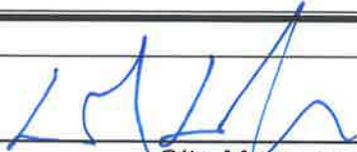


STAFF REPORT
COUNCIL MEETING DATE:
July 9, 2012

ITEM FOR COUNCIL CONSIDERATION:

Argument in Favor of Measure E2012, the City Services Support Measure.

Department: Administration



City Manager

City Clerk

STAFF RECOMMENDATION:

Action Item X; Non-Action Item ____

Approve the Argument in Favor of Measure E2012, the City Services Support Measure.

I. BACKGROUND/DISCUSSION:

At its regular meeting of June 11, 2012, the City Council adopted Resolutions associated with the General Municipal Election to be held on Tuesday, November 6, 2012. Resolution No. 5384, called for the election to include the submission to voters of a question relating to increasing the rate of the City's hotel bed tax. Resolution No. 5387 established procedures, including the setting of priorities, for the filing of Written Arguments and authorizing certain Councilmembers to file written arguments in support. Resolution Nos. 5384 and 5387 are attached to this report for your reference.

The City Clerk has filed the requisite Resolutions with the Clerk of the Board and the County Elections office. The County Elections office has assigned the City Services Support Measure the letter E2012.

The purpose of this agenda matter is to allow those City Councilmembers authorized to file written arguments to consider a draft Argument in Favor (attached) and determine if each Councilmember wishes to sign on to that argument. The four City Councilmembers authorized to sign on to the Argument should discuss any proposed changes and direct staff as determined appropriate.

The Argument in Favor has been drafted to reflect facts about Measure E2012 and the record of the City Council's decision to request that Carpinteria voters consider an increase in the hotel bed tax rate. In particular, the argument reflects that the hotel bed tax is paid only by guests of hotel/motels, and that revenue from the measure will support a broad range of services that are used by both residents and visitors and that help to promote the local economy, including tourism.

The Argument in Favor of Measure E is also reflective of the City Council's response to the recession, its approach to supporting the local economy, and the importance that the Measure plays in continuing this work. The City Council has taken numerous actions to cut costs, including eliminating several law enforcement positions and cutting staff pay, but has been able to avoid major service cuts or disruptions only by using some of its reserves to cover operating expenses. Including the current fiscal year, the City estimates that over \$1 million in reserves has been used over the past four years for this purpose. The Argument addresses the City's strategy to get back on positive financial footing, a strategy that is assisted by the contribution of additional bed tax revenue to the City's general fund. Bed tax revenue will be used for any lawful City purposes, including investments in City services which support local economic growth.

The City Council has historically invested in projects, programs and services that it believed would serve to support local property values, encourage private investment and promote tourism in Carpinteria. For example, the City Council reduced Development Impact Fees and established the Carpinteria First Committee that runs First Friday events as impetus for new investment and spending in the community. The City has also expanded its financial support for the Carpinteria Branch Library both through direct financial contribution and by providing lease space to the Friends of the Library Bookstore with terms that allow the Friends to also provide financial support of the library.

II. LEGAL ISSUES:

Pursuant Resolution No. 5387, arguments related to Measure E may be submitted to the City Clerk until July 25, 2012.

The Argument in Favor, with the signatures of the authorized Councilmembers, will be submitted to the County Elections office for inclusion in the Voter Guide. Should an Argument Against be filed with the City Clerk, the authorized City Councilmembers will also have an opportunity to file a rebuttal.

State law limits the length of ballot arguments to 300 words and also requires that an affidavit statement be included concerning the accuracy of the argument. The County elections office directs that the form of the document not include excessive underlining and/or bolding.

III. ATTACHMENTS:

Argument in Favor of Measure E2012, the City Services Support Measure Resolution Nos. 5384 and 5387.

Argument in Favor of Measure E2012

Yes on Measure E is an EASY choice! Measure E will provide much needed revenue to support City services, including services used by visitors and that help promote tourism. Costs for street and park maintenance, law enforcement, the library, and many other services are paid by local residents, but are also enjoyed by visitors to Carpinteria. The hotel bed tax is paid by guests staying in hotels and motels. Measure E therefore is an opportunity to increase needed revenue without increasing taxes on local residents.

