



**CITY OF BEVERLY HILLS
STAFF REPORT**

Meeting Date: August 19, 2008
To: Honorable Mayor & City Council
From: Dr. Scott G. Miller, Director of Administrative Services/CFO
Laurence Wiener, City Attorney
Mark Brower, Senior Management Analyst
Subject: Detailed Analysis of Voter or Owner Approved Taxes, Assessments
and Indebtedness Options

Introduction

Based on the City Council's direction at their June 3, 2008 meeting, the Chief Financial Officer and the City Attorney have compiled a detailed operational and implementation analysis of Voter or Owner Approved Taxes, Assessments and Indebtedness Options for your review.

All revenues generated from the taxes listed in this report would be added to the general fund for use for any general fund purpose. As a result there are few spending restrictions.

However, revenues from assessments or assessment districts are more limited in use. To better detail the options available to the City Council, Staff has grouped the various assessment district options around potential projects and functions these assessments could fund.

Each potential revenue option in this report includes type of vote required, spending restrictions per option and estimated revenues for the City, based on a few examples to show the City Council the magnitude of the potential revenues.

To gauge the level of support for the general tax measures of interest to the City Council, a professional consulting company has been retained to conduct a survey of likely voters. After the City Council narrows the options to be considered the statistically

valid survey will be conducted. This phone survey will provide the detailed information necessary to help determine what measures are likely to pass if placed on a ballot.

As a note, Staff has been advised by our consultants not to pursue voter approved revenue options that generate less than \$1 million annually since the expense of the election and the management costs would erode the revenue we receive. Thus, these options have been removed from this report. In addition, where possible it is recommended that a CPI escalator be included in the language of each measure that is selected.

Discussion

I. Taxes

The descriptions of the options below assume the revenues are used for the general purposes of the City and are not subject to the two-thirds vote requirements imposed on taxes that are used for special purposes. The one exception is the Property Tax Increase to Fund Bonds for Construction of New Public Facilities. This tax requires a two-thirds vote and the revenue generated is used for specific, predetermined projects.

A. Sales Tax Increase

Current state law indicates the maximum total sales tax rate that can be levied (by all government entities - city, county and/or the state) is 9.25%. LA County's sales tax rate is currently 8.25%. As a result, there is only 1% left for any possible voter approved sales tax increase, from any source (i.e. city, county, special district, or the state).

If the county received voter approval to raise the sales tax another 1% (0.50% is currently proposed by the MTA Board), the City could only raise the sales tax rate by 0.50%. The City, at this time however, could ask the voters to raise the sales tax rate an additional .25% to 1.00% and then the county or any special district in the county would only have the ability to raise the sales tax to whatever is left up to the total amount of 9.25% (the minimum amount allowed by law on the ballot is in multiples of 0.25%).

The City Council can ask the voters to raise the rate currently by 0.25% to 1.00%. Staff recommends raising the sales tax, if at all, by a maximum of 0.25% because of the concern about retail competition factors.

Estimated Potential Revenue to City

\$6,250,000 annually with a 0.25% increase
 \$12,500,000 annually with a 0.50% increase
 \$18,750,000 annually with a 0.75% increase
 \$25,000,000 annually with a 1.00% increase

Voter Approval Needed
50% + 1 of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election consolidated with a regularly scheduled general election for the members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council. (Cal. Const. art XIII, §2(b)) This measure can be placed on the March 3, 2009 ballot.

B. Utility Users Tax

Most cities which we tend to view as "comparable" currently assess a UUT. The UUT may be imposed on the consumption of utility services, including (but not limited to) electricity, gas, water, sewer, telephone (including cell phone and long distance), sanitation and cable television. The tax is collected by the utility as a part of its regular billing procedure, and then remitted to the city.

In many cases, revenue derived from UUT's constitute a significant portion of other city's General Fund revenue. Among cities that impose a UUT, UUT's are typically the third largest source of revenue behind Sales and Property Tax. In Los Angeles County, 48 of the 88 cities (55%) have UUT's.

UUT rates vary significantly from one city to another. In addition, cities differ as to which utilities are subject to the taxes.

