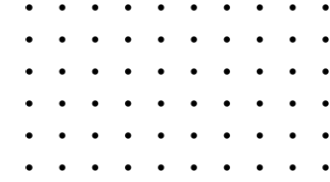


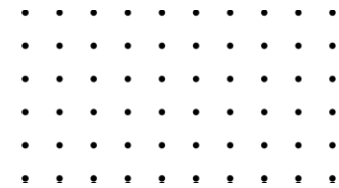


Economic Development

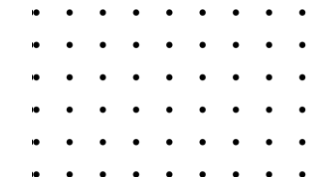


Retail Recruitment Update

Data, Trends and Strategies



2025 Retail Recruitment Update

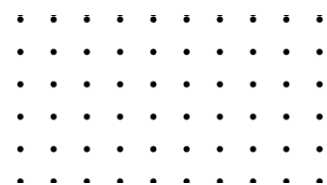


Contract with The Retail Coach 2023–2025

- Conducted gap analysis and prepared site marketing materials
- Generated targeted list of prospects
- Coordinated successful retailer meetings at ICSC

Transition to Staff-led Model for FY 2025–26

- Recruitment will be led by City Economic Development staff to strengthen control, accountability, and results
- Integrated approach will allow for direct coordination across planning, marketing/communications, and broker engagement

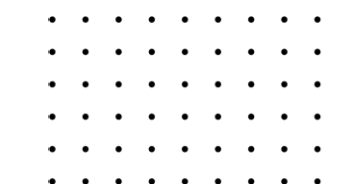
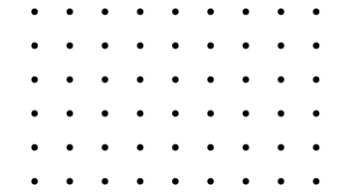


Notable Openings in 2025

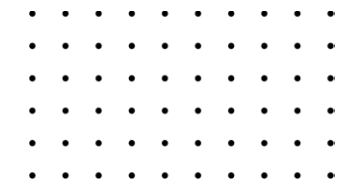
- Love Sac (El Paseo)
- Murasaki Kakurega (Cook St.)
- Rutina (San Pablo)
- 85°C Bakery Cafe (Desert Gateway)
- Vibrations Ohana (The Gardens)
- J.Crew Factory (Town Center)
- Nobibi (Monterey & Gerald Ford)
- Visual Comfort & Co. (El Paseo)
- Diamond Wish (El Paseo)
- Red Barn (Highway 111)
- Project Burger (Country Club)

Opening by End of Month

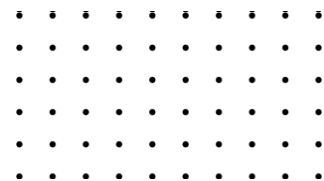
- Birrieria Sinaloa (Monterey Crossings)
- Winston Pies (El Paseo)



Coming in 2026

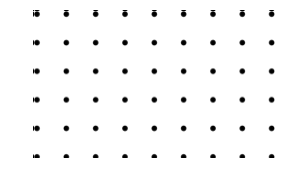


- El Paseo Coffee (El Paseo)
- Woof Gang Bakery & Grooming (Deep Canyon & Highway 111)
- H&H Bagel (Monterey & Country Club)
- RH (El Paseo)
- A-Bakery (Highway 111)
- Desert Kids Coffee (San Pablo)
- Hope Diamonds (Monterey & Highway 111)
- DSRT Surf (Country Club & Desert Willow Dr.)
- Wilson (El Paseo)
- El Paseo Chophouse (Highway 111 & El Paseo)

