

# FY 2015-2016 ANNUAL REPORT

*Prepared for the Board of Supervisors of Los Angeles County*



## A MESSAGE FROM THE PRESIDENT AND CHAIR

We are pleased to report on LAEDC's activities for the fiscal year ended June 30, 2016 (FY 15-16) and highlight results made possible by the generous support of our members and partner organizations. During the year, LAEDC delivered programs and initiatives to create good job opportunities and raise standards of living for L.A. County residents, and to reduce the number of people falling into the social safety net.

LAEDC's Business Assistance Program reached a total of **218,429 jobs** directly retained or created in LA County since the program began in 1996, as reported by the employers who have utilized our free services. These direct jobs also lead to indirect and induced jobs, so that a tremendous number of L.A. County residents are able to provide for themselves and their families as a result of LAEDC's programs, which are made possible in large part by the financial support provided by our members and partner organizations. In addition, LAEDC's strategic planning continues to chart a path for the future of our economy during a period of unprecedented economic transition as we move further into the information age. The information age presents our region and our residents with both the potential for economic success and the peril of being left behind.

Funding from our members and partners is vital to LAEDC's mission, which is a public-private partnership. In FY 15-16, private funding comprised about 47% of LAEDC's operating budget. This partially funded our Business Assistance Program to strengthen firms and enable job creation, funded important economic research, and supported the World

Trade Center Los Angeles, which fosters job creation by attracting foreign investment and promoting exports.

In addition, the County CDC contracted with LAEDC to develop a Biosciences Implementation Plan for L.A. County, which will foster growth of well-paying jobs once implemented. We look forward to continuing to support industry cluster initiatives throughout our region, which hold great promise and align with LAEDC's strategy, as detailed within these pages.

Perhaps LAEDC's greatest accomplishment of the year was the release of the new 2016-2020 L.A. County Strategic Plan for Economic Development, which engaged broad public consensus to define shared priorities for stakeholders and policymakers across L.A. County. It was a great moment when the Board of Supervisors directed County staff to take action on the plan in January of 2016. While development of this plan was funded only by LAEDC's ability to raise philanthropic funds, the forward-thinking strategies within the plan have immeasurable power to build on our region's strengths, while addressing critically important issues related to our 10 million residents and the economic opportunity they need.

We thank our members and partners for this long standing and mutually beneficial partnership with LAEDC, which serves as one of the region's most effective tools for addressing poverty and income inequality.

Bill Allen, LAEDC CEO

Praful Kulkarni, LAEDC Chair FY15-16

## BUSINESS ASSISTANCE PROGRAM

LAEDC's Business Assistance Program (BAP) multi-lingual team provides confidential and no-cost business assistance and advisory services to small, medium and large businesses in over 16 industry sectors as well as to the County itself and the 88 cities, to attract, retain and expand businesses, jobs and investment.

The BAP Team works closely with County, cities and state-wide economic development and workforce development partners. BAP regional managers work one-on-one with companies that want to locate in L.A. County, identifying short and long term needs and provide action plans to help businesses overcome challenges and opportunities.

LAEDC closed FY 15-16 with a historical BAP program total of 218,429 direct jobs created and/or retained in L.A. County.

Principal accomplishments for FY 2015-16 alone were:



**11,389** JOBS RETAINED, ATTRACTED OR EXPANDED

**\$679,100,000** IN DIRECT ECONOMIC IMPACT (WAGES)

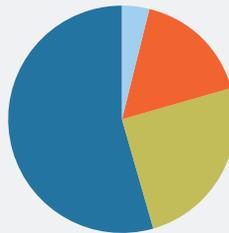
**\$11,638,504** IN LOCAL TAX REVENUE

**\$850:1** EVERY DOLLAR THE COUNTY INVESTED RETURNED \$850 OF DIRECT ECONOMIC IMPACT (IN JOB WAGES)



LAEDC recognized cities of Palmdale (top) and El Segundo with the Most Business Friendly City Award

### FISCAL IMPACT 2015-16



.25% Sales Tax Revenue to County	\$	482,276
.75% Sales Tax Revenue to Cities		1,929,104
1.5% Sales Tax to Transportation Fund		2,893,656
K-12 & CC, Health & Human Services*		6,333,468
<b>Total Fiscal Benefit</b>	<b>\$</b>	<b>11,638,504</b>



LAEDC's Carrie Rogers accepts two IEDC Gold Awards for the Business Assistance Program in October 2015

