

# REVENUE MEASURE FEASIBILITY STUDY

CONDUCTED FOR THE  
CITY OF CHULA VISTA

PRESENTED BY  
TIMOTHY McLARNEY PH.D.

6/21/2016



# PURPOSE OF STUDY

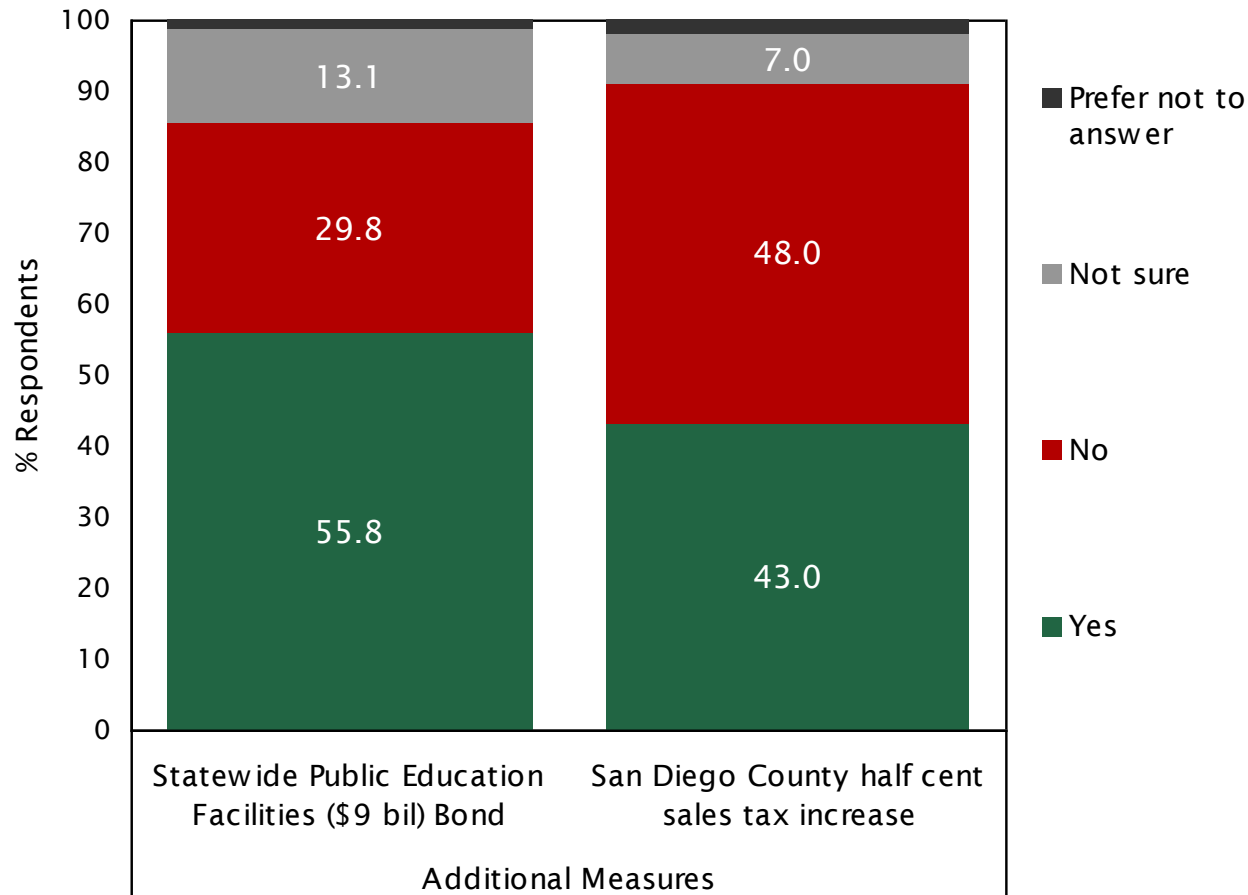
- Determine if a local revenue measure is feasible
- Identify how to create a measure consistent with community priorities
- Gather information needed for communications & outreach



