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**INDEPENDENT COMMITTEE MAKES RECOMMENDATIONS
TO CREATE HIGH-QUALITY JOBS AND STRENGTHEN L.A.'S ECONOMY**

*Panel Says Proposals Are Needed as Economy Slows Down
And State Addresses Fiscal Emergency*

LOS ANGELES – Calling for more vigorous government actions to promote high-quality job growth and sustainable economic development in Los Angeles, an independent panel of business, labor and academic leaders today presented Mayor Antonio Villaraigosa with 10 recommended strategies that include modernizing LAX, expanding the port and revitalizing South Los Angeles.

The Los Angeles Economy and Jobs Committee unveiled its report – “*Building a World-Class City for the 21st Century*” – at L.A. City Hall this morning. The privately funded, 26-member panel, which was appointed by the mayor in 2006, urged city officials to make L.A.’s economy a top priority. The report is available online at www.laejc.org.

“This report addresses the convergence of important economic challenges and opportunities facing Los Angeles today,” said committee chairman Russell Goldsmith, the CEO of Los Angeles-based City National Bank. “To build a world-class city for the 21st century, the city of Los Angeles must adopt a stronger, more proactive set of policies and priorities that strengthen its key industries, make better use of city-owned assets and ensure that government works effectively through innovative public-private partnerships. This will foster job creation and smart economic development, which are particularly important today.”

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The committee spent 15 months studying the city's strengths and weaknesses before issuing its report, which makes 100 specific proposals and places a priority on three major economic assets owned and controlled by the city of Los Angeles: LAX, the Port of Los Angeles and 187 acres of land in South Los Angeles.

Among its many recommendations, the report calls for modernizing LAX by improving airline terminals and expanding runway capacity in the interests of passenger safety, environmental protection and the economic well-being of the entire L.A. region.

At the port, the panel's recommendations include creating new "truck-only" lanes on portions of Interstate 710, State Route 60 and Interstate 15 to improve goods movement, ease traffic congestion and reduce pollution. The report also advocates the expansion of on-dock and near-dock intermodal facilities.

In South Los Angeles, the committee's proposals include "smart growth" strategies to increase the supply of jobs and affordable housing on 187 acres of city-owned land through the development of mixed-use projects by innovative public-private partnerships.

In addition to its focus on the city's assets, the committee's recommended strategies address workforce training, growth sectors that are critical to the local economy, the city's business climate, the need to secure L.A.'s fair share of state and federal funding, the availability of land for manufacturing and creative industries, the city's building permit process and charter reform.

"Some of our recommendations can be implemented quickly and easily," Goldsmith said. "Others will take more effort and a longer-term commitment. But all of them are achievable, valuable and intended to benefit Los Angeles as a whole. If these proposals are fully implemented, they will help the city build upon its strengths, address some of its weaknesses and take advantage of its most promising opportunities for high-quality job creation, sustainable economic growth and environmental protection."

Los Angeles Losing More Jobs Than It Creates

Since 1995, the city of Los Angeles has lost nearly 30,000 jobs – even as surrounding cities have added employment.

The mayor created the Los Angeles Economy and Jobs Committee in October 2006. He asked members to examine the city's business climate, growth industries, regulatory environment and other factors that contribute to – or harm – job growth. He also asked for a set of recommendations to help shape the city's economic development policy.

"The committee made certain its recommendations were achievable and targeted to remedy the shortcomings the panel identified in city, state and federal government policies and procedures," Goldsmith said. "By taking action on these proposals, the mayor and other city officials can help us create new high-quality jobs in Los Angeles."

The Committee's Recommendations

Following is a summary of the report's findings:

Modernize LAX by expanding runway capacity and significantly improving domestic and international terminals. About 61 million passengers used LAX in 2006, making it the fifth busiest airport in the world. Each year, LAX contributes \$61 billion to the economy. It also accounts – directly or indirectly – for an estimated 408,000 jobs. Since September 11, 2001, however, domestic flight activity at LAX has fallen 10 percent. Meanwhile, all other major U.S. airports have seen increased travel. The panel makes a number of recommendations aimed at ensuring that LAX remains a world-class airport well into the 21st century. Among them are:

- Expedite review and approvals for construction of the Mid-Field Concourse to accommodate the next generation of quieter, more fuel efficient and environmentally sensitive Group 6 aircraft
- Move forward with the reconfiguration of the north runways to improve passenger safety in light of the Government Accountability Office report that LAX had more “near misses” than any of the nation’s busiest commercial airports
- Relocate Transportation Security Administration baggage screening equipment from the terminal lobby areas to enhance security and shorten lines
- Create a better “arrival experience” for passengers by improving domestic and international terminals

Expand the Port of Los Angeles while taking steps to protect the environment. The Port of Los Angeles is a national asset and a critical component of the regional and national economy. Each year, the Los Angeles/Long Beach port complex handles \$305 billion in trade and contributes \$28 billion in state and local tax revenue. The two ports also provide an estimated 485,000 jobs in the region. But the ports are headed for a potentially severe crisis of capacity.

