

2015-2016

CALIFORNIA'S COACHELLA VALLEY

VISION

PALM SPRINGS
Like no place else.



Palm Springs

LIKE NO PLACE ELSE, SOUTHERN CALIFORNIA'S LEGENDARY RESORT DESTINATION HAS GOT BUZZ!

GREATER PALM SPRINGS CVB

MAYOR: **Steve Pougnet** MAYOR PRO TEM: **Paul Lewin**
 COUNCIL MEMBERS: **Ginny Foat, Rick Hutcheson, Chris Mills**
 YEAR INCORPORATED: **1938** POPULATION: **46,135**
 AVERAGE HOUSEHOLD INCOME: **\$64,123**
 WEBSITE: www.palmspringsca.gov

It's a well-known fact around the globe that like no place else, Palm Springs is in demand ... and we've got BUZZ!

Yes indeed! It's been another blockbuster, record-setting year for Southern California's most legendary resort playground. Once a haven to Hollywood mega-stars like Bob Hope, Frank Sinatra, Dean Martin, 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, ultra-cool resort destination in Southern California and beyond.

In fact, there's no doubt that thanks to the City's transformative Downtown Revitalization Plan, a host of innovative community and economic development projects, incentive programs, multi-million dollar hotel renovations and uniquely original special events and tourist attractions, the City has renewed itself into a fun yet sophisticated destination for all generations of residents and visitors to enjoy.

The most exciting project in the city continues to be the redevelopment of the former Desert Fashion Plaza on Palm Canyon Drive. Last October, a much anticipated new 170-room Kimpton Hotel broke ground where the mall used to be located in the heart of downtown. The sleek new hotel

will feature a magnificent roof-top 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, a new West Elm furniture design retail store has broken ground and City staff is working with Wessman Development to secure even more top quality retail tenants for the dramatic new outdoor shopping and dining complex. Another important part of the project coming soon, a new downtown park across from the Palm Springs Art Museum.

"It's happening folks! After years of hard work by our City Council, staff and the developer, the Kimpton Hotel and West End are now vertical. Real progress is moving forward on a project which is critical to the economic success of Palm Springs and the entire Coachella Valley," says Mayor Steve Pougnet, who adds that once completed, the project will be a tremendous economic driver.

Beyond the Downtown Revitalization Plan, 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 improvements — to the opening of the newly renovated Welwood Memorial Public Library in downtown, a plethora of transformational, quality of life projects are coming to fruition.

Another exciting Palm Springs development that just keeps getting better is the summer pool party and music weekend, Splash House, produced by Goldenvoice and LED, which is now in its third year at three amazing venues: the Hard Rock Hotel, the Hilton Palm Springs and the Saguaro Hotel.

“Splash House continues to be an amazing summer success story,” says Mary Jo Ginther, director of the Palm Springs Bureau of Tourism. “It just keeps getting bigger. More than 5,000 people came in June and August to enjoy the city’s ultra-cool vibe along with some talented, up and coming DJ’s. Palm Springs is no longer a sleepy village in the summer months.”

In fact, visit downtown Palm Springs and you’ll see it’s a bustling with residents and international visitors from all walks of life enjoying eclectic shops, galleries, and unique dining destinations. In fact, Palm Springs continues to be prominently featured in popular sitcoms, reality television, travel shows, fashion magazines, and Hollywood blockbusters.

Another blockbuster everyone is buzzing about, the new fast and free BUZZ Trolley. Since it launched last December with a star-studded kick-off party featuring legendary local celebrities like Suzanne Somers, Nancy Sinatra, Jerry Weintraub, Gavin Macleod, Carol Channing, Jack Jones, Lily Tomlin and Gloria Greer, more than 5,000 residents and visitors have enjoyed the trolley, which runs every 15 minutes from the Riviera Resort through Uptown and Downtown to as far south as the Saguaro Hotel.

“The BUZZ has been a huge hit,” says Ginther. “It’s a hip, happening and fun way to get around town fast and free and a fabulous new addition to the city.”

Yet perhaps the most exciting moment this year for the Palm Springs destination

*Clockwise from top:
The Downtown Revitalization Project moving full speed ahead; The new Kimpton Hotel coming in fall 2016;
Julianne Moore at the Palm Springs International Film Festival; Louis Vuitton’s Cruise 16 Collection premieres at the iconic Bob Hope Estate.*



ETHAN KAMINSKY



SHERRI BREYER



LOUIS VUITTON

The City of Palm Springs



*Palm Springs Art Museum
Architecture and Design Center,
Edwards Harris Pavilion.*

PALM SPRINGS ART MUSEUM/DAN CHAVKIN

was when Nicolas Ghesquiere, the world famous designer who leads French fashion house Louis Vuitton, chose the iconic Bob Hope estate in Southridge to host the couturier's much-gabbed about Cruise 16 Collection. It was a star-studded event, which featured international celebrities from all over the world, including Catherine Deneuve, Charlotte Gainsbourg, Selena Gomez, Michelle Williams and pop star Kanye West.

“The premiere of Vuitton’s Cruise 16 collection in Palm Springs was a huge get for the city and created over a billion media impressions worldwide. You simply can’t buy that kind of buzz,” notes Ginther. “It’s priceless and just more proof that Palm Springs is in huge demand.”

Not surprisingly, film and television producers from around the world are also flocking to Palm Springs to shoot their productions. With that in mind, the City Council approved a popular “Film Friendly” Incentive Program, which provides grants 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.

Incorporated in 1938, Palm Springs also

boasts a variety of unique tourism attractions that bring visitors back year after year, including the breathtaking Indian Canyons, the magnificent Palm Springs Aerial Tramway, the renowned Palm Springs Art Museum and its new Architecture and Design Center, along with several hugely successful and important special events — including Palm Springs Village Fest, a popular weekly street fair held every Thursday night along Palm Canyon Drive, the spectacular Palm Springs Festival of Lights Parade held every December, Palm Springs Modernism Week and the world-famous Palm Springs International Film Festival.

Consistently voted the Coachella Valley’s most popular special event, the film festival, founded 27 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, Colin Firth, Clint Eastwood, Sean Penn, Bradley Cooper, Ben Affleck, Quentin Tarantino, Cate Blanchett, Julianne Moore, Meryl Streep, Sandra Bullock, Julia Roberts, and many more.

Another major economic driver for to the City’s economy is Palm Springs Modernism Week, a sophisticated 10-day homage to the ideals of mid-century 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.

Some of the more famous examples of mid-century modern treasures in Palm Springs include the 1946 Neutra-designed Kaufmann House, the Bob Hope house designed by famed mid-century architect John Lautner in the city’s Southridge neighborhood, and the iconic Tramway Gas Station, (now the Palm Springs Visitors Center), designed by Albert Frey, John Porter Clark and Robson Chambers. It is their work that inspired Modernism Week — and organizers have 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.

And when it comes to all things modern, downtown 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 a glut of new and expanded eateries, including Mr. Lyons, Appetito, L'Atelier Cafe, Gyoro Gyoro Japonaise Izakaya, Dish, Bootlegger Tiki, Ernest Coffee and the super chic new Eight4Nine Restaurant and Lounge in the Uptown Design District.

