



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL AGENDA

Contact: 831.620.2000 www.ci.carmel.ca.us

Mayor Dale Byrne
Councilmembers Jeff Baron, Hans Buder, Bob Delves, and
Alyssandra Dramov

All meetings are held in the City Council Chambers
East Side of Monte Verde Street
Between Ocean and 7th Avenues

Special Meeting Friday, August 14, 2026 2:00 PM

HYBRID MEETING ATTENDANCE OPTIONS

This meeting will be held in person and via teleconference ("hybrid"). The public is welcome to attend the meeting in person or remotely via Zoom, however, the meeting will proceed as normal even if there are technical difficulties accessing Zoom. The City will do its best to resolve any technical issues as quickly as possible. To view or listen to the meeting from home, you may also watch the live stream on the City's YouTube page at: <https://www.youtube.com/@CityofCarmelbytheSea/streams>. To participate in the meeting via Zoom, copy and paste the link below into your browser.

<https://ci-carmel-ca-us.zoom.us/j/87890336774> Webinar ID: 878 9033 6774; Passcode: 731414; Dial in: (253) 215-8782

HOW TO OFFER PUBLIC COMMENT

The public may give public comment at this meeting in person, or use the Zoom teleconference module, provided that there is access to Zoom during the meeting. Zoom comments will be taken after the in-person comments. The public can also email comments to cityclerk@ci.carmel.ca.us. Comments must be received at least 2 hours before the meeting in order to be provided to the legislative body. Comments received after that time and up to the beginning of the meeting will be made part of the record.

PUBLIC COMMENT GUIDELINES FOR SPECIAL MEETINGS

During Special City Council Meetings, public comments are permitted on items listed on the agenda. After each item on the agenda is introduced, the Mayor will invite public comment on that item. Each speaker has 3 minutes to speak unless otherwise adjusted by the Mayor. While stating your name is optional, it helps to identify speakers in the meeting minutes. Remote or in-person participants who do not comply with the requirements of the Brown Act will be muted.

CALL TO ORDER AND ROLL CALL - 2:00 p.m.

ORDERS OF BUSINESS

Orders of Business are agenda items that require City Council discussion, debate, direction to staff, and/or action.

- 1) Consider the Proposed Rebuttal Argument to the Primary Argument Against the Transient Occupancy Tax (TOT) Ballot Measure

Recommendation: Motion to approve Rebuttal Argument to the Primary

Argument Against the Transient Occupancy Tax (TOT) Ballot Measure or other direction by Council.

ADJOURNMENT

This agenda was posted at City Hall, Monte Verde Street between Ocean Avenue and 7th Avenue, Harrison Memorial Library, located on the NE corner of Ocean Avenue and Lincoln Street, the Carmel-by-the-Sea Post Office, 5th Avenue between Dolores Street and San Carlos Street, and the City's webpage (<http://www.ci.carmel.ca.us>) in accordance with applicable legal requirements.

CORRESPONDENCE RECEIVED AFTER THE POSTING OF THE AGENDA

Any correspondence or supplemental materials related to items on this agenda that are received after the agenda has been posted will be distributed to the City Council and made available for public review at City Hall (Monte Verde Street between Ocean and Seventh Avenues) during regular business hours. Written comments emailed to the City Clerk will not be read aloud, but will be posted online with the related agenda at: <https://carmelbytheseaca.portal.civicclerk.com/>.

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at 831-620-2000 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting (28CFR 35.102-35.104 ADA Title II).



CITY OF CARMEL-BY-THE-SEA
City Council
Staff Report

August 14, 2026
ORDERS OF BUSINESS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Brian Pierik, City Attorney, Nova Romero, City Clerk

APPROVED BY: Brandon Swanson, Acting City Administrator

SUBJECT: Consider the Proposed Rebuttal Argument to the Primary Argument Against the Transient Occupancy Tax (TOT) Ballot Measure

Recommendation: Motion to approve Rebuttal Argument to the Primary Argument Against the Transient Occupancy Tax (TOT) Ballot Measure or other direction by Council.

RECOMMENDATION:

Motion to approve Rebuttal Argument to the Primary Argument Against the Transient Occupancy Tax (TOT) Ballot Measure or other direction by Council.

