

10-2274

AUG 17 2010

MOTION

The food service industry is the second largest employer of Californians, with over 56,000 restaurants in LA County alone. The industry is a strong component of the tourism business, provides a social glue for the community and is a major tax contributor to the City.

According to the California Restaurant Association the most important concerns for business owners considering opening a restaurant in the City include: the length of time it takes for securing City permits, City taxes and fees, and City parking requirements. These concerns are in addition to the fact that restaurants often pay a premium for leasing space in commercial plazas. In response, the City of Los Angeles enacted the Restaurant & Hospitality Express Program through the Department of Building & Safety to expedite the permitting process and cut the time in half. However, nothing has yet been done to address the issue of taxes and fees.

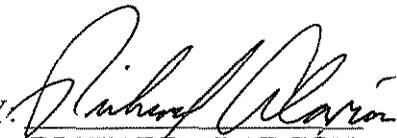
In recent years, lunch trucks – once nearly exclusively serving construction and other workers – have become a feature of the Los Angeles culinary map. Well-known chefs, restaurants and caterers have adopted the trucks and reached out to their clientele with cuisines that reflect Los Angeles' diversity. There are over 4,000 mobile food trucks in LA County which, due to their mobile nature, are able to maximize multiple locations in the City. Restaurant owners have expressed concerns about the effect of the food trucks on their businesses which compete with each other for prime real estate and pay for their fixed location. The owners fear that the mobile food trucks create an uneven playing field with brick and mortar restaurants.

While the City of Los Angeles is reviewing the public safety, parking, health and safety, and other impacts of the food trucks on the community, the City must also examine and renew its commitment to the brick and mortar restaurant industry. It is in the interest of the City to ensure the continuing success of all segments of the food service sector.

I THEREFORE MOVE, that the City Council instruct the Chief Legislative Analyst, with assistance of Office of Finance and the Chief Administrative Officer, and in collaboration with the California Restaurant Association, Neighborhood Councils, and business community, to report back to the Jobs & Business Development Committee in 30 days with a proposal to make the restaurant industry more competitive with the food trucks, and to grow the number of restaurants and increase sales of new and existing restaurants, the report should include:

- A) Decreasing the business tax rate for restaurants
- B) Creating a "Dine LA" campaign
- C) Allowing restaurants to open up side-walk cafes

I FURTHER MOVE, that the report include the number of jobs that would be created by implementing each of the recommendations.

PRESENTED BY: 
RICHARD ALARCÓN
 Councilmember, 7th District

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SECONDED BY: 

ORIGINAL

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