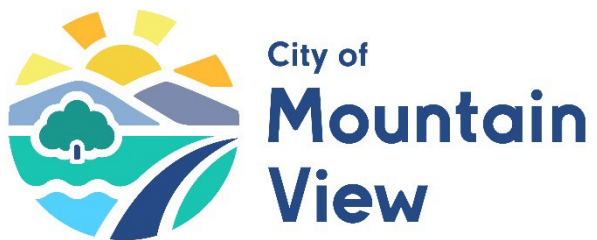




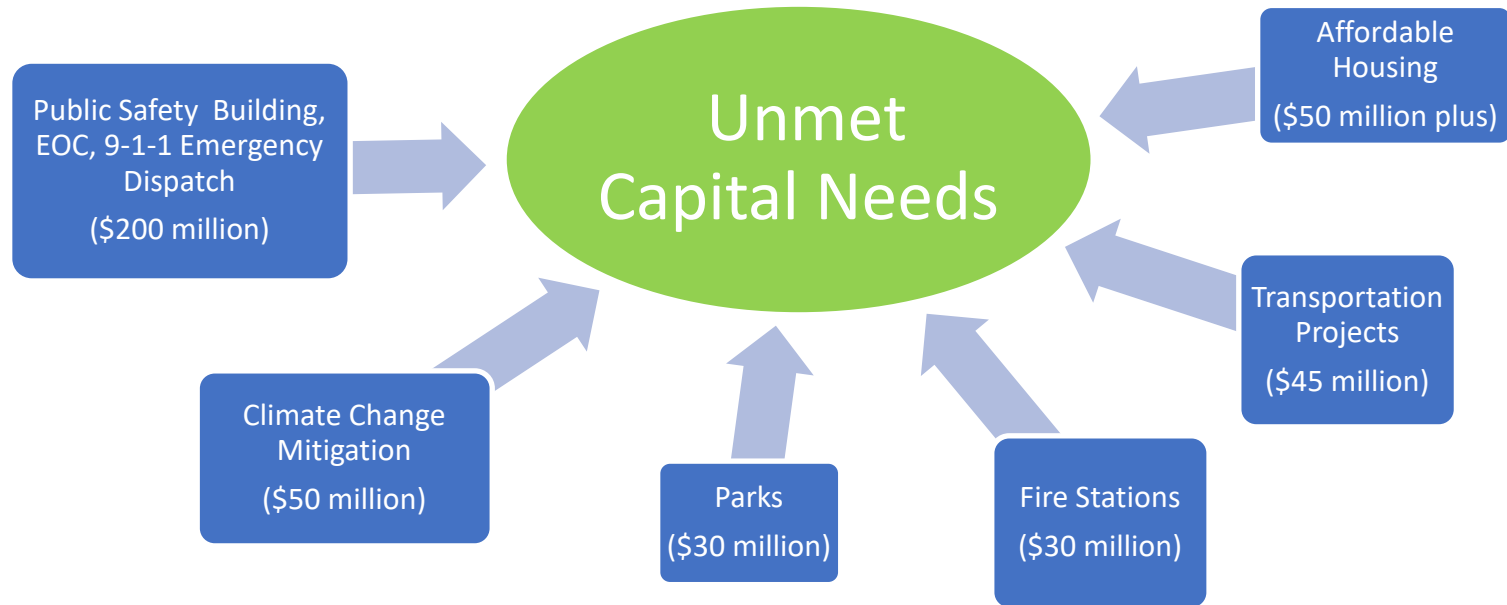
Attachment 3

May 14, 2024

Item 6.2 - Potential Revenue Measure for 2024



- Arn Andrews, Assistant City Manager
- Kimberly Thomas, Deputy City Manager
- Derek Rampone, Finance and Administrative Services Director
- Grace Zheng, Assistant Finance and Administrative Services Director
- Dawn Cameron, Acting Assistant City Manager/Community Development Director



Council Direction at the September 12 meeting:

1. Continue to explore the feasibility of a 2024 revenue measure.
2. Create a 2024 Revenue Ballot Measure Ad Hoc Committee consisting of Vice Mayor Matichak, Councilmember Ramirez, and Councilmember Ramos.
3. Focus on general tax initiative (50+1) revenue types like Transient Occupancy Tax and Utility User Tax (by utility type).

