

RESOLUTION NO. 2016-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, DESIGNATING APPLICANT AS AN APPROVED BUSINESS AND AUTHORIZING A SALES TAX SHARING AGREEMENT WITH GL HOD, LLC FOR HONDA OF THE DESERT 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 March 23, 2016, the City Council received testimony and other evidence concerning a proposed Sales Tax Sharing Agreement with GL HOD, LLC for Honda of the Desert located at 68025 Kyle Road ("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 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 Business within the meaning of Title 3, Chapter 3.46 of the Municipal Code; and

WHEREAS, at the public hearing on March 23, 2016, the City Council opened the hearing for public testimony and presentation of additional evidence regarding the designation of the Applicant as an Approved Business under the Program, and the terms of the Sales Tax Sharing Agreement; and

WHEREAS, on March 23, 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 3.46.010 of the Municipal Code in that the renovation of Honda of the Desert will enhance the quality of facilities, goods, and services that Honda of the Desert 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 to be designated as an Approved Business in accordance with Sections 3.46.020 and 3.46.030 of the Municipal Code.
- C. That the Tax Sharing Report accurately depicts the anticipated benefits to the City and its residents of the proposed renovation/expansion of Honda of the Desert 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 Tax Sharing Report, staff report and other evidence received support providing assistance to GL HOD, 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 nine (9) years, but not to exceed \$427,000.00 paid as provided in the 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) fairly determined and form the basis for the amount of assistance provided under the Program.
- G. That GL HOC, LLC has agreed to enter into a Sales Tax Sharing Agreement, Operating Covenant (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 GL HOD, LLC is necessary to achieve the renovation of Honda of the Desert 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

GL HOD, LLC is hereby 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 a Sales Tax Sharing Agreement with the GL HOD, LLC to receive an amount equal to fifty percent (50%) of the Sales Tax Increment over a period of nine (9) years, but not to exceed \$427,000.00 paid as provided in the Tax Sharing Agreement, and approves and authorizes execution of a nine (9)-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 and Operating Covenant as the City's representative.

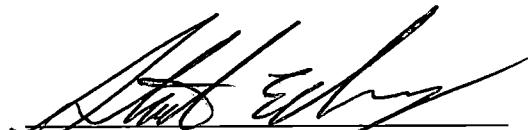
SECTION 5. EFFECTIVE DATE

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.

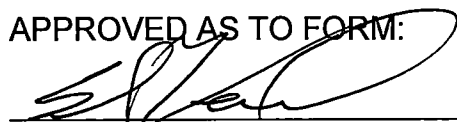
PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council for the City of Cathedral City held on this 23rd day of March, 2016


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 23rd day of March, 2016 by the following vote:

AYES: Council Members AGuilar, Carnevale and Kaplan; Mayor Pro Tem Pettis and Mayor Henry

NOES: None

ABSENT: None

ABSTAIN: None



Gary F, Howell, City Clerk