

Proposal to Conduct Public Opinion Research on a Potential 2024 Commercial Cannabis Tax Ballot Measure

City of Visalia



OPINION
RESEARCH
& STRATEGY

August 4, 2023

Dear Mr. Jones:

Fairbank, Maslin, Maullin, Metz & Associates (FM3 Research or FM3) is pleased to present this proposal to conduct public opinion research to assess City of Visalia voters' awareness of State efforts to ensure the availability of medical cannabis delivery; gauge levels of support for the potential for retail cannabis dispensaries within Visalia city limits; interest in the establishment of regulations associated with retail recreational cannabis dispensaries and delivery; and levels of support for a potential 2024 ballot measure to establish a commercial cannabis business tax (perhaps in the form of a gross receipts tax) in the City of Visalia. We believe our firm is an excellent choice to provide these research services for several reasons detailed in our proposal, including:

- **FM3 is a national leader in conducting research on cannabis issues, including local tax measures.** We have worked in 30+ California communities to gauge resident and voter attitudes on local policies toward cannabis regulation and taxation. In some cases, communities we've worked with have opted to continue to restrict or limit access to cannabis (within the State's legal framework), whereas other communities have opted to expand access to medical or a combination of medical and recreational cannabis. In the latter cases, our research has contributed to the passage of 28 local tax measures since 2010. We have also worked on cannabis issues at the statewide level in 15 states in every region throughout the country.
- **We have several decades of experience providing research for public agency clients throughout Tulare County.** Our local clients include the cities of Visalia (between 2003 and 2015), Dinuba, Exeter, Lindsey, Porterville, and Tulare; the College of the Sequoias and State Center Community College Districts; and the Tulare County Association of Governments, among others.
- **Our approach is focused on providing the best possible ongoing strategic consultation to our clients.** We do not simply conduct a poll, present the results, and leave you and your team to figure out how to put them to use. Instead, we want to be a member of your strategic team—participating fully in each of the campaign's key decisions on an ongoing basis. Furthermore, our firm is large enough to turn projects around quickly, but not so large that you will not know whom to call with your questions, ideas, and concerns.
- **We have a strong commitment to personalized client service.** As a medium-sized research firm, FM3 provides its clients with a level of personal attention and service from our senior staff that is more often associated with much smaller organizations, while concurrently offering the wide range of services, adherence to expedited timelines, and rigorous quality control expected from larger research firms.

FM3 has worked with a number of legal and municipal financial firms—including HdL—when conducting research on behalf of cities exploring cannabis-related regulations and proposed taxes. We are happy to work with any firms the City has selected, or we can ask some of our past partners to join the team. We are also prepared to prime the team, if that would help minimize bureaucratic red tape, given the time constraints.

We appreciate the opportunity to be considered for this project. If you have any questions about the contents of this proposal, please do not hesitate to reach out—contact information is available on page 10.

A handwritten signature in blue ink that reads "Richard Bernard". The signature is written in a cursive, flowing style.

Dr. Richard Bernard, FM3 Partner

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1 FM3 BACKGROUND

Fairbank, Maslin, Maullin, Metz & Associates (FM3 Research or FM3) has been conducting public policy-oriented opinion research since 1981 on issues of major economic and social concern. As a California-based company, we are a medium-sized research firm with 22 full-time employees working out of our Los Angeles and Oakland offices. The research FM3 conducts goes far beyond simply documenting the knowledge, views, and behaviors of various populations. Rather, our work produces actionable data that provides a strategic roadmap for policy makers and informs community outreach and communication efforts.

Each of the research projects we do is led by one of our six partners, all of whom are nationally respected authorities on public opinion research. As our client, you will have direct access to not only the partner working on your project, but also several other key staff members with advanced degrees in public policy, research methods, and/or extensive experience working in state and local government.

While our firm is not so big that you will wonder whom to call with your questions, we are big enough to have our own in-house data analysis/processing team and graphic design resources. This means we can provide our clients with a level of personal attention and service from firm partners and other senior staff more often associated with much smaller organizations, while also providing rapid project turnaround and more sophisticated data analysis and presentations tailored to client needs that one might expect from larger firms.

