



NOV. 2024 GENERAL ELECTION

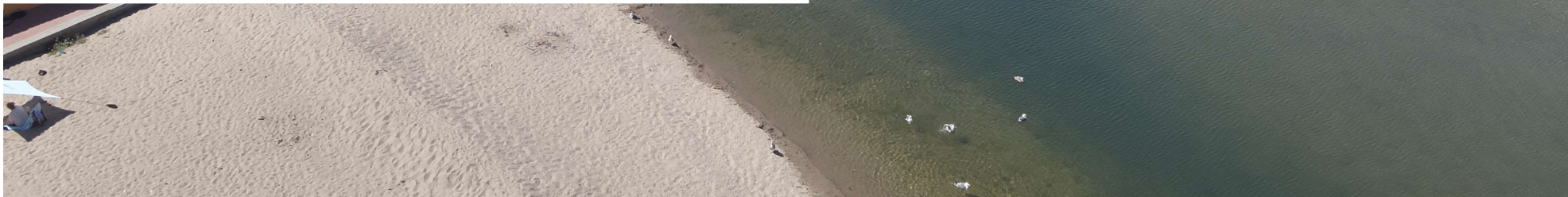
OUTLINE

1. General Election Resolution
2. Proposed Ballot Measure Resolution





ELECTION REQUIREMENTS





November 5, 2024

- Chapter 1.30 of Capitola Municipal Code
- Two City Council seats
 - Four-year terms



Resolution

- Officially calls election
- Consolidates with County
- Requesting the County to conduct the election

HOW TO RUN

- City Clerk works with City Council candidates
- Information provided online, in pamphlet, at Candidate Info Night
- Nomination Period: July 15 – August 9*



RECOMMENDED ACTION

1. Adopt a resolution ordering the 2024 General Municipal Election, requesting Santa Cruz County Department of Elections conduct the election, and requesting consolidation of the General Municipal Election in Capitola on Tuesday, November 5, 2024.





**PROPOSED
LOCAL SALES
TAX MEASURE**

BACKGROUND

- Nov. 2023: City Council authorized agreement with EMC Research to conduct polling
- March 2024: Presented polling results, identified voter priorities:
 - Public safety response
 - Maintenance of roads, sidewalks, bike lanes
 - Maintaining beach and new Wharf
 - Recreation programming for youth and supporting local businesses
- Voter support for renewal of existing Measure F tax above threshold



OTHER BALLOT MEASURES

- Regional Clean Water & Wildfire Protection
 - \$87/year per parcel. Until ended by voters
- Central Fire General Obligation Bond
 - Bond Measure: ~\$31 per \$100,000. 30 years.
- Soquel Unified Elementary School District Bond
 - Bond Measure: \$30 per \$100,000. 30 years.



WHY CONSIDER A SALES TAX?