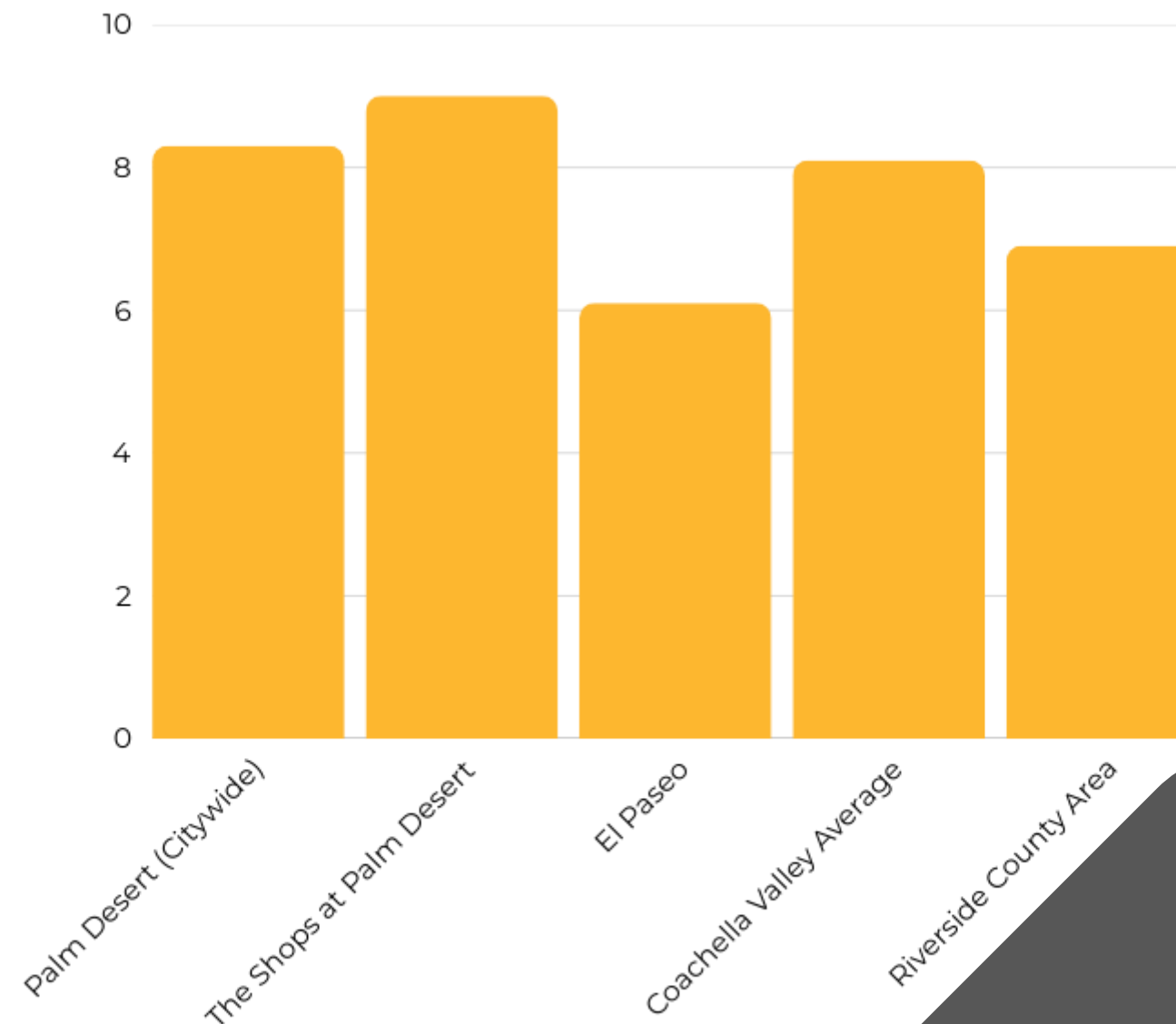


Data Source: Inventory compiled from site audits and broker engagement

Retail Vacancy Rates (Q4 2025)



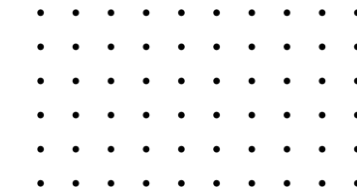
<u>Area</u>	<u>Vacancy Rate</u>
Palm Desert (Citywide)	8.3 %
The Shops at Palm Desert	9.0 %
El Paseo	6.1 %
Coachella Valley Average	8.1 %
Riverside County Average	6.9 %



Data Source:
CoStar



Overview of Retail Opportunities



Greenfield Sites

- Available for near-term development.

