

7/5/18

ITEM # 1



EMC
research



Telephone Survey and Focus Groups
Likely November 2018 Voters
in the City of Santa Clara
Conducted June 2018

POST MEETING MATERIAL

Project Objectives & CBRI Update



- ▶ Last month, a citywide telephone survey of likely November voters was conducted to identify constituent funding priorities and interest—if any—in local funding options.
- ▶ Consistent with LEG/EMC Best Practices, two funding mechanisms were fully vetted in this survey, including conceptual ballot questions reviewed and approved by the City Attorney as meeting today's legal requirements.
- ▶ Last week, the California Business Roundtable Measure was withdrawn—which means that measures proceed at the current rules of 2/3s passage rate for municipal bond measures and a simple majority for general purpose measures.

Key Survey Highlights



- ▶ Great news! A potential Commercial Cannabis Activity Tax is viable at the simple majority (50%+1) needed to pass under current law.
- ▶ Unfortunately, both the survey and focus groups also showed a City Bond Measure is not viable at this time.
- ▶ LEAG and EMC recommend continued planning for a Commercial Cannabis Activity Tax.
 - The Bond Measure should be set aside for now, and perhaps revisited in a more favorable demographic scenario, such as what 2020 provides.



Survey Methodology

- ▶ Live telephone survey of likely Nov. 2018 voters in the City of Santa Clara
- ▶ Conducted June 14-21, 2018
- ▶ 400 total interviews; margin of error ± 4.9 percentage points
- ▶ Interviews conducted by trained, professional interviewers and included both landlines and cell phones
- ▶ Interviews were conducted in English, Spanish, Chinese, and Vietnamese
- ▶ Two focus groups with voters were conducted on June 28, 2018

Please note that due to rounding, some percentages may not add up to exactly 100%.

