

MOTION

Open for Business Initiative

The challenges facing small businesses are well documented, none more so than those faced by our independent “mom and pop” restaurants. It has been reported that 25 percent of restaurants fail in their first year. That number only goes up, over 60 percent are likely to fail in the first 3 years. The key factor in success is maintaining an average-or-better profit margin year after year. To do this, a business must manage on a razor thin budget, with little margin for error. With average profit margins hovering at 2-6% there is little room for financial management error.

One of the challenges successful restaurants face is the ability to renew their operating permits and their “CUB” permit. Currently there is no “standard” procedure that a business can look to when developing their long term business plan. The length of time the permit is renewed for is at the discretion of the hearing officer and can be as varied as one, five, seven, ten or fifteen years. It is difficult for a business to plan for the future when there are not consistent standards. Additionally, for a business that has been in operation for a term of 5 years or more, and has engendered no complaints or notices of violations from LAPD, Building and Safety, and Fire for instance, it is onerous to require a new hearing process for a permit renewal when no changes of use or conditions are proposed. Instead it is more efficient, for both the business and city staff to have access to an online administrative process that would expedite the term of renewal based on a “good performance review.” This will not only save time for the business operator, but also for city staff who would normally prepare reports and hold hearings.

As such, the Planning Department and the Department of Building and Safety, in consultation with the City Attorney, should prepare a report that discusses the feasibility of an ordinance that would allow business owners to ministerially renew Conditional Use Permits every 5 or 10 years if they have been a good business operator as defined.

I THEREFORE MOVE that the Council instruct the Planning Department in consultation with the City Attorney, prepare a report on the feasibility of an ordinance that could enable the Planning department to administratively renew Conditional Use Permits every 5 to 10 years, if business operators have been deemed “good operators,” as defined by the report.

I FURTHER MOVE that the Planning Department with the assistance of the CLA report back on case studies of other municipal jurisdictions where set standards for permit renewals are being implemented and what criteria and terms of renewal are being implemented.

PRESENTED BY:

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Councilmember, 13th District

SECONDED BY:

JUN 22 2016

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