



Meeting Date: 06/02/09

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input checked="" type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Sabrina Rodriguez Agenda Item No. I-4
 Reviewed By: City Manager [Signature] City Attorney SMF Finance [Signature] Other (Specify) _____

DATE: May 7, 2009

TO: City Council

FROM: Mike More, Financial Services Manager [Signature]
Finance Department

SUBJECT: Deferral of Development Fees for Construction of Homewood Suites

RECOMMENDATION

That City Council:

1. Approve the first reading by title only and subsequent adoption of an ordinance deferring for five years \$489,684 in development fees owed by Homewood Suites for construction of an approximately 100,000 square foot building at 1950 Solar Drive, and
2. Approve and authorize the Mayor to execute an Agreement to Pay Deferred Development Fees (A-7167) between the City and Homewood Suites, requiring Homewood Suites to pay interest on and provide adequate security for payment of the deferred fees and to pay the deferred fees within five years from the date of obtaining a building permit to construct the building.

DISCUSSION

Homewood Suites has requested a five year, deferral of certain development fees with interest to be paid at 4 % per annum. Homewood Suites will be required to provide a letter of credit or similar security. The estimated amount of the deferral is \$489,684, and it applies to Traffic Circulation Facilities fees as identified in Exhibit "A" of the proposed agreement. No plan check, building permit, inspection, or outside agency fees would be deferred. Principal and all interest will be paid over five years.

FINANCIAL IMPACT

The related infrastructure accounts identified in Exhibit "A" would not realize the corresponding revenue for a five-year period, but interest will be paid at 4% per annum.

- Attachment #1 - Deferral Ordinance
 #2 - Agreement to Pay Deferred Fees

CITY COUNCIL OF THE CITY OF OXNARD

ORDINANCE NO. _____

(UNCODIFIED)

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD
CONCERNING DEFERRAL OF PAYMENT OF DEVELOPMENT FEES FOR
HOMWOOD SUITES

WHEREAS, the first sentence of subsection (B) of section 15-173 of the City Code provides in part: "For development projects for which the city issues a building permit, development fees shall be calculated and collected at the time of issuance of the building permit, based on the development fee schedule then in effect."

WHEREAS, Homewood Suites ("Developer") has applied to the City for entitlements to construct an approximate 100,000 square foot building; and

WHEREAS, the building will provide a public benefit, increasing opportunities for public congregation in the City; and

WHEREAS, the City Council wishes to enhance Developer's ability to construct the building by deferring for five years certain development fees that the Developer will owe to the City in connection with construction of the building.

NOW, THEREFORE, the City Council of the City of Oxnard does ordain as follows:

Part 1. As used in this ordinance, "development fees" shall mean planned traffic circulation facilities fees imposed pursuant to section 15-215 et seq. of the City Code. As used in this ordinance, "development fees" shall not include any other fees, including fees collected on behalf of other agencies, fees collected to mitigate environmental impacts, and processing fees.

Part 2. Notwithstanding the first sentence of subsection (B) of section 15-173 of the City Code, the Director of Development Services is directed to allow Developer to defer for five years from the date of issuance of a building permit to construct a building at 1950 Solar Drive, the payment of development fees owed to the City in connection with such permit, provided the permit is issued within six months from the effective date of this ordinance and further provided that the Developer does not protest the calculation of such fees, pays any fees not deferred by this ordinance, executes documents or obtains instruments satisfactory to the Development Services Manager and City Attorney providing security for payment of deferred development fees in an amount equal to 125% of the amount of deferred fees, and enters into an Agreement to Pay Deferred Development Fees, in a form and substance approved by the City Attorney, to pay the deferred fees within such five year period with interest at 4% per annum.

ATTACHMENT NO. 1
PAGE 1 OF 2

Part 3. This Ordinance shall not be included in the City Code.

Part 4. Within fifteen days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the City. Ordinance No. _____ was first read on June 2nd, 2009, and finally adopted on _____, 2009 to become effective thirty days thereafter.

AYES:

NOES:

ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Alan Holmberg, City Attorney

ATTACHMENT NO. 1
PAGE 2 OF 2

AGREEMENT TO PAY DEFERRED DEVELOPMENT FEES

This Agreement to Pay Deferred Development Fees (this "Agreement") is entered into this 2nd day of June, 2009, by and between the City of Oxnard, a municipal corporation ("City"), and Homewood Suites ("Developer").

WHEREAS, Developer has applied for permits to construct an approximately 100,000 square foot building located at 1950 Solar Drive ("The Improvements"); and

WHEREAS, Developer has requested that City defer Developer's payment of certain development fees in the amount of \$ 489,684.00 as shown on Exhibit A attached hereto and incorporated herein by reference that City ordinances ordinarily require be paid prior to issuance of a building permit to construct the Improvements.

NOW, THEREFORE, City and Developer agree:

1. The City Council has adopted an ordinance authorizing deferral with interest to be paid at 4 % per annum for five years from the date hereof of Developer's payment of certain development fees specified in Exhibit "A," attached hereto and incorporated herein by reference, provided that Developer obtain a building permit to construct the Improvements within six months from the date of execution of this Agreement, does not protest the calculation of such fees; pays any fees not deferred; executes this Agreement; and executes agreements or obtains instruments providing for repayment schedule and security satisfactory to the Development Services Manager and City Attorney for 125% of the amount of fees so deferred.
2. Developer shall pay the deferred fees and interest at the rate of 4% per annum to City in full on or before the expiration of five years from the date that Developer obtains a building permit to construct the Improvements.
3. City's Agreement to permit deferral is contingent upon satisfaction of the conditions set forth in paragraph 1 hereof.
4. Time is of the essence of this Agreement.

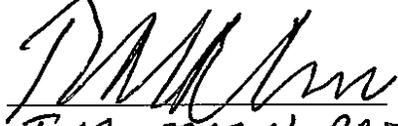
[CONTINUED ON NEXT PAGE]

5. This Agreement shall not go into effect unless and until the ordinance referred to section 1 of this Agreement becomes effective.

CITY OF OXNARD

HOMEWOOD SUITES

Dr. Thomas E. Holden, Mayor

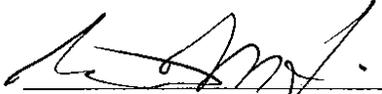


T.M. MIAN, PRES

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Alan Holmberg, City Attorney

EXHIBIT "A"

LIST OF DEFERRED DEVELOPMENT FEES

Fees Deferred By Ordinance No. ____

Fee Amount

Traffic Circulation Facilities Fees

\$ 489,684.00

ATTACHMENT NO. 2
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