

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the guidelines for the expenditure the Economic Development Trust Fund (EDTF).

Recommendations for Council action:

1. APPROVE the recommended guidelines for the expenditure of funds from the EDTF proposed by the Economic Workforce Development Department (EWDD), as attached to the report to the Municipal Facilities Committee (MFC) dated November 1, 2016.
2. INSTRUCT the EWDD to report annually to the Council and the Mayor's Office on the status of the EDTF including, but not limited to:
 - a. Amount of economic development incentives anticipated to be attained, or otherwise owing, for each project for the upcoming fiscal year.
 - b. The maximum anticipated balance of incentives for each project over the term of the project agreement(s).

Fiscal Impact Statement: The MFC reports that the recommendations above will result in the allocation of fifty percent of the sale or lease proceeds to the EDTF from City-owned properties that have been designated by the Council for economic development use. The remaining fifty percent will be deposited in the Real Property Trust Fund of the Council District in which the proceeds were generated. Such diversion of Council approved sale or lease funds will result in reduced monies to the General Fund. The amount of sale or lease proceeds that will be deposited into the EDTF and Council District Real Property Trust Funds is unknown at this time.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on November 8, 2016, your Economic Development Committee considered the guidelines for the expenditure the EDTF. The EWDD reports that on May 3, 2016, the Council instructed the EWDD to report to the MFC with specific guidelines for the expenditure of funds from the EDTF (Council file No. 12-1549-S3). Moreover, the City Attorney was directed to prepare and present an ordinance to establish a new interest-bearing EDTF, to be administered by the EWDD, to receive eligible proceeds from the sale or lease of City property for economic development purposes, in accordance with expenditure guidelines presented said EWDD report. On September 13, 2016 (Council file No. 16-0931), the Economic Development Committee approved the City Attorney report, dated August 12, 2016, and Ordinance relative to amending the Los Angeles Administrative Code to create the EDTF and authorizing the use of real property trust funds to fund economic development. After an opportunity for public comment was held, the Committee moved to approve the MFC's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|----------------|-------------|
| PRICE: | YES |
| CEDILLO: | ABSENT |
| HARRIS-DAWSON: | YES |
| KREKORIAN: | YES |
| O'FARRELL: | YES |

ME 5/28/20

-NOT OFFICIAL UNTIL COUNCIL ACTS-