

Exclusive: FIRST LOOK AT THE NEW
PALM SPRINGS DESERT MUSEUM

Palm Springs Life[®]

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Annual Desert Progress Issue

THINGS ARE LOOKING UP

- A new spirit in the desert cities
- New construction
- New retailing
- New cooperation
- New opportunities



View of new Steve Chase Art Wing and Education Center opening next month



THE DESERT

Three examples

Entrepreneur

The Supples have turned one local radio station into a desert broadcasting empire by dint of hard work and a feeling for what audiences want to hear.

The entrepreneurial spirit runs deep in the Coachella Valley. Something about the hard-scrabble nature of the desert builds independence in the natives, a mistrust of authority and a desire to strike out on one's own.

The spirit can strike anyone at any time. Some of the folks profiled here have always had that independent streak. Others came to it after lousy experiences with The System. And still others have had it thrust upon them.

There are thousands of successful entrepreneurial stories in the desert. These are three of them.

Two of the most successful entrepreneurs in the Coachella Valley today are Ric and Rozene Supple. Rozene's roots in the desert are deep, going back to the 1930s when her family bought their first house at Smoke Tree Stables. (Rozene's dad was George Arthur Richards, the famed radio pioneer, founder of the Good News network, which at its height included powerful beamers in Detroit, Cleveland and Los Angeles.)

The Supples themselves go way back together, first meeting at Stanford where they were classmates and then getting re-acquainted at the school's 25th reunion. (By then they had both lost their first spouses, and they were married shortly after the reunion, in 1972.)

RIC AND ROZENE SUPPLE

By WINSTON SMITH

Ric was in the insurance business in San Francisco with the prestigious Sedgwick James Agency (then known as the Fred James Agency) for most of his career, and Rozene had pretty much put aside her ambitions in broadcasting during her first marriage. But even before they tied the knot, both decided they might like to make a stab at the radio business in the desert. They bought a radio station and, after a few false starts (old political enemies tried to keep them from acquiring a license), began KPSI. For the next ten years the two toiled tirelessly building the station. (Today KPSI-AM and FM are the most popular stations in the valley with Arbitron ratings through the roof.)

"With Rozene's background in radio and mine in sales," says Ric, "we really hit our stride." Today the couple has just completed negotiations to buy KDES-AM and FM, and they are on the lookout to buy one more station in the area. (The FCC says one company can now own five stations.)

of going it alone. And making it great.

entrepreneurs

Photo by Ethan Kaminrsky

When they're not out promoting the station, the Supples live an idyllic life here in the desert, taking advantage of all the cities have to offer. Does that include shopping on El Paseo?

Rozene laughs. "Once a year (Mrs.) Betts Simon drags me to El Paseo and shames me into buying a new dress. But, really, dear, I hate shopping!"

They love to dine out, however, both at the lush Le Vallauris and at their country clubs, Thunderbird and O'Donnell.

The Supples also are large donors to charitable causes in the valley, working for Desert Hospital, the Palm Springs International Film Festival, the Committee of 25 and many other philanthropic groups in the community.

He's most proud, however, of his work for the ABC Club in Indio, which Ric calls "the poor man's Betty Ford Clinic." It is, he says, "a fantastic organization. We take alcoholics literally right out of the weeds. [The actor] Ralph Waite is a big driving force in that group. They do fantastic work."

The couple's business philosophy reflects their concerns for the community as well as the bottom line. "Roze and I are very active in the station," Ric says. "The more successful we become, the more we realize that the whole community is a team. We give back as much as we can."

PAUL MARUT & TRACY CONRAD

By CHRISTOPHER "KIP" ALLEN

Doctors Paul Marut and Tracy Conrad were enjoying a Palm Springs vacation in June of 1994 when the two emergency room physicians decided to have dinner at Le Vallauris on West Tahquitz Canyon Way. During a lull in the conversation, they happened to look across the street. What *was* that beautiful villa across the street? The tan-colored Mediterranean villa with the red tile roof seemed to beckon them from across its surrounding stone wall. Nestled in the foothills of the mountains and backed up to a 50-foot waterfall that descends to a small pond, the place was indeed attractive. They approached the villa through an ornamental iron gate and climbed up the stone steps inlaid with intricately decorated tile.

Conrad and Marut, along with Conrad's brother Andrew (a molecular biologist), decided right then and there to buy the property and, in an enormous leap of faith, the three medical professionals switched careers and went into the bed and breakfast biz.

