

ECONOMIC DEVELOPMENT POLICY COMMITTEE
Thursday, January 23, 2020
Kenneth Hahn Hall of Administration
500 West Temple Street, Conference Room 743
11:00 a.m. – 12:00 p.m.

AGENDA

1. Introductions

2. East LA Entrepreneur Center 25 minutes
(Azusena Favela, DCBA)

3. West Carson EIFD 30 minutes
(Felicia Williams, Kosmont Cos. & Bob Moran, CEO)

4. Public comment 5 minutes



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**
OFFICE OF SMALL BUSINESS

EAST LOS ANGELES ENTREPRENEUR CENTER

SPONSORED BY SUPERVISOR HILDA L. SOLIS



WHAT IS THE EAST LOS ANGELES ENTREPRENEUR CENTER?

The Entrepreneur Center will serve as a hub of resources for East LA microentrepreneurs and small businesses.



HOW DID THE ENTREPRENEUR CENTER COME ABOUT?

“The new East LA Entrepreneur Center at Centro Maravilla will support local small businesses, building essential connections to services, and capital that they need to thrive,” said Supervisor Solis. “[...]this new Entrepreneur Center is an essential part of my ongoing commitment to support local small businesses and our communities, ensuring support and empowerment to those who need it the most. It is my hope that this effort is replicated in other communities in LA County.”

On March 19, 2019, the Los Angeles County Board of Supervisors approved a motion authored by Supervisor Hilda L. Solis that establishes an East LA Entrepreneur Center at Centro Maravilla Community Center. Supervisor Solis recognized the need in East Los Angeles as being the densest unincorporated community in the County of Los Angeles, with its diverse commercial and retail corridors, growing consumer markets, and infrastructure investment opportunities.

WHAT SERVICES WILL THE CENTER PROVIDE?

- Business Start-up Assistance and Resources
- Business Development Workshops
- Access to Capital
- Navigating Permits / Licenses
- One-on-one Business Counseling
- Government Contracting and Certification
- Succession planning

EAST L.A. ENTREPRENEUR CENTER

GRAND OPENING

WEDNESDAY, JANUARY 22

4716 E. CESAR E. CHAVEZ AVE.
LOS ANGELES, CA 90022

CEREMONY STARTS AT 9 A.M.



PRESENTED BY
**SUPERVISOR
HILDA L. SOLIS**

PREVIEW THE NEW ENTREPRENEUR CENTER

OPEN HOUSE: 10 A.M. – 4:30 P.M.

Stay after the ceremony to tour the new facilities and learn about the **FREE** resources and services that will be offered through the Center, L.A. County's new one-stop business development hub for entrepreneurs and small businesses.



Event held in partnership with:



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

For more information visit:
dcba.lacounty.gov/elacenter

Services provided in partnership with:



GRAND OPENING CEREMONY

First District Supervisor Hilda L. Solis and the Department of Consumer and Business Affairs (DCBA) hosted the County's inaugural East Los Angeles Entrepreneur Center (ELA-EC) Grand Opening Celebration on January 22, 2020.

Over 120 attendees watched as Supervisor Solis cut the ribbon, toured the new facility during the open house, learned about all the free services available, and attended a workshop hosted by SBDC.





EAST LOS ANGELES ENTREPRENEUR CENTER



SHARED WORKSPACE



PARTNER ROOMS



WORKSHOP/CONFERENCE
ROOM

OUR PARTNERS & TEAM ARE HERE TO HELP!

Services provided in partnership with:



OUR PARTNERS & TEAM ARE HERE TO HELP!



Small Business Development Centers provides one-on-one consulting sessions to startups and existing businesses at no cost. They offer online and in-class style workshops on business planning; creating financial projections; social media and marketing; licenses and permits; and more.

Inclusive Action for the City is a community development organization that specializes in advocacy and economic development in low-income, urban neighborhoods. They provide business coaching and workshops, and deploys microloans to small business owners with limited access to capital.



OUR PARTNERS & TEAM ARE HERE TO HELP!



Project Equity works with partners around the country to raise awareness about employee ownership as an exit strategy for business owners, and as an important approach for increasing employee engagement and wellbeing.



Bet Tzedek Legal Services' Small Business Development Project invests in entrepreneurs by providing free representation on legal issues such as Entity Formation, Commercial Real Estate, Intellectual Property, Employment Law, Contracts, Licenses and Permits, and other business law issues.



