



**CITY OF OAKLAND
BLUE RIBBON EQUITABLE BUSINESS TAX TASKFORCE**

**REGULAR MEETING
Meeting Agenda
Thursday, August 19, 2021
6:00 PM
Via Teleconference**

Blue Ribbon Equitable Business Tax Taskforce Members:

Michael Katz
Tasion Kwamilele
Cynthia Larsen – **Vice Chairperson**
Zain Oke
Liz Ortega
Daniel Swafford
Ari Takata-Vasquez - **Chairperson**
Minh Tsai
Ben Wanzo
Winter Williams

Task Force website: [City of Oakland | Blue Ribbon Equitable Business Tax Task Force](#)

Pursuant to the Governor's Executive Order N-29-20, Blue Ribbon Equitable Business Tax Taskforce Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

PUBLIC PARTICIPATION

The Oakland Blue Ribbon Equitable Business Tax Taskforce encourages public participation in the online board meetings. The public may observe and/or participate in this meeting in several ways.

OBSERVE:

• To observe the meeting by video conference, please click on this link:
<https://us02web.zoom.us/j/83616493506?pwd=djZxTTRxc3FKSHR4aDUzYnJHQzQvZz09>
Passcode: 384984 at noticed time.

Instructions on how to join a meeting by video conference are available at:
<https://support.zoom.us/hc/en-us/articles/201362193>, which is a webpage entitled “Joining a Meeting”

• To listen to the meeting by phone, please call the numbers below at the noticed meeting time:
Dial (for higher quality, dial a number based on your current location):

One tap mobile :

[US: +16699006833,,83616493506#,,,,*384984#](tel:+1669900683383616493506#) or
[+12532158782,,83616493506#,,,,*384984#](tel:+1253215878283616493506#)

Or Telephone:

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099
Webinar ID: 836 1649 3506
Passcode: 384984

International numbers available: <https://us02web.zoom.us/j/kxadPAqUZ>

After calling any of these phone numbers, if you are asked for a participant ID or code, press #. Instructions on how to join a meeting by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled “Joining a Meeting By Phone.”

PROVIDE PUBLIC COMMENT: There are three ways to make public comment within the time allotted for public comment on an eligible Agenda item.

- **Comment in advance:** To send your comment directly to the Blue Ribbon Equitable Business Tax Taskforce and staff BEFORE the meeting starts, please send your comment, along with your full name and agenda item number you are commenting on, to BlueRibbonTaskForce@oaklandca.gov. Please note that eComment submissions close one (1) hour before posted meeting time. All submitted public comment will be provided to the Task Force Members prior to the meeting.
- **By Video Conference:** To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will then be unmuted, during your turn, and allowed to participate in public comment. After the allotted time, you will then be re-muted. Instructions on how to “Raise Your Hand” are available at: <https://support.zoom.us/hc/en-us/articles/205566129>, which is a webpage entitled “Raise Hand In Webinar.”
- **By Phone:** To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing STAR-NINE (“*9”) to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. Once it is your turn, you will be unmuted and allowed to make your comment. After the allotted time, you will be re-muted. Instructions of how to raise your hand by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663>, which is a webpage entitled “Joining a Meeting by Phone.”

If you have any questions about these protocols, please e-mail BlueRibbonTaskForce@oaklandca.gov

Do you need an ASL, Cantonese, Mandarin or Spanish interpreter or other assistance to participate? Please email SAzimi@oaklandca.gov or call (510) 238-2972 for TDD/TTY five days in advance.

¿Necesita un intérprete en español, cantonés o mandarín, u otra ayuda para participar? Por favor envíe un correo electrónico a SAzimi@oaklandca.gov o llame al (510) 238-2972 para TDD/TTY por lo menos cinco días antes de la reunión. Gracias.

您需要手語, 西班牙語, 粵語或國語翻譯服務嗎? 請在會議前五個工作日電郵 SAzimi@oaklandca.gov 或 致電 (510) 238-2972 TDD/TTY.

1. Roll Call and Determination of Quorum

- 2. Public Comment:** Speakers will be called on by the facilitator as speakers “raise their hand” through video conference or by telephone to speak on Agenda items. Comments for matters not on the Agenda will be taken during Open Forum. All speakers will be allotted a maximum of two minutes to address the Task Force, unless amended by the Chair.

3. Speaker:

- A. **Antonio Banuelos**, Revenue Manager, City of Richmond

4. Staff Updates:

- A. Tax modeling: discussion of tax scenarios

5. Ad Hoc Committees Updates: Task Force will discuss the progress of Ad Hoc Committees.

- A. Committee A, Job Quality & Employment
B. Committee B, Business Mobility, Real Estate, Attraction & Retention
C. Committee C, **Tax Categories & Implementation**, Written statement of Member Ortega-Toro

6. Action items

- A. The Task Force may take action on tax rate proposals from Task Force members, or ad hoc committees.

