

# EDJ

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## Riding the Waves of the Economic Storm

*By Jason Crawford*

### HOW ONE SOUTHERN CALIFORNIA CITY PULLED TOGETHER ITS RESOURCES TO BUILD A STRONG FOUNDATION FOR RECOVERY

Over the last few years cities and communities across the nation were faced with some of the most challenging times to date as a result of the Great Recession. Business owners were forced to close their doors and lay off employees, residents defaulted on mortgages at alarming rates, and services were strained as leaders looked at ways to help the people through these tough economic times. The city of Santa Clarita, in Los Angeles County, realized a new approach created by and targeted to the local level was critical to weathering the economic storm. This is Santa Clarita's story of trial, innovation, and ultimately – success.

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# riding the waves

## OF THE ECONOMIC STORM

By Jason Crawford

Between 2007 and 2009, the national economy lost 8.4 million jobs and more than 5.1 million homes faced foreclosure proceedings. Viewed by experts as the most severe economic climate since World War II, the Great Recession had an effect that reached far beyond the boardrooms of Wall Street, to every community.

While prudent fiscal planning by the city of Santa Clarita (CA) City Council lessened the effect of the global economic slowdown on our community, the city was not immune to the hardships of the current recession. Fourth quarter 2008 sales tax numbers were 15 percent below same quarter comparisons and among the lowest in the city's then 21-year history. In addition, the economic crisis had also affected many local businesses and residents. The office, retail, and industrial vacancy rates were near 30 percent, sales taxes were down almost 20 percent, and the unemployment rate had nearly tripled at a high of 8.2 percent.

To help combat the U.S. crisis, the federal government approved a \$787 billion stimulus package in 2009, allocating \$185 billion in spending to stimulate the economy and create an estimated one to two million jobs. The immediate effect that these programs would have on local communities was questionable. Even as the timeframe for the Great Recession technically ended, the after effects of the economic depression led to a "New Normal," as staggering long-term unemployment, falling home prices, and countless business closures became the norm.



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The city of Santa Clarita cross-markets two valuable tax savings programs for businesses with its Enterprise Zone and Work-Source Center. Additional funding allocated in the 21-Point Business Plan for Progress allowed the city to create new ads, which appeared in local and regional papers and business journals.

The Santa Clarita City Council wanted to make sure the local small business owner was not forgotten. It was apparent that the city had to implement innovative, broad-reaching economic development programs to strengthen the local economy for both the short- and long-term. Even as the Great Reces-

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Over the last few years cities and communities across the nation were faced with some of the most challenging times to date as a result of the Great Recession. Business owners were forced to close their doors and lay off employees, residents defaulted on mortgages at alarming rates, and services were strained as leaders looked at ways to help the people through these tough economic times. The city of Santa Clarita, in Los Angeles County, realized a new approach created by and targeted to the local level was critical to weathering the economic storm. This is Santa Clarita's story of trial, innovation, and ultimately – success.

sion took shape and the national economy continued to struggle, the city sought to weather the storm and position the community for a successful recovery.

Founded in 1987, Santa Clarita is Los Angeles County's largest geographic city at 54 square miles and one of the county's fastest growing communities in terms of population. It is home to more than 180,000 residents and 6,000 businesses and is conveniently located minutes from Burbank's Bob Hope Airport. Primary industries include aerospace, biomedical, manufacturing, and film/entertainment. These companies have come to appreciate the city's business friendly approach and non-bureaucratic government structure. The city's approach to doing business dictated the development of the 21-Point Business Plan for Progress. The program was created with businesses and the community at large in mind, and the entire city staff was committed to bringing about positive change in Santa Clarita.

### THE 21-POINT BUSINESS PLAN FOR PROGRESS

In spring 2009, staff from various divisions met for an intense brainstorming session at an off-site corporate conference room to examine the issues facing local businesses and identify possible solutions. The group, which included the city manager, assistant city manager, all department heads, and the top-level staff from the Economic Development and Marketing Division, was

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charged with developing programming to support and renew economic prosperity and confidence in Santa Clarita.

