



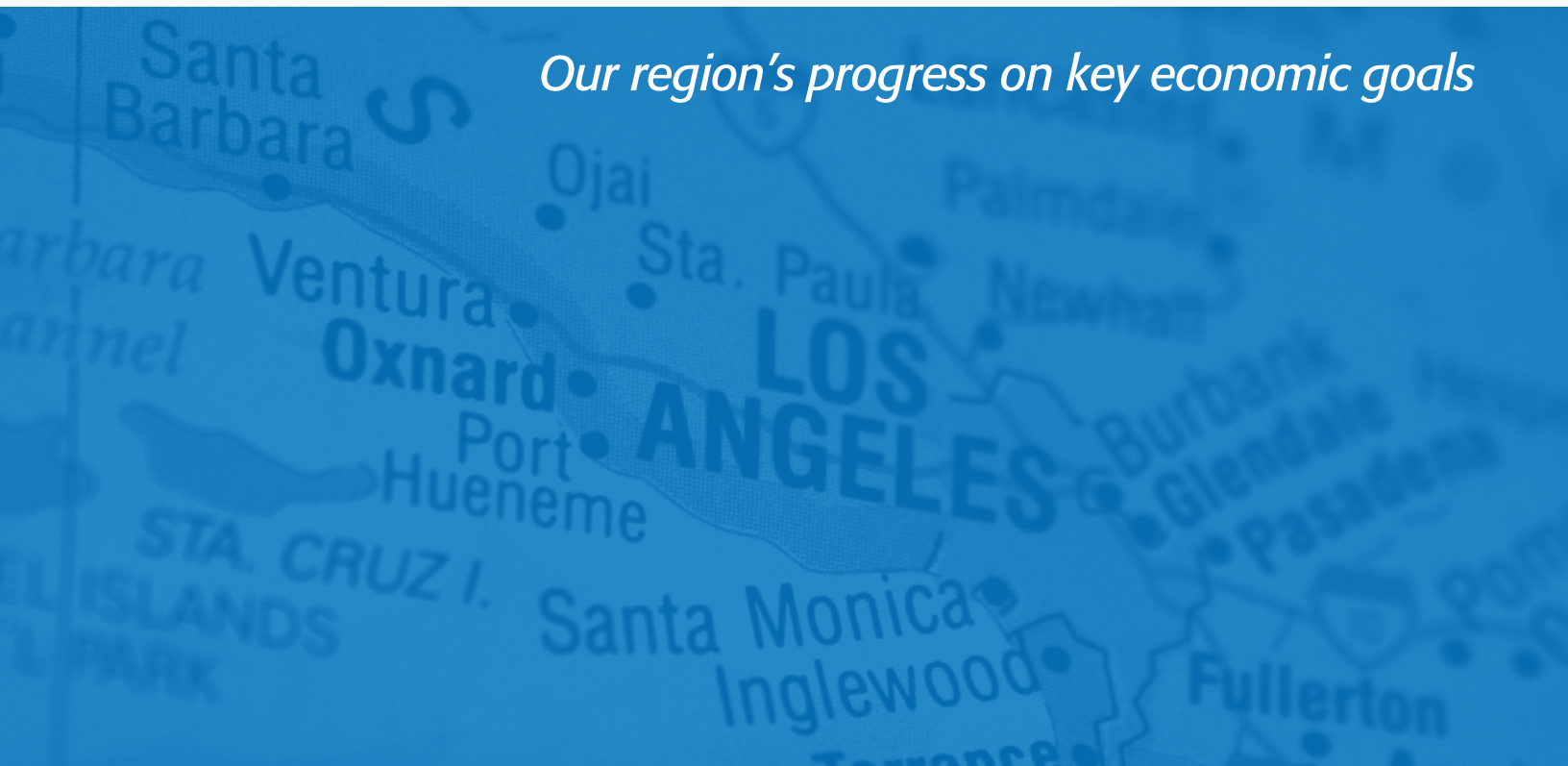
LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION

PROGRESS REPORT: 2010-2014

Los Angeles County Strategic Plan for Economic Development



Our region's progress on key economic goals





Opening Letter from L.A. County Board of Supervisors:

The Los Angeles County Strategic Plan for Economic Development (2010-2014) was initiated during the depths of the Great Recession. At a time when one out of eight L.A. County residents was either unemployed or not even looking for work; when budget deficits of unimaginable levels predominated in many of our municipalities; when housing foreclosures and empty storefronts littered our communities; and when our social service safety net was fraying as a result, L.A.'s economic and fiscal future seemed in peril, and our unmatched quality of life felt at risk.

We've made a lot of progress since those bleak recessionary days. In many respects, the Strategic Plan and the results achieved over its five-year implementation reflected our region's resiliency during those dark times. It fully displayed our collective determination to improve the economic standing of our great County, and it helped define our County's incredible creativity and inimitable entrepreneurial "can do" spirit with regard to what can be accomplished together in the face of seemingly intractable and daunting challenges.

Together, we the people of L.A. County worked to create a stronger, more diverse and sustainable economy for our residents and communities. But as importantly, we molded an innovative paradigm for creating and implementing a "living and breathing" economic development strategy; one in which over 1,000 engaged civic stewards across our county could overcome cynicism and form a consensus around 52 strategies and 12 objectives to achieve five aspirational goals:

Goal 1 Prepare an educated workforce

Goal 2 Create a more business friendly environment

Goal 3 Enhance quality of life

Goal 4 Implement sustainable land use

Goal 5 Build 21st Century infrastructure

This was a plan by and for the residents and communities of L.A. County. Accordingly, the top-line results described herein paint a portrait of an ambitious people intent on delivering a better economy, a healthier environment and greater social equity.

