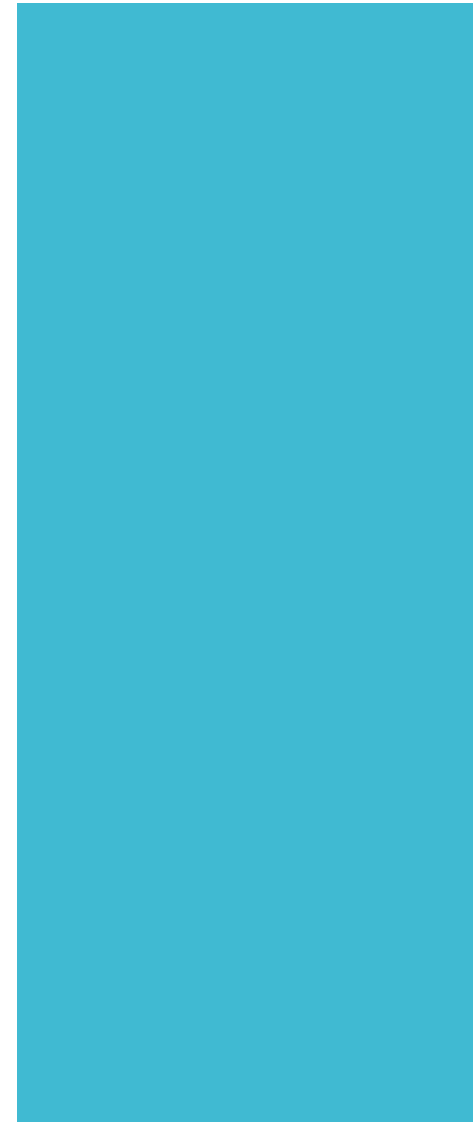


The Value of Local Economic Development

**City of Santa Fe Springs
Economic Development Element
and Implementation Strategy**



Background on Consultant Team

The Natelson Dale Group, Inc. (TNDG) -

Economic development and real estate consulting firm, established in 1974.

TNDG has:

- Prepared ED Strategic Plans for jurisdictions throughout the United States.
- Worked extensively in Los Angeles County over the past 47 years.

Why do cities pursue economic development?

- Secure long-term fiscal strength
- Foster quality employment growth
- Create balanced, amenity-rich community (i.e., expanding local availability of goods and services for residents, employees and visitors)

Best Practices: City-level Economic Development

- Marketing and business development
- Integration with land use planning
- Integration with housing issues
- Integration with workforce development
- Community image and amenities
- Business friendliness
- Infrastructure planning
- Connecting to external resources/partners

Approaches to Business Development and Job Creation

- Retention
- Expansion
- Attraction
- Entrepreneurial development



Purposes of Economic Development Element & Implementation Strategy

Economic Development Element

- Identify and prioritize Santa Fe Springs' most significant business/ development opportunities
- Provide foundational policy direction on General Plan issues influencing Santa Fe Springs' economic development potentials
- Provide an overall framework for the City's long-term economic development programming – i.e., a broad set of long-term policy objectives

Implementation Strategy

- Leverage Santa Fe Springs' long-established position as a leading industrial center in Southern California
- Maintain the City's excellent reputation for business friendliness
- Strategically position key "opportunity sites" for development/ intensification

Implementation Strategy (cont.)

- Refine the City's business retention/expansion/attraction goals (i.e., target industries and business types)
- Identify critical infrastructure investments needed to ensure an innovative, competitive business environment
- Address the technical and financial assistance needs of the local business community
- Maximize and diversify City revenue sources

