

OFFERING MEMORANDUM

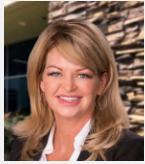
±22,845 SF HISTORIC MID-CENTURY FREESTANDING BUILDING

490 S Palm Canyon Drive, Palm Springs, CA 92262

Offered At: \$4,500,000



Presented By



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ACTIVE MEMBER OF:



PROUD MEMBER OF:



COMPLETED OVER

1,200+
SALES/LEASES

TOTAL SALES OVER

\$1.8B+

AERIAL



EXECUTIVE SUMMARY

490 S. Palm Canyon: A Cultural Landmark in Palm Spring's Downtown District

Located at the intersection of Ramon Rd. and S. Palm Canyon, 490 S. Palm Canyon is a historical and cultural icon that marks the gateway to Palm Spring's thriving downtown district. This vibrant city is globally recognized for its cultural significance and is considered one of the world's sexiest destinations by Conde Nast. The building was originally constructed in 1959, part of the high-end fashion district for Saks Fifth Avenue, designed by Welton Becket, an iconic architect known for his mid-century commercial architecture. Becket's signature style is evident in the building's lava rock exterior walls and custom fabricated concrete block.

490 S. Palm Canyon is surrounded by significant mid-century modern commercial properties that have undergone extensive restoration and now house thriving businesses, such as restaurants, banks, boutiques, fitness centers, and high-end home stores. The neighborhood also boasts other notable examples of early modernist architecture, such as The Five Hundred building and The Chase building, making it a must-visit spot for architecture enthusiasts. It is time for 490 S. Palm Canyon to be brought back to its former mid-century beauty. The city has classified this property as Class III historical, welcoming new industries while preserving the architectural heritage. A broad range of uses are permitted under the zoning, such as an art gallery, design center, museum, furniture or fashion store, high-end décor or vintage décor outlet, events center, advertising and marketing firm, or educational venue. Covering half a city block and with access to three primary arterials – Indian Canyon, Ramon, and Palm Canyon.

490 S. Palm Canyon represents a cultural renaissance and symbolizes those who value not only what was but also what can be.

This property presents more than just a real estate opportunity, but a chance to uphold history, curate culture, and envision the future. Be part of the legacy of 490 S. Palm Canyon – don't miss out on this opportunity.

The historical significance and cultural value of 490 S. Palm Canyon cannot be overstated. As an iconic landmark and gateway to Palm Spring's downtown district, it has played an important role in shaping the city's identity and reputation. The surrounding mid-century modern commercial properties only add to its allure, making it an essential stop for anyone interested in architecture and design.

Moreover, the property's Class III historical designation ensures that it will continue to be a vital part of the community for years to come. With a range of permitted uses, from art galleries to educational venues, there is no limit to the potential of this unique space. And with its prime location and easy access to major roads, it is perfectly situated for businesses looking to make a name for themselves in the heart of Palm Springs.

But beyond its commercial potential, 490 S. Palm Canyon represents something much more profound. It is a symbol of the city's rich history and cultural heritage, and a reminder of the importance of preserving and celebrating that heritage for future generations. By investing in this property, you will not only be securing a valuable real estate asset, but also playing a role in upholding the legacy of one of Palm Springs' most cherished landmarks.



WELTON BECKET

ICONIC MID CENTURY ARCHITECT

Credited as one of a few architects who defined the mid century commercial architectural designs of Southern California. Becket was responsible for many of the best known landmarks in the city: the Pan-Pacific Auditorium, the Capitol Records Building, the Beverly Hilton, the Cinerama Dome, and the Music Center.

LANDMARK DESIGNS

Capital Records Tower, Los Angeles California



Mark Taper Forum, Los Angeles Music Center



The Theme Building, Los Angeles International Airport, Los Angeles



INVESTMENT SUMMARY

FOR SALE

Purchase Price:	\$4,500,000
Down Payment:	10% (\$450,000)
Loan Payment:	\$27,460/month
Loan Payment/SF:	\$1.20/SF
Principal Paydown on Loan (Year 1):	\$7,490/month
Interest Portion of Loan Payment:	\$19,970/month (\$0.87/SF) Far less than leasing!

