Initiatives to Increase Hotel Tax will Protect County’s Economy

County-wide Propositions Create Accountability

Four propositions (City of Santa Cruz – Q, County of Santa Cruz – O, City of Capitola – W and City of Watsonville – T) have been placed on the local ballot to help strengthen the county’s sluggish economy.

These measures will require hotel and motel guests to pay an additional 1% on their room rates in order to cover the costs for tourism promotion provided by the Santa Cruz County Convention and Visitors Council (CVC). Local residents living in their homes will not have their taxes affected by these measures.

According to a recent, independent study, every $1 in CVC funding generates $9 in tax money for the city’s general fund.

Specifically, Measures Q, O, W and T will:

Help with current budget shortfalls

When all four measures pass, they will make $7 million available over the next 10 years countywide by replacing money now spent on tourism promotion with funding for vital services such as senior care, fire department and paramedic response, reducing drug use and loitering on downtown streets or cleaning up run down neighborhoods.

Create accountability

All these measures have safeguards written into them that ensure accountability on how tax money is spent. They require independent audits, conducted annually and submitted to local governments to ensure tax dollars are used as specified in the measures.

Support local businesses and protect jobs

Our communities are feeling the effects of California’s slumping economy. These measures will help small businesses prosper by making them less dependent on local residents and in return they will be able to protect local jobs.

Join Congressman Sam Farr, Assemblyman Fred Keeley and the Santa Cruz Sentinel in protecting Santa Cruz’s local economy by supporting the hotel tax on your local ballot.

Protect Local Business and Support Tourism Promotion

<table>
<thead>
<tr>
<th>Q — Santa Cruz City residents</th>
<th>T — Watsonville City residents</th>
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<tr>
<td>W — Capitola City Residents</td>
<td>O — County residents</td>
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Supporters of Measures Q - T - O - W

Elected Officials
Sam Farr, United States Congressman, 17th District
Fred Keeley, California State Assemblymember, Speaker pro Tem
Ellen Pirie, Santa Cruz County Board of Supervisors
Jeff Almquist, Santa Cruz County Board of Supervisors
Mardi Wormhoudt, Santa Cruz County Board of Supervisors
Gayle Ortiz, Mayor, City of Capitola
Emily Reilly, Vice-Mayor, City of Santa Cruz
Mark Primack, City Councilmember, City of Santa Cruz
Scott Kennedy, City Councilmember, City of Santa Cruz
Stephanie Harlan, City Councilmember, City of Capitola
Bruce Arthur, City Councilmember, City of Capitola
Richard De La Paz, City Councilmember, City of Watsonville

Unanimously approved by the Santa Cruz County Board of Supervisors
Unanimously approved by Watsonville City Council

Organizations
Hospitality Alliance of Santa Cruz County
Santa Cruz County Business Council
Santa Cruz County Lodging Association
Santa Cruz Area Restaurant Association
Santa Cruz County Conference and Visitors Council
Santa Cruz County Latino Chamber of Commerce
Aptos Chamber of Commerce
Santa Cruz Area Chamber of Commerce
Pajaro Valley Chamber of Commerce

Community Leaders
Harvey Nickelson, President/CEO Coast Commercial Bank
Leslie Sunell, President, Santa Cruz Area Chamber of Commerce
Michael J. Paul, President & CEO Goodwill Industries
Rebecca Nelson, Senior Marketing Manager, Capitola Mall
Ted Burke, Shadowbrook Restaurant
Rowland Rebele, Director, Homeless Services Center
Charles Canfield, Santa Cruz Beach Boardwalk
Karen and Darrell Darling, Darling House Bed and Breakfast
Larry Pearson, Pacific Cookie Company
Ann Morhauser, Owner/Artist, Annglass
Aldina Maciel, Century 21 Classic Properties
Doug Piggott, Mobile Home Resident Spokesman
Leonard O'Neill, Executive Director, Hotel/Restaurant Workers Union - Local 483

Michael J. Paul, President & CEO Goodwill Industries
Dan Haifley, Environmental Educator
George Ow, Jr.
John Laird
Cynthia Mathews
Mike Rotkin

Media
Santa Cruz County Sentinel

— Partial List
Titles for identification purposes only