### BUSINESS ASSISTANCE TEAM ACCOMPLISHMENTS 2015-16

Category	Achieved	Type	# of Projects	Jobs
Jobs won	11,389	Retention	121	9,148
Projects won	172	Expansion	41	1,860
In-person consultations	1,201	Relocation	2	171
Project Pipeline		Attraction	8	210
Jobs Pipeline		TOTAL	172	11,389
Presentations	45			
Outreach to employers	32,900 firms			
GO-Biz searches	14			
Site searches	53			

LAEDC's BAP Program has been recognized as being among the best in the world, by the leading economic development authorities: California Association for Local Economic Development (CALED): Grand Prize Award for LAEDC's Layoff Aversion Program and two Awards of Merit for our Business Assistance Program; and International Economic Development Council (IEDC): three Gold Awards: LAEDC's Business Assistance Program, Layoff Aversion Program and The Most Business Friendly City in L.A. County Award.

## BAP HIGHLIGHTS

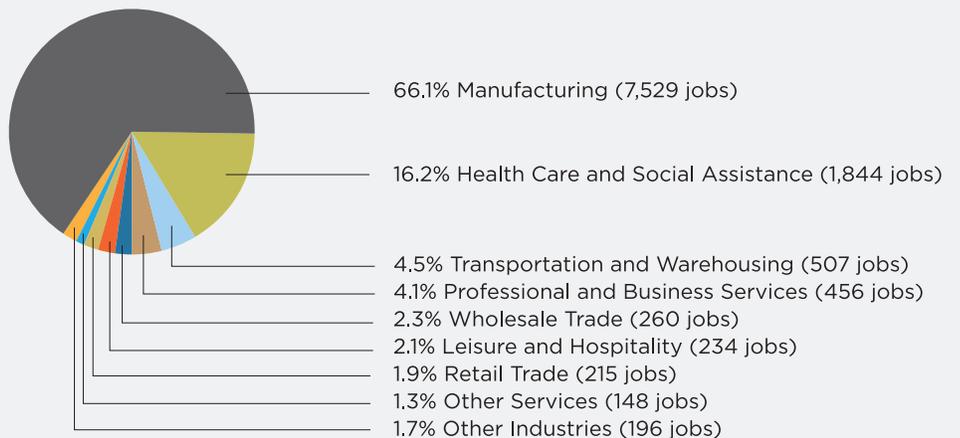
- The award-winning BAP Team consists of eight economic and workforce development professionals with 125+ years of experience, and a combined 59 years at LAEDC serving L.A. County.
- Performed 53 facility searches for company clients, each highlighting numerous location options in all the regions of the County. Facility searches were made for firms in manufacturing, information, warehouse and distribution, among others, looking to expand and/or relocate to L.A. County.
- Responded to 14 Requests For Information from multinational corporations interested in locating to L.A. County, in partnership with the California Business Incentive Services (CalBIS) and Governor's Office of Business and Economic Development (GO-Biz).
- Conducted 45 well-attended public presentations to businesses, business organizations and community organizations to promote economic development and no-cost business assistance strategic advisory services in the County.
- Successfully worked on 8 attraction projects, 121 retention projects, 41 expansion projects and 2 relocation projects totaling 11,389 direct jobs for our region.
- Conducted 1,201 in-depth consultations with individual businesses and tailored detailed action plans for firms that outlined specific services and referrals.
- Continued to provide support and partner with: Greater Antelope Valley Economic Alliance (GA-VEA), San Gabriel Valley Economic Partnership (SGVEP), 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 and unincorporated communities 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. In FY 15-16, the winning cities of El Segundo and Palmdale were honored before more than 600 business and civic leaders at the LAEDC's Annual Eddy Awards. This award competition has increased cities' awareness of the importance of specific actions to improve their business climate, which helps to retain employers and create new jobs.
- BAP Team actively engaged L.A. County cities, Council of Governments, business groups and individual businesses to participate and provide valuable input for 2016-2020 L.A. County Strategic Plan for Economic Development.

## LA COUNTY'S LAYOFF AVERSION CONTRACT WITH LAEDC

In addition to the Social Program Agreement, LAEDC provides Layoff Aversion program services to at-risk companies in the County Workforce Development Board's service delivery area through a contract with L.A. County Community and Senior Services (CSSS).

