



# Business Leader

Economic Development for the Regions of Los Angeles County

www.LAEDC.org

Los Angeles County Economic Development Corporation

Spring 2008

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- LAEDC Chairman and President's Report
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## LAEDC SURVEYS 5,000 BUSINESSES IN COUNTY Survey says businesses remain profitable despite economic slowdown

The LAEDC recently completed its second Los Angeles County Business Climate survey. With help from the Rose Institute on State and Local Governments at the Claremont Colleges, and a state-of-the-art tracking system from Executive Pulse, 5,000 businesses with 10 or more employees were surveyed throughout the 88 cities and more than 100 unincorporated areas in L.A. County. The survey was conducted from September 2007 to March 2008.

The companies participating in the survey were representative of the major industry sectors in the County including manufacturing, wholesale and

retail trade, professional services, and healthcare and social services. The survey participants reflect a broad cross-section of the economic composition of Los Angeles County. As the largest manufacturing center in the U.S., it is not surprising that the manufacturing industry sector composes the highest overall percentage of responses. Similarly, the high volume of trade that passes through the ports of L.A. and Long Beach, and Los Angeles International Airport, accounts for the high response rate of members of the wholesale trade industry.

This business intelligence gathering mechanism identified

key issues affecting corporate decision makers in these changing economic times. Of the businesses responding, 55 percent had less than \$5 million in gross sales and 29 percent reported more than \$10 million.

The survey found a number of important results including:

- More than half of all businesses reported some or great difficulty in hiring critical occupations. Skilled labor or skilled production workers represented the most challenging occupation group for employers to hire, followed

*(Continued on page 6)*

## India Trade Mission Captures \$70M in Export Sales WTCA, LAEDC, Long Beach and L.A. officials strengthen ties with India

India's economy, the world's 12th largest, is expected to grow exponentially in the coming decades to meet rising demand in Europe, Asia, and the United States. To capitalize on the opportunities resulting from India's growth, a delegation of Southern California government and business leaders led by the LAEDC, its subsidiary the World Trade Center Association Los Angeles-Long Beach (WTCA), and Long Beach City Councilmember Suja Lowenthal, visited New Delhi, Kolkata, and Mumbai in March to meet with government and industry leaders. Emphasis was placed on India's

*(Continued on page 8)*



*Delegation leaders present the case for siting a new Taj Hotel in Los Angeles County. Left to right: Seyfarth Shaw's Partner Maura O'Connor, Port of Long Beach Harbor Commission President Mario Cordero, LAEDC Chairman Ray Holdsworth, LAEDC President and CEO Bill Allen, Taj Hotel CEO Raymond Bickson, WTCA L.A. - Long Beach President Vance Baugham, Long Beach Councilmember Suja Lowenthal, and City of Los Angeles Mayor's Office of International Trade Director Dario Gomez.*

## Foreign Direct Investment (FDI) Preliminary Report

Released in May 2008 at the WTCA L.A. - Long Beach International Trade Outlook.

See page 7 for full details.

# Discover the Business-Friendly Regions of L.A. County

## LAEDC regional brochure showcases a wide variety of assets the County offers

The Los Angeles County brand identity is often confused with the more urban identity of the City of Los Angeles and its associated urban challenges. And while Los Angeles' famed entertainment industry is a strong economic driver throughout much of the County, few people may know that the region is also a thriving center for manufacturing, design, and international trade. With a diverse subset of geographic areas from its sunny beaches to green valleys, mountains and high deserts, Los Angeles County offers a rich tapestry of business-friendly areas that are home to industries such as aerospace, biomedical, manufacturing, fashion and apparel design, and professional services, to name a few.

In an effort to promote better understanding and appreciation for L.A. County's diverse economic business base and how it is located across distinct regions of America's most populous county, the LAEDC produced *The Regions of Los Angeles County*, a 20-page, four-color publication promoting L.A.

County as the entertainment, manufacturing, and international trade capital of America. The new publication includes a detailed map which highlights each of the County's eight distinct areas including Antelope Valley, Santa Clarita Valley, San Fernando Valley, San Gabriel Valley, Westside, Central Los Angeles, South Bay, and Gateway Cities along with an overview of each of the regions and their unique business and quality-of-life attributes.

The publication also highlights the menu of services the LAEDC's Business Assistance Program (BAP) provides to help the more than 400,000 businesses in the region stay competitive. The LAEDC's expert staff, which includes eight regional managers, guides clients toward their best alternatives and provides the introductions necessary to find the right location, the required capital, and a qualified workforce in addition to assisting in streamlining the approvals required to move a project along.

The LAEDC believes in

collaboration and often works with cities and regional economic development partners to facilitate business assistance in the client's desired geographic region, and those partnership resources are also identified in the publication.

*The Regions of Los Angeles County* publication showcases the wide variety and depth of assets that L.A. County offers, assets that compare well against any region in the country, and assets that have helped make L.A. County the entertainment, manufacturing, and international trade capital of America.

