

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your **JOB AND BUSINESS DEVELOPMENT COMMITTEE**

reports as follows:

JOB AND BUSINESS DEVELOPMENT COMMITTEE REPORT relative to the competitiveness of the restaurant industry with the food trucks, and to the growth in the number of restaurants and the increase in sales of new and existing restaurants.

Recommendations for Council action, pursuant to Motion (Alarcon - Garcetti):

1. 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, decreasing the business tax rate for restaurants, creating a "Dine LA" campaign, allowing restaurants to open up side-walk cafes, and the number of jobs that would be created by implementing each of the recommendations.
2. REQUEST the City Attorney and the Bureau of Street Services to work with the departments and entities mentioned above in the preparation of the requested report.
3. INSTRUCT the Chief Legislative Analyst for a tentative report with the intention of referring the said report to the Business Tax Advisory Committee.
4. INSTRUCT the Chief Legislative Analyst to include in the report clarification on what "brick & mortar" includes and to distinguish between sit-down restaurants and fast-food restaurants.
5. INSTRUCT the Chief Legislative Analyst to include in the report an economic impact together with the incentives provided by the Community Redevelopment Agency.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

On September 28, 2010, the Jobs, Business Growth and Tax Reform Committee considered Motion (Alarcon - Garcetti) relative to the competitiveness of the restaurant industry with the food trucks, and to the growth in the number of restaurants and the increase in sales of new and existing restaurants.

The Motion states 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. In recent years, lunch trucks - once nearly exclusively serving construction and other workers - have become a feature of the Los Angeles culinary map. Restaurant owners have expressed concerns about the effect of the food trucks on their businesses. The owners fear that the mobile food trucks create an uneven playing field with brick and mortar restaurants. While the City 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.

During the discussion, representatives from the office of the Chief Legislative Analyst and City Attorney provided background information. After an opportunity for public comment, the Committee recommended approval of the recommendations as contained in the recommendation section of this report. This matter is now forwarded to Council for its consideration.

Respectfully submitted,

JOB AND BUSINESS DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
ALARCON:	YES
KREKORIAN:	YES
PARKS:	YES

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- Not Official Until Council Acts -