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

Coming soon to Palm Springs, the new 32-room Arrive Hotel designed by local Chris Pardo. Other Palm Springs properties that have recently refreshed their looks include the Hilton Palm Springs, which underwent an \$8 million transformation, the former Holiday Inn is now the hip and colorful Saguro Hotel — and the former El Rancho Lodge in South Palm Springs is now the rustic Sparrows Lodge. In addition, the former Spanish Inn recently opened as the Triada Resort & Spa, a Marriott Autograph property located in the Uptown Design District and the former Hotel Zoso is now the ultra-cool Hard Rock Hotel. Not to mention, famed attorney Mark Geragos recently purchased the Curve Hotel in South Palm Springs, which is currently undergoing a dramatic transformation.

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

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



ETHAN KAMINSKY



ETHAN KAMINSKY

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, Allegiant, Virgin America and Air Canada Rouge. Most recently, JetBlue announced nonstop service to and from Palm Springs International Airport to JFK in New York beginning in January 2016. This brings expanded service to Palm Springs and the entire Coachella Valley — and coupled with nearly \$100 million in improvements along with a new \$25 million airport traffic control tower, new excitement to Palm Springs International Airport.

So as Palm Springs experiences a renaissance for the ages, the city continues to transform and reinvent itself for every generation of resident and visitor. When it comes to hip, happening and ultra-cool, according to Pougnet, "Like no place else, Palm Springs has got BUZZ!"

— By Amy Blaisdell



employment

The Valley is Working Again

The Coachella Valley has replaced most of the 20,000 jobs it bled in the five years since the economy collapsed in 2008, and is close to full recovery, according to an annual report by the Coachella Valley Economic Partnership. The region has regained more than 16,000 jobs, and the unemployment rate dropped below 6.5 percent for the first time since 2008. However, income and GDP continue to lag, according to Manfred Keil, an associate professor of economics at Claremont McKenna College, who spoke at the Coachella Valley Economic Forecast last spring.

The Biggest Employers in the Coachella Valley

EMPLOYEES	EMPLOYER
2,517	Eisenhower Medical Center • Rancho Mirage
2,403	Agua Caliente Band of Cahuilla Indians • Palm Springs and Rancho Mirage
2,403	Desert Sands Unified School District • La Quinta
2,000	Palm Springs Unified School District • Palm Springs
1,750	Desert Regional Medical Center • Palm Springs
1,724	Coachella Valley Unified School District • Thermal
1,235	La Quinta Resort & Club • La Quinta
1,200	Fantasy Springs Resort Casino • Indio
1,100	JW Marriott Desert Springs Resort & Spa • Palm Desert

SOURCE:
RIVERSIDE
COUNTY EDA

SBDC Helps Entrepreneurs Grow and Create Jobs

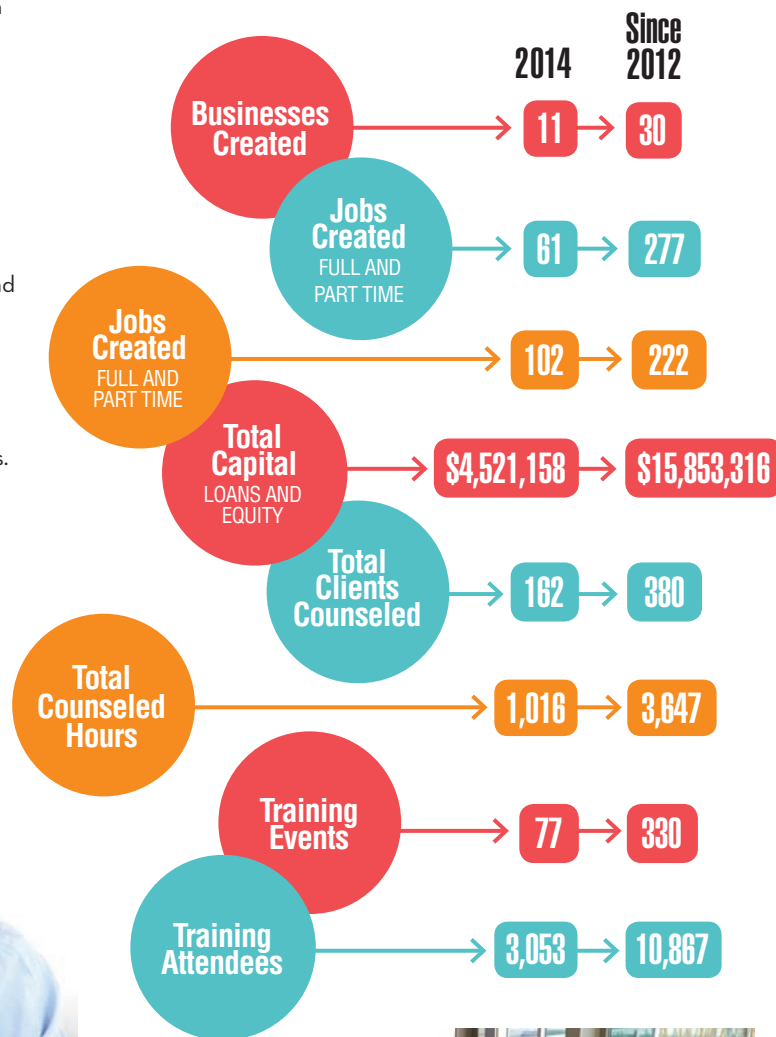
In the past few years, the Coachella Valley Small Business Development Center has helped local small businesses access more than \$16 million in loans and equity, and it has expanded its reach to provide more business counselors, including industry-specific consultants to help entrepreneurs navigate the idiosyncrasies of niche markets, says Kyle Wagner, the CVEP director of business development who runs the Coachella Valley SBDC.

The SBDC, supported by the U.S. Small Business Administration and local matching funds, offers free, one-on-one consulting to entrepreneurs seeking assistance developing a business plan, preparing financial statements and projections for loans, developing a marketing plan, growing sales, overcoming obstacles in management and human resources, fine-tuning operations, integrating technology, achieving sustainability, buying and selling a business, and gaining information about local industry and economic trends.

The Coachella Valley SBDC also produces monthly workshops in English (Fireside Chat series) and Spanish (LanzaTech series).

Information; 760-340-1575, www.cvep.com

Coachella Valley SBDC Services Delivered in the Coachella Valley



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Innovators WANTED

AT THE COACHELLA VALLEY IHUB, FORWARD-THINKING ENTREPRENEURS PUT THEIR BEST IDEAS TO THE TEST AND GO TO MARKET.

By Lisa Marie Hart • Photography by Ethan Kaminsky

By the time Bob Kunesh was ready to expand his Los Angeles-based business after 25 good years, plenty of suitors tried to woo him. “I was invited to Texas, I thought about Arizona, and I had an opportunity in Nevada,” says the owner of Sactec Solar. “Places were offering me free rent, but they weren’t offering me the kind of total support I found in the Coachella Valley.”

Now located in the Coachella Valley iHub, a business incubator in Palm Springs, Sactec Solar focuses on “sun-tracking” mobile trailers and containerized energy power systems for governmental and nongovernmental agencies.

“I found a good reason to spend more time in Palm Springs, where I get the most enjoyment,” says Kunesh, who’s moving into the home he purchased in town five years ago. “What’s being done for small businesses here is more than I’ve seen anywhere else. Other cities might have great sales talks, but they don’t have the people and the organization to back it up.”

