



November 8, 2010

Letter to City Council

Re: Ordinances for Final Passage: Bill No 89-2010 and Bill No 90-2010
Read by Lenin Agudo, Chariman of the Board
City Council Meeting 11/8/2010

Honorable members of City Council,

On behalf of the members of the Berks County Latino Chamber of Commerce and as representatives of more than two hundred businesses in the City of Reading, we want to thank you for taking the time to hear the concerns about two of the proposed ordinances: The first, Bill No 89-2010, to extend meter hours from 8a.m. to 8p.m. and the second, Bill No 90-2010, to reinstate Saturday meter enforcement.

Acknowledging the severe financial crisis our City is going through, we recognize the necessity of the City to cover its projected 2011 deficit of \$14.3 Million. We applaud your efforts to cut expenditures and improve the efficiency and effectiveness of your public service. We are also mindful of your request to the Reading Parking Authority of an extra \$650,000 this year and \$950,000 next year to cover projected deficits.

However, we urge this body to consider that businesses in Reading are already suffering the loss of patrons due to the hourly meter rate increase of 25 cents, effective the first week of October. As a community, we are extremely concerned about the further negative economic consequences that Bill No 89-2010 and Bill No 90-2010 will have in businesses and residents.

Mindful of the \$24,000 increase in revenue for the month of January that the enactment of both bills may bring, we urge this body to estimate the negative repercussions these bills will have in the City's general fund when enacted as well as to clearly demonstrate how the benefits outweigh the costs.

The Berks County Latino Chamber of Commerce believes that small businesses in Reading are the solution to the long-term economic deficit in the city. We stress the importance of creating policies that are business friendly and that will ultimately attract investments to create a vibrant downtown and aid the City in its economic Recovery.

With this in mind, the Berks County Latino Chamber of Commerce;

1. Encourages City Council members to further consider the negative financial impact that both ordinances have on ACT 511 Taxes as well as in the overall General Fund in both the short-term and within three years; For example, what will the net revenue loss be on Admissions Tax, if both ordinances are enacted?

How about the net revenue loss on crucial items of the General Fund such as: Business Privilege tax, Earned Income Tax, Food Permits, Remodeling Permits, Trades Licenses, Business Privilege License, Housing, Per Capita Tax, Occupation Tax and others in a lesser degree;

2. Requests City Council and administration to ensure total costs of enacting these ordinances are not greater than the perceived benefit;
3. Urges City Council to avoid a short-term fix, to patch budget shortfalls, that disregard long-term consequences not only for the City's general fund but also businesses and business owners that are trying to earn a living. We remind this body that many of them are barely making ends meet and others are ready to give up on our City due to the repetitive disincentives to operate in this jurisdiction;
4. Recommends City Council to take a proactive approach in creating solutions to make the City of Reading a more attractive place for investments, current business owners, residents, and outside patrons, otherwise, citizens and business owners of Reading will be increasingly attracted to vote with their feet and thus further decrease the tax base;
5. Calls upon City Council to find mechanisms to increase the tax base by increasing the number of visitors to the wonderful downtown venues and businesses the City has to offer; Not by discouraging those who are motivated to visit the city with increased parking costs. Just across the bridge representatives of the people, restaurant owners and small businesses have found ways to ensure patrons are offered a welcoming and vibrant environment;
6. We believe both ordinances are counterproductive at best and therefore directly impact people's decision to participate in downtown events, explore City businesses, and will result in overall loss of income for business owners;
7. We further believe that both ordinances go against the very essence of what this city needs. Business Vibrancy. And jeopardizes all the ongoing efforts of attracting people and new business to the area including the County efforts and current plans of revitalizing the Penn corridor;
8. Encourages City Council members to vote against this bills or at minimum table the debate on this matter until the overall economic impact of enacting these bills are determined as well as other solutions are evaluated and discussed.

Thank you for time and for your consideration.



Lenin P. Agudo, MBA
Chairman
Berks County Latino Chamber of Commerce