

***ECONOMIC DEVELOPMENT
ELEMENT***



***City of Lomita
General Plan***

INTRODUCTION TO THE ECONOMIC DEVELOPMENT ELEMENT

The City of Lomita functions much like a private business - managing resources and funding activities to meet the needs of its customers. To guide and manage services, successful businesses prepare and adhere to a business plan. Similarly, the City of Lomita will manage its economic development effort with a business plan, consisting of a mission statement, general implementation actions, and specific goals for targeted areas.

The Economic Development Element serves as a long range guide for City's economic development. The Element identifies those areas of the City that have been targeted for economic redevelopment, revitalization, and rehabilitation. This Element provided the framework for strategic planning in the City

Relationship to the General Plan

The Economic Development Element serves as a strategic plan for the City's economic revitalization and establishes relevant policies. The Element, is not mandated by the State for inclusion into the General Plan. However, once adopted, the Element has the same force of law as the other mandatory General Plan Elements.

Policies included in the Economic Development Element reflect the policies contained within the other General Plan Elements. The Land Use and Housing Elements indicate the location and extent of development in the City. The Circulation Element provides for the development of a transportation network that will support the ultimate land uses under the Land Use Plan. The Safety Element identifies hazards that need to be considered in land use planning for the City. The noise contours in the Noise Element is used as a guide to establish the land use patterns in the Land Use Element to ensure that future

development minimizes exposure of community residents to excessive noise. The Economic Development Element consists of the following sections:

- ❑ The *Introduction to the Economic Development Element* provides an overview of the Element's scope and content.
- ❑ The *Economic Development Policies* articulates City policies related to economic development.
- ❑ *Economic Development Plan* identifies those areas of the City targeted for economic development strategies.
- ❑ *Background for Planning* describes existing conditions in the City relative to economic development.

ECONOMIC DEVELOPMENT ELEMENT POLICIES

The mission statement for the City's economic development effort is as follows:

The mission of the economic development effort is to actively support the development and expansion of existing businesses, and to proactively recruit quality revenue-generating uses that diversify and expand the City's economic base, offer a variety of products and services, increase employment opportunities, enhance fiscal resources, preserve and enhance Lomita's unique historic appeal, and contribute to the quality of life for Lomita residents.

The City's "Mission" will be realized through the implementation of the policies and programs contained in the Economic Development Element. The following policies related to economic development were developed to support the aforementioned objectives.

Economic Development Policy 1

The City will promote and support revitalization within the City's commercial districts.

Economic Development Policy 2

The City will continue to encourage the development of prosperous tourist, commercial, and entertainment uses along Pacific Coast Highway.

Economic Development Policy 3

The City will promote the improvement and revitalization of existing commercial areas and neighborhood shopping centers.

Economic Development Policy 4

The City will encourage a balance of land uses within Lomita to meet the needs of residents and visitors.

Economic Development Policy 5

The City will encourage a diversity of land uses and businesses within the City's commercial districts.

Economic Development Policy 6

The City will oversee maintenance or expansion of the infrastructure to keep pace with the development envisioned under the Land Use Plan.

Economic Development Policy 7

The City will work to develop strategies to reduce infrastructure costs for future development within the City's commercial districts as a means to stimulate economic development.

Economic Development Policy 8

The City will strive to attract destination-oriented businesses that will stimulate commercial activity and investments in the community.

ECONOMIC DEVELOPMENT PLAN

Implementation Programs

Listed below is a list of actions to guide the overall

implementation efforts. These programs address resource and staffing commitments, use of City assets, and refinement of City processes. These actions will guide City implementation efforts.

Financial Resources Commitment

The City will annually dedicate funds to support economic development and infrastructure improvement activities.

Economic Development Team

The City will form a team which will be responsible for: (1) working with local businesses to assist, where feasible, with their expansion needs, (2) actively recruiting developers/users to locate in Lomita, (3) coordinating City economic development efforts, and (4) working with City staff to continually upgrade the City's community development, engineering and building inspection services.

