



GODBE RESEARCH
Gain Insight

CITY OF COSTA MESA
UNDERGROUNDING UTILITY LINES
VOTER SURVEY

Conducted for the City of Costa Mesa

April 2006

EXECUTIVE SUMMARY

Introduction to the Study

The City of Costa Mesa contracted Godbe Research to conduct a survey of voters to determine the feasibility of passing a ballot measure to fund the undergrounding of utility lines along major roads and in residential neighborhoods. The primary objectives of the research were to: determine voter support for a city authorized tax increase that will fund utility undergrounding; determine which features and arguments related to the measure resonate among Costa Mesa voters; and profile the demographic composition of likely voters in the City of Costa Mesa.

Methodology

In total, 500 of the approximately 26,447 likely voters in the City were surveyed resulting in a margin of error +/-4.37 percent for questions answered by all 500 respondents, and +/-6.2 percent for questions answered by 250 of the respondents. Interviews were conducted from March 23rd through March 27th, 2006 and each interview typically lasted 20 minutes.

Key Findings

Based on an analysis of the survey data, Godbe Research offers the following key findings to the City of Costa Mesa:

Issues of Importance

The first substantive question of the survey presented respondents with a series of community issues and asked them how important each issue was to them personally using a scale of 'Extremely important(3.0)', 'Very important(2.0)', 'Somewhat important(1.0)', or 'Not at all Important (0.0)'. Respondents ranked "Preventing crime in the community" (2.31) as the most important community issue tested, followed by "Improving the quality of education" (2.14) and "Maintaining public safety services" (2.12). Comparatively, the lowest ranked community issue of those tested was "Limiting commercial growth" (1.04), followed by "Limiting residential growth" (1.21) and "Undergrounding utility lines" (1.31). "Limiting residential growth" and "Undergrounding utility lines" also had the highest reported rates of not being considered an issue at nine and eight percent respectively.

First Ballot Test

Early in the survey, one half of the respondents were presented with the ballot language for a hotel visitor's tax increase and a sales tax increase (first sample), and asked if they would support or oppose an increase in these taxes to fund undergrounding of utility lines. The other half of the respondents were presented with establishing a utility user tax and a sales tax increase (second sample) and asked if they would support or oppose an increase or establishment of these taxes to fund undergrounding of utilities. Known as the *first ballot test*, these questions assess support for the measure without first priming the respondent with information beyond what is presented in the ballot language itself. As such, it represents a reliable measure of support for the proposed assessment among a "Uninformed" electorate – i.e., an electorate that has not been exposed to a public information campaign regarding the proposed measure.

- **Hotel Visitor's Tax**

The ballot question for the hotel visitor's tax was worded as follows:

In order to fund the undergrounding of utility lines throughout Costa Mesa, ensuring more reliable utility service, reducing the threat from earthquakes of fallen poles and exposed electrical wiring, and improving the appearance of the City, shall the City of Costa Mesa increase the existing hotel visitor's tax by 3 percent in order to raise approximately 2 and one quarter million dollars annually?

Overall, 63 percent of respondent's supported the measure at the first ballot test ("Definitely yes" 32% and "Probably yes" 31%) and 31 percent opposed the measure ("Definitely no" 22% and "Probably no" 9%). The remaining 6 percent were undecided on the measure or declined to state their opinion.

When compared to their subgroup counterparts, overall support for the measure at the first ballot test was highest among: Democrats, residents of the southern portion of the City (92627), voters with an annual household income less than \$50,000, and those voters with children living in the home.

- **Utility User's Tax**

The ballot question for the utility user's tax was worded as follows:

In order to fund the undergrounding of utility lines throughout Costa Mesa, ensuring more reliable utility service, reducing the threat from earthquakes of fallen poles and exposed electrical wiring, and improving the appearance of the City, shall the City of Costa Mesa establish a utility users tax of five percent to raise approximately 7 million dollars annually?

Overall, 33 percent of respondent's supported the measure at the first ballot test ("Definitely yes" 14% and "Probably yes" 19%) and 61 percent opposed the measure ("Definitely no" 39% and "Probably no" 22%). The remaining 6 percent were undecided on the measure or declined to state their opinion.

