



BOARD OF SUPERVISORS COUNTY OF MADERA

MADERA COUNTY GOVERNMENT CENTER
200 WEST 4TH STREET / MADERA, CALIFORNIA 93637
(559) 675-7700 / FAX (559) 673-3302 / TDD (559) 675-8970
Agendas available: www.MaderaCounty.com

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Brett Frazier
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Board of Directors

December 20, 2022
Chairman Tom Wheeler

DEPARTMENT COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT	DEPARTMENT CONTACT Joel Bugay 559-675-7703	AGENDA ITEM b PUBLIC HEARINGS								
SUBJECT: Economic Incentive Agreement - Sky Ranch Yosemite, LLC	REQUIRED VOTE: 3/5 Vote Required	DOC. ID NUMBER 22-1255								
STRATEGIC FOCUS AREA(S): Community										
For Clerk of the Board's Office Use Only										
CLERK NOTES: {{motions.text}}										
<table><tr><td>RESULT:</td><td>{{voting.status}} [{{voting.for_count}}] TO [{{voting.against_count}}]</td></tr><tr><td>MOVER:</td><td>{{motions.mover format="[[firstname]] [[lastname]], [[title]]"}}</td></tr><tr><td>SECONDER:</td><td>{{motions.seconder format="[[firstname]] [[lastname]], [[title]]"}}</td></tr><tr><td>AYES:</td><td>{{voting.for_names format="[[lastname]]"}}</td></tr></table>			RESULT:	{{voting.status}} [{{voting.for_count}}] TO [{{voting.against_count}}]	MOVER:	{{motions.mover format="[[firstname]] [[lastname]], [[title]]"}}	SECONDER:	{{motions.seconder format="[[firstname]] [[lastname]], [[title]]"}}	AYES:	{{voting.for_names format="[[lastname]]"}}
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Is this item Budgeted? N/A Will this item require additional personnel? N/A Previous Relevant Board Actions: None PowerPoint Presentation? No Supporting Documents: Resolution, Contract/Agreement/MOU		DOCUMENT NO(S).								

RECOMMENDED ACTIONS:

Economic Incentive Agreement – Sky Ranch Yosemite, LLC

1. **Public Hearing** to adopt a Resolution approving an Economic Incentive Agreement with Sky Ranch Yosemite, LLC.
2. Discussion and consideration of entering into an Agreement with Sky Ranch Yosemite, LLC for the County to provide an economic incentive for the development of an upscale lifestyle hotel with over 128 rooms and villas, full-service amenities, and curated outdoor event space in Oakhurst and authorize the Chairman to sign.

DISCUSSION / FISCAL IMPACT / STRATEGIC FOCUS:

DISCUSSION:

Development Opportunity

Sky Ranch Yosemite, LLC (Developer), is considering redeveloping Sierra Sky Ranch,



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an existing 28-room hotel originally built in 1875 located just outside of Yosemite National Park in the community of Oakhurst, Madera County. The hotel and property will be rebranded and undergo a major redevelopment into an upscale lifestyle hotel with over 128 rooms and villas, combined with a host of full-service amenities including a restaurant/bar (including full-service kitchen), outdoor event space, and approximately 29 acres of natural beauty to enjoy outdoor activities year-round. The property will also be affiliated with a signature, full-service and nationally recognized hotel brand affiliated with the top three national hotel chains. This is a ministerial project and would not require a discretionary entitlement action by Madera County.

The developer expects the project to generate over \$38 Million in Transient Occupancy Taxes (TOT) during the first 25 years of operations. In addition, they expect to generate over \$4 Million in annual sales tax activity through food and beverage sales during the first year of operation, with projections for sales tax activity to double over the next 25 years.

Proposed Agreement

In consideration of the developer's investment in the county and the resulting new taxes and job opportunities generated by the proposed project, County staff recommend annual economic incentive payments to secure the viability of this project in Madera County. Under the proposed agreement, incentive payments will be a percentage of the TOT generated by the project for a period of 25 years. The percentage for the first 15 years is 75% and for the remaining 10 years is 50%. The proposed TOT incentive does not apply to Madera County Tourism Business Improvement District (MCTBID) collections for all years.

In consideration of the incentives provided to the developer and the project, staff recommends the following conditions be met prior to payment of any annual incentive:

1. Developer shall obtain a Certificate of Occupancy within 12 years of execution of the proposed agreement
2. Pay a Special Impact Fee of \$2.5 Million, payable in five installments of \$500,000 with the first installment due upon issuance of the first building permit for the project and then every six months thereafter
3. Pay 50% of all applicable County impact fees

The total TOT incentive payments for this project shall not exceed a present value of \$11,330,000, with present value calculated based on a 7.5% discount rate. In addition, the total TOT incentive payments can be reduced based on two proposed incentive payment adjustments:



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1. One Time Adjustment – In the event that the total “All-in costs” to complete the project is less than \$78,100,000, the total TOT incentive payments will be reduced by 50% of the difference
2. Annual Adjustment – The annual TOT incentive payments will be reduced, dollar for dollar, if the sales tax received by the county from the project is below the sales tax “Amount Guaranteed” shown on Exhibit C of the proposed agreement

FISCAL IMPACT:

Approval of the recommended action will result in increased TOT and other tax revenues for the County as well as provide growth in job opportunities. While the amount of actual revenue are only estimates at this time, as it will ultimately depend on the success of the proposed development project, there are sufficient guarantees and conditions set forth in the proposed agreement to protect the interests of the County and its constituents.

CONNECTION TO THE COUNTY OF MADERA STRATEGIC PLAN - MISSION 2023:

The recommended actions support Focus Area 1: Community as the proposed project will increase available resources for county services as well as create additional job opportunities for the community.

ATTACHMENTS

- 1.