



# Advisor accused of using bully pulpit

## Business group's CEO says aide to Garcetti made threats over proposed schools tax.

BY DAKOTA SMITH

The head of a Los Angeles County business organization has accused a high-level advisor to Mayor Eric Garcetti of threatening to punish her group over its opposition to a tax proposal supported by the mayor.

The proposal — Measure EE on the June ballot — would raise money for the Los Angeles Unified School District. Garcetti has made passage of Measure EE a priority.

Tracy Hernandez, founding chief executive of the Los Angeles County Business Federation, known as BizFed, said Measure EE campaign manager Rick Jacobs told her during a phone call last month that BizFed members who campaign against the measure won't do any business in the city of L.A. for the next four years.

Hernandez said she took the comment to mean that BizFed members would be blocked from getting things done at City Hall.

Jacobs denied Hernandez's account of their exchange. "I am insulted that she would accuse me of being so trite as to use the old 'won't do business in this town' line," Jacobs said.

Public fights are common during political campaigns. Still, the back-and-forth between Hernandez and Jacobs has been more acrimonious than other recent tax debates in Los Angeles.

Hernandez also said some BizFed members have called her to report that they have received calls from Jacobs with the same message — which Jacobs also denies. She declined to identify those members, saying they did not want to be named.

BizFed is the county's largest federation of business groups, representing more than 180 business associations and 400,000 employers, according to the group. BizFed and other business organizations, including the Los Angeles Area Chamber of Commerce, have formed a "No on Measure EE" committee to campaign against the tax.

In an interview, Hernandez said BizFed's members rely on contracts, permits and other approvals from the city. She said she's had a good relationship with Garcetti and worked

with him to pass taxes for homeless housing and new transit lines.

Hernandez said the comments she attributed to Jacobs were “unnerving.” She said he repeated them several times during the call.

“I was disgusted. It’s mind-boggling, it’s terrible,” Hernandez said.

In response, Jacobs said: “Let me be very clear about what I said: Tracy’s job is to win friends and influence people for BizFed, and she is apparently paid \$500,000 a year to do so. Working with a big tobacco strategist to wage war against our kids and against one of the mayor’s top priorities won’t win BizFed many friends in L.A.”

Matt Klink, a campaign consultant to the “No on Measure EE” committee, told The Times he worked for three years as director of governmental affairs for Philip Morris International in Europe.

Meanwhile, Courage Campaign, a progressive advocacy group founded by Jacobs, is targeting BizFed over its opposition to the tax and asking businesses to leave the group. Jacobs serves on the board of the Courage Campaign Institute, the group’s education arm.

[Measure EE](#), if passed with a two-thirds majority, would charge a 16-cent-per-square-foot tax on properties, including houses, storefronts and industrial buildings, in L.A. Unified’s jurisdiction. The tax would last 12 years. Supporters say the funds would be used to reduce class sizes and retain and attract teachers. Business groups argue the ballot measure is being rushed out to voters and doesn’t include reforms to help the district’s long-term financial woes.

Asked about the accusations against Jacobs, Garcetti spokesman Alex Comisar said, “The mayor’s office doesn’t coordinate with the campaign, so you will have to ask them.”

A longtime player in Democratic politics, Jacobs raised millions in support of Garcetti’s 2013 mayoral campaign and was later given a top City Hall post. He led Garcetti’s 2017 reelection campaign and now raises funds for Garcetti’s causes, including his federal political action committee.

BizFed Chief Operating Officer Elizabeth Tulasi said Hernandez told her about the call with Jacobs shortly after it happened.

Days later, two L.A. city departments — the Port of Los Angeles and Los Angeles World Airports — contacted BizFed to cancel their memberships, Hernandez said. The port is listed as a gold level member on BizFed’s marketing materials; those members pay \$15,000 a year.

Gene Seroka, the port’s top executive, didn’t respond to a request for comment. LAWA spokeswoman Becca Doten said the airports department is a “current” member of BizFed and didn’t respond to follow-up questions. Jacobs said he didn’t ask the port and airport to drop their BizFed memberships. The mayor’s office declined to comment on the two agencies.

Hernandez said that during the same phone call with Jacobs, he told her that if BizFed opposes Measure EE, people will say, “BizFed hurts kids.” Jacobs told The Times he did make a version of that comment.

Days later, tweets went out from Courage Campaign’s “[BizFed Hurts Kids](#)” account, Hernandez said. Courage Campaign Executive Director Eddie Kurtz said in an interview that Jacobs and others “flagged” BizFed’s opposition to the tax, prompting Courage Campaign to launch its offensive.