However, this is in no way a "completion report," only a snapshot of our progress. This is because we still have a lot more work to do. We need to significantly decrease poverty rates in L.A. County; create opportunities that help families earn more; work on mobility and traffic congestion challenges; and grow the economy in ways that address widening income inequality. All of this work is essential to LA County's economic prospects and our shared future.

With that as our collective guidepost, we must continue to move L.A. County onward and upward, and so we look forward to working with all of you to develop the next five-year (2016-2020) strategic plan for economic development.



Hilda Solis
1st District



Mark Ridley-Thomas
2nd District



Sheila Kuehl
3rd District



Don Knabe
4th District



Michael D. Antonovich
5th District

L.A. County 2010-2014: Moving from the Economic Cliff to Global Prominence

Starting from a low point during the Great Recession in terms of overall economic activity, employment, and wage levels, L.A. County saw marked improvement across a wide variety of metrics, indicating significant progress was made between the Strategic Plan's 2010 start date and the 2014 completion.

Gross Product¹

L.A. County's Economic Activity Increased



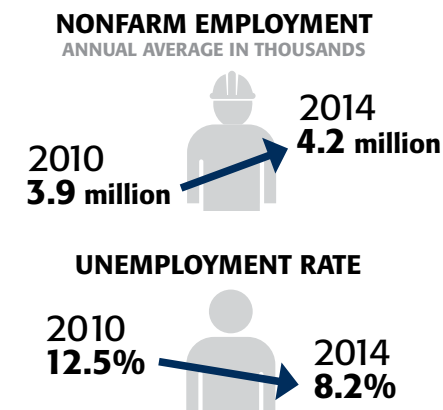
Industry Employment³

Most of L.A. County's Industries Experienced Job Growth



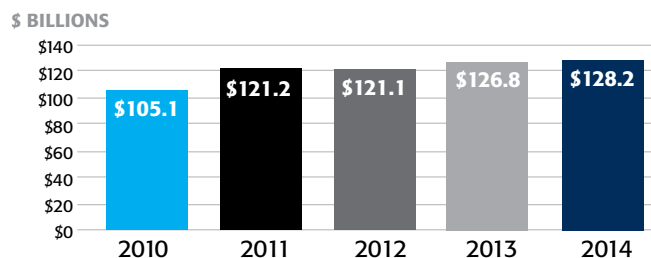
Total Employment²

L.A. County's Employment Levels Increased and Unemployment Rate Decreased



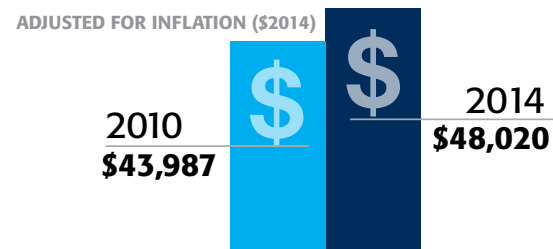
L.A. Customs District Exports⁴

Exports Out of the L.A. Customs District Continue to Trend Upward



Per Capita Total Personal Income⁵

L.A. County Saw Significant Improvement in Personal Per Capita Income



Important advances, driven publicly and privately, continue to percolate all across L.A. County, especially as we continue to prioritize and invest in our region's infrastructure and human assets, as well as in L.A. County's unique research, design, creative, production and export capacities. However, we should not, and cannot, take anything for granted, and so we must continue to upgrade and align our region's economic, networking and physical assets in a combined way to compete in a global economy where business and industry location is not permanent but truly by choice.

Sources: ¹IHS Global Insight; ²EDD Labor Market Information Division; ³California Employment Development Department, LMID; ⁴U.S. Census Bureau; and ⁵IHS Global Insight (Total Personal Income includes all sources of income such as investment income).

Goal 1

2010-2014

PREPARE AN EDUCATED WORKFORCE



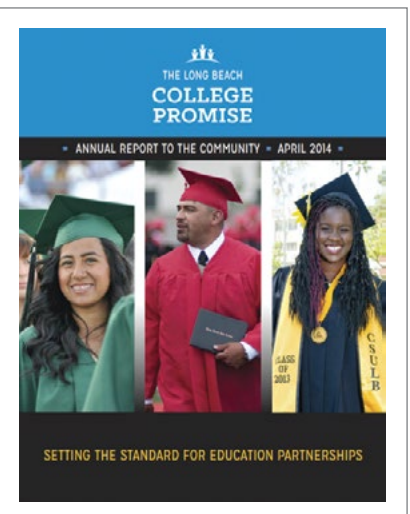
There is no more important economic development tool than education.

Educational achievement is especially important in the technology-intensive, highly creative and specialized L.A. County market in which the economic rewards of education are great and increasing.

From early childhood education onward, we made great strides during the last five years to better align County education and workforce development programs with the needs of the industries driving our regional economy. There were transformative programs developed to link high schools, community colleges, and four-year universities.

Our workforce system has increasingly engaged with industry to provide L.A.'s businesses with enough workers with the right skills, as well as to educate and train increasing numbers of job seekers and incumbent workers so they can get jobs in the leading industries of today, as well as the fast growing, emerging industries that will lead tomorrow.

During the past five years, our Workforce Investment Boards (WIBs) placed tens of thousands of youth and adults into immediate jobs or education, thus preparing them for careers in industries that will be hiring tomorrow.

