

Dear Council Members,

After reading the Pavement Management Budget Options Report and reading the report from the 2/21/23 RSG Staffing Analysis, which detailed the need for significant water and sewer systems upgrades, and the Matrix analysis of the Fire Department which outlined the need for a new fire station, it is clear that the City of Sebastopol faces significant infrastructure costs that will not be covered by marginal increases in sales or property taxes.

The Pavement Management report states:

“the City will need to spend \$18.68 million over the next five years to bring the street network into ‘optimal’ condition, or an overall street network PCI of 85.” (page 6)

While no financial numbers were given for the Sewer and Water infrastructure project, one could imagine that with current materials and labor costs it might be \$10,000,000 to complete the upgrades.

Renovating and rebuilding the fire station for its contemporary purpose and to best meet the needs of the community would probably be another \$3,000,000 - \$4,000,000.

We have investments that need to be made into our public parks as well. From looking at various documents, I would suspect this would be another \$1,000,000-2,000,000.

Given all of these outstanding and critical infrastructure needs, I would suggest that Council start the process of putting a \$35,000,000 bond together that specifically addresses these issues and does not fund any other programs.

Council needs to start educating the general public on why we need a bond and how that will help maintain their property values and increase the quality of their lives. Council will need to do outreach to the voting population on what exactly is needed and how much it costs.

As the City needs to increase its general revenue via sales tax to fund day to day operating costs of City Staff, Police, Fire and Public Works, it is extremely unlikely that the City will have any revenue to tackle these critical and expensive public works projects. It is highly likely that sales tax revenue for Q1 2023 will be extremely low due to the rain and its impacts on local businesses.

Once again, I would encourage Council to reach out to local commercial real estate interests to see how the City can collaborate with landlords to make sure our commercial spaces are not left vacant. I would also work with developers to develop vacant or under-utilized lots within the City limits.

Council needs to actively support local businesses so that they can thrive and bring more sales tax into City revenue. Council should look housing a Business Action Committee (similar to the Climate Action Committee) which regularly brings together local business owners and give them access to City resources in a way which mirrors the Climate Action Committee.

Council needs to actively pursue hotel development within City limits so that we can collect more TOT and sales tax without losing housing stock via short-term vacation rentals.

Council needs to address the loss of TOT when the Sebastopol Inn was converted to homeless housing by the County. Council should ask for a yearly reimbursement from the County in the amount of 12% of the annual operating budget of the Sebastopol Inn/Ederberry Commons. The last reported operating budget was \$3,400,000. 12% of that budget would be \$408,000.

Sebastopol needs to recuperate the money that was lost when the County converted the hotel to homeless housing with complete disregard to the financial impact to Sebastopol's citizens and the City budget.

Thank you,

Kate Haug