

BOARD OF DIRECTORS MEETING
AGENDA PACKET

FEBRUARY 22, 2023



AGENDA

Board of Directors Meeting
Wednesday, February 22, 2023
8:00 a.m.
Palm Desert iHub
37023 Cook Street
Palm Desert, CA 92211
In Person and via Zoom

1. Call to Order
2. Board Member Attendance
3. Approval of January 18th, 2023 Minutes
4. Presentation: Michael Hadley
"Solve the Water Crisis" Presentation
5. Executive Committee Report – Deborah McGarrey
6. Board Development – Laura James
7. Business Services/Marketing and Communications Report – Laura James
8. CEO Report – Joe Wallace
9. Board Member Updates/Comments
10. Adjournment

Next Meeting:

March 15, 2023
8:00 a.m.
Palm Desert iHub
37023 Cook Street
Palm Desert, CA 92211
In person and Via Zoom - Hybrid

BOARD OF DIRECTORS ROSTER



Investor Agency/Organization	Representative(s)	Jul 20	Dark	Sep 21	Oct 13	NOV 16	Dec 14	Jan 18	Feb 15	Mar 15	Apr 19	May 17	Jun 21
Agua Caliente Band of Cahuilla Indians	Todd Hooks	EXC		EXC	EXC	X		X					
Charter Communications/Spectrum	Sandra Cuellar	EXC		X	EXC	EXC		EXC					
City of Cathedral City	Mark Carnevale/Ernesto Guitierrez	EXC		X	X	EXC		X					
City of Desert Hot Springs	Roger Nunez/Russell Betts	EXC		X	EXC	EXC		X					
City of Indian Wells	Greg Sanders	X		X	X	X		X					
City of Indio	Waymond Fermon/Oscar Ortiz	X		X	X	EXC		EXC					
City of Palm Desert	Jan Harnik/Gina Nestande	X		X	X	X		EXC					
City of Palm Springs	Lisa Middleton/Grace Garner	EXC		X	X	EXC		EXC					
City of Rancho Mirage	Meg Marker/Steve Downs	X		X	EXC	EXC		EXC					
College of the Desert	Andy Dunn	X		X	X	X		EXC					
Desert Care Network	Gary Honts	X		X	EXC	X		EXC					
Eisenhower Medical Center	Ken Wheat	EXC		X	EXC	EXC		EXC					
GCVCC	Diana Soto	EXC		EXC	EXC	EXC		X					
Gulf California Broadcast Co./KESQ	Jerry Upham	X		X	EXC	EXC		EXC					
Hunter Johnsen	Chris Hunter	X		X	X	X		X					
LifeStream Blood Bank	Dan Ballister	X		EXC	X	EXC		X					
Oliphant Enterprises	Richard Oliphant	EXC		X	X	X		X					
Osborne Rincon	Lee Osborne	EXC		X	EXC	EXC		EXC					
Pacific Western Bank	Tracy Tremblay	EXC		X	X	X		EXC					
Palm Springs Life	Paulina Larson	EXC		X	EXC	EXC		EXC					
Riverside County EDA	Joaquin Tijerina/Bob Wright	X		X	X	X		X					
Southern California Edison	Jeremy Goldman	X		X	EXC	EXC		X					
Southern California Gas Company	Deborah McGarrey	X		X	X	EXC		X					
Sunrise Company	Phil Smith	EXC		X	EXC	X		X					
The Desert Sun LOCALiQ	Tom Niva	X		X	X	EXC		EXC					
University of California, Riverside	Tamara Hedges/Agam Patel	X		X	X	X		X					
U.S. Bank	Alan Brimmer	EXC		X	EXC	EXC		EXC					
Wells Fargo Bank	Moises Aguirre/Amanda Kramer	EXC		X	X	X		X					
Honorary Board Members													
CSUSB	Dr. Jake Zhu	EXC		EXC	X	EXC		EXC					

BOARD OF DIRECTORS MEETING

JANUARY 18, 2023

8:00 AM

CVEP – PALM DESERT IHUB

37023 COOK STREET

PALM DESERT, CA 92211

Call to Order

The meeting was called to order at 8:00 am by Chair, Deborah McGarrey.

