



NOTICE AND AGENDA
CITY OF UNION CITY

CITY COUNCIL

SPECIAL MEETING

Wednesday, April 10, 2024
4:30 PM

City Council Chambers | 34009 Alvarado-Niles Rd, Union City, CA 94587

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. ORAL COMMUNICATIONS - Comments limited to items on the Special Meeting Agenda**
- 4. CITY MANAGER REPORTS**
 - 4.a. Providing Policy Direction On A Business License Tax Update As A Potential Revenue Measure On The November 2024 Ballot**
- 5. ADJOURNMENT**

/s/ Thai Nam Pham

Thai Nam Pham, MMC,
CPMC
City Clerk

MEETING INFORMATION

Unless otherwise provided, the City Council's regular meetings are held in person on the second and fourth Tuesday of each month at 7:00 p.m. inside the Council Chamber at City Hall, 34009 Alvarado-Niles Road, Union City CA 94587. The City continues to offer an opportunity to observe Council meetings via Zoom at: <https://unioncity-org.zoom.us/j/81719037355> Passcode: u8SH9cH^

Meetings are broadcast live through UCTV Channel 15 and via live stream at: <https://unioncity.org/199/City-Meetings-Video>

Members of the public will not have the ability to provide comment via Zoom except under limited circumstances specified below. The ability to observe remotely as identified above is predicated on the technology being available and functioning without technical difficulties. Should the remote platform(s) not be available, or become non-functioning, or should the City Council otherwise encounter technical difficulties that makes the platform(s) unavailable, the City Council will proceed with the items of business in person unless otherwise prohibited by law.

Any writings or documents provided to a majority of City Council members relating to each item of business referred to on this agenda are available for review on the City's website at www.unioncity.org or during regular business hours in the Office of the City Clerk located at 34009 Alvarado-Niles Road, Union City CA 94587.

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Office of the City Clerk at (510) 675-5448. Notification 36 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting. The City also provides closed captioning of all its Regular City Council Meetings for the hearing impaired.



Agenda Item

DATE: 4/10/2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOAN MALLOY, CITY MANAGER

SUBJECT: PROVIDING POLICY DIRECTION ON A BUSINESS LICENSE TAX UPDATE AS A POTENTIAL REVENUE MEASURE ON THE NOVEMBER 2024 BALLOT

Staff recommends that the City Council provide policy direction regarding the proposed update to the City's Business License Tax (BLT).

To guide the second phase of community surveying, staff is seeking City Council concurrence on the following items:

1. Business license categories and how they are generally defined;
2. Specific tax rates for each of the business license categories; and
3. Minimum tax/flat rates for each of the business license categories and whether there are any desired adjustments.

Staff is also seeking input on the implementation timeline for the proposed BLT should it be placed before voters on the November 2024 ballot.

City Council may request any additional information to better inform the eventual placement of a potential revenue measure or measures on the November 2024 ballot. No final decision on the revenue measures being considered is needed at this time.

STRATEGIC PLAN ALIGNMENT

This item is in alignment with **Goal A. Financial Stability and Sustainability** of the City Council Strategic Plan. Under Goal A, it is specifically related to the following strategies:

- **Strategy 1:** Develop a comprehensive fiscal sustainability model to address the General Fund's long-term structural deficit.
- **Strategy 8:** Determine the feasibility of a revenue ballot measure for November 2024 and/or November 2026 to address critical facilities and infrastructure needs.
- **Strategy 9:** Pursue the placement of a voter-approved revenue measure on a ballot to address the funding gap between revenues and expenditures for fundamental public safety and other city services.
- **Strategy 10:** Study the benefits and opportunity to update the City's business license tax for voter consideration.

BACKGROUND

BLT revenues, as a general tax, could be used for any governmental purpose and would be vital in funding public safety and health, addressing critical infrastructure maintenance, and improving amenities such as parks and outdoor spaces. These core services benefit all community members, from residents to the City's corporate citizens and its employees alike.

At its March 28, 2024 meeting, the City Council accepted the Business Tax Analysis Report prepared by HdL Companies. The study, by and large, concluded that an update to the City's BLT would streamline administration and help modernize the existing tax structure. This in turn would also raise revenues to support the aforementioned services for the community.

