REQUEST FOR COUNCIL ACTION

CITY COUNCIL MEETING DATE:

MARCH 19, 2019

TITLE:

PUBLIC HEARING TO APPROVE AGREEMENT WITH 10 FRANCHISED VEHICLE DEALERS IN SANTA ANA FOR ESTABLISHMENT OF THE RESIDENT VEHICLE INCENTIVE PROGRAM (VIP) IN THE ANNUAL AMOUNT OF $1,700,000, NOT TO EXCEED $8,500,000 OVER 5 YEARS {STRATEGIC PLAN NO. 3, 3C}

CLERK OF COUNCIL USE ONLY:

APPROVED

☐ As Recommended
☐ As Amended
☐ Ordinance on 1st Reading
☐ Ordinance on 2nd Reading
☐ Implementing Resolution
☐ Set Public Hearing For

CONTINUED TO

FILE NUMBER

RECOMMENDED ACTION


2. Authorize the City Manager and Clerk of the Council to execute an agreement with Orange County Auto Dealers Association (OCADA) comprised of: Audi South Coast, Crevier BMW, Crevier Mini, Freeway Honda, Guaranty Chevrolet, Lincoln South Coast, Subaru Orange Coast, Tom's Truck Center, Volkswagen South Coast, Volvo of Orange County to establish the Resident Vehicle Incentive Program (VIP) for the period of April 1, 2019 to March 31, 2021, with one 2-year extension option and one additional year option, for a total of $1,700,000 per year of the agreement, for an amount not to exceed $8,500,000 over a five year period, subject to non-substantive changes approved by the City Manager and City Attorney.

3. Authorize $25,000 annually for the administration of the Resident VIP program to be budgeted in the Sales Rebate account (no. 01118825-62300).

4. Approve an appropriation adjustment to allocate funds in the amount of $440,000 from the General Non-Departmental Reserve for Appropriation account (no. 01105015-69000) and appropriate the same amount to the Community Development Agency, Sales Tax Rebate account (no. 01118825-62300) for the Resident Vehicle Incentive Program for expenditure in FY 2018-19.

DISCUSSION

At the December 18, 2018 City Council meeting, the City Council directed staff to finalize the terms of the Resident Vehicle Incentive Program (VIP). The VIP is a means to spur growth of the local
tax base and to encourage Santa Ana residents to buy local by creating specific incentive programs aimed to entice residents to buy their products in Santa Ana. The VIP has been developed to incentivize Santa Ana residents to purchase a car and/or truck from a Santa Ana certified auto dealer by offering a $500 rebate. The program will also rebate Santa Ana businesses that purchase vehicles from the qualified franchised vehicle dealerships.

With the new sales tax measure recently passed in Santa Ana, local dealerships stated that the citywide sales tax increase could lead to decreases in the number of cars sold to residents. The VIP has been developed in order to address the serious leakage of local automotive purchases to outside jurisdictions. This represents a serious shifting of local revenues, as well as the loss of funds needed for vital City services, to outside jurisdictions, resulting in a negative impact on the City’s local economy. This affect is further compounded, as is the resulting downward pressure on dealer expansion and job growth, by the loss of revenue that is typically generated by servicing of these vehicles that could have been performed at Santa Ana’s local dealerships.

In 2017, the 10 participating dealerships from the Orange County Auto Dealers Association sold 6,220 new cars, with 1,688 (27%) sold to Santa Ana residents; leased 8,348 cars, with 687 (8%) leased to Santa Ana residents; and sold 5,979 used cars, with 597 (10%) sold to Santa Ana residents.

In terms of sales tax, the City of Santa Ana receives 1% of the 7.75% current rate. Data provided from the Orange County Auto Dealers Association show that average vehicle purchase price in Orange County is $37,557. The total retail sales generated from Santa Ana residents purchasing new vehicles from those 10 dealerships (1,688 new vehicles in 2017) was estimated at over $63 million dollars which equates to over $633,000 (1%) to the City in sales tax generated. Used vehicle sales (597 in 2017), with an average purchase price of $17,705, generated roughly $1 million in total retail sales with 1% ($105,698) back to the City.

