

Inglewood Economic Development Opportunities Assessment Report



Volume No. III

Summary Report and Recommendations

February 2003

Presented To:

City of Inglewood



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I. INTRODUCTION

A. Overall Purpose

The City of Inglewood retained Kosmont Partners, Economic Consultants, to identify economic development and general real estate development opportunities. The results of the analysis are intended to serve as the basis for the City to prepare an economic development strategy **as a next phase** of this overall effort. The entire Inglewood Economic Development Opportunities Assessment Report consists of three volumes as follows:

- Volume I contains economic, market, and competitiveness analysis
- Volume II contains assessment of nine Study Areas and identification of site-specific opportunities
- Volume III a summary and recommendations for next steps

B. VOLUME III CONTENTS

This Volume III contains key summary information from Volumes I and II. This volume also includes a listing of topics covered and a summary of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis contained in Volume I. This volume also includes a summary of the Volume II Physical Site Assessments and Opportunities.

This Volume III report also contains recommendations for the **next phase of economic development** activities. The principal recommendation calls for preparation of a Citywide Economic Development Strategic Plan. Also included in this volume is a listing of potential major economic development initiatives derived from the identified economic and physical opportunities. Pursuit and implementation of these suggested initiatives will help to accomplish overall City economic development and redevelopment goals and objectives.

II. VOLUME I – ECONOMIC AND MARKET ASSESSMENT

A. INTRODUCTION

Volume I contains the economic, market, and competitiveness analysis for the City. The report provides multi-faceted data and analysis, together with a SWOT strategic analysis. This economic and market analysis is intended to complement the physical study area assessments contained in Volume II. In addition, Volume I contains extensive baseline data about the City, economic and market conditions, and other information useful to potential investors, prospective businesses, and real estate developers. Beyond identifying opportunities, this extensive baseline data can also be manipulated and used in various ways to produce valuable planning and project development results. Topics addressed in this report include:

- Location and Market Access
- Community Overview
- Business Overview
- Industry Clusters
- Wholesale and Retail Clusters
- Real Estate Sector
- Government Expenditures
- Quality of Life
- Redevelopment
- Business Attraction Comparisons

B. SWOT ANALYSIS

The following section presents an assessment of the strengths, weaknesses, opportunities, and threats for the City of Inglewood. These findings were derived from the economic analysis conducted as part of the Volume I report.

1. Strengths

i. Strategic Regional Location

One of Inglewood's greatest assets is its strategic regional location and accessibility to the local Southland area, major destinations, and its economy. For example, the City is adjacent to Los Angeles International (LAX) airport, is eight miles from downtown Los Angeles, at the hub of the I-105 and I-104, minutes from I-10 and I-110 freeways and only 20 minutes from the Long Beach and LA harbors. The City's location, its regional attractions, proximity to major activity centers and places, and its transportation systems truly define the potential for Inglewood to become a "Regional City".

ii. Proximity and Relationship to LAX

The City serves as a portal community or entryway for LAX. **The City of Inglewood's proximity creates an undeniable symbiotic relationship with LAX and is a significant strength that must be further leveraged.** For example, the City can benefit from the thoroughfare traffic to LAX, sales tax revenues, and from businesses that locate and cluster

near airports, such as lodging, car rentals, air cargo and related goods movement firms. Various businesses and industries value access and proximity to an airport – the City can therefore capitalize on this asset.

iii. Transportation Resources

The City benefits from its multi-modal transportation systems. It is well served by freeways, major high-traffic thoroughfares, and excellent public transportation such as the Metro Green Line light rail transit, an extensive bus network, as well as proximity to LAX airport. The City compares favorably to competitors when assessing the availability and cost of transportation. These mobility assets further serve to enhance the City’s competitiveness.

iv. Visitor Base

The City benefits from an extensive non-residential visitor base that if captured can serve as a potential economic development resource. This potential customer base includes visitors to Hollywood Park Racetrack and Casino, the Forum (religious and other arena functions), Inglewood Cemetery, various major hospitals including; Centinela Hospital, Daniel Freeman Memorial Hospitals, Kaiser Permanente Hospital, Prairie Medical Group, County Courts/government center, Costco and Home Depot stores, and other such attractions. **It is estimated that visitors to Hollywood Park, the hospitals, cemetery, and the Forum generate over 5 million persons.** Other sources of visitors consist of customers and other parties conducting business with City-based firms. In addition to Inglewood’s destination points, there is extensive thoroughfare commuter traffic passing through the City. These thoroughfare commuters should therefore be captured further enhancing the City’s economic development objectives.

v. Area Daytime Employment Base

There are approximately **21,400 employees in businesses within a 1-mile radius** of the center of Inglewood, and **123,328 daytime employees in various businesses within a 3-mile radius** of the center of the City. **This employee base constitutes an important potential source of retail and services consumer demand.** The types of goods and services likely to appeal to this employment base are food (lunchtime and some dinner), beverages, convenience items, and various services (barber/beauty, laundry/dry cleaners, doctors, dentists, etc.). This extensive employment base can also be used to market the City and attract desirable businesses. These visitors should therefore be captured further enhancing the City’s economic development objectives.

vi. Redevelopment Tools

The City Redevelopment Agency (RDA) operates six active redevelopment projects and owns various properties that may be suitable for redevelopment. The RDA also has the authority and resources to further assemble land for redevelopment purposes. Together these property holdings and the RDA’s acquisition authority provide significant real estate development advantages necessary to implement the City’s overall economic development goals.

