



**AGENDA
REGULAR MEETING
CITY COUNCIL OF THE TOWN OF COLMA
Wednesday, June 22, 2022
Closed Session – 5:30 PM
Regular Session - 7:00 PM**

The City Council meeting will be conducted virtually pursuant to the provisions of Assembly Bill 361 amending the Ralph M. Brown Act and Government Code Section 54953(e) (and without compliance with section 54953(b)(3)) related to conducting public meetings during the COVID-19 pandemic based on the current State of Emergency and the existing State recommendations on social distancing. The Council Chambers will not be open to the public for this City Council meeting.

Members of the public may view the meeting by attending, via telephone or computer, the Zoom Meeting listed below:

**Join Zoom Meeting: <https://us02web.zoom.us/j/81289976261>
Passcode: 074407**

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Members of the public may provide written comments by email to the City Clerk at citymanager@colma.ca.gov before the meeting. Emailed comments should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda. The length of the emailed comment should be commensurate with the three minutes customarily allowed for verbal comments, which is approximately 250-300 words. Verbal comments will also be accepted during the meeting.

CLOSED SESSION – 5:30PM

1. **In Closed Session under Government Code § 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: City Manager

PLEDGE OF ALLEGIANCE AND ROLL CALL – 7:00PM

ADOPTION OF AGENDA

PRESENTATIONS

- Proclamation in recognition of Pride Month

PUBLIC COMMENTS

Comments on the Consent Calendar and Non-Agenda Items will be heard at this time.
Comments on Agenda Items will be heard when the item is called.

CONSENT CALENDAR

2. Motion to Accept the Minutes from the June 8, 2022 Special Meeting.
3. Motion to Accept the Minutes from the June 8, 2022 Regular Meeting.
4. Motion to Adopt a Resolution Establishing the 2022-23 Appropriation Limit.
5. Motion to Adopt a Resolution Opposing the Two Statewide Ballot Measures That Would Expand Gaming in California

PUBLIC HEARING

6. **SEWER ENTERPRISE RATE ADOPTION PROP 218**

Consider: Motion to Adopt a Resolution Adopting Increased Rates for Sewer Service Charges and Taking Other Actions Relating Thereto

NEW BUSINESS

7. **ECONOMIC DEVELOPMENT AD HOC COMMITTEE UPDATE**

Consider: Motion Accepting the Final Report on the Economic Development Work Plan for Fiscal Year 2021-22, and the Recommended Economic Development Work Plan for FY 2022-23 & 2023-24

REPORTS

Mayor/City Council

City Manager

ADJOURNMENT

The City Council Meeting Agenda Packet and supporting documents are available for review on the Town's website www.colma.ca.gov or at Colma Town Hall, 1198 El Camino Real, Colma, CA. Persons interested in obtaining an agenda via e-mail should call 650-997-8300 or email a request to citymanager@colma.ca.gov.

Reasonable Accommodation

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1. **In Closed Session under Government Code § 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: City Manager

There is no staff report associated with this item.



**MINUTES
SPECIAL MEETING**

City Council of the Town of Colma
Colma Community Center
1520 Hillside Boulevard
Colma, CA 94014

**Wednesday, June 8, 2022
4:00 P.M.**

CALL TO ORDER

Mayor Helen Fiscaro called the meeting to order at 4:03 p.m.

Council Present – Mayor Helen Fiscaro, Council Members Joanne F. del Rosario, John Irish Goodwin and Diana Colvin were present. Vice Mayor Raquel Gonzalez was absent.

Staff Present – City Manager Brian Dossey, City Attorney Christopher Diaz, Chief of Police John Munsey, Director of Public Works Brad Donohue, Police Commander Sherwin Lum, Recreation Services Manager Angelika Abellana, City Clerk Caitlin Corley and Administrative Technician Abigail Dometita were in attendance.

WELCOME AND INTRODUCTION OF SPECIAL GUESTS

Mayor Fiscaro welcomed special guests from the Philippine Consulate General in San Francisco:

- Consul General Neil Frank Ferrer
- Consul Vanessa Bago-Llona
- Vice Consul Adrian Audrey Baccay
- Tourism Attaché Marie Soleil Tropicales

PROCLAMATION IN HONOR OF PHILIPPINE INDEPENDENCE DAY

Mayor Fiscaro stated, "It is an honor to have you all here with us as we celebrate our Filipino and Filipino American community. Colma has such strong ties to the Filipino Community and we are so happy to be able to recognize the important contributions that Filipinos and Filipino Americans have made here in Colma and more broadly in the United States."

Mayor Fiscaro then read a proclamation in recognition of Philippine Independence Day.

RAISING OF THE PHILIPPINE FLAG

Colma Police Officers raised the Philippine Flag, while Ms. Soleil Tropicales, Tourism Director for the Philippine Consulate, sang the Philippine National Anthem.

REMARKS BY MR. NEIL FRANK R. FERRER, CONSUL GENERAL OF THE REPUBLIC OF THE PHILIPPINES IN SAN FRANCISCO

Mayor Fiscaro presented Consul General Ferrer with the proclamation. He thanked Colma for the recognition and made remarks.

REMARKS BY VICE MAYOR AND COUNCIL MEMBERS

Council Member del Rosario made remarks.

REMARKS BY MEMBERS OF THE PUBLIC

The Mayor asked if any members of the public wished to speak; there were no requests to speak.

ADJOURNMENT

Mayor Fiscaro adjourned the meeting at 4:24 p.m. and invited everyone to stay for coffee and treats.

Respectfully submitted,

Caitlin Corley
City Clerk

**MINUTES
REGULAR MEETING**

City Council of the Town of Colma
Meeting Held Remotely via Zoom.us

Wednesday, June 8, 2022

7:00 PM

PLEDGE OF ALLEGIANCE AND ROLL CAL – 7:00 PM

Mayor Fiscaro called the meeting to order at 7:01 p.m.

Council Present – Mayor Helen Fiscaro, Council Members Joanne F. del Rosario, John Irish Goodwin and Diana Colvin were present. Vice Mayor Raquel Gonzalez was absent.

Staff Present – City Manager Brian Dossey, City Attorney Christopher Diaz, Administrative Services Director Pak Lin, Chief of Police John Munsey, Director of Public Works Brad Donohue, City Planner Farhad Mortazavi, City Clerk Caitlin Corley and Administrative Technician Abigail Dometita were in attendance.

The Mayor announced, “As always, we are accepting public comments through email or the zoom chat function—you can email our City Clerk at ccorley@colma.ca.gov or use the chat function to let her know which item you would like to speak on. Please keep your comments to 3 minutes or less. Thank you.”

ADOPTION OF THE AGENDA

Mayor Fiscaro asked if there were any changes to the agenda; none were requested. She asked for a motion to adopt the agenda.

Action: Council Member del Rosario moved to adopt the agenda; the motion was seconded by Council Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez					✓
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	4	0			

PRESENTATIONS

- ALLICE President Junior Flores and ALLICE representatives Malou Aclan and Jennifer Jimenz Wong gave a presentation on ALLICE A-List.
- Jan Pepper, CEO of PCE gave an update on Peninsula Clean Energy.
- Mayor Fiscaro read a proclamation in recognition of Juneteenth Independence Day.
- Mayor Fiscaro stated, “Earlier today we had a wonderful event at the Community Center to raise the Flag of the Philippines and present a proclamation in honor of Philippine

Independence Day. We were honored to be joined by Mr. Neil Frank R. Ferrer, the Consul General of the Republic of the Philippines in San Francisco. Many other members of the community also joined us to celebrate and recognize the Filipino and Filipino American Community.”

She then read a section of the proclamation.

PUBLIC COMMENTS

Mayor Fiscaro opened the public comment period at 7:38 p.m. Resident Dennis Fiscaro made a comment. The Mayor closed the public comment period at 7:41 p.m.

CONSENT CALENDAR

1. Motion to Accept the Minutes from the May 25, 2022 Regular Meeting.
2. Motion to Approve Report of Checks Paid for May 2022.
3. Motion to Reconfirm Findings and Determinations Under Resolution No. 2021-33 and Assembly Bill 361 for the Continuation of Virtual Meetings.
4. Motion to Adopt a Resolution Adopting a List of Projects for Fiscal Year 2022-23 Funded by SB 1: the Road Repair and Accountability Act of 2017.
5. Motion to Adopt a Resolution Calling and Giving Notice of the General Municipal Election to be Held on November 8, 2022, for the Election of Two City Council Members, Requesting the Board of Supervisors of San Mateo County to Consolidate Said Election with the Statewide General Election of Same Date Pursuant to Elections Code Section 10403 and Related Matters.

Action: Council Member Goodwin moved to approve the consent calendar items #1 through 5; the motion was seconded by Council Member del Rosario and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez					✓
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	4	0			

PUBLIC HEARING

6. ADOPTION OF THE FY 2022-23 ANNUAL BUDGET

Administrative Service Director Pak Lin presented the staff report. Mayor Fiscaro opened the public hearing at 7:51 p.m. and seeing no one request to speak, she closed the public hearing. Council discussion followed.

Action: Council Member del Rosario moved to Adopt a Resolution Appropriating Funds and Adopting the Annual Budget for Fiscal Year 2022-2023; the motion was seconded by Council

Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez					✓
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	4	0			

NEW BUSINESS

7. F STREET RETAINING WALL IMPROVEMENT PROJECT – BID PACKAGE APPROVAL

Director of Public Works and Planning Brad Donohue presented the staff report. Mayor Fiscaro opened the public comment period at 8:06 p.m. and seeing no one request to speak, she closed the public comment period. Council discussion followed.

Action: Council Member del Rosario moved to Approve the Bid Document Package, Authorize Staff to Advertise the Notice Inviting Bids for the F Street Retaining Wall Improvement Project, and Authorize the City Manager to Approve Changes to the Plan Documents as Needed or Required; the motion was seconded by Council Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez					✓
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	4	0			

8. DRAFT HOUSING ELEMENT

City Planner Farhad Mortazavi and Assistant Planner Alvin Jen presented the staff report. Mayor Fiscaro opened the public comment period at 8:40 p.m. and seeing no one request to speak, she closed the public comment period. Council discussion followed.

Action: Council Member Goodwin moved to Direct the City Manager to Transmit the Draft Housing Element with Comments to the Department of Housing and Community Development for Review; the motion was seconded by Council Member del Rosario and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor	✓				
Raquel Gonzalez					✓
Joanne F. del Rosario	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
	4	0			

COUNCIL CALENDARING

The next Regular Meeting will be on Wednesday, June 22, 2022 at 7:00 p.m.

REPORTS

City Manager Brian Dossey gave an update on the following topics:

- There will be Closed Session on Monday, June 13, 2022 at 5:00 p.m.
- The Cypress Lawn Tree Tour will be on Saturday, June 18, 2022 and there are still open seats.
- The Annual Pride Flag Raising will be on Wednesday, June 22, 2022 at 11:00 a.m.
- Stewart Chevrolet has agreed to purchase two automated license plate readers.

ADJOURNMENT

Mayor Fiscaro adjourned the meeting at 8:48 p.m.

Respectfully submitted,

Caitlin Corley
City Clerk



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: June 22, 2022
 SUBJECT: Adoption of FY 2022-23 Appropriation (GANN) Limit

RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION ESTABLISHING THE 2022-23 APPROPRIATION LIMIT

EXECUTIVE SUMMARY

Each year as part of the annual budget process, the City Council is required by state law to adopt an Appropriations Limit (Limit). The Limit for the Fiscal Year 2022-23 is \$61,031,996.

FISCAL IMPACT

Adoption of the Limit will ensure the Town appropriations are in compliance with State requirements. The FY 2022-23 Appropriations subject to the limit ("Proceeds of Taxes") total \$18,157,135, which means the Town is \$42,874,861 below the authorized limit.

BACKGROUND

California voters approved propositions amending the State Constitution and requiring the annual Town budget include a calculation of the Appropriations Limit, also known as the Gann Limit. This requirement was imposed by Proposition 4 (1979) and later amended by Proposition 111 (1990).

The requirement imposes a restriction on the amount of governmental revenue which may be appropriated in any fiscal year. The Appropriations Limit was first based on actual appropriations during the base year (1986-87), and it can be increased each year based on a specific formula and specified growth factors. The Appropriations Limit does not apply to all funds. It only applies to funds that are "proceeds of taxes."

Each year, the adjustment to the Appropriations Limit takes into consideration two factors: 1) the change in the cost of living, and 2) the change in population. For each of these factors, the Town may select between two optional factors. Additionally, State law requires that the calculation factors must be available to the public for 15 days prior to adoption.

To comply with State law, the FY 2022-23 Appropriation Limit was posted on the Town's website and public noticing on May 27, 2022 and to be adopted on the following City Council meeting.

ANALYSIS

The appropriation limit analysis includes two parts. The first part is the calculation of the appropriation limit based on the change in the county's or the city's population and the State's per capita personal income. The new FY 2022-23 Appropriations Limit, as calculated and attached to the proposed resolution, is \$61,031,996. The increased adjustment factor of 1.0656 is calculated using the County's population change of negative 0.92 percent and the change in the State per capita personal income of 7.55 percent. These adjustments were published in the Department of Finance's Price and Population Report.

The second part of the analysis is to verify that the "Proceeds of Taxes" does not exceed the limit calculated above. The "Proceeds of Taxes" is determined based on the City Council adopted budget for the new fiscal year. The City Council adopted the FY 2022-23 Operating and Capital Budget on June 8, 2022, with a projection of \$19.08 million as general fund revenues. Of the \$19.08 million revenues budget, the "proceeds of taxes" subject to the limit is \$18,157,135, which is \$42,874,861 less than the FY 2022-23 Appropriations Limit of \$61,031,996.

Reasons For the Recommended Action/Findings

Adoption of the FY 2022-23 Appropriation Limit will comply with State laws.

Council Adopted Values

Approval of the FY 2022-23 Appropriation Limit is the *responsible* action because the Town's FY 2022-23 Budget complied with State laws.

CONCLUSION

Staff recommends that the Council adopt the attached resolution.

ATTACHMENTS

- A. Resolution

**RESOLUTION NO. 2022-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

RESOLUTION ESTABLISHING THE 2022-23 APPROPRIATION LIMIT

The City Council of the Town of Colma does resolve as follows.

1. Background

- (a) Article XIII B of the California Constitution places certain restrictions on annual appropriations by cities;
- (b) The restrictions only apply to those appropriations which meet the definition of "Proceeds of Taxes";
- (c) The FY 2022-23 Appropriations Limit Calculation was publicly noticed and posted on the Town's website on June 8, 2022, which is more than fifteen days for review consistent with California Government Code Section 7910;
- (d) The adoption of the Appropriations Limit must identify the optional calculation factors to be used as adjustment factors.

2. Findings

- (a) The first adjustment factor, the Town must select between: (A) the change in Town population, or (B) Countywide population, and the Town has selected the Change in Countywide population; and
- (b) The second adjustment factor the Town must select between: (1) the change in the State per capita income, or, (2) the change in the assessed valuation of local nonresidential construction, and the Town has selected the change in the State per capita income;
- (c) The detailed calculation of the Appropriations Limit for Fiscal Year 2022-23 is described in Exhibit A, attached hereto and by reference made a part hereof.
- (d) The City Council finds that the Fiscal Year 2022-23 budget does not exceed the constitutional appropriation limit placed on "Proceeds of Taxes" for Fiscal Year 2022-23 and is \$42,874,861 below the authorized limit.

3. Appropriation Limit

The Appropriation Limit for the Fiscal Year 2022-23 shall be, and hereby is determined to be \$61,031,996.