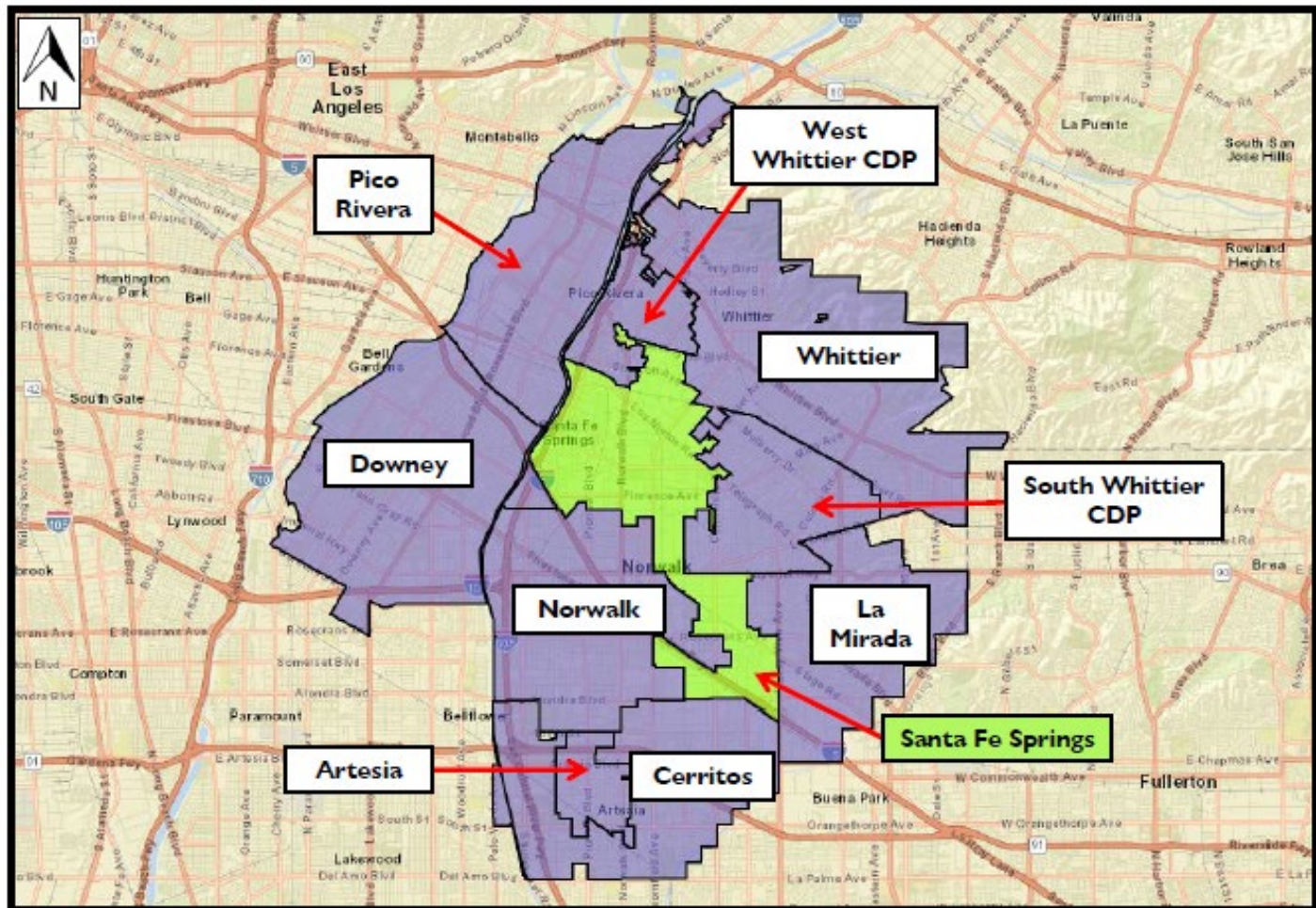


Summary of Market Opportunities



Real Estate Demand and Development Opportunities

Southeast Los Angeles Submarket



Retail Market Summary

	Retail Summary (Q1 2020 QTD)		
	City of Santa Fe Springs	Southeast Los Angeles Submarket	Los Angeles County Market
Availability			
NNN Rent \$PSF/Yr.	\$26.84	\$21.60	\$32.90
Vacancy Rate	1.7%	4.7%	4.8%
Vacant SF	18,491	1,052,703	21,117,281
Net Absorption	(6,410)	(43,272)	(595,274)
Inventory			
Existing SF	1,081,498	22,619,583	442,963,373

Source: Costar (2020); Kosmont, *DRAFT – WORK IN PROGRESS*

Office Market Summary

	Office Summary (Q1 2020 QTD)		
	City of Santa Fe Springs	Southeast Los Angeles Submarket	Los Angeles County Market
Availability			
Gross Rent \$PSF/Yr.	\$25.98	\$25.42	\$39.49
Vacancy Rate	5.7%	5.7%	10.0%
Vacant SF	61,883	557,979	42,404,606
Net Absorption	(3,328)	20,431	3,908
Inventory			
Existing SF	1,079,525	9,811,445	422,393,909