The RDA also manages an allocation of approximately \$10 million from the Federal Aviation Administration (FAA). These funds are available to the City for “recycling” of residential properties located within Inglewood along the LAX airport flight corridor where

aircraft noise exceeds prescribed thresholds. This funding resource serves to complement existing redevelopment tools and resources.

vii. Labor Force and Industry Sectors

The City of Inglewood has the **second largest labor force** of all 18 cities located within the South Bay sub-regional area. The City of Torrance is first with 70,385 employees followed by Inglewood with 47,223 persons in the labor force, or (59% of those Inglewood residents over 16 years of age). The South Bay Workforce Investment Board directly serves the City. This authority provides local, State, and Federal job training programs to assist local businesses in hiring local residents. Programs offer on-the-job training for specific skill areas such as medical, and computer occupations. This agency has established linkages with local community colleges and Regional Occupations Programs (ROP) to provide other skills training.

In addition, the City of Inglewood has a comparable or higher percentage of its workforce in several major industry categories as compared to Los Angeles County averages. Such industries include the Health Services sector as reported by the 2000 Census.

viii. Business Base

The City of Inglewood has the **third largest number of business establishments within the South Bay sub-region** as defined by the 1998 US Department of Commerce County Business Patterns (CBP) survey. The South Bay sub-region includes 18 cities. The City of Torrance has the largest number of firms with 6,238, followed by Gardena with 2,935, then Inglewood with 1,912 firms. This count by the Department of Commerce is not comprehensive in that it does not include sole proprietorships or firms without employees. An alternative business database source compiled by Claritas Inc. captures all types of businesses. This business database reports that **the City has 3,941 business establishments** including those not counted by the CBP survey.

ix. Nonresidential Building Permits

The City of Inglewood experienced **\$12.5 million in new non-residential construction activity for the year 2001** based upon building permit values as reported by the Construction Industry Research Board. It has also averaged **\$16.29 million in new non-residential construction over the past five years**. This continuous development activity is a positive sign of economic development interest in the City.

x. Prominent Business Clusters

The City contains businesses that fall within key or leading industry clusters. Identification of clusters serves as the basis for developing strategies to enhance and expand these businesses. The City has representative companies in the following key business clusters:

- Aerospace
- Bio-Science
- Communications
- Computer Services
- Entertainment
- Environmental Technology

- Medical Services
- Software
- Transportation

These clusters are prominent economic generators in the South Bay and Los Angeles economy. The existence of representative companies within these sectors provides a basis for implementing business retention and expansion strategies.

xi. Non-Retail Taxable Sales

The **City generated approximately \$8.5 million in total retail sales taxes for the year 2001-2002.** However, approximately 22% of these sales taxes are generated from non-retail taxable sales. These include sales transactions such as business-to-business activity and taxable services. This factor is significant in that the City's options by which to expand its retail sales revenues is not limited to the traditional retail groups such as shopping centers or auto dealers.

A corollary to this finding is that the city also receives significant revenues from utility user taxes, property taxes, and business license taxes. It must therefore be emphasized that ED strategies to develop, reuse, and invest in real estate that does not produce sales taxes also offers a significant alternative to enhancing fiscal revenues. Non-retail development also offers opportunities to create higher paying jobs.

xii. Retail Leakage

As of the year 2001, the average per capita sales taxes generated within Los Angeles County was \$8,369. These sales tax revenues include all sources such as traditional retail, business-to-business, taxable services, etc. However, City of Inglewood only captured \$6,650 per person or about 79% of the county average. These disparate figures suggest that there are potentials to capture additional retail sales from City residents and businesses, closer to countywide averages.

An additional retail sales capture analysis was conducted that focuses principally on traditional retail store categories such as shopping centers. Under these results the average County per capita sales figure was \$8,423 for the year 2000, versus \$5,320 for the City of Inglewood. These figures show that the City is not capturing expected average retail sales from its residents within all major retail categories. While it is not reasonable to expect all cities to capture 100% retail demand, the City must endeavor to capture as much as possible. Since the date of these sales tax figures, there has been significant retail development in the City, therefore this finding requires further investigation.

xiii. Property Value Increases

The City has a total assessed property valuation of \$4.3 billion as of 2002. In spite of a major loss in assessed value (almost 50%) from property categorized as recreational mostly from the loss of the Lakers Basketball franchise from the Forum, **the City has nevertheless experienced an overall 15.3% growth rate over the last 5 years.** This property value increase averages over 3% per year, which is more than the average inflation rate over the same time.

xiv. Major Infrastructure and Facilities

There are several regional-serving infrastructure and public facility planning efforts underway that will affect the City of Inglewood. In addition, the City has plans in place to upgrade its fiber optics network and further enhancing its technological competitiveness. These planning efforts include LAX remote passenger loading at Manchester Square, LAX Flyaway Facility, and the MTA Crenshaw Transit Corridor Plans. These publicly sponsored projects can lead to major investments in the City. These projects have the potential for on and offsite joint development opportunities. These facilities when constructed should have major economic spin-off and /or multiplier effects for the community.

It is important therefore for the City to monitor and even participate in the planning of such facilities to identify at the outset potential joint development opportunities.

