



San Fernando Valley - Santa Clarita Valley

INTERSTATE-5 CORRIDOR Economic Development Plan—2010

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EXECUTIVE SUMMARY

Bookended by Glendale/Burbank on one side and Santa Clarita on the other, the 30-mile segment of Interstate 5 that is the spine of the “Interstate 5 Corridor” in Los Angeles County represents a true opportunity region. It is richly diverse by nearly any demographic or economic measure—population, occupations, housing, industries, occupations, etc. It is surrounded by some of the nation’s finest educational institutions and has an amazingly diverse mix of businesses and workforce. This richness, coupled with the availability of buildable land in the heart of the nation’s second-largest metropolis, provides an ideal breeding ground for economic development and innovation. The first purpose of this plan is to provide a roadmap for transforming these rich opportunities into realities.

The formation of the San Fernando Valley Council of Governments (SFVCOG) is the bold first step in that direction. Its chartering documents include responsibilities that can be grouped into four general roles: (1) creating collaboration between the localities in areas of mutual interest, (2) serving as a clearinghouse for information, (3) advocating for the region’s interests, and (4) coordinating regional responses and efforts to advance economic and community development.

Similarly, this Economic Development Plan identifies four parallel roles for the SFVCOG in the area of economic development:

- 1. Foster collaboration and cooperation between the constituent jurisdictions and agencies within the corridor;**
- 2. Leverage and build on the region's economic strengths;**
- 3. Lead key region-wide initiatives that will create economic opportunity within the I-5 Corridor; and**
- 4. Build a responsive, regional economic development and planning infrastructure to increase responsiveness and promote opportunity.**

This economic development plan is offered as a prototype for the types of cooperation and economic development opportunities possible for the SFVCOG and should be seen as a starting point for those efforts. The Plan is also by no means limiting in that the successes encountered thus far in launching the SFVCOG serve as an excellent springboard for moving economic development in the region ahead, and the initiatives discussed in

this document will likely positively affect communities, not only throughout the SFVCOG area, but also in other surrounding cities and communities. Future success will also be dependent the SFVCOG building strong working relationships with the many civic and industry organizations that currently serve the region.

GOAL I. FOSTERING COLLABORATION AND COOPERATION

The SFVCOG's role in economic development is intended to serve a collaborative and complementary role to the already rich and diverse set of economic development initiatives under way in the local cities and the county and the various departments and agencies within each. There are four dimensions of this collaboration identified in this plan:

- 1. Inter- and intra-governmental collaboration.** Beyond its formal governance structure, the SFVCOG should convene a council of the local economic development leadership within its constituent government entities.
- 2. Sectoral and industry-based collaboration.** The SFVCOG should convene industry-specific public and private taskforces that will allow public, private and nonprofit participants to collaborate in preserving and growing local jobs.
- 3. Regional information-sharing.** The SFVCOG should become a regional clearinghouse for information-sharing within the Corridor. This information sharing will include business opportunities, real estate resources, capital and grant sharing, tax incentive collaboration, and other best practices.
- 4. Education and workforce development collaboration.** The SFVCOG will provide regional leadership in cross-jurisdictional, cross-agency initiatives targeted at meeting the workforce needs of industry by creating alliances among the region's many educational providers.

Specific initiatives within this goal include not only the formation of official intergovernmental, interagency and cross-sectoral groups, but also features the hosting of community events and dialogues. The SFVCOG will also be seen as the voice for these collaborative efforts to prospective employers, current business, the federal government and the region. The SFVCOG will also take the lead in developing new data and information sharing systems, including the compilation of available relevant real estate sites in the

Corridor for the Los Angeles Economic Development Corporation's countywide initiative.

GOAL II. LEVERAGING THE REGION'S ECONOMIC STRENGTHS

One of the main characteristics of an effective Economic Development Plan is that it builds on the many strengths of the region. Significant prior work (including the Mulholland Institute's *Interstate-5 Community and Economic Development Strategy* and the LAEDC's *Industry Cluster Reports*) have identified many of the region's core strengths. This plan calls for emphasis on four of these sectors as the first steps in the SFVCOG's economic development leadership in the Corridor:

- 1. Entertainment;**
- 2. Aerospace and defense manufacturing;**
- 3. Medical devices and biotechnology; and**
- 4. Sustainable and green technology.**

Each of these industries represents both a key area of current strength and opportunity for providing new, export-oriented jobs for the Corridor. All have key employers in the Corridor and each sector has already developed private and nonprofit leaders who are anxious to work closely with the SFVCOG to advance opportunity within the Corridor.

Specific initiatives within this goal include, among others, not only the development of task forces that combine public, private and nonprofit actors, but also leadership in the area of collaborative incentives across jurisdictions, developing capital centers, providing support in the commercialization of new technologies and unified strategies for lobbying Congress and federal agencies.

GOAL III. DEVELOPING AND LEADING KEY REGIONAL INITIATIVES

Beyond collaborative frameworks industry-targeted initiatives, the SFVCOG can serve a critical role in developing regional initiatives that can enhance not only the productivity of current resources, but become magnets for future development. These initiatives represent longer-term goals that will allow the region to remain a center of opportunity well into the 21st Century and include:

- 1. Develop strategy for transportation improvements within the Interstate 5 Corridor. The SFVCOG must take a leadership role in**

improving goods and people flows on Interstate 5, the surrounding streets and throughout the region.

- 2. Develop new data infrastructure to expedite commercial and technological development.** Because many key industries in the corridor rely heavily on data and information flows to succeed, the SFVCOG should develop a plan for meeting both their core (high-speed backbones) and distributed (wide area and wireless networks) data infrastructure needs.
- 3. Facilitate the development of the inland port and “free trade zone” initiatives.** The region’s unique location is ideal for the establishment of these two proposals that will provide a significant economic opportunity.
- 4. Create a fertile “economic garden” in which new businesses and concepts will thrive.** Already successful initiatives such as technology incubators, capital attraction centers, etc. should be established under the leadership of the SFVCOG to encourage the success of these initiatives

Specific actions within this goal include both the commissioning of studies and creating a dialogue that will allow for community input and agreement between diverse constituencies around these important initiatives. The SFVCOG will provide an important, unified voice for advancing these critical initiatives.

GOAL IV. CREATE REGIONAL ECONOMIC DEVELOPMENT INFRASTRUCTURE

Underlying the Corridor’s economic success is a patchwork of independent, local planning and regulatory frameworks. The SFVCOG must lead the effort to streamline this patchwork into a responsive and effective regional planning and economic development framework. Objectives include:

- 1. Creating expedited planning and permit approval processes;**
- 2. Preserving and maintaining job-generating land; and**
- 3. Developing new funding and resource streams to fund development initiatives within the Corridor.**

Proposals within this goal include the formation of “tiger teams” and one-stop permit shops and the creation of regional planning and regulatory initiatives. Perhaps the most important role for the SFVCOG in this area

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relates to its ability to pursue and obtain funding from public and private sources to foster economic development within the Corridor.

The actions of the San Fernando Valley Council of Governments over the next several years can and will have a profound impact on the lives of those in Interstate-5 Corridor. It is envisioned that the first two goals (forming collaborative groups and industry taskforces) are the most immediate and can proceed immediately, while the major infrastructure and regulatory reform processes of the third and fourth goals will require more time and study to accomplish. Through the effective leadership of the SFVCOG in pursuit of these goals, the quality of life will be enhanced not only for those living and working in the Corridor, but also for the Greater Los Angeles region as well.

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INTRODUCTION

The I5CEDS report called this the land of opportunity.

THE I-5 CORRIDOR — THE LAND OF OPPORTUNITY

This project’s geographical focus is a 30-mile segment along the Interstate 5 freeway which extends from California Route 126 to the north, east across Santa Clarita Valley, southeast through the east San Fernando Valley and southeast into Burbank and Glendale down to the northern edge of downtown Los Angeles. Figure 1 provides a map of the I-5 Corridor. These boundaries correspond to those used in the *Interstate-5 Corridor: Economic and Community Development Strategy*.

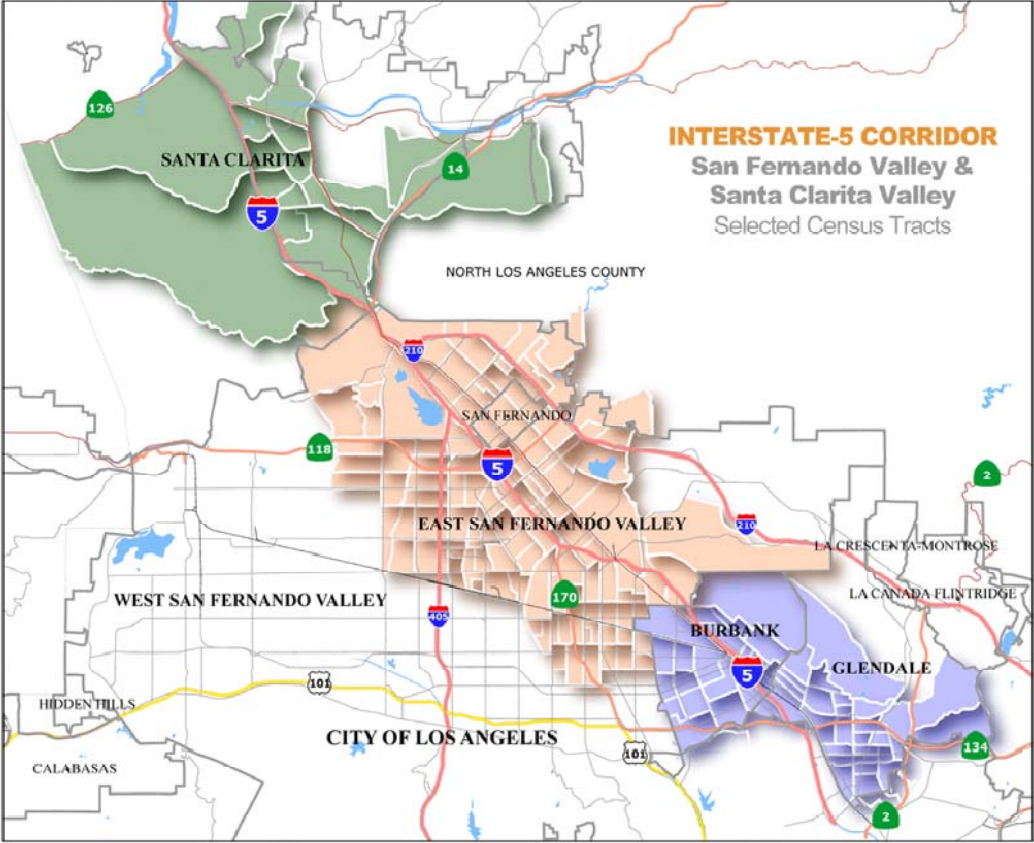


Figure 1. The Interstate-5 Corridor, Map of Census Tracts in Three Subareas¹

MOVING THE I-5 CORRIDOR FORWARD: A PLAN FOR THE FUTURE

Approval of the SFVCOG represents an important step forward for the residents and businesses of this region and presents a bold opportunity to allow the communities, cities and entities that populate the San Fernando Valley to formally form partnerships that will bolster the quality of life and community throughout the region. On May 26th, 2010, the Los Angeles County Board of Supervisors voted to approve the formation of the San Fernando Valley Council of Governments (SFVCOG)—thereby creating a joint powers authority chartered with giving a voice and a platform for action to one of the county's most vibrant and important regions.

One of the first key agenda items for the newly established SFVCOG is to adopt a new economic development strategy of the I-5 Corridor. The purpose of this document is to lay out an initial framework for economic development in the I-5 Corridor under the auspices of the SFVCOG.

THE TENSION BETWEEN REGIONAL COLLABORATION AND COMPETITION

Because of the inclusion of numerous municipal jurisdictions within the I-5 Corridor, there is an inherent tension between cooperation and competition between the communities involved. The Cities of Burbank, Glendale, Santa Clarita, and Los Angeles, as well as the County of Los Angeles all have active and focused community economic development strategies. Especially in periods of constrained economic activity, these jurisdictions are actively competing to attract, retain, or develop new business opportunities.

At the same time, this competition benefits all of the communities in the corridor. If a new or existing firm decides to expand jobs in one of the cities in the corridor, the region is so interconnected that a significant share of the new jobs may well be staffed by residents of an adjoining city. Consequently, there is a benefit to all of the communities in the corridor when other cities are successful in attracting new opportunities.

When the rich diversity of the communities and the differences in their residential labor forces, economic bases, locations, educational opportunities, housing mixes and infrastructure are considered, there is considerable benefit to marketing the region as a joint entity in addition to the individual attribute that each community may have. The purpose of this strategy is not to replace the local economic development initiatives in the jurisdictions that compose the I-5 Corridor but rather to complement it with a new set of tools and resources that can further enhance the effectiveness of both local and joint initiatives.

GOALS OF THIS ECONOMIC DEVELOPMENT PLAN

The primary goal of this economic development strategy is to enhance the quality of life for residents and workers in the I-5 corridor by maximizing the economic opportunities and quality of life of people within the region. The Los Angeles Economic Development Corporation completed its *Los Angeles County Strategic Plan for Economic Development 2010-2014* in early 2010. In that document, the LAEDC proposes five goals that set an important context for this economic development plan:

1. Prepare an educated workforce;
2. Create a business-friendly environment;
3. Enhance our quality of life;
4. Implement smart land use; and
5. Build 21st Century infrastructure.

In the context of these general objectives, this economic development plan adds four additional goals to this initiative:

- 1. Foster collaboration and cooperation between the constituent jurisdictions and agencies within the corridor;**
- 2. Leverage and build on the region's economic strengths;**
- 3. Identify and lead regional initiatives that will create economic opportunity within the I-5 Corridor; and**
- 4. Build regional economic development and planning infrastructure to increase responsiveness and promote opportunity.**

In this plan, the details of the region's plan to accomplish each of these goals will be discussed and evaluated. In each instance, the objectives and best practices associated with each goal are discussed and appropriate action items are identified.

GOAL I. FOSTERING COLLABORATION AND COOPERATION

The SFVCOG's role in economic development is intended to serve a collaborative and complementary role to the already rich and diverse set of economic development initiatives under way in the local cities and county and the various departments and agencies within each. As such, creating a framework for collaboration is one of its primary and most important functions. Numerous public and private organizations and actors are key players within the I-5 Corridor and the first priority of this Plan is build

bridges and social capital so that these actors can work together more effectively to achieve their common goals.

Objective 1.1. Fostering Communication Across Governments

The I-5 Corridor shares a common employment base, drives the same roads, shops at the same retail centers, lives in the region's diverse housing, and employs the same regional workforce, but it is governed by six separate jurisdictions. Each of these jurisdictions works diligently to distinguish itself as a unique employment and living destination. The role of the SFVCOG and this Plan is to identify areas where the jurisdictions have mutual interests and can work together, along with their respective private party interests to facilitate actions in their mutual benefit.

Action Item 1.1a. Establish a committee of appropriate public sector community development representatives.

The first step in this process is to institute a collaborative meeting between the appropriate community development directors within the six jurisdictions (the Cities of Burbank, Glendale, Los Angeles, Santa Clarita and San Fernando, and the County of Los Angeles). Such a formal mechanism, when active and meeting routinely, will allow for the local governments to not only share information and collaborate on planning for economic initiatives, such as those discussed in Goals II and III below, but to also collaborate on the development of regional initiatives such as workforce development, data sharing, etc. The very process of developing this plan has initiated these important dialogues and they need to be formally organized and established under the auspices of the SFVCOG.

Action Item 1.1b. Establish and periodically convene appropriate committees of public sector representatives that relate to specific aspects of the economic development process including transportation, public works, infrastructure, and planning.

Beyond the assemblage of community development departments, the SFVCOG will serve as a strong nexus for political dialogue and cooperation within the constituent jurisdictions. While this will happen formally, it is also essential that the SFVCOG develop functionally-driven collaborations not only between the specific cities and the county, but also with agencies within those communities and within the region. These working groups should be built around specific purposes as needed, but should be inclusive not only of political representatives, but also functional departments such as public works, transportation and planning.

Objective 1.2. Build Cross-sectoral, Cross-jurisdictional and Inter-agency Focused on Specific Sectors and Initiatives

One of the most powerful aspects of the efforts to develop this proposal was a clear consensus between public officials, industry associations and local business people about the need for greater and more effective joint efforts to foster and promotes the interests and needs of local businesses. The public-private relationship within this region should be significantly enhanced by the formation of the SFVCOG and it is incumbent on the SFVCOG to continue these relationships as one of its highest priorities.

Examples of industries that are already pursuing joint, regional deliberations include aerospace manufacturing, entertainment, and logistics and warehousing. As part of this economic development plan, the SFVCOG should specifically and systematically identify key industry clusters (See Goal II below) which it is advancing and create specific "strike teams" for those sectors that will engage public, private and nonprofit actors in the development and pursuit of businesses within each of those sectors.

Action Item 1.2a. Develop "strike teams" within each of the priority industry cluster.

Each of these "strike teams," as is the role of fire suppression strike teams, is to engage the obstacles and challenges faced by their respective industries. They will be staffed by representatives from the community, officials from interested jurisdictions, leaders from business, and officials from appropriate industry associations who will assist in developing local and regional initiatives target at specific industries.

Objective 1.3. Develop Regional Data-sharing Infrastructure and Collaboration

Another critical role for the SFVCOG in the Economic Development of the I-5 Corridor is the development of a repository of data and resources relating to the region and its economic development. This resource function represents a "one-stop shop" for not only prospective new employers and developers within the region, but also a resource for local officials to understand what is available in adjoining jurisdictions within the corridor as they pursue individual initiatives to achieve economic growth.

The Mulholland Institute's *Interstate-5 Community and Economic Development Strategy (ISCEDs)*, this Plan and the accompanying *Interstate 5 Corridor Economic Development Plan: Threshold Assessment (ISTA)*

report represent the first step in developing these materials to serve as resources for regional collaboration along the I-5 Corridor. But much more needs to be shared within the corridor by its constituent jurisdictions.

Action Item 1.3a. Compile a list of resources that can be shared between the jurisdictions.

Some of the candidates for inclusion of this resource base would be information from the individual city and county websites relevant to the I-5 Corridor; materials from the Mulholland Institute, the Valley Industry and Commerce Association and the Economic Alliance of the San Fernando Valley; and materials from the numerous governmental agencies whose work and jurisdictions touch on this corridor--including SCAG, the MTA, LAEDC, the SCAQMD and CalTrans.

Action Item 1.3b. Develop a website with these resources for both internal and external access.

The website would reflect the both regional resources available to prospective employers and developers as well as the local resources available within each of the constituent jurisdictions. This can be one of the easiest and yet most valuable items to complete.

Action Item 1.3c. Advocate the Identification of Sub-regions Within the County's "Jobs-creating Land " database initiative.

One of the expressed priorities of the LAEDC's *Strategic Plan for Economic Development 2010-2014* is the development of a database as a resource to facilitate the retention and expansion of local companies. As it is developed, the SFVCOG should work with the county to ensure the database contains adequate local, regional identifiers and tools that it can be used to assist economic development in the I-5 Corridor area. The SFVCOG should assume a leadership role in ensuring that the I-5 Corridor's data is made available as part of this initiative.

Objective 1.4. Establish Dialogue for Collaboration Between Regional Workforce Development Initiatives, Secondary Education and Postsecondary Education Institutions

The SFVCOG should host a collaborative dialogue between the I-5 Corridor's community colleges, adult education programs and universities to assist in the identification and development of new workforce-oriented educational objectives that can locally support needs and demands for

specially-skilled labor within the local labor market. The College of the Canyons, Glendale Community College, Los Angeles City College, Pasadena City College, Woodbury University, the University of La Verne, California State University, Northridge, among others, are all located immediately within the I-5 Corridor and all serve as major workforce education resources. Additionally, local adult schools and ROPs should be engaged. As discussed in Objective 1.2, the efforts of the public sector should be in partnership with the efforts of the private and nonprofit sectors. These collaborations should build upon the successes already seen in the San Fernando Worksource Collaborative and the Educated Workforce Initiative.

Action Item 1.4a. Convene workforce development educational collaboration committee.

GOAL II. LEVERAGING THE REGION'S ECONOMIC AND DEMOGRAPHIC STRENGTHS

One of the main characteristics of an effective Economic Development Plan is that it builds on the many strengths of the region. These strengths can range from unique natural resources to specialized workforces to existent, strong industry clusters to location and even climate. In the development of this plan, the work built extensively on the Mulholland Institute's *Interstate-5 Community and Economic Development Strategy* (2006), the LAEDC's *Industry Cluster Reports* (2008), as well as the research included in this report. These materials, combined with feedback from individual stakeholder interviews and the extensive dialogues at the two community stakeholder roundtables conducted as part of this project, led to the identification of four priority industry clusters for emphasis in the initial phases of the implementation of this economic plan.

