

SALES TAX FEASIBILITY SURVEY

CONDUCTED FOR THE
CITY OF ENCINITAS

PRESENTED BY
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1/25/2024





PURPOSE OF STUDY

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



METHODOLOGY OF STUDY

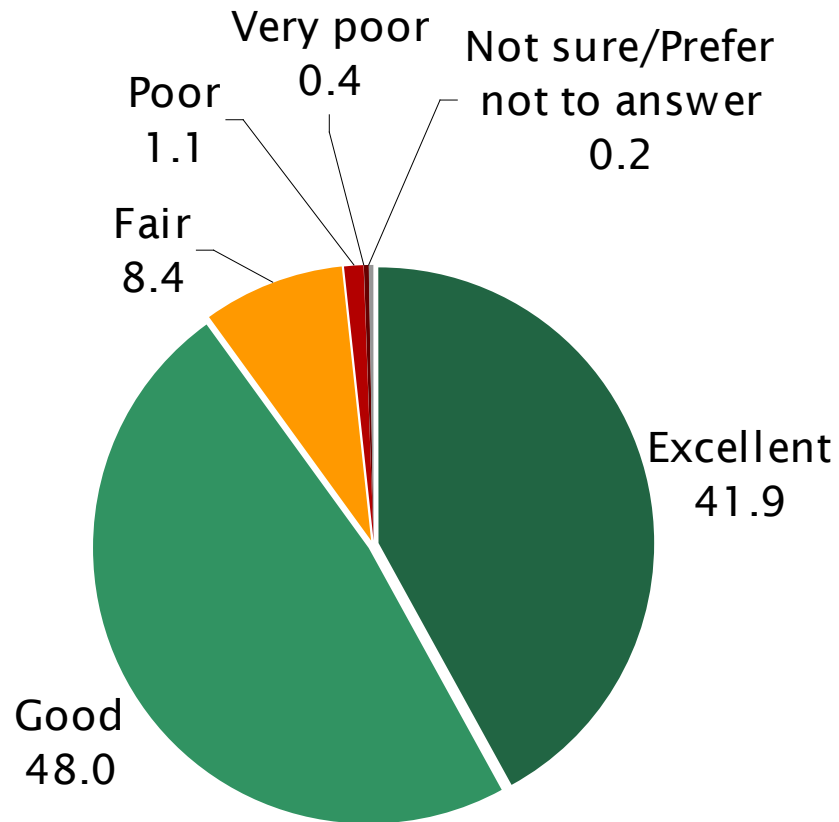
- **How did we select voters to survey?**
 - Stratified & Clustered Random Sample of likely November 2024 voters using age, gender, partisanship, household party type, and sub-geographies
 - Ensures balanced, representative sample of likely voters
- **How did we recruit participation?**
 - Personalized email, text, and telephone calls
 - PINs to restrict access and ensure one complete per respondent
- **How were voters able to share their opinions?**
 - Secure, PIN-protected website that scales to the device
 - Telephone (land line or mobile)
- **What was the sample size?**
 - 1,242 completed interviews
 - Overall margin of error of $\pm 2.7\%$ @ 95% level of confidence



