



Greig Smith

Meeting Report for January 19, 2009
by
Richard Bort and Denny Schneider

Valley VOTE members, community leaders, and concerned citizens convened on January 19, 2009 at Galpin Ford to hear featured speakers **Greig Smith** and **Bob Scott** speak on several current projects in and around the City of Los Angeles. Additional speakers addressed the city's Measure B (Solar Panels on Roofs) and the Sepulveda Veterans facility in North Hills, both of which are controversial issues. In addition, several candidates for elective office attended who are seeking support in the March 2009 election including **David Hernandez**, candidate for L.A. Mayor, and **Noel Weiss**, candidate for City Attorney and **Louis Pugliese**, candidate for LAUSD School Board.

We encourage everyone to join us on the third Monday of each month to hear the latest information and to participate in open discussion of community interest topics. Go to the Valley VOTE website: www.valleyvote.org for meeting agendas, minutes, and press releases.

Greig Smith,
City Council Member, 12th Council District
L.A. LEAP and RENEW L.A.

LA LEAP

Greig Smith noted that since 1990, the population of the City has grown by more than one million people, yet the City has lost some 90,000 jobs. The City badly needs an economic development program designed to retain and attract businesses. Many high profile companies have moved out of the city. A strong supporter of past measures to make the City more business-friendly such as the current tax relief program, he has developed a collection of business enhancement motions named the **Los Angeles Legislative Economic Action Plan (LA LEAP)**.

LA LEAP addresses the perception by many in the business community that the City is unfriendly to business, especially when compared to neighboring jurisdictions. Councilman Smith attributes this negative reputation to numerous factors, including but not limited to complicated entitlement processes, complex tax codes and high tax rates, and lack of incentives to nurture existing businesses or attract new ones.

The call to remedy this perception is not new; however, there has been much more talk than action. A 1995 report was submitted to then Mayor Riordan recommended streamlining the development process to remove uncertainty and complexity from the LA permits system and multiple business tax reform measures. Other than modest tax reduction and consolidation of a myriad of taxable classifications, businesses in the City were left carrying a high tax burden compared with neighboring municipalities.

In 2007 a Business Retention & Attraction Task Force of industry experts and business community advocates proposed recommendations to the City Council calling for:

1. Further tax simplification and reduction measures;
2. Improved predictability in housing and development policies;
3. Investment in the Port of Los Angeles and LAX; and
4. Creation of a Los Angeles Entertainment Technology Development Zone.

Mayor Antonio Villaraigosa's Los Angeles Economy & Jobs Committee (LAEJC), comprised of business, labor, government and academic leaders, scaled back a comprehensive assessment due to time constraints and offered 100 recommendations for immediate action to improve the economy and make LA more business friendly. Their report, entitled "Building a World-Class City for the 21st Century," includes some new ideas as well echoing many past recommendations.

In response to numerous calls from the community, and in light of the already weakening economy, the Los Angeles City Council created a standing committee, the *Jobs, Business Growth, and Tax Reform Committee*, to begin the process of actually implementing many of the aforementioned recommendations. Greig Smith, committee chair, along with committee Council members Wendy Greuel and Herb Wesson, solicited input from business owners and advocacy groups, labor representatives and residents to the most pressing challenges and concerns and what steps the City could take to be more business-friendly. Thus was born LA LEAP.

"LA LEAP is not just a policy statement," said Smith. "It is 13 specific motions" that have been submitted to the City Council that deal with a wide variety of issues. Taken together, LA LEAP will comprise a "toolbox" of economic development tools designed to meet business' criteria for creating jobs. Smith cited the example of Kyocera, which was seeking to build a new manufacturing site in L.A. but selected Tijuana instead. The "development controls" in L.A. would substantially lengthen the time that the manufacturing capacity would be available. Further, the City had no "tools" such as tax abatement or the ability to expedite zoning adjustments to offer the company to change its decision. Smith mentioned that both the biotech and "green-tech" industries are exploding and that L.A. needs to create a set of "tools" that City leaders can use to compete with other cities in attracting businesses in those industries.

Among the LA LEAP series of 13 motions is one that calls for LA Unified School District to instruct students with the specific knowledge needed to satisfy these new industries' job requirements. "We need to prepare people for life, not just college," Smith admonished. "We need to develop internships and job training at the community colleges as well."

Another motion of LA LEAP would create a centralized Grants Unit. Smith noted that the City's grant-writing efforts are staffed by well-meaning bureaucrats who have no training or particular expertise in applying for grants and that grant opportunity monitoring is fragmented throughout the city's bureaucracy resulting, in L.A. "leaving millions of dollars on the table."