Kunesh is one of an increasing number of entrepreneurs from California and beyond packing up and heading for Greater Palm Springs. The region offers many reasons to incubate or relocate a business in the region. “First, we have a relatively low cost of living compared to the coast,” says Joe Wallace, interim CEO and president of the Coachella Valley Economic Partnership, which manages the Coachella Valley iHub. “We’re more like the Midwest than L.A., San Diego, or Silicon Valley.”

Transplants find relative bargains in the real estate market — and enjoy the added value of mountain views and natural splendor. Short, straightforward commutes and an enviable climate most months of the year add to the quality of life that distinguishes the region, Wallace adds.

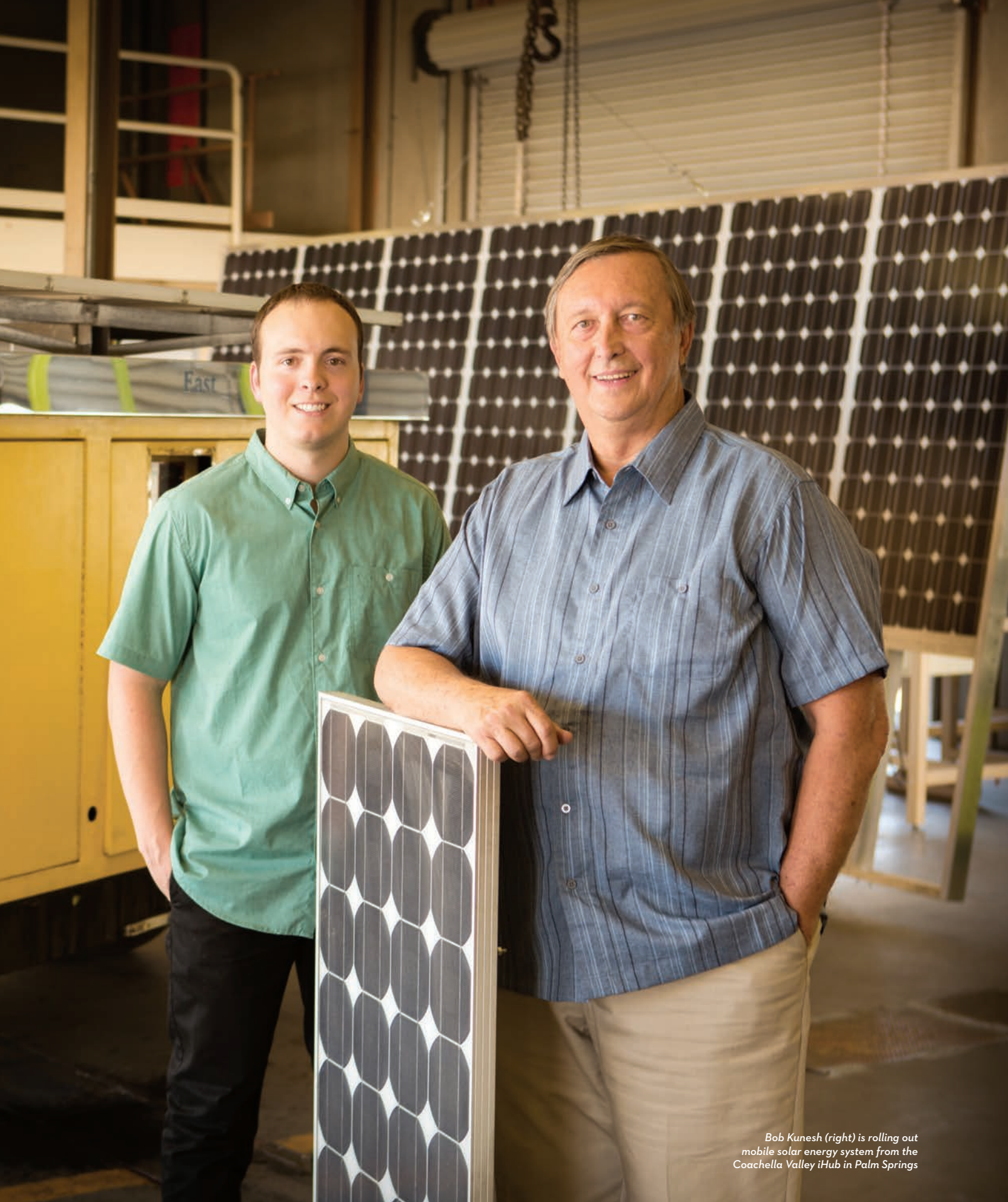
In addition to livability, Kunesh appreciates the region’s longstanding interest in the products he delivers. “It’s a truly inviting place for anyone in the solar business, because it’s valued here,” he says.

“Solar wasn’t invented here,” Wallace says, “but with 360 days of sun, it is the perfect place and proving ground for early adopters. It will do the same thing for battery storage and other technologies.”

Kunesh credits the iHub with helping him win the Emerging Entrepreneur honor at the 2013 Spirit of the Entrepreneur Awards presented by the Inland Empire Center for Entrepreneurship at California State University San Bernardino.

In recent years, companies taking residency in the iHub operate in industries critical to the region, especially renewable energy, healthcare and medical technology, digital media, and high-tech and advanced manufacturing.

“If someone wants to develop an elective medical device for the affluent, we have that market,” Wallace says. “If your target is people of lesser means, we have that, too. We have a strong cross-section of America, which makes us a good test market.”



Bob Kunesch (right) is rolling out mobile solar energy system from the Coachella Valley iHub in Palm Springs



The CASE for INCUBATION

Businesses selected into the iHub and its nearby Palm Springs Accelerator Campus — a cluster of seven buildings on 3.5 acres in a foreign trade zone — enjoy assistance in idea development, business planning, strategy, marketing, customer acquisition and retention, cash flow management, and equity investor pitches.

Wallace encapsulates the program's success for the iHub's first 32 companies in one impressive number: their collective valuation of \$100 million.

"We look for people with big ideas and big ambitions," he says. "We look for companies that will create jobs, wealth, and opportunities for the coming generations."

As one of 16 innovation hubs in California, the Coachella Valley iHub's programs, services, and incentives (though not

direct funding) for start-ups combine with office space, a conference area, and professional consulting to support growth and success.

Once startups prove their concepts, they can transition from an office to this site for small-scale manufacturing.

"We weren't planning to launch a new company, but the iHub made it easy," says Deena Suffin, co-owner of Post Modern, which has its office in the iHub and manufacturing space at the Accelerator Campus. Suffin managed a Los Angeles



Jane Shore and
Deena Suffin of
Post Modern

marketing firm for almost 20 years before considering a start-up. Founded in 2011, Post Modern uses patent-pending technology and on-site photo kiosks to help companies create custom social media campaigns during trade shows and events.

While quality of life drew Suffin and her partner, Jane Shore, to Palm Springs, Suffin says the iHub staff made them feel at home, helping them establish relationships with vendors, manufacturers, labor, and most importantly clients. “The iHub has put us over the top,” she says. “It’s very hard to start from scratch and keep the momentum, but their support has really reinvigorated us.”

Suffin and Shore reflect another trend

that Wallace says goes underappreciated in the desert communities. “We have an abundance of people over age 40 who came out here after being successful entrepreneurs,” he says. “They may have come for fine food or golf, but an entrepreneur is not a mind that can be without a task. Eventually they’re looking to start a business.”

Wallace says iHub entrepreneurs average around age 50, while other cities average around age 30. “These are second-, third-, and fourth-time around business people with strong backgrounds. We have a lot of knowledge and experience here.”