As the principal economic development organization for L.A. County, the LAEDC is committed to using publications like this to promote its eight distinct regions and the many industry clusters that drive the Los Angeles County economy. ■

*For more information on the publication or business assistance services, contact the BAP team at (888) 4-LAEDC-1 or [bap@laedc.org](mailto:bap@laedc.org).*



## President George W. Bush Meets with Members of LAEDC at Robinson Helicopter



In a visit to Southern California on January 30, 2008, President George W. Bush met with employees of Robinson Helicopter Company and senior staff and recent chairs of the LAEDC. In attendance from the LAEDC were Matt Toledo, 2003-2004 Chairman; Rod Banks, 2004-2007 Chairman; Ray Holdsworth, 2007-2008 Chairman; Russ Hagey, LAEDC Executive Committee member; Susan Stel, CFO; Carrie Rogers, Vice President, Business Assistance; and Bill Allen, President and CEO. President Bush, who was joined by Governor Schwarzenegger, toured the facility and spoke about the importance of free trade agreements to the nation's economy.

# LAYING THE FOUNDATION FOR A SUCCESSFUL FUTURE

## Annual report by Chairman Ray Holdsworth and President and CEO Bill Allen

In our 2007/2008 fiscal year, which concluded March 31, 2008, the LAEDC further positioned the organization as the trusted advisor to both the private and public sector on issues of economic development in the region. We are pleased to say that we made great strides in this area.

The LAEDC also gained both state and national attention during the year. Governor Arnold Schwarzenegger presented his state budget to LAEDC Board members in January 2008 and visited the Southern California Leadership Council in August 2007. President George W. Bush selected the LAEDC's recommendation of Robinson Helicopter in Torrance to make a foreign trade policy address at the facility. (See page 2 for photo highlights.) Increasing government respect for the LAEDC's role in economic development is highlighted by these visits.

During the first half of the year, we completed the organizational changes necessary to both fully staff and implement our programs. Along with these changes we re-aligned our governance and committee structures to reflect the ever growing demand for transparency and accountability in every aspect of both private and public operations.

### STRATEGIC ADVISORY COMMITTEES

Advisory committees on critical issues are a key initiative of the LAEDC. Two examples of this can be seen in the Aviation Committee's work on revitalizing LAX and the economic development impact study by LAEDC on job creation associated with regularly scheduled overseas international flights at LAX. The Industrial Land Use Committee paved the way for highlighting the critical issues in

maintaining L.A.'s number one role as the manufacturing center of the U.S. and prompted public action to protect these zoning regulations in the City of Los Angeles.

### GLOBAL CONNECTIONS

We expanded our international reach this year with a very successful trade mission to India led by the LAEDC, World Trade Center Association Los Angeles - Long Beach, and the City of Long Beach. As a result of the trade mission, we established the foundation for export sales of more than \$70 million. As we become an increasingly key global gateway, these and other trade missions will be important to the economic vitality of the region. (More about the India Trade Mission on page 1.)

In keeping with our proactive leadership in the region, the Southern California Leadership Council continues to lead the way with its Green Freight Initiative, and is undertaking similar initiatives on water and greenhouse gas emissions, all critical to our quality of life in Southern California. (More about SCLC's initiatives on page 9.)

### EXPLORING REAL ESTATE OPPORTUNITIES

In our effort to create increased value for the services we provide, the LAEDC hired Rob Gilmore as President of our subsidiary company, the Los Angeles County Public Landowners Assistance Network (L.A. PLAN), to explore the ways in which the LAEDC can facilitate public-private partnerships in the real estate marketplace in the county and cities of Los Angeles. (More about L.A. PLAN on page 5.)

### KEY LAEDC EVENTS

The LAEDC had record-breaking success with the Economic Forecast and International Trade events this year, produced in partnership with the Economic Research department and the WTCA L.A.-Long Beach. Both events attracted more attendees and grew their net proceeds over prior years to support the mission of the LAEDC. The 12th Annual Eddy Awards®, which recognizes leadership in economic development, honored one of our county's largest and best employers, Northrop Grumman, and formally launched the Kyser Center for Economic Research in recognition of Jack Kyser's role as the voice of the L.A. economy and the chief interpreter of our region for the past 25 years. Over the past year alone, the LAEDC received over 300 million media impressions, many of which came from news stories in which Kyser was quoted.

Another highlight of the Eddy Awards was our 3rd annual "Most Business-Friendly City in L.A. County" competition. The winner was the City of Lancaster with the cities of Burbank, Cerritos, Long Beach, Palmdale, and Santa Clarita all notable finalists and setting the standard for business-friendly government in California.

While public confidence in the economy is trending down, the results of the LAEDC are exactly the opposite. However, we must all work collectively to ensure that we advance these strategies, initiatives, and policies that enable quality job creation in L.A. County. This year will not be easy but by being proactive, we can make it better. ■

### CANADIAN AMBASSADOR LUNCHEON

On February 14, 2008, the LAEDC had the honor of hosting a small private luncheon and conversation with the Ambassador of Canada to the U.S., Mr. Michael Wilson. Ambassador Wilson was visiting Los Angeles to promote strong Canada-U.S. and Canada-California relationships.

With over 35 LAEDC members and staff



in attendance, Ambassador Wilson shared a positive message on the strength of the Canadian economy, the importance of integrated supply chains to foster North American competitiveness, and the CCSIP (Canada-California Strategic Innovation Partnership) innovation commercialization.

*From left to right: LAEDC President and CEO Bill Allen, Canadian Ambassador Michael Wilson, LAEDC Chairman Ray Holdsworth, and the Consul General of Canada, Los Angeles, Alain Dudoit.*

# Painfully Slow Growth for Southern California

## Expert panels discuss L.A. County's major developments, outlook on overall economy

While the economies of California and Southern California overall are not expected to fall into recession in 2008-2009, it will be a painful period for several industries and metro areas, according to LAEDC Chief Economist Jack Kyser at the 2008-2009 Economic Forecast & Industry Outlook on February 20, 2008. Kyser and a panel of experts took a critical look at the housing industry and nervous financial markets.