Source: Costar (2020); Kosmont, *DRAFT – WORK IN PROGRESS*

Industrial Market Summary

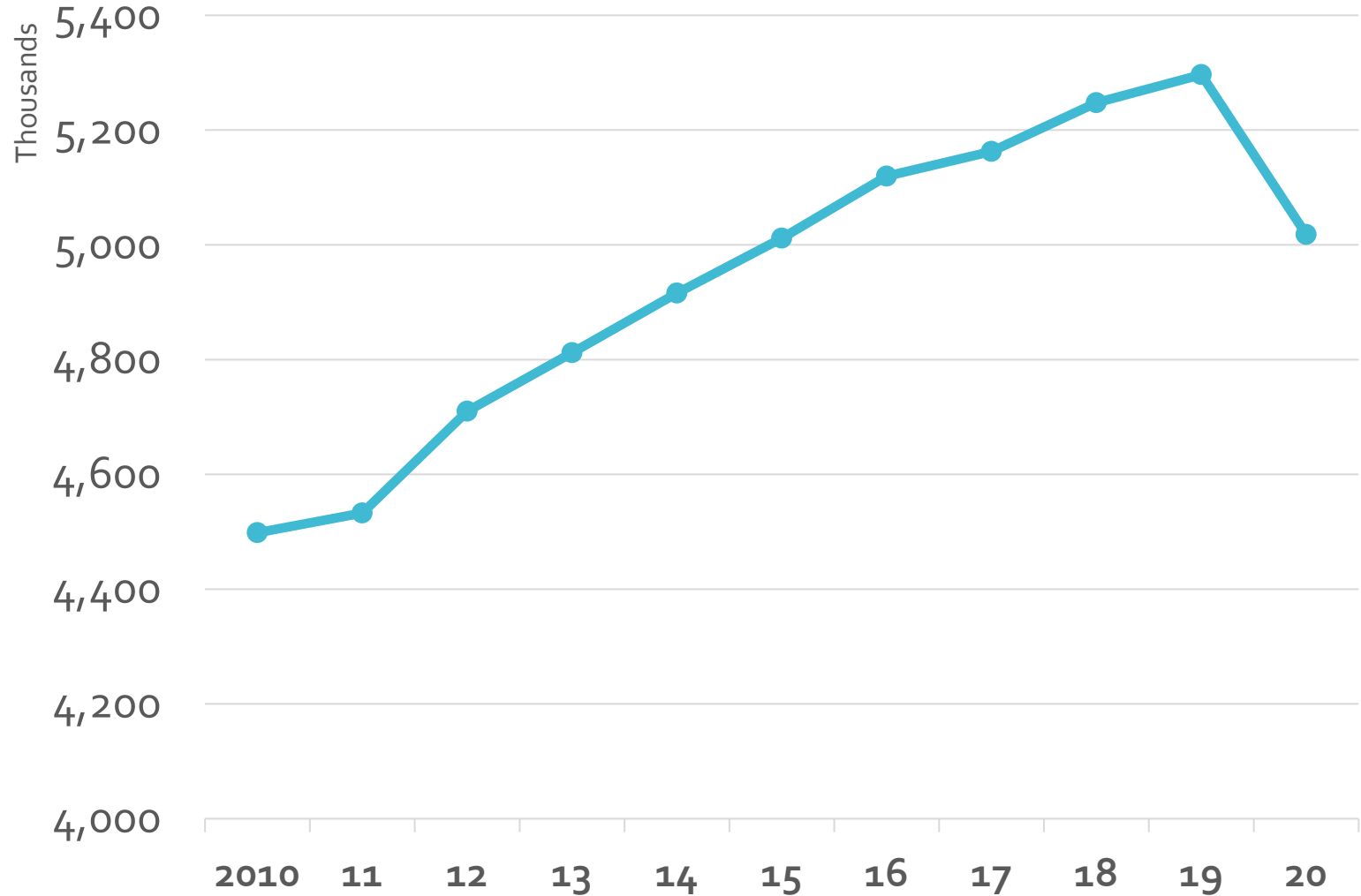
	Industrial Summary (Q1 2020 QTD)		
	City of Santa Fe Springs	Santa Fe Springs Ind. Submarket	Los Angeles County Market
Availability			
NNN Rent \$PSF/Yr.	\$10.14	\$10.18	\$13.06
Vacancy Rate	1.3%	1.4%	2.9%
Vacant SF	703,856	738,451	25,364,406
Net Absorption	(73,481)	95,682	(3,782,530)
Inventory			
Existing SF	53,318,668	51,630,150	876,020,065

