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April 11, 2023

Paul Krekorian
President,
Los Angeles City Council

VIA EMAIL

Re: Downtown LA Broadway Jobs and Economic Development Incentive (JEDI) Zone

At a regularly held public meeting on April 11, 2023, the Board of Directors of the Downtown Los Angeles Neighborhood Council ("DLANC") voted to provide the following comments:

The Jobs and Economic Development Incentive (JEDI) Zone program provides economic development incentives within specific geographies of the City that aim to both promote and expand business in Los Angeles. Businesses located in these zones are eligible to obtain a variety of incentives including case management of the City development permit process, permit fee reductions, business consulting, and facade improvements, among others.

Pursuant to the JEDI Zone policy, zones must meet primary or secondary eligibility criteria, be reviewed by the Economic and Workforce Development Department (EWDD), and receive approval from the City Council and Mayor. Once the request to form a JEDI Zone is received, EWDD will conduct a baseline assessment of the area based on the qualifying criteria. Requests will be processed in the order received. If a proposed JEDI Zone is found to be eligible, EWDD will analyze the area under the secondary needs criteria to assign priority areas within the proposed zone. To date, two districts have received JEDI designation (CDs 3 & 9), with another six currently under review. None of which are within the Downtown Community Plan, which contains some of the most blighted areas of Los Angeles.

The highest priority within an eligible zone will be assigned to areas meeting more of the secondary needs criteria in comparison to other areas within the same zone. After completing the baseline and secondary needs assessments, EWDD will submit a transmittal to the City Council with findings and recommendations concerning the creation of the zone. Established zones will expire after five years unless extended for an additional five years. The maximum duration of a JEDI Zone will be 10 years.

The federally designated Historic Broadway Theater and Commercial District contains the densest assemblage of historic theaters in the country. Alongside these theaters is a host of service, hospitality and retail enterprises that stand ready to enable a revitalized theater district, once supported by Council. Downtown Los Angeles has been a central focus of economic development within the 14th District over the years. The retail component of the District has largely evolved into a daytime retail area utilizing only the ground floor spaces with vacant upper floors and which district is largely deserted at night. At the end of 2022, the vacancy rate of downtown office space stood at 28% making the area one of the emptiest of post-pandemic Los Angeles. And the trend continues to worsen in 2023. As of the writing of this letter, more than half of the street-level retail spaces of the District between 2nd and 6th streets were vacant. Both the federal Department of Housing and Urban Development and the State of California have identified the 26 blocks along and around the District as a Historically *Under-utilized Business Zone*, and an “area of economic distress.”

The District’s historic theaters and commercial venues suffer from a lack of coordinated rehabilitation efforts, which conspires to hamper the District's most effective use and rehabilitation. The JEDI Zone program presents an opportunity to leverage these infrastructure and real estate investments with incentives to support those living and working along this corridor. Establishing a single JEDI Zone along S Broadway is essential to advancing the City’s economic, cultural, and quality of life goals.

Therefore, DLANC requests Council President Paul Krekorian introduce a motion to the City Council directing the Economic and Workforce Development Department (EWDD) to evaluate the Historic Broadway Theater District corridor from E 3rd Street to W Olympic Street as a JEDI Zone and report to the Council with findings and recommendations on the creation of the zone.

Sincerely,

Claudia Oliveira
President,
DLANC

Debby Zhou
Chair,
DLANC Livability Committee

Cc:

Economic Workforce Development Department (via email)
Downtown Center Business Improvement District (via email)
Fashion District Business Improvement District (via email)
Historic Core Business Improvement District (via email)