



City of Santa Barbara
Public Works Department

Memorandum

DATE: June 9, 2017

TO: Water Commissioners

FROM: Brian D'Amour, P.E., City Engineer

SUBJECT: Unfunded Infrastructure & Sales Tax Measure

Background

Over the past year, Council has been discussing the increasing backlog of deferred maintenance and declining condition of City facilities, including streets and related infrastructure, such as street lights, sidewalks, and storm drains, and many historic buildings where essential community services are provided. The focus of this discussion has been on General Fund and Streets-related infrastructure.

Discussions about the need for additional infrastructure funding have been occurring periodically since 2008 when Council appointed a citizen Ad-Hoc Infrastructure Task Force to assess the shortfall of investment in infrastructure and to make recommendations to increase infrastructure investment. These recommendations coincided with the recession and were not implemented at that time.

This issue was again studied by Council in 2014 through the appointment of a Council Ad Hoc Committee (Mayor Schneider, Councilmember White, and Councilmember Rowse). The Committee conducted extensive public outreach and obtained input on community needs and ideas to close the gap in funding. Council did not reach a consensus to place a sales tax measure on the November 2015 ballot.

The current Council infrastructure discussion was reinitiated in February 2016 with the Finance Committee (Councilmember White, Councilmember Hart, and Councilmember Rowse) conducting an extensive review of all General Fund infrastructure needs.

Finance Committee recommendations to Council were presented on November 22, 2016, and included: 1) transferring downtown shuttle expenses to the Downtown Parking and Waterfront Funds; 2) considering borrowing against future Measure A revenues to fund near-term street repairs; and, 3) considering a sales tax measure that would increase the current local sales tax rate by ¼ cent to up to 1 cent. Council approved the Finance Committee recommendations for the first two recommendations and directed staff on January 31, 2017, to conduct a community poll to inform further discussion of a possible sales tax measure.

Community Survey

Council authorized an agreement with Fairbanks, Maslin, Maullin, Metz & Associates (FM3) to conduct a public opinion poll via phone and Internet related to unfunded infrastructure and program needs and a possible sales tax measure. The scientifically valid survey was conducted to gauge voter support for a sales tax increase to improve City facilities and programs, ensuring the broadest participation in terms of voter demographics and geography.

Results of the community survey were presented to Council in April 18, 2017, with the following conclusions:

- More than 6 in 10 voters (64%) would initially vote definitely or probably yes or at least lean toward voting yes on a simple majority one-cent City sales tax measure, if the election were held at the time of the survey.
- After information about the City and the potential measure, overall support increases to slightly more than two-thirds (68%), with 44% saying they would definitely vote yes.
- There is less support for a measure with a lower sales tax rate and/or a sunset provision
- The features of the measure rated most important are a combination of services, programs and infrastructure improvements, including
 - Maintaining police, fire, paramedics and 911 emergency response;
 - Repairing local streets and potholes;
 - Keeping neighborhood fire stations open and staffed;
 - Upgrading outdated emergency communication systems;
 - Maintaining disabled, veterans, youth and senior services; and
 - Addressing homelessness.
- Strict accountability requirements are among some of the most important elements of measure, including public disclosure of spending and local control of all funds.

Council approved the recommendation of the polling that the City of Santa Barbara further explore the potential for a one-cent general purpose sales tax, with strict accountability, but no sunset, to be placed on the November 2017 Municipal Election ballot.

Next Steps

Staff is presenting this information to the community through various public meetings and at boards and committees and will return to Council by July 2017 with proposed ballot measure language and a resolution directing the City Clerk and City Attorney to prepare all necessary actions and documents to place a sales tax measure before the voters in the November 2017 election.

Information on the City's unfunded infrastructure and program needs is available on the City's website at SantaBarbaraCA.gov.