

CALIFORNIA'S COACHELLA VALLEY

VISION

2014·15

Palm Springs

Like no place else

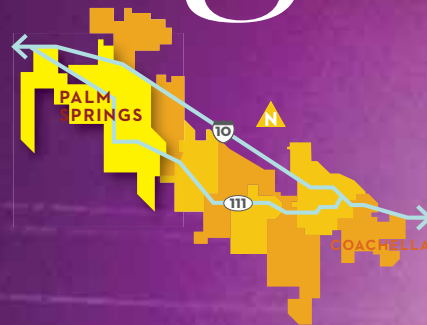
*Invest, Grow,
Succeed!*

COACHELLA VALLEY
ECONOMIC PARTNERSHIP
GREATER PALM SPRINGS
CONVENTION &
VISITORS BUREAU
RIVERSIDE COUNTY
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AGENCY



Palm Springs

Like no place else, the city is in demand
and ultra-cool!



PALM SPRINGS STATS

MAYOR Steve Pougnet **MAYOR PRO TEM** Rick Hutcheson **COUNCIL MEMBERS** Ginny Foat, Paul Lewin, Chris S. Mills
YEAR INCORPORATED 1938 **POPULATION** 46,135 **AVERAGE HOUSEHOLD INCOME** \$45,404
WEBSITE www.palmspringsca.gov



JAY CALDERON/DESERT SUN

Above left: Leonardo DiCaprio at the Palm Springs International Film Festival. Above right: Mayor Steve Pougnet greets President Obama at Palm Springs International Airport. Opposite: Fitz and the Tantrums play the 2nd annual Tachevah Block Party.

It's official: Palm Springs is ultra-cool and in demand!

Yes, indeed. It has been another spectacular year for Southern California's most legendary resort playground. Once a haven to Hollywood megastars like Bob Hope, Frank Sinatra, Liberace, Elvis Presley, and Lucille Ball, Palm Springs has experienced a historic transformation over the past several years — and is now the hippest, most happening resort destination in California and beyond.

In fact, there's no doubt that thanks to the City's transformative Downtown Revitalization Plan, a host of innovative economic development projects, incentive programs, multimillion-dollar hotel renovations, and uniquely original special events and tourist attractions, the City has renewed itself into an ultra-cool destination.

The most exciting project, the redevelopment of the former Desert Fashion Plaza, began in earnest last year, is now moving full-speed ahead, with plans for the opening of a sleek 155-room Kimpton Hotel to break ground this month. The new hotel will feature

a magnificent rooftop pool, bar, and signature restaurant along with meeting space — all wrapped in the City's iconic modern architecture and surrounded by gorgeous mountain vistas. In addition, the City is working with Wessman Development to secure quality retail tenants for the dramatic new outdoor boutique shopping and dining complex.

"After years of hard work by our City Council, staff, and the developer, real progress is moving forward on this project, which is so important to the economic success of Palm Springs and the entire Coachella Valley," says Mayor Steve Pougnet.

Something else everyone is buzzing about is a new events venue across from the Palm Springs Art Museum. This is expected to be the home of "Tachevah," a hugely successful music block party created by Goldenvoice, the producer of the world-famous Coachella Valley Music and Arts Festival. This past April, more than 10,000 music lovers attended the second annual event in downtown Palm Springs, featuring world-famous rockers Fitz and

the Tantrums. Next year's event is expected to be even bigger, according to Aftab Dada, Chairman of P.S. Resorts, who along with the City, the Agua Caliente Band of Cahuilla Indians, community leader Harold Matzner, and *The Desert Sun*, are the lead sponsors of the event.

In addition, a host of other exciting improvement projects are currently underway in Palm Springs thanks to the passage of Measure J. From street paving to park and library improvements — to a new and much-anticipated free trolley, which will transport residents and visitors all around town, a plethora of transformational, quality-of-life projects are breaking ground.

Another exciting development in Palm Springs is the incredible success of the summer pool party and music weekend Splash House, produced by Goldenvoice and LED, which is now in its second year at three amazing venues: the Hard Rock Hotel in downtown Palm Springs, The Saguaro Palm Springs, and the ultra-hip new Hacienda Cantina and Beach Club in South Palm Springs.



Above left: Splash House, a Palm Springs pool party and music weekend. Above right: Mayor Steve Pognet on location with the *Real Housewives of Beverly Hills*.

“Splash House is a true summer success story,” says Mary Jo Ginther, director of the Palm Springs Bureau of Tourism. “It went from one event last summer to two this summer — and it just keeps getting bigger. This summer, more than 3,000 people enjoyed the City’s ultra-cool vibe along with some truly talented, up-and-coming DJs. Palm Springs is no longer a sleepy town in August.”