At the iHub and Accelerator Campus, entrepreneurs have access to services

and mentorship that mitigate the risk of entrepreneurship and help them operate efficiently.

“It’s been an ideal environment for growth and improvement — more than I ever expected,” says Kunesh, who learned about the iHub through Bill Schlanger, owner of EV Enterprises, who moved his electric car conversion firm from Arizona to the Coachella Valley in 2012.

“We’ve been given goals and direction. We’re hired some people, and we can build the company to a much larger size here,” Kunesh says. “There’s a kind of optimism here. The iHub has brought us publicity, education, and potential investor support. It’s an excellent place for small tech businesses to bloom.”

Even virtual companies with a fundamental reason to relocate one day rely on iHub programs and services remotely from Indiana, Germany, and Switzerland.

The innovative fashion accessories firm hipS-sister gained traction by moving to the iHub from San Diego. Priatas, which makes disposable and recyclable products for the biomedical research field, launched at the Accelerator Campus’ fledgling Health and Medical Innovation Center, although its founder, Dr. Allan Wu, commutes from his job as a chief scientific officer in Riverside.

“One of the advantages of being in the iHub is being able to tap into the other technological innovations that are taking place here,” Suffin says. “Some of our circuit boards on our Version two kiosks are manufactured here. We’re also investigating the idea of putting a solar panel that would be manufactured here on top of our kiosk so that we can go totally wireless.”

Given the breadth of companies within the iHub, business objectives vary. From its inception, however, companies have found a proclivity for working together. “We’re sharing experience and technologies and supporting each other as we develop our own companies,” Kunesh says. “When you have three or four businesses that find common ground and can add to each other’s products and ideas, it enhances all of us.”

PATENTS NOT PENDING

The most successful startups list intellectual property – a patent, for instance – as one of their assets. Several companies operating in the Coachella Valley iHub hold patents for their innovations. One is leading the field of energy management and storage, while the other is managing the sensitive issue of elder incontinence to help prevent dermatological issues and infection and enhance patient comfort and confidence. Both are breaking ground and advancing their respective fields.

INDY POWER SYSTEMS

FOUNDER: Steve Tolen, president/CEO, whose energy management company originally built plug-and-play battery packs for electric vehicle owners. “We found the automotive industry wasn’t interested in battery-powered vehicles no matter what they say,” he recalls. “Utility companies, however, were interested in talking to us about storage and charging systems, and we realized there was a huge market.” He modified his system to work on a grid, and it took off.

MISSION: Become one of the world’s top power-management companies. The company has introduced an energy management system at Yellowstone National Park, where recovered Toyota hybrid-car batteries store and manage the power from solar panels and microhydro turbine systems. The energy powers a ranger station, research building, and other remote buildings. The implementation of used batteries for commercial energy storage is an industry benchmark that blends power sources and optimizes energy. IPS holds four patents and has three more pending.

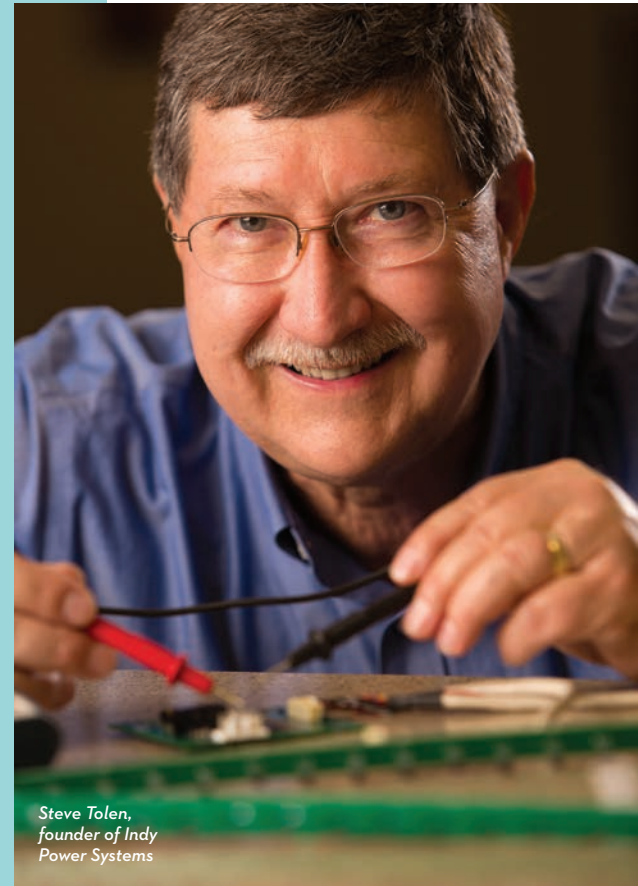
WHY THE COACHELLA VALLEY: Since joining the iHub, Tolen has built a California presence while exploring potential partnerships with battery companies and a solar installer. He expects to manufacture energy management containers for the military and local uses. “One of the reasons we like California is it has one of the largest concentrations of distributed energy,” Tolen says. “The Coachella Valley has been a great fit. All you have to do is run out to the interstate and see all the solar and wind farms. We love it.”

INCONTINENCE TECHNOLOGIES

FOUNDER: Fanny Ramirez, who has worked with Alzheimer’s and dementia patients for 25 years. Many struggle with incontinence, and then develop ulcers deep under their skin that never heal.

MISSION: Use her patented Fanny Wrapper adult garment to prevent incontinent patients from developing rashes, infections, ulcers, dehydration, and other conditions. The product works as a standard diaper with a disposable pad that incorporates a water sensor and a transmitter that sends a wireless signal to the caretaker’s receiver when the patient needs a garment change. “My dream is for people not to be in pain,” Ramirez says of the idea she has been perfecting for 10 years. “Patients can die from incontinence-related infections. I needed to help.”

WHY THE COACHELLA VALLEY: The area is rich with healthcare services and people who need them. Ramirez offers a solution to hospitals, nursing homes, and private caretakers that has the potential to improve the lives – and provide economical benefits to medical institutions – through prevention on a global scale.



Steve Tolen,
founder of Indy
Power Systems



Fanny Ramirez,
founder of
Incontinence
Technologies

100 JOBS AND COUNTING!

BUSINESSES
INCUBATING
IN PALM SPRINGS
ARE HIRING AT
A FASTER-THAN-
PROJECTED PACE

The ultimate measure of the Coachella Valley iHub's success will be the number of jobs it creates for the local workforce. Earlier this year, the iHub companies reached their first 100 employees hired – more than two years ahead of schedule.

In 2014, Inland Empire economist Dr. John E. Husing projected that the iHub would create 105 new jobs by 2017. According to Husing's projections, the iHub will create more than 3,500 direct jobs across 81 surviving startups during the next 20 years (and potentially faster if the pace of 2014 continues).

The iHub team mentors businesses that create higher-skill, higher-wage jobs in an economy dominated by low-wage industries. The program does not fund startups or pay salaries to entrepreneurs. Rather, companies accepted into the program receive workspace, basic office resources, and access to management consulting resources.

"The research and development we've been able to do through the iHub has really been a breakthrough for us," says CEO Rick Rothman of SunUp Solar Systems, an innovator in solar hot water and pool heating. In addition to changing the company's emphasis from contracting to manufacturing, "We were encouraged to get financing for our customers. Now they only come up with 40 percent of the cost, our systems pay for themselves in two to two and a half years, and after that, customers have free hot water."

