



# Community Update

Voter Information on Measures L & M

Fall 2018

# Measures L & M on the November Ballot

- On, July 31, 2018, the Sausalito City Council unanimously placed Measures L & M on the November 6, 2018 ballot for voters to consider.
- If enacted by voters, **Measures L and M** would help ensure businesses operating in Sausalito and visitors to our City continue to pay their fair share, while re-investing in our local quality of life services and our local business community.



# Why Were Measures L & M Placed on the Ballot?

- **Measure L** was placed on the ballot following consultation with the City's hoteliers.
  - Sausalito's hotel room tax rate hasn't changed in a number of years.
  - If enacted by voters, **Measure L** would ensure that tourists staying in Sausalito would pay their fair share for using our local city services, while reinvesting funds in our business community.
- **Measure M** was placed on the ballot after consultation with the local business community.
  - The City's existing business license tax ordinance is over two decades old and is outdated, cumbersome, and difficult to administer.
  - If approved by voters, **Measure M** would streamline and simplify the City's ordinance and update the rates, making it more transparent, easy to understand, and fair for businesses of all sizes.

# Measure L – the City of Sausalito Hotel Tax/Tourism Mitigation Measure

- If enacted, Measure L would update the City's existing hotel room tax rate from 12% to 14% (a 2% increase).
- By doing so, our City would be in line with other nearby communities and Measure L would provide a reliable source of locally-controlled funds to:
  - manage traffic congestion;
  - improve traffic enforcement for pedestrians, cyclist, and drivers, and
  - reinvest in local businesses.



# Measure L Background Information

## TOT Ballot Measures (Nov 2018)

City	Current Rate	Proposed Rate
Palo Alto	14%	16%
Daly City	10%	15%
Los Altos	10%	14%
Redwood City	12%	14%
San Carlos	10%	14%
South San Francisco	12%	14%
Milpitas	10%	12% to 14%
Morgan Hill	10%	12% to 14%
Sunnyvale	10.5%	12.5%
Belmont	10%	12%
Foster City	9.5%	12%



# Measure M – the City of Sausalito Business Tax Equity Measure

- If enacted, would update and streamline the City's two-decades-old business license ordinance to a flat rate of \$125- and up to \$3 per \$1,000 of gross receipts.
- **Measure M**, if approved by voters, would make the City's outdated business ordinance more transparent, easy to understand, and fair for businesses of all sizes.
- **Measure M** simplifies the existing ordinance by reducing the rates most businesses in the first category (retail, restaurants) pay by about 13% and consolidating the number of categories from 22 to 4.

# Measure M Background Information: What is a Business License Tax (BLT)?

## 1. Business License Tax

- Charged to anyone doing business in a City
- Link between City services/infrastructure & use
- Common revenue >450 of 482 cities in California

## 2. Current BLT Ordinance in Sausalito

- Established in 1968, complex with 22 business categories
- Raises \$623,000 per year in General Fund revenues
- Majority vote to change BLT rate if for general purposes



# Measure M: A BLT Equity Measure

## 1. Streamline, Simplify and Modernize

- Reduce categories from 22 to 4, minimum BLT at \$125
- Reduce Small Business gross receipts rate by 13%
- Commercial Property, Subcontractors not exempt
- July 1, 2019 Effective Date – Allow for Outreach/Education
- Would raise additional \$896,750/year General Fund revenue

## 2. Proposed BLT Rate Categories

- 1 – General, Retail, Hotel - \$1 per thousand/gross receipts
- 2 – Rental (C&R) - \$2 per thousand/gross receipts
- 3 – Service/Prof - \$3 per thousand/gross receipts
- 4 – Contractors - \$2 per thousand/gross receipts