In fact, visit downtown Palm Springs and you’ll see that it is bustling all year long with residents and international visitors from all walks of life enjoying eclectic shops, galleries, and unique dining destinations. Palm Springs continues to be prominently featured in popular sitcoms, reality television and travel shows, fashionable magazines, and Hollywood films. Most recently, the tremendous success of Palm Springs tourism was spotlighted in a much-gabbed-about feature in *The New York Times* style section — and the *Real Housewives of Beverly Hills* filmed one of their episodes in the City. In addition, Beverly Hills housewife and former Queen of the Palm Springs White Party, Lisa Vanderpump, received a star on the world-famous Walk of Stars — and let’s not forget Academy Award-nominated actor Leonardo DiCaprio recently purchased Dinah Shore’s famed midcentury modern masterpiece in Old Las Palmas.

“Palm Springs is in huge demand — and stars like Leonardo DiCaprio love our year-round sunshine, relaxed desert lifestyle,

wonderful architecture, and phenomenal music and film festivals,” says Ginther, who notes President Barack Obama’s visits to the desert for diplomacy and golf are becoming more and more frequent.

Not surprisingly, film and television producers from around the world flock to Palm Springs to shoot their productions — and with that in mind, the City Council approved a popular “Film Friendly” Incentive Program which provides a grant of up to \$5,000 for lodging, rentals, food and beverage, and location assistance. Additionally, the Palm Springs Bureau of Tourism developed a new “virtual film office” located at PSFilmFriendly.com, which assists locations managers and filmmakers in finding the perfect spot for their production while providing them with important introductions to local tourism partners.

Consistently voted the Coachella Valley’s most popular special event, the Palm Springs International Film festival — founded 26 years ago by then-Mayor Sonny Bono — draws in thousands of visitors every January. It features a star-studded Awards Gala and has honored some of the best actors, writers, and directors in the world — including George Clooney, Brad Pitt, Clint Eastwood, Bradley Cooper, Ben Affleck, Quentin Tarantino, Helen Mirren, Anne Hathaway, Meryl Streep, Sandra Bullock, Julia Roberts, and many more.

“Every year, the film festival and Awards Gala gets bigger and better while showcasing

some of the world’s most acclaimed cinema,” according to Ginther, who notes that the festival, beloved by fans and industry insiders alike, provides a huge boost to the local economy and is the biggest and most glamorous event of the season.

Another major economic boon to the City’s economy is Palm Springs Modernism Week, a sophisticated 10-day homage to the ideals of midcentury modern architecture. The event, held every February, celebrates a renewed appreciation for the City’s famed modernist roots as well as vintage furniture, jewelry, clothing, and memorabilia. Modernism Week and organizers have also added a new “Fall Kick-off” in October, featuring a series of double-decker bus and walking tours, films, lectures, exhibitions, cool parties, and much more.

Palm Springs is celebrating new and emerging shops, restaurants, and boutiques — many in the City’s flourishing Uptown Design District that focus on modern décor and interior design. In addition, Downtown and Uptown along with South Palm Springs continue to see new and expanded eateries, including the Purple Room, Appetito, Hacienda Cantina and Beach Club, L’Atelier Cafe, Gyoro Gyoro Japonaise Izakaya, Ernest Coffee, Workshop Kitchen + Bar and a new Thai Smile on the corner of Tahquitz Canyon and Indian Canyon Drive. The new Bootlegger Tiki, in the former Don the Beachcomber location, and the popular restaurant



Above: A rendering of the new Kimpton Hotel as part of the downtown revitalization project.

Dish, moving to Palm Springs from Cathedral City are new additions to Uptown.

In fact, Palm Springs tourism and hospitality are thriving, according to Pougnet, who notes that continued tourism gains over the past several years are the result of more than \$200 million reinvestment in the City's hotel stock, along with the implementation of the City Council's popular Hotel Incentive Program.

Perhaps most exciting, the hip, new 163-room Hard Rock Hotel opened last October in downtown Palm Springs and recently announced that celebrity chef Kerry Simon will take over the restaurant, a coup for Palm Springs foodies.

Other Palm Springs properties that have recently refreshed their looks include the Hilton Palm Springs, which underwent an \$8 million transformation, and the former El Rancho Lodge in South Palm Springs is now the beautifully rustic Sparrows Lodge. In addition, the former Spanish Inn recently opened as the Triada Resort & Spa, a Marriott Autograph property located in Uptown Palm Springs.

"These new and/or upgraded properties allow the Palm Springs brand to renew itself and reach every generation of visitor," Ginther says.

