

13-0934

Econ Dev

JUL 23 2013

MOTION

Two pieces of recently signed state legislation (AB93 and SB90) abolish the State Enterprise Zone (SEZ) program in its entirety. Only certain components of the SEZ program will be replaced with different qualification criteria and for a limited duration. Additionally, providers of retail and restaurant jobs are excluded from the new programs entirely if their gross receipts exceed \$2 million.

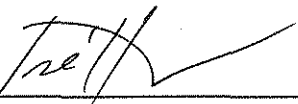
The City of Los Angeles has three State Enterprise Zones wherein businesses can take advantage of hiring tax credits, sales & use tax credits, business expense deductions, net operating loss carryovers and other incentives intended to stimulate business attraction, growth, and increased employment opportunities within areas identified as economically disadvantaged and with high levels of poverty.

In addition to the specific Enterprise Zone incentives available from the State, the City of Los Angeles has layered a number of local incentives atop the SEZ areas, such as LADWP rate discounts, sewer facility hookup payment plans, work opportunity tax credits, reduced parking requirements and a wavier of fees for architectural site plan review for commercial or industrial projects of 40,000 square feet or more.

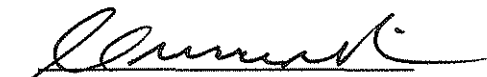
These tools provide a powerful incentive for the attraction and retention of business within Los Angeles. These tools will soon be lost at a time when the City is already grappling with the loss of the economic development functions eliminated with the dissolution of the former Community Redevelopment Agency (CRA.)

I THEREFORE MOVE that the city's Economic Development Department, Chief Legislative Analyst and Chief Administrative Officer report to the Economic Development Committee within 30 days, with recommendations and funding necessary to immediately replace state-level SEZ and CRA incentives, continue and increase existing city-level incentives, and create new programs which will be effective in attracting business and job creation to Los Angeles across all sectors, with a focus on areas identified as economically disadvantaged and with high levels of poverty.

CO-PRESENTED BY



Jose Huizar
Councilmember, 14th District

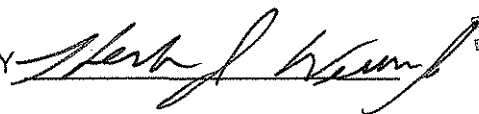


Curren D. Price Jr.
Councilmember, 9th District



JWH

SECONDED BY



Herb J. Brown

ORIGINAL