



PALM DESERT

APPROVED MINUTES

PALM DESERT HOTEL AND SIGNATURE EVENTS COMMITTEE ADJOURNED MEETING

Monday, June 8, 2015 – 4 p.m.
North Wing Conference Room – Palm Desert Civic Center
73510 Fred Waring Drive, Palm Desert, CA 92260

I. CALL TO ORDER

Ralph Scatena called the meeting to order at 4:00 p.m.

II. ROLL CALL

Members Present:

Ralph Scatena
Jan Harnik
Marilyn Dyer
Arnold Kirschenbaum
Robert Spiegel
Scott White

Members Absent:

None

Staff /Others Present:

John Wohlmuth, *City Manager*
Rudy Acosta, *Assistant City Manager*
Martín Alvarez, *Director of Economic Development*
Lauri Aylaian, *Director of Community Development*
Donna Gomez, *Tourism & Marketing Manager*
Ruth Ann Moore, *Economic Development Manager*
David Hermann, *Management Analyst*
Brian Grantham and Associate
Robin McCormick, *Recording Secretary*

III. ORAL COMMUNICATIONS

None

IV. CONSENT CALENDAR

A. MINUTES OF THE SPECIAL MEETING OF MARCH 4, 2015

Robert Spiegel moved, by Minute Motion, to approve the minutes of the March 4, 2015, meeting as presented. Motion was seconded by Scott White and carried by 5-0-1 (AYES: Scatena, Harnik, White, Dyer and Spiegel; NOES: None; ABSTAIN: Kirschenbaum).

V. CONSENT ITEMS HELD OVER

None

VI. NEW BUSINESS

A. REVIEW OF SPONSORSHIP FOR 2016 TOUGH MUDDER EVENT

Scott White introduced Brian Grantham, who has been meeting with Tough Mudder representatives regarding sponsoring a Tough Mudder event in Palm Desert. Mr. Grantham has reviewed several locations with Tough Mudder and they feel the Classic Club location works well and is centrally located. Tough Mudder and the Classic Club have agreed that an event on October 8th and 9th, 2016 is possible and are negotiating the terms, but Tough Mudder is looking for a shared contribution from the City, as well as from CVB.

Mr. Grantham explained details of a typical Tough Mudder event. Events held at other locations have attracted 12 to 22 thousand participants with another ten to fifteen thousand spectators for this two day event, generating several thousand room nights. The participants average in age from 22 to 40 years old and have an approximate income of \$80,000 annually. The average Site Fee that Tough Mudder pays is \$20,000 to \$30,000 to secure a location. The Berger Foundation (Classic Club) is asking for a Site Fee of \$100,000 due to the amount of work that would need to be done in and around the golf course to prepare the event and to restore the golf course back to its original condition.

There was much discussion of other events that could be held prior to and during the weekend long event with possible pre and post-parties held at other locations to boost revenue. This event, after the first year, would be a five year commitment.

Mr. White added that this was a preliminary introduction to this committee to see if there is interest or not. There are many details that would need to

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be discussed once there is a mutual agreement to hold the event at the Classic Club with City and CVB sponsorship.

Mr. White suggested that there be a list compiled of questions and in kind items. Mr. Alvarez, Ms. Gomez and Ms. Moore will work together with Mr. White to gather the questions and prepare a list that can be discussed with representatives of Tough Mudder in the next month or so.

Mr. Wohlmuth asked when the contribution would be due. Mr. White thought the City's portion of the sponsorship could be given after the CVB and Tough Mudder so it would fall in the later part of the FY 15/16 budget.

Mr. Wohlmuth added that the City is building two homes for the Wounded Warrior's project and asked if Tough Mudder would participate in the construction of the homes. Mr. Grantham said he could not answer for them but would certainly ask and will get back with Mr. Wohlmuth.

Ms. Harnik asked how many events does Tough Mudder put on yearly? Mr. Grantham explained the Tough Mudder has over 60 events, with about 2 million participants in the last four years and approximately 40 global events. Mr. Bagato added that there are only two events yearly in Northern California and two events in Southern California.

Mr. Grantham feels Tough Mudder will want to move forward with an agreement in the next two to three months in order to produce an event in 2016 otherwise it would not occur until 2017. Mr. Grantham added that Berger Foundation has said they are ready to move forward and finalize more of the details on their portion of the \$100,000 site fee, in-kind contributions, etc.

Mr. Alvarez asked the Committee their thoughts or comments on this event or a recommendation to move forward. Mr. Spiegel, Ms. Dyer and Ms. Harnik all commented that it was a great idea and perfect time of year. Mr. White feels it has the potential to bring thousands of people here for this event and future events as well.

