



June 1, 2015

Tom Kirk  
Executive Director  
CVAG  
73-710 Fred Waring #200  
Palm Desert, CA 92260

Dear Tom,

It's always good to talk to you.

I wanted to follow up on our July 10, 2014 meeting regarding CV Link and the possible private/private partnership opportunities. Paul and I really enjoyed your presentation and are excited about your vision for this project.

As you know, in addition to producing the two music festivals in the desert, Goldenvoice and/or our parent company AEG, manage several private facilities around the world with the most obvious being Staples Center and L.A. Live in downtown Los Angeles. After our meeting, Paul and I became excited about the possible opportunities that would be available if we were to operate and manage CV Link. As you know, our interest in the Coachella Valley expands beyond the festival grounds and we have partnerships and financial interest in events and venues valley-wide. The CV Link would fit well with our other businesses in the valley.

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With this being said, my letter is intended as an expression of interest for Goldenvoice, under license, to operate and maintain CV Link. We believe there are opportunities to monetize aspects of CV Link that would allow us to operate and maintain CV Link with no public subsidy required.

We applaud CVAG for its innovative thinking on CV Link, including the concept you approved in January to create an extension through central Coachella, south Indio and other parts of the eastern Coachella Valley. The potential for the route's popularity cannot be measured. It will connect to the polo grounds, where hundreds of thousands of people head each April for our music festivals. Bikes and golf carts are already heavily used on site during the festivals. With CV Link, festival attendees will have a safe route to ride their bikes to the events.

Thank you for your time and I look forward to your comments at your earliest convenience.

Best Regards,



Skip Paige  
Chief Operating Officer  
Goldenvoice

# Goldenvoice might pay for upkeep of CV Link

Promoter suggests trail could be maintained without public subsidy

By Jesse Marx  
The Desert Sun

Goldenvoice, the Los Angeles promotions company behind the Coachella Valley Music and Arts Festival, has expressed interest in paying for the upkeep of CV Link, a 50-mile-long bicycle, pedestrian and low-speed electric vehicle trail through the desert, estimated at about \$1 million a year.

Skip Paige, the company's chief operating officer, sent a letter Monday to the Coachella Valley Association of Governments — the lead authority on the project — in which he notes that “there are opportunities to monetize aspects of CV Link” so that it could be maintained “with no public subsidy required.”

CVAG Executive Director Tom Kirk said he presented the project to Goldenvoice executives after they reached out for more information last July.

*“With CV Link, festival attendees will have a safe route to ride their bikes to the events.”*

**SKIP PAIGE**

Goldenvoice's chief operating officer

The letter came up for a brief discussion at a Monday meeting of the CVAG executive committee — a body consisting mostly of the desert's mayors and city managers — but was set aside to deal with immediate funding questions that have been raised by Rancho Mirage mayor Dana Hobart.

He's suggested that his city and others are committing long-term to something more expensive than initially thought. He's

Please see CV LINK, 6A



JAY CALDERON/THE DESERT SUN

Skip Paige, Goldenvoice chief operating officer, said the company might help pay CV Link's annual operating costs.

## CV Link

Continued from 1A

pointed to the possible use of local tourism dollars and wondered whether a law firm based outside the desert is needed to review whether Measure A funds — which come from a voter-approved sales tax, good until 2039 — could be used for the upkeep of the trail.

On Friday, however, CVAG released a memo from the Riverside County Transportation Commission stating that, yes, Measure A funds can be locally applied to the CV Link. The commission was opposed at first, but agreed Monday night — at the insistence of Riverside County Supervisor John Benoit and others — that it should be made public.

Hobart said he would

need to review this document, but at a later date could propose that CVAG get a second legal opinion.

Construction on the first phase of the trail is slated to begin in 2017 and will tie the cities between Palm Springs and Coachella together. It could later extend north to Desert Hot Springs and south to the Salton Sea.

The cost of construction is about \$100 million — three-fourths of which has already been set aside through grant awards. The latest CVAG estimate puts the cost of upkeep, which includes repairs and graffiti removal, at \$992,523 a year, though that figure is still being tweaked. Three months ago, it was as high as \$1.6 million a year.

In the meantime, the cities agreed Monday to let their staffs prepare their own budgets — what

Cathedral City Mayor Stan Henry described as a “legitimate guesstimate” — of the potential future costs of the trail in their areas. Eventually, everyone is supposed to come together and compare with the hope of some sort of consensus.

Consensus, of course, has been the hardest part of this project. The public comments drew condemnation from both sides — each wagging a finger for the haters and supporters of the trail. Some painted this as a big government versus little government showdown, with Hobart as the champion for the “right to choose,” as one woman phrased it, “what is best for their city.”

The volunteers at Friends of the CV Link provided much of the favorable chatter. Its vice president, Gary Lueders, said he supported

Hobart's inquiry into the cost of the project, but “I am embarrassed by the way he's gone about it.”

The committee itself had more than its share of disagreements. In fact, the discussions lasted more than four hours and culminated in an attempt by Indian Wells and Rancho Mirage to officially slow down the project until their questions could be addressed. They were joined by both Coachella and Desert Hot Springs, but ultimately defeated.

