



City of Camarillo

601 Carmen Drive • P.O. Box 248 • Camarillo, CA 93011-0248

Office of the City Clerk (805) 388-5315 • Fax (805) 388-5318

cityclerk@cityofcamarillo.org

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Camarillo will conduct a public hearing on Wednesday, December 13, 2017, at 7:30 p.m., in the Council Chambers, 601 Carmen Drive, Camarillo, California, to consider the following:

MIAN PLAZA AND CONFERENCE CENTER OF CAMARILLO

The City Council will consider the sale in fee of approximately 12.4 acres of vacant land located at the northeasterly corner Las Posas Road and Ventura Blvd. in the City of Camarillo ("Property").

The Property which is the subject of the proposed sale is divided into two parcels by an existing concrete channel which runs in a general north-south direction. Parcel 1 is the easterly parcel and Parcel A is the westerly parcel. In addition to Parcel 1 and Parcel A, the City Council will also consider the sale of easements over Channel (which will be covered) and over the former Ventura Blvd on the north side of the Property for parking, access, landscaping, setbacks and other purposes ("Easements"). The proposed buyers of Parcel 1, Parcel A and the Easements are The Mian Development Corp and Mian Metropolitan Holdings, Inc. ("Buyers")

There is a proposed Agreement for the Sale and Development of the Property ("Agreement") which will be considered by the City Council for possible approval. Pursuant to the Agreement, the Buyers propose to construct on the Property a commercial development project consisting of approximately 277 hotel rooms, an approximate 17,500 square foot conference center, 15,500 square feet of restaurant space; and 10,450 square feet of retail space, parking and other improvements ("Project").

This Notice is provided pursuant to Government Code Sections 6066 and 52201. The proposed sale is in furtherance of an economic opportunity in that there will be jobs created both during the construction of the Project and following completion of the Project. In addition, there will be tax revenue generated by the Project including property taxes, sales taxes, income taxes and transient occupancy taxes. These tax revenues will be available to the appropriate public entities for expenditure for public purposes and those expenditures will provide further economic opportunities.

For further information regarding the Project, you may contact the City of Camarillo, Department of Community Development and speak with the case planner, Jaclyn Lee, at 805.383.5616, or you may review copies of Agreement and other Project materials at the Community Development Department, City Hall, 601 Carmen Drive, Camarillo, California, prior to the City Council meeting. In addition, there will be a Report regarding the Project pursuant to Government Code Section 52201 (a)(2) posted by the City on its website at www.cityofcamarillo.org by November 28, 2017 and a copy of the Report will also be available at the Community Development Department.

In compliance with the American With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at 805.388.5397. Notification 48 hours prior to the meeting will enable the city to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II.)

Any person interested in these matters is invited to attend and present testimony either for or against the above item. If you challenge the proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Council at or prior to the public hearing.

Jeffrie Madland, City Clerk



City of Camarillo

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Office of the City Attorney
(805) 388-5308

TO: David J. Norman, City Manager

FROM: Brian A. Pierik, City Attorney

DATE: November 29, 2017

RE: PROPOSED HOTEL AND CONFERENCE CENTER: REPORT
PURSUANT TO GOVERNMENT CODE SECTION 52201

This report ("Report") is submitted pursuant to **Government Code Section 52201** which requires that a report be prepared by the City of Camarillo in connection with the proposed sale of property for a Hotel and Conference Center at the northeasterly corner of Las Posas Road and Ventura Boulevard, Camarillo, California ("Property"). A Location Map is attached to this Report.

(A) A copy of the proposed acquisition, sale, or lease.

Report:

A copy of the draft Agreement for Sale and Development of Real Property and Joint Escrow Instructions ("Agreement") is available upon request submitted to the Camarillo City Clerk who can be reached at 805.388.5397 or by email to the City Clerk at cityclerk@cityofcamarillo.org.

The Agreement is between the City of Camarillo ("Seller") and The Mian Development Corp, a Texas corporation, and Mian Metropolitan Holdings ("Buyer). The parties are still negotiating the final terms of the Agreement. The proposed purchase price for the Property is \$5,318,000 plus the value of an easement for parking and other purposes on the former Ventura Blvd located to the north of the Property. The Buyer proposes to construct on the Property a commercial development consisting of approximately 277 hotel rooms, an approximate 17,500 square foot conference center, retail/restaurant/office area and parking on the Property (collectively, "Project").