December 6, 2023

Convened initial meeting.

January 17, 2024

Reviewed the types of potential revenue measures and recommended polling for a Transient Occupancy Tax (TOT) and Property Transfer Tax (PTT).

January 30, 2024

Reviewed options and directed staff to develop a survey and ballot questions for both a potential TOT and PTT revenue measure.

March 6, 2024

Final review of ballot questions and recommended polling language in the survey instrument.

April 19, 2024

Received polling results and recommended that Council proceed with a property transfer tax.



City of Mountain View Poll Highlights *March 2024*



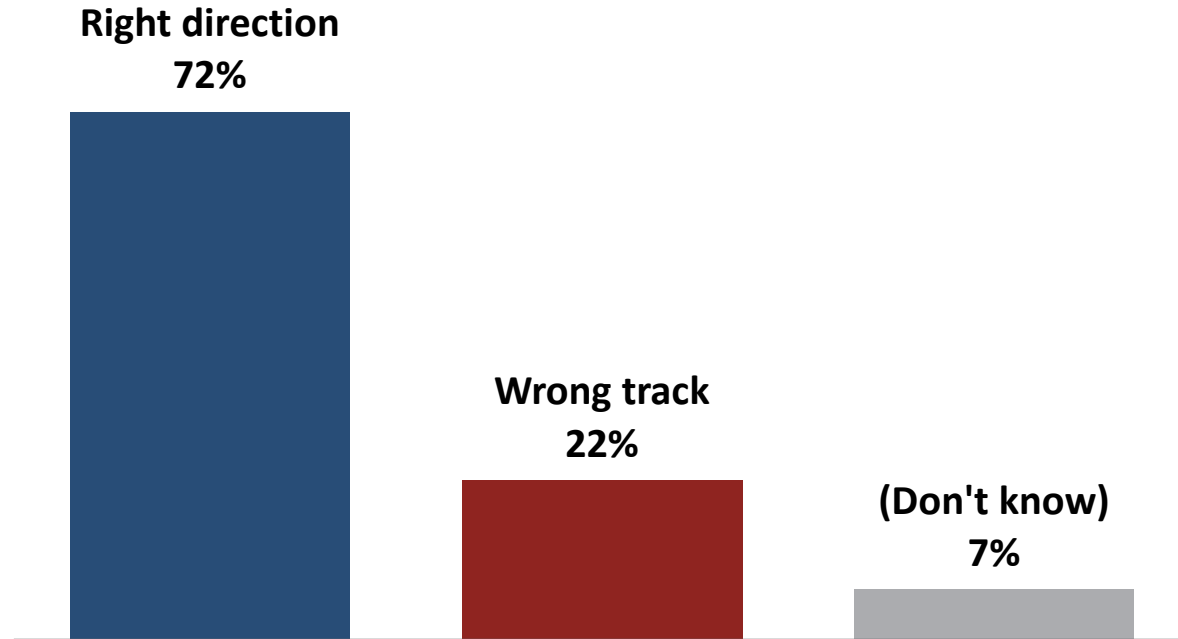
T H E
LEW
EDWARDS
G R O U P

- ▶ Multimodal live telephone, email- and text-to-web survey of likely November 2024 voters in the City of Mountain View, CA
- ▶ Survey conducted March 14 – 27, 2024
- ▶ Interviews were conducted by trained, professional interviewers; landlines and mobile phones included
 - Survey was offered in English, Spanish, and Chinese
- ▶ 604 completed interviews; overall margin of error ± 3.95 percentage points
 - A split sample methodology was used to randomize the order in which respondents saw the two measures; margin of error for each split is ± 5.6
 - Split A: Heard TOT first, PTT second
 - Split B: Heard PTT first, TOT second

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

Right Direction/Wrong Track

Voters are optimistic about the direction of the City.

