

CITY OF  
LA QUINTA

2024/25

# Annual Measure G Sales Tax Oversight Report

Fiscal Year Ended June 30, 2025



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# ANNUAL MEASURE G SALES TAX OVERSIGHT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025



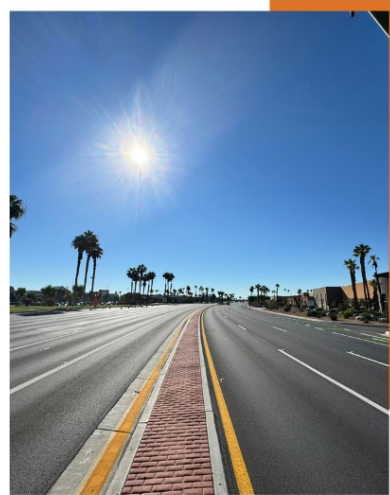
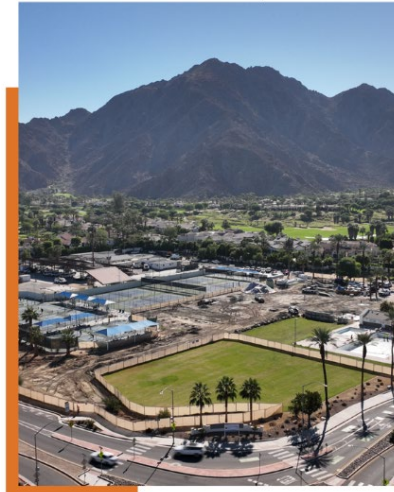
## OVERVIEW

The Financial Advisory Commission (FAC) provides oversight of Measure G tax revenue. This Annual Measure G Sales Tax Oversight Report covers the fiscal year beginning July 1, 2024, through June 30, 2025. Exhibit A includes a detailed summary of all Measure G activity.

Measure G is a 1% transactions tax applied to sales of taxable goods and is part of the overall 8.75% sales tax rate in the City. It applies to goods transferred at the point of sale (businesses within La Quinta City limits), and to goods purchased in other jurisdictions that are delivered to addresses within the City.

Measure G revenue continues to help La Quinta thrive and remains essential to the City's long-term financial health. These funds support the realization of La Quinta's Sacred Values – Fiscal Sustainability, Health and Wellness, a Vibrant and Safe Community, a Visually Beautiful City, and Cultural Diversity – ensuring that our community continues to shine as “The Gem of the Desert,” now and for generations to come.

Fritz Burns Park Improvements



Highway 111 Pavement Rehabilitation

## REPORT HIGHLIGHTS

### Fiscal Year 2024/25

- Revenue from Measure G totaled approximately \$15.6 million, which is slightly above the budgeted amount of \$15.5 million and consistent with the prior fiscal year's revenue of \$15.5 million, reflecting stable performance year over year.
- An allocation of \$12.2 million went towards citywide infrastructure and public recreational facility improvements, creating lasting assets for public use and enjoyment.
- The City invested \$7.3 million in public safety services, which continues to be a top priority for La Quinta.
- Approximately \$4 million of Measure G reserves was utilized for capital improvement projects, bringing the total reserve balance to \$29.6 million. These reserves are intentionally maintained to ensure long-term financial stability and to provide flexibility during economic downturns.