Projected fiscal challenges



Measure F will expire in 2027



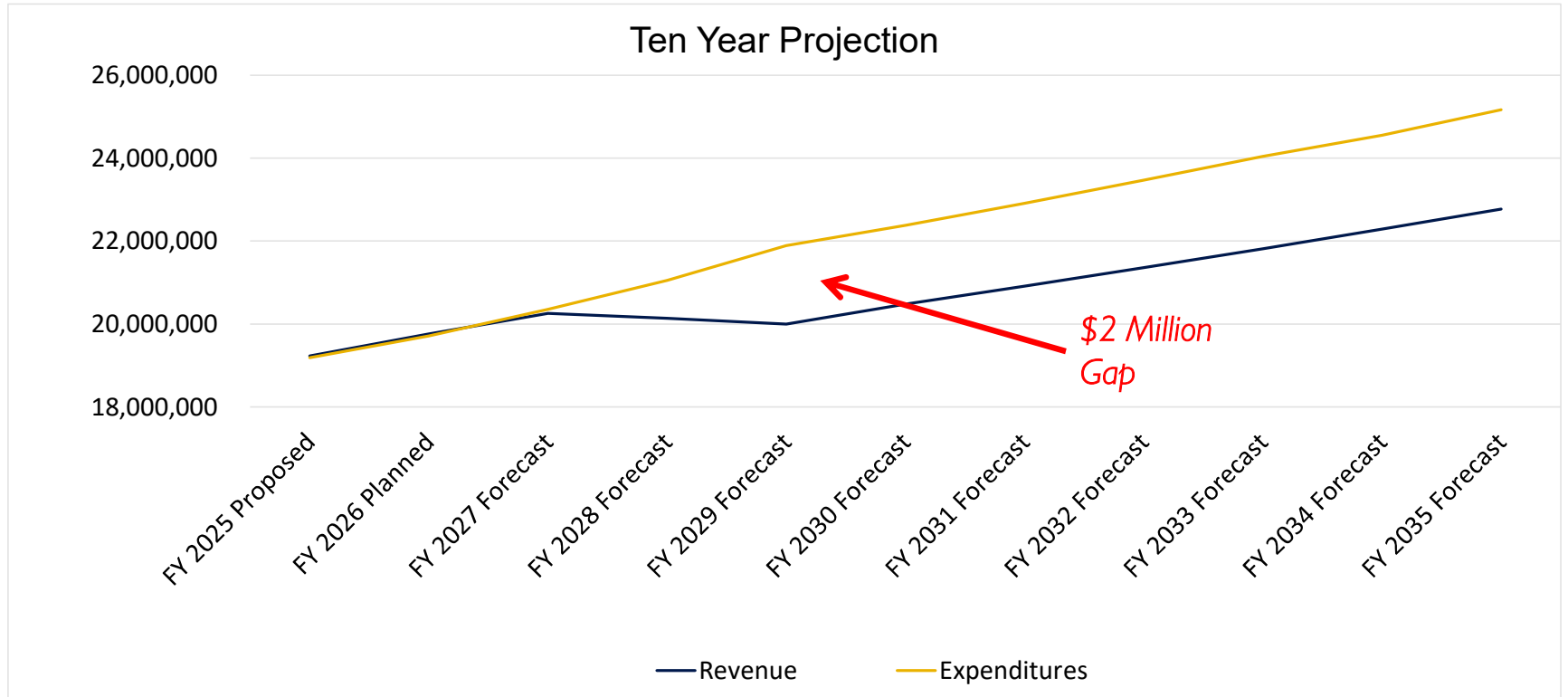
Previous support for tax measures high



Less than 1/3 of all sales tax paid by City residents

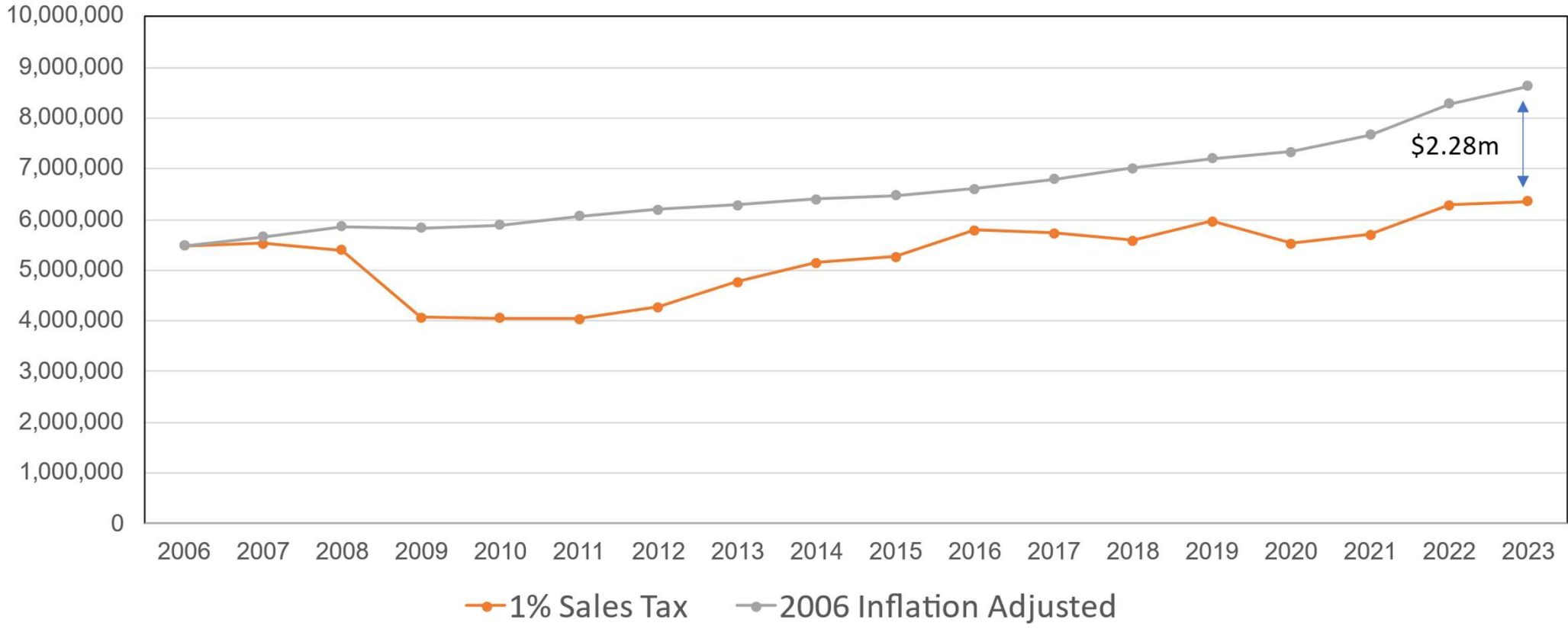


Sales tax is a way to balance tax between visitors and residents



FISCAL PROJECTION

Long Term Sales Tax Trend

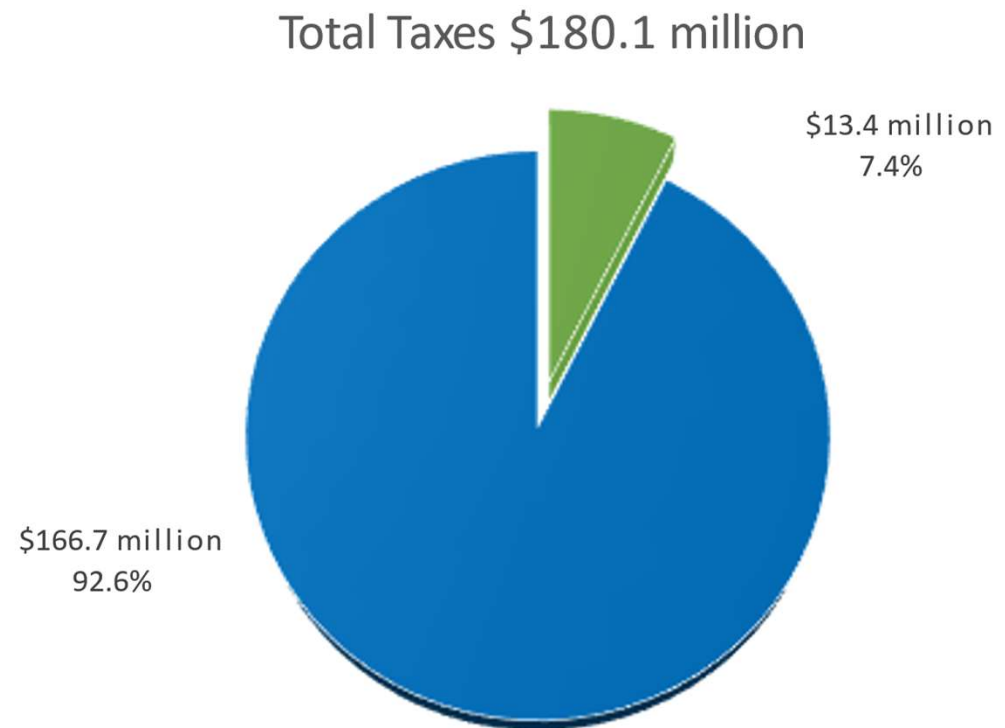


