



*Policy Committee Recommendations
To General Resolutions Committee*

2021 Annual Conference & EXPO



September 22 - 24, 2021



League of California Cities Annual Conference & EXPO
2021 General Resolutions Committee

Name	Title	City
Ali Sajjad Taj, Committee Chair	Council Member	Artesia
Marilyn Ezzy-Ashcraft, Committee Vice Chair	Mayor	Alameda
Melanie Bagby	Council Member	Cloverdale
Kevin Bash	Mayor	Norco
Emily Beach	Council Member	Burlingame
Eli Beckman	Mayor	Corte Madera
Ana Beltran	Mayor	Westmorland
Pippin Dew	Council Member	Vallejo
Bea Dieringer	Mayor	Rolling Hills
Debra Dorst-Porada	Council Member	Ontario
Phill Dupper	Mayor	Loma Linda
Anthony Galagza	Fire Chief	Bakersfield
Lucy Garcia	Asst. City Manager	Alhambra
John Gillison	City Manager	Rancho Cucamonga
Paz Gomez	Deputy City Manager, Public Works	Carlsbad
Marshall Goodman	Council Member	La Palma
Martha Guerrero	Mayor	West Sacramento
Gene Hernandez	Council Member	Orange Co.
Melissa Hunt	Council Member	Anderson
Linda Krupa	Council Member	Hemet
Steve Manos	Council Member	Lake Elsinore
Stacey Mattina	Mayor Pro Tem	Lakeport
John McKay	Mayor Pro Tem	Morgan Hill
Anthony Mejia	City Clerk	Palm Springs
Linda Molina	Council Member	Calimesa
Devin Murphy	Council Member	Pinole
Tracy Nerland	City Attorney	San Pablo
Lori Ogorchock	Council Member	Antioch
Blanca Pacheco	Mayor Pro Tem	Downey
Ariel Pe	Council Member	Lakewood
Andy Pease	Council Member	San Luis Obispo
Thai Viet Phan	Council Member	Santa Ana
Randall Putz	Council Member	Big Bear Lake
Chris Rogers	Council Member	Santa Rosa
Joel Rojas	Dev. Services Dir.	San Juan Capistrano
Karin Schneider	Finance Director	Tracy
Alejandra Sotelo-Solis	Mayor	National City
Fred Strong	Council Member	Paso Robles
Anna Velazquez	Mayor	Soledad
Dan Wright	Council Member	Stockton

KEY TO ACTIONS TAKEN ON RESOLUTIONS (*Continued*)

Resolutions have been grouped by policy committees to which they have been assigned.

KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

KEY TO ACTIONS TAKEN

- | | |
|-----|---|
| A | Approve |
| D | Disapprove |
| N | No Action |
| R | Refer to appropriate policy committee for study |
| a | Amend+ |
| Aa | Approve as amended+ |
| Aaa | Approve with additional amendment(s)+ |
| Ra | Refer as amended to appropriate policy committee for study+ |
| Raa | Additional amendments and refer+ |
| Da | Amend (for clarity or brevity) and Disapprove+ |
| Na | Amend (for clarity or brevity) and take No Action+ |
| W | Withdrawn by Sponsor |

ACTION FOOTNOTES

* Subject matter covered in another resolution

** Existing League policy

*** Local authority presently exists

Procedural Note:

The League of California Cities resolution process at the Annual Conference is guided by the Cal Cities Bylaws.

RESOLUTION NO. 1

Online Sales Tax Equity



Ali Sajjad Taj
Council Member, Artesia
Chair, General Resolutions Committee
League of California Cities
Sacramento, CA

RE: Report on Resolution 1 – Online Sales Tax Equity

Dear Chairman Taj:

Cal Cities Revenue and Taxation Policy Committee has reviewed and made its recommendation on the resolution that was assigned to it by the President of Cal Cities and numbered as Resolution No. 1 in the 2020 Resolutions Packet.

For Resolution No. 1, **Online Sales Tax Equity**, the committee recommends the action be **APPROVE AS AMENDED**.

This report is hereby respectfully submitted.

Sincerely,

Norma Martinez-Rubin
Mayor, City of Pinole

1. RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES (“CAL CITIES”) CALLING ON THE STATE LEGISLATURE TO **WORK WITH CAL CITIES TO PASS LEGISLATION THAT HAS FIRST BEEN DEVELOPED AND VETTED BY CITY OFFICIALS AND PUT FORWARD BY THE CAL CITIES BOARD OF DIRECTORS** ~~PASS LEGISLATION~~ THAT PROVIDES FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO CONSIDERATION THE IMPACTS THAT **WAREHOUSES AND** FULFILLMENT CENTERS HAVE ON HOST CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT AND/OR CANNOT HAVE **A FULFILLMENT CENTER** ~~SUCH FACILITIES~~ WITHIN THEIR JURISDICTION

Source: City of Rancho Cucamonga

Concurrence of five or more cities/city officials

Cities: City of Apple Valley; City of El Cerrito; City of La Canada Flintridge; City of La Verne; City of Lakewood; City of Moorpark; City of Placentia; City of Sacramento

Referred to: Revenue and Taxation Policy Committee

Recommendation to General Resolutions Committee: **APPROVE AS AMENDED**

WHEREAS, the 2018 U.S. Supreme Court decision in *Wayfair v. South Dakota* clarified that states could charge and collect tax on purchases even if the seller does not have a physical presence in the state; and

WHEREAS, California cities and counties collect 1% in Bradley Burns sales and use tax from the purchase of tangible personal property and rely on this revenue to provide critical public services such as police and fire protection; and

WHEREAS, in terms of “siting” the place of sale and determining which jurisdiction receives the 1% Bradley Burns local taxes for online sales, the California Department of Tax and Fee Administration (CDTFA) determines “out-of-state” online retailers as those with no presence in California that ship property from outside the state and are therefore subject to use tax, not sales tax, which is collected in a countywide pool of the jurisdiction where the property is shipped from; and

WHEREAS, for online retailers that have a presence in California and have a stock of goods in the state from which it fulfills orders, CDTFA considers the place of sale (“situs”) as the location from which the goods were shipped such as a fulfillment center; and

WHEREAS, in early 2021, one of the state’s largest online retailers shifted its ownership structure so that it is now considered both an in-state and out-of-state retailer, resulting in the sales tax this retailer generates from in-state sales now being ~~entirely~~ allocated to ~~the specific city~~ **cities** where ~~the~~ warehouse fulfillment centers ~~is-are~~ located as opposed to going into a countywide pools that ~~is-are~~ shared with all jurisdictions in ~~those counties that County~~, as was done previously; and

WHEREAS, this all-or-nothing ~~change-for-the~~ allocation of in-state sales tax has created winners and losers amongst cities as the online sales tax revenue ~~from the retailer~~ that was once spread amongst all cities in countywide pools is now concentrated in select cities that host ~~a~~ fulfillment centers **s**; and

WHEREAS, this has created a tremendous inequity amongst cities, in particular for cities that are built out, do not have space for siting ~~a 1 million square foot~~ fulfillment centers, are not located along a major travel corridor, or otherwise not ideally suited to host a fulfillment center; and

WHEREAS, this inequity affects cities statewide, but in particular those with specific circumstances such as no/low property tax cities that are extremely reliant on sales tax revenue as well as cities struggling to meet their **Regional Housing Needs Allocation (RHNA)** obligations that are being compelled by the State to rezone precious commercial parcels to residential; and

WHEREAS, the inequity produced by allocating in-state online sales tax revenue exclusively to cities with fulfillment centers is exasperated even more by, in addition to already reducing the amount of revenue going into the countywide pools, the cities with fulfillment centers are also receiving a larger share of the dwindling countywide pool as it is allocated based on cities' proportional share of sales tax collected; and

WHEREAS, while it is important to acknowledge that those cities that have fulfillment centers experience impacts from these activities and deserve equitable supplementary compensation, it should also be recognized that the neighboring cities whose residents are ordering products from ~~those that~~ centers now receive no **Bradley Burns** revenue ~~from the center's sales activity~~ despite also experiencing the impacts created by the ~~m~~ center, such as increased traffic and air pollution; and

WHEREAS, the COVID-19 pandemic greatly accelerated the public's shift towards online purchases, a trend that is unlikely to be reversed to pre-pandemic levels; and

WHEREAS, Cal Cities has existing internal processes and resources, including the City Manger's Department and Revenue Taxation Policy Committee, which it can again use to develop and review recommended changes in sales tax allocation from in-state online sales;

NOW, THEREFORE, BE IT RESOLVED that Cal Cities calls on the State Legislature to **work with Cal Cities to pass legislation that has first been developed and vetted by city officials and put forward by the Cal Cities Board of Directors** ~~pass legislation~~ that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that **warehouses and** fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have ~~a fulfillment center~~ **such facilities** within their jurisdiction.