Palm Springs is also a leader when it comes to local job creation: The City was designated by the state of California as one of six original "innovation hubs." The "iHub," operated by the Coachella Valley Economic Partnership and located across

from Palm Springs City Hall, serves as an incubator for green companies to create new jobs in the region. Now in its fourth year, the iHub nurtures startup companies in the fields of wind and solar as well as high-tech and biotech and continues to be an "economic game-changer" for Palm Springs and the entire Coachella Valley, Pougnet says.

In fact, the success of the iHub has led to a new 41,000-square-foot Accelerator Campus at the Palm Springs International Airport, which currently houses iHub graduates who are ready to conduct prototype development, manufacturing, and commercialization of products or services with the goal of creating more local jobs. The Accelerator recently received a \$785,000 grant from the U.S. Department of Economic Development for continued expansion and improvements.

And when it comes to stimulating our economy and supporting as many as 1,000 local jobs during peak tourism season, the tremendous success of the City's Airline Marketing Incentive Program at Palm Springs International Airport has proven to be another extraordinary economic driver for the Coachella Valley. The City Council committed \$1 million to the program, and popular Canadian airline WestJet was the first to take advantage, followed by United, Alaska, Frontier, Allegiant, and most recently, Virgin America and Air Canada Rouge. This brings expanded service to Palm

Springs and the entire Coachella Valley and, coupled with nearly \$100 million in improvements over the past several years along with a new \$25 million airport traffic control tower, new excitement to Palm Springs International Airport.

And finally, let's not forget the important impact of the Agua Caliente Band of Cahuilla Indians, whose community and economic development projects continue to boost the City's economy and play a major force in the cultural and economic enrichment of their ancestral home. The tribe is steward to 31,500 acres of land, including the popular Indian Canyons, and is one of the City's most important partners.

"Rooted in rich history, the City and Tribal Council are dedicated to working together to improve the quality of life for our residents and visitors through a host of community partnerships," says Pougnet. "From the construction of the Richard M. Milanovich Bridge on Belardo Road to a new median along Tahquitz Canyon Way, the City's important relationship with the Agua Caliente cannot be overstated, and we thank them for their continued support of the City of Palm Springs."

The City is definitely on a roll when it comes to what's hip, happening, and ultra-cool, according to Pougnet, "Palm Springs truly is like no place else!" 🌟

— Amy Blaisdell

In 2013, the Splash House summer pool parties at three Palm Springs venues drew 1,500 attendees.



Tourism Reboot

World-class events such as the Coachella music festival and the Palm Springs International Film Festival are sparking renewed economic growth in the valley.

By Sheila Grattan

The Coachella Valley has its groove back. Defying the myth they had become extinct east of Los Angeles, 20- and 30-somethings have returned in full financial force to lead a visitor boom.

This growing market has sparked an increase in tourism offerings that encompass world-class experiences for film buffs, sports fans, music lovers, history enthusiasts, outdoorsy types, and couples in love. It also translates into significant local economic benefits: Overall visitor spending in 2013 totaled \$4.5 billion — a 12.5 percent increase from 2011.

The Millennial infusion is also acting as an elixir for Baby Boomers and middle-aged Gen Xers. “People in their 70s come up to me all the time when I’m checking out restaurants and nightspots,” says

Palm Springs Mayor Steve Pognet. “They love the younger vibe and tell me to keep it going. It goes to show that older locals and visitors enjoy a good time, too. They just go home earlier.”

The return of Greater Palm Springs is fueled largely by a slate of events such as the Coachella Valley Music and Arts Festival and the prestigious Palm Springs International Film Festival. Major media outlets, including *The New York Times* and *Esquire*, have recently touted the resort area’s cachet.

New Hollywood is paying attention, too. Leonardo DiCaprio purchased Dinah Shore’s Donald Wexler-designed estate in 2014, and recent television and film shoots in the valley include *The Real Housewives of Beverly Hills*, Italy’s *Donnavventura*, Bravo’s *Newlyweds*, and *A Christmas in Palm Springs*. The area has also seen an uptick in high-profile photo shoots for companies such as Victoria’s Secret, Nordstrom, and Crate & Barrel.

THE COACHELLA EFFECT

There would be no renaissance without Goldenvoice CEO Paul Tollett, founder of Coachella (see page 7), says Palm Springs tourism and civic guru Aftab Dada. “Because of Coachella fest and Stagecoach, youthful music fans from around the world stay here and find they love Palm Springs and come back,” says Dada, general manager of the Palm Springs Hilton and chairman of P.S. Resorts.

In 2013, more than 180,000 fans attended Coachella over its two consecutive April weekends at the polo grounds in Indio; Goldenvoice’s Stagecoach Country Music Festival drew 45,000 attendees. The combined events pump more than \$254 million into the local economy annually, according to the Greater Palm Springs Convention & Visitors Bureau.

