



BizFed's Member Alliance
Action Apartment Association
AIA - Los Angeles
Airlines for America
Alhambra Chamber
American Beverage Association
American Hotel & Lodging Association
Antelope Valley Board of Trade
Apartment Association, California Southern Cities
Apartment Association of Greater Los Angeles
Arcadia Association of Realtors
Asian Business Association
Association of Independent Commercial Producers
Atsuta Chamber
Beverly Hills Chamber
Beverly Hills / Greater LA Association of Realtors
BNV SUCCESS
Burbank Association of Realtors
Building Industry Association, LA / Ventura Counties
Building Owners & Managers Association, Greater LA
Business & Industry Council for Emergency Planning & Preparedness
CalAsian Chamber
California Apartment Association, Los Angeles
California Asphalt Pavement Association
California Business Roundtable
California Cannabis Industry Association
California Construction Industry and Materials Association
California Contract Cities Association
California Employers Association
California Fashion Association
California Grocers Association
California Hotel & Lodging Association
California Independent Oil Marketers
California Independent Petroleum Association
California Life Sciences Association
California Metals Coalition
California Restaurant Association
California Small Business Alliance
California Sportfishing League
California Trucking Association
CALInnovates
Carson Chamber of Commerce
Carson Dominguez Employers Alliance
CDC Small Business Finance
Central City Association
Century City Chamber of Commerce
Cerritos Chamber
Citrus Valley Association of Realtors
Construction Industry Air and Water Quality Coalitions
Consumer Healthcare Products Association
Council on Trade and Investment for Filipino Americans
Downey Association of Realtors
Downtown Long Beach Alliance
Downtown Pomona Owners Association
El Monte/South El Monte Chamber
Employers Group
Engineering Contractor's Association
F.A.S.T. - Fixing Angeles Stuck In Traffic
FilmLA
Foreign Trade Association
FuturePorts
Gateway to LA
Glendale Association of Realtors
Glendale Chamber
Glendora Chamber
Greater Antelope Valley AOR
Greater Lakewood Chamber
Greater Los Angeles African American Chamber
Greater Los Angeles New Car Dealers Association
Harbor Association of Industry and Commerce
Harbor Trucking Association
Historic Core Bid
Hollywood Chamber
Hong Kong Trade Development Council
Hospital Association of Southern California
Hotel Association of Los Angeles
Independent Cities Association
Industry Manufacturers Council
Inglewood Airport Area Chamber
International Warehouse Logistics Association
Investing in Place
Irwindale Chamber
Japan Business Association of Southern California
La Canada Flintridge Chamber
LA Media Lab
LAX Coastal Area Chamber
Leadership for Urban Renewal Network
League of California Cities
Local Search Association
Long Beach Area Chamber
Los Angeles Area Chamber
Los Angeles Cleantech Incubator
Los Angeles County Bicycle Coalition
Los Angeles County Boards of Real Estate
Los Angeles County Waste Management Association
Los Angeles Gateway Chamber of Commerce
Los Angeles Gay & Lesbian Chamber of Commerce
Los Angeles Latino Chamber
Los Angeles Parking Association
Maple Business Council
Molton Picture Association of America
MoveLA
NAIFA - OC
NAIPF Southern California Chapter
National Association of Royalty Owners
National Association of Tobacco Outlets
National Association of Women Business Owners
National Association of Women Business Owners, LA
National Hispanic Medical Association
National Latina Business Women's Association
Netherlands-America Foundation
Orange County Business Council
Pacific Merchant Shipping Association
Pacific Palisades Chamber
Panorama City Chamber
Pasadena Chamber
Pasadena-Foothills Association of Realtors
PHRMA
Planned Parenthood Southern California Affiliates
Pomona Chamber
Rancho Southeast Association of Realtors
Recording Industry Association of America
Regional Bank Chamber - San Fernando Valley
Regional San Gabriel Valley Chamber
Rosemead Chamber
Rotary Club of Los Angeles
San Gabriel Chamber
San Gabriel Valley Civic Alliance
San Gabriel Valley Economic Partnership
Santa Clarita Valley Chamber
Santa Clarita Valley Economic Development Corp.
San Pedro Peninsula Chamber
Santa Monica Chamber
Santa Monica Junior Chamber
SCALE LA
Sherman Oaks Chamber of Commerce
South Bay Association of Chambers
South Bay Association of Realtors
Southern California Contractors Association
Southern California Golf Association
Southern California Grantmakers
Southern California Minority Supplier Development Council Inc.
Southern California Water Coalition
Southland Regional Association of Realtors
The Young Professionals at the Petroleum Club
Torrance Area Chamber
Tows Hall Los Angeles
Tri-Counties Association of Realtors
United Chambers San Fernando Valley
United States-Mexico Chamber
Unmanned Autonomous Vehicle Systems Association
Valley Economic Alliance
Valley Economic Development Corp.
Valley Industry & Commerce Association
Vernon Chamber
Vietnamese American Chamber
Warner Center Association
West Hollywood Chamber
West Los Angeles Chamber
West San Gabriel Valley Association of Realtors
West Valley/Warner Center Chamber
Western Manufactured Housing Association
Western States Petroleum Association
Westside Council of Chambers
Westwood Village Rotary Club
Wilmington Chamber
World Trade Center
Young Professionals in Energy - LA Chapter

