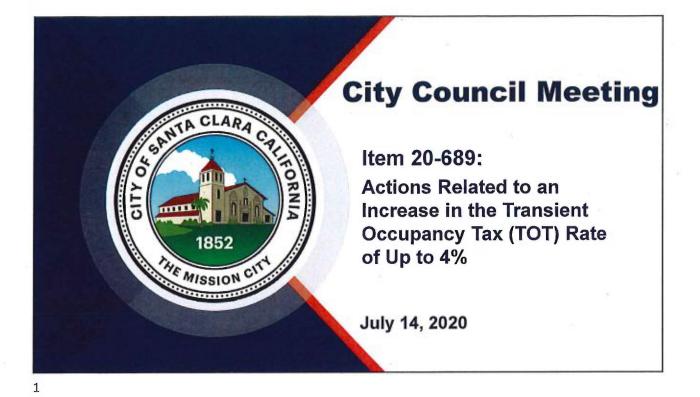
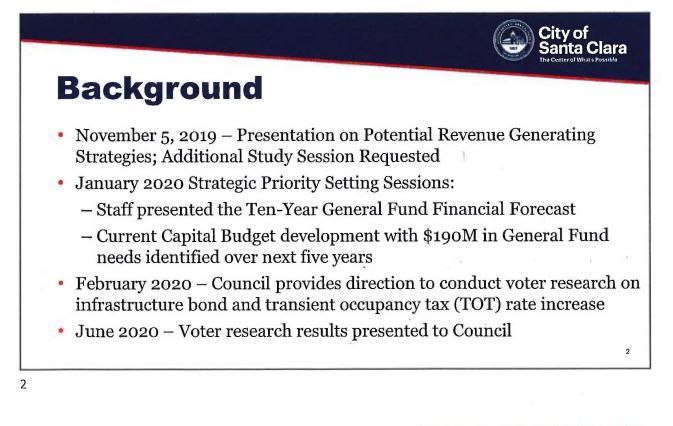
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item 4

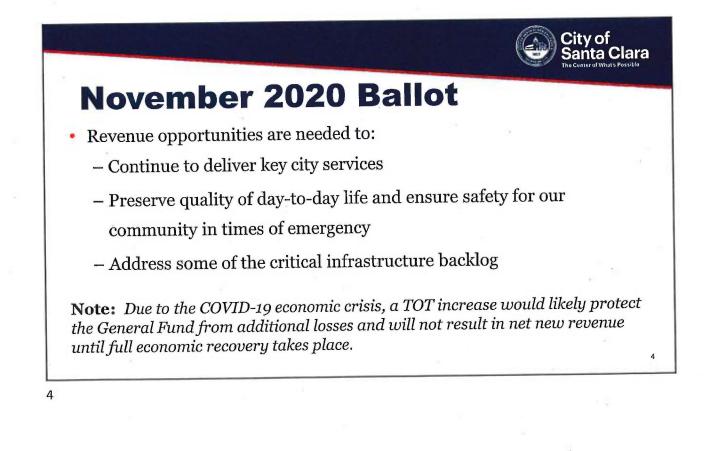






# **Survey Results**

- Constituents feel positively about the job the City of Santa Clara is doing;
- Many anticipate some personal financial impact as a result of COVID-19;
- Constituents not ready to support a bond for infrastructure needs;
- LEG/EMC encourages the City to continue engaging residents on these issues over the long-term; and,
- Interest in a potential TOT measure to maintain/protect vital city services including disaster and emergency preparedness, street and pothole repair, and fire protection services is well above the simple majority (50% + 1 vote) needed for passage (70% approval)





# **November 2020 Ballot**

### Increasing the Transient Occupancy Tax rate:

- TOT accounts for 7% or approximately \$17m of General Fund revenues
- Current TOT rate is 9.5%, one of lowest in the County
- Additional 2% special tax (CFD) applied to 11 hotels near Stadium