A third motion seeks to reduce the gross receipts tax on businesses by another 15 percent.

To date, all 13 motions have been introduced to the City Council, and Smith's Jobs, Business Growth, and Tax Reform Committee will soon be holding hearings. The committee has already received support for the 13 motions from VICA, former Mayor Richard Riordan, the L.A. Chamber of Commerce, and others, and Smith asked for support from Valley VOTE as well. For a detailed description of the LA LEAP program, including a complete list of the 13 motions, see Greig Smith's website:

www.lacity.org/council/cd12/cd12homepage/cd12cd12homepage256556721_11072008.pdf

RENEW LA

Recovering Energy, Natural Resources and Economic Benefit from Waste for Los Angeles (RENEW LA) is the plan developed and driven by Councilman Smith to end the City's use of landfills. By maximizing recycling and reuse, and converting trash into clean electricity and valuable raw materials, RENEW LA will protect the environment as well as create a clean, high-technology industry with quality local jobs.

Smith understands the consequences of no action. His Council District includes the City's portion of the Sunshine Canyon Landfill, which receives the lion's share of the city's trash. He notes that we can meet our recycling target with half a dozen relatively small trash conversion sites around the City which will dramatically reduce the pollution from current trash trucks' long drive to Sunshine Canyon while saving the City money as

well. (**Valley VOTE** endorsed RENEW L.A. in October 2005)

Smith gave attendees an encouraging update on this critically important project. In approving the RENEW LA project, the City Council has adopted a "Zero Waste" goal, in keeping with Los Angeles' best-in-the-U.S. recycling rate of 62 percent currently.

Despite this terrific recycling rate, the Sunshine Canyon dump still receives only a nominal reduction of trash from the 1989 levels. Following a Request for Proposals for pilot projects last summer, the City's Bureau of Sanitation (Department of Public Works) received 13 proposals from literally all over the world, except from U.S. companies. It seems that there is no capability in the U.S. to meet L.A.'s requirements yet many other countries have been successfully using various technologies for many years. The Bureau is currently winnowing the proposals down to two and has identified at least three sites for placing such trash conversion plants. The Bureau plans to bring to the City Council in June its recommendations for the two plants and sites, and Smith expects these plants will be operational in 3 to 4 years.

Smith led a delegation of City staff and its consulting firm last summer that visited 14 facilities in eight countries. For a very interesting and informative report on this trip and what they learned, Councilman Smith's website, at: www.lacity.org/council/cd12/cd12homepage/cd12cd12homepage256555926_10012008.pdf

The RENEW LA plan is ultimately to have six such plants scattered throughout the city. Corollary benefits would also include shorter and fewer trips by the diesel trash trucks, thereby saving fuel, creating less air pollution, and relieving traffic. The output from the plants themselves would be recyclable or reusable products that can be sold as industrial materials or used to generate heat or electricity, or as fuel.

One of Smith's favorite technologies is an Israeli proposal in which trash is dumped into a water tank. Those materials that float are probably paper, styrofoam, and the like and can be skimmed off and sold or recycled. Those materials that sink are probably metal, sand, or glass and likewise can be recycled. Materials in the middle are allowed to ferment for 30 days and become compost. The emissions from such a plant are estimated to be only one percent of the maximum allowed by the Southern California AQMD, and the processing is completely enclosed indoors with negative pressure so that nothing is released into the local communities. Most of the other technologies involve super-heating the trash without the use of oxygen to simply melt the stuff.

OTHER TOPICS

Greig Smith fielded questions on numerous other topics, including:

Measure B – Solar Electric Roof Panels

After hearing the earlier comments in the meeting for voting to place this measure on the March ballot, Smith pointed out that the Council has not approved the measure. It voted merely to place it on the ballot for the public to vote on. Smith noted his strong support for solar power generation, pointing out that he is one of the very few homeowners in this city to have installed solar panels on the roof of his home to generate electricity. He emphatically said, however, "**I DO NOT SUPPORT MEASURE B**," noting that he does not like the (IBEW) union support or the cost and funding aspects of the proposal.

Water Desalination

In response to a member's question, Smith acknowledged that L.A. and all of Southern California is facing a water shortage, but water from desalination plants still costs significantly more than that of existing water supplies. He said, "We're just not at the tipping point yet," implying that the tipping point is perhaps 20 to 30 years away. He noted that in Israel, about 98 percent of their water is recycled.

Bob Scott
Director, Mulholland Institute

San Fernando Valley Council of Governments

Bob Scott, the second featured speaker has been extremely active in citywide and San Fernando Valley affairs for many years, and he was a co-founder of Valley VOTE in the late 1990s.