In addition to accepting the Business Tax Analysis Report, City Council agreed upon the following staff recommendations and provided additional direction that would apply across the board to:

- Shift business categories (with the exception of Exempt and Mobile Home Parks) to a gross receipts tax structure;
- Simplify and consolidate business license categories from 65 to nine;
- Advance with a differential rate model across these categories, with a commitment to seeking further data to determine specific tax rates;
- Maintain the existing minimum tax/flat rates with annual CPI adjustments, with future discussion and consideration of possible adjustments to the minimum tax/flat rates; and
- Provide additional analysis and suggestions regarding the implementation or potential phase in of the new tax rates.

The City Council also provided staff with direction to proceed with a second phase of community surveying, focused on two potential revenue measures – the Utility Users' Tax (UUT) and BLT. An Ad Hoc Subcommittee, comprised of Councilmembers Jaime Patino and Scott Sakakihara, will be participating in the preparation of the community survey. The intent of the community survey is to obtain more information to better inform City Council's eventual decision on the placement of potential revenue measures on the November 2024 ballot.

While no final decision is being made at this time, staff is seeking City Council's direction to further refine the proposed update to the BLT. This information is crucial to shape the community survey planned in the April/May timeframe.

Specifically, City Council is asked to confirm the:

1. Business license categories and how they are broadly defined;
2. Specific tax rates for each of the business license categories; and
3. Minimum tax/flat rates for each of the business license categories and whether there are any desired adjustments.

Lastly, City Council is also asked to confirm whether it agrees with the proposed implementation timeline for the proposed BLT.

DISCUSSION

Business License Categories

A significant update to the City's BLT would be simplifying and consolidating business categories from the existing 65 to nine broad categories. These categories were identified based on grouping businesses with a similar type of activity and are generally defined in Attachment 1 to this report. By reducing the number of business categories, this would ease administration of the BLT for both reporting and processing purposes.

Under [Union City Municipal Code \(UCMC\) Chapter 5.12](#), exemptions to business license taxes are for those whose activity may be associated with agriculture, non-profit or charitable purposes, disabled veteran status, among several others.

City staff is requesting City Council's confirmation of the descriptions for the other eight business categories as outlined in Attachment 1. Should the City pursue an update to the BLT, the actual language in the prepared ordinance will reflect these general definitions.

Specific Tax Rates

With a shift to a gross receipts structure, the City has the ability to charge different tax rates based on business activity. Model 1 (now referred to as Model 1B) was provided at the March 28, 2024 City Council meeting for illustrative purposes only and demonstrated a differential tax rate formula that fluctuated by business category. This is a measured approach to having businesses pay their fair share while also ensuring not any one business sector is particularly burdened.

The Model 1B rates were presented for illustrative purposes and as previously stated, may be adjusted to better meet the City's goals while balancing the tax burden and implications across business sectors. Estimated revenues from each category and the total for Model 1B is outlined in the following table:

TABLE 1. MODEL 1B (ORIGINAL PROPOSED RATES)

Category Name	Current Charges	Model 1B Rates	Model 1B Revenue
General/Retail	\$451,823.71	0.00043	\$485,448.33
Professional	\$263,881.16	0.0025	\$1,311,330.50
Contractors	\$231,596.59	0.0015	\$699,325.00
Service	\$25,436.54	0.002	\$303,348.00
Rental	\$503,057.30	0.00175	\$808,436.25
Exempt	\$2,375.00	0	\$0.00
Industrial - Manufacturing/Wholesaling	\$238,294.99	0.00043	\$1,100,470.55
Industrial - Warehousing	\$43,407.15	0.00043	\$202,991.28
Mobile Home Parks	\$28,942.00	35	\$32,652.00
	\$1,788,814.44		\$4,944,001.91

When setting the tax rates for each category, it is important to consider how a business sector may be contributing to the community through sales tax or jobs. For example, the tax rate could be lower on a business category that contributes to the City's revenue stream, such as retail sales, while a higher tax rate could be assessed on a business category that does not contribute as significantly to the City's tax base or may have a higher cost on infrastructure, such as stand-alone warehousing. Aside from using empirical data, Attachment 2 to this report provides statistical data to factor profitability margins and employee productivity across business sectors. This is based on national-level data on total payroll and total gross receipts reported by the North American Industry Classification System (NAICS) standard.

Staff prepared the following alternative model, named Model 1A, after considering requests for further information and general broad-based discussion from both the Economic Development Advisory Team (EDAT) and City Council. This model was unilaterally prepared by staff to include increases to the General Retail, Rental, Industrial Manufacturing/Wholesaling, Industrial Warehousing, and Mobile Home Parks categories, and a decrease to the Professionals category. The proposed adjustments resulted in more moderate revenue projections than the original Model 1; but still achieved higher revenues than the current BLT.

