

PVP Watch Newsletter – May 15, 2009

To Our Friends & Supporters:

PV Chamber of Commerce Votes to Support Terranea

At a special RPV Council meeting on May 4th, Terranea developer's Lowe Enterprises, requested the RPV Council for financial assistance by deferring the payments of the Transit Occupancy Tax (TOT) for some 27 months or until \$8,000,000 is collected, whichever comes first. In return, Terranea offered to provide compensating benefits to RPV residents which not been previously considered.

The reason for this request is today's financial crisis that confronts our economy. As Peninsula residents are aware, many banks are having liquidity problems which have resulted in loan & credit issues for well-managed businesses as well as many individuals themselves. Contrary to some reports, Lowe's is not asking RPV to provide a loan of any RPV funds but to merely return the TOT funds, or a deferral, if you will. There are greater details to be worked out and further negotiations needed. We view this situation as an opportunity for RPV to be "part of the solution" thus increasing the City's overall revenues and not as a problem to wring our hands over.

Some issues for consideration: Without this participation, Terranea likely WILL NOT OPEN as scheduled in June. Terranea needs some \$10 - \$12 million to open for business and provide cash flow to meet initial payrolls and other opening costs. The TOT funds will go towards assisting with these expenses.

What happens if Terranea does not open?

1 - 550 employees will not have jobs. It is reported that 20% - 25% (110 - 137) are Peninsula residents. This equates to about \$1.5 million per month in salaries that **will not** flow into the Peninsula economy.

2 – It is estimated that Terranea will pay approximately \$100,000 per month / \$1,200,000 annually in other (golf, property, sales, utility etc) taxes / fees to RPV. If Terranea does not open these taxes / fees will evaporate. These funds could assist RPV in compensating for likely budget cuts from Sacramento.

In view of the magnitude of the problems that will result if Terranea fails to open, the Peninsula Chamber of Commerce is urging the RPV Council to move quickly forward and negotiate a reasonable arrangement for both parties.

PVP Watch believes the Chamber is right on target in recognizing the dire circumstances if Terranea does not open on schedule. PVP Watch urges the RPV Council to take emergency action

at its next meeting on May 19th to "declare that this Council desires to develop a solution that allows Terranea to open on schedule while also protecting the interests of RPV residents and directing the RPV staff to quickly return with an agreement that meets the Councils objectives in this regard."

PVP Schools – Parcel Tax

Everyone should now be aware that the PVPUSD will conduct a special election on June 23 for Measure V which increases the Peninsula schools parcel tax approximately \$165 annually. The reasoning for this is the budget shortfall caused by the mismanagement of taxpayer funds by our State Government in Sacramento. Ballots should be mailed to Peninsula residents the week of May 25th & MUST be returned / received by June 23rd.

Sacramento's latest budget revision reduced PVPUSD funding by \$6,000,000. PVPUSD has subsequently given "pink slips" to some 75 teachers and 40 classified employees. To further complicate the problem, PVPUSD (all school districts) must present a budget forecast for the following two years to the LA County Board of Education.

A shoe that has not yet dropped is the May 19th election and the propositions on that ballot. Latest poll numbers indicate that voters are not supporting Sacramento's latest tax scheme. Failure of those Propositions will likely result in further budget cuts.

Seniors who plan to take the parcel tax exemption and have not yet done so, you have until the last working day in May to submit your filing. Exemption forms are posted at both the PVPUSD as well as the PVP Watch web sites.

MAY 19TH SPECIAL ELECTION: VOTER GUIDE FOR PROPOSITIONS 1A-1F

Proposition 1-A: THE "RAINY DAY" BUDGET STABILIZATION FUND

VOTE NO on this fraud. This measure would purportedly "limit future deficits by increasing the State's 'rainy day' fund," but it would also enact "higher state tax revenues of roughly \$16 billion."

The State "Rainy Day" reserve is nothing more than another pot of money to feed the big government monster. (See "Fox Guarding the Henhouse"@

<http://www.pvpwatch.com/documents/CCR-FoxGuardingtheHenHouse.pdf> for a more detailed explanation of Prop 1-A).

Proposition 1-B: EDUCATION FUNDING - PAYMENT PLAN

VOTE NO The Secretary of State says, "Potential state savings of up to several billion dollars in 2009-10 and 2010-11. Potential state costs of billions of dollars annually hereafter." Increased income, sales and car taxes have already begun. Prop 1-A proposes to push those tax increases out another 2 years for an ADDITIONAL tax increase of \$16 billion. No savings, just higher taxes.

The California Teachers Association (CTA), the state's powerful teachers union wrote Proposition 1-B which guarantees teachers salaries and benefits by securing their lion's share of Prop 1-A funds.

Proposition 1-C: LOTTERY MODERNIZATION ACT

VOTE NO The State is having problems selling its unsustainable debt instruments to investors and unable to pay for current voter approved debt, it hasn't even released, due to a shortfall in cash flow. Next step? Strong arm some more credit from one of its own public-private partnerships, further indebt our children and gamble with their future.

Proposition 1-D: CHILDREN'S SERVICES FUNDING

VOTE NO California voters approved a tax on cigarettes a few years back with the Legislature's promise that the new tax would yield money for early childhood programs. Now, here is that same Legislature telling voters that it wants them to approve changing the use of that tax money so the Legislature can spend it in whatever way it sees fit. Make a promise. Find an excuse. Break the promise. Spend the money anywhere but where it was promised.

Proposition 1-E: MENTAL HEALTH FUNDING –

VOTE NO Californians voted in 2004 to provide funds for specific mental health services. It was called Proposition 63 or "The Millionaire's Tax." Income over \$1 million pays an additional 1% tax for these mental health services. Now comes the Legislature to undo the work of the supporters of Proposition 63 by tricking voters to take money from that purpose and give it over to another purpose. So much for public earmarks!

Proposition 1-F: ELECTED OFFICIALS' SALARIES. PREVENTS PAY INCREASES DURING BUDGET DEFICIT YEARS

VOTE YES even though this measure only empowers the Director of Finance to prevent the Citizens Compensation Commission from recommending an increase when a deficit year is declared. Although this is only "lip service" sent to our elected representatives, it sends a loud message from the electorate that they are NOT happy with the Legislature's mismanagement of

public funds and demand accountability when those representatives fail in getting the job done. The Legislature is banking on a confused, apathetic, and uninformed electorate to be asleep at the switch realized through a low voter turnout for passage of these absurd smoke and mirror propositions. Exercise your most fundamental right and VOTE on May 19. Let's all remind our elected representatives that it is they who work for us and that we, the taxpayers, do NOT work for them.

PVP Watch – Newsletter List

A reminder to ALL PVP Watch supporters. Should you change your e-mail address, don't forget to advise PVP Watch of your new address. We suggest that pvpwatch.com be added to your computer address book to assure delivery of PVP Watch Newsletters.

PVP Watch – Contributions

PVP Watch welcomes modest contributions. Those desiring to contribute, please send checks to PVP Watch PO Box 7000-22 Palos Verdes Peninsula, CA 90274. We thank those who have contributed for helping to promote PVP Watch.

Subscribers

The PVP Watch e-mail list continues to grow. For those who wish their addresses removed, please send notice to info@pvpwatch.com.

PVP Watch strives to bring current issues to www.pvpwatch.com. Those who have topics of community interest are encouraged to bring those issues to PVP Watch.

The Editorial Committee