



CITY COUNCIL/CRA STAFF REPORT

DATE: JULY 28, 2010

UNFINISHED BUSINESS

SUBJECT: CONTINUE THE FACADE IMPROVEMENT PROGRAM AND THE COMMERCIAL INTERIOR REMODEL PROGRAM AND APPROVE AND IMPLEMENT A NEW RESIDENTIAL CONSTRUCTION INCENTIVE PROGRAM AS PART OF THE CITY OF PALM SPRINGS ECONOMIC DEVELOPMENT PLAN.

FROM: David H. Ready, City Manager

BY: Thomas J. Wilson, Assistant City Manager

SUMMARY

The City Council will consider continuing the Facade Improvement Program and the Commercial Interior Remodel Program, and the approval and implementation of a *New Residential Construction Incentive Program* as part of the City of Palm Springs Economic Development Plan.

RECOMMENDATION:

1. Continue the Facade Improvement Program in the amount of \$100,000 and the Commercial Interior Remodel Program in the amount of \$100,000.
2. Approve and initiate a *New Residential Construction Incentive Program* as part of the City of Palm Springs Economic Development Plan in the amount of \$400,000.

STAFF ANALYSIS:

Facade Improvement Program

On November 5, 2008, the City Council and CRA approved the Facade Improvement Program and Guideline for the Downtown and Uptown Areas. Since inception the Program has completed 95 projects with an additional 15 projects underway, for a total of 110 individual facade improvement projects.

Staff is recommending the City Council and CRA continue the Facade Improvement Program in the amount of \$100,000.

ITEM NO. 4.A.

Commercial Interior Remodel Program

In January, 2010, the Palm Springs City Council adopted the City of Palm Springs Economic Development Plan, funding \$1,000,000 in local Palm Springs existing and new programs due to the on-going economic conditions.

As part of the City of Palm Springs Economic Development Plan, the City Council approved a Commercial Interior Remodel Program. The Commercial Interior Remodel Program has demonstrated strong interest with six projects underway with the initial \$100,000 funding as part of the Economic Development Plan. At present there are three worthy projects on the waiting list.

Staff is recommending the City Council continue the Commercial Interior Remodel Program in the amount of \$100,000.

New Residential Construction Incentive Program

City Staff has received input from Palm Springs residential developers who believe that, with some assistance, new residential development which has been stalled due to the depressed economy and local housing marketing can now be successfully initiated. Based on such input and the recent renewal of some new residential construction in the Coachella Valley, Staff recommends the City Council consider a *New Residential Construction Incentive Program*, as an additional component of the City of Palm Springs Economic Development Plan.

The *New Residential Construction Incentive Program* would provide the following:

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

The *New Residential Construction Incentive Program* would be available for new construction residential projects only, of not less than 20 units and not more than 100 units. The Program would be available for one-year beginning August 1, 2010 (or until funding is exhausted) and would only apply to units in projects which are fully permitted for construction and begin vertical construction no later than July 31, 2011.

FISCAL IMPACT:

Funding sources for the programs is under separate cover for separate discussion.


Thomas J. Wilson, Acting City Manager