

2013
BOULDER TRANSPORTATION
MAINTENANCE FEE ISSUES
STUDY

Report

- March, 2013 -

Prepared for:



DRAFT

TABLE OF CONTENTS

I.	Objectives & Methodology.....	2
II.	Summary of Key Findings	5
III.	The Climate Today.....	12
IV.	The Vote on Transportation Funding proposals.....	21
V.	Prioritizing City Projects.....	39
VI.	Follow-up Vote on Transportation Funding Proposals	49
VII.	Summary & Recommendations.....	54



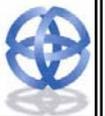
I. OBJECTIVES & METHODOLOGY



OBJECTIVES

The objectives of this study are to:

- Gauge the likelihood of success for ballot initiatives to fund City transportation projects, testing two different options for funding, and two different levels of funding for each option: a lower level of \$3.5 million; and a higher level of \$5.5 million. The two different options are
 - *A sales tax increase of .15% and .25%; and*
 - *An average monthly fee of \$3 and \$7 that would appear on the City water bills of residential customers, with an average monthly fee of \$15 and \$23 for employers, depending on vehicle trips produced*
- Measure the relative importance to voters of different transportation projects on which the new revenue might be spent.



METHODOLOGY

Talmey-Drake Research & Strategy, Inc. conducted the 2013 Transportation Funding Issues Survey on Behalf of the City of Boulder.

- *Results are based on 806 completed telephone interviews with randomly selected active voters in the City.*
- *553 interviews were completed on landlines; 235 on cell phones.*
- *Interviews were conducted February 24 – March 5, 2013.*
- *405 voters got the proposal for a new fee: 200 were read “\$3 dollars per residence/\$15 dollars per employer;” while 205 were read a “\$7 dollar per residence/\$23 per employer” per month transportation maintenance fee on their water utility bill.*
- *402 voters got the sales tax method to fund transportation maintenance: 204 were read a .15% sales tax increase; 198 were read a .25% increase.*
- *The margins of error on 200 and 806 completed telephone interviews are plus or minus 6.9% and 3.5%, respectively.*



II. SUMMARY OF KEY FINDINGS



KEY FINDINGS

I. The Political/Economic Climate in Boulder Today

#1. *When evaluating whether or not to move forward with any ballot initiative, it is important to take stock of the political/economic climate in which the election will be held. In the City of Boulder today, by a two to one margin, voters feel things are going in the “Right Direction” (56%) versus being seriously off on the “Wrong Track” (28%).*

However, things have to get a whole lot better in voters’ minds before the numbers even approach pre-recession levels of contentedness: back in December of 2006, the “Right Direction” number stood at 71%.



KEY FINDINGS

II. The Vote on Transportation Funding Proposals

#2. *If an election were held today, the proposed sales tax initiative would very likely pass. The TMF proposal, while not as strong, would have a reasonable chance of passing as well, absent well-funded organized opposition, or a Camera editorial position against the initiative. Both proposals meet the general rule of thumb with tax initiatives that to have a good chance of passage, they must start with support over 60% in pre-election polling. While the support for the TMF is just 60%, one must factor in that the venue is the City of Boulder, and Boulder has a strong history of passing, without organized opposition, taxes increases to fund adequately the services it provides to its residents.*



KEY FINDINGS

II. The Vote on Transportation Funding Proposals

#3. *The Achilles heel of both proposals, if there is one, is that the strength of support is relatively weak, while the strength of the opposition to the initiatives is very strong. This could be a significant factor should there be well-funded and organized opposition to a transportation funding initiative. Again however, if past history is a reliable predictor of future behavior, organized opposition to such a proposal is unlikely to arise.*



KEY FINDINGS

III. The Demographics of the Funding Proposals

#4. *The demographic crosstabs of a survey are often extremely helpful in predicting whether a proposal will pass or fail, by illuminating what voter segments are supporting or opposing the measure. And of course, the demographic breakouts are essential to targeting one's message to the appropriate demographic. In the present case, there is surprisingly little to be gleaned from an examination of the crosstabulations.*



KEY FINDINGS

IV. Prioritizing the Maintenance Projects

#5 *According to voters, of the nine transportation areas identified as possible targets for funding, two stand out as most in need of immediate attention, with the remaining seven garnering support levels below 60%. The clear leader among the top nine is to “Maintain public transit services at their current levels,” followed by “Improving pedestrian & bike safety at high accident intersections.”*

Further, it should be noted that all nine of the transportation projects tested in 2013 attain higher importance ratings than any of the 18 non-transportation projects tested in the 2012 study.



KEY FINDINGS

VI. Post Interview Vote

#6 *In order to see if voter attitudes change as a result of being given more information about the two transportation funding initiatives, at the end of the interview voters are again asked how they would vote on the proposals.*

When the re-vote is taken, overall support for the Sales Tax option drops 4 points, while for the TMF support remains pretty much the same. Support for both levels of the Sales Tax option drops, as does support on the higher level of the TMF option. Support for the lower level of the TMF initiative, however, remains about the same.



III. THE CLIMATE TODAY



Climate and Overview

When evaluating whether or not to move forward with any ballot initiative, it is important to take stock of the political/economic climate in which the election will be held. This is true whether the issue before voters is a tax increase or any other government sponsored initiative.

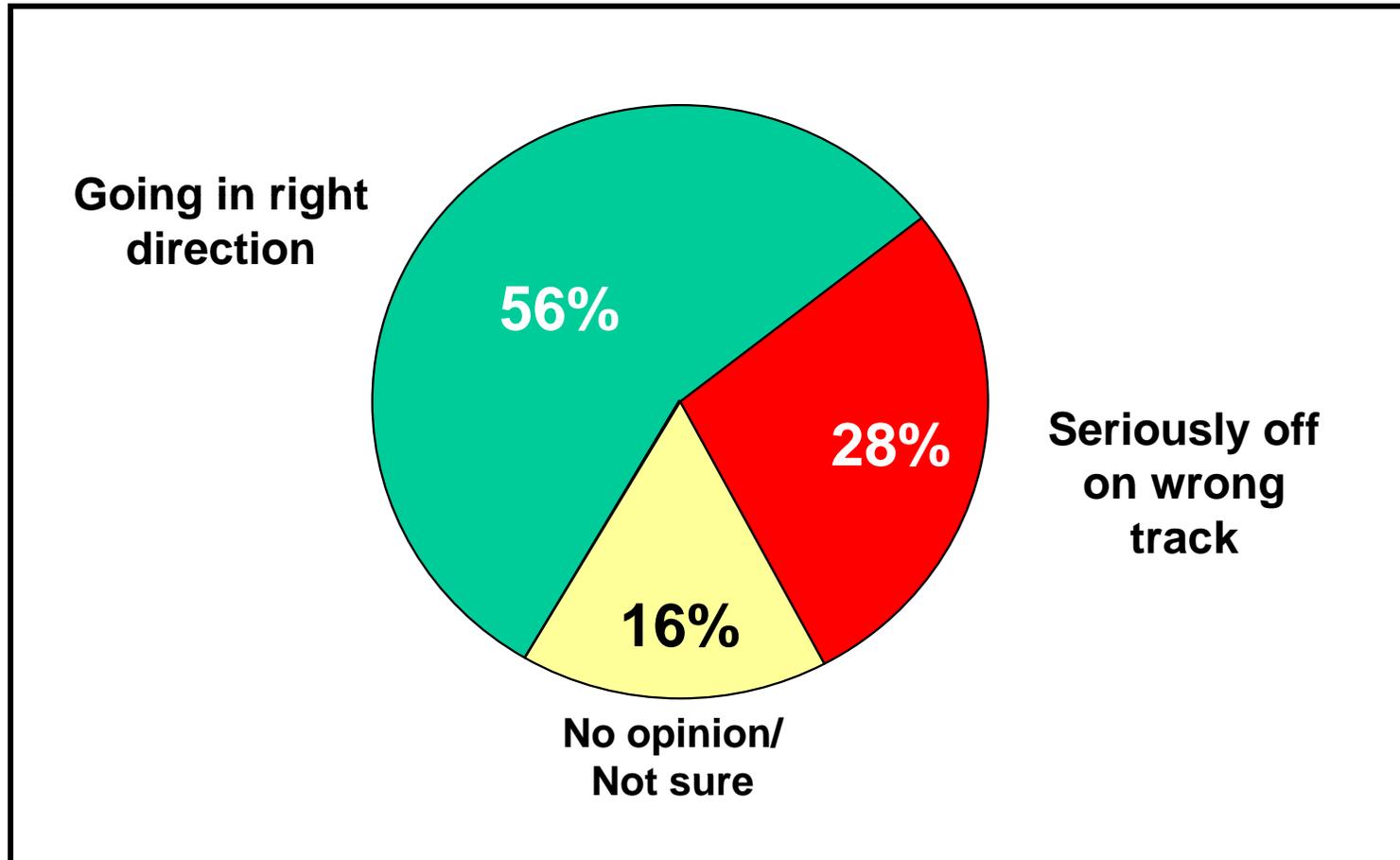
The recession of 2008 and 2009 may have hit Colorado more slowly at first, but it did hit Colorado, and Boulder as well. Fortunately, the City's recovery is well underway, as revenues continue their tick upwards, and unemployment continues to fall.

And in the City of Boulder today, by a two to one margin, voters feel things are going in the "Right Direction" (56%) versus the "Wrong Track" (28%). But things have to get a whole lot better in voters' minds before the numbers even approach precession levels of contentedness: back in December of 2006, the "Right Direction" number stood at 71%.

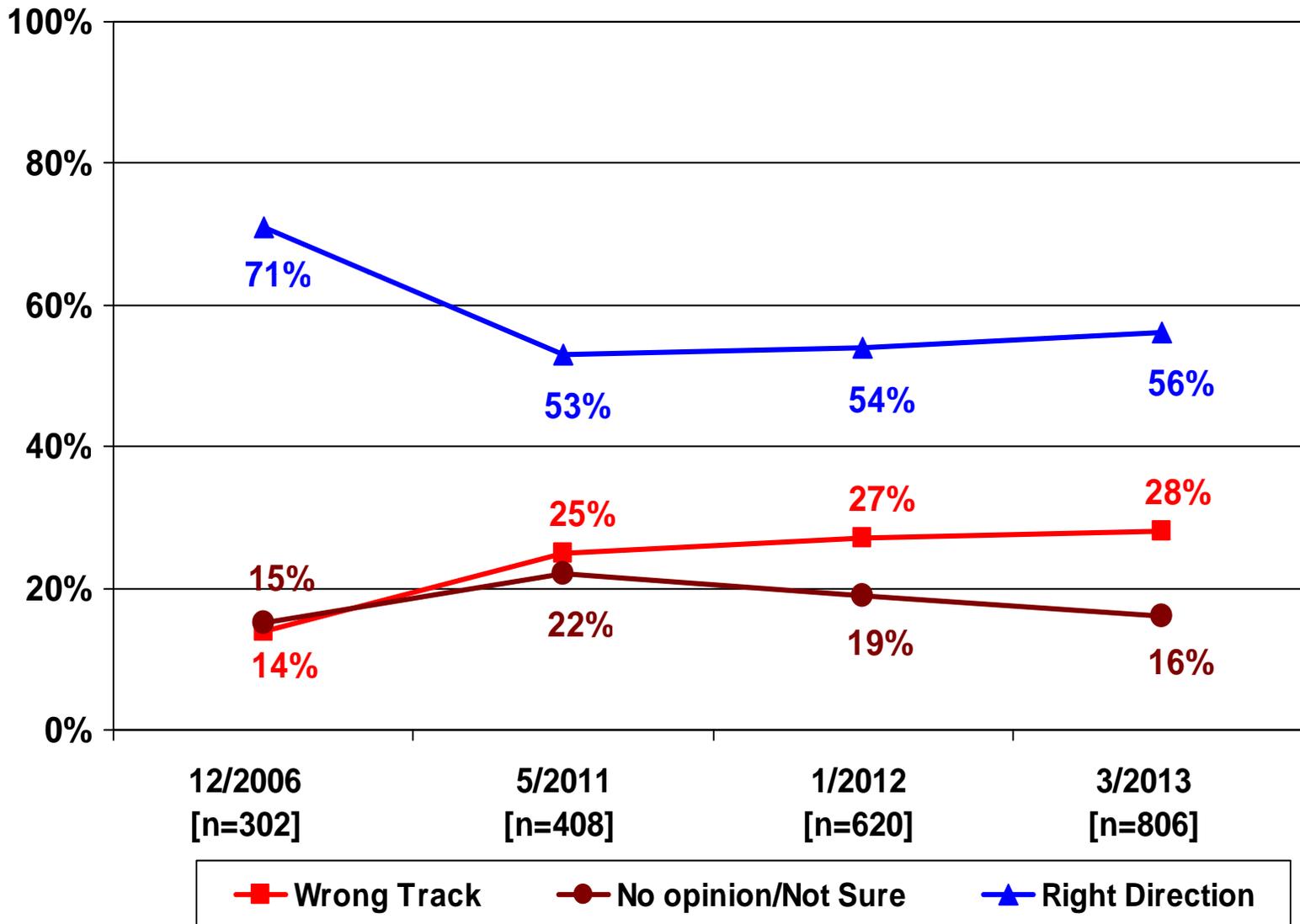


How are Things Going in the City of Boulder?

[n=806]



How are Things Going in the City of Boulder?



Climate and Overview *(cont.)*

As the City moves forward on a possible way to fund transportation projects and maintenance, it is important to understand both voter tax sensitivity, as well as which of three possible ways of raising revenues voters find least objectionable: a property or sales tax increase, or the imposition of a fee on your utility bill.