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Before going down, Benoit delivered what was perhaps the harshest critique of the skilled attorney.

Hobart claims to be a porter of the idea of CV Link while providing little "effort to understand what is being said here," Benoit said.

After the meeting, the two adversaries spoke closely, smiling, Hobart with his hand on the other man's back as they parted.

Hobart, however, did succeed in putting two alternative routes through his city on the table, which now need to be reviewed for their environmental

impact. One would allow riders along Ramon and Monterey, and the other cut easterly on the edge of the city, toward Interstate 10.

"If you want something in Rancho Mirage," Hobart said, "it has to be something our residents aren't up in arms about."

As for Goldenvoice, it's not immediately clear what Paige meant in his Monday letter when he spoke of "opportunities to monetize aspects of CV Link" — he declined to be interviewed — but an economist who looked at the plan several years ago analyzed the potential for development along the route.

Paige also points out that Goldenvoice has experience managing large private facilities, including the Staples Center and L.A. Live. It goes on to stress that the company's interests extend beyond the Empire Polo Club, where the Coachella and Stagecoach music festivals are held every April: "We have partnerships and financial interest in events and venues valley-

wide. The CV Link would fit well with our other businesses in the valley."

It could also help bring people to their festivals, provided that the trail's final route extends to the polo club site. Paige noted that bikes and golf carts already are common on the site. "With CV Link," he writes, "festival attendees will have a safe route to ride their bikes to the events."

If a deal with Goldenvoice relieves the cities of their long-term financial responsibility, so be it, Hobart told the Desert Sun when reached for comment earlier in the day.

But he added, "I caution against becoming giddy at the prospect of a 'sugar daddy' coming to the rescue until we see the devilish details on a piece of paper signed by all required parties. I certainly hope it comes to fruition."

*Jesse Marx can be reached at jesse.marx@desertsun.com or @marxjesse on Twitter.*

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From: [doug@hansonco.com](mailto:doug@hansonco.com)  
Subject: FW: A Point of Clarification  
Date: July 1, 2015 at 3:23 PM  
To: [doug@hansonco.com](mailto:doug@hansonco.com)

To all:

The below email is from Dana Hobart to Tom Kirk. I think it is worth the read.

From: [Gdanahobart@aol.com](mailto:Gdanahobart@aol.com) [<mailto:Gdanahobart@aol.com>]  
Sent: Wednesday, July 01, 2015 10:28 AM  
To: [doug@hansonco.com](mailto:doug@hansonco.com)  
Subject: Fwd: A Point of Clarification

FYI

From: [Gdanahobart@aol.com](mailto:Gdanahobart@aol.com)  
To: [tkirk@cvag.org](mailto:tkirk@cvag.org)  
CC: [AMayer@RCTC.org](mailto:AMayer@RCTC.org), [randyb@RanchoMirageCA.gov](mailto:randyb@RanchoMirageCA.gov), [steveq@qalawyers.com](mailto:steveq@qalawyers.com), [tjweill@yahoo.com](mailto:tjweill@yahoo.com),  
[ladyirism@gmail.com](mailto:ladyirism@gmail.com), [TCharlie57@aol.com](mailto:TCharlie57@aol.com), [richardk@RanchoMirageCa.gov](mailto:richardk@RanchoMirageCa.gov),  
[isaiahh@RanchoMirageCA.gov](mailto:isaiahh@RanchoMirageCA.gov)  
Sent: 7/1/2015 10:19:49 A.M. Pacific Daylight Time  
Subj: A Point of Clarification

Dear Tom:

In an effort to squelch rumors before they gain much traction, the reporter's concluding statement in today's *Desert Sun*, is ambiguous and therefore can be misleading. Concerning the CVAG vote to reject hiring an outside law firm, the article concludes:

**"If the [Goldenvoice] discussions fail, a group of residents could attempt to thwart the use of Measure A funds by suing. Hobart, a lawyer by trade, has suggested as much in private emails to his fellow elected officials." Jesse Marx is *The Desert Sun* political reporter.**

Neither I nor anyone connected with Rancho Mirage has stated or intimated that we would ever sue or support anyone suing CVAG, RCTC or anyone else over the use of Measure A funds on the CV Link. To the contrary, I would expect to support a defense of RCTC and CVAG policies and procedures as determined by a majority vote of the members.

I have expressed concern about the legality of such a use and have made the point that such litigation could be brought by a taxpayer. Never have I suggested that I might become involved in such litigation; I would not. Nor would I ever encourage it.

The entirety of my discussion concerning Measure A funds has been its potential impact or effect on any CV Link O&M funding by the City of Rancho Mirage if it were initially counted on and then become unavailable for some reason.

My position is and has been that it would be bad policy to use Measure A funds "even if legal". However, that policy will be determined by a majority of CVAG members and I would accept whatever policy emerged at the end of the day. It is the democratic process.

I hope this provides some clarification concerning my position on the matters discussed.

Dana Hobart