The day-long brainstorming was reminiscent of a private sector boardroom session behind closed doors with white boards, easels, paper, markers, and food. No idea or thought was off limits and every attendee was charged with sharing programmatic concepts, innovations, and ideas for improvement. Only 21 of the 100+ concepts and programs made it through a second and third round of executive-level evaluation. But these 21 programs, both new and existing but with modifications, were selected as the most effective in the city's efforts to enhance local business partnerships, encourage quality job creation, bolster retail spending, and attract external dollars to the community.

In the plan's initial stages, the city spent a significant amount of time identifying the needs of the local business community and researching opportunities to apply

The 21 different initiatives identified in the plan included both existing and new programs aimed at assisting local businesses during one of the toughest economic recessions in history. Many of the programs were not well known by the local business community while others were created to spur economic development in a time when it was most needed.

for state and federal grant funding. To stay competitive among Southern California business communities, Santa Clarita partnered with the Chamber of Commerce, College of the Canyons, and other local economic development-minded organizations to increase support of business programs and determine and define services for small business owners.

This comprehensive plan came to be known as the *21-Point Business Plan for Progress*, which included results-driven initiatives to stimulate the economy at the local level. The plan included an \$18 million budget comprised of a combination of funding sources including city general fund dollars, state and federal grant programs, local specifically dedicated funding streams such as landscape maintenance districts, redevelopment dollars, and federal stimulus funds. It had an aggressive timeline of deliverable results within the first few months from roll-out.

The plan provided on-the-ground assistance for Santa Clarita businesses that combined tax savings, permit assistance, federal grants, small business training, and more to assist in the retention and attraction of a diversified economic tax base. The city also capitalized on its successes by further strengthening the momentum in existing programs such as film and tourism.

The plan addressed immediate critical issues and identified programs for future sustainability. By focusing on *job creation* and *business development*, the economic stimulus the plan generated would in turn create the gainfully employed residents who are the consumers frequenting Santa Clarita's local retailers, restaurants, and auto dealers.

On April 28, 2009, the City Council unanimously approved the 21-Point Business Plan for Progress. The 21 different initiatives identified in the plan included both existing and new programs aimed at assisting local businesses during one of the toughest economic recessions in history. Many of the programs were not well known by the local business community while others were created to spur economic development in a time when it was most needed.

To date, the Santa Clarita Enterprise Zone has resulted in 562 people hired into new jobs, 3,135 people hired into existing jobs, and a savings of \$117 million to more than 256 local companies within the city.

The following is a detailed list of Santa Clarita's 21 initiatives, including highlights of the plan in action for some of the initiatives.

### 1. Increase Awareness of the Santa Clarita Enterprise Zone and Expand Program

The Enterprise Zone is a critical state-initiated tax savings program designed to stimulate the economy and return valuable dollars to local businesses. This campaign included increased marketing and direct outreach to local businesses as a way to help thousands of companies understand the potential tax savings available just by doing business in the city. Prior to the 21-Point Plan, less than five percent of eligible businesses took advantage of the hiring credits available through the Enterprise Zone. However, with a \$50,000 increase in marketing funds for outreach and to generate awareness of the program and its benefits, the city expected this number to increase substantially.

The marketing campaign included everything from an updated web site, street pole banners, and printed materials to person-to-person outreach. Initially the Economic Development Division began with phone outreach, but after evaluation determined this was not the best way to get in front of local business owners.

The city adjusted its strategy, paired up teams comprised of city staff from different departments, and hit the streets for face-to-face meetings. These meetings were instrumental in helping the Economic Development Division address the concerns and needs of small, medium, and large businesses. As a result, the city and Los Angeles County teamed up to draft a joint application for a replacement Enterprise Zone that would include business parks and areas in unincorporated LA County, which were part of the Santa Clarita Valley. These business owners expressed the need for an expanded zone as a means of being able to keep business not only in the Santa Clarita area but also in California.