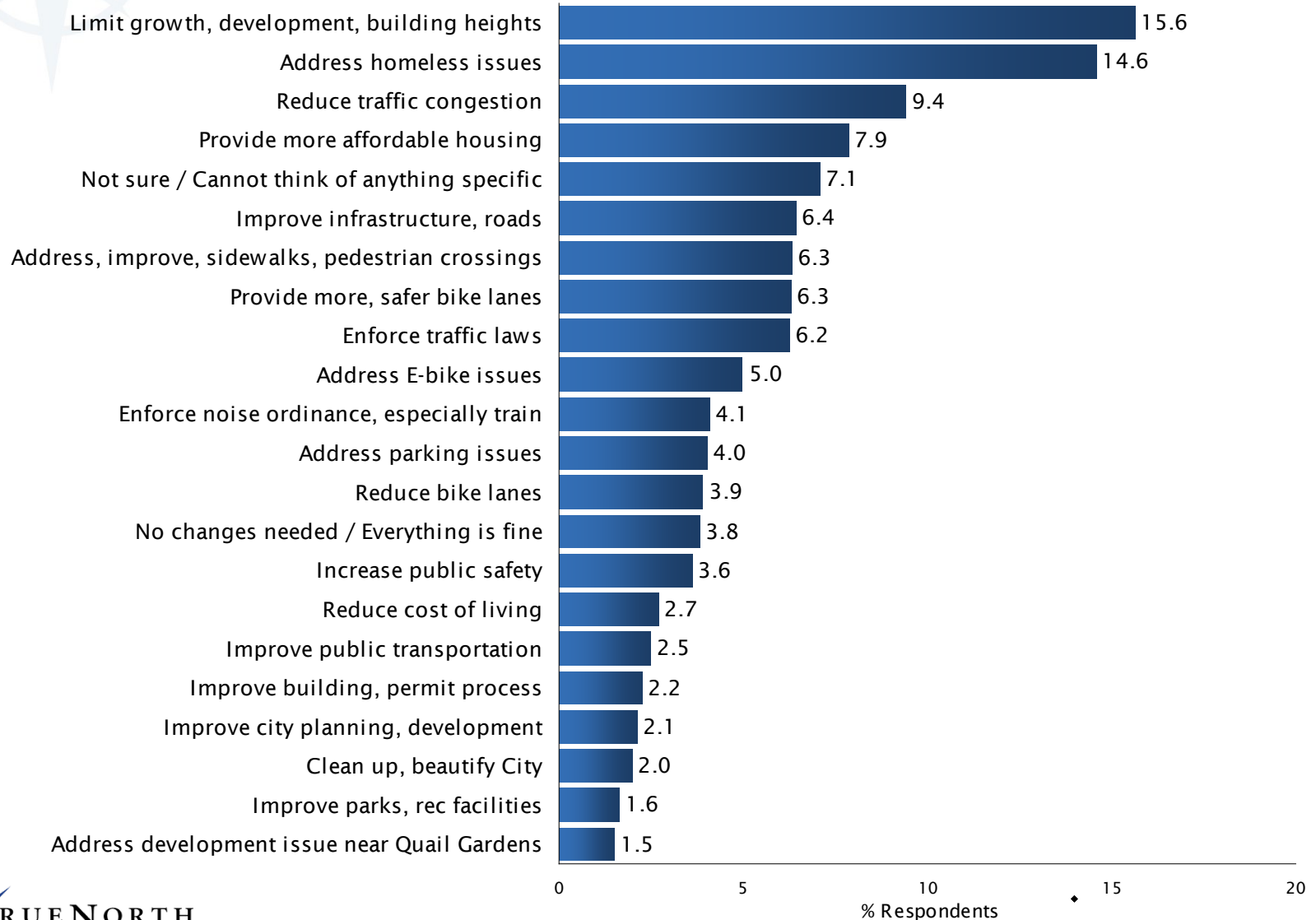
UNIVERSE/SAMPLE COMPARISON

	Likely Nov 2024 Voter Universe	Sample of 1,242 Likely Nov 2024 Voters
Age		
18 to 29	14%	14%
30 to 39	14%	15%
40 to 49	17%	17%
50 to 64	26%	25%
65 and older	28%	29%
Party		
Dem	45%	45%
Rep	25%	24%
Other	7%	7%
DTS	23%	24%
Household Party Type		
Single Dem	21%	22%
Dual Dem	14%	14%
Single Rep	9%	10%
Dual Rep	8%	8%
Other	20%	21%
Mixed	27%	26%
Homeowner in Voter File		
Yes	65%	68%
No	35%	32%
Council District		
One	26%	26%
Two	23%	23%
Three	25%	25%
Four	26%	26%

