

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the Jobs and Business Advancement in Los Angeles Action Plan (Jobs Plan).

Recommendations for Council action:

1. APPROVE the Jobs Plan, attached to the Chief Legislative Analyst (CLA) report dated August 19, 2016 and attached to the Council file.
2. INSTRUCT lead departments for each Strategy named in the Jobs Plan to report to Council on the progress of each Strategy within 90 days.
3. ADOPT the title Business Advancement Team as the official name for the Business Assistance Unit, as detailed in the August 19, 2016 CLA report (Strategy 1A of the Jobs Plan), attached to the Council file.
4. INSTRUCT the City Administrative Officer (CAO), with the assistance of the City Attorney, Department of General Services (GSD), Bureau of Contract Administration (BCA), and CLA, to report on the feasibility and impact of amending Los Angeles Administrative Code Section 10.15(a)(1) to increase the threshold on competitive bid procurement from \$25,000 to \$100,000 and the necessary steps to effectuate this action as detailed in the August 19, 2016 CLA report (Strategy 1D of the Jobs Plan), attached to the Council file.
5. INSTRUCT the GSD, the BCA, the CAO, the CLA, and REQUEST the City Attorney to coordinate these efforts with the Local Business Preference Program (LBPP), including the development of metrics in the contracting process that would inform analysis and decisions regarding the LBPP as detailed in the August 19, 2016 CLA report (Strategy 1D of the Jobs Plan).
6. INSTRUCT the Information Technology Agency (ITA) to digitize all certifications to the level feasible (LBPP, Small Local Business, Minority Business Enterprise, Women Business Enterprise, Disadvantaged Business Enterprise, etc.) and ensure that those digitized applications are available through the Business Assistance Virtual Network by December 2016 as detailed in the August 19, 2016 CLA report (Strategy 1E of the Jobs Plan).
7. INSTRUCT the Economic and Workforce Development Department (EWDD) to conduct outreach regarding the LBPP through business advocacy groups, BusinessSource Centers, WorkSource Centers, Business Improvement Districts (BIDS) and through other means by June 2017 as detailed in the August 19, 2016 CLA report (Strategy 1E of the Jobs Plan).
8. INSTRUCT the BCA, with the assistance of relevant City departments, to report by December 2016 on the long-term needs relative to conducting effective outreach as detailed in the August 19, 2016 CLA report (Strategy 1E of the Jobs Plan).
9. INSTRUCT the BCA, with the assistance of the CLA and appropriate City departments, to work with Los Angeles County to create a single business certification system by March

2017 as detailed in the August 19, 2016 CLA report (Strategy 1E of the Jobs Plan).

10. INSTRUCT all applicable City departments to collect the following data relative to the LBPP by December 2016:
 - a. Total number of contracts and amount awarded.
 - b. Total number of contracts and amount awarded to Local Business Enterprises.
 - c. Overall percentage of contracts awarded to Local Business Enterprises.
 - d. Local Business Enterprises awarded due to LBPP.
 - e. Total cost to the City to award to Local Business Enterprises over Non-Local Business Enterprises as detailed in the August 19, 2016 CLA report (Strategy 1E of the Jobs Plan), attached to the Council file.
11. INSTRUCT the BCA to send a letter by December 2016 to all appropriate City departments with information on data that they must collect for LBPP monitoring and reporting and provide an annual report to Council by April 1st as detailed in the August 19, 2016 CLA report (Strategy 1E of the Jobs Plan).
12. INSTRUCT the Department of City Planning (DCP) to expand expediting services and metrics to better assess performance as detailed in the August 19, 2016 CLA report (Strategy 1F of the Jobs Plan).
13. INSTRUCT the EWDD, in consultation with the CLA, Mayor's Office, Department of Convention and Tourism Development, Los Angeles World Airports, Los Angeles Department of Water and Power, Film LA, Los Angeles Department of Transportation, and any other departments as appropriate, to report on the feasibility of launching a coordinated marketing campaign to promote the City and City's incentives to businesses in and outside the City; develop targeted marketing programs for key industries; and, develop marketing materials in other key languages as detailed in the August 19, 2016 CLA report (Strategy 1I of the Jobs Plan).
14. REQUEST the Mayor's Office and INSTRUCT the EWDD to continue to work with the City Clerk in the coordination of economic development efforts to increase awareness of the BIDS as an economic development tool as detailed in the August 19, 2016 CLA report (Strategy 2A of the Jobs Plan).
15. INSTRUCT the CLA to make technical adjustments to the Jobs Plan, including changes to the narrative, to reflect the adopted changes to the Strategies.
16. INSTRUCT the EWDD to work with Council offices to establish Jobs and Economic Development Incentive Zones if a geographic area meets at least four of the criteria listed in Goal 2C of the Jobs Plan, attached to the August 19, 2016 CLA report and the Council file.
17. INSTRUCT the Office of Finance (Finance) to add a subscription capability to the

Business Tax Registration Certificate website and form to allow businesses to subscribe for updates from the City.

