



Business Leader

Economic Development for the Regions of Los Angeles County

www.LAEDC.org

Los Angeles County Economic Development Corporation

Spring 2006

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25 YEARS OF THE LAEDC

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SAVE THE DATE

LAEDC MID-YEAR ECONOMIC FORECAST

July 12 - Downtown LA Marriott Speakers to include **Leslie Appleton-Young**, California Association of Realtors, **Bob Bach**, Grubb & Ellis and **Gary Zimmerman**, Federal Reserve of San Francisco.

CELEBRATING LAEDC'S 25TH ANNIVERSARY



October 5 - Hyatt Regency Century Plaza
www.LAEDC.org/Eddy

BILL ALLEN TAKES THE REINS AT THE LAEDC

Building on Harrington's legacy, LAEDC heads to "the next level"

2006 not only marks the 25th anniversary of the LAEDC, but also the beginning of a new leadership for the organization. On January 17, William C. (Bill) Allen entered as the new president and CEO of the LAEDC, succeeding Lee Harrington, who held the position for the past decade. Harrington assumes the role of LAEDC vice chairman until his retirement in June 2006.

"We are excited to have accomplished such a smooth transition of this critically important regional leadership organization," said LAEDC chairman Rod Banks. "The LAEDC has come a long way under Lee's leadership and Bill Allen is the perfect choice to take the organization to the next level."

In his 10 years on the job, Harrington has shaped the



Outgoing LAEDC president & CEO Lee Harrington puts the LAEDC pin on the new president & CEO Bill Allen's lapel at the January board meeting.

LAEDC into the premier business leadership organization it is today. His final year 2005 saw the accomplishment of many

achievements for which the groundwork had been laid in his

(Continued on page 4)

SoCal Hospitals Provide Economic Healing

LAEDC's report reveals what's "Hidden in Plain Sight"

Hospitals generated \$85.5 billion in economic output, contributing an astonishing 12.1 percent of the regional gross product of \$708 billion, according to the LAEDC study, *Hidden in Plain Sight: The Economic Contribution of Southern California Hospitals and Related Services*, released on February 28 by the LAEDC Consulting team.

"We really take hospitals for granted. We expect them to be there when we need them, but rarely do we stop and realize

what a huge economic boon they are to the local economy," said Greg Freeman, LAEDC vice president of Policy Consulting and the lead author of the study. "The \$85.5 billion economic contribution is impressive."

Hospitals are the hubs of employment; payers of wages; purchasers of goods and services; and generators of tax revenue. First, there is the direct activity: the operations of the hospitals themselves, plus the related services—all of the ambulance companies' opera-

tions, plus the hospital-related portion of activity at physicians' offices and medical laboratories. Second, there is the indirect activity generated when hospitals, physicians' offices, medical laboratories, ambulance companies, and their respective employees purchase goods and services in the local economy.

Hospitals sustained 640,000 direct and indirect jobs in Southern California in 2004. State income taxes and sales

(Full coverage on page 2)

SoCal Sees Decline in Land for New Development

2005 Business Expansion Report voices commercial development concern

The LAEDC recently released its Business Expansion Report which summarizes the amount of available useable space in Los Angeles County for 2005.

The net result: there were a total of 252 major expansions in the five-county region recorded by the LAEDC during 2005. That was down by 27.5% or by 96 projects from 2004. This is not necessarily bad news but an indication that business caution and higher costs have put the breaks on.

Activity across the LA five-county region was mixed in 2005. The Riverside-San Bernardino area experienced a modest increase in activity, with 38 major expansions in 2005 compared with 37 in 2004. In LA County, the number of major expansions decreased by 50 to a total of 128. Orange County's major project count dropped by 45 to a total of 73 projects. Ventura County's major projects count decreased as well, with a total of

13 major projects in 2005 compared with 15 in 2004. The cities of Los Angeles and Irvine remained the leaders, with 28 and 26 major projects respectively in 2005.

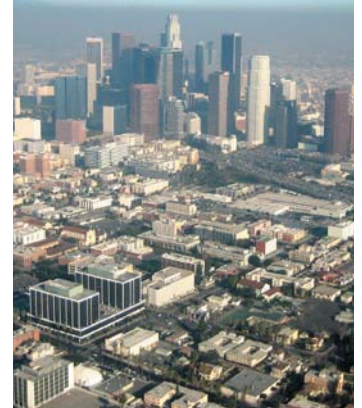
Office vacancy rates have been declining across the LA five-county region since the second quarter of 2004. "This was the period when businesses started hiring more employees to accommodate their growth as well as to improve productivity," explained LAEDC senior vice president and chief economist Jack Kyser. "They expanded and/or relocated their offices and many were pushed by rising lease rates."

"Southern California has the tightest industrial market in the U.S., and a rapidly tightening office market," added Kyser. "A growing challenge and concern for the area is that there is not enough land available for new commercial development to accommodate business growth. Exacerbating the situation has

been the run-up in construction material costs. Furthermore, due to low interest rates, many businesses moved from leasing space to purchasing."

A comparison of office vacancy rates during the fourth quarter of 2005 versus the same period of 2004, shows that LA County's office vacancy rate declined to 11.2% from 14.8%, Orange County 7.2% from 10.7%, Riverside-San Bernardino counties 7.0% from 9.5%, and Ventura County 9.0% from 11.2%.

