

FY 2013-2014 ANNUAL REPORT

LAEDC



A MESSAGE FROM THE PRESIDENT AND CHAIR

We are pleased to report on LAEDC's activities for the fiscal year FY13-14 ended June 30, 2014. LAEDC's non-profit, public-benefit mission continues to benefit the community and enhance the wellbeing of many families throughout LA County. During the fiscal year, LAEDC helped 10,323 people meet their basic human need for a job, and our initiatives and programs promoted a globally competitive L.A. County economy that is positioned to create jobs as we move into the future. Funding from our members, philanthropic organizations, grants, and local government remained critical to the success of LAEDC's mission.

Our Business Assistance Program provided no-cost business consulting to retain and create jobs. We helped numerous large firms decide to stay in LA County, retaining thousands of jobs, and those same custom consulting services were provided to over 1600 small businesses to help them overcome challenges so they are able to grow and create good jobs for L.A. County residents.

Our Kyser Center for Economic Research provided economic and industry analysis, produced insightful reports about our economy and trading partners and hosted events and seminars to share the knowledge. Our Institute for Applied Economics provided deep-dive research reports for clients wishing to assess economic impact, and the Institute also guided LAEDC program development.

LAEDC's affiliate World Trade Center-Los Angeles (WTC-LA) conducted three trade missions to China, increasing Foreign Direct Investment (FDI) and creating local jobs. As WTC-LA added to the pipeline of future FDI projects we also celebrated this year's groundbreaking for Korean Air's \$1 billion

Wilshire Grand project and Shanghai Greenland's Metropolis, which we have steadfastly supported and actively facilitated for years.

What became clear in FY13-14 was the success of an "industry cluster" focus, as our initiatives targeting key and emerging industry clusters delivered crucial support for jobs in the highly-vulnerable industries that serve as economic engines in LA County, including Aerospace, Entertainment and others.

For example, our Jobs Defense Council helped retain and grow jobs in our aerospace industry, and LAEDC research proved the Film & Television Tax Credit delivers positive ROI to government—a factor in Sacramento's three-fold funding increase of the program, which will create thousands more local jobs in the next five years. Many more results from our strategic initiatives are detailed within these pages.

We thank our members for their funding and commitment of time and energy, we are grateful for the engagement of many additional individuals and collaborating partners who helped us develop and implement initiatives, and we thank the Supervisors and the CEO of LA County. Through your support of LAEDC you improve the quality of life for our residents and their families, which rests on the simple foundation of jobs—jobs that don't just happen, but rather are fostered through smart planning, dedicated resources and well executed programs and services.

Sincerely,

Bill Allen, LAEDC President
Lew Horne, LAEDC Chair FY13-14

BUSINESS ASSISTANCE PROGRAM

LAEDC's Business Assistance Program (BAP) provides business development consulting at no charge to grow businesses and jobs in Los Angeles County and targets domestic business attraction, expansion and retention. BAP regional managers assist companies that want to locate in LA County and conduct field visits and provide action plans to help businesses overcome challenges and hire.

Principal accomplishments for FY 2013-14 were:

10,323 JOBS RETAINED, ATTRACTED OR EXPANDED

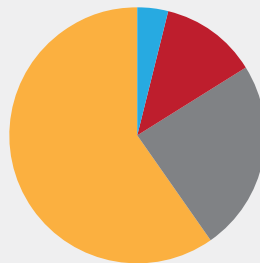
\$554,536,718 IN DIRECT ECONOMIC IMPACT (WAGES)

\$10,332,827 IN LOCAL TAX REVENUE

\$720:1 EVERY DOLLAR THE COUNTY INVESTED RETURNED \$720 OF DIRECT ECONOMIC IMPACT (JOB WAGES)



FISCAL IMPACT 2013-14



■ .25% Sales Tax Revenue to County	\$	416,452
■ .75% Sales Tax Revenue to Cities		1,249,355
■ 1.5% Sales Tax to Transportation Fund		2,498,710
■ K-12 & CC, Health & Human Services*		6,168,311
Total Fiscal Benefit	\$	10,332,827

“WITHOUT YOUR HELP, I AM CERTAIN WE MAY HAVE HAD TO MOVE OUR PRODUCTION TO ANOTHER FACILITY, OR OUTSIDE OF LA COUNTY.”