HOW YOUR TAXES ARE SHARED

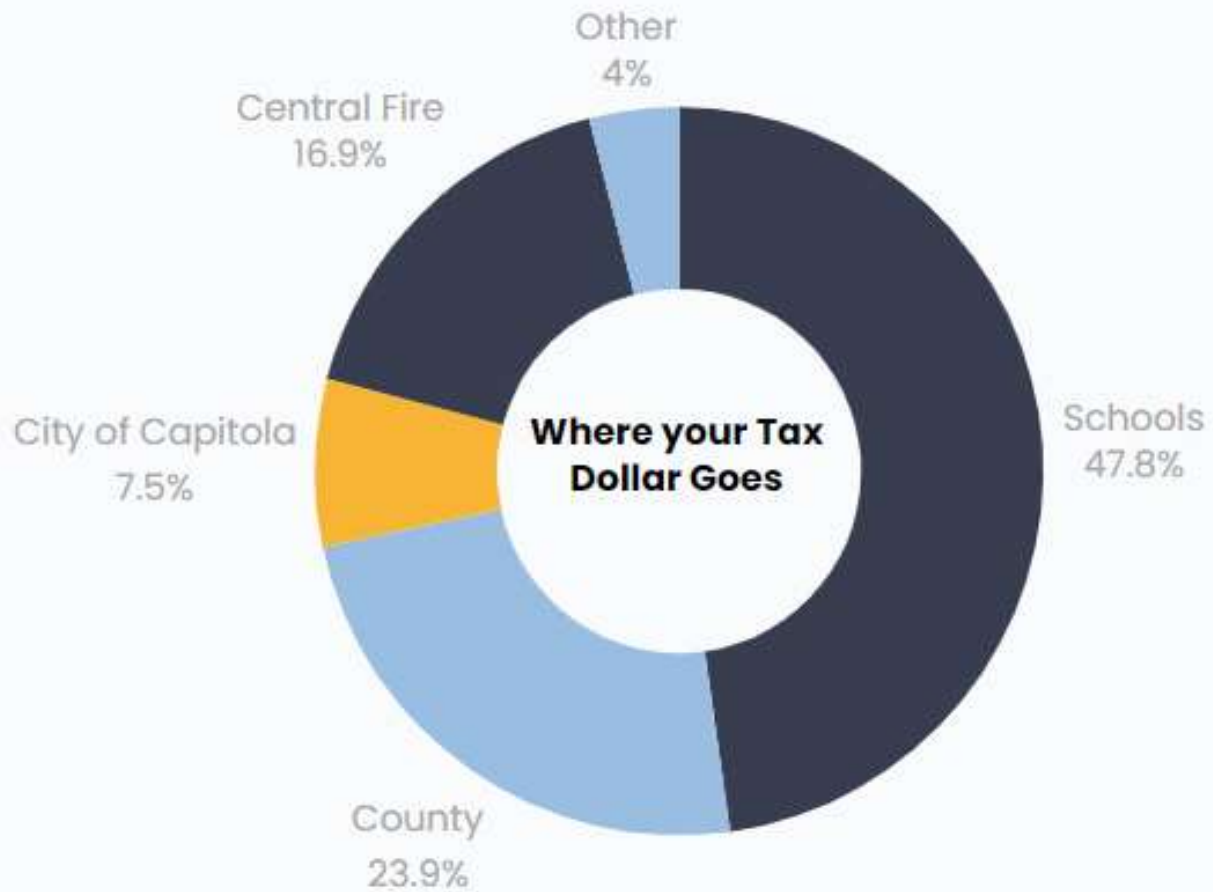
- 7.5% of property taxes paid by Capitola residents go to the City's budget. Rest goes to State, County, and outside agencies
- 16.5% of sales tax paid in Capitola goes to City
- 0% of income tax

Total Taxes

- Estimated \$180.1 million of total taxes generated within the City
- Capitola only receives approximately 7.4%