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Certification of Adoption

I certify that the foregoing Resolution No. 2022-## was duly adopted at a regular meeting of the City Council of the Town of Colma held on June 22, 2022, by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor					
Raquel "Rae" Gonzalez					
Joanne F. del Rosario					
John Irish Goodwin					
Diana Colvin					
<i>Voting Tally</i>					

Dated _____

Helen Fiscaro, Mayor

Attest: _____
Caitlin Corley, City Clerk

**EXHIBIT TO RESOLUTION 2022-##
FISCAL YEAR 2022-23 APPROPRIATIONS LIMIT**

Each year, the adjustment to the Appropriations Limit takes into consideration two factors: 1) the change in the cost of living, and 2) the change in population. For each of these factors, the Town may select between two optional factors.

Selection of Optional Factors

1. Change in Population (Town of Colma vs. San Mateo County)

Options	Population 1/1/2021	Population 1/1/2022	% Increase
a. Town of Colma	1,391	1,370	-1.51%
b. County of San Mateo	751,464	744,552	-0.92%

2. Change in State per capita Personal Income vs. Colma Non-Residential Building Construction

Options	% Increase
a. Change in State Per Capita Personal Income	7.55%
b. Change in Colma Non-Residential Assessed Valuation	N/A*

* Change in non-residential assessed valuation was not available.

For the Fiscal Year 2022-23 calculation, the Town selected the County's population growth rate of -0.92% and the change in the State Per Capita Income of 7.55%.

APPROPRIATION LIMIT CALCULATION 2022-23

Population Change (San Mateo Co.)	0.92%	$((0.0092+100)/100 = 1.0099)$
State Per Capita Personal Income	7.55%	$((0.0755+100)/100 = 1.076)$
Calculation of Factor for 2022-23	1.0656	$1.0099 \times 1.0076 = 1.0656$
Prior Year Appropriation Limit (2021-22)	\$ 57,274,771	
Appropriation Limit 2022-23	\$ 61,031,996	$57,274,771 \times 1.0656 = 61,031,996$

The 2022-23 Appropriations subject to the limit ("Proceeds of Taxes") total \$18,157,135, which means the Town is \$42,874,861 below the authorized limit.





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Brian Dossey, City Manager
 MEETING DATE: June 22, 2022
 SUBJECT: Sports Wagering Initiatives

RECOMMENDATION

Staff recommends that the City Council adopt:

A RESOLUTION OPPOSING THE TWO STATEWIDE BALLOT
 MEASURES THAT WOULD EXPAND GAMING IN CALIFORNIA

EXECUTIVE SUMMARY

There are two Sports Wagering initiatives appearing on the November 8, 2022, California General Election Ballot.

1. The California Sports Wagering Regulation and Unlawful Gambling Enforcement Act, Initiative 19-0029A1. The California Sports Wagering Regulation and Unlawful Gambling Enforcement Act (Tribal Initiative) is advanced by the Tribal Chairmen of the Pechanga Indian Reservation Temecula Band of Luiseno Mission Indians, the Barona Band of Mission Indians, the Agua Caliente Band of Cahuilla Indians and the Yocha Dehe Wintun Nation.
2. The "California Solutions to Homelessness and Mental Health Act", Initiative 19-0029A1. The "California Solutions to Homelessness and Mental Health Act", (DFS Initiative) is advanced by Kurt Oneto and John Moffat partners in the Sacramento law firm of Nielsen Merksamer LLP.

Staff recommends that the City Council adopt a resolution opposing each initiative.

FISCAL IMPACT

None at this time.

BACKGROUND

On May 14, 2018, the US Supreme Court overturned the Professional and Amateur Sports Protection Act (PASPA, 1992), lifting the ban on states being able to establish their own sports wagering industries. All states are now free to set up their own sports betting rules and regulations. Currently, there are about 30 states where sports betting is now legal, including 18 that allow online sports wagering.

There are two ballot initiatives on the November 8th ballot that if successful would permit expanded gambling to tribal casinos and online gaming. The Tribal initiative, if approved by the voters provides very little to no benefit or revenues to local government agencies. The DFS initiative states it will have 10% surcharge where revenues from the surcharge will go back to local government agencies for homelessness and mental health programs. However, it is not clear if local government agencies will receive any revenues based on the language in the initiative (see the analysis below).

If the Tribal initiative were to be successful at the November 8, 2022 election, the initiative could also prove to be harmful to cardrooms up and down the state including the Lucky Chances cardroom in Colma. As detailed below in the analysis, there is a provision in the Tribal initiative that would allow for private lawsuits against legally licensed cardrooms.

ANALYSIS

The Tribal Initiative amends the California Constitution to expand gambling in Indian Casinos. Indian Tribes would be permitted to offer gambling games currently not permitted in tribal casinos, like sports wagering, roulette, craps, and other games played with dice. The Tribal Initiative also includes a provision to promote frivolous lawsuits. The provision authorizes any person or entity to act as a private attorney general to bring lawsuits to seek civil penalties of \$10,000 per violation of the law and injunctions to close licensed cardrooms for any violation of the law even though licensed cardrooms play card games expressly approved for play under the California penal code and by the Bureau of Gambling Control in the Office of the California Attorney General. This provision will directly harm cities who receive tax revenues from their licensed cardrooms and rely on these revenues to provide basic municipal services for their residents.

The Tribal Initiative provides very little to no benefit to local government agencies. Indian Tribes do not pay any taxes on their existing Casino revenues and the Tribal Initiative does not require the Indian Tribes to pay taxes on the new revenues generated from expanding gambling through the addition of sports wagering, roulette, craps, and other games played with dice.

A fiscal analysis conducted by the California Legislative Analyst's Office found the Indian Tribes monopoly on sports betting would result in a loss of hundreds of millions of dollars each year in taxes for the State of California, revenues that could have been used to support local programs.

The DFS Initiative requires the online gaming entity to work in conjunction with or through a gaming tribe and amends the California Constitution to expand gambling over the internet and on mobile devices. The DFS Initiative will permit entities to operate online sports betting over the internet and on mobile devices to persons throughout California.

The DFS Gaming Initiative exempts all Indian Tribes with casinos from State or location taxation on all revenues from online sports betting. Instead, the state would receive the \$100 million license fees paid by sports wagering operators and there is a possibility of further revenue from a proposed a 10% surcharge on these operators. This 10% surcharge is to be paid into an Online Sports Betting Fund. The money in this Fund is to be appropriated by the legislature as follows: (a) 85% to counties and cities for homelessness and mental health programs and the cost to administer online sports betting and (b) 15% for Indian tribes that do not participate in online sports betting.

However, sports wagering operators are permitted to deduct the amount of all promotions, winnings and prizes paid out and the licensing fee from any surcharge amount they would be obligated to pay to the State Treasury. The Initiative contemplates that an operator's adjusted gross online betting receipts will be a negative amount, in which case the operator would pay no surcharge amount to the State Treasury. Resulting in no revenue for counties and cities for homelessness and mental health programs as advertised.

These Initiative and the proposed changes to the California Constitution guarantee Indian Tribes with casinos a monopoly on gaming in California. The California tribal casinos are an \$8 billion-a-year industry and pay no state income taxes, property taxes, or local sales taxes. This expansion of gambling far exceed what Indian Tribes with Las Vegas Casinos need to survive – a goal that was accomplished by the passage of Proposition 1A on March 7, 2000.

Council Adopted Values

Adopting the proposed resolution is the responsible action, by opposing these initiatives, the City Council is preserving local revenues and supporting the cardroom.

Alternatives

The City Council could choose not to adopt the resolution, pending further discussion and/or receipt of additional information.

CONCLUSION

The Tribal Initiative and the DFS Initiative propose to amend the California Constitution to permit sports wagering and expand gambling. Given the absence of meaningful benefits to the public from these initiatives it is recommended that the City Council oppose these initiatives by adopting the proposed resolution.

ATTACHMENTS

- A. Resolution
- B. A Comparative Analysis of the Two Sports Wagering Initiatives

RESOLUTION NO. 2022-____
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**A RESOLUTION OPPOSING THE TWO STATEWIDE BALLOT
MEASURES THAT WOULD EXPAND GAMING IN CALIFORNIA**

The City Council of the Town of Colma hereby resolves:

1. Background

(a) The City Council of the Town of Colma (hereafter called "City Council"), has thoroughly reviewed the two statewide sports wagering ballot measures that seek to expand gaming in California and that will appear on the November 8, 2022 California election ballot: (a) The California Sports Wagering Regulation and Unlawful Enforcement Act and (b) The California Solutions to Homelessness and Mental Health Act.

2. Findings

(a) The City Council finds that the two ballot measures are harmful to the interests of the people of the Town of Colma and to the people of the State of California because they would (a) permit the entities authorized to provide new gaming to regulate themselves, (b) fail to adequately protect minors from the new gaming, (c) exclude the State of California from regulating the new gaming to meaningfully protect the public and (d) fail to require independent audits of all new gaming revenues.

(b) The City Council also finds that that the ballot measures are harmful to the interests of the Town of Colma that authorizes local gaming, because the ballot measures will decrease revenues to the Town of Colma that the Town uses to provide services to their residents.

3. Order

Now, therefore, be it resolved that the Town of Colma

(a) Opposition to the California Sports Wagering Regulation and Unlawful Enforcement Act.

The City Council opposes the California Sports Wagering Regulation and Unlawful Enforcement Act that will appear on the November 8, 2022 statewide ballot. This Ballot Measure would grant monopoly control of gaming in the state to existing gaming tribes, would grant gaming tribes and racing tracks the exclusive right to conduct Sports Wagering in the state, would expand tribal gaming by granting gaming tribes the exclusive right to conduct games played with dice and roulette in the state, would exempt gaming tribes from paying taxes to the state or local governments, would require racing tracks to pay only a ten percent (10%) tax on their sports wagering revenues, would not prohibit minors from gambling at Indian Casinos, would not require regulation of such gaming by the state, and would not provide for any accountability.

The City Council also opposes this Ballot Measure, because it would empower gaming tribes to bring new lawsuits against card rooms to enforce existing laws that already are enforced by the Attorney General, District Attorneys, Bureau of Gambling Control and California Gambling Control Commission. Because this Ballot Measure would permit huge fines on card clubs, card

clubs would have to defend themselves at great expense and would force them out of business. Such a result would displace thousands of employees and eliminate tax revenues paid to the Town of Colma that regulates card clubs.

Thus, this Ballot Measure is harmful to the Town of Colma and all gaming cities, as it will deprive cities of the tax revenues received from card rooms used to provide services to their residents including police, fire, recreation, housing and senior services.

(b) Opposition to the California Solutions to Homelessness and Mental Health Act.

The City Council opposes the California Solutions to Homelessness and Mental Health Act that will appear on the November 8, 2022 statewide ballot. This Ballot Measure would grant the exclusive right to conduct Online Sports Betting in the state to gaming tribes and their designated operators and it would permit the Online Sports Betting operators to control all Online Sports Betting transactions in the state.

This Ballot Measure’s obligation on Online Sports Betting Operators to pay a 15% tax surcharge to the State of California to fund programs for Homelessness and Mental Health is an empty promise, because it allows these operators to reduce the amount of their tax surcharge by the amounts of their license fees and other expenses. It would not require gaming tribes to pay taxes to the state or to local governments.

This Ballot Measure would prohibit minors from Online Sports Betting but it treats violations by operators and minors as infractions instead of misdemeanors, and it would require no state audits of Online Sports Betting operators.

This Ballot Measure is harmful to the Town of Colma and all gaming cities, because it increases the monopoly power of gaming tribes over gaming in the entire State. Thus, this Ballot Measure will deprive the Town of Colma and all gaming cities of tax revenues from card rooms that they use to provide services to their residents including police, fire, recreation, housing and senior services.

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Certification of Adoption

I certify that the foregoing Resolution No. 2022-__ was duly adopted at a regular meeting of said City Council held on _____, 2022 by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fiscaro, Mayor					
Raquel "Rae" Gonzalez					
Joanne F. del Rosario					
John Irish Goodwin					
Diana Colvin					
<i>Voting Tally</i>					

Dated _____

Helen Fiscaro, Mayor

Attest: _____

Caitlin Corley, City Clerk





CALIFORNIA CITIES GAMING AUTHORITY

1700 WEST 162nd STREET / GARDENA, CALIFORNIA 90247-3732 / EMAIL: CCGACTIES@GMAIL.COM / PHONE (310) 217-9503

Comparative Analysis of the Sport Wagering Ballot Measures to Amend the California Constitution in California

This report compares the two statewide sports wagering ballot measures:

1. The California Sports Wagering Regulation and Unlawful Gambling Enforcement Act (hereafter called the “Tribal Gaming Initiative”) that is advanced by the Tribal Chairmen of the Pechanga Indian Reservation Temecula Band of Luiseno Mission Indians, the Barona Band of Mission Indians, the Agua Caliente Band of Cahuilla Indians and the Yocha Dehe Wintun Nation, each of which operates one or more Nevada Style Casinos on its tribal land in California.
2. The California Solutions to Homelessness and Mental Health Act (hereafter called the DFS Gaming Initiative) that is advanced by Kurt Oneto and John Moffat. Kurt Onet is a partner in the Sacramento law firm of Nielsen Merksamer LLP who specializes in qualifying statewide ballot measures. John Moffat is a partner in the same law firm. However, Politico reports that the true backers include the Draft Kings and others who are partnering with Indian Tribes.¹

These ballot measures propose to amend the California Constitution so as to permit sports wagering and other gambling games with fundamentally different outcomes to the people of the State of California. This report provides a side-by-side comparison of the fundamental elements of these three competing ballot measures.

¹ Politico “Sports Betting Giants Back Online Betting Initiative in California” (08/31/2021)

INTRODUCTION

Section 19 of Article IV of the State of California governs gambling in the state. In particular, subsection 19(a) prohibits lotteries and subsection 19(e) prohibits casinos in the entire State of California.

Subsection 19(e) provides as follows:

The Legislature has no power to authorize, and shall prohibit, casinos of the type currently operating in Nevada and New Jersey.

On March 7, 2000, a ballot measure known as Proposition 1A, adopted Section 19(f) to Article IV of the California Constitution. Section 19(f) relaxed the prohibition against Nevada style casinos by permitting only Indian Tribes to operate casinos on tribal lands that offer slot machines, lotteries and banking and percentage card games.

The Tribal Gaming Initiative propose further amendments to Section 19 of Article IV of the California Constitution. The DFS Gaming Initiative proposes the addition of a new Section 19.5 to Article IV of the California Constitution and a new chapter to the Business & Professions Code.

This comparison analyzes the ballot measures according to common topics in the form of questions germane to the ballot measures.

WILL THE PUBLIC BENEFIT FINANCIALLY FROM SPORTS WAGERING?

Tribal Gaming Initiative

No. There is no public benefit. Only Indian Tribes with Casinos will benefit.

This ballot measure does not require Indian Tribes to pay taxes on their existing Casino revenues nor on their additional revenues from sports wagering. Proposed Section 19(f) to Article IV of the California Constitution.

Racetrack Operators will be permitted to offer sports wagering at the racing tracks they operate, but racing tracks operated by State Fairs are excluded. Thus, the Tribal Gaming Initiative only permits sports wagering at the following four (4) racing tracks in California: Santa Anita Park, Del Mar Racetrack, Los Alamitos Racecourse and Golden Gate Field. The Racetrack Operators will be required to pay a 10% tax on net revenues from sports wagering. This 10% tax will be distributed as follows: (a) 15% for problem gambling prevention and mental health, (b) 15% to the Bureau of Gambling Control for the implementation and enforcement of sports wagering, (c) 70% to the state general fund.

Proposed Section 19(h) to Article IV of the California Constitution and Proposed Section 19670-19674 to the Business & Professions Code.

DFS Gaming Initiative

Indian Tribes with Casinos and their appointed Operators will reap the entire benefit. They will acquire a monopoly over all online sports betting in the State of California.

No other persons or entities will be granted the right to operate online sports betting. The DFS Gaming Initiative excludes all licensed gaming establishments like cardrooms and racetracks. It also excludes all professional sports leagues and teams. These exclusions deprive the public of new tax revenues from online sports betting.