FOR LEASE

Asking Lease Rate:	\$2.00/SF
Lease Type:	NNN



PROPERTY OVERVIEW



PROPERTY HIGHLIGHTS

- Originally built and designed in 1959 for Saks Fifth Avenue, the property has unique and coveted history which is highly sought for Palm Springs buyers.
- Designed by Welton Becket, acclaimed architect of iconic properties including the Capital Records Tower, the Theme Building @ LAX, and the LA Music Forum.
- Mid-century modern architecture combined with its origins rooted in Palm Springs history.
- Its corner location provides visibility and extended frontage on S Palm Canyon Road, Indian Canyon Drive and Ramon Ave.
- Existing domes slated for demolition and are currently being permitted through the City of Palm Springs.
- Neighboring properties include large original mid-century retail structures that have been restored and lend to the intersections appeal.
- Original Saks Fifth Avenue fixtures remain and add to the property's charm and authenticity.
- The valuable architectural features, such as living walls, fountains, and lava rock exterior, can be restored to enhance the property's appeal and create a distinctive atmosphere.
- The grand entry with the original wrought iron railing, staircase, and massive chandeliers adds to its appeal and character.
- The interior floor plan with the second floor open to the first floor offers a spacious and open layout, which is still utilized in Saks Fifth Avenue today.

RETAIL LOCATOR MAP



SBA ANALYSIS

PROPOSED SBA 504 LOAN STRUCTURE



Business Finance Capital

BUILDING ACQUISITION	\$4,500,000
SBA/CDC FEES	\$42,000
TOTAL PROJECT COST	\$4,542,000

SOURCE OF FUNDS	AMOUNT	RATES	MATURITY	COLLATERAL	MONTHLY PAYMENT	ANNUAL PAYMENT
BANK 50%	\$2,250,000	5.95%	25 Years 25 Yr. Amort.	1st Deed	\$14,428	\$173,137
SBA 504 LOAN 40%	\$1,842,000	7.01% Nov '23	25 Years Full Amort.	2nd Deed	\$13,031	\$156,368
BORROWER 10%	\$450,000					
TOTAL 100%	\$4,542,000				\$27,459	\$329,505

RATES: Bank: Rate is estimated.
SBA 504: Rate is FIXED at the time of the debenture sale.

FEES: Bank: Vary depending on lender policy.
SBA/CDC: 2.15%* of SBA loan plus legal fees are financed, and therefore included in the SBA loan amount.
MISC: Related costs may be included in the SBA 504 Loan including: Appraisal, environmental report (if required), and escrow closing costs (including insurance and legal closing costs).

COLLATERAL: 90% financing generally does not require additional collateral.

BFC will perform a **free prequalification** for prospective buyers upon receiving complete financial information.

FOR MORE INFORMATION, PLEASE CONTACT:

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INTERIOR PHOTOS



PROPOSED RENDERINGS



AREA HIGHLIGHTS & PLAT MAP



VISITORS TO THE AREA
16.8 Million Annually



AIRPORT TRAVELERS
3 Million Annually



RESIDENTS
500,000 Full Time Residents



TOURISM SPENDING

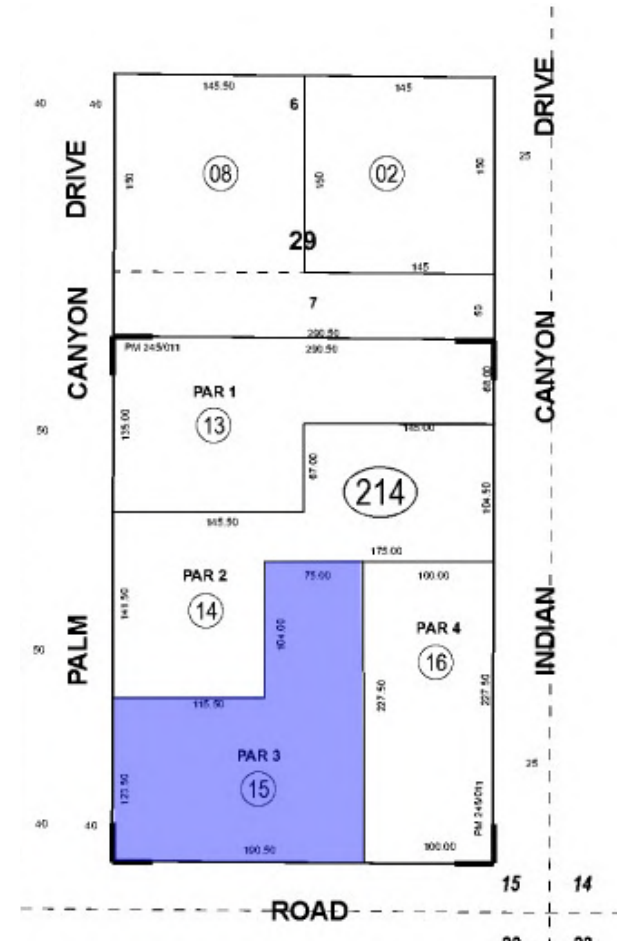
\$7.5 Billion Annually



COACHELLA ARTS FESTIVAL
750,000 Attendees
(Over 6 days)



STAGECOACH MUSIC FESTIVAL
255,000 Attendees
(Over 3 Days)



TRADE AREA RETAILER MAP





TRADE AREA INFORMATION

Palm Springs, located 107 miles east of Los Angeles, is a magnificent sight to see. Encompassing 96 square miles, the city's backdrop is the stunning Mount San Jacinto, which rises over 10,831 feet above the downtown area. Palm Springs is a hot spot for art, music, and film, with world-class events such as the Palm Springs International Film Festival, Modernism Week, Splash House, and Desert X, drawing millions of visitors each year.

Since the 1920s, Palm Springs has been a popular tourist destination for Hollywood elites, with award-winning luxury resorts and world-renowned culinary offerings from renowned chefs. The city is also home to the largest collection of mid-century architecture in the United States, making its real estate highly valued.

Palm Springs has a permanent population of 45,912, with an average household income of \$104,560. During the winter season, an additional 27,000 to 30,000 people from the Los Angeles area flock to Palm Springs, increasing the total population to almost 75,000 residents. Additionally, approximately one million tourists stay in hotels in Palm Springs annually, while another 600,000 visitors stay in non-hotel accommodations.

The downtown core of Palm Springs is bustling with activity year-round. The weekly Village Fest, which features hundreds of local vendors, internationally known Pride Weekend, and a wide variety of other highly-attended events draw in crowds from all over. The downtown area is now several miles long, characterized by the unique, eccentric, one-of-a-kind Michelin star culinary offerings, vintage haute couture, high fashion, and a sought-after Design District. Palm Springs has become America's number one city for culture while retaining its chic, exclusive charm.

Aside from the events and attractions, Palm Springs is also known for its natural beauty. The city is famous for its hot springs, which are believed to have therapeutic properties. One of the most popular hot springs in the area is located at the spa in Two Bunch Palms, which has been frequented by celebrities and locals alike.

For those who love the outdoors, Palm Springs offers plenty of opportunities for hiking, biking, and horseback riding. The Indian Canyons, located on the Agua Caliente Band of Cahuilla Indians Reservation, features stunning canyons, palm oases, and hiking trails. Joshua Tree National Park, located just a short drive from Palm Springs, is also a popular destination for rock climbing, camping, and stargazing.



Palm Springs

\$104,560

Average Household
Income

#1

Top 50 U.S. Cities
for Culture

1M

Tourists Annually



THE COACHELLA VALLEY

Nestled between the Santa Rosa Mountains, Joshua Tree National Park, and the captivating San Jacinto mountains, the Coachella Valley is a picturesque destination that offers something for everyone. With a population of nearly 500,000 and nine unique cities, this area is the ideal location. While the valley is a year-round destination, it truly comes to life during the winter months when visitors flock to soak in the warmth and experience the area's incredible amenities

