

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: January 8, 2026

PREPARED BY: Vanessa Mager, Economic Development Coordinator  
Jill Mendoza, Economic Development Manager

SUBJECT: RECEIVE AND FILE AN UPDATE ON THE CITY'S RETAIL BUSINESS  
RECRUITMENT EFFORTS

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## **RECOMMENDATION:**

Receive and file the update on efforts to attract retail businesses to Palm Desert.

## **BACKGROUND/ANALYSIS:**

On March 9, 2023, the City Council adopted "Business Retail Recruitment" as a key component of the 2023 City Council Goals, directing staff to proactively attract retail businesses that align with Palm Desert's evolving economic and community needs.

To advance this goal, the City entered into a professional services agreement with The Retail Coach in November 2023 to provide retail market analysis and recruitment services. This scope of work included a market gap analysis, identification of targeted retail concepts, outreach at International Council of Shopping Centers (ICSC) events, and coordination with commercial brokers and developers.

Through this partnership, the City gained market intelligence and exposure to national and regional retailers. The Retail Coach generated several prospective leads, including preliminary engagement with brands such as Escapology, Kura Sushi, and North Italia, and represented the City at multiple ICSC events. While these efforts helped raise Palm Desert's profile within the retail development community, translating interest into executed leases proved challenging due to factors such as limited site availability, market demographics, and seasonal perceptions of Palm Desert's trade area.

Based on these insights, the Economic Development Department has elected not to extend the contract with The Retail Coach. Instead, the City will transition retail recruitment efforts in-house, utilizing recently expanded staff capacity and local market knowledge to pursue a more customized, relationship-driven approach. This shift positions the City to build on lessons learned and continue advancing retail opportunities that best serve the Palm Desert community.

To support this transition, the City has hired a new Economic Development Manager who will work closely with the existing Economic Development Coordinator. Together, they will lead an active retail recruitment program based on recognized industry best practices, including:

- **Data-Driven Recruitment:** Utilizing internal and third-party tools to analyze demographic, psychographic, and mobility data.
- **Targeted Outreach:** Proactive communication with targeted retail brands and brokers.

- **Trade Show Engagement:** Attendance at ICSC and other industry events to promote Palm Desert and meet directly with retailers.
- **Site Promotion:** Creation of marketing collateral for key opportunity sites, including custom site profiles and real estate briefs.
- **Stakeholder Coordination:** Regular meetings with commercial brokers, property owners, and the development community to share market insights and match business prospects to available locations.
- **Business Support:** Staff is evaluating potential tools and strategies to support retail recruitment objectives, which may include tenant improvement assistance and other mechanisms, subject to future City Council consideration and approval.

Staff is prepared to implement a more focused and responsive retail recruitment strategy that leverages Palm Desert's distinct market position and supports measurable progress toward City Council goals.

**Legal Review:**

This report has been reviewed by the City Attorney's office.

**Appointed Body Recommendation:**

The Economic Development Subcommittee met on December 11, 2025. Feedback from the committee included the following:

- Ensure that the north sphere area is prioritized. Staff to identify retail gaps and opportunities in that growing area.
- They were supportive of the new retail recruitment approach.

**FINANCIAL IMPACT:**

There is no financial impact associated with this receive and file action. The expiration of the professional services agreement with The Retail Coach will result in budget savings. Any future appropriation of funds to support in-house retail recruitment efforts will be brought to the City Council for approval.

**ATTACHMENTS:**

1. Retail Recruitment Update Presentation
2. 2025 Retail Update from The Retail Coach

**CONFLICT OF INTEREST AWARENESS CHECKLIST:**

**Site-Specific Property Interest** – Councilmembers should check if they own or lease real property within 1,000 feet of the project site (Gov. Code § 87103(b); FPPC Reg. 18702.2).

**SB 1439 Applicability (Campaign Contributions)** – Applies to licenses, permits, or other entitlements for use, and to contracts or franchise agreements other than competitively bid, labor, or personal employment contracts.

**Applicant(s)/Appellant(s):** \_\_\_\_\_

Councilmembers should review any campaign contributions received within the last 12 months from parties or participants to the proceeding and must not accept contributions over \$500 from those parties for 12 months following the final decision (Gov. Code § 84308).

*Note: These indicators are informational and do not constitute a legal determination. Each Councilmember is responsible for identifying and disclosing any disqualifying interests in accordance with the Political Reform Act and FPPC regulations.*