

**ECONOMY AND EFFICIENCY COMMISSION  
MINUTES OF THE REGULAR MEETING  
May 23, 2018**

ROOM 525, KENNETH HAHN HALL OF ADMINISTRATION  
500 West Temple St., Los Angeles, CA 90012

***Editorial Note:*** Agenda sections may be taken out of order at the discretion of the chair. Any reordering of sections is reflected in the presentation of these minutes.

**I. CALL TO ORDER**

With the presence of a quorum of Chair Doten called the Commission meeting to order at 10:03 a.m.

**II. APPROVAL OF COMMISSIONER'S ABSENCES**

The following was the attendance for the meeting:

**COMMISSIONERS PRESENT**

Isaac Diaz Barcelona  
Robert Cole  
Becca Doten  
Benjamin Everard  
Jonathan S. Fuhrman  
Jacob Haik  
Ronald K. Ikejiri  
T. Warren Jackson  
Larry Kaplan  
Adam Murray  
Ed Munoz  
Benjamin Reznik  
Joanne Saliba  
Velveth Schmitz  
Connie Sullivan  
Steven Ward  
Lisa Watson

**COMMISSIONERS REQUESTING TO BE EXCUSED**

Kyo Paul Jhin  
Jeffrey Monical  
Wilma Pinder

**COMMISSIONERS NOT REQUESTING TO BE EXCUSED**

None

**III. APPROVAL OF APRIL 5, 2018 MINUTES**

Chair Doten asked if there were any objections or changes to the minutes of the April 5, 2018 Commission meeting. Hearing no changes, the motion was then Moved, Seconded, and Adopted. The minutes of the April 5, 2018 Commission meeting were approved.

#### IV. **REPORTS**

##### A. ECONOMIC DEVELOPMENT

Chair Doten praised the task force on their time and energy spent on working on this report. She added that this report does a great job of adding value to what is already out there and it was thoughtful in its lay out, approach, and recommendations.

Commissioner Schmitz commented that she has read a lot of white papers in her days and this report was incredibly impressive. She stated that the approach of integrating new knowledge with what already existed, combined with the clear and appropriate methodology used for gathering data were outstanding, contributed to a great innovative report.

Commissioner Schmitz added that she appreciated the thoughtfulness of laying out step-by-step of the methodology of the report. She also stated that she liked that the task force took existing information and filled in the gaps rather than create redundancy. She stated that it was a great pivot to look at things differently, innovative and refreshing to even recommend planning and land use in the report.

Commissioner Jackson stated that the difficult part was figuring out how to attack the scope when you don't have the ability to hire a consultant to help figure it all out. He stated that the task force opted to not try and reinvent the wheel but to take prior work that had been done and try to assess where the County was and see what improvements and what things the task force should recommend based on what the feedback that the task force heard from outside stakeholders.

Executive Director Eng stated that for all the new Commissioners and others that are not aware or that were not involved on a task force, it is pretty typical that when the Supervisors direct a project for the Commission to work on that it is usually very broad and the Commission must figure out how to narrow down the scope of work to something that is manageable. He stated that every time the Commission receives a project, the Commission must dissect the broad scope and make it manageable for completion in approximately 6 to 9 months. He stated that when this project was first given to the Commission, Commissioner Ward went back to the Board and they said that it was based on the BizFed Report. He also stated that once the task force started doing research, they found out that at least a dozen or so reports had already been written about on the topic of Los Angeles County Economic Development. Based on all that information out there, he stated that by just reiterating what others have done wouldn't have added value to the County. He stated that understanding, the task force pivoted to identifying knowledge gaps from all the reports and recommend approaches that would be new and innovative. He stated that the methodology employed mirrored what is known as grounded theory, where the task force starts with asking an open-ended set of questions, and with each successive interview, compare the data and look for emerging themes. Those themes were then tested and categorized for further analysis. Mr. Eng stated that it is through this iterative analysis that the recommendations were developed.

Executive Director Eng provided an overview of the layout of the report and began with three broad findings. He stated that the first one is to change the County's mindset from one of bureaucracy to one that is a little bit nimbler by investing in growth sector companies. He stated that the second is to build a talent-ready workforce so that LA County can grow the economy and create jobs. He stated that the last category is to focus internally on what the County could do to make things more efficient for businesses.

Commissioner Jackson stated in the first recommendation, a Bio Science fund it's already in place then the question becomes how can you make it better. He stated that there is a college base that can be a catalyst and provide the training for both current and future workers. He stated that innovation starts when you think about how to integrate and marry those resources to get the synergies to make an impact.

