

RICHMOND, CALIFORNIA, December 7, 2021

The Richmond City Council Evening Open Session was called to order at 5:00 p.m. by Mayor Thomas K. Butt via teleconference.

Due to the coronavirus (COVID-19) pandemic, Contra Costa County and Governor Gavin Newsom issued multiple orders requiring sheltering in place, social distancing, and reduction of person-to-person contact. Accordingly, on September 15, 2021, Governor Gavin Newsom issued Assembly Bill 361 that allowed cities to continue to hold public meetings via teleconferencing.

DUE TO THE SHELTER IN PLACE ORDERS, attendance at the City of Richmond City Council meeting was limited to councilmembers, essential City of Richmond staff, and members of the news media. Public comment was confined to items appearing on the agenda and was limited to the methods provided below. Consistent with Assembly Bill 361, this meeting utilized teleconferencing only. The following provides information on how the public participated in the meeting.

The public was able to view the meeting from home on KCRT Comcast Channel 28 or AT&T Uverse Channel 99 and livestream online at <http://www.ci.richmond.ca.us/3178/KCRT-Live> and <http://www.youtube.com/user/KCRRTV>.

*The methods to submit public comment were via mail, email to cityclerkdept@ci.richmond.ca.us, teleconference, and telephone during the meeting. Written comments received by 1:00 p.m. on December 7, 2021, were put into the record and considered before council action. Written comments received after 1:00 p.m. and up until the public comment period on the relevant agenda item closed, were also put into the record. **Attached herewith all written public comments received.***

ROLL CALL

Present: Councilmembers Nathaniel Bates, Claudia Jimenez, Eduardo Martinez, Gayle McLaughlin, Melvin Willis, Vice Mayor Demnlus Johnson III, and Mayor Thomas K. Butt.
Absent: None.

CITY COUNCIL

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (paragraph (1) of Subdivision [d] of Government Code Section 54956.9):

SPRAWLDEF et al. v. City of Richmond

The Guidiville Rancheria of California, et al. v. The United States of America, et. al.

North Coast Rivers Alliance et al./Point Molate Alliance et al. v. City of Richmond

CONFERENCE WITH LEGAL COUNSEL -
ANTICIPATED LITIGATION (Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) and Subdivision(e)(3) of Government Code Section 54956.9):

In light of the California Court of Appeal's decision in Fowler v. City of Lafayette, the City Attorney's Office attached to the agenda four communications regarding the amended judgment and various agreements related to Point Molate. The letters provided the existing facts and circumstances for going into closed session on the items pursuant to California Government Code Section 54956.9(d)(2) and (e)(3).

CONFERENCE WITH LEGAL COUNSEL -
ANTICIPATED LITIGATION (initiation of litigation pursuant to paragraph (4) of Subdivision (d) of Government Code Section 54956.9) pursuant to California Government Code Sections 54956.9(d)(4):

In re National Prescription Opiate Litigation, United States District Court for the Northern District of Ohio, MDL No. 2804, Case No. 17-MD-2804 (class action).

CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6):

Agency Representative: Jack Hughes

Employee organizations:

1. SEIU Local 1021 Full-Time Unit
2. SEIU Local 1021 Part-Time Unit
3. IFPTE Local 21 Mid-Level Management Unit
4. IFPTE Local 21 Executive Management Unit
5. Richmond Police Officers Association (RPOA)
6. Richmond Police Management Association (RPMA)
7. IAFF Local 188
8. Richmond Fire Management Association (RFMA)

Unrepresented employee: Interim City Attorney

Agency Representative: Acting City Manager and Interim Senior Assistant City Attorney

PUBLIC EMPLOYEE APPOINTMENT (Government Code Section 54957.6):

Interim City Attorney

LIABILITY CLAIMS - (Government Code Section 54956.9):

Cheryl Odom v. City of Richmond

PUBLIC COMMENT BEFORE CLOSED SESSION

The following individuals gave comments via teleconference regarding the Point Molate litigation: Alix Mazuet, Jeanne Kortz, Tarnel Abbott, Jim Hanson, Sally Tobin, Doria Mueller-Beilschmidt, Jessi Taran, and David Helvarg.

The Open Session adjourned to Closed Session at 5:19 p.m.
Closed Session adjourned at 6:42 p.m.

The Regular Meeting of the Richmond City Council was called to order at 6:48 p.m. by Mayor Butt via teleconference.

ROLL CALL

Present: Councilmembers Bates, Jimenez, Martinez, McLaughlin, Willis, Vice Mayor Johnson III, and Mayor Butt.
Absent: None.

PUBLIC COMMENT INSTRUCTIONAL VIDEO

The Public Comment Instructional Video was shown.

STATEMENT OF CONFLICT OF INTEREST

City Attorney Teresa Stricker announced her recusal as “city attorney” from Items J-16 and J-17. Ms. Stricker advised that Heather McLaughlin was the acting city attorney for those items.

Ms. Stricker advised Mayor Butt that he needed to recuse himself from Items J-19 and J-20 because he was named as the defendant in one item. The other item was an action against the City of Richmond, brought by the mayor’s adult son on behalf of private parties, in which the mayor was named in the complaint as a witness for the petitioners. Ms. Stricker further advised Mayor Butt that he needed to recuse himself from both items under a common law conflicts doctrine. Mayor Butt declined to recuse himself from both items.

AGENDA REVIEW

Item M-4 was moved for discussion immediately following Item M-2 (and subsequently moved again during the meeting for discussion immediately following Item M-1).

Items J-17, J-18, J-19, and J-20 were removed from the Consent Calendar for discussion at the end of the agenda.

PRESENTATIONS, PROCLAMATIONS, AND COMMENDATIONS

E-1. Mayor Butt announced recent resignations from City of Richmond boards, commissions, and committees; and vacancies as of November 17, 2021, and asked that interested individuals send applications to the city clerk.

REPORT FROM THE CITY ATTORNEY ON FINAL DECISIONS MADE DURING CLOSED SESSION

City Attorney Teresa Stricker reported by a 4-3 vote, with Councilmember Bates, Vice Mayor Johnson III, and Mayor Butt voting no, the City Council approved a motion directing the city attorney to submit a letter to the Ninth Circuit Court of Appeals on December 8, 2021, informing the court and all parties that the City of Richmond would not file a brief in the SPRAWLDEF vs. City of Richmond case, and stating that the City of Richmond understands that the Guidiville Rancheria and Upstream would file an answer brief in the appeal. Ms. Stricker also reported by a 7-0 vote, the City Council authorized the city manager to sign and return participation agreements and state subdivision agreements, for both the Janssen Settlement and the Distributor Settlement, by the January 2, 2022, deadline so that the City of Richmond could

participate in the settlement proposed as part of class actions that are part of Multidistrict Litigation No. 2804 in the United States District Court in the Northern District of Ohio entitled In re National Prescription Opiate Litigation.

REPORT FROM THE CITY MANAGER

Interim City Manager Shasa Curl thanked staff for work accomplished over the last week and encouraged the community to review the City Manager's Weekly Report posted on the City of Richmond's website. Ms. Curl provided brief updates on the following three key priorities in progress: recruitment to fill 99 job positions; "I Heart Richmond" cleanup program; and Measure U (gross receipts business license tax).

ABATEMENT REPORT FROM THE PUBLIC WORKS DIRECTOR

Public Works Director Joe Leach presented a Powerpoint that highlighted the following: Fairmede-Hilltop and Laurel Park neighborhood clean-ups, illegal dumping; encampment abatement; property board-ups; private property abatement; graffiti removal; and partnerships. The council advised that the encampment located on 23rd Street near the Bay Area Rapid Transit tracks was on private or city property and should not be there.

OPEN FORUM FOR PUBLIC COMMENT

The following individuals gave comments via teleconference:

Guy Corrie, Paul Butler, Ron Holthuysen, B. Fish, John Varga, Ilona Clark, Aaron Winer, Jan Mignone, Steve Mirabito, Rob Lightner, Gonzalo Ochoa, James Lee, Ernest Lompa, Lamar Bell, and Garland Ellis gave comments regarding Item J-6, Measure U implementation.

Louis Padilla thanked Councilmember McLaughlin for bringing attention to the need for more Richmond fire inspectors. Mr. Padilla requested the reinstatement of the fire inspection position transferred to a police position in 2019. Mr. Padilla urged the council to consider promoting two qualified candidates to fire inspectors before the promotional list expired.

Jessi Taran gave comments against suggestions to remove encampments in Richmond. Ms. Taran advised that grant funds were not utilized to benefit the unhoused residents in Richmond as intended and there were no relocation options. Ms. Taran recommended the use of surplus land in Richmond to provide shelter to unhoused residents. Ms. Taran urged the council to value the unhoused community.

Mark Wassberg gave comments regarding unhoused individuals. Mr. Wassberg also gave comments regarding World AIDS Day.

Richard Katz advised that the City of Richmond gave away 1,500 square feet of city land on Western Drive to a private homeowner, and the homeowner sold the land. Mr. Katz urged the council to investigate the matter.

Leisa Johnson requested the City Council to return to in-person meetings or adopt a hybrid model. Ms. Johnson advised that she was filing a formal request for an investigation of potential Brown Act violations. Ms. Johnson urged the council to delay the implementation of Measure U until an impact study was completed. Ms. Johnson gave comments against moving Item M-4 for discussion before Item M-3.

Naomi Williams inquired about council redistricting public hearings scheduled for January 18 and February 1, 2022. Ms. Williams expressed concerns that her council district was currently unrepresented.

Tarnel Abbott advised that a qualified librarian candidate was identified and recommended hiring the candidate. Ms. Abbott urged the council that the community deserved a full-service library. Ms. Abbott gave comments regarding the Point Molate litigation.

Mike Parker gave comments regarding Measure U. Mr. Parker also gave comments in response to comments published by Mayor Butt regarding the Richmond Progressive Alliance (RPA).

Oscar Garcia expressed concerns regarding Measure U. Mr. Garcia requested the City of Richmond to address the encampment on Castro Street and vehicle sideshows in the Iron Triangle area.

Ben Therriault gave comments against interim appointments to City of Richmond positions. Mr. Therriault advised that part of the problem with staff retention and hiring was from not having a permanent human resources director. Mr. Therriault urged the council to prioritize filling that position.

Nathaniel Bates gave comments (after consultation with the city attorney) regarding Point Molate litigations. Mr. Bates advised the following attorney fees to date: SPRAWLDEF \$235,000; North Coast Rivers Alliance amount not stated; and Guidville Rancheria of California \$1 million. Mr. Bates advised that the public needed to be aware that there were serious litigations and potential liabilities of the City of Richmond losing large sums of money. Mr. Bates expressed concerns regarding Measure U and requested staff to review the survey of how many vacant buildings were in Richmond. Mr. Bates recommended that the Measure U implementation included input from those affected.

Tom Butt responded to public comments made against him concerning the RPA.

CITY COUNCIL CONSENT CALENDAR

On motion of Vice Mayor Johnson III, seconded by Councilmember Willis, the items marked with an (*) were approved by the unanimous vote of the City Council.

***J-1.** Adopted **Resolution No. 145-21** authorizing the city manager or designee to submit an application for Per Capita program grant funds for Boorman Park; and accept and appropriate grant funds, if awarded.

***J-2.** Approved a sixth contract amendment with Stommel, Inc. dba Pursuit North/Lehr for police vehicle outfitting, extending the contract term from July 1, 2016, to December 31, 2022, and increasing the payment limit by \$270,000, for a total of \$1,387,000.

***J-3.** Approved the minutes of the regular October 19 and special November 30, 2021, meetings of the City Council.

***J-4.** Approved an appointment to the Richmond-Zhoushan Sister City Commission; appointed Bobby Winston, new appointment, seat #6, term expiration date December 31, 2023.

***J-5.** Approved a second amendment to the Legal Services Agreement with the Telecom Law Firm for representation of the City of Richmond concerning wireless communications matters, including assistance with review of wireless and wired siting applications, to increase the contract amount by \$300,000, for a total not to exceed \$600,000 (with funds for payment generated from fees from the wireless applications and/or from revenue collected from the leasing of city-owned property by wireless carriers), with a term ending June 30, 2024.

***J-6.** Received a written report on Measure U implementation.

***J-7.** Authorized a contract with Charles River Associates in an amount not to exceed amount \$40,000, to perform a peer review of the City of Richmond's municipal advisor's recommendations regarding the Pension Obligation Bonds, for a one-year term beginning December 8, 2021, and ending December 8, 2022.

***J-8.** Adopted **Resolution 146-21** approving a three percent annual cost of living increase, in addition to the two percent minimum cost of living increase, for the recipients of the General Pension Fund, for a total annual cost of living increase of five percent for the recipients.

***J-9.** Approved the sole-source contract with BLD Consulting to provide data management planning, configuration, customization, and reporting services for Fire Department's Records Management System for a total amount not to exceed \$40,000, for a term through November 30, 2024.

***J-10.** Approved a contract with Bode Cellmark Forensics, Inc., in an amount not to exceed \$199,000, from September 7, 2021, to February 28, 2022.

***J-11.** Approved a sole-source contract with Contra Costa County for Coordinated Outreach Referral and Engagement services to continue service to the City of Richmond for Fiscal Year 2021-2022, at a cost not to exceed \$144,333, from July 1, 2021, to June 30, 2022.

***J-12.** Approved a five-year contract with Peregrine Technology, an analytic platform that integrates data to provide for greater case solvability, in an amount not to exceed \$1,097,500 (\$219,500 annually), from November 1, 2021, to October 31, 2026.

***J-13.** Approved an agreement with SF Global, LLC to support the implementation of Richmond's Municipal Identification Card Program through December 2024, with three, two-year extension options; and directed staff to incorporate the intake and marketing components of the program into a City of Richmond department.

***J-14.** Adopted a resolution to update the 2022 solid waste collection rates.

***J-15.** Adopted a resolution approving the establishment of a Cannabis Equity Program including a Cannabis Equity Assessment, and a Cannabis Equity Manual.

***J-16.** Approved City Attorney Teresa Stricker's request to make December 22, 2021, her last day of employment with the City of Richmond.

J-17. CONTINUED to the December 14, 2021, City Council special meeting – the matter to adopt a resolution commending outgoing City Attorney Teresa Stricker for her service and professionalism; and renouncing and condemning statements about the city attorney made by Mayor Tom Butt.

J-18. CONTINUED to the December 14, 2021, City Council special meeting – the matter to approve a \$40,000 amendment to the legal services agreement with the law firm of Burke Williams, & Sorensen, LLP for general municipal and personnel matters for a total amount not to exceed \$140,000.

J-19. CONTINUED to the December 14, 2021, City Council special meeting – the matter to approve (1) a \$50,000 amendment to the legal services agreement with the law firm of Burke Williams, & Sorensen, LLP for general municipal and personnel matters for a total amount not to exceed \$100,000 and (2) an additional appropriation of \$50,000 from the general fund to pay for a portion of the second contract amendment.

J-20. CONTINUED to the December 14, 2021, City Council special meeting – the matter to approve (1) a \$75,000 amendment to the legal services agreement with the law firm of Meyers Nave, LLP for general municipal law advice and litigation for a total amount not to exceed \$85,000 and (2) an additional appropriation of \$75,000 from the general fund to pay for the first contract amendment.

PUBLIC HEARINGS

K-1. The city clerk announced that it was time, pursuant to public notice, to hold a public hearing to adopt a resolution denying the appeal and affirming the Planning Commission's conditional approval of a Conditional Use Permit and Design Review, to construct a single-family residence on a vacant parcel located within the -S, Shoreline Overlay district at 357 Western Avenue. Community Services Director Lina Velasco introduced the matter. Senior Planner Hector Lopez presented a Powerpoint that highlighted the following: background; proposal; key design changes requested by the Planning Commission; standard review of appeal; and summary of key issues in appeal with responses. Discussion ensued. Mayor Butt declared the public hearing open. The appellant, Claire Arbour, gave a statement. The principal opponent (applicant), Rudi Garbelmann, gave a statement.

