

GETTING LOS ANGELES TO WORK

**RECOMMENDATIONS FOR COUNCIL ACTION
SUBMITTED BY THE AD HOC COMMITTEE ON
COMPREHENSIVE JOB CREATION PLAN
OCTOBER 26, 2016**

Chair Paul Krekorian • Vice Chair Herb Wesson Jr. • Members Mitchell Englander,
Bob Blumenfield and Curren Price



ABOUT THE COMMITTEE

The Ad Hoc Committee on Comprehensive Job Creation Plan (Jobs Committee) was created on July 1, 2015, by Council President Herb Wesson Jr. and is chaired by Councilmember Paul Krekorian. Over the past 15 months, the committee has held 12 hearings, worked closely with city departments and the Mayor's office, and heard from dozens of business owners and their advocates.

What is the Jobs Committee's mission? To create a comprehensive Jobs and Business Advancement Action Plan that will stimulate economic and job growth throughout the City of Los Angeles.

How has the committee done this? By creating new city policies and procedures, and reviewing those in place to make it easier for businesses that open and operate in Los Angeles to do business here. The work of the Jobs Committee isn't over yet, but the recommendations provided in the report currently before the City Council will overhaul and streamline the way our city serves the business community by putting Los Angeles into a proactive, pro-business and pro-jobs role.

RECOMMENDATIONS FOR COUNCIL ACTION

AD HOC JOBS COMMITTEE REPORT relative to a request for approval of a proposed Jobs and Business Advancement in Los Angeles Action Plan (Jobs Plan), and related matters. Recommendations for Council action:

1. **APPROVE the Jobs Plan** attached to the Chief Legislative Analyst (CLA) report dated Aug. 19, 2016.
2. **INSTRUCT lead departments** for each Strategy named in the Jobs Plan to **report to Council** on the progress of each Strategy **within 90 days**.
3. **ADOPT the title Business Advancement Team** as the official name for the Business Assistance Unit, proposed in the CLA's report dated June 27, 2016.
4. **INSTRUCT** the City Administrative Officer, with the assistance of the City Attorney, the General Services Department, the Bureau of Contract Administration, and the CLA, to **report on the feasibility and impact of increasing the threshold on competitive bid procurement from \$25,000 to \$100,000** in Los Angeles Administrative Code Section 10.15 (a)(1) and necessary steps to effectuate this action.
5. **INSTRUCT** the GSD, the BCA, the CAO, the CLA, and the City Attorney to **coordinate these efforts with the Local Business Preference Program (LBPP)**, including the development of metrics in the contracting process that would inform analysis and decisions regarding the LBPP.
6. **INSTRUCT** the ITA to **digitize all certifications** to the level feasible (LBPP, Small Local Business, Minority Business Enterprise, Women Business Enterprise, Disadvantaged Business Enterprise, etc.) and ensure that those digitized applications are **available through the Business Assistance Virtual Network** by Dec. 2016.
7. **INSTRUCT** the Economic and Workforce Development Department to **conduct outreach regarding the LBPP** through business advocacy groups, BusinessSource Centers, WorkSource Centers, Business Improvement Districts (BIDs) and through other means by June 2017.
8. **INSTRUCT** the BCA, with the assistance of relevant City departments, to **report by Dec. 2016 on the long-term needs relative to conducting effective outreach**.
9. **INSTRUCT** the BCA, with the CLA and appropriate City departments, to **work with Los Angeles County to create a single business certification system** by March 2017.
10. **INSTRUCT** all applicable City departments to **collect the following data** relative to the LBPP by December 2016:
 - a. Total number of contracts and amount awarded.
 - b. Total number of contracts and amount awarded to Local Business Enterprises.
 - c. Overall percentage of contracts awarded to Local Business Enterprises.
 - d. Local Business Enterprises awarded due to LBPP.
 - e. Total cost to the City to award to Local Business Enterprises over Non-Local Business Enterprises.
11. **INSTRUCT** the BCA to send a letter by December 2016 to all appropriate City departments with information on data that they must collect for LBPP monitoring and reporting and **provide an annual report to Council by April 1st**.
12. **INSTRUCT** the Dept. of City Planning to **expand expediting services** and metrics to better assess performance.
13. **INSTRUCT** the EWDD, in consultation with the CLA, Mayor's Office, Department of Convention and Tourism Development, Los Angeles World Airports, Los Angeles Department of Water and Power, Film LA, Los Angeles Department of Transportation, and any other departments as appropriate, to **report on the feasibility of launching a coordinated marketing campaign to promote the City and City's incentives to businesses** in and outside the City; develop targeted marketing programs for key industries; and, develop marketing materials in other key languages.
14. **REQUEST** the Mayor's Office and **INSTRUCT** the EWDD to continue to work with the City Clerk in the coordination of economic development efforts to **increase awareness of the BIDs** as an economic development tool.
15. **INSTRUCT** the CLA to make technical adjustments to the Jobs Plan, including changes to the narrative, to reflect the adopted changes to the Strategies.
16. **INSTRUCT** the EWDD to work with Council offices to **establish Jobs and Economic Development Incentive Zones** if a geographic area meets at least four of the criteria listed in Goal 2C of the Jobs Plan.

