

City of La Quinta

CITY COUNCIL MEETING

DEPARTMENT REPORT

TO: The Honorable Mayor and Members of the City Council

FROM: Chris Escobedo, Assistant to City Manager
Frank J. Spevacek, City Manager

DATE: July 7, 2015

SUBJECT: COACHELLA VALLEY ECONOMIC PARTNERSHIP IHUB ACCELERATOR
PROJECT PLANNING GRANT REPORT

In November 2013, the City Council appropriated \$40,000 to fund a study by the Coachella Valley Economic Partnership (CVEP); CVEP was exploring establishing a iHub Accelerator Network project in the Eastern Coachella Valley. CVEP and the University of Redlands were awarded a \$200,000 federal planning grant under the Invest in Manufacturing Communities Partnership program (IMCP) to support the development of an advanced manufacturing innovation center.

In order to utilize the grant funds, the granting agency required CVEP to receive \$200,000 in local matching funds from regional stakeholders. The County of Riverside, Coachella Valley Enterprise Zone (CVEZ) and the Cities of Coachella, Indio, La Quinta, and Palm Desert were approached to partner in this program. In the end, all partners committed to the effort except for Coachella and CVEZ as it was in the process of being dissolved. CVEP funded the City of Coachella's share.

There were two phases to the IMCP grant process. CVEP secured the planning grant funds for Phase 1, which would generate a series of deliverables for a second grant application to the federal government (Phase 2). The key deliverables were:

- Development of a geographic information system tool operated by CVEP and accessed without charge by the City and CVEP investors;
- Industry cluster opportunity assessment in advanced manufacturing;
- Identification of potential iHub and accelerator facilities;
- Recommendation of career technical training programs to support advanced manufacturing and technology startups;
- An internal trade and export plan; and
- Business operations plan for the iHub.

The grant application was not shared with staff to verify the key deliverables.

The second phase would have enabled CVEP to apply for up to \$25 million to implement the strategies developed during the Phase 1 process, and it would also require local matching funds. CVEP was unsuccessful in securing the Phase 2 grant.

On June 11, 2015, the City received a three-ring binder inclusive of all project element deliverables. The items contained in the binder are as follows.

- Business Plan – East Valley iHub, August 2014
- Economic Impact – iHub Strategy, March 2014
- Big Data for Growth (1), March 2015
- Big Data for Growth (2), March 2015
- Renewable Energy Manufacturing Case Study, July 2014
- Medical Device Manufacturing Case Study, March 2015
- Advanced Manufacturing Case Study, March 2015

Three reports included in the binder completed in March 2015 had not previously been submitted to the City. The new reports related ways to use big data to develop economic development strategies and a report on advanced manufacturing. A copy of the binder is available in the City Manager's department for further review.

CVEP's delivery of these materials concluded this contract. The City's economic development staff has reviewed the materials and is identifying how they may be best utilized. Given that CVEP was unsuccessful in securing the Phase 2 grant, it will up to the east Valley cities, the County and the East Valley Coalition to identify and implement the next steps.