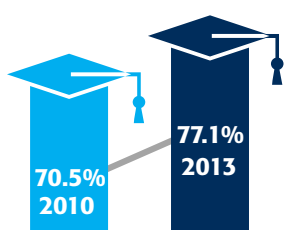




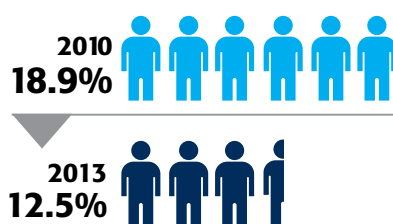
We also improved on a number of important top-line educational outcomes, preparing more of our youth for college and careers, including:

High school graduation rates increased and dropout rates declined in L.A. County. In addition, the percentage of students passing their 10th grade Math and English exit exams increased in L.A. County.

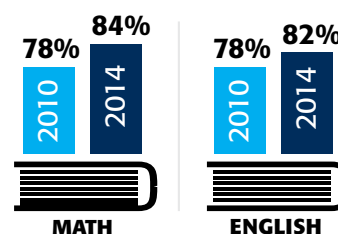
GRADUATION RATE⁷



DROPOUT RATE⁸



PASSING RATES⁹



And the number of L.A. County residents (age 25 and over) who attained at least some college or received an Associate's Degree/Bachelor's Degree increased.

SOME COLLEGE/ASSOCIATE ARTS DEGREES¹⁰



BACHELOR DEGREES¹¹



Looking forward...

We must continue to make progress on ensuring that L.A. County's youth and adults are educated, prepared and trained for the highly technical, knowledge-based careers of the future. We must also work to keep education costs more affordable, as up-front costs and future debt burdens increasingly put higher education out of reach for more L.A. residents. And we need to look for opportunities to prioritize early childhood education and development; indeed, the correlation to future success is profound and well-known. Finally, further braiding of program infrastructure, capital and other resources among K-12, the community college and four-year college systems, adult schools, and the workforce development system (especially with the enactment of the Workforce Innovation and Opportunity Act in 2014), may enable the L.A. region to more effectively leverage, prioritize, coordinate and direct limited dollars for education, training and placement programs based on demand and need.

Sources: ⁷CA Department of Education Data Reporting Office; ⁸kidsdata.org; and ^{10, 11}U.S. Census Bureau, American Community Survey.

Goal 2

2010-2014

CREATE A MORE BUSINESS FRIENDLY ENVIRONMENT



Progress was made on a number of business friendly fronts during the last five years.

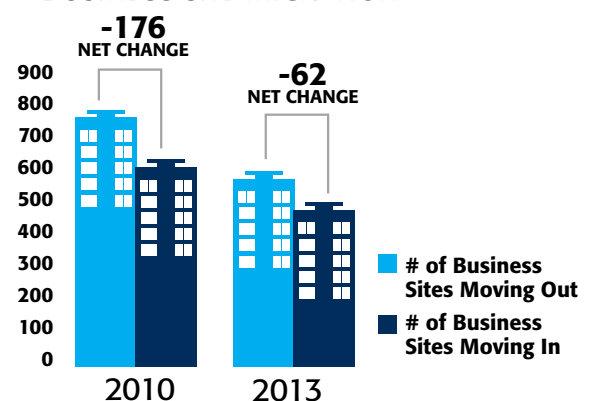
CITIES IN L.A. COUNTY WITH AN ECONOMIC DEVELOPMENT ELEMENT¹²



Local and state officials acknowledged the value of private sector jobs by enacting important tax credits and other incentives for film and television production, research and development, aerospace and defense, clean technologies, biotechnology and manufacturing—as well as other industry priorities. What’s more, an increasing number of cities in L.A. County made economic development a key priority by including a separate economic development element within their respective General Plans.

Overall, the number of business establishments in L.A. County grew between 2010 and 2014 from more than 415,000 to nearly 420,000. And net business migration out of L.A. County slowed dramatically.

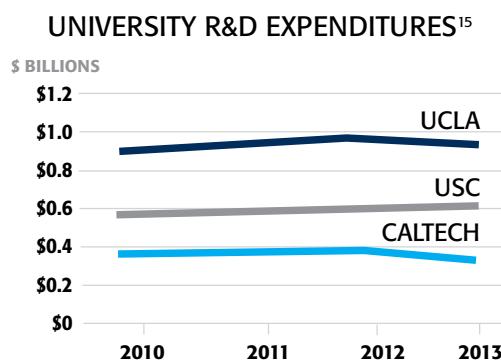
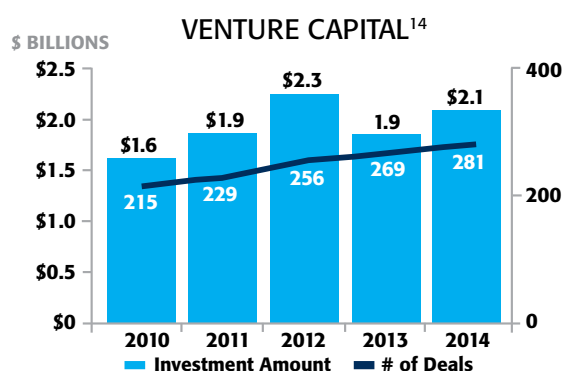
BUSINESS SITE MIGRATION¹³





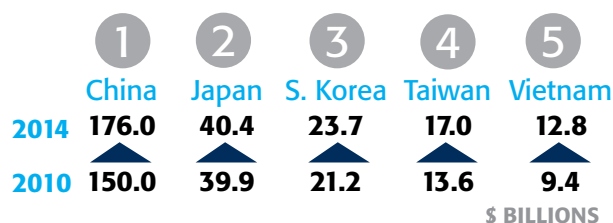
We also improved in a number of areas that drive business innovation, productivity and opportunity.