By the end of 2015, SunUp will have created 20 full-time jobs since joining the iHub. Rothman projects he will need even more workers to support the growth and install the systems.

Through SunUp's apprenticeship program, workers receive streamlined training that results in skilled, consistently trained laborers, technicians, and crew chiefs who possess the knowledge of electricians, plumbers, and roofers all in one.

"Our goal is not to be the biggest company," Rothman says. "It's to develop a scalable business network of dealers so we can expand as a manufacturing and training facility."

In addition to direct job creation, by 2036 the iHub program forecasts the creation of an additional 1,500 indirect jobs, with \$2 billion in payroll and more than \$7 billion in sales.

"The iHub is interested in entrepreneurs who might not otherwise find their path into realizing their ideas," says Joe Wallace, CVEP interim CEO and managing director of the iHub. "We've done very well in attracting funds to the startups with more than six million investor dollars to date being deployed into equity positions in iHub companies. None of it has come from an angel fund or a venture capitalist. It has come from individual people."

Sun Up Solar Systems has hired almost 20 employees since moving into the Coachella Valley iHub.



good vibrations

ROBUST TOURISM IN GREATER PALM SPRINGS HAS A POSITIVE RIPPLING EFFECT FAR BEYOND TRADITIONAL HOSPITALITY.

By Janice Kleinschmidt

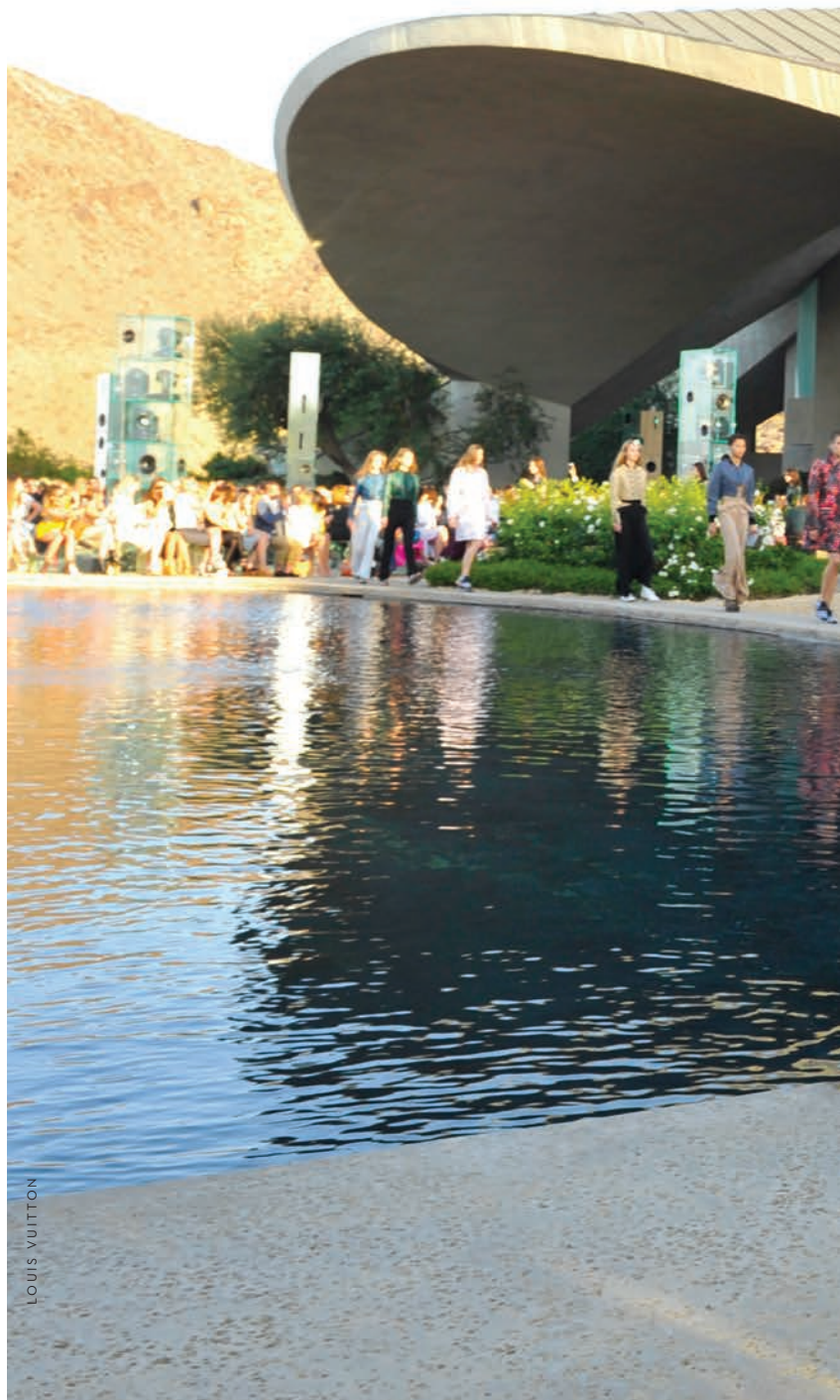
If anyone in the Greater Palm Springs tourism industry hoped for a snowball effect when Louis Vuitton debuted its 2016 women's cruise collection in Palm Springs, they were in for an awakening.

It triggered an avalanche.

Based on clipping and online monitoring services hired by the Palm Springs Bureau of Tourism, the May 6 event at the Bob Hope house resulted in 2.4 billion media impressions internationally within the first week. Many spillover effects tally more impressive numbers: 3,800 room nights and almost 10 home rentals. Parker Palm Springs hosted an elaborate after-party and two luncheons.

"[Louis Vuitton] rented Palm Springs Art Museum for a day and had a lunch for 250 in the sculpture garden," says Kip Serafin, owner of Locations 760 and The Kip Group, who arranged the Vuitton venues. "They spent over \$3,000 in the museum store." The following day, about 400 guests enjoyed lunch at Leonardo DiCaprio's Dinah Shore estate.

Luke's Catering Co. from Los Angeles sent about 60 staffers, had them coiffed pre-event at Studio M Salon and Spa, and took them to a post-event, thank-you lunch at The Tropicale Restaurant & Coral Seas Lounge in Palm Springs.



Louis Vuitton rolled out its 2016 women's cruise collection at the iconic Bob Hope house in Palm Springs.







CHRIS MILLER/IMAGINE IMAGERY

Coachella, the music and art festival that introduced Greater Palm Springs to younger generations, yields billions of media impressions worldwide.

Brought to town by Louis Vuitton and offered use of its models for photo shoots with its fashions, eight of the numerous magazines invited — including international editions of *Harper's Bazaar*, *Marie Claire*, and *Elle* — stuck around. “We did 16 photo shoots the following weekend,” Serafin says. “Plus a lot of the magazines extended their stay to shoot other lines.”

Clearly, anyone in the tourism industry dreams of attracting a Louis Vuitton level of VIPs. But in sheer numbers, “Coachella is still No. 1,” says tourism bureau Director Mary Jo Ginther, referring to the annual music and arts festival that transformed the desert’s retirement community reputation into a destination for young people — a place where things happen.

Added Attractions

In the desert’s nascent days of tourism, the therapeutically dry heat, crystalline skies, and relaxed pace attracted Hollywood celebrities to Nellie Coffman’s sanatorium, Walt Disney’s chuck wagons, and tennis and pool play. The peaceful attributes prevail, but events have expanding influence on the region’s brand.

