



**Brown's Super Stores**  
*Bring Joy To The Lives of The People We Serve*

June 1, 2016

Darrell L. Clarke  
President  
Philadelphia City Council  
Room 494 City Hall  
Philadelphia, PA 19107

Dear Council President Clarke,

I write in opposition to HB 1871 as it essentially shifts the business tax burden from generally lower margin businesses that have made a long term commitment to the city by owning their real estate or control it over the long term with triple net leases, for example, retail stores, restaurants, including mom and pops. There would be a reduction in business privilege taxes which would benefit high margin businesses that shift from locality to locality and do not have a long term commitment to our city. For example, the small shop restaurant business with local entrepreneurs living in the city that make a living in their business but not a great profit would see the increase in their real estate taxes but see a negligible reduction in their business privilege tax. Supermarket businesses like the kind I own would be adversely affected because we utilize a large amount of real estate yet we do not have a large profit margin. The primary beneficiaries would be the tenants of the most expensive large center city office space that tend to be very profitable consultants and high tech businesses, which move around and cannot be counted on for the long term, and can certainly afford the appropriate share of the tax burden. I would suggest instead that we use a method similar to our tax abatement to attract new businesses of all kinds that make longer term commitments to our city. The abatement could be applied to either real estate or business privilege taxes.

I appreciate your consideration of my concern.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey N. Brown". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeffrey N. Brown  
President and CEO