It is also important that these efforts by outside agencies correspond and further established long-term economic development goals. This finding further justifies the need to prepare and adopt an overall long-term economic development strategic plan.

xv. Land Availability

Developable land is a necessary ingredient for achieving the City's economic development and revitalization goals. As reported in Volume II of this study, there is considerable vacant land, underutilized properties, and property with obsolete building structures located throughout the City. These properties provide significant opportunities for redevelopment, land recycling, and reuse.

However, the city's General Plan is largely outdated and may not permit or may militate against capitalizing on these development opportunities. **It is necessary therefore to update the General Plan** so provide land use and zoning regulations that further and support the current and future economic development goals of the City. Development of such an ED Plan is recommended in this report.

xvi. Business Assistance Programs

The City has initiated various on-going economic development efforts, including the preparation of this economic development opportunities assessment. It has established the Office of Economic and Business Development, Community Beautification Services, and the Community Redevelopment Agency, among other such efforts. These agencies and programs provide a variety of business aid, business-serving public area enhancements, and real estate development assistance. For example the city has been developing access to alternative sources of non-conventional financing such as:

- HUD Section 108 Loan Pool
- New Markets Tax Credits
- Alternative private Equity Funds (Apex Equity Fund)
- State Bond Financing
- EDI-BEDI Federal Funds

These programs and efforts serve to help strengthen the City's overall competitiveness. In addition, there are several private sector support organizations such as Partners for Progress and the Inglewood Airport Chamber of Commerce.

2. Weaknesses

The following section presents a summary of the major City weaknesses for the City of Inglewood. There is weakness in terms competitiveness related to achieving overall economic development goals. Identification of these weaknesses will serve to focus attention and help define the actions necessary to mitigate these negative actors.

i. Lack of Overall Coordinated Economic Strategy

The City has advanced its overall economic development (ED) efforts by means of separate Redevelopment Projects, activities of the Economic and Business Development Department, and by various efforts from other Departments. Each entity is therefore independently advancing various ED initiatives – some initiatives are site specific and some are citywide efforts. Some projects are based upon redevelopment opportunities and some are a result of business assistance efforts. **The City however lacks an overall coordinated Strategic Economic Development Plan that brings together the disparate efforts of these various entities.** Moreover there are synergies that may be realized by **concentrating and leveraging the resources** of various City agencies.

An additional weakness is that the City does not have an adopted Economic Development Element to its General Plan. Such an element would serve to coordinate and integrate growth and development strategies and help guide the City over the longer term to meet its desired economic goals.

Lack of a Citywide ED Strategic Plan and an Economic Element to the General Plan serves to diminish and confuse ongoing ED efforts. Moreover, potential investors, developers, and prospective businesses require clear direction in terms of the City's priorities – be it job creation, business retention, tax base creation, increases in property valuation, etc. Finally, if goals are not set – it is impossible to assess whether ED objectives are ever met.

ii. State and National Economic Conditions

The current State and National depressed economic conditions have negative impacts upon the City's ability to achieve greater economic growth and continued redevelopment. In part this is because the City's economy is linked to industries that are very susceptible to economic downturns. These include businesses and activities related to the LAX Airport such as hospitality, air cargo, ground transportation, etc. The city also relies upon discretionary spending to support facilities such Hollywood Park and the Casinos. Also to the extent retail shoppers feel the economic slowdown, they will spend less on discretionary purchases. These economic chains of event will impact the city's economy, employment, and fiscal revenue base.

iii. Population Growth and Demographics

The City has experienced very low population growth rates - only a 0.27% increase over the last decade, which is lower than the average growth rates for the City and County of Los Angeles. Lack of population growth limits this source of future economic growth. The City also suffers from comparatively low household incomes. For example, it is considerably lower than the surrounding South Bay area communities, such as almost 50% of the nearby cities of El Segundo and Torrance.

iv. Home Ownership Conditions

The majority of City residents are not homeowners. Specifically, sixty-three (63%) of city residents are renters and only thirty-six (36%) are homeowners. Homeownership helps solidify neighborhoods, increase pride of ownership, and increase neighborhood stability.

v. Safety Image Perception

Although the City has experienced a reduction in overall crime during the period 1994 to 2000, it still has higher crime rates than surrounding South Bay communities. The City is also a very diverse community with only about a 4% White population as of the 2000 census. These demographic conditions and perception of unsafe conditions may militate against attracting regional customers and investment into the area.

vi. Poor Area Physical Conditions

Many of the City's major thoroughfare corridors suffer from blighted physical conditions. These conditions include lack of building maintenance, vacancies, incompatible uses, poorly maintained public areas, trash, and graffiti. Many such blighting conditions were the basis for qualifying these areas for redevelopment project status.

vii. Cost of Doing Business

The overall cost of doing business is much higher for the City of Inglewood than comparable cities. These cost factors include business license taxes, property taxes, and utility user fees. The City is rated in the "Kosmont Cost of Business Survey" as a "High Cost" City as compared to other Los Angeles County cities. Given this lack of competitiveness, the **City must develop special compensating incentives to attract desirable businesses and achieve its ED goals.**

viii. Employment and Workforce Capability

Educational attainment is a key indicator of labor quality. However, roughly 36% of Inglewood's residents over 25 years of age do not have a high school diploma or equivalent. This condition is in contrast for example to the nearby City of El Segundo, with only 7% who do not have a diploma. This factor makes Inglewood's labor force less competitive than other South Bay communities. In addition, the City has an unemployment rate of about 9.7% as of June 2002, further highlighting this condition.

