SPECIAL & REGULAR MEETINGS OF THE SONOMA CITY COUNCIL
&
CONCURRENT SPECIAL AND REGULAR MEETINGS OF SONOMA CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY

Community Meeting Room, 177 First Street West
Monday, March 5, 2012
5:30 p.m. Closed Session (Special Meeting)
6:00 p.m. Regular Session
****
AGENDA

City Council
Joanne Sanders, Mayor
Ken Brown, Mayor Pro Tem
Steve Barbose
Laurie Gallian
Tom Rouse

5:30 P.M. – SPECIAL MEETING - CLOSED SESSION AGENDA

1. CALL TO ORDER
The Mayor will open the meeting and take public testimony on closed session items only. The Council will then recess into closed session.

2. CLOSED SESSION

Item 2A: **CONFERENCE WITH REAL PROPERTY NEGOTIATORS,** pursuant to Government Code §54956.8. Property: Sebastiani Theater, 476 First Street East, Sonoma. Agency Negotiators: Councilmember Barbose, City Attorney Walter & City Manager Kelly. Negotiating Parties: Sebastiani Building Investors, Inc. Under Negotiation: Price and terms of lease.

6:00 P.M. – REGULAR MEETING AGENDA

RECONVENE, CALL TO ORDER & PLEDGE OF ALLEGIANCE
ROLL CALL (Brown, Gallian, Barbose, Rouse, Sanders)
REPORT ON CLOSED SESSION

1. COMMENTS FROM THE PUBLIC

At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the City Council at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Council consideration. Upon being acknowledged by the Mayor, please step to the podium and speak into the microphone. Begin by stating and spelling your name.

2. COUNCILMEMBERS' COMMENTS AND ANNOUNCEMENTS

Item 2A: **Councilmembers' Comments and Announcements**

3. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF

4. PRESENTATIONS

Item 4A: **Proclamation recognizing the 100th Anniversary of Girls Scouts of the USA**

Item 4B: **Proclamation Declaring March 2012 Community Center Month**

5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL

All items listed on the Consent Calendar are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council, staff, or public request specific items to be removed for separate action. At this time Council may decide to change the order of the agenda.

Item 5A: **Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.** (Standard procedural action - no backup information provided)

Item 5B: **Award of Contract to John Benward Company, Inc. for the Broadway Waterline Extension Project No. 1202 in the amount of $29,579.00**.
Staff Recommendation: Award the contract to John Benward Company, Inc. for the Broadway Waterline Extension Project N0. 1202 in the amount of $29,579.00.

Item 5C: **Approve the Notice of Completion for the Comprehensive Bike Lane and Signing Project No. 0901 constructed by Chrisp Company and Direct the City Clerk to File the Document.**
Staff Recommendation: Approve the Notice of Completion for the Comprehensive Bike Lane and Signing Project No. 0901 constructed by Chrisp Company and direct the City Clerk to file the document.

Item 5D: **Approval and Ratification of the Appointment of Leslie Tippell to the Design Review Commission for a term ending March 5, 2014.**
Staff Recommendation: Ratification by the City Council.

6. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY

All items listed on the Consent Calendar are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council, staff, or public request specific items to be removed for separate action. At this time Council may decide to change the order of the agenda.

7. PUBLIC HEARING

Item 7A: **a) Consider, discuss and possibly adopt a resolution making findings that, because of an existing fiscal emergency, an election on a proposed new sales tax must occur before the next regular municipal election.** (City Manager)
Staff Recommendation: Adopt resolution.

b) Consider, discuss and possibly adopt a resolution calling an election on June 5, 2012, to ask the voters to approve a one-half cent [or one-quarter cent] general transactions and use tax. (City Manager)
Staff Recommendation: Discuss, consider and adopt resolution.

c) Consider, discuss and possibly adopt a resolution providing for the submittal of arguments and rebuttal arguments pertinent to the said one-half cent [or one-quarter cent] general transactions and use tax measure and identifying the author of said arguments and rebuttal arguments on behalf of the City of Sonoma. (City Manager)
Staff Recommendation: Discuss, consider and adopt resolution.

8. REGULAR CALENDAR – CITY COUNCIL

(Matters requiring discussion and/or action by the Council)

Item 8A: **Discussion, consideration and possible ratification of Mayor's appointments to the Oversight Board of the Successor Agency to the dissolved Sonoma Community Development Agency.** (City Manager)
Staff Recommendation: Ratify Mayoral nominations to the Oversight Board of the Successor Agency to the dissolved Sonoma Community Development Agency.

Item 8B: **Discussion, consideration and possible action on a draft ordinance establishing new regulations for Formula Businesses**. (Planning Director)
Staff Recommendation: Council discretion.

Item 8C: **Discussion, consideration and possible action on a presentation from Citizens United for a Sonoma Pool (CUSP) as directed at the City Council meeting of November 21, 2011.** (City Manager)
Staff Recommendation: Receive presentation and provide direction to staff, if applicable.

9. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY

(Matters requiring discussion and/or action by the Council)

10. COUNCILMEMBERS' REPORTS AND FINAL REMARKS

Item 10A: **Reports Regarding Committee Activities.**

Item 10B: **Final Councilmembers' Remarks.**

10. COMMENTS FROM THE PUBLIC

11. ADJOURNMENT

I do hereby certify that a copy of the foregoing agenda was posted on the City Hall bulletin board on February 28, 2012. GAY JOHANN, CITY CLERK

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available for public inspection the Monday before each regularly scheduled meeting at City Hall, located at No. 1 The Plaza, Sonoma CA. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the City Council regarding any item on this agenda after the agenda has been distributed will be made available for inspection at the City Clerk's office, No. 1 The Plaza, Sonoma CA during regular business hours.

If you challenge the action of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described on the agenda, or in written correspondence delivered to the City Clerk, at or prior to the public hearing.

In accordance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk (707) 933-2216. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: **4A**

Meeting Date: 03/05/2012

Department	**Staff Contact**
Administration	Gay Johann, City Clerk

Agenda Item Title

Proclamation recognizing the 100th Anniversary of Girls Scouts of the USA

Summary

Jessa Rank requested a proclamation recognizing the 100th anniversary of Girl Scouts of the USA.

In keeping with City practice, the recipients of the proclamation have been asked to keep the total length of their follow-up comments and/or announcements to not more than 10 minutes.

Recommended Council Action

Mayor Sanders to present the proclamation.

Alternative Actions

Council discretion.

Financial Impact

n/a

Environmental Review

- ☐ Environmental Impact Report
- ☐ Negative Declaration
- ☐ Exempt
- ☒ Not Applicable

Status

- ☐ Approved/Certified
- ☐ No Action Required
- ☐ Action Requested

Attachments:

1. Proclamation
2. Letter of request
3. Event information

Copy via email: Jessa Rank

City of Sonoma

Proclamation

100th ANNIVERSARY OF GIRL SCOUTS

WHEREAS, on March 12, 1912 the first Girl Scout meeting was held in Savannah Georgia led by Juliette Gordon Low, the founder of Girl Scouts of the USA after visiting the founders of both Boy Scouts and Girl Guides in England; and

WHEREAS, since that first meeting more than 50 million girls have participated in the Girl Scout movement; and that number continues to grow as Girl Scouts of the USA continues to inspire, challenge and empower girls everywhere; and

WHEREAS, there are currently 47,000 girl and 32,000 adult members in the Northern California Council and 3.2 million members in the USA; and

WHEREAS, Girl Scouts is the largest, longest running and most effective leadership program for girls in not only the nation, but the world; and

WHEREAS, 69% of current women US Senators and 65% of women in the House of Representatives were Girl Scouts when they were girls; and

WHEREAS, 55% of all women astronauts are former Girl Scouts and former Girl Scouts have flown in over 1/3 of all space shuttle missions; and

WHEREAS, 64% of today's female leaders listed in *Who's Who of American Women* were once Girl Scouts; and

WHEREAS, in the 1900's Girl Scouts developed the same core values taught to girls earning housekeeping and forestry badges that are taught to girls today while learning computer technology and financial literacy; and

WHEREAS, we know that Girl Scouts develops girls of **Courage**, **Confidence** and **Character** who make the world a better place.

NOW, THEREFORE, I, Joanne Sanders, Mayor of the City of Sonoma, do proudly declare that I am proud to join the Girl Scouts in recognizing the 100th Anniversary of Girl Scouts of the USA.

IN WITNESS WHEREOF, I hereby set my hand and cause the seal of the City of Sonoma to be affixed this 5th day of March 2012.

_____

JOANNE SANDERS, MAYOR

City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 4B

Meeting Date: 03/05/12

Department	**Staff Contact**
Administration	Gay Johann, City Clerk

Agenda Item Title

Proclamation Declaring March 2012 Community Center Month.

Summary

The Sonoma Community Center is currently promoting a membership campaign and requested a proclamation declaring the month of March Community Center Month.

Recommended Council Action

Mayor Sanders to present the proclamation.

Alternative Actions

Council discretion.

Financial Impact

n/a

Environmental Review

- ☐ Environmental Impact Report
- ☐ Negative Declaration
- ☐ Exempt
- ☒ Not Applicable

Status

- ☐ Approved/Certified
- ☐ No Action Required
- ☐ Action Requested

Attachments:

1. Proclamation

cc: Kathy Swett via email

City of Sonoma

Proclamation

COMMUNITY CENTER MONTH

Whereas, the Sonoma Community Center has been providing services to the community since 1915, and

Whereas, the building started life as the Sonoma Grammar School, and is listed on the National Register of Historic Places, and

Whereas, the building became the community's recreation and leisure services center in 1953, and

Whereas, today 6,000 people a month use the services of the Community Center, attending programs in art, music, theater, literature, health and public service, as well as many special events that attract residents and visitors, and

Whereas, the Center also puts on the Ox Roast, Fourth of July Celebration, and Thanksgiving dinner, and numerous other events that have become part of Sonoma's traditions, and

Whereas, the Center partners with many community organizations and brings art projects into school classrooms and the Boys and Girls Club, and

Whereas, the Center is operated by a non-profit organization and is primarily funded through memberships and donations, with March being the month for its membership drive.

Now, therefore, be it proclaimed, that the City of Sonoma recognizes the many services provided to the community by the Center and declares the month of March 2012 as

COMMUNITY CENTER MONTH

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Seal of the City of Sonoma to be affixed this 5th day of March 2012.

JOANNE SANDERS, MAYOR

City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: **5B**

Meeting Date: **03/05/12**

Department	**Staff Contact**
Public Works	Milenka Bates, Public Works Director

Agenda Item Title

Award of Contract to John Benward Company, Inc. for the Broadway Waterline Extension Project N0. 1202 in the amount of $29,579.00.

Summary

The Broadway Waterline Extension Project No. 1202 includes installation of 230 LF of 8-inch water main between roughly 1177 Broadway to 1221 Broadway. The project is necessary to provide a looped water system at Marcy Court providing system reliability in the area. Public works projects, as defined by Section 22002 of the California Public Contract Code, in the amount less than or equal to thirty thousand dollars ($30,000) or less may be performed by negotiated contract or by purchase order. This is also consistent with the City's Purchasing Policy. Public Works requested a cost proposal from John Benward because they are a local company and are familiar with the City's water system due to their work on previous similar types of projects. Benward has performed other work for the City and has performed well. Benward's system knowledge and known skills will help ensure the work will be done without the need for engineered drawings saving the City time and money.

Recommended Council Action

It is recommended that Council award the contract to John Benward Company, Inc. for the Broadway Waterline Extension Project N0. 1202 in the amount of $29,579.00.

Alternative Actions

None

Financial Impact

The work will be funded from the Water Utility operations budget, line item for "Water Repairs and Maintenance." There is sufficient budget in the approved budget for this work.

Environmental Review	**Status**
☐ Environmental Impact Report	☐ Approved/Certified
☐ Negative Declaration	☒ No Action Required
☒ Exempt	☐ Action Requested
☐ Not Applicable	

Attachment: John Benward Company Inc Proposal

JOHN BENWARD COMPANY, INC.

General Engineering Contractor
State Lic. #750809

REVISED PROPOSAL

Steve MacCarthy
Water Operations Supervisor
City of Sonoma
Sonoma, CA

Project: **January 10, 2012**
8" Water Main
Broadway

John Benward Company, Inc. (JBC) is pleased to provide a proposal for all labor and materials to install 230 LF of 8" C900 CL200 water main. There are no plans for this work. This is for the connection of the water mains roughly 111 Broadway to 1181 Broadway.

Scope of Work:

1. **Mobilize in and out of the job the equipment needed to complete the work.**
2. **All labor and Equipment to install 230 lf of 8" CL900 CL200. Water line includes the removal of 2-blow-off's 1 at each tie in point. Installation of 1-8" gate valve, location to be directed by the city. All Pipe, bedding and backfill Materials to be supplied by the City. Includes the installation of 2-45 degree angles to get the water main out of the City Sidewalk.**
3. **All labor and Materials to patch back the AC in a T-Style patch.**
4. **All labor and materials to replace 8 lf' of sidewalk and 10lf of curb and gutter.**
5. **Remove from the project all debris from this scope of work.**

Total price for the above: **$29,579.00**

Note: This is not a prevailing wage job. This proposal includes the cost of the Caltrans Permit for JBC. Includes all traffic control, but does not include any arrow boards or message boards. This proposal assumes the encroachment permit issued by the City of Sonoma will be at no cost. No Bonding is figured into this bid

Note: AC in this proposal is based on $700.00 per ton of Asphalt oil. Due to the rising costs of petroleum products we are unable to guarantee the price of the AC. Actual price of the AC will be based on the cost of the asphalt oil at the time of purchase. Also due to the rising costs of petroleum products, it might become necessary to impose a surcharge on trucking.

Unless otherwise modified above, the follow is a list of our General Exclusions

GENERAL EXCLUSIONS: ENGINEERING; FEES; PERMITS; BONDS; INSPECTIONS; CONSTRUCTION STAKING; SOILS AND/OR COMPACTION TESTING;INSTALLATION OR TRENCHING FOR GAS LINE; ARBORIST SERVICES; HAND TRIMMING AND/OR DIGGING AROUND ROOTS; UNDER SLAB FILLS; SPECIAL HANDLING/OFF HAUL OF CONTAMINATED MATERIAL; REPAIR, REMOVAL, RELOCATION, OR WORKING AROUND UNDERGROUND UTILITIES OR UNFORESEEN OBJECTS NOT SPECIFICALLY NOTED IS TO BE PERFORMED ON A TIME AND MATERIALS BASIS; WINTER SITE MAINTENANCE; CLEANUP AFTER OTHER TRADES; PLACING OF TOPSOIL IN

PLANTER AREAS; DEWATERING; EXCAVATION AND/OR REMOVAL, RECOMPACTION, REPLACEMENT/SPECIAL CONDITIONING OF MOISTURE-LAIDEN SOILS, OR SOILS DEEMED UNSUITABLE BY THE ENGINEER FOR INCORPORATION IN THE PROJECT DUE TO SIZE OR STRENGTH FACTOR IS CONSIDERED EXTRA WORK; EXCAVATION OF FOUNDATIONS, FOOTINGS OR PIERS, OR REMOVAL OF ANY SPOILS GENERATED BY DIGGING OF FOUNDATIONS, FOOTINGS OR PIERS; SHOULD HARD ROCK CONDITIONS PREVENT EXCAVATION BY CONVENTIONAL MEANS, WORK IS TO CONTINUE ON A TIME AND MATERIALS BASIS. HYDROSEEDING AND IMPLEMENTATION OF SWPP OR SWPP PLANS.

NOTE: All material prices are quoted using current, competitive material bids. Every effort will be made to maintain those prices throughout the life of the contract. However, because many of the materials included in this rental agreement are petroleum based, a surcharge may be necessary to cover unknown future cost increases.

This proposal may be withdrawn by JBC if not accepted within 30 days from the date on this document

This proposal shall become a part of any contract entered into based on the information enclosed here-in.

Should you have any questions with regard to any of the above, please contact the undersigned at your earliest convenience.

Very truly yours,
JOHN BENWARD COMPANY, INC

Kelvin Love
Project Manager
John Benward Company, Inc.

Accepted:_____

City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: **5C**

Meeting Date: **03/05/2012**

Department	**Staff Contact**
Planning	Wendy Atkins, Associate Planner

Agenda Item Title

Approve the Notice of Completion for the Comprehensive Bike Lane and Signing Project No. 0901 constructed by Chrisp Company and Direct the City Clerk to File the Document.

Summary

The City Council awarded a contract to install comprehensive bike lane improvements to the Chrisp Company on September 7, 2011. The work consists of signing and striping improvements, including removal of existing pavement striping and markings, installation of new pavement striping and markings, installation of new signage, removal & reinstallation of existing in-roadway warning lights in new bases, traffic control, and other related work, as set forth on the project Plans and Specifications. Chrisp Company has completed work on the Comprehensive Bike Lane and Signing Project (No. 0901) in accordance with the contract. The work has been inspected by City staff and the City's consulting engineer (GHD). The City should now file a Notice of Completion for the project at the County Recorder's office. There were five contract change orders for this project. A summary of the final contract amount, including approved contract change orders (CCO) to date are shown on the table on the following page.

Recommended Council Action

Approve the Notice of Completion for the Comprehensive Bike Lane and Signing Project No. 0901 constructed by Chrisp Company and direct the City Clerk to file the document.

Alternative Actions

N.A.

Financial Impact

Council approved the Community Development Agency-Tax Allocation Bond (TAB) budget for a total of $7.5 million for public works projects, including this project. The TAB monies were issued in March 2011. The CDA-TAB budget established for this project is $171,500. A TFCA grant was awarded at $135,542.00 to apply to this project. The TAB funding for this project is $35,500. The work was completed under budget, at $148,648.11 (including change orders).

Environmental Review	**Status**
☐ Environmental Impact Report	☐ Approved/Certified
☐ Negative Declaration	☒ No Action Required
☒ Exempt	☐ Action Requested
☐ Not Applicable	

Attachments:

1. Change order summary

cc:

Contract Summary Table

	General Description	**Amount**
	Approved Original Contract and Contract Pay Items	$141,703.70
CCO #1	No-fee change order – Additional construction days	$0.00
CCO #2	No-fee change order – Additional construction days	$0.00
CCO #3	No-fee change order – Additional construction days	$0.00
CCO#4	Additional signs, installation of temporary traffic signal controller and replacement of Sidewalk	$2,678.60
CCO#5	Sign size, change in sign wording and Balancing Quantities	$4,265.80
	Final Contract Amount	$148,648.11

When recorded, return to: City Clerk City of Sonoma No. 1 The Plaza Sonoma, CA 95476	

OFFICIAL BUSINESS: Exempt from Recording Fees Pursuant to California Government code §6103.

