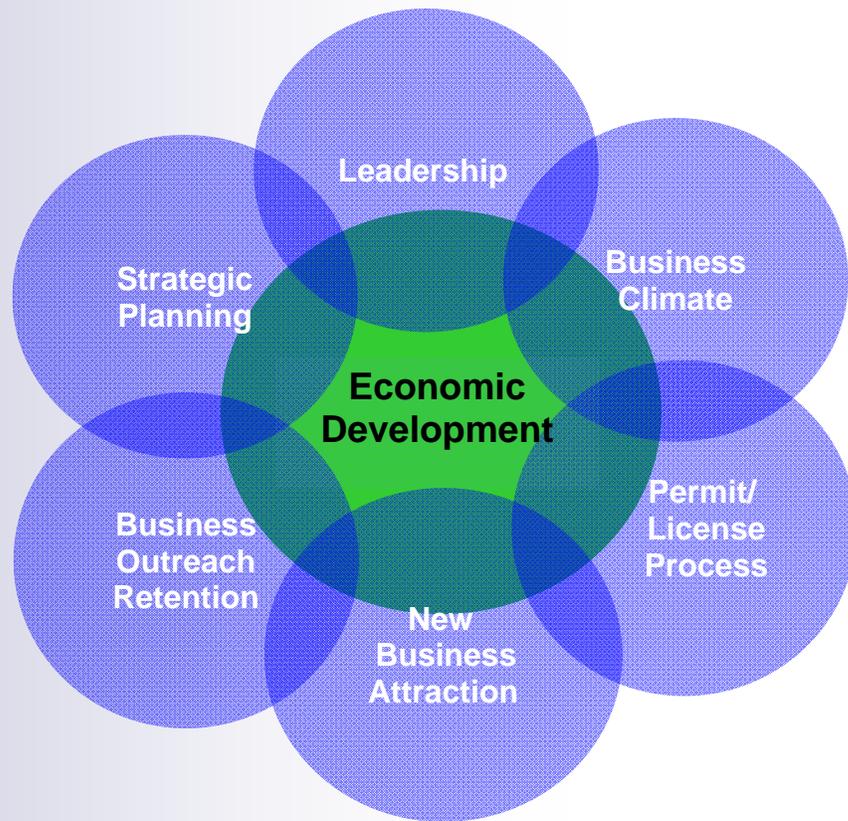


# 2012 Economic Development Strategy

City of El Segundo

September 2011



## 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" award. Our friendly, professional and efficient staff, low tax, and quick license and permit turnarounds appeal to businesses, as does our location, quality of life, and attractions.

In spite of this record of success, El Segundo has been impacted by the overall decline in the economic climate. Office vacancy rates have increased, downtown businesses have seen fewer customers and previously approved projects have languished. It is important that El Segundo look for ways to be both proactive and innovative in attracting new business and retaining existing business. This strategy looks to consolidate existing efforts and propose new efforts for 2012.

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 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.

One important decision proposed as part of this strategy is the hiring of an Economic Development Program Coordinator. Reporting to the Director of Planning and Building Safety, this person would carry out the day to day tasks of the program and allow us to accelerate the elements of this strategy.



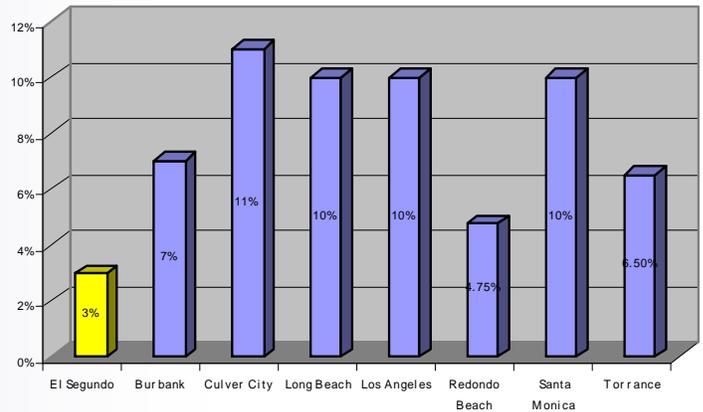
## Business Climate – Leverage the City’s Pro-business Climate to Attract and Retain Quality Business and Jobs