— Republic Master Chefs

BUSINESS ASSISTANCE TEAM ACCOMPLISHMENTS 2013-14

Key metrics are jobs retained, attracted or expanded and the direct economic impact and local tax revenue provided by those jobs.

Category	Achieved	Type	# of Projects	Jobs
Closed Wins/Jobs	10,323	Attraction	3	213
Closed Wins/Projects	69	Retention	33	7,731
In-person Consultations	1,612	Expansion	26	1,989
Projects Pipeline	223	Relocation	7	390
Jobs Pipeline	28,187			
Presentations	35	TOTAL	69	10,323

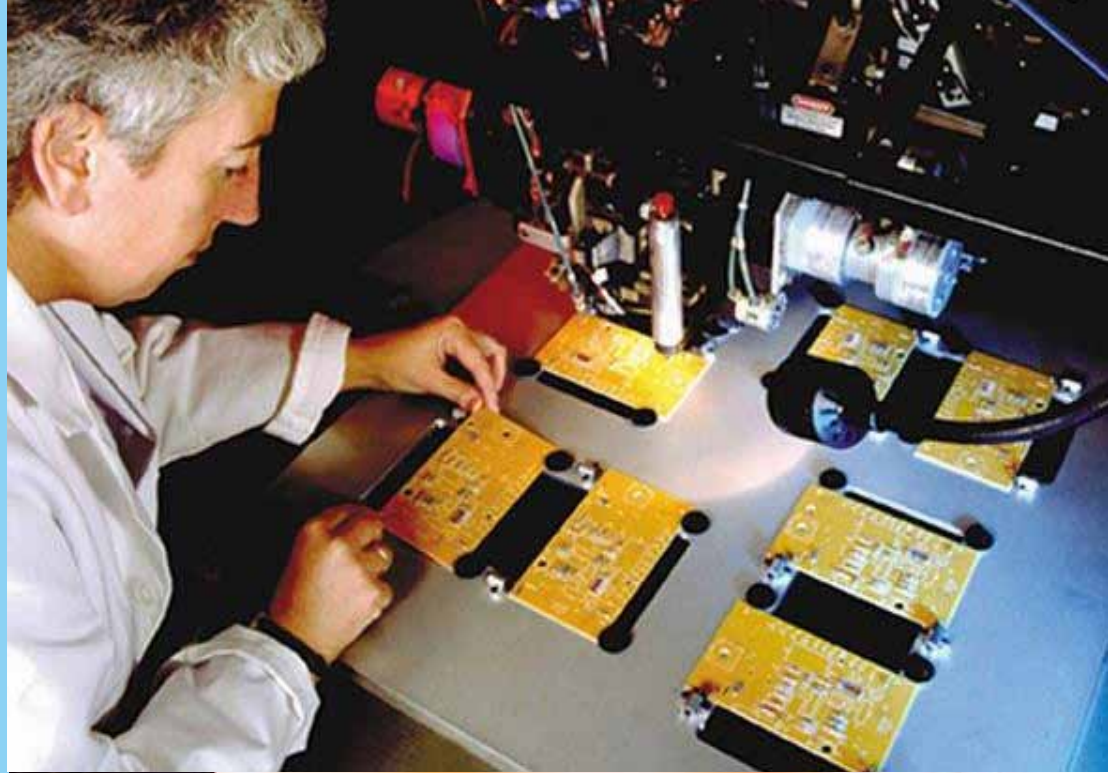
The LAEDC Business Assistance Program has been recognized as being among the best in the nation, by the leading economic development authorities. LAEDC has received the following awards: **Grand Prize Award for LAEDC Layoff Aversion Program** (CALED), **Grand Prize Winner** (IEDC), **Gold Award Winner** (IEDC), and **Award of Merit for the Business Assistance Program** (CALED).

Since 1996, the LAEDC's Business Assistance team has helped to retain or attract over 198,000* annual jobs in Los Angeles County.