(B) A summary that describes and specifies all of the following:

- (i) The cost of the agreement to the city, county, or city and county, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the city, county, or city and county, plus the expected interest on any loans or bonds to finance the agreements.**

Report: The Agreement requires the Seller to construct certain public improvements including improvements to a channel that bisects the Property ("Channel"), undergrounding and relocation of electrical lines, sidewalks, right turn pockets on Ventura Boulevard and water mains. The Agreement provides that the City will reimburse the Seller for the construction cost of the improvements to the Channel and the undergrounding and relocation of electrical lines. The costs for the improvements to the Channel and the undergrounding and relocation of electrical lines will not be known until those improvements have been completed. However, the preliminary estimate for the construction cost of the Channel and undergrounding and relocation of electrical lines is approximately \$6 million.

- (ii) For the sale or lease of property, the estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the general plan or zoning.**

Report: The estimated value of the interest to be conveyed determined at the highest and best uses permitted under the general plan or zoning is \$5,318,000 based upon an appraisal obtained by the City from an MAI (Member of Appraisal Institute) appraiser plus the value of the easement for parking and other purposes on the former Ventura Blvd in an amount that is being calculated.

- (iii) For the sale or lease of property, the estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the city, county, or city and county shall provide as part of the summary an explanation of the reasons for the difference.**

Report: The estimated value of the interest to be conveyed, determined at the use and with the conditions, covenants, and development costs required by the sale is \$5,318,000 plus the value of the easement for parking and other purposes on the former Ventura Boulevard in an amount that is being calculated. The purchase price will be \$5,318,000 plus the value of the easement for parking and other purposes on the former Ventura Boulevard in an amount that is being calculated. There will be no lease of the Property by the seller to the buyer. The sales price is equal to the fair market value of the interest to be conveyed by the seller to the buyer.

- (iv) An explanation of why the acquisition, sale, or lease of the property will assist in the creation of economic opportunity, with reference to all supporting facts and materials relied upon in making this explanation.**

Report:

The Property was acquired by the Camarillo Community Development Commission ("CDC") with bond proceeds in 2004 for the westerly parcel (Parcel A) and 2008 for the easterly parcel (Parcel 1) purpose of selling the Property to a developer for a hotel and conference center consistent with the Camarillo Corridor Project and City goals. At the time the Property was acquired by the CDC, the Property was vacant (i.e. undeveloped) and the Property remains vacant today. The development of the Property was impacted by the recession which occurred following the purchase of the Property by the CDC. The City acquired the Property from the CDC following the dissolution of redevelopment in 2012. As the Property is vacant, the Property has not been generating any income or other financial benefit for the community.

The sale of the Property to the buyer will assist in the creation of economic opportunity in many ways including, but not limited to, the creation of jobs for contractors during the construction of the Project, the creation of jobs for employees working in the businesses to be constructed by the Project and the generation of tax revenue including property taxes, income taxes, transient occupancy taxes and sales taxes which will be paid to the appropriate public agencies to be spent for public purposes. Kosmont Companies conducted an analysis regarding the proposed Project and concluded in their Report of February 6, 2017 (copy attached) that the Project would have the following fiscal impacts:

Tax Revenue - Annual

1. Property Tax: \$ 768,500 per year
2. Sales Tax: \$ 1,609,283 per year
3. Income Tax: \$ 85,334 per year

TOTAL: \$ 2,463,117 per year

Tax Revenue - 30 years

When projected over a 30-year period the future value of these tax revenues totals \$111,798,678 (based on 2% property tax growth rate, and 3% sales tax and income tax growth):

1. Property Tax: \$ 31,176,569
2. Sales Tax: \$ 76,562,308
3. Income Tax: \$ 4,059,801

TOTAL: \$111,798,678

Construction-Related Economic Impacts

The construction-related impacts including direct, indirect and induced economic activity is estimated to be \$111.3 million.

Permanent On-Site Jobs

At build-out and stabilization, it is anticipated that the Project will support an estimated 197 on-site, full-time equivalent jobs.

CONCLUSION:

There will be a public hearing on the proposed Project on December 13, 2017 at 7:30 pm at the Camarillo City Hall, Council Chambers, 601 Carmen Drive, Camarillo, California 93010. Notice of that public hearing will be published in the newspaper on November 29, 2017 and December 6, 2017 and will also be posted at City Hall.