BACKGROUND / SUMMARY:

On June 2, 2026, the City Council adopted Resolution 2026-042 (**Attachment 1**) for the submission to the qualified electors of the City of Carmel-by-the-Sea a ballot measure to adopt a new two percent (2%) transient occupancy tax, in addition to the existing ten percent (10%) transient occupancy tax.

On July 7, 2026, the City Council approved the Primary Argument in favor of the TOT ballot measure (**Attachment 2**).

On August 7, 2026, the City received the Primary Argument Against the TOT ballot measure (**Attachment 3**).

On August 13, 2026, the Monterey County Elections Department assigned the Ballot

Measure letters for the November 3, 2026, Election, and the Carmel TOT Ballot Measure was assigned as "Measure M."

Attachment 4 is a draft Rebuttal Argument to the Primary Argument Against the Transient Occupancy Tax (TOT) Ballot Measure.

The deadline for the authors of the Primary Arguments for or Against a Measure is Monday, August 17th at 5:00 p.m. to the City Clerk. Rebuttals must not exceed 250 words (Elections Codes §9167, 9285, 9317, 9504). Rebuttals cannot contain more than five (5) signatures on the signature statement form, and may be signed by the same people who signed the argument, or the filer can authorize up to five (5) new people to sign the rebuttal by completing an Authorization Form for Change in Signer(s) of Rebuttal Arguments along with the Required Argument Signature Statement (Elections Code §9167).

FISCAL IMPACT:

PRIOR CITY COUNCIL ACTION:

Described above in Discussion.

ATTACHMENTS:

1. Resolution 2026-042 - Ordering Submission of Ballot Measure for TOT for 11-3-26 election
2. Primary Argument in Favor of TOT ballot measure_Redacted signatures
3. Argument Against Carmel TOT Ballot Measure_Redacted signatures
4. Draft Rebuttal to the Argument Against TOT Ballot Measure

**CITY OF CARMEL-BY THE SEA
CITY COUNCIL**

RESOLUTION NO. 2026-042

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF CARMEL-BY-THE-SEA A MEASURE TO ADOPT A NEW TWO PERCENT TRANSIENT OCCUPANCY TAX, IN ADDITION TO EXISTING TEN PERCENT TRANSIENT OCCUPANCY TAX, AND APPROVING THE FORM OF THE ORDINANCE TO BE SUBMITTED TO THE VOTERS; REQUESTING THE MONTEREY COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION AND REQUESTING CONSOLIDATION OF THE GENERAL MUNICIPAL ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 3, 2026; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS CONCERNING SUCH MEASURE; AUTHORIZING THE DRAFTING OF PRIMARY ARGUMENTS AND REBUTTALS CONCERNING SUCH MEASURE

WHEREAS, pursuant to Resolution No. 2026-040, the City Council has called a General Municipal Election to be held on Tuesday, November 3, 2026, for the purpose of electing council members as provided therein ("General Municipal Election") and requested that the Monterey County Board of Supervisors consent to the consolidation of the General Municipal Election with the Statewide General Election to be held on the same date; and

WHEREAS, the City imposes a transient occupancy tax pursuant to Chapter 3.32 of the City of Carmel-by-the-Sea Municipal Code ("TOT"); and

WHEREAS, pursuant to Article XIII C of the California Constitution, Section 53720 et seq. of the California Government Code, the City has the authority to levy a general tax, including, but not limited to, increasing an existing tax; and

WHEREAS, Article XIII C, Section 2, of the California Constitution requires that the election at which a general tax is submitted to the electorate shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, the City Council desires to submit a measure proposing a new 2% TOT that would be in addition to the existing 10% TOT to the voters of the City at the General Municipal Election to be held on November 3, 2026, that was called pursuant to Resolution No. 2026-040; and

WHEREAS, the proposed measure contemplated by this Resolution establishes a general tax in which the proceeds will be deposited in the City's General Fund for general government use; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order consolidation. The resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, it is desirable that the General Municipal Election to be held on November 3, 2026, be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the County of Monterey Election Department canvass the returns of such General Municipal Election and that the election be held in all respects as if there were only one election; and

WHEREAS, The City Council exercises its independent judgment and finds that this Resolution is not subject to the California Environmental Quality Act ("CEQA"), because the enactment of this Resolution: (1) does not constitute a "project" as defined by CEQA pursuant to California Code of Regulations, Title 14, Sections 15060(c)(3) and 15378; (2) will not result in a direct or reasonably foreseeable indirect physical change in the environment pursuant to California Code of Regulations, Title 14, Section 15060(c)(2); and (3) is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment pursuant to California Code of Regulations, Title 14, Section 15061(b)(3).

