

Government Code 53083 Summary Report Update

MRO Integrated Solutions, LLC (MROIS)

2700 Maxwell Way
Fairfield CA 94534

City of Fairfield
February 22, 2021

INTRODUCTION

This report is provided pursuant to government Code 53083 which requires local agencies to provide specific updated information to the public on approved 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).

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) The net tax revenue to the city as a result of the economic development subsidy; and (5) The net 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

MRO Integrated Solutions, LLC (MROIS)
2700 Maxwell Way
Fairfield, CA 94534

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

The scheduled start date of the subsidy is May 19, 2015, and ended on March 31, 2018.

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

For the first 18 months of the subsidy term, the City rebated to MROIS fifty percent (50%) of Sales and Use Tax generated by the MROIS and actually received by the City (the "Tier 1 Rebate"). Thereafter, the City rebated to MROIS fifty percent (50%) of any amounts of Sales and Use Tax generated by the MROIS that exceed \$750,000 in each Fiscal Year and are actually received by City (the "Tier 2 Rebate").

No rebate was due to MROIS for any Fiscal Year in which the City's overall Sales and Use Tax revenues plus revenues from the Measure P Transaction and Use Tax adopted by the voters November 6, 2012 (together, the "Actual Tax Receipts") fell below \$20 million. In the event the Actual Tax Receipts fell between \$20 Million and

\$30.5 Million for the fiscal year, the Tier 1 Rebate was thirty-five percent (35%) (i.e., not 50%) of Sales and Use Tax generated by the Company and actually received by City, and the Tier 2 Rebate was fifty percent (50%) of any amounts of Sales and Use Tax generated by the Company that exceeded \$1,250,000 (i.e., not \$750,000) and actually received by the City in each Fiscal Year.

Under no circumstances was a Rebate Payment due to the Company for Sales and Use Tax generated after March 31, 2018.

The following rebates were provided to MROIS resulting in revenue lost to the City as a result of this economic subsidy:

<u>Fiscal Year</u>	<u>Rebate of Sales and Use Tax Paid By MROIS</u>
2014-2015	\$0
2015-2016	\$0
2016-2017	\$0
2017-2018	\$355,657

4. NET TAX REVENUE TO THE LOCAL AGENCY AS A RESULT OF THE SUBSIDY

The City collected just over \$2,461,679 in sales tax revenue for the years 2015-2018.

5. NET NUMBER OF JOBS CREATED BY THE SUBSIDY, CATEGORIZED BY FULL-TIME, PART-TIME, AND TEMPORARY POSITIONS

MRO reported currently having 7 employees.