



Economic Development Plan

Gardena General Plan 2006

Authority

California Government Code Section 65303 allows local governments to adopt “any other elements or address any other subjects, which, in the judgment of the legislative body, relate to the physical development of the county or city” aside from the mandated elements in Government Code Section 65302. Once adopted, an optional element carries the same legal weight as any of the seven mandated elements. Optional elements must be consistent with the other elements of the General Plan, as required by Section 65300.5.

Purpose

The purpose of the Economic Development Plan is to guide the City in expanding its local economy through the creation of new quality jobs, attraction and retention of businesses, and the revitalization of the existing commercial and industrial establishments. The success of this Plan will provide the City residents with employment, and commercial retail and services. In addition, it will generate revenues to support various local programs and services in addition to addressing the City’s financial challenges.



Relationship to Other Plans and Programs

Rosecrans Corridor Revitalization Area

The City of Gardena conducted a physical conditions survey to determine the level of blight existing along Rosecrans Avenue. Based on the survey, the area was designated as the Rosecrans Corridor Revitalization Area which qualifies for federal Community Development Block Grant (CDBG) funding. The Revitalization Area generally includes the areas along Rosecrans Boulevard from Crenshaw Boulevard to Budlong Avenue. The purpose of the program is to support business and property owners in revitalizing the area. The first initiative was the Rosecrans Corridor Commercial and Industrial Rebate Program using CDBG funds to assist in improving the exterior conditions of businesses in the area.



The second initiative was the Van Ness Commercial Façade Program implemented to improve and rehabilitate the exterior facades of commercial/retail buildings. The third initiative was the Streetscape Beautification Project, which replaced and added new trees and



installed cultural banners along Rosecrans Avenue.

Brownfield Pilot Project

The Brownfield Pilot Project is a grant from the United States Environmental Protection Agency (EPA) to conduct environmental site assessments of existing industrial and commercial facilities that have not been redeveloped or expanded as a result of real or perceived environmental contamination. There are currently 22 Brownfield sites within the City. The project assesses the level of contamination, identifies the potential responsible parties, identifies the contaminants and supports the final cleanup of the site.



MicroLoan Program

The MicroLoan Program is another grant-funded program designed to assist small businesses in specifically designated areas within the City. Loans of \$10,000 to \$25,000 can be used to hire employees, purchase fixtures, equipment or machinery and work capital.

Existing Economic Conditions

Retail Development

Historically, retail development in the greater Gardena market area has generally followed population and income growth, and the availability of good retail sites. Continued population and income growth and the availability of good potential retail sites will serve to create additional retail development opportunities. As the supply of quality retailers increase in the greater Gardena market area, the City will need to establish itself as a viable location for shopping and dining. Otherwise the City will continue to experience long-term sales leakage to nearby communities.

During the past few years, most significant retailers have concentrated their site strategies at various locations near Gardena, but not in Gardena. As significant retailers continue to address growing and under-served areas in the market area, the City could attract increased attention. Without acceptable retail sites, the City of Gardena will continue to be under-served on a long-term basis. With proper planning, and creation of acceptable sites, Gardena can begin to address some of the under-served demand.

Retail Sales

Key indicators of a city's economic condition are retail sales and property values. To illustrate the retail activity in Gardena, Table ED-1 presents a breakdown of 2002 retail sales as reported by the State Board of Equalization. As shown in the table, taxable sales from auto dealers and auto supplies represented the largest segment of retail sales in the City – with just under one-quarter (22.9%) of the total retail sales of approximately \$474.2 million. This highlights the importance of auto-related sales and services in the City's economy.



Auto dealers and supplies were followed by sales from eating and drinking establishments at 17.4 percent and general merchandise stores at 17.3 percent of the total retail sales.

