

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 SETHI MANAGEMENT, INC. FOR APPROXIMATELY \$1.3 MILLION IN FEES IN CONNECTION WITH A 204-ROOM HOTEL PROJECT AT 2424 FENTON STREET

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, Sethi Management Inc. has secured financing to develop a 204-room hotel project at 2424 Fenton (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 Public Facilities Development Impact Fees (PFDIF) and Transportation Development Impact Fees (TDIF), with a total deferral amount of approximately \$1.3 million; and

WHEREAS, the terms of the Agreement include interest accrual at a fair market rate of two percent (2%) per annum, with the principal and all interest accrued thereon, due and payable fifty-four (54) 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 Sethi Management Inc., 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:

Kelly G. Broughton, FASLA
Director of Development Services

Glen R. Googins
City Attorney