

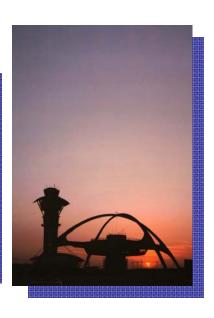
## 2013 Economic Development Strategy

City of El Segundo

September 2012







### Introduction

The City of El Segundo has a rich tradition of being a community built by business. From the founding of Standard Oil 100 years ago, through the growth of aviation and aerospace industries and now with the emerging technology and media-based businesses, El Segundo has been and remains a favorable place to conduct business.

In fact, El Segundo was the winner of the 2006 Los Angeles Economic Development Corporation's "Most Business Friendly City" as well as a 2012 Finalist for the coveted award. Our friendly, professional and efficient staff, low tax, and streamline licensing and permit turnarounds appeal to businesses, as does our location, quality of life, and attractions.

In spite of this record of success and a recent up tick in economic growth regionally, El Segundo has been impacted by the overall decline in the economic climate over the last five years. Despite El Segundo's office vacancy rates decreasing and being among the lowest in the South Bay, other sectors have experienced significant loses. The Downtown Corridor businesses have seen fewer customers, resulting in key commercial storefront vacancies. It is important that El Segundo look for ways to be both proactive and innovative in aggressively attracting, expanding and retaining its business base, while continuing to diversify its workforce. This strategy looks to highlight and build upon accomplishments in 2012 and implement new strategies for 2013.

The strategy outlines the six components that make up the City's economic development efforts as shown on the cover of this document. These inter-related components include:

- Committed City Leadership
- Business Climate
- Permitting and licensing assistance and process improvements
- Business Retention
- New Business Attraction
- Strategic Planning







## Committed City Leadership - Maintain and Develop Business Friendly City Policies

The City's leadership establishes policy and makes decisions that guide the community. The direction and consistency of these policies and decisions sends a message to the business community about the City's openness to development and business growth. While some communities have a reputation of being divisive and unfocused, El Segundo has a track-record of maintaining and developing business-friendly city policies. It is important to include leadership as the first component of the strategy as a reminder to keep this priority in mind and remain focused on the desired outcome.

The Economic Development program staff will work closely with all City departments and numerous external agencies to ensure timely completion of the 2013 Economic Development Strategy. The Economic Development Program Coordinator, a full time staff position who reports directly to the Director of Planning and Building Safety, is directly responsible to carry out the day to day tasks and the overall completion of the 2013 Economic Development Strategy.













## **Business Climate** – Leverage the City's Pro-business Climate to Attract and Retain Quality Business and Jobs

City of El Segundo enjoys a positive business climate that helps maintain and expand our economic base. El Segundo is ideally situated between the Pacific ocean to the west, Los Angeles Airport to the north, Interstates 105 and 405 to the north and east and the Green Line light rail to the east. This location, combined with the presence of the highest concentration of Fortune 500 companies in Los Angeles County and ample office and industrial real estate make El Segundo a highly desirable business location. From a cost-of-doing-business perspective, El Segundo is generally cheaper than our competition. With Utility tax at 3% (2% for telecommunication) and Tran-

**Utility Tax** 

sient Occupancy Tax at 8%, El Segundo has one of the lowest tax structures in the region. Along with having accessibility to a large, educated work force and a desirable quality of life factors, El Segundo is an ideal place to do business. An important tool in the economic development strategy is leveraging the City's probusiness climate to attract and retain quality businesses and jobs.

El Segundo has great schools. E.S. High School was recently one of 97 high schools in the State to be awarded with the title of "2011 California Distinguished School" title. The school district enjoys a strong relationship with area businesses, with many businesses participating in the El Segundo Education Foundation and supporting school events.

