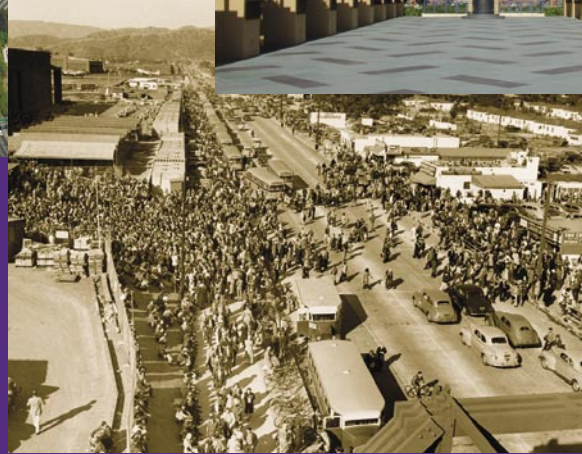


Prosperity Tomorrow

San Fernando Valley

Southern California's Region of Opportunity



Economic Strategy: 2005-2020



MULHOLLAND INSTITUTE

An aerial photograph of the General Motors Plant in Van Nuys, California, taken in 1948. The image shows a large industrial complex with several long, rectangular buildings and a prominent elevated roadway or bridge structure extending from the foreground towards the plant. The surrounding area includes residential neighborhoods with houses and trees, and a valley with some agricultural fields. In the background, there are mountains under a clear sky.

About the Mulholland Institute

The Mulholland Institute is the first multi-disciplinary think tank dedicated to issues that affect governance and quality of life for the 1.7 million residents of the San Fernando Valley region. The Institute has access to a substantial library of research, reports and publications already produced by the organization's team members and strategic partners.

The Institute works to foster critical thinking and objective analysis on behalf of the community, particularly in matters of public policy. The development and broad dissemination of reliable facts and research are deemed essential to achieving social equity in the region's communities.



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Economic Strategy: 2005-2020*

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Economic Alliance of the San Fernando Valley

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Executive Summary

For much of its history the San Fernando Valley has been regarded as an afterthought, a rural and then suburban extension of the greater Los Angeles economy. Yet today this region possesses unique economic assets, and a potential that could make it a prime locus of opportunity in the new century.

The primary strengths of the Valley economy lie with its people. Unlike the increasingly bifurcated L.A. society south of the Santa Monica Mountains, the Valley possesses a population that is not only ethnically diverse, but heavily concentrated in the middle class. It boasts higher rates of both home ownership and self-employment than the rest of the county, particularly the City of Los Angeles. Its minority populations tend to be far more affluent than those elsewhere in Los Angeles County.¹ In short, it has been a place where people find opportunity and achieve their dreams.²

This critical edge has evolved from, and depends upon, a thriving, extremely entrepreneurial and diverse economy. It is anchored on three relatively high-wage main industries. Two of these, entertainment and aerospace, represent classic “export” industries, sending their products out to the rest of the nation and the world. As when a nation ships goods to another country, a region gains wealth when it adds value, selling a product or service to customers outside the local area.

The third area, which will be of increasing importance in the coming decades, is business services. In some cases, these represent what the urbanist Jane Jacobs defined as “import-replacing” activities, that is, services in this region that, in the past, had been done in other areas. A typical example would be a Valley individual or firm that used to secure legal or accounting services from firms on the Westside or Downtown, but now contracts for these services within the Valley.

The growth of business services in the Valley is a critical indicator of the maturation of the region’s economy, from its earlier

roots as an agricultural and then a bedroom community. Even more exciting, particularly for the future, has been the evolution of business service sectors—notably in the insurance and financial fields—where the Valley increasingly performs high-end work, not only for locally-based companies, but for others located outside the region.

These three industries, with their large payrolls and relatively high salaries, provide the essential economic bases upon which the rest of the Valley depends. They help stimulate other important sectors of the economy such as real estate, construction and retail sales. This is a classic example of dependency, where the state of the export industries sets the stage for economic progress and sends capital into the other sectors. This benefits the workforce, and in turn, increases prosperity in the region’s communities.

Despite its wealth of positive attributes, the Valley also faces many severe problems. In terms of its lead industries, it must cope with ever-more-determined competition from other U.S. regions and from abroad. In the 1990s this had a severe impact on the region’s aerospace industry, severely reducing payrolls and affecting many Valley neighborhoods. In the first years of the new century, the shift in entertainment production to other countries, notably Canada, reversed what for years had been generally rising employment.

Along with these phenomena, which are primarily caused by factors of global

“a thriving, extremely entrepreneurial and diverse economy”

San Fernando Valley Suburb



competition, self-inflicted changes in the cost of living and doing business have hurt the region as well. On a broad level, the area has failed to maintain many of the elements critical for quality of life—in the fields of transportation, schools, housing, and public safety—which affect the locational decisions of skilled individuals and companies. This has been stated repeatedly by key business leaders and cited in surveys of Valley residents.

According to numerous focus groups and individual interviews, what is more galling is that business in the Valley has suffered from an indifferent, and even hostile, public sector. Many of these problems originate at the state level—largely in the form of workers compensation abuse, an anti-business legal environment, and a host of legislative measures that have added burdens to cost of hiring and retaining employees.

In addition, some local governments, most notably the City of Los Angeles, have developed a reputation for being indifferent, if not hostile, to business. Executives at various companies—in entertainment and construction, large and small, Anglo and minority—repeatedly complained about arcane regulations, unduly high costs and general indifference by city staff. In contrast, entrepreneurs in other Valley cities, notably Burbank, Glendale and San Fernando, generally reported friendlier business conditions.

For the Valley to achieve prosperity, and serve as an *opportunity region* in the coming decades, the public sector needs to address both questions of governance and wider concerns about quality of life. With the support of the private sector, it also needs to make a full-scale effort to correct the severe transportation, housing, school and other key infrastructure bottlenecks that are increasingly choking the region's progress.

The Valley has within its means the ability to achieve a better and more prosperous future. It also has shown ample signs of being fully capable of squandering its competitive advantages. It is up to the leadership

of the Valley to determine whether the region becomes an even greater venue for opportunity or follows a path toward long-term decline.

We believe the Valley needs to focus on three critical goals in order to secure its long-term economic future:



- Building 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
- Improving the Quality of Life, so that high-skilled residents and businesses can be attracted to and retained in the area.
- Creating New Capacity for Growth, which is critical to expand both the physical space for growing companies and also to prepare a workforce for the opportunities presented by 21st-century companies.



Pedestrian-Oriented District Burbank

Economic Development

Improved Quality of Life

New Approaches to Growth

Section One:

Evolution of the Valley Economy

Under Spanish, Mexican and then early American rule, the San Fernando Valley was a largely agricultural economy. Father Juan Crespi, traveling with the Spanish explorer Gaspar de Portola, on first encountering the region in 1769, described it as “a very pleasant and spacious valley”. The area was well settled with Native Americans whom the Church later organized around the mission at San Fernando.¹

It evolved under the dominance of the missions, into a vast land of Mexican haciendas, and later, under Anglo control, to large ranches, producing cattle and wheat. From early on the region was dominated by interests centered in the nearby City of Los Angeles. In 1874 the first real town, San Fernando, was founded. The City’s founders, many of them prominent Los Angeles businesspeople, hoped to attract Los Angeles residents to the new city, which was built close to the old mission.²

Los Angeles’ influence over much of the Valley expanded dramatically in the early 20th century. The City’s new aqueduct, approved by voters in 1907, brought badly needed water to the area in 1913, and sparked a speculative fever among both local property owners and powerful interests in nearby Los Angeles, including the owners of the *Los Angeles Times*. To facilitate development, and consolidate their control, in 1915 these same interests convinced most Valley residents to accept annexation into the City. After a spate of recent droughts, the pitch was simple: join Los Angeles and an endless supply of water could be put “to work at once.”³

Not all of the Valley succumbed to these blandishments. San Fernando, relying on its own wells, maintained a stubborn independence. So, too, did the fledgling cities of Burbank and Glendale, which also retained control of their own affairs. Until the late 20th century, the advantages of this arrangement were not entirely obvious. As the population grew, the benefits became clearer.

Whether within the City of Los Angeles or without, the same basic economic forces operated throughout the Valley in the dramatic course of the 20th century. The presence of water and cheap land made the San Fernando Valley

a relative bargain for potential settlers, not only from Los Angeles but the rest of the United States. The Valley, home to roughly 3,300 people in 1910, represented a tiny fraction of the Los Angeles area population. For the time being, it would serve largely as an agricultural supplier for the needs of the growing metropolis to the south. But it was about to undergo a major dramatic transformation.⁴

Building the Economic Base: The Valley Economy Grows Up

In the 1920s and 1930s, people streamed into the Valley to achieve what many would regard as the “suburban dream.” Yet, from the beginning the Valley was different from other “bedroom” communities across the nation, such as New York’s Long Island or Philadelphia’s Mainline. The Valley was not primarily settled by people from Los Angeles. Roughly four out of five came directly from somewhere other than Los Angeles.⁵



Los Angeles
Aqueduct 1928

Untethered by family or historical ties to the City, the Valley began early on to develop its own sense of identity and its own business resources, which over time would constitute an increasingly distinct economic system. By the year 2000, there were more than 110,000 self-employed people and over 650,000 other private sector employees working in more than 45,000 businesses in the Valley. A large proportion of Valley residents work in the region, rather than following the traditional commuter path to downtown and beyond. Increasingly, Valley residents saw it not only as a good place to live but also as a region of economic opportunity for themselves and their families.⁶

This “opportunity economy” rested initially on what the urbanist Jane Jacobs has identified as critical elements of a healthy urban economy—industries that export goods and services to the rest of the region, the nation and the world.⁷ In the Valley, we have identified two critical higher-

“A very pleasant
and spacious
valley”

wage industries: entertainment, and a broader aerospace/technology sector. These industries traditionally pay far higher salaries across the board than more locally-based sectors such as retail sales. In large part this is because of the higher skill levels and training required.

care and legal services to retail, which now constitute a large part of the overall economy. The emergence of these sectors can be seen in the rapid growth—starting in the 1960s—of office, retail and hospital complexes throughout the Valley. The growth of such areas as Warner Center, the Westfield Shoppingtowns and the Valley Presbyterian Hospital medical complex stand as testament to this maturation process.

Population San Fernando Valley 1910-2003

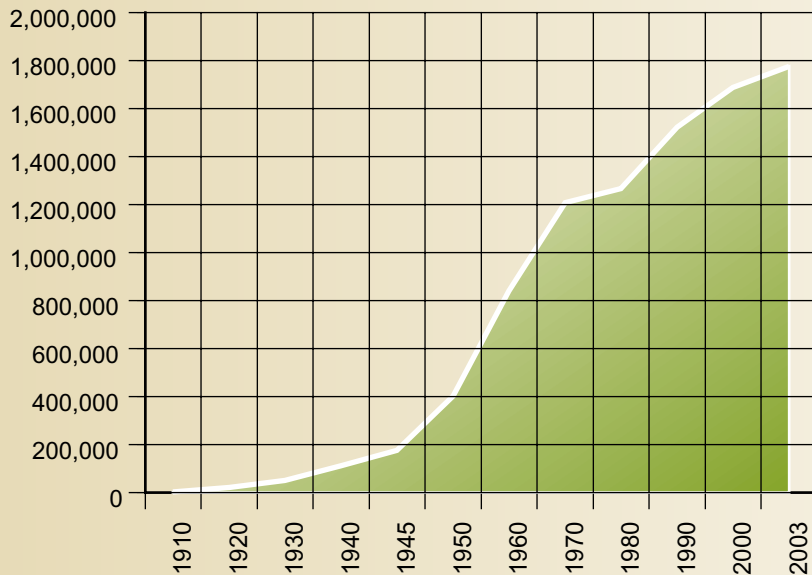


Figure 1 - Population San Fernando Valley 1910-2003. Source: U.S. Census; State of California, Department of Finance; Kevin Roderick, *America's Suburb*.

Although many parts of the service sector, such as retail, produce largely lower-wage jobs, other parts—particularly business services such as finance, law, accounting and management consulting—represent critical parts of the higher-wage economy. These jobs, along with those in the two traditional export sectors, help maintain the middle- and upper-middle-class segments of the Valley population. In some cases, such as the management of health care and some key financial services, they also increasingly serve as “export” industries in their own right.

In the future, this broad sector may create more opportunities for high-wage growth than any others. This is particularly important as the Valley service sector expands beyond serving locally-based companies, to a broader regional market. This includes many of the fastest growing centers for high-end employment in the region, notably in the Santa Clarita Valley and Ventura County.⁸ Valley companies such as Countrywide Financial Corporation and 20th Century Insurance exemplify this trend.

