

INFORMATION ABOUT “SECURITY AGREEMENT, ASSIGNMENT OF RENTS, AND COOPERATIVE AGREEMENT BETWEEN THE CITY OF HIGHLAND AND LUMAR DEVCO IV, LLC, MG GASOLINE INC., AND YN PROPERTIES, LLC FOR THE DESIGN AND CONSTRUCTION OF A TRAFFIC SIGNAL AND OTHER PUBLIC IMPROVEMENTS ALONG BASE LINE BETWEEN BUCKEYE STREET AND SR-210” (“COOPERATIVE AGREEMENT”)

PUBLIC HEARING DATE: FEBRUARY 14, 2023

POSTED ON THE CITY’S WEBSITE ON FEBRUARY 3, 2023

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 assistance with public improvements: Lumar Devoc IV, LLC; 3835 Birch Street, Newport Beach, California 92660.
2. The start and end dates and schedule, if applicable, for the economic development assistance with public improvements subsidy: The time for construction of the public improvements is approximately twelve months from the date of the Agreement.
3. A description of the economic development assistance with public improvements 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 Agreement calls for the expenditure of approximately \$228,772 (with a not to exceed amount of \$250,000) in City funds for the construction of a median. The Cooperative Agreement does not require the City to pay any funds to Developer or divert any future revenue to Developer as an economic development subsidy, but only for the City to pay for the design and construction of the median. The median is part of the public improvements that the Developer was conditioned to construct as part of the development of two drive thru restaurants on its property (“Project”).
4. A statement of the public purposes for the economic development assistance with public improvements subsidy: The City’s obligation under the Cooperative Agreement is to pay for the design and construction of a median, in order to assist in the development of the public improvements. The construction of the Project, and the public improvements, will promote the public health, safety, and welfare of the people in the City and will be of substantial economic benefit to the City based on the following:
 - A. The Project will generate new short term and long term quality employment opportunities within the City. The Project is located on property that is currently vacant. Developer is expected to employ approximately 60 persons in the construction of the Project. Developer expects the Project will generate long term employment for approximately 40 to 50 people after the Project is built out and fully leased.
 - B. The Project will expand and enhance the City’s tax base through increased property values and consumer purchasing. The Project will generate new sales tax revenues in the annual amount of approximately \$30,000, and the City’s current share of

property tax at \$5,600 will also increase after the development of the Project is complete to an annual contribution of approximately \$18,000 that will assist the City in funding public services for the residents and businesses within the City.

C. The Project preserves and enhances the job/housing balance described in the City's General Plan.

D. The Project will develop new and expanded commercial and business opportunities within the City.

E. The Project will promote the stability and diversification of the City's economy.

5. Projected tax revenue to the local agency as a result of the economic development assistance with public improvements subsidy: The Project will expand and enhance the City's tax base through increased property values and consumer purchasing. The Project will generate new sales tax revenues in the annual amount of approximately \$30,000, and the City's current share of property tax at \$5,600 will also increase after the development of the Project is complete to an annual contribution of approximately \$18,000 that will assist the City in funding public services for the residents and businesses within the City.

6. Estimated number of jobs created by the economic development assistance with public improvements subsidy, broken down by full-time, part-time, and temporary positions: The Project will generate new short term and long term quality employment opportunities within the City. The Project is located on property that is currently vacant. Developer is expected to employ approximately 60 persons in the construction of the Project. Developer expects the Project will generate long term employment for approximately 40 to 50 people after the Project is built out and fully leased.