1. Is there any research that shows a relationship between higher room tax rates and potential visitors choosing to stay in a different area?

The evidence of price elasticity for leisure travel is straightforward.

All leisure travel is by its very nature discretionary. Consumers vote for lower costs by adjusting their destination. This is based upon the foundational economic theory of elastic demand for discretionary spending choices consumers make. Consumers and event planners ALWAYS look at total price when planning events and vacations.

Price is one of four primary factors that most travel portals take into consideration. Consider Airbnb, arguably the most user experience tested booking portal ever invented. Central to their interface are four large buttons at the top of any search result: Cancellation Policy, Type of Place, Price, Instant Book and Location.

Also central to the Airbnb booking experience is a price selector tool where consumers can filter out lodging outside of their range. Additionally nightly price is displayed as a locator button for any lodging on every map.

Because travelers can chose to stay outside of the taxation zone (e.g. Healdsburg) and then easily drive to attractions in the zone such as the coast, we believe this tax will place any event (e.g wedding) or multi-night stay at a disadvantage relative to other closeby locations.

Why on earth would we want to risk this in the midst of one of the worst downturns in the tourism business in recent Sonoma county history?

2. Are both props 50% +1 wins?

No, they require a \(^2\)\_3 majority to pass.

3. The Sonoma County taxpayers association has a white paper on education supporting unification I think they didn't do their research before writing their opposition about these measures (
<a href="http://sonomacountytaxpayers.org/positions-on-issues-3/">http://sonomacountytaxpayers.org/positions-on-issues-3/</a>) If A & B both fail does El Molino close immediately ? (Probably No) No, not immediately.

They would begin consolidation for the 2022-2023 school year if B does not pass.

4. Measure A is for a limited period, by Measure B goes in perpetuity. Why isn't Measure B for a limited term?

The committee has no response to this question.

5. How long has Measure B (and Measure A) been in the planning phase before BOS action to add create a Special Election?

The planning process for Measure B was done a week before Thanksgiving of 2020. We are unsure of Measure A.

6. The proponent for Measure said that declining enrollments are happening across the State. Why does Measure B claim that vacation rentals are the cause? (without any source info BTW).

Supervisor Hopkins would be the most appropriate person to answer this question. We have only found data that shows that vacation rentals have had little to no effect on declining enrollment.

7. The measure states in part: "Funds collected would be dedicated to West County Fire Agencies...". Since B&B, VRBO, & Hotels in MOnte Rio, Cazadero, Camp Meeker, Occidental, & Ft. Ross all collect TOT, will the fire departments of those listed communities directly receive financial proceeds from Measure B into their respective department bank accounts? If so, then how will those funds be distributed and appropriate ratios calculated? and by what county administrator?

The committee has no response to this question, this is for Supervisor Hopkins to answer but it seems disproportionate to collect funds from the whole special taxation area and only allocate them for one community.

8. What is the purpose of the Tourism Impact Funds?

The purpose of a bed tax or transient impact tax traditionally is twofold: to remediate the impacts of tourists on the local economy and to increase or maintain the current level of visitation to ensure future tax revenue and economic growth from visitors. Here is a detailed report on the use of the TOT funds in Sonoma county.

9. Do folks who are opposing Measure B have other suggestions and alternatives for the needs and concerns that passing B would address?

We have not formally put forth any alternatives nor have we ever been asked to have a seat at the table. this is the main reason for our opposition as we should be working together for solutions. However, business owners who are against measure B very much support finding real solutions for education and emergency services - both are critical to our communities.

Several ideas have been pitched amongst some stakeholders. We hope some of them can be shared in the near future so they can be better developed. Any policy that is addressing these important issues should have strong intentional outcomes that is based on best practices and driven by sound and transparent data.

10. When Measure B is compared with Marin's Measure W there is a world of difference. Is there any research that shows that raising TOT would lead to a "loss of jobs"? To me, that is something one can put on a sign to create fear in the community in order to gain voter support for the opposition.

The unemployment in the county is still high in the "working with the public" sector and several studies have documented this including <u>one presented by UCLA processor Jerry Nickleburg</u> in which he writes:

"Key to recovery is hiring, especially those who work with the public. Nearly 90% of county job losses have been in that area, he said. Of those, about 35% have been in the leisure, beverage and hospitality sector; 26% in government; 13% in retail; 8% in education and health care, with day care and child care in a severe retrenchment; and 7% in other service categories."

We believe that raising taxes on struggling businesses is not good tax policy and will delay recovery and the rehiring of these workers. Indeed the opposite is needed to keep these workers in Sonoma county so that when recovery begins they will be available.

11. How come Chief Heine will not provide the data regarding users?

The committee has no response to this question. We have formally requested Data from the agencies on multiple occasions.

- 12. The LAFCO certification included planning for financing. What were those financing methods? Why the need from Measure B with just a couple weeks planning? this is a question for supervisor hopkins
- 13. How would one tax all tourists?

There are many other ways that we could fund EMS using sales taxes, a voluntary assessment for each in person transaction in the county to support the coast, or cost sharing based upon state park funding. There are many models we could explore which would provide more stable funding vs using TOT.

14. Is there research that shows that people choose where to stay based on TOT?

See question 1.

