ATTACHMENT 1

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

This Participation Agreement for the City of Orange Vehicle Incentive Program ("Agreement") is entered into this **[___]** day of **[__________, 20__]**, by and between the City of Orange, a municipal corporation organized and existing under the laws of the State of California ("City"), and the franchised vehicle dealers located in the City of Orange identified herein ("Dealership(s)"), all collectively referred to hereafter as the "Parties."

RECITALS

1. The Parties desire to implement a City of Orange Vehicle Incentive Program ("VIP" or the "Program") whereby the City shall provide a rebate to eligible City of Orange residents and licensed Orange businesses for the purchase or lease of a new vehicle, or the purchase of a pre-owned vehicle, from a participating Franchised Vehicle Dealership located in the City of Orange, pursuant to the terms defined herein. This Agreement governs the process of reimbursement to participating Dealerships that provide a corresponding discount on the agreed upon purchase or lease price of any qualifying vehicle purchased or leased in the City of Orange by an eligible resident or licensed Orange business.
2. The Dealerships participating in the VIP shall include: Mazda of Orange; Selman Chevrolet; Stadium Nissan; Toyota of Orange; and Villa Ford of Orange.

AGREEMENT

3. **Rebate Program:** The City of Orange hereby agrees to provide to the participating Dealerships a rebate for each qualifying vehicle obtained by an eligible City of Orange resident or licensed Orange business, in the following amounts: (i) $500.00 per qualifying new vehicle purchased or leased; and (ii) $250.00 per qualifying pre-owned vehicle purchased, with a minimum final sales price of $15,000. Motorcycles, off-road vehicles, and watercraft are not eligible. Each rebate is subject to the following conditions:
   A. The Dealership documents the sale or lease of the new or pre-owned vehicle to an eligible City of Orange resident or licensed Orange business under the program guidelines;
   B. The Dealership discounts the purchase or lease price of the qualifying vehicle by an additional amount equal to the applicable rebate ($500 for a new vehicle, or $250 for a pre-owned vehicle) from the agreed upon purchase/lease price, identified on the final sales contract on a separate line under "Other" with an "Orange VIP Rebate" description; and
   C. The Dealership submits all required rebate forms to the City on a monthly basis, providing the rebate request and corresponding proof-of-sale or lease documentation and registration documents under the program guidelines established by the City for administration of the VIP. (See attached rebate forms)

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 Orange and hold a valid City of Orange business license;
   B. Dealership must be in good standing with its manufacturer and the Orange County Automobile Dealers Association. and have no unresolved code violations or legal or administrative proceedings with the City;
   C. Dealership shall document the sale or lease of each qualifying vehicle using the applicable Orange Resident/Business Rebate Form, including the final sales invoice showing proof of purchase or lease and proof of registration of the vehicle in the City of Orange;
   D. Dealership shall identify the applicable rebate ($500 for a new vehicle, or $250 for a pre-owned vehicle) on the final sales contract on a separate line under “Other” with an “Orange VIP Rebate” description, and apply it toward the purchase or lease price;
   E. Dealership shall collect and submit all required documentation as proof of eligibility — for a resident, a copy of one of the following: a valid California driver’s license, utility bill, property tax bill, proof of insurance, or bank statement; and for a business, a valid City of Orange business license; and
   F. Dealership shall submit all rebate forms and required documentation to the City on a monthly basis, together with a completed VIP Summary Form, and shall meet the requirements of the City under the VIP program guidelines established by the City Manager or designee. A Dealership that provides a rebate to a non-Orange resident or non-Orange business will not be reimbursed by the City.

5. **City of Orange Resident Responsibilities:**
   A. The qualified resident applicant must be able to prove City of Orange residency under the program guidelines by registering the purchased or leased vehicle to an address within the City of Orange and providing one of the following: a valid California driver’s license, utility bill, property tax bill, proof of insurance, or bank statement; and
   B. The City-sponsored rebate is available only for the purchase or lease of a new vehicle, or the purchase of a pre-owned vehicle (with a minimum sales price of $15,000), from a participating Dealership.

6. **City of Orange Business Responsibilities:**
   A. The qualified business applicant must be able to provide proof of location within the City of Orange and a valid City of Orange 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 vehicle, or the purchase of a pre-owned vehicle (with a minimum sales price of $15,000), from a participating Dealership.

7. **Term:** This Agreement shall commence on April 1, 2027, and continue for a thirteen (13) year term ending April 1, 2040, established to align with the anticipated duration of a future

City of Orange transactions and use tax (sales tax) measure. Commencement of this Agreement is contingent upon voter approval of that measure. In accordance with Government Code Section 53083, the City will issue a follow-up report and hold a public hearing within the term of the Program, but no later than five (5) years after approval of the economic development subsidy. Because the Program has a term of ten (10) years or more, the City will also hold a public hearing at the conclusion of the Program term. Any extension, renewal, or material amendment of the Program shall be made by written amendment approved by the City Council and executed by the authorized representatives of the Parties, subject to applicable law.

The Dealership may terminate it's participation in the program by providing the City thirty (30) days written notice to the attention of the City Manager.

8. **Reimbursement by City:** Dealerships shall submit requests for reimbursement to the City on a monthly basis, together with all required documentation necessary to verify the sale or lease of a qualifying vehicle under the VIP guidelines. Within five (5) business days of receipt, the City will review the rebate applications and supporting documentation; if documentation is missing, the City will request the additional documentation to provide the opportunity to resubmit with completed documentation, which may delay processing of the deficient applications but will not delay applications that are complete. Upon approval, the City shall reimburse the Dealership within thirty (30) days of receipt of the approved rebate forms. The maximum amount of reimbursements by the City for the VIP shall not exceed $1,550,000 in any year of the Agreement or $20,150,000 over the thirteen (13) year term. All reimbursements are subject to annual appropriation by the City Council and the availability of legally available funds.

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 and 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.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and year first above written.

CITY OF ORANGE

____

Daniel R. Slater, Mayor

ATTEST:

____

Pamela Coleman
City Clerk

APPROVED AS TO FORM:

____

Connor Hyland
Senior Assistant City Attorney √

DEALERSHIP:

____

[Dealership Owner Name]
[Title, Dealership Name]