The approach envisioned in this plan builds on the economic development best practice strategy of prioritizing industry clusters in economic development initiatives. It is important to note that four industries were selected to reflect either core areas of economic emphasis or areas of extraordinary opportunity or both: the aerospace and defense industry, the entertainment industry, the international trade and logistics industry and the health services and biomedical industry. In each instance, the economic development needs and issues differ significantly and differing "best practices" solutions are prescribed.

Even though these industries have been selected for initial emphasis, their identification here should not preclude the SFVCOG from expanding this list or from refocusing its priorities if regional circumstances or opportunities so indicate.

Objective 2.1. Develop growth and retention initiatives that support the entertainment industry.

The I-5 Corridor is home to the leading entertainment companies and their sub-contractors and creative talent. The elected officials, the community and the entertainment management and workers have a sense of ownership that is cultural and literal. The California Film Commission and the Santa Clarita Film Commission and FilmLA have demonstrated that production incentives do increase production in the I-5 Corridor. Examples include the Disney Ranch in Santa Clarita and un-incorporated LA County and the I-5 NBC evaluation plan. Recent television production examples include that regionally produced production for one hour of television resulted in \$20 million dollars of local business.

If the corridor was able to attract \$100 million in additional industry sales, it would result in an increase of 801 jobs and more than \$174 million in additional economic activity, as shown in Figure 2.

| Impact Type | Employment | Labor Income | Total Value Added | Output |
|---------------------|-------------------|---------------------|--------------------------|--------------------|
| Direct Effect | 364.2 | 35,882,988 | 55,636,736 | 100,000,000 |
| Indirect Effect | 210.4 | 15,287,498 | 23,280,320 | 41,290,384 |
| Induced Effect | 226.8 | 10,943,943 | 19,688,000 | 32,763,420 |
| Total Effect | 801.4 | 62,114,428 | 98,605,056 | 174,053,808 |

Figure 2. Annual Economic Impact of Increase of \$100 million In Entertainment Industry Sales.²

Action Item 2.1a. Develop an industry-focused task force for the entertainment area.

The I-5 Corridor is the Creative Capital of the entertainment industry. Jurisdiction representatives need to work with the people developing the future of entertainment is technology. A comprehensive government, community and industry strategy that fosters the creative corridor focused on the arts and creativity. The I-5 Corridor has the comparative advantage over other regions that include a significant number of the creative class live and work in the corridor.

Action Item 2.1b. The immediate recommendation is for the San Fernando Valley region to create sub-regional multijurisdictional incentives for existing and future entertainment production.

FilmLA, working with California Film Commission can provide the leadership and expertise to formulate the mission statement and competitive plan to compete with New Mexico, Fairfield, Connecticut, Michigan and the other states competing for the entertainment business.

Specific tactics include:

- Film tax credits;
- Increased film grants and investment;
- Expansion of "Unified Regional Film Programs: as part of the economic development plans; and
- Creation of local area film offices such as Santa Clarita.

The California Film commission found that for every \$1 in taxes and gets \$1.27 in new tax dollars plus financing the entertainment business economic engine of jobs, spending in the regional economy.

Action Item 2.1c. Pursue upgrades and public/private partnership support for sustainability upgrades to existing facilities.

Studios have partnered with government to get infrastructure improvements for more efficiency and future growth. There is a need not only for expanded availability of facilities within the region, but the retro-fitting and upgrading of existing facilities to allow the region to better meet the sustainability goals imposed by AB 32 and SB 375.

Objective 2.2. Develop growth and retention initiatives that support the aerospace and defense manufacturing cluster.

Los Angeles County is still one of the largest manufacturing regions in the United States. Leading this critical business activity is the aerospace and defense sector. This cluster remains strong base in the I-5 Corridor and remains a priority area for economic development. While the civilian aviation industry is experiencing difficulties, military applications, especially in the area of unmanned air vehicles remains extremely strong.

The importance of the sector can be seen in Figure 3 as the total output for the region rises by more than \$185 million if an increase of \$100 million in industry sales is achieved. It would also result in nearly 500 new jobs within the region.

| Impact Type | Employment | Labor Income | Total Value Added | Output |
|---------------------|-------------------|---------------------|--------------------------|--------------------|
| Direct Effect | 85.5 | 14,646,799 | 22,799,808 | 100,000,000 |
| Indirect Effect | 232.5 | 19,376,070 | 26,669,120 | 63,661,928 |
| Induced Effect | 150.7 | 7,271,915 | 13,081,472 | 21,769,604 |
| Total Effect | 468.6 | 41,294,784 | 62,550,400 | 185,431,536 |

Figure 3. Annual Economic Impact of Increase of \$100 million In Aircraft Manufacturing Industry Sales.³

Action Item 2.2a. Develop an industry-focused task force for the aerospace and manufacturing area.

Collaboration in this area of economic opportunity has remained difficult over time. Yet collaborative efforts are precisely what is needed to (1) identify and develop expansion opportunities for existing firms and (2) to develop the base to leverage the political capital necessary to ensure that future defense and manufacturing contracts continue to benefit manufactures in this I-5 Corridor.

Action Item 2.2b. Develop workforce training and enhancement initiatives in conjunction with local community colleges and vocational programs.

Aerospace and defense manufacturing processes in an increasingly technological age necessitate the on-going upgrade of worker skills. The SFVCOG should develop collaborative educational initiatives between government officials, private industry representatives and local educational institutions to ensure that the sector's workforce has access to a workforce adequate to it and the region's needs. One key to maintaining and growing our regional manufactures to be competitive with other regions in the state, country and world in advanced manufacturing is the education, retention, continuous training and attraction of employees. Aerospace and Defense manufacturers need an efficient education system to prepare their future employees and train their current people to manufacture the technologies coming from their research and their competitive development to meet market demands for their current and future products and services.

Action Item 2.2c. Improve communication among local government elected officials, their staff and businesses to understand business strategic and operational plans. Expand community involvement and understanding of the industry's role in the community.

Aerospace and defense manufacturing not only provide high-wage opportunity for a range of workers, but they also provide stability to the local

economy as their business cycles and contracts are typically multi-year projects. It is essential, for this sector to thrive, that local elected officials and members of the community support the sector's efforts to secure new projects in the future. The task force model allows the industry to establish better relations with both elected officials and members of the local community. This can subsequently result in a broader, more unified voice in Washington, DC as these contracts are awarded. This can also facilitate upgrades and expansions in local communities as the increased collaboration with local officials and the members of local communities enhances understanding of the value of investment in sector.

Action Item 2.2d. Preservation of regional industrial-zoned real estate.

One of the key strengths of the I-5 Corridor, as discussed in both the I5CEDS and the ICTA is the relative available of industrial real estate resources within the I-5 Corridor. Efforts must be taken by the Aerospace and Defense Manufacturing Task Force to ensure that these zoning designations remain and that they remain strong.

Action Item 2.2e. Identify opportunities to create tax incentives for local expansion of existing operations.

The SFVCOG Aerospace and Defense Manufacturing Task force can work with local, state and federal officials to identify both external and internal sources of funding that can be used to incentivize sustainable upgrades and expansion of existing manufacturing operations.

Objective 2.3. Develop growth and retention initiatives that support the medical devices and biomedical industries.

Biotechnology and medical devices represent two strong aspects of the San Fernando Valley's export economy. From the Amgen at the western end to Warner Center's towering health insurance offices to California Institute of Technology at the eastern end, the region is rife with medical innovation and resources. The future of biotechnology industry in the San Fernando Valley Region (and the I-5 Corridor) depends on the commitment of the government, education and community leaders to understand and act on coordinated effort to address the barriers and opportunities for:

- Start up and commercialization of biotechnologies
- Growth of regional biotechnology companies
- Maturation and transition of biotechnology companies
- Attraction of biotechnology companies to our region

Retention of biotechnology companies in our region.

The health of San Fernando Valley region's biotechnology companies is being undermined by the lack of government help foster solutions to the unique top priorities of the biotechnology industry.

Our region is one of the richest global centers for Biotechnology research and development. UCLA, the California Institute of Technology and California State University Northridge produce innovative biotechnology research in the fields of medicine, agriculture, and alternative fuels among others.

Academic and businesses compete and secure \$3 billion of the total research biotechnology in research dollars each year. There is tremendous potential for the commercialization of these academic resources as some 200 to 300 new biotechnology patents each year from southern California biotechnology research and development and businesses but are not commercialized in this region.

In assessing the potential economic impact of the biomedical sector on the local economy, an increase in \$100 million in industry sales would result in an increase of \$177.5 million in total economic output in the corridor and an increase of 730 jobs, as shown in Figure 4.

| Impact Type | Employment | Labor Income | Total Value Added | Output |
|---------------------|-------------------|---------------------|--------------------------|--------------------|
| Direct Effect | 288.4 | 33,485,596 | 43,707,136 | 100,000,000 |
| Indirect Effect | 219.5 | 15,765,106 | 24,271,808 | 45,377,900 |
| Induced Effect | 222.7 | 10,721,973 | 19,309,056 | 32,122,644 |
| Total Effect | 730.6 | 59,972,676 | 87,288,064 | 177,500,544 |

Figure 4. Annual Economic Impact of Increase of \$100 million In Biomedical and Surgical Equipment Industry Sales.⁴

Action Item 2.3a. Develop an industry-focused task force for the health services and biomedical area.

The SFVCOG should develop a task force committed to this important economic development opportunity. This task force could establish a unified strategy to attract federal state grants and private capital to increase the funds invested in regional biotechnology research and development and companies.

Action Item 2.3b. Develop public/private partnerships to enhance the availability of capital available for commercialization of biomedical research in the region.

The biotechnology academic and business organizations attract and graduate but do not retain many of the biotechnology leaders in southern California. According to industry experts, the growth of biotechnology in our region depends on our coordinated effort to solve the biggest problem to biotechnology growth: access to capital.

The San Fernando Valley region lacks a unified public, private and community commitment to compete for the capital, grants and contracts. The region's biggest competitors are in Silicon Valley and San Diego County. The Silicon Valley Leadership Group is an alliance of business, government, academic and community leaders that is committed to securing the conditions for their region to dominate in the research and development of technologies, commercialization of technologies and foster of businesses to lead industries with profitable companies. As a result, the Silicon Valley attracted the lion's share of private capital in biotechnology in 2009 (60-65 percent), while Los Angeles County biotechnology companies only received 10 percent.¹

Action Item 2.3c. Explore ways in which local pension funds and pools can be used to stimulate biotechnology investments in the region.

A source of potential funding for southern California biotechnology and indeed all companies are the State, county and city pension funds. Each year \$300 to \$500 million is invested in biotechnology. In many locations outside the SFVCOG region, biotechnology researchers, academic institutions, business leaders, the elected officials and their staff work together (for example in San Diego and Silicon Valley). They have progressive thinking to identify the research, the capital, business expertise and political clout to compete and implement winning strategies.

Action Item 2.3d. Collaborate between industry, government and local higher education institutions to retain best and brightest graduates.

The neighboring California Institute of Technology is one of the leading producers of the best-trained people who go other places to commercialize

¹ Dr. Manish Singh, President & CEO of ImmunoCellular Therapeutics at Roundtable 2, April 14, 2010, Burbank, California.

their research. Our academic institutions and mentoring programs create the best post doctoral students.

Objective 2.4. Develop growth and retention initiatives that support the sustainable and green technology industries.

As the State of California's bold initiatives in passing AB 32 and SB 375 demonstrate, the state and the region are ahead of the nation in the serious development of sustainable and environmentally-friendly innovation and development. The SFVCOG should take a leadership role in not only expediting the deployment of these technologies and innovations across the region, but also in building a foundation for exporting these across the nation and around the world as they "catch up" to California in this important area.

If the region were to add the equivalent of \$100 million in sales in the sustainable and green technology industries, it would increase Corridor employment by some 710 jobs and overall regional output by \$169 million, as shown in Figure 5.

| Impact Type | Employment | Labor Income | Total Value Added | Output |
|---------------------|-------------------|---------------------|--------------------------|--------------------|
| Direct Effect | 301.4 | 30,627,002 | 43,979,392 | 100,000,000 |
| Indirect Effect | 209.5 | 14,594,119 | 21,704,768 | 40,632,948 |
| Induced Effect | 199.6 | 9,635,931 | 17,331,008 | 28,843,008 |
| Total Effect | 710.4 | 54,857,052 | 83,015,168 | 169,475,952 |

Figure 5. Annual Economic Impact of Increase of \$100 million In Sustainable and Green Manufacturing (Other Electronic Equipment) Industry Sales.⁵

Action Item 2.4a. Develop an industry-focused task force for the sustainable and green technology area.

Building on the regions significant intellectual capital and the widespread re-tooling associated with the state's recent leadership in reducing our economic carbon footprint, the I-5 Corridor is well-located to serve as a light manufacturing and technology hub for this important area of economic growth. The SFVCOG should provide leadership in not only facilitating the dispersion of this technology across the region but in also helping to develop industrial projects that will allow I-5 Corridor firms to be a global source for these innovations.

Action Item 2.4b. Collaborate to develop demonstration sites for new technology deployment in the green and sustainable sector.

Both on the manufacturing side and the regulatory side, the SFVCOG should serve as a clearinghouse and enabler for firms to build demonstration sites for

the new technologies in this important sector. New manufacturing facilities in the region cannot only be producers of these products, but also serve as examples of the best practices in the field. These new facilities will not only be “greener” but also more efficient as innovations are incorporated. As building codes in the region are brought into compliance on carbon emissions, the region can also provide public examples of successful innovation schemes.

Action Item 2.4c. Develop a technology incubator to innovation and new applications.

This sector is very young in its life cycle and best practice innovation here centers on not only developing these technologies, but also in their commercialization. The incubator model is very effective in addressing this aspect of the development life cycle. The SFVCOG can lead the region in the creation of workforce-industry partnerships for the development and implementation of new and current best practices in manufacturing, installation and innovation.

GOAL III. DEVELOPING AND LEADING KEY REGIONAL INITIATIVES

Beyond the collaborative frameworks of Goal I and the Industry-cluster Targets of Goal II, there are specific elements of regional infrastructure that it makes sense to pursue in the I-5 Corridor region and for which the SFVCOG and its economic development plan would serve as a solid foundation for launching the initiative. These objectives represent core, global objectives whose benefits would transcend the boundaries of any one industry or cluster of businesses.

Objective 3.1. Explore Options for Transportation Improvement Along the I-5 Corridor

The issues of traffic congestion adversely impact the economic development of the I-5 Corridor. While the Corridor's location at the northeast corner of the San Fernando Valley is one of its strengths, access to other parts of the region is generally high, and its centrality also results in periods of high congestion. These rush-hour bottlenecks can undermine the region's attractiveness for economic development, investment, and expansion. The SFVCOG should undertake actions to reduce this level of congestion.

Action Item 3.1a. Commission study to identify ways of improving the jobs-housing mix within the region.

One driver of the cross-flow of traffic through the region is the extent to which employees live in different areas than they work. One of the strengths of the I-5 Corridor as a potential development area is (1) the availability of developable industrial and commercial land and (2) the nearby availability of both workforce and executive housing. A review of the zoning and surface street configurations, in conjunction with Action Items 3.1b and 3.1c could serve not only to enhance the quality of life for those employed and residing in the region, but significantly alleviate the volume of traffic on Interstate 5.

Action Item 3.1b. Commission studies of options to enhance traffic flows within the Corridor.

The SFVCOG should commission studies to identify specific initiatives within the I-5 corridor that could reduce congestion on Interstate 5 while concurrently expanding the surface and arterial flows within the region. Two proposals that received strong interest, response, and support over the course of the development of this plan included expansion of San Fernando Road and the creation of dedicated transit throughways throughout the corridor.

Expanding San Fernando Road. Through the much of the length of the I-5 Corridor, San Fernando Road parallels Interstate 5. Between inconsistent signalization, relatively narrow lanes, and intermittent maintenance schedules, this major arterial is not a popular throughway and/or alternative to the freeway. In fact, local employees and residents are anecdotally more likely to take the freeway than this major arterial, even for local trips. Improvement, widening and re-signalization of this important arterial would give the I-5 Corridor two major traffic flows that could result in significant reductions in congestion on Interstate 5. SFVCOG should commission a study and plan to address this possibility.

Improving Public Transportation Flows. The SFVCOG should use its role as a coordinating agency to examine possible improvements between Metrolink, the Los Angeles County Metropolitan Transportation Authority, Santa Clara Transit and the numerous local transportation alternatives to ensure that the key commute and transit needs are being met comprehensively and in as effective and efficient a manner as possible.

Objective 3.2. Development of Key Data Infrastructure

The SFVCOG should lead the initiative to develop a data backbone to serve for the I-5 Corridor. One of the most striking attributes of the corridor is the rich assemblage of information-driven industries anchored on both ends of the corridor. Concurrently, some regions of the corridor are running out of developable land while others still have large expanses of yet-to-be-developed real estate. In information-rich technologies like data services, entertainment, biotechnology and business services, the ability to move large quantities of information easily can easily relieve comparable movements of people, thereby reducing traffic congestion and improving overall quality of life in the region.

Action Item 3.2a. Commission a study of the information capacity and needs for the I-5 Corridor.

As the SFVCOG explores expanding San Fernando Road, it should also explore the simultaneous installation of high-bandwidth internet backbone capacity as part of that construction. In an economy whose growth is increasingly fueled by information-based exchanges, this infrastructure will position the I-5 Corridor to be a leader in the next stages of national economic growth. These backbones are becoming, quite literally, the super-highways of economic prosperity and communities across the nation are pursuing strategies whereby these key pieces of infrastructure are included.

Action Item 3.2b. Convene a regional dialogue on regional wireless coverage and integration.

One of the increasingly important pieces of community infrastructure is the availability of consistent, quality access to wireless data services. The SFVCOG should convene a series of meetings with constituent communities and industry representatives to assess the adequacy of the current infrastructure and to develop an initiative to improve that coverage through joint efforts.

Objective 3.3. Facilitate the development of the I-5 Inland Port proposal and "Free Trade Zone" initiatives.

As the Los Angeles region faces forward into the 21st Century and international trade continues to expand, the need to develop a coherent network of ports will be necessary to distribute the heavy volume of cargo that will need to pass through the region's ports. Because of its critical location on the backbone of peripheral rail and at the outer fringes of the

region's worst congestion, the I-5 Corridor can and should play a critical role in serving as part of the cargo and customs infrastructure of the region and the nation. The SFVCOG should take a leadership role in collaborating with the Ports of Long Beach and Los Angeles, as well as the U.S. Immigration and Customs Enforcement Agency to facilitate the Corridor's participation in the initiative. There are several proposals for "inland ports" that include the region and the SFVCOG is ideally suited to not only represent the region in the discussions, but also to serve as an important mediating agency to make certain that constituent jurisdictions' individual and joint concerns are addressed. It is also a great convening forum for fostering collaboration and dialogue with the numerous community organizations and communities who have already advanced the proposals to their current level of discussion.

Action Item 3.3a. Lead regional discussions regarding the development an "inland port" that will encompass portions of the I-5 Corridor.

Objective 3.4. Expand the use of "economic gardening" across the corridor.

"Economic gardening" is the name given to the concept of developing your own businesses through entrepreneurship and innovation rather than capturing existing or growing business operations from other areas. Los Angeles is one of the nation's leading homes of entrepreneurship and new businesses. This concept necessitates the development of three categories of materials and information: (1) information resources (such as resource, market, geographic and real estate data), (2) infrastructure (including not only bricks and mortar, but also social and intellectual resources) and (3) connectivity (including linkages between public and private actors, trade groups, academic institutions, and workforces). The SFVCOG Economic Development Plan includes liberal portions of each of these and they should be focused not only on retention (keeping existing business growing) and recruiting (attracting business to the Corridor from other locations), but also on growing our own local entrepreneurs and enterprises into successful businesses.

Action Item 3.4a. Develop innovative approaches to encouraging growth in local new business initiatives through expanded use of best practices, such as incubators.

One of the most dynamic tools for the development of new businesses is the creation of incubators such as the Advanced Technology Incubator at the

College of the Canyons in Santa Clarita. The program provides comprehensive resources to entrepreneurs as a model to facilitate success and growth. While this specific initiative is targeted at high-tech activities, the model can easily be replicated and applied to nearly any industry and sector (especially in information-intensive industries like entertainment and biotechnology, for example). The SFVCOG should serve as a bridge for advancing the strength of the existing incubator program and carrying its application over to other industries within the Corridor.

