



City of La Quinta

TO: Honorable Mayor and Members of the City Council

FROM: Chris Escobedo, Assistant to City Manager

DATE: June 17, 2014

SUBJECT: RALPH'S GROCERY STORE

On May 27, 2014, the City received notification from Ralph's Grocery Company that the store located at 50-929 Washington Street in the La Quinta Village Shopping Center would be closed due to several years of underperformance. Since that time, staff visited the store and spoke to Ralph's representative, Kendra Doyel, Vice President of Publications and Government Affairs who indicated the closure of the store is final.

Staff spoke with the property manager for the La Quinta Village Shopping Center who has retained a commercial broker to secure a new tenant to replace Ralph's. They are currently pursuing two leads, but nothing is definitive at this time. The property manager asked about reimbursements via a sales tax or property tax rebate. Historically, the City has not provided such reimbursement for a grocery store because of the low amount of sales tax generated (generally \$35,000 to \$50,000 per annum). However, staff conveyed the ability to streamline and expedite the permit process, and once the property manager confirms a new tenant, he will have them contact the City.

In addition, staff conducted market research to identify potential grocers to replace Ralph's. Approximately five companies are interested in opening new locations in California in 2014 and 2015. New demographic and market area packets are being generated and will be sent to the grocers to generate additional interest at the site.

