Cullina Management

Institutional Real Estate Intelligence

City of La Quinta

California

Investor Market Brief

Prepared by Cullina Management | CullinaMgmt.net

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SECTION 1

Executive Summary

La Quinta, California stands as one of the Coachella Valley's most distinguished and financially resilient municipalities. Incorporated in 1982, the city encompasses 35.3 square miles of prime desert terrain flanked by the Santa Rosa Mountains, with an estimated population of 39,440 as of July 2025 — representing a +4.5% increase since the 2020 Census. This sustained population trajectory, achieved against a backdrop of California's broader housing affordability pressures, reflects the enduring appeal of La Quinta's resort lifestyle, exceptional fiscal stewardship, and premium quality-of-life infrastructure.

La Quinta occupies a unique and defensible position at the intersection of three powerful long-term demand drivers: luxury golf resort tourism, high-income retirement demographics, and a dynamic retail and commercial corridor anchored along Highway 111. The city has cultivated a brand synonymous with exclusive residential living, world-class golf, and premier events — a combination that consistently attracts affluent permanent residents, seasonal homeowners, and high-spending visitors. Median household income of $99,250 — nearly 29% above the national average — and a homeownership rate of 75.7% underscore the financial quality of the resident base.

From a municipal finance standpoint, La Quinta is among the most creditworthy smaller cities in California. The FY 2025-26 adopted general fund budget reflects $92.2 million in revenues against $92.8 million in expenditures, achieving near-structural balance with a $20,066 surplus — accomplished after appropriating $600,000 from Measure G reserves. The city holds a commanding $145 million in reserves and has earned a statewide fiscal ranking of **#7 in California** with a score of 96 out of 100. This reserve depth, combined with the voter-approved Measure G local sales tax ($14.4M annually) and a $15 million Capital Improvement allocation, provides a foundation of financial stability that distinguishes La Quinta from peer municipalities.

The investment thesis for La Quinta is multi-dimensional and self-reinforcing. A robust tourism base generating **$1.1 billion in total annual economic impact** — sustaining over 6,400 jobs and generating $106 million in state and local tax revenue — operates in tandem with an expanding Highway 111 commercial corridor that accounts for 75% of the city's sales tax receipts. The forthcoming TALUS La Quinta development (Montage Hotels & Resorts and Pendry Hotels & Residences) signals a next-generation repositioning of the city's hospitality profile toward the ultra-luxury tier. Institutional investors across hospitality, residential, retail, and healthcare sectors will find La Quinta's combination of demographic affluence, fiscal strength, and strategic development pipeline compelling for capital deployment across a multi-year horizon.

KEY INDICATORS AT A GLANCE

39,440 Population (July 2025 Est.)	**$99,250** Median HH Income	**$92.2M** FY 2025-26 GF Revenue	**$145M** City Reserves	**$1.1B** Tourism Economic Impact

SECTION 2

Economic Structure & Revenue Drivers

2.1 Municipal Revenue Architecture

The City of La Quinta's FY 2025-26 adopted total general fund revenues of **$92.2 million** represent an increase of approximately $2.4 million over prior fiscal year revised projections, driven by April music festival season revenue, investment earnings growth, and Fire Service credit increases. The city's revenue base reflects a diversified but tourism-correlated architecture typical of premium California resort destinations.

The top three revenue sources — Sales Tax (~$25.6M), Property Tax, and Transient Occupancy Tax (TOT) — are estimated to combine for approximately **$64.5 million in FY 2025-26**, representing roughly 70% of total budget revenues. The voter-approved Measure G local sales tax continues to contribute $14.4 million annually, with $15 million allocated to the city's Capital Improvement Program (CIP) — a structural mechanism ensuring ongoing infrastructure reinvestment without debt reliance.

2.2 Highway 111 Corridor — The Revenue Engine

The Highway 111 commercial corridor is the single most consequential economic geography in La Quinta, generating approximately **75% of all city sales tax revenue**. The corridor benefits from a continuous pipeline of new commercial entrants and development activity, reinforcing its primacy in the city's fiscal architecture.