## Since Inception

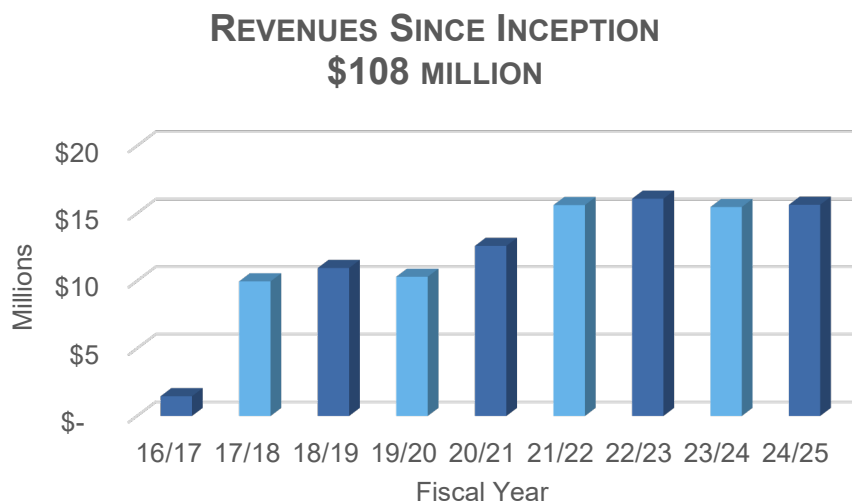
- \$108 million in total Measure G funds has been collected, and the City continues to utilize these funds in alignment with the original intent of Measure G.
- Approximately \$45 million or 42% of Measure G funds have been allocated to improving citywide infrastructure and public recreational facilities.
- Public safety services are a priority of La Quinta and have been supported with approximately \$33.2 million or 31% of Measure G funds.
- Fiscally responsible budgeting, prudent long-term financial projections, funds oversight, and financial transparency have strengthened the City's reserves with Measure G funds since the implementation of Measure G in April 2017. These practices have supported the City's strong fiscal standing, reflected in its top ranking on the California Policy Center's Local Fiscal Health Dashboard.

## FISCAL YEAR 2024/25 REVENUES

Total Measure G sales tax revenue for fiscal year FY 2024/25 was \$15.6 million, which was slightly higher than the \$15.5 million initially anticipated when budgeted, reflecting stable performance and continued fiscal resilience despite broader economic headwinds. Revenue trends remained steady through FY 2024/25, with overall receipts showing modest year-over-year growth. While certain consumer sectors such as restaurants and online retail performed well, spending on goods and construction activity softened as households maintained cautious spending patterns.

## REVENUES SINCE INCEPTION

The chart below summarizes Measure G revenue received from fiscal years 2016/17 through 2024/25. Measure G sales tax revenue for FY 2024/25 was slightly above initial projections, reflecting continued stability in local economic activity. While spending patterns remain cautious, recent reductions in federal interest rates have generated optimism for improved financing conditions and potential boosts in consumer confidence. However, ongoing national tariff discussions and persistent inflationary pressures continue to influence household spending power, contributing to a period of modest growth as the broader economy adjusts to changing market conditions. Staff will closely monitor these trends and adjust projections as needed to ensure prudent financial planning for the years ahead.



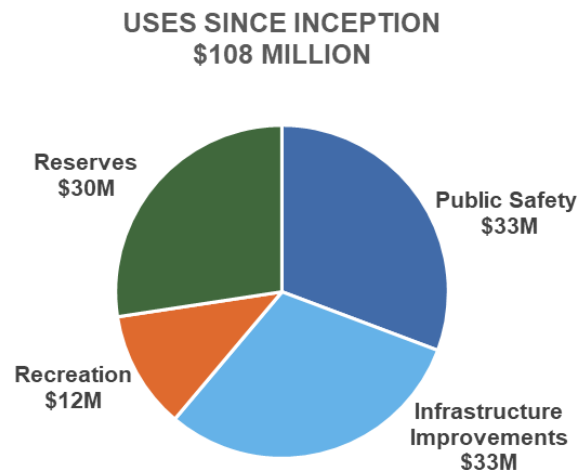
## FISCAL YEAR 2024/25 USES

Operational expenses and capital improvements for FY 2024/25 were prioritized, with approximately \$12.2 million in Measure G funds allocated toward Capital Improvement Projects citywide and \$7.3 million allocated to public safety. To support these priorities, about \$4 million in Measure G reserves were utilized. No additional revenue was set aside for reserves this fiscal year, as the focus remained on advancing key infrastructure, facility, and community enhancement projects that align with the City's long-term strategic goals.

## USES SINCE INCEPTION

Annually, the City hosts a community workshop to either affirm and/or redirect the following year's budget priorities. Staff then evaluates funding options such as grants, interagency cost sharing, and use of reserves. Public safety services have been a community priority since before Measure G, and with the support of this additional revenue, the City has been able to maintain the public safety service levels the community desires.