Source: Costar (2020); Kosmont, *DRAFT – WORK IN PROGRESS*



Santa Fe Springs' Key Industries

L.A. County Change in Employment (2010-2020)



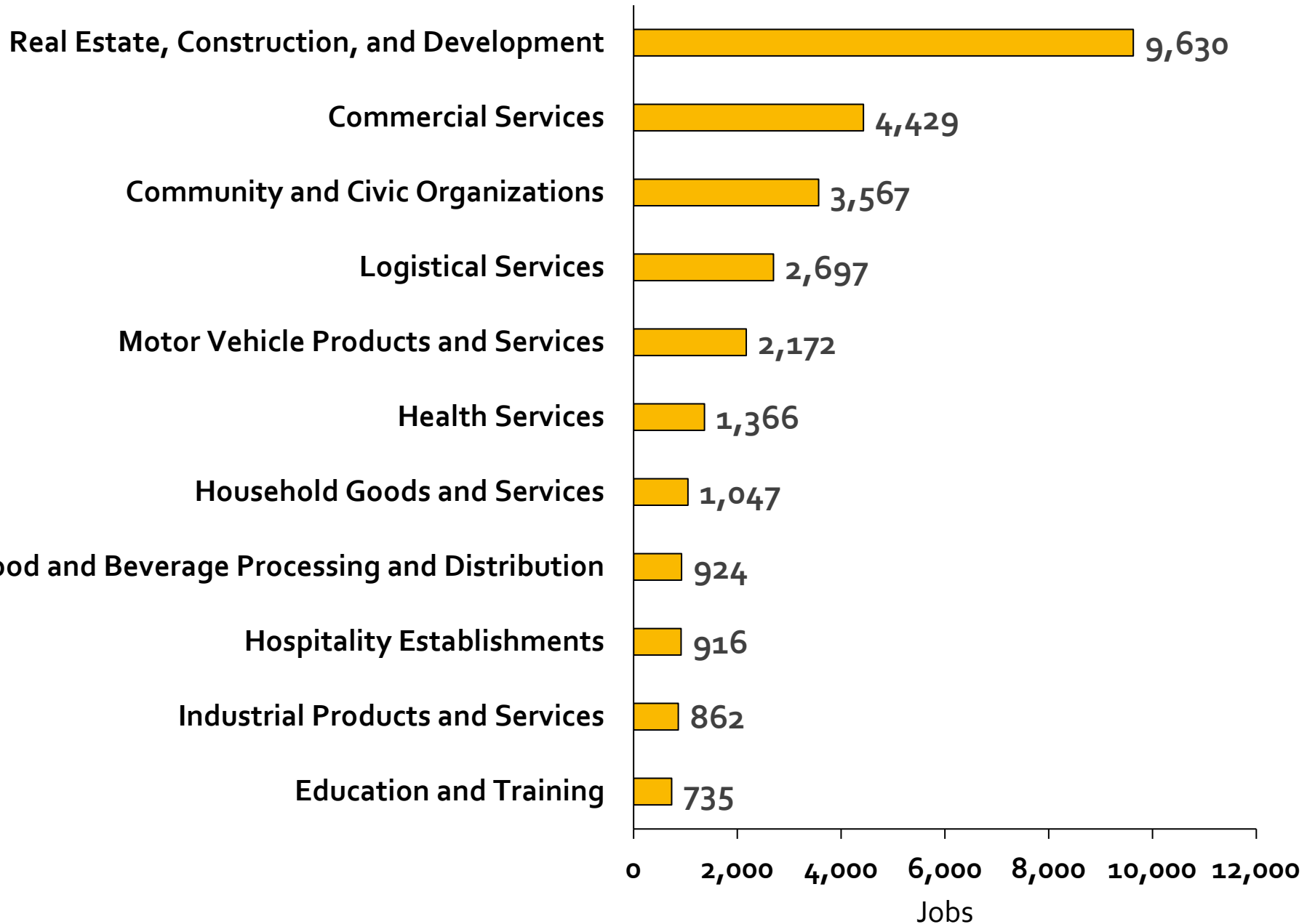
Measuring Industry “Clusters”