Becoming increasingly more important in recent decades has been the rapid growth of the business service sector—the third in our economic trinity. Initially this represented the growing capacity of the region to replace services once procured in Downtown Los Angeles and the Westside with those produced here in the Valley. These included a large range of services, from construction to accounting, from medical

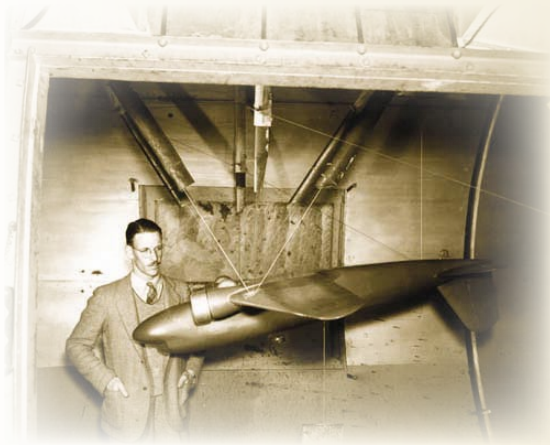
Understanding the nature of the three critical high-wage sectors remains essential to building a successful long-range strategy for the Valley’s prosperity and for maintaining the ability to keep it a region of expanding opportunity.

The Export Sectors

The entertainment industry started in Hollywood, but early on established a major beachhead in the Valley. With D.W. Griffith’s 1910 “Over Silent Paths”, the Valley started its career as a natural backlot for early filmmakers.⁹ The first major Valley studio was established in 1914 when independent film pioneer Carl Laemmle built a state-of-the-art studio on a 230-acre chicken ranch near the Cahuenga Pass. A year later on March 15, 1915 he officially opened the gates of Universal City, the world’s first community dedicated to movie production, where the public could pay a quarter to watch pictures being made. By the 1940s, the Valley was home to several other major studios, including Warner Brothers, Republic Pictures and Disney, and to numerous Hollywood celebrities, including Cecille B.

Universal Studios 1930





Caltech, circa 1930, Wind Tunnel Tests

DeMille, Clark Gable, Bob Hope, Lucille Ball, John Huston and Spencer Tracy.¹⁰

The construction of the “new” Universal Studios, the world’s largest entertainment complex, in the 1950s marked a major expansion of the Valley’s entertainment industry. By the 1970s it was already the world’s largest producer of television programming.¹¹ The Valley—home to Disney, NBC, ABC, Warner Brothers and Universal—became arguably the most critical center for the worldwide entertainment industry. In terms of employment, today it also boasts the largest portion of the region’s entertainment industry, ahead of the Westside and old Hollywood.

Entertainment is not a monolithic industry dependent on a few large corporations. Indeed, over the past few decades the entertainment industry has become ever more diversified and entrepreneurial, spinning off large numbers of small artisanal firms and employing many individual contractors. Many of these smaller firms, as well as individuals, coexist synergistically with the major studios. Together



General Motors Plant Van Nuys 1966

Twenty Highest Salary Employment Sectors in the San Fernando Valley - 2003

Industry Activity	Average Annual Salary (2003)	Number of Jobs
Lessors of Non-financial Intangible Assets (Except Copyrighted Works)	217,433	313
Broadcasting (Except Internet)	105,646	2,186
Performing Arts, Spectator Sports, And Related Industries	94,018	8,675
Publishing Industries (Except Internet)	72,696	3,505
Credit Intermediation And Related Activities	71,234	19,225
Motion Picture And Sound Recording Industries	68,878	78,885
Food, Beverage, And Tobacco Manufacturing	68,161	7,955
Mining	66,612	192
Insurance Carriers And Related Activities	65,763	20,473
Securities, Commodity Contracts, And Other Financial Investments And Related Activities	64,469	3,572
Management Of Companies And Enterprises	63,966	12,872
Internet Service Providers, Web Search Portals, And Data Processing Services	63,381	1,679
Transportation Equipment Manufacturing	58,979	8,942
Utilities	58,216	673
Internet Publishing And Broadcasting	57,226	388
Petroleum And Coal Products Manufacturing	57,219	96
Computer And Electronic Product Manufacturing	57,087	14,066
Machinery Manufacturing	56,369	4,067
Professional, Scientific, & Technical Skills	56,331	42,352
Telecommunications	53,730	5,058

Figure 2 - Twenty Highest Salary Employment Sectors in the San Fernando Valley 2003
Source: California Employment Development Dept. ES-202 (EDD), provided by San Fernando Valley Economic Research Center at California State University Northridge (SFV ERC/CSUN)

Twenty Lowest Salary Employment Sectors in the San Fernando Valley - 2003

Industry Activity	Average Annual Salary (2003)	Number of Jobs
Textile Product Mills	27,220	1,010
Sporting Goods, Hobby, Book, And Music Stores	27,114	5,215
Transit And Ground Passenger Transportation	26,419	1,368
Agriculture, Forestry, Fishing & Hunting	25,920	1,528
Apparel Manufacturing	25,465	6,018
Food And Beverage Stores	25,306	15,383
Furniture And Home Furnishings Stores	25,063	3,523
Nursing And Residential Care Facilities	24,508	15,727
Textile Mills	24,452	557
Personal And Laundry Services	23,607	7,994
Miscellaneous Store Retailers	23,237	5,202
Social Assistance	23,209	7,721
Leather And Allied Product Manufacturing	22,871	669
Accommodation	22,407	3,173
Private Households	21,141	2,940
General Merchandise Stores	19,314	12,333
Clothing And Clothing Accessories Stores	18,445	8,118
Gasoline Stations	17,237	1,805
Scenic And Sightseeing Transportation	16,463	27
Food Services And Drinking Places	15,146	44,091

Figure 3 - Twenty Lowest Salary Employment Sectors in the San Fernando Valley 2003
Source: EDD, SFV ERC/CSUN

Manufacturing and Entertainment Employment

San Fernando Valley 1991-2000

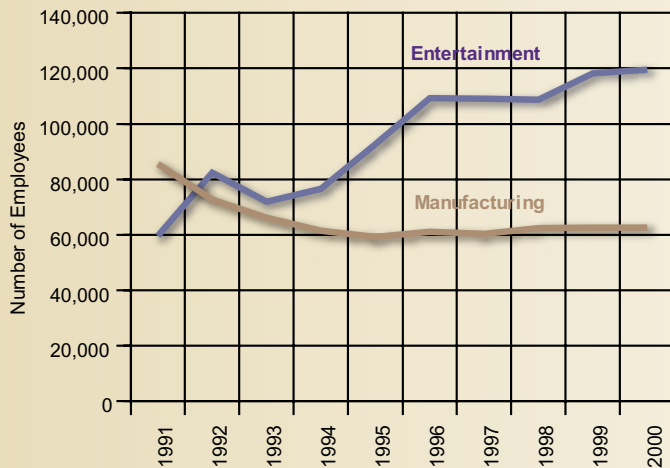


Figure 4 - Manufacturing and Entertainment Employment, San Fernando Valley, 1991-2000 Source: EDD, SFV ERC/CSUN

they create a robust and fully integrated entertainment economy that is unrivaled in the world.¹² According to Census and employer data, the San Fernando Valley accounted for some 72 percent (97,000 of the County's 135,000 jobs) in the entertainment industry in 2000.¹³

Throughout the recession of the 1990s, the Valley's entertainment industry helped make up for some of the severe losses from the aerospace displacement that followed the end of the cold war. By 2000, the entertainment industry had passed aerospace to become the region's—and Los Angeles'—largest export industry. Employment slipped in the early 2000s as a result of “runaway production” to other countries, although marketing and administrative functions generally remained in the Valley. By early 2004 industry employment appeared to be stabilizing once again. In part this has to do with a shift in preference back to local shooting, but also to the Valley's increasing role as a center, not only of production, but of the management, marketing and coordination of worldwide entertainment activities. Some of this recovery, real estate brokers report, may have to do with the continuing growth of the Valley's large adult film industry.¹⁴

Defense and Technology

The aerospace industry's roots in the Valley reach back almost as far as the entertainment industry. With its many days of near perfect flying weather, the Valley was an early site for aviation. The original Griffith Aviation Park, on land now occupied the parking lot of the L.A. Zoo, opened in 1912. Grand Central Terminal in Glendale served as Los Angeles premier airport

into the 1930s. The famous aviatrix, Amelia Earhart, lived in Toluca Lake and started her ill-fated trans-Pacific flight from the Valley.¹⁵

More critically, by the 1930s the Valley emerged, along with the South Bay, as one of the two main centers of the Los Angeles area's burgeoning aviation industry. Lockheed, based in Burbank, and North American Aviation's Rocketdyne Division, located in Canoga Park, in particular emerged as major and highly innovative players. The close proximity of the Jet Propulsion Laboratory in Pasadena would later play a part in accelerating this development. The Second World War and the ensuing Cold War turned much of the Valley into a major center of aerospace production, accounting for some 90% of the Valley's industrial output as late as the 1950s.¹⁶

Throughout the 1960s—and again during the military buildup under President Ronald Reagan in the 1980s—the Valley's aerospace industry continued to expand. Space exploration technologies, electronic systems and rocket engines all came from the Valley's growing technology complex. Each surge of the defense and space industry seemed to push the development of the Valley ever forward.¹⁷



Rocketdyne, Canoga Park, 1960

But with this development came the risk that downturns in the aerospace sector could have a devastating impact on the Valley. Predictably, the recession of 1970, coupled with the post-Vietnam reduction in defense spending, hit the region like a bombshell. Unemployment soared to the highest levels since the mid-1950s as job openings dropped by as much as 33%. The impact was not only felt in the major defense plants, but also among support industries and subcontractors. Even ancillary service industries, such as retail, construction and real estate could not escape the downturn.¹⁸

“... defense spending ... has grown at an average pace of more than 5 percent per year since 1996”

Business Services Employees

San Fernando Valley 1991-2000

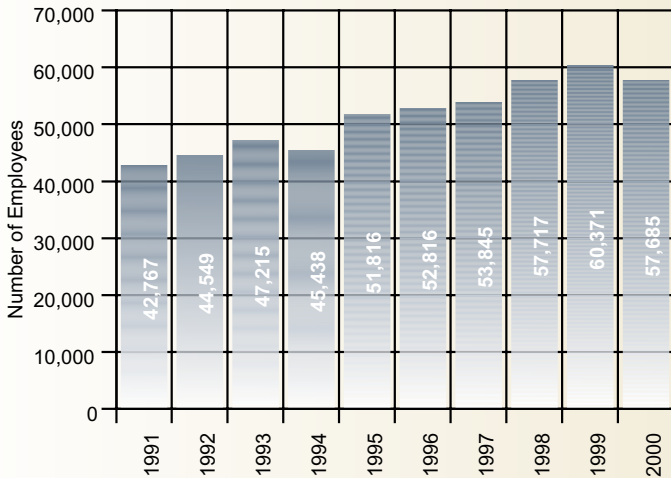


Figure 5 - Business Services Employees 1991-2000
Source: State of California, Employment Development Department, ES202

This unfortunate pattern was to be revisited, even more dramatically, during the early 1990s. With the end of the Cold War, defense spending dropped dramatically. Businesses saw California as an increasingly hostile economic and regulatory climate. And the favor of the state's Congressional delegation in Washington DC was seriously eroded, further accelerating the shift of aerospace and defense production out of the region. Between 1985 and 1992 defense spending in the state dropped by almost \$20 billion.

Yet despite these setbacks, more recent conditions in the local aerospace industry and related technology sectors appear to be stabilizing. This following the military buildup and consumption occasioned by the terrorist attacks of 9-11 and the Afghanistan and Iraq Wars. In contradiction to expectations, it was military, not civilian production, which once again appeared to be leading the way. The projections of defense executives are now slowly improving. Not only do they expect stabilization of current employment levels, but possible increases over the next few years.¹⁹

Even though overall defense spending declined at an average rate of just under 2 percent per year over the first half of the 1990s, it has grown at an average pace of more than 5 percent per year since 1996. It is expected to continue to grow at almost four percent a year through 2007. Even correcting for inflation, average annual growth is expected to total 1.5 percent per year over the next several years.²⁰

In addition, there is hope that the spin-offs from the defense infrastructure—particularly the concentration of scientific and technical talent—will continue to create new businesses. Already

the 101 corridor, which runs from the Valley all the way to Santa Barbara, has become a premier technology region in greater Los Angeles. In 2002 the area had twenty-six of the top fifty technology companies—a region that includes the counties of Santa Barbara, Ventura, Riverside and San Bernardino, and Los Angeles.²¹

Business and Professional Services.