Commissioner Jackson stated that the issue that received a lot of discussion was the concierge service concept. He stated that there is already an existing service offered by the Department of Small Business and Consumer Affairs to help small business owners navigate the system. He stated that for larger projects, business owners might be willing to pay for such services. He stated that having the concierge service is a great idea but if the County wants to do it then it has to work and be effective. He stated that all of this came about when the task force was discussing the aftermath of the nationwide effort to get Amazon-who was looking at building a second headquarter to accommodate its future growth. He stated that the focus was not on one particular company but more on how to retain businesses here and how to make Los Angeles County more efficient. He stated that the task force did not get into incentives or anything in that realm since the County could do that on its own.

Commissioner Ward stated that the County cannot change State or City laws and regulations. He stated that the Concierge would be a great service because the recurring theme is not so much the costs but how long it took to get anything done.

Commissioner Reznik stated that he would have liked to see tied into the report the real issues on land development. He stated that the barriers to business is not so much the processing of permitting for businesses but the cost of housing. He stated that report addresses workforce training which is great and critical but one of the difficulties in why companies can't locate here is because of the cost of housing. He stated that there is nowhere in the report that addresses this issue.

Commissioner Munoz stated that the task force talked about it and for him it was an issue but it was not in the scope of work of what the task force was trying to get done.

Commissioner Jackson stated that the cost of housing in Westchester, Culver City, Santa Monica, and the like will go up because if you get businesses that are higher paying then you could get to the affordability problem. He stated that the task force couldn't figure out how to grasp around the notion how the County can affect that.

Commissioner Reznik stated that is the report is on recommending to all our cities in Los Angeles County and what everyone should be doing. He stated that when you talk about the Bio Science that wasn't just limited to the unincorporated areas it was directed to the whole county.

Commissioner Fuhrman stated that it is a mixture because there are clearly things that Los Angeles County influences whether the business is located in an unincorporated or incorporated territory. He stated that there are other things where the County jurisdictionally really does not have much of an impact like in the City of Los Angeles. He stated that we can't help much with land use permitting within the City of Los Angeles.

Commissioner Reznik stated that the purpose of the report is what Los Angeles County should do. He stated that the report should be bold and state this is what the County should be doing to encourage more housing developments in the County. He stated that by creating more housing we reduce the cost of housing in general. He stated that the County does have a role to play in influencing the City of Los Angeles and all the other 88 cities. He stated that when talking about bringing business and making a business environment for the County, the cost of housing is a huge barrier to businesses locating here.

Commissioner Munoz stated that he agrees with Commissioner Reznik on the housing issue but that the task force made a decision not to tackle because the County is already tackling this it.

Commissioner Reznik stated that a recommendation does not have to be the ultimate solution, it could be just that "we think the County needs to take a lead role in reducing the cost of housing in the entire County." Commissioner Reznik stated that he doesn't want to beat a dead horse but he would like to suggest that when talking about barriers in business and trying to encourage business to locate to the County, then the task force should recommend that it is a barrier that needs to be focused on and even if the County already has a taskforce working on the issue, it still should not be omitted from the report.

Commissioner Schmitz stated that since this was a robust discussion, it can be resolved by adding two sentences saying that while this may not be the scope of our work but we did consider this as an impediment for companies being able to relocate here because employees on a professional salary can't afford it. It takes two working professionals in a household to be able to afford a home here in the County.

Chair Doten suggested that on page 4 at the end of scope of work, modify the introduction to address the things the task force weren't going to tackle. She stated that it should read along the lines of "we also recognize that the housing is a detriment to do business here but that this report itself does not tackle the issue".

Commissioner Haik stated that he believes that the task force should reference the other County working groups because a lot of people in Commissioner Reznik's field and position would possibly have the same reaction. He stated that referencing the names of the groups that are currently working on this will help businesses or people locate a specific group to inquire with questions.

Commissioner Jackson stated that the on the workforce development recommendation, the purpose was not trying to indict the public and private educational system but rather focus on utilizing the resources that are here to benefit the companies that are here, or those we would want to attract. He stated that the task force was more focused on colleges trying to do some partnering. He stated that workforce development to build a skilled workforce was an issue that came up over and over again.

Commissioner Watson stated that she really appreciated the recommendation in that area. She stated that she just wanted to correct one typo that should read "The Claremont Colleges".