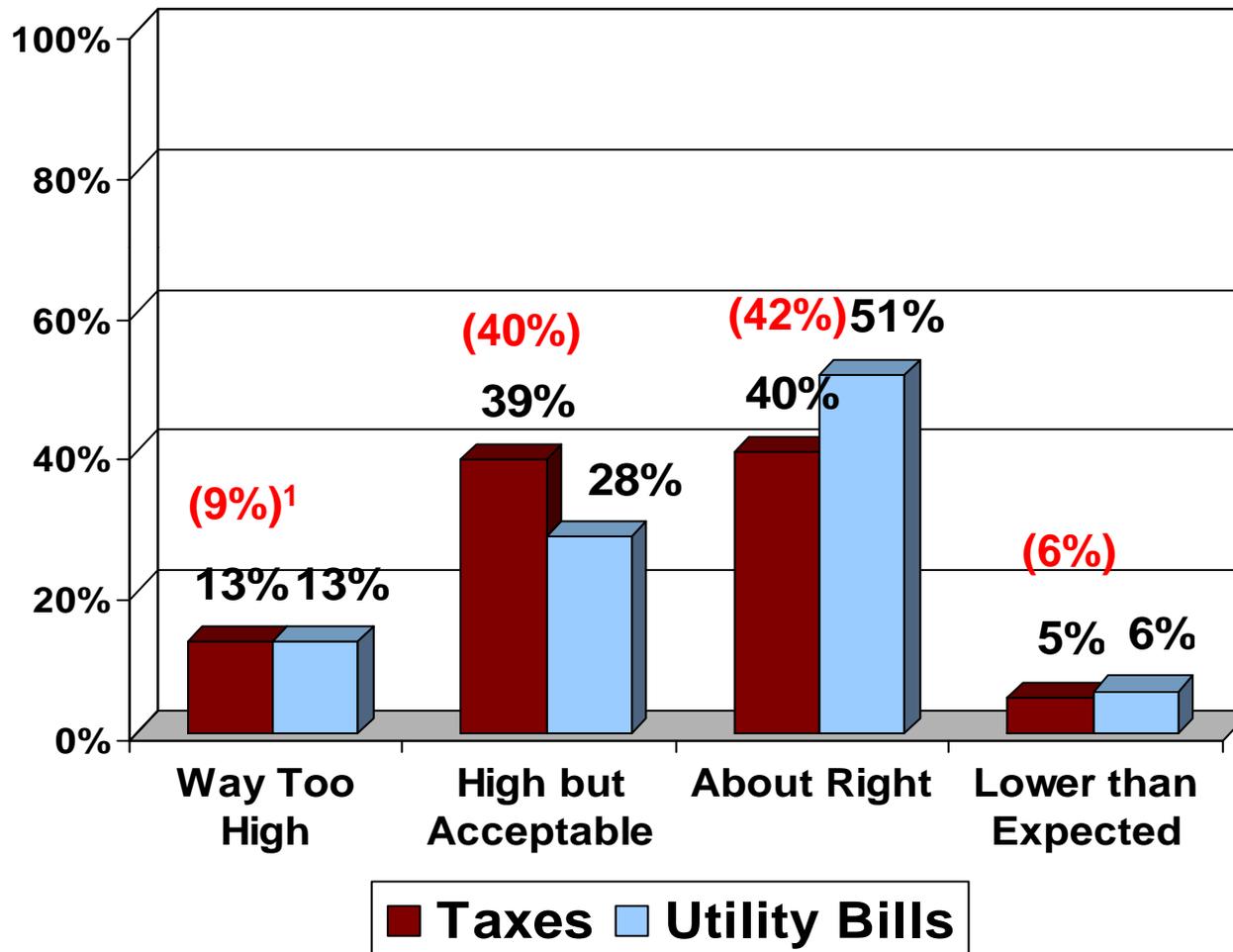
Tax sensitivity toward city taxes in general, and the city utility bill in particular, appears moderate, but voters clearly perceive their utility bill to be more reasonable than the total city sales, use and property taxes they pay, a not unexpected result.



17 **Perception of Taxes in the City of Boulder**

-City sales, use and property taxes vs. City utility bill-

[n=806 / n=705]



Climate and Overview *(cont.)*

When voters were asked which of three possible ways of raising revenues voters find least objectionable—a property or sales tax increase, or the imposition of a fee on your utility bill—they decisively opt for the sales tax. But when given information that everyone in the City, including the local, state and federal institutions located in the City that don't pay a sales tax, would have to pay a fee, opinions shift to favoring a fee, as it would spread out the cost and result in a lower fee for everyone.

It is also instructive to see how voters perceive the City in terms of good stewardship of their tax revenues. Voters were asked to rate the City's job performance on two specific fiscal-related issues:

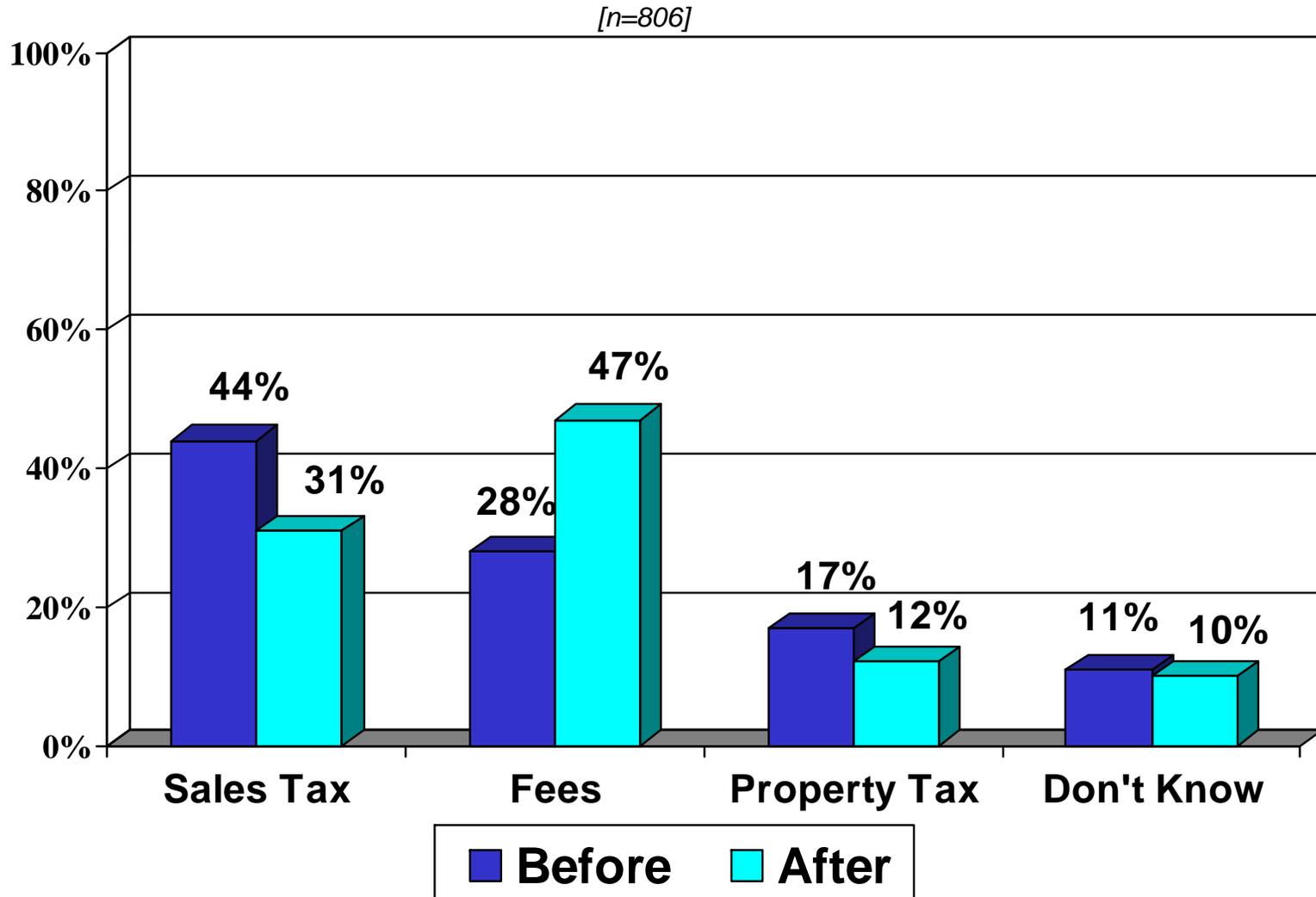
- *Spending your tax dollars wisely; and*
- *Informing the public about how the City uses their tax dollars*

The results of these two questions are slightly improved since first asked in mid 2011, but about the same as a year ago.



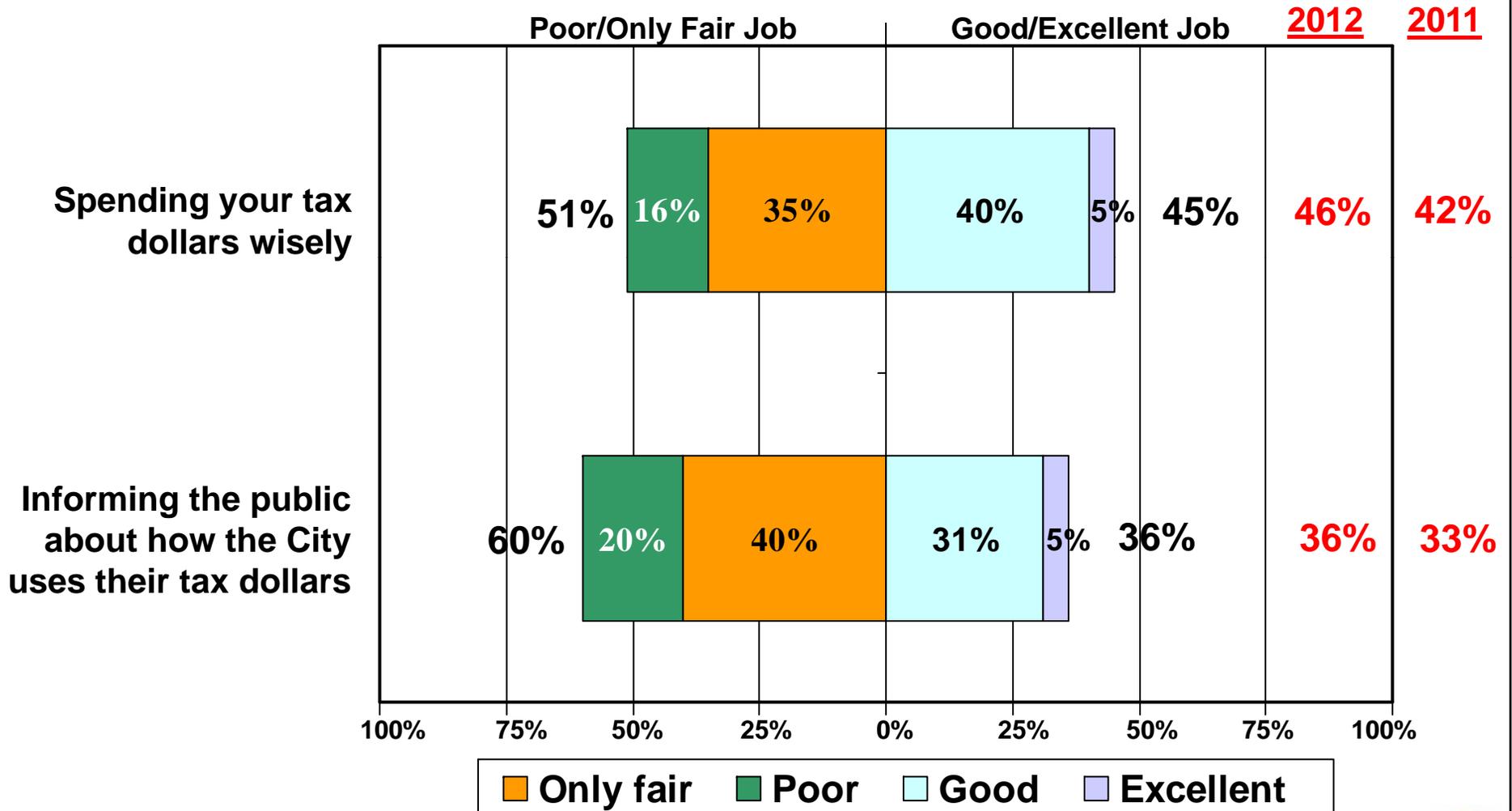
¹Which of the Three Types of Taxes is the Least Objectionable Way to Increase Revenue?

-Before and After Explanation of Fee v. Tax-



Rating The City On Tax-Related Issues

[n=806]

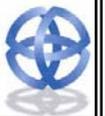


Q5a & b

Don't Know responses not charted



IV. THE VOTE ON TRANSPORTATION FUNDING PROPOSALS



Transportation Ballot Proposals

At the very beginning of the survey, likely voters in the City of Boulder were asked how they would vote on a proposal to fund transportation improvements in the City of Boulder. One-half the respondents received a proposal for a Transportation Maintenance Fee; one-half received a proposal for a sales tax increase. In each case, about 200 respondents were asked about a \$3.5 million dollar increase, and approximately 200 were asked about a \$5.5 million dollar increase.

The following pages contains the exact wording of the two ballot proposals that were tested.