GOAL IV. CREATE AND MAINTAIN REGIONAL ECONOMIC PLANNING AND RESPONSIVENESS INFRASTRUCTURE

The SFVCOG will both lead new initiatives and serve a coordinating function, especially in cross-jurisdictional initiatives within the Corridor.

Objective 4.1. Provide leadership in accommodating economic development and expediting approvals in the local planning infrastructure.

The SFVCOG will lead regional efforts to create expedited processes that reflect regional priorities and objectives. While it is not uncommon for communities to form "tiger teams" and one-stop shops to help businesses navigate the morass of public business regulations they impose, it is uncommon for a regional with as broad and rich an employment base and workforce to pursue such a strategy across jurisdictions.

Action Item 4.1a. Develop a streamlined permitting and fast tracking.

The SFVCOG will form a group that will actively work with local jurisdictions to develop one-stop permitting and red tape reduction shortcuts for the region. The initiative will specifically look at the codes, zoning and programs necessary to find those areas that can be standardized across the jurisdictions to expedite approvals.

Action Item 4.1b. Develop and share details of permitting processes for member jurisdictions.

Action Item 4.1c. Coordinate Community Redevelopment Agency Zoning initiatives across jurisdictions so that they can better meet the needs of industry and encourage economic growth.

Action Item 4.1d. Create a common, joint voice for advocating for changes to existing state, county and federal regulation that could improve business success.

Objective 4.2. Develop regional initiatives and proposals that maintain job-generating land.

The SFVCOG must develop proposals that serve the economic development vision of the Corridor. It should lead the region in initiatives that, while working within existing regulatory and planning frameworks, ensure that job-generating land resources will be preserved.

Action Item 4.2a. Assess the federal, state, county, city and neighborhood requirements as incentives for business formation, competitiveness.

Action Item 4.2b. Develop zoning proposals and initiatives maintain "job-generating" parcels and locations.

Action Item 4.2c. Assess CEQA, litigation challenges, aerospace, building codes for earthquakes, and state-based issues. Band together to identify regional issues that can be addressed by cities, the county, state and federal to create unified, cross jurisdictional vision for business and especially manufacturing.

Objective 4.3. Develop new funding streams and strategies to support economic development initiatives in the corridor.

The SFVCOG will lead several new initiatives to obtain and create resources that can be used to support economic development activities. The action items below represent only an initial set of initiatives and should not be construed as limiting, but rather suggestive of existing opportunities.

Action Item 4.3a. Create San Fernando Valley Regional Center to expand the public private partnerships potential from American Recovery and Reinvestment Act funds.

Action Item 4.3b. Use the California Attorney General approval of Infrastructure Improvement Zones such as the work in the City of Carlsbad to implement a funding mechanism for infrastructure improvement districts.

Action Item 4.3c. Establish and promote Community Economic Development Service zones.

Action Item 4.3d. Identify potential additional funding sources to expedite the process for infrastructure improvements.

Potential private sector options include:

- Family, friends, angel funders
- Venture capital
- Institutional investors
- Banks
- Corporate and Private Foundations

Potential public sector options include:

- SBADC
- Business Entrepreneurial
- Federal, state, nonprofit bonds
- Tax incentives
- Enterprise Zones
- Free Trade Zones
- Utility incentives and rebates
- Proposition 218 business taxes and tax increment models as best practices to
- IRS incentives and credits (small business)
- Department of Energy Small Business Initiative
- Department of Defense
- Federal Highway
- State incentives and rebates
- County incentives and rebates
- City incentives and rebates
- Regional incentives and rebates

WHY IT MATTERS...

The I-5 Corridor represents a unique set of resources and an opportunity for local governments to work together and develop this connected region. The

region is bookmarked at one end by Glendale/Burbank and the other by Santa Clarita. Both areas are or are becoming heavily involved in the entertainment industry. These ends are connected by the City of San Fernando and Northeast San Fernando Valley portion of the City of Los Angeles. These areas are more heavily involved in construction and manufacturing. The area houses a highly diverse population with significant populations having less than a high school diploma along with a substantial portion holding college degrees.

The actions of the San Fernando Valley Council of Governments over the next several years can and will have a profound impact on the lives of those in Interstate-5 Corridor. Through the effective leadership of the SFVCOG, the quality of life will be enhanced not only for those living and working in the Corridor, but also for the Greater Los Angeles region as well.

Implementation Timeline for this Plan

One area where this plan is relatively silent is in the creation of timelines and deadlines for the many action items identified. This reflects not only the concurrency between the development of this plan and the SFVCOG but also a desire and willingness to maximize the opportunity for the SFVCOG to take ownership and leadership on these initiatives under its own watch.

Generally, all of the action items identified in this plan are available for immediate implementation. In some instances, individuals and organizations have stepped forward to claim leadership and ownership. It will be attendant on the SFVCOG Board to establish priorities across the initiatives and action items in the report and to provide guidance to those leading those processes and actions.

THE DYNAMICS OF BUILDING THIS PLAN

This plan is the result of an on-going deliberative process with many moving parts. The two largest, and most significant portions, are the establishment of the San Fernando Valley Sub-County Census District and the creation of the San Fernando Valley Council of Governments. Both these initiatives created recognition of the region's unique and important contributions to the county, state and national economies.

In anticipation of the development of the SFVCOG, the Southern California Association of Governments provided seed funding to develop this plan as the SFVCOG was going through the approval process. The vision was to institute an active dialogue among the many public, private and nonprofit

actors while providing a framework that could allow the SFVCOG to “hit the ground running” upon its approval.

The Role of This Plan Relative to the SFVCOG

In anticipation of this development, the Southern California Association of Governments (SCAG) in coordination with the Mulholland Institute and the Valley Economic Alliance (VEA) commissioned the development of this *Interstate 5 Corridor Economic Development Plan (I5CEDP)* with a vision that it would serve as an important starting point for the economic development initiatives of the soon-to-be-formed SFVCOG. While the geographic boundaries of the community included the SFVCOG are much broader than the I-5 Corridor, nearly all of the cities and jurisdictions that have elected to be part of the SFVCOG are represented in this corridor, including Burbank, Glendale, Los Angeles, Santa Clarita and the County of Los Angeles.

This economic development plan is offered as a prototype for cooperation and economic development opportunities possible for the SFVCOG and should be seen as a starting point for those efforts. It is also by no means limiting in that the successes encountered thus far in launching the SFVCOG serve as an excellent springboard for moving economic development in the region ahead and the initiatives discussed in this document will likely positively affect communities, not only throughout the SFVCOG area, but also in other surrounding cities and communities.

The Relationship of This Plan to Existing Efforts

It is also important to note that this plan is not developed in a vacuum and that, while the SFVCOG represents a quantum step forward in terms of equipping the region to address the question of economic development, it does so on the shoulders of many efforts and initiatives that have already been launched by the constituent jurisdictions, nonprofit organizations, private sector partnerships, and individual efforts. On a general level, the Mulholland Institute and the Valley Economic Alliance have played a central level in working with public officials, private industry and nonprofit neighbors to provide leadership in the economic development of this region and the San Fernando Valley. The creation of the SFVCOG does not supplant or reduce the importance of their role, but rather complements it and provides a solid platform for the constituent jurisdiction to focus their efforts in the area of economic development. The concept of partnership between these nonprofit leaders, government and private industry is essential to the success of any efforts to improve the quality of life within the region.

Additionally, this plan is intended to complement the commendable efforts of the Los Angeles Economic Development Corporation in its efforts to provide leadership in the area of Economic Development through its launching of its *Los Angeles County Strategic Plan for Economic Development 2010-2014*. Instead it is intended to open the door to specific initiatives and agenda items that can be used to focus a specific economic development process for the I-5 Corridor in the context of that plan.

Finally, it should be noted that this document is seen as a supplement and an update to the Mulholland Institute's September 2007 *Interstate-5 Community and Economic Development Strategy (I5CEDS)*. This analysis updates the data offered then and incorporates the results of a deliberative process that included participants from all jurisdictions within the corridor and from a broad range of industries, advocacy organizations and nonprofit groups. It also integrates and builds on the work of multiple agencies, groups and governments in their reports on opportunity and challenge within the region.

As in the case of the 2007 study by the Mulholland Institute, this Plan finds numerous opportunities for pursuing opportunity within the region and offers specific goals, objectives and action items to capitalize on those opportunities.

Historically, coordination between jurisdictions has been generally weak, with each in its own "silo." More often than not this has resulted in disjointed economic development and transportation planning, inhibiting the realization of the true potential of the Corridor's workforce and infrastructure. Especially in these times of economic recession and high unemployment (11.9%⁶ at the time of writing), a comprehensive I-5 Corridor Economic Development Plan is needed to strategically attract, develop and retain and businesses, to capitalize on the Corridor's significant workforce and infrastructure and to focus attention on its strengths: a business-friendly, service-rich, synergistic transportation artery where job-creating industries can thrive. This plan identified several industry clusters as opportunities for regional economic and community development and presents them for discussion, exploration, and commitment to action.

The Plan Development Process

To bridge the time and informational gap between The Mulholland Institute's *Interstate-5 Community and Economic Development Strategy* and the I-5 Economic Development Plan, we have updated the original data and interviewed stakeholders and constituents to identify jurisdictional conditions and concerns, resulting in a Draft Threshold Assessment.

This initial analysis in this report, entitled the *Threshold Assessment*, was initially presented to Corridor stakeholders at “Roundtable 1,” held January 20, 2010 at Woodbury University. Business and government leaders were recruited to lead discussions on specific topics for regional economic and community development at this presentation. Based on the results of that dialog, the *Threshold Assessment* was revised and remains the context portion of this Economic Development Plan.

Subsequent to that process, the components of the Draft Economic Development Plan were presented to Corridor stakeholders at “Roundtable 2,” held April 14, 2010 at Woodbury University. As with Roundtable 1, several business and government leaders volunteered to lead discussions on specific topics for regional economic and community development at this presentation.

The detailed conclusions of "Roundtable 2" were collated and became the backbone of the recommendations and details included in this Economic Development Plan. The project team conducted further follow-on interviews and collaborative discussions with additional stakeholders and participants to complete the full range of goals, objectives and action items contained in the last chapter of this report.

Finally, the plan and its recommendations were presented in near-final form to the members of the boards and leadership of the key stakeholder groups in the region. Their comments and suggestions were incorporated into this documented and this plan represents the final, cumulative product of those suggestions and recommendations.

References and Sources

To create this Plan, we obtained information from studies and reports including, but not limited to, the *Interstate-5 Community and Economic Development Strategy*, Mulholland Institute; *Northeast Valley Study*, LAEDC and Economic Alliance SFV; *Prosperity Tomorrow*, Mulholland Institute; *Our Future Neighborhoods*, Mulholland Institute; *Changing Face of the San Fernando Valley*, Joel Kotkin; *Compass Growth Vision, Blueprint 2% Strategy*, SCAG; *Regional Transportation Plan*, SCAG; *State of the Region*, SCAG; and *Regional Housing Needs Assessment*, SCAG. However, just as importantly, to incorporate the perspectives and experience of constituents of the Corridor, we interviewed city, business, non-profit organization and community representatives of the cities of Burbank, Glendale, Los Angeles, San Fernando and Santa Clarita and the County of Los Angeles.

Interstate 5 Corridor Economic Development Plan

The Mulholland Institute's *Interstate-5 Community and Economic Development Strategy* completed much of the research that the I-5 Economic Development Plan will incorporate. Through ongoing, collaborative discussions with stakeholders, the process for developing the I-5 Economic Development Plan will continue to build stakeholder consensus and momentum for making decisions on regional projects that can actually be implemented in the Corridor, as well as determining what infrastructure, policy or other changes need to be made to remove barriers to economic development. The project seeks to unite the visions of cities comprising the newly formed San Fernando Valley Council of Governments (SFVCOG) so that it can move forward to implement and accomplish its recommendations.

The Plan Agenda

The Plan will discuss and analyze current and potential relationships, partnerships and connections among regional jurisdictions, private, nonprofit, community and public stakeholders. It will identify regional business patterns and successful industry clusters, assess multiplier effects of industry clusters; and will seek out synergies among industry clusters and the common resources that provide support and make them competitive.

The Plan will also analyze opportunities and appropriate categories for commercial and industrial development that foster potential industry clusters and the creation of diverse and healthy mix of trades and occupations that reduce economic “leakage” and promote export (regional wealth) products and services.

The Plan will address the advancement of regional and sub-regional priorities to relieve stress on regional corridors, to enhance capacities along I-5 and other key thoroughfares. It will promote industrial and commercial nodes, support the regional logistics industry, strengthen existing workforce, and assess needs for industry-specific education and training. The goal is to develop and maintain a technical and knowledge-based workforce and accommodate them with a variety of executive, workforce and market rate housing.

The Plan will continue to explore:

- Assessment of region’s business strengths and unique business attraction advantages.
- Strategies to enhance the Corridor’s ability to attract and accommodate leading national and global class business and industry
- Recommendations to identify Corridor sites for re-purposing to attract and accommodate leading national and global class business and industry

THE CORRIDOR: THEN AND TODAY

Three years ago when the Mulholland Institute published its monograph *Interstate-5 Community and Economic Development Strategy* the world was quite a different place. The high growth of the real estate boom was just beginning to taper and the subprime mortgage market was just a blip on the horizon. The dramatic events of the past 16 months have reshaped the environment in which economic activity unfolds. Extraordinary changes in

both employment and housing have opened many new doors to opportunities which have yet to be fully realized. To grasp the significance of these changes, it is necessary to go back to where the *ISCEDS* left off.

THE INTERSTATE-5 CORRIDOR THEN

The *Interstate-5 Community and Economic Development Strategy* touted the region as a flourishing nexus for new business and opportunity. Some of the highlights included a 4-year employment growth rate of nearly five percent with growth in financial services employment totaling 10.4 percent from 2001 to 2005; with entertainment jobs growing 15.4 percent and professional, scientific and technical employment growing 15.8 percent. While this economic performance is impressive by its own measure, this accelerated the growth in jobs took place against a dismal backdrop. County employment during that same period was basically flat, and state employment was only growing at a rate of 1.8 percent. Concurrent with this growth, was an explosion in payrolls—rising some 26 percent in the region—reflecting the high-wage character of this growth.

The Corridor is a key industry hub, anchoring the Los Angeles Metro Area's heavy presence in technology (especially biomedical, digital information and environmental technologies), motion picture and television production, and business and professional services.

In terms of the overall workforce, the region's economy and workforce is extremely diverse. From Ph.D. researchers to unskilled laborers, the Corridor is populated by one of the widest-ranging concentrations of human capital in America, if not on the planet. The Northeast San Fernando Valley, with its densely populated pockets of both low-wage workers and blue-collar workers, sits at the geographic heart of the Corridor. The affluent suburbs of Glendale, Burbank and Santa Clarita, and the communities on its periphery within the City of Los Angeles provide a deep reservoir of highly-educated, highly-skilled workers. Together they comprise a workforce that is, quite literally, capable of driving any industry or of achieving any goal whether it's helping to put man on the moon, curing disease or creating the next blockbuster motion picture.

Affordable housing and traffic congestion have always been seen as the region's Achilles heel—serving as major factors limiting economic growth over the past decade. The escalating price of housing and skyrocketing commercial and industrial rents were seen as two of the greatest threats to the region's prosperity. Median home prices in the Northeast San Fernando

Valley increased from \$322,250 in 2004 to \$536,000 in 2006⁷ rendering even the most basic residence unaffordable to most who lived in the area. These escalating prices manifested, not only in rising home prices, but also in higher commercial and industrial rents.

Reviewing the available⁸ Census data since the release of the *I5CEDs*, that trends are clear, that the region continued to progress and expand well into the first half of 2007, until the subprime mortgage crisis began to take root. Not surprisingly, the corridor’s employment shown in Figure 6 looks much like that identified in the *I5CEDs*.⁹ Education, health, professional services and technology continue to be the dominant sectors, with manufacturing, entertainment, arts and leisure living facilities construction and retail in the next tier.

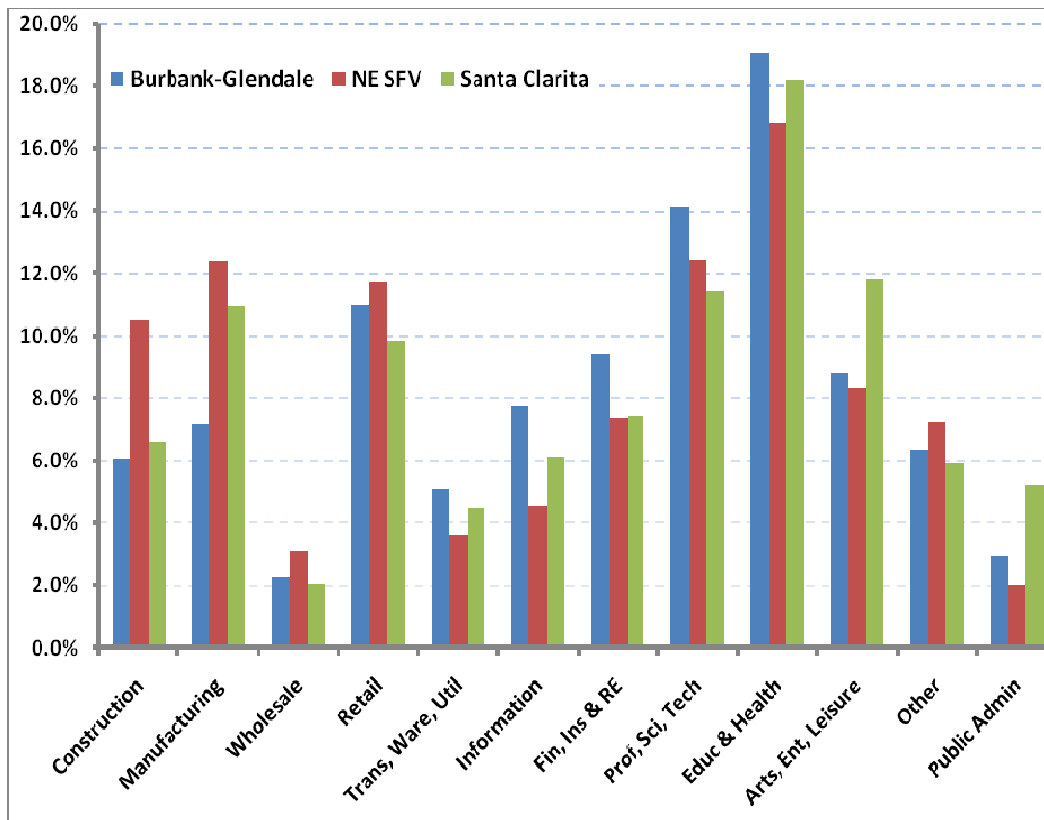


Figure 6. Employment of Residents by Industry Category, NAICS Code, I-5 Corridor, 2007.¹⁰

What is more interesting are some of the trends that are already starting to emerge here. When compared to the prior period, there is clear evidence of a decline in the importance of both manufacturing (particularly in the Northeast San Fernando Valley) and information services in the region, while employment in construction, professional and scientific services and

entertainment (especially in Santa Clarita) have become more important. These trends appear to continue right up to the time of the first of the several waves of crises that strike the regional and national economies.