Business Retention/Expansion

The strike team will work with the Lomita Chamber of Commerce to identify and facilitate business development and expansion opportunities involving existing Lomita businesses.

Economic Base Diversification

Emphasis will be placed on pursuing opportunities that will dynamically diversify Lomita's economic base beyond local-serving retail uses.

Environmental Compatibility

In order to protect and enhance Lomita's unique architectural character, all new development projects will be reviewed with added emphasis on their compatibility with their environmental setting to insure preservation of Lomita's historic image.

Street scape Improvements

Future improvements to Street scape and medians for all major arterials, particularly Lomita Boulevard and Pacific Coast Highway, will be designed to impart a sense of place, a feeling unique only to Lomita so that residents and visitors will experience a sense of arriving at a special destination when traveling to or through Lomita.

Prepare New and Update Existing Information Documents

On an ongoing basis, City staff will prepare new,

and update existing, promotional and community information documents for circulation to potential users and developers.

Target Area Goals and Programs

The City will target its economic development efforts in the following three primary commercial areas

- ☐ Downtown Lomita, near intersection of Lomita Boulevard and Narbonne Avenue;
- ☐ Pacific Coast Highway Corridor; and
- ☐ East Lomita Boulevard, between Eshelman Avenue and Walnut Street.

Efforts in these target areas are designed to focus City resources on:

- ☐ Working with property owners, business owners, and developers to assist them in realizing their development objectives consistent with this Economic Development Element,
- ☐ Constructing and/or improving street and drainage infrastructure to facilitate rehabilitation and redevelopment, and
- ☐ Capturing the projected demand for retail and office commercial uses during the next five years.

The challenge when pursuing implementation activities will be to balance limited City resources with the significant investment needs, and, the design needs of developers/users with the architectural and environmental compatibility desires of the community.

Downtown Lomita

Demonstration Rehabilitation Program:

- ☐ Interview property owners, tenants, and City leaders to ascertain desired results of rehabilitation activities in the Downtown.
- ☐ Conduct survey of the Downtown to inventory existing building areas, parking constraints,

infrastructure needs, and surface potential rehabilitation and redevelopment activities.

- ☐ Identify specific public improvement needs, infrastructure deficiencies, and potential parking lots in the Downtown area.
- ☐ Select a specific block to focus initial rehabilitation efforts.
- ☐ Identify funding resources available to fund rehabilitation activities.
- ☐ Prepare and adopt Rehabilitation Program Guidelines for the Downtown area.

Planning Activities:

- ☐ Prepare Design Guidelines that will establish parameters within which development and rehabilitation activities will be promoted.
- ☐ Prepare a Downtown Specific Plan to establish special development standards, including provisions for off-street parking, landscaping and signage requirements, outdoor seating and display requirements to the extent desired for Downtown.
- ☐ Amend zoning ordinance to prohibit Institutional uses within the "downtown" area.

Promotional Activities:

- ☐ Develop list of desired users for Downtown properties.
- ☐ Formulate and implement a marketing program specific to the Downtown to solicit property owner and developer interest in development and rehabilitation activities.

Pacific Coast Highway

Planning Activities:

- ☐ Conduct vision workshop for Pacific Coast Highway corridor with City Council, community leaders, businesses, property owners, and residents to ascertain desired uses and design qualities.

- ☐ Select a specific block to focus initial rehabilitation/redevelopment effort.
- ☐ Conduct survey of the demonstration block to inventory existing building areas, parking constraints, infrastructure needs, and surface potential rehabilitation and redevelopment activities.
- ☐ Determine available City resources to facilitate rehabilitation or redevelopment.
- ☐ Evaluate rehabilitation potential of demonstration block.
- ☐ Prepare and implement a strategy for the rehabilitation/redevelopment of the demonstration block.

Promotional Activities:

- ☐ Identify desired users and solicit user interest for the rehabilitation potential of the demonstration block.

East Lomita Boulevard

Planning Activities:

- ☐ Focus automotive service and parts uses in this area while providing adequate buffered and screened areas for vehicle and equipment storage.

