

TO: CRAIG EWING  
DIRECTOR OF PLANNING  
CITY OF PALM SPRINGS

RECEIVED  
CITY OF PALM SPRINGS

2011 JUN -9 PM 5:19

JAMES THOMPSON  
CITY CLERK

RECEIVED

JUN 09 2011

PLANNING SERVICES  
DEPARTMENT

FROM: PALM SPRINGS PROMENADE, LLC  
WESSMAN HOLDINGS, LLC

RE: DEVELOPMENT AGREEMENT FOR DOWNTOWN REVITALIZATION PLAN

Dear Craig:

We are encouraged by the tremendous amount of support we have received from the community for this project thus far, and we don't want anything to risk dampening that enthusiasm or otherwise impede our forward progress.

On or before July 20, 2011, the City of Palm Springs and our company must reach agreement on a Project Financing Agreement, ("PFA"), that will facilitate the purchase of assets from us, i.e. the existing 1054 space parking garage, land for new public streets and future possible museum expansion.

The PFA will bring definition to the financial participation by the City and our company including a binding timeline for all parties to complete the core Downtown Revitalization Plan by late 2014. It will also clarify that public assets, including but not limited to parking garages, parking lots and public streets, will remain in public ownership and will not be transferred to private interests. If the City Council elects on July 20<sup>th</sup> to place a ballot measure for the November 8<sup>th</sup> election, the citizens of Palm Springs will have an opportunity by their vote to support a public-private partnership. This will revitalize the core of downtown and put Palm Springs back on the track toward economic viability by creating new jobs, new additional building projects in the core downtown and new hotel and residential construction, increasing sales tax, room revenue taxes, and creating new opportunities for the Convention Center. The community has made it very clear that this is where they want the City and us to focus our efforts and to work together to make this a reality.

The Development Agreement that was submitted to the Planning Commission on May 25<sup>th</sup> was to address future expectations for the future development of projects not part of the Downtown Revitalization Plan. However, we do not want confusion about the future plan to affect the progress on the things we do know and can resolve to ensure that the core Downtown Revitalization Plan and the public-private partnership will go forward. To that end, we are today withdrawing our request for a Development Agreement at this time.

WESSMAN HOLDINGS, LLC

By: 

JOHN WESSMAN, Its Managing Member

06/15/2011  
ITEM 1.B.