

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA
APPROVING AMENDMENTS TO THE CHULA VISTA GAMING PLAN
INCREASING THE MAXIMUM NUMBER OF TABLES FROM 20 TO 26,
INCREASING PER TABLE LICENSE FEES, MAKING RELATED CHANGES
AND UPDATES, AND APPROVING AN UPDATED FIVE YEAR
OPERATING AGREEMENT

WHEREAS, Stones South Bay Corporation, a California Corporation dba: Seven Mile Casino (“Seven Mile”) has proposed amendments to the City’s Gaming Plan and related Operating Agreement;

WHEREAS, the proposed changes would (1) increase the maximum number of allowed tables from 20 to 26, (2) increase the allowed number of players at the 15 tables allowing back-line betting from 16 to 24;

WHEREAS, in consideration for this, Seven Mile and City staff negotiated an increase in the table license fees to a set rate of \$9,000 per table per quarter effective July 1, 2019 and \$9,540 per table per quarter beginning July 1, 2020, with annual increases thereafter of 3%;

WHEREAS, in addition, the parties agree that upon the opening of the RIDA Bayfront resort hotel the per table rate would convert to a “percentage rate structure” with a guaranteed minimum payment and a five year extension to the Operating Agreement;

WHEREAS, the Police Department has no other material concerns with security issues that might arise from the proposed changes to the Gaming Plan;

WHEREAS, as required by Chula Vista Municipal Code Section 5.20.001 and Gaming Plan Section 5.3, prior to City Council action on the proposed Gaming Plan amendments a public hearing was properly noticed and held, and the City Council considered the proposed amendment and all testimony presented with respect thereto;

WHEREAS, the City Attorney’s office has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the activity consists of a governmental administrative/fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is required. It has also been determined that the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines. Any required CEQA review would be conducted if and when Seven Mile applies for an amendment to its CUP.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chula Vista as follows:

1. The proposed amendments to the Chula Vista Gaming Plan attached to this resolution, with changes presented in underline strikeout format, are hereby adopted, with such minor changes as may be required or approved by the City Attorney, a copy of which shall be kept on file with the City Clerk.

2. The City Manager is hereby authorized and directed, pursuant to Section 5.5 of the Gaming Plan to finalize and execute on behalf of the City an operating agreement with the Seven Mile license interest holders, in the form presented with such minor changes as may be required or approved by the City Attorney.

3. Seven Mile's rights under the amended Gaming Plan for cardroom operations under its license are contingent upon receiving any and all required approvals therefor from the California Department of Justice Division of Gambling Control and any and all required City land use approvals;

Presented by

Approved as to form by

Eric C. Crockett
Director of Economic Development

Glen R. Googins
City Attorney