* as of June 30, 2014

BAP HIGHLIGHTS

- 111 facility searches for company clients, each highlighting numerous location options in all the regions of the County. Facility searches were made for firms in many of the key sectors in the L.A. County economy, including manufacturing, information, warehouse and distribution and retail.
- Responded to 22 requests for information from multinational corporations in partnership with the California Business Incentive Services (CalBIS) and Governor's Office of Economic Development (GOED).
- Introduced no-cost federal, state and local business assistance programs, resources and services to firms throughout L.A. County through a targeted informational outreach campaign to over 21,800 firms through emails, phone calls and mailings.
- Thirty-five well attended public presentations were made by the Business Assistance Team to businesses, business organizations and community organizations to promote economic development and business assistance in the County.
- Conducted 1,612 in-depth consultations with individual businesses and tailored detailed action plans for firms that outlined specific services and referrals.
- Continued to partner and provide support to key economic development organizations, including the Greater Antelope Valley Economic Alliance (GAVEA), the Valley Economic Partnership (SGVEP), the Santa Clarita Valley Economic Development Corporation (SCVEDC), and the Valley Economic Alliance (VEA).
- Continued to provide direct support for the economic development activities of cities in each of the regions of L.A. County.
- The Most Business-Friendly City (MBFC) Award in L.A. County continued to grow in prestige. Many cities submitted comprehensive MBFC applications in FY 2012-13, and the cities of La Mirada and Lancaster were honored as the MBFC Small and Large City in L.A. County before over 600 business and civic leaders at the LAEDC's Annual Eddy Awards. A result of this award competition has been an increased awareness by cities of the importance of a business-friendly environment, and we have seen specific actions taken by large and small cities throughout the County to improve their business climate.



LAEDC's LAYOFF AVERSION PROGRAM

LAEDC operates a Layoff Aversion program to help businesses that are at risk of laying off employees. This work is performed under contracts with the County of Los Angeles and City of Los Angeles. Here is a snapshot of how LAEDC measured the results of this work. *(period of study March 2013-February 2014)*

LAEDC PERFORMANCE

	goal	achieved
Identified "at-risk" businesses	1,000	8,254
Informed "at-risk" businesses of no-cost program and services	1000	6,015
Consulted with "at-risk" businesses in targeted industry clusters to develop plans that resolve their challenges	250	386

As part of this program, an Industry Cluster Analysis Project was successfully completed by the LAEDC Institute for Applied Economics, providing a critical foundation for realignment of the County's five-year plan for workforce development.

WORLD TRADE CENTER

LAEDC's affiliate, World Trade Center-Los Angeles is focused on both attracting Foreign Direct Investment (FDI), and helping our local firms increase their export and trade opportunities. This focus on international trade and investment improves our regional economy and creates well-paying jobs for LA County residents.

Together, the BAP and World Trade Center-Los Angeles teams provide a comprehensive and integrated effort.

During FY13-14, the World Trade Center-Los Angeles (WTC-LA) held 194 substantive consultations to attract Foreign Direct Investment (FDI), increase trade, and expand opportunities with partners. This resulted in 6 project wins with a value of \$172 million of investment into LA County. The wins included a \$22 million investment from Landsea, \$150 million from Shanghai Greenland Group, \$1 million from Shenzhen SmartCell Communication Technology, and \$96 million from Xia Investments.

As part of the effort to attract investment and increase export opportunities for LA County businesses, staff from the World Trade Center conducted three successful trade and investment missions, led by LAEDC President and CEO Bill Allen. The trips to Shanghai/Chongqing, the Pearl River Delta in China, and to Taiwan/Shanghai represented a focused effort on China and recognition of the importance of this region to the future of trade and FDI in Los Angeles. To further support this important work in China, the WTC-LA maintained a full-time position in China to develop business opportunities, and WTC-LA collaborated with



our Kyser Center for Economic Research on the second edition of our research report, *Growing Together: China and Los Angeles County*



Beyond the new project wins, during the fiscal year WTC-LA celebrated the success of two immense projects in LA, which our team has for several years steadfastly supported and actively facilitated through our trade missions and business relationships; the Wilshire Grand project and the Shanghai Greenland Metropolis project.

Each represents investments of approximately \$1 billion into LA County and are creating thousands of jobs, including temporary skilled construction jobs and permanent jobs. The Wilshire Grand (artist rendering below) will be the tallest skyscraper on the West Coast and both projects will provide needed hotel rooms to increase LA's ability to attract conventions, bolstering LA's tourism and hospitality industry.



KYSER CENTER

A trusted resource, LAEDC's Kyser Center for Economic Research assesses the global economy relative to LA County and provides reliable forecasts, relevant data and insightful perspectives to help Southern California understand and take advantage of emerging economic trends.

