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To: City Council <citycouncil@cityofsebastopol.gov>; Ana Kwong <akwong@cityofsebastopol.gov>; Don Schwartz <dschwartz@cityofsebastopol.gov>; Mary Gourley <mgourley@cityofsebastopol.gov>

Subject: Re budget public comment

Dear City Council members and Staff,

I am very happy about the activity going towards the budget. I have a few questions and concerns regarding the city's finances and development policies that I would appreciate your insights on:

1. I noticed that city expenses have doubled from 2016 to 2024. The increase seems to have been occurring at a rate of approximately 25% each year since 2016. As a new resident to the area as of 2021, I am very curious about the reasons behind this significant increase in expenses, which may not be immediately apparent from observing the city alone.
2. I am interested in understanding the comparative tax revenue generated by the CVS store versus the collection of downtown stores. My thought is that the parking requirements for downtown businesses may be negatively impacting their revenue potential per square foot compared to a standalone establishment like CVS.
3. I also think tax revenue will climb rather significantly in 2027. I would like to know if the two new developments in the city have been accounted for in the revenue and service projections. As high-density developments, they will likely have a net positive impact on the city's finances, especially the proposed development near the O'Reilly building, which could positively impact sales in the surrounding shopping area.
4. Rhetorically speaking, how can the city become more business-friendly and attractive to potential new businesses, given the current budget deficit and limited ability to offer significant tax incentives?
5. Has the city explored alternative bond or fund options for managing pension obligations to avoid the required payments to CalPERS?
6. Although the CAC has not discussed action, as a member I will be ok with reduced staff and meetings in exchange for the opportunity to have one CAC on the design planning commission if that is Brown Act compliant.
7. I am also happy to collaborate on attracting business if there is a subcommittee that does that, and maybe there is a volunteer opportunity for that.
8. Did the city experience a loss in sales tax revenue due to the rise of online retailers like

Amazon, and if so, is there any recourse or alternative tax mechanisms being explored to address this issue?

9. I also agree with another member that the county should contribute more as Sebastopol bears the infrastructure burden for unincorporated areas.

Thank you for taking the time to address these questions and concerns. I appreciate your transparency and open communication with residents on these important matters impacting our community's finances and development.

Thank you for all your hard work,
Phill Carter

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Phillip Carter