

Economic Development

POSITION

Economic development is a critical component of a thriving city and the well-being of our members in the commercial real estate industry. As stakeholders in the economic health of Los Angeles, we recognize that strategic investments and policies that spur economic activity directly benefit our members and the broader community.

As such, we:

- Support coordinated efforts between government decision-makers, private investors, and community stakeholders to foster economic development projects that create jobs, increase property values, and enhance the quality of life in Los Angeles.
- Advocate for the development and implementation of policies that encourage public-private partnerships, particularly in large-scale projects such as the restoration and remodeling of the LA Convention Center, which promise significant economic returns for the city and our members.
- Endorse the creation of incentives for businesses to invest in commercial real estate, especially in underdeveloped areas, thereby promoting economic growth and revitalization across all neighborhoods.
- Oppose efforts to equate vacancies with nuisance properties. A vacancy can be caused by multiple issues including changes in market conditions, zoning policy obstacles, construction delays, or other related issues. Policies targeting nuisance properties must be narrowly tailored to those properties which do cause or are likely to cause harm to health and safety or are truly abandoned properties.
- Oppose efforts to penalize building owners with vacant space as long as the owners are making reasonable efforts to lease or develop the property for alternative uses.
- Support efficient use of public funds to ensure that economic development projects are financially sustainable, deliver promised economic benefits, and provide value to taxpayers without imposing undue burdens on the commercial real estate industry.
- Promote policies that streamline permitting and approval processes for economic development initiatives, reducing bureaucratic delays and allowing projects to commence and contribute to the economy more rapidly. Emphasize the value and importance of getting businesses into buildings and the direct mutual benefit of businesses being profitable; and sustaining that profitability.
- Advocate for equitable economic development strategies that distribute benefits across all sectors of the economy, ensuring that the commercial real estate industry plays a central role in the city's growth while also contributing to broader economic equity. This includes promoting

reasonable and balanced energy efficiency and sustainability initiatives, opposing split roll property tax measures and other inequitable tax measures, and supporting reforms to streamline building codes and regulations.

- Encourage collaboration between the commercial real estate sector and educational institutions to develop a skilled workforce that meets the evolving needs of a dynamic economy.

BACKGROUND

Los Angeles's economic health, particularly its central business districts (CBDs), is at a crossroads. BOMA GLA members, many of whom are in these districts, face challenges stemming from the pandemic, including low occupancy rates and increased operating costs. As the city navigates this pivotal moment, partnerships between municipal leaders and the commercial real estate sector are critical to the long-term vitality of these CBDs.

Downtown Los Angeles (DTLA) exemplifies the need for such collaboration, as it continues to experience both unrealized potential and barriers that slow economic growth. For example, Oceanwide Plaza was once a promising mixed-use development, but financial troubles had construction halted in 2019. The resulting vandalism coined the plaza as the "Graffiti Towers," symbolizing a significant setback for the city's economic revitalization efforts.

The idea of this position paper arose from discussions surrounding the proposed restoration and remodeling of the LA Convention Center. It represents an opportunity to drive economic activity, boost employment, and stimulate commercial real estate in the heart of the city. Decisions about this and similar projects have significant implications for our members.

While economic development is a broad and multifaceted issue, our focus will be on those areas most relevant to our members. This includes large-scale projects that drive economic activity, policies that foster business growth, and strategies that ensure the commercial real estate sector remains a key player in Los Angeles's economic future.