Opportunity Fund is a CDFI micro-lender helping families through microlending and micro savings. They provide access to capital ranging from \$2,600 to \$250,000 and do not have a minimum credit score requirement, but only lend to applicants who can prove their ability to repay the loan.

OUR PARTNERS & TEAM ARE HERE TO HELP!

The Workforce Development division at the **L.A. County Department of Workforce Development, Aging and Community Services** oversees the L.A. County America's Job Centers of California (AJCCs), which provide services to businesses and job seekers. Services include business advisory; layoff aversion and management; recruiting and hiring; and funding for training new or current employees.



Permit Panel will be offered on the second Wednesday of each month for you to ask questions on permits and zoning regulations. Staff from L.A. County's Regional Planning, Public Works Building and Safety, and Public Health's Environmental Health Division will be present.

OUR PARTNERS & TEAM ARE HERE TO HELP!



The **LACDA** is a dynamic and innovative local government agency created in 1982 by the Los Angeles County Board of Supervisors. The agency is an industry leader in its three core service areas: housing, community, and economic development. The LACDA remains committed to being a trusted community leader dedicated to serving the residents, businesses, and communities of Los Angeles County.



LOS ANGELES COUNTY

**CONSUMER &
BUSINESS AFFAIRS**

OFFICE OF SMALL BUSINESS

CALL

844.432.4900

EMAIL

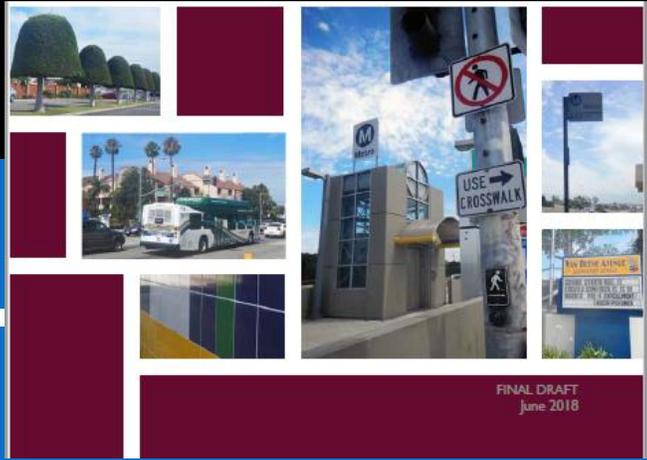
concierge@dcba.lacounty.gov

VISIT

East Los Angeles Entrepreneur Center
4716 East Cesar E Chavez Ave., Bldg. B
Los Angeles, CA 90022

FOLLOW US

@lacountydcba



Financing Critical Infrastructure

**West Carson TOD
EIFD Feasibility Analysis
January 2020**



DRAFT

**For Discussion
Purposes Only**

Tax Increment Financing in California

TIF in California

- Proposition 18 approved by California voters in 1952 creating [Tax Increment Financing \(TIF\)](#)
- Allows local governments to create “Districts” to finance improvements using TIF
- Infrastructure investments that use increased property tax revenues from new development
- State has approved new “sustainability district” financing tools that can utilize TIF

State has approved new “sustainability districts”

- [Enhanced Infrastructure Financing District \(EIFD\)](#), Community Revitalization Investment Authority (CRIA)
- Address major infrastructure, sustainability, and housing needs
- Enable tax increment financing
- Encourage joint ventures with cities, counties, special districts, and private developers

EIFD Fundamentals

- EIFDs approved / amended by SB628 (2014), AB313 (2015), AB1568 (2017), SB1145 (2018), AB116 (2019)
- Growth in property tax from participating agencies used to fund local / regional projects
- Statutory Authority: Part 1 of Division 2 of Title 5 of the Government Code
- Term: 45 years from first bond issuance
- Governance: Public Financing Authority led by city or county implements Infrastructure Financing Plan
- Eligibility: City, County, Special District; school districts exempt
- Approvals: No public vote to create district, [subject to majority protest per AB116](#); no voter approval for bonds
- Eligible Projects: Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic, rehabilitation
- No blight test needed
- District boundaries do not need to be contiguous