EDUCATION AND INCOME

The I-5 continues to be a region of wide diversity in its available workforce. Figure 7 provides evidence of the wide range of

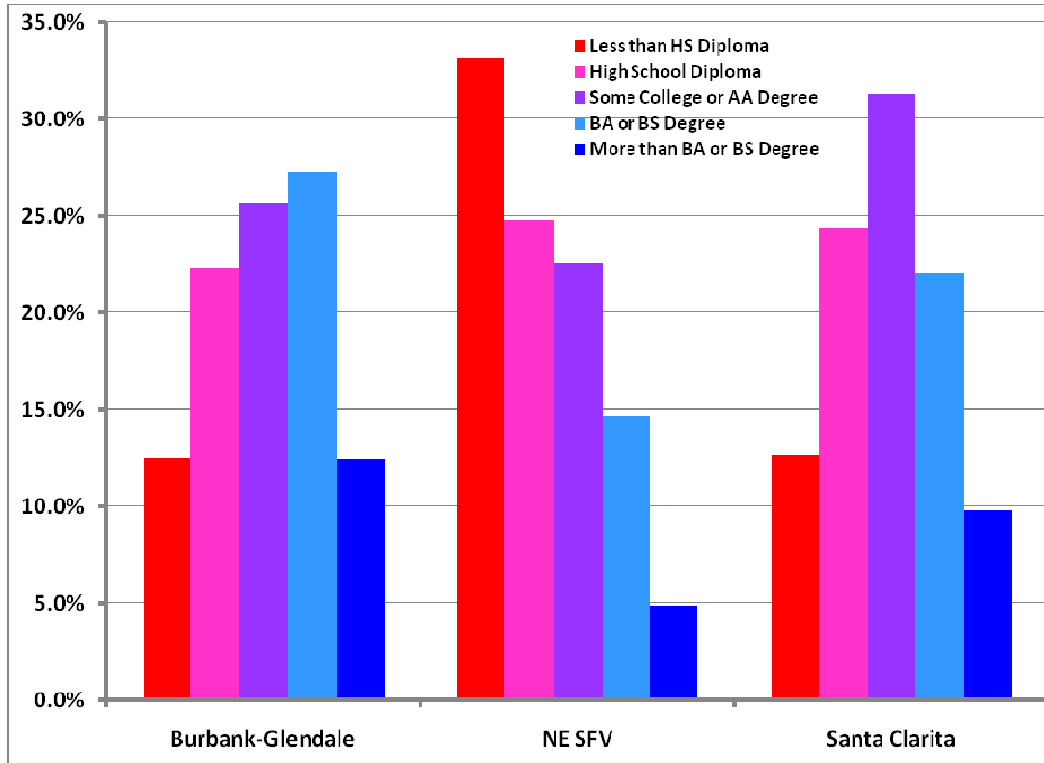


Figure 7. Educational Attainment of Adults Over 25 Years of Age for I-5 Corridor Communities, 2007.¹¹

education and preparation of the Corridor’s workforce. The contrast between the heart of the Corridor (the Northeast San Fernando Valley), where nearly 60 percent of the workforce lacks a high school diploma, and the two anchoring regions on either end, where residents have 30 to 40 percent have a baccalaureate degree or higher, is striking. In the Burbank-Glendale area, nearly one in eight possess a graduate degree. This rich diversity is reflected in the wide industrial balance seen in Figure 8 as high-skill workers fill positions in professional services, finance, education, health, the arts and entertainment, while lower skilled workers are employed to staff construction, manufacturing and retail positions.

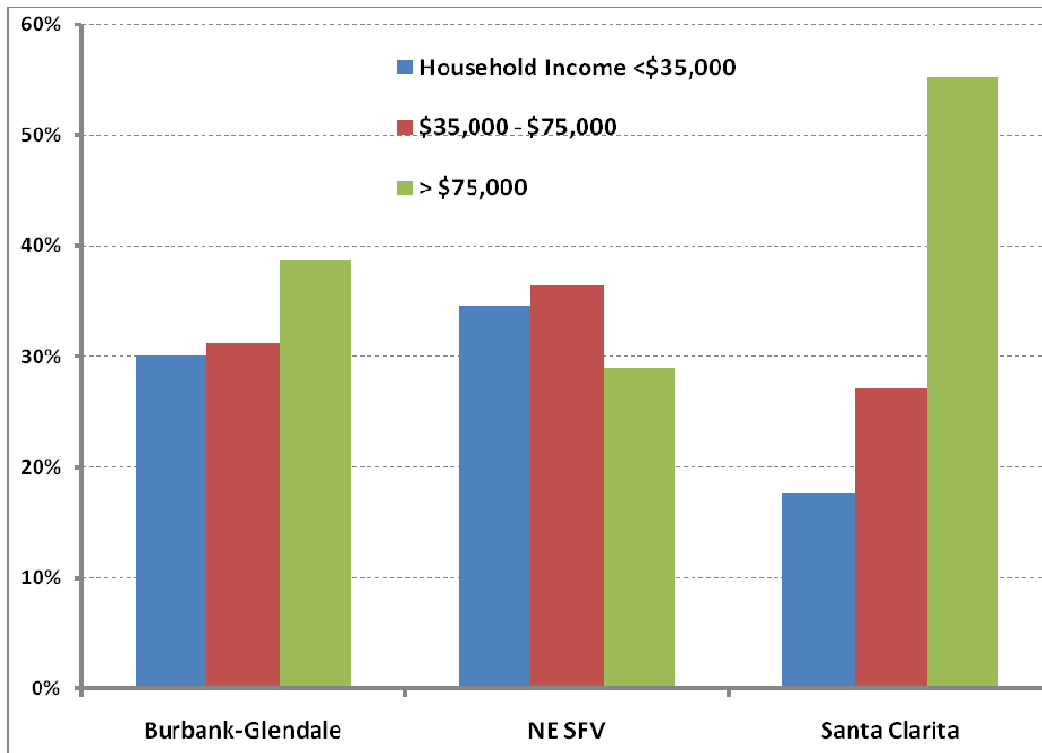


Figure 8. Share of Households, By Income Level, I-5 Corridor Communities, 2007.¹²

This also plays itself out in the relative balance in the income distribution seen in the three communities. With a national median household income of \$52,673 in 2007,¹³ the Northeast San Fernando Valley has an income distribution that generally reflects the national profile. Both the Burbank/Glendale and Santa Clarita regions are skewed toward the higher end of the distribution, with Santa Clarita having some 55 percent of households showing more than 150 percent of the national median household income. These higher incomes are eroded, however, by the significantly higher costs associated with housing and living costs in the region.

HOUSING

Housing is one of the most complex issues in the I-5 Corridor. While the increase in property values was arguably one of the driving forces behind the accumulation of wealth that fueled an important share of the region’s growth, the high cost of housing and the associated high price of commercial and industrial real estate are cited in numerous studies¹⁴ as one of the chief factors that made the region less competitive in attracting new business locations. It has made home ownership problematic and supported high residential rents.

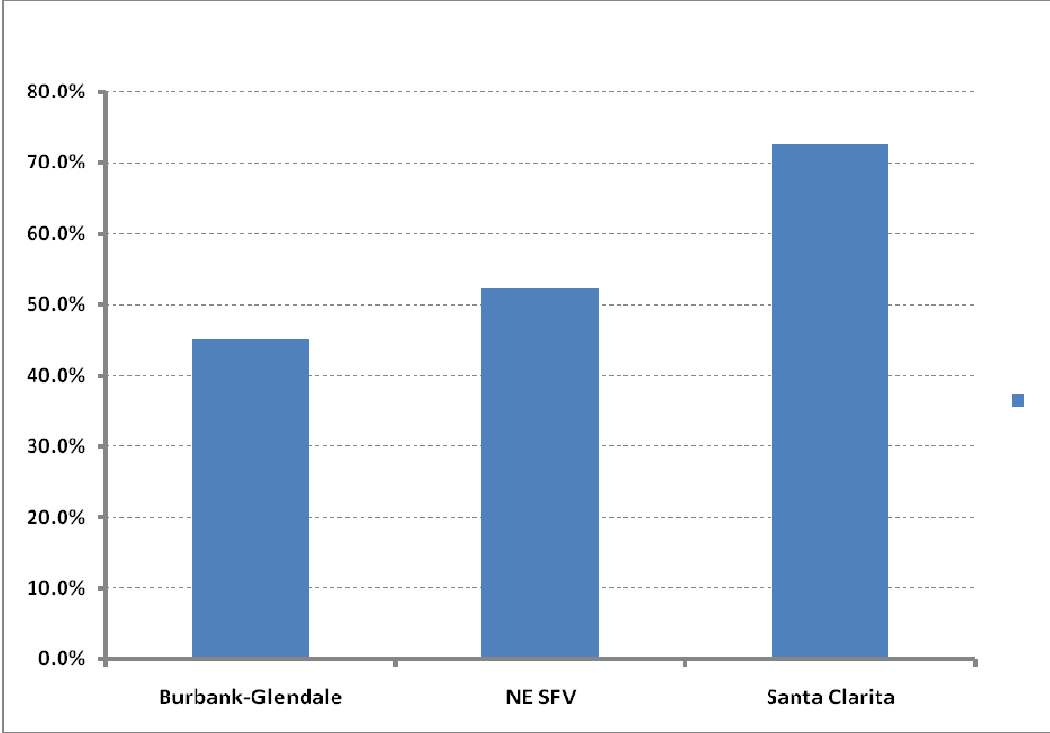


Figure 9. Share of Households That Are Owner-occupied, I-5 Corridor Communities, 2007.¹⁵

Figure 9 shows the homeownership rates for the three regions in the I-5 Corridor. At a time when owners occupied some 68 percent of housing nationally and 58 percent in California,¹⁶ owner-occupied housing only accounted for 45 percent of housing in Burbank-Glendale and 52 percent of housing in the Los Angeles City portion of the Corridor. Combined, these two sections account for more than 80 percent of the housing stock in the Corridor. Santa Clarita was just above the national average at 73 percent owner-occupied.

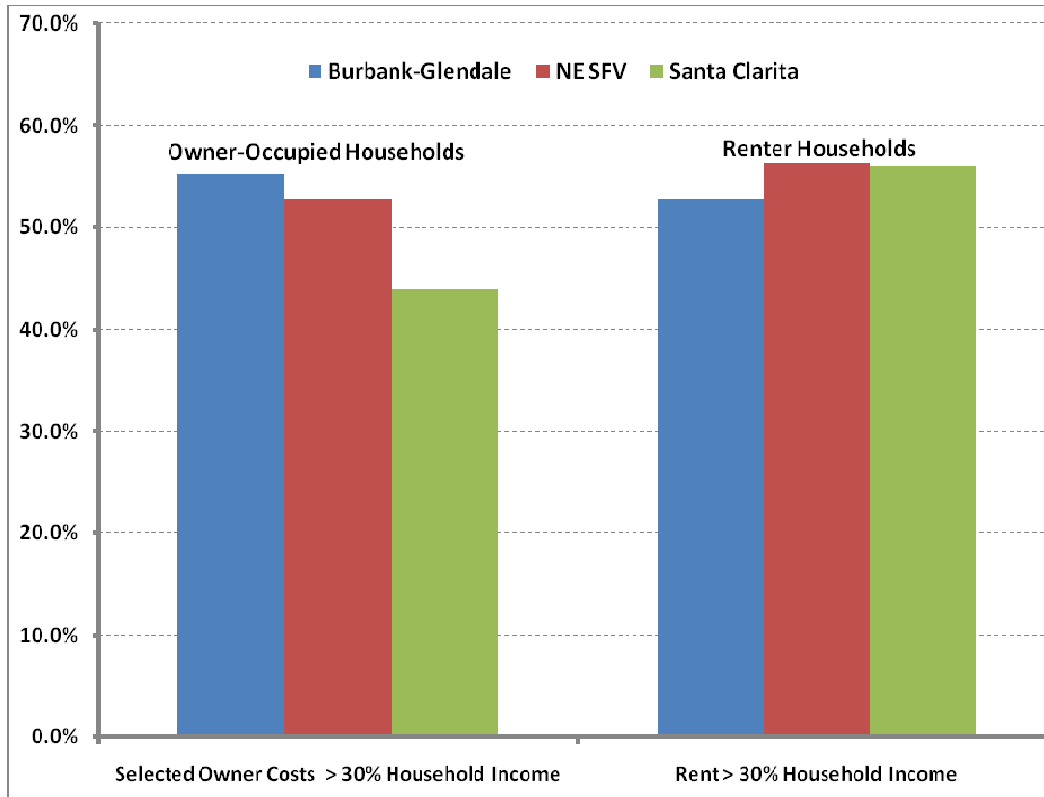


Figure 10. Share of Households Where Housing Expense Exceeds 30 percent of Household Income, I-5 Corridor Communities, 2007.¹⁷

Figure 10 demonstrates the impact of this on households in the Corridor as the share of households whose housing costs (mortgage-related expenses¹⁸ or rent) far outstrip the 30 percent of household income that is typically used by finance companies and policymakers as the standard for affordability. Aside from Santa Clarita, where high household incomes hold the share down, more than half of homeowners (usually about 55 percent) in the Corridor communities spend more than 30 percent of their household income on housing-related expenses. This compares to a national average of 37.5 percent of households spending this much on ownership-related expenses and 45.6 percent of renters.

Workforce Housing

The issue of affordability has led to more determined efforts to assess the availability of housing for workers as a critical consideration in community and regional planning initiatives. As housing values rise in a given area, potential employees will often seek housing in more affordable, outlying areas thereby imposing significant traffic burdens on the region and decreasing the quality of life for these workers (such as police, fire and teachers) and those impacted by the higher traffic levels.

Thus housing affordability has become a key focus for local and regional policymakers who emphasize that the availability of affordable housing and a decrease in vehicle miles traveled (VMT) are essential policy goals. With the increasing emphasis on “sustainable” and “green” development under statewide initiatives to address concerns about carbon emissions (including SB 375), these considerations will only increase in importance.

While numerous government initiatives are explicitly targeted at low-income households and very low income households, including subsidies for redevelopment, inclusionary housing requirements, all of these are targeted at the lower end of the income distribution—people with incomes at 80 percent or less of the Area Median Income (AMI).¹⁹ SCAG is required by the State of California to develop a Regional Housing Needs Assessment wherein not only does it provide leadership and guidance for local governments as to the housing growth for which they need to plan, but it also explicitly identifies the number of units of housing that is affordable to very low and low-income households. These estimates are incorporated into each community’s Housing Element within their general plan.

Beyond these, there are concerns regarding the availability of housing for those whose incomes do not qualify them for these limited housing opportunities, but for whom the affordability of housing in Los Angeles County is still problematic. The typical categories of workforce housing include workers whose household incomes range from 80 to 180 percent of the AMI. These individuals face a market where the median home price is \$390,000.

Figure 11 below shows how much an individual in this “workforce” category would be able to afford. As is readily evident, in the recent history of southern California, even at Tier 3, workforce-level residents would have been hard-pressed to afford in light of these limitations.

| Income Category | 1-person Household | | | 4-person Household | | |
|-------------------------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | Maximum Income | Maximum Home Price | Maximum Rent | Maximum Income | Maximum Home Price | Maximum Rent |
| Area Median Income | 43,450 | 179,593 | 1,086 | 62,100 | 256,680 | \$1,553 |
| 80-120% AMI (Tier 1) | 52,140 | 215,512 | 1,304 | 74,520 | 308,016 | 1,863 |
| 120 - 150% AMI (Tier 2) | 65,175 | 269,390 | 1,629 | 93,150 | 385,020 | 2,329 |
| 150 - 180% AMI (Tier 3) | 78,210 | 323,268 | 1,955 | 111,780 | 462,024 | 2,795 |

Figure 11. Workforce affordability income thresholds.²⁰

At the same time, one of the “silver linings” of the recent meltdown in the subprime market and the collapse of home values throughout the region is that these homes are now much more affordable. Figure 12 shows a table by the National Association of Home Builders that documents the increase in affordability in the Los Angeles-Long Beach-Glendale region.

Los Angeles-Long Beach-Glendale affordability index

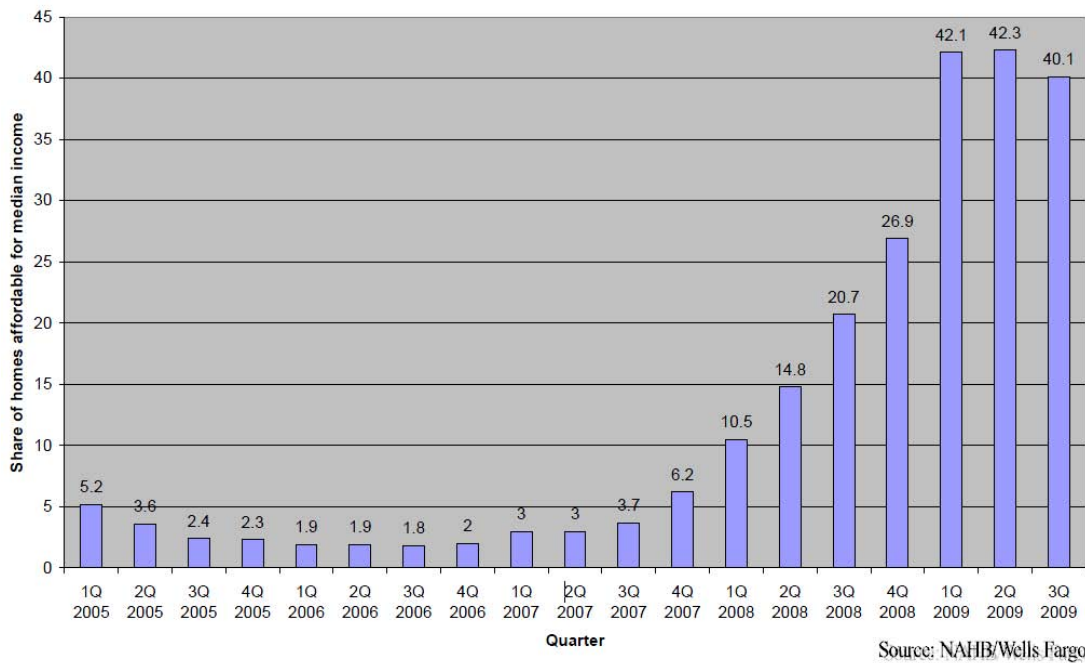


Figure 12. Los Angeles-Long Beach-Glendale Affordability Index.²¹

In fact, a review of the Multiple Listing Service data used by realtors in this region found 719 and 890 single family homes available in the Tier 2 and Tier 3 ranges, respectively, as seen in Figure 13.

| Community | Tier 2 | Tier 3 | MLS Total Properties |
|------------------------|------------|------------|----------------------|
| Burbank | 9 | 27 | 144 |
| Glendale | 10 | 20 | 112 |
| Santa Clarita | 42 | 87 | 236 |
| NE San Fernando Valley | 658 | 756 | 901 |
| TOTAL | 719 | 890 | 1,393 |

Figure 13. Number of homes available in workforce Tiers 2 and 3 on the Multiple Listing Service for the I-5 Corridor Area, but Community.²²

In this table, it is clear that the vast majority of the available workforce housing was found in the communities of the City of Los Angeles portion of the Northeast San Fernando Valley.²³ Pacoima and Sylmar alone accounted for 39 percent of the Tier 2 housing available and 33 percent of the Tier 3 housing available.

While the struggles in the financial markets have had a clear impact on housing costs in the region, as evidenced by the downward slope in both lines in Figure 14, the final levels in Burbank and Glendale are still well above

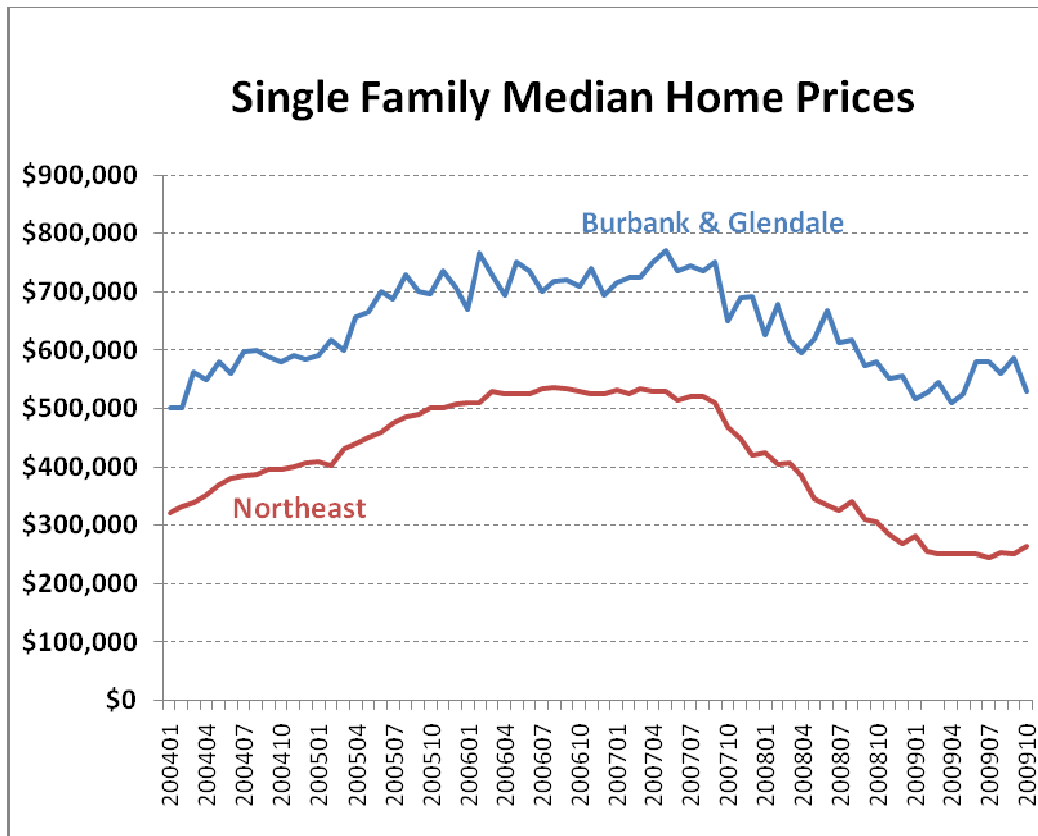


Figure 14. Monthly Median Price for Single Family Homes in selected communities in the I-5 Corridor.²⁴

Tiers 3 levels in terms of workforce housing affordability.

