

RESOLUTION NO. 2017-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA,
AUTHORIZING THE FIRST AMENDMENT TO SALES TAX SHARING AGREEMENT WITH
PALM SPRINGS MOTORS, LLC UNDER TITLE 3, CHAPTER 3.46 OF THE CATHEDRAL CITY
MUNICIPAL CODE**

WHEREAS, at the public hearing, duly noticed and held at the City Council meeting of Cathedral City on June 14, 2017, the City Council received testimony and other evidence concerning a proposed amendment to the Sales Tax Sharing Agreement with Palm Springs Motors, LLC, located at 69-200 East Palm Canyon Drive (“Applicant”); and

WHEREAS, Title 3, Chapter 3.46 of the Municipal Code (the “Program”) authorizes the City Council to enter into a Sales Tax Sharing Agreement to provide an incentive program for the opening, operation and expansion of retail businesses within the City; and

WHEREAS, the City Council made findings on September 12, 2012, that based on the record and evidence before it there are valid reasons for making the findings designating Applicant as an Approved Business within the meaning of Title 3, Chapter 3.46 of the Municipal Code; and

WHEREAS, at the public hearing on June 14, 2017, the City Council opened the hearing for public testimony and presentation of evidence regarding the terms of Amendment No. 1 to the Sales Tax Sharing Agreement; and

WHEREAS, on June 14, 2017, 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 Amendment No. 1 to the Tax Sharing Agreement will meet the purposes set forth in Section 3.46.010 of the Municipal Code in that the renovation/expansion of the Mazda facility at Palm Springs Motors will enhance the quality of facilities, goods, and services that Palm Springs Motors makes available to the public and the City’s residents; that the renovation will provide a desirable and attractive shopping experience for the City’s residents and visitors; and that the renovation will increase sales tax revenue to the City.
- B. That the Applicant meets all requirements of the Program and has been designated as an Approved Business in accordance with Sections 3.46.020 and 3.46.030 of the Municipal Code.
- C. That the First Amendment to the Tax Sharing Report accurately depicts the anticipated benefits to the City and its residents of the proposed renovation/expansion of the Mazda facility at Palm Springs Motors by the Applicant, and the anticipated increase in sales 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 3.46.

- E. That the staff report, Tax Sharing Report, and other evidence received support providing assistance to Palm Springs Motors, LLC, in an amount equal to fifty percent (50%) of the Sales Tax Increment (as defined in Section 3.46.020 of the Municipal Code) over a period of seven (7) years from issuance of the Certificate of Occupancy for the Mazda facility, but not to exceed \$900,000 in addition to the \$400,000 assistance for the Lincoln/Ford improvements as provided in the original Tax Sharing Agreement approved on September 12, 2012, for a total amount of assistance not to exceed \$1,300,000, including any and all payments to date received under the original Tax Sharing Agreement.
- F. That the Sales Tax Base and Sales Tax Increment (both as defined in Section 3.46.020 of the Municipal Code) is fairly determined and form the basis for the amount of assistance provided under the Program.
- G. That Palm Springs Motors has agreed to enter into Amendment No. 1 of the Sales Tax Sharing Agreement, Operating Covenants (which will be recorded against the site) and Indemnity Agreement (included within the Sales Tax Sharing Agreement) in accordance with Section 3.46.030 of the Municipal Code.
- H. That the assistance provided under the Program by the City to Palm Springs Motors, LLC, is necessary to achieve the renovation of the Mazda facility and will increase the sales tax receipts to the City, thus providing benefit to the City and its residents.

SECTION 2. APPROVAL OF APPLICANT AS AUTHORIZED BUSINESS

Palm Springs Motors, LLC, has been approved as an Authorized Business in accordance with Sections 3.46.020 and 3.46.030 of the Municipal Code.

SECTION 3. AUTHORIZING SALES TAX SHARING AGREEMENT

The City Council approves and authorizes execution of Sales Tax Sharing Agreement Amendment No. 1 with the Palm Springs Motors, LLC, to receive an amount equal to fifty percent (50%) of the Sales Tax Increment to the year 2025, which is seven (7) years following issuance of the Certificate of Occupancy for the renovated Mazda facility, or until such time as a maximum additional share of \$900,000 (a total of \$1,300,000 with the \$400,000 assistance for the Lincoln/Ford improvements as provided in the original Tax Sharing Agreement approved on September 12, 2012, including any and all payments to date) is shared, whichever occurs first, and approves and authorizes execution of the amended Operating Covenants to be recorded against the site. **The original assistance will cease no later than 5 years from issuance of the Certificate of Occupancy for the Lincoln/Ford improvements.**

SECTION 4. AUTHORIZATION TO SIGN RESOLUTION AND DOCUMENTS

The City Council authorizes the Mayor to sign this Resolution, the Tax Sharing Agreement No. 1 and Operating Covenant 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 14th day of June, 2017, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Stanley E. Henry, Mayor

ATTEST:

APPROVED AS TO FORM:

Gary Howell, City Clerk

Eric S. Vail, City Attorney

REVIEWED BY:

Charles P. McClendon
City Manager