City of El Segundo enjoys a positive business climate that helps maintain and expand our economic base. El Segundo is ideally located adjacent to the Pacific ocean, Los Angeles Airport, two major freeways and the Green Line Light rail. 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 Transient 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 pro-business 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 has great municipal services and is renown for having a low crime rate. Last year, the City experienced its lowest part one crime rate in over 40 years. 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.

Utility Tax



## Permit/License Process — Continue to Implement and Improve an Efficient and Predictable Permit/License Process

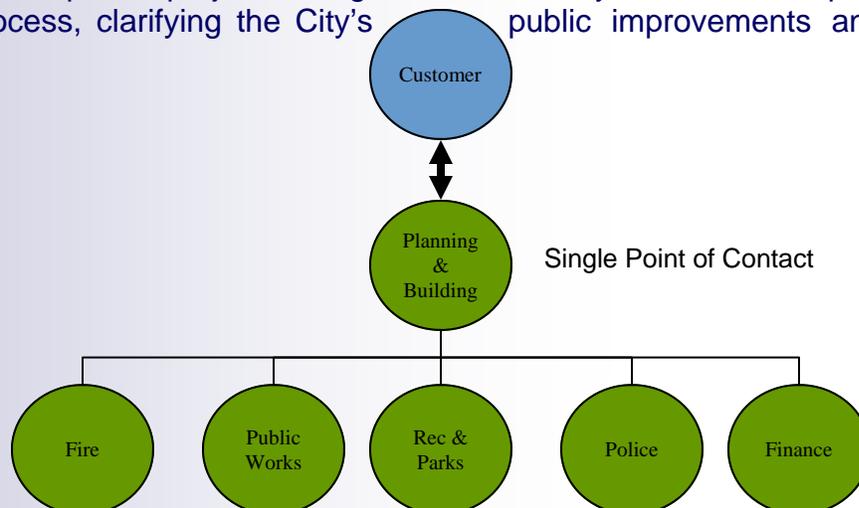
The El Segundo community and its leaders are very much aware that the regulatory setting of a city impacts its ability to attract and retain businesses. For that reason, the regulatory setting in El Segundo tends to be much more streamlined and, in our opinion, sensible than other cities. This strategy seeks to continue to implement and improve on efficient and predictable permit and license processes.

Planning and Building Safety 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 is currently working on making it possible for persons to obtain basic permits and licenses online and we hope to have this in place in early 2012. Specific projects being worked on this year include simplifying the Planning application process, clarifying the City's public improvements and dedications policies.



## Business Attraction — Develop a Focused, Fact-based 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, fact-based and 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. The second component will involve creating and maintaining a vacancy and development opportunity inventory so that will enable us to point potential businesses and developers to available properties. The final “fact-based” element of the outreach program will be a **Community ID** analysis by the Buxton Company. Buxton provides site selection assistance to retailers and analytical and marketing assistance to cities wishing to lure retail development. Designed specifically for economic development programs, according to Buxton, **Community ID** has assisted 650 public sector clients and resulted in the development of more than 35 million square feet of retail space. Buxton analyzes the community based on the same factors used by retailers and essentially provides a “compatible match list” of businesses that are seeking the characteristics that exist in El Segundo. Buxton provides marketing materials and contact information for the match list which the city can then use to conduct outreach. Buxton will also assist the city and retailers by providing introductions and meeting opportunities at the International Council of Shopping Centers (ICSC) annual meetings.

Recognizing that health care is one of the fastest growing industry sectors, Buxton will also provide a healthcare analysis that identifies current service levels in the El Segundo area as well as the demand based on physician specialty. It is anticipated that this information will allow us to target particular health care providers.