Rents are distributed comparably to the property values listed in Figure 8, with the cities of the Northeast San Fernando Valley providing the bulk of the pool of cheaper rental properties. Figure 15 shows the pattern of average rents over the past several years for selected communities—showing a general increase in rent averaging some five percent annually.

| Communities | Average Rent | | | | | | | Average Annual Growth | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|-----------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2002-2008 | 2007-2008 |
| Burbank | 1,265 | 1,333 | 1,364 | 1,462 | 1,584 | 1,660 | 1,715 | 5.2% | 3.3% |
| Glendale | 1,334 | 1,540 | 1,585 | 1,718 | 1,866 | 1,977 | 1,946 | 6.5% | -1.6% |
| North Hollywood | 984 | 1,016 | 1,048 | 1,095 | 1,232 | 1,417 | 1,486 | 7.1% | 4.9% |
| Pacoima | 716 | 803 | 913 | 945 | 954 | 983 | 1,056 | 6.7% | 7.4% |
| Panorama City | 740 | 812 | 871 | 917 | 986 | 995 | 1,023 | 5.5% | 2.8% |
| Sylmar | 804 | 823 | 930 | 985 | 1,066 | 1,109 | 1,231 | 7.4% | 11.0% |
| SFV Average | 1,189 | 1,249 | 1,301 | 1,363 | 1,467 | 1,558 | 1,584 | 4.9% | 1.7% |

Figure 15. Average rents for selected communities in the I-5 Corridor.²⁵

Perhaps most striking about the data in this table is that the average rents in all the communities included fall within the Tier 2 and 3 thresholds for workforce housing shown in Figure 11 indicating that, at least for renters, there is a robust supply of rental properties that can provide workforce housing. Reviewing Figure 15, it is important to note the decline in average annual growth rates—a trend that is continued into 2009.²⁶

Executive Housing

Just as it is important for a robust economy to have an adequate supply of housing that is affordable for the main workforce, it is also important to have an adequate supply of housing that is available to accommodate the needs of executives and leadership in new and existing businesses. These properties represent housing of adequate size and equipped with adequate amenities to satisfy the unique needs and preferences of these important business leaders.

In the context of the planning community, very little specificity is assigned to precisely what specific attributes these properties have. Many, but not most housing elements within community general plans contain language that acknowledges that it is important that there be housing for all residents in the City, including higher income executives and lower wage earners. The actual definition of what constitutes a housing opportunity for a higher income executive is left open and undefined.²⁷

For purposes of this analysis, executive housing was defined as high-end (for this market affordable at about 250 percent of AMI or more), containing a significant amount of internal space (3,000 square feet was used as a minimum boundary for this assessment), and with an adequate number of bedrooms (a minimum of four). Many other amenities could have been incorporated, but this standard should capture a sense of the number and type of properties that would loosely meet the standard of executive housing. The results of a zip code-by-zip code analysis of the corridor conducted to identify the range of these properties currently available on the market is presented in Figure 16.

| Community | Executive | Total | Percent |
|------------------------|------------------|--------------|----------------|
| Burbank | 16 | 144 | 11.1% |
| Glendale | 22 | 112 | 19.6% |
| Santa Clarita | 59 | 236 | 25.0% |
| NE San Fernando Valley | 20 | 901 | 2.2% |
| TOTAL | 117 | 1393 | 8.4% |

Figure 16. Number of homes available meeting Executive Housing criteria on the Multiple Listing Service for the I-5 Corridor Area, by Community, January 2010.²⁸

Not surprisingly, the largest share (about half) of the properties meeting the executive housing standard is found in the newer, larger developments in the Santa Clarita area. It is important to note, however, that inventories did exist in all of the communities of the Corridor.

Jobs-Housing Mix

Intrinsic to the question of housing supply is not only the question of affordability, but also of accessibility. Economists, for example, will argue that one solution to the absence of an adequate supply of affordable housing in one market is to simply pursue housing in another, more distant, market and then to commute to the place of employment. This commuting strategy is rampant in most urban areas and can lead to sprawl (as developers pursue more remote, less expensive land to develop) and high congestion (as these commuters travel between their homes and places of employment).

To help gauge the scope and intensity of the pressures that an economic development plan may have on a community, therefore, it is important to look at current traffic patterns and the relationship between the number of jobs within a planning area and the number of housing units available within it—the “jobs-housing ratio.” If the ratio is significantly less than 1.0, this indicates a “bedroom community” where mornings bring a surge of

commuters driving to their jobs in other locations and evenings bring the mirroring backup of commuters returning home. A ratio significantly greater than 1.0 is likely to represent the opposite—a workplace destination.

As Figure 17 shows, the Los Angeles City portion of the Interstate-5 Corridor and Santa Clarita represent significant residential hubs and Burbank-Glendale a key employment center. A more detailed examination shows Burbank to be the employment hub with a city-specific jobs housing ratio of 3.4 jobs for each housing unit and Glendale with near balance at 1.07. Surprisingly, there is relative balance overall in the Interstate-5 Corridor, with a Jobs-Housing Ratio of 1.01.

One criticism of the jobs-housing mix, however, is that it can overstate the relationship between actually available housing and employment. If a community has a large number of housing units occupied by individuals who do not participate in the workforce, such as students or retirees, then this ratio does not fully capture the functional imbalance between workers and the

| Community | Housing Units | All Jobs in Region | Jobs-Housing Ratio | Total Employed Residents | Jobs - Emp Residents Ratio |
|------------------|----------------------|---------------------------|---------------------------|---------------------------------|-----------------------------------|
| Burbank-Glendale | 134,200 | 243,410 | 1.81 | 121,289 | 2.01 |
| NE SFV | 216,130 | 131,193 | 0.61 | 200,080 | 0.66 |
| Santa Clarita | 85,190 | 65,563 | 0.77 | 79,272 | 0.83 |
| TOTAL | 435,520 | 440,166 | 1.01 | 400,641 | 1.10 |

Figure 17. Calculation of the Jobs-Housing Ratio and Jobs-Employed Residents Ratio, for I-5 Corridor Communities, 2007.²⁹

housing stock available to them. As a result, some have proposed using the ratio between jobs within the region to the number of residents in the region who work. This functionally reduces the number of housing units by the number occupied by those who are not participating in the workforce. The last two columns in Figure 17 show these ratios for the communities in the region and the pattern reflected there roughly corresponds to that seen in the jobs-housing ratio analysis wherein the Burbank-Glendale sub-region serves as an employment hub while the other two sub-regions are residentially heavy. Again the overall region reflects a relatively balanced level by this measure.

TRANSPORTATION

As noted above, the market response to inadequate, unaffordable or inaccessible housing supply is a surge in commutes. Even with the relatively

balanced jobs-housing and jobs-employed resident ratios for the region as a whole, this is no guarantee that the individuals working in the region are in fact employed in the jobs within their jurisdictions, as shown in Figure 18. Less than half of workers are working within their sub-regions of residence.

| Community | All Jobs in Region | Work in Home Region | Share |
|------------------|---------------------------|----------------------------|--------------|
| Burbank-Glendale | 243,410 | 43,669 | 17.9% |
| NE SFV | 131,193 | 42,745 | 32.6% |
| Santa Clarita | 65,563 | 21,626 | 33.0% |
| TOTAL | 440,166 | | |

Figure 18. Share of Workers Employed in their Sub-region of Residence, by Community, 2007.³⁰

Only about one-third of Santa Clarita and Northeast San Fernando Valley residents work within their sub-region, although more than half (53.5 percent) of those in the Northeast Valley do work somewhere in the San Fernando Valley. In the case of the City of Burbank, only 8.5 percent work within the city, further reflecting its role as a commuter destination within the region.

Consequently, the average resident of the region spends significant time commuting to work, as show in the following Exhibits': Figure 19. The mean commute time for residents is 29.5 minutes, with those in Santa Clarita residents experiencing a 20 percent longer average commutes at almost 36 minutes.

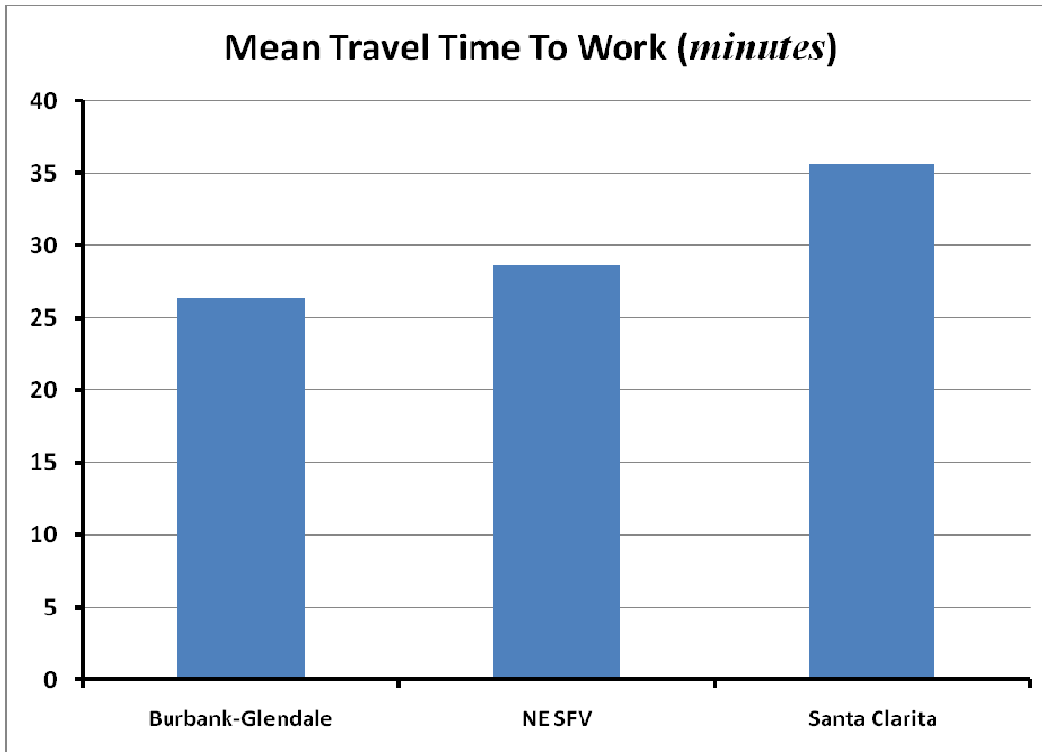


Figure 19. Mean Commute Time, by Sub-region, 2007.³¹

Furthermore, most of these individuals drive alone, as shown in Figure 20. Individuals driving alone account for more than 70 percent of all commutes in all communities within the Corridor with the Burbank-Glendale sub-region peaking at more than 80 percent. Job-rich Burbank is the highest of all the communities 81.3 percent of commuters driving alone to work.

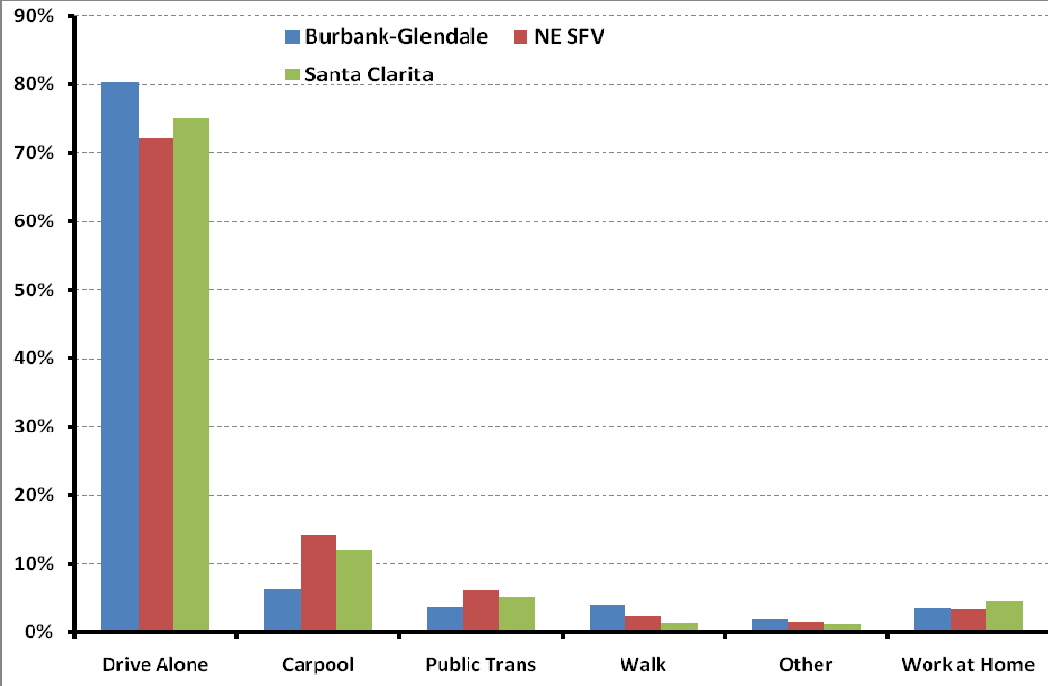


Figure 20. Mode of Travel for Commute, by Sub-region, 2007.³²

The Interstate-5 Transportation Infrastructure

For a region which defines itself by proximity to Interstate 5, transportation issues are critical to understanding the opportunities and challenges which shape the efforts to develop a comprehensive economic development strategy for the region. The Interstate-5 Corridor is situated between several unique transportation foci as well as several destination locations—creating both unique opportunities and unique challenges. These factors affect not only commuters traveling to and from work, but also the flow of goods and commerce throughout the region.

Overall, the region is one marked by some levels of significant congestion. To understand these flows and their impacts on the region's prospects, they will be considered one at a time: vehicular flows, air flows, goods movement flows, port-related transport flows and transit-related flows. In the aggregate, these flows have combined to create a region that is subject to relatively high levels of congestion, especially at peak hours. Figure 21 shows the congestion present in the LA County highway and roadway system during peak hours.

2003 CMP HIGHWAY AND ROADWAY SYSTEM AM PEAK HOUR LEVELS OF SERVICE

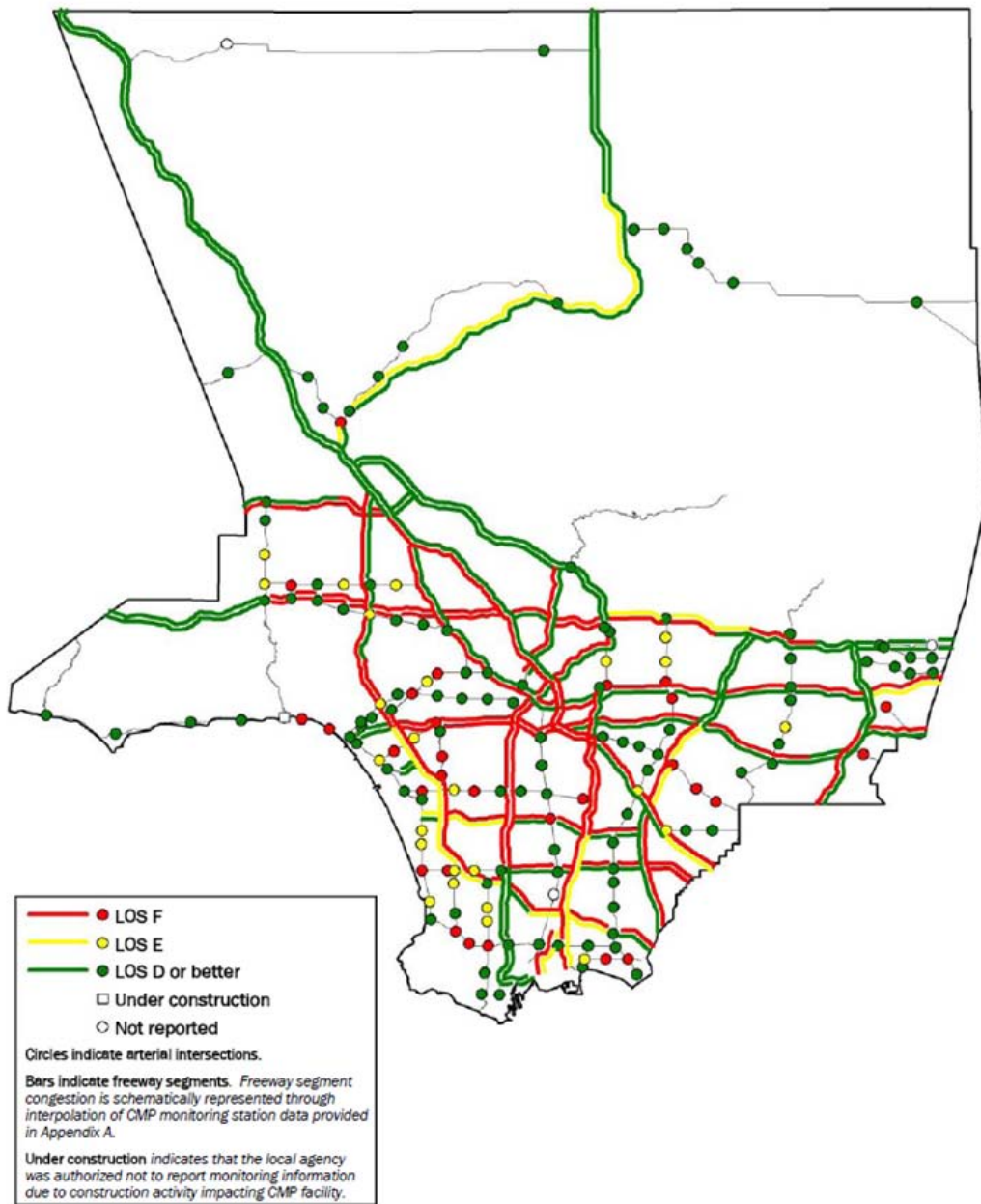


Figure 21. 2003 CMP Highway and Roadway System AM Peak Hour Levels of Service³³

Zoomed in on Figure 22, one can see that Interstate 5 is at the LOS F level, indicating that it is operating at or above capacity from the 101 to the 118.

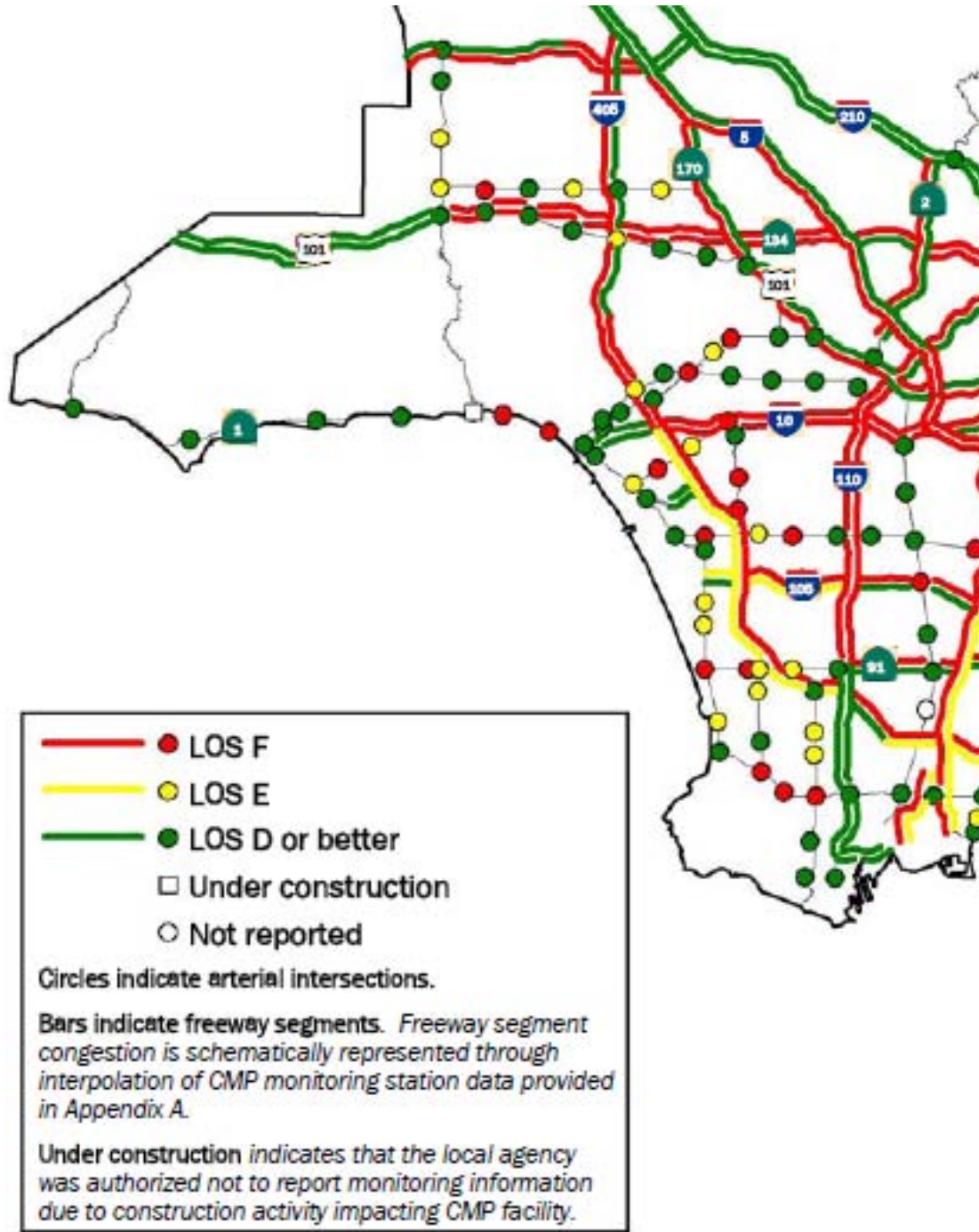


Figure 22. Zoomed Image of I-5 Corridor at AM Peak Hours.

