

ECONOMIC DEVELOPMENT ELEMENT

CITY OF HAWTHORNE GENERAL PLAN

Adopted April 14, 2015



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City of Hawthorne

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SECTION I—INTRODUCTION TO THE ECONOMIC DEVELOPMENT ELEMENT

Financing of government services is particularly challenging in California. For a number of reasons the percentage of the City’s municipal services funded through taxes and fees alone diminishes steadily, yet the demand for these services and other obligations continue to grow. Much reliance is placed on outside sources to fund many city programs, but these sources are highly specific in what they will fund, are increasingly competitive, and somewhat unpredictable due to political machinations in Washington and Sacramento. The demand for services remains high nevertheless, so reductions in staffing or funding is not in the interest of the City. The best solution to improve the finances of the City is to grow revenue without greatly increasing the rate of taxation or the fees charged. The purpose of this Element is to establish goals and policies related to economic development with the intent of making the City a great place to do business, increase the rate of success and profitability of our businesses, and improve the revenue to the City that flows from taxes and fees.

Any Element must be internally consistent with all of the other elements of the General Plan. In particular, the Land Use is closely linked to matters covered in this element. In 2014 the Land Use Element was revised to include a goal and several policies related to economic development as it related to zoning and development. The other elements are silent on Economic matters but after careful review no inconsistencies with these elements were found.

SECTION II—EXISTING CONDITIONS, ISSUES AND OPPORTUNITIES

Economic development is active participation in the City’s economic affairs in ways that promote revenue-producing developments, ensure better odds of success for businesses during periods of hardship, and attract new businesses to strengthen the local economy.

The City of Hawthorne has experienced booms and busts frequently since the 1970s. The economic health of the City is closely aligned with the South Bay in general, but hard times hit harder in Hawthorne and recovery is slower. The economic recession of 2008 was particularly devastating to the City’s economy. Unemployment ran consistently over 14 percent, foreclosure rates were amount the highest in the nation, and business vacancies were running high, driving rents downward. City revenues were down and expenditures continued to grow. By 2014 the situation turned around and Hawthorne was seeing a surplus in revenues, unemployment was below 10 percent and dropping, commercial vacancies were filling, interest in development was increasing, and foreclosure rates had returned to normal. Through this experience the City became determined to change its economic circumstances to make the local economy more resilient, less susceptible to fluctuations, and able to grow a surplus reserve to protect vital services when another downturn occurs.

One goal of economic development for Hawthorne will be to build on our foundation of aerospace but also diversify the businesses based here to reduce vulnerability to sector-specific downturns. Another goal is to fill gaps in needed services, such as casual restaurants. Exploiting geographical advantages is another area where the City will benefit from taking a leading role rather than passively waiting for development. For example, our proximity to Los Angeles International Airport, yet outside of it flight paths, makes Hawthorne an ideal location for hotels.

Hawthorne has not historically engaged in proactive economic development. There is much that needs to be done to lay the foundation. Other cities in California, even in the South Bay, are far more engaged, more experienced, and better staffed and budgeted for the tasks of business retention, business expansion, and business attraction. Nevertheless, many of these cites based their programs on redevelopment and have struggled to rebuild. In many ways, we are poised to build a more resilient foundation for economic development than our neighbors. it is never too late to start and Hawthorne has a golden opportunity to reposition itself in the South Bay through active engagement in economic development. This Element represents an important first step in that direction.

SECTION III—ECONOMIC DEVELOPMENT ELEMENT GOALS AND POLICIES

The goals and policies contained in the Economic Development Element are concerned with both preserving and enhancing the economic success the City is enjoying and developing ways to build a more economically sustainable future.

The major issues facing the City are underscored in the following policies that emphasize the need for a professional, organized and unified approach to economic development and to be sensitive to the roles, responsibilities and potential of elected officials, staff and our natural partners in economic development.

Hawthorne needs new and revitalized commercial development to increase sales tax revenue for municipal funding and to upgrade its physical image. As an older and well-established South Bay community, the City's future development will play a significant role in its efforts to maintain and upgrade the quality of its attractive residential communities.

GOAL 1: The City will promote, assist and contribute to a sound local economy which attracts investment, increases the tax base, creates employment opportunities for Hawthorne residents and generates public revenues.

POLICY 1.1: The promotion of businesses that generate positive economic benefits to the community, including generating tax revenue, job creation and enhancing the quality of life for residents and visitors shall be encouraged and assisted.

POLICY 1.2: Any tools available to attract new businesses that create quality jobs, generate revenue, or enhance the quality of life for residents, those employed with the city and visitors to the city shall be considered.

POLICY 1.3: Revitalization of declining commercial and industrial areas through new development, rehabilitation and other means that may be available shall be considered and, if deemed advantageous, implemented.