The active development pipeline includes a **6.2-acre parcel adjacent to Costco** (new AC Hotel by Marriott + restaurant + future affordable housing component) and a **15.2-acre mixed-use parcel near Shadow Rock Church/Best Buy** (retail + residential mixed-use). These two sites alone represent a meaningful addition to the corridor's density and long-term sales tax generation capacity.

In the most recent full reporting year, **24+ new businesses** opened along the corridor, including PGA TOUR Superstore, Chick-fil-A (second Coachella Valley location), WelbeHealth senior care center, Daiso USA, Dunkin', and The Golf Bar entertainment venue. These openings reflect both national brand confidence in the La Quinta market and growing demand for experiential retail and lifestyle concepts.

Economic development infrastructure supporting corridor vitality includes a dedicated *econdev.laquintaca.gov* subdomain, a published Economic Development Strategic Plan, and "The Hub" — a one-stop business support center within City Hall offering streamlined permitting, licensing, and formation assistance.

2.3 Fiscal Strength Indicators

Metric	Value
Total General Fund Revenues	$92.2 Million
Total General Fund Expenditures	$92.8 Million
General Fund Surplus (after Measure G draw)	$20,066
Measure G Local Sales Tax Revenue	$14.4 Million
Capital Improvement Program Allocation	$15.0 Million
City Total Reserves	$145.0 Million
Statewide Fiscal Score	96 / 100 (Ranked #7 in California)
Public Safety Budget	$35.7 Million

Analyst Note ***La Quinta's $145M reserve position relative to a $92M general fund budget implies a reserve-to-expenditure ratio exceeding 156%, a figure that places the city among the most conservatively capitalized municipalities in California. For institutional investors, this reserve depth materially de-risks the city's credit quality and signals capacity for sustained capital investment cycles without dependence on debt markets.***

SECTION 3

Tourism Economy — A $1.1 Billion Annual Driver

3.1 Visitor Spending Profile (CY 2024)

Tourism Economics' 2024 analysis of La Quinta visitor activity documents total direct visitor spending of **$900 million** — a -0.4% moderation versus 2023, reflecting selective price softening across most spending categories. Food & beverage was the sole category posting meaningful price growth (+6%), serving as a floor beneath aggregate spending metrics. Normalized for daily flow, La Quinta visitors spent an average of **$2.5 million per day** within the city, a figure that underscores the market's depth and velocity relative to its permanent population size.

The per-household visitor spending equivalent reaches **$10,900 annually per La Quinta household** — a compelling metric illustrating how thoroughly tourism subsidizes the local economic ecosystem. When multiplied through supply chain and income effects, total economic impact reaches **$1.1 billion**: $900.4M in direct spending, $127.1M in indirect supply chain impact, and $124.1M in induced income effects.

3.2 Employment & Tax Generation

Visitor activity directly sustained **5,190 jobs** in La Quinta in 2024, with total supported employment (including indirect and induced) reaching **6,443 positions**. Tourism accounts for **32.8% of all jobs** in the city — approximately one in every three employed positions. The food & beverage sector alone accounts for 3,000+ visitor-supported jobs, establishing it as the primary tourism employment sub-sector.

State and local taxes generated by visitor spending reached **$106 million** — effectively reducing every La Quinta household's effective tax burden by over $6,700 per year. This fiscal subsidy effect, rarely quantified explicitly in municipal analyses, represents one of the most powerful structural arguments for continued hospitality and tourism investment in La Quinta.

> ***"Tourism reduces every La Quinta household's effective tax burden by more than $6,700 annually, equivalent to a substantial annual municipal dividend on the community's collective investment in visitor infrastructure."***

3.3 Short-Term Vacation Rentals (STVR)

La Quinta's STVR sector generated **$143.8 million in visitor spending** in calendar year 2024, representing a meaningful segment of the regional $907 million STVR market. STVR visitors to the broader Coachella Valley exceeded **1.2 million** in 2024, comprising approximately 19% of total overnight visitor volume. La Quinta's STVR market experienced a **-5.8% year-over-year moderation** in 2024, consistent with broader post-pandemic demand normalization patterns across premium resort markets nationally.

