



## Ventura County Coalition of Labor, Agriculture and Business

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August 15, 2014

Port Hueneme City Council  
250 North Ventura Road  
Port Hueneme, CA 93041  
Transmitted via email

**RE: Recommendation to the City of Port Hueneme to remove Measure M from the November 2014 Ballot**

CoLAB, Ventura County is a non-profit organization dedicated to collaborating with local agencies and jurisdictions to promote sensible and rational government. We believe in transparency with the public and stakeholder participation, particularly when proposals have potentially far-reaching consequences.

We have reviewed the text of proposed Measure M (posted on the City of Port Hueneme's website) which seeks to amend the municipal code with respect to business license taxes. While an update of the business license code may be warranted, the premise as stated in the staff report as follows is not accurate:

*"Overall, it is anticipated that the proposed revisions will increase tax revenues as there are relatively large business operations providing services to Naval Base Ventura County and the Port of Hueneme that are currently paying minimal or no taxes to the City (approximately more than 80% of these businesses pay no taxes at all)."*

This statement does not reflect the reality of funds distributed to the City from businesses in the Port of Hueneme and the Naval Base. According to the Oxnard Harbor District (OHD), \$1.29 million are paid to the City annually, collected from businesses as mitigation for Port impacts to the City. An additional \$840,000 is paid to the City annually in possessory interest tax. And, \$42,000 is estimated as direct collections from the current business license tax schedule. This totals approximately \$2.2 million annually in taxes paid to the City from Port businesses.

Measure M sets maximum tax rates that are estimated by the OHD to more than double the taxes to be collected by the City, an increase to over \$5 million annually. This creates a high level of uncertainty for Port businesses, likely leading to non-renewal of their contracts. Port businesses take years to establish trade routes and they cannot take the risk of three city council members voting to double their taxation. This will cause the reevaluation of alternate port opportunities potentially resulting in the loss of jobs and customers for the Port and the City's commercial businesses.

Most concerning to CoLAB is the virtual secrecy in the development of this ballot measure which was created with no stakeholder input or communication with the public, neighboring OHD or Naval Base Ventura County. We cannot support Measure M as written and recommend that it be removed from the November 2014 ballot.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Gray Jensen".

Lynn Gray Jensen  
Executive Director