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. On the 3rd day of March, 2012, the public project known as: Comprehensive Bike Lane and Signing Project No. 0901 was completed.

2. The name and address of the party filing this Notice is: City of Sonoma, No. 1 The Plaza, Sonoma, CA 95476

3. The name and address of the Contractor responsible for the construction of said public project is: Chrisp Company, 43650 Osgood Road, Fremont, CA 94539.

4. The name and address of said Contractor's insurance carrier is:

   Arthur J. Gallagher & Co (Broker)
   3697 Mt. Diablo Boulevard, Ste 300
   Lafayette, CA 94549

5. The general description of the public project was: signing and striping improvements, including removal of existing pavement striping and markings, installation of new pavement striping and markings, installation of new signage, removal & reinstallation of existing in-roadway warning lights in new bases, traffic control, and other related work, as set forth on the project Plans and Specifications

6. The original contract amount was: $_141,703.70_____

Recording of this document is requested for **CITY OF SONOMA** and on behalf of the **City of Sonoma,** a Municipal Corporation, under Section 6103 of the Government Code.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

_____ Dated: _____, 2012
Linda Kelly, City Manager

ATTEST: _____
City Clerk

City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 5D

Meeting Date: 03/05/12

Department	**Staff Contact**
Administration	Gay Johann, City Clerk

Agenda Item Title

Approval and Ratification of the Appointment of Leslie Tippell to the Design Review Commission for a term ending March 5, 2014.

Summary

The Design Review Commission consists of 5 members and one alternate who serve at the pleasure of the City Council. At least four of the members and the alternate must be City residents. Appointments are made when a nomination made by the Mayor is ratified by the City Council.

Mayor Sanders and Councilmember Barbose interviewed the applicants and Mayor Sanders has nominated Leslie Tippell, who has served as the DRC Alternate since 7/18/2011, for appointment to fill the regular position vacated when Anne Appleman resigned. Her first two-year term will expire 03/05/2014.

Recommended Council Action

Ratification by the Council.

Alternative Actions

Council discretion.

Financial Impact

n/a

Environmental Review

- ☐ Environmental Impact Report
- ☐ Negative Declaration
- ☐ Exempt
- ☒ Not Applicable

Status

- ☐ Approved/Certified
- ☐ No Action Required
- ☐ Action Requested

Attachments:

None.

Copy to:

Leslie Tippell via email

City of Sonoma

City Council

Agenda Item Summary

City Council Agenda Item: **7A**

Meeting Date: **3/5/12**

Department	**Staff Contact**
Administration	Linda Kelly, City Manager Carol Giovanatto, Assistant City Manager

Agenda Item Title

Discussion, consideration and possible action regarding placing a City sales tax measure on the June 5, 2012 ballot, including:

a. Consider, discuss and possibly adopt a resolution making findings that, because of an existing fiscal emergency, an election on a proposed new sales tax must occur before the next regular municipal election.
b. Consider, discuss and possibly adopt a resolution calling an election on June 5, 2012, to ask the voters to approve a one-half cent [or one-quarter cent] general transactions and use tax.
c. Consider, discuss and possibly adopt a resolution providing for the submittal of arguments and rebuttal arguments pertinent to the said one-half cent [or one-quarter cent] general transactions and use tax measure and identifying the author of said arguments and rebuttal arguments on behalf of the City of Sonoma.

Summary

As was explained by City staff at the City Council meeting of February 22, 2012, with the dissolution of redevelopment through the December 29, 2011 State Supreme Court decision, the City is faced with a post-redevelopment budget scenario and needs to consider funding and budget reduction alternatives. The City is in a new era and must develop a new financial model to continue to serve its community and meet government mandates. This new financial model should be considered as time-critical since continuing the current level of public services [post-redevelopment] requires a significant drawdown on General Fund reserves on a monthly basis of approximately $85,000 per month at a minimum. This amount is derived from the fact that the City has not yet received the $250,000 minimum Successor Agency payment nor the anticipated new property tax share. Even when those amounts are received, the City will be in a deficit position, and the City's General Fund reserves cannot fill this gap indefinitely.

The Assistant City Manager has prepared a pro-forma budget (attached), which was also provided at the meeting of February 22, 2012, detailing the line budget items immediately impacted by the loss of Sonoma Community Development Agency (CDA) funding. The minimum estimated annual shortfall in the General Fund (revenues versus expenses) as detailed on the attached pro forma budget is $434,926. <u>As this amount does not take into account the average amount of $800,000 which was expended on an annual basis from prior redevelopment funding on the City's roads, streets and related infrastructure, the annual projected deficit is $1,234,926</u>. The Public Works Director has prepared a memo (which is attached, and which was provided at the meeting of February 22, 2012) detailing the loss of road funding and its impacts. Attached is a Deficit Scenario Worksheet showing the range of possible deficits based on certain assumptions, including contracts possibly not being upheld under the Assembly Bill 1X 26 review process, resulting in a potential annual deficit of approximately $1,787,926. This deficit range of $1,234,926 to $1,787,926 represents approximately 10-15% of the City's annual General Fund operating budget.

Taking the immediate deficit situation into consideration, the City Council at its regular meeting of February 22, 2012, directed staff to bring back the necessary documentation and findings for the City Council to consider taking actions placing a City sales tax measure on the June 5, 2012 election ballot. The resolution attached contains findings of a fiscal emergency based, among other things, on the elimination of redevelopment and the resulting General Fund deficit and the service and expenditure reductions which would be required if a new General Fund revenue source were not found.

The resolution calling the election, as attached, contains the following draft ballot measure wording.

> *"To preserve the safety, public services and quality of life of Sonoma, and provide funding for essential services such as police, fire and emergency medical services, street and road maintenance and repairs, flood prevention, park and open space maintenance, graffiti abatement and other general community services, shall an ordinance be adopted temporarily [or delete "temporarily"] increasing the City sales tax by one-half [or one-quarter] cent for a term of [5] [or 10] [or 20] years [or delete "for a term of years"], with all funds to be spent locally?"*

If the City Council determines to place the measure on the ballot, the amount (one-quarter cent or one-half cent) and the term (length of implementation) of the sales tax will need to be decided at the Council meeting of March 5th. The resolutions have been prepared with four alternatives: 5 years, 10 years, 20 years, and no sunset. Currently, local sales taxes throughout jurisdictions in Sonoma County are in the range of 5 years (Cities of Cotati and Rohnert Park), 8 years (City of Santa Rosa), 20 years (SMART, Transportation [Measure A], Open Space, City of Santa Rosa), and no sunset (City of Sebastopol).

Furthermore, the Council has the option of including provisions in the sales tax ordinance which call for the preparation of an annual report, typically prepared during a city's consideration of its annual budget, which describes what the additional tax revenues were used for and are anticipated to be used for in the future. In addition, the Council may wish to include in the sales tax ordinance a provision establishing a citizen's oversight committee that meets once each year to review the financial documentation showing how the additional tax revenues were spent and prepare a report of its findings to the Council. Attached are sample provisions dealing with these issues that the Council may wish to insert into the sales tax ordinance. Decisions regarding these matters should also be made at the Council meeting of March 5th in order that the attached resolutions and ordinance may be amended at the meeting to include all provisions desired by the City Council.

Regarding arguments to appear in the ballot, a resolution is attached addressing this issue. The City Council may designate the Mayor, the Council, or a number of Councilmembers to write the argument in favor of the measure. The attached resolution authorizes the filing of rebuttal arguments. It is recommended that the same persons who are authorized to author and sign the original argument also be authorized to author and sign the rebuttal argument (although such identicality is not required). No more than five persons can sign the argument and no more than five persons can sign the rebuttal argument. It is recommended that the Council determine who is to author these arguments and the person or persons who are to sign the arguments on behalf of the Council. If it is desired that one or more non-Councilpersons sign the arguments too, then it is recommended that the Council either decide who those persons are going to be or delegate that authority to the Mayor or a committee of the Council.

Recommended Council Action

a. Adopt resolution making findings that, because of an existing fiscal emergency, an election on a proposed new sales tax must occur before the next regular municipal election.
b. Adopt resolution calling an election on June 5, 2012, to ask the voters to approve a one-half cent [or one-quarter cent] general transactions and use tax.
c. Adopt resolution providing for the submittal of arguments and rebuttal arguments pertinent to the said one-half cent [or one-quarter cent] general transactions and use tax measure and identifying the author of said arguments and rebuttal arguments on behalf of the City of Sonoma.

Alternative Actions

Council discretion.

Financial Impact

As was explained at the City Council meetings of August 15, 2011 and January 12, 2012, in the first full fiscal year following dissolution (Fiscal Year 2012-13) the <u>one-time</u> disbursement property tax revenue to the City's General Fund is at this time preliminarily estimated in the range of $1,310,000 - $1,378,000 due to the liquidation and disbursement of the CDA's cash, investments and assets on hand. At the time, this was based on speculation regarding how the term "asset" will be defined in

implementing AB1X 26, and this term is still to be defined based on guidance from the State Controller. In any case, the first year dissolution allocation is unknown at this point. In a meeting with the County Auditor-Controller and County Administrator on March 1, 2012, the date of allocation of these funds and these amounts were not known and the County officials stated that this information will be forthcoming and may depend on the State's guidance and interpretations. It was stated at that meeting that the funding disbursement formulas which determine the amounts to be received by taxing entities, including the City, were yet to be decided upon and established and there was no firm date as to when these determinations would take place. This uncertainty applies to both the one-time disbursement immediately following the dissolution as well as to the ongoing annual new property tax share. In any case, any allocations from the one-time disbursement of the former assets of the Sonoma CDA in the first year following the dissolution of the Sonoma CDA will need to be utilized to repay the City's reserves which are currently being depleted at the rate of $85,000 per month. In second and subsequent years, the new property tax revenue to the City's General Fund (to be determined by a formula which has not yet been established based on the uncertainty explained above) is estimated at $330,000 annually. The amount would increase or decrease depending on changes in assessed valuation. An "administrative payment" to the Successor Agency is provided at a minimum of $250,000 per year in order to manage the winding down of the former CDA and continue with its obligations including administering debt repayment, staff support to the Oversight Board, filing State Controller's reports and associated mandated activities.

As was explained at the City Council meeting of February 22, 2012, the City will need to seriously consider the General Fund impact on the loss of redevelopment funding to administrative and personnel costs which support community services, internal services transfers (reserves for long-term building and equipment), road and street projects, and capital upgrade projects.

As was documented and explained at the City Council meeting of February 22, 2012, and also in the agenda packet materials for this meeting of March 5, 2012, at this time, the minimum estimated annual shortfall in the General Fund (revenues versus expenses) as detailed on the attached pro forma budget is $434,926. As this amount does not take into account the average amount of $800,000 which was expended on an annual basis from prior redevelopment funding on the City's roads, streets and related infrastructure, the annual projected deficit is $1,234,926. Attached is a Deficit Scenario Worksheet showing the range of possible deficits based on certain assumptions, including contracts possibly not being upheld under the Assembly Bill 1X 26 review process, resulting in a potential annual deficit of approximately $1,787,926. This deficit range of $1,234,926 to $1,787,926 represents approximately 10-15% of the City's annual General Fund operating budget.

The City currently receives approximately $2,140,000 in sales tax revenue, which is the City's approximate 1% share of the Statewide base uniform sales and use tax. Under Proposition 172, passed in 1993, the City also receives a dedicated share of sales tax in the amount of approximately $105,000 annually to be used for public safety purposes.

A local sales tax of ½ cent, if approved by the voters, would provide an estimated additional $1,077,201 annually to the City of Sonoma's General Fund. If adopted as a general purpose tax (requiring a majority vote of those voters casting ballots in the election of June 5, 2012), these funds could be utilized for any general city governmental purpose.

As an alternative to a local sales tax of ½ cent, a local sales tax of ¼ cent, if approved by the voters, would provide an estimated additional $538,600 annually to the City of Sonoma's General Fund. If adopted as a general purpose tax (requiring a majority vote of those voters casting ballots in the election of June 5, 2012), these funds could be utilized for any general city governmental purpose.

The estimate for placing a measure on the June ballot is as follows: Currently there are 6,429 registered voters. The County Registrar estimates $3.00 to $5.00 per voter for a total cost range between $19,287 to $32,145. This cost would be borne by the General Fund.

Environmental Review	**Status**
☐ Environmental Impact Report	☐ Approved/Certified
☐ Negative Declaration	☐ No Action Required
☐ Exempt	☐ Action Requested
☒ Not Applicable	

Attachments:

Resolution declaring Fiscal Emergency
Resolution calling Election for June 5, 2012 with Draft Sales Tax Ordinance attached
Sample wording on oversight and reporting provisions
Resolution setting priorities for filing written arguments
Pro Forma Post-redevelopment Budget
Deficit Scenario Worksheet
Potential City Budget / Service Reduction and Consequences
Public Works Director Memo regarding road and infrastructure funding
Potential revenue from Sales Tax rate increase
Locally adopted Sales Taxes

cc:

RESOLUTION NO. 2012-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA FINDING AND DECLARING THAT AN EMERGENCY EXISTS THAT REQUIRES ASKING THE VOTERS TO APPROVE A TRANSACTIONS AND USE TAX BEFORE THE NEXT REGULAR ELECTION FOR THE CITY COUNCIL

RECITALS

WHEREAS, the California Supreme Court on December 29, 2011 issued its opinion in *CRA v. Matosantos* upholding State legislation, Assembly Bill 1X 26 (AB1X 26), thereby allowing the dissolution of all redevelopment agencies in California as of February 1, 2012; and

WHEREAS, the League of California Cities and the California Redevelopment Association have acknowledged that the California Supreme Court's ruling was the worst possible outcome of the *CRA v. Matosantos* case in terms of its effect on cities, namely, by upholding AB1X 26 the Court permitted the dissolution of all redevelopment agencies in California and by invalidating AB1X 27, the Supreme Court eliminated the option granted under AB1X 27 to redevelopment agencies to continue in existence provided they made annual payments to the State; and

WHEREAS, the City of Sonoma's redevelopment agency, the Sonoma Community Development Agency (CDA) had been in existence since 1983 until its forced dissolution on February 1, 2012 through the California Supreme Court's decision in *CRA v. Matosantos,* which effectively altered forever the City of Sonoma's revenue structure which had been in place for over 28 years; and

WHEREAS, as of February 1, 2012, the Sonoma CDA ceased to exist as a funding source to the City of Sonoma and the Sonoma community, requiring the City's General Fund to immediately commence absorbing approximately $85,000 per month in new expenses, or approximately $1,037,431 per year, which were previously obligations of the CDA. These amounts were substantiated in a pro forma budget document which was provided to the City Council at its regular public meetings of February 22, 2012 and March 5, 2012; and

WHEREAS, the City Council of the City of Sonoma on January 12, 2012 elected to serve as the Successor Agency to the former Sonoma CDA, as allowed pursuant to AB1 X 26, and is thus entitled to a Successor Agency annual administrative allotment of $250,000; however, at this time, these funds have not been allocated to the City of Sonoma as the Successor Agency, and it is not known when these funds will be received; and

WHEREAS, the Sonoma CDA annually provided approximately $800,000 for streets and road improvements in the former Redevelopment Project Area (said former Redevelopment Project Area covered 40% of the land area of the City); and as detailed in a memo from the City's Public Works Director provided to the City Council in the public agenda packet for the regular City Council meeting of February 22, 2012, other funding sources available for streets and road

improvements are not sufficient to fund this newly created $800,000 gap left in the wake of the dissolution of the CDA; and

WHEREAS, on August 15, 2011, the City received from HdL Coren and Cone property tax consultants an estimate of the City's new projected property tax share under the proposed AB1 X 26 property tax allocation, which was estimated to be $330,000 in the first year following the dissolution of redevelopment, and when combining this $330,000 property tax share amount with the new Successor Agency annual administrative allotment of $250,000, the City's General Fund is still short of meeting the void left by the dissolution of redevelopment and the removal of redevelopment funding as a City funding source by a minimum of $434,926 annually, and when adding to this figure the minimal estimated amount of $800,000 needed to adequately maintain the City's road and infrastructure at the same level when redevelopment funding was available, the estimated annual recurring General Fund deficit increases to $1,234,926, resulting in either the need for drastic public service reductions and/or depletion of City reserve balances leaving the City at risk of not having adequate reserves set aside for natural or man-made disasters and emergencies. These amounts cited were substantiated in a pro forma budget document and a memo from the Public Works Director which were provided to the City Council at its regular public meetings of February 22, 2012 and March 5, 2012; and

WHEREAS, at its regular meeting February 22, 2012, the City Council received reports from City staff detailing the factors which combined could increase the annual General Fund deficit from $1,234,926 to $1,787,926 (which represents approximately 10% to 15% of the total General Fund budget), accounting for the possibilities of those agreements listed on the Recognized Obligations Payment Schedule being overturned by the Oversight Board to the Successor Agency to the dissolved Sonoma Community Development Agency, and/or by the State Department of Finance, State Controller and/or the County Auditor-Controller or any combination thereof; and

WHEREAS, in 2011, the Sonoma Community Development Agency issued Tax Allocation Bonds in an amount of $15,750,000 in order to finance major capital improvement projects within the former Redevelopment Project Area including public infrastructure, streets improvements, stormwater infrastructure, bikeway and pedestrian improvements, sidewalk improvements, traffic safety improvements, handicap accessibility upgrades to parks and public areas, renovation of a public library, capital grants to partner agencies, renovation, seismic upgrades and Americans with Disabilities Act (ADA) compliance upgrades of historic landmark properties, and funding dedicated to affordable housing projects, all projects which were planned and identified in the Agency's 5-Year Implementation Plan publicly adopted in December 2009; and

