

**SUBJECT: Measure PP – A Local Sales Tax Increase**

Position: **“NO for now”**

Reasoning:

The Pleasanton Chamber of Commerce has followed the sales tax measure conversation since it was first introduced by the city last year. We have listened as the City of Pleasanton has argued for the need to impose a half-cent sales tax increase in order to balance the budget with a minimal impact on city services. And while we applaud the city’s efforts over the last two years to reduce the negative shortfall projections for the next several years, the Chamber feels the decision to try and pass a sales tax increase is being made too fast without fully exploring alternatives that do not require residents and local businesses to pay more for the taxable items they buy in Pleasanton.

Since adopting the Five Year Citywide Strategic Plan in October 2023, the City of Pleasanton has started a number of critical projects that will help grow our local economy. However, after presenting several alternative methods for generating additional revenue at the December 5, 2023 meeting, the city has focused on creating support for the sales tax increase measure, which has impacted forward progress on those projects. The Chamber believes that, before moving forward with the sales tax increase, the city should identify all elements of the Strategic Plan and put an implementation schedule in place. This could take up to two years to complete.

In the meantime, the Chamber strongly encourages the city to use reserves from the 115 Pension Trust Fund and the Retiree Medical Trust Fund for the next two years to help balance the budget. These funds would pay the city’s obligations for both the pension and medical trust expenses, freeing up revenue to address the shortfall. We also ask for the city to create a public/private partnership (PPP) to work with the business community to identify the best solutions. It may end up that the sales tax measure is the best solution available. But before we take that step, the business community believes the City of Pleasanton can and should explore how to further reduce expenses and expand its ability to generate revenue through its existing economic development channels.

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*The Pleasanton Chamber of Commerce is a private, 501c(6), membership-based non-profit that, since 1946, serves the needs of local businesses by advocating on their behalf to government; taking political action in support of those efforts when necessary; promoting the community as a great place to live, work, stay, and play; and creating marketing activities and networking events members can use to promote their organization.*