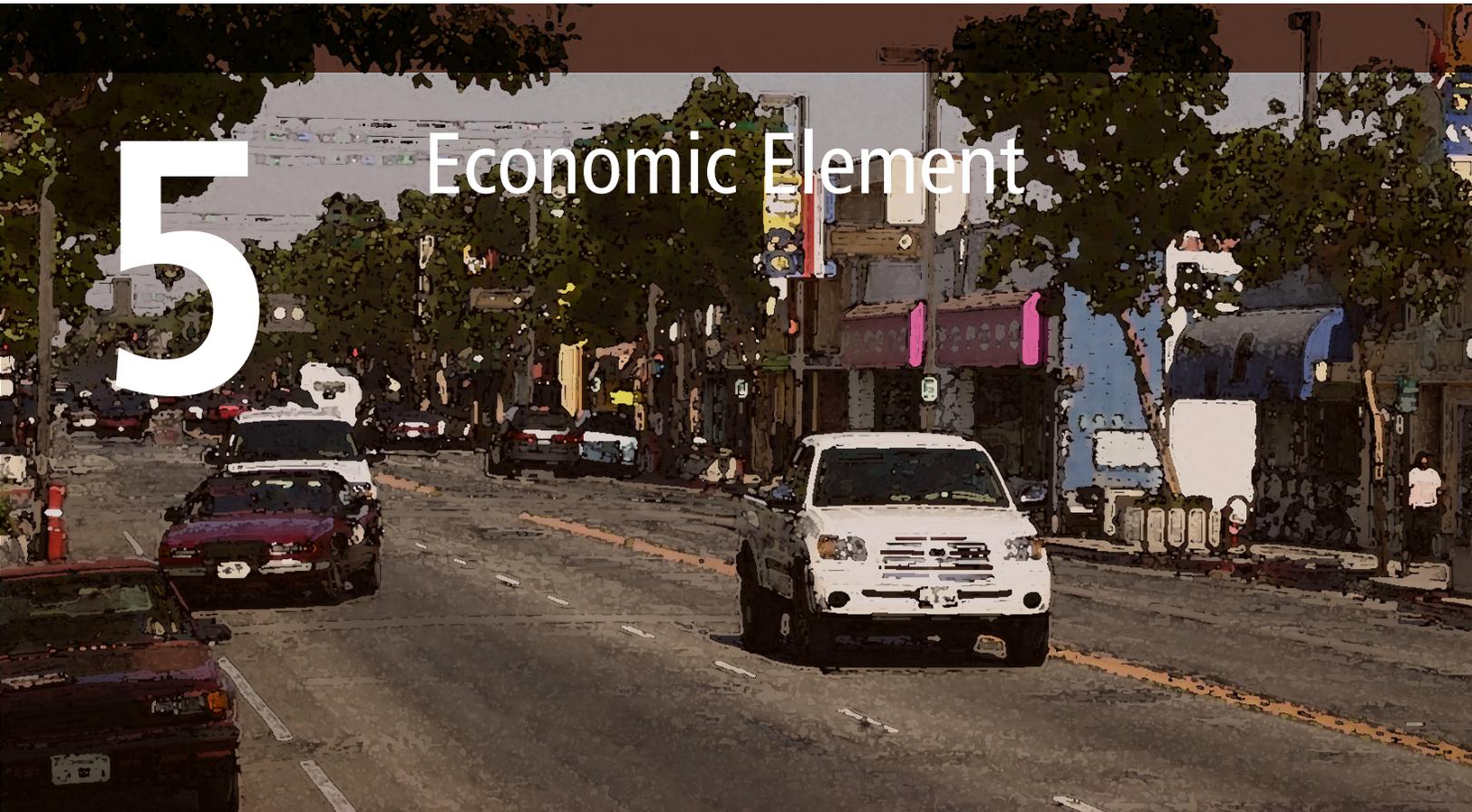


# 5

## Economic Element



# INTRODUCTION

## Purpose

The purpose of the Economic Element is to guide South Gate in achieving its vision of a prosperous, fiscally sound community that offers a high quality of life to all residents. The Element's goals, objectives, and policies offer specific guidance for achieving this vision.

## Association to Other General Plan Elements

While the Economic Element is focused on helping the City maintain its fiscal stability and economic character and attract quality employees and jobs, it also works together with several other General Plan elements, particularly the Community Design Element. The Community Design Element establishes the City's land use standards for development and urban design, including density and intensity. The goals and policies in the Community Design Element will play a major role in creating a diversified economic base and attracting quality development projects to South Gate, which will have a major effect on implementation of the Economic Element.