Robert Spiegel moved, by Minute Motion, to proceed with investigating the opportunity to participate in sponsoring the Tough Mudder event. Motion was seconded by Ralph Scatena and carried by 6-0 vote (AYES: Scatena, Harnik, White, Dyer, Kirschenbaum and Spiegel; NOES: None).

VII. CONTINUED BUSINESS

None

VIII. OLD BUSINESS

A. UPDATE ON TOT BALLOT MEASURE PROPOSAL BY LEW EDWARDS GROUP – VERBAL UPDATE BY RUTH ANN MOORE

Ruth Ann Moore explained that due to the lack of a quorum the last few meetings there was not an opportunity to bring the proposal to the committee. Since timing was short, the first phase of the proposal was presented to Council outlining the background research and formulation of education and an opinion on the issue. Council approved the expenditure at their meeting on April 23, 2015.

She further explained that the Lew Edwards Group is an expert consultant in ballot measure preparation, education and working with city governments. Staff has been working closely with them and the first phase is an internet and/or phone survey with the residents. The surveyor starts out asking how the resident feels about city government, do they see things that we could do better, they get general background information about the resident, and then they begin the conversation about the TOT number. By doing the survey, the City is trying to find out what areas are important to the residents. The survey also covered other questions regarding General Plan updating and zoning on Highway 111, if the drought was an issue and also the residents' opinions of the CV link.

Ms. Moore stated that the survey was complete and waiting for the report to be finished.

John Wohlmuth reported that he received verbal survey information from the Lew Edwards Group. The report will be written up next week and a conference call will be scheduled to discuss the results. Also, he is trying to schedule an in person meeting with Catherine Lew and Council, which may happen the week of July 9th.

He read some of the results which included:

- +/- 70% rate of success to increase the TOT
- 90% of the residents surveyed wanted high level of service in Palm Desert
- 78% indicated Palm Desert is going in the right direction
- Public safety, protection of City's financial stability, streets and roads, water conservation
- Marketing Palm Desert was not an issue at all
- Bike Path (CV Link) concerns
- Golf's future in the valley

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- Opposition of further Highway 111 development
- 46% undergrounding was important, 56% indicated it was not important

Mr. Wohlmuth continued to explain that this was part one of a three part project if we decide to go forward. Part two would be for Lew Edwards to assist in drafting the language of the ordinance to increase the TOT and part three would be the public education and outreach. There are some options/restrictions on spending money on this in order to educate the public.

B. REVIEW OF REVISED EL PASEO FLEX EVENT CONCEPT – MARTIN ALVAREZ

Martin Alvarez shared an updated concept drawing combining options 1 and 3 from the three previous concepts presented. This concept is the most flexible and simplest one to achieve without major impact on drainage, infrastructure and engineering costs.

Mr. Spiegel asked if this event area would be for Fashion Week, which Mr. Alvarez responded that the space would be for other potential events as it is not wide enough for the Fashion Week tents. The Food & Wine event may eventually work in this area.

Mr. Scatena asked if there were other signature type events that the City has approached for this area. Mr. Alvarez said staff has talked about a few other events, First Weekend being one of them. Also, the Gardens is very excited to have the event center and staff will be exploring other possibilities. There will be several things to consider with this space; how often are events held, types of events, hours and cost of use of space.

Arnold Kirschenbaum inquired on the approximate costs of a project like this and Mr. Alvarez said he does not have costs at this time, but it would be the next step if the decision is made to move forward. Mr. Wohlmuth added that there are may be some bond proceeds remaining that may could utilized.

Mr. Alvarez asked the committee if they would like to see this project move forward. Mr. Wohlmuth said that staff would talk with the El Paseo

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merchants; get cost estimates and funding options to bring back to the committee for further discussion and review. The committee as a whole feels this would be a great venue.

Ralph Scatena moved, by Minute Motion, to recommend to the City Council proceeding with the El Paseo Flex event center. Motion was seconded by Scott White and carried by 6-0 vote. (AYES: Scatena, Harnik, White, Dyer, Kirschenbaum and Spiegel; NOES: None.)

IX. REPORTS FROM CITY COUNCIL LIAISONS

None

X. REPORTS AND REMARKS

A. Chairman

None

B. Committee Members

None

C. Staff

None

XI. INFORMATIONAL ITEMS

None

XII. NEXT MEETING DATE – August 5, 2015 at 4:00 p.m.

With Committee concurrence, there will be a Special Committee Meeting held Monday, July 6, 2015 at 4:00 p.m.

XIII. ADJOURNMENT

With Committee concurrence, the meeting was adjourned at 5:04 p.m.

Robin McCormick, Recording Secretary