

# Economic Development Quarterly Update

2025 Q1 & Q2



Cathedral City

**ABOUT ECON DEV** Cathedral City's business-friendly environment helps companies of various sizes and industries to start-up, grow, thrive, and succeed. The City fosters real partnerships and collaborations with local businesses in order to contribute to their continued success, as integral members of the Cathedral City community.



Many visitors and residents are drawn to Cathedral City for its climate, desert beauty, and family-oriented atmosphere. The City of Cathedral City created the Economic Development Team to provide specialized services to the business community.

With a proven track record of fostering innovation and supporting business growth, Cathedral City stands out as the premier destination for businesses looking to succeed in a vibrant and collaborative community.

***Erick's and Victor's mission is to bring the best resources to the Cathedral City to motivate and uplift our community.***



## THE FIVE STRATEGIC PILLARS



Cathedral City Economic Development has created a *draft* Roadmap as the entire department has been **revamped and restructured to be part of Community and Economic Development**. As part of the restructuring, staff has developed the following roadmap that leads the city towards the development and adoption of a Comprehensive Economic Development Strategy.

- Economic Development will work over the next year to refine its 5 Strategic Pillars to foster **growth, resilience, and inclusivity**.
- In our quarterly updates we hope to share the story of Cathedral City through the lens of **Economic Development**.

**1** Business Attraction, Retention, & Expansion



**2** Workforce Development



**3** Entrepreneurship Support



**4** Housing & Quality of Life



**5** Tourism & Regional Collaboration



# Business Attraction, Retention, & Expansion



Cathedral City is committed to creating a vibrant and dynamic business environment by attracting new investments and supporting existing businesses. Through streamlined processes, targeted incentives, and dedicated resources for businesses, we aim to foster sustainable economic growth. By prioritizing business retention, we ensure long-term stability and prosperity for the local economy. Economic Development has had 133 external meetings and an additional 150 internal meetings YTD for 2025 with many of them involving businesses, developers, and business stakeholders.

## 917

Million in Retail Sales (2023)

Cathedral City has dropped from 3rd most taxable retail sales in the Coachella Valley to 5th most per Capita.

### Grand Openings



The City has seen an increase in new businesses. Below is a recap of our in-person grand openings we had in 2025.

#### Business Grand Openings:

- Mega Dollar Grand Opening (January 6<sup>th</sup>, 2025)
- Cat City Liquor Grand Re-Opening (February 21<sup>st</sup>, 2025)
- Angels Black Tiger Marial Arts and Fitness Grand Opening (March 4<sup>th</sup>, 2025)
- CV Optometry Grand Opening (May 23<sup>rd</sup>, 2025)
- Apong's Philly Steak Grand Opening (June 7<sup>th</sup>, 2025)
- My Desert Dogs Grand Opening (July 12<sup>th</sup>, 2025)

#### Other Grand Openings:

- Esperanza Park Grand Opening (May 22<sup>nd</sup>, 2025)



### Promoting Restaurants



The City has been working on a section in the PS Life Magazine to help highlight all the growth and success from the business community.

We have opted to highlight restaurants in a section, **Cultural Cuisines & Diverse Businesses** featuring the following businesses:

- Monarcha
- Spice Rack
- Meng's Filipino Cuisine
- Fil Am Oriental Market
- Trilussa
- The Roost
- Hot Lips
- Vienna Donut & Ice Cream
- Polanco Kitchen, Mira bar & Lounge



### Auto Industry SWOT



In April 2025, the Wall Street Journal reported that the U.S. auto industry faced significant disruption due to tariffs on imported vehicles and parts. This policy has led to increased costs for manufacturers and consumers alike.

The Cathedral City Economic Development team participates in a monthly meeting to hear from industry stakeholders.

Given Cathedral City's reliance on the automotive sector, these developments underscore the importance of an in-depth analysis for our local auto industry.

Cathedral City engaged with Kosmont Group to develop a comprehensive Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis for the Auto Industry. The report is underway and expected to be completed by August 2025.



# WORKFORCE DEVELOPMENT



For more than a century, the California New Car Dealers Association (CNCDA) has served as the leading voice for California's franchised new car and truck dealers. CNCDA members are primarily engaged in the retail sale and lease of new and used vehicles, as well as the provision of automotive parts, services, and repairs.

