

**CITY COUNCIL
AND AS SUCCESSOR AGENCY TO
THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY**

CITY OF PALM SPRINGS, CALIFORNIA

**MINUTES
MONDAY, FEBRUARY 27, 2017
Palm Springs Convention Center, Oasis 3A
277 N. Avenida Caballeros, Palm Springs, CA 92262**

CLOSED SESSION

5:00 p.m. CALL TO ORDER (Oasis 3A):

Mayor Moon called the meeting to order at 5:01 p.m.
All members of the City Council were present.

PUBLIC COMMENT (Oasis 3A): None.

RECESS TO CLOSED SESSION (Smoketree C):

See Closed Session Agenda, Exhibit A.

The Mayor and City Council recessed to Closed Session in Smoketree C at 5:02 p.m.

SPECIAL STUDY SESSION MEETING

6:00 p.m. CALL TO ORDER:

Mayor Moon called the meeting to order at 6:09 p.m.

PLEDGE OF ALLEGIANCE:

Mayor Moon led the salute to the flag.

ROLL CALL:

PRESENT: Councilmember Kors, Councilmember Mills, Councilmember Roberts,
Mayor Pro Tem Foat, and Mayor Moon

ABSENT: None

ALSO PRESENT: City Manager Ready, City Attorney Holland, Special Counsel Gary
Schons, Assistant City Manager/City Engineer Fuller, Finance
Director Kiehl, Planning Director Fagg, and Interim City Clerk Hart

ACCEPTANCE OF THE AGENDA:

ACTION: Motion by Mayor Pro Tem Foat, seconded by Councilmember Roberts, and
unanimously (5-0-0) carried on a roll call vote, the agenda was approved as presented.

REPORT OF CLOSED SESSION:

Douglas Holland, City Attorney, reported as follows:

1. The Council provided instructions in regard to Julie K. Nelson v. City of Palm Springs, State of California, Caltrans, et al, Case No. PSC1401755, Riverside Superior Court, Palm Springs Division.
2. The City Council directed the City Attorney to file an amicus brief in the case of Gavin Grim v. Gloucester County School Board by a vote of 4-1, with Councilmember Mills dissenting.

Councilmember Kors explained the amicus brief with respect to a case of a transgender teenage boy in Virginia was denied the use of the boys restroom by the school board.

DISCUSSION OF MOVING FORWARD PALM SPRINGS DEVELOPMENT PROJECTS, INCLUDING DOWNTOWN REVITALIZATION:

RECOMMENDATION:

1. Receive presentation
2. Public Comments
3. Councilmember Comments and Discussio.
4. Provide direction to staff as appropriate

Mayor Moon explained the purpose and format of the meeting.

City Manager Ready provided an overview of the Downtown Revitalization and purpose of the City's partnership with the developer. He discussed the protections for the City were included in the developer agreement. He explained the project timeline and impact by litigation. He discussed efforts to ensure the public's trust and intention to make documents and information accessible to the public.

City Attorney Holland stated staff was in the process of putting together a timeline, although there was one case of pending litigation. He discussed the \$25 million deed of trust and release as projects were completed.

Emily Hemphill, attorney representing Palm Springs Promenade, indicated they were prepared to move forward and complete the project with the City. She discussed the retirement of Mr. Wessman and new management plan for the project. She stated the lenders were behind the project as long as the City was still behind the project. She stated their belief that the entitlements for the project were still in effect.

Michael Harrington expressed concern with the negative impression by the public of moving forward with the Desert Plaza project. He questioned the release of funds to Wessman entities.

Mayor Moon discussed the 14-page indictment and indicated the process must proceed until a verdict was reached.

City Attorney Holland stated the District Attorney was reviewing eight (8) different properties for potential issues and staff was working to identify possible options to be presented to the Council.

Lisa Middleton stated the Council needed to act with patience and measured resolve. She suggested weighing all legal implications before taking action. She encouraged the City to engage and rely on outside counsel and advisors with specific area of expertise. She stated the Downtown must not be left in a state of suspended animation pending the conclusion of criminal trials and appeals. She suggested the timeline for completion be provided to the public and 24-hour security for the Town and Country Center.

Michael Hyman, discussed his experience with visitors and their concern with the Downtown development. He suggested consideration of potential alternatives to reduce the scale and height of the buildings. He stated there would be no jobs when the attraction of Palm Springs was diminished.

Councilmember Roberts discussed the Council's modifications to the Downtown Specific Plan reducing the scale and height.

Allen Worthy questioned why City Attorney Holland was still at the table and he discussed the lack of disclosure.

