ARTS, PARKS, HEALTH, EDUCATION, & NEIGHBORHOOD PUBLIC WORKS

MOTION

Arts and culture are foundational to the City of Los Angeles's economy, identity, and recovery from the Covid-19 pandemic. Independent live music venues, in particular, play an integral role in our local creative economy and the cultural identity of our communities.

Creative industries employ an estimated 414,945 workers and generate an estimated \$139.7 billion in LA County. Independent music venues are vital to this vibrant segment of our local and regional economy, providing platforms for independent and emerging artists. They also stimulate a virtuous cycle of economic development in our neighborhoods: studies suggest that for every dollar spent on a ticket for a show at an independent music venue, twelve additional dollars are spent nearby in restaurants and bars and for lodging and transportation.

However, following the outbreak of COVID-19, independent music venues were among the first businesses to close and will be the last to reopen. These venues have seen a staggering loss of approximately 95% of revenues in the last year, even as rent/mortgage, payroll, and insurance bills continue to accumulate. The majority of smaller venues are at risk of permanent closure.

The short- and long-term ramifications of losing more of Los Angeles's independent venues would be far-reaching. An Otis College report estimated that 24 percent of LA County's creative economy jobs were lost between February and December 2020. Without aggressive action to revive this vital part of our economy, Los Angeles risks permanently losing cultural industries to other emerging creative hubs around the United States.

While the tender shoots of economic recovery are finally beginning to reach LA's independent venues — the Small Business Administration began accepting applications for the Shuttered Venue Operator Grant in April 2021 and the State of California will begin a broader reopening of its economy in June 2021 — these small businesses will need every possible tool to generate revenue and ensure their long-term survival.

As with other parts of the leisure, entertainment and hospitality economy, consumers' ongoing concerns about the health risks of crowded indoor spaces are likely to constrain independent venues' recovery. Regardless of how state and local restrictions evolve, venues in Los Angeles do not expect to reach full capacity for indoor shows any time in 2021 due to tepid demand. In a recent survey of frequent event-goers conducted by the National Independent Venue Association, over half of respondents said that an event would need to be held outdoors for them to feel comfortable attending.

It is, therefore, vitally important that the City of Los Angeles provide independent venues with the opportunity to host regular, cost-effective outdoor events. Given the public's greater comfort with outdoor activities in a Covid-19 context, independent venues can reach a larger customer base by hosting outdoor performances, aiding their recovery.

MAY 2 6 2021



The City has already made accommodations through the Al Fresco program to assist local restaurants by allowing them to use sidewalks, parking lots, street parking, and lane closures for outdoor dining. The program has received positive feedback from restaurants, diners, and communities across Los Angeles. The City should set up a similar program to allow for safe, outdoor performances hosted by independent music venues.

The current process for obtaining permits to host outdoor events is time-consuming and costly. It is unfeasible for independent venues — already struggling for their survival — to host regular outdoor events under current systems. Besides the standard special event permit required for most locations, additional permits are often needed for amplified sound, large structures such as props and installations, sampling, tents, stages, food and beverage vending, and fire department permits for generators or electricity. While these permits are necessary for public safety, a streamlined, integrated program for expediting permits would make outdoor events a more viable revenue stream for venues.

I THEREFORE MOVE that the Chief Legislative Analyst, Department of Transportation and Bureau of Engineering, with the assistance of the Bureau of Street Services, Department of Building and Safety, Department of City Planning and City Attorney, and Department of Cultural Affairs, as needed, be instructed to report back within 60 days on developing an outdoor performance program that allows for a streamlined outdoor event permit process, including but not limited to a potential program structure, eligibility criteria, safety and infrastructure requirements, and a plan that would enable interested businesses to opt in to the permit program. The program should outline protocols to enable venues to hold outdoor concerts, theatrical productions, and other live performances. The plan should specifically consider the following components:

- The designation of a single City entity responsible for processing applications to ensure venues have only one point of contact;
- A clear, predictable, expeditious timeline for processing of applications;
- A process for venues to apply once for a series of events to be held in a single location under the same conditions; and
- A process for allowing alcoholic beverages to be served outdoors within specified physical boundaries during outdoor events only.

I FURTHER MOVE that the Department of Finance report back within 60 days on the feasibility and cost estimate of waiving fees for outside venue permits, business regulatory fees, business registration, and any other taxes or fees within our legal power to waive that are incurred by music venues for two years.

I FURTHER MOVE that the Chief Legislative Analyst, with the assistance of the City Attorney, Bureau of Engineering and Department of Transportation, report back within 60 days on any changes to State or County Codes that would need to be made in order to effectuate this program.

PRESENTED BY

NITHYA RAMAN

Councilmember, 4th District

PAUL KREKORIAN

Councilmember, 2nd District

MIKE BONIN

Councilmember, 11th District

SECONDED BY