"We decided to turn The Willows into the swankiest hotel in town," says Ms. Conrad.

They had a lot of work ahead of them. Previous owners of the villa had made many changes to the original structure, and things were bleak. "We were in total despair about what had happened to the house," says Tracy.

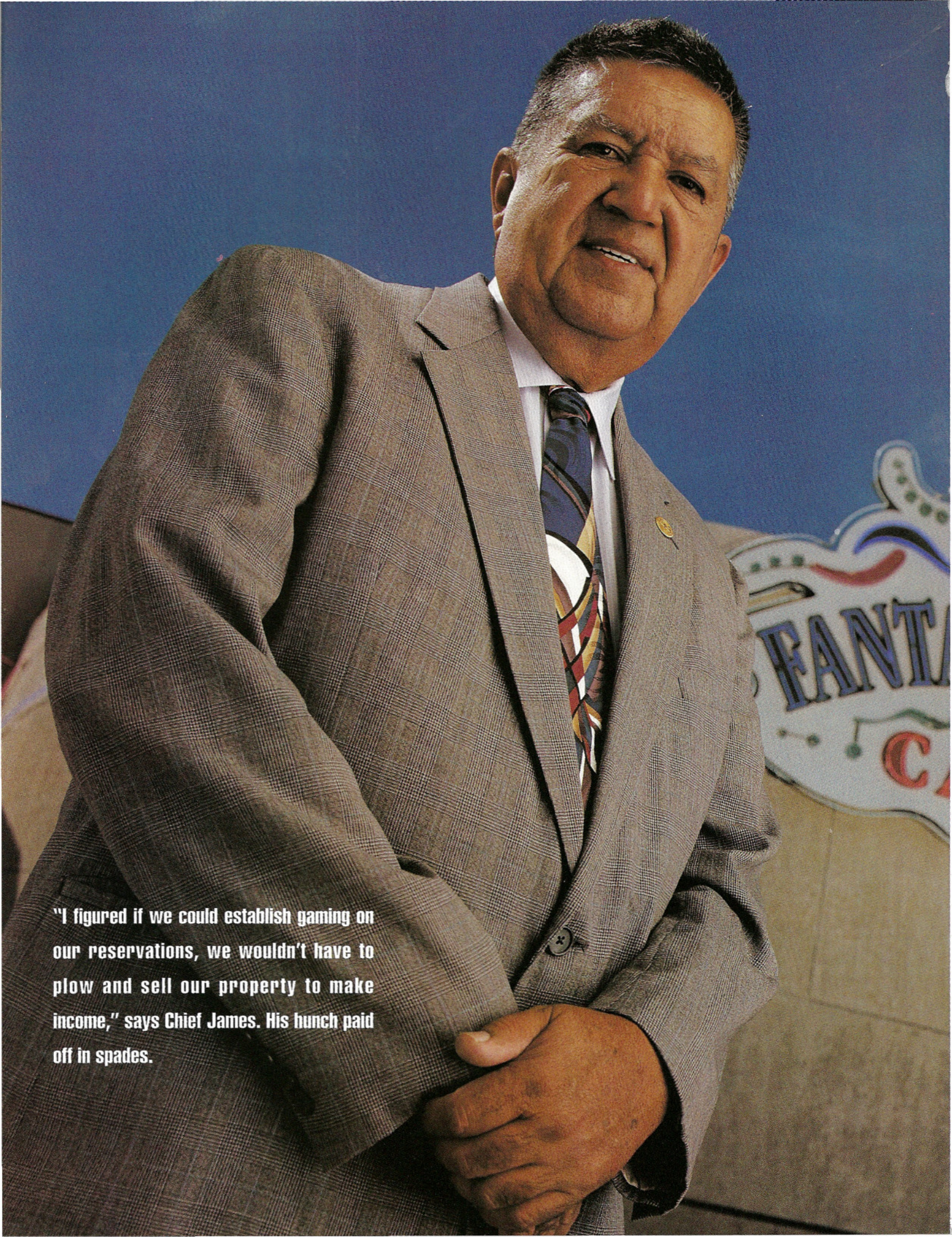
Interior walls had been added in a haphazard manner. Hardwood floors had been covered with garish carpet. Red paint glared from the walls. The backyard waterfall no longer worked, and the pool at the waterfall's base was overgrown with noxious vegetation.