GOAL 2: The City of Hawthorne will have an Economic Development Strategic Plan (EDSP) that will: 1) Identify the City's objectives related to business retention, expansion and attraction; 2) Outline specific programs and tools to achieve the objectives; and 3) Establish metrics to track progress toward achieving the objectives.

Policy 2.1: Through the EDSP, develop specific strategies for retaining and growing businesses in Hawthorne as well as attracting new businesses to the City.

Policy 2.2: Through the EDSP, define market segments of businesses that are a priority/focus. Review and update annually.

Policy 2.3: Develop detailed workflow processes for business retention, expansion, and attraction.

Policy 2.4: The City shall become increasingly involved in sector strategies or workforce development activities in the South Bay region that are relevant to business sectors or objectives of the City.

Policy 2.5: The City will increase its involvement in regional strategies with other business-facing organizations, including but not limited to the South Bay Cities Council of Governments, the Los Angeles County Economic Development Corporation, the California Association of Local Economic Development.

Policy 2.6: The City will work with partners to help market our business services. Partners could include, among others, the South Bay Workforce Investment Board, local school districts and the community college district, small business development centers, and the Chamber of Commerce.

Policy 2.7: Elected officials should individually leverage their positions to create new partnerships and introductions with new businesses.

GOAL 3: The City will develop and implement a customer service strategy for all City staff that interface with businesses.

Policy 3.1: Specific calls to action to engage businesses shall be defined in a customer service strategy.

Policy 3.2: Goals for staff that directly interface with businesses shall be established. Staff members that directly interface with businesses shall be held accountable for their goals.

Policy 3.3: The City shall acquire or develop a customer relationship management tool to manage contacts with businesses.

Policy 3.4: As an organization and as individual members of the organization, the City shall develop partnerships with organizations offering a range of business services that fall outside our expertise.

Policy 3.5: The City shall develop a standard set of probing questions for new prospective business consultations.

Policy 3.6: A procedure to avoid duplication of effort among staff that directly interface with businesses shall be implemented.

Policy 3.7: At least one staff member shall be dedicated to work exclusively with business and/or industry.

GOAL 4: The City will develop a robust program of staff training to support economic development initiatives.

Policy 4.1: An operations manual for staff that directly interface with businesses shall be created.

Policy 4.2: A training regime in sales shall be developed and implemented for business-facing staff.

Policy 4.3: A training regime in communications shall be developed and implemented for business-facing staff.

Policy 4.4: A training regime in customer service sales shall be developed and implemented for business-facing staff.

Policy 4.5: An onboarding process for new business-facing staff shall be developed and implemented.

Policy 4.6: A professional development plan for business-facing staff shall be developed and implemented. Train-the-Trainer models for professional development opportunities should be utilized.

Policy 4.7: A program of quarterly training to improve the skills of our business-facing staff shall, to the extent feasible, be developed and implemented.

Policy 4.8: The City shall develop a way for business-facing staff to collect and share information about best practices.

GOAL 5: The City will further develop outreach and marketing programs aimed toward business retention and growth and projecting a positive image of the community.

Policy 5.1: The City shall develop an outreach and social media plan that proactively engages business and/or industry.

Policy 5.2: The City shall develop and maintain a database of our businesses that can be used for marketing.

Policy 5.3: A section of the City's website shall be developed to target business and/or industry and will include opt-in features to leave contact information as well as to obtain updates and information from the City. The City should use business quotes and testimonials, collected through the web site, to build third-party credibility.

Policy 5.4: The City staff shall adopt or develop a dedicated customer-relationship management tool.

Policy 5.5: The City shall continue to develop dedicated communications materials for business services.

Policy 5.6: The City will promote its various specific plans,

GOAL 6: The City will collect relevant data and use it to monitor progress toward achieving goals.

Policy 6.1: The City shall gather and analyze business retention and engagement data to evaluate trends.

Policy 6.2: The City shall define success metrics to measure specific calls to action for businesses and develop a scorecard that measures the results of our work with the business community.

Policy 6.4: The City shall use a technology tool that automates business services reports to measure outcomes.

GOAL 7: The City will streamline and automate processes that result in better delivery of services, improved access to information, or improved efficiency in operations.

Policy 7.1: The City shall apply technology to application and permitting processes, fee collection, and other forms of interaction between the public and City services.

Policy 7.2: Fees for services and applications shall be reviewed to ensure that they are simple to understand, reasonable, and competitive in cases where that is appropriate to achieve City goals.

GOAL 8: The City will identify key strategic assets and exploit them for economic development and, where necessary, safeguard these assets appropriately.

