

Chapter 14: Economic Development Element

II. Introduction

From its origins as a sparsely populated agricultural area, Los Angeles County has developed into a national and global economic center. Today, Los Angeles County's economy is diverse and fast-changing, and faces global competition for economic resources.

The Economic Development Element outlines the County's economic development goals, and provides strategies that contribute to the economic well-being of Los Angeles County. The overall performance of the economy and economic development efforts strongly impact land use and development patterns. Through the implementation of this Element, the County is planning for the economic health and prosperity of its physical and social environments, and planning strategically for the future economy.

The Element works in conjunction with the Los Angeles County Strategic Plan for Economic Development, which was adopted by the Los Angeles County Board of Supervisors in 2010. The Strategic Plan can be found at the following link: <http://lacountystrategicplan.com/>.

II. Background

Los Angeles County's historical growth pattern of sprawling single family development, with scattered commercial and industrial uses, has strongly influenced its economy.

The first major economic sectors to emerge in Los Angeles County were land development, real estate and the entertainment industry, which continue today to play a major role in the regional economy. In addition, the aerospace industry was responsible for some of the major growth spurts in Los Angeles County. By the 1960s, the aerospace industry employed hundreds of thousands of workers, which accounted for nearly half of the manufacturing jobs in Los Angeles County at that time.

During the 1990s, major economic, social, and environmental trends impacted Los Angeles County's economy, and in particular, its manufacturing sector. The end of the Cold War reduced defense spending, which significantly impacted the aerospace and related manufacturing industries. In addition, with free trade agreements and globalization, local, regional, state and national level economies merged with the global economy, and competition from overseas producers with cheaper labor and production costs prompted an exodus of manufacturing jobs from Los Angeles County.

The present economy of Los Angeles County is technology-driven, including biomedical, digital information technology, and environmental technology. Another key economic driver is the creative economy, which includes industries involved in the production of cultural, artistic, and design goods and services. Specifically, the fusion between technology and creativity, such as innovations in interactive media, plays an important role in the region's economic growth. International trade, aerospace, petroleum, and tourism continue to drive the economy, as well as media production, finance, telecommunications, law, healthcare, and transportation.

Employment Land

Appendix J identifies and analyzes employment land within the unincorporated areas. The study organizes the employment land into Employment Protection Districts, Industrial Flex Districts, and Industrial Opportunity Areas.

Employment Protection Districts

Employment Protection Districts are economically-viable industrial and employment-rich lands, with policies to prevent the conversion of industrial land to non-industrial uses. These areas, which are identified in Figure 14.1, are mapped as Employment Protection District Overlays in the General Plan Land Use Policy maps. For more information on the Employment Protection District Overlay, please refer to the Land Use Element.

Industrial Flex Districts

Industrial Flex Districts are industrial areas that provide opportunities for non-industrial uses and mixed uses, where appropriate, but also light industrial or office/professional uses that are compatible with residential uses. As opportunity areas, as discussed in Chapter 5: Planning Areas Framework of the General Plan, Industrial Flex Districts inform future industrial land use considerations in community-based planning efforts.

Industrial Opportunity Areas

Industrial Opportunity Areas are economically viable industrial and employment-rich lands located in an unincorporated community that has an adopted community-based plan, or is in the process of creating one. It is highly recommended that during the creation or update of the community-based plan, these areas be mapped as Employment Protection Districts.

Figure 14.1: Employment Protection Districts Policy Map

Economic Sectors and Jobs

Countywide

Los Angeles County has a diverse economic base, with multiple industry clusters spread across both incorporated and unincorporated areas. Although many of the largest employers are located in incorporated areas, the unincorporated areas support the regional economy with public sector jobs and services, manufacturing jobs, housing construction, and tourist destinations such as beaches and theme parks. Due to the difficulty in isolating economic drivers in the non-contiguous, geographically dispersed unincorporated areas, this section first presents key employment sectors for Los Angeles County, followed by an analysis by Planning Area.

Despite significant losses, Los Angeles County is still the largest manufacturing center in the country. It is also home to the ports of Los Angeles and Long Beach, which combined, is considered the sixth busiest port in the world.

Increased population growth has transformed the economic landscape, and growth in small and minority-owned businesses have contributed to offsetting the decline in manufacturing jobs. Although Los Angeles County has gained jobs in recent years, the total number of jobs has only recently rebounded to 1990 levels.