Despite economic uncertainty across the country, major investments are being made in Los Angeles County. Another panel of speakers featured principals from those companies whose multibillion dollar investments will markedly transform the regional economy in coming years.

Tim Leiweke, President and CEO, AEG, gave an overview of the L.A. Live project in Downtown Los Angeles. The entertainment, hotel, and residential project will create 8,000 jobs and \$10 billion in economic impact. Also in Downtown is the Grand Avenue project. William Witte, President, Related California, elaborated on the retail, hotel, and residential complex that is to become a new center for the city in the years to come.

Tom Smith, NBC Universal Senior Vice President, Real Estate, discussed the NBC Universal Vision Plan which will revitalize and expand production facilities, generate new office space, and create a new residential neighborhood. Catering to local communities is also the goal for Fresh & Easy Neighborhood Markets. CFO Remco Waller talked about the strategies, economic and environmental impact, and community involvement of these markets with 9 stores

opened in Los Angeles County and 40 more across Southern California, Nevada, and Arizona since November.

Following the exciting preview of things to come for Los Angeles County were the diagnoses of U.S. and regional economies.



Robert Bach, Jay Bryson, Jack Kyser, Remco Waller, and Leslie Appleton-Young.

Wachovia Global Economist Dr. Jay Bryson noted that the slowing U.S. economy would have a mixed impact on the world. However, the weakening dollar is boosting U.S. exports as significant layoffs have not yet materialized, business inventories are under control, and borrowing costs for businesses remain low.

At home in Los Angeles County, Robert Bach, Senior Vice President and Chief Economist, Grubb & Ellis, noted that office vacancies continue to decrease in Los Angeles County but are increasing in both Orange County and the Inland Empire. Commercial real estate investment is expected to decrease by 40 percent in 2008. However, retail vacancy rates are also increasing overall while apartment vacancy rates were stable at the end of 2007.

The housing market is on everyone's mind in this economy. Leslie Appleton-Young, Vice President and Chief Economist, California Association of Realtors, shed some light on the topic by pointing out that in 2008, home sales in the state are expected to decrease but at a slower rate than in 2007 and the median price will also decrease. The Southern California housing market mirrors the state market with the Inland Empire leading the decrease in sales and drop in median home values. Mortgage foreclosures and delinquency rates have also increased throughout the state.

"The housing industry will continue to slide in terms of prices and unit sales of both new and existing units," said Kyser. He also noted turmoil in financial services as a result of the sub-prime problem, and in entertainment sectors with

labor negotiations with the Screen Actor's Guild and some unpleasant fall-out from the recently settled WGA contract. In addition, a coast-wide contract for the Longshoremen's union will be also be up for renewal in June 2008.

There is still some good news in this gloomy outlook. With the weakening dollar, tourism is looking up and a slight increase in international trade is projected with number of containers handled at the Los Angeles/Long Beach port complex up by 2.8 percent compared with the 0.6 percent decline in 2007. ■

*Join us at the Mid-year Economic Forecast on Wednesday, July 16, at the Los Angeles Marriott Downtown. For more information on the event, see page 7.*

**LAEDC would like to thank our sponsors and partners for the 2008-2009 Economic Forecast**

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# DEVELOPING THE FUTURE

New LAEDC subsidiary, L.A. PLAN, to generate economic growth through property development



The LAEDC recently established a new subsidiary, L.A. PLAN--the Los Angeles County Public Landowners Assistance Network--to address the need for revitalizing and redeveloping under-utilized land in Los Angeles County. With a veteran commercial and industrial real estate professional Rob Gilmore at the helm as president, L.A. PLAN's goal is to further the LAEDC's mission of job attraction and retention by generating economic growth through development of publicly-owned properties in the 88 cities and the more than 100 unincorporated communities located in the County.

With the vacancy rate for industrial land in the County at only 1.5 percent, there is very little available land left to develop. In the City of Los Angeles, the vacancy rate for industrial land is 0.8 percent, by far the lowest of any major metropolis in the entire nation. With such a lack of space, L.A. PLAN will take advantage of the existing under-utilized land in the County to redevelop parcels into jobs-producing properties.

L.A. PLAN collaborates with public sector landowners throughout the region to inventory and appraise land, and to conceptualize and develop economically viable and sustainable real estate strategies, helping them to become better stewards of their real estate portfolios. L.A. PLAN facilitates the creation of public/private, joint

venture, real estate development projects from the site selection process, to planning and permitting, through final occupancy. L.A. PLAN also assists in the development of environmentally sustainable buildings and the attraction of "green" industry through development.

How L.A. PLAN can help property owners:

- **Identify Land Opportunities:** L.A. PLAN will work with the public landowner to identify potential development opportunities through comprehensive market research.

- **Market Analysis and Project Conceptualization:** L.A. PLAN will perform a comprehensive market analysis and will work with the public landowner in determining potential development concepts for the identified parcel. Simultaneously, the needs of the community will be studied and blended into a development concept.

- **Issuance of an RFQ/RFP:** L.A. PLAN will issue a Request for Qualifications or Request for Proposal (RFQ/RFP), as needed, leading to the selection of a private, real estate developer. L.A. PLAN will facilitate the negotiation and execution of an Exclusive Negotiating Agreement between the public landowner and the developer.