Local hotels are among the beneficiaries — overall room demand grew 6.9 percent from 2011 to 2013 — with many festivalgoers staying at Palm Springs hotels that have been updated to

“Because of Coachella fest and Stagecoach, youthful music fans from around the world stay here and find they love Palm Springs and come back.”



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appeal to Millennials. These include the Saguaro, Curve, Hard Rock Hotel, Viceroy Palm Springs, Riviera Palm Springs, and Ace Hotel & Swim Club. The venues attract younger travelers by being dog-friendly and offering such amenities as pool parties, games, car battery charging stations, spa services, offbeat décor, courtesy bicycles, yoga, craft cocktails, tapas, and healthy morning-after smoothies.

Other draws include Tachevah, a Palm Springs block party produced by Goldenvoice in conjunction with Coachella fest. In 2013, the Splash House summer pool parties at three Palm Springs locations drew 1,500 attendees and contributed \$800,000 to the economy in the event's first year.

“Paul and Goldenvoice have done wonders for Palm Springs,” Dada says. “He is the most down-to-earth and easiest person you could hope to work with.”

The Hyatt Palm Springs, a stalwart on Palm Canyon Drive, is also shifting its marketing to cater to the under-40 market with pet-friendly policies, gourmet pizza, exotic drinks, and signature Palm Springs-centric mural and photo art, says Hyatt hotel executive Celeste Brackley.

Marking its 10th year, the Parker Palm Springs, formerly the 13-acre Merv Griffin Resort Hotel & Givenchy Spa, was the area's first hotel to recognize a niche for sophisticated young professionals seeking a classy, unstuffy place to relax, says Steven Pipes, president of Jack Parker Corp.,

the parent company for the Parker and Le Méridien hotels.

“Parker Meridien wanted to increase its hotel portfolio, and we decided to take an old and staid market and shake it up,” Pipes says. To that end, Pipes hired Jonathan Adler, a darling of midcentury modern décor and global pop art, to create the hotel's fun yet sophisticated décor. Pipes' marketing concept was prescient: The Parker has always been newsworthy, from its décor to its celeb guests attending the hotel's annual Palm Springs International Film Festival afterparties.

YOUTHFUL BUYING POWER

The Hilton's Dada has been involved with downtown improvement measures

Below left: More than 180,000 concertgoers attended the 2013 Coachella Valley Music and Arts Festival over its two consecutive weekends in Indio. Below right: Rafael Nadal competes at the BNP Paribas Open at Indian Wells Tennis Garden, which unveiled its second stadium in March 2014.



GERRY MACEDA

for decades and says the passage of Palm Springs' Measure J two years ago reflects the tremendous buying power of the expanded current visitor mix.

"The 1 percent sales tax increase was projected to raise \$8 million annually," he says. "The second year, it exceeded expectations and raised \$12.5 million, with 80 percent of that funded by tourism. This represents an astounding \$1.25 billion in annual sales."

Palm Springs' Pougnet is equally bullish on the city and advises possible local startups to "do their homework and consider public-private partnerships." He notes that the hotel revival is an example of a successful public-private relationship.

"The City Council was challenged by

the budgeting woes in 2008-2009 when people stopped traveling because of the economy," he says. "We had budget shortfalls of \$12 to \$15 million. We had to reduce staff to balance the budget. The [city's hotel improvement] incentive program pumped \$200 million into the local economy and revamped 3,000 hotel rooms."

REACHING A YOUNGER MARKET

Hip local hotels market mostly via the Internet and social networks, and customers can offer instant feedback on Twitter, Facebook, or Yelp, says Mary Jo Ginther, director of the Palm Springs Bureau of Tourism. "Advertising has been turned on its head since the younger

Fast Facts

Attendance numbers for Greater Palm Springs festivals and attractions in 2013

BNP Paribas Open **382,227**

Coachella Valley Music and Arts Festival **180,000**

Dinah Shore Weekend **16,000**

Fashion Week El Paseo **13,000**

Humana Challenge and Kraft Nabisco Championship **132,000**

Joshua Tree National Park **1.4 million**

The Living Desert Zoo & Botanical Garden **350,000**

Modernism Week **40,000**

Palm Springs Aerial Tramway **500,000**

Palm Springs International Film Festival **135,000**

Splash House **1,500**

Stagecoach Country Music Festival **45,000**

White Party **30,000**

Tourism and the Workforce

Number of direct and indirect tourism jobs in Greater Palm Springs: **46,863**

Taxes (indirect and direct) generated by tourism: **\$859 million**

Source: Greater Palm Springs Convention & Visitors Bureau 2013 Economic Impact Report



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market identifies digitally,” she explains. “We have six ways to target the market, including phone numbers, desktop IP addresses, computer-use tracking, and going through networks.” She says that websites are crucial and notes that hits on the bureau website have exceeded 2 million since the website domain name, visitpalmsprings.com, became a call-to-action mini ad.