An Agenda Report will be posted on the City's website by December 8, 2017 in regard to the proposed Hotel Conference Center at cityofcamarillo.org which will include copies of the proposed Agreement between the seller and buyer of the Property and other materials regarding the Project. In addition, a copy of the Agenda Report will be available for review at the City Clerk's Office at City Hall.

There is currently available on the City's website the Agenda Report for the Planning Commission meeting held on November 28, 2017 which includes the proposed Agreement between the seller and buyer of the Property and other materials regarding the Project.

ATTACHMENTS:

- Location Map
- Memorandum from Kosmont Companies dated February 6, 2017

LOCATION MAP FOR PROPOSED HOTEL CONFERENCE CENTER



Memorandum

To: David J. Norman – City Manager, City of Camarillo

From: Larry Kosmont, CRE – President & CEO, Kosmont Companies
Wil Sohlt - Senior Vice President, Kosmont Companies

Date: February 6, 2017

Subject: Fiscal Impact of Proposed Hotel Conference Center Project

The City of Camarillo (“City”) as the Successor Agency for the Camarillo Community Development Commission requested that Kosmont Companies (“Kosmont”) evaluate the potential economic benefits of the proposed development of two hotels, a conference center, and ancillary retail (“Project”) on three contiguous parcels of land totaling approximately 12.4 acres within the City.

I. Project Description

As proposed the Project consists of the development of a 152 room Embassy Suites hotel, a 123 room Home 2 Suites hotel, a 17,650 square foot conference center (13,150 square feet of net meeting space), 25,500 square feet of ancillary restaurant space, and 16,350 square feet of ancillary retail space. As previously introduced, the proposed Project would be developed on three contiguous parcels totaling approximately 12.4 acres of land in the City at the northeast corner of the intersection of Los Posas Road and Ventura Boulevard.

II. Estimated Tax Generation

A. Tax Revenue - Annual

Kosmont evaluated the potential property tax, sales tax, and income tax that the Project may generate. Based on the size and type of the proposed Project, Kosmont estimates a total of \$2,463,117 in initial annual tax revenues will be generated by the Project with the amounts specified below. These tax revenues would be received by the State, County and other taxing entities based upon the type of tax and their respective shares of the tax revenue.

- 1. Property Tax: \$ 768,500 per year
- 2. Sales Tax: \$ 1,609,283 per year
- 3. Income Tax: \$ 85,334 per year

TOTAL: \$ 2,463,117 per year

B. Tax Revenue - 30 years

When projected over a 30-year period the future value of these tax revenues totals \$111,798,678 (based on 2% property tax growth rate, and 3% sales tax and income tax growth):

- 1. Property Tax: \$ 31,176,569
- 2. Sales Tax: \$ 76,562,308
- 3. Income Tax: \$ 4,059,801

TOTAL: \$111,798,678

C. Tax Revenue - 30 Year Present Value

Assuming a 3% discount rate, the present value of these revenues over the first 30 years of operation is estimated to be \$68,857,926.

- 1. Property Tax: \$ 19,500,150
- 2. Sales Tax: \$ 46,872,320
- 3. Income Tax: \$ 2,485,456

TOTAL \$ 68,857,926

D. Attachments A, B, and C

Additional details and an estimate of the distribution of property tax and sales tax amongst that various taxing agencies are provided in Attachment A, Attachment B, and Attachment C.

III. Economic Impacts

A. IMPLAN Analysis

Economic multiplier impacts of the construction of the Project were evaluated utilizing the IMPLAN (IMpact analysis for PLANning) econometric input/output model developed by the Minnesota IMPLAN Group with metrics specific to Ventura County ("County"). This proprietary model estimates the economic impacts on the

industries in a given geographic area and known economic inputs such as Project construction costs. The model estimates direct, indirect, and induced impacts expressed in terms of increased economic activity (“output”), earnings (“labor income”), and job creation.