Propelled by its export economy, the Valley has experienced both rapid population growth and the expansion of many other sectors. In the past, the Valley drained its dollars by spending its income largely out of the area. Until the 1950s, substantial numbers of Valley people shopped Downtown or in Hollywood.

But in the fifties, with the development of the population base, the Valley accounted for two thirds of all homes built in the City of Los Angeles. With the construction of numerous shopping centers, the retail sector of the Valley became increasingly self-sufficient. By 1956 over 75% of all major purchases of clothing, appliances and furniture by Valley residents took place

Employment in Construction, Business Services, and Non-Hospital Health

San Fernando Valley 1991-2000

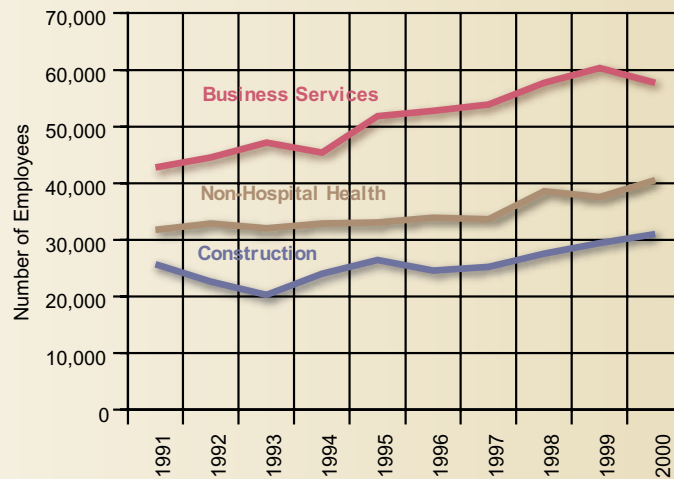


Figure 6 - Employment Construction, Business Svcs, and Health, San Fernando Valley, 1991-2000. Source: EDD, SFV ERC/CSUN

locally. This was true for over 90% of sales of food and groceries.²² The development of shopping centers and malls throughout the Valley gradually eliminated the need to obtain goods and services outside of the area.

Durable Manufacturing Employment

San Fernando Valley 1991-2003

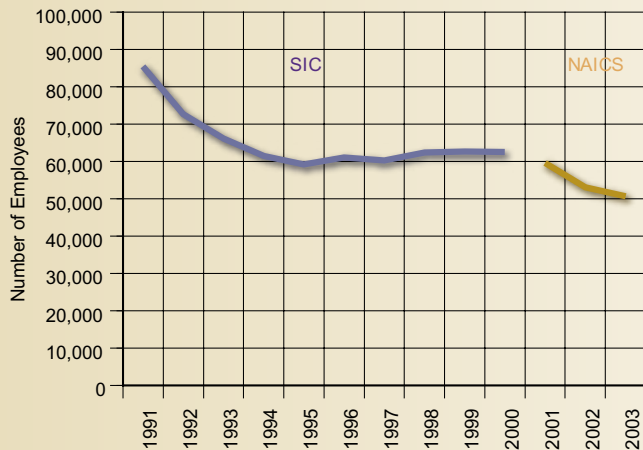


Figure 7 - Durable Manufacturing Employment, San Fernando Valley, 1991-2000.
Source: EDD, SFV ERC/CSUN

Other industries, notably construction and home furnishings, also rose to meet the growing demand. Indeed as the Valley suffered through recessions—such as the one following the end of the Second World War—these “import-replacing” activities, in the estimation of urban historian Jane Jacobs, helped prop up an economy reeling from massive layoffs at defense plants. Most of this work, she suggests, was done “by new local companies or older ones that were adding new work.”²³

This growth was propelled by a well-paid labor force. Nearly thirty percent of the industrial workers in the City of Los Angeles lived in the Valley, most of them tied to the relatively well-paying aerospace industry. Other Valley cities like Burbank showed even higher incomes, a higher rate of education and far lower rates of poverty.²⁴

Perhaps the most important evolution in the Valley economy has been its steady but



Walt Disney and Mickey Mouse, 1961

slow emergence as a center of business and professional services—ranging from insurance and finance to law, accounting, engineering and architectural services. These represent the third major agglomeration of relatively high-paying jobs that could prove critical to the region’s long-term health.

In the past, the Valley has tended to buy many of these services from Los Angeles. But since the 1970s there has been a steady increase in the growth of such firms and in employment in the area. Like the shift in retail sales, the expansion of business services represents a critical aspect of “import-substitution” for the regional economy.

The Valley part of the City accounts today for nearly fifty percent of business services, including one third of all professionals, half of all contractors and the vast majority of health maintenance businesses.²⁵ Today the Valley truly



has grown up from its suburban roots; the high-rise canyons along Ventura Boulevard, Warner Center and the new high-tech facilities along the 101 corridor all testify to this remarkable and promising transition.

Even more impressive has been the growth of several major headquarters in key service sectors, including financial services (Countrywide and Zenith Financial), health (Wellpoint), and most recently the internet services giant United Online, parent company of NetZero and Juno Online.²⁶ The growth of these firms—which provide employment tied to service work outside the region—offers the possibility that the Valley could eventually see the emergence of a third “export” industry by 2020.



Section Two:

The Valley's Future Prospects as an Opportunity Region

The future of the Valley as a *region of opportunity* is inextricably linked to these three key sectors. In many ways, they are tied to the progress of industries located in neighboring regions. The Valley may be increasingly self-contained as an employment center, but it feeds off linkages with the broader Los Angeles economy, particularly those areas adjacent to the Valley.

The future evolution of the high-tech/aerospace industry will increasingly be linked to that of the Conejo Valley to the west, which has grown remarkably in recent years. The region already boasts an important biomedical industry, which often shares crossover skills with aerospace.¹ Perhaps most promising has been the growth of Amgen, the world's largest biotechnology firm, in Thousand Oaks.

Business growth and the strict limitations on new housing in adjacent Ventura County, are adding pressure to the San Fernando Valley's already-lively market. Respected urban planner Bill Fulton suggests that if business conditions were improved in the Los Angeles-controlled parts of the west Valley, adjacent to Ventura's increasingly high-priced communities, the reverse spillover effect could prove a "major opportunity" for the region's technology development.²

Similarly, the fate of the Los Angeles entertainment industry—indeed the whole American movie, television, game and music business—remains of great concern to the Valley. Problems such as "runaway production," union rules, and incentive packages in rival states threaten the industry, not just in the Valley, but throughout Southern California. A strong recovery in entertainment—given the Valley's already vast presence—would inevitably redound to the benefit of the local economy as well. There are further concerns about how the prospect of new digital technologies in the development, production, and distribution of entertainment content will change the industry. At the same time, there is a sense of optimism

among developers as demonstrated by the recently completed Disney complex in Glendale, potentially adding some 3.5 million square feet of new office space at buildout.³

Finally, the growth of business services will rest not only on the success of the entertainment and aerospace/technology sectors, but also on the general growth of business in Southern California. The location of firm headquarters in particular, and their decisions as to where to place new functions, are tied to issues that extend well beyond the Valley. These include major decisions made both in Sacramento and in local cities.



Cheesecake Factory Headquarters Calabasas

Overall, our assessment is a cautiously optimistic one. Since the mid-1990s job recovery in Southern California has tended to be stronger in the periphery than in the urban core. Many areas either in, or contiguous to, the Valley have done particularly well, including Santa Clarita, Calabasas, Glendale and Burbank. Overall, the Valley, including parts within the City of Los Angeles, has generally fared better than other parts of the region, including both the Westside and Downtown.⁴

Employment in Los Angeles County by Region					
Area		2000	2001	2002	2003 ^e
San Fernando Valley	thousands	692.7	688.5	692.2	702.7
Santa Clarita/Antelope Valleys		119.1	125.6	131.6	134.5
San Gabriel Valley		595.8	609.3	610.4	617.6
East L.A. Eagle Rock		89.5	88.9	87.8	91.7
Westside		403.2	405.3	401.8	406.9
South Bay/LAX		471.8	472.7	465.0	465.2
Long Beach/Gateway Cities		671.4	672.0	664.6	658.3
South Los Angeles		87.8	85.9	87.9	87.3
Crenshaw/Mid-City/Hollywood		208.2	209.0	207.0	214.7
Central/Downtown Los Angeles		451.0	473.4	479.6	451.6
Total of Los Angeles County		3790.5	3830.7	3828.0	3830.5

Figure 8 - Performance in L.A. County by Region. ^eEstimates based on three quarters of data. Sources: EDD, SFV ERC/CSUN

Los Angeles County Technology Employment

(In thousands, 2003 Benchmark, Based on NAICS)

	Manufacturing				Services			
	Total Technology Employment	Computer & Electronic Product Manufacturing	Aerospace Product & Parts Manufacturing	Pharmaceutical & Medicine Manufacturing	Software Publishing	Internet Service Providers & Data Processing	Computer Systems Design & Related Services	Scientific R & D Services
1991	283.9	110.2	118.7	5.2	2.0	13.4	18.6	15.8
1992	252.3	96.4	106.7	5.5	2.5	10.0	17.1	14.1
1993	221.6	87.5	86.8	5.6	2.6	8.7	16.4	14.2
1994	199.3	79.0	73.4	5.6	2.9	7.1	17.9	13.4
1995	191.1	78.9	64.6	5.7	3.5	6.9	18.4	13.1
1996	191.2	80.6	62.5	5.9	3.8	7.5	18.6	12.3
1997	197.5	81.9	61.5	6.2	4.8	9.1	20.9	13.1
1998	201.7	78.6	65.1	6.7	5.3	10.3	22.4	13.3
1999	197.4	73.9	59.1	6.8	5.8	13.2	24.9	13.7
2000	195.3	70.5	52.2	6.8	6.7	18.7	26.9	13.5
2001	187.8	69.2	47.1	6.9	6.3	17.0	27.9	13.4
2002	174.9	64.4	43.8	7.0	5.7	12.3	26.7	15.0
2003	168.3	60.0	40.0	6.1	5.3	12.2	26.5	18.2
2004 ^e	166.9	58.8	40.5	5.5	5.0	12.0	26.8	18.3
2005 ^f	171.8	59.3	41.8	5.4	5.3	12.1	29.0	18.9
2006 ^f	174.0	60.1	42.3	5.6	5.4	12.1	29.3	19.2

Figure 9 - Los Angeles County Technology Employment 1991-2006
Sources: EDD, Labor Market Information Division; all ^eestimates and ^fforecasts by LAEDC

This can also be seen by the superior performance of the Valley's office market. Since the height of the recession, the Valley, unlike Downtown or the Westside, has experienced a steady drop in its office vacancy rate despite the construction of several new buildings in the Burbank/Glendale area. This suggests that the region continues to attract and retain business to an extraordinary extent.

