



City of Palo Alto

City Council Staff Report

(ID # 10891)

Report Type: Action Items

Meeting Date: 12/2/2019

Summary Title: Structure and Scenarios of Initial Round of Polling for a Potential Local Tax Measure

Title: Review and Direction to Staff on the Outline and Framework of Initial Round of Polling for a Potential Local Tax Measure

From: City Manager

Lead Department: Administrative Services

Recommendation

Staff recommends that the City Council review, provide any additional direction needed, approve, and direct staff to proceed with the initial outline and framework as detailed by the City's polling consultant, Fairbank, Maslin, Maullin, Metz & Associates ("FM3") (**Attachment A**), in regards to assessing a potential local tax ballot measure .

Background

The workplan for 2019 Fiscal Sustainability City Council Priority was approved by Council in April 2019. Since then, staff has worked with the Finance Committee as the designated working body throughout the process to develop, review, and forward to Council potential revenue ballot measure options. Throughout this iterative process, several relevant reports were presented to the Committee and Council and are linked below:

- 2019 Fiscal Sustainability Workplan, 4/22/19, [CMR 10267](#)
- City Council Approve Workplan for a Potential Revenue Generated Ballot Measure, 4/22/19, [CMR 10261](#)
- Finance Committee Review, Comment, and Accept Preliminary Revenue Estimates for Consideration of a Ballot Measure, 6/18/19, [CMR 10392](#)
- Finance Committee Evaluation and Discussion of Potential Revenue Generating Ballot Measures, 8/20/19, [CMR 10445](#)
- City Council Evaluation and Discussion of Potential Revenue Generating Ballot Measures and Budget Amendment, 9/16/19, [CMR 10615](#)
- Finance Committee Approve Revised Workplan to Address the City Council Direction for Further Consideration of a Ballot Measure, 10/1/19, [CMR 10712](#)

- Finance Committee Consideration of a Revenue Generating Ballot Measure and Potential Recommendation to City Council to Approve Framework and Direct Staff to Proceed with Stakeholder Outreach and Initial Polling, 10/15/19, [CMR 10743](#)
- City Council Consideration of a Revenue Generating Ballot Measure Including Review and Approval of Stakeholder Outreach and Initial Polling Framework and Contracts, 11/4/2019, [CMR 10792](#)

Discussion

The City has engaged with FM3 to conduct public opinion research for a potential local tax ballot measure. The City Council approved the drafted workplan for polling and outreach activities which includes two rounds of polling – an initial round to be completed in December/January and a refined round to be completed in the spring.

The outline and framework for the initial poll is detailed in **Attachment A** of this staff report. With Council’s approval of the outline and framework, it is expected that the poll will be conducted in December and the findings reported to the City Council in late January/early February 2020. A second, more refined survey will be conducted (expected to be completed in spring 2020) that will be based on more fully developed specific models for a potential local tax measure, using analysis and data collected from the initial poll, stakeholder outreach efforts, and additional analysis of potential tax structures.

Stakeholder Engagement

The framework and approach for polling and outreach was presented to the Finance Committee in October 2019 and the City Council in November 2019 ([CMR 10792](#)). Based on these discussions and direction to staff, staff have developed this framework to meet the requested polling information with the City’s consultants, FM3 (polling) and Terris Barnes Walters Boigon Heath Inc. (TBWB - stakeholder outreach).

Resource Impact

The cost to develop and conduct this initial survey was approved in the November 4, 2019 staff report, [CMR 10792](#).

Policy Implications

This recommendation aligns with existing City policy and City Council direction as part of the 2019 Fiscal Sustainability workplan.

Environmental Review

The approval of the polling outline and framework for a potential revenue generating ballot measure is not an action subject to environment review under the California Environmental Quality Act.

Attachments:

- Attachment A: Palo Alto Ballot Measure Exploratory Survey Outline



TO City of Palo Alto Staff and Council

FROM Dave Metz and Miranda Everitt
FM3 Research

RE: Ballot Measure Survey Outline

DATE November 26, 2019

This memo outlines our recommended approach for the Palo Alto ballot measure structure survey, anticipating a potential business tax measure in November 2020. This survey is structured to update baseline attitudes about City government and issues of concern by re-asking about those topics in the same we have in prior years. It then moves into ballot measure design: asking about general support for additional revenue, then about potential mechanisms, project priorities for new funding, and preferences on measure structure. For mechanisms and structure questions, voters will hear brief pro/con statements as well.

- Survey introduction
- Cell or landline, safety check
- Right direction/wrong track (tracking to prior years)
- Job rating - Palo Alto city government (tracking to prior years)
- Approval rating on specific aspects of City management (tracking most to prior years)
 - Maintaining infrastructure
 - Managing budget/finances
 - Using tax dollars efficiently
 - Transportation
- Need for additional funding (tracking to prior years)
- Need for additional funding to maintain and improve infrastructure (tracking to prior years)
- Problem seriousness battery (tracking most to prior years)
 - Parking
 - Housing costs
 - Waste and inefficiency in local government
 - Condition of the local economy
 - Crime
 - Homelessness
 - Traffic
 - Growth and development

- Local tax rates
- Changing character of the community
- Power shutoffs
- Airplane noise
- Caltrain rail crossings
- General support for or opposition to a business tax
- Open-ended question on reason for support/opposition
- Importance of potential projects/priorities, with variations in wording (tracking many to prior years)
 - Infrastructure
 - Streets/roads
 - Traffic congestion
 - Access for people with disabilities
 - Sidewalks
 - Potholes
 - Affordable housing
 - Park/rec facilities
 - Emergency communications
 - Disaster preparedness
 - Community centers
 - Storm drains
 - Caltrain rail crossings
- Support for or opposition to business tax mechanisms
 - Square footage
 - Number of employees
 - Payroll
- Forced-choice preference: special-purpose or general-purpose
- Pro/con on the choice and re-vote
- Support for or opposition to specific special-purpose measures
 - Housing
 - Transportation
 - Public safety
 - Infrastructure/quality of life
- Forced choice on which of those four is the top priority
- Forced choice preference: flat tax or tiered rates
- Pro/con on the choice and re-vote
- Forced choice preference: rates comparable to nearby cities, or lower
- Pro/con on the choice and re-vote
- Exemptions

- Retail
- Hospitality
- Medical
- Small business
- Nonprofits
- Pro/con on square footage mechanism
- Pro/con on number of employees mechanism
- Pro/con on payroll mechanism
- Demographics
 - Own/rent
 - Work in Palo Alto
 - Own a business in Palo Alto
 - Education
 - Ethnicity
 - Income
 - Gender
- Voter file information (will not need to ask this)
 - Party
 - Age
 - Past election participation