

Transcription of Podcast Episode 374: Bryan Montgomery, Indio City Manager

SPEAKERS

Bryan Montgomery, Bob Firing

Note: This transcription was computer-generated and may contain typographical errors.

Bob Firing 00:09

Good afternoon Shadow Hills. It's Bob Firing coming to you on another excessively hot day in the city of Indio. It's hard to believe that six months ago, there were snow on those mountains. And six months from now the snow will be back. But right now it's pretty hot here in the desert. The weather is not the only thing that's hot. The economy in the city of Indio is very hot, too. And the city manager, Bryan Montgomery, has been kind enough to come on as my guest. And tell us about what's going on. Brian, welcome to the podcast.

Bryan Montgomery 00:49

Well, thank you, Bob, for having me.

Bob Firing 00:52

I heard you, people hear the word city manager, but they don't really know all that the city manager does, and how it all works. I heard you give an excellent presentation that put all that in perspective. And I was hoping you could give our audience a thumbnail of that same presentation.

Bryan Montgomery 01:15

Well, you bet, I do get asked that question often when I travel and people ask me what I do. And I say "city manager," they don't quite grasp that. But much like a larger corporation that has shareholders, local government is structured in a very similar way. Unlike the state, or federal government, local government is really based off a professional organizational chart where you have the shareholders, which are the residents of the city, city of Indio in this case, they elect a board of directors, those board of directors oversee their investment, their corporation, which is the Municipal Corporation of Indio, the Board of Directors, of course, is our mayor and city council. They are volunteers essentially they're not full time employees, but they on behalf of the residents review what's going on, oversee, make some very critical policy decisions, land use decisions, but the day to day activities and operations of the city, again, much like a larger business where a board of directors will hire a CEO or a general manager to really supervise the overall operations of the organization. So that is what the city manager is. I am the CEO appointed by the elected Board of Directors, the city council, supervise the city departments, we have about 350 employees, 11 city departments all trying to make and do better on behalf of those that put money into the system, which is all of us as Indio residents, we're all shareholders. And I'm just the day to day business manager. You know, we have an overall budget of over \$300 million. And so you want to make sure you've got a professional team that can manage that resource. And again, try to operate the city in a way that meets the residents' expectations.

Bob Firing 03:13

Okay, well, that's very good. And so as you wait, well imagine that the hot issue among our residents is Pulte's Desert Retreat. And we sent a petition, we the residents, sent a petition to the council not too long ago. But I'd like to take this opportunity to ask you what the city is involved with and what the city is not involved with on a big development like that?

Bryan Montgomery 03:49

It's a great question, because this particular area of Indio is served for water and sewer by the Coachella Valley Water District. So you have a much, very large separate agency that is dealing with a big project up there now, the big storm drain project. It is not a city project, it's a CVWD project. And this new development and the key infrastructure of storm drain, sewer, and water is not the city of Indio, it's all CVWD. So on these types of developments, we send the set of plans and proposals to an entity like CVWD. They review it, they make independent decisions. We again coordinate and work together, hopefully for the best of all involved. But that's a perfect example to your question where the city of Indio doesn't make all of those decisions. The decisions the city makes is relative to the land use. And I just thought of analogy real quick, Bob, if you'll allow me where I worked previously, a Pollo Loco went in on a corner. And I had a group of residents sign a petition and they said "we don't want to Pollo Loco, we want to Panera." And what I've tried to explain is, there's a general plan that authorizes certain uses for the property. And the city doesn't decide whether it's a Pollo Loco, a Panera, or a Starbucks. If the land use approves the general plan, allow for that type of use, say a quick serve restaurant, then we can't say no. We can put conditions we can make sure it meets circulation demands and things like that. But this property just north of Shadow Hills city has already through been through the Master Plan process to be developed for residential uses. It may be interesting for your listeners to know that the general plan actually would have accommodated twice as many housing units. So all of the analysis done in the general plan, the traffic circulation would have provided for I believe nearly 3000 housing units.

Bob Firing 06:09

Wow, on that same piece of property?

