



**City of Capitola**  
**Revenue Measure Feasibility Survey**  
**January 2024 Survey**  
*Summary of Results – March 14, 2024*

# Methodology

- ▶ Multi-modal email- and text-to-web/live telephone survey of likely November 2024 voters
- ▶ Survey conducted January 10-28, 2024
- ▶ 206 interviews; overall margin of error  $\pm 6.8$  percentage points
- ▶ Interviews were conducted in English and Spanish by trained, professional interviewers; landlines and mobile phones included
- ▶ Where applicable, results compared with the following:

	Methodology	Dates	Sample Size
Gene Bregman & Associates	Phone & Web	May 2022	168
Gene Bregman & Associates	Phone & Web	May 2020	192
Gene Bregman & Associates	Phone	June 2016	180
Gene Bregman & Associates	Phone	June 2014	240
Fairbank, Maslin, Maullin, Metz & Associates (FM3)	Phone	February 2012	300
Fairbank, Maslin, Maullin, Metz & Associates (FM3)	Phone	July 2008	350
Fairbank, Maslin, Maullin, Metz & Associates (FM3)	Phone	July 2003	351

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

# Key Findings

- ▶ Capitola voters are optimistic about the direction of the community and most see the City as doing a good job on its essential functions.
- ▶ A majority of voters recognize the City's need for additional funding and are willing to maintain services through taxes.
- ▶ Maintaining public safety response; roads, sidewalks, and bike lanes; and the beach and new wharf are top priorities for voters.
- ▶ Support for a renewal of the expiring sales tax is well above the threshold.
- ▶ A potential bond measure is more divisive.

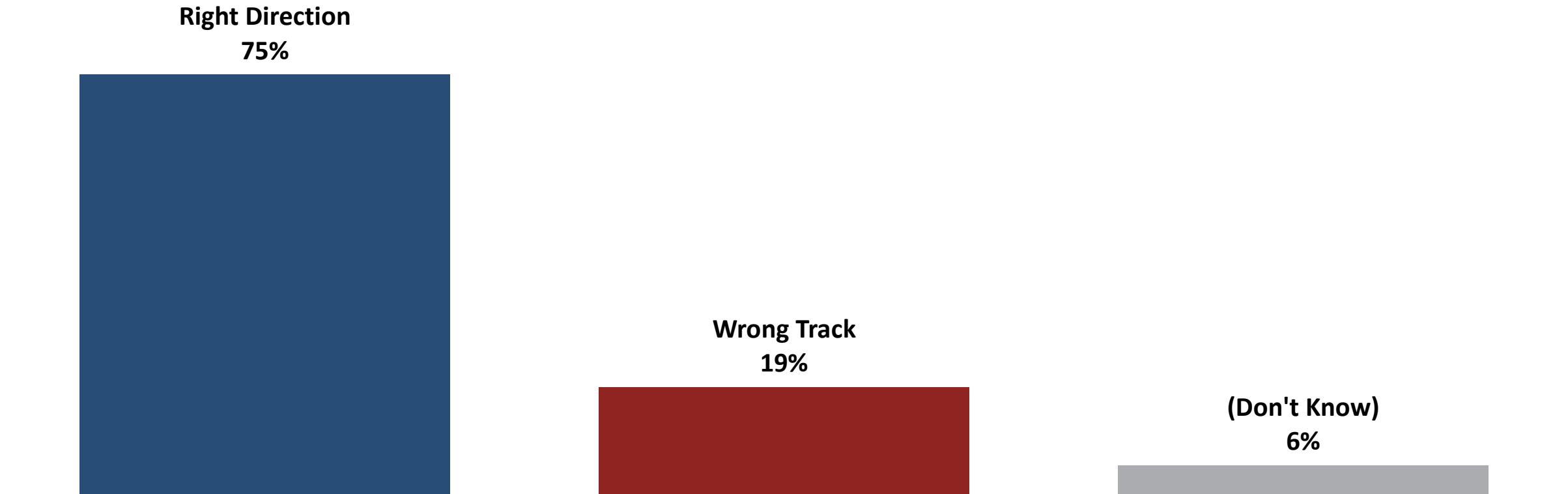


**Issue Environment**

# Right Direction/Wrong Track

*Optimism is high in Capitola, with three-quarters of voters saying things are going in the right direction.*

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

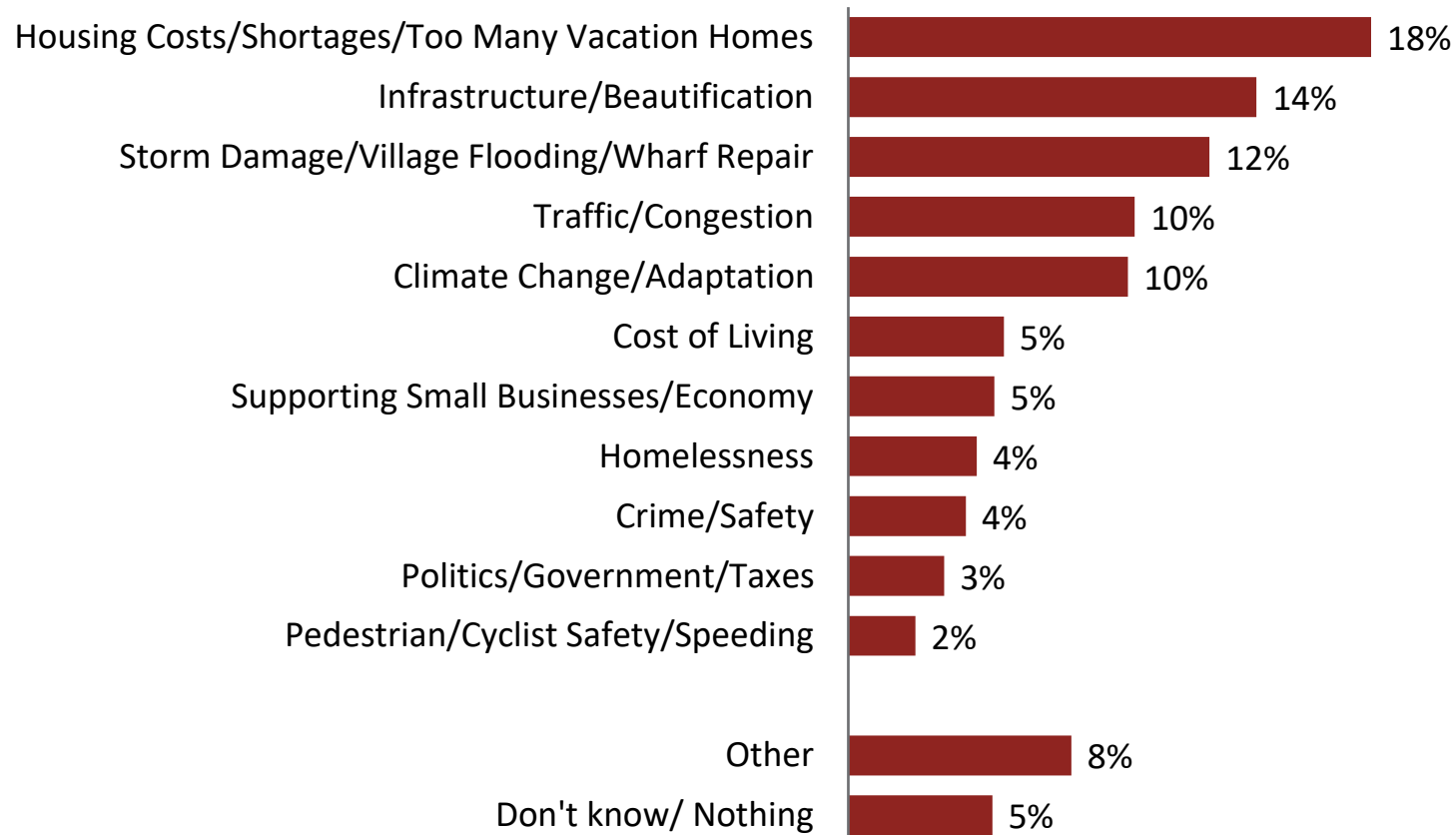




# Most Important Problem

*When asked to name the most important problem in Capitola, housing affordability and availability rise to the top.*