ix. Retail Leakage and Competition

There are various unmet voids in several retail categories resulting in leakage to surrounding communities as of 2001. The effect is that residents must commute to other communities to obtain various retail goods. This condition also deprives the City of needed sales tax revenues. This condition is expected to improve to a degree with the stabilization of new and planned retail developments near Hollywood Park and elsewhere. **However, the city still does not fully capture its share of the 123,000 daytime employees within a 3-mile radius of the city, and the over 5 million annual visitors.**

A potential obstacle is that there is intense competition for shoppers from retailers located within the Inglewood regional trade area. This condition functions as a weakness for the City for those retail uses that the city could realistically capture. Specifically, there are 14 regional and 10 super-regional shopping centers within a 10-mile radius of the center of the City of Inglewood

x. *Hispanic Market*

The City has experienced growth in its Hispanic population from 38% to 46% over the last decade. This is a young population and is projected to increase from in-migration and high birth rates. During the same time the African American population has decreased slightly from 52% to 47%. This growing Hispanic market segment is a competitive strength for the city if it is recognized, but a weakness if it is not captured.

3. **Opportunities**

i. *Strategic Regional Location/Facilities*

By its own nature and location, the City should be viewed as one that takes on a strategic and functional role in the provision of desired and necessary goods and services to the **Region**. For example, the City is in a centralized regional location and serves as a portal to a major **regional** airport. In addition, the City contains important **regional** serving transportation systems. The City also offers **regional** serving entertainment uses, businesses, gaming facilities, and “Big Box” wholesale and discount-merchandise to a **regional** market area.

ii. *Transportation Resources*

The City can further enhance its strategic locational advantages by marketing its accessibility and transportation resources. Principally the city is located adjacent to LAX; it has excellent freeway accessibility, offers light rail transit, extensive bus service, and contains a series of major sub-regional arterial corridors.

iii. *Visitor Base*

The City offers major attractions and businesses that bring in over 5 million visitors each year. These non-resident visitors can serve as a potent economic development resource. For example, this visitor base can serve as an important opportunity for capture of retail, restaurants, entertainment, and services demand.

iv. *Area Employment Base*

Within a 1-mile radius of the center of Inglewood, there are approximately 21,400 employees, within a 3-mile radius, there are 123,328 daytime employees working in local businesses. This local area employment base serves as an important economic development resource such as a source of retail and services demand. This extensive employment base can also be used to market the City and attract desirable businesses to the area. This beneficial condition further underscores the importance of a marketing program to effectively promote the City.

v. *Redevelopment Tools*

The City is fortunate in that it has various active redevelopment project areas. These functioning redevelopment areas encompass most of the city’s major commercial and industrial corridors. This Redevelopment authority and its attendant development tools provide Inglewood a strong ability to compete for desirable new real estate development. These tools provide the City the means to facilitate its economic development and physical development goals.

vi. Labor Force and Industry Sectors

The City has one of the largest labor forces in the South Bay area. Although this workforce is not as competitive as those of surrounding communities, it has potentials to compete for certain desirable jobs given appropriate job training. For example, job training can be accomplished by partnerships with organizations such as the South Bay Workforce Investment Board. Moreover, the City can facilitate employment and training opportunities by offering various incentives to businesses.

The City also has a higher than County average percentage of its workforce in important business sectors such as the Health Care and the Accommodations industries. The City can therefore build upon these strengths by targeting its training programs to these business sectors.

vii. Business Clusters

The City has representative companies in the following key sub-regional industries; Aerospace, Bioscience, Communications, Computer Services, Entertainment, Environmental Technology, Medical Services, Software, and Transportation. Expansion of these major industries will serve to meet City economic development objectives. These industry sectors are major economic drivers providing well-paying jobs, within the South Bay and Los Angeles region. The existence of these business groups within the City therefore presents an opportunity to enhance and further expand these clusters.

viii. Non-Retail Taxable Sales

The City contains a sizable base of non-retail businesses that generates sales taxes, such as those produced by taxable services and business-to-business transactions. These sales tax generators include; the sale of construction materials and lumber; sale of heavy industrial equipment, or chemical products and the like. Specifically, approximately 22% of the total city sales tax revenues are generated from non-traditional taxable transactions. This type of business activity is significant in that the City's options by which to expand its sales tax revenues is not limited to traditional retail facilities such as shopping centers or auto dealers. Eventually, the City will reach a saturation point within a given retail trade area where it can no longer grow or remain competitive. **The City therefore has the opportunity to create alternative strategies to traditional shopping centers and enhance its revenue base.**

ix. Retail Leakage

Analysis of Inglewood's retail expenditure potentials and its share of residential base capture show that the City is was losing retail sales dollars to other communities based upon year 2000 figures. This condition is expected to improve to a degree with the stabilization of new and planned retail developments near Hollywood Park and elsewhere. However, the city still does not fully capture its share of the 123,000 daytime employees within a 3-mile radius of the city, and the over 5 million annual visitors. Given the new and planned retail projects and other retail revitalization strategies, **the city has a huge opportunity to capture not only its share of resident retail demand, but daytime and visitor markets as well.**