Infill Opportunities

- Sites suitable for redevelopment, intensification, or repositioning.

Re-Tenancing Priorities

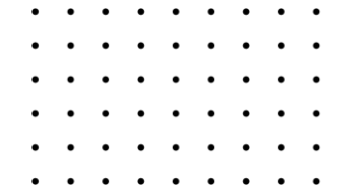
- Focus areas include The Shops at Palm Desert, El Paseo, and Town Center.

Key Commercial Corridors

- El Paseo, Highway 111, and Monterey Avenue remain primary corridors for investment and redevelopment activity.

Data Source: Inventory compiled from site audits and broker engagement

Strategic Advantages



Regional Leader in Retail Sales Tax

- Palm Desert consistently generates the highest retail sales tax revenue in the Coachella Valley, underscoring its strong market performance.

Committed to Small Business Success

- Provide support to help small and local businesses succeed from startup to sustainability.

Unmatched Luxury Cluster

- El Paseo stands as the region's premier luxury retail destination, offering a best-in-class tenant mix and brand draw.

Recognized Visitor Retail Hub

- The city benefits from strong national and international visibility as a shopping and tourism destination, reinforcing its competitive position.



Strategies to Overcome Retail Barriers

Legacy Big-Box Formats

- Encourage redevelopment, adaptive reuse, and flexible site planning to support modern retail, entertainment, and mixed-use concepts.

Use Restrictions

- Update zoning tables and revise use limitations to expand tenant eligibility and improve leasing outcomes.

Non-Local / Absentee Ownership

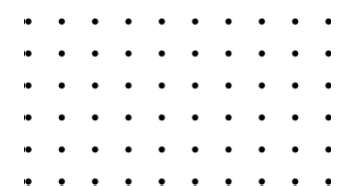
- Increase proactive engagement, provide clearer development pathways, and incentivize reinvestment to re-activate underperforming properties.

Infrastructure Constraints

- Prioritize improvements to utilities, access, circulation, and site functionality to support new tenant delivery and redevelopment feasibility.

Market Perception Challenges

- Strengthen branding and marketing efforts, highlight data on year-round demand, and promote success stories to reshape retailer perceptions.



Current Tactics Informed by Best Practices

Broker Coordination

- Standing monthly touchpoints with major leasing agents

Performance Tracking

- Internal database to track prospect pipeline and touchpoints

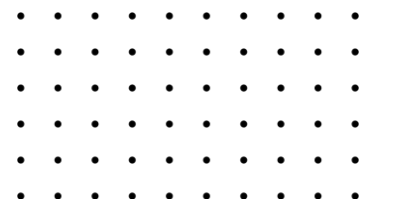
Targeted Outreach

- Targeted communication to prospective tenants
- Engagement timed around ICSC and regional leasing cycles

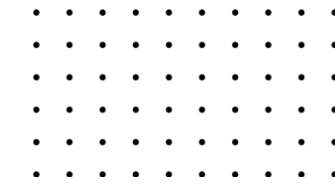
Site Readiness

- Custom site summaries available with zoning, demographics, and mobility data
- Available properties list shared with broker network

Aligned with IEDC and ICSC retail recruitment frameworks



2025 - 2026 Strategic Focus Areas



Retail Real Estate Assessment

- Create a parcel-level dashboard detailing ownership, infrastructure, and zoning.
- Prioritize sites based on development readiness and market demand.

Branding & Market Visibility

- Strengthen the City's market presence to attract quality retail investment.
- Refresh marketing materials for trade shows, site selectors, and tenant representatives.