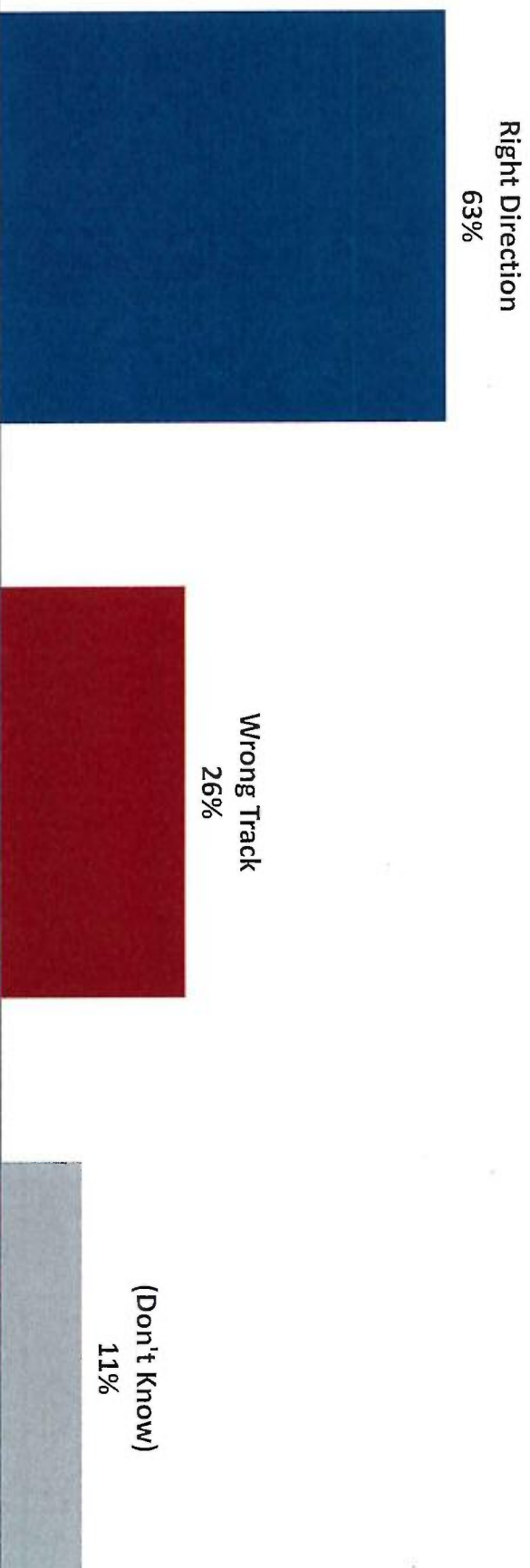


Issue Environment

Santa Clara: Right Direction/Wrong Track



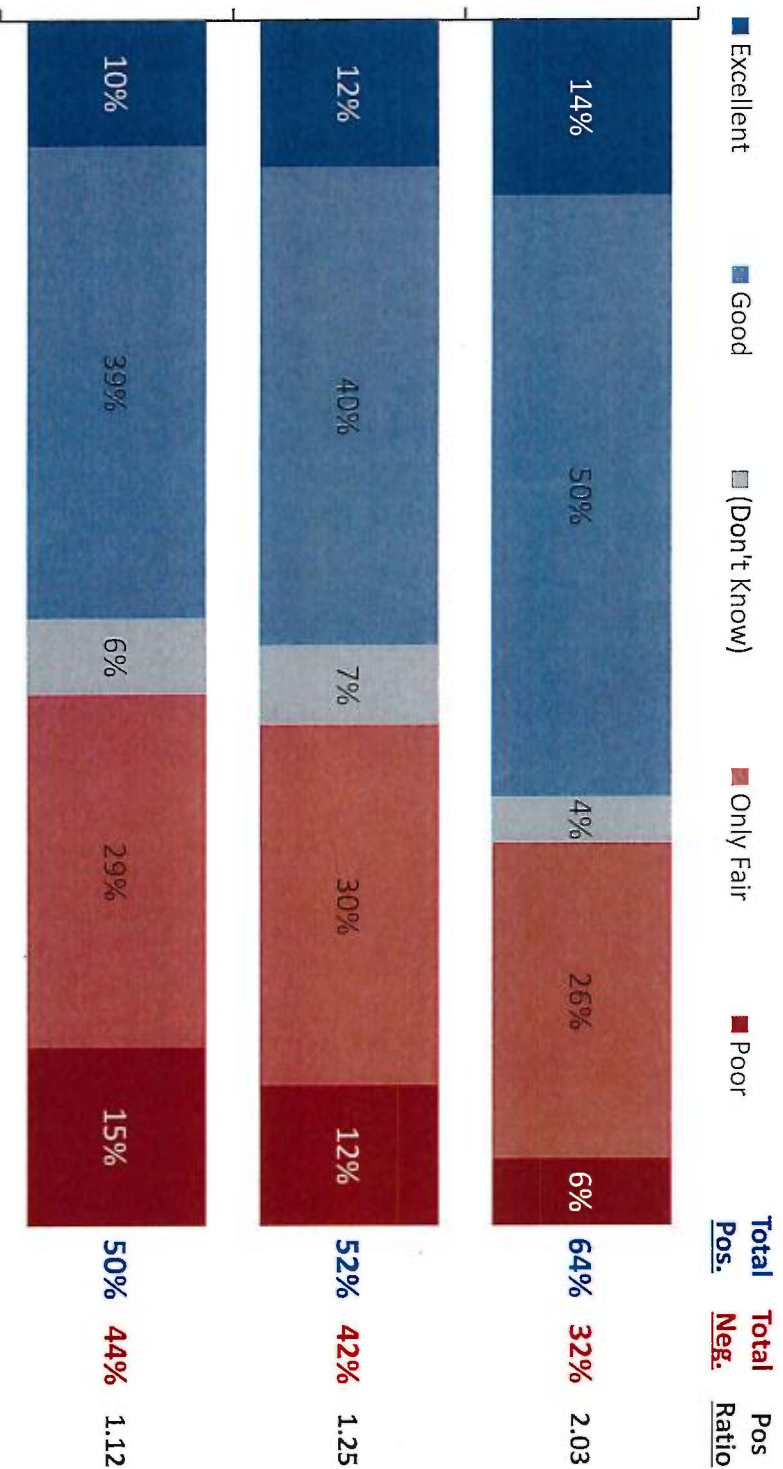
Nearly two-thirds of respondents are optimistic about the direction of Santa Clara.



Would you say that things in the City of Santa Clara are going in the right direction or would you say that things have gotten pretty seriously off on the wrong track?

Santa Clara Job Ratings

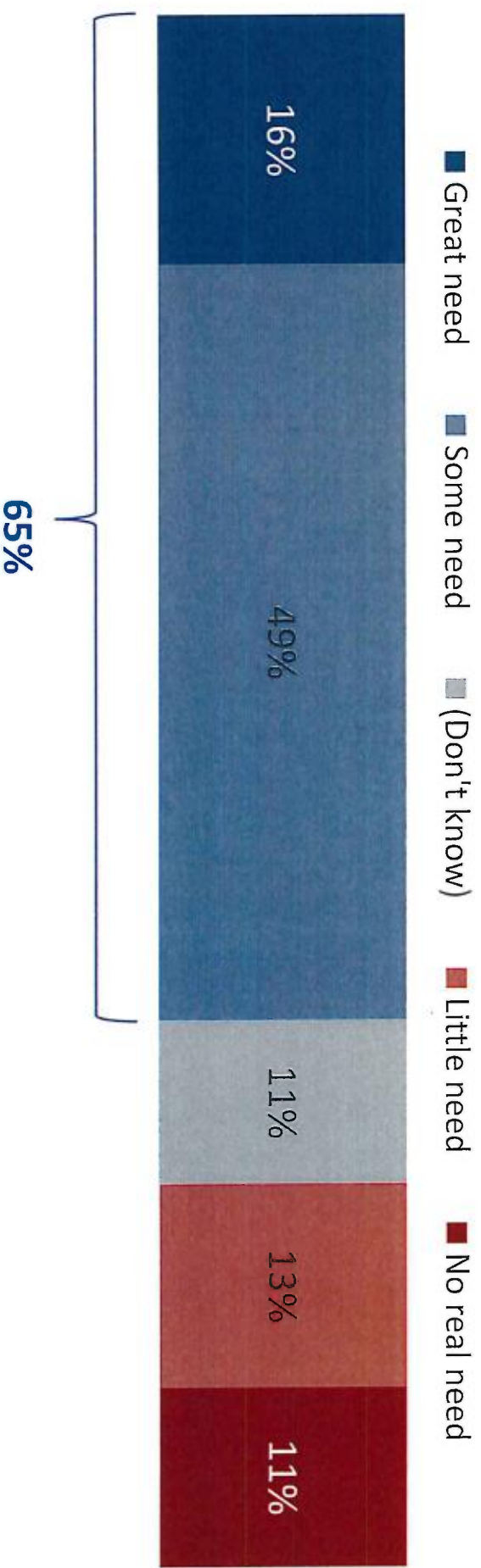
Respondents rate the City positively overall.



Using a scale of excellent, good, only fair, or poor, please rate each of the following:

Perceived Need for Additional Funds

A majority recognize an additional need for City funding.



Does the City of Santa Clara have a great need for additional funding, some need, little need, or no real need for additional funding?



Potential Revenue Measures

Initial Vote: Bond Measure

Unfortunately, support for a bond measure is below the two-thirds threshold needed to pass. The below Ballot Question is AB 195-compliant and was reviewed and approved by the City Attorney.