Hyatt Place



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

The City of El Segundo currently has 4,363 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. In conjunction with the Los Angeles Economic Development Corporation, staff will enhance the business visitation program by increasing the number of outreach meetings and increasing time available for coordination of services.



## Strategic Planning

The Economic Development Program will ultimately be more successful if an effort is made to look towards the future and plan for changes in the future as well as focus on longer-term projects. To assist with this effort, we propose the reestablishment of the Economic Development Advisory Committee (EDAC). The EDAC will assist staff by providing business-based recommendations on the direction of the ED program.

Secondly, staff would like to contract with Urban Land Institute to conduct a Technical Advisory Panel (TAP) analysis of the Smoky Hollow area. This process involves bringing in industry experts 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 going forward. Staff intends to use the TAP recommendations as the starting point for making comprehensive changes to the city's policies related to Smoky Hollow.

## 2012 Focus Areas

### Downtown

- Implement Chamber of Commerce Recommendations
- Study and promote the right type of development opportunities at key sites (Main/Grand lot, Rite Aide)
- Attract tenant for Post Office site and others as they become available
- Promote the right mix of retail, restaurant and residential uses.



### Smoky Hollow

- Conduct the Urban Land Institute Technical Advisory Panel Study and implement key recommendations
- Study and promote development opportunities at key sites (Grand and Kansas)
- Continue to market the area to creative industry and technology companies
- Implement the fiber connectivity project from Smoky Hollow to east side data cen-

### Campus El Segundo

- Cooperate with the Wiseburn School District to identify an alternative location for the proposed Charter High School
- 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.
- Analyze the potential of locating health care providers and related industries through the Buxton Community ID project.

### 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 development of a Hacienda Hotel parking lots with parking structure and retail development
- Promote the development or reuse of the former Stick N Stein Site
- Promote the development of a hotel at the 888 Sepulveda site
- Analyze the potential benefits and impacts and make a recommendation regarding the proposed In & Out Burger restaurant

## 2012 Work Program and Budget

El Segundo Economic Development Program	Costs
Economic Development Program Baseline Study - consolidate existing metrics including vacancy rates, available properties, cost of doing business and performance measures.	Staff time
Development/Business Opportunity Mapping / Outreach – identify and map areas where development opportunities exist, make available to current property owners and perspective builders.	Staff time
Business Retention/Business Visitation Program – visit new and established businesses to discuss available services and identify current and future business needs.	Staff time/LAEDC assistance
Website and Brochure Update and Maintenance – update and improve City website and El Segundo Business.com site	Staff time and consultant \$7,500
Research and Implement Recommendations made by the Chamber of Commerce, Downtown Task Force	Staff time/possible expense for signage
Business/Economic studies (Buxton) – Identification of compatible retailers and industrial uses and a health care facility needs assessment	\$75,000
Business Attraction – contact firms identified through the Buxton, attend ICSC and other conferences, identify and contact compatible/desirable businesses	Staff Time
Coordination of activities – Permit/Licensing Activities, “Business Matters” cable television programming	Staff time
Reinitiate the Economic Development Advisory Committee	Staff time
Strategic Planning – Smoky Hollow/Urban Land Institute Technical Action Panel Strategic Plan	\$25,000
Develop 2013 Economic Development strategy	Staff time
<b>Marketing Materials/Program costs</b>	
Postcards/brochures	\$500
Advertising/ Downtown Guide	\$3,500
Membership Fees	\$500
ICSC Yearly Membership Fee and conferences	\$18,000
<b>Personnel Cost</b>	
Economic Development Coordinator	\$90,000
Total Annual Budget *Approximately \$85,000 from FY 2010-2011 budget	\$ 220,000*



## Conclusion

The intent of this plan is to significantly increase the role of economic development in El Segundo. Based on the general condition of the economy, and the related impacts to the City's budget and services, it is imperative that the City outperform the region when it comes to business retention and attraction. This can be accomplished by having a strategy in place that identifies the steps necessary and the resources available to carry them out. The intended outcomes of this campaign 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.

