

From: [REDACTED]
To: [Mary Gourley](#)
Subject: Comment for City Council re agenda item #8
Date: Monday, October 16, 2023 1:28:37 PM

Dear Mayor and City Council:

Regarding item #8 on your agenda, below are several thoughts for your consideration:

- The staff report paints a dire picture of the City’s projected fiscal future. Action is needed.
- Upcoming water and sewer, and possibly solid waste rate increases will not put the voters in a receptive mood towards tax measures, so any such measures need to be carefully considered.
- Other tax measures are brewing in the County that will compete with, or at minimum influence voter attitudes towards any Sebastopol tax measure. This factor also needs review, to identify the type, timing, and scale of other measures.
- Equity, as well as voter receptivity to different taxes should be considered—for example, a TOT increase affects visitors; a sales tax will affect residents, visitors, and residents outside of the City limits that use Sebastopol as ‘their town’; a property tax only affects owners in the City limits.
- There are legal limits on sales taxes in the County; in the context of competing measures, these legal aspects need to be well-understood.
- As the staff report rightly acknowledges, tax increases are not the only actions that should be considered, especially in the context of potential negative voter attitudes toward tax increases. Economic development is also needed. In that regard, in addition to the items listed in the staff report, here are several concerns and suggestions for consideration:
 - The City should explore if there are any further incentives or assistance that might spur development of the Hotel Sebastopol project.
 - The first item listed on the staff report’s list of non-tax revenue sources is ‘Vacancy/Commercial Buildings Tax.’ I am not clear on what is proposed, but if it is a tax on properties that have longer-term vacancies, this seems punitive and counterproductive to economic development. Rather, are there incentives or City policy barriers that need to be addressed to fill empty storefronts? For example, the Formula Business Ordinance requires a Use Permit to fill any existing space over 10,000 sq. ft. at Redwood Marketplace—where the former CVS space is well over 10,000 sq. ft. and has sat vacant for years. Prospective buyers or tenants often balk at the risk, time, and cost involved in seeking a Use Permit.
 - No. 6, to reassess City policies and ordinances is worthy of consideration. I would add to the list of potential policy changes other items such as: merging the Design Review Board into the Planning Commission; significantly streamlining design review or adoption of set standards; eliminating discretionary review of signs by establishing set

standards; eliminating any Use Permit requirement for housing projects in commercial zoning districts; amending the Growth Management Ordinance so that unused housing allocations do not expire; and other measures.

- It is my understanding that another item on the list, potential increases in the Business License Tax, likely requires voter approval.

I appreciate that the City Council is wrestling with these difficult fiscal and policy challenges, and look forward to timely positive action.

Respectfully,

Kenyon Webster