



CITY COUNCIL STAFF REPORT

DATE: DECEMBER 17, 2014 CONSENT CALENDAR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DETERMINING TO UNDERTAKE PROCEEDINGS TO REQUEST THAT THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE CITY FOR THE SELENE PALM SPRINGS RESORT PROJECT AT THE NORTHEAST CORNER OF AMADO ROAD AND CALLE ALVARADO

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

SUMMARY

This City Council approved Palm Springs' participation in the Statewide Community Infrastructure Program ("SCIP"), which is sponsored by the California Statewide Communities Development Authority ("CSCDA"), by resolution on October 1. The statute requires the City Council hold a public hearing to take public testimony on SCIP and bonds to be issued by CSCDA, and consideration of a resolution making the findings and authorizing City participation in SCIP. This action requests that CSCDA undertake the proceedings to create a Community Facilities District within the City for the development and construction of the Selene Palm Springs Resort and a public parking facility located within the resort.

RECOMMENDATION:

1. Adopt Resolution No. _____ "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DETERMINING TO UNDERTAKE PROCEEDINGS TO REQUEST THAT THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE CITY FOR THE SELENE PALM SPRINGS RESORT PROJECT "; and
2. AUTHORIZE THE CITY MANAGER TO EXECUTE ALL DOCUMENTS RELATED TO THE ABOVE AGREEMENTS.

ITEM NO. 85

Background:

This action is related to the development of the Selene Palm Springs Resort, a 205-room luxury resort proposed for the Northeast corner of Calle Alvarado and Amado Road. The City is the owner of the 7.8 +/- acre parcel and has a Purchase and Sale Agreement with the Developer for the Project.

The Developer has been working on a financing structure to provide for the construction of several hundred public parking spaces on the site, largely to be financed through the Statewide Community Infrastructure Program ("SCIP"), which is sponsored by the California Statewide Communities Development Authority ("CSCDA"). The parking structure would be partially public and partially private. The private spaces would be designated for residential users and for the hotel, which would mostly require their guests to valet park. The public spaces would have a separate entrance and would self-park.

CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 356 cities and 57 counties throughout California, including the City of Palm Springs.

SCIP allows owners of property in participating cities and counties to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and the development impact fees owed to the City will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner's property to repay the portion of the bonds issued to finance the fees paid with respect to the property.

This City Council approved Palm Springs' participation in by resolution on October 1. The statute requires the City Council hold a public hearing to take public testimony on SCIP and bonds to be issued by CSCDA, and consideration of a resolution making the findings and authorizing City participation in SCIP. Most SCIP Assessment Districts are created pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the "1913 Act") or improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act").

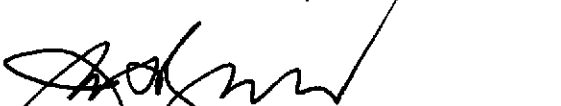
However, CSCDA has determined that, due to the extra level of complexity in the project due to its public-private nature, the preferred assessment district structure would be a Community Facility District ("CFD") rather than 1913 Act or 1915 Act bonds.

This action determines to request that CSCDA undertake the proceedings to create a Community Facilities District within the City for the development and construction of the Selene Palm Springs Resort and a public parking facility located within the resort.


The actual resolution approving the creation of the CFD by the SCIP Program will return on a future agenda, once the project is designed and the costs are determined and the SCIP application is well underway.

FISCAL IMPACT

Selected public capital improvements and certain development impact fees owed to the City may be financed by the issuance of tax-exempt bonds by CSCDA through this program. This does not create any financial obligation on the part of the City. Conversely, the availability of financing will assist the Developer to construct public parking for the Convention Center at little cost to the City, saving the City millions of dollars in additional expenditures.



John S. Raymond, Director of
Community & Economic Development



David H. Ready, City Manager

Attachments:

1. SCIP Resolution

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

I, James Thompson, City Clerk of the City of Palm Springs, California, hereby certify that Resolution No. _____ was adopted by the Palm Springs City Council at a regular meeting held on the 17th of December, 2014, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES THOMPSON
CITY CLERK

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DETERMINING TO UNDERTAKE PROCEEDINGS TO REQUEST THAT THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE CITY FOR THE SELENE PALM SPRINGS RESORT PROJECT

WHEREAS, the City Council of the City of Palm Springs is interested in assisting Selene Palm Springs, LLC in financing certain public infrastructure and parking improvements in connection with the Selene Palm Springs (the "Project") by requesting that the California Statewide Communities Development Authority ("CSCDA") undertake proceedings to form a Community Facilities District ("CFD") for the Project pursuant to the Mello-Roos Community Facilities District Act of 1982 (the "Act") for such purpose; and

WHEREAS, Selene International, LLC (the "Developer") has requested that the City work with CSCDA to prepare the necessary paperwork to commence such proceedings and bring this request back to the City Council at the earliest opportunity to commence said proceedings;

NOW, THEREFORE, THE CITY COUNCIL HEREBY FINDS, DETERMINES AND RESOLVES, as follows:

Section 1. The foregoing recitals are true and correct and this City Council hereby so finds and determines.

Section 2. The City Council hereby determines that it will consider a request to CSCDA to form to a CFD pursuant to the Act for the Project.

Section 3. The City Council hereby authorizes and directs the City Manager and City staff to work with CSCDA, its staff, counsel and consultants, to formulate a financing plan that is most beneficial to the Developer and to the City, and to proceed with the legal proceedings necessary to request CSCDA to finance the Project. It is intended by the City Council that if and to the extent a financing is completed for any portion of the Project, improvements constructed by the Developer in the financing district which are either currently under construction or are constructed after the date of this resolution and which are included within the eligible improvements to be financed as determined by this Council may be acquired by the City with the proceeds of any bonds issued as provided in the Act. Nothing in this Resolution shall be construed to require the City or CSCDA to reimburse any person for costs incurred in connection with the Project other than from the proceeds of bonds when, as and if issued for the Project.

Section 4. The City Manager is directed to bring the matter back to this Council for consideration as required by law at the earliest opportunity.

Section 5. This Resolution shall take effect immediately upon its passage.

**PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL,
THIS 17th DAY OF DECEMBER, 2014.**

DAVID H. READY
CITY MANAGER

ATTEST:

JAMES THOMPSON
CITY CLERK