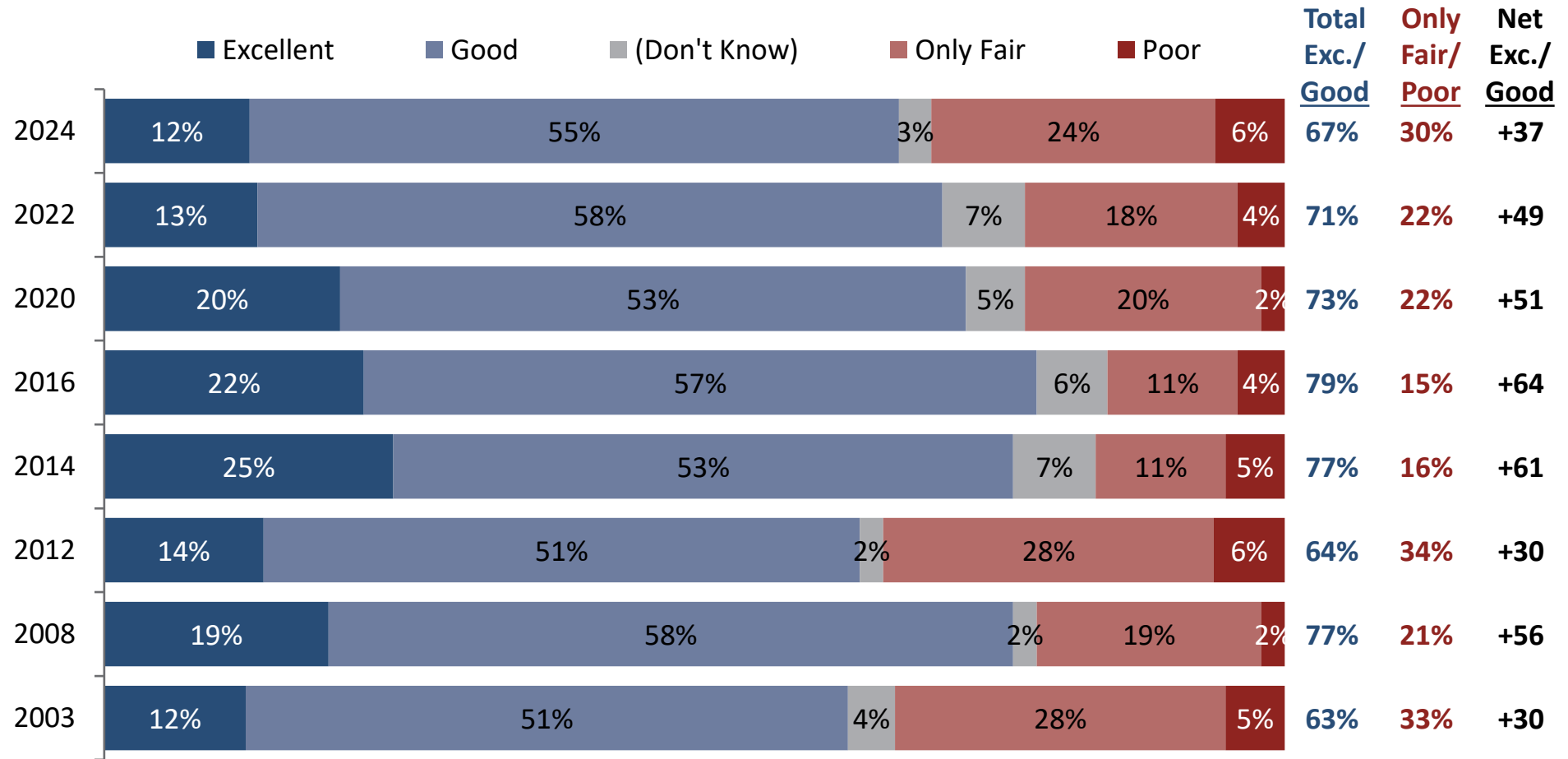
## What do you think is the most important problem facing Capitola today?



# City Ratings Over Time

*Ratings of the job the City is doing providing services and caring for residents' needs remain positive, and largely consistent since 2022.*

## Providing services and taking care of the needs of local residents



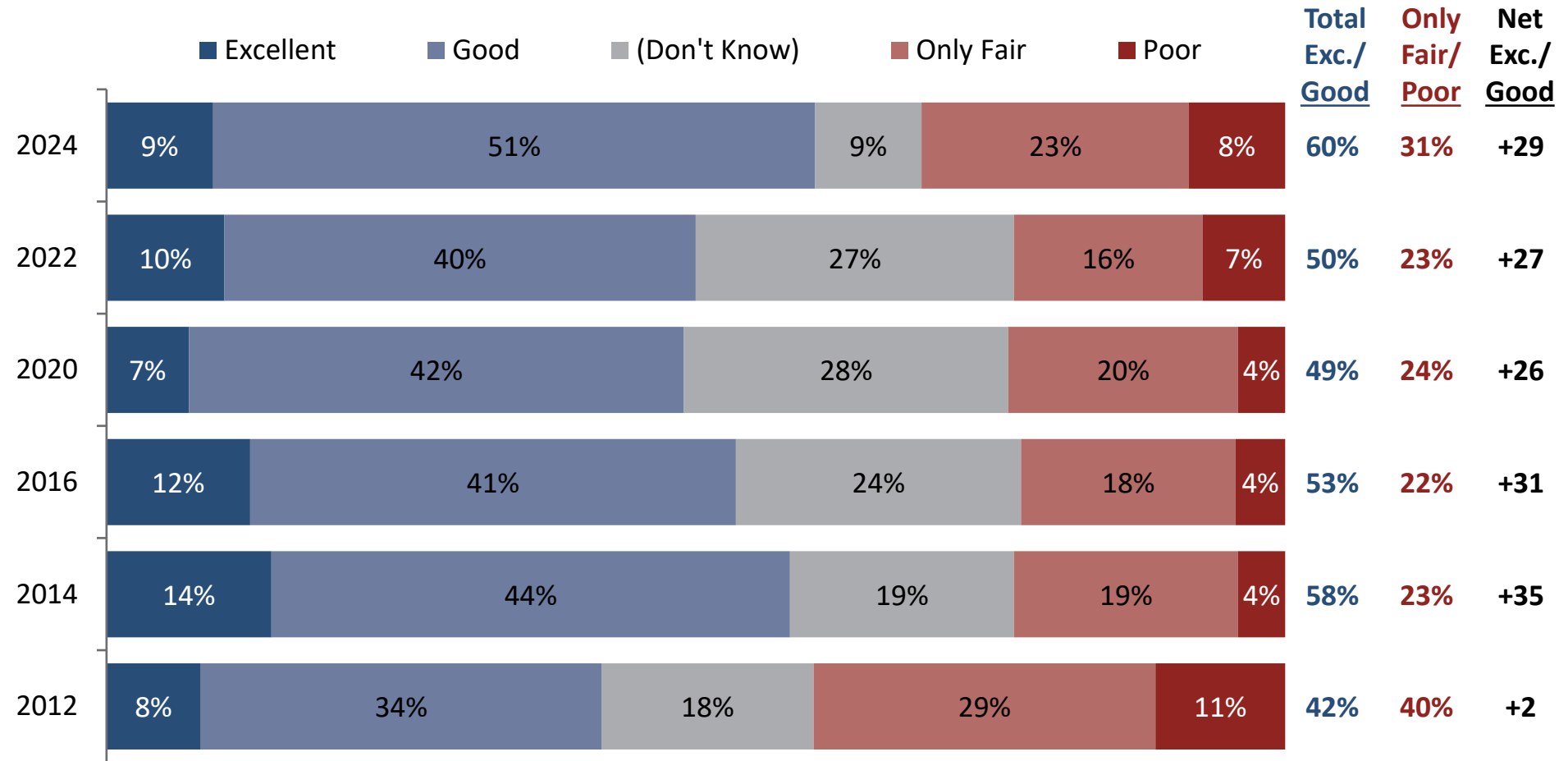
*\*2022 and 2020 surveys offered an explicit "don't know option" to web respondents; surveys prior to 2020 were phone only*