TABLE 2. MODEL 1A (MODERATE PROPOSED RATES)

Category Name	Current Charges	Model 1A Rates	Model 1A Revenue
General/Retail	\$451,823.71	0.00045	\$503,548.95
Professional	\$263,881.16	0.0015	\$905,287.50
Contractors	\$231,596.59	0.00125	\$612,469.00
Service	\$25,436.54	0.001	\$160,464.00
Rental	\$503,057.30	0.002	\$869,940.00
Exempt	\$2,375.00	0	\$0.00
Industrial - Manufacturing/Wholesaling	\$238,294.99	0.00045	\$1,150,226.25
Industrial - Warehousing	\$43,407.15	0.001	\$453,561.00
Mobile Home Parks	\$28,942.00	45	\$41,612.00
	\$1,788,814.44	Total	\$4,697,108.70

For further consideration, staff prepared the following alternative model, named Model 1C, which demonstrates larger increases applied across the board to all categories. While the adjustments brought revenue projections well above \$5 million in comparison to the original Model 1, this approach would be far more aggressive and could impose an undue hardship on the impacted businesses.

TABLE 3. MODEL 1C (HIGH PROPOSED RATES)

Category Name	Current Charges	Model 1C Rates	Model 1C Revenue
General/Retail	\$451,823.71	0.00045	\$503,548.95
Professional	\$263,881.16	0.0025	\$1,311,330.50
Contractors	\$231,596.59	0.0015	\$699,325.00
Service	\$25,436.54	0.002	\$303,348.00
Rental	\$503,057.30	0.002	\$869,940.00
Exempt	\$2,375.00	0	\$0.00
Industrial - Manufacturing/Wholesaling	\$238,294.99	0.00045	\$1,150,226.25
Industrial - Warehousing	\$43,407.15	0.0015	\$673,359.00
Mobile Home Parks	\$28,942.00	45	\$41,612.00
	\$1,788,814.44		\$5,552,689.70

By way of example, for a business under Industrial Manufacturing/Wholesaling who currently may be paying \$15,000 in business license tax, the shift to gross receipts and applied rate of \$0.50 per \$1,000 in gross receipts would result in that same business paying \$81,000 – over five times more.

Likewise, for another business under Industrial Manufacturing/Wholesaling who currently may be paying \$33,000 in business license tax, the shift to gross receipts and applied rate of \$0.50 per \$1,000 in gross receipts would result in that same business paying \$179,000 – again, over five times more.

Given the City would like to remain a "business-friendly" community to aid in the growth of a robust local economy, as well as for recruitment and retention purposes, minimizing impacts to the desirable businesses is important to keep in mind. The City should also endeavor to establish tax rates that are competitive and do not vary too widely when compared to neighboring jurisdictions. Attachment 3 to this report is an updated appendix providing the City's current rate in comparison to other cities for a set of sample businesses.

City staff is requesting City Council determine the specific tax rates to set for each business license category. For ease of reference, the three models are shown side by side in Attachment 4 to this report.

Minimum Tax/Flat Rates

The minimum tax/flat rate applies to those businesses whose gross receipts are below \$25,000 in a given year. By maintaining a minimum tax/flat rate for each category, it would safeguard the taxes currently being collected and ensure that existing business license taxes aren't inadvertently lowered through an update to the BLT. Allowing for CPI adjustments to the minimum rates would also ensure the City's BLT is kept current and competitive.

The below table provides the minimum tax/flat rates for each category, should a business have gross receipts less than \$25,000. All businesses with greater than \$25,000 in gross receipts would pay the minimum tax/flat rate for the first \$25,000 of their gross receipts and then their respective rate for the remainder of their reported gross receipts.

TABLE 4. MINIMUM TAX/FLAT RATES BY CATEGORY

Category Name	Minimum Tax/Flat Rate
General/Retail	\$147
Professional	\$293
Contractors	\$167
Service	\$293
Rental	\$171
Exempt	Exempt
Industrial – Manufacturing/Wholesaling	\$147
Industrial – Warehousing	\$147
Mobile Home Parks	\$646

The City Council may want to further discuss whether any adjustments should be made to the minimum tax/flat rates. Depending on the proposed adjustments, this will impact the overall BLT revenue projections. Reducing the minimum tax/flat rate will reduce the revenue projections since small businesses will effectively pay less. Whereas increasing the minimum tax/flat rate will increase the revenue projections since small businesses will effectively pay more.

City staff is requesting City Council provide direction on the changes it desires to make, if any, to the minimum tax/flat rate.