Jonathan Livingston and Ron Elson gave comments in favor of the appeal. Ms. Arbour and Mr. Garbelmann each gave comments in rebuttal. Mayor Butt closed the public hearing. Further discussion ensued. A motion made by Councilmember Willis, seconded by Vice Mayor Johnson III, to continue the matter to the January 11, 2022, City Council meeting to allow staff time to provide additional information regarding the sewer connection passed by the unanimous vote of the City Council. The council requested staff to investigate the idea of applicants being referred to work with the Design Review Board subcommittee when they are supposed to work with the entire review board; steering to certain architectural firms; and other issues surrounding personal design preferences.

ORDINANCES

L-1. The matter to introduce an ordinance (first reading) amending Chapter 9.20 of the Richmond Municipal Code entitled "Solid Wastes" in order to be compliant with state law Senate Bill (SB) 1383 Short-Lived Climate Pollutants was introduced by Interim City Manager Shasa Curl. Environmental Manager Samantha Carr presented a Powerpoint that highlighted the following: solid waste background; SB 1383 and requirements; Richmond policy synergies; ordinance amendment goals; outreach and education; compliance and enforcement; and next steps. Discussion ensued. Mark Wassberg and Jessi Taran gave comments via teleconference. A motion made by Councilmember Bates, seconded by Councilmember McLaughlin, to introduce the ordinance for first reading passed and said ordinance received the first reading and was laid over for two weeks for second reading by the unanimous vote of the City Council.

COUNCIL AS A WHOLE

M-1. The matter to receive a report from the chair of and investigator from the Community Police Review Commission (CPRC) was presented by CPRC Chair Randy Joseph and Investigative Officer Jerry Threet. Mr. Joseph presented a Powerpoint that highlighted the following: CPRC overview; ordinance amendments; complaints and process; challenges; and recommendations. Mr. Threet presented CPRC investigations and findings. Discussion ensued. The following individuals gave comments via teleconference: Mark Wassberg, Ben Therriault, Yenny Garcia, Jessi Taran, Mike Parker, Deborah Small, Leisa Johnson, Naomi Williams, Cecil Anderson Jr., Jamin Pursell, Amanda Jenkins, and Tarnel Abbott.

M-2. CONTINUED to the December 14, 2021, City Council special meeting – the matter to receive a presentation on a draft summary proposal for a new city-wide Community Benefits Policy.

M-3. CONTINUED to the December 14, 2021, City Council special meeting – the matter to receive an updated staffing presentation from the Police Department to include changes and/or modifications to the services provided to the community based on resource allocations due to financial and efficiency considerations.

M-4. The matter to direct staff to return with a contract amendment with Housing Consortium of the East Bay to allow additional time for unhoused vehicle dwellers at Rydin Road and at Castro Street to be relocated and provide on-site services (with month-to-month reports to the City Council on progress via the Reimagining Task Force's overall monthly updates); and approve and appropriate \$50,000 for flex funds for repair, preparation for transfer or removal, registration, storage and towing for RVs and vehicles and for temporary storage of personal belongings, to assist in relocation efforts was introduced by Councilmember McLaughlin. *(At 10:58 p.m. - a motion by Vice Mayor Johnson III, seconded by Councilmember McLaughlin, to extend the meeting for public comment and the vote only for Item M-4 passed by the unanimous vote of the City Council. Mayor Butt ruled the motion improper because it did not allow for debate. A motion made by Vice Mayor Johnson III, seconded by Councilmember Willis, to overrule the mayor and extend the meeting for public comment and the vote only for Item M-4 passed by the following vote: Ayes: Councilmembers Bates, Jimenez, Martinez, McLaughlin, Willis, and Vice Mayor Johnson III. Noes: Mayor Butt. Abstentions: None. Absent: None).* The following individuals gave comments via teleconference: Terry Dunn, Lea Murray, Ramon Quintana, Amanda Jenkins, Mark Wassberg, Brenda Hector, Jessi Taran, Jean Moses, Leisa Johnson, Maeve Berman, and Payton Silket. *(At 11:28 p.m. – a motion was made by Councilmember McLaughlin, seconded by Councilmember Johnson III, to suspend the rules and extend the meeting to hear the remaining public speakers, make a motion, and vote on Item M-4. A substitute motion made by Councilmember Martinez, seconded by Mayor Butt, to complete Item M-4 with discussion failed by the following vote: Ayes: Councilmember Martinez and Mayor Butt. Noes: Councilmembers Bates, Jimenez, McLaughlin, and Vice Mayor Johnson III. Abstentions: Councilmember Willis. Absent: None. The main motion passed by the following vote: Ayes: Councilmembers Bates, Jimenez, McLaughlin, Willis, and Vice Mayor Johnson III. Noes: Councilmember Martinez and Mayor Butt. Abstentions: None. Absent: None).* The following remaining public speakers gave comment via teleconference: Jamin Pursell, Ben Therriault, John Springman, Cecil Anderson Jr., and Linda Grubbs. A motion was made by Councilmember McLaughlin, seconded by Councilmember Jimenez, to direct staff to return to the council on December 21, 2021, with some kind of service extension (that could have been as simple as working with Contra Costa County Coordinated Outreach Referral and Engagement services and having a service contract to keep the port-a-potties in place with servicing of the port-a-potties); no residents at Rydin Road or Castro Street be evicted or removed from the site until they were offered places to relocate (if a vehicle dweller was offered a space in one of the church lots or safe parks, they must have accepted it, if a vehicle dweller was offered a shelter bed or motel room and an offer to store their vehicle, they must have accepted it with the understanding that if the county did not offer them permanent housing in their stay at the motel or shelter, Safe Organized Spaces would do their best to help them find a safe park or camping location afterward); and \$50,000 be allocated from American Rescue Plan Act funds for flex funds for repair, preparation, registration, storage, and towing of RVs and vehicles, and for temporary storage of personal belongings to assist in relocation efforts. A substitute motion made by Councilmember Bates, seconded by Vice Mayor Johnson III, to not evict anyone and that the mayor appointed a committee that consisted of the

individuals involved and included some of the individuals that gave public comments for the item to work with a program to come forward that would be beneficial and successful for those that were affected passed by the following vote: **Ayes:** Councilmembers Bates, Martinez, Vice Mayor Johnson III, and Mayor Butt. **Noes:** None. **Abstentions:** Councilmembers Jimenez, McLaughlin, and Willis. **Absent:** None.

REPORTS OF OFFICERS: REFERRALS TO STAFF, AND GENERAL REPORTS (INCLUDING AB 1234 REPORTS)

None.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:46 p.m., in memory of Pastor Kellis Love, Lois Jean Irving, and Steve Nadel to meet again on Tuesday, December 14, 2021, at 6:30 p.m.

Clerk of the City of Richmond

(SEAL)

Approved:

Mayor

From: [Cordell Hindler](#)
To: [City Clerk Dept User](#)
Subject: public comments- Open session prior to closed session
Date: Thursday, December 2, 2021 3:33:55 PM

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good evening Mayor Butt, council members and city staff, before you appoint an interim city attorney, I am suggesting that you consider holding off until after the new year

Sincerely
Cordell

From: [Cordell Hindler](#)
To: [City Clerk Dept User](#)
Subject: public comments E-1 Presentations proclamations and commendations
Date: Thursday, December 2, 2021 3:36:56 PM

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good evening Mayor Butt, council members and city staff, I have mention to the youth council at their previous meeting that I have reached out to the principal of EL Cerrito to have a meeting in regarding the Youth council

Sincerely
Cordell

From: [Cordell Hindler](#)
To: [City Clerk Dept User](#)
Subject: public comments-open forum
Date: Thursday, December 2, 2021 3:40:14 PM

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good evening mayor Butt, council members and city staff, I have a couple of comments for the record

1. I am requesting for a future agenda, is to have a discussion in regarding to reinstate the standing committees
2. also that the council to extend an invitation to have Ken Kirkey to provide a presentation on the affordable housing element

Sincerely
Cordell

From: [Leisa Johnson](#)
To: [City Clerk Dept User](#)
Cc: [Pamela Christian](#); [Leisa Johnson](#)
Subject: Open Forum Comments - December 7th, 2021
Date: Tuesday, December 7, 2021 7:52:29 PM

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Dear City Clerk,

Can you please include these written open forum comments in the formal supplementary meeting materials?

Thank you,
Leisa

Dear Mayor, Vice Mayor, Council and Staff:

First, I am once again requesting that this Council please respect the public and either return to in person meetings or adopt a hybrid model where Councilmembers and essential staff attend in person and the rest and community by Zoom.

There have been numerous Brown Act violations by this Council and a refusal from the City Attorney's office to correct them. As such, I informed the City Attorneys office last week that I will be filing a formal request for an investigation by the DA office and grand jury as well as notifying the State Bar association.

Moreover, there is no assurance to the public that closed sessions are actually closed since even during public session, we routinely see councilmembers on their phone and speaking to people in their room.

Secondly, I am requesting that the council delay implementation of the gross receipts business tax until a proper impact study is completed. In December of last year, the council shockingly stated that they didn't realize that the tax actually made Berkeley's flat tax the FLOOR of Richmond's progressive business tax. As such, the council stated they wanted to review the proposed tax rates, but said this action should wait until the new council members were in place in January.

Here we are one year later and the city council has failed to even review let alone respectfully address these rates.

Many businesses are still trying to recover from the pandemic and they will now be hit with a

tax that is so egregious that Richmond will have a difficult time both retaining as well as attracting new businesses. This city is in desperate need of revenue & good jobs, and yet the RPA councilmembers are doing everything to destroy our businesses, critically needed development and sources of revenue & jobs.

Lastly, once again, Councilmember McLaughlin is changing the agenda to suit her agenda at the expense of everyone else in this City. While we all recognize the homeless crisis, Gayle is once again dictating our council's time and very limited tax dollars and resources. There are over 113,000 residents and our livelihoods and health & safety also matter. But since RPD is finally on the agenda to give an update on the impacts of the defunding that the RPA 5 councilmembers did, Gayle once again disrespected not only our Acting Police Chief but every resident and business in Richmond by moved his item to the end of the agenda in the hopes that it won't get heard.

We deserve so much better.

Thank you.

Respectfully,
Leisa Johnson

From: [Antonio Banuelos](#)
To: [Anil Comelo](#); [Belinda Brown](#); [City Clerk Dept User](#)
Cc: [Desiree Johnson](#)
Subject: FW: Measure U
Date: Wednesday, December 8, 2021 1:33:40 PM

From: Brian Fisher <brianfishercyber@yahoo.com>
Sent: Tuesday, December 7, 2021 12:07 PM
To: measure U Info <measure_u_info@ci.richmond.ca.us>
Subject: Measure U

You don't often get email from brianfishercyber@yahoo.com. [Learn why this is important](#)

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Dear Council Representatives.

I have been a small property owner for the past 40 years and have seen many changes in the City of Richmond. Measure U is a business killer. Any small business that can move will move, which will have a major impact on the tax revenue for the city. It is very hard to get tax revenue if the business is gone. If the business is gone it will place a burden on the residents of Richmond as they will have to go to another City for the Service provider. If you have not already made up your mind to vote for Measure U please think of the long term negative impact this tax will have on Richmond as it will not only make existing small business move it will stop future businesses coming to Richmond. Thank you for your consideration.

Brian Fisher.

Sent from [Mail](#) for Windows

From: [Carla Pecoraro](#)
To: [City Clerk Dept User](#)
Subject: Public Comments – Open Session prior to Closed Session
Date: Monday, December 6, 2021 5:25:42 PM

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As a Commercial and Residential Real Estate Broker I completely oppose this ridiculous proposal. For a city that is already labeled undesirable for investment and that underutilized the Opportunity Zone benefits and basically boycotted any interest in investing within, this is an additional slap in the face for investors and current property owners. Not only will this increase represent more than many owners pay in Property taxes (which Richmond has the highest rate of in the Bay Area) but **the new (un)progressive rate structure literally increases the tax for many local businesses anywhere from 250% to over 1500%.**

We need MORE NNN properties and investors because they bring a safety component to the table, and all this is doing is disincentivizing them from investing and developing in Richmond. Main corridor retail like CVS, Walgreens, ROSS and so-forth provide a safety element in surveillance and all you are doing is chasing them away at a time when you need them for more safety. All you are doing is reducing the value and investment interest in your community.

You didn't consult local businesses which is INSANE considering what businesses are dealing with as far as covid goes. I believe if we investigate it, it IS unconstitutional

Many of us owners have calculated this would raise our business tax rates 3x, one 4x and one even 70x than what we are paying now. A business that currently pays \$3,000 would pay \$70,000. A business who currently pays \$500 would pay \$13,000 – 1/3 of their net profits. Please learn how to do math and produce a better option. This is frankly insulting.

Gross receipts and net profits are two different things and its insane that a proposal like this, by a city so corrupt and mismanaged would even make it to the table.

YOU GUYS SHOULD READ THE NEWS. ARE YOU NOT AWARE OF WHAT IS HAPPENING WITH INFLATION?

YOU HAVE CAPPED RENTS AT A LOW RATE WHICH DOES NOT REFLECT REAL INFLATION RATES AND NOW YOU WANT TO SQUEEZE OWNERS FROM THE OTHER SIDE? PLEASE EXPLAIN TO ME HOW THAT MAKES SENSE.

This isn't a competition of which city can screw their landlords more. Are you aware of what we have been dealing with for the last 2 years?



Carla Pecoraro

Senior Vice President

Website: CarlaPecoraro.com

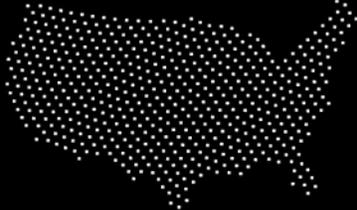
DRE#: 02019669

Schedule a Meeting: calendly.com/carla-pecoraro

724 Battery Street, 2nd Floor

San Francisco CA 94111

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From: rosmarielevy@gmail.com
To: [City Clerk Dept User](#)
Subject: PUBlic Comments Open Forum: New business License Measure U
Date: Monday, December 6, 2021 8:04:32 PM

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>
>
>>

>> To whom it may concern:

>>

>> This e-mail is to let everyone at the Richmond City Council know, how the proposed change of the business license tax will impact us. We are retired and own an older building with twelve residential units. All the rents are way below market rents and can not be increased because of rent control. In the five years since we owned the building we had NO Vacancies, and our tenants are unlikely to move, since they can not find another such great deal. We pay a lot for water, garbage, Insurance, fees to the Rent Board and property taxes and now the proposed Business License Tax.

>>

>> Under the current rules we paid \$238.10 for the Business License and next year we are supposed to pay \$4608.00 an increase of 19.35 Times, when our historically low rents can only be increased by a maximum of 5% per year. In our case that means that after paying the business License Tax to the City of Richmond, our NET INCOME will be lower in 2022 than when we bought the building in 2016 despite the fact that rents have been increased by the amounts allowed by the Richmond Rent Board. This is outrageous and totally unjust. We are providing Housing at below market rents to twelve families and are required to pay the salaries of the employees at the Richmond Rent Board and other City Offices. This increase for the Business License will lower property values in the City of Richmond. It impacts small property owners with historically low rents disproportionately, and burdens owners of older buildings that need a lot of work in the future. Instead of being able to put some money aside to do much needed work we have to delay repairs because of this and we are sure that we are not the only property owners feeling this pinch! Please consider an exception to older buildings, with historically low rents. Thank you!

>>

>> Sincerely,

>>

>> Ephraim and Rosmarie Levy

>>

From: [Gay Timmons](#)
To: [City Clerk Dept User](#)
Subject: Measure U Tax rates
Date: Monday, December 6, 2021 3:09:57 PM

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To Whom It May Concern:

If this tax is fully implemented without amendment I am moving my business and the 9 employees I have (all but one of whom live in Richmond) out of the city.

Going from aprox. 600.00 to almost 9000.00 is simply dumb. I can't afford it.

