



**Board of Directors Meeting
Tuesday, November 7, 2017, 8:00 a.m. – 9:45 a.m.
Torrance Area Chamber of Commerce
2300 Crenshaw Blvd. Building B
Torrance, CA 90501
Dan Hoffman, Chairman**

1. Welcome Dan Hoffman, Chair
 - a. Flag Salute
2. Self-Introductions and Sign-In All Participants
3. Approval of Minutes Janice Webb, Secretary
4. Presentations
 - a. David Kissinger- South Bay Association of Realtors
 - b. Tom Lasser- ESGR Employer Support of the Guard and Reserve
5. Government Affairs Report PEAR Strategies
 - a. Bill Matrix- Legislative Grading
 - b. Tax Cut and Jobs Act
 - c. 2018 Policy Platform
6. Office Holders, Administrative Agencies and Community Partners - ***Please limit your reports to no more than 3 minutes.***
 - a. U.S. Chamber of Commerce - Jennings Imel and Vartan Djhonian
 - b. League of Cities - Jeff Kiernan
 - c. Los Angeles Air Force Base - Carla L. Rosepryor
 - d. South Bay WIB - Chris Cagle
 - e. South Coast AQMD- Tina A. Cox
 - f. South Bay Council of Governments - Hon. Britt Huff
 - g. Office of Congresswoman Waters - Blanca Jimenez
 - h. Office of Congresswoman Barragan - Morgan Roth
 - i. Office of Congressman Lieu - Nicholas Rodriguez
 - j. Office of Senator Allen - Sam Liu
 - k. Office of Senator Bradford - Nital Patel

- l. Office of Senator Lara - Tonya Martin
- m. Office of Assemblymember Burke - Robert Pullen-Miles
- n. Office of Assemblymember Gipson - Chris Wilson
- o. Office of Assemblymember Muratsuchi - Andrew DeBlock
- p. Office of Assemblymember O'Donnell – Sarah Patterson
- q. Office of Supervisor Hahn - Hon. Mark Waronek

[Officeholder representatives, non-chamber members, and guests are respectfully asked to leave the meeting at this point]

- 7. Chair's Report Dan Hoffman
 - a. SBACC 2017 Installation and Awards Luncheon
- 8. Financial Report George Kivett, Treasurer
- 9. Ad-Hoc Committee Reports
 - South Bay Aerospace Industry Alliance Michael Jackson
- 10. Adjournment/Announcements All
 - a. Special thanks to Donna Duperron, Torrance Chamber of Commerce for hosting us!
 - b. Next SBACC meeting will be on **Tuesday, December 5, 2017**



Board of Directors Meeting
Tuesday, October 3, 2017, 8:00 a.m. – 9:45 a.m.
Torrance Area Chamber of Commerce
2300 Crenshaw Blvd. Building B
Torrance, CA 90501
Dan Hoffman, Chairman

S. Kramer, C. Gale, L. Baglietto, P. Donaldson, O. Valentine, J. Webb, M. Lipps, E. Hupp, M. Lyon, E. Swannson, D. Duperron, M. Waronek, J. Bacharach, J. Kiernan, V. Dijhanian, B. Huff, S. Josel, Office of Rep. Lieu, T. Cox, A. Fridman, C. Cagel

1. Welcome Dan Hoffman, Chair
 - a. Flag Salute
2. Self-Introductions and Sign-In All Participants
3. Approval of Minutes Janice Webb, Secretary
 - a. Amendment Britt Huff added her COG report
 - b. Motion to Approve: P. Donaldso
 - c. 2nd: E. Hupp
4. Presentations
 - a. Energy Upgrade CA- Sergio Perciado- Please see attached presentation
 - b. Energy Upgrade California[®] is a statewide initiative committed to helping Californians take action to save energy, conserve and preserve natural resources, reduce demand on the energy grid, and make informed choices about their energy use at home and at work, which goes a long way for California.
 - c. C. Gale- The ask is for the SBACC to lend our name to the EUC coalition partner.
 - i. Motion: L. Baglietto
 - ii. 2nd: M. Lyons
 - iii. Motion Carries
5. Government Affairs Report PEAR Strategies
 - a. Veto and Support Letters
 - b. Bill Matrix

