



# Business Leader

Summer, 2001

Los Angeles County Economic Development Corporation

515 South Flower Street 32<sup>nd</sup> Floor Los Angeles, CA 90071

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## CALENDAR SAVE THE DATE

South Los Angeles Economic Outlook September 19, 2001

San Gabriel Valley Economic Outlook October 11, 2001

RBAN Quarterly meeting October 18, 2001

South Bay Economic Outlook October 24, 2001

Westside Cities Economic Outlook November 7, 2001

### In this issue...

- Mid-year forecast released
- Roadmaps to Industry Clusters expanded for 2001
- Community responds to LAEDC's Key Economic Strategies
- The Power of California media relations campaign
- Business Assistance program summary and projects
- Creative Industry Focus: Biomed/BioTech
- Creative Industry Focus: Fashion
- International Markets
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- Board of Directors meetings in review, upcoming meeting
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- Message from Chairman
- Jack Kyser speaking schedule

The LAEDC is now publishing its newsletter, *The Business Leader*, in electronic form. Please contact us at: [businessleader@laedc.org](mailto:businessleader@laedc.org) if you are having any difficulty in receiving and/or downloading the text, photos or hot links. If you would like to unsubscribe to this newsletter please contact us at: [businessleader@laedc.org](mailto:businessleader@laedc.org)

### Major Reports Released



The LAEDC is pleased to announce the release of the mid-year economic forecast report, published by our team of leading economic professionals. The nation, California and Southern California will narrowly avoid a recession in 2001, but the growth slowdown will be painful for business, government and local residents.

Visit <http://www.laedc.org/press.html> to view highlights from the report, or <http://www.laedc.org/pubtion.html> to order your copy of the full forecast.



The 2001 version of "Roadmaps to Industry Clusters" documents the support activities for major industry clusters in Los Angeles County with a strong emphasis on higher educational programs and contacts. The LAEDC understands that an educated workforce is the catalyst for our next generation of successful entrepreneurs, as intellectual capacity spurs creativity. The LAEDC's research analyst, Candice Flor, has identified the entities that educate people to work in a specific industry cluster, as well as trade associations, special support programs (advice on operations and financing) and critical infrastructure information (research, convention centers, airports).

To purchase your copy visit <http://www.laedc.org/pubtion.html>.

To submit new entries or update existing entries, please e-mail to [research@laedc.org](mailto:research@laedc.org), or write/fax us: LAEDC, 515 S. Flower Street, 32<sup>nd</sup> floor, Los Angeles, CA 90071. Tel: 213-236-4843, or Fax 213-622-7100.

## Mission Statement:

*The LAEDC is a private non-profit organization. As the premier business leadership organization, the LAEDC's mission is to attract, retain and grow businesses and jobs in the regions of Los Angeles County, as well as identifying trends and affecting positive change for the local economy. Since 1995, the LAEDC has helped in the creation of 56,6732 jobs from 278 projects. The economic impact of those jobs translates into \$1.9 billion in salaries and more than \$222 million in tax revenue generated to support schools and local government in the LA County region, annually.*

## Trading Up

*A message from the  
LAEDC's  
Chairman  
David Fleming*



International trade is Southern California's number one industry. And growing markets through export is the region's number one economic development opportunity. For every \$1 million of local exports, we can create 18 jobs in the region. Today, however, only 10% of our manufacturing and service sector companies are engaged in global markets.

Coupled with our ports, airport, and trade logistics infrastructure, not to mention the global "people" connections of our diverse population and business base, we have all of the ingredients for success. This is why the LAEDC and the World Trade Center Association have decided to join forces and add trade facilitation to our existing countywide business assistance efforts.

Also important to keep in mind are the business visitor opportunities, created by increased trade flows. Generally, business tourism has a very positive effect upon a local economy. Los Angeles is already the second largest destination in the U.S. for international visitors. Business visitors already comprise 25% of the 5.5 million business visitors annually, and tend to stay longer and spend more while they are here.

By aggressively marketing the unique creative and design-based assets of the regions of LA County through programs like the LAEDC's "LA By Design" initiative and creating more annual international design venues to showcase the latest from our fashion, giftware, technology, automotive, food, furniture and toy industries. The value and pull of the "LA brand" will continue to grow, and support both the region's export potential and business visitor revenues.

It is time to think globally, act regionally, and sell internationally.

## The 2001 edition of the LAEDC's Key Economic Strategies, available

at <http://www.laedc.org/pressreleases/PR39.html>

According to author Jack Kyser, LAEDC's Chief Economist, "We cannot remain passive in planning our future during these turbulent economic times. We need forward thinking and it will take everyone working together in new ways."