# METHODOLOGY OF STUDY

- Conducted June 8 to June 14, 2016
- Random Sample: 1,322 District voters likely to participate in November 2016 election
  - Split Sample: Half received only Measure A (Sales Tax) & Half received Measures A & B (Sales Tax & Advisory Measure)
- Mixed-Method approach
  - Recruited via phone and email
  - Data collection via phone and online
  - 12 minute average interview length
- Overall margin of error is  $\pm 2.7\%$ ,  $\pm 3.8\%$  within split sample

# CROWDED BALLOT SIMULATION





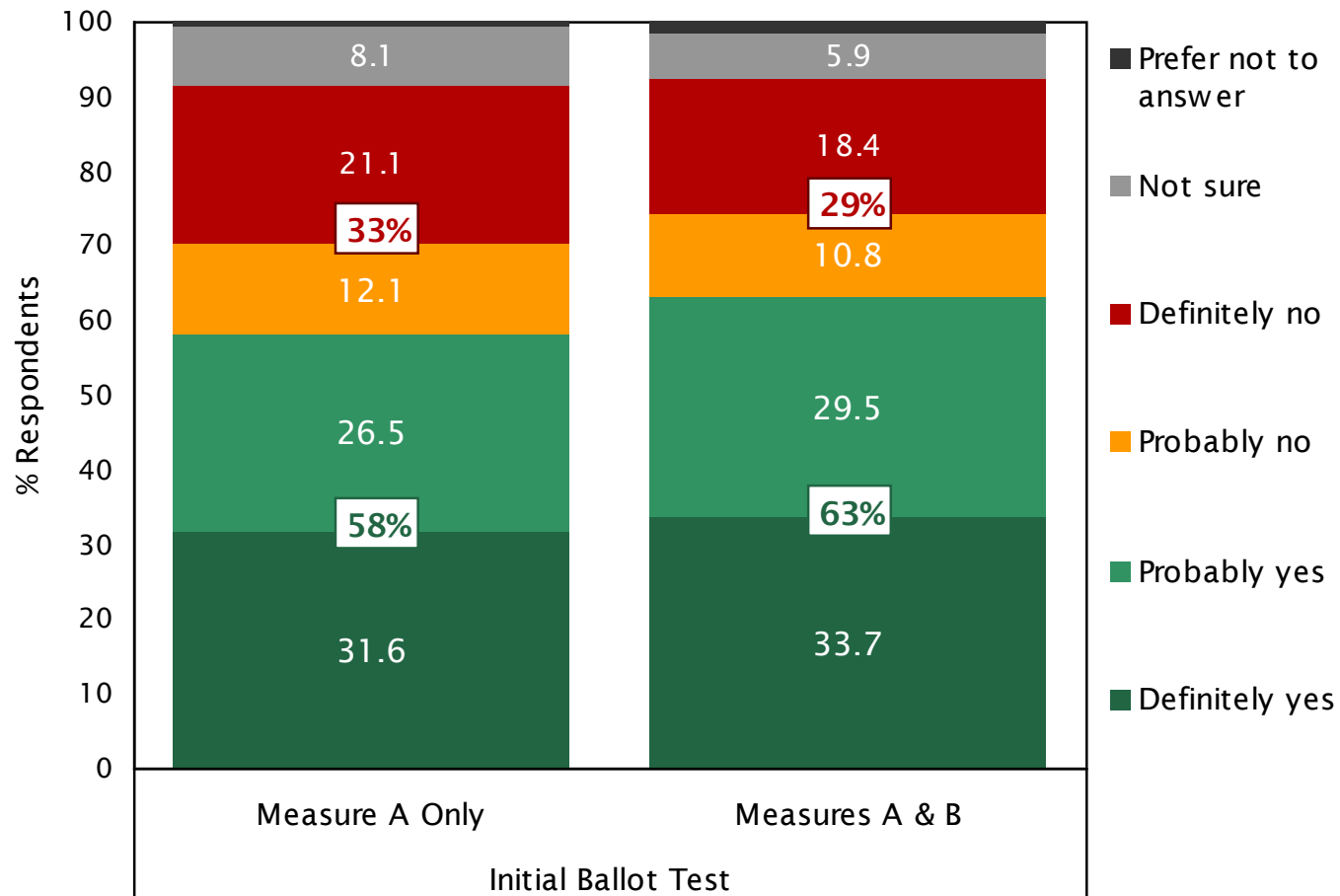
# INITIAL BALLOT TEST: MEASURE A

To:

- Fix potholes, repair and maintain streets, sidewalks, and aging storm drains to prevent sinkholes
- Upgrade aging police, fire and 9-1-1 emergency response facilities and equipment
- Maintain parks, recreation centers, and libraries
- And improve water conservation and other essential projects and services

Shall the City of Chula Vista adopt an ordinance enacting a one-half cent sales tax for ten years, generating \$16 million annually for improvements in the City of Chula Vista, requiring citizen oversight and independent audits? If the election were held today, would you vote yes or no on this measure?

# INITIAL BALLOT TEST: LOCAL FUNDING FOR SAFETY REPAIRS & IMPROVEMENT (MEASURE A)



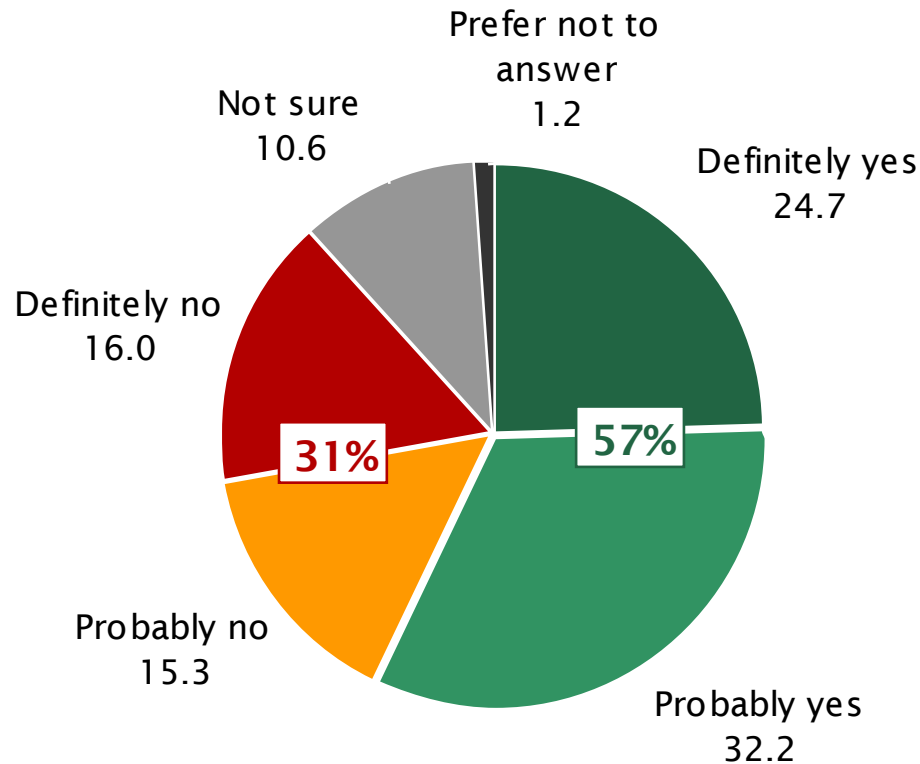


# INITIAL BALLOT TEST: MEASURE B

## Advisory Measure:

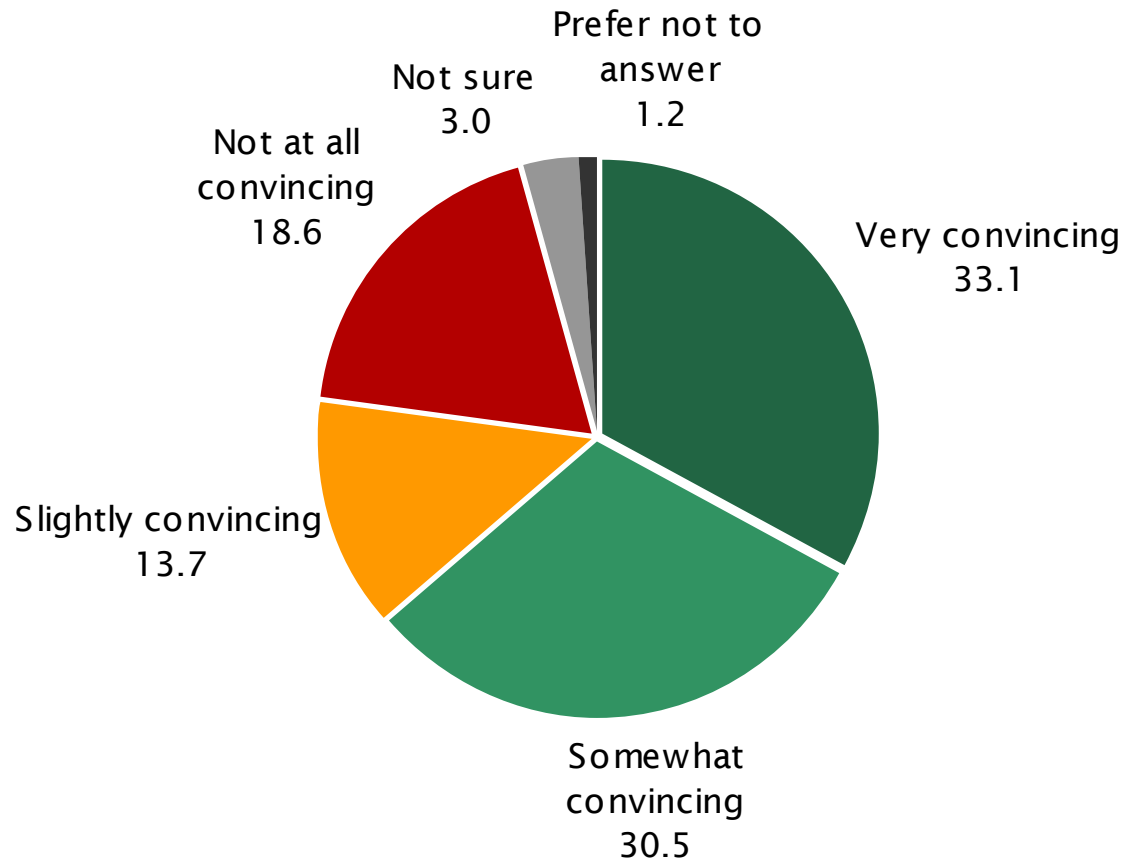
If the sales tax measure passes, generating an estimated \$16 million annually for the City of Chula Vista, shall the new revenue be used only to repair and replace essential City infrastructure and facilities with a minimum of 40 percent of these funds being used to upgrade obsolete police, fire and 9-1-1 emergency response facilities and equipment?