Also Present

Joe Wallace Ian Vos
Laura James Nicole Cleary
Lesa Bodnar Talon Burgess
David Robinson

Welcome and Roll Call

Chair Deborah McGarrey welcomed the board and roll call was completed.

Minutes

On a motion by Greg Sanders, seconded by Phil Smith, the minutes of the November 16th, 2022 meeting were approved as presented...all in favor.

Presentation: UCR Zero-to-Entrepreneur

Nicole Cleary, presented the UCR project, and its current status. Discussion followed.

Executive Committee Report

Deborah McGarrey presented the executive committee report and reported that the organization was in good shape.

Board Retreat Follow Up/Business Services Report/Marketing and Communications Report

Laura James presented a follow up power point to the board retreat to ensure our board is familiar with the language of economic development – she reviewed the discussion that staff and leaders had with an Oregon based ED organization that has been targeted for a possible site visit. She also briefly reviewed the Business Services report – a copy is included in the board packet.

CEO Report

Joe Wallace presented his report – a copy is included in the board packet.

Board Member Updates

None at this time.

Adjournment


There being no further business, the meeting was adjourned at 9:10 a.m.



ECONOMIC DEVELOPMENT – PART 2

Laura E James, Vice President of Innovation
Coachella Valley Economic Partnership

February 22, 2023



REMINDER: WHY DO THIS SERIES?

- CVEP Board Retreat (October 2022) – Keep that information, momentum, and energy alive.
- Upcoming Field Trips – Provide our board with the tools to speak and understand the language of economic development organizations.

Intimately knowing your own industry ← → Deeply understanding adjacent/relevant industries

DEFINING ECONOMIC DEVELOPMENT

Economic development is the intentional practice of improving a community's economic well-being and quality of life.

It includes a broad range of activities to retain, create, and attract high-quality jobs, and to foster the growth of a resilient tax base and an inclusive economy.

It is a collaborative effort involving industry, government, and myriad community stakeholders focused on improving a community's competitiveness.

Source: International Economic Development Council

CVEP'S PRIMARY AREAS OF FOCUS

- **Technology-led Economic Development**
- Entrepreneurial & Small Business Development
- Access to Capital

SECONDARY AREAS OF FOCUS

- Business Retention & Expansion
- Marketing & Attraction
- Workforce Development
- Disaster Recovery

TECH-LED ECONOMIC DEVELOPMENT

A subset of small business and entrepreneurial development focused on technology-based businesses.

Why pursue this strategy in the Coachella Valley?

1st Gen

- Ag
- Mining
- Seaports
- Very dependent on place and geography

2nd Gen

- Manufacturing
- Industry
- Created secondary needs like professional services

3rd Gen

- Advanced transport
- Advanced comms
- Reduced reliance on place

4th Gen

- Shift from mfg to service, AND
- Shift from service to knowledge
- Not place-dependent

THAT MEANS:

Any place can *PURSUE* becoming anything it wants!

SHOULD BE EASY, RIGHT?
NOT SO FAST...

- Research Institutions
- Access to Diverse Sources of Capital
- Support Networks
- Educated & Talented Workforce
- Strong & Consistent State & Local Commitment
- Physical & Knowledge-based Infrastructure
- Broadband Infrastructure
- Quality of Place (differs from quality of life!)