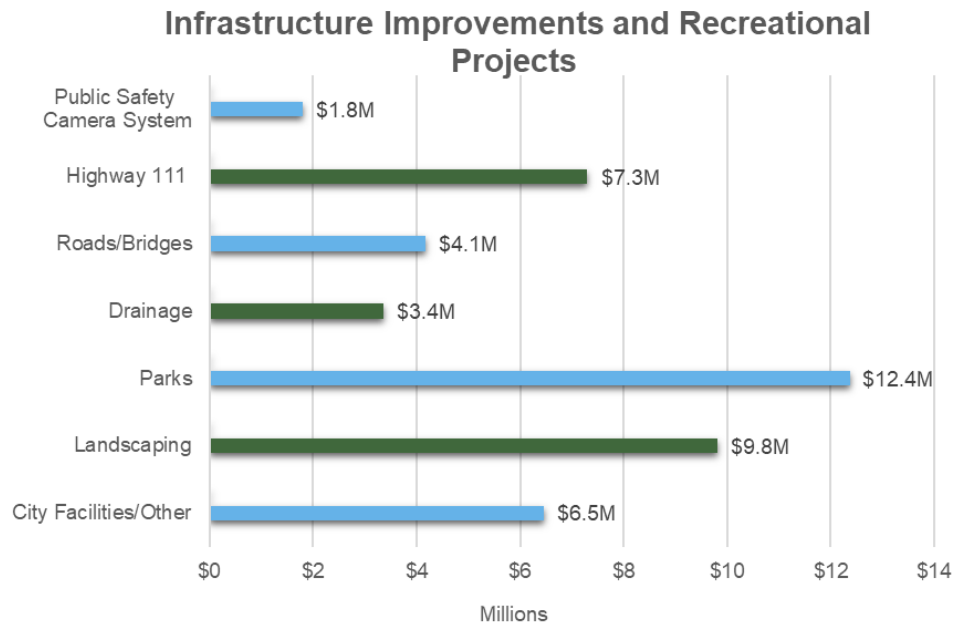
The chart below summarizes the uses since the inception of Measure G funds. Approximately, \$45 million, or 42% of these funds are for projects to improve citywide infrastructure and public recreational facilities.



- Public Safety use reflects the City's continuing commitment to providing all residents with a safe living environment.
- Infrastructure improvement projects have included numerous road repairs to extend their useful life, street striping projects, drainage improvements to avoid street flooding, an investment in Highway 111 (a crucial commercial corridor for our City where a majority of sales taxes are generated), an overhaul of landscape medians north of Highway 111, the design of an updated corporate yard with administrative and crew quarters, and Welcome Center improvements for city-owned property located near the entrance to the Bear Creek Trail on Eisenhower Drive and Calle Tampico.
- Recreation projects have included funding for the new X-Park near La Quinta High School, the SilverRock event site, design of a new future Village Art Plaza Promenade & Cultural Campus connected to the La Quinta Museum, Fritz Burns Park improvements, citywide dog park improvements, and the Sports Complex lighting replacement.

- Measure G reserves reflect fiscal responsibility and allow for operational flexibility by ensuring cash is available for public safety services and capital improvement projects when they are most efficient to complete.

The chart below summarizes citywide infrastructure improvements and recreational projects, totaling about \$45 million funded with Measure G revenues.



### LOOKING AHEAD

As La Quinta continues to navigate shifting economic conditions, Measure G remains essential to the City’s ability to sustain core services and invest in community priorities. While the broader economy is showing cautious optimism following recent reductions in federal interest rates, ongoing tariff discussions and inflationary pressures continue to shape household spending and local sales trends.

Looking forward, the City will continue to strategically invest Measure G funds in projects that strengthen infrastructure, enhance public safety, and improve quality of life, while maintaining a disciplined and transparent approach to financial management.

Key areas of focus include:

- Critical electrical and utility infrastructure upgrades to improve system reliability, capacity, and safety- including enhancements to energy gridlines and transformers that reduce fire risk and ensure home security systems and essential services remain online.
- Public safety facilities and technology investments to ensure continued community protection
- Roadway, bridge, and transportation improvements supporting connectivity and safety
- Revitalization of the Highway 111 Corridor and enhancement of public spaces that promote economic vitality and community pride

These efforts demonstrate La Quinta’s commitment to fiscal sustainability, proactive planning, and resident-centered investment. Measure G funding remains a cornerstone of this

commitment, preserving the City's financial strength and enabling La Quinta to uphold its Sacred Values of Fiscal Sustainability, Health and Wellness, a Vibrant and Safe Community, a Visually Beautiful City, and Cultural Diversity, ensuring that our community continues to shine as "The Gem of the Desert" for generations to come.