# INITIAL BALLOT TEST ADVISORY MEASURE (MEASURE B)

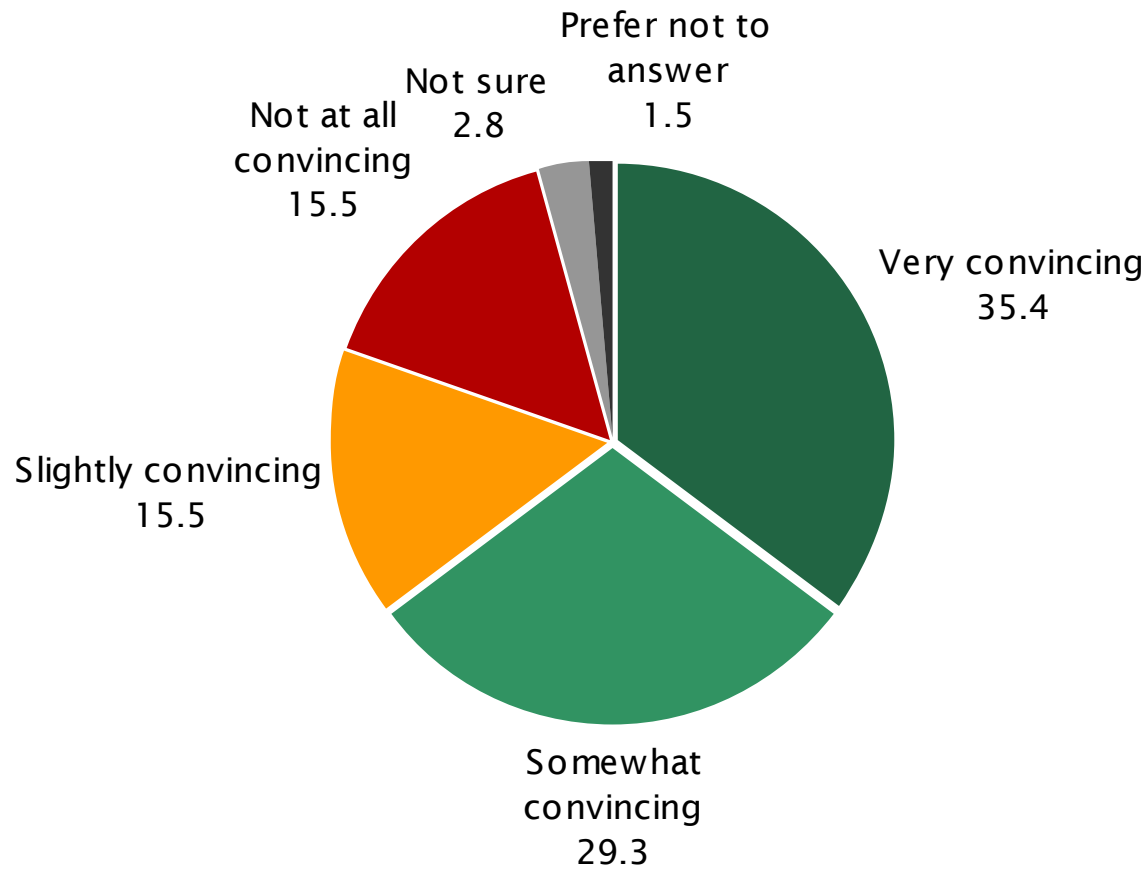




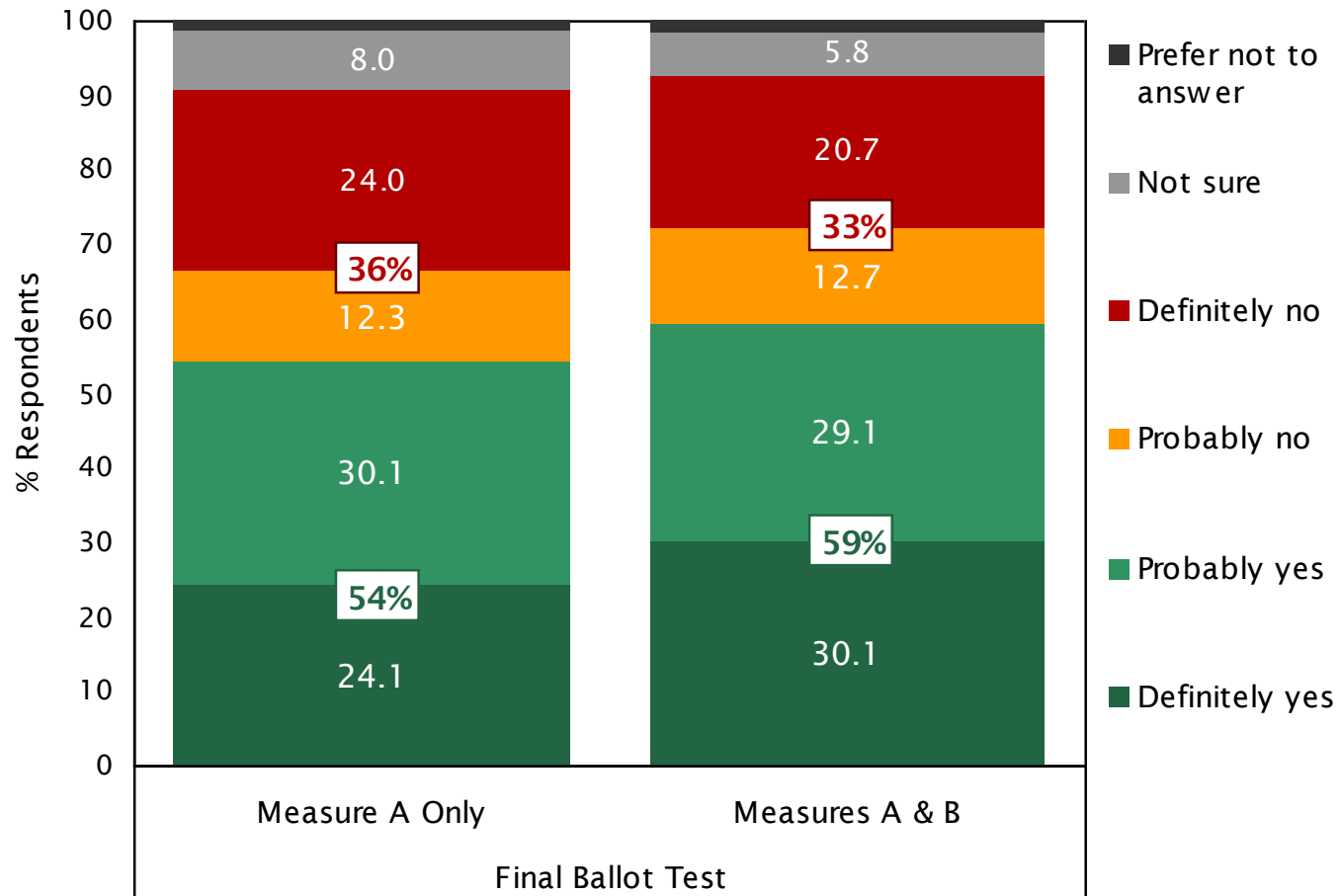
# SUPPORTIVE ARGUMENTS



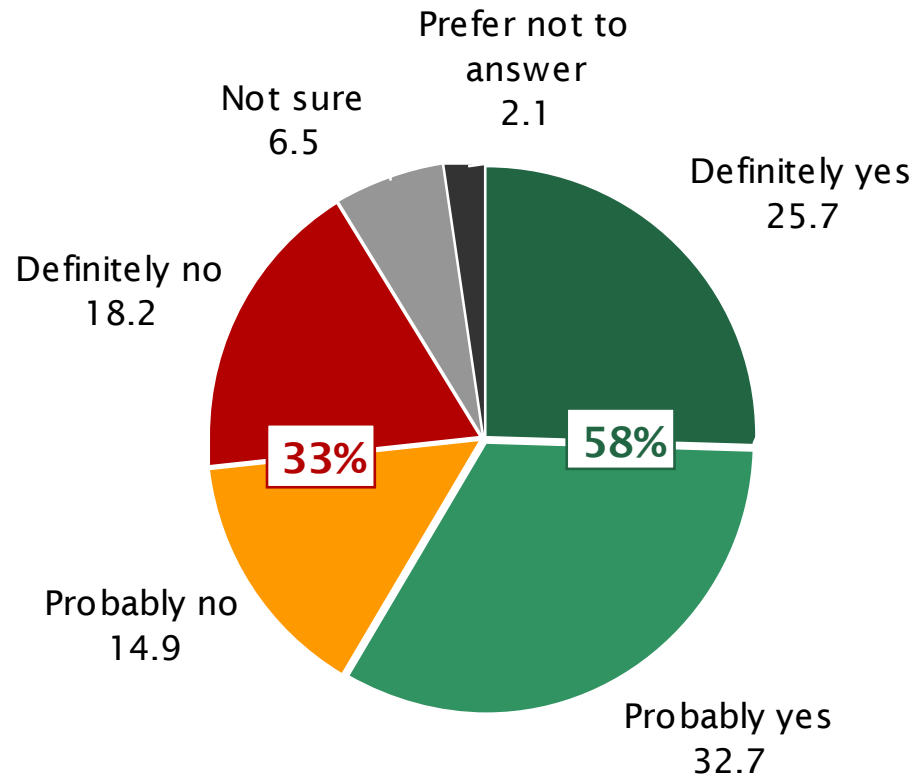
# OPPOSITION ARGUMENTS



# FINAL BALLOT TEST: LOCAL FUNDING FOR SAFETY REPAIRS & IMPROVEMENT (MEASURE A)



# FINAL BALLOT TEST ADVISORY MEASURE (MEASURE B)





# CONCLUSIONS

- Is it feasible to move forward with a local sales tax measure? **Yes.**
  - The natural, baseline level of support for a measure is above the required simple majority by more than the margin of error for the survey.
- Electorally speaking, does the Advisory Measure help? **Probably Not.**
  - Does not strengthen support for the Sales Tax Measure. Has less overall support than the tax measure (Measure A).
- Does including an Advisory Measure increase risk? **Yes.**
  - Raises the potential for voter confusion, vote-splitting, disagreement with plan, and complicates communications.
- Does the crowded ballot and other measures on the November ballot matter? **Yes.**
  - Those who received the competing measures at the outset of the interview exhibited 5%/7% less support for City's measure.
- It will be a noisy, challenging election environment with overlapping, competing measures.

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# Recommendation