Major Infrastructure and Facilities

Los Angeles World Airports (LAWA) is considering the development of a Flyaway or remote passenger facility within the Century Boulevard corridor as well as various public

improvements. LAWA's master plan for LAX airport also includes a major parking and People Mover facility located in the former Manchester Square neighborhood adjacent to Inglewood's City borders. The MTA is also planning major improvements to the Metro Green Line light-rail facility. **These major facilities therefore present opportunities to partner and otherwise take advantage of synergies that these projects will create.**

x. Proximity to LAX Airport

Inglewood serves as a portal City or entryway for LAX. **This proximity and undeniable symbiotic relationship to the LAX airport is a significant strength that must be further exploited.** For example, there are a number of businesses that value access and proximity to airports such as air cargo, transportation businesses, or high-technology firms. The City therefore has the opportunity to leverage and further develop its economic and functional relationships and linkages to the LAX airport. Among opportunities are the potentials to capture commuter, layover, visitor, and planned remote facility passengers. Other opportunities include opportunities to market airport proximity to prospective businesses and developers that need to be near airports.

xi. Land Availability

As reported in Volume II of this study, considerable vacant land, underutilized properties, and property with obsolete building structures were identified throughout the City. **These underutilized properties present significant opportunities for reuse and redevelopment all of which are necessary ingredients for achieving the City's economic development and revitalization goals.** However, in order to accommodate reuse and redevelopment at these sites the City must update its General Plan to allow for desired development at these and other sites.

xii. Business Assistance Programs

The City of Inglewood has made significant efforts to be viewed as a business friendly community. For example, it has established various business programs that offer technical and financial assistance. Combined with the City's Redevelopment tools, it also has significant means to achieve its economic development and redevelopment goals. The greater opportunity however lies in its ability to combine and coordinate its various development and business assistance programs to achieve superior results.

4. Threats

This section summarizes potential threats to the City based upon economic conditions and weaknesses in competitiveness previously discussed.

i. State and National Economic Conditions

The State and National economic conditions are having negative impacts upon the City's ability to achieve greater economic growth and continued redevelopment. In part this is because the City is highly connected to the activity levels of the adjacent LAX Airport and the economic activity it affects. Major businesses affected include hotels, air cargo, transportation related businesses and the like. In addition, the City economy is in part dependent upon discretionary entertainment spending at facilities such as Hollywood Park and the Casino. Also to the extent retail shoppers feel the economic slowdown, they will spend less on discretionary purchases. These economic chains of events will impact the city's economy, employment, and fiscal revenue base.

Moreover, there are proposals presently being considered at the State level to divert certain tax revenues from municipalities to the State to help meet its obligations. Among these initiatives are proposals to divert local Redevelopment funds to the State. These proposals could have major negative impacts upon the city.

ii. Population Growth and Demographics

There has been only about a quarter percent growth rate over the last decade (1990-2000). The principal reason is that the City is built out and there is limited land zoned and available for new housing development. Low population growth further reduces the local consumer market segment from which to draw future economic development.

The City also suffers from a population with low median household incomes. This condition militates against attracting desirable businesses, and generates the need for higher government and social services costs.

iii. Homeownership Conditions

Homeownership helps solidify neighborhoods, promote pride of ownership, and create a stronger sense of community than is the case with residents who rent. However, sixty percent (60%) of the City's households consist of renters. Correlated with this housing tenure condition is the lack of new middle-income and upscale for-sale housing. Other factors, which work against the production of more ownership housing, are the lack of adequate sites to accommodate such housing. In order to provide opportunities for increased ownership housing the City must update and modify its General Plan to allow for more housing. Other factors, which militate against increased homeownership, are the existence of small residential parcels that tend to generate increased density of smaller rental units. A potential threat to attracting higher income households and desirable businesses is.

iv. Safety Image Perception

Although the City has experienced a reduction in crime based on figures for 1994 to 2000, it is still perceived to be less safe than many other surrounding South Bay communities. The City is also a very diverse community with only about a 4% White population as of the 2000 census. These demographic conditions and perception of unsafe conditions pose a threat to attracting investment into the City.

v. Poor Physical Conditions

Many of the City's major corridors suffer from blighted physical conditions. These blighting conditions include lack of building maintenance, vacancies, incompatible uses, poorly maintained public areas, trash, and graffiti, qualify these areas for redevelopment project area status. If these conditions are not addressed, they will continue to pose a threat to new investment into these areas.

vi. Cost of Doing Business

The general cost of doing business is higher for Inglewood than comparable cities. These cost factors include business license taxes, property taxes, and utility user fees. This condition poses a threat to certain businesses that are sensitive to these operating costs. All else being equal, a business will generally seek a community where such operating costs are lower. The challenge for Inglewood therefore is to modify such business costs or provide

other compensating incentives for desirable businesses that help to meet the City's economic development goals.

vii. Workforce Capability

Educational attainment is a key indicator of labor quality, a primary factor necessary to compete for desirable businesses. However, roughly 36% of Inglewood's residents over 25 years of age do not have a high school diploma or the equivalent. For example, this condition is in contrast to say nearby City of El Segundo with only 7% who do not have a diploma. **This workforce capability poses a threat to attracting desirable businesses with good paying jobs that require a more educated labor force.**

viii. Overall Coordinated Economic Strategy

The City faces an on-going threat of not attaining the highest level of economic development and physical redevelopment due to a lack of coordinated efforts in these areas. The City has advanced its overall economic development efforts by means of separate Redevelopment Projects, activities of the Economic and Business Development Department, and by various efforts from other Departments. Each entity is therefore independently advancing various ED initiatives – some initiatives are site specific and some are citywide efforts. Some projects are based upon redevelopment opportunities and some are a result of business assistance efforts. The City however lacks an overall coordinated Strategic Economic Development Plan that brings together the disparate efforts of these various entities and policy-makers.

