ECONOMIC DEVELOPMENT ELEMENT
JUNE, 2011

I. INTRODUCTION

The Santa Clarita Valley has long been recognized as one of Southern California’s most sought-after residential communities. For years, the area was synonymous with family-friendly development tracts, small businesses, and was commonly referred to as the “community adjacent to Magic Mountain,” which served as a foundational identifier and today is still an iconic symbol of the area.

Recognized as one of the nation’s top cities in which to live (CNN Money Magazine, 2006), Santa Clarita’s emergence as an economic powerhouse is attributable to several factors, such as: visionary private and public sector leadership; strong linkages between education and industry; and the increasing number of large employers expanding within or relocating to the area.

This Economic Development Element examines the many factors critical to the Santa Clarita Valley’s continued success as one of Southern California’s top communities for business development.

The City of Santa Clarita and the adjacent unincorporated communities in Los Angeles County are focused on fostering a unique work-life balance for Santa Clarita Valley residents. Specifically the City of Santa Clarita has focused on three primary goals relating to economic development in the Santa Clarita Valley, including: 1) establishing a jobs/housing balance through quality employment opportunities for residents; 2) building an economic base for all communities through increased sales tax generation; and 3) developing economic wealth in the Santa Clarita Valley by attracting external monies to the economy.

This Element addresses key goals of these communities as they relate to the economic prosperity of the Santa Clarita Valley. It looks at the area’s strengths, the programs and organizations fueling the Santa Clarita Valley’s economic growth and success, and the opportunities and challenges unique to the burgeoning Valley.

The primary objectives of the Economic Development Element are to:
- Provide an overview of the past, existing, and future economic conditions and challenges in Santa Clarita;
- Emphasize the importance of community collaborations, information sharing, and data collection as they relate to identifying and working within current and future economic trends in the Santa Clarita Valley and Los Angeles County region;
- Give direction for business attraction efforts within the City of Santa Clarita’s targeted industry sectors;
- Provide direction with regard to land use, redevelopment, and planning efforts as they relate to the economic wellbeing and development of Santa Clarita; and
- Underscore the use and importance of economic development programs and initiatives, both state and local, in business attraction and retention efforts.
The Economic Development Element is consistent with the other elements contained in One Valley One Vision.

**Circulation Element:** The Economic Development Element promotes an increase of jobs in order to have a desirable jobs/housing balance that will result in fewer and shorter vehicular trips.

**Noise Element:** Promoting uses that will result in fewer vehicular trips will reduce ambient noise levels and results in the Economic Development Element being consistent with the Noise Element.

**Land Use Element:** The Economic Development Element illustrates the community benefits of mixed-use developments and emphasis the proper balance of residential and non-residential developments. Mixed-use projects and their characteristics are covered at length in the Land Use Element.

**Housing Element:** The Economic Development Element encourages vibrant employment centers and jobs throughout the City that will result in income levels that will allow employees to live in the City at many of the broad range of housing types identified in the Housing Element.

**Open Space/Conservation Element:** The Economic Development Element identifies cultural and recreational events and opportunities that support the goals and objectives of the Open Space/Conservation Element.

**Safety Element:** Goals and programs in the Economic Development Element are consistent with the Safety Element.

II. **ECONOMIC BACKGROUND**

The Santa Clarita Valley has many unique attributes. This formerly small town community was once home to a variety of agricultural fields and orchards, yet now boasts some of the biggest names in business, thriving retail centers, destination dining and attractions, and bustling transit systems.

The story of the Santa Clarita Valley began about the time of the California Gold Rush. Henry Mayo Newhall of Saugus, Massachusetts was 24 and already a successful auctioneer when, in 1849, he joined thousands who rushed to California to find gold. Unsuccessful in the gold fields, his talents as an auctioneer and later involvement in San Francisco’s first railroad paid off. Mr. Newhall invested his earnings in ranches throughout California. With his death in 1882, Newhall left his five sons six California ranches totaling 143,000 acres. The brothers incorporated their inheritance as The Newhall Land and Farming Company on July 1, 1883.
In the late 1950s, California’s growth rate and the Los Angeles economy were booming. Urban development began moving northward into the Santa Clarita Valley. About this time members of the Newhall family chose to build a “new town” – a balanced community named Valencia. The Valencia Master Plan was drafted in the early 1960s with the creative guidance of renowned urban planner Victor Gruen and the Los Angeles County planning director. The Master Plan was reviewed by the Los Angeles County Regional Planning Commission in 1965 and included the development of the future Westfield Valencia Town Center and “Magic Mountain,” which today remains one of Southern California’s premier theme parks. The park opened in 1971, providing jobs for area residents, while also attracting regional visitors to the area.

Small business continued to define the Santa Clarita Valley, with Newhall and Valencia serving as key business centers. Most residents traveled out of the Valley for work, into employment centers like Burbank, downtown Los Angeles, and the San Fernando Valley.

In the coming decades, the Valencia Master Plan took shape, with the development of Town Center Drive and the Valencia Industrial Center. These areas provided new office space at a competitive rate for Los Angeles-based businesses looking to expand in the market. The Santa Clarita Valley provided a wide variety of housing types for workers, which was becoming increasingly difficult to find.

Educational institutions fueled the continued development of the Santa Clarita Valley as well, attracting intellectuals from across the nation. College of the Canyons, renowned arts college California Institute of the Arts, and The Master’s College added to the appeal of the transitioning community.

In 1987, the City of Santa Clarita was formed, as a large number of business, residential, and political leaders sought control of the community. The Santa Clarita Valley was home to a variety of passionate leaders who sought to make the community the best it could be for residents and business owners. These activists took action through business-based organizations like the Santa Clarita Valley Chamber of Commerce, which today remains one of the largest and most active chambers in California. The communities of Valencia, Saugus, Newhall, and Canyon Country joined to become the City of Santa Clarita, currently the fourth largest city in Los Angeles County.

As Santa Clarita grew, so did the infrastructure. Visionary developers like Newhall Land recognized the business potential of the community and began laying the foundation for one of Los Angeles County’s largest centers for commerce and industry. Two of Santa Clarita’s largest business areas include the Valencia Gateway and the Centre Pointe Business Park, which includes Class A office space.
Valencia Gateway
Valencia Gateway is the largest master planned center for business, technology, and industry in the County of Los Angeles. Encompassing more than 4,700 acres, 22.5 million square feet of building space, 1,400 companies, and 41,500 employees, Valencia Gateway includes the following seven business parks:

• Valencia Industrial Center
• Valencia Commerce Center
• Rye Canyon Business Park
• Valencia Corporate Center
• Gateway Corporate Point
• Town Center Drive
• Highridge Business Park

The prime location of these areas make the Valencia Gateway a sought-after place to do business in the Santa Clarita Valley, with flagship brands like Princess Cruises, Cunard, Westfield, MannKind Corporation, Advanced Bionics and hundreds of other successful companies occupying spaces in this area.

Centre Pointe Business Park
Centre Pointe Business Park, a 240-acre master planned business is the eighth existing master planned business park in Santa Clarita. At buildout, Centre Pointe Business Park could provide more than 4.5 million square feet, 180 companies and 7,000 employees.

As the City of Santa Clarita continues to expand the area’s diverse base of business, these employment centers will serve as key attractors and choice places in which to do business.

III. CURRENT ECONOMIC CLIMATE

Economic Recession
In December 2007, the United States was officially deemed as being in a recession. Experts from across the globe watched as the world’s superpower lost signature industries to other countries, jobs, and domestic and international consumer confidence. Categorized by many as the worst recession since World War II, America, and now much of the world, is battling with the effects of the housing market bust, the deterioration of the credit and banking industries, stock market losses, and staggering unemployment rates.

While signs of recovery began to take shape in late 2009, many economists anticipate the national recession will continue will into 2011 and possibly beyond.

• Los Angeles County/Southern California Region
The Santa Clarita Valley, like so many other communities across the country, is finding successes and challenges amidst the national recession. Located less than 30 minutes from Bob Hope Airport in North Los Angeles County, the Santa Clarita Valley is a major component of the Los Angeles landscape.

According to the Los Angeles Economic Development Corporation (LAEDC), Los Angeles County will experience the effects of the United States recession through 2009, and well into 2010 and beyond. The California budget crisis could result in a loss of more than $300 million in funding to Los Angeles County alone in FY 09/10, eliminating projects and
programming. On a City level, the state’s budget woes could result in more than a $4 million budget decrease in FY 09/10, as legislators aim to fix the projected $42 billion deficit projected. A total of 100,000 jobs were possibly shed in Los Angeles County by the end of 2009 according to LAEDC.

