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## **Economy & Efficiency Commission**

# **Meeting Minutes**

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### **MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION**

WEDNESDAY, MARCH 4, 1998  
ROOM 830, KENNETH HAHN HALL OF ADMINISTRATION

#### **I. CALL TO ORDER - THE COMMISSION MEETING AS A COMMITTEE OF THE WHOLE**

In absence of a quorum, Chairman Abel began by calling the meeting to order as the Committee of the Whole at 10:15 a.m. At that time items were taken out of order to facilitate project presentations.

#### **V. OLD BUSINESS**

##### **2. State/Local Constitutional Revision Project**

Mr. Staniforth, the Commission's Executive Director, reported that the Economy and Efficiency Commission's (EEC) staff is working with the Chief Administrative Officer's (CAO) consultant, Jim Smyth, on a response to recommendations made in the EEC's report entitled "Review of the Relationship Between Los Angeles County and State Government." The work is focused on the recommendations that were referred back to the Commission and CAO by the Board. Three courses of actions are currently being considered by the CAO:

- a) An examination of the recommendations designed to take action on improving the current status of State and Local government relations.
- b) An examination of the historical relationship between revenue and expenditures with the objective of determining the impacts of legislation on revenue and expenditures.
- c) An examination of other options the County can explore to improve the existing relationship.

Mr. Staniforth introduced Jim Smyth, who is retired from the San Diego County CAO's office and is currently a consultant with the Los Angeles County CAO's office. The task force, together with Mr. Smyth and Mr. Staniforth, held a meeting recently to discuss that status of the CAO's project. Mr. Smyth stated that originally his goal was to help develop a strategy for the CAO's office to implement the recommendations made in the EEC report. Early in his work, emphasis was place on the program side of the state/local relationship. The CAO decided that due to the realignment of program revenue, it would probably be more profitable to examine the revenue side. The recent report draft given to the task force for review focuses on property and sales tax revenue, the property tax shift, and the distribution of sales tax. This draft makes recommendations concerning these issues.

Mr. Smyth continued by going over the section of the report dealing with the allocation of property taxes after Proposition 13. The primary pieces of legislation at this time were SB154 and AB8. The revenue that was shifted from the local agencies to the schools and the impact of this shift are still being debated in Sacramento. One

recommendation would reverse the shift by freezing local agencies contributions to the Educational Revenue Augmentation Fund (ERAF) at 1996-97 levels and reduce the amount shifted each year by 10% until the shift reaches zero. The second recommendation is similar, but it is presented in the form of a constitutional amendment. A third recommendation would reduce local agencies contributions to ERAF each year by an amount equal to ½ the increase in the State's General Fund revenue growth.

Currently, options for changing the distribution of sales tax include population, which is favored by counties, and situs, which is favored by cities.

A recommendation cited in the CAO's report deals with changes in both sales and property tax distribution. This recommendation removes the city's 1% sales tax, increases the state's sales tax by \$.01 and shifts the corresponding amount of money to local governments to compensate for the loss of sales tax.

The CAO's report focuses on the importance of local control and recommends that the County develop a strategy to obtain legislation to reverse the property tax shift. This report also recommends a cap on the sales tax distribution on a situs basis for a given year. All sales tax past the given year will be distributed on a population basis.

Chairperson Abel restated that the task force met earlier in the week and Mr. Smyth is in the process of incorporating their comments into the report for the CAO. Chairperson Abel added that this issue is being advanced in Sacramento with the introduction of a bill to create a Metro County Charter Commission by Assemblyman Hertzberg. There is a Joint Senate-Assembly field hearing on the State-Local Fiscal Relationship scheduled for March 27th. How the rules are established will either assist or limit the capacity of local government to be responsive.

Chairman Abel reminded the Commission that Mr. Smyth is working with the CAO not the EEC, but that the Commission is assisting the CAO on this report. Task Force Co-Chair Philibosian stated that the Commission's choices in relation to this report are to endorse the recommendations in part or full, or to not endorse the recommendations.

Commissioner Sylva asked if a presentation would be made to the Commission on the pending legislation. Chairman Abel stated the pending legislation is a very recent action and he will arrange for a future presentation to the Commission.

Task Force Co-Chair Philibosian asked that the task force receive a copy of the pending legislation. Chairman Abel stated he would forward it to staff for distribution to the task force.