The Economic Element is also influenced by the Housing and Mobility Elements. For example, the types of residences and housing uses allowable in particular areas of the City may help shape economic development strategies. Mobility – the movement of cars, bicycles and pedestrians – is important because access to businesses, large and small, is critical to their ultimate success.

**The purpose of the Economic Element is to guide South Gate in achieving its vision of a prosperous, fiscally sound community that offers a high quality of life to all residents.**

# Contents of the Economic Element

The Economic Element begins with an exploration of the City's existing economic conditions as of 2008. This review highlights South Gate's current economic base, including the number and types of jobs in the City and major industries. It also summarizes the City's commercial, industrial and office real estate sectors, with an emphasis on sales tax revenue-generating areas.

Following the existing conditions discussion is a discussion of key issues and challenges the City faces over the next 20 years. The next section outlines key economic development concepts that are important for managed fiscal growth and stability. The Element concludes with a list of goals, objectives, policies and implementation actions.

# EXISTING ECONOMIC CONDITIONS

Over the past fifty years, South Gate has evolved from a manufacturing hub with many well-paying union jobs to a more diversified mix of industries including retail trade, warehousing, and wholesale trade. This evolution, which has mostly been a result of broader regional and international trends, has been accompanied by an exodus of high-paying manufacturers from the City. South Gate's population remains largely working class, but there is currently a mismatch between the higher-paying specialized manufacturing jobs available and the workforce's education and skill level. As a result, many South Gate residents are employed in lower-paying retail and service jobs. Part of the City's economic transformation includes its working-class foundation now demanding more mainstream shopping services, higher paying jobs, and access to educational opportunities, employment and improved community services.

## Current Economy

South Gate's economy is supported by approximately 17,700 jobs, as reported by the Employment Development Department (EDD)<sup>1</sup> in 2007. The manufacturing sector provides 30 percent of these jobs, the largest share of any industry. Many direct and indirect manufacturing businesses are located in the City, taking advantage of its proximity to Downtown Los Angeles, one of the largest economic centers in the nation in addition to the Ports of Los Angeles, Long Beach and the Alameda Corridor.

Over the past decade, South Gate's economy has grown, especially in relation to Los Angeles County's economy as a whole. South Gate's moderate annual job growth of 5.27 percent between 1996 and 2006 was well above Los Angeles County's average annual growth of 0.86 percent.

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<sup>1</sup> The Southern California Association of Governments (SCAG) reported 19,690 jobs in South Gate as of 2003. SCAG estimates are commonly-used metrics for jobs, however the Economic Element utilizes EDD data because of the industry-specific employment detail provided, which is not available from SCAG.

**Table 5-1: South Gate Job Growth between 1996 and 2006 Relative to Local Counties**

	1996	2001	2006	% Growth over 1996-2001	% Growth over 1996-2006	Average Annual % Growth Rate
South Gate	11,579	17,506	17,681	51.19%	52.70%	5.27%
Los Angeles County	3,631,100	3,803,100	3,942,500	4.74%	8.58%	0.86%
Orange County	1,187,100	1,427,900	1,520,000	20.28%	28.04%	2.80%
Riverside County	3,038,400	3,786,900	4,857,400	24.63%	59.87%	5.99%
San Bernardino County	3,692,600	4,382,600	5,063,800	18.69%	37.13%	3.71%

*Source: California EDD (www.labormarketinfo.edd.ca.gov); 2008*

## Key Economic Industry Sectors in South Gate

This section contains an analysis of three key economic sectors, each of which is either a high-growth sector or potential high-growth sector for the City. These industries are: manufacturing, retail trade, and transportation/warehousing.

Manufacturing plays a major role in South Gate's economy. The City's advantage in this sector is due in part to its central location and proximity to major highways, railways, Los Angeles International Airport and the Ports of Los Angeles and Long Beach. Numerous industries based in South Gate take advantage of the City's transportation networks, connecting them to manufacturing businesses and suppliers in the greater Los Angeles region. The relatively low cost of doing business in South Gate further helps attract manufacturers to the City. South Gate has a low business license tax, relatively low labor costs, and no utility user tax.