- **Palm Springs:** Known for its mid-century modern architecture, luxurious resorts, and thriving arts and culture scene, Palm Springs is the perfect destination for those seeking a touch of glamour. The city plays host to various events throughout the year, including the Palm Springs International Film Festival, Modernism Week, and Desert X. The area is also famed for its incredible dining destinations and shopping districts, while the nearby airport welcomes over three million visitors each year.
- **Palm Desert:** The city boasts art galleries, fine dining establishments, and upscale boutiques, making it a haven for luxury shoppers. Don't miss the fantastic El Paseo shopping district.
- **Indio:** As the largest city in the Coachella Valley, Indio is an excellent choice for those looking to experience the region's most notable events. The host to both the Coachella Valley Music and Arts Festival and the Stagecoach Country Music Festival, which attract nearly a million people over three weekends and inject millions into the local economy.
- **La Quinta:** Nestled between the Santa Rosa Mountains, La Quinta is a golfer's paradise, with world-class resorts and outdoor activities such as hiking, biking, and golfing. Sports fans won't want to miss the Indian Wells Tennis Garden, home to the BNP Paribas Open, one of the world's most prominent tennis tournaments.

In 2023, the median age of the Coachella Valley was 41.9 years, with an average household income of \$101,609. This figure is projected to increase to \$118,360 by 2028. Additionally, the average household value in 2023 was recorded at \$569,006 and is anticipated to increase to approximately \$606,225 by 2028.



451,337

Year Round Population

1 Million

Coachella Valley
Visitors during festival
season

\$101,609

Average HH income in
2023



THE COACHELLA VALLEY

Coachella Valley: A Hub of Education, Transportation, and Employment

EDUCATION

The Coachella Valley has a diverse educational landscape, accommodating the needs of its inhabitants with a variety of public and private institutions. Students of all ages can pursue their academic goals at public colleges such as the College of the Desert Community College, California State University San Bernardino (Palm Desert Campus), and University of California Riverside – Palm Desert Graduate Center. Brandman University and Mayfield College are two of the private colleges that contribute to the educational landscape. In 2022, the total number of students enrolled in educational institutions across the Coachella Valley was 33,564.

TRANSPORTATION

Palm Springs International Airport, owned and operated by the City of Palm Springs, is the sole commercial service airport in the Coachella Valley. The airport has experienced remarkable growth in recent years, with 13 air carriers providing nonstop service to 36 airports during the peak season and 15 airports year-round. In 2022, the airport welcomed an impressive traffic count of 2,092,943 passengers, marking a 67% increase from the previous year and surpassing the pre-pandemic traffic count of 105,350 in 2019. Throughout 2022, a total of 16,254 flights were scheduled at Palm Springs International Airport, reflecting a 14.2% increase over the previous record set in 2019, which saw 13,945 flights. Additionally, the number of available scheduled seats rose by 22.8% to a record high of 3,622,934.

EMPLOYMENT

The Coachella Valley region is home to a diverse range of industries and employers. Healthcare is one of the largest industries, with Eisenhower Health employing over 3,110 individuals and operating the Eisenhower Medical Center in Rancho Mirage, along with several clinics throughout the valley. Desert Regional Medical Center, located in Palm Springs, is a comprehensive hospital and one of the largest employers in the region, employing over 2,270 individuals. Hospitality and tourism also play a significant role, with Agua Caliente Casino Resorts operating multiple casino resorts in the Coachella Valley, including Agua Caliente Casino Palm Springs, Agua Caliente Casino Rancho Mirage, and Spa Resort. Various Marriott hotels and resorts, such as JW Marriott Desert Springs Resort & Spa and the Renaissance Esmeralda Resort & Spa, contribute significantly to employment in the hospitality sector. Colleges and public-school districts, including College of the Desert, Desert Sands Unified School District, and Palm Springs Unified School District, employ numerous individuals in the Coachella Valley region.



