Dear Seattle City Council,

As you know, our state has the country's <u>most regressive tax code</u>, where poor people pay about seven times as much of their income in tax as wealthy people. Fortunately, Seattle is home to many successful companies that embrace creativity and innovation, presenting unique opportunity for alleviating the economic burdens faced by so many of our most vulnerable residents. Tapping into this potential is the spirit and intent of the Employee Hours Tax, which could generate \$75M more in revenue for the city annually - 80% of which would go directly into securing affordable housing and 20% for human services. There is broad interest and support in Seattle's diverse business community to help create a more equitable city through an EHT and other progressive solutions.

Recently the Progressive Revenue Task Force convened by the Council <u>issued recommendations</u> for implementing an EHT. Although we commend PRTF for their work establishing an important starting point to the conversation, many in our community feel certain aspects of the recommendations are inadequate to protect the local economy. However, we also also reject Seattle Metropolitan Chamber of Commerce's attempt to stonewall the entire conversation with a blanket "no" while using small businesses as a shield. We believe this to be an extremely manipulative approach to a critical social justice and equity issue.

The Chamber is denying an important reality in their opposition to an EHT: Seattle has a housing crisis that must be addressed. How are we to fund solutions? Property taxes are not an option because increases are already driving people out of the city. Income taxes are off the table for now because the courts overruled them. A regressive regional sales tax would disproportionately place the burden on the poor and working class yet again. A business tax is the only option left, and taxing only the larger businesses will reduce the impact of these taxes on the cost of living in Seattle. The Chamber is attempting to rush overburdened small business owners into opposition based on misinformation. This is disempowering to our community at best and exploitative at worst. An inclusively crafted EHT could actually benefit small businesses by supporting the low income housing that we, our customers, and our employees desperately need - at no cost to our businesses. Furthermore, securing more progressive tax policies creates space to move away from our current regressive policies- such as the burdensome B&O tax.

As equal members of this community we feel our voices have been either left out, willfully manipulated, or misrepresented in this critical conversation. The signers of this letter support an Employee Hours Tax that will equalize the playing field for our city's most economically vulnerable, mitigate displacement, help preserve the cultural fiber of our neighborhoods, strengthen locally-rooted economy, and center humans and values over profits. We offer our support for an EHT with the following amendments that will ensure the protection of Seattle small businesses who are already experiencing burdens of taxation:

- Removing or making optional the so-called "skin-in-the-game" fee to lessen burden on lower-grossing small businesses. The final determination should be made transparently with equal democratically elected representation from SBAC and ACED in a public Business Roundtable.

- Significantly raising the threshold for exemption to the tax to shield local economy from negative impact. The final threshold must be determined transparently with democratically elected representation from SBAC and ACED as well as PRTF in a public Business Roundtable.
- Creating a process of application for other exemptions to protect against potentially negative impacts on local economy.
- Committing to a thorough review of how Seattle is currently spending money on housing and homelessness and creating an inclusive, transparent process for administering revenue earned from the tax to ensure a dollar-for-dollar increase in money put towards effective solutions. These new tax dollars should be spent in a extremely lean, direct method- inspired by how the best small businesses in this city run.

Thank you for your work on this issue. As small businesses and members of this community, we are ready and willing to contribute our fair share to solutions that will increase affordable housing. The revenue the EHT will generate is not enough, however. We urge you to also implement other progressive taxes to raise another \$75 million in revenue, as suggested in Appendix D: a progressive estate tax, a surtax on excessive pay ratios, a REET mansion tax, and/or a tax on non-primary residences to deter vacant homes and speculative real estate investment. In support of an efficient, inclusive process that ensures full representation moving forward, we hope you will be responsive to our request to convene soon. To create a more equitable Seattle, time is of the essence.

Sincerely,

Jerry Everard
Small business owner

Rich Jensen Serial Entrepreneur, Sub Pop, Up, Flux, Cabin Games

Chef Tarik Abdullah
Co-owner/Head chef, The Black & Tan

Jose Luis Rodriguez
Co-owner/Operator, The Station & The Wine Station

Leona Moore-Rodriguez
Co-owner/Operator, The Station & The Wine Station

Diana Adams
Owner, Vermillion Art Bar & Gallery

Charlie Matlack
Co-Founder & CEO, PotaVida

Margo Jones

Owner, A Personal Point of View/Natural Child, PLC

Taylor Seamount,
Owner, Lift Tutoring

Wyking Garrett

Co-founder, Umoja Peace Center/Africatown/Black Dot

Ari de Leña

Owner, Kamayan Farm

Samantha Fonteyne-Crescioni Owner, Liminal Life Services, LLC

Zane Fitch,
Owner of Dayspring & Fitch
Board Member of MLK Business Association

Laura Humpf

Owner Rainier Beach Yoga/Satmato Yoga Therapy

Hassna Benyahya Calhoun Martha's Loft, LLC

Curtiss R. Calhoun ReaLife Coach, LLC

Shirley Henderson Co-owners of Squirrel Chops

Sharon Blyth-Moss Co-owners of Squirrel Chops

Solomon Dubie Owner, Cafe Avole

Kryse Martin-McGill

Co-Owner/Operator: Central District Ice Cream Company//Happy Grillmore//Nate's Wings And Waffles

Darren McGill

Co-Owner/Operator: Central District Ice Cream Company//Happy Grillmore//Nate's Wings And Waffles