While university research and development expenditures at our three world-class research universities remained somewhat stagnant from 2010-2014, venture capital investment in the Los Angeles region continued to show an upward trend. Both R&D and private capital investment are critical to driving innovation and business opportunity. These types of investment are likely to accelerate in the region as an increasing number of entrepreneurs and start-up businesses grow in L.A. County, attracted by its unique mix of creativity and innovation across a number of industries.



Creating employment and business opportunities for local firms through international trade development was also a bright spot for L.A. County during the recovery. The value of two-way trade increased with our top-five trading partners and exports in the top-five goods categories grew over the five-year period.

TOP L.A. CUSTOMS DISTRICT 2-WAY TRADING PARTNERS¹⁶



Looking forward...

While we are making progress on a number of fronts, the business “unfriendly” perception of L.A. County persists – both within our borders and outside of them, leaving many to believe that L.A. County is an inhospitable place to do business. It has truly been a good news/bad news narrative on this goal. While L.A.’s global brand is unsurpassed, L.A.’s industry-specific value propositions and strategies remain somewhat vague and elusive. As new and more sources of capital (seed-, early- and late-stage) flowed into the region from domestic and foreign sources, development procedures continued to be cumbersome, antiquated and opaque in some parts of L.A. County. Finally, during the last five years, local and state programs that align with economic development priorities in many of L.A.’s underserved communities have either been completely eliminated or remained few and far between; this needs to be addressed if we are to begin to close the growing economic and income gaps between different communities and residents and truly increase our regional economic competitiveness.

Sources: ¹²LAEDC; ¹³Dun & Bradstreet; ¹⁴PwC MoneyTree™ Report; ¹⁵National Science Foundation, National Center for Science and Engineering Statistics, Higher Education R&D Survey R&D Survey; and ¹⁶USA Trade Online.

Goal 3

2010-2014

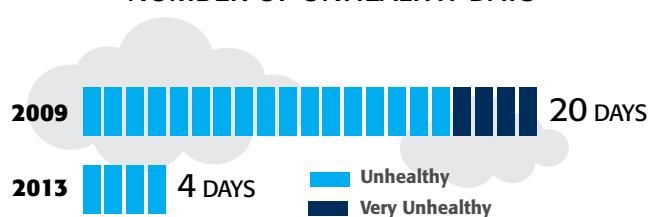
ENHANCE QUALITY OF LIFE



By many measures, the quality of life in L.A. County has improved demonstrably over the past five years.

For most, quality of life starts with a job, and L.A. County created more than 335,000 jobs from January 2010 through the close of 2014. In addition, quality of life metrics improved in a number of other important areas over the five years. The number of unhealthy air quality days decreased by 80 percent between the end of 2009 and 2013.

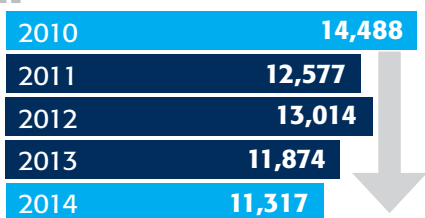
AIR QUALITY
NUMBER OF UNHEALTHY DAYS¹⁷



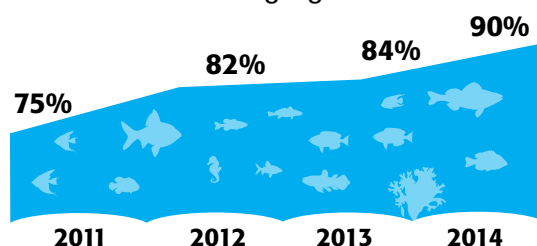
Violent crimes declined throughout the region. And area beach water quality improved by 15 percentage points.



REPORTED VIOLET CRIMES¹⁸



BEACH WATER QUALITY¹⁹
Beaches receiving a grade of A or B



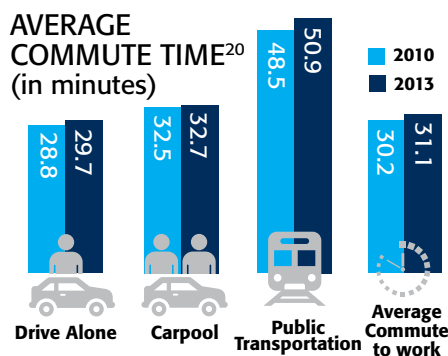


We've made a variety of smart investments to enhance our quality of life.

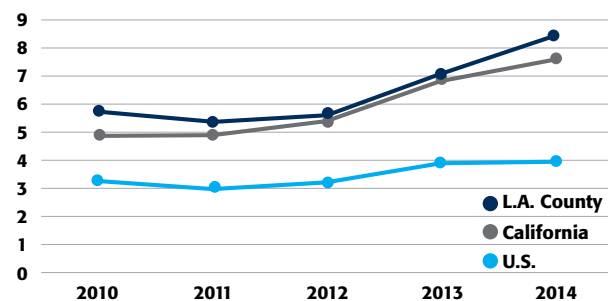
A number of new parks, such as Grand Park, have come on-line and transformative projects like the L.A. River revitalization advanced. We've seen a number of new and more accessible transit options introduced in many communities, including new transit and light rail lines. And our arts and cultural amenities continued to add new and exciting options, and in the case of LACMA, a major expansion.

Looking forward...

Despite all the positive developments and significant investment in public transit and transportation projects, traffic congestion and mobility still remain major problems, particularly with more people commuting to new jobs created in the region during the economic recovery. Another concern is the rising cost of housing in L.A. County.