According to the Los Angeles County Economic Development Corporation (LAEDC), the largest growth sectors countywide in terms of jobs are professional, scientific and technical services, health services, and retail trade. Los Angeles County continues to have a net decrease in durable goods manufacturing and construction jobs. The LAEDC identifies the following key leading industry clusters:

- Entertainment
- Fashion
- Aerospace and Analytical Instruments
- Trade (transportation, logistics, and distribution)
- Education and Knowledge Creation
- Publishing and Printing
- Metal Manufacturing
- Biomedical
- Tourism

Planning Area

Antelope Valley Planning Area

The largest economic sectors in the Antelope Valley include government, retail services, and manufacturing, in large part due to the major concentration of aerospace research and development activity. Agriculture is also a major contributor to the economy in the Planning Area. Government employs nearly 20 percent of all employed persons in the Planning Area. The Planning Area has a number of comparative advantages that present unique opportunities for economic growth and development in the region. These include the availability of vast expanses of flat, affordable land; substantial plans for major transportation infrastructure projects; and the prospect of locating an “inland port” to handle trade near the Palmdale Regional Airport.

Coastal Islands Planning Area

Over 80 percent of Santa Catalina Island has been set aside by the Catalina Island Conservancy, which is dedicated to conservation, recreation, education, and research programs. The primary economic driver on Santa Catalina Island is tourism and recreational-related activities, such as boating and fishing. The majority of visitor activities in the unincorporated areas occur in the Two Harbors area.

East San Gabriel Valley Planning Area

Over the past decades, the San Gabriel Valley has lost jobs in manufacturing, while gaining jobs in the international trade sectors. The biggest economic sectors in the Planning Area are professional and business services, retail, educational and health services, and international trade. The major educational institutions in the Planning Area include California State Polytechnic University Pomona, University of La Verne, Azusa Pacific University and the Claremont McKenna Colleges, which are important economic generators in the area. The Planning Area includes Employment Protection Districts in South Walnut and Avocado Heights.

Gateway Planning Area

The Planning Area has evolved from an expanse of citrus orchards to one of the most important and busiest industrial and logistical hubs in the country. This region contains the largest concentration of manufacturing jobs in Los Angeles County, and is a hub for wholesale trade, warehousing and logistics. It is also home to three heavily-industrial cities: Commerce, Santa Fe Springs, and Vernon.

Although manufacturing is still a large part of the Planning Area's economy, over the years, the number of manufacturing jobs has declined. In addition, the Planning Area lacks high-tech industries and modern office and industrial space. Furthermore, because it is an older region, the Planning Area lacks large blocks of developable land, which constrains the growth of the region's industries. The Planning Area includes Employment Protection Districts in Rancho Dominguez, South Whittier-Sunshine Acres, West Whittier-Los Nietos, and North Whittier.

Metro Planning Area

The Planning Area has seen significant losses in the manufacturing sector over the last 20 years, and little to no overall economic or job growth. It is estimated that current unemployment rates in some unincorporated communities are very high. The California Employment Development Department estimates Florence-Firestone to have a 25 percent unemployment rate, and West Athens-Westmont to have a 15 percent unemployment rate. The East Los Angeles area has had very little recent economic growth, and experienced a significant loss of manufacturing, which historically had been a stable economic presence in the area, in addition to government employment and educational and health services. The Planning Area includes an Employment Protection District in West Rancho-Dominguez.

San Fernando Valley Planning Area

The Planning Area is a major center for entertainment, tourism, professional and business services, education, health services, and manufacturing. California State University Northridge and four community colleges work closely with the private sector to train the workforce of more than 750,000 people. The Universal Studios Specific Plan area is unincorporated land that houses the Universal Studios filming lot and is a large economic center within the Planning Area. The Planning Area includes an Employment Protection District in Lopez Canyon.