Effective economic development depends on good intelligence. Our Kyser Center for Economic Research, led by Chief Economist Robert Kleinhenz provided actionable insight for regional leaders and the general public during FY 13-14. Kyser Center staff prepared quarterly reports specifically for the Board of Supervisors' planning needs, including forecasts of unemployment rates, total taxable sales and inflation. And the range of provided services was much broader, serving the public interest.

Our economists conducted research to better understand the dynamic LA County economy, produced numerous public reports, hosted public events, and provided accurate information to the media. This data also helped LAEDC tell the story of the LA economy.

- In FY13-14, the Kyser Center Staff:
- Delivered 83 speeches and presentations
 - Conducted 290 media interviews
 - Handled 91 information requests
 - Served 3,500 subscribers with analysis of economic conditions via the free, weekly e-EDGE newsletter.
 - Published numerous reports

Kyser Center hosted two major **Economic Forecast and Industry Outlook** events, in July 2013 and in February 2014, accompanied by the release of **detailed forecast reports** which analyzed and predicted economic conditions and job growth

for the industries in LA County and its regions. These reports were widely referenced by media and used by governments and businesses for effective planning.

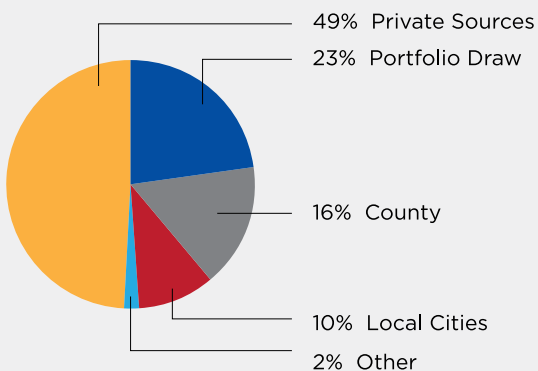
The 2014 **International Trade Outlook event and accompanying report** documented the importance of international trade to the region, with data on major trading partners, trade flows and goods movement activities. Through the trade forecast, local businesses learned about our projected increases in trade volume and could plan hiring accordingly. Opportunities with China were also revealed through the new report, **Growing Together: China and Los Angeles County**.

Kyser Center published its 7th **Otis Report on the Creative Economy** for both LA County and California, revealing the value of the creative industries to our region. We could again state that LA County is the creative capital of America, by quantifying direct employment, establishments and wages, and the indirect economic contribution and tax revenues generated by the creative industries.

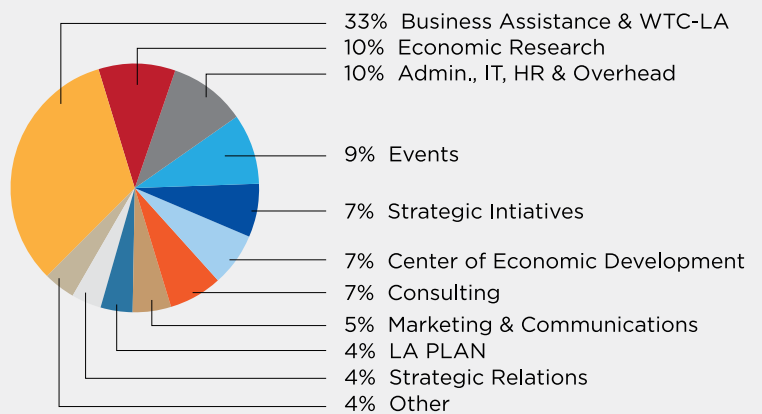
Kyser Center published **LA Stats**, a popular summary of regional employment, demographics, income and other data. Additionally, Kyser Center published the **San Gabriel Valley Economic Forecast and Industry Outlook**, providing analysis and forecasts, including demographic, employment, establishment and wage data, and an overview of the region's important industries.

LAEDC FINANCIAL SUMMARY FY 2013-14

FUNDING



EXPENDITURES



SUCCESSFUL LAEDC INITIATIVES

The LAEDC spearheaded crucial initiatives and programs during FY13-14 to promote a globally competitive L.A. County economy that is positioned to create jobs as we move into the future, to improve the health and wellbeing of our residents and communities.

The result was unprecedented engagement, interest, positive feedback, and significant progress this past year. Here is a snapshot of that work, in industry clusters, workforce development, the LA County Strategic Plan, public policy, our innovation economy, real estate development and regional leadership.