And it’s working. “I noticed a change with Modernism Week,” Ginther says. “Visitors were a good 10 years younger than previous modernism groups. There were highly traveled visitors, including active singles and older Baby Boomers who now had a reason to visit here other than to see friends and family.”

According to Scott White, president of the Greater Palm Springs Convention & Visitors Bureau, ecotourism is also growing. Two Bunch Palms in Desert Hot Springs is on its way to becoming the nation’s first carbon neutral spa, for example. (See page 26.) Other local eco-friendly attractions include the Living Desert Zoo, Cabot’s Pueblo Museum, abundant hiking trails, Jeep tours, Palm Springs Aerial Tramway, Indian Canyons, Salton Sea, agricultural tours, and the Coachella Valley and Thousand Palms preserves.

More visitors, straight and gay, are coming here to put a ring on it. Since droves of friends and families also attend destination weddings, bells are ringing for popular hotel venues. Weddings are

posh affairs at the venerable La Quinta Resort & Club; the reopened Ritz-Carlton, Rancho Mirage; and Parker Palm Springs. The city of Palm Springs is on board, too: Its city clerk remains open on Fridays to process last-minute licenses after other city offices close. Girls-only, bride and bridesmaid getaways, and soothing “babymoon” escapes for expecting moms and dads are also popular new visitor trends.

A GLOBAL DESTINATION

The international traveler is also a strong market in the desert, contributing \$870 million in 2013 — more than 19 percent of total tourism spending — and those numbers are projected to



keep rising. “Year-to-date passenger activity is up more than 9 percent, with Palm Springs International Airport one of the few airports of this size that is consistently increasing year over year,” White says.

German and British visitors love the heat and contribute to the growing summer business, with Canadians leading among international travelers — Air Canada added another nonstop flight from Vancouver this year.

Both the CVB and Palm Springs Bureau of Tourism have maintained representatives in Europe for years and are looking closely at formalizing business ties in Asia. The Chinese market has surged since the June 2013 meeting between the

presidents of China and the United States at Sunnylands in Rancho Mirage, according to White and Ginther.

Visitors from China, Korea, and Japan come to the desert with independent tour groups to ride the Palm Springs Aerial Tramway, play golf, or shop at the Desert Hills Premium Outlet mall in Cabazon, Ginther says.

“The overall tourism growth potential for the Chinese market is stratospheric,” says Maryanne Coury, media director at The Jones Agency in Palm Springs. By 2018, according to U.S. Department of Commerce statistics supplied by Coury, outbound visitors from China will reach more than 4.8 million, Japan 4.2 million, and Korea 1.8 million. ✨

Above: The weekly VillageFest in downtown Palm Springs has been going strong for 20 years. Several blocks of Palm Canyon Drive close every Thursday evening to host live musical acts and booths selling food, art, crafts, and more. Opposite: The Palm Springs Aerial Tramway is one of the Coachella Valley’s most popular ecotourism attractions.

Investing in **INNOVATION**

From proof of concept to going to market, the Coachella Valley iHub helps entrepreneurs parlay great ideas into successful enterprises.

By Ken Alan

Photography by Andy Stolarek



Below: Kyle Wagner, assistant director of the iHub and the Coachella Valley Small Business Development Center, left, and Joe Wallace, the iHub's managing director and CVEP's chief innovation officer, stand in the recently opened Health and Medical Innovation Center of CVEP's Palm Springs Accelerator Campus. Opposite: The exterior of the 43,000-square-foot Palm Springs Accelerator Campus.



Not so long ago, few people had even heard of an innovation hub. “We didn’t have a clue, really, what it meant,” says Palm Springs Mayor Steve Pougnet. “There was no money and there was no federal program.”

In 2011, the Coachella Valley iHub launched as a business incubator with the goals of diversifying the region’s economy and creating demand for higher-skilled, higher-wage professionals. Today, 22 fledgling enterprises operate in the program, and several have advanced from the iHub to the nearby Palm Springs Accelerator Campus, which accommodates research and development as well as light manufacturing. “We invested money when times were tough, and now we’re starting to see the fruits of our labor,” Pougnet says.

The Coachella Valley Economic Partnership operates the iHub and the

Accelerator Campus in Palm Springs, as well as workforce and small business development offices in Palm Desert and Indio, respectively.