The Mulholland Institute is affiliated with the Valley Economic Alliance. According to its website (www.MulhollandInstitute.org), it "serves as a public policy center providing objective research, information and education on issues relating to governance, prosperity and the quality of life in Southern California communities, with a goal of supporting thoughtful and creative decision-making."

In the unsuccessful campaign for Valley independence the leaders of the campaign – including Scott – realized

that there were very few data points that defined the San Fernando Valley apart from the City of Los Angeles. Since then, Scott and others have worked hard and effectively to rectify that situation. Business activity and demographics in the San Fernando Valley is measured so that there can be coordinated efforts and strategic planning for this important area. Scott told Valley VOTE members that three goals were established to achieve this strategic situation:

- 1)Designation in 2006 by the U.S. Census Bureau of the San Fernando Valley Sub-County Census District (CCD), which includes the cities of Burbank, Calabasas, Glendale, Hidden Hills, San Fernando and portions of the City of Los Angeles and unincorporated Los Angeles County.
- 2)Formation of the San Fernando Valley Council of Governments (COG) and SCAG Planning Subregion, which was the subject of Scott's remarks at this meeting; and
- 3) Obtain consistent funding for the San Fernando Valley Visitors Bureau.

Scott said that a key component of the strategy for addressing the long-term strategic needs of the San Fernando Valley is to have the Valley recognized separately from the City of Los Angeles by the Southern California Association of Governments (SCAG) as a "Planning Subregion." SCAG is the federally designated Metropolitan Planning Organization for six counties that is mandated by the federal government to research and draw up plans for transportation, growth management, hazardous waste management, and air quality; and additional mandates that exist at the state level.

With the designation as a Planning Subregion, the Valley would be the subject of subregional planning studies and processes that would contribute to the overall SCAG work plan. The SCAG Regional Council has already unanimously approved the formation of the new subregion.

Scott said that the plan is to form a regional core in the form of a Council of Governments (COG) consisting of those cities and parts of L.A. City and County that comprise the Sub-County Census District. (He noted that the City of Santa Clarita has recently expressed an interest in participating in the COG as well.) The ultimate goal is to form a Joint Powers Agency among the COG members, which would be eligible to obtain federal grants for funding transportation infrastructure, for example. Scott noted that the smaller cities that are participating in the formation of the COG are excited because they cannot do much by acting alone without the clout of the San Fernando Valley portion of the City of L.A.

Scott noted that the COG's initial annual budget currently is \$100,000, with proposed shares of one-third each contributed by L.A. County, L.A. City, and one-third split among the remaining jurisdictions. Unfortunately, he said, the current state of the economy is causing the City to resist paying its \$33,333 share.

Valley VOTE Committee Reports

L.A. World Airports

Denny Schneider reported that the monthly passenger numbers and tons of cargo at LAX continue to reflect the economy by dropping to levels not seen since post 9-11. Ontario Airport passenger numbers dropped even faster, and Palmdale's passenger service has been terminated. The reduced number of flights, passengers, and cargo tonnage translates directly into reduced revenues to LAWA, which will impact maintenance and updating of the airport facilities.

A positive note is that LAWA has hired consultants to work with local elected officials and community representatives to identify and resolve noise issues at Van Nuys Airport. Further, LAWA will complete installation of a new, improved noise monitoring system later this year to provide the best data possible in support of the resolution efforts. Concurrently, VNY is continuing to plan enforced restrictions for the noisiest phase II aircraft. "LAWA is exposing its modernization project details piecemeal and we still don't really know what is really planned overall," Schneider said. "LAWA unveiled its new concept for LAX Bradley International (TBIT), a new Midfield Complex, Crossfield taxiways, and people mover system. Extension of the Green Line into LAX remains elusive; it may take until 2020, if ever. Projects already approved by the 2006 Stipulated Settlement Agreement to reduce auto traffic in the Central Terminal Area, such as the Consolidated Rental Car Project, remain unstarted. As project funding availability falls we wonder what will be built and what is to be deferred." The controversy continues over LAWA's desire to move the north runway farther north into Westchester/Playa del Rey and impact many businesses and residents there.

Sepulveda V.A. Hospital Project

Pauline Tallent reported on this long-standing controversial issue over the planned change in the use of the facility. She said that the facility currently has two buildings that have been vacant for 15 years that have now been leased for a 75-year period to the nonprofit New Directions to create some 149 apartments for homeless veterans. Ms. Tallent objects to the V.A. facility being used for anything except a medical facility for veterans. Others, including a contingent at the meeting from the North Hills West Neighborhood Council, object to the facility being used for housing the homeless, even if the residents are former veterans.

