

I am proposing to pay for this pension investment as well as for quality pre-k, community schools, and investments in community infrastructure and energy efficiency, by levying a 3 cent tax on sugary drink distributors.

As some of you may have already heard, Big Soda isn't thrilled about that at all.

Now, I don't have anything against our City's large distributors or even the Big Soda companies.

I think they're good people - we just disagree on this issue.

See, the problem is that Big Soda charges our citizens, small businesses, and distributors much, much more than what it costs for them to make the soda

And then, they use some of those profits to fund lobbyists, who come here and say that a tax on sugary drinks will cost jobs and devastate small businesses.

And they're pretty persuasive.

So persuasive, they even got me to believe them.

And I'll tell you, the line that really got me four years ago was the claim that this tax would hurt low-income, minority communities.

That's a really concerning claim; but, the truth is that soda companies are the ones actually targeting their advertising at low-income, minority communities.

A 2009 study found that lower-income African American and Latino neighborhoods have far more outdoor ads for sugary drinks than higher income neighborhoods or white, low-income communities.

Researchers at Yale also found that African American youth see 80 to 90 percent more ads for sugary drinks than their white counterparts.

The other concerning claim about this tax is that it will cause an employment crisis, but we know that's false because we just went through this with the liquor tax.

Employment did not slow down after the liquor tax was instated. In fact, Philadelphia's restaurant and bar scene has grown.

Now, the two largest unionized beverage truck-driver employers in Philadelphia are Pepsi and Coke.

So it's easy to think that when demand decreases for Pepsi & Coke, those drivers will be out of a job but Pepsi & Coke drivers deliver all products under the Pepsi and Coke label, which includes not only sugary drinks, but also bottled water and the dozens of other products they have created that would be exempt from these taxes.

This tax also won't hurt the restaurant industry because restaurants are already trending away from a reliance on soda profits.

Applebee's was the first family-dining restaurant chain to remove soda from its children's menus, joining fast-food chains McDonald's, Burger King, Wendy's, and Dairy Queen.

And furthermore, this tax won't wipe out small businesses.

Small grocers, bodegas and convenience stores are already stocking and selling non-sugary beverages.

And they are doing that because customers preferences are already changing, even without a tax.

During the last two decades, U.S. full-calorie soda sales have dropped by over 25 percent, while sales of bottled water, which both Pepsi and Coke also sell, have shot through the roof

Just in Philadelphia, between 2007 and 2013 daily soda intake dropped by 16 percent.

Additionally, the programs this tax will fund, like pre-k and investments in parks, libraries and rec centers, will actually help small businesses.

Child care and early learning professionals generally spend most of their earnings locally.

As I mentioned earlier, for every \$1 invested in pre-K in Pennsylvania, a total of \$1.79 is generated in total spending within the state.

Furthermore, most child care centers are small minority-women owned businesses, and this investment will go a long way towards helping them grow and expand.

The budget I'm proposing today also contains other policies to help small business.

In addition to the Storefront Improvement Program I spoke of earlier, I'm also proposing the reduction of the Business Income and Receipts Tax to 6.15%, and including an exemption of \$100,000.

During that same time, we also plan to reduce the wage tax to 3.33% for nonresidents, and 3.73% for residents, bringing that tax to its lowest rate since 1975.

But none of that can happen, not the stimulus, not the reduction in taxes, not pre-k, not community schools, not desperately needed investment in parks, rec centers and libraries, if we don't pass a sugary drink tax.

There is simply nowhere else to find this revenue.

We all know we can't raise property taxes again.

We've already raised them four times in the last five years.

And, it's simply not fair to ask our homeowners or any other Philadelphian for that matter to pay more while large soda companies and wealthy distributors are making incredible profit margins

We also know we can't find this money in the budget.

While we have combed the budget for savings and even recovered additional tax delinquent revenue, our budget is so tight due to cuts made during the Recession and the size of our pensions obligations, that the money just isn't there.

PILOTs, while still worth exploring, are also not going to get us the recurring revenue we need to fund such large scale programs.

Even in Boston where PILOTs are very successful, the city receives just half of what we'd need to operate Pre-K here on an annual basis

But the most persuasive argument of all for the sugary drink tax is that Philadelphians elected us to implement the very programs this revenue will fund.

Last year was the education election.

The voters approved a Pre-K Commission with an 80% mandate - dramatically outperforming any other ballot measure.

And at forum after forum, we listened to Philadelphians beg for safe community spaces, family-sustaining jobs and quality neighborhood schools.

We can give our citizens all of those things with just one tax.

And I know that one tax can make some very wealthy and very powerful people very upset,

but I've seen this Council take on special interests before.

And I know, together, we can do it again.

Thank you.