

Valley VOTE

Meeting Report for July 16, 2012

Prepared By Denny Schneider

Valley VOTE Board members, community leaders, and concerned citizens convened at Galpin Ford to hear featured speaker, Controller, Wendy Greuel, current Candidate for Mayor of the city of Los Angeles. In addition several informative Valley VOTE committee reports were presented and are also summarized below.

Wendy Greuel, "Los Angeles Moving Forward," Candidate for LA Mayor



Ms. Greuel told us that she is not a typical politician because she *"wants to do the job, not just be the Mayor."* She is a "Valley Girl" who grew up here and has a love for this community. She is a family business owner so she understands the challenges of running a successful business.

Ms. Greuel emphasized that the next Mayor will be challenged and that she is up to the task. Balancing our City budget will be a big challenge. Our fiscal situation is critical. In response to a question about the structural deficit Wendy told us that underfunded pensions and health care costs must be addressed. Priority based budgeting is a must. We need to face

real issues including unfunded pensions. We need to make the decisions, not place them in the hands of a judge.

Improving the business climate is an important key. "Business," she told us, "must be accommodated and encouraged. The Mayor must be an active ambassador to encourage businesses to come to LA and to remain." She noted that we have outstanding business schools and touted that over fifty USC student created businesses have started in LA and are thriving here.

Business retention can be accomplished in several ways: One stop City offices to help businesses identify and comply with our rules, shorten the times required to obtain permits, provide consistency of rule application, and implement tax reform. "The business gross receipts tax," she told us, "is a disincentive to being in LA and we need to eliminate it." Wendy reminded us that she created the current Business Tax Reforms which lowered and/or eliminated small business taxes. She thanked Valley VOTE for its continued support for the last 10 years in that effort.

As Controller, Ms. Greuel has identified numerous opportunities for improvement. She told us that collecting revenue owed to the City is also important to balancing our budget. She is working toward improving compliance as Controller.

Keeping signature businesses, like the film industry, is critical. LA has not done enough to help filming and related activities to operate here and that must be improved. She sits on the Film Commission and is working to facilitate local post production efforts.

Ms. Greuel also told us that Los Angeles has the potential to be an even more vibrant economy because 46% of the goods coming to the USA go through our port.

Her next audit target is to be LAX.

Education is another critical component to Los Angeles vitality and the three Valley Community Colleges are an important key. These colleges are important in providing a good, educated workforce for businesses.

The Mayor must also continue pushing for better schools. LAUSD is critical but needs to be fixed; the bureaucracy is an impediment that can be improved. She intends to push for longer school days and programs like LA's Best which has improved student performance.

Another critical component to the City is mass transportation. We need Anti-gridlock zones and other innovative projects. She praised Measure R and said that we need to continue this effort. In response to a question about DWP cost cutting and that their wages/pensions are higher than others. She told us that she supports the Rate Payer Advocate and will work with that office. Another question about rent stabilization limitations on capital investment pass thru and bias against small apartment building owners drew an affirmative response that this must be addressed.

Community Plans - spot zoning issues. Need consistency and know the rules of the game. Wendy told us that we need to operate like a business and know what resources we own. She favors selling surplus properties, but the entire amount should go to help pay down the general fund shortfall regardless of what district the property was in.

Green energy -- we should be the leader. LA is not doing enough.

When asked directly about the structural deficit and a willingness to agree to a balanced budget amendment, Wendy responded that she agreed in principal, but that she would be willing to work with Valley VOTE on the specifics of the ordinance.

Valley VOTE Committee Reports

Vic Vereck - Real Estate Transfer Taxes

It's mystifying when people who favor more affordable housing propose higher taxes on housing. Currently, transfer taxes on the sale of real property in Los Angeles County, per \$1,000.00 of sale price, are \$1.10 for the county, and \$4.50 for the City of Los Angeles. Now, in another misdirected attempt to increase tax revenue, the City of Los Angeles is considering a

ballot measure, for next March, that would double the city's transfer tax to \$9.00 per \$1,000.00.

LA proposed a new rate, the transfer tax would be \$3,150.00 on a \$350,000.00 sale price and \$4,500.00 on a \$500,000.00 sale price. That reduces the desire of some people to sell, and other people to make the investment in the first place. Reduced sales volume means REDUCED taxable value. It also keeps more property assessed at (fortunately) restricted property tax values. It also reduces business activity involved in each sale. That means less employment and less tax revenue from other sources.

