

Attachment 2

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AN AGREEMENT REGARDING OPENING, OPERATING, AND OTHER COVENANTS BY AND BETWEEN THE CITY OF GARDEN GROVE AND GARDEN GROVE AUTOMOTIVE, INC.; MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; AND AUTHORIZING THE EXECUTION AND IMPLEMENTATION OF SAID AGREEMENT REGARDING OPENING, OPERATING, AND OTHER COVENANTS

WHEREAS, the City of Garden Grove ("City") is a California municipal corporation;

WHEREAS, the City wishes to insure opening and continued operation of a Kia automobile dealership ("Automobile Dealership") in the City for at least twenty-five (25) years;

WHEREAS, Garden Grove Automotive, Inc. ("GGA") is a California Corporation qualified to do business in the State of California;

WHEREAS, GGA desires to provide Covenants (as defined in the Agreement), assuring the City, among other things, of the opening and continuous operation of the Automobile Dealership for a period of twenty-five (25) years (together, the "Covenants"), in return for certain Covenant Consideration to be paid by the City (as described in the Agreement);

WHEREAS, the City and GGA have negotiated the terms of an Agreement Regarding Opening, Operating, and Other Covenants ("Agreement") to provide for the conveyance of the Covenants and the payment of the Covenant Consideration;

WHEREAS, the City has authority to enter into the Agreement and provide the Covenant Consideration pursuant to Government Code Section 52200 *et seq.*;

WHEREAS, the City (i) made the information required by Government Code Section 53083(a) available to the public in written form and on the City's website and (ii) held a noticed Public Hearing regarding the Agreement and City's obligation

therein to pay the Covenant Consideration as required by Government Code Section 53083(b); and

WHEREAS, the City has duly considered all terms and conditions of the proposed Agreement and believes that operation of the Automobile Dealership thereon pursuant to the Agreement is in the vital and best interest of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable requirements of State and local law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARDEN GROVE AS FOLLOWS:

1. The City Council hereby finds and determines that the recitals set forth above are true and correct and are incorporated herein by reference as if set forth in full.

2. The City Council hereby finds and determines, based upon substantial evidence provided in the record before it, that (a) the Agreement is an agreement that will create or retain at least one (1) full-time equivalent, permanent job for every Thirty-Five Thousand Dollars (\$35,000) of City investment in the Automobile Dealership after full capacity; (b) implementation of the Agreement will promote the public peace, health, safety, and welfare of the City of Garden Grove and its residents; and (c) the Covenant Consideration is reasonably necessary to induce and ensure the opening and operation of the Automobile Dealership and the fulfillment of the Covenants.

3. The City Council hereby finds and determines, based upon substantial evidence provided in the record before it, that the City, as Responsible Agency, has complied with the applicable requirements of CEQA with respect to this Agreement.

4. The City Council hereby finds and determines, based upon substantial evidence provided in the record before it, that the opening and operation of the Automobile Dealership and the fulfillment of the other Covenants will be of material benefit to the City and to the citizens of, and property owners in, the City and

surrounding areas, because the opening and operation of the Automobile Dealership and the fulfillment of the other Covenants will; encourage and foster the economic revitalization of the City for the people in the area and the general public as a whole; increase property tax available to the City; increase sales tax revenues available to the City; and create jobs within the City.

5. The City Clerk shall certify to the adoption of this Resolution.