One iHub entrepreneur, Indy Power Systems CEO Steve Tolen, could have taken his startup to Northern California’s Silicon Valley but instead chose the Coachella Valley. “The Coachella Valley iHub will give you a helping hand and advice that you can trust,” he says. “Silicon Valley is more into cherry-picking companies and concepts that are hot.”

Tolen’s firm is one of about a dozen “virtual companies” operating out of the

iHub. “We’re not physically located there all the time, but when we do come to the Palm Springs area, or California in general, we stop in and I have meetings and consult with people,” Tolen says.

The company manufactures an energy management component called a micro-grid that helps businesses optimize the efficiency of their electrical use. Tolen hopes to relocate Indianapolis, Indiana-based Indy Power Systems to California in the near future. “It didn’t take much to recruit us to come out there,” he says. “California has a lot of renewable energy projects. It’s going to be a good start for us.”

EV Enterprises, which manufactures electric vehicle microelectronics, operates at the iHub’s Palm Springs Accelerator Campus, a 43,000-square-foot facility in a Foreign Trade Zone adjacent to Palm Springs International Airport. Its sales

Below, left and right: CVEP's iHub supports emerging companies such as Sactec Solar, which designs and manufactures alternative energy solutions, and SunUp Energy, a solar thermal company providing design, manufacturing, and installation services for commercial and industrial applications throughout Southern California.



grew from \$60,000 in EV's first year to \$300,000 in the second. The firm's president, Bill Schlanger, projected the company "could definitely be in the tens of millions" in three years. The company's staff has grown from two to four, but Schlanger forecasts as many as 30 employees by year's end.

Of the iHub, he says, "It's a great place to start your business. There's a lot of resources available, a lot of guidance, a lot of encouragement. There is introduction to capital and all kinds of expertise. The facilities themselves are top-notch. There are a lot of other entrepreneurs around who have had experiences that you can share."

Joe Wallace, the iHub's managing director and CVEP's chief innovation officer, says the resident firms often partner with each other. "There will be

12 to 20 companies there at any given time, so they get to know each other and all of these companies could actually be suppliers to one another, too," Wallace says.

EV Enterprises has a contract with neighbor Solaris Power Cells, which manufactures solar-powered golf carts. "We've collaborated with another company, Post Modern, that's making computer kiosks, and we've made some electronics for them," Schlanger says.

Not all iHub businesses are high-tech. Sonia Kanner manufactures an attractive and sleek alternative to the dowdy fanny pack called hipS-sister. She still lives in San Diego, where she launched the business, but she moved her offices and distribution center to the Palm Springs Accelerator Campus.

"What the iHub has provided for me is basically the tools and the structure

to build a business," she says. "I was a single mom, so doing things on my own would have been nearly impossible. Having that support, having the resources, having the mentorship, and having other entrepreneurs around me gave me the confidence to make it happen. It started with just me and one other person; now hipS-sister has eight full-time people."

Kanner visited the desert regularly as a child and says she never dismissed it as merely a tourist resort. "I saw there was a lot of vibrant energy here, like it's just ready to explode," Kanner says. "It's a beautiful place, but it's mainly the people and the opportunities, and the networking and the collaborations."

Kyle Wagner, assistant director of the iHub and the Coachella Valley Small Business Development Center, says the overarching concern of most entrepreneurs



“It’s a great place to start your business. There’s a lot of resources available, a lot of guidance, a lot of encouragement. There is introduction to capital and all kinds of expertise. The facilities themselves are top-notch.”

is how to access capital. “We don’t award grants or micro-loans, and a lot of the companies in the iHub aren’t going to be able to qualify for a bank loan — that’s just the nature of the game,” Wagner says. “So we help them find different forms of equity financing.”

The iHub has a relationship with the Inland Empire chapter of Tech Coast Angels, a group of independent financiers who have invested more than \$120 million in over 200 companies. “We’ll help them prepare their pitch deck,” Wagner says. “They’ll come in and, like on the TV show *Shark Tank*, we’ll let them give their presentation and then we’ll try to poke holes in it so they can make it better.”

A few iHub clients have tried crowdfunding through websites like Kickstarter.com on their own, but Wagner anticipates iHub will embrace this as a

resource in the near future along with crowdsourcing, once the U.S. Securities and Exchange Commission has approved regulations for equity investing. (With crowdfunded investments, people are funding something they’re excited or passionate about, but with no potential for financial gain.)

The Palm Springs Accelerator Campus recently opened its Health and Medical Innovation Center. Funded with a \$500,000 grant from the Desert Healthcare District, the 12,000-square-foot space includes a clean bench with a DNA sequencer. Several startups moved into the facility this fall to take advantage of the low overhead and access to resources.