Implementation Timeline

Staff recommends that the BLT on July 1, 2025 with a six-month penalty-free grace period for any businesses renewing their business license from July 2025 to December 2025. A swift, one-time implementation reduces any confusion among businesses that may occur with a several-year phasing process. The proposed implementation date would provide businesses with six months notice to prepare accordingly and provide a period of time for payments to be made after the actual due date, without incurring penalties for delinquency. This approach would also bring more revenue certainty for the City.

City staff is requesting City Council affirm whether it concurs with the proposed implementation timeline.

Staff recommends that the City Council provide policy direction regarding the proposed update to the City's Business License Tax (BLT).

To guide the second phase of community surveying, staff is seeking City Council concurrence on the following items:

1. Business license categories and how they are generally defined;
2. Specific tax rates for each of the business license categories; and
3. Minimum tax/flat rates for each of the business license categories and whether there are any desired adjustments.

Staff is also seeking input on the proposed implementation timeline for the BLT.

City Council may request any additional information to better inform the eventual placement of a potential revenue measure or measures on the November 2024 ballot. No final decision on the revenue measures being considered is needed at this time.

FISCAL IMPACT

There is no fiscal impact of City Council taking the recommended action.

There is also no immediate impact associated with consideration of the potential revenue measures. Fiscal impact on the General Fund would be dependent on the direction received by the City Council and the outcome of any potential revenue measure.

The City's long range financial forecast indicates a shortfall averaging \$2.8 million from FY 2025 to FY 2035. The General Fund is projected to fall below the minimum reserve fund balance goal of twenty percent of its annual operating expenditures by 2029 and would be depleted by 2035 if no corrective action is taken. The financial forecast assumes no expansion of staff or City services.

RECOMMENDATION

Staff recommends that the City Council provide policy direction regarding the proposed update to the City's Business License Tax (BLT).

To guide the second phase of community surveying, staff is seeking City Council concurrence on the following items:

- 1. Business license categories and how they are generally defined;
- 2. Specific tax rates for each of the business license categories; and
- 3. Minimum tax/flat rates for each of the business license categories and whether there are any desired adjustments.

Staff is also seeking input on the proposed effective date and implementation timeline, should an update to the BLT be placed on the November 2024 ballot and is passed by voters.

City Council may request any additional information to better inform the eventual placement of a potential revenue measure or measures on the November 2024 ballot. No final decision on the revenue measures being considered is needed at this time.

Prepared by:

Jennifer Phan, Deputy City Manager

Submitted by:

Jennifer Phan, Deputy City Manager

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Attachment 1 – Business License Category General Definitions	Attachment
<input type="checkbox"/>	Attachment 2 – Profitability Ratios Based on NAICS	Attachment
<input type="checkbox"/>	Attachment 3 – Appendix A – Additional Comparison Table	Attachment
<input type="checkbox"/>	Attachment 4 – Exhibit A – Side by Side Model Comparisons	Exhibit

TAX STUDY MODEL CATEGORIES

Retail

Retail businesses engage in selling goods directly to consumers for personal, and non-business use. These operations can range from brick-and-mortar stores to online shops, offering a variety of products, including clothing, electronics, food, and more. Examples include, but are not limited to, local bookstores, electronics stores, and grocery stores.

Professional

Professional businesses offer specialized knowledge-based services that require a high level of expertise and often a professional license. Examples include legal practices, accounting firms, engineering consultants, and medical practices. These services are characterized by their reliance on professional qualifications and certifications. Examples include, but are not limited to, law firms, accounting firms, and engineering consultancies.

Contractors

A contractor operates within the construction industry, undertaking projects involving construction, repair, alteration, demolition, or improvement of any building or structure. This includes both specialized trades such as electrical, plumbing, and HVAC, as well as general contracting that oversees entire projects. Examples include, but are not limited to, home improvement contractors, commercial construction companies, and specialized contractors like plumbers or electricians.

Service

Service businesses provide non-tangible goods or services to consumers or other businesses. This broad category includes a wide range of operations, from beauty salons and auto repair shops to marketing agencies and cleaning services. These businesses don't sell physical products but offer their expertise or labor. This category also includes businesses that conduct or carry on any trade, occupation, calling, or business that do not otherwise specifically fit into another category. Examples include, but are not limited to, beauty salons, auto repair shops, R&D, biotech firms, life sciences and marketing agencies.