B. Impacts

1. **Direct Impacts** - Direct impacts refer to the initial changes in total economic output, labor income, and employment resulting from expenditures and/or production value changes. Direct impacts include expenditures made for construction activities necessary to build the Project and the jobs created in order to carry out these construction activities.
2. **Indirect Impacts** - Indirect impacts result from the purchases made in response to development of the Project by the industries that supply goods and services to support construction of the Project. Indirect impacts occur in industries indirectly affected by the building of the Projects, such as manufacturing and wholesale trade services.
3. **Induced Impacts** - Induced impacts are the changes in local spending by households employed directly or indirectly in affected industry sectors and the resultant economic activity expected to result from Project construction spending.

C. Construction-Related Economic Impacts

The Project’s construction is expected to drive spending, create jobs, and fuel the local economy. Based on the IMPLAN analysis, during the construction phase, the Project is estimated to support an estimated 779 construction-related full time equivalent jobs, approximately \$46.3 million in labor income, and approximately \$111.3 million in economic output through direct, indirect, and induced economic activity.

	Direct	Indirect	Induced	Total
Employment (FTE)	486	121	172	779
Labor Income (in \$ mil)	\$32.1	\$6.5	\$7.7	\$46.3
Economic Output (in \$ mil)	\$71.5	\$16.6	\$23.1	\$111.3

Source: Kosmont, IMPLAN 2017

D. Permanent On-Site Jobs

At build-out and stabilization, it is anticipated that the Project will support an estimated 197 on-site, full-time equivalent jobs (Please see Attachment A for additional details)

IV. Notes on Assumptions

A. Property Tax - Property tax revenues are estimated based on the anticipated assessed value of the Project upon full build-out and the applicable property tax rates for the County. The annual property tax general levy is 1.0%.

B. Sales Tax - Sales tax revenue projections are estimated based on the taxable sales generated on-site within the Project's sales-generating components and the County's sales tax rate (7.25%) which is shared among a number of taxing agencies including the City, County, and State. Certain Project components are expected to generate taxable sales based on estimated square-footages and standard industry sales-per-square-foot assumptions.

C. Income Tax - Income tax is only collected by, and of benefit to the State. Based on the average estimated employee wages associated with Project operations, the estimated effective income tax rate that will be collected by the State is 1.65%. Note: Estimated wages are based on current wage rates and are expected to increase in the near future due to increases prescribed under California minimum wage laws.

D. Permanent On-Site Jobs - Permanent jobs are approximated based on Project square footage and standard employee-per-square-foot assumptions as estimated by Kosmont.

E. Figures are expressed in 2017 dollars unless otherwise noted.

Attachment A: Property Tax, Sales Tax, & Income Tax Estimates

Assumptions						
Uses	Details	Square Feet (Gross)	Taxable Sales/SF	Employee Factor	Estimated Annual Wage/Empl.	
Hotel & Conference Center	275 Rooms	193,800	\$15	1,500	SF/empl.	\$27,000
Restaurant		25,500	\$500	500	SF/empl.	\$25,000
Retail		16,350	\$400	1,000	SF/empl.	\$25,000
		235,650				
Land Value						
		\$5,318,000				
Construction Cost						
	Hotel & Conference Center					
		\$300 /SF				
	Restaurant & Retail					
			\$320 /SF			
Tax Rates						
	Property Tax			1.00%		
	Sales Tax			7.50%		
	State Effective Income Tax			1.65%		
Property Tax Analysis						
		SF	Cost/SF	Amount		
	Land Value			\$5,318,000		
	Improvement Value	235,650	\$303.55	\$71,532,000		
	Total Value			\$76,850,000		
		Rate	Amount			
	Initial Annual Property Tax	1.00%	\$768,500			
	30-year Future Value (assumes 2% growth rate)		\$31,176,569			
	30-year Present Value (assumes 3% discount rate)		\$19,500,150			

