

<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MAYOR</b> City of San Luis Obispo</p> <p><b>DONALD E. HEDRICK</b> Age: 60 Occupation: Businessowner/Artisan Welding Service</p> <p><b>Education and Qualifications:</b> I am entering the race for Mayor of San Luis Obispo because I am concerned about the direction that our city government is taking - a move from being focused on our unique community and local needs to embracing more global special interests which threaten the character of this town. I have been an active member of this community for more than 30 years. As I built my artisan welding business I have also made it a priority to be involved in the local community. In the mid seventies I served on local boards of directors on Grassroots II and as EOC treasurer in 1975. In the last decade I have been active as the neighborhood watch in my neighborhood. I am strongly connected to my community and my recent experiences with changes in neighborhood zoning and a general shift in the focus of our local government from local citizens to global interests have spurred me to action.</p> <p>I support the principles of slow and logical growth as embodied in our town's guiding principles for decades. I wish to represent the under represented factors in our society.</p> <p>I ask for your support to return our town to its local goals.</p> <p style="text-align: right;">s/ Donald E. Hedrick</p>	<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MAYOR</b> City of San Luis Obispo</p> <p><b>CHRISTINE MULHOLLAND</b> Occupation: City Councilmember</p> <p><b>Education and Qualifications:</b> You have twice elected me to the City Council and I have honored my commitments to you.</p> <p>I am running for Mayor to give you an alternative to candidates whose prodevelopment votes are indistinguishable.</p> <p>I am the only candidate whose votes prove protecting our environment and quality of life are my top priority.</p> <p>I am the only candidate who has consistently voted to uphold our General Plan that says new development should pay its own way. Residents should not be forced to subsidize new development.</p> <p>I am the only candidate to vote for preserving the character of our award winning downtown. Other candidates vote for buildings taller than our guidelines allow, which obscure hillside views and bring increased traffic to our downtown.</p> <p>I have consistently voted to protect neighborhoods as great places to live.</p> <p>I have worked to support local, independent businesses.</p> <p>Because of my votes, I have been endorsed by business owners, conservation groups and neighborhood associations. I have worked hard to bring different groups together to work successfully for our community's common good.</p> <p>I have earned the reputation of being a hardworking Councilmember.</p> <p>I ask for your vote so that I may continue to stand up for you.</p> <p style="text-align: right;">s/ Christine Mulholland</p>
<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MAYOR</b> City of San Luis Obispo</p> <p><b>JOHN EWAN</b> Age: 56 Occupation: Business Owner/City Council Member</p> <p><b>Education and Qualifications:</b> As your Mayor, I will use my experience as a business owner (Pacific Energy Company, founded 1980), environmental advocate, former planning commissioner and 8 years City Councilman to move forward a clear and vital vision for our City. I will listen to and develop community-based solutions rather than imposing unresponsive government.</p> <p>We must be mindful of the economic, environmental and social implications of our decisions. With my understanding of economics and managed growth, I have demonstrated the ability to negotiate effectively and tackle complex issues. My contemporary approach to problem solving, which reflects the style of our community, creates solutions that implement our community's plans for tomorrow.</p> <p>Mayoral leadership does not put personal agendas ahead of community goals. I will put your money where it should be - guarding the safety of our community and improving our City's infrastructure. I will renew our focus on smart planning and quality of design as we move to build-out of our general plan.</p> <p>San Luis Obispo is a vibrant city that does not rest on its laurels or fear planning the future.</p> <p>I am the candidate with vision for our future.</p> <p>Contact me at 543-9445 or email john@ewanformayor.com</p> <p style="text-align: right;">s/ John R. Ewan</p>	<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MAYOR</b> City of San Luis Obispo</p> <p><b>DAVE ROMERO</b> Occupation: Mayor</p> <p><b>Education and Qualifications:</b> As your current Mayor, Councilman for 8 years, and Public Works Director for 36, I've devoted over 48 years to protecting and enhancing our city's unique quality of life. I'm known for common sense, honesty, and keen negotiating skills. For years, I've worked closely with officials from nearby cities (as Mayor and as League of Cities Division President), with the Supervisors, with Cal Poly, Cuesta, CMC, and our state and federal legislators.</p> <p>With my extensive background and reputation, I have unmatched qualifications to continue serving as Mayor. During my Mayor's terms, our city made major progress in addressing housing problems, obtaining a reliable long-term water supply, and in revitalizing downtown.</p> <p>Being retired, I can devote full-time effort to city issues. I will follow through in resolving our water supply and housing needs, meeting downtown parking needs, revitalizing downtown, and protecting and preserving neighborhoods. I will continue to support acquisition of open space, improved Senior Center Facilities, an aggressive program to improve our streets, relieve traffic congestion, and improve our quality of life.</p> <p>I have dedicated my life to public service and will continue to be accessible to everyone. I look forward to leading our City to an even better future.</p> <p style="text-align: right;">s/ Dave Romero</p>