## **I. CALL TO ORDER**

With the presence of a quorum Chairman Abel called the meeting of the full Commission to order at 10:30 A.M.

## **II. ATTENDANCE**

### **COMMISSIONERS PRESENT**

David A. Abel  
Hope J. Boonshaft  
Benjamin F. Breslauer  
Gunther Buerk  
David W. Farrar  
Chun Lee  
Tony Lucente  
William J. Petak  
Robert Philibosian  
H. Randall Stoke  
Julia E. Sylva

### **COMMISSIONERS EXCUSED**

Richard D. Barger  
John Crowley  
Jonathan Fuhrman  
Michael A. Jimenez  
Carole Ojeda-Kimbrough

Roman Padilla  
Marc A. Seidner  
Tony Tortorice

### COMMISSIONERS ABSENT

Fred Balderrama  
Christopher W. Hammond

Moved, Seconded and Approved: The Commission members noted above be excused.

### III. CONSIDERATION OF MINUTES

Moved, Seconded and Approved: The minutes of the February 11, 1998 Commission; Meeting be approved as submitted.

### IV. INTRODUCTION & ANNOUNCEMENTS

Chairman Abel introduced and welcomed Ms. Hope Boonshaft a new member of the Commission, appointed by Supervisor Yaroslavsky. Ms. Boonshaft is the Sr. VP of External Affairs for Sony Pictures Entertainment.

### VI. PRESENTATION (a) - [Mr. Ira Yellin, Senior V.P., So. Cal. Development, Catellus Development Corporation, Topic: Civic Center Authority and the 10 Minute Diamond](#)

Chairman Abel welcomed Mr. Yellin to the Commission. Mr. Yellin began by stating that between federal, state, county and city governments, within the next 10-15 years, there will be approximately 5 million feet of space in newly built or reconstructed structures in Los Angeles. This represents an investment of billions of public dollars. For example, the new federal courthouse alone is a half a billion dollar project. There is now an opportunity to have a world-class government center that is vibrant, inhabitable, and can be the incubator for creating the type of downtown area that this community desires. The 10 Minute Walking Diamond is a concept evolving with the Civic Center Authority and private sector to place each new structure in a matrix that will build on surrounding This concept will eventually serve as a focus in creating an inhabitable city. The issue is not how much money to spend, rather how to spend the money wisely in the creation of a great urban plan.

Mr. Yellin pointed out that the City Hall would be at the center of the diamond, with the diamond extending out a ten minute walk in all directions. Originally, Los Angeles was built on Los Angeles and Main Streets, at the foot of the Bunker Hill. Since Bunker Hill was an exceptionally steep street, everything was built north-south to effectively utilize a flat walking surface. The Civic Center was reoriented east-west when the Hollywood freeway was built. The original street names, Calle Primavera for Spring Street and Calle Principal for Main Street, would also be reinstated to more appropriately reflect the history of Los Angeles.

Currently, construction is taking place on the following:

1. Restoration of City Hall has committed one quarter of billion dollars,
2. Disney Hall is under construction and will bring enormous tourist revenues to the area,
3. The new state office building at 4th and Broadway, opening at the end of this year, is an important commitment by the Wilson Administration to restore an abandoned historic building rather than build new, and,
4. The beginning of the MTA's Angel Walk program will begin to unfold this year and will eventually continue through the Civic Center all the way through the Pueblo into the Union Station tourist hub.

New structures will be built to comply with seismic requirements, when it is deemed more cost effective to build rather than to retrofit. CalTrans, for example, will be building a new structure for this reason.

Within the next few months, the City of Los Angeles will be issuing a RFP for the restoration of the Los Angeles Mall. This is the subterranean mall that exists from City Hall to the bridge over the Hollywood Freeway. This will be the first opportunity to reconnect the Civic Center to its birthplace at the El Pueblo, which will be another major step in renewing the downtown Los Angeles area, thus, transforming it into a vibrant pedestrian environment. The Cathedral will also add significantly to the life of the area.

The next major piece of the puzzle is the restoration and relocation of Parker Center, the police department facility.

Currently, the buildings are inadequate, but the Civic Center Authority supports the idea of a new facility in the same area, in a people friendly, community oriented environment that will create plazas and pedestrian connections in the eastern portion of the walking diamond, tying City Hall into the Japanese American National Museum and the Geffen Museum.