Table ED-2 and Figure ED-1 present a comparison of 2002 retail sales to Gardena's immediate neighbors. Gardena's immediate neighbor, the City of Torrance, had the largest retail sales at approximately \$2.7 million in 2002 followed by the City of Carson at \$1.1 million. Because of varying population sizes, a comparison of retail sales is shown on a per capita basis. As indicated in the table and the figure, Gardena's retail sales per capita (\$7,897) was relatively low compared to retail sales per capita of Torrance, Carson and

Redondo Beach, but was higher than the County as a whole and the cities of Hawthorne and Lawndale. The relatively low retail sales in Gardena indicate a potential retail sales "leakage" which occurs when discretionary household income is spent outside of the City for retail goods, especially to the large regional malls such as the Galleria at South Bay in Redondo Beach, the Del Amo Fashion Center in Torrance, and the Carson Mall in Carson.

Table ED-1
Gardena Retail Taxable Sales
By Business Type, 2002

Type of Retail Stores	Taxable Sales (\$000)	Percent of Total Retail Sales
Apparel Stores	\$5,653	1.2%
General Merchandise Stores	\$82,061	17.3%
Food Stores	\$38,316	8.1%
Eating and Drinking Places	\$82,694	17.4%
Home Furnishing & Appliance	\$8,611	1.8%
Bldg. Material & Farm Implements	\$71,513	15.1%
Auto Dealers & Auto Supplies	\$108,788	22.9%
Service Station	\$43,108	9.1%
Other Retail Stores	\$33,459	7.1%
Total Retail Stores	\$474,203	100.0%

Source: State Board of Equalization

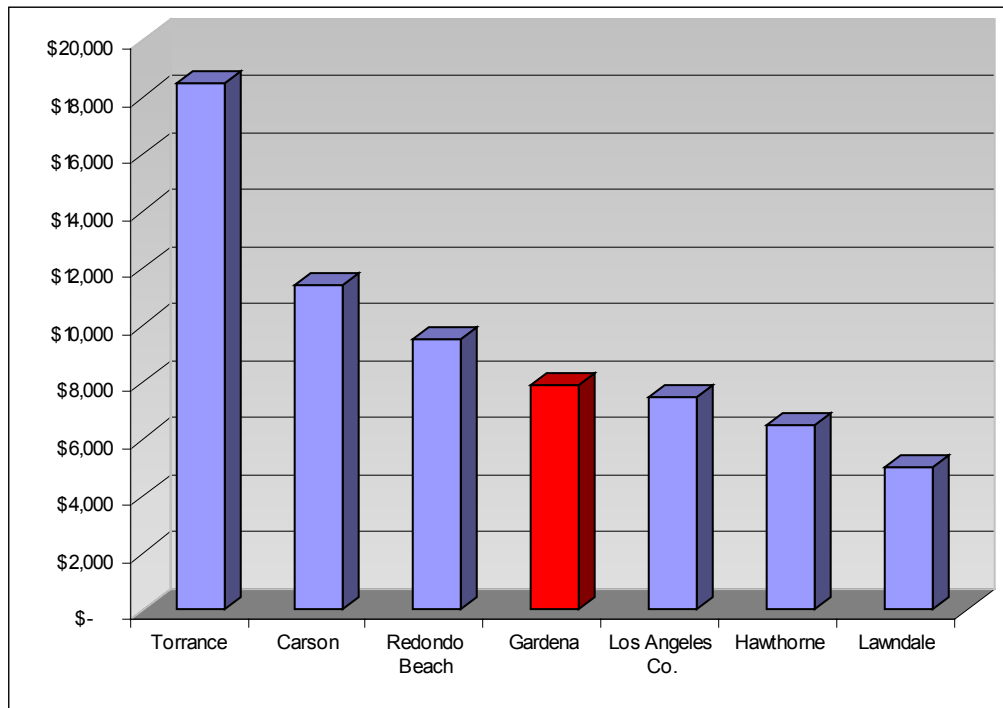


Table ED-2
Comparison of Retail Sales, 2002

	Population	Retail Sales (000)	Sales Per Capita
Torrance	144,236	\$2,669,616	\$18,509
Carson	94,711	\$1,080,212	\$11,405
Redondo Beach	66,925	\$634,236	\$9,477
Gardena	60,047	\$474,203	\$7,897
Los Angeles County	9,966,190	\$74,547,977	\$7,480
Hawthorne	87,316	\$564,521	\$6,465
Lawndale	32,810	\$163,825	\$4,993