This report outlines key strategies that will help to rebuild the middle class job base, while generating tax revenues that will help improve the quality of life. The ultimate objective is to engage business in helping plan the region's future. Top on the agenda are having the regions of Los Angeles County work together to overcome NIMBYism (Not-In-My-Back-Yard thinking) and educating businesses about the free or low-cost business assistance resources available. With this report, the LAEDC is urging the regional business community to come together on critical economic strategies through partnerships and participation on task forces. The issues of regional collaboration, smart land re-use, infrastructure planning and international trade facilitation have been studied extensively.

The challenge is to start working on solutions in broad coalitions. Lee Harrington, President and CEO of the LAEDC, invites local business groups to contact the LAEDC to be part of the business leadership solutions.

Various economic forecasts are available from the LAEDC at: <http://www.laedc.org/pubtion.html>

## The Los Angeles regional business community responds to key economic strategy recommendations by the LAEDC

In its 1996/97 Key Economic Strategies Report, the LAEDC began proposing a program to recycle older industrial space around the County. Growth in L.A.'s high-value industrial sectors was at risk as virtually all of our modern industrial space (vacancy rates were 3.9%) was used without developing

sufficient new space to meet demand. The Real Estate Industry responded, and the last three years have shown a remarkable jump in the value of industrial construction projects in L.A. County, from a little more than \$100M in 1997 to more than

### THE TRENDS



\$400M in the year 2000. The LAEDC's Critical Infrastructure Council is continuing to look at regional issues, and solutions for better economic development and growth. To become a member of the CIC please contact Stephen Harper at 213-236-4815. Graph: Los Angeles Business Journal, July 16, 2001

## The Power of California – Global Standing:

- California is the epicenter in the U.S. for international business—with more than \$129 billion in exports per year, nearly half of all Foreign Direct Investments in the U.S.
- California exports 17 percent of U.S. high-tech goods, reflecting the state's dominance in high-tech
- Top California export industries are Electronics/Electronic Equipment = \$37.8 billion; Industrial Machinery/Computers = \$37.6 billion; Instrument and Related Products = \$11.9 billion; Transportation Equipment = \$8.6 billion; Chemicals and Allied Products = \$5 billion.
- California attracts one-third of the nation's new venture capital \$14.5 billion in the first quarter of 2000. California has been the nation's No.1 food and agriculture producer for more than 50 years. The state's farmers produce more than 350 different crops and commodities.

## Fun Facts:

### The POWER of California –

### Our Economy

For year 2000, California's Gross Domestic Product makes it the 5<sup>th</sup> economy in the WORLD, while the five-county Los Angeles area is now the world's 10<sup>th</sup> largest economy, moving past Spain with \$602 billion in annual GDP.

## State's Economic Development Leaders Come Together



“California will outpace the nation in job, population, household income and spending growth in the decade ahead”, Center for the Continuing Study of the California Economy (CCSCE). A media relations campaign to fight California's image as a blackout-ridden wasteland soon will hit the road. Economic developers statewide are sponsoring a six-month drive using news conferences and meetings with relocation specialists and other executives to counter worries that the state's business climate has been hurt by power supply problems. The campaign, dubbed “The Power of California” will remain in state this summer; in the fall, economic development officials will conduct “power trips” to New York and other major cities. The presentations will stress state efforts to end the power supply shortage by 2002 and will highlight consumer conservation efforts intended to minimize strain on the power grid this summer. “You have a lot of national media writing these horror stories about California constantly having blackouts, which is simply not true,” said Jack Kyser, chief economist at the LAEDC. This is the first time that local economic councils in California have teamed to fight perceptions over a specific issue”.

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## Spotlight on LAEDC's Business Assistance Program (BAP)

The LAEDC's Regional Field Managers are available to provide companies direct assistance at no charge. This expert team can help you access new international markets, implement lean manufacturing practices, identify additional methods to conserve and save on your energy costs, access rebate and incentive programs as well as tax credits and low-cost financing programs. All 88 cities of Los Angeles County are represented in seven regions. Visit [www.laedc.org/business\\_resources.html](http://www.laedc.org/business_resources.html) to locate the Regional Manager in your area.

## International Corner:

The  
LAEDC  
is  
leading a  
business  
delegation



for a two-week to Japan, China and Taiwan, October 20 through November 3<sup>rd</sup>.

The LAEDC is participating in the Global Business Opportunity Conference (GBOC) in Osaka on October 22 through the 24<sup>th</sup>. In addition to the GBOC conference, meetings are planned with Asian businesses focused on Southern California as well as potential venture capitalists and other investors. Please contact Greg Whitney at: [www.gwhitney@laedc.org](mailto:www.gwhitney@laedc.org) to join the delegation.

