

The Desert Sun

Editorial Board

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Our Voice: Measure F is not the best answer for DHS



(Photo: Richard Lui/The Desert Sun)

Measure F, Desert Hot Springs' desperate attempt to stave off bankruptcy and possible disincorporation, is a flawed idea.

The measure would raise the annual parcel tax on undeveloped land from \$29.80 per acre to \$372.68, an 1,148 percent increase.

Although the measure requires two-thirds approval, it has a chance of passing because most of the people who would pay this enormous increase won't be voting. Many are out-of-town owners hanging on to the property until demand for development grows and they can make a profit.

Mayor Adam Sanchez says there's no other way for the city to get to a balanced budget this coming July.

"Otherwise, we're facing bankruptcy," he told The Desert Sun editorial board on Tuesday.

The city went through bankruptcy in 2000. If the city doesn't get a second bankruptcy approved, it would have to cease being a city, Sanchez added.

The current parcel tax and other property taxes generate about \$1.9 million a year. About 85 percent of the city is undeveloped. The new tax would raise \$4.1 million a year at the proposed rate.

The city lost \$1.5 million a year when redevelopment was dissolved. It has worked hard to stay within budget, reducing the city staff by 66 percent and cutting salaries by 22 percent.

Still, the situation is bleak. Finance Director Amy Auger told the board that after making payroll, there was \$450 left in the general fund. It will limp to the end of the fiscal year with a \$1 million payment from property, sales and use taxes.

Also, Desert Valley Disposal will prepay the city \$150,000 of its \$1 million contract by the end of April. It will pay the rest by June 30, Auger said.

Councilman Scott Matas, the lone dissenter on the parcel tax, believes other entities that benefit from the city could come forward to help as well. The process of developing Measure F was too fast, he said, and raising taxes on undeveloped land by such a huge amount can't be justified.

"There wasn't enough study done to show me that I should support it," Matas said, although he doesn't plan to campaign against Measure F.

The 10-year extension of the parcel tax approved by the voters in 2010 was based on the projected number of public safety tax calls for service. There can be problems on vacant land — such as fires, homeless camps, fugitives in hiding and drug activity — but the reason the rate was set so low was because few calls for service there were projected in the 2009 study.

Also, Matas is concerned about the impact of taxes on the property owners and their plans for development. The Canada-based Walton Group owns 1,600 acres.

"If we go to the full amount of the tax at \$372 per acre, their taxes are going to go from \$46,000 to just under \$600,000 a year," he said.

A Riverside-based developer who owns 10 parcels will see his taxes climb from \$16,000 to \$200,000. The increases could force land into foreclosure.

And not all land owners are distant corporations. One local couple owns four parcels, with a house on one. They have the option of a parcel merge, which would classify all their land as residential.

About half the vacant land is now part of the Coachella Valley Multispecies Habitat Conservation Plan, which can't be taxed.

Nobody wants to see Desert Hot Springs revert to unincorporated county land. A city that has been part of the Coachella Valley for 50 years should be preserved. We know it has few other options. A sales tax increase won't work because the retail base is weak.

But The Desert Sun believes this exorbitant tax increase on undeveloped land also portends an uncertain future. The consequences have not been fully considered.

Vote no on Measure F.

DESERT HOT SPRINGS FISCAL EMERGENCY/911, POLICE, FIRE, SAFE STREETS MEASURE

To address the city's fiscal emergency and prevent a significant decline in the availability of public safety services, which includes: (a) police protection; (b) fire protection; (c) animal control; and (d) code enforcement, shall the city update its existing, voter-approved public safety parcel tax for vacant parcels only, at the rate of \$372.68/acre, with annual audits and no tax increase for any other parcels?

PDF: [Resolution 2014](#)