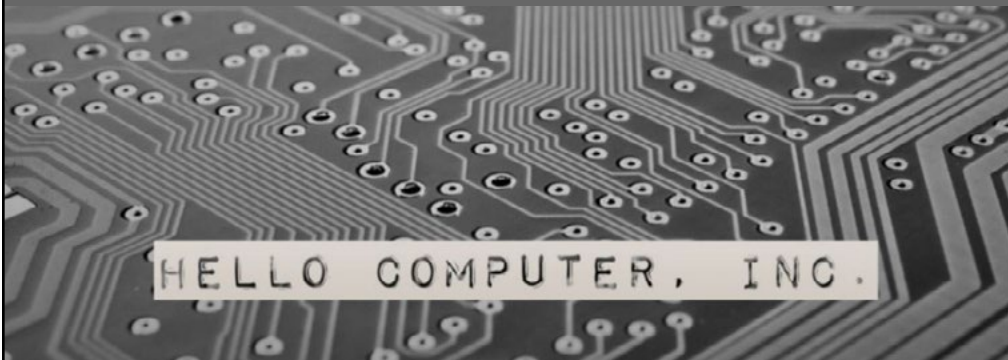
**INSIDE-OUT VS.
OUTSIDE-IN**

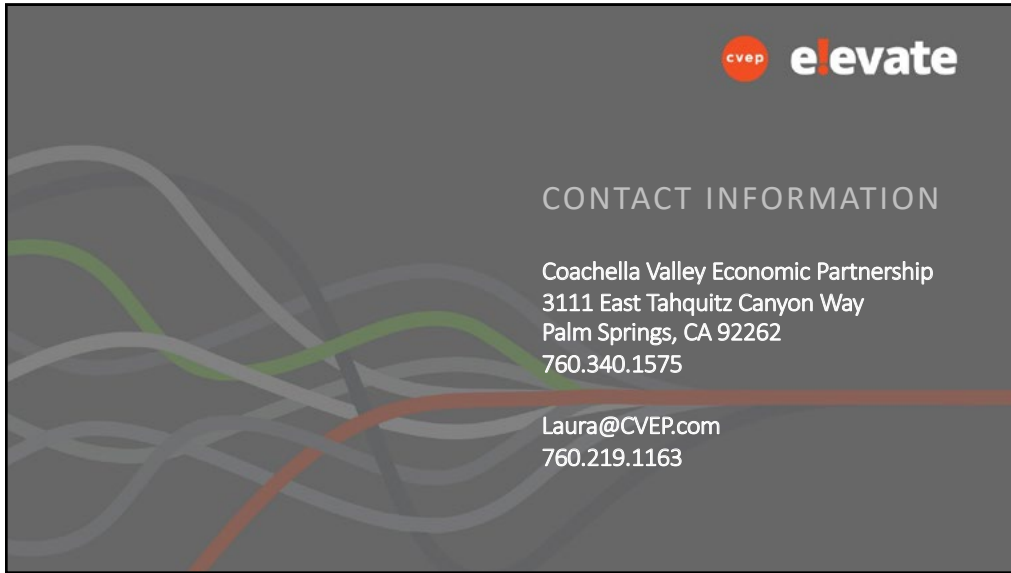
Building an innovation ecosystem from the inside-out is a bit like...



NEXT MONTH:

A real life case study:



A dark gray rectangular graphic with a background of overlapping, wavy lines in shades of gray, green, and orange. In the top right corner, the 'cvep e!evate' logo is repeated. Below the logo, the text 'CONTACT INFORMATION' is centered. To the right of this, contact details for the Coachella Valley Economic Partnership are listed.

cvep e!evate

CONTACT INFORMATION

Coachella Valley Economic Partnership
3111 East Tahquitz Canyon Way
Palm Springs, CA 92262
760.340.1575

