

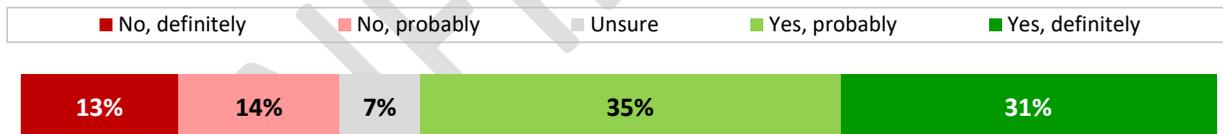
MEMORANDUM

TO: Interested Parties
FROM: John Nienstedt, Competitive Edge
RE: Results of TOT Increase Ballot Measure Survey
DATE: March 28, 2017

This analysis is based on the results from the poll of 392 San Diego City voters conducted by Competitive Edge Research February 27 through March 4, 2017. Interviews were conducted by trained professionals from our offices in San Diego, California, with landline, cell phone-only and e-mail-only respondents. The voter turnout model is 42% to reflect the anticipated level of participation in a special election. The maximum margin of sampling error is +/- 5% at the 95% confidence level.

Our test of a potential measure to raise the tourism occupancy tax (TOT) shows 66.5% currently voting “yes.” Opposition stands at 27%. Passage requires two-thirds support. We asked the following question:

Q. And some people have been talking about a ballot measure that would raise the tax paid by San Diego’s overnight visitors in order to fund projects and programs in San Diego. It reads: Raises the city of San Diego’s Transient Occupancy Tax (TOT) paid by overnight lodging facilities 1 to 3 percent depending on where the lodging facility is located, and earmarks those funds to modernize and expand the San Diego Convention Center as well as pay for city street repairs and improvements, and programs to reduce homelessness while requiring an annual independent audit of expenditures. If this measure were on the ballot, would you vote “yes” to approve it, or “no” to reject it?

Current TOT Increase Vote


As a follow-up, we asked respondents who support the measure what their main reason is. The top three responses are: Visitors will pay the tax (20%), funding for homeless people (17%), and the general importance of the things being funded through the ballot measure (15%). The top three reasons cited by opponents for voting “no” include: a desire for visitors not to pay city taxes (21%), a general feeling that taxes are too high already (18%), and that raising the tax will discourage tourism (16%).

The poll also indicates that local voters think repairing city streets and reducing homelessness are highly important, while other issues vary in importance.

Other poll results show strong public support from the lodging and tourism industry would be an important asset to a campaign in favor of the measure. If support from hotel owners and tourism officials did not materialize, it would be impossible to attain the super-majority required for passage.

Competitive Edge also conducted four focus groups on this topic, two of which were conducted with participants who are generally opposed to any tax increases. Focus group sessions are qualitative research so the information is not projectable to the entire electorate.

After participants were exposed to a balanced discussion of pros and cons during the sessions, we noted substantial opinion movement in favor of the TOT increase stemming from exposure to key messages. Chief among those messages were that the tourism and lodging industry supported the increase and that not modernizing the convention center would risk losing more conventions to San Diego's competitors. This suggests that a strong campaign with adequate resources may be able to move skeptics to "yes" voters on this issue.

Key Sample Characteristics

Partisanship: Democrat 45%, Republican 29%, no party preference 22%, minor party 4%

Ideology: very liberal 19%, somewhat liberal 36%, somewhat conservative 23%, very conservative 13%, in between/unsure 4%

Gender: female 53%, male 47%

Age: 18-24 7%, 25-34 13%, 35-44 13%, 45-54 15%, 55-64 19%, 65-74 18%, 75+ 15%

Ethnicity: Latino 11%, non-Latino 89%

City Council District: 1 14%, 2 13%, 3 14%, 4 8%, 5 14%, 6 11%, 7 13%, 8 7%, 9 7%