LAEDC's BAP Team provided critical information on no-cost federal, state and local business assistance programs, resources and services to firms throughout L.A. County through a targeted informational outreach campaign with over 32,900 firms through emails, personal phone calls and mailings. Year three of the three-year LOA contract concluded February 2016, with all contract deliverables accomplished at 100% of goal or higher. The LOA Program contract was renewed for another year from March 2016 through February 2017.

## DIRECT JOBS SAVED IN LA COUNTY BY INDUSTRY SECTOR FY 2015-16



# WORLD TRADE CENTER LOS ANGELES



World Trade Center Los Angeles, LAEDC's affiliate, continued its focus on both attracting Foreign Direct Investment (FDI), and helping our local firms increase export and trade opportunities. This focus continues to improve our regional economy and creates well-paying jobs for LA County residents.



During FY15-16, WTCLA created an entirely new website providing key information for foreign investors seeking opportunities in L.A. County. The new website provides detailed relevant information about the 88 great cities in L.A. County, and a step-by-step guide to help international companies start a business in L.A. County. In the first 3 months of the launch, the WTCLA's new website received over 18,000 page views, demonstrating the interest in Los Angeles County as a center for international trade and foreign investment.

WTCLA conducted a trade mission to Hannover, Germany, representing L.A. at the Hannover Messe, the largest industrial trade show in the world with over 200,000 participants. During the Hannover Messe, US President Barack Obama and German Chancellor Angela Merkel selected WTCLA as one of only a handful of exhibits they visited out of 7,000 exhibitors, which showcased L.A. County's industries on the international stage. WTCLA and Los Angeles Clean Tech Incubator (LACI) entered into a partnership agreement where WTCLA will help attract international technology start-ups to Los Angeles, and will also help local companies bring their products to the international market.

Through the generous support of Los Angeles County and other sponsors, WTCLA and LAEDC produced the new *Foreign Direct Investment* report that demonstrated the powerful impact of FDI to the local

economy. The report revealed that there are 4,367 Foreign-owned enterprises in L.A. County responsible for 177,427 jobs and an estimated value of \$11.9 billion in wages. This report was released at WTCLA's signature international trade event, the SELECT LA Investment Summit. The Summit attracted over 350 attendees from 33 countries to learn about investment opportunities in L.A. County. L.A. County Supervisor Hilda Solis opened the Summit, and welcomed local and international business leaders and the 35 distinguished speakers from the L.A.'s entertainment, technology, real estate, infrastructure and digital media sectors.

WTCLA hosted over 50 international delegations seeking business opportunities in the region, and welcomed international government officials including the Vice President of Zambia, the Mayor of Taipei, the Vice Mayor of Guangzhou, the COO of the 2016 Rio Olympics, the Premier of Ontario Canada, the Hungarian Minister of State, the Indonesian Minister of Transportation and many more.

WTCLA assisted numerous companies including Synear Food, which located in Chatsworth, and is now manufacturing frozen dumplings for domestic supermarkets. WTCLA and LAEDC also helped Gemdale Corp enter the L.A. real estate market, where they will be building a residential and retail complex in Hollywood. In total, WTCLA conducted over 100 consultations with international firms seeking to locate in Los Angeles, and secured over \$25M in investments for the local economy.



President Barack Obama and German Chancellor Angela Merkel visit WTCLA's booth promoting L.A. County.



The SELECT LA Summit was sponsored by JPMorgan Chase & Co. and attracted major foreign investors including Jack Gao and David Shu of Wanda Group, which is investing billions of dollars in the L.A. economy.

## KYSER CENTER

A trusted resource, LAEDC's Kyser Center for Economic Research analyzes the global, national, state and local economies with an emphasis on LA County, and provides reliable forecasts, data and perspectives to help Southern California's business leaders and policy makers understand emerging economic trends.

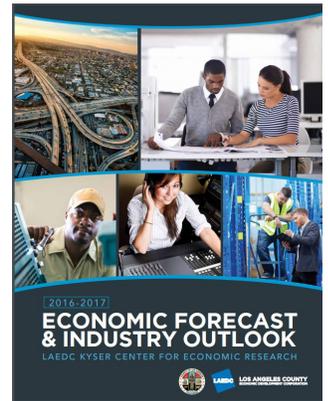
LAEDC's Kyser Center for Economic Research tracks the economies of L.A. County and Southern California, analyzing local activity and providing insight into the region's linkages to the state, national and international economies. The Kyser Center produces reliable forecasts, relevant data and insightful perspectives to help Southern California's stakeholders understand and take advantage of emerging economic trends.