Estimated Potential Revenue to City

\$1.9 million - \$19.4 million annually

Based upon the approved tax rate and the combination of utilities selected to be taxed

A summary of our survey of six cities which we frequently use in such comparisons can be found in Appendix A. It indicates the affected utility services, the applicable tax rate and the revenue derived.

The table below provides an analysis of potential revenue that might be derived if an UUT were to be approved in the City of Beverly Hills:

	Estimated Utility Annual Billings	Potential Revenue				
		1%	2%	3%	4%	5%
Electric	\$94,065,368	\$940,654	\$1,881,307	\$2,821,961	\$3,762,615	\$4,703,268
Telephone	\$25,000,000	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Natural Gas	\$17,680,596	\$176,806	\$353,612	\$530,418	\$707,224	\$884,030
Cable TV	\$12,044,395	\$120,444	\$240,888	\$361,332	\$481,776	\$602,220
Water	\$23,342,076	\$233,421	\$466,842	\$700,262	\$933,683	\$1,167,104
Wastewater	\$8,132,726	\$81,327	\$162,655	\$243,982	\$325,309	\$406,636
Solid Waste	\$13,514,202	\$135,142	\$270,284	\$405,426	\$540,568	\$675,710
Total		\$ 1,937,794	\$ 3,875,587	\$ 5,813,381	\$ 7,751,175	\$ 9,688,968

	Estimated Utility Annual Billings	Potential Revenue				
		6%	7%	8%	9%	10%
Electric	\$94,065,368	\$5,643,922	\$6,584,576	\$7,525,229	\$8,465,883	\$9,406,537
Telephone	\$25,000,000	\$1,500,000	\$1,750,000	\$2,000,000	\$2,250,000	\$2,500,000
Natural Gas	\$17,680,596	\$1,060,836	\$1,237,642	\$1,414,448	\$1,591,254	\$1,768,060
Cable TV	\$12,044,395	\$722,664	\$843,108	\$963,552	\$1,083,996	\$1,204,439
Water	\$23,342,076	\$1,400,525	\$1,633,945	\$1,867,366	\$2,100,787	\$2,334,208
Wastewater	\$8,132,726	\$487,964	\$569,291	\$650,618	\$731,945	\$813,273
Solid Waste	\$13,514,202	\$810,852	\$945,994	\$1,081,136	\$1,216,278	\$1,351,420
Total		\$ 11,626,762	\$ 13,564,555	\$ 15,502,349	\$ 17,440,143	\$ 19,377,936

Cities also have the option to institute differing percentage rates on different utilities. Pasadena is the only surveyed city that has an inconsistent utility users tax rate.

Voter Approval Needed
50% + 1 of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election consolidated with a regularly scheduled general election for the members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council. (Cal. Const. art XIII C, §2(b)) This measure can be placed on the March 3, 2009 ballot.

II. Beverly Hills Municipal Tax Code Modifications

Below are proposed changes to our existing municipal tax codes that would result in increased revenue for the City.

A. Commercial Parking Tax

This is a proposed new classification of tax in our municipal tax code. A general parking tax is imposed on all parkers who use commercial parking (parking that is charged for). These taxes are collected by the commercial operator from the parker and then distributed to the city. Under normal circumstances, the tax would apply to all off-street commercial parking spaces including parking lots and parking garages. For example, if the parking rate were \$8 and the commercial parking tax rate were 12.5%, the total parking charges inclusive of the tax would be \$9.00. Typically, in cities that have this tax, parking rates are quoted inclusive of the parking tax.

Commercial parking tax rates for nearby cities average 8%-11%. San Francisco charges 25%.

City	Parking Tax Rate
San Francisco	25%
Burbank	10%
Los Angeles	10%
Santa Monica	10%
Beverly Hills	0%
Costa Mesa	0%
Culver City	0%
West Hollywood	0%

Estimated Potential Revenue to City

\$1.5 million annually with a 10% commercial parking tax*

*A detailed analysis of the potential revenue is underway and will be completed in September.