Business Support

- Provide guidance to help streamline permitting and accelerate TI approvals to reduce time to occupancy.
- Evaluate existing programs and propose new strategies to support retail recruitment efforts.

Q1 2026 Activities and Deliverables

Acquire Recruitment Tools

- Evaluate and procure data platforms (Retail Strategies, Placer AI, CRM, etc.) to strengthen outreach.

Secure Branding Support

- Bring on a consultant team to develop updated branding and marketing materials.

Launch a Retail Brand Campaign

- Promote Palm Desert's retail strengths, opportunities, and overall market advantages through strong storytelling and proactive engagement.

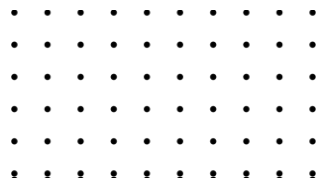
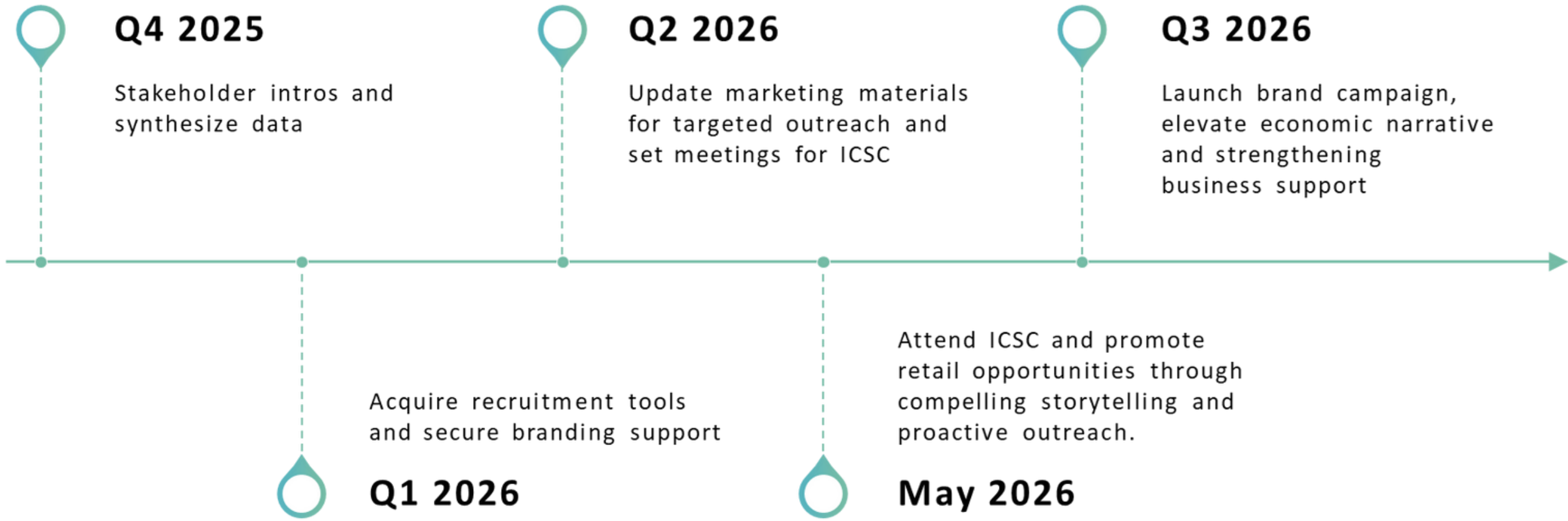
Elevate City Narrative

- Showcase economic strengths, business vitality, and quality of life through strategic storytelling.

Prepare for ICSC Outreach

- Finalize a targeted engagement plan for ICSC, including priority tenants, broker meetings, and supporting collateral.

Timeline 2025 - 2026



Questions

- No formal action requested
- Staff available to respond to questions or provide clarification