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

1. Recitals. The recitals set forth above are incorporated herein by this reference.
2. Submission of Measure. Pursuant to the laws of the State of California, including, but not limited to, Elections Code Section 9222 and 10201, the City Council, pursuant to its right and authority, does hereby order the submission to the voters of the City at the General Municipal Election to be held on November 3, 2026, which was called pursuant to Resolution No. 2026-040, a ballot measure that, if approved, establishes a new 2% transient occupancy tax that is in addition to the existing 10% transient occupancy tax so the total tax rate is 12%, with the new 2% tax providing approximately \$1,900,000 annually and the 12% providing approximately \$11,700,000 annually in total and will be effective until ended by voters ("Measure"). As required by Elections Code Section 13247, the abbreviated form of the Measure to appear on the ballot is specified below in Section 3.

3. Question. Accordingly, the City Council hereby orders the following question to be submitted to the voters at the General Municipal Election:

To upgrade streets/sidewalks, address beach erosion, enhance wildfire preparedness, maintain City trees, and fund other general government purposes in City of Carmel-by-the-Sea, shall the measure establishing a new 2% transient occupancy tax, paid by lodging guests, in addition to the existing 10% transient occupancy tax, increasing the total tax rate to 12%, with the new 2% tax generating approximately \$1,900,000 annually, and the total 12% tax generating \$11,700,000 annually, until ended by voters, be adopted?	YES	
	NO	

4. Proposed Measure. The proposed complete text of the Measure with the proposed Ordinance No. 2026-002 to be submitted to the voters is attached to this Resolution as Exhibit A and incorporated herein by this reference. Further, the City Council hereby approves such proposed complete text of the Measure with proposed Ordinance No. 2026-002 in the form as provided in Exhibit A and the submission thereof to the voters of the City.

5. Voter Approval Requirement. The vote requirement for this Measure to pass shall be a majority of those casting ballots on the Measure (50% plus 1).

6. Publication of Measure. The City Clerk is directed to publish a synopsis of the Measure in a newspaper of general circulation in the City of Carmel-by-the-Sea as required by applicable law.

7. Coordination. The City Clerk is authorized, instructed, and directed to coordinate with the Monterey County Elections Department to procure and furnish and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

8. Request for Consolidation.

a. Pursuant to the requirements of Elections Code Section 10403, the Board of Supervisors of the County of Monterey is hereby requested to consent and agree to the consolidation of the General Municipal Election with the Statewide General Election on Tuesday, November 3, 2026, for the purpose of submitting to the voters the abovementioned Measure.

b. The Monterey County Elections Department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide elections, including, but not limited to, Elections Code Section 10418.

c. The Board of Supervisors of the County of Monterey is requested to issue instructions to the Monterey County Elections Department to take any and all steps necessary for conducting and holding the consolidated election.

d. Pursuant to Elections Code Section 10002, the Board of Supervisors of the County of Monterey is requested to permit the Monterey County Elections Department to provide any and all services necessary for conducting such General Municipal Election.

e. The City of Carmel-by-the-Sea recognizes that additional costs will be incurred by the County of Monterey by reason of this consolidation and agrees to reimburse the County of Monterey for any costs.

9. Filing with County. The City Clerk shall file a certified copy of this Resolution with the Monterey County Board of Supervisors and Monterey County Elections Department.