DeVon Manier

Owner/Sr. Talent Manager, Sportn' Life Music Group

Kim Voynar

CEO, WonderTek Labs, LLC

Nathaniel Luke Pinzon

President, WonderTek Labs, LLC

Tim Basaraba

Owner, The Substation

Sarah McKagan

Owner, McKagan Enterprises

Russell S. Barton, Ph.D

Partner & Co-founder, EKOS International

Lisa Michaud

Owner, Two Big Blondes Plus Size Consignment

Jesiah Wurtz

Co-owner, Cafe Red,

Progressive Revenue Task Force Member

Board Member MLK Business Association

Becky Selengut,

Chef/Owner Cornucopia Cuisine

Haley Williams

Co-owner, Cafe Red

Joya Iverson

Owner, Tin Umbrella Coffee

Khazm Kogita,

MADK Productions

Andy Ribaudo

Veteran Entrepreneur, ARAMAR Co-op

George Lee

Owner/artist, George Lee Studio

Susanna Garrett

Owner, Scrub-a-Tub House Cleaning

Tania Lopez

Co-owner, Taqueria Costa Alegre

Michael Buchert

Owner/Creative Director, Ritual Cannabis/Ritual Grounds SPC

Rob Castro

Owner/Producer/Musician, Concuss Creations

Ebony Arunga

Co-owner, Tomorrows Events, Arunga Music

Brian Forza

Owner, Prana Cuts Barber Shop

Duranged Pitt

Owner/Founder, Hawk Gang

Carol Rashawnna Williams

Founder/Owner, K-Love 4 Art

Deb Schaack

Manager, Central Physical Therapy and Fitness

Jutta Schneider, PT

Owner, Central Physical Therapy and Fitness

Carter Renee Fisk,

Owner, Carter Renee Hair Studio

Terrance Robinson

Founder and Operator, Depandable Services

Adrian Shaw

Owner, founder, OverWatch Security Services

Kyra Freestar,

Partner, Tandem Editing LLC

Meg Bolger

Founder/Facilitator, Same Team

Mitch Pfeifer

Founder, Respect My Region

Mark Perez

Emissary Law Group, PLLC

Cameron J. Collins Owner, Rain City Law PLLC Professor, Seattle University

Joshua Turnham

Owner, The Law Office of Joshua L. Turnham, PLLC

David Severance III
President/Producer/Engineer
Street Level Records/Digital Age Sound

Ben Meadow

Owner, Meadow Mobile Sound

Alexander Hubbard,

Owner/Musician/Songwriter/, Fantasy A Studios

Mohamud Yussuf

Owner/Editor, Runta News

Ronald Wilson

Owner/Producer, Ready Ron Entertainment

Jill Freidberg

Owner, Corrugated Films

John Boylan

Owner, 9e2 Seattle

Sondra Kornblatt

Owner, Restful Insomnia

Carlo Cennamo

Owner, Cennamo Woodwinds

Keith G. Prez Asphy Owner, Presidential Transportation LLC & Presidential Media Group

Jay Lee Vertz Managing Director, AD1 Studios/Audiodose

Piaf Liester
Operations Manager, Cypher Cafe at Washington Hall

Carolyn Hitt Owner, Blue Cone Studios

Alyssa Royse Co-owner, Rocket Crossfit

Brady Collins
Co-owner, Rocket Crossfit

Camilla Eckersley
Co-Owner, Prairie Underground

Davora Lindner Co-owner, Prairie Underground

Jenny Martin
President, Conscious Capitalism Seattle

Tricia A Turton-Owner
Owner/Head Coach, Arcaro Boxing

Syed Taqi Owner, Seattle Capoeira Center

Rebekah J. Jurgensen Owner, Rebekah Jurgensen Yoga LLC

Michelle Forrest, PLLC Therapist and Nutritionist

Mujale M. Chisebuka

Owner, OUTSIDE THINC LLC.

Michael B. Phillips
Owner, Mean Mouse Creative

Joseph Francis, Owner, ArtSurgeonCom

Acacia Porter
Co-owner, Peace & Red Velvet Ent., LLC

James Porter Co-owner, Peace & Red Velvet Ent., LLC

Max Savishinsky Owner, Oyster Advisers

Walter Jones CEO WJJ Consulting

Joseph Seamons Director, Rhapsody Project

Sadiqua Imani, Creative Director, Earth Pearl Collective

BJ Cummings Community Environmental Services, Inc.

Bo Scarim
Affordable Housing Developer & Advocate

Jerrell G. Davis
Rainier Beach Action Coalition

James Miles Executive Director, Arts Corps

Ellie VerGowe Pastor, First Covenant Church

Tana Yasu, Secretary, Historic Central Area Arts & Cultural District Commissioner, Seattle Womens Commission Member, Association of Beloved Communities

Yun SuYoung, Holistic Health Community Advocate

Kamali Derek Sr. Executive Director, SAFE in Seattle

Brett Hamil Host, The Seattle Process

Cary Moon
Community Advocate

Matt "Spekulation" Watson Producer, Community Advocate

Nikkita Oliver Community Organizer, Seattle Peoples Party

Julie Negrin Healthcare Advocate

Julie Chang Schulman Artist Coalition for Equitable Development

Liberty Harrington, Seattle resident and Community Organizer

Melody O'Seadna Seattle Resident and Community Organizer

Laura Gibbons

Laura Stembridge

Michael A. Katell

Erica Sklar

Ulysses Hillard

Rachel Woodbrook

Ava B Keating

Cameron Paine-Thaler

Leia Berg

David Hirning