

**ECONOMIC DEVELOPMENT SUBSIDY REPORT**

**(GOVERNMENT CODE SECTION 53083)**

**REGARDING A TRANSIENT OCCUPANCY TAX SHARING AGREEMENT  
BETWEEN THE CITY OF MURRIETA  
AND  
3 THRONES HOSPITALITY, LP, A CALIFORNIA LIMITED PARTNERSHIP  
AND  
IN CONNECTION WITH A MEDICAL SUPPORT SERVICE HOTEL  
DEVELOPMENT TO BE LOCATED AT APN # 392-290-053**

Pursuant to Government Code Section 53083, the City Council of the City of Murrieta 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 of Murrieta (“City”) pursuant to a Purchase, Sale, And Development and related Agreements including a Transient Occupancy Tax (“TOT”) Rebate Agreement (“Agreement”) by and between the City and 3 Thrones Hospitality, LP (collectively, “Developer”).

This Economic Development Subsidy Report (“Report”) was published on City’s website in advance of the public meeting to be held on December 6, 2022. The purpose of this Report is to provide the information required pursuant to Government Code Section 53083 regarding 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, as further described in Section two (2) below.

- 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.**

This Agreement is between the City and 3 Thrones Hospitality, LP, or their assignee, at APN # 392-290-053. 3 Thrones Hospitality, LP, will own and operate the business benefitting from the economic development subsidy.

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

The Agreement for the proposed Transient Occupancy Tax Revenue Share Agreement will go before the City Council on December 6, 2022. The TOT sharing agreement will last until one million dollars (\$1,000,000) is paid back to the Developer and will begin after the Certificate of Occupancy is completed with the City of Murrieta and the site is operational with room stays commencing.

- 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 Agreement proposes a \$1,000,000 economic development subsidy with a 50/50 revenue split until that amount has been paid. This means that fifty percent (50%) of the revenue generated by Transient Occupancy tax would go to the Developer, City retaining the other fifty percent (50%). At the end of the payout period, all future TOT revenues would be retained by the City.

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

The purpose of this economic development subsidy is to assist our medical services sector with new hospitality options in our innovation corridor. This hotel has been designed with input from Loma Linda University Medical Center in order to maximize utility for outpatient services in the region. In addition, the development will generate new revenue funding sources for the City, create new job opportunities, as well as new tourism and destination components, and specifically to meet the Goal of the Economic Development Element of the City of Murrieta General Plan (E.D. 7.2) that states, “Encourage the development of business-oriented hotels that capitalize on the superior freeway locations in Murrieta and the expanding office, professional and technical job base.”

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

The Transient Occupancy Tax Revenue would forecast to 3 Thrones Hospitality, LP receiving a total subsidy of \$1,000,000 with a 50/50 revenue split until that amount has been earned. The project projects to have this value generated in less than a two-year term from opening. The forecasted Transient Occupancy Tax Revenue’s to the City will be \$6,958,661 in the first ten years, less \$1,000,000 that will be paid to the Developer.

**6. The net tax revenue accruing to the local agency as a result of the economic development subsidy.**

The facility has not been constructed to date. Therefore, there has not been any tax revenue realized.

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

It is anticipated that a total of 30 full-time and 10 part-time positions will be created at opening.

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

All job creation outlined is based on future projections. To date, no resort rooms have been developed and no jobs created.