Voter Approval Needed

50% + 1 of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election consolidated with a regularly scheduled general election for the members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council. (Cal. Const. art XIII C, §2(b)) This measure can be placed on the March 3, 2009 ballot.

B. Oil Extraction Tax Increase

The current oil extraction tax has two classifications, oil extracted from outside the city and oil extracted from inside the city. The current rate for oil extracted from outside the city is a flat rate of \$1818.55 for the first 10,000 barrels (\$0.18 per barrel) and \$0.13 per each additional barrel. The current rate for oil extracted from inside the city is a flat rate of \$3650.75 for the first 10,000 barrels (\$0.365 per barrel) and \$0.34 per each additional barrel.

The last substantial update of this tax rate was in 1977. At this time, oil was selling for roughly \$15 per barrel. The price of a barrel of oil has risen almost 900% since 1977 without a relative tax adjustment.

It is proposed that the tax rate change from a flat rate to a percentage rate linked to the price of a barrel of oil. The rate would be updated annually at the same time the schedule of fees and charges are updated. The cost of a barrel of oil will be taken from the New York Mercantile Exchange website www.nymex.com.

It is suggested that a minimum tax rate still apply for the first 10,000 barrels of oil. This rate would be calculated by applying the elected percentage to the price of a barrel of oil. This amount would be multiplied by 10,000. Each barrel in excess of 10,000 will be taxed at the elected percentage of a price of a barrel of oil.

Calculation Example:

13,000 barrels extracted from within the city

Hypothetical tax rate = 2%

Price per barrel of oil on New York Mercantile Exchange as of July 1 = \$120.00

Hypothetical minimum tax rate for first 10,000 barrels = \$24,000

Tax per barrel for each barrel over 10,000 = \$2.40 (\$120.00*2%)

3,000 barrels * \$2.40 = \$7,200

\$24,000 + \$7,200 = \$31,200

Estimated Potential Revenue to City

\$1,230,000 per year (based on 1.5% per barrel (outside) and 2.0% per barrel (inside) and oil selling for \$100 per barrel)

\$2,460,000 per year (based on 3.0% per barrel (outside) and 4.0% per barrel (inside) and oil selling for \$100 per barrel)

\$4,428,000 per year (based on 5.0% per barrel (outside) and 5.0% per barrel (inside) and oil selling for \$100 per barrel)

It should be noted that increasing this tax rate and the diminishing supply of oil within the city would likely cause this tax over time to be a diminishing revenue stream.

Voter Approval Needed

50% + 1 of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election consolidated with a regularly scheduled general election for the members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council. (Cal. Const. art XIII C, §2(b)) This measure can be placed on the March 3, 2009 ballot.

C. Modify Business Tax Ordinances – Class A (Business Services) & Class C (Professional Services)

At Council direction, Staff is presenting the option of modifying the current business tax ordinance, bringing Beverly Hills' business tax rates in line with the City of Los Angeles.

Specifically, class C, professional services would change from a flat rate based upon the number of employees to a percentage of gross receipts. Class A would be split into two subcategories. One subcategory would charge based upon a percentage of gross payroll and the other would be charged based upon their gross receipts.

While there are a number of administrative wording changes staff would like made to the existing code, we are currently presenting the municipal code changes that would result in revenue increases.

Current Classification C (Professionals) Tax Rate:

Base and first 2,080 hours of professional payroll or billed hours - \$1,236.02.
 Each additional hour of professional/semiprofessional payroll or billed hours \$0.59424/hour. Each hour of non-professional employee payroll \$0.11938/hour.

Current Classification A (Business Services) Tax Rate:

Base Tax and first 2,080 hours of employee payroll - \$222.36. Each additional hour of employee payroll \$0.04658/hour.

Estimated Potential Revenue to City for Both Classification Changes

\$2.0 - \$2.5 million annually based upon:
 \$5 per \$1,000 of gross receipts – Class C
 \$1 per \$1,000 of gross receipts – Class A¹
 \$1 per \$1,000 of gross payroll – Class A²

\$1.5 - \$2.0 million annually based upon:
 \$4.50 per \$1,000 of gross receipts – Class C
 \$0.75 per \$1,000 of gross receipts – Class A¹
 \$0.75 per \$1,000 of gross payroll – Class A²

Voter Approval Needed

50% + 1 of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election consolidated with a regularly scheduled general election for the members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council. (Cal. Const. art XIII C, §2(b)) This measure can be placed on the March 3, 2009 ballot.