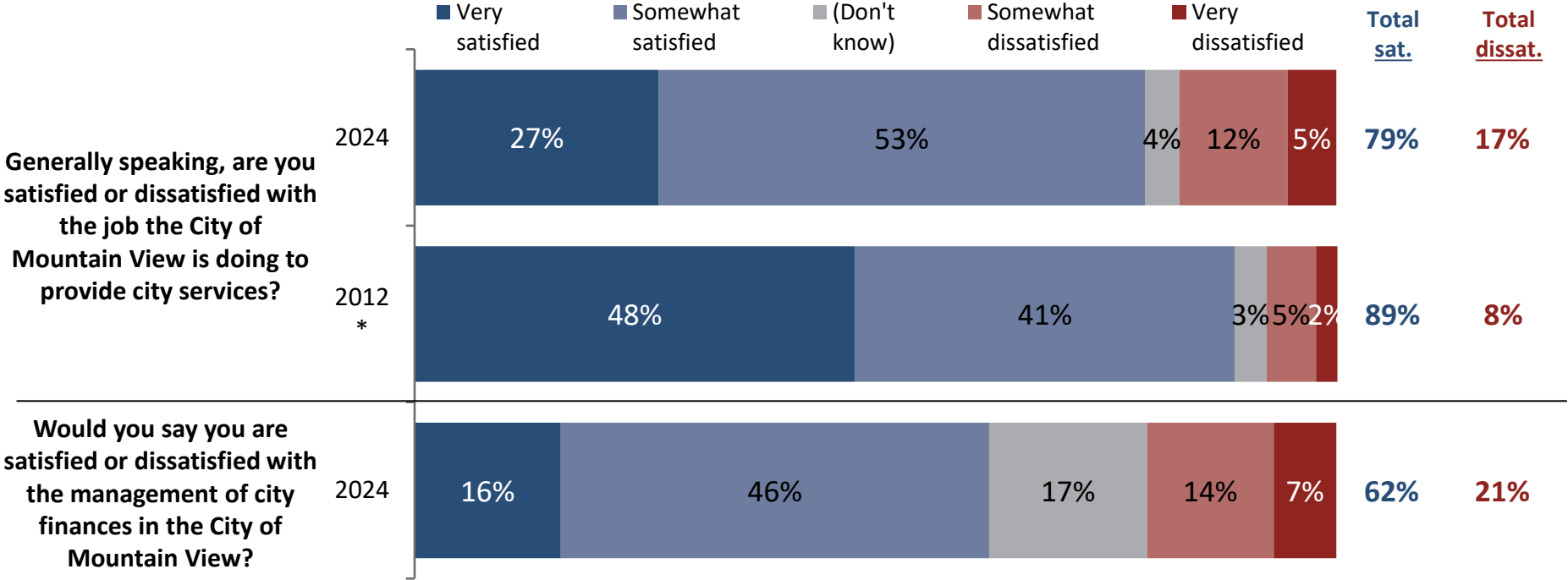


Do you feel that things in Mountain View are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?

Satisfaction with City Services and Financial Management



A majority are satisfied with the job the City is doing providing city services. Voters are satisfied with the city's financial management, but intensity to this positive rating is low.