Q5. How would you rate the overall job being done by Capitola City government in providing services and taking care of the needs of local residents: as excellent, good, only fair, or poor?

# City Ratings Over Time

*Intensity on ratings of the City's financial management remain stable. With fewer voters declining to provide a rating, both "good" and "only fair" ratings have increased.*

## Managing the City's budget and finances



*\*2022 and 2020 surveys offered an explicit "don't know option" to web respondents; surveys prior to 2020 were phone only*

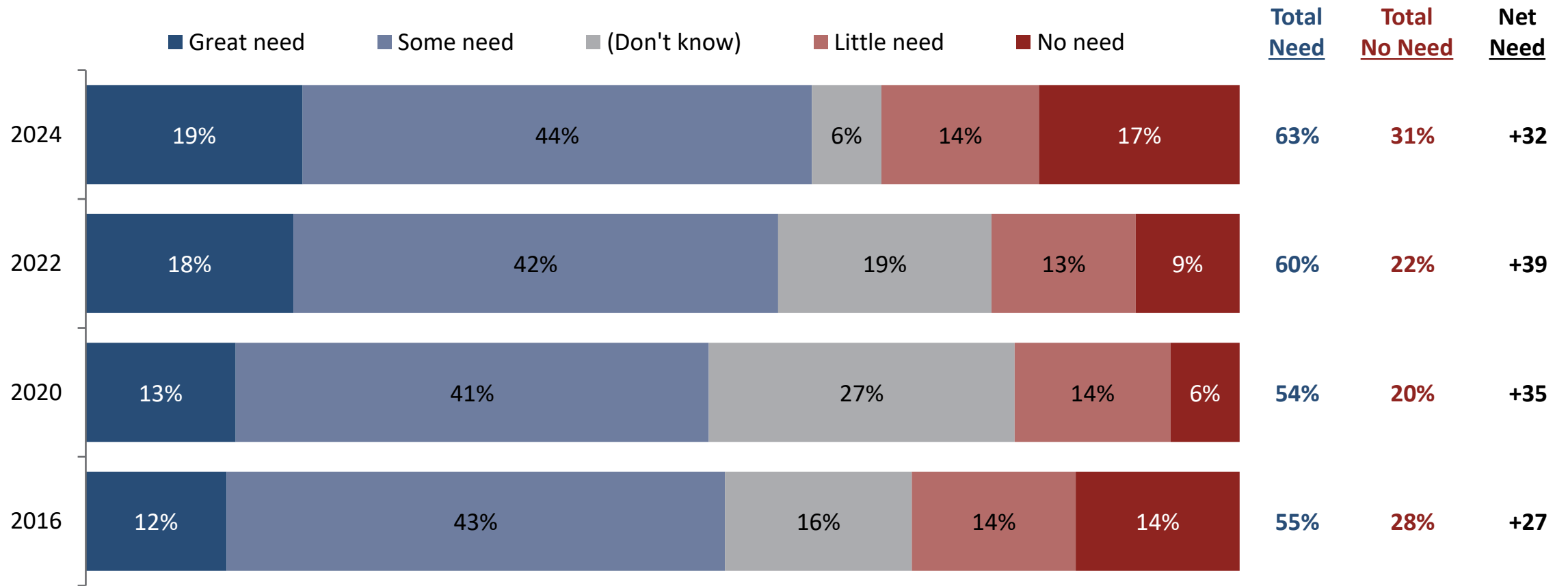
Q6. How would you rate the overall job being done by Capitola City officials in managing the City's budget and finances: as excellent, good, only fair, or poor?



# Perceived Need for Funding Over Time

*Just under two-thirds of voters see the City as in need of additional funding.*

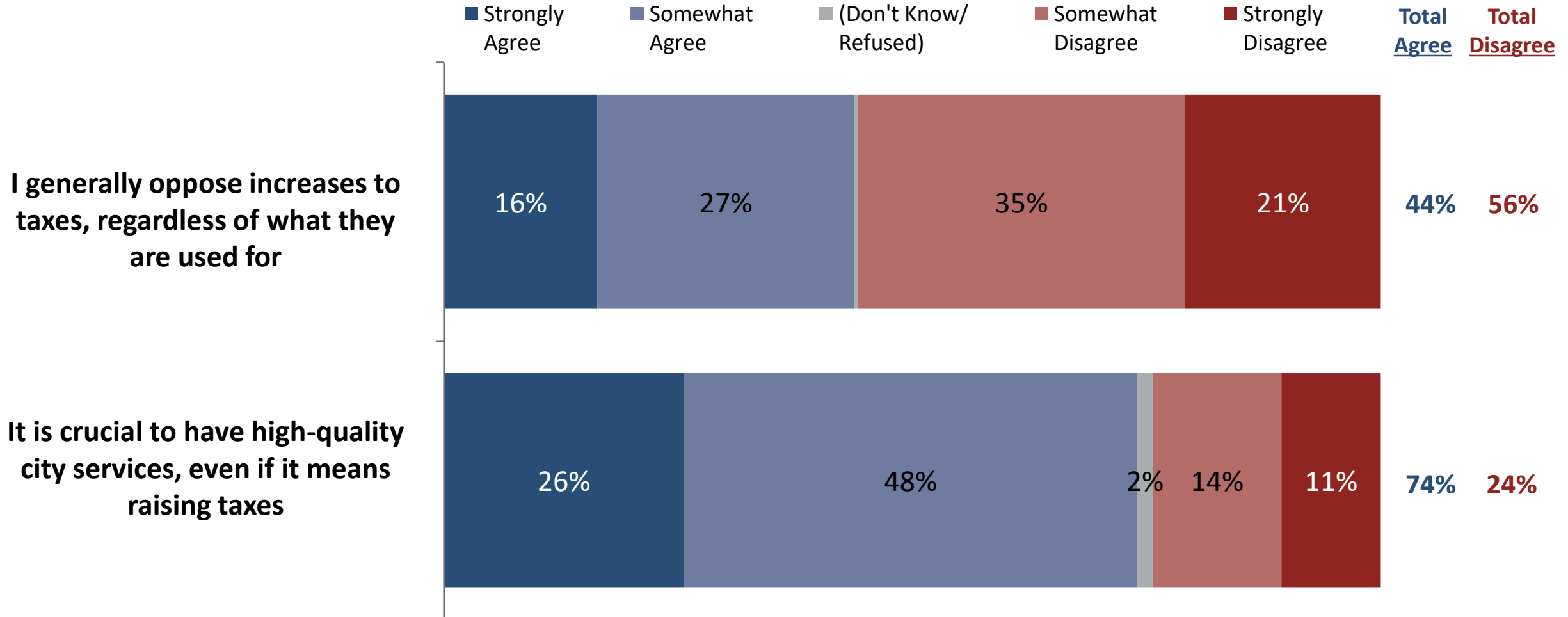
**Generally speaking, would you say that the City of Capitola has a great need for more money, some need, a little need, or no real need for more money?**