<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MEMBER OF CITY COUNCIL City of San Luis Obispo</b></p> <p><b>TERRY MOHAN</b> <span style="float: right;"><b>Age: 52</b></span>  <b>Occupation:</b> Truck Driver</p> <p><b>Education and Qualifications:</b> I moved to San Luis Obispo, with my wife and daughter, in 1994. We arrived here from Buffalo, NY with no jobs and less than \$3000. We've worked hard to establish ourselves in the city we loved at first sight. We were attracted to San Luis Obispo because of it's small city character. I feel that this quality is being eroded by the decisions of the current City Council.</p> <p>If given the opportunity to represent you on the San Luis Obispo City Council I will work to represent your needs by controlling taxes and spending, working to secure more workforce housing, make new development pay for itself and help to maintain the quality of life that is so important to the residents of our City, and my family.</p> <p>Please cast your vote for me and help me continue to keep San Luis Obispo as the place everyone else emulates.</p> <p style="text-align: center;">s/ Terry Mohan</p>	<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MEMBER OF CITY COUNCIL City of San Luis Obispo</b></p> <p><b>TERRY W. CONNER</b> <span style="float: right;"><b>Age: 59</b></span>  <b>Occupation:</b> Self-Employed Businessman</p> <p><b>Education and Qualifications:</b> I moved to San Luis Obispo in 1953 when my father enrolled at Cal Poly, I attended local public schools, graduated from San Luis Obispo High School in 1965, and obtained my Bachelor of Science Degree in Journalism from Poly in 1971.</p> <p>My wife, Stephanie, and I married in 1967. While attending Poly, we started our family, worked full-time and I made time to compete in wrestling and rugby. Our sons, Michael, 38 and Christopher, 36 also attended local schools.</p> <p>I've owned T&amp;S Enterprises for 28 years as a multi-faceted recycling business. Since 2005, the business focus is on media advertising and marketing. Stephanie is an administrative assistant at a local school.</p> <p>Active in SLO since 1976, I've concentrated on various youth athletic and recreational development programs, our City parks, and have served as treasurer on several political campaigns.</p> <p>I will strive to enhance business growth and regional transportation, improve senior services and college student-community relations, and seek solutions for affordable housing. I am a good listener and positive thinker!</p> <p>Energetic, mature and dedicated to the City of San Luis Obispo, I wish to be more active in our City's future, and maintain my sense of humor.</p> <p>I am the Common Sense Candidate!</p> <p style="text-align: center;">s/ Terry W. Conner</p>
<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MEMBER OF CITY COUNCIL City of San Luis Obispo</b></p> <p><b>ANDREW CARTER</b> <span style="float: right;"><b>Age: 49</b></span>  <b>Occupation:</b> Planning Commissioner</p> <p><b>Education and Qualifications:</b> I'm a downtown businessman, husband, father of school-aged children, and community volunteer. I've run twice before for City Council and been endorsed both times by <u>The Tribune</u>.</p> <p>I'm a member of the San Luis Obispo Planning Commission and the Chamber of Commerce's Economic Development Committee. I've served on the boards of the Workforce Housing Coalition, Residents for Quality Neighborhoods, and the United Methodist Children's Center. I'm a long-time Girl Scout volunteer.</p> <p>My key interests are affordable housing and neighborhood quality. I've supported senior housing and recreation projects, on-campus housing at Cal Poly, and the Orcutt area and Margarita area specific plans. I support code enforcement, traffic calming, and pedestrian safety projects in our neighborhoods.</p> <p>I'm an avid hiker and outdoorsman. I support open space preservation of our hills, creeks, and greenbelt. I've supported expansion of our bike trails and bus service.</p> <p>I have a bachelor's degree from Princeton University and an MBA from the Wharton School of Business. In six years of attending City Council meetings, I've been a strong advocate for prudent fiscal management.</p> <p>Please vote Andrew Carter for San Luis Obispo City Council. Thank you.</p> <p style="text-align: center;">s/ Andrew Carter</p>	<p style="text-align: center;"><b>STATEMENT OF CANDIDATE FOR MEMBER OF CITY COUNCIL City of San Luis Obispo</b></p> <p><b>ALLEN K. SETTLE</b>  <b>Occupation:</b> Council member/Educator</p> <p><b>Education and Qualifications:</b> I have lived in San Luis Obispo for 36 years. I am currently a member of the council and a professor specializing in municipal government, finance, law and public administration. My service record covering a period of twenty- nine years includes city planning commissioner, city council member and mayor.</p> <p>I am running for a council seat to continue improved traffic management, road repair, senior services, public safety services, housing opportunities, careful financial planning and careful land use growth management policies.</p> <p>I strive to reconcile environmental and business concerns with emphasis on maintaining the small town atmosphere that makes San Luis Obispo such a genuinely attractive place to live and work. I support city control of land use surrounding the city. I support the green belt around the city and waterway habitat preservation. I am a member of the Local Agency Formation Commission and Airport Land Use Commission.</p> <p>I have worked to improve intergovernmental relations with other cities, the county, the schools, and the university. I have also worked for neighborhood preservation and continued communication with neighborhood associations.</p> <p>Help me achieve these goals and objectives. I ask for your vote to be re-elected to council on November 7th.</p> <p style="text-align: center;">s/ Allen K. Settle</p>

