Summary
Downtown’s Contribution to the City of Los Angeles’ Economy, 1999-2019

In 1999, the City of Los Angeles adopted the Adaptive Reuse Ordinance and STAPLES Center and LA LIVE opened, sparking the future growth and development of Downtown Los Angeles (DTLA). These two pivotal changes brought new residents, visitors and workers to DTLA, catalyzing tremendous private and public investments that have perpetuated its continued growth. DTLA represents only 1% of the city’s land but has played an outsized role in the City of Los Angeles’ economic and fiscal health. CCA partnered with Beacon Economics to analyze DTLA’s impact on the city’s tax revenues, jobs and businesses over the past two decades, summarized here.

TAX REVENUES – DTLA IS A MAJOR SOURCE OF REVENUE THAT SUPPORTS CITY SERVICES

- **Business Taxes**: In 1999, the average business in DTLA yielded $2,500 in business taxes per year compared to $1,200 in the entire city. This gap has increased over time – in 2019, the average business establishment in DTLA generated around $6,000 compared to $2,500 for the city.
- **Transient Occupancy Taxes (TOT)**: DTLA hotels contribute approximately $70 million in TOT revenue, making up 24% of all TOT revenues in the city, up from around $10 million in the late 1990s when DTLA accounted for 18% of the city’s TOT revenues.
- **Assessed Property Value**: Assessed property values in DTLA have grown from around $10 million in the late 1990s to nearly $45 million, increasing DTLA’s share of the city’s assessed property value from 5% to 7%.
- **Sales Taxes**: Sales taxes in DTLA have grown from around $90 million in 2007 to about $140 million, an increase from 19% of all sales tax revenues in the city to 23%.

EMPLOYMENT – DTLA LEADS THE CITY’S ECONOMY

- **Total private sector jobs in DTLA**: 215,000 – roughly 19% of the total private sector jobs in the city.
- **Jobs added in DTLA since late 1990s**: ~20,000 (10% increase) – 34% of all jobs added to the city’s economy were in DTLA.
- **Key growth industries in DTLA as a share of the city’s growth**:
  - Arts and Entertainment: 40%
  - Construction: 64%
  - Management of Companies and Enterprises: 40%
  - Professional, Scientific and Technical Services: 43%

WAGES – DTLA DRIVES INCOME GROWTH IN THE CITY

- **Average wages**: $74,883 in DTLA compared to $59,254 for the entire city – 26% higher than the city and up from when they were 15% higher than the city in the 1990s.
- **Wage growth**: Wages in DTLA doubled with an increase of 105% since the 1990s while wages in the City of LA increased by 87%.

BUSINESSES – DTLA SUPPORTS THE GROWTH OF LARGE AND SMALL BUSINESSES

- **Establishments**: Nearly 1,000 more business establishments in DTLA than in the 1990s – DTLA’s share of the city’s businesses has decreased but the share of jobs has increased, meaning that DTLA businesses employ more workers on average.
- **Small businesses**: Around 1,900 additional small businesses (fewer than 50 employees) have emerged in DTLA since the 1990s, and small businesses account for 95% of all DTLA establishments.