FM3 offers a hands-on approach in which one of our partners leads the research every step of the way.

Even once the research is complete, an FM3 partner is only a phone call away, happy to provide additional consultation at no additional charge.

FM3 utilizes a variety of research tools designed to address each client's unique circumstances. Some of these tools are quantitative, such as surveys; some are qualitative, such as focus groups; and others fall somewhere in between. In any given year, FM3 conducts more than 300 surveys and 160 focus groups, in addition to providing ongoing consulting for key clients. We also actively monitor methodological developments through our industry's trade association—the American Association for Public Opinion Research (AAPOR)—and continually experiment with newly evolving online and digital research approaches.

2 RELEVANT EXPERIENCE

2.1 Experience Conducting Research on Cannabis Issues

FM3 is a nationally recognized leader in conducting research to reform state and local laws regulating the production, sale, and adult use of cannabis products.

FM3 contributed to some of the earliest efforts in the nation to reform marijuana laws when our research contributed to the passage of California's Proposition 215 in 1996—the first successful state-level medical marijuana legalization measure. Our research was a critical part of the campaign to ensure that early public support would not decline and threaten passage, as it frequently does in similar campaigns. The lessons from our work on Proposition 215 have informed much of our subsequent work in support of medical marijuana measures around the country.

Later, in 2016, our research on behalf of a coalition of local government organizations (led by the League of California Cities) helped shape what would ultimately become Proposition 64, the Adult Use Marijuana Act. Working with city, county, and other local government agency leaders, FM3 conducted statewide survey research to identify voter attitudes and support for permitting California's local governments to adopt local ordinances to regulate the cultivation, distribution, sale, and taxation of cannabis products. Ultimately Prop. 64 passed, legalizing marijuana use for adults.

Following the voter approval of Proposition 64, FM3 has provided research gauging resident and voter attitudes on local policies toward cannabis regulation and taxation for 30+ California communities. In some cases, the communities we have worked with have opted to continue to restrict or limit access to cannabis (within the State's legal framework), whereas other committees have opted to expand access to medical or a combination of medical and recreational cannabis. In the latter cases, our research has contributed to the passage of 28 local tax measures since 2010. We have worked for city and county governments, as well as for private cannabis interests that are open to working in tandem with local governments to ensure fair and balanced revenue measures. See **Figure 1** on the next page for a list of cannabis tax measures FM3 has passed in California jurisdictions.

Beyond California, we have extensive experience researching marijuana regulation throughout the United States. FM3 has informed statewide campaigns to legalize marijuana for adults in Oregon, Montana, Arizona, Michigan, Maine, New York, New Jersey, and Massachusetts; and medical marijuana campaigns in North Dakota, South Dakota, Mississippi, Missouri, Utah, and Oklahoma. Our firm has also worked on two successful statewide efforts to create a therapeutic framework for the use of psychedelics, including psilocybin. Over the past six years, we have also researched shifts in public opinion about replacing the criminalization of drugs with a public-health approach.

2.2 Experience in Tulare County

FM3 has several decades of experience providing research for public agency clients throughout Tulare County. In fact, FM3 is very familiar with the **City of Visalia**, having conducted research on behalf of the City on four separate occasions between 2003 and 2015. Evidence of FM3's ability to accurately measure the sentiments of your

residents was last demonstrated over the November 2016 election cycle, during which the outcome of your successful sales tax measure matched the anticipated results found within the margin of error of our 2015 survey.

Our other local clients include the cities of **Dinuba, Tulare, Porterville, Exeter, and Lindsey**; the **College of the Sequoias** and **State Center Community College Districts**; and the **Tulare County Association of Governments**, among others. Most recently, in 2022 our research assisted in the passage of a cannabis tax measure in the City of Tulare and a \$95 million bond measure for the College of the Sequoias Community College District, Measure C.