LETTERS OF CONCURRENCE
Resolution No. 1

Online Sales Tax Equity



July 19, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The Town of Apple Valley strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at Cal Cities 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool. Now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents.

We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the Town of Apple Valley concurs that the resolution should go before the General Assembly. If you have any questions regarding the Town's position in this matter, please do not hesitate to contact the Town Manager at 760-240-7000 x 7051.

Sincerely,

A handwritten signature in black ink, appearing to read "Curt Emick", is centered within a light gray rectangular box.

Curt Emick
Mayor



July 21, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Letter of Support for the City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax

Dear President Walker:

The City of El Cerrito supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the Cal Cities 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Previously, all sales tax revenue generated by this retailer's sales went into a countywide pool and was distributed amongst the jurisdictions in the pool; now the revenue from in-state sales goes entirely to the city where the fulfillment center is located and the packages are shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities such as El Cerrito who have no chance of ever obtaining a fulfillment center as we are a built out, four square mile, small city. Additionally, cities not situated along major travel corridors and no/low property tax cities that rely on sales tax revenue are especially impacted, as well as cities struggling to build much needed affordable housing that may require rezoning commercial parcels in order to meet their RHNA allocations.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies serve to divide local agencies, exacerbate already difficult municipal finances, and in the end results in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better, and we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

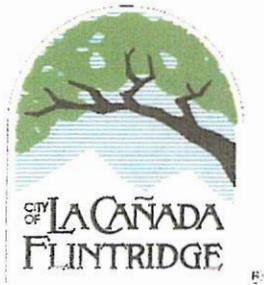
For these reasons, the City of El Cerrito concurs that the resolution should go before the General Assembly.

Sincerely,



Paul Fadelli, Mayor
City of El Cerrito

cc: El Cerrito City Council
City of Rancho Cucamonga



City Council
Terry Walker, Mayor
Keith Eich, Mayor Pro Tem
Jonathan C. Curtis
Michael T. Davitt
Richard B. Gunter III

July 14, 2021

Ms. Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of La Cañada Flintridge strongly supports the City of Rancho Cucamonga's effort to introduce a resolution for consideration by the General Assembly at CalCITIES' 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1% Bradley Burns local tax revenue (sales tax) from in-state online retailers be allocated to the jurisdiction from which the package was shipped, as opposed to going into a countywide pool, as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as an out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the jurisdiction where the fulfillment center is located and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state transactions even though their packages are delivered to locations within those cities' borders and paid for by residents in those locations. Cities that abut jurisdictions with fulfillment centers experience fulfillment centers' impacts just as much, such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers, that was once spread amongst all cities in countywide pools, is now concentrated in select cities fortunate enough to host a fulfillment center. This benefits only those few hosting jurisdictions and is particularly unfair to cities who have no chance of ever hosting a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely heavily on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably eager to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances and, in the end, result in a net loss of local government sales tax proceeds that simply serve to make private

Ms. Cheryl Viegas Walker, President

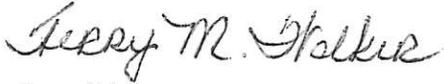
July 14, 2021

Page 2

sector businesses even more profitable at the expense of cities' residents. We should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of La Cañada Flintridge concurs that the proposed resolution should go before the General Assembly.

Sincerely,

A handwritten signature in black ink that reads "Terry M. Walker". The signature is written in a cursive, flowing style.

Terry Walker

Mayor



CITY OF LA VERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599
www.cityoflaverne.org

July 19, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of La Verne strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities which have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are



General Administration 909/596-8726 • Water Customer Service 909/596-8744 • Community Services 909/596-8700
Public Works 909/596-8741 • Finance 909/596-8716 • Community Development 909/596-8706 • Building 909/596-8713
Police Department 909/596-1913 • Fire Department 909/596-5991 • General Fax 909/596-8737

especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exacerbate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end, result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of La Verne concurs that the resolution should go before the General Assembly.

Sincerely,



Bob Russi
City Manager
City of La Verne

Steve Croft
Vice Mayor

Vicki L. Stuckey
Council Member

Ariel Pe
Council Member

Todd Rogers
Council Member



Jeff Wood
Mayor

July 15, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Lakewood strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities that have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Lakewood concurs that the resolution should go before the General Assembly.

Sincerely,

A handwritten signature in blue ink that reads "J Wood".

Jeff Wood
Mayor

Lakewood



CITY OF MOORPARK

799 Moorpark Avenue, Moorpark, California 93021
Main City Phone Number (805) 517-6200 | Fax (805) 532-2205 | moorpark@moorparkca.gov

July 14, 2021

TRANSMITTED ELECTRONICALLY

Cheryl Viegas-Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Moorpark strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies of the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates both as an in-state online retailer and as an out-of-state online retailer. Whereas all sales tax revenues generated by this retailer's sales previously went into countywide pools and were distributed amongst the jurisdictions in the pool, sales tax revenues from in-state sales now go entirely to the city where the fulfillment center is located and the package is shipped from. Cities that do not have a fulfillment center now receive no sales tax revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and deteriorating road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenues from large online retailers that were once spread amongst all cities in countywide pools are now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted, as well as

cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone limited commercial properties for residential land uses.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and ultimately result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses more profitable at the expense of everyone's residents. We can do better than this, and we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Moorpark concurs that the resolution should go before the General Assembly at the 2021 Annual Conference in Sacramento.

Sincerely,



Janice S. Parvin
Mayor

cc: City Council
City Manager

The People are the City



Mayor
CRAIG S. GREEN

Mayor Pro Tem
CHAD P. WANKE

Councilmembers:
RHONDA SHADER
WARD L. SMITH
JEREMY B. YAMAGUCHI

City Clerk:
ROBERT S. MCKINNELL

City Treasurer
KEVIN A. LARSON

City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

July 14, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Placentia strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent (1%) Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

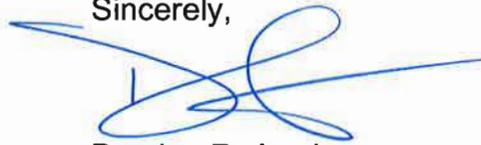
This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The

current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Placentia concurs that the resolution should go before the General Assembly. Should you have any questions regarding this letter, please contact me at (714) 993-8117 or via email at administration@placentia.org.

Sincerely,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Damien R. Arrula
City Administrator

Leyne Milstein
Assistant City Manager

City Hall
915 I Street, Fifth Floor
Sacramento, CA 95814-2604
916-808-5704

July 19, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Sacramento strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment

Leyne Milstein
Assistant City Manager

City Hall
915 I Street, Fifth Floor
Sacramento, CA 95814-2604
916-808-5704

center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their Regional Housing Needs Allocation (RHNA) that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end, result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Sacramento concurs that the resolution should go before the General Assembly.

Sincerely,



Leyne Milstein (Jul 19, 2021 14:48 PDT)

Leyne Milstein
Assistant City Manager

LETTERS OF CONCURRENCE

Received after July 24 Deadline

Resolution No. 1

Online Sales Tax Equity



City of Downey

CITY COUNCIL

MAYOR
CLAUDIA M. FROMETA

MAYOR PRO TEM
BLANCA PACHECO

COUNCIL MEMBERS
SEAN ASHTON
CATHERINE ALVAREZ
MARIO TRUJILLO

CITY MANAGER
GILBERT A. LIVAS

CITY CLERK
ALICIA DUARTE, CMC

CITY ATTORNEY
YVETTE M. ABICH GARCIA

August 25, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Downey strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns's local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities that have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone commercial parcels to residential.

The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end

Future Unlimited

result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents

For these reasons, the City of Downey concurs that the resolution should go before the General Assembly.

Sincerely,

Claudia M. Frometa

A handwritten signature in black ink, appearing to read 'Claudia M. Frometa', written in a cursive style.

Mayor

CC: James R. Bozajian, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division,
jquan@cacities.org

Attachment A: Resolution



September 15, 2021

L. Dennis Michael
Mayor
City of Rancho Cucamonga
10500 Civic Center Drive
Rancho Cucamonga, CA 91730

Dear Dennis:

The City of Highland strongly supports the City of Rancho Cucamonga's efforts for a resolution for consideration by the General Assembly at Cal Cities 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool. Now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents.

Mayor Penny Lilburn **Mayor Pro Tem** Larry McCallon **City Council** Jesse Chavez **City Council** Anaeli Solano **City Council** John P. Timmer **City Manager** Joseph A. Hughes

27215 Base Line • Highland, CA 92346

Tel: 909.864.6861 • Fax: 909.862.3180 • www.cityofhighland.org



We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Highland concurs that the resolution should go before the General Assembly.

