
From: Ruben Valle <ruben@nwpodiatric.com>
Sent: Tuesday, May 7, 2019 1:59 PM
To: City Council
Subject: B&O Tax

City of Blaine,

My name is Ruben Valle and I'm the CEO of Northwest Podiatric Laboratory, a Blaine-based company focused on the creation of custom foot orthotics and related technologies.

During our 50+ years in Blaine, we've supported hundreds of local families, contributed greatly to the community and helped millions of people across the globe suffering from foot pain.

The Blaine City Council's recent passage of a B&O tax is short-sighted and will have a negative impact on our business, our employees, those we serve, the local business community and Blaine residents.

Northwest Podiatric Laboratory goes the extra mile to care for employees (currently 50 people), the majority of whom reside in Blaine.

- Employment in skilled manufacturing jobs when such jobs are increasingly rare.
- Above-average wages with paid vacation.
- Paid sick leave that goes beyond the minimum required by Washington State.
- A company-sponsored 401(K) plan with company matching.
- Coverage of 100% of the health insurance costs for employees and a large percentage of the costs for their families.
- A tangible ownership stake in the company.

We operate in a highly-competitive industry with slim profit margins and this tax has a real, negative impact on our business and our ability to continue to care for our employees.

In a letter to the Blaine Chamber of Commerce Board, City Manager Michael Johnson stated: "Manufacturing and wholesale businesses do not contribute to sales tax revenue like the retail or service industry and still require city services." This narrow view of how local economies work neglects the fact that wholesale and manufacturing businesses provide the type of wages, benefits and economic security that ultimately generate the activity that creates sales tax revenue.

Additionally, throughout this process – from introduction to passage by the council – communication was inadequate. With only 30 – 50 businesses projected to be impacted, the depth of engagement with these businesses should have been much greater.

Further, the suggestion that funds generated by the tax will be used to support a program to help manufacturers find and retain workers is insulting. The B&O tax that may require us to shed workers will be used to help us find and retain workers?

Our facilities are aging and building a new facility is in our future. Blaine’s decision to join Bellingham as the second city in Whatcom County to levy a B&O tax is a strike against Northwest Podiatric Laboratory remaining in Blaine. On an increasing number of metrics, Lynden and Ferndale are more attractive homes for new and existing businesses.

Our company plays an integral role in serving healthcare professionals and their patients. 50,000+ people per year receive life-changing benefits from the medical devices we craft. **For this reason, we respectfully request a permanent exemption from Blaine’s B&O tax.** Businesses providing “medical services” are currently exempt; yet, the breadth/scope of the “medical services” provided by Northwest Podiatric Laboratory likely exceeds all the exempted medical services businesses in Blaine combined.

I look forward to hearing from you regarding this matter.

Respectfully,

Ruben Valle
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The Premium Custom Orthotic™

