

Palm Springs council demands action on delayed Orchid Tree Hotel project

By Jake Ingrassia | KESQ | July 13, 2023

After years of delays and setbacks, city council is demanding that the long-stalled Orchid Tree Hotel project in downtown Palm Springs move forward.

City leaders approved new terms for the project Monday after negotiations with developer Richard Weintraub, who attributes the lack of progress to rising construction costs and financing issues.

"The city has bent over backwards in order to make this a successful project. We have withstood one delay after another," Councilmember Lisa Middleton said. "This is it."

The new agreement includes a deferral of payment for city permit and entitlement fees until three years into hotel operations, with interest paid on the deferral. It allows for revisions to the site plan to reduce construction costs, and enhancements to the city's remedies in the event of an owner default.

The agreement also updates a milestone schedule for the construction and opening of the hotel. The developer is required to submit new schematic plans within 90 days, and construction must commence within 15 months. If all goes according to plan, the Orchid Tree Hotel would open its doors in about 3.5 years.

The project's prolonged delays have been a source of frustration for residents in the St. Baristo community, which is located across the street from the historic site of the proposed hotel, between Belardo and Cahuilla roads.

Brian Hurd, President of the St. Baristo HOA, expressed satisfaction with the City Council's efforts to push the project forward. "It's been a frustration for the neighborhood that it's taken so long," he said. "I just think it would be an improvement overall to the neighborhood once the thing is completed."

Hurd said strongly opposes the developer's backup plan, a 7-story apartment complex – viewing it as a bargaining tactic and not a serious proposal.

"That project was surfaced specifically in order to inflame the public and scare the public in the hopes that we would create more favorable terms in this agreement. We were not scared," Middleton said.

While some residents feel that the new timeline is still not fast enough, they remain hopeful to witness any progress on the currently dilapidated property. According to the revised schedule, the project would break ground in October 2024.