Sincerely,

A handwritten signature in cursive script that reads "Penny Lilburn".

Penny Lilburn
Mayor

cc: Highland City Council
Joseph Hughes, Highland City Manager
Laura Morales, League Regional Public Affairs Manager, lmorales@cacities.org



September 2, 2021

Ali Sajjad Taj, Committee Chair
General Resolutions Committee
League of California Cities (Cal Cities)
1400 K Street, Suite 400
Sacramento, CA 95814

Dear Mr. Taj:

The City of King City strongly supports the City of Rancho Cucamonga's resolution for consideration by the General Resolutions Committee at the League of California Cities' (Cal Cities) 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably

wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of King City urges the General Resolutions Committee to approve the resolution and allow it to go before the General Assembly.

Sincerely,

A handwritten signature in blue ink that reads "Mike Lebarre". The signature is written in a cursive style with a prominent "M" and "L".

Mike Lebarre
Mayor
City of King



August 18, 2021

Cheryl Viegas Walker
President, League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

RE: Letter of Support for the City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax

Dear President Walker:

The City of Laguna Beach supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the Cal Cities 2021 Annual Conference in Sacramento. Reform of California's antiquated sales tax distribution policies are long overdue and run counter to today's technology.

As you are aware, current California Department of Tax and Fees policies require that the 1% Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Taking advantage of this, one of the largest online retailers shifted its ownership structure, and now operates as an in-state online retailer as well as out-of-state online retailer. This all-or-nothing practice has created clear winners and losers amongst cities, as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools, is now concentrated in select cities fortunate enough to host a fulfillment center.

Not only does this practice create a growing inequity amongst California cities who do not have the ability to host a fulfillment center, it puts in place practices where large corporations receive the benefit over cities and our residents. Corporations are now more incentivized to craft sales tax sharing agreements with willing cities to rebate funds, which would otherwise flow into cities for needed public services. Since sales tax is a General Fund, it puts in place a system that irreparably harms needed public safety, recreation, social, and other services which benefit seniors, children, and lower-income families. The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Even those few cities that gain from such an agreement cannot dispute that corporations are the clear winners under the current system and that our residents, who are generating the sales, lose out.

As Mayor of the City of Laguna Beach, I know we can do better, and we should all aspire to develop an equitable sales tax distribution of online sales tax that addresses the concerns noted

August 18, 2021

Page 2 of 2

above. Please allow the City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax go before the General Assembly.

Sincerely,



Bob Whalen
Mayor



September 7, 2021

Ali Sajjad Taj, Committee Chair
General Resolutions Committee
League of California Cities (Cal Cities)
1400 K Street, Suite 400
Sacramento, CA 95814

Dear Mr. Taj:

The City of Monterey strongly supports the City of Rancho Cucamonga's resolution for consideration by the General Resolutions Committee at the League of California Cities' (Cal Cities) 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exacerbate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Monterey urges the General Resolutions Committee to approve the resolution and allow it to go before the General Assembly.

Sincerely,

A handwritten signature in black ink, appearing to read "Clyde Roberson". The signature is fluid and cursive, with a prominent initial "C" and "R".

Clyde Roberson
Mayor, City of Monterey



CITY OF OCEANSIDE

August 18, 2021

Ali Sajjad Taj, Committee Chair
General Resolutions Committee
League of California Cities (Cal Cities)
1400 K Street, Suite 400
Sacramento, CA 95814

Dear Mr. Taj:

On behalf of the City of Oceanside, I'm writing in support of the City of Rancho Cucamonga's resolution for consideration by the General Resolutions Committee at the League of California Cities' (Cal Cities) 2021 Annual Conference in Sacramento.

California Department of Tax and Fees (CDTFA) policies require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool, as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts, such as increased truck traffic, air pollution and declining road conditions due to their deliveries.

The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of residents. We aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

The City of Oceanside urges the General Resolutions Committee to approve the resolution and allow it to go before the General Assembly.

Sincerely,

A handwritten signature in black ink that reads "Esther C. Sanchez".

Esther C. Sanchez
MAYOR



City of Riverside, California
Office of the Mayor

PATRICIA LOCK DAWSON



September 21, 2021

SUBJECT: RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES (“CAL CITIES”) CALLING ON THE STATE LEGISLATURE TO PASS LEGISLATION THAT PROVIDES FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO CONSIDERATION THE IMPACTS THAT FULFILLMENT CENTERS HAVE ON HOST CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT AND/OR CANNOT HAVE A FULFILLMENT CENTER WITHIN THEIR JURISDICTION

The City of Riverside supports Resolution Number 1 which advocates for local tax revenue in California Cities that do not and/or cannot have a fulfillment center within their jurisdiction. Like other Cal Cities member jurisdictions, Riverside seeks an equitable distribution of local sales tax from in-state online purchases and to consider where a product is shipped to, not solely where it is shipped from or the location of a fulfillment center.

The proposed Resolution addresses the concentration of sales tax revenue from in-state online sales in cities with fulfillment centers, which deprives neighboring jurisdictions of much needed revenue and subjects them to the impacts of these warehouses (increased traffic, air pollution, damaged roads, etc.) without the accompanying funds to address these concerns. Furthermore, many municipalities are “built out” without the commercial space or option to host a fulfillment center and is therefore immediately at a disadvantage to benefit from tax proceeds of in-state online sales.

With a change in the business model of large online retailers, City revenues are at risk. To address the potential loss of revenue and the inequitable distribution of sales tax revenue from in-state online purchases, the City of Riverside supports Resolution Number 1.

Incorporating such a stance into Cal Cities' policy goals will allow the organization to more effectively advocate for an assessment of the existing tax structure, a re-evaluation of the allocation formula, and a more equitable distribution of sales tax revenues that will ultimately benefit Cities and their residents.

Sincerely,



Patricia Lock Dawson
Mayor
City of Riverside

cc: Erin Sasse, Regional Public Affairs Manager (via email) – League of California Cities



"Citrus Capital of the World"

City of Santa Paula

970 Ventura Street • Santa Paula, California • Mailing Address: P.O. Box 569 • 93061 • Phone: (805) 525-4478 • Fax: (805) 525-6278

September 3, 2021

Ali Sajjad Taj, Committee Chair
General Resolutions Committee
League of California Cities (Cal Cities)
1400 K Street, Suite 400
Sacramento, CA 95814

Dear Mr. Taj:

On behalf of the City of Santa Paula, I write to express our support for the City of Rancho Cucamonga's resolution for consideration by the General Resolutions Committee at the League of California Cities' (Cal Cities) 2021 Annual Conference in Sacramento.

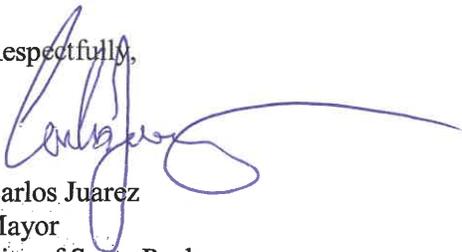
For more than 50 years, cities have typically received a 1% sales tax on purchases made locally, thereby ensuring the revenue spent in the community stays in the community. In recent years, online shopping has complicated this system. Now, a 1% sales tax from out-of-state online purchases goes to a countywide sales tax pool, and cities receive shares depending on where the merchandise is delivered. Meanwhile, the tax from in-state online sales goes only to the jurisdiction from which the package was shipped. In late 2020, one of the largest online retailers in the world shifted its ownership structure. It now operates as an in-state online retailer, meaning all sales tax revenue goes entirely to the city where the fulfillment center is located, rather than being split among cities in the countywide pool.

This change puts cities that do not or cannot operate a fulfillment center, such as the City of Santa Paula, at a distinct disadvantage. We no longer receive revenue from this retailer's online sales, even though the packages are delivered within the cities' borders and paid for by our residents. More than 90% of cities are seeing a loss of online sales tax, even though online shopping has skyrocketed during the pandemic.

The current online sales tax distribution policies are unfair and give retailers the upper hand, as they leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities. Cities must work together to find an equitable way to split online sales tax revenue among all cities.

For these reasons, the City of Santa Paula urges the General Resolutions Committee to vote YES on the resolution at the General Assembly on Friday, September 24th.