- c. Proposed 2018 Ballot Propositions
 - i. The California Transportation Taxes and Fees Lockbox Amendment is on the ballot in California as a legislatively referred constitutional amendment on June 5, 2018.
 - ii. A "yes" vote supports this amendment to require that revenue from fees and taxes on vehicles or their operation be used for transportation-related projects.
 - iii. The California Vote Requirement to Use Cap-and-Trade Revenue Amendment is on the ballot in California as a legislatively referred constitutional amendment on June 5, 2018.
 - iv. A "yes" vote supports this amendment to require a one-time two-thirds vote in each chamber of the state legislature in 2024 or thereafter to pass a spending plan for revenue from the state's cap-and-trade program for greenhouse gases.
 - v. The California Effective Date of Ballot Measures Amendment is on the ballot in California as a legislatively referred constitutional amendment on June 5, 2018.
 - vi. A "yes" vote supports this amendment to move the effective date of ballot propositions, including citizen initiatives and legislative referrals, from the day after election day to the fifth day after the secretary of state certifies election results.
 - vii. SB 3: \$4 Billion general obligation bond for housing-related programs, loans, grants and home loans. SB 5 \$4 Billion general obligation for parks.
- d. CA Water Fix Update
- 6. Office Holders, Administrative Agencies and Community Partners - ***Please limit your reports to no more than 3 minutes.***
 - a. U.S. Chamber of Commerce - Jennings Imel and Vartan Dijhanian: Big issues being addressed is tax reform and there will likely be a vote in December. The NAFTA renegotiation is on its 3rd round.
 - b. League of Cities - Jeff Kiernan- Provided a bit more detail on the propositions on the ballot. Dec 7th League of Cities Holiday Party: JW Marriott
 - c. Los Angeles Air Force Base - Carla L. Rosepryor
 - d. South Bay WIB - Chris Cagle- Update on all the WIB activity.
 - e. South Bay Council of Governments - Hon. Britt Huff- Oct 23 first subcommittee for the regional broadband. The COG will be starting their holiday light exchange for the holidays.

- f. Office of Congresswoman Waters - Blanca Jimenez
- g. Office of Congresswoman Barragan - Morgan Roth
- h. Office of Congressman Lieu – HR 3776 Office of Cyber Space Security. He also introduced a data notification bill. Has sent a variety of letters
- i. Office of Senator Allen - Sam Liu
- j. Office of Senator Bradford - Nital Patel
- k. Office of Senator Lara - Tonya Martin
- l. Office of Assemblymember Burke - Robert Pullen-Miles
- m. Office of Assemblymember Gipson - Chris Wilson
- n. Office of Assemblymember Muratsuchi - Andrew DeBlock
- o. Office of Assemblymember O'Donnell - Allison Gallagher
- p. Office of Supervisor Hahn - Hon. Mark Waronek- Provided a county update.

[Officeholder representatives, non-chamber members, and guests are respectfully asked to leave the meeting at this point]

- 7. Chair's Report Dan Hoffman
 - a. SBACC 2017 Installation and Awards Luncheon- The
 - b. M. Smeltzer is leading the nomination of the John Parson's and S. Lumachi award.
- 8. Financial Report George Kivett, Treasurer
- 9. Ad-Hoc Committee Reports
 - South Bay Aerospace Industry Alliance Michael Jackson
- 10. Adjournment/Announcements All
 - a. Special thanks to Donna Duperron, Torrance Chamber of Commerce for hosting us!
 - b. San Pedro Chamber will be holding Sup. Hahn's first state of the County
 - c. Boys and Girls Club will be holding their Poker Night Fundraiser. LA Gateway Chamber will be honoring South Bay Heros (local vets) Nov 10
 - d. Oct 20th There will be a legislative update at the PV Golf Club
 - e. Next SBACC meeting will be on **Tuesday, November 7, 2017**



MORE jobs | FAIRER taxes | BIGGER paychecks

HIGHLIGHTS OF THE UNIFIED TAX REFORM FRAMEWORK

Lowers Rates for Individuals and Families

The framework shrinks the current seven tax brackets into three – 12%, 25% and 35% – with the potential for an additional top rate for the highest-income taxpayers to ensure that the wealthy do not contribute a lower share of taxes paid than they do today.