#### **City-County Enterprise Zone Expansion Efforts**

"The City of Santa Clarita's involvement in the Enterprise Zone program was a primary driver for our family's decision to move our business to Santa Clarita."

— Greg Waugh - president, Pacific Lock

The city, Los Angeles County, and Santa Clarita Valley Economic Development Corporation (which was formed as part of the 21-Point Business Plan for Progress and will be discussed later) partnered to expand the Santa Clarita Enterprise Zone beyond city borders to benefit the businesses in the unincorporated area of the community. The city provided staff, expertise, and experience to the partnership to ensure that the expansion application was successful. To date, the Santa Clarita Enterprise Zone has resulted in 562 people hired into new jobs, 3,135 people hired into existing jobs, and a savings of \$117 million to more than 256 local companies within the city.

### 2. Promote the Recycling Market Development Zones (RMDZ) Among Businesses

The city is one of 40 Recycling Market Development Zones in California. The zones are designed to encourage the use of recycled materials in product manufacturing, while encouraging reduction of waste from manufacturing. Qualifying businesses are eligible for low interest loans, financial assistance referrals, and waste exchange. The plan proposed developing new marketing materials for outreach to eligible businesses and another program offered in Santa Clarita saving qualified businesses money.

### 3. Market Santa Clarita with the Think Santa Clarita Valley and Think Santa Clarita Programs

These programs were designed to promote "Thinking Santa Clarita First" on both the local and regional level. The "Think Santa Clarita Valley" campaign, which targeted the local consumer and Business2Business (companies serving other companies or doing business direct with other companies, versus consumers) audience, had a total budget of \$50,000 and was developed to encourage people to think local when shopping, soliciting services, hiring employees, etc. The rationale behind the campaign was that keeping sales tax dollars and workforce dollars close to home was a reinvestment in the community.



The city's Think Santa Clarita bus wrap stopped traffic upon its debut in early 2010. The bus touted Santa Clarita's "Most Business Friendly City in Los Angeles County" title, as bestowed by the Los Angeles Economic Development Corporation. The "Think Santa Clarita" bus serves four commuter routes to business parks in Los Angeles and remains in use today, demonstrating the longevity of this marketing piece.



The “Think Santa Clarita” campaign, with a total budget of \$200,000, focused on developing a business brand identity for Santa Clarita in the regional Los Angeles market as a way to attract external dollars to the area and encourage business relocation. The campaign consisted of targeted direct mail and cable TV ads, banners, commuter bus ads, and outreach to and through local businesses. The greater Los Angeles outreach promoted Santa Clarita as *the* place to shop, locate a business, and live as a way to import sales tax revenue and attract businesses that may not know of the city’s low tax environment. The aim of the outreach also was to attract homebuyers with higher incomes who may not know of the excellent schools, parks, commuter services, quality of life, etc. readily available in the city.

#### ***Santa Clarita’s Business Identity Reaches New Heights***

The city launched a business attraction campaign designed to raise awareness about Santa Clarita as “LA County’s Most Business Friendly City.” As part of this campaign, the city secured a feature on Santa Clarita in the October 2010 issue of Southwest Airlines in-flight magazine, *Spirit Magazine*. The 16-page “Meet Me in Santa Clarita” feature was an overwhelming success, reaching more than 8.5 million business and leisure travelers. In addition, the city garnered visibility in the *Los Angeles Times*, *Los Angeles Business Journal*, *San Fernando Valley Business Journal*, and *PM Magazine*.

In addition to external media placement, the city created *The Santa Clarita Business Minute*, a video campaign designed to promote the city’s business friendly practices to Los Angeles regional CEOs, CFOs, and other decision makers. The campaign extends the reach of business retention and attraction efforts by visually demonstrating why companies choose Santa Clarita as the place to do business through testimonials from successful local companies. Princess Cruises, Intertex, Advanced Bionics, and the hit television show “NCIS” have all been featured in the campaign.