Similarly there has been a steady drop in industrial vacancy rates. This may seem

anomalous given the continued shrinkage of the Valley's manufacturing economy. One explanation, suggests George Stavaris, an executive at Colliers Seeley, lies in the conversion of former industrial facilities into warehousing, marketing and office space. Many of these facilities, he adds, are being broken into smaller parcels—from 700 to 2000 square feet—to accommodate firms with fewer employees. "Buildings get taken but with a lot fewer employees," Stavaris explained.⁵

Office Vacancy Rates

San Fernando Valley 1996-2004 by quarters

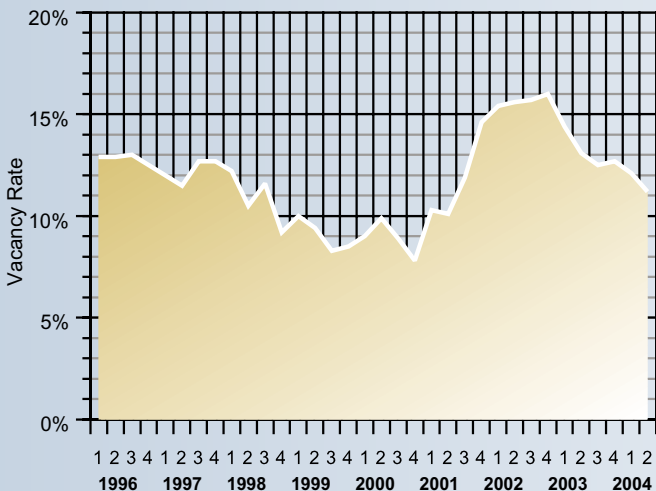


Figure 10 - Office Vacancy Rates, San Fernando Valley 1996-2004
Source: Grubb and Ellis. SFV ERC/CSUN

Industrial Vacancy Rates

San Fernando Valley 1996-2004 by quarters

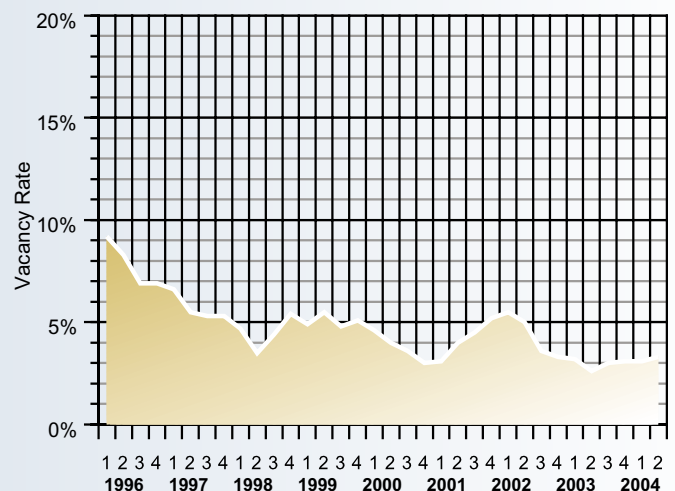


Figure 11 - Industrial Vacancy Rates, San Fernando Valley 1996-2004
Source: Grubb and Ellis. SFV ERC/CSUN

Section Three:

New Directions

We have identified three key and interrelated factors that will impact the Valley's future growth. This conclusion has been reached using both our study of other economies, and input from scores of business executives in a wide range of industries. These include:

Demographic Trends. Since the 1930s the Valley has generally been a middle-class haven, with few of the very rich and much fewer of the very poor than other parts of the region. It continues to be so, even as it attracts an increasing number of new immigrants, who pose both a great opportunity and a challenge to the region. Maintaining its fundamental demographic character—with high rates of self-employment, home ownership, and education—will prove critical to maintaining the region's prosperity.

Quality of Life. One of the principle reasons why people with skills and ambitions come to a region lies in its quality of life. Over the years surveys have shown a varying assessment of quality of life among residents and entrepreneurs in the Valley. Traffic, high housing prices, pollution and lack of open space are among the common concerns. Finding ways to improve this aspect of the economic climate is a fundamental priority.

Business climate. Much of the worst damage to the Valley economy has been self-inflicted by local leadership. A great deal of the problem

arises at the state level, where onerous anti-business legislation has become commonplace during the past decade. One common complaint among business owners is that the California Legislature is hostile, or in the most generous interpretation, indifferent to business and private sector job creation. Valley business owners and interests are frustrated because representatives



Glendale
California

from the Valley have not been effective in slowing the rising tide of regulation that threatens to engulf them and other businesses throughout the state. Locally, the level of concern varies, with most businesses in the Valley's independent cities expressing relative satisfaction. Those situated in the City of Los Angeles tended to be more dissatisfied over problems unique to L.A., such as Gross Receipts Taxes, a convoluted entitlement process, and onerous regulations.

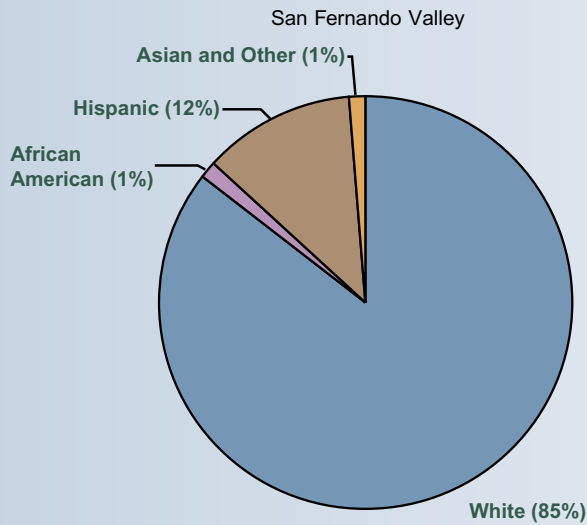
Demographic Factors

In 1943 Bing Crosby crooned the hit song "San Fernando Valley,"¹ inspiring a generation to make the Valley their home. Many Hollywood stars and successful business people did just that. But, for the most part the region was developed post-World War II, largely for those of a more modest income. In some places, such as Panorama City, housing and industry were developed hand in hand. Blue-collar workers, professionals and technicians working at local auto, aerospace and other industrial

Boeing
Rocketdyne
Rocket Engine
Assembly



Population by Race/Ethnicity 1970



Population by Race/Ethnicity 2000

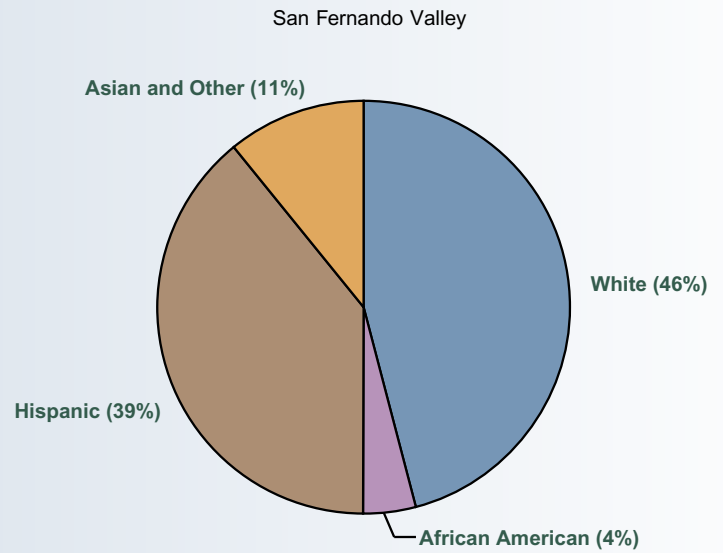


Figure 12 and 13 Population by Race/Ethnicity 1970 and 2000 San Fernando Valley
Source: U.S. Census Data, SFV ERC/CSUN

facilities crowded into the well-thought-out neighborhoods, whose boosters claimed they were building “a city where a city belongs.”²

The people rushing to these new communities during the late 1940s and 1950s were largely families. The new communities in the Valley had more young people and fewer old than the national average. Whites made up well over 90% of the population. In 1955, the Valley was identified as the fastest-growing urban area in the nation. In 1960, half of its homes and businesses had been built in the previous ten years.³

The Valley epitomized middle-income affluence. In 1960 median income was 41% above

the national average. The percentage of people with twice the national average was two times the US norm, while the percentage with low incomes was one-fourth that of the rest of the country. Education levels were also higher, particularly for those working in the defense industry.⁴

By the 1970s, there were notable changes. As the region became more densely packed, with many more apartments, the family income, although still above the national average, had become lower by comparison. Education levels also drew increasingly closer to national averages. The Valley was still gaining population, but at a much reduced rate.⁵

Share of Families with Annual Income Under \$20,000

San Fernando Valley 2000

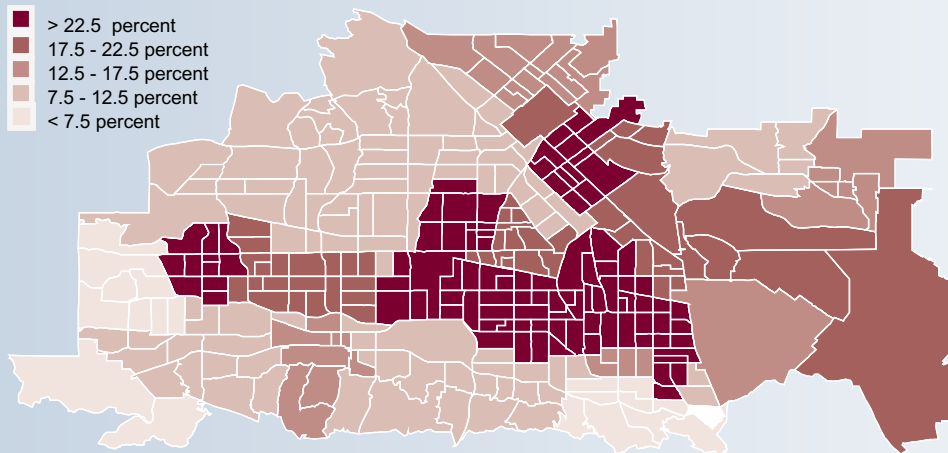


Figure 14 - Share of Families with Annual Income Under \$20,000
Source: U.S. Census, SFV ERC/CSUN

Yet, this population was also changing. Increasingly the newcomers to the Valley were not coming from Peoria or Brooklyn, but were new immigrants from a wide variety of locales around the world. Between 1970s and 2000, the Valley went from being overwhelmingly white to roughly half minority, the largest percentage being Hispanic. Asian and African American populations also surged, while the number of non-Hispanic whites dropped by 18 percent.⁶

These changes were felt across the Valley. The West San Fernando Valley also began to develop significant pockets of Asian, particularly Vietnamese and Asian Indian, immigrants. The North Hollywood

area also replaced East Hollywood as the center for the region's Thai community.⁷

Even these numbers do not capture the full extent of the demographic change. Many of the populations included as "White" were themselves made up of immigrants, including Russians, Israelis, Persians and Armenians, all of whom established a large presence in the Valley during the 1980s and 1990s. The Armenian community, centered in Glendale, has the largest concentration of Armenian-born residents outside their native lands.⁸

The Valley changed, and for many people the change was not for the better. Increased population sparks growth and increases density. Many see the growth of apartments and condominiums as a threat to the region's once-dominant single family home. "There's a lot of crowding going on in the Valley, and I think there's a dream being lost in that regard," suggested Abe Hoffman, a Los Angeles Valley College professor and long-time Valley resident.⁹

Many of the earlier suburban settlers now fled a region that had once been their bastion. Some headed out of state, but many also moved toward the nearby Santa Clarita and Conejo Valleys. Some of the areas left behind experienced deterioration. Panorama City, once a bastion of the white middle class, is now overwhelmingly Latino and predominantly poor. Like much of the northeast Valley, it has experienced significant increases in per-household population as more and more households double up.¹⁰

The high proportion of owner-occupied housing of the 1950's diminished as original owners moved to the outer suburban rings, many renting out their older homes. These part-time landlords with single-family rental units tended to minimize maintenance outlays. And, certainly, there is little incentive for tenants to invest in the improvement of properties that they don't own. In some areas, this lack of maintenance and re-investment has led to an ever-increasing proportion of rented housing. This spiral is accompanied by a steady aesthetic and economic deterioration of the housing stock, particularly in the central and northeast Valley. As a result, without renewal and re-investment, the entire stock deteriorates over time,

Share of Professional Employment San Fernando Valley 2000

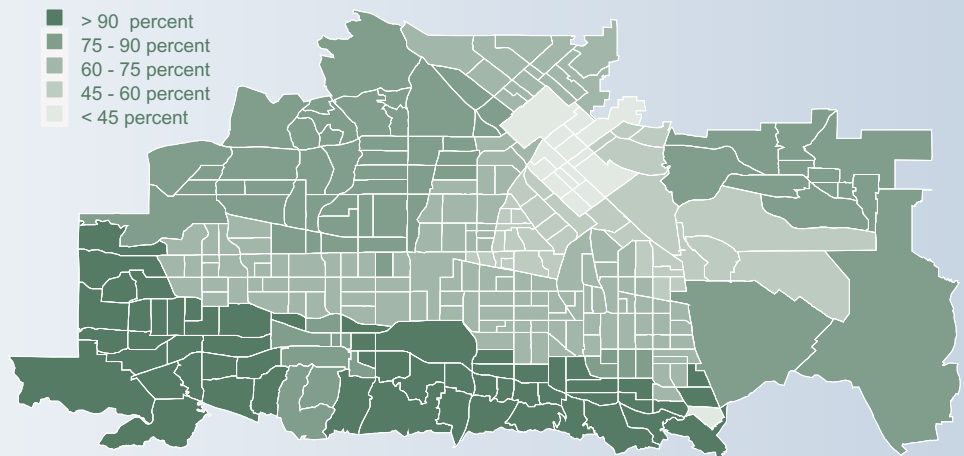


Figure 15 - Share of Professional Employment
Source: U.S. Census, SFV ERC/CSUN

For business, the apparent decreases in the number of middle-class suburbanites suggested a potential workforce problem. In the digital age, technical skills are critical to more and more businesses. The slow erosion of people employed in high-skill professions poses a serious challenge for many Valley businesses, particularly in the aerospace and skilled machining areas.

