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John M. Bennett, CPM®
President

August 31, 2010

Council President Joe Shogan
and Council Members
City of Spokane
808 W. Spokane Falls Boulevard
Spokane, WA 99201

Re: Proposed Commercial Parking Tax

Dear President Shogan and Council Members:

I understand that a study session on the proposed commercial parking tax that would affect the Central Business District (CBD) and its periphery has been scheduled for September 16, 2010. While it appears that the tax would apply citywide, this is a case of form over substance. The fact of the matter is, paid parking operations are almost exclusively located in the CBD, north riverbank area, University District, and the medical district. This is disparate treatment of property owners in these areas without a nexus to unique costs. I strongly believe the proposed tax is ill-advised and would be detrimental to downtown business, property owners, and the City of Spokane.

NAI Black manages and leases office and retail space in the CBD, periphery, and suburban Spokane. There are costs and benefits to businesses locating their operations downtown. NAI Black has found downtown to be the preferred place to site our business for over five decades, and for good reason. A parking tax that could range up to \$150 per year per parking space would be a significant disincentive for businesses to operate downtown and/or for employees who pay for their own parking to choose to work for downtown businesses.

Spokane County Treasurer's data points to the high concentration of property taxes generated in downtown Spokane. Downtown businesses, in establishing the Downtown Spokane Business Improvement District, already self-assess themselves for the BID's clean and safe program, as well as promotions. These businesses are unique in that respect. Further, Riverpark Square and other downtown retail venues contribute significantly to the City's sales tax revenues, as do the hospitality-related businesses. It is my understanding that the zone covered by the parking tax would include the major medical centers on the lower South Hill. Health care costs should not be compounded by the addition of this tax.

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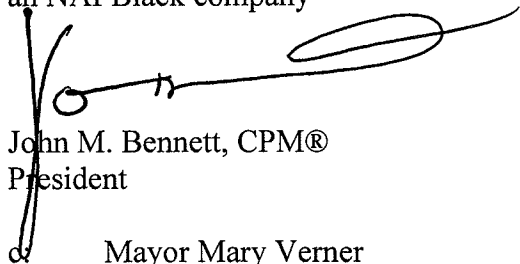
In its implementation, the tax would, arguably, be in conflict with the Comprehensive Plan and supporting economic development strategies that are a subset thereof. The tax would not result in a tax structure that encourages investment, nurtures economic activity, or promotes a good business climate. It would not allocate costs equitably within the community, but it would penalize certain types of businesses. Downtown Spokane has in-place infrastructure, making it desirable for additional growth in the future. The tax would not be conducive to attracting development activity. More intense downtown development has growth management implications, as well as strengthening the property tax base. Though the use of the proceeds from the tax would be focused on downtown improvements, there are other avenues to funding such projects. More so, as businesses struggle to emerge from the recession or face the prospect of a double-dip recession, now is not the time to impose a tax of this nature to be used to make discretionary improvements to downtown.

I have been, and remain, an advocate for broad-based funding solutions for government, as well as the need to impose fiscal discipline in spending decisions. The proposed parking tax is not an appropriate course for the City of Spokane to pursue.

Thank you for your time and consideration in reviewing my comments on this subject.

Sincerely,

BLACK REALTY MANAGEMENT, INC.
an NAI Black company

A handwritten signature in black ink, appearing to read 'John M. Bennett', with a large, stylized flourish extending to the right.

John M. Bennett, CPM®
President

Mayor Mary Verner
Gavin Cooley