Transportation Ballot Proposals *(cont.)*

“Shall the City of Boulder’s sales tax be increased by point [*Sample A read: “one five” / Sample B read: “two five”*] percent in order to provide a permanent source of reliable funding for street and bikeway maintenance and improvement throughout the city? A point [**one five / two five**] percent increase would increase the sales tax by [**one and a half / two and a half**] cents on a ten dollar purchase. This tax increase would raise about [**three and a half / five and a half**] million dollars annually to be used for funding transportation maintenance and improvement projects which may include, without limitation, the following: :

- *Resurfacing of streets to keep pavement in good repair*
- *Conducting routine maintenance such as snow plowing and repainting pavement markings*
- *Improving pedestrian and bicycle safety at high accident street intersections*
- *Replacing substandard bridges on the street and pathway system*
- *Maintaining public transit services at current levels*
- *Completing missing links in the City’s bike and pedestrian pathway system*
- *Supporting incremental expansion of the Eco Pass Program.*



Transportation Ballot Proposals *(cont.)*

“Shall the City of Boulder establish a new Transportation Maintenance Fee, in order to provide a permanent source of reliable funding for street and bikeway maintenance and improvement throughout the city? This fee, which would appear as a separate line item on all City water utility bills, would be an average of about **[three/seven]** dollars a month per residential household, and on commercial buildings, the fee could be on average, **[15 / 23]** dollars per month per employer, depending on number of vehicle trips they produce. This fee would raise about **[3 1/2/5 1/2]** million dollars annually to be used for funding transportation maintenance and improvement projects which may include, without limitation, the following:

- *Resurfacing of streets to keep pavement in good repair*
- *Conducting routine maintenance such as snow plowing and repainting pavement markings*
- *Improving pedestrian and bicycle safety at high accident street intersections*
- *Replacing substandard bridges on the street and pathway system*
- *Maintaining public transit services at current levels*
- *Completing missing links in the City’s bike and pedestrian pathway system*
- *Supporting incremental expansion of the Eco Pass Program.*

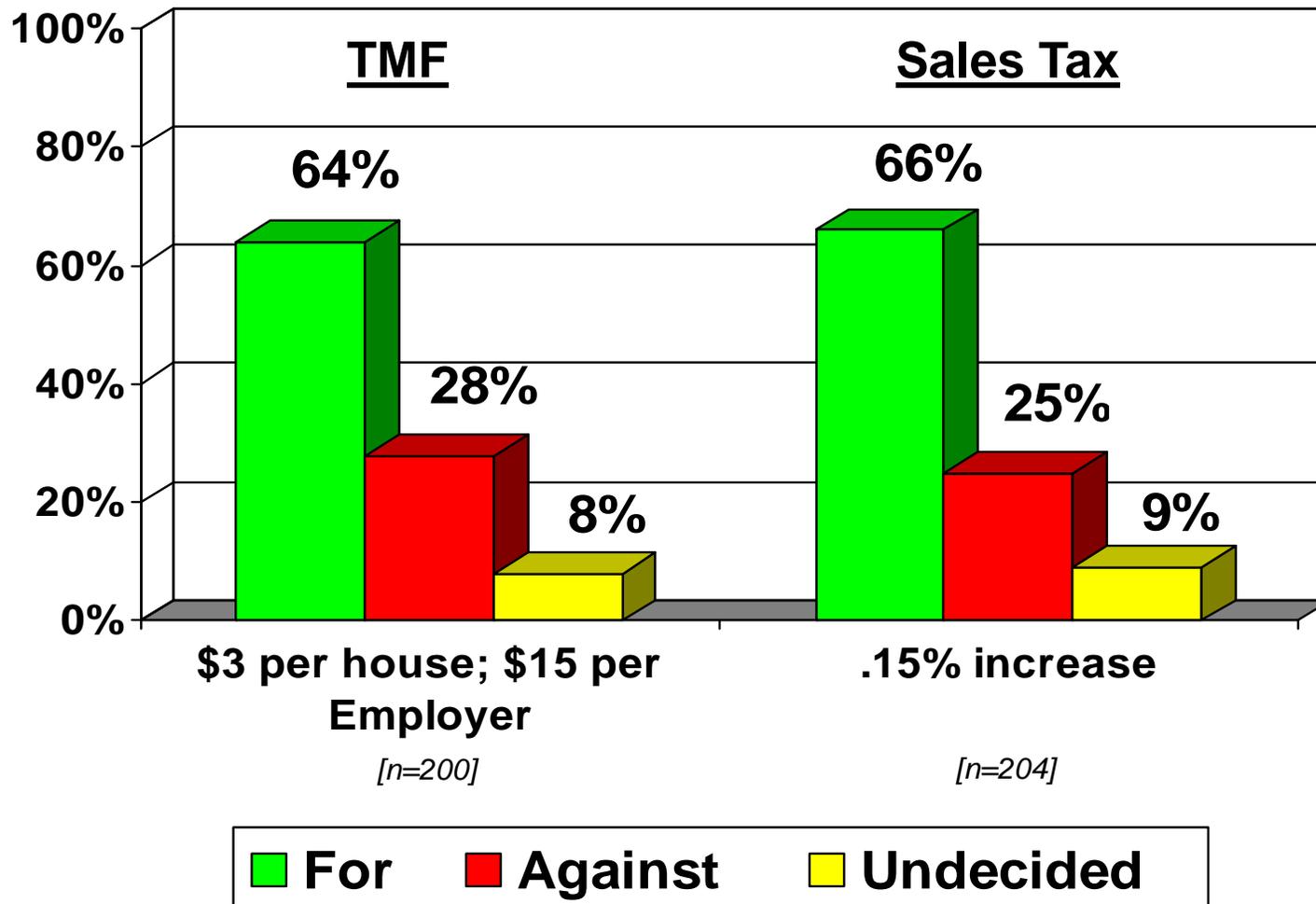


Transportation Ballot Proposals *(cont.)*

If an election were held today, the proposed sales tax initiative would very likely pass. The TMF proposal, while not as strong, would have a reasonable chance of passing as well, absent organized opposition and a Camera editorial position against the initiative. Both proposals meet the general rule of thumb with tax initiatives that to have a good chance of passage, they must start with support over 60% in pre-election polling. While the support for the TMF is just 60%, one must factor in that the venue is the City of Boulder, and Boulder has a strong history of passing, without significant organized opposition, taxes increases to fund adequately the services it provides its residents.

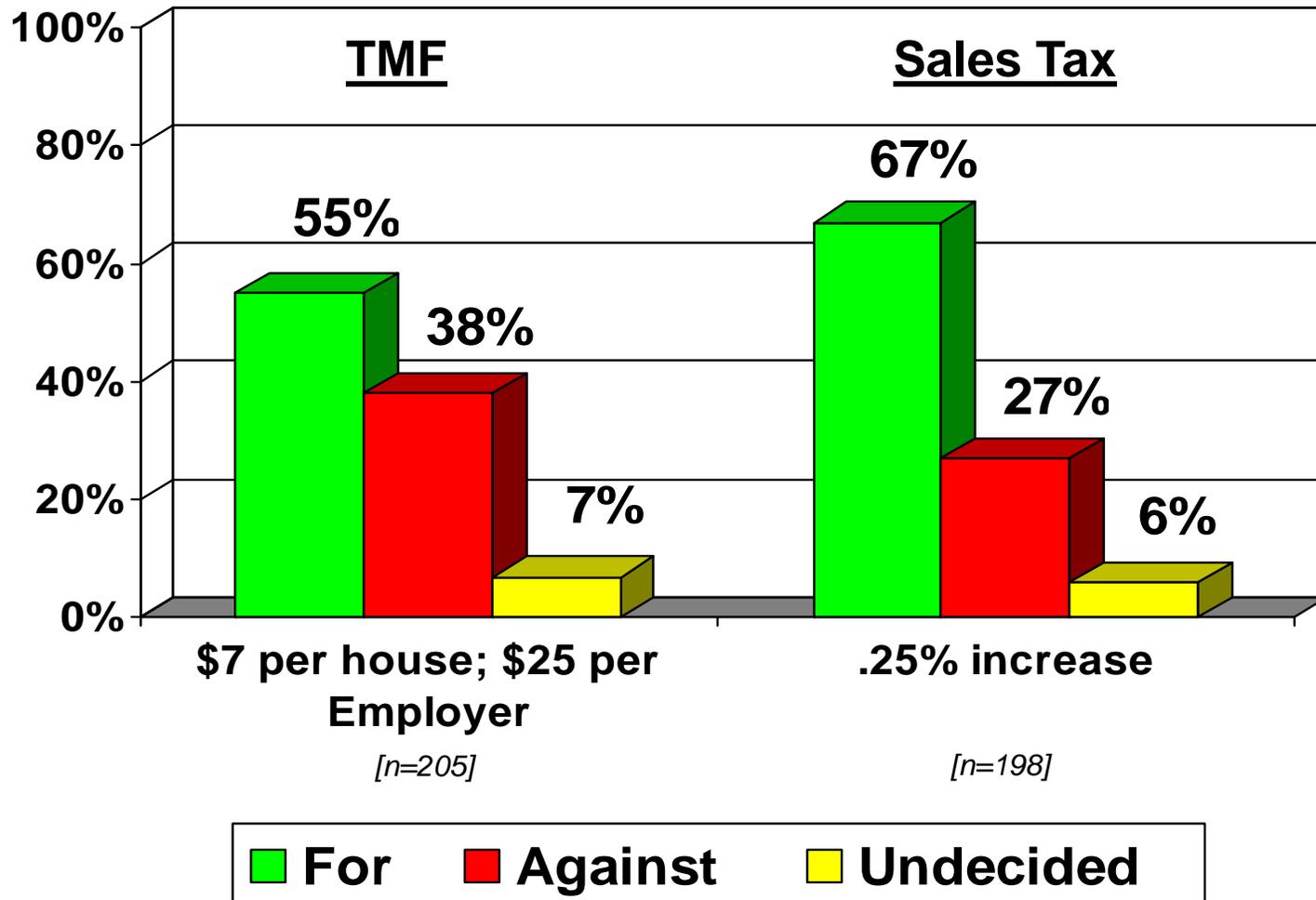


Results of Two Low Dollar Versions of the Ballot Proposals to Fund Transportation



27

Results of Two High Dollar Versions of the Ballot Proposals to Fund Transportation



Transportation Ballot Proposals *(cont.)*

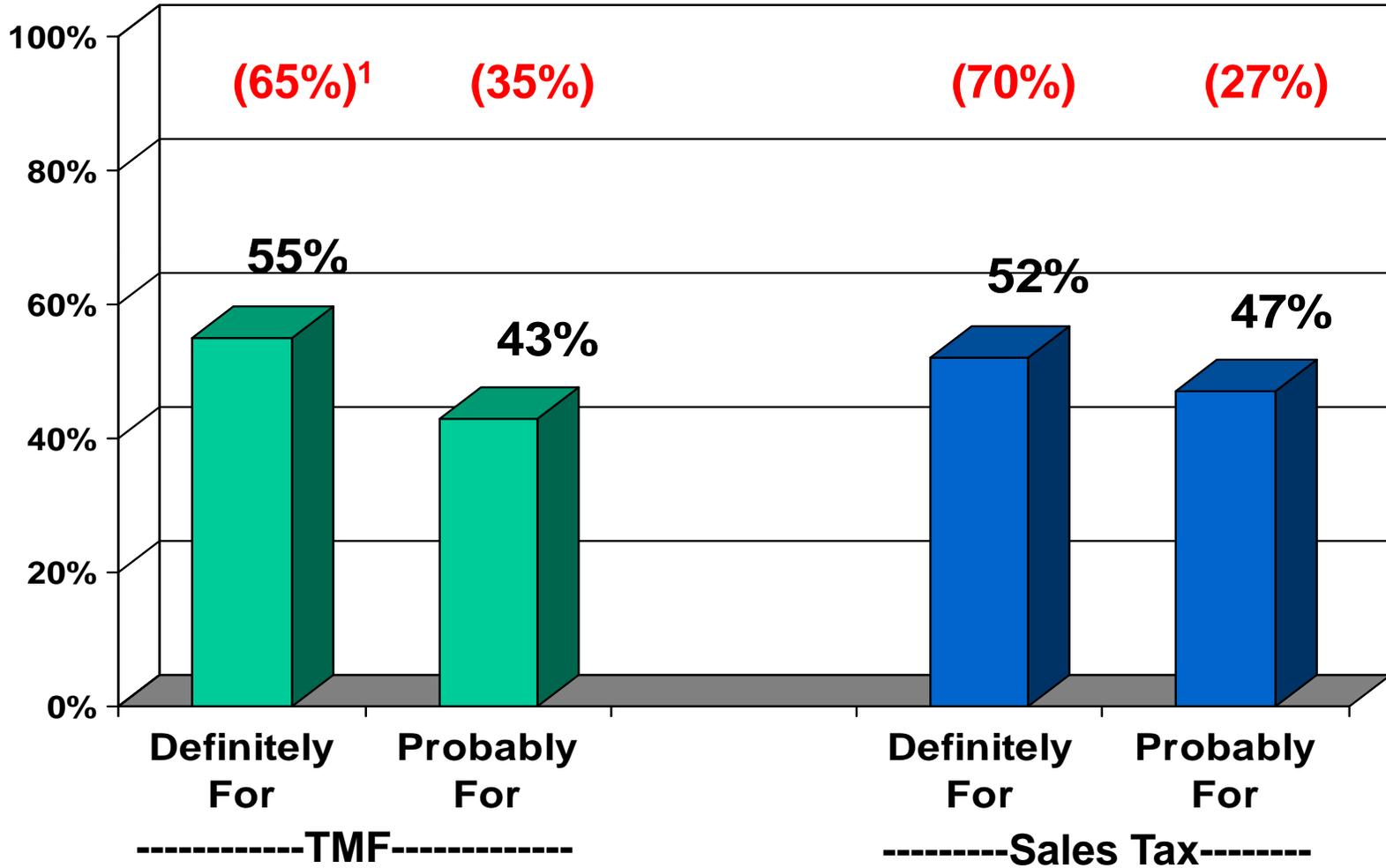
The Achilles heel of both proposals, if there is one, is that the strength of support is relatively weak, while the strength of the opposition to the initiatives is very strong. This is a significant factor should there be a well-funded and organized opposition to a transportation funding initiative, as weak support is more likely to peel off. But again, if past history is a reliable predictor of future behavior, organized opposition to such a proposal is unlikely to arise.