El Segundo is a full service city and provides great municipal services to its residents and business bases alike. The El Segundo Police Department (ESPD) is renown for its consistently low crime



rate and commitment to providing real time alerts to the residents it serves. El Segundo has one of the highest per capita staffing ratios for both police and fire services in Los Angeles County. The City utilizes an Area Command structure that allows for specific officers and supervisors to focus on geographic areas and create relationships with businesses in those areas.





## **Permit/License Process** — Optimize Permit/License Process that is Transparent and Non-Intimidating

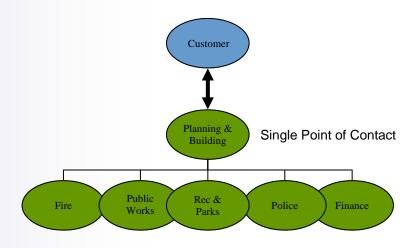
The El Segundo community and its leaders are very much aware that the regulatory setting of a city impacts its ability to attract and retain businesses. For that reason, securing necessary entitlements in El Segundo is much more streamlined than many of the other communities in Los Angeles County. As a firm commitment to our business base, permitting and other necessary dealings with the city are continually evaluated and improved from an efficiency and predictability standpoint.

The Planning and Building Safety department serves as the primary Ombudsman and the single point of contact for our development customers. One of the benefits of being a small city is that decision makers can be extremely accessible. The City provides expedited processing in several ways and staff assigned to the project will assist from concept to completion.

Departments are encouraged to analyze how and why they conduct businesses in certain ways. Just because something has always been done a certain way is not seen as justification for why a process cannot be analyzed and changed. The implementation of the Appointment Plan Check process, where city's team from various departments are assembled and customized to meet our customer's needs, is the most recent improvement to the overall permitting process to our ongoing efforts to continuous improve around our customers needs.

Thanks in part to a grant from Southern California Edison; the City recently completed software and website alterations making it possible for persons to obtain basic permits and licenses online. Specific projects being worked on this year include clarifying the City's public improvements and dedications policies.







# **Business Attraction** — Maintain and Refine a Focused, Hands-on Business Attraction Strategy

Business Attraction strategies in the past have relied on advertising such as print adds, cable television and billboards. While some of these approaches have a fairly high profile, it is difficult to measure direct benefits and they are expensive. The strategy going forward proposes a more focused with a hands-on approach.

The "fact-based" components will consist of creating a baseline study to better understand the existing setting and be able to measure job and business growth as well as other metrics that generate revenue for the City. The second component will involve attendance at trade shows and networking events to 'prospect' for new businesses considering a new presence in the market. This type of effort does include limited print ads in regional publications and maintaining a constant presence at local, regional and national trade shows for targeted industries. Once prospects have been identified, the next step is to provide site selection assistance for businesses new to the area. This type of economic development effort requires extensive collaboration with local real estate professionals to disseminate the most up-to-date information and property detail. The final "fact-based" element of the outreach program is to incorporate the analyses completed by Buxton for retail and hotel attraction efforts. Much of the information provided has varying levels of detail and can range from general demographic for an intersection to most commonly watched news program during a typical lunch hour. These data can actually provide a local business with customer preferences leading to increased visit times and total spending.

Recognizing that health care is one of the fastest growing industry sectors, the City commissioned Buxton to complete a healthcare analysis that identifies current service levels in the El Segundo area as well as the demand based on physician specialty. This information will allow us to target particular health care providers while closely matching them with targeted locations throughout the City.





## **Business Outreach and Retention** — Enhance Business Retention Efforts Through Pro-active Outreach

The City of El Segundo currently has 4,426 businesses, ranging from home-based firms to Fortune 500 companies. Retaining these existing companies is a primary objectives of this strategy as they contribute to the existing employment and tax base and their loss creates a potentially difficult to replace tenant. This strategy focuses on proactive communication and outreach as the best way of knowing what issues existing businesses are facing and how the City can best assist. By proactively visiting existing businesses and establishing open dialogue, the City can best leverage its resources to identify and assist those businesses seeking assistance with expanding their current operation or preventing a business closure or relocation outside of the city. Additionally, staff will collect specific data on each visit and report any specific concerns to the City Council for action.





