

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the state of the fashion industry in the City of Los Angeles.

Recommendation for Council action, as initiated by Motion (Huizar - Krekorian):

INSTRUCT the Chief Legislative Analyst (CLA), with the assistance of the City Administrative Officer (CAO), Office of Finance, and City Attorney, to report on the state of the fashion industry in the City Los Angeles, including possible incentives that the City may offer to the fashion industry to encourage its economic growth and job creation potential with said report to include:

- a. A detailed breakdown of which business tax categories apply to the fashion industry and their respective percentages.
- b. The impacts of City business tax policies on the fashion industry.
- c. Details as to non-business tax revenues that the fashion industry generates for the City.
- d. An overview of range of jobs found in the fashion industry.

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

Community Impact Statement: None submitted.

Summary:

On March 28, 2017, your Committee considered a Motion (Huizar - Krekorian) relative to the state of the fashion industry in the City of Los Angeles. According to the Motion, due to its unique geographic location, the availability of resources and the an environment that encourages business growth in the City, Los Angeles has become an epicenter for the fashion industry. The fashion industry is often only associated with apparel, textiles, footwear and jewelry. However, it also includes graphic artists, designers, models, and a multitude of other professions. According to the California Fashion Association, "the perception of Los Angeles as one of the centers of fashion continues to support demand for things designed in and reflective of Los Angeles. Even as Los Angeles loses traditional apparel manufacturing to Central America and Southeast Asia, its reputation as a source of fashion design grows."

As a result of the state of the economy and global competition, some businesses have been forced to close down or move out of the City, sometimes in pursuit of lower costs of operation. The losses of jobs and of major brands headquartered in Los Angeles are serious concerns for the City. While Council has adopted a number of business-friendly measures to support business growth and encourage new business development, the City should consider all viable options to to protect and foster the highly valued fashion industry, ensure that its jobs remain in Los Angeles, and encourage corporate headquarters to locate and remain in Los Angeles.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion, as amended and detailed in the above

recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



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

ARL
3/28/17

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