WHEREAS, the State Department of Finance (sometimes referred to as "DOF") in January 2012 issued its interpretation of the tax allocation bond provisions of AB1X 26. Said DOF interpretations do not allow unexpended bond proceeds to be utilized for the purposes for which the bonds were sold and instead require said funds to be used to defease the bonds whose sale generated said funds at the earliest possible opportunity. Although said DOF interpretations

continue to be the subject of debate and challenge, out of an excess of caution the City and Successor Agency have halted approximately one-half of the CDA's planned public improvement projects, most of which were road improvement and upgrade projects; and

WHEREAS, on January 26, 2012, the City of Sonoma was made aware of a working draft letter of the State Controller, to be issued in March 2012, interpreting that under AB1X 26, specifically Health and Safety Code Section 34167.5, the State Controller has authority to review and potentially reverse all "asset transfers" of redevelopment agencies which took place on or after January 1, 2011, and the State Controller is interpreting those asset transfers to include any item of economic value especially that which could be converted to cash, including cash, securities, accounts receivable, inventory, office equipment, real estate, vehicles and other property; and

WHEREAS, annually the Sonoma CDA tax increment funding was also utilized for assistance to a local homeless/emergency group housing shelter, and funded an economic development program which since 2003 provided loans, grants, and incentives to local businesses for expansion, upgrades and job creation; the economic development program in partnership with the County of Sonoma and the Sonoma Valley Chamber of Commerce has provided program services to assist business creation, retention, and expansion, including one-on-one assistance to approximately 150 businesses each year; and

WHEREAS, the loss of redevelopment funding has required the City's General Fund to begin funding a lease write-down to a historic downtown theater in order to make this single-screen theater which is a downtown centerpiece financially sustainable, at a cost to the General Fund of $27,000 annually; and

WHEREAS, redevelopment formerly funded the City's graffiti abatement program in the former Redevelopment Project Area, to reduce blight and the effects of graffiti, which left unchecked attracts more graffiti, gang activity and crime, and lower property values; this graffiti abatement program must now be funded by the City's General Fund at a cost of approximately $60,000 annually; and

WHEREAS, since AB1X 26 requires the Oversight Board of the Successor Agency to the dissolved Sonoma CDA to expeditiously wind down the affairs of the former Sonoma CDA including liquidation of property in a manner aimed at maximizing revenue to the taxing entities in the former project area, the City's former Fire Station at 32 Patten Street, Sonoma, which was owned by the Sonoma CDA for economic development purposes (specifically, to develop the property into a sales tax generating use), is subject to liquidation; thus, the City's economic development goals for this property may no longer be achieved, removing one major economic development and revenue-generating program from the City's control, adversely affecting the City's General Fund revenues; and

WHEREAS, the City Council of the City of Sonoma on January 30, 2012, declined to become the Successor Housing Agency of the dissolved Sonoma CDA, effectively removing one

unfunded State mandate from the City's General Fund obligations, yet the City still finds itself in a deficit position following redevelopment; and

WHEREAS, recurring State takeaways and borrowing of local funds dramatically impact the City's ability to maintain vital and high quality services. In Fiscal Year 2009-10, the State borrowed 8% of the City's property tax share ($132,925) and took $1.9 million from the Sonoma Community Development Agency. In Fiscal Year 2010-11, the State took an additional $394,918 from the Sonoma Community Development Agency. Other ways to "take" additional monies from cities are continuously being considered by the State Legislature to address the State's own budget crisis, while the City of Sonoma continues to be fiscally prudent. The State's inability to balance their own budget continues to negatively impact our local community and the services provided by the City of Sonoma.

WHEREAS, in response to the nationwide economic recession which has had local impacts since 2008, the City has taken the following steps to reduce expenditures and formulate and live with a sustainable budget, yet following the ruling in *CRA v. Matosantos* now finds itself facing an unexpected deficit of up to $1,787,926 annually:

- Eliminating the City Fire Department as of February 1, 2012, and contracting with the Valley of the Moon Fire District for Fire and Emergency Medical Services, removing all 82 full- and part-time City Fire employees from the City's payroll, saving an estimated $160,000 annually, leaving the City with 36 full-time equivalent employees;
- Employees participated in pension reform in 2012 by contributing 4% of their salary to fund the employee share of CalPERS pension payment;
- Reducing a Planning Department administrative assistant from full-time to part-time;
- Reduced hours for a Police Department administrative clerk;
- Requiring all "Tier 1" non-profit service providers to absorb a 12% reduction in Fiscal Year 2011-12;
- Reduced reserves for future long-term building maintenance, replacement of management information systems and replacement of vehicles;
- Left 4.5 vacancies of Maintenance Worker positions in the Public Works Department, two of which are filled by temporary labor to reduce expenditures;
- Deferred contracted personnel wage increases and deletion of management employees' cost of living adjustments;
- Reduced disaster preparedness budget;
- Reduced staff and safety preparedness/training Citywide;
- Deferred repair and maintenance;
- As of 2012, ceased allocating $200,000 per year for economic development loans and façade improvement grants to local businesses.

WHEREAS, City staff has advised the City Council and the Sonoma community that the City's General Fund cannot sustain further cuts without significantly impacting the public health, safety, and welfare of the residents of the City of Sonoma; and

WHEREAS, absent a new funding source in the wake of the dissolution of redevelopment the City will experience significantly reduced maintenance of all City facilities, streets and roads, landscaping and street trees, resulting in deterioration of facilities and increased unsightliness,

blight, and diminishing the quality of life in the City; with police and fire, and emergency medical services comprising over 74% of the City's General Fund budget, the City cannot avoid considering potential cuts to public safety, absent a new revenue source, which could likely result in longer 9-1-1 emergency response times; and

WHEREAS, the City Manager has determined that, without a new, guaranteed source of General Fund revenue to partially replace redevelopment funding, the City will be forced to drastically cut the services it provides, and as such a proposed transaction and use tax would provide the City with a new funding source for a five-year [or ten-year] [or twenty-year][or delete "for a period"] period and the community with an alternative to additional reductions; and

WHEREAS, the City is faced with the need to continue to fund its capital improvement, long term building maintenance, equipment and vehicle replacement and operating reserves in order to assure long-term financial stability for the City and to protect the City's ability to respond in the event of emergencies and to retain the City's strong bond rating; and

WHEREAS, in the absence of redevelopment funding, the City's revenue and expenditure predictions do not indicate that future General Fund revenue will be sufficient to maintain minimum public services levels, and as a result, maintenance of roads, parks, and other public facilities will be severely impacted; public safety services will operate at inadequate levels; and customer service including building and planning permit turnaround times will be compromised; and

WHEREAS, concerned that long-term reduction of staff and service levels will have a detrimental effect on the public health, safety, and welfare, the Council directed staff on February 22, 2012 to bring forward an option to increase General Fund revenue sufficiently to enable the City to restore the levels of public services sought by the residents of the City; and

WHEREAS, the proposed one-half (1/2) [or one-quarter (1/4)] cent transaction and use tax would generate approximately $1,077,201 [or $538,600] per year, and even this will not be sufficient to restore all the services and programs that are likely to be eliminated due to the loss of redevelopment funding; and

WHEREAS, the absence of additional General Fund revenue presents a dismal picture of the City's ability to provide an adequate array of basic services to residents, and even with this source of revenue (a transactions and use tax), the City Council and the community will be faced with difficult choices regarding services to be restored, funds to be set aside for cash reserve and capital improvements, and services to be maintained; and

WHEREAS, in the absence of redevelopment, the City's operating and capital budget is projected to contain a structural deficit in the amount of $1,234,926 to $1,787,926 that must be addressed as soon as possible, and that cannot continue into the 2012-13 fiscal year; without additional revenue, for the 2012-13 fiscal year, the City will be forced to severely decrease services to bring its budget into balance. Article XIIIC, section 2(b) of the California Constitution requires that elections to approve general taxes measures be consolidated with a City Council election, unless an emergency is declared by a unanimous vote of the Council. The next Council election is not until November 2012, and new tax revenue from a measure approved

by the voters at that election would not be received until April 2013, too late to address the City's significant budget gap as explained herein. The need to submit a tax measure to the voters is therefore imminent and can first be presented to the voters at the June 5, 2012 election; and

WHEREAS, in recognition of the severity of the service reductions, the negative impact on quality of life, the reduction of essential public services, and the need to re-build reserves for fiscal uncertainty, the Council, at its regular meeting of February 22, 2012, directed staff to analyze and bring forward a report for presenting a ballot measure to voters in order to secure a source of funding for the essential City services; and

WHEREAS, unless the receipt of new revenue can be assured before the end of the 2012 calendar year, drastic reductions in public services and road maintenance will be required in the wake of the dissolution of redevelopment; therefore, an election should be scheduled as soon as legally possible to allow the Sonoma community the opportunity to decide on which alternative to the current budget crisis is preferable: further reduced City services or a local transaction and use tax; and

WHEREAS, the City has not sought new revenue from its voters in 20 years, and has not raised its fee schedule since 2008, in recognition of the difficulties of its residents and businesses in dealing with the effects of the nationwide downturn in the economy which resulted in an extended recession with local impacts; and

WHEREAS, the City Council held a noticed public hearing on March 5, 2012 to consider calling a municipal election to seek voter approval of a proposed general transactions and use tax (or "sales tax"), as authorized by Revenue and Taxation Code section 7285.9; and

WHEREAS, at the conclusion of that hearing, the City Council concluded that all of the information presented indicated that an emergency existed in the City, and that the Council should call an election to ask the voters of the City to approve a five-year [or ten-year] [or 20-year] [or delete "a five-year" and insert "an"] increase in the local transactions and use tax, the revenue from which could be used to support general municipal services; and

WHEREAS, the tax to be submitted to the voters, if approved, would be imposed on retail transactions involving and use of personal property. The tax rate would be one-half of one percent (0.5%) [or 0.25%] of the sales price of the property. The tax revenue would be collected by the State Board of Equalization and remitted to the City. The tax would be in effect for five [or ten] [or twenty] years [or delete "for five years" and insert "indefinitely"], and would then expire automatically, unless extended by the voters. The tax shall be approved if the measure receives at least a majority of affirmative votes; and

WHEREAS, based on all of the information presented at the March 5, 2012 meeting, both written and oral, including the staff reports, minutes, and other relevant materials, the City Council finds that under CEQA Guidelines 15060(c)(2) and 15378, subdivisions (2) and (4) of subdivision (b), this tax does not constitute a project under CEQA and therefore review under CEQA is not required.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sonoma that the foregoing Recitals are true and correct and are hereby adopted by the City Council. Based on those Recitals, the Council unanimously finds and declares as follows:

1. The City is experiencing an existing and immediate funding crisis, which is the result of factors largely outside of its control, namely the California Supreme Court's decision on December 29, 2011 in *CRA v. Matosantos* upholding State legislation, Assembly Bill 1X 26 (AB1X 26). AB1X 26 causes all redevelopment agencies in California including the Sonoma Community Development Agency, which had been in existence for over 28 years, to be dissolved as of February 1, 2012.

2. Recurring State takeaways and borrowing of local funds dramatically impact the City's ability to maintain vital and high quality services. In Fiscal Year 2009-10, the State borrowed 8% of the City's property tax share ($132,925) and took $1.9 million from the Sonoma Community Development Agency. In Fiscal Year 2010-11, the State took an additional $394,918 from the Sonoma Community Development Agency. Other ways to "take" additional monies from cities are continuously being considered by the State Legislature to address the State's own budget crisis, while the City of Sonoma continues to be fiscally prudent. The State's inability to balance its own budget continues to negatively impact our local community and the services provided by the City of Sonoma.

3. Despite the steps the City has taken to align its General Fund budget in a sustainable manner over the past four years of the ongoing nationwide recession, the dissolution of redevelopment has placed the City's General Fund in an unsustainable and structural deficit position which is likely to result in decreasing public safety, road maintenance and other essential services. Absent redevelopment as a funding source, current City General Fund resources cannot support our community's current services, needs and levels of services.

4. The City has not sought new revenue from its voters in 20 years, and has not raised its fee schedule since 2008, in recognition of the difficulties of its residents and businesses in dealing with the effects of the nationwide downturn in the economy which resulted in an extended recession with local impacts.

5. Because of changes in State law, particularly the approval of Propositions 62 and 218, the City has very few means available for increasing General Fund revenue.

6. In 2011, the Sonoma Community Development Agency issued Tax Allocation Bonds in an amount of $15,750,000 in order to finance major capital improvement projects within the former Redevelopment Project Area including public infrastructure, streets improvements, stormwater infrastructure, bikeway and pedestrian improvements, sidewalk improvements, traffic safety improvements, handicap accessibility upgrades to parks and public areas, renovation of a public library, capital grants to partner agencies, renovation, seismic upgrades and Americans with Disabilities Act (ADA) compliance upgrades of historic landmark properties, and funding dedicated to affordable housing projects, all projects which were planned and identified in the Sonoma Community Development Agency's 5-Year Implementation Plan publicly adopted in December 2009.

In January 2012, the DOF issued its interpretation of the tax allocation bond provisions of AB1X 26. Said DOF interpretations do not allow unexpended bond proceeds to be utilized for the purposes for which the bonds were sold and instead require said funds to be used to defease the bonds whose sale generated said funds at the earliest possible opportunity. Although said DOF interpretations continue to be the subject of debate and challenge, out of an excess of caution the City and Successor Agency have halted approximately one-half of the CDA's planned public improvement projects, most of which were road improvement and upgrade projects.

7. Absent a new source of General Fund revenue, the City's ability to maintain public service levels, roads and infrastructure is uncertain, and the City's General Fund budget will be out of balance by a minimum of approximately $1,234,926 starting July 1, 2012, and on an ongoing basis thereafter, resulting in either the need for drastic public service reductions and/or depletion of City reserve balances leaving the City at risk of not having adequate reserves set aside for natural or man-made disasters and emergencies.

8. Unless a new funding source is found, public facilities and property will not be properly maintained, road and hardscape surface quality will degrade, public safety standards will degrade, police response times are likely to increase, the community will not have safe and maintained parks and open spaces, graffiti is likely to be left unchecked, businesses and families will be discouraged from moving to or remaining in Sonoma, and the health, safety, and welfare of the residents of Sonoma will be endangered. With police and fire, and emergency medical services comprising over 74% of the City's General Fund budget, the City cannot avoid considering potential cuts to public safety, absent a new revenue source, which could likely result in longer 9-1-1 emergency response times.

9. Because of that threat to the public health, safety, and welfare, <u>an emergency exists in the City, as the term "emergency" is used in Article XIIIC, section 2(b) of the California Constitution</u>. The City must immediately address that emergency by ensuring that the City has the resources necessary to preserve the public health, safety, and welfare.

10. The identified emergency necessitates that the City Council submit a tax measure to the voters of Sonoma at the June 5, 2012 election, even though such an election would not be consolidated with a general election for a member of the Council.

11. Article XIIIC, section 2(b) of the California Constitution permits the City, in an emergency situation such as that declared herein by the City Council, to seek voter approval for a general tax at an election that is not consolidated with an election for a member of the Council.

IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a regular meeting of the City Council of the City of Sonoma held on the 5th day of March, 2012 by the following vote, to wit:

Approved:_____

Joanne Sanders, Mayor

Attest:_____
Gay Johann, City Clerk

Approved as to form:

_____
Jeffrey A. Walter, City Attorney

CITY OF SONOMA

RESOLUTION NO. XX - 2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA, CALIFORNIA CALLING A SPECIAL ELECTION TO ASK THE VOTERS OF THE CITY OF SONOMA TO APPROVE A 5-YEAR [or 10-YEAR] [or 20 YEAR] GENERAL TRANSACTIONS AND USE TAX OF ONE HALF [or ONE QUARTER] CENT; AND REQUESTING THAT THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA CONSOLIDATE THE ELECTION WITH THE ESTABLISHED ELECTION TO BE HELD ON TUESDAY, JUNE 5, 2012, AND DIRECT THE COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION ON THE CITY'S BEHALF

RECITALS

WHEREAS, by the adoption of Resolution No. ___- 2012 the City Council unanimously found and declared that City of Sonoma's current financial situation presents a dire, imminent, and unexpected threat to the health, safety, and general welfare of the residents and businesses in the City. The City Council further found and declared that that threat constitutes an emergency, as that term is used in article XIIIC, section 2(b) of the California Constitution. To address that emergency, the Council resolved to seek voter approval of a one-half [or one-quarter] cent general transactions and use tax (also known as "sales tax") to generate sufficient additional revenue to fund certain general municipal services following the dissolution of the Sonoma Community Development Agency, due to the California Supreme Court decision in CRA v. Matosantos which allowed the dissolution of all redevelopment agencies in California as of February 21, 2012, resulting in an immediate City of Sonoma General Fund deficit of ____ per _____; and

WHEREAS, when a city council seeks voter approval of a new tax, article XIIIC, section 2(b) of the California Constitution requires the election to be consolidated with the general municipal election for city councilmembers, except in cases in which a city council has unanimously declared that there is an emergency. The next general municipal election is not scheduled until November 2012; the City would not begin to receive revenue from a transactions and use tax approved at that election until April 2013, too late to address the emergency caused by the City's financial condition. An election earlier than November 2012 is therefore required and is permitted under article XIIIC, section 2(b) based on the findings and declarations of the Council made in Resolution No. _____; and

WHEREAS, the City Council held a noticed public hearing on March 5, 2012 to consider calling a special election to seek voter approval of a proposed general transactions and use tax (or "sales tax"), as authorized by Revenue and Taxation Code section 7285.9; and

WHEREAS, at the conclusion of that hearing, the City Council concluded that all of the information presented indicated that an emergency existed in the City and that the Council should call an election as soon as possible to ask the voters of the City to approve a 5-year [or 10-year] [or 20-year] local transactions and use tax, the revenue from which could be used to support general municipal services; and

WHEREAS, the tax to be submitted to the voters, if approved, would be imposed on retail transactions involving and use of personal property. The tax rate would be one-half of one

percent (0.5%) [or one quarter of one percent (0.25%) of the sales price of the property. The tax revenue would be collected by the State Board of Equalization and remitted to the City. The tax would be in effect for 5 years [or 10-years] [or 20-years], and would then expire automatically, unless extended by the voters. The tax shall be approved if the measure receives at least a majority of affirmative votes; and

WHEREAS, based on all of the information presented at the March 5, 2012 meeting, both written and oral, including the staff reports, minutes, and other relevant materials, the City Council finds that under CEQA Guidelines 15060(c)(2)&(3) and 15378(b)(2)&(4), the adoption of this Resolution and the approval of the attached ordinance are exempt from the California Environmental Quality Act (Public Resources Code §20111 *et seq*., "CEQA", and 14 Cal. Code Reg §15000 *et seq*., "CEQA Guidelines". The transactions and use tax to be submitted to the voters is a general tax that can be used for any legitimate governmental purpose; it is not a commitment to any particular action. As such, under CEQA Guidelines §45060(c)(2), the submission of the sales tax measure to the voters will not result in a direct or reasonably foreseeable indirect physical change in the environment. The proceeds of the measure are anticipated to assist the City with retaining existing governmental functions and services to the public. Therefore, pursuant to CEQA Guidelines §15378(b)(2), the sales tax measure is not a project pursuant to CEQA. In addition, pursuant to CEQA Guidelines §15060(c)(3) and §15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the City would undertake the required CEQA review for that particular project.