Clusters – groups of closely affiliated industries

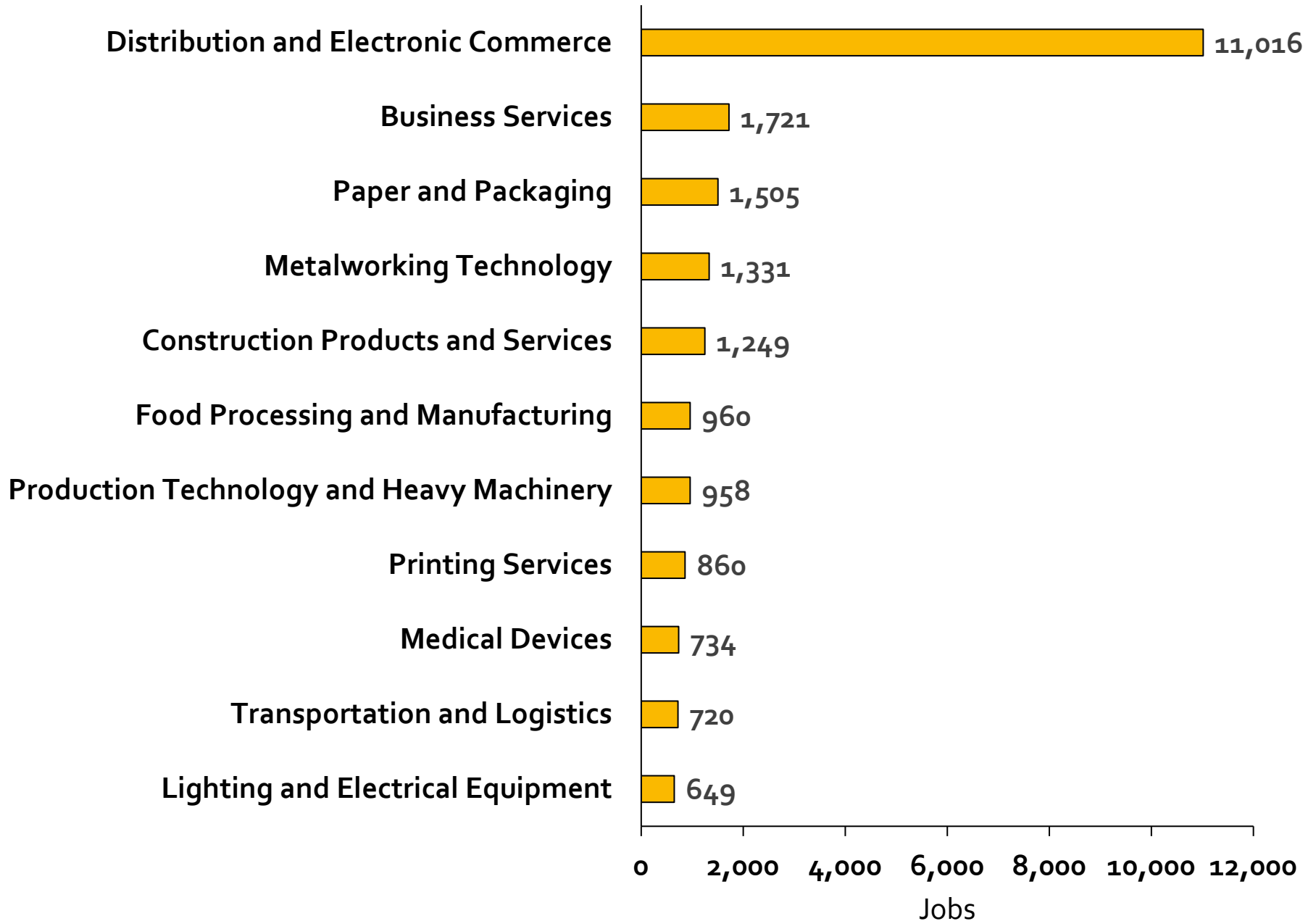
Measures of importance/performance:

- Total jobs
- Location quotient (concentration) compared to state and U.S. benchmarks – ***LQ > 1.0 shows competitive advantage***

