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Developers unhappy about proposed parcel tax increase in DHS



DESERT HOT SPRINGS, Calif. -

The city of Desert Hot Springs continues to crawl out of a fiscal emergency and avoid bankruptcy. City staff has been cut 66%. Salaries for remaining employees have been slashed 22%. Now, the city is focusing on bringing in more money to make sure such drastic cuts aren't needed in the future. One of the proposals to do just that is by increasing a parcel tax on vacant land owners. The plan is drawing fire from developers and land owners in the area.

There's more than 12,000 acres of undeveloped land in Desert Hot Springs, much of it owned by developers. Soon, it could cost them a lot more to maintain their property. "It's increasing the tax rate on vacant parcels in the city, so it's not going to be a tax on current homeowners," said Steve Quintanilla, the city attorney.

The city council voted 4-1 to put Measure F on the upcoming June 3 ballot. The proposal increases the parcel tax rate on vacant land from an average of \$30/year to a flat rate of \$372.68. It could raise \$3.7 million per year for a city that barely avoided bankruptcy. "We're going into budget time and this is needed, just to make sure the city can continue to function," said Russell Betts, mayor pro tem of Desert Hot Springs.

Help the city, but hurt developers according to the Desert Valley Builders Association. Chief Executive Officer Gretchen Gutierrez fears the measure could not only stop current projects, but deter new ones from starting. "Could be putting in a hotel, could be putting in an industrial site, a retail site, anything that can be a development is going to get hit with this tax," said Gutierrez.

Revenue from Measure F can only go towards public safety including the police, a department that took a major hit to keep the city afloat. Gutierrez says putting that burden on developers seems unfair. "We're talking about vacant land that is not using those services as much as developed sites," said Gutierrez.

Betts, on the other hand, believes the tax increase is not only fair, it's long overdue. "They simply haven't been paying their fair share of the carrying cost of this city," said Betts. "It's all fallen on the home owners, and the retail businesses in our town."

The special election is scheduled for June 3. If passed, the provisions of Measure F will expire June 30, 2020.

<http://www.cityofdhs.org/Elections>