



Jackson County Voters' Pamphlet

SPECIAL ELECTION NOVEMBER 3, 2009

CITY OF ASHLAND

Measure No. 15-95

15-95 EXTEND THE 5% TAX ON FOOD AND BEVERAGE TO 2030

QUESTION: Shall 5% tax on prepared food and beverages extend to 2030 for wastewater debt and improvements (80%) and parks (20%)?

SUMMARY: This measure extends the five percent tax on prepared food and beverages sold by restaurants, caterers, grocery store delis, coffee shops and other establishments. Alcoholic beverages are excluded.

Eighty percent (80%) of tax revenues are dedicated to wastewater treatment plant debt and capital improvements. Twenty percent (20%) is dedicated to parks for capital improvements and acquisition. Projects are identified in the City's adopted Capital Improvement Plan.

The City Council can reduce or eliminate the tax at anytime. Restaurants retain 5% of the tax collected. The City may use up to 2% for administrative expenses.

The tax is not collected on food or beverages sold on school grounds or college campuses (except food sold by an independent contractor), on hospital grounds, in vending machines, at senior centers, or by non-profits or service clubs at street booths or concessions. Food provided by bed and breakfast inns is excluded.

For single events, such as weddings, costing more than \$5,000 the tax is capped at \$250.

EXPLANATORY STATEMENT

Passage of this measure extends the tax that provides funds for park acquisition and for capital improvements for parks and the wastewater treatment plant. Projects are required to be in the adopted Capital Improvement Plan.

Since its passage in 1993, park acreage in Ashland has increased from 425 acres to 785 acres. If the tax is extended, the Parks and Recreation Commission will use the revenue to complete projects in the Capital Improvement Plan.

To comply with environmental requirements, the City constructed a new wastewater treatment plant for \$34 million. The City paid \$10 million using Food and Beverage tax revenue and borrowed \$24 million for the balance. The annual loan payment is \$1.8 million including principal and interest. The Food and Beverage tax provided about \$1.5 million in 2008 for the payment. The loan will be paid in 2022. If the tax is not extended, the City will make

payments with other revenues which may include an increase in wastewater utility rates.

All businesses in the city limits that sell prepared food and beverages must collect the tax. This includes restaurants, grocery store delis, coffee shops, catering services and food sold by independent contractors.

Food and beverage providers keep 5% of the total collected to cover their administrative costs and the balance is sent to the City. Of that amount, up to 2% may be retained by the City for administrative costs. Of the balance 20% is for park improvements and 20% of that amount must be used for acquisition. 80% is for capital improvements for the wastewater treatment plant and debt repayment.

Alcoholic beverages and whole cakes, pies and loaves of bread consumed off premises are exempted. The tax is capped at \$250 for events that exceed \$5,000 in food and beverages sold.

The tax will not be assessed on food or beverages:

- Sold by school campuses;
- Sold on hospital grounds;
- Provided by bed and breakfast inns and hotels/motels as part of their lodging;
- Sold in vending machines;
- Sold by nonprofit organizations or service clubs as a temporary fundraiser;
- Provided by convalescent homes, nursing homes and retirement homes;
- Provided by a senior citizen nutritional program;
- Sold for resale to the public;
- Sold in bulk for consumption off the premises such as ice cream packed in a container of one-half gallon or more;
- Candy, popcorn, nuts, chips, gum or other confections but not including ice cream, frozen yogurt, cakes, pies and other desserts.

Businesses will collect the tax at the same time as the amount for the food and beverage is collected.

Each business provides the tax collected to the City before the last day of the month following the end of each quarter. Businesses may arrange with the City to remit the tax monthly.

This tax expires in 2030 unless the City Council eliminates the tax. Funds generated after 2022 not designated for parks will be used for wastewater treatment capital improvement projects.

*(Information furnished by Richard Appicello,
City Attorney, City of Ashland, Oregon.)*

CITY OF ASHLAND

Measure No. 15-95

ARGUMENT AGAINST

- In a state that has NO sales tax; this sales tax has created an economic disadvantage to all local businesses in Ashland.
- This tax hurts the little guys! This tax is specific to independently owned restaurants since there are few chains in the city of Ashland.
- A tax on food is regressive! Food is necessity – people need to eat! Lower to middle-income families will continue to pay a large amount of this tax.
- Ashland restaurants were asked to carry this burden for 20 years, now it's time to stop the target sales tax.
- Restaurants are being hit from every angle with taxes, increased minimum wage, higher health insurance etc...voting no is one way to help Ashland's struggling restaurateurs.
- This sales tax has been turned down by the citizens of 7 other communities in Oregon including Medford and Grants Pass because it's a bad idea.
- Another 20 years of a sales tax, through 2030 is an excessive burden to put on the Ashland restaurants.