Policy 8.1: The City shall work closely with the management of the Hawthorne Airport, pilots and regulatory agencies to ensure that negative impacts to the airport and its operations are avoided while simultaneously developing plans for economic development in the vicinity.

Policy 8.2: To enhance the quality of life in the City, which is an important marketing asset for business attraction, the City shall develop a plan to create publicly accessible and useable open space throughout the city, but most especially in areas where open space is scarce or non-existent.

Policy 8.3: The City shall work closely with utility providers where appropriate to ensure that services are maintained at a high standard, which is a valuable marketing asset for business attraction as well as essential to ensure existing businesses stay. Additionally, where appropriate, the City shall explore alternative distribution and technologies that will improve the level of service, cost, and reliability.

Policy 8.4: The City shall continue to develop special districts and use these to guide development and economic activity to better the whole community. These districts shall

include, but not be limited to, zones, overlay zones, specific plans, districts (such as for business improvement), and the like.

Policy 8.5: The City shall continue to work closely with funding and regulatory agencies that support our infrastructure. City departments shall continue to work cooperatively to ensure that improvements to the infrastructure are kept apace of wear and tear as well as technological advances.

GOAL 9: The City will identify key strategic partners and develop mutually beneficial relationships around issues of economic development.

Policy 9.1: The City shall work closely with key strategic partners to augment and enhance services available to businesses. The Economic Development Strategic Plan will identify specific programs and ways that each partner assist the City in business retention, expansion and attraction and set forth programs and plans to move toward these goals in a cooperative manner. Partners and some of the ways that they can support local economic development include, among others:

- Hawthorne Chamber of Commerce—assist with new business leads, early warning of businesses in trouble, data collection, contact lists and introductions, special events, and networking;
- Los Angeles County Economic Development Corporation (LAEDC)—regional business cluster issues and strategies, regional economic analysis and forecasts, staff training, networking and introductions, data collection, and policy initiatives;
- California Association of Local Economic Developers (CALED)—staff training, networking and introductions, best practices, and technical assistance;
- South Bay Workforce Investment Board (SBWIB)—employment assistance to businesses, including screening and hiring, customized workforce training, labor market data, layoff aversion intervention, technical assistance, and staff training;
- Local Community College District—employee training, technical assistance to businesses, curriculum development;
- Small Business Development Centers—Start-up assistance, help to businesses with issues such as finances, taxes, managing, human resources, marketing, buying and selling business, legal, international trade, customer relations, and franchising;
- Business Improvement Districts (BID)—special enhancements in areas of beautification and security, community events, networking;
- Financial Institutions—business loans, financial planning for businesses, payroll and tax assistance;
- Commercial Realtors—leads on pending sales, business closures, expansions and available spaces, networking;
- Business Incubators (existing or new)—technical assistance, reduced overhead costs;
- Federal and State Agencies—grants, technical assistance, data, regional and national connections;
- Local Arts Community—quality of life enhancement, beautification, events;
- Service Clubs, Neighborhood Associations and Churches—events, networking;

- Local Economic Development Groups—events, networking, outreach, and marketing;
- Other South Bay Cities—regional cooperation and cost sharing, best practices, networking, and friendly competition.

**Table ED-1
Responsibility for Economic Development Element Policies**

Policy #	City Manager	Economic Develop.	Planning	Finance	Licensing	Building & Safety	Public Info. Off	Info Tech.	Human Resources	Public Works	Elected Officials
1.1	O	P									O
1.2	O	P									
1.3	O	P	S								O
2.1	O	P		S							O
2.2	O	P		S							O
2.3	O	P	S	S	S	S					
2.4	S	P									S
2.5	S	P	S								S
2.6	O	P									S
2.7	S	S									P
3.1	O	P	S	S	S	S					
3.2	P	S	S	S	S	S	S				
3.3	P	S						S			
3.4	S	P									S
3.5	O	P			S						
3.6	P	S	S	S	S	S					
3.7	P	S		S							
4.1	O	S							P		
4.2	O	S							P		
4.3	O	S							P		
4.4	O	S							P		
4.5	O	S							P		
4.6	O	S							P		
4.7	O	S							P		
4.8	P	S									
5.1	O	S					P				S
5.2	O	P					S				
5.3	O	S						P			
5.4	O	P						S			
5.5	O	S						P			
6.1	O	P		S				S			
6.2	O	P									
7.1	O	S						P			
7.2	O	S	S	S	S	S		P			
7.3	O	S	S	P	S	S					
8.1	O	P	S							S	
8.2	O	S	P								
8.3	P	S		S							S
8.4	O	S	P								
8.5	O	S	S							P	
9.1	O	P									S

P = Primary responsibility, O = Oversight/Advisory, S = Support role