Most taxes take into consideration profit margin. For example - I am certified organic so I pay .0025 on my **net profit** to my certifier plus the cost of certification. That makes sense - every business has different margin so to charge based on gross completely ignores the vast reality of margins for each business type.

Given that formula I'd pay about 150.00 more than on the number of employees model but I wouldn't leave the city.

Get it together. This city needs businesses.

Sincerely -

Gay Timmons • President

Oh, Oh Organic, Inc. • 510/412-1072 • Organic Ingredients • R & D • Regulatory Support

Happy Holidays!

Save the planet. Look good doing it.

www.ohohorganic.com

From: [John W Ziesenhenne](#)
To: [Katrinka Ruk](#); [Tom Butt - external](#); [Demnlus Johnson](#); [Nat Bates](#); [claudia jimenez](#); [Eduardo Martinez](#); [Gayle McLaughlin](#); [Melvin Willis](#); [City Clerk Dept User](#); [James Lee](#)
Cc: [Shasa Curl](#)
Subject: RE: 12/07/21 Richmond City Council Meeting - Public Comments – Open Forum
Date: Tuesday, December 7, 2021 4:38:04 PM

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Dear Mayor and Council Members,

Many hours have been invested by the Richmond Business Community to develop an alternative rate structure for the business license tax. Please do an economic impact study and review the Richmond Business Communities alternative rate structure which raises additional funds for the City. As you know, there was no outreach done in the business community before Measure U was placed on the ballot. The proposed rate structure will be a significant burden on Richmond business and will be another hurdle for potential new businesses who are looking to move into Richmond. El Cerrito and San Pablo do not have these excessive fees and their streets are paved, trees are trimmed, cars are towed, police respond to quality of life calls and so on. Please read the emails from the business owners and listen to the comments that are made tonight from business owners. We look to your leadership to promote new business and also appreciate the businesses that have been hiring Richmond residents and keeping their businesses going through this pandemic. Please look at alternative rates and do an economic impact study before deciding on a business license rate increase.

Respectfully

[John W. Ziesenhenne](#)
[M.A. Hays Co. Lic. #0675383](#)
[232 Broadway. Richmond, Ca. 94804](#)
[510-235-0353 x 114](#)

From: [Judy Dobbert](#)
To: [City Clerk Dept User](#)
Subject: public comments - Open Session prior to Closed Session
Date: Thursday, December 2, 2021 4:19:51 PM
Attachments: [CITY COMPARISON.xlsx](#)
[oakland task force results.pdf](#)
[OAKLAND BUSINESS LICENSE.pdf](#)

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We currently have 2 new car dealerships in the City of Richmond. Gross receipts in the automotive industry have nothing to do with our profitability. Our high volume in gross receipts is due to the selling of new vehicles which are simply not profitable.

We have looked into the business license/tax imposed by the surrounding Cities in which dealerships are located and have found their rates to be much lower. Please see attachment 1.

Additionally, when the City of Oakland was in the process of implementing changes to their business license fees, a Business Community Advisory Board as well as a Task Force were formed to ensure that the fees would support the attraction and retention of the City's businesses. Please see the resulting analysis and recommendations proposed in Oakland, attachment 2.

The proposed rates will impose an additional \$500,000 on our 2 dealerships. We take pride in our employee retention paying high wages, full medical package for not only our employees but their family members and a 401k plan. The increased fee could lead to layoffs at both of our dealerships.

The increase in the annual business license fees, puts our dealerships at a competitive disadvantage and could very well lead to a decrease in sales tax revenues paid to the City of Richmond.

Respectfully,

Judy (Dobbert) Barr

Compliance

Hilltop Ford Kia

Hilltop Chrysler Jeep Dodge Ram

Your privacy is important to us. Before providing personal information, you may view our notice at collection of personal information and privacy policy at the following URL: <https://www.steadauto.com/privacy-links.htm> or ask a dealership representative for a copy.

CITY	GROSS RECEIPTS	\$70,000,000.00
RICHMOND	PER CALCULATOR	\$276,750.00 (Over \$50,000)
OAKLAND	\$1.2 /\$1000	\$84,000.00
BERKELEY	\$1.2 /\$1001	\$84,000.00
ALAMEDA	\$.4/\$1000	\$28,000.00 MAY USE G
ALAMEDA	\$.4/\$1000	\$28,000.00 (MAY USE C
FREMONT	\$.25/\$1000	\$17,500.00
NAPA	UP TO 14999999=\$250+\$10/\$1000	\$7,100.00

000,000 \$176,750, plus \$5.00 per \$1,000 of annual gross receipts over \$50,000,000)



CITY OF OAKLAND BUSINESS TAX CLASSIFICATION & RATE SCHEDULE

Ind. Code	Business Description & Tax Basis	Minimum Tax	How to Calculate The Tax
A C D I J K T W	Retail Sales (based on gross receipts) Automobile Sales (based on gross receipts) Wholesale Sales (based on gross receipts) Manufacturing (based on value-added) ¹ Mfg. (2) (based on Oakland expenses) Admin Headquarters (gross payroll) ² Media Firms (based on gross receipts) Miscellaneous (based on gross payroll)	If under \$50,000: \$60.00	If \$50,001 or more: (Gross Receipts, etc.) x .0012 (tax rate = \$1.20 per \$1,000)
B	Grocers (based on gross receipts)	If under \$100,000: \$60.00	If \$100,001 or more: Gross Receipts x .0006 (tax rate = \$.60 per \$1,000)
E H O P	Business/Personal Svcs. (gross receipts) Contractors (Oakland gross receipts) Commercial Rental—5-Yr Exemption ³ Hotel/Motel (based on gross receipts)	If under \$33,335: \$60.00	If \$33,336 or more: Gross Receipts x .0018 (tax rate = \$1.80 per \$1,000)
F	Professional/Semi-Professional Services (based on gross receipts)	If under \$16,666: \$60.00	If \$16,667 or more: Gross Receipts x .0036 (tax rate = \$3.60 per \$1,000)
G	Recreation/Entertainment (based on gross receipts)	If under \$13,335: \$60.00	If \$13,336 or more: Gross Receipts x .0045 (tax rate = \$4.50 per \$1,000)
L	Trucking/Transportation (based on the number of full-time employees)	None	See Tax Table II, below
M	Residential Rental Property (based on gross receipts)	If under \$1,000: \$13.95	If \$1,001 or more: Gross Receipts x .01395 (tax rate = \$13.95 per \$1,000)
N	Commercial Rental Property (based on gross receipts)	If under \$1,000: \$13.95	If \$1,001 or more: Gross Receipts x .01395 (tax rate = \$13.95 per \$1,000)
U	Utility Companies (based on gross receipts)	If under \$60,000: \$60.00	If \$60,001 or more: Gross Receipts x .001 (tax rate = \$1.00 per \$1,000)
X	Taxicabs (based on the number of permits)	None	\$180.00 per Permit
Y	Ambulances & Limousines (based on the number of vehicles)	None	\$75.00 per Vehicle
Z	Cannabis (based on gross receipts)	\$60.00	2020 Cannabis Business Tax Rates

¹ Value Added = Total Gross Receipts less the cost of raw materials used to make the product.

² Administrative Headquarters: This office location must be for administrative (non-revenue producing) purposes only. Must have at least one other revenue-producing location.

³ Newly constructed commercial building(s) with major renovations completed after 7/1/1981: May qualify for a lower tax rate of \$1.80 per \$1,000 for five (5) years. Contact the Revenue Audit Section at 510-238-3084 for further information.

TAX TABLE II (INDUSTRY CODE L)

Tax Rate Per Employee	Applicable Number of Employees
\$72.00	1 st Employee (business owner)
\$18.00	For each of the next 19 employees
\$9.00	For each of the next 80 employees
\$7.50	For each of the next 100 employees
\$4.50	For each of the next 200+ employees



Distribution Date: 10.29.21

MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Erin Roseman
Director of Finance

SUBJECT: Blue Ribbon Equitable Business Tax Task
Force Analyses & Recommendation Report

DATE: October 29, 2021

INFORMATION

The purpose of this informational memo is to transmit an Analyses and Policy Recommendations report (**Attachment A**) prepared and adopted by the Blue Ribbon Equitable Business Tax Task Force on October 21, 2021, regarding the proposed new rates and the economic impacts of the recommended business tax rates as requested by the City Council pursuant to the Resolution 88478 C.M.S.

Respectfully submitted,

[Erin Roseman \(Oct 28, 2021 10:17 PDT\)](#)

Erin Roseman
Director of Finance
Finance Department

For questions, please contact Margaret O'Brien, Revenue & Tax Administrator, (510) 238-7480.

Attachment A:
Blue Ribbon Equitable Business Tax Task Force's Analyses and Recommendation Report



City of
OAKLAND California



CITY OF OAKLAND

BLUE RIBBON EQUITABLE BUSINESS TAX

TASK FORCE

ANALYSES AND RECOMMENDATION REPORT

Members:

Ari Takata-Vasquez, Chair, (District 2); Cynthia Larsen, Vice Chair (Mayor); Tasion Kwamilele, (At Large) Winter Williams (District 1); Adrionna Fike (District 3); Daniel Swafford (District 4); Minh Tsai (District 5); Ben Wanzo (District 6); Zain Oke, (District 7); Michael Katz (Resolution Appointment 1/12/2021); Elizabeth Ortega, (Resolution Appointment 1/12/2021)

Date of Issuance: Thursday, October 21, 2021

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EXECUTIVE SUMMARY

On January 12, 2021, the Oakland City Council amended Resolution No. 88227, which created a limited duration 11-member Blue Ribbon Equitable Business Tax Task Force (“Task Force”) to, “after thorough analysis and extensive community and stakeholder engagement, deliver for Council adoption [by October 31, 2021] a comprehensive recommendation for a modernized progressive business tax structure that achieves the City’s goals for revenue enhancement, reduction of race and equity disparities, tax code modernization, equitable economic development, and living wage job creation.” The Task Force held its meetings between April and October 2021. The Task Force engaged various stakeholders during their meetings, reviewed economic data provided by City staff and the consulting team from the Blue Sky Consulting Group, and examined tax rates in comparable and neighboring jurisdictions.

At the meeting held on September 30, 2021, the Task Force voted by a vote of 7 ayes to 3 nays to approve a tiered or progressive rate structure in which larger businesses pay a higher rate relative to smaller businesses in the same category. Rates vary from \$0.45 per \$1,000 of gross receipts for grocers to \$15 per \$1,000 in payroll for large administrative headquarters firms. Under the adopted Proposal, approximately 20,000 of the smallest businesses in the City (about 39% of all businesses) would see a tax reduction averaging about \$60 while approximately 1,500 larger business (about 3% of all businesses) would see increases in taxes, with substantial increases for the largest businesses. In addition, the Task Force Proposal would create a new administrative headquarters tax for large national firms with administrative functions in Oakland. This tax would apply in lieu of the regular payroll-based administrative headquarters tax for firms with more than 1,000 employees nationally and \$1 billion in revenue. The tax rate would be \$15 per \$1,000 of Oakland based payroll; on average administrative, headquarters firms would see a tax increase of more than 760%.

To provide ongoing recommendations with respect to the City’s disbursement of the additional revenues raised by the Business License Tax, the Task Force recommended that the City Council create a Business Community Advisory Board with broad representation reflecting the diversity of the City’s business community. The Task Force further recommended that the additional revenue be used for support of small business loan initiatives, funding a range of initiatives that would support the attraction and retention of businesses, increased funding to keep commercial neighborhoods clean and welcoming, efforts to make commercial retail space more accessible and affordable, and providing sufficient funding for collection and administration of the Business License Tax.

If placed on the ballot by the City Council and approved by the voters, the proposal is expected to raise an additional \$32.7 million for the City of Oakland, with the substantial majority of these revenues coming from the City’s largest firms.

BLUE RIBBON EQUITABLE BUSINESS TAX TASK FORCE TASKS AND FUNCTIONS

Background

On January 12, 2021, the Oakland City Council amended Resolution No. 88227, which created a limited duration 11-member Blue Ribbon Equitable Business Tax Task Force (“Task Force”) to, “after thorough analysis and extensive community and stakeholder engagement, deliver for Council adoption [by October 31, 2021] a comprehensive recommendation for a modernized progressive business tax structure that achieves the City’s goals for revenue enhancement, reduction of race and equity disparities, tax code modernization, equitable economic development, and living wage job creation.”

The amended Resolution called for the Mayor and each Councilmember to appoint one Task Force member and stated that the make-up of the Task Force should consist, “to the greatest extent practicable,” of at least one member in each of the following categories but no more than two members representing any one category:

- a) the very small business community (gross receipts below \$2.5M);
- b) the small to mid-sized business community (gross receipts below \$10M);
- c) large businesses (gross receipts above \$25M);
- d) an organization which focuses on economic development, entrepreneurship, or business development, with experience working in the City of Oakland;
- e) an economic expert or tax professional who has experience analyzing economic trends and business tax structures; and
- f) a community organization or labor union who has experience with City budgets and/or City services.

All members of the Task Force serve a single term beginning on their respective date of appointment and ending on January 1, 2022 unless the Task Force and members’ terms of appointment are extended by appropriate Council action. A list of the Task Force members is presented in Figure 1.

FIGURE 1: BLUE RIBBON TASK FORCE MEMBERS

Task Force Member	District Council Member	Category
Ari Takata-Vasquez, Chair , Small Business Owner, Executive Director of Oakland Indie Alliance, Oakland Resident	District 2: Nikki Fortunato Bas	A
Cynthia Larsen, Vice Chair , Director, Corporate Tax at Blue Shield of CA	Mayor Schaaf	C E
Tasion Kwamilele , Schnitzer Steel, Oakland resident	At Large: Rebecca Kaplan	C
Winter Williams , Small Business Owner, prior banking background, Oakland Resident	District 1: Dan Kalb	A
Adrionna Fike , Member/Owner of Mandela Grocery Cooperative *	District 3: Carol Fife	A
Daniel Swafford , BID District Manager for Montclair and Laurel, Oakland Resident	District 4: Sheng Thao	D
Minh Tsai , Founder and CEO of HODO Foods	District 5: Noel Gallo	B
Ben Wanzo , College Professor. Incubator lab/small business, Oakland Resident	District 6: Loren Taylor	A D
Zain Oke , Small Business Owner and former tax consultant for Deloitte, Oakland Resident	District 7: Treva Reid	A
Michael Katz , Regional Organizer for East Bay Works, Oakland Resident	Resolution Appointment	F
Elizabeth Ortega , Executive Secretary-Treasurer for Alameda Labor Council	Resolution Appointment	F

** Member Fike replaced Member Jessica Moncada Konte.*

Task Force Process

The Task Force held its meetings every other Thursday beginning on April 22, 2021 with the last meeting held on October 21, 2021. Pursuant to the Governor’s Executive Order N-29-20, these meetings were conducted virtually, with Task Force members, City staff, and the public attending via video conferencing software. Recordings of the Task Force meetings, along with related documents such as the posted agendas and minutes, are available on the City of Oakland’s website at <https://www.oaklandca.gov/boards-commissions/blue-ribbon-equitable-business-tax-task-force>.

To facilitate their work, the Task Force established ad hoc subcommittees to focus on specific areas of interest. These subcommittees met as needed (typically once during the weeks when

no Task Force meeting was scheduled) and provided updates at subsequent Task Force meetings. Originally three subcommittees were formed:

- Committee A: Job Quality & Employment (Katz, Konte, Kwamilele and Oke)
- Committee B: Business Mobility, Real Estate, Attraction & Retention (Katz, Takata-Vasquez, Wanzo, and Williams)
- Committee C: Tax Categories & Implementation (Larsen and Swafford)

As of August 19, the Task Force disbanded the three existing subcommittees and created three new ad hoc subcommittees:

- Committee 1: Use of Funds (Swafford and Williams)
- Committee 2: Review of proposals called “City Council” and “City Council Alternate” (Katz, Kwamilele, Larsen and Ortega)
- Committee 3: Review of proposals from former Subcommittee C (Takata-Vasquez and Wanzo)

On September 16, the Task Force disbanded Subcommittees 2 and 3 and formed a new subcommittee to review the tax rates under consideration and provide additional guidance to the full Task Force:

- Committee 4: (Fike, Katz, Oke, Takata-Vasquez, and Wanzo)

Task Force Support and Materials Reviewed

Support for the Task Force was provided by City of Oakland staff and the Blue Sky Consulting Group. City staff and the consulting team provided the Task Force with relevant presentations and reports, including the July 8, 2020 report to the City Council prepared by City staff and the Beacon Economics report presented to the City Council on July 7, 2020.