<table>
<thead>
<tr>
<th>Sales Tax Generated (2017)</th>
<th>Average OC Vehicle Purchase Price</th>
<th>Number of Vehicles Sold to SA Residents (2017)</th>
<th>Sales Tax Pre-Sales Tax Measure (1%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Vehicles</td>
<td>$37,557</td>
<td>1,688</td>
<td>$633,962</td>
</tr>
<tr>
<td>Used Vehicles</td>
<td>$17,705</td>
<td>597</td>
<td>$105,698</td>
</tr>
</tbody>
</table>

Note: Estimates are based on OCADA sales data

With marketing of the program, staff is expecting that the number of new, leased, and used autos cars sold to local residents, and entitled to the incentive, could reach up to 3,500 vehicles. With a rebate amount of $500 per resident, the anticipated first year budget for the program is capped at $1.7 million dollars with a $25,000 City marketing and administration budget. The below chart shows the projected sales tax per vehicle to the City at each purchase price level and the estimated revenue to the City after the rebate is given to the resident.
The table below shows the total estimated revenue to the City with a projected 2,025 new cars and 824 used cars sold to Santa Ana Residents for the first year of the program. Estimates for the amount of revenue that leased vehicles would generate is not currently available as leased revenue is received over time.

### Estimated Revenue Generated to City for First Year of Program

<table>
<thead>
<tr>
<th></th>
<th>Average OC Vehicle Purchase Price</th>
<th>Number of Projected Vehicles Sold to SA Residents</th>
<th>Sales Tax to City after April 2019 (2.5%)</th>
<th>Rebate to Residents ($500)</th>
<th>Estimated Sales Tax Revenue to City</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Vehicles</td>
<td>$37,557</td>
<td>2,025</td>
<td>$1,901,323</td>
<td>$1,012,500</td>
<td>$888,823</td>
</tr>
<tr>
<td>Used Vehicles</td>
<td>$17,705</td>
<td>824</td>
<td>$364,723</td>
<td>$412,000</td>
<td>($47,277)</td>
</tr>
</tbody>
</table>

*Note: Estimates are based on OCADA sales data*
Program Terms

The proposed terms of the agreement are outlined in the table below:

<table>
<thead>
<tr>
<th>VIP Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
</tr>
<tr>
<td>Rebate Amount New Cars</td>
</tr>
<tr>
<td>Rebate Amount Leased Cars</td>
</tr>
<tr>
<td>Rebate Amount Used Cars(1)</td>
</tr>
<tr>
<td>Effective</td>
</tr>
<tr>
<td>Structure</td>
</tr>
<tr>
<td>Rebate Budget</td>
</tr>
<tr>
<td>City Administration Budget</td>
</tr>
<tr>
<td>TOTAL ANNUAL BUDGET</td>
</tr>
<tr>
<td>Participating Dealers (10)</td>
</tr>
</tbody>
</table>

(1) Minimum Used Car Purchase price of $15,000

Staff is recommending that the rebate is applied towards the final purchase/lease of the vehicle and not offer a resident’s choice to receive a check from the City. Staff has evaluated the options and determined that if the City issued an individual check to a resident, this would create a significant processing, auditing and an administrative burden to manage. Additionally, residents would also have to wait to receive a check from the City instead of receiving the instant incentive.

The first term of the VIP shall be for two years from April 1, 2019 to March 31, 2021. Prior to the end of the first term, City staff will evaluate the effectiveness of the program, and if determined effective, make a recommendation to continue the program for an additional two-year term with the option of a final one-year extension. The program is for a maximum of five years. If after five years, the City Council may approve to continue the program for additional years if determined that the VIP has been a successful buy local program for the City.

Government Code Section 53083 requires that the City Council must hold a noticed public hearing and, prior to the public hearing, provide information to the public through the City’s website regarding the proposed economic development subsidy in a report (Exhibit 2). An “economic development subsidy” is any expenditure of public funds or loss of revenue of $100,000 or more, for the purpose of stimulating economic development. The aggregate expenditure of public funds by the City for the VIP is anticipated to be over $100,000. Although no subsidy will exceed $500 to any one individual, out of an abundance of caution, staff is going through the necessary steps related to Californial Government Code 53083. An economic subsidy report has been prepared,
and shall remain available to the public and posted on the City’s website until the end date of the economic development subsidy.