Critically, La Quinta maintains a **regulatory posture favorable to STVR investment**, notably absent the blanket prohibition enacted by neighboring Rancho Mirage. This regulatory differentiation positions La Quinta as a more accessible and investable STVR market within the Coachella Valley competitive set.

3.4 Signature Events & Tourism Anchors

- **American Express PGA Tour Golf Tournament** - city host venue; generates premium corporate and national media exposure annually, driving luxury hospitality demand across peak winter/spring season
- **La Quinta Arts Celebration** - statewide recognition; attracts high-spending cultural visitor segment with above-average per-capita expenditure profiles
- **IRONMAN 70.3 Triathlon** - held in December; a growing athletic tourism draws attracting fitness-oriented high-income participants and spectators
- **PGA WEST** - luxury golf resort anchor; multiple championship courses and exclusive private residential community; internationally recognized brand within golf tourism
- **TALUS La Quinta (Pipeline) -** forthcoming Montage Hotels & Resorts + Pendry Hotels & Residences mixed-use development; upon completion, will elevate La Quinta's hospitality profile to the ultra-luxury tier alongside Palm Springs, Scottsdale, and Napa Valley

Tourism Metric	Value (CY 2024)	Notes
Total Direct Visitor Spending	$900.4 Million	-0.4% YoY
Total Economic Impact (Direct + Indirect + Induced)	$1.1 Billion	Includes supply chain & income effects
Daily Visitor Spending	$2.5 Million / Day	Average across full year
Per-Household Visitor Spending Equivalent	$10,900 / Household	Based on ~15,962 households
Direct Jobs Sustained by Tourism	5,190	Food & Bev: 3,000+
Total Tourism-Supported Jobs	6,443	32.8% of all city jobs
State & Local Tax from Visitor Spending	$106 Million	$6,700+ per household tax relief
STVR Visitor Spending (La Quinta)	$143.8 Million	-5.8% YoY; regulatory-friendly market
Coachella Valley STVR Visitors	1.2 Million+	19% of total overnight volume

SECTION 4

Demographics — Affluent, Educated, and Growing

La Quinta presents one of the most financially qualified consumer and resident bases in the Inland Empire and Coachella Valley market. The city's demographic profile reflects its identity as a luxury resort and retirement destination with year-round appeal and a growing permanent population — characteristics that translate directly into sustained demand across retail, hospitality, healthcare, and premium residential asset classes.

4.1 Core Demographics

Demographic Indicator	La Quinta	U.S. Average
Population (July 2025 Est.)	39,440	N/A
Population Growth (2020–2025)	+4.5%	—

Demographic Indicator	La Quinta	U.S. Average
Median Age	53.3	38.9
Median Household Income	$99,250	~$77,000
Bachelor's Degree or Higher	40.0%	33.7%
High School Diploma or Higher	92.7%	89.7%
Homeownership Rate	75.7%	65.7%
Persons 65 Years and Over	31.6%	17.3%
Poverty Rate	8.8%	~11.5%
Uninsured Rate (Under 65)	7.5%	~10.0%

4.2 Seasonal Population Dynamics

An estimated **12,000+ part-time and seasonal residents** supplement La Quinta's permanent population base — creating a pronounced amplification effect on economic activity between October and April (peak desert season). This seasonal layer of high-net-worth consumers drives demand for luxury hospitality, fine dining, premium retail, and personal services at levels that substantially exceed what permanent population figures alone would suggest. Retailers, restaurateurs, and hospitality operators with La Quinta exposure benefit from a dual-market dynamic: a stable year-round resident base layered with a high-spending seasonal influx.

4.3 Race & Ethnicity

La Quinta's population reflects a substantive cultural diversity that enriches the community's commercial and service landscape. White residents comprise 53.7% of the population, followed by Hispanic/Latino at 36.6%, Asian at 4.2%, Two or More Races at 3.4%, and Black or African American at 1.3%. Approximately **27.6% of households speak a language other than English at home**, creating meaningful bilingual and multilingual service demand across retail, healthcare, and government-interface sectors.