Promotional Activities:

- ☐ Work with property owners of vacant lot on north side of Lomita Boulevard and east of Eshelman Avenue to facilitate development of these infill lots.

**BACKGROUND FOR
PLANNING**

The City of Lomita is located in the South Bay area of Los Angeles County. The City is surrounded by the City of Torrance to the west and north, the City of Los Angeles to the east, and the Cities of

Rancho Palos Verdes and Rolling Hills Estates to the south. The City's commercial districts are located along the City's five primary arterials: Crenshaw Boulevard, Lomita Boulevard, Narbonne Avenue, Pacific Coast Highway, and Western Avenue; these commercial areas are built out and feature a varied mix of retail, light industrial, office, public, and residential uses.

The Lomita market area includes the City and the surrounding areas. For neighborhood retail and service commercial uses, the market area encompasses the areas within 3 miles of the City. For regional retail uses, the market area is larger - 5 miles for mid size shopping centers, and 10 miles for auto dealerships and large shopping centers. Both the 3 and 5 mile areas generally incorporate the South Bay. The 10 mile area extends to portions of El Segundo, Hawthorne, south central Los Angeles, and Long Beach.

Demographics

Table 8-1 presents a statistical profile of these different population groups. Like much of the greater South Bay area, the City's population has remained relatively stable for the past 15 years because the area is generally built out. According to the State Department of Finance's population estimates for January 1996, Lomita has approximately 20,100 residents. The City's population constitutes approximately 4.9% of the 406,074 residents within a 5 mile area surrounding the City. According to the Southern California Association of Governments (SCAG) projections, population in the City and the South Bay will not increase dramatically over the next ten years. The City's population is expected to increase by 0.97% annually to 22,041 by the year 2006, while the greater South Bay area is anticipated to grow at a slightly lower rate of 0.35% annually to 420,600. The chart below depicts historic and projected population growth rates for Lomita, the South Bay, Los Angeles County and the State of California.

According to an Urban Decision Systems demographic profile based on the 1990 Census, Lomita households are markedly smaller than those of the greater South Bay area. The average household size in Lomita is 2.44 persons, while household sizes of the surrounding 3, 5 and 10 mile areas are between 2.76 and 2.80 persons.

Further, a substantial proportion of Lomita households are composed of non-family persons. The 1990 Census reports that 37.3% of Lomita households are non-family, while approximately 29% of households in the 3 and 5 mile radius of Lomita are non-family.

Although typified by smaller household sizes and fewer families, Lomita households are generally the same median age as those of the surrounding areas. Statistics from the 1990 Census report that the median age of Lomita households is 32.6 years, while the median ages of the 3 and 5 mile areas are 33.1 years and 32.9 years respectively.

Incomes

Median household incomes in Lomita are substantially lower than the greater South Bay area. Estimates of 1996 household incomes from Urban Decision Systems indicate the median household income of Lomita households is \$45,149. By contrast, the median income of the surrounding 3, 5 and 10 mile areas are \$51,254, \$50,513, and \$45,200, respectively. Lomita can be generally characterized with more lower and middle income households than the greater South Bay. According to the 1990 Census, approximately 33.4% of Lomita households made less than \$25,000 annually, and only 4.4% of Lomita households made more than \$100,000. By contrast, approximately 25.9% of households within 3 miles made less than \$25,000, and approximately 12.0% made more than \$100,000.

Housing

Despite lower incomes, housing values in Lomita are quite comparable to those of the surrounding areas, causing many households to dedicate more income to housing costs and leaving fewer dollars for discretionary expenditures. The 1990 Census reports that the median housing value in Lomita is \$296,033. Median housing values of the surrounding 3 and 5 mile areas are \$332,206, and \$330,507, respectively. Because 1990 housing values of the surrounding 10 mile area are much lower (\$249,306), these statistics indicate that the South Bay area is generally more costly than most areas in Los Angeles County. Costly South Bay housing and lower incomes are the primary reason why fewer Lomitans own their homes. According

to the 1990 Census, only 44.2% of the Lomita housing stock is owner-occupied, while 56.4% of the housing within a 3 mile radius is owner-occupied.