In FY15-16, Kyser Center staff prepared quarterly reports specifically for the Board of Supervisors' planning needs, including forecasts of unemployment rates, total taxable sales and inflation. Kyser Center produced numerous public reports, hosted public events and provided unbiased analysis of economic trends to the media.

The Kyser Center hosted two Economic Forecast and Industry Outlook events, in September 2015 and February 2016. Both events were accompanied by the release of detailed reports that analyzed economic conditions and forecast industry job growth along with numerous other economic indicators for the five-county region. These reports are widely referenced by the media, and used by local government and businesses for planning purposes.

The Kyser Center published the ninth *Otis Report on the Creative Economy of the Los Angeles Region* and the third *Otis Report on the Creative Economy of California*, re-affirming the valuable contribution the creative industries make to the economies of the region and the state.

Additionally, the Kyser Center published the *e-Edge* weekly economic analysis newsletter; L.A. Stats, a summary of regional employment, demographics, income and other data; the San Gabriel Valley Economic Forecast and Industry Outlook and the South Bay Economic Forecast and Industry Outlook.



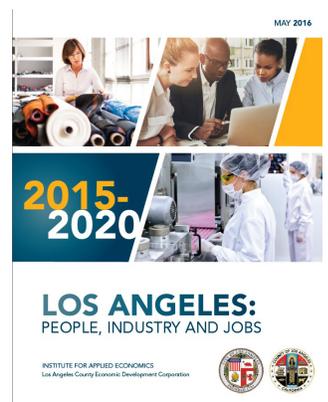
## INSTITUTE FOR APPLIED ECONOMICS

The LAEDC Institute for Applied Economics specializes in economic and public policy research for public and private entities to foster informed decision-making. Its clients include governments, agencies and departments, workforce investment boards, universities, developers, advocates, industry associations and legislators. This research also guides LAEDC program development.

During FY 15-16, the Institute conducted a study for the City of Long Beach on the implications of raising the minimum wage. As part of our ongoing partnership with our regional Workforce Development Boards (WDBs) and other education and workforce development partners, the Institute published *People, Industry and Jobs 2015-2020*, a study on LA County's workforce needs, occupational forecasts, and skills required by occupations. In the third year of a contract with LA Metro, the Institute conducted an economic analysis of additional projects related to Measure R. The Institute conducted several economic impact analyses, including the Van Nuys and LAX airports, multiple mixed use developments, and the capital expenditures and annual operations of several hospitals. An update to the contribution analysis of the oil and gas industry in California was completed. As a part of the Institute's continued relationship with SCAG, an economic update for L.A. County was presented at their annual economic summit.

The Institute released a comprehensive Southern California aerospace industry cluster study in coordination with San Diego Regional EDC, an in-depth analysis that describes the highly developed industry cluster across eight Southern California counties, and provides insight into industry drivers, trends, and the economic contribution of aerospace as an economic engine for the region. The report was made possible through the generous funding of Bank of America, California Manufacturing Technology Consulting, Northrop Grumman, and Price-waterhouseCoopers LLP (PwC) and was released in Sacramento. Several large press outlets cited the report.

This year, the Institute also published *Foreign Direct Investment in Southern California*, showing the number of jobs in Southern California related to foreign-owned investment, and assembled the 11th Annual International Trade Outlook, providing a detailed picture of the trade that makes its way through the L.A. Customs District.



# ADDITIONAL LAEDC INITIATIVES BENEFITING LA COUNTY

LAEDC leads important initiatives which are critical to economic development. These elements of our work 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.



## L.A. County Strategic Plan for Economic Development

Throughout the year, LAEDC engaged with hundreds of stakeholders in 26 public meetings to facilitate the new 2016-2020 L.A. County Strategic Plan for Economic Development. At its heart, the Strategic Plan is our region's effort to address the unprecedented economic transition we are facing as technology and globalization dramatically impact jobs creation and skills requirements, creating uncertainty about the future of economic opportunity.

The Strategic Plan summarizes consensus priorities from our region and sets forth over 100 individual strategies that will help deliver higher standards of living and more widely shared economic prosperity for the residents of L.A. County.

The Strategic Plan was published in January 2016, setting the stage for collaborative implementation both inside and outside of government. County of Los Angeles took immediate action in support of the plan, creating new structures and directing departments to identify specific actions in support of the plan. Development of the Strategic Plan was generously funded by JPMorgan Chase and Morgan Family Foundation, but ongoing implementation funding represents a significant opportunity for the coming year if the plan's ambitious goals are to be achieved.

