TO THE COUNCIL OF THE CITY OF LOS ANGELES

Your PERSONNEL AND ANIMAL WELFARE

Committee

reports as follows:

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to the establishment of an economic development entity.

Recommendations for Council action, as initiated by Motion (Smith - Huizar for Cárdenas - Zine):

- 1. APPROVE in concept the establishment of an economic development entity.
- 2. REQUEST that a Council meeting be scheduled solely to discuss this topic and to provide the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA) direction from the entire Council on specific parameters and objectives for a new Citywide economic development model.
- 3. DIRECT the CAO/CLA, or designees, to report back within 90 days with a proposed contract for Council approval prior to securing a consultant to assist in the development of a new Citywide economic development model.

<u>Fiscal Impact Statement</u>: The CAO/CLA report that the creation of an economic development entity that will include costs for new executive/administrative staff, equipment/facilities, operating costs for a non-profit entity, and other expenses, in addition to the use of existing City facilities, personnel, and funding resources may impact the General Fund. This additional fiscal impact can be better estimated once specific personnel requirements, facility, operational and equipment costs are identified in a subsequent report to the Mayor and Council regarding the establishment of an Economic Development Department.

Community Impact Statement: None submitted.

Summary:

At its special meeting held on May 22, 2012, your Committee considered a joint report from the CAO/CLA in response to Motion (Smith - Huizar for Cárdenas - Zine) relative to the establishment of an economic development entity. The April 27, 2012 report, attached to the Council file, provides comprehensive information on this subject. During the Committee discussion, the CAO and the CLA provided a thorough overview of their joint report and responded to numerous related questions from the Committee members. The Committee then held a lengthy discussion on the pros and cons of the proposed combination of a City/Non-Profit economic development structure and indicated that they are not convinced that creating a non-profit entity is the appropriate model to pursue.

After additional debate and providing an opportunity for public comment, the Committee recommended approval in concept of the establishment of an economic development entity. The Committee also recommended that a Council meeting be scheduled solely to discuss this topic and to provide the CAO/CLA direction from the entire Council on specific parameters and objectives for a new Citywide economic development model. The Committee further recommended that Council direct the CAO/CLA, or designees, to report back within 90 days with a proposed contract for Council approval prior to securing a consultant to assist in the development of a new Citywide economic development model.

This matter is now submitted to Council for its consideration.

Respectfully submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

MEMBER VOTE YES ZINE YES ALARCON YES

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- Not Official Until Council Acts -