PROPERTY TAX BREAKDOWN:



LOCAL SALES TAX RATES

As of July 1, sales tax rates in County will be:

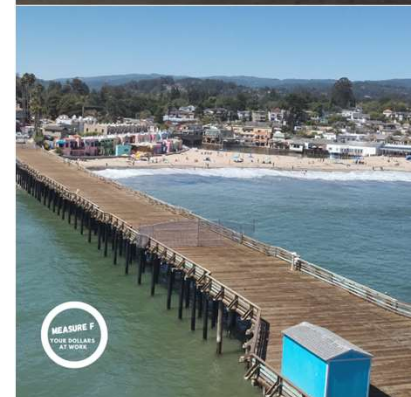
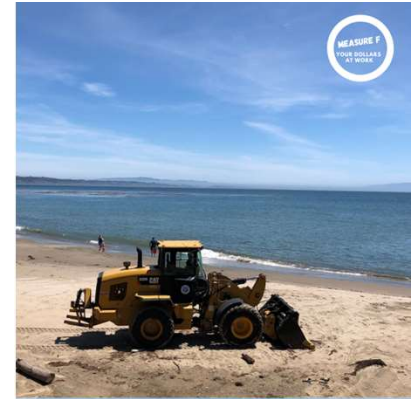
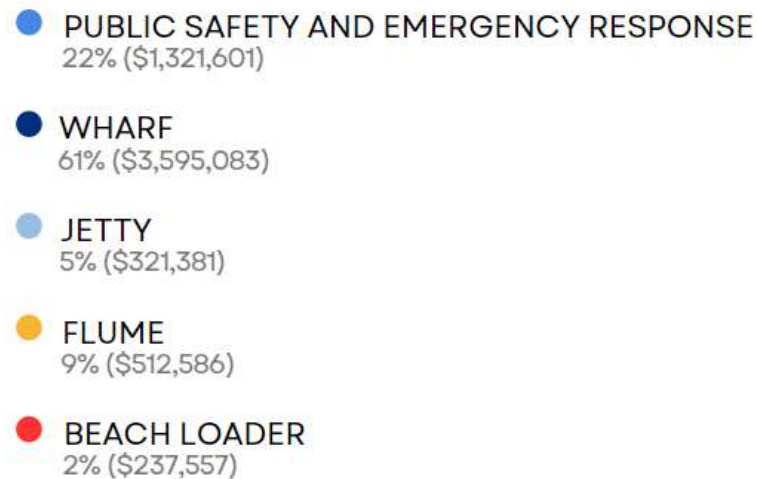
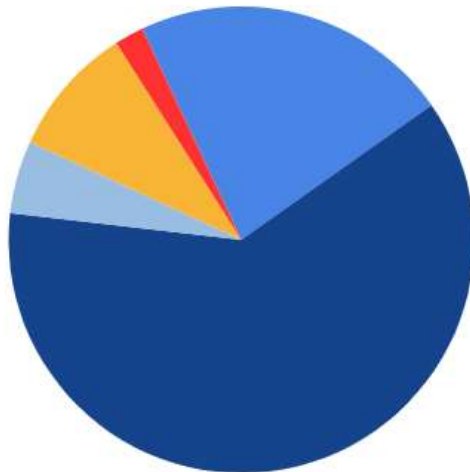
- Santa Cruz: 9.75
- Watsonville: 9.75
- Scotts Valley: 9.75
- Unincorporated SC County: 9.50
- Capitola: 9.00