Cathedral City has long had roots of the automotive industry, dating back to old photographs of a Datsun Dealership in our community. The importance of this industry motivated Economic Development to contract out a SWOT Analysis being conducted by Kosmont Group. The workforce development that College of the Desert's new Roadrunner Motors will bring to this community adds to the already many opportunities for higher education found here in the Coachella Valley.

Then



Now



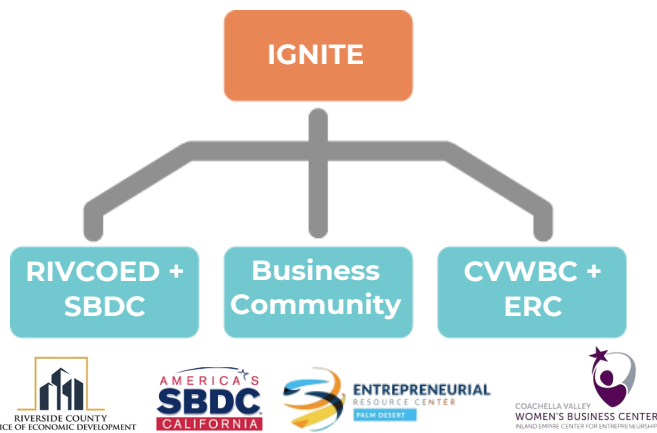
In 2024, the Cathedral City Auto Dealerships contributed towards the **State of California's franchised new car dealer's statewide economic impact**. The following stats are for all California Dealerships:

- Sold over 1.85 million new and used vehicles,
- Employed more than 138,478 individuals statewide,
- Contributed \$8.83 billion in sales tax revenue,
- And donated \$70.75 million to charitable and civic causes.

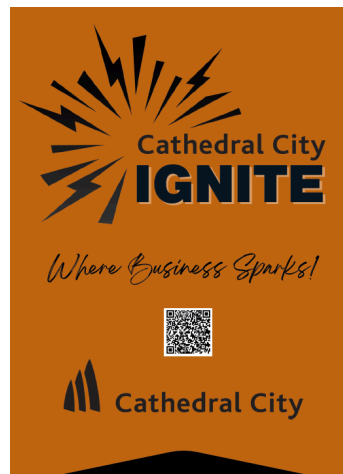
# ENTREPRENEURSHIP SUPPORT



The Cathedral City Economic Development team has been working on bringing forward positive changes to the organization and how it impacts the lives of business owners, entrepreneurs, and residents alike. The city has recently opted to work in conjunction with the Riverside County Office of Economic Development (RivCoED) as well as the Coachella Valley Women's Business Center (CVWBC) to provide a unique series of programming for our business community. Year to date we have had over **440 new businesses** come to Cathedral City and these programs aim to support their entrepreneurial goals.



- The Economic Development Team connected these powerful agencies and formulated the small business program, **Ignite - Where Business Sparks.**
- The **Coachella Valley Women's Business Center (CVWBC)** will offer business counseling each Thursday at City Hall. CVWBC supports businesses of all genders.
- **Riverside County Office of Economic Development** will be providing monthly workshops in a variety of topics from starting a business to financial literacy.



# HOUSING & QUALITY OF LIFE



According to the June 2025 GPSR Housing Report, the median price of a detached home in the Coachella Valley was \$695,000, reflecting a year-over-year increase of 0.4%. The median price of attached homes declined slightly to \$465,000, representing a 1.1% decrease compared to the same period last year. **In June 2025 the price of an average size home in Cathedral City was \$574,623.**

Economic Development attended 14 Lift To Rise Policy and Pipeline meetings to help identify ways to bring new affordable housing options to Cathedral City.



## 2024 Stats (YTD Jan-Jun)

- Total Permits Issued:
  - 979
- New Home Permits Issued:
  - 26

## 2025 Stats (YTD Jan-Jun)

- Total Permits Issued:
  - **1,295 (32% Increase)**
- New Home Permits Issued:
  - **87 (235% Increase)**

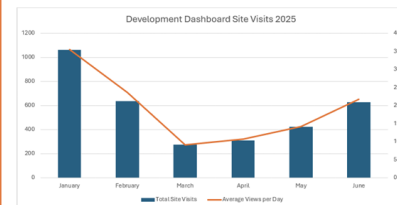
## 2024 Stats (YTD Jan-Jun)

- Total Inspections Performed:
    - 3,137
- ## 2025 Stats (YTD Jan-Jun)
- Total Inspections Performed:
    - **3,902 (24% Increase)**

## 2024 Stats (YTD Jan-Jun)

- Total Valuation:
    - \$27,197,101
- ## 2025 Stats (YTD Jan-Jun)
- Total Valuation:
    - **51,272,766 (89% Increase)**

## Development Dashboard



In January 2025, the Development Dashboard was launched. It showcases the major current developments throughout the City in a GIS format, from submittal to completion.