**STRATEGIC PLAN ALIGNMENT**

Approval of this item supports the City’s efforts to meet Goal #3 Economic Development, Objective #3, (Promote a solutions-based customer focus in all efforts to facilitate development and investment in the community), Strategy C (Explore opportunities to encourage a business friendly environment within the city through the reduction of non-essential regulatory requirements, improved coordination between agencies for development review and addition of monetary incentives).

**FISCAL IMPACT**

Upon approval of the appropriation adjustment, estimated funds in the amount of $440,000 for the first three months of this agreement will be available in the Sales Tax Rebate Agreement, Contract Services account (no. 01118825-62300) for expenditure in FY 2018-19. Of this total, $425,000 is the estimated amount of the sales tax rebate and $15,000 for the initial administration of the program. Any unspent balances from these estimates will be carried forward for expenditure in FY 2019-20.

Funds for the agreement period will be budgeted in future fiscal years as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>01118825-62300</td>
<td>$440,000</td>
</tr>
<tr>
<td>2019-20</td>
<td>01118825-62300</td>
<td>$1,725,000</td>
</tr>
<tr>
<td>2020-21</td>
<td>01118825-62300</td>
<td>$1,725,000</td>
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<tr>
<td>2021-22</td>
<td>01118825-62300</td>
<td>$1,725,000</td>
</tr>
<tr>
<td>2022-23</td>
<td>01118825-62300</td>
<td>$1,725,000</td>
</tr>
<tr>
<td>2023-24</td>
<td>01118825-62300</td>
<td>$1,285,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$8,625,000</strong></td>
</tr>
</tbody>
</table>

APPROVED AS TO FUNDS AND ACCOUNTS:

Steven A. Mendoza  
Executive Director  
Community Development Agency

Kathryn Downs, CPA  
Executive Director  
Finance and Management Services Agency

Exhibits:  
1. Agreement with Franchised Dealerships  
2. Economic Subsidy Report  
3. Program Guidelines

75B-5
EXHIBIT 1

PARTICIPATION AGREEMENT FOR THE CITY OF SANTA ANA VEHICLE INCENTIVE PROGRAM WITH SANTA ANA FRANCHISED VEHICLE DEALERS

This Participation Agreement for the City of Santa Ana's Shop Santa Ana Vehicle Incentive Program ("Agreement") is entered into this _____ day of March, 2019, by and between the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City"), and Franchised Vehicle Dealers located in the City of Santa Ana ("Dealership(s)"), all collectively referred to hereafter as the "Parties."

RECITALS

1. The Parties desire to implement a City of Santa Ana Vehicle Incentive Program ("VIP") whereby the City shall reimburse the amount of $500.00 to Santa Ana residents and licensed Santa Ana businesses for the purchase or lease of a new or pre-owned vehicle from a participating Dealership in the City of Santa Ana pursuant to the terms defined herein. This Agreement will govern the process of reimbursement to participating Dealerships that provide a corresponding discount on the purchase or lease price of any qualifying new or pre-owned vehicle purchased in the City of Santa Ana by a resident of the City of Santa Ana or licensed Santa Ana business.

2. The Dealerships participating in the VIP shall include: Audi South Coast; Crevier BMW; Crevier Mini; Freeway Honda; Guaranty Chevrolet; Lincoln South Coast; Subaru Orange Coast; Tom's Truck Center; Volkswagen South Coast; and, Volvo of Orange County.

AGREEMENT

3. Rebate Program: The City of Santa Ana hereby agrees to provide to the participating Dealerships a rebate of $500.00 per qualifying new or pre-owned vehicle, with a minimum sale price of $15,000, purchased or leased by a resident of the City of Santa Ana or licensed Santa Ana business, provided:

A. The Dealership documents the sale or lease of the new or pre-owned vehicle to an eligible City of Santa Ana resident or licensed Santa Ana business under the program guidelines;

B. Discounts the purchase or lease price of the qualifying new or pre-owned vehicle an additional amount of $500 from the agreed upon purchase price; and,

C. Dealership to submit all required rebate forms to the City monthly after an initial 90-day commencement period on July 1, 2019 providing rebate request and corresponding proof of sale document under the program guidelines established by the City for administration of the VIP.
4. **Dealership Responsibilities:** The Dealership shall meet all of the following requirements:

   A. Dealership must be a Franchised Vehicle Dealer located in the City of Santa Ana;
   
   B. Dealership must be in good standing with its manufacturer;
   
   C. Dealership shall have no unresolved code violations or any legal or administrative proceedings with the City;
   
   D. Dealership shall promote the VIP with a minimum value of $25,000 annually in marketing efforts; and,
   
   E. Dealership shall meet the requirements of the City under the VIP program guidelines established by the City Manager or designee for the rebate program.

