



Spring, 2003

Economic Development for the Regions of Los Angeles County

# Business Leader

## Los Angeles County Economic Development Corporation

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Los Angeles, CA 90071

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Published by:  
LAEDC Marketing Department

### LAEDC Staff:

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Rick Davila, Office Administration Manager  
Jose Flores, Senior Staff Assistant  
Karen Edwards, Receptionist

#### Accounting

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Esmeraldo Ballada, Accounts Payable  
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Sequoia Holifield, Business Services Representative  
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Tod Sword, Senior Regional Manager, South Bay  
Elaine Gaspard, Regional Manager, Metro and South Los Angeles  
Barbara Levine, Regional Manager, Gateway Cities  
Laurel Shockley, Senior Consultant, Human Resource Ventures

## State budget Dilemma: A Case for Retaining the Manufacturer's Investment Tax Credit (MIC)

*A Letter from LAEDC President and CEO Lee Harrington*

### Business as Usual?

During the past weeks I have journeyed to Sacramento twice to convey to political leaders and industry associations some of the LAEDC'S insights relative to the budget crisis and the issue of business friendliness in California. We have been particularly supportive of continuation of the Manufacturer's Investment Tax Credit (MIC) as an attraction and retention tool. During the past two years the LAEDC has worked more than 120 projects in the manufacturing sector. Of these, about 40 projects involved use of the MIC. About one-third were attractions. Two-thirds were retentions. More important, these 40 projects involved over 60% of the jobs at risk in the 120 projects. We have tried to explain that incentives like this are even more important when other costs like electric rates, workers compensation, eight-hour overtime rules, etc. are rising.

What our political leaders often fail to realize is that this is not just about businesses closing or leaving. This is about people being laid off. These dislocations are the costliest of all. The average manufacturing worker makes around \$17.50 an hour, \$35,000 per year, generally with benefits. Each worker generates \$2,500 annually to the state in both state income and sales taxes. And there are almost one million manufacturing workers in Southern California. Unfortunately, that is 290,000 less than in 1989, which translates to \$725 million less in state revenues due to the job losses, let alone the corporate income and capital gain taxes forgone.

Everyone assumes that other business will quickly move in to fill the loss. Eventually, due to the incredible entrepreneurial spirit in California, our huge market, institutional resources and our global access, new business will be started and/or come and grow here. But in the meantime, a lot of hardworking peoples' lives will be disrupted by businesses having to make difficult decisions. And tax revenue will be lost at a time when every such dollar is precious.

In the meantime the LAEDC and the Los Angeles County Board of Supervisors will be meeting with our business base to let them know we appreciate them and want to help them succeed and grow. After all, businesses friendliness is really about the people working for our businesses.

#### • North Gateway region is strong manufacturing center

[www.laedc.org/data/press/PR68.shtml](http://www.laedc.org/data/press/PR68.shtml)  
[www.laedc.info/pdf/NorthGateway-2003.pdf](http://www.laedc.info/pdf/NorthGateway-2003.pdf)

#### • City of Vernon Econ. Powerhouse

[www.laedc.org/data/press/PR67.shtml](http://www.laedc.org/data/press/PR67.shtml)

### Business Assistance Team helps businesses in need

Figures from the 3<sup>rd</sup> Quarter Cumulative activity summary shows LAEDC's Business Assistance and Business Development Team has provided technical assistance, created and retained 8,559 direct jobs: 1,305 attraction, 1,760 expansion, 4,734 retention, 760 relocation.

