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**SECTION:** LOCAL; Pg. B01**LENGTH:** 594 words**HEADLINE:** Report faults growth check;  
**REDLANDS:** A study says a ballot measure would rob the city of needed revenue.**BYLINE:** NAOMI KRESGE; THE PRESS-ENTERPRISE**BODY:**

## REDLANDS

A **Rose Institute** consultant told the Redlands City Council on Tuesday that, like a clever pickpocket, Redlands should be filching sales tax from neighboring cities to meet its own revenue needs.

But instead, analyst Steven B. Frates said, Redlands residents are going to other cities - including San Bernardino - to shop and taking their sales-tax dollars with them.

Frates built his analysis of the slow-growth initiative that appears on this fall's ballot on that fact, saying that curbing growth will also halt attempts to lure retail projects and the revenue they could bring for city programs.

"The core and central issue is can you capture a revenue stream that is adequate to meet the needs of your city?" Frates said. "It's obvious that the growth is coming. It's a question of who captures what."

The city hired the **Rose Institute** last spring through the Redlands Chamber of Commerce to do a study of the fiscal implications of the initiative. The report, released Thursday, concludes that the measure would worsen the city's already tight financial situation and could draw lawsuits.

The **Rose Institute** is headquartered at Claremont McKenna College and conducts research on state and local politics and government in California.

The Redlands Association, an activist slow-growth group, proposed the ballot measure to tighten growth restrictions approved in 1997 under Measure U.

The sweeping measure they presented is tougher than its predecessor, with 30 provisions governing everything from traffic counts to building height and noise rules.

Pro-business groups have argued since the measure was introduced that it would block the type of development that the city needs, slow the stream of sales tax and leave the city unable to afford

the programs residents desire.

Former Mayor Bill Cunningham, who leads the Redlands Association, has maintained that many of the **Rose Institute's** findings exaggerate the impact the measure would have.

"If that's true, then the larger the city has grown, then the better it would be economically, which means Los Angeles should be a paradise because it's grown to millions," Cunningham said.

He said that because the initiative does not specifically restrict commercial development, its effects on cash flow would be negligible.

The **Rose Institute** report concludes that the strict growth limits the initiative would impose would slow commercial development just as it would residential growth.

Frates told the council on Tuesday that the city is already drawing less sales-tax revenue than the income of its citizens warrants. In a comparison of sales- and use-tax revenue as a percentage of per-capita income, San Bernardino, Riverside, Beaumont, Loma Linda and Banning all came out ahead of Redlands.

Opponents of the initiative are already using the report to back assertions that it would hamstring necessary projects in the city.

Speaking at the State of the Community luncheon earlier in the day, Councilman Gilberto Gil urged everyone in attendance to read the report and then work with him to defeat the initiative.

An audience member then asked the council how they stand on the measure. All five members said they oppose it.

Councilwoman Pat Gilbreath offered to give a copy of the **Rose Institute** report to anyone who wants one. She keeps copies in her car, she quipped, and replenishes them as soon as her supply runs low.

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