D. Development Excise Tax Increase

The City currently has a Dwelling Unit Tax of \$979.70 for each unit and \$195.00 for each bedroom which generates roughly \$185,000 annually. It should be noted that, as a general tax, the revenues from this tax are deposited in the general fund and may be used for any of the City's usual and current expenses, not simply expenses related to development. However, total revenues from this source are totally dependent on future development and construction and shall not be considered a consistent revenue stream.

Estimated Annual Potential Revenue to City

\$1,714,000 with a proposed increase to \$10,000 per unit and \$5000 for each bedroom

\$2,614,000 with a proposed increase to \$15,000 per unit and \$7500 for each bedroom

Voter Approval Needed

50% + 1 of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election consolidated with a regularly scheduled general election for the members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council. (Cal. Const. art XIII C, §2(b)) This measure can be placed on the March 3, 2009 ballot.

E. General Property Tax Increase for Possible Funding of Bonds for Construction of New Public Facilities (Parking Structures, Library, Fire Stations, Community Security Enhancements, etc.)

Increase property taxes to fund General Obligation Bonds for the acquisition or improvement of real property. This is the same financing method previously used to build many of the city's current parking structures.

Estimated Potential Revenue to City

455 N. Crescent Parking Garage - \$17,000,000

Additional South Beverly Parking - TBD

Additional Triangle Parking Structure – TBD

Robertson Boulevard Parking Structure - TBD

Voter Approval Needed

Two-thirds of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election on the following established election dates:

- (i) Second Tuesday of April in each even numbered year - April 13, 2010.
- (ii) First Tuesday after the first Monday in March of each odd-numbered year - March 3, 2009.
- (iii) First Tuesday after the first Monday in June of each year - June 2, 2009; June 8, 2010.
- (iv) First Tuesday after the first Monday in November of each year - November 4, 2008; November 3, 2009.
- (v) First Tuesday in February of each year evenly divisible by the number four – February 7, 2012.

F. Increase Transient Occupancy Tax (Bed Tax)

Increase our TOT (Bed Tax) from 14% to either 15% or 16%. A 16% TOT would cause Beverly Hills to have the highest transient occupancy tax in California.

The City's current TOT rate has been in effect since 1994. Prior to 1994, TOT was 12%.

<i>City</i>	<i>Tax Rate</i>	<i>Other Fees</i>
London (VAT)	17.50%	
Acapulco	17%	
Seattle	15.6%	
Chicago	15.4%	
Anaheim	15%	
Beverly Hills	14%	
San Francisco	14%	
West Hollywood	14%	
Los Angeles	14%	
Santa Monica	14%	
New York City	13.375%	\$3.50 per room per night
San Diego	12.565%	
Miami	12.5%	
Newport Beach	10%	
Las Vegas	9%	

Estimated Potential Revenue to City

\$1.24 million annually (based upon an increase from 14% to 14.75%)

\$1.65 million annually (based upon an increase from 14% to 15%)

\$2.475 million annually (based upon an increase from 14% to 15.5%)

\$3.3 million annually (based upon an increase from 14% to 16%)

Voter Approval Needed

50% + 1 of the votes cast

When Vote Can Take Place

Upon approval by a two-thirds vote of the City Council, the proposed measure may be submitted to the voters in an election consolidated with a regularly scheduled general election for the members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council. (Cal. Const. art XIII C, §2(b)) This measure can be placed on the March 3, 2009 ballot.

III. Fees

Another available option to generate revenue is through fees. Due to the urgent need for additional revenue for the Stormwater Enterprise fund and the impending state and federal mandates requiring substantial financial investment in stormwater clean-up activities, only one fee is presented for your consideration.