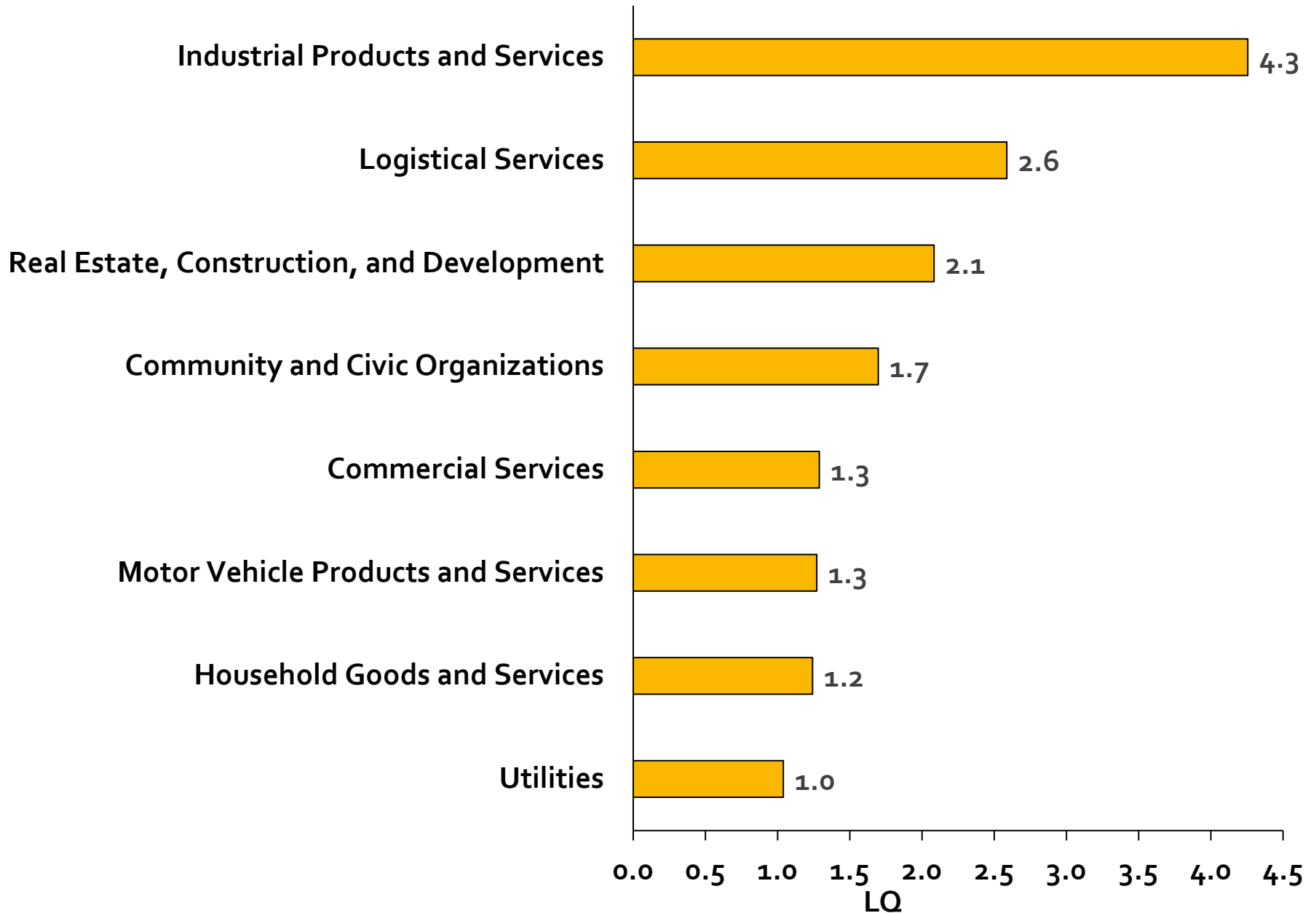
Employment by Local Cluster (City) – 2020



