

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 31st 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.