Santa Clarita Valley Planning Area

The Planning Area contains a wide variety of retail, office, industrial, medical, and entertainment centers that provide employment, goods, and services to both regional and local market areas. The Planning Area is experiencing an increase in jobs, but not enough economic growth to achieve a jobs-housing balance. Many people in the region still commute great distances for their employment. The largest economic sectors in the Planning Area are professional and business services, with several growing industries including biomedical, entertainment, technology, and aerospace manufacturing, due to the availability of land and facilities, as well as a qualified workforce. From 1992 to 2005, almost 40,000 new jobs were created in the Planning Area. Between 2000 and 2005, job growth averaged about 3,900 jobs per year. Most of this job growth occurred in the manufacturing, services, retail trade, and construction sectors.

Santa Monica Mountains Planning Area

Visitor-serving commercial and recreational uses are the primary economic activities in the Planning Area. The primary land uses in the Santa Monica Mountains are open space and low-density single family residential. Nodes of local-serving commercial activity are scattered among a few locations in the Santa Monica Mountains.

South Bay Planning Area

The Planning Area is home to numerous offices for company headquarters, research and development facilities, manufacturing, health care, telecommunications, financial services, and international trade businesses. Educational institutions, such as California State University-Dominguez Hills and several

community colleges provide training and degree programs to meet the needs of industry. The Planning Area includes Employment Protection Districts in West Carson and Lennox.

West San Gabriel Valley Planning Area

The West San Gabriel Valley Planning Area is employment-rich with several major employment centers, such as Jet Propulsion Laboratory and the California Institute of Technology. The Planning Area is also located near Downtown Los Angeles and is the gateway for goods movement infrastructure heading east. In addition, opportunities exist in some older commercial corridors to facilitate mixed use development and pedestrian amenities. The Planning Area includes Employment Protection Districts in Whittier Narrows and East Pasadena-East San Gabriel.

Westside Planning Area

The economy of the Planning Area is based on the entertainment industry, leisure and hospitality services, professional services, entrepreneurialism and design. The petroleum industry also supports many jobs, contributing significantly to the local economy. The Planning Area has very low office vacancy rates and high rents. Major education institutions and employers include the University of California Los Angeles and Loyola Marymount University.

Tools for Economic Development

In 1982, the Board of Supervisors consolidated three entities—the Housing Authority, Community Development Department, and the Redevelopment Agency—to form the Los Angeles County Community Development Commission (CDC). The CDC's Economic and Housing Development Division is responsible for implementing the County's economic development policies and programs in the unincorporated areas. In addition, the CDC is responsible for administering Board of Supervisors Policy No. 5.125, Economic Development Business Incentive Program, on a countywide basis. In addition, the County established the Los Angeles County Office of Small Business (OSB) to assist small businesses and connect them with government opportunities, and serve as a source of information on procurement opportunities, certification, financing, and technical assistance.

Below is a description of the economic development programs administered by the County. More information can be found on the CDC's web site at <http://lacdc.org>. More information on the Los Angeles County OSB can be found at <http://doingbusiness.lacounty.gov/osb.htm>.

Small Business Development Tools

In addition to assisting small businesses and connecting them with government opportunities, OSB serves as the County Procurement Technical Assistance Center, which is funded by the U.S. Department of Defense to help small businesses obtain contracts with prime defense contractors. In addition, OSB provides workshops and training for small businesses on how to sell goods and services to the County, the State, the federal government, and other public agencies in Southern California.

The Business Technology Center of Los Angeles County (BTC) is another example of the County's efforts to assist start-up, early stage small businesses to grow. The BTC, which is a project of the CDC, is dedicated to the development of high technology firms through business management assistance, technical assistance, and the coordination of available financial resources. The 40,000 square-foot facility, which is located in unincorporated Altadena, offers key business support services to emerging technology organizations, including access to capital and business professional mentorship from a large volunteer group of seasoned executives. The BTC houses companies with specialties such as software development, bio-informatics, cutting edge sensors and the commercialization of federal laboratory technologies. Tenants of the BTC have attracted over \$200 million in capital and created over 1,800 jobs.

The CDC also operates business lending programs that have provided more than \$125 million in business loans and created or retained over 3,000 jobs. The CDC offers loans for a variety of purposes—large and small businesses, commercial or industrial. These include the County Business Loan Program, County Expansion Loan Program, County Utility Loan Program, County Float Loan Program, Section 108 Loan Guarantee Program, and the County Technology Loan Program. These loan programs are designed to assist businesses that cannot obtain conventional bank financing.