- Adopt the Resolution
  - Calling the Nov. 8<sup>th</sup> Election
  - Submitting a measure relating to the establishment of a general transactions and use (sales) tax
  - Ballot arguments
  - City Attorney Impartial Analysis



# Sales Tax Measure

*“Chula Vista: Local Funding for Safety, Repairs, Improvements: To fix potholes, repair/ maintain streets, sidewalks, and aging storm drains to prevent sinkholes; upgrade aging police, fire and 911 emergency response facilities/ equipment; maintain parks, recreation centers, libraries; water conservation; and other projects/services; shall an ordinance be adopted enacting a one-half cent sales tax for 10 years, generating an estimated \$16 million per year to be spent locally, requiring citizen oversight and independent audits?”*





# Advisory Vote

*“If Measure X passes, generating an estimated \$16 million annually for the City of Chula Vista, shall the new revenue be used only to repair and replace critical City infrastructure and facilities, with a minimum of 40% of the total funds collected being used to upgrade aging police, fire and 911 emergency response facilities/ equipment and the remaining funds to be used only for essential city infrastructure and public buildings?”*



# A Stronger, Safer Chula Vista





# Sales Tax Example

- Paid at the time of sale of goods
- Sales tax is not charged for groceries and prescription medicine
- Vehicle sales attributed to the address of purchaser
- For every \$100 in taxable items the increase in sales tax would be 50¢



# Infrastructure Funding Scenario Summary Table

## Attachment 1

### Estimated 1/2 cent Sales Tax Cash Flows over 10 year period - Infrastructure Funding Scenario Summary Table

<u>Total by Major Category</u>	<u>10 Year Timeframe</u>	
Other Public Infrast. (Vehicles, Public Bldgs, Storm Drains, Sidewalks, Trees etc)	\$ 37,492,359	
Streets (Arterials/Collectors/Residential)	\$ 27,209,612	
Sports Fields and Courts	\$ 16,966,595	
Traffic Signal Systems	\$ 16,425,000	
Park Infrastructure (Playground Equipment, Gazebbos, Restrooms, Parking etc. )	\$ 7,660,881	
<b>Total Infrastructure</b>	<b>\$ 105,754,447</b>	
Fire Response Vehicles	\$ 16,847,580	
Fire Stations	\$ 15,419,094	
Fire Safety Equipment	\$ 5,197,913	
<b>Total Fire Services</b>	<b>\$ 37,464,587</b>	
Police Response Vehicles	\$ 12,951,470	
Public Safety Communication Systems (Dispatch and Regional Communication Syst.)	\$ 7,151,740	
Police Facility	\$ 12,662,512	
<b>Total Police Services</b>	<b>\$ 32,765,722</b>	
<b>Total Allocations</b>	<b>\$ 175,984,756</b>	
<b>Allocated to Public Safety</b>	<b>\$ 70,230,309</b>	<b>40%</b>
<b>Allocated to Other Infrastructure</b>	<b>\$ 105,754,447</b>	<b>60%</b>