Figure 1: FM3 Successful Local Cannabis Tax Measures in California

City/County	Measure	Election
City of El Segundo	Measure BT	November 2022
City of Hermosa Beach	Measure T	November 2022
County of Los Angeles (Unincorporated)	Measure C	November 2022
City of Montclair	Measure R	November 2022
City of Tulare	Measure Y	November 2022
City of South Lake Tahoe	Measure G	November 2022
City of La Habra	Measure W	November 2020
City of Costa Mesa	Measure Q	November 2020
City of El Monte	Measure PC	March 2020
City of Daly City	Measure UU	November 2018
City of Hemet	Measure Z	November 2018
City of Pomona	Measure PC	November 2018
County of San Luis Obispo	Measure F-18	November 2018
City of Santa Ana	Measure Y	November 2018
City of Santa Paula	Measure N	November 2018
City of West Hollywood	Measure Y	November 2018
City of Merced	Measure Y	June 2018
City of Culver City	Measure A	April 2018
City of Palm Springs	Measure E	November 2017
City of Seaside	Measure L	June 2017
City of Bellflower	Measure B	March 2017
City of Long Beach	Measure MA	November 2016
City of Long Beach	Measure MM	November 2016
County of Humboldt	Measure S	November 2016
County of Calaveras	Measure C	November 2016
City of Santa Ana	Measure BB	November 2014
City of Sacramento	Measure C	November 2010
City of San José	Measure U	November 2010

3 PROPOSED APPROACH AND ESTIMATED COSTS

3.1 Research Specifications

For this project, FM3 recommends conducting a 20-minute, dual-mode (telephone and online) survey among a randomized sample of 400-500 likely November 2024 voters within the City of Visalia.

We recommend utilizing three different contact methods (telephone calls, emails, and text messages) to provide an array of ways for potential respondents to participate in the survey. Providing multiple forms of contact also helps us engage historically disadvantaged communities that may not have adequate broadband access and/or access to computers or smart phones. Additionally, different demographic groups often have varying communication preferences—some may be more likely to answer a phone call than open an email or text message, and vice versa.

3.2 Description of Methodology

The research process will begin with an initial kickoff meeting between FM3 and your project team. This meeting will provide an opportunity for an extensive review of relevant background information and context, as well as a detailed discussion of your objectives for the project.

In designing a survey questionnaire for the City, FM3 will draw from its knowledge of public opinion survey methodology; our comprehensive review of the City's past survey research (including tracking past questions when appropriate); your current and future objectives and needs; and our own vast library of research on cannabis tax measures.

Figure 2: Research Specs at a Glance

Methodology	Dual-mode survey using a combination of telephone and online interviews
Respondent Contact Method	Telephone calls, email invitations, and text invitations
Population & Sample	400-500 likely November 2024 voters within the City of Visalia
Margin of Sampling Error*	±4.9% for a sample of 400 ±4.4% for a sample of 500 <i>*At the 95% confidence level (i.e., in 95 out of 100 cases)</i>
Questionnaire	20 minutes
Languages	English and Spanish