MEASURE F – STATUS REPORT

As promised, Measure F paid for:

- Wharf
- Flume
- Jetty
- Public Safety





Because Measure F projects were completed early, replace Measure F with half-cent tax measure

- Estimated \$2.2 million in revenue

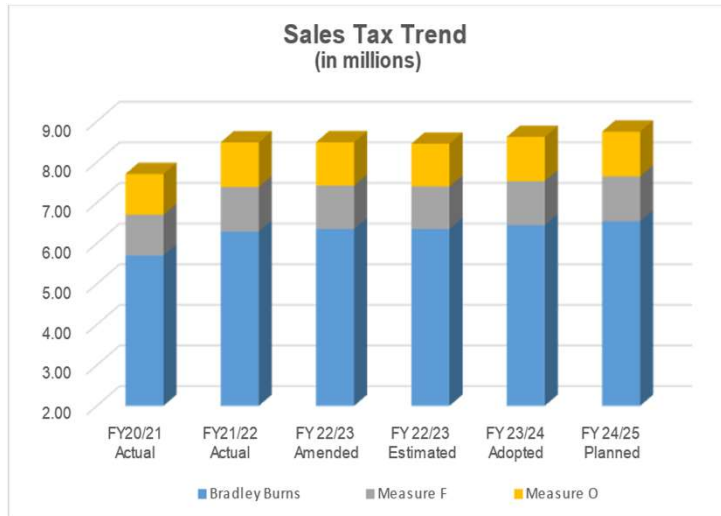


POTENTIAL KEY PROJECTS

1. Up to \$1,000,000 to leverage \$10+ million in Federal Funding to stabilize Cliff Drive and maintain the roadway in the face of continued coastal erosion
2. Funds to implement elements of Bay Avenue corridor study
3. Pavement management



REVENUE OVERSIGHT



Revenue and expenditures will be reviewed by:

- Annual Audit (conducted by independent auditors)
- Annually reviewed by FAC
- Annually reviewed by City Council

PROPOSED BALLOT LANGUAGE

To protect essential city services including public safety and emergency services; repair potholes, maintain streets, sidewalks, bike lanes, beaches, the new wharf, and recreation programs for youth; improve traffic safety; and support local businesses, shall City-of-Capitola replace its quarter-percent sales tax, approved by voters in 2016, with a one-half percent sales tax, generating an estimated \$2.2 million annually for general government use, for ten years, with independent audits, and all funds staying local?

RECOMMENDED ACTION

Adopt a resolution submitting a ballot measure to Capitola voters to increase the City's transactions and use tax through December 31, 2034 at the General Municipal Election to be held on Tuesday, November 5, 2024, requesting consolidation by the Santa Cruz County Board of Supervisors of the election regarding said measure with the Statewide General Election to be held on the same date and that Santa Cruz County provide election services with full reimbursement by the City of Capitola, directing the City Attorney to prepare an impartial analysis, authorizing the City Council to appoint two City Council Members to a subcommittee to submit an argument supporting the Measure, and releasing the rebuttal argument.



COMPONENTS OF RECOMMENDATION

1. Submit ballot measure to Capitola voters to increase City's sales tax through 2034 on November 2024 election
2. Consolidate measure with General Election
3. Pay County for our share of election
4. Direct City Attorney to prepare an impartial analysis
5. Appoint two City Council Members to a sub-committee to submit argument supporting Measure
6. Allow community members opportunity to file potential rebuttal argument

