MEASURE R

Frequently Asked Questions

WHAT IS MEASURE R?

Measure R is on the November 6, 2018 election ballot. Measure R is a one-cent sales tax that will generate approximately $4.5 million a year and will allow Norco to invest in infrastructure and vital services. Measure R will allow Norco to preserve its quality of life, and restore deteriorating streets, trails, parks, facilities and equestrian amenities. Measure R will prevent additional cuts to Norco's public safety services so we can maintain safe levels of sheriff and fire protection without risking emergency response times.

WHY IS MEASURE R ON THE NOVEMBER BALLOT?

Today, Norco finds itself at a historic turning point. Do we settle for a City with deteriorating streets, trails, parks and other necessary services that will continue to worsen each and every year? Or, do we come together as a community and work to recapture and preserve the quality of life that so many Norco residents enjoy? Due to unfavorable actions by Sacramento politicians, as well as Norco's limited rooftops and low property tax base, the community's way of life is in jeopardy. Although Norco has worked hard to build a healthy "rainy day reserve" since the end of the Great Recession, future revenue and expenditure projections show that additional actions are necessary to address Norco's budget challenges on a long-term basis. These projections show that Norco will not have the necessary funds after Fiscal Year 2018-2019 to make the investments required to preserve our streets, trails, parks, facilities and equestrian amenities, or to maintain our already reduced levels of police, fire and emergency medical services.

WILL NORCO BE NEGATIVELY AFFECTED IF MEASURE R DOES NOT PASS?

If Measure R does not pass, Norco's unique lifestyle will be in jeopardy. Without Measure R, Norco's streets, trails, parks and facilities will continue to deteriorate, the community will lose more programs and services, and there will be further reductions in public safety. Ultimately, residents could experience a decline in their quality of life, as well as their property values. The City has NO dedicated monies for the future upkeep of streets, trails, parks, facilities, equestrian amenities or other infrastructure needs. Future revenue and expenditure projections show that additional actions are necessary to address our budget challenges on a long-term basis, as the current rainy-day general fund reserves will be totally depleted in three years. This lack of funding will lead to gradual abandonment of City infrastructure, including streets, trails, parks, facilities, and equestrian amenities. In addition, there will be a massive reduction in public safety services, including the potential closure of a fire station and the loss of additional Sheriff's deputies. The quality of neighborhoods will degrade, resulting in an inability to retain and/or attract new businesses, a decline in quality of life, and lower property values.

HOW WILL MEASURE R AFFECT NORCO'S SALES TAX RATE?

Measure R will generate approximately $4.5 million a year to invest in streets, trails, parks, facilities, equestrian amenities and vital services that improve the quality of neighborhoods and increase property values. The sales tax rate in Norco will change by 1%, from 7.75% to 8.75%. Currently, Norco receives 1% of the sticker price on all taxable items, while the remaining 6.75% is collected by the State and the County. With Measure R, Norco will receive 2% of the sticker price on all taxable items to support the projects, programs and services that Norco residents agree are important for Horsetown USA.

CAN THE STATE TAKE ANY MEASURE R REVENUE AWAY FROM NORCO?

No. This is a locally-controlled revenue measure and the State cannot take any portion of the revenue away from Norco. Measure R is a local solution to a statewide problem. The State of California has crippled Norco's finances, however politicians in Sacramento cannot touch one penny from Measure R.

HOW WILL THE NEW RATE AFFECT NORCO RESIDENTS?

Measure R will not apply to grocery and produce purchases, prescription medication, home payments, insurance, and most services, or other items that you don't currently pay sales tax on. Measure R will generate the most money with the least impact on Norco residents, as visitors who shop, dine and stay in Norco will contribute more than 50% of the revenue. Under the current rate structure, if a shopper were to purchase a cowboy hat at a local store for $100, Norco would receive $1. Under the new rate, Norco would receive $2, adding $1 to the shopper's total bill. Most household spending will not be affected by Measure R.

WHEN WILL THE NEW RATE BECOME EFFECTIVE?

If Measure R is approved in November 2018, the measure will become effective on April 1, 2019 and actual revenues will start coming to the Norco in July 2019.

HOW WILL THE REVENUE FROM MEASURE R BE ALLOCATED?

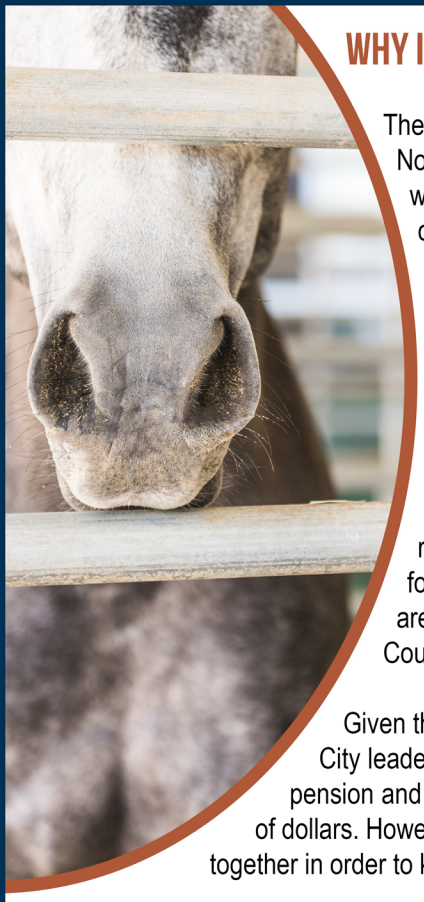
As structured, Measure R requires majority approval by Norco residents and provides the flexibility needed to prudently adjust spending priorities on the projects, programs and services that Norco residents agree are important for Horsetown USA. Measure R is a general revenue measure. The revenue will be part of the City's general fund, and a Citizens' Oversight Committee made up of Norco residents will prioritize how the revenue will be allocated to meet the community's spending needs. As many residents have noted, Norco's greatest needs are investments in streets, trails, parks, facilities and equestrian amenities, as well as public safety services, including law enforcement, traffic enforcement, fire protection and emergency medical services. Compared to a restricted specific revenue measure, Measure R will give Norco residents the flexibility they need to adjust spending priorities to reflect and satisfy the community's needs.