Laura@CVEP.com
760.219.1163

BUSINESS SERVICES REPORT
FEBRUARY 22, 2023

General Updates

- CVEP's new event series, Morning Insights, launched at the Palm Desert iHub on February 8. Two dozen people attended. Morning Insights will be held on the second Wednesday of each Month at 8:00am. The next is March 8. Visit <https://cvep.com/events/> for more info.
- Our next educational workshop with Chase is on March 1: Marketing in a Digital World. Visit <https://cvep.com/events/> for more info.
- From January 28-31, Laura James attended the IEDC Leadership Summit in Tucson, AZ, and was a presenter on the Hiring our Heroes panel. Other workshops attended included autonomous vehicles; water conservation; NASA's OSIRIS-Rex mission; economic development ethics; immigration and workforce; and a tour of unique downtown Tucson developments and districts.
- We have revamped the monthly Regional Economic Development Roundtable meeting for 2023 by shifting to an in-person format. The Roundtable is currently held on the third Thursday of the month at the Palm Desert iHub.
- We are bringing on an intern. Kalyse LaForey Stewart is a junior at Cal Baptist, majoring in entrepreneurship and with a keen interest in real estate. Special thanks to the Dean of the Jobs School of Business, Dr. Tim Gramling, for making this possible.
- CVEP is participating in CV Giving Day, March 1, 2023, with a unique "23 in 23" campaign. Early donations are accepted and appreciated. Share on LinkedIn or Facebook to make an impact! Visit <https://cvep.com/23in23/> for more info.



- We are planning for Innovation Month activities, including Fast Pitch Greater Palm Springs. Mark your calendars for Thursday, April 6 at the Palm Desert iHub.
- New Data Digests published include: Colorado River Crisis; Healthy Places Index; Household Income Indicators.

Investor Spotlights

- **Investor Spotlights:**

- Wells Fargo
- Osborne Rincon
- LifeStream Blood Bank

- **Investor content shared in insights and on social media (partial list):**

- UCR (Discount on Spring Courses from UCRX; OASIS Programs)
- Cities of Indio, Palm Desert, Palm Springs (iHubs)
- CSUSB-PDC (Lieutenant Governor Visit)
- KESQ (CV Giving Day Support)
- City of Cathedral City (Event at Perez Art District; We're Hiring)
- City of Indio (Hiring Police Officers)
- LifeStream Blood Bank (Blood Drive Info)
- The Desert Sun/Local IQ (Housing Prices)

A reminder: please add Laura@cvep.com to your media lists!

Operational Highlights January 2023

1. IEGO and Inland Empire Labor Institute are the Co-Convenors. They are waiting for the State to provide a contract to the fiscal sponsor for the release of the \$5 million dollars. Once they receive the contract, they will have 60 days to finalize a Phase I Plan which includes the establishment of the High Road Transition Collaborative (HRTC). As a signatory, CVEP is a partner. IEGO has hired a new Executive Director, Matt Mena, who previously worked with CVEP at the Governor's GO-Biz office. He starts February 21. CVEP is still poised to serve as the sub-convenor for the Coachella Valley and High Desert.
2. Laura James made a presentation at the IEDC Leadership Summit in Tucson, AZ. Her presentation was well received, and she was one of only a few Californians who participated.
3. CVEP has been requested to meet with Mike Mackay, National Security Advisor for Congressman Ken Calvert, and his Defense Fellow, Marine Corps Major Paul Deller regarding the technology business base and innovation ecosystem in the Coachella Valley. We expect this to happen before the end of February.
4. CVEP participated in a tour of a cannabis growing facility in Cathedral City with two members of the City Council, the current building owner and the Director of Economic Development. The challenges in the cannabis business from growing to retail are now widely publicized and solutions are being sought.
5. CVEP is still in discussions with the UCR Office of Technology Partnerships regarding how we can work together closer. In the January meeting we were advised that we will be paid for providing a representative service for them in the region.
6. CVEP has published an ad to start the disposal of surplus and abandoned equipment. We are okay to start the liquidation of the items.
7. CVEP was solicited by CA Forward to assist with the California Economic Development Summit that will be held at the Renaissance Hotel in Indian Wells from October 11-13, 2023. CVEP anticipates entering into a contract with CA Forward that will merge our 2023 Economic Summit that will guarantee us an equivalent financial gain based on our historic performance of \$50,000 for the Summit.
8. CVEP has seen an increase in contacts with entrepreneurs in the start-up stage. We accepted a new company called "Hello Computer" and have another contact from the Tech Coast Angels to begin a dialog with. We have invited the CEO of Hello Computer to speak at the March Board Meeting.