QUALITY OF LIFE



CHANGES TO IMPROVE CITY





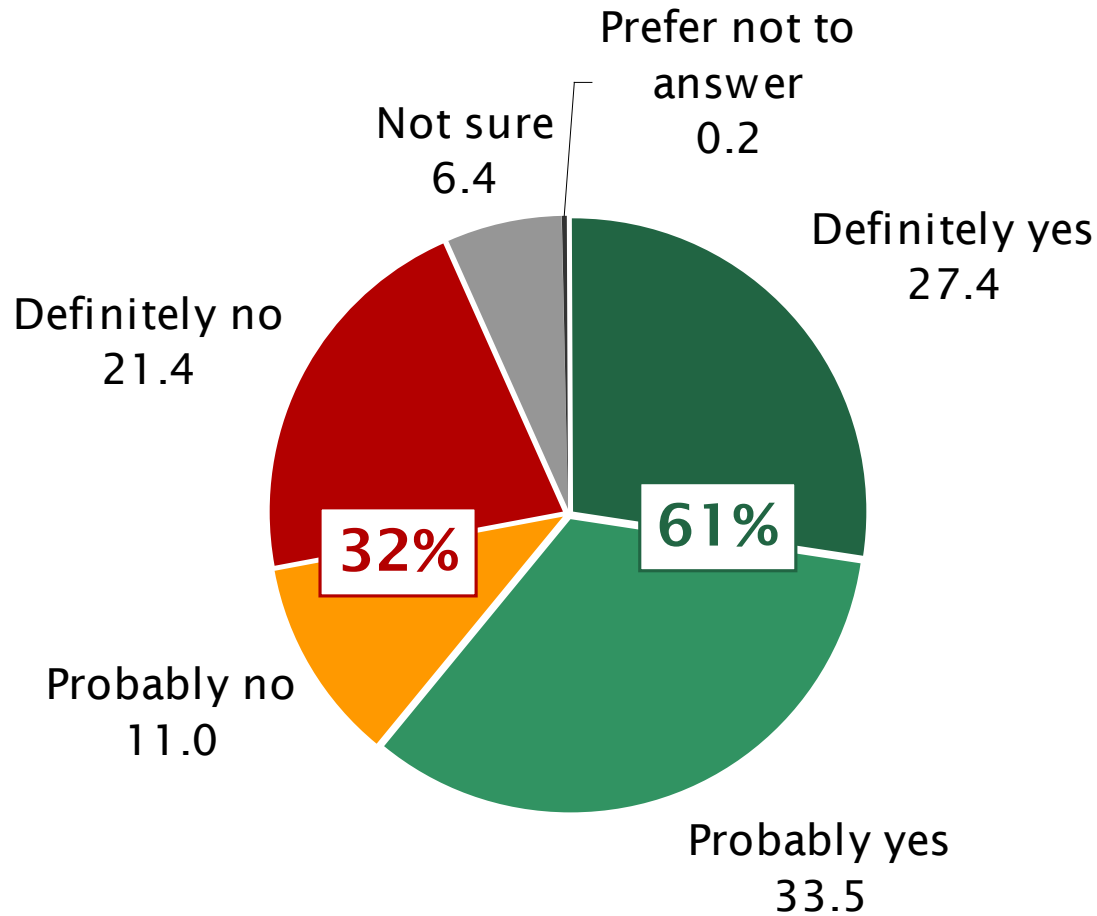
INITIAL BALLOT TEST

To provide funding for city services in Encinitas, such as:

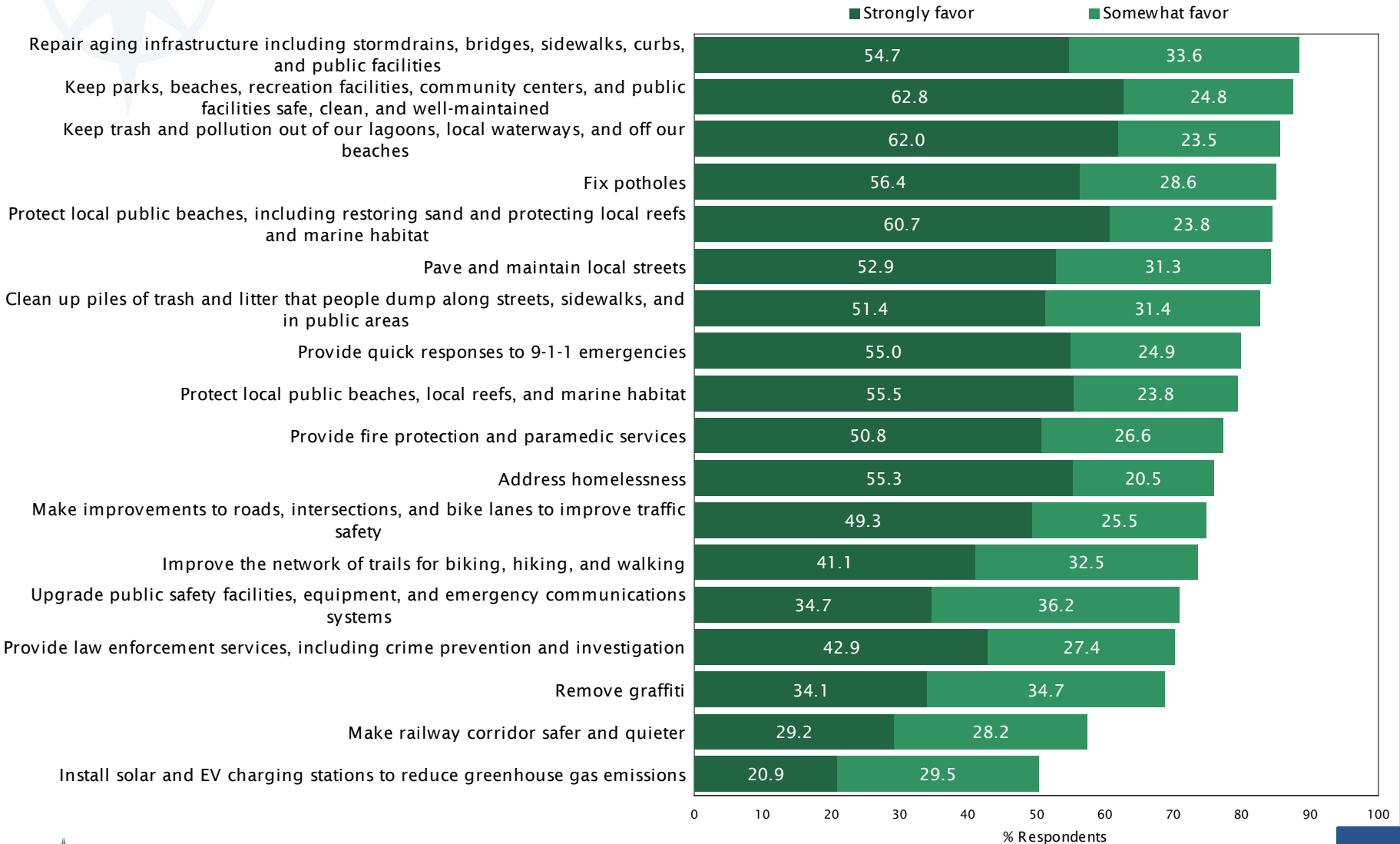
- o Fixing potholes, maintaining streets, traffic safety improvements
- o Repairing/upgrading aging stormdrains, infrastructure, and public safety facilities
- o Reducing water pollution
- o And keeping Encinitas parks, beaches, and public facilities safe, clean, and well-maintained

Shall City of Encinitas' ordinance establishing a one-cent sales tax be adopted, providing 17 million dollars annually for general government use for 10 years, with citizen oversight, independent audits, and all money locally controlled? If the election were held today, would you vote yes or no on this measure?

INITIAL BALLOT TEST



PROJECTS & SERVICES



POSITIVE ARGUMENTS

City's storm drainpipes installed 50+ yrs ago, starting to fail, creating sink holes, flooding that damages streets, private properties; measure provides funding to fix storm drains

City maintains 172 mi of streets, 66 mi of storm drains, 152 acres at 20 parks; measure will keep streets, infrastructure, parks in good condition; if we don't take care of it now, more expensive to repair in future

Every year, thousands of pounds of trash from streets washes up on beaches, lagoons; measure will help prevent, clean up trash, pollution before it ends up in water, lagoons, beaches

Most of sales tax generated locally goes to State, County, SANDAG; measure ensures higher percentage of sales tax stays in Encinitas, we have local control over how funds are spent

Every dime will be reinvested into community to fund essential services, facilities here in Encinitas; by law, money can't be taken away by State