Revitalization Tools

The CDC administers a comprehensive economic development program focused primarily on services to the unincorporated areas. The CDC also administers the Los Angeles Urban County CDBG Program for the unincorporated areas and 49 participating cities. CDBG funds have been used for many economic development activities, including land assembly and relocation to accommodate business expansion in low and moderate income areas.

The CDC also administers a Community Business Revitalization (CBR) Program, which provides grants and technical services to businesses and property owners to improve or rebuild storefront façades. Older commercial corridors in low and moderate income areas like those assisted through the CBR Program are vulnerable to vacancy and decay as retail trends have evolved over recent decades. Over 400 businesses have been assisted since the CBR Program's inception.

The CDC also assists in the creation of Business Improvement Districts (BIDs) to revitalize commercial corridors by working with local chambers of commerce and business associations to provide the technical assistance and capacity building necessary to pursue the BID process. Following the adoption by a vote of local property owners, BIDs can provide business-related improvements; image enhancement; promotions; physical amenities; maintenance (i.e., sidewalk cleaning, litter/bulky item pick-up, etc.); professional services (i.e., activities/services consultant); supplemental public services (i.e., security, other maintenance, etc.); and related management and operational services that directly benefit businesses and real property located in the BID, as determined by the property owners.

III. Issues

1. Economic Growth

Despite the continued population growth of Los Angeles County, total job numbers have only reached 1990 levels in recent years. Major growth areas include low-wage service and retail jobs. The rise in low-wage jobs is projected to continue.

Also, a significant portion of the economic growth in the last 15 years has been in the informal economy, as well as the growth of small and minority-owned businesses. However, these businesses often have limited growth potential due to limited access to capital and expansion opportunities.

2. Attracting Target Industries

The following industry clusters have the most potential to contribute to a broad-based, stable, and expanding economy for Los Angeles County:

Entertainment

Los Angeles County is home to an internationally-recognized entertainment industry and is the site of major television and movie production activities, video game and digital entertainment production, and an increasing number of fine arts establishments and venues. To prevent the relocation of entertainment production to other states and overseas, the County must continue to pursue state

incentives to keep entertainment production in California and in the Los Angeles region. In addition, the County must address the potential conflicts between communities, filming and production, and balance the needs of the entertainment industry with community concerns.

Fashion

The fashion industry workforce in Los Angeles County is more than twice the size of the fashion industry workforce in New York's fashion district. Big name designers operate alongside small, independent shops. Many fashion education programs support these activities, including the Fashion Institute of Design and Merchandising and the Otis College of Art and Design.

Aerospace and Analytical Instruments

With research universities, private think tanks, a NASA outpost, and research and development facilities, Los Angeles County lays claim to a sizeable share of the high-tech marketplace. Employment in the aerospace cluster is concentrated in the manufacturing of aerospace products and parts. The analytical instruments cluster supports the aerospace industry through the production of aerospace instrumentation. Both clusters demand a highly-skilled workforce and offer wages that are double the average of wage in Los Angeles County.

Trade

The ports of Los Angeles and Long Beach, along with the Los Angeles International Airport (LAX), handle more cargo than any other region in the country, and trade and logistics continues to be a growing economic sector in Los Angeles County. Infrastructure improvements related to trade and goods movement should be prioritized to maintain Los Angeles County's competitive hold on this sector. Additionally, expanding trade and goods movement can benefit Los Angeles County. For example, facilitating the creation of an "inland port" near the Palmdale Regional Airport would alleviate congested conditions in the ports and airports in the southern portion of Los Angeles County, while also strengthening the employment base in the northern portion of Los Angeles County. For an inland port to succeed, economical routes must be identified and supported by infrastructure improvements.

Education and Knowledge Creation

There are approximately 120 accredited institutions in Los Angeles County that confer associates, bachelors, and graduate degrees. Three universities—California Institute of Technology (Caltech), University of California Los Angeles, and University of Southern California—received more than \$2.06 billion in research funding from federal agencies in 2010.

Publishing and Printing

Los Angeles County is a hub for publishing and printing activity, including book and directory publishing, music publishing, internet publishing and broadcasting, and web search portals.

Metal Manufacturing

Los Angeles County is the nation's number one manufacturing center in terms of employment. Los Angeles County is known for its expertise in advanced materials, such as composites, ceramics, polymers, and the latest innovations in nanomaterials. The presence of the aerospace industry has been a motivating factor in the research, development, and deployment of new materials and processes.