4.4 Household Structure & Digital Infrastructure

La Quinta contains **15,962 total households** with an average household size of 2.42 persons — consistent with the retirement and resort profile. Residential stability is exceptional: **90.0% of residents lived in the same residence one year prior**, a metric that reflects low transience and high community attachment. Digital infrastructure penetration is near-universal: **97.1% of households have computers** and **94.5% have broadband internet subscriptions** — a profile that supports technology-enabled commercial and residential investment.

Demographic Investment Signal ***With 31.6% of the population aged 65+, a median age of 53.3, and median household income of $99,250 — nearly 30% above the national average — La Quinta offers institutional healthcare, senior housing, and luxury residential investors a rare concentration of demographically aligned, financially capable demand in a single market.***

SECTION 5

Housing Market — Premium Values in a Balanced Environment

5.1 Market Overview (Mid-2026)

La Quinta's for-sale residential market is classified as **balanced** as of mid-2026 — a departure from the seller-favored conditions of 2021–2023 that reflects a normalization of supply and pricing dynamics consistent with broader Coachella Valley and California desert market trends. Median sale prices are bracketed between approximately **$760,781 (Redfin, July 2026, +0.4% YoY)** and **$845K–$848K** across broader listing and closing datasets. The Zillow Home Value Index (ZHVI) registers an average of **$741,874**, reflecting a -0.7% year-over-year adjustment.

Active inventory ranges from **479 to 513 listings**, translating to approximately **4.9 months of supply** — the textbook definition of a balanced market. Average days to pending range from 49 to 80 days across methodologies, and the sale-to-list price ratio of **96.3–96.7%** indicates disciplined seller pricing with modest negotiating room for buyers. Only 10% of homes sell above price; 78.4% close below list — signaling a negotiating environment favorable to well-capitalized, patient buyers.

5.2 Rental Market

The La Quinta rental market presents a compelling investment profile independent of for-sale dynamics. The average asking rent of **$3,598 per month (July 2026)** represents a **+5.0% year-over-year increase** —

outpacing most national markets — and commands an **83.4% premium** over the national average asking rent of $1,962/month. Even the long-term lease segment (Census ACS median gross rent of $1,785/month) reflects a market structurally oriented toward premium-tier tenants.

5.3 Housing Stock Overview

La Quinta's total housing stock of **24,770 units** is distributed across a 35.3 square mile land area, producing a population density of approximately 1,065 persons per square mile — modest by California standards and indicative of meaningful remaining development capacity. The Census median home value of **$662,000** and homeownership rate of **75.7%** a full 10 percentage points above the national average — further characterize a market dominated by stable, long-horizon owner-occupants.

5.4 Investment Considerations Snapshot

Metric	Value	Trend
Median Sale Price (Redfin)	$760,781	+0.4% YoY — Stable
Avg Home Value (Zillow ZHVI)	$741,874	-0.7% YoY — Modest Decline
Broader Median Sale / Listing Range	$845K–$848K	Stable
Average Asking Rent	$3,598 / Month	+5.0% YoY — Rising
National Rent Premium	+83.4%	Persistent
Active Inventory	479–513 Listings	Elevated vs. 2022–2023
Average Days to Pending	49–80 Days	Lengthening
Sale-to-List Price Ratio	96.3–96.7%	Stable
Months of Supply	4.9 Months	Balanced
Homeownership Rate	75.7%	High / Stable
Total Housing Units	24,770	—

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Section 6 — Employment Landscape

SECTION 6

Employment Landscape — Tourism-Led with Commercial Diversification

6.1 Labor Force Overview

La Quinta's civilian labor force participation rate of **51.5% of the population aged 16 and over** reflects the city's substantial retiree demographic — a structural feature that suppresses headline participation rates while simultaneously sustaining demand for services, healthcare, and retail at levels above what participation rates alone would indicate. The ACS employment rate of **47.7%** is consistent with this profile. Extrapolating from tourism's documented contribution of 6,443 jobs representing 32.8% of city employment, total jobs within La Quinta are estimated at approximately **19,600+**.

6.2 Sector Leadership

Tourism & Hospitality

The anchor employment sector, supporting 6,443 total jobs (5,190 direct) across food & beverage, lodging, recreation, and arts. The sector's depth and breadth — from luxury resort properties to casual dining and entertainment venues — provides a diverse employment base with career pathways at multiple skill and compensation levels.