10. Arguments and Impartial Analysis.

The City Clerk is authorized to set dates for the submission of Primary Arguments, City Attorney Impartial Analysis and Rebuttal Arguments in advance of the dates set by the County in order for the City Clerk time for review and submit these filings to the County of Monterey.

a. Primary Arguments.

i. Pursuant to Elections Code Section 9282, the City Council authorizes the Mayor and City Councilmembers to author and submit the primary argument in favor of the Measure not exceeding 300 words, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code, and authorizes the Mayor and City Councilmembers, to submit a rebuttal argument to the argument against the Measure pursuant to Section 10(c).

ii. A primary argument in favor or against the Measure shall not exceed 300 words in length and shall be accompanied by the printed name(s) and signature(s) of the author(s) submitting it, or, if on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code. Primary arguments shall be accompanied by the Form of Statement to Be Filed By Author(s) of Argument. Submittals of primary arguments are to be delivered to the City Clerk no later than 5:00 p.m. on August 7, 2026, and may be changed or withdrawn up and until such date and time.

iii. In the event that more than one argument in favor or against the foregoing Measure is timely submitted, then consistent with Elections Code Section 9287, the City Clerk shall select the argument to be included with the ballot materials, giving preference and priority first, to arguments submitted by member(s) of the City Council, and second, to individual voters, or bona fide associations of citizens, or a combination thereof, in the order set forth in Elections Code Section 9287.

b. City Attorney Impartial Analysis. The City Council directs the City Clerk to transmit a copy of the Measure to the City Attorney. Pursuant to Elections Code Section 9280, the City Attorney shall prepare an impartial analysis of the Measure not exceeding 500 words showing the effect of the Measure on existing law and the operation of the Measure. The analysis shall include a statement indicating whether the Measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the Measure is not printed on the ballot, nor in the voter information portion of the voter information guide, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure

_____. If you desire a copy of the ordinance or measure, please call the election official's office at 831-620-2000 and a copy will be mailed at no cost to you." The City Attorney impartial analysis shall be delivered to the City Clerk by 5:00 p.m. on August 7, 2026.

c. Rebuttal Arguments.

i. Pursuant to Section 9285 of the Elections Code of the State of California, rebuttal arguments shall be permitted for the Measure.

ii. When the City Clerk has selected the primary arguments for and against the Measure (not exceeding 300 words each), which will be printed and distributed to the voters, the City Clerk shall send a copy of an argument in favor of the Measure to the authors of any argument against the Measure and a copy of an argument against the Measure to the authors of any argument in favor of the Measure immediately upon receiving the arguments.

iii. The author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument. A rebuttal argument may not be signed by more than five authors.

iv. The rebuttal arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers, by 5:00 p.m. on August 17, 2026. The rebuttal arguments shall be accompanied by the Form of Statement to Be Filed By Author(s) of Argument. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

v. The provisions of Section 10(c) shall apply only to the election to be held on November 3, 2026, and shall then be repealed.

d. Printing. The City Clerk shall cause the City Attorney's impartial analysis, and duly selected arguments, to be printed and distributed to voters in accordance with State law regarding the same.

11. Notice of Election. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

12. Conduct of Election as Provided by Law. In all particulars not recited in this Resolution, the General Municipal Election shall be held and conducted as provided by law for holding municipal elections.

13. Implementation. The City Clerk and City Administrator are authorized to take all actions as necessary to effectuate the purposes of this Resolution and the election. The City Administrator is authorized to execute all documents and to perform all other necessary City acts to enter into a service agreement for the provision of election services with Monterey County Elections Department. The City Administrator is authorized to make any typographical, clerical, and non-substantive corrections to this Resolution and its exhibits/attachments.

14. Printing of Measure. The City Council of the City of Carmel-by-the-Sea hereby

requests that the Monterey County Elections Department print the attached full Measure text Exhibit A exactly as filed or indicated on the filed document in the voter information guide for the November 3, 2026 Statewide General Election.

15. Environmental Compliance. The City finds that the adoption of this Resolution and the proposed Ordinance are not subject to environmental review under the California Environmental Quality Act ("CEQA") because this Resolution and proposed Ordinance are an activity that is excluded from the definition of a project by Public Resources Code sections 21065 and 21080(b)(8) and California Code of Regulations Sections 15273 and 15378(b) (the "CEQA Guidelines"). This Resolution and proposed Ordinance includes organizational or administrative activities of government which will not result in direct or indirect physical changes to the environment and are exempt from CEQA under CEQA Guidelines Sections 15060(c)(2) and 15061(b)(3).