Vote No on Sales Tax 15-95!

(Submitted by Don Mercer, Oregon Restaurant Association.)

ARGUMENT AGAINST

Do you want to continue to pay a sales tax on food year round until 2030? Do you still want to hinder Ashland's ability to attract convention business and tourism dollars for local business?

Asking one industry in Ashland to carry the unique risks of a sales tax is unfair to the industry and citizens in the community. In the last ten years Eugene, Salem, Lincoln City, Hood River, Grants Pass and Clatsop County have turned down meals taxes because they are a bad idea. **It's time for Ashland to rejoin this group of cities and counties trying to promote their culinary tourism.**

The restaurant industry has the smallest profit margin of any small business; on average 3-6% and **most restaurants are down over 20% from where they were a year ago.** They are losing sales due to people eating at home or waiting until Medford or Grants Pass to pull off the freeway for lunch, the entire local restaurant industry is at risk.

In addition restaurants are dealing with increased taxes, increased minimum wage and higher health insurance costs etc... They are facing death by a thousand cuts and continuing this tax could be their tipping point.

A tax on food is regressive. Many of the jurisdictions across the country that have sales taxes do not tax food. Food is a necessity – people need to eat. Single parent families, and families with both parents working, generally like the convenience of low cost prepared value meals. **Lower to middle-income families will continue to pay a large amount of the tax. Is that really the best solution in this economy?**

The restaurants in your community did not cause a funding crisis and they are not the sole solution to a funding crisis. **Ashland restaurants were asked to carry this burden for 20 years, now it is time to stop the targeted sales tax... not renew it!**

Vote No on 15-95!

(Submitted by Drew Baily, Oregon Restaurant Association.)

The printing of these arguments does not constitute an endorsement by the County of Jackson, nor does the county warrant the accuracy or truth of any statement made in the arguments.

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ARGUMENT AGAINST

Since 1993 Ashland residents have been bearing the burden of this sales tax. Upon its creation the economy was strong; in 2009 spending is down, consumers are cutting costs and unemployment is at its highest. Now is not the time to renew a sales tax for 20 more years.

The sales tax is considered to be a "tax on tourists". The reality is this sales tax is paid largely by working families in Ashland that need quick affordable meals from local delis and fast food establishments. The highest taxes collected are from the deli's at Ashland Food Co-op and Market of Choice; businesses utilized mostly by locals.

As owners of Liquid Assets in Ashland we estimate that locals account for 70% of our business; our breakdown of tax paid quarterly is 1st and 4th quarter totaled \$3314, 2nd and 3rd quarter totaled \$2750. As you can see our taxes are lower during the 2 quarters of "tourist season" with a majority of our business during the summer still being from locals.

Creating a sustainable business community is paramount to keeping Ashland alive. Without a strong business community real estate values decline, families are forced to move out of Ashland and jobs are lost. We employ 10 people in our small business whom all live in Ashland; we work hard to keep them employed with living wage jobs; including getting our own second, full-time job outside of our business to sustain us and maintain our employees jobs throughout the year.

This is a regressive tax. Low income, working class families and students pay a disproportionate percentage of their income on the sales tax. Renewing this tax during a time of the highest unemployment our state has seen; penalizes working families, low income residents, and hinders job creation. This is not the way to sustain our community, don't be misled by the cities threat to increase sewer bills. Vote NO on 15-95.

(Submitted by Denise D. Daehler, Advocates for Community of Ashland.)

ARGUMENT AGAINST

I have been in the restaurant/lodging business in Ashland for 27 years and employ between 15 to 30 people depending upon the city's seasonality, which is brutal to both businesses and jobs.

Having taught both sides of Restaurant and Hotel Operations at SOU, I can assure you restaurants are a fragile and vulnerable business. Most of the original owners who fought the sales tax on food are no longer running their same operation. When the tax was implemented, we saw an immediate decline in revenues. Over the years, we have lost many group bookings due to this tax. Some say it is only 5 cents on a dollar but when you lose a \$2000.00 business dinner party and ten rooms because of the additional \$100.00 the group would have to pay in taxes then it has an enormous impact on business. Staff and hours have to be cut, all because people refuse to come to Ashland's restaurants. Some refuse for financial reasons others just on principle.