- **Santa Clarita Valley**
  The Santa Clarita Valley is better positioned for post-recession recovery than most communities in California and across the United States. While the area was not immune to the challenges resulting from the national recession, Santa Clarita experienced less severe downturns than other Southern California cities like Palmdale, Lancaster, Long Beach, Los Angeles, Thousand Oaks, Ventura, and Santa Ana, according to a Brookings report release in June 2009.

Residential real estate is an area of concern for the Santa Clarita Valley. Median home prices for single-family units dropped from $433,500 in September 2008 to $410,000 in September 2009. Sales of single-family homes decreased 9 percent between September 2008 and September 2009 and condominium sales decline 27 percent during that time period.

While net absorption of industrial space was negative 6,000 square feet in the third quarter of 2009, the area's office space experienced a positive net absorption of 62,600 square feet, making Santa Clarita one of the only markets in the region to experience positive net absorption for office space in the third quarter of 2009.

Sales tax revenue was down 20 percent in second quarter 2009, and projections for the remainder of the year include decreases due to the weakening retail market. Sales tax projections remain conservative through the end of 2009 and into 2010, with economists forecasting a slow recovery in 2010 and beyond.

According to the California Economic Development Department, the Santa Clarita Valley was fortunate to boast an unemployment rate of seven point nine percent for September 2009, one of the lowest in the Los Angeles area, and below the State's 12.0 percent. It is important to note the current unemployment rate is still double the area's historic average of about three percent. Unemployment rates for September 2009 were as follows:

- California State 12.0%;
- Los Angeles County 12.7%;
- Glendale 11.1%;
- Lancaster 17.1%;
- Los Angeles 14.0%;
- Palmdale 15.7%;
- Pasadena 9.7%; and
- Santa Clarita 7.9%.

In April 2009, the City of Santa Clarita City Council approved a 21-Point Business Plan for Progress business stimulus plan. The comprehensive plan directed City staff to implement new programs and aggressively pursue and use Federal stimulus dollars in the local community, resulting in an overall investment of more than $18 million in new programs and incentives aimed at boosting the Santa Clarita Valley economy.
Economic Base of the City in Targeted Sectors
The City of Santa Clarita has targeted four main industry clusters for expansion in Santa Clarita including – Entertainment, Aerospace, Biomedical, and Technology. These industry sectors were identified in the Alfred Gobar Associates 2005 Labor Market Study. While a continued effort to target these industries to Santa Clarita is a key strategy, it is understood that today’s world is rapidly changing. As such, an effort to continually refine the process by which we support these industries and the reeducation tools available will be continually analyzed and modified to support the economic goals of Santa Clarita.

Entertainment
The Santa Clarita Valley is one of Hollywood’s most filmed communities. In the early 1900s, the silver screen’s most popular movie stars filmed in Santa Clarita, including Charlie Chaplin and Tom Mix. Singing cowboy Gene Autry built Melody Ranch Motion Picture Studio in Placerita Canyon, while William S. Hart built his mansion atop a hillside in Newhall. Today, the Santa Clarita Valley is home to more than 20 soundstages, 10 movie ranches, hundreds of businesses specializing in film-related work, and boasts a talented workforce of nearly 7,000 professionals who work in the film and entertainment industry. The Santa Clarita Valley sees an average of 3+ film productions filming on location everyday, and is a favored “home” to network programming from studios like CBS, Nickelodeon, Disney, HBO, and ABC Family. Each year location filming alone results in millions in economic benefit to the local economy, with a projected $20+ million in Fiscal Year ’08-’09 to Santa Clarita Valley businesses.

In 2002, the City of Santa Clarita formed its own Film Office, coordinating all permitting for location filming within the City’s limits. While the City is limited by jurisdiction to regulate filming only within its boundaries, the Film Office takes a holistic approach to attraction and retention of filming, promoting the entire Santa Clarita Valley as an ideal place to work.

In 2009, as part of the City of Santa Clarita’s City Council approved 21-Point Business Plan for Progress, the City instituted the Los Angeles area’s first Film Incentive Program (FIP), providing subsidized permit fees and a Transient Occupancy Tax (TOT) rebate for film companies using City hotels. The program was designed to capitalize on the momentum created by the State of California’s $100 million incentive aimed at feature film and television production, and is expected to help support the existing film business in the Santa Clarita Valley, while attracting media attention and potentially increased programming.

Another boost to the area’s reputation of being a film friendly community, Disney/ABC studios announced that they applied to L.A. County to develop “Studios at the Ranch,” a 56-acre, state-of-the-art sound studio project. This project is expected to create over 2,800 new jobs and have an economic impact of over $533 million.

Aerospace
The Los Angeles region is still home to a thriving piece of the aerospace industry with several large companies doing business in the Santa Clarita Valley. Major employers such as Aerospace Dynamics, ITT Aerospace Technologies, Donaldson’s Aerospace and Defense Group, and Woodward HRT, formerly HR Textron, are based in Santa Clarita and enjoy the quality of life and unique business and educational partnership the community affords. The aerospace enterprises located in Santa Clarita supply products for both defense and commercial aerospace projects and are highly competitive in receiving government contracts. This includes both general manufacturing as well as highly sophisticated advanced manufacturing. These companies work hand in hand with College of the Canyons to train new employees, building the Santa Clarita Valley’s skilled workforce from the ground up.
**Biomedical**
MannKind Corporation found a home in Santa Clarita more than a decade ago, and in the years following, several big-name companies have followed suit, relocating company headquarters to the Valley. The Santa Clarita Valley is home to more than 1,100 biotechnology jobs, with more on the way, as companies like Mann Biomedical, Advanced Bionics, Quest Diagnostics, Boston Scientific, BioNess, Celestis, and others relocate to or expand within the area. The enterprises located in Santa Clarita engage in development as well as device manufacturing. The businesses tend to be more heavily oriented towards implantable device and instrument manufacturing versus the wet lab “biotech” type facilities.

**Technology**
Santa Clarita is focused on training its local workforce for technology jobs through programs like the i3 Advanced Technology Incubator Program at College of the Canyons, which provides entrepreneurs with the resources and tools to successfully build and launch technology-based companies. Santa Clarita has proven to be a strong business community for this sector, with companies like Advanced Motorsports Technology, Neotech Products, Transparent Products, True Position Technologies, and Stellar Micro Electronics operating offices or corporate headquarters in the Santa Clarita Valley.

Based on survey responses found in the Alfred Gobar Associates Labor Market Study, nearly 18 percent of the active workforce (or about 22,300 workers) are currently employed within the four target industries.

**Developing Quality Jobs**
According to a 2005 published Labor Market Study by Alfred Gobar Associates, total employment in the Santa Clarita Valley has increased by an average 3,800 jobs per year since 2000. (See Exhibit ED 1 below). However, as the economy weakened between 2007 and 2009, job growth slowed throughout the Santa Clarita Valley. By 2008, approximately 950 new wage and salary jobs were added to the Santa Clarita economy, representing +1.1 percent growth according to First American Title’s 2009 Real Estate and Economic Outlook.

Even with the slower growth, Santa Clarita’s pace is still one of the fastest areas compared to other California regions. Furthermore, job growth in North Los Angeles County still exceeds the rate of job growth in greater Los Angeles County, which experienced negative growth in 2008. Northern Los Angeles County labor markets have grown at a faster rate than Los Angeles County every year since 1997.
Exhibit ED 1: Indexed Employment Growth
Building Santa Clarita’s Local Business Community

According to the 2005 Labor Market Study by Alfred Gobar Associates, more than 53 percent of all workers, or approximately 65,800 residents, leave the Santa Clarita Valley on a daily basis to commute to work. This suggests that Santa Clarita’s attraction as an emerging employment center not only draws from the local labor force population but also attracts workers from out of the area. A 2004 labor market study of the Antelope Valley region revealed roughly 9,000 workers residing in this sub-region commute to jobs in the Santa Clarita area. As the Santa Clarita Valley’s business attraction continues to grow and more high-paying, high-level jobs become available, it is expected some of these jobs will be absorbed by the local workforce, as well as workers commuting from neighboring communities. These workers will seek out employment in the Santa Clarita Valley because similar type positions may not be available in their region.