## 17<sup>th</sup> World Chinese Banking Amity Conference

As a follow-up to the LAEDC's visit to Taiwan in the fall of 1999, the LAEDC was invited to be an event sponsor for the 17<sup>th</sup> World Chinese Banking Amity Conference, being held August 8-10, 2001 at the Biltmore Hotel. The LAEDC is an associate member of the National Association of Chinese American Bankers (NACAB).

## SAVE the DATE

**Wednesday,  
November 14, 2001**

### Time:

6:00PM-7:00PM  
VIP Reception

7:00PM-9:00PM  
Dinner Program

### Location:

Beverly Hilton Hotel  
Beverly Hills, CA

### Honorees:

Dr. David B. Baltimore  
President, California  
Institute of Technology

Michael Antonovich  
LA County Supervisor  
5<sup>th</sup> District

### Dinner Chair:

David Fleming  
LAEDC Chairman  
Of Counsel, Latham &  
Watkins

### Contact:

Liz McMillion  
at: 562-989-9890  
for information

## RECENT BAP PROJECT PROFILES:

### San Gabriel Valley

**Contact: BAP Director, Elaine Cullen Tel: 213-236-4865**

*Issue:* Cable company Charter Communications needed additional space for an expansion for a total of 210,000 sq. ft.. With 386 existing jobs, and 549 new jobs on the line, Elaine arranged government-related meetings, provided assistance in human resourcing and recruiting a major utility to provide incentives for saving dollars on new buildings for the client.

*Result:* The retention of a major telecommunications company, along with the development of 549 new jobs to the region and the City of Irwindale.

### South Los Angeles

**Contact Regional Manager, Elaine Gaspard**

**Tel: 213-624-21436, ext. 228**

*Issue:* Help for a manufacturing company, LA Services Station, which specializes in silk screening & dyeing for the apparel industry to expand its workforce from 60 to 140 jobs. Issues included financing, tax benefits and qualified work force.

*Result:* Elaine assisted LA Services Station by putting together a loan package and helping with referrals for on-site childcare.

### South Bay

**Contact: Regional Manager, Tod Sword, Tel: 310-792-0323**

*Issue:* Atm Group Inc of Carson, a manufacturer of entertainment industry support systems (lighting and speakers) needed help finding financing, a site and hiring assistance.

*Result:* The LAEDC's regional rep coordinated efforts with the local Private Industry Council to provide hiring assistance and the SBA for loan assistance. Company was able to add 15 new jobs.

*Issue:* Moog, a manufacturer of aircraft actuators (moving parts for the wing) for both military and commercial aircraft, was seeking ways to reduce costs. They were also interested in training their workforce at their Chatsworth facility.

*Result:* 60 jobs retained. LAEDC rep, Tod Sword researched and provided contacts to perform ETP training for the Chatsworth facility, and work with out-of-state accounting firm to help company claim California tax credits.

## **IBEAR REPORT: Japanese Direct Foreign Investment opportunities in LA County**

The University of Southern California's IBEAR research team completed a research project on Japanese Direct Foreign Investment opportunities at the request of the LAEDC. The project focused on the technology, entertainment and biomedical sectors. It identifies gaps between what LA County offers and what Japanese companies were looking for while suggesting strategies to attract companies and investment.

The report found that most Japanese investment (M&A and partnership) is in large markets with a special emphasis on R&D centers, new technologies and patents. The report suggested a gap exists for LA County as access to new technologies and patents are difficult to find, particularly when coupled with a lack of geographically concentrated industry clusters, both human and information networks.

The report further suggests that LA County must project a tighter knit biomedical cluster community versus the dispersed regions. Another key finding is for LA County to work to enhance clustering in industry theme parks all the while developing virtual, information oriented concentrations to enhance access. These findings were reported to the LAEDC's BOD at the July meeting.

## **Directory of Resource Links**

[larta](http://www.larta.org/) (Los Angeles Regional Technology Alliance)  
<http://www.larta.org/>

[ULI-LA](http://www.uli-la.org/) (Urban Land Institute- Los Angeles)  
<http://www.uli-la.org/>

[SCBC](http://www.socalbio.org/) (Southern California Biomedical Council)  
<http://www.socalbio.org/>

[WTCA](http://www.wtcanet.org/) (World Trade Association Long Beach- Los Angeles)  
<http://www.wtcanet.org/>

[BBALA](http://www.bbala.org/) (Black Business Association)  
<http://www.bbala.org/>

[CFA](http://www.californiafashion.org) (California Fashion Association)  
<http://www.californiafashion.org>

## **Gateway Cities**

**Contact: Regional Manager, Bruce Dobb Tel: 562-843-4713**

*Issue:* Complex Metal Mfg, Inc asked for assistance in finding a link within the finance community. Complex Metal is a hydro-forming metal parts processor that makes parts for the aircraft industry.