BE IT RESOLVED BY THE COUNCIL OF SONOMA as follows:

SECTION I. The foregoing Recitals are true and correct and are hereby adopted by the City Council.

SECTION II. Pursuant to California Constitution Article XIIIC, Section 2; Government Code Section 53724; and Elections Code Section 9222, the City Council of the City of Sonoma hereby calls an election at which it shall submit to the qualified voters of the City, a measure that, if approved, would adopt a [temporary] general transactions and use tax, as authorized by Revenue and Taxation Code section 7285.9. This measure shall be designated by letter by the Sonoma County Elections Department. Pursuant to Election Code Section 10400 *et seq.*, the election for this measure shall be consolidated with the established election to be conducted on June 5, 2012.

SECTION III. The ordinance authorizing the general tax to be approved by the voters pursuant to Section II is as set forth in Exhibit A hereto and incorporated by this reference. The City Council hereby approves the ordinance, the form thereof, and its submission to the voters of the City at the June 5, 2012 election, as required by Revenue and Taxation Code section 7285.9, subject to the approval of a majority of the voters voting on the measure at the election called by the adoption of this resolution. The entire text of the ordinance, attached hereto as Exhibit A, shall be made available to the public upon request. The ordinance specifies that the rate of the transactions tax shall be one-half of one percent (0.5%) [or one quarter of one percent (0.25%)] of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City; it specifies that the rate of the use tax shall be one-half of one percent (0.5%) [or one quarter of one percent (0.25%)] of the sales price of tangible personal

property stored, used or otherwise consumed in the City. The State Board of Equalization shall collect the tax from retailers subject to the tax and remit the funds to the City.

SECTION IV. The proposed transactions and use tax ordinance shall be submitted to the voters on the ballot in the form of the following question:

"**Emergency Approval of a Temporary Transactions and Use (Sales) Tax"**

"To preserve the safety, public services and quality of life of Sonoma, and provide funding for essential services such as police, fire and emergency medical services, street and road maintenance and repairs, flood prevention, park and open space maintenance, graffiti abatement and other general community services, shall an ordinance be adopted temporarily [or delete "temporarily"] increasing the City sales tax by one-half [or one-quarter] cent for a term of [5] [or 10] [or 20] years [or delete "for a term of years"], with all funds to be spent locally?"

SECTION V. The official ballot to be used at said election shall conform to the laws of the State of California with relation thereto.

SECTION VI. The City Attorney shall prepare an impartial analysis of the ballot measures not to exceed five hundred words in length showing the effect of the measures on the existing law and the operation of the measure.

SECTION VII. The City Council authorizes the Registrar of Voters to consolidate this election with the established election on June 5, 2012 for the ease and convenience of the registered voters and to take advantage of any cost savings possible by such consolidation.

SECTION VIII. The City Clerk may request the assistance of the County of Sonoma Election Department in regard to said Special Municipal Election, as the City Clerk deems necessary, and the City shall pay the incurred cost of such assistance.

SECTION IX. In accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code, the City Clerk is hereby authorized and directed to cause notice of the measure to be published once in the Sonoma Index Tribune, a newspaper of general circulation, printed, published, and circulated in the City of Sonoma and hereby designated for that purpose by the Council of Sonoma. The City Clerk may request that the County of Sonoma Elections Department prepare and publish the required notice.

SECTION X. The election on the measure set forth in Sections III and IV of this resolution shall be held and conducted, the votes canvassed and the returns made, and the results ascertained and determined as provided for herein. In all particulars not prescribed in this resolution, the election shall be held as prescribed in the Elections Code of the State of California. The Board of Supervisors of the County of Sonoma is authorized to canvas the returns of that election with respect to the votes cast in the City of Sonoma and certify the results to the City Council. At the next regular meeting of the City Council occurring after the returns of the election have been canvassed and the certification of the results to the City Council, the City Council shall cause to be entered in its minutes a statement of the results of the election.

SECTION XI. The City Manager is hereby authorized and directed to expend the necessary funds to pay for the City's cost of placing the measure on the election ballot.

SECTION XII. This Resolution shall be forthwith entered upon the minutes of this Council and kept and maintained by the City Clerk of Sonoma.

SECTION XIII. The City Clerk is hereby authorized and directed to certify to the due adoption of this Resolution and to transmit a copy hereof so certified to the Board of Supervisors and the Registrar of Voters of Sonoma County.

PASSED AND ADOPTED this ____ day of March 2012, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Joanne Sanders, Mayor

ATTEST:

_____
Gay Johann, City Clerk

EXHIBIT A

ORDINANCE NO._____

AN ORDINANCE OF THE CITY OF SONOMA
IMPOSING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

BE IT ORDAINED BY THE VOTERS OF THE CITY OF SONOMA:

Section 1. FINDINGS. The voters of the City of Sonoma hereby find and declare as follows:

1. The City is experiencing an existing and immediate funding crisis, which is the result of factors largely outside of its control, namely the California Supreme Court's decision on December 29, 2011 in *CRA v. Matosantos* upholding State legislation, Assembly Bill 1X 26 (AB1X 26). AB1X 26 causes all redevelopment agencies in California including the Sonoma Community Development Agency, which had been in existence for over 28 years, to be dissolved as of February 1, 2012.

2. Recurring State takeaways and borrowing of local funds dramatically impact the City's ability to maintain vital and high quality services. In Fiscal Year 2009-10, the State borrowed 8% of the City's property tax share ($132,925) and took $1.9 million from the Sonoma Community Development Agency. In Fiscal Year 2010-11, the State took an additional $394,918 from the Sonoma Community Development Agency. Other ways to "take" additional monies from cities are continuously being considered by the State Legislature to address the State's own budget crisis, while the City of Sonoma continues to be fiscally prudent. The State's inability to balance its own budget continues to negatively impact our local community and the services provided by the City of Sonoma.

3. Despite the steps the City has taken to align its General Fund budget in a sustainable manner over the past four years of the ongoing nationwide recession, the dissolution of redevelopment has placed the City's General Fund in an unsustainable and structural deficit position which is likely to result in decreasing public safety, road maintenance and other essential services. Absent redevelopment as a funding source, current City General Fund resources cannot support our community's current services, needs and levels of services.

4. The City has not sought new revenue from its voters in 20 years, and has not raised its fee schedule since 2008, in recognition of the difficulties of its residents and businesses in dealing with the effects of the nationwide downturn in the economy which resulted in an extended recession with local impacts.

5. Because of changes in State law, particularly the approval of Propositions 62 and 218, the City has very few means available for increasing General Fund revenue.

6. In 2011, the Sonoma Community Development Agency issued Tax Allocation Bonds in an amount of $15,750,000 in order to finance major capital improvement projects within the former Redevelopment Project Area including public infrastructure, streets

improvements, stormwater infrastructure, bikeway and pedestrian improvements, sidewalk improvements, traffic safety improvements, handicap accessibility upgrades to parks and public areas, renovation of a public library, capital grants to partner agencies, renovation, seismic upgrades and Americans with Disabilities Act (ADA) compliance upgrades of historic landmark properties, and funding dedicated to affordable housing projects, all projects which were planned and identified in the Sonoma Community Development Agency's 5-Year Implementation Plan publicly adopted in December 2009. In January 2012, the DOF issued its interpretation of the tax allocation bond provisions of AB1X 26. Said DOF interpretations do not allow unexpended bond proceeds to be utilized for the purposes for which the bonds were sold and instead require said funds to be used to defease the bonds whose sale generated said funds at the earliest possible opportunity. Although said DOF interpretations continue to be the subject of debate and challenge, out of an excess of caution the City and Successor Agency have halted approximately one-half of the CDA's planned public improvement projects, most of which were road improvement and upgrade projects.

7. Absent a new source of General Fund revenue, the City's ability to maintain public service levels, roads and infrastructure is uncertain, and the City's General Fund budget will be out of balance by a minimum of approximately $1,234,926 starting July 1, 2012, and on an ongoing basis thereafter, resulting in either the need for drastic public service reductions and/or depletion of City reserve balances leaving the City at risk of not having adequate reserves set aside for natural or man-made disasters and emergencies.

8. Unless a new funding source is found, public facilities and property will not be properly maintained, road and hardscape surface quality will degrade, public safety standards will degrade, police response times are likely to increase, the community will not have safe and maintained parks and open spaces, graffiti is likely to be left unchecked, businesses and families will be discouraged from moving to or remaining in Sonoma, and the health, safety, and welfare of the residents of Sonoma will be endangered. With police and fire, and emergency medical services comprising over 74% of the City's General Fund budget, the City cannot avoid considering potential cuts to public safety, absent a new revenue source, which could likely result in longer 9-1-1 emergency response times.

9. Because of that threat to the public health, safety, and welfare, <u>an emergency exists in the City, as the term "emergency" is used in Article XIIIC, section 2(b) of the California Constitution</u>. The City must immediately address that emergency by ensuring that the City has the resources necessary to preserve the public health, safety, and welfare.

10. The identified emergency necessitates that the City Council submit a tax measure to the voters of Sonoma at the June 5, 2012 election, even though such an election would not be consolidated with a general election for a member of the Council.

11. Article XIIIC, section 2(b) of the California Constitution permits the City, in an emergency situation such as that declared herein by the City Council, to seek voter approval for a general tax at an election that is not consolidated with an election for a member of the Council.

SECTION 2: Amendment of Code: Chapter 3.12 “2012 Transactions and Use Tax” shall be added to the Sonoma Municipal Code and shall read as follows

3.13.010TITLE. This ordinance shall be known as the City of Sonoma Transactions and Use Tax Ordinance. The city of Sonoma hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.13.020 OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

3.13.030 PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.13.040. CONTRACT WITH STATE. Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

3.13.050. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one-half of one percent [or one-fourth of one percent] of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this ordinance.

3.13.060. PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.13.070. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent [or one-fourth of one percent] of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.13.080. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

3.13.090. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3.13.100. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.13.110. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.13.120. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.13.130. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

SECTION 3. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 4. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

SECTION 5. TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall expire on the fifth [or tenth] [or twentieth] anniversary of the Operative Date, unless extended by a majority vote of the voters of the City.

THE FOREGOING ORDINANCE was adopted by Declaration of the vote of the Sonoma City Council on the ___ day of _____, 2012 at a regular meeting of the Sonoma City Council by the following vote, to wit:

AYES:

NOES:

ABSENT:

_____
Mayor

Attest:_____
(Signature)

_____
City Clerk

ord_City
(rev 05/04)

Sample wording on Oversight and Reporting provisions

A:

Annual Audit and Public Report. Annually, the City Council retains an independent auditor to conduct an audit of and provide audited financial statements for all of the City's financial activities. The auditor shall include an accounting of the revenue received from the tax and expenditures thereof in the audited financial statements. The auditor's report shall be presented to the Council and made available to the public. Additionally, the City's annual budget shall provide information regarding the General Fund deficit that would exist absent the proceeds of the transactions and use tax.

B.

Citizens Oversight Committee. Prior to the operative date, the City Council shall (a) adopt a resolution establishing the composition of a committee of no more than five residents of Sonoma to review and annually report on the revenue and expenditure of funds from the tax adopted by this ordinance, (b) defining the scope of the committee's responsibilities, and (c) appointing at least a quorum of the members of the committee. City employees, consultants, or vendors are expressly precluded from serving as members of the Citizens Oversight Committee. The committee's reports shall be presented to the Council and made available to the public.

C:

A.

Citizens Oversight Committee Established. There shall be a permanent citizens' advisory committee called the "Citizens Oversight Committee" (hereinafter "Committee"), which shall semi-annually review revenues and expenditures from the collection of the tax.

B.

Committee Membership. The committee shall have five citizen-members appointed by the city council for six-year terms with initially three members serving three years, and three members serving six years. Appointees shall be residents of the city; however, no member of the committee shall be an elected official.

C.

Committee Organization Procedures. The committee shall select one of its members as chairperson. The committee shall follow the rules of procedure of the city unless and until, upon the report and recommendation from the committee, the city council adopts a specific set of procedural rules for the committee.

D.

Regular Meeting; Provision of Support Services and Information. The committee shall be subject to the provisions of the Brown Act (California Government Code Sections 54950 et

seq.) and shall meet at least once each calendar year. A regular meeting schedule shall be determined in accordance with the Brown Act and thereafter meetings shall be noticed by the city clerk. The city manager or his/her designee shall serve as executive staff to the committee. In addition to receiving materials directly related to the functioning of the committee, the committee members shall also receive all agenda material and other primary staff reports (other than those which are confidential) as are provided to the city council.

E.

Citizens Oversight Committee Functions. The committee shall have the following function:

Semi-annual report: the committee shall review a semi-annual expense report of the city relative to activities funded with the additional general purpose local sales tax monies. Not later than the last day of the sixth month following the end of the each city fiscal year, the committee will present its findings and conclusions to the city council for its review.

CITY OF SONOMA

RESOLUTION NO. xx – 2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS RELATED TO THE JUNE 5, 2012 SPECIAL MUNICIPAL ELECTION

WHEREAS, a Special Municipal Election is to be held in the City of Sonoma, California on June 5, 2012, at which there will be submitted to the voters the following measure:

"To preserve the safety, public services and quality of life of Sonoma, and provide funding for essential services such as police, fire and emergency medical services, street and road maintenance and repairs, flood prevention, park and open space maintenance, graffiti abatement and other general community services, shall an ordinance be adopted temporarily [or delete "temporarily"] increasing the City sales tax by one-half [or one-quarter] cent for a term of [5] [or 10] [or 20] years [or delete "for a term of years"], with all funds to be spent locally?"	YES NO

WHEREAS, whenever a municipal ballot measure is authorized, State law provides that the City Council may provide for the filing of written arguments for and against a measure; and

WHEREAS, Elections Code Section 9282 sets forth the procedures for arguments in favor of or in opposition to a City measure; and

WHEREAS, Elections Code Section 9285 sets forth the procedures for rebuttal arguments, whose provisions are hereby adopted.

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

Section 1. That the City Council authorizes the individuals identified in section 3, below, to file written arguments in Favor of or Against the City Measure not exceeding 300 words, accompanied by the printed names and signatures of the authors 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.

Section 2. The arguments shall be filed with the City Clerk, signed, with the printed names and signatures of the authors submitting it, or if submitted on behalf of an organization, 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 argument shall be accompanied by the Form of Statement To Be Filed by Authors of Arguments.

Section 3. The deadline for filing arguments for and against the ballot measure with the City Clerk shall be March 19, 2012, and the argument shall not exceed 300 words in length. Rebuttal arguments shall be filed with the City Clerk by March 29, 2012 and shall not exceed 250 words in length. The Mayor [or other person(s) authorized by the Council] is hereby authorized to prepare a written argument in favor of the proposed ordinance, not to exceed 300

words, on behalf of the City Council. At the Mayor's [or other person(s) identified by the Council] discretion, the argument may also be signed by representatives of bona fide associations or by individual voters who are eligible to vote. In no case shall more than five persons sign the argument, at least one of whom must be a Councilmember. Pursuant to Section 9285 of the California Elections Code, when the City Clerk has selected the arguments for and against the measure, which will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor.

Section 4. The same persons authorized in Section 3 above to prepare and sign the direct argument in favor of the proposed ordinance shall be authorized to prepare and sign the rebuttal argument. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument, which it seeks to rebut.