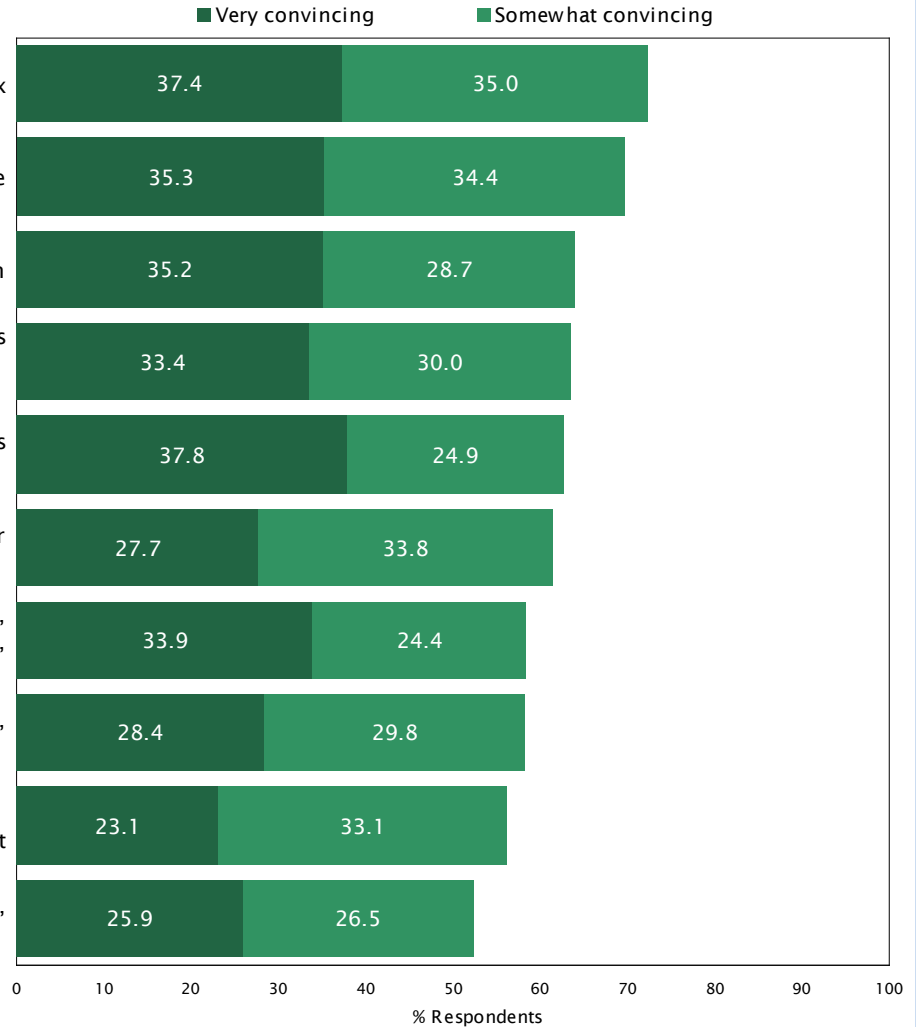
By keeping city safe, clean, and well-maintained, measure will help protect our quality of life, keep Encinitas a special place to live

Substantial amount of sales tax money will come from people who visit Encinitas, but don't live here; measure will make sure they pay their fair share for facilities, services they use in city

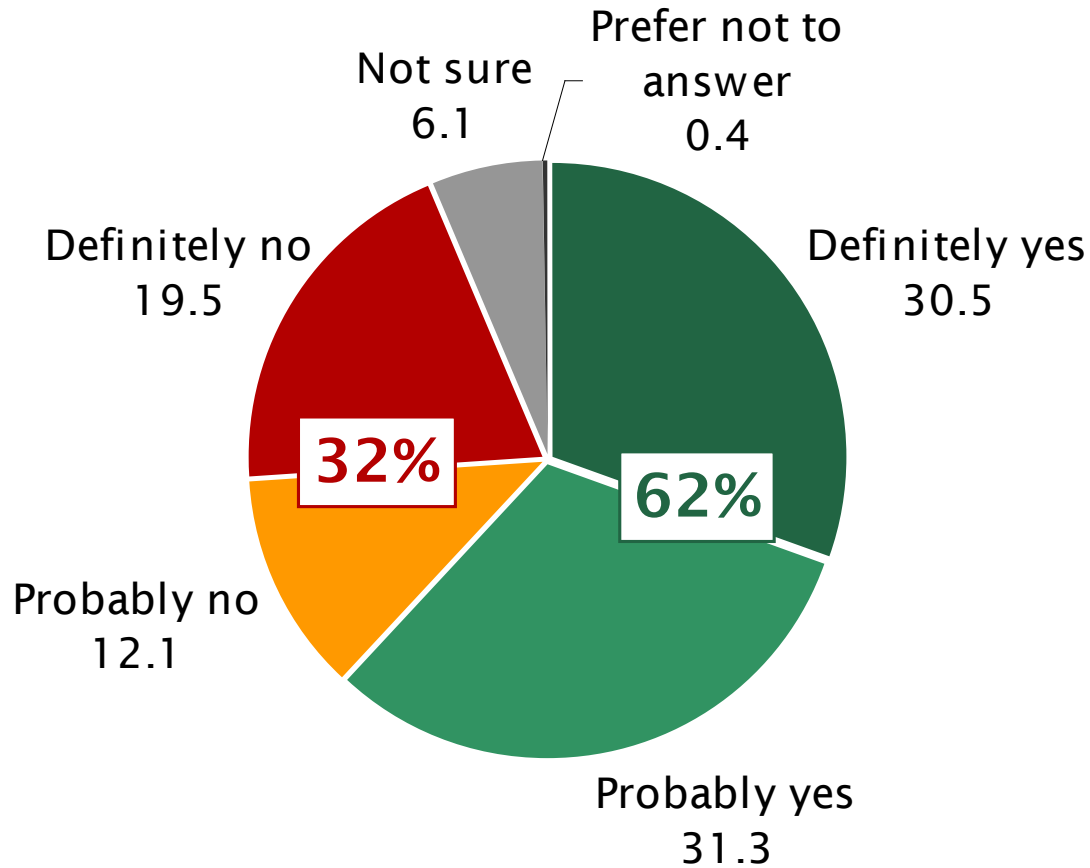
Measure includes a clear system of accountability including citizen oversight, independent audits, public disclosure of how all funds are spent

