

RESOLUTION NO. 5737

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAUSALITO ESTABLISHING NOVEMBER 6, 2018 AS THE DATE FOR A MUNICIPAL ELECTION ON A PROPOSED BALLOT MEASURE SEEKING VOTER APPROVAL TO INCREASE THE CITY'S EXISTING TRANSIENT OCCUPANCY TAX FOR GENERAL FUND PURPOSES BY TWO PERCENT (2%), ESTABLISHING POLICIES AND PROCEDURES IN CONNECTION WITH SUCH AN ELECTION, AND REQUESTING THAT THE MARIN COUNTY REGISTRAR OF VOTERS CONDUCT SUCH AN ELECTION, AND REQUESTING THAT THE CITY ATTORNEY PREPARE AND FILE AN IMPARTIAL ANALYSIS OF THE PROPOSED BALLOT MEASURE

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**WHEREAS**, in 1966 the City Council of the City of Sausalito ("the City Council") adopted Ordinance No. 660, codified as Title 3, Chapter 13.12 of the Municipal Code, which provides for the imposition and collection of a general excise tax on the privilege of using hotel accommodations in the City (a "transient occupancy tax" or "TOT") to be paid by hotel users and collected by hotel operators; and

**WHEREAS**, Article XIII C, section 2(b) of the California Constitution requires that any general tax, such as the TOT, must be approved by a majority vote of the voters voting on the issue of the increase of the tax; and

**WHEREAS**, Article XIII C, section 2(b) of the California Constitution requires that an election by the voters to approve a general tax must be consolidated with a statewide general election at which members of the City Council will be elected; and

**WHEREAS**, November 6, 2018 is the date of the statewide general election at which members of the City Council will be elected; and

**WHEREAS**, the City of Sausalito is well-known for our quality city services and excellent quality of life; and

**WHEREAS**, the tourism that our businesses and City relies on for long-term sustainability also affects our quality of life; and

**WHEREAS**, to effectively balance tourism against resident quality of life needs, traffic congestion management must be improved to address the number of bikes, buses and taxis during peak periods; and

**WHEREAS**, the City wishes to enhance traffic enforcement to protect the safety of local pedestrians, cyclists and drivers and reduce downtown congestion; and

**WHEREAS**, the City of Sausalito needs locally-controlled funds that support economic vitality and development, while re-investing in our local business community; and

**WHEREAS**, years of state takeaways and changes to state law have impacted our ability to provide the quality of life services that make Sausalito a great place to live, work, and raise a family; and

**WHEREAS**, the City's hotel room tax rate hasn't changed since 2005, and needs to be updated; and

**WHEREAS**, this measure will NOT increase taxes for Sausalito residents--only individuals staying in hotel rooms in Sausalito will pay for this measure; and

**WHEREAS**, this measure will protect the excellent quality of life services that keep Sausalito's property values strong; and

**WHEREAS**, all funds for this measure are subject to public, annual independent audits, and all funds must be used locally for Sausalito city services; and

**WHEREAS**, as a local, voter-approved measure, funds generated by this mechanism are not subject to seizure by Sacramento; and

**WHEREAS**, after considering the foregoing information, the City Council believes that it is in the best interest of the City to submit the proposed two percent (2%) upward adjustment to the TOT to the voters of the City.

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

**SECTION 1. Call for Election.** Pursuant to Elections Code Section 9222, the City Council hereby calls an election at which it shall submit to the qualified voters of the City of Sausalito, a measure that, if approved, would increase the Transient Occupancy Tax from twelve percent (12%) to fourteen percent (14%) to fund general services in the City. This measure shall be designated by letter by the Marin County Registrar of Voters. Pursuant to Elections 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 ballot language for the proposed measure shall be as follows:

**City of Sausalito Hotel Tax/Tourism Mitigation Measure.** To address the effects of tourism by improving traffic enforcement for pedestrian, cyclist and driver safety; managing the number of bikes, buses, taxis; reinvesting in local businesses; and other essential city services, shall an ordinance raising the transient occupancy tax rate

charged to hotel guests by 2% be adopted until ended by voters, providing additional \$300,000 annually, with independent audits, all funds used locally in Sausalito?