The public will receive the license fees paid to the State Treasury by the licensed operators. The public also may receive some undeterminable amounts from a proposed surcharge payable only by the operators appointed by the Indian Tribes with Casinos. Since it is unknown which Indian Tribes will appoint operators, the amount of license fees paid to the State Treasury cannot be ascertained correctly.

Neither the State of California nor any local governmental entity may impose a tax on Indian Tribes or their appointed operators on revenues they derive from online sports betting.


All license fees and possible surcharges are to be paid into the Online Sports Betting Fund. The money in the Fund is to be appropriated by the legislature as follows: (a) 85% to counties and cities for homelessness and mental health programs and the cost to administer online sports betting and (b) 15% for Indian tribes that do not participate in online sports betting.

WHAT ENTITIES WILL BE PERMITTED TO OPERATE SPORTS WAGERING?

Tribal Gaming Initiative

The only entities that can offer sports wagering in California are Indian Tribes and Approved Racetrack Operators. The privilege is not extended to licensed gambling establishments or Professional sports teams. Proposed Sections 19(f) and 19(h) to Article IV of the California Constitution.

In addition, this Initiative will permit Indian Tribes to offer gambling games not permitted currently. Indians Tribes will be permitted to conduct and operate “**roulette and games played with dice.**” Proposed Section 19(f) to Article IV of the California Constitution. The existing Section 19(f) of Article IV does not permit Indian Tribes to conduct and operate roulette or craps, but some Tribal Casinos offer such games anyway.



The Tribal Gaming Initiative is a plan by Indian Tribes with Las Vegas Casinos to **own** gambling in the State of California – not just sports wagering. The plan consists of two foundational elements embedded in the Initiative that grant a monopoly to Indian Tribes over all gambling in the State of California without any obligation to pay taxes on their gambling revenues.

The first element is the power to conduct three types of gambling that are currently prohibited in California. The initiative would permit Indian Tribes with Las Vegas Casinos to conduct “roulette, games played with dice and sports-wagering.” Section 19(f).

The second element is the exemption from taxation on all revenues derived from these three new types of gambling. The exemption is a continuation of the existing language of Section 19(f) of Article IV of the California Constitution that is devoid of any obligation to pay taxes from gambling revenues to the State of California or any other governmental entity.

Such powers far exceed what Indian Tribes with Las Vegas Casinos need to survive – a goal that was accomplished by the passage of Proposition 1A on March 7, 2000.

In contrast, Cities may only license and regulate licensed gambling establishments to play non-banked card games, which means that cardrooms, unlike Indian Tribes, cannot be the dealer or a player in any card game. Cities derive tax revenues from licensed gambling establishments to fund public services such as senior and youth services and events, as well as traditional police and fire services. Cities derive these revenues by imposing taxes ranging from 10% to 15% of a licensed gambling establishment’s gross revenue.

The Tribal Gaming Initiative gives Indian Tribes powers sufficient to drive licensed gambling establishments out of business. They cannot compete with Indian Casinos that offer sports wagering, slot machines, craps, roulette, banked card games such as Blackjack and lotteries.

When licensed gambling establishments go out of business, cities will not be able to replace lost gaming revenues, and city services to residents will be cancelled or reduced drastically.

DFS Gaming Initiative

Indian Tribes that currently operate Nevada-style casinos in California are the only entities that will be permitted to operate online sports betting over the internet and on mobile devices to persons in California.

In addition, any such Indian Tribe may appoint a gaming entity to conduct online sports betting on behalf of the Indian Tribe.



Furthermore, the right to conduct online sports betting is made a constitutional right and granted to such Indian Tribes exclusively. Proposed Section 19.5 to Article IV of the California Constitution.

The privilege to conduct online sports betting is not extended to other licensed gaming entities such as licensed gambling establishments or Racing Tracks or to any Professional sports leagues or teams. The DFS Gaming Initiative also grants confidentiality to Indian Tribes and their appointed operators, and it requires the State of California to finance the implementation of online sports betting.

- ☐ All license applications of Indian Tribes and their appointed operators including all attached documents, reports and data containing financial information or personal information will be exempt from disclosure to the public under the Public Records Act.
- ☐ In order to implement sports betting under this Initiative, the State will be required to loan \$30 Million to fund the commencement and regulation of online sporting betting, but no Indian Tribe or appointed operator will be required to repay any part of the loan. Instead, it will be repaid from license fees paid by the operators.

WILL INDIAN TRIBES OR THE STATE REGULATE SPORTS WAGERING?

Tribal Gaming Initiative

The Tribal Gaming Initiative grants to Indian Tribes the right to conduct “sports wagering” at Tribal Casinos and on Indian Lands without the need to obtain any license from the State of California or to comply with any state regulation on sports wagering. Proposed Section 19(f) to Article IV of the California Constitution.

This Initiative provides for amendments to existing tribal-state compacts to add sports wagering. Proposed Section 12012.101 to the Government Code.

The Tribal Gaming Initiative does not prohibit persons under 21 years of age from engaging in sports wagering at Indian Casinos or on Indian Lands. Persons under 21 years are prohibited from sports wagering at Racing Tracks. Proposed Section 19674 to the Business & Professions Code.

This Initiative authorizes the State Legislature to enact statutes that establish the events on which “sports wagering” is permitted and statutes that provide consumer protections and anti-corruption measures. Presumably, such statutes would be applicable to sports wagering at Tribal Casinos and on Indian Lands. Proposed Section 19(i) to Article IV of the California Constitution.



DFS Gaming Initiative

Under the DFS Gaming Initiative, online sports betting will be largely unregulated by the State of California. Indian Tribes or their operators are required to apply for and obtain a license from the state which entitles them to operate an online sports betting platform and to act as a sports betting supplier. Licenses are valid for five (5) years.

This Initiative grants virtual control over all online sports betting to the operators, whether the operators are Indian Tribes or their appointed gaming entities. The following elements of control are explicitly granted to the operators:

1. The adoption of rules for game play governing online sports betting transactions with its customers that include elements 2 - 6 below.
2. The method for calculating and paying winning bets.
3. The effect on bets, if any, of sports event schedule changes.
4. The method of notifying consumers of odds changes.
5. The method of funding an online sports betting account.
6. The circumstances under which an operator may void a bet and notifying the consumer thereof.
7. The determination and display of applicable lines, point spreads, odds, or other information pertaining to online sports betting; and the Department of Justice is explicitly prohibited from specifying such elements of sports betting and from requiring operators to disclose such information to the public.
8. Operators cannot be required to obtain prior Department of Justice review or approval of any advertisement or promotion; but operators are required to avoid targeting minors, persons ineligible to place bets or who have self-excluded.
9. Operators cannot be limited on the type or amount of free bets or promotional credits they may offer or issue.
10. Operators have the right to pool liquidity from other states in which they are licensed to conduct sports betting.
11. Operators have the right to maintain information about all bets placed including the identity of the bettor, the dollar amount and type of bet, the location from which the bet was placed and the outcome of each bet. However, the operators are required to provide such information to the Department of Justice upon request.

Proposed Sections 19755, 19756 and 19760 of the Business & Professions Code.

The DFS Gaming Initiative contains provisions that would allow it to coexist with the Tribal Gaming Initiative in the event both initiatives receive voter approval at the November 2022 election regardless of which initiatives receives the most votes.

In addition, this initiative prevents the legislature from amending any statutory provision of this initiative except upon a five-sixth vote of both houses of the legislature but may amend the percentage allocation of moneys in section 19750 of the Business & Professions Code upon a two-thirds vote of both houses of the legislature.

ARE TAXES PAYABLE BY OPERATORS OF SPORTS WAGERING?

Tribal Gaming Initiative

No. Indian Tribes will pay no taxes.

Indian Tribes are not now required to pay taxes to the State of California on their Casino gaming revenues.

Although the Tribal Gaming Initiative authorizes Indian Tribes to conduct the games of “**roulette, games played with dice and sports wagering**,” it imposes no obligation on Indian Tribes to pay taxes on revenues they derive from such new games and from sports wagering. Proposed Section 19(f) to Article IV of the California Constitution.

While the Tribal Gaming Initiative places no tax on Indian Tribes, it will impose a “sports wagering tax” of 10% on net revenue of the four (4) racing tracks authorized to conduct sports wagering. Such tax revenues shall be paid to the State Treasury and expended as follows: (i) 15% for problem gambling prevention and mental health, (ii) 15% to the Bureau of Gambling Control for the cost of enforcement and implementation of sports wagering and (iii) 70% to the general fund. Proposed Sections 19671, 19672 and 19673 to the Business & Professions Code.

DFS Gaming Initiative

No. Indian Tribes will not pay any taxes.

Indian Tribes are not required to pay taxes to the State of California on their Casino gaming revenues.

Similarly, the DFS Gaming Initiative will not require Indian Tribes or their designated operators to pay taxes to the State of California or to any local governmental entity on revenues they derive from online sports betting. In fact, all revenues the Indian Tribes, or their designated operators, derive from online sports betting are explicitly exempt from all forms of State and local taxation. Proposed Section 19.5(d) to Article IV of the California Constitution.

Instead, the DFS Gaming Initiative requires operators to pay license fees in order to obtain a license to operate an online sports betting platform. In addition, this Initiative will impose a “surcharge” on each online sports betting operator payable to the State Treasury; but Indian Tribes will not be required to pay any surcharge amount. Due to the Initiative’s exclusions, any

revenue to the State Treasury from the proposed surcharge is largely illusory. Proposed Section 19775(a) to the Business & Professions Code.

The DFS Gaming Initiative states that the amount of the surcharge will be equal to 10% of each operator's adjusted gross online betting receipts. **In computing its adjusted gross online betting receipts, operators are permitted to deduct the amount of all winnings and prizes paid out. The Initiative contemplates that an operator's adjusted gross online betting receipts will be a negative amount, in which case the operator would pay no surcharge amount to the State Treasury.** Proposed Sections 19775 and 19794(a) to the Business & Professions Code.

In addition, the Indian Tribes appointed operators are entitled to deduct the entire amount of their initial license fee of one hundred million dollars (\$100,000,000) from any surcharge amount they would be obligated to pay to the State Treasury. Such operators may take the deduction in five annual increments of twenty million dollars (\$20,000,000), or in subsequent years if the operators renew their licenses. In addition, such operators are entitled to deduct the entire amount of their renewal license fees of ten million dollars (\$10,000,000) from any surcharge amount they would be obligated to pay to the State Treasury. Proposed Section 19775(d) to the Business & Professions Code.


Furthermore, the DFS Gaming Initiative fails to empower the California Department of Justice or any other state regulatory agency to review and correct the amount of an operator's adjusted gross online betting receipts or the surcharge amount an operator may pay to the State Treasury. Thus, operators are granted complete discretion to calculate the amount of their gaming revenues and the amount of any surcharge they are obligated to pay the State Treasury. The Department of Justice is only authorized to request an operator to hire a private firm to perform an audit, which may have the effect of determining conclusively that the operator accurately calculated and paid the surcharge amount. The Department is not granted authority to override the audit findings; and it is unclear whether the Department has the authority to challenge them. The Department has the authority to adopt regulations to carry out the provisions of the Initiative, but it is not granted explicit authority to adopt regulations pertaining to the surcharge. Proposed Section 19775(f) and 19778 to the Business & Professions Code.

WILL CITIES BENEFIT?

Tribal Gaming Initiative

No.

The Tribal Gaming Initiative does not provide cities the opportunity to receive new tax revenues from licensed gambling establishments.



Furthermore, the Tribal Gaming Initiative grants new powers to Indian Tribes sufficient to drive licensed gambling establishments out of business. Licensed gambling establishments cannot compete with Indian Casinos that offer sports wagering, slot machines, craps, roulette, non-banked card games such as Blackjack and lotteries.

Finally, the Tribal Gaming Initiative authorizes any person or entity to act as a private attorney general by bringing lawsuits against licensed gambling establishments for any alleged violation of a penal code section that defines the card games permitted to be played and the card games prohibited from being played despite the fact that licensed gambling establishments play card games expressly approved for play under the penal code by the Bureau of Gambling Control in the Office of the Attorney General. Any person or entity bringing such a lawsuit may seek civil penalties of \$10,000 per violation and injunctions to close licensed gambling establishments. These provisions shall be called the “private attorney general act” or “PAGA”.

Therefore, the Tribal Gaming Initiative contains the ability to devastate licensed gambling establishments by igniting an avalanche of frivolous lawsuits against them. It is expected that a multiplicity of such lawsuits will burry most, if not all, licensed gambling establishments and thereby end tax revenues that gaming cities have relied on to provide municipal services to their residents.

The Tribal Gaming Initiative does not contain a similar authorization to bring lawsuits against tribal casinos for any alleged violations of the California Constitution that authorizes and limits tribal gaming.

In the event that this Tribal Gaming Initiative and the DFS Gaming Initiative both receive voter approval, the provisions of private attorney general act (PAGA) will remain in effect – even if the DFS Gaming Initiative receives more votes.

DFS Gaming Initiative

No.

This Initiative does not grant authority to cities or licensed gambling establishments to conduct online sports betting. Thus, the DFS Gaming Initiative does not provide cities the opportunity to receive new tax revenues from online sports betting.



WILL THE PUBLIC BE PROTECTED?

Tribal Gaming Initiative

No.

The Tribal Gaming Initiative does not prohibit persons under 21 years of age from engaging in sports wagering at Indian Casinos or on Indian Lands. Persons under 21 years are prohibited from sports wagering at Racing Tracks. Only the following events are excluded from sports wagering at Tribal Casinos, Indian Lands and Racing Tracks:

High school sport or athletic event.

A sport or athletic event in which any California college team participates.

Any sport or athletic event or horse race that has been completed; and

Horse races and horse race meetings authorized by Subsection 19(b).

Subsection 19(i) to Article IV of the California Constitution.

DFS Gaming Initiative

Minimal.

While persons under age 21 are prohibited from participating in online sports betting, violations by operators may be subjected to fines, probation or license revocation, but such violations are not deemed criminal. Proposed Section 19752 & 19781 of the Business & Professions Code.

Operators also are required to permit individuals to remove themselves from online sports betting. Proposed Section 19754 of the Business & Professions Code.

However, the public is granted no right to obtain information about the identity or finances of the persons who operate online sports betting in California.

The DFS Gaming Initiative contains provisions that would allow it to coexist with the Tribal Gaming Initiative in the event both initiatives receive voter approval at the November 2022 election regardless of which initiatives receives the most votes.

LOCAL GOVERNMENT AUTHORITY ON BALLOT MEASURES

Local governmental entities may expend public resources to provide factual information and analysis about the purpose, provisions, or estimated impact of bond issues or ballot measures in some circumstances. *Stanson v. Mott* (1976) 17 C.3d. 206; *Keller v. State Bar* (1989) 47 C.3d 1152; *Vargas v. City of Salinas* (2009) 46 Cal 4th 1.

“in Stanson we explicitly recognized that a governmental agency “pursues a proper informational role when it ... authorizes an agency employee to present the department's view of a ballot proposal at a meeting of [a private or public] organization” (Stanson, supra, 17 Cal.3d at p. 221, 130 Cal.Rptr. 697, 551 P.2d 1), thus making it clear that it is permissible for a public entity to evaluate the merits of a proposed ballot measure and to make its views known to the public. Accordingly, we agree with those Court of Appeal decisions rendered after Stanson that explicitly have held that Stanson does not preclude a governmental entity from publicly expressing an opinion with regard to the merits of a proposed ballot measure, so long as it does not expend public funds to mount a campaign on the measure.” Vargas v. City of Salinas (2009) 46 Cal 4th 1, 36.