## Public Policy

The LAEDC worked actively with state, county and local elected officials to push for new policies and reform existing ones to increase economic opportunity and regional prosperity. During the fiscal year, the LAEDC's public policy work focused heavily on bills and regulatory proposals impacting our region's leading export-oriented industry clusters, such as aerospace, bioscience and advanced transportation; supporting R&D investment both in California and on the national level; and modernizing our region's physical infrastructure and providing new tools to streamline the infrastruc-

ture project development, financing and delivery process. A few of the LAEDC's legislative and rulemaking highlights include:

- Two bills that make it easier for local jurisdictions and agencies to use tax increment financing to develop, finance and deliver infrastructure, especially in economically distressed areas
- Two bills that improve and expand the state's R&D tax credit program
- A host of bills providing incentives and other capacity-building tools in support of important regional traded industries, such as Aerospace, Trade & Logistics and Advanced Transportation
- A collection of bills to help finance "clean" infrastructure projects and programs

## Strategic Initiatives and Industry Cluster Development

LAEDC continues to ramp up its efforts to support our region's export-oriented industry clusters, which create well-paying jobs and act as economic engines for the economy. Through focused initiatives, our staff is bringing together diverse stakeholders, public officials, research institutions, and businesses to collaborate and foster industry and job growth. LAEDC increased its capacity to support companies in these industries, especially in the areas of supplier networking, incentives, innovation, and public policy.

As part of this industry cluster alignment, LAEDC focused on the advanced transportation, aerospace & defense, and bioscience industries while also setting a foundation to expand to other industry clusters. The e4Mobility Alliance (sustainability and transportation) grew to over 900 members and the Advanced Transportation Center of Southern California, covers an eight-county region to serve as the advanced transportation resource for Southern California.

LAEDC relaunched the SoCal Aerospace Council (formally the Jobs Defense Council) to support the mega-regional aerospace and defense communities here in Southern California, facilitating growth of local

firms, and ensuring the voice of the industry is heard and incorporated into specific policy recommendations that support the future vitality of our region.

In addition, LAEDC began an intensive effort to support the Biosciences industry cluster in L.A. County. Through a contract with County in support of the Board of Supervisors' vision of job creation in this sector, LAEDC developed the preliminary Bioscience Implementation Plan for the County of Los Angeles. Through this concentrated analytical effort, LAEDC engaged new strategic partners from both the public and private sector such as Biocom, hosted a series of working sessions to develop consensus around strategies, and conducted extensive research on the key opportunities and the gaps that can guide capacity-building activity for the region.

**Center for Innovation**

The Center for Innovation at LAEDC continued to serve as the regional partner for Blackstone Foundation and the Launchpad entrepreneurship hubs at UCLA, USC, and UCI. The LaunchPad program offers students the opportunity to nurture business ideas that create local jobs. LAEDC grew LA Innovation Week in October 2015 to 160 events to promote LA County as a leading global center for innovation. Twenty Five thousand Angelenos attended 656 hours of programming not including JPL's

open house and CicLAvia. LAEDC is actively planning InnovateLA 2016 and is striving for a robust program of events, to help ensure this will become an annual event that attracts national and international attention, which will help keep our most talented workers in the region and foster business investment. The Center has been working with the tech transfer community to facilitate the commercialization of intellectual property in the region. We are also working to fund and build a county-wide online portal for business.

**Activate LA**

Local governments hoping to develop under-utilized land holdings to create jobs and generate economic growth are partnering with LAEDC's subsidiary Activate LA to plan and implement real estate and financing transactions that attract investment and grow L.A. County's employment. Activate LA assists in bringing together the resources of the public and private sectors in real estate collaborations to serve the public good.