"With a good economic outlook for Southern California in 2006, businesses will hire more workers and will be more inclined to expand their facilities," said LAEDC president & CEO Bill Allen. "However, we are concerned about the on-going erosion of industrial space in Los Angeles County. People are concerned about the decline in middle class jobs, and manufacturing and logistics are the sectors that can create many of those jobs." ■



View of downtown Los Angeles showing little space for new development.

HOSPITALS

(Continued from page 1)

taxes paid by these workers, plus the sales taxes paid by hospitals and related services generated more than \$2.0 billion in government revenue, most of it (\$1.9 billion) collected by the state.

Furthermore, many Southern California hospitals have invested, are investing, and will invest billions of dollars in their facilities. They will spend at least \$8.2 billion on construction projects during the years 2005-2009. This level of construction spending will generate economic output of \$20.5 billion and create 166,600 FTE one-year jobs with wages of \$6.6 billion. State

and local governments will share \$601 million in state income and sales taxes generated by spending on these projects. Since our list of hospital construction projects is incomplete, the actual impact will be higher still.

"While we all recognize the critical role hospitals play in public health, it is remarkable to see what a huge impact they have on the health of our regional economy," said Bill Allen, LAEDC president and CEO. "It is also worth noting that unprecedented demands are being placed on our region's hospitals and we must be vigilant in monitoring their own economic health to be sure they will continue to be here for us when we need them." ■

ECONOMIC IMPACT

Six-county Southern California is consisted of Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, and Ventura County.

■ **Total (Direct & Indirect) Economic Output, Employment and Wages Sustained by Hospitals and Related Services in Southern California in 2004.** Sources: U.S. Department of Commerce, U.S. Bureau of the Census; OSHPD; California EDD; County Medical Associations; LAEDC.

■ **Tax Revenue Generated by Hospitals and Related Services in Southern California in 2004.** Source: LAEDC.

Impact on 6-County Southern California (\$ Millions and # jobs)	
Economic Output	\$85,500
Hospitals	\$65,600
Related Services	\$19,900
Employment	640,000
Hospitals	454,000
Related Services	186,000
Wages	\$29,100
Hospitals	\$21,200
Related Services	\$7,900
Gov't Revenues	\$2,039
CA Income Tax	\$1,223
Sales Tax	\$816
Gov't Revenues	\$2,039
State of CA	\$1,857
Counties	\$106
Cities	\$76

HIGHLIGHTS FROM THE 2006-2007 ECONOMIC FORECAST

SoCal Economy holds steady as Hollywood, Housing, and Retail sectors face challenges

"Overall, Southern California will see steady growth in 2006 and through 2007," said Jack Kyser, LAEDC senior vice president and chief economist, at the LAEDC Economic Forecast and Industry Outlook event on February 8, 2006. "While there has been a tendency to look for bad economic news both nationally and locally, the reality is that both are at mid-economic cycle, with a lot of upward momentum."

To further discuss the economic climate of the region, Kyser formed a panel of experts from the financial, housing and tourism, and motion pictures industries. The lively Industry Outlook panel was moderated by Doug McIntyre, host of KABC AM790's "McIntyre in the Morning."

Addressing an audience of 400, Kyser noted the problems that are ahead in the motion picture/television production industry, retail and housing sectors.

"Much of the challenges for Hollywood are due to changing business models, fractious unions, and runaway production," said Kyser. "Another vulnerable industry is retail, which must deal with over-capacity and consumers' changing buying patterns. This is not good news for local cities that have staked their future on retailing and tax revenue."

As for housing, Kyser sees a modest decline in unit sales, while the median price in 2006 in the state and region should move sideways. "However, there is still demand for affordable housing in the region due to both population growth and the healthy economy," said Kyser. The LAEDC Forecast calls for a modest decline in new home construction.

"There is no housing bubble," said Leslie Appleton-Young, vice president and chief economist, California Association of Realtors. "Unlike the 1990s when the economy was already in trouble, our current economy is a

*** SAVE THE DATE ***
2006 MID-YEAR ECONOMIC FORECAST
 July 12, 2006 - Downtown LA Marriott
 Check www.LAEDC.org/forecast for updates.



Clockwise from left: Doug McIntyre, broadcasting his show live from the event; Jack Kyser; the Economic Outlook panel; and Leslie Appleton-Young.

healthy one, speculation is also low and new and resale housing inventory is lean. If anything, it'll be a soft landing."

The Forecast also highlighted a looming challenge for all governmental agencies in the state. A recent ruling by the Federal Government Accounting Standards Board requires governments to determine pension fund shortfalls and retiree healthcare liabilities, and find a way to pay for them. There is fear that some agencies could face bankruptcy.

On the bright side, the Southern California region can expect growth from nonresidential construction. "Office and industrial vacancy rates around Southern California are heading down," said Kyser. "In fact, Los Angeles

County and the Riverside-San Bernardino area are the two strongest industrial markets in the nation, as measured by vacancy rates."

International Trade, another sector expected to do well in 2006, contributes to the demand for nonresidential construction. The container count at Port of Los Angeles and Port of Long Beach could hit 15.6 million TEUs (twenty-foot equivalent units). "This means continued healthy demand for industrial space," said Kyser. He also noted that several major projects are underway around the region, including transportation, hospitals, and power plants. Such projects in Los Angeles County alone are valued at more than \$32 billion.