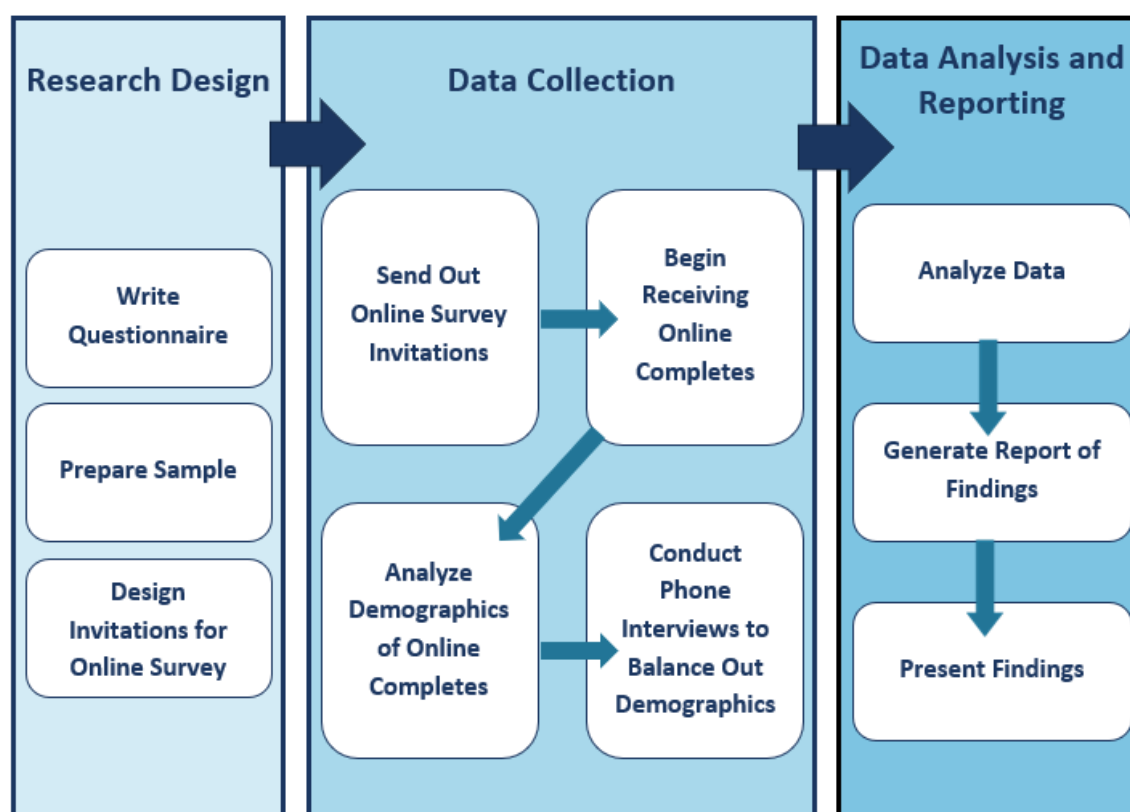
FM3's research will test core concepts such as voters' views on the legalization of cannabis for both medical and recreational purposes, delivery and retail dispensaries, and their associated regulations. Further, to assess attitudes toward a potential cannabis tax, FM3 will measure viability, optimal election timing, and voters' sense of the City's financial needs. We will proceed through several drafts of the questionnaire, incorporating feedback

from your team before each revision, to develop a research instrument that will successfully obtain all the desired information.

FM3 will then construct a sample by pulling a random list of voters from the voter file. Based upon the final sample specifications, FM3 will set a target number of interviews to be completed online. We will then send out email invitations to a subset of people in our sample with a valid email address. Within several days of the initial invitation distribution, we will examine the demographic and geographic characteristics of the online completes and then begin conducting telephone interviews to balance out the sample and target underrepresented subgroups. Additionally, we will send out a number of text invitations to help reach the overall target number of online completes and complement the other contact methods.

Once the survey is complete, FM3 will generate a detailed report of the survey results in a PowerPoint presentation, including demographic breakouts and summaries of key findings. These results are typically presented in draft format to the client team and then further refined based upon feedback from that group. A version of this presentation will also be developed in a format suitable for FM3 to present in a public forum.

Figure 3: Survey Research Process



3.3 Deliverables

Upon conclusion of the survey project, the City will have received from FM3 each of the documents listed below. All documents can be provided in hard copy or electronic form (or both), depending on your preference.

- ✓ **Final survey questionnaire**
- ✓ **PowerPoint presentation** (including key findings, results, conclusions, and actionable recommendations)
- ✓ **Presentations of results to staff, board members, or other stakeholders** (in person if desired)

Finally, after FM3's final deliverables have been completed, we will remain available to answer follow-up questions and to present results to additional key stakeholders. We view the responses to the survey as an ongoing data resource; if needed, FM3 can conduct further analysis to provide answers to any follow-up questions that may arise.

3.4 Estimated Costs

Figure 4 contains the total estimated costs for this research. These prices are comprehensive and include all costs for questionnaire design, sample acquisition and preparation, translation, programming, survey invitations, survey hosting, bilingual interviewing, data entry and analysis, and reporting.

Figure 4: Estimated Survey Costs

Number of Interviews	Cost
400 interviews	\$35,500
500 interviews	\$39,500

If the City wishes for Dr. Bernard to attend any in-person meetings, any associated travel will be billed at cost.

