

STAFF REPORT TO THE CITY COUNCIL

DATE:

Regular Meeting of July 24, 2018

TO:

Honorable Mayor and Members of the City Council

SUBMITTED BY:

Ron Bernal, City Manager

Derek Cole, Interim City Attorney

SUBJECT:

Resolution calling for a General Municipal Election to be held on Tuesday November 6, 2018 Submitting to the Voters a Ballot Measure Extending the Transaction and Use Tax (sales tax)

Measure

RECOMMENDED ACTION

It is recommended that the City Council take the following actions:

- Adopt a Resolution of the City Council of the City of Antioch Calling for a Municipal Election on November 6, 2018 to Request City Voters Extend and Increase the City's Transaction and Use Tax From One-Half Cent to One Cent to Provide for Public Safety and 911 Service, Support Youth, and Maintain Other Quality of Life Services; and
- 2) Enact an Ordinance of the City Council of the City of Antioch Submitting a Proposition to The Voters of the City of Antioch to Amend Article 4 of Chapter 5 of Title 3 of the Antioch Municipal Code to Increase the City's Transactions and Use Tax From a Half Cent to One Cent and to Impose This Tax Until Repealed by the Voters.

STRATEGIC PURPOSE

The recommended action supports:

Long Term Goal L: City Administration. Provide exemplary City administration.

Long Term Goal A: Crime Reduction. Reduce crime and improve public safety throughout the City.

Long Term Goal D: Blight Eradication. Eradicate blight through code enforcement and blight abatement.

Long Term Goal J: Parks & Recreation. Provide outstanding parks and recreation facilities and programs for the community.

Long Term Goal L: Financial Services. Achieve and maintain financial stability and transparency

FISCAL IMPACT

Measure C, a one-half cent sales tax measure current revenue is \$6.7 million. This represents 12 percent of the General Fund revenue. Extending this Transaction and Use tax (sales tax) in the amount of one cent could have the potential to generate \$14 million.

DISCUSSION

On November 5, 2013 the voters passed Measure C, a one-half cent Sales Tax Measure. At this time a Sales Tax Citizens' Oversight Committee was established to review the receipts and expenditures of the increased sales tax amount and report publicly to the City Council as part of the City's budget process. The report shall indicate how the funds are being used to address the City Council's stated priorities of public safety and code enforcement. On March 27, 2018, the Sales Tax Citizens' Oversight Committee reported to the City Council that for the fiscal year ending June 30, 2017 all Measure C monies are being properly accounted for and meet the objectives of the Measure. The Sales Tax Citizens' Oversight Committee also reported that there would be significant challenges with the Community's ability to maintain the Quality of Life improvement when Measure C expires April 2021.

Realizing that without this locally controlled revenue the City would not be in a position to continue to provide the priority services important to our community even at our current reduced level, on May 9, 2017 the City Council formed the Quality of Life Ad Hoc Committee, the committee members are Mayor Pro Tem Lamar Thorpe and Council Member Monica Wilson. The purpose of the Quality of Life Ad Hoc Committee is to discuss and strategize how best to engage residents and stakeholders around their priorities and the City's long-term fiscal health and sustainability, including what types of revenue options, if any are viable and of interest to the community in 2018.

In order to assess resident perspectives on their quality of life, including community priorities and needs, the City Manager contracted with the Lew Edwards Group and Fairbank, Maslin, Maulin, Metz & Associates (FM3). FM3 conducted a Quality of Life Community Survey in Fall 2017. The Fall 2017 survey results were presented at a Special Meeting of the Antioch City Council on January 20, 2018. Some of the key findings of the Fall 2017 survey are:

- Public Safety, homelessness and blight are seen as the biggest problems facing the City.
- Seven in ten see a need for additional funding for services residents need and want.
- Two-thirds supported a potential general-purpose sales tax measure.
- The most highly valued spending priorities of the proposed finance measure include public safety, water quality, financial stability and economic development.