CITY OF SAN LUIS OBISPO  
FULL TEXT OF MEASURE Y-06

ORDINANCE NO. 1495 (2006 Series)

**AN ORDINANCE OF THE CITY OF SAN LUIS OBISPO  
ADDING CHAPTER 3.15 TO THE MUNICIPAL CODE, "ESSENTIAL  
SERVICES TRANSACTIONS (SALES) AND USE TAX," TO SUNSET  
IN EIGHT YEARS, WITH CITIZEN OVERSIGHT AND INDEPENDENT  
ANNUAL FINANCIAL AUDITS, TO BE ADMINISTERED BY THE  
STATE BOARD OF EQUALIZATION**

**WHEREAS**, the City of San Luis Obispo is facing significant fiscal challenges in providing essential community services such as neighborhood street paving and pothole repair, traffic congestion relief, police protection, fire and paramedic services, flood protection, senior citizen services and facilities, neighborhood code enforcement, open space preservation and other vital general purpose services; and

**WHEREAS**, this is largely due to State budget takeaways, which have cost the City more than \$22 million over the last 15 years, and now costs the City \$3 million each and every year; and

**WHEREAS**, Proposition 1A, adopted by the voters of California in November 2004, helps protect the City from additional State takeaways in the future, it does not restore any of the past or current State takeaways; and as such, the City continues to lose \$3 million each and every year in State budget takeaways, and this is going to be the case indefinitely into the future; and

**WHEREAS**, in responsibly balancing its budget, the City has been forced to cut back significantly on essential community services, such as reducing overall infrastructure maintenance by 50%; cutting street paving and pothole repair by 67% (which meant eliminating the neighborhood street paving and pothole repair program); reducing sworn police positions (including traffic enforcement); removing virtually all City funding for flood protection or storm drain maintenance projects; discontinuing City funding for open space preservation (which has been successful in the past in leveraging over \$7 million in grants and other outside funding sources); and cutting other vital general purpose services; and

**WHEREAS**, while it has been prudent to do so in the past as a stop-gap measure, the City cannot continue to use its reserves in mitigating even deeper cuts to essential services; and

**WHEREAS**, new revenues will be needed in order to restore cuts in essential services and provide vital general purpose services in the future; and

**WHEREAS**, a City-adopted sales tax is an appropriate way of adding new funds, since: the current sales tax rate in the City is the lowest in the State, and as such, even with an increase of ½-cent, it will be equal to or lower than the rate paid by 85% of the State's residents; it is broad-based and does not single-out any one type of consumer, business or industry; basic commodities and services like housing, food and prescription drugs are exempt from sales taxes; and over 50% of the proceeds will be paid by non-residents.

