

**WORKING DRAFT**

**City of Long Beach**

**Economic Development Commission**



**10-Year Blueprint for Economic  
Development  
NOTES**



## A Message from the Economic Development Commission Chair

Long Beach is in the midst of an exciting economic renaissance. This renaissance creates great economic opportunities for our residents, businesses, and young people. And, for those who have invested in the city, enjoy our great restaurants, and come to visit from across the world. While we are rightly proud of the city's overall success, we know that economic opportunity is not yet reaching into every neighborhood in the city.

The Long Beach Economic Blueprint embodies strategies to strengthen the city's core economic engines, nurture and grow new innovative industries, and foster economic inclusion. The Economic Development Commission has built the Blueprint upon a foundation of extensive new research, industry expert engagement, open dialogue with City staff, insights from business and community leaders, and very robust discussion among commission members. The Economic Blueprint does not represent the end of the City's and the commission's work. Indeed, it is intended as a "call to action" for additional research, community engagement, and dialogue to define more specific strategies, policies, and programs to advance economic opportunities across Long Beach.

We hope this Blueprint is a catalyst for new and ongoing dialogue and cooperation among all stakeholders who view creating economic opportunities as fundamental to enhancing the quality of life in our city. We encourage public, private, academic, and non-profit partners directly involved in economic development to assess new ways to foster innovative collaboration. And, we are hopeful this new economic partnership will elevate the city's engagement in regional, state, and global efforts that will bring new investment and job opportunities to Long Beach.

Yes, the Long Beach renaissance is alive and advancing forward. Working together, our great city can be viewed as a model and a leader of economic opportunity and community cooperation that benefits our residents, businesses, and youth.

*Randal Hernandez, Chairman*



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**\*\*THE ECONOMIC DEVELOPMENT COMMISSION HAS NOT FORMALLY ADOPTED ANY OF THE RECOMMENDATIONS OUTLINED IN THIS WORKING DRAFT\*\***

## Economic Overview

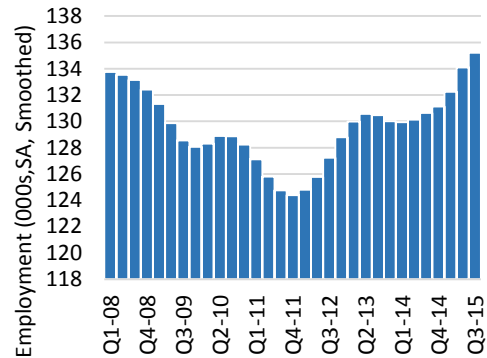
In September 2015, the City of Long Beach commissioned Beacon Economics with developing a report that would facilitate a more focused dialogue about economic conditions within the city. The report provides essential background information on the City’s economy, its workforce, and its residents that serves as a reference as the City undertakes strategic economic and policy decisions that will shape the future of the city. Following are some key highlights from the report.

The impacts of the Great Recession on the local employment environment hit Long Beach with a lag. Total private employment at establishments located in the city bottomed out at the end of 2011, more than two years after the recession officially ended. Since that time, nearly 11,000 jobs have been added back to the city during the economic recovery, with employment surpassing the pre-recession peak around the second quarter of 2014. At the same time, the unemployment rate in Lon Beach plunged 7.9 percentage points during the economic recovery to 5.7% in July 2016, following the trends observed in the broader Los Angeles area during this time period.

**Annual Unemployment Rate**

Year	Long Beach	L.A. County
2010	13.6%	12.5%
2011	13.3%	12.2%
2012	11.9%	10.9%
2013	10.6%	9.7%
2014	9.0%	8.2%
2015	7.4%	6.7%
2016	5.7%	5.2%