Exhibit ED 2: Travel Time for Target Industry Workers vs. All Workers

According to the Labor Market Study, nearly 22 percent of the Santa Clarita workforce, or about 27,000 workers, are very likely to change jobs to reduce time spent traveling to work. These workers constitute a very substantial pool of local workers with a strong likelihood of pursuing jobs offered by businesses relocating or expanding in the area.

The City of Santa Clarita is focused on attracting an increasing number of high paying, high quality jobs to the Santa Clarita Valley, thereby supporting opportunities for residents to work close to home. To that end, the City should continue pursuing businesses in the Southern California region to either expand within or relocate to the Santa Clarita Valley. Specifically, the City should focus on attracting businesses in the four targeted sectors, as well as lifestyle, manufacturing, tourism, retail, and green industries among others, to help build a strong economic base and increased job opportunities. Exhibit ED 3 below shows key feeder cities for business potentially relocating to the Santa Clarita Valley.
Workforce
Nearly 38 percent of the workforce in the City of Santa Clarita is employed in the services sector. An additional 25 percent of the City’s workforce is employed in retail trade followed by nine percent in manufacturing, eight percent in construction, seven percent in finance/insurance, and real estate industries, and six percent in wholesale trade.

Twenty six percent of the City of Santa Clarita’s workforce is concentrated in professional or specialized positions while another 21 percent are in administrative and support positions, 14 percent are in marketing or sales, and 11 percent are in executive roles. One-third, or 32 percent, of Santa Clarita Valley’s manufacturing workforce is employed in aerospace with an additional 18 percent in computers and electronics and 14 percent in biomedical manufacturing. See Exhibit ED 4 below.

According to the 2005 Labor Market Study, about one-fourth of all resident workers are engaged in their respective industry activity as “Professionals” or “Specialists” (teachers, engineers, chemists, physicians, computer analysts, clergy, artists, etc.). Approximately one-fifth of resident workers are employed in “Executive” or “Managerial” positions (chief administrators, directors, division heads, managers, etc.). Overall, about 42 percent of resident workers occupy moderate- to high-skill positions directly related to the performance objectives of a given company or agency.

Exhibit ED 4: 2005 Worker Occupation Skills
The active workforce living in the Santa Clarita area is highly educated. More than 50 percent of all workers have completed a college education. Active workers with no more than a high school education account for 20 percent of the workforce. A high level of educational achievement, including a college degree, is evident across the entire workforce, with 56 percent of the area’s full time workers (82 percent of the population works full-time) and 53 percent of part-time workers (18 percent of the population works part-time) boasting higher education. Source: Alfred Gobar Associates 2005 Labor Market Study.

Major Employers in the Santa Clarita Valley
The 2005 Labor Market Study by Alfred Gobar Associates indicated that Santa Clarita’s local economy is primarily a service-based economy with 41 percent of the businesses in the service sector. An additional 21 percent of businesses are in retail trade and 10 percent each are in the finance, insurance, and real estate sector as well as construction.

The businesses located in Santa Clarita can be categorized as small businesses with 59 percent employing less than five employees. Businesses between five and nine employees account for 19 percent of all businesses and only five percent employ in excess of 50 employees.

The table below details the major employers in the Santa Clarita Valley, including the type of business and the number of employees.

<table>
<thead>
<tr>
<th>Company</th>
<th>Type of Business</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six Flags Magic Mountain</td>
<td>Theme Park</td>
<td>3,689</td>
</tr>
<tr>
<td>William S. Hart Union School District</td>
<td>Public High &amp; Junior High School District</td>
<td>2,455</td>
</tr>
<tr>
<td>Princess Cruises</td>
<td>Vacation Cruise Line Services</td>
<td>2,100</td>
</tr>
<tr>
<td>Saugus Union School District</td>
<td>Public Elementary School District</td>
<td>2,010</td>
</tr>
<tr>
<td>U.S. Postal Service</td>
<td>U.S. Postal Service</td>
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</tr>
<tr>
<td>College of the Canyons</td>
<td>Community College</td>
<td>1,678</td>
</tr>
<tr>
<td>Henry Mayo Newhall Memorial Hospital</td>
<td>Healthcare Services</td>
<td>1,212</td>
</tr>
<tr>
<td>Woodward HRT (formerly HR Textron)</td>
<td>Aerospace Manufacturer</td>
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<tr>
<td>Newhall School District</td>
<td>Public Elementary School District</td>
<td>836</td>
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<tr>
<td>The Master’s College</td>
<td>Christian Liberal Arts College</td>
<td>755</td>
</tr>
<tr>
<td>Specialty Laboratories</td>
<td>Medical Research &amp; Development</td>
<td>725</td>
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<tr>
<td>City of Santa Clarita</td>
<td>Government Agency</td>
<td>695</td>
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<tr>
<td>Arvato Digital Services</td>
<td>Business Services</td>
<td>586</td>
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<tr>
<td>California Institute of the Arts</td>
<td>Private Art School</td>
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<tr>
<td>Aerospace Dynamics</td>
<td>Aerospace Structural Components</td>
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<tr>
<td>Fanfare Media Works</td>
<td>International Printing &amp; Publishing</td>
<td>407</td>
</tr>
<tr>
<td>Advanced Bionics</td>
<td>Medical Device Manufacturing</td>
<td>375</td>
</tr>
</tbody>
</table>

Source: Santa Clarita Valley – Real Estate and Economic Outlook

Cost of Doing Business in the City of Santa Clarita
The following data was derived from the 2007 “Cost of Doing Business” report based on an independent study of 402 cities across the United States by the Kosmont-Rose Institute, as
shown in Exhibit ED 5. The cost ratings were developed in order to compare different communities based on analysis of fees, taxes, and economic incentives and programs.

Santa Clarita is ranked as Average Cost ($$$) compared to the cities of Los Angeles and Pasadena, which are both ranked as Very High Cost ($$$$$).

### Exhibit ED 5: Kosmont-Rose Institute Cost of Doing Business Survey

<table>
<thead>
<tr>
<th>Very Low Cost ($)</th>
<th>Low Cost ($)</th>
<th>Average Cost ($$$)</th>
<th>High Cost ($$$$$)</th>
<th>Very High Cost ($$$$$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Covina</td>
<td>Covina</td>
<td>Claremont</td>
<td>Downey</td>
<td>Gardena</td>
</tr>
<tr>
<td></td>
<td>EL Segundo</td>
<td>Glendale</td>
<td>Industry</td>
<td>La Verne</td>
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<td></td>
<td>Manhattan</td>
<td>Long Beach</td>
<td>Monterey Park</td>
<td>Norwalk</td>
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<td></td>
<td>Park</td>
<td></td>
<td></td>
<td>Paramount</td>
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<tr>
<td></td>
<td>San Fernando</td>
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<td></td>
<td>Santa Monica</td>
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<tr>
<td></td>
<td>Temple</td>
<td></td>
<td></td>
<td>West Covina</td>
</tr>
</tbody>
</table>

The 2007 Cost of Doing Business Survey rates each city as:
- Very Low Cost ($)
- Low Cost ($$)
- Average Cost ($$$)
- High Cost ($$$$$)

The 2007 Survey identified;
- 80 very low cost ($) cities;
- 80 low cost ($$) cities;
- 82 average cost ($$$) cities;
- 80 high cost ($$$$$) cities;
- 80 very high cost ($$$$$$$) cities.

### IV. OVERVIEW OF ECONOMIC DEVELOPMENT TRENDS

Santa Clarita is poised for positive, prosperous business development in the decades ahead. As one of Los Angeles County's largest and growing cities (source: State Department of Finance), Santa Clarita will be a major factor in business development. The following are brief summations of the economic principles the City of Santa Clarita considers when developing economic development policies and procedures.

**Business Competition**

Today's business environment has become increasingly competitive, with manufacturing and technology-based companies and jobs leaving California for other cities, states, and countries at a higher rate. Increased global competition has made doing business in California and specifically Los Angeles County nearly unprofitable in some instances. In order to maintain the industries currently in the region, the City of Santa Clarita continues to offer business incentives, be it state tax incentive programs like the Enterprise Zone and streamlined permitting processes, to an unparalleled and well-trained workforce.