Further, the Supreme Court's statement, in Stanson, that a government “may not ‘take sides’ in election contests” means that a public entity's use of the public treasury to mount an election campaign is the potentially suspect conduct rather than precluding a public entity's analytically evaluating a proposed ballot measure and publicly expressing an opinion on its merits. Vargas v. City of Salinas (2009) 46 Cal 4th 1, 36.

CONCLUSIONS AND RECOMMENDATIONS

This comparative analysis of the competing gaming initiatives described herein as the Tribal Gaming Initiative and DFS Gaming Initiative demonstrate a profound disparity in the existence of benefits to the public versus the private benefits to gambling enterprises from these initiatives.

The Tribal Gaming Initiative benefits Indian Tribes over all other entities engaged in gaming like licensed gambling establishments and all other entities seeking to offer sports wagering like professional sport teams from major league baseball, basketball and football, etc.

Moreover, the Tribal Gaming Initiative exempts all Indian Tribal gaming revenues from state or location taxation including revenues from sports wagering.

The DFS Gaming Initiative benefits Indian Tribes with Casinos by granting them a constitutional right to conduct online sports betting exclusively over all other entities engaged in gaming like licensed gambling establishments, racing tracks and all other entities that may seek to offer online sports betting like professional sports teams from major league baseball, basketball, and football, etc.

In addition, the DFS Gaming Initiative exempts all Indian Tribes with Casinos from State or location taxation on all revenues from online sports betting. Instead, the state would receive the license fees paid by operators and there is a possibility of further revenue from a proposed 10% surcharge on operators appointed by the Tribes with Casinos. However, operators are permitted

to deduct the amount of all promotions, winnings and prizes paid out and licensing fee from any surcharge amount they would be obligated to pay to the State Treasury. The Initiative contemplates that an operator's adjusted gross online betting receipts will be a negative amount, in which case the operator would pay no surcharge amount to the State Treasury. Resulting in no revenue for counties and cities for homelessness and mental health programs as advertised.

Given the diverse outcomes of these initiatives on Californians as whole and on California cities, the California Cities Gaming Authority recommend cities take a public NO position on both these sports wagering initiatives.





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Brad Donohue, Director of Public Works
 Christopher J. Diaz, City Attorney
 VIA: Brian Dossey, City Manager
 MEETING DATE: June 22, 2022
 SUBJECT: Rate Increases for Sewer Service Charges

RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION ADOPTING INCREASED RATES FOR SEWER SERVICE CHARGES AND TAKING OTHER ACTIONS RELATING THERETO

EXECUTIVE SUMMARY

The Town of Colma ("Town") commissioned a Wastewater Rate Study to determine fair and reasonable Sanitary Sewer rates for properties that are connected to the Town-wide Sanitary Sewer System. Staff along with the consulting firm of Bartle Wells Associates (BWA) has taken diligent steps, including soliciting the input from the City Council and the public, and seeking legal review and oversight in comprising the Town's sewer rates that will cover all expenses associated with wastewater treatment and collection costs. At its April 27, 2022, meeting, the City Council approved the wastewater rate study and directed staff to mail Proposition 218 notices to property owners of the affected properties so that the new proposed rates can be implemented into the property tax rolls.

Tonight's City Council meeting is to proceed with the Proposition 218 "protest proceedings". If there is no written protest submitted by a majority of the property owners, staff recommends that the City Council adopt a schedule of sewer rate increases for the next five years.

FISCAL IMPACT

Currently the Town's General Fund subsidizes a portion of the Town's costs to provide sewer service. Town property owners that subscribe to sanitary sewer service pay for sewer treatment charges while the Town's General Fund has been subsidizing collection costs. Treatment costs

typically include conveyance of wastewater and sewer treatment. Collection charges typically fund annual maintenance and operations, administrative costs, capital improvement projects and emergency work. If there is no majority protest and the City Council adopts the Resolution approving the sewer rates, the collection costs that the Town is currently subsidizing will instead be paid for by various businesses and residents on a proportionate basis, resulting in savings to the Town's General Fund.

Per the "Town of Colma Wastewater Rate Study, 2022" it is assumed that the annual collection charges for operating the Town's sewer system is \$250,000. This charge will then be distributed among the various property owners that are connected to the Town's sewer system on a proportionate basis. Thus, the Town's General Fund will have an annual savings not having to pay for the operation, maintenance, and capital investment into the sewer system.

BACKGROUND

By establishing a sewer enterprise fund and separating the Town's General Fund involvement in annual sewer costs and operating the wastewater utility as a self-supporting enterprise fund, it will result in a cost savings to the Town. Currently the ratepayers (property owners who subscribe to the use of the Town's sanitary sewer system) pay sewer treatment costs while the Town subsidizes the various other costs that are associated with sewer collection. To assess the property owners their portion of the annual collection costs, the Town commissioned a Wastewater Rate Study to determine what the Town's annual sewer costs are and how those costs should be distributed amongst the various property owners.

BWA was selected as the rate consultant tasked with providing the Town with sewer rate structure options. Through the process, the Town's legal team also participated in the study and review to ensure as the proposed rates do not exceed the proportionate cost of service for each parcel.

BWA and Town staff held two public meetings to review the Town's preferred sewer rate structure. Public comments were documented and presented back to the City Council for review and comment. At the April 27, 2022 City Council Meeting, the rate study was approved and the City Council directed staff to mail the Proposition 218 notices to property owners regarding the proposed annual sewer rates. If the rates are adopted by the City Council, those rates can be charged to property owners on the FY 2022-2023 property tax rolls.

ANALYSIS

Proposed Sewer Rates

Collection

The proposed wastewater collection system charge is a usage-based charge of \$3.22 per hundred cubic feet of water consumption and would become effective starting July 1, 2022.

The Town's proposed sewer rates for Fiscal Year 2022-23 are as follows:

For those residents and business that reside in the NSMCSD basin:

- Residents will continue to be charged for sewer treatment costs based on an annualized use and a 2022 rate of \$3.22 per HCF for Collection costs (collection costs will also be calculated on an annualized use).
- Businesses will continue to be charged for sewer treatment based on an annualized use and a 2022 rate of \$3.22 per HCF for Collection costs, (collection costs will also be calculated on an annual use).

For those residents and business that reside in the SSF Basin:

- Residents will continue to be charged for sewer treatment based on the SSF annual flat rate, consistent with rates that are charged to SSF Residents, and a 2022 rate of \$3.22 per HCF for Collection costs (collection costs will also be calculated on an annualized use).
- Businesses will continue to be charged for sewer treatment based on SSF per HCF cost for the type of business and approved annual sewer rates for the type of business and a 2022 rate of \$3.22 per HCF for Collection costs (collection costs will also be calculated on an annual use).

Charges for all customers would be subject to a minimum annual charge of \$38.64 that only applies when billed usage results in a lower annual charge. The minimum annual charge helps recover a portion of the Town’s fixed costs of providing service.

If authorized, commencing July 1, 2023, and any time thereafter through July 1, 2026, the Town may annually implement inflationary rate adjustments, based on the annual percentage increase in Engineering News-Record Construction Cost Index – 20 City Average Index (the “ENR Index”), from April to April, provided that: (1) any increase in the rates as a result of each annual inflationary adjustment shall not exceed 10% per year; and (2) in no event shall such rates be increased as a result of a pass-through adjustment by more than the cost of providing wastewater collection service. Prior to implementing any inflationary pass-through rate adjustment, the Town will give written notice of any applicable rate increase at least 30 days prior to the effective date of such rate increase.

Treatment

The Town is in contract with two sewer agencies for wastewater treatment, the City of South San Francisco (SSF), and the North San Mateo County Sanitation District (NSMCS D). The amounts of the proposed sewer rates for a particular property will depend on where the property is located in Colma, based on which agency their wastewater flows to.

NSMCS D

Annual charges for wastewater treatment and related services for all customers whose wastewater is conveyed to NSMCS D will be calculated by multiplying a) the proposed sewer service charge of \$9.02 by b) annual billable usage (as measured in units of one hundred cubic feet) based on bi-monthly winter water usage (based on water bills for January/February) multiplied by 6.

SSF

The annual wastewater treatment charge for a single family home is a flat charge of \$753.00. The full list of wastewater treatment charges by customer class is shown in Exhibit A to the Resolution.

The Town proposes to continue passing through future rate adjustments implemented by NSMCSD and SSF for wastewater treatment and related services in accordance with California Government Code section 53756. For customers whose wastewater is conveyed to NSMCSD or SSF for treatment, commencing July 1, 2023, and any time thereafter through July 1, 2026, the Town may pass through wastewater rate adjustments to account for any changes in the wastewater charges levied on the Town by NSMCSD or SSF subject to a maximum annual increase of 10%. Prior to implementing any pass-through rate adjustment, the Town will give written notice of any applicable rate increase at least 30 days prior to the effective date of such rate increase.

Example of How Rates are Calculated (Fiscal Year 2022-23)

Below are examples of how the proposed sewer rate schedule would be applied to residential and commercial units in both the NSMCSD and SSF.

NSMCSD property owner, calculation for a typical single-family home. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022, for a single-family home with annual billable use of 66 units (hundred cubic feet) including both a) the Town's proposed new wastewater collection system charge and b) the pass-through wastewater treatment charge to recover NSMCSD's charges for wastewater conveyance and treatment.

	Wastewater Collection System Charge	Wastewater Treatment Charge (NSMCSD Service Area)	Total Wastewater Charge
Annual Charge	66 units x \$3.22 = \$212.52	66 units x \$9.02 = \$595.32	\$807.84
Monthly Equivalent	\$17.71	\$49.61	\$67.32

Note: Actual wastewater bills will vary depending on each customer's volume of billable use.

NSMCSD Property owner, calculation for a commercial customer. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022, for a commercial customer with annual billable use of 100 units (hundred cubic feet) including both a) the Town's proposed new wastewater collection system charge and b) the pass-through charge to recover costs for wastewater conveyance and treatment by NSMCSD.

	Wastewater Collection System Charge	Wastewater Treatment Charge (NSMCSD Service Area)	Total Wastewater Charge
Annual Charge	100 units x \$3.22 = \$322.00	100 units x \$9.02 = \$902.00	\$1,224.00
Monthly Equivalent	\$26.83	\$75.17	\$102.00

Note: Actual wastewater bills will vary depending on each customer's volume of billable use.

SSF property owner, calculation for a typical single-family home. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022, for a single-family

home with annual billable use of 66 units (hundred cubic feet) including both a) the Town's proposed new wastewater collection system charge and b) the pass-through wastewater treatment charge to recover the City of South San Francisco's charges for wastewater conveyance and treatment.

	Wastewater Collection System Charge	Wastewater Treatment Charge (South San Francisco Service Area)	Total Wastewater Charge
Annual Charge	66 units x \$3.22 = \$212.52	\$753.00	\$965.52
Monthly Equivalent	\$17.71	\$62.75	\$80.46

Note: Actual wastewater bills for each customer will vary depending on customer class and volume of billable use.

SSF property owner, calculation for a commercial customer. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022, for a Light Strength Commercial customer with annual billable use of 100 units (hundred cubic feet) including both a) the Town's proposed new wastewater collection system charge and b) the pass-through charge to recover costs for wastewater conveyance and treatment by the City of South San Francisco.

	Wastewater Collection System Charge	Wastewater Treatment Charge (South San Francisco Service Area)	Total Wastewater Charge
Annual Charge	100 units x \$3.22 = \$322.00	100 units x \$9.6761 = \$967.61	\$1,289.61
Monthly Equivalent	\$26.83	\$80.63	\$107.47

Note: Actual wastewater bills for each customer will vary depending on customer class and volume of billable use.

Method of Bill Collection. The Town of Colma proposes to collect sewer service charges on the property tax roll of San Mateo County. Each year, the Town prepares a written report identifying each parcel receiving sewer services as well as the amount charged to each parcel. The ability to collect the sewer service charges on the property tax roll is subject to an annual public hearing and majority protest proceeding.

Public Noticing Requirements

Proposition 218, or the "Right to Vote on Taxes Act", was approved by California state voters in November 1996. Proposition 218 creates certain procedural requirements relating to all property-related charges. Sewer service charges are property-related charges under Proposition 218. Specifically, under Proposition 218, the Town must provide each property owner of record with written notice of the public hearing on the proposed new/increased rates or charges at least 45 days before the public hearing. The notice must, at a minimum, identify: (1) the amount of the rate increase or new rate; (2) the basis upon which the new/increased rate was calculated; (3) the reason for the new/increased rate; and (4) the date, time, location for the public hearing on the new/increased rate.

All property owners within the Town of Colma that are connected to the Town's sewer system were sent a Notice of public hearing for proposed wastewater rate increases and the process

for submitting a written protest against the proposed rate increases. (See attachment B) The notices were mailed to property owners on May 6, 2022.

If a majority of the property owners (50 percent plus 1) file written protests, the Council may not adopt the new or increased rates. Upon conclusion of the hearing, any written protests received must be tallied to determine whether a "majority protest" has occurred. In the event that the majority protest does not occur, the Town can then proceed with implementation of the new/increased rate or charge.

As of the publication of the June 22, 2022, agenda packet, the Town has received 0 written protests. Colma Municipal Code Section 1.02.540 (Prop. 218 Protest Procedures) requires protests be sealed until the public hearing, when protests are to be tabulated. The City Clerk will tabulate any submitted protests at the Council meeting.

In July, a separate public hearing will be noticed and held regarding the collection of sewer service charges on the property tax roll and the annual Engineer's Report.

Ordinance No. 806

The Town previously adopted sewer service charges by ordinance and published the rates for such sewer service charges in the Colma Municipal Code. On May 12, 2021, the Town adopted Ordinance No. 806 amending Subchapter 3.04 of the Colma Municipal Code and authorizing sewer service charges to be adopted by resolution instead of ordinance. Subchapter 3.04 was amended to remove reference to the specific rates for sewer service charges, and instead now refers to the rates set forth in the resolution adopting such sewer service charges. Pursuant to the authority granted in Ordinance No. 806, the Town may adopt the proposed sewer service charges by the Resolution attached to this report.

COUNCIL ADOPTED VALUES

Before adopting a rate increase, the City Council will have held a public hearing allowing the public to protest to the City Council the rate increase and calculation of the annual sanitary sewer charges. Through this process, City Council has allowed a process where they can review and rule on such a protest in a *fair* and unbiased manner.

ALTERNATIVES

The City Council could elect not to adopt the Town wastewater rate increases and continue to pay the sewer collection charges through the General Fund. This is not advised, as costs for operation and maintenance of the Town's sewer conveyance system will increase as enhancements to the system will be needed to increase capacity in the system for potential new residential and commercial growth and staff time to adhere to State mandates and compliance reports increase.

CONCLUSION

Staff recommends that the City Council adopt a Resolution to increase sewer rates.

ATTACHMENTS

- A. Resolution
- B. Copies of the Prop. 218 Notices



RESOLUTION NO. 2022-____
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**RESOLUTION ADOPTING INCREASED RATES FOR SEWER SERVICE CHARGES
AND TAKING OTHER ACTIONS RELATING THERETO**

The City Council of the Town of Colma hereby resolves:

ARTICLE 1. RECITALS

(a) The Town of Colma (the "Town") provides sewer service to customers within its jurisdiction through contracting either with the City of South San Francisco ("SSF") or the North San Mateo County Sanitation District ("NSMCSD"), and is authorized to impose fees and charges for the provision of such service.

(b) The Town proposes a Wastewater Collection System Rate to recover its costs of providing wastewater collection system services, including the costs of operation, maintenance, and administration.

(c) In order to ensure that the Town has sufficient revenues to account for future costs, the Town is proposing to include in the sewer service charges ("Charges") the authorization to pass through inflationary increases to the Town's customers, commencing July 1, 2023 through and including July 1, 2026, based on the percentage increase in Engineering News-Record Construction Cost Index – 20 City Average Index from April to April each year, in an amount not to exceed 10% per year (the "Inflationary Adjustments").

