

COMMUNITY ECONOMIC PROFILE

for

DESERT HOT SPRINGS RIVERSIDE COUNTY, CALIFORNIA

Prepared in Conjunction with the City of Desert Hot Springs and Desert Hot Springs Chamber of Commerce

Location

Desert Hot Springs, incorporated September 25, 1963, is located 112 miles east of Los Angeles and 511 miles south of San Francisco.

Economic Growth and Trends

	1980	1990	2000	2004
Population-County	663,166	1,170,413	1,545,387	1,776,743 ¹
Taxable Sales-County	\$3,274,017	\$9,522,631	\$16,979,449	\$21,709,135 ²
Population-City	5,941	11,668	16,582	17,690 ¹
Taxable Sales-City	\$15,873	\$40,584	\$63,475	\$71,943 ²
Housing Units-City	3,123	4,586	5,859	6,147 ¹
Median Household Income-City	\$12,312	\$20,687	\$25,987	\$29,765 ³
School Enrollment K-12	8,000	14,426	20,216	22,067 ⁴

1. California Department of Finance, January 1, 2004. Housing count reflects occupied dwellings. 2. California State Board of Equalization, calendar year 2003. Add 000. 3. UCLA Anderson Forecast, University of California, Los Angeles, 2004. 4. California Department of Education, 2003. Enrollment count is for the Palm Springs Unified School District and is for 2002-03.

Climate

Period	AVERAGE TEMPERATURE			RAIN	HUMIDITY		
	Min.	Mean	Max.	Inches	4 A.M.	Noon	4 P.M.
January	39.1	53.7	68.3	1.22	57	32	32
April	52.5	69.9	86.9	0.25	55	22	19
July	73.2	90.6	107.8	0.29	60	28	25
October	56.4	74.0	91.4	1.33	58	27	28
Year	54.7	70.9	79.0	7.07	58	27	26

Transportation

RAIL: Union Pacific main line, 5 miles south. Amtrak passenger rail service is provided in Palm Springs and Indio. Passenger rail service is anticipated within the near future.

TRUCK: Most major short and long haul carriers.

OVERNIGHT DELIVERY TO: Los Angeles, San Francisco, San Diego, and Phoenix.

AIR: Palm Springs International Airport, 9 miles south, is served by Alaska, America West Express, American, American Eagle, Continental Express, Delta, Delta Connection, Horizon, Northwest, Sun Country, United, and United Express; general facilities; 10,000 ft. runway. The expansion for the general facilities at Palm Springs International Airport has been completed. Bermuda Dunes general aviation facility is 15 miles southeast.

BUS: The SunLine Transit Agency serves Coachella Valley communities. Greyhound service is provided in Palm Springs and Indio.

PORTS: Ports at Los Angeles-Long Beach, 115 miles west, and San Diego, 127 miles southwest.

HIGHWAYS: Nearby connections to Calif. 62 north to Yucca Valley and south to I-10 to Los Angeles, east to Phoenix, and south on Calif. 111 and the I-8 to Tucson.

Industrial Sites

There are 345 acres in the city limits zoned for industry. Industrial site is ready to explode because of its location. About 90% is vacant and available in parcels ranging in size from 1 to 35 acres. Drainage is very good. Subsoil is sandy and piling is not required for one-story buildings. Sizes of water mains range from 6 to 16 inches. Site data compiled in cooperation with the City of Desert Hot Springs.

Public Service

WATER: Mission Springs Water District, (760) 329-6448.

Maximum pumping capacity: 18.8 million gal/day. Average consumption: 8.46 mg/d. Water connection charges: Yes. Bi-monthly service charge by meter size: 3/4" - \$10.00; 1" - \$11.14; 1 1/2" - \$13.17; 2" - \$15.27; 3" - \$24.36; 4" - \$37.74; 6" - \$60.63. Consumption charges: 0-500 cu. ft. - (no charge); 501-3,000 cu. ft. - \$0.92/HCF; over 3,000 cu. ft. - \$1.00/HCF. Construction water charge: \$1.22/HCF.

