



OPINION
RESEARCH
& STRATEGY

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RE: Business License Tax Survey Research

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As part of Foster City's exploration of modernizing its business license tax (BLT), the City has asked FM3 research to conduct two different survey research projects, along with strategic input from GrassrootsLab. This brief memo discusses the role survey research can play in the City's decision-making process, as well as some initial thoughts on project timing.

HOW SURVEY RESEARCH COMPLEMENTS THE CITY'S BLT MODERNIZATION EFFORTS

Our understanding is that Foster City staff and HdL Companies have already begun efforts to review the City's existing BLT, to compare it to more recently updated BLTs from other comparable cities and look at potential alternatives for Foster City. However, any modernization of the BLT will require voter approval and that is where survey research can help with decision making. And, in this case, the City has asked FM3 to conduct two survey projects: one of voters and one of local businesses.

While these goals may change after further consultation with City staff, the following are our initial thoughts on what voter survey research can bring to this process:

- Determine how voters view life in Foster City and what issues they currently see as the City's most pressing challenges.
- Assess how voters feel about city government, as well as its management of public funds and future planning.
- Assess how voters might vote on a hypothetical ballot measure modernizing Foster City's BLT, and potentially different modernization approaches.
- See how voters feel about the current BLT and how it compares to a potential alternative.
- Gain an understanding of how voters would prefer to see the City spend any additional revenue generated by a modernized BLT.
- Assess the electoral viability of a measure given a hypothetical exchange of community perspectives.

In summary, this voter survey research would allow FM3 to provide Foster City with information about the electoral viability of a potential BLT modernization measure and how it could potentially fit into community priorities.

On a parallel path, FM3 is also conducting a survey of local businesses. In this survey, FM3 will seek to assess opinions of businesses currently paying Foster City's BLT to better understand the following:

- Understand perspectives of Foster City's business environment.
- Assess how businesses feel about city government, as well as the support it provides to local businesses.
- Determine how businesses feel about the current BLT and the value they receive for it.
- Gauge reactions to modernizing Foster City's BLT, and potentially different modernization approaches.
- Gain an understanding of how businesses would prefer to see the City spend any additional revenue generated by a modernized BLT.

RESEARCH TIMING

After initial conversations with the broader city and consulting team working on this project, we are functioning under the assumptions that these initial surveys should take place in February-March timeframe to provide the City with critical guidance as the potential viability of a ballot measure and to understand how local businesses would feel about a modernization. This timing would be contingent upon other financial and legal analyses, as well as other community and business outreach and engagement.

Should the City feel comfortable proceeding with process, you would have the Spring and early Summer to continue with community and stakeholder engagement, as well as to refine the structure of a potential modernized BLT. The City would not need to vote on placement of a measure until the July-August timeframe, which also allows for gaining a better understanding of the broader political and economic environment of the Presidential Election year.

Additionally, many FM3 clients choose to conduct a shorter tracking survey of voters in the June-July timeframe with the final proposed measure to get a one last assessment of electoral viability before their elected officials need to make a placement decision.