*\*2022 and 2020 surveys offered an explicit "don't know option" to web respondents; 2016 survey was phone only Q7.*

# Tax Sentiment

*Anti-tax sentiment is relatively low, with about three-quarters expressing a willingness to raise taxes to maintain services, and less than half opposed to new taxes regardless of the purpose.*



Q9-10. Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

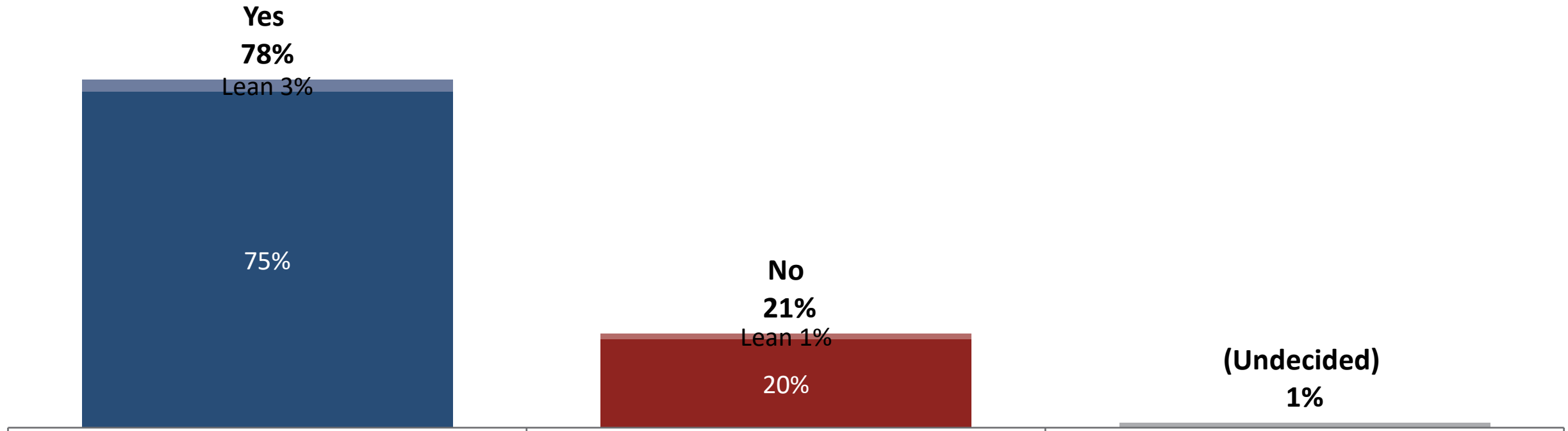


**Potential Sales Tax Measure**

# Sales Tax Initial Vote

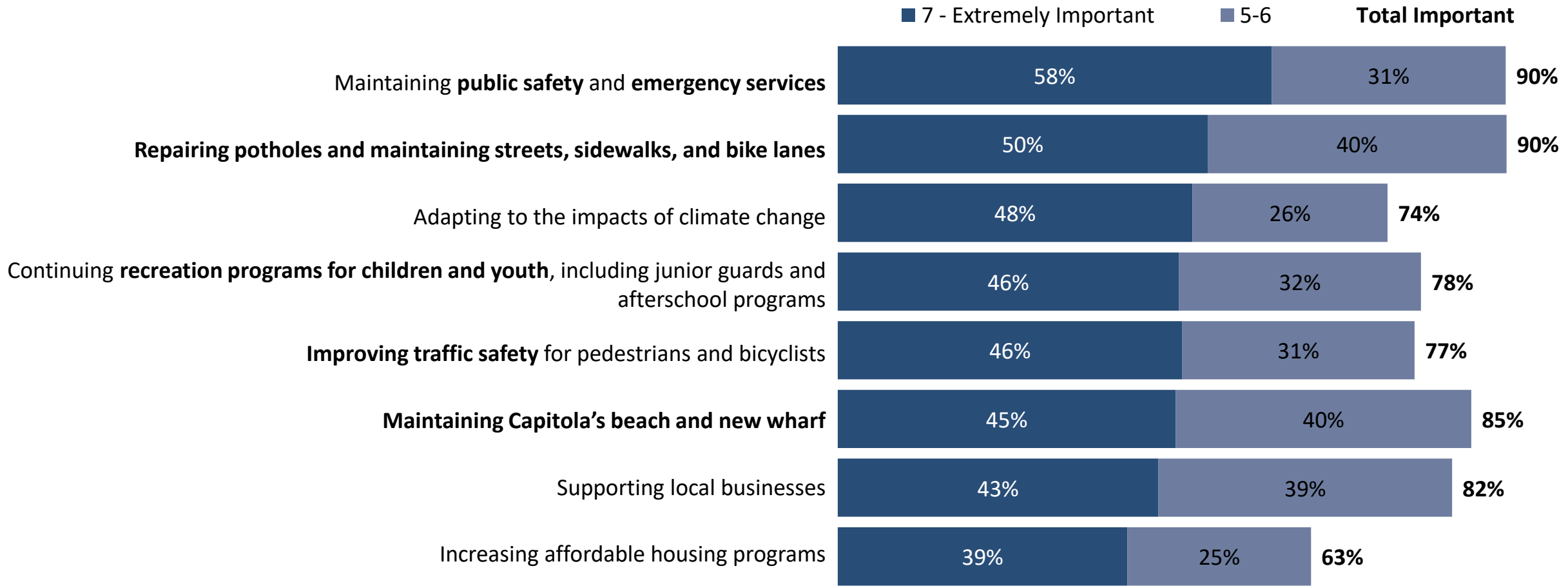
*Support for a sales tax renewal starts out very strong, with three-quarters of voters expressing solid support.*