SEWER: Mission Springs Water District, (760) 329-6448.

Capacity of sewer plant: 1.11 mg/d. Peak flow: 0.9 mg/d. Type of treatment plant: Secondary. Any facilities for non-recoverable industrial wastewater: No. Sewer connection charges: \$2,080 minimum. Sewer service charge: \$28.06/EDU residential/bimonthly rate. Commercial-Industrial charges are between \$0.46 to \$4.82 per HCF.

Infrastructure

Master plan for storm drains adopted: Yes. Charges assessed on what basis: Flood hazard protection study for subdivisions: based on number of lots plus \$2.00 per tentative lot or \$8 per acre if planned unit development.

Dedication requirements: Capital Improvement Plan.

Improvement requirements: Street lights, fire hydrants, centerline monument, traffic control, match-up of paving, curbs, gutters, sidewalks, and parks.

Utilities

GAS: Southern California Gas Co.

For residential and business rates applicable to Desert Hot Springs, contact the Southern California Gas Co. at (800) 427-2200.

ELECTRIC: Southern California Edison.

For residential and business rates applicable to Desert Hot Springs, contact Southern California Edison at (800) 655-4555.

TELEPHONE: Verizon.

For rates and types of service available in Desert Hot Springs, contact Verizon at (800) 483-4000 for residential or (800) 483-5000 for business.

Governmental Facilities – Tax and Insurance Rates

- Desert Hot Springs has the council-manager form of government. Assessed valuation minus exemptions (2003-04): \$603,194,386; County: \$118.5 billion. Ratio of assessed value to appraised value: 100% of real cash value.
- Industrial property tax rates (2003-04) per \$100 assessed valuation. Code area: 61-021. City rate: \$.00000; County: \$1.00000; School: \$.06052; Other: \$.06000; Total: \$1.12052.
- Commercial property tax rates (2003-04) per \$100 assessed valuation. Code area: 14-014. City rate: \$.00000; County: \$1.00000; School: \$.06052; Other: \$.06000; Total: \$1.12052.
- Retail Sales Tax: State 6.25%, County/City 0.75%, Riverside County Transportation Commission 0.5%, County Transportation 0.25%, Total 7.75%.
- Police Department: City has a full-service Police Department.
- Fire Department: City contracts with the Riverside County Fire Department.
- Fire Insurance Classification: Source of Rating: Robinson's Rating Service. City rating: 4. Adjacent unincorporated area: 9.
- Major projects authorized for improvement of city services or to adjacent unincorporated areas: public nuisance abatement; downtown lighting; improving present park buildings, and street resurfacing underway.

The Desert Hot Springs Labor Market Area

- Redevelopment Agency Area: 932 acres. Projects include residential flood control; public corridor improvement; single family rehabilitation loan assistance, spa conversion program, front yard beautification grants, 1st time homebuyer down-payment assistance, self-help housing assistance.

Area consists of the Coachella Valley (the Desert Hot Springs, Cathedral City-Palm Desert, Palm Spring and Coachella Valley Census County Divisions).

Area population: 318,125		Total employment: 120,429	
Natural Resources & Mining	6,979	Professional & Business Services	12,900
Construction	11,771	Education & Health Services	18,867
Manufacturing	4,484	Leisure & Hospitality	23,193
Trade, Transportation & Utilities	21,735	Other Services	6,930
Information	2,646	Government	3,643
Financial Activities	7,281		

Source: U.S. Census, 2000.

Characteristics of the Labor Force

Extent of Unionization: Construction workers are generally unionized, as are culinary workers and bartenders.

A number of local "health spas" attract both visitors and residents with health problems, especially those with arthritis. A high seasonal demand exists between November and May for nurses, physiotherapists and service workers. A large population of senior citizens demands a number of service workers year-round. Considerable construction of energy producing wind machines is evident in the western portion of the city, generating some demand for technical and general labor.

