TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 06/20/2023

ITEM NO: 5

DATE:	June 8, 2023
TO:	Mayor and Town Council
FROM:	Laurel Prevetti, Town Manager
SUBJECT:	Authorize the Town Manager to Issue a Request for Qualifications (RFQ) for Revenue Ballot Measure Consulting Services

RECOMMENDATION:

Authorize the Town Manager to issue a Request for Qualifications (RFQ) for revenue ballot measure consulting services.

BACKGROUND:

On January 24, 2023, the Town Council determined their Strategic Priorities for 2023-2025, which included exploring new revenue opportunities and curing the forecasted structural deficit.

Over the years, the Town has added the following additional revenues in an incremental and diversified way:

- November 2016 Measure T increased the Transient Occupancy Tax (TOT) from 10 percent to 12 percent. The 2% increase raises approximately $400,000 annually in additional revenue.
- November 2018 Measure G creates a 1/8 cent dedicated district sales tax for a 20-year period. The adoption of the dedicated tax provides approximately $1,000,000 annually in additional revenue.
- In February 2019, Council approved an Ordinance allowing regulated short-term rentals subject to TOT. Approximately $80,000 of additional TOT is collected annually.
- In June 2019, Council voted to annex 24 unincorporated County pockets. This action results in approximately $1,000,000 in property taxes remaining in the Town instead of being diverted to the County.

PREPARED BY: Katy Nomura
Assistant Town Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

BACKGROUND (continued):

- November 2022 Measure J increased business license taxes for the first time since 1991, raising approximately $1,100,000 annually in additional revenue.

DISCUSSION:

In an effort to explore new revenue opportunities to address the forecasted deficits, the next opportunity for a revenue ballot measure is in 2024. Revenue ballot measure consulting services provide public opinion research, polling, public information and engagement strategies, ballot measure recommendations, and overall support if a ballot measure is pursued. While the specifics of any potential revenue ballot measure are still to be determined, it is recommended to begin the RFQ process now so that a consultant can be brought on in a timely fashion to conduct polling, research, and public engagement to better inform the process. Staff will work with the Finance Commission and Council in determining any potential revenue ballot measure option(s).

CONCLUSION AND NEXT STEPS:

To better inform any potential revenue ballot measure considerations, it is recommended that Council authorize the Town Manager to issue a RFQ for revenue ballot measure consulting services. Based on the results of the RFQ process, staff will return to Council with a recommendation to authorize an agreement with the selected consultant.

COORDINATION:

This staff report was coordinated with the Town Manager, Town Attorney, and Director of Finance.

FISCAL IMPACT:

There is no cost associated with issuing the RFQ.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:
1. Draft Revenue Ballot Measure Consulting Services RFQ