A. Save the Ocean and Environmental Fee (Stormwater Operations)

The City has a Stormwater Fee that generates about \$1.8 million annually. The City currently spends roughly \$3.5 million annually on maintaining the City's drainage infrastructure and complying with the Los Angeles Municipal Storm Water Permit. The Stormwater Enterprise Fund which funds storm water related activities has been operating with a deficit since FY 2005/06. This deficit was covered with reserves in the Stormwater Enterprise Fund. These reserves are now depleted and the Stormwater Enterprise Fund is supplemented by a loan from the Solid Waste Enterprise Fund.

Below is a chart of the projected Stormwater Enterprise Fund deficits by year.

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Net from Operations	(212K)	(371K)	(1.6M)	(1.7M)	(1.8M)	(2M)	(2.2M)

If a stormwater fee increase is not instituted and the State and Federal mandates are enforced, the expanded Stormwater Enterprise Fund deficit will have to be covered by the General Fund.

In order to comply with the State and Federal mandates and begin operating without a deficit, Staff is recommending that a Save the Ocean & Environmental fee be added to an August 25, 2009 mailed ballot.

Estimated Additional Potential Revenue to City

\$1.7 million – \$24.4 million over 5 years

The following rate options are presented for consideration:

- A) Increase the current stormwater fee to a sufficient level to meet the fund's \$600,000 obligation to the Solid Waste Fund and return the Stormwater Fund to a positive balance;
- B) Increase the current stormwater fee to a sufficient funding level to provide for infrastructure maintenance and enhancements to the system;

- C) Increase the current stormwater fee to a sufficient funding level in order to meet obligatory federal and state water quality permit compliance requirements; or
- D) Increase the current stormwater fee to a sufficient level to fund both infrastructure and water quality obligations.

Options	Residential	Commercial	Est. Revenue Year 1	Est. Revenue Year 5 ⁽¹⁾	Additional Net Revenue
Current Rate	\$17.56	\$143.26	\$1,759,402	\$8,797,010	-
A	\$20.90	\$170.48	\$2,093,688	\$10,468,442	\$1,671,432
B ⁽²⁾	\$46.53	\$379.64	\$2,903,013	\$14,515,067	\$5,718,057
C ⁽³⁾	\$54.44	\$444.11	\$3,694,744	\$18,473,721	\$9,676,711
D	\$83.41	\$680.49	\$6,597,758	\$32,988,788	\$24,191,778

¹ Assumes the rate increase is distributed proportionally over a period of 5 years.

² Increase roughly coincides with the City's portion of the infrastructure improvement costs as identified in the 1999 Storm Drain Master Plan.

³ Estimated costs in complying with the Ballona Creek Bacteria TMDL range from \$19 million to \$46 million over a 10-14 year period. These are estimates as we currently do not have precise costs; the costliest option was not used in these calculations.

For future years, the City may also wish to consider adjusting these rates each year by the Construction Cost Index (CCI) or other index.

Voter Approval Needed

A simple majority of property owners subject to the fee. A vote of property owners is conducted by mail. One vote would be allowed per parcel, regardless of whether the land contains an apartment building, business or home. Alternatively, the election may be of the registered voters, in which case, a two-thirds vote is required. This election may be conducted by mail or at the polls.

When Vote Can Take Place

The election must be conducted at least 45 days after the public hearing on the proposed fee and on the following established dates for an election at the polls:

- (i) Second Tuesday of April in each even numbered year – April 13, 2010.
- (ii) First Tuesday after the first Monday in March of each odd-numbered year – March 3, 2009.
- (iii) First Tuesday after the first Monday in June of each year – June 2, 2009.
- (iv) First Tuesday after the first Monday in November of each year – November 4, 2008; November 3, 2009.
- (vi) First Tuesday in February of each year evenly divisible by the number four. – February 7, 2012.

If the City conducts a mailed ballot election, the election could be held on one of the following dates:

- (i) The first Tuesday after the first Monday in May of each year – May 5, 2009.

- (ii) The first Tuesday after the first Monday in March of each even numbered year – March 2, 2010.
- (iii) The last Tuesday in August of each year – August 27, 2009.