**Employment & Projected Needs**

Employment in the Santa Clarita Valley is forecast to decline by 1.1 percent in 2009. Between 2010 and 2013, job growth is projected to average 2.6 percent per year in the Santa Clarita Valley. The employment forecast called for a loss of 950 jobs in 2009, followed by the annual average creation of 2,300 new wage and salary jobs in the Santa Clarita Valley between 2010 and 2013. With an expanding population over the next five years, a larger skill set will characterize the Santa Clarita Valley workforce, continuing to make the area more attractive to
potential employers. There are few impediments that would inhibit healthy job growth over the next several years. One of those potential impediments has been the slowdown of housing production. As the housing market improves after 2009, it is expected that population growth will accelerate along with job growth. (Source: First American Title 2009 Real Estate and Economic Outlook)

Between 2006 and 2014, the City of Santa Clarita is required by the State of California to provide land use designations that could accommodate 10,000 new homes, or approximately 30,000 new residents. With the goal of developing two jobs for every household (see jobs/housing balance in Section V), the City endeavors to attract 20,000 new jobs to the area in the next five years to meet projected growth estimates.

**Development Process**
The City of Santa Clarita recognizes the development permit process can be cumbersome. The City of Santa Clarita sought the opinions and recommendations of developers, brokers, and investors in the Santa Clarita Valley and Los Angeles area to identify potential issues as they relate to the City’s development process. The City is currently looking at ways to make this process more easily understood, streamlined, and customer service oriented, including the addition of a business development liaison, implementation of an online permit submission and review process, and fee review. These efforts should be done in such a way that all City codes are met, while addressing the concerns of developers and business owners wherever possible, thereby making Santa Clarita a good place to do business.

**Economic Growth**
The City of Santa Clarita is continuing to experience population growth, about 0.6 percent in 2008 according to the State Department of Finance. This is much slower growth than in previous years, but the City of Santa Clarita must continue to attract high-paying, high quality jobs to the area to support the growth of the City’s population. As discussed in Section III (Current Economic Climate), many of the City’s residents are traveling to neighboring cities for work, because there are not enough jobs available in the City matching the skills of residents. To this end, the City of Santa Clarita must focus on creating a quality jobs/housing balance, attracting companies in the targeted industry sectors to ensure the needs of the community and its residents are met.

**Education**
Developing an educated workforce is a high priority for the City of Santa Clarita. City leaders recognize this process begins early, with a significant investment in the public school system. Santa Clarita is proudly one of Southern California’s most sought-after communities because of its quality educational offerings, with schools ranking among the top 10 percent in California based on the California Assessment Program. Santa Clarita is comprised of the William S. Hart Union School District, Newhall School District, Sulphur Springs School District, and Saugus Union School District, all of which boasts Blue Ribbon and California Distinguished schools.

The City of Santa Clarita is also home to three prestigious secondary learning universities, including the world-renowned California Institute of the Arts, founded in 1961 by Walt and Roy Disney as the nation’s first art institute granting undergraduate and graduate degrees in both the visual and performing arts. The Santa Clarita Valley also houses The Master’s College, a faith-based institution offering an inter-denominational Christian education inclusive of comprehensive instruction in the liberal arts tradition. College of the Canyons, one of the premier community colleges in the California offering Associate degrees, certificate and career prep programs in over 100 disciplines is also located in Santa Clarita. College of the Canyons
also hosts The University Center, offering access to bachelor, master, and doctoral degrees from both public and private universities in a new, state of the art facility located on the Valencia campus.

**Government**
The City of Santa Clarita, since incorporation in 1987, has embraced a pro-business philosophy of "what is good for business is good for Santa Clarita." This has differentiated the City from many others in the Los Angeles region, as many of the City's policies were designed with a balanced approach, looking at the unique needs of the private sector, residents, and government regulations. The City was at the forefront of the "pro-business" trend and was named the Most Business Friendly City in Los Angeles County in 2008. The City is working to maintain its position as one of the most business-friendly communities in California.

**Infrastructure**
Santa Clarita is an ideal business center, with ease of access into and out of Los Angeles County, Ventura County, and the Antelope Valley. Interstate 5 provides the main points of access from the Los Angeles region, while State Route 14 serves as the main arterial from the Antelope Valley. The City of Santa Clarita considers infrastructure improvements to be one of the most important investments within the community, with multi-million dollar projects like the Cross Valley Connector designed to ease traffic flow from east to west throughout the City. The City of Santa Clarita will and should continue to look at infrastructure projects supporting ease of traffic flow both throughout the Santa Clarita Valley and into and out of the Los Angeles, Ventura, and Antelope Valley regions.

V. **ECONOMIC DEVELOPMENT STRATEGIES, PRACTICES, AND POLICIES**

**Jobs/Housing Balance**
The jobs/housing balance is the relationship between the number of jobs a community offers compared to the number of housing units needed to support those jobs. The Santa Clarita Valley has been housing rich for decades, meaning the number of housing units available exceeded the number of jobs available to residents.

The mid-year 2005 jobs-housing (household) ratio, according to the Alfred Gobar Labor Market Study, in the Santa Clarita area is estimated at approximately 1.04 wage and salary jobs per household.

As a result, more than half of the residents in the Santa Clarita Valley currently commute outside the area for employment, resulting in increased air pollution, congested highways, streets and freeways, and decreased quality of life for residents. This also means there are not enough jobs available to residents in the fields in which they are trained/educated.

The City of Santa Clarita seeks to enhance the quality of life enjoyed by residents and has an aggressive goal to achieve a jobs/housing balance of 2:1, meaning it seeks to approve and support projects that create two jobs for every new household, providing opportunities for residents to work closer to home.

In addition to focusing on the jobs/housing balance within the City limits, the City of Santa Clarita must also continue to work with the County of Los Angeles to monitor the approval of housing developments just outside the City limits in unincorporated Los Angeles County. These developments play a critical role in the balance of jobs in the Santa Clarita Valley, and as a
community it is important to be mindful that development in these areas should also include business attraction to support the resident population. If this is not monitored, the Santa Clarita Valley will continue to see a disproportionate jobs/housing imbalance.

More importantly, the City of Santa Clarita is focused on attracting the kind of companies suited for the Santa Clarita Valley’s workforce, meaning jobs in the four targeted industry sectors and those outlined in this Element.

One of the City of Santa Clarita’s biggest goals in pursuing the jobs/housing balance is to attract more high-paying, high-quality jobs and develop new high-paying, high-quality positions. This means working with businesses and companies already based in the area to expand and bring new jobs to Santa Clarita, relocation of companies to the City, and support of business start ups looking to launch a new company in the area.

To help accomplish this goal, the City of Santa Clarita will focus on the area’s targeted industry clusters, which include aerospace, technology, biomedical, and film/entertainment. The industries already have a strong base of business in the area and the Valley boasts trained and qualified professionals ready to meet the needs of these unique industries. In addition to attracting businesses in the targeted industries, the area would benefit from additional business parks in the area, such as the Gate-King Industrial Park, a fully entitled project, planned for Sierra Highway and Newhall Avenue. A majority of the business parks in the Santa Clarita Valley are located in Valencia or on the west side, a fact attributable to the master planning of Valencia by the Newhall Land and Farming Company.

In addition to reducing the number of Valley residents commuting daily out of the area for employment, reduction in intra-Valley commuting times is also desired. This will require that a range of housing types, as well as a range of employment opportunities are located within each of the villages throughout the Santa Clarita Valley, providing residents the ability to live in proximity to their workplace. In an ideal jobs/housing balance, worker commute time is less than 30 minutes, and jobs are easily accessible via existing public transportation or within walking distance. This helps to reduce congestion and commute times, improve air quality in the Santa Clarita Valley, and enhance the quality of life.

**Workforce Development**

The City of Santa Clarita should continue to work with local educational institutions, employers, real estate developers and others to review changes in Santa Clarita’s workforce needs and anticipate changes occurring in employment demands. Together with these groups the City can promote job training, skill enhancement, and education meeting the needs of jobs and careers available within the Santa Clarita Valley.

**Development Objectives**

Available land and space, close proximity to Los Angeles, and burgeoning business and residential communities make the Santa Clarita Valley a first choice for jobs-producing development in Los Angeles County.