(d) Pursuant to the Town's contractual arrangement with SSF and NSMCSD, the Town pays SSF and NSMCSD sewer service charges for properties within the Town that are connected to the SSF and NSMCSD sewer systems at the same rate that SSF and NSMCSD charge their own customers. The Town imposes Charges to its customers served by SSF and NSMCSD in order to generate sufficient revenue to cover its own obligation to SSF and NSMCSD.

(e) The Town has two customer classes serviced by NSMCSD: Single Unit Residential and Non-Single Unit Customers (which includes Multi-Unit Residential, Business, Industrial Users, Commercial Properties, and Other Non-residential Units). However, the rate structure for both customer classes is the same, and is determined based on the amount of metered water (measured in units of one hundred cubic feet ("HCF") delivered to the property (calculated on the basis of two months' average winter water consumption annualized) and assumptions of the amount of water returned to the sewer (i.e. "flow").

(f) The Town has three customer classes serviced by SSF: Residential (including Single-Unit, Multi-Unit, and Trailer Units), Commercial/Institutional (including Commercial Light Strength, Commercial Moderate Strength, Restaurants, Institutions, and Septage Haulers), and Industrial. Charges for Residential customers are calculated by multiplying the number of dwelling units on each property by the applicable annual residential rate. Charges for Commercial/Institutional customers are calculated by multiplying the amount of annual metered water use (or sewer effluent) at each property (in units of one hundred cubic feet) by the applicable rate per unit for each customer class. Septage Hauler charges are calculated by multiplying the gallons of flow discharged by the applicable rate. Charges for Industrial

customers are calculated based on the amount of annual metered water use (or sewer effluent) at each property and the strength of the wastewater discharged from each property (as measured in pounds of chemical oxygen demand and total suspended solids) with separate charges calculated for each component and then added together resulting in a combined charge for each property. Charges for Commercial/Institutional and Industrial customers are subject a minimum annual charge that only applies when billed usage results in a lower annual charge.

(g) In addition to the rates charged by SSF and NSMCS D to the Town, SSF and NSMCS D are authorized to pass through to its customers certain wholesale costs associated with sewer collection and treatment.

(h) In order to ensure that the Town has sufficient revenues to account for such pass-throughs, the Town is proposing to include in the Charges the authorization to pass through such increases to the Town's customers, commencing July 1, 2023 through and including July 1, 2026, in an amount not to exceed 10% per year (the "Wholesale Pass-Through Adjustments").

(i) The revenues derived from the proposed Charges will not exceed the funds required to provide the services, represent only inflationary adjustment and pass-through of the cost imposed on the Town by SSF and NSMCS D for providing such services to the Town's customers, and shall be used exclusively to pay the Town's costs for providing sewer service to its customers.

(j) The Charges are equitable to all customer classes.

(k) The amount of the proposed Charges will not exceed the proportional cost of the services attributable to each parcel upon which they are proposed for imposition.

(l) The proposed Charges will not be imposed on a parcel unless the services are actually used by, or immediately available to, the owner of the parcel.

(m) Article XIII D, section 6 of the California Constitution ("Article XIII D") requires that prior to imposing any new property-related fee such as the Charges, or increasing the existing Charges, the Town shall provide written notice (the "Notice") by mail of the proposed increases to the record owner of each parcel upon which the Charges are proposed for imposition and any tenant directly liable for payment of the Charges. The notice further must detail the amount of the Charges proposed to be imposed on each parcel, the basis upon which the Charges were calculated, the reason for the Charges, and the date time and location of a public hearing (the "Hearing") on the proposed Charges.

(n) Pursuant to Article XIII D such Notice is required to be provided to the affected property owners not less than forty-five days prior to the Hearing on the proposed Charges.

(o) The Town did provide such Notice to the affected property owners in compliance with Article XIII D. The Hearing was held on June 22, 2022, noticed in the manner and for the time required by law.

(p) At the Hearing, the City Council ("Council") considered all written materials and written protests to the proposed new or increased Charges received prior to the close of the Hearing,

and heard oral testimony concerning the establishment and imposition of the proposed Charges, and at the close of the Hearing, the City Council determined that it did not receive written protests against the establishment and imposition of the proposed Charges from a majority of the affected property owners or tenants directly liable for the payment of such Charges.

(q) The Council now desires to adopt the Charges set forth in Exhibit A commencing July 1, 2022, with increases each July 1 thereafter through and including July 1, 2026, as specified in Article 4.

(r) The Council further desires to authorize the Wholesale Pass-Through Adjustments for a period commencing July 1, 2023, through and including July 1, 2026.

(s) The Charges are being adopted in accordance with the procedures set forth in California Health and Safety Code section 5471 *et seq.* in order to preserve the authority to place the Charges on the property tax roll for collection by the County.

ARTICLE 2. INCORPORATION OF RECITALS.

The Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the Council as if fully set forth herein.

ARTICLE 3. ADOPTION OF CHARGES.

The Council hereby establishes, adopts and imposes the Charges in the maximum amounts, effective on July 1, 2022, as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

ARTICLE 4. INFLATIONARY AND PASS-THROUGH ADJUSTMENTS.

A Wastewater Collection System Rate is established in Exhibit A and will be levied in addition to the charges for wastewater treatment that are currently passed through to the Town's customers based on charges levied by the NSMCSD and SSF.

Commencing July 1, 2023, and any time thereafter through, and including, July 1, 2026, the Town may annually implement inflationary adjustments to the Wastewater Collection System Rate ("Inflationary Adjustment"). The Inflationary Adjustment shall be based on the percentage increase in Engineering News-Record Construction Cost Index – 20 City Average Index (the "ENR Index"), measured from April of the prior year to April of the current year, subject to a maximum annual increase of 10%.

Commencing July 1, 2023, and any time thereafter through, and including, July 1, 2026, the Town may annually implement pass through any increases in the rates for wholesale sewer treatment services imposed on the Town by SSF and NSMCSD (" Wholesale Pass-Through Adjustments"), provided that: (1) any increase in the rates for the Charges as a result of any Wholesale Pass-Through Adjustment shall not exceed 10% per year; and (2) in no event shall such rates be increased as a result of a Pass-Through Adjustment by more than the cost of providing sewer service.

Prior to implementing any increase in the rates for the Charges as a result of any Inflationary Adjustment or Pass-Through Adjustment, the Town will give written notice of any applicable rate increase to the owner of each property on which the increased rate is to be imposed not less than 30 days prior to the effective date of such rate increase.

ARTICLE 5. AUTHORIZATION.

The City Manager is hereby authorized and directed to take all actions necessary to implement and collect the Charges, as set forth herein.

ARTICLE 6. INCONSISTENCY WITH OTHER FEES AND CHARGES.

To the extent the Charges are inconsistent with any other fees, charges, or exactions previously adopted by the Council, it is the explicit intention of the Council that the Charges adopted pursuant to this Resolution shall prevail.

ARTICLE 7. CEQA COMPLIANCE.

The Council finds that the administration, operation, maintenance, and improvements of the sewer system, which is to be funded by the Charges and set forth herein, are necessary to maintain service within the sewer system as described herein. The Council further finds that the administration, operation, maintenance and improvements of the sewer system, to be funded by the Charges will not expand the sewer system. The Council further finds that the adoption of the rates for the Charges is necessary and reasonable to fund the administration, operation, maintenance and improvements of the sewer systems. Based on these findings, the Council determines that the adoption of the Charges established by this Resolution is exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the Town, 1198 El Camino Real, Colma, CA 94014. The custodian for these records is the City Clerk.

ARTICLE 8. SEVERABILITY.

Each of the provisions of this Resolution is severable from all other provisions. If any article, section, subsection, paragraph, sentence, clause or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution.

ARTICLE 9. EFFECTIVE DATE.

This resolution shall be effective upon its adoption by the City Council.

Certification of Adoption

I certify that the foregoing Resolution No. 2022-___ was duly adopted at a regular meeting of the City Council of the Town of Colma held on June 22, 2022, by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Helen Fisciaro, Mayor					
Raquel "Rae" Gonzalez					
Joanne F. del Rosario					
John Irish Goodwin					
Diana Colvin					
<i>Voting Tally</i>					

Dated _____

Helen Fisciaro, Mayor

Attest: _____
Caitlin Corley, City Clerk

EXHIBIT A

MAXIMUM SEWER RATES FOR THE CHARGES

Effective July, 1, 2022

COLLECTION

Wastewater collection system charge: A usage-based charge of \$3.22 per hundred cubic feet of water for all Town sewer customers

TREATMENT

NSMCS D

NSMCS D Basin – Maximum Rates for Sewer Service Charge				
Effective Date	Treatment Rate (per unit)		Minimum Annual Charge	Facility
7/1/2022	\$9.02 per unit		\$100.08	Residential Unit
7/1/2022	\$9.02 per unit		\$100.08	Commercial Unit
*Total Units are calculated on the basis of Jan./Feb. water consumption multiplied by 6. (Annualized Method)				
**Total units calculated Jan. through Dec. water consumption. (Annual Method)				

TREATMENT

SSF

Maximum Wastewater Treatment Charges (Based on Charges Levied by the City of South San Francisco)		
Customer Class	Basis of Calculation	Wastewater Treatment Charges Effective July 1, 2022
RESIDENTIAL		
<i>Fixed annual charge per residential dwelling unit.</i>		
Single Unit Residential	Annual Charge per Dwelling Unit	\$753
Multi-Unit Residential	Annual Charge per Dwelling Unit	676
Trailer Unit Residential	Annual Charge per Dwelling Unit	676
COMMERCIAL / INSTITUTIONAL		
<i>Volumetric charges per hundred cubic feet (hcf) of inflow or effluent, subject to a minimum annual charge.</i>		
Light Strength Commercial	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	9.6761
	or Hundred Cubic Feet Effluent	10.7512
Moderate Strength Commercial	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	15.1425
	or Hundred Cubic Feet Effluent	16.8249
Restaurants	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	22.1239
	or Hundred Cubic Feet Effluent	24.5821
Institutions	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	7.8049
	or Hundred Cubic Feet Effluent	8.6720
Septage Haulers	Charge per Gallon	0.4126
INDUSTRIAL		
<i>Volumetric charges per hundred cubic feet (hcf) of inflow or effluent plus charges per pound for wastewater strength loadings of COD and TSS, subject to a minimum annual charge.</i>		
Industrial	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	5.7967
	or Hundred Cubic Feet Effluent	6.4408
	Chemical Oxygen Demand (COD) Pounds	0.6010
	Total Suspended Solids (TSS) Pounds	1.9459

One hundred cubic feet (hcf) equals approximately 748 gallons.

Light Strength Commercial class of users includes bars (without dining facilities), car washes, department and retail stores, hotels, motels (without dining facilities), laundromats, professional and business offices, banks, savings and loan associations, warehouses, auto rentals (without repair shops), newspapers,

commercial printing shops, freight and drayage services, barber shops, shoe repair shops, camera shops, plating shops, wood and furniture fabricators, heating and appliance stores, drugstores, auto supply stores, general contractors' offices, public administration offices, health services, legal services, dry cleaners, metal fabricators, lumber companies, laundry services, sheet metal shops, and similar classes of uses with wastewater strengths less than or approximate equivalent to residential strength.

Moderate Strength Commercial class of users includes auto/gas service stations, auto steam cleaners, auto rentals (with repair shops), bakeries, beauty and hair salons, commercial laundries, mortuaries, lodges (with dining facilities), radiator repair shops, markets (with garbage disposals), ice cream parlors, candy manufacturers, food preparation and caterers, sandwich shops, drive-in theaters, creameries, roofers, chemical preparations, machine shops, photo/film processors, rug, carpet, upholstery cleaners, foundries, ceramics studios, oil services, transmission services, sanitation services, furriers, drum and barrel cleaners, and similar classes of uses with wastewater strengths significantly greater than residential strength.

Restaurant class of users includes restaurants and other dining establishments.

Institutional class of users includes schools, colleges, rest homes, hospitals, clubs, lodges, and similar class of uses.



ATTACHMENT B-NSMCSD



City Manager
1198 El Camino Real
Colma, CA 94014
(650) 997-8300

NOTICE OF PUBLIC HEARING FOR PROPOSED WASTEWATER RATE INCREASES

Wednesday, June 22, 2022 at 7:00 PM

The Town of Colma hereby gives notice that the City Council will hold a public hearing on Wednesday, June 22, 2022 at 7:00 PM (or as soon thereafter as the matter can be heard) to hear public testimony and receive written comments and protests on proposed wastewater rate increases. The public hearing will be conducted by teleconference via Zoom and will be broadcast live online.

Members of the public may participate in the Zoom meeting by logging on with the information listed below. In the event there is a change to the link for accessing the meeting on Zoom, the updated information will be posted on the Town's website at www.colma.ca.gov/city-council-meetings and included in the agenda for the meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/81289976261>

Meeting ID: 812 8997 6261

Passcode: 074407

Dial by your location

- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 253 215 8782 US (Tacoma)
- +1 312 626 6799 US (Chicago)
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)

Members of the public may provide comments via the Zoom platform by requesting to speak by using the "raise hand" feature or, if calling in by phone, by pressing *9 on the telephone keypad, during the public comment period. In response, when it is the speaker's turn to speak, the Town will unmute the speaker and allow them to speak for up to three minutes.

Background. The Town of Colma provides wastewater service to over 700 homes and business. Colma's wastewater customer base is divided between two basins: Daly City and South San Francisco. Colma's wastewater flows to two different treatment plants owned and operated by each respective agency (North San Mateo County Sanitation District for Daly City, and the City of South San Francisco). The wastewater system includes two components:

- **Wastewater Collection System:** Colma owns and operates a wastewater collection system that includes approximately 8 miles of sewer pipelines that collect wastewater from each home and business. Historically, costs for operation, administration and repair of the collection system have been funded directly from the Town's General Fund, with no associated charges levied on the Town's sewer customers.
- **Wastewater Treatment:** Wastewater from the northern part of Colma is conveyed to the North San Mateo County Sanitation District (NSMCSD) and wastewater from the central and southern areas of Colma are conveyed to the City of South San Francisco for treatment and disposal. The Town of Colma passes through charges for wastewater treatment from NSMCSD or the City of South San Francisco to customers whose wastewater is treated by each agency. Wastewater charges are collected on customer's property tax bills.

WASTEWATER COLLECTION SYSTEM CHARGE

Reason for the Proposed Rate Increases. Colma has historically subsidized the costs of providing wastewater service. All wastewater system costs for residential wastewater treatment, operations and maintenance, capital and administration were paid by the Town's General Fund until 2011, when costs for wastewater treatment were transferred to customers' property tax bills. However, the Town's General Fund has continued to subsidize the costs of operating, maintaining, and repairing the local wastewater collection system.

As proposed, the Town would continue to pass through charges for wastewater treatment levied by South San Francisco or NSMCSO (as described later in this notice), but would also start levying a new wastewater charge component to recover the Town's costs for providing wastewater collection system services. The proposed wastewater collection system charge is designed to recover the Town's costs of operating, maintaining, and administering the Town's wastewater collection system, and provide a prudent minimum level of funding for repairs and capital improvements to the Town's aging infrastructure to support the continued provision of safe and reliable service.

Proposed Wastewater Collection System Charge. The proposed wastewater collection system charge is a new component of the Town's overall wastewater charge that would be levied in addition to the charges for wastewater treatment that are currently passed through to Colma's customers based on charges levied by the City of South San Francisco or NSMCSO.

