

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, IN SUPPORT OF MEASURE "J," A LOCAL REVENUE MEASURE, FOR THE NOVEMBER 8, 2011, GENERAL MUNICIPAL ELECTION.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS FINDS:

A. Pursuant to Article XIIC of the Constitution of the State of California, and Sections 200 and 201 of the Charter of the City of Palm Springs, the City Council ordered Measure "J" be submitted to the qualified electors of the City at the November 8, 2011, General Municipal Election, on whether to approve a local one percent (1%) Transactions, Sales, and Use Tax for a period of twenty-five (25) years.

B. Commencing in FY 1992-93, the State of California has required local agencies, including cities, to remit a portion of their respective property tax revenues for deposit in an Education Revenue Augmentation Fund ("ERAF") maintained in each county to augment and subsidize the State's obligation to fund elementary and secondary schools in the state. This is a permanent shift of 17.5% of the City's general fund property tax revenues and amounted to \$3.5 million in FY 2010-11.

C. Additional shifts in property taxes to ERAF from cities and other local agencies were required for FY 2004-05 and FY 2005-06.

D. These ERAF reallocations of property taxes from the City and the City of Palm Springs Redevelopment Agency have cost City over \$52 million dollars in general fund revenues and the Redevelopment Agency over \$7.7 million dollars

E. During the past three years, like all other cities in the Coachella Valley, and throughout the State of California, Palm Springs has seen significant decreases in annual revenues which challenge the ability of the City to continue to provide essential City programs and projects at the levels the community expects and deserves.

F. The City has met this severe challenge by restructuring the City's organization and implementing cost-saving approaches, reduced the City's budget by more than \$10 million annually, eliminated over 100 positions, imposed employee furloughs, reduced salaries for the City Council and City employees, eliminated nearly all capital replacement expenditures, and closed a fire station and the City Jail.

G. The State of California has recently passed legislation that forced the City of Palm Springs Redevelopment Agency to pay the State approximately \$3.9 million, as Sacramento legislators have again attempted to balance the State budget by taking local revenues to fund the State's constitutional mandates and obligations.

H. Over the last 20 years, the State of California has systematically manipulated, altered, and realigned local government revenues, eroding the ability of the City and the Redevelopment Agency to fund and provide to our residents needed

programs and services and has dramatically impaired the ability of the City and the Redevelopment Agency to fund and construct vital and necessary public improvements and projects.

I. After extensive public discussion and community input, the City Council determined that a general tax, approved and ratified by the City's voters as an independent source of revenue that can not be taken by Sacramento, is the most prudent, fair, and appropriate method of providing revenues to meet the expectations and needs of the Palm Springs community. Measure "J" was unanimously placed on the ballot by the Palm Springs City Council to provide a source of local revenue for essential public projects and programs.

J. Measure "J," which adds just one penny to each dollar spent in Palm Springs by both residents and visitors, is the fairest way to increase local revenue, and does not apply to food, groceries, prescription medications, admission charges to theaters, amusement parks, sporting events and golf courses.

K. Measure "J" contains a sunset provision to automatically expire and includes fiscal accountability provisions such as annual independent financial audits, and such audits shall be public.

L. The City Council has initiated a Measure "J" Oversight Commission to oversee and monitor all revenues and expenditures of Measure "J" funds and to make recommendations to the City Council.

M. The City Council recognizes that the passage of Measure "J," a general tax measure, will result in additional general tax revenues that the City can use for any governmental use or purpose as allowed under law. The City Council also prides itself on its citizen engagement and responsiveness to the community's needs, and recognizes that new revenues sources such as Measure "J" should address the community's priorities, including the enhancement of neighborhood services and safety, revitalizing Downtown, and reinvesting in streets and parks, which all would be eligible programs for Measure "J" funding.

N. Measure "J" is a locally enacted measure, so the revenues from Measure "J" will be under local control and Sacramento cannot raid any Measure "J" funds.

O. Without Measure "J" and the revenue it would produce, the City will not have sufficient local and protected revenue to adequately fund high priority citizen driven projects such as the economic revitalization of Downtown, street maintenance and repair, and library and parks improvements.

P. The time to act is now . . . while construction and interest rates are low, and failure to maintain City facilities and infrastructures adds to the future costs of repair and replacements.

Q. The City Council notes and concurs with the observations of the Desert Sun that Measure "J" "provides funding necessary to invest in the city's future, providing both infrastructure support for the residential population and the gentrification of the downtown area. This is wise investment spending. . . . Opportunity doesn't come readily and timing is key. Let's unlock the potential that this 1-cent sales tax will bring to the redevelopment of Palm Springs."

THE CITY COUNCIL OF THE CITY OF PALM RESOLVES:

SECTION 1. The City Council hereby strongly supports Measure "J," a local revenue measure, at the Palm Springs General Municipal Election on November 8, 2011.

SECTION 2. The City Manager is authorized to disseminate this resolution and information through appropriate City communication devices and methods provided or maintained by the City Manager for the dissemination of information to the residents of the City.

SECTION 3. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Resolution; and this Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 5<sup>TH</sup> DAY OF OCTOBER, 2011.

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STEPHEN P. POUQUET, MAYOR

ATTEST:

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JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on October 5, 2011, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California