18. INSTRUCT Finance to share the subscription list with the Business Advancement Team and the Los Angeles Small Business Commission.
19. INSTRUCT the Business Advancement Team to report to Council annually with:
 - a. The number of businesses seeking assistance and the outcome of those requests.
 - b. The average time to resolve an issue.
 - c. Trends in the types of problems businesses need assistance with.
 - d. Recommendations for policy changes.
20. INSTRUCT the Business Advancement Team to:
 - a. Work with the Council and the Mayor to create a pilot program to assist manufacturers relocating to Los Angeles and report to Council with policy recommendations.
 - b. Negotiate a Memorandum of Understanding with the Employment Development Department to receive job-related data for the City of Los Angeles.
21. INSTRUCT the CAO and the GSD to:
 - a. Meet with Council offices annually to prioritize City properties in each district with the greatest potential for economic development.
 - b. Promote the list and inform the business community, real estate agents, developers, etc. what properties can be utilized for.
 - c. List surplus properties on the City's website.
22. INSTRUCT the Los Angeles Department of Building and Safety, the DCP, and other development services departments to:
 - a. Lock in permit fees when an application is accepted and deemed complete.
 - b. Develop a partnership plan with the Business Advancement Team.
23. INSTRUCT the DCP and the Bureau of Engineering to:
 - a. Provide free application and process training to the development industry.
 - b. Post workload and performance metrics online.
24. INSTRUCT the DCP to:

- a. Report to Council within 30 days on Motion (O'Farrell - Huizar), Council File No. 16-0738, regarding Conditional Use Permits (CUP) renewal.
- b. Allow restaurants up to 24 months to effectuate their CUP grant and start the time limit when the grant is effectuated.

25. INSTRUCT the ITA to:

- a. Work with the Targeted Local Hiring Working Group to translate the Local Hire LA website to multiple languages.
- b. Prominently display the Local Hire LA website on the City's homepage.

26. INSTRUCT the Targeted Local Hiring Working Group to report to Council quarterly with the status of the local hire initiative.

27. INSTRUCT the CAO to report in the next Financial Status Report on the feasibility of providing the City Clerk's Office with \$50,000 for trash bags for BIDS.

28. INSTRUCT the Office of Community Beautification and the Bureaus of Contract Administration, Engineering, Sanitation, Street Lighting and Street Services to provide the City Clerk's Office, on a quarterly basis, with information on services performed in BIDS.

29. INSTRUCT the CAO, the CLA, and the GSD to report to the Ad Hoc on Comprehensive Job Creation Plan (Ad Hoc Jobs) Committee within 60 days on the proposed organizational structure, advantages and disadvantages, impacts to existing departments, and resources needed to implement the formation of a new department or unit of procurement.

30. INSTRUCT the Business Advancement Team, in partnership with the Small Business Commission, Finance, development services departments, the BCA and other relevant departments, to maintain and update the small business portal.

31. INSTRUCT the ITA to report to the Ad Hoc Jobs Committee within 30 days with options for creating a subscription capability for the small business portal.

32. INSTRUCT applicable City departments to report quarterly to the Ad Hoc Jobs Committee on the status of the respective reports described herein.

33. REQUEST the Consultant engaged by the City to develop the Citywide Economic Development Strategy, Goal 1H of the Jobs Plan, as part of their analysis of taxing policies and tax-increment financing methods, to provide recommendations for a tax subvention policy that includes:

- a. An overview of all tax subvention agreements for development that the City has entered into and an accounting on the cumulative impacts these instruments have had on the City, including how they might affect City forecasting efforts.
- b. Review of City sources of revenue that may be subject to tax subvention,

recommendations on which sources should be used, to what degree, and projection of future potential impacts.

- c. Review of tax subvention agreements and the City's living wage policy with recommendations for how to reconcile their purposes.
- d. Development of an analysis framework, for use by requesting parties, which adequately shows that the subvention will bring new economic activity into the area where it is employed, rather than redistributing existing dollars within the City.
- e. Development of requirements for creating new economic activity that include well-defined, legitimate purposes for the use of tax subvention agreements.
- f. A menu of potential benefits that the City will receive through the use of these tax-increment financing tools.
- g. A regularized structure for reporting and metrics.
- h. Requirements that the activities promised in exchange for the tax subvention agreement are realized, and codification of penalties for non-implementation.
- i. Recommendations for restricting the application of tax subvention agreements only to the applicable portion of the project.

