

## 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 November 21, 2016 at 6:00 p.m., unless otherwise changed by the City Manager, to consider the following item:

Applicant: McKenna Motors Huntington Beach, Inc. (dba McKenna Subaru): Danny McKenna, President  
Project Location: 18711 Beach Boulevard, Huntington Beach, California 92648

### 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 McKenna Motors Huntington Beach, Inc. are proposing to enter into an agreement that encourages the creation of a new Subaru dealership within Huntington Beach. The City is proposing to provide financial assistance in the form of an economic development subsidy to McKenna Motors Huntington Beach, Inc. 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.  
McKenna Motors Huntington Beach, Inc.: Danny McKenna, President, a California Corporation,  
18711 Beach Boulevard, Huntington Beach, California 92648
- 2) The start and end dates and schedule, if applicable, for the economic development subsidy.  
Commencing January 1, 2017 for 16 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 McKenna Motors Huntington Beach, Inc. operations within the City with the City of Huntington Beach. The Agreement provides that McKenna Motors Huntington Beach, Inc. will retain 45% of revenues generated to the City over the current base year of \$150,800; payment will be made on a quarterly basis. It is estimated, that McKenna Motors Huntington Beach, Inc. will generate approximately \$303,000 first year to the City in revenue. Based upon this estimate, McKenna Motors Huntington Beach, Inc. is projected to receive approximately \$68,500 per annum and the City approximately \$235,000 per annum. The amounts will increase, with increased sales.
- 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 \$230,000 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 McKenna Motors Huntington Beach, Inc. have estimated that the Agreement creates 85 full time jobs in the City. Part time jobs created will be determined. The construction Project will create a minimum of 50 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 November 1, 2016 through November 21, 2016. 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.