

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

635



**FROM:** Executive Office

**SUBMITTAL DATE:**  
December 5, 2013

**SUBJECT:** Policy Framework for Dedicated Use of Sales Tax Revenue

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Request the Sheriff closely monitor public safety in and around the factory outlet stores in Cabazon to maintain a safe, secure shopping experience; and,
2. Direct that, on 4/5ths vote of the Board, up to 25 percent of future growth in general fund sales and use tax revenue from a Board-specified area may be committed toward a particular Board-approved capital project that addresses an extraordinary circumstance of noted regional significance that poses risks to public health and safety, and/or compromises emergency response or lifeline services.

**BACKGROUND:**

**Summary**

On November 26, 2013, (Agenda Item 3-8), the Board directed a policy be drafted to address use of discretionary general fund Bradley-Burns 1% Sales and Use Tax revenues to address "extraordinary circumstances" for which other funding sources are either not sufficient or are not yet in place. Since this entails using discretionary general fund revenue otherwise allocated to services benefiting the entire county, it is important that dedication of a portion of such general fund revenue to a particular use also be of general benefit.

(continued)

*Denise C. Harden*  
Denise C. Harden

Principal Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$	\$	\$	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

**SOURCE OF FUNDS:** Bradley-Burns 1% Sales and Use Tax

**Budget Adjustment:**

**For Fiscal Year:**

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

*George A. Johnson*  
George A. Johnson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 11/26/13 #3-8

District:

Agenda Number:

3-7

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**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Policy Framework for Dedicated Use of Sales Tax Revenue**

**DATE: December 5, 2013**

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**BACKGROUND:**

**Summary (continued)**

Given the county's existing long-term financial needs and obligations, to which projected growth of all foreseeable discretionary revenue is already targeted, it is also important that such benefit be of such overriding need to take precedence over existing obligations. For these reasons, the Executive Office recommends such diversion of revenue only occur under limited circumstances for a capital project of regional benefit that addresses demonstrated risks to public health and safety, and/or compromised emergency response or lifeline services.

It should be noted that the only concentrated retail area remaining in the unincorporated county from which a significant amount of growth in sales tax revenue might be derived is the factory outlet developments in Cabazon. Together, those stores generated \$6.6 million in sales tax revenue in FY 12/13, which was approximately one third of the county's core sales and use tax revenue that year (excluding sales and use tax revenue derived directly from solar projects). It is roughly estimated based on preliminary information that the projected expansions at that location may yield approximately \$2.8 million in additional sales tax revenue. Since most of the county's other points of sale are scattered widely across the unincorporated county, no other retail area in the unincorporated county is likely to generate such a sizable ongoing revenue stream.

**Impact on Citizens and Businesses**

Protection of health and safety, and preservation of access to emergency response and lifeline services.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Of the total sales and use taxes collected by the Board of Equalization on taxable sales and uses, the county receives only the Bradley-Burns 1% Sales and Use Tax as unrestricted discretionary general fund revenue, which is expended to support operations and capital projects throughout the county.

**Contract History and Price Reasonableness**

N/A.