Planning and funding have begun for a second accelerator campus in the eastern Coachella Valley. “The skill sets of the

workforce and the natural attributes of the East Valley are different from those in the West Valley,” Wallace says. “The East Valley is a good platform to innovate with respect to the reclamation and resurrection of the Salton Sea. And there is a very strong, healthy defense business down there.”

Wallace hopes to leverage the intellectual property owned by the federal government — the public — as a platform to create consumer products. “Some things that came out of Defense Department research include contact lenses, compact discs, data encryption, the Internet, and fiber optics,” he says.

According to CVEP’s most recent economic impact study, the iHub program’s 20-year potential is the creation of 5,112 direct and indirect jobs, along with \$12.5 billion in total economic activity. The average expected wage for a manufacturing employee in this region is \$48,900, according to industry data.

“Having the confidence of a number of companies in two iHubs can make [the region] stronger in attracting a business that’s looking for a technical workforce,” Wallace says.

“There’s no reason why we should not be luring some of those high-tech jobs [from the Silicon Valley]. There’s no reason why some of those emerging companies shouldn’t be doing business in Palm Springs,” Pougnet says. “That’s a huge opportunity and one that we’re taking a really serious look at, because the quality of life is terrific in the desert — and we can make it happen.” ✨

A Powerful Asset

It's time for a Coachella Valley industrial renaissance, fueled by the sun.

Since moving to the Coachella Valley in 2012, my wife and I have decided that this is perhaps the ideal place to live on Planet Earth. We purchased a home and chose to include a photovoltaic solar system on our house. Our decision was driven not only by our desire to minimize recurring costs but also to take advantage of the 360 days of sunshine annually.

Since installing our 9.9-kilowatt PV solar system, our electricity bill has been below zero every month. At the rate that we self-generate, our cost per kW hour over the life of the system is slightly under 6 cents.

Coming from Evansville, Indiana, where the flat rate is 16 cents and the average residential utility bill is the second-highest in the United States, we saw the solar opportunity as a great

investment. The surplus production has more than offset the water, sewer, gas, and garbage collection fees associated with home ownership.

Businesses can take advantage of this renewable energy source, too. Unfortunately, California businesses have been wooed by other states such as Texas, whose governor, Rick Perry, has brazenly recruited companies to relocate principally due to the differences in the cost of doing business. Texas recently convinced Toyota to move its Torrance-based operation to Plano, Texas, partially on the basis of the cost of electricity.

In the Coachella Valley, a solar industrial park could leverage the abundant sunshine to attract and expand businesses. With the average rate for electricity nationwide at 10 cents per kW hour and California's rate at

13.05 cents (per 2013 Energy Information Administration data), a solution that offers power-hungry industrial companies rates comparable to the rates we achieved at our home could vaporize the opposition to making things in California insofar as the Coachella Valley is concerned.

With the lowest state average being Idaho's 6.44 cents and the highest being Hawaii's 31.59 cents, a solar-fueled industrial park serving the Coachella Valley offering power at between 6 and 8 cents would be a great attraction for industrial expansion.

It is always good policy to leverage one's best assets. In the Coachella Valley, the abundant sunshine is one of our best and most reliable. As electric rates continue to rise, the cost advantages made available by solar energy actually get better. The Coachella Valley Economic Partnership,



Closing the Loop With Battery Storage

Generous state and federal tax credits offered to install renewable energy solutions have inspired many small industrial companies to invest in self-generation solutions such as solar panels. The effective electrical rates for these light industrial companies are comparable to the rates that residential homeowners have achieved.

The caveat with industrial rates is that there is a surcharge for the peak load associated with each meter. Electricity use is metered in two ways by your utility provider: first, based on your total consumption in a given month, and second, your demand, based on the highest capacity you required during the given billing period, typically a 15-minute interval during that billing cycle. In the case of a light industrial company, even if a solar installation meets all of the net consumption, there will still be a charge for any peak demand that happens either at night or when clouds pass over.

Dedicated battery storage enables light industrial businesses to greatly reduce the peak charges associated with industrial rate schedules by using a technique known as “peak shaving” to optimally manage the peak demands during times when the sun is not shining. The Coachella Valley iHub is incubating three companies that offer solutions combining solar arrays with battery storage, designed for optimizing energy management and minimizing industrial electricity charges.

which helps businesses grow and thrive, incubates solar energy companies in its Coachella Valley iHub and promotes renewable energy education in career academies at area high schools.

The Coachella Valley has a well-trained workforce and is a short drive to the more than 20 million people in Greater Los Angeles. An industrial park that offers businesses the lowest-cost electricity available would be a big step forward in establishing the Coachella Valley as the business crossroads of the United States, and that giant market of Los Angeles with its ports has the potential to make our region the best stop on that two-way highway that fuels the U.S. consumer markets. ✨

— Joe J. Wallace, Chief Innovation Officer, Coachella Valley Economic Partnership, and Managing Director, Coachella Valley iHub

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In the Coachella Valley, a solar industrial park could leverage the abundant sunshine to attract and expand businesses.
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Career Pathways

Local businesses and schools connect student learning to careers.