**NOW, THEREFORE, BE IT ORDAINED** by the Council and the Voters of the City of San Luis Obispo as follows:

**SECTION 1. TITLE.** This ordinance shall be known as the "City of San Luis Obispo Essential Services Transactions (Sales) and Use Tax Ordinance." The City of San Luis Obispo hereinafter shall be called the "City." This ordinance shall be applicable in the incorporated territory of the City.

**SECTION 2. PURPOSE.** This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To protect and maintain essential services – such as neighborhood street paving and pothole repair; traffic congestion relief; public safety, including restoring eliminated traffic patrol, Fire Marshal and fire/paramedic training positions; flood protection; senior citizen services and facilities; neighborhood code enforcement; open space preservation; and other vital general purpose services – by establishing a general purpose retail transactions and use tax of one-half percent in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2, which authorizes the City to adopt this general purpose tax ordinance, which shall be operative if two-thirds of the Council and a majority vote of the electors voting on the measure, vote to approve the establishment of this new general purpose revenue source at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

**SECTION 3. EIGHT-YEAR SUNSET.** The authority to levy the tax imposed by this ordinance shall expire eight years from the operative date of this ordinance, unless extended by the voters.

**SECTION 4. FISCAL ACCOUNTABILITY PROVISIONS: CITIZEN OVERSIGHT AND INDEPENDENT ANNUAL FINANCIAL AUDITS.** Along with the City's ongoing commitment to citizen involvement as a fundamental principle of good government, specific citizen oversight and fiscal accountability provisions are hereby established as follows:

A. **Independent Annual Financial Audit.** The amount generated by this new general purpose revenue source and how it was used shall be included in the annual audit of the City's financial operations by an independent certified public accountant.

B. **Integration of the Use of Funds into the City's Budget and Goal-Setting Process.** The estimated revenue and proposed use of funds generated by this measure shall be an integral part of the City's budget and goal setting process, and significant opportunities will be provided for meaningful participation by citizens in determining priority uses of these funds.

C. **Annual Community Report.** A written report will be provided annually to every household in the community detailing how much revenue is being generated by the measure and how funds are being spent.

D. **Annual Citizen Oversight Meeting.** An invitation will be extended each year to the entire community inviting them to participate in a forum to review and discuss the use of the revenue generated by this measure. City staff will also be available to meet with any group that requests a specific briefing with their members to discuss and answer questions about the revenues generated by the measure and their uses.

**SECTION 5. TRANSACTIONS (SALES) TAX RATE.** For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.5% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

**SECTION 6. USE TAX RATE.** An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.5% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

**SECTION 7. OPERATIVE DATE.** "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance: April 1, 2007.

**SECTION 8. CONTRACT WITH STATE.** Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

**SECTION 9. PLACE OF SALE.** For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

**SECTION 10. ADOPTION OF PROVISIONS OF STATE LAW.** Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

**SECTION 11. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property, which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

**SECTION 12. PERMIT NOT REQUIRED.** If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

**SECTION 13. EXEMPTIONS AND EXCLUSIONS.** The following transaction shall be exempted and excluded:

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

## IMPARTIAL ANALYSIS OF MEASURE Y-06

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

**SECTION 14. AMENDMENTS.** All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

**SECTION 15. ENJOINING COLLECTION FORBIDDEN.** No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

**SECTION 16. SEVERABILITY.** If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

**SECTION 17. EFFECTIVE DATE.** This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

**SECTION 18. CODIFICATION.** Upon adoption of this Ordinance by the voters, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this Ordinance in the City's Municipal Code.