It should also be noted that the undecided's, while small in number, do break in favor of the proposals: in the case of a sales tax increase, by a greater than 5 to 1 margin; and in the case of the TMF, by greater than 2 to 1. However, the sample size of the undecided's is very small, plus one should never count on fence-sitters to ultimately vote in favor of a proposal on election day, if they vote at all on such initiatives.



Strength of Support For \$3.5 Million Level

[TMF n=128 ; Sales Tax n=135]

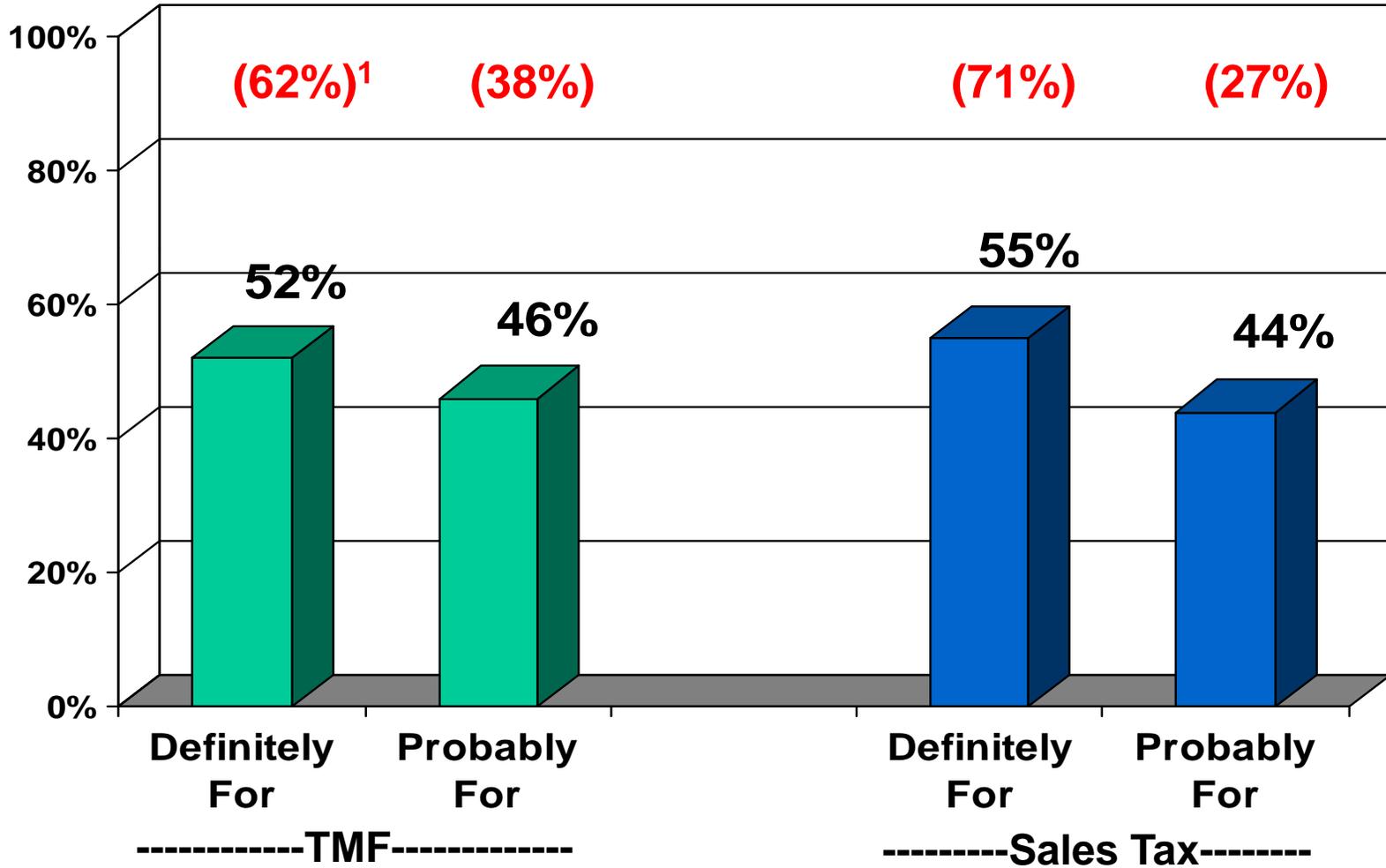


¹Number in parentheses are for Definitely and Probably **AGAINST**



Strength of Support For \$5.5 Million Level

[TMF n=114 ; Sales Tax n=133]



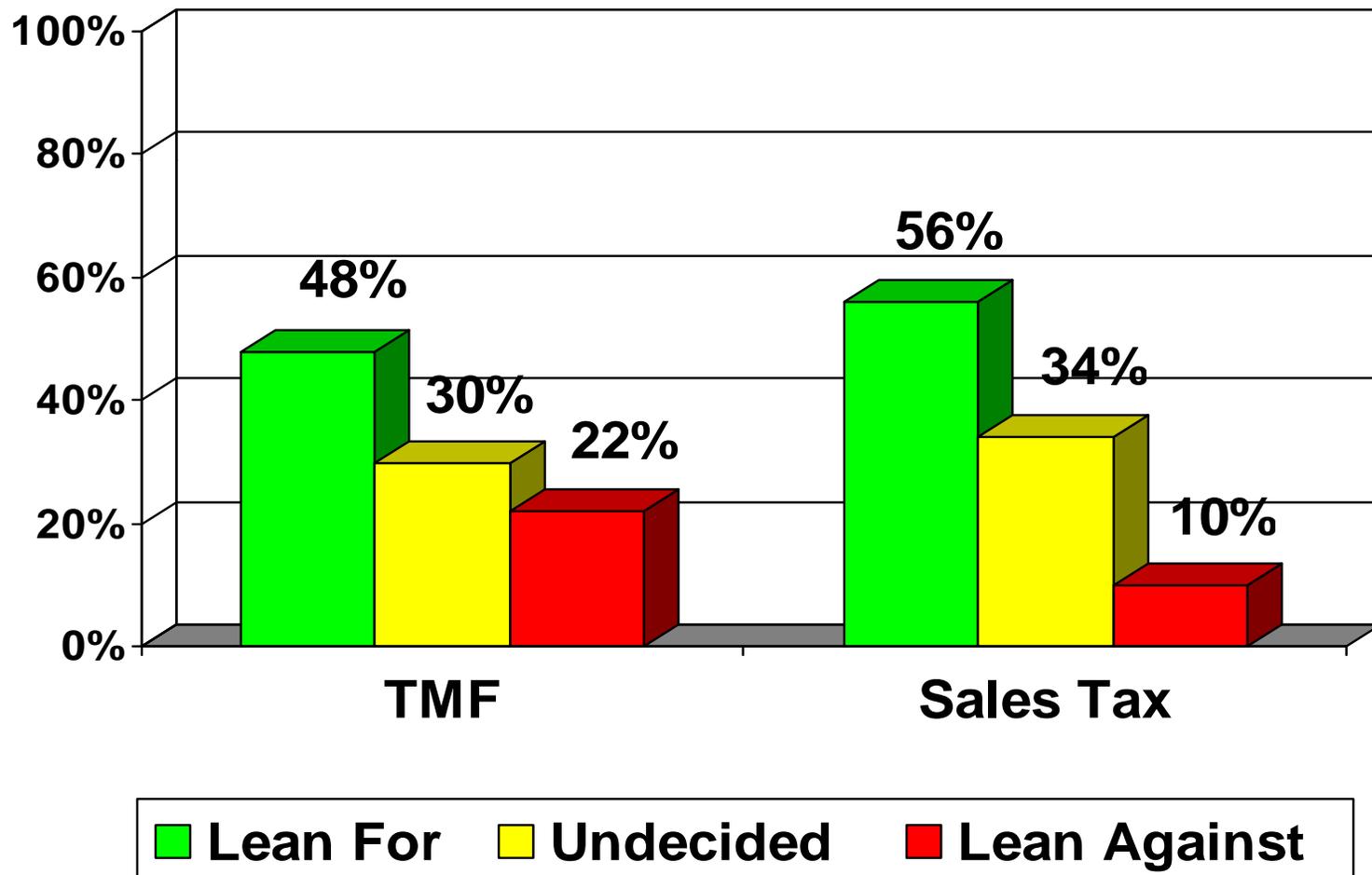
¹Number in parentheses are for Definitely and Probably **AGAINST**



Breakout of How Undecided's Lean On the Transportation Funding Proposals

- Results shown are combined totals for both versions -

[TMF n=32 ; Sales Tax n=30]



Transportation Ballot Proposals *(cont.)*

The demographic crosstabs of a survey are often extremely helpful in predicting whether a proposal will pass or fail, by illuminating what voter segments are supporting or opposing the measure. And of course, the demographic breakouts are essential to targeting one's message to the appropriate demographic. In the present case, there is surprisingly little to be gleaned from an examination of the crosstabs. But below are a few nuggets, as the charts on the following pages will illustrate:

- *Not surprisingly, Republicans are equally more likely to oppose either form of funding, while Democratic support for both is high. Unaffiliated's disproportionately support the sales tax option;*
- *While females are often times more supportive of tax increases than are males, in the present case, both genders feel equally about each one, giving more support to the sales tax, versus the TMF option.*



Transportation Ballot Proposals *(cont.)*

- *The only group to support the TMF over the sales tax option are those making less than \$20,000 per year—most likely because they are renters and are more likely to not directly pay a water bill on which the TMF fee would appear;*
- *Voters with incomes from \$20,000 to \$80,000 disproportionately favor the sales tax versus the TMF option; and*
- *Younger voters, though not students in particular, are equally more likely support either form of funding, while Seniors are the age group least likely to support either form of funding;*
- *Renters and those with cell phones are more likely to support both initiatives, while homeowners and those called on land lines are slightly less likely to support the initiatives.*

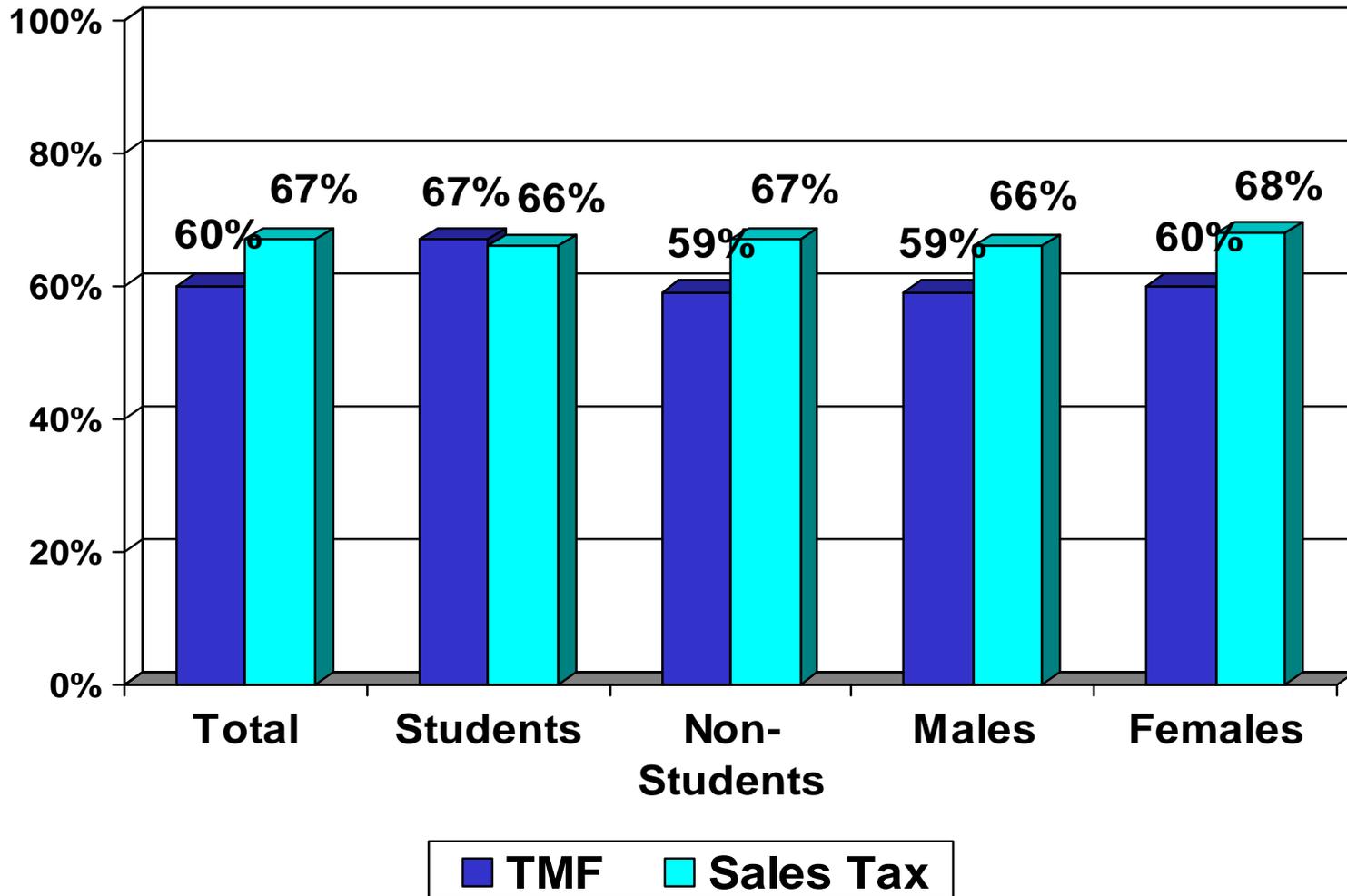
Finally, an election held in 3013 will be an off-year election, with lower voter turnout than in general election years.