## **Strategic Planning**

The Economic Development Program will be continue to be assisted by the Economic Development Advisory Committee (EDAC), where business-based recommendations will continue to guide the long term success of the program.

Secondly, staff will continue to implement the findings and recommendations from the Urban Land Institute's Technical Advisory Panel (TAP) analysis of the Smoky Hollow area. The process included bringing in industry exerts in a variety of development and real estate fields to conduct a focused study of an area and prepare a development and land use strategy for the City to follow that is responsive to contemporary market forces. Staff was provided direction by the City Council to begin with the TAP recommendations as a starting point for comprehensive changes to the city's policies related to Smoky Hollow.

## 2013 Focus Areas

#### **Downtown**

- Implement Chamber of Commerce Recommendations
- Assist property owners in rapidly reoccupying vacant commercial storefronts with quality tenants
- Diversify workforce in Downtown Corridor—matching retail, restaurants and other service-based operators whose client base are likely to frequent the existing business base
- Promote the right mix of retail, restaurant and residential uses.





### **Smoky Hollow**

- Target outreach area for concentrated business outreach visits
- Carryout Urban Land Institute Technical Advisory Panel Study recommendations
- Continue to market the area to creative industry and technology companies
- Implement the fiber connectivity project from Smoky Hollow to east side data centers

### **Campus El Segundo**

- Identify and attract potential developers and users to the site
- Discuss alternative land use strategies with the property owner





#### **Continental Park**

- Assist the ownership in business attraction and building improvement efforts
- Specific targeted marketing: Health Care Industry, Retail/Restaurant Uses

### Plaza El Segundo

- Promote the development of future phases of Plaza El Segundo with compatible retail uses
- Cooperate with the property owners and public agencies to continue area traffic improvements including the extension of Park Place and Village Drive







### Sepulveda Corridor

- Promote the redevelopment of the former Stick N Stein Site (707 N. Sepulveda Blvd)
- Promote the development of a hotel at the 888 N. Sepulveda site
  - Assist property owners in reoccupying vacant commercial space—specifically mid-rise towers

## 2013 Work Program and Budget

El Segundo Economic Development Program—Focus Areas	Costs
City Marketing/Branding—Market City on a national, regional and local level to targeted business sectors through various media formats including: ad placements, virtual media (website, social media), press releases, attendance at trade shows and networking events, seek targeted awards that provide high level exposure at low cost (i.e. Most Business Friendly City Award)	Staff time
Urban Land Institute—Technical Assistance Panel Findings—implement findings and recommendations as approved by City Council including establishment of baseline metrics for long term growth evaluation	Staff time
Business Retention/Business Visitation Program – visit new and established businesses to discuss available services and identify current and future business needs.—120 visits	Staff time
Website and Brochure Update and Maintenance – update and improve City website and El Segundo Business.com site	Staff time
Business Attraction Program—aggressively pursue new business and encourage revitalization of sites in Smoky Hollow area and reduce commercial vacancy rates throughout the city	Staff time
2013 Approved Budget	
Advertising/Publishing	\$24,000
Contractual Services	\$51,000
Dues/Subscriptions/Membership Fees	\$2,000
Meetings & Travel Expenses	\$4,000
Professional & Technical	\$7,500
Training & Education	\$1,500
Personnel Cost	
Economic Development Coordinator	\$90,000
Total Annual Budget	\$ 180,000

## Conclusion

The 2013 Economic Development Strategic Plan has set forth a plan to not only accomplish specific tasks and activities that are consistent with long term business development at the community level, but also identifies trends and measures outcomes. The trend analysis and quantification of outcomes will be the basis for program evaluation, providing for an instrument to identify year-over-year and long term success of the economic development program. The intended outcomes of this program are the generation of significant returns on investment through increased activity for existing businesses, city revenues, development activity, job creation, shopping and business services for El Segundo residents and improved quality of life.