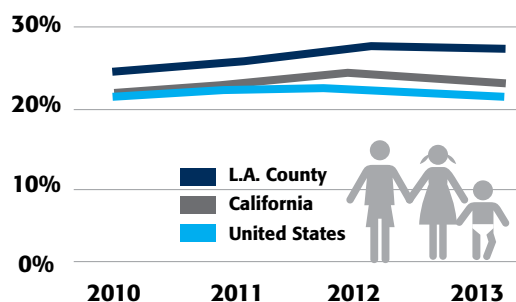


NUMBER OF YEARS OF ANNUAL MEDIAN INCOME NEEDED TO PURCHASE MEDIAN PRICED HOME²¹

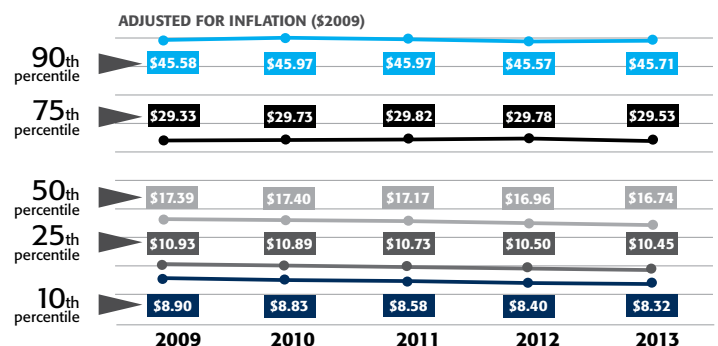


Most troubling, we still have an unacceptably high poverty rate in L.A. County at 17.8% (including one in three children) with more than 1.7 million people living in poverty (2013); tepid wage growth (and even decreases in the bottom half of wage earners); and widening income inequality – all of which, if not dealt with, will most definitely detract from L.A. County's quality of life.

CHILDREN IN POVERTY IN L.A. COUNTY²²



HOURLY MEDIAN WAGE GROWTH²³

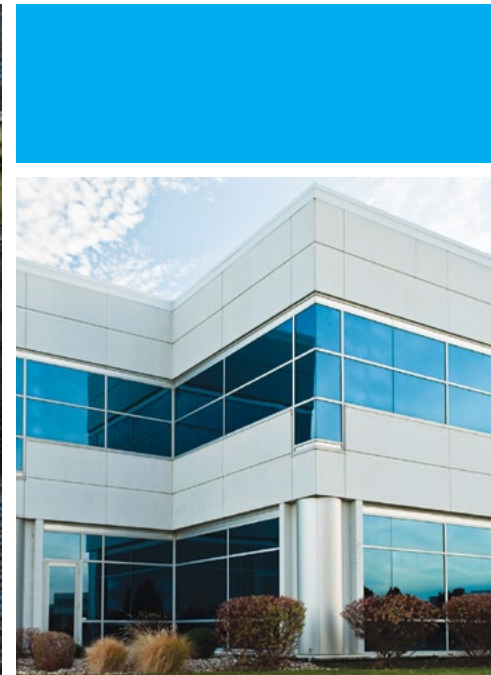
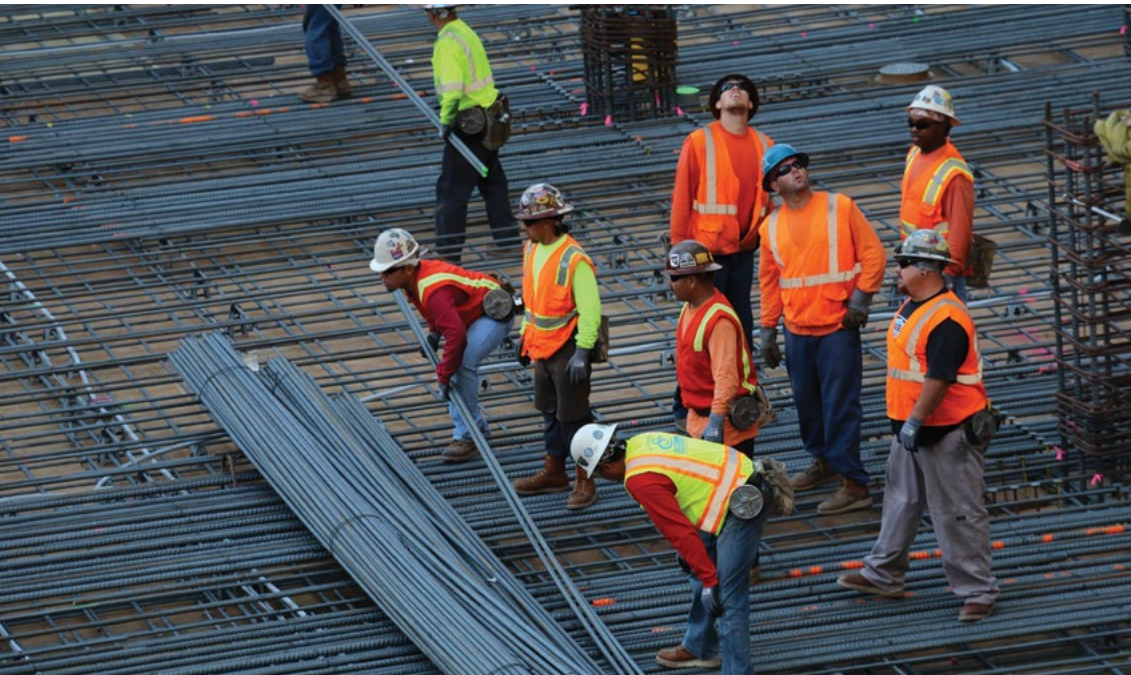


Sources: ¹⁷Environment Protection Agency (EPA); ¹⁸L.A. County Sheriff's Department; ¹⁹Heal the Bay; ²⁰U.S. Census Bureau, American Community Survey; ²¹California Association of Realtors®; ²²countyhealthrankings.org; and ²³Occupational Employment Statistics, Bureau of Labor Statistics.