**Total Private Employment**

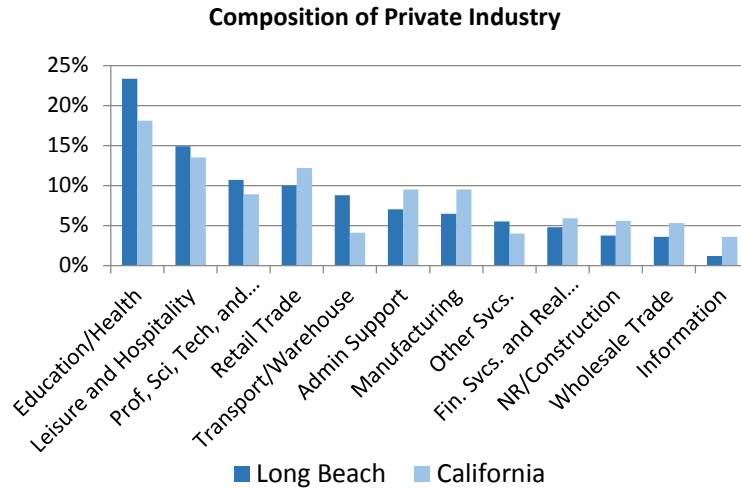


The city’s private employment base is rooted in three key segments of the local economy— Education and Health Care, consumer spending-driven industries, and office-based employment. Additionally, the leading industry clusters within the city are: Logistics, Leisure and Hospitality, Business Services, Education and Knowledge Creation, and Local Health Services. In 2015, 32% of employment was concentrated in traded industry clusters, which circulate new income in the local economy and provide higher wages compared to local industry clusters.

Overall, establishments throughout the city have regained their footing after a tumultuous economic recovery. Private employment and wages alike have continued to trend upwards since the depths of the Great Recession, despite a short-lived exodus of jobs from larger companies nearly three years ago. The broad-based pattern of growth that has emerged in the

last two years bodes well for the future of the local economy.

Commuting is a notorious cost paid by residents of Southern California. According to data from the U.S. Census, 77.2% of people in Long Beach’s labor force are employed outside the city. The average commute time for Long Beach residents was 29.6 minutes. Among California’s largest cities, the residents of Long Beach had the fourth-longest average commute, behind Los Angeles, Oakland, and San Francisco.



Households in the city had a median household income of \$54,511 in 2014, nearly 12% less than the median household income in California. Long Beach’s household income is 7.8% greater than the median household income in the City of Los Angeles and 2.3% below that of Los Angeles County as a whole. While disparities still exist, income across different races in Long Beach has made leaps over the last five years. Whites have the highest median income in the city, but incomes for Blacks, Asians, Hispanics, and other races have been increasing. Moreover, wage growth for Whites, Blacks, Asians, Hispanics, and Other races has outpaced wage growth in Los Angeles City and County, the state, and the country.

Relative to the state of California, Long Beach has a larger share of residents with less than high school diplomas or who have some college or technical training or associate’s degrees. Among California’s ten largest cities, Long Beach ranks seventh in terms of the share of residents with bachelor’s degrees or higher. Long Beach residents with advanced levels of formal education have experienced faster wage growth than those with lower levels, closely reflecting state and national trends.

**Median Income by Race**

	Long Beach		L.A. County	
	Median Income	5-Year Growth	Median Income	5-Year Growth
White	\$69,809	5.9%	\$70,772	3.9%
Black	\$39,273	4.2%	\$33,744	-0.2%
Asian	\$59,087	15.7%	\$54,880	3.3%
Hispanic	\$43,869	7.8%	\$38,854	2.4%
Other	\$46,237	18.7%	\$35,615	-3.5%

Taken together, the outlook for the local economy remains positive. The fundamentals underlying the local economy remain on solid footing. Steady-growth in wages continues to improve local household finances, and thus local consumer spending, while broad-based employment growth continues across a majority of the city’s industries.

## Vision

The goal of this “Economic Development Blueprint” is to advance a vision of Long Beach as a “city of opportunity for workers, investors, and entrepreneurs.”

The policy recommendations embraced in the Economic Development Blueprint layout the broad focus areas of economic opportunity in Long Beach and serve as a catalyst for action by the City and partners to accomplish over the next 10 years. Our collective goal must be to elevate the economic well-being of community across the city and position Long Beach as a global leader in job and business growth.