The data for capacity utilization along the I-5, shows that the freeway demand peaks above capacity during the morning and afternoon peaks. Figure 19 shows that, during the peak hours the freeway ranges as much as 26 percent above the rated capacity for stretches of Interstate 5.

| Morning Peak | | | | | | | | |
|---------------|------------|--------------|------|-----|------------|--------------|------|-----|
| Location | Northbound | | | | Southbound | | | |
| | Demand (D) | Capacity (C) | D/C | LOS | Demand (D) | Capacity (C) | D/C | LOS |
| Burbank Blvd. | 6,542 | 8,000 | 0.82 | D | 8,106 | 8,000 | 1.01 | F |
| Osborne St | 9,585 | 12,000 | 0.80 | D | 13,492 | 12,000 | 1.12 | F |
| Route 14 | 6,910 | 10,000 | 0.69 | C | 9,125 | 10,000 | 0.91 | D |

| Afternoon Peak | | | | | | | | |
|----------------|------------|--------------|------|-----|------------|--------------|------|-----|
| Location | Northbound | | | | Southbound | | | |
| | Demand (D) | Capacity (C) | D/C | LOS | Demand (D) | Capacity (C) | D/C | LOS |
| Burbank Blvd. | 8,197 | 8,000 | 1.02 | F | 6,968 | 8,000 | 0.87 | D |
| Osborne St | 15,120 | 12,000 | 1.26 | F | 9,126 | 12,000 | 0.76 | C |
| Route 14 | 8,950 | 10,000 | 0.90 | D | 6,913 | 10,000 | 0.69 | C |

Figure 23. Selected Interstate 5 Freeway Levels of Service, 2003.³⁴

As a result the commute patterns detailed in the section above, as well as because of pass-through commuters who travel through there corridor on their trips between points outside the I-5 Corridor study area, many of the arterials and freeways in the region are significantly congested during peak travel times.³⁵

The overall vehicle-oriented freeway infrastructure of the region is shown Figure 24. The region is connected to the Antelope Valley via State Highway 14, the agriculture and distribution centers of the Central Valley via Interstate 5 to the North, distribution, industrial and commercial centers to the east via Interstates 210 and 10, and to the west via the 118 and 101. To the south, the region is connected with Downtown Los Angeles and its major employment and goods transfer hubs via Interstate 5.



Figure 24. Vehicle-oriented Transportation Infrastructure in the Study Area.³⁶

The I-5 corridor also is supported throughout by a series of major N-S and E-W arterials, as seen in Figure 25. These routes further connect the Corridor with the surrounding communities and also connect the cities and communities within the Corridor. San Fernando Road, which parallels Interstate 5 in many areas, often exceeds its rated capacity with a V/C (volume to capacity) ratio in excess of 1.0 during the morning commute.³⁷

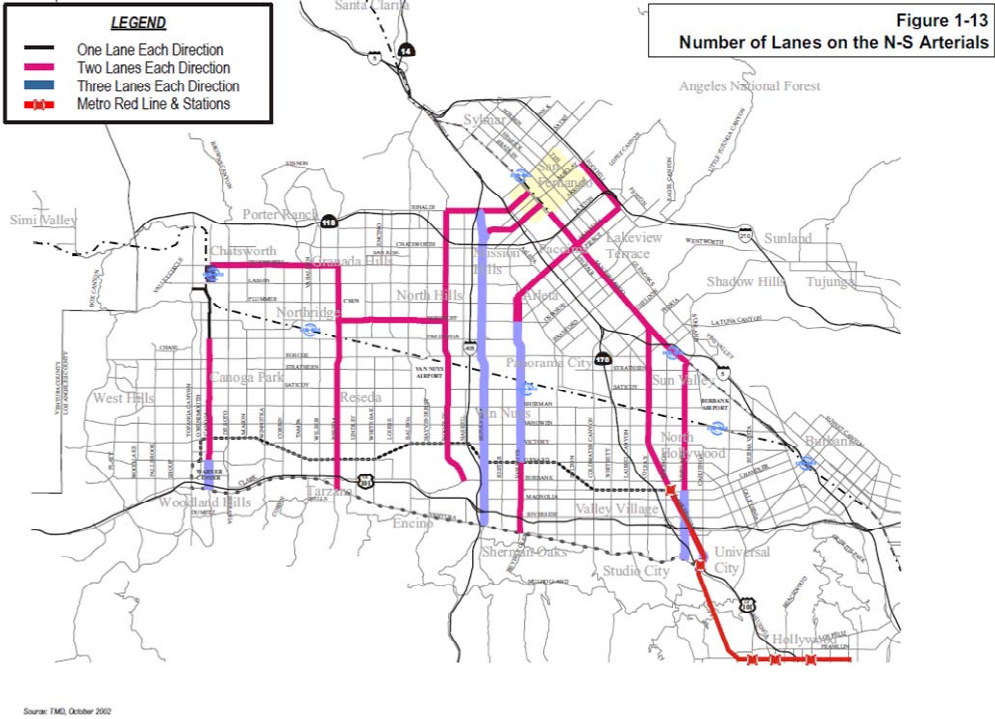


Figure 25. Major N-S Arterials in San Fernando Valley.³⁸

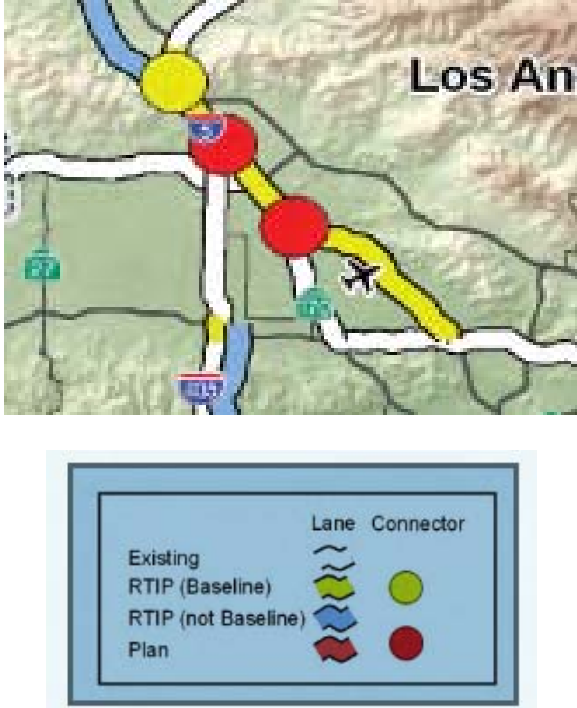


Figure 26. HOV Gap Closure and Connectors - SCAG Regional Transportation Plan

To address these challenges, the MTA and CalTrans have projects underway to enhance the volume of traffic that the corridor can accommodate, but even with these improvements, with the surge in regional population and overall transportation demand, it is anticipated that the Corridor will still have significant congestion problems, as shown in SCAG's projections for 2035 in Figure 27.



Figure 27. Baseline 2035 Freeway Speed - PM Peak³⁹

Commuter Rail/Transit

One of the important components of the infrastructure of the region is its substantial public transportation components. While Burbank, Glendale and Santa Clarita are largely automobile-based communities, the Northeast San Fernando Valley has some of the highest public transit ridership in the southern California region. As a result, this portion of the Corridor is much more reliant on public transportation. Figure 28 shows the overall transit infrastructure for this important sub-region.

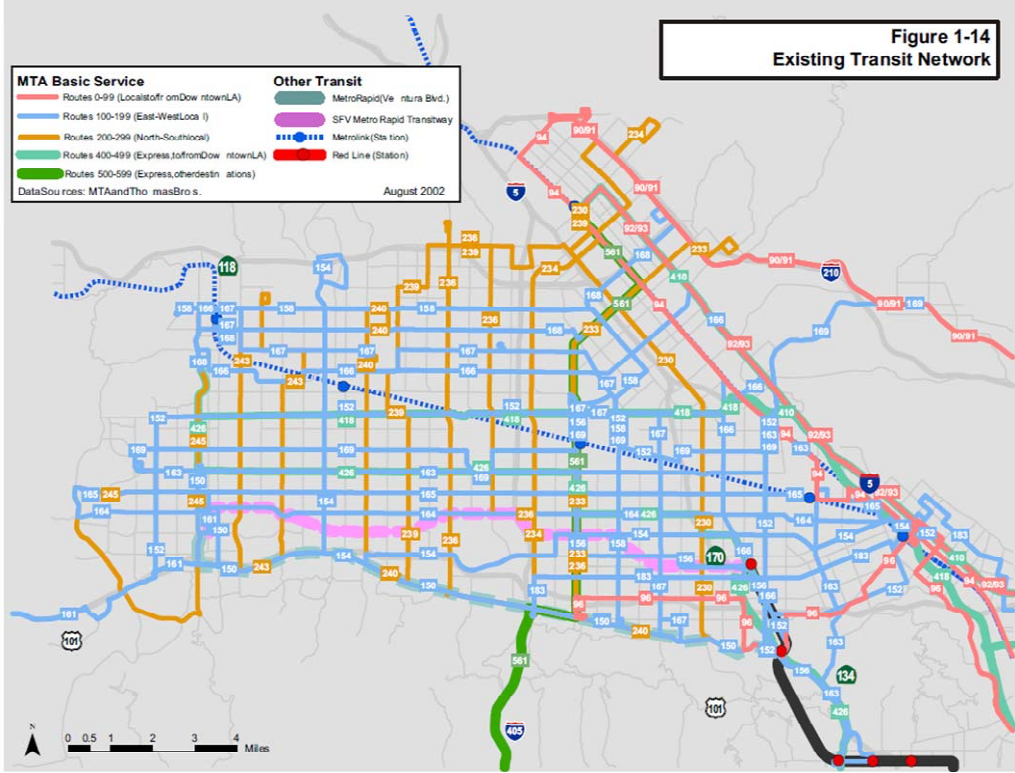


Figure 28. Existing Transit Network, San Fernando Valley, 2002.⁴⁰

This extensive network provides access to employment centers across the Valley, although not always in the most timely fashion. Figure 29 shows how the ridership pattern is shaped by the availability of high-frequency transit lines.

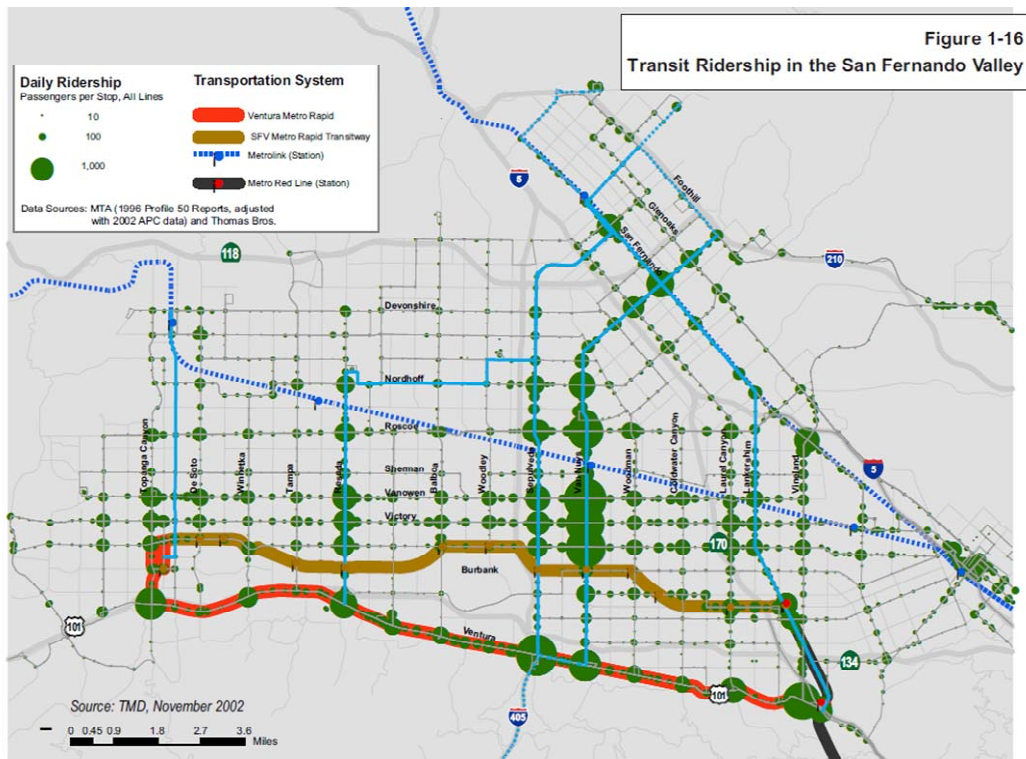


Figure 1-16
Transit Ridership in the San Fernando Valley

Figure 29. Transit Ridership in the San Fernando Valley, 2002.⁴¹

The prevalence of transit usage tends to be inversely correlated with income as poorer households tend not to be able to afford the high costs of automobile ownership and thus rely more heavily on public transit. This correlation can be seen in the concentration of high transit use in the poorer, more high-density sections of the San Fernando Valley like Pacoima and Sylmar.⁴²

Goods Movement and Infrastructure

Beyond moving people, the transportation infrastructure is a key link in the movement of goods around the southern California region. Between 2003 and 2035, SCAG anticipates an increase from 35,700 daily truck volumes on I-5 to 62,100—a 74 percent increase. This truck volume, driven in part by a near-tripling of the cargo volume out of the Ports of Los Angeles and Long Beach,⁴³ will be a significant contributor to the congestion levels identified in Figure 27.

Complementing the truck traffic is the existing and proposed rail infrastructure for the SCAG region show in Figure 30.

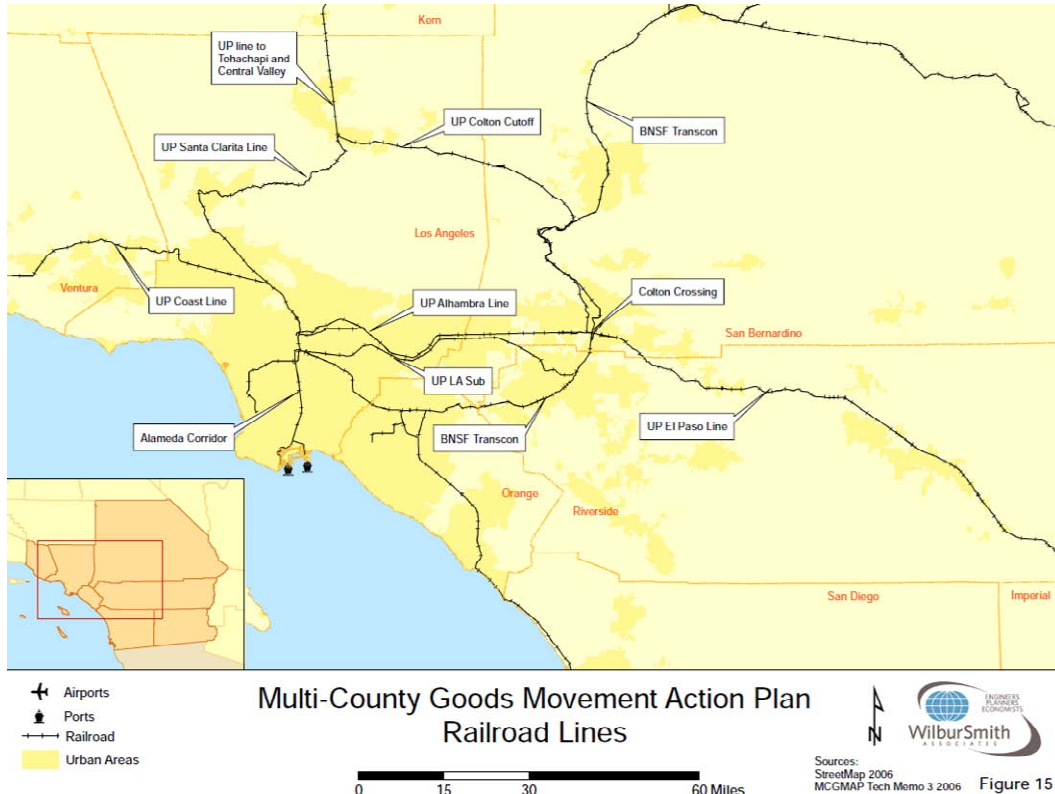


Figure 30. Railroad Lines in SCAG Region, 2003.⁴⁴

One set of proposals that has gained some traction among the economic development community has been the establishment of inland port regions. The general concept would use expanded and/or dedicated rail to transfer cargo from port locations to inland, regionally distributed port locations that would house distribution and customs areas. The creation of these inland ports would allow for the broader distribution of truck traffic away from the Ports of Long Beach and Los Angeles and allow truck traffic, which is a confounding driver of congestion, to be more widely distributed and thus relieve the pressure on any single portion of the region’s transportation infrastructure. Figure 31 portrays one potential vision of this model from the *Multi-county Goods Movement Action Plan*. This plan shows the potential inland port models near the airport in Burbank and how extra-regional rail could be used to link these locations.

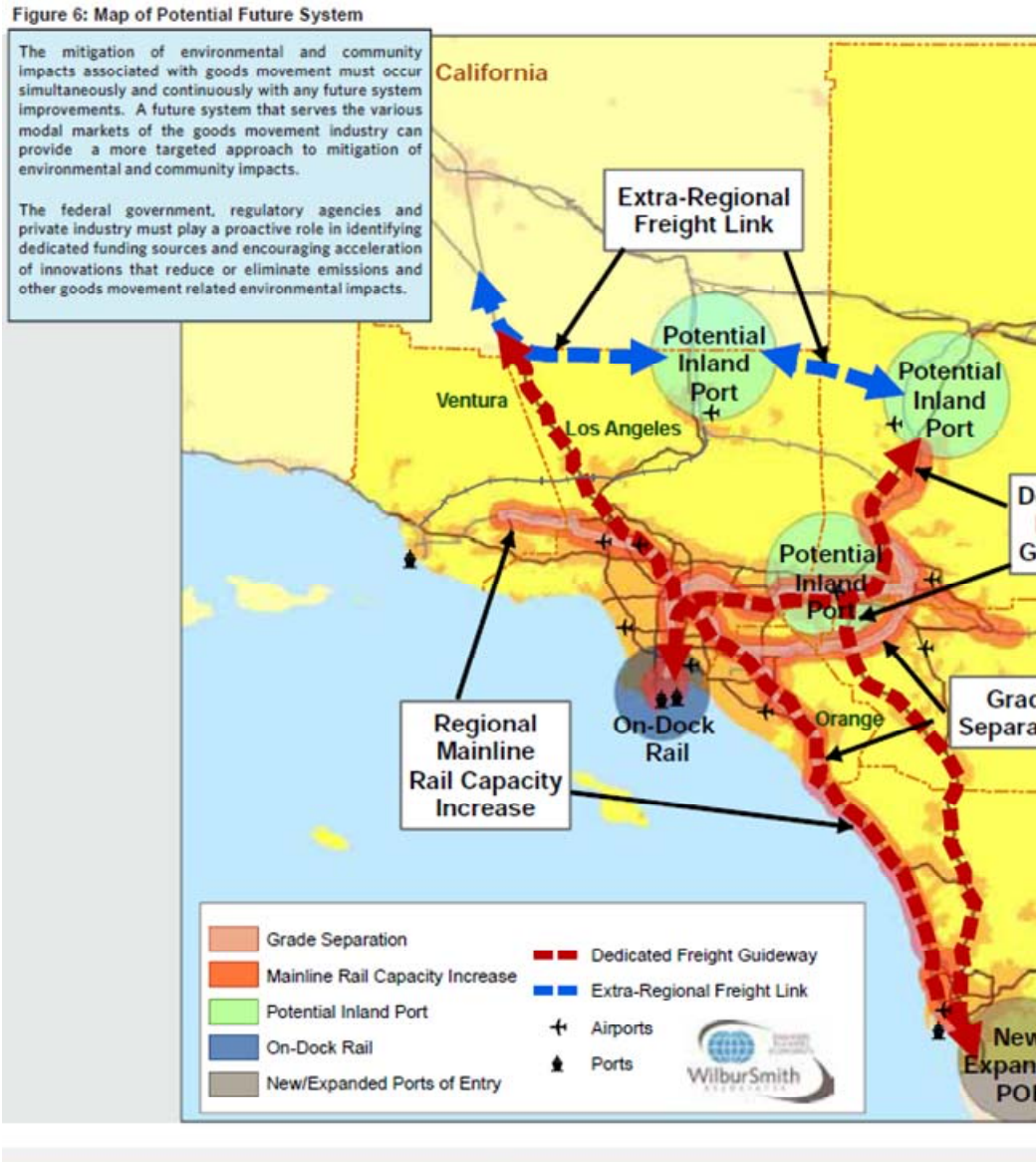


Figure 31. Map of Potential Future Goods Movement System.