Other industries with favorable economic outlook are Aerospace/High-Technology, Professional & Business Services, and Tourism and Travel. Michael C.R. Collins, executive vice president, LA INC. The Convention & Visitors Bureau, emphasized that tourism in the region is coming off a strong 2005 and will further grow in 2006. Construction of the LA Convention Hotel is going to boost the industry, noted Collins, although there are concerns over labor negotiation.

Although the outlook for the region is favorable, Kyser emphasized on paying attention to the inflation rate, land availability, infrastructure bond issue and other regulations. Richard A. Weiss, executive vice president and chief investment officer, City National Bank, added a final cautionary advice from the investment perspective which reflects the positive but cautioning economic outlook of 2006, "Be conservative. Don't reach for higher yield just yet." ■

The Economic Forecast and panelists' presentations are available for download from our website at www.LAEDC.org/forecast/2006.

THANK YOU EVENT AND MEDIA SPONSORS



ALLEN/HARRINGTON*(Continued from page 1)*

previous ten years. Harrington's early leadership in the development of the Pacific Concourse property resulted in a \$30-million addition to LAEDC's endowment from the final sale of the property in 2005. Additionally, during his tenure, the organization's service capacity has grown to include the sought after Economic and Policy Analysis Consulting practice and the county-wide Business Assistance Program, which partnered with regional EDCs to achieve the 100,000 jobs milestone in 2005.

In 2005, the LAEDC played a critical role in retaining the Los Angeles Air Force Base, leveraging its strong connections in the South Bay and saving over 400 jobs. It hopes to provide similar support for Boeing's C-17 aircraft production plant in Long Beach this year.

Also in 2005, Harrington, the four former California Governors and other business leaders in the region, came together to form the Southern California Leadership Council for the common goal of enabling public sector officials, policy makers and

other civic leaders to address and solve public policy issues critical to the region's economic vitality and quality of life. Harrington continues his involvement with SCLC as its executive director.

Another "work in progress" for Harrington is his goal to integrate trade services and international business development into the LAEDC economic development model, a task he began as the president of the World Trade Center Association Los Angeles - Long Beach in 2001 when the LAEDC acquired the WTCA LA-LB. That role has now been passed to the newly appointed WTCA LA-LB president and CEO Steve Harper, who continues to serve as LAEDC senior vice president. Harrington continues his leadership role of vice chairman for both the WTCA LA-LB and LAEDC.

Harrington credits the success of his leadership to the support of a fabulous staff and a dedicated group of members and board members.

Allen welcomes the same kind of support. "I look forward with great anticipation to building on the extraordinary work Lee Harrington and the Board of the

LAEDC have done in promoting business growth and the creation of quality jobs throughout Los Angeles County," said Allen in accepting the CEO post. "I truly believe that the vibrant, diverse, and entrepreneurial LA business community has no greater friend or champion than the LAEDC."

Active in regional economic development for the past decade, Allen was the first chief executive officer of the Economic Alliance of the San Fernando Valley from 1997-2000, and in 2000 was named "California's Civic Entrepreneur of the Year" by the California Center for Regional Leadership. As CEO of the non-profit Economic Alliance, Allen raised more than \$5 million and assembled an unprecedented public-private partnership involving all of the leading cities, colleges, and business organizations in the San Fernando Valley.

Now that Allen's watch includes all of Los Angeles County, expect that we will see an even more aggressive push to make LA County the premier place to do business. ■

Learn more about Bill Allen on page 9.



Left to Right: Ron Gastelum, executive vice president, LA Area Chamber; Bill Allen, president & CEO, LAEDC; Governor Arnold Schwarzenegger; David Fleming, past LAEDC chairman and first vice chair LA Area Chamber and John Semcken, vice president, Majestic Realty and LA Area Chamber board member. Photo courtesy of LA Area Chamber of Commerce.

LAEDC president and CEO Bill Allen along with past LAEDC chairman David Fleming partnered with members from the LA Area Chamber to attend the Access Sacramento conference, the region's premier advocacy trip.

Allen and Fleming joined their fellow LA Area Chamber board members Ron Gastelum and John Semcken for a private meeting with Governor Schwarzenegger to discuss a variety of issues impacting Los Angeles County, including the Governor's strategic growth plan on statewide infrastructure.

EVENTS OF INTEREST

For more information on these events, visit our event calendar at www.LAEDC.org.

APRIL 11, 2006

Westside Infrastructure: A Conversation with Henry Waxman

The Regency Club, Westwood

Join the Westside Economic Collaborative, Westside Urban Forum and our special guests Supervisor Zev Yaroslavsky, Councilmember Pam O'Connor and Southern California Leadership Council co-chair Ray Holdsworth as we discuss the future shape of our city with Congressman Waxman.

APRIL 24, 2006

Supply Chain: CHINA - Myths, Realities and Potential

USC Davidson Conference Center

LAEDC/WTCA LA-LB vice chairman Lee Harrington to speak at this full-day symposium which will look at current and future trends developing in the practical realities of the exploding trade between China and the U.S.

MAY 3, 2006

World Trade Week Kick-off Breakfast

The Omni Los Angeles Hotel

More than 500 business leaders will hear LA Mayor Antonio Villaraigosa present his vision for a more globalized Los Angeles as well as to get a glimpse of his International Trade Initiatives. Keynote speaker is Sherman E. Katz, senior associate at the Carnegie Endowment for International Peace.