Additional presentations, prepared using the most recent Business License Tax (BLT) data and economic forecasts prepared by City staff and the Blue Sky Consulting Group, were also prepared and distributed to the Task Force members. Key materials prepared by City staff and the Blue Sky Consulting Group include the following:¹

April 22, 2021: Orientation materials including an overview of the Brown Act Sunshine Ordinance and Robert’s Rule of Order.

“Designing a Progressive Business Tax” presentation, including an overview of the City’s General Purpose Fund (GPF) revenue sources; detailed data for the BLT including the current BLT structure and historical actuals and current

¹ All presentations and materials provided to the Task Force are available at the Task Force [website](#).

revenue forecasts; detailed information for the number of businesses, gross receipts reported, and tax revenues collected by business sector and business size; an overview of the Task Force’s goals and the economic trade-offs these goals may involve.

April 29, 2021: “Designing a Progressive Business Tax” updated presentation with historical data on the annual number of BLT accounts and BLT revenue by sector; comparative information on business tax structures and rates for other major California cities (e.g., San Jose and Los Angeles) and surrounding cities (e.g., Emeryville, Berkeley, and Richmond).

May 13, 2021: “Evaluating Potential Impacts from Changes to Oakland’s Business Tax” presentation with discussion of business mobility and factors that influence location decisions; review of economic literature on how businesses respond to tax changes and the impact these changes have on overall economic activity; Oakland job market statistics and data on the largest Oakland employers and employment by sector and size; considerations for the Task Force including what to consider when evaluating potential changes to the BLT rate structure.

May 27, 2021: “Blue Ribbon Equitable Business Tax Task Force” presentation with detailed data on the number of businesses, tax revenue collected, and gross receipts reported by sector and by size; illustrative examples of Oakland businesses of various types and sizes to show current business taxes in context of other financial data; estimates of the share of other Oakland tax revenues (e.g., property taxes, sales taxes, and transient occupancy taxes) from Oakland businesses, by business sector.

In addition, the Blue Sky Consulting Group developed a model to estimate the fiscal and economic impacts of changes to Oakland’s BLT rate structure. This model relies on the City’s BLT data as well as up-to-date forecasts of economic activity in Oakland to estimate BLT revenue. The model presents the overall estimated change in tax revenue under specified proposals, as well as detailed estimates of the changes to City BLT revenue by business sector and by business size. The model uses both a “static” analysis, which estimates the revenue change assuming no business response to the tax changes, and a “dynamic” analysis, which assumes businesses will respond to the tax changes. As such, it provides estimates not only of BLT revenue but also of changes in Oakland economic activity. This model was used extensively both at the Task Force meetings and at the subcommittee meetings to analyze the original City Council proposal as well as alternatives suggested by members of the Task Force.

Community and Stakeholder Outreach

The Task Force engaged various stakeholders during their meetings. These included members of the business community in Oakland and representatives of the cities of Richmond and San Francisco. A list of the Task Force and subcommittee guest speakers is provided below.

- Council President Fortunato-Bas (Task Force Meeting, May 27)
- May Seto Wasem, owner of Grand Lake Kitchen (Subcommittee A, June 30)
- Kris Kwei, President at Oakland Kia / Managing Principal at Broadway Investors LLC (Subcommittee A, June 30)
- Barbara Leslie, President/CEO of Oakland Metropolitan Chamber of Commerce. (Task Force Meeting, July 22)
- Heidi Pickman, Vice President, Programs & Policy, of California Association of Micro Enterprise Opportunity (CAMEO) (Task Force Meeting, August 5)
- Edward Del Beccaro, Executive Vice President / SF Bay Area Regional Manager of TRI Commercial Real Estate Services, Inc. (Task Force Meeting, August 5)
- Antonio Banuelos, Revenue Manager, City of Richmond (Task Force Meeting, August 19)
- Ted Egan, Chief Economist, City & County of San Francisco (Task Force Meeting, September 2)
- Hilary Abell, Co-Founder, Project Equity (Task Force Meeting, September 16)

OVERVIEW OF CURRENT BUSINESS TAX STRUCTURE

The BLT applies to businesses located or operating within the City of Oakland. The current tax system classifies businesses into 22 separate categories, each with their own rate structure. For most businesses, taxes are based on the total gross receipts received by the business during a calendar year for economic activity in the City. Certain sectors pay BLT based on value added, employees, permits, or total Oakland payroll.

As shown in Table 1, tax rates vary from \$0.60 per \$1,000 in gross receipts for grocers to \$13.95 per \$1,000 for residential and commercial landlords. Many businesses, including retail businesses and restaurants, pay \$1.20 per \$1,000 in gross receipts (i.e., 0.12% of gross receipts). Many other businesses, including business & personal services firms and contractors, pay \$1.80 per \$1,000 in gross receipts. There is also a minimum tax payment of \$60. While the current tax structure applies varying rates across sectors, the same rate applies to all businesses within a given sector, regardless of their size.

FIGURE 2: TAX RATES AND MINIMUM PAYMENTS BY BUSINESS SECTOR (CURRENT LAW)

Code	Sector	Tax Basis	Minimum Tax	Tax per \$1,000
A	Retail Sales	Gross Receipts	\$60.00	\$1.20
C	Auto Sales	Gross Receipts	\$60.00	\$1.20
D	Wholesale Sales	Gross Receipts	\$60.00	\$1.20
I	Manufacturing	Value Added	\$60.00	\$1.20
J	Manufacturing (2)	Oakland Expenses	\$60.00	\$1.20
K	Admin Headquarters	Gross Payroll	\$60.00	\$1.20
T	Media Firms	Gross Receipts	\$60.00	\$1.20
W	Miscellaneous	Gross Receipts	\$60.00	\$1.20
B	Grocers	Gross Receipts	\$60.00	\$0.60
E	Business & Personal Services	Gross Receipts	\$60.00	\$1.80
H	Contractors	Gross Receipts	\$60.00	\$1.80
O	Commercial Rental - 5-Yr Exempt [^]	Gross Receipts	\$60.00	\$1.80
P	Hotel, Motel	Gross Receipts	\$60.00	\$1.80
F	Professional & Semi-Prof. Services	Gross Receipts	\$60.00	\$3.60
G	Recreation And Entertainment	Gross Receipts	\$60.00	\$4.50
L	Trucking & Transportation	Employees	None	N/A
M	Residential Rental	Gross Receipts	\$13.95	\$13.95
N	Commercial Rental	Gross Receipts	\$13.95	\$13.95
U	Utility Companies	Gross Receipts	\$60.00	\$1.00
X	Taxicabs	Permits	None	N/A
Y	Ambulances & Limousines	Vehicles	None	N/A
Z	Cannabis	Gross Receipts	\$60	N/A

Note: Categories shaded in grey are not subject to tax rate changes under the City Council’s proposal and were similarly not considered for modification by the Task Force (see City Council Proposed Business Tax Structure).

TAX RATES IN COMPARABLE JURISDICTIONS

The Task Force examined the tax rates charged to businesses in neighboring and comparable jurisdictions. These tax rates vary across the region. San Francisco and Richmond have recently adopted tiered or progressive rate structures, with tax rates that increase with business size (as measured by gross receipts). Other jurisdictions, such as Emeryville and Berkeley, have structures similar to the current system in Oakland, with businesses of all sizes paying the same rates. Some jurisdictions, such as Walnut Creek, Concord and Antioch have rates that decrease with business size. Figure 3 presents a summary comparison of business tax rates and structures for selected comparable and neighboring jurisdictions. Figure 4 presents detailed tax rates by sector for selected jurisdictions.

FIGURE 3: BUSINESS TAX RATES FOR COMPARABLE JURISDICTIONS

City	Business Tax Type	Exemptions *	Rates
Oakland	Primarily GRT, some exceptions (e.g., employees, payroll, etc.)	Threshold limits (vary by category); Non-profits; some affordable housing; licensed family daycare <= 14 children	Range from \$0.60 (grocers) to \$13.95 (commercial and residential rental property) per \$1,000 Cannabis rates are progressive, \$1.20 to \$13.95 per \$1,000
Emeryville	GRT	Charitable organizations	For most businesses, \$1.00 per \$1,000; Commercial rent = \$3.50; Cannabis = \$60
Berkeley	Primarily GRT (similar to Oakland)	Wholly charitable organizations; Small businesses with government R&D grants	Rates range from \$0.60 (grocers) to \$4.50 per \$1,000 for most categories, with some much higher rates: Professional sporting events = \$100; Firearms and ammunition = \$150; Cannabis = \$25 to \$50
Richmond	Currently flat fee + tax per employee; Measure U (2020) implements GRT to take effect July 2021 and is described here(?)	Non-profits; small businesses < \$250K; affordable housing, some owner-occupiers room and ADU rentals if < 150% AMI; family daycare providers; hardship exemptions (1 yr. must apply)	Progressive system, rates are marginal and by category, most range between \$0.60 and \$2.00 (grocers) to \$3.60 to \$6.80 (professional services); Cannabis = \$50.00; Firearms = \$60 first \$2,500 then \$24; seems to pull from Oakland and Berkeley
San Francisco	Primarily GRT	Primarily non-profits	Progressive system, varies by category. (Note: Prop F (2020) modified categories and set rates for Jan 2021 w/annual increases through 2024). Most currently range from \$0.53 to \$9.10 per \$1,000 (Cannabis higher)
Los Angeles	Primarily GRT, some exceptions (e.g., Movie production = cost)	Non-profits; Small biz (< \$100K/yr.); Mutual funds; New auto dealers, Contractors < \$60K (\$153 flat fee)	Rates per \$1,000 range from \$1.01 (childcare provider & others) to \$4.25 (Professions & Occupations, others); Medical marijuana = \$60 per \$1,000
San Jose	Primarily num employees, some exceptions	Non-profits; Farmers within Santa Clara County selling own products in City	Base tax of \$203.85, most categories then taxed per employee starting at 3rd employee, progressive marginal tax (e.g., \$32.70 per employee for 3-35 employees, up to \$65.45 for 500+). All capped at \$163,745.
San Leandro	Flat fees, some categories add'l taxes (GR, headcount, sq ft)	Non-profits and most businesses with 3 or fewer employees within City	\$146.20 base for most businesses; GRT applied only to limited categories: Coin operated devices & towing (\$1.30); Firearms (concealed weapons & ammo) = \$44.00; parking lot (\$100)
Hayward	Limited GRT, most categories pay flat fees, per emp, per sq ft, etc.	Charities/non-profits; Peddlers or solicitors who are veterans, disabled, or indigent.	Most Retail/wholesale = up to \$373.35 fee if <\$3M, add'l GRT of \$0.11 for \$3M+ (some \$0.27 for \$400K+); Other rates at \$1.07 to \$1.33, Cannabis = \$70.
Walnut Creek	Most businesses may choose GRT or a flat rate + headcount	Charitable organizations; Minors (< 18 yrs.) with up to \$1,000 revenues	GRT of \$2.30 first \$10K then decreasing rate up to \$0.02 for revenues > \$10M; OR flat \$416.00 for 1 owner/partner + Add'l partners \$139.00 then \$28 per employee up to 300 then \$14 for above 300
Concord	GRT (wholesale/retail, comm rents, contractors > \$204K); rest per employee or flat fee	Non-profits may qualify for no-fee business license	GRT: minimum \$25 up to \$25K revenues, then marginal GRT rates that decrease from \$0.90 to \$0.30 per \$1,000 at \$7.5M annual revenues; Varying rates per employee for most other categories

City	Business Tax Type	Exemptions *	Rates
Antioch	GRT except per-unit for residential rentals	Non-profits	\$1.25 per \$1,000 up to \$1M, then add'l \$0.20 per \$1,000 of revenues > \$1M, Min of \$100 (\$25 home-based) Residential rental units = \$250/unit for Single-family, \$150/unit for multi-family
Pleasanton	GRT	Non-profits	Fees up to \$75 up to \$250K annual revenue, above that = \$0.30 per \$1,000.00
Fremont	GRT	Non-profits; Agricultural (non-retail); Part-time jobs (youths & seniors); Veterans	Most pay \$30 fee plus GRT per \$1,000 that varies from \$0.25 (retail) to \$1.50 (rec & entertainment). Charge extra \$0.30 for retail/wholesale in residential areas
Dublin	Fixed fees	Non-profits; Agricultural (non-retail); Attorneys; Part-time jobs (youths & seniors); Disabled veterans	\$94 new, \$26 renewal
<p><i>* California prohibits taxation by any local jurisdiction for certain entities including the following: (1) banks and financial corporations; (2) insurance companies; (3) persons engaging in business as a for-hire motor carrier of property; (4) persons engaging in intercity transportation as a household goods carrier; (5) charter-party carriers operating limousines that are neither domiciled nor maintain a business office within the taxing jurisdiction.</i></p>			