5. **Santa Ana Resident Responsibilities:**

   A. Applicant must be able to prove City of Santa Ana residency under the program guidelines established by the City Manager or designee for the rebate program; and,
   
   B. The City sponsored rebate is available only for the purchase or lease of a new or pre-owned vehicle with a minimum sale price of $15,000 from a participating Dealership.

6. **Santa Ana Business Responsibilities:**

   A. Business must be able to provide proof of location within the City of Santa Ana and valid Santa Ana business license under the program guidelines established by the City Manager or designee for the rebate program; and,
   
   B. The City sponsored rebate is available only for the purchase or lease of a new or pre-owned vehicle with a minimum sale price of $15,000 from a participating Dealership.

7. **Term:** This Agreement shall commence on April 1, 2019, and continue for a two (2) year period. Additionally, the City shall have one (1) optional two (2) year extension and one (1) additional optional one (1) year extension of the Term of the Agreement that may be exercised in the City's sole discretion by a writing executed by the City Manager and the City Attorney. Thereafter, the Term of this Agreement may be extended by a writing executed by the City Manager and the City Attorney.

8. **Reimbursement by City:** Dealerships shall request reimbursement after ninety (90) days of the commencement of the Agreement (June 30, 2019). The first reimbursement payment will be within thirty (30) days of complete submission by the Dealership. Thereafter, the City shall reimburse Dealerships within thirty (30) days of monthly submittals of requests for reimbursement and all required documentation required by the City to verify the sale or lease of a qualifying new or pre-owned vehicle under the VIP guidelines. All purchases shall be bundled and submitted to
the City on a monthly basis, and reimbursements will be issued by the City within thirty (30) days of complete submission by the Dealership. The maximum amount of reimbursements by the City for the VIP shall not exceed $1,700,000 per year of the Agreement.

9. Administration: The City Manager is hereby appointed to administer this Agreement and take all necessary actions to implement this Agreement on behalf of the City.

10. Interpretation of the Agreement:

A. This Agreement constitutes the entire agreement between the parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. Any amendment to this Agreement, including an oral modification supported by new consideration, must be reduced to writing and signed by both parties before it will be effective.

B. This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

C. This Agreement is to the benefit of, and is binding on, the parties, their respective heirs, personal representatives' successors and assigns.

D. The captions heading the various paragraphs of this Agreement are for convenience and shall not be considered to limit, expand, or define the contents of the respective paragraphs. Masculine, feminine, or neuter gender and the singular and the plural number, shall each be considered to include the other whenever the context so requires. If either party consists of more than one person, each such person shall be jointly and severally liable. This Agreement shall be interpreted under California law and according to its fair meaning, and not in favor of or against any party.

11. Governing Law: This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this Agreement shall be brought under the jurisdiction of the Superior Court of the County of Orange, State of California.

{Signatures on following page}
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

ATTEST:                          CITY OF SANTA ANA

NORMA MITRE                      STEVEN A. MENDOZA
Acting Clerk of the Council      Acting City Manager

APPROVED AS TO FORM:

SONIA R. CARVALHO
City Attorney

By: Ryan O. Hodge
Assistant City Attorney

RECOMMENDED FOR APPROVAL:

STEVEN A. MENDOZA
Executive Director
Community Development Agency

{Dealer Signatures on following page}
OCADA DEALERSHIPS

AUDI SOUTHERN COAST
(title) Chairman
Tax ID# 77-1339782

CREVIER MINI
(title) Chairman
Tax ID# 45-2267865

GUARANTY CHEVROLET
(title) Chairman
Tax ID# 75-111813

FREELAND HONDA
(title) Chairman
Tax ID# 26-4683566

LINCOLN SOUTHERN COAST
(title) Chairman
Tax ID# 47-0803566

SUBARU ORANGE COAST
(title) Chairman
Tax ID# 47-0957524

TOM'S TRUCK CENTER
K.C. Heidler
President & CEO
Tax ID# 25-2573657

VOLKSWAGEN SOUTHERN COAST
(title) Chairman
Tax ID# 27-1339782

VOLVO OF ORANGE COUNTY
Mike Erast
Vice President COO
Tax ID# 83-0772744

Page 5 of 5
City of Santa Ana Vehicle Incentive Program
EXHIBIT 2

Economic Development Subsidy Report
Pursuant to Government Code Section 53083
For a City of Santa Ana Resident Vehicle Incentive Program