Respectfully,


Carlos Juarez
Mayor
City of Santa Paula

Cc: City Council
City Manager
League of California Cities (Cal Cities)

LETTERS OF OPPOSITION
Resolution No. 1

Online Sales Tax Equity



CITY OF EASTVALE

12363 Limonite Avenue | Suite 910 | Eastvale, CA 91752
951.361.0900

September 3, 2021

Subject: Don't Punt Local Sales Tax Allocation to Legislature

Dear City Manager:

We need your help to protect cities' local control over sales tax distribution – and possibly all types of tax distribution. A flawed resolution has been proposed at the **Cal Cities Annual Conference** in September that is billed as an attempt to bring equity to sales tax distribution, but it opens the door to Legislative meddling on this sensitive issue without the League first having an actual plan that has been vetted with its membership.

Please join our effort to **oppose the resolution unless it is amended to include the adoption of critical amendments to the Cal Cities' Online Sales Tax Equity Resolution** to ensure the League and its City Manager Department leads on this issue by first developing and vetting actual proposals within the membership.

The proposed resolution aims at cities that host Amazon fulfillment centers and asks the Legislature to devise a "fair and equitable reallocation plan." In theory, this may sound appealing to some, but after dealing with ERAF, Redevelopment elimination, VLF elimination, the Triple-Flip, and piles of unreasonable housing mandates, all cities should be concerned with the League asking the Legislature to engage in reallocating local revenues without having an actual plan based on data to allow an informed decision.

My city, and 16 others, have these large Amazon facilities that serve as regional distribution hubs. Many of these communities are located in inland areas, close to freeway networks, and lack economic advantages and opportunities that other cities have to generate revenue for police, fire, and other city services. We also bear major infrastructure and environmental burdens that other cities don't have to worry about. Still, Amazon is continuing to expand its network and has plans to build many smaller delivery hubs at the local level, which will allow more communities to also benefit.

In addition, most of the sales tax revenue from Amazon is still going to County pools and only a percentage is going to the host cities. This past year the success of the County pools went up significantly and benefitted many cities. The structural corporation change of Amazon is aligning them with other online fulfillment centers like eBay, Wayfair, Walmart, Target, and Costco to name a few. Dozens of cities have these online fulfillment centers as sales tax revenue generators.

Concerns about expanded internet purchases and sales tax allocation are not unique to Amazon facilities. The League has been discussing this evolving issue for nearly a decade and has adopted policies that include sales tax allocation that says: ***"Specific proposals in this area should be carefully reviewed so that the impacts of any changes are fully understood."***

The League's City Manager's Department also had a working group on sales tax allocation that last met in 2018. That group made numerous recommendations, but after considering various phase-in options for



CITY OF EASTVALE

12363 Limonite Avenue | Suite 910 | Eastvale, CA 91752
951.361.0900

destination sourcing and allocation of sales taxes from online purchases, the group decided that a more complete analysis was needed to sufficiently determine impacts, and should be revisited when better data was available.

It is time for the League to reconvene this group. We are certainly not opposed to a discussion on sales tax allocation; however, this massively complex issue needs to be looked at holistically – not just Amazon fulfillment warehouses. Our cities are all unique. Some cities are close to beaches, mountains or lakes, or parks that generate tourism sales tax revenue and transient occupancy tax.

Other cities have major brick-and-mortar destination retail-like Bass Pro Shop or auto malls that generate sales tax revenue for which other cities can't benefit from because not every city was in existence during the era of the regional auto mall land use development concept.

And equally as important, this critical policy area affecting city revenue needs to be driven first by an effort to secure internal consensus within the League instead of being turned over to the state to decide our fate.

The Legislature always looks out for their interests and has a track record of treating cities unfairly. If cities are not on the same page with a plan or are not at the table, then our budgets and revenues will be on a chopping block for special interests. ***If the Legislature is given free rein, likely, even the proponents of this resolution won't be satisfied with what develops.***

Let's work together to ***retain local control*** and come together to develop a ***comprehensive solution to this issue*** instead of asking the state to intervene when we are internally disorganized with no plan to address this complex issue.

There is a saying, 'What is popular and easy, is not always right. And what is right, is not always popular and easy.' The difference requires leadership. As City Manager's we provide leadership and expertise at the local level and this resolution as it is currently written is ***'punting' local expertise and experience to the state legislature.***

We encourage all of us to roll up our sleeves and utilize data to inform our decisions.

Thank you for your time and support. Please contact me directly if you would like to be part of our coalition.

Sincerely,

Bryan Jones
City Manager
City of Eastvale
(510) 789-5823
bjones@eastvaleca.gov

Attachment: Proposed Amended Resolution

Proposed Amendment to Resolution #1
All Proposed Amends are highlighted in Yellow.

Note: This document is taken directly from the League's resolution packet. The changes in the text below in red and blue are technical clarifications recommended in the Packet by League staff.

1. RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES ("CAL CITIES") CALLING ON THE STATE LEGISLATURE TO PASS LEGISLATION THAT PROVIDES FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO CONSIDERATION THE IMPACTS THAT FULFILLMENT CENTERS HAVE ON HOST CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT AND/OR CANNOT HAVE A FULFILLMENT CENTER WITHIN THEIR JURISDICTION

Source: City of Eastvale

Referred to: Revenue and Taxation Policy Committee

WHEREAS, the 2018 U.S. Supreme Court decision in *Wayfair v. South Dakota* clarified that states could charge and collect tax on purchases even if the seller does not have a physical presence in the state; and

WHEREAS, California cities and counties collect 1% in Bradley Burns sales and use tax from the purchase of tangible personal property and rely on this revenue to provide critical public services such as police and fire protection; and

WHEREAS, in terms of "siting" the place of sale and determining which jurisdiction receives the 1% Bradley Burns local taxes for online sales, the California Department of Tax and Fee Administration (CDTFA) determines "out-of-state" online retailers as those with no presence in California that ship property from outside the state and are therefore subject to use tax, not sales tax, which is collected in a countywide pool of the jurisdiction where the property is shipped from; and

WHEREAS, for online retailers that have a presence in California and have a stock of goods in the state from which it fulfills orders, CDTFA considers the place of sale ("situs") as the location from which the goods were shipped such as a fulfillment center; and

WHEREAS, in early 2021, one of the state's largest online retailers shifted its ownership structure so that it is now considered both an in-state and out-of-state retailer, resulting in the sales tax this retailer generates from in-state sales now being **entirely** allocated to **the specific city cities** where **the** warehouse fulfillment centers **is are** located as opposed to going into **a** countywide pools that **is are** shared with all jurisdictions in **those counties that County**, as was done previously; and

WHEREAS, this all-or-nothing **change for the** allocation of in-state sales tax has created winners and losers amongst cities as the online sales tax revenue **from the retailer** that was once spread amongst all cities in countywide pools is now concentrated in select cities that host **a** fulfillment centers; and

WHEREAS, this has created a tremendous inequity amongst cities, in particular for cities that are built out, do not have space for siting **a 1 million square foot** fulfillment centers, are not located along a major travel corridor, or otherwise not ideally suited to host a fulfillment center; and

WHEREAS, this inequity affects cities statewide, but in particular those with specific circumstances such as no/low property tax cities that are extremely reliant on sales tax revenue as well as cities struggling to meet their **Regional Housing Needs Allocation (RHNA)** obligations that are being compelled by the State to rezone precious commercial parcels to residential; and

WHEREAS, the inequity produced by allocating in-state online sales tax revenue exclusively to cities with fulfillment centers is exasperated even more by, in addition to already reducing the amount of revenue going into the countywide pools, the cities with fulfillment centers are also receiving a larger share of the dwindling countywide pool as it is allocated based on cities' proportional share of sales tax collected; and

WHEREAS, while it is important to acknowledge that those cities that have fulfillment centers experience impacts from these activities and deserve equitable supplementary compensation, it should also be recognized that the neighboring cities whose residents are ordering products from **those that** centers now receive no **Bradley Burns** revenue **from the center's sales activity** despite also experiencing the impacts created by them center, such as increased traffic and air pollution; and

WHEREAS, the COVID-19 pandemic greatly accelerated the public's shift towards online purchases, a trend that is unlikely to be reversed to pre-pandemic levels; and

WHEREAS, the League of California Cities existing policy requires that specific proposals that would involve a change to sales tax allocation to destination allocation be carefully reviewed within the League's policy process so that the impacts of any changes are fully understood; and

WHEREAS, the League's City Manager Sales Tax Working Group, which met in 2017-18, made numerous recommendations, but after considering various phase-in options for destination sourcing and allocation of sales taxes from online purchases ultimately decided that a more complete analysis was needed to sufficiently determine impacts, and should be revisited when better data was available.

NOW, THEREFORE, BE IT RESOLVED that Cal Cities *believes that to avoid potential unworkable outcomes it is incumbent upon the organization to develop its own internal consensus solutions to this emerging issue of importance to all cities before seeking Legislative involvement; and therefore, calls upon the State Legislature to pass legislation* *League's City Manager's Department to reconvene its Sales Tax Working Group, with balanced and equitable representation from affected communities, to develop one or more proposals for consideration by the League's Revenue and Taxation Policy Committee and Board of Directors* that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that *warehouse and* fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have *a fulfillment center such facilities* within their jurisdiction.