#### **4. Develop a Film Incentive Program to Promote Filming in Santa Clarita**

This program, with a budget of \$150,000, incentivized increased film production by subsidizing permit fees for productions that based in Santa Clarita and hired locally based crew, while providing staff with direction to explore opportunities to reduce costs of safety personnel, including fire and sheriff. The program also provided a rebate of half of the Transient Occupancy Tax generated from film-related hotel stays (or five percent) for up to \$50,000 throughout the fiscal year. These benefits were available to productions based in Santa Clarita, creating a demand for additional stages and support businesses, while also increasing local jobs for industry workers and sales tax generation.

Further, this program sought to capitalize on the momentum created in increasing film activity and was ideally timed with the state’s new tax incentive, designed to attract increased feature and television production.



*Santa Clarita-based “Switched at Birth,” an ABC Family television show, films on location at Newhall Park. The city’s Film Incentive Program provided the show with a \$3,300 film permit fee subsidization for filming in May and June 2011.*

#### ***Film Incentive Program***

“We felt that overall we could put a better show together in Santa Clarita than anywhere else. That took into account all aspects of the show, from casting and production to post production. Santa Clarita was the best location.”

— Bob Lemchen, senior VP of production on “The Riches,” Fox Television Studios

Already recognized as having the lowest film permit fee in the entertainment industry’s “30-Mile Zone,” the Film Incentive Program saved 21 productions a collective \$150,000 in film permit fees. This helped bring nearly \$20 million in economic benefit to Santa Clarita businesses as a result of location filming. Additionally, more than 20 California Film Incentive Program productions have filmed in the city.

#### ***Disney/ABC Studios @ The Ranch Project***

Further strengthening Santa Clarita’s position as the premier place to film in Southern California, Disney/ABC Studios announced a project titled Disney/ABC Studios at The Ranch. The multi-million dollar, multi-year project will bring a dozen soundstages and new production facilities, along with thousands of jobs and more than \$500 million annually in economic benefit to the community. The project is set to break ground in early 2012 and the city is already actively speaking to businesses looking to expand or relocate as a result.

## 5. Offer Redevelopment Grants to Small Business - Newhall Redevelopment Small Business Grants

This program allocated \$100,000 in redevelopment funds to provide 20 \$5,000 micro-grants to small businesses in the redevelopment project area. Grants were contingent upon several factors, including the successful completion of workshops produced by the Small Business Development Center. The free workshops were designed to give business owners additional tools and resources to succeed in a challenging marketplace. So many small businesses were hurting as a result of the economic downturn and this presented an opportunity to help one of Santa Clarita's business segments that was most in need.

### **Business Improvement Grants**

The city looked to further help local businesses with grant opportunities offered through the federal stimulus plan. Through this effort, the Newhall Small Business Grant, Energy Efficiency Grant, and others were developed to save businesses money and offer opportunities for business enhancements. To date, more than \$675,000 in grant funding has been awarded to local businesses for business improvements.



*Santa Clarita Councilmember Laurene Weste delivered a check for \$5,000 to Mr. and Mrs. Rodriguez, owners of Bubbles Laundromat, who plan to use their small business grant check to help expand their business. The Newhall Redevelopment Small Business Grant Program, a competitive grant process, helped 20 small businesses in the Newhall redevelopment area with funds to grow their business.*

## 6. Provide an Incentive for Retailers to Open in Santa Clarita

This program was developed in collaboration with area shopping centers including Westfield Valencia Town Center, Centre Pointe Business Park, and the Plaza at Golden Valley. The goal is to increase future sales tax generation by expediting and subsidizing tenant improvement permits for new tenants.



*In the midst of the recession, the city's Westfield Valencia Town Center opened a new outdoor shopping concept titled "The Patios" in November 2010. The 200,000-square-foot project brought scores of new retailers to the area and hundreds of new jobs, which provided a large boost to the local economy.*

### **Retail Expansion**

"It is no accident that Santa Clarita is one of the #1 places to do business in the entire country."