7. Agenda Requests for Future Meetings

Task Force members may use this opportunity to address new issues for Task Force business. New items will be referred to an Ad Hoc Committee for action, outreach, research and/or deliberation or scheduled to a subsequent Task Force meeting.

8. Open Forum

9. Adjournment

The meeting will adjourn upon the completion of the Task Force’s business.

From: [Liz Ortega](#)
To: [Larsen, Cynthia](#); [danielswafford](#); [Dang, Huey](#); [Agaba, Rogers](#); [O'Brien, Margaret](#)
Cc: [Fortunato Bas, Nikki](#)
Subject: Task Force Concerns
Date: Friday, August 13, 2021 3:11:35 PM

[EXTERNAL] This email originated outside of the City of Oakland. Please do not click links or open attachments unless you recognize the sender and expect the message.

Dear Blue Ribbon Ad-hoc Committee C and Oakland City Staff,

I've had a chance to review the two options proposed. I'm unsure of how we arrived at only two models for consideration, which is especially concerning given that we are expected to make our final decision on rates this upcoming Thursday—a full two months before we are actually required to do so, and only a week after I received these proposed rate structures. I am deeply disappointed with the lack of transparency in this process. Much of the real discussion over tax rates has occurred in subcommittees which are not open to the public, or even other commissioners, and now it feels like the final vote is being rushed with only limited options selected in a very opaque process. In addition to that, almost all of our speakers have been representatives of the large business community who have pushed the commission to lower tax rates, and we've heard nothing from other cities that have gone through this process and adopted progressive tax structures that have been a success. This is despite multiple requests and no updates from city staff. In an effort to fix this, I've reached out personally to staff at the City of Richmond, who are available to speak. However, it's clear that much of the decision making has been done behind closed doors.

I am deeply concerned with the way this entire process has played out. Our mandate as a commission was to look into providing tax relief for small businesses while shifting the tax burden to the largest businesses while hearing from critical community stakeholders. From what I can tell, the two models proposed either keep the same tax rates or increase taxes on the smallest businesses in Oakland. Both models also propose lower tax rates for some of the biggest businesses compared to council's original proposal. Both proposals would bring in less revenue than the council's suggested model. There are also huge disparities in tax rates for the biggest businesses without any clear reason. For instance, proposed tax rates for administrative headquarters are as low as \$2.70 per \$1,000 in payroll while taxes for professional and semi-professional services—which could include similar types of companies—are as high as \$6.30 per \$1,000 in revenue. Top tax rates for business and personal services are as low as the starting rate for businesses that categorize as professional/semi-professional businesses or recreation and entertainment businesses. I feel that the commission is making decisions from a place of fear and bending to the demands of some large businesses rather than doing what's right for residents.

The reason council's original model was so popular with voters is that it funds city services while providing tax relief to small, longstanding businesses and shifting the burden to the absolute largest businesses. Recommending a rate structure that raises taxes on small businesses and lowers taxes on large businesses compared to council's proposal, while bringing in less revenue, will not only be controversial, but it will also be significantly less popular with voters. The commission should put forward a proposal that does right by Oakland's small businesses, funds essential city services, and puts us in the strongest position with voters.

If the final recommendation of the commission is an unpopular and controversial one, having a process that was not transparent and open to the public can only deepen potential problems in the community. While I was not able to attend the last full session, it is my understanding that staff has proposed that moving forward, only a small group of

commissioners will be involved in developing the final report. Having business tax legislation drafted largely by a handful of business leaders and city administration in a closed room gives the appearance of violating the public trust.

I worry that if these are the only two options up for a vote, then we will be doing a disservice to Oakland small businesses and residents. I'd like to propose that staff assist in developing a rate proposal for consideration that does the following, using council's original proposed rates as a baseline:

Instead of an alternative minimum tax, offering a reduction in taxes to the following businesses with less than \$1 million in revenue as follows. All other tax rates remain the same as council's original proposal (the \$60 minimum would also be maintained):

- o Retail – \$0.60/\$1,000
- o Grocers - \$0.5/\$1,000
- o Business and Personal Services (includes small laundromats, salons, home repair businesses and others) - \$0.80/\$1,000

In addition to council's proposed rates for administrative headquarters, adopting a tax similar to San Francisco's Administrative Office Tax (on businesses with more than 1,000+ US employees and over \$1 billion in annual sales on their federal tax return) at 1.4% of payroll (San Francisco's rate is 2.9%).

Creating an additional tier for businesses with over \$100 million + in gross receipts that offsets the lost revenue from tax cuts to small businesses by increasing rates above council's original proposal.

Please include this email in our agenda packet scheduled for next week.

Thank you,

Liz

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Elizabeth Ortega-Toro
Executive Secretary-Treasurer
Alameda Labor Council
www.alamedalabor.org