Among the panel's recommendations for the port:

- Increase goods movement by expediting review and approval of near-dock intermodal facilities and “green” growth projects at and near the port
- Seek alternative funding for infrastructure development, including a system of vehicle tolls on the three bridges around the ports to generate revenues to pay for increasing capacity on these bridges
- Improve goods movement, ease traffic congestion and reduce congestion by creating new truck-only lanes on portions of I-710, SR 60 and I-15

Revitalize low-income communities with new public-private approaches to job creation, housing and community development. When large areas of a city are economically distressed, the entire economy suffers. By investing new energy and resources in the redevelopment of South Los Angeles, including the area’s public-housing sites, the committee believes that the city will reap major social and economic rewards.

Among its recommendations for low-income communities:

- Apply smart growth (“Build L.A.”) strategies to create high-quality, mixed-use communities with new affordable housing, plus jobs, transit, retail outlets, restaurants, schools and other amenities in South Los Angeles
- Create a joint powers authority to develop needed housing on city-owned land
- Establish a “parcel-to-parcel” program that permits development of projects on desirable city-owned land in exchange for development participation in economically distressed neighborhoods

Improve coordination of regional workforce development system and resources. Research shows that the lack of a trained workforce is the biggest human resource issue Los Angeles-based companies face. The committee believes that the city must make a strong commitment to ensuring its long-term competitiveness by reforming the workforce development system.

Among its recommendations for workforce development:

- Expand and improve trades training, vocational education and collaboration with industry training programs
- Create a workforce development strategy that would direct program funds to targeted growth industries, including transportation, construction and healthcare
- Authorize one city department to coordinate all workforce development programs to enhance job training and placement

Promote eight growth sectors that are vital to L.A.’s economy. The committee identified eight key growth sectors that generate a significant number of jobs in the city. These sectors offer distinct opportunities and advantages to Los Angeles. They include higher education, entertainment, creative industries, logistics/goods movement, technology/biotechnology, tourism/hospitality, manufacturing and international trade.

Among the committee’s recommendations for these sectors of the economy:

- Combat “runaway film production” by offering a modest tax credit for film production, waiving rental fees for filming at all city-owned locations and encouraging a 10 percent refundable state tax credit for the entertainment industry
- Create “entertainment and technology zones” with tax and other incentives for firms in those businesses to locate within the zones
- Support the creation of an “L.A. Fashion Park” to further establish the city’s dominance of the world’s apparel and design industry

Strengthen L.A.’s business climate. While often designed to protect the consumer and the homeowner and to improve the community as a whole, aggressive government regulation can not only damage a city’s reputation as job friendly but also can unreasonably impede companies that are doing business and providing jobs in the city. Currently, the city of Los Angeles is perceived by many business people as having a difficult, if not hostile, business climate.

Among the committee's recommendations for improving the city's business climate:

- Continue the gradual reduction of the gross receipts tax
- More outreach to help new and existing businesses navigate the city bureaucracy
- A customer service training program aimed at helping city workers to better meet the needs of business

Streamline the city's building permit process. In a variety of ways, the city stifles development with bureaucratic processes that cause delays and increase the costs of new development and redevelopment projects.

Among the committee's recommendations to streamline these processes:

- Update the city's 61-year-old zoning codes
- Update community plans to provide a more efficient and predictable development process
- Help the city identify and address government impediments to development by reinstating the Development Industry Advisory Council

Preserve an adequate supply of land designated for manufacturing and creative industries. Each year, Los Angeles loses manufacturing jobs due to the lack of available industrial land and a vacancy rate for existing industrial facilities that is below 2 percent.

Among the committee's recommendations to preserve industrial land:

- Require at least 8 percent of all land in the city of Los Angeles to remain zoned for industrial use
- Support the NBC/Universal Project on the condition that project plans mitigate the impact of increased traffic
- Create a balanced Los Angeles River Revitalization Master Plan that preserves existing industrial land and adds open space

Secure L.A.'s fair share of state and federal government funds, benefits and services. The city of Los Angeles is being shortchanged by both Sacramento and Washington, D.C. Each year, Californians pay over \$50 billion more in federal taxes than they receive in government benefits.

Among the committee's recommendations for securing L.A.'s fair share:

- Alert public officials to the current funding inequities, calling attention to the fact that Los Angeles often pays a disproportionate share of the costs associated with state and federal policies affecting homeland security, illegal immigration, transportation, international trade, healthcare, education and public safety
- Create a coalition of stakeholders that will urge state and federal elected leaders to provide Los Angeles and California with their fair share of funding
- Raise the fair share funding issue with candidates who are seeking campaign funds from Californians

Enact further charter reform to enhance the effectiveness and accountability of city government. Next year marks the 10-year anniversary of L.A.'s charter reform legislation, which requires the city to issue a report assessing the impact that reform changes have had on the city's governing process.

Among the committee's recommendations for charter reform:

- Create a charter reform and review commission every decade to review the city's governing process and make constructive recommendations to make city government more productive, efficient and effective
- Establish an Economic Development Department to consolidate all the city's economic development activities under one roof
- Require an "economic impact" report to determine the impact of new ordinances on business when those ordinances involve a regulation, fee or tax
- Implement a "Buy L.A." program to increase city patronage of L.A.-based businesses

For a copy of the committee's complete report and list of recommendations, as well as additional information about its members, please visit www.laejc.org.

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