Businesspeople increasingly complain about the lack of basic skills. "We need basic education for our workforce," suggests Henry Hubert, who owns LRH Enterprises, a small manufacturing

Selected Occupational and Employment Trends

San Fernando Valley 1970-2000

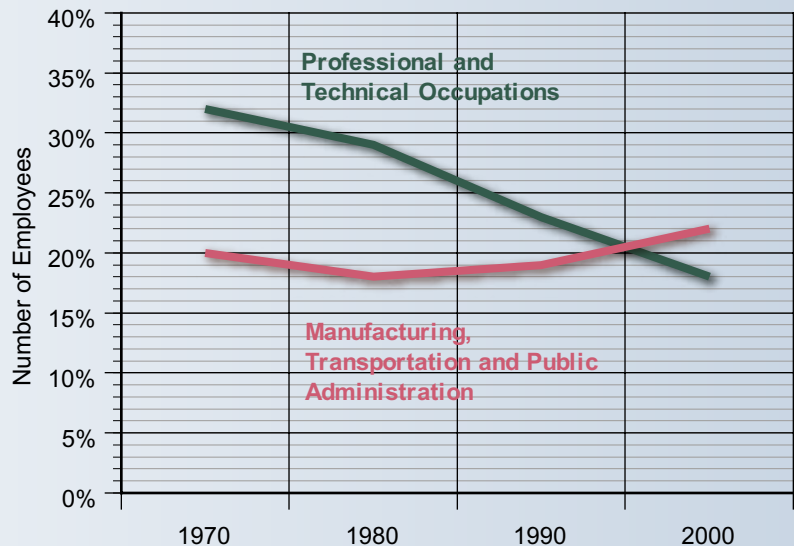


Figure 16 - Selected Occupational and Employment Trends San Fernando Valley 1970-2000
Source: U.S. Census, SFV ERC/CSUN

Income Levels Compared to Los Angeles County San Fernando Valley 2000

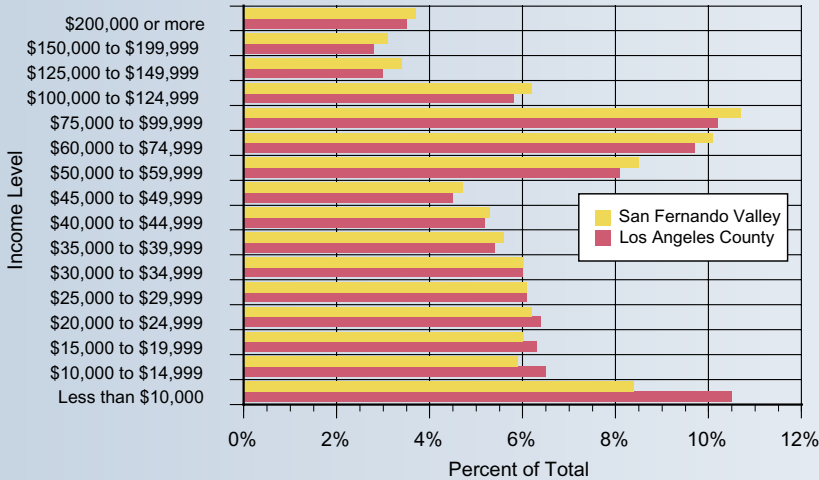


Figure 17 - Income Levels Compared to Los Angeles County, San Fernando Valley 2000
Source: U.S. Census, SFV ERC/CSUN

firm in Chatsworth. “We find we either get people with too many qualifications or with none. We need a stronger middle group.”¹¹ This may well be a central cause of the widening gap between high and low income populations.

Call Center
Countrywide
Financial

As the military budget has begun to grow again, executives at firms such as Boeing have begun to engage in extensive advertising for new skilled workers.¹² Nevertheless, most respondents believed that in the critical “export” parts of the economy—namely entertainment and aerospace—the Valley, at least for now, possesses a desirable and sufficiently skilled workforce. Steve Jacques, longtime head of the Rocketdyne facility in Canoga Park observes that the region possesses many top schools to draw from,

including California State University Northridge, UCLA and Caltech. Jacques believes that:

*We have a very robust labor pool here. You have great skills here which you would not have if you went somewhere else...Southern California is a very attractive place for a young engineer. Everyone is in love with Hollywood. This place is not a hard sell.*¹³

Indeed, despite the many changes in demography, the Valley still retains a relatively healthy demographic environment—perhaps most critically, the Valley area of the City of Los Angeles. When the independent cities are taken into account, the Valley performs well above the City of Los Angeles in general. This is particularly



true for non-white residents and immigrants who are usually far better educated than those in the City south of the Santa Monica Mountains.

Income Levels Compared to the United States San Fernando Valley 2000

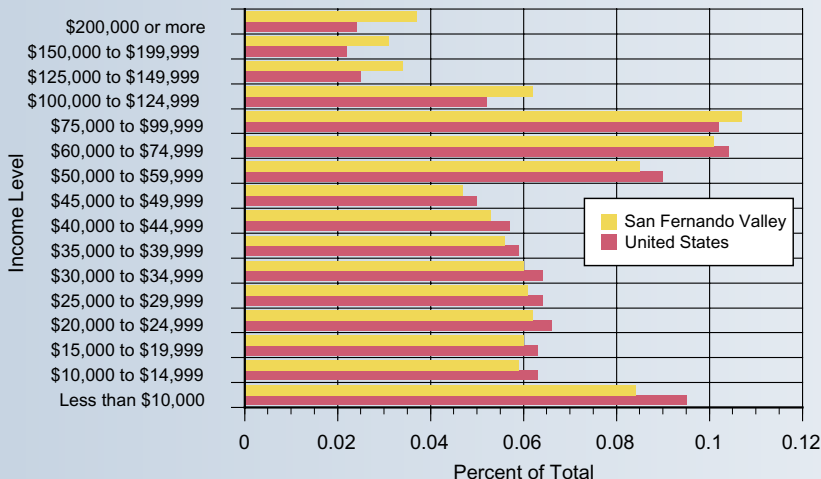


Figure 18 - Income Levels Compared to the United States, San Fernando Valley 2000
Source: U.S. Census, SFV ERC/CSUN

Not surprisingly, a similar pattern can be seen in income levels. Overall the San Fernando Valley has less poverty and a higher proportion of middle-income people than the rest of Los Angeles. This is also true for minorities at the highest incomes—over \$100,000. Whereas L.A. south of the Mountains is increasingly a city divided between Westside rich and Eastside poor, the Valley remains predominantly a middle-class haven. The Valley is not about extremes of either wealth or poverty. Only four of Los Angeles’ fifty richest people live there, compared to nineteen in Beverly Hills.¹⁴

Other indicators point to a population that is more stable than surrounding areas—despite the extreme changes of the past twenty years. For one thing, Valley residents are somewhat more likely to be born in the area. Equally

Percentage of Owner-Occupied Housing

San Fernando Valley 2000

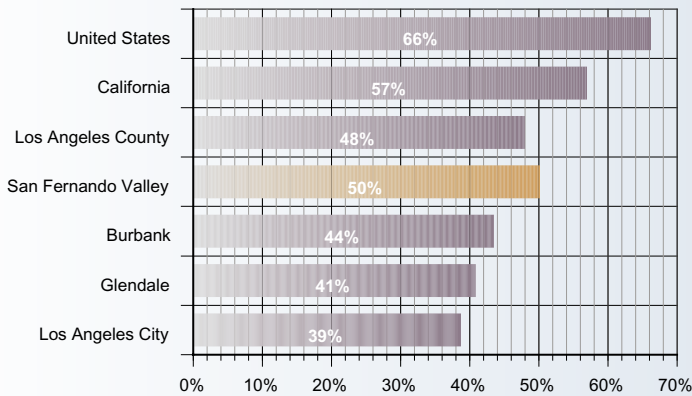


Figure 19 - Percentage of Owner-Occupied Housing San Fernando Valley 2000; Source: U.S. Census, SFV ERC/CSUN

important, a larger proportion of the immigrants residing in the Valley have become citizens than their counterparts in the rest of the City of Los Angeles. This is consistent with an ever more settled population, putting down roots, and making investments in Valley communities.

In addition to being predominantly middle-income, Valley residents are also far more likely to be middle-aged and part of stable families than their counterparts, not only in L.A. City but in California and the country as a whole. Despite the changes in ethnicity, the Valley retains many of the characteristics of a family-oriented region, with a large cohort of children and middle-income people.

These social factors have an enormous impact on the economy. Higher levels of income and education, a high proportion of families, and a more middle-aged population, all tend to correlate with relatively high levels of home ownership. This pattern occurs in the Valley, not

only in the more affluent parts of the region, but in the heavily Latino, moderate income sections of the northeast Valley.

Such a workforce generally wins praises from local executives. They identify it as largely stable, hard-working and committed. Observed John Beard, President of G2 Graphic Service, a North Hollywood printing firm that does work with the entertainment and advertising industries:

There's a great pool of people here in the Valley—people who are working hard to get the money to buy a house, people who are stable and committed to their work.¹⁵

Finally, and critically for a regional economy that is largely dependent on smaller firms, the Valley also demonstrates high levels of self-employment, particularly in comparison with the rest of Los Angeles. For all its problems, the Valley continues to show many of the key components of a region of opportunity—a place where people of diverse backgrounds still can come, find work, buy a home and start a business. This is particularly true of many immigrants to the region. Seeley's George Stavaris, for example, suggests as much as 40 % of all firms leasing through his companies are owned by people from the Middle East.

For these and many other newcomers, the Valley remains very much a *region of opportunity*. Although some see the changing demographics as a threat to the Valley economy, it seems clear that a large proportion of new business—and many of the best workers—come from the new immigrant communities. Notes Henry Hubert:

There are people here from Mexico who work very hard to learn how to operate the machines here. They are happy to work hard in a setting like this and feel good about it.¹⁶



Percentage of Self-Employed

San Fernando Valley 2000

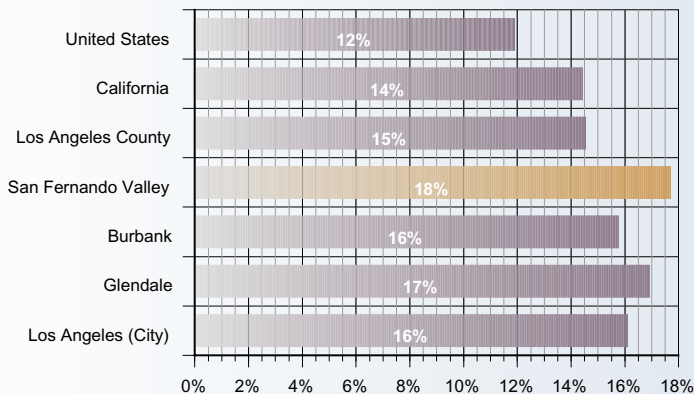


Figure 20 - Percentage of Self-Employed, San Fernando Valley 2000 Source: U.S. Census, SFV ERC/CSUN

“The Valley remains very much a region of opportunity”

Section Four:

Quality of Life

The quality of the environment represents a major challenge for employers and economic growth in the Valley. In the 1950s and 1960s, the qualitative advantages of the region—large houses, swimming pools, a largely homogeneous and relatively affluent, well-educated population—attracted employers and employees alike.

Negativism about the Valley, based on either fear of demographic changes, the quality of schools, crime or pollution, grew dramatically over the 1990s. By the end of the 1990s, according to a Los Angeles Times poll residents who believed life in their community had gotten worse outnumbered, by almost two to one, those who thought it had improved.¹ This kind of disenchantment threatens the future of the Valley as much as any other factor. This has resulted in out-migration to regions such as the Conejo Valley, the 2002 Valley secession movement, and strong opposition to virtually any type of development.² This resistance to growth has hardened into resistance to change of any kind, including redevelopment and renewal.

The two quality-of-life issues that affect businesses most are traffic and the price of housing. The greater difficulty of getting around the Valley certainly concerned many local businesspeople, but it may also account in part for the rise of the “import-substituting” behavior in the high-end services areas. People seem increasingly reluctant to travel far to see professional service providers, or visit retail establishments, and this leads to an ever greater reliance on home-grown businesses.



Many entrepreneurs report that their workers, particularly those with young families, are being forced to commute from further and further away, cutting down on their productivity and, in some cases, leading them to take other jobs. “For a technician’s eight-hour day,” suggests Dave Burtch, Vice-President of marketing at Ameritel, “we get only four hours due to transportation problems, windshield time.”³

The transportation problem is made worse by the increased cost of housing, forcing many workers to live far from their jobs in the Valley. Commutes from places like the Antelope Valley and even Bakersfield are becoming more common, placing an enormous strain on businesses and the transportation infrastructure. Several executives suggested that over the long run, the housing crunch and traffic congestion are likely to make outside recruitment of new workers increasingly difficult.

