



Agenda Item

City Council

Item #: 9.1.

10/8/2024

File #: 24-0568

TO: Honorable Mayor and Members of the City Council

FROM: Tom Kisela, City Manager

1. SUBJECT

Resident Vehicle Incentive Program.

2. SUMMARY

The Resident Vehicle Incentive Program would provide \$500 in rebates per vehicle to encourage Orange residents and businesses to purchase vehicles from local dealerships.

3. RECOMMENDED ACTION

Direct staff to prepare an economic development subsidy report and schedule a public hearing to consider approving a Resident Vehicle Incentive Program contingent on the passage of Measure Z - City of Orange Public Safety/City Services Measure.

4. FISCAL IMPACT

No impact at this time. If implemented, the total maximum annual program cost of \$1,550,000 would be funded through the General Fund and is contingent on the passage of Measure Z.

5. STRATEGIC PLAN GOALS

Goal 2: Be a fiscally healthy community

e: Create an environment to attract, retain, and expand economic opportunities.

6. DISCUSSION AND BACKGROUND

Shop Local Programs encourage residents to support local businesses by spending their dollars in Orange. By choosing to shop local, residents can support local jobs, local property investment, and local public services such as police, fire, parks, and libraries. Vehicle purchases are some of the largest purchases that our residents make, and so encouraging them to make those purchases in Orange can help grow the local tax base.

The proposed Resident Vehicle Incentive Program (VIP) would provide a \$500 rebate to Orange residents and businesses who purchase or lease a new or pre-owned car or truck from one of five franchised Orange dealerships. The eligible dealerships are:

- Mazda of Orange
- Selman Chevrolet
- Stadium Nissan

- Toyota of Orange
- Villa Ford of Orange

The program would apply to the purchase and lease of all new vehicles as well as the purchase and lease of pre-owned vehicles with a minimum final sales price of \$20,000. Motorcycles, off-road vehicles, or watercraft would not be eligible purchases for this program. Participating dealerships would provide the rebate to qualified customers and then submit documentation to the City for reimbursement (see attached program guidelines for additional details about program administration).

Under State law, the City Council must conduct a public hearing and approve an economic subsidy report prior to implementation of the proposed program. The proposed program term would be for five years from April 1, 2025, to March 31, 2030. The program budget would be limited to \$1,550,000 per year, with \$50,000 set aside for the City to market and administer the program.

Staff is seeking direction from City Council to prepare an economic development subsidy report and schedule a public hearing to consider approval of the program if Measure Z is approved by voters.

7. ATTACHMENT

- Resident Vehicle Incentive Program Guidelines