



Agenda Item

Orange City Council

Item #: 2.1.

6/3/2026

File #: 26-0363

TO: Honorable Mayor and Members of the City Council

FROM: Jarad Hildenbrand, City Manager

1. SUBJECT

Review and discuss draft resolution and ordinance documents relating to a proposed 1¢ Sales Tax Measure for a term of 13 years

2. SUMMARY

At the May 26, 2026, City Council meeting, the City Council considered draft resolution and ordinance documents relating to a proposed 1¢ Sales Tax Measure, a Transient Occupancy Tax Measure, and The Contract with Orange. The City Council voted to proceed with the Transient Occupancy Tax Measure, but directed staff to bring back the 1¢ Sales Tax Measure and The Contract with Orange for further discussion. On June 1, 2026, City staff received a request from members of the City Council to schedule a Special City Council meeting for the purpose of reviewing and discussing the proposed 1¢ Sales Tax Measure for a term of 13 years.

3. RECOMMENDED ACTION

1. Consider draft resolution and ordinance documents relating to the 1¢ sales Tax Measure for a term of 13 years.
2. Provide direction to staff.

4. FISCAL IMPACT

There is no fiscal impact associated with this discussion item. If approved by the voters, a 1¢ sales tax measure is estimated to generate approximately \$37 million annually.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability.

6. DISCUSSION AND BACKGROUND

Pursuant to City Council direction on May 12, 2026, staff prepared draft documents relating to a proposed 1¢ Sales Tax Measure, a Transient Occupancy Tax Measure, and The Contract with Orange. These items were presented to the City Council on May 26, 2026.

Following discussion, the City Council approved direction regarding the Transient Occupancy Tax Measure and directed staff to return with the proposed 1¢ Sales Tax Measure and The Contract with Orange for further discussion.

May 26, 2026, 1¢ Sales Tax Discussion

While considering the proposed 1¢ Sales Tax Measure on May 26, 2026, the City Council discussed the composition of the proposed Independent Oversight Committee (IOC) and asked whether Council -appointed residents must reside within the same voting district as the appointing Councilmember.

Staff confirmed that this was the intent, and the revised ordinance has been updated to clarify this requirement.

Additionally, the revised ordinance proposes that:

- Unless otherwise specified, the Mayor shall appoint IOC members, subject to City Council ratification; and
- The parent or guardian of a child enrolled in a public, private, or charter school located within the City (Section 3.23.140(C)(7)) shall serve as an at-large appointee.

June 3, 2026, Special Meeting Discussion

Pursuant to the special meeting request received on June 1, 2026, the purpose of this item is limited to reviewing and discussing the draft resolution and ordinance for a proposed 1¢ Sales Tax Measure with a 13-year term, including the revised Independent Oversight Committee language. No action is requested regarding the previously discussed Transient Occupancy Tax Measure.

A separate discussion item regarding The Contract with Orange will be scheduled for a future City Council meeting.

7. ATTACHMENTS

- Resolution No. 11670
- Resolution No. 11672