Bryan Montgomery 06:11

On that same piece of property, greater densities, would have led to a lot more traffic. So there's some irony to all of the studies that were done for the general plan. And then Pulte is required to come in and make sure they conform to that general plan. They are actually proposing a development that's about half as much as what was already studied. Now, that still doesn't mean that the concerns and the petition signed and so forth, don't have some merit as we try to evaluate and make sure that the impacts are dealt with. But it was studied once and our general plan is only about five years old. So there was a traffic analysis, there was a review of what the zoning would be on the property. And forgive me for that analogy about Pollo Loco and Panera, but the city is in a position now to review an application that meets all of the land use requirements that were set up previously. So it's not necessarily for the city to say, hey, we don't want Pulte Homes, we want KB Homes. We want Dr. Horton. Those aren't city decisions. They have obtained, you know, whether it be option or purchase the property, they've submitted an application. It appears they've met all of the requirements of the General Plan, addressed all of the traffic concerns pursuant to the impact of another 1500 homes. So at

this point that says how does the city say no, it was presented to the Planning Commission, which is the process for these types of developments. And it was unanimously approved. So now the city council receives that unanimous approval or recommendation from the planning commission. And it's on tomorrow night's agenda, for Desert Retreat to receive the city council's consideration. But again, if you'd wanted each one of your listeners can put your themselves in the position of the city council. A proposal is before them that meets all of the requirements of the general plan, meets all the requirements of the traffic studies and analyses that were conducted, meets CVWD's requirements with regard to the water, sewer, and storm drain. How do you say no? What would the grounds be to say, now you can't do this? They've checked the boxes. And fortunately, with this group, and I will tell you as somebody that's dealt with Pulte Del Webb, in other cities. It's very professional organization, their development wing, they are very experienced. They have added additional studies and analyses to help address some concerns, particularly on traffic. I think they've gone the extra mile to show that this clearly meets our requirements. So I know it's of concern, and no one wants more traffic or, you know, more people necessarily living all around you. But the land was prepared, approved rather, in the general plan for this type of use. And it appears to be a quality project. Quite frankly, if I were to look for a builder myself to buy or purchase a home, Pulte Del Webb would be one of those I would I would look to.

Bob Firing 09:21

Well, we're all living in Pulte homes. So, we're familiar.

Bryan Montgomery 09:26

Exactly. So, no one's perfect. But again, I would I would put them high on my list in my 30 years of doing work. So we'd be receiving a very high quality product, meeting all of the city's requirements. But that's 1500 more homes north of where you are live. And obviously there's an impact. But the studies will show and I think over time that some of these traffic counts are just very low, very small, compared to what you'd see in other areas. Say in the state for example. Yeah, so I don't know if that answers all of the questions.

Bob Firing 10:02

The only other thing that occurs to me is that you didn't mention power. So is the Imperial Irrigation District in the mix too?

Bryan Montgomery 10:11

Yes, another great point, because again, the city doesn't control that matter. There will need to be, there needs to be a substation to provide additional capacity for this development. Pulte has identified a site. They reviewed that with the Imperial Irrigation District (IID), and they're working through the process, it probably is a couple of years before that substation could be placed there. But that coincides with the timing, that they're indicating, they would want to move forward with the actual construction of homes, the land clearing, the further development, so forth, will take some time. So your listeners probably won't see, you know, homes there for another year and a half or two years at the earliest.

Bob Firing 10:12

No, I was gonna say at the earliest because I know there's a lot of work that needs to be done to prepare the land and pour the pavement and all that stuff.

Bryan Montgomery 11:07

Exactly. So it's, it's some years away, but the IID matter is a critical component of infrastructure that they're working through. And again, I compliment Pulte Del Webb as we've met with them, and with IID and trying to coordinate that effort. They just, they're experience, they do it, right. They know what they're doing. And it makes it it's easier. And we trust what they're proposing as IID.

Bob Firing 11:34

Good, good. Well, I'm, I'm glad you're comfortable with them. Hopefully this will help our residents get comfortable with them, too. So moving on, would you take us around the city as far as what is going on and put start with a north of the freeway because that's where most of our residents, do live their lives.

Bryan Montgomery 11:58

Well, and it ties into the Desert Retreat project, as well as what may be other projects north of Jefferson, because I could start with that North Indio at Jefferson. Certainly, there's a Circle K going in right now. But that's just one of many commercial developments that would likely take place around the Jefferson interchange. More rooftops such as these 1500 homes, will spike interest in these potential retailers. I believe even a small grocer is a high likelihood. They won't come and it hasn't developed yet until you get more rooftops. So while the increased growth may not be, you know, real exciting to hear for some of your listeners, it will help drive some of the retail at the Jefferson interchange that your listeners want to have. You know, whether it's a small Sprouts, Trader Joe's, other retail development in that in that area around Jefferson and Varner. Those rooftops will help drive that. So we hear things we're talking to folks there. We know that least one other project that seems to be something that will be proposed soon. The property is all for sale. So I think that's going to happen as these rooftops get approved.