- **Assemble the Development Team:** L.A. PLAN will form a cohesive team with a focus on the design phase in preparation for

reaching out to the community and all stakeholders in creating a development concept.

- **Community Outreach:** L.A. PLAN, along with the public landowner, will solicit the community's input on the development concepts through a series of public meetings.

- **Design Guidelines:** Through the combined effort of all stakeholders, L.A. PLAN will implement design guidelines reflecting the needs, wants, and desires of the community.

- **Pre-development and Development services:** L.A. PLAN will provide services from the pre-development phase through the development phase to facilitate a smooth planning/permitting process and inspection process.

L.A. PLAN believes revitalizing and/or redeveloping under-utilized properties will provide far-reaching benefit to the County. Through development, L.A. PLAN projects that property values will increase along with property tax revenues that support programs and initiatives in the region. These new developments will create jobs and promote local business retention and attraction. ■

*To learn more about L.A. PLAN, contact Rob Gilmore at (213) 236-4856 or email [laplan@laedc.org](mailto:laplan@laedc.org). L.A. PLAN website coming soon to [www.LAEDC.org/LAPLAN](http://www.LAEDC.org/LAPLAN).*

## ROB GILMORE President, L.A. PLAN



representative of Newhall Land, one of the

Rob Gilmore has more than 20 years of experience in commercial and industrial real estate. He has served on the LAEDC's Executive Committee as a

largest master planned community builders in the United States. At Newhall, he served as Director of the Commercial/Industrial Division where he was responsible for the development of over 25 million square feet of office/industrial/retail space.

Rob built a solid foundation in this industry during his eight years with CB Commercial (now CB Richard Ellis) in Southern California and then added significant experience in the State of Colorado for

another eight years serving in both the private sector as Vice President of Development for Sunset Management Services, and as acting president of the Jefferson County Economic Council (a public/private EDC).

Rob earned a Bachelor of Science in Economics from the University of California at Berkeley and a juris doctor from Southwestern University School of Law in Los Angeles.

## **BAP SURVEY**

*(Continued from page 1)*

closely by sales and marketing.

- 56 percent of respondents said their city is responsive to their business needs.
- 52 percent of respondents agree that their city provides quality services at reasonable rates.
- 52 percent of respondents agree that their overall city business climate is conducive to business success/job creation.
- Over 40 percent of respondents felt business property taxes were too high.
- 39 percent of respondents cited insufficient

room for expansion as the primary reason for relocation or downsizing.

- About 20 percent of businesses surveyed expressed concern over generating less revenue than the previous 12-month period. Smaller companies expressed the greatest concern about diminishing revenues.
- 18 percent of respondents cited recruiting and retaining key employees as the number one barrier to future expansion.

The study additionally focuses on identifying areas of improvement for municipal and county government services provided to businesses. The collective results help the LAEDC refine its strategies and tactics to address issues affecting the region's

businesses. The individual responses provide an opportunity for the LAEDC Business Assistance Program and its WTCA L.A. - Long Beach International Trade teams to identify specific businesses needing immediate assistance which, but for this survey outreach, might never have come to our attention.

In these changing economic times, and especially when other states are aggressively trying to attract the County's businesses to their region, this survey provides the critical information that our local governments need to address business concerns, take measures to retain existing businesses and attract new investment to their cities. ■

*For more information on the survey, please contact the Business Assistance team at [bap@laedc.org](mailto:bap@laedc.org) or (888) 4-LAEDC-1.*



*Join us at the 13th Annual Eddy Awards®  
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**Monday, November 17  
Beverly Hilton Hotel**

The LAEDC is proud to honor famed real estate developer Rick Caruso at the 13th Annual Eddy Awards® on Monday, November 17, 2008. He is known for creating lifestyle centers such as the Grove in Los Angeles and the newly-opened Americana at Brand in Glendale which attract millions of visitors to L.A. County.

Caruso has redefined the retail experience and his commitment to developing high-quality retail centers that push the bounds of the industry has earned him numerous awards and recognition. He has earned a reputation as an extraordinary businessman and a compassionate member of the community. In addition to his many

achievements, Caruso was the youngest Commissioner for the Los Angeles Department of Water and Power and also served as President of the Los Angeles Police commission.

On June 1, 2008, the LAEDC issued a call for the 2008 Most Business-Friendly City in Los Angeles County competition. **Applications will be due by July 31.** Finalists will be announced by early September and the winning city will be announced at the Eddy Awards®.

The Eddy Awards® is one of the most prestigious award programs in the state of California. It is attended by more than 700

of the region's leaders in business, government, education, and the media and promotes the LAEDC mission to grow jobs and business in the County.

The LAEDC introduced the Eddy Awards® in 1996 to honor companies, individuals and, more recently, cities that have contributed to the economic success of the region, and to use the good will earned by such recognition to encourage others to demonstrate such economic leadership and stewardship.

*For more information about the event, visit [www.LAEDC.org/eddy](http://www.LAEDC.org/eddy).*

# L.A. County: Globally Invested

## Preliminary findings on Foreign Direct Investment in L.A. County reveals a major economic impact

Los Angeles County is expected to stay afloat in the economic downturn with foreign investment and trade growth, according to a pair of reports released by the LAEDC and the World Trade Center Association Los Angeles-Long Beach on May 14, 2008, at the 3rd Annual International Trade Outlook Breakfast at the offices of Keesal, Young & Logan in Long Beach.

