

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AGREEMENT FOR DEFERRAL OF DEVELOPMENT IMPACT FEES BETWEEN THE CITY AND AYRES-MILLENIA, LP FOR \$903,555 IN FEES IN CONNECTION WITH A 135-ROOM HOTEL PROJECT AT 1710 MILLENIA AVENUE

WHEREAS, development of hotels in eastern Chula Vista has been a challenge for investors and developers due to the high cost of development and construction; and

WHEREAS, Ayres-Millenia, LP has secured financing to develop a 135-room hotel project at 1710 Millenia Avenue (the "Project") but requires the deferral of certain development impact fees to a future point of stabilized operations in order for the project to be fiscally feasible; and

WHEREAS, the proposed Project will be of public benefit by providing new, highly amenitized visitor accommodations, creating jobs, and generating Transient Occupancy Tax revenues to the City; and

WHEREAS, the proposed Agreement for Deferral of Development Impact Fees (Agreement) provides necessary financial assistance by allowing for the deferral of Transportation Development Impact Fees (TDIF), with a total deferral amount of \$903,555.00; and

WHEREAS, in accordance with Chula Vista Municipal Code Section 3.54.160.F., adopted October 2, 2018 by Ordinance 3440, a final determination of TDIF fees to be imposed on the Project will be based on a traffic study to be conducted within the fourth year of Project operation; and

WHEREAS, the terms of the Agreement include interest accrual at a fair market rate of three and one half percent (3.5%) per annum, with the principal and all interest accrued thereon, due and payable forty-eight (48) months from the issuance of the Certificate of Occupancy for the Project, with repayment secured by a Deed of Trust recorded against the property/Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it hereby approves the Agreement for Deferral of Development Impact Fees, between the City and Ayres-Millenia, LP, in the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk, and authorizes and directs the Mayor to execute the same.

Presented by:

Approved as to form by:

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Kelly G. Broughton, FASLA  
Director of Development Services

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Glen R. Googins  
City Attorney