



January 7, 2003

Hon Mayor Fargo
& City Council Members
City of Sacramento
730 "I" Street, Room 321
Sacramento, CA 95814

RE: UPTOWN OPPOSED TO LIVING WAGE PROPOSAL

The North Sacramento Chamber of Commerce, representing over 80 member businesses and 250 employees, and the Uptown Business Improvement District is opposed to the Living Wage Proposal before you.

After careful review of the proposal and subsequent, we are very concerned that applying a living wage ordinance to redevelopment projects will be another disincentive for infill, brownfield, and new investment development. As you know, North Sacramento has struggled for 10 years to attract a major grocery store back to our community, and this living wage requirement could damage any chances the current RFP that SHRA has released has to bring this poor community that market. The most unfortunate impact of including redevelopment subsidies in a living wage ordinance is that poor communities who need the most help end up getting even less for their redevelopment dollars, which are already over-stretched. Less housing, less infrastructure, and less community development where it is needed most.

We believe the ordinance is not needed, and is bad public policy at the local government level. The State of California has the highest minimum wage in the U.S., tied with Massachusetts, at \$6.75 per hour, and the State is currently considering raising the minimum to \$8.75 per hour (California State Assembly Bill 181 - Koretz). Due to the nature of commerce, we strongly believe that minimum wages must be set at the largest geographic arena in order to ensure an even playing field for all businesses to compete fairly.

Public service demands tough choices, and this proposal has torn many constituencies to opposite sides of the debate. We thank you for your thoughtful consideration of our position on this critical issue to small business, and the future of redevelopment.

On behalf of the Board and Chamber,

R. G. Dufficy III
Secretary of the Board