City of Santa Clara Parks/Libraries/Public Safety Improvement Measure

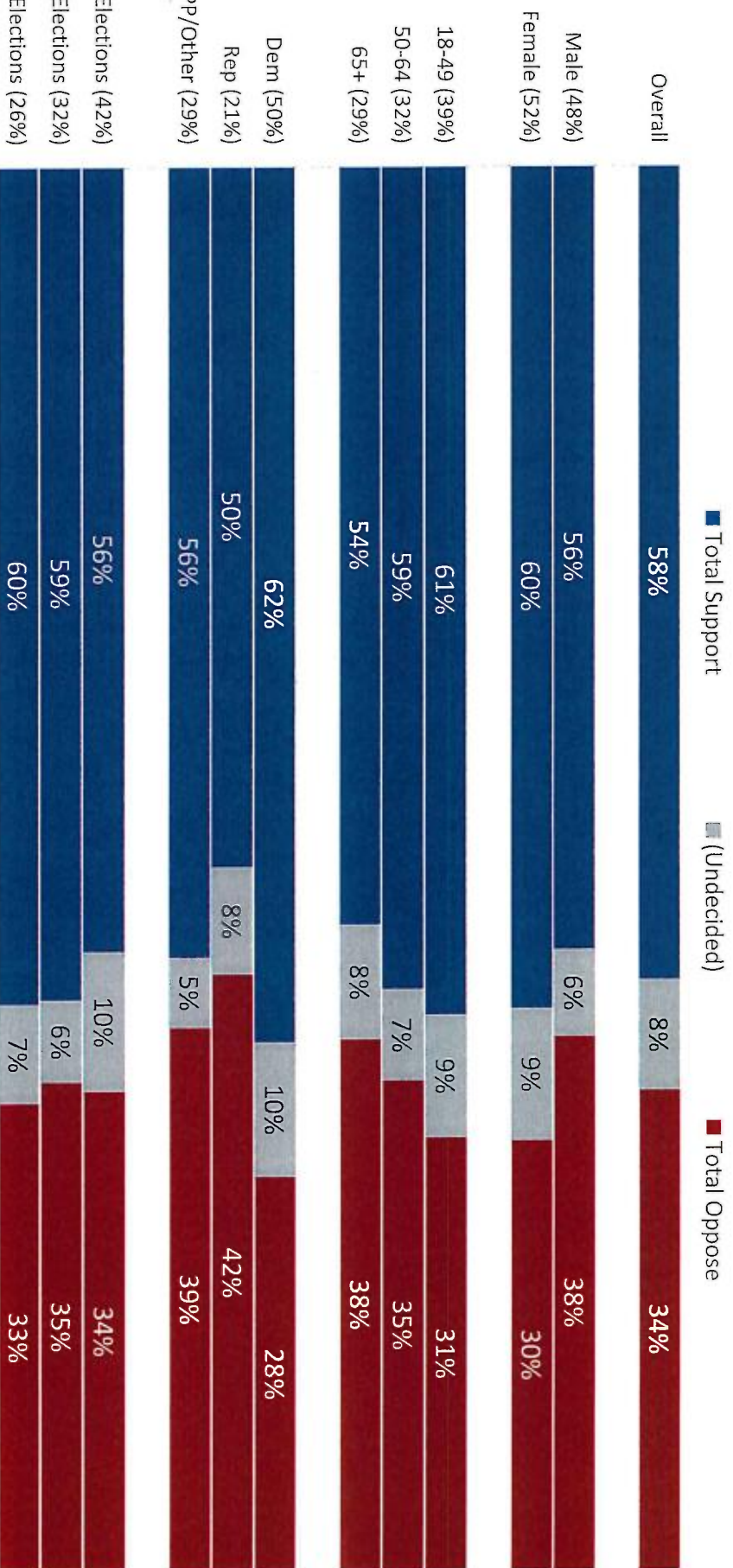
To upgrade local park facilities/trails; expand libraries; build an energy efficient community recreation/swim center; fund safety upgrades to fire stations; upgrade storm/flood infrastructure; shall the City of Santa Clara collect taxes approximating \$25 per \$100,000 of assessed valuation, generating approximately \$13,700,000 annually; and issue up to \$200,000,000 in bonds, at legal rates, to be repaid over 30 years; requiring independent oversight, published audits, and all funds benefiting Santa Clara?



If the election were held today, would you vote yes to approve or no to reject this measure?
(If UNDECIDED) Well which way do you lean -- towards voting yes or no on the measure?

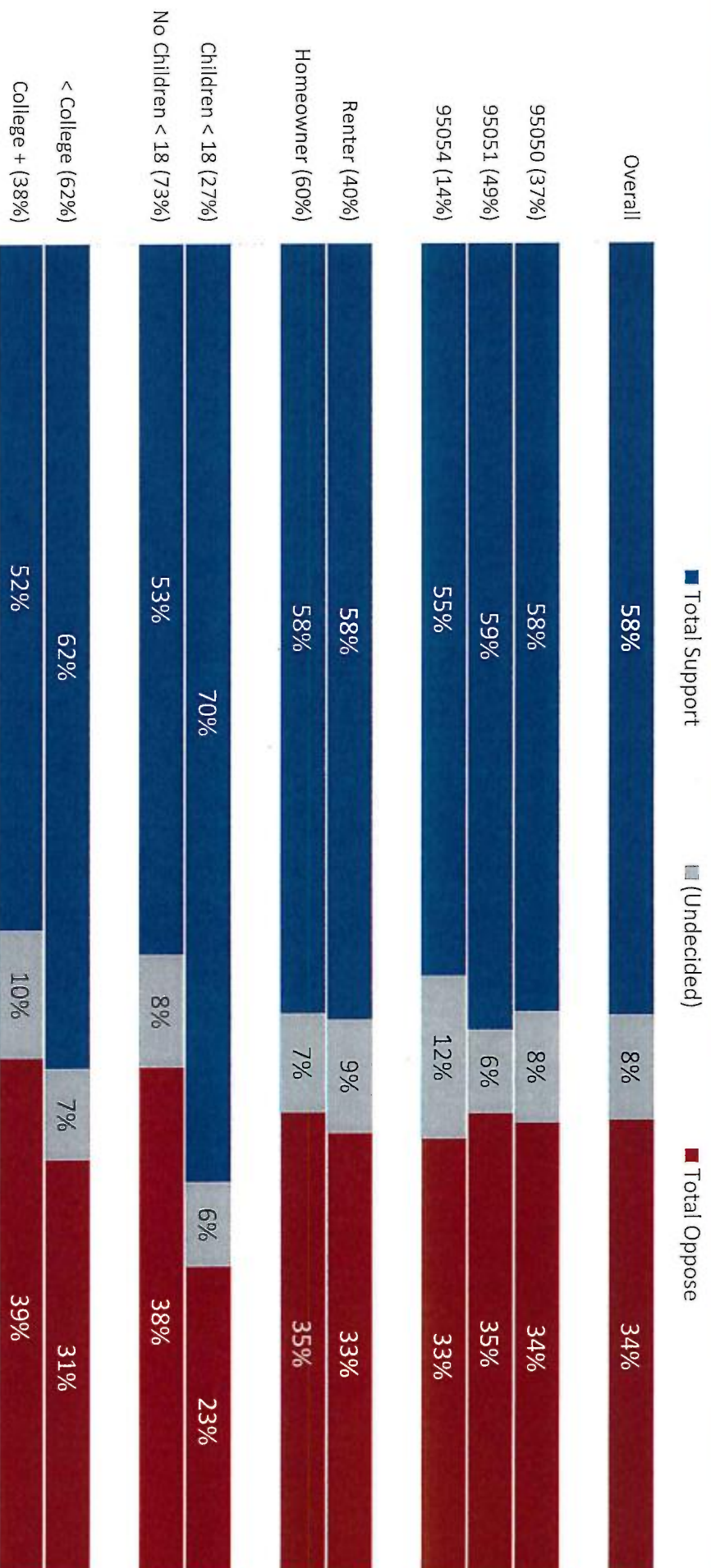
CONSULTANT EXECUTION DRAFT. NOT FOR PUBLICATION. CA GOV'T CODE 6254.

