



Chula Vista: Extension of Measure P (2016) Sales Tax

June 2024

SDCTA Position:

SUPPORT

Rationale for Position:

The Association SUPPORTS the extension of Chula Vista’s Measure P as it has met many of its goals outlined in the original measure. Extending the measure will help the City in the continuation of its upgrades and improvement of the local infrastructure. Funds generated from the Measure have been instrumental in funding many of the City’s needs, which includes improving the Fire and Police Department’s equipment, upgrades to the City’s parks and recreational centers, and updating its streets, sidewalks, and sewer systems. The extension of the Measure will allow the City to continue their ability to finance the projects that focus on maintaining the City’s infrastructure, facilities, and equipment, resulting in a better quality of life.

Additionally, the City Staff have confirmed that they intend the extension of Measure P to be the last and are not looking for another extension. The Staff have confirmed that they intend to use the funds generated from the extension to help the City achieve long-term fiscal stability.

Title: Extension of Measure P (2016) Sales Tax

Type: Tax Extension

Vote: General Presidential Election in November 2024

Status: On the ballot

Issue: Sales tax

Description: To continue financing the City’s infrastructure and upgrading the City’s equipment and facilities

Fiscal Impact: About \$25 million per year

Background

Chula Vista is considering extending the Measure P Sales Tax during the 2024 November elections. The extension would be done without raising the taxes and at the current sales tax rate of 8.75% for an additional 10 years. The Measure P Sales Tax was approved by the citizens of the City in 2016. Measure P is a temporary ½ cent sales tax that is intended to help supplement the City’s General Fund revenues in order to address the maintenance and improvement of the City’s infrastructure. The measure, which went into effect starting in April 2017 is expected to expire in March 2027.



If the Measure P extension is approved, the funds would be used to continue the improvement and upgrading of the local infrastructure as follows¹:

1. Fix potholes and pave and maintain local streets
2. Clean up trash and litter along streets, sidewalks, and in other public areas
3. Keep existing parks and recreation facilities safe, clean, and well-maintained
4. Continue infrastructure repairs including sidewalks, curbs, and storm drains
5. Add sidewalks in priority areas
6. Make improvements to roads and intersections to better manage traffic congestion
7. Repair or replace more underground stormwater pipes that are at risk of collapse and creating sinkholes
8. Addressing homelessness encampments and increase cleanup efforts

The Measure, which is currently in its 7th year, is expected to exceed the original estimated amount of \$186 million over the ten-year period. Current projected estimates suggest a total of about \$245 million. As of March 2023, the Measure P sales tax has generated \$140.1 million in revenue which has been used to reinvest into the City's future.² The funds generated by the measure are first received into the City's General Fund and then transferred into a specific Measure P fund. In order to help address the City's greatest infrastructure needs, the City Council approved the Infrastructures, Facilities and Equipment Expenditure Plan³ in December 2016. The Plan seeks to address the City's highest priority needs as follows:

1. Pave, maintain and repair neighborhood streets and fix potholes
2. Upgrade or replace aging police, fire and 9-1-1 emergency response facilities, vehicles and equipment
3. Replace storm drains to prevent sinkholes
4. Upgrade irrigation systems to conserve water and save energy
5. Make essential repairs to older libraries, senior centers and recreation centers
6. Improve our Traffic Signal Systems
7. Repair our Sports Fields and Courts and Park Infrastructure

A Citizens' Oversight Committee ("COC") has been set up in order to ensure transparency and accountability in the use of Measure P Funds. The COC is responsible for the following:

1. Review and comment on each year's Finance Department Report; Measure P Spending Plan; and Audit Report

¹ Renewing Measure P One Page Fact Sheet.

<https://www.chulavistaca.gov/home/showdocument?id=27757&t=638477408453280429>

² Measure P Report: Delivering on Promise.

<https://www.chulavistaca.gov/home/showpublisheddocument/26768/638295087963930000>

³ Infrastructure, Facilities and Equipment Expenditure Plan.

<https://www.chulavistaca.gov/home/showpublisheddocument/14294/636174179337500000>



2. Prepare an Annual Report regarding the Finance Department Report for presentation to the City Council at a Public Meeting
3. Work with City Staff to identify and apply "best practices" for tracking & reporting on Measure P revenues and expenditures.