Prior to the federal 1986 Tax Reform Bill, there was no consistent lack of affordable housing. Since then, lack of affordable housing is a consistent problem. That tax reform reduced the annual depreciation write-off, and limited the amount of operating loss apartment owners could make use of on their tax returns. Unintended consequences need to be considered before passing legislation.

Denny Schneider -

Aviation Topics in the Region

This will be a busy time for airports in Southern California:

1. LAX Expansion EIR will be released this month and regionalization is being subverted.
2. The FAA will be starting the second phase of the SoCal Metroplex Airspace Redesign
3. The FAA will be holding hearings on limiting low altitude helicopter activities.

Los Angeles World Airports (LAWA) has over 75% of all region aviation traffic into one location. Most travelers must fight massive traffic along the busiest US freeway, the 405, before navigating a difficult Central Terminal Area snarl.

LAWA has promised release of the LAX Master Plan Environmental Review this month. The focus is on expansion, not the many severe infrastructure maintenance deficiencies that result in poor passenger experience and safety risks. The public has been allocated 75 days to review the six thousand plus pages of documentation.

Ontario airport continues its downward spiral and Palmdale has zero passenger traffic.

Thankfully Burbank has embarked on improvements, but this airport is too small to take up the slack if anything bad happens at LAX.

The SoCal airspace redesign is a three phase process. A review and assessment was conducted earlier this year. In October a six month planning and design phase will be conducted followed by the implementation phase that starts in April lasting about 18 months. Public comment will be solicited in the last phase.

Congressman Berman et. al. have been pushing for limitations on helicopter noise and the FAA is now responding with a twelve month study/report. There will be a first meeting held at 6:30 p.m., Aug. 6, at Millikan Middle School, 5041 Sunnyslope Ave. Sherman Oaks.

Pauline Talent -

TAXES that directly affect Real Estate & the Economy

Valley Vote, has always tried to bring attention to "talk" of tax hikes before they get to the referendum stage. There are two such ugly proposals currently being discussed.

Split Property Tax Rolls. In order to mitigate California's "overspending ills," the proposal is to remove all commercial and industrial property, including apartments, out from under the protection of Proposition 13. Of course, this will not affect residential real estate! Oh, no? Small businesses, seldom own their own premises, they are tenants. Do you think that landlords are going to absorb this tax hike? Of course not, it will be passed on to the tenant. We are still in a depressed market. Many businesses are barely making it. A hike in rent may be the last straw to put them out of business. Of course, this will lead to an increase in job loss. Also, do you think investors will be interested in investing in California? Already, California has earned the reputation of being heavily taxed, and heavily regulated, in other words not very hospitable. This will have a domino effect, an increased loss of jobs, and there goes the economy and the real estate market, again. We need to tell our Legislators, don't go there, don't even think about it.

City Transfer Tax. If you have recently bought property, you will have been appalled, at the City generated closing costs. Now the City Council is considering placing on the ballot, doubling the City Transfer Tax, from \$4.90 per thousand, to \$10.00 per thousand. The Southland Regional Association of Realtors, is actively campaigning to defeat this proposal. You can help, by contacting your City Councilman – no more tax hikes!

Joel Fox - State ballot measures

Joel Fox told us that there will be 11 measures on the next state ballot. He agreed to detail the pros and cons of each measure at a future Valley VOTE meeting.

Bart Reed –

Transit Coalition on Valley Centric Transportation Issues

The valley needs to speak out to get its fair share of mass transit service. Many new transit improvements have been highlighted by the Transit Coalition interns who have researched connections among bus and rail lines throughout the valley.

One big benefit to the mass transit is that you can now find routes to get from the Valley to UCLA and avoid the congested 405 freeway. Measure R funds have helped to create a line along Ventura Boulevard all the way to UCLA.

An extension of the LAX flyaway bus to Chatsworth is now under consideration. Connections to the Orange line are being considered as well.

The high speed rail activity benefits the Valley. We get run-thru tracks that allows trains to more easily navigate through the downtown station on the way to the Valley.

Members of the public and the press are invited to attend Valley VOTE's monthly meetings.

Our next monthly meeting has been rescheduled from September 17 to August 20 this year because of conflicts with religious holidays in September

Please note that the next Valley VOTE meeting will be on Monday, August 20,2012.

The next monthly meeting of Valley VOTE will be on Monday, August 20 , 2012 at Galpin Ford featuring Todd Zink and Fran Pavley, candidates for the CA State Senate.

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. Please forward this Email to interested individuals and organizations. If you would like to be removed from our distribution list please send an email to President, Joe Vitti at javittisr@cs.com.