

From: tony higgins <tony.higgins123@gmail.com>

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To: City Clerk <cityclerk@hermosabeach.gov>; Ann Yang <anny@hermosabeach.gov>

Cc: Suja Lowenthal <suja@hermosabeach.gov>; Angela Crespi <acrespi@hermosabeach.gov>; Mayor Michael Detoy <mdetoy@hermosabeach.gov>

Subject: Supplemental to Item VIII of tonight's revenue study session

Dear City Council

I don't think that anyone will dispute that transparency is required if city costs & revenue are to be allocated fairly between the Hermosa Beach business district and the residential community

But the city staff failed to provide a report that compares the percent of ALL revenue coming in from residents versus commercial interests and failed to provide any info on the distribution of these funds to the business district versus the residential community.

These things can be estimated fairly accurately and there are a number of accounting firms that do just this.

Why wasn't this provided in the staff report?

Please also consider it's not just a simple matter of saying the city gets X% of property tax revenue from commercial sources and Y% from resident sources though that would be a good start.

What percent of our police salaries are spent in support of the business district versus our residential homes and streets?

What percent of code enforcement and building permit revenue comes from residents versus businesses? What percent of code enforcement salaries are spent serving business versus residential needs?

How much parking ticket revenue comes from residents?

How much utility tax revenue comes from businesses versus residents and so on.

Are residents getting a fair shake? Who knows?

What are the goals?

Should the business district pay its way or should the residential community pay for business growth? These are tough questions and I sure hope the council will follow up on this in tonight's meeting

Once again what are the goals and who can articulate those goals to that residents are informed and aware?

The last time the city took a comprehensive look at this was many years ago.

If 65% of the revenue were coming from residents but only 35% of the revenue went towards serving the residential community needs then that would be a problem. It would require some explanation and justification.

What is the actual distribution?

How can the city know if it should be looking to the business community versus the residential community for additional revenue if it doesn't know this?

The Governance Element of the General Plan states as Goal 1:

A High degree of transparency and integrity in the decision-making process.

I think city and our residents have huge blind spot on this and I hope the council is up to addressing this matter in tonight's Revenue Planning session

Thank You.
Anthony Higgins