Source: State Department of Finance and the State Board of Equalization

Figure ED-1
2002 RETAIL SALES PER CAPITA



Source: State Department of Finance and the State Board of Equalization



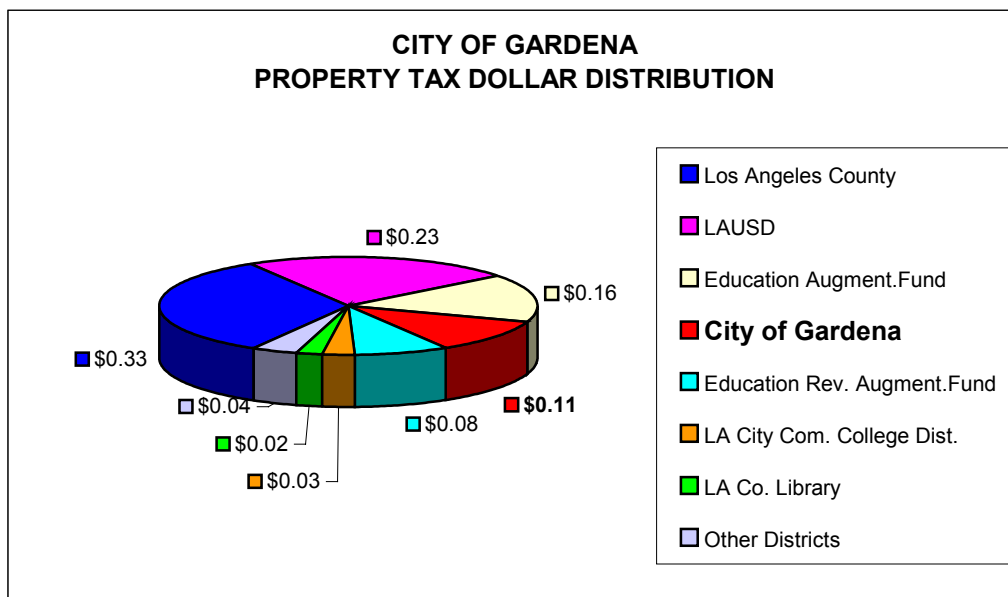
Retail sales also provide revenues to the City. Under State tax laws, the State collects a base levy of 7.25 percent plus locally approved amounts (8.25% in Los Angeles County) and distributes these tax dollars to the State and cities. Cities typically receive one percent of taxable sales within its boundaries.

For the 2004/05 fiscal year, sales and use tax revenues totaled approximately \$7.6 million which represented the largest sources of revenue (22.7%) for the City's General Fund. This was followed by revenue fees from card clubs in the City that totaled \$5.7 million or 17.4 percent. Property tax revenue accounted for \$3.1 million or 9.3 percent of the 2004/05 General Fund revenues, which was the fifth largest revenue source in the General Fund.

Property Tax Revenues

Pursuant to California law, the City of Gardena receives a percentage of the collected property tax from the State. Figure ED-2 illustrates the distribution of Gardena's property tax dollar. The largest portion of the property tax is distributed to Los Angeles County (\$0.33) and followed by the Los Angeles Unified School District (\$0.23). The City receives approximately 11 cents of every property tax dollar, which is similar to the amount received by many cities in the county.

Figure ED-2



Source: HdL, Coren & Cone and the Los Angeles County Assessor 2004/05



Employment

Employment trends for the City of Gardena and Los Angeles County are shown in Table ED-3. According to SCAG, total estimated employment in the City increased from 33,095 in 1990 to 34,313 in the year 2000, an increase of 1,218 jobs or 3.7 percent during the ten-year period. This growth rate is considerably higher than Los Angeles County during the same period, which experienced employment decline of approximately 159,300 jobs or 3.5 percent during the 1990-2000 period.