**Without increasing taxes, to protect essential city services including public safety and emergency services; maintain parks, beaches, the new wharf, and recreation programs for youth and seniors; improve traffic safety; repair potholes, and maintain streets, sidewalks, and bike lanes; shall City of Capitola adopt a measure renewing its expiring one-quarter percent sales tax providing \$1,000,000 annually for general government use, until ended by voters, with independent audits, public disclosure of all spending, and all funds staying local?**



# Potential Measure Projects

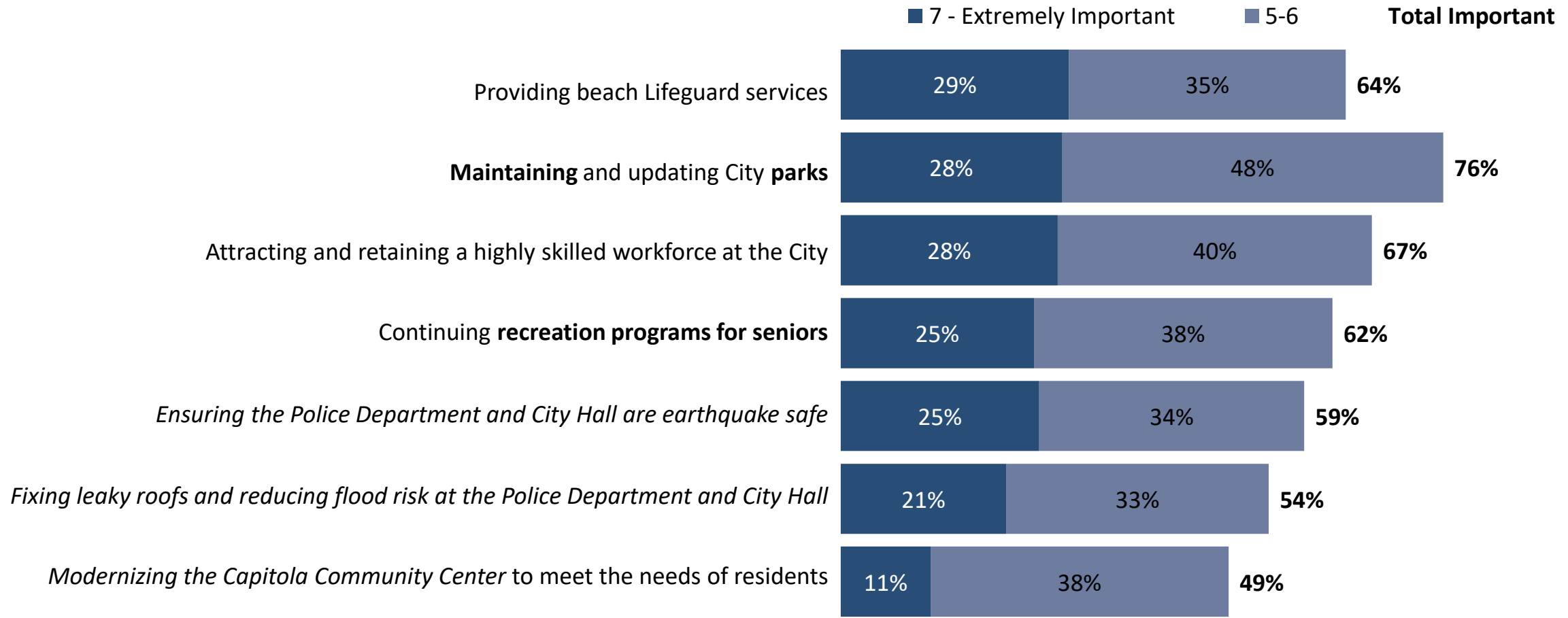
*Most items listed in the potential sales tax measure are among the top-tier projects tested, with public safety/emergency services and road infrastructure especially important.*



Bolded items appear in tested 75-word statement for the potential sales tax renewal Q11-25. I'm going to read you a list of items that could be funded with a revenue measure for the City of Capitola. After each one, please rate how important that item is to you, using a scale of 1 to 7, where 1 means not at all important, and 7 means extremely important.

# Potential Measure Projects

*The potential bond measure projects are seen as less important than most other priorities.*



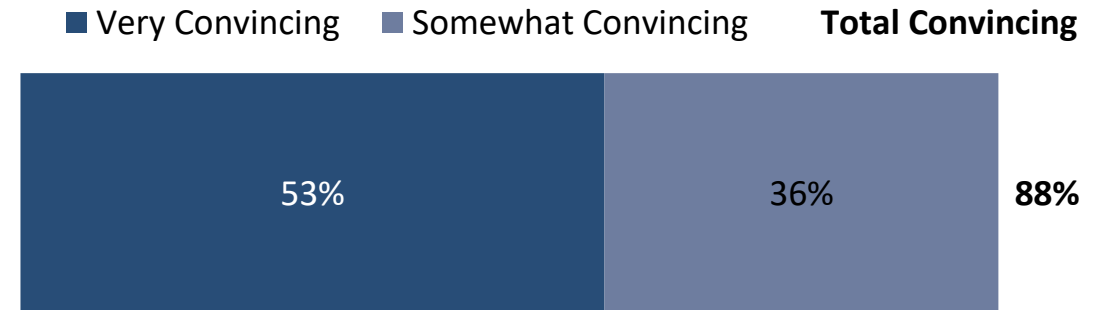
Bolded items appear in tested 75-word statement for potential sales tax renewal; italicized items in potential bond Q11-25. I'm going to read you a list of items that could be funded with a revenue measure for the City of Capitola. After each one, please rate how important that item is to you, using a scale of 1 to 7, where 1 means not at all important, and 7 means extremely important.



# Additional Information

*Information around exemptions, the fact that the measure would not increase taxes, and infrastructure repairs are all compelling to majorities of voters, with strong intensity.*

By law, essential purchases like groceries and medicine are exempt from the sales tax to help ensure this measure is not a burden to those on fixed incomes.



This measure does NOT increase our taxes. It just continues an existing, voter-approved funding source that helps balance the City’s budget and provide vital city services.



This measure will help make much needed upgrades to some of our aging public infrastructure, including filling potholes and repaving streets, as well as making improvements to bike paths, sidewalks, and overall traffic safety so that drivers, bicyclists, and pedestrians can share the road safely.



Q26-32. Next I’d like to read you statements from people who support the proposed measure for Capitola. After each one, please tell me how convincing that statement is as a reason to vote for the measure – very convincing, somewhat convincing, not too convincing, or not at all convincing.

