

CITY OF LONG BEACH

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380



September 15, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager or designee to execute an Agreement with the Economic Development Corporation of Los Angeles County, a California non-profit corporation, for the commissioning of a report regarding the potential implications of a minimum wage policy for the City of Long Beach, in an amount not to exceed \$65,000; and

Increase appropriations in the General Fund (GF) in the Economic and Property Development Department (EP) by \$65,000. (Citywide)

DISCUSSION

On August 11, 2015, the City Council directed the City Manager to request a report from the Economic Development Corporation of Los Angeles County (LAEDC) regarding a study of minimum wage impacts and potential offsetting business incentives (Attachment). City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The County of Los Angeles (County) completed a procurement process for the commissioning of a similar report on the potential implications of a minimum wage policy for the County. The County report was completed and presented to the Board of Supervisors in June 2015. The research and data recently obtained for the County is directly relevant to the City. Contracting with the LAEDC for completion of the City study would be timely and beneficial.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 24, 2015 and by Budget Management Officer Victoria Bell on August 28, 2015.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution is requested on September 15, 2015 to allow for the execution of the Agreement in a timely manner.

HONORABLE MAYOR AND CITY COUNCIL

September 15, 2015

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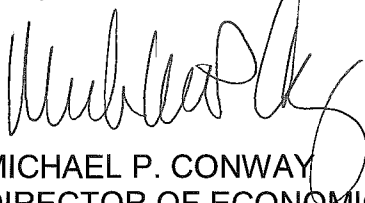
FISCAL IMPACT

The cost of the Consulting Agreement will not exceed \$65,000 and is not currently budgeted. An appropriation increase of \$65,000 in the General Fund (GF) in the Economic and Property Development Department (EP) is included in the recommended action. This amount will be offset by one-time State Unfunded Mandate revenue received in FY15. Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC
AND PROPERTY DEVELOPMENT



JOHN GROSS
DIRECTOR OF
FINANCIAL MANAGEMENT

MPC:JG:JMLR

Attachments: Aug 11, 2015 Council Letter
Resolution

APPROVED:



PATRICK H. WEST
CITY MANAGER

~~R-27~~

City of Long Beach
Many Unique Neighborhoods
One Great City



Dr. Suja Lowenthal
Vice Mayor
Council District 2

Memorandum

To: Honorable Mayor and City Council

August 11, 2015

From: Lena Gonzalez, First District *LG*
Suja Lowenthal, Second District *SL*
Dee Andrews, Sixth District *DA*
Rex Richardson, Ninth District *RR*

Subject: Study of Minimum Wage Impacts & Potential Business Incentives

RECOMMENDATION:

Direct the City Manager to request a report from the Los Angeles County Economic Development Corporation (LAEDC) regarding 1) the feasibility of and potential benefits and risks of implementing a citywide minimum wage in Long Beach; and 2) proposals for incentives, tax breaks, fee reductions and/or process improvements to assist businesses and non-profit organizations in complying with a higher minimum wage; and to work with the City's Economic Development Commission to take public input and review the study's findings and make recommendations to the City Council.

DISCUSSION:

A conversation about raising the minimum wage is happening throughout California and the nation. Chicago has voted to increase its minimum wage to \$13 per hour by 2019; the University of California recently announced that it will raise its minimum wage to \$15 per hour by 2017; San Francisco will raise its minimum wage to \$15 by 2018, and the States of Massachusetts and New York are each considering a \$15 minimum wage for certain workers.

Both the City and County of Los Angeles have recently adopted a minimum wage for nearly all workers in their jurisdictions, gradually increasing it to \$15 per hour by 2020. Long Beach shares much of the same workforce and market as the City and County of Los Angeles. In addition, Pasadena, Santa Monica and West Hollywood are all exploring raising the city minimum wage. Therefore, it is appropriate to investigate the impact the new minimum wages in the City and County of Los Angeles will have on Long Beach; and to consider whether a higher minimum wage would be beneficial to our City.

The LAEDC's Institute for Applied Economics was commissioned by the Los Angeles County Board of Supervisors to conduct a study and make a report on the potential implications of a minimum wage policy for the County. That report was completed and presented to the Board of Supervisors in June.

The City of Long Beach should commission a similar report from the LAEDC and undertake an inclusive process including business owners, non-profits, workers, and education leaders.

The report should include data and survey work about the minimum wage and possible incentives for businesses. If a minimum wage increase is to be considered, incentives for businesses and or non-profits in the city should also be considered and discussed.

FISCAL IMPACT:

Up to \$65,000 for the LAEDC study in one-time funds from a source to be identified by the City Manager.

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE CONSULTING SERVICES THROUGH THE CONTRACT BETWEEN THE COUNTY OF LOS ANGELES AND THE ECONOMIC DEVELOPMENT CORPORATION OF LOS ANGELES COUNTY, A CALIFORNIA NON-PROFIT CORPORATION (MORE COMMONLY REFERRED TO AS THE LAEDC)

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires consulting services to analyze and prepare a report on the likely fiscal and economic impact of raising the minimum wage in the City; and

WHEREAS, the County of Los Angeles has a Contract with The Economic Development Corporation of Los Angeles County, a California non-profit corporation (more commonly referred to as the "LAEDC") for the purchase of these consulting services, Contract Number AO-15-050 ("County Contract"); and

WHEREAS, the City's participation in the County Contract will facilitate acquisition of these consulting services as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to go to formal bid rather than participate in the County Contract considerably more funds would be required;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 follows:

2 Section 1. The above recitals are true and correct and are incorporated
3 herein by this reference.

4 Section 2. The City Manager of the City is hereby authorized to enter an
5 agreement with the LAEDC for consulting services to analyze and prepare a report on the
6 likely fiscal and economic impact of raising the minimum wage in the City of substantially
7 the same type and kind purchased by the County of Los Angeles pursuant to the County
8 Contract except as modified by mutual agreement of the City and the LAEDC, and the
9 purchase by the City shall be on the same terms and conditions afforded to the County of
10 Los Angeles in an amount not to exceed Sixty-Five Thousand Dollars (\$65,000).

11 Section 3. This resolution shall take effect immediately upon its adoption
12 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

13 I hereby certify that the foregoing resolution was adopted by the City
14 Council of the City of Long Beach at its meeting of _____, 2015
15 by the following vote:

16
17 Ayes: Councilmembers: _____
18 _____
19 _____
20 _____

21 Noes: Councilmembers: _____
22 _____

23 Absent: Councilmembers: _____
24 _____

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27 _____
City Clerk

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