Retail trade is one of the fastest growing industries in the City. Between 1996 and 2006 South Gate saw a 12.4 percent growth in retail industry jobs. Much of the City's retail growth is occurring along Firestone Boulevard. Currently, Firestone is home to many new and used auto dealerships, which provide substantial taxable annual sales for the City. Other major commercial districts in the City include Tweedy Mile, Hollydale Business District, State Street, Paramount Boulevard, Long Beach Boulevard and El Paseo. Most areas of the City have experienced some growth in locally-based

retailers but have not been able to consistently attract national credit-tenants. The El Paseo Shopping Center, a 300,000 square foot regional retail center developed in 2000, signals a change in this trend. El Paseo not only attracts South Gate residents, but also brings patrons from Downey, Lynwood, Huntington Park and other nearby cities. The South Gate Towne Center is a 175,000 square foot retail center adjacent to the El Paseo. It also draws retail patrons to the City with the presence of a Sam's Club Warehouse and numerous inline retail stores and restaurants. The establishment of South Gate as a regional retail destination will be furthered by the anticipated El Portal retail center, at the intersection of Firestone Boulevard and Atlantic Avenue. El Portal will bring approximately 600,000 additional square feet of national-brand and local retailers to South Gate, providing an estimated \$1.93 million in annual sales tax revenue.

Transportation and warehousing is a high-potential and high-growth industry attracted by South Gate's convenient location and proximity to major transportation nodes. Between 1996 and 2006 this sector grew 11 percent, resulting in an additional 668 jobs within the City.

## Real Estate Sector Performance

Opportunities for new development in South Gate are limited since the City is almost entirely built-out. As such, real estate opportunities will come from redevelopment of existing structures or underutilized land.

The following is a discussion of the retail-commercial, industrial, and commercial-office real estate sectors in different District and Corridors in the City. Generally, the boundaries of the areas analyzed in this real estate analysis correlate with the Districts and Corridors described in the Community Design Element. However, in some cases, the real estate analysis encompasses a slightly different geography than what has been established in the Community Design Element, and these instances have been noted.

## Retail-Commercial

The retail real estate market in South Gate is strong locally, and is beginning to attract shoppers from neighboring cities and the greater Los Angeles region. During community workshops conducted as part of General Plan outreach, many residents said they found it necessary to shop outside of South Gate to purchase the breadth of family household goods from a single store location. Alternatively, by staying within the City, residents felt they were required to visit several smaller neighborhood stores to meet all of their shopping needs. In order to remedy this, South Gate is in the process of several revitalization and redevelopment projects that will help further stimulate the retail-commercial real estate market. Commercial retail rents and sales prices in South Gate are lower than the adjacent City of Los Angeles and the region as a whole. The retail-commercial market is concentrated in seven Districts and Corridors throughout the City, as follows:



**The Hollydale Business District on Garfield Avenue serves as the “main street” for the southeast portion of the City.**

## Tweedy Corridor

Tweedy Boulevard, running east to west from Alameda Boulevard to Atlantic Avenue, is comprised of approximately 250 businesses. Together, these businesses generate approximately \$45.1 million of taxable annual sales. Tweedy Mile is a smaller section of Tweedy Boulevard between Long Beach Boulevard to Hunt Avenue. Tweedy Mile is comprised of a variety of smaller retailers including banks, beauty salons, jewelry stores and pharmacies. The Tweedy Marketplace shopping center, which contains an Albertson’s supermarket and a number of smaller stores, is located in this area. This area generally corresponds to the Tweedy Corridor presented in the Community Design Element.

## Hollydale Business District

The Hollydale Business District is located near the I-710 and I-105 freeway intersection on Garfield Avenue between Cortland Avenue and McKinley Avenue. This area generates approximately \$9 million in taxable annual sales and has approximately 15 businesses. This area generally encompasses sub-area 2 of the Garfield Corridor in the Community Design Element.



**The Los Angeles Harley Davidson Dealer is located on Paramount Boulevard in South Gate. The business is a destination for Los Angeles area residents and a source of revenue for the City.**

### **El Paseo-South Gate Towne Center District**

There are three major retail centers at the intersection of Firestone Boulevard and Garfield Avenue: El Paseo, the South Gate Towne Center and a Target Retail store. The El Paseo commercial retail center consists of 300,000 square feet of building area over 22 acres of land at the northeast corner of Firestone Boulevard and Garfield Avenue. The center includes a 20-screen Edwards movie theater, La Curacao, Starbucks Coffee and several smaller retail users. The South Gate Towne Center, with a Sam's Club and El Super grocery store, is directly adjacent to El Paseo. Located across Firestone to the south is a Target retail store. The three centers combined with surrounding retailers total 47 businesses generating approximately \$102 million in taxable annual sales. This area is a subset of the El Paseo/South Gate Towne Center District presented in the Community Design Element.

### **State Street**

State Street travels north to south through the City. A particularly densely populated corridor of businesses spans between Santa Ana and Firestone Boulevard. This corridor, which is co-terminus with the State Corridor in the Community Design Element, is home to approximately 97 retail businesses and generates approximately \$34 million in taxable annual sales.