Some of the priorities from the Quality of Life Community Survey conducted in Fall 2017 are:

- Ensuring water quality and safety
- Maintaining Antioch's financial stability

- Maintaining 911 police response
- Attracting and retaining local businesses
- Maintaining local control over local needs
- Restoring and maintaining the number of police officers patrolling City Streets
- Maintaining youth violence prevention programs

To further engage more of the community around priorities they would like the City to address, the Lew Edwards Group helped the City develop and conduct an independent public opinion feedback survey – We Want to Hear From You Join the Conversation (located on the City website www.ci.antioch.ca.us also included the Fall 2017 Survey presentation and highlights of the fall survey). The community can access the feedback survey online or they can print the feedback survey and fax, scan or mail in their results. The community also received the feedback survey with their water bill statements. The City Council, Police Department, Public Works, Parks & Recreation and other departments of the City held meetings to encourage the community to take the feedback survey. The City received over 1,500 responses to this survey. The feedback survey asked the community to rank the above priorities. Currently the ranking of the above priorities is:

- 1. Restoring and maintaining the number of police officers patrolling City Streets
- 2. Maintaining 911 police response
- 3. Maintaining Antioch's financial stability
- 4. Attracting and retaining local businesses
- 5. Ensuring water quality and safety
- 6. Maintaining youth violence prevention programs
- 7. Maintaining local control over local needs

To keep the community informed, the City Manager's office mailed a summer 2018 Antioch City Report Community Update. This report informed the community about the City's efforts to maintain and enhance the quality of life in Antioch. The report contained answers to frequently asked questions about community needs and included highlight of the Sales Tax Citizens Oversight Committee report.

In June 2018, FM3 conducted a Viability Survey to assess the viability of a potential November 2018 ballot measure extending Measure C. FM3 will present to the City Council an analysis of the survey results at the July 24, 2018 City Council meeting.

After analyzing the information received from the City's outreach efforts, staff is recommending that the City proceed with placing a ballot measure in the amount of one cent extending the Transaction and Use Tax (sales tax) Measure. If approved by the voters, none of the revenue generated by the measure would be taken by the State, as all proceeds would be spent for the benefit of Antioch residents.

The proposed ballot question, which meets the word limit requirements for ballot measure is:

To maintain Antioch's fiscal stability and police patrols, 911 emergency response, youth violence prevention programs; ensuring water quality and

safety; repairing streets; cleaning up parks/illegal dumping; restoring youth after-school/summer programs; and other essential services; shall the measure be adopted approving an ordinance to renew the sales tax at the one-cent rate, raising approximately \$14,000,000 annually until ended by voters, requiring independent annual financial audits and all expenditures available for public review?

The proposed ballot measure safeguards the use of public funds and ensures transparency and accountability. The measure requires mandatory external auditors report on these funds. This would be a general purpose tax requiring the approval of a simple majority of voters. The Quality of Life Ad Hoc Committee, staff and department engagement efforts have solicited community feedback on priorities. Attached are Draft Proposed 2018 Sales Tax Ballot Measure Spending Priorities.

In order to place the measure on the ballot for the November 6, 2018 election, City staff is seeking City Council adoption of a resolution calling for the Municipal Election, requesting Contra Costa County to conduct the election, directing the City Attorney to prepare the Impartial Analysis for the measure, and authorizing the City Manager to contract with the State Board of Equalization to administer and collect the tax. As drafted, the proposed ballot question meets the seventy-five (75) word limit provided for under the State Elections Code and the City Attorney has reviewed the language for compliance. It is also requested that the City Council review and approve the recommended ballot question.

ATTACHMENTS

- A. Draft Spending Priorities
- B. Resolution Regarding Transaction and Use (Sales) Tax Including Ordinance (Exhibit 1: Ordinance)

DRAFT Proposed 2018 Sales Tax Ballot Measure Spending Priorities

The following draft proposed Sales Tax Ballot Measure Spending Priorities Plan outlines preliminary priorities for using additional resources if the City Council places a sales tax measure on the November 2018 ballot. In the event that General Fund revenues fall below costs, the additional sales tax funds would potentially be used to maintain current service delivery and avoid service disruptions.