September 8, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

**RE: League of California Cities for Conference Vote
Resolution 1 – Online Sales Tax Allocation to Legislature
Oppose Unless Amended**

Dear President Walker,

The City of La Quinta takes an **Oppose Unless Amended** position on Resolution 1. This resolution would open the door for legislative interference on the fair and equitable distribution of the Bradley-Burns sales tax from in-state online purchases without League members first developing a plan that has been reviewed and agreed upon.

La Quinta is not opposed to sales tax allocation but there must be a more thorough analysis completed prior to discussing a resolution. This critical policy affects the revenue of many counties, cities, and towns and will have a lasting effect on their budgets.

Resolution 1 does not include any proposed solution or policy. It merely annotates what the current policy is and how online sales tax allocation has become significantly unbalanced between host cities of commercial fulfillment centers and surrounding cities and towns. Even the Cal Cities Staff Analysis of Resolution 1 comments that more data is needed, and the approval of SB 792 (Glazer) would propel that data collection. Let's start the conversation again by requesting the League to reconvene its City Manager's Department working group on sales tax allocation. We cannot pass this issue to the Legislature to figure out on our behalf without having one voice on a solution or solutions.

In addition to the recommended technical amendments from the Cal Cities Staff, we agree with the City of Eastvale and request the following amendments in order to address our concerns and remove our opposition:

- WHEREAS, the League of California Cities existing policy requires that specific proposals that would involve a change to sales tax allocation to destination allocation be carefully reviewed within the League's policy process so that the impacts of any changes are fully understood; and

- WHEREAS, the League's City Manager Sales Tax Working Group, which met in 2017-2018, made numerous recommendations, but after considering various phase-in options for destination sourcing and allocation of sales taxes from online purchases ultimately decided that a more complete analysis was needed to sufficiently determine impacts, and should be revisited when better data was available; and
- NOW, THEREFORE, BE IT RESOLVED that Cal Cities believes that to avoid potential unworkable outcomes it is incumbent upon the organization to develop its own internal consensus solutions to this emerging issue of importance to all cities before seeking Legislative involvement; and therefore, calls upon the League's City Manager's Department to reconvene its Sales Tax Working Group, with balanced and equitable representation from affected communities, to develop one or more proposals for consideration by the League's Revenue and Taxation Policy Committee and Board of Directors that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that warehouse and fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have such facilities within their jurisdiction.

For these reasons, the City of La Quinta **strongly opposes** Resolution 1 as written and your Riverside Division East Representative, City of La Quinta Council Member John Peña, will vote to disapprove unless it is amended to address our concerns.

Sincerely,



Linda Evans, Mayor
City of La Quinta

cc: Members of the City of La Quinta Council



PAUL S. LEON
MAYOR

SHEILA MAUTZ
CITY CLERK

ALAN D. WAPNER
MAYOR PRO TEM

JAMES R. MILHISER
TREASURER

JIM W. BOWMAN
DEBRA DORST-PORADA
RUBEN VALENCIA
COUNCIL MEMBERS

September 14, 2021

SCOTT OCHOA
CITY MANAGER

Subject: Cities Must Seek Local Solutions

The City of Ontario opposes the proposed CalCities resolution to relinquish local control of sales tax decisions to Sacramento. This resolution is the wrong solution to the wrong problem, and at the wrong time.

During 2018, a working group of city managers analyzed sales tax allocation issues in response to a push by the Legislature to reconsider how sales tax revenue was allocated. This collaboration resulted in a mutual understanding that additional data was needed to conduct a more complete analysis in determining impacts that would affect cities for decades to come. Thankfully, the author of that bill pulled back in favor of a more reasoned and deliberative approach. The direct result of those discussions came in the form of SB 792, which is poised to be signed into law by the Governor this session. This law will commence the data collection and study of this complex issue.

Unfortunately, on the eve of the 2021 CalCities Annual Conference, several fellow cities have decided that this agreed upon effort is not good enough. The proposed resolution to be offered at next week's annual conference seeks to invite the state Legislature back into this policy area to determine the issue for cities. This request is as inappropriate as it is dangerous.

The proposed CalCities resolution represents an end-run by cities that participated in the good faith discussions back in 2018, thus erasing any semblance of good faith. Further, inviting the State to determine such important matters for cities is so fraught with bad precedents and outcomes that every city – big or small, rural or metropolitan – should be able to see that this move is simply a bad idea. Indeed, it is entirely possible that a discussion about reconsidering online sales tax allocation could quickly morph into a discussion of reconsidering brick-and-mortar sales tax allocation (folks from my city driving into your city to go shopping in your outdoor shopping district), hotel bed tax allocation, parking tax, and so on. As the saying goes, be careful what you wish for...you just might get it.

No doubt, some cities will claim that they are not receiving their “fair share” of revenues derived from e-commerce/online sales, and that those revenues are being siphoned by cities with warehouses and distribution hubs. Yet this dynamic reflects the land use decisions made by local city councils over the years; some communities will accept warehousing and industrial uses while other communities have preferred not to. Such is the freedom that local control over land use brings to our cities. And now that ideal is in jeopardy from many sides.

Similarly, there is the ongoing drumbeat of complaints that chasing sales tax revenue via tax sharing agreements with online retailers is bad policy. What these protests ignore, however, is that the competition is generally not between California cities but rather between competing states. When the state eliminated the Community Redevelopment Law, it left cities without the tools to attract businesses and create jobs (EIFDs and CRIAs are poor substitutes). Absent the revenue benefits to pay for public services, then it is likely that NO community would invite the land use decisions that facilitate the logistics and distribution industry. How many of our residents and neighbors would not be employed without such economic activity? What would the evaporation of these jobs do to the State’s economy? And yet our fellow cities are seeking to punt these decisions to the State in the hopes that this time, they’ll get it right.

Lastly, although it is a difficult topic to address, we must acknowledge that converting to transaction destination versus transaction situs only ensures that rich communities will get richer while poor communities get poorer. Why? Because those “exurb” or industrial or disadvantaged communities are by and large where the distribution warehouses – and their community impacts – are located, and because not all online transactions are created equal. Two cities may have an equal number of online transactions, however, the transactions emanating from the higher socioeconomic community are going to be worth considerably more. And, regardless of the destination or dollar value, the goods purchased are more than likely moving through the warehousing city. Thus, before changing the rules of sales tax allocations, an honest debate about what constitutes a community’s “fair share” is indeed warranted.

In the end, the best way forward is the way that has consistently yielded the best results for cities – study the issue objectively and comprehensively, reason with each other in good faith, and endeavor to create the most benefit for the most communities possible. We in Ontario believe that the result of such an exercise will be far more useful and beneficial than punting our collective fate to the State.

Sincerely,

A handwritten signature in black ink that reads "Debra Dorst-Porada". The signature is written in a cursive, flowing style.

Debra Dorst-Porada

City Council Member

League of California Cities IE Division President



City of Rialto *California*

September 16, 2021

Subject: Opposition to League of California Cities Proposed Resolution Calling on the State Legislature to Distribute Local Sales Tax Revenues from In-State Online Purchases

Dear Honorable Mayors and City Council Members:

I have represented the City of Rialto as its Mayor since 2012 and as a Council Member since 2000, serving a City where a large part of it is considered a disadvantaged community facing higher than average pollution burdens, derived from pollution exposures and environmental effects, and/or higher population challenges due to the presence of sensitive populations and other socioeconomic factors that drive population vulnerability.

Rialto sits in the greater Inland Empire of southern California, an area that has incurred significant growth and development of logistics warehouses in the transformation of our national and global economy into e-commerce, and into a new era driven by larger distribution warehouses and logistics hubs for goods movement.

Rialto, and many other cities in California have allowed for development of these logistics warehouses primarily due to our locations in inland areas, close to freeway networks and where development opportunities for these facilities were possible. Rialto and another 16 cities developed a logistics warehouse project that now serves as a fulfillment center for Amazon, as logistics hubs that in turn benefit all Californians in the new e-commerce era by providing facilities that ensure efficient delivery of goods and products. However, in turn Rialto and these other cities with fulfillment centers face the burden of much higher volumes of heavy truck traffic and the ensuing environmental consequences.

Prior to 2021 when sales tax revenues derived from in-state online purchases through Amazon fulfillment centers were pooled to be shared by all cities and counties, Rialto and other cities with similar Amazon fulfillment centers carried the burden of the impacts and environmental consequences of them while sharing in the benefit of the sales tax revenues generated. Now that Amazon has implemented a structural corporation change with the flow of sales tax revenue to the host cities, the League of California Cities proposes to urge the State Legislature to recapture that flow of revenue to the detriment of the host cities, like Rialto.

