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OP-ED

L.A. already has a blueprint

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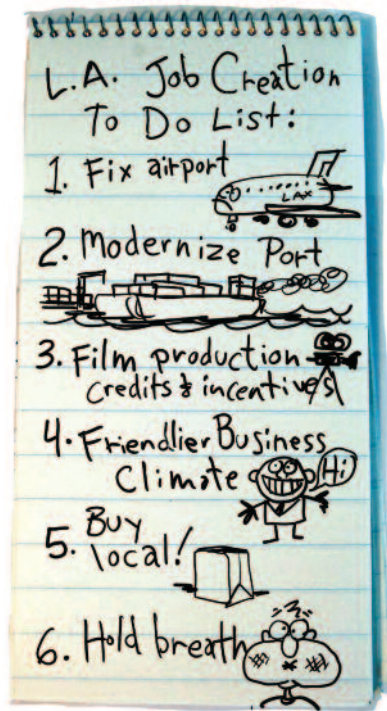
More than 7 million Americans have lost their jobs since the recession began in 2007. While the resulting national unemployment rate of almost 10% is daunting, the county of Los Angeles has lost more than 400,000 jobs in the last 2½ years. Joblessness in the city of Los Angeles now stands at a staggering 13%.

The situation has finally gotten the attention of public officials. The jobs summit hosted by President Obama late last year, and his plans to put more federal money and tax credits into job creation, are both good signs.

Here in Los Angeles, Mayor Antonio Villaraigosa has said that job creation is his administration's No. 1 priority, and he recently named a new deputy mayor and chief executive for economic and business policy, Austin Beutner, who has pledged to make Los Angeles more business-friendly by changing the culture at City Hall.

Engagement by City Hall is to be applauded, but I hope local officials won't forget that we already held a job summit here. In 2006, Villaraigosa and I discussed the alarming loss of high-quality jobs in the region. He asked me to chair a commission to study the problem, which I did, and we pulled together a coalition of leaders from business, labor, nonprofit and academia. The panel delivered 100 recommendations to strengthen L.A.'s economy and create high-quality jobs.

Not enough progress has been made since the report was published two years ago. Much more work needs to be done, and the situation is even more critical now than it was then.



Illustrations by PATRICK O'CONNOR For The Times

Now is the time for public officials in Los Angeles to take the Los Angeles Economy & Jobs Committee's blueprint for economic growth off the shelf and put its recommendations into action. Some of the proposals can be implemented quickly. Others will take time. But all of them would contribute to local job growth. Here are a few examples:

- Buy local: In 2009, L.A. city government spent roughly \$1.7 billion for various goods and services. Unfortunately, companies in L.A. received

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only 15% of it. More than half of the total went to firms outside the region, and some of it left the state entirely. The city's procurement guidelines should give preference to local manufacturers and service companies.

- Lower the city's gross receipts tax. Los Angeles is a particularly expensive place to do business, according to the annual Kosmont-Rose Institute Cost of Doing Business Survey. One reason is a convoluted gross receipts levy that taxes local companies on revenue they earn in the city of Los Angeles — and at a higher rate than they stand to pay in neighboring cities. Reducing the tax would significantly lower the costs of doing business in L.A. and encourage companies to expand and hire local workers.

- Expand the Port of Los Angeles in an environmentally responsible way. L.A. has one big economic advantage over every other American city: It is the nation's major gateway to Asia and Latin America. The local port complex handles more than 40% of all U.S. waterborne merchandise trade. To retain our competitive advantage and accommodate growth, we need to transport goods faster and more efficiently. That means placing rail facilities closer to the port. Completion of the Southern California International Gateway

project would create as many as 14,000 jobs in L.A. County, according to the economic forecasting firm IHS Global Insight.

■ Encourage local film and television production. Annual production of a one-hour television series drama creates 180 direct jobs and 540 indirect jobs. These jobs ripple into almost all sectors of the city's economy. In addition to waiving the fees for filming at popular sites, the city should create "entertainment and technology zones" that would attract companies through tax credits, lower utility costs, fee waivers and so forth.

■ Fix LAX. The city should accelerate its efforts to improve and modernize Los Angeles International Airport

and make growing tourism and airport-related jobs a top priority. LAX is the world's fifth-busiest passenger airport, and it is responsible for 460,000 jobs in the region. One international flight operating daily supports an average of more than 3,000 local jobs. A world-class city in the 21st century cannot tolerate a second-class airport.

These are just a few of the LAEJC report's recommendations. In all, they underscore the need for public/private partnerships that create jobs, grow the economy and expand the city's tax base.

The City Council late last year took a step in the right direction by voting to require an "economic impact analysis" for each new proposal under

its consideration to determine its probable impact on jobs and the local economy before voting. This was one of the recommendations in the LAEJC report, and we hope city officials will move quickly to make this economic analysis a reality.

I applaud the job-creation moves by both the mayor and the City Council and urge them to stay the course. Los Angeles has an abundance of talent, resources and opportunities. The city also has a clear blueprint for sustainable economic growth. What it needs now is the overarching commitment to make job creation a top priority.

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