

April 30th, 2024

Hon. Mayor and Members of Glendale City Council
City of Glendale
VIA Email

Subject: April 30th Special Meeting – Item #1, Study Session #1: FY 2023-24 General Fund Projection, Proposed FY 2024-25 General Fund Budget, Five-Year General Fund Forecast; Potential Future Revenue Enhancements

Dear Honorable Mayor and Members of the Glendale City Council,

I write on behalf of the Building Owners and Managers Association Greater Los Angeles (BOMA/GLA), representing over 135 million square feet of commercial office space throughout Los Angeles County and whose members contribute \$3.5 billion annually to California's economy.

We have numerous members located in the City of Glendale who are invested in seeing the community succeed and contribute greatly to the local economy.

We strongly oppose the consideration of a parcel or transfer tax as a revenue enhancement strategy for the city. Both options specifically target properties and do so during severe uncertainty for commercial properties. These types of taxes can cause banks to lower the value of properties and make it harder for them to refinance and avoid defaults. Actions that can lead to lower property values and less property tax revenue for the city.

Additionally, we have seen the negative effects of Measure ULA in nearby Los Angeles. The actual revenue has been well short of the projected revenue sold to voters. The impact of these taxes on real estate is to freeze the market and drive away investment. While it is true that our member buildings cannot pick up and leave the city, the investments that make them Class A buildings can go elsewhere.

Our members are making significant investments in their properties to retain tenants and encourage them to return to the office. The ability of our members to bring occupancy levels of commercial buildings back will have a ripple effect on surrounding businesses. The retail and restaurant spaces surrounding commercial buildings, whose success contributes to city vibrancy, depend in part on strong office occupancy levels.

The nature of commercial tenant demands has evolved post-COVID, and new tenant improvement projects must be undertaken to retain tenants. With rising costs stemming from inflation and continuing labor shortages, these investments will become even more challenging if an additional parcel tax or transfer tax is added to those costs.

We are concerned that if the city were to put forward parcel and transfer taxes that specifically target properties, the actual result could be less revenue for the city and a view that investment in the city should be reconsidered.

BOMA/GLA respectfully asks the city council to exclude the proposed parcel and transfer tax from further budget consideration. Instead, we encourage the city to continue investing in improvements in the community development process and supporting other forms of economic development that attract interest in the city and ultimately raise revenue through greater economic activity in the city.

Respectfully,



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From: [Vicente Villa](#)
To: [DL City Clerk](#)
Subject: REAL ESTATE TRANSFER TAX
Date: Wednesday, April 24, 2024 2:54:17 PM

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Dear Council Members,

Please reject the potential real estate transfer tax increase. Increasing tax rates will have a significant impact on our local economy, affecting businesses and jobs that depend on property transactions. Glendale families simply cannot afford to pay more. Before resorting to this tax hike, please explore alternative revenue sources and other cost-saving measures in the city budget.

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