16. Effective Date. This Resolution shall take effect immediately following passage and adoption by the Carmel-by-the-Sea City Council.

17. Severability. The City declares that, should any provision, section; paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Resolution shall remain in full force and effect.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
this 2nd day of June, 2026, by the following roll call vote:**

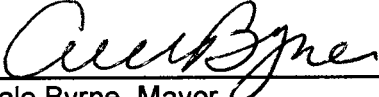
AYES: Councilmembers Baron, Buder, Delves, Dramov, and Mayor Byrne

NOES: None

ABSENT: None

ABSTAIN: None

APPROVED:


Dale Byrne, Mayor

ATTEST:


Nova Romero, MMC, City Clerk.



Exhibit A

ORDINANCE NO. 2026-002

AN ORDINANCE OF THE VOTERS OF THE CITY OF CARMEL-BY-THE-SEA AMENDING CARMEL-BY-THE-SEA MUNICIPAL CODE CHAPTER 3.32 (TRANSIENT OCCUPANCY TAX) TO ADOPT A NEW TWO PERCENT TRANSIENT OCCUPANCY TAX, IN ADDITION TO THE EXISTING TEN PERCENT TRANSIENT OCCUPANCY TAX

WHEREAS, prior to the effective date of this ordinance, the City of Carmel-By-The-Sea ("City") had established an existing transient occupancy tax in the amount of 10 percent of the rent charged by any operator of a hostelry ("Existing TOT"), as codified at Carmel-By-The-Sea Municipal Code ("City Code") Chapter 3.32 (Transient Occupancy Tax); and

WHEREAS, on February 3, 2026, the City Council directed staff to prepare a resolution calling for the placement of a proposed ordinance, as set forth herein, to amend City Code Chapter 3.32 by which a new transient occupancy tax in the amount of 2 percent of the rent charged by any operator of a hostelry ("New TOT") would be placed on the ballot for consideration by the voters at the November 3, 2026 General Municipal Election; and

WHEREAS, If this ordinance is approved by the voters at the November 3, 2026 General Municipal Election, the City will have an effective transient occupancy rate of 12 percent of the rent charged by any operator of a hostelry (based on the Existing TOT of 10 percent plus the New TOT of 2 percent); and

WHEREAS, at the November 3, 2026 General Municipal Election, the electorate of the City of Carmel-By-The-Sea did consider this ordinance and approved the actions set forth herein.

NOW THEREFORE, ON THE BASIS OF THE FOREGOING, THE PEOPLE OF THE CITY OF CARMEL-BY-THE-SEA, DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Title 3, Section 3.32.020, Tax Imposed, Subsection A shall be amended in its entirety as set forth below. As described in the recitals to this ordinance, this ordinance does not amend, extend, or increase the Existing TOT in the amount of 10 percent of the rent charged by any operator of a hostelry, and that Existing TOT shall remain in effect and be implemented in accordance with City Code Chapter 3.32. This ordinance hereby establishes a New TOT in the amount of 2 percent of the rent charged by any operator of a hostelry; and, since the procedures of City Code Chapter 3.32 apply to both the Existing Tax and the New Tax, those tax amounts shall be codified in the same section of the City Code, as follows:

3.32.020: Tax Imposed.

- A. For the privilege of occupancy in any hostelry, each transient is subject to and shall pay a tax in the amount of 10 percent of the rent charged by the operator, plus a new tax in the amount of 2 percent of the rent charged by the operator, for a total tax in the amount of 12 percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City.

SECTION 2. For Title 3, Section 3.32.130, Disposition of Proceeds, Subsections A and B are not amended by this ordinance. However, as an aid to the reader, the existing text of Subsections A and B are copied below and will remain in effect, as follows:

3.32.130: Disposition of Proceeds.

All moneys collected under and pursuant to the provisions of this chapter shall be deposited in the hostelry tax fund of this City and shall be distributed within the fund as follows:

A. The first six percent to the extent needed:

1. That amount necessary to fund the portion of the municipal budget covering community and cultural and recreation activities including but not limited to Sunset Center and the Forest Theater, parks, public facilities and municipal structures, and parking lots;

2. The remainder to be distributed to fund such acquisition and improvement of parks, recreation land and other municipal purposes as determined from time to time by the City Council; provided, that all such uses shall be in accordance with the General Plan of the City, as it is now or may be hereafter constituted;

B. The remainder of the first six percent, the additional two percent added by Ordinance No. 78-13, and the additional two percent added by Ordinance No. 83-22 shall be added to the General Fund for usual and current expenses.