Doubles the Standard Deduction and Enhances the Child Tax Credit

The framework roughly doubles the standard deduction so that typical middle-class families will keep more of their paycheck. It also significantly increases the Child Tax Credit.

Eliminates Loopholes for the Wealthy, Protects Bedrock Provisions for Middle Class

To provide simplicity and fairness the framework eliminates many itemized deductions that are primarily used by the wealthy, but retains tax incentives for home mortgage interest and charitable contributions, as well as tax incentives for work, higher education, and retirement security.

Repeals the Death Tax and Alternative Minimum Tax (AMT)

The framework repeals the unfair Death Tax and substantially simplifies the tax code by repealing the existing individual AMT, which requires taxpayers to do their taxes twice.

Creates a New Lower Tax Rate and Structure for Small Businesses

The framework limits the maximum tax rate for small and family-owned businesses to 25% - significantly lower than the top rate that these businesses pay today.

To Create Jobs and Promote Competitiveness, Lowers the Corporate Tax Rate

So that America can compete on level playing field, the framework reduces the corporate tax rate to 20% – below the 22.5% average of the industrialized world.

To Boost the Economy, Allows “Expensing” of Capital Investments

The framework allows, for at least five years, businesses to immediately write off (or “expense”) the cost of new investments, giving a much-needed lift to the economy.

Moves to an American Model for Competitiveness

The framework ends the perverse incentive to offshore jobs and keep foreign profits overseas. It levels the playing field for American companies and workers.

Brings Profits Back Home

The framework brings home profits by imposing a one-time, low tax rate on wealth that has already accumulated overseas so there is no tax incentive to keeping the money offshore.

TAX Memo

Company name

To: SBACC
From: PEAR Strategies
CC: Recipient names
Date: 10/27/2017
Re: Tax Cut and Jobs Act

Comments: The Tax Cut and Jobs Act would cut income tax rates, lowering the top rate to 35 percent. It doubles the standard deduction but eliminates personal exemptions.

- Everyone is entitled to reduce their taxable income by utilizing either the standard deduction or by itemizing their deductions. You always want to choose the deduction that will reduce your tax liability the most, giving you the best savings possible on your tax return.
- Personal exemptions act just like a tax deduction. Personal exemptions reduce one's taxable income, which in turn lowers the income tax.

The plan would reduce the corporate tax rate from 35 percent to 20 percent. It allows a one-time repatriation of corporate profits earned overseas.

- Corporate income taxes are levied by the U.S. Federal government and by states on business profits. Understandably, companies try to use everything in the tax code to lower the cost of taxes paid by reducing taxable income.

It gives families and businesses more money to spend. But it would also add \$7 trillion to the debt over the next decade. That would slow growth in the long run.

The Tax Reform Framework is based on two previous Trump tax proposals. The first was the "Five-Part Tax Plan" presented during the 2016 presidential campaign. The second was a preliminary tax reform outline released during the president's first 100 days.

Trump's plan would reduce the current seven tax brackets to three. On October 20, Speaker of the House Paul Ryan said there would be a fourth tax bracket for "high-income earners." The House Ways and Means Committee may keep the 39.6 percent tax rate on income above \$1 million. President Trump said he'd rather not add the fourth bracket.

The tax plan eliminates itemized deductions except for those on mortgage interest, charitable contributions, and retirement savings. It asks Congressional committees to simplify retirement benefits to raise plan participation. Instead, Congress wanted to cap 401(k) contributions at \$2,400. That would hurt those 50 and older who can contribute up to \$24,000 a year. On October 23, Trump assured workers that the benefit would remain untouched.

It eliminates the deduction for state and local taxes. That would hurt 40 million people, primarily residents in high-tax states like California and New York. But it would add \$1.3 trillion to federal revenues. As of October 17, 2017, Republicans from high-tax states would vote "no" on a plan that eliminates the deduction.