Pursuant to Government Code Section 53083, the City Council of the City of Santa Ana 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 through the City’s website regarding a proposed economic development subsidy provided by the City pursuant to a Participation Agreement between the City of Santa Ana and 10 franchised dealers (Agreement), in connection with the Vehicle Incentive Program. Notice was published on the City’s website for a public hearing to be held on March 19, 2019.

The purpose of this report is to provide the information required pursuant to Government Code Section 53083 in regards to the Santa Ana Vehicle Incentive Program. 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 number 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, if applicable.

The Agreement is with 10 Santa Ana dealerships listed below. These business entities will be the pass through for the subsidy to the residents and businesses of the city of Santa Ana.

Penske Audi South Coast
1425 Auto Mall Dr.
Santa Ana, CA 92705

Penske Lincoln South Coast
1405 Auto Mall Dr.
Santa Ana, CA 92705

Crevier BMW
1500 Auto Mall Dr.
Santa Ana, CA 92705

Subaru Orange Coast
1350 Auto Mall Drive
Santa Ana, CA 92705

Crevier Mini
1455 Auto Mall Dr.
Santa Ana, CA 92705

Tom's Truck Center
909 N Grand Avenue
Santa Ana, CA 92701

Freeway Honda
1505 Auto Mall Dr.
Santa Ana, CA 92705

Penske Volkswagen South Coast
1450 Auto Mall Dr.
Santa Ana, CA 92705

Guaranty Chevrolet
1505 Auto Mall Dr.
Santa Ana, CA 92705

Volvo of Orange County
1400 S. Dan Gurney Dr.
Santa Ana, CA 92705

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

Upon City Council approval, the proposed agreement is expected to commence on April 1, 2019, and end on March 31, 2024.
(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 to Santa Ana residents and businesses is $500 per vehicle purchased for a maximum subsidy of $1,700,000 for each of the five year proposed term, with a maximum during the subsidy period of $8,500,000.

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

With the new sales tax measure recently passed in Santa Ana, local dealerships stated that the citywide sales tax increase could lead to decreases in the number of cars sold to residents. The VIP Program has been developed in order to address the serious leakage of local automotive purchases to outside jurisdictions. This represents a serious shifting of local revenues, as well as the loss of funds needed for vital City services, to outside jurisdictions, resulting in a negative impact on the City’s local economy. This affect is further compounded, as is the resulting downward pressure on dealer expansion and job growth, by the loss of revenue that is typically generated by servicing of these vehicles that could have been performed at Santa Ana’s local dealerships. To spur residents to continue to purchase from Santa Ana dealerships, the Resident VIP incentive has been proposed.

(5) Projected tax revenue to the local agency as a result of the economic development subsidy.

With marketing of the program, staff is expecting that the number of new, leased, and used autos cars sold to local residents, and entitled to the incentive, will increase and could reach up to 3,500 vehicles. This is estimated at 337 new vehicles sold and 227 used vehicles sold. With the average new vehicle purchase price of $37,557 and used vehicle purchase price of $17,705, this could generate an additional $417,000 in sales tax revenue to the City.

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

The proposed Agreement will assist in retaining approximately 50 jobs at the auto dealers and attract over 10 new positions to meet the increased demand of sales.
PROGRAM GUIDELINES
RESIDENT VEHICLE INCENTIVE PROGRAM

As a means to spur growth of the local tax base and to encourage Santa Ana residents to "buy local", the City has developed the Resident Vehicle Incentive Program (VIP) that incentivizes Santa Ana residents to purchase a car and/or truck from one of 10 franchised Santa Ana auto dealers.

The VIP provides a $500 rebate to a Santa Ana resident who purchases a new or pre-owned car or truck from a franchised Santa Ana auto dealer. The Program is a new component of the City's existing "Shop Santa Ana" initiative by encouraging residents to continue to buy locally. The VIP has been developed to avoid leakage of local automotive purchases to outside jurisdictions and would ensure that future revenue generated by this sector will be available to provide vital City services.