17. **INSTRUCT** the Office of Finance (Finance) to add a **subscription capability to the Business Tax Registration Certificate website** and form to allow businesses to subscribe for updates from the City.

18. **INSTRUCT** Finance to **share the subscription list** with the Business Advancement Team and the Los Angeles Small Business Commission.

19. **INSTRUCT** the Business Advancement Team to report to Council annually with:

- a. The number of businesses seeking assistance and the outcome of those requests.
- b. The average time to resolve an issue.
- c. Trends in the types of problems businesses need assistance with.
- d. Recommendations for policy changes.

20. **INSTRUCT** the Business Advancement Team to:

- a. Work with the Council and the Mayor to **create a pilot program to assist manufacturers relocating to Los Angeles** and report to Council with policy recommendations.
- b. Negotiate a Memorandum of Understanding with the Employment Development Department to receive job-related data for the City of Los Angeles.

21. **INSTRUCT** the CAO and the GSD to:

- a. Meet with Council offices annually to **prioritize City properties in each district with the greatest potential for economic development**.
- b. Promote the list and inform the business community, real estate agents, developers, etc. what properties can be utilized for.
- c. **List surplus properties on the City's website.**

22. **INSTRUCT** the Los Angeles Department of Building and Safety, the DCP, and other development services departments to:

- a. **Lock in permit fees** when an application is accepted and deemed complete.
- b. Develop a partnership plan with the Business Advancement Team.

23. **INSTRUCT** the DCP and the Bureau of Engineering to:

- a. Provide **free application and process training** to the development industry.
- b. Post workload and performance metrics online.

24. **INSTRUCT** the DCP to:

- a. Report to Council within 30 days on Motion 16-0738 (O'Farrell - Huizar), Council File No. 16-0738, regarding Conditional Use Permits (CUP) renewal.
- b. Allow **restaurants** up to 24 months to effectuate their CUP grant and start the time limit when the grant is effectuated.

25. **INSTRUCT** the Information Technology Agency (ITA) to:

- a. Work with the **Targeted Local Hiring** Working Group to translate the Local Hire LA website to multiple languages.
- b. Prominently display the Local Hire LA website on the City's homepage.

26. **INSTRUCT** the Targeted Local Hiring Working Group to **report to Council quarterly** with the status of the initiative.

27. **INSTRUCT** the CAO to report in the next Financial Status Report on the feasibility of providing the City Clerk's Office with \$50,000 for trash bags for BIDs.