Rents in Lomita are virtually the same as those of the surrounding, more affluent areas, but much higher than the most of Los Angeles County. According to the 1990 Census, median rents in Lomita are approximately \$649 per month, which is nearly the same as those of the 3 mile area (\$653 per month) and the 5 mile area (\$654 per month). Median rents of the surrounding 10 mile area are approximately \$598 per month, substantially lower than Lomita and the South Bay area.

By comparing the higher rent levels, higher housing values, and equal income levels between Lomita and those within 10 miles, it can be concluded that local factors such as land prices and housing supply greatly influence housing costs in Lomita.

Ethnicity and Education

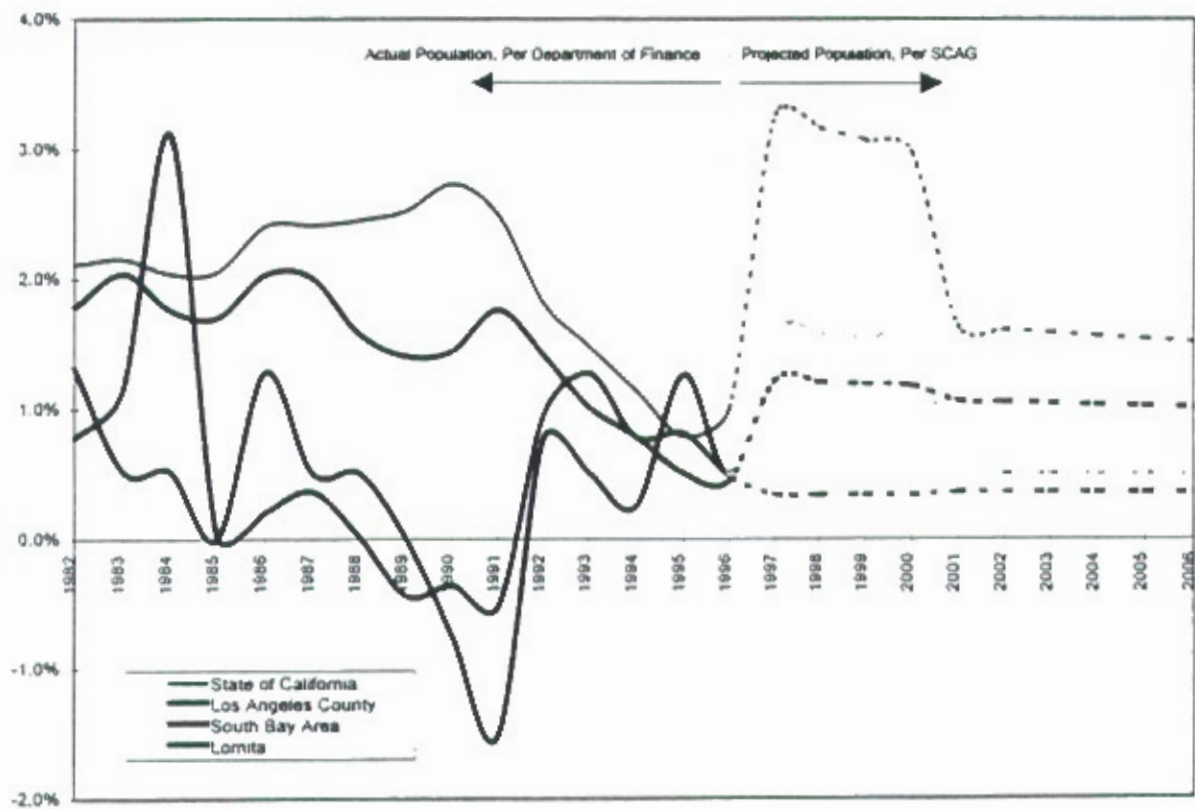
Lomita is much less ethnically diverse than the population within 3, 5 and 10 miles. Only 2.4% of Lomita households are black, versus 4.3% of the population within 3 miles, and 17.2% of the population within 10 miles. Lomita also has fewer Hispanic households than the surrounding area. The 1990 Census reports that 19.0% of Lomita households are of Hispanic-origin, versus 25.1% of the households within 3 miles, 28.3% of the households within 5 miles, and 27.2% of the households within 10 miles. Asian households in Lomita account for approximately 12.0% of the population, as compared to 18.0% of the population of the surrounding areas.

