inevitable change the City will see in the coming years. Continued growth in areas of comparative advantage and in new areas of economic activity, more local and better paying jobs, expanded educational opportunities, and a broadened tax base will all be measures and providers of economic prosperity in the future.

The City is poised to grow its economic base, and while there has been valuable progress in many areas, including the cannabis and hospitality industries, there are headwinds that the City must also fight. These include the assault on "brick and mortar" businesses by on-line retailers, underutilized commercial assets at less than optimal locations, and the changing and evolving retail and food and beverage markets.

Excepting agri-business, the Coachella Valley has few examples of industrial development beyond certain niches that can do well within the geographic and demographic constraints and limitations of the area. Until recently, the region has not had the kind of stimulus and opportunities for synergies typically associated with nearby colleges and universities. With the expansion of College of the Desert and the growing California State University-San Bernardino/Palm Desert Campus on Cook Street near Interstate-10 and the City's Sphere-of-Influence, new business opportunities and a trained workforce will also enhance future economic growth.

Industrial development in the City is largely limited to light industrial businesses supporting real estate development, public infrastructure, and the automotive industry. A wide range of service-oriented businesses (industrial and commercial) are located on City industrial lands. Existing businesses and residences, in the City and beyond, generate a significant ongoing demand for capital improvements and services. Since the last General Plan update, less light industry and more business park development has occurred within the City's "industrial" areas. Customers for industrial space are also changing. For instance, Perez Road is emerging as a venue for an ad hoc arts district within a multi-tenant industrial park.

With the development of the California State University campus and its planned six schools of focus, Cathedral City and the region may benefit from opportunities for growth of research and development (R & D) industries typified by clean or non-polluting operations conducted within enclosed buildings, and employing highly trained and well-paid specialists in research and technology. An R & D industrial park in the immediate vicinity of the university can provide important opportunities for development of business incubators that are fed by academic and research activities at the campus. These synergies have been key to the diversifying of economies in many communities, and the Coachella Valley provides many natural advantages for R & D development. The type of industrial development envisioned generates limited demand for public services and facilities, including low traffic generation and limited impacts on other public and environmental resources.

The City must keep in tune with global, national, regional and local trends and have a kit of economic development tools that allow the City to be nimble and innovative in exploiting these emerging markets. The City will continue to facilitate new development opportunities and community events that make it an appealing place for residents and visitors to live, gather, and conduct business.



Cathedral City has been awarded as one of the “Most Livable” cities in America, offering residents and visitors authentic Southern California lifestyle, and diverse neighborhoods, shopping, employment and recreation. The City and region offer exemplary and distinguished public schools, wonderful parks including the Fountain of Life, Dennis Keats Soccer Fields, Big League Dream Sports Park, and its very own “Bark Park.” With a variety of shopping opportunities from large national retailers to charming boutique stores, and tremendous opportunities for dynamic mixed-use neighborhoods, destination and entertainment retail should thrive in the coming years.

The City holds a solid position in the retail car and truck market, with dealerships representing more than 20 luxury and competitive brands. The City’s economy will continue to capitalize on its access to some of the greatest hiking in the desert southwest, unique desert plants and animals, scenic golf courses, and annual art, music and food festivals. The City’s exceptional public safety services and health care providers will also continue to provide a sound foundation for continued economic growth.



GOALS, POLICIES, AND PROGRAMS

Goal 1: A balanced, broad-based economy that provides a range of employment opportunities, high standards of development, and environmental protection.

Policy 1: The General Plan land use map and designations shall facilitate a range of residential, commercial, industrial, institutional, and mixed-use development opportunities that are dispersed throughout the planning area.

Policy 2: The City shall promote business development and retention, workforce training, and professional development.

Program 2.A: Maintain a list of “shovel-ready” sites for interested developers and businesses.

Responsible Agency: Economic Development

Schedule: Immediate; Ongoing

Program 2.B: Continue to streamline and expedite the development review process without compromising development quality through concurrent application processing and efficient design review.