The Committee is made up of 16 members who are appointed by the City Council. Each member is a representative of various groups/organizations as follows:

1. Chula Vista Chamber of Commerce
2. San Diego County Taxpayers Association
3. Chula Vista Youth Sports Council
4. Chula Vista Parks and Recreation Commission
5. Chula Vista Growth Management Oversight Commission
6. Sustainability Commission (formerly known as Resource Conservation Commission)
7. Chula Vista Director of Public Works
8. San Diego and Imperial Counties Labor Council
9. Alliance of Californians for Community Empowerment, San Diego branch
10. Chula Vista Fire Chief
11. Chula Vista Police Chief
12. The remaining five members are At-Large members, which includes one resident from each of the four City Council districts, and one member who may be a resident of any one of the four districts.

In addition to the COC, the City also emphasizes local accountability and local control. The City mentions that any local funding measure would require strong fiscal accountability, including:

1. Public disclosure of all spending
2. All funds stay local in Chula Vista and no funds can be taken away by the State
3. Renewal of local funding at current rates, with no increase to local sales tax
4. Essential purchases such as groceries, prescription medicine, diapers, and feminine hygiene products would continue to be exempt from sales tax

The San Diego County Taxpayers Association previously supported the Measure back in 2016. However, the Association also opposed Measure A, an additional ½ sales tax intended to address the City's Fire and Police Department's needs, which was approved by the City's voters in 2018.

The San Diego Taxpayers Educational Foundation (SDTEF) conducted a municipal review of Chula Vista in June 2024, in which the SDTEF looked at the City's General Fund, staffing levels,



pension costs, and other long-term liabilities as well as analyzed performance of the City's core departments.⁴

SDCTA Findings

For FY 2023, Measure P funded about \$25.1 million into capital-related projects. The City of Chula Vista Fiscal Years 2025 – 2034 General Fund Long-Term Financial Plan (LTFP) addresses the City's long-term goals over the next ten years to ensure the quality of life is maintained. The LTFP projections have identified that the City's General Fund revenues will increase from FY 2025 to FY 2027, but is expected to decrease in FY 2028 due to the conclusion of the Measure P Sales Tax. FY 2028 marks the first fiscal year in which Measure P revenues are not included in the City's General Fund. With the conclusion of Measure P, Chula Vista will be left alone to address the City's aging infrastructure without the added revenue of the measure.

The City has been pretty consistent in meeting its goals, as identified by the Infrastructures, Facilities and Equipment Expenditure Plan and the Capital Improvement Plan. The City has completed several major projects relating to the City's infrastructure, public safety, and Public Facilities renovations over the course of the last decade. Measure P funds are allocated to the following needs as follows: 42% to City Infrastructure Projects, 37% to Public Safety, and the remaining 21% to Public Facilities Renovations.⁵ In addition to the projects completed by the City, there are numerous projects that are currently in progress. The City has committed or spent about \$64.8 million on the City's infrastructure, \$52.4 million on the City's Public Safety, and \$33.8 on the City's Public Facilities. The City anticipates about \$26.6 million of future funds to be allocated for the City's infrastructure, \$27.6 for the City's Public Safety, and \$10.4 million for the City's Public Facilities.

Comprising 42% of the funds generated by Measure P, the City has reinvested heavily into the upkeep and maintenance of the City's infrastructure, particularly the rehabilitation and repair of its residential streets. Measure P has covered the costs of major asphalt replacement and rehabilitation of over 300 residential street segments in failing condition as described by the "Pavement Condition Index" (PCI). The maintenance has allowed future generations of Chula Vista citizens to enjoy beautiful streets. Another major project completed by the City is the renovation of its largest park, Rohr Park. This has included the reconstruction of the basketball courts, bleachers, picnic benches, and drinking fountains, expansion of ADA access with new bathroom facilities currently in progress. The City has also completed Lauderbach Park, which included the installation of synthetic turf, a new court, a new picnic area, and a rehabilitated walkway access. Other upgrades have also included the repairs or replacement of at least 150

⁴ Chula Vista Municipal Review. June 2024. San Diego Taxpayers Educational Foundation. Data can be found [here](#).