Bill Shean discussed the lack of trust for the project and Wessman Development. He stated the scope of the project was disheartening and asked the possibility of utilizing a different developer.

City Attorney Holland stated there had been indictments but no convictions. He explained that staff was looking at alternatives to deal with all eight (8) properties that were called into question by the District Attorney.

Stephanie Austin stated visitors questioned the huge buildings in the Downtown. She urged the Council to stop the project, bring in a new developer and redesign the project. She questioned how Wessman could be awarded for the mess he created.

Mayor Pro Tem Foat reminded the community that the property was owned by John Wessman; therefore, the City could not obtain a different developer and it was moving along with the plan for Downtown. She stated the buildings would not be torn down and the City was determining its legal rights.

David Feldman, Co-Chair of the Transparency Committee, discussed the need to distinguish between standing and ad hoc committees. He urged the Council to establish the Downtown Subcommittee as a standing committee subject to the Brown Act.

Lauri Kibby indicated support for the Council in its efforts to moderate those in favor and opposed to the project. She urged the community to pull together to resolve concerns.

Julie Montante commended the new Council's efforts for transparency and follow through. She urged the people to come together.

Simon Sarkisian expressed appreciation for the Council's work and urged completion of the Downtown.

Robert Brugeman stated the buildings would not be torn down and the stores would be in operation while the trail was underway. He stated the point of the project was to bring people to the center of the City and people were excited about the amenities and retail products. He congratulated the Council for completing the Specific Plan.

Michael Braun stated retail destinations needed to create an experience. He discussed transition plans and project schedules.

Jeffrey Bernstein stated his business depended on the Downtown being completed and requested it be completed as soon as possible.

Kathy Weremink, Planning Commissioner, expressed embarrassment about the accusations in the indictment. She stated it was necessary to move forward with the approved projects. She discussed the modified Downtown Specific Plan.

Judy Deertrack discussed the Public Corruption Task Force and violations of Government Code Section 1090. She discussed her appearances on the proposed projects at which she expressed concern about the irregularities in the permits and violations of the City's policies, procedures, and General Plan.

Mitch Blumberg recommended continuing the project.

Stephen Rose recalled Stephen Philip Pougnet's statements to take on John Wessman to complete the Downtown Revitalization. He stated the City should not continue to work with the Wessman Company. He stated the indictment had to run the course and the City should call in professionals.

Robert Stone discussed his prior testimony alleging violations of Government Code Section 1090. He expressed concern about the faith and credit of the City of Palm Springs. He suggested the City hire a forensic auditor to determine whether Palm Springs Promenade LLC had the funds to complete the project, to have no communications with Michael Braun unless in writing, and to proceed slowly.

Doug Huth commended the current City Council for its actions on the project and encouraged continuation of correcting missteps.

Aftab Dada representing the hospitality and hotel associations, indicated support of the hotel and Blocks B and C. He offered to assist with completion of the project.

David Vogel Chairman of Measure J Commission, thanked the Council for the revisions. He suggested focusing on the future of the economy and tourists to the City.

David Zippel on behalf of himself and Michael Johnston, encouraged the Council to find out what prosecution of Government Code Section 1090 meant for the City. He suggested consideration of taking back the public right of way on Palm Canyon, not finishing Block B to continue the open space, try to recover the \$5.3 million paid for the parks, and utilizing an alternative developer to complete the Town and Country.

Jim Stuart urged the Council to keep moving forward.

Frank Tysen discussed the election of Mayor Moon. He questioned the need for the development due to existing vacant buildings. He expressed appreciation for the reduction of the project but stated additional reductions were necessary. He suggested waiting to complete the project and placing an advisory vote on the ballot in June.

Brian Yaklich discussed the accusations against Mr. Wessman and Mr. Braun. He suggested an impartial citizen panel to review the process.

Henry Hampton stated he was running for City Council. He discussed the need to plan for contingencies with immediate and transparent action. He discussed a similar situation in Florida. He urged the Council to assume the process as expeditiously as possible.

Michael McWhirter requested the residents applaud the police officers. He offered to pay back what Wessman owed the City or the \$350 million to turn the situation around.

Barbara Marshall discussed her interaction with visitors and their inquiries about what was going on in Downtown. She stated the City should not allow a project built on corruption to continue.

Edward Connolly discussed his experience staying in local hotels and questioned what was happening Downtown. He discussed the principle of form follows function and questioned how the project was approved.

Tal Mirza requested the Council move forward with the development as soon as possible.

Ed Dube expressed concern about the indictments and court actions and urged the Council to continue with the project.