Source: Kosmont 2017

**Attachment A: Property Tax, Sales Tax, & Income Tax Estimates
(continued)**

Sales Tax Analysis						
Sales Tax Rate	7.25%					
Uses	SF	Taxable Sales/SF	Taxable Sales	Sales Tax Revenue		
Hotel	193,800	\$15	\$2,907,000	\$210,758		
Restaurant	25,500	\$500	\$12,750,000	\$924,375		
Retail	16,350	\$400	\$6,540,000	\$474,150		
Initial Annual Sales Tax Revenue				\$1,609,283		
30-year Future Value (assumes 3% growth rate)				\$76,562,308		
30-year Present Value (assumes 3% discount rate)				\$46,872,320		
Income Tax Analysis						
Uses	SF	Employee Factor	Employees	Estimated Annual Wage/Empl.	Total Estimated Wages	
Hotel & Conference Center	193,800	1,500 SF/empl.	129	\$27,000	\$3,488,400	
Restaurant	25,500	500 SF/empl.	51	\$25,000	\$1,275,000	
Retail	16,350	1,000 SF/empl.	16	\$25,000	\$408,750	
Total Wages			197		\$5,172,150	
State Effective Income Tax Rate	1.65%					
Initial Annual Income Tax Revenue					\$85,334	
30-year Future Value (assumes 3% growth rate)					\$4,059,801	
30-year Present Value (assumes 3% discount rate)					\$2,485,456	
Total Estimated Tax Revenue From Primary Fiscal Revenue Sources						
Annual					\$2,463,117	
30-year Future Value					\$111,798,678	
30-year Present Value (assumes 3% discount rate)					\$68,857,926	

Source: Kosmont 2017

Note: Estimated wages are based on current wage rates and are expected to increase in the near future due to increases prescribed under California minimum wage laws.

Attachment B: Estimated Property Tax Allocations

Entity	Share of Base Levy	Initial Property Tax	30-year Future Value (assumes 2% growth rate)	30-year Present Value (assumes 3% discount rate)
County General Fund	16.827887%	\$ 129,322.31	\$ 5,246,358	\$ 3,281,463
Elementary School - General PL Valley	16.229337%	124,722.45	5,059,750	3,164,745
Fire Protection District	14.479092%	111,271.82	4,514,084	2,823,445
High School General Oxnard	12.399868%	95,292.99	3,865,853	2,417,993
E.R.A.F. 93-94 Shift	9.711890%	74,635.87	3,027,834	1,893,833
Ventura Community College General	5.037653%	38,714.36	1,570,567	982,350
E.R.A.F.	4.954417%	38,074.69	1,544,617	966,119
Camarillo General Fund	4.540732%	34,895.53	1,415,644	885,450
PL Valley Recreation & Park	4.464230%	34,307.61	1,391,794	870,532
CO SUPT of Schools	2.263686%	17,396.43	705,740	441,422
Camarillo Health Care	1.709539%	13,137.81	532,976	333,363
Camarillo Sanitary District M&O	1.403932%	10,789.22	437,698	273,769
Camarillo LTE Maintenance Comm	1.126566%	8,657.66	351,225	219,682
County Flood Zone #3	1.081855%	8,314.06	337,285	210,963
Calleguas Municipal Water	0.909941%	6,992.90	283,688	177,440
Camarillo Light Maintenance Center Zone	0.737805%	5,670.03	230,022	143,873
City E.R.A.F. 92-93 Shift	0.507937%	3,903.50	158,357	99,048
Pleasant Valley County Water	0.488160%	3,751.51	152,192	95,192
Camarillo VRSD	0.374680%	2,879.42	116,812	73,063
United Water Cons. District	0.281082%	2,160.12	87,632	54,811
County Flood Zone ADM	0.224968%	1,728.88	70,137	43,869
Camarillo LTE Maintenance MFG & IN	0.216282%	1,662.13	67,429	42,175
Ventura College Child Center	0.026025%	200.00	8,114	5,075
Camarillo Maintenance MD A	0.001352%	10.39	422	264
Camarillo LTE Maintenance Resource Zone	0.001064%	8.18	332	207
County Library	0.000021%	0.16	7	4
Total	100.00000%	\$768,500	\$ 31,176,569	\$ 19,500,151

Source: Kosmont 2017

Attachment C: Estimated Sales Tax Allocations

Entity	Sales Tax Rate	Initial Sales Tax	30-year Future Value (assumes 3% growth rate)	30-year Present Value (assumes 3% discount rate)
City of Camarillo - Bradley-Burns	1.0000%	\$ 221,970	\$ 10,560,318	\$ 6,465,148
Prop 172 Public Safety Fund	0.5000%	110,985	5,280,159	3,232,574
Countywide Transportation Fund	0.2500%	55,493	2,640,080	1,616,287
County Mental Health/Welfare/Public Safety	1.5625%	346,828	16,500,497	10,101,793
State General Fund	3.9375%	874,007	41,581,253	25,456,519
Total	7.2500%	\$ 1,609,283	\$ 76,562,308	\$ 46,872,320

Source: Kosmont 2017