SECTION 3. Title 3, Section 3.32.130, Disposition of Proceeds, shall be amended to add a new Subsection C, as follows:

3.32.130: Disposition of Proceeds.

C. The additional two percent added by Ordinance No. 26-002 shall be added to the General Fund for usual and current expenses.

SECTION 4. Scope of Amendments. Unless specifically amended by this ordinance, all other provisions of the Carmel-By-The-Sea Municipal Code Chapter 3.32 remain unchanged.

SECTION 5. General Tax. The proceeds from the 2% tax established by this ordinance shall be for unrestricted general revenue purposes of the City and shall be placed into the General Fund of the City.

SECTION 6. Future Amendments. Pursuant to California Elections Code Section 9217, the City Council is authorized to amend Carmel-By-The-Sea Municipal Code Chapter 3.32 without a vote of the electorate; provided however, that no such amendment shall increase the tax imposed as set forth in Carmel-By-The-Sea Municipal Code Chapter 3.32.

SECTION 7. Severability. The City declares that, should any provision, section; paragraph, sentence or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Ordinance shall remain in full force and effect.

SECTION 8. CEQA. The City finds that this Ordinance is not subject to environmental review under the California Environmental Quality Act ("CEQA") because the Ordinance is an activity that is excluded from the definition of a project by Public Resources Code sections 21065 and 21080(b)(8) and California Code of Regulations Sections 15273 and 15378(b) (the "CEQA Guidelines"). The proposed Ordinance includes organizational or administrative activities of government which will not result in direct or indirect physical changes to the environment and are exempt from CEQA under CEQA Guidelines Sections 15060(c)(2) and 15061(b)(3).

SECTION 9. Effective Date. This Ordinance relates to the levying and collecting of City transient occupancy taxes and shall take effect immediately upon approval by the majority of the electorate.

SECTION 10. Termination Date. The authority to levy the tax imposed by this ordinance shall expire upon an action to terminate as authorized by majority vote of the qualified electors of the City of Carmel-By-The-Sea.

SECTION 11. Adoption. Following a declaration by the City Council that this ordinance was approved by a majority of the voters, as set forth in Elections Code Section 9217, the Mayor is hereby authorized to approve that this ordinance was adopted on November 3, 2026, by signing where indicated below.

PASSED AND ADOPTED BY THE VOTERS OF THE CITY OF CARMEL-BY-THE-SEA this
_____ day of _____, 2026

APPROVED:

DALE BRYNE, MAYOR
City of Carmel-by-the-Sea

ATTEST:

Nova Romero, MMC, City Clerk

Primary Argument in Favor of TOT Ballot Measure

Your approval of Measure __ would ask visitors staying in hotels and other overnight accommodations to contribute a little more to help improve our village. Transient Occupancy Tax (TOT) is paid entirely by overnight lodging guests. Carmel's TOT rate has remained at 10% for 28 years, and is well below neighboring cities and other comparable destination communities, which have TOT rates ranging from 12-15%, as shown below:

Half Moon Bay – 15%
 Malibu – 15%
 Sausalito – 14%
 Marina – 14%
 Healdsburg – 14%
 St Helena – 13%
 Calistoga – 13%
 Sonoma – 13%
 Yountville – 13%
 Pacific Grove – 12%
 Monterey – 12%

Carmel-by-the-Sea remains at 10%.

Measure __ would increase Carmel's TOT to 12%, bringing us more in line with neighboring communities and generating approximately \$1.9 million in annual revenue for the city. This would add just \$5 to a \$250 hotel room.

Visitors support local businesses, and related taxes help fund our city government, but tourism creates impacts for our residents.

Our city's infrastructure is also heavily impacted. It is old, deteriorating, under constant stress, and in need of immediate repair. The current City Council estimates the cost to address this deferred maintenance in streets, sidewalks, facilities, stormwater management, beach hardening, and erosion control at over \$100 million. Addressing this problem is important and urgent.

