

**NOTICE OF HEARING AND REPORT PURSUANT TO
GOVERNMENT CODE SECTION 53083**

ECONOMIC DEVELOPMENT SUBSIDY TO BE GIVEN
UNDER AN OPERATING COVENANT AGREEMENT
BETWEEN THE CITY OF INDIO
AND KABIR ALLIANCE LLC

NOTICE IS HEREBY GIVEN that the City of Indio will hold a public hearing in the Council Chambers at 150 Civic Center Mall, Indio, CA 92201 on March 20, 2019 at 5:00 p.m., unless otherwise changed by the City Manager, to consider an Operating Covenant Agreement between the City of Indio and Kabir Alliance LLC (“Agreement”). All interested persons are invited to attend this hearing and express opinions upon the items listed below. The Agreement is available for review at Indio City Hall, 100 Civic Center Mall, Indio, CA 92201, or at the City’s website at www.indio.org.

Pursuant to Government Code Section 53083, the City Council of the City of Indio must hold a noticed public hearing (as part of regularly scheduled council meeting) and, prior to the public hearing, provide all of the following information in written form and available to the public and through the City’s website, regarding a proposed economic development subsidy to be provided by the City pursuant to Section 3 of the Agreement.

The purpose of the following report is to provide the information required pursuant to Government Code Section 53083. This report shall remain available to the public and posted on the City’s website until the end date of the economic development subsidy (described in Item 2 below).

1. **The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy.**

The Agreement is with Kabir Alliance LLC, whose address is:

12800 Center Court Drive, Ste. 525
Cerritos, California 90703

2. **The start and end dates and schedule, if applicable, for the economic development subsidy.**

If the Agreement is approved by the City Council, the start date of the economic development subsidy (which is described in Section 3 of the Agreement) will be the date on which Kabir Alliance LLC opens for business at the location in 42655 Marmara Street, Indio, CA 92203 (APN 610-080-061) described in the Agreement and the end date will be the earlier of (i) six (6) years after the first incentive payment by City, or (ii) the date on which City shall have provided incentive payments totaling \$1,145,000.

The economic development subsidy will be paid by the City once every twelve (12) months from general funds.

3. **A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.**

An amount equal to fifty percent (50%) of the transient occupancy taxes actually received by the City (and that may, under applicable law, be retained by City) from the operation of the project described in Item 4 below.

4. **A statement of the public purposes for the economic development subsidy.**

The purpose is to incentivize Kabir Alliance LLC to construct and open a Fairfield Inn & Suites by Marriott Hotel in the City of Indio (“Project”). The Agreement obligates Kabir Alliance LLC to pay prevailing wages for the work. The City’s consultants, Keyser Marston Associates, Inc., have confirmed that such a subsidy is appropriate given the projected costs and revenues of the Project. The completed Project should generate sales taxes, and increased property taxes, and will provide jobs, for longer than the subsidy period.

5. **The projected tax revenue to the local agency as a result of the economic development subsidy.**

Between \$163,000 to \$236,000 annually.

6. **The estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.**

Full-time: 27

Part-time: 3