



June 19, 2020

To: Orange County City Mayors and Councilmembers

**RE: Business and Community Relief during COVID-19 Pandemic**

Orange County Business Council (OCBC) applauds the leadership of your city council as Orange County endures and recovers from the unprecedented COVID-19 crisis. Each of you has continued to engage tirelessly with your residents to provide them resources and keep them informed as the pandemic develops. OCBC recognizes your commitment to reinvigorating Orange County's economy once the crisis subsides. There are some steps each of Orange County's 34 cities can take immediately to protect local businesses of all sizes from further decline. Below, please note the following recommendations from OCBC and Orange County's business community:

- **Encourage Face Covering Mandate for All Residents in Public.** OCBC strongly recommends that your city listen to public health experts and encourage residents to follow the State health order mandating face coverings in public spaces. It is vital that Orange County cities take the lead and consistently require face coverings in workspaces, stores and other public areas where physical distancing may be difficult. The majority of businesses are beginning to reopen—if numbers in Orange County climb and the economic shutdown resumes, it will be devastating. Face covering requirements are an important component to staving off this catastrophic possibility and will help keep workers and residents safe.
- **Expand the Communications Infrastructure Network.** The need to shelter in place to mitigate the health impacts of COVID-19 reaffirmed that society cannot function without strong telecommunications infrastructure. With many employees and students needing to work and learn from home, Orange County's communications network is being utilized, and therefore stressed, more than ever. Expanding the speed and reliability of this network should be a priority to drive long-term economic growth. Not only would this infrastructure spending provide greater access, reliability and speed to all Orange County businesses and residents, but it would also provide much needed employment opportunities. OCBC asks you to invest in connectivity infrastructure by working with technology infrastructure representatives to swiftly deploy wireless projects.
- **Support New Construction and Join Coalition to Delay VMT Regulations.** By working with homebuilders, engineering companies, and commercial real estate developers and owners on regulatory relief, your city will have the ability to accelerate construction and permitting of new housing, public infrastructure and commercial developments. OCBC asks that, to the extent possible, you remove barriers to new housing and commercial development in your city and incentivize and approve projects. Furthermore, if your city has not done so already, OCBC asks you to join the growing coalition of local governments urging Governor Newsom to delay costly Vehicle Miles Traveled regulations taking effect July 1, 2020. Your support is urgently needed—these regulations would add thousands of dollars to projects and especially hinder affordable and workforce housing projects. These costs are passed down to the consumer at the worst possible time.
- **Prioritize and Support Economic Development Department.** Economic development is essential to supporting local businesses, driving the economy, and replenishing lost sales tax revenue. Economic Development Departments can help businesses navigate city rules and regulations, serve as their trusted point of contact, and impact the ability to retain and grow business in your city. The pandemic has highlighted the need for a person(s) dedicated to assist businesses that were unsure if they could stay open, guide businesses as they reopen safely, and provide the resources available in their time of need. Investing in your economic development team is investing in your city's financial resources.

- **Increase Support for Destination Marketing Organizations and the Hospitality and Tourism Industry.** Orange County's long-term economic success depends on the hospitality and tourism industries. By attracting visitors worldwide, these organizations drive newcomers to your city's local businesses and generate tax revenue. OCBC asks you, to the extent possible, to defer penalties, fines, and enforcements against businesses that collect and pay the Transient Occupancy Tax (TOT) and renegotiate TOT rebates until average occupancy rates restore to pre-pandemic levels. These businesses have been hit the hardest by COVID-19, and even when permitted to fully reopen, the public will likely hesitate to flock to hotels or travel. Additionally, if your city has a destination marketing organization, please fully support their efforts to encourage tourism to your city.
- **Develop Programs that Support Workforce Development.** Facing record-high unemployment rates, especially among Millennial and Gen Z generations, OCBC strongly recommends that your city should develop programs that can connect teenagers and young adults to local businesses that offer internships or career exploration opportunities. Your local high schools and community colleges are constantly searching for businesses to work with their students. The job losses during this recession have impacted your community, but this crisis does not need to impact our youth for decades to come. Opportunities to gain skill sets with local employers now could make them a ready, capable and valuable workforce as Orange County climb out of recession.
- **Develop your Opportunity Zones.** Opportunity zones are economically-distressed communities where private investments may be eligible for capital gain tax incentives. Opportunity zones allow investors to defer capital gains if they reinvest in a qualified opportunity fund, reduce those capital gains if they maintain their investment in the opportunity fund for a long enough period and eliminate their capital gains in their investment in the opportunity fund if they keep their investment for 10 years. OCBC understands that budgets and staffing are limited, but even if the development of your opportunity zones is contracted out, the economic impact of developing the distressed area will provide income to the city many times over. Therefore, dedicating resources to develop opportunity zones in your city is a prudent decision for the long-term health of your city.

OCBC acknowledges the swift and bold leadership you have demonstrated to protect your city's public health, businesses and workforce. OCBC hopes that you and your colleagues implement these recommendations and support Orange County's jobs and economy. If you have any questions, please contact Rachel Rolnicki, Vice President of Government Affairs, at [rrolnicki@ocbc.org](mailto:rrolnicki@ocbc.org). Thank you.

Sincerely,



Rachel Rolnicki  
Vice President of Government Affairs  
Orange County Business Council

cc: Orange County City Managers