Trump's tax plan doubles the standard deduction for everyone. The deduction for Married and Joint Filers would rise from \$12,700 to \$24,000. Single filers' deduction would increase from \$6,300 to \$12,000.

Capital Gains and Inheritance Tax

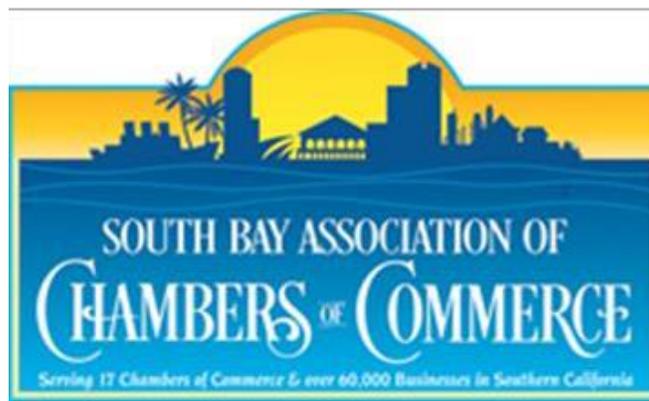
The plan would implement an inheritance tax on capital gains of \$10 million or more if the heirs sold the property. For example, children might inherit real estate that produces income and has a large unrealized capital gain. They could delay the tax as long as they kept the property. But they could still extract the property's value by borrowing against it.

Business Taxes

The Framework would lower the maximum corporate tax rate from 35 percent to 20 percent. The United States has one of the highest corporate tax rates in the world. But that doesn't hurt large corporations. Most of them don't pay more than 15 percent. That's because they can afford tax attorneys who help them avoid paying more.

Trump's plan lowers the maximum tax rate for small businesses to 25 percent. That includes sole proprietorships, partnerships, and S corporations. Many of those are real estate companies, hedge funds, and private equity funds. As a result, 85 percent of the tax cut benefits the top 1 percent of earners. Most mom-and-pop small business won't benefit from the reduction. They don't earn enough to qualify for the top tax rate.

The administration is relying on supply-side economics. That theory advocates giving tax cuts to businesses so they can create jobs. No matter how low taxes are, corporations won't add jobs to build products until they see demand for them. That's why it makes economic sense to give the most significant tax cuts to the poor and middle class. They are more likely to spend every dollar they get. The wealthy use tax cuts to save or invest. It helps the stock market but doesn't drive demand.



2017 POLICY PLATFORM

Our Purpose

To provide coordination and to advance the common business interests of local Chambers of Commerce within the South Bay region through collaboration and advocacy on issues of mutual interest.

Our Vision

For SBACC to enhance the region's emerging role in the global economy through the South Bay's diverse industrial base and highly skilled workforce.

Our Mission

The South Bay Association of Chambers of Commerce is an association of Chambers of Commerce dedicated to regional issue advocacy in the South Bay.

2017 Strategic Initiatives:

Resources and Regional Infrastructure

Objective- Ensuring the State of California sustains an up to date infrastructure system which keeps our businesses and communities thriving.

- *Energy-* Advocate for reliable sources of affordable and diverse energy production.
- *Water Infrastructure-* Support projects that secure California's water supplies.
- *Transportation-* Promotes transportation infrastructure projects, including freight investment, which increases mobility on the region's roadways and overall transportation system and aide our goods movement sector.

Aerospace and Defense Industry

Objective- Ensure the aerospace industry remains a key economic sector in the South Bay.

- *The Los Angeles Air Force Base (LAAFB) -* Continue to pursue programs and efforts to keep the LAAFB in the South Bay, including a formal P4 partnership and the further development of the Base Retention Committee.
- *Workforce -* Continue to promote programs that retain and create aerospace jobs in our region and ensure that the industry has the necessary skilled workforce through educational programs.

Business Competitiveness

Objective- Advocate for policies that enhance California's business climate and promote entrepreneurship and job creation for both large corporations and small businesses.

- *California Environmental Quality Act (CEQA)*- Champions the modernization to CEQA to limit abuse.
- *Wage Laws and Taxation*- Support equitable, sustainable tax system that lessens the burden on the business community and work towards wage laws that do not overly burden the small businesses in the South Bay.
- *Worker's Compensation* - Advocate restructuring of the worker's compensation formulas to allow small business to remain competitive in spite of rising minimum wage laws both locally and statewide.