Initial Vote: Bond Support by Demos



If the election were held today, would you vote yes to approve or no to reject this measure?
(If UNDECIDED) Well which way do you lean -- towards voting yes or no on the measure?

Initial Vote: Bond Support by Demos



If the election were held today, would you vote yes to approve or no to reject this measure?
(If UNDECIDED) Well which way do you lean -- towards voting yes or no on the measure?

Initial Vote: Cannabis Tax Measure

Support for a potential cannabis tax is well above the simple majority passage rate. The below Ballot Question was reviewed and approved by the City Attorney.

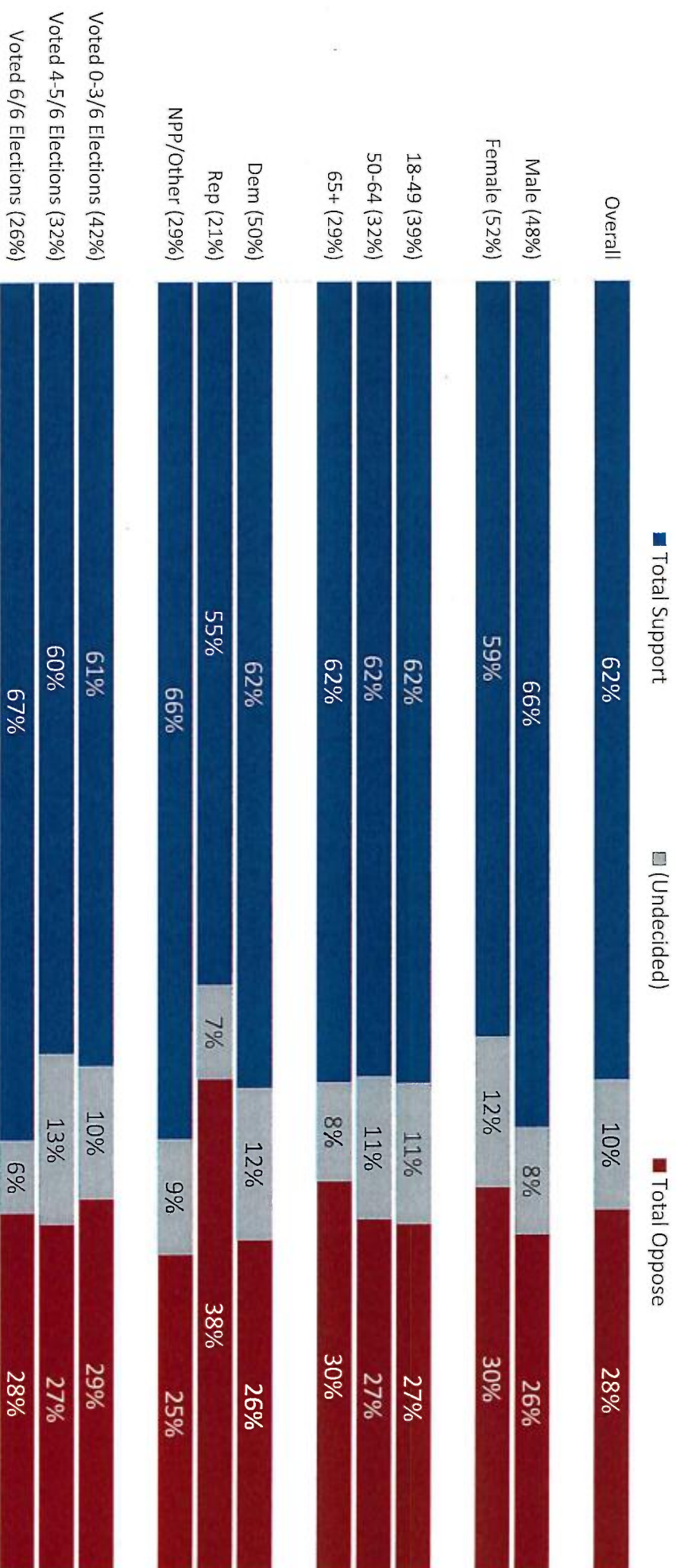
City of Santa Clara Commercial Cannabis Activity Measure

To maintain/improve local services, including police/fire/911 emergency responses; road/pothole repair; library services; after-school programs; senior/recreational services; unrestricted general revenue purposes; shall an ordinance be adopted establishing a tax on commercial cannabis up to 10% of gross receipts and up to \$25 per square foot for cultivation, generating approximately \$2,200,000 annually until ended by voters, with independent audits, public review, all funds used locally?