Section 5. 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 March _____, 2012 by the following vote:

AYES:
NOES:
ABSENT:

_____
Joanne Sanders, Mayor

ATTEST:

_____
Gay Johann, City Clerk

Entity:	100 - GENERAL FUND	Entity:	291-46001 - CDA - HOUSING - LMI	Entity:	391-53001 - CDA - ADMIN	Entity:	391-53008 - CDA - ECONOMIC DEV	GENERAL
Format:	BUDGET ADOPTED	Format:	BUDGET ADOPTED	Format:	BUDGET ADOPTED	Format:	BUDGET ADOPTED	FUND
Year:	Fy2012	Year:	Fy2012	Year:	Fy2012	Year:	Fy2012	BUDGET
								[PRO-FORMA]
DESCRIPTION	2012 BUDGET							
30010 TAXES - SECURED	2,674,000			30010 TAXES - SECURED - ESTIMATED	330,000			3,004,000
30011 TAXES - UNSECURED	90,320							84,875
30015 TAXES - HOPTR	25,360							25,360
30016 COUNTY COLLECTION FEE	(44,000)			30016 COUNTY COLLECTION FEE	(5,445)			(44,000)
30017 ERAF (STATE TRSFR)	(1,169,000)							(1,169,000)
30020 SALES TAXES - SAFETY	105,000							105,000
30021 SALES AND USE TAXES	2,140,000							2,140,000
30023 VLF SWAP-SB1096	750,000							750,000
30030 TRANSIENT OCCUPANCY TAX	2,330,000							2,330,000
30031 FRANCHISE TAXES	374,000							374,000
30040 BUSINESS LICENSE	290,000							290,000
30060 PROPERTY TRANS TAX	60,000							60,000
30102 ZONING FEES	27,000							27,000
30104 SALES OF PUBLICATIONS	1,000							1,000
30105 MICROGRAPHICS FEES	4,800							4,800
30108 STRONG MOTION FEES (CITY)	100							100
30111 FIRE PLAN CHECK FEE	7,500							7,500
30112 BUILDING PLAN CHECK FEE	115,000							115,000
30114 ENGINEER PLAN CHECK FEE	30,000							30,000
30115 BUILDING INSPECTION/PROCESSING	100,000							100,000
30117 ENGINEERING INSPECTION/PROCESS	2,000							2,000
30118 PLANNING FEES	3,000							3,000
30119 TRAINING FEES	4,400							4,400
30201 ANIMAL LICENSE	9,500							9,500
30203 ENCROACHMENT	35,000							35,000
30301 PARKING FINES	45,000							45,000
30302 CRIMINAL FINES	700							700
30303 VEHICLE CODE FINES	28,000							28,000
30307 CHP - SONOMA	2,500							2,500
30308 SONOMA P/C 33%	200							200
30310 TRAFFIC VIOLATOR SCHOOL	4,500							4,500
30600 INTEREST INCOME	160,000							160,000
30701 RENTAL INCOME	50,000			30701 RENTAL INCOME	27,000			77,000
30702 PARK RESERVATION	15,000							15,000
30703 MOBILE HOME PARK ADM	10,200							10,200
30800 FILMING PERMIT FEE	3,000							3,000
31001 MV IN-LIEU	60,950							60,950
31105 TRAFFIC CONGESTION RELIEF	82,000							82,000
				SUCCESSOR AGENCY ADMIN ALLOWA	250,000			250,000
31405 VOM FINANCE AGMT	67,000							67,000
31502 POLICE SERVICES	35,000							35,000
31503 ANIMAL SERVICES	1,000							1,000

31504 SPECIAL PUBLIC WORKS	20,000							20,000
31507 STREET SWEEPING	18,100							18,100
31508 OTHER-CHARGES FOR SVC	1,000							1,000
31510 PUBLIC WORKS INSPECTIONS	10,000							10,000
33001 BILLINGS - EMS (ADJUSTMENTS &	1,770,000							1,770,000
33002 FIREMED MEMBERSHIP	75,000							75,000
35001 SALE OF PROPERTY	1,000							1,000
35005 OTHER-MISC. REV.	0			35004 REIMBURSEMENT AGMTS	0			-
35007 YOUTH/FAMILY SVS GRANT	32,500							32,500
35016 REMIF REBATES	50,000							50,000
35021 PG&E SOLAR REBATES	18,000							18,000
37201 TRANSFER FROM RESERVES	49,508							49,508
37200 TRANSFER IN	889,257		(60,043)		(181,015)			648,199
30000 TOTAL REVENUE	11,464,395							11,824,892
TRANSFER TO COSTS TO GENERAL FROM:		291-46001 - CDA - HOUSING - LMI		391-53001 - CDA - ADMINISTRATION		391-53008 - CDA - ECONOMIC DEVELOPMENT		
110 REGULAR EMPLOYEES	2,863,550	110 REGULAR EMPLOYEES	85,958	110 REGULAR EMPLOYEES	294,538			3,244,046
120 TEMPORARY/PART-TIME	376,658		0	120 TEMPORARY/PART-TIME	6,480			383,138
129 SPECIAL DUTY PAY	3,000							3,000
130 OVERTIME	300,000							300,000
290 EMPLOYEE BENEFITS	1,565,687	290 EMPLOYEE BENEFITS	29,945	290 EMPLOYEE BENEFITS	107,408			1,703,040
291 WORKERS COMP	127,445	291 WORKERS COMP	3,656	291 WORKERS COMP	10,434			141,535
310 LEGAL	267,000	310 LEGAL	0	310 LEGAL	0			267,000
311 ACCOUNTING/AUDIT	14,000			311 ACCOUNTING/AUDIT	0			14,000
312 RECRUITMENT	19,970							19,970
314 ENGINEERING	0			314 ENGINEERING	0			-
313 CONSULTING	11,000							11,000
321 ELECTIONS	0							-
350 PROFESSIONAL/TECHNICAL	38,200					350 PROFESSIONAL/TECHNICAL	0	38,200
352 SHERIFF'S CONTRACT	3,754,470							3,754,470
401 UTILITIES	170,335	401 UTILITIES	6,400					176,735
403 CUSTODIAL (Inc. Supplies)	46,703							46,703
404 REPAIR & MAINTENANCE	196,770							196,770
405 RENTAL/LEASE - LAND & BUILD	10,000					405 RENTAL/LEASE - LAND & BUILD	72,000	82,000
406 RENTAL/LEASE-EQUIPMENT	32,020					406 RENTAL/LEASE-EQUIPMENT	0	32,020
407 CONTRACT SERVICES	349,337	407 CONTRACT SERVICES	0			407 CONTRACT SERVICES	0	349,337
408 TIER 1 CONTRACTS	123,200							123,200
420 OTHER PROPERTY SVS	32,210							32,210
452 COMMUNICATIONS	62,810							62,810
453 ADVERTISING	12,500			453 ADVERTISING	1,000			12,500
454 PRINTING & BINDING	4,850							4,850
455 TRAVEL	3,730			455 TRAVEL	200			3,730
456 MEMBERSHIPS	15,552			456 MEMBERSHIPS	0	456 MEMBERSHIPS	0	15,552
457 TRAINING/CONFERENCES	55,300			457 TRAINING/CONFERENCES	0	457 TRAINING/CONFERENCES	0	55,300
460 PERMITS, FEES	9,122					460 PERMITS, FEES	6,000	15,122
461 CFAC ACTIVITIES	4,500							4,500
480 OTHER SERVICES	47,086			480 OTHER SERVICES	0	480 OTHER SERVICES [BUSINESS LOAN	0	47,086

491 DISASTER PREPAREDNESS	1,500							**1,500**
501 GENERAL SUPPLIES	92,845	501 GENERAL SUPPLIES	250	501 GENERAL SUPPLIES	60,000	501 GENERAL SUPPLIES	12,735	**165,830**
505 ENERGY - GASOLINE	100,375							**100,375**
506 FOOD	1,200							**1,200**
507 BOOKS & PERIODICALS	2,250							**2,250**
508 CLOTHING/UNIFORMS	26,850							**26,850**
510 DEPARTMENT EXPENSE	6,000							**6,000**
550 OTHER EQUIPMENT/SUPPLIES	85,000							**85,000**
555 PROFESSIONAL SERVICES	116,974							**116,974**
604 MACHINERY AND EQUIPMENT	220,000							**220,000**
606 SOFTWARE	0							**-**
607 COMPUTER EQUIPMENT	0							**-**
703 CONSTRUCTION, MATERIAL, SUPPLI	0	703 CONSTRUCTION, MATERIAL	0	703 CONSTRUCTION, MATERIAL, SUPF	0			**-**
750 LONG-TERM BUILDING MAINT	0	750 LONG-TERM BUILDING MAI	6,062	750 LONG-TERM BUILDING MAINT	6,332			**12,394**
760 VEHICLE REPLACEMENT TRANSFER	72,940							**72,940**
770 MIS REPLACEMENT TRANSFER	139,329	770 MIS REPLACEMENT TRANSF	6,948	770 MIS REPLACEMENT TRANSFER	29,055			**175,332**
780 INSURANCE TRANSFER	86,669	780 INSURANCE TRANSFER	12,268	780 INSURANCE TRANSFER	38,954			**137,891**
900 OPER. TRANSFERS-OUT	215,458							**215,458**
903 TRSF IN REIMB VEHICLE PURCH	-220,000							**(220,000)**
40000 TOTAL EXPENSE	**11,464,395**		**151,487**		**554,401**		**90,735**	**12,259,818**
REVENUE VS. EXPENDITURES	**0**							**(434,926)**

FOOTNOTES:

Amounts included on EOPS; deleted from spreadsheet

Property Tax increase is estimated amount

DEFICIT SCENARIO WORKSHEET

All revenue assumptions in each scenario estimate the new property tax to the General Fund at $330,000 and the new minimum Successor Agency administrative payment at $250,000.*

Scenario	Cumulative General Fund Deficit	Enforceable Obligation Payment Schedule (EOPS) Assumptions
1	$434,926	All programs and contracts listed on EOPS will be upheld by Oversight Board (with exception of City-Agency Cooperative Agreements). This number presumes: a. The City General Fund will start funding the graffiti abatement program. b. The City will pay SOS Shelter utility payments from the General Fund. c. The General Fund will fund the Sebastiani Theater lease and utilities [sanitation]. d. The City will continue to fund its internal services funds in line with historical policy and practice even in the absence of CDA. e. The City will not off-set any special events venue fees such as the Jazz festival and the Film Festival from the General Fund. f. The City will not fund Economic Development programs including façade grants and business loans.
2	$499,926	SV Economic Development Partnership agreement is invalidated by Oversight Board (OB) or the State of California and City Council funds program at same rate as current from General Fund ($65,000) (contract expires July 2012).
3	$717,926	#2 above plus the SV Visitors Bureau contract is invalidated by OB or the State ($218,000) and the City Council funds program at same rate as current from General Fund.
4	$747,926	#2 and 3 above plus the Sonoma Overnight Shelter contract is invalidated by OB or the State ($30,000) and the City Council funds program at same rate as current from General Fund.
5	$877,926	All of the above plus the City Attorney and Special Counsel agreements for Successor Agency support are invalidated by OB or the State ($130,000) and the City Council funds program at same rate as current from General Fund.
6	$887,926	All of the above plus the Auditor contract for the Successor Agency is invalidated by OB or the State ($10,000) and the City Council funds program at same rate as current from General Fund.
7	$987,926	All of the above plus the Agreement with the Sonoma Community Center ($100,000 per year for five years) is invalidated by OB or the State and the City Council funds program at same rate as current from General Fund.
8	$1,787,926	All of the above plus the City Council decides to spend the same average amount on **road repair** when CDA funds were available. ***This amount averaged $800,000 annually***.

*It is unknown at this time when the new administrative payment of $250,000 will be made to the City as the Successor Agency.

POTENTIAL CITY BUDGET / SERVICE REDUCTIONS AND THEIR CONSEQUENCES:

DEPARTMENT	DESCRIPTION	FTE	Potential Annual Savings	Potential Consequences
ADMINISTRATION	Elimination of a position and reduce hours for another position	1.25	$115,000	Degradation of customer service for cemetery needs, potentially resulting in challenges in scheduling funerals, burials and headstone placement in a timely fashion (as long as the City owns cemeteries, the City will have a mandate to provide services. These are services which cannot wait or be deferred.); reduction or elimination of Disaster Council and disaster preparedness program components; reduction or elimination of Cultural and Fine Arts Commission; degradation of response time to citizen concerns, emails, letters and requests for one on one meetings with staff; delay in personnel evaluations and timeliness of recruitments and processing of human resources issues; lack of/less support for City Council projects and policies; less staff time to support mobile home park issues; reduction in proclamations, commendations and certificates of recognition; action minutes of all meetings; potential reduction of staff time to influence, participate and represent the City's interests in regional and State issues; reduction in press releases and timely information available to community; website information not timely; reduced ability to research and respond to City Council requests for new programs, policies and responses to constituent concerns. Will result in more reactive triage efforts. Inability to meet certain City Council objectives in a timely fashion.
BUILDING	Reduction in number of hours	0.5	$63,114	Significantly longer wait times (up to several additional weeks) for plan review and permits - resulting in additional costs to owners and contractors; reduction in customer service hours at the front counter; reduction in available inspection times to owners and contractors; increase in unpermitted construction activity due to difficulty in obtaining timely permits; loss of permit fee revenue due to unpermitted construction activity; reduction in code enforcement actions (i.e. limit response to immediate and eminent safety complaints - little or no follow-up on nuisance complaints); increase in customer service complaints to department head, City Manager and Councilmembers.

DEPARTMENT	DESCRIPTION	FTE	Potential Annual Savings	Potential Consequences
CITY PROSECUTOR	Eliminate City Prosecutor program	(Contract)	$65,000	Lack of prosecution of misdemeanor and code infractions including all building and zoning issues. The reason that the position was created and the monthly comp set was to avoid the necessity of paying the City Attorney on an hourly basis to prosecute infractions and misdemeanors on a one by one basis. Prosecute 35 to 40 cases on a monthly basis with the cost per matter leveling out to be approximately $111 to $142 per matter which is actually less than the booking charge. Many of these matters require multiple court appearances. Available for mediation of neighbor disputes; cite hearings to get citizens on the right path without the necessity of court.
CITY PROSECUTOR/POLICE	Eliminate Youth and Family Services Program	.5	$33,000	(County of Sonoma provides $33,000 and City of Sonoma provides $33,000). The elimination of the Youth and Family Services program would send 125-150 youth into the juvenile justice system. Note: Due to their own budget challenges, the county has placed this program on a list of potential cuts. If the county does eliminate funding for this program, the city would need to fund the total cost of the program, significantly reduce the scope of the program, or explore other diversion models.
COMMUNITY SERVICES	Eliminate support to Tier 1 Non--profits	N/A	$123,200	Reduction of services provided by Sonoma Valley Boys and Girls Club, Sonoma Community Center and Vintage House.
COMMUNITY SERVICES	Eliminate support to Visitors Bureau marketing program matching funds	N/A	$50,000	Lessened level of marketing of City to potential visitors.
COMMUNITY SERVICES	Eliminate Veterans Building Subsidy	N/A	$10,000	Loss of 20 City use days at Veterans Building.

DEPARTMENT	DESCRIPTION	FTE	Potential Annual Savings	Potential Consequences
COMMUNITY SERVICES	Eliminate Sebastiani Theater Subsidy	N/A	$27,000	Potential closing of Sebastiani Theater.
COMMUNITY SERVICES	Eliminate City contribution to School District crossing guard program	N/A	$10,500	Schools may not have crossing guards unless Sonoma Valley Unified School District can provide at their cost.
CULTURAL & FINE ARTS COMMISSION	Eliminate all funding	N/A	$4,500	Unless funds were raised by the Commission, would mean elimination of the reception for the Treasure Artist and the Student Creative Art Award
FINANCE	Reduction in number of hours	.25	$21,415	Delay in issuance of city checks/potential to incur late-payment fees, redesign of utility billing schedule [utility bills sent bi-monthly for all utility accounts], delayed response to public inquiries, potential fines incurred due to delay in State and Federal report/Audit requirements, inability to meet contractual obligations with outside agencies [VOM Financial Services Agreement]
FIRE	Eliminate Engine 1 Service	6	$892,452	Eliminating the engine company at Fire Station 1 would have a severe impact on our service delivery and commitment to surrounding communities. It would require the elimination of the recent contract for services with the Valley of the Moon Fire District. It would require the design of a volunteer type of response force that currently does not exist. The City of Sonoma is a high-impact response area in the Valley with 2,000 calls for service a year, a volunteer response force could not meet these expectations, and the end result would be longer response times. The Emergency Medical Response system would be crippled significantly. The consequences would include patients, some critical, waiting longer for emergency care resulting in reduced positive outcomes. The risk for fire loss would also increase exponentially with increased response times resulting in greater property losses for all fires. It would also reduce EMS revenues because we would lose the ability to use the personnel to staff ambulances. To reduce the staffing would be counterproductive to everything that has been done with the fire service in Sonoma in the past 20 years. We would be developing an inefficient, ineffective, and archaic system that would put the community at severe risk.

DEPARTMENT	DESCRIPTION	FTE	Potential Annual Savings	Potential Consequences
PLANNING	Elimination of a position	1	$107,000 to $146,000	Greatly increased processing times for development applications. Significantly reduced customer service with respect to counter and phone inquiries. Reduced staffing would require scaling back or eliminating review responsibilities and programs overseen by the Design Review Commission and the Community Services and Environment Commission (e.g., water conservation compliance, historic preservation compliance, bicycle programs, sustainability programs). Decreased public outreach and opportunities for public participation in planning issues. Greatly reduced ability to abate zoning violations. Greatly reduced ability to comply with regulatory mandates, such in the areas of housing, environmental review, and storm water compliance. Greatly reduced ability to engage in long-range planning projects. Possible increases in consulting costs in order to address specific gaps resulting from reduced staffing. Website not updated in a timely manner.
POLICE	Eliminate a Deputy	1	$170,000	Cutting a deputy will have a direct impact on service. It would require the elimination of the traffic enforcement officer and/or greatly reduce our ability to dedicate sufficient resources to traffic related complaints. As such, traffic accidents and traffic complaints could increase. Our response times would increase and our ability to provide community-policing projects would be hampered. Overtime would increase since we would not have adequate staff to absorb vacancies due to court appearances, training, sick calls, and vacation. Some crimes would not be investigated due to resource limitations.
POLICE	Eliminate a CSO	1	$94,960	Cutting a CSO would directly impact on animal control, parking enforcement, and the deployment of the speed trailer, flash cam, and stealth radar boxes. The public would have to wait longer to get fingerprints taken. Crime prevention efforts would be diminished, including the CSO assigned to the Farmer's Market during the FM season.
PUBLIC WORKS/CAPITAL PROJECTS	Eliminate/reduce streets and road maintenance projects	N/A	Up to $800,000	Road degradation, potholes left unchecked, tire and vehicle damage, trip and fall hazards, Maintenance of Effort requirements of Gas Tax and certain funding resources compromised. In the absence of a preventive slurry seal maintenance program, the past four years of aggressive road rehabilitation will be lost. The City's roads are currently rated good, by industry standards. The City will slip to a poor condition within five years.

DEPARTMENT	DESCRIPTION	FTE	Potential Annual Savings	Potential Consequences
PUBLIC WORKS	Elimination of a PT Parks position	.50	$16,000-$20,000	Part-time parks position is responsible for Depot and Plaza park maintenance three morning a week and afternoon on weekends and Holidays. This includes stocking and cleaning of restrooms, monitoring of Plaza. Position also assists with monitoring of all special events and outside park usage. Elimination of this position would mean complaints from residents, tourists and the Visitors Bureau regarding cleanliness of bathrooms, and buildup of garbage. Increased vandalism and potential loss of pump in the duck pond. (pump outage cost $15,000-$20,000. Parks/PW positions are already going unfilled, failure to adequately maintain the Plaza would present a poor image to visitors, while failure to adequately maintain neighborhood parks represents a lapse in a core service to residents.
PUBLIC WORKS	Residential Street light reduction of 25% or 50%	N/A	$15,000 - $30,000	Residential complaints, potential of increased crime due to visibility. Potential tripping hazards due to lack of nighttime visibility.
PUBLIC WORKS	Turn off Duck Pond / Italian Fountain, savings in utilities, repairs & maintenance	N/A	$15,000	Loss of tourist and resident amenity. If left open, safety hazard.
PUBLIC WORKS	Eliminate or reduce City Sponsored Special Events, reducing overtime	N/A	$10,000	Loss of tourist and resident amenity. 4th of July, City Party, Santa
PUBLIC WORKS	Eliminate Holiday Lights	(Contract)	$5,000	Loss of tourist and resident amenity
PUBLIC WORKS	Stormwater Program Reduction	.50	$50,000-100,000	Lack of program or program management will lead to increased pollution in our creeks and daily fines by the State of California.