Program Objectives

- Reinvest in the local economy.
- Incentivize residents to shop local.
- Avoid leakage of automotive purchases to other cities.
- Maintain a strong retail sales base in the City.

Buy Local

The Resident Vehicle Incentive Program (VIP) has been designed to encourage residents to purchase or lease a car or truck from one of the 10 franchised auto dealers in the City of Santa Ana. A list of eligible dealerships is provided below.

Eligible Dealerships

1. Audi South Coast – 1425 Auto Mall Drive, Santa Ana, CA
2. Crevier BMW – 1500 Auto Mall Drive, Santa Ana, CA
3. Crevier Mini – 1455 Auto Mall Drive, Santa Ana, CA
4. Freeway Honda – 1505 Auto Mall Drive, Santa Ana, CA
5. Guaranty Chevrolet – 711 17th Street, Santa Ana, CA
6. Lincoln South Coast – 1405 Auto Mall Drive, Santa Ana, CA
7. Subaru Orange Coast – 1350 Auto Mall Drive, Santa Ana, CA
8. Tom's Truck Center – 909 N Grand Avenue, Santa Ana, CA
9. Volkswagen South Coast – 1450 Auto Mall Drive, Santa Ana, CA
10. Volvo of Orange County – 1400 S Dan Gurney Drive, Santa Ana, CA
Eligible Participants

Any resident or business of the City of Santa Ana that purchases or leases a new or pre-owned automobile or truck from the eligible dealership is eligible to receive the $500 rebate.

- Qualified residents must be able to provide proof of Santa Ana residency to dealership via a California Driver’s license.
- Qualified businesses must provide proof of valid Santa Ana business license.
- Qualified residents and businesses must sign a Santa Ana Resident/Business Rebate Form verifying residency and operation of business in Santa Ana.
- $500 rebate will be applied towards the agreed upon purchase/lease price in the final sales contract.
- Minimum used car purchase is subject to a final sales price of $15,000 (after all manufacturer rebates and dealer incentives).

Qualifying Vehicles

- All new purchases of new or pre-owned cars or trucks are eligible.
- All new leases of a new or pre-owned cars or truck is eligible.
- Motorcycles, off-road vehicles or watercraft are not eligible purchases under this program.

Rebate Administration and Process

1. Participating dealers document the sale/lease of the new or pre-owned vehicle using the Resident Rebate Form. Dealer must include: 1) final sales invoice showing proof of purchase; 2) Resident Rebate Form 3) copy of valid resident California Driver’s license/Business License for full reimbursement.
2. On a monthly basis after the initial 90 date inception period (June 30, 2019), dealers will submit all Resident Rebate Forms with required documentation to the City of Santa Ana for reimbursement and processing. Purchase summary form must be filled out and attached with rebate forms.
3. Within 30 days of receipt from dealerships, City will provide reimbursement to dealers.
4. Dealers that reimburse a non-Santa Ana resident or non-Santa Ana business will not be reimbursed from the City.

Dealer Responsibilities

- Dealership franchises must be in good standing with their manufacturer.
- Dealerships must promote the Resident Vehicle Incentive Program with a minimum value of $25,000 annually in marketing efforts.
- Dealerships must collect and submit all required documentation as proof of residency for qualified Santa Ana residents.
Program Term

The first term of the Resident Vehicle Incentive Program shall be for two years from April 1, 2019 to April 1, 2021. After the first 2-year period, City staff will evaluate the effectiveness of the program and make a recommendation to continue with 1 two-year extension and one additional 1-year extension for a total of 5 years. The City Manager and/or City Council would have authority to extend the program beyond the 5 years.

Program Administration

Within 5 business days of receipt of documentation from dealerships, the City of Santa Ana’s Economic Development Division of the City’s Community Development Agency will review the rebate applications and all supporting documentation. If documentation is missing, staff will request additional documentation from the dealerships. This will delay the processing of payment until all required documentation is received.

Upon approval of documentation, Economic Development Division staff will forward to the City of Santa Ana’s Finance Agency for processing and reimbursement. The City of Santa Ana’s Finance Agency will be responsible for issuing checks to dealerships within 30 days of receipt of approved rebate forms.