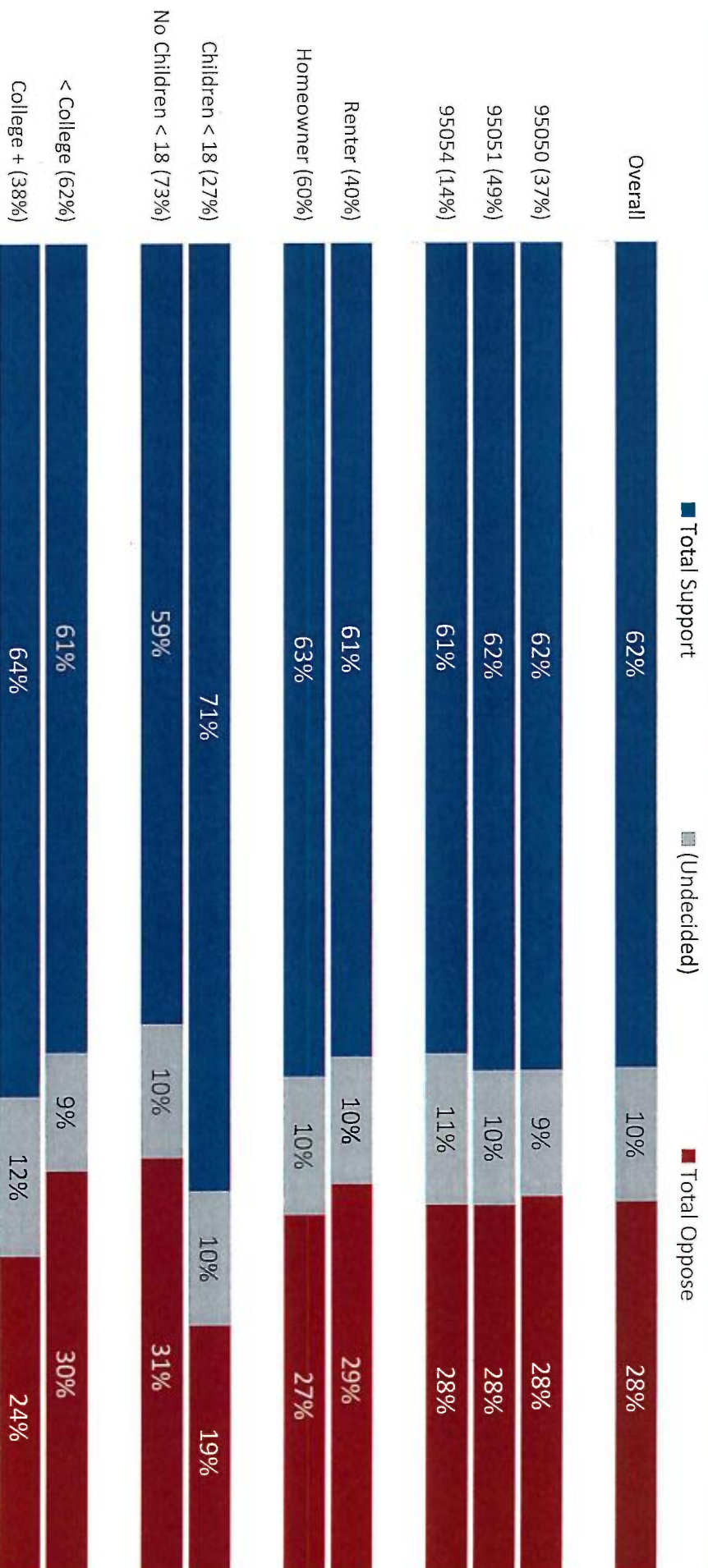
If the election were held today, would you vote yes to approve or no to reject this measure?
(IF UNDECIDED) Well which way do you lean -- towards voting yes or no on the measure?

Initial Vote: Cannabis Tax by Demos



If the election were held today, would you vote yes to approve or no to reject this measure?
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Initial Vote: Cannabis Tax by Demos



If the election were held today, would you vote yes to approve or no to reject this measure?
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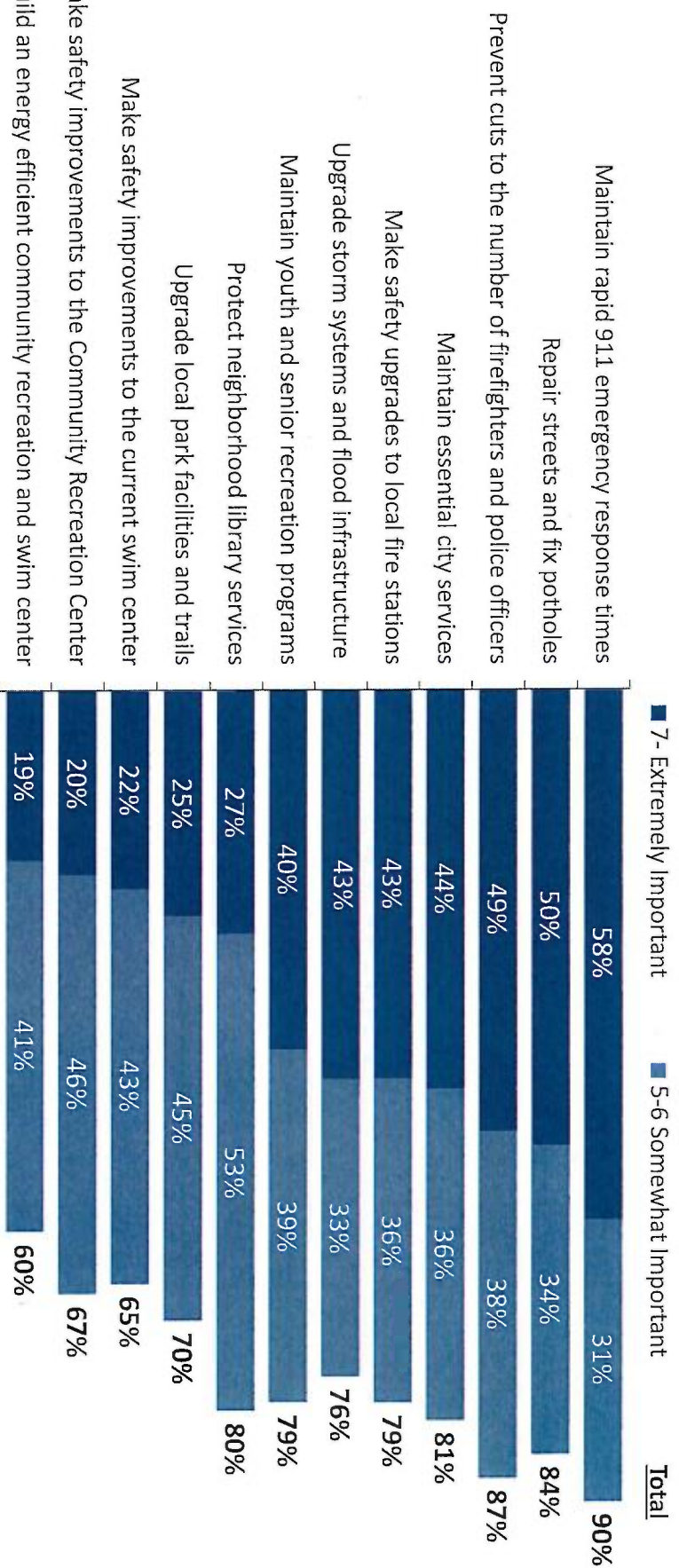


