



City Council Policy Manual

Policy No: H2

Date: 02-20-2013

Approved: City Council

SUBJECT: HOTEL FEE DEFERRAL POLICY

1. **PURPOSE:** The City recognizes that hotels are vital to the economic vitality and progress of the City of Indio and the region in general, providing accommodations for visitors, jobs for residents and revenue for City government in the form of transient occupancy tax payments. The City Council places a high priority on the expeditious development of new hotels and the substantial expansion of existing hotels. The City Council believes it is in the best interest of the City to incentivize the development and/or significant expansion of hotels in the City, and believes that the deferral of City fees at the beginning of a hotel project, in a way that secures the public funds due to be paid to the City, serves the public interest by providing new accommodations for visitors to the City, new jobs and new tax revenue to the City.
2. **SCOPE:** The City hereby establishes policies and procedures that will guide the decision-making process regarding fee deferrals for the development of new hotels or substantially expanding an existing hotel in the City of Indio.
3. **GENERAL POLICY:** To provide an economic incentive for the construction of new or substantially expanded hotels in the City, the City Manager is authorized to approve the deferral of City building and development fees, as specified herein, for a period of up to eighteen (18) calendar months following the City's issuance of the first building permit for a new or substantially expanded hotel project or until a permanent loan is obtained, whichever occurs first.
4. **DEFERRAL OF FEES:** The fee deferral made available shall apply only to fees levied or charged by the City of Indio, even if collected by the City of Indio.
 - 4.1. The following are not eligible for deferral:
 - Building Department Plan Check Fees
 - Fees levied or charged by any entity or agency other than the City of Indio, even if collected by the City of Indio on that entity or agency's behalf.
 - 4.2. The City fees eligible to be deferred pursuant to this Policy shall be those City fees charged after the planning and environmental review process is completed. These are:
 - City permit fees,
 - Development impact fees,

HOTEL FEE DEFERRAL POLICY

- Inspection and fees charged by all City departments
- 4.3. City Fees shall only be deferred after the developer and property owner execute a fee deferral agreement in form and content satisfactory to the City Attorney which shall be recorded against title to the property on which the hotel project is developed. The City Manager may agree to subordinate the fee deferral agreement to deeds of trust for purchase and construction funding. The fee deferral agreement shall require full payment of all deferred City fees within the time period specified in this policy. If such fees are not timely paid in full, the deferred fees due shall immediately begin to accrue interest at a rate of 7% per year as of the date first deferred, and the City shall have the right to avail itself of all legal and equitable remedies to collect the fees due including, without limitation, the revocation of the hotel's business license at the City Manager's discretion.
5. The term "hotel" shall have the same meaning as defined in Section 34.36 of Chapter 34 of Title III of the Indio Code of Ordinances, as the same may be amended from time to time. It is the intent of the City Council that this fee deferral will apply to those hotels that that will collect transient occupancy tax for the City, and that the policy adopted herein is merely a temporary deferral of the time at which development fees must be paid, and not a waiver of fees or subsidy of the hotel project.
6. "New" construction of a hotel shall mean the establishment of a new hotel building on a property where a hotel does not exist as of the date a building permit is applied for.
7. "Substantial expansion" of a hotel shall mean an increase in the number of rooms in an existing hotel by at least fifty percent (50%) of the pre-existing number of rooms.
8. This Policy shall remain in effect until repealed by the City Council.