

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA APPROVING THE REVENUE SHARING
AGREEMENT BY AND BETWEEN THE CITY OF CHULA
VISTA AND THE SAN DIEGO UNIFIED PORT DISTRICT
(CHULA VISTA BAYFRONT RESORT HOTEL AND
CONVENTION CENTER AND RELATED
INFRASTRUCTURE)

WHEREAS, the City of Chula Vista (City) and the San Diego Unified Port District (District), began a collaborative planning process with the community to develop a comprehensive Chula Vista Bayfront Master Plan (CVBMP) in 2002; and

WHEREAS, on May 18, 2010, the District, as Lead Agency (as such term is defined in California Public Resources Code Section 21067), certified a Final Environmental Impact Report for the CVBMP and Port Master Plan Amendment (UPD No. 83356-EIR-658; SCH No. 2005081077) (District Clerk No. 56562); and

WHEREAS, the City is a Responsible Agency (as such term is defined in California Public Resources Code Section 21069); and

WHEREAS, the CVBMP is the project described in the FEIR; and

WHEREAS, on May 18, 2010, the City, as a Responsible Agency after having considered and relying on the Final Environmental Impact Report (No. 83356-EIR-658; SCH No. 2005081077) for the CVBMP, pursuant to the California Environmental Quality Act (Public Resources Code Section 21000, et seq.) (CEQA), made certain Findings of Fact; adopted a Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program for the CVBMP; and

WHEREAS, no additional CEQA review is required at this time because the Revenue Sharing Agreement is a government funding mechanism and fiscal activity that in and of itself does not result in a potentially significant physical impact on the environment with the meaning of Section 15378(b)(4) of the CEQA Guidelines, Chapter 3 of Title 14 of the California Code of Regulations; therefore approval of the Revenue Sharing Agreement does not constitute approval of a "project" under CEQA; and

WHEREAS, the first step in implementing the CVBMP was the adoption of the Chula Vista Bayfront Master Plan Financing Agreement, which was approved by the City Council via Resolution 2012-078; and

WHEREAS, an Amended and Restated Chula Vista Bayfront Financing Agreement, reflecting updated contributions and commitments was approved by the City Council via Resolution 2016-241; and

WHEREAS, the District's Board of Commissioners approved an Exclusive Negotiating Agreement (ENA) with RIDA for the construction of a hotel and convention center project (the "Project") on CVBMP Parcel H-3 on February 10, 2015; and

WHEREAS, on June 20, 2017, at a joint meeting of the City Council and the District's Board of Commissioners, on June 20, 2017, the District's Board of Commissioners approved the Amended and Restated Chula Vista Bayfront Financing Agreement, as adopted by the City Council via Resolution 2016-241; and

WHEREAS, at the June 20, 2017 joint meeting, the District's Board of Commissioners and the City Council approved a non-binding Letter of Intent (LOI) with RIDA to facilitate the negotiation of a future Disposition and Development Agreement (DDA) for the Project (City Council Resolution 2017-104); and

WHEREAS, the District and the City have negotiated and recommend approving a DDA for the Project, addressing business terms and commitments by all parties through the close of escrow for the Project; and

WHEREAS, the District and the City have negotiated and recommend approving a Revenue Sharing Agreement between the District and the City addressing funding commitments of each agency; application of residual revenues after payment of Project debt including reimbursements to each agency; operating and maintenance responsibility for Project related infrastructure; and allocation of Net Operating Income above an eleven percent (11%) Return on Investment to be paid by RIDA to the District at a rate of twenty percent (20%) for Lease Year 1 through Lease Year 37 (Additional Rent); and

WHEREAS, at a special joint meeting of the City Council and the District's Board of Commissioners held on April 24, 2018, the City Council approved the proposed Revenue Sharing Agreement, contingent upon subsequent approval of an Economic Development Subsidy to RIDA Chula Vista, LLC, which is necessary to implement the DDA and Revenue Sharing Agreement as proposed; and

WHEREAS, approval of the Economic Development Subsidy to RIDA Chula Vista, LLC, is a companion resolution to this item.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it hereby incorporates the above recitals as stated herein and approves the Revenue Sharing Agreement By and Between the City of Chula Vista and the San Diego Unified Port District (Chula Vista Bayfront Resort Hotel and Convention Center and Related Infrastructure), in the form presented, with such 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 City Manager to execute the same.

Presented by:

Approved as to form by:

Gary Halbert
City Manager

Glen R. Googins
City Attorney