

ARGUMENT IN FAVOR OF MEASURE J

The City of Capitola has been challenged to maintain the high level of services that our residents have come to enjoy and expect. The City has worked diligently to fund necessary projects, while addressing the rising costs of doing business in Santa Cruz County.

Measure J would increase the City's Transient Occupancy Tax (TOT) on short term rentals, hotels, and motels by 2% from 10% to 12% beginning next year.

Capitola residents do not pay this tax unless they stay in a local hotel, motel, or short-term rental.

Under this measure 1.25% of the increase will be allocated to the City's general fund, 0.35% to youth and early childhood programs, 0.4% to local business groups split between the Capitola-Soquel Chamber of Commerce and the Capitola Village and Wharf Business Improvement Association for marketing and community improvements.

Visitors continue to use our roads, parks and emergency services as they enjoy all that Capitola has to offer; including our Mall, restaurants, shops, and vibrant Esplanade featuring our fabulous beach and wharf.

Raising the hotel tax represents a direct and fair way to recover the increased costs associated with visitor stays in Capitola, the first change in the hotel tax since 2002.

The proposed increase achieves an important balance between providing critical revenue for the city's activities, supporting investment into local business development, and committing to funding youth educational programs.

This special tax requires a 2/3 vote and guarantees the funding to those important programs.

Please join us in voting YES on Measure J, and help our City build a stronger economy, protect City services, and nurture a lasting relationship with our business community and youth programs.

/s/ Kristen Petersen, Council Member City of Capitola

/s/ Ted Burke, Shadowbrook Restaurant Co-Owner

/s/ Ed Bottorff, Council Member City of Capitola

/s/ Marie L. Cubillas, Executive Director Big Brothers Big Sisters