

AUG 21 2013

13-1102
Related CF: 09-1914

MOTION

The Bureau of Engineering is currently undertaking a replacement project for the 3,500 foot 6th Street Viaduct, constructed in 1932. The Viaduct is slowly deteriorating as a result of an alkali-silica reaction in the Viaduct's concrete construction. The project will demolished the existing bridge and replace it with a new icon bridge structure.

The demolition and reconstruction of the 6th Street Viaduct will have considerable impacts on adjacent businesses and community. The project will require the use of a number of privately owned parcels abutting the route—including properties containing eleven businesses operating within the City. The Bureau of Engineering and Council District 14 representatives are currently seeking opportunities to assist businesses in the relocation of these companies within the City of Los Angeles.

These businesses may decide to relocate outside of the City of Los Angeles, which would move the related jobs and tax revenue beyond City borders. These businesses collectively employ approximately 275 people and generate roughly \$20,000 in Business Tax and \$30,000 in sales tax annually. With unemployment in the City of Los Angeles still much higher than many other cities in the State and nation, it is in the City's best interest to retain these businesses in the City of Los Angeles.

Over the past decade, the City Council has approved several actions to reform our business (gross receipts) tax with the goal of attracting new businesses. A new business exemption from the tax was adopted in 2000 then extended twice. In 2010, the City Council adopted a new business tax holiday, extending the exemption period to three years and expanding qualification to any new business that opens in the City. In 2012, the City extended the new business tax holiday for an additional three years.

The City must make every effort to attract new business to the City, but more importantly we must work to retain those businesses that already create economic activity and employment opportunities. Business retention models need to be developed to provide displaced businesses with relocation or other assistance to find new locations in the City of Los Angeles, hopefully within the same communities. Business retention is jobs retention.

I THEREFORE MOVE that the Economic and Workforce Development Department, with the cooperation and assistance of the City Administrative Officer and the Chief Legislative Analyst, be instructed to identify business retention best practices and make recommendations as to the provision of incentives or other measures to assure the retention of businesses, tenants and employees subject to displacement as a consequence of City infrastructure improvements and facility development projects. These retention incentives should include any appropriate tax abatement programs employed to retain displaced businesses within the City, such as modifications to the City's business tax holiday to allow for a three year business tax exemption for displaced businesses that relocate within the City.

PRESENTED BY:


JOSE HUIZAR
Councilmember, 14th District

SECONDED BY: _____

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ORIGINAL