Healthcare

Objective- support a sound and affordable healthcare system that addresses cost containment and excessive regulations that ultimately harm the delivery of health services.

- *Business Impact*: Monitoring and communicating with legislative bodies the impacts of healthcare legislation on local businesses.
- *Healthcare Costs*: Competitive marketplaces to control pharmaceutical and healthcare plan costs.
- *Medicare and Medicaid*: Support policies that protect funding for Medicare and Medicaid reimbursements to providers of healthcare, rather than attempts to further cut existing reimbursement rates.

Housing

Objective- Develop a housing stock that can properly sustain the growing population of the South Bay and Southern California.

- *Workforce Housing*- Support a diversified housing stock that can allow for middle class workers to afford to live near their place of employment and incentivizes companies to locate in the South Bay.
- *Transit Oriented Development*- Promote affordable and workforce housing near public transportation nodes to increase the amount of users of METRO and create convenience for riders.
- *Homeless and Veterans Housing*- Advocate for housing that incorporates components of housing for veterans and the homeless to better revitalize the South Bay's commercial corridors.

2017 POLICY PLATFORM

- **Aviation:** SBACC supports programs that capitalize on our region’s innovative aerospace industry and projects that improve movement of passengers and cargo in and out of local airports.
- **Ballot Initiatives:** SBACC supports fiscally sound ballot measures that address critical needs and realistically have taken into account the possible impacts on our economy.
- **Budgeting:** SBACC supports transparent budget decisions that are based on realistic projections with long-term goals in mind.
- **Education:** SBACC supports educational training, workforce development and skilled labor programs to assist South Bay businesses to meet future workforce demands.
- **Energy:** SBACC supports reliable sources of affordable and diverse energy supplies, including renewable sources and conservation.
- **Environmental Regulations:** SBACC supports regulatory reforms that fully consider environment impacts but are not misused against projects as political strategies.
- **Goods Movement:** SBACC supports projects to improve the delivery of goods throughout our region to allow imports and exports to affordably flow through our region cost effectively and environmentally efficient.
- **Healthcare:** SBACC supports a sound and affordable healthcare system that addresses cost containment and excessive regulations that ultimately harm the delivery of health services.
- **International Trade:** SBACC supports trade and tourism initiatives to spur commerce and to strengthen the region’s leading position in the global economy.
- **Labor Costs:** SBACC supports striking a balance between employees’ expectations to be treated fairly with employers’ abilities to stay in business.
- **Land Use:** SBACC supports a balanced approach to addressing workforce housing demands, creating new jobs, protecting industrial and commercial zones as well as preserving open space and our unique quality of life.
- **Los Angeles Air Force Base:** SBACC supports retaining the Air Force Base here in the South Bay.
- **Litigation:** SBACC supports reforms to California’s litigious environment so employers and public agencies are protected against costly, frivolous lawsuits.
- **Pensions:** SBACC supports reducing the public’s tax liability on unrealistic, unfunded pension plans and encourages long term remedies to ensure fiscal health.
- **Taxation:** SBACC supports reducing the high tax burden on businesses as well as a tax/fee structure that does not put South Bay businesses at a competitive disadvantage.
- **Telecommunications:** SBACC supports growth of technology to provide our region with access to all forms of communication tools to enhance the South Bay’s diverse job sectors as well as the military, residents, and schools.
- **Transportation:** SBACC supports innovative funding solutions to accommodate increased mobility on the region’s roadways and overall transportation system.

- **Waste Management:** SBACC supports realistic, fair and consistent water discharge requirements as well as policies on solid waste management so that the collection, transport, processing and disposal of solid waste is conducted with minimal impacts to our beaches and businesses.
- **Water:** SBACC supports a long-term, comprehensive state water plan that is reliable and includes conservation, new supply, reclamation, storage and conveyance that is equitable for all Californians.
- **Workplace Standards:** SBACC supports efforts to make California's workplace standards more competitive with the rest of the nation.