



Los Angeles Community Development Department
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NEWS

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FOR IMMEDIATE RELEASE

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TEN MILLION \$ TAX DEDUCTION PUTS DOWNTOWN LA PORSCHE IN THE DRIVER'S SEAT

(Los Angeles) Shifting gears just got easier for the owners of the Downtown LA Porsche dealership, Auto Center LLC. The state has just awarded them a \$10 million Commercial Revitalization Deduction. They will take a 50% deduction on their 2006 taxes, which will result in a \$5 million savings.

The Commercial Revitalization Deduction (CRD) is an incentive associated with the federal Renewal Community (RC) zone in Los Angeles. It permits greatly accelerated amortization of the cost of land acquisition, construction or rehabilitation of commercial projects within the RC. The incentive is meant to increase economic development and rehabilitation of abandoned properties and create jobs for RC residents. "This is a great win for the South Park community and the local workforce," said Mayor Antonio Villaraigosa. "With this incentive everyone benefits and new, well-paying jobs are created, which is what the Renewal Community zone was meant to accomplish," said the Mayor.

Portions of Los Angeles have carried the RC designation since 2002. Each year the City is allocated \$12 million for the Commercial Revitalization Deduction. Up to \$10 million can be awarded to any one project. This \$10 million allocation is the largest since the City received its RC designation. The Community Development Department administers the RC program.

The deduction follows a \$16 million expansion project at the Auto Center that includes construction of new auto showrooms and repair bays, which significantly increases the capacity of the Porsche dealership. One hundred and twenty eight jobs in the RC will be retained and 8 new RC jobs will be created. The owner has committed in writing to using CDD's WorkSource Centers to locate eligible RC residents to fill positions." The owners of Downtown LA Porsche have made a strong commitment to improving this community by setting aside job opportunities for RC residents, and we appreciate that very much," said CDD General Manager, Richard Benbow.

Keeping jobs in the City and creating new ones for employers and employees is the focus of CDD's Economic Development and Workforce Development programs. Our package of products provides direct and indirect financing, technical assistance, and tax incentives to promote business growth and jobs in targeted areas throughout the City of Los Angeles.

For more information on these services visit our website at www.lacity.org/cdd

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