Nursery owners upset over utility users' tax

By Michael Shapiro Times staff

East Palo Alto nursery owners reacted angrily to a utility users' tax adopted last week by the City Council.

The new tax, a 5 percent sur-charge on utilities that include water and electricity, hits nurseries hard because they use abundant amounts of water and power. "You'll put us in a real bind,"

said Frank Siri of Siri Brothers Nursery Inc. "There must be other

"We don't want to shirk our fair "We don't want to shirk our fair share. We'll pay it, but we're tight on dollars," said Mike Siri, also of Siri Brothers.

"It's unfair because we're just staying in business," said Albert Nakai of Nakai Nursery. "That's all we're doing."

Nakai said the flower growers could not pass the added cost on to customers because flower prices, like farm crop prices, are dictated by the market.

"We can't raise our prices -supply and demand," he said. - it's

Nakai suggested that the council allow citizens to vote on the increase.

"If we did put it up for a vote, you couldn't vote, Mr. Nakai, because you live in Atherton," said Councilwoman Barbara Mouton.

Nakai lives in Atherton and operates the nursery in East Palo Alto.

The surcharge tax has a limit of \$2,000 per year for any business or residence.

The tax is expected to produce \$500,000 in additional revenue for the financially strapped city. It is part of a budget-balancing package adopted by the council last week just one day before the budget deadline.

It was approved as an emergency measure and could be imposed immediately, but city officials said they needed to clarify some language in it before it goes into effect.

The council also adopted a storage occupancy tax and eliminated the community service department to balance the budget for the 1988-89 fiscal year.