Biomedical

Health sciences and biomedical research represent a growing industry that provides high-paying jobs. Los Angeles County cannot capitalize on this sector without addressing the lack of high-tech industrial or office space. Land use policy can increase the amount of land available for this target industry.

Tourism

Los Angeles County must continue to promote its cultural icons, preserve its scenic and recreational opportunities, and expand its tourist destinations. A countywide umbrella organization is needed to focus initiatives into regional efforts that effectively promote a "Los Angeles" brand.

In addition to the above, Los Angeles County should focus efforts on growing the nascent, but fast-emerging innovation-based sectors, including digital media, clean technology (e.g., electric vehicles and renewable energy), and advanced materials.

3. Impact of Land Use Policy on the Economy

Land designated for industrial and employment-rich uses is needed to retain and attract businesses and jobs. Los Angeles County's historic growth patterns and land use policies have resulted in the conversion of much of the available industrial land for non-industrial uses. The remainder of industrial and office space is not sufficient to meet the needs of existing and emerging industries. The County's employment preservation strategy for the unincorporated areas, which is designed to discourage the conversion of areas with significant industrial uses to non-industrial uses, is described in the Land Use Element.

Incompatible land uses in and around industrial areas also hinder economic growth. For example, allowing residential uses in industrial areas increases tensions between the business community and new residents, as industrial activities often produce noise, odor, smells, traffic congestion, and other environmental impacts. Industrial land also needs to be buffered to avoid conflicts, and industrial uses must be thoughtfully incorporated into community-based planning efforts to address potential environmental justice impacts.

4. Impact of Mobility Infrastructure on the Economy

Mobility is a key component of economic development, as businesses and industry require efficient road, rail, shipping, and air networks to transport goods and services, and as employees and residents need access to employment centers. Much of the transportation infrastructure of Los Angeles County is strained, aging and overcapacity. Traffic congestion, compounded by aging infrastructure, is an economic obstacle for local businesses. Major transportation networks, such as the freeways leading out of the ports of Los Angeles and Long Beach, are congested. The aging and congested transportation infrastructure will continue to inhibit development efforts and business activities unless it is upgraded. The Mobility Element contains information about planning efforts underway to increase goods movement efficiency in the unincorporated areas and the region.

The County's approach to transportation infrastructure must advance economic success, but also be sustainable. The Alameda Corridor, which allows for the transport of freight on a dedicated rail line to inland transfer yards, is an example of a project that improves the transportation infrastructure, while mitigating the environmental impacts of trucking and trade activities. In addition to infrastructure for goods movement, an adequate public transit system is essential for moving and retaining a vital workforce in an environmentally sensitive manner. The Transit Oriented Districts, as described in the Land Use Element, provides opportunities for more housing and commercial uses next to existing Metro stations.

5. Revitalization

To achieve broad-based economic prosperity, local governments must stimulate business activity in neighborhoods that have limited economic opportunities. As revitalization activities can attract major new industries and businesses, the County can focus its resources on improving economically-distressed communities within the unincorporated areas.

In recent years, the State has eliminated redevelopment agencies and the local enterprise zone program to address budget issues. The elimination of these programs has reduced the resources and authority available to the County to conduct economic development activities. Several legislative proposals have emerged to return economic development tools to local governments, although none have been enacted as of 2013. Should the State act to create new economic development programs and incentives for local governments, the CDC will be prepared to make recommendations to the Board of Supervisors as to how to utilize any new resources or authority made available.

In addition, the CDC will actively pursue new financing strategies for real estate transactions that would promote job creation. Options may include creating a New Market Tax credit entity to provide investment capital for low-income communities throughout the Los Angeles County. Furthermore, the CDC will increase efforts to work collaboratively with philanthropic institutions to provide flexible financing for economic development.

6. The Role of Education in Economic Development

Los Angeles County is in need of more training and workforce development programs, as much of the blue collar workforce is not prepared to meet the job demands of the future. The continued globalization of the economy means that local workers with limited education have to compete with an increasingly educated global workforce. In addition, federal and state government cuts to education put Los Angeles County at greater risk of losing its competitive edge.