Goal 4

2010-2014

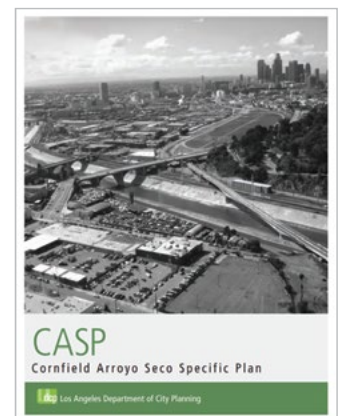
IMPLEMENT SMART LAND USE



L.A. County's economy depends on having the requisite “jobs-producing” industrial and commercial land on which to support the businesses and industries that are – and will be – driving our economy.

In many parts of the county over the last few decades, we failed to adequately appreciate the important economic development connection with industrial land and proceeded to redeploy (and rezone) large swaths of our industrially-zoned land base for population-accommodating uses.

Thankfully, during the last five years, this legitimized program of sanctioned “land use swapping” slowed dramatically. Certainly, the Great Recession played a marked role, making market-rate residential development on industrial parcels less financially attractive. But public sensibilities have also changed, and communities throughout L.A. County have begun to appreciate the importance of our employment land base in supporting many of our leading industry clusters, especially the production-intensive ones.



“What constitutes ‘industrial’ use in the County of Los Angeles has changed dramatically over the years. Industrial now typically refers to modern, cleaner and technically advanced sectors driving our economy--not the ‘smokestack’ industries of yester year.”

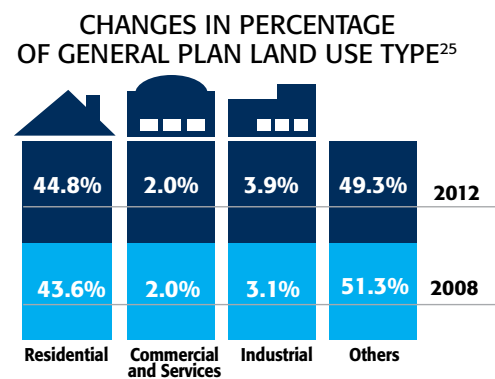
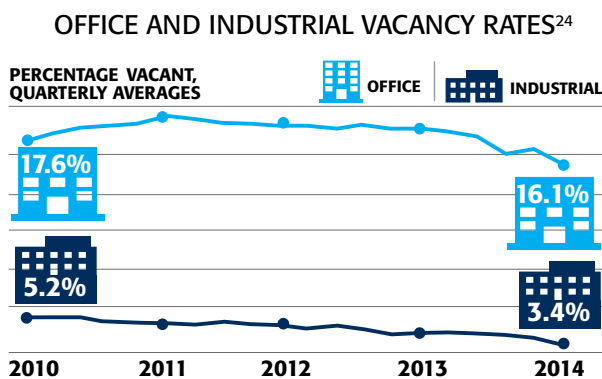
– Bill Allen, President & CEO,
Los Angeles County Economic Development Corporation



We have also seen a number of communities look to protect their employment spaces going forward.

Although two data points certainly don't represent a trend, between 2008 and 2012, a greater number of L.A. County communities placed a greater emphasis on protecting their industrially-zoned land bases, with a nearly one percentage point increase in land designated industrial within qualifying General Plans, when taken together.

Even so, industrial vacancy rates remain prohibitively low in L.A. County.

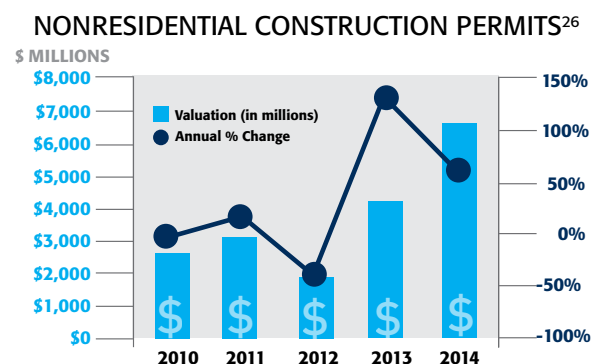


This has led many cities and unincorporated areas to implement industrial land preservation policies and to make the protection of jobs-creating industrial land a key objective in relevant general, community and specific plans.

There has also been an uptick in the number permits for nonresidential construction projects between 2010 and 2014.

Looking forward...

Unfortunately, our region lost important economic development tools with the demise of redevelopment agencies in 2011 and the loss of enterprise zones in 2012. Since that time, many public entities are now actively looking for ways to better use their own (public sector) real estate portfolios to facilitate economic development priorities around key industries, such as bioscience and clean technology, as well as beginning to streamline certain entitlement and permitting processes to accommodate those goals. This is a promising development to watch and support going forward.



Source: ²⁴Cushman and Wakefield; ²⁵Southern California Association of Governments; and ²⁶Construction Industry Research Board, California Homebuilding Foundation.

