



Strengthening the Voice of Business

Chambers of Commerce  
Agoura-Oak Park-Conejo Valley  
Alhambra  
Armenian American  
Beverly Hills  
Burbank  
Canoga Park / West Hills  
Century City  
Claremont  
Culver City  
El Monte  
Filipino American  
Glendale  
Greater Lakewood  
Greater Los Angeles African American  
Harbor City / Harbor Gateway  
Hollywood  
Korean American  
Los Angeles Area  
LAX Coastal Area  
La Canada Flintridge  
Long Beach Area  
Los Angeles Metropolitan Hispanic  
Malibu  
Manhattan Beach  
Montebello  
Pacific Palisades  
Pasadena  
Pomona  
Redondo Beach  
Regional Black  
Regional Hispanic  
Regional San Gabriel Valley  
Rosemead  
San Pedro  
Santa Clarita Valley  
Santa Monica  
South Bay Association  
Temple City  
Toluca Lake  
Torrance Area  
United Chambers San Fernando Valley  
Universal City North Hollywood  
Vernon  
West Hollywood  
West Los Angeles  
Westside Council  
Wilmington  
Woodland Hills--Tarzana

Trade Associations and Minority Business Groups  
AIA Los Angeles  
Apartment Association, CA Southern Cities  
Apartment Association of Greater Los Angeles  
Asian American Business Women Association  
Asian Business Association  
Associated Builders and Contractors  
Beverly Hills / Greater LA Association of Realtors  
British American Business Council  
Building Industry Association, LA / Ventura  
Building Owners & Managers Association, LA  
California Apartment Association, LA  
California Independent Bankers  
California Restaurant Association, LA  
Central City Association  
Center for International Trade Development  
Citrus Valley Association of Realtors  
Employers Group  
Entrepreneurs' Organization LA  
Fixing Angelenos Stuck In Traffic (FAST)  
FuturePorts  
Gateway to LA  
Glendale Association of Realtors  
Greater Asian Business Federation  
Harbor Association of Industry & Commerce  
Hospital Association of Southern CA  
Hotel Association of Los Angeles  
Industry Manufacturers Council  
LA SHARES  
League of California Cities  
Los Angeles County Economic Development Corp.  
Motion Picture Association of America  
National Association of Realtors  
National Association of Women Business Owners, LA  
National Latina Business Women Association  
New Car Dealers Association, LA  
New Majority Los Angeles  
Pasadena-Foothills Association of Realtors  
Recording Industry Association of America  
San Gabriel Valley Economic Partnership  
So Cal Minority Business Development Council  
South Asian Business Alliance Network  
South Bay Association of Realtors  
South Park Stakeholders Group  
Southland Regional Association of Realtors  
Tri-Counties Association of Realtors  
Valley Economic Alliance  
Valley Economic Development Center  
Valley Industry Association of Santa Clarita  
Valley Industry & Commerce Association  
Western States Petroleum Association

May 15, 2012

Honorable Ed Reyes  
Chair, LA City Council Planning and Land Use Management Committee  
Los Angeles City Hall  
200 N. Spring Street  
Los Angeles CA 90012

**Re: Clean Up/Green Up Strategy – Boyle Heights, Pacoima, Wilmington**

Dear Councilman Reyes,

On behalf of BizFed, Los Angeles County Business Federation – representing 100 business organizations with nearly 200,000 businesses across our region – we are writing to express our deep reservations and concerns with the “Clean Up/Green Up” strategies this Committee is currently considering for implementation in Boyle Heights, Pacoima and Wilmington.

BizFed and its broad and vast cross-section of unified business members – including thousands in the three communities being considered for this “pilot” program – firmly support responsible and pragmatic steps to foster business growth and sound environmental stewardship. And we all know there is a need for municipal polices that have the potential to streamline development, attract business and revitalize the local economy while promoting green enterprise and assisting the industrial sector to mitigate environmental impacts and encourage sustainable operational activities. BizFed knows these are goals we all strive for in our tireless efforts to improve the quality of life in our region for all of our communities and residents.

***But after intensive review, BizFed must express strong concerns and significant questions about important aspects of the proposed “Clean Up/Green Up” strategies currently under consideration - and urge your Committee not to move forward before addressing and exhausting review of what we believe are critical areas as we understand are currently broadly outlined in this program.***

Specifically, BizFed requests PLUM review and address these critical areas before moving forward:

**1. Economic Impact.** Given both the significant economic challenges currently facing our region’s economy and the fact that this program could have significant unforeseen negative consequences, we request an independent economic analysis is performed prior to moving forward in order to provide all stakeholders and the City with an understanding of the potential financial impacts. With the City’s current fiscal challenges – and the challenges facing all of our City’s job-creators in this economy - an analysis will provide the vitally needed data to objectively assess all of the factors that contribute to an economically sound incentive program for business. Significant questions arise, for example, over whether the economic boost eagerly perceived to be achieved through the incentives for business growth and expansion in proposed “Green Zones” would actually materialize. Concerns also arise over a potential outflow of existing businesses that may be affected by other aspects of the program that are not yet clearly and transparently delineated. Utilizing the City’s Office of Economic Analysis to obtain qualified economic modeling projections to assess the true impact of this proposed program is prudent and required before moving forward with implementation.