FIGURE 4: BUSINESS TAX RATES ⁽¹⁾ - SELECTED CITIES BY CATEGORY

Business Category		Oakland	Emeryville	Berkeley	Richmond ⁽²⁾	San Francisco ⁽²⁾	Los Angeles
A	Retail Sales	\$1.20	\$1.00	\$1.20	\$1.20 / \$3.20	\$1.05 / \$2.24	\$1.27
B	Grocers	\$0.60	\$1.00	\$0.60	\$0.60 / \$2.00	\$1.05 / \$2.24	\$1.27
C	Automobile Sales	\$1.20	\$1.00	\$1.20	\$1.20 / \$5.00	\$1.05 / \$2.24	(Exempt)
D	Wholesale Sales	\$1.20	\$1.00	\$1.20	(TBD)	\$1.05 / \$2.24	\$1.01
E	Business/Personal Services	\$1.80	\$1.00	\$1.80	\$1.80 / \$5.40	\$8.14 / \$10.08	\$1.27
F	Professional Services	\$3.60	\$1.00	\$3.60	\$3.60 / \$6.80	\$6.40 / \$8.96	\$4.25
G	Recreation/Entertainment	\$4.50	\$1.00	\$4.50	\$4.50 / \$5.00	\$4.20 / \$5.60	\$1.27 to \$2.55
H	Contractors	\$1.80	\$1.00	\$1.80	\$1.80 / \$3.00	\$4.20 / \$6.30	\$1.01
I	Manufacturing	\$1.20	\$1.00	\$1.20	\$1.20 / \$5.00	\$1.75 / \$6.65	\$4.25
J	Mfg. (unfinished good)	\$1.20	\$1.00	\$1.20	\$1.20 / \$5.00	\$1.75 / \$6.65	\$4.25
K	Admin Headquarters	\$1.20	\$1.00	\$1.20	\$1.20 / \$2.40	\$14.00 Biz Tax \$15.00 Homeless Tax ⁽³⁾	\$4.25
L	Taxicabs	\$180.00	\$200.00	\$215.00	\$180.00	\$1.75 / \$6.65	\$54.99
M	Residential Rental Property	\$13.95	\$1.00	\$10.81 (< 5 units) \$28.80 (5+ units)	\$10.81 (< 5 units) \$28.80 (5+ units)	\$4.42 / \$4.85	\$1.27
N	Commercial Rental Property	\$13.95	\$3.50	\$10.81	\$10.81 (< 5 units) \$28.80 (5+ units)	\$10.00 (warehouse) \$35.00 (other)	\$1.27
O	Commercial Rental(5-yr Exemption)	\$1.80	NA	NA	(1-yr exemption, lower rates)	NA	NA
P	Hotel/Motel	\$1.80	\$1.00	\$2.40 ⁽⁴⁾	\$1.80 / \$5.00	\$4.20 / \$5.60	\$1.27
T	Media Firms	\$1.20	\$1.00	\$2.40 ⁽⁴⁾	\$2.40 / \$4.80 ⁽⁴⁾	\$5.60 / \$7.84	\$1.01
U	Utility Companies	\$1.00	\$1.00	\$2.40 ⁽⁴⁾	\$2.40 / \$4.80 ⁽⁴⁾	\$4.20 / \$5.60	\$1.01
W	Miscellaneous	\$1.20	\$1.00	\$2.40	\$2.40 / \$4.80 ⁽⁴⁾	(varies)	(varies)
X	Ambulance, Limousines	\$75.00	\$200.00	\$215.00	\$75.00	\$1.75 / \$6.65	\$54.99
Y	Trucking/Transportation	\$72.00 (first), \$4.50 (201+)	\$1.00	\$2.40 ⁽⁴⁾	\$72.00 (first), \$4.50 (201+)	\$1.75 / \$6.65	\$88.69
Z	Cannabis	\$1.20 - \$95.00	\$60.00	\$25.00 / \$50.00	\$50.00	\$25.00 / \$50.00	\$10.00 to \$100.00
<i>(1) Rate is per \$1,000 in gross receipts except as noted by color coding:</i>		<i>(2) San Francisco and Richmond have adopted progressive GRT systems. For these cities, the min and max rates are presented (MIN/MAX). Note that Richmond's rates, which were passed by Measure U (2020) and will begin in 2021, represent the upper limit for the rates (the City Council has the authority to lower rates below these maximum rates). For San Francisco, some rates increase through 2024; the rates presented here are the rates set to take effect in 2024 unless otherwise noted.</i>					
<i>Value-added (per \$1,000)</i>		<i>(3) San Francisco's "Administrative Office" tax rate is the current (2021) rate and only applies to firms with 1,000+ U.S. employees and \$1 Billion or more in annual U.S. sales. San Francisco levies an additional 1.5% (\$15/\$1,000) Homelessness Tax on these firms.</i>					
<i>Local (In-City) Expenses (per \$1,000)</i>		<i>(4) These categories did not have a specific rate listed in the city's tax schedule and were therefore assigned the rate in the city's "Miscellaneous" category.</i>					
<i>Gross payroll (per \$1,000)</i>							
<i>Per permit or per Vehicle</i>							
<i>Per Owner/Officer/Employee</i>							

CITY COUNCIL PROPOSED BUSINESS TAX STRUCTURE

Prior to the creation of the Task Force, the City Council proposed a re-design of the Business Tax (the “City Council Proposal”) in 2020.² The City Council Proposal introduces a tiered or progressive rate structure for most business sectors, in which businesses with higher gross receipts totals pay higher rates relative to businesses in the same sector earning lower gross receipts. As shown in Figure 5, the affected sectors—i.e., those from which the City Council proposes raising additional revenue—account for roughly half of business tax revenues generated under the current tax code.

FIGURE 5: FY 2019-20 REVENUES RAISED, BY SECTOR

Affected Sectors		Unaffected Sectors		
A	Retail Sales	\$4,558,922	L Trucking & Transportation*	\$82,430
C	Auto Sales	\$850,949	M Residential Rental	\$20,902,935
D	Wholesale Sales	\$2,678,348	N,O Commercial Rental	\$13,726,051
I, J	Manufacturing	\$898,972	X Taxicabs*	\$25,020
K	Admin Headquarters	\$1,173,484	Y Ambulances & Limousines*	\$4,223
T	Media Firms	\$462,635	Z Cannabis	\$11,593,521
W	Miscellaneous	\$25,813	NP Non-Profit	\$20,778
B	Grocers	\$516,842		
E	Business & Personal Services	\$5,142,362		
H	Contractors	\$7,415,619		
P	Hotel, Motel	\$459,185		
F	Prof. & Semi-Professional Services	\$18,419,956		
G	Recreation And Entertainment	\$1,291,082		
U	Utility Companies	\$786,275		
TOTAL		\$44,702,100	TOTAL	\$46,354,958

* The Task Force was presented with information regarding the changes to the Trucking & Transportation, Taxicabs, and Ambulance & Limousine sectors proposed by Council Member Kalb but did not take any action on these proposals.

According to analysis prepared by the City Finance Department, the City Council Proposal would have raised an estimated \$27 million in additional revenue in FY 2018-19 (assuming no change in business activity in the City due to the tax increase). By FY 2023-24—the first year of full implementation if the voters were to approve this proposal in November 2022—the proposal would add a projected \$34.7 million over current law, a 34% increase in taxes collected over the status quo system and a 72% increase in revenue from the affected sectors.

² Adam Benson, “Equitable Business Tax Update,” July 8, 2020. This memo assesses the fiscal impacts of two separate City Council proposals. For purposes of this memorandum, the City Council’s proposal is the one referred to as “Proposal 2” in the Department of Finance memorandum.

City Council’s new proposed tax rates

For all business categories impacted by the City Council Proposal, progressively increasing marginal tax rates are imposed across five new tax brackets (see Figure 6). For the retail and wholesale sales sectors, the proposed tax rates imposed on the lowest bracket of gross receipts (from \$0 to \$1 million) are lower than the rates imposed on those sectors under current law. For most other sectors, small businesses would face an increase in taxes. For example, businesses with less than \$1 million in gross receipts in the Administrative Headquarters, Miscellaneous, and Contractors sectors would see an increase of over \$1.00 per \$1,000 relative to each sector’s current rate.

Across all sectors except for retail and wholesale sales, the marginal rates imposed at the highest bracket (above \$50 million in gross receipts) are at least twice as high as the sector’s current rate. For the Auto Sales, Manufacturing, Administrative Headquarters, and Miscellaneous sectors, this top rate is over four times greater than the sector’s current rate.

The City Council Proposal largely generates additional revenue by shifting the business tax burden onto larger businesses. Those receiving over \$50 million in gross receipts annually in FY 2023-24 would account for \$21.4 million in additional revenue—nearly two-thirds of the total additional revenue raised. The proposal reduces taxes on businesses with less than \$250,000 in gross receipts by over \$1.5 million, due to two new tax relief measures proposed for small businesses.

FIGURE 6: CITY COUNCIL PROPOSAL

Sector	Current Law, Tax per \$1,000	City Council Proposal – Tax Rates by Bracket (Gross Receipts, mil \$)				
		\$0 – \$1.0	\$1 – \$2.5	\$2.5 - \$25	\$25 - \$50	Over \$50
Retail Sales	\$1.20	\$0.75	\$1.00	\$1.25	\$1.50	\$2.00
Auto Sales	\$1.20	\$1.25	\$2.25	\$3.25	\$4.25	\$5.25
Wholesale Sales	\$1.20	\$0.75	\$1.00	\$1.25	\$1.50	\$2.00
Manufacturing	\$1.20	\$1.25	\$2.25	\$3.25	\$4.25	\$5.25
Admin Headquarters	\$1.20	\$3.50	\$4.50	\$5.50	\$6.50	\$7.00
Media Firms	\$1.20	\$1.80	\$2.80	\$3.80	\$4.80	\$5.00
Miscellaneous	\$1.20	\$3.50	\$4.50	\$5.50	\$6.50	\$7.00
Grocers	\$0.60	\$0.60	\$1.00	\$1.25	\$1.50	\$2.00
Business & Personal Services	\$1.80	\$2.00	\$3.00	\$4.00	\$5.50	\$6.00
Contractors	\$1.80	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00
Hotel, Motel	\$1.80	\$1.80	\$2.80	\$3.80	\$4.80	\$5.00
Prof. & Semi-Prof. Servs	\$3.60	\$4.00	\$4.50	\$5.00	\$5.50	\$7.50
Recreation & Entertainment	\$4.50	\$4.50	\$4.60	\$4.70	\$4.80	\$5.00
Utility Companies	\$1.00	\$1.80	\$2.80	\$3.80	\$4.80	\$5.00

City Council’s proposed tax relief for small businesses

The City Council Proposal includes two measures that would reduce tax bills for small businesses.

1. *Maximum tax payment for small businesses:* Businesses that both (i) receive annual gross receipts of less than \$250,000; and (ii) are not in the residential property, commercial property, or cannabis sectors, may make an “alternative” tax payment of \$100 rather than the calculated payment under the City Council Proposal’s standard rates.
2. *Elimination of the minimum payment:* The City Council Proposal would eliminate the standard minimum payment of \$60 that under current law applies to most business sectors.

TASK FORCE PROPOSED TAX RATES

At the meeting held on September 30, 2021, the Task Force voted by a vote of 7 ayes (Katz, Fike, Oke, Ortega, Swafford, Takata-Vasquez, Wanzo) to 3 nays (Kwamilele, Larsen, Williams) to approve a rate proposal with the following characteristics:³

1. A tiered or progressive rate structure in which larger businesses pay a higher rate relative to smaller businesses in the same category. Rates vary from \$0.45 per \$1,000 of gross receipts for grocers to \$15 per \$1,000 in payroll for large administrative headquarters firms.
2. Seven distinct marginal tax brackets with gross receipts up to the bracket threshold taxed at the bracket rate, and revenue over the bracket threshold taxed at the higher rate in the next bracket.
3. A net tax reduction for some of the smallest businesses in the City, averaging about \$60 for approximately 20,000 businesses. This reduction is comprised of a lowering of the minimum payment from \$60 to \$50 for some businesses, and a reduction relative to current rates for other small businesses in some categories.
4. The creation of a new administrative headquarters tax for large national firms with administrative functions in Oakland. This tax would apply in lieu of the regular payroll-based administrative headquarters tax for firms with more than 1,000 employees nationally and \$1 billion in revenue. The tax rate would be \$15 per \$1,000 of Oakland based payroll.

³ Member Minh Tsai was not in attendance and did not vote.

The specific tax rates are presented in Figure 7 below.

FIGURE 7: TASK FORCE PROPOSAL

Sector	Current Law, Tax per \$1,000	Task Force Proposal – Tax Rates by Bracket (Gross Receipts, mil \$)						
		\$0 - \$1.0	\$1 - \$2.5	\$2.5 - \$10	\$10 - \$25	\$25 - \$50	\$50 - \$75	Over \$75
Retail Sales	\$1.20	\$0.90	\$1.08	\$1.25	\$1.50	\$1.75	\$2.00	\$2.50
Auto Sales	\$1.20	\$1.20	\$1.25	\$1.50	\$1.75	\$2.00	\$2.25	\$2.75
Wholesale Sales	\$1.20	\$1.08	\$1.14	\$1.25	\$1.50	\$1.75	\$2.00	\$2.50
Manufacturing	\$1.20	\$0.90	\$1.20	\$2.25	\$2.75	\$3.00	\$3.25	\$4.80
Admin Headquarters	\$1.20	\$3.50	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00
Media Firms	\$1.20	\$1.80	\$2.80	\$3.20	\$3.80	\$4.80	\$5.00	\$5.50
Miscellaneous	\$1.20	\$3.50	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00
Grocers	\$0.60	\$0.45	\$0.54	\$1.00	\$1.35	\$1.50	\$1.75	\$2.00
Business & Pers. Svcs	\$1.80	\$1.62	\$1.71	\$3.25	\$4.00	\$5.00	\$5.25	\$6.00
Contractors	\$1.80	\$1.80	\$2.75	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00
Hotel, Motel	\$1.80	\$1.62	\$1.71	\$3.80	\$4.80	\$5.00	\$5.25	\$5.50
Prof. & Semi-Prof. Svcs	\$3.60	\$3.24	\$3.42	\$5.00	\$5.00	\$5.50	\$6.50	\$7.50
Recr. & Entertainment	\$4.50	\$4.50	\$4.70	\$4.70	\$4.70	\$4.80	\$5.00	\$5.50
Utility Companies	\$1.00	\$4.00	\$4.50	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00

FISCAL AND ECONOMIC EFFECTS OF PROPOSED TAX CHANGES

The task force reviewed estimated fiscal and economic impacts of the proposed tax changes, compared both to current law and the City Council Proposal. The estimated fiscal and economic impacts considered by the Task Force were based on analysis conducted by City staff and the Blue Sky Consulting Group showing that business responsiveness to tax rates depends on the cost of locating elsewhere and the nature of the customers served by the business, among other factors. For instance, businesses in some sectors functionally cannot “move” locations. Construction contractors, for example, must pay business taxes on the gross receipts derived from projects located inside City borders, regardless of where the contractor’s offices are located. Similarly, restaurants, grocery stores, dry cleaners, and other locally-serving retailers and service providers need to be near customers and therefore are less likely to move in response to a tax change. In contrast, professional service firms, for example, can relocate more easily to offices in other jurisdictions if business conditions (including tax rates) make such a move more attractive. Firms that sell primarily to customers outside of the City, such as manufacturers, may not be able to pass on tax increases to customers since competing firms located outside of the City are not impacted by the tax increase.

For the Task Force’s purposes, estimation of the additional tax revenue generated by a given tax proposal was subject to both “static” and “dynamic” scoring. Under a static model, taxpayers do not adjust their behavior in response to changes in tax rates. Static estimates of future revenues

generated by the City's business tax, therefore, assume that the City's economic growth is the same whether current rates remain in effect or are replaced with a tax increase. Static scoring likely overestimates the revenue generated by a business tax increase, since it fails to account for revenues lost due to businesses choosing to relocate or expand outside the City in response to the increase in rates. However, such a scoring provides a baseline for comparing across proposals. Under a dynamic model, by contrast, the fiscal analysis accounts for behavioral changes on the part of taxpayers (i.e. some taxpayers relocate, grow more slowly, expand outside of the City or choose to locate in a different jurisdiction in response to the tax increase).

For purposes of estimating the revenues generated by the proposals considered by the Task Force, three separate estimates are provided:

- The Static Scenario shows the estimated tax revenues generated by each proposal given an assumption that the City's business sectors would grow at the same rate regardless of whether the current rates remain in effect or are replaced with higher tax rates.
- The Constant Elasticity Scenario shows the revenues that would be generated if all businesses respond in the same way to a tax increase; specifically, estimates were developed based on an elasticity of -0.2, indicating that if a given tax proposal raises the total state and local tax burden (including estimated property and state income taxes) on a business by 10%, the business's projected gross receipts will be reduced by 2% relative to the gross receipts projected under the Static Scenario.
- The Variable Elasticity Scenario estimates the likely effects of a proposal based on the theory that larger increases in taxes produce a larger response from businesses. Under this scenario, small changes in taxes are estimated to produce a small change in economic activity (elasticity of -0.1) while larger changes in taxes produce a larger change in economic activity (elasticity of -0.6).

Fiscal and Economic Effects of Proposed Changes

Figure 8 presents the estimated revenue to be generated from both the City Council Proposal and the Task Force Proposal. As shown in Figure 8, under the Static Scenario, the City Council Proposal would generate \$34.7 million in additional revenue in FY 2023-24 while the Task Force Proposal would generate \$35.7 million. Under the Variable Elasticity Scenario, which takes into account the likely response of businesses to the tax change, the City Council Proposal is estimated to generate \$30.78 million compared with \$32.72 under the Task Force Proposal.

