



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

**REGULAR MEETING  
Meeting Agenda  
Thursday, July 8, 2021  
6:00 PM  
Via Teleconference**

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Blue Ribbon Equitable Business Tax Taskforce Members:

Michael Katz  
Taison Kwamilele  
Cynthia Larsen – **Vice Chairperson**  
Jessica Moncada Kone  
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](#)

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**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”

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One tap mobile :

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

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

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**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](mailto: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](mailto:BlueRibbonTaskForce@oaklandca.gov)

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Do you need an ASL, Cantonese, Mandarin or Spanish interpreter or other assistance to participate? Please email [SAzimi@oaklandca.gov](mailto: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](mailto: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](mailto:SAzimi@oaklandca.gov) 或 致電 (510) 238-2972 TDD/TTY.

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- 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. Approval of Draft Minutes from the May 16, June 10 & June 24, 2021 Meetings**
  - 4. Calendar & Tentative Schedule**
  - 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
  - 6. Staff Updates:**
    - A. Tax Modeling: Discussion of Tax Scenarios (Cont.)
  - 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.
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## **BLUE RIBBON EQUITABLE TASK FORCE ACTION MINUTES - THURSDAY, MAY 27, 2021**

Meeting was called to order at 6:02 pm by Margaret O'Brien.

1. **Roll Call:** Takata-Vasquez, Larsen, Katz, Moncada-Konte, Oke, , Swafford, and Wanzo were present. Kwamilele arrived at 6:04. Williams arrive at 6:06. Ortega and Tsai were absent. There was a quorum.
2. **Public Comment** – No speakers.
3. **Action Item**
  - A. **Ad Hoc Committees Update:**
    - i. Committee A - Job quality/employment – big topic was how could they bring more information/expertise that was helpful. Discussed bringing in experts on job quality, and employers from various sectors to provide their experience/impacts. Also, if city services were increased. Look to Richmond's program to learn from their process. What can be learned from the change in minimum wage. Consider wages, advancement, schedule, cost of living, and retention.

Discussion held pertaining to have the ad-committees report before discussing in depth.

- ii. Committee B – business mobility, real estate, attraction/retention – they also discussed bringing in experts. Discussed offering incentives, having flexible options, and different models.
    - iii. Committee C – category, implementation i.e.: tax holiday - discussed labor, bringing in Chamber, Council Member Bas, and the Beacon Study. Also discussed having Richmond and San Francisco representatives coming in to provide their perspective.
4. Oral Presentation – Council President Fortunato-Bas – provide background of Resolution 88227 C.M.S repealing and replacing Chapter 5.04 of the Oakland Municipal Code to create a progressive, modern, and equitable business tax structure.

Council President Fortunato-Bas spoke to the intent of the legislation. She thanked the Task Force members for participating on the Task Force. She stated the purpose of the Task Force was: after thorough analysis and extensive community and stakeholder engagement the Task Force should be able to deliver by October 31<sup>st</sup> for Council adoption, a comprehensive recommendation for a modernized progressive business tax structure that achieves the City's goals (revenue enhancement, reduction of race and equity disparities, tax code modernization, equitable economic development, and living wage job creation). Task Force also be able to provide recommendations for Council regarding budget allocations.

Discussion held pertaining to how San Francisco had reorganized their system and how Oakland finance staff had looked into it before drafting the recommended legislation.

Discussion held concerning how the Council goal was to bring in \$27 million into the General Public Fund.

Discussion held relating to how there were any other plans to increase any other costs for small businesses.

Discussion held pertaining to how there had been a Small Business Task Force where additional information might be found.

Discussion held regarding how there was not a set structure of where incentives could be utilized.

## **5. Informational Items**

### **A. Presentation regarding Potential Impact from Changes to Business Tax**

Matt Newman and Shawn Blosser Blue Sky Consulting group provided a presentation providing information the Task Force had inquired about at previous meetings.

He noted the presentation would address Oakland business data by category and amount of gross receipts (number of firms, Tax revenues, Gross Receipts). He provided the number of firms broken down by business category and gross receipts. He reviewed the illustrative financials for sample businesses, and estimated Oakland taxes paid by businesses.

Discussion held pertaining to how partnerships that had profits were collected via income tax.

Discussion held concerning how business tax costs compare to other state and federal taxes.

Discussion held regarding how Oakland's current tax rate was used for the presentation.

