



# PALM DESERT

## MINUTES

### PALM DESERT HOTEL AND SIGNATURE EVENTS COMMITTEE REGULAR MEETING

Wednesday, June 7, 2017 – 4 p.m.  
Administrative Conference Room – Palm Desert Civic Center  
73510 Fred Waring Drive, Palm Desert, CA 92260

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#### I. CALL TO ORDER

Member Kirschenbaum called the meeting to order at 4:05 p.m.

#### II. ROLL CALL

Present:

Mayor Jan Harnik  
Mayor Pro Tem Sabby Jonathan  
Member Arnold Kirschenbaum  
Member Jim Moran  
Member Tom Tabler

Absent:

Vice Chairman Scott White

Staff /Others Present:

Lauri Aylaian, *City Manager*  
Martín Alvarez, *Director of Economic Development*  
Ryan Stendell, *Director of Community Development*  
Ruth Ann Moore, *Economic Development Manager*  
Thomas Soule, *Tourism & Marketing Manager*  
David Hermann, *Management Analyst*  
Deborah Glickman, *Management Analyst*  
Amy Lawrence, *Management Analyst*  
Michael Matthews, *Palm Springs Life*  
Susan Stein, *Palm Springs Life*  
Frank Jones, *Palm Springs Life*  
Rick Blackburn, *Greater Palm Springs CVB*  
Judy Esterbrook, *Hotel Paseo*  
Warren Jones, *The Jones Group*  
Brienne Lawson, *Recording Secretary*

#### III. ORAL COMMUNICATIONS

None

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**IV. CONSENT CALENDAR**

A. MINUTES OF THE REGULAR MEETING OF OCTOBER 12, 2016

Member Moran moved, by Minute Motion, to approve the minutes of the April 5, 2017, meeting as presented. Motion was seconded by Mayor Harnik and carried by 4-0 (AYES: Harnik, Jonathan, Kirschenbaum, and Moran; NOES: None; ABSENT: White).

**V. CONSENT ITEMS HELD OVER**

None

**VI. NEW BUSINESS**

A. RECAP OF SWING N' HOPS EVENT

Ms. Glickman began the recap of Swing N' Hops, which took place on February 4, 2017 as a signature event for First Weekend. The event included a live swing band, vendors, dance instructors, and a dance floor. There was also a classic car show, and art on display. Ms. Glickman noted that this event was created specifically for El Paseo, as a way to test out El Paseo as an event space. About 2,500 people attended the first year, and this year there were between 3,000 and 3,500 in attendance. Additionally, Ms. Glickman added that the event is beginning to gain name recognition, and that she has heard people talking about it in the community.

Following this introduction, Ms. Glickman presented a slide show with photos taken from the 2017 event. She stated that there were two beer gardens and about 10-11 vendors, in addition to the swing dance groups that came from Riverside. Swing N' Hops also included interactive art, live art, hair styling, and a selfie station. In relation to attendees, Ms. Glickman noted that she spoke to people who had either planned or extended their vacation around the date of Swing N' Hops. Also, this year the dance floor was 32' x 36', and it still was not large enough to accommodate all those who wanted to dance – which demonstrates the popularity and growth of the event.

Mayor Harnik added that the event was the winner of an award, and featured on the cover of a magazine. In response, Ms. Glickman stated that the event won the Helen Putnam Award for Economic Development through Arts and Culture.

Ms. Lawrence announced that the event has been approved in the budget, requests for proposals will be going out soon, and that the contract will be

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taken to council on July 13<sup>th</sup>. The process is being started earlier this time, in order to have more time to find a company to start producing the event. This also gives more time to get more sponsors and vendors in order to build up the next event, which will be taking place on February 3, 2018.

Mayor Pro Tem Jonathan inquired about expanding on the 'hops' aspect of the event, by including more craft breweries. He asked if it would be possible to expand the beer gardens and choices of beer, to which Ms. Glickman responded that they would like to expand, as well as add distilleries. She added that they would also like to add a competition between the beer vendors, as a way to continue to amp up the event. Ms. Lawrence mentioned again that the earlier start in the process of preparing for the event gives several more months of time to work toward these types of additions.

Mayor Pro Tem Jonathan commented that there is a good trend showing with the increase of attendees, which might make the event even more attractive for local breweries and distilleries to participate. Mr. Alvarez made the point that Hotel Paseo will be open for the 2018 Swing N' Hops, and that hopefully it will become a large part of the event. Ms. Glickman responded that it is the goal of First Weekend to bring people from the region into Palm Desert as much as possible; and partnering with other hoteliers to attract attendees with packages is a great start.