Service Priorities
Maintain Public Safety
(Target of 60% of Measure)
Maintain and Restore Neighborhood Police Patrols
Maintain 911 Emergency Response
Maintain Community Engagement Team
Maintain Code and Traffic Enforcement Services
Support Youth Services
(Target of 20% of Measure)
Provide Safe, Healthy Play Areas
Restore After-School and Summer Youth Programs
Maintain Youth Violence & Anti-Gang Programs
Support Quality of Live, Fiscal Stability/Accountability
(Target of 20% of Measure)
Maintain Code and Traffic Enforcement Services
Ensure Water Quality & Safety
Support Senior Programs & Services
Address Street/Road Repairs
Attracting and Retaining Local Businesses

RESOLUTION NO. 2018/**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
CALLING FOR A MUNICIPAL ELECTION ON NOVEMBER 6, 2018 TO REQUEST
CITY VOTERS EXTEND AND INCREASE THE CITY'S TRANSACTION AND USE
TAX FROM ONE-HALF CENT TO ONE CENT TO PROVIDE FOR PUBLIC SAFETY
AND 911 SERVICE, SUPPORT YOUTH, AND MAINTAIN OTHER
QUALITY OF LIFE SERVICES

WHEREAS, existing, voter-approved funding has maintained basic public safety services in Antioch such as police, emergency response, and code enforcement services; and

WHEREAS, the City has solicited public input on priorities, and the community has said it wants the City to increase investment in code enforcement, cleaning up blight, road repairs, youth/senior services, ensuring water quality, and attracting new business and jobs to Antioch; and

WHEREAS, by addressing these quality-of-life priorities, the City can reach its potential for a safe, clean, beautiful place to live; and

WHEREAS, we must continue to keep Antioch safe by maintaining reliable funding for police patrols, 911 emergency response, youth violence and gang prevention, traffic enforcement patrols, and preparing public safety personnel for rapid, coordinated responses to natural disasters; and

WHEREAS, more than one-quarter of Antioch's population is under the age of 18, and many parents commute hours to work each day—the City wishes to expand programs that keep kids off the streets and out of trouble, while providing them safe and healthy places to learn and play; and

WHEREAS, the proposed measure only costs one cent in sales tax for a one-dollar purchase to keep our City safe, clean and well-maintained; and

WHEREAS, this is not a tax on residents' homes or properties; by law, visitors to Antioch share in the cost and critical products such as food purchased as groceries and prescription medications are exempt; and

WHEREAS, all funds raised by this measure are subject to annual independent audits to ensure funds are spent responsibly on the community's priorities; and

WHEREAS, every penny of new revenue from this measure is legally required to stay in the City of Antioch and cannot be seized by the State.

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF ANTIOCH DOES RESOLVE AS FOLLOWS:

Section 1. Call for Election.

Pursuant to California Constitution Article XIIIC, Section 2, Government Code Section 53724, and Elections Code Section 9222, the City Council of the City of Antioch hereby calls an election and hereby submits to the qualified voters of the City a measure that, if approved, would permanently extend and increase the general transactions and use tax, as authorized by Revenue and Taxation Code section 7285 .9. This measure shall be designated by letter by the Contra Costa 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 November 6, 2018.

Section 2. Ballot Language.

The question to be presented to the voters shall be as follows:

City of Antioch Quality of Life Measure. To maintain Antioch's fiscal stability and police patrols, 911 emergency response, youth violence	YES	
prevention programs; ensuring water quality and safety; repairing streets; cleaning up parks/illegal dumping; restoring youth after-school/summer	NO	
programs; and other essential services; shall the measure be adopted approving an ordinance to renew the sales tax at the one-cent rate, raising approximately \$14,000,000 annually until ended by voters, requiring independent annual financial audits and all expenditures available for public review?		

Section 3. Proposed Ordinance.

The Ordinance authorizing the continuation and increase of the general tax to be approved by the voters is as set forth in Exhibit 1 and incorporated herein by reference. The City Council hereby approves the ordinance, the form thereof, and its submission to the voters of the City at the November 6, 2018 election, as required by Revenue and Taxation Code section 7285.9.

Section 4. Text of Measure to be Published in the Voter Information Pamphlet.

The Ordinance attached as Exhibit 1 to this Resolution is available at no cost from the City Clerk's Office at (925) 779-7009 or on the City's website: www.ci.antioch.ca.us. A statement about how to obtain the full text of the Ordinance will be included in the Voter Information Pamphlet below the Impartial Analysis.

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In addition, only the Whereas Clauses above, ballot question, Impartial Analysis, and Arguments are to be printed in the Voter Information Pamphlet for this measure.

Section 5. Request to Consolidate, Conduct Election and Canvass Returns.

The Board of Supervisors of the County of Contra Costa is hereby requested to authorize the County Clerk/Recorder/Registrar of Voters to render all services necessary and proper for the conduct of the municipal election called by this Resolution. Pursuant to California Elections Code section 10403, the City Council hereby requests that the Contra Costa County Board of Supervisors consolidate that election with the election to be conducted on November 6, 2018 and order the Municipal Election to be conducted by the Registrar of Voters. The Contra Costa County Elections department is authorized to canvass the returns of the election, and the election shall be held in all respects as only one election.

The City Clerk's Office is authorized, instructed and directed to work with the County Elections Division as needed to properly and lawfully conduct the election. The ballots to be used in the election shall be in form and content as required by law. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

Section 6. Time and Place of Election.

The polls for the election shall be open at 7:00 a.m. on the day of the election and shall remain open continuously from that time until 8:00 p.m. that same day, when the polls shall be closed, except as provided in Section 14401 of the Elections Code of the State of California. The notice of the time and place of holding the election is hereby given, and the City Clerk is authorized to give further notice of the election, as required by law.

Section 7. Publication of Measure.

The City Clerk's Office is hereby directed to cause notice of the measure to be published once in accordance with Section 12111 of the Elections Code.

Section 8. Submission of Ballot Arguments.

The City Clerk's Office, with the concurrence of the County Elections Official, has fixed 5:00 p.m. on August 22, 2018 as the deadline for submittal of arguments for or against the measure. The direct arguments shall not exceed three hundred (300) words, and shall not be signed by more than five (5) persons. The City Council does not adopt the provisions of Elections Code Section 9285(a); there shall be no rebuttal arguments.

Section 9. Council Preparation of Argument In Support of Measure

The City Council hereby authorizes the Mayor or Mayor Pro Tem to prepare and file the written primary argument in support of the ballot measure described above, pursuant to Article 4 of Chapter 3 of Division 9 of the California Elections Code. At the discretion of the Mayor or Mayor Pro Tem the argument may also be signed by other members of the

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City Council, bona fide associations of citizens, or by individual voters who are eligible to vote.

Section 10. Impartial Analysis

Pursuant to California Elections Code Section 9280, the City Council hereby directs the City Clerk's Office to transmit a certified copy of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit the impartial analysis to the Elections Division by no later than 5:00 p.m. on August 22, 2018.

Section 11. Implementation.

The City Clerk's Office is directed to file with the Board of Supervisors and the Registrar of Voters certified copies of this resolution. The City will reimburse the County for the actual cost incurred in conducting the election upon receipt of a bill stating the amount due as determined by the Election Official.

Section 12. Jurisdictional Boundaries

The jurisdictional boundaries of the City of Antioch have not changed since the last general municipal election.

Section 13. CEQA

The approval of this Resolution is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 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 or actions. As such, under CEQA Guidelines section 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. Therefore, under CEQA Guidelines section 15060 review under CEQA is not required.

Section 14. Passage of this Resolution.

This tax is a general tax requiring the approval of a majority of qualified electors casting votes. While the measure lists several of the various municipal purposes to be funded, the list is illustrative only and the Council retains complete discretion to expend the tax proceeds for any lawful purposes for the City of Antioch.

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Section 15. Contract with the State.

The City Manager is authorized to negotiate and execute an agreement with the State Board of Equalization in accordance with Revenue and Taxation Code Section 7270 to perform all functions incident to the administration and operation of the ordinance.

This Resolution shall become effective immediately upon its passage and adoption. I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 24th day of July, 2018 by the following vote: AYES: NOES: ABSENT: ARNE SIMONSEN, CMC CITY CLERK OF THE CITY OF ANTIOCH

ORDINANCE NO. ____-C-S

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANTIOCH SUBMITTING
A PROPOSITION TO THE VOTERS OF THE CITY OF ANTIOCH TO AMEND
ARTICLE 4 OF CHAPTER 5 OF TITLE 3 OF THE ANTIOCH MUNICIPAL CODE TO
INCREASE THE CITY'S TRANSACTIONS AND USE TAX FROM A HALF CENT TO
ONE CENT AND TO IMPOSE THIS TAX UNTIL REPEALED BY THE VOTERS

WHEREAS, at an election on November 5, 2013, the voters of the City of Antioch approved Ordinance 2068-C-S, establishing a half-cent transaction and use tax; and