Despite having the highest rate of high school graduates in the area, the rate of advanced education achievement in Lomita is somewhat lower than the surrounding population. According to the 1990 Census, 79.8% of Lomitans have high school diplomas. However, fewer Lomitans have moved on to pursue a college degree. Approximately 1 in 5 adults in Lomita have a college degree, while more than 1 in 4 adults within 5 miles have received at least a bachelor's degree.

TABLE 8-1
POPULATION PROFILE, LOMITA MARKET AREA

	LOMITA	3 MILE RADIUS	5 MILE RADIUS	10 MILE RADIUS
Population				
2006 Projection	22,041	170,644	420,600	1,280,233
2001 Projection	21,498	167,609	413,118	1,257,460
1996 Estimate	20,100	164,751	406,074	1,236,020
Median Age, 1990	32.6	33.1	32.9	30.8
Median Household Size, 1990	2.44	2.76	2.79	2.80
% of Single Person Households, 1990	29.3%	22.4%	22.9%	25.3%
% of Nonfamily Households, 1990	37.3%	28.7%	29.8%	33.8%
Incomes				
Median Household Income, 2006	\$ 73,305	\$ 80,420	\$ 79,767	\$ 74,608
Median Household Income, 2001	\$ 57,960	\$ 64,346	\$ 63,640	\$ 58,092
Median Household Income, 1996	\$ 45,149	\$ 51,254	\$ 50,513	\$ 45,200
% of Households Below \$25,000	33.4%	25.9%	27.0%	33.2%
% of Households Above \$100,000	4.4%	12.0%	11.8%	8.1%
Housing				
Median Housing Value, 1990	\$ 296,033	\$ 332,206	\$ 330,507	\$ 249,306
Ownership Ratio	44.2%	56.4%	53.2%	45.6%
Median Rent Level, 1990	\$ 649	\$ 653	\$ 654	\$ 598
Ethnicity				
% of Spanish-Origin Households, 1990	19.0%	25.1%	28.3%	27.2%
% of Black Households, 1990	2.4%	4.3%	4.0%	17.2%
Education				
% With High School Diploma or Better	79.8%	79.4%	77.2%	74.7%
% With Bachelor's Degree or Better	20.3%	27.6%	27.5%	23.5%
Source: Urban Decision Systems; 1990 Census; CA Dept. of Finance; SCAG				

CHART 1
HISTORIC AND PROJECTED POPULATION GROWTH RATES



Employment

The following is a summary of the labor force in Lomita based on statistics from the 1990 Census and the State of California Employment Development Department.

According to the State Employment Development Department, unemployment in the City of Lomita and the South Bay is generally well below the County average. The estimated unemployment rate in May 1997 for Lomita is 4.5%, which is only slightly higher than the South Bay average of 4.0%. However, the South Bay has a much lower unemployment rate than the County's 7.0% rate. The chart below summarizes employment and unemployment statistics for the County, the South Bay and Lomita.

The work force is defined as the total number of employed persons residing within a given area. According to the 1990 Census, the Lomita work force consists of 10,249 persons, or 0.24% of the County total. The State Employment Development Department estimates that nonagricultural jobs in Los Angeles County are anticipated to increase by 7.6% between 1992 and 1999. Within the County, industries projected to have the highest growth rates include Services (16.4% growth), Retail Trade (7.7%) and Transportation (7.7%). Industries anticipated to experience jobs reductions include Durable Goods Manufacturing (9.6% reduction) and Communication and Utilities (0.5% reduction). However, because local employment opportunities for many industries are greatly predicated on land use policies, these projected changes to the County work force may not have the same impact on the Lomita work force.