# **November 2020 Ballot**

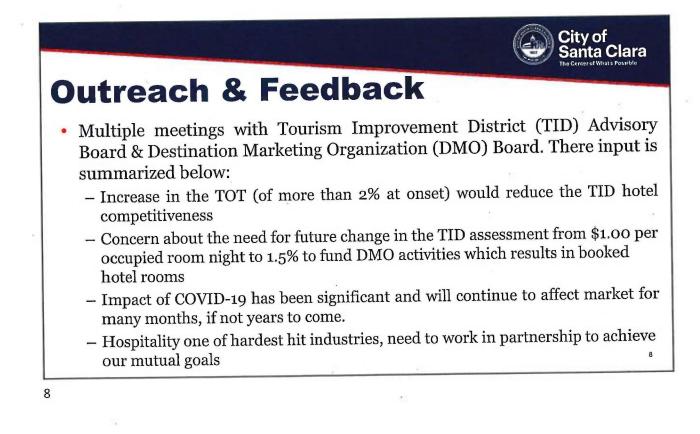
- In California, 38 of 43 (88%) of hotel taxrelated ballot measures passed in 2018, including five in Santa Clara County:
  - Los Altos (11% to 14%, phased over three years)
  - Milpitas (10.0% to 14.0%)
  - Morgan Hill (10.0% to 11.0%)
  - Palo Alto (14.0% to 15.5%)
  - Sunnyvale (10.5% to 12.5%)
- Requires 50% + 1 voter approval

#### Transient Occupancy Tax by City

9.0%
9.5%
10.0%
10.0%
10.0%
10.0%
11.0%
12.0%
12.0%
12.0%
12.0%
12.5%
14.0%
15.5%

6

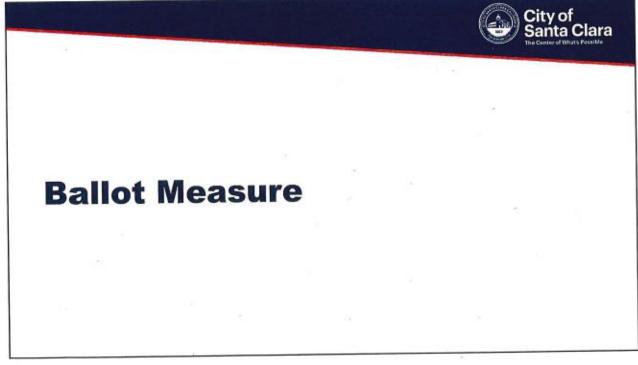
Potential Revenue (Pre-Covid)					
	Transient	Occupancy Tax S	Scenarios		
and the second	4%	3%	2%	1%	
General Fund Revenue	\$7,000,000	\$5,250,000	\$3,500,000	\$1,750,000	
Data daga	not guarante	o revenue			
Kate does	not guarance	elevenue			





## "Up to 4%"

- City's success in generating revenue depends greatly on economic recovery and the ability of TID and DMO to successfully market Santa Clara as a destination and increase hotel occupancy
- "Up to 4%" strategy recognizes the need for flexibility to adjust to high and low markets
- Given current environment, recommend initial increase of 2% with future increases subject to economic thresholds
- City staff to meet with TID/DMO during the Council recess and provide updates on these discussions with a formal report in either September or December, based on future Council and/or voter action



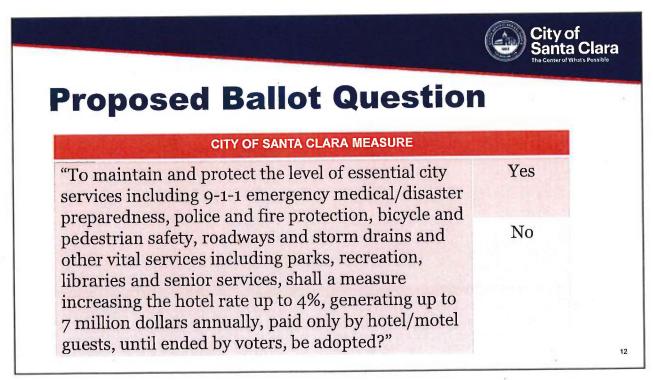


# **Submission of Measure**

To place an item on the November 3, 2020 ballot requires:

Resolution Calling for Election,	The state of the second second second	
Submission of Ballot Language Consolidation of Election	July 14 <sup>th</sup>	August 7th
Arguments	July 28th	August 11th
Rebuttals	August 7th	August 18 <sup>th*</sup>

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### **Ballot Arguments**

- City Charter and the California Elections Code authorize, but do not require, the City Council to write the argument in support of the ballot measure.
  - Council (max of 3)
  - Delegation to Mayor
  - No Designation; City Clerk shall select one of the arguments in adherence to Elections Code Section 9287.
  - Limit of 5 signatures