### **MEASURE G BACKGROUND AND COMPLIANCE SUMMARY**

Voters approved Ballot Measure G in November 2016, establishing a permanent one percent (1%) transactions and use tax effective April 1, 2017. All Measure G revenues are fully allocated to the City of La Quinta and are protected from State takeaways.

Measure G revenues are used in accordance with the voter-approved ballot measure to fund essential services and community priorities, including:

- Public safety, such as police protection
- Capital improvement projects, including parks, streets, landscaping, and flood mitigation
- Community programs that attract businesses, support youth and senior services, enhance sports and recreation opportunities
- Preservation of property values and quality of life for residents

This report confirms that all Measure G tax revenues are properly recorded and are being used in full compliance with the requirements outlined in the ballot measure.

The City Council, management, and staff express their sincere appreciation to La Quinta residents for their continued support and investment in maintaining the City's long-term financial sustainability and outstanding community character.

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Prior oversight reports and information on Measure G are located online at <https://www.laquintaca.gov/business/tax-measure>. Questions regarding this report or the use of Measure G funds may be directed to the Finance Department by calling 760-777-7000 or by email at [finance@laquintaca.gov](mailto:finance@laquintaca.gov).

**MEASURE G  
REVENUE AND USES SUMMARY  
FY 2024/25**

**EXHIBIT A**

Fiscal Year (FY)						
REVENUE SUMMARY						
2016/17	Actual	\$	1,462,650			
2017/18	Actual		9,967,657			
2018/19	Actual		10,958,118			
2019/20	Actual		10,310,526			
2020/21	Actual		12,594,389			
2021/22	Actual		15,615,802			
2022/23	Actual		16,088,087			
2023/24	Actual		15,471,183			
2024/25	Actual		15,638,218			
	<b>TOTAL</b>	<b>\$</b>	<b>108,106,630</b>			
MEASURE G USES- Historical						
Fiscal Year	Project Description		Operational	Capital	Reserves	Total by Year
2016/17-2021/22	Total Operational- Public Safety		15,708,000			
	Total Capital- Various			29,846,099	13,355,043	60,909,142
MEASURE G USES- Prior 3 Fiscal Years						
2022/23	Public Safety Contract Services		5,100,000			
	Landscape Renovation Improvements			500,000		
	Sports Complex Lighting Replacement			300,000		
	Village Utilities Undergrounding Project			100,000		
	ADA Transition Plan Update			150,000		
	Village Parking Lot			500,000		
	Phase II Public Safety Camera System			1,797,000		
	Smart Infrastructure Improvements- Feasibility			250,000		
	Highway 111 Corridor Area Plan Implementation			1,000,000		
	Dune Palms Bridge Advance Funding Reimbursement			(7,468,061)		
	Measure G Reserves 2022/23				13,859,148	16,088,087
2023/24	Public Safety Contract Services		5,100,000			
	Highway 111 Corridor Area Plan Implementation			1,000,000		
	Avenue 48 Art & Music Line			2,400,000		
	Fritz Burns Park Improvements			1,500,000		
	Highway 111 Event Site- Reprogrammed to Fritz Burns Park, see FY 2024/25			-		
	Washington St. Connector to Arts & Music Line			1,200,000		
	Measure G Reserves 2023/24				4,271,183	15,471,183
2024/25	Public Safety Contract Services		7,300,000			
	Pavement Management Plan Street Improvements			1,000,000		
	Corporate Yard Administration Offices & Crew Quarters			900,000		
	Village Art Plaza Promenade & Cultural Campus			1,000,000		
	Highway 111 Corridor Area Plan Implementation			3,050,000		
	Fritz Burns Park Improvements			5,000,000		
	Citywide Dog Park Improvements			500,000		
	Welcome Center Improvements			750,000		
	Measure G Reserves 2024/25				(3,861,782)	15,638,218
	<b>TOTAL</b>	<b>\$</b>	<b>33,208,000</b>	<b>\$ 45,275,038</b>	<b>\$ 29,623,592</b>	<b>\$ 108,106,630</b>
			<b>31%</b>	<b>42%</b>	<b>27%</b>	