The site of the new Cathedral is on the western side of the diamond. Also on the westside, a potential new Los Angeles Unified School District building at Spring and Broadway. The top of the hill could be reserved for urban oriented private sector housing to bring a residential connection to the downtown community.

Catellus Development Corporation is restoring Union Station and creating pedestrian connections to the El Pueblo. Catellus is negotiating with the City of Los Angeles to restore the Pico-Garnier buildings in the Pueblo. The restoration of the Pueblo is comparable to what many cities have done with their historic birthplace.

Once the Disney Hall is completed there will be a plan to renew the Music Center buildings, and there are plans for making Grand Avenue a truly grand pedestrian street. Two big pieces within this area are the county buildings. There needs to be a process to investigate the actual status of these buildings and to analyze whether it would be more efficient to rebuild or restore and retrofit. If new buildings were constructed as a part of the walking diamond, the land mass that these buildings currently occupy could be used as part of the Civic Center plan.

One plan currently being examined would recreate the original civic center of Los Angeles on Main and Los Angeles Streets. This area would begin with the Pueblo, federal buildings would follow, then city buildings, and a new civic square which would be bounded by county buildings, the south lawn of City Hall, and Times Mirror Building. This runs right into the Regan State building. Other areas would be opened up to the private sector to create residential community with homes, restaurants, nightlife, etc., that would breathe life into this area.

Mr. Yellin stated that the plan he outlined is not inflexible, all the specifics could change. What is important is the concept of using public money, that will be spent anyway, to create and reform an entire downtown area. The role of the EEC should be to monitor and mentor government in the wise conduct of this project.

Commissioner Philibosian asked about the plans for the old state building site. Mr. Yellin stated that currently there are many duplications of services in public buildings, such as, cafeterias, conference rooms, auditoriums, etc. Part of the 10 minute diamond plan would provide for the sharing of some of these services so they are not replicated in each building. This would free up additional space for other public needs.

Commissioner Buerk asked if Mr. Yellin knew of any other downtown residential plans outside of the 10 minute walking diamond. Mr. Yellin replied that the downtown rental residential area is doing very well. The loft district in the eastern part of downtown has hundreds of units with a typically zero vacancy.

Commissioner Lucente asked Mr. Yellin to comment on the widely held viewpoint that Los Angeles will not have a hub like other cities. Mr. Yellin stated that Los Angeles will not have one hub, but several, and that the downtown area is already and will remain the primary hub in this city. The downtown area is currently the second largest government center in the U.S. It has the largest concentration of office space, lawyers, accounting, firms, etc.

There is also the largest concentration of infrastructure transit which comes through downtown. This transit system will continue to grow with almost 45,000 people and 1,500 buses going through Transit Plaza every day. Mr. Yellin added that a High Speed Train Commission has already been formed and the routing of the train, from San Diego to Los Angeles Union Station, through the central valley to San Francisco/Oakland, and Sacramento has already been established. The commute from San Diego to Los Angeles could be under an hour and from Los Angeles to San Francisco under two hours. The effect this will have on downtown is unfathomable. Hundreds of thousands of people will come into downtown rather than LAX.

Commissioner Petak stated that traffic in downtown and Los Angeles in general has been an issue. The 10 minute walking diamond will increase traffic and he asked what plans were in place to deal with this type of problem. Mr. Yellin stated that there are plans to extend High Occupancy Vehicle (HOV) lanes, but these plans have not been finalized. Another idea that is being considered is to complete the Glendale Freeway. Transit and transit reform have to be part of the answer. The population in the Los Angeles area is expected to grow by leaps and bounds and roads and freeways will not be able to accommodate all the people. He urged the EEC to consider these issues.

Chairman Abel thanked Mr. Yellin and asked Commission Farrar to report on the EEC's Real Asset Project. Commission Farrar stated that as a result of an EEC report, the County has initiated a comprehensive process for strategic real estate management. A draft report is expected in March. At this point Mr. Yellin suggested that the Real Asset Oversight Committee interface with the Civic Center to assist with the next steps in their effort.