### **Paramount Boulevard**

Paramount Boulevard runs north to south between Gardendale Street and the I-105 Freeway. The 46 businesses here, including the Los Angeles Harley Davidson dealership, generate a combined \$15.1 million in taxable annual sales. This area is co-terminus with the Paramount Corridor in the Community Design Element.

### **Long Beach Boulevard**

Long Beach Boulevard is a major sub-regional thoroughfare that travels north to south along the west side of South Gate. This corridor is home to an estimated 187 businesses generating approximately \$66.4 million in taxable annual sales. This area is co-terminus with the Long Beach Corridor in the Community Design Element.

### **Firestone Boulevard**

Firestone Boulevard is the main east to west arterial roadway through South Gate and is considered the City's "window to the world." The corridor is home to over 224 businesses, which generate approximately \$133.4 million in taxable annual sales. Most of the City's used auto dealerships are located along Firestone Boulevard. This area includes the Firestone Corridor as defined in the Community Design Element. It also generally includes the parcels fronting Firestone Boulevard that are located in the Civic Center, Community College and Gateway Districts.

## **Industrial**

Overall, the industrial real estate market in South Gate is competitive. As a City historically dominated by the manufacturing industry, South Gate has several areas with concentrations of industrial users. The location of these areas is detailed in the Community Design Element. Sales and rental prices for industrial land and property in South Gate are low compared to the downtown Los Angeles industrial core, but closely aligned with the regional market as a whole. The industrial market is concentrated in eight Districts and Corridors throughout the City. Except where noted, the geographic boundaries are the same as those in the Community Design Element.

### **Southwest Industrial District**

The Southwest Industrial District is located at the southwest edge of the City, north of Century Boulevard and east of Alameda Street. It is made up of 27 businesses generating approximately \$6.25 million in taxable annual sales and includes two large businesses that cater to the fashion industry.

### **Ardine Industrial District**

The Ardine Industrial District is located on the northern boundary of the City adjacent to Cudahy east of Otis Street and north of Firestone Boulevard. This area is comprised of 23 businesses generating approximately \$24.8 million in taxable annual sales.

### **Firestone Industrial District**

The Firestone Industrial District is located just north of Firestone Boulevard and south of the Ardine Industrial area. It is made up of 80 businesses that produce approximately \$35.3 million in taxable annual sales.

### **Rayo Industrial District**

The Rayo Industrial District is located to the east of Atlantic Avenue, south of Firestone Boulevard. This area is home to 40 businesses generating approximately \$7.6 million in taxable annual sales.

### **Gateway District**

The Gateway Industrial District is located at the northeast of the City, bordering Cudahy to the north. This area is made up of 153 businesses producing approximately \$61.6 million in taxable annual sales. This area is a sub-set of the Gateway District presented in the Community Design Element.

### **Century Corridor**

Century Boulevard is a relatively small area in the southern part of the City, made up of 82 businesses producing approximately \$22.6 million in taxable annual sales.

### **Imperial Industrial District**

The Imperial Industrial District is located at the eastern edge of the City adjacent to the I-710 freeway. It contains 194 businesses producing approximately \$36.1 million in taxable annual sales. This area is a sub-set of the Imperial District presented in the Community Design Element.

### **South Gate Triangle District**

The South Gate Triangle District is located at the eastern edge of the City directly north of the Imperial Industrial District. It contains 12 businesses producing approximately \$16.2 million in taxable annual sales.

## **Commercial Office**

Currently, the presence of commercial office real estate in South Gate is limited, given the City's history as a manufacturing hub. With South Gate's proximity to Downtown Los Angeles, many professional office tenants seek the higher profile office buildings there.

Following a review of South Gate's current economic conditions and select area performance the Key Issues section identifies several significant topics that should be addressed in coming years.



**Hon, which produces office furniture, is located on Firestone Boulevard on the west side of the City. This and similar uses provide job opportunities for city residents and contribute to the local tax base.**

# KEY ISSUES AND CHALLENGES

South Gate's economy has a number of key issues and challenges that the City should address to ensure economic growth. These issues were identified through both analysis and outreach to residents and other stakeholders during the General Plan process. The following is a description of these key issues.

## **Future Role of Industrial Users**

Industrial manufacturers, assemblers and related businesses have been a large part of South Gate's development since the City's incorporation in 1923. However, business costs in Los Angeles County are high relative to other California counties and bordering states. To adequately plan for its future, South Gate should assess the state of its current industrial users and develop a strategy to retain or diversify its industrial base.

