

## **PVP Watch Newsletter – June 1, 2009**

**To Our Friends & Supporters:**

### **PV Schools / Parcel Tax**

Parcel Tax Ballots have been mailed and are due back at the Los Angeles County Registrar-Recorder's office **NO LATER** than June 23rd, 2009.

This one is a really tough call. No one likes more taxes but reality is reality and Sacramento has cut \$6 million from the current budget. In addition it is likely that further budget cuts are forthcoming. Can the school district make further cuts? Certainly they can but how far do Peninsula residents want to cut school programs? We urge all residents to make themselves informed on this important issue.

One group that has seemingly not been heard from is the teachers union. Current times are tough for most everyone. It appears to PVP Watch that higher paid teachers could forgo salary increases for the next year to assist in keeping more newer teachers. We believe such an offer from the teachers union would make the Parcel Tax issue more palatable for taxpayers.

### **RPV & Terranea**

The Tuesday May 26th RPV Council was a six (6) hour endurance ordeal. The meeting began about 7:15 PM and ended about 1:15 AM Wednesday with Councilmen Stern & Wolowicz grudgingly joining Mayor Larry Clark & Councilman Peter Gardiner in supporting the Terranea proposal. Tom Long had to reclude himself as his Law firm had an event planned at Terranea.

Kudos to Mayor Larry Clark for recognizing the seriousness of the Terranea situation and his efforts to bring leadership to the discussion. We also thank Councilman Peter Gardiner's for joining the meeting by phone from home. As many are aware, Peter has been seriously ill and we look forward to his return to the Council Dias.

However, the meeting quickly went downhill. RPV Finance Director McLean presented an abominable staff report. Staff had been requested to evaluate the Terranea request of returning the TOT (10% Occupancy Tax) for 27 months or \$8,000,000 whichever came first. McLean and his consultants also presented 2 additional alternatives. Their option 2 was to GIVE Terranea \$3,000,000 with no strings attached. Option 3, which was Staffs preference, was to deny the Terranea request as they would probably be able to open without RPV's assistance. They did not perform any Fiscal Economic Analysis that would have identified the benefits that have already begun to accrue to RPV and the Peninsula.

While some mislabel the Terranea request as a "Bailout," the facts are that a healthy & prosperous Terranea is a economic engine for RPV and the entire South Bay. While the Staff report labored over a presumption that RPV needed the TOT funds for a multitude of purposes, the Staff report virtually ignored that Terranea, in addition to the TOT tax, will be paying an estimated \$500,000 to \$1,000,000 annually in property, sales, utility, business and other taxes. There is also the secondary effect of Terranea as well as guests & employees spending / purchasing products and services from others in the community. Also ignored was that it is fairly common for City's to "partner" with business by forgoing for a specified term portions of taxes / fees to help business begin in a solid position. Of course, looking at the future and developing new tax bases, other than increasing resident fees, has not been a priority with this Council.

The McLean presentation took about an hour and then it was Mr. Lowe's turn. The Council with Councilman Stern & Wolowicz leading went after Mr. Lowe for about 1 1/2 hours. Neither Stern nor Wolowicz seemed to understand the gravity of the situation. Councilman Stern was his usual arrogant self consuming much of the evening with his meaningless comments and questioning the veracity of Mr. Lowe and the Terranea project in general. It didn't seem that Stern cared or perhaps recognized that if Terranea did not open as presently scheduled that there would be some interval of time before it did open and that RPV would not be collecting any funds during that time. How short sided....

There were many who provided testimonial support for the Terranea request. Included were a number of past RPV Mayors as well as the Peninsula Chamber of Commerce and other local residents. Mike Gin, Mayor of Redondo Beach, represented Supervisor Knabe in attesting how vital Terranea is to the South Bay and Los Angeles County.

PVP Watch has posted four (4) docs at [www.pvpwatch.com](http://www.pvpwatch.com) / Current Issues. These doc's summarize the initial Terranea request summary, the new jobs impact on the Peninsula as well as support letters from the Peninsula and Redondo Chambers of Commerce. Supervisor Knabe and other community leaders recognize the positive impact the Terranea is already having on the South Bay community. We urge readers to read these documents. There is ample justification to do a mutually "fair deal" with Terranea. RPV & the surrounding community will all benefit.

### **RPV City Hall**

The *proposed* RPV budget for 2009 / 2010 (all 215 pages) is posted at [www.pvpwatch.com](http://www.pvpwatch.com) / Position Papers. Some might want to look and see where their \$\$\$ are going.

A few highlights:

City Hall Staff continues to increase. Fiscal year (FY) 2006 / 2007 there were 61 employees. For FY 2009 / 2010 the plan is for 76 employees, a 25% increase.

The City Managers office will have 11 employees. City Manager, Deputy City Manager, City Clerk, Deputy City Clerk, Assistant to City Manager, Executive Staff Assistant, Administrative Staff Assistant, Human Resources Manager, Senior Administrative Analyst & two Interns. Total proposed City Manager office budget \$1,850,000.

Nature Preserve: Proposed cost for FY 2009 / 2010 - \$329,000 minus proposed income of \$4,000.

RPV TV station / Channel 33: Proposed cost for FY 2009 / 2010 - \$100,000.

Information System (IT) costs have increased about 25% over the past three years with most of this expense going to PV Net.

Some good news is that the golf tax (Trump National) will exceed \$400,000 this fiscal year. However, Staff foresees a probable reduction to \$360,000 for FY 2009 / 2010. This cause's us to wonder what Trump pays in property, sales and utility taxes. We will find out and report back.

The PVIC (Point Vicente Interpretive Center) is projected at \$360,000 with an income of \$249,000 for FY 2008 / 2009. This projects a cost exceeding \$100,000. It's amazing the number of residents who don't know what the PVIC is or where it is.

The preponderance of RPV funds are derived from property taxes. While there has been some slowing of home sales in RPV, all homes sold will have an increase in property taxes as all are reassessed at their respective sales price.

General Fund Reserves will approximate \$9,000,000. This is about 50% of proposed expenditure of \$18,000,000.

At the moment, RPV City Hall is displaying their usual time of year angst that expenditures will exceed income. While there are reports that Sacramento may "*borrow*" some \$700,000 from RPV, the prompt opening of Terranea will help solve most of that problem.

At its June 2nd meeting item #28 is the draft of a proposed 5 year Capital improvement Program. It is posted at [www.pvpwatch.com](http://www.pvpwatch.com) / Current Issues. We encourage all to look at this document.

### **RPV Storm Drains**

Many will recall the great RPV Storm Drain crisis of 2005 / 2006 and the resulting Storm Drain Tax / User Fee. Residents were flooded with pictures of leaking storm drains and imminent

catastrophic occurrences. The last year or so RPV City Hall has been quiet on storm drain issues with little information concerning progress of storm drain repairs unless there was a new *crisis* or *photo op*. According to the proposed Capital Plan (page 28-41) RPV plans to spend \$300,000 or more each of the next 5 years lining / repairing storm drains. Wondering how many RPV storm drains have been evaluated and repaired?

### **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 and appreciates the many contributions received. 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](mailto:info@pvpwatch.com).

PVP Watch strives to bring current issues to [www.pvpwatch.com](http://www.pvpwatch.com). Those who have topics of community interest are encouraged to bring those issues to PVP Watch.

The Editorial Committee