⁵ Measure P Report. <https://pub-chulavista.escribemeetings.com/filestream.ashx?DocumentId=37878>



storm drain locations, at least 2,700 sidewalk segments serviced and at least 1,700 locations where sidewalk edges have been sliced to alleviate trip hazards. The City has also looked into the upgrading of the City's telecommunication networks, has reduced traffic congestion and associated carbon emissions, enhanced energy savings in City buildings, and enabled enhanced security at many of the City's locations.

37% of the funds generated by Measure P has been reinvested into the City's Public Safety. It has primarily gone to the City's respective police and fire departments. \$30 million has been reinvested into facilitating major rehabilitation of the City's Fire Stations. This includes the new construction of Fire Stations 3 and 5 as well as the reconstruction of Fire Station 1. There has also been fuel management upgrades for Public Works Corp Yard and Fire Stations #3, #4, #5, and #7. Meanwhile, funding from Measure P has also secured a \$1.4 million PremierOne Computer Aided Dispatch (CAD) System, which is a critical component of the 911 emergency service framework to ensure the system remains stable and reliable. This has replaced the City's 20 year old CAD System. The upgrades to both the fire and police departments have improved response times and emergency service in the City's boundaries. Other upgrades have also included the replacement of at least 175 Public Safety Vehicles.

About $\frac{1}{5}$ of the Measure P funds is reinvested into the renovations of the City's Public Facilities, including the renovations of the Loma Verde Community Center and Civic Center Library. The Loma Verde Community Center has seen a total upgrade of their facilities, including a new multi-purpose gymnasium, dance rooms, crafts room, fitness room, game room, restrooms, two new pools and splash pad, shower/changing rooms, and classrooms. Meanwhile, the Civic Center Library's renovations have included a roof replacement, restroom renovations for ADA access, and electrical/HVAC upgrades. Other community facilities that have received upgrades include the Animal Care Facility, Living Coast Discovery Center, the Ken Lee Building, and the South Chula Vista Libraries.

Based on the City's many reports about Measure P, including reports by the COC and Measure P Progress Reports, the City has been consistent in meeting their goals as outlined in the original measure and the Infrastructures, Facilities and Equipment Expenditure Plan. Extending the Measure will allow the City to maintain the quality of life that many of its citizens currently enjoy. In addition, the extension will keep the sales tax at its current rate without any tax raises. This is beneficial for all of the City's citizens as raising the tax rate can negatively impact people who come from lower socioeconomic backgrounds.

With many of the City's projects and renovations funded by the Measure, the conclusion of the tax in 2027 may result in the City struggling to continue the financing of future projects. This can



negatively impact citizens of Chula Vista as the quality of life goes down. The extension of the Measure states that it will have a sunset clause of 10 years, just like the original measure. The sunset allows the City to make sure that the City plans accordingly to execute projects and renovation plans, allowing accountability. It also makes sure that the tax does not continue in perpetuity. In addition, the COC has been really active in publishing yearly reports that explain how the funds are spent and where it is going to. These reports show transparency with the public, allowing for the people to be aware of where and how the money is spent. As the extension promises the same accountability and fiscal control measures as the original measure, this further highlights the City's commitment to transparency.

Proponents⁶⁷

Supporters include:

- Stephen Stenberg, Chula Vista resident
- Victor Avina, Chula Vista resident

Opponents include:

- Delia Dominguez Cervantes, Chula Vista resident

⁶ Chula Vista leaders vote to put Measure P renewal on the ballot. San Diego Union-Tribune. June 2024. <https://www.sandiegouniontribune.com/2024/06/27/chula-vista-leaders-vote-to-put-measure-p-renewal-on-the-ballot/?clearUserState=true>.

⁷ Chula Vista voters will decide whether to renew a major infrastructure tax this fall. KPBS. July 2024. <https://www.kpbs.org/news/economy/2024/07/02/chula-vista-voters-will-decide-whether-to-renew-a-major-infrastructure-tax-this-fall>.