Voters identified as the most likely to vote favor the sales tax option over the TMF fee by a margin of 66% to 55%.



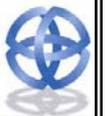
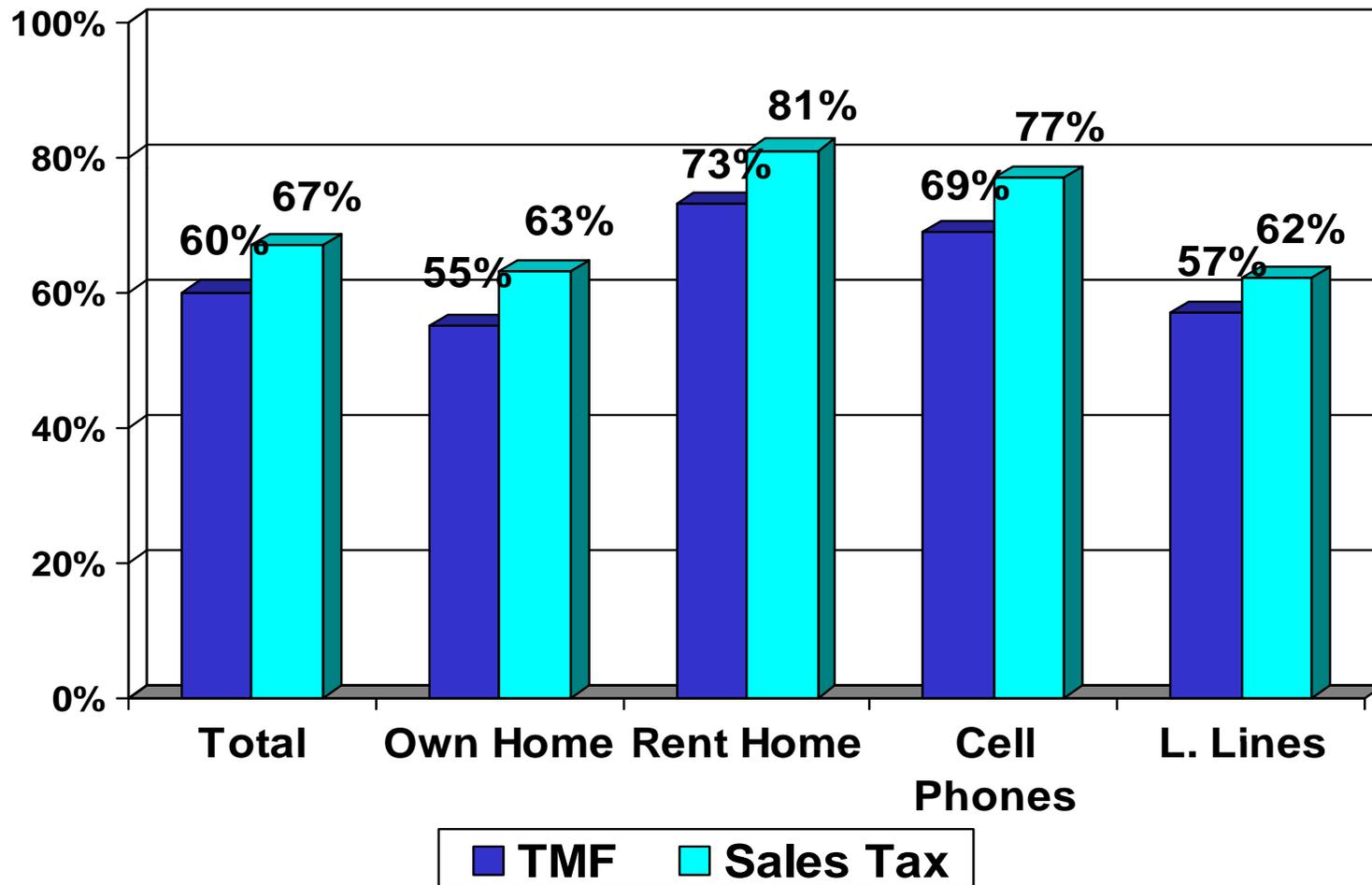
Results of the Ballot Proposals By: Student Status and Gender

- Results shown are the "In Favor" responses -



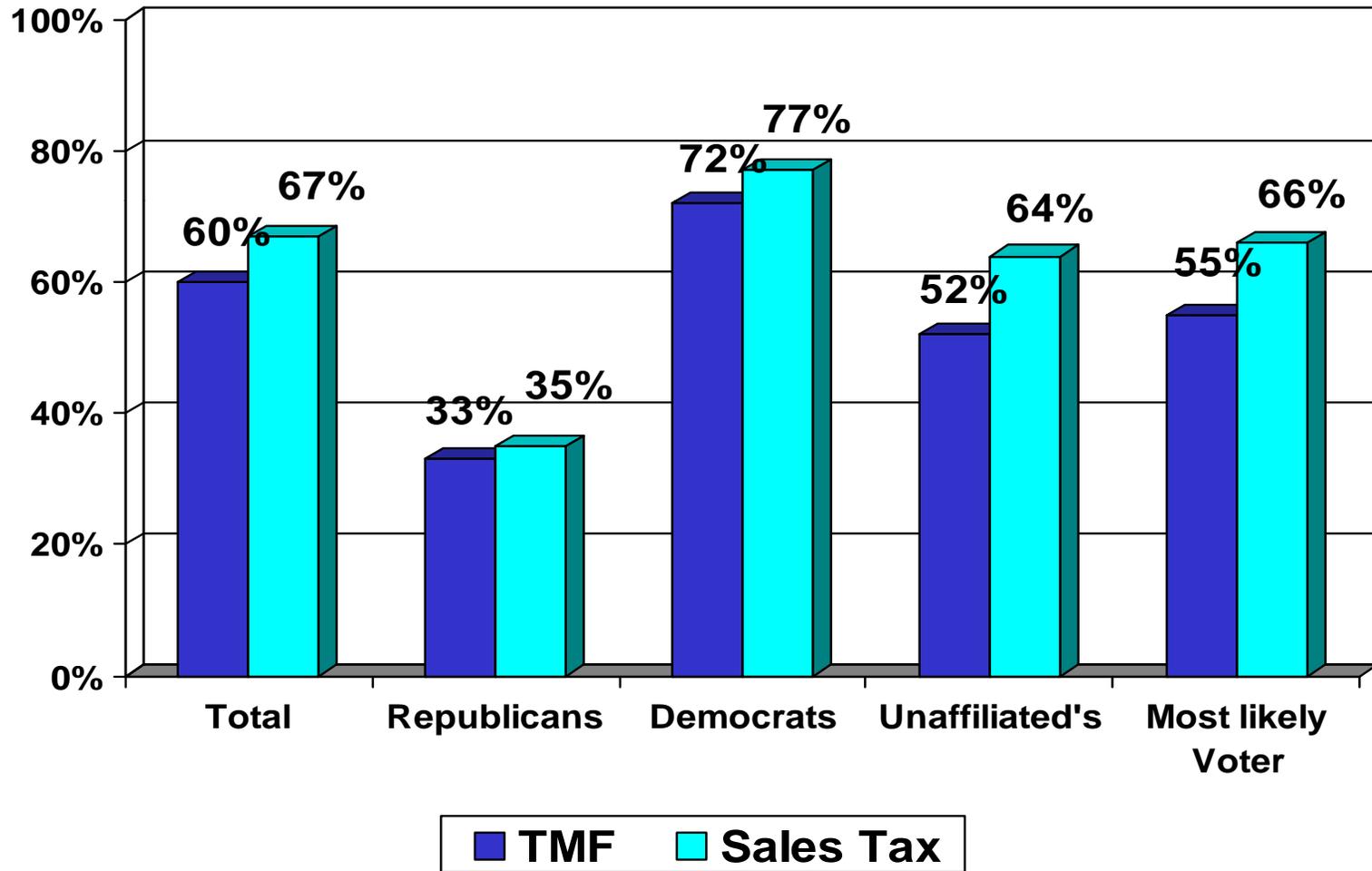
Results of the Ballot Proposals By: Home Ownership and Most Likely Voters

- Results shown are the "In Favor" responses -



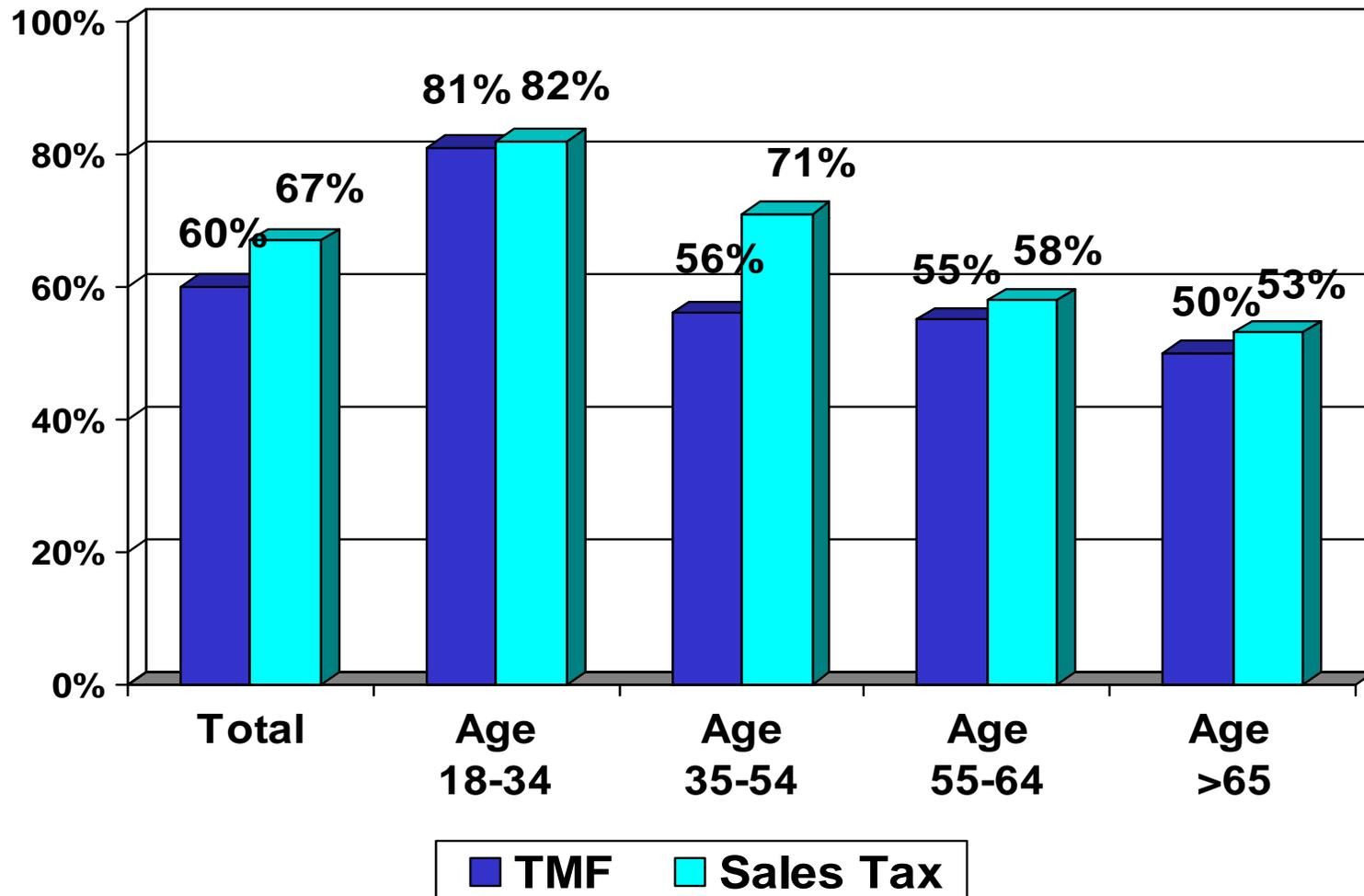
Results of the Ballot Proposals By: Political Party

