

RESOLUTION NO. __

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO
ESTABLISHING A POLICY LIMITING THE USE OF REVENUE
GENERATED BY THE BUSINESS LICENSE TAX MEASURE
TO TRANSPORTATION/MOBILITY PROJECTS

WHEREAS, the City's Business License Tax, codified in Cupertino Municipal Code Chapter 5.04, has been in place since 1992; and

WHEREAS, the City Council desires to place a revenue measure on the November 6, 2018 ballot, and on July 3, 2018 the Council directed staff to prepare a ballot measure to restructure the ordinance; and

WHEREAS, the City of Cupertino has experienced significant growth in both its residential and business population; and

WHEREAS, transportation and mobility improvements are needed to accommodate the City's growth and maintain the quality of life of city residents; and

WHEREAS, transportation was identified by residents as the most important issue facing the City in the last biennial community survey; and

WHEREAS, the City spends considerable funds on transportation and mobility projects, yet the need for investing more funds in costly transportation programs exceeds available resources and requires further investments and expenditures; and

WHEREAS, on November 6, 2018, City of Cupertino voters will be asked to restructure the business license tax to generate significantly more revenue based on the number of employees working in the City of Cupertino; and

WHEREAS, through community polls and outreach, City of Cupertino residents and businesses have been clear that transportation is an important spending priority for any moneys generated by this measure; and

WHEREAS, while the ballot measure is a general tax and may legally be used for unrestricted general governmental purposes, nevertheless the City Council desires to dedicate the revenue raised from a restructured business license tax to transportation and mobility projects; and

WHEREAS, the use of these funds for transportation/mobility projects will benefit the businesses that are taxed, as well as the general Cupertino population; furthermore, the City intends to continue to seek input from all stakeholders on the viable use of the funds for transportation projects.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cupertino adopts the following policy with respect to the use of funds generated by the restructured business license tax:

1. To the extent allowed by law, the policy of the City shall be to use the revenue generated by the business license tax on transportation and innovative transit solutions to improve traffic congestion in the City of Cupertino, including but not limited to bicycle, pedestrian, and vehicle-separated routes, new transit systems to employment centers, and a community/city-wide shuttle.
2. The revenue shall be leveraged to the greatest extent possible with other funding sources for priority transportation projects.
3. Funds generated by the tax shall be deposited into a Transportation Reserve Fund to be accumulated and utilized for qualified projects.
4. The funds generated by the tax shall be preserved as outlined in this Resolution for at least ten (10) years following adoption of the measure by the voters.
5. An independent financial audit shall be conducted each year regarding the revenues and expenditures related to this revenue source and presented to the City Council.