PALM SPRINGS PRESERVATION FOUNDATION

June 8, 2011

Mayor Steve Pougnet
City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

Re: Wessman Development Downtown Revitalization and Conceptual Master Plan and Proposed Development Agreement

Dear Mayor Pougnet,

We understand that the city council will meet on June 15, 2011 to evaluate the merits of the subject site plan and draft Development Agreement with Wessman Development. As we wrote in our May 18, 2011 letter to the city's planning commission:

Our view is that the inclusion of the Town & Country Center (T&CC) in the proposed site plan and Development Agreement before you is flawed on many levels and fails to comport with the values and priorities of the city's general plan, historic resources program and sustainability program. Accordingly, we ask you to consider only that portion of the subject site plan and agreement west of North Palm Canyon Drive.

Additionally, during the May 25, 2011 deliberations of the planning commission, a host of serious issues were raised about the terms and legal sufficiency of the proposed Development Agreement. While it has been privately rationalized that the forthcoming Financial Agreement will "fix" the flawed Development Agreement, as a practical matter it seems obvious that the developer will revert to language and loopholes in the Development Agreement when it's to his advantage (and to the city's peril). As a matter of common sense, who enters into an agreement of this nature without knowing the price of the inherent benefits and obligations? It also seems advisable that specialized legal and negotiating expertise be brought to bear on these important documents to address concerns by many leading citizens that the city has been "out-lawyered" in the crafting of the Development Agreement. Finally, it seems obvious that these important documents should be signed concurrently and not serially: the citizens of the city deserve such transparency.

We realize this is a complex issue and would like to provide you with some important background information. We hope that the following organization of facts and opinions

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about the T&CC will help you in your deliberations:

Architectural Significance of the T&CC

The T&CC (1948) was designed by two internationally-famous architects, Paul R. Williams and A. Quincy Jones. The T&CC is one of the best examples of the international-style of architecture in southern California and is an important early "mixed-use" development. It is also architecturally noteworthy for its pedestrian-friendly courtyard. We ask that you read the scholarly T&CC historic site nomination authored by Palm Springs Preservation Foundation (PSPF) board member Patrick McGrew in 2009 and updated in 2011 (see attachment 1).

Importance of Paul R. Williams' Involvement with the T&CC

Paul R. Williams is historically important as the American Institute of Architects' (AIA) first African-American architect (joining in 1923) and first African-American AIA Fellow (so honored in 1957). From April 29-30, 2011 we hosted an educational advocacy visit by Mr. Sanford Garner, the president of the National Organization of Minority Architects. On Saturday, April 30 Mr. Garner (who has significant experience in the field of preservation architecture) toured the T&CC with several of our board members. After the tour, Mr. Garner commented that the T&CC was "an historic resource that other cities would envy."

The T&CC Portion of the Wessman Development Site Plan is Inconsistent with the City's General Plan

The city of Palm Springs General Plan is replete with references to the importance of our historic resources, the "character" of our city and the importance of sustainable or "green" development.

The proposed demolition of the T&CC directly contradicts many of the city's general plan values and priorities including:

> "pedestrian-oriented shopping" (page 1-12)
> "unique architecture" (page 1-12)
> to "Promote the…use of…existing construction to minimize resource depletion and conserve resources for future generations." (page 1-12)
> to "Create unique places that strengthen community identity, offer visual interest, and support lively activity." (page 1-13)
> to "Preserve and uphold the high quality of architecture and the unique visual and aesthetic form in buildings…that distinguish Palm Springs from other cities." (page 1-13)

and perhaps most to the point,

> to "Recognize the importance of adaptive reuse for architecturally and historically significant resources." (page 1-13)

The T&CC *is* Historic

The T&CC has been evaluated for its historic significance no fewer than five times starting in 1983 and each review has determined that the T&CC is a *bona fide* historic structure that is eligible for listing on the National Register of Historic Places. With full knowledge of its historic significance, the T&CC was purchased by the current owner at a below market price in 1997.