## **Presence as a Warehousing and Transportation Stronghold**

South Gate has several geographic advantages, including access to freeways, railways and the Ports of Los Angeles and Long Beach. While this provides a strong attraction to trucking and logistics firms, the traffic generated by these businesses causes air pollution and its negative health impacts, roadway congestion, and costly damage to South Gate's local infrastructure. At some point, without local job support, the negative impacts of this truck traffic may outweigh the advantage of having a large number of logistics firms in the City. South Gate should identify the extent to which it wants to maintain this economic sector. In deciding to maintain or increase its trucking and logistics businesses, it should consider that several adjacent cities also have similar locational advantages as South Gate, and will likely serve as competitors for these businesses.

## Limited National-Brand Retail Presence in South Gate

South Gate is home to relatively few national-brand retailers. While the many neighborhood-serving shops and businesses provide character and variety to the City, national retailers signify economic strength and viability to other businesses and potential residents. Name-brand stores bring with them a large influx of investment capital including the lease and purchase of land and retail space, the improvement of infrastructure, and the beautification of surrounding areas. Additionally, national-brand retailers can draw shoppers from adjacent cities, which would provide much-needed sales tax revenue to South Gate. Retailers are beginning to take notice of the purchasing power and other advantages available in South Gate. Efforts to attract these retailers should be maintained.

During community workshops residents expressed dissatisfaction with the lack of large “one-stop” retail establishments where they could purchase all or at least most of their home shopping needs. As a result, residents travel to such retailers in neighboring cities, which is a detriment to South Gate in terms of lost sales tax revenue. Many said they would rather avoid the commute and keep their purchasing dollars within the City. At the same time, residents also expressed a fondness for many of the local businesses in the City, which add character and help build local wealth. While recruiting national retailers to the City is an important part of providing services to residents and increasing the tax base, the City should also take steps to support successful local businesses and maintain a healthy mix of both large and small retailers.

## Educational Attainment Levels of South Gate Residents

South Gate residents’ educational attainment levels are lower than those of Los Angeles County as a whole. Cities whose residents have higher educational attainment levels tend to enjoy more stable economies, and have greater potential for economic growth. Education is strongly correlated with earning ability, resulting in higher hourly wages and salaries. Thus, raising the educational levels of South Gate residents is a strategy for improving the overall economic conditions in the City.

# KEY ECONOMIC DEVELOPMENT CONCEPTS

In addition to helping City staff and residents understand the current economic character, this chapter also provides guidance for the immediate and long-term future. During the General Plan update process, residents and City staff spent a great deal of time providing input and expressing their desires for a better South Gate.

This section of the Economic Element summarizes the fundamental guiding economic principles developed during the General Plan update process. Goals, objectives, policies and implementation actions in the Economic Element flow out of these key concepts and strategies.

## **Create Incentives for Employers to Locate in South Gate**

One component of redefining the City's identity will be to help attract and incentivize businesses to relocate or start up in South Gate. The City can offer incentives in the form of tax credits or reduced development and permitting fees. One major advantage for South Gate is its selection as a California Enterprise Zone city. This designation offers qualifying business owners tax benefits and access to grant and loan funding to build and expand their businesses within the City. Going forward, the City should help business operators identify their eligibility for these benefits through ongoing outreach and education efforts.

## **Foster Small Business Operation and Growth through Loan Programs and Easier Administrative Processes**

Businesses are often limited by the availability of capital. Until a few years ago, South Gate offered its local business owners loans to improve building façades and make minor capital improvement purchases. Reinstatement of this program will help small business owners improve their own properties and the City's commercial areas as a whole. Local business owners also expressed frustration in getting approvals for business operation necessities such as business licenses. The City should take proactive steps to simplify such processes or administer them more efficiently.

## Preserve Current Local Retail along Tweedy Mile

Tweedy Mile is considered by most South Gate residents to be the heart of the City, an area where retail and commercial uses with great character are numerous and mostly owned by local “mom-and-pop” operators. This independently-owned entrepreneurial spirit is part of South Gate’s character and requires preservation so that larger national chain retailers do not completely replace the independent business operators.

## Redefine the Industrially-Oriented Character of the City

In the past, South Gate has derived a great deal of identity and character from the manufacturing and industrial companies that made their homes in the City. While this identity is a source of pride for the City, residents stand to benefit from redefining the City’s vision and regional identity in a changing economic environment by attracting other industries and job sources. As one example, during the General Plan

process residents expressed a desire for South Gate to move away from heavy manufacturing in favor of lighter “boutique” manufacturing, fashion and research and development uses. The City also desires to attract selected “green technology” companies (those which are focused on developing environmentally-sensitive products, technologies and processes), which could provide a source of employment for residents and create the opportunity for South Gate to increase its base of more highly skilled labor.