FINANCIAL SNAPSHOT FEBRUARY 20, 2023

Cash Positions

Cash on Deposit:	\$ 365,244
Cash Expectations thru EOM:	\$ 126,250 (AR + new billings)
Total Cash & AR:	\$ 491,494
Less Projected Ops :	\$ 10,000 (through 2/28)
Projected Cash & AR End of February	\$ 481,494 (approx. 5.0 months)

Comparison of YTD FY 22-23 and FY 21-22

Financial Metric	YTD FY 22-23	YTD FY 21-22	Year to Year Change
Revenue	\$871,063	\$916,924	-\$45,861 (-5.0%)
Expenses	\$786,701	\$738,639	+48,062 (+6.5%)
Revenue less Expenses	\$84,362	\$178,285	-\$93,923 (-52.7%)

Comparison of YTD FY 22-23 and YTD Budget FY 22-23 (prior to mid-year adjustments)

Financial Metric	YTD FY 22-23	Budget YTD FY 22-23	Deviation from Budget
Revenue	\$871,063	\$889,540	-\$18,477 (-2.1%)
Expenses	\$786,701	\$826,389	-\$39,688 (-4.8%)
Revenue less Expenses	\$84,362	\$63,151	\$21,211 (+33.6%)

1. Excludes depreciation and interest
2. Taken from Osborne Rincon Reports for Jan 31, 2023, June 30, 2022, and Jan 31, 2022
3. Revenue shortfalls from budget are driven by delayed sales of abandoned equipment, rent collection shortages, and the Summit.
4. \$25,550 bad debt is from 2018 and was absorbed into FY 22-23 expenses.
5. Expense increases in events, utilities and other operations activities range from 12% to 22% above budgeted levels and last year's expenses.

Balance Sheet Changes Post June 30, 2022

- Cash decreased to \$401,966 from \$467,653
- Total Assets decreased to \$568,802 from \$657,076
- Liabilities decreased to \$456,590 from \$583,419 (short term liability is \$144,352)
- Total Net Assets increased to \$112,213 from \$73,657

Note: Abandoned Assets are **NOT INCLUDED** on the balance sheet

Mid-Year Budget Analysis: CVEP has reached the 7 month point in FY 22-23 with a positive revenue less expenses of \$84,362. This is above our approved budget of \$63,151 by \$21,211. The contributors to the shortfall are deferring the sale of abandoned assets, lower Summit revenue, some reduced investments and increased expenses driven by inflation across all expense sectors. It is to be noted that the category of salaries and wages is under budget, so talent costs are not contributing to the deviation from the budgeted financial performance. CVEP currently has a strong cash position with 5 months of expenses on deposit. Additionally, the expected revenue through April 2023 should maintain a positive performance through that time. A detail of the expectations for the remainder of the fiscal year is below. It is vital to end the year with positive performance to liquidate existing assets and maintain a frugal operating discipline. It is also noted that since FY 20-21 CVEP has absorbed roughly \$400,000 in reduced funding and lost rental opportunities in our facilities.

Best Opportunity to Mitigate Risks: On February 17, 2023, all of the abandoned assets can now be sold, and the liquidation value has the potential to be nearly \$100,000. We are moving on this now.

Approved Expense Budget Jan – June 2023: \$491,046

Proposed Reduced Expense Budget Feb- June 2023: \$433,941

Proposed Expense Reduction: \$57,105

	Revenue	Expense	YTD Rev - Expense
January	\$871,063	\$786,701	\$84,362
February	\$30,000	\$84,318	\$30,044
March	\$41,250	\$84,401	(\$13,107)
April	\$123,750	\$86,083	\$24,560
May	\$21,250	\$88,985	(\$43,175)
June	\$16,250	\$90,154	(\$117,080)
FY Totals	\$1,103,563	\$1,220,642	(\$117,080)

CVEP will be receiving some deferred income in the Spring that will strengthen our already strong cash position. We typically take in about \$85,000 so our end of fiscal year cash and AR should be in the \$350,000 range. July typically is the best cash flow month of the year.

Focusing on FY 23-24 revenue sources and selling available assets should be front of mind alongside our mission of mentoring entrepreneurs and supporting local businesses.



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