

**ECONOMIC DEVELOPMENT SUBSIDY REPORT  
PURSUANT TO GOVERNMENT CODE SECTION 53083  
FOR OPERATING COVENANT AGREEMENT  
BY AND BETWEEN  
CITY OF ONTARIO  
AND KIENLE MOTOR SPORTS LLC**

Pursuant to Government Code Section 53083, the City Council of the City of Ontario must hold a noticed public hearing and, prior to the public hearing, provide all of the following information in written form and available to the public and through the City’s website, regarding a proposed economic development subsidy to be provided by the City pursuant to an Operating Covenant Agreement (“Agreement”) by and between the City of Ontario (“City”) and Kienle Motor Sports LLC (“Company”). Notice was published in the local newspaper for a public hearing originally to be held on November 3, 2020, to be continued to November 17, 2020 .

The purpose of this report is to provide the information required pursuant to Government Code Section 53083 in regard to the Agreement. This report shall remain available to the public and posted on the City’s website until the end date of the economic development subsidy, as further described in number 2 below.

- 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.**

The Agreement is with Kienle Motor Sports LLC(“Company”).

Kienle Motor Sports, LLC  
3213 Adams St  
Riverside, CA 92504

- 2. The start and end dates and schedule, if applicable, for the economic development subsidy.**

The start date of this subsidy will occur only if the Operating Covenant Agreement is approved by the Ontario City Council, and will remain active for no more than 8 years after the effective date of the Operating Covenant Agreement.

- 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 local agency as a result of the economic development subsidy.**

Company has requested from the City assistance for development and operation costs associated with the a permanent full-service new Porsche automobile sales dealership and service center and parking in Ontario (“Dealership”) in an amount equal to fifty percent (50%) of all sales tax revenue above \$100,000 annually for years 1-4 and \$125,000 annually for years 5-8 that is generated by the Dealership for a period of up to eight (8) years, or a maximum amount of eight hundred thousand dollars (\$800,000), subject to the limitations set forth in the Operating Covenant Agreement.

**4. A statement of the public purposes for the economic development subsidy.**

The City has determined that the economic development subsidy serves the public purpose of fostering a business and civic environment that may attract additional businesses and investment in the community due to the availability of the increased public and private services and economic activity resulting from operation of the Dealership in City. Additionally, the economy development subsidy will assist in new and additional local sales tax revenues, property taxes and employment benefits resulting from the Dealership.

**5. The projected tax revenue to the local agency as a result of the economic development subsidy.**

The projected tax revenue to the City as a result of the economic subsidy totals approximately \$1,620,000 million dollars over the 8-year term.

The Dealership is also estimated to generate \$185,000 each year of the 8-year term in property taxes, and between \$12,000 and \$17,000 each year of the 8-year term in business license taxes.

**6. The estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.**

**28** full-time employees; and

**14** part-time employees.