

OPINION

Santa Ana doubles down on a bad deal with auto mall



Photo by Kevin Sullivan, Orange County Register/SCNG

Mayor Pro Tem Michele Martinez listens to public comments during the Santa Ana City Council meeting in Santa Ana, CA on Tuesday, September 19, 2017.

By **THE EDITORIAL BOARD** | opinion@scng.com |

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The city of Santa Ana violated state law in approving a \$1 million subsidy to the Santa Ana Auto Dealers Association back in November, city staff informed the council on Jan. 16.

State law requires the city to hold a public hearing and provide to the public an economic development subsidy report detailing the subsidy. The council hadn't done this when it voted 5-1 to take \$1 million out of city reserves for the building of a new digital sign for the auto mall.

At the time, Michele Martinez was the only member of the council to express concerns about taking money set aside in case of emergency for the sake of lending it out to the car dealers, and rightly voted against the proposal, and about the process.

Martinez's concerns were supported at the Jan. 16 meeting when new City Manager Raul Godinez II expressed reservations to the council about proceeding with the loan.

"Now that I've gotten more familiar with our budget, I'm not comfortable recommending a loan from our General Fund," Godinez told the council.

Instead, Godinez recommended the auto dealers take out their own loan and the city make some sort of tax agreement over a period of years to subsidize them that way.

But the council didn't seem to want to hear this, with Councilmen Sal Tinajero, David Benavides and Jose Solorio opposing any suggestion that the council take a different direction. "It doesn't seem right to not continue to move forward in a manner which we've already voted," Tinajero said.

Evidently, most members of the council would rather dole out public dollars than heed the advice of their own city manager and city staff. For a city that has been as historically fiscally unstable as Santa Ana, this is irresponsible.

Once again, Councilwoman Martinez was the lone voice of reason on this matter. "It's unfortunate that we continue to move in this direction, and [are] not really holding ourselves accountable," Martinez said.

While it seems most have already made up their minds, we urge the council to think twice about the crony-capitalist direction they're headed toward. If a digital sign is such a great economic benefit, then the auto dealers should be willing to pay for it themselves.

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