LAEDC Senior Vice President and Chief Economist Jack Kyser presented the findings from *The International Trade Trends & Impact* and the preliminary report of *Foreign Direct Investment in Los Angeles County* to nearly 200 professionals from the government, business, education, and international trade sectors.

The event was kicked off by Long Beach City Mayor Bob Foster with additional speakers that included Long Beach Harbor Commissioner James Hankla and California Transportation and Logistics Institute President Al Shepetuk.

International trade activity in the Los Angeles area will record modest growth in 2008 after a disappointing year in 2007, according to the International Trade Trends report.

"The total number of containers handled at the ports of Los Angeles and Long Beach should move up by 1 percent to 15.83 million TEUs after a decline of 0.6 percent in 2007," said Kyser. "The boom in export activity should remain in place in 2008 as the U.S. dollar continues to weaken. However, import volumes will continue to be lackluster."

Among the many challenges is the

Country	Total Establishments	% of Total
Japan	1,436	32.8%
United Kingdom	809	18.5%
France	365	8.3%
Germany	338	7.7%
Canada	278	6.3%
Switzerland	200	4.6%
Italy	168	3.8%
Netherlands	144	3.3%
Taiwan	129	2.9%
Australia	111	2.5%

*Top 10 country sources of foreign-owned establishments in Los Angeles County, 2007. Source: Dun & Bradstreet; foreign consulates and trade commissions; LAEDC research.*

environmental community's vigorous opposition to steamship terminal expansions and goods movement infrastructure improvements. Another is growing competition for business from other ports both on the West Coast, the East Coast, and in British Columbia and Mexico, along with the soon-to-be expanded Panama Canal which would allow service by water all the way from Asia to the East Coast in large ships.

Another important contributor to the L.A. international economy is foreign direct investment. The preliminary LAEDC report on

*Foreign Direct Investment in Los Angeles County* finds the top five sources of FDI in the County are Japan (the overwhelming leader of FDI in the County with 32.8 percent of foreign-owned and affiliated companies), the United Kingdom, France, Germany, and Canada.

Japan is the top foreign investor in Los Angeles County, with 532 primary locations and 904 secondary locations, for a total of 1,436 establishments. Japanese companies in Los Angeles County are diversified across several industry groups. Retail trade is the largest industry sector followed by wholesale trade, and finance and insurance.

Several well-known Japanese owned companies have operations in Los Angeles County. They include the 7-Eleven and Firestone Tire retail chains as well as Union Bank of California.

The study also finds that FDI is spread around the County from Valencia on the north to Long Beach on the south, and from Pomona on the east to Santa Monica on the west. Top cities attracting FDI are Los Angeles, Torrance, Long Beach, Santa Monica, and Pasadena.

The top industries that are foreign owned include retail and wholesale trade, finance and insurance, transportation and warehousing, and manufacturing. Countries from which manufacturing was their number one activity in L.A. County include France, Canada, and Mexico. ■

*Both reports are available for free download at [www.LAEDC.org/reports](http://www.LAEDC.org/reports).*



## THE LAEDC 2008 MID-YEAR ECONOMIC FORECAST: FOREIGN DIRECT INVESTMENT

Wednesday, July 16 • L.A. Marriott Downtown • 7:00-10:30 a.m.

### PANEL I: FOREIGN DIRECT INVESTMENT (FDI)

VANCE BAUGHAM, WTCA Los Angeles - Long Beach • JAMES DIBBO, British Telecom

### PANEL II: ECONOMIC OVERVIEW

JACK KYSER, LAEDC • JOHN BURNS, John Burns Real Estate Consulting • RICHARD WEISS, City National Bank

Complimentary for LAEDC Members (1 per company). RSVP directly to Oakley Boren (213) 236-4847. Registration form available for general public and more information about the event:

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



## INDIA MISSION

(Continued from page 1)

infrastructure needs such as air and sea ports in those cities.

"The preliminary outcome of this mission was highly successful with participating companies reporting more than \$70 million in projected export sales," said WTCA L.A. - Long Beach President Vance Baugham.

"We anticipate an attraction of a regular airline flight to LAX in 2009, which will have a long-term positive effect for the economy. We are also in discussions with a major Indian hotel brand to add a location in Los Angeles County that could bring up to \$100 million in Indian investment to the region with 500 to 600 new jobs," added Baugham.

Councilmember Lowenthal added, "Kolkata is part of my pledge to Mayor Shri Bikash Bhattacharya during his last visit to Long Beach to help strengthen the existing relationship between these two Sister Cities. The timing could not be better for businesses and governments focused on expanding opportunities and improving relations."

The 25-member delegation included representatives from the cities of Long Beach and Los Angeles, the Port of Long Beach, Long Beach International Trade Office, Los Angeles World Airports (LAWA), and business representatives from major corporations that included AECOM, Clean Energy, KPMG, Paramount Pictures, Seyfarth Shaw, KPC Group, Oasis, and California State University,



U.S. Minister Counselor for Commercial Affairs Carmine D'Aloisio, Vance Baugham, Bill Allen, Suja Lowenthal, Deputy Senior Commercial Officer Dale Tasharski, and Ray Holdsworth.