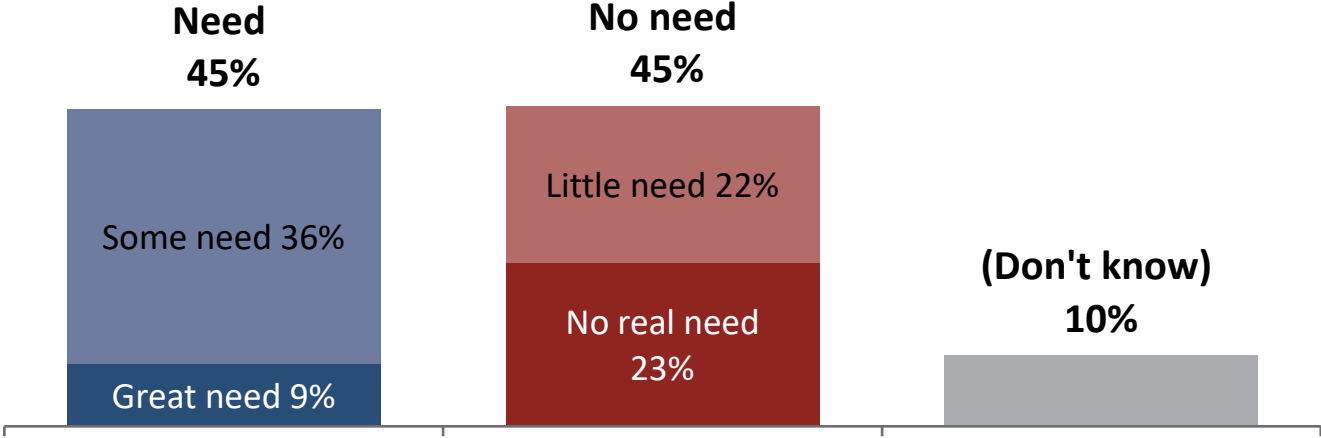


*Results are from a 2012 survey by Godbe Research; telephone interviews; n=404; MoE= ±4.8%

City Services Perceived Need for Funding



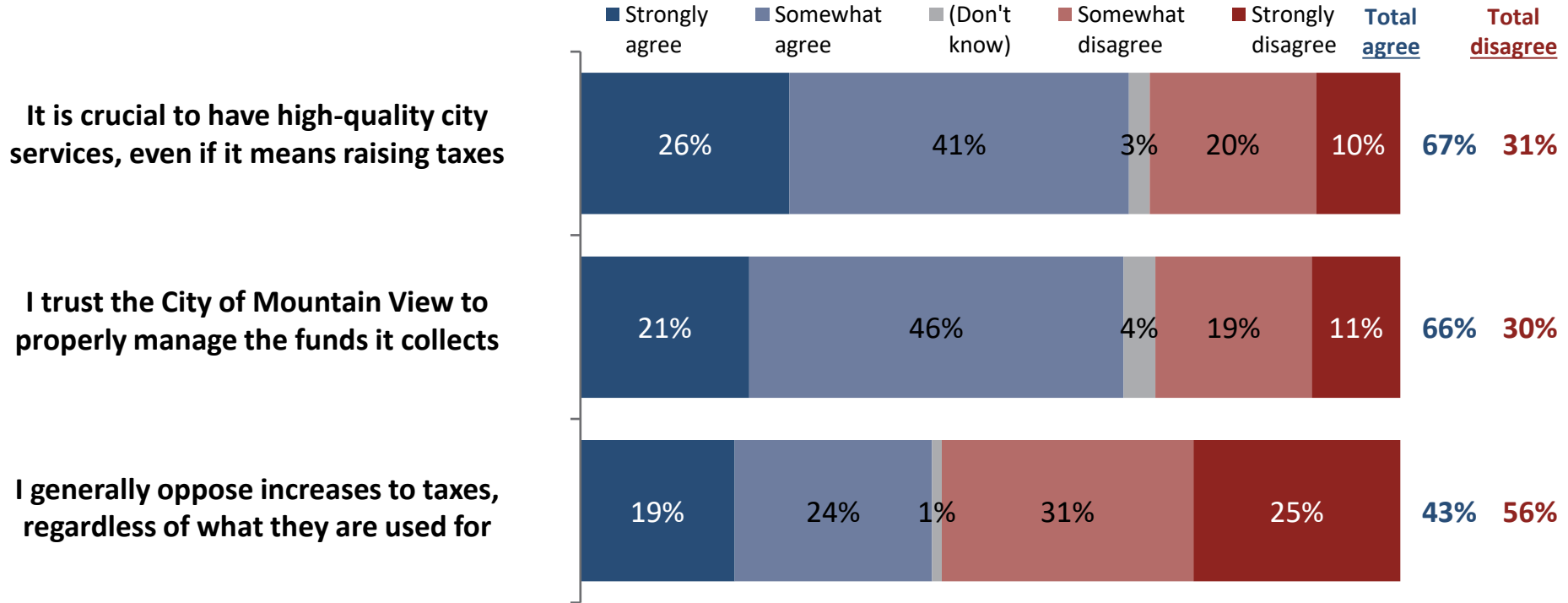
Voters are evenly split on whether the City has a need for additional funding.



Would you say that the City of Mountain View has a great need for more money, some need for more money, little need for more money, or no real need for more money for city services?

