



Irwin Ortiz <irwin.ortiz@cityofwatsonville.org>

9.b. Consideration to Approve 1/2% Sales Tax - Please vote "No"

Clark Codiga <clark@oaktreeprop.com>

Mon, Jun 27, 2022 at 5:01 PM

To: "Ari Parker (ari.parker@cityofwatsonville.org)" <ari.parker@cityofwatsonville.org>, "Eduardo Montesino (eduardo.montesino@cityofwatsonville.org)" <eduardo.montesino@cityofwatsonville.org>, "Vanessa Quiroz-Carter (vanessa.quiroz@cityofwatsonville.org)" <vanessa.quiroz@cityofwatsonville.org>, "Lowell Hurst (lowell.hurst@cityofwatsonville.org)" <lowell.hurst@cityofwatsonville.org>, "Paco Estrada (francisco.estrada@cityofwatsonville.org)" <francisco.estrada@cityofwatsonville.org>, "Rebecca Garcia (rebecca.garcia@cityofwatsonville.org)" <rebecca.garcia@cityofwatsonville.org>, "Jimmy Dutra (jimmy.dutra@cityofwatsonville.org)" <jimmy.dutra@cityofwatsonville.org>
Cc: "cityclerk@cityofwatsonville.org" <cityclerk@cityofwatsonville.org>

Dear Council and City Clerk (please distribute),

We and all of our tenants and businesses that we have spoken with, feel strongly that the City Council should not consider approving a resolution to submit to the voters an ordinance to increase the sales tax one half percent (.50%) for the general fund.

The proposed tax will negatively impact the lower and middle class taxpayers of our community.

It will also deter large retailers from investing and opening future businesses in Watsonville.

We also feel this proposed tax is very poor timing due to high and rising inflation, increasing gas prices, increasing food costs, a looming potential slowdown in the economy and the effects of COVID still present and persistent. Any increase in the "cost" of goods and services will further weaken the Watsonville economy.

We also feel the new City Manager should have a direct role in any new policies being brought before the City.

Please vote "No" on the proposed ½ percent sales tax increase. Now is not the right climate to raise a sales tax that will create greater inflation and deter businesses from investing in Watsonville.

Respectfully,

Clark Codiga

Oaktree Property Company

936 East Lake Avenue

Watsonville, CA 95076



Irwin Ortiz <irwin.ortiz@cityofwatsonville.org>

RE: 9.b. Consideration to Approve 1/2% Sales Tax - PLEASE VOTE "NO"

1 message

Chris Codiga <chris@oaktreeprop.com>

Tue, Jun 28, 2022 at 12:48 PM

To: "Ari Parker (ari.parker@cityofwatsonville.org)" <ari.parker@cityofwatsonville.org>, "Eduardo Montesino (eduardo.montesino@cityofwatsonville.org)" <eduardo.montesino@cityofwatsonville.org>, "Vanessa Quiroz-Carter (vanessa.quiroz@cityofwatsonville.org)" <vanessa.quiroz@cityofwatsonville.org>, "Lowell Hurst (lowell.hurst@cityofwatsonville.org)" <lowell.hurst@cityofwatsonville.org>, "Paco Estrada (francisco.estrada@cityofwatsonville.org)" <francisco.estrada@cityofwatsonville.org>, "Rebecca Garcia (rebecca.garcia@cityofwatsonville.org)" <rebecca.garcia@cityofwatsonville.org>, "Jimmy Dutra (jimmy.dutra@cityofwatsonville.org)" <jimmy.dutra@cityofwatsonville.org>
Cc: "cityclerk@cityofwatsonville.org" <cityclerk@cityofwatsonville.org>

Dear Watsonville City Council and City Clerk (please distribute):

In March 2020, Measure Y, the half-cent Public Safety Tax was renewed by Watsonville City Voters. The measure included an 8% allocation to the Parks Department. The budgeted amount to the Parks Department for the fiscal year ending 6/30/22 is \$338,400.

In addition, the City of Watsonville has received significant funding and grants from the State of California and is currently renovating both the City Plaza and Ramsey Park.

The City has existing school playgrounds and athletic fields that are not utilized after school, on weekends, or during summer vacation. The City and the Parks Department should be coordinating with the Pajaro Valley School District to make this happen. This would cost millions of dollars less than building new parks.

Of the Annual Estimated Sales Tax Increase of \$5,000,000, how much will be spent on salaries, employee benefits and other related expenses that will not directly benefit the community?

The proposed sales tax will go into the General Fund, so the City can spend the money on any current and future priorities.

The \$5,000,000 proposed sales tax increase represents a massive increase in the Watsonville's General Fund Resources that were budgeted at \$44,659,120 for fiscal year 2022-2023. A greater than 11% increase.

In May 2022, a Public Art Fee was instituted in Watsonville on new development and renovations.

In June 2022, property owners voted and approved the Pajaro Regional Flood Management Agency (PRFMA) assessment for levee operations and maintenance which unlocks \$400,000,000 funding from the Federal Government and the State of California. This assessment will have a significant impact on the financial resources of the residents in the assessment district.

The Residents of Watsonville have the Lowest Income in the County and if the Sales Tax Increase passes they will have the Highest Sales Tax Rate.

Sales Taxes in Watsonville have rebounded significantly since the financial crisis in 2008-2010.

All businesses including restaurants, retailers and auto dealers will be negatively impact by the proposed sales tax increase.

The businesses in Watsonville are still reeling from the pandemic and are now dealing with high inflation which continues to increase their employee, food, beverage, product and operating costs.

If there is a future fiscal emergency in the City and the sales tax rate is increased as proposed, it will be at the maximum State of California capped rate. The City will not have financial flexibility and its options will be severely limited.

The City of Watsonville needs to be resourceful with our existing income and assets and not continually request more resources from our community.

Please Vote NO on the proposed half-cent sales tax increase.

Thank you.

Sincerely,

Christopher M. Codiga, CPA

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