The villa was "The Willows," originally built in 1927 by Samuel Untermyer. Untermyer and subsequent owners had surrounded themselves with the country's most glittering celebrities. House guests had included Albert Einstein and "Gentleman" Jimmy Walker, the flamboyant former mayor of New York City. Movie stars Clark Gable and Carole Lombard had honeymooned at the house in its heyday. Marion Davies, the long-time lover of publisher William Randolph Hearst, lived at "The Willows" for many years.

Photo by Ethan Kaminisky



Paul and Tracy invested heavily in the look of The Willows, attending to all of the crucial details. Will they succeed? The facility opens this fall.



"I figured if we could establish gaming on our reservations, we wouldn't have to plow and sell our property to make income," says Chief James. His hunch paid off in spades.

Restoration was largely a matter of intuition because the villa's original plans were lost. Old photos and a 1938 magazine article that featured the home were the main sources of information. The pictures and descriptions gave hints about the original floor plan and showed the waterfall in its glory days.

"We gutted the place of all the additions," says Dr. Marut. To say the least. The three not only got rid of all the furnishings but also stripped off the carpeting and removed all the interior walls back to the original.

Tracy Conrad's face holds a wide grin while showing off the results, a restored villa that opens this fall. The hardwood floors gleam in sunlight that flows through large windows. The red paint is gone, and the walls are a spotless white with heavy brown wooden ceiling beams in the large central lobby. A huge wall-sized fireplace dominates the rear common room on the first floor and overlooks the waterfall and the pool, now located in front.

There are eight different guest rooms in The Willows. Each is different, but all feature modern conveniences, including a full bath with antique-appearing fixtures, telephones, individual climate controls and cable hookups. Several of the rooms feature working fireplaces, private patios and spectacular views of the trademark waterfall.

The restoration was done with "sweat equity." Paul, Tracy and Andrew all pitched in to help with the grunt work, making the polished results even more gratifying.

Will it all be worth it? The three owners insist that they'll be profitable "someday," and with the new growth in upscale Palm Springs clientele, only a fool would bet against their efforts.

"We are targeting the upscale visitors who want the unique experience," Tracy says. "We really think this place embodies Palm Springs."

CHIEF JOHN A. JAMES By DAVID KEARSE

Upon entering the *sanctum sanctorum* of Cabazon Chief John A. James, the visitor first notices how cleverly the offices meld Native American touches with 21st Century modernity. The walls are adorned with photographs right next to what look to be priceless Native artifacts. There are pictures of James with just about every politician and office-holder in California, including the state's two senators, Barbara Boxer and Diane Feinstein. (The latter gave him a colorful sketch of flowers she had drawn.) An ornate Indian headdress and a buffalo skull quickly capture the eye. Boat-racing trophies encircle the room.

The tribal administration building's front lobby, too, is filled with such relics as a 600-year-old Cahuilla Indian rattle along with some handsome sculptures right next to photos of celebrities who have visited Chief James' tribe's casino Fantasy Springs. Also of note is an engraved invitation to President Clinton's 1993 inauguration.

Seated at his desk, he seems little like the provocative and often outspoken Chairman James of the newspaper headlines. He has a calm nature about him that inspires confidence. Blame it on the bloodlines: James is the blood chief of the Cabazon Band of Mission Indians and can date his ancestry back to 1537 when two of his Native American progenitors greeted the Spanish conquistadors on these shores.

Being tribal chief, however, means something a little different in today's world. "My boy would be the next hereditary chief," he says. It probably won't happen. Why? "We've gone along with this democratic thing. Now we vote for a tribal chairman."