YES NO

**SECTION 3. Proposed Ordinance.** The ordinance authorizing the general tax to be approved by the voters pursuant to Section 2 is as set forth in Attachment 1 attached hereto. The type of tax proposed by the ordinance is an amendment to the City's existing transient occupancy tax, which is a general tax. The ordinance specifies that the existing tax rate would be adjusted from 12% of the room rate to 14%. The full text of the ordinance shall be printed in the voter information guide.

**SECTION 4. Publication of Measure.** The City Clerk is hereby directed to cause notice of the measure to be published once in a newspaper of general circulation in the City in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

**SECTION 5. Request to Consolidate and Conduct Election and Canvass Returns.**

- a. The City Council hereby requests that the Marin County Board of Supervisors consolidate the election called by this resolution with the statewide election to be conducted on November 6, 2018 and order the election to be conducted by the Registrar of Voters. The City Clerk is directed to file a certified copy of this resolution with the Board of Supervisors of Marin County and the Registrar of Voters of Marin County on or before August 10, 2018
- b. The election on the measure set forth in Section 2 shall be held and conducted, the voters canvassed and the returns made, and the results ascertained and determined as provided for herein. In all particulars, the election shall be held in accordance with the Elections Code of the State of California.
- c. The election on the measure set forth in Section 2 shall be held in Marin County in the City of Sausalito on November 6, 2018, as required by law, and the Board of Supervisors of Marin County is authorized to canvass the returns of the election with respect to the votes cast in the City of Sausalito and certify the results to the City Council of the City of Sausalito
- d. At the next regular meeting of the City Council of the City of Sausalito occurring after the returns of the election for the measure set forth in Section 2 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.

- e. The City Council acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code Section 10418.

**SECTION 6. Submission of Ballot Arguments and Impartial Analysis.**

Arguments for and against said measure may be filed in accordance with applicable provisions of the law. The Council does not authorize the Council as a body or any individual member of the Council to file a written argument or any rebuttal argument for or against the measure. The City Clerk shall consider other arguments and rebuttal arguments filed by bona fide associations or individual residents who are eligible to vote in accordance with Elections Code Sections 9282, 9285 and 9287.

Pursuant to Section 9285 of the California Elections Code, (the provisions of which are hereby adopted), 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. The rebuttal arguments shall be filed with the City Clerk not more than ten (10) days after the final date for filing direct arguments. 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. The text of the measure shall be printed on the ballot in the voter information portion of the sample ballot.

Pursuant to California Elections Code section 9280, the City Clerk shall transmit a copy of the measure to the City Attorney who shall prepare an impartial analysis of the measure in accordance with said Section 9280.

**SECTION 7. Appropriation of Necessary Funds.** The City Manager is hereby authorized and directed to appropriate the necessary funds to pay for the City's costs of placing the measure on the election ballot.

**SECTION 8. Services of City Clerk.** The City Clerk is hereby authorized and directed to take all steps necessary to place the measure on the ballot and to cause the ordinance or measure to be printed. A copy of the ordinance or measure shall be made available to any voters upon request.

**SECTION 9. Compliance with California Environmental Quality Act.** 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 tax proposed by this resolution 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 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, pursuant to CEQA Guidelines section 15060 CEQA analysis is not required.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Sausalito on this 31<sup>st</sup> day of July, 2018 by the following vote:

AYES:	Councilmembers:	Withy, Cleveland-Knowles, Hoffman, Burns, Mayor Cox
NOES:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None
ABSENT:	Councilmembers:	None

  
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JOAN COX  
MAYOR OF THE CITY OF SAUSALITO

ATTEST:

  
\_\_\_\_\_  
SERGE AVILA  
DEPUTY CITY CLERK

# Attachment 1

## AN ORDINANCE OF THE CITY OF SAUSALITO AMENDING SECTION 3.12.030 OF THE SAUSALITO MUNICIPAL CODE TO INCREASE THE TRANSIENT OCCUPANCY TAX (HOTEL TAX) BY 2%

Now, therefore, the people of the City of Sausalito do ordain as follows:

**SECTION 1. Amendments.** Section 3.12.030 is here by amended to read as follows, with deletions in strikethrough and additions in underlined text:

“There shall be paid for every occupancy of a guest room in a hotel in the City a tax at the rate of ~~12~~ 14 percent of the amount of rent unless an exception is provided under SMC 3.12.040

**SECTION 2: Severability.** If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Sausalito hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

**SECTION 3: Publication and Effective Date.** This Ordinance shall take effect immediately after approval of the ballot measure related hereto.