There are synergies that may be realized by concentrating and leveraging the resources of various City agencies. In addition, potential investors and interested developers must be able to follow a coherent blueprint that clearly lays out the City's economic goals and objectives.

ix. Retail Leakage and Competition

There are various unmet voids in several retail categories resulting in leakage to surrounding communities as of 2001. This condition is expected to improve to a degree with the stabilization of new and planned retail developments near Hollywood Park and elsewhere. **However, the city still does not fully capture its share of the 123,000 daytime employees within a 3-mile radius of the city, and the over 5 million annual visitors.** There is a threat to the City in its ability to maximize sales tax revenues from all available sources.

There are 14 regional and 10 super-regional shopping centers within a 10-mile radius of the center of the City of Inglewood. This competition acts as threat to the city in its ability capture its share of residents, visitors, and area employee retail customers.

x. Hispanic Market

The City has experienced significant growth in its Hispanic population from 38% to 46% over the last decade. Furthermore this is a young population and is projected to increase from continued in-migration and high birth rates. During the same time, the City's African American population decreased slightly over the same period. **The City therefore faces a threat of losing the economic benefits of this major market segment, if it does not pursue policies and projects that target this consumer base.**

III. VOLUME II. SITE SPECIFIC OPPORTUNITIES

A. INTRODUCTION

The **Volume II** report contains an identification of physical opportunities located within nine key Study Areas located throughout the City. The Study Areas consist principally of major City thoroughfare corridors except for the Downtown Market Place and Hollywood Park Retail development sites. This assessment consists of a windshield survey of each of the nine Study Areas. Field survey results taken together with the Volume I economic data, property information, planning strategies, and market information, serve as the basis for identifying potential opportunity sites, areas, and development concepts. Detailed economic development strategies and implementation projects will be the subject of future assignments and not a part of these three volumes.

B. THE NINE STUDY AREAS

The following is listing of the nine Study Areas (see map on following page):

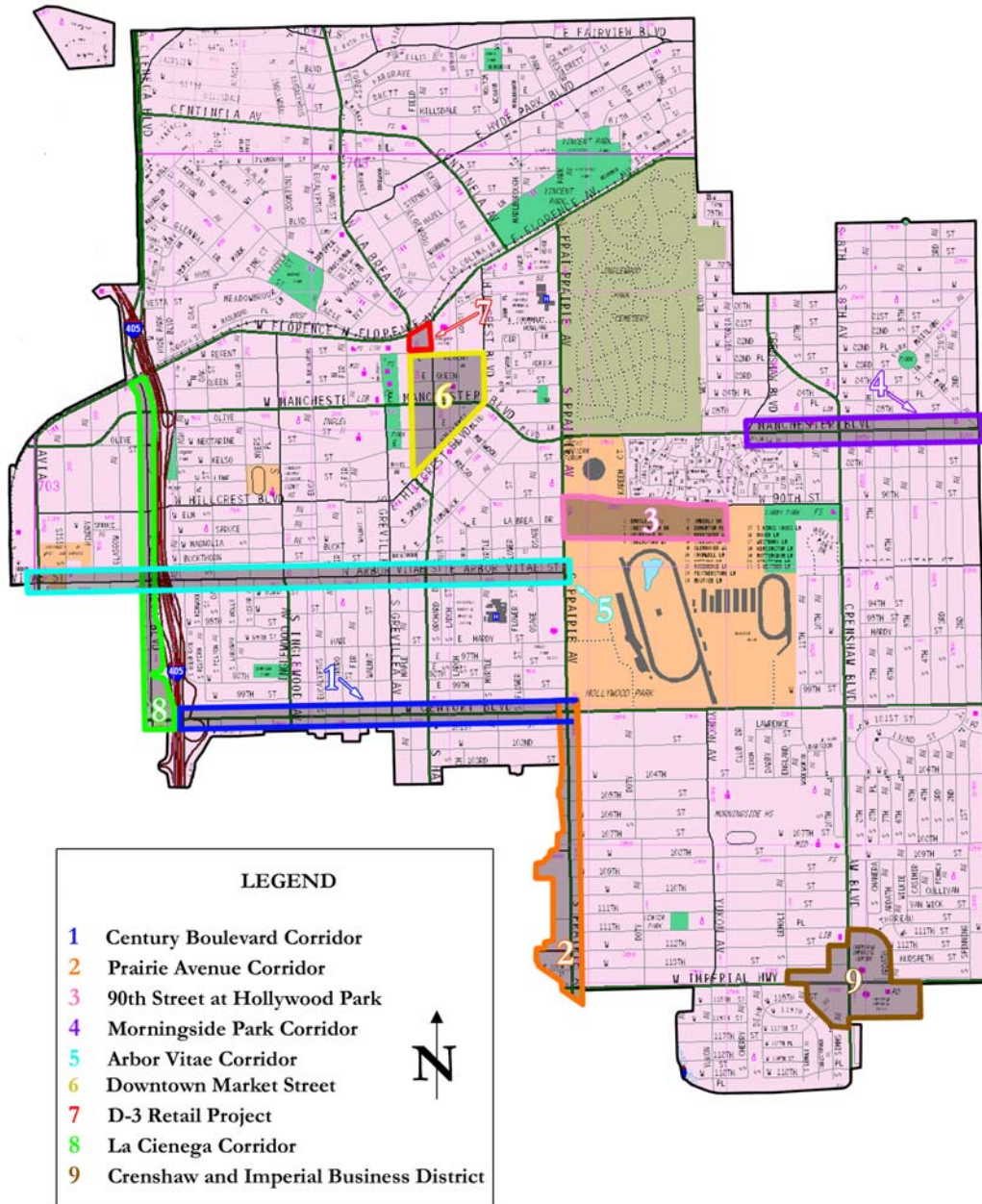
- 1: Century Boulevard Corridor
- 2: Prairie Corridor
- 3: 90th Street at Hollywood Park
- 4: Morningside Park Corridor
- 5: Arbor Vitae Corridor
- 6: Downtown Market Street
- 7: D-3 Retail Project
- 8: La Cienega Corridor
- 9: Crenshaw and Imperial Business District