FIGURE 8: ESTIMATED REVENUE FROM TASK FORCE PROPOSAL

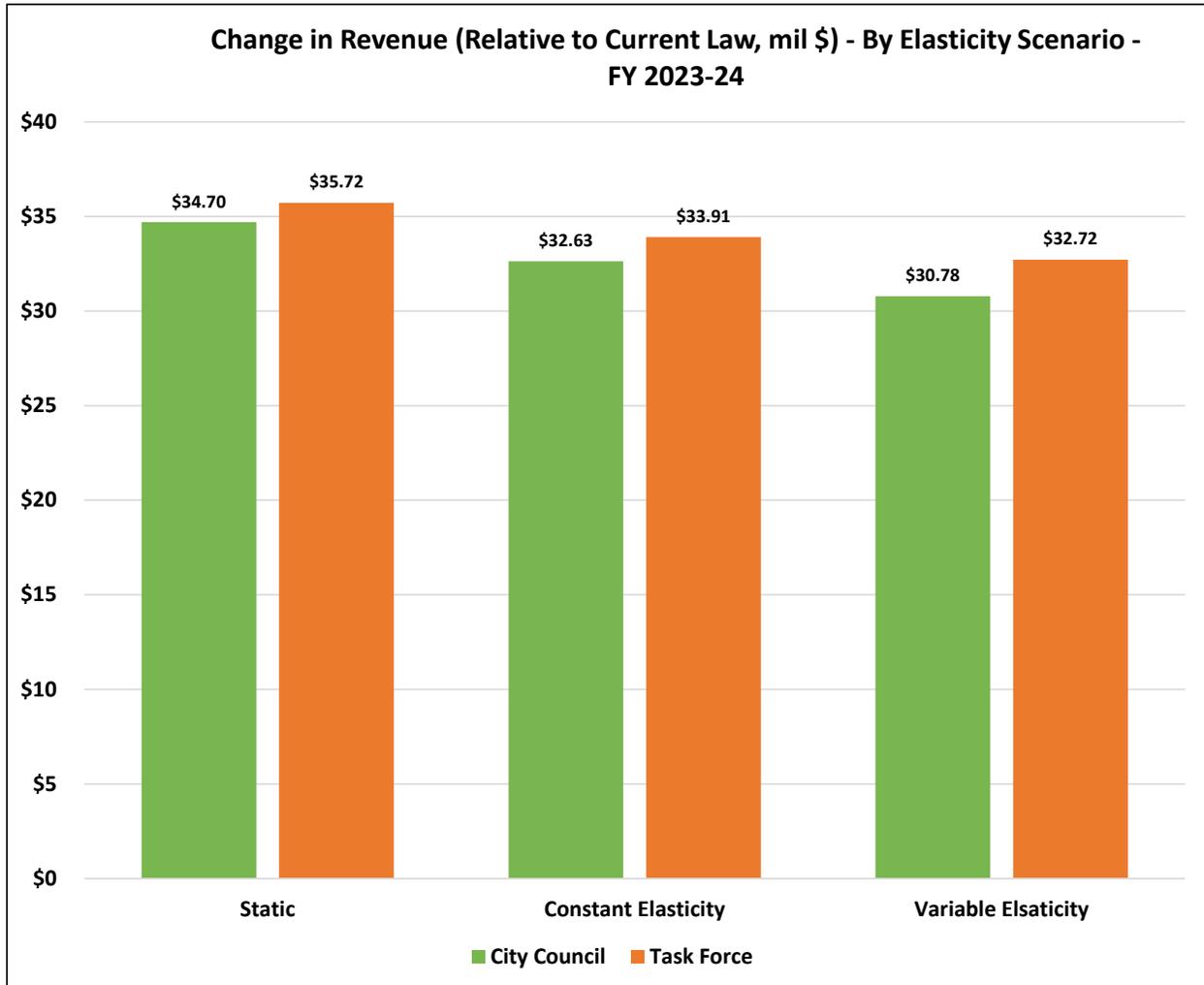


Figure 9 shows the estimated change in jobs likely to result from each proposal. Under the Constant Elasticity Scenario, which assumes the same response across all businesses, the net reduction in jobs would be approximately 1,300 under both the City Council and the Task Force Proposals. Under the Variable Elasticity Scenario, which estimates a larger business reaction to larger tax increases, the City Council Proposal is estimated to result in a reduction of about 2,300 jobs compared with a reduction of about 2,250 jobs under the Task Force Proposal.⁴

⁴ Note that the City’s private sector employment is approximately 200,000.

FIGURE 9: ESTIMATED CHANGE IN JOBS

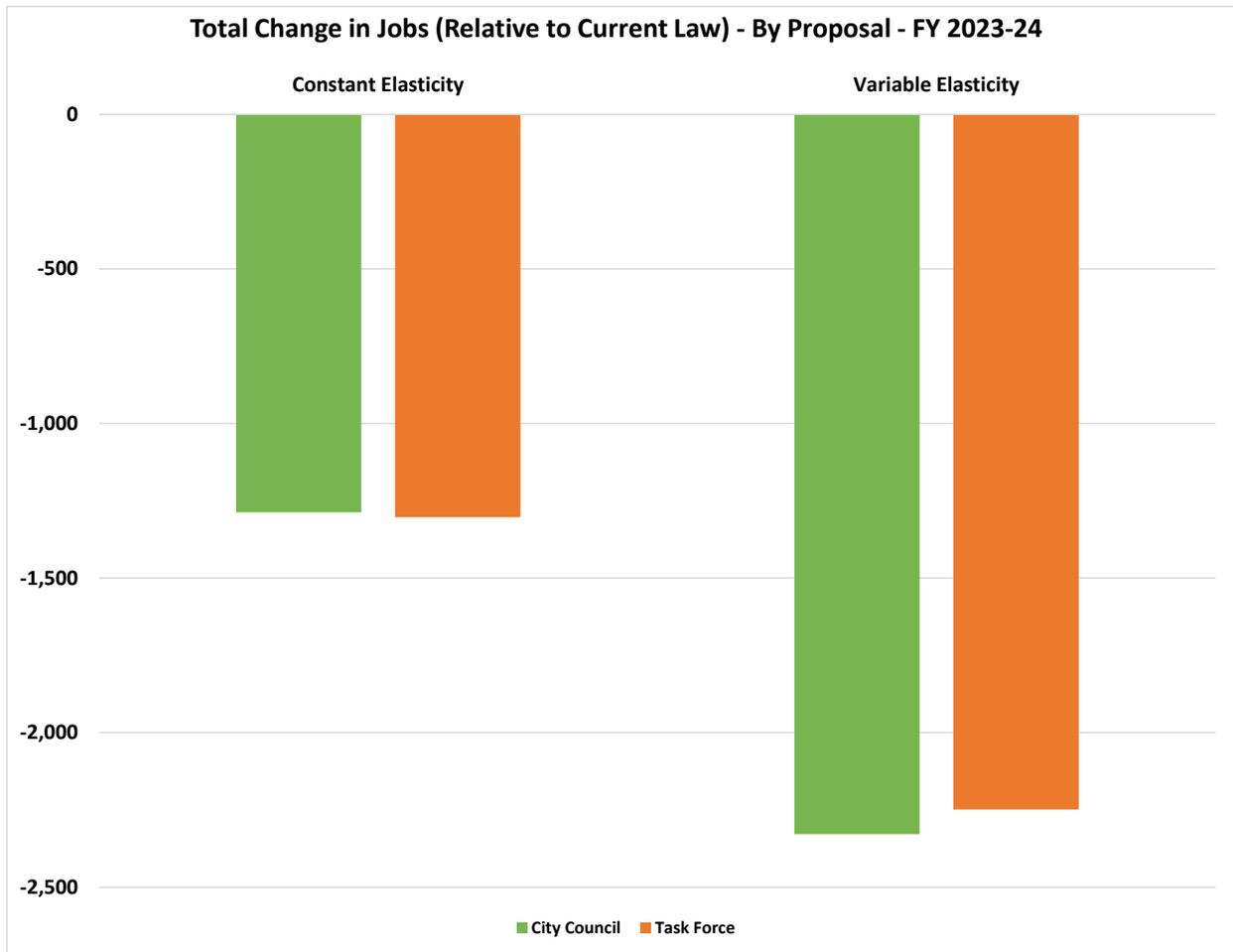


Figure 10 shows the extent to which the current tax system, the City Council Proposal and the Task Force Proposal rely on the largest 10 taxpayers to generate revenue. Under current law, these 10 taxpayers are expected to account for 11.3% of tax revenue from the sectors affected by the Task Force Proposal. Both the City Council Proposal and the Task Force Proposal would rely more heavily on these 10 taxpayers, who would account for 18.1% and 22.0% of revenue, respectively.

FIGURE 10: PERCENT OF REVENUE FROM LARGEST 10 TAXPAYERS

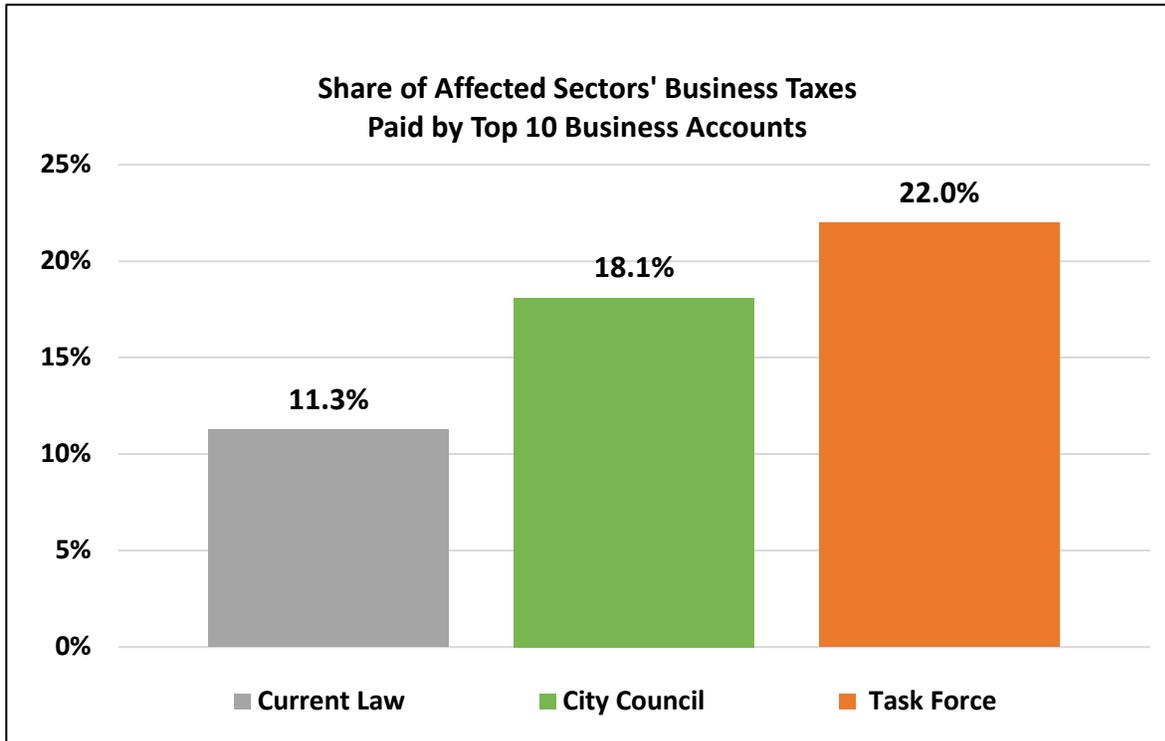


Figure 11 shows the estimated increase in taxes for affected sectors. Under both the City Council Proposal and the Task Force Proposal, the retail sector would experience an overall reduction in taxes, although the City Council Proposal would reduce taxes on this sector more. Relative to the City Council Proposal, the Task Force proposal would increase taxes less on the automobile sales, manufacturing, grocery, business and personal services, contactors, and professional services sectors. Tax increases would be somewhat higher relative to the City Council Proposal for the wholesale, media, recreation and entertainment, and utility sectors. Both proposals would significantly increase taxes on administrative headquarters companies, with taxes increasing by more than 400% under the City Council Proposal and more than 760% under the Task Force Proposal.

FIGURE 11: ESTIMATED CHANGE IN TAX PAYMENTS

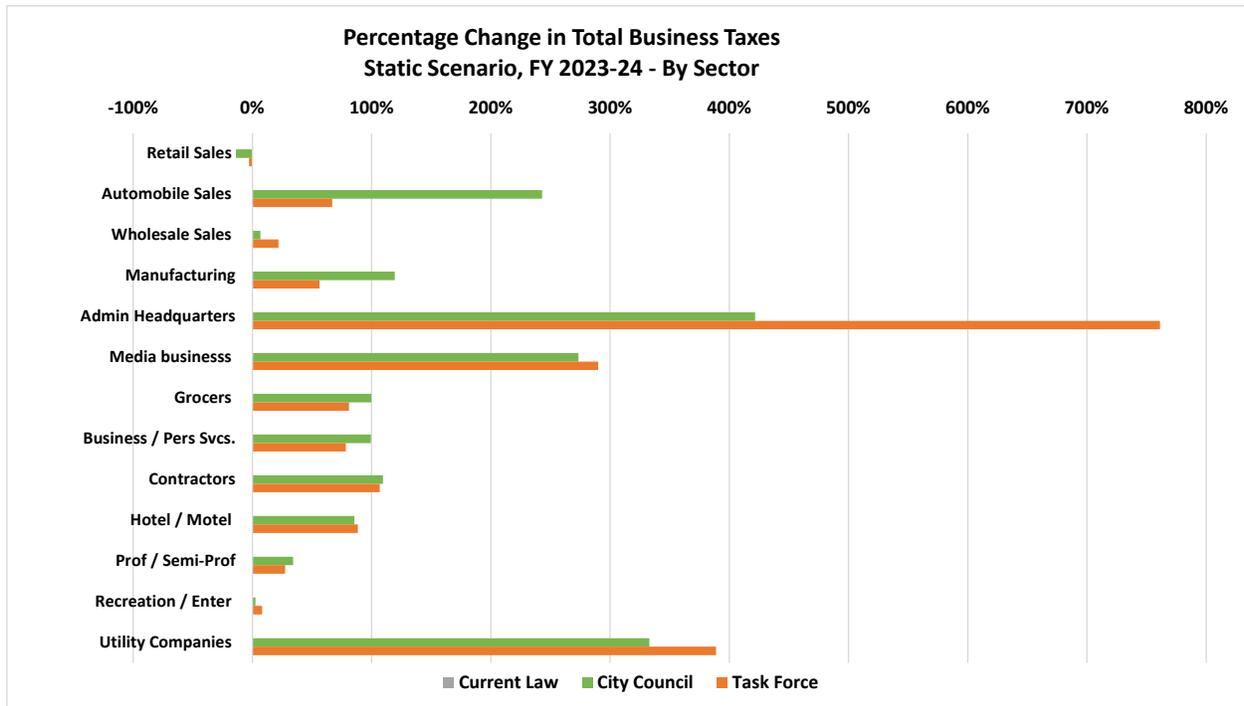


Figure 12 shows the change in taxes by firm size. Both the City Council and the Task Force Proposals would result in small reductions in taxes for the smallest firms (less than \$250,000 in gross receipts). Taxes for businesses with between \$250,000 and \$1 million in gross receipts would increase modestly under both proposals. Similarly, both proposals would significantly increase taxes for businesses with more than \$100 million in gross receipts or Oakland payroll, which represent the largest 24 firms in the City. Specifically, the City Council Proposal would raise an additional nearly \$16 million from these firms while the Task Force Proposal would raise nearly \$20 million from these firms.

