

**Ad Hoc Commercial Transportation Tax Option Study Committee
Meeting of February 4, 2008**

Members Present: George Foote, Mark Feldheim, Lois Walker, John Renner, Paul Friedman

City Staff Present: Mark Jinks, Bruce Johnson, Cindy Smith-page, Bryan Page, Rich Baier

The draft minutes of the January 30 meeting were approved as presented.

Mr. Jinks presented and reviewed charts which showed the fiscal impact of levying a one cent or a two cent add-on to the tax rate, as well as charts that detailed the business license tax categories, revenues and the fiscal impact of reducing each of the Business License categories (retail, professional, business service, etc) by one cent to five cents. The Committee discussed the merits of combining an increase in the commercial real estate tax rate for transportation with a decrease in a one or more business license tax categories.

The Committee then undertook a lengthy discussion of the equity, costs, benefits of levying the commercial add on tax for transportation purposes, as well as what the impact on businesses would be if the rate was 2-cents versus a higher rate such as 10-cents.

The Committee also discussed the districts versus Citywide levying of the add-on tax

New charts on transportation funding sources and planned transportation capital and operating uses were disseminated and discussed by Mr. Culpepper.

The Committee discussed how tax burdens fell and who paid taxes: businesses direct, consumers direct paid as the result of sales (retail, restaurants, etc) at businesses, taxes paid by non-residents such as tourists, as well as taxes paid by residents.

Committee members discussed their views to date concerning the add-on real estate tax on commercial properties for transportation purposes, with expressions of support and non-support of this tax option expressed. Members also discussed, if this tax was recommended what rate or rate range might be recommended.

The Committee members discussed how if the tax was enacted how the funds could be used (feasibility studies, purchase DASH hybrid buses, BRT, etc). The need for a specific plan of use of the funds if the tax was adopted, and the need to tie the tax to specific transportation projects, was also discussed.

The Committee members discussed information which should be in its report to City Council (such as examples of projects).

The Committee decided to add a meeting (February 21 at 7pm) as its last meeting, in addition to its previously planned February 14 meeting.

The Committee adjourned at 8:30 pm