15. What is fair about the tax? How does it save jobs?

We believe the tax is unfair and will harm our recovery costing jobs. Various studies have stated this including one we have posted on our <u>website from Dr. Robert Eyler.</u>

16. Me to Laura Hagar (Direct Message) (6:23 PM) While the TOT is collected from visitors in reality it is the business that covers the difference. Can the Yes side please address the misleading claim that this

exclusively affects tourists? In my estimation this is the greatest contributor to the divisiveness of the measure.

This is directed at the Yes side. The committee has no response to this question.

17. Regarding parcel taxes for BBFPD, don't those property owners pay parcel taxes to the Shoreline School District? Why were they not involved in the formulation of the question?

This is directed at the Yes side. The committee has no response to this question.

18. Why has Supervisor Hopkins not provided any information to support here claims about the impacts caused by vacation rentals?

This is directed at the Yes side. The committee has no response to this question.

19. This is not a regressive tax. A regressive tax is a tax applied uniformly, taking a larger percentage of income from low-income earners than from high-income earners. It is in opposition to a progressive tax, which takes a larger percentage from high-income earners.

It is very much a regressive tax. The only way it would not be a regressive tax would be to only allow overnight visitors that make over a certain high earners amount. Then it would be what is called a "progressive tax". A good example of this is a tax on yachts over a certain size. But we know that West Sonoma attracts a wide variety of visitors from a variety of economic backgrounds.

When middle or low income families stay overnight, they are paying the same lodging tax % which is a much larger % of their overall income. For someone who makes \$400K a year, the lodging tax % is once again the same yet it is a much smaller part of their overall income. Therefore, Measure B is the very definition of a regressive tax.

20. Is a different tax...a sales tax, a restaurant tax, a retail tax, in addition to a TOT tax possible to address these funding shortages. Both EMS and Schools are desperate right now...is that an alternative?

We feel like there are many alternatives and this is precisely why this ballot measure is troubling. However, this is directed at the Yes side. The committee has no further response to this question.

21. What did she allow a very flawed survey about vacation rentals and also a misleading presentation to create an X zone come forward? Would she agree to a complete peer or legal review of all her claims made in the Measure B language, and her presentations?

This is directed at the Yes side. The committee has no response to this question.

22. What part of the TOT tax comes back to other communities, such as Occidental? Why just Bodega Bay? The County at large should not be funding a single small area when all of us need help with EMT, schools and infrastructure.

We agree with this questioner's response. Again this is one of the main reasons we feel this rushed measure lacks transparency. However, this is directed at the Yes side. The committee has no further response to this question.

23. I want to find ways to help this community- stuff like this is my superpower. If the supervisor's premise about TOT offsetting declining enrollment, then why did she not include many of the boards of these districts? (Only WSCHUSD and Forestville Union has any agenda item on this - both in November)

More lack of transparency, This is directed at the Yes side. The committee has no response to this question.

24. If the funds are to be used for continuing education, why was The JC board left out of the conversation?

So many were left out of the conversation. This is directed at the Yes side. The committee has no response to this question.

25. The study referenced by Hopkins has been completely debunked upon peer review though. How many jobs are we really talking about?

Many jobs will be lost, in fact many jobs won't be re-gained, we are at over 35% unemployment for hospitality right now which is unprecedented. The losses will be massive for small businesses, the actual numbers are hard to calculate especially with Covid still at play. There is a noteworthy study by: Journal of Regional Analysis & Policy attached here Taxing the Travelers: A Note on Hotel Tax Incidence Published in ...

However, this seems directed at the Yes side. The committee has no further response to this question.

26. SEIU local 1021 supports B. If there was going to be a loss of jobs, why would a labor union support it?

This union is endorsing this position because it favors the preservation of their jobs which represent a small percentage of employment compared to the hospitality and tourism dependent industry, which in Sonoma county is largely non-union.

27. Is there research that shows that people choose where to stay based on TOT?

See answer to question 1.

28. This all comes down to taking the time to process the best solutions. I am a taxpayer, an Airbnb super host and a rent and I am furious you think raising rates doesn't matter. Why rush? Please explain this.

We agree. This is directed at the Yes side. The committee has no response to this question.

29. This is not a regressive tax. A regressive tax is a tax applied uniformly, taking a larger percentage of income from low-income earners than from high-income earners. It is in opposition to a progressive tax, which takes a larger percentage from high-income earners.

See Answer to question 20

30. Can the opposition explain how they see this as regressive? The wealthy can pay to stay at the expense lodge. The lower income cannot. It's taxing the high income earners.

See Answer to question 20

31. Question. If we have such a dire situation with the delivery of ALS (paramedic) services in West County, why aren't we taking the existing TOT tax revenues and direct them to reduce the ALS problem in West County? We don't know where our existing TOT is going but it's unlikely to going to anything more important than public safety. If the paramedic issue is this severe, we should not be funding advertising in Sunset Magazine!!!!

We agree with the questioner's response.. TOT generates over 22M in revenue toward the BOS general fund. We do not know where it all goes but more transparency would be helpful, we do know it is also used to pay pensions. However this is directed at the Yes side. The committee has no further response to this question.