



CITY COUNCIL STAFF REPORT

DATE: MAY 5, 2010

Consent Calendar

SUBJECT: SECOND READING AND ADOPTION OF PROPOSED ORDINANCE NO. 1772, AMENDING SECTIONS OF THE PALM SPRINGS MUNICIPAL CODE ADDING BOUTIQUE HOTELS AS HOTELS COVERED BY THE CITY'S HOTEL OPERATIONS INCENTIVE PROGRAM

FROM: David H. Ready, City Manager

BY: Office of the City Clerk

SUMMARY

The City Council will consider the adoption of Ordinance No. 1772 amending the existing hotel incentive program by adding boutique hotels as hotels covered by the City's Hotel Operations Incentive Program under specific terms and conditions.

RECOMMENDATION:

Waive further reading and adopt Ordinance No. 1772, "AN ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING SECTIONS 5.26.020 OF, ADDING SUBSECTION (d) TO SECTION 5.26.030 OF; AND ADDING SUBSECTION (E) TO SECTION 5.24.040 OF, THE PALM SPRINGS MUNICIPAL CODE, ADDING BOUTIQUE HOTELS AS HOTELS COVERED BY THE CITY'S HOTEL OPERATIONS INCENTIVE PROGRAM."

STAFF ANALYSIS:

At its April 21, 2010, meeting proposed Ordinance No. 1772 was introduced by the following vote:

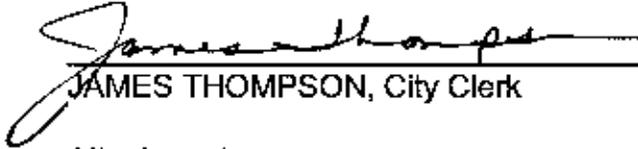
AYES: Councilmember Mills, Councilmember Weigel, Mayor Pro Tem Hutcheson, and Mayor Pougnet

NOES: None

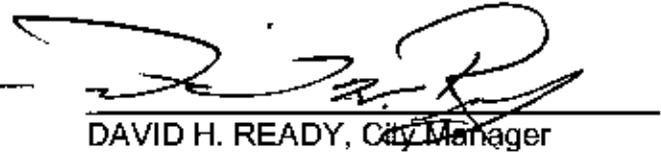
ABSENT: Councilmember Foat

ITEM NO. 2H

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, City Manager

Attachment:
Proposed Ordinance No. 1772

PROPOSED ORDINANCE NO. 1772

AN ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING SECTIONS 5.26.020 OF, ADDING SUBSECTION (d) TO SECTION 5.26.030 OF, AND ADDING SUBSECTION (E) TO SECTION 5.24.040 OF, THE PALM SPRINGS MUNICIPAL CODE, ADDING BOUTIQUE HOTELS AS HOTELS COVERED BY THE CITY'S HOTEL OPERATIONS INCENTIVE PROGRAM.

City Attorney's Summary

This Ordinance amends the existing hotel incentive program by adding boutique hotels as hotels covered by the City's Hotel Operations Incentive Program under specific terms and conditions.

The City Council of the City of Palm Springs ordains:

Section 1. Section 5.26.020 is amended by amending the definition for "Hotel" and adding new definitions for the terms "Boutique Hotel" and "Qualified Boutique Hotel Renovation Program" as follows:

"Boutique Hotel" means any property containing at least four (4) guest rooms and no more than forty-nine (49) guest rooms for compensation and where the guest rooms are designed and intended as transient occupancy accommodations.

"Hotel" means any property containing fifty (50) or more guest rooms used by fifty (50) or more guests for compensation and where the guest rooms are designed and intended as transient occupancy accommodations.

"Qualified Boutique Hotel Renovation Program" means a property improvement program undertaken by a Boutique Hotel which invests no less than ten thousand dollars (\$10,000.00) per room, or invests no less than five hundred thousand dollars (\$500,000.00) in ancillary non-hotel room facilities and/or space. The property improvement program shall be comprehensively executed in a single renovation project on the property, commenced on or after January 1, 2008 and be completed no later than December 31, 2012.

Section 2. Subsection (d) is added to Section 5.26.030 of the Palm Springs Municipal Code to read:

(d) To qualify for the Hotel Operations Incentive Program for Boutique Hotels, the Operator shall:

(1) Complete and submit to the City Manager, the City's application for the Hotel Operations Incentive Program, including documentation satisfactory to the city certifying the renovation project for an existing hotel as a qualified renovation program;

(2) If requested by the City Manager, subscribe to the Palm Springs Convention Center's committable rooms program;

(3) Execute the operating covenants which shall include provisions regarding continuing use, maintenance, non-discrimination, and such other provisions as the city council in its sole discretion, may reasonably determine are necessary or appropriate to preserve the goals and intent of this Chapter.

Section 3. Subsection (e) is added to Section 5.26.040 of the Palm Springs Municipal Code:

(e) **Boutique Hotels.** The City shall pay to an Operator of a Boutique Hotel an amount equal to fifty percent (50%) of the Transient Occupancy Tax Increment collected and remitted to the City pursuant to Chapter 3.24 of this Code. Such payments shall be made for ten (10) years, or until the Operator has received Twelve Million, Five Hundred Thousand Dollars (\$12,500,000.00), whichever occurs first. Without regard to any preceding conditions of this Section, the Program shall terminate at any point the Boutique Hotel is not operated as a Hotel.

Section 4. 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 upon adoption.

APPROVED, PASSED, AND ADOPTED THIS __ DAY OF _____, 2010.

ATTEST:

Stephen P. Pougnet, Mayor

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. ____ is a full, true, and correct copy, and was introduced at a regular meeting of the Palm Springs City Council on _____ and adopted at a regular meeting of the City Council held on _____ by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk