



BALLOT MEASURE ADDITIONAL INFO & COUNCIL DIRECTION

City Council

June 20, 2022

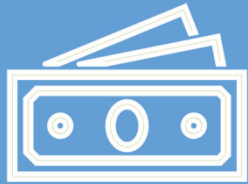
www.cityofpaloalto.org/fiscalsustainability

OVERVIEW

Discussion by and seeking adoption by the Council regarding:

- Measure to Affirm Gas General Fund Transfer
 - Resolution placing measure on the ballot, ordinance, and ballot question (Attachment A)
- Business Tax
 - Resolution placing measure to adopt a business tax on the ballot, ordinance, and ballot question (Attachment B)
 - Resolution of Council's intentions regarding use (Attachments C)

BUSINESS TAX BALLOT MEASURE



Gross Revenue
~\$19M

Purpose

Fund general government services and programs

Rate & Timing

- \$0.10/sq ft per month
- Increase by bay area inflation (CPI), not to exceed 5% annually
- Continue existing Business Registry Certificate Program for all eligible businesses
- Retrospective, beginning Jan 2023. Lump sum due Jan 2024 and quarterly thereafter. Delinquent within 30 days

Exemptions & Credits

- Small businesses (first 5,000 square feet of all businesses)
- Grocery or Supermarket stores
- Seasonal businesses operating less than 90 days
- Residential properties
- Property mgmt.: areas occupied by admin functions
- Potential Credits: 1) hotel tax, certain sales tax already paid by a business (2:1, up to 75%), 2) vacant space



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REMAINING MILESTONES

May:

- Finance Committee FY 2023 budget hearings
- 3rd & final round of polling
- Focus groups & community information presentations

August:

- August 12 is last day to submit ballot measures to Registrar of Voters

November:

- Election November 8, 2022

June:

- Council adoption of FY 2023 budget & fees
- Council direction on draft ordinance (informed by poll)
- Council decision on ballot measures for voter consideration

September/October:

- City may provide informational material that is impartial, fact-based, and avoids advocacy



DRAFT COUNCIL MOTION

Staff recommends that the City Council:

- A. Adopt a resolution to submit a measure to the voters at the general municipal election on November 8, 2022 to affirm the natural gas utility transfer;
- B. Adopt a resolution to submit a measure to the voters at the general municipal election on November 8, 2022 to adopt a business tax; and
- C. Adopt a resolution to inform the public of Council's spending plan for business tax proceeds.





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