The City should seek out a balanced mix of businesses in its attraction efforts, including but not limited to, commercial, retail, cultural, entertainment, and service offerings. In order to build a sustainable community for not only now, but for the future, the City of Santa Clarita must be forward thinking when looking at proposed developments.
Specifically, the City of Santa Clarita will continue to evaluate each development proposal on its individual merits, thereby allowing flexibility for economic generating and jobs-producing uses. This means:

- Seeking multi-story, clustered business parks and centers akin to those found in the Valencia Town Center area;
- Encouraging multi-story, mixed use developments through the City of Santa Clarita’s communities, including Saugus, Newhall, Canyon Country, and Valencia as appropriate;
- Allowing development standards and policies that accommodate multiple economic activities in business and industrial park areas;
- Encouraging business opportunities throughout all facets of the community, supporting burgeoning villages of industry throughout the Santa Clarita Valley; and
- Applying non-traditional height, design, and planning standards for appropriate projects and uses that generate significant impact to the economy.
- Encouraging increased density in nonresidential projects in appropriate locations to increase quality jobs and achieve the desired jobs-housing balance.

Retail Growth and Attraction
Since 1987, the City of Santa Clarita has experienced significant growth in the retail market. The City of Santa Clarita consistently ranks among one of the top 25 retail markets in California according to the California Retail Survey, and is a top choice for retailers looking to reach a high-income, highly-educated segment of the Southern California population.

The Santa Clarita Valley is ripe with retail opportunities, and includes several developed retail centers with leasing opportunities. Most significant is the recent expansion of the Westfield Valencia Town Center, which includes the addition of more than 180,000 square feet of new retail space. Bridgeport Marketplace at Newhall Ranch Road and McBean Parkway, Centre Pointe Business Park off Soledad Canyon Road, and the Plaza at Golden Valley Ranch, which is accessible off State Route 14, offer competitive leasing rates and visibility for retailers.

The City of Santa Clarita’s retail attraction efforts will continue to be a focus in the years to come. Residents and businesses have requested several key brands for Santa Clarita, including but not limited to Nordstrom, Cheesecake Factory, Marmalade Cafe, Coach, Bebe, and more. One significant point to be made is these retailers require an increase in the number of large companies occupying Class A type office space, thereby supporting the daily demand for these businesses, before they will locate in Santa Clarita. Santa Clarita is successful in delivering a strong dinner crowd for restaurants, but some big-name restaurants are hesitant to expand in the Santa Clarita Valley without an increased number of companies boasting an employee base in excess of 500 executives who use their services during lunch time.

Class A Office Space
Class A office space is typically referred to as the highest quality office space available in an area. Characteristics defining Class A space include newer buildings in premium locations, qualities amenities, unmatched architecture and design appeal, and convenient customer access. These types of commercial developments are highly sought-after and typically attract tenants concerned about the aesthetics of the space. Class A is often located in dense development areas, and is in high demand. In 2007, the City of Santa Clarita saw the addition of nearly 400,000 square feet of Class A office space, with more than 60,000 square feet in the development process.
In early 2009, office vacancy rates were about 18.2 percent in the Santa Clarita Valley according to CoStar.

The City of Santa Clarita seeks to increase the amount of Class A office space available in all communities within the Santa Clarita Valley. Development of this type of office space is highly concentrated in Valencia, but should be expanded within the areas of Canyon Country, Newhall, and Saugus, supporting the City’s goals of building a valley of villages and meeting an ideal jobs/housing balance for Santa Clarita.

**Embracing a Business Friendly Approach**

Businesses thrive in business friendly communities. The City of Santa Clarita is one of Southern California’s most successful and sought-after cities, consistently recognized regionally and nationally as a best-choice place to live and work. Recognitions include:

- Los Angeles County’s Most Business Friendly City, Los Angeles Economic Development Corporation;
- Best Economic Development Program in the State of CA, California Association of Local Economic Developers;
- Best Place to Live in California, CNN Money Magazine;
- One of the Top 25 City Retail Markets in California, California Retail Survey; and
- One of the Best Economies in Los Angeles County, Union Bank.

The City of Santa Clarita should continue to embrace business-friendly policies that allow companies to thrive, while embracing a high quality of life for residents, including quality employment opportunities. This includes review and consideration of expedited permitting when appropriate and available, assistance with business programs to help companies looking to expand in the Santa Clarita Valley, instituting an ombudsman or business liaison, and looking at bottom-line business driven incentives like a use tax incentive to save companies money.

The City of Santa Clarita, as directed in the 21-Point Business Plan for Progress, is looking at a streamlined and more efficient permitting process. This includes the use of new technologies allowing developers, builders, and business owners to submit, access updates, and receive approved building plans and more via an online system and eliminating any unnecessary costly printed copies. This initiative serves to reinforce Santa Clarita’s business-friendly approach and refinements in traditional processes should continually be considered where appropriate.

**Building a Valley of Villages**

The “Valley of Villages” concept is one of the major themes adopted as part of the One Valley, One Vision plan.

The City of Santa Clarita will implement this concept in Old Town Newhall, as part of the Downtown Newhall Specific Plan. The goal is to create a mix of uses that result in activities throughout the day. This combination will provide opportunities to sustain a village or mixed-use neighborhood from public transportation and shopping to entertainment, parks, recreation, employment, and a range of housing types.
The City of Santa Clarita is currently focusing on developing villages in (1) Old Town Newhall, (2) at Whittaker Bermite, a thousand-acre brownfield site adjacent to the Santa Clarita Metrolink station, (3) on the east side of the Santa Clarita Valley, (4) as part of Santa Clarita’s Westfield Town Center and (5) near State Route 14 and Lost Canyon Road with the proposed Vista Canyon Ranch project. In the County of Los Angeles a multi-village concept development was approved with the Newhall Ranch Specific Plan.

- **Whittaker Bermite**
  Redevelopment of the Whittaker Bermite property, a 988-acre former industrial site now undergoing both soil and groundwater clean-up, will transform the heart of the Santa Clarita Valley. It is not often a community has the opportunity to create a new vision for its geographic core that will include “economic engine” land uses serving the Valley, needed infrastructure connections, and opportunities for open space and recreational amenities. Redevelopment of the Whittaker Bermite property as a large, centrally located employment hub will help improve the Valley’s jobs/housing balance and be instrumental in achieving the goal of two jobs for every new housing unit. The future planning of an area of this size is an exciting endeavor that will require high community input and participation throughout the process. Four General Plan roadways are planned to criss-cross this property, providing residents with greater connectivity to the Valley’s employment centers. The Soledad Metrolink station is currently situated along the northernmost portion of this site, creating a ripe opportunity for the development of a transit-oriented, mixed-use activity center. The adjacent 228-acre City property, as well as the former Saugus Speedway along Soledad Canyon Road, offer additional development opportunities that will strength and compliment the land planning efforts on Whittaker Bermite.

  The City seeks to locate uses on this site that are unique to the Valley and will serve not only the Valley’s population, but draw interest from the greater Southern California region. Future uses that may be considered for this site include: a bio-medical park; tourism/sporting arenas; outdoor amphitheater; entertainment industry uses such as a movie ranch or studios; hospital/medical campus; and a higher educational campus or facilities, among others. This site also presents opportunities for active recreational facilities to serve the Valley population as well as passive open space and a trail network along the site’s canyons and ridgelines.

- **City Center**: The City of Santa Clarita is already working with community partners, including Los Angeles County and Westfield Valencia Town Center, to explore development of a new multi-jurisdictional City Center. The concept is a more urbanized, mixed-use, vertical environment providing for a mix of civic, office, retail, and housing uses.

- **Vista Canyon Ranch Village**: The proposed Vista Canyon design brings together all the elements to create a vibrant town center village for Canyon Country and the Santa Clarita Valley’s east side. In contrast to sprawling, disconnected residential tracts and miscellaneous retail centers, the design embraces sound community planning principals to meet current and future needs. The land use plan creates a cohesive, sustainable village by integrating four primary components – a town center, a corporate campus, a Metrolink Station, and a trail system – with retail, entertainment, open space, recreation, and residential neighborhoods offering a variety of housing types.

- **Newhall Ranch Specific Plan**: Planned as a single community consisting of five distinct lifestyle villages, Newhall Ranch is destined to be one of the largest master-planned
communities in Los Angeles County. Encompassing 19 square miles, Newhall Ranch will take shape as a self-contained community in a natural, open setting. The Specific Plan allows for the development of up to 20,885 housing units and 5.5 million square feet of commercial, industrial and office space. In addition, over half of the site, or approximately 6,000 acres, will be preserved as open space.