June 15, 2018

The Honorable Sheila J. Kuehl, Chair
Los Angeles County Board of Supervisors
Kenneth Hahn Hall of Administration
500 West Temple St.
Los Angeles, CA 90012

RE: Safe, Clean Water Program Ordinance and Program Elements: BizFed's Proposal to Address Significant Remaining Concerns

Dear Chair Kuehl and Supervisors:

We are writing on behalf of the Los Angeles County Business Federation (BizFed), an alliance of 176 business organizations representing over 390,000 employers with over 3.5 million employees in Los Angeles County. As a massive grassroots alliance, we advocate for policies that strengthen our regional economy. **BizFed, along with our water organization and municipal partners, strongly urge the County of Los Angeles to work with our membership to address our outstanding critical concerns with the current draft of the Safe, Clean Water Program (SCWP) and develop a refined proposal that can be put before the voters in 2020.**

BizFed, having the lion share of property owners footing the largest amount of the proposed tax, has been an active and ongoing participant in Los Angeles County's efforts to develop a stormwater fee or tax to support the water quality compliance requirements of the Los Angeles Regional Water Quality Control Board (RWQCB) and its MS4 Permits, TMDLs, and Basin Plan. Being the voice of business, we have organized a broad coalition of businesses, water organizations and municipal partners to serve as a resource in the development of the tax proposal and to analyze its impact on various types of property uses. Utilizing these vast resources, we have participated in all Steering Advisory Committee and Sub-Committee meetings and held one-on-one meetings with Los Angeles County officials. Furthermore, we have provided extensive written comments on this effort dating back to previous efforts taken by the County on January 11th, and March 4th of 2013. More recently, we have submitted letters on the current SCWP on May 8th, and May 30th of 2017, and April 3rd and May 11th of 2018.

Unfortunately, many of the major issues that we have consistently raised remain unresolved. We are also concerned that the first draft the SCWP ordinance language was not released until June 4, 2018, which does not provide sufficient time to work out vitally needed revisions and hinders the ability to get it vetted for broad support. We feel there is a great deal more work that needs to be done to develop an effective plan that 2/3rds of the voters this November will support.

Given our ongoing major concerns, on June 7, 2018, BizFed's Advocacy Committee voted to recommend an oppose position regarding the current proposed ordinance and program elements but would like to work with County staff to bring about an ordinance that we and the voters at large can support in November of 2020.

For BizFed and our partners to consider supporting your current efforts, the County of Los Angeles **MUST**, at a minimum, incorporate recommendations below:

1. There needs to be a stormwater master plan for each of the watershed areas, including commitments to projects with costs, timelines and anticipated results. BizFed appreciates that some projects will be derived from current plans such as WMP, EWMP and IRWMPs. While we are also appreciative that the County has agreed to provide example projects from the County and City of Los Angeles, this falls short in the eyes of our members and voters who expect to know where their money is going.

As requested since the inception of the proposal, we specifically ask for a list of projects be incorporated in the SCWP ordinance that will be voted on by the Los Angeles County Board of Supervisors and given to the voters for final approval.

2. Project scoring criteria should be set at 50 points for water quality, 25 points for water supply, 10 points for community investment, and 15 points for leveraging as defined on the draft scoring sheet. Understanding that some projects will be derived from WMP, EWMP, IRWMPs, our membership firmly believes that this is not enough. The County must set the breakdown of points as stated above to bring about the best water quality and supply projects.
3. The ordinance needs to include a robust credit program. Many BizFed members have made significant investments to control and manage stormwater on their own properties. These same members are also expending significant resources to ensure the ongoing operation and maintenance of their stormwater management solutions. These efforts result in improved water quality and serve a critical role in Southern California's regulatory compliance strategy. The SCWP's credit program must fully account for these investments. That said, the BizFed membership recognizes and supports the water quality and regulatory compliance goals of the SCWP, which is why we are advocating for a maximum credit of 85% (rather than 100%). We are also attaching to this letter key program elements that we view as critical for a successful credit program. These elements will help ensure that all property owners who are doing their part to support clean water in Los Angeles County receive appropriate credit for their critical efforts.