According to the LAEDC, over 50 percent of the working-age population in Los Angeles County has low levels of literacy, with a high percentage lacking a high school diploma or a GED. The industries that will provide the most economic returns require a workforce with a knowledge base and advance technical training. Furthermore, continuing demographic shifts over the next two decades will dramatically change the region's population, particularly the prime working age population. While the baby boom generation retires, a steady influx of low-skilled workers will comprise of an increasingly large portion of the labor pool.

A skilled and dedicated workforce is important for sustaining Los Angeles County's economic competitiveness, and invigorating economic activity through the reinvestment of wages. Fostering a diverse and cutting-edge industry base requires a synergistic relationship between companies and a well-developed workforce to advance technologies.

Multiple federal, state, county and local agencies aim to ensure that Los Angeles County's workforce is well-trained. The Workforce Investment Board (WIB) and the County's Community and Senior Services (CSS) are leading efforts to strengthen coordination of inter-governmental and inter-agency programs with America's Job Centers of California (AJCC). Coordinating with the AJCC system, a comprehensive career center network established by the federal Workforce Investment Act with locations in Los Angeles County, will better meet current and prospective needs of employers and jobseekers. The County's workforce development system will align and place greater emphasis on employment, training and business services in high-growth industry sectors and in-demand occupations.

Consistent with the state WIB and Governor's strategic priorities to achieve a more competitive workforce, sustain economic prosperity, and strengthen the workforce development pipeline between

education, training providers, job seekers and employers, the County's WIB and the Board of Supervisors adopted in 2013 a Five-Year Local Area Strategic Plan to better address the skills gap of the current and future workforce in the region. This forward-looking plan embraces strategic workforce development goals including: a partnership with the state Employment Development Department to deliver integrated services; unified AJCC branding that highlights the County's commitment and investment; a commitment to devoting 25% of resources to training in high-growth sectors; enhanced regional leadership and partnership with six other WIBs in Los Angeles County as well as with other stakeholders in education, and economic and workforce development; an emphasis on older and out-of-school disconnected youth; year-round subsidized work experience opportunities; and a greater investment in STEM (Science, Technology, Engineering and Math) initiatives.

Workforce development programs will be strategic and demand-driven in targeted industries, while preparing in and out-of-school youth for post-secondary education and career success.

Most importantly, the County's workforce development and training programs will increasingly focus on meeting the needs of emerging and growth industries, especially in high-growth sectors such as green/clean energy, transportation and logistics, health care, biotech, construction, and hospitality and tourism. Utilizing labor market intelligence information from the LAEDC, the WIB has approved funding for six Sector Intermediaries to convene and engage employers and business to identify the employment and training needs in these key sectors, and align training and case management resources to ensure job seekers are aware of, and competitive for sustainable employment and careers in the existing regional economy.

More information about the Los Angeles County Workforce Investment Board's Strategic Plan for 2013-2017 can be found on the Worksource California web site at:http://www.worksourcecalifornia.com/information/wib_LAcounty.htm.

7. The Need for Centralized Economic Development Planning

The LAEDC collects and distributes information on growth and market trends on a regional basis, encourages cooperation among jurisdictions to implement long-term goals for shaping the economy, and advocates for a more cohesive and unified economic development strategy. As a first crucial step to developing a unified countywide strategy, the LAEDC has worked with more than 1,080 stakeholders, including representatives from the public, private, business, government, labor, education, environmental, and community-based organizations, to develop the Strategic Plan for Economic Development in Los Angeles County. The Board of Supervisors adopted the Los Angeles County Strategic Plan for Economic Development in 2010.

Additionally, the County needs to proactively address business and economic development needs, including the provision of financial and regulatory incentives to attract jobs and target industries, and foster public-private partnerships.

8. Competitive Disadvantages

For Los Angeles County, increased global competition has resulted in tighter profit margins for economic sectors, and more cost-effective markets for labor and materials have made production methods more mobile and international. A study by the Los Angeles Economic Roundtable shows that in Los Angeles County, a business environment characterized by high production costs, high utility costs, strict environmental regulations, and a perceived indifference to the importance of industrial uses, are contributing to the relocation of industries to areas where incentives are attracting industries and businesses. One primary example of the effect of global and regional competition on Los Angeles County's economy is the regional trend of job losses in the manufacturing sector. Although local leaders have made significant efforts to retain manufacturing activities in the region, manufacturing jobs are relocating overseas, to inland areas and to other states due to lower production costs.