Retail Trade — Highway 111 Corridor

The continuous pipeline of new retail entrants along Highway 111 includes established national anchors (Costco, Home Depot, Target, Kohl's, Sprouts Farmers Market, Best Buy) alongside specialty and entertainment concepts. The corridor's momentum is self-reinforcing: anchor tenants attract ancillary retailers, which in turn generate additional foot traffic and sales tax multiplier effects.

Golf & Recreation

La Quinta self-identifies as the *"Golf Capital of the World"* a brand supported by PGA WEST, La Quinta Resort & Club, and numerous private and semi-private courses that collectively employ a significant workforce across instruction, course operations, hospitality, and events management. The American Express PGA Tour tournament creates a concentrated annual employment spike with lasting brand dividends.

Healthcare & Senior Services

With 31.6% of the population aged 65+, healthcare and senior services represent one of the fastest-growing employment verticals. WelbeHealth's establishment of the **Coachella Valley's first PACE (Program of All-inclusive Care for the Elderly) center** in La Quinta validates institutional healthcare capital interest in this demographic concentration and signals broader sector growth to come.

Professional & Administrative Services

Municipal government, real estate services, financial planning, and legal services supporting La Quinta's high-income resident base constitute a stable professional employment layer that provides economic ballast during tourism cyclical adjustments.

6.3 Emerging Employment Sectors

- **Mixed-Use Development Pipeline:** Both Highway 111 parcel developments (6.2-acre and 15.2-acre sites) will generate construction employment followed by permanent positions in hospitality management, retail operations, and residential services
- **TALUS La Quinta (Montage + Pendry):** Upon opening, will introduce an ultra-luxury hospitality employment tier — concierge, food & beverage, spa, and events management roles at compensation levels above current city hospitality averages
- **Motorsport/Experiential Tourism:** BMW Performance Center and Thermal Club in the adjacent submarket provide motorsport and experiential tourism employment that extend La Quinta's economic influence zone

6.4 Economic Development Infrastructure

The City of La Quinta has invested meaningfully in the institutional architecture of economic development. **"The Hub"** — a one-stop business support center within City Hall — provides streamlined access to permits, licensing, and business formation assistance. **EconDev Director Gil Villalpando** serves as the dedicated city contact for business recruitment and investment facilitation. The city's **Economic Development Strategic Plan** articulates a published vision targeting year-round economic base diversification, full-spectrum housing, and enhanced amenity infrastructure — providing institutional investors with policy-level confidence in the city's long-term development intentions.

SECTION 7

Fiscal Analysis — Strengths & Risk Considerations

7.1 Fiscal Strengths

Conservative Budgeting Track Record

The City of La Quinta has maintained a decades-long tradition of conservative fiscal management. Its statewide fiscal score of **96/100 (ranked #7 in California)** reflects disciplined reserve management, transparent financial reporting overseen by an independent Financial Advisory Commission (FAC), and annual structural near-balance. This track record provides institutional investors with a high-confidence baseline for assessing the city's fiscal durability through cyclical market fluctuations.

Reserve Position

With **$145 million in reserves**, La Quinta maintains one of the strongest reserve-to-budget ratios among California cities of comparable size. This reserve depth provides multi-year operational runway during revenue disruption events, capacity to fund capital improvements without debt issuance, and credit quality support that enhances the city's fiscal flexibility. For investment contexts where municipal fiscal health serves as a proxy for market stability, La Quinta's reserve position is among the most compelling in the Coachella Valley.

Measure G Structural Support

The voter-approved Measure G local sales tax generates **$14.4 million annually**, dedicated to maintaining city service levels and funding capital programs. Independent FAC oversight of Measure G allocation provides a layer of political accountability and transparency that distinguishes La Quinta's fiscal governance from reliant on discretionary council appropriations. Voter approval reflects strong community consensus around continued investment in city infrastructure — a positive signal for long-term asset value stability.

