

**ECONOMIC DEVELOPMENT SUBSIDY REPORT  
PURSUANT TO GOVERNMENT CODE SECTION 53083  
FOR A LOAN AGREEMENT  
BY AND BETWEEN  
THE CITY OF ONTARIO  
OTC LOT A OWNER, 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 Loan Agreement ("Agreement") by and between the City of Ontario ("City") and OTC LOT A OWNER, LLC, a California corporation ("Developer"). Notice was published in the local newspaper for a public hearing to be held on November 19, 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 OTC LOT A OWNER, LLC, a California corporation

OTC LOT A OWNER, LLC  
388 Cordova Street, #280  
Pasadena, CA 91101

- 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 eight (8) years from the date of the Loan Agreement.

- 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 is related to assisting the developer with third party fees associated with development of a mixed-use project on City owned property, adjacent to the City Arena, leased by the Developer. These fees are collected by the Inland Empire Utilities Agency and the School Districts at the time a building permit is issued. The loan shall be a short-term loan in an amount not to exceed \$6,600,000. Interest shall be equal to the California Asset Management Program ("CAMP") rate on the date of approval by the City Council. Developer shall interest only payments to the

City for the first five (5) years from the date of the issuance of the certification of occupancy for the residential units; provided however, the entire principal amount plus accrued but unpaid and capitalized interest shall be payable in full by the maturity date, which eight (8) from the date of the Loan Agreement.

**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:

- Generating substantial revenue for the City through additional local sales tax revenue which may be used by the City for the funding of necessary public services and facilities, including but not limited to, public safety services and facilities, public improvements and recreational opportunities that otherwise may not be available to the community for many years
- The City will benefit from the interest accrued on the loan
- Creation of employment opportunities during the construction and improvements made to the Property and for permanent jobs for the operations of the Property
- Project is expected to generate substantial revenue through increased ad valorem property and possessory interest taxes
- Increased taxes from commercial operations and related business activities, strengthening the City's economic base

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

The City anticipates that the mixed-use project will generate significant increases in sales and unsecured property tax. The estimated assessed value of unsecured property at the conclusion of construction is estimated to be \$108,000,000, in unsecured property. The increase in property valuation will generate approximately \$181,000 in additional unsecured property tax revenues to the City per year. Based on the sales tax projections of over \$4,000,000, it is estimated that the City will received approximately \$350,000 in additional sales tax revenues 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 over 200 full-time prevailing-wage jobs for skilled workers across various trades. In addition, over 75 full-time permanent jobs will be added after completion and stabilization of the project's various residential and commercial components. This not only enhances the existing uses in the area, but also injects additional economic vitality into our community by providing diverse employment opportunities.