When compared to their subgroup counterparts, overall support for the measure at the first ballot test was highest among: voters with an annual household income between \$50,000 and \$110,000 and Democrats. Even among the most positive subgroups support remained under 50 percent.

- **Sales Tax**

The ballot question for the sales tax was worded as follows:

In order to fund undergrounding utility lines throughout Costa Mesa, ensuring more reliable utility service, reducing the threat from earthquakes of fallen poles and exposed electrical wiring, and improving the appearance of the City, shall Costa Mesa increase the City's sales tax by one-quarter of a percent to raise approximately 11 and one quarter million dollars annually?

Overall, 51 percent of respondent's supported the measure at the first ballot test ("Definitely yes" 28% and "Probably yes" 23%) and 45 percent opposed the measure ("Definitely no" 31% and "Probably no" 14%). The remaining 4 percent were undecided on the measure or declined to state their opinion.

When compared to their subgroup counterparts, overall support for the measure at the first ballot test was highest among: voters with an annual household income less than \$50,000, Democrats and medium propensity voters.

Tax Thresholds

Respondents were next presented a series of tax threshold questions. These questions included a series of tax percentages that could be considered as the tax amount of the utility user tax, or the tax increase to the city's hotel visitor tax. Respondents were asked the likelihood of supporting the respective measures at each of the tax increments.

The tax thresholds tested for the utility user tax were six percent, five percent, and four percent. Overall, 11 percent of respondents supported the measure at six percent ("Definitely yes" 4%, "Probably yes" 7%). Nineteen percent of respondents supported the measure at five percent ("Definitely yes" 6%, "Probably yes" 13%). Thirty percent of respondent supported the measure at four percent ("Definitely yes" 13%, "Probably yes" 17%).

The tax thresholds tested for the hotel visitor tax were a four percent increase, a three percent increase, and a two percent increase. Overall, 45 percent of respondents supported the measure at four percent ("Definitely yes" 19%, "Probably yes" 26%). Fifty-nine percent of respondents supported the measure at three percent ("Definitely yes" 32%, "Probably yes" 27%). Seventy-three percent of respondent supported the measure at two percent ("Definitely yes" 45%, "Probably yes" 28%).

Voter Preferences – Hotel Visitor's Tax vs. Sales Tax

Respondents from the first sample were asked if only one measure was presented to voters in Costa Mesa to fund undergrounding utility lines, which would they prefer a measure to increase the hotel visitor's tax or a sales tax increase. A majority (52%) of respondents preferred a hotel visitor's tax measure on the ballot, a quarter indicated they would not like to see either type of measure on the ballot, and 19 percent indicated they would prefer a sales tax increase to fund undergrounding utility lines. The remaining four percent either did not indicate an opinion (2%) or wanted both measures (2%) placed on the ballot.

Voter Preferences – Utility User's Tax vs. Sales Tax

Respondents from the second sample were asked if only one measure was presented to voters in Costa Mesa to fund undergrounding utility lines, which would they prefer, a measure to establish a user utility tax or a sales tax increase. Forty-three percent of respondents indicated they would not like to see either type of measure on the ballot, thirty percent indicated they would prefer a sales tax increase, and less than a quarter (23%) indicated they would prefer a utility users tax to fund undergrounding utility lines. The remaining four percent either did not indicate an opinion (3%) or wanted both measures (1%) placed on the ballot.

Voter Preferences – Arterials vs. Residential Streets

The survey then examined voter's preferences as they related to the type of streets that should be funded for undergrounding utility lines, arterials, residential neighborhoods, or both. Almost half of respondents (46%) indicated they would be most likely to support a measure funding both arterials and residential streets, a quarter indicated they would prefer residential neighborhoods only, and fourteen percent preferred only undergrounding utility lines on major roads with traffic signals. The remaining respondents did not indicate an opinion or stated that neither type of street would make them more likely to support a measure.

Second Ballot Test

After providing respondents with the wording of the proposed measure, the possible tax amounts, as well as arguments in favor and opposing arguments of the measure, respondents were once again presented with the same proposal that they were read in the first ballot test and were asked whether they would vote yes or no on the measure.