- Results shown are the "In Favor" responses -



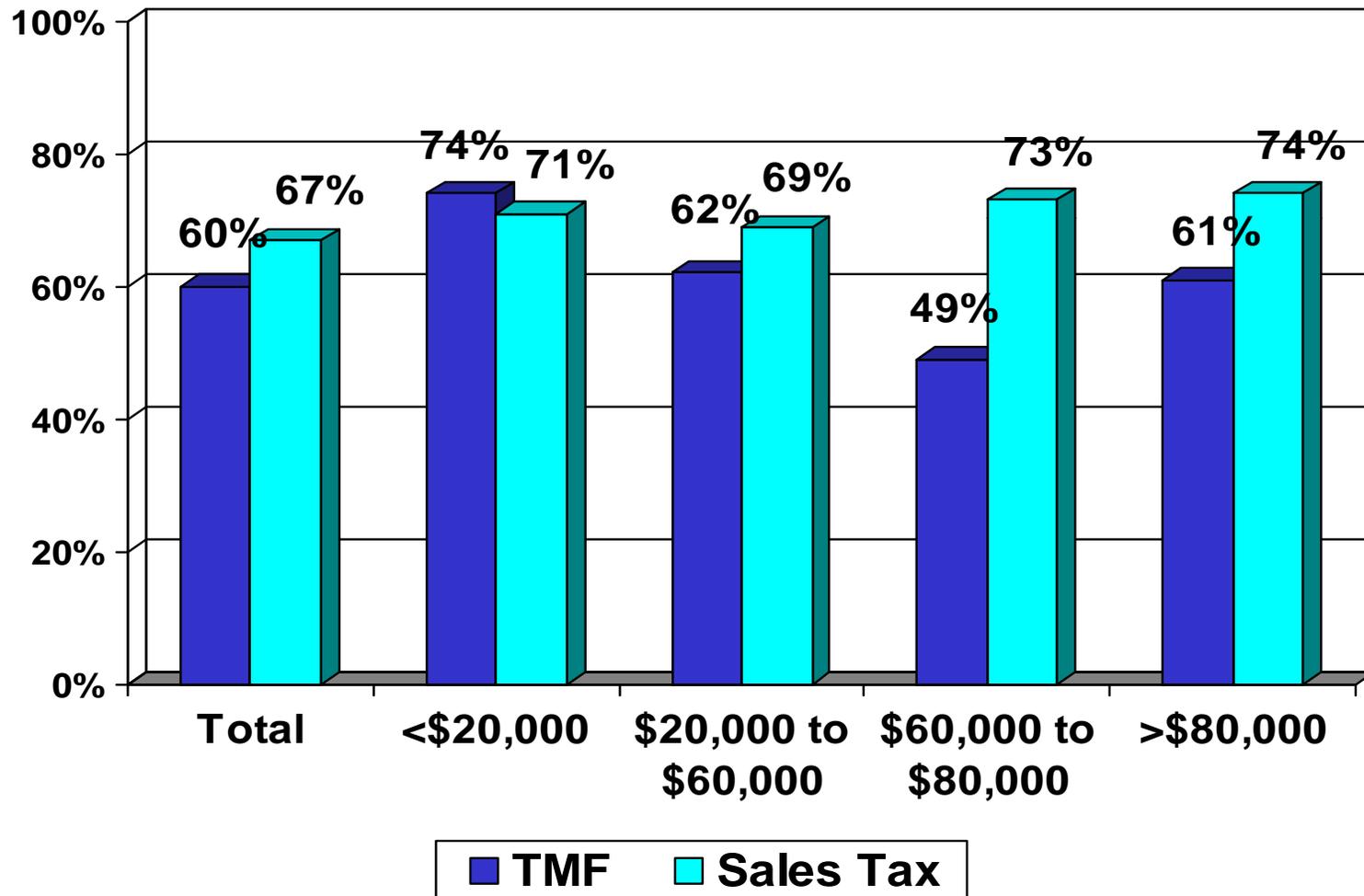
Results of the Ballot Proposals By: Age

- Results shown are the "In Favor" responses -

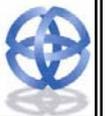


Results of the Ballot Proposals By: Income

- Results shown are the "In Favor" responses -



V. PRIORITIZING CITY PROJECTS



Prioritizing the Transportation Projects

In order to discern which projects are more important to the electorate in general, voters were read a list of nine different transportation areas on which money raised by the proposed initiatives might be spent, and were asked how important it was to fund each one sooner rather than wait until later. This exercise is important in order to identify which projects the city might want to highlight in its ballot wording, should it decide to move forward.

According to voters, of the nine transportation areas identified as possible targets for funding proceeds, two stand out as most in need of immediate attention, with the remaining seven garnering support levels below 60%. The clear leader among the top nine is to “Maintain public transit services at their current levels.”



⁴¹ **Prioritizing the Transportation Projects** *(cont.)*

In order to keep down both the length of the survey and costs of the 2013 survey, rating the importance of non-transportation related projects was not included in the 2013 study. However, the importance levels of 18 non-transportation projects were tested in the 2012 Capital Bonds Survey, and those specific projects appear in “red” lettering in the pages that follow.

Lesser rated transportation projects, tested in the 2012 survey but not re-tested the 2013 study, appear in “green” lettering.

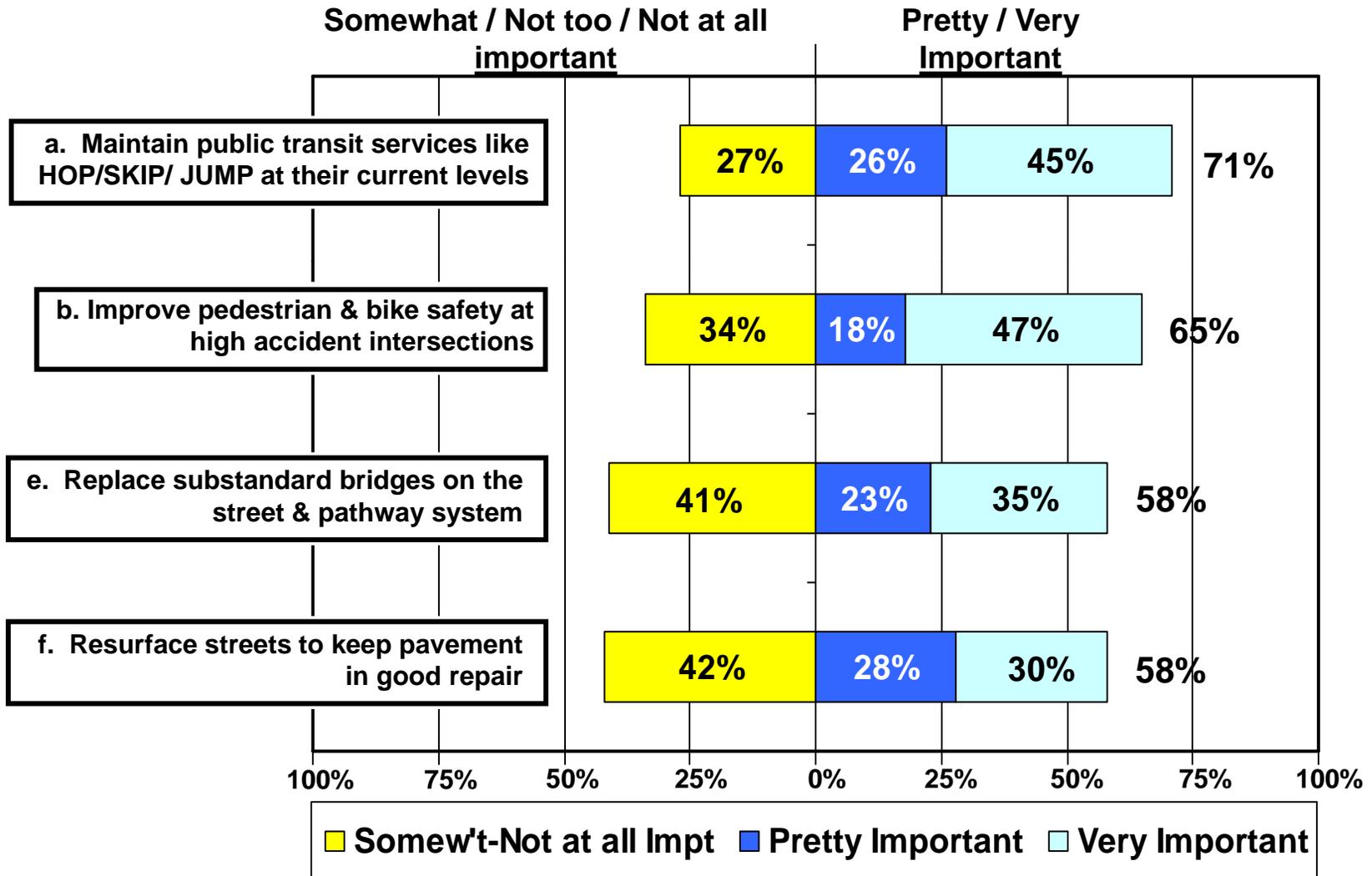
Any project tested in the present, 2013 study, appear in “black” lettering.

It should be noted that all nine of the transportation projects tested in 2013 attain higher importance ratings than any of the 18 non-transportation projects tested in the 2012 study.



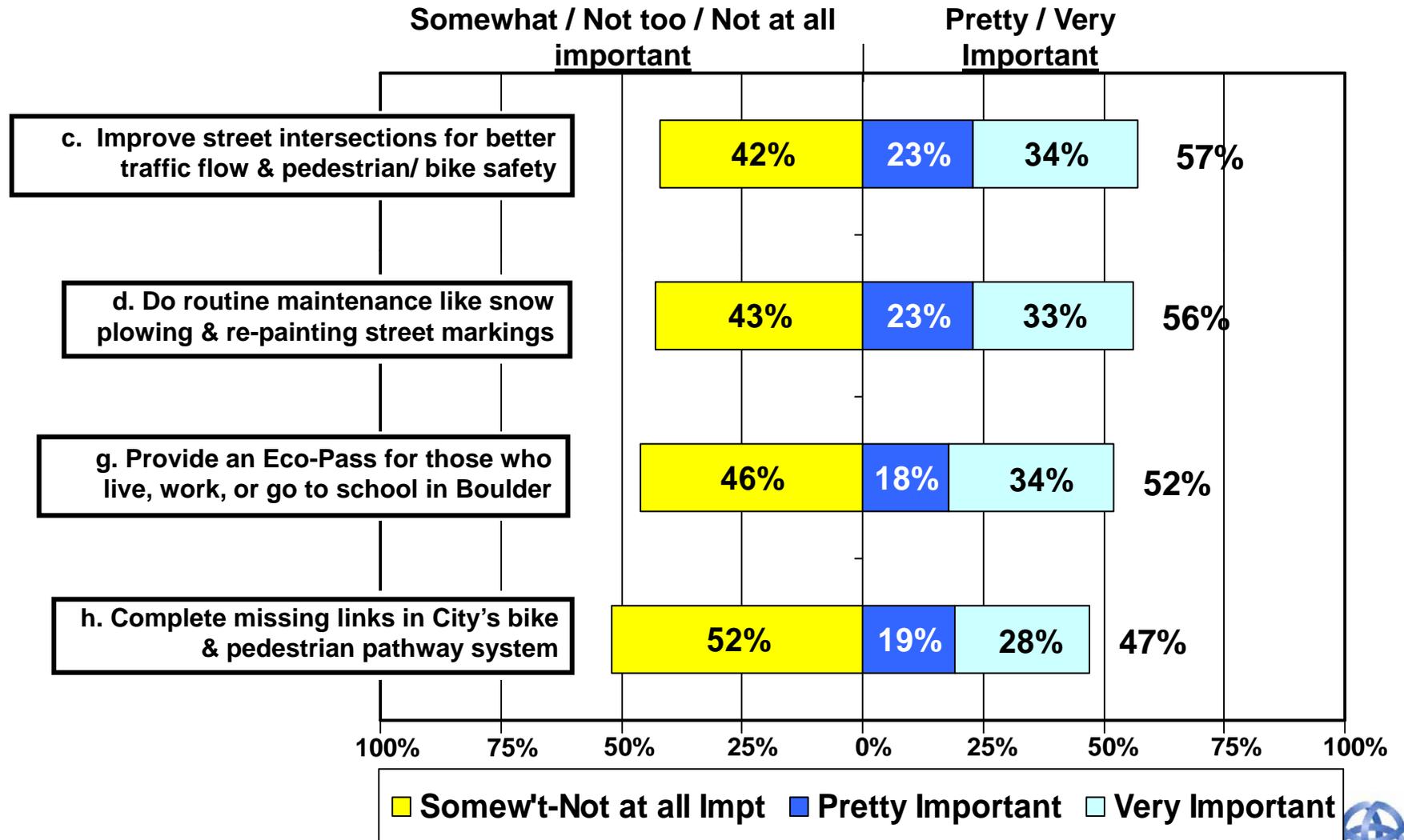
42 **Top 4 Projects to Fund Sooner Than Later**

[n=806]



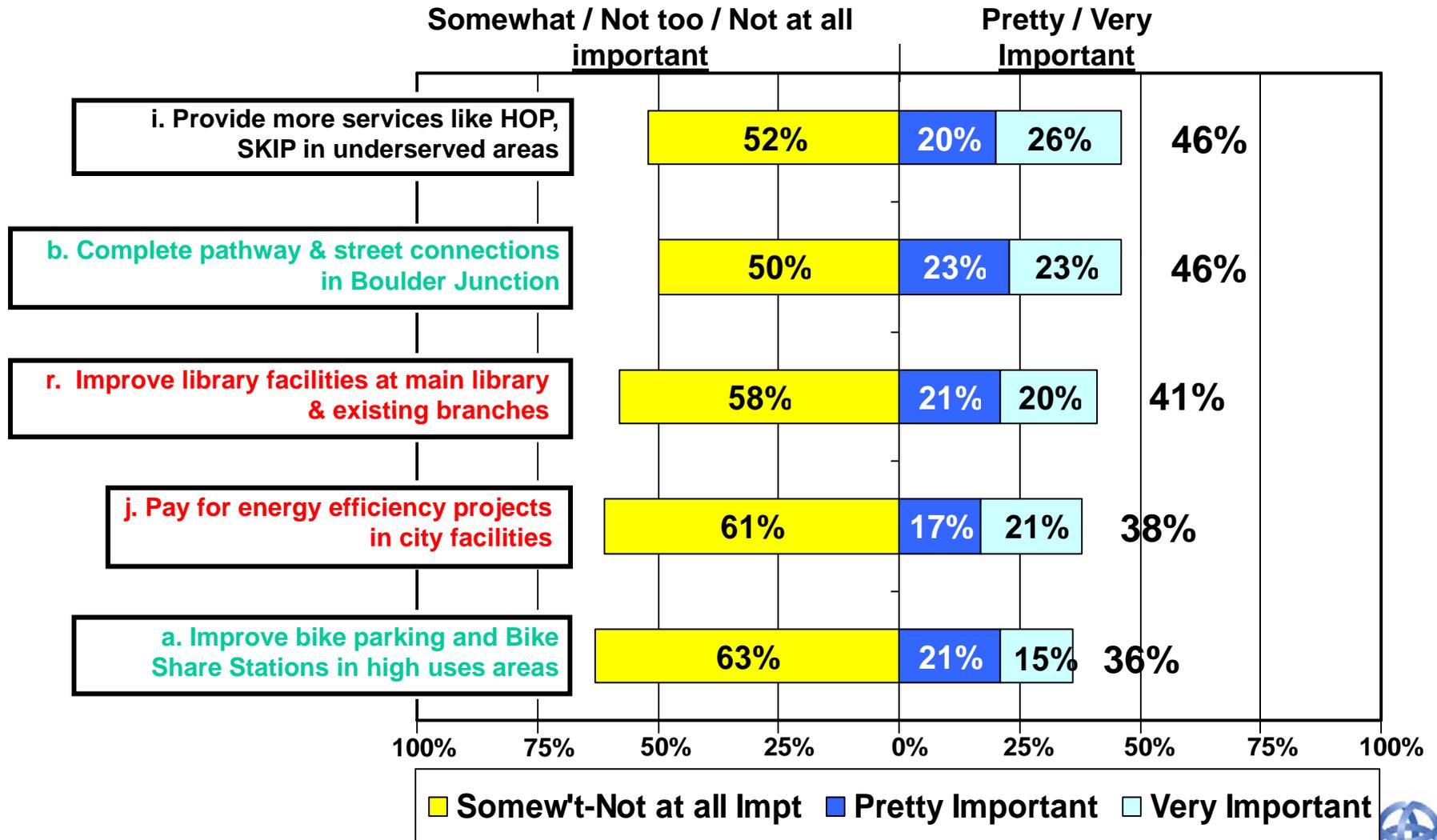
43 Top 5-8 Projects to Fund Sooner Than Later