The Economic Development Blueprint Focus Areas include:

1. Engines of Growth
2. Economic Inclusion
3. Jobs & Workforce Development
4. Business Assistance
5. Development Environment
6. Quality of Life
7. Economic Leadership & Cooperation

Following the adoption of the Blueprint, the Mayor, City Council, and City Manager’s Office will direct engagement with partners from business, community, government, academia, labor, and non-profits to invest in specific activities that advance the progress in these key Focus Areas. At the direction of the Mayor and City Council, the Economic Development Commission will continue to refine recommendations contained in the Economic Development Blueprint. The City will regularly track and publically report on key performance indicators.

## Focus Areas

### Engines of Growth

*Goal: Grow and strengthen our established industry clusters and emerging sectors.*

#### Objectives:

- Increase number of jobs in key industry clusters
- Increase number of businesses in key industry clusters
- Increase number of jobs in traded industries that bring wealth into Long Beach
- Increase research capacity and relevancy as measured by approved patents
- Increase tourism activity as measured by transient occupancy tax (TOT) revenue

#### Recommendations:

1. Develop strategies to identify and increase the number of firms in key industries and emerging sectors.
2. Empower partners through enhanced coordination to attract and grow small businesses that support key industries.
3. Prioritize investments in industries and sectors that provide higher-paying jobs.
4. Market existing and new businesses in key industries and emerging sectors.
5. Establish an innovation and technology partnership, potentially led by CSULB and LBCC, to support research, business investment, and the development of emerging industry clusters.
6. Boost entrepreneurial activity by augmenting access to entrepreneur peer mentoring and expanding training opportunities for students interested in pursuing starting their own business.
7. Strengthen entrepreneurship support through formally networked incubator organizations, resources, and programs.
8. Develop a strategy to grow hotel occupancy rates in the city.
9. Explore, develop, and implement plans to utilize the waterfront as an economic driver.

### Economic Inclusion

*Goal: Increase access to economic opportunities in low-income communities to improve economic equity.*

#### Objectives:

- Increase number of minority-owned and women-owned businesses
- Increase non-traditional capital resources for minority-owned and women-owned businesses
- Increase investment in low-income business corridors
- Increase percentage of City spending on local businesses, with emphasis on women and minority owned businesses
- Increase internet access for households in Long Beach

#### Recommendations:

1. Develop plans and strategies to attract investment, encourage business formation, and support job creation for low-income communities.
2. Determine the value and benefit of establishing BIDs in low-income areas to promote cooperation and pooling of resources.
3. Work with lenders to achieve greater access to capital among business owners of color and women for those in low-income neighborhoods.
4. Explore and develop strategies to increase access to formalized banking services in West and North Long Beach.
5. Assess the value of establishing Community Revitalization & Improvement Areas or Enhanced Infrastructure Financing Districts in low-income areas.
6. Enhance competitiveness for workers and small business owners in low-income areas by delivering job training, small business resources, and incentives directly in these areas.
7. Commit to adopting equitable business development practices from other cities around the country.
8. Develop technology education programs for business owners in low-income communities.



### Jobs & Workforce Development

*Goal: Ensure the preparedness of the workforce and the competitiveness of business through alignment of economic development, training, education and community partner efforts.*

#### Objectives:

- Increase year over year per capita income in the City
- Increase the number of middle and high skill jobs in the City
- Reduce the unemployment rate
- Increase share of adult population that have a Bachelor's degree
- Increase the number of Long Beach residents who reengage with the education and training system
- Increase the number of CSULB and LBCC graduates that reside and work in the City after graduation

#### Recommendations:

1. Invest in the incumbent workforce to train them for higher-skilled, higher-paying jobs.
2. Leverage business support partners to prepare and retain a qualified workforce to attract businesses that provide higher-wage jobs.
3. Improve high school graduation, college matriculation, and postsecondary attainment rates.
4. Provide entrepreneurial training at all levels of education.
5. Expand access to Essential Employability Skills designed to boost City's overall educational attainment and digital literacy.
6. Establish a vehicle to routinely assess the workforce needs and opportunities of high growth industries and sectors.
7. Work with educational and workforce partners to align education programs (e.g. linked-learning) and pipelines to needs of high growth industries and sectors.
8. Partner with the private sector and Long Beach City College to create a long-term strategy to increase vocational training opportunities citywide.
9. Extend the Long Beach Promise to include job placement.
10. Develop a strategy to retain CSULB and LBCC graduates as residents and employees in the city after graduation, decreasing brain drain and out-migration.

