

**AB 562 Summary Report**

Fairfield Automotive Partnership RE, LLC (FAP)

2390 Auto Mall Parkway  
Fairfield CA 94533

City of Fairfield  
February 2, 2021

## **INTRODUCTION**

This report is provided pursuant to AB 562 which requires local agencies to provide specific information to the public before approving an economic subsidy within its jurisdiction. This report will be available to the public through the City Clerk's office and through the City of Fairfield website ([www.fairfield.ca.gov](http://www.fairfield.ca.gov)).

The report must include: (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; (2) The start and end dates and schedule, if applicable, for the economic development subsidy; (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 City as a result of the economic development subsidy; (4) A statement of the public purposes for the economic development subsidy; (5) The projected tax revenue to the City as a result of the economic development subsidy; and (6) The estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

### **1. NAME AND ADDRESS OF THE ENTITY**

Fairfield Automotive Partners RE, LLC (FAP)  
2390 Auto Mall Parkway  
Fairfield, CA 94533

### **2. THE START AND END DATES AND THE SCHEDULE FOR THE SUBSIDY**

The start date of the subsidy commences upon City issued certificate of occupancy for the dealership and has an operating term of 60 months, with rebates paid annually.

### **3. A DESCRIPTION OF THE SUBSIDY, INCLUDING THE ESTIMATED TOTAL AMOUNT OF THE EXPENDITURE OF PUBLIC FUNDS BY, OR REVENUE LOST TO, THE LOCAL AGENCY AS A RESULT OF THE SUBSIDY**

The subsidy is a sales tax rebate structure that provides the City with the first \$100,000 in sales tax generated from the dealership in each of the five (5) years of the term. The dealer will receive 85%, and the city 15%, of every sales tax dollar after the first \$100,000. This structure estimates the City receiving \$819,315 and the dealer receiving \$1,809,450 over the five year term. The dealer \$1,809,450 sales tax rebate is revenue loss to the City that otherwise would not exist.

**4. A STATEMENT OF THE PUBLIC PURPOSES FOR THE SUBSIDY**

The subsidy provides the public with economic benefit through sales tax revenue that supports general governmental operations, creates new jobs, and creates infill development of a vacant property.

**5. PROJECTED TAX REVENUE TO THE LOCAL AGENCY AS A RESULT OF THE SUBSIDY**

Years 1-5 estimated at \$819,315 and sales tax revenue more than \$700,000 per year thereafter.

**6. ESTIMATED NUMBER OF JOBS CREATED BY THE SUBSIDY, CATEGORIZED BY FULL-TIME, PART-TIME, AND TEMPORARY POSITIONS**

61 full-time jobs at opening of the dealership and increasing to 75 full-time jobs within five years. Number of part-time jobs is unknown.