Goal 5

2010-2014

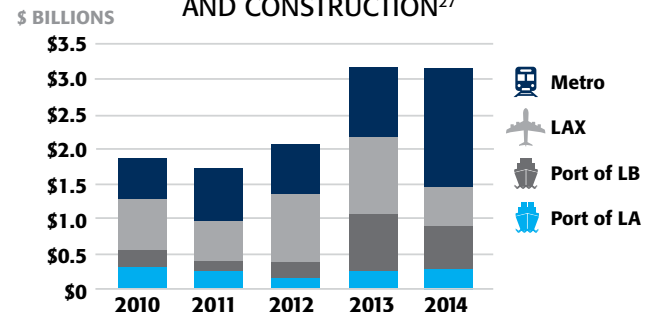
BUILD A 21ST CENTURY INFRASTRUCTURE



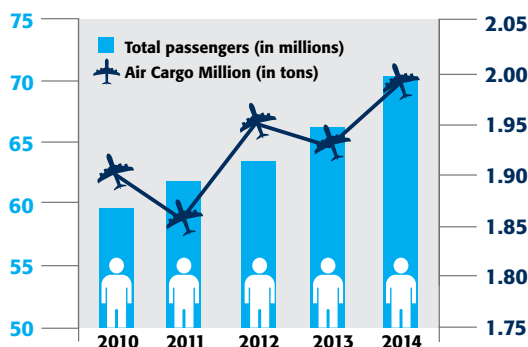
A strong and dynamic L.A. County economy is tied to our ability to move people, goods, information, water and energy in a secure, affordable, sustainable and efficient manner.

L.A. County has made incredible strides in infrastructure development during the last five years. We approved and delivered major projects at our twin ports to move more than 15 million containers per year, while also achieving record-breaking reductions in greenhouse gases and other noxious emissions. We also dramatically increased passenger and cargo traffic at our region's major international airport.

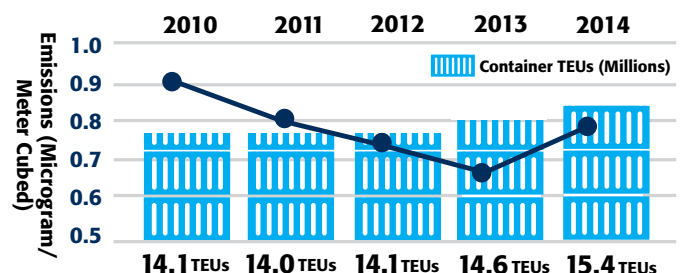
FUNDS SPENT ON CAPITAL ACQUISITION AND CONSTRUCTION²⁷



LAX VOLUME OF AIR TRAFFIC²⁸



CHANGES IN CONTAINER THROUGHPUT VS. ELEMENTAL CARBON EMISSIONS²⁹





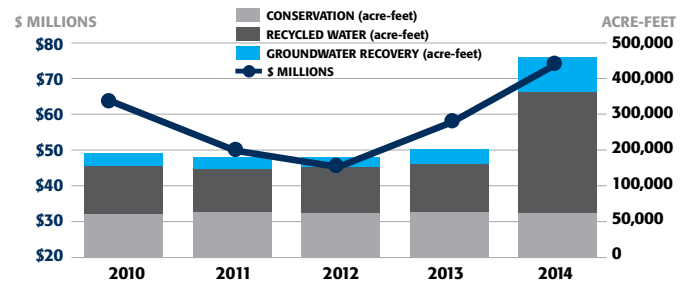
Over the last half decade we have invested big in infrastructure. Indeed, the region has become an exemplar for the rest of the nation for what can be accomplished when political and other barriers are put aside for the betterment of the greater community and region – in our case, building world-class infrastructure.

We secured major federal loans and grants to accelerate future transit projects under L.A. County Metro's "30/10" program; invested billions of dollars at the ports of L.A. and Long Beach; and saw a \$7+ billion capital improvement program at LAX that brought us a state-of-the-art international terminal and other major airport improvements. Plus we added additional rail system miles and stations throughout L.A. County's transit system. And drinking water projects and programs provided some needed balance and diversity to our regional portfolio of water resource options.

L.A. METRO URBAN RAIL SYSTEM GROWTH³⁰

	RAIL SYSTEM LENGTH	# OF RAIL STATIONS
2010	79.2 miles	73 stations
2014	87.8 miles	83 stations
Increase 2010-2014	8.6 miles	10 new stations

INVESTMENT IN SOCAL DRINKING WATER³¹



We also passed a statewide \$7.5 billion bond proposition to subsidize a package of major state water initiatives, and L.A. County utilities have quickly pursued aggressive local and state renewables portfolio standards for energy production and distribution, and we continue to make significant headway towards future goals.

RENEWABLE ENERGY PRODUCTION AND DISTRIBUTION³²



Looking forward...

The L.A. region still has a long way to go in terms of embracing new infrastructure development, financing and delivery mechanisms such as design-build and public-private partnerships to capture and deploy the hundreds of billions of dollars in private capital available for infrastructure projects; embarking on infrastructure development process and entitlement reform; and resolving our region's large and fast-growing infrastructure maintenance deficit.

Sources: ²⁷POLA/LB; LAWA; METRO; ²⁸Los Angeles World Airports; ²⁹Port of Los Angeles; Port of Long Beach; ³⁰Los Angeles County Metropolitan Transportation Authority (METRO); ³¹Metropolitan Water District of Southern California (MWD); and ³²SCE; LADWP.

“For cultural variety and sheer glitter...L.A. outshines them all. It has stunning weather that New York and London just can't compete with, the amazing beaches to show it off, world-class art, movie history, an endless parade of famous attractions, an improving crime rate and a certain well-known sign in the hills. After years of languishing, [Los Angeles] has top spot in the brand firmament.”

