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SPORTS, 1C

The Desert Sun

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DESERT HOT SPRINGS



ABOVE: A private mineral water spa at Azure Palm Hot Springs Resort & Day Spa Oasis in Desert Hot Springs. BELOW: A room at the resort & day spa. PHOTOS BY ANDY ABEYTA/THE DESERT SUN

City wants to draw new spas and hotels

Ani Gasparyan PALM SPRINGS DESERT SUN | USA TODAY NETWORK

Desert Hot Springs is giving tax breaks to new hotels and spas to encourage development — and, the city hopes, ultimately double its tourism revenues by drawing new businesses. • The city is known for its mineral spring water spas and has long wanted to use that to its advantage to attract tourists. • But the number of spas in Desert Hot Springs had dwindled over the years. • In order to revive local spas and boost Desert Hot Springs’ reputation as a wellness destination, the city passed a “spa revitalization incentive program” in 2021.

The program waived the net transient occupancy tax increase for up to two years for qualified existing spas that underwent renovations. Spas that were not operating also could get all occupancy taxes waived for two years under the same program. But the plan did not include incentives for new hotel developments. On Tuesday, Dec. 2, the city council unanimously approved updates to the program that make newly constructed hotels eligible, along with other changes designed to increase participation. “While well-intended, the program was overly broad in some areas and too limited in others and lacked strong visibility from a marketing standpoint — leading to minimal participation,” a city staff report said.

See **TAX BREAKS**, Page 6A



Home of farm mogul searched after wife’s slaying

Officials investigating Kerri Abatti’s death

Perry Vandell
Arizona Republic
USA TODAY NETWORK

The Imperial County home of prominent farm owner Michael Abatti, along with other family properties, was searched this week by law-enforcement officers investigating the shooting death of his estranged wife. No arrests or charges have been announced in the death of Kerri Abatti, 59, who was killed Nov. 20 in a home she and her husband owned in eastern Arizona.

The Navajo County Sheriff’s Office in Arizona said Wednesday it had served multiple search warrants on properties and vehicles associated with the Abatti family as part of its homicide investigation.

A relative found Kerri Abatti wounded inside her home in the Pine-top, Arizona, area and called police, according to the sheriff’s office. Deputies took Abatti to a hospital, where she was pronounced dead, officials said.

Michael Abatti is a highly influential farm owner on California’s agriculture and political scene. He and Kerri had been married 31 years, but separated in August 2023 and were still going through a divorce at the time of Kerri’s death. She became a full-time Pinetop resident after the couple separated.

They owned homes in El Centro farm community, as well as in Arizona and Wyoming.

Navajo County detectives served the warrants on Dec. 2 that included a residence near Imperial Avenue and Aurora Drive in El Centro, as well as two camp trailers and two vehicles belonging to the Abatti family.

At least one search warrant tied to Michael Abatti has been filed in Pine-top-Lakeside Justice Court in Arizona.

“These warrants were obtained and executed based on the results of the ongoing homicide investigation and evidence developed by detectives,” Navajo County Sheriff’s Office

See **INVESTIGATION**, Page 2A

Forecast: Calif. economy will struggle in early 2026

James Ward
Palm Springs Desert Sun
USA TODAY NETWORK

A study released by the UCLA Anderson economists sums up California’s economic outlook for early 2026 as: “Both the nation and the state are poised to muddle through early 2026 before experiencing stronger growth in 2026 and 2027.”

That phrase — “muddling through” — captures a divided economy where AI-driven optimism collides with tariff-induced uncertainty and a weakening labor market, according to the study.

Another survey by George Mason

University’s Mercatus Center, a libertarian, free-market-oriented non-profit think tank, found the national economic landscape similar to California’s: productivity gains from AI will help offset weak job creation, but inflation and trade uncertainty remain stubborn challenges.

Jobs: A tale of two Californias

The report highlights a stark split: “In California, the outlook is further complicated by a bifurcated economy in which AI, aerospace, and other high-productivity sectors continue to expand while construction, non-durable goods,

leisure and hospitality, and government-funded services face significant headwinds.”

Payroll job losses through most of 2025 marked the first sustained decline since the pandemic, and UCLA warns, “California faces a prolonged employment recession into early 2026, driven by elevated costs, weak job growth, and the early effects of deportation policies.”

Housing: High prices, new supply of houses low

Housing remains a choke point. UCLA notes: “Building permits have stayed subdued despite elevated home

prices and the urgent need for new construction following the December 2024 and January 2025 wildfires.” Workforce shortages linked to deportations and tariff-driven material costs are key culprits.

California’s small businesses squeezed by tariffs, costs

Tariffs imposed throughout 2025 are still rippling through supply chains, the report found. The forecast warns: “Tariffs imposed throughout 2025 continue to move through supply chains, raising

See **ECONOMY**, Page 2A

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