To keep community safe, we need to upgrade outdated emergency communications system, emergency vehicles, facilities, life-saving equipment

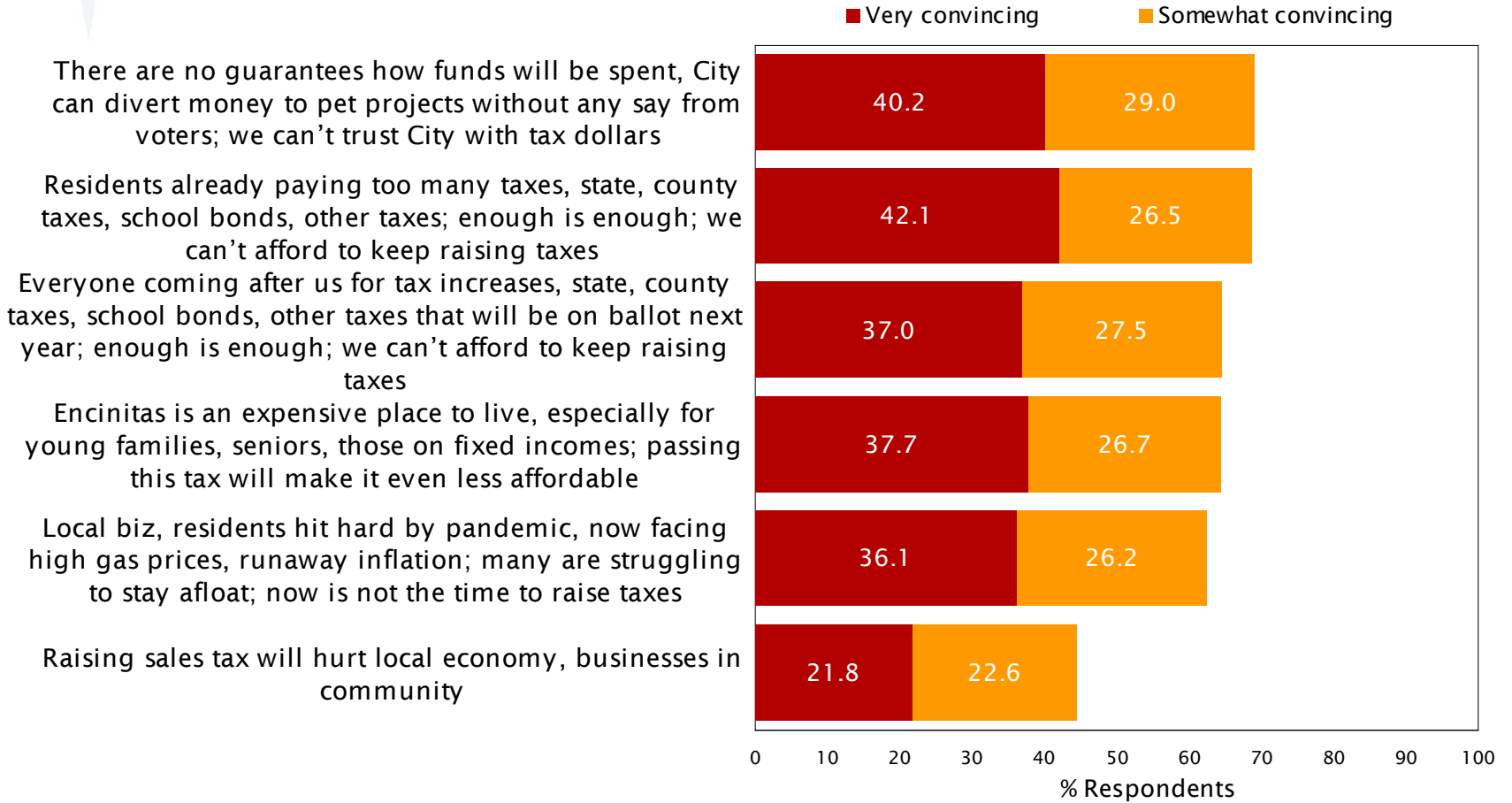
Measure costs just one dollar for every 100 dollars purchased, groceries, medicine, many other essential items are excluded from tax