Reaction to Information

Measure Components



Over a majority of voters find all of the potential projects to be important, especially projects that focus on public safety.



I'm going to read you a list of items that could be funded with these measures. After each one, please rate how important that item is to you, using a scale of 1 to 7, where 1 means not at all important, and 7 means extremely important.

Additional Information



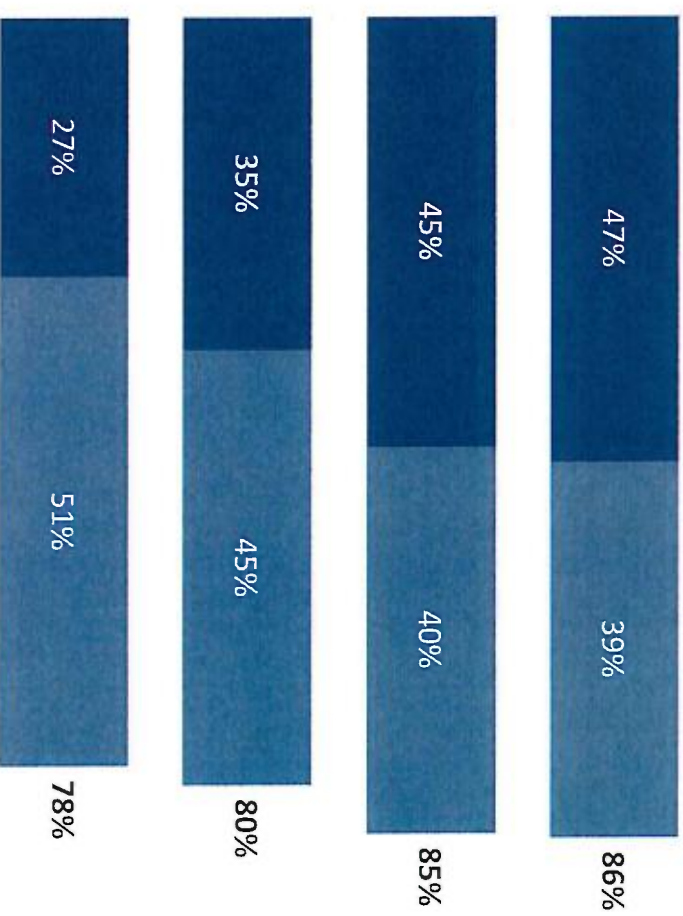
Information that focuses on public safety and accountability are of particular interest.

The Santa Clara Fire Department receives nearly 10,000 calls per year — a 14% increase from a decade ago. This measure will fund critical updates to our fire stations and ensure that our fire department has the tools it needs to respond to calls quickly and save lives.

When you dial 911, every second counts. These measures will ensure that our paramedics, firefighters, and police officers are ready to help when you need them the most.

Safe neighborhoods and parks, libraries, programs for children, youth and seniors, and well-maintained roads all lead to a better quality of life. If passed, the funds will ensure Santa Clara residents receive these services which will make this city a better place to live, work and raise a family.

These measures will protect Santa Clara's local funding sources. By law, these measures will require audits, oversight, and revenue from these measures cannot be taken by the State — ensuring our tax dollars stay local for the benefit of Santa Clara residents and the vital services our residents prioritize.



Next, I'd like to read you some statements....

Additional Information

Other information is also of interest.