# Additional Information

*Other information is also convincing, but with lower intensity.*

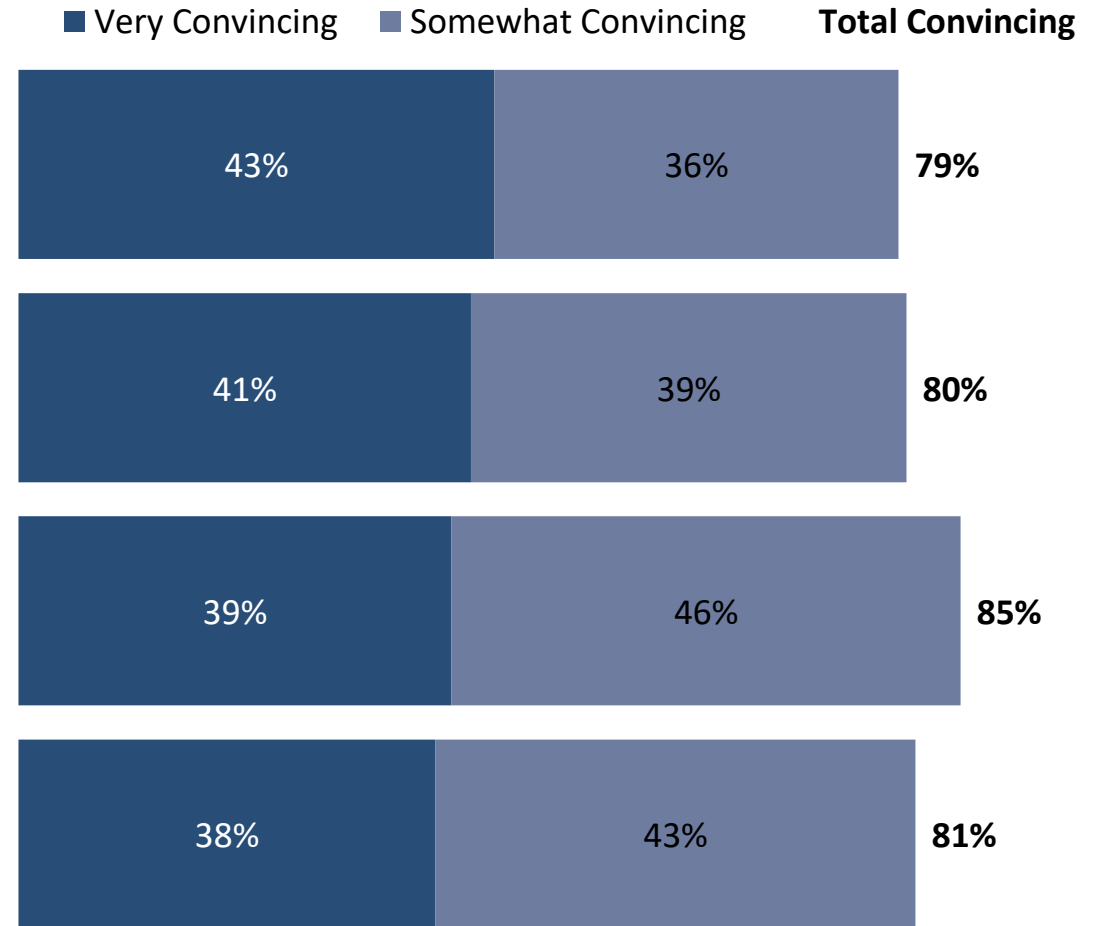
Capitola is a great place to live, work, and raise a family. This measure will protect programs for youth and seniors, including the Junior Guards; and improve the Community Center, parks, wharf, and beaches that are essential to our local quality of life.

Over 70% of Capitola’s sales tax revenue comes from out-of-town visitors, so those who visit and shop in Capitola pay their fair share for local services like streets and public safety. And even with this measure, Capitola’s sales tax will still be the lowest of any city in the county, so shoppers won’t take their business elsewhere.

This measure requires independent annual audits and public disclosure of all spending to ensure funds are used properly and, by law, revenue from this measure cannot be taken by the State, ensuring our tax dollars stay local for the benefit of Capitola residents.

This measure will help keep Capitola a safe community by maintaining crime prevention efforts, supporting fast emergency response times, and ensuring our successful lifeguard program can continue.

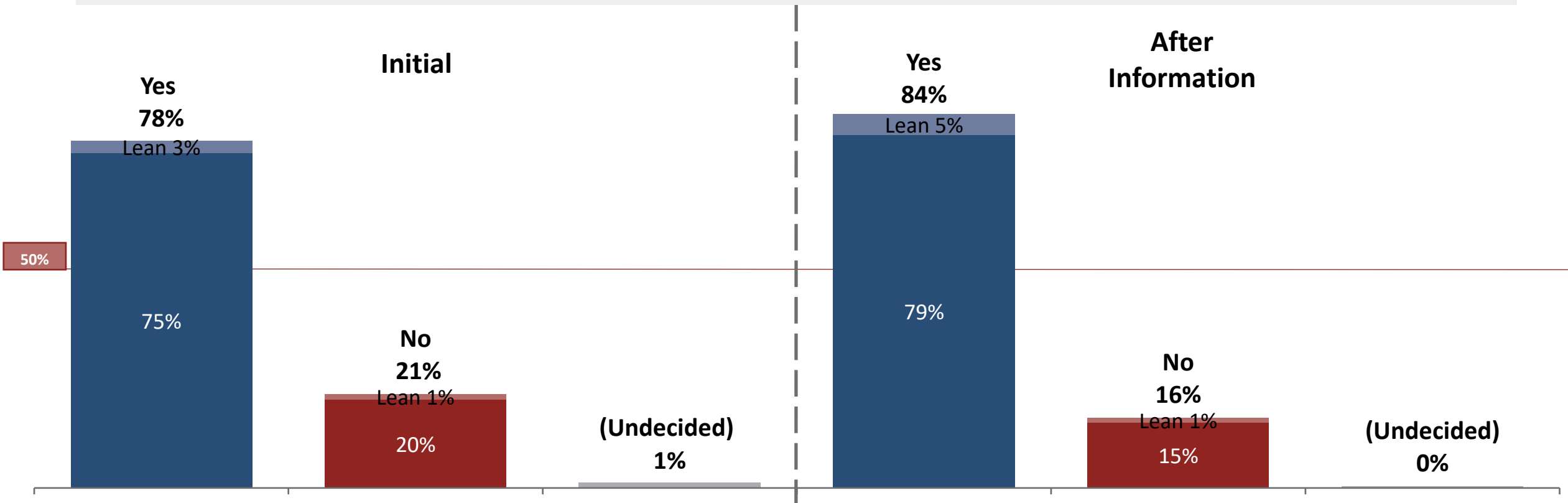
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# Vote After Additional Information