Wage rates, extent of unionization, fringe benefits, and related information for specific industries and job classifications may be obtained from the State Employment Development Department, Labor Market Information Division, 1161 Spruce Street, Riverside, California 92507, (951) 955-3204, or at 7000 Franklin Blvd., Suite 1100, Sacramento, California 95823, (916) 262-2162.

There are 35 manufacturing plants in the community area (the community area consists of Desert Hot Springs, North Palm Springs, and Palm Springs). Leading group classes of products are: medical respirators.

Manufacturing Employment

Name of Company	Employment	Products
Viasys	250	Medical equipment
Palm Springs Baking Co.	100	Bakery products
Western Golf Cart Manufacturing	60	Golf carts
Palm Springs Plating	30	Metal plating
Patton Enterprises	18	Hardware

The major non-manufacturing employers are motels, hotels and spas, which in the aggregate employ several hundred people.

Non-Manufacturing Employment

Name of Employer	Employment	Description
Palm Springs Unified School District	1,998	Public school system
Angel View Crippled Children's Foundation	250	Rehabilitation services
Miracle Springs Hotel & Spa	178	Resort hotel
Desert Hot Springs Spa Hotel	143	Resort hotel
Kmart	95	Retail
Vons	75	Supermarket
Stater Bros.	60	Supermarket
City of Desert Hot Springs	58	City government
Agua Caliente Spa Hotel	55	Hotel
Mission Springs Water District	40	Water purveyor

Community Facilities

HEALTH: 1 clinic, 4 physicians/surgeons, 5 dentists, 11 chiropractors, and 1 optometrist. Major medical care is available at Desert Regional Medical Center in Palm Springs, 10 mi. south, and Eisenhower Medical Center, 13 mi. east.

EDUCATION: The city has 4 elementary schools, 1 middle school, and 1 high school. Palm Springs Unified School District consists of 15 elementary schools, 4 middle schools, 3 high schools, 1 high school academy, 1 continuation high school, and 1 adult school. For continuing and advanced education, the College of the Desert, a 2-year community college, and the Palm Desert Campus of California State University, San Bernardino are located in Palm Desert, 20 mi. southeast.

CULTURAL: 31 churches, 1 library, 1 newspaper, 9 TV channels received direct, 1 cable system (Adelphia Communications), 3 banks, 1 savings and loan, and 6 parks. Other recreational facilities include: public tennis courts, 6 golf courses, 12 public day spas, 1 art gallery, 1 multi-purpose center, and the Cabot's Pueblo Museum. Nearby are the Palm Springs Aerial Tramway and a variety of recreational attractions and activities in upper Coachella Valley resorts.

According to the California Department of Finance, there are 7,380 housing units in Desert Hot Springs. The housing stock consists of 4,115 single detached units, 180 single attached units, 1,193 multiple 2 to 4 units, 1,313 multiple 5 plus units, and 579 mobile homes.

The median sales price for new and existing homes is \$155,000, according to the California Association of Realtors First Quarter 2004 Report.

Located in Desert Hot Springs are 8 mobile home parks, with a total of 758 spaces.

The city has 7 housing developments scattered throughout the town providing apartments for low and moderate families and individuals. The combined total units available are 628 units.

Desert Hot Springs is in the foothills of the San Bernardino Mountains overlooking Palm Springs. It offers the advantages of both the high and low deserts. The community is famous for its natural hot mineral water and features 40 motels and hotels with over 1,000 rooms. Each year thousands of Europeans and Canadians spend their winters in the community. The city is experiencing a boom in new housing construction. Desert Hot Springs, with its 3 shopping centers, supports a significant retail market. The community favors a balanced development of commercial-industrial as well as tourist-related business now and in the future.

Housing Availability, Prices & Rentals

Remarks

For further information contact the Riverside County Economic Development Agency, P. O. Box 1180, Riverside, CA 92502, (951) 955-8916 or (800) 984-1000; the Desert Hot Springs Chamber of Commerce, 11711 West Drive, Desert Hot Springs, CA 92240, (760) 329-6403; or the City of Desert Hot Springs, 65950 Pierson Blvd., Desert Hot Springs, CA 92240, (760) 329-6411.