33,564

Students enrolled in
5 major educational
facilities across the
Coachella Valley

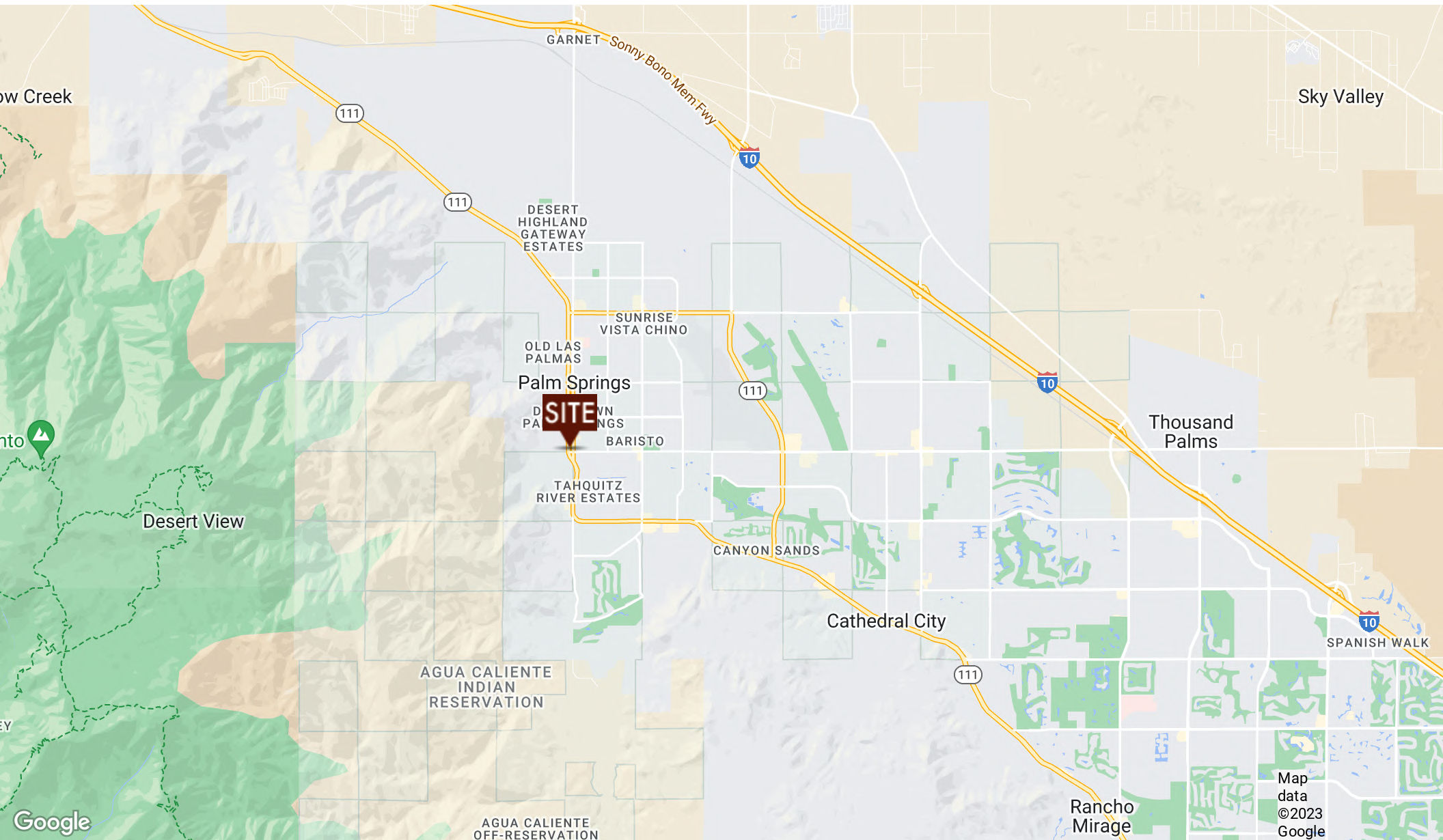
13

Airlines that serve Palm
Springs International
Airport

±5,380

Individuals employed in
the Healthcare Industry.

REGIONAL MAP



DEMOGRAPHICS

	1 mi	2 mi	3 mi	5 mi
<u>POPULATION</u>				
2023 Total Population	6,475	21,566	35,401	80,426
2023 Median Age	51.5	54.1	52.3	44.7
2023 Total Households	3,966	12,919	20,025	36,159
2023 Average Household Size	1.6	1.6	1.7	2.2
<u>INCOME</u>				
2023 Average Household Income	\$107,139	\$122,516	\$125,368	\$119,435
2023 Median Household Income	\$69,524	\$77,201	\$79,781	\$75,751
2023 Per Capita Income	\$65,936	\$73,655	\$71,135	\$53,829
<u>BUSINESS SUMMARY</u>				
2023 Total Businesses	1,047	1,991	2,791	3,889
2023 Total Employees	7,527	16,909	23,839	30,752