

STAFF REPORT

Lancaster Redevelopment Agency

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3/10/09
MVB

DATE: March 10, 2009

TO: Mayor Parris and City Council Members
Chairman Parris and Agency Board Directors

FROM: Vern Lawson, Jr., Economic Development/Redevelopment Director

SUBJECT: Vehicle Rebate Program Addition

Recommendation:

Direct the City Manager to add the purchase of new motorcycles, licensed for street use and sold in Lancaster to the Vehicle Rebate Program included in the Lancaster Economic Stimulus Program.

Fiscal Impact: \$21,600.00

Background:

The Vehicle Rebate Program offered through the Lancaster Economic Stimulus Package has received a tremendous response from both the local auto dealers and the local consumers. In an effort to broaden the impact and opportunity afforded this inventive idea, it is recommended that the program be expanded to include the purchase of new, street legal motorcycles bought during the program duration.

Summary:

Local motorcycle dealers offer another option for price conscious consumers attempting to control the cost of commuting and reduce gasoline consumption. Motorcycles equipped to offer an affordable and efficient vehicle option for street use have become popular with local consumers as an alternative means of transportation. With only three major providers in the City of Lancaster, adding this option to the vehicle rebate program will not add extra administration or a major increase in the cost of the overall program. It is anticipated that over the course of the Vehicle rebate program, additional motorcycle sales could reach one hundred and twenty new (motorcycle) vehicles. This will provide another option assisting consumers to take advantage of the gift card rebate incentive, increasing local spending and consumer interest. With an average sales price of \$15,000.00 per motorcycle, inclusion of these vehicles in the rebate program could generate \$1,800,000 in additional sales. With an average cost of 1.2% of the sales price, the average registration fee rebate would provide the purchaser \$180.00 in Shop and Dine gift cards.

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