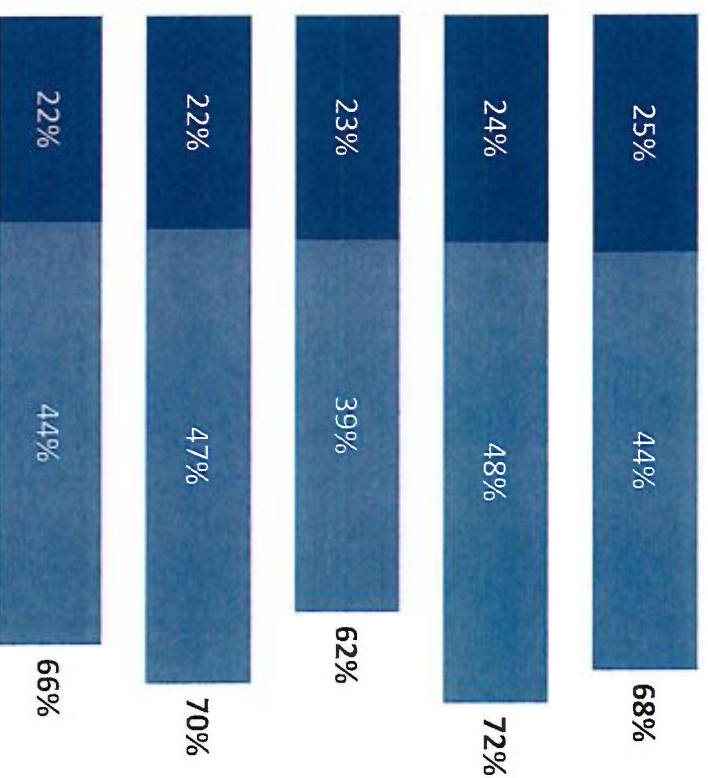
Regardless of whether one supports or opposes the use of marijuana, it is now legal in Santa Clara. The commercial cannabis activity measure would only be paid by those who sell, cultivate, and distribute commercial marijuana to raise funds for essential city services.

These measures will allow the City to make safety improvements and other upgrades to the Community Recreation Center to make it more accessible and bring it up to modern standards for people with disabilities and available to more people in the community.

The current International Swim Center is nearly 60 years old, at the end of useful life, and in serious disrepair. The deteriorating infrastructure, increase in maintenance, and service shutdowns are contributing to unsustainable and costly operations. It's time to build a new swim center for our city.

Santa Clara is currently facing a structural budget deficit. These measures are the next necessary step to balance the budget, maintain fiscal stability, and protect vital city services.

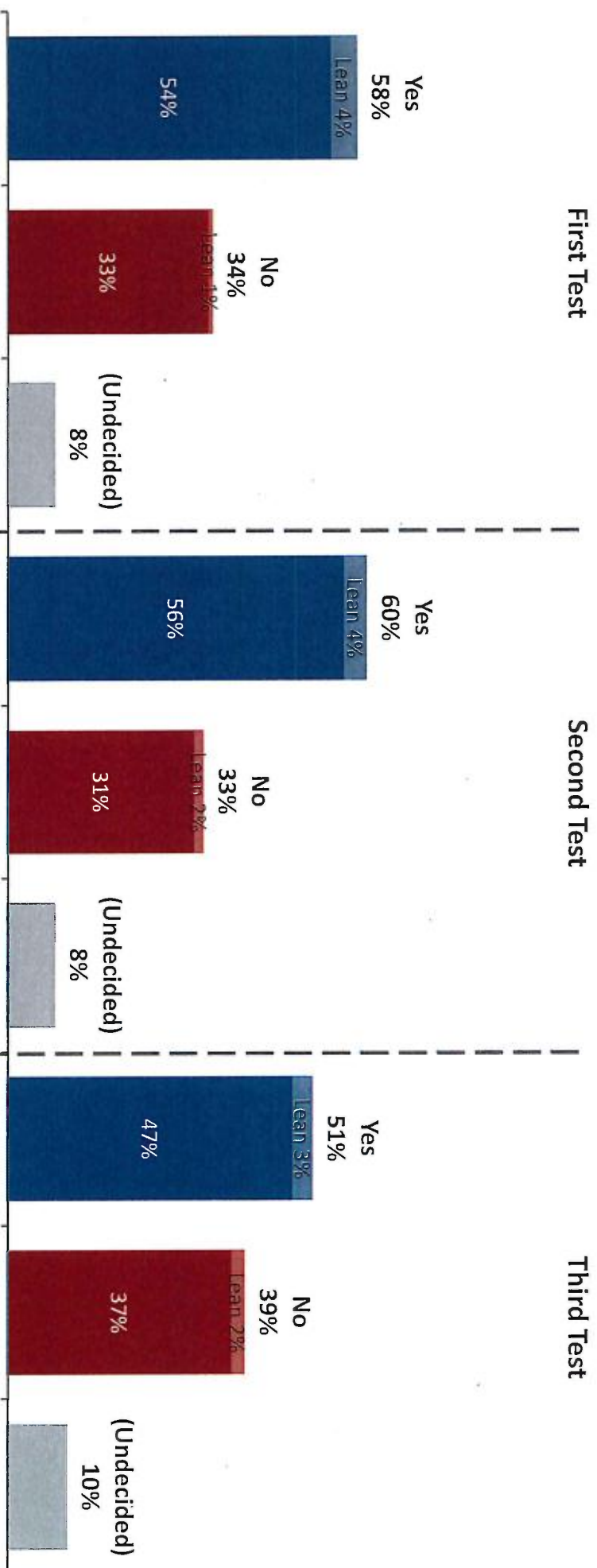
The City has done its homework and is making fiscally responsible decisions. Plans for safety improvements and upgrades to the International Swim Center are reasonably priced and will benefit the community in the long term.



Next, I'd like to read you some statements....

Vote Progression: Bond Measure

The potential bond measure never reaches the necessary 2/3's requirement threshold throughout the survey.

