



PALM SPRINGS IHUB

AND

PALM SPRINGS ACCELERATOR CAMPUS

ANNUAL REPORT

July 1, 2014 – June 30, 2015

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Executive Summary

The Palm Springs Innovation Hub (CViHub) is a State designated business incubator initially funded by the Western Coachella Valley cities, Palm Springs, Desert Hot Springs, and Cathedral City. It is managed by the Coachella Valley Economic Partnership (CVEP) an economic development organization serving the entire region. Currently the investors in the CViHub are the City of Palm Springs, the Desert Healthcare District, and Wells Fargo Bank.

The PSiHub's primary focus is on early stage businesses in the renewable energy and associated technology space. The PSiHub facilitates education, support, training, business assistance, and networking programs to contributing members and overseas operations of a small business incubator.

The Palm Springs Accelerator Campus is designed to continue the mitigation of risks associated with entrepreneurship through early stage manufacturing. The goal in extending the incubation period is to inspire the companies to assemble a workforce and establish their supplier base in greater Palm Springs which enhances the probability that the businesses will prosper and grow in Palm Springs into the indefinite future.

This report covers the fiscal year beginning July 1, 2014 and ending June 30, 2015. The year saw the client base in the PSiHub grow to over capacity with 6 in-house, 5 in the Accelerator Campus, and 12 virtual clients for a total of 23 clients.

The Palm Springs Accelerator Campus underwent extensive leasehold improvements during the fiscal year including exterior cosmetic improvements and a complete refurbishment of the landscaping. At this time approximately half of the square footage on the campus is occupied while the other half is scheduled to be completed during the next 12 months.

CVEP has solicited and secured outside investment in the Palm Springs Accelerator Campus from the City of Palm Springs Measure J Commission, the Desert Healthcare District, and Wells Fargo Bank in the total amount of \$1,900,000 to date. With the receipts anticipated from those commitments during the next fiscal year we anticipate completing the construction project as it was defined.

A number of metrics for evaluating PSiHub progress were checked that are consistent with the goals of creating wealth and setting the transformation of Greater Palm Springs' economy into motion. To date PSiHub and Accelerator Campus clients have been granted over 15 patents, have raised just over \$7 Million in equity investments, and employ over 100 people. There are currently 23 companies that are in the Palm Springs iHub and 10 that have gone through our program.

Introduction

The PSiHub is a network that enhances Coachella Valley's competitiveness by stimulating partnerships and collaborations that accelerate investment and economic development around research clusters. The PSiHub is focused on clean technology, with emphasis on sustainable businesses, renewable energy, and enhancing technologies.

The goals of the PSiHub include:

- Transform the local economy through growing renewable energy based enterprise
- Nurture, attract, and grow 50 renewable energy based companies in 5 years
- Create local high paying technology and manufacturing jobs in the Coachella Valley
- Develop programs to enable and encourage the Coachella Valley and California compete in the global marketplace
- Increase the per capita household income and standard of living regionally
- Attract angel and venture capital investments in client companies

The PSiHub operates a small business incubator that has the capacity to mentor up to six clients in-house at the Rabobank Business Center, 12 at the Accelerator Campus, and twelve virtually. The PSiHub offers office space to clients, complete with office equipment and amenities, access to shared conference rooms, a board room, and a dedicated staff that monitors and assists the clients. PSiHub clients have access to professional services at free or reduced costs, targeted training classes and workshops.

Community Relations/Accolades

The PSiHub participated in the following events this year:

- Renewable Energy Roundtable (10)
- Monthly California Innovation Hub Conference Calls (12)
- SBDC Fireside Chats (10)
- Desert Shark Tank event April 22, 2015 (brought in three applications)
- Completed the IMCP matching grant requirements for the federal EDA and received letter of completion from the Federal EDA.
- Hosted visit to Palm Springs by Maria Contreras Sweet, Administrator of the United States Small Business Administration and a member of President Obama's cabinet.

Accelerator Campus Activities FY 2014-2015

- Extensive landscaping project over the entire campus
- Constructed outdoor work and recreational areas in three areas in and around campus
- Mitigated root damage in main office area affecting rest room functionality
- Installed ADA compliant restrooms in 2 buildings
- Engaged with SC Edison to conduct an energy savings analysis and explore incentives to upgrade the campus infrastructure.
- Completed all exterior painting and signage for campus
- Installed automatic gate at south entrance to campus
- Managed and operated campus over the course of the year
- Replaced air conditioning unit in HipsSister building
- Attracted sufficient businesses to fill all completed areas of campus
- Completed all non-EDA tasks with the exception of energy upgrades in Health and Medical Center
- Invited and accepted to join the Wells Fargo- NREL IN2 Energy Incubation Program
- Awarded the Inland Empire Spirit of Entrepreneurship Award