WHERE WE ARE NOW...

Beginning in 2007, real estate values began to crumble in California and foreclosures began to rise. In the summer and fall of 2008, the collapse of real estate and financial markets rippled throughout the global economy. Unfortunately these waves also hit the Southland economy hard—including that of the Interstate-5 Corridor. Employment, housing and financial markets have been turned on their head and they are just beginning to show hints of

stabilization. So how has this affected the Opportunity Region listed in the Mulholland Institute’s report?

First, it has directly and significantly affected the number of jobs available in the region. Unemployment for the Los Angeles-Long Beach-Glendale Metropolitan Division (MD) rose from 8.8 percent in November 2008 to 12.2 percent in November 2009. Even some of the core cities in the region, which still are performing much better than the statewide and county averages, have seen dramatic increases in unemployment over the past 12 months.

| City | Unemployment | |
|---------------|------------------|-------------------------------|
| | Rate Nov 2008 | Unemployment Rate Nov 2009 |
| Burbank | 7.1 % | 9.9% |
| Glendale | 7.7% | 10.6% |
| Los Angeles | 9.8% | 13.4% |
| San Fernando | 8.6% | 11.8% |
| Santa Clarita | 5.4% | 7.5% |

Figure 32. Unemployment Rate For Cities That Comprise the Interstate-5 Corridor, 2008 and 2009.⁴⁵

As Figure 32 shows, every city in the region has felt the effects of the nation’s economic crisis. It is important to note that the region has still performed better than the LA-LB-Glendale MSA overall. And, looking at the overall changes in the NE Valley, it has only seen an average increase in the unemployment rate of 2.7 percent —about one-fifth less than the MSA’s overall 3.4 percent increase.⁴⁶ Again the robustness of the region sets it apart as an employment base.

The effects of the recession have also not been even across industries. In the last year, many industries have taken major hits in employment as seen in Figure 33.

| Los Angeles-Long Beach-Glendale MD Overall Change in Employment by Industry, November 2008 to November 2009 | |
|--|---------------------------|
| Industry | Percent Change |
| Construction | -10.6% |
| Manufacturing - Durable | -9.4% |
| Manufacturing - Nondurable | -8.0% |
| Wholesale Trade | -2.0% |
| Retail Trade | -3.8% |
| Transportation, Warehousing, Utilities | -4.3% |
| Information | -8.5% |
| Financial Activities | -3.0% |
| Professional & Business Services | -3.2% |
| Education and Health Services | +1.5% |
| Leisure and Hospitality | -2.7% |
| Other Services | -2.3% |
| Government | -2.0% |

Figure 33. Unemployment Rate Change, November 2008 to November 2009, by Industry, Los Angeles-Long Beach-Glendale MD.⁴⁷

The recession has hit three sectors particularly hard: construction, manufacturing and information. While it is not possible to disaggregate the corridor from the MD, it is important to note that these are important components of the I-5 Corridor’s economy. Looking at the more detailed level brings worse news for the Corridor as the main driver behind the decline in employment in Information is largely fueled by a 9.3 percent drop in employment in “Motion Picture and Sound Recording.” The bright spot on the list, Education and Health Services, is driven interestingly enough by a combined 5.0 percent increase in employment in education—mostly in colleges and universities—and a 0.5 percent increase in employment in hospitals, nursing and residential care facilities and social assistance services.

With the national economy poised for some recovery, however, this is good news. Movies are having a blockbuster year—a trend that is likely to fuel demand and open the door to the opportunity to quickly reverse the losses in this key industry cluster.

In terms of housing availability, we have also seen some pretty dramatic shifts. Using the data published by the *Los Angeles Times*, it is clear that there are fairly consistent decreases in housing values in the Corridor. Using zip code data, the year-to-year changes are presented in Figure 34.

| Median Home Price Comparison | | | | |
|-------------------------------------|------------------|----------------------------|------------------------------|-----------------------------------|
| Zip Code | Community | 2008 Value (1,000s) | Nov 09 Value (1,000s) | Change from 2008 to Nov 09 |
| 91501 | BURBANK | 676 | 560 | -17.2% |
| 91502 | BURBANK | 527 | 337 | -36.1% |
| 91504 | BURBANK | 630 | 563 | -10.6% |
| 91505 | BURBANK | 523 | 484 | -7.5% |
| 91506 | BURBANK | 526 | 512 | -2.7% |
| 91201 | GLENDALE | 622 | 670 | 7.7% |
| 91202 | GLENDALE | 635 | 643 | 1.3% |
| 91203 | GLENDALE | 455 | n/a | n/a |
| 91204 | GLENDALE | 445 | n/a | n/a |
| 91205 | GLENDALE | 425 | 390 | -8.2% |
| 91206 | GLENDALE | 663 | 632 | -4.7% |
| 91207 | GLENDALE | 733 | 850 | 16.0% |
| 91344 | GRANADA HILLS | 421 | 413 | -1.9% |
| 91345 | MISSION HILLS | 352 | 298 | -15.3% |
| 91343 | NORTH HILLS | 400 | 366 | -8.5% |
| 91605 | NORTH HOLLYWOOD | 350 | 300 | -14.3% |
| 91606 | NORTH HOLLYWOOD | 379 | 306 | -19.3% |
| 91331 | PACOIMA | 290 | 245 | -15.5% |
| 91402 | PANORAMA CITY | 300 | 243 | -19.0% |
| 91340 | SAN FERNANDO | 270 | 220 | -18.5% |
| 91352 | SUN VALLEY | 326 | 309 | -5.2% |
| 91321 | NEWHALL | 445 | 428 | -3.8% |
| 91350 | SANTA CLARITA | 428 | 365 | -14.7% |
| 91390 | SANTA CLARITA | 552 | 459 | -16.8% |
| 91381 | STEVENSON RANCH | 735 | 715 | -2.7% |
| 91342 | SYLMAR | 348 | 300 | -13.8% |
| 91355 | VALENCIA | 480 | 435 | -9.4% |

Figure 34. Median Home Price Comparisons, by Zip Code, 2008 and 2009.⁴⁸

Concurrent with this general decline in property values is an increase in home foreclosures. Figure 35 shows the concentrations for foreclosures in Los Angeles County. As can be seen, the Corridor has a range of foreclosure rates. Overall, 1 in every 206 housing units received a foreclosure filing in December 2009.

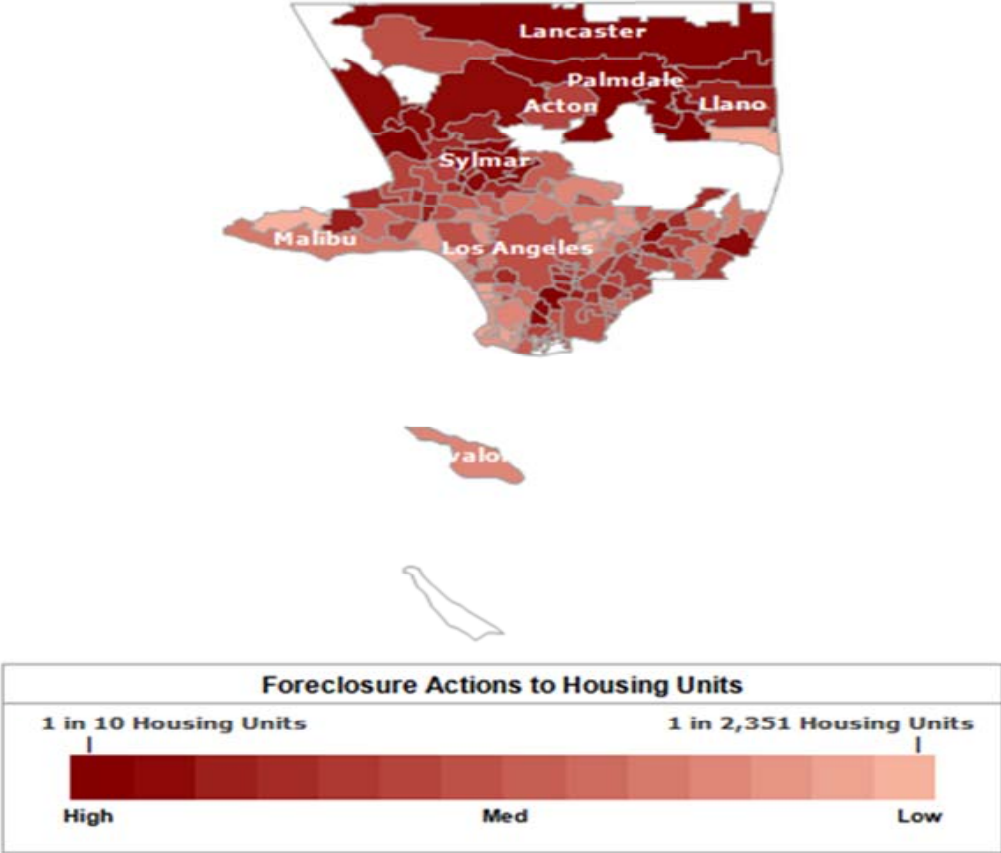


Figure 35. Foreclosure Rate Heat Map, Los Angeles County, December 2009.⁴⁹

Residential foreclosures in the I5 corridor have been significant and reflect a similar movement in unemployment and housing prices. Figure 36 shows home foreclosures for the San Fernando Valley portion of the I5 Corridor.

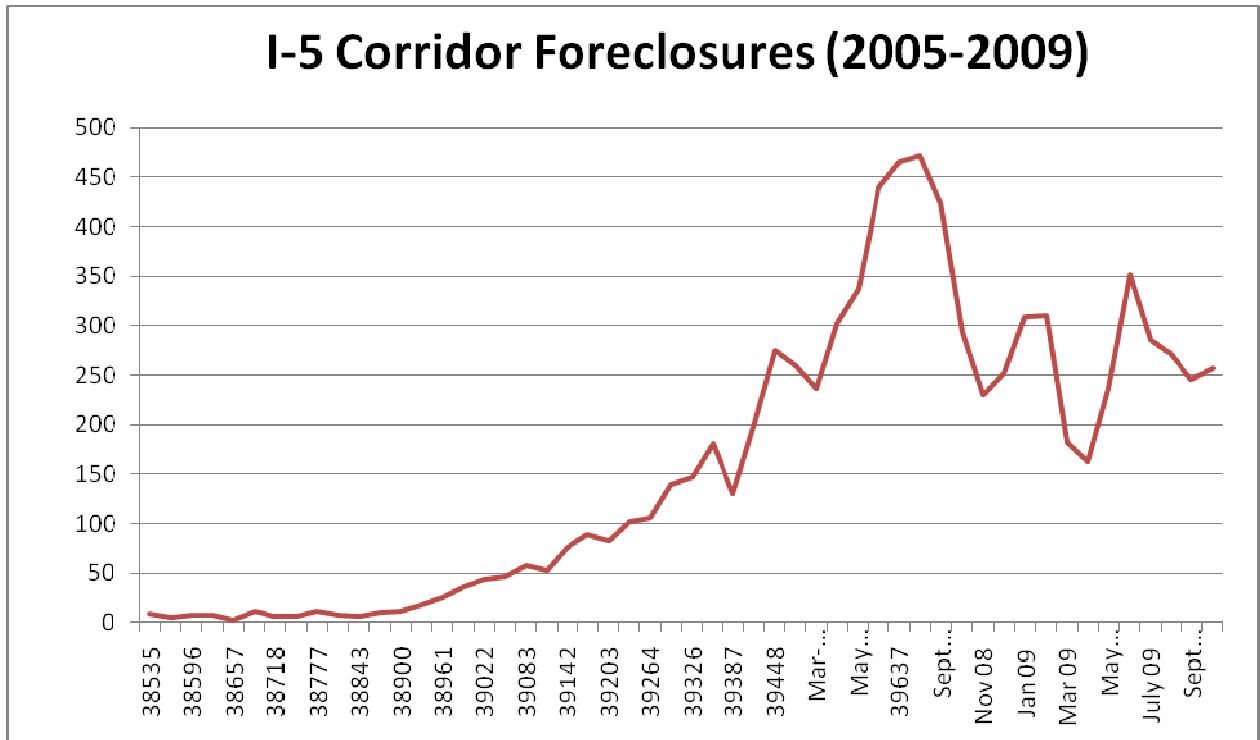


Figure 36. Home Foreclosures, San Fernando portion of the I-5 Corridor. Source: SFVERC, DataQuick.

Following the onset of the recession in early 2007, home foreclosures started a dramatic rise, peaking in August 2008 at 472 for this area. The upside of this evidence is that foreclosures have recently been on the decline implying the start of a recovery.

Concurrent with the changes in the residential markets in southern California, the industrial market has also taken the recession hard. Vacancies are up significantly in the second and third quarters of 2009 while rents are down, as shown in Figure 37.

Direct Vacancy Rate vs. Lease Rate / LA County

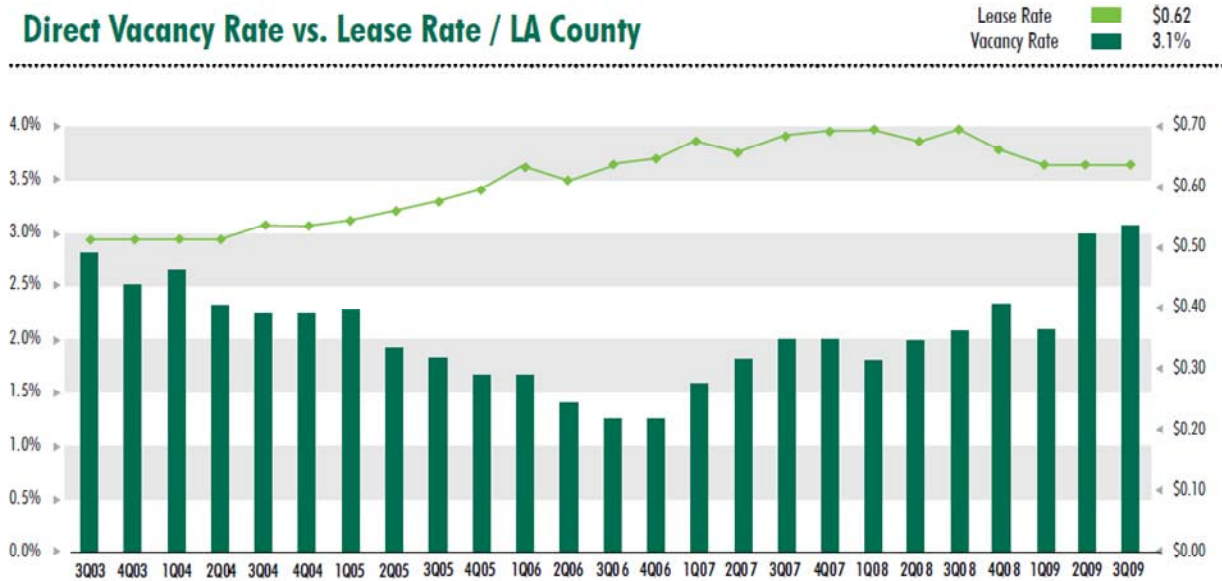


Figure 37. Direct Vacancy Rates vs. Lease Rates - Los Angeles County.

The regional variation is striking with some areas exhibiting some strength, while others—including the Greater San Fernando Valley—show serious weakness as seen in Figure 38. Overall these trends have had significant negative impacts on development activity within the region.

| Market Areas | Gross Activity 3rd Qtr 2009 | 2nd Qtr 2009 | 3rd Qtr 2008 | Annual Change | Availability Rate 3rd Qtr 2009 | 2nd Qtr 2009 | 3rd Qtr 2008 | Annual Change |
|-----------------------------|--------------------------------|------------------|------------------|------------------|-----------------------------------|--------------|--------------|------------------|
| Commerce | 1,248,841 | 452,079 | 996,037 | 25.4% | 7.28% | 8.43% | 5.32% | 36.8% |
| Vernon | 855,468 | 618,877 | 490,534 | 74.4% | 6.74% | 7.48% | 4.07% | 65.6% |
| Los Angeles | 608,475 | 424,973 | 754,601 | -19.4% | 4.23% | 4.99% | 4.67% | -9.4% |
| Mid-Counties | 943,494 | 533,307 | 922,675 | 2.3% | 10.07% | 8.51% | 5.19% | 94.0% |
| Greater San Fernando Valley | 1,042,615 | 994,778 | 1,408,944 | -26.0% | 8.47% | 7.41% | 5.92% | 43.1% |
| San Gabriel Valley | 1,619,179 | 1,264,017 | 794,615 | 103.8% | 8.94% | 8.45% | 5.16% | 73.3% |
| South Bay | 1,267,204 | 1,563,215 | 2,333,723 | -45.7% | 7.89% | 7.44% | 5.51% | 43.2% |
| Los Angeles County | 7,585,276 | 5,851,246 | 7,701,129 | -1.5% | 7.75% | 7.46% | 5.24% | 47.90% |
| Ventura | 645,212 | 354,871 | 617,474 | 4.5% | 12.00% | 11.65% | 8.60% | 39.5% |
| Greater Los Angeles | 8,230,488 | 6,206,117 | 8,318,603 | -1.1% | 8.02% | 7.72% | 5.45% | 47.16% |

The East and West Valley combined accurately represent the Greater San Fernando Valley.

Figure 38. Industrial Real Estate Market Activity and Availability.⁵⁰

Overall these trends have had significant negative impacts on development activity within the region. The decline in business activity is clearly evidenced in building permit activity. The overall economy experienced a rapid rise in the early 2000's. This is evidenced in Figure 39 for the San

Fernando Valley by the significant increase in building permits, peaking in 2006. As the economic recession began in 2007, new building permits dropped off substantially, reflecting a significant decline in overall economic activity.

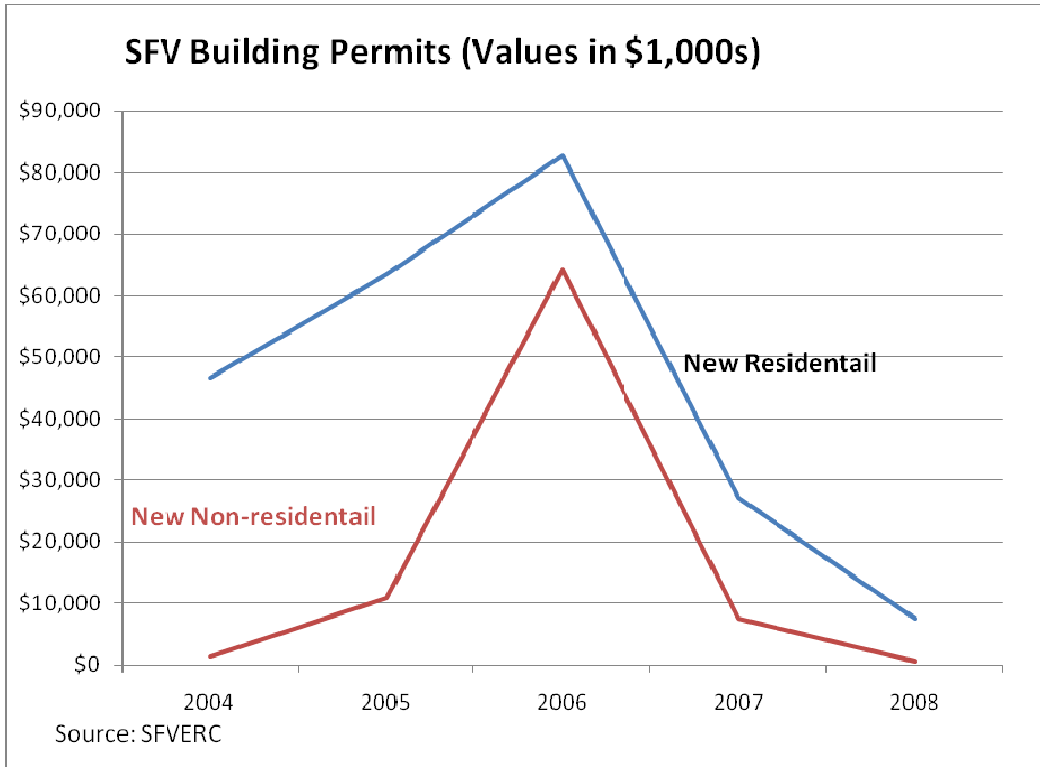


Figure 39. New Building Permit Activity for the San Fernando Valley, 2004-2008.⁵¹

But it does have its upside. The economy is poised for a slow, but steady recovery and this provides a excellent opportunity to leverage the area's unique resources for economic development.