Another disadvantage for economic development is the high cost of doing business in Los Angeles County. For example, Los Angeles County has higher utility and energy costs compared to other regions, and the energy network may not be sufficient to meet the demands of both businesses and residential customers during peak energy periods. For the unincorporated areas in particular, many sites are not suitable for intense development, as they are dedicated open space or located within a fire hazard zone, flood zone, or other hazard area. For its part, the County is working to reduce the time and uncertainty associated with the permitting process by coordinating project reviews across departments in “one-stop” meetings with applicants.

Furthermore, industrial land and office space in the unincorporated areas are in need of retrofits and upgrades to accommodate target industries and attract high-paying jobs. More aggressive strategies and infrastructure improvements must be implemented to attract business and industry to limited, but key locations in the unincorporated areas.

Furthermore, the shortage of affordable housing and early care and education, have major impacts on the workforce as well as on the regional economy and economic development efforts. High housing costs are a deterrent to attracting an educated middle class labor force. Regional attention to building housing for all income levels is a primary factor in the success of the County’s economic future. Early care and education is not only extremely important to working families, it is important to the communities in which they live and work. A report in 2008 entitled *The Economic Impact of Early Care and Education Industry in Los Angeles County* indicates that the early care and education industry generates \$1.9 billion annually and provides over 65,000 full-time equivalent jobs in Los Angeles County. The report concludes that Los Angeles County’s future economic productivity depends upon investment in quality early care and education as a critical industry. The report also indicates: “The short-term economic benefits to working families and their employers are apparent. Equally important are the long-term benefits in human capital—children, their school readiness, and the productivity of the future workforce.” A copy of the report is available on the CEO Office of Child Care web site at <http://childcare.lacounty.gov>.

IV. Goals and Policies

Goal ED 1: An economic base and fiscal structures that attract and retain valuable industries and businesses.	
Topic	Policy
Target Industries	Policy ED 1.1: Encourage a diverse mix of industries and services in each Planning Area.
	Policy ED 1.2: Encourage and foster the development of the renewable energy economic sectors.
	Policy ED 1.3: Encourage public-private partnerships to support the growth of target industries.
	Policy ED 1.4: Encourage the expansion and retention of targeted industries and other growth economic sectors, such as the entertainment industry, aerospace industry, agriculture, transportation/logistics, healthcare, biomed/biotech, hospitality and tourism.
County Incentives for Business	Policy ED 1.5: Provide quality, responsible, and business-friendly municipal services to attract and retain businesses and employees.
	Policy ED 1.6: Develop, advance, and promote competitive advantages for economic development and growth.
	Policy ED 1.7: Identify opportunities to lower the costs of doing business in Los Angeles County.
	Policy ED 1.8: Promote Los Angeles County as a national and international center for business, global trade, and development.
Goal ED 2: Land use practices and regulations that foster economic development and growth.	
Topic	Policy
Industrial Land	Policy ED 2.1: Protect industrial lands, especially within Employment Protection Districts, from conversion to non-industrial uses.
	Policy ED 2.2: Utilize adequate buffering and other land use practices to facilitate the compatibility between industrial and non-industrial uses.
Business and Environmental Justice	Policy ED 2.3: Ensure environmental justice in economic development activities.
	Policy ED 2.4: Ensure high standards of development and encourage environmentally sustainable practices in economic development activities.
	Policy ED 2.5: Encourage employment opportunities to be located in proximity to housing.
	Policy ED 2.6: Encourage community-serving uses, such as child care centers and personal services, to be located in proximity to employment centers.
	Policy ED 2.7: Incentivize economic development and growth along existing transportation corridors and in urbanized areas.