The Political Equation

Perhaps the most difficult challenge for Valley businesses lies in relations with government. In large part, these problems are not generated by municipalities but by the State of California. There has been a rash of new legislation, widely regarded as anti-business, over the past five years—particularly in the last years of the administration of Gov. Gray Davis. Most of this

Community Issues

For and Against

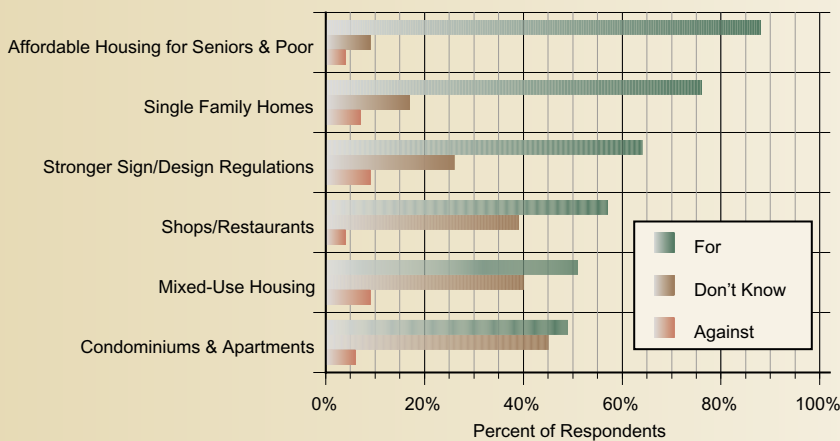


Figure 21 - Community Issues For and Against, San Fernando Valley 2003
Source: Rose Institute of State and Local Government, Claremont McKenna College, San Fernando Valley Quality of Life Survey 2003

Such worries were expressed in the recent Rose Institute study, which identified strong concerns about such things as air pollution and water quality. The study found that, in spite of their growing reservations, Valley residents still give high ratings to the quality of life and find their lifestyles comfortable.

has been the result of reapportionment and the creation of safely partisan, non-competitive legislative districts. Legislators tend to be less moderate in their agendas, and less responsive to constituents or to the needs of their home districts. The most frequently cited complaints centered on such measures as family leave, mandatory health insurance, the “sue your boss” law, as well as the refusal to deal with abuses and soaring rates for workers’ compensation insurance. As a result, California’s business climate was ranked in most surveys as among the worst in the nation.⁴

The 10th annual, 2004 *Cost of Doing Business Survey*, jointly published by Kosmont Companies of Los Angeles and the Rose Institute of State and Local Government at Claremont McKenna College, reports on taxes, fees, and incentives that impact businesses in 314 cities and communities throughout the United States. The study includes six categories of taxes (business, electricity, telephone, property, sales, and income). The Survey ranks cities in five categories, from “Very Low Cost” (\$) to “Very High Cost” (\$\$\$\$). Los Angeles County’s most expensive municipality is the City of Los Angeles.⁵

In some cases, these problems have led some companies to leave the state.⁶ But usually the effects are more subtle. Rather than simply leave, firms may decide that they will expand elsewhere. This amounts to something of an “opportunity cost” for the region. Jobs that would have been here simply never materialize, being diverted to economies and competitors outside the region.

Such decisions may be part of why the job recovery to date has been so tepid. A prime case in the Valley is Countrywide Financial Corporation, a huge homegrown success story. As the company has expanded, it has done so

Quality of Life
Rating Opinion 1999-2003

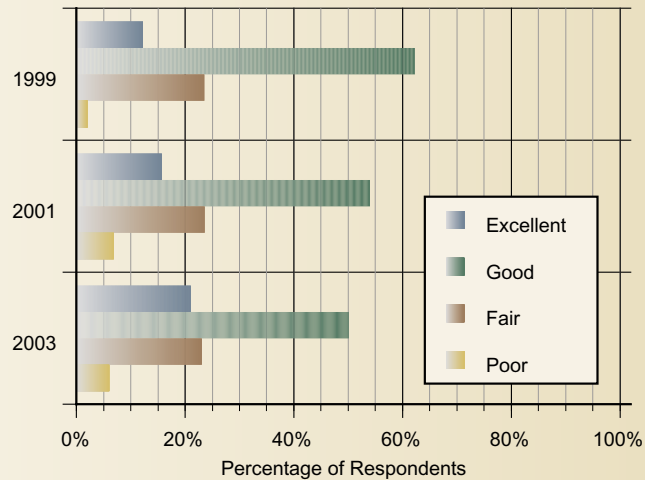


Figure 22 - Quality of Life Rating Opinion, San Fernando Valley 2003
Source: Rose Institute of State and Local Government, Claremont McKenna College, *San Fernando Valley Quality of Life Survey 2003*

from its headquarters in Calabasas. The firm’s executives like the Valley and want to stay.

The problem, suggests Sandor “Sandy” Samuels, Senior Managing Director and Chief Legal Officer, lies with state regulations that make the hiring of new employees very onerous. Samuels feels that legislation inviting litigious behavior creates serious burdens and makes the hiring of additional workers in California very unlikely:

We love it here. But we have to compete with places like Wells Fargo and Bank of America who have their operations elsewhere. California makes it hard . . . while Texas can’t do enough for us. The Texas Governor wants jobs in Texas. Here sometimes we feel like we are seen as the enemy.⁷



Alcatel
Calabasas



The loss of potentially hundreds of high-paying positions in business services is a body-blow to the Valley economy. Even more than specific laws, what disturbs Samuels and other executives is this sense of being viewed as the “enemy.” Throughout their interviews, executives expressed frustration with the Valley’s elected representatives, most of whom were seen as overrun and fundamentally unwilling or unable to champion business and employer concerns in Sacramento.

Countrywide
Financial
Calabasas

Perhaps the most frustrated are the smaller manufacturers, who have been particularly hard-hit by the soaring rates of workers’ compensation. Almost uniformly, manufacturers spoke of rates that had doubled and tripled over the past few years. In some cases, this led them to reduce their payrolls significantly. One such owner, Gonzalo Posado, President of Posado Welding said he had already been forced to cut his payroll from 100 to 50 workers. And he was considering shutting down when his lease ran out.

City of San Fernando
Regional Pool Facility

Pessimism about the state does seem to have been somewhat alleviated by the presence of Gov. Arnold Schwarzenegger in the state house. Even if no major pro-business initiatives are expected,



there is a sense that no new damage will be allowed. “I get a sense now that somebody knows what our problems are,” says G2 Graphic’s John Beard.⁸

On the more local level, there was a wide divergence. Employers in independent cities such as Glendale, San Fernando and Burbank were generally impressed with the pro-business attitudes of their local officials. Burbank’s story is particularly impressive. Lockheed, a major employer and linchpin of the local economy, announced it would leave its long-time corporate home in 1989. Yet the city’s economy rebounded within a few short years, with some displaced workers finding gainful employment in the burgeoning commercial high-tech sector, the medical device sector, or in entertainment.⁹

Burbank’s approach has strongly benefited its citizens. Throughout the 1990s when property values in the Valley increased only slightly, those in Burbank expanded far more rapidly. Similarly,



retail sales in the City grew at a much higher rate than in the larger City of Los Angeles. The City’s streets are almost invariably in better shape than those in neighboring parts of Los Angeles. Driving along boulevards from Los Angeles into Burbank there is a palpable difference in the aesthetic and functional condition of the roadways. Some have likened it to crossing from a “third world” city into a “first world” metropolis.¹⁰

Perhaps what has been most impressive has been the refashioning of Burbank into a major center for the entertainment business, particularly in comparison with the City of Los Angeles. Michael Walbrecht, Vice-President for Studio and Production Affairs at Warner Brothers, feels that Burbank’s less onerous structures and easier regulatory environment helps not only studios but also the broad array of smaller firms who service them:

What the City of L.A. misses are all the little cottage industries like post-production, subtitling, because they realize the tax structure in Burbank is so much better.¹¹

In recent years the city of Glendale has also made an effective pitch for entertainment companies. Michael Jimenez, a senior Dreamworks executive, and former Los Angeles Convention and Visitors Bureau Vice President, says Glendale not only has less onerous taxes but when a studio decides that it needs to quickly shoot a scene locally, it proves far easier to do it there than in the City of Los Angeles.

These differences, clear among entertainment executives, are also widely sensed by other executives. There is a general belief that places like Glendale, San Fernando and Calabasas



are simply friendlier and better places to work than the mammoth City of Los Angeles. These cities routinely get higher marks, not so much for “less” government, but for more effective policies, whether in terms of public safety or redevelopment. As real estate broker Becky Roberts put it:

I live in Burbank and I can walk the streets at night and enjoy the facilities after dark. I can walk the streets of San Fernando and not be afraid; . . . A lot of my clients who are looking at relocating are looking for a place that is secure.¹²



Historic Alex Theatre
Glendale

Even when safety or taxes are not the issue, businesspeople in the City of Los Angeles complained about unnecessary regulations. Many were dissatisfied with the lack of response from their city council representatives. “They don’t seem to care about jobs,” was a refrain repeated many times. Marx Acosta-Rubio, President of One Stop Shop, a fast-growing computer parts marketer, noted:

The city needs to change the image of business. There’s a sense that they are against us—like they feel what’s good for employers can’t be good for employees. At best we are regarded as a necessary evil.¹³

Targeted
Redevelopment
Area
NoHo/Los
Angeles

Although some of this may be good news to the smaller cities, it is not positive for the Valley’s overall future as an opportunity region. The City of Los Angeles accounts for roughly 80% of the Valley’s population. For the Valley and its residents to succeed and prosper, the City of Los Angeles must be part of the solution.



Buena Vista
Library
Burbank



Section Five:

Selected Long-Term Strategies for the San Fernando Valley Region

Goal: Broad-Based Prosperity

This project has developed several major themes: reality-based strategies and alternatives for future economic development in the San Fernando Valley region; addressing political dynamics but not being intimidated by them; being sensitive to the social and quality-of-life concerns of all Valley residents; and advancing opportunities for broad-based economic prosperity.



Burbank Civic Plaza Project

Economic development is more of a symphony than a song

Goal Number One: Building an Economic Development Consensus

The San Fernando Valley needs to develop a greater sense of its economic self-interest. Once consensus on an economic vision has been reached, strategies and tactics can be implemented to achieve the basic goals. Economic development is more of a symphony than a song, and no single level or sector can take full responsibility. To realize the vision and implement the strategy requires cooperation among elected officials, civic leaders, businesses, investors and the community at large. No-growth obstruction often morphs into a no-change mentality, hampering qualitative growth of the region. Short-term business gains also can sometimes tend to damage the region's long-term

prospects.

On reflection, few would argue that the bulk of residents benefit from a fundamentally healthy economy. Business expansion, particularly in high-wage and high-skill positions, creates not only jobs but generates the critical sales, property and other tax revenues necessary to fund improve community services, from schools and police to street maintenance.

A business-friendly environment remains a *sine qua non* for achieving this positive outcome. Business executives rail against the Los Angeles portion of the Valley for its gross receipts business-license tax and a general perception that L.A. is unpredictable and restrictive. Most feel that they fare better in the adjacent Valley cities of Glendale, Burbank, Calabasas or San Fernando. On the other hand, Los Angeles has more abundant and less costly real estate, which to some degree offsets its disadvantages.

While local-serving industries such as food service and retail may be somewhat immune to globalization, the wealth-producing export industries suffer greatly from the regulations and burdensome employment requirements. These serve to price local companies out of global markets and force companies to source production elsewhere. Valley leaders must be mindful of this challenge, and realize that job retention is heavily dependent on keeping the region hospitable to business and employment.

Business Retention and Expansion

Business retention is the most overlooked, but nonetheless important, economic development (ED) tool. An early warning system is essential, to alert ED operatives to business needs and concerns. Once alerted, so-called "Red Teams," are usually dispatched to the troubled business, to calm the management team and assess the problems.

Intervention begins by bringing together consultants, financiers, real estate experts, government and regulatory officials to determine potential solutions. This resource-intensive process possesses a very high potential for success. Organizations such as the Economic Alliance of the San Fernando Valley, Valley Economic Development Center, Mayors' business teams, City Council offices, Community Development and Community Redevelopment Agencies all play a role in such efforts.



