



CITY OF

Richmond CALIFORNIA

MEASURE U GROSS RECEIPTS TAX

Presented by the City of Richmond,
Finance Department
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Overview

- ▶ Background
- ▶ Update
- ▶ Measure U Implementation
- ▶ Contract with Management Partners

Background

- ▶ City has structurally unbalanced budget
- ▶ Focus on increasing revenue and reducing expenditures
- ▶ Polling on revenue measures completed in June 2020
- ▶ Brought draft options to City Council on July 21st and July 28th, 2020
- ▶ Outreach to business community
- ▶ Special Council meeting on August 5, 2020
- ▶ November 3rd Ballot Measure

Voter Approved Model

Industry	\$0-\$1 Million	\$1M-\$2.5M	\$2.5M-\$25M	\$25M-\$50M	\$50M+
Retail Sales	0.12%	0.16%	0.20%	0.24%	0.32%
Grocers	0.06%	0.10%	0.13%	0.15%	0.20%
Automobile Sales, Manufacturing	0.12%	0.22%	0.31%	0.41%	0.50%
Recreation and Entertainment	0.45%	0.46%	0.47%	0.48%	0.50%
Hotel/motel	0.18%	0.28%	0.38%	0.48%	0.50%
Construction contractor	0.18%	0.21%	0.24%	0.27%	0.30%
Business and personal services	0.18%	0.27%	0.36%	0.50%	0.54%
Professional/semi-professional service	0.36%	0.41%	0.45%	0.50%	0.68%
Administrative headquarters (payroll based, not gross receipts)	0.12%	0.15%	0.19%	0.22%	0.24%
Miscellaneous	0.24%	0.31%	0.38%	0.45%	0.48%
Residential Rentals	1.081% if 4 properties or less and 2.880% if 5 properties or more				
Commercial Rentals	1.08%				
Firearms Ammunition	2.40%				
Taxi and limousine service	\$75 for each ambulance or limousine and \$180 for each taxicab permit				
Transportation, trucking	Tax based on current employee total				
Cannabis (Medical)	5.00%				
Cannabis (Non-Medical)	5.00%				



Update

- ▶ Meetings with Business Coalition
 - ▶ Council of Industries and Chamber of Commerce
 - ▶ Feedback from COI and COC is being reviewed by staff including City Attorney's office and will help in developing certain policies and clarifying definitions
- ▶ Researching other cities
 - ▶ Staff is reviewing what other cities with Gross Receipts Ordinances are doing
 - ▶ Use to create a Frequently Asked Question Section
- ▶ Reviewing overall policies and procedures

Measure U Implementation

- ▶ Complex Ordinance
 - ▶ Uniqueness adds to the complexity
- ▶ Technical Expertise Needed
 - ▶ Review Internal and External Processes and Policies
- ▶ More time needed to do it right the first time
- ▶ Database management
- ▶ Working with consultant to create policies and procedures



Measure U Implementation

- ▶ Council approved implementation date change from July 1, 2021 to January 1, 2022
- ▶ Change will allow City more time to:
 - ▶ Do more outreach with stakeholders
 - ▶ Set up policies
 - ▶ Clarify definitions
 - ▶ Look at software needs
 - ▶ Analyze staffing needs
 - ▶ Scrub the database
 - ▶ Opportunity to review all procedures and processes
- ▶ Revenue received in Fiscal Year 2021-22

Contract with Management Partners

Contract Scope of Services Includes

- ▶ Conduct Interviews, Surveys and Focus Groups
- ▶ Perform Financial Modeling and Case Study Research
- ▶ Develop and Review Process Maps
- ▶ Analyze Results and Develop Recommendations
- ▶ Develop Administrative Policies, Regulations and Business/Staffing Plan
- ▶ Assist Staff with Developing and Acquiring Necessary Information Technology

Questions? Thank you



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