I ask, where were the objections from the cities, now concurring with the League's proposed Resolution, with point-of-sale tax revenue generators benefitting specific host cities from other fulfillment centers like eBay, Wayfair, Walmart, Target and Costco or others?

I must also remind all of us that the League's City Manager's Department convened a working group evaluating the very topic of sales tax allocation, and last met in 2018. This working group developed recommendations but agreed more complete analysis was needed to sufficiently determine any fiscal impacts with further division of sales tax revenues.

The League's proposed Resolution is a knee-jerk reaction from a select number of cities that object to Amazon's change in corporate structure in 2021 and are now appalled at a loss of revenue from a business that poses no traffic impacts or environmental burdens on their own cities. Sponsoring a Resolution calling upon the State Legislature to pass legislation, leaving it to *them* to determine a "fair and equitable" distribution of sales tax revenues, allows for intrusion of special interests into a decision that has far reaching and direct impacts on the fiscal stability of all cities, not just those that are burdened with hosting large logistics warehouses and fulfillment centers. There is great risk entrusting the Legislature with such a task.

Be careful what you wish for; those cities with premier locations drawing tourists to large hotels may soon find a legally imposed redistribution of Transient Occupancy Taxes to other cities not benefitting from those hotels much in the way of how it is now suggested that a redistribution of point-of-sale tax revenue should be redistributed from fulfillment centers.

I call on all Mayors and City Council Members to oppose the League's Resolution, to refer this matter back to our policy experts and City Managers, and to retain this as a local issue to develop a comprehensive solution that truly ensures all cities are treated fairly, including those burdened with fulfillment centers. Moreover, some cities may have long-term agreements on the share of sales tax revenues with their fulfillment centers, and a redistribution of that sales tax revenue would jeopardize those agreements.

Ultimately, this issue will likely require legal resolution up to and through the California Supreme Court. Let's avoid this mess, pause and regroup on this important and complicated issue before drawing in state legislators into what is a local matter.

If you have any questions regarding my position, please feel free to contact me at (909) 820-2689.

Respectfully,

A handwritten signature in black ink, appearing to read "Deborah Robertson", with a long horizontal flourish extending to the right.

Deborah Robertson
Mayor



336 Pacific Avenue, Shafter, California 93263

September 16, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Re: Letter of Opposition for the City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax

To Whom It May Concern,

On behalf of the City of Shafter, we are in strong **OPPOSITION** to **City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax** because this policy area affecting city revenue needs to be driven by an effort to secure internal consensus within the League rather than being turned over to the State.

Shafter and other cities have large facilities that serve as regional distribution hubs. Most of the sales tax revenue from Amazon and other large online fulfillment centers like eBay, Wayfair, Walmart, Target, and Costco is still going to County pools. Only a percentage is going to the host cities. This past year the success of the County pools went up significantly and benefitted many cities. Dozens of cities have these online fulfillment centers as sales tax revenue generators.

For the reasons stated above, we respectfully, but firmly **OPPOSE** **City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax**.

Respectfully,
CITY OF SHAFTER

Cathy L. Prout
Mayor

RESOLUTION NO. 2

Securing Railroad Property Maintenance



Ali Sajjad Taj
Council Member, Artesia
Chair, General Resolutions Committee
League of California Cities
Sacramento, CA

RE: Report on Resolution 2 –Securing Railroad Property Maintenance

Dear Chairman Taj:

Cal Cities Housing, Community and Economic Development Policy Committee has reviewed and made its recommendation on the resolution that was assigned to it by the President of Cal Cities and numbered as Resolution No. 2 in the 2021 Resolutions Packet.

For Resolution No. 2, **Securing Railroad Property Maintenance**, the committee recommends the action be **APPROVE AS AMENDED**.

This report is hereby respectfully submitted.

Sincerely,

Marilyn Ezzy-Ashcraft
Mayor, Alameda

2. **A RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO PROVIDE ADDITIONAL FUNDING, REGULATIONS, AND CONSULTATION WITH STAKEHOLDERS TO IMPROVE CLEANUP OF RAILROAD RIGHT OF WAY. PROVIDE NECESSARY FUNDING FOR CUPC TO FUFILL ITS OBLIGATION TO INSPECT RAILROAD LINES TO ENSURE THAT OPERATORS ARE REMOVING ILLEGAL DUMPING, GRAFFITI AND HOMELESS ENCAMPMENTS THAT DEGRADE THE QAULITY OF LIFE AND RESULTS IN INCREASED PUBLIC SAFETLY CONCERNS FOR COMMUNITIES AND NEIGHBORHOODS THAT ABUTT THE RAILROAD RIGHT-OF-WAY.**

Source: City of South Gate

Concurrence of five or more cities/city officials

Cities: City of Bell Gardens; City of Bell; City of Commerce; City of Cudahy; City of El Segundo; City of Glendora; City of Huntington Park; City of La Mirada; City of Long Beach; City of Lynwood; City of Montebello; City of Paramount; City of Pico Rivera

Referred to: Housing, Community and Economic Development; and Transportation, Communications and Public Works

Recommendation to General Resolutions Committee:

Housing, Community and Economic Development: **APPROVE AS AMENDED**

Transportation, Communications and Public Works: **APPROVE AS AMENDED**

WHEREAS, ensuring the quality of life for communities falls upon every local government including that blight and other health impacting activities are addressed in a timely manner by private property owners within its jurisdictional boundaries for their citizens, businesses and institutions; and

WHEREAS, Railroad Operators own nearly 6,000 miles of rail right-of-way throughout the State of California which is regulated by the Federal Railroad Administration and/or the California Public Utilities Commission (**CPUC**) for operational safety and maintenance; and

WHEREAS, the ~~California Public Utilities Commission~~ (CPUC) is the enforcing agency for railroad safety in the State of California and has 41 inspectors assigned throughout the entire State to inspect and enforce regulatory compliance over thousands of miles of rail line; and

WHEREAS, areas with rail line right-of-way within cities and unincorporated areas are generally located in economically disadvantaged zones and/or disadvantaged communities of color where the impact of blight further lowers property values and increases the likelihood of unsound sanitary conditions and environmental impacts upon them; and

WHEREAS, many communities are seeing an increase in illegal dumping, graffiti upon infrastructure and homeless encampments due to the lax and inadequate oversight by regulatory agencies; and

WHEREAS, local governments have no oversight or regulatory authority to require operators to better maintain and clean their properties as it would with any other private property owner within its jurisdictional boundaries. Thus such local communities often resort to spending their local tax dollars on cleanup activities or are forced to accept the delayed and untimely response by operators to cleaning up specific sites, and;

WHEREAS, that railroad operators should be able to provide local communities with a fixed schedule in which their property will be inspected and cleaned up on a reasonable and

regular schedule or provide for a mechanism where they partner with and reimburse local governments for an agreed upon work program where the local government is enabled to remove items like illegal dumping, graffiti and encampments; and

WHEREAS, the State has made it a priority to deal with homeless individuals and the impacts illegal encampments have upon those communities and has a budgetary surplus that can help fund the CPUC in better dealing with this situation in both a humane manner as well as **a** betterment to rail safety.

RESOLVED, at the League of California Cities, General Assembly, assembled at the ~~League~~ **Cal Cities** Annual Conference on September 24, 2021, in Sacramento, that ~~the League~~ **Cal Cities** calls for the Governor and the Legislature to work with ~~the League~~ **Cal Cities** and other stakeholders to provide adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to **timely and** adequately deal with **issues including, but not limited to** illegal dumping, **security**, graffiti, and homeless encampments that proliferate along the rail lines and result in public safety issues **and include related data collection regarding homeless populations in these areas**. ~~The League~~ **Cal Cities** will work with its member cities to educate federal and state officials to the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.



Ali Sajjad Taj
Council Member, Artesia
Chair, General Resolutions Committee
League of California Cities
Sacramento, CA

RE: Report on Resolution 2 –Securing Railroad Property Maintenance

Dear Chairman Taj:

Cal Cities Transportation, Communications and Public Works Policy Committee has reviewed and made its recommendation on the resolution that was assigned to it by the President of Cal Cities and numbered as Resolution No. 2 in the 2021 Resolutions Packet.

For Resolution No. 2, **Securing Railroad Property Maintenance**, the committee recommends the action be **APPROVE AS AMENDED**.

This report is hereby respectfully submitted.