## Create Additional Business Improvement Districts

The City currently has one major Business Improvement District (BID), the Tweedy Mile Business Association. BIDs help the local economy by organizing business operators, landowners and the City government to achieve mutually beneficial goals. BIDs offer two major advantages. First, a group of consolidated interests is more effective than actions of singular decision-makers. Second, the local nature



Small “mom and pop” retail establishments should be preserved along Tweedy Mile.

of BID's also enables the organization to understand its constituents and immediate area more intimately than the City government as a whole. Areas that could benefit from additional BIDs include the State, Paramount, Long Beach, and Firestone Corridors and the Hollydale Business District. The area surrounding the East Los Angeles Community College at Firestone Boulevard and Alameda Street may also benefit from a BID. The City is considering plans to create a BID around the community college based on an expanded campus and potential to attract service retail, new residential housing and open space.

### Capitalize on the City's Central Access from Highways and Freeways

South Gate benefits from its location between several major highways and roadways including the I-710, the I-105, Firestone Boulevard and Long Beach Boulevard. In conjunction with future land use and planning efforts, the City should strive to capitalize on available development and redevelopment opportuni-

ties at and around these points. For instance, "super" retail developments such as El Paseo or the proposed El Portal projects should be visible and easily accessible from freeways and major corridors to boost visits by residents from neighboring cities. Such efforts will help establish South Gate as a regional entertainment and retail shopping hub.

### Create Educational Opportunities

The General Plan should develop strategies to increase the educational levels of South Gate residents. More educated residents would benefit South Gate in a variety of ways, including providing a more skilled, stable, and productive pool of workers. This enhanced workforce would then be able to fill a larger number of the City's many jobs in sectors such as sales, health care, teaching, maintenance operations, and transportation-related occupations. Key partners to increasing educational attainment levels should include the Los Angeles Community College, public school districts, private educators, and other providers of continuing and lifelong education.



The City should capitalize on its location along the I-710 freeway. El Paseo, located on Firestone west of I-710, benefits from its proximity to the regional transportation system.

# GOALS, OBJECTIVES AND POLICIES

The purpose of the following economic goals, objectives and policies is to guide the City's future economic development efforts and achieve a diverse and fiscally sound economy. Since economic development is not a static process, these goals, objectives and policies both provide a guide for desired development activities and maintain flexibility to respond to changing economic trends and local market conditions.

## **Goal E 1: Fiscal revenue generation that meets the City's long-term demands**

**Objective E 1.1:  
Generate sufficient fiscal revenue through the  
use of land use planning.**

### *Policies*

- P.1** The City should maintain and enhance public infrastructure such as multi-modal streets, streetscapes, and utilities in order to boost business productivity and access.
- P.2** The City will coordinate land use planning with economic policy to ensure long-term fiscal health.
- P.3** The City may require a fiscal impact analysis for any development project requesting public funding, infrastructure participation or revenue sharing.
- P.4** The City should regularly monitor the rate and fee structure of utility costs to ensure that the City does not experience a net revenue loss from providing utility service.
- P.5** The City should evaluate the impacts of new development on a case-by-case basis, thereby identifying individual characteristics of each.
- P.6** The City should impose a development impact fee for new development projects in order to produce more general fund revenues. The fee would be a one-time cost to the developer at the time a project is constructed to help pay the marginal cost for facilities and infrastructure necessary to accommodate future growth.

**Objective E 1.2:**  
Streamline and coordinate the development review process by implementing and maintaining an efficient public facilities funding program.

*Policies*

- P.1** The City should develop and institute a broad-based public facilities financing program that will work to ensure adequate long term funding for infrastructure and/or capital improvement projects.
- P.2** The City should develop and implement a coordinated plan between capital improvements, infrastructure and the General Plan and update the plan periodically.
- P.3** The City will require that large-scale development projects include a detailed financing plan that outlines sources and uses of funds for infrastructure and improvements. This plan will be consistent with the City's financing policies and goals.

**Goal E 2:**  
**To enhance South Gate's commercial market by attracting and retaining a healthy balance of local and national businesses**

**Objective E 2.1:**  
Support and retain current South Gate-based businesses.

*Policies*

- P.1** The City will actively support business operators and uses desired as part of its economic vision.
- P.2** In order to increase their competitive advantage, the City should provide assistance to local businesses in the form of financing, networking and other resources as available and appropriate.
- P.3** The City should create more business improvement districts (BIDs) to organize and create cohesion among businesses in several South Gate Districts.

**Objective E 2.2:**  
Promote development opportunities for international and national retailers while supporting existing local businesses.

