

RESOLUTION NO. 2016-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, DESIGNATING APPLICANT AS AN APPROVED HOTEL AND AUTHORIZING A TRANSIENT OCCUPANCY TAX SHARING AGREEMENT WITH MIRAGE BOB HOPE VARNER, LLC, FOR BEST WESTERN PLUS OR EQUIVALENT HOTEL BRAND UNDER TITLE 3, CHAPTER 3.25 OF THE CATHEDRAL CITY MUNICIPAL CODE

WHEREAS, at the public hearing, duly noticed and held at the City Council meeting of Cathedral City on April 13, 2016, the City Council received testimony and other evidence concerning a proposed Transient Occupancy Tax Sharing Agreement with MIRAGE BOB HOPE VARNER, LLC, ("Applicant") for a Best Western Plus Hotel, or equivalent brand, located at the southwest corner of Bob Hope Drive and Varner Road (TPM 36619, Parcel 8); and

WHEREAS, Title 3, Chapter 3.25 of the Municipal Code (the "Program") authorizes the City Council to enter into a Transient Occupancy Tax Sharing Agreement to provide an incentive program for the opening, operation, maintenance, renovation and expansion of hotel facilities within the City; and

WHEREAS, the City Council finds that based on the record and evidence before it there are valid reasons for making the findings contained herein and designating Applicant as an Approved Hotel within the meaning of Title 3, Chapter 3.25 of the Municipal Code; and

WHEREAS, at the public hearing on April 13, 2016, the City Council opened the hearing for public testimony and presentation of additional evidence regarding the designation of the Applicant as an Approved Hotel under the Program, and the terms of the Transient Occupancy Tax Sharing Agreement; and

WHEREAS, on April 13, 2016, the City Council duly deliberated and considered all matters coming before it.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE CITY OF CATHEDRAL CITY, AS FOLLOWS:

SECTION 1. FINDINGS

The City Council finds as follows:

A. That approval of the Tax Sharing Agreement will meet the purposes set forth in Section 3.25.010 of the Municipal Code in that the construction and operation of the new Best Western Plus, or equivalent, hotel will create a desirable visitor-serving facility that will contribute to the growth and expansion of tourism and travel opportunities within the City, provide employment opportunities for residents

of the City and provide additional transient occupancy tax revenues for the City and promote and enhance the economy of the City.

B. That the Applicant meets all requirements of the Program to be designated as an Approved Hotel in accordance with Sections 3.25.020 and 3.25.030 of the Municipal Code.

C. That the Tax Sharing Report accurately depicts the anticipated benefits to the City and its residents of the proposed construction of the Best Western Plus, or equivalent, hotel by the Applicant, and the anticipated increase in transient occupancy tax receipts by the City derived from the project.

D. That the staff report, Tax Sharing Report, testimony and other evidence presented to the Council during the public hearing on this matter support the findings and satisfy the requirements of Title 3, Chapter 3.25 and expressly that there is a necessity to provide for the intended public assistance.

E. That the Tax Sharing Report, staff report and other evidence received support providing assistance to MIRAGE BOB HOPE VARNER, LLC in an amount equal to fifty percent (50%) of the Transient Tax Increment (as defined in Section 3.25.020 of the Municipal Code) over a period of ten (10) years, but not to exceed \$1,438,800.00 paid as provided in the Tax Sharing Agreement.

F. That the Transient Occupancy Tax Base and Transient Occupancy Tax Increment (both as defined in Section 3.25.020 of the Municipal Code) fairly determined and form the basis for the amount of assistance provided under the Program.

G. That MIRAGE BOB HOPE VARNER, LLC, has agreed to enter into a Tax Sharing Agreement, Operating Covenant (which will be recorded against the site) and Indemnity Agreement (included within the Tax Sharing Agreement) in accordance with Section 3.25.030 of the Municipal Code.

H. That the assistance provided under the Program by the City to MIRAGE BOB HOPE VARNER, LLC., is necessary to achieve the construction of the Best Western Plus, or equivalent hotel and will increase the transient occupancy tax receipts to the City, thus provide benefits to the City and its residents.

SECTION 2. APPROVAL OF APPLICANT AS APPROVED HOTEL

MIRAGE BOB HOPE VARNER, LLC., for Best Western Plus or equivalent hotel is hereby approved as an Approved Hotel in accordance with Sections 3.25.020 and 3.25.030 of the Municipal Code.

SECTION 3. AUTHORIZING SALES TAX SHARING AGREEMENT

The City Council approves and authorizes execution of a Tax Sharing Agreement with the MIRAGE BOB HOPE VARNER, LLC., to receive an amount equal to fifty percent (50%) of the Transient Occupancy Tax Increment over a period of ten (10) years, but not to exceed \$1,438,800.00 paid as provided in the Tax Sharing Agreement, and approves and authorizes execution of a ten (10) year Operating Covenant to be recorded against the site.

SECTION 4. AUTHORIZATION TO SIGN RESOLUTION AND DOCUMENTS

The City Council authorizes the Mayor to sign this Resolution, and the City Manager to sign the Tax Sharing Agreement as the City's representative.

SECTION 5. EFFECTIVE DATE

This Resolution shall become effective immediately.

SECTION 6. CERTIFICATION

The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the City; and shall make a minute of passage and adoption thereof in the records of the proceedings of the City Council of the City, in the minutes of the meeting at which this Resolution is passed and adopted.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council for the City of Cathedral City held on this 13th day of April, 2016

Stanley E. Henry, Mayor
City of Cathedral City, California

ATTEST:

Gary F. Howell, City Clerk
City of Cathedral City, California

APPROVED AS TO FORM:

Eric S. Vail, City Attorney

I, GARY F. HOWELL, CITY CLERK of the City of Cathedral City, do hereby certify that the foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Cathedral City held on the 16th day of April, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gary F, Howell, City Clerk