## **VI. PRESENTATION (b) - [Mr. Jeff Kauzlaric, Bear Advertising, Topic: Finalization of the Commission Web Page](#)**

Chairman Abel asked Commissioner Lucente, Chairperson of Web Page Development Task Force, to introduce the next presenter. Task Force Chairperson Lucente stated that, as discussed at the last meeting, the web site has been redesigned in order to improve access to information on the site and improve navigation through the site. Suggestions by Commissioners Breslauer and Tortorice regarding the publications section have been incorporated. He introduced the consultant for the site, Jeff Kauzlaric, from Bear Advertising and asked him to present an overview of the new design.

Mr. Kauzlaric began by thanking Commissioner Lucente and the Commission's staff for their work in the creation of the new web site. He reiterated that the focus of the new design was to more efficiently provide information by improving the design of and navigation within the site. This has been achieved using "frame systems" where the standard menu is to the left side of the screen, and the center section is the point of navigation. Some center sections, such as publications, commissioner biographies, and agendas, are broken into two frames: one frame provides the specific Commission or project information, and the other presents an index of the information that can be accessed within that section.

The main menu contains the following sections: Commissioner Biographies, Agendas - the current agenda and the agendas for the previous 12 months, Current Projects, Publications, Monthly News - this will furnish information on the previous month's presentation, Links, Contact Us - this section contains an E-mail link to the EEC or a form that can be filled out to request information or submit recommendations, a link to the Los Angeles County Home Page, and a link to the District Attorney's page.

Each page on the site has been designed to provide the user with printed contact information about the Commission - name, address, phone, fax, e-mail, and web site address. Also, the title of the general menu on the left side of the screen changes with each section as it is accessed, so visitors always know exactly where they are in the site. The EEC logo at the bottom of each main menu establishes for the visitor an efficient means through which the visitor can return to the EEC home page.

The Home Page contains the new logo designed for the Commission; general information about the commission, its members and mission; and a list of Commissioners.

The commission biographies are in a frame form, with an index of all commissioners on the bottom frame, and specific biographies on the top frame. Also, if Commissioners are interested, a link to their personal e-mail can appear with their biography.

The minutes and agendas section are setup in the same frame system as the biography section. Maintenance of these sites was also a consideration in their design. Training as well as a manual of instructions will be provided to the EEC staff for updating and maintaining information.

Archives of minutes and agendas were designed to allow links to different areas for information. For example, if a visitor is looking at a past agenda they will be able to click on the section "Approval of Minutes" and link to the previous month's minutes and on the section "Presentation" and link to the presentation from that meeting.

Commissioner Breslauer asked why the past agendas were needed if minutes were also included in the site. Mr. Kauzlaric replied that the agendas allow the visitor to quickly scan through months of information which would take considerably longer if they had to search for the information through the minutes, which can be rather lengthy.

Due to the volume of information in the publications section, it was designed in a slightly different manner. The publications are categorized under the following topics: organization, operations, real asset management, risk management, legislation, courts, contracting, policy, security, and commission documents. This section is also designed using a frame system with an index of all the reports in the lower portion of the screen, and a report summary in the upper portion of the frame.

Commissioner Petak asked if completed reports were online. Mr. Kauzlaric replied that many of the reports will be placed online in the second phase of the site development. Currently, the "Accountability and Municipal Service Delivery to Unincorporated Areas" report and the "Review of the Relationship between Los Angeles County and State Government" are online.

Commissioner Petak asked if a listing of the awards that the EEC has received will be included in the site. He suggested that this list be added to the main menu. Commissioner Lucente and Mr. Staniforth agreed.

The Links section is an internal site resource designed to assist visitors in further research on local government issues. This section is divided into International Resources, Associations and Boards, Publications and Research Organizations that, when clicked, will take the visitor to a particular site.

Commissioner Lucente stated that the overall design was created to be visually attractive, but simple with few graphics. The primary focus was on providing information, with simple navigation that is easily maintained and updated by the Commission staff.

Commissioner Petak asked if any pictures, such as the actual award certificates, would be added to the site in the future. Commissioner Lucente stated that was a possibility and perhaps the office could look into getting a scanner.

Chairman Abel complimented Mr. Kauzlaric, Commissioner Lucente, and the Commission's staff for their work on the new web site.

## VII. NEW BUSINESS

None

## VIII. PUBLIC COMMENT

None

## X. ADJOURNMENT

On a motion from the floor, Chairman Abel adjourned the meeting at 11:45 p.m.

Respectfully submitted.



Bruce J. Staniforth  
Executive Director

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