Preserving Key Assets

For reasons discussed above, we believe the Valley needs to focus its “preservation” strategy on the key aerospace, entertainment, and financial service sectors. These industries produce serious returns to the local economy because they provide stable, high-paying jobs that fit well with the characteristics of the educated and upwardly mobile Valley labor force. Additionally, even though there is decreasing availability of easily buildable parcels in the Valley, there are still many more places to build new commercial and industrial space than in other, more congested parts of Los Angeles.

Spirent
Communications
Calabasas

Business Attraction

Pro-active business attraction is the most expensive form of economic development. Campaigns can range from targeted correspondence to massive nation-wide advertising campaigns. The most common approach is to respond to inquiries showing competitive strengths when compared to other regions, favorable quality-of-life indicators, and a positive business-friendly reputation. San Fernando Valley firms are constantly being approached by regions across the U.S., but often the toughest competition comes from nearby regions in Southern California.

Given these caveats, it is recommended that a carefully targeted campaign be maintained to recruit businesses that would complement and benefit from business concentrations in which the Valley already demonstrates unique competencies, such as aerospace, entertainment and certain types of business services. The Valley can also be an attractive place for companies interested in tapping into the overall Los Angeles area economy, particularly with its close access to fast-growing regions such as the Santa Clarita and Conejo valleys.

Aerospace Technology Cluster San Fernando Valley 2004

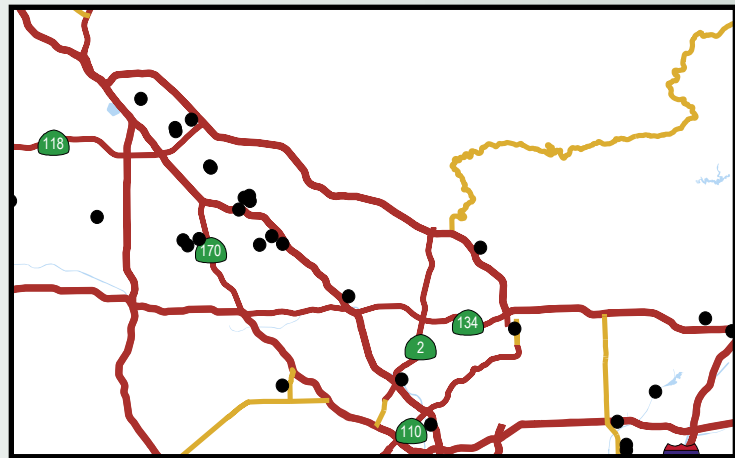


Figure 23 - Aerospace Technology Cluster San Fernando Valley 2004
Source: Los Angeles Economic Development Corporation

Aerospace

What can be done to retain aerospace in the region? Despite the many competitive and political problems afflicting California aerospace, the Valley has remained a reasonably attractive place for firms in this area.

One yawning weakness has been the fragmentation and ineffectiveness of the California Congressional delegation in protecting the interests, or more accurately, stimulating the interest, of defense contractors to build systems in southern California and especially the L.A. region. Higher business costs and increasingly higher housing costs certainly contribute to the problem, but political factors, such as the far more focused advocacy of southern state representatives in both parties, can not be underestimated. California’s Congressional delegation—including both U.S. Senators, and its army of Representatives—must be encouraged

Boeing/Rocketdyne
Canoga Park



Entertainment Industry Cluster San Fernando Valley 2004

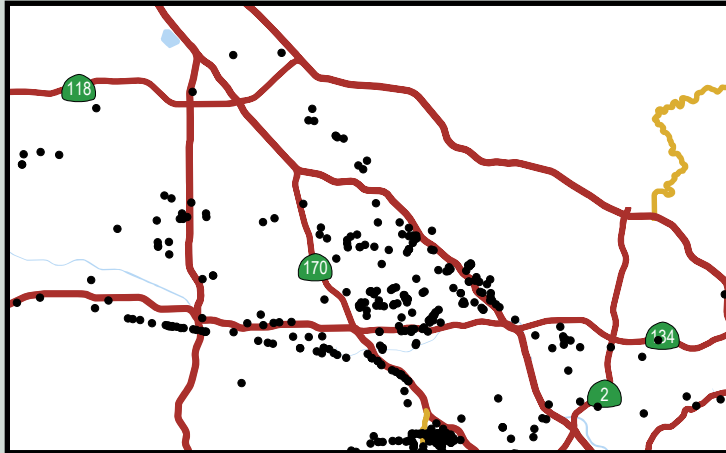


Figure 24 - Entertainment Industry Cluster San Fernando Valley 2004
Source: Los Angeles Economic Development Corporation

and held accountable for actively seeking the development of major public initiatives and programs within California. It is in the best interests of *all* members of Congress in the Southern California region to actively pursue these opportunities. In this regard, Governor Schwarzenegger and the state legislative leadership can play a positive, supporting role.

Individual members may have mixed beliefs about spending priorities, especially when the actual production may not occur within the physical boundaries of their own district, but they should recognize that many jobs throughout the region depend on the continuing concentration of defense-related capabilities in the area. Assistance and coordination with the California Congressional delegation can be enhanced through education programs, as well as focused briefings and advocacy strategies aimed at this kind of production. A partnership between private industry and community organizations from around the region should be brought to bear on this issue.

The availability of a well-trained workforce



NBC Studios
Burbank

remains critical for aerospace, defense and security related firms. Despite the long-term decline in employment in this sector, industry sources report a growing potential lack of experienced technical workers, especially as the current workforce approaches retirement. Firms will be forced to choose between two options: replacing retired workers from the local labor pool or moving the firm to another location where the labor pool is deeper. Coordination with local industry leaders and postsecondary educational institutions can allow more companies to develop training programs and quality career opportunities for residents of the region.

Entertainment

Entertainment is a key industry in the Valley, accounting for many high-quality, high-paying jobs. There are ample signs that the industry intends to stay and even expand its presence here, including Disney's recent decision to complete the development of 3.5-million square feet of office space. Beyond the benefits of co-location (firms like to be located near each other to share human and intellectual capital), there are also significant quality-of-life factors and amenities that make Valley neighborhoods attractive to the young, creative workforce that characterizes this industry. The evolution of Burbank is a perfect example. The City evolved from a sleepy little town into a media powerhouse, with an attractive mix of lifestyle amenities. This magnet approach to economic development can serve as a model for other communities as well.

In this context, there is also an opportunity for building intellectual infrastructure that will strengthen not only the entertainment sector, but also other information-focused sectors (such as developing games and internet content). The labor market for many of these high-skilled positions may be national, but there is a great potential to develop local resources as well, particularly with enhanced partnerships between postsecondary institutions, the community colleges, Cal State Northridge, and the leading entertainment companies.

The second dimension of the entertainment industry focuses on filming and site selection. Major progress has been made here to reduce the regulatory burden, but more should be done. There needs to be a concerted attempt, particularly within the City of Los Angeles, to convince local residents and lawmakers that an enhanced environment for filmmakers means significant economic returns to the region's communities.

Financial and Professional Services

Many financial and business services firms are migrating from Downtown and the Westside. Some may be leaving Southern California altogether, but many others have shown an interest in locating in the Valley—to the benefit of both the Valley and the City of Los Angeles. This effort would be greatly helped by tax and regulatory reform, particularly in the City of Los Angeles. As the manufacturing sites have been closing down, there has been an expansion of financial service firms in these locations. City officials may consider special zoning overlays to help this transformation of areas towards these higher-end activities.



Interchange of the
Ventura and San
Diego Freeways



The Ventura Freeway (US-101/CA-134) and the San Diego Freeway (I-405) are two of the area's most important commuting and trade conduits. In a recent study by the American Highway Users Alliance, the 101-405 interchange in Sherman Oaks won the dubious distinction of being the most congested in the nation. In addition to all the apparent overloads, there are also unseen challenges to water, power and sanitation infrastructure.

Burbank
MetroRail
Station

Without solutions to the challenges of resource depletion, environmental degradation and diminished quality of life, the region may be better served to focus on qualitative growth, accommodating only nominal population increases.

Goal Number #2: Improving Quality of Life

Infrastructure Development.

As we have discussed above, quality-of-life concerns cannot be separated from economic development. Without an increase in infrastructure capacity, particularly transportation, the region will be not be able to accommodate any substantial physical growth without serious degradation in the quality of life. Most of the San Fernando Valley region is built-out. Increases in housing capacity now come primarily from infill development and redevelopment projects.

The large suburban lots of the 1930-1950 era are giving way to mini-tracts of tightly bundled single-family housing, apartments, senior housing and condominium complexes. Compressing population in ways not originally planned for results in overtaxed infrastructure, from public schools to sanitation systems, and most notably in the freeway system.



Port of
Los Angeles

“the region may be better served to focus on qualitative growth”



1312 First
Street
San Fernando

Taking Stock of Housing

To meet the state-mandated demand of the Southern California Association of Governments' Regional Housing Needs Assessment, the Los Angeles portion of the Valley must plan for an additional 22,815 housing units between 2000 and 2010.¹ "Almost all of the natural locations for urban (suburban) development have been consumed, and most of the remaining areas are constrained by government policy. Los Angeles will have to accommodate an additional six-million people in the next 20 years, or 'two Chicagos' . . . with little room for outward expansion."²

The issue of housing affordability is one clear result of these population pressures. No one could have predicted that Valley median home prices would actually top \$485,000 by August of 2004, up \$85,000 from the year before.³ Rental housing, which is the only option for a large cross section of the population, has become equally prohibitive.

Overcrowding is a growing problem as the size of the average household increases and many families are forced to double-up. The number of persons per household increased from 2.75 in 1990 to 3.0 in the year 2000. This trend continues, in part, because of multi-family and multi-generational arrangements, and also as a result of a surge of new younger families with children still living at home.

Given the clear restraints in terms of land availability, there need to be ways for the Valley to increase its housing stock. Yet, this must be done without violating the very characteristics—such as single-family home neighborhoods—that remain a cornerstone of the Valley's quality of life. Home ownership remains relatively high throughout the Valley, including in some of the poorer areas of the north and east.

The area's single-family residents have legitimate concerns for the ills that accompany increased densities. But, as prior residents move outward, leaving renter-occupied housing in their wake, some of the older neighborhoods may become more amenable to innovative renewal strategies that are sensitive to the needs of current residents.

Developing Urban Villages

The development of more focused "urban villages" near employment centers could do much to attract and retain workers, particularly in the key opportunity industries, while also relieving the housing shortages. This would also serve as a means to address the enormous transportation problem, by encouraging workers to live, shop and play closer to where they work. (see *Our Future Neighborhoods* at valleyofthestars.net)

Today many areas of the Valley—particularly within the boundaries of the City of Los Angeles—lack that essential "sense of place" enjoyed by smaller cities and towns. Communities tend to be somewhat amorphous, with no real sense of where one begins and the other leaves off. Local-serving centers can be enhanced by improving their array of services, amenities and shopping opportunities. Quality of life is enriched when each community has its own unique identity, and the ability to provide goods and services sought by its residents. Public transportation is made more practical when activity centers are clustered, making it easier to maintain supportive infrastructure.

Immanuel Kant described the eyes as "windows on the soul." A clean, secure and uniquely distinct district—such as now exists in such diverse places as Sherman Oaks, Studio City, Burbank and San Fernando—not only signals success and prosperity, but it also provides local residents with an identity, self-respect and pride in their

community. Civic and government agencies have a role in developing and implementing successful strategies—to act as catalysts for the development of these villages. Recent plans to develop such centers as in Panorama City, deserve strong public support from both public and private agencies.

Goal Number #3: Creating New Capacity for Growth

Wealth-building Regional Industrial “Centers” in the Northeast Valley

Any area that wishes to grow must begin to think boldly. A determined plan must be devised that will identify and preserve large industrial locations for commercial and industrial uses. With current vacancy levels at under three percent, a need repeatedly identified by business in surveys, roundtables and interviews, is the need for suitable industrial space to accommodate the growth of manufacturing, technology, entertainment and service industries.

The Westside is a great example of a region that has developed itself into a dead end. Its relative stagnation since the late 1990s stems in part from a lack of affordable industrial space. In contrast, we think there is an excellent opportunity to develop a new major industrial-commercial center in the Northeast Valley. This is an area with a large, and willing workforce and numerous older sites that could be transformed into a major new node of Low-impact, Community-friendly development.

The Centers Concept Plan was originally formulated for the Los Angeles area in the 1960s and 1970s by Calvin Hamilton, the City’s Planning Director, and Norman Murdock, Planning Director for the County. The Plan identified urban centers of various types throughout the Los Angeles region, ideal for concentrations of economic activity along with higher density housing. The concept envisioned that the Centers would be interconnected by an infrastructure of transit.⁴ While the transit component has been slow to materialize, the vision of activity concentrations has gradually been realized.

