



Mayor and Councilmembers
The City of San Clemente
910 Calle Negocio
2nd Floor
San Clemente, CA

Re: Resolution No. 24-111; Agenda Item 10A

Mayor and Council,

I write to you today on behalf of the Orange County Taxpayer Association (OC Tax), regarding the proposed tax increase measure, Agenda Item 10A.

OC Tax has opposed general sales tax increases across Orange County cities, and supported targeted, specific user fees in others. In most cases, cities continue to raise taxes on local residents simply to grow their budgets and continue wasteful spending. The City of San Clemente has faced unprecedented challenges unlike other cities due to slope failure and sand replenishment challenges, however, this is not a tax designed to face those specific challenges. The proposed tax increase is a general tax increase that can be used for many other projects, not just public safety and sand replacement projects.

With an estimated tax increase of \$13.5 million annually on local residents, the result will be an increased burden of more than \$200 per-household every single year, forever. That is simply more than struggling families and businesses can afford.

We encourage you to continue your efforts to seek out state and federal partners to gain both grants and appropriations for the environmental concerns facing the residents of San Clemente, rather than relying on a sales tax increase to fund those endeavors.

In conclusion, we recognize the significant challenges faced by the city, however, sales tax is a regressive tax, hurting those the most who can afford it the least. Many residents, families, and small businesses are already struggling with a high cost of living, high inflation and the highest-in-the-nation statewide sales tax – adding another layer of taxation on top of that is not the solution. While we understand the need for increased revenue, raising taxes on small businesses and local families will continue to hurt our economy.

Thank you for your consideration,

Sara Catalan

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