Ask Palm Springs Hilton General Manager Aftab Dada what event brings him the most overnight guests and he’ll immediately reply in one word — “Coachella” — with no elaboration, as if nothing more need be said. The festival takes place 25 miles from the Hilton, which proves the power of the desert’s nine cities to capitalize on each other’s events and attractions.

Although Coachella draws almost 200,000 music lovers to the Indio polo grounds each spring, “it affects everyone,” Ginther says. The Greater Palm Springs Convention and Visitors Bureau’s (CVB) most recent (2013) economic impact report measured the regional effect of

Coachella and companion Stagecoach Country Music Festival at more than \$254 million.

Palm Springs hotels are building on the momentum. In its third year, Tachevah: A Palm Springs Block Party — between the two Coachella weekends and co-produced by Goldenvoice, the company behind the Coachella and Stagecoach festivals — lured 8,000 guests.

“Tachevah is still in its infancy,” Dada says. “Our goal is to build the Tachevah brand. According to Goldenvoice, there are approximately 12,000 international [Coachella] attendees and the majority of them are here for 10 to 12 days. In between [Coachella weekends], the days are dark. The goal was to give them a flavor of Palm Springs and hopefully have them come in future years to stay with us.”

This year, the Hilton became a venue for another third-year venture. Billed as a “roving pool party,” Splash House began as a personal investment by locals Tyler and Kelly McLean. The event’s inaugural success (2,000 attendees on an August weekend) caught the attention of Goldenvoice, which signed on with others as a partner. A weekend in June was added in 2014.

“Our biggest opportunity is driving demand to the summer and fall months,” says Scott White, CEO of the Greater Palm Springs CVB. “Our summer months are evolving into a separate brand.”

Gathering Forces

The BNP Paribas Open tennis tournament ranks among the top draws for attendance and media exposure. More than 457,000 ticket holders filtered through the Indian Wells Tennis Garden gates in March — 25,000 more than the prior year. A George Washington University study tallied the tournament’s impact on the regional economy at almost \$374,000.



GREATER PALM SPRINGS CVB

Splash House dance and pool party takes place at the Hacienda Cantina & Beach Club, the Hilton Palm Springs, and The Saguaro in June and August.



BILLIE WEISS/BNP PARIBAS OPEN

The BNP Paribas Open tennis tournament.

“

In addition to the revenue stream to the city from admissions and hotel occupancy taxes, Indian Wells hotels and resorts, restaurants, retail operations, and attractions see a significant financial boost,” Indian Wells City Manager Wade McKinney says.

Palm Desert represents the retail nucleus of the Coachella Valley, making it the best indicator of the impact of tourism on local commerce.

“We estimate that the tourism industry generates over \$22 million per year in revenue for the city,” says Ruth Ann Moore, economic development manager. “Of the city’s general fund revenues, approximately 37 percent are generated by sales tax and 18 percent by transient occupancy tax. Tourism’s impact on retail sales can be viewed by comparing per capita retail sales for a tourism destination such as Palm Desert and a community where the economy is not tourism-based. For example, Palm Desert brings in \$314 per capita in retail sales tax, while the city of Riverside generates only \$159 per resident.”

Fifteen years ago, Palm Springs’ hotels and inns filled city coffers to the tune of \$14 million a year from room taxes. Over the next year, the city expects transient occupancy taxes to reach \$26 million, which goes into the general fund. “That’s a significant impact on our ability to provide services to the community,” City Manager David Ready says.

He credits this century’s near doubling of TOT (transient occupancy tax) income, in part, to the city’s hotel incentive programs. “If the [TOT] is \$500,000 a year from a location and they do a remodel so now the tax is \$800,000, we share 50 percent of the increment, giving them \$150,000 a year. That helps pay for the renovation,” he explains.

International travelers account for some of the increase in tourist dollars.

“China and Australia are growing the fastest, and our traditional markets like Canada, the United Kingdom, and Germany are becoming strong repeat customers for us,” White says. “The growth is valleywide. We have nine resort cities, and everyone is working hard to improve their attractiveness to visitors. As product is created or hotels renovate, we see a domino effect.”

With Japan’s All Nippon Airways assuming title sponsorship of the LPGA tournament in Rancho Mirage, White says, “The ANA Inspiration [tournament] is providing our destination with new opportunities to attract visitors and groups from Asia.”

Bringing it Home

Local celebrities with golf tournaments bearing their names — Bob Hope, Frank Sinatra, and Dinah Shore — ushered



Architect Donald Wexler's steel homes can be seen during Palm Springs Modernism Week.

DAVID GLONB

Greater Palm Springs onto the world stage. Now, the desert resort communities capitalize on assets beyond the greens.

With a 30 percent increase in attendance this year, Palm Springs Modernism Week generated an estimated \$22 million in revenue for hotels, shops, restaurants, and other local businesses. And partner events brought in more than \$900,000 — \$463,000 of which was raised by 23 neighborhood organizations offering tours to fund their own projects.

Although media impressions are less tangible than TOT, the effects of being on the radar are resounding. Why else would Louis Vuitton's vice president of global events fly in from France with an assistant to search for a location that fulfilled designer Nicolas Ghesquière's vision for, as Serafin relates it, "something like landing on the moon"? Serafin took them to the Bob Hope house, which one could mistake for a midcentury modern spaceship that landed on a flat spot of a rugged hillside.

"Last year, they did [the fashion collection debut at] a castle in Monaco," Serafin says. "They were considering Seoul, Singapore, and Los Angeles. We were competing with other cities."

A *New York Times* article on May 7 quoted Ghesquière about spying the Hope house on his first visit years ago: "I thought, 'Wow, it's incredible.' It stayed, here in my dreams."

Reporter Matthew Schneier went on to describe Ghesquière's cruise collection as having "a modified Coachella vibe." To assume that readers of a newspaper with a circulation exceeding 2 million would understand the reference reinforces the value of tourism to those living in the dream destination.

BY THE NUMBERS

\$4.5 BILLION

Annual visitor spending

ONE in FOUR

Number of local jobs sustained by tourism

\$858 MILLION

Annual federal, state, and local taxes generated by tourism

\$3,260

Amount each household in Greater Palm Springs would need to be taxed per year to maintain the current level of government services without tourism

Source: Greater Palm Springs CVB Economic Impact Report, 2013

Economics

A group of people, including several women, are walking their dogs on a paved path in a park-like setting. The path is lined with trees and landscaping. The scene is bright and sunny, suggesting a pleasant day for a walk. The people are dressed in casual, outdoor-appropriate clothing, and the dogs are on leashes. The overall atmosphere is one of active living and community.

THE ECONOMICS OF AGE



BRIAN EVANS

DEMOGRAPHIC TRENDS SIGNAL SHORT- AND LONG-TERM POPULATION AND JOB GROWTH.

By Michael McDonald

Year-round great weather and proximity to Los Angeles made Greater Palm Springs a popular winter getaway and retirement destination for celebrities and affluent business people decades ago. Their wealth and spending quickly created a service economy built around satisfying their needs. This pattern remains in the valley's age distribution today. (See Chart 1, *Age Distribution Coachella Valley vs. All California*, below).

