

NEWS

FROM THE OFFICE OF COUNCILMEMBER
PAUL KORETZ
FIFTH DISTRICT



For Immediate Release

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Los Angeles Votes Overwhelmingly to Amend Charter In Favor of LA City-Based Businesses

LOS ANGELES – July 27, 2022 – Today, the Los Angeles City Council adopted resolutions declaring the results of the June 7, 2022 Primary Election, including the resounding passage of the City of Los Angeles’ Measure BB. The Measure, authored by Councilmember Paul Koretz, amends the City Charter to add “City of Los Angeles” to the definition of “local” in Section 371a. of the Charter, thereby permitting the City to implement an additional contracting bid preference for businesses that are located in the city of Los Angeles.

“It’s not a secret to this group that businesses in LA -- particularly the small businesses that make up about 97 percent of businesses in LA County -- have taken an enormous hit over the last 2 years, “ said Councilmember Koretz. “At the height of the pandemic, businesses were shuttering their doors left and right, and there were about 300,000 Angelenos out of work. This at a time when rents, utilities, insurance, sales taxes, and business taxes also place businesses in the City of LA at a competitive disadvantage. This Measure will open up the City’s financial purse and contracting dollars to local businesses and help LA’s business community regain the foot-hold they had before the pandemic.”

Currently, businesses operating in the City of LA, paying City of Los Angeles wages, City of Los Angeles rents, City of Los Angeles insurance, and City of Los Angeles business tax, receive the same point preference on bids to do business with the City as businesses operating in Santa Clarita or Lancaster. Furthermore, based on data compiled by the City of Los Angeles’ Bureau of Contract Administration during the 2018-2019 – the last full fiscal year before the COVID-19 pandemic – only 7 percent, or one in fifteen, local business enterprise awards went to City of LA businesses as a result of the City’s Local Business Preference Program. Those businesses secured only one-quarter of one percent – or \$96,000 out of a potential \$41.5M – in contracting dollars awarded through the program.

“I’ve spent the last 35 years in government, 10 of which I spent serving on the City of LA’s Budget and Finance Committee, bucking the trend, identifying efficiencies to make government work better, and like Measure BB, pushing government to work better for Angelenos,” **Councilmember Koretz** continued. “This is what I’ll continue to do during my time in office.”

"I thank the voters who made local business preference part of the City's Charter. Now more than ever, we need to shop local and support Angeleno run businesses - that includes our city government," said **Councilmember Bob Blumenfield**. "As the second largest city in the nation, our spending is its own economic engine and it should be used to power local businesses and workers so that the positive impact of our tax dollar is multiplied many times over."

Councilmember Marqueece Harris-Dawson states that "Measure BB was passed with overwhelming support from voters, and it is the Council's job to follow the people's lead. I applaud Councilmember Koretz for his leadership on this motion and Councilmember Blumenfield."

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“LA’s entrepreneurial spirit is what makes this city so unique and vibrant,” said **L.A. City Controller Ron Galperin**. “We have a responsibility to do everything we can to support our local businesses and improve the City’s contract bidding process, which is something I’ve long advocated for in my reports and audits. The passage of Measure BB opens up new opportunities for LA’s business community, especially for the many women- and minority-owned small businesses that are the heart and soul of our great city. After a difficult two years that has left so many businesses struggling to keep their doors open, this measure will finally give local businesses the leg up that they deserve.”

“We are extremely excited about the passage and certification of Measure BB because it strengthens contracting opportunities for businesses based in the City of Los Angeles,” **LABC President Mary Leslie** said. “As our recently launched Compete4LA small business database shows, L.A. is a dynamic hub for businesses spanning virtually every sector. This measure will help deliver more opportunities for those local businesses to thrive and in turn will lead to more equitable economic development throughout the City of Los Angeles.”

“Voter-approved Measure BB is a strategic commitment to LA business owners who choose to invest in our great city, and many of whom are still reeling from the pandemic’s ongoing economic impacts,” said **Jessica Lall, President & CEO of CCA**. “Thank you to Councilmember Koretz and the LA City Council for taking meaningful action to elevate our local businesses, entrepreneurs and their employees, and for helping to make sure that they are supported in the City’s contracting bid process.”

“Small, local businesses in the San Fernando Valley have been overlooked in the City’s contracting process for far too long,” said **Stuart Waldman, President of the Valley, Industry and Commerce Association (VICA)**. This is a tremendous first step toward bringing these businesses into the fold, and into regional supply chains in advance of the World Cup and 2028 Olympics.”

In order to effectuate the intent of Measure BB, Councilmembers Koretz, Blumenfield and Harris-Dawson introduced a motion instructing the Bureau of Contract Administration, Chief Legislative Analyst, the City’s Chief Procurement Officer, and the City Attorney to report back to the City Council with recommendations for the implementation of a contracting bid preference for businesses located in the City of Los Angeles.

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