FIGURE 12: CHANGE IN TAXES BY FIRM SIZE

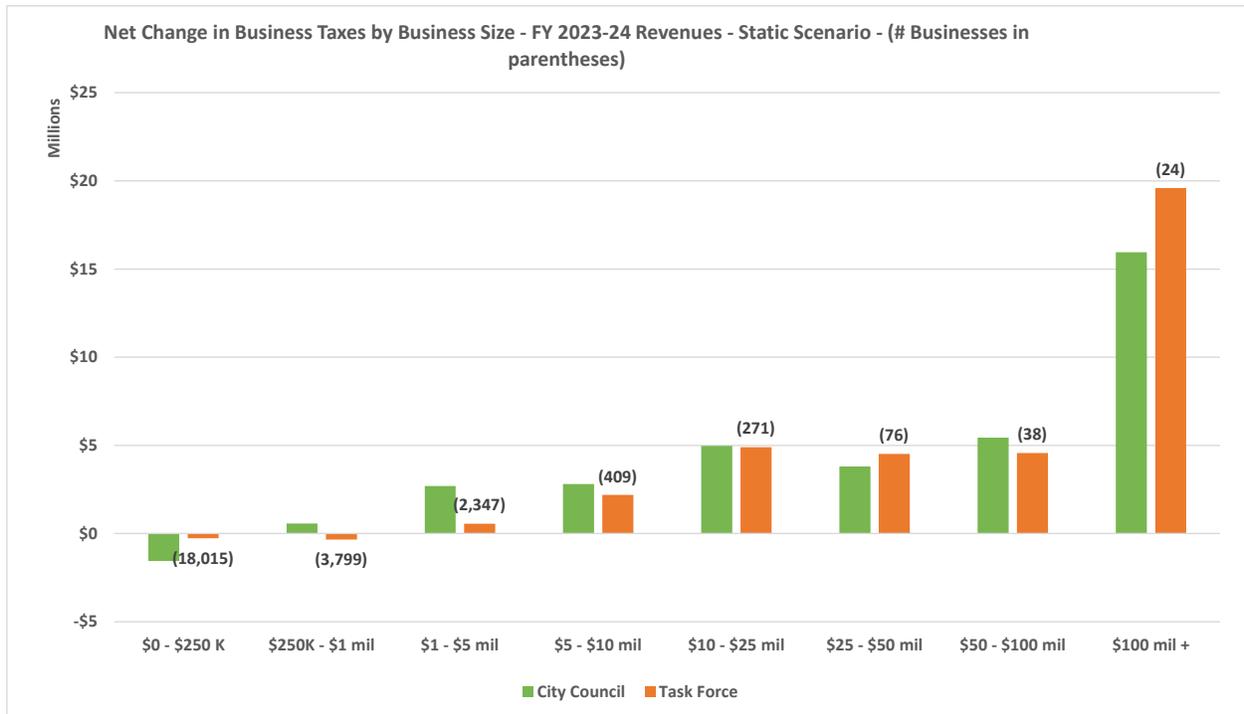


Figure 13 shows the likely tax reduction for the smallest firms in the City. Under the City Council Proposal, an estimated 17,466 firms would receive a net reduction in taxes, with an average reduction of \$138 annually. Under the Task Force Proposal, an estimated 20,779 firms would receive an average reduction in taxes of \$62 annually.

FIGURE 13: SMALL BUSINESS TAX REDUCTION

TAX BREAKS FOR SMALL BUSINESSES		
	City Council	Task Force
Businesses with Tax Cut of \$100+		
# Businesses Benefitting	5,665	3,675
Avg. Tax Cut	(\$328)	(\$255)
Total Cost	(\$1,856,797)	(\$938,452)
Businesses with Tax Cut of < \$100		
# Businesses Benefitting	11,801	17,104
Avg. Tax Cut	(\$47)	(\$21)
Total Cost	(\$550,023)	(\$351,067)
All Businesses with Tax Cut		
# Businesses Benefitting	17,466	20,779
Avg. Tax Cut	(\$138)	(\$62)
Total Cost	(\$2,406,820)	(\$1,289,520)

Impact of COVID-19

The COVID-19 pandemic, which began in early 2020, resulted in steep and sudden increases in unemployment and reductions in economic activity in the City of Oakland and across the country as many businesses closed to prevent the spread of the infection. This had a negative impact on many of the City’s most important revenue sources, including the BLT as well as the sales tax, Transient Occupancy Tax, and parking-related revenues.

Some of the negative economic impacts of the pandemic were partially mitigated by state and federal programs such as the Paycheck Protection Program, which allowed many Oakland businesses to remain open even as their revenue fell, and increased unemployment benefits for Oakland residents, which provided crucial funds for Oakland families to meet their basic needs and allowed these individuals to continue to patronize local businesses. These programs offered critical support over the past 18 months and likely prevented even worse economic and fiscal outcomes.

Going forward, the impact of the pandemic and the related shift to remote work remains uncertain. To the extent business travelers choose video conferences over in-person meetings, consumers continue to prefer online to in-person shopping, and commuters telecommute rather than return to in-person work, the City’s economy will continue to suffer, and with it the City’s revenue receipts.

The estimated fiscal and economic effects considered by the Task Force envision a return to pre-pandemic levels of economic activity for most sectors by the first year of full implementation of

the proposed tax rate changes (i.e. 2023-24), although some continued telework is anticipated and travel is not expected to return to pre-pandemic levels for several years. To the extent telework persists at its current high level, or business and leisure travelers do not eventually return to the city's hotels, shops, and restaurants, the results considered by the Task Force may be overly optimistic. Additionally, while the dynamic scenarios capture expected losses from business exits, City revenues are highly sensitive to the departure of a small number of the largest firms. Therefore, actual losses driven by exits may be larger than predicted.

USE OF REVENUE

To provide ongoing recommendations with respect to the City's disbursement of the additional revenues raised by the BLT and to support small businesses and contribute towards a thriving business community in the City of Oakland, the City Council should create a Business Community Advisory Board, modeled on the Community Advisory Board established in connection with the City's enactment of the Sugar-Sweetened Beverage Distribution Tax. This board should include members representing:

- 1) Businesses located within the City, including both new and well-established businesses from a wide range of sectors, including a representative from each council district. The make-up of the Advisory Board should be representative of the make-up of businesses located within the City.
- 2) Business organizations and alliances, especially those with broad and diverse membership bases.
- 3) Non-profit organizations, with particular focus on those providing research, advocacy, technical assistance, and educational services related to small business formation, employee empowerment, and sustainable and equitable economic growth.

The Task Force considered how the funds raised by the proposed increases in tax rates should be spent and made the following recommendations:

- 1) *Support of small business loan initiatives*: A portion of the additional revenue raised should be allocated for financial support of City's small business community through grants or loan programs.
- 2) *Shared City resource for small businesses*: The City Council should consider funding a range of initiatives that would support the attraction and retention of businesses.
 - a) Hiring additional City staff to conduct outreach to small businesses, market opportunities for support, and educate employees on the benefits of forming worker cooperatives.
 - b) Further funding the City's Business Improvement Districts, which already perform much of this work and invest in district improvements.

-
- 3) *Increased funding for city services:* To attract and retain businesses, the City Council should spend more on the services that keep commercial neighborhoods clean and welcoming, including, for example:
 - a) Stricter enforcement of rules against illegal dumping, more timely street cleaning, and the placement of additional public litter receptacles.
 - b) Increased funding for services and shelter for the homeless.
 - 4) *Making commercial retail space more accessible and affordable:* The City should look for ways to incentivize property owners to make retail space more accessible and affordable for small businesses.
 - 5) *Provide sufficient additional resources needed for tax collection and enforcement.* The City should provide sufficient additional staff and other resources to ensure adequate enforcement and collection of the business tax.

From: [Katrinka Ruk](#)
To: [Tom Butt - external](#); [Demnlus Johnson](#); [Nat Bates](#); [claudia jimenez](#); [Eduardo Martinez](#); [Gayle McLaughlin](#); [Melvin Willis](#); [City Clerk Dept User](#); [James Lee](#)
Cc: [Laura Snideman](#); [Shasa Curl](#)
Subject: 12/07/21 Richmond City Council Meeting - Public Comments – Open Forum
Date: Monday, December 6, 2021 5:38:03 PM
Attachments: [12.07.21 Bus Lic Tax -Council ltr.docx](#)

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COUNCIL OF INDUSTRIES
P.O. BOX 70088, PT. RICHMOND, CA 94807
(510)215-9325
501(C)(6) FED ID# 94-0672760

[via email]

TO: Richmond City Council

TO: City Manager

TO: City Clerk

Re: Public Comments – Open Forum Business License Gross Receipts Tax

Comments are being submitted on behalf of the Council of Business & Industries (COI), the Richmond Chamber, various local businesses, organizations and community members.

The city requires businesses to engage with neighborhood councils, yet the city failed to engage businesses or neighborhood councils before this tax was put on the ballot. No financial or economic impact study was done to determine how this would impact the businesses or property owners. The new tax begins in a few weeks and questions and concerns remain outstanding.

We are asking the city to postpone the implementation of the Business License Gross Receipts Tax until an economic impact study has been completed, to implement a more reasonable alternative progressive rate such as the one recommended by the business groups, and, continue to meet with the business and neighborhood council community to address concerns and issues.

Due to the pandemic, we have seen many businesses close in Richmond and others sold. The impact is real. [A partial list of businesses impacted is attached.] Now the business community is receiving their business license renewals and our business organizations as well as the city are being inundated with questions about the financial impact this will have on their businesses.

Other cities, including San Francisco recognized the need to assist businesses during this pandemic and have lowered their sales tax and business license tax to ensure that businesses remain viable and stay in their city, whereas Richmond is doing the opposite. The SEIU worked as the city's consultant to create the ballot measure which was based on a proposed Oakland tax. Oakland determined that they needed to establish a committee to review the financial impact on the business community before they put this to the voters.

The COI & Chamber have presented an alternative progressive tax which will provide the financial support the city is seeking, yet will be less burdensome on the business community. We understand this alternative to be under review. The alternative tax recommendation was based on actual data – 2020 business license renewals, census data and sales information received through Fundra "small business revenue statistics (2020)" and census sales data. * In our estimation, the alternative progressive rates we recommend would be less burdensome to our businesses, and, provide more income to the city than originally anticipated.

The progressive tax rate is unreasonable and higher than any other city in the Bay Area. Whereas this will provide a tax break for small businesses, in reviewing calculations for other businesses we found that the new progressive rate structure literally increases the tax for many local businesses anywhere from 250% to over 1500% of what they are paying now.

Following are real examples of impact on local businesses:

<!--[if !supportLists]-->• <!--[endif]-->Family-owned lighting distributor currently pays \$2600 and will increase to \$18,600. She will move her business.

<!--[if !supportLists]-->• <!--[endif]-->Retail lumber company with roots in Richmond for 60+ years current tax \$2700 will increase to \$120,000

<!--[if !supportLists]-->• <!--[endif]-->Commercial baker will see a 1000% increase and pay a new tax of \$70,000

<!--[if !supportLists]-->• <!--[endif]-->Artist will see a 1500% increase and pay close to \$9000.

Impacts that have yet to be considered during this implementation period include:

<!--[if !supportLists]-->• <!--[endif]-->What happens to overall costs for small businesses if/when commercial properties increase rental fees?

<!--[if !supportLists]-->• <!--[endif]-->If more businesses are closed, how will the city ensure jobs for the youth and residents are available in Richmond?

<!--[if !supportLists]-->• <!--[endif]-->Will this deter grocers and other businesses from considering coming to Richmond?

<!--[if !supportLists]-->• <!--[endif]-->Has there been any studies done to understand the impact of costs to residents that shop locally? Will costs of goods increase as a result of this tax?

<!--[if !supportLists]-->• <!--[endif]-->Will this tax increase rental and lease fees?

<!--[if !supportLists]-->• <!--[endif]-->If a business has a Richmond address but also receives gross receipts from other cities – they should only base their Richmond business license on those gross receipts made in Richmond. During various meetings with the business community, city staff has made statements that ALL gross receipts must be included in the calculation. This is contrary to the ordinance (pg. 4, “Gross Receipts” definition, and language in the “Notice of New Business Tax Requirements.”

<!--[if !supportLists]-->• <!--[endif]-->Can a distributor deduct the cost of goods purchased such as a manufacturer can?

<!--[if !supportLists]-->• <!--[endif]-->Sales made in other cities or through the internet should not be included in a Richmond businesses summary of gross receipts.

*Small Business Revenue Statistics (2020): Annual Sales and Earnings [Fundera] <https://www.cbb.census.gov/> Census Business Builder: Regional Analyst Edition - 4.0

<!--[if !supportLists]-->• <!--[endif]-->The FAQ document includes exemptions for non-profit organizations but only includes 501c3's - there are other nonprofits such as 501(c)(4) -Civic Leagues, Social Welfare Organization, 501(c)(6)- Business Leagues, Chambers of Commerce, Real Estate Boards, etc., 501(c)(7)- social and recreational clubs, etc. that should be included. [IRS Publication 557](#) includes a list of 29 nonprofit classifications.

<!--[if !supportLists]-->• <!--[endif]-->Recently the city provided an exemption for small rental property owners, however, the city has not provided a more reasonable alternative tax rate for small commercial/industrial property owners.

<!--[if !supportLists]-->• <!--[endif]-->Contractors that have current or ongoing construction projects whose contract was signed before the implementation of the new tax – will these be grandfathered, or fall under the current business license tax for the length of the project?

We thank the city for adding a phone line and email address to post questions and concerns, however, as businesses are looking into the new progressive tax as a result of receiving their “Notice” more questions and concerns will be surfacing. Let’s not rush into this- the city should first look at the impacts before implementing this tax.

We are looking forward to continue to work with the city on this and to assist with communications to our business community.

Sincerely,

Katrinka Ruk

Executive Director

Cc: COI Board

James Lee, Richmond Chamber of Commerce

Business closures:

<!--[if !supportLists]-->✓ <!--[endif]-->Omega Electrical Supply
<!--[if !supportLists]-->✓ <!--[endif]-->Starbuck, Pt. Richmond
<!--[if !supportLists]-->✓ <!--[endif]-->Rigo Auto Sales
<!--[if !supportLists]-->✓ <!--[endif]-->Hotel Mac Restaurant
<!--[if !supportLists]-->✓ <!--[endif]-->Brezo's Restaurant
<!--[if !supportLists]-->✓ <!--[endif]-->Richmond Visitors Bureau
<!--[if !supportLists]-->✓ <!--[endif]-->Praxair
<!--[if !supportLists]-->✓ <!--[endif]-->Oakstop Richmond Co-working Space
<!--[if !supportLists]-->✓ <!--[endif]-->Macy's and other small businesses at Hilltop Mal
<!--[if !supportLists]-->✓ <!--[endif]-->YaNique Accessories
<!--[if !supportLists]-->✓ <!--[endif]-->Roux restaurant
<!--[if !supportLists]-->✓ <!--[endif]-->DW & Mr Bill's retail shop,
<!--[if !supportLists]-->✓ <!--[endif]-->Tarabini's Deli
<!--[if !supportLists]-->✓ <!--[endif]-->Excellent Packaging (business sold)
<!--[if !supportLists]-->✓ <!--[endif]-->Kaleidoscope Café (in process of being sold/closed)
<!--[if !supportLists]-->✓ <!--[endif]-->Photo Films
<!--[if !supportLists]-->✓ <!--[endif]-->Mussi Art Works Foundary (sculptures and art work)
<!--[if !supportLists]-->✓ <!--[endif]-->Heliodyne (business sold)

Katrinka Ruk
Executive Director
Council of Business & Industries
510)260-4820 cell
<http://www.councilofindustries.com>

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From: [Mike JR Desimoni](#)
To: [City Clerk Dept User](#)
Subject: Measure U
Date: Tuesday, December 7, 2021 7:17:50 AM

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Council Members,

Good Day, I would like to address the subject of Measure U Channel Lumber has been here in Richmond since 1956 over the years we have created jobs for locals and have been a pillar to this community since the start of our business. To enact this tax upon the remaining business's here in Richmond is going to lead to more of them to leave. California has already crushed business here in this state with many large business's leaving this state for more TAX friendly states and now the Council wants to enact more of a burden on us locals to fill in the short fall that the city is seeing. Have you not seen the flight from our city over the years ?

There is no Safeway or Target or Bed Bath and Beyond in our city the Mall is on its last legs instead of thinking about raising tax's you should be thinking about how we are going to attract business's to come to Richmond ? If this continues down this road there will be more business's pulling out of Richmond and we will be looking for other options also. Solano county has much to offer for us and I will not hesitate to explore that option to move our yard out of Richmond.