Representatives of the developers, **Dora Gallo** of A Community of Friends and **John Kavony** of New Directions, attended the meeting and briefly explained that they have made progress to limit the housing to "veterans only." One step remains to complete this process, which Ms. Gallo was hopeful will occur soon. In discussion, it seemed that there may be a difference of opinion over what existing zoning covers that property. In view of the complexity and passion involved in this non-agenda matter, President **Joe Vitti** said he will place it on the agenda for the next meeting, at which time all interested parties may air their positions.

Measure B – Solar Electric Roof-Mounted Panels

David Hernandez, Valley VOTE Board member and chairman of the L.A. Mission College Foundation, reported that the college utilizes many of its rooftops for solar electricity panels, and he strongly supports solar energy. He said, however, that the controversy is not about solar, but about how this matter got onto the ballot and whether there will be a monopoly by the DPW's main labor union, the IBEW. He further noted that, if passed, the Measure will not add any jobs, as IBEW members will likely be imported from nearby states to do the work; and the DWP/IBEW's Apprentice Program will not generate any new, qualified workers for some time. When the Measure was certified for the ballot, several people worked together to prepare the "opposition statement" to appear in the voter information guide that accompanies the ballot. Subsequently, **Mayor Villaraigosa** and others challenged the opposition statement in a lawsuit that attorney **Noel Weiss** successfully defended on a pro bono basis. Mr. Weiss briefly remarked at this meeting that "The Council did a head-fake on you" by rushing the Measure through.

Jack Humphreville, a Valley VOTE Board member and one of those in the opposition group who was sued, said that the two lines of protection for DWP ratepayers, the Board of Commissioners and the City Council, failed to question the proposal contained in Measure B. In fact, he said that the DWP completely skirted around its own Board of Commissioners and it suppressed the outside consultant's report that was critical of the proposal. If Measure B passes, Humphreville said that it will likely cause electricity rates to jump significantly. He used this incident to illustrate why ratepayers need the protection of a "Ratepayer Advocate." Humphreville said that the California Public Utilities Commission has one (that does not cover municipal utilities like the DWP), and that the Los Angeles customers of the DWP need one as well. **David Nahai**, general manager of the DWP has said, according to Jack, that a Ratepayer's Advocate would cost too much; but Humphreville estimates that such a position would cost on the order of \$1 million per year to oversee a business that spends more than \$20 billion, and that is a reasonable ratio in his view.

Neighborhood Councils

George Truesdell reported that the City Council has approved a motion to allow neighborhood councils to submit Council Files provided that the NC members file financial disclosure forms. The Council's Education and Neighborhoods Committee, according to Truesdell, approved the motion without requiring any financial disclosure. However a majority of the City Council approved a motion requiring the submission of a limited financial disclosure form based upon the recommendations of the L.A. Ethics Commission and the Board of Neighborhood Commissioners. Truesdell reported that several board members of neighborhood councils, vowed not to submit Council Files as long as financial disclosure is required.

New Grass Roots Organization

A newly formed organization, the Golden State Jobs Coalition, has been formed to study ways to enhance the sustainability of the regional economy so that it can generate new jobs. The Coalition will be looking at issues involving infrastructure, safety (getting kids into jobs reduces street violence, drugs, etc.), and ways to survive on less fossil fuels. **Carol Lutness**, chair of the coalition, said that the Coalition's funding will come from building trades and its unions, foundation grants, and citizens' donations. It has no website yet.

Membership

Richard Leyner, Valley VOTE Chairman, noted that annual membership dues for calendar 2009 are now due. The dues amounts remain unchanged from last year at \$25 for members, \$50 for Valley VOTE Board members, and \$100 for Executive Committee members. He said good-naturedly, "It's true, that the more work you do for Valley VOTE the higher the dues are." New Valley VOTE Board members can find the membership application form at www.ValleyVOTE.org , which can be downloaded and printed, filled out, and mailed. (Please note that new Valley VOTE Board membership acceptance is subject to approval by the Valley VOTE Executive Committee.)

All checks payable to Valley VOTE can also be mailed to:

Mr. Vic Viereck, Treasurer Valley VOTE, 12702 Tiara Street, Valley Village, CA 91607

The next meeting of Valley VOTE will be held on Monday, February 16, 2009 at Galpin Ford,

Valley VOTE Mission Statement

Valley VOTE, a diverse coalition of San Fernando Valley residents, business people, educators, community activists, and organizations, is committed to exploring and fostering the implementation of programs that empower the people of the San Fernando Valley and the City of Los Angeles, to improve local governance, education and public participation on policy matters.

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