Voter Support for Potential Finance Measure in Mountain View

Key Findings of a Voter Survey Conducted
June 11-19, 2018
Survey Methodology

✓ 923 telephone and online interviews with voters in Mountain View likely to cast a ballot in November 2018
✓ Interviews conducted June 11-19, 2018
✓ Interviews online, on landlines and cell phones
✓ Margin of sampling error of +/- 4.0% at the 95% confidence level
✓ Some percentages may not sum to 100% due to rounding
Initial Support for Proposed Finance Measures
Q2. Do you think you would vote yes or no on such a measure?

Employer Tax Ballot Measure
Language Tested

Shall the measure to fund critical City needs such as reducing traffic congestion, enhancing bicycle/pedestrian friendly routes, providing housing affordable for a range of incomes/homeless services, by imposing a business license tax of $9 to $117 per employee on average, with larger companies paying more per employee, generating about $6 million yearly for unrestricted general revenue purposes, until ended by voters, with independent yearly audits, be adopted?
More than three in five say they would support the general purpose employer tax.

Do you think you would vote yes or no on such a measure?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely yes</td>
<td>29%</td>
</tr>
<tr>
<td>Probably yes</td>
<td>28%</td>
</tr>
<tr>
<td>Undecided, ...</td>
<td>6%</td>
</tr>
<tr>
<td>Undecided, ...</td>
<td>2%</td>
</tr>
<tr>
<td>Probably no</td>
<td>10%</td>
</tr>
<tr>
<td>Definitely no</td>
<td>21%</td>
</tr>
<tr>
<td>Undecided</td>
<td>4%</td>
</tr>
</tbody>
</table>

Total Yes 62%

General purpose employer tax in March (asked as a general concept):

- Total Yes: 67%
- Total No: 25%
- Undecided: 8%
A desire for businesses to contribute more drives support.

In a few words of your own, why would you vote **YES** on this measure? (Responses 2% and Above Shown)

- Businesses need to... 45%
- Providing affordable... 21%
- Infrastructure 17%
- Housing costs/rent 16%
- Taxes 14%
- Generate income/helps... 8%
- More information 7%
- Generate income/helps... 6%
- Taxes 6%
- Housing costs/rent 3%
- Infrastructure 3%
- Providing affordable... 2%
- Businesses need to... 2%

Q3a. Open-ended
A majority of those opposed worry that the tax will hurt business.

In a few words of your own, why would you vote **NO** on this measure?
(Responses 3% and Above Shown)

- Hurts business: 52%
- Opposed to taxes: 42%
- Don't trust government: 17%
- General oppose: 9%
- Confusing: 8%
- Affordable housing: 6%
- More information: 4%
- Mixed feelings: 3%
- Lowers income: 3%
Voters offer strong support for levying lower tax rates for small businesses.

I am going to read you a list of some specific elements that could be included in the first measure we discussed, the business license tax based on the number of employees the business has in Mountain View. Please tell me whether you support or oppose that provision. Note that while all businesses would pay a business license tax, you will only hear several examples of the rates that different-sized businesses will pay. You will not hear rates for every business size.

*Levying a lower tax rate for small businesses
  Generating $6 million per year in revenue
*Levying a higher tax rate for large employers
  Adjusting the tax in future years to keep up with...
  Phasing in the tax over the next three years
  Requiring a tax of up to $150 per employee for...
  Requiring a tax of up to $75 per employee for...
  Requiring a registration fee of $400 for businesses...
  Requiring a registration fee of $200 for businesses...
  Requiring a registration fee of $100 for businesses...