*Policies*

- P.1** The City should carefully consider approvals of new international, national and regional business operators to ensure they do not negatively impact locally-based businesses.
- P.2** The City should conduct periodic analyses to ensure adequate absorption of new businesses within areas of proposed development, reuse or redevelopment.
- P.3** The City should develop programs to support small businesses.
- P.4** The City will pursue the creation of a "Firestone Retail and Entertainment Corridor" that extends along Firestone Boulevard from the east side of San Miguel to the Rio Channel. Businesses targeted for this corridor will be national and regional retailers and entertainment venues that attract visitors from throughout the region.
- P.5** New large-scale retail development should only be located in locations with direct highway, boulevard and/or freeway access. Specific areas targeted for such uses are: the Gateway District, the El Paseo/South Gate Towne Center District, the Imperial District, the South Gate Triangle District, the Rayo Industrial District, the Firestone Industrial District.
- P.6** The City will invest resources and funding to improve streets, plazas and other public spaces in Districts and Corridors, as defined by the Community Design and Mobility Elements.
- P.7** The City may offer short-term low- or no- interest business loans to property and business owners for façade and property improvements.



**Firestone Boulevard on the east side of the City is envisioned as a retail and entertainment destination. This example shows the success of Citywalk in Universal City.**

## Objective E 2.3: Maintain the fiscal revenue stream generated by the current economic base.

### *Policies*

- P1** The City will conduct thorough and frequent reviews of fiscal policy in order to maintain balanced tax and fee structures.
- P2** The City should actively seek to replace vacating businesses with users capable of generating similar or greater fiscal revenue streams.

## Goal E 3: Enhanced employment, educational and business opportunities

### Objective E 3.1: Create more employment opportunities for South Gate residents.

#### *Policies*

- P1** The City should create incentives to retain and expand new businesses and industry sectors.
- P2** The City should promote development of light industrial or commercial projects in accordance with the Community Design element.

### Objective E 3.2: Increase the number of City residents employed by South Gate businesses.

#### *Policies*

- P1** The City should provide incentives for South Gate-based employers to hire residents. Incentives could include targeted tax and fee relief, expedited administrative approvals or low-cost loans for businesses.
- P2** The City should develop and maintain "matching" programs that help coordinate the needs of local companies with the skill sets of residents.
- P3** The City may work with local community college and vocational-training non profit groups to develop programming aimed at training residents for jobs typical of South Gate employers.
- P4** The City should promote the benefits of South Gate's Enterprise Zone status to local businesses that may qualify for and receive economic benefits by employing residents.

## Objective E 3.3: Reinvest in South Gate businesses.

### *Policies*

- P1** The City should develop and maintain outreach programs to inform local businesses about Enterprise Zone benefits. Such programs will help educate owners and operators about potential benefits from tax relief or grant monies.
- P2** The City may allocate funding for business improvement loans for owners and operators to make small capital improvements.

## Goal E 4: A diversified economic base

### Objective E 4.1: Help create a new identity and a more diverse business base for South Gate.

#### *Policies*

- P1** The City should support expansion of a diverse range of business activity, including "boutique" fabrication and metallurgy, specialized textile, health care services, education services research and development, and "green technology."
- P2** The City should expand Light Industrial/Flex uses in selected areas of the City, as described in the Community Design Element.
- P3** The City will not greatly expand the amount of land for warehousing/distribution uses. Warehousing/distribution uses may remain in their current locations.
- P4** The City should support biotechnology and environmentally friendly "green" businesses in and around the Community College District.



**Office and R&D uses should be explored over the time horizon of the General Plan as way of diversifying the tax base.**

# IMPLEMENTATION ACTIONS

The following implementation actions should be completed by the City in order to accomplish the goals of the Economic Element.

## Action E 1:

### **Develop a business attraction and marketing campaign.**

A business attraction and marketing campaign should be developed and actively managed in order to help re-brand the City and bring new business opportunities to South Gate. Such a program may involve the following:

- Develop attractive and appropriate promotional marketing materials to promote the City, its character, amenities and opportunities.
  - Market South Gate's Enterprise Zone designation as a benefit to qualifying businesses.
  - Market redevelopment project areas and potential development sites.
- Identify target industries (stable growth industries) that fit with City needs such as revenue generation, traffic, and air quality.
- Conduct regular mailings and email "blasts" to companies in targeted industries to establish and maintain awareness of available opportunities in South Gate. The City may also choose to advertise in relevant trade publications.
- Develop geographically-organized (local, regional, national, international) lists of firms within target industries to contact through outreach efforts. These lists should be updated annually.
- Develop and maintain working relationships with local real estate brokers. These connections will help maintain the City's awareness of opportunities, trends and general real estate market behavior. The City may also use these relationships to help bring development to focused areas of South Gate.
- Identify and target developers with proven experience in retail, commercial and/or mixed use projects of similar industry composition and location as South Gate (i.e. Huntington Park, Lynwood, Downey, Santa Ana, San Fernando).
- Regularly attend retail industry conventions at the regional, state and national level to promote opportunities in the City (e.g. International Council of Shopping Centers).