Consulting and Economic Research

Jack Kyser, Senior VP and Chief Economist, Economic Research  
 Wally Baker, Senior VP, Economic and Public Policy Consulting  
 Ken Ackbarali, VP and Managing Director, Economic Consulting

Nancy Sidhu, VP and Senior Economist  
 George Huang, Associate Economist  
 Greg Freeman, Public Policy Analyst  
 Candice Flor, Project Manager  
 Martin Webley, Senior Consultant  
 Eileen Brown, Project Consultant  
 Della Cain, Executive Assistant  
 Thomas Smith, Senior Consultant Advisor

Investor Relations

Steve Harper, VP and Director  
 Amy Grat, Assistant Director  
 Richard Nissen, Senior Consultant

Marketing

Colleen Bickham, VP and Director of Marketing  
 Elizabeth Lubin, Marketing Coordinator  
 Charisma Morales, Marketing Assistant

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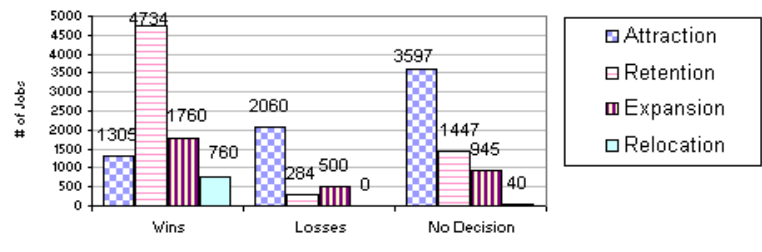


**Mission Statement:**

The LAEDC is a private non-profit organization. As the premier business leadership organization, the LAEDC's mission is to attract, retain and grow businesses and jobs in the regions of Los Angeles County, as well as identifying trends and affecting positive change for the local economy.

Since 1995, the LAEDC has helped in the creation of 56,6732 jobs from 278 projects. The economic impact of those jobs translates into \$1.9 billion in salaries and more than \$222 million in tax revenue generated to support schools and local government in the LA County region, annually.

**Closed Project History (fiscal YTD) April 2002 through December 2002 - 9 Month Cumulative/ 8,559 Jobs Won (71 Projects)**



The annual estimated economic impact of salaries from direct jobs created is \$284,706,576 and annual tax revenue totals \$5,264,473. The team completed a number of site searches representing more than 3 million square feet, 251 acres and 1,411 potential new jobs.

More than 219 businesses requested Technical Assistance. The assistance was given in the areas of general business consulting, marketing and promotion, permitting, licensing, hiring, training, and incentives, referrals to RBAN providers and the distribution of Business Resource Guides. The Team is actively working on 201 projects representing 24,738 jobs. The BAP program is free to businesses in Los Angeles County.

Call **1-800-New-Help (1-800-639-4357)**

**Furniture and Decorative Arts District to be Crowned in Downtown Los Angeles on March 5, 2003**

Dedication ceremony and reception to be held March 5, 2003 from Noon-1 p.m. at the LA Mart located at 1933 South Broadway (corner of Washington Blvd. & Broadway), Los Angeles, CA 90007.

As part of the revitalization of Downtown Los Angeles, LAEDC, Mayor's Office, and LADWP and LA Mart have joined together to create this public-private partnership. The area easily identifies high concentrations of furniture manufacturers throughout South Los Angeles and serves as a destination point for West coast consumers and international businesses to shop for furniture and accessories.

For more information view: <http://www.laedc.org/data/press/PR70.shtml>

**International Corner:**



WORLD TRADE CENTER ASSOCIATION  
 LOS ANGELES - LONG BEACH

[www.wtcanet.org](http://www.wtcanet.org)

**2003 Hall of Fame Awards - March 27, 2003**

**Hosted by CNN's Larry King**

presented by **World Trade Center Los Angeles-Long Beach**  
 an affiliate of LAEDC

Sponsorship & ticket information please call:  
 Emily Pai at Grant and Associates: 323-904-4400

**WTCA – what's new**

● Visit [www.wtcanet.org](http://www.wtcanet.org) which provides international resources and links for research information.

● **TradeMatch™** -The WTCA business matchmaker program (on our website) for incoming delegations and trade missions.

● **Southern California International Events Calendar** - the most comprehensive international trade calendar for the region.



## The LAEDC welcomes new members

New Representatives elected to the LAEDC Board of Directors at the January 15, 2003 meeting:

**William Bernfeld**, Partner, Kirkpatrick & Lockhart, LLP

Mr. Bernfeld is a transactional and bankruptcy attorney, practicing in the areas of real estate, commercial, finance, business law, insolvency and creditor's rights.