*Support increases slightly after additional information.*

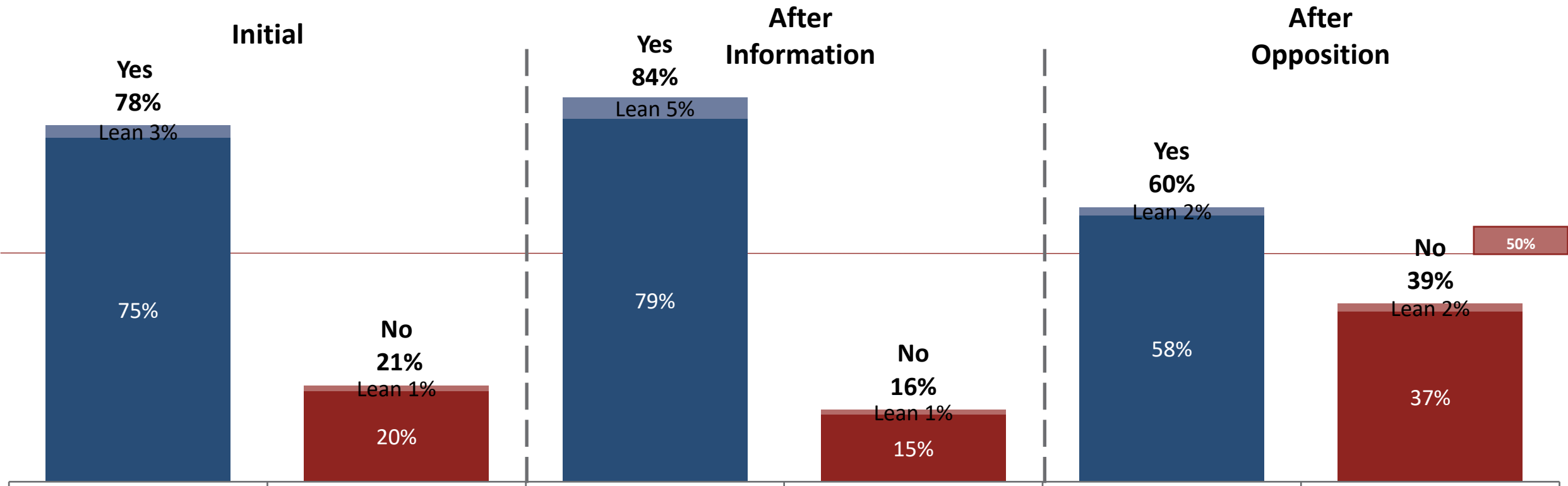
Without increasing taxes, to protect essential city services including public safety and emergency services; maintain parks, beaches, the new wharf, and recreation programs for youth and seniors; improve traffic safety; repair potholes, and maintain streets, sidewalks, and bike lanes; shall City of Capitola adopt a measure renewing its expiring one-quarter percent sales tax providing \$1,000,000 annually for general government use, until ended by voters, with independent audits, public disclosure of all spending, and all funds staying local?



# Vote After Opposition Statement

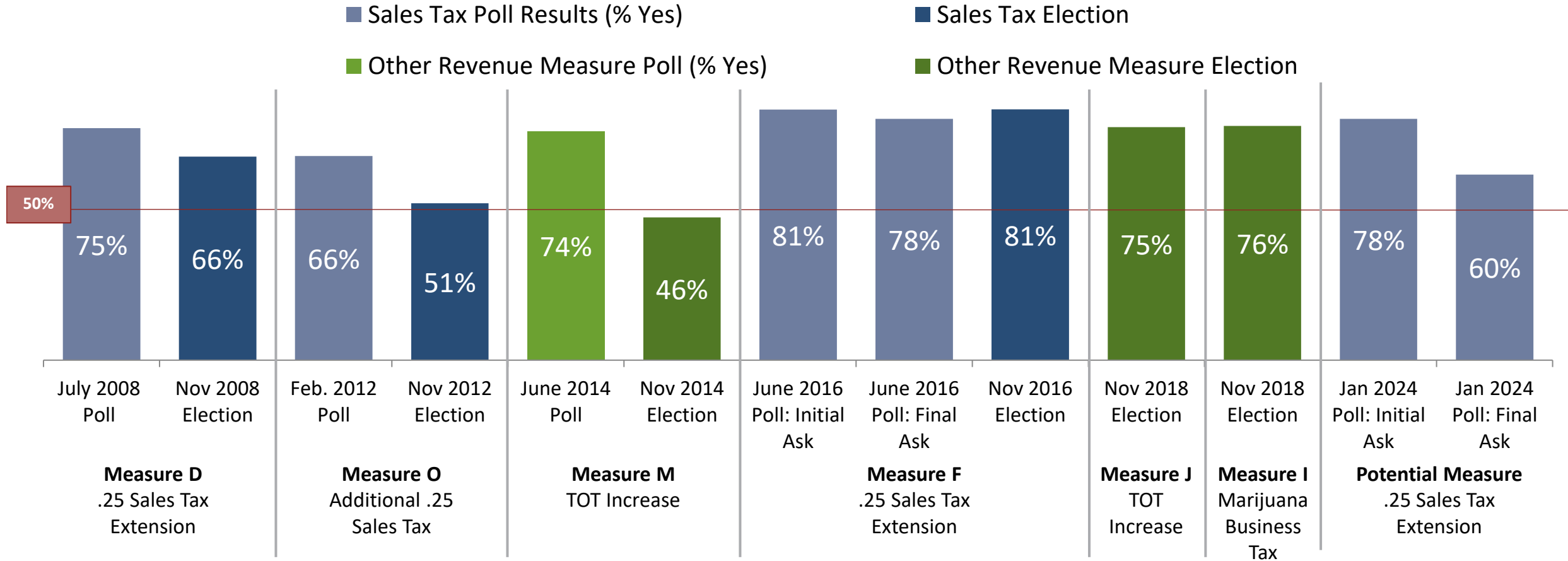
*After an opposition statement, support falls precipitously, but remains above the threshold for passage.*

Without increasing taxes, to protect essential city services including public safety and emergency services; maintain parks, beaches, the new wharf, and recreation programs for youth and seniors; improve traffic safety; repair potholes, and maintain streets, sidewalks, and bike lanes; shall City of Capitola adopt a measure renewing its expiring one-quarter percent sales tax providing \$1,000,000 annually for general government use, until ended by voters, with independent audits, public disclosure of all spending, and all funds staying local?



# Historical Context

*Initial support for a renewal with no sunset is similar to the level of support seen in polling ahead of Measure F, a ten-year extension of the expiring quarter-cent sales tax. However, the current measure is more vulnerable to opposition.*





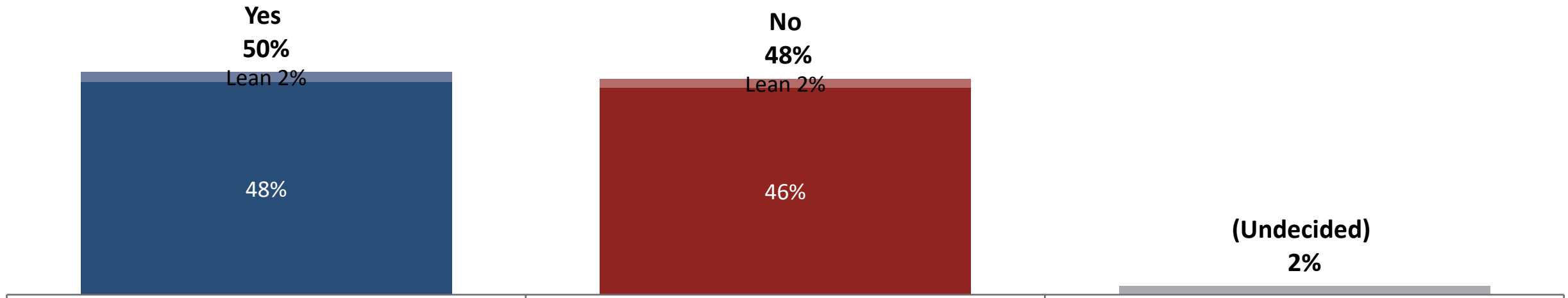
**Potential Bond Measure**



# Potential Bond Measure Vote

*The potential bond measure is far more divisive than the sales tax, with voters split down the middle.*

To update public safety facilities to ensure prompt response in emergencies; provide improved parks, beach, and recreational facilities; fix leaky roofs; ensure the Police Station and City Hall are earthquake and flood safe; and modernize the Capitola Community Center, shall the City of Capitola issue \$30 million in general obligation bonds at the rate of \$49 per \$100,000 of assessed property value, averaging \$1.5 million annually until repaid, with independent oversight and annual audits, and all funds benefiting the City of Capitola?

