

Seattle City Council  
600 Fourth Ave. 2nd Floor  
Seattle, WA 98104  
Office: 206-684-8802

Dear Seattle City Council,

We, the Keep Seattle Livable for All Coalition, implore you to reconsider the “Sugary Drinks Tax” in Seattle. The evaluation of this tax should be based on facts and evidence on the impact this measure is having and will continue to have on small businesses and the local economy, and not on faulty perceptions that continue to be perpetuated.

In a press conference on January 5th, a member of Council stated, “we did not see any data that really shored up the argument that this really hurts local businesses.”

While it’s still too early to tell just how significant the impact this tax will have on Seattle, we only need to look to other cities to understand it’s negative potential. Philadelphia’s 1.5 cent beverage tax is evidence that these types of taxes are ineffective and lead to lost jobs and shuttered doors. Philadelphia’s beverage tax, which was implemented one year ago, has cost businesses in Philadelphia tens of millions of dollars in lost sales. The tax fell short of the projected revenue by \$7 million, with beverage sales at Philadelphia supermarkets falling by 24% within the city while rising 14% in surrounding cities. Furthermore, sales of non-beverage items in Philadelphia supermarkets fell 7%, indicating that people are traveling outside the city for all their groceries in order to avoid the tax. The tax has caused local businesses and grocery stores to suffer, particularly those in underprivileged areas and food deserts.

The negative impacts of the tax have forced local businesses to cut hours and let go of workers. An Oxford Economics study entitled “The Economic Impact of Philadelphia’s Beverage Tax” reveals how the beverage tax has strained the city’s economy, with 1,192 workers in Philadelphia losing their jobs across the retail, bottling, transportation, and grocery market sectors. With these lost jobs, the city will lose \$80 million in GDP, and a \$4.5 million reduction in local tax revenue. This represents business that the city of Philadelphia lost, revenue intended for Pre-K and other programs have fallen short, and families that have been burdened with higher prices.

On April 3rd, 2017, our coalition shared with you our concerns about this tax. Specifically, we wrote to you, “Troubling data from a similar tax that was recently enacted in Philadelphia shows the consequences this tax incurs on businesses and working families. Lost jobs, closing local stores and consumers who simply “cross” county lines in an effort to find the “price point” they need to feed their families, are real concerns and real consequences.”

Additionally, several people testified during the sugar sweetened beverage tax deliberations in 2017. During the Seattle City Council meeting on May 2nd, Pete Lamb of the Teamsters local 174 testified saying, “This tax will destroy strong family-wage jobs; jobs that we need more of in Seattle not less and we have already seen the negative impacts to our brothers and sisters in Philadelphia since this tax was put in place in January 2017.”

Furthermore, the Costco store in Seattle has suggested that consumers shop at other Costco locations outside city limits to avoid the tax. And one Bartell Drug Store just outside of the Seattle city line is

advertising “no beverage tax” drinks. While larger chains such as Costco and Bartell’s can afford to lose some business and redirect customers, what is a small business owner to do?

The beverage tax is threatening the livelihood of your constituents and is making it harder for families to put food on the table. The people losing these jobs are the working-class families that you campaigned to help.

We urge you to take a look at the evidence in Philadelphia, Cook County and other cities and counties that have enacted similar measures, to hear the concerns of small businesses in Seattle and to understand how this policy may end up hurting those it aims to help.

Sincerely,

Brion LoPriore of LoPriore Brothers Pasta Bar, Member of Keep Seattle Livable for All