Industry Clusters

During FY13-14, the LAEDC increased its focus on key export oriented industry clusters in which our region has a competitive and/or comparative advantage. These export-oriented sectors produce a powerful cycle of job creation, income growth and economic development as concentrations of businesses, support services, suppliers and competitors grow to form and generate better products, improved processes and more skilled workers. This also drives the local-service economy. We believe that the best chance for bringing prosperity to LA County is to focus on these wealth-generating industry sectors, which include: aerospace, health and biomedical, advanced transportation, entertainment, fashion, hospitality and tourism, international trade, and fast-emerging future economic drivers including digital fabrication, digital media, and personalized medicine.

In FY13-14, informed by analytics, the LAEDC created targeted and highly effective programs to grow jobs in aerospace and advanced transportation, and elevated LA County's leadership in both areas by restructuring two industry councils (the e4Mobility Alliance and the SoCal Jobs Defense Council) and securing a designation for the Southern California Advanced Transportation Center (from the California Energy Commission) and the Investing in Manufacturing Communities Partnership (from the federal government) in aerospace and defense.

These initiatives successfully brought together business, labor, education, non-profit and government participants to assess opportunities and challenges and take immediate action.

Workforce Development

Through this past year, LAEDC crafted strategic programs and policy recommendations to foster the availability of good jobs with career ladders in the industries which drive our region's economy. This work also addressed the "skills gap" that some local employers face, helping ensure there are enough qualified workers to meet their needs and help companies remain in LA County. LAEDC helped colleges, workforce investment boards and local employers collaborate to change their focus and become more effective.

For example, during FY13-14, LA Community College District moved towards stackable certificates in response to conversations LAEDC facilitated with local employers, in an effort to match curriculum to future job requirements. The LAEDC also partnered with the Pacific Gateway Workforce Investment Network for the third year to better align our workforce for needs in advanced transportation—turning our attention this year to waste-to-energy and energy storage.

Strategic Plan for LA County Economy

In 2009, LAEDC facilitated the first-ever Strategic Plan for LA County's Economy. The process drove collaboration and crystallized priorities with over 1,000 diverse stakeholders, resulting in specific actions over the five years that have elapsed. In FY13-14, we entered the last year of the existing Plan's implementation.

Planning has now begun for the 2016-2020 Plan, which is arguably the most important guiding strategy our region's leaders can produce if we want to improve prosperity for residents, families and communities in this time of rapid change in the global economy.

Public Policy

The LAEDC is actively engaged in policy efforts that support our mission to grow, attract and retain jobs in the regions of Los Angeles County. Informed by our research, our policy team helps legislators anticipate results of proposed legislation, and supports policies that have a strong likelihood of increasing jobs in LA County. In FY 13-14, we successfully supported legislation at the state level including: AB 777 that removed unfair tax burdens from our space commercialization sector; AB 250 that formally established the California Innovation Hub program; and SB 11 and AB 8 which increased investment in alternative fuels.

The LAEDC also actively participated in collaborative regional leadership efforts throughout the State including the REAL Coalition and the California Stewardship Network, which pursues a triple bottom line agenda of economic vitality, environmental sustainability and social equity.

Innovation

In recognition of the role of innovation in LA County's future growth, LAEDC launched its Innovate Los Angeles (inLA) initiative in FY13-14, and was successful in attracting the Blackstone Foundation "LaunchPad" investment in three of our research university campuses in the region. By serving as the regional partner for Blackstone Foundation, LAEDC is coordinating the LaunchPad program, which offers student entrepreneurs the opportunity to nurture business ideas that have potential to create local jobs. Looking ahead, LAEDC also conceived and started planning the inaugural LA Innovation Week for October 2014 to promote LA County as a leading global center for innovation.

LA PLAN (for Public Real Estate)

Budgetary pressures combined with elimination of redevelopment agencies have left local governments without enough tools to develop under-utilized land holdings to create jobs and generate economic growth for local communities. During the year, LAEDC responded to this need by staffing our Public Landowners Assistance Network (LA PLAN) which started to partner with the public sector, nonprofits and philanthropic institutions throughout Los Angeles County to deliver real estate and financing solutions that attract businesses and jobs. In its first success, LA PLAN enabled a non-profit to close escrow, purchase and begin redevelopment of the vacant and under-utilized 18 acre Daniel Freeman Memorial Hospital in Inglewood, California.