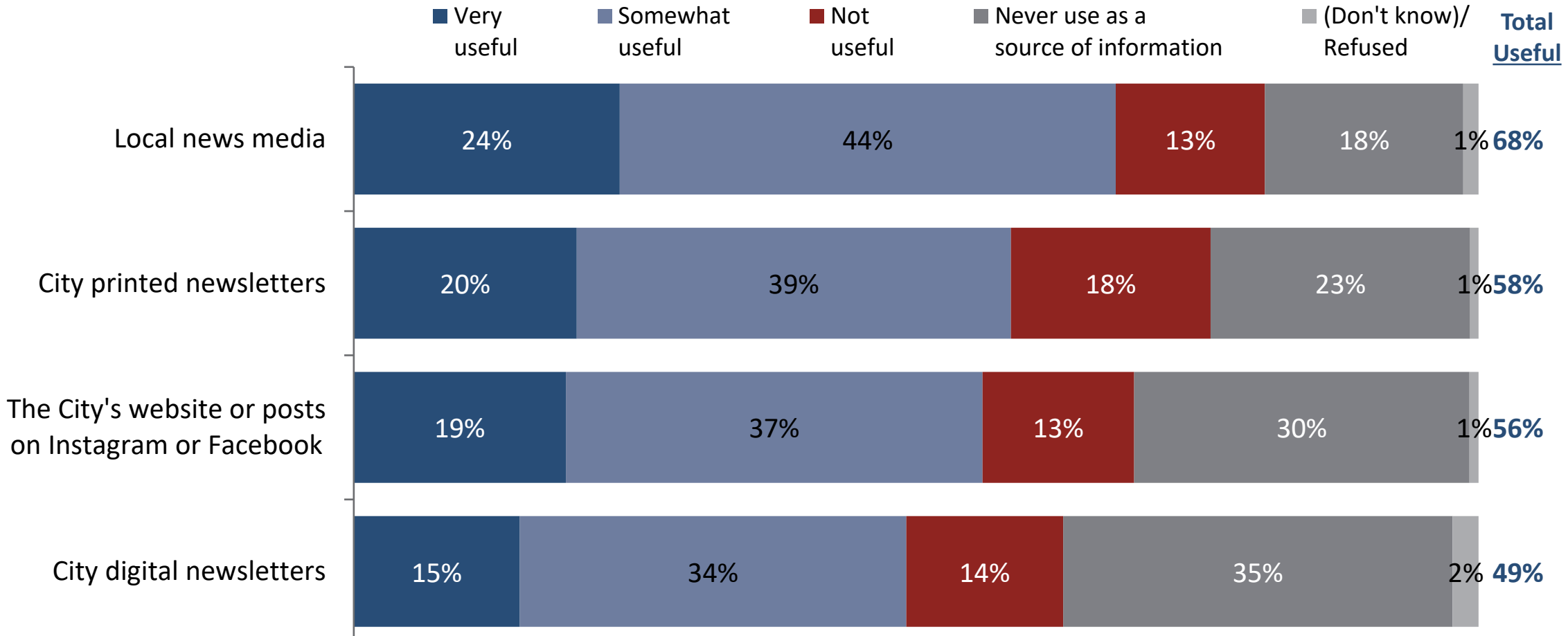




**News and Information**

# Information Sources

*All City information sources are seen as useful by at least about half of voters, with the printed newsletter receiving slightly higher usefulness ratings than the digital version.*

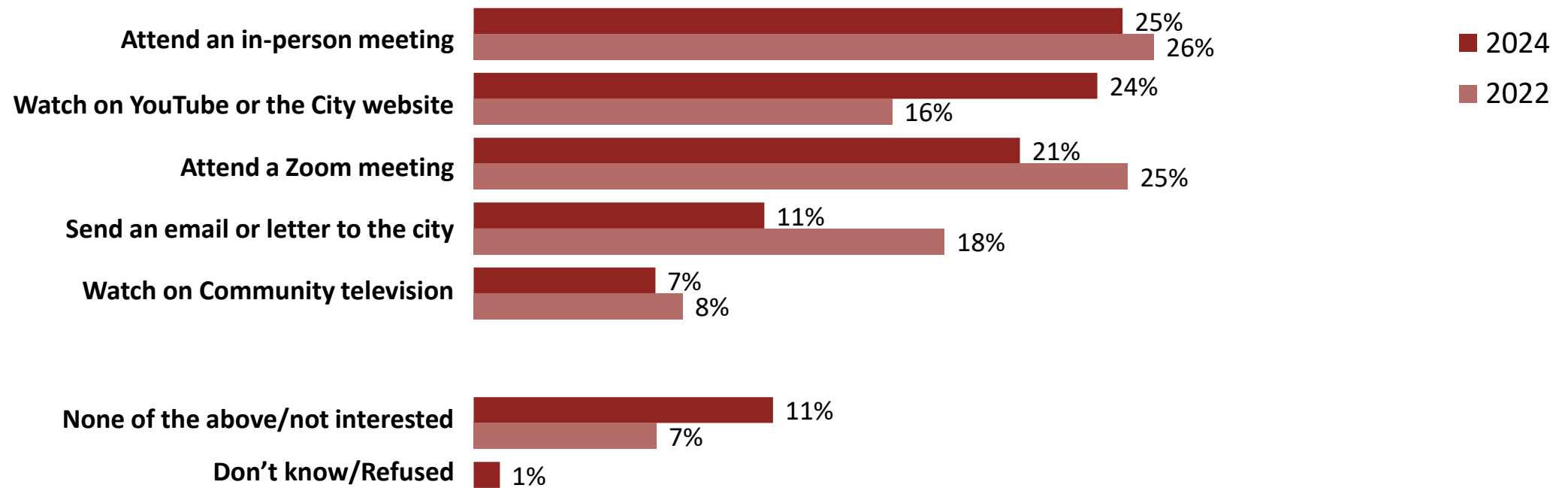


Q36-39. Next, I'm going to mention some places or sources where people might get information about Capitola's City government. After I read each one, please tell me how useful you find that as a source of information about City Government: very useful, somewhat useful, or not useful. If you never use that source to get information about Capitola City Government, you may say so.

# Participation Mechanisms

*About a quarter of voters each say they would prefer to attend an in-person meeting or watch on YouTube or the City website if they wanted to learn more about a city issue. Community television is the least-preferred participation channel.*

**If you were interested in a City issue and wanted to learn more, in which one of these would you most likely participate:**



# Conclusions and Recommendations

- ▶ Support for renewing the existing quarter-cent sales tax begins in a strong place. While a potential renewal measure is somewhat vulnerable to opposition, tax sensitivity is relatively low, and support remains above the passage threshold even after an opposition statement in the current landscape.
- ▶ A potential facilities bond faces a more difficult path, although support was tested after the sales tax opposition argument.
- ▶ It will be important to involve the community in conversation about any potential measure, clearly communicate the need for revenue to maintain quality services, and emphasize the benefits to the community.
- ▶ The potential measure benefits that align with voters' top priorities include maintaining public safety response, roads, and the beach and new wharf. Many other priorities, such as youth recreation programs and support for small businesses, also resonate with large portions of the community.



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