



Argument of the Richmond Chamber of Commerce in Opposition to Richmond's Measure T

Measure T is the wrong approach to solving Richmond's problems. Measure T was created because there was an opportunity to enact a tax, not because new tax revenues were needed. A few of the Richmond City Council members recognized that they could get something on the ballot to raise taxes but that they needed to act fast.

First, they proposed a gross receipts tax, then a payroll tax, but the Chamber and its members convinced them that those were bad ideas. We could not, however, talk them out of the idea that Richmond had an immediate need for new taxes. Thus, they came up with the tax on manufacturers and rental properties.

Measure T is just a money grab. Measure T revenues are not designated to go anywhere except the general fund. There is no well thought-out plan to spend this money. Supporters of Measure T claim that the City needs additional revenue to hire more police officers and to repair more streets. The City of Richmond, however, has been unable to fill its existing, budgeted allotment of police officer positions, meaning that it can't spend the money it already has, and thus, will not be able to solve that particular problem with additional money. Similarly, Richmond has finally increased its spending on street repairs and maintenance to many times its former level, and has not yet proven its ability to manage a hugely increased public works budget.

Remember, it is these same City Council Members who, only a few short years ago, mismanaged the budget to a 35 million dollar deficit and had to fire 200 employees. Should we trust them with more money now?

The City of Richmond is, again, solvent, with funds in reserve. Although the City certainly has needs, there is less urgency than there was before and we can afford to create a thoughtful, comprehensive plan to meet those needs.

Meanwhile, Richmond's businesses face many challenges, including a generally high tax burden. Richmond businesses pay the State's highest sales taxes and utility user's taxes, and Measure T would only add to those burdens. It is difficult to attract businesses to our fair City for many reasons, and an additional tax would only increase that difficulty. Measure T, then, mortgages future tax revenues from economic development for a short-term fix of money that is not even needed.

Measure T is anti-job, anti-business and tells Richmond employers to go elsewhere and take their jobs with them.

It tells prospective manufacturers to locate somewhere else.

The Bay Area Economic Group tells us the following:

Richmond has a high unemployment rate of 6.7% as of April 2006, with the Bay Area's rate being 4.2% for same period. Meanwhile, from 2001 to 2004, Richmond lost 548 jobs. The biggest job losses were in manufacturing, which offers the highest average wages.

As our City Manager is fond of saying, Richmond does not have a revenue problem, it has a spending problem. The City should get its financial house in order and plan carefully for the long-term before it considers enacting new taxes that will discourage future economic development.

A handwritten signature in cursive script that reads "Judith Morgan".

Judith Morgan
President/CEO
Richmond Chamber of Commerce