Bryan Montgomery 13:14

Moving toward Monroe. along that corridor along Avenue 42. There's some key projects there, the southwest corner of Monroe and 42. Some retail right there on the corner, around Walmart. We know that Raising Canes has a has a lease In and Out has a lease. There's a gym, EOS fitness, has a lease on site. We've heard of a couple of others, including perhaps another hotel on that in that area around Walmart. There's another light industrial type use kind of a business park use that we are working with right now. So all of that area around that's the southeast corner of Monroe and 42 has some pending projects now. They do lack some power. IID and we're working through to try to help make sure that's provided there.

Bryan Montgomery 14:09

And as you move further toward Jackson, there's a new hotel going in at Jackson, south of 42, New ice cream new retail Handles ice cream, well known popular locations will be next to Chipotle and Dave's Hot Chicken. There's another retail suite that's available there. And as you move into next to Home Depot, we know that there's a lease signed with Tilly's and Skechers. These are both two retailers that

are very popular with the younger folks, but I think there'll be very popular. Just added there a bunch of new Tesla charging stations, that's just gone in. And as you move further south Texas Roadhouse is set to open in the middle of next month, Ono Hawaiian Barbecue has just opened up Those will drive a lot of traffic at that location. And then north on the north east corner of 42, we know there's some leases signed by two other very well known retailers neared our golf course, the city-run golf course right there. So that north side, the commercial is, because of the residential growth again, these retailers want rooftops and the I-10 traffic is important to people passing through or drop off, we'd like this when they drop off, drop their money and then head out of town.

Bob Furring 15:33

Right. Can you give us an estimate of about how many cars travel past us in both directions every day?

Bryan Montgomery 15:41

It's over 100,000.

Bob Furring 15:43

That's an amazing number.

Bryan Montgomery 15:46

But, it may even be 180,000, counting in both directions. So it's a huge amount of traffic, and again, when they can drop off, and I think you and I spoke previously about the importance of buying local because when any one of us makes a purchase within the city limits of Indio, that sales tax that that pertains to the city stays in Indio. If you and I make a purchase in La Quinta, La Quinta gets that revenue, not Indio. Even though I live in Indio, I make a purchase in La Quinta. Well, we have folks that live in Phoenix that are driving to LA that when they spend money in Indio, those sales tax dollars stay in Indio. And that corridor is huge for these retailers. Of course, our rooftops are important, as well. So a lot going on the north side with regard to the retail, it's really where more of the national companies want to be, in part because of that traffic volume you mentioned. But there's more to come. And there's quite a bit of property there.

Bob Furring 16:49

That, I mean, I call it Varner Road, but I mean, between Jefferson and Monroe is an enormous piece of undeveloped land.

Bryan Montgomery 17:00

It is. And there's a it's been purchased now, assembled rather, by one developer, almost all of that, south of 42. And they're working, they have a retail component, they have a residential component. We haven't received that submittal yet, but we've talked to them and just the effort for them to assemble those properties, it's a total of 200 acres, shows that they're working toward a development there that I think will bring a lot of economy to the community.

Bob Furring 17:32

Okay, well, thank you. So, moving ahead to the other side. There's lots going on in downtown Indio.

Bryan Montgomery 17:40

That's exciting. You know, the I'm told I've only been here a couple of years, but many of your listeners will know that Indio used to be the hub of the valley. \That downtown along Miles and Smurr. And Oasis was where almost the whole valley came to shop. It's where the JC Penney was, and the different retailers, and it was the place the retail hub. And it lost that with the mall here in Indio, the mall in Palm Desert. And so we're in this process of a renaissance and part of the anchor to make that happen are the College of the Desert buildings. One, a childcare center in addition to the existing multi story campus, there's a childcare center and then another multi story building, it's under construction. It's about a year away from completion, but it's adding a strong anchor. But there are five or six restaurants underway right now as we speak under construction, including a brewery, a tap house, an Italian restaurant, a distillery, crepe, grilled cheese and ice cream. There's also a food hall plan. And what we see emerging is this great activity where people can park and walk and eat, have a drink, have some good entertainment. We have the farmers market that will be starting in October. We have food truck Fridays, even now in the heat. Every Friday night here on Towne and Bliss. We had 1000 People here last Friday. for that. We have our second Saturday concerts. We're holding concerts frequently, and building a stage where we can have movies and other concerts, and activities for the youth. Gymnastics group wants to perform on the stage, and so forth. And that's under construction. So there's just a lot going on downtown including we have a 50-60 year old building here at City Hall that's having some problems and we've got a new city hall project The library also will be rebuilt. Those are under construct, under design rather right now. So there's just a huge amount of vestment in what used to be this hub and I'm feeling it's more like a renaissance and while it's not the same national trade retail you see on the north side, it's that small, quaint, park and walk type of opportunity for all of the valley to come and enjoy a nice drink, a meal, some entertainment. And of course the students will be down here as well as part of the College of the Desert campus that's tripling in size. So, a lot going on downtown.