The proposed wastewater collection system charge is a usage-based charge of \$3.22 per hundred cubic feet of water consumption and would become effective starting July 1, 2022. For residential customers, the billed amount of the proposed wastewater collection system charges will be calculated based on the volume of metered water use during the winter months of January and February, typically a period of minimal outdoor irrigation, multiplied by 6. For nonresidential customers, the wastewater collection system charge will be calculated based on total annual metered water consumption. Charges for all customers would be subject to a minimum annual charge of \$38.64 that only applies when billed usage results in a lower annual charge. The minimum annual charge helps recover a portion of the Town's fixed costs of providing service. In future years, the wastewater collection system charge would be subject to annual inflationary adjustments as described in this notice.

The proposed wastewater collection system charge will be billed in units of one hundred cubic feet (1 hcf), with 1 hcf equal to approximately 748 gallons. As such, the proposed charge of \$3.22 per hcf equates to a charge of approximately \$0.43 per hundred gallons, or less than one-half of a cent per gallon.

Basis on Which the Charges are Calculated. Annual charges for residential customers will be calculated by multiplying a) the proposed wastewater collection system charge by b) annual billable usage based on bi-monthly winter water usage (based on water bills for January/February) multiplied by 6. For example, the annual charge for a typical residential customer with metered winter water usage of 11 units from their January/February bi-monthly water bill would equal 66 units of annual billable use per year (11 units x 6 bi-monthly billing periods) x \$3.22 = \$212.52 per year, equivalent to \$17.71 per month.

Annual charges for nonresidential customers will be calculated by multiplying a) the wastewater collection system charge in effect by b) total annual metered water usage (typically measured from the beginning of March through the end of February the following year). For example, the annual charge for a commercial customer with 100 units of annual water usage would equal \$3.22 x 100 units = \$322.00 per year, equivalent to \$26.83 per month.

Potential Phase In of Wastewater Collection System Charge Over Multiple Years. To help mitigate the impact on customers, the City Council may consider phasing in the proposed wastewater collection system charge over several years by continuing to partially subsidize the cost of providing service.

Pass Through of Inflationary Rate Adjustments to Wastewater Collection System Charges. To help ensure that there are sufficient revenues to provide safe and reliable wastewater collection system service in future years and keep revenues from falling behind the cost of service, the Town is proposing to authorize future annual inflationary rate adjustments to the wastewater collection system charge pursuant to California Government Code section 53756. These future inflationary rate adjustments would be passed through to customers based on the percentage increase in Engineering News-Record Construction Cost Index – 20 City Average Index (the “ENR Index”), a widely used measure of construction cost inflation, and would be subject to a maximum annual increase of 10%. Specifically, the future inflationary pass-through rate adjustments would be based on the percentage increase from the April 2022 ENR Index of 12899 to the ENR Index for April of each following year. For example, if the ENR Index increased by 3% from the April 2022 index of 12899 to an index of 13286 in April 2023, then the Town would be authorized to increase the wastewater collection system charge by a corresponding 3% from \$3.22 to \$3.32 per unit (hundred cubic feet) for charges effective in the subsequent fiscal year starting July 1, 2023. Full or partial deferral of a future inflationary rate adjustment can be made up in a subsequent year. For example, if the annual adjustment for July 1, 2023 is deferred for a year, it can be added to the annual adjustment for July 1, 2024.

If authorized, commencing July 1, 2023, and any time thereafter through July 1, 2026, the Town may annually implement inflationary pass-through rate adjustments, provided that: (1) any increase in the rates as a result of each annual inflationary adjustment shall not exceed 10% per year; and (2) in no event shall such rates be increased as a result of a pass-through adjustment by more than the cost of providing wastewater collection service. Prior to implementing any inflationary pass-through rate adjustment, the Town will give written notice of any applicable rate increase at least 30 days prior to the effective date of such rate increase.

WASTEWATER TREATMENT CHARGES

Reason for the Proposed Rate Increases. The Town of Colma contracts with the North San Mateo County Sanitation District to provide sewer conveyance, treatment and related services to properties located in the northern portion of the Town. The Town pays NSMCSD for the cost of these services through an annual sewer service charge for each property that utilizes the sewer system. The amount charged is based on costs billed to the Town by NSMCSD in accordance with an agreement between both agencies. NSMCSD has notified the Town that it is proposing to increase the rates that it charges the Town for wastewater services starting July 1, 2022. The Town is proposing to pass through these charges and future rate increases imposed on the Town by NSMCSD to sewer customers in the northern portion of the Town whose wastewater is conveyed to NSMCSD for wastewater treatment.

Proposed Wastewater Treatment Charges. The City Council will consider increasing the wastewater treatment component of its sewer service charges in order to pay for the costs charged to the Town by NSMCSD for wastewater conveyance, treatment and other related services. The proposed charge is a usage-based charge of \$9.02 per hundred cubic feet of annualized winter water consumption, subject to a minimum charge of \$108.08, that would become effective starting July 1, 2022. For all customers, the billed amount of the proposed charges will be calculated based on the volume of metered water use during the winter months of January and February, typically a period of minimal outdoor irrigation, multiplied by 6. These charges for wastewater treatment and related services would be levied in addition to the proposed wastewater collection system charges referenced earlier in this notice. In future years, the proposed wastewater treatment charges would be subject to annual adjustment based on changes in the future sewer service charges levied on the Town by NSMCSD as described further below.

Basis upon Which the Charges are Calculated. Annual charges for wastewater treatment and related services for all customers whose wastewater is conveyed to NSMCSD will be calculated by multiplying a) the proposed sewer service charge of \$9.02 by b) annual billable usage (as measured in units of one hundred cubic feet) based on bi-monthly winter water usage (based on water bills for January/February) multiplied by 6. For example, the annual charge for a typical residential customer with metered winter water usage of 11 units from their January/February bi-monthly water bill would equal 66 units of annual billable use per year (11 units x 6 bi-monthly billing periods) x \$9.02 = \$595.32 per year, equivalent to \$49.61 per month.

Pass Through Adjustment of Future Wastewater Treatment Charges. The Town proposes to continue passing through future rate adjustments implemented by the NSMCSD for wastewater treatment and related services in accordance with California Government Code section 53756. For customers whose wastewater is conveyed to NSMCSD for treatment, commencing July 1, 2023, and any time thereafter through July 1, 2026, the Town may pass through wastewater rate adjustments to account for any changes in the wastewater charges levied on the Town by NSMCSD subject to a maximum annual increase of 10%. Prior to implementing any pass-through rate adjustment, the Town will give written notice of any applicable rate increase at least 30 days prior to the effective date of such rate increase.

SAMPLE BILL CALCULATIONS

Sample Bill Calculation for a Typical Single Family Home. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022 for a single family home with annual billable use of 66 units (hundred cubic feet) including both a) the Town’s proposed new wastewater collection system charge and b) the pass-through wastewater treatment charge to recover NSMCSD’s charges for wastewater conveyance and treatment.

	Wastewater Collection System Charge	Wastewater Treatment Charge (NSMCSD Service Area)	Total Wastewater Charge
Annual Charge	66 units x \$3.22 = \$212.52	66 units x \$9.02 = \$595.32	\$807.84
Monthly Equivalent	\$17.71	\$49.61	\$67.32

Note: Actual wastewater bills will vary depending on each customer’s volume of billable use.

The Town’s current charges for wastewater service are among the lowest in San Mateo County. With the proposed charges, the Town’s wastewater charges for a typical home are projected to remain in the lower range compared to other regional agencies.

Sample Bill Calculation for a Commercial Customer. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022 for a commercial customer with annual billable use of 100 units (hundred cubic feet) including both a) the Town’s proposed new wastewater collection system charge and b) the pass-through charge to recover costs for wastewater conveyance and treatment by NSMCSD.

	Wastewater Collection System Charge	Wastewater Treatment Charge (NSMCSD Service Area)	Total Wastewater Charge
Annual Charge	100 units x \$3.22 = \$322.00	100 units x \$9.02 = \$902.00	\$1,224.00
Monthly Equivalent	\$26.83	\$75.17	\$102.00

Note: Actual wastewater bills will vary depending on each customer’s volume of billable use.

Method of Bill Collection. The Town of Colma proposes to collect sewer service charges on the property tax roll of San Mateo County. Each year, the Town prepares a written report identifying each parcel receiving sewer services as well as the amount charged to each parcel. The ability to collect the sewer service charges on the property tax roll is subject to an annual public hearing and majority protest proceeding.

Community Input & Written Protest Procedures. Affected property owners and community members are invited to attend the Public Hearing to provide input. Any record owner of a parcel upon which the proposed wastewater charges are proposed to be imposed may submit a written protest; provided, however, only one protest will be counted per parcel. Any written protest must: (1) state the property owner is opposed to the proposed charges; (2) identify the affected parcel (by street address or assessor's parcel number); and (3) include the name and signature of the property owner submitting the protest. Written protests may be submitted by mail or in person to the City Clerk at 1198 El Camino Real, Colma, CA 94014, or via email to the City Clerk at ccorley@colma.ca.gov. If you are submitting a written protest, please write "Public Hearing on Rates" the front of the envelope. To be counted, a written protest must be received by the Town prior to the conclusion of the Public Hearing.

The City Council will consider all written protests and oral comments regarding the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. The proposed wastewater rates and future inflationary pass-through rate adjustments cannot be adopted if written protests are received from a majority of affected parcels.

Please note that there is a 120-day statute of limitations for challenging the wastewater service charges described herein should the proposed adjustments be adopted.

Additional Information. If you need additional information or have any questions regarding your customer classification, service area, or the rates proposed to be imposed on your parcel, you may contact Colma Engineering Department, 1198 El Camino Real, Colma, California, telephone 650-757-8888.

Date: May 6, 2022

By: _____
Brian Dossey, City Manager



City Manager
1198 El Camino Real
Colma, CA 94014
(650) 997-8300

**NOTICE OF PUBLIC HEARING FOR PROPOSED
WASTEWATER RATE INCREASES**

Wednesday, June 22, 2022 at 7:00 PM

The Town of Colma hereby gives notice that the City Council will hold a public hearing on Wednesday, June 22, 2022 at 7:00 PM (or as soon thereafter as the matter can be heard) to hear public testimony and receive written comments and protests on proposed wastewater rate increases. The public hearing will be conducted by teleconference via Zoom and will be broadcast live online.

Members of the public may participate in the Zoom meeting by logging on with the information listed below. In the event there is a change to the link for accessing the meeting on Zoom, the updated information will be posted on the Town's website at www.colma.ca.gov/city-council-meetings and included in the agenda for the meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/81289976261>

Meeting ID: 812 8997 6261

Passcode: 074407

Dial by your location

- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 253 215 8782 US (Tacoma)
- +1 312 626 6799 US (Chicago)
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)

Members of the public may provide comments via the Zoom platform by requesting to speak by using the "raise hand" feature or, if calling in by phone, by pressing *9 on the telephone keypad, during the public comment period. In response, when it is the speaker's turn to speak, the Town will unmute the speaker and allow them to speak for up to three minutes.

Background. The Town of Colma provides wastewater service to over 700 homes and business. Colma's wastewater customer base is divided between two basins: Daly City and South San Francisco. Colma's wastewater flows to two different treatment plants owned and operated by each respective agency (North San Mateo County Sanitation District for Daly City, and the City of South San Francisco). The wastewater system includes two components:

- **Wastewater Collection System:** Colma owns and operates a wastewater collection system that includes approximately 8 miles of sewer pipelines that collect wastewater from each home and business. Historically, costs for operation, administration and repair of the collection system have been funded directly from the Town's General Fund, with no associated charges levied on the Town's sewer customers.
- **Wastewater Treatment:** Wastewater from the northern part of Colma is conveyed to the North San Mateo County Sanitation District (NSMCSD) and wastewater from the central and southern areas of Colma are conveyed to the City of South San Francisco for treatment and disposal. The Town of Colma passes through charges for wastewater treatment from NSMCSD or the City of South San Francisco to customers whose wastewater is treated by each agency. Wastewater charges are collected on customer's property tax bills.

WASTEWATER COLLECTION SYSTEM CHARGE

Reason for the Proposed Rate Increases. Colma has historically subsidized the costs of providing wastewater service. All wastewater system costs for residential wastewater treatment, operations and maintenance, capital and administration were paid by the Town's General Fund until 2011, when costs for wastewater treatment were transferred to customers' property tax bills. However, the Town's General Fund has continued to subsidize the costs of operating, maintaining, and repairing the local wastewater collection system.

As proposed, the Town would continue to pass through charges for wastewater treatment levied by South San Francisco or NSMCSO (as described later in this notice), but would also start levying a new wastewater charge component to recover the Town's costs for providing wastewater collection system services. The proposed wastewater collection system charge is designed to recover the Town's costs of operating, maintaining, and administering the Town's wastewater collection system, and provide a prudent minimum level of funding for repairs and capital improvements to the Town's aging infrastructure to support the continued provision of safe and reliable service.

Proposed Wastewater Collection System Charge. The proposed wastewater collection system charge is a new component of the Town's overall wastewater charge that would be levied in addition to the charges for wastewater treatment that are currently passed through to Colma's customers based on charges levied by the City of South San Francisco or NSMCSO.

The proposed wastewater collection system charge is a usage-based charge of \$3.22 per hundred cubic feet of water consumption and would become effective starting July 1, 2022. For residential customers, the billed amount of the proposed wastewater collection system charges will be calculated based on the volume of metered water use during the winter months of January and February, typically a period of minimal outdoor irrigation, multiplied by 6. For nonresidential customers, the wastewater collection system charge will be calculated based on total annual metered water consumption. Charges for all customers would be subject to a minimum annual charge of \$38.64 that only applies when billed usage results in a lower annual charge. The minimum annual charge helps recover a portion of the Town's fixed costs of providing service. In future years, the wastewater collection system charge would be subject to annual inflationary adjustments as described in this notice.

The proposed wastewater collection system charge will be billed in units of one hundred cubic feet (1 hcf), with 1 hcf equal to approximately 748 gallons. As such, the proposed charge of \$3.22 per hcf equates to a charge of approximately \$0.43 per hundred gallons, or less than one-half of a cent per gallon.

Basis on Which the Charges are Calculated. Annual charges for residential customers will be calculated by multiplying a) the proposed wastewater collection system charge by b) annual billable usage based on bi-monthly winter water usage (based on water bills for January/February) multiplied by 6. For example, the annual charge for a typical residential customer with metered winter water usage of 11 units from their January/February bi-monthly water bill would equal 66 units of annual billable use per year (11 units x 6 bi-monthly billing periods) x \$3.22 = \$212.52 per year, equivalent to \$17.71 per month.

Annual charges for nonresidential customers will be calculated by multiplying a) the proposed wastewater collection system charge by b) total annual metered water usage (typically measured from the beginning of March through the end of February the following year). For example, the annual charge for a commercial customer with 100 units of annual water usage would equal \$3.22 x 100 units = \$322.00 per year, equivalent to \$26.83 per month.

Potential Phase In of Wastewater Collection System Charge Over Multiple Years. To help mitigate the impact on customers, the City Council may consider phasing in the proposed wastewater collection system charge over several years by continuing to partially subsidize the cost of providing service.

Pass Through of Inflationary Rate Adjustments to Wastewater Collection System Charges. To help ensure that there are sufficient revenues to provide safe and reliable wastewater collection system service in future years and keep revenues from falling behind the cost of service, the Town is proposing to authorize future annual inflationary rate adjustments to the wastewater collection system charge pursuant to California Government Code section 53756. These future inflationary rate adjustments would be passed through to customers based on the percentage increase in Engineering News-Record Construction Cost Index – 20 City Average Index (the “ENR Index”), a widely used measure of construction cost inflation, and would be subject to a maximum annual increase of 10%. Specifically, the future inflationary pass-through rate adjustments would be based on the percentage increase from the April 2022 ENR Index of 12899 to the ENR Index for April of each following year. For example, if the ENR Index increased by 3% from the April 2022 index of 12899 to an index of 13286 in April 2023, then the Town would be authorized to increase the wastewater collection system charge by a corresponding 3% from \$3.22 to \$3.32 per unit (hundred cubic feet) for charges effective in the subsequent fiscal year starting July 1, 2023. Full or partial deferral of a future inflationary rate adjustment can be made up in a subsequent year. For example, if the annual adjustment for July 1, 2023 is deferred for a year, it can be added to the annual adjustment for July 1, 2024.