Dario Gomez, LAWA Commissioner Valeria Velasco, Bill Allen and Ray Holdsworth with Jet Airways CEO Wolfgang Prock-Schauer (center).

Long Beach. The delegation was led by Baugham, Councilmember Lowenthal, LAEDC Chairman Ray Holdsworth, and President and CEO Bill Allen.

New Delhi, Mumbai, and Kolkata are modernizing their air and sea ports and will require companies with expertise in

designing, planning, and developing infrastructure. Officials introduced local and regional engineering, technology, and transportation-related companies doing business with the Port of Long Beach and Los Angeles to their Indian counterparts.

"That expertise exists in Los Angeles County, which is home to the Port of Long Beach and neighboring Port of Los Angeles, together making up the largest port complex in the Americas and fifth largest in the world," said Allen.

The success of this trade mission was a result of the planning mission conducted in September 2007 by Baugham, Allen, and Councilmember Lowenthal.

Since the trade mission, a scrap metal delegation visited with the WTCA L.A. - Long Beach to continue discussions about purchasing goods within the region. A Bollywood/IMPAA (Indian Motion Picture Producers' Association) delegation and a West Bengal mission are scheduled to visit the County in the coming months. ■

*The World Trade Center Association Los Angeles - Long Beach supports development of international trade and business opportunities for Southern California companies as the leading international trade association, trade service organization, and trade resource in Los Angeles County. It promotes the Los Angeles region as a destination for foreign investment. For more information, visit [www.wtca-lalb.org](http://www.wtca-lalb.org) or call (213) 680-1888.*

## JACK AND THE GOLDEN BEAR

Congratulations to LAEDC Senior Vice President and Chief Economist Jack Kyser who recently received the Golden Bear, the prestigious award given by the California Association for Local Economic Development (CALED).

Kyser was presented with the award during CALED's annual conference at the Disneyland Hotel in Anaheim on May 1 for his many contributions to economic development. This award is the highest of its kind in the state of California.



CALED is the statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED supports its members through information, technical assistance, training, education, and research.

*Left to right: Mrs. California Tracie Stafford, LAEDC Chief Economist Jack Kyser, California Business Transportation and Housing Secretary Dale Bonner, CALED Chair Bruce Ackerman, and CALED CEO Wayne Schell.*

# Update on Southern California Leadership Council

## SCLC makes progress on infrastructure, adds new focus on greenhouse gas and water

Led by the 2008-2009 co-chairs David Fleming, Chairman, Economic Alliance of San Fernando Valley; and Floyd Wicks, President and CEO, Golden State Water Company, the Southern California Leadership Council, in addition to its ongoing Goods Movement Initiative, is adding reliable water supplies and AB 32, the Global Warming Solutions Act, as critical issues for the region. In January 2008, the SCLC published its positions on sustainable water supplies and greenhouse gas issues based on the commissioned studies by the LAEDC Consulting practice, *Securing Reliable Water Supplies for Southern California* and *The AB 32 Challenge: Reducing California's Greenhouse Gas Emissions*.

One of the most immediate threats to Southern California's water supply, and indeed, the water supplies of the East Bay, Silicon Valley, the San Joaquin Valley and the Central Coast, is the worsening environmental condition of the Delta. This is the water source for half the nation's fruits and vegetables and a key supply for 23 million residents throughout the state.

There is no single solution but a diversified portfolio of strategies such as more aggressive conservation, development of alternative sources, and improved resource management is the best long-term approach. In the near term, however, there is a critical opportunity to improve the reliability of our water supplies by focusing on the sustainability of the Delta.

The SCLC supports the emerging consensus of the Delta Vision and Bay Delta Conservation Plan processes that call for a long-term comprehensive plan to restore the Delta ecosystem, in part by separating it from the water delivery system. The commitment to protecting and restoring the Delta ecosystem is in the interests of the entire state.

Southern California should also support state actions this year that address short-term needs and that set the stage for the historic

changes necessary in the Delta and for water management statewide.

Another main issue for Southern California is the challenge posed by AB 32. California is already a global leader in greenhouse gas (GHG) reduction due to more than 25 years of efforts. Now, under AB 32, California has voluntarily committed to roll back its GHG emissions to 1990 levels by the year 2020 using a "comprehensive market-based compliance program". This is a formidable undertaking considering population growth by 2020 is expected to add 6.4 million more people, a 48 percent increase since 1990, and goods movement activity resulting from nationwide import demand is expected to triple.

In April 2008, SCLC members along with the four former California governors and Cindy Tuck, Undersecretary of California Air Resources Board, engaged in a productive dialog on the AB 32 challenge.

While SCLC moves forward with these new initiatives, they also have made much progress with the trade corridor infrastructure issues.

In April, the California Transportation Commission (CTC) approved the Proposition 1B "Trade Corridor Improvement Fund" program, totaling \$3.1 billion. The CTC made a decision to "over program" in order to accommodate the demand from trade corridors in the state. This action by the CTC is a major milestone in the SCLC's efforts on goods movement.

The SCLC's early efforts to publicly encourage public-private partnerships as a part of the solution, has now become a key objective of California Governor Arnold Schwarzenegger. His approach to federal funding support is now reflected in his active participation in the "Building America's Future" partnership created by a number of the nation's governors.



Governor Pete Wilson, Undersecretary of California Air Resources Board (CalEPA) Cindy Tuck, California Attorney General Jerry Brown, SCLC Co-chair Floyd Wicks, and Governors George Deukmejian and Gray Davis at the April meeting on AB 32 challenge.