- **Hotel Visitor's Tax**

Overall, 65 percent of respondent's supported the measure at the second ballot test ("Definitely yes" 36% and "Probably yes" 29%) and 32 percent opposed the measure ("Definitely no" 22% and "Probably no" 10%). The remaining 4 percent were undecided on the measure or declined to state their opinion. Support for the hotel visitors tax measure increased by two percent from the first ballot test.

- **Utility User's Tax**

Overall, 28 percent of respondent's supported the measure at the second ballot test ("Definitely yes" 11% and "Probably yes" 17%) and 69 percent opposed the measure ("Definitely no" 53% and "Probably no" 16%). The remaining 3 percent were undecided on the measure or declined to state their opinion. Support for the utility users tax measure diminished by five percent from the first ballot test.

- **Sales Tax**

Overall, 43 percent of respondent's supported the measure at the second ballot test ("Definitely yes" 27% and "Probably yes" 16%) and 55 percent opposed the measure ("Definitely no" 40% and "Probably no" 15%). The remaining 3 percent were undecided on the measure or declined to state their opinion. Support for the sales tax measure diminished by eight percent from the first ballot test.

Satisfaction with the City's Providing of Services

The respondents were then asked whether or not they were satisfied with the job the City was doing providing services. Eighty-eight percent of respondent's were satisfied with the City's ability to provide services (41% "Very satisfied," 47% "Somewhat satisfied"), and 10 percent were dissatisfied (5% "Somewhat dissatisfied," 5% "Very dissatisfied"), while two percent declined to give an opinion.

Conclusions

Based on the findings of the survey, Godbe Research offers the following conclusions to the City of Costa Mesa.

Local Issues of Importance among Likely Voters

Results from the first substantive question of the survey, local issues of importance, reveal a substantial challenge for the City of Costa Mesa if it plans to pass a revenue measure to fund the undergrounding of utility lines. Less than 40 percent of voters indicated “Undergrounding utility lines” as extremely or very important. The perceived level of importance for undergrounding utility lines was lower than all of the 11 issues examined except for “Limiting commercial growth” and “Limiting residential growth”. More importantly, it ranked considerably lower in importance than “Preventing local tax increases,” which is a valuable initial barometer of the potential success of a revenue measure. The findings from this initial inquiry also show that almost 30 percent of likely voters believe that undergrounding utility lines is not at all important as demonstrated by the percentage of voters that indicate that undergrounding is either not at all important, not an issue that has been considered, or not one that voters feel strongly enough about to indicate an opinion. For most revenue measures in California that require a super-majority of two-thirds support, these results indicate that voters overall need to feel the issue is more important before a measure should be placed on the ballot.

Components of a Revenue Measure

Survey results consistently indicated voter’s preferences on the type of measure that should be presented if the City of Costa Mesa moves forward with a ballot measure to fund the undergrounding of utility lines. These voter preferences included:

- Of the three measures that were considered only an increase in the **hotel visitor’s tax** received close to two-thirds support, received more support in the second ballot test when compared to the first, and received well over fifty percent support from the larger voter sub-groups in Costa Mesa such as Republican voters, voters 50 years and older, and voters with an annual household income greater than \$110,000.
- Voter support to establish a **utility user’s tax** to fund undergrounding utility lines initially received very low support from voters and it only diminished with more information.
- Initial support for a **sales tax increase** to fund undergrounding utility lines was strong enough to be considered from the first ballot test. However to be realistically considered an option, support would need to have increased significantly from the first ballot test to the second, and the survey results only showed support for a sales tax increase diminishing substantially.
- Overall results showed that voters would be more likely to support a measure that would fund undergrounding utility lines on **both residential neighborhood streets and arterials**, and if voters could only choose one, they would prefer residential streets to major roads with traffic signals.

The overall results of the survey reveal that only an increase in the hotel visitor’s tax should be considered a viable option for funding undergrounding in the City of Costa Mesa. If the City moves forward with this type of revenue measure a substantial effort will need to be put forward by both the City and eventually a well-funded independent campaign committee to give the measure a reasonable chance of success



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