Rental

This category includes businesses that lease or rent out real estate properties. Commercial rentals encompass properties used for business purposes, such as offices, retail spaces, and industrial sites. Residential rentals involve properties used for dwelling, including apartments, houses, and townhomes. Examples include, but are not limited to, apartment complexes, office space leasing, and equipment rental services.

Exempt

These businesses are exempt from business license tax by state law, city exemption, or non-profit status. Examples include, but are not limited to, non-profit organizations, religious institutions, and government agencies.

Industrial - Manufacturing and Wholesaling

This type of industrial business involves the production of goods on a large scale, using labor and machines, and then selling these goods in bulk to retailers, other manufacturers, or wholesalers. It encompasses a wide range of sectors, from food production to electronics and automotive manufacturing. Examples include, but are not limited to, food production companies, electronics manufacturers, and automotive parts wholesalers.

Industrial - Warehousing

Industrial businesses focused on warehousing, which involves the storage and handling of goods for other businesses. These operations can include distribution centers, fulfillment centers, and storage facilities. Examples include, but are not limited to, distribution centers, fulfillment centers, and storage facilities.

Mobile Home Parks

Mobile Home Parks are residential estates where the land is leased to owners of mobile homes, providing them space to place their homes and typically offering access to shared utilities and amenities. Examples include, but are not limited to, family mobile home communities, senior living mobile home parks, and RV parks and campgrounds.

2 Digit NAICS	NAICS Description	IRS Net Income/Business Receipts Ratios (2015)	Payroll to Revenue Ratio (2022)	Per Employee Productivity (2022)
55	Management Companies	110.30%	Not Available	Not Available
53	Real Estate, Rental, Leasing	65.41%	16.72%	\$365,053.97
52	Finance and Insurance	36.68%	14.54%	\$759,224.09
71	Arts, Entertainment, and Recreation	15.63%	30.80%	\$127,129.09
54	Professional, Scientific, Technical Services	15.52%	37.56%	\$242,615.26
21	Mining	14.96%	8.65%	\$1,055,959.26
81	Other Services.	14.60%	24.38%	\$179,055.26
51	Information	13.90%	23.48%	\$488,815.34
62	Healthcare Services	13.36%	37.92%	\$2,010,397.38
61	Educational Services	13.18%	32.60%	\$109,767.96
11	Agriculture	13.16%	17.84%	\$182,910.59
72	Accommodation and Food Services	9.00%	2.77%	\$87,101.01
31	Manufacturing	8.64%	11.54%	\$575,910.22
48	Transportation and Warehousing	8.27%	25.75%	\$216,537.69
23	Contruction	7.30%	18.12%	\$384,432.98
42	Wholesale	3.90%	4.49%	\$1,842,541.54
44	Retail	3.90%	8.82%	\$406,562.00
22	Utilities	N/A	10.14%	\$1,101,380.48
56	Administrative and Support	N/A	45.44%	\$102,510.56

Appendix A – Additional Comparison Table

Modified Table 4A: Current Rate Comparison Based on Sample Businesses

Sample Business	Gross Receipts/ Employee/Units	Union City	Model 1	Foster City	Fremont	Hayward	Livermore	Modesto
Outside Subcontractor	\$5,000/1/0	\$176.00	\$167.00	\$200.00	\$120.50	\$53.50	\$10.00	\$85.00
Small Craft Business	\$20,000/1/0	\$176.00	\$147.00	\$100.00	\$36.00	\$101.30	\$40.00	\$35.00
Lawn & Gardening Services	\$50,000/2/0	\$147.00	\$343.00	\$100.00	\$35.00	\$46.70	\$80.00	\$150.00
General Contractor - Remodeling	\$85,000/3/0	\$358.00	\$257.00	\$200.00	\$103.50	\$53.50	\$102.00	\$135.00
Commercial Landlord	\$150,000/1/5	\$129.00	\$389.75	\$112.50	\$225.00	N/A	\$120.00	\$200.00
Engineering Firm	\$500,000/5/0	\$293.00	\$1,480.50	\$375.00	\$680.00	\$751.70	\$800.00	\$1,050.00
Restaurant Chain	\$625,000/20/0	\$268.75	\$405.00	\$468.75	\$186.25	\$132.00	\$1,500.00	\$675.00
Dentist Office	\$2,000,000/10/0	\$293.00	\$5,230.50	\$1,500.00	\$2,630.00	\$2,746.70	\$3,200.00	\$4,050.00
Residential Apartments	\$3,000,000/10/100	\$1,515.00	\$5,377.25	\$2,250.00	\$3,930.00	N/A	\$3,600.00	\$3,050.00
Warehousing/ Distribution	\$5,000,000/15/0	\$1,433.33	\$2,286.25	\$3,750.00	\$5,030.00	\$66.50	\$4,000.00	\$10,050.00
Supermarket	\$25,000,000/300/0	\$10,750.00	\$10,886.25	\$18,750.00	\$6,280.00	\$6,845.90	\$12,500.00	\$25,050.00
		\$15,363.08	\$26,969.50	\$27,806.25	\$19,256.25	\$10,797.80	\$25,952.00	\$44,530.00