<table>
<thead>
<tr>
<th>Element</th>
<th>Support</th>
<th>Oppose</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Levying a lower tax rate for small businesses</td>
<td>77%</td>
<td>18%</td>
<td>+59%</td>
</tr>
<tr>
<td>Generating $6 million per year in revenue</td>
<td>61%</td>
<td>21%</td>
<td>+40%</td>
</tr>
<tr>
<td>*Levying a higher tax rate for large employers</td>
<td>66%</td>
<td>30%</td>
<td>+36%</td>
</tr>
<tr>
<td>Adjusting the tax in future years to keep up with...</td>
<td>63%</td>
<td>28%</td>
<td>+35%</td>
</tr>
<tr>
<td>Phasing in the tax over the next three years</td>
<td>60%</td>
<td>30%</td>
<td>+30%</td>
</tr>
<tr>
<td>Requiring a tax of up to $150 per employee for...</td>
<td>58%</td>
<td>34%</td>
<td>+24%</td>
</tr>
<tr>
<td>Requiring a tax of up to $75 per employee for...</td>
<td>52%</td>
<td>40%</td>
<td>+12%</td>
</tr>
<tr>
<td>Requiring a registration fee of $400 for businesses...</td>
<td>50%</td>
<td>41%</td>
<td>+9%</td>
</tr>
<tr>
<td>Requiring a registration fee of $200 for businesses...</td>
<td>42%</td>
<td>50%</td>
<td>-8%</td>
</tr>
<tr>
<td>Requiring a registration fee of $100 for businesses...</td>
<td>30%</td>
<td>62%</td>
<td>-32%</td>
</tr>
</tbody>
</table>

Q6. *Split Sample
Cannabis Tax
Ballot Measure Language Tested

Shall the measure to maintain and protect essential public safety services, including 911, police and fire protection, emergency medical response; reduce traffic congestion and repair roads; and provide other critical City services, including library, park maintenance, senior services, by levying a tax of up to 9% on gross receipts of cannabis businesses, providing about $1 million per year, for unrestricted general revenue purposes, until ended by voters, with independent yearly audits, be adopted?
Seven in ten offer support for the cannabis tax measure.

If the election were held today, would you vote yes in favor of it, or no to oppose this measure?

- Definitely yes: 45%
- Probably yes: 21%
- Undecided, lean yes: 5%
- Undecided, lean no: 2%
- Probably no: 7%
- Definitely no: 14%
- Undecided: 6%

Support consistent with March survey: 70%
Both measures appear viable on the same ballot.

Do you think you would vote for both of these measures, for just one, or against both measures?

- **Yes on cannabis tax only**: 24%
- **Yes on business license tax only**: 13%
- **Yes on both**: 46%
- **No on both**: 12%
- **Don’t know/NA**: 6%

**Total in Favor of the Cannabis Tax:** 70%

**Total in Favor of the Employer Tax:** 59%
Impact of Messaging on the Employer Tax
Support for the employer tax measure remains consistent after messaging.

Employer Tax

<table>
<thead>
<tr>
<th></th>
<th>Initial Support</th>
<th>After Positives</th>
<th>After Negatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Yes</td>
<td>62%</td>
<td>64%</td>
<td>60%</td>
</tr>
<tr>
<td>Total No</td>
<td>34%</td>
<td>32%</td>
<td>34%</td>
</tr>
<tr>
<td>Undecided</td>
<td>4%</td>
<td>4%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Q2, Q8 & Q10. If the election were held today, would you vote yes in favor of the measure, or no to oppose it?
Segmenting Voters by Consistency of Support

- **Consistent Yes:** Voters who consistently indicated they would vote “yes” on the employer tax measure.

- **Consistent No:** Voters who consistently indicated they would vote “no” on the employer tax measure.

- **Swing:** Voters who do not fall into any of the other categories – remaining consistently undecided or switching positions.

