

## **RESOLUTION NO. 23-67**

### **Resolution Of The City Council Of The City Of Emeryville Rescinding The Commercial Property Transfer Tax Policy, Amending The City's Expenditure And Reserve Policies, And Adopting A Real Property Transfer Tax**

**WHEREAS**, on June 19, 2018, the City Council approved Resolution 18-86 adopting a Commercial Property Transfer Tax Policy which provides guidance for the allocation of the Commercial Property Transfer Tax revenues to ensure proper funding for capital projects, pension obligations and other important City projects; and

**WHEREAS**, on February 21, 2023, the Council adopted Resolution 23-23 amending the City's Reserve Policies, including adopting an Expenditure Policy for use of Real Property Transfer Tax revenues, which includes both Commercial Property Transfer Tax and Residential Property Transfer Tax revenues, and Critical Needs Fund following passage of Measure O in November 2022; and

**WHEREAS**, the purpose of the Real Property Transfer Tax Policy is to clarify the allocation and the use of those revenues; and

**WHEREAS**, currently, the Residential Property Transfer Tax and the Commercial Property Transfer Tax revenues are allocated to the General Fund and the General Capital Fund respectively; and

**WHEREAS**, the General Fund is the main operating fund for the City, and supports vital services and programs for the community, including police, fire, public works, community development, community services and general administrative services; and

**WHEREAS**, it is important to secure sufficient revenue sources to support General Fund operations; and

**WHEREAS**, staff recommends committing revenues from the Commercial Property Transfer Tax to the General Fund; as these revenues are realized and deposit them into the General Fund; and

**WHEREAS**, the Real Property Transfer Tax revenues shall be deposited in the City's General Fund subject to the priorities described below;

**WHEREAS**, at the end of each fiscal year, a contribution from the General Fund shall be made in the amount necessary to replenish the Critical Needs Fund to a minimum of \$1 million; and

**WHEREAS**, at the end of each fiscal year, if the Real Property Transfer Tax revenues exceed their budgeted amount in the General Fund, including budget adjustments made during the fiscal year, 50% of the excess revenues will be allocated to the City's Capital Improvement Program; and

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**WHEREAS**, the remaining 50% will be allocated to the City's unfunded liabilities, including pension liability, Other Post-Employment Benefits and the City's Section 115 Pension Trust; and

**WHEREAS**, allocation of these funds shall be determined by the City Council, upon recommendations of the Budget and Governance Committee, and the Budget Advisory Committee; and

**WHEREAS**, the Critical Needs Fund maintains a balance of \$1 million for the purpose of providing funds to address unbudgeted one-time critical maintenance or critical service needs; now, therefore, be it

**RESOLVED**, that the City Council of the City of Emeryville hereby rescinds the Commercial Property Transfer Tax Policy, amends the City's Expenditure and Reserve Policies, and adopts the Real Property Transfer Tax Policy.

**ADOPTED**, by the City Council of the City of Emeryville at a regular meeting held Tuesday, June 06, 2023, by the following vote:

|          |          |                                                                               |
|----------|----------|-------------------------------------------------------------------------------|
| AYES:    | <u>5</u> | Mayor Bauters, Vice Mayor Welch and Council Members Kaur, Mourra and Priforce |
| NOES:    | <u>0</u> |                                                                               |
| ABSTAIN: | <u>0</u> |                                                                               |
| ABSENT:  | <u>0</u> |                                                                               |

DocuSigned by:  
*John Bauters*  
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MAYOR

ATTEST:

DocuSigned by:  
*April Richardson*  
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CITY CLERK

APPROVED AS TO FORM:

DocuSigned by:  
*John Kennedy*  
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CITY ATTORNEY