7.2 Fiscal Vulnerabilities

Revenue Concentration Risk

La Quinta's top three revenue sources (Sales Tax, Property Tax, and TOT) represent approximately 70% of the general fund. Sales and TOT taxes are discretionary in nature and positively correlated with consumer confidence and tourism demand — both subject to cyclical volatility. Finance Director Martinez has cited anticipated FY 2025-26 declines in both sales and TOT tax versus the prior year due to "economic uncertainty" — an acknowledgment embedded in the city's own budget assumptions.

Tourism Dependence

With 32.8% of all city jobs tied to visitor spending, an economic shock to Coachella Valley tourism — whether driven by major drought restrictions, extreme heat event acceleration, festival disruption, or consumer recession — would have disproportionate and rapid fiscal impact. The city's reserve position provides meaningful buffer, but does not eliminate structural exposure.

Seasonal Revenue Skew

April is consistently La Quinta's highest revenue month, driven by Coachella Valley music festival activity (Coachella/Stagecoach adjacency). This pronounced seasonal cash flow peak creates both planning complexity and downside sensitivity to any April disruption — whether weather-related, logistical, or market-driven.

Climate Exposure

The Coachella Valley's long-term climate trajectory — including increasing extreme heat days (sustained 110°F+ summer temperatures), water scarcity driven by Colorado River allocation pressures, and episodic wildfire smoke events — represents a structural risk to outdoor recreation demand, resort occupancy metrics, and residential desirability over a 10–20 year horizon. This risk is not unique to La Quinta but applies across the entire desert resort submarket.

RISK MATRIX SUMMARY

Risk Factor	Assessment	Risk Level
Reserve Coverage	$145M — exceptional relative to budget size	**LOW**
Revenue Diversification	TOT / Sales / Property Tax = 70% of GF	**MODERATE**
Tourism Employment Dependency	32.8% of all city jobs are tourism-tied	**MODERATE-HIGH**
Measure G Structural Revenue	$14.4M voter-dedicated; independently overseen	**LOW**
Fiscal Management Quality	96/100 statewide; ranked #7 in California	**LOW**
Seasonal Revenue Concentration	April peak critical; festival adjacency single point	**MODERATE**
Long-Term Climate Risk	Desert heat & water stress trajectory; 10–20yr horizon	**MODERATE-HIGH**

SECTION 8

Strategic Opportunities — Capital Deployment & Investment Thesis

8.1 Ultra-Luxury Hospitality Pipeline — TALUS La Quinta

TALUS La Quinta — the forthcoming Montage Hotels & Resorts and Pendry Hotels & Residences mixed-use development — represents the highest-profile and most transformative investment opportunity in La Quinta's current pipeline. Upon completion, it will position La Quinta alongside Scottsdale, Palm Beach, and Napa Valley in the ultra-luxury destination tier — a repositioning with significant implications for branded residential pricing, average daily rates, and the caliber of the visitor and second-home buyer the city attracts. Institutional investors should monitor entitlement status, construction timeline, and branded residential pre-sales activity for optimal entry signals.

8.2 Highway 111 Mixed-Use Redevelopment

Two major parcel developments are advancing along the corridor that generates 75% of city sales tax revenue — creating compounding fiscal multiplier effects for the municipality and direct commercial/residential demand for investors:

- **6.2-Acre Site (Adjacent to Costco / Marriott Residence Inn):** New AC Hotel by Marriott + restaurant + future affordable housing component — adds hospitality density, dining activation, and residential diversity to the corridor's northern anchor zone
- **15.2-Acre Site (Near Shadow Rock Church / Best Buy):** Retail + residential mixed-use — direct sales tax revenue expansion at the corridor's most active retail node

Ground-floor commercial space on Highway 111 carries the highest municipal revenue multiplier effect in the city. For investors in retail net lease, mixed-use ground-up development, or hospitality assets, corridor exposure is the primary value proposition in La Quinta's commercial market.

8.3 Senior & Lifestyle Housing

With **31.6% of the population aged 65+**, a median age of 53.3, and a median household income of $99,250, La Quinta presents one of the most concentrated and financially capable senior demand environments in California. Institutional capital targeting:

- **Active Adult (55+) Luxury Residential Communities** — high absorption potential given demographic profile and limited existing supply
- **Continuing Care Retirement Communities (CCRCs)** premium income demographic supports full-service CCRC fee structures
- **Medical Office & Senior Services Facilities** — growing healthcare demand from aging resident base

WelbeHealth's establishment of the Coachella Valley's first PACE center in La Quinta validates institutional healthcare capital's thesis in this sub-market and signals growing institutional recognition of La Quinta's senior demographic density.