Willingness to Pay for Services

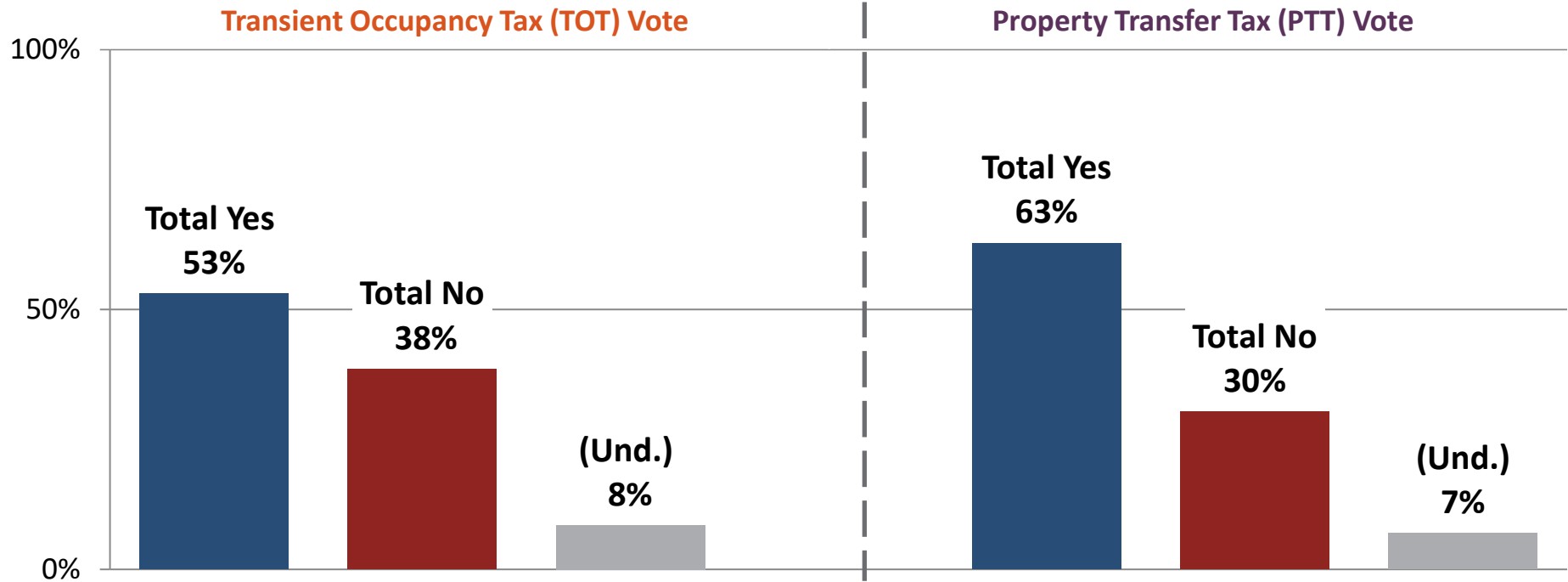
Strong majorities express willingness to see taxes raised to maintain high-quality services and trust in the City to appropriately manage funds. Tax aversion is a less prevalent sentiment among respondents.



Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

Initial Vote on Hypothetical Measures*

The property transfer tax receives notably more support in an initial, uninformed vote.

