

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 April 21, 2014 at 6:00 p.m., unless otherwise changed by the City Manager, to consider the following item:

Applicant: Pinnacle Petroleum, Inc.: Liz McKinley, President
Project Location: 7911 Professional Circle, Huntington Beach, California 92648

Agreement:

The City of Huntington Beach desires to create and retain 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 Pinnacle Petroleum, Inc. are proposing to enter into an agreement that encourages Pinnacle Petroleum, Inc. to retain its headquarters and business within Huntington Beach. The City is proposing to provide financial assistance in the form of an economic development subsidy to Pinnacle Petroleum 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.

PINNACLE PETROLEUM, INC., a California corporation, 7911 Professional Circle, Huntington Beach, CA 92648

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

Commencing approximately May 1, 2014 for ten 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 Pinnacle Petroleum's operations within the City with the City of Huntington Beach. The Agreement provides that Pinnacle will retain 65% of revenues generated by Pinnacle to the City over \$25,000; payment will be made on a quarterly basis. It is estimated, based on current sales, that Pinnacle will generate approximately \$1.02 million per year to the City in revenue. Based upon this estimate, Pinnacle is projected to receive approximately \$660,000 per annum and the City approximately \$356,000 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 \$356,000 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 Pinnacle have estimated that the Agreement preserves 27 full time jobs in the City and over the term of the Agreement, Pinnacle will generate an additional 20 to 25 full time jobs in the City.

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 April 10, 2014 through April 21, 2014.

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 Fritzal, Deputy Director Business Development, 2000 Main Street, Huntington Beach, CA 92648 or by telephone: (714) 374-1519.

POSTED AT CITY HALL AND ON CITY WEB SITE: April 7, 2014