This year, Activate LA partnered with the County and City of Los Angeles along with CBRE to develop an interactive map of publicly owned land, sector specific companies and other related variables. The tool is being utilized to determine the highest and best job-generating uses for activating key sites. Other FY15-16 Activate LA projects include: (1)

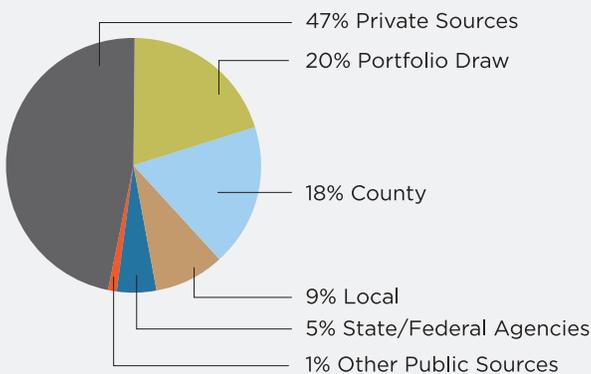
developing and implementing a financing strategy for the construction of a 35-acre ocean-related research, business and education campus, (2) developing a real estate expansion plan for the Charles R. Drew University of Medicine and Science, and (3) collaborating with a varied team of experts to complete a real estate implementation strategy for several potential bioscience hubs throughout the county, as part of the Biosciences Implementation Plan.

**Southern California Leadership Council**

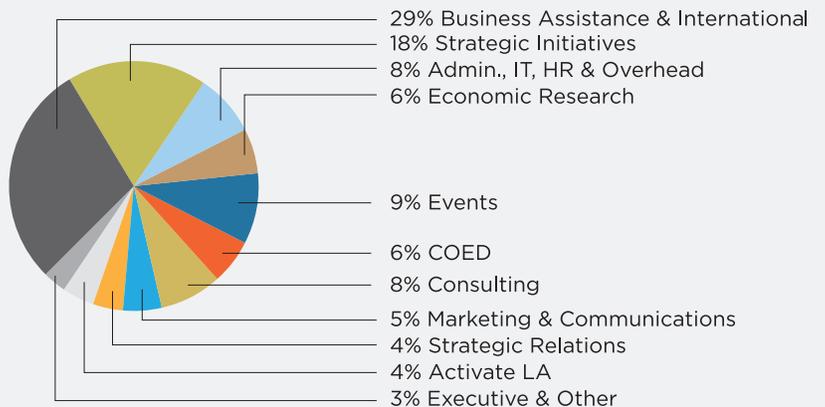
Collocated with the LAEDC, The Southern California Leadership Council stands as a non-partisan, non-profit, business-led regional public policy partnership whose membership includes three former California Governors and over two dozen Presidents and CEOs of top Southern California companies and agencies. The Leadership Council is focused on economic vitality, job growth and quality of life throughout Southern California. During FY15-16, the Leadership Council concentrated on positively impacting public policy in about a dozen issues, including: Water Reliability, Goods Movement/Transportation Solutions, Workforce Development, Housing Affordability, Energy Solutions, and Climate Change Strategies. In September of 2015, the Leadership Council celebrated its 10th anniversary.

**LAEDC FINANCIAL SUMMARY FY 2015-16**

**FUNDING**



**EXPENDITURES**





## OUTREACH and COMMUNICATIONS

### New LAEDC.org Website

The contemporary redesign of the LAEDC website shares new ideas, research, and resources to better deliver on our mission.

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

LAEDC collaboratively developed and printed the new Strategic Plan for the region, to amplify the consensus process that defines regional priorities. Learn more at [LACountyStrategicPlan.com](http://LACountyStrategicPlan.com)

### Spanish Language Radio Ads

In an effort to better serve small businesses which need LAEDC's free services to overcome challenges, LAEDC partnered with City of L.A. to run a radio campaign, including Spanish language content.

### Future Forums & Red Talks

LAEDC closed the fiscal year by preparing two new event series for the new 2016-2017 fiscal year, Future Forums, which will examine issues in specific key industries in the region, and R.E.D. Talks, which will feature leading entrepreneurs discussing issues related to success in L.A. County.

### About LAEDC

Los Angeles County Economic Development Corporation (LAEDC) is focused on raising standards of living for residents of L.A. County by increasing economic opportunity and regional prosperity. Through collaborative economic development leadership, the LAEDC promotes a globally competitive, prosperous and growing L.A. County economy to improve the health and wellbeing of its residents and communities and enable those residents to meet their basic human need for a job. Offering objective economic research and analysis, strategic assistance to government and business, and targeted public policy, LAEDC is guided and supported by the expertise and counsel of its business, government and education members and partners. LAEDC was established in 1981 as a private, non-profit, public benefit corporation.

[www.LAEDC.org](http://www.LAEDC.org)



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



**LOS ANGELES COUNTY**  
ECONOMIC DEVELOPMENT CORPORATION

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