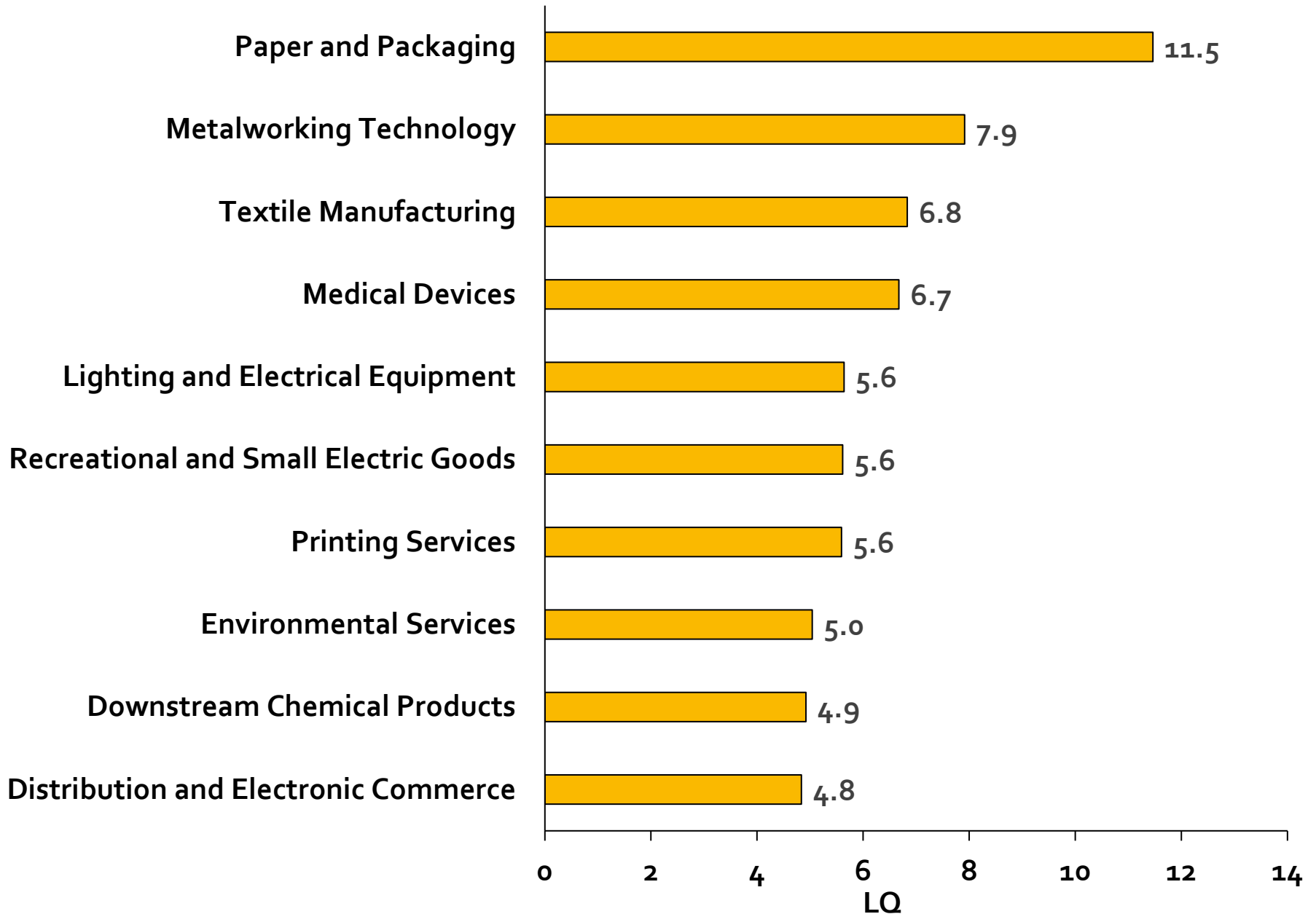
Employment by Traded Cluster (City) – 2020



Location Quotients (LQs) by Local Cluster



Location Quotients (LQs) by Traded Cluster



Questions?



Discussion Question 1:

Assets and Opportunities for Economic Development

1. What are Santa Fe Springs' strongest assets that are currently under-recognized or underdeveloped from an economic development point of view?
2. What opportunities may be emerging for Santa Fe Springs based on economic conditions and changes in other parts of Southern California?

Discussion Question 2:

Potential Threats to Economic Progress

1. What are the greatest threats to Santa Fe Springs' economic well-being and progress?
2. What kinds of actions can the City take to counter these threats?
3. What are some of the barriers to business growth in Santa Fe Springs (i.e., what factors might discourage firms from wanting to locate or expand here)?

Discussion Question 3:

City Roles in Improving Economic Vitality

1. What could/should the City of Santa Fe Springs do, if anything, to be more “business friendly”? Is there anything City should *stop* doing?
2. What types of industries would you like to see the City prioritize in its efforts to attract new businesses and help existing businesses to grow?
3. What types of infrastructure investments should the City prioritize in order to maximize its competitive position for economic development?

Next Steps

- Finalize target industry analysis
- Finalize real estate market studies (Kosmont)
- Additional stakeholder input
- SWOT summary
- Draft and final Economic Development Element
- Draft and final Implementation Strategy