

LAEDC Helps Push Permit Process to Retain 200 Aerospace Jobs and Add over 100 More

A project to both retain and expand jobs in Covina helps LAEDC reach its milestone of 200,000 jobs retained or created.

Business: Composites Horizons

Industry cluster: Aerospace

Location: L.A. County, City of Covina

LAEDC's assistance: Advocated on behalf of Composites Horizons and created an awareness within the city that delays with multiple permits were holding up and jeopardizing the company's \$12million expansion plans. Brought the right parties to the table to expedite the permitting process to allow the company to move forward with their expansion, thus retaining the business and its 200 existing jobs.



Outcome: The business not only made the decision to remain in Covina, but is able to expand and create 100's of additional jobs within four years.

Composites Horizons is a fast-growing company in a booming industry. The Covina firm designs and builds high-temperature ceramic and carbon-fiber components for the aerospace industry.

It has \$40 million in annual sales and 200 employees.

However, it has a backlog of orders that currently amounts to over \$370 million. Nearly \$70 million of that will come from a new high-temp ceramics division it is creating. CEO Jeff Hynes expects he'll have to hire another 100 employees by the time Composites Horizons is in full production mode on all this new business.

He's already spent \$12 million on equipment to gear up for these new contracts. That investment will pay for new machinery and infrastructure improvements – including a new foundation slab on which it will place a

nitrogen tank, tenant improvements for clean rooms, a cooling tower and additional office space to accommodate all the new business.

That foundation slab for a nitrogen tank is needed to feed into a new \$1.5-million autoclave. When LAEDC regional manager Bob Machuca visited the company late last year, the new autoclave was already on the property, purchased from another L.A. County company and waiting to be installed.

Machuca was familiar with Composites Horizons because three years earlier he had helped the company take advantage of some of LAEDC's connections to workforce initiatives, including California on-the-job training programs.

There were several problems this time: there were delays with multiple permits, in one example Composites Horizons couldn't pour the concrete on the foundation slab for the nitrogen tank feeding the autoclave because it didn't have the permit it needed from the City of Covina to start construction.

In fact, it had already waited five months for the permit. That was just one of five permits from the city that were in the pipeline. Meanwhile, the clock was ticking on that \$370 million in new contracts Composites Horizons needed to deliver on over the next four years.

And the permits would have to be approved, the improvements completed, before the company could hire those 100 additional employees.

That's the point at which LAEDC went to work, using its contacts with the City of Covina and advocating on behalf of Composites Horizons. Machuca worked with multiple city department heads and with the city manager.

Then he organized a meeting between company and city officials and arranged for the latter to visit the company where they could see for themselves the magnitude of Composites Horizons' activities, its plan for expansion, its innovation in advanced manufacturing – and the diversity of its workforce.

That led to additional meetings in which the LAEDC, on behalf of the company, was able to expedite plan checks and move critical permits along to quick approval so that the company could complete its expansion and go to work on those contracts.

“This is our third major expansion and, every time we reach that point, we have to evaluate the cost of staying here or relocating,” Hynes said. “Work with LAEDC has made that decision easier.”

It has also made it easier for the 200 employees already at Composites Horizons to have a sense of job security.

Autoclave manager Elias Sanchez has climbed a career ladder as he gained specialized training, moving from his initial job as a temp to his current role managing highly technical autoclave processes and personnel. “This job helps me out a lot, for my family and my kids, to put my kids through school,” he said. “Without this job, I couldn’t do it.”