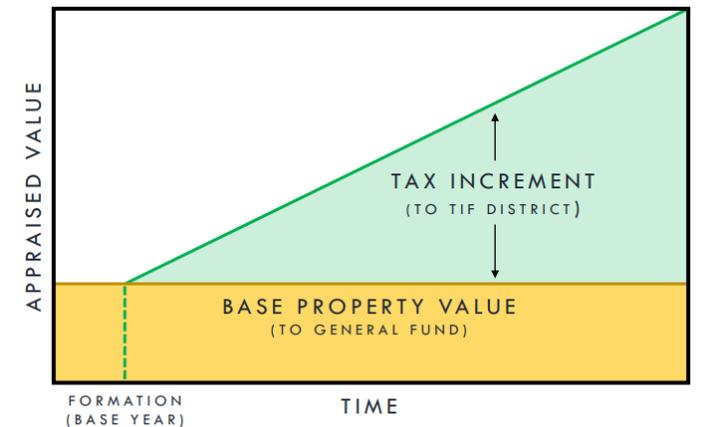
EIFD Mechanics

Property taxes are a major source of revenue for local governments

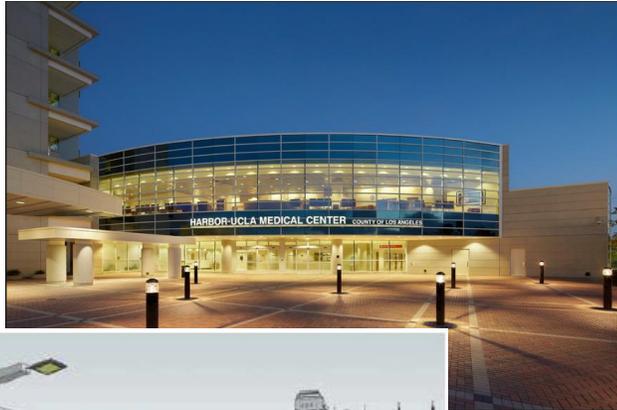
- LA County collects all property tax payments and distributes them to taxing entities – 1% statutory tax rate in California
- Cities in LA County receive 4 – 26% of property taxes and can use revenues for ‘general purposes’

Incremental Growth Funds Improvements

- Taxing entity (City, County, Special District) pledges a % of property tax revenues generated from new development
- Pledged revenues used to secure bonds issued for improvements
- Separate fund created to pay debt service on bonds
- No new or increased taxes – increase in property values drive tax revenue and improves the area



Executive Summary



- ✓ West Carson Transit Oriented Development Specific Plan adopted in June 2018:
 - 2,271 new residential units
 - 2.7 million sf commercial/industrial
 - Harbor-UCLA Master Plan
 - LA BioMed campus & tech park

- ✓ ~\$100 million infrastructure investment needed to support new development:
 - Transit connections, streets, and circulation – create transit-oriented area
 - Open space and recreation – requested in public meetings
 - Utility upgrades, parking – support LA Biomed job growth

- ✓ SCAG-County partnership to fund EIFD feasibility study
 - Fulfills Goal 12 of “Our County” sustainability plan – coordinated funding and partnerships
 - County projects to comply with prevailing wage and local/targeted worker policies