![Pie chart showing distribution of voter categories: Consistent Yes 56%, Consistent No 29%, Swing 15%]
**Messages in Favor of the Measure**

*(Ranked by Very Convincing)*

<table>
<thead>
<tr>
<th>(NO BIZ LICENSE TAX)</th>
<th>Mountain View currently registers most businesses for just $30 per year and the amount hasn't been changed since 1954. This is one of the lowest rates in the Bay Area. This measure offers a sensible adjustment to ensure businesses pay their fair share for the services the City provides.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(FAIRNESS)</td>
<td>It is only fair to increase what businesses pay to fund transportation improvements and housing in Mountain View, since businesses that bring thousands of employees into the city every day contribute to our traffic and housing problems.</td>
</tr>
<tr>
<td>(BUSINESS SIZE)</td>
<td>The proposed employer tax is structured to be fair; large businesses that have a greater impact on our community will be taxed at higher rates than small businesses who have fewer than 50 employees and have less of an effect on local services.</td>
</tr>
<tr>
<td>(GROWTH)</td>
<td>Mountain View companies continue to grow, build new buildings, and attract more employees, meaning more people on our roads and a greater need for housing. This measure will ensure that our City can maintain a high quality of life for residents by providing traffic relief and housing for families as the local economy grows.</td>
</tr>
<tr>
<td>(HOUSING)</td>
<td>Mountain View is facing a housing crisis; the cost of housing and rents has increased substantially. Funding from this measure could help provide more affordable housing, increasing the supply of homes and apartments that low- and middle-income families can afford.</td>
</tr>
<tr>
<td>(SAFETY)</td>
<td>Terrible traffic jams have caused more and more drivers to leave main roads and instead drive at high speeds on neighborhood streets, endangering children, cyclists, and pedestrians in our city. This measure will fund improvements to improve traffic flow, expand public transit, and make our city safer.</td>
</tr>
<tr>
<td>(ACCOUNTABILITY/LOCAL)</td>
<td>This measure includes accountability provisions such as requiring annual independent audits and publishing of public expenditure reports. These fiscal safeguards will ensure funds are spent locally and as promised.</td>
</tr>
</tbody>
</table>

**Q7. Here are some statements we have heard from various people who support the measure. Please tell me whether you find it very convincing, somewhat convincing, or not convincing as a reason to vote yes on the measure.**
The most compelling con argument emphasizes the impact on small businesses.

- **Small Businesses**: 28% Very Convincing, 37% Somewhat Convincing, 65% Total
- **Blank Check**: 25% Very Convincing, 32% Somewhat Convincing, 56% Total
- **Transportation**: 24% Very Convincing, 34% Somewhat Convincing, 58% Total
- **Relocate**: 23% Very Convincing, 33% Somewhat Convincing, 56% Total
- **Surplus**: 22% Very Convincing, 26% Somewhat Convincing, 48% Total
- **^Prevent New Biz**: 21% Very Convincing, 30% Somewhat Convincing, 51% Total
- **Pensions**: 20% Very Convincing, 25% Somewhat Convincing, 46% Total
- **Other Cities**: 17% Very Convincing, 28% Somewhat Convincing, 45% Total
- **^Economy - General**: 16% Very Convincing, 18% Somewhat Convincing, 34% Total

Q9. I am going to read you some statements from people who oppose this measure. Please tell me whether you find it very convincing, somewhat convincing, or not convincing as a reason to oppose this measure. ^Not Part of Split Sample
Conclusions
Conclusions

✓ Voter attitudes towards Mountain View city government continue to be largely positive.

✓ A proposed general purpose employer tax appears viable, with 62 percent support.
  ▪ The strongest support comes from Democrats, voters under age 30 and women.

✓ A cannabis tax is also viable. Seven in ten voters are willing to support it.

✓ Having both measures on the ballot at the same time potentially weakens the viability of the employer tax slightly, but overall it appears that both measures can be successful at the same time.

✓ Additionally, support for the employer tax remains consistent after an exchange of pro and con arguments.

✓ The strongest messages in favor of the employer tax relate to the business tax, including the low rate of the current business tax, the fairness of increasing business taxes, and the fact that the measure would be structured to tax different-sized businesses differently.