



CITY OF CARMEL-BY-THE-SEA

Funding Feasibility Assessment and Revenue Option Discussion

City Council Meeting

April 6, 2026



Purpose

- Tonight we are going to receive a presentation regarding options for new revenue
- City Council will be asked to give direction regarding one of those options, a Sales Tax increase
- City Council may also wish to provide guidance for future revenue enhancement



Background

- The report, and the presentation we will hear tonight, are from Civitas
- Civitas in a firm of experts who advice municipalities
- They have worked with the County of Monterey and with the Carmel hoteliers to develop revenues



Key Findings from Study

High Feasibility	Moderate Feasibility	Low Feasibility
<ul style="list-style-type: none"> • Transient Occupancy Tax increase ("TOT") 	<ul style="list-style-type: none"> • Charter city conversion 	<ul style="list-style-type: none"> • Landscape & lighting district
<ul style="list-style-type: none"> • Transactions and Use Tax ("Sales Tax") (0.375% remaining) 	<ul style="list-style-type: none"> • Mello-Roos community facilities district 	<ul style="list-style-type: none"> • Service fees optimization
<ul style="list-style-type: none"> • General Obligation Bonds (for capital projects) 	<ul style="list-style-type: none"> • Enhanced infrastructure financing district 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Property-based business improvement district 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Paid parking 	<ul style="list-style-type: none"> •

± Carmel Hospitality Improvement District (CHID) assessment redirect



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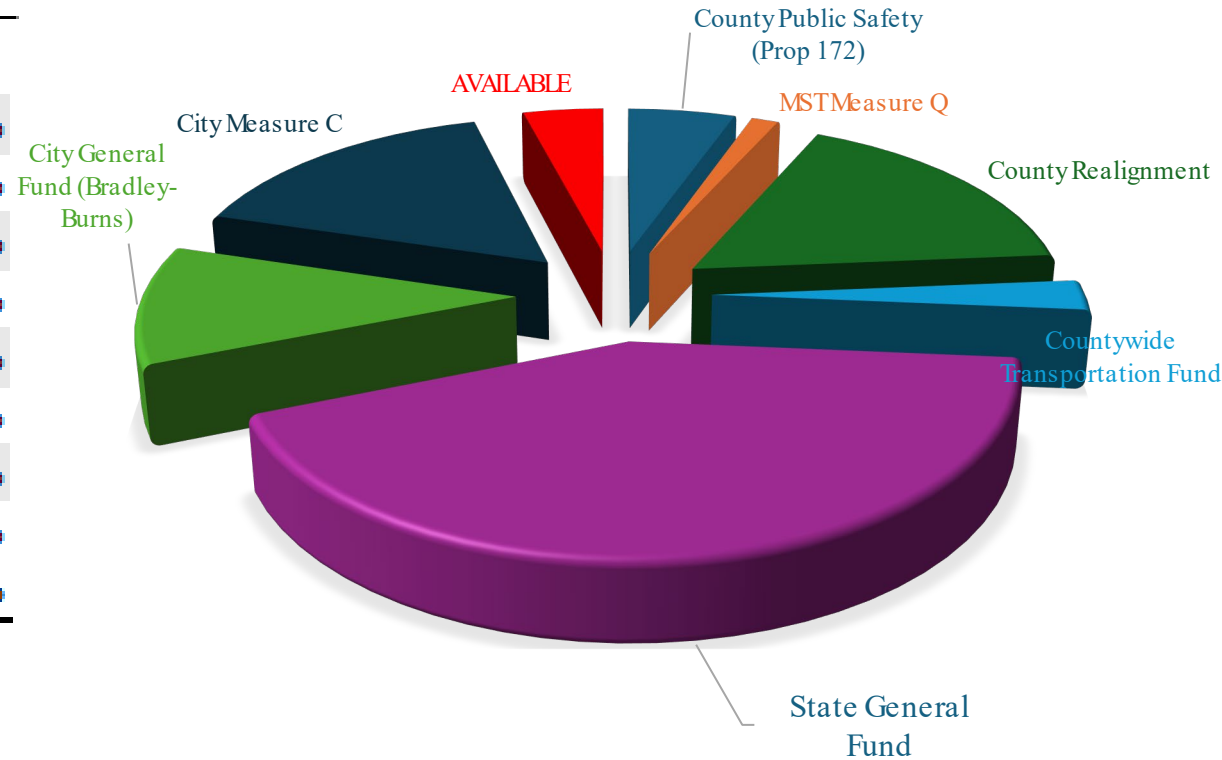
Sales Tax

CITY OF CARMEL



Breakdown of 9.25% Sales Tax Rate Effective July 1, 2020

State General Fund	3.94%
City General Fund (Bradley-Burns)	1.00%
City Measure C (CARC)	1.50%
County Public Safety (Prop 172)	0.50%
County Realignment (Mental Health/Welfare/Public Safety)	1.56%
Countywide Transportation Fund	0.25%
Monterey - Salinas MST Special Transit District Measure Q (MSTD)	0.13%
AVAILABLE	0.38%
Total Rate	9.25%





Conclusion

Provide Direct on the following:

1. Determine whether the City should proceed with the Sales Tax ballot measure this year.
2. Select which mechanisms to pursue for detailed future feasibility analysis in the coming year(s).