He mentioned the key takeaways from their research was: 1) most of City's current business tax revenue comes from businesses with gross tax receipts between \$2.5 to \$15 million; 2) relatively small number of large businesses also account for substantial share of Business Tax revenues – businesses are spread across sectors; 3) current business taxes account for relatively small share of overall operating costs and other taxes paid crosses sectors/business sizes; 4) professional service type businesses typically have higher margins – also currently have higher business tax rates and may be among most mobile type of business; 5) some businesses that account for a smaller share of business taxes – account for a large share of other Oakland taxes (i.e., retail businesses remit Sales Tax revenues, hotels provide TOT revenues, etc.)

## **6. Agenda Requests for Future Meetings**

Discussion held concerning how staff would address the 2020 payment trend at a future meeting.

Discussion held regarding bringing in the following. other Oakland Council Members, Barb Leslie from the Chamber, Jesse Blout, staff member from San Francisco and Richmond and CAMEO. Ad Hoc committee can request other individuals attend their meetings.

***Board Member Swafford moved, seconded by Chair Takata-Vasquez that speakers who can come to the full Task Force meeting shall be on the agenda as such and those who are able to come to a subcommittee can be scheduled automatically with that subcommittee.***

***Board polled as follows: Takata-Vasquez, Larsen, Katz, Kwamilele, Oke, Swafford, Williams, and Wanzo voted “aye.” Eight ayes – motion carried.***

## **7. Open Forum**

Discussion held pertaining to how the minutes do not include attachments.

Discussion held concerning having all of the tables provided in a format (Excel or CSV) where the members can compare the information more easily.

Discussion held regarding how the video of the meetings were available on the Task Force page.

Staff report that was sent to Council will be sent to Task Force Members, also the Small Business Task Force report will be sent.

Mike Ege, would like for the agenda, minutes and videos to be posted on Legistar versus Granicus so that they would be more easily accessed.

## **8. Adjournment**

Margaret adjourned the meeting at 7:45 p.m. Next meeting will be June 10, 2021 at 6:00 pm.

## **BLUE RIBBON EQUITABLE TASK FORCE ACTION MINUTES - THURSDAY, JUNE 10, 2021**

Meeting was called to order at 6:02 pm by Margaret O'Brien.

1. **Roll Call:** Larsen, Katz, Kwamilele, Ortega, Swafford, and Wanzo were present. Williams arrived at 6:04. Chair Takata-Vasquez arrived at 7:32 pm. Moncada-Konte, Oke, and Tsai were absent. There was a quorum.
2. **Public Comment** – No speakers.
3. **Approval of Draft Minutes from April 29, 2021 Meeting**

*Board Member Swafford moved, seconded by Board Member Katz to approve the minutes with the correction of Kwamilele's name.*

*Board polled as follows: Larsen, Katz, Kwamilele, Ortega, Swafford, Williams and Wanzo voted "aye." Seven ayes – motion carried.*

### **4. Staff Updates**

- A. Requested Speakers – only speaker to appear on July 22<sup>nd</sup> will be Barb Leslie from the Chamber – staff has reached out to other speakers and have not received any responses.
- B. Summary of Business Tax Data – data items were consolidated per the Task Force's request and forwarded to the Task Force Members.
- C. Tax Modeling – estimated amounts that would possible be proposed were used for the Tax Modeling.

Discussion held concerning how changes to the models may not be accessible during the presentation and would have to be brought back at another meeting.

Discussion held pertaining to how they want to implement the changes on January 1, 2023.

### **5. Ad Hoc Committee Updates**

- A. Committee A – Job Quality & Employment – they discussed businesses they wanted to reach out to (those with gross receipts of \$2.5 million – manufacturing, professional services, and automobile industry) to have them attend their next meeting.

Board Member Swafford noted he had an acquaintance that had small/mid-size restaurant locations within Oakland that would be willing to come in to speak.

Board Member Katz recommended retail, IT, and media to be included as well.

- B. Committee B – Business Mobility, Real Estate, Attraction & Retention – they discussed incentives (what were the best options). Next meeting, they would be discussing employees and equitable jobs, manufacturing, geography-based incentives, retail-based incentives, as well as fair housing. Discussion was held concerning the feasibility of the recommendations that might be given. They wanted to speak to tax accountants, hold a CFO roundtable as well as speak with Council Members individually.
- C. Committee C – Tax Categories & Implementation – they discussed the tax categories and modeling. Discussed the base model and possible recommendations. Discussed tax holiday for businesses under \$50,000. Discussed consistency among categories and possibly consolidating categories.

Discussion held concerning having a list of which groups a speaker has spoken to that could be addressed at each Task Force meeting.

Discussion held pertaining to Task Force Members attending an ad hoc meeting they are not serving on and being mindful of the Brown Act.

Discussion held regarding the July 10, 2020 supplemental report from Finance referring to exemptions for small businesses.