Mayor Pro Tem Jonathan added that he noticed a good contrast between attendees at Swing N' Hops, noting that it attracted a variation of age groups. Ms. Glickman responded that regional swing dance has a far reach, with many different large competitions that take place throughout the year.

**B. FASHION WEEK/FOOD AND WINE FESTIVAL SPONSORSHIP PRESENTATION**

Mr. Jones and Mr. Matthews began the presentation with drone footage from Fashion Week 2017. Following this, Mr. Jones began his recap of the event, explaining that Fashion Week and Food & Wine take place within the same structures. This is due to the fact that the Fashion Week tent costs around \$300,000 to construct, so combining the events into one space is a way to offset the cost.

Mr. Jones then stated that Fashion Week El Paseo is the largest fashion week on the West Coast, and that it is also most likely the largest consumer fashion week in the nation. The attendance has grown steadily over the past seven years, and the ticketing agency has recorded

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demographic information from attendees through questionnaires they receive when purchasing tickets. A survey of attendee results was also conducted, which had a very positive response in relation to attendee experiences.

Mr. Jones called attention to the portion of the survey where attendees answered where they had heard about Fashion Week, noting that a significant amount of attendees do come from out of town and stay in Palm Desert. Additionally, he stated that the attendees for Fashion Week and Food & Wine do come from a more affluent demographic. Mr. Jones then related this fact to the original goal of Fashion Week, which was to brand El Paseo as a Southern California shopping destination. As a result, Palm Desert and El Paseo have become more recognizable in areas outside of the Coachella Valley.

In relation to the charities who receive funds from Fashion Week, Mr. Jones stated that workers from local charities actually helped at Fashion Week with the sales of tickets. He added that they become very involved with the process of the event, thereby really working toward the percentage of funds that they receive. Following this, Mr. Jones addressed the subject of sponsors, and described how Rolls Royce had a contest for the event where attendees were able to design their own Rolls Royce in the El Paseo Fashion Week signature style. A winner was chosen who then received an actual car created by their design. Also, Rolls Royce sold two cars as a result of their Fashion Week sponsorship, which speaks to the power of the event.

Mr. Jones stated that the media value of Fashion Week 2017 was \$10,830,562. In relation to this, he added that the merchant's association did digital target display advertising, which specifically geo-targeted San Diego and Orange County. Surveys showed that Orange County and San Diego County are both important parts of Palm Desert's drive market, in addition to Los Angeles. Surveys also showed that over 10% of attendees came to Palm Desert from Los Angeles.

Mr. Jones began a recap of the Food & Wine event. He noted that while the event takes place in the same space as Fashion Week, it is a completely independent event and it is marketed independently. Goldenvoice was in attendance of both Fashion Week and Food & Wine this year, and they were incredibly impressed with the transition between the two.

The City of Palm Desert staff and Palm Springs Life both view Food & Wine as the biggest growth opportunity, and attendance continues to trend upward.

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More people come from out of town and stay overnight than they do for Fashion Week, in percentage terms. Mr. Jones reported that two charities worked with Food & Wine 2017, including the James Beard Foundation and the Find Food Bank. \$10,000 went back to these charities.

As Mr. Matthews passed out copies of the five year plan for Fashion Week and Food & Wine, Mr. Jones stated that they felt 2017 had been the baseline year. Baseline meaning that the standard for the event has been set, and that the future events on El Paseo should not fall below this level. Reaching this standard was made possible through the City's higher level of monetary contribution.

The first scenario offered by the five year plan is keeping the same amount of investment from the City for one more year, and then whittling it down over the next five years. The second scenario involves the City staying at the same amount of contribution for the next five years, which would allow for the continued growth and creation of the "dream" event. The City had been putting in \$150,000, which is equal to about 12.5% of the total revenue for the event. For 2017, the City doubled that amount with \$300,000, which is 25% of the total revenue. The 75% percent of other revenue is comprised of ticket sales and sponsorship.

Mr. Jones then stated that goals and objectives have been set up as measurable, end-of-game stakes. These goals will be obtained through programming, sponsorships and partnerships, marketing and PR, physical site and consumer experience, and ancillary events.

Mr. Soule commented on Food & Wine, stating that more than one chef from the event told him this was their favorite event to come to as a demonstrating chef. They also said they had a great experience, and they would be happy to come back any time. Mr. Jones replied that investments were made that went toward the talents' experience. When the talent has a positive experience, they speak to each other and share these positive comments. This results in a great experience for both the audience and the talent, and boosts the reputation for the events.

