



# Town of Fairfax

## DRAFT

### Fiscal Sustainability Plan

November 8, 2010

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#### **New Revenue Sources**

The Town needs to explore new revenue sources to be viable over the long run. There are many unmet needs, particularly in the area of deferred maintenance, badly needed capital infrastructure improvements, ADA improvements, and a larger unrestricted reserve.

The Town has several possible new revenue sources it could explore.

**Local Sales Tax:** Many communities throughout California have passed a local sales tax. This local sales tax is solely dedicated to the Town and could be used for a single purpose. For example, a one-half cent sales tax could be dedicated to infrastructure improvements (Measure K replacement). Attached to this memo are the 20-year capital improvement, infrastructure and maintenance needs for the Town. The needs are daunting and without new revenue sources most of these needs will not be met. A one-half cent local sales tax could generate approximately \$200,000 per year.

**Parking Charges:** The Town has held one community meeting to discuss the possibility of charging for parking in certain areas of the downtown area. The key is to charge for parking only when there is a vacancy rate of less than fifteen percent to maximize the effort and expense involved of creating paid parking and to maximize revenue that could be generated. Parking charges will generate approximately \$100,000 to \$200,000 per year depending on how many stalls (areas) are subject to fees.