If authorized, commencing July 1, 2023, and any time thereafter through July 1, 2026, the Town may annually implement inflationary pass-through rate adjustments, provided that: (1) any increase in the rates as a result of each annual inflationary adjustment shall not exceed 10% per year; and (2) in no event shall such rates be increased as a result of a pass-through adjustment by more than the cost of providing wastewater collection service. Prior to implementing any inflationary pass-through rate adjustment, the Town will give written notice of any applicable rate increase at least 30 days prior to the effective date of such rate increase.

WASTEWATER TREATMENT CHARGES

Reason for the Proposed Rate Increases. The Town of Colma contracts with the City of South San Francisco to provide sewer conveyance and treatment services to properties located in the southern portion of the Town. The Town pays South San Francisco for the cost of these services through an annual sewer service charge for each property that utilizes the sewer system. The amount charged is based on costs billed to the Town by South San Francisco in accordance with an agreement between both agencies. South San Francisco has notified the Town that it is proposing to increase the rates that it charges the Town for wastewater services starting July 1, 2022. The Town is proposing to pass through these charges and future rate increases imposed on the Town by South San Francisco to sewer customers in the southern portion of the Town whose wastewater is conveyed to South San Francisco for wastewater treatment.

Proposed Wastewater Treatment Charges. The City Council will consider increasing the wastewater treatment component of its sewer service charges in order to pay for the costs charged to the Town by South San Francisco for wastewater conveyance, treatment and other related services. The table in Attachment A shows charges proposed to go into effect on July 1, 2022. These charges would be levied in addition to the proposed wastewater collection system charges referenced earlier in this notice. In future years, the proposed wastewater treatment charges would be subject to annual adjustment based on changes in the future sewer service charges levied on the Town by the City of South Francisco as described further below.

Basis upon Which the Charges are Calculated. The rate structure for the Town’s sewer service charges to customers whose wastewater is conveyed to South San Francisco includes the following rate classes: Residential (including Single-Unit, Multi-Unit, and Trailer Units), Commercial/Institutional (including Commercial Light Strength, Commercial Moderate Strength, Restaurants, Institutions, and Septage Haulers), and Industrial. Charges for Residential customers are calculated by multiplying the number of dwelling units on each property by the applicable annual residential rate. Charges for Commercial/Institutional customers are calculated by multiplying the amount of annual metered water use (or sewer effluent) at each property (in units of one hundred cubic feet) by the applicable rate per unit for each customer class. Septage Hauler charges are calculated by multiplying the gallons of flow discharged by the applicable rate. Charges for Industrial customers are calculated based on the amount of annual metered water use (or sewer effluent) at each property and the strength of the

wastewater discharged from each property (as measured in pounds of chemical oxygen demand and total suspended solids) with separate charges calculated for each component and then added together resulting in a combined charge for each property. Charges for Commercial/Institutional and Industrial customers are subject a minimum annual charge that only applies when billed usage results in a lower annual charge.

Pass Through Adjustment of Future Wastewater Treatment Charges. The Town proposes to continue passing through future rate adjustments implemented by the City of South Francisco for wastewater treatment and related services in accordance with California Government Code section 53756. For customers whose wastewater is conveyed to South San Francisco for treatment, commencing July 1, 2023, and any time thereafter through July 1, 2026, the Town may pass through wastewater rate adjustments to account for any changes in the wastewater charges levied on the Town by South San Francisco subject to a maximum annual increase of 10%. Prior to implementing any pass-through rate adjustment, the Town will give written notice of any applicable rate increase at least 30 days prior to the effective date of such rate increase.

SAMPLE BILL CALCULATIONS

Sample Bill Calculation for a Typical Single Family Home. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022 for a single family home with annual billable use of 66 units (hundred cubic feet) including both a) the Town’s proposed new wastewater collection system charge and b) the pass-through wastewater treatment charge to recover the City of South San Francisco’s charges for wastewater conveyance and treatment.

	Wastewater Collection System Charge	Wastewater Treatment Charge (South San Francisco Service Area)	Total Wastewater Charge
Annual Charge	66 units x \$3.22 = \$212.52	\$753.00	\$965.52
Monthly Equivalent	\$17.71	\$62.75	\$80.46

Note: Actual wastewater bills for each customer will vary depending on customer class and volume of billable use.

The Town’s current charges for wastewater service are among the lowest in San Mateo County. With the proposed charges, the Town’s wastewater charges for a typical home are projected to remain in the lower range compared to other regional agencies.

Sample Bill Calculation for a Commercial Customer. The following table shows a sample bill calculation for wastewater charges effective July 1, 2022 for a Light Strength Commercial customer with annual billable use of 100 units (hundred cubic feet) including both a) the Town’s proposed new wastewater collection system charge and b) the pass-through charge to recover costs for wastewater conveyance and treatment by the City of South San Francisco.

	Wastewater Collection System Charge	Wastewater Treatment Charge (South San Francisco Service Area)	Total Wastewater Charge
Annual Charge	100 units x \$3.22 = \$322.00	100 units x \$9.6761 = \$967.61	\$1,289.61
Monthly Equivalent	\$26.83	\$80.63	\$107.47

Note: Actual wastewater bills for each customer will vary depending on customer class and volume of billable use.

Method of Bill Collection. The Town of Colma proposes to collect sewer service charges on the property tax roll of San Mateo County. Each year, the Town prepares a written report identifying each parcel receiving sewer services as well as the amount charged to each parcel. The ability to collect the sewer service charges on the property tax roll is subject to an annual public hearing and majority protest proceeding.

Community Input & Written Protest Procedures. Affected property owners and community members are invited to attend the Public Hearing to provide input. Any record owner of a parcel upon which the proposed wastewater charges are proposed to be imposed may submit a written protest; provided, however, only one protest will be counted per parcel. Any written protest must: (1) state the property owner is opposed to the proposed charges; (2) identify the affected parcel (by street address or assessor's parcel number); and (3) include the name and signature of the property owner submitting the protest. Written protests may be submitted by mail or in person to the City Clerk at 1198 El Camino Real, Colma, CA 94014, or via email to the City Clerk at ccorley@colma.ca.gov. If you are submitting a written protest, please write "Public Hearing on Rates" the front of the envelope. To be counted, a written protest must be received by the Town prior to the conclusion of the Public Hearing.

The City Council will consider all written protests and oral comments regarding the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. The proposed wastewater rates and future inflationary pass-through rate adjustments cannot be adopted if written protests are received from a majority of affected parcels.

Please note that there is a 120-day statute of limitations for challenging the wastewater service charges described herein should the proposed adjustments be adopted.

Additional Information. If you need additional information or have any questions regarding your customer classification, service area, or the rates proposed to be imposed on your parcel, you may contact Colma Engineering Department, 1198 El Camino Real, Colma, California, telephone 650-757-8888.

Date: May 6, 2022

By: _____
Brian Dossey, City Manager

PROPOSED WASTEWATER TREATMENT CHARGES EFFECTIVE JULY 1, 2022

Proposed Wastewater Treatment Charges (Based on Charges Levied by the City of South San Francisco)		
Customer Class	Basis of Calculation	Wastewater Treatment Charges Effective July 1, 2022
RESIDENTIAL		
<i>Fixed annual charge per residential dwelling unit.</i>		
Single Unit Residential	Annual Charge per Dwelling Unit	\$753
Multi-Unit Residential	Annual Charge per Dwelling Unit	676
Trailer Unit Residential	Annual Charge per Dwelling Unit	676
COMMERCIAL / INSTITUTIONAL		
<i>Volumetric charges per hundred cubic feet (hcf) of inflow or effluent, subject to a minimum annual charge.</i>		
Light Strength Commercial	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	9.6761
	or Hundred Cubic Feet Effluent	10.7512
Moderate Strength Commercial	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	15.1425
	or Hundred Cubic Feet Effluent	16.8249
Restaurants	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	22.1239
	or Hundred Cubic Feet Effluent	24.5821
Institutions	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	7.8049
	or Hundred Cubic Feet Effluent	8.6720
Septage Haulers	Charge per Gallon	0.4126
INDUSTRIAL		
<i>Volumetric charges per hundred cubic feet (hcf) of inflow or effluent plus charges per pound for wastewater strength loadings of COD and TSS, subject to a minimum annual charge.</i>		
Industrial	Minimum Annual Charge	\$753
	Hundred Cubic Feet Inflow	5.7967
	or Hundred Cubic Feet Effluent	6.4408
	Chemical Oxygen Demand (COD) Pounds	0.6010
	Total Suspended Solids (TSS) Pounds	1.9459

One hundred cubic feet (hcf) equals approximately 748 gallons.

Light Strength Commercial class of users includes bars (without dining facilities), car washes, department and retail stores, hotels, motels (without dining facilities), laundromats, professional and business offices, banks, savings and loan associations, warehouses, auto rentals (without repair shops), newspapers, commercial printing shops, freight and drayage services, barber shops, shoe repair shops, camera shops, plating shops, wood and furniture fabricators, heating and appliance stores, drugstores, auto supply stores, general contractors' offices, public administration offices, health services, legal services, dry cleaners, metal fabricators, lumber companies, laundry services, sheet metal shops, and similar classes of uses with wastewater strengths less than or approximate equivalent to residential strength.

Moderate Strength Commercial class of users includes auto/gas service stations, auto steam cleaners, auto rentals (with repair shops), bakeries, beauty and hair salons, commercial laundries, mortuaries, lodges (with dining facilities), radiator repair shops, markets (with garbage disposals), ice cream parlors, candy manufacturers, food preparation and caterers, sandwich shops, drive-in theaters, creameries, roofers, chemical preparations, machine shops, photo/film processors, rug, carpet, upholstery cleaners, foundries, ceramics studios, oil services, transmission services, sanitation services, furriers, drum and barrel cleaners, and similar classes of uses with wastewater strengths significantly greater than residential strength.

Restaurant class of users includes restaurants and other dining establishments.

Institutional class of users includes schools, colleges, rest homes, hospitals, clubs, lodges, and similar class of uses.

Industrial class of users includes manufacturers, processors, producers, laundries, photo finishers, painting services, packagers and similar classes of users whose wastewater





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Peter Ingram, Economic Development Advisor
 VIA: Brian Dossey, City Manager
 MEETING DATE: June 22, 2022
 SUBJECT: Final Report –
 Economic Development Work Plan for Fiscal Year 2021-22

RECOMMENDATION

Staff recommends that the City Council make the following motion:

MOTION ACCEPTING THE FINAL REPORT ON THE ECONOMIC DEVELOPMENT WORK PLAN FOR FISCAL YEAR 2021-22, AND THE RECOMMENDED ECONOMIC DEVELOPMENT WORK PLAN FOR FY 2022-23 & 2023-24

EXECUTIVE SUMMARY

On August 25, 2021 the City Council accepted the Economic Development Work Plan for Fiscal Year 2021-22 and established a City Council Ad Hoc Economic Development Subcommittee comprised of Mayor Colvin and Council Member del Rosario.

On January 26, 2022, the Council received the first progress report from the Ad Hoc Subcommittee.

This is the final report from the Ad Hoc Subcommittee to the full Council, which sunsets effective June 30, and the Ad Hoc Subcommittee's work is now complete. It includes a final draft, proposed work plan for Fiscal Years 2022-23 and 2023-24. Should the Council accept the work plan tonight, the next Council action will be to review and consider any adjustments in the context of the Town's Strategic Plan update in early 2023.

FISCAL IMPACT

None at this time.

BACKGROUND

In 2012 the Colma Economic Development Plan – Phase 3 Strategy & Action Plan (plan) was prepared for the Town by BAE Urban Economics. The plan was intended to guide actions over

the ensuing ten years and develop potential strategies as it relates to the Town's overall land use and urban design needs.

The accepted work plan for FY 2021-22 was intended to serve as the tenth and final year of actions emanating from the 2012 plan, while effectively positioning the Town to set strategic direction for Fiscal Year 2022-23 and beyond.

ANALYSIS

The Ad Hoc Subcommittee has convened 10 times since its formation, and the Subcommittee's work and the committee itself is scheduled to sunset at the end of June 2022. Staff provided monthly updates and suggested discussion items based on external events and internal work activity.

Subcommittee members have signaled a high interest in supporting local businesses as the struggle to recover from the effects of the pandemic have continued. They also have been consistently focused on vacant retail spaces and the need to get them filled. To that end, in November 2021 the City Manager introduced a specialized retail consulting firm, "The Retail Coach" to the Ad Hoc Subcommittee. The Retail Coach has worked with the Town to strengthen the focus on filling retail vacancies and to bring more sophisticated data and analysis to the Town's long-term retail strategies. The firm completed their initial data-gathering and market analysis work by January and has since been focused on retail recruitment. Mr. Austin Farmer, project director for The Retail Coach joined the Jan. 26 Council meeting and provided a presentation on their work.

The Retail Coach has completed the following phases / tasks:

1. Market Analysis
2. Determine Retail Opportunity
3. Identify Development & Redevelopment Opportunities
4. Identify Retailers & Developers for Recruitment
5. Marketing & Branding
6. Market Analysis
7. Identify Retailers & Developers for Recruitment
8. Marketing & Branding

Current focus:

9. Recruiting Retailers & Developers Phase
Over the past several months, The Retail Coach has launched a strategic outreach process on behalf of Colma, and continues to provide updates, coaching and advising.

Highlights of Committee activities and outcomes as of the end of the fiscal year:

Completed tasks:

- ✓ Restarted Mayor's business walks
- ✓ Restarted Town's annual business recognition event
- ✓ Business newsletter – began quarterly issues Feb. 2022
- ✓ Online Business directory
- ✓ Attended four San Mateo County Economic Recovery Roundtable sessions – What other towns and cities are doing / learnings and best practices
- ✓ Met with cardroom ownership prior to the adoption of the General Plan

- ✓ Auto Row – added Kia dealership
- ✓ Retained retail expert to align future Colma retail with trends & emerging development needs
- ✓ Adopted General Plan 2040 update and EIR

Continuing / on-going activities:

- City Manager’s regular meetings with cemetery owners/managers
- City Manager’s regular meetings with Auto Row leaders/managers and related Auto Businesses

Areas of focused effort and progress – working toward completion before next progress report to Council:

- Town web site business tab improvements
- 280 Metro Center vacancies
- Auto Row, vacated Acura dealership – Proactively engaged brokers and prospective tenants – Town’s needs and expectations
- Development opportunity sites

The final progress report is detailed in Attachment A.

Based on Ad Hoc Committee meetings, City Council and staff feedback, and remaining work plan from the 2012 Colm Economic Development Plan, staff has structured the Economic Development Work Plan in to four categories:

- Land Use
- Capital Improvement Program
- Retail Recruitment and Retention
- Events and Communication

The recommended Work Plan for Fiscal Years 2022-23 and 2023-24 is described in Attachment B.

The FY2021-22 Economic Development Work Plan identified strengthening auto row as goal. As part of staff’s efforts to better understand what the business along auto row needed, staff conducted a survey of the auto related businesses. For your review, staff has attached the survey results in attachment C. Staff will begin to engage the businesses along auto row on how we can implement some of the suggestions that were identified in the survey.

Council Adopted Values

Considering enabling policies for economic development is consistent with the Council value of being *visionary*, as it proactively considers policies that will enhance the Town’s economic growth over time.

Sustainability Impact

The General Plan and its policies related to economic development will promote sustainability practices. The economic development opportunities will be “in-fill” in nature and encourage more walking, biking and transit use.