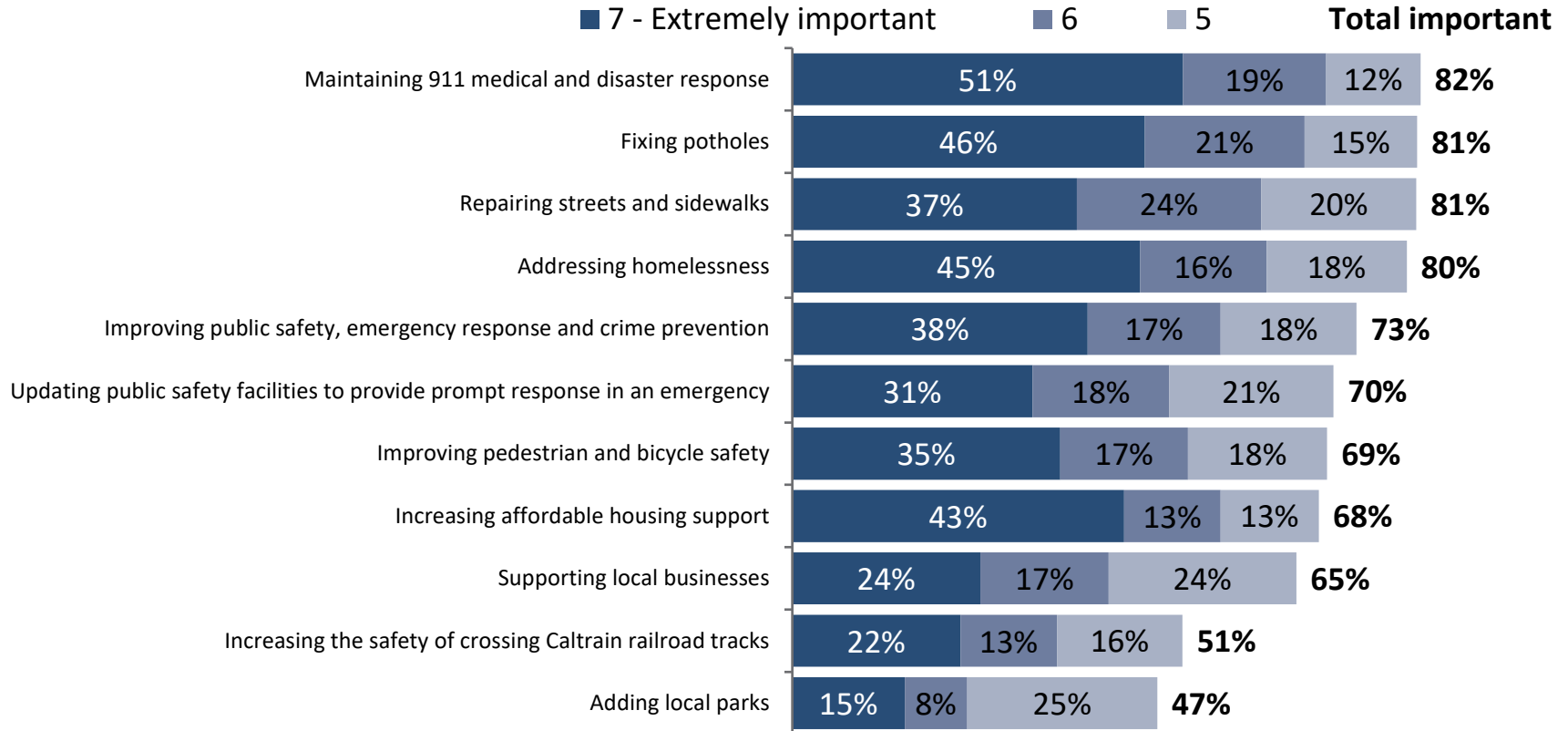


If the election were held today, would you vote yes to approve or no to reject this measure?

*Ballot questions reviewed by the City Attorney.

Measure Components

911 response and pothole repair rise to the top of the list of service priorities.



How would you rate how important that project is to you, with 1 being not at all important, and 7 being extremely important?

Impact of Information

Respondents find statements about the benefits to be convincing as reasons to vote for the measures.

The city's Emergency Operations Center is currently not safe to withstand an earthquake, putting the community at risk when disaster strikes. These measures will help to provide an up-to-date public safety center allowing emergency workers to provide rapid 911 response to the community during emergencies.