Sincerely,

Veronica Vargas
Mayor Pro Tem, Tracy

2. **A RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO PROVIDE NECESSARY NECESSARY FUNDING AND RESOURCES FOR LOCAL JURISDICTIONS, STAKEHOLDERS, AND RAILROAD OPERATORS TO COLLABORATIVELY ADDRESS FOR CUPC TO FUFILL ITS OBLIGATION TO INSPECT RAILROAD LINES TO ENSURE THAT OPERATORS ARE REMOVING ILLEGAL DUMPING, GRAFFITI AND HOMELESS ENCAMPMENTS THAT DEGRADE THE QAULTY QUALITY OF LIFE AND RESULTS IN INCREASED PUBLIC SAFETLY SAFETY CONCERNS FOR COMMUNITIES AND NEIGHBORHOODS THAT ABUTT THE RAILROAD RIGHT-OF-WAY.**

Source: City of South Gate

Concurrence of five or more cities/city officials

Cities: City of Bell Gardens; City of Bell; City of Commerce; City of Cudahy; City of El Segundo; City of Glendora; City of Huntington Park; City of La Mirada; City of Long Beach; City of Lynwood; City of Montebello; City of Paramount; City of Pico Rivera

Referred to: Housing, Community and Economic Development; and Transportation, Communications and Public Works

Recommendations to General Resolutions Committee:

Housing, Community and Economic Development: **APPROVE AS AMENDED**

Transportation, Communications and Public Works: **APPROVE AS AMENDED**

WHEREAS, ensuring the quality of life for communities falls upon every local government including that blight and other health impacting activities are addressed in a timely manner by private property owners within its jurisdictional boundaries for their citizens, businesses and institutions; and

WHEREAS, Railroad Operators own nearly 6,000 miles of rail right-of-way throughout the State of California which is regulated by the Federal Railroad Administration and/or the California Public Utilities Commission (**CPUC**) for operational safety and maintenance; and

WHEREAS, the California Public Utilities Commission (CPUC) is the enforcing agency for railroad safety in the State of California and has 41 inspectors assigned throughout the entire State to inspect and enforce regulatory compliance over thousands of miles of rail line; and

WHEREAS, areas with rail line right-of-way within cities and unincorporated areas are generally located in economically disadvantaged zones and/or disadvantaged communities of color where the impact of blight further lowers property values and increases the likelihood of unsound sanitary conditions and environmental impacts upon them; and

WHEREAS, many communities are seeing an increase in illegal dumping, graffiti upon infrastructure and homeless encampments due to the lax and inadequate oversight by regulatory agencies; and

WHEREAS, local governments have no oversight or regulatory authority to require operators to better maintain and clean their properties as it would with any other private property owner within its jurisdictional boundaries. Thus such local communities often resort to spending their local tax dollars on cleanup activities or are forced to accept the delayed and untimely response by operators to cleaning up specific sites, and;

WHEREAS, that railroad operators should be able to provide local communities with a fixed schedule in which their property will be inspected and cleaned up on a reasonable and

regular schedule or provide for a mechanism where they partner with and reimburse local governments for an agreed upon work program where the local government is enabled to remove items like illegal dumping, graffiti and encampments; and

WHEREAS, the State has made it a priority to deal with homeless individuals and the impacts illegal encampments have upon those communities and has a budgetary surplus that can help **local jurisdictions, stakeholders, and railroad operators better** fund the CPUC in ~~better~~ dealing with this situation in both a humane manner as ~~well~~ a betterment to rail safety.

RESOLVED, at the League of California Cities, General Assembly, assembled at the ~~League~~ **Cal Cities** Annual Conference on September 24, 2021, in Sacramento, that ~~the League~~ **Cal Cities** calls for the Governor and the Legislature to work with ~~the League~~ **Cal Cities** and other stakeholders to provide ~~adequate regulatory authority~~ **guidance** and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues. **Cal Cities** ~~The League~~ will work with its member cities to educate federal and state officials to the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.

LETTERS OF CONCURRENCE

Resolution No. 2

Securing Railroad Property Maintenance



CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 21, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of Bell Gardens supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Marco Barcena at 562-7761 if you have any questions.

Sincerely,

Marco Barcena
Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org



CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 20, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

As a Councilwoman with the City of Bell Gardens, I support the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Lisseth Flores at (562) 806-7763 if you have any questions.

Sincerely,

Lisseth Flores

Lisseth Flores
Councilwoman

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org



CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 15, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The city of Bell supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Paul Philips, City Manager at 323-588-6211, if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Alicia Romero". The signature is fluid and cursive.

Alicia Romero
Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division,



CITY OF COMMERCE

July 20, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Railroad Oversight Annual Conference Resolution

President Walker:

The City of Commerce supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League of California Cities' ("League") 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially disadvantaged communities of color that are home to the State's freight rail lines. While I am supportive of the economic base the railroad industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Edgar Cisneros, City Manager, via email at ecisneros@ci.commerce.ca.us or at 323-722-4805, should you have any questions.

Sincerely,



Mayor Leonard Mendoza

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org



CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

5220 Santa Ana Street
Cudahy, California 90201
(323)773-5143

July 21, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

Dear President Walker:

The City of Cudahy supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State; their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impacts of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. If you have any questions, please do not hesitate to call my office at 323-773-5143.

Sincerely,

Jose Gonzalez
Mayor

CC: Chris Jeffers, City Manager, City of South Gate



City of El Segundo

Office of the Mayor

July 16, 2021

Elected Officials:

Drew Boyles,
Mayor
Chris Pimentel
Mayor Pro Tem
Carol Pirsztuk,
Council Member
Scot Nicol,
Council Member
Lance Groux,
Council Member
Tracy Weaver,
City Clerk
Matthew Robinson,
City Treasurer

Appointed Officials:

Scott Mitnick,
City Manager
Mark D. Hensley,
City Attorney

Department Directors:

Barbara Voss
Deputy City Manager
Joseph Lillio,
Finance
Chris Donovan,
Fire Chief
Charles Mallory,
Information Technology
Services
Melissa McCollum,
Community Services
Rebecca Redyk,
Human Resources
Denis Cook,
Interim Development Services
Jamie Bermudez,
Interim Police Chief
Elias Sassoon,
Public Works

www.elsegundo.org
www.elsegundobusiness.com
www.elsegundo100.org

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of El Segundo supports the Los Angeles County Division's City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increases blight, increases unhealthy sanitation issues, and negatively impacts our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact El Segundo Public Works Director Elias Sassoon at 310-524-2356, if you have any questions.

Sincerely,

Drew Boyles
Mayor of El Segundo

CC: City Council, City of El Segundo
Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org
Jeff Kiernan, League Regional Public Affairs Manager (via email)

350 Main Street, El Segundo, California 90245-3813
Phone (310) 524-2302 Fax (310) 322-7137



CITY OF GLENDORA CITY HALL

(626) 914-8200

116 East Foothill Blvd., Glendora, California 91741
www.ci.glendora.ca.us

July 14, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

**SUBJECT: SUPPORT FOR THE CITY OF SOUTH GATE'S ANNUAL
CONFERENCE RESOLUTION**

Dear President Walker:

The City of Glendora is pleased to support the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League of California Cities' 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue that many communities, small and large, are experiencing along active transportation corridors, particularly rail lines. Given the importance and growth of the ports and logistics sector, and the economic support they provide, we need to do more to ensure that conflicts are appropriately addressed and mitigated to ensure they do not become attractive nuisances. Our cities are experiencing increasing amounts of illegal dumping (trash and debris) and the establishment of encampments by individuals experiencing homelessness along roadways, highways and rail lines. Such situations create unsafe conditions – safety, health and sanitation – that impact quality of life even as we collectively work to address this challenge in a coordinated and responsible manner.

As members of the League of California Cities, Glendora values the policy development process provided to the General Assembly and strongly support consideration of this issue. Your attention to this matter is greatly appreciated. Should you have any questions, please feel free to contact Adam Raymond, City Manager, at araymond@cityofglendora.org or (626) 914-8201.

Sincerely,

Karen K. Davis
Mayor

C: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

PRIDE OF THE FOOTHILLS



July 21, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Re: Resolution No. 2021-18 Supporting City of South Gate Annual Conference Resolution

President Walker:

The City of Huntington Park (City) supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. Enclosed is Resolution No. 2021-18 adopted by the City Council of the City of Huntington Park.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impacts of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively affect our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our City Manager, Ricardo Reyes, at 323-582-6161, if you have any questions.