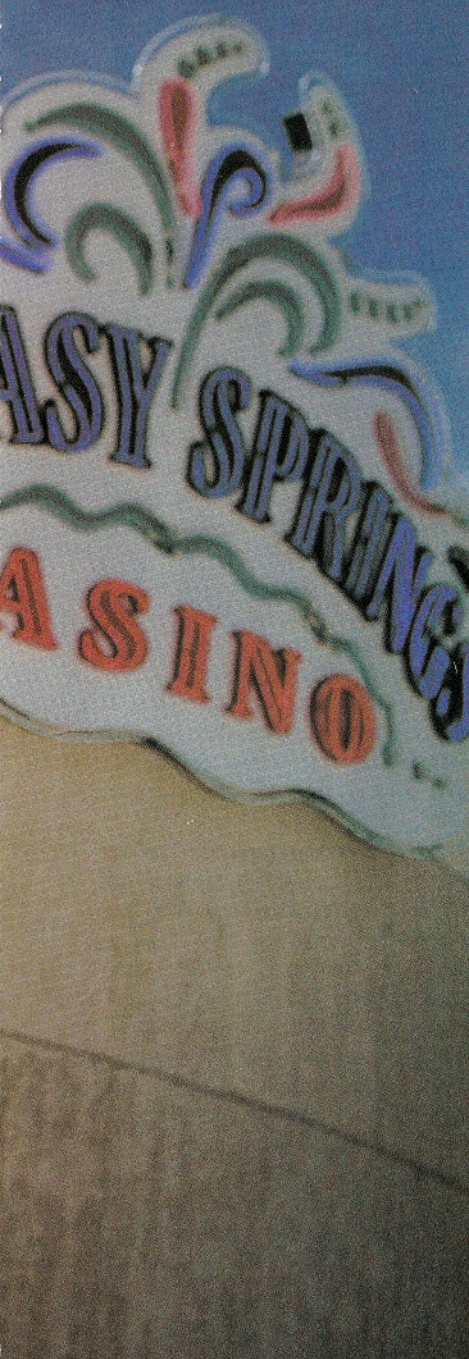


Photo by Geoffrey Preston



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Chairman James, a big man with a white brush cut and dynamic tenor voice, says he was "brought up on the railroad." James' father was a traveling engineer, the only full-blooded Indian to work on the railroad up to that time. (He retired in 1944 after working 32 years.) A few years later, his son, now-chief James, joined up with that same railroad and served as an apprentice. Military service interfered, and when James was discharged, he became a lineman for the county, working for the phone company. "I did it all," he says about the job, "trouble-shooting, phone repair, splicing."

Chief James has two children. Son Bruce, 35, now works as a federal ranger and is a member of the constabulary of his tribe. James' daughter Brenda graduated from UC San Bernardino. Both will tend to benefit from the work their father has done on behalf of the Indians here in the Coachella Valley. For though Chief James is modest about his achievements, he did do one big thing for his people. "I was the one who gave them the idea about gaming," he says. Indeed, it is the gaming and its ensuing riches that has brought the tribes the security to identify more and more with their rich heritage.

Where did James get the idea for Indian gaming? "I was in the Army," he says simply. "You can make quite a bit of money if you know how to play cards. I figured if we could establish gaming on our reservations, we wouldn't have to plow and sell our property to make income."

The problem was to convince other members of the tribe. Of the 30 members back then, ten were opposed outright on religious and moral grounds. "I had to show them the product and convince them that if they went along with the idea, there would be a benefit for them to enjoy." He sighs. "They didn't want to be told how to enjoy their benefit."

What kind of benefit? Figures are hard to come by in this world of Indian gaming, but the "drop" has been quite generous at the Coachella Valley's casinos. The tribe is doing quite well, thank you. James estimates that each allottee receives \$5,000 a month and will as long as they live — provided, of course, that the course of Indian gaming continues its progressive path.

In any event, the money that the tribe is making from gaming is being invested in non-gaming, less risky ventures.

"We practically own Colmac," James reports, referring to an electric-generating

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land of opportunity.' There are more than 150 properties covering more than 1,500 acres in the city just crying out for environmentally responsible commercial development of one kind or another. Our local economy has those three great Palm Springs assets: (1) the valley's only walkable downtown; (2) the Convention Center, which has become a tremendous generator of hotel business; (3) the airport, which presents an enormous potential of its own."

Palm Springs Now is pursuing a number of promising ideas. Members are currently working to persuade the University of California at Riverside to establish a satellite presence in Palm Springs that would exploit this area's excellent fiber-optic system for educational and corporate teleconferencing and instruction. Considerable progress has been made on an exciting mixed-used development concept to be located just across Avenida Caballeros from the Convention Center. Tentatively named Palm Springs Vacation Village and geared to tourism, it would feature specialized retail, including arts and crafts, entertainment, a prominent water theme and a possible Hale-KaLani resort hotel. "Here again, we're the catalyst," says Mr. Lapham. "The site is part of the Agua Caliente's Section 14, so we're in constant and close contact with the tribe and the Bureau of Indian Affairs, as well as the city and interested private parties. It's a classic example of what Palm Springs Now was created to facilitate."