– Larry Green,  
senior vice president, Westfield

At a time when retailers in other parts of the state and across the nation have been closing locations, businesses are betting on the positive future of Santa Clarita. The Westfield Valencia Town Center welcomed 40 new retail stores with the *Shops at the Patios*, representing a \$130 million investment in Santa Clarita and an additional 700 jobs, according to representatives from Westfield. The project's success did not depend on the retail expansion funds. In fact, the \$100,000 allocated to this program was not spent, but rather re-allocated to the FY 10-11 budget for the Economic Development Division to continue with regional "Think Santa Clarita" marketing efforts for another year.

## 7. Streamline the City of Santa Clarita's Development Process for Businesses

The city recognized the need to make the development review process more business friendly. After all, once a company is interested in Santa Clarita, one of its first interactions with the city is with the permit process. Before developing a plan for this initiative, the city created a development process advisory group comprised of previous customers (developers, builders, planners, etc.) to provide input and perspective.

The goals identified by staff as a result of the advisory group meetings included:

- Streamlining Santa Clarita's development process;
- Implementing technology solutions to accept plans and permits electronically;
- Streamlining the permit processes;
- Deferring certain building fees for a year or longer to allow greater access to funds to build; and
- Formalizing a free, one-stop review for projects.

Specifically, the one-stop review provides for greater efficiency and cost savings for developers and makes Santa Clarita a more business-friendly city.

#### ***Streamlined Development Process***

City staff incorporated feedback from business, development, and community leaders to implement a more streamlined development process. This includes technology solutions to accept plans and permits electronically, as well as a one-stop Permit Center where customers can meet in one location with all city departments included in the permit process. Since its inception, the Permit Center has serviced over 12,250 customers. The city's electronic plans and permits have expedited the planning process for corporate users such as Advanced Bionics and Quallion; medical users such as the local hospital expansion; and new restaurants such as McDonald's, Taco Bell, and Chick-fil-A, along with numerous other businesses. Over 750 permits have been processed electronically.

#### ***Companies Relocate to Santa Clarita***

"Princess Cruises had very aggressive growth plans and chose to relocate its global headquarters to the City of Santa Clarita because it was a cost effective location with access to talented employees from surrounding areas."

— Jan Swartz, VP of sales, marketing and customer service, Princess Cruises

By listening to the needs of the business community and collaborating with business professionals and community partners, the city was able to create a comprehensive plan that has caught the attention of many businesses looking for a strong city in which to relocate. Santa Clarita is now home to Advanced Bionics, Quest Diagnostics, Ronan Engineering, and many other businesses that have since relocated here.

### **8. Create Incentives for Businesses Adding Jobs to the Local Economy**

This program offered subsidized permit fees to attract new business or existing businesses that were expanding, thus increasing the number of quality jobs in the city.

### **9. Make It Affordable for a Company to Become an Event Sponsor**

Lifestyle events are a key element in the community. It was important to continue encouraging event sponsorship while creating marketing value for local businesses. Tough times meant strategic thinking was imperative in order to keep existing event sponsors and solicit new partners. The solution included creating a multi-year sponsorship program that allowed immediately for minimal or zero spending by a sponsor with contracted future payments. For example, a local company could sponsor the summer concert series with a five-year agreement, paid only in the final four years of the agreement.

### **10. Re-Allocate Staff to Economic Development**

Santa Clarita, like so many cities across the country, experienced a slowdown of business in some departments as a result of the economic crisis, while others were busier than ever. The city used this opportunity to strategically reallocate staff from other divisions with reduced workloads to the Economic Development Division to implement programs identified in the 21-Point Business Plan for Progress, as well as ongoing programs.