Direct and indirect contributions from major GHG sectors account for 49 percent of Gross State Product (39 percent in Southern California). California's GHG targets will impose costs on California residents and businesses and threaten job losses and reduced economic output if not pursued wisely. Definitive cost estimates depend on the form of California's GHG regulations and whether other states and countries also undertake aggressive GHG goals.

The SCLC believes market-based approaches rather than tax-based schemes will be more effective in achieving California's GHG goals, so long as market-based mechanisms eliminate "gaming" and enable the market, rather than government, to choose the most cost-effective strategies from a capital, resources, and bottom line perspective.

The SCLC has been an ardent voice to create Master Corridor approaches to streamline the environmental and CPUC utility relocation processes. John Barna, CTC Executive Director, has now proposed a Master Agreement process for southern California's grade crossing projects to align key agency project planning, with the railroads and relevant regulatory agencies and local utilities.

The remaining work on goods movement includes identifying and supporting worthy public private partnership projects (several are under consideration) in the region and a concerted effort to create new federal funding or financing mechanisms, including tax credits, advocated by a national trade corridor initiative, working with other key states like New York and New Jersey. ■

# Membership Update

## Welcome new board and executive committee members and new member companies

For membership information, please contact Gina Barro at [gina.barro@laedc.org](mailto:gina.barro@laedc.org) or (213) 236-4815.

### NEW MEMBER COMPANIES

#### **ECONOMIC LEADER**

- Toyota Motor Sales

#### **INDUSTRY LEADER**

- Majestic Realty Company
- O'Melveny & Myers
- Time Warner Cable
- University of Southern CA

#### **CORPORATE MEMBER**

- Bottega Louie
- CA State University, Long Beach
- L.A. Community College District
- L.A. Trade-Technical College
- Loyola Marymount University
- Northgate Gonzales Markets
- Pierce College
- Princess Cruises
- Reelz Channel
- The Rogers Group
- Sony Pictures

### NEW EXECUTIVE COMMITTEE MEMBERS

#### **Robert Brown**

Senior Vice President, California  
In-Store Regional Manager  
US Bank

#### **Carla Christofferson**

Partner  
O'Melveny & Myers

#### **Martha Harris**

Senior VP, University Relations  
University of Southern California

#### **Dwight Hotchkiss**

Senior Managing Director,  
Branch Manager  
Cushman & Wakefield

#### **Norair Jemjemian**

Chief Financial Officer  
Kaiser Permanente

#### **Kaylynn Kim**

L.A. Harbor Commissioner  
Port of Los Angeles

#### **Marlee Lauffer**

SVP, Marketing & Communications  
Newhall Land

#### **Deane Leavenworth**

Vice President, External Affairs,  
Metropolitan L.A. Division  
Time Warner Cable

#### **Craig Quinn**

Managing Director, Regional  
Group Sales  
Anthem Blue Cross

#### **Michael Rouse**

Corporate Manager, Philanthropy  
& Community Affairs  
Toyota Motor Sales, USA

#### **James Siegfried**

Partner  
Pricewaterhouse Coopers

### NEW BOARD OF GOVERNORS MEMBERS

#### **Robert Alaniz**

VP, Communications & Public Affairs  
The California Endowment

#### **F. King Alexander**

President  
CA State University, Long Beach

#### **Robert Barton**

Lawyer  
DLA Piper US LLP

#### **Alan Buckelew**

President and CEO  
Princess Cruises

#### **Kriss Casanova**

Management Analyst  
City of Culver City

#### **Roland Chapdelaine**

President  
L.A. Trade-Technical College

#### **Lillie Dobson**

Councilmember, 2nd District  
City of Compton

#### **Robert Garber**

President  
Pierce College

#### **Bruce Getzan**

Dean, Economic Development  
College of the Canyons

#### **Ray Hamada**

Director of Planning  
City of Irwindale

#### **Jeffrey Huffer**

Econ. Development Administrator,  
Dept. of ED & Special Projects  
City of West Hollywood

#### **Fran Inman**

Senior Vice President  
Majestic Realty Company

#### **Eric Kaufman**

Producer  
Lockton Insurance Brokers

#### **Philip Lanzafame**

Director of Development Services  
City of Glendale

#### **Robert Lawton**

President  
Loyola Marymount University

#### **Marvin Martinez**

Vice Chancellor  
L.A. Community College District

#### **Carl Middleton**

Senior Vice President  
Northgate Gonzales Markets

#### **Rod Perth**

Co-Founder, Senior Advisor  
Reelz Channel

#### **Joyce Reyes**

VP, Market Intelligence Research  
Arden Realty

#### **Ron Rogers**

CEO  
The Rogers Group

#### **Doug Sonderegger**

Executive Vice President  
Santa Clarita Valley Econ. Alliance

#### **Nicole Tilley**

Corporate Concierge  
Bottega Louie

#### **Keith Weaver**

SVP, Government Affairs  
Sony Pictures

### FEATURED NEW MEMBER

# TOYOTA

Toyota established U.S. operations in Southern California in 1957. Toyota Motor Sales, USA, Inc., headquartered in Torrance, is the marketing, sales, distribution, and customer service arm of Toyota, Lexus, and Scion. Southern California is also home to almost 100 Toyota and Lexus dealers, which receive sales and customer service support from the local field office, stationed in Orange County. Toyota Logistics Services, the distribution division of Toyota, is based in Torrance and also operates from the Port of Long Beach, a national distribution source of more than ten percent of Toyota vehicles sold in the U.S. Additionally, Toyota's first U.S. manufacturing plant, Toyota Auto Body Corporation, Inc., is located in Long Beach, producing components and assembling commercial trucks for Hino Motors, a subsidiary of Toyota.