Responsible Agency: Economic Development

Schedule: Immediate; Ongoing

Program 2.C: Establish and maintain partnerships with educational institutions, business groups, and private and non-profit organizations to offer relevant, high-quality workshops, classes, and other programs that support a range of educational and employment interests.

Responsible Agency: Economic Development

Schedule: Immediate; Ongoing

Program 2.D: Maximize use of the City's website, newsletters, news media, and other outlets to disseminate information about current and future community projects and programs, workforce training and employment opportunities, and information for developers and businesses.

Responsible Agency: Economic Development

Schedule: Immediate; Ongoing

Program 2.E: Provide incentives to existing small and startup businesses, including minority- and women-owned businesses, to facilitate their expansion and job creation.

Responsible Agency: Economic Development

Schedule: Immediate; Ongoing

Policy 3: The City shall continue to encourage higher density infill development and that which uses existing utilities, infrastructure, and services.

Policy 4: The City shall facilitate development of a variety of housing products that are affordable to all segments of the workforce.

Policy 5: The City shall continue to cultivate a cooperative relationship with the Agua Caliente Band of Cahuilla Indians and Bureau of Indian Affairs, particularly regarding development of Indian lands within the City and sphere-of-influence.

Policy 6: The City shall explore and target opportunities to attract new businesses and industries with well-paying occupations that match or can enhance the skill base and training capacity of local residents. Industries that may be particularly well-suited to the community include sustainable technologies, allied health services, hospitality industries, cannabis cultivation and distribution, arts and culture related ventures, and other economic development opportunities where Cathedral City may have a comparative advantage.

Program 6.A: Assure that appropriate development standards, applications, and review processes are in place to address the needs of new industries.

Responsible Agency: Planning, Economic Development

Schedule: Immediate; Ongoing

Goal 2: Adequate roads, multi-modal infrastructure, utilities, and other improvements that support economic activity and growth.

Policy 1: The circulation plan shall support multi-modal transportation choices that provide logical, efficient connections between residential, employment, shopping, and other land uses to minimize commute times.

Policy 2: The City shall support completion of all segments of CV Link, particularly those within its boundaries.

Policy 3: The City shall strive to reduce economic disruption from natural disasters and extreme weather events, such as flooding, earthquakes, and blowsand.

Program 3.A: Regularly review, evaluate, and revise, as needed, the City's Emergency Preparedness Plan.

Responsible Agency: Fire, Economic Development

Schedule: Immediate; Ongoing

Policy 4: All developers shall be responsible for their fair share of on-site and off-site improvements required to support their development proposals including, but not limited to, street construction and signalization, utility extensions, drainage facilities, and parks.

Goal 3: A rich cultural identity that attracts visitors and residents, supports City businesses, and contributes to long-term economic vitality.

Policy 1: The City shall continue to promote special events and activities that support and celebrate its history and diverse population.

Program 1.A: Explore marketing approaches that showcase community arts programs, events, and resources as a means for expanding tourism and employment opportunities.

Responsible Agency: Economic Development

Schedule: Immediate; Ongoing

Program 1.B: Continue to enhance the walkability and identity of Perez Road between Cathedral Canyon Drive and Date Palm Drive, and promote it as a vibrant and cohesive community arts district.

Responsible Agency: Public Works, Planning, Economic Development

Schedule: Immediate; Ongoing

Policy 2: The Downtown area shall continue to be promoted and recognized as the City's premier entertainment district.

Goal 4: A City Sphere-of-Influence that provides logical and economically beneficial opportunities for continued, long-term community development.

Policy 1: The City shall continue to monitor all proposed development proposal, flood control, infrastructure and other development facilitated by Riverside County within the City's Sphere and provide guidance regarding such proposals and activities.

Program 1.A: The City shall maintain a close and ongoing relationship with LAFCO and various Riverside County Department to ensure the City is apprised of public and private development activities in the Sphere. City staff shall provide timely input to County regarding proposed changes in land use in the Sphere.

Responsible Agency: Planning, Economic Development, Public Works

Schedule: Immediate; Ongoing