

ECONOMIC DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES REPORT relative to incentives and best practices for the retention of businesses, tenants, and employees subject to displacement as a consequence of City infrastructure improvements and facility development projects.

Recommendations for Council action, as initiated by Motion (Huizar - Fuentes):

INSTRUCT the Economic and Workforce Development Department and the Office of Finance, with the cooperation and assistance of the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA), to:

- a. 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.
- b. Report back in 30 days on:
  - i. How businesses being relocated as a result of 6th Street Viaduct replacement project can take advantage of the business tax holiday incentive program.
  - ii. All other ideas and incentives for businesses being displaced by public infrastructure programs.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

## SUMMARY

At a regular meeting held on September 10, 2013, the Economic Development Committee considered Motion (Huizar - Fuentes) relative to incentives and best practices for the retention of businesses, tenants, and employees subject to displacement as a consequence of City infrastructure improvements and facility development projects. The maker of the Motion reported that several businesses in Council District 14 are being relocated as a result of the 6th Street Viaduct replacement project. The Motion requests that the City explore the modification of the new business tax holiday program so that it would apply to these businesses in order to provide an incentive for them to remain in the City.

The maker of the Motion then moved to amend the Motion to add the Office of Finance to the list of departments reporting back on this matter and to request a report in 30 days specifically regarding how businesses being relocated as a result of the 6th Street Viaduct replacement project can take advantage of the business tax holiday incentive program, and also a report on

any other ideas and incentives for businesses displaced by other public infrastructure programs. After providing an opportunity for public comment, the Economic Development Committee recommended that Council approve Motion (Huizar - Fuentes) as amended.

Subsequently, at a regular meeting on October 7, 2013, the Budget and Finance Committee also considered this matter, and after providing an opportunity for public comment, the Budget and Finance Committee concurred with the action of the Economic Development Committee. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

**ECONOMIC DEVELOPMENT COMMITTEE**

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	YES
CEDILLO:	ABSENT
MARTINEZ:	YES

**BUDGET AND FINANCE COMMITTEE**

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	ABSENT

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**