### Business Assistance

*Goal: Make Long Beach one of California's leaders in business attraction, retention, and growth of small and medium-sized businesses.*

#### Objectives:

- Increase number of active business licenses
- Increase number and value of small business loans secured
- Increase perception of the City as business friendly
- Reduce cost of doing business and median days to approval for business licensing
- Increase availability and access to high-speed internet

#### Recommendations:

1. Improve the ranking of the City on the "Kosmont-Rose Institute Cost of Doing Business Survey" index by assessing the competitiveness with similar cities on business taxes, municipal utility user taxes, sales tax rates, and other relevant fees.
2. Integrate and reinforce cross-departmental business assistance and support resources to streamline the start-up process.
3. Facilitate and strengthen communications between existing networks of business support organizations.
4. Invest in proactive City services that support business expansion, business retention, grow sales tax and business licensing revenue, and support economic development.
5. Augment access to capital by expanding outreach and marketing efforts to capital sources, promoting City loan programs, and attracting capital investors and lenders for all stages of business development.
6. Explore, develop, and implement plans to encourage the development of new business improvement districts and strengthen existing business improvement districts.
7. Partner with CSULB to measure the perception of the City as business friendly, and identify strategies to proactively engage the local business community, and improve confidence in the local economy.
8. Develop plans to improve access to high-speed internet to facilitate business development and job growth.

### Development Environment

*Goal: Create more responsive, cost-effective, and streamlined City processes to grow investment and development in the city.*

#### Objectives:

- Reduce the cost of development and average days to approval for entitlement
- Reduce non-residential vacancy rate
- Increase citywide real estate investment

#### Recommendations:

1. Promote education of the development process, transparency, and a culture of collaboration between City staff and customers to create a more predictable and streamlined property development experience.
2. Modernize land use regulations, entitlement, and permitting processes that reflect new economic opportunities.
3. Incorporate an “Economic Development Element” into the City’s General Plan and link to the revised Land Use element to clearly identify opportunities for commercial, industrial, and other types of investment in employment centers.
4. Provide attractive, high-quality infrastructure and utilities to attract private sector investment and development.
5. Invest in City services, marketing, and support programs that encourage property development and real estate investment activity.
6. Establish programs and events that promote interaction between City staff and potential investors.
7. Partner with the Planning Commission to evaluate parking requirements that prevent development and business growth.
8. Support the Planning Commission in establishing more specific plans that empower staff to streamline the development process.
9. Recommend City leadership to conduct economic impact assessments of new ordinances which may impact development before and after implementation.

### Quality of Life

*Goal: Enhance our quality of life to grow businesses, jobs, and investment that support a thriving local economy.*

#### Objectives:

- Increase investment in strategies that enhance public safety in all areas of Long Beach
- Increase access to workforce housing at all market levels
- Increase active transportation and public transportation options across all areas of Long Beach
- Increase the percentage of children and adults with health insurance
- Increase public parkland per 1,000 people with an emphasis on “park poor” areas
- Increase the share of Long Beach residents working in Long Beach
- Increase or maintain resources dedicated to infrastructure that contribute to economic development and neighborhood quality
- Increase investment in the arts

#### Recommendations:

1. Collaborate with City departments and community partners to enhance public safety in each unique neighborhood.
2. Develop a strategy to increase housing production of a diversity of housing types at a variety of price levels.
3. Invest in the further development of safe, active transportation infrastructure to strengthen connections to primary employment centers.
4. Invest in homeless services that result in permanent housing for veterans and homeless individuals.
5. Engage the health care and public health sectors in strategies to connect all residents in Long Beach to physical and mental health services.
6. Promote healthy living by expanding recreational activities, encouraging active lifestyles, and growing access to healthy food options.
7. Implement development strategies that decrease the number of residents that are commuting outside of the city for work to create a better jobs-housing balance.
8. Take a leadership role in facilitating regional coordination on infrastructure investment and development, including roads, bridges, water supply, sewers, electrical grids, and telecommunications systems.
9. Explore, develop, and implement a plan for citywide beautification that is driven by the human capital of citizens and businesses.
10. Encourage and expand cultural and artistic amenities that celebrate our diversity.