### **11. Focus the Santa Clarita WorkSource Center**

Santa Clarita was long home to a WorkSource Center program, funded by the Workforce Investment Act. The national program was designed to connect job seekers and businesses to reduce unemployment while easing the workload of local employers. This program was part of the city's Community Services Program. However, as part of the 21-Point Plan, this function was moved to the Economic Development Division to perform a top-to-bottom makeover of the program and maximize its effects on the business community and unemployed residents. The program plan included alignment with the local college to create integrated job training and a job placement system, in addition to better promotion with the Enterprise Zone program.

#### ***Connecting Residents with Employment Resources***

One of the most successful partnerships has been with the Santa Clarita WorkSource Center, which the city decided to physically relocate to the College of the Canyon's (COC) University Center to better maximize the partnership. Since moving to COC, the WorkSource Center has assisted more than 15,000 job seekers with free resources, including skill and empowerment workshops. Additionally, the Center has seen great success at recruitment events with local businesses such as Westfield Valencia Town Center and Valley Produce Market, both of which resulted in more than 40 candidates offered employment at the events alone.

### **12. Maximize the Benefits of Santa Clarita's Business District Improvements**

Santa Clarita boasts several Landscape Maintenance Districts (special assessment areas where property owners have voted to approve paying additional fees that are dedicated to support maintenance and landscaping costs to enhance the area), which fund the median and landscaping of public areas throughout the community, but this program sought to maximize a project area that was funded by businesses, in an effort to make those businesses more successful.

The first phase of this project included way-finding median signage on major thoroughfares for the two largest sales tax generators – the Westfield Valencia Town Center mall and the Valencia Auto Center. The project also included streetscape beautification improvements to Auto Dealer Row to create a sense of place and encourage



consumer visits. Future phases are scheduled to include other high-traffic business areas throughout the city.

#### **Business Community Beautification**

The city partnered with the business community to provide enhancements to medians and streetscapes for Valencia Town Center and Valencia Auto Center businesses to create a sense of place, provide directional signage along the street, as well as encourage consumer visits. Aesthetic enhancements included the installation of new cross walks, a new cobblestone center lane, and updated landscaping and signage directing patrons to the city's two most heavily trafficked retail destinations.

#### **13. Expedite Spending of Stimulus Dollars – Infrastructure Projects Where Most Needed**

This program was designed to maximize the economic development impact from city-led infrastructure projects and publicize the impact to the community. The plan aggressively pursued and expeditiously spent stimulus dollars to maximize economic and job creation impact while improving infrastructure. Projects in this area included highway infrastructure and transit capital assistance, including bridge rehabilitation, traffic circulation, and expansion of commuter parking facilities.

#### **14. Expedite Spending of Stimulus Dollars – Non-Infrastructure Where Most Needed**

The city used these special funds to support businesses. This included maximizing the amount of stimulus dollars to fund projects, including the Department of Justice (COBRA – Career Offenders Burglary Robbery Apprehension grant, which is a team of deputies and a sergeant who investigate crimes by juveniles, while also tracking gang activity and crimes), Community Development Block Grants, energy efficiency and conservation, and neighborhood stabilization. Specifically, the Economic Development Division developed a program to

provide energy efficiency grants for a total of \$300,000 in funding. The grants allowed the city to provide additional money to businesses interested in energy efficiency updates such as solar panels, requiring a matching contribution from the company.

#### **15. Develop an Economic Development Corporation (EDC)**

This initiative tasked the city with partnering with the local Chamber of Commerce, Valley Industrial Association, College of the Canyons, and other agencies to explore the formation of an economic development corporation with the responsibility and direction to promote business in the Santa Clarita Valley. The EDC would function as a public-private partnership and be able to perform in ways that the city could not.

#### **16. Create an Incentive Structure for the City to Purchase Local**

The city believes it must practice what it preaches and prioritize purchasing from local companies. At the same time, the city is mandated to be a good steward of public monies and go through a transparent bidding process for purchases, with the goal of accepting the lowest bid for products and services. It found a way to do both, by allowing any local company that comes within 10 percent of the lowest bid from a non-local company to match that non-local company's bid. This ensures the city is still getting the lowest possible price, while also incentivizing that the purchase will be awarded to a local company. The city then promoted this incentive among its large-scale employers, encouraging them to create similar programs to support and reinforce the Think Santa Clarita Valley local marketing and B2B program.

#### **17. Develop a Hotel Business Improvement District (BID)**

Tourism is one of Santa Clarita's major industries and as such, the city and local organizations and businesses have worked diligently to develop a tourism brand, attract tourism related events, and support local tour-



As a result of building awareness of Santa Clarita's business brand, the city secured a 16-page feature in the October 2010 issue of Southwest Airlines in-flight magazine, Spirit Magazine. The "Meet Me in Santa Clarita" piece was an overwhelming success, reaching more than 8.5 million affluent business and leisure travelers nationwide.





ism businesses. The city worked with local hotel business owners to add an additional tax assessment of two percent, thereby increasing funds for marketing tourism. The small increase would match the tax level currently in Los Angeles County. Funds would be used to attract tourists and events, supporting the city's efforts to attract high economic impact events such as sports and cultural tourism.

### 18. Old Town Newhall Façade Program

This initiative created a façade improvement program for businesses in the city's Old Town Newhall neighborhood, where redevelopment efforts are currently underway. Specifically, it provided financial assistance in the form of grants and loans to assist small businesses in Old Town Newhall to support attraction, retention, and potential expansion.

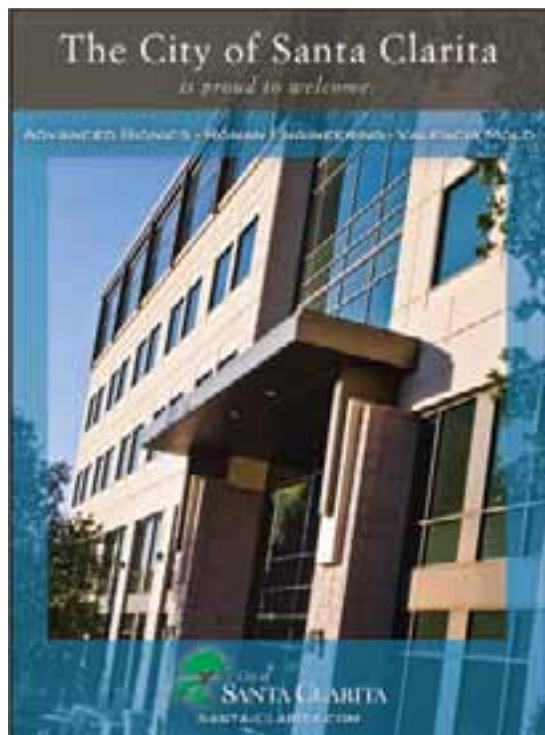
### 19. Expansion and Promotion of the City of Santa Clarita Use Tax Incentive for Business

This program was designed to incentivize business expansion and generate increased use tax revenue. This is accomplished by allowing any business that directs a use tax payment of more than \$20,000 to the city to allocate one-half of that payment to be used towards permit fees or as a rebate to the business. The city's Use Tax Incentive

Program *does not increase or create any new taxes*. Rather, it allows an alternate method of reporting use tax so that the local share is returned to the city.

By participating in the Use Tax Incentive Program, the use tax a business already pays will be allocated locally to the community, creating funds for parks, roads, and fire and sheriffs, instead of being distributed to other communities. The incentive for businesses to participate is the eligibility to receive a portion of any new net use tax received by the city rebated back to businesses in one of two ways: cash or credit.

Businesses that choose the cash option are eligible to receive a payment of 30 percent of any new net use tax received by the city as a result of that business's use tax purchases and participation in the program. The credit option comes in the form of a business expansion credit, whereby businesses can use those funds to offset the cost of expanding for fees such as planning entitlements or building and safety permits for projects approved in the city.



*The city is committed to fostering an environment where new and existing businesses thrive. As part of the 21-Point Business Plan for Progress, the Economic Development team worked to relocate several businesses (including Advanced Bionics which added more than 650 jobs) with expansion needs to the community. The featured ad ran in local and regional business journals, demonstrating the city's commitment to creating a business environment where companies are appreciated and welcome.*

#### Use Tax Incentives

"The Use Tax Incentive Program provided us the opportunity to save a significant amount of money in permit fees that we can then use to reinvest in our business and the community."

– Bill Barritt, chief financial officer,  
Aerospace Dynamics International

In addition to impacts on employment, the 21-Point Business Plan for Progress expanded the local tax base as a result of the creation of the Use Tax Incentive for Business Expansion Program. The credits generated to date for one local company are in excess of \$200,000, split 50/50 between the city (new revenue) and the business (rebate program). The program is truly a win-win for the city and the business community.

### 20. Neighborhood Stabilization Program (NSP)

This program allows the city to help eliminate blight and reinvigorate and stabilize affected neighborhoods. The city aggressively went after additional NSP funds to be used to redevelop demolished, blighted, and vacant properties.

### 21. Development of the One Valley One Vision – Economic Development Element

The city has collaborated with Los Angeles County in an effort to create a development plan with common goals and initiatives to ensure continuity of development throughout the Santa Clarita Valley. This program tasked the Economic Development and Community Development Divisions with drafting an entirely separate standalone element focusing on economic development for the city's general growth plan, creating long-term sustainability for the quality of life and economic stability of Santa Clarita. The element specifically discusses the need for development of Class A office space, extends building

height maximums, and encourages increased density in non-residential development. It provides clear direction to staff and future Planning Commissions and City Councils on the importance of creating a jobs-housing balance supporting the attraction of new, bigger companies to Santa Clarita.

## THE POWER OF LOCAL GOVERNMENT AND PARTNERSHIPS

The 21-Point Business Plan for Progress is a testament to the power of local government and partnerships. Jobs were created, programs were enhanced, and businesses moved to Santa Clarita as a result of the programs. And in addition to tangible successes, so many in the community will attest to the fact that the plan was a critical part of Santa Clarita's weathering the economic crisis because it provided a central focus and vision for the entire business community. The message was clear: the city and its businesses will get through the recession and we will be in a better position for success later as a result of our efforts now.

Not every program was a home run, but so many exceeded expectations. And throughout the process, the city accepted feedback, made adjustments to programs where possible to ensure they were meeting the needs of the target market, and looked at ways to improve and enhance the overall business climate.

Since July 2009, the 21-Point Plan has positively impacted the local economy by:

- Attracting 650+ new jobs;
- Generating more than \$117 million in tax savings for local businesses through the Santa Clarita Enterprise Zone;

- Assisting more than 15,000 job seekers with free job-prep resources, including skill and empowerment workshops at the Santa Clarita WorkSource Center;
- Awarding more than \$675,000 in grant funding to local companies for business improvements;
- Streamlining the development process, resulting in more efficient services;
- Branding Santa Clarita as a great place to do business to the Los Angeles market; and
- Bringing nearly \$20 million in economic benefit to Santa Clarita businesses as a result of location filming.

The 21-Point Business Plan for Progress highlights the significant impact that can be made on the economy by localized economic development. Implementing these programs now, while strengthening the economic base for the future, enables Santa Clarita to meet today's needs and positions the city to succeed as the economy recovers.

In retrospect, the city would implement the same strategy today. What this program demonstrated was that every community must develop programs and policies to support business and then take action. After all, the goal of any economic program, in good and challenging times, is to help companies of all sizes succeed. So take the time to speak with business owners and understand their challenges. Once you understand where they are at, you can create programs that address their needs. There is and will never be "one" ideal solution to economic recovery. However, the one universal principle the city of Santa Clarita can share is "action" speaks volumes to business owners, demonstrating a genuine investment in them and the community. 🌐



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