A vote in favor of this measure will increase the hotel bed tax rate from 10% to 12%, and is expected to generate approximately \$250,000 annually to help maintain basic City services and provide opportunities for enhancing certain services. Measure E is an important part of the City's response to the economic recession that has included no increases in taxes on local residents, supporting growth in the local economy and youth and senior service providers, minimizing cuts in municipal services, and maintaining healthy financial reserves.

The hotel bed tax rate has not been changed since 1991. The City of Santa Barbara already has a 12% rate, and the cities of Goleta, Buellton and Solvang are all asking voters to increase their respective hotel bed tax rates to 12%.

The proposed hotel bed tax increase is fair, reasonable, and necessary to ensure the long-term financial health of the City and the continuation of important City services. High quality City services help make Carpinteria a tourist destination for people from throughout California and around the world. Yes on Measure E is an EASY choice to help keep Carpinteria a great place to live, work, and visit!

The undersigned authors of the primary argument in favor of Ballot Measure E2012 at the General Municipal Election for the City of Carpinteria to be held on November 6, 2012 hereby state that this argument is true and correct to the best of their knowledge and belief.

Signature	Title	Date
_____	Al Clark, Mayor	_____
_____	J. Bradley Stein, Vice Mayor	_____
_____	Gregg Carty, Councilmember	_____
_____	Kathleen Reddington, Councilmember	_____

RESOLUTION NO. 5384

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2012, FOR THE ELECTION OF CERTAIN OFFICERS RELATING TO GENERAL LAW CITIES AND FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO INCREASING THE RATE OF THE CITY'S TRANSIENT OCCUPANCY TAX ("HOTEL BED TAX")

WHEREAS, under the provisions of the laws relating to general law cities in the State of California a General Municipal Election shall be held on November 6, 2012, for the election of Municipal Officers; and

WHEREAS, the City Council also desires to submit to the voters at the election a question relating to increasing the rate of the City's hotel bed tax;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Carpinteria, California, on Tuesday, November 6, 2012, a General Municipal Election for the purpose of electing two Members of the City Council for the full term of four years.

SECTION 2. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Carpinteria, California, on Tuesday, November 6, 2012, a General Municipal Election for the purpose of submitting to the City electors the question of the adoption of Ordinance No. 656 amending the Carpinteria Municipal Code to increase the hotel bed tax from ten percent (10%) to twelve percent (12%).

SECTION 3. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election to be held November 6, 2012, the following question:

<u>City Services Support Measure</u>		
To help maintain essential City services such as street/pothole repair, park maintenance, law enforcement, youth and senior programs, and other City services, shall the City of Carpinteria adopt an ordinance to raise the City's hotel bed tax (Transient Occupancy Tax) from ten to twelve percent, paid only by hotel guests on their room rates, with annual independent audits, local oversight, and no money going to Sacramento?	YES	NO
	_____	_____

SECTION 4. That the proposed complete text of the measure submitted to the voters is attached as Exhibit "A" and incorporated herein by reference. The complete text of the measure will not be printed in the voter pamphlet, but will be made available to the public and to any voter upon request, pursuant to the requirements of the Elections Code.

SECTION 5. That in the event a majority of City electors voting on the ballot measure set forth above vote in favor thereof, Ordinance No. 656 shall be automatically adopted and shall amend the Carpinteria Municipal Code to read as set forth in Exhibit "A," effective ten (10) days following the certification of the election results with no further action by the Council.

SECTION 6. That Ordinance No. 656 imposes a general tax as defined in Subsection (a) of Section 1 of Article XIII C of the California Constitution, the proceeds of which shall be deposited in the City's general fund to be used for any lawful general purposes of the City. The tax shall be collected in the manner provided by Chapter 3.20 of the Carpinteria Municipal Code, incorporated herein by reference.

SECTION 7. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 8. That the City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 9. That the polls for the election shall be open at 7:00 o'clock a.m. on the day of the election and shall remain open continuously from that time until 8:00 o'clock p.m. of the same day when the polls shall be closed, pursuant to Elections Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 10. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 11. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 12. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 13. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

SECTION 14. The City Council finds, pursuant to Title 14 of the California Code of Regulations Section 15378(b)(4) and (5), that this Resolution is exempt from the requirements of the California Environmental Quality Act because it is not considered a "project" in that it involves fiscal activities which do not involve a commitment to any specific project and in that it is an organizational or administrative activity of government that will not result in direct or indirect physical changes to the environment. If the proposed ordinance were to be found a "project," it would be exempt from CEQA review pursuant to Public Resources Code Section 21080(b)(8) because it establishes a rate for the purpose of meeting the City's operating expenses.