Program Funding

The Program budget shall be limited to $1,700,000 for reimbursements and $25,000 for City marketing and administration of the program on an annual basis.

Dealerships have also agreed to promote the Vehicle Incentive Program with a minimum value of $25,000 annually in their marketing efforts.

Program Evaluation

Economic Development Division staff will evaluate the effectiveness of the program biannually by determining if the incentive has increased or kept stable the number of new and used car sales and leases for Santa Ana residents. Staff will also consider factors like the change in the economy and new dealerships opening outside of the City borders. A report to City Council will be provided on a quarterly basis on the status of VIP Program.
SANTA ANA RESIDENT VIP REBATE FORM

<table>
<thead>
<tr>
<th>VEHICLE IDENTIFICATION NUMBER</th>
<th>ELIGIBLE NEW MODEL #</th>
<th>RETAIL DELIVERY DATE</th>
</tr>
</thead>
</table>

CUSTOMER INFORMATION FOR VALIDATION:

<table>
<thead>
<tr>
<th>CUSTOMER LAST NAME</th>
<th>FIRST, M.I.</th>
<th>TELEPHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>STREET ADDRESS</th>
<th>CITY, STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☐ Address has been verified as City of Santa Ana resident

<table>
<thead>
<tr>
<th>DEALERSHIP NAME</th>
<th>Purchase Amount/Rebate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Initial below:

I, the customer and Santa Ana resident, have applied the Santa Ana Resident's Rebate towards the purchase of my vehicle. Therefore, I have assigned the cash payment directly to the dealer. I release the City of Santa Ana from any further claim or obligation for payment to me for this vehicle.

I, the customer, give the dealership named above permission to share this form, the final sales contract and a copy of my driver's license to the City of Santa Ana to process the rebate.

CUSTOMER SIGNATURE

DATE

SALESMANAGER NAME (PLEASE PRINT)  DEALERSHIP NAME  DATE

SALESMANAGER SIGNATURE  DATE

THIS COMPLETED FORM MUST BE FORWARDED TO THE CITY OF SANTA ANA WITH THE VEHICLE SALES DOCUMENTS. BY SIGNING THE ABOVE DOCUMENT, THE DEALER IS VERIFYING THAT THE RESIDENT LIVES IN THE CITY OF SANTA ANA AND QUALIFIES FOR THE REBATE.
## SANTA ANA BUSINESS VIP REBATE FORM

<table>
<thead>
<tr>
<th>VEHICLE IDENTIFICATION NUMBER</th>
<th>ELIGIBLE NEW MODEL #</th>
<th>RETAIL DELIVERY DATE</th>
</tr>
</thead>
</table>

### BUSINESS INFORMATION FOR VALIDATION:

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>REPRESENTATIVE NAME</th>
<th>TELEPHONE NUMBER</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>STREET ADDRESS</th>
<th>CITY, STATE</th>
<th>ZIP CODE</th>
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</thead>
</table>

- Business license has been verified as City of Santa Ana business.

### DEALERSHIP NAME

<table>
<thead>
<tr>
<th>Purchase Amount/Rebate Amount</th>
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</table>

- **Initial below:**
  
  I, the customer and Santa Ana business, have applied the Santa Ana Rebate towards the purchase of my vehicle. Therefore, I have assigned the cash payment directly to the dealer. I release the City of Santa Ana from any further claim or obligation for payment to me for this vehicle.

  
  I, the customer, give the dealership named above permission to share this form, the final sales contract and a copy of my business license to the City of Santa Ana to process the rebate.

### SANTA ANA BUSINESS REPRESENTATIVE SIGNATURE

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<tr>
<th>DATE</th>
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### SALESMANAGER NAME (PLEASE PRINT)

<table>
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<tr>
<th>DEALERSHIP NAME</th>
<th>DATE</th>
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</thead>
</table>

### SALESMANAGER SIGNATURE

| DATE |

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This completed form must be forwarded to the City of Santa Ana with the vehicle sales documents. By signing the above document, the dealer is verifying that the business operates in the City of Santa Ana and qualifies for the rebate.
# SANTA ANA VIP PURCHASE SUMMARY FORM

<table>
<thead>
<tr>
<th>DATE OF PURCHASE/LEASE</th>
<th>RESIDENT NAME</th>
<th>NEW/USED/LEASE AUTO</th>
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