Bob Firing 20:13

And for the first time ever Indio has approved some cannabis stores.

Bryan Montgomery 20:19

Yes, we are a little late in this game and that most of the other communities throughout the state, it is a legal product, as you know, here in California, it brings a significant amount of revenue. A lot of our residents are already purchasing this elsewhere. So it's a leakage. We're losing some of that retail. And the city council some months ago decided to allow up to five retailers. We went through a competitive process received 13 applications. And just recently the City Council approved five.

Bob Firing 20:50

Are any of those is going to be north of the freeway?

Bryan Montgomery 20:53

Yes, there is one that is on the corner of Jackson and 42. There's a DaVita there, a Walgreens, it's in that center behind. That's the only one on the north side. They're a couple on Highway 111, Indio Boulevard, one downtown. They've been they received the city approval, now they need to go get the state approval. Most of these have licenses elsewhere, but they don't have a license from the state to

operate in Indio. So there's a handful of months that are going to, it's going to go into take to get them approved from the state, they need to renovate their spaces, you know, one instance they're actually building a building, it's probably a year before they're up and operational, some may be a little bit sooner some a little later. But those five will then be available for purchase. And the sales tax and the benefit that they pay, there's a there's a local benefits see that they will pay, that will be part of our tax dollars to help support public safety and, and the operations of the city is probably between one and \$2 million a year in tax revenue as the additional revenue side of tax, but it's a community benefit revenue.

Bob Firing 22:07

Great. Well, I don't want to keep you too long. But I There are two other things I'd like to cover. There is an enormous apartment project going on just south of 111 at Jefferson, and is that project in the city of La Quinta or the city of Indio.

Bryan Montgomery 22:26

It is right on the edge but it is in the city of Indio. So up from Jefferson to the canal, which is roughly where this large project is located, is in the city of Indio. It's important for all of us as residents to know that city councils have really lost the authority to approve or to disapprove of affordable housing projects. Again, it's a quality developer, I think it'll be an outstanding project when it's done, but there was no legal authority for the City Council to say no, don't build that. And there'll be others. I think throughout the community, people will come forward. There's one on the corner of 44 and Golf Center that has made application and been approved by the planning commission. But it's very difficult, there's not much authority anymore for a local city council to say no, the state has taken that away. So some of our friends and La Quinta, like why did the City Council approve that? Quite frankly, the City Council could not have denied that application. But when it's done, I know it seems ominous, a little out of scale for the valley. But the state is promoting that type of density throughout the state and the Coachella Valley is going to see more and more. There's some being built in Palm Desert right now some very dense condo systems that are affordable. It's just going to be kind of the wave of the future to help deal with the state's housing crisis. 400 units are going in there 200 are under construction right now, another 200 will then follow. And then I mentioned that project, it's about 150 units on the corner of 44 and Golf Center.

Bob Firing 24:00

And then one last thing and that is warehouses. I was pleased to talk about the city's attitude toward warehouses, why they liked them and where they're likely to be located.

Bryan Montgomery 24:17

The ones that would provide solid jobs not just merely, you know, a warehouse where there isn't a lot of employment, just storage of product. Those would be of worth and particularly those that do direct sales. So the Amazon fulfillment centers also count as a local purchase under a new state law and adjustments to the how that sales tax is distributed. So there is significant revenue that comes off of those as long as they are really are a local fulfillment and provide local jobs. Some of the best places where we have spots for that are kind of on the eastern part of the community off of Van Buren and Commerce, Avenue 44 East. It's where FIND Food Bank is located, it's where the Border Patrol is located. So there are a number of spots in there that I think would be excellent for logistics. And there

might be a couple of others. But the word "warehousing," we would probably avoid, it would be more of a "logistic fulfillment center," where you would have a couple 100 jobs and direct sales to the community. Where you're purchasing online, but the fulfillment will then count as a purchase here in Indio. So, I think in the right place they work and at the right type, they would work.

Bob Firing 25:40

And deliveries would be a lot faster.

Bryan Montgomery 25:45

That's true. And there's less impact on the environment, so forth when those deliveries are more local. And we know those large retailers are looking for spots in the valley. So Indio is a possibility for some of those, and in the right place, I think it works.

Bob Firing 26:03

Well, Bryan, thank you very much for giving us so much time. And we appreciate your perspective on what's going on here. And I'd like to do it again in six months or so. Because I'm sure lots is going to be happening between now and then.

Bryan Montgomery 26:21

Sounds great. Thank you again, Bob.

Bob Firing 26:23

Okay. And for the audience, thank you for your attention. Until next time, bye-bye.