If approved by a majority of the voters voting on the measure, Measure Y-06 will authorize an additional ½-cent sales tax within the City of San Luis Obispo. This ½-cent sales tax would be a "general-purpose tax," meaning that the revenue raised from the tax would go into the City's general fund and could be used for any municipal governmental purpose. Municipal governmental purposes encompass street paving, traffic congestion relief, police protection, fire and paramedic services, flood protection, senior citizen services, open space preservation, and other governmental functions and services. The City would not be bound to use these tax monies for any special purpose or for any particular projects, facilities or programs.

California Revenue and Taxation Code section 7290 authorizes the City of San Luis Obispo to levy a transactions and use tax (sales tax) at a 0.5 percent (½-cent) rate so long as the tax is approved by two-thirds of the City Council and a majority of the voters voting in an election on that issue. The City Council unanimously approved this tax on August 1, 2006. If approved by the voters, the Measure Y-06 sales tax would become effective on April 1, 2007.

This ½-cent sales tax would be paid in addition to current sales taxes. The current sales tax within the City (including state and local sales taxes) is 7.25 percent. If Measure Y-06 is approved by the voters, the total sales tax would be 7.75 percent. This ½-cent sales tax would be collected at the same time and in the same manner as existing sales taxes.

Measure Y-06 contains the following fiscal accountability provisions to assist citizens in assessing if the additional sales tax revenues have been used in meeting community priorities: 1) the amount generated by the new revenue source and how it was used shall be included in the annual audit of the City's financial operations by an independent certified public accountant; 2) the estimated revenue and proposed use of funds generated by this measure shall be a part of the City's budget and goal setting process, which provides for participation by citizens in determining priority uses of these funds; 3) an annual written report will be provided to every household in the City explaining how much revenue is being generated by the measure and how funds are being spent; and 4) a citizen oversight meeting will be scheduled annually to allow for review and discussion of the use of revenue generated by this measure.

The ½-cent sales tax would sunset and be repealed in eight years, and could not be collected after that time unless a majority of the voters voting in an election on that issue approves an extension or re-authorization of the tax.

Respectfully submitted,

s/ Jonathan Lowell  
City Attorney

## ARGUMENT IN FAVOR OF MEASURE Y-06

Keep San Luis Obispo our special place. For the future of SLO, vote **YES ON Y**.

The State has taken away \$22-million from SLO during the past 15 years and continues to take \$3-million every year to balance its budget. These takeaways have forced SLO to cut essential services.

- **YES ON Y** gives San Luis Obispo local control – all funds generated will remain here.
- **YES ON Y** restores essential neighborhood services, such as street paving and pothole repair.
- **YES ON Y** helps relieve traffic congestion.
- **YES ON Y** keeps our community safe by restoring police and fire positions that had to be cut.
- **YES ON Y** provides urgently needed money for flood protection and storm drain repair.
- **YES ON Y** ensures essential programs and facilities for our growing senior population.
- **YES ON Y** allows the City to restore funding for open space protection and acquisition, a program that has been all but eliminated in recent years.

The sales tax rate in SLO is currently at the lowest level in the state. Even with this minor increase, our rate will be the same or lower than that paid by 85% of the state's residents.

- **YES ON Y** is a low cost, high impact solution. Non-residents and tourists will pay over half. Santa Maria has been at this rate for over 16 years.
- **YES ON Y** has strong public safeguards to ensure that funds will be spent as residents prefer: independent audits, citizen oversight, including yearly reports to every household, and an 8-year "sunset" provision so the Measure will go back to voters for reauthorization. More retail development won't fix the problem. It would take NINE Costco's to generate the same amount of revenue.

SLO's belt is simply out of notches. Please join us in protecting SLO's future. Vote **YES ON Y**.

s/ Mary Verdin, Chair, Chamber of Commerce  
s/ Karen Merriam, Chair, Santa Lucia Chapter Sierra Club  
s/ Pierre Rademaker, Past President, SLO Downtown Association  
s/ Agatha Reardon, Vice President, SLO Senior Citizens Center  
s/ Sandi Sigurdson, Executive Director, SLO Symphony

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE Y-06

Proponents paint an appealing picture of how San Luis Obispo will use Measure Y revenues.