PASSED, APPROVED AND ADOPTED on June 11, 2012, by the following vote:

AYES: COUNCILMEMBER: GARTY, REDDINGTON, STEIN, CLARK

NOES: COUNCILMEMBER: ARMENDARIZ

ABSENT: COUNCILMEMBER: NONE



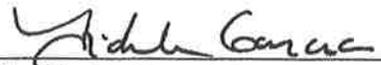
Mayor

ATTEST:



City Clerk

I hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held on June 11, 2012.



City Clerk, City of Carpinteria

APPROVED AS TO FORM:



City Attorney

Exhibit "A"

ORDINANCE NO. 656

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA, AMENDING SECTION 3.20.030 OF THE CITY OF CARPINTERIA MUNICIPAL CODE TO INCREASE THE TRANSIENT OCCUPANCY TAX ("HOTEL BED TAX") ON RENT CHARGED TO HOTEL GUESTS FROM TEN PERCENT (10%) TO TWELVE PERCENT (12%)

WHEREAS, the City Council, after receiving Staff Reports and presentations (including recommendations from its Finance and Budget Committee), on the City's financial condition and related matters at its regular public meetings of February 23, 2009, June 8, 2009, June 14, 2010, and January 24, 2011, developed and implemented a series of Financial Recovery Strategies aimed at improving City revenues and reducing expenses, and one of the Strategies is to consider placing a question before voters concerning a tax increase; and

WHEREAS, the City Council has enacted many ongoing revenue improvement and cost reduction measures as a part of its Financial Recovery Strategy such as establishing incentives for new development and business, promoting local business and tourism, updating fees and charges for services, reducing expenses such as employee compensation, law enforcement and other contract costs, and reducing utilities costs through efficiency improvements; and

WHEREAS, at its regular meeting of September 12, 2011, the City Council received a report on Revenue Measure Options, which concluded among other things that the number and frequency of visitors to Carpinteria impacts the cost to the City for providing local government services and, after deliberating on several revenue measure options, the City Council elected to explore with the community the potential for a Transient Occupancy Tax, i.e., hotel bed tax, rate increase; and

WHEREAS, the City Council has also considered information provided by staff at regular meetings that calculates that an increase in the hotel bed tax rate from 10% to 12% would generate approximately \$250,000 in additional annual revenue; and

WHEREAS, additional revenue from a hotel bed tax rate increase would help to offset expenses associated with important local government services including but not limited to street and pothole repair, law enforcement protection, and parks and recreation services, and would also support the City's ability to promote local tourism and provide financial assistance to a variety of local service providers including the Carpinteria branch library, Boys & Girls Club, Girls Inc., and others; and

WHEREAS, the City Council at its regular public meeting of May 14, 2012, considered community survey results that indicate voter support for a hotel bed tax rate increase.

NOW, THEREFORE, the People of the City of Carpinteria do hereby ordain as follows:

SECTION 1. INCORPORATION OF RECITALS

The People of the City of Carpinteria find and determine that the above recitals are incorporated herein and are each relied upon independently by the People for its adoption of this Ordinance.

SECTION 2. AMENDMENT

Section 3.20.030 of Chapter 3.20 of Title 3 of the Carpinteria Municipal Code is hereby amended to read as follows:

“For privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of twelve percent of the rent charged by the operator. Such tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or the city.”

SECTION 3. GENERAL TAX

The Transient Occupancy Tax assessed by this Ordinance is a general tax as defined in Subsection (a) of Section 1 of Article XIIC of the California Constitution, the proceeds of which shall be deposited in the City's general fund to be used for any lawful general purposes of the City.

SECTION 4. ADJUSTMENTS TO TAX RATE

Notwithstanding Section 9217 of the Elections Code, without a vote of the people the City Council may do any and all of the following: (i) repeal this Ordinance; (ii) reduce the rate of the Transient Occupancy Tax below twelve percent (12%); or (iii) increase the rate of the Transient Occupancy Tax back to twelve percent (12%) if it has been previously reduced below such rate. In no event shall the City Council increase the rate of the Transient Occupancy Tax in excess of twelve percent (12%) without approval by a majority of the voters voting in an election for the increase.