The breakdown of the Lomita work force by industry is provided in Table 8-2. Employment opportunities within Lomita are primarily limited to retail, government and service industries. According to 1992 statistics from the State Employment Development Department, there are approximately 3,271 jobs within Lomita. The largest proportion of these jobs are within the Retail Trade industry, which accounts for approximately 1,064 jobs, or 32.5% of the total. Other major industries of employment in Lomita include Services, which accounts for 746 jobs

(22.8%), Government, 644 jobs (19.7%), and Finance/Insurance/Real Estate, 224 jobs (6.8%).

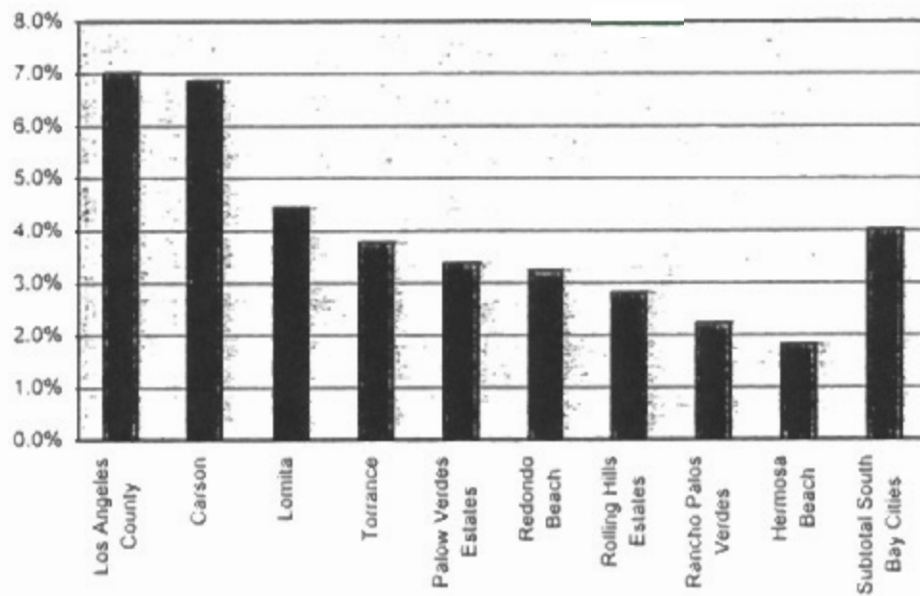
Retail Sales

Overall, Lomitans shop for goods and services outside the City. According to sales tax collections from the State Board of Equalization, a total of \$67,830,000 of taxable sales occurred in Lomita in 1995; these 1995 sales were equal to \$3,392 per Lomita resident. By contrast, taxable sales in the County (which has a similar per capita income as Lomita) were \$5,471 per capita during the same time period. This disparity between per capita sales between Lomita and the County suggests that approximately \$2,079 taxable sales per capita were lost to other communities in 1995; this per capita leakage translates into over \$41.5 million in taxable sales transactions. Within a 5 mile radius of the City, Lomita accounts for 4.7% of the total population, but only 3.1% of the retail (taxable and nontaxable) sales. Table 8-3 summarizes taxable and nontaxable sales figures compiled by Urban Decision Systems for the year 1994.

As indicated in Table 8-3, retail sales leakage is particularly prevalent in the lumber/building materials, general merchandise, automotive sales, apparel, and home furnishings categories. Most of the sales leakage is lost to the City of Torrance at large, modern neighborhood and regional shopping centers proximate to the Lomita city boundaries. These competing retail centers are successfully luring consumers away from Lomita businesses because they house nationally-recognized retailers that offer a variety of goods in effectively designed centers with easy access and parking. Table 8-4 summarizes taxable retail sales of South Bay cities on a per capita basis.