Unfortunately, the decision as to whether a property is "historic" can fall victim to political expediency and the machinations of well-meaning city councils. Hence, more expert and scholarly assessments of properties, which evaluate the historic and architectural merits of a site using more objective criteria, should be consulted. The most recent of these expert assessments occurred in June of 2004 with the publication of the *Citywide Historic Resources Survey*. The city-directed survey was conducted by qualified experts from the Architectural Resources Group, Inc. and was approved by the city council on October 20, 2004. The 2004 survey opines that the T&CC "appears to meet the level of significance necessary for individual National Register of Historic Places or California Register of Historic Resources eligibility at the local level," and further that the T&CC is "A rare and excellent example of the late Moderne style…." Finally, the survey concludes that "Because of the building's visual quality, history, intact setting, and fair to high integrity, and as an outstanding example of commercial architecture in the late Moderne style, the building represents the overall commercial development of downtown Palm Springs during the post-war era and contributes to the mid-century modernist character so strongly identified with Palm Springs."

In the case of Palm Springs, historic properties have frequently been pawns in city-developer conflicts and alliances. An occurrence similar to today's T&CC saga transpired with the Frey-designed Tramway Gas Station: the architecturally distinctive gas station's historic designation was initially rebuffed by a city council intent on supporting a developer's proposed retail expansion at that end of the city. A later city council decision designated the Tramway Gas Station a Class 1 historic site and today the building (now the Visitors Center) is the one of the city's most iconic destinations.

In short (its June 24, 2009 5-0 vote concerning the T&CC notwithstanding) the Palm Springs city council cannot make a building "un-historic." While the city council can designate a site as qualifying under the municipal code's definition of an historic site, we rely on *objective assessments* from qualified experts not politicians.

Wessman Development's Site Plan is Inconsistent with the Publicly-Driven "Preferred Plan"

On January 26, February 3 and February 9, 2011 the city of Palm Springs hosted "visioning sessions" to solicit public input regarding the Desert Fashion Plaza (DFP) and T&CC. Public input included calls for local (as opposed to chain) retail, pedestrian-friendly throughways, more green space, etc. As a result of this community process a "Preferred Concept Plan" was developed that offered a solution addressing many of the shortcomings of the failed DFP superblock. Notably, the final community-derived Preferred Concept Plan disconnected the T&CC from the DFP. Despite this apparent real progress, at the final

February 9, 2011 visioning session, the mayor announced that the developer had agreed to "work with the city" and "had heard" the community's input. At the March 2, 2011 city council meeting a new site plan was unveiled and since then Wessman Development has unveiled yet another site plan (aka a "Revitalization Plan"). Both the recent and latest Wessman Development site plans call for the demolition of the T&CC.

Sustainable Development

The rehabilitation of buildings like the T&CC is an environmentally responsible practice and is essentially a recycling program. Older buildings like the T&CC were often designed to be energy efficient through their use of good ventilation, durable materials and siting. A huge advantage of older buildings is that the building already exists; therefore energy is not necessary to create new building materials and the infrastructure is already in place. Minor modifications can be made to adapt existing buildings to compatible new uses and systems can be upgraded to meet modern building requirements and codes. These positive characteristics of many older buildings prompted National Trust for Historic Preservation president Richard Moe to assert that, "The greenest building is the one that's already built."

On May 5, 2011 our board of directors voted unanimously to accept a proposal from Ecotype Consulting, Inc. to conduct a "Town & Country Center Sustainability Study." Ecotype Consulting is a highly-regarded local firm from Redlands, California that has real-world experience coupled with academic credentials. The study should be completed by the end of June 2011, in time to inform decisions about the fate of the T&CC. The completed study will be distributed to the Palm Springs city council and other interested city boards and commissions. The study intends to:

> Describe the use of historic resources in sustainable planning and urban design,
> Assess and compare the embodied energy in both the current Wessman Development site plan and in a viable preservation alternative,
> Compare the potential Leadership in Energy and Environmental Design (LEED) credits of the current Wessman Development site plan with those of a viable preservation alternative,
> Propose transportation (common and alternative) and pedestrian connectivity between the T&CC and adjacent areas, and
> Summarize parking and transportation strategies in the Wessman Development site plan and alternatives that promote better walkability, access to public transportation, reduced traffic and reduced single-occupancy vehicle use.

