



Orange County
Taxpayers Association

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November 17, 2003

The Honorable Connie Boardman, Mayor
City of Huntington Beach

Dear Mayor Boardman,

Others argue the real or imagined environmental effects of the proposed seawater desalination facility in Huntington Beach. OCTax respectfully invites your attention to its tax benefits.

- It will pay \$1.8 million per year in property tax, 100% of which stays in Huntington Beach and in the County to support schools, municipal services, special districts, and libraries.
- It will pay \$500,000 per year in sales tax. One-third of that amount will go to Huntington Beach and to the general funds of other Orange County cities and unincorporated areas. It will support police and fire protection, health, welfare, and transportation.
- It will contribute \$50,000 per year to Huntington Beach in utility tax (paid by the facility on the portion of the power it consumes that is not used for pumping water).
- The builder of the facility will spend tens of millions of dollars locally for construction, creating 675 direct high-wage taxpaying jobs and 275 indirect jobs during that period.
- Once in operation, it will create 18 full-time jobs and 322 indirect jobs. Jobs bring prosperity to the community and much-needed revenue to the Huntington Beach city treasury.
- It will be a reliable source of 50 million gallons per day of potable water. Property without water has no taxable value. The facility will be a hedge against the economic consequences of drought or other possible disruption to our water supply.
- It will ease the tax burden on the rest of us, yet it will demand little in government services.
- Best of all, it will be operated for the benefit of the public by the taxpaying private sector, not by a tax-exempt government agency. Private investors put up the money and take the risk.

Please approve this project, for the benefit of taxpayers in Huntington Beach and Orange County.

Reed L. Royalty, President
Orange County Taxpayers Association