8.4 Golf & Recreation Real Estate

La Quinta holds the strongest golf real estate brand identity in the Coachella Valley. PGA WEST, La Quinta Resort & Club, and the American Express PGA Tour collectively anchor a luxury golf property market with persistent demand from affluent retirees and seasonal second-home buyers. Golf-adjacent residential —

fairway lots, gated golf communities, luxury villa clusters — commands premium pricing and attract a low-churn, high-net-worth buyer profile that supports long-term asset value stability. The American Express tournament's national media exposure provides annual advertising value equivalent that no developer could replicate independently.

8.5 Short-Term Rental Portfolio Opportunities

Despite modest 2024 demand softening (-5.8% in La Quinta STVR spending), the structural STVR investment fundamentals remain sound and differentiated within the Coachella Valley market:

- Average La Quinta asking rent of $3,598/month — 83% above the national average — provides inherent yield floor
- 1.2M+ STVR visitors to the Coachella Valley annually creates durable demand base
- No blanket STVR prohibition — La Quinta's regulatory posture remains more investor-friendly than neighboring Rancho Mirage
- Festival season (April, Coachella/Stagecoach) generates extreme nightly rate premiums that can meaningfully compress annual cap rate calculations for optimally located inventory

8.6 Experiential Retail & Entertainment Concepts

The Golf Bar's success as a golf simulator entertainment venue, the corridor's receptivity to 24+ new business openings in a single year, and the city's explicit "work, live, and play" corridor vision all signal a market primed for experiential retail and food & beverage concepts. Emerging entertainment formats targeting the golf, wellness, and desert lifestyle audience are particularly well-positioned on Highway 111 — with the additional benefit of direct sales tax contribution to a city that actively supports new business formation through "The Hub" infrastructure.

Cullina Management Assessment ***La Quinta's convergence of ultra-luxury hospitality pipeline, demographically aligned senior housing demand, a 75%-concentrated sales tax corridor under active redevelopment, and one of California's strongest municipal fiscal profiles creates a multi-sector investment environment with institutional-grade fundamentals across hospitality, residential, retail, and healthcare asset classes. The city's proactive economic development posture and transparent governance further reduce execution risk for institutional capital deployment.***

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Appendix — Data Sources & Disclaimer

APPENDIX

Data Sources, Methodology & Disclaimer

Data Sources & Methodology

All data presented in this investor brief is sourced from the following primary and secondary public and institutional sources. Cullina Management has applied standard real estate and municipal finance analytical methodology to synthesize cross-source data points into the analytical framework presented herein.

- U.S. Census Bureau QuickFacts & American Community Survey (ACS) 5-Year Estimates (2024) — demographic, housing, income, and education indicators
- City of La Quinta FY 2025-26 Adopted Budget (adopted by City Council, June 17, 2025) all municipal revenue, expenditure, reserve, and capital program figures
- Tourism Economics: *Economic Impact of Visitors to La Quinta, CA* (2024 Edition) visitor spending, employment, tax generation, and economic multiplier data
- Zillow Home Value Index (ZHVI) — July 2026 data release — residential valuation and YoY trend metrics
- Redfin Market Data — July 2026 — median sale price, days on market, sale-to-list ratio, and inventory metrics
- Real Estate Agent Near Me Market Report — supplemental price range data and listing volume confirmation
- Greater Palm Springs Business Insider — local economic development and corridor business activity reporting (2025)
- Palm Springs Life Magazine — regional lifestyle, events, and hospitality market context (2025)
- AICV Intelligence Node — La Quinta Economic Development Profile — sector employment and corridor activity data
- Coachella Valley Association of Governments (CVAG) STVR Economic Impact Report (2024) — short-term rental visitor volume and spending data

- City of La Quinta Economic Development Strategic Plan — published city vision and development pipeline documentation
- Measure G Financial Advisory Commission (FAC) annual reports — fiscal governance and allocation oversight documentation

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