The Warner Center area has been one of the most successful Centers. Starting its commercial existence as an industrial park, its location and workforce drove its evolution into a regional commercial and office center. Some industrial uses persist, but most of the original uses have

been converted to office, retail and other forms of low-impact commercial activity. Even the thriving Chatsworth industrial areas have seen many industrial properties transformed into warehouse, distribution and business services due to rising commercial rental rates. The industrial areas of Van Nuys and North Hollywood are generally built-out, and configured to serve the demands of a different era. These too could benefit from private or public redevelopment strategies.



Calabasas Park Centre

The Northeast Valley has many locational assets, including its relative proximity to downtown, the Burbank Airport and the critical Interstate 5 corridor. Leading industrialists, such as Al Mann, have already built specialized manufacturing operations there and have sought to create more. Such a new center, or series of centers, would not only provide private sector employment opportunities but also critically-needed community assets, such as parks, shopping areas and neighborhood centers. This represents a major transformation of current liabilities, such as brownfields or under used industrial facilities, into a key assets.

These factors augur favorably for the designation of the Northeast Valley as home to a wealth-producing, and clean industry center. Its

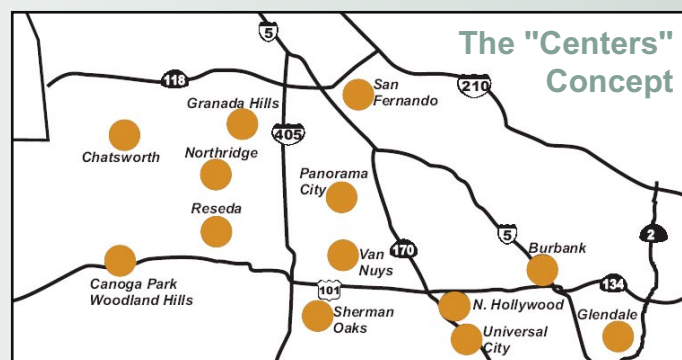


Figure 25 - The Centers Concept, Los Angeles County Metropolitan Transportation Authority
Source: Adapted from the City of Los Angeles Department of City Planning 1974

San Fernando's
Paseo Project



proximity to the entertainment production of the southeast Valley and to the 101 Tech Corridor create a ready-made marketplace for mid- to high-skilled support and subcontract businesses, which are seeking access to more affordable space. Such large tracts of free land are increasingly rare in the Valley, including the entertainment centers of Burbank and Glendale. With more-plentiful land, relatively modest housing cost, and a ready and willing workforce, the Northeast Valley has great potential to replace outmoded uses and attract clean, 21st century industries.

Burbank Civic
Plaza Project

Government's Role in Planning and Redevelopment of Centers

There may be a role for the Community Redevelopment Agency in identifying blighted and polluted industrial areas, assisting with the costs of remediation, assembling parcels, and facilitating public improvements to aesthetics and infrastructure. Government's primary role should be to foster the consolidation of properties, possibly using investment from tax increment financing to provide mitigation for less desirable sites and brownfields.

CRA's have a checkered past in the City of Los Angeles, involving legal wrangling, political opposition and the public's general distaste for condemnation of private property. The 750-acre North Hollywood CRA has had many missteps since its establishment in 1979 and, to date, has shown only modest results from a large public investment.

NASA/Jet
Propulsion
Laboratory
in Pasadena

Glendale, Burbank and San Fernando have all been able to exercise tighter control over their redevelopment projects than Los Angeles, which is nine times their combined size. With this closer control they have been successful in reinventing blighted and obsolete areas.

These areas have been revitalized to the benefit of visitors and residents. At the same time, tax bases have been enhanced, improving the delivery of municipal services.

Private Redevelopment

The most desirable form of redevelopment is naturally-occurring private redevelopment. Government incentives, if necessary, should be sufficient to prime the redevelopment process, but kept to a minimum. The only hope for long-term sustained viability are self-supporting, market-driven projects. Government can most easily facilitate this, not by offering blandishments to developers, but by removing unnecessary obstacles to private investment, including the complexity and uncertainty of the entitlement process.



Civic organizations, planners, redevelopment agencies, government leaders and the real estate industry all have a role to play in packaging and showcasing private redevelopment opportunities. Given the inherent strength of the Valley economy, it is likely innovative developers can be attracted here if cumbersome political barriers can be overcome.





Seizing New Industry opportunities

Crossover Technologies

Many key skills overlap significantly at the lower and middle levels of the Valley’s leading industries. The tools and techniques associated with high-tech entertainment development, aerospace, homeland defense, software and content for video games often employ similar skills and capabilities. Such intermediate technologies that bridge these industries, for example the use of computer-generated design and manufacturing represent a new core of expertise and opportunity for future growth.

Given its focus on the basic range of skill sets, CSUN could be an excellent site to house such a joint industry/academy initiative. Local community colleges—Pierce College, Glendale College, LA Valley College—and even some local high schools could assist in training workers in these critical skills.

Workforce Enhancement and Real-World Education

Solid K-12 Public School Systems

Five separate school districts service the San Fernando Valley—Los Angeles Unified (LAUSD), Burbank Unified, Glendale Unified, Las Virgenes Unified, and the Los Angeles County Office of Education. Future focus in these districts should be redirected to support the development of marketable skills and real-world knowledge, particularly for those not planning to attend four-year colleges, or those needing to re-enter the workforce.

Although the LAUSD is a massive district with serious demographic challenges, it nonetheless needs the ongoing support of the community. Charter schools and academies, although under

consistent attack by unions and other interests, have brought school governance back to the local communities. Under the proper circumstances, well-run charter schools and charter clusters show promise for the future of K-12 education, particularly within the LAUSD service area.

Community Colleges, Occupational Centers and Adult Schools

The Los Angeles Community College system is made up of nine separate campuses. Three of the LACC colleges are located in the San Fernando Valley and are joined by Glendale Community College. Community colleges provide a unique critical link in the local educational system. Costs of attendance and matriculation are kept to a minimum, which maximizes both the number and diversity of the student population. The courses offered in community colleges, occupational centers and adult schools provide a flexible, convenient, and affordable way to build the quality and quantity of the local workforce—enhancing social equity and broadening the base of prosperity.



Los Angeles Valley College
Van Nuys

Four-year Colleges and Universities

The region is richly endowed with elite educational institutions. California State University, Northridge is one of the premier regional universities in the California State University system, located in the heart of the San Fernando Valley. It is emerging not only as a workforce development hub for the Valley’s diverse populations, but also as one of the premier locations for policy research focused on the San Fernando Valley region.

Beyond this Valley-based campus, the region is surrounded by some of the world’s most prestigious research universities: UCLA to the south, the California Institute of Technology to

Paleontology Lab
Cal State
University
Northridge

the east, the University of Southern California near Downtown, and the University of California, Santa Barbara to the west. These elite institutions provide the basic ideas and materials around which entire new technologies and industries can develop.

This almost unmatched collection is complemented by a coterie of private educational institutions including Pepperdine University, Occidental University, the University of La Verne, and private proprietary institutions like the California Institute of the Arts, The Fashion Institute of Design & Merchandising, the Southern California Institute of Architecture, and the American Film Institute. Access to these institutions for students and residents of the Valley, as well as strong relationships between the Valley's businesses and these centers for innovation, will continue to be critical to the region's success.



than to maintain strong local workforces but feel assaulted by unrealistic and shortsighted public policies.

Conclusion: Creating a Region of Opportunity

The San Fernando Valley retains many of the characteristics that have shaped its history—a youthful entrepreneurial enthusiasm, a strong innovative spirit, and a still attractive quality of life. Yet, it is also afflicted with many of the problems of a maturing society, such as political cynicism, traffic congestion, a dissipating industrial base and high housing prices.

Maturity, however, also has its advantages. The Valley is rapidly developing a sense of itself as a major urbanized region with its own unique set of economic and human assets. We no longer possess the wide-open spaces for unencumbered development that existed in the last century, but we still retain an enormous potential to exploit existing and future opportunities. What is needed now is a sense of vision, and purpose, and the will to bring them to fruition.



Computer Lab
Los Angeles
Valley College

Competitive Workforce Policies

In recent decades, policymakers have tried to backfill the erosion of manufacturing and service export production with attempts to force ever-greater compensation mandates, operational limitations, and legal restraints on employers. These controversial measures do not add to the day-to-day compensation package of most employees, but increase the overall payroll burden in ways that drive businesses out of the area.

The further the State of California and the San Fernando Valley stray from an open employment market, the more vulnerable the area will be to domestic and foreign competitors. As workplace rules, mandates, government imposed perks and windfalls increase the fixed cost of employment, the quicker the market will find ways to export jobs to more lenient jurisdictions. Most employers interviewed would like nothing more



On Campus
CSUN

Section One Notes

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Cover: U.S. Space Shuttle Launch, Boeing/Rocketdyne; View North of the freeway interchange of the Ventura Freeway (US-101/CA-134) and San Diego Freeway (I-405), Sherman Oaks, CalTrans; Walt Disney Company Headquarters, City of Burbank; Grand Opening, P.F. Chang's, Burbank; Shift Change, Lockheed Aircraft Corporation, 1943, Cal State University Northridge, Digital Library, Burbank Historical Society

Page 3 - San Fernando Valley Suburb, West Hills

CivicCenter Group

Page 4 - Downtown Burbank, City of Burbank

Page 5 - Los Angeles Aqueduct, Herald Examiner Collection, Los Angeles Public Library

Page 6 - Universal Pictures Entrance, 1930, Security Pacific, Los Angeles Public Library

Page 7 - Cal Tech, Pasadena, circa 1930, Wind Tunnel Tests, Security Pacific, Los Angeles Public Library; General Motors Plant, Van Nuys, 1966, Cal State University Northridge, Digital Archives, San Fernando Valley Historical Society

Page 8 - Rocketdyne, Canoga Park, 1960, Citizen News/Valley Times, Los Angeles Public Library

Page 10 - Republic Studios, Studio City, 1960, now CBS; Citizen News/Valley Times, LAPL; Walt Disney and Mickey Mouse, 1961; Citizen News, LAPL

Page 11 - Cheescake Factory Corporate Headquarters; courtesy of the City of Calabasas

Page 13 - Rocket Engine Assembly, courtesy of Boeing/Rocketdyne, Canoga Park; Aerial View, courtesy of the City of Glendale

Page 16 - Call Center, courtesy of Countrywide Financial Corporation, Calabasas

Page 17, City Council Chambers, City of Los Angeles, CivicCenter Group

Page 18 - Vallarta Supermarket, Canoga Park, CivicCenter Group

Page 19 - Alcatel Headquarters, courtesy of the City of Calabasas

Page 20 - Griffith Park Entrance, CivicCenter Group; Countrywide Financial Facility, Calabasas; Artist Rendering, San Fernando Regional Pool Facility courtesy of the City of San Fernando

Page 21 - Commercial Building in North Hollywood, Community Redevelopment Project area, CivicCenter Group, Alex Theatre, courtesy City of Glendale; Buena Vista Library, courtesy City of Burbank

Page 22 - Burbank Civic Plaza project, developed by the Cusumano Real Estate Group; 83,000 square feet office building includes 12,000 square feet of restaurant and retail space, courtesy of the City of Burbank

Page 23 - Spirent Communications, courtesy of the City of Calabasas, Boeing Integrated Defense Systems, Rocketdyne Propulsion & Power, Canoga Park

Page 24 - NBC Studios, courtesy of the City of Burbank

Page 25 - MetroRail Station, courtesy of the City of Burbank; View North of the freeway interchange of the Ventura Freeway (US-101/CA-134) and San Diego Freeway (I-405), Sherman Oaks, courtesy of CalTrans; Port of Los Angeles, CivicCenter Group;

Page 26 - Artist Rendering, 1312 First St. mixed-use project, courtesy of the City of San Fernando

Page 27 - Calabasas Park Centre, Commercial Low-rise, courtesy of the City of Calabasas

Page 28 - Artist Rendering, San Fernando Paseo project on the Mall, courtesy of the City of San Fernando; Burbank Civic Plaza project, above; Jet Propulsion Laboratory, Pasadena, CA, courtesy of Caltech/NASA

Page 29 - Call Center, Countrywide Financial, Calabasas, CA; Los Angeles Valley College, Van Nuys, Courtesy LAVC

Page 30 - LAVC Computer Lab, above; Paleontology Lab/Students at CSUN, courtesy CSU Northridge

Back Cover: Sunrise over the Valley, CivicCenter Group

Mulholland Institute - Project Team

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