Modified Table 4B: Current Rate Comparison Based on Sample Businesses

Sample Business	Gross Receipts/Employee/Units	Union City	Model 1	Newark	Pleasanton	Redwood City	San Leandro	San Mateo	Tracy (Current)
Outside Subcontractor	\$5,000/1/0	\$176.00	\$167.00	\$96.00	\$25.00	\$133.00	\$226.60	\$40	\$50.00
Small Craft Business	\$20,000/1/0	\$176.00	\$147.00	\$39.00	\$25.00	\$133.00	\$184.00	\$25	\$50.00
Lawn & Gardening Services	\$50,000/2/0	\$147.00	\$343.00	\$72.00	\$50.00	\$186.00	\$357.20	\$46	\$50.00
General Contractor - Remodeling	\$85,000/3/0	\$358.00	\$257.00	\$96.00	\$50.00	\$133.00	\$396.80	\$100	\$50.00
Commercial Landlord	\$150,000/1/5	\$129.00	\$389.75	\$104.00	\$75.00	\$370.00	\$353.50	\$195	\$50.00
Engineering Firm	\$500,000/5/0	\$293.00	\$1,480.50	\$650.00	\$150.00	\$345.00	\$674.00	\$394	\$50.00
Restaurant Chain	\$625,000/20/0	\$268.75	\$405.00	\$431.00	\$187.50	\$1,140.00	\$991.50	\$466	\$175.00
Dentist Office	\$2,000,000/10/0	\$293.00	\$5,230.50	\$2,600.00	\$600.00	\$610.00	\$1,206.50	\$1,249	\$1,550.00
Residential Apartments	\$3,000,000/10/100	\$1,515.00	\$5,377.25	\$1,261.00	\$900.00	\$2,980.00	\$1,421.50	\$1,819	\$2,550.00
Warehousing/ Distribution	\$5,000,000/15/0	\$1,433.33	\$2,286.25	\$666.67	\$1,500.00	\$875.00	\$5,666.50	\$2,959	\$4,550.00
Supermarket	\$25,000,000/300/0	\$10,750.00	\$10,886.25	\$4,561.00	\$7,500.00	\$6,609.00	\$12,891.50	\$14,359	\$24,550.00
		\$15,363.08	\$26,969.50	\$10,576.67	\$11,062.50	\$13,514.00	\$24,369.60	\$21,653	\$33,675.00

EXHIBIT A - SIDE BY SIDE MODEL COMPARISONS

Category Name	Current Charges	MODERATE		ORIGINAL		HIGH	
		Model 1A Rates	Model 1A Revenue	Model 1B Rates	Model 1B Revenue	Model 1C Rates	Model 1C Revenue
General/Retail	\$451,823.71	0.00045	\$503,548.95	0.00043	\$485,448.33	0.00045	\$503,548.95
Professional	\$263,881.16	0.0015	\$905,287.50	0.0025	\$1,311,330.50	0.0025	\$1,311,330.50
Contractors	\$231,596.59	0.00125	\$612,469.00	0.0015	\$699,325.00	0.0015	\$699,325.00
Service	\$25,436.54	0.001	\$160,464.00	0.002	\$303,348.00	0.002	\$303,348.00
Rental	\$503,057.30	0.002	\$869,940.00	0.00175	\$808,436.25	0.002	\$869,940.00
Exempt	\$2,375.00	0	\$0.00	0	\$0.00	0	\$0.00
Industrial - Manufacturing/Wholesaling	\$238,294.99	0.00045	\$1,150,226.25	0.00043	\$1,100,470.55	0.00045	\$1,150,226.25
Industrial - Warehousing	\$43,407.15	0.001	\$453,561.00	0.00043	\$202,991.28	0.0015	\$673,359.00
Mobile Home Parks	\$28,942.00	45	\$41,612.00	35	\$32,652.00	45	\$41,612.00
Total	\$1,788,814.44		\$4,697,108.70		\$4,944,001.91		\$5,552,689.70