Sincerely,

Graciela Ortiz
Mayor, City of Huntington Park

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

Enclosure(s)



CITY OF LA MIRADA
DEDICATED TO SERVICE

13700 La Mirada Boulevard
La Mirada, California 90638
P.O. Box 828
La Mirada, California 90637-0828
Phone: (562) 943-0131 Fax: (562) 943-1464
www.cityoflamirada.org

July 19, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

**SUBJECT: LETTER OF SUPPORT FOR CITY OF SOUTH GATE'S PROPOSED
RESOLUTION AT CALCITIES ANNUAL CONFERENCE**

President Walker:

The City of La Mirada supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities that are home to the State's freight rail lines. While the City of La Mirada is supportive of the economic base the railroad industry serves to the State, the rail lines have become places where illegal dumping and a growing homeless population are significant problems. The negative impact of these illegal activities decreases the quality of life for the La Mirada community, increases blight and unhealthy sanitation issues, and negatively impacts the City's ability to meet State water quality standards under the MS4 permits.

As members of the League, the City of La Mirada values the policy development process provided to the General Assembly. We appreciate your consideration on this issue. Please feel free to contact Assistant City Manager Anne Haraksin at (562) 943-0131 if you have any questions.

Sincerely,

CITY OF LA MIRADA

Ed Eng
Mayor

cc: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

Ed Eng, EdD
Mayor

Anthony A. Otero, DPPD
Mayor Pro Tem

Steve De Ruse, D. Min.
Councilmember 56

John Lewis, Esq.
Councilmember

Andrew Sarega
Councilmember

Jeff Boynton
City Manager

July 22, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Support for City of South Gate Resolution—Cleanup Activities on Rail Operator Properties

Dear President Walker,

On behalf of the City of Long Beach, I write to support the City of South Gate’s proposed resolution for the League of California Cities’ (League) 2021 Annual Conference. This resolution seeks to direct the League to adopt a policy urging State and federal governments to increase oversight of rail operators’ land maintenance. The City is a proponent of increased maintenance along railways and believes a League advocacy strategy would help expedite regional responses.

The COVID-19 pandemic has exacerbated the public health and safety concerns on rail rights-of-way, as trash, debris, and encampments have increased exponentially. These challenges erode the quality of life for our communities, increase blight, and contribute to public health and sanitation issues. To address these concerns, the City has engaged directly with regional partners to prioritize ongoing maintenance and cleanups, and has invested \$4 million in the Clean Long Beach Initiative as part of the City’s Long Beach Recovery Act to advance economic recovery and public health in response to the COVID-19 pandemic.

The City of South Gate’s proposed resolution would further advance these efforts for interjurisdictional coordination. The increased oversight proposed by the resolution will help support better coordination and additional resources to address illegal dumping and encampments along private rail operator property. This is a critical measure to advance public health and uplift our most vulnerable communities. For these reasons, the City supports the proposed League resolution.

Sincerely,



THOMAS B. MODICA
City Manager

cc: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org



OFFICE OF THE
MAYOR
MARISELA SANTANA

City of
LYNWOOD

Incorporated 1921

11330 Bullis Road, Lynwood, CA 90262
 (310) 603-0220 x 200



CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 20, 2021

Cheryl Viegas Walker
 President
 League of California Cities
 1400 K Street, Suite 400
 Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of Lynwood supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Ernie Hernandez at (310) 603-0220 ext. 200, if you have any questions.

Sincerely,



Marisela Santana, Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o
 Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org



July 19, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Resolution in Support of City of South Gate Annual Conference Resolution

President Walker:

The City of Montebello (City) supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. Attached is the Resolution to be considered for adoption by the City Council of the City of Montebello at our July 28, 2021, City Council meeting.

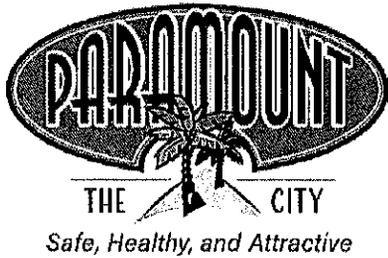
The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our City Manager, René Bobadilla, at 323-887-1200, if you have any questions.

Sincerely,

Kimberly Cobos-Cawthorne
Mayor, City of Montebello

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org



BRENDA OLMOS
Mayor

VILMA CUELLAR STALLINGS
Vice Mayor

ISABEL AGUAYO
Councilmember

LAURIE GUILLEN
Councilmember

PEGGY LEMONS
Councilmember

July 19, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: SUPPORT FOR ANNUAL LEAGUE OF CITIES CONFERENCE GENERAL ASSEMBLY RESOLUTION

President Walker:

The City of Paramount supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. The proposed resolution is attached

South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic boon the freight industry serves to the State, their rail line rights of way have often become places where illegal dumping is a constant problem and where our growing homeless populations reside. The impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As a member of the California League of Cities, the City of Paramount values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact City Manager John Moreno at (562) 220-2222 if you have any questions.

Dedicated to providing fiscally responsible services that maintain a vibrant community.

16400 Colorado Avenue • Paramount, CA 90723-5012 • Ph: 562-220-2000 • paramountcity.com
 facebook.com/CityofParamount |  instagram.com/paramount_posts |  youtube.com/CityofParamount



City of Pico Rivera
OFFICE OF THE CITY MANAGER

6615 Passons Boulevard · Pico Rivera, California 90660

(562) 801-4371

Web: www.pico-rivera.org e-mail: scastror@pico-rivera.org

Steve Carmona
City Manager

City Council

Raul Elias

Mayor

Dr. Monica Sánchez

Mayor Pro Tem

Gustavo V. Camacho

Councilmember

Andrew C. Lara

Councilmember

Erik Lutz

Councilmember

CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 14, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of Pico Rivera supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantaged communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State; their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increases blight, increases unhealthy sanitation issues, and negatively impacts our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Steve Carmona at (562) 801-4405 if you have any questions.

Sincerely,

City Manager
City of Pico Rivera

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

LETTERS OF CONCURRENCE
Received after September 24 Deadline
Resolution No. 1

Securing Railroad Property Maintenance



336 Pacific Avenue, Shafter, California 93263

September 16, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Letter of Support for City of South Gate Resolution for Adequate Regulatory Authority and Necessary Funding to Assist Cities with These Railroad Right-of-Way Areas

To Whom It May Concern,

On behalf of the Shafter City Council, we are pleased to support City of South Gate's Resolution for adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues.

The proposed resolution seeks to address a critical issue within communities. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and the growing homeless population call home. The impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact the ability to meet State water quality standards.

For these reasons, we support City of South Gate's Resolution that will be presented at the League General Assembly meeting.

Respectfully,
CITY OF SHAFTER

Cathy L. Prout
Mayor



BUILDING AMERICA®

August 11, 2021

RE: Union Pacific Railroad's Compassionate Relocation Program

Dear City Representatives,

On behalf of Union Pacific Railroad (UPRR), we are writing in response to recent efforts to submit a resolution for consideration by the General Assembly at the League of California Cities' 2021 Annual Conference in Sacramento. First and foremost, nothing is more important to UPRR than the safety of our employees, customers, and the communities we serve.

Due to its location and nature, UPRR right of way experiences trespassing, unlawful encampments, dumping, graffiti, and other illegal activities by third parties despite UPRR's efforts to protect against these activities.

In furtherance of our shared interests to reduce illegal activity and improve public safety, UPRR consistently and independently removes trash, debris, illegal encampments, and graffiti along our extensive network in the State of California.

While we continue to make significant efforts to maintain UPRR right of way, we also look to the local municipalities' leadership to identify and implement a comprehensive plan to address the long-standing issue of homelessness within respective city limits. Like other partnership and coordination efforts with various communities and cities throughout California, UPRR welcomes local cooperation on the mutual challenges we face with ongoing impacts to public and private right of ways. UPRR will continue to coordinate further opportunities for joint efforts to connect people with services they may need as we address this ongoing issue.

We invite local representatives to meet with key stakeholders, including UPRR to better understand our challenges, learn about our Compassionate Relocation Program and discuss how together we can identify an innovative path forward that will be in the best interest of all parties involved. We will continue to encourage communities to immediately notify the railroad of any incidents or emergencies by contacting UPRR's Response Management Communication Center (RMCC) at 1-888-877-7267 (1-888-UPRR-COP). If you have any questions, please don't hesitate to reach out.

Sincerely,

Francisco Castillo
Senior Director, Public Affairs – N. CA

Lupe Valdez
Senior Director, Public Affairs – S. CA

UNION PACIFIC RAILROAD COMPANY

Public Affairs – N.CA
915 L Street, Suite 1180
Sacramento, CA 95814

Public Affairs – S. CA
13181 Crossroads Parkway North, Suite 500
City of Industry, CA 91746

Francisco J. Castillo, Jr. P 916-789-5957
Senior Director of Public Affairs fcastillo@up.com

Lupe Valdez P 562-566-4612
Senior Director of Public Affairs lvaldez@up.com