VI. REDEVELOPMENT

Redevelopment, as defined by the State of California, is the process authorized under California law allowing local government entities to identify deteriorated and blighted areas in their jurisdictions in need of revitalization. The goal of redevelopment is to encourage and attract private sector investment that otherwise would not occur. Businesses are often hesitant about investing in a blighted area because of the associated risk and costs, which can outweigh the benefits. Redevelopment serves as a catalyst for private investment, demonstrating a community’s dedication to seeing reinvigorating these areas and infusing them with the infrastructure and resources needed to once again become vibrant economic forces within the community.

The Newhall Redevelopment Agency was created by the City in November 1989 to undertake redevelopment activities that remove physically and economically blighted conditions plaguing economic growth. Redevelopment can create jobs and expand business opportunities, provide housing for families most in need, help reduce crime, improve infrastructure and public works, and lead the cleanup of environmentally-threatened and rundown areas.

**Downtown Newhall Specific Plan**

The Santa Clarita Redevelopment Agency approved the Downtown Newhall Specific Plan (DNSP) to transform Old Town Newhall into a thriving, mixed-use, pedestrian-oriented urban village with a series of economic engines. The DNSP consists of a 20-block downtown served by Metrolink commuter rail, a commercial corridor in downtown, two flanking neighborhoods, and an industrial district. Upon buildout, the DNSP will include up to 712 new residential units and nearly 300,000 square feet of new commercial space.

The DNSP was adopted by the City Council in December 2005, as a strategic planning tool to revitalize Old Town Newhall. The concept of the DNSP originally began in the mid 1990’s through a coordinated effort initiated by the Redevelopment Agency (Agency). The Agency began to look at the future potential of the historic downtown core of the Santa Clarita Valley and identified redevelopment as an essential mechanism for establishing a renaissance of the area.

The DNSP is designed to provide various strategies for infill development for the neighborhoods adjacent to the downtown area to the east and the west. It also identifies and further substantiates the need for the Redevelopment Agency to be actively involved in the planning process necessary to maintain the appropriate amount of affordable housing in the DNSP area. It covers a 50-block area and contains two residential zones and commercial zones that encourage mixed-use development along major corridors.

Ultimately, the DNSP promotes a pedestrian friendly and livable community that embraces the history, culture, and unique characteristics that exemplify the true nature of Old Town Newhall. One of the primary goals of the DNSP is also to encourage development opportunities that will help create the synergy and revitalization for the Old Town Newhall area that the community has envisioned for years.
North Newhall Area
The North Newhall Area (NNA) is an approximate 200-acre assemblage of land generally bounded by the Metropolitan Water District (MWD) right-of-way on the east, Newhall Creek on the south and west, and a significant ridgeline south of Via Princessa on the north. The northern approximate 100 acres of this NNA is undeveloped with a hillside to the north and oak trees and Placerita Creek. The commercial corridor along the west side of Railroad Avenue consists of mix of retail and commercial uses. The southern approximate 100 acres of this area is primarily developed with existing single-family ranch style homes of varying sizes. A commercial center with a wide mix of industrial and retail uses is located at the entrance to the NNA adjacent to 13th Street.

Given the site’s characteristics, its proximity to Downtown Newhall and to the Jan Heidt Metrolink Station location, and its surrounding and diverse communities, the NNA would be subject to a broader and more comprehensive planning approach. The NNA would serve as a community that will provide an economic stimulus to the adjacent Old Town Newhall area, will improve traffic circulation in the area, and will consider the sensitive uses in the adjacent areas. The NNA would be a mixed-use neighborhood that includes up to 775 residential units and up to 450,000 square feet of commercial space and open space areas. Development would preserve and improve upon the existing quality of life, provide tools to revitalize the underutilized commercial areas, offer various housing types, encourage development that is transit-oriented, walkable and bike friendly, and promote sustainability.

VII. PROGRAMS & INITIATIVES SUPPORTING ECONOMIC GROWTH

Santa Clarita Valley Enterprise Zone
The Santa Clarita Valley Enterprise Zone is a geographic area providing tax incentives to businesses located in the City of Santa Clarita as well as unincorporated Los Angeles County. The Enterprise Zone covers commercial, business, and industrial zoned land in the Santa Clarita Valley. See Exhibit ED 6 (Proposed Map Attached). The City of Santa Clarita Enterprise Zone received final designation as an Enterprise Zone on July 1, 2007. In September 2010, the City of Santa Clarita in partnership with the County of Los Angeles applied for a new larger and expanded Enterprise Zone. The new Santa Clarita Valley Enterprise Zone received conditional designation from the State of California in late 2010. Qualified businesses can realize savings through the Enterprise Zone program in the following areas: hiring tax credits; sales and use tax credits; business expense deductions; net interest deductions for lenders; and income tax credits for employees.

Since its inception, the Enterprise Zone program in Santa Clarita has proven very effective. In its first three years in existence 3,556 jobs were created or retained as part of the program. Additionally, Santa Clarita businesses have generated tax savings of more than $133 million cumulatively from July 2007 to March 2010. If a business qualifies, the zone can virtually eliminate a business’ state income tax obligation. The Enterprise Zone is another key tool for the Santa Clarita Valley’s attraction and expansion efforts, helping combat the high costs of doing business in the state.
**Santa Clarita Worksource Center**
The Santa Clarita Worksource Center’s focus is to provide a workforce development system bringing job seekers and employers together in one place. All services are provided to employers and job seekers at no cost through the Federal Workforce Investment Act (WIA) and the City of Santa Clarita in partnership with Goodwill Southern California, the Employment Development Department (EDD), the County of Los Angeles Community and Senior Services, College of the Canyons, and the Department of Rehabilitation.

The City of Santa Clarita is working to enhance the program in the coming years, using the Worksource Center as both a business attraction and retention tool. The City will do this by: enhancing its partnership with College of the Canyons (COC) Economic Development Division; potentially relocating the Worksource Center to the COC, Valencia campus; exploring the creation of a separate Workforce Investment Board (WIB) for the Northern Los Angeles County cities of Santa Clarita, Palmdale, and Lancaster; and increasing efficiency and customer service.

**Recycling Market Development Zone (RMDZ)**
The City of Santa Clarita is one of the 40 Recycling Market Development Zones in the state of California. The RMDZ program combines recycling with economic development to fuel new business development, help existing companies expand, create jobs, and divert waste from landfills. This program provides profitable incentives to businesses that manufacture products using materials that would normally end up in landfills. Those incentives include attractive loans, technical assistance, and free product marketing.

**Use Tax Incentive**
The City of Santa Clarita began offering a Use Tax Incentive in 2009, as directed by the City Council as part of the 21-Point Business Plan for Progress. The Use Tax Incentive Program was designed by the City to incentivize business expansion and increase investment in our community. The incentive to participate in this program is attractive. A portion of each dollar of use tax designated by your business and received by the City of Santa Clarita is eligible to be rebated back to the participating business through one of the following - a business expansion credit or a cash rebate.

**Business Programs at College of the Canyons**
- **Small Business Development Center**
The Small Business Development Center (SBDC), hosted by College of the Canyons (COC), launched in January 2006. Serving the Antelope Valley, San Fernando Valley, and Santa Clarita Valley, the SBDC helps prospective and existing small business owners in northeast Los Angeles County start, retain, or expand their business. The organization provides workshops, one-on-one counseling, and other resources to the business community, and is part of a regional network of seven SBDC centers serving business in Santa Barbara, Ventura, and Los Angeles counties.

  Services available include business counseling, business plan development, accounting and bookkeeping, marketing and sales, and technology education. Assistance is also available with access to capital, state and federal government contracting and more.
• **Center for Applied Competitive Technologies**
The Center for Applied Competitive Technology (CACT) at COC serves manufacturers and technology companies with customized training and technical support. The state-supported program is dedicated to helping improve performance goals in the industry and is an attraction tool for Santa Clarita. The CACT at COC includes workforce training programs, demonstration of new manufacturing equipment and technologies, and access to federal, state, and local resources. This program can help companies achieve greater operational efficiency, enhancing productivity, and increasing organizational performance.

• **Employee Training Institute**
The Employee Training Institute (ETI) has provided customized training for regional businesses since 1988 and consistently serves over 300 companies annually. Through the ETI, the College of the Canyons has secured ten consecutive contracts with the State of California Employee Training Panel, which provides the funding for this program. ETI also works with regional Workforce Investment Boards to provide training for displaced workers in biotechnology and has hosted an At-Risk Youth program which featured boot camp style courses in manufacturing technology.