	Policy ED 2.8: Incentivize as much as feasible, environmentally sustainable practices and high standards of development in the communities that bear disproportionate pollution and health impacts.
Streamlined Permit Processing	Policy ED 2.9: Streamline the permit review process and other entitlement processes for businesses and industries.
Agriculture	Policy ED 2.10: Support zoning incentives for the operation of farms in Agricultural Resource Areas (ARAs).
Goal ED 3: An expanded and improved infrastructure system to support economic growth and development.	
Topic	Policy
Infrastructure Improvements	Policy ED 3.1: Utilize capital improvement plans to prioritize infrastructure investments.
	Policy ED 3.2: Support the use of public-private partnerships to develop, fund, and deliver critical infrastructure.
	Policy ED 3.3: Work with state agencies dedicated to financing important critical infrastructure and economic development projects.
Goal ED 4: Enhanced revitalization activities.	
Topic	Policy
Economic Development Strategies	Policy ED 4.1: Develop a range of financial incentives and programs that encourage development and business growth.
	Policy ED 4.2: Support the development of community-level economic development strategies in line with the Los Angeles County Strategic Plan for Economic Development.
	Policy ED 4.3: Support the development of small business assistance and entrepreneurial programs that are focused on management, financial planning, and technology application.
Infill Development	Policy ED 4.4: Incentivize infill development in urban and suburban areas that revitalizes underutilized commercial and industrial areas.
	Policy ED 4.5: Direct resources to economically distressed areas to spur revitalization activities.
	Policy ED 4.6: Retrofit and reuse vacant and underutilized industrial and commercial sites in urban and suburban areas for emerging and targeted industries.
	Policy ED 4.7: Support expedited permitting for green building retrofits.
Goal ED 5: A skilled and educated workforce.	
Topic	Policy

Education	Policy ED 5.1: Attract and retain highly-skilled graduates, in particular, graduates of science and engineering programs.
	Policy ED 5.2: Support and create collaborative educational programs that address specific under-employed populations and workforce needs in targeted areas.
	Policy ED 5.3: Encourage outreach efforts to educational and community-learning institutions to expand workforce education programs.
	Policy ED 5.4: Expand functional literacy and English as a Second Language (ESL) programs.
	Policy ED 5.5: Support linked programs that align high schools with community colleges and four-year institutions.
	Policy ED 5.6: Engage employers earlier in the education and workforce development process to ensure work-readiness and a smooth transition from school or training to work placement.
Job Training	Policy ED 5.7: Ensure that businesses have enough skilled workers to meet their workforce needs.
	Policy ED 5.8: Prepare, train, and educate job seekers and incumbent workers to find and advance in high-value, high-wage jobs with built-in career ladders.
	Policy ED 5.9: Promote the attraction, retention and expansion of commercial and industrial firms that provide employment improvement opportunities for unskilled and semi-skilled workers.
	Policy ED 5.10: Initiate vocational training programs that provide the skills necessary for participation in the labor force.
	Policy ED 5.11: Collaborate with the private sector to identify growing workforce needs and link training initiatives to the needs of target industries.
	Policy ED 5.12: Establish employer assistance initiatives to expand skilled trades training and vocational education for high demand occupations.
	Policy ED 5.13: Play a leadership role in convening and coordinating the activities of key regional workforce development system stakeholders, including the six other WIBS that operate within Los Angeles County, as well as community colleges, businesses, K-12 institutions, philanthropic partners and others.
Goal ED 6: Collaborative efforts to implement coordinated economic development activities.	
Topic	Policy
Coordinated Economic Development	Policy ED 6.1: Encourage a collaborative inter-agency and inter-jurisdictional environment to align economic development activities and promote information sharing on economic trends, business cycles, best practices, and resources.
	Policy ED 6.2: Analyze emerging trends for policy modification, and maintain and update accurate labor force, market trends, and other important economic data.
	Policy ED 6.3: Strengthen cooperation with private sector organizations, economic development organizations, and community level business groups.

V. Economic Development Element Implementation Programs

- Economic Development Incentives Program
- Economic Development Outreach and Coordination Initiative
- Economic Development Land Use Strategy

For descriptions of these programs, please refer to Chapter 16: General Plan Implementation Programs.

[Text Box]

Economic Development Partners

The Los Angeles County Economic Development Corporation (LAEDC) was established in 1981 by the County as a public-private partnership with the mission to attract, retain, and expand businesses and jobs. LAEDC publishes semi-annual economic forecasts, and informs economic development by compiling data and research from a variety of sources, and providing analyses of key employment sectors and sub-regions of economic activity. More information on LAEDC can be found on their web site, located at <http://www.laedc.org>.