

Opinion: Give Coachella to the Canadians

By Joe Mathews

Let's give the Coachella Valley to Canada.

After all, Canadians already rule the desert in winter. Canadian snowbirds love Palm Springs because it's a shorter flight than Maui and because it offers more culture—the international film festival, Modernism Week, the Coachella music festivals—than Phoenix.



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The desert has developed a Canadian-friendly infrastructure of restaurants, country clubs, and social organizations. The Canadian Club of the Desert, founded in 1982 at the Gene Autry Hotel, holds monthly breakfast forums “sharing experiences and ideas concerning issues of importance to Canadians.” The club also hosts a “Welcome Back Cocktail Party” in early December and “A Wind-Up Dinner and Dance” in March at the Lakes Country Club.

While snowbirds have been coming for decades, the Great Recession accelerated this Canadianization of the California desert. In 2008 the Canadian dollar was at all-time highs just as California real estate was in freefall—allowing Canadians to snap up properties cheaply. In the first four years of this decade, Canadians accounted for one-quarter of home purchases

in the desert.

And home purchases are just one form of Canadian stimulus in Coachella. By one estimate, Canada is responsible for 450,000 visitors annually; the Canadian government has taken credit for tripling the population of Palm Springs during winter. The Canadian hordes also have fueled the expansion of Palm Springs International Airport, which boasts direct service to Toronto, Vancouver, Calgary, Edmonton and Winnipeg.

This Canadian invasion has stirred only minor resentments. Restaurant servers say they could tip better. Canadians are also blamed for making traffic slower, given their strange national proclivity for obeying posted speed limits.

But the biggest problem with Coachella's Canadianization is that it isn't as big as it could be.

The Coachella Valley could get even more of a boost if more Canadians could visit more, buy more homes, and stay longer. But Canadians are welcome here only part-time. Our federal government imposes its complicated tax and immigration systems on you if you spend too much time here.

While the details are complicated, many Canadians in Coachella limit themselves to just 182 days a year. Spend 183 days here—more than half the year—and you can be considered a U.S. “resident alien” and the IRS may force you to pay U.S. taxes on all your global income.

This hurts California, since our Canadian visitors and part-time residents pay state and local taxes, while using relatively little in services.

A Canadian couple who split their time between Indio and British Columbia (I am not naming them to spare them federal government hassles) wonder why they can't stay longer. They have come to the Coachella Valley every year since 1984, have owned homes here since 2003, and pay property taxes 180

percent higher than in Canada.

And yet they make no social service demands and even buy extra insurance “to ensure that we can protect ourselves against the bankrupting cost of medical services here.”

“We are welcome here for 182 days, then we become ‘alien,’ and must depart,” they said. “We can own property but not weapons. We can pay every tax but not vote ... We commit no crimes. We buy media but seldom appear in it. We are a potential resource, never a threat.”

Recent declines in the Canadian dollar have made them less of a resource: Spending by Canadian visitors is down about 10 percent in the last couple years. The California housing shortage, and the soaring home costs that come with it, have made buying here harder for everyone, including our friends from the True North. (Still, median home prices in the desert are half what it costs to buy in Vancouver or Toronto.)

But the Canadians still come—and we would profit by lengthening their stays. Imagine if federal law were changed to make it possible for Canadians to spend nine months a year in California without triggering U.S. residency rules and taxes. That would be 50 percent more time, and much more spending and sales taxes from Canadians.

Could this happen? Maybe not. The federal government is generally hostile to policies that benefit California. But congressional Republicans are open to tax reform, and President Trump has indicated a preference for immigrants from wealthier and whiter countries like Canada.

And if the feds won't make things easier for Canadians in California, the state could step in.

Maybe the desert heart is getting to me, but I wonder if California might just deed the Coachella Valley to Canada. Not only would we get more Canadians and better governance, we'd

also get insurance: If the federal government escalates its war against California, we'd only have to drive to Palm Springs to request asylum.

A Canada colony in California might not be paradise. But it sounds pretty good, eh?

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