Janel Samuels knew at an early age that she wanted to become a nurse. Her grandparents, who helped raise her, suffered from many health problems. “Part of the reason I wanted to go into the medical field was because as a child I felt so helpless,” she says. “I couldn’t help them. I couldn’t make them better because I didn’t know how.”

While attending middle school, she met a traveling nurse at an on-campus career fair. “I remember listening to her talk about her job,” Samuels says. “She loved it so much, and it sounded like it embraced two of the key elements that I always wanted in my life: to travel and to help people. Listening to her and hearing her story inspired me.”

The Coachella Valley Economic Partnership connects business and schools to support career pathways and

work-based learning experiences to help students like Samuels achieve their career goals. Unlike most economic development agencies across the country, CVEP promotes a Workforce Excellence initiative that’s integral to economic vitality. “We think backward from the jobs and from the employer needs, then implement strategies that get our local students prepared for those jobs of the future,” says Sheila Thornton, CVEP vice president of Workforce Excellence.

The Coachella Valley Economic Blueprint, drafted in 2009 and currently being revised for release in early 2015, identified three industry sectors poised for growth and job creation: healthcare; arts, media, and entertainment; and advanced technology. CVEP focuses on these industries as it aligns its business development (attraction, and retention) and workforce

development initiatives.

On the workforce side of the equation, CVEP facilitates career exploration and work-based learning — including internships, mentorships, and job shadows — by connecting businesses in these industries with elementary, middle, and high schools in all three Coachella Valley school districts. The programs help create a well-prepared local labor force tailored to meet market needs. “In Desert Sands Unified School District, you have a kindergarten through fifth grade medical magnet academy,” Thornton says. “Those students learn all their core academics and career-themed concepts.” In addition, local high schools boast 18 career academies — schools within schools — that teach practical, applicable job skills and encourage college enrollment.



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Over the past six years, CVEP and matching partners have given out about 1,800 scholarships totaling about \$9 million.
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Samuels applied for a paid summer internship at CVEP, but the position went to her best friend. Undaunted, she worked — without pay — alongside her friend to develop what is now called the Emerging Health Professionals Work Group.

“We got a grant, and now every year we have an annual Emerging Health Professionals Career Showcase where we assemble students from the six health career academies across the desert, who present to their peers about that profession ... to inspire these students to get into these professions,” she says.

CVEP — through a grant from College Access Foundation of California and local matching partners — provides about \$1.4 million in scholarships to Coachella Valley students each year. “We do a lot of work around counseling for students in terms of capturing financial aid, filling out the Free Application for Federal Student Aid, and seeing if we can help them find other scholarships and grant funding to assure their success in college,” Thornton says. “Over the past six years, CVEP and matching partners have given out about 1,800 scholarships totaling about \$9 million.”

CVEP has supported Samuels with scholarships throughout her nursing education. “Not only have they helped me financially, they’ve helped me seek out health professionals and seek out potential jobs,” she says. “This is probably one of the best opportunities that I’ve ever had.”

Samuels expects to graduate in the spring of 2016, then work for two years in the Coachella Valley before registering for traveling nurse assignments. Eventually, she hopes to return to school to become a nurse practitioner. ✨

— Ken Alan

Experiences outside the classroom give students a perspective on what it’s like to work in different environments. “Mentorships from businesspeople are key, because it’s not just the work; it’s work habits,” says Christine Anderson, superintendent of the Palm Springs Unified School District. “It’s coming in every day on time, with energy and interest in bringing ideas to a business. Our students need to hear that from businesspeople, not just from teachers and parents.”

Samuels pursued her own career preparation by enrolling in science and math courses in high school and then looking to join any club related to the medical field. She found the sports medicine club and a new mentor in Palm Springs High School teacher Mike Ventura. “He gave me guidance on

everything,” she says. “He showed me how to apply to colleges, he showed me how to fill out a scholarship [application], and he wrote me letters of recommendation. Even now, he’s a mentor to me.”

By her senior year, Samuels was president of her school’s chapter of Health Occupations Students of America and spoke at CVEP’s Healthcare Industry Council, where she met representatives from colleges, hospitals, and CVEP’s scholarship and support program, which offers financial resources, college readiness and financial management workshops, and one-on-one counseling.

At the meeting, she was invited to apply for a scholarship. “They don’t just give you money,” Samuels says. “They give you support. You have the mentorship, and they also help connect you to internships.”

