

**City of Orange
RESIDENT VEHICLE INCENTIVE PROGRAM
GUIDELINES**

As a means to spur growth of the local tax base and to encourage Orange residents and businesses to “buy local”, the City has developed the Vehicle Incentive Program (VIP) that incentivizes Orange residents and businesses to purchase or lease a car and/or truck from one of 5 franchised Orange auto dealerships.

The VIP provides a \$500 rebate to an Orange resident who purchases or leases a new car/truck or \$250 rebate for a pre-owned vehicle from a franchised Orange auto dealer. The rebates are designed to encourage residents to continue to buy locally when making their largest taxable purchase. The VIP has been developed to avoid leakage of local automotive purchases to outside jurisdictions and would ensure that future revenue generated by this sector will be available to provide vital City services.

Program Objectives

- Reinvest in the local economy.
- Encourage job creation and retention.
- Incentivize residents and businesses to shop local.
- Avoid leakage of automotive purchases to other cities.
- Maintain a strong retail sales base in the City.

Buy Local

The Resident Vehicle Incentive Program (VIP) has been designed to encourage residents to purchase or lease a car or truck from one of the 5 franchised auto dealers in the City of Orange. A list of eligible dealerships is provided below.

Eligible Dealerships

1. Mazda of Orange – 1350 W. Katella Ave., Orange, CA
2. Selman Chevrolet – 1800 E. Chapman Ave., Orange, CA
3. Nissan Of Orange – 1140 West Katella, Orange, CA
4. Toyota of Orange – 1400 North Tustin Ave., Orange, CA
5. Villa Ford of Orange – 2550 North Tustin Ave., Orange, CA

Eligible Participants

Any resident or business of the City of Orange that purchases or leases a new automobile or truck or purchases a pre-owned automobile or truck from the eligible dealership is eligible to receive the rebate.

- Qualified residents must be able to provide proof of Orange residency to the dealership by registering their new purchase in Orange and one of the following:
 - Valid California Driver’s License
 - Utility Bill
 - Property Tax Bill
 - Proof of insurance
 - Bank statement
- Qualified businesses must provide proof of valid Orange business license.

- Qualified residents and businesses must sign an Orange Resident/Business Rebate Form verifying residency and/or operation of business in Orange.
- Rebate will be applied towards the agreed upon purchase/lease price in the final sales contract.

Qualifying Vehicles

- All purchases and leases of new cars or trucks are eligible.
- All purchases of pre-owned cars or trucks with a final agreed upon sales price of at least \$15,000 (after all manufacturer rebates and dealer incentives) are eligible.
- Motorcycles, off-road vehicles or watercraft are not eligible purchases under this program.

Rebate Administration and Process

- Participating dealers document the sale/lease of the new or pre-owned vehicle using the Resident Rebate Form. Dealer must include:

- 1) Final sales invoice showing proof of purchase;
- 2) Proof of auto registration in Orange;
- 3) Resident Rebate Form;
- 4) Copy of one of the following: valid resident California Driver's license; utility bill; property tax bill; proof of insurance; or bank statement;
- 5) Business License for business purchases for full reimbursement.

- Within 30 days of the last day of the reportable month, dealers will submit a rebate summary report with required documentation to the City of Orange for reimbursement and processing. The purchase summary form must be filled out and attached with rebate forms. Within 30 days of receipt from dealerships, City will issue reimbursement to dealers.

- Dealers that reimburse a non-Orange resident or non-Orange business will not be reimbursed from the City.

Dealer Responsibilities

- Dealership franchises must have an Orange business license and be in good standing with their manufacturer.
- Dealerships must document the sale/lease of the new or pre-owned vehicle using the Resident/Business Rebate Form. Dealer must include: final sales invoice showing proof of purchase, proof of registration in Orange, Resident Rebate Form.
- Dealerships shall identify the \$500(new vehicle) or \$250(pre-owned vehicle) rebate to be applied towards the purchase price and shall be listed in the sales contract under a separate rebate on the "Other" line with a "Orange VIP Rebate" description.

- Dealerships must collect and submit all required documentation as proof of residency for qualified Orange residents and/or businesses. (A copy of one of the following: valid California Driver's license; utility bill; property tax bill; proof of insurance; or bank statement for residents or a valid business registration for businesses).
- On a monthly basis dealers will submit all rebate forms with required documentation to the City of Orange for reimbursement and processing. VIP summary form must be filled out and attached with rebate forms.
- Dealers that reimburse a non-Orange resident or non-Orange business will not be reimbursed from the City.

Program Term

The Vehicle Incentive Program shall commence on April 1, 2027, and continue through April 1, 2040, for a term of thirteen years, subject to annual appropriation of funds by the City Council and the terms of the applicable Participation Agreement.

Any extension, renewal, or material modification of the Program beyond April 1, 2040, shall be subject to City Council approval and compliance with all applicable legal requirements.

Program Administration

Within 5 business days of receipt of documentation from dealerships, the City of Orange will review the rebate applications and all supporting documentation. Dealers are required to self-certify that the summary covers all transactions handled during the reporting period.

Upon approval of documentation, the City of Orange will be responsible for issuing checks to dealerships within 30 days of receipt of approved rebate forms.