MAY 1-30, 2006

Globalization: Our growth, our future - 80th Annual World Trade Week

Over 30 events are held each year from May 1 - 30 in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura.

OPERATION SAVING C-17

Region rallies to save the Long Beach production of military's most efficient airlifter

The C-17 is an important, high-performance military aircraft. In commission only 15 years with more than 1 million flying hours, this fleet of Boeing airlifters has been involved in numerous worldwide operations, including flying troops and equipment to support peacekeeping missions in Bosnia and Kosovo, Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom. The C-17 was also used in humanitarian missions in response to the tsunami disaster in 2004, Hurricane Katrina relief, and recent massive mudslide in the Philippines.

Despite being hailed by government and military leaders as the finest military transport in the world, in mid-December 2005, the Pentagon's top transportation officer said the Air Force is better served by buying new tanker airplanes that also carry cargo and ferry troops rather than additional C-17s. If the Pentagon goes through with its recommendation and Congress decides against C-17 funding in the 2007 defense budget, the program could see its last plane roll off the assembly line in Long Beach in 2008 when the 180-aircraft contract is completed.

The closure of the C-17 production line would affect 6,500 Boeing jobs, \$8.4 billion in national and \$3.8 billion local economic impact contributed by 669 suppliers from 42 states, including 346 California suppliers representing over 6,000 jobs. To save the Boeing jobs alone is the largest business retention project in California. The total job loss in California alone is over 12,000.

"This is more than just a Long Beach issue," said Robert M. Swayze, Economic Development Bureau manager, City of Long



Beach, at the LAEDC February board meeting. "If this integrated system stops, you can't bring it back. It's a national asset."

"The C-17's outstanding mission capable rate of 85 percent allowed it to perform more than 80 percent of all strategic airlift last year," said Bob Ciesla, C-17 Follow-on program manager. "Terminating the C-17 after only 180 deliveries is at odds with the growing need for airlift – especially humanitarian relief support and fighting the global war on terror. We need more C-17s, not fewer."

In response to the possible closure of the plant, the City of Long Beach formed the C-17 Program Red Team, which is joined by Boeing, LAEDC Business Assistance team, and others to brainstorm with Boeing executives, local, regional and state agencies, utilities and business leaders in finding ways to keep the C-17 production going.

Among the ideas being explored are reducing airport fees Boeing pays for its facilities; sharing the \$800,000 cost Boeing pays to use engine run-up ramps at the airport; and converting Boeing's paint hangar into a part-time

commercial venture, handling work from private aviation companies. Other ideas included possible tax rebates and tax credits, working with the city and utility companies for discounts, and employing "lean manufacturing" strategies to reduce the cost of building a C-17 from its initial \$220 million to \$160 million per plane.

On the political front, the Red Team efforts resulted in letters from California Governor Arnold Schwarzenegger, California Legislature, and 15 U.S. Senators to President George W. Bush and from Los Angeles County Supervisor Don Knabe to Secretary of Air Force Michael W. Wynne in support of the continuation of C-17 production line.

California Senator Barbara Boxer has also recently visited the C-17 plant on March 22 along with Long Beach mayor Beverly O'Neill, Congresswoman Juanita Millender-McDonald, and Congressman Dana Rohrabacher. Senator Boxer voiced her support and commitment in keeping the C-17 program alive citing the decision to close it down "is both fiscally reckless and potentially harmful to our national security."

"We need to see the California [political] delegation fight for this program, for these jobs, and for this industry in this region because we cannot afford to risk the collapse of the aerospace industry and the inability in the future to manufacture these kinds of aircrafts," added LAEDC president and CEO Bill Allen. "It's just too important of a project."

To find out how you can assist with saving the C-17 program, please contact Barbara Levine, LAEDC senior regional manager, at (310) 466-5197 or blevine@laedc.org. ■

MISSION UPDATE: NEW DEVELOPMENT

These new developments are very encouraging, yet much work still remains in order to ensure future production commitments for C-17s beyond 2008.

• Air Force's Testimony

The Air Force testified before the House and Senate Armed Services Committee. Press reports indicated that the Air Force made strong statements about the value of the C-17s.

• Supplier Advocacy in Washington D.C.

In March, about 150 suppliers met in the Capitol and lobbied their representatives on the importance of the C-17.

• Australia orders four C-17s

In March, Australia confirmed that it will order four C-17s to meet its demand for airlift capability.

• Air Force Unfunded Priority List

Seven additional C-17s for \$1.6 billion are listed as number one priority for "National Defense Airlift Fund Capability Upgrades" on the Air Force 2007 Unfunded Priority List released in late February. This list contains their priority items that were not included in the budget due to funding constraints.

1981

February 17

Economic Development Corporation of Los Angeles County incorporated.

Formed to implement the County's economic development program through land development, project financing and marketing activities • **Ted Howard** named first president • First office located at 6th and Vermont in downtown LA • Core business: SBA 503 program and Industrial Development Bonds



Undertakes major public/private development partnership-**Pacific Concourse**-creating a significant revenue stream to fund future growth • **Reginald Bottger** named president

1990

LA County Film Office created

Key Public Policy efforts –
Community Air Quality Task Force
and **Aerospace Task Force**

1991 LAEDC moves to Hollywood and adopts new logo • **Jack Kyser** hired as chief economist • **Gary Conley** serves as president • **L.A. Means Business!**



campaign launched to respond to business flight from region, led by **Lee Harrington**, senior vice president, The Gas Company and **Fred Sands**, Fred Sands Realty

LAEDC & County CDC partnership creates **High Technology Council** to provide one-stop assistance to high tech companies • First Business Resource Guide (BRG) was produced • **Governor George Deukmejian** chairs LAEDC, bringing expanded visibility to organization

New Los Angeles Marketing Partnership (NLAMP) launched, with LAEDC as founding partner • **Regional Technology Associations** created by

State of California; **LARTA** is hosted and sponsored by LAEDC

1994

25 YEARS OF ECONOMIC

In 25 years, the LAEDC has evolved from a small office whose primary work was facilitating the County's industrial development bond program to Southern California's premier business leadership organization.

Today the LAEDC's Business Assistance Program has helped create or retain more than 111,000 jobs, with an economic impact of \$3.8 billion. Our economic expertise is shared upon by key business decision makers, media and government.



1981

LAEDC Chairs

1981-1982	Albert A. Dorskind
1982-1985	William T. Huston
1986-1987	William A. MacGillivray
1988-1991	Phillip Nicholson
1990-1994	Bob Bush <i>Chair, Executive Committee</i>
1992-1993	George Deukmejian
1994-1996	Thomas Decker
1996-1997	Bill Rusnack
1998-1999	Dick Cannon
1999-2001	David Fleming
2001-2002	James Hankla
2003-2004	Matt Toledo
2004-2004	Robert Hertzberg
2004-Present	Rod Banks



1991



Together we're the best. Los Angeles.

1994

Lee Harrington is president of LAEDC • First **LA Tech Venture Forum** • LAEDC publishes **Guide to the Technology Coast of Southern California** in partnership with LARTA • New **Business Assistance Program** extends countywide reach through key programs-Regional Business Assistance Network (RBAN) development of new Regional EDCs,



regional managers serving 7 regions, and creation of first countywide marketing brochure, **"Discover the Regions of LA County"** • First annual **Eddy Awards** honors LAEDC chairman **Tom Decker**



1995


1995

Adopted LAEDC Launch week Economic public Com Infra Techn Growt Read



DEVELOPMENT EXCELLENCE

business helped than annual billion. relied decision-ment. We promote regional leadership through the Southern California Leadership Council and facilitate global connections through the World Trade Center Association Los Angeles - Long Beach. This year, as we celebrate the

successes of the past 25 years, we continue to remain steadfast in our core mission to attract, retain, and grow jobs in LA County. 



WTCA LA-Long Beach becomes subsidiary of LAEDC • Creation of LAEDC's **60-Mile Circle Project** • **Economic Action Summit** convenes the region's business, government and labor leaders to focus on economic recovery efforts post 9/11



Regional EDCs

- 1924 Central City Association of Los Angeles
- 1990 San Gabriel Valley Economic Partnership
- 1995 Economic Alliance of the San Fernando Valley
- 1996 Gateway Cities Partnership, Inc.
- 1996 South Bay Economic Development Partnership
- 1998 Greater Antelope Valley Economic Alliance
- 2000 Santa Clarita Valley Economic Alliance
- 2003 Westside Economic Collaborative

2000

LAEDC Annual Forecast ranked #1 by Wall Street Journal
 • **LA By Design** marketing campaign launched

2000

Consulting Practice Department created • Increased **global connections** through delegations to Taiwan and Hong Kong • **Key Strategic Partners** - LARTA, Southern California Biomedical Council, World Trade Center Association, USC Marshall School of Business, Pepperdine Graziadio School, and California Fashion Association • Business attraction campaigns, **"Don't Miss LA County"** and **"Business Helping Business Navigate LA County"**

1999

1999

Investor Relations Department created • **LAEDC Strategic Action Plan** focuses on key activities-leadership, research, business assistance, marketing and investment



1998

William "Bill" Allen succeeds Lee Harrington as LAEDC president & CEO • **Stephen W. Harper** named WTCA LA-LB president & CEO



2006

7th Annual Eddy Awards celebrates **downtown LA's revitalization** at Cathedral of Our Lady of the Angels • Creation of **Center of Economic Development** • **B.E.S.T. Program** (Building Economic Strength Together) unites business, government and media to promote economic growth as a response to 9/11



2002



LAEDC undertakes **Business Intelligence/Early Warning System**, a countywide survey of businesses that identify challenges and opportunities faced by local businesses, which later earned the LAEDC the **CALED Award of Excellence**

2005

100,000 jobs attracted/retained milestone achieved • **Recapturing the Dream: A Winning Regional Strategy** report released • Formation of **Southern California Leadership Council** • **10th anniversary Eddy Awards** breaks all previous fundraising and attendance records

1997

East Meets West Coast

LAEDC & WTCA LA-Long Beach hosted one of China's largest real estate companies

On Friday, February 3, 2006, the LAEDC and World Trade Center Association Los Angeles - Long Beach played host to Beijing Vantone Real Estate Company Ltd., one of China's largest real estate firms.

LAEDC and WTCA LA-LB have been courting Beijing Vantone since August of last year when it was reported that the company was seeking to enter North America.

"Vantone is an important example of our region's potential to attract major new investment, not only from China, but from other parts of Asia as well," said Steve Harper, WTCA LA-LB president and CEO and LAEDC senior vice president. "This is also an important example of the effectiveness of the LAEDC and WTCA's strategic partnerships. We were able to achieve our initial access to Vantone through the Tianjin Economic and Technological Development Area (TEDA), with

which we signed a formal cooperative agreement last September."

The LAEDC/WTCA host group included Harper, WTCA chairman Roy Hearrean, vice chairman Lee Harrington, LAEDC president and CEO Bill Allen, and key business representatives from Thomas Properties, Cushman and Wakefield, East West Bank, Charles Dunn, Colliers International, Newhall Land, Bear Stearns & Co., PricewaterhouseCoopers, Bain & Co., Paul, Hastings, Janofsky & Walker, SWI Group, Birtcher Anderson Realty, and Han Tone International.

LA deputy mayor Bud Ovrom and El Segundo mayor Kelly McDowell together with the Governor's secretary of Business, Transportation and Housing, Sunny McPeak attended the welcome luncheon at the California Club.

California Governor Arnold Schwarzenegger himself also made a special appearance at

the luncheon. He expressed his vision of California as the global economy of the 21st century, clearly positioned as the strategic gateway to the U.S. and North America for products, people and business—everything entering the U.S. from Asia.

"It was a very significant show of support for the LAEDC/WTCA LA-LB by the Governor," noted LAEDC president and CEO Bill Allen. "This was an important expression of his commitment to bring major business from China and other parts of Asia to our state."

During his time in Southern California, Vantone's chairman received an aerial tour of the region covering the San Gabriel Valley, the ports, and the northern limits of LA County.

LAEDC and WTCA LA-LB will meet with the company again in Beijing this April. ■



Members of LAEDC/WTCA host group boarding with Vantone chairman for aerial tour of Southern California.



Governor Arnold Schwarzenegger chats with Vantone chairman.

SBA's Center comes to Long Beach City College

LBCC District becomes largest regionally funded SBDC in nation

The Long Beach Community College District (LBCC) has been selected to host the U.S. Small Business Administration's Small Business Development Center (SBDC) Program in the Los Angeles region. The SBDC program is the SBA's most extensive economic development program, helping small businesses create jobs and strengthen local economies.

The SBDC program is the SBA's largest counseling and training network with locations in every U.S. State and Territory. SBDCs provide services such as development of business plans, manufacturing assistance, financial packaging assistance, procure-

ment contracting assistance and international trade assistance.

SBDCs, in coordination with federal, state, local and private sector resources deliver management and technical assistance to small businesses utilizing an effective business education network of 63 lead centers with over 1,000 service center locations.

"We refer more inquires by entrepreneurs to the network of SBDC's throughout LA County than any other technical assistance resource," said Greg Whitney, LAEDC vice president, Business Development. "They are invaluable in helping small businesses develop their busi-

ness and financing plans."

The LBCC district will operate the seventh largest federally funded SBDC in the nation. It will also be the largest regionally funded SBDC in the nation. For information on the SBDC Program, visit www.sba.gov/sbdc. ■

The Long Beach City College also operates one of 14 Centers for International Trade Development in California. Through its CITD, LBCC is a key partner of the LAEDC and WTCA LA-LB, which together operates the Long Beach International Trade Office. The services of the LBITO are supported by a dedicated trade Manager Greg Moore.

U.S. Small Business Administration



WORLD TRADE CENTER ASSOCIATION
LOS ANGELES - LONG BEACH



The Bill Allen Show

From his aspiration for the LAEDC to his inspiration in life, LAEDC's new CEO tells all

BUSINESS LEADER: You've been here with us for four months now. How do you like your new post so far?

BILL ALLEN: I'm enjoying every minute of it! We have so many talented staff members and equally dedicated board members. As I meet with the many who have called to offer their support and ideas of where we can go with this organization, I'm encouraged to be surrounded by so many people committed to the mission of the LAEDC.

BL: In the entertainment business, you developed successful TV shows such as *Newhart* and *Designing Women*. You have since changed the channel to economic development. What antenna got crossed?

BA: Actually, it's a more natural progression than you might imagine, especially when you compare my duties as a studio president and an economic development CEO. It's all about helping people achieve their dreams whether it involves putting the necessary resources together to help a creative writer produce a hit television series, or putting the necessary economic resources together to help an entrepreneur grow his or her business. And there is no better place to do either job than right here in the creative capital of the world.

BL: You created a very successful "Valley of the Stars" campaign for the Economic Alliance of the San Fernando Valley? Do you have a similar plan for the Los Angeles region?

BA: When we created the Economic Alliance, it was after the 1994 Northridge earthquake, in the middle of a terrible recession and right on the heels of General Motors closing their Camaro plant in Van Nuys, which cost us more than 3,000 local jobs. Morale was very low in the Valley. Our self image and the image most people held of the valley was that of a sleepy suburb of LA without any culture, economic engines or distinguishing characteristics that would attract business, investment or tourism. I felt strongly that a marketing campaign to establish a winning identity for the valley was a necessary next step to rebuilding our image

and our economy.

The "Valley of the Stars" regional branding campaign did exactly what I'd hoped it would. It was immediately embraced by people and organizations all around the valley. It focused attention on the Valley's incredible success as a home to thriving entertainment companies like Disney, Universal, Warner Bros., and NBC. And it helped us attract Dreamworks, ABC, and the Hallmark Channel. Now, even this

BL: We know you are a busy man, but we have to ask. What do you do to relax? Do you have a hobby? What's your typical Sunday afternoon like?

BA: My wife Marie and I love to travel. We just celebrated our 25th anniversary with a cruise through the Mediterranean with our three children. We consider ourselves very fortunate to have three kids who genuinely enjoy spending time together, and with us!



From left to right, standing: Bill and his sons Brad and Bobby, and daughter Amanda. Seated: Bill's mother Jayne Meadows Allen and his wife Marie.

Our oldest son Brad is a junior majoring in Economics at USC. Our second son Bobby is a freshman at Yale, studying Ethics, Politics, and Economics. And our daughter Amanda is a sixth grader at Sierra Canyon Middle School in the valley. All three of them have played competitive sports since they were little, so Marie and I have spent the better part of our weekends for the past 10 years driving them from one soccer or baseball tournament to another, all over Southern California.

Marie and I also have family members living in San Diego and the Bay Area so we take a lot of road trips to visit them. For all the challenges we face in California, our travels always remind me what a beautiful state this is and why I wouldn't want to live anywhere else.

year KCBS and KCAL are moving from Hollywood to the Valley. However, the campaign was broader than entertainment. We celebrated our incredible array of aerospace companies and biomedical entrepreneurs like Alfred Mann who single-handedly established half a dozen business success stories in the Valley.

I'm excited by the prospect of helping to establish a similar winning identity for the LA county region. I'm not naïve. I know we face many obstacles to business success in this area, but we also have so many reasons for businesses to succeed here. Our chairman, Rod Banks, calls this region "the Business Capital of America" for very good reason. I think that has the making of a very successful branding campaign for the region.

BL: Finally, who inspires you?

BA: My parents have always been my greatest inspiration. They both came from poor families, and as soon as they had made any money at all, they started giving back to those less fortunate. And they never stopped. My mother is 86 years old and still serves holiday meals to the homeless every year at the Los Angeles Mission.

I was raised with the ethic that much is expected from those to whom much has been given. That's why I feel honored to be given this chance to give back to the greater LA community through my work here at the LAEDC, and why I'm so proud to be part of a staff and Board who take such pride in giving back to our community. ■

Membership Update

Welcome 2006 new board and executive committee members, and new member companies

2006 MEETING SCHEDULE

Attendance at meetings is by membership or invitation only.

Board of Directors Meetings

April 19
 June 21
 July 19
 * No Board Meeting in August
 October 18
 * December 13 Holiday Event (5:00 - 7:30 p.m.)

Full Membership Meetings

May 17
 September 20
 November 15

All meetings are held at the California Club, 538 S. Flower Street, and run from 8:00 - 9:30 a.m. with networking opportunity starting at 7:30 a.m.

NEW EXECUTIVE COMMITTEE MEMBERS

David Huntoon
 Fellow
 Rose Institute of State & Local Government

Edward Kim
 Executive Vice President
 US Bank

Maura O'Connor
 Partner
 McKenna Long & Aldridge, LLP

Gerald Seibel
 Vice President & General Manager
 LA Mart

Armando Ramirez
 Vice President
 DMJM Harris

NEW BOARD MEMBERS

Andrew Ko
 General Manager
 DBS Bank Ltd.

Tom Miller
 Managing Director, Investments
 Crescent Real Estate Equities, Ltd.

Jim Negus
 Partner, Risk Advisory Management
 KPMG LLP

Rose Nordbrock
 Vice President
 Bolton & Company

Jim Ritchie
 Deputy Executive Director
 Los Angeles World Airports

NEW MEMBER COMPANIES

Economic Patron
 Wells Fargo

Corporate Members
 Bolton & Company
 Crescent Real Estate Equities
 DBS Bank
 Foley & Lardner LLP
 Robert Half International
 Trammell Crow Residential
 Urban Insight

Executive Members
 Career Partners
 Susan Schaffer
 Westfield Development Corporation
 Zeitsman Realty Partners

For membership information, please contact Amy Grat, Director of Investor Relations, at (213) 236-4835 or agrat@laedc.org. ■

NEW MEMBER ORIENTATION & RECEPTION

Tuesday April 25, 2006 ~ All Members are welcomed!

BANK OF AMERICA CALIFORNIA CONFERENCE ROOM, 14TH FLOOR - 333 SOUTH HOPE STREET, LOS ANGELES

ORIENTATION 3:30-5:30 P.M. ~ RECEPTION 5:30-7:00 P.M.

MEET NEW PEOPLE. MAKE CONNECTIONS. LEARN MORE ABOUT THE LAEDC.

Please RSVP by Tuesday April 18 to Amy Grat

Membership Has Its Privileges

LAEDC Affinity Program offers exceptional values to our members

As an enhancement to membership, LAEDC & WTCA LA-LB have initiated an affinity program to offer our members occasional opportunities of exceptional value. We are pleased to partner with quality businesses to provide discounts on the products and services our members want.

As part of the Business Services Network, this program emphasizes member-to-member opportunities.

We are working on adding new programs, so please check our website for updates.

Our current partnerships include:

CITY CLUB ON BUNKER HILL

LAEDC & WTCA Members receive a special initiation fee of \$850 and reduced monthly dues of \$195—a savings of \$1,650 on the initiation fee and \$960 per year in dues (new City Club members only). For more details, contact JoAnn Egitto at the City Club at (213) 620-9662.