The Proposed Road through the T&CC is Bad for the City, Good for the Developer

The developer's oft-stated T&CC "demolition or bust" threat reflects a scenario of his own creation. There is no factual reason the DFP cannot be remodeled or replaced without the T&CC's demolition. It is generally held that the developer's motivation to demolish the T&CC to make way for an "essential" east-west road is obvious: he will own an entire city block of buildings, on both sides of a new street, with prime street-front commercial space that will command high market rents.

With the motives of the developer better understood, what is the best east-west corridor for *the city*? The routing of an east-west corridor through Andreas Road has been identified many times as the most advantageous for the city *and this route now appears on the latest Wessman Development site plan!* With the developer's recent, albeit stubborn, realization of the importance of the Andreas Road connection (which goes directly to the Palm Springs Convention Center) the rationale for an additional east-west road through the T&CC becomes all the more untenable.

Additionally, should it be considered necessary to route vehicular traffic westward into the DFP (and Palm Springs Art Museum) near the physical location of the T&CC, one clever solution would be to create a single north-bound lane on North Palm Canyon Drive that can turn left (west) into the DFP. This idea has recently gained much support from experts who understand urban planning and traffic flow and is a logical, inexpensive and sustainable solution. The "re-striping" solution also corrects the over-capacity, one-way scheme currently being used in this area of North Palm Canyon Drive.

The "Wexler Connection" to the T&CC

Last month, our board members accompanied local architect Donald Wexler on a visit to the E. F. Hutton Building, an international-style building that has been "hiding in plain sight" for years within the T&CC. Designed by the architectural firm of Wexler & Harrison in 1955, the E. F. Hutton building will fall victim to demolition should the Wessman Development site plan for the DFP be approved. As appreciation for Wexler's work continues to increase, this potentially historic asset should be evaluated for possible historic preservation.

The Destruction of the T&CC will Damage the National Reputation of the City

On April 5, 2011 PSPF board member Erik Rosenow wrote a "Valley Voice" column for the Desert Sun newspaper that addressed some of the public relations aspects of the T&CC controversy (see attachment 2). There is a reasonable expectation that a city that derives so much of its revenue through architectural and cultural tourism be a good steward of the historic resources which bring visitors. The demolition of the T&CC might be expected to generate as much negative press as the destruction of Neutra's Maslon House in Rancho Mirage in 2002.

On June 3, 2009 the Palm Springs city council voted unanimously to support an application to become a "Preserve America Community." On October 7, 2009 the city of Palm Springs was officially designated a Preserve America Community in a letter from the White House signed by First Lady Michelle Obama. The Preserve America program "recognizes communities that:

> protect and celebrate their heritage;
> use their historic assets for economic development and community revitalization; and
> encourage people to experience and appreciate local historic resources through education and heritage tourism programs."

Obviously, Wessman Development's proposal to demolish the T&CC directly contradicts the city's commitment to adhere to the principles of the Preserve America program.

Public Support for a Tax Measure or "Wessman Subsidy"

One of our concerns regarding the practicality of the Wessman Development site plan is the proposed strategy of partially financing of the DFP redevelopment with a public subsidy (derived from an earmarked "new tax"). In any political environment garnering public support for a tax measure is difficult. Garnering public support for a tax measure that provides a subsidy for an unpopular millionaire developer will be exceedingly difficult. Garnering public support for a tax measure that further subsidizes a scheme of cultural vandalism, i.e., the destruction of an historic asset, will be nearly impossible. The Planning Commission's recognition of this obvious political dynamic is important. Hence, disconnecting the T&CC from the proposed Wessman Development site plan may prove to be the key to a quick and successful redevelopment of both the DFP and the T&CC. It should be noted that in the run-up to the T&CC's Class 1 designation hearing, we quickly collected 896 petition signatures supporting the designation. In a city where officials are elected by razor-thin margins, potential public support for the preservation of the T&CC should not be underestimated.