• **I3 Advanced Technology Incubator**
The I3 Advanced Technology Incubator Program at COC provides technology-based entrepreneurs with the resources necessary to launch and grow successful businesses. It serves as a tool for investors to finance and propel high-growth ventures. The program currently offers capital efficiency for both the entrepreneur and investor and benefits include: a state-of-the-art facility fully furnished and wired facility with full access; shared support services and office equipment; free mentoring and access to services from experienced professionals; student interns; and introductions to investors.

This program and so many others available through the college support Santa Clarita's targeted industry sectors and are unique to the region. They serve as a business attraction tool for many entrepreneurial companies.

**VIII. COLLABORATIONS WITH PROFESSIONAL BUSINESS ORGANIZATIONS**

Doing business in the Santa Clarita Valley is becoming increasingly streamlined. A variety of professional business organizations exist in the community to help companies navigate local business policies, state legislation, and to help companies owners network and acclimate within Santa Clarita's distinctive business environment. These organizations continue to play an integral role in shaping the economic prosperity and direction of the Santa Clarita Valley.

**Building Industry Association**
The Building Industry Association of Southern California, Inc. (BIA/SC) is a nonprofit trade association representing nearly 1,900 member companies employing 125,000 persons who are engaged in all aspects of building homes and communities throughout Southern California.

**Santa Clarita Valley Chamber of Commerce**
The Santa Clarita Valley Chamber of Commerce has promoted and supported local businesses since 1923. The goals of the chamber include encouraging growth of members and targeted industries, assisting new companies locating to the Santa Clarita Valley, and serving as a representative for all business legislation affecting members.
The Chamber also organized an Economic Development Committee in 2009 to retain and nurture existing businesses, capture more local dollars, attract targeted industries, draw more outside money into the region, promote the concept of economic development, and enhance the quality of life in the Santa Clarita Valley.

**Valley Industrial Association (VIA)**
The Valley Industrial Association of Santa Clarita represents business interests throughout the Santa Clarita Valley, providing members with opportunities to collaborate on a range of business issues. In addition to being a legislative advocate, VIA serves as a one-stop shop for relevant business information, supports local educational initiatives, and provides networking opportunities.

**Santa Clarita Valley Auto Dealers Association**
The Valencia Auto Center, located off Valencia Boulevard and Creekside Road, is the largest auto mall in North Los Angeles County, with sales of more than $1 billion in 2007. It is home to more than 15 dealership and 25 brands. The Auto Dealers Association cooperatively markets the Santa Clarita Valley’s offerings among the Southern California region, and is one of the biggest generators of sales tax in the area. In the coming years, the City of Santa Clarita is scheduled to invest into a streetscape improvement project to dramatically enhance the environment on Creekside Road, adding new landscaping, crosswalks, wayfinding signage and lighting elements to make the area more visually appealing and pedestrian-friendly.

**Santa Clarita Valley Economic Alliance**
The Santa Clarita Valley Economic Alliance (SCVEA) strives to enhance the business friendly environment in today's competitive economic climate by improving the overall public-private business experience. SCVEA provides assistance in the following key areas: interpreting building codes; expediting the permitting and licensing process; streamlining and accelerating the public/private process; addressing environmental, manufacturing, warehousing, office and technology issues; site/facility location and planning; providing economic information, industry statistics, tax structures, job training and industry support resources; and providing demographic information, including community profiles and labor market information.

**Santa Clarita Valley Economic Development Corporation**
In April 2009, the City of Santa Clarita City Council approved a 21-Point Business Plan for Progress, designed to address the many challenges facing the Santa Clarita Valley economy resulting from the U.S. recession. One of the points in the plan included the possible formation of the area’s first Economic Development Corporation. Developed in concert with other like-minded business entities, included those referenced above, the City of Santa Clarita Economic Development Division would work hand-in-hand with these entities to develop the Santa Clarita Valley Economic Development Corporation.

Goals of the organization may include studies of the local economy including trending and forecasting, as well as attraction of targeted businesses in the identified key sectors.

**Santa Clarita Valley Tourism Bureau**
The Santa Clarita Valley Tourism Bureau is comprised of more than 30 public, private, and non-profit businesses dedicated to cooperatively marketing the area to visitors. The goals of the Bureau include development of marketing materials, collaborative advertising campaigns in key markets, and supporting like-minded tourism businesses through networking and professional development opportunities.
The City of Santa Clarita should continue to work in coordination with these groups to market and promote the area’s resources and attributes, encouraging further expansion of the City’s economic base. This includes identifying joint collaborations and initiatives and collectively working toward common goals.

These may include, but are not limited to the following:

- Development of an Economic Development Corporation;
- Formation of Business Improvement Districts;
- Formation of Tourism Marketing Districts;
- Third-party Economic Impact Surveys, Business and Retail Surveys, or Market Analysis Surveys to gauge business attraction efforts; and
- Collaborative business pitches and solicitations to companies in targeted industry sectors.

IX. EMPHASIS ON TOURISM & CULTURE SUPPORTING WEALTH CREATION

Quality of life is one of the Santa Clarita Valley’s biggest attributes. Companies chose to relocate to the area, not only because of affordability, housing and proximity to Los Angeles, but because of the Santa Clarita Valley’s quality school system, recreational opportunities, distinctive culture and tourism assets.

In 1971 when the Newhall Land & Farming Company first opened Magic Mountain, tourism became a growing industry in the Santa Clarita Valley. In the years following the park’s opening, hotels began to develop as an increasing number of regional and statewide travelers took an interest in the park.

Today, tourism is one of the Santa Clarita Valley’s growing industries. Six Flags Magic Mountain and Hurricane Harbor remain the largest attractions, but a robust calendar of regional, national, and international events have put the area on the map as a must-see destination for Los Angeles area visitors.

**Six Flags Magic Mountain & Hurricane Harbor**

Magic Mountain was built by Newhall Land & Farming Company to attract new homebuyers to the Santa Clarita Valley. When the park opened on May 29, 1971, there were 500 employees and 33 attractions. Today, at the height of the summer season, Six Flags Magic Mountain employs more than 3,000 people and boasts more than 100 rides and attractions for the entire family.

Since its inception, the theme park has successfully written itself into the country’s vibrant theme park history using state-of-the-art thrill ride innovation to earn recognition as the finest thrill ride park in the world. As the City of Santa Clarita grew and developed, so did the landmark theme park. Six Flags Hurricane Harbor opened next door to Magic Mountain in 1995 and provides water adventures for families each summer. With the addition of the water park, the two parks were the first multi-gated entertainment destination in Southern California.
Six Flags Magic Mountain continues to be one of the Six Flags company's most profitable parks, attracting more than three million visitors each year. Six Flags is committed to the continuous investment in Magic Mountain, with capital improvement projects and new ride openings scheduled through the parks’ 40th anniversary celebration in 2011. Six Flags Magic Mountain is also the largest generator of hotel room stays in the Santa Clarita Valley. Therefore the area’s peak tourism season follows the park’s peak season, with high season/high occupancy during Magic Mountain’s daily operations schedule, mid-March (spring break) through Labor Day, and low season occurring from November through early March.

City of Santa Clarita’s Transient Occupancy Tax (TOT)
When visitors stay at hotels, they pay a transient occupancy tax (TOT). The City of Santa Clarita hotels currently have a TOT of 10 percent, while the Santa Clarita Valley hotels outside of the City limits have a TOT rate of 12 percent. Revenue generated by City hotels annually from TOT is approximately $2 million.

The following are a few hotels statistics for the Santa Clarita Valley.

- As of March 2009, there are a total of 1,809 hotel rooms in the Santa Clarita Valley that are included in hotel data reports with additional rooms proposed.
- A total of 882 rooms, or 49 percent, are located within the City limits and the remaining 927 rooms or 51 percent are outside the City limits.
- By zip code in the Santa Clarita Valley, 43 percent (or 780 rooms) are in zip code 91355 (City of Santa Clarita), followed by 33 percent (or 601 rooms) in 91381 (Stevenson Ranch area), 10 percent (or 174 rooms) in 91384 (Castaic area), 8 percent (or 152 rooms) outside the City of Santa Clarita in zip code 91355, and 6 percent (or 102 rooms) in 91351 (City of Santa Clarita).

Hotels located within the City of Santa Clarita include: Hyatt Regency Valencia, Holiday Inn Express Hotel & Suites, Embassy Suites, Best Western, Courtyard by Marriott, Super 8, and Travelodge.