Simultaneously, the group is assisting in the city's drive to bring the U.S. Customs service to the Palm Springs Regional Airport and to create a duty-free trade zone in the surrounding industrial area. If federal officials agree, Mr. Tuite explains how the zone would work: "Foreign manufacturers would gain the ability to ship parts to assembly plants here in the zone and then either re-export the completed product at zero tariff or transship within the United States at a lower tariff than normal. If we can get this designation, it obviously increases the likelihood of a big jump in well paid, year-round jobs. Palm Springs Now's support is crucial on this. They can be our best salesmen to foreign companies thinking about investment here to take advantage of the zone."

The existence of Palm Springs Now has already injected an added vigor into the drive to expand the city's economic and tax-generating base. It is an idea whose time has come. ■

company now situated in Section 6. (Colmac's headquarters are in Oregon.) Colmac creates electricity from waste wood and palm fronds and hay from Brawley, and shows great promise in the resource-recovery field. "We're considering going into other salvage operations like refuse collection, sorting, all of that." True to his Native American ecological roots, he's proud of the achievements. "We're way ahead of the rules on air pollution."

Today the tribe has 36 members with one or two more coming in, both 18-year-old children of tribal members. These young people are much on the tribal chief's mind. "You hand an 18-year-old \$60,000, and he or she goes hog wild. They forget the most important thing: Education."

Education is the key. James insists that all tribe members be educated. "With an education," he advises, "you can do anything."

The chief's life is an object lesson in the value of an education. He was born and educated in East Los Angeles and attended Garfield High. It was during high school that he became intrigued with history and geography, with an emphasis on the history of combat. During the Korean War he saw first-hand what he had been studying. He studies war no more. "You've got to see it first-hand," he says. "You have to see people chopped into hamburger. That's why, if you ever noticed, it's the old men's sons and daughters who never go to war. They've seen it."

Chief James' hopes for the tribe's future? "Every member a millionaire," he says. Of course that's a goal that was met two years ago when the tribe added up its assets and discovered it was worth \$70 million.

James has no intention to stop at that. Right now the Fantasy Springs trademark is on the verge of an enormous expansion. The casino itself will be remodeled in 1997, adding 132,000 square feet to an already large facility. Inside the casino the plans include a 24-lane bowling alley, a 300-seat restaurant and a 25,000-foot expansion to the video gaming and cardroom areas.

Additionally, there are plans in the works for a Fantasy Springs Resort Hotel (ten-story, 200 rooms, opening December 1997) and Fantasy Springs Resort Villas (200 timeshare units ready by June 1997) and, — what else? — the Fantasy Springs Resort Golf Course.

Even when all of those projects are finished, James will still not be satisfied. "Taking care of your own is a full-time job," he says. ■

of context, and you know that in both my book and at my seminars, I state that the tax is \$1,100,000 on the first \$3,000,000 including utilizing your \$600,000 exemption and then 55% thereafter. I believe it is your numbers that don't add up in misquoting me.

You further state, "The question is whether or not life insurance is the vehicle." However, you offer no alternative. You would find if you did your homework completely that there is no other vehicle but life insurance to accomplish the concepts that I created and that have been utilized all over this country by knowledgeable financial people as well as attorneys and accountants.

You refer to my numbers coming at you like a "Gatling gun." Would you like less numbers, less credibility, less validity and a slower presentation? It really is all in my book. Any dilution of my credibility denigrates the validity of the concepts you espouse in your article relative to me. I don't believe your intent was to do that.

You once again on page 62 refer to the fact that "\$1,100,000 not spent on insurance premium would be worth only \$495,000 according to Kaye's math." *This is not my math. The 55% estate tax on \$1,100,000 left in the estate is exactly \$605,000 thus leaving \$495,000.* This is not my math, it's an absolute fact. I believe you were intimating since you have already knocked my math, that your audience should not be taking my math too seriously. Why would you want to mislead them in this manner?

I know you meant to put *yearly* in the last two lines in your first column, where you misquoted my words, "Where are you putting \$20,000 that will produce \$3,100,000? Where indeed." That happens to be the correct premium. If stated correctly, \$20,000 yearly to purchase \$3,100,000 of last-to-die insurance. However, I thank you when you again state my telephone number, in case they do not understand these numbers. Obviously they couldn't understand since they were stated incorrectly.

Your next paragraph starts off with "*Then there is the Turning \$200,000 Into \$2 Million Trick.*" This is Chapter 39, page 187 of my book, and the actual chart was shown during the seminar. *It's not a trick, it's a fact.* Why call it a trick? You further state, "This plan ignores an obvious third option: invest the \$400,000 in something other than life insurance." You obviously chose to overlook that I state in the book

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