WHO WILL OVERSEE THE REVENUE FROM MEASURE R AND HOW IT IS ALLOCATED?

Norco residents! Measure R has built-in safeguards and requires firm citizens oversight, as well as third-party independent audits to ensure that the revenue is allocated to the projects, programs and services that Norco residents agree are important for Horsetown USA. A Citizens' Oversight Committee made up of Norco residents will oversee spending to ensure that the community's priorities are satisfied. The Committee will prioritize and earmark the allocation of funds based on community needs, and the City Council will make the final approval through the City's annual budget hearing process. The City's independent outside auditors will also be required to audit annual expenditures of the monies raised to ensure that they are consistent with the allocation approved by the Norco residents on the Citizens' Oversight Committee.

HOW WILL MEASURE R AFFECT THE LOCAL BUSINESS COMMUNITY?

Measure R has been embraced by the business community and the Economic Development Advisory Council, who is confident that residents and visitors will continue to support local businesses rather than traveling out of town. There is no evidence that shows that a one-cent sales tax negatively impacts local businesses or drives shoppers to surrounding cities. Research shows that a 1% increase would be too small to be worth the time and expense to travel outside of Norco to find a slightly lower rate. As a destination City, visitors will continue to contribute more than 50% of Norco's total sales tax while the funds will stay right here in Norco to benefit the residents.



WHY IS NORCO EXPERIENCING FINANCIAL CHALLENGES?

The fiscal years from 2010-2013 were lean times for our City government, just as they were for so many families in Norco. Although it had been fiscally sound for years, Norco found itself spiraling toward a fiscal crisis – a storm that was not entirely of its own making. The City was running out of funding to provide basic local services. The biggest culprits were the State's elimination of local Redevelopment Agencies and other unfavorable actions, which cost Norco millions of dollars, and the Great Recession, which battered local businesses and devastated major City revenue bases.

Contrary to popular belief, a large percentage of taxes generated in Norco go to the State and other entities, rather than the City. Property tax is one of the biggest sources of tax revenue that most California cities rely on to pay for government services. The average City receives approximately 21% of property tax payments to pay for essential municipal services, whereas Norco receives only 6% of property tax collected in the City. The remaining 94% goes to the State, County and other public agencies. Due to the City's large lot zoning requirements, there are not enough residential properties to assess property tax upon and the distribution formula for property tax revenues is very disadvantageous to the City of Norco. Additionally, for a City of our size, there are too many government properties that generate no tax revenue, including the Naval Base, DMV, Norco College, County offices, Corona-Norco Unified School District and others.

Given the City's low tax revenue base—no utility users' tax, no add-on sales tax, no parcel tax for municipal services—City leaders have been frugal and proactive in the management of Norco's finances. Services have been contracted out, pension and other employee benefits have been reformed, and staffing has been reduced, which has saved Norco millions of dollars. However, with no dedicated local funding for infrastructure, this is a critical time for the community to gather and work together in order to keep Norco, "Norco," and protect its cherished lifestyle.

WHAT STEPS HAS NORCO TAKEN TO SOLVE ITS FINANCIAL CHALLENGES?

Although the City was already working with the bare necessities during 2010-2013, it tightened its belt, reduced services, and eliminated programs. The City budgets were cut across the board, including the general fund budget, which was cut from nearly $19 million to less than $13 million. There was a hiring freeze. The overall City workforce was reduced by 50%. Pension Reform was adopted. Services were contracted-out to save money. Funding for building, trail and park maintenance was slashed, and roads went unrepaired. The City continues to embark on creative and aggressive economic development efforts to attract new businesses and develop destination points that complement Norco's lifestyle. City leaders have always recognized the importance of economic development, which is evidenced from the development of the Auto Mall many years ago to new businesses and destination points, such as Hobby Lobby, Tractor Supply, Floor and Décor, Winco Foods, Les Schwab Tires, Fairfield Inn and Suites, Hampton Inn and Suites, the new Norco Village Shopping Center, SilverLakes, and the George Ingalls Equestrian Event Center. Ultimately, millions of dollars have been slashed from the City's budget. The budget cuts eased the problem for a time, but future revenue and expenditure projections show that additional actions are necessary to address Norco's budget challenges on a long-term basis. Additional cuts could negatively affect Norco's unique lifestyle and residents' property values.

WILL MEASURE R HELP NORCO OVERCOME ITS FINANCIAL CHALLENGES?

Measure R will definitely help Norco protect its unique lifestyle and maintain vital services. Measure R is a local solution to a statewide problem. The State of California has crippled Norco's finances, however politicians in Sacramento cannot touch one penny from Measure R. By law, every penny generated by Measure R will stay right here in Norco to benefit residents and support our vital local services. Although Measure R doesn't solve all of Norco's financial challenges, it will generate $4.5 million a year and will allow Norco to invest in streets, trails, parks, facilities, equestrian amenities and other community assets, while avoiding additional reductions in public safety services.

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