

NOTICE OF PUBLIC HEARING

Pursuant to Section 53083(a)(6)(b) of the California Government Code (AB 562), the City of Huntington Beach shall provide public notice and a hearing prior to granting of proposed economic development subsidy.

NOTICE IS HEREBY GIVEN that the City of Huntington Beach will hold a public hearing in the Council Chambers of the Huntington Beach Civic Center, 2000 Main Street on Monday July 17, 2017 at 6:00 p.m., unless otherwise changed by the City Manager, to consider the following item:

Applicant: Surf City Auto Group II, Inc., Pete Shaver, President
Project Location: 16555 Beach Boulevard, Huntington Beach, California 92647

Agreement:

The City of Huntington Beach desires to create jobs and employment within the City. The City has the ability to implement the provisions of AB 562, a statewide economic development tool passed by Governor Brown in late 2013 for the purpose of allowing local jurisdictions to induce economic development for the creation and maintenance of jobs. The City of Huntington Beach and Surf City Auto Group II, Inc. are proposing to enter into an agreement that encourages the creation of a new Jeep dealership within Huntington Beach. The City is proposing to provide financial assistance in the form of an economic development subsidy to Surf City Auto Group II as described in the Operating Covenant Agreement. Pursuant to Section 53083 of the California Government Code (AB 562) the following information will be posted on the City's Web Site.

- 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, if applicable.
Surf City Auto Group II, Inc.: Pete Shaver, President, a California Corporation, 16555 Beach Boulevard, Huntington Beach, California 92647
- 2) The start and end dates and schedule, if applicable, for the economic development subsidy.
Commencing approximately on or around August 1, 2017 for 20 years.
- 3) A description of the economic development subsidy, including the estimated total amount of expenditure of public funds, or of revenue lost to, the local agency, as a result of the economic development subsidy.
The proposed Operating Covenant Agreement provides for participation of revenues generated from Surf City Auto Group II, Inc. operations within the City of Huntington Beach. The Agreement provides that Surf City Auto Group II, Inc. will retain 50% of revenues generated to the City over the 2016 base year of Jeep sales, which will increase at 1% per year; payment will be made on a quarterly basis. It is estimated, that Surf City Auto Group II, Inc. will generate approximately \$1,568,000 per year to the City in revenue. Based upon this estimate, Surf City Auto Group II, Inc. is projected to receive approximately \$783,975 per annum and the City approximately \$783,975 per annum.
- 4) A statement of the public purposes for the economic development subsidy.
To continue to expand and enhance economic opportunities for businesses in the City, continue to expand the City's employment base, and continue to generate hereinafter defined Sales Tax that the City can utilize to fund general governmental services such as police, fire, street maintenance, and parks and recreation programs.
- 5) Projected tax revenue to the local agency as a result of the economic development subsidy.
The City of Huntington Beach will receive approximately \$783,975 per year in sales tax revenue.
- 6) Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time and temporary positions.
The City and Surf City Auto Group II, Inc. have estimated that the Agreement creates 50 full and part time jobs in the City. The construction Project will create 60 full-time positions.

All interested persons are invited to attend this hearing and express opinions upon the items listed above. The Operating Covenant Agreement is available for review at Huntington Beach City Hall from July 3, 2017 through July 17, 2017. Any written materials to be submitted to the City Clerk at least twenty-four (24) hours prior to the hearing City of Huntington Beach, 2000 Main Street, Huntington Beach, CA 92648. Further information on these items may be obtained at the City of Huntington Beach, Attn: Kellee Fritzel, Deputy Director Business Development, 2000 Main Street, Huntington Beach, .CA 92648 or by telephone: (714) 374-1519.

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