4. The proposed ordinance and parcel tax should encourage not only the regional improvements that will be funded and built by the District and cities, but also investment by the private sector. To facilitate private investment into the region, the proposed parcel tax should offer incentives to those parcel owners that are committed or plan to invest in stormwater management improvements. The incentives, in addition to equitable "credit" for the tax itself, should include, but not be limited to: streamlined plan check and permitting of plans related to stormwater management improvements, waived plan check fees related to stormwater management improvements, and expedited inspections related to stormwater management improvements. All cities benefiting from potential receipt of tax proceeds should be required to develop their respective ordinances and policies to incentivize private investment prior to implementation of any parcel tax or receipt of any tax proceeds. This is particularly important given that all new development and major improvements are required to implement BMP and LID measures by existing ordinances in most jurisdictions.
5. The current proposed tax methodology is unclear to the tax payers. Before the finalization of this ordinance and measure, all property owners must be shown the precise proposed tax per parcel to review and have their comments duly considered by the County regarding the appropriateness of the tax. BizFed thanks the County for releasing the estimated top 100 landowners' costs under the proposed tax. However, the accuracy of costs has been questioned by many of our members, which leads us to believe there is still work to be done to accurately show property owners what their new tax bill would be. The County should release or make available the precise tax, and the methodology for calculation of that tax (including how impermeable surface is determined), for all 2.2 million parcels in the District.
6. The tax measure should include a "dusk clause" specifying a date when the tax measure will be reduced to a level to cover operation and maintenance, as well as the creation of a fund to pay for eventual project replacement.
7. This tax measure should include an annual audit of the funds expended and costs related to ongoing operations and maintenance for the purpose of reducing the overall tax revenue to cover operation and maintenance. We continue to ask the County to provide its best estimate of projected cost changes of infrastructure vs. operations and maintenance over the next 30 years.
8. The SCWP ordinance needs to recognize this new cost as additional passthrough outside of existing rent control limits for the entire County. These limits were set based on pre-existing cost estimates and are woefully outdated as property taxes and other expenses continue to escalate. Rent control already makes it extremely difficult for our mom and pop owners to be able to maintain their buildings appropriately (especially as these older buildings have higher and more frequent repair and maintenance costs) as well as make enough profit to stay in business. Many of our owners are retirees and use their property as their only source of retirement income. It is unfair to further limit their incomes by creating these new additional costs without a way for owners to pass them along to their tenants in full outside of existing limits. If our mom and pops are forced out of business by

ever increasing regulatory costs, then there will be even less affordable rental housing in Los Angeles County.

9. The County needs to take advantage of available capacity in existing public infrastructure. Now that the publically owned treatment works (POTW's) have the legal authority, this approach could more cost effectively meet RWQCB stormwater quality standards, while producing significant quantities of new recycled water supplies by diverting dry and wet weather flows, as feasible.
10. Properties that have installed and operate a stormwater abatement system through the issuance of a National Pollutant Discharge Elimination System (NPDES) permit, and which capture all stormwater at that site for processing through an on-site water treatment process, should be exempted from the proposed tax. These properties do not contribute stormwater to the county water collection system and operate totally independent of county infrastructure.
11. The County should acknowledge that railroad right of way and "running track" are designed to accommodate natural stormwater flows and do not materially increase stormwater runoff and should not be included in the calculation of the proposed tax. Ballasted railroad yards and track should be treated similar to unimproved lots or lightly improved areas such as playgrounds for runoff fee/tax purposes consistent with the findings of independent professional planning organizations such as CalTrans, the Federal Highway Administration and the American Society of Civil Engineers. Design and planning manuals of each of these organizations recognize the permeable nature of the ballasted track structure and its negligible impact on stormwater runoff.

As always, BizFed and our membership will work with County staff to bring about an effective ordinance and program. However, the current proposed ordinance and program elements are NOT satisfactory. **The above recommendations are a must for our membership. We hope that the County will keep working with us to make this ordinance and program elements something that we, and 2/3rds of the voters, can support.**

Unfortunately, after spending over two years working with you on this program, we are extremely concerned with the limited time available to resolve the remaining issues. As mentioned earlier, our Advocacy Committee has recommended that we oppose the current proposal and ordinance and work with staff to develop suitable program for the November 2020 ballot. Our Board of Directors will be taking a final vote on June 19th. We ask that the County work with us with great urgency and deliver an effective program.

In closing, our membership understands the need for a program that helps the business community and supports the County and local cities meet their MS4 compliance requirements. However, given that any program may not fully resolve contamination and potential liability, it is critical that the final program that ultimately goes to the voters be designed to most effectively and efficiently address water quality concerns.

BizFed remains hopeful that you realize the same and adjust this measure. We respectfully request that the County put forward a **measure that stays true to achieving regional water quality and increased supply that gives us tax payers a focused, transparent, accountable, MS4 compliant program that appropriately and equitably recognizes those property owners that have made and will make investments in support of the same goals.**

Please continue taking the time and stakeholder input necessary to get this right! Or sadly our massive membership will actively oppose it. If you have any questions, please contact BizFed's Advocacy Director, De'Andre Valencia at DeAndre.Valencia@BizFed.Org

Sincerely,



Hilary Norton
BizFed Chair
FAST



David Fleming
BizFed Founding Chair



Tracy Hernandez
BizFed Founding CEO
Impower, Inc.