DEPARTMENT	DESCRIPTION	FTE	Potential Annual Savings	Potential Consequences
PUBLIC WORKS	Weed abatement on City Properties and right-away	(Contract)	$15,000	If weed abatement is not performed it leads to property blight and increased fire danger.
TOTAL			$2,713,141 - $2,821,141	

FTE: Full time equivalent staff position.

MEMO

TO: Linda Kelly, City Manager

FROM: Milenka Bates, Public Works Director

DATE: February 13, 2012 (revised March 2, 2012)

SUBJECT: CDA Tax Allocation Bond (TAB) – Budget Update

Background

The City sold bonds and TAB monies were issued in March 2011 for with proceeds of $15.3 million. Of that total amount, $7.5 million was for Public Works Capital Improvement Projects (see attachment A). The bond requirement was to use the bond monies within three years, or that the project would be substantially complete by March 2014. In accordance with the bond covenants, this means that all project expenditures must be completed by the end of the fiscal year, or June 2014.

In this regard, Public Works had developed a 3-year plan to design and construct the projects listed on the TAB project list. The original budgets were based on preliminary project estimates and as projects were being designed, updated cost estimates were prepared and TAB project scopes and budgets were modified on an ongoing basis so that the $7.5M total budget would not be exceeded.

When the City recently received the notice from the State Department of Finance that redevelopment Tax Allocation Bond-funded projects could not proceed unless previously committed through a contract, work was allowed to continue on existing construction and design contracts for TAB projects but work was not authorized to commence on new design and new construction contracts for projects on the list.

The next section discusses the status of the projects including how much has already been authorized as of January 31, 2012.

Discussion

The projects listed on the *CDA-TAB Projects Budget Update* table lists the projects differently than the original TAB project list (see Attachment B). When the 3-year plan was developed, it made sense for TAB projects to be "grouped" together so that the design and construction of the project could be performed more efficiently.

Attachment B also identifies potential funding sources should TAB funding be eliminated altogether. A discussion of those potential funding sources follows.

Special Projects: This source is from the City's General Fund. Historically it has been used for one-time projects, emergency work, grant matches and off-set debt such as the Cemetery loan.

Grants for Roadway Improvements: Roadway grants are typically available through the Federal government and come with significant administration and environmental requirements. Typically these grant funds add an additional 30 percent to the costs (and more for smaller projects) and add 2-3 times as much time for review of environmental and design documents. A listing of grants that are available on an annual basis follows.

- TDA grants (Transportation Development Act Article 3) are small grant amounts available to the City on an annual basis and can be used for pedestrian and bicycle facilities. In FY 2012/13 the City would be eligible to receive $6,000.
- TE (Transportation Enhancement) grants are Federal grants and are competitive. They are administered by Caltrans and can be used for local streets and road (LSR) rehabilitation but only for arterials and collection streets (such as Napa Road). Residential streets with lower traffic volumes (such as Este Madera) are not eligible. The amount that may be available to the City to receive in FY 2012/13 is $200,000. Minimum local match is 12 percent.
- State Routes to School (Federal) grants are highly competitive and are administered by Caltrans. The maximum amount that the City could receive in FY 2012/13 is $450,000. Minimum local match is 10 percent.
- Measure M at the amount of approximately $60,000 per year is available to the City and can be used for street rehabilitation. The City has saved its Measure M funds over the years and has approximately $250,000 accumulated. Este Madera project has been slated to use Measure M and Water Utility funds for late spring, summer construction.
- HSIP grants are federal grants and are for road safety projects that can be designed and constructed expeditiously. Typically these grants are small amounts with a minimum 10 percent local match and are highly competitive. (Leveroni/Broadway turn signal)
- TFCA (Transportation Fund for Clean Air) grants are federal grants and are for projects that reduce air emissions. Typically these grants are small amounts with a minimum 10 percent local match and are highly competitive.
- CMAQ (Congestion Mitigation and Air Quality) grants are federal grants and are for projects that reduce traffic congestion and improve air quality and are highly competitive.
- BTA (Bicycle Transportation Account) grants are State grants and are for projects that improve safety and convenience for bicycle commuters and are highly competitive.

Gas Tax: The City receives approximately $200,000 per year in gas tax revenue. The funds are used for maintenance of street lighting, traffic signs and markings, and for general street maintenance performed by the Public Works Department. Gas tax funds are already committed to street maintenance and there is no additional funding available for capital projects. ***The City has an obligation to show an effort of maintenance to continue to receive these funds.***

New Taxes: Other than grant funding, Measure M or Gas Tax, there is no additional funding available for street rehabilitation and transportation projects. In the past, CDA funding was used for projects, in conjunction with the Water Fund where water trenches (due to water line replacement) would require street repaving. The City could consider a tax such as a local sales tax or TOT increase to partially generate capital improvement funding and for street rehabilitation.

Conclusion

Clearly, the loss of redevelopment tax increment and the current inability to use the 2011 Tax Allocation Bond proceeds has placed the City in a vulnerable position with respect to the condition of its roads and infrastructure. In order to prevent further decay and compound the road maintenance issue (which will become more costly to fix the more the roads become deteriorated), a funding strategy needs to be found.

Over the past five years, the City has spent an average of $4.5 Million on its roads. This void will be felt immediately as most road and infrastructure projects are unable to proceed.

Recommendations

For the current project list, the following recommendations are:

1. Continue to hold off on new design and construction contracts until the State makes a final determination on the disposition of TAB monies.

2. Continue to pursue grant opportunities for the streets on the list and for the amounts shown (Attachment B).

3. Continue to coordinate with the Sonoma County Transportation Agency (SCTA) and member cities to discuss regional funding opportunities that would largely fund local streets and road maintenance. Currently Measure M mainly funds Highway 101 improvements with very little set aside for local streets and roads.

If revenues permit, fund slurry seal maintenance from the General Fund at the amount of $100,000 as requested in previous years to extend the life of streets before they become significantly damaged. 80 percent of the City's street network is in good or fair condition. The City spends most of its capital improvement funds on the 20 percent of its streets that are in poor or very poor condition. By investing in the 80 percentile, future costs could be controlled by performing not increasing the amount of streets in poor or very poor condition.

Attachments:

- Attachment A – TAB project list
- Attachment B - TAB project update table

List of CDA Tax Allocation Bond Projects

	Project Name				Project Cost
30	Napa Road Rehabilitation				$700,000
31	France Street				$404,000
	Citywide Pavement Mgmt/Sidewalk/ADA/Storm Drain				
	Project Breakdown:	From:	To:		
1	Leveroni	Broadway	Hiking path	$173,000	
2	Second Street West	West Napa	West Spain	$54,000	
2	Spain Street	Second St West	First Street West		
3	First Street West	344 First West	Hiking path	$49,000	
4	Fryer Creek Drive	Hiking path	Newcomb	$74,000	
5	Oregon Street	e/o Sixth West	Fifth West	$47,000	
6	Seventh Street West	Studley	West Napa	$35,000	
7	Third Street West	Arroyo	Bettencourt	$37,000	
8	Church Street	Fifth West	Fourth West	$71,000	
9	Curtin Lane	Seventh West	601 Curtin Ln	$230,000	
10	Newcomb Street	w/o Fryer Creek	Broadway	$133,000	
11	Malet Street	First West	Broadway	$24,000	
12	Fifth Street West	West MacArthur	175' south	$97,000	
14	Curtin Lane	601 Curtin Ln	Fifth West	$190,000	
15	Hayes Street	Where widens	Bettencourt	$59,000	
16	Fourth Street West	Bettencourt	Andrieux	$97,000	
17	Harrington Drive	440 Harrington	Manor Drive	$91,000	
18	Patten Street	Broadway	Austin	$63,500	
19	Fifth Street West	175' s/o W MacArthur	Harrington	$220,000	
20	Barrachi Way	Perkins	Bachero	$87,000	
21	Broadway	MacArthur	Napa Road	$500,000	
	ADA ramps, sidewalks			$549,100	
22	Nathanson Creek Outfall	France Street	Nathanson Creek	$50,000	
23	West MacArthur Culvert TBD	Third Street West	Fryer Creek	$450,000	
24	Fryer Creek Bypass TBD	Bettencourt	Arroya Way	$1,220,000	
25	Robinson Road SD Impr. TBD	Robinson		$570,000	
	Subtotal				$5,170,600
26	Bikeway Improvements-Fryer Creek Bridge				$300,000
27	Leveroni & Broadway Turn Lane/Signal Improvements				$200,000
28	Comprehensive Bike Lane and Signage				$175,000
29	Chase Street Bridge Reconstruction				$550,000
	TAB Projects Total for Streets/Sidewalks/Bikeways/Storm Drain				**$7,499,600**

CDA-TAB Projects Budget Update Rev 2/14/12

TAB NO.	PROJECT NAME AND TYPE [1]	ESTIMATED COMPLETION DATE[2]	AMOUNT AUTHORIZED[3] ($)	ESTIMATED COST TO COMPLETE [4] (Jeopardy) ($)	TOTAL PROJECT BUDGET ($)	ALT. FUNDING SOURCE(S)	COMMENTS
Projects under contract or completed							
7, 5,16	3rdW/4thW/Hayes Pavement Rehab (D,C)	March 2012	349,478	0	349,478	N/A	Construction substantially complete
1,12	Leveroni, Fifth W Pavement Rehab (D,C)	Completed Dec 2011	565,063	0	565,063	N/A	TFCA Grant $20,000; amount shown is local share. Construction complete
27	Leveroni, Broadway turn-lane signal [Local Share] (D,C)	Oct 2012	32,872	33,467	66,339	Special Projects (GF)	HSIP grant $133,870; amount shown is local share
28	Comprehensive Bike Lane & Signage [Local Share] (D,C)	March 2012	59,565	0	59,565	Special Projects (GF)	TFCA grant $133,542; amount shown is local share
31,32	France St Pavement Rehab (D,C)	Completed Dec 2011	563,736	0	563,736	N/A	Construction complete
2,3,18	2ndW, 1st W, Church, Patten, WSpain Pavement Rehab (D)	June 2012	55,730	599,060	654,790	Special Projects Reserves, New tax	Design only; Hold on bidding and construction until further notice
26	Bikeway Impr-Fryer Creek Bike/Ped Bridge (D)	June 2012	140,198	211,502	351,700	Special Projects Reserves, New tax	Design only; Hold on bidding and construction until further notice
9,14,17	Curtin Ln, Harrington Dr Rehab (D)	June 2012	57,935	404,180	462,115	Special Projects Reserves, New tax	Design only; Hold on bidding and construction until further notice
30	Napa Road Rehab (D)	June 2012	76,700	706,860	783,560	Measure M+Water Fund; LSR grant+Water Fund	Design only; Hold on bidding and construction until further notice; currently Measure M set aside for Este Madera but Council can choose to use for Napa Rd. instead
29	Chase St Bridge Reconstruction [Local Share] (D)	Dec-12	47,112	264,563	311,675	Special Projects Reserves, New tax	HBRR grant for Design (PE) $215,791.88. Total HBRR grant $1,464,065; amount shown is local share 11.47%. Design only; Hold on bidding and construction until further notice
	Subtotal		1,922,092	2,235,949	4,158,041		
Projects not under contract							
11,21	Broadway Rehab	TBD	0	0	0		Project cancelled.
4,10	Fryer Creek, Newcomb, Malet Pavement Rehab	TBD	0	456,691	456,691	Special Projects Reserves, New tax	
5,6,20	Oregon, 7thW, Studley, Barrachi, Palou, Fano	TBD	0	882,648	882,648	Special Projects Reserves, New tax	Paolu and Fano will be paid with Tax Incremental $85,260.00
21,23, 24, 25	Broadway, E MacArthur Storm Drain and W MacArthur culvert	TBD	0	1,523,342	1,523,342	Zone 3A, Prop 84 grant	Grants for local storm drain projects are limited and highly competitive.
	Subtotal		0	2,862,681	2,862,681		
	Total (All Projects)		1,922,092	5,098,630	7,020,722		
	City Administration [5]				479,278		
	Total (All Projects + City Administration)				7,500,000		

Footnotes:

1 Type is either Design contract (D) or construction contract (C); Each roadway project includes ADA ramps in project area.

2 Estimated date the design and/or construction contract will be completed.

3 Contract amounts currently authorized for design and/or construction, including contract change orders (est.).

4 Estimated costs for change orders that are anticipated in design and/or construction to complete the project beyond authorized amount (amount "in jeopardy").

5 City administration plus cost for program management of CDA-TAB Capital Improvement Program.

Potential Revenue from Sales Tax Rate Increase (Transaction & Use Tax)

SONOMA
49006

Capture rate is estimated based on Transactions & Use Tax sourcing rules: tax on product shipped on seller's vehicle (i.e., refrigerator from Sears) is allocated to point of delivery only on applicable Transactions & Use Taxes. For the Transactions and Use Tax only and for Auto Sales, the tax is collected and allocated to the tax rate and location of the buyer.

ESTIMATE FROM INSIDE THE CITY:

Category *Segment*	Year Ended 2011Q3	Capture Rate	Incremental Tax Rate Percent 1/2
General Retail	**476,066**	**94%**	**$ 223,076**
Food Products	**875,533**	**96%**	**$ 421,706**
Transportation	**402,834**	**88%**	**$ 177,487**
Construction	**216,939**	**73%**	**$ 79,404**
Business To Business	**79,774**	**25%**	**$ 9,932**
Miscellaneous	**22,209**	**91%**	**$ 10,094**
CITY TOTAL	**2,073,356**	**89%**	**$ 921,700**

ESTIMATE FROM PURCHASES MADE OUTSIDE THE CITY

		1/2
Typical Outside Capture Rates	15%	$ 155,502
	20%	$ 207,336

Possible Total District Tax with Typical Outside Capture Rates:		1/2
	15%	$ 1,077,201
	20%	$ 1,129,035

Locally Adopted Sales & Use Tax for Jurisdictions in Sonoma County

JURISDICTION	RATE	DATE OF IMPLEMENTATION	ESTIMATED ANNUAL REVENUE	DEDICATED TO SPECIFIC PROJECT OR PROGRAM
Rohnert Park	Sales Tax = .5%	10/1/2010 for a 5-yr period	$2.4-$2.8 million	Maintain Public Safety Services
Cotati	.5%	2010 for a 5-yr period	$600,000 - $900,000	General Revenue
Sebastopol	.25%	2004 (No sunset)	$470,000	Capital Projects/Maintenance
Santa Rosa	.25% [Measure O]	04/01/2005-3/31/2025 (20 year period)	$6.6 million	Police, Fire, Gang prevention and Youth programs
	.25% [Measure P]	04/01/2011-3/31/2019 (8 year period)	$6.5 million	Maintain Police and Fire protection, gang-crime prevention, pedestrian safety, street repair, park safety, recreation and youth programs

County of Sonoma

OPEN SPACE: Quarter cent sales tax, first authorized in 1990 and then reauthorized by the voters in November 2006 election. The vote continued the existing sales tax for another 20 years. Was approved by almost 76% of voters. Funds the Sonoma County Agricultural Preservation and Open Space District. County-wide.

TRANSPORTATION: Quarter cent sales tax, approved by voters in November 2004 election. Was approved by 67.2% of voters. Will sunset after 20 years. Funds highway improvements (Sonoma County Transportation Authority). County-wide.

SMART: Quarter cent sales tax, approved by voters in November 2008 election. Implementation started April 1, 2009 and the tax sunsets after 20 years (March 31, 2029). Was approved by almost 70% of the voters. Funds the SMART train (Sonoma and Marin County-wide).

City of Sonoma

City Council

Agenda Item Summary

City Council Agenda Item: **8A**

Meeting Date: **3/5/12**

Department	**Staff Contact**
Administration	Linda Kelly, City Manager

Agenda Item Title

Discussion, consideration and possible ratification of Mayor's appointments to the Oversight Board of the Successor Agency to the dissolved Sonoma Community Development Agency

Summary

Assembly Bill 1X 26, dissolving redevelopment agencies, calls for the creation of an Oversight Board to oversee each Successor Agency to a dissolved redevelopment agency. The City Council of Sonoma elected on January 12, 2012 to become the Successor Agency to the dissolved Sonoma Community Development Agency. Under a provision of AB1X 26, the Health and Safety Code allows the Mayor of the city which created the former redevelopment agency to appoint two nominees to the Oversight Board of the Successor Agency to the dissolved Sonoma Community Development Agency. Pursuant to the City Council's standard practice for commission and committee appointments, the Mayor will submit the names for consideration and request ratification of the nominees by the City Council. The pertinent law reads as follows:

> 34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before January 1, 2012. Members shall be selected as follows:
>
> (1) One member appointed by the county board of supervisors.
>
> **(2) One member appointed by the mayor for the city that formed the redevelopment agency.**
>
> (3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.
>
> (4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.
>
> (5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.
>
> (6) One member of the public appointed by the county board of supervisors.
>
> **(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.**

Mayor Sanders will offer her nominees at or before the Council meeting of March 5th.

Recommended Council Action

Ratify Mayoral nominations to the Oversight Board of the Successor Agency to the dissolved Sonoma Community Development Agency.

Alternative Actions

Council discretion. Offer alternative nominees.

Financial Impact

N/A for appointments to the Board. The Oversight Board members serve without compensation and serve for a four-year term.

Environmental Review	**Status**
☐ Environmental Impact Report	☐ Approved/Certified
☐ Negative Declaration	☐ No Action Required
☐ Exempt	☐ Action Requested
☒ Not Applicable	

Attachments:

Health and Safety Code Section 34179

cc:

CHAPTER 4. OVERSIGHT BOARDS

34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before January 1, 2012. Members shall be selected as follows:

(1) One member appointed by the county board of supervisors.

