

COUNCIL AGENDA: 06-12-12
ITEM: 2.19

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Dennis Hawkins, CMC
City Clerk

SUBJECT: SEE BELOW

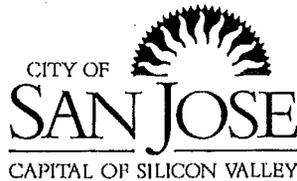
DATE: 06-07-12

SUBJECT: REPORT ON THE EFFECTS OF THE PROPOSED CARDROOM INITIATIVE

RECOMMENDATION

As recommended by the Rules and Open Government Committee on June 6, 2012 and outlined in the attached memo previously submitted to the Rules and Open Government Committee:

- (a) Refer to staff further analysis and the development of a report on the possible effects of the proposed Cardroom Initiative Ordinance consistent with California Elections Code Section 9212; and
- (b) Direct staff to return with the 9212 Report on August 7, 2012, if a Certificate of Sufficiency on the initiative is issued by the Santa Clara County Registrar of Voters.



Memorandum

**TO: HONORABLE MAYOR
AND CITY COUNCIL**

FROM: DENNIS HAWKINS

**SUBJECT: REPORT ON THE EFFECTS OF
THE PROPOSED CARDROOM
INITIATIVE**

DATE: June 1, 2012

RECOMMENDATION

1. Refer to staff further analysis and the development of a report on the possible effects of the proposed Cardroom Initiative Ordinance consistent with California Elections Code Section 9212.
2. Direct staff to return to the City Council with the 9212 Report on a date to be determined if a Certificate of Sufficiency on the initiative is issued by the Santa Clara County Registrar of Voters.

BACKGROUND

An initiative petition is currently being circulated by proponents of a measure which would, among other things, increase the number of authorized tables in each of the City's two Cardrooms and permit any gaming that is approved by the State of California. Initiatives are subject to conditions specified in the City Charter and the California Elections Code. Once certified as qualified, the City Council must make a determination of how to proceed within ten (10) days of notice of the certification. Consistent with the City Charter and California Elections Code §9215, the Council has three options to consider:

a. Adopt Ordinance as proposed:

Under City Charter Section 1603 (a) (1) and California Elections Code §9215 (a), the Council may adopt the ordinance, without alteration, at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented.

b. Order either a Special Municipal Election or submit the ordinance to the voters at the next General Election:

If the City Council does not adopt the proposed ordinance in its entirety, then under City Charter, Article 16, Section 1603 (a) (2), if the petition is signed by at least five percent (5%) of eligible registered voters in effect at the time the notice of intent to circulate the petition is published, then the proposed ordinance, without alteration, shall be submitted by the Council to the voters at the next General Election, if not submitted to the voters at a Special Municipal Election. If the Council chooses to submit the ordinance to the voters at a special election called for that purpose, California Elections Code §§ 9215(b) and 1405 require the election to be held not less than 88 days or more than 103 days from the call of the election. Or, the Council could call the election for the next General Election, November 6, 2012. The deadline for resolutions placing measures on the November 2012 ballot is August 10, 2012. The last regularly scheduled Council meeting before the August 10 deadline is August 7, 2012.

c. Report on the Effect of the Initiative:

If, under Elections Code §9215, the Council does not adopt the ordinance without alteration or call an election as described under (a) and (b), then the City Council may order a report on the effect of the proposed initiative as defined in California Elections Code §9212. The report may be ordered during the circulation of the petition or before taking action to adopt the ordinance or call an election. The Council may refer the initiative measure to any city agency or agencies for a report, which may include various topics

- 1) Its fiscal impact.
- 2) Its effect on the internal consistency of the city's general and specific plans.
- 3) Its effect on the use of land, the impact on the availability and location of housing, and the ability of the city to meet its regional housing needs
- 4) Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
- 5) Its impact on the community's ability to attract and retain business and employment.
- 6) Its impact on the uses of vacant parcels of land.
- 7) Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.
- 8) Any other matters the City Council requests to be in the report.

The report shall be presented to the legislative body within the time specified by the Council, but no later than 30 days after the elections official certifies the sufficiency of the petition.

HONORABLE MAYOR AND CITY COUNCIL

Subject: Report on the effects of the proposed Cardroom Initiative

June 1, 2012

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ANALYSIS

Under California Elections Code Section 9212, the Council may order a report on the potential effects of the proposed ordinance when the initiative begins circulating or upon receipt of the Certificate of Sufficiency that the initiative has qualified for the ballot. Given the likelihood that the proponents of the measure will submit the initiative for signature verification in June, the Registrar of Voters may present the Certificate of Sufficiency in July. Therefore, the Council may well need to consider the options outlined above to adopt the ordinance or call an election at its August 7 meeting, the last Council meeting prior to the deadline to submit ballot measures to the Registrar on August 10. This tight timeline, and staff's desire to provide all information to the Council as it makes any decisions on this matter, is the reason it is recommended that the Council order the 9212 report at this time. The 9212 report will be prepared and coordinated with the Offices of the City Manager and City Attorney, Police and Finance Departments, and other departments as appropriate.

COST SUMMARY/IMPLICATIONS

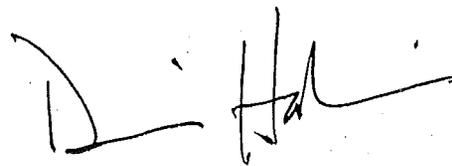
Based upon recent experience with the Medical Marijuana Referendum and the Minimum Wage Initiative, the cost of signature verification for the Cardroom Initiative will range from \$56,000 to \$111,000. If the measure qualifies for the November 2012 ballot, we estimate the election costs of this second measure to be approximately \$345,000. If the initiative were to qualify and if the Council were to adopt the ordinance as presented, thereby avoiding the cost of an election, the potential cost savings would be approximately \$345,000.

COORDINATION:

This memo has been coordinated with the Office of the City Attorney.

CEQA:

Not a project.



DENNIS D. HAWKINS, CMC
City Clerk

For questions please contact Dennis Hawkins, City Clerk, at (408) 535-1275