[n=806]



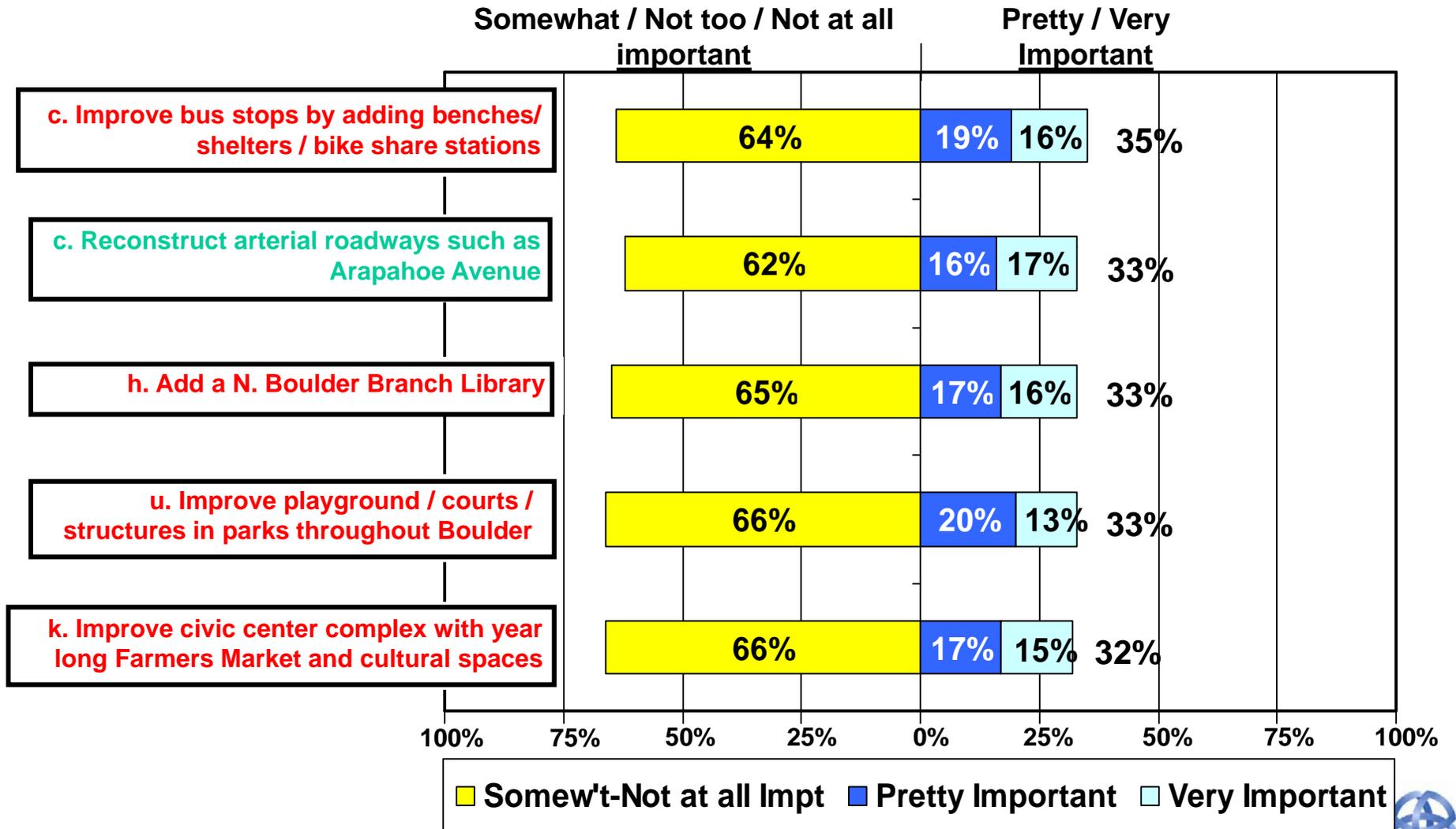
44 Top 9-13 Projects to Fund Sooner Than Later

[Black n=806; Red n is approx. 206]



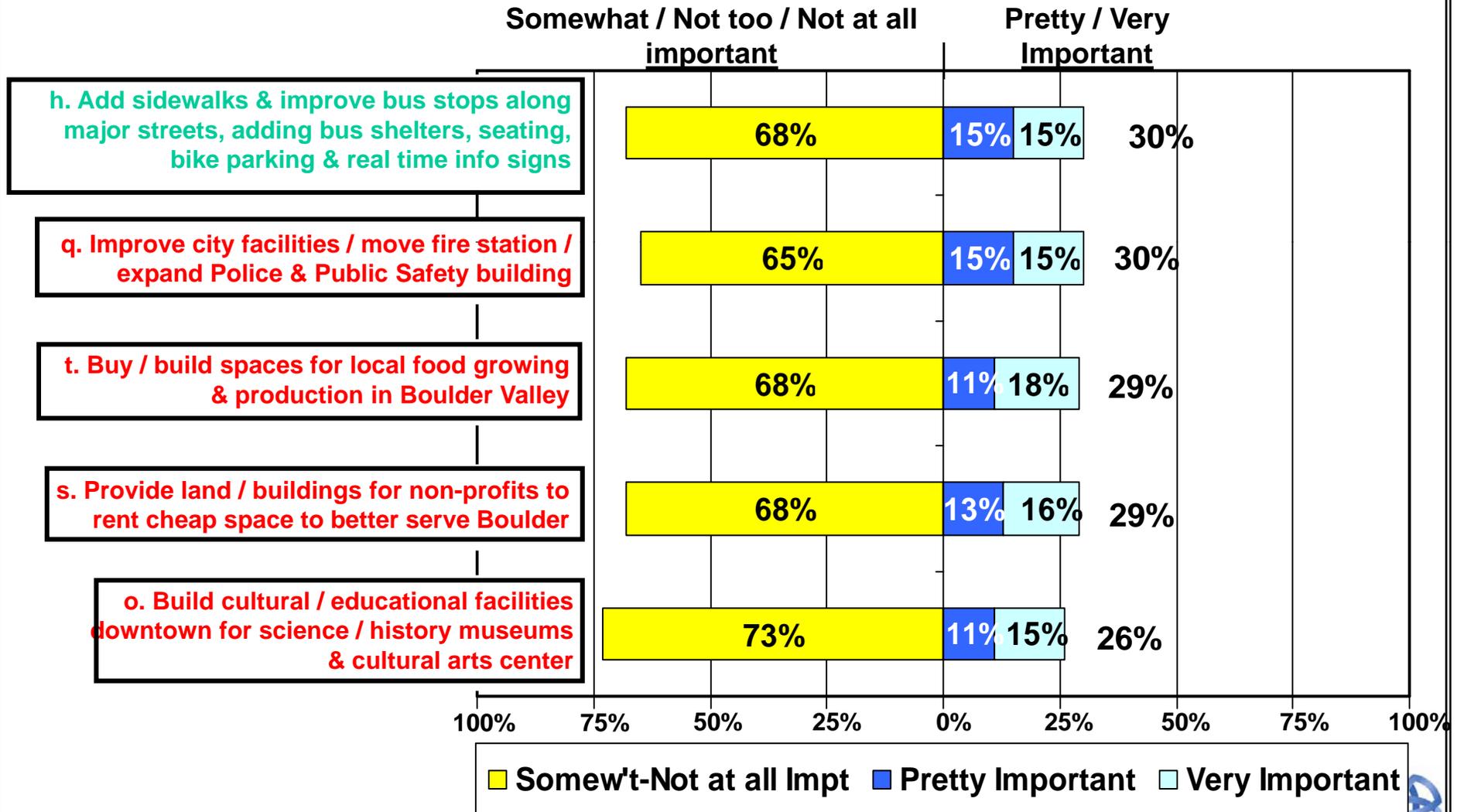
Top 14-18 Projects to Fund Sooner Than Later

[Green n=620; Red n is approx. 206]



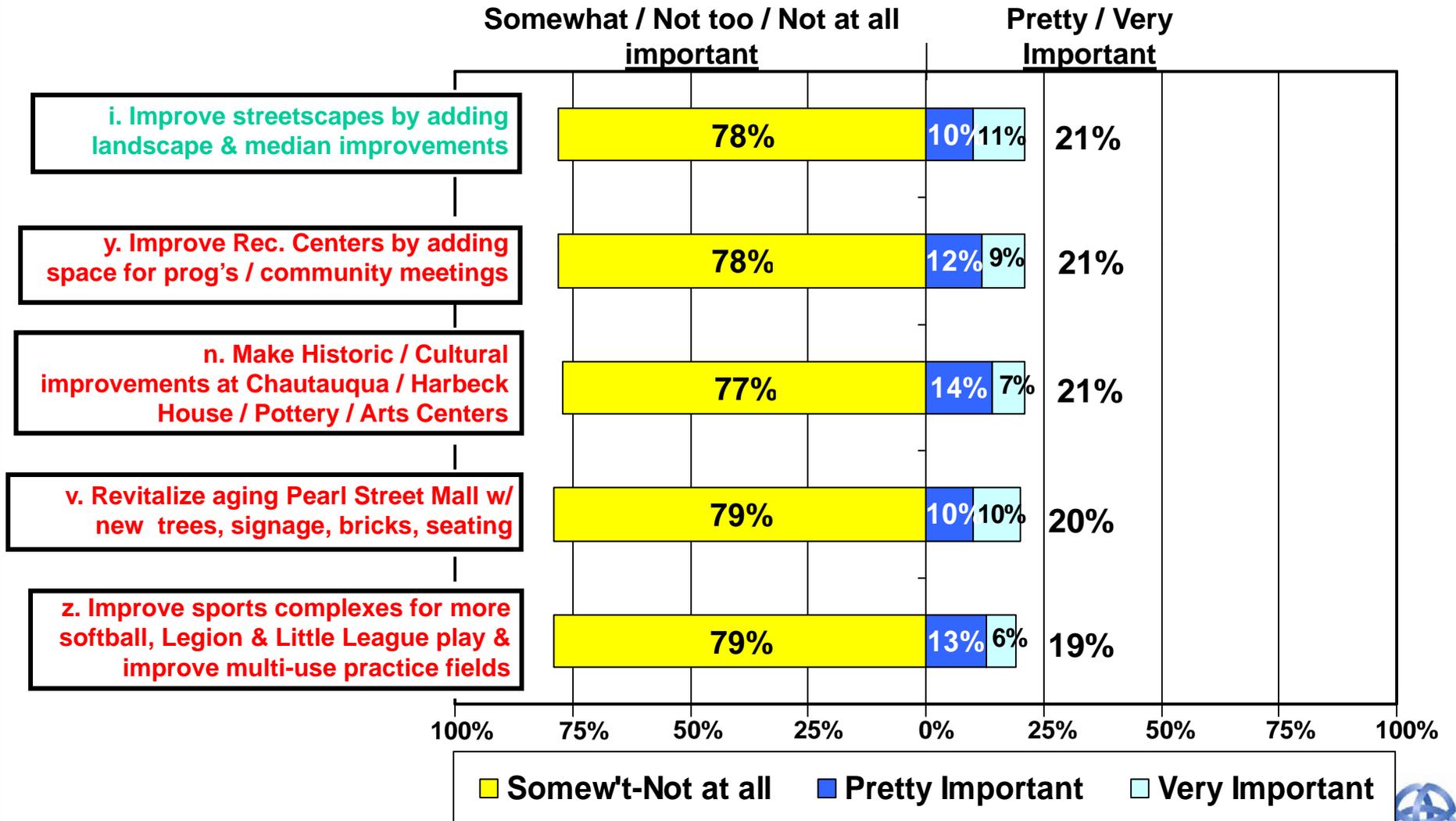
Top 19-23 Projects to Fund Sooner Than Later

[Green n=620; Red n is approx. 206]



