

Questions about the EIFD proposal for City Council Consideration:

1. What are the assumptions leading to the conclusion that the city contribution to the EFID over 45 years will be \$16MM? You state the assumption is for 2% increase in property tax revenue and 25% of that contributing initially around \$17,000 per year. This totals just \$1.15MM over 45 years. To get to \$16MM requires an assumption of 7% increase in property tax revenue.

Please clarify financial assumptions. Why does the math not match the described assumptions?

2. ***What is the vision for this money?*** Santa Rosa has an initiative to improve the downtown district with abundant new housing and commercial development that in turn will generate new tax revenue for the city while it improves quality of life in the city. Otay Mesa in San Diego had a vast modestly developed area along the border with Mexico that had recently seen new development. The EIFD helped to secure bond funding to accelerate large scale residential, commercial, and light manufacturing development.

Does the Council or Supervisor Hopkins have a vision for new development in the West County or are we thinking something like a bigger library? Can we learn from other successful initiatives that a compelling vision goes a long way to getting support from taxpayers?

3. Assuming the \$16MM contribution is correct, this means \$16MM in property tax revenue that would have funded increases in city expenses will be allocated to whatever this initiative becomes.

What costs are we going to eliminate over time to offset the reduction in annual property tax revenues to the general fund?

4. Increases in property tax are this city's most stable source to fund increased wage costs built into city worker contracts. Sales taxes is our largest source of revenue but is variable and susceptible to economic conditions.

Where will you seek alternatives that increase revenue annually?

5. The staff document for this meeting estimates 20 hours of staff time will be needed to support this initiative. The preparation of the report for this meeting easily consumed 20 hours. The document describes significant activities that will be taken by someone to direct, organize, coordinate and report to the County, City Council and the West County and Sebastopol public. Documents have to be prepared and submitted to both County and City Staff. Oversight will be needed from the city manager and precious time on the city council meetings will continue to be consumed. The work to get through three public hearings alone will be well over 20 hours. The program does not become self-funding until well after the final public hearing.

What is a realistic view of the cost to Sebastopol. What staff time will be shifted from other priorities? Who is going to be responsible and who on the staff will contribute? If consultants is your answer how much consulting will be required over the five years to get this up and running. What is the projected cost and where will the dollars come from?

6. The document states that the City of Sebastopol will have the majority representation on the committee with west county having a minority interest. Given that the County is contributing \$200MM and Sebastopol optimistically \$16MM there will undoubtedly be concerns among West County taxpayers about who is the controlling authority. West county communities are already well organized and will undoubtedly expect a strong voice in how their tax money is being spent.
 - a. The Sonoma County Coast Municipal Advisory Council currently represents Sea Ranch, Stewart's Point, Timber Cove, Kashia Band of Pomo Indians, Fort Ross, West Cazadero, Jenner, Bodega Bay, Bodega and Valley Ford. They are organized and already have a voice in how the County spends their tax money.
 - b. Guerneville is an established community with many critical needs associated with ongoing annual river flooding for example.
 - c. Occidental is another unique community that will have needs and want to be represented. Governance decisions will be made as the process moves forward.

Does the Ad-hoc committee have assurance that West County communities would look favorably on Sebastopol calling the shots on how their property tax money is being spent?

Would City Council vote for this initiative if it were being presented that West County would have majority representation and the controlling votes?

7. Not a lot has been made about the public role in the process. As documented in your timeline there will have to be three public hearings where the proposed plan will need to be adapted to the objections of the public. If at the final meeting the "majority" object to the proposal it then has to go to the ballot for a vote.

Is City Council willing to invest in this initiative with the recognition that the final approval may take several years and is somewhat uncertain given that there are no stated plans to solve problems faced by our city or West County.?