The online Development Dashboard continues to see a steady volume of traffic. Year to date we have had **3,334 Views** for the dashboard.

Visit our Development Dashboard at: [www.cathedralcity.gov/econdev](http://www.cathedralcity.gov/econdev)



# TOURISM & REGIONAL COLLABORATION



2024

## Economic Impact of Visitors to Cathedral City, CA



“Visitors are integral to the Cathedral City economy, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

Credible measurements of the visitor economy are designed to inform policy decisions that foster the sector’s development.

To quantify the significance of the Cathedral City visitor economy, Tourism Economics developed a comprehensive analysis of visitor spending and its total economic impact on businesses, employment, personal income, and taxes.”

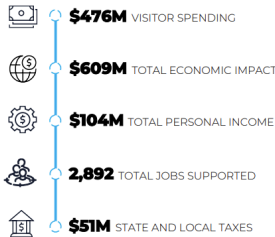
-Tourism Economics and Visit Greater Palm Springs 2024 - Economic Impact of Visitors to Cathedral City, CA

## TAXABLE RETAIL SALES (millions)

### Key Findings

#### Visitors Generate Significant Economic Impact

In 2024, visitors spent \$476 million in Cathedral City, 0.1% less than in 2023. Visitor activity generated a total economic impact of \$609 million.



Data provided by Tourism Economics and Visit Greater Palm Springs 2024-Economic Impact of Visitors to Cathedral City, CA

## Results in Context



**\$476M**

**Visitor Spending (Direct Sales)**

Visitors spent \$1.3 million per day, on average, in Cathedral City.



**\$72M**

**Direct Personal Income**

This is the equivalent of nearly \$3,800 per household in the city.



**2.2K**

**Direct Jobs**

Direct visitor spending sustained more than 2,200 jobs in the city



**\$51M**

**Total State & Local Taxes**

Total state and local taxes generated by visitor spending reduced the tax burden by nearly \$2,700 per household in Cathedral City.

We are as well currently underway with a Visitor Intercept Study being conducted by Downs & St. Germain Research and Visit Greater Palm Springs. The report data that will be provided will allow our team to view responses from downtown visitors. This is another tool we are preparing to tap into as we seek ways to continue strengthening the economy of our Downtown.

The collaboration we are having with Visit Greater Palm Springs extends past these various studies and dives into a Comprehensive Economic Development and Marketing Strategy being generated by VGPS an a more in-depth analysis being conducted by RivCo Economic Development.

These are relationships that extend well beyond your typical intergovernmental agency collaboration and provides Cathedral City with a unique vantage point as it rolls out innovative solutions with real-world applications.



Photo provided by Tourism Economics and Visit Greater Palm Springs 2024-Economic Impact of Visitors to Cathedral City, CA

Contact Economic Development to learn more:



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# THE ROLE OF ECONOMIC DEVELOPMENT



## What is Econ Dev?

The following flow chart shows the intricacies to how Economic Development interacts with departments, residents, and stakeholders. This balance includes an understanding of the role that both the private and public sector play in a community. Everything starts with an idea whether its from City Council, Management, or the Public.



### 9. Internal Departments

City departments coordinate these efforts, aligning policy, planning, and resources to sustain growth and resilience.



### 1. Ideas

Innovative ideas spark economic activity by identifying community needs, investment opportunities, and growth potential.



### 8. Fire/Police/Services

Revenues support essential services like fire, police, and infrastructure, ensuring safety and quality of life.



### 2. Developers

Developers bring ideas to life by investing in infrastructure, commercial centers, housing, and industrial projects.



### 7. Taxes

Business activity, property development, and tourism generate tax revenues that fund vital public services.



### 3. Small Business

Small businesses emerge around new developments, offering goods, services, and local job opportunities.



### 6. Travel/Tourism

A vibrant community with amenities, events, and attractions draws visitors, enhancing local spending and visibility.



### 5. Housing

Increased workforce demand drives the need for diverse housing options close to employment centers.



### 4. Workforce

An expanding business environment attracts and retains a skilled workforce, strengthening the local economy.