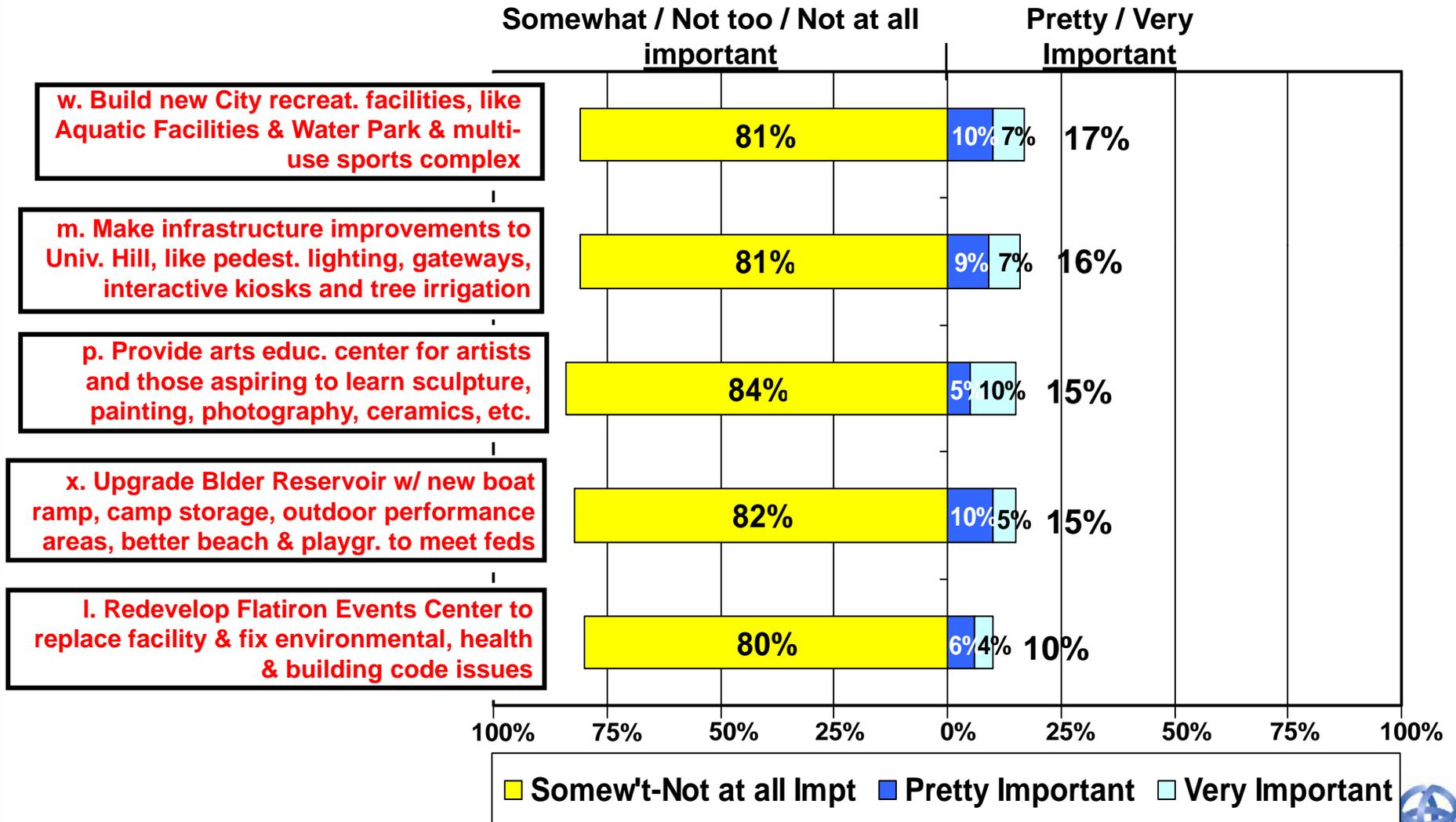
17 Top 24-28 Projects to Fund Sooner Than Later

[For each project, n is approx. 206]

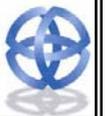


4^o Bottom 5 Projects to Fund Sooner Than Later

[For each project, n is approx. 206]



VI. FOLLOW-UP VOTE ON TRANSPORTATION FUNDING PROPOSALS



The Follow-Up Vote on Capital Bonds

In order to see if voter attitudes change as a result of being given more information about the transportation funding proposals, at the end of the interview voters are again asked how they would vote on the initiatives. A shift in the vote towards more voting in favor would mean that voters liked what they heard in the list of possible projects to be funded by the new initiatives, and that the more people know about the proposed initiative, the more likely they would be to support it. If the vote in support drops, then voters clearly heard something that makes them less likely to support the initiatives.

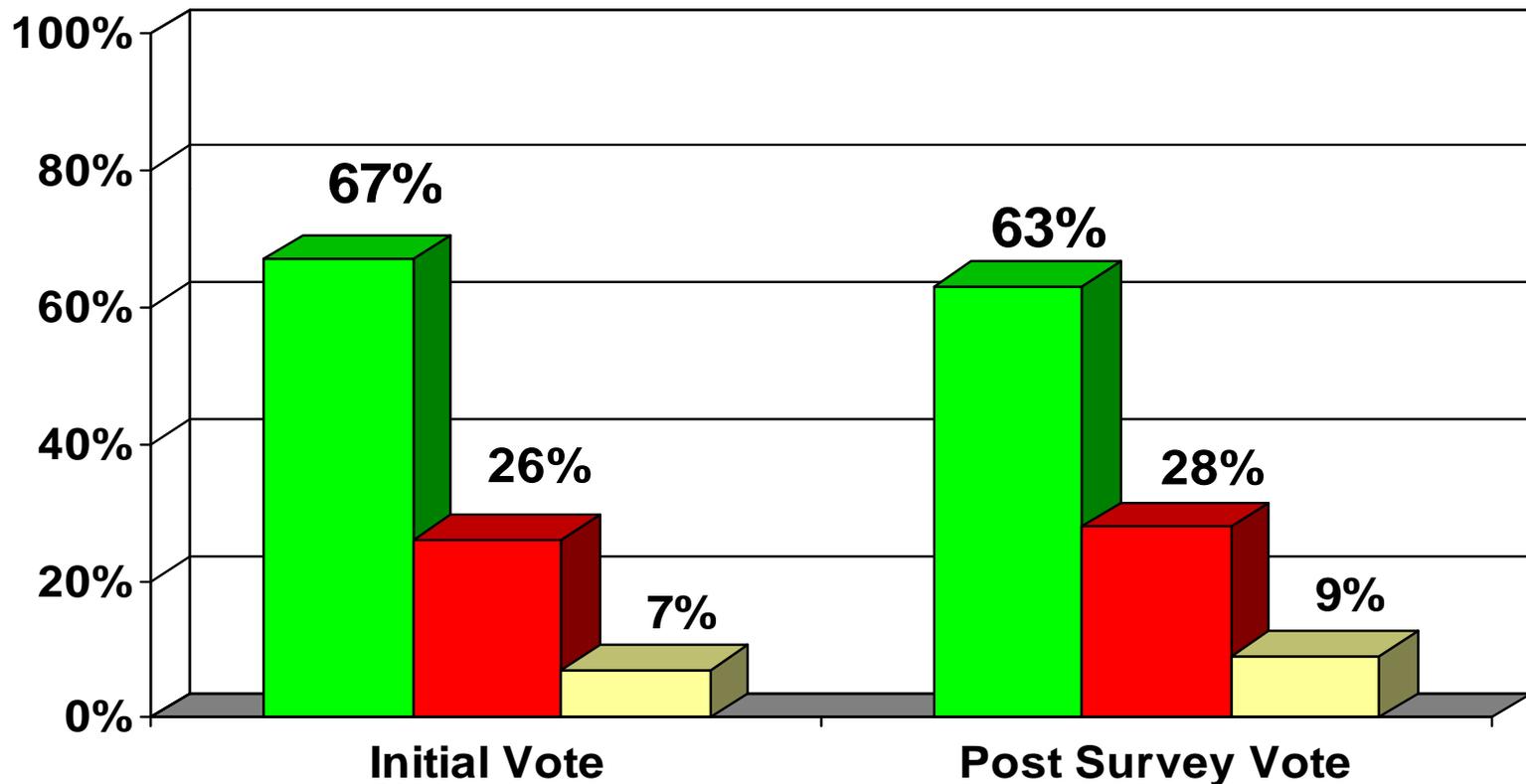
When the re-vote is taken, overall support for the Sales Tax option drops, while for the TMF it remains pretty much the same. Support for both levels of the Sales Tax option dropped, as did support on the higher level of the TMF option. Support for the lower level of the TMF remained pretty much the same.



Results of Before and After Votes on Sales Tax Proposal

- Results for the combined higher and lower levels -

[n=402]



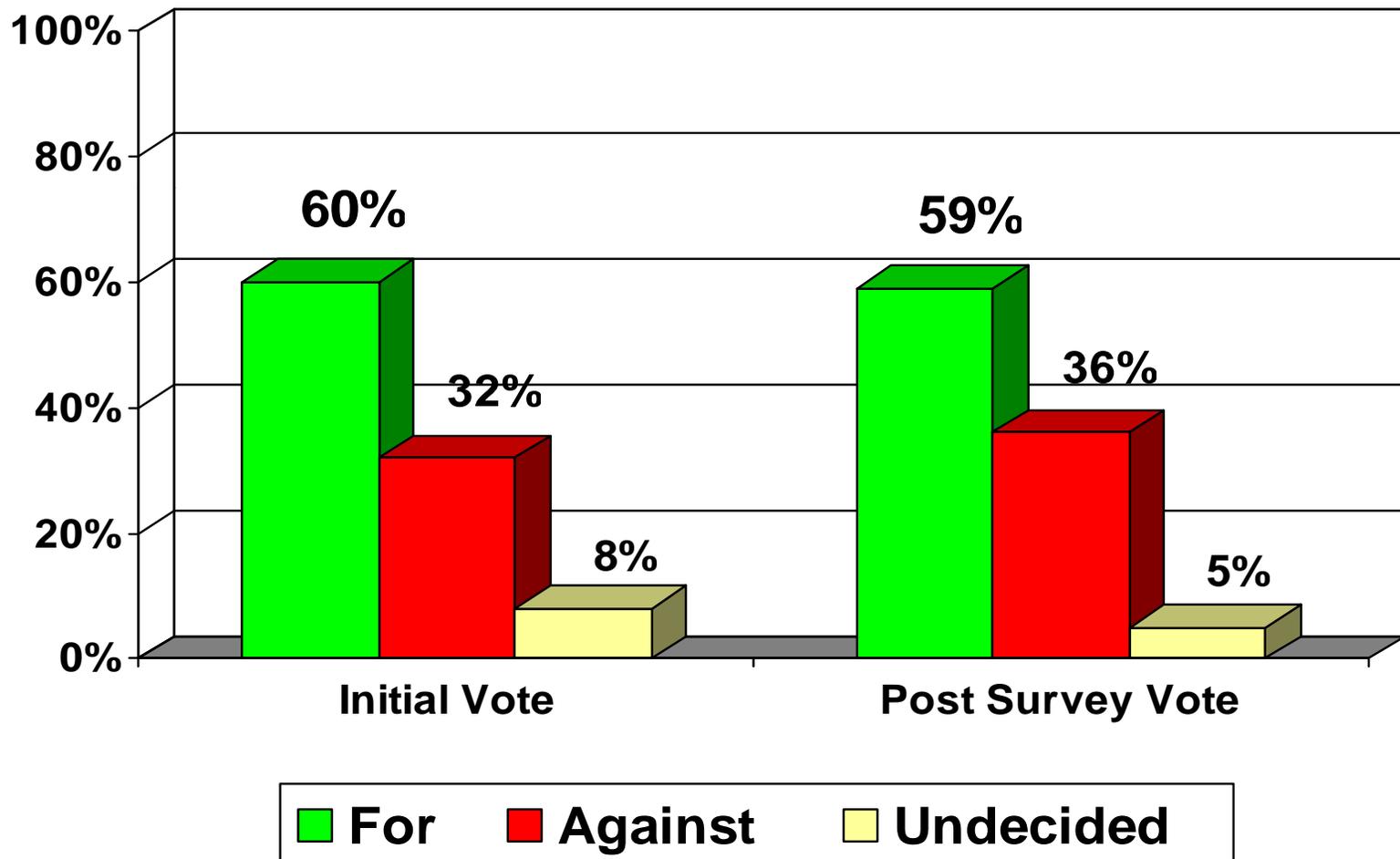
For **Against** **Undecided**



Results of Before and After Votes on Transportation Maint. Fee Proposal

- Results for the combined higher and lower levels of TMF-

[n=405]



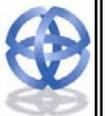
The Follow-Up Vote on Capital Bonds *(cont.)*

So what's happened to cause support to drop? After first being asked how they would vote on a transportation funding options, voters were then read a list of nine transportation project needs. It is possible that after hearing the entire list, voters did not find the necessity of the initiatives quite as compelling.

That said, the drop is not significant for either option, and still leaves even the less supported TMF initiative with a good chance of passing, should there be no well-funded organized opposition, and should the Camera, at the very least, take a neutral editorial position on the initiative.

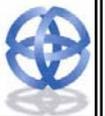


VII. SUMMARY & FINAL THOUGHTS



Summary & Recommendations

If the election were held today on a proposed sales tax increase, or a new TMF, to fund on going transportation needs, the chance of passage is good, particularly for the sales tax option. Two things keep the TMF initiative from getting a green, as opposed to a yellow, light. First, it has a lower level of support, just touching the 60% mark. And second, people have a greater aversion to raising property taxes and fees, than they have towards increasing the sales tax. And while it's true, as demonstrated in the survey, that if the nuance of how a fee can result in a lower out-of-pocket expense for the average taxpayer than with a tax increase, it is much tougher for the City to make that case to the general electorate than it is to get it across in a market research poll.



Summary & Recommendations *(cont.)*

It is always instructive to understand how voters rank the various projects the City is considering funding. Of course, voters often don't understand factors—such as the additional costs of deferring maintenance, or the availability of federal or state funds which may disappear if not used—that drive the City's own priority order of particular projects. But the City should pay heed to how voters rate the projects. At the very least, should a funding initiative go before the voters, it would be prudent to put at the top of a list of projects identified in ballot language, those projects voters rank the highest.



End