Hotels located in the unincorporated area of the Santa Clarita Valley include: Hilton Garden Inn, La Quinta Inn & Suites, Extended Stay, Residence Inn, Hampton Inn, Comfort Suites, Fairfield Inn, Rodeway Inn, and Days Inn.

Since 2006, the Santa Clarita Valley’s hotel room inventory has increased by 27 percent, with 408 new rooms from the opening of La Quinta Inn & Suites, Courtyard by Marriott, and Embassy Suites. A new Sheraton Hotel has been proposed at the corner of McBean Parkway and Valencia Boulevard. Santa Clarita Valley remains one of the Los Angeles region’s top ten performing hotel markets, with 82 percent occupancy in 2005, 84 percent in 2006, 74 percent in 2007 and 69 percent in 2008 according to PKF Consulting. The Santa Clarita Valley continues to rank above the State average and above several other Los Angeles area markets.

Calendar of Events
The Santa Clarita Valley is home to a variety of cultural and sports-related events attracting large audiences from key regional and national markets. The goal of these events is to expose visitors to a memorable experience they cannot find elsewhere, while encouraging visitor spending at local businesses. The following events are regional in scope and draw visitors from outside the Santa Clarita Valley.
- **Amgen Tour of California**: The largest cycling event in America, the Amgen Tour of California is a Tour de France-style cycling road race challenging the world’s top professional cycling teams to compete along a demanding 750+ mile course from north to south. This event attracts more than 1.6 million spectators each year, with more than 100,000 in the Santa Clarita Valley, with the debut of Lance Armstrong in 2009. In the Santa Clarita Valley, the event’s economic impact is estimated at approximately $2 million in benefit to local businesses.

- **Cowboy Festival**: Each spring, the City of Santa Clarita presents the annual Cowboy Festival, an event blending the Santa Clarita Valley film and Western heritage together with the allure of cultural tourism. Set at Melody Ranch Motion Picture Studio, the event attracts an estimated 10,000+ visitors each year and garners regional and national media attention.

- **Pet Expo**: Launched in 2009, this event attracted more than 3,000 regional pet enthusiasts to College of the Canyons. Celebrity Dog Whisperer Cesar Millan, who is based in the Santa Clarita Valley, helped promote the event.

- **City of Santa Clarita Festival of the Arts**: The City of Santa Clarita Festival of the Arts is designed to celebrate the art of street painting, while enjoying non-traditional forms of art, live music and dance, and hands-on opportunities to create art. The multi-cultural event takes place in Old Town Newhall and primarily attracts a regional crowd of 3,000-4,000 persons and is growing in popularity.

- **Wine Festival**: Santa Clarita is home to several wine lounge businesses and since 2005 has been home to several premier wine festivals, attracting thousands of Southern California visitors to the Santa Clarita Valley.

- **Santa Clarita Marathon**: The City of Santa Clarita hosts an annual Santa Clarita Marathon, an official qualifying race for the Boston Marathon. The event features a full marathon, a half marathon, a 5K Run/Walk, and a Kid K run and attracts nearly 3,000 athletes annually while reinforcing Santa Clarita’s healthy living/lifestyle philosophy.

As the City of Santa Clarita, in partnership with private organizations and the County of Los Angeles, continues to position the area as a visitor destination, entities must continue to attract targeted events. These may include a food and wine festival, art events in coordination with CalArts, or other cultural offerings as identified as unique to the Santa Clarita Valley. To help support attraction of these offerings, the City of Santa Clarita must:

- Develop a process to evaluate proposed tourism-based events and levels of City support;
- Look at formation of a Tourism Business Improvement District to help fund support of these types of tourism events; and
- Align the City of Santa Clarita with choice events that underscore the philosophy, values, and ideals of the Santa Clarita community.

**Performing Arts**
The Santa Clarita Valley is home to a robust artist community, which includes live theater, a performing arts center at College of the Canyons, arts galleries, and one of a kind exhibits and artist showcases at CalArts.
• The Canyon Theatre Guild feature 10 productions annually and welcomes more than 40,000 visitors to its theatre in Old Town Newhall.

• The Repertory East Playhouse, an intimate 81-seat theater, offers improvisation, live theater, and a variety of shows, including Shakespeare in the Park in the heart of Old Town Newhall.

• The Santa Clarita Performing Arts Center at College of the Canyons features a variety of professional, college, and community performers. The 926-seat theater regularly features music, dance, theater, and comedy performances for all audiences.

• The College of the Canyons Art Gallery curates a variety of exhibits annually and is committed to serving the college community and the community at large. The Gallery features art from contemporary, traditional, and expressionistic artists worldwide and has been in operation since 1997, with the opening of a new Fine and Media Arts Building.

**Arts Commission**

In 2009, the City of Santa Clarita created the City’s first Arts Commission to provide leadership, vision, and commitment to cultural arts development in the City. This 5-member commission is comprised of art-minded individuals and is responsible for advising the City Council, City Manager, and City staff on arts matters including public art and art programs and events throughout the community.

**Castaic Lake**

Operated by the County of Los Angeles Department of Parks and Recreation, Castaic Lake is a state water reservoir located just north of Santa Clarita. Along with providing fresh water to local communities, Castaic Lake remains dedicated to providing the public with a wide range of recreational opportunities. The upper lake is home to many different recreation activities, and is the primary facility for motorized watercraft. Boaters have a chance to experience 2,235 acres of explorable waterways and coves, and fisherman can test the 29 miles of shoreline. Visitors can also enjoy barbecue & picnic along the shores of the lake.

**Town Center Drive**

Town Center Drive includes many principles of new urbanism featuring a pedestrian friendly corridor with access to a wide range of uses. Multiple residential housing types combined with commercial office, retail, restaurant, recreation and entertainment are located within a quarter mile of each other and create a live, work and play environment.

Also situated on Town Center Drive is the Hyatt Regency Valencia and Santa Clarita Conference Center. The Santa Clarita Conference Center, which includes a 6,000 square-foot Grand Ballroom, is the largest meeting facility in the Santa Clarita Valley. Adaptable to any size meeting, the Grand Ballroom divides into five separate function spaces for simultaneous events. The hotel also offers an Executive Board Room and ample outdoor gardens for luncheons, receptions and weddings.

The arts, recreation, and distinctive attractions and events continue to fuel California’s tourism industry. Santa Clarita’s tourism industry is no different. The City of Santa Clarita, in coordination with the identified community groups, must continue to attract the high-caliber of amenities, attractions, and offerings visitors expect from a world-class destination. The City of Santa Clarita should be discriminating when considering tourism businesses, attractions, and
events and should develop a consistent method and procedure for review of new offerings. This should include an event and attraction advisory committee and application and review process for special events and privately funded events looking for funding and City support.

For example, the City of Santa Clarita must look at whether the event or attraction is new, whether the concept is in line with the City’s policy of embracing outdoor recreation, sport-tourism, family-friendly events, the quintessential California lifestyle Santa Clarita embodies, and whether it reinforces Santa Clarita’s goals of making the community an ideal place to work, live, and play. Events meeting criteria in the past include the Amgen Tour of California, AT&T Champions Classic, Bella Via, and the Loose Goose Wine Festival. Attractions and business includes Six Flags, Westfield Valencia Town Center, Mountasia Family Fun Center and Saugus Speedway.

X. SUMMARY OF ECONOMIC DEVELOPMENT PLANNING ISSUES

Based on existing conditions and projected growth as described throughout this document, the major economic development strategies are summarized below.

1. Engage in activities that will establish an appropriate jobs/housing balance.

2. Attract and promote businesses that provide high-quality, high-paying jobs for local residents.

3. Target the four main industry clusters currently identified and, as needed, refine the process to support these industries.

4. Develop and participate in programs that assist local businesses thrive, such as the Enterprise Zone, Recycling Market Development Zone, and Use Tax Incentive Program.

5. Build an economic base for all communities through increased sales tax generation.

6. Continue collaborative relationships with key economic development agencies.

7. Partner with local education institutions, employers, and others to evaluate the workforce training needs and provide timely opportunities for development of the local workforce.

8. Develop economic wealth by attracting external monies to Santa Clarita.

9. Provide a wide range of retail, entertainment, and cultural opportunities to serve residents and visitors throughout Santa Clarita.

10. Attract and support cultural and sports-related events that attract large audiences from regional and national markets and promote Santa Clarita as a tourist destination.