

CITY HALL
LOS ANGELES, CALIFORNIA 90012

September 18, 2018

Honorable Mayor Eric Garcetti
Honorable Paul Krekorian, Chair of Budget and Finance Committee
c/o Office of the City Clerk

Re: Commission on Revenue Generation First Quarterly Report

Dear Mayor and City Council Members:

The Coalition of Los Angeles City Unions and the City of Los Angeles, in a mutual interest to maximize revenue to the City's General Fund, agreed to create the Commission on Revenue Generation (Commission).

The Commission shall carry out its duties for at least twenty-four months to provide a level of revenue sufficient to provide high quality City services that are consistent across the City. As set forth in the Letter of Agreement, our Commission is providing an update on the status of our investigation to the City Council and Mayor.

On April 26, 2018 the Commission established our mission statement:

The Commission on Revenue Generation will develop recommendations to maximize revenue to the City's general and special funds sufficient to provide high quality City services that are consistent across the City to ensure equity in the City budget for underserved communities and to ensure a high quality of life in our neighborhoods.

We have considered over fifty issues and are currently prioritizing the following topics for their potential to readily increase revenue, reduce expenses, and improve services and quality of life in our communities. Below, we provide a summary of our initial discussions.

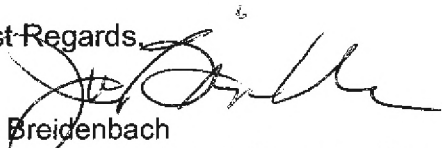
1. **Financial Services Transparency and Evaluation:** The Commission has reached out to Los Angeles Fire and Police Pensions (LAFPP) and Los Angeles City Employees' Retirement System (LACERS) to evaluate investment fees, with particular emphasis on performance fees. Both systems have provided

preliminary information. The Commission looks forward to meeting with staff from retirement systems to discuss in further detail how fees compare to benchmarks and whether the current fees can be reduced.

2. **Payments In Lieu Of Taxes (PILOTs):** Payments in lieu of taxes are voluntary, negotiated payments a tax-exempt organization makes to a local government in lieu of property taxes. PILOTs are different from a fee-for-service contract between a tax-exempt organization and local government. The Commission is researching the viability of PILOT agreements with tax-exempt organizations within the City. The Commission has conducted a literature review and surveyed jurisdictions outside of California that have successful PILOTs.
3. **Tax Incentives and Tax Breaks:** The Commission is evaluating costs and benefits of tax sharing agreements and tax breaks extended to developers and businesses to determine effectiveness and compliance with best practices and city policies.
4. **Billboards:** The Commission has been reviewing the current laws regarding billboards and/or outdoor commercial advertising and expects to discuss more as new policy is being formulated.

The Commission looks forward to continuing its investigation into these topics as it identifies areas for improvement and develops recommendations that will maximize revenue. We are eager to share our findings with you as well as with City departments, and together work towards providing high quality, equitable services across the City. Thank you for your consideration of these matters.

Best Regards,


Jan Breidenbach
Chair, Commission on Revenue Generation

Peter Dreier, Commissioner
Rudy Espinoza, Commissioner
Jack Humphreville, Commissioner
Jonathan Klein, Commissioner
Tim McDaniel, Commissioner
Wayne Moore, Commissioner
Barbara Ringuette, Commissioner
William Smart, Commissioner
Jake Stevens, Commissioner