Policy Impediments to the Wessman Development Revitalization Plan

At the November 18, 2009 Palm Springs city council meeting, the Museum Market Plaza Specific Plan (which includes the T&CC) was amended as follows: *"No permit for the demolition or substantial alteration of any portion of the Town and Country Center will be issued until (a) all discretionary entitlements consistent with the Specific Plan have been approved for the renovation or redevelopment of the existing Desert Fashion Plaza; (b) building permits in furtherance of such renovation or redevelopment have been issued; and (c) substantial work consistent with such building permits have commenced on the existing Desert Fashion Plaza."*

In short, the progress of the proposed DFP redevelopment is "serialized" by the foregoing city council-approved language. Should the T&CC portion of the Wessman Development site plan be disconnected, the developer and city (especially should it elect to pursue an eminent domain strategy) would have greater flexibility in pursuing the development of the DFP and/or the T&CC.

The Fallacy of a "Grand Boulevard"

While the idea of a grand east-west boulevard as proposed in the Wessman Development site plan is alluring to some, it does not stand up to scrutiny. Such a boulevard is incompatible with the "village" feel of the city and is more appropriate for a dense urban area and typically requires anchoring by an "imposing" structure. Asking the Palm Springs Art Museum (PSAM) to anchor such a grand boulevard is asking much of a building built well below grade with much of its façade designed to look like the mountain behind it. A

more appropriate model would be a pedestrian and/or “slow traffic” connection from the PSAM to the T&CC, effectively creating two architectural “bookends.”

The Success of Courtyard Configurations

We know from local retail experience that pedestrian-friendly and green courtyard configurations have not only been viable in the past but are viable today (witness the success of "The Corridor" complex just a few blocks north of the T&CC). It should be noted that the Planning Commission recently expressed great disappointment at the horrific lack of green space in the current Wessman Development site plan.

The T&CC is Economically Viable

Despite the developer’s occasional assertions that the T&CC is standing in the way of the city’s economic revitalization, the T&CC was financially viable until the DFP was built across the street. Today, shoppers have rejected retail superblocks like the DFP in favor of smaller, more pedestrian-friendly shopping opportunities. The T&CC contains approximately 60,000 square feet of rental space. Comparable space in historic downtown buildings generates an income in the range of a dollar per square foot per month. Had the T&CC been properly restored and marketed it could conceivably have grossed as much as $700,000 a year in income - roughly $7 million over the time it has been in the current owner’s control. Instead the building has been allowed to languish, presumably in the hopes that it can be demolished as a development opportunity. The rehabilitation of the T&CC, when combined with sympathetic new development could, in time, provide a major expansion of the downtown retail core – something another street could never do. It is ironic that the developer recently proposed to demolish the T&CC (a remarkable and important midcentury building) while simultaneously proposing to change the façade of the DFP to look “midcentury modern”: in short proposing to tear down an authentic midcentury building only to build a fake across the street!

For a downtown to be viable it must possess a range of building types and functions. Mixed-use properties such as the T&CC provide small retail office and residential spaces for start-up retail businesses and offices. Over the years, the list of tenants in the T&CC has included drug stores, furniture stores, publishing offices, restaurants, architect’s offices and more…all of which would still be welcome in the downtown. An examination of the preservation and restoration-based revival of the Uptown Design District, which includes several comparable properties, provides a model for preserving the downtown’s historic resources.

Innate Advantages of Historic Preservation

Possible future activities like the historic preservation of the T&CC are cost-effective tools that can be used to leverage private capital, create jobs, revitalize business districts, and stimulate a wide range of other economic activities. Palm Springs property owners, like Wessman Development, can take advantage of federal and state tax credit programs to help rehabilitate historic buildings. Preserving historic character helps support tourism by providing interesting and unique opportunities for visitors.