28. **INSTRUCT** the Office of Community Beautification and the Bureaus of Contract Administration, Engineering, Sanitation, Street Lighting and Street Services to provide the City Clerk's Office, on a quarterly basis, with **information on services performed in BIDs**.

29. **INSTRUCT** the CAO, the CLA, and the GSD to **report to the Ad Hoc Jobs Committee within 60 days** on the proposed organizational structure, advantages and disadvantages, impacts to existing departments, and resources needed to implement the formation of a new department or unit of **procurement**.

30. **INSTRUCT** the Business Advancement Team, in partnership with the Small Business Commission, Finance, development services departments, the BCA and other relevant departments, to **maintain and update the small business portal**.

31. **INSTRUCT** the ITA to **report to the Ad Hoc Jobs Committee within 30 days** with options for creating a subscription capability for the small business portal.

32. **INSTRUCT** applicable City departments to **report quarterly** to the Ad Hoc Jobs Committee on the status of the respective reports described herein.

33. **REQUEST** that the Consultant engaged by the City to develop the **Citywide Economic Development Strategy**, Goal 1H of the Jobs Plan, as part of their analysis of taxing policies and tax-increment financing methods, include recommendations for a tax subvention policy to include:

- a. An overview of all tax subvention agreements for development that the City has entered into and an accounting on the cumulative impacts these instruments have had on the City, including how they might affect City forecasting efforts.
- b. Review of City sources of revenue that may be subject to tax subvention, recommendations on which sources should be used, to what degree, and projection of future potential impacts.
- c. Review of tax subvention agreements and the City's living wage policy with recommendations for how to reconcile their purposes.
- d. Development of an analysis framework, for use by requesting parties, which adequately shows that the subvention will bring new economic activity into the area where it is employed, rather than redistributing existing dollars within the City.
- e. Development of requirements for creating new economic activity that include welldefined, legitimate purposes for the use of tax subvention agreements.
- f. A menu of potential benefits that the City will receive through the use of these taxincrement financing tools.
- g. A regularized structure for reporting and metrics.
- h. Requirements that the activities promised in exchange for the tax subvention agreement are realized, and codification of penalties for non-implementation.
- i. Recommendations for restricting the application of tax subvention agreements only to the applicable portion of the project.

34. **AMEND** Strategy 2C 1(b)(ix) of the Jobs Plan to delete: Area can be demonstrated to support the following targeted industry sectors. Replace with: Area can be demonstrated to support a leading growth industry in the City of Los Angeles:

35. **AMEND** Strategy 2C 1(b) to add Section 1(b)(x): Or any other criteria deemed appropriate by the City Council.



PROBLEM

SOLUTION

Businesses don't get information from the city and don't know how to navigate city rules, making it harder to create jobs.

Businesses don't have a clear and direct way to give city leaders input on issues that matter to them.

Businesses don't know what city incentives are available to them when they open, and certain areas of the city see less economic investment than others.

Local businesses have trouble contracting with the city because the process is so daunting and complex.

City-owned properties are sitting unused or underutilized without benefiting the community.

Construction permitting fees fluctuate throughout a project, causing cost uncertainties for builders.

The **Business Advancement Team** will go to BAT for businesses of all sizes by answering questions and providing information about city programs and incentives. It will also have a rapid response unit to resolve urgent issues.

The **Small Business Commission** will include small business owners, business advocacy organizations, and industry experts to give the City Council guidance on policies before they are adopted.

The **Business Portal** website guides startups and gives permitting and licensing info. The Committee also compiled a full list of incentives available to businesses, including geographically diverse business incentive zones to spur investment.

The process to qualify for the **Local Business Preference Program** will be streamlined and the city's **procurement process** will be reformed, making it easier to bid on city work.

The Jobs Plan creates a new **asset management framework, including a user-friendly database called "Assetworks,"** which allows the city to partner with businesses to spur economic growth using city properties.

The Jobs Plan will **lock in permit fees** when a project is approved.