On another note there is Millions of dollars of lumber being used here in Richmond we need to do what San Francisco does a percentage of that building material needs to be bought locally or from a minority supplier that way we collect more tax money for the city and yet that has not been done perhaps the

Council should sit down with the people in San Francisco and see how that has been working for them ? Why have you the Council members not put a forum together and invite the 20 major business's of Richmond and talk with us on ideas how to help you out instead we get local activist groups steering the city on how to run the city how has that worked so far ?

I have been going down Cutting Blvd since I was a small boy my memory goes back to the early 60's NOTHING has changed in all that time Nothing at all just more empty building and dying business's I

remember when there was a vibrant down town I guess that was at the end of Richmond's hay day in the early 60's as of now I see Richmond on life support and with this tax the patient is not going to make it.

Mike DeSimoni Jr

Channel Lumber Co

510-234-0233

Mikejr@channellumber.com

From: Steve Smith <steve@smithandcompany.org>
Sent: Monday, December 6, 2021 6:46 PM
To: City Clerk Dept User
Cc: sherrypadgett@kraycablinginc.com; guy.prince@smithandcompany.org; ryan@seaportstainless.com; david@oliverandco.net; Uni Marble Inc; sherrybp@pacbell.net; creativesignsr@aol.com; miro@heliodyne.com; contactmedevices@aol.com; eric@photonfilms.tv; buggied@aol.com; normaborgeson@aol.com; Richard Brehmer; ray@seaportstainless.com; opa@heliodyne.com; Manny Diaz; jenjenat2019@yahoo.com; jclark@ccareynkf.com; Mussi@aol.com; mail@seaportstainless.com; Jurg & Christel Bieri; Unimarmg@aol.com; neilvg@gmail.com; nick@carlenandco.com; info@heliodyne.com; laura@fenestrationconcepts.com; joezadik@gmail.com; nate.tyler@netelectric.biz; Steve Smith
Subject: public comments – Open Forum

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Hi, Cityclerkdept

The City cannot legally tax commerce that extends beyond the City limits, because the City does not have JURISDICTION outside of its geographic boundaries. Thus, both buyer and seller have to be within city limits for it to be subject to the new business-license tax, presently interpreted by the City as an INCOME TAX.

In a similar way, the State of California, in computing its Sales Tax, has to exempt sales in interstate or foreign commerce because the State JURISDICTION does not extend beyond State boundaries.

The definition of JURISDICTION is:

The official power to make legal decisions and judgments. There may be geographic or other boundaries defined by the nature of the entity, as a territory within which a court or government agency may properly exercise its power.

Example: a City does not have JURISDICTION beyond its City limits.

The bottom line is that any Richmond business need only report its in-city sales to in-city buyers as subject to the income-based business-license income tax. Even further, any business not legally headquartered in Richmond but operating a facility within Richmond, by law would only report the sales from its Richmond-facility to Richmond-based buyers.

The foregoing should not be seen as "legal advice" but rather an observation that follows from the dictionary definition of the word JURISDICTION.

--

Best regards,

Steve Smith <steve@smithandcompany.org>

https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Flinkprotect.cudasvc.com%2Furl%3Fa%3Dhttps%253a%252f%252fwww.smithandcompany.org%26c%3DE%2C1%2C9SonL4Tr-D0kNHEpOfuvTgwIbPlo207LU6brpmjZXWZSoNV5nLKx1NDSUvlonFWLbldrQhcmYPqX3Y8VxKe8fiILrDDptH-OdFEwqTscFCsx1ZkRDOtWO4eKw6sW%26typo%3D1&data=04%7C01%7CSabrina_Lundy%40ci.richmond.ca.us%7C69aef7176dcb435422b108d9b92bc265%7C8ab93658f71f4926b380e0da1d18115a%7C1%7C0%7C637744419871799126%7CUnknown%7CTWFpbGZsb3d8eyJWljoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikh1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=Oa7WI%2BGz9Zc1ciK7ysOJrugPoLUeBjHv%2FtT6SHbe8Zo%3D&reserved=0,1-510-237-6842

From: tiffany@accurateautobodyinc.com
To: [City Clerk Dept User](#)
Subject: public comments - Open Session prior to Closed Session.
Date: Tuesday, December 7, 2021 11:18:36 AM
Attachments: [Richmond City Tax Rate Increase.pdf](#)

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Please see the attached letter regarding the business license tax.

Thank you,

Tiffany Silva





December 7, 2021

Subject: Public Comments-Open Session prior to Closed Session

TO THE CITY COUNCIL OF RICHMOND

We are writing in regards to the unreasonable business license tax increase. These new rates are higher than any of the other cities in the Bay Area. Our current license fee is \$1,100 and the new fee will be \$13,188. It is not fair to treat the businesses that support your city by creating a further hardship on us. By raising the business tax, you will see businesses leaving your city and you will lose funds that help pay the city's expenses. Some of us will have to raise our rates for products sold and that will put us at a disadvantage with our competition. We will also have to raise our prices and those higher fees will be passed on to the residents of Richmond. You should support the businesses that help pay your bills and not punish them by raising their taxes. Covid has already created a hardship on us and now this additional burden of higher taxes will leave us wondering where we will get the funds to pay for this. We understand that the Chamber of Commerce has reached out to council members Jimenez, Martinez, Mclaughlin, and Willis with no response for clarification of the rate structure. This is appalling that the council did not inform the businesses ahead of time about this tax and now they are avoiding speaking about it.

You have already defunded the police department in a city with one of the highest crime rates. We are subject to vandalism and destruction of our property by homeless people that are known for their radical behavior and the police will not do anything about them. We have videos of a homeless person smashing car windows and the windows to the office buildings in our complex. The homeless have also damaged all the lower windows at the YMCA across the street. The City of Richmond is becoming a city that business owners no longer want to be a part of.

We are in opposition to the excessive tax rate you are imposing and hope you find a way to help the businesses that help you. We would appreciate your immediate attention to this matter.

Sincerely,

Edward Cichon
Tiffany Silva
Accurate Auto Body, Inc

From: [Phillip Front](#)
To: [City Clerk Dept User](#)
Subject: public comments agenda item #J-17
Date: Tuesday, December 7, 2021 7:55:31 AM

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Dear Council Members,

I wanted to commend Council Members Bates, Jimenez, Martinez, McLaughlin, Johnson, and Willis for the professionalism and leadership they demonstrated after Tom Butt's personal attacks against City Attorney Teresa Stricker during the November 23, 2021 city council meeting. No leader should talk to a colleague the way Tom Butt addressed Ms. Stricker during this meeting. It was refreshing to see the rest of the City Council show maturity and professionalism in their condemnation of Tom Butt's shameful comments during the meeting, and I hope you vote to adopt resolution J-17.

To Mayor Butt: I agree with most of your views. I voted for you, and I have never voted for a candidate from the RPA. You do not help the city solve problems when you tell a city employee that they are a despicable person and that you wish them the worst. Do you think insulting people helps Richmond in any way? Do you think it makes you look like a strong leader? We deserve to have leaders who can behave with civility and focus on solving problems, not lodging insults. If you disagree with someone, disagree with them; don't call them a despicable person. Don't say that you feel sorry for anyone who will work with them in the future. You demonstrated in the November 23rd city council meeting that when your back is against the wall, you lash out with personal attacks. I hope you find the maturity to realize how childish it makes you look when you insult city employees at a city council meeting, and I hope you apologize to Teresa Stricker and to your constituents.

Sincerely,
Phillip Front
Richmond resident

From: [Rudi G](#)
To: [City Clerk Dept User](#)
Subject: Public comments agenda item #K-1
Date: Tuesday, December 7, 2021 8:52:32 AM

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Dear Council,

As the applicant for the project in question, I support the denial of the appeal. Lina and her staff have worked tirelessly to insure the planning process was flawless.

Although, Staff claims the applicant "refused" to make changes for the Design Review Board. This is wrong. I simply asked for a vote, so I can move directly to the Planning Commission. I did this, knowing that DRB Chair Livingston and several boardmembers live nearby; they know my surrounding neighbors, including the appellant, and I would never get a fair shake. Regardless, I eventually adopted the recommendation made by the DRB anyway...

This project has been deliberated on for two years, over 11 meetings. The Point Richmond Land Use Design Review Board approved the project. The Point Richmond Neighborhood Council approved the project by majority vote, voted on by all neighbors. The Design Review Board eventually agreed with the design, and the Planning Commission approved it - unanimously.

This appeal was submitted by a disgruntled neighbor who simply paid a fee and wrote a statement. There is no merit to their appeal and I won't acknowledge it by attending the hearing. Please deny this appeal.

Best wishes for the holidays.

Cheers!

-Rudi Garbelmann

From: [Lea Murray](#)
To: [City Clerk Dept User](#)
Subject: Please include in Public Comments regarding Agenda Item M-4
Date: Tuesday, December 7, 2021 12:19:26 PM

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Dear Mayor Butt and Council Members,

It has come to my attention that the council is contemplating providing additional funds to the Housing Consortium of the East Bay for the continuation of maintenance and service to the Encampment on Rydin Rd. It is my understanding that many of the services that were stated in the contract have not been offered or received by the residents and that there have been several unresolved complaints. With this in mind, I would like to urge the council to consider the following points:

1.

Do Not Close the Rydin Rd. Encampment on 12/31/2021.

Before displacing residents, suitable arrangements must be made for the families at Rydin Road. Otherwise, they will simply scatter and create additional non-sanctioned encampments.

2.

Do Not extend the contract amendment funding HCEB. PAUSE, RE-EVALUATE, and VERIFY that contracted services are being offered.

As a community we must ensure that our money is being used in the manner we have dictated and I would not be comfortable allocating any other funds without verification of how the previous funds have been utilized.

3.

Re-establish the Competitive Bid Process.

Our citizens deserve the highest value for our tax dollars. A competitive bid process allows the city government to select applicants at the best price for the best services in a manner that is transparent to the community. We support a return to the Pre-pandemic competitive bid process.

4.

Require Independent Oversight for all recent Homelessness contracts.

A public review committee should be established to ensure that non-competitive bid recipients are adhering to the contracted agreements. Richmond residents deserve this consideration.

Thank you for your time and consideration of this matter.
Sincerely,

Lea Murray, MPH, MA
Executive Director
Collaborising, Inc. 501 (c) (3)
954-736-8343 cell

From: [Maeve Katherine Bergman](#)
To: [City Clerk Dept User](#)
Subject: public comment agenda item #M-4
Date: Tuesday, December 7, 2021 11:59:52 AM

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Dear Councilmembers,

I hope this email finds you and your loved ones as safe and well as possible.

I also hoped to share my growing concern with the continuation of the approach adopted and contractor engaged for the Rydin and Castro RV communities.

As the third generation of my family to live in Richmond, I am increasingly frustrated that all community members, particularly unhoused neighbors, have not been well-served in the pandemic. Failure to provide quality and complete services to unhoused neighbors doesn't seem equitable or safe to our family.

Equity and evidence-based practice absolutely support our community's investment in holistic, wrap-around services for unhoused neighbors with a goal of ensuring basic needs and safety, health, and long-term housing.

Sadly, the current City of Richmond approach and contractor, now being considered additional funding, doesn't appear to be able to meet the needs of our community members on Rydin and Castro.

Residents of both communities were interviewed this weekend and the residents indicated serious concerns with multiple basic needs and safety, health, and long-term housing acquisition issues, including the contractor's admission of noncompliance with the contract's required outcomes and reporting.

Such experience for our neighbors on Rydin and Castro is not okay, this is not safe nor equitable action and investment.

To remedy this inequity, and get Rydin and Castro community members promised services, I ask the council to engage in the following before considering any renewal or addendum:

- **Require completion of the existing contract, including meeting explicit outcomes as well as required reporting to understand community's and contractor's progress**

and struggles to inform any next steps and investment, including timeline for closure;

- **Confirm moving forward Rydin and Castro community member voices are centered in understanding contract compliance and progress with regular and independent oversight of all City funded contractors; and**
- **Ensure contracts moving forward are subject to our community's and state's open bidding process which can ensure selected providers have the expertise, capacity, and people-centered approach to support the outcomes of safety, health, and long term housing. Understandably, no-bid contracts might have been required in the early months of the pandemic. However, most communities and organizations are returning to open and competitive bidding to ensure transparency and equitable process.**

Accordingly, I am not in support of today's agenda item M-4 without such above-noted important equity protections for our Rydin and Castro neighbors.

Yours truly, Maeve Katherine Bergman
36th and McBryde

Maeve Katherine Bergman, JD, LLM, GreenMBA

From: [Michelle Hayes](#)
To: [City Clerk Dept User](#)
Subject: Re-consider funding to the Housing Consortium of the East Bay
Date: Tuesday, December 7, 2021 1:26:20 PM

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Dear Mayor Butt and Council Members,

It has come to my attention that the council is contemplating providing additional funds to the Housing Consortium of the East Bay for the continuation of maintenance and service to the Encampment on Rydin Rd. It is my understanding that many of the services that were stated in the contract have not been offered or received by the residents and that there have been several unresolved complaints. With this in mind, I would like to urge the council to consider the following points:

1.

Do Not Close the Rydin Rd. Encampment on 12/31/2021.

Before displacing residents, suitable arrangements must be made for the families at Rydin Road. Otherwise, they will simply scatter and create additional non-sanctioned encampments.

2.

Do Not extend the contract amendment funding HCEB. PAUSE, RE-EVALUATE, and VERIFY that contracted services are being offered.

As a community we must ensure that our money is being used in the manner we have dictated and I would not be comfortable allocating any other funds without verification of how the previous funds have been utilized.

3.

Re-establish the Competitive Bid Process.

Our citizens deserve the highest value for our tax dollars. A competitive bid process allows the city government to select applicants at the best price for the best services in a manner that is transparent to the community. We support a return to the Pre-pandemic competitive bid process.

4.

Require Independent Oversight for all recent Homelessness contracts.

A public review committee should be established to ensure that non-competitive bid recipients are adhering to the contracted agreements. Richmond residents deserve this consideration.

Thank you for your time and consideration of this matter.
Sincerely,

From: [Payton Silket](#)
To: [City Clerk Dept User](#)
Subject: public comments agenda item # M-4
Date: Tuesday, December 7, 2021 11:27:46 AM

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Dear Mayor Butt and Council Members,

It has come to my attention that the council is contemplating providing additional funds to the Housing Consortium of the East Bay for the continuation of maintenance and service to the Encampment on Rydin Rd. It is my understanding that many of the services that were stated in the contract have not been offered or received by the residents and that there have been several unresolved complaints. With this in mind, I would like to urge the council to consider the following points:

1.

Do Not Close the Rydin Rd. Encampment on 12/31/2021.

Before displacing residents, suitable arrangements must be made for the families at Rydin Road. Otherwise, they will simply scatter and create additional non-sanctioned encampments.

2.

Do Not extend the contract amendment funding HCEB. PAUSE, RE-EVALUATE, and VERIFY that contracted services are being offered.

As a community we must ensure that our money is being used in the manner we have dictated and I would not be comfortable allocating any other funds without verification of how the previous funds have been utilized.

3.

Re-establish the Competitive Bid Process.

Our citizens deserve the highest value for our tax dollars. A competitive bid process allows the city government to select applicants at the best price for the best services in a manner that is transparent to the community. We support a return to the Pre-pandemic competitive bid process.

4.

Require Independent Oversight for all recent Homelessness contracts.

A public review committee should be established to ensure that non-competitive bid recipients are adhering to the contracted agreements. Richmond residents deserve this consideration.

Thank you for your time and consideration of this matter.
Sincerely,

--

Payton Silket
Community Organizer| Belong Campaign Manager
Cell (510) 631-5244
8400 Enterprise Way, Suite #123, Oakland CA 94621-1336
[Faith in Action East Bay](#)



From: [Samuel Kanenwisher](#)
To: [City Clerk Dept User](#)
Subject: public comments agenda item # M-4
Date: Tuesday, December 7, 2021 11:22:00 AM

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Sincerely,

Sam Kanenwisher
1497 Hopkins Street
Berkeley, CA 94702

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