Toyota Financial Services, the third largest automotive captive finance company in the U.S., with managed assets totaling more than \$79 billion, is also based in Southern California, providing auto financing, leasing and a wide range of financial services to Toyota and Lexus customers.

Toyota's total investment in California exceeds \$2,177.2 million and more than 11,384 California residents are directly employed by Toyota.

# LAEDC Board Meeting Reports

## A recap of important issues and developing projects

### JANUARY

LAEDC President and CEO Bill Allen, Los Angeles Area Chamber of Commerce President and CEO Gary Toebben, and Broadway Federal Bank Chairman and CEO Paul Hudson reported on the year-long effort of the Los Angeles Economy and Jobs Committee. The Committee was established by City of Los Angeles Mayor Antonio R. Villaraigosa and chaired by City National Bank Chairman Russell Goldsmith. One hundred recommendations were developed for the City of Los Angeles to implement in an effort to stimulate and facilitate job creation in the city. (The Business Leader covered this report in our last issue. You can access the Winter 2007-2008 issue on [www.LAEDC.org/newsroom](http://www.LAEDC.org/newsroom).)

Doug Henton, President and Founder of Collaborative Economics, shared the findings from Phase I of the LAEDC Cluster Analysis Study of the five Fastest Growing Industry Clusters in L.A. County. The clusters are Trade and Logistics; Technology Design and Production; Arts, Fashion and Entertainment; Business and Financial; and Health and Wellness.

Industry focus groups were conducted in April to identify critical requirements in the five clusters.

### FEBRUARY

The LAEDC 2008-2009 Economic Forecast was held in lieu of a February Board Meeting.

### MARCH

El Segundo Mayor Kelly McDowell and Lancaster Economic Development Director Vern Lawson, representing the winners of the LAEDC's Most Business-Friendly City awards, were on hand to discuss what made their cities business-friendly. Mayor McDowell highlighted El Segundo's favorable tax structure and superior city services and amenities, and "small town atmosphere" as a draw for talented workforce pool.

Lawson introduced "It's positively clear," the marketing campaign for Lancaster which refers to clear air, skies, and roads, highlighting the positive can do attitude of the city. He also emphasized the city's clear commitment to customer service, a civic climate conducive to business, attention to developing tomorrow's workers, small business and merchant support, innovative approaches to helping business and open communications with all stakeholders.

Bob Ciesla, C-17 Follow-on Program Manager, Boeing, and Robert Swayze, Economic Development Bureau Manager, City of Long Beach, gave a status update on the Boeing C-17 program. The C-17 program remains the single largest business retention effort in California. The original contract for 190 aircraft is almost complete with 171 aircraft delivered to domestic and international bases. Funding is needed for the FY08 Global War on Terror Supplemental or the C-17 line will close in 2009. Ciesla and Swayze encouraged LAEDC members to send letters of support to Senators, the California state Governor, and Congressional Representatives.

### APRIL

A panel of experts discussed what it actually means for buildings to go "green" in L.A. Lance Williams, Ph.D., Executive Director of the U.S. Green Building Council-Los Angeles Chapter and LEED (Leadership in Energy and Environmental Design) Accredited Professional, cited that the goal of green building is to save energy, conserve water, protect natural resources, and maintain longer lasting and safer buildings by minimizing the negative environmental and human health impacts that might be caused by construction, maintenance, and the operation of the building. With the "green revolution" comes job creation. Bharat Patel, Senior Vice President and Director of Sustainability, HOK, pointed out that future jobs rely on innovation that addresses the energy crisis and the desire to be green.

LEED established a green building rating system which encourages and accelerates global adoption of sustainable green building. Sanford Smith, Corporate Manager, Real Estate and Facilities, pointed out that Toyota's South Campus 624,000 sq.-ft. property has been awarded a LEED Gold certificate. L.A. County is also working to retrofit their buildings 10,000 sq. ft. or greater will be LEED certified with a Silver classification as reported by Paul McCarthy, Supervising Regional Planner for L.A. County and Member of the County Energy Task Force. Additionally, the County supports private sectors in promoting green concept such as Newhall Ranch water recycling project and energy-saving homes and drought-tolerant landscaping. ■



LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION'S

# Summer Mixer on the Set

Mix and mingle with fellow LAEDC members over light hors d'oeuvres and refreshments while going behind the scenes of Sony Studios with a guided tour of the Main Street lot.

**Tuesday, August 12, 2008 • 5:30 - 7:30 p.m.**  
**Sony Pictures Studios • Main Street Lot**

This event is open to LAEDC members and special guests only. Space is limited.  
RSVP by August 8 • Celeste Lopez (213) 236-4825 • [celeste.lopez@laedc.org](mailto:celeste.lopez@laedc.org)

## BUSINESS LEADER

is published 3 times a year by the LAEDC Corporate Communications & Marketing Department

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*As the Southern California region's premier business leadership organization, the LAEDC's mission is to attract, retain, and grow businesses and jobs in the regions of L.A. County.*