(2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.

(10) Where a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, where such appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city where such an appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment

agency employees employed by the successor agency at that time.

(b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by January 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) The Department of Finance may review an oversight board action taken pursuant to the act adding this part. As such, all oversight board actions shall not be effective for three business days, pending a request for review by the department. Each oversight board shall designate an official to whom the department may make such requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given oversight board action, it shall have 10 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Commencing on and after July 1, 2016, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board appointed

as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: **8B**

Meeting Date: **03/05/2012**

Department	**Staff Contact**
Planning	David Goodison, Planning Director

Agenda Item Title

Discussion, consideration and possible action on a draft ordinance establishing new regulations for Formula Businesses.

Summary

At its meeting of December 19, 2011, the City Council conducted an initial review of the recommendations of the Ad Hoc Committee on Formula Businesses, voting 3-2 to direct staff to develop and process ordinance language that would impose new regulations on formula businesses along the lines proposed by the Ad Hoc Committee. In a subsequent discussion of a potential moratorium on formula businesses that occurred on January 18, 2012, the Council provided additional direction as follows: 1) the draft ordinance would be reviewed by the Council prior to being referred to the Planning Commission; and 2) option areas would be presented with respect to the various components of a formula business ordinance. As directed, a draft ordinance has been prepared (attached) that reflects the recommendations of the Ad Hoc Committee and subsequent direction provided by the City Council, as follows:

- Formula businesses (encompassing retail, personal services and restaurants) would be regulated by use permit through a two-tiered approach that would be more restrictive in the vicinity of the Plaza.
- A business within a chain with 9 or fewer locations would not be classified as a “Formula Business” and would not be subject to any new form of review.
- A business within a chain of 10-249 stores would be defined as a “Formula Business, Small” and would be allowed subject to use permit review (including within the Plaza Retail Overlay Zone), except that within specified large shopping centers, no use permit would be required.
- Businesses within a chain of 250 or greater would be prohibited in the Plaza Retail Overlay zone, but allowed subject to use permit elsewhere (except, again, that there would be no use permit requirement in large shopping centers, as specified).

In addition to the draft ordinance, staff has prepared an options summary that identifies alternative directions that could be given with respect to the various regulatory elements of the ordinance. Also, the previously-distributed list of example formula businesses by chain size has been expanded, as the threshold used to distinguish between and large formula business and a small formula business has been a point of discussion.

Recommended Council Action

Council discretion.

Alternative Actions

The Council may choose to: 1) direct further changes in the draft ordinance and have it return to the Council for further review; 2) refer the draft ordinance to the Planning Commission, with or without revisions; 3) decline to pursue the adoption of a formula business ordinance.

Financial Impact

The cost of preparing an ordinance establishing regulations on formula businesses would be invoiced by the City Attorney on an hourly basis. By increasing the number of projects subject to use permit review, there would be a minor increase in fee income to the General Fund. The increase in the number of use permit reviews could have impacts on Planning staff in that less time would be available for other work activities. Increased restrictions and use permit processing times may lead to longer vacancies in some commercial spaces, potentially reducing revenues such as sales tax.

The use permit process also creates uncertainities that could discourage proposals for new formula businesses from being made.

Environmental Review	**Status**
☐ Environmental Impact Report	☐ Approved/Certified
☐ Negative Declaration	☒ No Action Required
☐ Exempt	☐ Action Requested
☒ Not Applicable	

Attachments:

1. Minutes of the City Council meeting of December 19, 2011
2. Options Summary
3. Chain Store Examples
4. Draft Ordinance
5. Zoning Map

cc:

Ad Hoc Committee mailing list (via email)

Mayor Sanders stated that residents in the vicinity accepted the winery operations but the ongoing events had changed the nature of the property use. She said if she had been on the Planning Commission, she probably would not have allowed the events to go this far. The motion carried four to one; Clm. Brown dissented.

Item 6B: **Discussion, consideration and possible action adopting a resolution in support of the City's Community Development Block Grant [CDBG] Application for FY 2012/13.**

Assistant City Manager Giovanatto reported on the City's prior use of the grant funds and stated that, if awarded, this year staff recommended the funds go towards completion of the second phase of the accessibility improvements at Depot Park.

The public hearing was opened and closed with no comments received.

It was moved by Clm Gallian, seconded by Clm. Brown to adopt Resolution No. 43-2011 entitled A Resolution of the City Council of the City of Sonoma Endorsing and Prioritizing Applications for the Community Development Block Grant Consolidated Application for FY 2012/13. The motion carried unanimously.

RECESS: The meeting recessed from 7:30 to 7:40 p.m.

7. REGULAR CALENDAR

Item 7A: **Discussion, consideration and possible action on the recommendations of the Ad Hoc Committee on Formula Businesses.**

Planning Director Goodison reported that he and Economic Development Manager Decker had provided staff support for the committee. He reported on the meetings of the committee and summarized their recommendation as follows: Formula businesses (limited to retail, personal services and restaurants) to be regulated by use permit through a two-tiered approach that would be more restrictive in the vicinity of the Plaza. A business within a chain of nine or fewer locations would not be subject to any new form of review. A business within a chain of 10-X stores would be defined as a Formula Business and would be allowed subject to use permit review except within shopping centers having five or more tenant spaces. Businesses within a chain of greater than X stores would be prohibited in the Plaza Retail Overlay zone, but allowed subject to use permit elsewhere except within shopping centers having five or more tenant spaces. Goodison pointed out that the committee left the decision on the threshold number of stores (represented by the X above) up to the City Council.

Goodison and Decker responded to a few questions posed by the Councilmembers.

Mayor Sanders invited comments from the public. Ken Niles stated that the Planning Commission and past City Councils had maintained the historic character of the City for many years and he hoped they would continue to do so by whatever means necessary.

Bill Mannina stated that the benefits a company provided to their employees should be weighed when deciding if a business could come in or not.

Ben Boyce stated that he was puzzled by the rigidly ideological position some took in opposition to what was being proposed.

Nancy Simpson stated that she was pro-business but not at the expense of ruining the City's historic resources. She felt that the City was missing an important foundation of protection of historic resources. It has an historic district and an overlay zone but was missing basic business-friendly ordinances and guidelines for historic resources.

Loyce Haren stated that obtaining Certified Local Government status would be helpful.

Jennifer Yankovich stated that the Chamber felt the City had adequate regulations already in place and did not support the committee's recommendation. She pointed out that at times it was the large anchor stores that were the dealmakers for small locally owned businesses.

Dick Cuneo stated he owned property on the square and felt the proposal was too restrictive and would prevent businesses from coming in and adding value to the Plaza and the City.

Tom Anderson, appearing as a private citizen, did not support the proposed regulations.

Mayor Sanders took a straw poll to see if Council was interested in moving ahead with an ordinance. Councilmembers Barbose, Brown and Gallian indicated that they were in favor of moving ahead. Clm. Barbose stated that a clear majority on the committee wanted to protect the Plaza from large chain stores and that the use permit approach would allow an opportunity to weigh a business based on its merits and the required findings. He suggested the Council approve the recommendations of the ad-hoc committee for an ordinance regulating formula store and that the Council decide what the threshold number for a "large scale formula store" would be. He asked for suggestions from the other Councilmembers for that threshold number and said the members of the committee were unable to reach a majority agreement on this point.

Councilmember Gallian suggested that the threshold number for a large scale formula business be 250 stores.

Clm. Rouse said he did not like bans because they lead to unintended consequences and he felt the use permit process would be enough to protect the Plaza. He stated the ban could lead to additional foreclosures and asked Councilmembers to rethink their positions on the matter.

Mayor Sanders agreed with Clm. Rouse. She noted that she has been steadfast in her support for protecting the historic nature of the City through a very stringent design review process.

Following a discussion of individual suggestions, it was moved by Clm. Barbose, seconded by Clm. Brown, to direct staff to move forward in formulation of an ordinance adopting the recommendations of the ad hoc committee for the ordinance and using the threshold number of 250 stores for the definition of a large scale formula store. The motion carried three to two, Rouse and Sanders dissented.

RECESS: The meeting recessed from 8:50 to 8:55 p.m.

<u>Item 7B:</u> **Discussion, consideration, and possible action regarding entering into a contract for Fire Services with the Valley of the Moon Fire Protection District.**

Formula Business Ordinance Option Areas

Regulatory Feature *Less Restrictive<<<<<<<<<<<<<<< >>>>>>>>>>>>>>>More Restrictive*		
A. Permit Type		
1	2	3
None/Design Review	Use Permit	Prohibited
B. Geographic Scope*		
1	2	3
Plaza Retail Zone	Historic District	City-wide
C. Definition, Use		
1	2	3
Restaurants	Restaurants/Retail	Restaurants/Retail/ Services, Other
D. Definition, Size		
1	2	3
Higher number for small/Higher number for large	10-249 small/ 250+ large	Smaller number for small/Smaller number for large Single number (no large/small distinction)
E. Tiering		
1	2	3
Limited to Plaza Retail Zone	City-wide	City-wide (or H District), but more restrictive in Plaza Retail zone

*Specified shopping centers excluded: Marketplace, Sonoma Valley Center, Maxwell, Fifth Street West Plaza.

Formula Business Ordinance Option Scenarios

The following are examples of different combinations of the above-listed option areas.

- **Objective:** Prohibit formula restaurants in the Plaza Retail zone. No other restrictions. (A3; B1; C2; D3; E1)

- **Objective:** Prohibit “Large” formula restaurants in the Plaza Retail zone. Use permit requirement for all other types of formula businesses in the Historic Overlay zone, meaning that “Small” formula businesses, including restaurants, could be allowed in the Plaza retail zone, subject to use permit review. (A3; B1; C1; D3; E3/A2; B2; C3; D3; E3)

- **Objective:** Use permit requirement for “Large” formula restaurants and retail in the Plaza Retail zone. No other restrictions. (A2; B1; C1; D3; E1)

- **Objective:** City-wide use permit requirement for formula restaurants and retail. (A2; B3; C2; D3; E3)

- **Objective:** Prohibit “Large” formula restaurants, retail and services in the Plaza Retail zone. Use permit requirement for “Large” and “Small” formula businesses city-wide, meaning that “Small” formula businesses could be allowed in the Plaza retail zone, subject to use permit review. (This represents the recommendation of the Ad Hoc Committee.) (A3; B1; C3; D2; E3/A2; B3; C3; D2; E3)

Examples of potential formula stores of various sizes
(NOTE: numbers are based on internet research
and should be considered unconfirmed estimates)

With current location in Sonoma Plaza Retail Overlay zone:

Sole Desire Shoes: 11 locations (all in CA).

Mary's Pizza Shack: 19 locations (all in CA).

Ben & Jerry's: Approx. 580 locations worldwide.

Chico's: 600+ locations in the U.S.

Massage Envy: 700+ locations in the U.S.

Other examples:

Anthropologie: 150+ stores worldwide

Peet's Coffee: Almost 200 locations in the U.S.

Williams Sonoma: Approx. 268 locations in the U.S.

Banana Republic: 500+ locations in the U.S.

Chipotle: 1,000+ locations in the U.S.

Applebee's: Almost 2,000 locations in the U.S.

Taco Bell: Approx. 5,600 locations in the U.S.

Dunkin Donuts: 6,000+ locations in the U.S.

Burger King: 7,000+ locations in the U.S.

Pizza Hut: 7,500+ locations in the U.S.

Starbucks: 11,000+ locations in the U.S.

McDonald's: 13,000+ locations in the U.S.

Subway: 23,000+ locations in the U.S.

CITY OF SONOMA

ORDINANCE NO. X - 2012

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SONOMA AMENDING TITLE 19 OF THE SONOMA MUNICIPAL CODE BY ESTABLISHING ZONING REGULATIONS PERTAINING TO FORMULA BUSINESSES

The City Council of the City of Sonoma does ordain as follows:

Section 1. Amendments to "Zones and Allowable Uses" (Title 19, Division II) of the Sonoma Municipal Code.

A. Section 19.10.030.C.4 (/P Plaza Retail District) is hereby amended as follows:

4. /P (Plaza Retail) District. The /P overlay district is intended to preserve the vitality of Sonoma's historic downtown area as a predominantly retail center.

a. Applicability. The /P overlay district is applied to sites and areas as identified on the zoning map.

b. Permit Requirements for Office Uses. Use permit approval is required for the establishment or expansion of any office use, where not already allowed by use permit, within any new or existing ground-floor tenant space having frontage along a public street or a major pedestrian arcade (defined as the Mercato, the Place des Pyrenees, and the El Paso).

c. Findings for Office Uses. In order to approve a use permit as required under subsection (C)(4)(b) of this section, the planning commission must find, in addition to the basic use permit findings set forth in SMC 19.54.040(E), that the proposed use due to specific circumstances related to its size, nature or location, will not detract from the retail and pedestrian character of its immediate environs or the plaza generally, or that the office use is necessary for the economic viability of the site or its surroundings.

d. Permit Requirements for Formula Businesses, Small. As set forth in section 19.50.035, a use permit shall be required to establish or expand a Formula Business, Small within the Plaza Retail District.

e. Prohibition on Formula Businesses, Large. Formula Businesses, Large are prohibited within the Plaza Retail District.

B. Table 2-2 (Commercial Uses and Permit Requirements) is amended to add "Formula Business, Small" and "Formula Business, Large", as follows:

Allowed Uses and Permit Requirements for Commercial Zoning Districts	*Permit Required by District*		*P Use Permitted* *UP Use Permit required* *L License required* *— Use not allowed*
Land Use	*C*	*CG*	*Specific Use Regulations*
SPECIAL CIRCUMSTANCES COMMERCIAL DEVELOPMENT			

Commercial Development, Large	*UP*	*UP*	*SMC 5.34*
Development Adjacent to a Residential Zone (3)	*UP*	*UP*	
Formula Business, Small	*UP*	*UP*	*19.50.035*
Formula Business, Large (4)	*UP/—*	*UP*	*19.50.035*
Shopping Center, Reconfiguration	*UP*	*UP*	
Notes: *1. See SMC 19.10.050(C) regarding uses not listed. See Division VIII for definitions of the listed land uses.* *2. New residential developments subject to the city's growth management ordinance (Chapter 19.94 SMC).* *3. Defined as new commercial construction or an addition to an existing commercial building, having an area of 1,000 square feet or greater.* *4. Prohibited in /P Plaza Retail District. See 19.50.035.*			

B. Table 2-3 (Mixed Uses and Permit Requirements) is amended to add "Formula Business, Small" and "Formula Business, Large", as follows:

Allowed Uses and Permit Requirements for Commercial Zoning Districts	*Permit Required by District*	*P Use Permitted* *UP Use Permit required* *L License required* *— Use not allowed*
Land Use	*MX*	*Specific Use Regulations*
SPECIAL CIRCUMSTANCES COMMERCIAL DEVELOPMENT		
Formula Business, Small	*UP*	*19.50.035*
Formula Business, Large	*UP*	*19.50.035*

Section 3. Amendments to "Special Use Standards" (Title 19, Division IV) of the Sonoma Municipal Code.

A. Section 19.40.010.B.1 (Applicability) is hereby amended to read as follows:

All zoning districts. Except as otherwise specified, the standards of this Chapter apply to all zoning districts (e.g., residential, commercial, manufacturing, etc.), and therefore, are combined in this Chapter.

B. Section 19.50.035 (Formula Businesses) is hereby added to read as follows:

19.50.035 Formula Businesses

A. Use Permit. The establishment or expansion of a Formula Business, Small or Formula Business, Large, shall require the approval of a use permit in compliance with SMC 19.54.040.

B. Additional Findings Required. The planning commission shall approve, with or without conditions, the establishment or expansion of a Formula Business, Small or Formula Business,

Large, only if all of the following findings can be made, in addition to those identified in SMC 19.54.040, Use permits:

1. The Formula Business establishment will promote diversity and variety to assure a balanced mix of commercial uses available to serve both resident and visitor populations;

2. The proposed use, together with its design and improvements, is consistent with the unique and historic character of Sonoma, and will preserve the distinctive visual appearance and shopping/dining experience of Sonoma for its residents and visitors.

The following additional finding is required for applications Formula Businesses on sites located within the /P (Plaza Retail) District:

3. The Formula Business establishment will be compatible with existing uses in the zone and will promote the zone's economic vitality as the commercial, cultural, and civic center of the community.

C. Prohibition on Formula Businesses, Large. Formula Businesses, Large are prohibited within the Plaza Retail Overlay Zone.

D. Exemptions. The provisions of this section shall not apply to Formula Businesses, Small and Formula Businesses, Large located or proposed to be located in the following shopping centers: (i) Sonoma Valley Center; (ii) the Marketplace; (iii) Maxwell Village; and (iv) Fifth Street West Plaza.

Section 4. Amendments to "Definitions" (Title 19, Division VIII) of the Sonoma Municipal Code.

Section 19.92.020 (Definitions of Specialized Terms and Phrases) is hereby amended to include the following definitions:

Formula Business. Formula Business is hereby defined as Auto Parts Sales, Building Material Stores, Furniture, Furnishings and Equipment Stores, General Retail uses, Grocery Stores, Personal Services, or Restaurants as defined in section 19.92.020 of the Sonoma Municipal Code, which is required by contractual or other arrangement or affiliation to maintain a standardized ("Formula") array of services and/or merchandise, menu, employee uniforms, décor, facade design, signage, color scheme, trademark or service mark, name, or similar standardized features; and which causes it to be substantially identical to ten or more other businesses in the United States regardless of ownership or location at the time that the application is deemed complete.

(1) "Standardized array of services" shall be defined as a common menu or set of services priced and performed in a consistent manner.

(2) "Standardized array of merchandise" shall be defined as 50% or more of in-stock merchandise from a single distributor bearing uniform markings.

(3) "Trademark" shall be defined as a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of the goods from one party from those of others.

(4) "Servicemark" shall be defined as word, phrase, symbol or design, or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of a service from one party from those of others.

(5) "Décor" shall be defined as the style of interior furnishings, which may include but is not limited to, style of furniture, wallcoverings or permanent fixtures.

(6) "Color scheme" shall be defined as selection of colors used throughout, such as on the furnishings, permanent fixtures, and wallcoverings, or as used on the façade.

