

**ECONOMIC DEVELOPMENT SUBSIDY REPORT  
PURSUANT TO GOVERNMENT CODE SECTION 53083  
FOR A LOAN AGREEMENT  
BY AND BETWEEN  
THE CITY OF ONTARIO  
AND CORE HOTEL VENTURE, LLC**

Pursuant to Government Code Section 53083, the City Council of the City of Ontario must hold a noticed public hearing 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 a Loan Agreement ("Agreement") by and between the City of Ontario ("City") and CORE HOTEL VENTURE, LLC, a California limited liability company. Notice was published in the local newspaper for a public hearing to be held on November 5, 2024.

The purpose of this report is to provide the information required pursuant to Government Code Section 53083 in regard to the Agreement. This report shall remain available to the public and posted on the City's website until the end date of the economic development subsidy.

- 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 CORE HOTEL VENTURE, LLC, a California company

CORE HOTEL VENTURE, LLC  
9692 Haven Ave., Suite 100  
Rancho Cucamonga, CA 91730

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

If the Loan Agreement is approved by the City Council, the Effective Date of the Loan Agreement will be the date of Council approval. The Maturity Date will be three (3) years from the first initial draw of the loan.

- 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.**

The economic development subsidy to complete the rehabilitation and reopening of a hotel located at 700 N. Haven Avenue, Ontario California, 91764 and shall be a short-term loan in an amount not to exceed \$20,000,000. Interest on the first \$15,000,000 shall be equal to the California Asset Management Program ("CAMP") rate on the date of approval by the City Council. Interest on the remaining authorized amount of the loan up to \$5,000,000 shall be equal to the CAMP rate on the date of such draw, plus 200 basis points. CORE shall pay semi-annual payments to the City; provided however, they may

defer the payment of interest on the loan for a period of not-to-exceed twelve (12) months. Deferred interest shall compound annually from the date of delivery until the first payment. All outstanding principal and accrued but unpaid interest shall be payable in full by the maturity date, which is three (3) years from the first initial draw of the loan.

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

The City has determined that the economic subsidy will result in benefits to the City including but not limited to the following:

- Provide employment for the continued operations of the property.
- Creation of employment opportunities for skilled workers during the renovation of the property.
- Expanded employment at stabilization of the operations of the property.
- Increased Transient Occupancy Taxes and contributions to the Tourism Marketing District.
- Increased ad valorem taxes on the property.
- Enhancement of the Ontario International Airport's profile and support of the airport, sports arena, and convention center.

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

The City anticipates that the renovation and expansion of the hotel will generate significant increases in Property Tax and Transient Occupancy Tax (TOT) revenues. The 2024 projected TOT generated from this property to the City is \$532,092. The projected TOT upon completion of the project and stabilization of its operations in 2028 is \$1,491,623, an annual increase of \$959,531. These projections are based on current estimates and an anticipated increase in occupancy rates at higher room rates, post-renovation. The assessed value of the property in 2023 was \$21,896,809. The estimated assessed value of the property due to the change in ownership and the rehabilitation of the property upon stabilization of its operations in 2028 is \$55,400,000, an anticipated increase of \$33,503,191. The increase in property valuation will generate approximately \$56,285 in additional property tax revenues to the City per year.

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

During construction, the project will create approximately 50-75 full-time prevailing-wage jobs for skilled workers across various trades. In addition, 5-10 full-time management and supervisory positions will be required to oversee the project. Post-renovation, up to 46 jobs will be added upon the stabilization of the operations of the property. The increase will include positions across various departments, such as housekeeping, banquets, shuttle airport drivers, restaurant and bar services, engineering, and a revenue manager. This not only enhances the operational capabilities of the Ontario Airport Hotel and Conference Center, but also injects additional economic vitality into our community by providing diverse employment opportunities.