

LAEDC Helps Pharmaceutical Maker See Value in Staying Put



While considering a move to another state, the company with more than 300 employees learned of many programs it could take advantage of that make staying in Los Angeles County worth it.

Industry cluster: Pharmaceutical manufacturer

Location: Los Angeles County, City of Industry

LAEDC's assistance: Helped the company ease the cost of doing business, enhance public safety, improve workforce training and costs, and retain more than 300 jobs

Outcome: The company will remain in City of Industry, where it has operated for more than 30 years.

When LAEDC senior regional manager Bob Machuca met with C-level executives at a major pharmaceutical manufacturer in City of Industry last September for the first time, he had no idea they were so close to moving the company and its 300-plus jobs to Utah.

“They had even already previewed several sites up there,” Machuca said.

In fact, economic development officials from four different states had visited the company in attempts to lure it out of Los Angeles County. The frustrations with doing business in California, despite the fact it had been here for more than 30 years, were the same many companies have: high taxes, workers comp issues, the regulatory environment, etc.

Machuca told them some of those issues were out of his control, but he did believe he could help them and, in the process, keep those 300-plus jobs in Los Angeles County. He came up with a three-pronged approach intended to

limit the cost of doing business, enhance employee safety and improve workforce training and costs.

Machuca introduced them to two important state programs designed to offer tax incentives that company executives knew nothing about: the California Partial Sales Tax Exemption and the California Competes Tax Credit. He asked Southern California Edison to perform an energy audit and got an LAEDC member company involved to help the company find savings in its employee health benefits program.

Over the years, the growing company's operations had expanded to three different buildings on both sides of a busy street, forcing employees to often dodge heavy truck traffic as they moved from building to building.

With Machuca's encouragement, the City of Industry Planning Department has begun a traffic study that may lead to the installation of a crosswalk and light signal at an intersection that separates company facilities. Since the company is growing at a 5- to 15-percent annual rate anyway, the city is also now working with the company to locate additional employee parking.

The LAEDC regional manager introduced company executives to the Keck Graduate School of Pharmacy in Claremont. The two have implemented a partnership in which pharmacy graduate students work at the company as interns, sharing cutting-edge ideas on pharmaceutical research and getting hands-on experience.

"It turns out to be a value, not just for the company, but for the school too," Machuca said.

Through LAEDC, the company learned about several workforce training programs it was not aware of, and is now taking advantage of the state Transitional Subsidized Employment program which supplies salary and some benefit subsidies for new hires in their first several months with a company.

Finally, the company has begun working with faculty and students at Mt. Sierra College in Monrovia, who are helping with company website design and marketing applications.

LAEDC's and Machuca's work paid off.

The company CEO said, “Bob’s connections and the resources of the LAEDC have really helped us utilize the services that are available to our company.”

So much so, the company decided to forget about a move to Utah.

“The decision was made to stay right where they are, in Los Angeles County,” Machuca said.