34. AMEND Strategy 2C 1(b)(ix) of the Jobs Plan to delete:

Area can be demonstrated to support the following targeted industry sectors:

And replace with:

Area can be demonstrated to support a leading growth industry in the City of Los Angeles:

35. AMEND Strategy 2C 1(b) to add Section 1(b)(x):

Or any other criteria deemed appropriate by the City Council.

Fiscal Impact Statement: The CLA reports that there is no fiscal impact at this time. Implementation of the Citywide Comprehensive Job Creation Plan may require additional resources. Each Strategy includes a Resources section that describes the current and future need for funding.

Community Impact Statement: None submitted.

(Also referred to the Ad Hoc Committee on Comprehensive Job Creation Plan)

Summary:

On October 11, 2016, your Committee considered an August 19, 2016 CLA report relative to the Jobs and Business Advancement in Los Angeles Action Plan (Jobs Plan). According to the

CLA, the Jobs Plan was prepared with the assistance of the Office of the Mayor, CAO, EWDD, City Clerk, Personnel Department; several other City Departments were also consulted. The Jobs Plan responds to Council's instructions (detailed in Attachment A of the CLA report) to prepare a comprehensive report detailing the work of the Ad Hoc on Comprehensive Job Creation Plan Committee (Jobs Committee) with specific recommendations that include:

- a. Utilizing Community Revitalization and Investment Authority (CRIA) for economic development.
- b. Creating Job and Economic Development Incentive (JEDI) Zones and an incentive package that would be available to businesses. Improving the Local Business Preference Program and developing an outreach strategy.
- c. Creating a centralized business unit.
- d. Creating a rapid response team to assist businesses through the City's bureaucracy.
- e. Creating a small business commission.
- f. Improving procurement reform.
- g. Utilizing the City's new asset management system for economic development.
- h. Supporting the City's efforts for development services reform and permitting efficiencies.
- i. Furthering the City's efforts on hiring 5,000 new employees, training, and apprenticeships.
- j. Expanding the role and increasing the number of Business Improvement Districts.
- k. Marketing City services and incentives to businesses inside and outside of the City of Los Angeles.
- l. Adopting a Citywide Economic Development Strategy.

The Jobs Plan (Attachment B of the CLA report) is separated into two sections. The first section includes the items listed above that correspond to strengthening the City's internal capacity to assist businesses, while the second section addresses the items that help forge external partnerships and address growth at a regional level. Overall, the Jobs Plan presents a compilation of strategies (Strategies) addressing key areas on which the City can focus, that will serve as the foundation for its Citywide Economic Development Strategy.

Each of the goals listed in the Jobs Plan are associated with either 1) new initiatives proposed by the Ad Hoc Committee on Comprehensive Job Creation Plan (Jobs Committee) and the Economic Development Committee; or 2) current City initiatives or programs. The Jobs Plan addresses each goal with an individual Strategy with each Strategy including:

- a. A description of each strategic goal

- b. The status of each goal or action taken since the item was heard in Committee or after adoption by Council
- c. A description of accomplishments to date
- d. Short-term objectives and next steps; Long-term objectives and next steps
- e. Resources that have been allocated or will be necessary to carry out these goals; Lead and collaborating departments
- f. Any proposed recommendations that will further support the Jobs and Business Advancement in Los Angeles Action Plan.

Several Strategies in this Jobs Plan offer new recommendations proposed by City departments and the CLA has reviewed and incorporated most into the Recommendations section of the August 19, 2016 CLA report, except for the following which require additional analysis and Council consideration.

Strategy 1D (Procurement Reform) suggests the formation of a new Department of Procurement. The CLA recommends that this be further studied and that a unit or division also be considered prior to the conceptual approval of a new City department, as this proposal has not yet been presented to any Council Committee for consideration. If the Jobs Committee wishes to consider this recommendation, it is recommended that Council instruct the CAO, CLA and GSD to report on the proposed organizational structure, the need for a new department or unit, impacts to existing departments, and resources needed to implement the formation of a new department.

Strategy 2A (Business Improvement Districts) suggests that multiple departments provide monthly reports to the City Clerk in connection with services performed within Business Improvement Districts (BID). The CLA recommends that the City Clerk be instructed to lead this effort in order to more efficiently coordinate and analyze the requested information. It is also recommended that Council instruct the City Clerk, with the assistance from the Office of Community Beautification and BCA, Bureau of Engineering, Bureau of Sanitation, Bureau of Street Lighting and Bureau of Street Services to provide quarterly reports to Council relative to services performed within BIDs.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend concurring with the August 30, 2016 action of the Jobs Committee and to further amend the Jobs Plan as detailed above in Recommendation Nos. 34 and 35. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
HARRIS-DAWSON:	ABSENT
KREKORIAN:	YES
O'FARRELL:	YES

ARL
10/11/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-