

Dear Mayor Corbridge:

The Seward Chamber of Commerce Board of Directors would like to thank the Council for its kind words during the Chamber report on August 25th. Thank you for recognizing our contributions to the Seward community and the role our members play in helping Seward achieve its economic goals.

With all due respect, however, we do not feel it necessary for the Chamber to conduct an economic worksession with our members at this time. Since last September's Economic Development Forum, and through the 2007 budget hearings, our members have provided City Council and City Administration with input and testimony regarding how the City of Seward can assist local businesses.

The Chamber promoted and helped lead the 2007 Economic Development Forum in partnership with City Administration and PACAB. This meeting resulted in numerous recommendations from the business community on how to improve the business climate in Seward. Recommendations from this event included reducing utility rates and fees; providing infrastructure to encourage development; limiting taxation on the business community; releasing City-held land for sale and development; privatizing where appropriate and profitable for private industry; improving support services and moorage to the commercial fishing fleet; and finishing the SMIC basin.

During public budget meetings, Chamber members testified against increased parking fees, increased harbor fees, and increased sales or bed tax – stating all were detrimental to the growth of business in Seward. We have also testified to the fact that Seward's fuel tax, levied as a percentage rather than a flat tax, allows the City to experience increased revenues unrelated to increased consumption – this increase is in direct proportion to the increased hardship borne by businesses and residents as heating and auto fuel prices rise.

During our monthly report to council, we highlight the positive impact of our marketing efforts on our economy, while frequently addressing local factors which are negatively impacting business, to include fuel, grocery and parking costs; changing trends in overnight visitation; and feedback from our visitors about the costs associated with a trip to Seward. Additionally, Chamber members served on the Council's Advisory Group tasked with recommending ways in which the City could contribute financially to local fish enhancement – action on those recommendations would have helped strengthen our local sport fisheries.

The Chamber's membership continues to grow, and we are pleased to be able to have a role as their voice before Council. However, there are still many who pay for Seward business licenses and are not Chamber members – businesses who also want a voice with you. This is an important partnership if a community wishes to be considered "business friendly".

Local businesses have experienced varied levels of increased/decreased business this season. Some have enjoyed increased numbers, but report their revenues are down due to

higher costs. Other members have reported an increase in overall profitability this season. Sales downtown appear to be up, while retail sales in the harbor reportedly are down. There is not one clear factor that is impacting our member businesses and as a result, no clear “fix”. More importantly, we recognize that at this stage, most of the issues we’ve highlighted would require a change in the City’s budget, the City’s investment in new infrastructure, and/or a change in the City’s philosophy about how it brings in revenue. These are economic considerations that are only actionable by City Council or City Administration. As a result, we respectfully submit that a Chamber-held worksession would not provide you any information additional to what we have already offered and would not lead you closer to effecting change for the Seward business community.

Respectfully,

Ron Hewitt
Seward Chamber of Commerce Board President