Up to \$1.83 billion of new development over the next 20 years

EIFD Study Area

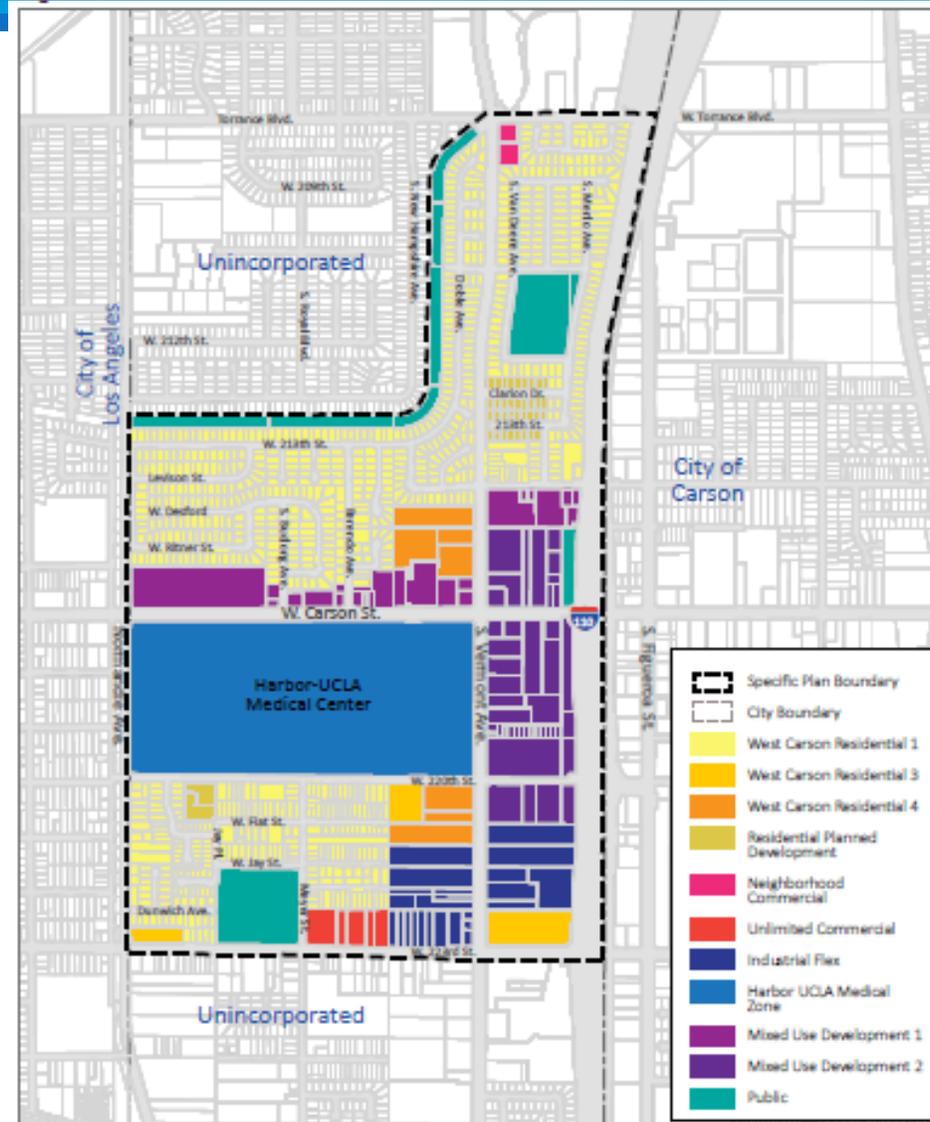


- ✓ EIFD Boundary: West Carson Unincorporated area
- ✓ Includes West Carson TOD Specific Plan area, Harbor-UCLA, LA Biomed
- ✓ 10,230 total acres
- ✓ 6,408 parcels
- ✓ \$2.4 billion current assessed value (base)
- ✓ \$1.83 billion potential new development (increment)

Total 50-year tax increment revenue = \$691 million*
20% (\$138 million) for affordable housing

*Assumes County contributes 100% of its estimated \$0.305 property tax share

West Carson – Land Use



Infrastructure Needs

- ✓ Key infrastructure projects needed to support new development, promote job growth, and transform area into transit-oriented district:

20% for affordable housing +

Parks & Open Space: (\$35 million)

- Land acquisition and remediation
- Construction
- Community center

Streets, Circulation, Transit Connections: (\$40 million)

- Streetscape
- Bike/pedestrian
- Flood control

LA Biomed, Job Creation: (\$25 million)

- Building acquisition
- Parking
- Site improvements

Estimated total project costs.

Tax Rate Area Distribution

Sample TRA 01519 – Top Taxing Entities (SP Mixed Use Development 2)

LOS ANGELES COUNTY GENERAL	0.304587860
CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.170982529
L.A.CITY COMMUNITY COLLEGE DIST	0.029434964
L A COUNTY LIBRARY	0.022637909
CO LIGHTING MAINT DIST NO 1687	0.011371146

EIFD Next Steps

- ✓ 1/23 – Economic Development Policy Committee:
 - Receive questions
 - Incorporate feedback

- ✓ February TBD – BOS Resolution of Intent
 - Identify public need and purpose
 - Establish EIFD
 - Form Public Financing Authority Board – appointments

- ✓ March – December – EIFD formation process
 - Infrastructure Financing Plan drafting
 - Fiscal impact analysis
 - Public hearings
 - BOS adoption of IFP and formation of EIFD



Disclaimer

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Discussions or descriptions of potential financial tools that may be available to the City/County are included for informational purposes only and are not intended to be to be “advice” within the context of this Analysis.

Municipal Advisory activities are conducted through Kosmont Companies’ affiliate, Kosmont Transaction Services, which is Registered as a Municipal Advisor with the SEC and MSRB.



THANK YOU
Questions?

Kosmont Companies

1601 N. Sepulveda Blvd. #382 Manhattan Beach, CA 90266

Ph: (424) 297-1070 | Fax: (424) 286-4632

www.kosmont.com