We now have a history of this tax and it shows a vastly different picture than was presented to the voters the first time around. No one fully realized how detrimental the effects of this tax would be or that some of the largest taxpayers would end up being the Ashland Food Co-op, Albertsons, and Market of Choice, where the locals shop and eat. No one understood how many people would stay away from eating and doing business in Ashland. But now we know. And the losses adversely affect peoples lives.

Do the math. How much does Ashland lose when it unwittingly gives unfair advantage to the surrounding municipalities? In these difficult economic times, we should be building our financial base not undermining it.. Vote No on continuing the sales tax on meals.

(Submitted by Michael Gibbs, Advocates for Community of Ashland.)

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VOTING INSTRUCTIONS

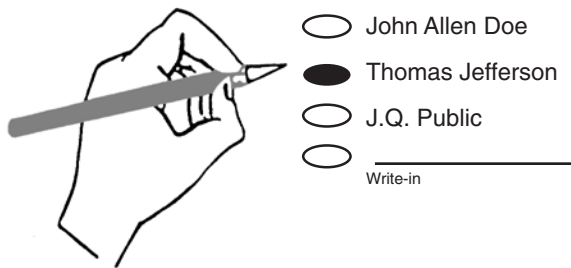
USE A PEN (BLUE OR BLACK INK)

At the November 3, 2009 Special Election the voters of Jackson County will cast their votes on the ballot illustrated below. This page has been inserted into the Voters' Pamphlet as an aid for using this ballot.

1. **TO ENSURE YOUR VOTE COUNTS, COMPLETELY FILL IN THE OVAL (●) TO THE LEFT OF THE RESPONSE OF YOUR CHOICE.**
2. **TO WRITE IN A NAME — WRITE THE NAME ON THE SOLID LINE AND FILL IN THE OVAL (●) TO THE LEFT OF THE WRITE IN LINE.**

EXAMPLE

PRESIDENT (VOTE FOR ONE)

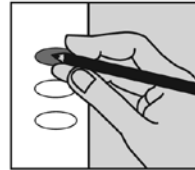


3. **DO NOT CROSS OUT — IF YOU CHANGE YOUR MIND, CONTACT THE ELECTIONS DEPARTMENT AT 774-6148 FOR A REPLACEMENT BALLOT.**

REMEMBER, IF STATED ON YOUR BALLOT, VOTE BOTH SIDES OF YOUR BALLOT!

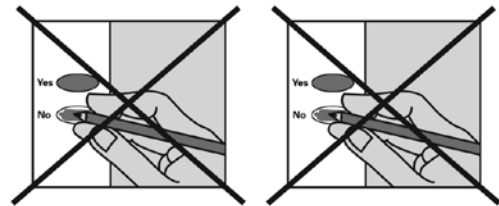
check your ballot!

Make sure you have completely filled in the ovals next to your choices.



If you vote for more candidates than allowed, or if you vote **both Yes and No** on a measure, it is called an overvote.

Your vote **will not count** for that candidate or measure.



You do not have to vote on all contests. Those you do vote on will still count.

Contact Jackson County Elections to request a replacement ballot if:

- you make a mistake
- your ballot is damaged or spoiled
- your ballot is lost

or for any other reason.

Jackson County Elections

1101 W Main Street Suite 201
Medford OR 97501

541 774 6148

www.co.jackson.or.us

OFFICIAL DROP SITE LOCATIONS

Opening October 26, 2009

Jackson County Elections

1101 W. Main St., Suite 201
Medford, OR 97501

Curbside ballot drop box open 24 hours daily
(Left lane – W Main)

Elections office open 8 am to 4 pm
(7 am - 8 pm on Election day)

Ashland Library

410 Siskiyou Blvd.
Ashland, OR 97520

Curbside ballot drop box open 24 hours daily (alley off
Gresham St. by book drop - opening October 26, 2009)

Closes at 8 pm Election day

Rogue River City Hall

133 Broadway St.

Rogue River, OR 97537

Mon-Fri 9-12:30; 1:30-5:00

Election day – 9 am-12:30 pm; 1:30 pm-8 pm

**DEADLINE TO RECEIVE BALLOTS: 8 P.M. ELECTION DAY,
NOVEMBER 3, 2009**