– The Guardian (May 2014)



LOS ANGELES COUNTY

Acton • Agoura Hills • Agua Dulce • Alhambra • Alondra Park • Alpine • Altadena • Antelope Acres • Arcadia • Artesia • Athens Village • Avalon • Avocado Heights • Azusa • Baldwin Hills • Baldwin Park • Bandini • Bassett • Bell • Bell Gardens • Bellflower • Beverly Hills • Big Mountain Ridge • Big Pines • Bouquet Canyon • Bradbury • Burbank • Calabasas • Calabasas Highlands • Canyon Country • Carson • Castaic • Castaic Junction • Cerritos • Charter Oak • Citrus • City Terrace • Claremont • Commerce • Compton • Cornell • Covina • Crystalair • Cudahy • Culver City • Deer Lake Highlands • Del Aire • Del Sur • Desert View Highlands • Diamond Bar • Downey • Duarte • East Azusa • East Compton • East Irwindale • East La Mirada • East Los Angeles • East Pasadena • East Rancho Dominguez • East San Gabriel • East Whittier • El Camino Village • El Dorado • El Monte • El Segundo • Elizabeth Lake • Fairmont • Fair Oaks Ranch • Fernwood • Firestone • Florence-Graham • Franklin Canyon • Forest Park • Gardena • Glendale • Glendora • Glenview • Gorman • Green Valley • Hacienda Heights • Harbor Gateway • Hawaiian Gardens • Hawthorne • Hermosa Beach • Hidden Hills • Hi Vista • Huntington Park • Industry • Inglewood • Irwindale • Juniper Hills • Kagel Canyon • Kinneola Mesa • La Canada-Flintridge • La Crescenta • La Habra Heights • La Mirada • La Puente • La Rambla • La Verne • Ladera Heights • Lake Hughes • Lake Los Angeles • Lakeview • Lakewood • Lancaster • Lang • Las Virgenes • Lawndale • Lennox • Leona Valley • Littlerock • Llano • Lomita • Long Beach • Longview • Los Angeles • Lynwood • Malibu • Malibu Bowl • Malibu Highlands • Malibu Hills • Malibu Lake • Malibu Vista • Manhattan Beach • Marina del Rey • Mayflower Village • Maywood • Mint Canyon • Monrovia • Monte Nido • Montebello • Monterey Park • Montrose • Neenach • Newhall • North Claremont • North El Monte • Norwalk • Oat Mountain • Oban • Palmdale • Palos Verdes Estates • Paramount • Pasadena • Pearblossom • Pico • Pico Rivera • Pinetree • Placerita Canyon • Pomona • Quartz Hill • Rancho Dominguez • Rancho Palos Verdes • Redman • Redondo Beach • Rolling Hills • Rolling Hills Estates • Roosevelt • Rosemead • Rosewood • Rowland Heights • San Dimas • San Fernando • San Gabriel • San Marino • San Pasqual • Sandberg • Santa Clarita • Santa Catalina Island • Santa Fe Springs • Santa Monica • Saugus • Seminole Hot Springs • Sierra Madre • Signal Hill • Sleepy Valley • Soledad • South El Monte • South Gate • South Pasadena • South San Gabriel • South San Jose Hills • South Whittier • Stevenson Ranch • Sulphur Springs • Sunland-Sylmar-Tujunga • Sunset Acres • Sunset Mesa • Sun Village • Sylvia Park • Temple City • Three Points • Trifun Canyon • Topanga • Topanga Park • Torrance • Twin Lakes • Universal City • Valencia • Val Verde • Valinda • Valyermo • Vasquez Rocks • Vernon • View Park • Vincent • Walnut • Walnut Park • West Arcadia • West Athens • West Athens • West Carson • West Chatsworth • West Compton • West Covina • West Hollywood • West Pomona • West Puente Valley • West Rancho Dominguez-Victoria • West Whittier-Los Nietos • Westfield • Westlake Village • Westmont • Whittier • Whittier Narrows • Willowbrook • Wilsons Gardens • Windsor Hills • Wrightwood



JOIN THE CONVERSATION

2016-2020 L.A. County Strategic Plan for Economic Development



Share your thoughts with us about these important topics, and tell us what should be included in the next L.A. County Strategic Plan for Economic Development (2016-2020) using TWITTER: **#LAStratPlan.**

There will be a number of public input sessions held in the different sub-regions of L.A. County: Antelope Valley; Central L.A.; Gateway Cities; San Fernando Valley; San Gabriel Valley; Santa Clarita Valley; South Bay Cities; and Westside Cities, during mid-2015. As well as separate convening sessions focused on the next Strategic Plan's key themes:

- Employing Cross-Cutting Strategies to Improve Educational Outcomes at All Levels, from early childhood on
- Strengthening our County's Leading Traded Industry Clusters
- Removing Barriers to Critical Infrastructure Development, Financing and Delivery
- Increasing our Global Connectedness to increase our exports and attract jobs-creating investment
- Hastening Innovation, Convergence and Recombination across, between and within our fast-emerging industry sectors
- Building More Livable and Sustainable Communities



Please attend a session and provide your input. To find out more information, please go to: **www.LAEDC.org**.



About LAEDC

The Los Angeles County Economic Development Corporation (LAEDC) is a private, non-profit 501c3 with a public benefit mission, and provides collaborative 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 directly retain or attract over 200,000 annual jobs in Los Angeles County.

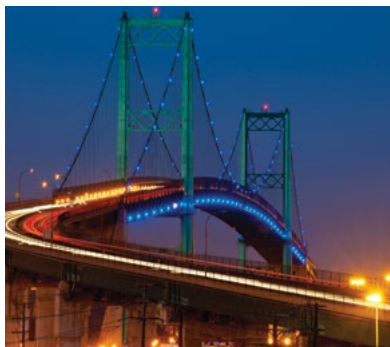
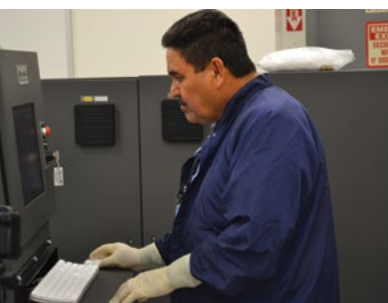
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