APPENDIX 1:

ATTENDEES AT I-5 CORRIDOR ECONOMIC DEVELOPMENT PLAN STUDY - ROUNDTABLE 1

The Roundtable was held on the afternoon of January 20th, 2010 at Woodbury University. In attendance at the Roundtable 1, in alphabetical order:

Bruce Ackerman
President/CEO, Economic
Alliance

Richard Alarcon
Councilman CD7, City of
Los Angeles

Farah Awan
Administrative Analyst, City
of Santa Clarita

Marcella Ayala
Los Angeles Business Team
Staff, Mayor's Office of
Economic Development

James Bond
President, NE LA Gateway
Chamber

Mike Cusumano
Cusumano Real Estate Group

Paul Deibel
Community Development
Director, City of San
Fernando

Pam Elyea
VP, History For Hire

Laurie Ender
Councilmember, City of
Santa Clarita

Donna Estacio
Director of State Relations,
Office of Mayor Antonio
Villaraigosa

Teresa Fong
Transportation Planning
Manager, Metro - San
Fernando Valley/North
County Area Team

Laura Friedman
Councilmember, City of
Glendale

Dr. Bruce Getzan
Dean, College of the
Canyons

David Grannis
CEO, Planning Company
Associates

Interstate 5 Corridor Economic Development Plan

Emiko Isa
Assistant to the President,
The McCarty Company, LLC

Philip Lanzafame
Director of Development
Services, City of Glendale

Philip Law
Corridors Program Manager,
Southern California
Association of Governemnts

Jeff Lebow
Economic Development
Services, Southern California
Edison

Denise Lellan
Administrative Analyst, City
of Santa Clarita

Amy Lemisch
Director, California Film
Commission

Guillaume Lemoine
Husband of Councilmember
Friedman, City of Glendale

Victor Lindenheim,
Executive Director
Golden State Gateway
Coalition

Larry Mankin
President/CEO, Santa Clarita
Valley Chamber of
Commerce

Peter McCarty
Economic Development
Advisor, The McCarty
Company, LLC

Paul Moeller
Verdugo Workforce
Investment Board, Glendale

Steve Novotny
Area Manager, Caltrans

Rick Nordin
VP University Advancement,
Woodbury University

Craig Peters
Executive Vice President, CB
Richard Ellis

Bill Roberts
San Fernando Economic
Research Center, California
State University, Northridge

Bennett Robinson
Executive VP of Brokerage
Services, CB Ricard Ellis

Patrick Rodriguez
Public Information Officer,
US SBA

Ron Ruiz
Public Works Director, City
of San Fernando

Bob Scott
President/CEO, Mulholland
Institute

Interstate 5 Corridor Economic Development Plan

Michael Shires
School of Public Policy,
Pepperdine University

Don Sinclair
Woodbury University

Michael Tou
Policy Director, Office of
Congressman Brad Sherman

**APPENDIX 2:
ATTENDEES AT I-5 CORRIDOR ECONOMIC DEVELOPMENT PLAN
STUDY - ROUNDTABLE 2**

The Roundtable was held on the afternoon of April 14th, 2010 at Woodbury University. In attendance at the Roundtable 1, in alphabetical order:

In attendance at the Roundtable 2, in alphabetical order:

Bruce Ackerman
President/CEO
Economic Alliance

Marisa Alcaraz
Councilman CD7,
City of Los Angeles

Paul Audley
CEO, Film LA

William Barritt
CFO, Aerospace Dynamics
International, Inc.

Jason Crawford
Economic Development, City
of Santa Clarita

Paul Deibel
Community Development
Director,
City of San Fernando

Teresa Fong
Transportation Planning
Manager, Metro - San
Fernando Valley/North
County Area Team

Lauren Gallant
Deputy, Senator Alex Padilla

Dr. Bruce Getzan
Dean,
College of the Canyons

Gilbert Gonzalez
Los Angeles Business Team
Staff, Mayor's Office of
Economic Development

Mary Hamzoian
Economic Development,
City of Burbank

Ken Hitts
Director of Economic
Development Services,
City of Glendale

Bill Kennedy
Wingspan Business
Consulting

Michael Kiaman
Verdugo Workforce
Investment Board, Glendale

Philip Law
Corridors Program Manager,
Southern California
Association of Governments

Kathryn Leibrach
Deputy, Supervisor Michael
Antonovich

Interstate 5 Corridor Economic Development Plan

Denise Lellan
Economic Development, City
of Santa Clarita

Victor Lindenheim,
Executive Director
Golden State Gateway
Coalition

Peter McCarty
Economic Development
Advisor, The McCarty
Company, LLC

Tom McCarty
President, The McCarty
Company, LLC

Dr. Manish Singh
President & CEO of
ImmunoCellular
Therapeutics

Tracy Rafter
Los Angeles County
Business Federation

Bill Roberts
San Fernando Economic
Research Center, California
State University, Northridge

Robert Scott
The Mulholland Institute

Michael Shires
Pepperdine University

Laurel Shockley
Southern California Edison

Daniel Skolnick

Planning Deputy,
Council District 6

Trivedi Sunez
Canyons Economic
Development

Karo Torossian
Planning Deputy,
Council District 2

Stuart Waldman
CEO, Valley Industry &
Commerce Association

APPENDIX 3: SUMMARY OF KEY REFERENCES

Interstate-5 Community and Economic Development Strategy, Mulholland Institute

The Interstate-5 Corridor is in an outstanding position for economic development due to its status as the largest U.S. manufacturing center, its proximity to numerous educational institutions, technical facilities, occupational centers, and community colleges, its desirable climate and lifestyle, its service by local and regional airports and the fifth-largest harbor complex in the world, and its economic diversity and range of business types and sizes. In order to capitalize on its investments and advantages, the area needs a common vision and plan of action in order to reach its potential. The vision and plan of action must include ways to make the area more attractive to business and industry, including enhancing the transportation and goods movement infrastructure, increasing the business-friendliness of the City of Los Angeles, and creating commercial and industrial sites, as well as housing to balance jobs, through a coherent land use planning and entitlement process. Specific recommendations include promoting the assets of the Corridor, supporting and expanding industry clusters, training the workforce appropriately to pursue quality jobs synchronized with the needs of the market, expanding infrastructure, spurring economic development with public sector support, incentives, and programs, and aligning business, government, and non-profit sectors in order to achieve economic development.

Northeast Valley Study, LAEDC and Economic Alliance SFV

The Northeast San Fernando Valley - comprised of Pacoima, Sun Valley, and Sylmar - is distinguished by an average household income 20 percent higher than the City of Los Angeles as a whole, by a high degree of employer satisfaction, and crime rates roughly half those of the City of Los Angeles as a whole. To become economically vital, the area needs to develop modern industrial space, develop more and diverse housing, retain high paying employers, strengthen its efforts to train and educate its residents for the workforce, and become more enticing to companies with revision of the City of Los Angeles Gross Receipts Tax. The Northeast San Fernando Valley is compared to surrounding areas and found to have strengths such as

geographic location and young labor forces, as well as weaknesses such as City of Los Angeles Gross Receipts Tax and poor image and appearance. Specific recommendations are made for retention and expansion of existing business, business attraction, neighborhood economic development, and education and workforce training strategies. To retain and expand existing businesses, recommendations are to provide modern industrial space to accommodate the expansion potential of key employers; develop a contact program to identify retention/expansion opportunities; provide direct technical assistance to companies considering relocation or expansion; assist local companies to expand their markets to increase revenue and employment; and increase the use and effectiveness of federal, state, and local incentives and programs to offset high cost of doing business. To attract new businesses, recommendations are to promote the study data as marketing material to manufacturers, developers, and retailers; to identify large redevelopment sites for a variety of uses; and to facilitate and support projects. For neighborhood economic development, recommended strategies are to develop a leadership group composed of the Chambers, Economic Alliance of the San Fernando Valley and Valley Economic Development Council Offices to manage the prioritization and implementation of the plan; identify federal, state, and local programs, grants, financing tools, and incentives to facilitate improvements, identify industrial, commercial, and residential sites for development and redevelopment; identify and develop strategies to overcome the physical barriers and policies limiting desired development; create development strategies incorporating transit and housing to maximize land use; support entrepreneurs including women- and minority-owned and small businesses; and eliminate physical barriers to economic vitality. To educate and train its residents, recommended strategies are to expand existing business, education, and workforce training collaboratives to increase effectiveness; provide better coordination between employer training needs and workforce program providers; facilitate the flow of information from workforce programs to employers; support and establish neighborhood programs to improve K-12 performance and graduation rates; and support the creation of more adult opportunities.

Prosperity Tomorrow, Mulholland Institute

For the Valley to have a future as a region of opportunity, the public sector needs to address issues of governance and concerns about quality of life. In partnership with the private sector, it is critical that the public sector correct the severe transportation, housing, school and other key infrastructure shortcomings which are stymieing the region. To secure its long-term economic future, the Valley must focus on achieving three goals. First, the Valley must build an economic development consensus that includes business, government, and non-profit sectors in order to reduce unnecessary barriers to high end economic development and growth. Second, the quality

of life must be improved so that high-skilled residents and businesses are attracted to and stay in the area. Third, new capacity for growth must be created for physically growing companies and preparing the workforce to enter 21st-Century companies.

Our Future Neighborhoods, Mulholland Institute

As of the writing of the report in July 2003, the steep rise in housing values had made home ownership cost-prohibitive for many families, with resulting issues of overcrowding and deteriorating quality of life. Residents and businesses have expressed concerns about overdevelopment, deteriorating neighborhoods, declining public schools, increasing crime, loss of quality of life, ethnic change, overtaxed infrastructure, and air and water pollution. Yet, the Valley has an advantageous geographical location, a strong economic base, a diverse population, and an egalitarian character that keep it attractive. Thus, the area still experiences population growth, ahead of the growth of employment and housing capacity. Population density across the entire region increased from 4,200 people per square mile in 1970 to 5,900 people per square mile in 2000 (varying drastically among communities). One component of the density increase was the growth in household size, especially in the northeastern Valley. Despite the need for additional housing, especially affordable housing, there is little vacant land to accommodate it, resulting in a shortfall. Another consequence of population exceeding capacity is traffic congestion. To combat the issues of high-priced housing, overcrowded conditions, and growth restrictions, the report recommends fostering communities such as urban villages which combine retail and commercial uses with higher density housing and provide a sense of place and community identity.

Compass Growth Vision, Blueprint 2% Strategy, SCAG

The 2% Strategy proposes increasing the region's mobility by:

- Encouraging transportation investments and land use decisions that are mutually supportive
- Locating new housing near existing jobs and new jobs near existing housing
- Encouraging transit-oriented development
- Promoting a variety of travel choices

The livability of our communities can be enhanced by:

- Promoting in-fill development and redevelopment to revitalize existing communities
- Promoting developments which provide a mix of uses

Interstate 5 Corridor Economic Development Plan

Promoting "people-scaled," walkable communities
Supporting the preservation of stable neighborhoods

Our prosperity will be enabled by:

Providing a variety of housing types in each community to meet the housing needs of all income levels
Supporting educational opportunities that promote balanced growth
Ensuring environmental justice regardless of race, ethnicity or income class
Supporting local and state fiscal policies that encourage balanced growth
Encouraging civic engagement

We can promote sustainability for future generations by:

Developing strategies to accommodate growth that use resources efficiently, and minimize pollution and greenhouse gas emissions
Preserving rural, agricultural, recreational and environmentally sensitive areas
Focusing development in urban centers and existing cities
Using "green" development techniques

**APPENDIX 4:
INVENTORY OF KEY PARTICIPANTS AND ACTORS**

¹ Map is Figure 1 from the Mulholland Institute, *Interstate-5 Corridor: Economic and Community Development Strategy*, Sherman Oaks, CA, September 2007, p.5.

² Results derived from Minnesota IMPLAN Group, Inc., IMPLAN System (2008 data and software), Stillwater, MN, 2010.

³ Results derived from Minnesota IMPLAN Group, Inc., IMPLAN System (2008 data and software), Stillwater, MN, 2010.

⁴ Results derived from Minnesota IMPLAN Group, Inc., IMPLAN System (2008 data and software), Stillwater, MN, 2010. In this instance, the results are for biomedical materials manufacturing. If one were to use the estimates for pharmaceuticals and other like biomedical products, the resulting increase would be \$168 million in output, but only 394 jobs.

⁵ Results derived from Minnesota IMPLAN Group, Inc., IMPLAN System (2008 data and software), Stillwater, MN, 2010.

⁶ Source: BLS, Los Angeles – Long Beach – Santa Ana, CA, <http://data.bls.gov/cgi-bin/surveymost>, January 2010.

⁷ DataQuick Research Services, 2009.

⁸ The most current Census data available for the region are the 2007 American Communities Survey (ACS). It was initially hoped to include the 2008 ACS as well in this analysis, but delays in its release by the federal government have precluded its inclusion.

⁹ This figure replicates the data included in Figure 3 on page 8 of that report.

¹⁰ SOURCE: ACS, 2007 data.

¹¹ From 2007 American Community Survey data, US Bureau of the Census.

¹² From 2007 American Community Survey data, US Bureau of the Census.

¹³ US Bureau of the Census, “Median Household Income for States: 2007 and 2008 American Community Surveys,” *American Community Survey Reports*, September 2009.

¹⁴ Insert list here

¹⁵ From 2007 American Community Survey data, US Bureau of the Census.

¹⁶ US Bureau of the Census, “Housing Vacancy Survey,” *Current Population Survey*, various years.

¹⁷ From 2007 American Community Survey data, US Bureau of the Census.

¹⁸ Housing costs for owner-occupied properties include mortgage payments, property taxes and insurance. Housing costs for rental properties usually include rent plus utilities.

¹⁹ The Area Median Income is published annually by the California Department of Housing and Community Development.

²⁰ California Department of Housing and Community Development, *2009 State Income Limits*, plus calculations using the 30 percent of household income threshold as limit for housing expense.

²¹ National Association of Home Builders data, 2009.

²² These figures were compiled using the on-line search engine for the Southern California Multiple Listing Service using the income boundaries for each tier to search for single family residences in each. Results were tallied by Zip Code as specified in the study lists and then aggregated to the community level. Data were accessed on January 13, 2009 at <http://www.socalmls.com/>.

²³ This includes the City of San Fernando as well—it is not possible to fully separate it in the American Community Survey data for 2007.

²⁴ Source: DataQuick Information Systems, 2009..

²⁵ Rental data from realfacts.com, courtesy of the San Fernando Valley Economic Research Center, 2009.

²⁶ In the context of this limited analysis, a detailed assessment of the full extent of the workforce housing stock was not possible. The project team recommends that SCAG undertake a complete study modeled along the lines of that funded for the Westside Council of Governments. Since our purposes here are to provide a context for the broader creation of an economic development plan for the Interstate-5 Corridor region, we have chosen to focus on the specific issues that should frame our dialogue with respect to workforce housing.

²⁷ There are a handful of possible operational definitions, usually provided in the context of a specific plan for a unique development area. One example of a Specific Plan providing standards for executive housing introduces the following three specifications: development with lots of 10,000 square feet or greater; development adjacent to a golf course; and developments adjacent to a large open space, lake, park, or Village Green (Ontario Sphere of Influence Specific Plan Policy Matrix).

²⁸ These figures were compiled using the on-line search engine for the Southern California Multiple Listing Service using the income boundaries for each tier to search for single family residences in each. Results were tallied by Zip Code as specified in the study lists and then aggregated to the community level. Data were accessed on January 13, 2009 at <http://www.socalmls.com/>. Executive criteria included price in excess of \$641,700 (affordable at 250% of AMI), more than 4 bedrooms and more than 3,000 square feet.

²⁹ Housing unit data are from the American Communities Survey, 2007. Jobs data represent all jobs designation are from the U.S. Bureau of the Census, *Longitudinal Employer-Household Dynamics* (LEHD) data set using OnTheMapVersion 4 to derive the data points. Employed residents are derived from the LEHD as well the Home/Residential Area definition to identify primary jobs. Note that although the LEHD contains 2008 data, these were computed using 2007 data because the ACS for 2008 is not yet available with the necessary detail.

³⁰ Results compiled from the Bureau of the Census LEHD using 2007 data.

³¹ American Community Survey, 2007.

³² American Community Survey, 2007.

³³ Metropolitan Transit Authority, *Congestion Management Program for Los Angeles County*, Adopted July 22, 2004, Figure 2-6, p. 24. Level of Service (LOS) levels are denoted as A: 0.0–0.6 Volume to Capacity ratio, B: 0.6 - 0.7, C: 0.7 – 0.8, D: 0.8 - 0.9, E: 0.9 – 1.0 and F: > 1.0. In this figure, Significant branches of the region are shown at 90 percent or above utilization during peak hours.

³⁴ *Ibid*, 2003 CMP Freeway Monitoring Stations and Levels of Service, Appendix A, p. A-23.

³⁵ These travel times include not only the traditional commute hours, but also frequent special event held at the numerous athletic and arts venues in the surrounding communities including UCLA football games (Pasadena), the Rose Parade and Rose Bowl (Pasadena), Dodger games (Chavez Ravine), USC football games, Los Angeles Clippers and Lakers basketball games, Los Angeles Kings hockey games, USC Basketball games (all downtown), concerts and events at the Hollywood Bowl and Greek Theatres, etc.

³⁶ *ibid.*, Exhibit 2-3, p. 15.

³⁷ *ibid.*, Appendix A, p. A-19. In 2003, the intersection of Sierra Highway and San Fernando Road had a V/C ratio of 1.05 at the morning peak and 0.95 at the afternoon peak. Both levels are up from 1992 when the V/C ratios were 1.04 and .88, respectively.

³⁸ Los Angeles County Metropolitan Transit Authority, *San Fernando Valley North-South Transit Corridor Study*, 2003, Figure 1-13, p. 27.

³⁹ SCAG, 2008 *Regional Transportation Plan*, Exhibit 5.3, p. 168.

⁴⁰ LACMTA, *North-South San Fernando Valley Corridor Study*, 2003, Figure 1-14, p. 34.

⁴¹ *ibid.*, Figure 1-16, p. 37.

⁴² *ibid.*, Figure 1-17, p. 38.

⁴³ SCAG, 2008 *Regional Transportation Plan*, Exhibit 2-12, p. 71.

⁴⁴ MTA, *Multi-County Goods Movement Action Plan*, 2003, Figure 15, p. 37.

⁴⁵ California Employment Development Department data, December 2009.

⁴⁶ With the data available at this time, it is not possible to disaggregate the I-5 Corridor portion from the City of Los Angeles number. Without Los Angeles, the average increase in unemployment is even less at 2.5 percent.

⁴⁷ California Employment Development Department data, December 2009.

⁴⁸ DQNews.com, *Los Angeles Times Sunday Edition Charts – Data for November 2009*, from DataQuick Information Systems data, <http://www.dqnews.com/Charts/Monthly-Charts/LA-Times-Charts/ZIPLAT.aspx>, accessed January 18, 2010.

⁴⁹ Los Angeles County Local Foreclosure Trends and Foreclosure Information | RealtyTrac <http://www.realtytrac.com/TrendCenter/default.aspx?address=Los+Angeles+County%2c+California>, accessed January 15, 2010.

⁵⁰ CB Richard Ellis, *MarketView: Greater Los Angeles Industrial*, Third Quarter 2009.

⁵¹ *ibid.*



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