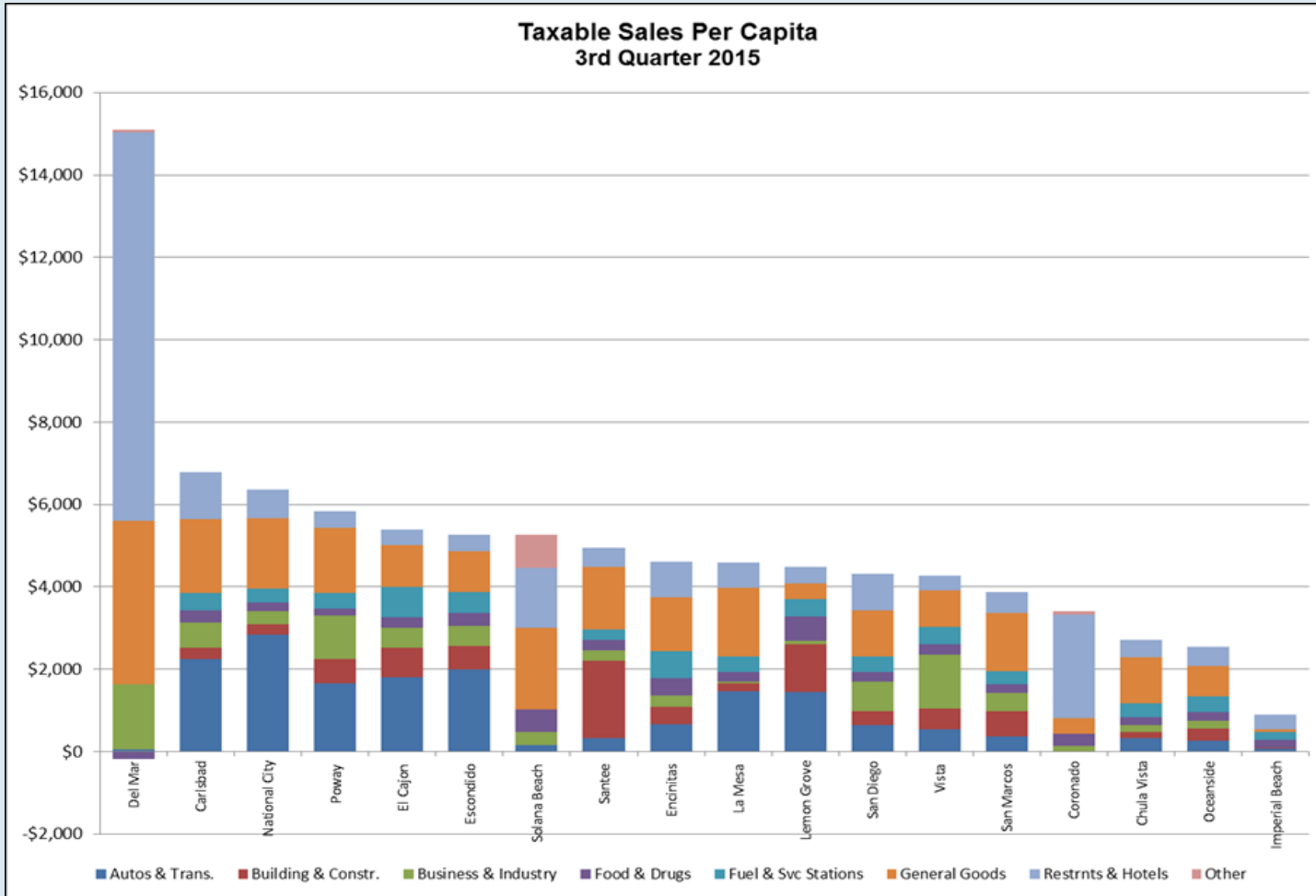
**Attachment 2**

- High probability of failure which could result in significant impact to public safety response or availability of highly used community infrastructure.  
Medium probability of failure which could impact public safety response or availability of modestly used community infrastructure.  
Low Risk of Failure - Falls within scheduled replacement timeframe

[illegible]



# Per Capita Sales Tax





# Sales Tax Rates in County

**Tax Rates within the County**

