

April 22, 2019

City Council Members:

This letter is to express strong opposition to the proposed increase to the City of Richmond admission tax.

Admission tax is already a deterrent to national and regional artists who may want to perform in Richmond because the tax is deducted from the gross income of events, and this has two important consequences:

- 1) It reduces artists' compensation for performances;
- 2) It causes promoters and venues to raise ticket prices in order to cover costs, and this increases the cost of entertainment for residents.

Many cities in VA, as well as cities across the country, do not charge admission tax at all, and those that do tend to already be lower than the current tax in Richmond.

Increasing the City of Richmond admission tax to the proposed 12-14% will deter artists from performing in Richmond because Richmond will have one of the highest taxes in the country. Not only will many artists not want to play here because they won't want to pay the tax, but this proposed increase will incentivize us—as talent buyers for venues in markets across VA and Washington D.C.—to simply book artists in cities other than Richmond where the tax is lower. Similarly, the booking agents who artists hire to book their tours will be far more likely to advocate that their artists play other cities where they can make more money.

Raising the city admission tax does not just hurt nationally touring artists, however. Rather, local musicians who earn a living performing in small venues across the city are frequently paid a percentage of ticket sales after admission tax, so they will also see a substantial reduction in their earnings if the tax increases. While an increase from 7% to 12-14% may appear minor from an outside perspective, reducing a local musician's earnings by \$50-\$100 per night has a substantial effect on their ability to make a living in the arts.

The proposed increase in admission tax will have a secondary and tertiary impact on other local businesses as well. Restaurants and retail that profit through their geographic proximity to live entertainment venues will see a reduction in their earnings when live entertainment decreases as a result of this tax increase. Simply put, when venues have big shows, the restaurants nearby see a residual increase in their income because many people go out for food and drinks before and/or after performances. While attending events in the city, people also purchase gasoline and buy other retail products in nearby convenient stores. In sum, if artists choose to perform in other cities as a result of this egregious increase in tax, many businesses other than those that exclusively book live entertainment will also see a substantive reduction in revenue.

I moved to Richmond in 1992, and since then, I have watched as Richmond has worked to embrace the arts through the development of the theatre district, First Fridays in the art district, the mural project, and ongoing collaborations with VCU, which is the #1 public art school in the country. This proposed increase is a conscious rejection of this city's notable accomplishments in this arena and will have long-term unquantifiable economic effects on both entertainment venues and other businesses whose economic well-being is vital to the city.

Supporting and fostering an active arts community is integral to the success and growth of a city. Drawing comparisons to Austin and Nashville, Richmond has garnered national attention and become a destination for the arts and music, and residents are proud of this accomplishment. They want more entertainment options, not less. In this way, increasing the admissions tax would be in direct opposition to creating and fostering a community for the arts and be taking money directly out of residents' and artists' pockets.

Thank you for considering this proposed increase from the point of view of entertainment venues, touring artists, and importantly, the residents of the city of Richmond who will pay the majority of any increase that is approved.

A handwritten signature in black ink, appearing to read 'Jessica Gordon', with a stylized, flowing script.

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