# BLT Rates – Neighboring Cities

Business	Current	Corte Madera	Daly City	Mill Valley	Richmond	SF	Proposed
<b>Small Crafts Bus.</b> \$25,000/year	\$45	\$45	\$100	\$45	\$365.10	\$100	<b>\$125</b>
<b>Restaurant</b> \$5K/mo, \$60,000/yr	\$213	\$135	\$100	\$150	\$846.30	\$1,250	<b>\$125</b>
<b>Big Retailer</b> \$2,500,000/year	\$2,925	\$735	\$1,500	\$800	\$5,056.80	\$2,500	<b>\$2,500</b>
<b>Hotel/Rental</b> \$2 Million/ 80 units	\$1,600	\$480	\$10,000	\$800	\$705.30	\$5,700	<b>\$2,000</b>
<b>Doctor's Office</b> \$250,000/year	\$350	\$400	\$250	\$300	\$1,207.20	\$1,000	<b>\$750</b>
<b>Professional Firm</b> \$1.5 Million/year	\$350	\$1,230	\$1,500	\$1,200	\$3,172.10	\$6,900	<b>\$4,500</b>
<b>Small Contractor</b> \$50,000/year	\$35	\$50	\$100	\$60	\$378.50	\$1,500	<b>\$125</b>
<b>Contractor</b> \$500,000/year	\$140	\$50	\$500	\$300	\$1,528.40	\$1,500	<b>\$1,000</b>

# BLT Rates – Tourist Communities

Business	Current	Napa	Monterey	Marina	Proposed
<b>Hair Salon</b> \$100,000/year	\$213	\$100	\$150	\$200	\$125
<b>Residential Rental</b> \$5,000/mo, \$60,000/yr	\$20	\$80	Exempt	\$120	\$125
<b>Commercial Property</b> \$100,000/year	0	\$100	\$150	\$100	\$200
<b>Hotel/Apt</b> \$4 Million/ 80 units	\$1,200	\$4,000	\$9,600	\$8,000	\$4,000
<b>Service Business</b> \$250,000/year	\$380	\$250	\$375	\$500	\$750
<b>Professional/Architect</b> \$1.5 Million/year	\$350	\$1,500	\$2,250	\$3,000	\$4,500
<b>Sub Contractor</b> \$50,000/year	0	\$50	\$75	\$100	\$125
<b>Contractor</b> \$1 Million/year	\$140	\$1,000	\$1,500	\$2,000	\$2,000

# Community Identified Priorities

If approved, **Measure L and M** will generate approximately \$1,196,750 per year for local priorities identified by the public, including:

- Maintaining streets and roads
- Providing police protection, neighborhood crime prevention, and traffic enforcement to protect pedestrians, cyclists, and drivers
- Providing traffic and congestion improvements
- Reinvesting in local businesses
- Maintaining storm drains to prevent pollutants, garbage, and sediment from entering the Bay

# Who Pays for Measures L & M?

- **Measures L and M** will NOT increase taxes for Sausalito residents who are not business proprietors or hotel guests.
- Only those who stay in hotel rooms overnight in Sausalito will pay for **Measure L**.
- Only those who conduct business in the City will pay for **Measure M**.
- Sausalito residents and homeowners who are not engaged in these activities will NOT be taxed.

# Measure L & M Funds Stay Local

- Measure L and M funds will remain local.
- Measure L and M funds cannot be taken by Sacramento.
- Measure L and M funds can only be used for and by the City of Sausalito.

# Financial Protections

- ✓ Measures L and M require all funds are used locally.
- ✓ Measures L and M require independent financial audits and annual public review of expenditures to ensure funds are spent efficiently, effectively and as promised.
- ✓ Measure L and M funds are protected by law from the state. No funds can be taken by Sacramento.
- ✓ Measures L and M are not a tax on your home or property, but ensure that visitors and businesses pay their fair share for maintaining City streets, public safety, and other services.

# Voter Information

- Measures L and M are local Sausalito measures on the November 6 election ballot. If passed, Measures L and M would provide local funds for Sausalito's public safety and City services.
- For the full text of Measures L and M visit: <https://www.marincounty.org/depts/rv>.
- Permanent Absentee Voters should receive their ballots the week of October 8th. If you did not receive yours, call 415.473.6456.
- Poll Voting will occur on Tuesday, November 6. Polling places are open from 7am-8pm. Vote-By-Mail Ballots can be dropped off at any Polling Place in Marin County on Election Day.
- Sausalito City Hall is an official Vote-By-Mail ballot drop off location. Vote-By-Mail Ballots can be dropped off at City Hall during city business hours October 9 to November 5.
- If you have questions about where to vote or your absentee ballot please call the Registrar of Voters at 415.473.6456 or the Sausalito City Clerk at 415.289.4134.

# Where can I get more information?

For more information on Measures L & M visit:

<https://www.sausalito.gov/city-government/hot-topics/measures-l-m>





**Thank you!**

Questions