

## **DAN COFFEY'S COMMENTS**

Good afternoon

I appreciate the opportunity to add my comments to those of the Mayor.

First, I want to thank those citizens who agreed to serve on this Commission. They are giving up their time and applying their talents to a difficult task. Anchorage is fortunate to have folks like this willing to serve. We all appreciate their service.

If you all read my State of the City Report (copies provided), you will know that I expressed concerns about our substantial dependence upon property taxes to fund our city budget. This dependence creates problems for existing homeowners in the form of higher taxes and is a bar to home ownership for first time homebuyers.

Home ownership is a key component of every successful and prosperous community. Anchorage's rate of homeownership is high, but increasing costs of land, construction, utilities, insurance, taxes and interest rates are significant barriers to home ownership.

One of the ways to reduce property taxes and to keep the costs of homes for our citizens affordable is to diversify our tax basis. Diversification does not mean new taxes. LET ME REPEAT. Diversification does not mean new taxes. I want to emphasize that we are not going to add to the tax burden. Rather we seek to reduce property taxes. For me, any new tax must be dedicated to a dollar for dollar reduction in property taxes.

The folks before you today represent a diverse group of knowledgeable citizens. The Mayor and I have given them a serious and important job. We have charged them to look widely and deeply into alternatives to how we tax our citizens for their basic services. I know they take this responsibility very seriously, as well they should. I believe our community will be well served by their work and I further believe that the results of their work will make a significant difference in our City's future.