C. LISTING OF OPPORTUNITY CATEGORIES

This Volume II report and database contains useful baseline property information, identifies opportunity sites or areas, suggests land uses and development concepts, presents preliminary implementation approaches, provides photo documentation of specific sites, and documents key opportunity information in a series of maps corresponding to each Study Area. A preliminary list of opportunities for each Study Area was then developed that includes the following types of opportunities:

1. Public Partnership Opportunities
2. Owner Participation Development Opportunities
3. Developer RFP Solicitation Opportunities
4. Acquisition Opportunities and Site Assemblage Opportunities
5. Adaptive Building Reuse opportunities
6. Possible Mixed-Use Project Opportunities
7. Possible Residential Project Opportunities
8. Possible Business Park Project Opportunities
9. Opportunities Facilitated by Land Use Zoning Actions
10. Opportunities Facilitated by Property Clearance and Reuse
11. Opportunities Facilitated by Landscaping /Streetscape Programs

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12. Opportunities Facilitated by Specific Plans
13. Opportunities Facilitated by TOD Plans
14. Opportunities Facilitated by Coordination with Major Planned Projects
15. Opportunities Facilitated by Street Renaming
16. Opportunities Facilitated by Downtown Main Street Retail Planning

D. D. SITE AND AREA SPECIFIC ACTIONS

Volume II also included a series of suggested implementation actions that may be taken on a site or area specific basis.

1. It is suggested that specific revitalization plans for each Study Area be prepared. These plans would build upon the three volumes comprising the Inglewood Economic Development Opportunities Assessment Report, as well as existing Redevelopment Plans and other on-going projects. These Study Area plans will include goals, objectives, priorities, and site-specific plans for these corridors or areas. Although it may not be feasible to undertake simultaneous study of all Study Areas, the City should prioritize and commence with the most strategic areas. It is suggested that the Century Boulevard Corridor and the Downtown Market Street Area have good justification for priority status.
2. As a component of the Study Area revitalization plans, include corridor or Study Area-wide programs. Such programs include streetscape improvements, gateway monuments, infrastructure enhancements, building rehabilitation, marketing, business cluster initiatives, and possible implementation of TOD districts.
3. As an aspect of the Study Area revitalization plans, formulate strategies for partnerships with other government entities that own property, are planning to make major improvements, or otherwise have an interest in jointly developed projects. For example, such participation may include participating in LAWA's Fly Away project, its Remote Passenger Facility, or airport environmental mitigation activities.
4. As an additional aspect of the Study Area revitalization plans, it is recommended that site-specific strategies be prepared including the following:
 - Where development opportunities are suggested but still unclear, conduct additional data-collection and perform more detailed research and analysis.
 - Where project opportunities are more firmly suggested, formulate further conceptual development planning and design alternatives.
 - For identified development concepts, prepare preliminary development and financial feasibility analysis.
 - For better-defined project concepts, consider implementation by means of Redevelopment tools such as the Owner Participation process (OPA) or the RFP developer solicitation process.
 - If properties are within Redevelopment areas, induce the desired development by means of a "Design for Development Plan" - similar to a Specific Plan.

- Where offered, investigate land for sale opportunities – determine ownership, cost, terms, and consider benefits of acquisition – either for immediate development or Land Banking.
- Investigate vacant or underutilized land - conduct further ownership research, and formulate development concepts.
- If a private owner is interested in development – consider a public/private development arrangement to facilitate a desired development.
- If a property is offered (for-sale) and funding is available – acquire land for a Land Banking Program or immediate development.
- If longer-term acquisition is required – formulate a long-term acquisition plan, estimate costs, and identify funding sources.

IV. POTENTIAL NEXT PHASE ECONOMIC DEVELOPMENT INITIATIVES

The following section presents a listing of the major next steps that should be taken to pursue opportunities identified in this report volume. The final determination of which opportunities to pursue and, hence, which implementation actions to take, will depend upon the City's economic development and redevelopment goals, timeframes, and resources available for each Study Area. Using the results and findings from Volume I and II, the City should take the following next steps:

A. CITY ECONOMIC DEVELOPMENT STRATEGIC PLAN

It is recommended that the City prepare a Citywide Economic Development (ED) Strategic Plan based in part upon the findings from these two volumes. This strategic plan is a management tool that enables the community to envision its future and design appropriate steps to achieve that future, given existing resources, limitations, and the community assets. As previously indicated it also serves to focus and coordinate the various ED and physical redevelopment activities of the City. The ED process entails the following key steps:

- Assess the Local Economy (principally completed in this report)
- Develop a Vision, Mission Statement, Goals and Objectives
This step can be successfully implemented by means of an Urban Land Institute (ULI) Panel. This panel of development, planning, and economic experts conducts a concentrated planning effort to help communities define an ED vision and goals.
Identify, Structure, and Prioritize Projects
- Develop Plans of Action including Funding Identification
- Implement the Plans
- Monitor the outcomes
- Retool and Readjust Strategies

B. SPECIFIC POTENTIAL ED INITIATIVES

The following is a listing of potential economic development strategies and planning initiatives derived from the overall Inglewood Economic Development Opportunities Assessment Report. It is recommended that these initiatives be pursued in conjunction with the suggested Citywide Economic Development Strategy in accordance with city priorities.

1. LAWA Partnerships

This strategy consists of investigating and pursuing potential partnerships with LAWA that serve to achieve each party's goals and objectives. This may include joint small development support for LAX Master plan; joint powers financing, joint enhancements to Century Boulevard Corridor and the like.

2. Airport Related Economic Development Strategies

It is a fact that airports produce major economic impacts to the region and particularly to adjacent communities. This Study initiative would investigate and identify the impacts,

relationships, and synergies between LAX and the City of Inglewood. Based upon this analysis, strategies would then be developed to enhance and take further advantage of these airport economic synergies.

3. Transit Oriented Development Plans

This strategy consists of creating transit oriented development plans for areas within 1,500 feet from transit stations. These plans would provide development standards and incentives to encourage high-density pedestrian oriented development that in part are facilitated by transit relationships.

4. Key Industry Clusters Strategies

This effort would identify beneficial industry clusters and formulate strategies to enhance and expand these businesses.

5. Downtown Main Street & Place Making Strategies

This study effort entails investigation and application of “Main Street” and “Place Making” strategies for the City’s Downtown Market Street Area.

6. Downtown Entertainment Niche Market Strategies

Among various tools and strategies to revitalize older or non-competitive downtown areas are employment of niche businesses and uses. These may include entertainment and cultural visitor serving uses. This strategy would investigate the feasibility of enhancing such uses to the City’s Market Street Area.

7. Evaluate Import/Export Cluster Market Niche

The economic base analysis identified a number of Import/Export businesses located in the City. This effort would entail formulation of strategies to enhance and expand this sector.

8. Real Estate Redevelopment Projects

Virtually all the Study Areas are located within established Redevelopment Project Areas. The Volume II report identified various site-specific projects that could be pursued by means of Redevelopment. This strategy would review those site-specific opportunities and pursue these via Owner Participation Agreements or Developer RFP solicitations.

9. Corridor Streetscape Plans

This strategy consists of improving the public physical conditions of the Study Area streetscapes. Enhancing these areas serve to enhance conditions that are conducive to attracting customers and new investment.

10. City Gateway, Monumentation, and Street Re-Naming Strategies

This effort consists of investigating the potentials and benefits of providing Gateway monumentation and signage as a means to market and attract users to various areas of the City. A similar effort entails evaluation of the benefits of renaming streets as a means to enhance the stature of a corridor and help market selected areas of the City.

11. “Regional-City” Locational Marketing Strategies

The City has various attributes that could qualify it to be perceived as a “Regional serving” community. This effort would investigate the attributes and develop materials to market Inglewood as “The Regional City”.

12. Labor Force Training Strategies with Community Colleges & Business

Labor force capability is one of the most important factors in site selection and retention of most businesses. This effort would investigate and identify various initiatives and programs to train and link residents with City businesses. This program would create a partnership with community colleges and local businesses. The strategy would include incentives for businesses to participate with colleges and training institutions and provide jobs to residents.

13. Web-Based Marketing of Economic Opportunities Data/Findings

The City has commenced a program to market itself by means of the Internet with the use of GIS technology and useful data. This ED Opportunities Report has identified considerable information that is of use to potential businesses and investors. This effort would consist of selecting and preparing key data and findings from this report and making it available via the City’s Web page.

14. Visitor and Tourism Attraction Capture Programs/ Incentives

This report has presented the fact that the City draws numerous visitors to its various attractions, activities, and businesses. Economic development and retail success is generally enhanced by intensity of customers. This effort would consist of a more thorough investigation and feasibility analysis of attracting these visitors to more of the City’s businesses and attractions.

15. Taxable Business-to-Business Strategies

As was previously stated, about 22% of the City’s sales tax revenues in the year 2001 were derived from non-retail or non-shopping center sources. In addition, there are limits to the amount of retail shopping centers and facilities that a particular City can capture and support. The existence of alternative sources of sales tax revenues therefore provides the City an opportunity to expand these businesses. This strategy would consist of carefully identifying these businesses and formulating programs to enhance their sales and attract more of these firms. Such efforts would include a continuation and expansion of making available programs such as the; State Infrastructure Bank, California Trade and Commerce Business Loans, New Markets Tax Credits, or HUD Section 108 Loans.

16. Specific Plans for Selected Corridors

A Specific Plan is a regulatory tool that is used to implement the General Plan or beneficial its beneficial elements such as promoting a particular industry. Specific Plans provide higher development standards, controls and protections, and various means to implement land use goals of the plan. These are useful tools to help reconfigure older areas of the City in a manner that best serves to help attain its ED goals.