IV. Benefit Assessments

Special assessment districts are allowed under various legislative acts and are defined geographic areas within a jurisdiction created to provide tax-exempt financing for public improvements or services within the district. The City would issue special assessment bonds to finance infrastructure or improvements. In the absence of a majority protest, assessments are imposed to pay the debt service on the bonds. A majority protest exists if ballots submitted in opposition exceed ballots submitted in favor, with ballots weighted according to the assessment against each parcel.

The assessments are not levied on any other property in the jurisdiction outside of the assessment district; assessments directly allocate the district's costs to the benefited properties in proportion to the special benefit each property receives from the improvements.

Significantly, assessment bonds are payable only from the assessments. Bondholders understand that the debt is "non-recourse" to the issuer, and doesn't represent a general obligation of the entire city, so property taxpayers outside the district never have to worry about being saddled with the district's debt.

There are 9513 parcels of land within Beverly Hills not including condominiums. A \$1 million city-wide assessment would cost each parcel owner an estimated \$105 per year. A \$1 million assessment collected annually for 30 years would provide enough revenue for an estimated \$13 million bond.

Possible Proposed Projects for Assessment District Revenues

Community Services Department

- Greystone Upgrades / Maintenance - \$2,000,000
- New Recreation Building at Coldwater Canyon - \$2,000,000
- Park Master Plan - \$35,000,000 - \$65,000,000
- Street Lights, Median, Street Trees, Sidewalks – TBD
- Park Operations & Recreation Facilities - TBD

Fire Department

- A Fire District in the Very High Fire Hazard Severity Zone (VHFHSZ) (this area is all 1640 properties north of Sunset) for brush fire preparedness, equipment, training, etc. - TBD
- A Fire District to Pay for CIP or station facility replacement. - TBD
- A Fire District to fund new fire equipment and replace and maintain current equipment - TBD

Information Technology

- 311 System - \$2,100,000.00
- Community Security Enhancement - \$6,000,000
- Municipal Wireless Deployment - \$3,000,000
- Public Safety CAD/RMS System - \$3,000,000

Public Works Department / Policy & Management

- Parking Operations - \$3 million one-time and \$600,000 annually
- Neighborhood Initiated Replacement of Street Lighting for Safety or Aesthetics – TBD
- Neighborhood Initiated New Sidewalks/Higher Level of Maintenance – TBD

It may be possible to finance the construction of parking structures using the following assessment districts:

- The Parking District Law of 1951 (Streets and Highways Code Section 35100 et seq.) (the "1951 Law")
- The Parking Law of 1949 (Streets and Highways Code Section 32500, et seq.) (the "1949 Act")
- The Parking and Business Improvement Area Law of 1989 (Streets and Highways Code Section 36500 et seq.) (the "1989 Law")
- The Parking and Business Improvement Area Law of 1994 (Streets and Highways Code Section 36600 et seq.) (the "1994 Law")

Parking Structures

- 455 N. Crescent Parking Garage - \$17,000,000
- Additional South Beverly Parking - TBD
- Additional Triangle Parking Structure – TBD
- Robertson Boulevard Parking Structure - TBD

Summary Voter Approval Needed (May Vary Based Upon District)

Approval is obtained through an assessment ballot proceeding of the property owners. Voting is weighted in accordance with the amount of the assessment. Ballots submitted in opposition to the assessments must not exceed the ballots submitted in favor.

When Vote Can Take Place (May Vary Based Upon District)

Majority protest proceeding occurs at public hearing that is at least 45 days after mailing to property owners notice of such hearing and assessment ballot.

Recommendations

It is recommended that the City Council select 3-4 general tax measures and the suggested tax or fee rates to be presented by a survey company to potential voters for the March 3, 2009 ballot. The final results of the survey will be presented to City Council as soon as it is completed. After the survey results are presented, the City Council will need to make a final decision regarding the specific measures by the filing deadline of December 5, 2008 for the March 3, 2009 ballot.