Southern California Leadership Council

The Southern California Leadership Council stands as a non-partisan, non-profit, business-led regional public policy partnership whose membership includes three former California Governors and over two dozen Presidents and CEOs of top Southern California companies and agencies. The Leadership Council is housed in and works closely with the LAEDC and is squarely focused on economic vitality, job growth and quality of life throughout Southern California.

During FY13-14, the Leadership Council concentrated on positively impacting public policy in six core issue areas affecting our region: Water Reliability, Goods Movement Solutions, Business Retention & Attraction Strategies, Energy Solutions, Regional Planning, and Climate Change Strategies. Details are on the web at socalc.org

INSTITUTE FOR APPLIED ECONOMICS

The LAEDC Institute for Applied Economics specializes in objective economic and public policy research for a wide range of public and private entities in order to foster informed decision-making. Its clients include city and county governments, agencies and departments, workforce investment boards, universities, developers, advocates, industry associations and legislators. The Institute's research also guides LAEDC program development to ensure the work remains on target, including the company's collaboration with workforce investment boards, its award-winning business assistance program and its cluster development initiatives.

During FY13-14, the Institute published economic impact analyses for the LACMA Transformation project, the Grand Avenue Plan, the Burbank Bob Hope Airport, and Metro's Union Station Master Plan. The Institute also conducted an in-depth analysis of the Oil and Gas Industry in California, a workforce needs assessment for potential production of the Monterey Formation, and a fiscal impact analysis of the Los Angeles County General Plan Update. Finally, in a study referenced by policymakers across the state, the Institute found that the California Film and Television Tax Credit Program returned taxes of \$1.11 to state and local governments for every \$1 invested.

The Institute for Applied Economics was formerly the Economic and Policy Analysis Group of the LAEDC, newly named in July 2014.



LAEDC

Established in 1981, the Los Angeles County Economic Development Corporation (LAEDC) provides collaborative, innovative and strategic economic development leadership to promote a globally competitive, prosperous and growing L.A. County economy to improve the health and wellbeing of our residents and communities and enable those residents to meet their basic human need for a job. We achieve this through objective economic research and analysis, strategic assistance to government and business, and targeted public policy. Our efforts are guided and supported by the expertise and counsel of our business, government and education members and partners. Since 1996, the LAEDC's Business Assistance team has helped to retain or attract over 198,000* annual jobs in Los Angeles County.

* as of June 30, 2014



“AS WE EXPANDED THE AEROSPACE ENGINEERING FACILITY FOR OUR SATELLITE PROPELLANT TANKS, LAEDC SET UP MEETINGS WITH THE LONG BEACH MAYOR'S OFFICE WHICH ALLOWED US TO BETTER UNDERSTAND HOW TO MAKE OUR PERMIT APPLICATIONS FLOW SMOOTHLY THROUGH THE SYSTEM. LAEDC ALSO ARRANGED MEETINGS THAT HELPED US REDUCE OUR UTILITY COSTS AND ACCESS NEW-HIRE TRAINING FUNDS.”

— Wayne Tuttle, Director of Innovation, Keystone Engineering



The LAEDC thanks the Board of Supervisors of LA County for their ongoing support.



LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION

444 S. Flower Street, 37th Floor
Los Angeles, CA 90071

www.LAEDC.org
213.622.4300 fax 213.622.7100



OUTREACH and COMMUNICATIONS

As part of LAEDC's contract with the County of Los Angeles, LAEDC provides valuable information for government and the business community. Here is a summary of communications vehicles utilized during FY13-14.

■ Webinars and Workshops for Businesses

Providing businesses with best management practices and expansion skills

■ Email Outreach Campaigns

Engages with business to provide awareness of resources and events

■ New LAEDC.org Website

Outstanding new design markets LA County effectively and provides organized resources

■ New Microsoft CRM System

To better target our services to businesses and track their followup needs.

■ Innovation Resource Guide

Identifies support services and potential partners & programs for innovation businesses

■ e-Edge Newsletter

Free weekly intelligence and analysis of current economic conditions to support business decisions

■ Business Leader Newsletter

Free bi-monthly newsletter about programs, resources, economic development news

■ Social Media Interaction on LinkedIn, Facebook, Twitter

increased followers significantly by offering valuable content

■ LAEDC Board of Governor Meetings

Opportunity to hear from top leaders in business, government and education

■ LAEDC Committee Meetings

Opportunity for leading employers to shape programs and get involved in job creation in LA County