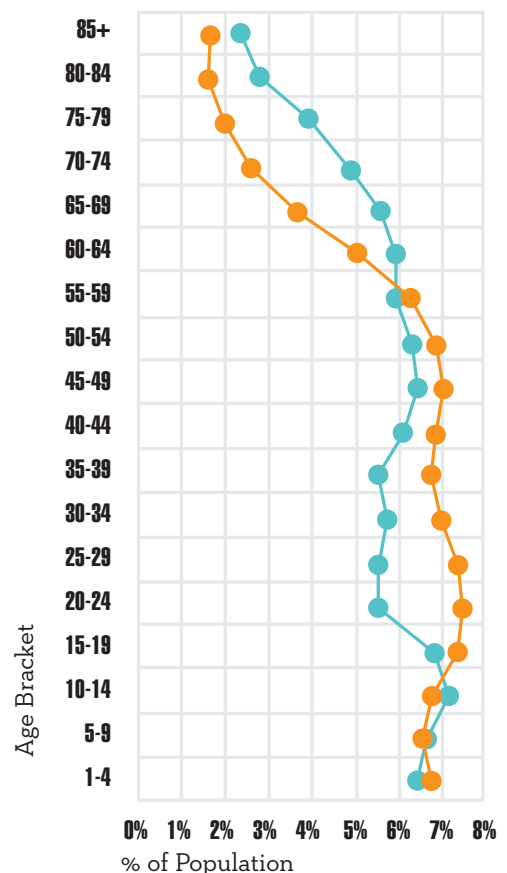
An area's age distribution — the percentage of its population in different age brackets — holds significant indicators when looking at its job needs. Older people have different wants and needs than younger ones. For example, an area of younger people requires more teachers than one of older people, who need more healthcare professionals.

In the chart, the blue line shows the percentage of the Coachella Valley population in different age brackets — divided into five-year increments — while the orange line shows the measurement for the entire state. Here are three takeaways that distinguish the region:

- The percentage of children in the first four age brackets (birth to age 19) matches the statewide figure, an indicator of the area's needs for teachers and child-related services.
- In the age brackets from 20 to 45, the Coachella Valley has between 15 and 20 percent fewer people than the state average — probably due to the region's level of post-graduation migration to other areas.
- The number of people 60 years and older far exceeds the state averages. The age brackets from 70 to 79 are 100 percent greater than the state average. Overall, 25.5 percent of Coachella Valley residents are older than 60, while the state shows 17.5 percent.

AGE DISTRIBUTION Coachella Valley vs. All California

- % of CV Population in Age Bracket
- % of CA Population in Age Bracket



Demographic age patterns can project the job opportunities of the future, which is essential to preparing the workforce to ensure employers have a robust local talent pool. One area trending for significant growth is healthcare.

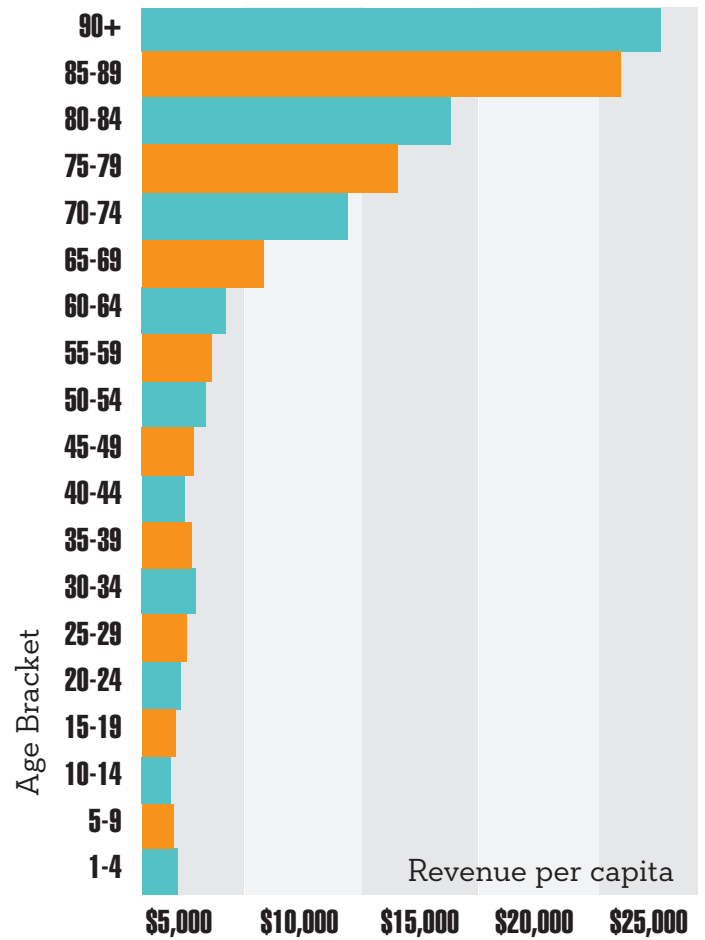
Comparing the Coachella Valley to other regions of California reveals how age affects healthcare revenue. (See *Healthcare revenue per person by age* on the right).

This chart plots average yearly healthcare revenue per person by age — and shows some age bias: an 80-year-old will generate five and a half times more revenue than a 50-year-old. When figuring in the Coachella Valley's age distribution — weighted toward older age brackets — the amount of revenue generated is about 20 percent greater, securing healthcare as an important industry here.

While new healthcare jobs depend on a number of factors, the most important is population growth — especially the increase in people older than 60. From 2000 to 2013, the number of healthcare employees in the Coachella Valley increased 55 percent, from 8,779 to 13,667. During that same period, the population of residents 60 and older grew from 58,183 to 88,707, an identical increase of 52.5 percent, implying that on average one new healthcare job is needed for every 6.2 new residents ages 60 and older. Because of the region's mortality rate in the over-60 population, more than 6.2 must arrive to net the 6.2 person increase.

Linking population trends to healthcare jobs can be useful. For example, joint replacement often occurs in a person's 70s, while eldercare assistance increases in the 80s. Detailed population data, available through the U.S. Census Bureau's ACS (American Community Survey) program, provides tremendous insight when forecasting employment trends.

HEALTHCARE REVENUE PER PERSON BY AGE





PHOTOS BY NEIL HUSVAR

How Retirees Create Jobs

The correlation between population and job growth is well documented. When the Coachella Valley population increased from 255,790 in 2000 to 346,518 by 2010, the economy, as measured by sales and jobs, grew proportionally. How it all happens is sometimes unclear. Does a growing economy require and attract more people, or did the needs of more incoming people bring about a larger economy? It's probably a combination. But the mechanism for growth becomes clear when retirees fuel the population increase.

Incoming retirees, with built-in sources of income, need no jobs to

survive but rather their spending creates jobs for existing residents.

In the first year of arrival, the total spending of one retiree household will effectively create the equivalent of one new job. Half of that job comes from new home construction because the homeownership rate of retirees is the highest at 80 percent. In the second and subsequent years, the annual spending of that retiree household creates and maintains about half a job.

Most studies show that, excluding healthcare, almost one-half of the jobs created are in the services sector while slightly more than 20 percent are in retail. About 10 percent are in construction, while most of the remaining 20 percent or so is split evenly among the finance-insurance-real estate, government, and other sectors.

Attracting 4,000 retiree residents a year to the Coachella Valley — the baby boomer-adjusted average between 2000 and 2010 — would create 2,000 new jobs the first year. In the second and subsequent years, their yearly spending would create and sustain 1,000 jobs. Considering the Coachella Valley has averaged about 3,500 new jobs a year since 2010, retiree-induced job creation would amount to a significant percentage of all new jobs.