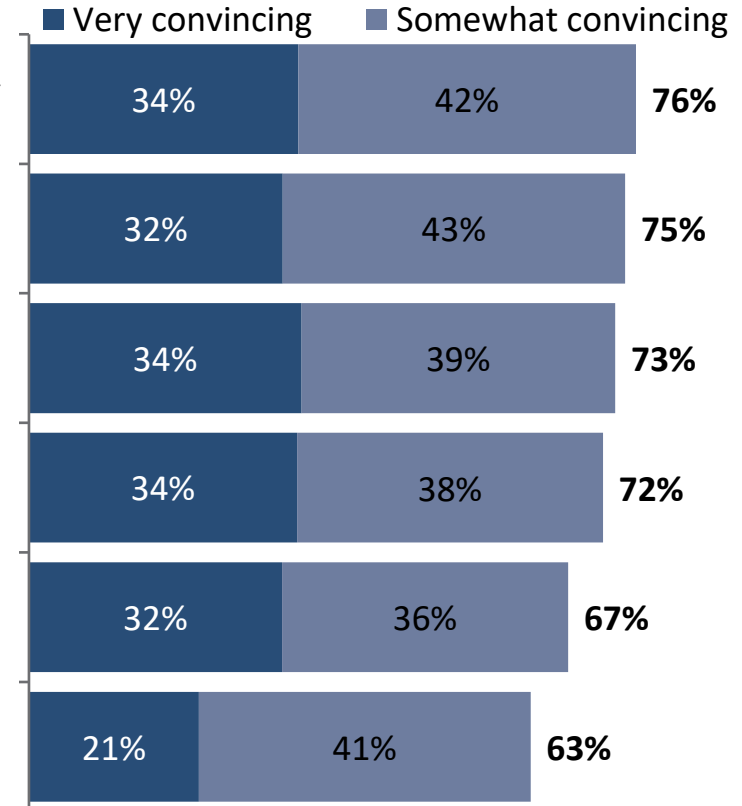
These measures will help improve cyclist and pedestrian safety, increase safety measures around railroad crossings, and provide Safe Routes to Schools programs to help protect every child in Mountain View from road hazards on their way to school.

Mandatory financial audits and yearly reports will ensure that all funds from these measures are spent right here in the City of Mountain View only for voter-approved purposes.

These measures would create a guaranteed source of local funding that, by law, cannot be taken by Sacramento, for our vital city services, ensuring our tax dollars stay local for the benefit of Mountain View residents.

These tax measures help the City maintain critical services, but neither costs the average Mountain View resident anything. Only those who book a hotel, motel, or short-term rental in Mountain View; or those buying or selling property valued over \$5 million pay these taxes.

Our great neighborhood parks and public facilities are what makes Mountain View such an amazing place to live, but many of our parks are starting to show their age. These measures will allow the City to invest in upgrading our existing parks, as well as fund new parks.



County/Charter Cities	Per \$1,000 City Rate	County Rate	Per \$1,000 Total
SANTA CLARA COUNTY			
Mountain View	\$3.30	\$1.10	\$4.40
Palo Alto	\$3.30	\$1.10	\$4.40
San Jose	\$2M - \$3.30	\$1.10	\$4.40
	\$2M to \$5M - \$10.80	\$1.10	\$11.90
	\$5M to \$10M - \$13.30	\$1.10	\$14.40
	Over \$10M - \$18.30	\$1.10	\$19.40

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Actual (\$3.30/\$1,000 AV)	\$10,378M	\$6,539M	\$8,688M	\$10,245M	\$4,092M
Property Transfers over \$5.0 million					
Additional Tax at \$15.0/\$1,000	\$22,225,745	\$11,598,596	\$11,378,660	\$14,446,274	\$1,554,053
\$9.5M Annual Revenue					

Sales Volumes Over \$5 Million

Fiscal Year	# Residential	# Commercial	Total
2019-20	0	22	22
2020-21	2	9	11
2021-22	3	30	33
2022-23	0	7	7
2023-24 (through March)	<u>3</u>	<u>7</u>	<u>10</u>
Total	8	75	83

For the 5-year period:

- The 8 residential transactions totaled \$46,725,500
- The 75 commercial transactions totaled \$3,297,606,044
- All transactions totaled \$3,344,331,544

Date	Action
May 14, 2024	Council approval of the revenue measure type to place on the ballot.
June 25, 2024	Council adoption of revenue measure, including ballot measure language and recommendation of funding priorities.
August 8, 2024	Submittal to the Santa Clara County Registrar of Voters (ROV) by the statutory August 8, 2024 deadline.
August 13, 2024	Arguments for/against the measure are due to the County ROV by 5:00 p.m.
August 14, 2024	Last date to withdraw a measure.
August 20, 2024	Rebuttals due to the County ROV by 5:00 p.m.
November 5, 2024	General Election November 5, 2024

- Robust Public Outreach and Information – Receiving Organized Community Feedback
- If feedback supports it: Develop and Place Measure on Ballot

- Receive the revenue measure polling results and recommendations from the Revenue Measure Ad Hoc Sub-Committee.
- Direct staff to continue community outreach regarding service needs and come back to Council with recommended action at the June 25 Council meeting.