Before asking voters for this additional revenue, the current City Council made difficult decisions to limit operational spending, reallocating millions of dollars toward rehabilitating our aging infrastructure. But those efforts alone are not enough. We simply need more revenue to address these critical infrastructure needs and other city needs. Asking overnight lodging guests to contribute a little more will help.

Please join us by voting YES on measure __.

A little more from visitors. A lot more for Carmel.

Carmel-by-the-Sea TOT Ballot Measure Primary Argument Signature Statement

A ballot argument shall not be accepted unless accompanied by the printed name and signature or printed names and signatures of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers (Elections Code §§9164, 9283, 9501.5).

No more than five signatures shall appear with any argument submitted under this article. In case any argument is signed by more than five persons, the signatures of the first five shall be printed (Elections Code §§9164, 9283, 9501.5).

All arguments concerning measures filed pursuant to this division shall be accompanied by the following form statement, to be **signed by each proponent** of the argument (Elections Code §9600):

"The undersigned proponent(s) or signer(s) of the:

- ☒ Primary argument in favor ☐ Primary argument against
☐ Rebuttal to argument in favor ☐ Rebuttal to argument against

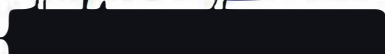
ballot measure (insert letter) _____ at the ☐ Primary ☒ General ☐ Special

election for the City of Carmel-by-the-Sea
(jurisdiction - name of district)

to be held on November 3, 2026 hereby state that this argument is true and
(Election date)

correct to the best of his/her/their knowledge and belief."

Signatures of proponents (in order of appearance in the voter information guide):

- | | | | | |
|-----|--------------|---|-------------|-----------------------|
| (1) | Printed Name | <u>ALISSANDRA DRAMAN</u> | Title (one) | <u>COUNCIL MEMBER</u> |
| | Signature |  | Date | <u>7/30/2026</u> |
| (2) | Printed Name | <u>Robert Delves</u> | Title (one) | <u>Mayor Pro Tem</u> |
| | Signature |  | Date | <u>7/30/26</u> |
| (3) | Printed Name | <u>JEFF BASS</u> | Title (one) | <u>Council member</u> |
| | Signature |  | Date | <u>7/30/26</u> |
| (4) | Printed Name | <u>Hans Buder</u> | Title (one) | <u>Council member</u> |
| | Signature |  | Date | <u>7/30/26</u> |
| (5) | Printed Name | <u>DALE BYRNE</u> | Title (one) | <u>MAYOR</u> |
| | Signature |  | Date | <u>7/30/26</u> |

Filer:

- | | | | | |
|-----|--------------|---|-------------|-----------------------|
| (1) | Printed Name | <u>Hans Buder</u> | Title (one) | <u>Council member</u> |
| | Signature |  | Date | <u>7/30/26</u> |

Primary Contact Information: HBuder@ci.carmel.ca.us or
cityclerk@ci.carmel.ca.us

Argument Against Measure __

- The most important question is whether hotel tax payments have increased at current rates. The answer for Carmel is a resounding “YES!” Hotel tax payments have increased more than 5 times, from under \$2M initially to over \$10M this year, and remain at record levels, increasing almost 30% over the past 3 years. Our guests already pay the highest taxes per night of any city in the County!
- Carmel hotel guests currently pay 12% in taxes and fees: 10% in City taxes plus the City’s 2% hospitality improvement district fee. A 20% City tax increase would take this total to 14% -- higher than every city on the Monterey Peninsula!
- Arguing that a tax rate should increase simply because of the “passage of time” is absurd. With that logic, tax rates would eventually get to 100%! Does any California taxpayer really want to go down that road?
- Carmel’s most valuable visitors are its overnight guests. Unlike day-visitors, hotel guests have minimal impacts on parking and traffic, while contributing the most to our local economy. A 20% hotel tax increase will **worsen**, not reduce, our day-visitor problems by forcing more overnight guests to nearby cities with significantly lower room rates and taxes, where they will just drive to Carmel as additional day-visitors. Measure __ promotes exactly the wrong type of tourism!
- Hotel renovations have fueled the greatest increases in City hotel taxes. Over-taxation will discourage the investments that generate the City’s highest tax increases.
- As a general tax, Measure __ has no fiscal constraints. The City can spend additional hotel taxes on anything!

