

## MOTION

In recent years, small businesses across Los Angeles have faced significant challenges due to rising rents, economic uncertainty, and lingering impacts from the COVID-19 pandemic. As businesses continue to seek long-term stability, the City must explore innovative tools to support economic recovery and retain our small business community.

The City of West Hollywood recently expanded its Business Tax Credit Program to incentivize long-term commercial lease extensions. Under this program, eligible businesses that negotiate a minimum five-year lease extension with their commercial landlord receive a business tax credit equal to the amount of business license taxes paid in the previous year. This initiative supports local businesses, encourages long-term tenancies, and promotes neighborhood stability.

The City of Los Angeles should explore developing a similar program to support businesses that make long-term commitments to stay in our communities. A targeted tax credit program would help create predictability for both landlords and tenants, reduce business displacement, and signal the City's commitment to supporting local economic growth.

**I THEREFORE MOVE** that the City Council instruct the Department of Finance, with the assistance of the City Administrative Officer, Economic and Workforce Development Department and the City Attorney, to report back within 60 days with recommendations for creating a business tax credit program, modeled after the City of West Hollywood, including eligibility criteria, fiscal impacts, potential implementation mechanisms, and legal considerations.

Presented by: \_\_\_\_\_

JOHN S. LEE

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Seconded by: \_\_\_\_\_

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