SECTION 5. SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The People of the City of Carpinteria hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 6. APPROVAL BY ELECTION; EFFECTIVE DATE

This Ordinance amending Section 3.20.030 of Chapter 3.20 of Title 3 of the Carpinteria Municipal Code shall be in full force and effect ten (10) days after the date on which the City Council has approved the canvass of votes and declared that the voters of the City of Carpinteria have approved said Ordinance by a vote of no less than a majority of the votes cast by the electors voting on the tax measure set forth in this Ordinance at the general municipal election to be held Tuesday, November 6, 2012. The effective date for purposes of levying the increased tax, should the voters approve this Ordinance, shall be January 1, 2013.

SECTION 7. PROPOSAL OF ORDINANCE

This Ordinance was proposed by the City Council of the City of Carpinteria through the adoption of Resolution No. 5384 by the affirmative votes of not less than four of its Members as required by Government Code Section 53724(b).

SECTION 8. ATTESTATION BY MAYOR

The Mayor is hereby authorized to attest to the adoption of this Ordinance by signing where indicated below.

SECTION 9. PUBLICATION

The City Clerk shall publish this Ordinance as required by law.

///

I hereby certify that the foregoing ordinance was **PASSED, APPROVED, AND ADOPTED** this day of , 2012, by the People of the City of Carpinteria voting on the sixth day of November, 2012 by the following electoral results:

VOTES IN FAVOR:

VOTES AGAINST:

Mayor of the City of Carpinteria

ATTEST:

City Clerk, City of Carpinteria

APPROVED AS TO FORM:

City Attorney, City of Carpinteria

RESOLUTION NO. 5387

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING A CITY MEASURE SUBMITTED AT THE NOVEMBER 6, 2012 GENERAL MUNICIPAL ELECTION RELATING TO INCREASING THE RATE OF THE CITY'S TRANSIENT OCCUPANCY TAX ("HOTEL BED TAX"), AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS.

WHEREAS, a General Municipal Election is to be held in the City of Carpinteria, California, on November 6, 2012, at which there will be submitted to the voters the following measure:

<u>City Services Support Measure</u>		
To help maintain essential City services such as street/pothole repair, park maintenance, law enforcement, youth and senior programs, and other City services, shall the City of Carpinteria adopt an ordinance to raise the City's hotel bed tax (Transient Occupancy Tax) from ten to twelve percent, paid only by hotel guests on their room rates, with annual independent audits, local oversight, and no money going to Sacramento?	YES <hr/>	NO <hr/>

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the City Council authorizes the following member(s) of its body to file a written argument not exceeding 300 words regarding the city measure as specified above, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California. The arguments may be changed or withdrawn until and including the date fixed by the City Clerk after which no arguments for or against the city measure may be submitted to the City Clerk.

Councilmember(s) In Favor	Councilmember(s) Against
Carty	
Reddington	
Stein	
Clark	

The arguments shall be filed with the City Clerk, signed with the printed names(s) and signature(s) of the author(s) submitting it or, if submitted on behalf of an organization, with the name of the organization and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement To Be Filed by Author(s) Argument pursuant to Section 9600 of the Elections Code. The arguments shall be filed no later than July 25, 2012, by 5:00 p.m.

SECTION 2. That the City Attorney shall prepare an impartial analysis of the measure not exceeding 500 words showing the effect of the measure on the existing law and the operation of the measure. Pursuant to Elections Code Section 9280, the impartial analysis shall be printed preceding the arguments for and against the measure and the following statement shall be printed following the impartial analysis: "The above statement is an impartial analysis of Ordinance 656. If you desire a copy of the ordinance, please call the elections official's office at (805) 658-5405, extension 403 and a copy will be mailed at no cost to you." The impartial analysis shall be filed no later than July 25, 2012, by 5:00 p.m., the deadline set by the City Clerk for the filing of primary arguments.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED on June 11, 2012, by the following vote:

AYES: COUNCILMEMBER: ARMENDARIZ, CARTY, REDDINGTON, STEIN, CLARK

NOES: COUNCILMEMBER: NONE

ABSENT: COUNCILMEMBER: NONE



Mayor

Resolution No. 5387

Page 3

ATTEST:



City Clerk

I hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held on June 11, 2012.



City Clerk

APPROVED AS TO FORM:



City Attorney