Alternatives

The City Council could choose not to accept the Economic Development Ad Hoc sub-committee report and direct the committee to continue working on the FY2022-23 Economic Development work plan. However, this is not the recommended action, the Economic Development Ad Hoc sub-committee was intended to be a temporary committee, closing out the 2012 Economic Development Plan prepared by BAE.

CONCLUSION

Staff recommends that the City Council accept the final report on the Economic Development Work Plan for Fiscal Year 2021-22, and the recommended economic development work plan for FY 2022-23 and FY 2023-24.

ATTACHMENTS

- A. Final Report – Economic Development Work Plan for Fiscal Year 2021-22
- B. Final Draft Proposed Work Plan for Fiscal Years 2022-23 and 23-24
- C. Auto Row Survey Summary – May 2022

ATTACHMENT A
TOWN OF COLMA ECONOMIC DEVELOPMENT WORK PLAN FY 2021-22
FINAL PROGRESS REPORT – As of June 2022

This final progress report has been compiled by staff and reviewed by the Council's Ad Hoc Economic Development Committee:

- Strategies and actions carry over from the 2012 BAE Colma Economic Development Plan
 - **WORK PLAN** for FY 2021-22 was accepted by the City Council on Aug. 25, 2021
 - *Current status, progress, and work plan changes are shown in italics*
-

1. Strategy: Refine Town Communications Program to Retain Existing Businesses

Action 1A: Continue ongoing efforts to retain and expand the existing economic base

Action 1B: Conduct ongoing outreach to identify retention and expansion needs of local businesses

WORK PLAN:

- a. Restart Mayor's business walks. *Completed Q3-2021 / Ongoing*
- b. Restart Town's business recognition event (Annual/target October). *Completed Q4-2021 / Ongoing*
- c. Continue City Manager's regular meetings with cemetery owners/managers. *Completed / Ongoing*
- d. Review and refresh as needed the Colma web site "Business" tab. *Ready for a refresh.*
- e. Add a business directory – look at examples from other small cities and towns. *Completed Q1-2022. Businesses will be monitored via business license renewals, generating directory updates as needed.*
- f. Explore business newsletter and other outreach and/or seasonal events opportunities with Chamber (key on the value of networking and recognition of businesses). *First two quarterly electronic editions of "Colma Works" completed.*

2. Strategy: Strengthen Auto Row

Action 2A: Convene an auto dealer's working group (Ongoing)

Action 2B: Deploy enhanced signage

Action 2C: Deploy streetscape improvements and freeway-visible signage
(Tied to future Capital Improvement Program budget priorities)

Action 2D: Facilitate joint auto dealership marketing program

Action 2E: Target new dealerships (Ongoing)

WORK PLAN:

- a. Continue City Manager's regular meetings with Auto Row leaders/managers. *Ongoing*
 - i. *Next quarterly meeting with all dealerships set for July 26 (In-person at Town Hall)*
- b. Explore wayfinding for local business streets. *No activity: This work plan task will carry forward into the new 2-year work plan.*
- c. Explore current options for a new Town-owned and operated freeway sign. *This work plan task will carry forward into the new 2-year work plan:*
 - i. *Staff is checking feasibility of changing the name of the Northern segment of Serramonte Blvd. to "Serramonte Auto Row", which may enable the Town to petition Caltrans for a Highway 280 sign, and may give dealerships an identity boost.*
 - ii. *Staff will reach out to Belmont, San Carlos, Millbrae and Daly City to gain insights on navigating Caltrans private/city signage rules for Hwy 280.*
- d. Poll dealers: Needs from a Town branding campaign? *Completed. Survey was sent to all dealers and by May the City Manager has received four responses representing seven dealerships. Survey summary is included in Attachment C to the staff report.*

- e. Ensure that the anticipated departure of the Acura dealership in late 2021 is succeeded with a brand new to Colma and complementary to the Auto Row mix. *Acura closed in Oct. 2021, and the City Manager has been in regular contact with broker Colliers since earlier in the Fall. To date, no dealership application has been submitted.*

3. Strategy: Expand and Diversify Retail and Restaurant Sectors

Action 3A: Coordinate with cemetery and auto dealerships to promote local restaurants

Action 3B: Maintain Town database on vacant spaces suitable for new retail and restaurants

Action 3C: Work with property owners, the Chamber, and area brokers to attract new businesses

Action 3D: Identify potential locations for development of new full-service restaurants (Gen. Plan Update)

Action 3E: Identify potential locations for development of a new large-format sporting goods store

Action 3F: Promote key visitation data and general positive business climate (Ongoing)

WORK PLAN:

- a. Draft an action plan for internal vetting. *The Retail Coach work plan addresses this strategy broadly, with specific focus on the retail sector. Auto Row poll shows low interest.*
- b. Develop a property owners list and vacant spaces inventory (for internal use). *The Retail Coach has subsumed this task as part of their retail trade area profiling, market analysis and retailers recruitment work.*
- c. *To be performed by The Retail Coach, and/or modified to fit with their scope of services:*
 - i. Establish a commercial broker's directory and network.
 - ii. Develop a communications framework / vet with brokers.
 - iii. Focus pressure on Kimco to fill 280 Metro vacancies, while determining Town's level of effort. *Since The Retail Coach was retained, this has been a primary focus.*
- d. Zoning: Process use permits in Commercial Districts with goal to retain – not replace, retail. *Planning is beginning the Zoning Code update as part of the GPU implementation. This work plan task will carry forward into the new 2-year work plan.*
- e. Analyze sporting goods retail trends and compare with other larger-format retail (grocery, others). *The Retail Coach has subsumed this task as part of their retail trade area profiling, market analysis and retailers recruitment work.*
- f. What are other small cities and towns in the region doing? What can we learn and adapt? *Completed: Recently, Colma became a participating city in SM County's "Choose Local" program for small businesses. This work plan activity will carry forward into the new 2-year work plan.*

4. Strategy: Accommodate Cardroom Expansion

Action 4A: Work Closely with Lucky Chances management to identify timing and space needs

Action 4B: *Use GP process to identify possible locations for expanded cardroom and possible hotel*

WORK PLAN:

- a.
 - i. Meet with cardroom ownership prior to the adoption of the General Plan, and ahead of Town zoning update process. *Completed in Oct. 2021.*
 - ii. Establish periodic check-in's. *On-going: CM initiated several follow-ups in 2022. This work plan task will carry forward into the new 2-year work plan.*

5. Strategy: Create Branding and Promotional Materials for Colma

Action 5A: Prepare RFP and retain branding and marketing firm

Action 5B: Create simple promotional materials and upgrade web site

Action 5C: Launch an expanded image and branding campaign

WORK PLAN:

- a.
 - I. Develop a General Plan 2040 roll-out, external messaging plan and best media vehicles to get to regional business and development audiences. *Completed: Colma Works articles Q1 and Q2-2022; Use as basis for finding other media outlets*
 - II. Write content, scripts, talking points, etc. *Completed Q1-2022*
 - III. Set up a new web page focused on property owners, brokers, developers. *No activity: This work plan task will adapt to related tasks the new 2-year work plan - determine content and best location within Planning's web pages.*
- b. Consider adopting a Colma tag line to use ahead of a full branding campaign. *No activity*
- c. Conduct a marketing / branding needs assessment survey of businesses (Set aside \$15,000 in FY 2021-22 ED budget for specialized contractor). *To be folded into 5d below – CIP project.*
- d. Draft a RFQ / RFP, along with a roadmap to FY 2022-23 start (Included in the 2-year CIP budget). *By the end of June Peter will complete and submit a white paper on "Place Branding" to the City Manager, to guide this effort in the new 2-year work plan.*

6. Strategy: Establish Feasibility - Specialty Retail/Entertainment/Dining District

Action 6A: Select location or target area through General Plan update process.

Action 6B: Revise development standards to encourage a specialty retail and restaurant district.

WORK PLAN:

- a. Build focus on opportunity sites. ID obstacles, set short-term goals for Strategy 6 & 7. *GPU completed and adopted in March 2022: Commercial Overlay Zones and "Opportunity Sites" now embedded in Land Use Element.*
- b. Zoning revisions follow GP adoption (Planning). *This work plan task will carry forward into the new 2-year work plan. Pending Zoning Code update will add or modify applicable regulations standards (concurrent with the Housing Element update).*

7. Strategy: Develop Hotel

Action 7A: Select possible hotel locations through General Plan update process (GP in process)

Action 7B: Prepare RFP and retain consultant to complete feasibility analysis

Action 7C: Update Town regulations to allow for and encourage the construction of a hotel (GP)

Action 7D: Seek voter passage of a long-term ordinance implementing TOT (Done)

WORK PLAN:

- a. Build focus on opportunity sites. Develop a ranked sites list.
- b. Draft a scope of services for a feasibility analysis.
- c. Set objectives for zoning update and provide info for developers.
Limited activity: This work plan task will carry forward into the new 2-year work plan.

8. Strategy: Create Town Center

Action 8A: Select possible Town Center locations through the General Plan update process (Done)

Action 8B: Analyze parking needs (Done)

Action 8C: Modify Town regulations to allow for this type of development and mixture of land uses

WORK PLAN:

- a. Complete the adoption and implement of the General Plan Update 2040 (Planning). *GPU adopted March 23, 2022.*
- c. Commence zoning update (Planning). *This work plan task will carry forward into the new 2-year work plan. Pending Zoning Code update will add or modify applicable regulations standards (concurrent with the Housing Element update).*

- d. Conduct an internal brainstorming session to roadmap how the current property uses could change into the Town Center. *This work plan task will carry forward into the new 2-year work plan:*
 - i. *Planning staff is designing a parking lots inventory and usage survey.*
 - ii. *Staff is in discussions with Retail Coach adding market information. Engaging with Kohl's real estate executives is a key next step.*

9. WORK PLAN:

Other tasks added via the Ad Hoc Committee:

- a. Set work plan milestones for pausing, evaluating and adjusting work plan elements across the fiscal year. *City Council received a full on Jan. 26, 2022.*
- b. Determine feasibility, costs and benefits for updating key regional data and analysis from the 2012 BAE phases 1 and 2 reports. *No action, not relevant to new work plan.*
- c. Conduct targeted outreach to mixed use and hotel development firms – focus on opportunity sites. *No activity. Carry forward into the new 2-year work plan.*
- d. Consider retaining retail expert to align future Colma retail with trends & emerging development needs. *Done – CM.*
- e. The Retail Coach – Retail Economic Development and Recruitment Services
 In November 2021 the City Manager introduced a specialized retail consulting firm, The Retail Coach to the Ad Hoc Committee. After hearing a presentation and engaging in discussion, Committee members were supportive of entering into a contract with The Retail Coach to strengthen the focus on filling retail vacancies and to bring more sophisticated data and analysis to the Town's long-term retail strategies. The firm has accelerated through their initial data-gathering and market analysis work, and returned with an update to the Committee at their Jan. and March 2022 meetings.

Since the contract with The Retail Coach was executed, the following tasks have been completed:

1. *Market Analysis*
2. *Determine Retail Opportunity*
3. *Identify Development & Redevelopment Opportunities*
4. *Identify Retailers & Developers for Recruitment*
5. *Marketing & Branding*
6. *Market Analysis*
7. *Identify Retailers & Developers for Recruitment*
8. *Marketing & Branding*

Current focus:

9. *Recruiting Retailers & Developers Phase*
Over the past several months, The Retail Coach has launched a strategic outreach process on behalf of Colma, and continues to provide updates, coaching and advising.

ATTACHMENT B

FINAL DRAFT COLMA ECONOMIC DEVELOPMENT WORK PLAN FY 2022-23 & FY 2023-24

2022-06-07

Work Plan Elements Tasks	Resources						
	City Manager	Peter I	Brad / Public Works	Farhad / Planning	Snr Planner	Assoc Planner	Admin Tech
1. Land Use							
a. Complete the Zoning Code update (Implement GPU)				Task Leader			
b. Engage with property owners – GPU Commercial Core Opportunity sites*		Task Leader		Support – *Housing Element Update			
c. Facilitate card room expansion process	Task Leader	Support	Support				
d. Advance hotel development feasibility		Task Leader		Support			
e. Hillside Blvd. Commercial Overlay District		Task Leader	Support	Support			
f. El Camino Real Commercial Overlay District		Support		Task Leader			
2. CIP							
a. Branding campaign – Conduct professional services procurement process	<i>Task Leader TBD in July. Peter to complete research and compile white paper for CM by June 30.</i>						
b. Determine feasibility and process for new 280 freeway Caltrans signage	Support			Task Leader			
c. Develop options for a new Town-owned and operated freeway sign		Task Leader	Support				
d. Seek funding for implementation of the Serramonte Blvd. & Collins Ave. Master Plan: Streetscape improvements with enhanced Auto Row and local streets retail way-finding signs	Task Leader		Support				
3. Retail Recruitment & Retention							
a. Administer Retail Coach contract	Task Leader	Support					
b. Target new auto dealerships	Task Leader	Support					
c. Coordinate with cemetery and auto dealerships to promote local restaurants					Task Leader	Support	
d. Process use permits in Commercial Districts – retain, not replace retail				Task Leader			

ATTACHMENT B

FINAL DRAFT COLMA ECONOMIC DEVELOPMENT WORK PLAN FY 2022-23 & FY 2023-24

e. Continue as a participating city in SM County’s “Choose Local” program for small businesses						Task Leader	
4. Events & Communications							
a. Mayor’s business walks	Task Leader						
b. Business recognition event (Annual/target October)	Task Leader			Support			Support
c. City Manager’s regular meetings with Auto Row leaders/managers	Task Leader						
d. City Manager’s regular meetings with cemetery owners/managers	Task Leader						
e. Colma web site “Business” tab						Support	Task Leader
f. Business Directory web page						Task Leader	Support
g. Colma Works quarterly business newsletter		Support				Task Leader	Support
h. Colma’s 100th Anniversary is August 2024: Advance planning / tie-in’s with branding initiative?	<i>Council Ad Hoc Committee TBD</i>						

ATTACHMENT C

COLMA AUTO ROW SURVEY RESULTS TO DATE (4 Responses / 7 Dealerships) May 24, 2022

1. What is Colma Auto Row's most significant strength for your business?

a. What is its most troubling weakness for you?

PLUS:

- Diversity of dealerships brings diverse shoppers
- The Town's support for auto dealerships and all businesses
- Historic significance
- "Serramonte Auto Row" name recognition – across Bay Area
- Strength in numbers

WEAKNESS:

- Lack of collective promotion of Auto Row as a whole – need better branding
- Security
- Road safety
- Colma not a strong destination
- Need more complementary businesses – esp. restaurants
- Need more market exposure SF to Burlingame

2. Would your existing branding and marketing efforts benefit from a coordinated, joint dealership program?

a. If YES, how?

b. If NO, why?

- Yes – if executed and coordinated well
- Maybe – if everyone is on board & leading is not on one or a few businesses
- Needed to be competitive in the region and protect/grow our market share

3. Do you have an interest in a promotional program to promote local restaurants?

- Yes – mutual benefits for businesses and customers
- Yes – we need more restaurants
- Open to the idea
- Maybe...

4. Of the listed ACTIONS above, which is the most important to you?

a. And the least important?

MOST:

- Having an auto dealer working group
- Branding of Serramonte Auto Row
- Build more awareness of Auto Row's available brands

ATTACHMENT C

- More security / protect our investments

LEAST:

- Freeway-visible sign
- Marketing of restaurants

5. Do you foresee any upgrades or changes to your facilities in the next few years?

- Yes – add EV charging stations
- Yes – Paving / striping
- Yes – expand facility
- No – completed recently

6. If there is one thing the Town could be doing to increase the success of your business, what is it?

- Not a lot – maybe increase social media presence
- Emphasize security and safety
- Higher PD visibility
- Help us with employee parking
- Tell Colma's good story: One-stop shopping advantages
- Increase awareness of Auto Row in SF, esp. the Avenues / Southern areas