

**FIVE-YEAR ECONOMIC DEVELOPMENT SUBSIDY REPORT
PURSUANT TO GOVERNMENT CODE SECTION 53083**

**FOR THE OPERATING COVENANT AGREEMENT
BY AND BETWEEN
CITY OF CORONA
AND
SAUL CHEVROLET, INC.
(ADOPTED BY RESOLUTION NO. 2022-110: 08-17-22)**

Pursuant to Government Code Section 53083, the City Council of the City of Corona must hold a noticed public hearing within 5 years of the approval of an economic development subsidy and, prior to the public hearing, provide all of the following information in written form and make it available to the public and through the City's website. Notice was published in the local newspaper for a public hearing to be held on August 17, 2022.

The City and Saul Chevrolet, Inc. ("Saul") previously entered into that certain Operating Covenant Agreement dated June 20, 2012 ("Original Agreement"), and that certain First Amendment dated March 5, 2014 ("First Amendment"). The Original Agreement, together with the First Amendment, shall be referred to herein collectively as the "Agreement."

The purpose of this report is to provide the information required pursuant to Government Code Section 53083 in regard to the Agreement. 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.

The Agreement is with Saul Chevrolet, Inc., a California corporation. Saul Chevrolet, Inc. is the sole beneficiary of the economic development subsidy.

Saul Chevrolet, Inc.
2525 Wardlow Road
Corona, CA 92879

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

As provided in the Original Agreement, the start date of the economic development subsidy commenced on the first calendar day of the first operating year for the new Mazda dealership, which occurred on or about July 1, 2013. The end date under the Original Agreement was established as the date that is no later than 15 years after the start date, which is on or around June 30, 2028.

The economic development subsidy is paid annually (every 12 months), within 120 days of the end of each Computation Year. Computation Years run from July 1 to June 30.

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 is an amount equal to fifty percent (50%) of the sales tax revenue received by the City during a Computation Year from annual taxable sales occurring at Saul during that Computation Year in excess of \$200,000 (base amount). Under the Agreement, the cumulative total of any and all Sales Tax Revenues paid to Saul Chevrolet Inc. shall not exceed six million dollars (\$6,000,000).

Through Fiscal Year 2022, the total amount paid by the City to Saul Chevrolet, Inc. is \$1,824,018.07.

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

The public purpose of the economic development subsidy includes, but is not limited to, the creation and continued operation of a Mazda dealership, a permanent, full-service automobile sales dealership and service center, for a period of not less than 15 years from the Effective Date of the Original Agreement. The establishment of the dealership within the city generates substantial revenue for the City and creates new jobs. Further, the dealership serves the additional public purpose of fostering a business and civic environment that may attract additional businesses and investment in the community due to the availability of the increased public and private services and economic activity resulting therefrom, thereby assisting the City in its goal of furthering the development of the community. **5. The net tax revenue to the local agency as a result of the economic development subsidy.**

The City has received \$3,224,018.06 in net Sales Tax Revenues from taxable sales occurring at Saul.

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

- 110 full-time jobs
- 2 part-time jobs
- 0 temporary positions