Michael McDonald is a partner in Market Watch LLC and Demographics and Affordability Watch LLC.



RAISING *the* VALLEY

A REGIONAL COLLABORATIVE SERVES UP PROGRAMS AIMED AT PREPARING STUDENTS FOR COLLEGE AND CAREER.

By Mona de Crinis

Anayeli Zavala knew when she was 9 years old that she would one day go to college, even though no one from her family had ever earned a four-year degree.

“I knew that I had to get good grades — straight A’s — and I made that my focus,” says Zavala, who graduated from Desert Hot Springs High School in the top 5 percent of her class.

Armed with an acceptance letter and \$5,000 she had cobbled together while working at Bank of America during

her senior year, Zavala headed for University of California, Irvine to pursue a psychology degree. “I had saved up that money, and I thought, ‘OK, I’m ready to go,’” she recalls. “But I knew nothing about the cost of living in Orange County. In fact, I knew nothing about going to college.”

Without a mentor or qualified counselor to help her prepare financially for a four-year university, Zavala was soon out of money. She returned to the Coachella Valley and took her general

education classes at College of the Desert. Not long after that she heard about — and applied for — a scholarship offered through the Coachella Valley Economic Partnership. Zavala received enough funding through CVEP, its matching partners, and other financial aid to graduate debt-free from UCLA with a bachelor’s degree in psychology.

Now 25, Zavala works as a coordinator for a CVEP program linking education with real-life opportunities in the Coachella Valley job market.



The Master Plan

In 2012, CVEP rallied the region's public K-12 schools, colleges and universities, and businesses around the Coachella Valley Regional Plan for College and Career Readiness, aligning the region's education programs with its workforce needs.

The five-year plan outlines how a partnership between business and education can develop and sustain career pathways for more than 71,000 students in Coachella Valley's three K-12 school districts. At the core of the program are industry-specific career academies — schools within schools — specializing in digital arts, renewable energy, healthcare, and other fields. Students learn about careers in and out of the classroom, and have opportunities to job shadow and intern to gain on-the-job training.

The plan's goals include enrolling roughly one-third of the region's high school students into career-oriented programs, increasing high school and college graduation rates, and securing an endowment of \$1 million annually for college scholarships to qualified students.

At the heart of the initiative is building and maintaining a college-bound culture in the Coachella Valley. For years, students at two of the Coachella Valley's three school districts performed below California's average academically, which resulted in a higher number of adults without a high school diploma and a lower number of adults with a bachelor's degree or higher,

CVEP connects businesses with schools to tailor education and build the workforce of the future.

according to CVEP data.

"We knew in this region there were low college-attendance and college-completion rates and we recognized the importance of changing that by producing educated workers who could fill higher-paying jobs," says Sheila Thornton, CVEP vice president of Workforce Excellence. As the initiative gained traction, new opportunities brought hope into the lives of many underserved Coachella Valley students.

Jeffrey Salas-Arellano has his sights set on becoming a doctor, but

the 19-year-old Cathedral City High School graduate and COD sophomore wasn't always aiming so high. "Before I was introduced to the Regional Plan for College and Career Readiness, I didn't have any true educational or career goals," he says. After learning about CVEP through HEAL (Health Environmental Academy of Learning) at his high school, he began taking his education seriously.

Salas-Arellano is currently interning at JFK Memorial Hospital in the Nursing Administration Department and looks forward to attending California State University, San Bernardino–Palm Desert Campus after he earns his A.S. degree. "Now I am planning to go all the way," he says, citing job shadowing, a CVEP scholarship, and his mentor, Dr. Jonathan Lorenzo Yorba, as greatly influencing his career choice. Of Dr. Yorba, Salas-Arellano says, "He helped me shape my future by motivating me to earn my doctorate degree. It is a title no one can take away from you."

Because of the programs and services offered through CVEP, Katerin Vasquez saw beyond a paycheck-to-paycheck life. "I wasn't really sure of what I wanted to do until I actually got into the [Healthcare] academy," Vasquez recalls.

"During a community day with Flying Doctors, I was up and down helping people, and I really enjoyed doing that. That's when I decided I wanted to be a physician."

Last year, Vasquez applied to CVEP's Emerging Health Professionals, a program where students explore different career opportunities, showcase their professional aspirations, and share their research with younger health academy students.

And Anayeli Zavala coordinates this program.



Bob Kambe, director of clinical services and development at Avid Physical Therapy in Indio and Cathedral City.

Students and Businesses Benefit From Internships

Bob Kambe was a freshman in high school when his father died and his coach and his favorite teacher stepped up to help. “They were tremendous mentors and role models,” says Kambe, now director of clinical services and development at Avid Physical Therapy in Indio. “They provided guidance and encouraged me to finish high school and attend college.”

The coach and teacher probably knew they were a positive influence, but what they didn’t know is that they were also paying it forward.

Today, Kambe offers guidance and mentorship to students who participate in internships and job shadowing programs offered through their high school’s health and medical career academy. “We encourage our interns to continue to use us as mentors as they move through their college career,” Kambe says.

With clinics in Indio and Cathedral City, Avid Physical Therapy has been hosting interns and job shadowing since 2012, when CVEP and its business and education partners rolled out the Coachella Valley Regional Plan for College and Career Readiness, a collaborative plan to expose students to viable careers and set them on a path to success in the workforce.

Kambe’s internship program began modestly with two interns from nearby high schools and grew to eight interns each semester and more in the summer. During an internship at Avid, students see what a physical therapy career looks like, from front office to examining room. “We encourage questions, and doctors ask the students what would they do for various clinical diagnoses and treatments,” Kambe says. “We want them to have a hands-on experience and not just observe.”

Kambe also volunteers on CVEP’s Business Engagement Committee as part of the Medical and Health Academy advisory team.

“Our mission statement includes giving back to the community and our students in the valley,” Kambe says. “There’s satisfaction in watching students grow and succeed in their academic and career goals and then return to the Coachella Valley for professional opportunities.”

– Mona de Crinis

BUILDING A SMARTER WORKFORCE

The Coachella Valley Regional Plan for College and Career Readiness outlines how business and education collaborate to develop, refine, and sustain career pathways for local students. The plan includes career explorations and in-school career academies around specific industries such as healthcare, digital arts, culinary arts, and renewable energy; work-based learning, such as internships, job shadowing, mentoring, and faculty externships; scholarships in conjunction with community matching partners; and student financial aid, counseling, and support services. Here are some of the results from 2014:

\$1.3 MILLION

in scholarships awarded to 281 college-bound students in the Coachella Valley.

7,229

students participated in pipeline or career academies connected with local businesses and employers, explored careers, and participated in career conferences and competitions.

6,151

students gained direct work experience facilitated by the Coachella Valley Economic Partnership and local businesses.

39,776

student impact hours were provided by local employers and professionals.

426

business professionals engaged in pipeline and career academy programming.

Source: Coachella Valley Economic Partnership

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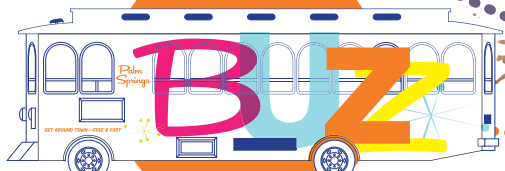


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