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*Public Opinion Research
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TO: Interested Parties

FROM: Paul Maslin and Jonathan Brown
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RE: Results of Sacramento-Area Survey on Proposed Arena

Broad-Based Support for a Downtown Arena

Our recent survey¹ of 702 registered voters in the City of Sacramento, the remainder of Sacramento County and the neighboring counties of El Dorado, Placer and Yolo shows strong support for the proposal for a new arena to be built in Downtown Sacramento. Voters are knowledgeable about this proposal. Only 11 percent of voters throughout the region said they had not heard anything about it. Regardless of where they live, nearly two-thirds of voters said they would support the arena proposal, after hearing a brief description, as shown in table 1, below.

TABLE 1 – INITIAL SUPPORT FOR NEW ARENA PROPOSAL

	City of Sacramento	Remainder of Sacramento County	Neighboring Counties
Strongly Support	43%	36%	39%
Somewhat Support	22%	31%	26%
Total Support	65%	67%	65%
Total Oppose	29%	29%	31%
Don't Know	6%	4%	4%

Support for this measure is very broad and exceeds 60 percent in all geographic areas and among all political parties. This demonstrates the proposal enjoys a very strong base of support.

¹ Between July 18 and 21, 2011, Fairbank, Maslin, Maullin, Metz & Associates conducted a telephone survey among 702 registered voters in the Sacramento region. Of those, 307 were completed among registered voters in the City of Sacramento, 177 in the remainder of Sacramento County and 218 interviews were distributed equally among voters in El Dorado, Placer and Yolo Counties. The margin of error for the overall results is +/-3.6%.

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Key Factors Driving Support

Several key factors drive this strong public support.

First, the economic development and job growth that will result from the construction and operation of a world-class arena speaks to voters' high levels of concern about the condition of the local economy and the loss of local jobs (viewed as an extremely or very serious problem by 78% and 86% of voters across the region, respectively). Three-fourths say that it is "extremely" or "very important" that the new arena "would create more than four thousand new jobs throughout the region and more than \$7 billion in economic development."

Second, voters also respond to the fact that the economic benefits of the new arena will be felt in many different ways -- and generated as the result of the public sector and private sector working in partnership. Nearly two-thirds (65%) say it is "extremely" or "very important" that the arena "would generate \$6.7 million a year in new revenue to local government agencies that will help preserve vital local services and balance government budgets throughout the region."

And third, an important factor driving the support is the way the arena proposal would be funded. Voters support the use of public funds to invest in a facility that will create jobs and economic development, particularly where there is a relationship between the public funds to be applied to the facility and the facility itself.

While past proposals called for all funding for a new arena to come from new direct taxes on residents, this proposal combines private sector money (a lease payment from the Kings and developer/operator investment dollars), and the use of public assets whose value is increased because of an arena (e.g. contribution of land, using the proceeds from parking, generating revenue from billboards placed on public property) along with revenue directly and indirectly thrown off by the facility itself (naming rights, seat licenses, increased tourism) to provide significant funding for the development of the arena. The public responds to funding that bears a relationship and logical connection to the facility as a good public policy approach to funding the facility.

Of the potential funding mechanisms tested, a majority supported 14 of them, including a transient occupancy tax, a \$2 ticket surcharge, selling naming rights to the arena, leasing out cell phone towers and digital billboards on public property, fees for goods within the arena zone, the sale of city-owned land and increased use of city-owned downtown parking lots that will generate significant new revenue through their use for Arena events when they would otherwise be vacant. Table 2 on the following page shows the support levels for all 14 of these funding mechanisms.

TABLE 2 – SUPPORT FOR FUNDING MECHANISMS

	Total Support	Strongly Support
Putting digital advertising signs up on the arena property	79%	53%
Placing a cell phone tower on top of the arena and leasing it out	76%	49%
Selling naming rights to the new arena	74%	50%
Placing new cell phone towers at sites around the city of Sacramento and leasing them out	71%	45%
Collecting fees from using city owned parking lots near the arena, which are already paid for and would otherwise be vacant, for event parking	71%	45%
Placing a limited number of new billboards on publicly owned land along major highways with proceeds going to the arena	71%	43%
Leasing city owned parking garages to private firms whose lease payments would be partially allocated to the arena	66%	34%
The City of Sacramento contributing publicly-owned land on or near the arena site	64%	34%
Using funds generated by personal seat licenses that are required to buy season tickets for the Kings	64%	36%
Using the proceeds from the sale of land owned by the City of Sacramento outside of the arena site.	62%	31%
Applying a \$2 dollar fee on every ticket sold to events held at the arena including basketball and other events	57%	31%
Creating a sales tax only for goods sold within the arena*	57%	30%
Actively recruiting foreign investors through existing U.S. government programs that have been successfully used in other major development projects	56%	27%
Increasing the City of Sacramento Transient Occupancy Tax, also known as the Hotel Bed Tax, which applies to tourists	50%	27%

**Question was split-sampled*

Strong Support for Public Contribution

In fact, when given a choice between making no public contribution and not having a new arena, or participating in the public-private partnership for the new arena, voters chose the public-private partnership by a better-than four-to-one margin.

Finally, upon hearing more about the proposal and the advantages it would provide, support for the new arena grows to 73 percent.

Conclusion

In sum, a confluence of dynamics is creating a base of strong support for the development of an arena, including: (1) the priority the public puts on job creation; (2) an approach based on the public sector and private sector working in partnership to support economic development; and (3) the identification of public funding sources that would constitute a significant portion of the public investment into the facility that is directly or indirectly related to the new arena itself and would otherwise not exist but for the development of a facility (in this sense, the public is responding to the notion that everyone benefits from a rising economic tide).