



# City Council Staff Report

DATE: April 6, 2011 CONSENT CALENDAR

SUBJECT: SECOND READING AND ADOPTION OF PROPOSED ORDINANCE NO. 1786, AMENDING THE EXISTING HOTEL INCENTIVE PROGRAM FOR A FIRST CLASS NEW HOTEL TO RECEIVE SEVENTY-FIVE PERCENT OF THE ADJUSTED TAX RATE

FROM: David H. Ready, City Manager

BY: Office of the City Clerk

## SUMMARY:

The City Council will consider adoption of Ordinance Nos. 1786.

## RECOMMENDATION:

1. Waive further reading and adopt Ordinance No. 1786, "AN ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING SUBSECTION (a) OF SECTION 5.26.040 OF THE PALM SPRINGS MUNICIPAL CODE, WITH RESPECT TO FIRST CLASS NEW HOTELS PARTICIPATING IN THE CITY'S HOTEL OPERATIONS INCENTIVE PROGRAM."

## STAFF ANALYSIS:

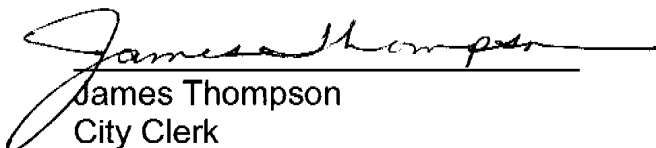
At its March 16, 2011, meeting Ordinance No. 1786 was introduced by the following vote:

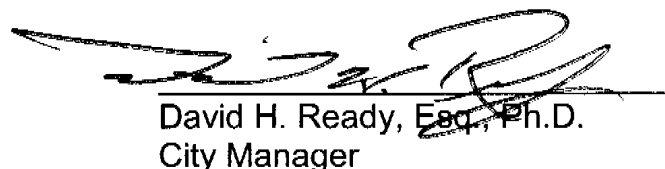
AYES: Councilmember Foat, Councilmember Hutcheson, Mayor Pro Tem Weigel, and Mayor Pougnet.

NOES: None.

ABSENT: Councilmember Mills.

This report provides for the City Council to waive further reading and adopt the ordinance. The ordinance shall be effective 30-days from adoption.

  
James Thompson  
City Clerk

  
David H. Ready, Esq., Ph.D.  
City Manager

/kdh

Attachment: Ordinance No. 1786

PROPOSED ORDINANCE NO. 1786

AN ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING SUBSECTION (a) OF SECTION 5.26.040 OF THE PALM SPRINGS MUNICIPAL CODE, WITH RESPECT TO FIRST CLASS NEW HOTELS PARTICIPATING IN THE CITY'S HOTEL OPERATIONS INCENTIVE PROGRAM.

**City Attorney Summary**

*Currently a First Class New Hotel is eligible to receive an incentive of 50% of the adjusted tax rate, this Ordinance amends the existing hotel incentive program for a First Class New Hotel to receive 75% of the adjusted tax rate.*

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS ORDAINS:

SECTION 1. Subsection (a) of Section 5.26.040 is amended to read as follows:

(a) First Class New Hotels. The city shall pay to an operator of a first class new hotel an amount equal to seventy-five percent (75%) of the adjusted tax rate. Such payments shall be made for twenty years or until the operator has been paid fifty million dollars, whichever event occurs first. Without regard to any other provision of Chapter 5.26, a First Class New Hotel must have begun vertical construction no later than December 31, 2013, to qualify to submit an application to participate in the Incentive program.

The City and a qualified participant under this section may enter into an agreement, at the sole discretion of the City, to receive an increase in the percent of the adjusted tax rate, for no longer than the first two-years of the qualified participant's Incentive program.

Without regard to any preceding conditions of this section, the program shall terminate at any point the first class new hotel is not operated as a first class hotel.

SECTION 2. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS \_\_\_ DAY OF \_\_\_\_\_, 2011.

\_\_\_\_\_  
STEPHEN P. POUCKET, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK

CERTIFICATION:

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, California, do hereby certify that Ordinance No. 1786 is a full, true, and correct copy, and was introduced at a regular meeting of the Palm Springs City Council on March 16, 2011, and adopted at a regular meeting of the City Council held on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California