*Result:* Creation of 150 new, highly skilled jobs. Field rep Bruce Dobb introduced the company to Comerica Bank and Garry Shinman, President of Complex reported, "without LAEDC I could not have financed this project."

*Issue:* TYCO plastics, a manufacturer in the city of Santa Fe Springs was attempting to find ways to access further incentives for expansion plans.

*Result:* Bruce helped secure 181 jobs by advising TYCO of available Manufacturer Tax Credits. Mr. Joe Worley of Tyco claims, "we didn't know about these wonderful incentives" and Bruce was thrilled to help.

## **San Fernando Valley**

**Contact: Senior Regional Manager, Saul Gomez  
818-379-7000**

*Issue:* NAI Capital, represented a Bio Tech firm employing 1,500 people was trying to remain or relocate their company in Burbank.

*Result:* Regional rep, Saul Gomez helped to negotiate business tax issues enabling the company to remain in Los Angeles.

*International Corner continued*  
**Board member attends trade mission to promote LA region to UK, Sweden**

Maura O'Connor, of Holland & Knight, LPP and member of the LAEDC Board of Directors, represented the LAEDC in a State of California Trade Mission to Stockholm, Sweden and London, England in June.

She made presentations to several governmental and industry groups describing the LAEDC, the Los Angeles area economy and its design, technology and international trade industries. The "LA By Design" brochure and message were well received, as they provided a compelling organizational framework for business associations and governmental groups to begin to understand what makes the Los Angeles area "tick".

In Sweden Ms. O'Connor and the State delegation met with, among others, the Swedish-American Chamber of Commerce, the Swedish Chamber of e-Commerce, the Swedish IT and Telecom Industry Association, the Port of Stockholm and the International Trade Department of the City of Stockholm.

In the U.K., the group met with representatives of British-American Business, Inc., Bloomberg, Trade Partners UK, the Port of London, the Computing Services and Software Association, the Office of the e-Envoy and the US Commercial Service.

As part of this trade mission, the State of California hosted the London premiere of the IMAX film "Adventures in Wild California" and the "Taste of California" reception, for about 400 businesspeople.

A number of attendees at the business meetings and the movie approached Ms. O'Connor about working with the LAEDC and LA area companies on relocations, expansions or future strategic partnering opportunities.

**If you don't know Jack**



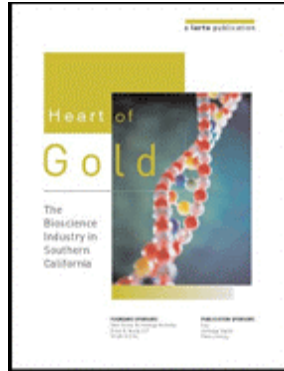
**About LA County**

Jack Kyser, Chief Economist at the LAEDC will be speaking at these upcoming events:

- Los Angeles Business Journal Economic Forecast Event on 8/28/01
- So. Cal Association of Chamber of Commerce, Executive's lunch on 9/13/01
- Western Credit Union Dinner on 9/13/01
- Real Estate Conference Group Apartment Conference on 9/24/01
- University of LaVerne Business Leaders Lunch on 10/3/01



**Creative Industry Focus: BIOMED/ BIO TECH**



The LAEDC's strategic partner organization, [larta](http://larta.org) has just released a comprehensive study on the Bioscience Industry in Southern California called, "Heart of Gold: The Bioscience Industry in Southern California)" This is the first research report ever to attempt to define and to assess the strengths and weaknesses of the biosciences industry in Southern California (which spans from Santa

Barbara in the north, to Los Angeles in the middle, to Orange County in the south). Visual: Use some of the charts from the executive summary? Please visit [www.larta.org](http://www.larta.org) to order your copy of the full report.



**Bio2001 International Conference and Exhibition**

LAEDC Regional Manager Elaine Cullen attended the Bio2001 show in San Diego held

June 24-27, 2001. The conference offered dozens of symposia and sessions featuring world leaders in science, product development and marketing, finance and business development. "There was lots of interest in the San Gabriel Valley, Southern California and foreign trade zones," states BAP Director Elaine Cullen.

The next industry trade show on schedule is: WESCON, computer tradeshow, October 18, 2001 in San Jose, CA



**Creative Industry Focus: FASHION**



**Fashion Industry Technology Forum**

A one-of-a-kind event was held August 1<sup>st</sup>, which featured an exhibition by cutting edge technology firms, focused on supplying technology solutions specifically for the Fashion Industry. Exhibitors showcased software programs and products for garment design, design room facilitation, textile design, illustration, pre-production data processing, showroom-to-retail programming and many others. "For a first time effort, we were clearly delighted with the enthusiastic reception and participation by the exhibitors," said Ilse Metchek, Executive Director of the California Fashion Association.

This event was co-sponsored by the California Fashion Association [www.californiafashion.org](http://www.californiafashion.org), California Technology, Trade and Commerce Agency and Long Beach City College. The event was made possible by a grant from The Chancellor's Office, California Community Colleges.

## The LAEDC welcomes new members

### Executive Committee of the LAEDC Board

- **Paul Hudson**, President/CEO of Broadway Federal Bank
  - **Melphine Evans**, Regional Vice President of BP
  - **Gregg K. Carpenter**, Managing Director of Marsh Risk & Insurance Services
- ### Board of Directors
- **Lisa Gifford**, Manager Global Accounts for GMAC Global Relocation Services
  - **John L. Hosack** of Arter & Hadden, LLP
  - **Lena Settergren**, Director of LA GAIN Operations, Maximus
  - **Charles Williams**, Executive Vice President of CMTS, Inc.
  - **Tony Armada**, Senior Vice President and Area Manager for Kaiser Permanente Hospital and Health Plan Metro LA
  - **Jeffrey P. Anderson**, Senior Executive Vice President of Commercial Banking Group, Sanwa Bank California
  - **Nathan Freeman**, Principal of Figueroa Media Group, LLC
  - **Michael G. Gardner**, CFA and Managing Director of Capital Markets for *Wedbush Morgan Securities*
  - **Mishael Israel**, CEO of Courier Express
  - **Oscar Abarca**, Assistant Deputy Executive Officer of Public Affairs of South Coast Air Quality District
  - **Robert W. Brown**, President of University of West Los Angeles
  - **Jean Lecuyer**, Professor of Physics, Physical Science Department of Glendale Community College
  - **Raul F. Salinas**, Partner of Alvarado, Smith & Sanchez
  - **John Vinnicombe**, Executive Vice President of Jones Lang LaSalle
- ### Member company
- German American Chamber of Commerce of the Western U.S.

## June 2001 Recap

June 20<sup>th</sup> meeting brings



*Otis College of Art and Design President*

*Sammy Hoi. Otis College of Art and Design focuses in areas of educational programs and external relations to keep creativity thriving in LA.*

*Pictured L-R: LAEDC President and CEO Lee Harrington and Otis College of Art and Design President Sammy Hoi*  
*For quick summary of Mr. Hoi's presentation:*  
[www.laedc.org/media/otis.html](http://www.laedc.org/media/otis.html)

## What's New at the LAEDC

### Promotion for Elaine Cullen

Greg Whitney, Vice President Business Development for the LAEDC is proud to announce that Elaine Cullen, Senior Regional Manager for the San Gabriel Valley has been promoted to Director of the Business Assistance Program, effective July 15th. "Elaine has been an instrumental part of the success of our BAP program for the last six years. Her expertise will enable us to expand our outreach and assist even more companies".

The LAEDC is accepting applications for her vacated position. Please contact Elaine Cullen at 213-236-4865.

### Promotion for Saul Gomez

Greg Whitney, Vice President Business Development for the LAEDC is proud to announce that Saul Gomez, Regional Manager for the San Fernando Valley has been promoted to Senior Regional Manager, effective August 6<sup>th</sup>.

## Board of Directors meetings

**Next meeting:** Wednesday, August 15<sup>th</sup> 7:30 – 9:00 a.m.

full membership meeting. Jonathan Club, 545 South Figueroa Street, Downtown Los Angeles, Florentine Room. **For more information contact:** Marilyn Morales at 213-236-4811 or email: [marilyn@laedc.org](mailto:marilyn@laedc.org)

Featured Speaker: Ken Dozier, Executive Director USC Engineering Technology Transfer Center:

"Understanding and Globally Communicating the LA Region's Unparalleled Technology Resources."

## July 2001 Recap



July meeting brings out the major business press: KABC-7 television, CNN radio and television, Korean television and KFWB news radio 980am.

The July meeting brought the announcement of the Power of California press relations tour via Development Counsellors International. Brief statements about their experience in the LA region came from Lonnie Kane of Karen Kane and Robert Greenberg, MD, PhD from Second Sight LLC.

*Additionally, USC's IBEAR Research team members presented the program's goals and visions for the development of LA County and Japan foreign trade.*