Kirkpatrick & Lockhart is a national law firm with approximately 700 lawyers in Boston, Dallas, Harrisburg, Los Angeles, Miami, Newark, New York, Pittsburgh, San Francisco, and Washington. K&L serves a dynamic and growing clientele in regional, national and international markets, currently representing over half of the Fortune 500. The firm's practice embraces three major areas—litigation, corporate and regulatory—and related fields. For more info: [www.kl.com](http://www.kl.com).

**Steven M. Borowski**, Managing Partner of Metropolitan West Capital Management, LLC

Mr. Borowski is one of the founding partners of Metropolitan West Capital Management, LLC, a Newport Beach-based money management firm that oversees the management of approximately \$2 billion in value-oriented equity portfolios for institutions and individuals throughout the United States and overseas. For more info: [www.mwcm.com](http://www.mwcm.com).

**Laird Hepburn**, Regional Vice President, Dupont Safety Resources

Mr. Hepburn is responsible for overseeing delivery of client services in the Western United States. He brings over eighteen years of experience in the areas of consulting, operations management and safety systems management most recently as a leading member of IBM's Business Strategy and Organization Change consulting business.

DuPont Safety Resources protects lives and livelihoods by helping businesses, governments and organizations gain significant productivity in operations while doing the right thing for employees and contract workers. For more info: [www.dupont.com/safety](http://www.dupont.com/safety).

**Tasha Hicks**, Marketing Programs Manager, ViewSonic Corporation

Ms. Hicks joined ViewSonic in 2001, and manages marketing programs for the U.S., including event and trade show marketing, sales tool development, and marketing partnerships.

ViewSonic is a leading global provider of visual technology, including CRT monitors, LCD displays, projectors, plasmas, HDTV

**International Trade Department Services** - a comprehensive list can be accessed directly at: [http://www.wtcanet.org/index\\_tradetools.htm](http://www.wtcanet.org/index_tradetools.htm)

• Joseph Miniace, President of Pacific Maritime Association and Wally Baker, Senior VP of Economic and Public Policy Consulting convey importance of international trade to the region and needed infrastructure improvements.

[http://www.laedc.org/data/events/Board\\_meeting\\_011503.shtml](http://www.laedc.org/data/events/Board_meeting_011503.shtml)

• 60 mile circle

[www.laedc.org/data/economic\\_research/60milecircle.pdf](http://www.laedc.org/data/economic_research/60milecircle.pdf)

• International Trade report

[www.laedc.info/pdf/Trade-2002.pdf](http://www.laedc.info/pdf/Trade-2002.pdf)



## LAEDC Economists available for speaking engagements

Available to speak on a wide range of economic issues including banking, global financial markets, manufacturing, general economic forecasts, transportation and infrastructure, many dates are still available in the coming months. For rates and available dates please contact:

**Ken Ackbarali**, Vice President and Managing Director of Economic Consulting 213-236-4816, [kackabarali@laedc.org](mailto:kackabarali@laedc.org)

Or visit the LAEDC website at:

[http://www.laedc.org/data/economic\\_research/index.shtml](http://www.laedc.org/data/economic_research/index.shtml)

## Funding for Critical Infrastructure Projects Key to Economic Recovery

In conjunction with the release of the LAEDC 2003/2004 forecast a panel moderated by Paul Hudson, discussed the need to keep funding already-approved infrastructure projects. "It's important for State lawmakers to understand the impact of job creation, nurturing a positive business climate and to keep funding critical infrastructure projects that have a great deal of local and federal dollars, "It is key to our recovery," states Lee Harrington.

<http://www.mayocommunications.com/>

## 2003-4 Forecast for 5 county Region

A war with Iraq will reduce economic growth in the first half of this year says a newly released "2003-2004 Economic Forecast and Industry Outlook" for California and the Los Angeles five-County area, which includes the national and international setting.