## **Action E 2:**

### **Develop a business retention program.**

The City should develop, implement and maintain a business retention program to help manage the City's existing commercial base. The City may do so through the following:

- Using surveys, develop a list and corresponding map of businesses currently located in South Gate. This list should be kept current through annual updates.
- Coordinate and regularly stage community-oriented events through Business Improvement Districts (see Action E 5) and the Chamber of Commerce. These events are aimed at connecting residents and patrons to specific commercial areas to improve spending and visibility of those businesses.
- Conduct a survey program with existing businesses to best identify their needs, desires and satisfaction level. To the extent possible, the City should choose to make policy changes based on this feedback in order to better serve the business community. Such surveys should be conducted every two years.
- Diligently consider development proposals for new projects along Tweedy Mile and work with the Tweedy Mile Business Association to ensure any large commercial presence does not displace existing business.
- Develop a permit expediting program for residents and business owners to quickly obtain permits or licenses.
- Offer short-term business improvement loans at low or no cost to South Gate business owners. These loans would be limited in both monetary amount and payback duration. Uses for such loans would include building façade improvement and capital improvement purchases.
- Offer incentives for new commercial development or redevelopment that provides on-site amenities to employees (i.e. day care, cafeteria, etc.)
- Offer additional incentives to business owners and property owners for improving the appearance of aging shopping centers and retail space. These incentives may come in the form of fee waivers or credits.

## **Action E 3:**

### **Institute a development impact fee.**

Institute a development impact fee for new developments in order to generate more fiscal revenue for the City's general fund. Impact fees are one-time charges assessed to new developments as a way to raise funds for public facilities (i.e. roads, parks, schools) benefiting the existing community and future residents. Impact fees should be periodically monitored and reviewed such that, to the extent possible, they do not counteract efforts and policies to attract business.

## **Action E 4:**

### **Create an incentive program for South Gate-based employers to hire residents.**

When residents leave the City to work elsewhere, they take with them a portion of the money spent for goods and services during the work day. Therefore, the City should create an incentive program for South Gate-based employers to hire residents. This action will help to boost the economy by increasing both employment rates and the amount of money spent within the City. Such incentives for employers may include:

- Lease subsidies from appropriate City or Agency funds
- Discounted short or long term loans
- Tax credits
- Property or building improvement assistance (monetary and/or administrative approval)
- City-sponsored training classes (i.e. Enterprise Zone qualifications and benefits)
- Education assistance programs supported by private and/or government funding

### **Action E 5:**

#### **Create new business improvement districts.**

Encourage creation of more Business Improvement Districts (BIDs) to help organize and support concentrated areas of business operations in the City. BIDs require cooperation between the City and private business owners to provide services in addition to those already provided by the City. Such benefits include street cleaning and maintenance, lighting, public safety officers and beautification campaigns. Special assessments are placed on property owners in order to generate the additional revenue necessary to support such services. BIDs may be particularly suitable and beneficial to the following areas:

- Firestone Corridor
- Hollydale Business District
- State Corridor
- Long Beach Corridor
- Paramount Corridor
- Transit station areas
- Major education-related areas

### **Action E 6:**

#### **Implement a coordination plan for capital improvements, infrastructure and the General Plan.**

The City should develop and implement a plan coordinating capital improvements, infrastructure and the General Plan. Such a plan would synchronize City allocation of resources with General Plan principles and Elements.

### **Action E 7:**

#### **Create a tracking system of underutilized or underperforming land, and create an incentive program to redevelop it.**

South Gate has underperforming properties that do not meet their highest and best use. The City should maintain an inventory of any vacant or underutilized land designated for commercial or industrial uses and identify opportunities for infill development. This inventory would create organization and project tracking around efforts to revitalize the City. Ideally, the City should target underutilized buildings or vacant parcels for “fast-track” development and/or redevelopment, consistent with policies of the General Plan.

### **Action E 8:**

#### **Assemble a local business and industrial relations committee.**

The City should work with local business leaders to create a business relations committee, industrial council, or similar committee. By selecting approximately 10 to 15 members representing selected geographic areas and industry sectors, this group would help the City understand more about the trends, conditions and needs of various groups. Quarterly meetings would ensure that current issues are discussed and in concert with existing and proposed BIDs (Action E 5), appropriate measures may be taken to satisfy and assist the business community.