Joy Brown Meredith urged the community to work together. She stated she would like to see the completion of the hotel and Blocks B and C. She suggested the Town and Country Center refurbishment be moved up in the process.

Mayor Pro Tem Foat stated the Town and Country was not part of the Downtown Specific Plan, the City had no input on the project, and it is a historical property.

Councilmember Roberts stated the Town and Country was preserved and protected as historic property, and it is privately owned.

Mindy Reed thanked the Council and staff for listening to the citizens. She stated the project needed to be completed due to the impacts to surrounding businesses. She suggested Marilyn Monroe be moved back to Palm Canyon Drive.

Dan Hughett discussed former Mayor Pougnet's statements regarding eminent domain which changed to gifting Mr. Wessman. He stated it was necessary to keep the village of Palm Springs in mind. He discussed removal of the sign at Indian Avenue and Desert Highland.

Jeff Nichols asked how the project would proceed rather than remain blighted. He asked if the incumbents would be running for reelection and how the new Council would create a prosperous Downtown.

Councilmember Roberts thanked the community for its comments and questions. He stated he did not want another dead project in the middle of Downtown. He stated the project might not be perfect but the goal was to get rid of the old Downtown mall. He stated he asked himself what was best for Palm Springs now, in five years, and in 20-years. He anticipated the project would be successful and needed to be completed. He discussed the review process of the project and urged the City to look forward and finish the project.

Councilmember Kors agreed that Palm Canyon needed to be completed. He stated the City had brought in additional legal counsel. He stated the City was not giving up its legal rights and remedies and was exploring all available options. He stated the City would continue to communicate opening and quickly with the residents. He expressed his appreciation for those providing input.

Mayor Pro Tem Foat concurred with Councilmember Roberts and Kors. She reiterated that the City had retained a legal expert on Government Code Section 1090. She discussed the difficult situation but stated the City was well protected. She reminded the residents that the property was not owned by the City of Palm Springs. She discussed project delays due to litigation. She expressed pride in the Council working together for the best interests of the City.

Councilmember Mills discussed the Council's commitment to the Downtown. He reminded the residents of the process to revitalize the Downtown. He discussed pending litigation, the developer building at his own risk and the City's safeguards. He stated the project would be the future of the City and he encouraged the community work together.

Mayor Moon expressed appreciation for the community input. He stated the current Council had reduced the Downtown project by 50%, saved the Town and Country Center, listened to the Planning Commission, and denied projects. He discussed the delicate balance between controlling growth and earning enough revenue. He thanked the public for attending the meeting.

ACTION: No action was taken.

COUNCILMEMBER COMMENTS:

Mayor Moon thanked the Palm Springs Convention Center.

ADJOURNMENT:

The City Council adjourned at 8:07 p.m. to the next regular meeting Wednesday, March 1, 2017, at 6:00 p.m. Council Chamber, City Hall, preceded by Closed Session, Small Conference Room, City Hall, 3200 East Tahquitz Canyon Way, Palm Springs.

Respectfully submitted,



KATHLEEN D. HART, MMC
Interim City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, KATHLEEN D. HART, Interim City Clerk of the City of Palm Springs, California, hereby certify that the February 27, 2017, MINUTES were approved by the City Council of the City of Palm Springs at a regular meeting held on the May 3, 2017, by the following vote:

AYES: Councilmembers Kors, Mills, Roberts, Mayor Pro Tem Foat, and Mayor Moon
NOES: None
ABSENT: None
ABSTAIN: None
RECUSAL: None



KATHLEEN D. HART, MMC
Interim City Clerk

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COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF THE PALM SPRINGS
CITY OF PALM SPRINGS, CALIFORNIA



CLOSED SESSION AGENDA
Wednesday, February 27, 2017 – 5:00 p.m.

Palm Springs Convention Center
Smoketree C
277 N Avenida Caballeros
Palm Springs, CA 92262

CONFERENCE WITH LEGAL COUNSEL. The City Council finds, based on advice from the City Attorney, that discussion in open session of the following described matter(s) will prejudice the position of the City in existing and anticipated litigation.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR **G.C. 54956.8**

Property Address/Description: APN 513-460-033 (Right-of-Way)
Agency: City of Palm Springs
City Negotiator: Marcus L. Fuller, Assistant City Manager or Designee
Negotiating Parties: 4348 Lockwood Avenue, LLC
Under Negotiation: Price and Terms of Payment (Easement)

EXPOSURE TO LITIGATION **G.C. 54956.9(b)**

3 Case(s)

INITIATION OF LITIGATION **G.C. 54956.9(c)**

3 Case(s)