



STAFF REPORT – CITY COUNCIL MEETING

June 07, 2023

TO: Honorable Mayor and City Council Members

FROM: Emily Sinkhorn, Director of Environmental Services

PREPARER: Brigitte Price, Administrative Specialist

DATE: May 31, 2023

TITLE: **Adopt Resolution No. 223-58, Approving the Fiscal Year 2023/24 Annual Report on Measure A Special Tax for All Non-Tax Exempt Parcels and Directing That Said Fee be Collected through the Property Tax Rolls for Fiscal Year 2023/24.**

RECOMMENDATION:

It is recommended that the Council adopt Resolution No. 223-58 approving the fiscal year 2023/24 Annual Report on Measure A Special Tax for all non-tax exempt parcels and directing that said fee be collected through the property tax rolls for fiscal year 2023/24.

INTRODUCTION:

In 2020, pursuant to the City Council's adoption of Resolution No. 190-68, a special Tax Measure, Measure A: Open Space Parks, and Trails Special Tax, was placed on the ballot for the election held on November 3, 2020. The tax is an annual tax of \$37 flat rate per parcel. As the special tax was approved by voters in November 2020, it commenced on July 1, 2021, and will not expire until ended by voters. The Measure excludes parcels that are exempt from property taxes such as schools, churches, fire district, city and other publicly owned parcels. Staff determined that collection of this fee would be consolidated with the County of Humboldt's Secured Property Tax Bill.

DISCUSSION:

Pursuant to the Council's adoption of Resolution No. 190-68 on June 17, 2020 a Special Tax Measure, Measure A, was placed on the ballot for the election held on November 3, 2020. The measure was structured to exclude parcels that are exempt from property taxes such as schools, churches, fire district, city and other publicly owned parcels.

California law permits the City of Arcata to enact a parcel tax on the privilege of using or having available municipal services (Government Code §37100.5). The tax is an annual tax of \$37 flat rate per parcel. Under Proposition 218, the parcel tax required adoption as a special tax requiring at least 2/3 voter approval, pursuant to Government Code §50075. The special tax was approved by voters in November 2020, the parcel tax commenced on July 1, 2021, and will not expire unless ended by voters.

Staff have updated the total number of parcels within the City limits deemed taxable by the County Assessor as 4,614 parcels, which with the \$37 per year parcel tax will yield approximately \$170,718 for fiscal year 2023/24. Future annexations and subdivisions could increase the total parcel count in the future. Additional exempt parcels may be removed from the listing pursuant to the updated non-taxable parcel list staff expects to receive from the County Assessor in July. At that time the Finance and Environmental Services Departments would finalize the list of parcels that should have the \$37 flat tax applied to their property tax bill and would provide the updated listing to the County Assessor by August 10.

Revenue from this special tax will fund acquisition, improvements and maintenance of the City's parks, trails, forest and open spaces. This additional funding will allow the City to qualify for future cost share grants to acquire land or easements, to construct a trail or habitat restoration work, or implement a park improvement. Many grant funding sources also require upfront design, permitting, and environmental and legal review to be conducted to qualify for funding. This steady funding source for cost share and pre-project work is now invaluable for the City to move potential projects to the implementation stage. Additional revenue also allows for improved maintenance of existing park facilities, waterways and natural areas, and safety measures to meet the community's expectations.

Staff have prepared the Fiscal Year 2023/24 Open Space, Parks, and Trails Special Tax Report (the "Annual Report") for the imposition and collection of said special parcel tax, which will be forwarded to the County Auditor-Controller to be included on the tax rolls for fiscal year 2023/24.

BUDGET IMPACT:

The Special Tax of \$37 per year per parcel on 4,614 parcels raises an estimated \$170,718 per year. Future annexations and subdivisions could increase the total parcel count in the future. A special revenue fund has been created to accept the special tax revenue.

ATTACHMENTS:

- A. FY 2023/24 Annual Open Space, Parks, and Trails Special Tax Report (PDF)
- B. Resolution No. 223-58 Measure A Property Tax Assessment (PDF)