

April 22, 2024

The Honorable Julia Mates, Mayor  
The Honorable Gina Latimerlo, Vice Mayor  
The Honorable Davina Hurt, Councilmember  
The Honorable Tom McCune, Councilmember  
The Honorable Robin Pang-Maganaris, Councilmember  
City of Belmont, California  
1 Twin Pines Ln.  
Belmont, CA 94002

***RE: Business License Tax Update Agenda Item***

Dear Mayor Mates, Vice Mayor Latimerlo and Members of Council:

On your agenda for the Council's special meeting on April 23, 2024, is an update on the city's business license tax. City staff is recommending that the Council proceed "[...] with a business (gross) receipts by category model for a potential November 2024 ballot measure."

On behalf of Chamber San Mateo County members located and/or operating in the city of Belmont, we are asking that you delay a decision on this action. We believe that additional information needs to be collected and analyzed and further engagement with the business community is necessary, particularly with businesses with larger gross receipts that will experience the greatest impact from the proposed business license tax model change.

The Chamber greatly appreciates the engagement, transparency and partnership from City staff who have been working on this issue. In particular, we want to highlight the professionalism, openness and collegiality of assistant city manager Kathy Kleinbaum and her project team. She has been a trusted partner in engaging the Chamber and business community in the evaluation of this issue. Our request to engage in further consultation should not be associated negatively on Ms. Kleinbaum's or other staff's work.

The data that you have been presented paints a picture that leads to the conclusion of the staff outlined in the staff report, but it does not tell the full story. We believe the data are insufficient to draw certain conclusions needed to move this item forward to the ballot. Specifically, we note that:

1. Survey responses were not sufficient for groups such as restaurants and high-revenue businesses. Without sufficient data relating to these sectors, Council is making a decision without knowing the impacts on and unintended consequences to these businesses.
2. No proposed model received a majority preference from survey respondents. In fact, under both the single most and weighted preference analyses, a majority of respondents preferred models (combined) ***other than*** a gross receipts by category model (see Survey Findings, pg. 6).

## ***Chamber Letter to Council RE: Business License Tax***

Chamber San Mateo County prides itself on being a good partner, collaborator and supporter of the City of Belmont and its businesses and schools. We also take our role as an advocate for our members very seriously, thus the reason we are asking for further engagement by the City with Belmont businesses who will likely be saddled with higher rates under the proposed model. For example, because a gross receipts tax model impacts businesses with low profit margins and high production volumes (such as restaurants) and new, high revenue businesses who see losses in the early stages of their business (such as entrepreneurs, startups, etc.), knowing about and understanding this impact is critical.

Allow me to also briefly address a sub-narrative that has surfaced relating to the issue of fairness, particularly the concept of “paying their fair share.” As I pointed out in an Op-Ed in the [San Mateo Daily Journal](#) on April 15, 2024, businesses are paying their fair share. And to conclude otherwise is to ignore the taxes, fees and assessments that businesses pay well beyond a business license tax and the considerable philanthropic efforts of local businesses to support non-profit organizations, schools, programs and services that enhance the lives and opportunities of individuals and families in Belmont and across our county.

The Chamber recognizes the challenges of updating the business license tax model, particularly since it has not had a significant revision in more than 30 years. We do not oppose adjustments to the model; in fact, we think there should be a mechanism whereby it is reviewed and adjusted at reasonable intervals.

Chamber San Mateo County would be very interested in supporting the City in further evaluating this issue and engaging more restaurants and higher income businesses in this process to create a full set of data and facts for the Council to consider.

I appreciate your consideration of these concerns and recommendations and welcome the opportunity to discuss these matters with you at your earliest convenience.

Sincerely,



Amy N. Buckmaster  
President & CEO

C: Afshin Oskoui, P.E., City Manager, City of Belmont  
Kathy Kleinbaum, Assistant City Manager, City of Belmont  
Lennies Gutierrez, Chair of the Board, Chamber San Mateo County  
Mary Morrissey Parden, Chair, Belmont Business Committee, Chamber San Mateo County  
Board of Directors, Chamber San Mateo County  
Chamber San Mateo County Members Located and/or Operating in Belmont