## **6. Action Items**

- A. Task Force Tax Structure Discussion – Discussion held pertaining to if the Task Force wanted Blue Sky to create models with specific recommendations.
- B. Assignment of specific task(s) to committees –

Vice Chair Larsen stated when they met to prepare the agenda it was discussed that each ad hoc committee address a set of questions around their area of focus and in general – to be discussed with the Full Task Force at the next meeting. Questions were: Incentive vs. Tax Holiday; productivity (rate band based on gross receipts); sector by sector (different for each) – what types of businesses you are trying to attract; and business activity classifications (limit it to six).

Discussion held concerning small businesses.

Discussion held pertaining to a zero rate or flat rate on a progressive scale based on business category versus one flat rate. Consensus was in favor of reviewing that.

***Board Member Swafford moved, seconded by Board Member Ortega to work with the questions as discussed and sent by staff at their ad hoc committees and provide their responses at the next Task Force meeting.***



Discussion held pertaining to sending the requested questions to staff who will disseminate them to the Task Force.

***Motion and second were withdrawn.***

- C. Master Calendar – review and update – Staff Member Dang presented the master calendar. He stated the calendar was approved at the second meeting – he reviewed the timeline and noted changes that need to be made and decide if they want to take a summer recess or still meet.

***Board Member Kwamilele moved, seconded by Board Member Ortega to change the notes on the master calendar for the July and September meetings to note they are regular meetings instead of the notes from the original master calendar.***

***Board polled as follows: Larsen, Katz, Kwamilele, Ortega, Swafford, Williams and Wanzo voted “aye.” Seven ayes – motion carried.***

Discussion held concerning whether the committee wanted to keep the two summer recess dates or make them meeting dates.

***Board Member Kwamilele moved, seconded by Board Member Williams to make the two of August meetings regular meetings instead of having a summer recess.***

***Board polled as follows: Takata-Vasquez, Larsen, Katz, Kwamilele, Ortega, Swafford, Williams and Wanzo voted “aye.” Seven ayes – motion carried.***

#### **7. Agenda requests for future meetings**

No other items.

#### **8. Open Forum**

No speakers.

#### **9. Adjournment**

Margaret adjourned the meeting at 7:45 p.m. Next meeting will be June 10, 2021 at 6:00 pm.

## **BLUE RIBBON EQUITABLE TASK FORCE ACTION MINUTES - THURSDAY, JUNE 24, 2021**

Meeting was called to order at 6:06 pm by Chuck Maurer.

1. **Roll Call:** Takata-Vasquez, Larsen, Katz, Kwamilele, Oke, Ortega, Swafford, and Williams, were present. Moncada-Konte, Tsai, and Wanzo were absent. There was a quorum. Kwamilele left the meeting at 6:31
2. **Public Comment** – No speakers.
3. **Approval of Draft Minutes from May 13, 2021 Meeting**

*Chair Takata-Vasquez moved, seconded by Board Member Oke to approve the minutes as presented with name corrections.*

*Board polled as follows: Takata-Vasquez, Larsen, Katz, Kwamilele, Oke, Ortega, Swafford, and Williams voted “aye.” Eight ayes – motion carried.*

### **4. Ad Hoc Committee Updates**

Discussion held pertaining to how Chamber would be the speaker at the next Task Force meeting.

Board Member Katz questioned what the process was to have a speaker placed on the agenda for the Task Force.

Staff Member Dang noted Board Members should let staff know what they would like them to do.

Discussion held regarding who requested the Chamber speak at a Task Force meeting.

Board Member Kwamilele explained how the Chamber had appeared to have been mentioned in every ad hoc committee’s discussion and that was why the Chamber was invited to speak at the full Task Force meeting, as well as the Chamber had been active in all the discussions on the business tax. She noted at the last meeting it was stated that if there were other speakers that the Task Force would like to speak at a meeting, they would need to bring those names to a meeting for the Task Force to vote on.

Board Member Oke suggested the Task Force decide if they wanted the Chamber to speak, as well as have the subcommittees provide the names of those, they would like to have speak so that the Task Force would have all the names and decide as a group who should speak.

Discussion held concerning how staff had received responses only from the Chamber and another group who was not available until August.

Discussion held regarding staff sending out the list of those who had been sent a request to speak at the Task Force.

Discussion held pertaining to how ad hoc committee members can share information between each other regarding items discussed at their ad hoc meeting.