### Economic Leadership & Cooperation

*Goal: Advance citywide and regional economic cooperation to leverage resources, and grow economic opportunity.*

#### Objectives:

- Increase number of active business licenses
- Increase overall number of firms in key industry clusters
- Increase foreign direct investment

#### Recommendations:

1. Explore plans to establish a public-private Long Beach Economic Development Corporation to engage cross-sector partners to increase business retention, attraction, and expansion.
2. Strengthen partnership for innovation and entrepreneurship between the City, educational institutions, and industry to promote economic opportunity.
3. Improve awareness of existing city services, incentives, and business development programs through a citywide coordinated marketing campaign.
4. Strengthen the city's leadership role in advancing policies and programs that increase business and job opportunities throughout the region.
5. Encourage and solicit ideas for entrepreneurial use of the City's latent assets to drive economic activity.
6. Leveraging the global partnerships of the port, lead regional industry-specific trade missions to expand access to new markets for local companies and attract foreign direct investment.
7. Explore and develop partnerships with businesses and private foundations to bring new resources to the city.

## Implementation Process

The development of the Blueprint for Economic Development was a collaborative effort involving 26 public meetings, 25 individual listening sessions, and discussions with 20 subject matter panelists. The focus areas, goals, and key objectives represent aspirational policy goals to move the City towards its vision as the “City of opportunity for workers, investors, and entrepreneurs”.

To move the key objectives toward this vision, the following implementation process is recommended:

1. Distribute Blueprint to City Council, City Commissions, City staff and partners, and encourage alignment with economic development goals and objectives.
2. Work with City staff and partners to develop a Blueprint work plan, including specific activities and investments, estimated costs and available financial resources, and timeline that will advance key objectives.
3. Develop an online platform for tracking and reporting performance for each of the key objectives for economic development.
4. Provide regular updates to the Economic Development Commission, Economic Development and Finance Committee, and City Council.
5. Create a communications plan to create awareness and distribute the Blueprint to community, research, investor, and industry partners; including multiple formats and languages to reach diverse stakeholder groups.

## References & Citations

The Commission would like to thank authors of the following reports and presentations that were reviewed as part of the Blueprint development process:

Beacon Economics, Economic Development Support Analysis, Part I: Economic Overview, October 18, 2016.

The Executive Office of the President, Community-Based Broadband Solutions: The Benefits of Competition and Choice for Community Development and High-Speed Internet Access, January 2015.

Kleinhenz, Dr. Robert, Economic Development Support Analysis, Part II: Industry Clusters Presentation, December 13, 2016.

Los Angeles County Economic Development Corporation, Considering the Minimum Wage Policy in the City of Long Beach: Theory, Practice and Potential Implications, February 2016.

Los Angeles County Economic Development Corporation, OTIS College of Art and Design, 2015 Otis Report on the Creative Economy, November 2015.

National League of Cities, 2014 Big Ideas for Small Business Report.

Public Consulting Group, Pacific Gateway Workforce Investment Network Economic and Demographic Analysis, December 2, 2016.

Schultz, Nick. Economic & Demographic Analysis Presentation, Pacific Gateway Workforce Investment Network Economic and Demographic Analysis, October 25, 2016.

Other economic development strategic plans reviewed by the Commission:

- 2012 Pasadena Economic Development Task Force Report
- 2014 Seattle Economic Development Commission 10-Year Vision
- 2015 Santa Clarita Valley Economic Development Corporation Action Plan
- 2016 Santa Ana Economic Development Strategic Plan
- 2016-2020 Los Angeles County Strategic Plan for Economic Development



## Acknowledgements

### Economic Development Commission

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Bixby Knolls Business Improvement Association  
Building Healthy Communities: Long Beach  
California State University, Long Beach  
City Manager's Office  
Council of Business Associations  
Department of City Attorney  
Department of Financial Management  
Department of Development Services  
Department of Health and Human Services  
Department of Public Works  
Department Economic and Property Development  
Department of Legislative Affairs

Department of Technology and Innovation  
Downtown Long Beach Alliance  
Emissary Media Group  
Long Beach Chamber of Commerce  
Los Angeles Economic Development Corporation  
Long Beach City College CAED  
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