Dr. Scott G. Miller
CFO / Director of Administrative Services



Mark Brower
Senior Management Analyst

Appendix A - UUT Survey of Surrounding Cities

	Cable TV	Telephone	Electricity	Gas	Water	Wastewater	Total Revenue
Beverly Hills							
Rate	0%	0%	0%	0%	0%	0%	\$ -
Exemptions	N/A - The City doesn't currently have a Utility Users Tax						
Los Angeles							
Rate	0%	10%	10%	10%	0%	0%	\$ 510,339,321
Exemptions	Elderly, disabled and low income who meet the HUD low income requirements. Note: The telephone and gas users tax rate for non-profit educational institutions is 5%						
Burbank							
Rate	0%	7%	7%	7%	0%	0%	\$ 17,862,401
Exemptions	Note: Elderly, disabled and low income who meet the City's low income requirements.						
Pasadena							
Rate	9.4%	8.28%	7.67%	7.9%	7.67%	0%	\$ 26,470,811
Exemptions	Note: Elderly, disabled and low income who meet the City's low income requirements.						
Glendale							
Rate	7%	7%	7%	7%	7%	0%	\$ 25,462,000
Exemptions	Note: Elderly, disabled and low income who meet the City's low income requirements.						
Santa Monica							
Rate	10%	10%	10%	10%	10%	0%	\$ 31,928,000
Exemptions	Note: Elderly, disabled and low income who meet the City's low income requirements.						
Cuiver City							
Rate	11%	11%	11%	11%	11%	0%	\$ 14,036,664
Exemptions	Note: Elderly, disabled and low income who meet the City's low income requirements.						

Revenue Options - Beverly Hills - Exhibit 2

Revenue Source	Voter Approval Required? And who votes?	Estimated Potential Annual Dollars Raised
Sales Tax	Yes - 50% + 1 of the votes cast	\$6.25 Million - \$25 Million Annually
Utility Users Tax	Yes - 50% + 1 of the votes cast	\$1.9 - \$19.4 Million Annually
Commercial Parking Tax	Yes - 50% + 1 of the votes cast	\$1.5 Million Annually
Oil Extraction Tax	Yes - 50% + 1 of the votes cast	\$1.23 Million Annually
Business Tax Ordinance	Yes - 50% + 1 of the votes cast	\$2.0 - \$2.5 Million Annually
Development Excise Tax	Yes - 50% + 1 of the votes cast	\$1.7 - \$2.6 Million Annually
General Property Tax Increase	2/3 of the votes cast	TBD
TOT (Bed Tax)	Yes - 50% + 1 of the votes cast	24 - \$3.3 Million Annually
Save the Ocean and Environmental Fee	Yes - 50% + 1 of the votes cast of property owners or 2/3 of registered voters	\$1.7 - \$24.2 Million Over 5 Years
Projects Funded Through Benefit Assessment Districts		
Greystone Upgrades / Maintenance	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$2 Million
New Recreation Building at Coldwater Canyon	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$2 Million
Park Master Plan	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$35 - \$65 Million
Street Lights, Median, Street Trees, Sidewalks	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	TBD

Revenue Source	Voter Approval Required? And who votes?	Estimated Potential Annual Dollars Raised
Park Operations & Recreations Facilities	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	TBD
A Fire District in the Very High Fire Hazard Severity Zone (VHFHSZ) (this area is all 1640 properties north of Sunset) for brush fire preparedness, equipment, training, etc.	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	TBD
A Fire District to pay for CIP or station facility replacement.	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	TBD
A Fire District to fund new fire equipment and replace and maintain current equipment.	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	TBD
311 System	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$2.1 Million
Community Security Enhancement	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$6 Million
Municipal Wireless Deployment	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$3 Million
Public Safety Cad / RMS System	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$3 Million

Revenue Options - Beverly Hills - Exhibit 2

Revenue Source	Voter Approval Required? And who votes?	Estimated Potential Annual Dollars Raised
Parking Operations	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	\$3 million one-time and \$600,000 annually
Neighborhood Initiated Replacement of Street Lighting for Safety or Aesthetics	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	TBD
Neighborhood Initiated Replacement New Sidewalks/Higher Level of Maintenance	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the assessment.	TBD
Parking Structures	Approval of a majority of the property owners who return mailed ballots through an assessment ballot proceeding. Voting is weighted in accordance with the amount of the	TBD