4 STAFF BIO

Dr. Richard Bernard, FM3 Partner

Dr. Richard Bernard is one of California's foremost public opinion researchers on issues related to public agencies and their regulations, strategic planning, services, and funding. A significant portion of Richard's work measures awareness and attitudes, including attitudinal change. To this end, his experience includes conducting research and providing strategic advice related to favorably shifting residents' attitudes on potentially controversial issues, including the legalization of cannabis and the importance of stem cell research.



During his more than 20 years at FM3, Richard's research has provided insight into how clients can best access awareness/knowledge of local government policies or established practices; educate voters on the merits of increasing their taxes; aide developers in convincing local residents of the community about the benefits of new or revitalized projects; shift public opinion and behavior on water conservation, residential energy efficiency upgrades, the recycling of plastics and used motor oil; and supported the use of public transit.

Since 2016, Richard has also conducted cannabis issue-related research on behalf of several California cities, including research to:

- Gauge residents' awareness of state and local cannabis regulations/restrictions, including those surrounding the delivery of cannabis
- Determine residents' support for legalizing medical/retail sales of recreational cannabis in their jurisdiction
- Test both supportive and opposition messaging related to allowing legal cannabis endeavors, to better understand what motivates residents' opinions
- Explore residents' opinions on taxing cannabis to pay for city services

Among his past clients for cannabis-related research are the cities of Bellflower, Costa Mesa, Hermosa Beach, Montclair, Palm Springs, Santa Paula, San Luis Obispo, Vista, West Hollywood, and Wildomar. He has also worked on behalf of cannabis retailers interested in ensuring legal and regulated cannabis businesses in the cities of Pasadena and Tulare. He is currently working with the cities of Galt and Calabasas to assesses their voters' views on the legalization of retail cannabis in their respective city limits, as well as voters' openness to imposing a gross receipts tax on recreational cannabis. Richard gauges community reactions to the introduction of cannabis by conducting a balanced survey of opposing views, with no predetermined outcome. In each city, the findings will be an important data point in Council discussions as to whether or not to move forward with allowing the retail sale of recreational cannabis within their communities.

In Tulare County, Richard has conducted four surveys on behalf of the City of Visalia and presented on a number of occasions to the City's citizens' task forces as well as the City Council. His other Tulare County city clients have included the cities of Exeter, Lindsey, Porterville, and Tulare.

Additionally, Richard has conducted various statewide surveys and/or focus groups for various other issues over the years, including water bonds, public safety, Indian gaming, transit, eminent domain, recycling, composting, sports wagering, natural resources protection, and transit. Some of these projects have gone on to become statewide ballot measures, and in some cases, data were used to successfully negotiate legislation in the State Assembly and/or Senate.

Education: Richard earned an Honors B.A. at York University, an M.A. at McGill University, and a Ph.D. at UCLA in Sociology.

Lucia Del Puppo, FM3 Senior Vice President

Since joining FM3 in 2015, Lucia has provided research for public finance measures throughout California, working to provide funding for police, fire, parks, roads and transportation, and education. Her work has informed ballot measures in communities across the state. In 2022, she provided research for local advocates in the City of Tulare that contributed to the passage of a cannabis tax. She has also conducted research in the City of Galt, the City of Rancho Cordova, and Sonoma County on cannabis issues.



Lucia has provided research for a number of public health ballot measures, including California Prop 31 banning flavored tobacco statewide in November 2022, No on Proposition C (a measure sponsored by JUUL) in San Francisco, and Yes on San Francisco Proposition E, which banned flavored tobacco. She has also conducted research on support for flavored tobacco bans in Oregon, the City of Los Angeles and San Diego.

Lucia's prior experience includes providing policy research for the San Francisco Human Services Agency and the San Francisco Planning Department, as well as working as a systems and management consultant for federal agencies at Accenture.

Education: Lucia received a Master of Public Policy (M.P.P) degree from the Goldman School of Public Policy at UC Berkeley and a Bachelor of Science degree in decision science from Carnegie Mellon University.

5 CANNABIS-RELATED CITY REFERENCES

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Former Community & Legislative Affairs Manager, City Manager's Department

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6 CONTACT INFORMATION

Thank you for taking the time to review our proposal. Please feel free to contact us with any questions you may have.



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