



Staff Report

File #: 23-0070

REQUEST FOR CITY COUNCIL ACTION

DATE: 05/03/2023

TO: Honorable Mayor and City Council Members

FROM: Planning and Development Department

SUBJECT:
REQUEST FROM VICE MAYOR RICHINS TO HAVE THE CITY COUNCIL CONSIDER A FEE WAIVER FOR THE CORONA HERITAGE FOUNDATION FOR THE RECONSTRUCTION OF THE HOTEL DEL REY AT THE CORONA HERITAGE PARK

EXECUTIVE SUMMARY:

This staff report asks the City Council to consider the request by Vice Mayor Richins to have the City Council waive the plan check and permit fees for the reconstruction of the historic Hotel Del Rey at the Corona Heritage Park located at 510 West Foothill Parkway. The Corona Heritage Park is owned and operated by the Corona Heritage Foundation, which is a 501(c)(3), non-profit organization.

RECOMMENDED ACTION:

That the City Council direct staff to implement one of the proposed options.

PROPOSED OPTIONS:

Option 1. City Council direct staff to apply the City's current ordinance that allows 501(c)(3), non-profit organizations to receive a 50% reduction on the City's plan review and permit fees pursuant to Corona Municipal Code Section 3.02.080(B) for the reconstruction of the Hotel Del Rey at the Corona Heritage Park.

Option 2. City Council direct staff to prepare a resolution for consideration by the City Council to waive 100% of the City's plan review and permit fees, except for the required sewer capacity fee and Transportation Uniform Mitigation Fee, for the reconstruction of the Hotel Del Rey at the Corona Heritage Park.

BACKGROUND:

The Corona Heritage Park is located at 510 W. Foothill Parkway. The park is approximately five acres and is owned and operated by the Corona Heritage Foundation ("Foundation"), which is a non-

profit organization. The park is part of Corona’s agricultural history and contains several structures that are still located on the site. These structures include the headquarters complex, the ranch manager’s house, and original housing for agricultural workers. The park is used for various events and contains the Corona Heritage Park Museum.

The park operates as a public park pursuant to the City’s agreement with the Foundation executed on July 19, 2000, by the City Council. The park site was acquired using public funds and the agreement allowed the City to convey the property to the Foundation solely for public historic park purposes. The Foundation is responsible for the repair, maintenance, and future development of the park site. The Foundation also keeps the revenue generated from the reservation of rental space at the park site. The park site was granted to the Foundation on November 13, 2000.

The Foundation is proposing to reconstruct the historic Hotel Del Rey on the park site. The Hotel Del Rey was originally located on West Sixth Street within the limits of Grand Boulevard. The Foundation had the hotel taken apart in pieces and stored in large metal containers so that it can one day be reconstructed at the Corona Heritage Park. The hotel is three stories and 18,000 square feet.

The Foundation has submitted building plans to the Planning and Development Department to reconstruct the Hotel Del Rey at the park. The hotel will not be used for lodging but will be used as an event space that can be rented by the public. The ground floor will contain an open public assembly space for special events such as weddings, birthdays, and other ceremonies. The second floor will provide additional seating space and the third floor will contain a multipurpose room.

The reconstruction of the Hotel Del Rey at the Corona Heritage Park aligns with the purpose and intended use of the park.

ANALYSIS:

The total plan review and permit fees for the Hotel Del Rey is approximately \$219,041. The total fee includes the City’s sewer capacity fee of \$62,692 and the Western Riverside County Regional Transportation Uniform Mitigation Fee (TUMF) of \$73,438. The sewer capacity fee is paid into a utility enterprise fund and is used by the City to treat wastewater at the City’s wastewater treatment facility. This fee is paid by the project proponent at the time of development with ongoing water and sewer rates paid by customers through monthly billings. This fee is required to be paid so that the cost is not subsidized by current water and sewer customers. The TUMF is not a City fee and cannot be waived by the City Council. The TUMF is paid directly to the Western Riverside Council of Governments by the project proponent. As such, the following table identifies the fees that are eligible to be waived by the City Council for the Hotel Del Rey project.

Building Division Fees		Development Services Division Fees	
Plan Review	\$9,893	Grading Plan Review	\$6,931
Permit (Inspection)	\$15,000	Permit (Inspection)	\$1,125
Onsite Utilities	\$300	Development Impact Fees	\$45,712
Fires Sprinklers	\$1,100	--	--

Fire Alarm	\$1,000	--	--
Fire Underground	\$1,000	--	--
Landscape	\$850	--	--

Total (County TUMF and Sewer Capacity not included)	\$82,911
---	----------

Proposed Options

Option 1. Per Section 3.02.080(B) of the Corona Municipal Code, 501(c)(3) non-profit organizations are given a 50% reduction on the City’s plan review and permit fees. The fee reduction excludes sewer and water fees and pass-through fees paid to other government entities. The Corona Heritage Foundation is registered as a 501(c)(3), non-profit organization and would be eligible to receive the City’s current 50% fee reduction. Under this option, the fees would be reduced from \$82,911 to \$41,455.50. The total fees, including the sewer capacity fee and TUMF would be \$177,585.50. The Foundation would pay approximately \$177,585.50.

Option 2. This option would waive the entire cost of the City’s plan review and permit fees. The fees would be reduced from \$82,911 to \$0. The total fees, including the sewer capacity fee and TUMF would be \$136,130. The Foundation would pay approximately \$136,130.

Pros and Cons of the Proposed Options

Option 1 Pro: Consistent with the City’s current ordinance and does not require any additional action by the City Council.

Option 1 Con: The Corona Heritage Foundation would only receive a 50% fee reduction on plan review and eligible permit fees while still having to pay 100% of the fee for sewer capacity and TUMF.

Option 2 Pro: The Corona Heritage Foundation would receive a 100% fee waiver on plan review and eligible permit fees while still having to pay 100% of the fee for sewer capacity and TUMF. The Corona Heritage Foundation would pay fewer fees under this option as compared to Option 1.

Option 2 Con: Staff’s time on the plan review and field inspections, which are paid by the application and permit fees, would be subsidized by the General Fund.

FINANCIAL IMPACT:

The financial impact of Option 1 would result in a loss of revenue of \$41,455.50, consistent with the previously approved 50% fee reduction for 501(c)(3) non-profit organizations.

The financial impact of Option 2 would result in a loss of revenue of \$82,911 that would be subsidized by the General Fund.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action involves the possibility of waiving plan check and permit fees and there is no possibility that approving this project will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JOANNE COLETTA, PLANNING AND DEVELOPMENT DIRECTOR

Attachments:

1. Letter from Corona Heritage Foundation dated December 19, 2022