WHEREAS, the City Council of the City of Antioch enacted Ordinance 2068-C-S on June 13, 2013, subject to the requirement that the voters ratify the Ordinance at the ensuing special election that was called; and

WHEREAS, Ordinance 2068-C-S codifies Article 4 of Chapter 5 of Title 3 of the Antioch Municipal Code, establishing, among other things, the requirements, collection procedures, and exemptions for the City's transactions and use tax; and

WHEREAS, by its terms Ordinance 2068-C-S is set to expire in seven years from its operative date; and

WHEREAS, in accordance with Elections Code section 9222 and Revenue and Taxation Code section 7285.9, the City Council desires to submit to the voters of the City of Antioch the increase of the transaction and use tax to one cent and to permanently extend the tax.

NOW, THEREFORE, BE IT RESOLVED that The City Council of the City of Antioch does ordain as follows:

Section 2. Section 3-5.407 of the Antioch Municipal Code is hereby amended as follows:

§ 3-5.407 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 article for storage, use or other consumption in said territory at the rate of one half of one percent (0.50%) until March 31, 2019, and thereafter at the rate of one percent (1.0%), 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.

Section 3. Section 3-5.416 of the Antioch Municipal Code is hereby repealed.

Section 4. Section 3-5.417 of the Antioch Municipal Code is hereby repealed.

Section 5. CEQA Findings.

The approval of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 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 or actions. As such, under CEQA Guidelines section 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. Therefore, under CEQA Guidelines section 15060 review under CEQA is not required.

Section 6. Severability.

In the event any section or portion of this ordinance shall be determined to be invalid or unconstitutional, such section or portions shall be deemed severable and all other sections or portions hereof shall remain in force and effect.

Section 7. Effective Date.

This ordinance relates to the levying and collecting of the City's transactions and use taxes and shall not take effect until approved by the majority of the voters voting at the General Municipal Election to be held on November 6, 2018.

Section 8. Certification and Publication.

Upon approval by the voters, the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause it to be published according to law and transmitted to the Board of Equalization.

* * * * * *

I HEREBY CERTIFY that the foregoing ordinance was adopted by two thirds of the City Council and submitted to the voters at a regular meeting of the City Council of the City of Antioch held on the 24th day of July, 2018, by the following vote:

AYES:

NOES:

ABSENT:

Sean Wright, Mayor of the City of Antioch

ATTEST:

Ordinance No was submitted to the People of the City of Antioch at the November 6, 2018 General Municipal Election. It is hereby certified that this Ordinance was APPROVED by the following vote of the People of Antioch:
YES:
NO:
This Ordinance was thereby adopted by the voters at the November 6, 2018 General Municipal Election and took effect upon adoption of a resolution declaring the results of the election at a regular meeting of the City Council held on by the following vote:
AYES:
NOES:
ABSENT:
I hereby certify that the foregoing is a true and correct copy of an ordinance duly and regularly adopted by the People of the City of Antioch, California.
Arne Simonsen, CMC, City Clerk of the City of Antioch



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of July 24, 2018

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Derek P. Cole, Interim City Attorney

SUBJECT: Initiative to Restrict Development in Portions of the Sand Creek

Area, Approve a Development Agreement for "The Ranch" Project in That Area, and Allow Amendment of the Urban Limit

Line by Voter Approval Only

RECOMMENDED ACTION

It is recommended that the City Council receive and file the Clerk's Certificate to Initiative Petition (**Exhibit 1**) and

- A) Adopt the ordinance, without alteration, at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented; or
- B) Submit the ordinance, without alteration, to the voters; or
- C) Order a report pursuant to Section 9212 at the regular meeting at which the certification of the petition is presented. When the report is presented to the legislative body, the legislative body shall either adopt the ordinance within 10 days or order an election pursuant to subdivision (b).

STRATEGIC PURPOSE

The proposed action is consistent with Strategy N-1, Effectively and efficiently provide legal services in support of the City's policies, procedures and initiatives.

FISCAL IMPACT

If the Council calls an election on this initiative, the estimated County cost for this item as part of upcoming General Election would be approximately \$90,000, assuming the Council has also called the election on the sales tax increase.

If the Council chooses to adopt this initiative as presented, the restrictions it would impose on the development of the Sand Creek Focus Area could have revenue implications due to the loss of the anticipated development in that area. The City Attorney's Office does not have the resources or background to quantify these potential financial impacts.