Employment by major industry group within the City of Gardena is presented in Table ED-4. The employment data in this table is based on the SCAG ES 202 employment file, which includes self-employment figures. These employment data represent year 2000 for the City and 2001 for Los Angeles County. The three leading employment sectors within the City were manufacturing (34.5%), services (22.2%) and retail trade (16.2%). There were an estimated 9,390 manufacturing jobs in 2000 (not including self employment).



The top three manufacturing sectors in 2000 included:

1. Transportation equipment;
2. Fabricated metal products; and
3. Primary metal products.

Table ED-3
Employment Trends 1990 -- 2000

Area	1990	2000	Growth 1990-2000	% Growth
City of Gardena	33,095	34,313	1,218	3.7%
Los Angeles Co.	4,612,800	4,453,500	-159,300	-3.5%

Source: Southern California Association of Governments



Table ED-4
Percent of Employment by Major Industry Group
2000

SIC Code	Sector	City of Gardena	Los Angeles Co. ¹
00-09	Agricultural Etc.	0.8%	0.0%
10-19	Mining, Construction	7.2%	3.4%
20-39	Manufacturing	34.5%	14.8%
40-49	Transportation, Communication and Utilities (TCU)	8.2%	6.1%
50-51	Wholesale Trade	7.8%	6.5%
52-59	Retail Trade	16.2%	15.7%
60-69	Finance, Insurance and Real Estate (FIRE)	2.7%	5.7%
70-89	Services	22.2%	33.3%
90-99	Government ²	0.4%	14.6%

¹ Los Angeles County data is the annual average for 2001 and is for non-farming employment.

² The ES 202 data has poor government employment coverage.

Source: Southern California Association of Governments ES 202 Data File



Goals and Policies

ED Goal 1	Promote a growing and diverse business community that provides jobs, goods and services for the local and regional market, and maintains a sound tax base for the City.
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Policies

ED 1.1: Promote public infrastructure improvements and public services that support and facilitate economic growth.

ED 1.2: Maintain a strong Economic Development Strategic Plan.

ED 1.3: Support the development of business parks with high design standards.

ED 1.4: Encourage high quality mixed-use development in underutilized commercial and industrial areas where it will improve the City's tax base and image.

ED 1.5: Support regional-serving commercial development at key focus areas – Artesia Boulevard Corridor and the areas around the three intersections along Rosecrans Avenue at Van Ness, Western and Normandie.



ED 1.6: Discourage distribution centers that do not provide jobs or point-of-sale activities.

ED 1.7: Encourage diversification of businesses to support the local economy and provide a stable revenue stream.

ED Goal 2	Expand, retain and revitalize quality businesses.
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Policies

ED 2.1: Encourage the assemblage of small commercial parcels to accommodate quality commercial development.

ED 2.2: Maintain a business-friendly environment by providing information on existing rehabilitation programs and on issues of interest to the business community.

ED 2.3: Support business revitalization funding programs to help areas experiencing blighted conditions.

ED 2.4: Support business site and structure rehabilitation and beautification programs.



ED 2.5: Promote clean research and development facilities.

ED 2.6: Support programs that tailor services and resources to small businesses.

ED 2.7: Provide rehabilitation programs that assist businesses with seismic retrofits.



ED Goal 3 Attract desirable businesses to locate in the City.

Policies

ED 3.1: Foster a new coordinated partnership among private and public stakeholders, i.e. business owner, land owner, the Economic Development Committee, Small Business Owners Committee, Chamber of Commerce and the City, to communicate economic development opportunities and benefits of locating in the City.

ED 3.2: Maintain a multimedia system of marketing information on the benefits of locating in the City.

ED 3.3: Maintain a multidisciplinary proactive approach to improve the City's image as a desirable business location.

ED 3.4: Provide a systematic streetscape and signage rehabilitation and beautification program.

ED 3.5: Provide incentives to developers and brokers to help attract desirable new businesses and jobs to the City.