**2. Ensuring Regulatory Streamlining.** With such a grim existing regulatory climate, BizFed has long been highly supportive of prudent streamlining efforts. BizFed members consistently rank complex, multilayered and bureaucratic regulatory processes as a top concern. It is with significant appreciation that

BizFed lauds this program's acknowledgement that economic growth will be propelled by streamlined permitting processes. But BizFed and its members have long been involved in efforts to streamline LA City's permitting processes - and are well aware of the challenges this entails. Current efforts have been under way for more than three years - with strong, yet incremental, results. It is for this reason that BizFed must express concerns and questions over the stated intention by proponents of this program that it will provide a "streamlined permit process that cuts red tape."

Because of BizFed members' direct - and ongoing - work to streamline city development processes, we question the details and specifics of the mechanisms that would allow "Green Zones" to truly provide "streamlined" processes for business. BizFed is apprised that the City's Planning, Zoning and Building and Safety departments no longer accelerate green projects "to the front of the line" treatment - we question why this program would be different. We strongly urge PLUM to develop specific, detailed processes that go beyond just a "catch phrase" to assuage business - and instead actually ensure real, tangible streamlining of processes for business.

**3. Source of Funding.** With the City's current fiscal crisis, it is unclear to BizFed where funding for implementation of this program will come from. As we all are aware, the City faces a budget shortfall of nearly \$240 million; more than 500 city jobs are on the chopping block; City services to all of our residents are continuing to be reduced; and fees across a variety of sectors - from parking fines to document transfer taxes - are rising. A quality business-incentive zone requires a strong funding and staffing source - one that cannot be primarily dependent on any new fees, fines or penalties collected from businesses (both existing or new) for compliance standards in the newly established zone. While we understand there is discussion about development of a dedicated "trust fund" for this program, we again question the source of funding and oversight practices that will be developed. The current proposal by Mayor Antonio Villaraigosa to allocate \$2.5 million for a City economic development nonprofit to facilitate programs boost business and development in the City also raises questions about the need for this particular program at this time. We are certain that PLUM will ensure that all funding issues are detailed thoroughly, transparently and accountably in this process.

**4. Regulatory Authority/Expertise.** California's environmental quality - including in all communities across the City of Los Angeles - already is one of the most highly regulated in this country. With the myriad government agencies that already have jurisdiction for environmental laws and compliance, BizFed is unclear on the need for yet another "regulatory" body. The US Environmental Protection Agency regulates air quality standards. South Coast Air Quality Management District has jurisdiction over stationary sources and is currently working on a template for Clean Communities Plan with Boyle Heights as pilot. California Air Resources Board (CARB) has jurisdiction over mobile sources. The Ports of Los Angeles and Long Beach have developed standards for their ongoing Clean Air Action Plan. The California Environmental Quality Act covers most environmental-quality standards elements. And there also are other agencies that regulate business standards on everything from wastewater runoff to land use.

This program notes the need for "more effective enforcement of current regulations," but aside from the veracity of that statement, BizFed also is unclear whether that is a role the City has the expertise and financial support to currently handle. As you know, the regulatory burden in California - as well as the City of Los Angeles - has been proven in survey after survey to be a critical concern for businesses - many of which have relocated to other regions because of it. BizFed urges PLUM to assess all of these issues in determining whether to move forward with this program.

**5. Impact on Existing Businesses.** While we understand the City is continue to explore development of details of this program, we have received conflicting and disturbing information on whether particular new standards and inspections of these "Green Zones" will retroactively apply to existing businesses in these areas. While we find the goals of this program admirable, we are

concerned that retroactive application of any new “green” standards and policies – and any accompanying potential fines, fees or additional administrative or regulatory burdens – would have significant and egregiously negative impacts on established businesses that are not in compliance with any newly imposed standards. Any retroactive application of new “Green Zone” standards on existing business could, in fact, counteract any business inflow into these zones, emerge as a disincentive for manufacturing to stay in these areas, and send a distinctly negative message to businesses across the entire City.

**6. Improving Environmental Quality.** We all know the high value of ensuring all of our communities have access to clean air and water. California has led the nation in its efforts – and significant improvements have been achieved in communities across our region, including in communities currently targeted by this program. In Wilmington, for example, air studies by both Port of Los Angeles and Port of Long Beach show significant improvement in air quality. Meanwhile, Southern California Association of Governments also has just approved our region’s first-ever Sustainable Communities Strategy as part of its Regional Transportation Plan as legislated under the landmark Senate Bill 375 to reduce greenhouse gas emissions. And South Coast Air Quality Management District is currently developing its 2012 Air Quality Management Plan for our region. Both of these massive, region-wide plans have shown decades of success in improving our region’s air quality. BizFed urges PLUM thoroughly assess air and water quality data for our region to accurately assess community need before moving this plan forward.

While BizFed finds this program’s principles of both boosting business and environmental quality laudable – and our list of concerns above is not meant to be exhaustive – we believe these significant issues need to be thoroughly and transparently addressed by PLUM before advancing this plan.

We thank you for your consideration of this important issue. All of our businesses stand ready to work with you on pragmatic steps that benefit both the environment and the economy through accountable, prudent and economically sound practices and policies.

Sincerely,



John Kelsall  
BizFed Chair  
Greater Lakewood Chamber



David Fleming  
BizFed Founding Chair  
Latham & Watkins LLP



Tracy Rafter  
BizFed CEO  
IMPOWER, Inc.

Cc: PLUM Committee members Councilman Jose Huizar, Councilman Mitchell Englander