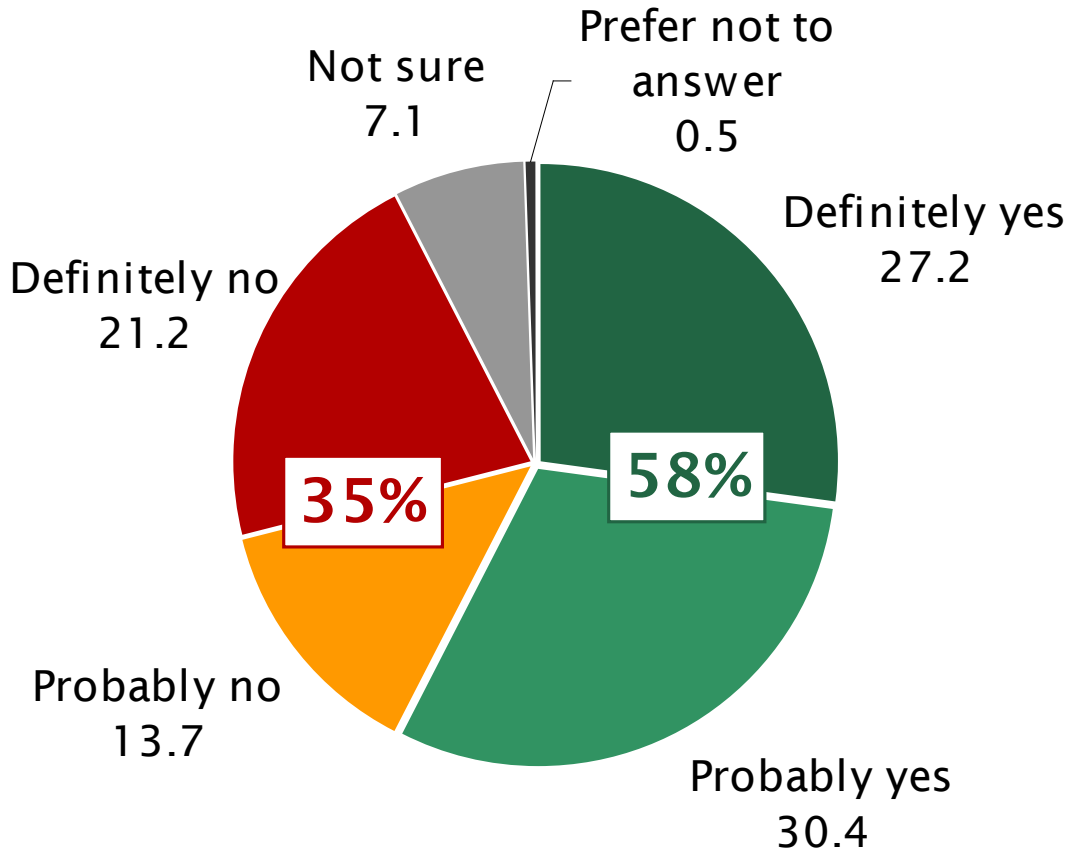
INTERIM BALLOT TEST



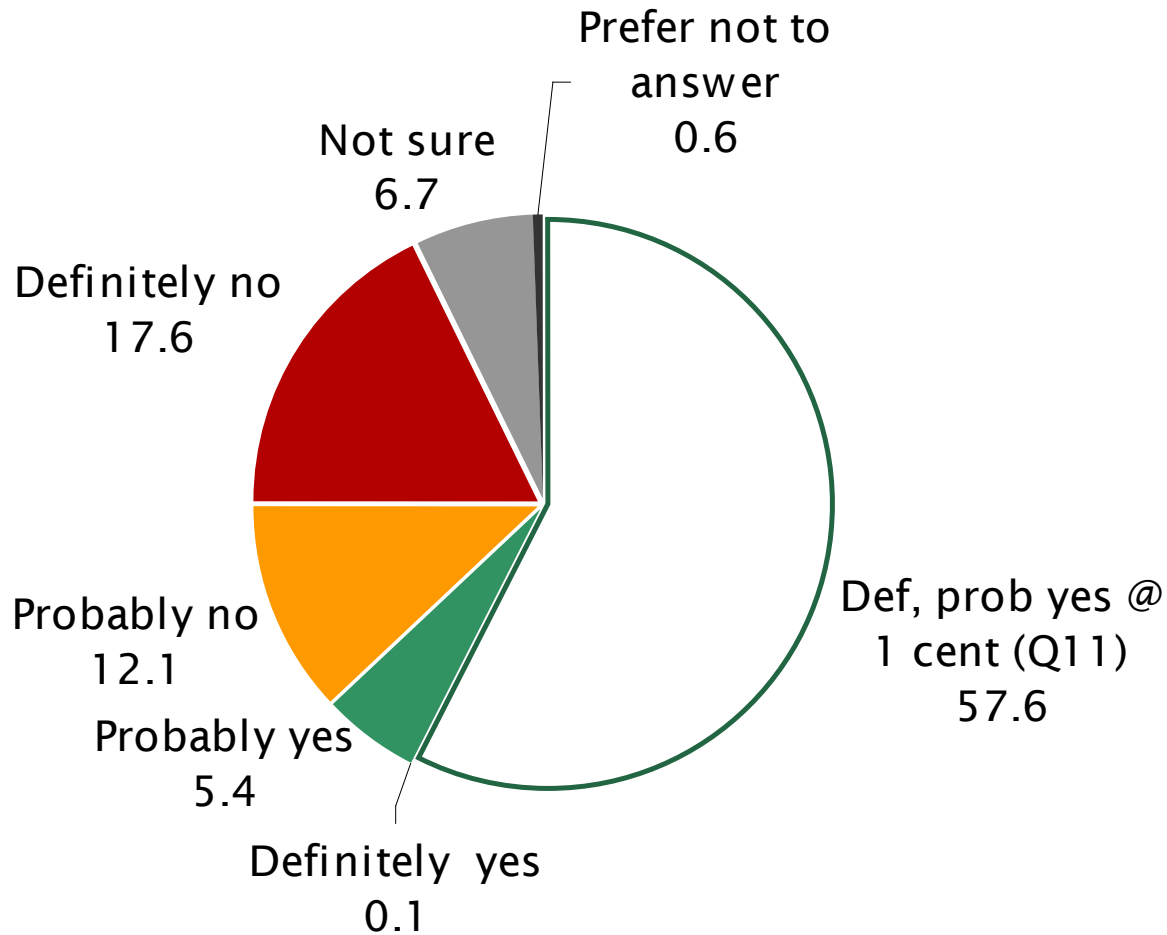
NEGATIVE ARGUMENTS



FINAL BALLOT TEST



FINAL BALLOT TEST AT ½ CENT





KEY CONCLUSIONS

- Does a local sales tax measure appear to be feasible for November 2024? *Yes.*

Positive Signs

- Voters value the quality of life in Encinitas and the services they receive from the City, but also see room for improvement
- Solid natural support for measure to fund city services (61%)
- Popular projects and services
- Positive arguments resonate
- All ballot tests are well above the simple majority (50%+1) required for passage of general tax, even after opposition arguments

Challenges

- Receptiveness to potential opposition arguments (-4%)
- Electoral climate: Hyper-partisanship & statewide initiatives

Unknowns

- Trajectory of economy, inflation, other measures



OBSERVATIONS & RECOMMENDATIONS

- **Snapshot in time, not a crystal ball**
- **Service Priorities:** Street and infrastructure repair/maintenance, maintenance/protection of parks, beaches, waterways, and recreation facilities, fire/EMS, 911 response, addressing homelessness.
- **City Communications:** Continue the conversation with the community to build awareness of ongoing needs and consensus on a proposal.
- **Independent Campaign:** Need to have solid independent campaign to navigate through the election cycle, communicate key messages, turn out supporters, and weather uncertainties.