Mr. Eng stated that in recommendation 1 this came about because the county already has a loan program that encourages small startup businesses to access those funds to help them grow. However, all startups go through four stages the conceptual stage, the prototype stage, the testing stage, and commercialization stage. He stated that startups in the early phases will not have the collateral needed to access those funds so the County needs to add an investment fund. He stated that that is how Silicon Valley started with Fairchild receiving government support. He stated that once you have the mindset of investing in the growth sector specifically in Bio Science you need to build the talent pipeline talent to feed the sector. He stated that the County should look to see how other emerging growth sectors have grown and flourished.

Commissioner Fuhrman stated that there are two things about the concept of going beyond a loan fund. First, you have some collateral and some expectation of having the loan repaid. But to do an equity investment, you have some expectation that a significant number of your investments will go belly up because many startups will fail but that it is doable in a series of years. Secondly, Commissioner Fuhrman stated that it sends a message that the County not only is sort of paying lip service but is actually interested in helping stimulate startup ventures in LA County and that it would be professionally managed. He also stated that we are willing to change the typical perception of the role of the County from one that is supportive of business but expecting something back in return to one that is more accepting of risks and more willing to go out on a limb and be supportive to new startups in the County.

Executive Director Eng stated that Department of Consumer Affairs, Regional Planning, ISD, and the Tax Collector all have independent systems working to help businesses and they are currently all using a different platform. He stated that the County got very innovative and created a platform called Epic LA, which was created by Regional Planning. He stated that he understands it's a pilot program but then when you start talking to other departments, they are at very stages of building their own systems. He stated that the task force didn't understand why they weren't using one single system because that is where the savings would be achieved. He stated that this recommendation really builds on consolidating the various systems.

Executive Director Eng stated that the task force will use June and July to meet with all the stakeholders. He stated that the 5<sup>th</sup> District will be coordinating a meeting for the task force to make a presentation to the Economic Development Committee. He stated that a motion is needed today to approve the report as it stands with the changes that were discussed, and provide the authority to the task force to make any other minor edits moving forward without coming back to the Commission for approval. The motion was then Moved, Seconded, and Approved.

## B. VIDEO ARRAIGNMENT

Executive Director Eng stated that Commissioner Fuhrman and Chief Maria Gutierrez will co-chair the next meeting with about 30 people and address all the questions to move the project forward.

Commissioner Fuhrman stated that the only resistance left is from a few County agencies. He said he hopes to be able to address those concerns at the next meeting.

Ms. Aisha Pittmon stated that the Video Arraignment task force meeting will be held in the Hall of Administration on May 31, 2018 in Room 525.

**V. PRESENTATION**

There was no presentation scheduled.

**VII. NEW BUISNESS**

None

**VIII. PUBLIC COMMENT**

None

**IX. EXECUTIVE COMMITTEE REPORTS AND ANNOUNCEMENTS**

Chair Doten stated that on March 6, 2018, the Board of Supervisors appointed Ms. Velveth Schmitz to the Citizens' Economy and Efficiency Commission. Chair Doten welcomed and congratulated Ms. Schmitz on behalf of the Commission.

Commissioner Schmitz stated that she was elected to the Rolling Hills Estates City Council in 2015 and is serving her first term as a council member. She stated that she has over 12 years of volunteer experience with the City of Rolling Hills Estates and has served on various committees and was also a commissioner on the Parks and Activities, and Planning Commissions. She stated that her background is in investment and technology. She stated that now she is happily serving as a councilwoman.

Chair Doten stated that the July meeting should be changed to July 12, 2018 due to the Holiday and Commissioners being out of town. She asked for a motion to move the meeting date, the motion was then Moved, Seconded, and Adopted. The July 2018 Commission meeting was approved to be changed to July 12, 2018.

Administrative Assistant Pittmon stated that in addition to the meeting date, the meeting location will also be change to the 3<sup>rd</sup> Floor Sybil Brand Conference, Room 372.

**COMMISSIONERS' ANNOUNCEMENTS**

None

**X. STAFF ANNOUNCEMENTS**

Ms. Pittmon reminded Commissioners that there will be no meeting next month in June and reiterated that the next E&E Commission Meeting will be held on July 12, 2018 in the Sybil Brand Conference Room on the 3<sup>rd</sup> floor of the Hall of Administration in Room 372.

**XI. ADJOURNMENT**

The meeting was adjourned by Chair Doten at 11:57 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Edward Eng".

Executive Director, Edward Eng