Ms. Moore added that one of the goals is to increase the back of the house experience for Fashion Week talent. Mr. Soule added that another goal is to increase the PR and social media through digital influencers. The chefs of Food & Wine are influencers, and their posts to social media about their positive experience also work toward our advantage. Mr. Jones agreed about the importance of social media, commenting that its importance has grown significantly over the past five years. Chefs and

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designers from Fashion Week and Food & Wine posting to social media are a great asset, and there was a direct correlation seen between the talent posting to social media and ticket sales increasing.

Mr. Jones then addressed the program initiatives for achieving the five year plan. For Fashion Week, this includes bringing in celebrity stylists to work with the stores on El Paseo in order to style a show just for them, and more multiple designer nights. There has been a great deal of success with the Diva level of sponsorships for Fashion Week, there are 80 Divas who pay \$3,500 to participate. Mr. Jones added that they think that a \$5,000 Diva level can be created. Those at the Diva level have expressed the desire for a more exclusive experience, which indicates that a higher monetary level would be successful.

Mr. Jones called attention to photographic examples of event tents included in the handouts. While improved tents would be more expensive, they would also create the ability to do more during the events. Mr. Blackburn then inquired what the optimum number of attendees would be for Food & Wine, to which Mr. Jones responded 15-25 thousand – within the next five years.

As the presentation neared wrapping up, Ms. Moore stated that the purpose of the presentation was to receive feedback from the committee. She added that the subjects of having a multi-year commitment to the events and the issue of the event benchmark both need to be discussed. Mayor Pro Tem Jonathan responded that a multi-year commitment does make sense, but that expectations and markers also need to be determined. These expectations and markers would be used in order to give the City a way out of their commitment, in the event that expectations are not met in return for the City's investment. Mayor Pro Tem Jonathan also noted that \$300,000 is the largest investment the City makes in any event, but a plan needs to be created to ween the event off of the City's resources. He then questioned if there is a way for the event to become more self-sustaining, and if not, what are the increasing returns?

Member Moran then inquired what the plans were for the event to grow, besides ticket sales and shifting other sponsors to replace the City's sponsorship. Mr. Jones responded that most of the five year plan focuses on generating more ticket sales. He also noted that the five year plan estimates are very conservative, and that they wanted to make sure they would be able to meet the benchmarks they would be held to by Mayor Pro Tem Jonathan.

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Mayor Harnik commented that these events are meant to market Palm Desert, and that the five-year growth in social media marketing is going to continue to grow exponentially. Therefore, support of Fashion Week and Food & Wine need to be looked at as a big picture, rather than just numbers in columns. Additionally, she added that a multi-year commitment from the City is critical. A multi-year commitment would raise the level of the experience attendees have, as it would allow more room for planning and negotiating improvements. Also, a multi-year commitment eliminates the need to put the event before the City Council each year.

Mayor Pro Tem Jonathan inquired if local hoteliers feel if the event is desirable? Member Moran responded yes, and Member Tabler replied that it is difficult to quantify if there is revenue brought in from the event. However, it is a premier event that puts Palm Desert on the map. He then added the consideration of moving Fashion Week and Food & Wine to another location in the future, as a way to provide attendees with a full experience at one venue. Member Tabler added that title sponsors and more sponsorships are needed to grow the event.

Ms. Aylaian asked about the two different levels of funding suggested in the five year plan. She asked what the City gets for a contribution of \$300,000, as opposed to the original amount of \$150,000, and then identified ticket sales, advertising, and social media as being most important to the City. Ms. Aylaian then added that the higher level of investment is paying for the quality of the experience for attendees, which is then reflected through the positive responses on social media. However, the value of the word going out through social media about the specialness of Palm Desert is hard to quantify in a dollar amount.

After a short discussion regarding the importance of quantifying the value of reputation that comes from event sponsorship amounts, Ms. Aylaian commented that there is no way to draw a straight line between dollars spent and the recognition of the Palm Desert brand.

Mr. Jones stated that other retail complexes (such as Rodeo Drive or South Coast Plaza) would be happy to have a signature event like Fashion Week, as these events drive business toward the currently struggling retail sector. Ms. Aylaian responded that El Paseo is year-round to Palm Desert, and that it brings in year-round revenue. This makes name recognition very important.

**VII. CONTINUED BUSINESS**

None

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**VIII. OLD BUSINESS**

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 2, 2017 at 4:00 p.m.**

**XIII. ADJOURNMENT**

With Committee concurrence, the meeting was adjourned at 5:26 p.m.

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Brianne Lawson, Recording Secretary