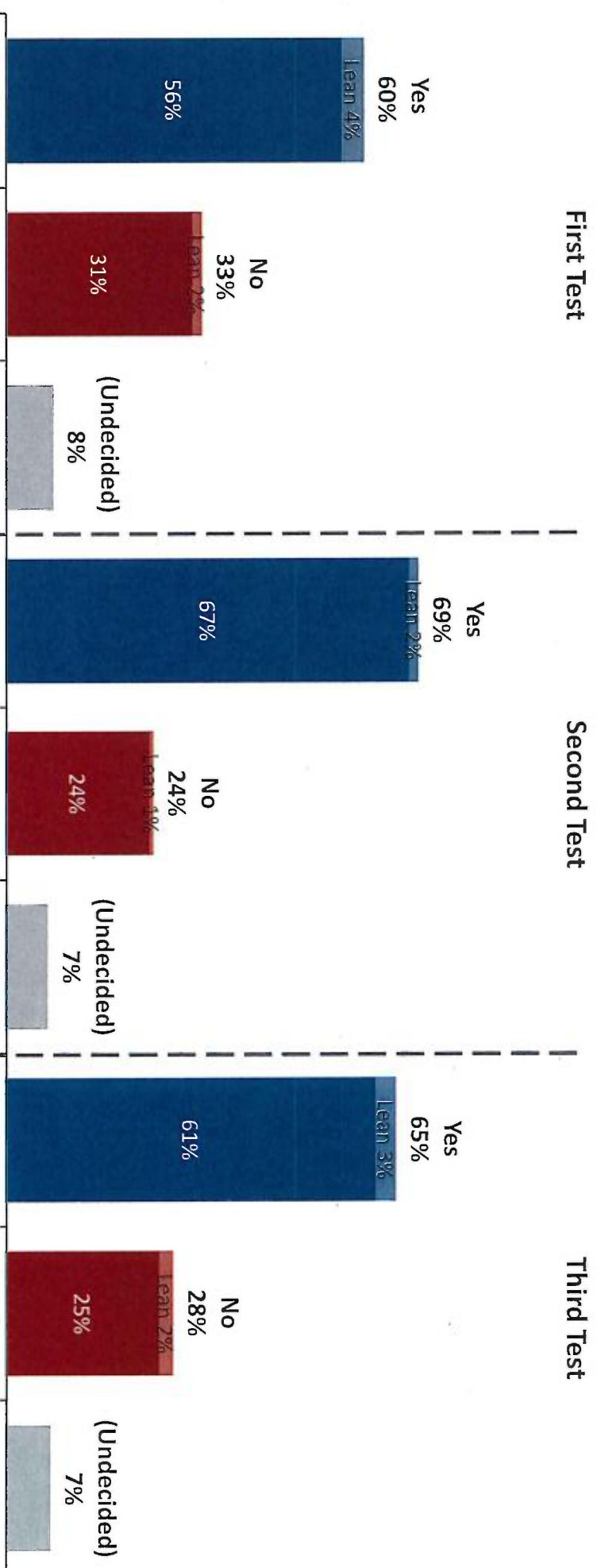


If the election were held today, would you vote yes to approve or no to reject this measure?
(If UNDECIDED) Well which way do you lean -- towards voting yes or no on the measure?

Vote Progression Cannabis Measure



A potential commercial cannabis tax measure (simple majority requirement) is clearly viable.



If the election were held today, would you vote yes to approve or no to reject this measure?
(If UNDECIDED) Well which way do you lean -- towards voting yes or no on the measure?



Focus Group Findings

Focus Groups: Commercial Cannabis Tax Measure

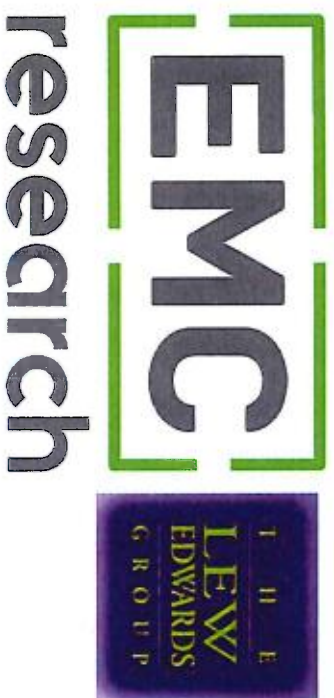


- ▶ The focus groups confirmed the viability of a commercial cannabis activity tax measure for November 2018.
- ▶ Participants are happy with the City of Santa Clara generally and welcome additional improvements.
- ▶ Although some were aware there is already a high tax on cannabis products and challenges for cannabis businesses, most had no problem raising the tax because it would not affect them personally.

Focus Groups: Bond Measure



- ▶ The focus groups confirmed voter hesitancy about the bond.
- ▶ The tax and cost information in the ballot question was confusing to participants (which is now required under AB 195).
- ▶ Many, especially homeowners, felt it was expensive on top of an already high cost of living.
- ▶ Many talked about enjoying recent improvements to the city, such as updates to parks, libraries, and bike paths, and were open to the improvements a bond could bring; however, they didn't see these projects as priorities for the City right now.
- ▶ Although some have sentimental and appreciative ties to the Swim Center and many recognize needs for improvements, directing their tax dollars towards upgrades did not align with their priorities for the City.



Conclusions & Recommendations

Recommendations & Upcoming Activities



- ▶ The City should proceed with planning for a Commercial Cannabis Activity funding measure, but should not proceed with a bond measure at this time
 - Unfortunately, the consulting team concurs that a longer planning runway and waiting until a different election is necessary for the viability of a bond
- ▶ In keeping with the City's tradition of community information and transparency—and with the long upcoming November ballot—legally permissible informational activities will be necessary, including:
 - Online/website/voting/measure/election information
 - Informational Public Service collaterals
 - Frequently Asked Questions
 - Full use of all communications platforms, including social media platforms and community meetings

All activities recommended by the consultants are informational – NOT ADVOCACY

November 2018 Key Activities Timeline

Month(s)	Key Activities
June	<ul style="list-style-type: none"> ✓ Engage Revenue Measure experts ✓ Conduct Survey & Analyze Survey Results ✓ Debrief City staff on initial findings ✓ Refine Scientific Focus Group approach ✓ Conduct Scientific Focus Groups
Early July	<ul style="list-style-type: none"> ✓ July 5: Council receives polling results □ Begin drafting measure materials: ordinance, resolution, staff report □ Update opinion leaders (City)
July-August	<ul style="list-style-type: none"> □ July 11/12: PDC –facilitated community meetings □ Finalize ballot resolution, staff report, other placement materials (City) □ July 17th: Council acts to place measure on the ballot □ Draft Informational communications suite □ Finalize Public Information Plan/Approach for the fall
September-October	<ul style="list-style-type: none"> □ Issue three informational citywide mailings on measure □ Update community in legally-permissible venues □ Continue to include public service measure/election information in city communications platforms, including USPS, media, social media, online □ Address rapid response needs as helpful □ Create two-way messaging for post-election use



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