But "promises" about use of Measure Y funds are unenforceable. There's no requirement Measure Y revenues be used only for "essential services." By law, this money can be used for any "general purpose" the City wishes, and *cannot be earmarked*.

Voters have every right to be skeptical. For example, our General Plan says development pays its own way, yet San Luis Obispo continues to offer developers financial subsidy.

- Last year, voters rejected a multimillion dollar sales tax rebate the City had offered Marketplace developers.
- Yet the same day the City Council placed Measure Y on the ballot, it also authorized pursuing another subsidized private development (Garden Street Terraces). Its features include:
  - \$2.4 million cash advanced to the developer by the City.
  - Valuing a City parking lot being transferred to the developer at \$1.5 million instead of its \$5 million appraised value.
  - Rebate of most new property tax from the development for 30 years.

Basic resident services should be San Luis Obispo's first priority. Please send a message to City Hall to put first things first. Please vote no on Measure Y.

s/ Peg Pinard, Former Mayor/Former County Supervisor  
s/ Richard Schmidt, Former Planning Commissioner

## ARGUMENT AGAINST MEASURE Y-06

Is it true San Luis Obispo cannot provide basic citizen services without raising our sales tax?

With years of service inside City government, we are dubious. We see nonessential spending. We believe San Luis Obispo's "money problem" is more about priorities than finances. Here's why.

Traditionally, city government exists to provide residents with important things we cannot provide ourselves. In San Luis Obispo, these "basic services" include utilities, streets, parks, open space preservation, flood control, police and fire service. These are the fundamental reasons we have a City government.

Providing basic services to residents must come first. In San Luis Obispo, however, the City frequently considers its "customers" to be developers and a few vested commercial interests. "Service" means making them happy. Government has come to mean deals and subsidies for developers, endless costly rewriting of regulations to weaken popular environmental and neighborhood protections, promoting development many citizens don't want, and well-paid staff to support and advocate for developers. These items now compete financially with providing basic citizen services.

San Luis Obispo must not regard basic citizen services as a sideline -- as things residents should pay extra for if they really want them -- rather than its topmost priority.

We believe San Luis Obispo has distorted spending priorities. We believe our City needs to get back to basics -- to make residents its "customers," and provide services for residents first. Please join us in sending this message to City Hall.

Please vote no on Measure Y.  
s/ Peg Pinard, Former Mayor/Former County Supervisor  
s/ Richard Schmidt, Former Planning Commissioner

## REBUTTAL TO THE ARGUMENT AGAINST MEASURE Y-06

In 2005 San Luis Obispo convened an independent ad hoc citizen's advisory committee to assess the financial condition of the city. The citizen's committee found that on-going financial raids from politicians in Sacramento have significantly affected San Luis Obispo. These raids have accounted for losses of \$22 million over the last decade resulting in:

- \* service reductions in every city department,
- \* a 67% reduction in street paving and road maintenance
- \* elimination of 25 full time positions including sworn police officers
- \* Almost total depletion of Open Space protection fund

Despite these hardships, San Luis Obispo's budget is extremely well managed. The city routinely receives national and state awards for financial management and reporting. After reviewing a detailed survey comparing similar cities, a Tribune headline concluded: *SLO Often Does More, Spends Less Than Other Cities.*

Unfortunately, we are at a point where our quality of life will deteriorate with deeper cuts. A modest revenue increase with strict accountability provisions is the most sensible means by which to maintain San Luis Obispo's quality of life and services.

Measure Y includes the following taxpayer protections:

1. An independent annual financial audit to be made available to the public;
2. An annual community report mailed to every SLO residence;
3. An annual citizen oversight meeting;
4. An eight year "sunset" provision requiring that SLO residents evaluate and affirm this additional revenue by a vote of the people.

## Protect and preserve the "SLO Life." Vote YES on Measure Y.

s/ Mary Verdin, Chair, Chamber of Commerce  
s/ Karen Merriam, Chair, Santa Lucia Chapter Sierra Club  
s/ Pierre Rademaker, Past President, SLO Downtown Association  
s/ Amy Kardel, Ad Hoc Citizen's Advisory Committee Member  
s/ Ken Schwartz, former Mayor of San Luis Obispo, Ad Hoc Citizen's Advisory Committee Member