



# Desert Political Opinion

*A Palm Springs and Coachella Valley Community Politics Blog*

## **No Palm Springs Taxpayer-Funded Bailout for Millionaires**

"No \$43 Million taxpayer-funded bailout for a millionaire developer!" That statement is probably appropriate any place in America except Palm Springs. Congress paved the way for government bailouts of the wealthy using taxpayer funds. Banks, insurance companies, mutual funds, industry business giants and others with hands stretched out all benefited from billions in bailout funds. Palm Springs has been doing the same thing on a smaller scale. City leaders recently decided it is time to become big time players and use taxpayer funds to help the rich get richer.

Palm Springs city leaders, heavily influenced by the downtown business community, are demanding voters tax themselves in order to hand over \$43 million to developer John Wessman for renovation of his Desert Fashion Plaza property. It is not an investment of taxpayer funds for he does not have to repay a single penny. The full \$43 million will be raised by issuing expensive new revenue bonds. Taxpayers will be in hock for 20 years to repay those bonds. Interest and other financing costs will send the total price of the Wessman bailout skyrocketing upwards of \$75 million dollars.

Why would a community consider taxing itself in order to provide funds for a wealthy millionaire? One answer is the smokescreen of half-truths and innuendos surrounding the \$43 million gift of taxpayer funds. John Wessman's Desert Fashion Plaza is currently valued at \$20 million. The smokescreen involves transferring certain least desirable segments of the plaza property to the city. That arrangement is being marketed as a reasonable exchange for the \$43 million taxpayer dollars. This trade for dollars does not represent an equal value transaction. The transaction will serve to relieve Wessman of huge annual maintenance costs which taxpayers will instead bear. These hidden facts are why it is called a smokescreen.

John Wessman reportedly will not renovate his Desert Fashion Plaza property without financial assistance. He is not turning to private investors for the funds he needs; not asking for a loan from the city; not offering a partnership arrangement with the city; and not asking for a city guarantee of borrowings from other sources. His request is quite simple. Give him \$43 million for Desert Fashion Plaza renovation! Repayment is not to be required. Taxpayers will pay all interest and financing costs. John Wessman will be able to sell the project at any time of his choosing and the profits will be his alone. It is a simple arrangement that should serve well to make a rich man richer.

"Yes to a \$43 Million taxpayer funded bailout for millionaire developer John Wessman" is the message Palm Springs voters are receiving from city officials, downtown business interests and most of all from developer John Wessman's Yes on Measure J campaign committee. Will Palm Springs taxpayers listen to the message? Will voters agree to a \$43 million bailout for a local millionaire?

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Please send a message to the Palm Springs City Manager, the Chamber of Commerce, developer John Wessman and anyone with outstretched hands seeking taxpayer funds. No taxpayer funded bailouts – not for millionaires – not for anyone! Vote NO on Measure J.

Bond Shands  
Palm Springs  
October 27, 2011

- End -

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