- A. Committee A – Job Quality & Employment – they discussed inviting certain businesses to speak to their committee, discussed the questions they would like to ask those businesses (quality and how to understand how a change would impact their business regarding jobs). Also discussed their view on a progressive tax.
- B. Committee B – Business Mobility, Real Estate, Attraction & Retention – they discussed progressive versus flat, and incentive programs. They discussed inviting CAMEO and real estate developers to their committee.
- C. Committee C – Tax Categories & Implementation – they discussed the model and was involved in getting it generated. Discussed fundamental questions for the Task Force. Discussed possibly coming categories.

## **5. Staff Updates**

- A. Tax Modeling – discussion of tax scenarios.

Matthew Newman provided a preliminary review of the tax model they had been building over the past few weeks. He noted they took the historical gross receipts and estimated what they would be for 2023-2024 and estimated the revenue three different ways (static, increase, variable). He questioned if the \$27 million was for 2019 or 2023 as that would affect the recommendation.

James Paci, Blue Sky Consulting reviewed the models they had created. One of the models included a \$60 minimum, another involved multiple based on gross receipts amount.

Discussion held concerning how the models were not based on recommendations from the Task Force, they were showing different rates and the affects it would have on the money collected.

Discussion held pertaining to what the definition of small business was and in relation to business tax.

Discussion held regarding how you cannot tax individual businesses differently but could look more closely into the sector category.

Discussion held concerning how the \$27 million was a figure that was originally based on 2019 gross receipts but was still used as the target due to the pandemic.

## **6. Agenda requests for future meetings**

Discussion held pertaining to how the list of names of those who had been requested to speak with their responses.

## **7. Open Forum**

TaShon Thomas questioned if the chart that was presented would be available online after the meeting.

Mitesh Bhakta, City Attorney's office stated he would need to confirm, but would work with staff to provide some type of document that the public could view.

## **8. Adjournment**

Margaret adjourned the meeting at 7:29 p.m. Next meeting will be June 10, 2021 at 6:00 pm.

# Blue Ribbon Equitable Business Tax Task Force

## Master Calendar & Tentative Schedule

(Revised June 10, 2021)

### Task Force Duties and Functions

Pursuant to Resolution [88478 C.M.S.](#), the Blue Ribbon Equitable Business Tax Task Force (“Task Force”) comprises 11 members serving the term from the date of appointment and ending on January 1, 2022. The Task Force is to carry out the analysis of the Business Tax rates, as described in Section 5.04.205 of Resolution No. [88227 C.M.S.](#), engage in community and stakeholder outreach, and provide policy recommendations to the City Council of the economic impact of the recommended business tax rates by October 31, 2021.

### Meetings

Regular meetings of the Task Force are held every other Thursday during the calendar year 2021 at 6:00 p.m. unless the meeting is publicly posted to begin at a different time or cancelled at the request of the Task Force.

Meetings are to be held via video chat platform Zoom until further notice.  
Meetings are to open to the public and enable public comments

Date	Time	Location	Notes
April 15, 2021	6pm – 8pm	Zoom	• Special Meeting
April 29, 2021	6pm – 8pm	Zoom	• Regular Meeting
May 13, 2021	6pm – 8pm	Zoom	• Regular Meeting
May 27, 2021	6pm – 8pm	Zoom	• Regular Meeting
June 10, 2021	6pm – 8pm	Zoom	• Regular Meeting
June 24, 2021	6pm – 8pm	Zoom	• Regular Meeting
July 8, 2021	6pm – 8pm	Zoom	• Regular Meeting
July 22, 2021	6pm – 8pm	Zoom	• Regular Meeting
August 5, 2021	6pm – 8pm	Zoom	• Regular Meeting
August 19, 2021	6pm – 8pm	Zoom	• Regular Meeting

Date	Time	Location	Notes
September 2, 2021	6pm – 8pm	Zoom	<ul style="list-style-type: none"> <li>• Adoption of Recommended Tax Rates</li> </ul>
September 16, 2021	6pm – 8pm	Zoom	<ul style="list-style-type: none"> <li>• Draft report is to be distributed for review and comments by this date.</li> <li>• Discuss/Revise Task Force's Report &amp; Recommendations</li> </ul>
September 30, 2021	6pm – 8pm	Zoom	<ul style="list-style-type: none"> <li>• Finalize Task Force's Report &amp; Recommendations</li> <li>• Task Force Report is due this date for October 19, 2021 Council Meeting</li> </ul>
October 19, 2021	1:30 PM	Tele Conference	<ul style="list-style-type: none"> <li>• City Council Meeting</li> <li>• Task Force Chair or Vice Chair to present report and recommendations</li> <li>• Q&amp;A</li> </ul>

Notes: :

- September 13, 2021: Staff is to put in the request to Rules Committee to agendaize the Task Force's Report and Recommendations for the October 19, 2021 City Council meeting.