Fellow Carmelites, when is enough, enough? Please don’t kill Carmel’s Golden Goose, the lifeblood of Carmel’s economy and revenues.

PLEASE VOTE NO ON MEASURE __!

For More Information Visit: www.nonewcarmelhoteltax.com

APPENDIX D – Required Argument Signature Statement

A ballot argument shall not be accepted unless accompanied by the printed name and signature or printed names and signatures of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers (Elections Code §§9164, 9283, 9501.5).

No more than five signatures shall appear with any argument submitted under this article. In case any argument is signed by more than five persons, the signatures of the first five shall be printed (Elections Code §§9164, 9283, 9501.5).

All arguments concerning measures filed pursuant to this division shall be accompanied by the following form statement, to be **signed by each proponent** of the argument (Elections Code §9600):

"The undersigned proponent(s) or signer(s) of the:

City of Carmel-By-The-Sea

- ☐ Primary argument in favor ☒ Primary argument against
☐ Rebuttal to argument in favor ☐ Rebuttal to argument against

AUG 07 2026

Office of the City Clerk

ballot measure (insert letter) TBD at the ☐ Primary ☒ General ☐ Special

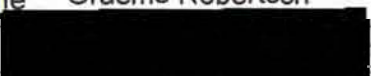
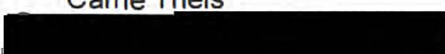
election for the City of Carmel Transient Occupancy Balot Measure

(jurisdiction – name of district)

to be held on Tuesday November 3, 2026 hereby state that this argument is true and
(Election date)

correct to the best of his/her/their knowledge and belief."

Signatures of proponents (in order of appearance in the voter information guide):

- | | | | | |
|-----|--------------|---|-------------|------------------------------|
| (1) | Printed Name | Graeme Robertson | Title (one) | RESIDENT |
| | Signature |  | Date | 8/6/26 |
| (2) | Printed Name | Ashley Wolff | Title (one) | RESIDENT |
| | Signature |  | Date | 8/6/26 |
| (3) | Printed Name | Carrie Theis | Title (one) | RESIDENT RESIDENT |
| | Signature |  | Date | 8/6/26 |
| (4) | Printed Name | | Title (one) | |
| | Signature | | Date | |
| (5) | Printed Name | | Title (one) | |
| | Signature | | Date | |

Filer:

- | | | | | |
|-----|--------------|---|-------------|----------|
| (1) | Printed Name | Citizens Against Carmel Hotel Tax Increase:
Graeme Roberts | Title (one) | RESIDENT |
| | Signature |  | Date | 8/7/26 |

Primary Contact Information: Graeme Robertson - (831) 594-4903

The opposition's argument obscures simple facts: Carmel-by-the-Sea's Transient Occupancy Tax is 10%. Measure M would increase it by two percentage points—to 12%—bringing Carmel in line with neighboring Pacific Grove and Monterey, which voted to raise their TOT to 12% in 2018 and 2020.

Carmel-by-the-Sea has the lowest TOT rate of any City in Monterey County outside of the Salinas Valley. The opposition's statement is misleading because it combines Carmel's 10% TOT with a separate 2% fee that the hotel owners voted to impose on their guests to fund their Visit Carmel marketing efforts. To be clear, that 2% fee is NOT City tax revenue. It is a Carmel Hospitality Improvement District assessment, and the City does not receive any of that revenue. The hotel owners' decision to pass their marketing costs on to guests does not make those costs a City tax.

Carmel faces more than \$100 million in aging infrastructure needs. Your City Council has already reduced operating expenses for the past two years, redirecting millions toward infrastructure, but existing resources are not enough.

Measure M asks overnight visitors to contribute a little more toward the community they enjoy. The Measure is estimated to generate approximately \$1.9 million annually for City services and needs.

Let's be clear about the numbers: Measure M raises Carmel's TOT by two percentage points—from 10% to 12%. That's just \$5 on a \$250 hotel room.

As your elected City Council, we believe voters deserve the facts.

Vote YES on Measure M.