Program Funding

The Program budget shall be limited to \$1,550,000 per year for vehicle rebates and up to \$50,000 per year for City marketing and administration, subject to annual appropriation by the City Council. Over the 13-year Program term, the maximum cumulative expenditure shall not exceed \$20,150,000 for vehicle rebates and \$650,000 for marketing and administration, for a maximum total Program expenditure of \$20,800,000.

Program Evaluation

Staff will periodically evaluate the effectiveness of the Program, including changes in eligible new and pre-owned vehicle purchases and leases by Orange residents and businesses, rebate participation, local sales-tax revenue, and dealership employment. Staff will also consider external factors, including economic conditions, Orange County vehicle sales, changes in manufacturer market share, and the opening or closure of dealerships inside or outside the City.

In accordance with Government Code section 53083, the City will prepare a follow-up economic development subsidy report and hold a public hearing within the Program term, but no later than five years after approval. Because the Program has a term of 10 years or more, the City will also provide the required information and hold a public hearing at the conclusion of the 13-year Program term.

ORANGE RESIDENT VIP REBATE FORM

VEHICLE IDENTIFICATION NUMBER	MAKE AND MODEL	RETAIL DELIVERY DATE

CUSTOMER INFORMATION FOR VALIDATION:

CUSTOMER LAST NAME	FIRST, M.I.	TELEPHONE NUMBER
STREET ADDRESS	CITY, STATE	ZIP CODE

DEALERSHIP NAME	Purchase Amount/Rebate Amount

<u>Initial below:</u> _____ — _____ —	I, the customer and Orange resident, have applied the Orange Resident's Rebate towards the purchase of my vehicle. Therefore, I have assigned the cash payment directly to the dealer. I release the City of Orange from any further claim or obligation for payment to me for this vehicle. I, the customer, give the dealership named above permission to share this form, the final sales contract and a copy of my valid identification to the City of Orange to process the rebate. I declare under penalty of perjury that the above information is true and correct.
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CUSTOMER SIGNATURE	DATE
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SALESMANAGER NAME (PLEASE PRINT)	DEALERSHIP NAME	DATE
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SALESMANAGER SIGNATURE	DATE
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THIS COMPLETED FORM MUST BE FORWARDED TO THE CITY OF ORANGE WITH THE VEHICLE SALES DOCUMENTS. BY SIGNING THE ABOVE DOCUMENT, THE DEALER IS VERIFYING THAT THE RESIDENT LIVES IN THE CITY OF ORANGE AND QUALIFIES FOR THE REBATE.

ORANGE BUSINESS VIP REBATE FORM

VEHICLE IDENTIFICATION NUMBER	MAKE AND MODEL	RETAIL DELIVERY DATE

BUSINESS INFORMATION FOR VALIDATION:

BUSINESS NAME	REPRESENTATIVE NAME	TELEPHONE NUMBER
STREET ADDRESS	CITY, STATE	ZIP CODE

DEALERSHIP NAME	Purchase Amount/Rebate Amount

<u>Initial below:</u> _____ — _____ —	I, the customer and Orange business, have applied the Orange Rebate towards the purchase of my vehicle. Therefore, I have assigned the cash payment directly to the dealer. I release the City of Orange from any further claim or obligation for payment to me for this vehicle. I, the customer, give the dealership named above permission to share this form, the final sales contract and a copy of my business license to the City of Orange to process the rebate. I declare under penalty of perjury that the above information is true and correct.
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ORANGE BUSINESS REPRESENTATIVE SIGNATURE	DATE
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SALESMANAGER NAME (PLEASE PRINT)	DEALERSHIP NAME	DATE
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SALESMANAGER SIGNATURE	DATE
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THIS COMPLETED FORM MUST BE FORWARDED TO THE CITY OF ORANGE WITH THE VEHICLE SALES DOCUMENTS. BY SIGNING THE ABOVE DOCUMENT, THE DEALER IS VERIFYING THAT THE BUSINESS OPERATES IN THE CITY OF ORANGE AND QUALIFIES FOR THE REBATE.

CITY OF ORANGE — VEHICLE INCENTIVE PROGRAM (VIP)

Monthly Dealer Summary Form • Submit with all Resident/Business Rebate Forms via the City online portal

Dealership Name:

Month:

Prepared By:

Phone /
Email:

Instructions: Complete the yellow cells above and one row per vehicle below. Use the drop-down in the Transaction Type column. Buyer Address must match the proof of Orange residency submitted with the Rebate Form (for business purchases, enter the licensed Orange business address). Buyer must sign each row (print, sign, and scan — or type full name if submitting electronically). Row 10 is an example only — please delete it before submitting.

#	Date of Purchase/Lease	Resident / Business Name	Buyer Address (Street, City, ZIP)	New / Used / Lease	Vehicle Identification Number (VIN)	Rebate Amount	Buyer Signature
1	04/15/2027	Smith, John A. Smith	123 N. Glassell St., Orange, CA 92866	New	1HGCM82633A004352	\$500	John A. Smith

TOTAL VEHICLES / TOTAL REBATES REQUESTED

\$500

1
vehicle(s)

Breakdown: New: 1 • Used: 0 • Lease: 0

DEALER CERTIFICATION: By signing below, the Sales Manager certifies that each buyer listed above is a verified City of Orange resident or licensed Orange business, and that all required supporting documentation (final sales invoice, proof of Orange registration, Rebate Form, and proof of residency or business license) is attached to this submission.

Sales Manager
Name (Print):

Signature:

Date:
