

# South Bay Cities Economic Development Roundtable

## Meeting Notes

Thursday, December 20, 2012

Attendees: Fran Fulton (Torrance), Ted Shove (El Segundo), Yvonne Mallory (Gardena), Barry Waite (Carson), Steve Napolitano (LA County), John Parsons (SBWIB), Barbara Voss (LAEDC), James (Jim) Watson and Cheryl Slobodian (CMTC), Jacki Bacharach & Wally Siembab (SBCCOG)

### I. October 25 meeting notes – Receive and File

Reminder of Next Steps from last meeting:

- All cities that have marketing logos are asked to send them to Jacki along with a calendar of your city's special events so that we can consider making a special event calendar for the South Bay. **ONLY HERMOSA BEACH & GARDENA HAVE SENT THEIRS SO FAR.**
- Also we asked for the names and dates of any trade shows that we should be aware of as a group so that we can consider where our presence would be the most beneficial. REDONDO BEACH CHAMBER HAS AN INTERNATIONAL TRADE COMMITTEE. BRONWEN WANTS 10 BUSINESSES TO GO TO HONG KONG NEXT MONTH FOR A TRADE SHOW. COST OF AIRFARE IS THE ONLY COST. JANUARY 14-17, 2013. THEY UNDERWRITE THE ROOM AND OTHER EXPENSES. **SEND OUT TO THE GROUP – sent 12/21/12**

### II. Manufacturing and Jobs in the South Bay

Guest Speakers - James (Jim) Watson, CEO/President and Cheryl Slobodian, Director of Operations , FIELD STAFF OF 40 FOR SOUTHERN CALIFORNIA COUNTIES (FRESNO TO BORDER) - California Manufacturing Technology Consulting will to provide an overview of the manufacturing industry in the South Bay, current barriers and strategies for how best to attract/retain/grow this cluster in the South Bay. LAEDC WORKS CLOSELY WITH CMTC – SHARED REFERRALS, ETC. WATSON SPOKE – SOUTH BAY RESIDENT. 20 YEARS IN MANUFACTURING. NON-PROFIT CONSULTING ORG. SERVE OVER 600 MANUFACTURERS PER YEAR. FEDERALLY FUNDED. ENERGY EFFICIENCY WORK FOR MANUFACTURERS WORKING WITH SCE AND SCG. WORKING WITH THEM TO SUSTAIN THE SAVINGS. WANT TO GROW BUSINESSES. COMPETITION IS DOMESTIC AND INTERNATIONAL. NEED STRATEGIES FOR GROWTH, SALES AND MARKETING. THAT ISN'T THEIR COMPETENCY. STEEP DECLINE IN MANUFACTURING IN CALIFORNIA. 2000-2004 – MOSTLY LAYOFFS. WENT OVER A CLIFF IN 2009 – MOSTLY GOING OUT OF BUSINESS (40,000 TO 29,000), ALSO DOWNSIZING AND LEAVING THE STATE. 627,000 LESS EMPLOYEES NOW FROM 2001. SHUTTING DOWN – PRIMARILY BECAUSE THEY LOST THEIR CUSTOMER – SUPPLY CHAINS MOVED WITH THE CUSTOMERS. THEY WORK WITH THEM ON FUTURE STRATEGIES.

SANTA CLARA AND SAN JOSE ARE NOW GROWING. INVENTING, MAKING, INNOVATING IN THE NORTH. NO RECOVERY IN LA COUNTY. LA COUNTY IS 35-40% OF THE STATE.

44,000 MANUFACTURERS IN THE STATE – STILL MORE THAN ANY OTHER STATE. 8.9% OF STATE'S WORKFORCE. \$64,000 AVERAGE SALARY. MULTIPLIER EFFECT – 4-7 ADDITIONAL NON-MANUFACTURING JOBS.

SALES AND MARKETING IS TACTICAL SHORT TERM APPROACH TO GROWTH. WON'T SUSTAIN US.

SOUTH BAY – 3300 MANUFACTURERS. 90% LESS THAN \$5 MILLION IN ANNUAL SALES. 51% IN TORRANCE, GARDENA, AND CARSON. 3% EXPORTING. TOP 3 INDUSTRIES – MACHINE SHOPS, BAKERY PRODUCTS AND TEXTILE.

MALLORY – MANUFACTURERS USING ANTIQUATED SYSTEMS. SOME DON'T EVEN HAVE WEBSITES.

MANUFACTURERS HERE BECAUSE OF THE CALIFORNIA QUALITY OF LIFE. VERY DIFFICULT TO RELOCATE – NEED MAJOR INCENTIVE TO MAKE IT WORK. AB 32 DOESN'T IMPACT SMALL MANUFACTURERS.

NEED TO GIVE THEM A REASON TO STAY AND GROW. THEY ARE HARD TO FIND AND ENGAGE AND TAKES A LONG TIME. STAY IN CONTACT. THERE IS ASSISTANCE BUT IS NOT COORDINATED. LOTS OF HAND HOLDING NEEDED. TO ENGAGE - THEIR HEAD IS DOWN – REACTIVE, NOT PROACTIVE. DON'T KNOW WHAT THEY DON'T KNOW. CMTc SMALL MANUFACTURERS ADVANTAGED PROGRAM (SMA) ASSESSES PROBLEMS AND PROVIDES AREAS OF IMPROVEMENT AT NO CHARGE. THEY ALSO DETERMINE IF THE ORGANIZATION IS INTERESTED IN GETTING BETTER.

NEEDS NOW AND IN THE FUTURE. #1 PROBLEM NOW IS PROBLEM SOLVING.

CMTc NEWSLETTER GOES OUT TO 11,000.

WAITE VISITED 400 BUSINESSES LAST YEAR AND ONLY 20 THIS YEAR. LOSS OF RDA.

NEED CASE MANAGER TO HOLD HANDS.

NEED BRIDGE FROM UNIVERSITY INNOVATION TO BUSINESS CREATION. MANUFACTURING IS NOT PERCEIVED AS BEING SEXY IN THE FIRST PLACE AND YET IT'S EXTREMELY IMPORTANT.

CMTc CAN GET TO KNOW THE CITIES' MANUFACTURERS – THEY CAN DO OUTREACH AND WILL MEET WITH THEM AND DO FOLLOW-UPS. THEY WILL REPORT TO CITIES. THEY CALL BACK WITHIN 12 MONTHS. SMA PROGRAM.

EL CAMINO IS PLANNING LEADERSHIP AND CONFLICT RESOLUTION TRAINING – WATSON WILL FOLLOW-UP.

CARSON HELD WORKSHOP WITH CMTC A WORK AGO. WAITE NEEDS TO GET A REPORT ON THE FOLLOW-UP. **HE REQUESTED IT.**

SIEMBAB – EVS. HOW TO GET INTO THIS EMERGING INDUSTRIES.

RE-SHORING INITIATIVE – BRINGING COMPANIES BACK TO US. SHOWING THEM THAT IT IS CHEAPER HERE. COST OF LABOR WILL MAKE 2015 US COMPETITIVE.

VIDEO CONFERENCING HERE FOR MEETINGS. EASIER TO BRING INFO TO THEM.

THEY WILL SEND ME A BREAKDOWN BY CITIES AND INFO ON THE SMA PROGRAM.

### III. Business Friendly Survey Results/Economic Development Best Practices

Barbara Voss will also review the status of our business friendly city survey and how it can be meaningful to identifying best practices and issues for further review

ECONOMIC DEVELOPMENT RESTAURANTS VISITS BY CITIES – **COORDINATE WITH CASH FOR KITCHENS**

GET LIST OF FOREIGN LANGUAGES THAT WE RUN INTO.

NAPOLITANO – ADD COMPARISON OF TURNAROUND TIMES FOR PERMITS.

NEXT AGENDA – MORE DISCUSSION

### IV. Update on ICSC Conference South Bay Exhibit

next year's ICSC conference in San Diego. Barry got a 20x30 space because others have expressed an interest in joining us and we all recognized we brought too much stuff! Specifically, the Gateway Cities would like to join us as well, which both cuts the individual cost and significantly raises our profile. I put in for an area right in the middle. ICSC has expressed an interest in working with us.

### V. Update on SBCCOG Initiatives

### VI. Master Calendar & Content of Future Meetings

REDONDO BEACH – 9 SESSION COURSE ON HOW TO DO INTERNATIONAL TRADE COMING UP. STARTS IN MID JANUARY. HARD TO GET PEOPLE TO GO TO COURSES INSTEAD OF BRINGING TO THEM.

### VII. Next Steps & Setting Next Meeting Date

JANUARY 17 - @ 2:30 PM