Accelerator Campus Goals for FY 2015- 2016

- Implement energy savings solutions in Health and Medical Innovation Center
- Formally open the Health and Medical Innovation Center (7 companies already accepted)
- Manage and operate facility
- Install recycled plastic parking stops and stripe the parking lot
- Attract sufficient companies to keep the completed spaces occupied
- Sign formal two year support agreement with Wells Fargo Bank



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CViHub Companies July 1, 2015

RESIDENT COMPANIES

Pocial: Pocial is a new, creative, social network designed to connect like-minded individuals through a combination of polling and social media in an effort to foster and encourage debate, create a collective voice and quantify opinions.

Post Modern: Post Modern is a developer of integrated hardware/software systems for consumer marketing. Their system allows marketers to integrate social media into their marketing events, tradeshows, retail outlets, etc.

Priatas: Priatas is a medical device company focused on the intelligent design of medical and lab ware disposables throughout the entire life cycle of the product.

PSTalent.com: PSTalent has an agreement to develop virtual entertainment platforms for Sony PlayStation based games and nexuses. The programming based hiring and wealth creation potential in the short term of this business is considerable.

SECOSYS: SECOSYS was founded by a process engineer in the semi-conductor industry. Their platform seamlessly integrates into existing water meters to manage, control & conserve water in real-time for both property managers and end consumers.

Restroom Aid: Cathedral City based company that has patented and tested an aid for enhancing the experience of challenged people with using the restroom in privacy.

ACCELERATOR CAMPUS COMPANIES

EV Enterprises: EV was our first graduate to transition into the Accelerator Campus. They manufacture electric vehicle charging components, microelectronics and other related products.

hipS-sister: hipS-sister manufactures a fashionable, functional, and flattering alternative to the fanny pack that integrates a shield for electromagnetic fields caused by cell phones.

Sactec Solar: A designer & manufacturer of alternative energy solutions, Sactec is focused on "sun-tracking" mobile trailer and ISO-containerized energy power systems for governmental (DOD, DHS, FEMA) and non-governmental agencies.

Solaris Power Cells: (Formally NRG Power Cells) Solaris was founded by a team of successful entrepreneurs from the data storage industry. Their capacitor cells have the potential to store (renewable) energy with rapid charging rates.

SunUp Energy: SunUp is a commercial solar thermal company providing design, manufacturing & installation services for commercial & industrial applications in Southern California.

VIRTUAL COMPANIES

Desert GeoExchange: Parent company Geothermal Resource Group provides drilling services. Desert GeoExchange is evaluating its entrance into geothermal heating/cooling systems.

Heightened Security: HS is a local manufacturer of security solutions for residential and commercial clients. Their product can seamlessly integrate into existing security systems.

Heppolt Wind Energy: Heppolt has created a new wind turbine. The design allows for installation & maintenance to be carried out at ground level as opposed to current vertical turbines. HWE is receiving support from Los Alamos National Lab.

Incontinence Technologies: The Fanny Wrapper is an integrated detection device utilized to aid incontinent adults to get the assistance they need from their caretakers.

Indy Power Systems: Indiana-based IPS offers patented energy blending technology to enable customers to minimize their load charges by storing energy during periods of low demand for use during peak demand times.

Pacific Coast Innovations: This Seattle based company has a proprietary data compression algorithm that has many different industry applications. Their first application will be in manufacturing medical devices.

Real Ez-Up: Real Ez-Up founder is a recent Arizona State graduate of Technological Entrepreneurship & Management. They specialize in producing high-end inflatable tents and canopies with integrated LED lighting and other technologies.

Seismic Warning Systems: SWS is developing the nation's first regionally-based earthquake warning system. By introducing a regional system, SWS can showcase the Coachella Valley and launch itself into a multi-billion dollar emerging market.

Swiss Hytech: This Swiss based business engages in hybrid LeMans racing. Their concept of using a flywheel to store energy as opposed to batteries has on road potential that will require high level mechanical skills.

TransMedImaging: TransMedImaging operates in the electronic health record (HER) industry. Their service eliminates waste in medical imaging by facilitation of cloud based data, hi-res medical images, storage.

Vestaxx: This German-based startup intends to manufacture insulating glass units for application in intelligent and dynamic windows and building glass facades. Vestaxx' proprietary glass coating technology increases thermal insulation efficiency.

Wise Education: This Indian Wells based start-up company assists mostly Chinese speaking people in bridging language gaps with online training tailored to specific



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