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**Subject:** 5/15/2018 Meeting re:Revenue Enhancement

**Message:**

If I were not going to be out of town I would actually attend this meeting.

**ARGUMENT #1: BED TAX YES!**

I am a proponent of the Bed Tax. Albeit an anecdotal statement ... so is everybody I come into contact with on a daily basis. And though I don't know him ... the economist/reporter Persily testified in favor of it last August.

This is a fact: **THE RESIDENTS OF THE KPB HAVE NEVER HAD THE OPPORTUNITY TO VOTE ON A BED TAX.**

The often-heard statement that the Bed Tax is an unpopular option for revenue enhancement IS NOT A FACTUAL STATEMENT.

Nor is the often repeated statement that the KPB voter will not vote for any tax an accurate statement. The KPB Voter is a very smart and discriminating voter. Remember we DID vote to expand the hospital. The fact that we DON'T vote for poorly described projects that request \$5 MM ... when a lot of us are in construction and engineering and know better ... doesn't mean we won't support all capital projects.

The history of the Bed Tax proposal would lead to the conclusion to "Keep the Bed Tax proposal simple."

As you should all know this by now but here we go again ...

The Assembly DID APPROVE the Bed Tax for ballot several years back and Navarre vetoed it. His beef was how the revenues would be allocated.

The take-home message from that exercise should be don't allocate the revenues ... use the revenue for whatever the KPB expenses need to be covered.

The Assembly should not assign where the money shall go lest you lose support of the initiative.

Just make certain that a percentage is allocated to KPMTTC each year through the budgeting process so they have the means to persuade tourists to come to the Kenai rather than Mat Valley or Fairbanks.

Also: The Assembly should not water it down into a "tourist tax" (a Farnsworth-Hutchings phrase). The more entities something as confusing-sounding as "Tourist Tax" impacts the more chance of ballot failure.

The most recent time around (Aug 2017) the testimony against the Bed Tax came from the high end hotel owners whose properties are on real estate that high end tourists are going to visit for the experience anyway. The Lands End and Kenai River Inn customer is not an Air BnB

customer. The Bed Tax is not a concern to the High End customer and for cryin' out loud it is a PASS THROUGH TAX applied to all overnight accommodations at the same rate.

The other weird argument against the BED TAX last August was "well if a Peninsula resident is going to stay in a Peninsula hotel then they will have to pay the tax." Yes, they would. How many of these people are there? How much potential revenue is being forfeited for these few KPB residents?

To the KPB Assembly meeting listener ... the Bed Tax proposal seemed to get hazily sidetracked when Navarre came up with his "increase sales tax cap" idea. That is another tax on us ... the residents of the KPB and WE WANT THE TOURISTS TO START PAYING!

My point is:

THE RESIDENTS OF THE KPB HAVE NEVER HAD THE OPPORTUNITY TO VOTE FOR A BED TAX AND THERE ARE MANY OF US WHO THINK IT IS HIGH TIME THE TOURISTS PAY FOR WHAT THEY USE.

Like that new CES approved by the Assembly!

ARGUMENT #2: THE COOPER PROPOSAL IS AN ULTIMATUM THAT I PREDICT WILL BACKFIRE WITH FIRE AND FURY

I sincerely thank all of you for your service. That being said where does the Assembly get off with an ultimatum like "if you don't approve X then Y will be automatically applied."

This approach is heavy handed and I predict once the general public gets knowed up there will be more than the usual anger.

It has a "holier than thou" sentiment ... like the Public really hasn't been listening when we have and just don't want more taxation until the tourists pay their fair share.

Although I am not in their camp, this approach disenfranchises those voters who truly DO think its time for 11 people to be let go of the KPBSD or KPB Admin because they are struggling in this time of recession.

Especially since the Assembly has yet to allow the public to vote on a BED TAX!

Lastly ...

In Public Administration speak ... this proposal makes the Assembly the Principal and the Public the Agent when government ...especially local government ... is supposed to go the other way around.

ARGUMENT 3: FATAL FLAW WITH THE MAYOR'S PROPOSAL

The Mayor's proposal to increase sales tax a scotch and decrease mill rate doesn't clamp down on the other part of property taxation ... Assessment.

Doesn't matter if mill rate goes down if Assessment goes up.

In this household we are looking at \$16,000 more assessment on a property this year when actually the property has simply depreciated with no other KPB services delivered. And this \$16,000 is just added to the other annual increases ... which is why we're getting so mad in Nikiski.

IN SUMMARY: SUPPORT WILLY'S BED TAX. GIVE US THE CHANCE TO VOTE ON IT.