(7) "Façade" shall be defined as the face or front of a building, including awnings, looking onto a street or an open space.

(8) "Uniform apparel" shall be defined as standardized items of clothing including but not limited to standardized aprons, pants, shirts, smocks or dresses, hat, and pins (other than name tags) as well as standardized colors of clothing.

(9) "Signage" shall be defined as a sign pursuant to Titles 18 and 19 of the Sonoma Municipal Code.

Formula Business, Large. A Formula Business substantially identical to 250 or more other businesses in the United States regardless of ownership or location at the time that the application is deemed complete.

Formula Business, Small. A Formula Business substantially identical to 10 to 249 other businesses in the United States regardless of ownership or location at the time that the application is deemed complete.

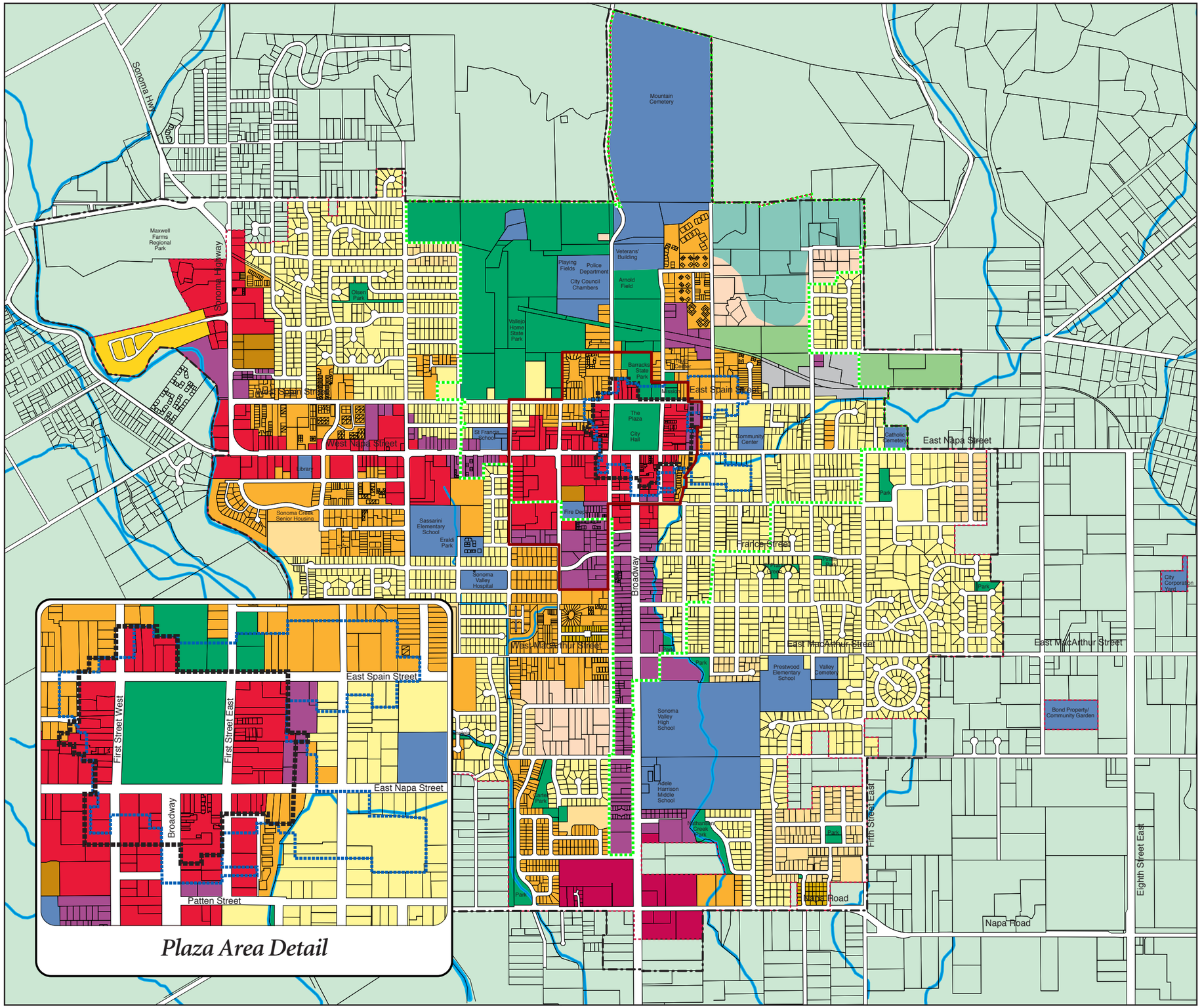
Section 5. Exemption from Environmental Review.

The amendments to the Municipal Code effected by this ordinance are exempt from environmental review pursuant to Section (b)(3) of title 14 of the California Code of Regulations, as it can be determined with certainty that there is no possibility that establishing more restrictive regulations on formula businesses, as defined, may have a significant effect on the environment.

Section 6. Effective Date.

This ordinance shall become effective thirty (30) days from and after the date of its passage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Sonoma this XX day of XX 2012.



Zoning Districts, Overlays, and Plaza National Landmark Boundary

- Hillside Residential (1 D.U./10 acres, maximum)
- Rural Residential (2 D.U./acre, maximum)
- Low Density Residential (2-5 D.U./acre)
- Sonoma Residential (3-8 D.U./acre)
- Medium Density Residential (6-10 D.U./acre)
- High Density (9-12 D.U./acre)
- Housing Opportunity (15-20 D.U./acre)
- Mobile Home Park (7 D.U./acre, maximum)
- Mixed Use (12 D.U./acre, maximum)
- Commercial (15 D.U./acre, maximum)
- Commercial-Gateway (15 D.U./acre, maximum)
- Wine Production
- Park
- Public Facility
- Agriculture
- Historic Overlay
- Downtown District (Planning Area)
- Plaza Retail Overlay Zone
- City Limit
- Sphere of Influence
- Plaza National Landmark Boundary

City of Sonoma
Planning Department

0 1300 2600 3900 5200 6500

Scale in Feet

N

City of Sonoma

City Council

Agenda Item Summary

City Council Agenda Item: **8C**

Meeting Date: **3/5/12**

Department	**Staff Contact**
Administration	Linda Kelly, City Manager

Agenda Item Title

Discussion, consideration and possible action on a presentation from Citizens United for a Sonoma Pool (CUSP) as directed at the City Council meeting of November 21, 2011

Summary

At its meeting of November 21, 2011, the City Council took the following action:

> It was moved by Clm. Barbose, seconded by Clm. Sanders, to request CUSP to move forward with the goal of reporting back to Council in three months; to have the City Manager serve as the liaison between CUSP and the School District; and to authorize staff to spend more than an hour on the subject. At the suggestion of Clm. Rouse, the motion was amended to state that the matter would be revisited at the first meeting in March. The motion carried unanimously.

The CUSP group has been meeting regularly and held a town hall forum regarding a community swimming pool on January 31, 2012.

Recommended Council Action

Receive presentation and provide direction to staff, if applicable.

Alternative Actions

Council discretion.

Financial Impact

It is unknown at this time whether the City is expected to commit funding toward a community swimming pool, given that the most recent location being discussed by CUSP is the Sonoma Truck and Auto site, under a joint private-nonprofit partnership.

Environmental Review	**Status**
☐ Environmental Impact Report	☐ Approved/Certified
☐ Negative Declaration	☐ No Action Required
☐ Exempt	☐ Action Requested
☒ Not Applicable	

Attachments:

Letter from Citizens United for a Sonoma Pool

Town Hall meeting - CUSP PowerPoint presentation

cc: Paul Favaro and Arden Kremer, CUSP members, via email

To the Honorable Mayor Joanne Sanders and Esteemed Council Members,

The members of an informal working group, Citizens United for a Sonoma Pool (CUSP) have been working diligently to finally realize Sonoma's collective aspirations for a community swimming pool. We have evaluated previous efforts and analogous projects in relation to the current needs of the community as well as the reality of ongoing financial constraints.

Since the issue was last addressed by the city council we have made significant progress while adjusting to a major changes in public financing. The loss of redevelopment agencies in California seemed to sound a death knell for a publicly financed swimming pool.

On January 31st, CUSP held a town hall meeting where we announced the preliminary plans for a privately funded swimming pool managed by a non-profit organization with public entities as tenants to help cover operating costs. Attached is the presentation we gave at the town hall, the meeting was broadcast by Sonoma Sun TV and is available in its entirety online at sunfmtv.com.

While clearly in the very early stages, the plan received overwhelming support from the community at the meeting and in the days and weeks since. In that time, we have expanded our working group and began the process of identifying and contacting potential major donors.

As we move forward CUSP is focusing on three areas. We are working with a local realtor to find and secure a location, whether it be the much publicized site of the former Sonoma Truck and Auto or somewhere else. We are putting together a donor packet, basically a business plan that shows the long-term viability of a community pool and athletic facility. Lastly, we have received feedback from both advisers and potential donors that a professional, up-to-date feasibility study will be crucial to the success of the project, so are focused on ways to get that done. One potential donor has pledged matching funds for a feasibility study and we are seeking the rest of the monies needed to commission such a study.

It is clear that there is no magic bullet that will get a pool built in Sonoma, but that its going to take a consistent and determined effort from a diverse coalition of Sonomans. While CUSP is working toward a privately funded solution there are two important points to remember. We remain open to new ideas and alternative solutions-the plans presented in January are very preliminary. Secondly, private financing does not preclude public participation, in fact, from the beginning; the members of CUSP have strongly believed that the best way to get this done is a public-private partnership.

We look forward to continued work with this council and members of our great community to realize our goal of one day soon diving into Sonoma's own community swimming pool.

Regards,
Citizens United for a Sonoma Pool

Sonoma Community Pool Town Hall Meeting

Presented by CUSP
(Citizens United for a Sonoma Pool)

CUSP Background

- Informal working group
- Research and evaluations
- Community Outreach
- Early Planning Stages

Benefits of a Community Pool

- Health and Safety
- Education
- Economic Development
- Tourism
- Community Strength

Other Pools

- Hits
  - Ives Pool, Sebastopol
  - Calistoga Pool, Calistoga
- Misses
  - Starr Community Center and Aquatic Facility, Fort Bragg

CUSP Pool Criteria

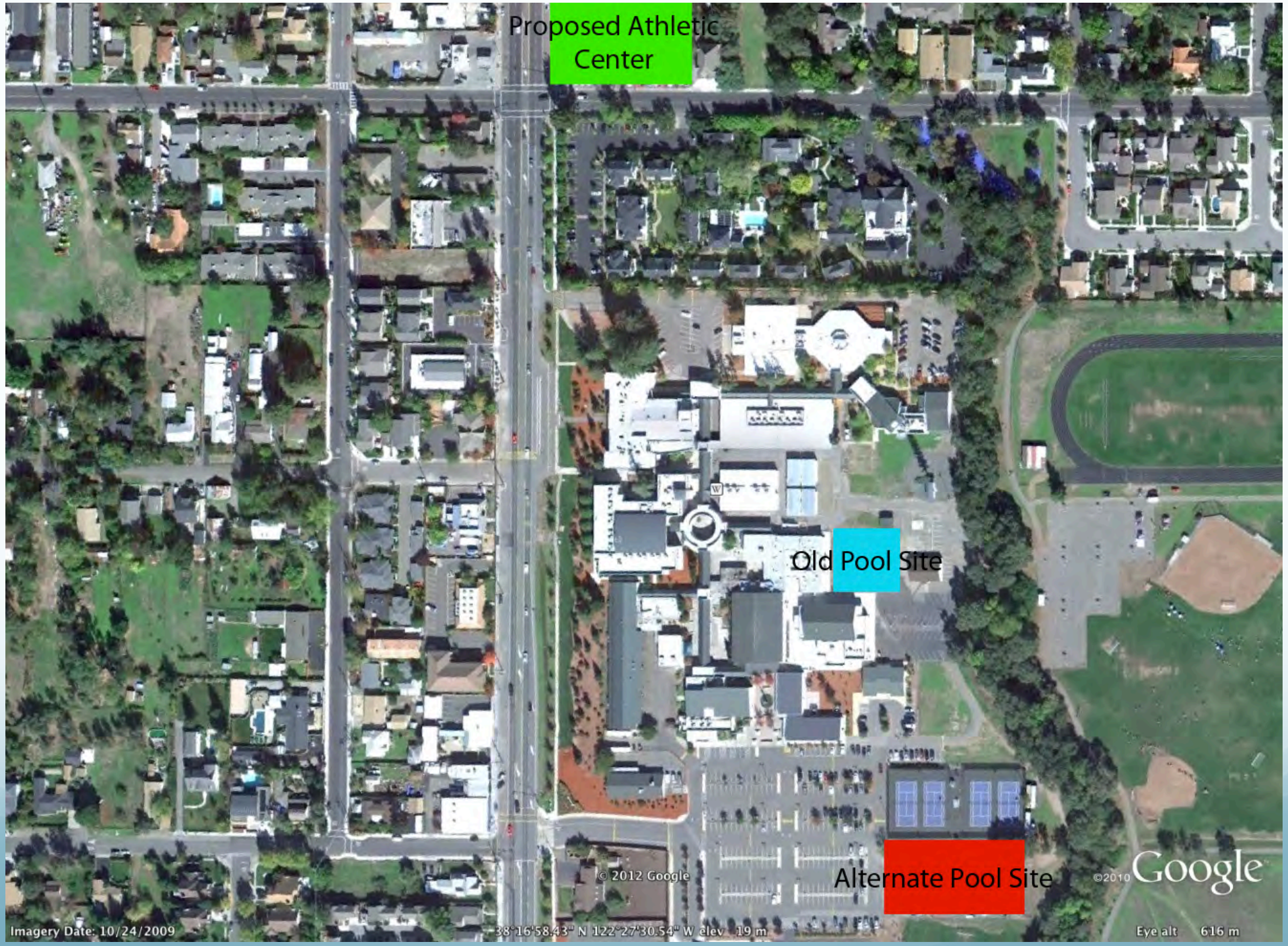
- Meaningful public access
- Long term viability
- Economically sound
- Location, Location, Location

Site Needs

- Sufficient space
- Highway 12 corridor
  - Public transportation
- Broad community support

Locations evaluated

- Sonoma Rentals
- Sassarini
- Vets' Bldg land
- Maxwell/B&GC
- Sonoma Valley High School
- Sonoma Truck and Auto
- Others?


Proposed Athletic Center
Old Pool Site
Alternate Pool Site
© 2012 Google
©2010 Google
Imagery Date: 10/24/2009
38°16'58.43" N 122°27'30.54" W elev 19 m
Eye alt 616 m

Sonoma Athletic Center

(Working Title)

- Private-Public Partnership
- Non-profit with private contributors and public “safety net”
- Multi-use facility centered around a pool
- Competition size swimming pool with therapy pool and wading pool
- World-class climbing wall facility (PCI HQ)
- Multi-purpose studio space
- Adjacent city open space

SONOMA ATHLETIC CENTER

Why SAC?

- Location
  - Proximity to SVHS and other schools
  - Highway 12/Sonoma “gateway
  - Meaningful community access
- Model for long term viability
  - Built-in revenue structure
- Maximizes economic development and tourism
- City, School District and Non-profit synergy

Next Steps

- Community input
- Preliminary plans and business plan
- Capital campaign
- Continue to evaluate alternative sites
- Acquire property
- Governmental approval
  - Planning Commission
  - City Council
  - School Board
- Others?

SONOMA ATHLETIC CENTER

City of Sonoma
City Council
Agenda Item Summary

Agenda Item: 10A
Meeting Date: 03/05/2012

Department	**Staff Contact**
Administration	Mayor and Council Members

Agenda Item Title

Council Members Report on Committee Activities.

Summary

Council members will report on activities, if any, of the various committees to which they are assigned.

MAYOR SANDERS	MPT. BROWN	CLM. BARBOSE	CLM. GALLIAN	CLM. ROUSE
ABAG Alternate	AB939 Local Task Force	City Facilities Committee	ABAG Delegate	City Audit Committee
Community Dev. Agency Loan Subcommittee	Cemetery Subcommittee	Community Dev. Agency Loan Subcommittee, Alt.	Cemetery Subcommittee	Community Dev. Agency Loan Subcommittee
LOCC North Bay Division Liaison, Alternate	Cittaslow Sonoma Valley Advisory Council, Alt.	Community Choice Aggregation Focus Grp.	Cittaslow Sonoma Valley Advisory Council	LOCC North Bay Division Liaison
Sonoma County Mayors & Clm. Assoc. BOD	City Facilities Committee	North Bay Watershed Association	City Audit Committee	Sonoma County M & C Assoc. Legislative Committee, Alt.
Sonoma County M & C Assoc. Legislative Committee	Sonoma Community Center Subcommittee	Sonoma Community Center Subcommittee	Sonoma County Transportation Authority	Sonoma Valley Citizens Advisory Comm. Alt.
Sonoma Disaster Council	Sonoma County Health Action, Alternate	Sonoma County Transportation Authority, Alt.	(SCTA) Regional Climate Protection Authority	S.V. Economic Development Steering Committee, Alt.
Sonoma Housing Corporation	Sonoma County Mayors & Clm. Assoc. BOD	(SCTA) Regional Climate Protection Authority, Alt.	LOCC North Bay Division, LOCC E-Board, Alternate (M & C Appointment)	
S.V.C. Sanitation District BOD	Sonoma Disaster Council, Alternate	Sonoma County Waste Management Agency	Sonoma County/City Solid Waste Advisory Group (SWAG), Alt.	
S.V. Economic Development Steering Committee	Sonoma Housing Corporation	Sonoma County/City Solid Waste Advisory Group (SWAG)	Sonoma County Ag Preservation and Open Space Advisory Committee (M & C Appointment)	
S.V. Fire & Rescue Authority Oversight Committee	S. V. Citizens Advisory Commission	VOM Water District Ad Hoc Committee	VOM Water District Ad Hoc Committee	
S. V. Library Advisory Committee	S.V.C. Sanitation District BOD, Alt.	Water Advisory Committee, Alternate	Water Advisory Committee	
	S.V. Fire & Rescue Authority Oversight Committee			
	S. V. Library Advisory Committee, Alternate			
	Substance Abuse Prevention Coalition			

Recommended Council Action – Receive Reports

Attachments: None