



CITY OF WESTMINSTER

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF WESTMINSTER WILL HOLD A **PUBLIC HEARING** AS FOLLOWS:

HEARING BODY: CITY COUNCIL
DATE OF HEARING: OCTOBER 26, 2022
TIME OF HEARING: 7:00 PM OR SOON THEREAFTER
LOCATION OF HEARING: City of Westminster
Council Chambers at the Westminster Civic Center
8200 Westminster Boulevard
Westminster, California 92683 or
Via Teleconference/Web Conference -
Pursuant to State of California Executive Order N-29-20

PUBLIC HEARING ITEM: **Resident Vehicle Incentive Program**

In accordance with California Government Code Section 53083(6b), at which it will hear and consider an Economic Subsidy Report regarding a Resident Vehicle Incentive Program Participation Agreement & Program, which can be found on the City website at www.westminster-ca.gov/VIP.

The City of Westminster, in an effort to generate additional sales tax revenue, create additional and retain local jobs, and enhance economic vitality, proposed to provide the type of subsidy included in Government Code Section 53083. The City of Westminster ("City") intends to enter into an Economic Development Subsidy Agreement ("Agreement") with applicable participating dealers that will provide Westminster residents and businesses a \$500 rebate when they purchase or lease a new or used vehicle from a Westminster franchised new vehicle dealership.

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 rebate would be offered to Westminster residents or businesses for the purchase of a vehicle at any of the four (4) franchised new vehicle dealerships that opt to participate including:

- Elmore Toyota, 15300 Beach Blvd., Westminster, CA 92683
- Lexus of Westminster, 13590 Beach Blvd., Westminster, CA 92683
- Orange Coast Infiniti, 15550 Beach Blvd, Westminster, CA 92683
- Westminster Automotive Group, Inc., dba Honda World, 13600 Beach Blvd., Westminster CA 92683

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

The program shall be in effect starting April 1, 2023 through April 1, 2028. Further, if the program is extended pursuant to GC Section 53083, the program will be reviewed and reconsidered to analyze the number of vehicles sold or leased, total sum of rebates to Westminster residents and business owners, and if both the vehicle rebate and total program cap are set at appropriate levels for the ensuing five years.

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 shall be subsidy of \$500.00 per new or used vehicle that is purchased or leased by a verified resident or registered business of Westminster. The City estimates that the total amount of the expenditure or loss of revenue of public funds as a result of the economic development subsidy will be up to a maximum of Six Hundred Thousand Dollars (\$600,000) per year for a total of Three Million Dollars (\$3,000,000) for the five (5)-year duration of this program.

Obligations of Participating Dealerships

- A. Operate with inventory and sales personnel sufficient to satisfy and respond to customer demand and, in compliance with Government Code Section 53084.5, shall designate said property on its sales tax statements as the point-of-sale for all sales transactions generated from or arising out of the business conducted on the subject property.
- B. Maintain, or cause maintenance of said property to the standards and regulations of the Westminster Municipal Code, at the company's own expense.
- C. Carry out the operation of the business of retail automobile sales in substantial conformity with applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State of California, Orange County, and the City of Westminster.
- D. Maintain continued possession of valid City of Westminster Business License, and Sales & Use Tax Permit from the State of California.

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

The proposed agreement/program is consistent with City's economic development goals and objectives and is in the best interest of the general public. Specifically, the following public purposes are achieved:

- Ensuring robust vehicle sales and increased sales tax revenue to the City of Westminster, which ultimately funds essential City services while securing the City's long-term financial stability.
- Create and retain jobs in the community, thereby stimulating further generation of sales tax revenue and increased demand for local housing, goods, and services.
- Provide enhanced and increased vitality to a highly visible property along major commercial corridors of the city, making them more appealing, and economically vital destinations for prospective car buyers.
- 69.7% of consumers state they would avoid making a vehicle purchase or lease in a city that charges a higher sales tax rate. The proposed program would provide an incentive for Westminster residents to buy/lease their next new or used vehicle from a Westminster franchised new vehicle dealership, and would be an effective tool to retain sales tax revenues in the city.

The proposed Agreement will encourage the long-term viability of the City's highest-grossing automobile businesses and one of its largest producers of sales tax revenue. The four Westminster franchised new vehicle dealerships generate an economic impact estimated at almost half a billion dollars (\$472,681,760) annually. That revenue will support the City's General Fund, from which the City funds essential services such as public safety, recreation, infrastructure, etc. Since the dissolution of Redevelopment Agencies throughout the State of California since 2012, the City has been forced to be increasingly creative in its attempts to attract or expand new revenue-generating businesses to the community. The proposed Agreement, through its generation of sales tax revenue, creation of additional on-site employment, and the promotion of property maintenance and improvements along major corridors, advances the City's economic development goals and thus achieves a considerable public purpose.

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

The City anticipates that the retention of the four existing franchised new vehicle dealerships within the City will result in an approximate retention of annual sales tax revenue in the amount of \$3,504,646, which is approximately 20% of the total sales tax revenues of the city.

In addition, the City expects to retain the property taxes from the current four franchised new vehicle dealerships estimated to be \$72,000 annually.

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

The retention of the four franchised new vehicle dealerships within the City is anticipated to result in the retention of 402 jobs currently at the dealership over the term of the agreement.

INVITATION TO BE HEARD:

The public is welcome and invited to comment pertaining to this Public Hearing Item. All persons wishing to speak and participate on this matter may do so via one of the following:

- Via Zoom by using the Zoom Link providing on the City's Website/Agenda at [www/Westminster-ca.gov](http://www.Westminster-ca.gov) or https://westminsterca.granicus.com/ViewPublisher.php?view_id=2 , and "raising hand" during the Public Hearing until the City Clerk staff calls you; or
- Via E-Comment/Email by visiting the City's Website and click on the link: CityClerkCSR@westminster-ca.gov; or
- Written Comment via Drop-Off to be filed with the City of Westminster, City Clerk's Office, 8200 Westminster Blvd, Westminster, CA 92683, during our Regular Posted Business Hours. Written MUST be received by the City Clerk's Office by no later than 2:00 PM on said Public Hearing date; or
- Written Comment via U.S. Mail must MUST be received by the City of Westminster, City Clerk's Office, at least one (1) business day prior to the scheduled Public Hearing 8200 Westminster Blvd., Westminster, CA 82683.

Further information may be obtained by contacting the following:

Ryan Salz, City Manager Department
(714) 548-3496
RSalz@Westminster-CA.gov

A copy of the Public Hearing item listed above will be available for reviewed at City Hall, City Clerk's Office, 8200 Westminster Boulevard, Westminster, and/or a copy may be obtained from the City Clerk at a nominal charge during posted business hours. The Agenda Staff Report and attachments, if any, will also be available on the City's website at <https://www.westminster-ca.gov>.

/S/ Lucie Colombo, CMC, CPMC
Interim City Clerk of the City of Westminster

DATED: October 12, 2022

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October 15, 2022