THE KOSMONT-ROSE INSTITUTE COST OF DOING BUSINESS SURVEY

Members receive 40% off the 2005 edition (print only) and will receive 20% off the 2006 edition (CD-ROM). For more details, con-

tact David Huntoon at the Rose Institute at (909) 621-8159.

THE PLANNING REPORT AND METRO INVESTMENT REPORT

Members receive a 20% discount on new yearly subscriptions. Discounts apply to either newsletter. For more details, please email editor@ablinc.net or call Josh Stephens at (213) 629-9019.

Please contact Amy Grat at agrat@laedc.org or (213) 236-4835 if you have suggestions for additional programs you would like to see us offer. ■



Featured Guest Speakers Highlights

A recap of important issues, developing projects, and success stories

JUNE 2005

LAEDC members Nicholas Colonna of Pacific Coast Capital Partners, John McMillan of Cushman & Wakefield of California, and José de Jesus Legaspi of the Legaspi Company participated in a Business Services Network industry panel focused on "Southern California Real Estate—From the Street."

The real estate conversation continued with Martha Welborne of the Grand Avenue Committee and Bud Ovrom of CRA/LA presenting an overview of the Grand Avenue Project/Master Plan. This project is envisioned to transform the civic and cultural districts of downtown Los Angeles into a vibrant new regional center.



Bud Ovrom, LAEDC senior economist Nancy Sidhu, and Martha Welborne.

OCTOBER 2005

Chris Goss of Diagnostic Products Corporation reported on the growth challenges faced by his company and credited LAEDC expertise and assistance with DPC's successful transition to a new 170,000 square foot facility with outstanding architectural features, close freeway access and public transit, and a park setting on 9.2 acres with substantial employee amenities.

LAEDC member John McMillan of Cushman & Wakefield, along

with LAEDC regional managers Barbara Levine and Vance Baugham, reported on the successful Gateway Pointe Project. 400 jobs were saved through active collaboration between LAEDC, Southern California Edison, Opus Investments, LA Department of Public Works, and the San Gabriel Valley Partnership.



John McMillan with Barbara Levine

JANUARY 2006

Jim Press, president & COO of Toyota Motor Sales, started off the year's first meeting by affirming Toyota's commitment to Southern California. He spoke to the board about Toyota's long-standing presence in the Los Angeles region, and stressed the importance of the automotive industry to the region and highlighted Toyota's role as market leader and key employer.

"The shift in the market shares, the globalization of the auto industry, and the important link between Japan and Los Angeles are making this region the center



Jim Press

of the new automotive industry," said Press. "LA is a strong and vital part of our lives. Our company was born here as well. We are committed to Southern California. We are not going anywhere."

It was noted that Toyota will be celebrating its 50th anniversary in America in October 2007.

FEBRUARY 2006

In February, Jeff Johnson, publisher, president & CEO of the Los Angeles Times, presented to the board his vision for the newspaper and noted the challenges and opportunities of the changing media industry.

Johnson emphasized the need to keep evolving and making the change quickly in order to keep up. "The world is changing and we have to take that opportunity to move forward," said Johnson.



Jeff Johnson

Things are changing also in the aerospace industry. Bob Ciesla, C-17 Follow-on program manager, the Boeing Company, and Robert Swayze, Economic Development Bureau manager, City of Long Beach, presented the board with information regarding the C-17 program that is coming to a close in 2008. Ciesla and Swayze asked for the support of the LAEDC members on this issue. Read more about the C-17 program on page 5. ■

FEATURED NEW MEMBER



Wells Fargo's work with their clients doesn't start with their products: it starts with their clients' needs. Only when Wells Fargo knows your business do they look at how their products and services will help.

Wells Fargo is fourth-largest in assets among their peers in financial services, but they still serve one customer at a time. Their clients include government and educational institutions, tribal organizations, nonprofits, middle market firms and large corporations.

From investment banking for middle market clients to treasury management for more than 30,000 U.S. commercial and corporate businesses, Wells Fargo believe no other company can match their breadth and depth of financial products and services. By simplifying financial services and technology, they deliver fully integrated solutions that match how you do business—and want to do business.

Wells Fargo offers U.S. Corporate Banking, Commercial Banking, and Correspondent Banking.

Additionally, through the Wells Fargo Foundation, Wells Fargo Housing Foundation and community reinvestment initiatives, they improve the quality of life in thousands of communities. In 2002 alone, they gave more than \$82 million — \$225,000 each day — to help local programs, supporting nonprofit organizations nationwide. And as a leader in financial services, they are committed to respecting and supporting diversity at Wells Fargo.



Los Angeles
County
Economic
Development
Corporation

444 S. Flower Street
34th Floor
Los Angeles, CA 90071
Phone: 213-622-4300
www.LAEDC.org

As the Southern California region's premier business leadership organization, the LAEDC's mission is to attract, retain and grow businesses and jobs in the regions of LA County.

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Steve Harper

Senior Vice President
Investor Relations &
Corporate Communications
Executive Producer

Nhien Barros

nhien.barros@laedc.org
Director of Communications and
Marketing
Editor & Writer

Amy Grat

agratt@laedc.org
Director of Investor Relations
Editor & Writer

V. Oakley Boren

oakley.boren@laedc.org
Communications Manager
Designer & Writer

