

New casino is changing the face of Palm Springs

THE SPA: Lavish new resort is the most Vegas-style of desert casinos

By JONATHAN SHIKES

Richard Milanovich's game is blackjack. But the chairman of the Agua Caliente Band of Cahuilla Indians doesn't play at his own casino because there is a tribal conflict-of-interest rule against it.

"It wouldn't look good if I was winning," he said.

Instead, Milanovich will turn his aces up today with the grand opening of the tribe's plush new \$95 million Spa Resort Casino in downtown Palm Springs.

A step above the other five desert-area Indian casinos, which are mostly boxy buildings near interstate off-ramps, the 130,000-square-foot Spa has an intricate design and lavish landscaping reminiscent of the glitzier hotels in Las Vegas.

"This is a huge thing," Palm Springs Bureau of Tourism spokesman Jeff Hocker said by phone. "It will have a very large financial impact on the city. The Spa will be a showpiece for the city. It will really invigorate the town."



William Wilson Lewis III/The Press-Enterprise

The \$95 million Spa Resort Casino features four restaurants, three bars, a stage, 1,000 slot machines and 30 table games.

into a pretty nice retail and resort community," he added. "We want to keep downtown integrated and tied into that."

But it may do even more than that, some city officials say.

The Spa, which sits two blocks east of Palm Canyon Drive, may actually change the shape of this city's famous downtown and relegate its traditional main drag into just one edge of a larger district.

"Downtown Palm Springs is turning on its axis," said Jerry Ogburn, the city's downtown development director, pointing east toward the Spa.

"There is a very good probability that the whole corridor along Tahquitz Canyon Way and Andreas Road between Indian Canyon Drive and Avenida Caballeros could develop

Casino projections

Inside, the Spa will feature four restaurants, three bars, a stage, 1,000 slot machines and 30 table games, including Pai Gow, mini-baccarat and blackjack. For the first time, there will also be an exclusive, high-limit room for high rollers.

It is located about a block from the 230-room Spa hotel, which the tribe bought in 1992. The existing casino, a tented building that has been in operation next to the hotel since 1995, will be torn down and turned into a parking lot.

The casino could draw 5,000 to 6,000 people a day downtown, twice what it does now, Milanovich added. It will employ between 1,100 and 1,200 people.

One block east of the Spa, the Palm Springs Convention Center will break ground Nov. 14 on a \$27 million to \$30 million expansion that will nearly double its size to almost 200,000 square feet. It is scheduled to be finished in early 2004.

"We have a lot of groups that would like to come into Palm Springs and have outgrown us," convention center general manager Jim Dunn said by phone. "This will help us recapture that and attract new groups that we couldn't go after before."

The convention center measures its success by the number of hotel rooms it fills with conventioners per night. During an average year, it generates about 70,000 room nights, Dunn said. By 2006, he hopes to generate 100,000 room nights.



William Wilson Lewis III/The Press-Enterprise

Palm Springs Bureau of Tourism spokesman Jeff Hocker call the new Spa Resort Casino "a showpiece for the city."

Upgrading the movie complex

Two blocks south and east of the casino, Oakland-based Signature Theatres has closed the Courtyard 10 and plans to spend several million dollars to turn it into a state-of-the-art theater complex with stadium seating and a high-end cafe and bar.

Signature, which bought the theater complex in June, will add two luxurious, screening-style rooms that will be used for private parties and meetings.

"Being across from the convention center, and with the reemergence and renovation and regentrification of Palm Springs, we're really excited to be a part of it," the company's president, Phil Harris, said by phone.

Further east and scattered over 640 acres are more than a dozen dirt lots that in the next five to 10 years could be turned into any number of retail centers, resort hotels, restaurants, office buildings, houses and condos and other uses.

Known on city maps as Section 14, the area is bounded by Alejo Road to the north, Sunrise Road to the east, Ramon Road to the south and Indian Canyon Drive to the west. Most of the land is owned by the tribe or by individual tribal members.

In the 1950s and '60s the city forcibly removed hundreds of residents who lived on the tribal lands as part of its long-term plan to facilitate development in run-down neighborhoods there.

Today, there are several large resorts, in addition to the Spa, and smaller hotels on the land -- which is between downtown and Palm Springs International Airport -- including the Hilton and the Wyndham.

The city and the tribe have been working for more than five years to create a master plan for Section 14, and are close to submitting a final proposal, according to Tom Davis, the development director for the tribe.

The goal is to create a pedestrian-friendly environment that connects with the existing downtown, Davis said. In fact, the tribe may eventually convert one or two blocks of Andreas Road into a pedestrian walkway.

"Every urban setting expands its downtown when the market demand is there," he said by phone. "It's a natural thing to try to do."

But as the casino and any restaurants or stores around begin to thrive, there is the possibility they could pull people from Palm Canyon Drive.

"There is a certain amount of fear," said Joy Meredith, owner of Crystal Fantasy, a Palm Canyon Drive shop, and the president of the Main Street merchants association.

"It will make us have to be a little more competitive, but it's up to us to be smart marketers," she said by phone. "And it's not an us-and-them sort of thing. I think the Agua Calientes have our best interest at heart."

"The whole town is getting bigger and better every day," added Sam Harris, who owns Sherman's Deli on Tahquitz Canyon Way. "There is plenty of room for everyone."

For now, Milanovich's attention is focused on the Spa, which underwent a quiet opening on Monday to work some of initial kinks, and a planned renovation of the hotel portion of the complex.

But he does have an idea for what he'd like to see five years from now.

"A Nordstrom," he said. "This is prime development space. Wouldn't it be nice to have some chic shopping here like Palm Desert has on El Paseo?"