**Report:** <http://www.laedc.info/pdf/Forecast-2003-02.pdf>

**Related information:**

[http://www.laedc.org/data/economic\\_research/Forecast\\_2003-2004.shtml](http://www.laedc.org/data/economic_research/Forecast_2003-2004.shtml)

## On-line publications increases Economic Research readership

Since it's launch in August 2002, the [www.laedc.info](http://www.laedc.info) publications download site has seen increased traffic. Visitors to the site rose from 111 in August 2002 to 1,848 in January 2003. The average number of pages viewed per visitor has remained steady at just under six, with a peak in pages of 10.07 in September 2002.

Publications can still be ordered in a professionally bound version at [www.laedc.org/data/economic\\_research/publications.shtml](http://www.laedc.org/data/economic_research/publications.shtml) for a cost - you may use your credit card to place your order on line.

technology, and the latest in mobile products from Tablet PCs and Pocket PCs to Wireless Smart Displays for today's business, education, entertainment, Internet and professional markets. For more info: [www.viewsonic.com](http://www.viewsonic.com).

**Kenneth P. Trevett**, J.D., President and Chief Executive Officer, Research & Education Institute at Harbor-UCLA Medical Center

Mr. Trevett has worked as a senior administrator and legal counsel in biomedical research/education/clinical service institutions for 22 years. His areas of expertise include management and legal issues relating to not-for-profit entities, and more specifically, biomedical research institutions; technology transfer and academic-industry relations; scientific misconduct; and bioethics.

The Research & Education Institute (REI) at Harbor-UCLA Medical Center is the largest independent biomedical research institute in Los Angeles County. For more info: [www.rei.edu](http://www.rei.edu).

**Mark Bozigian**, Assistant to the City Manager for the City of Lancaster

Mr. Bozigian manages the operations of the Lancaster Redevelopment Agency, one of the largest redevelopment agencies in the state of California. He has worked in the public sector over ten years, focusing primarily on transportation, economic development, grant funding, and government relations issues.

The City of Lancaster, located in the Antelope Valley, is one of Los Angeles County's last significant growth areas, and is a successful example of public/private sector cooperation. For more info: [www.cityoflancasterca.org](http://www.cityoflancasterca.org).

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The LAEDC is now publishing its newsletter, *The Business Leader*, in electronic form.

Please contact us at: [businessleader@laedc.org](mailto:businessleader@laedc.org) if you are having any difficulty in receiving and/or downloading the text, photos or hot links.

If you would like to unsubscribe to this newsletter please contact us at: [businessleader@laedc.org](mailto:businessleader@laedc.org)

## Upcoming Events

for more details: [www.laedc.org/data/events/index.shtml](http://www.laedc.org/data/events/index.shtml)

**Furniture & Decorative Arts District naming, dedication** Downtown Los Angeles - L.A. Mart

**March 5, 2003**, Noon to 1 p.m.

sponsors: L.A. Mart, Office of Mayor of Los Angeles, LAEDC, LA Department of Water & Power (LADWP), LA City 9th Council District, and Merchandise Mart Properties.



**The Investment Capital Conference 2003**

<http://icc.java.org>

**March 12, 2003**, Westin Bonaventure Hotel, downtown Los Angeles



**The Southern California Biomedical Council (SCBC)**

[www.socalbio.org](http://www.socalbio.org)

**5th Annual Investment & Strategic Partnering Opportunities Conference**

**March 12 & 13, 2003**, Wilshire Grand Hotel, Los Angeles



**Trade Mission to Cuba**

**April 11-18, 2003**

**Apply today!**

For more information:

[http://www.laedc.org/data/events/Trade\\_missions\\_2003.shtml](http://www.laedc.org/data/events/Trade_missions_2003.shtml)

Greg Whitney, Vice President, Business Development 213-236-4824



**Asia Pacific Business Outlook (APBO) 2003**

[www.apbo-conference.com](http://www.apbo-conference.com)

**March 17-18, 2003**, 16th Annual University of Southern California (USC), Popovich Hall



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**9th Annual Venture Forum - [www.sctvf.org](http://www.sctvf.org)**

**April 3, 2003**

Regent Beverly Wilshire, Beverly Hills, CA