Competition from retail establishments in Torrance has had a profound impact on businesses in Lomita. Since 1990, taxable retail sales in Lomita have declined by 9%, while sales in the neighboring City of Torrance grew by 12.8% over the same time period. Adjusted for inflation, current taxable sales volumes in Lomita are at their lowest levels in over 15 years. Table 8-5 presents a summary of the historic taxable sales trends in the City, reflecting both actual and inflation-adjusted figures.

CHART 2
UNEMPLOYMENT RATES, MAY 1997



Source: California Employment Development Department, May 15, 1997

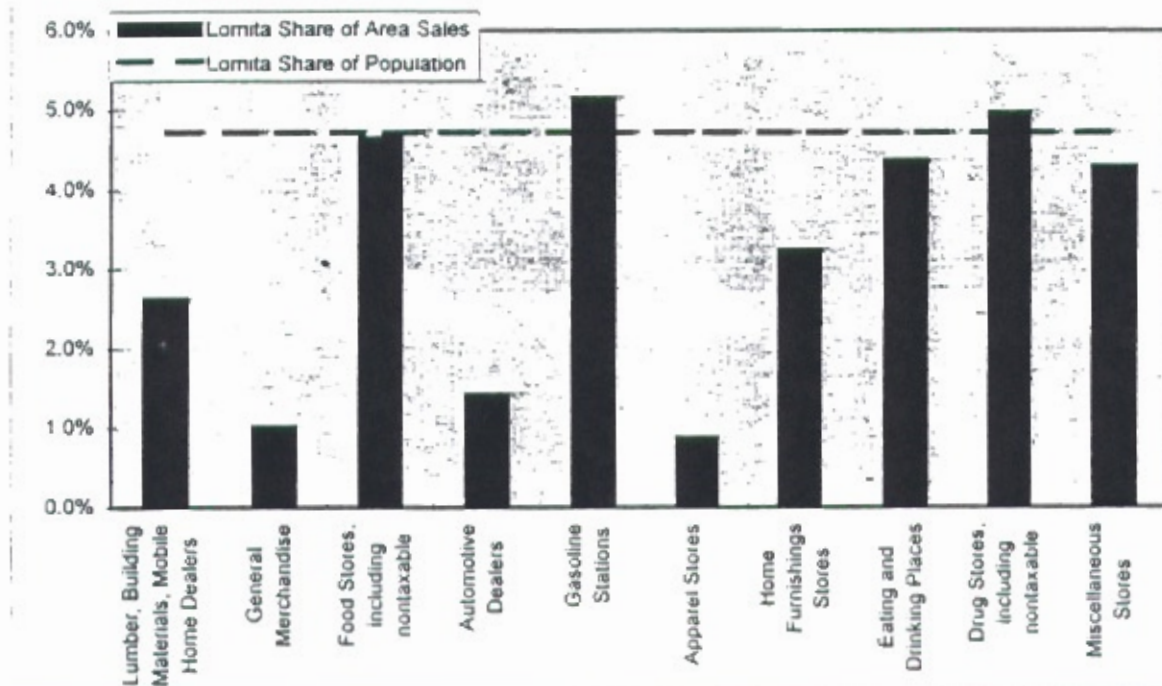
TABLE 8-2
LOMITA WORK FORCE BY INDUSTRY, 1990

INDUSTRY	STANDARD INDUSTRIAL CODE (SIC)	COUNTY WORK FORCE	LOMITA WORK FORCE	LOMITA SHARE OF COUNTY
Agriculture, forestry and fisheries	(000 - 039)	54,215	147	0.27%
Mining	(040 - 059)	6,911	38	0.55%
Construction	(060 - 099)	246,580	636	0.26%
Manufacturing, nondurable goods	(100 - 229)	307,002	386	0.13%
Manufacturing, durable goods	(230 - 399)	554,335	2,042	0.37%
Transportation	(400 - 439)	186,041	496	0.27%
Communications and other public utilities	(440 - 499)	102,964	223	0.22%
Wholesale trade	(500 - 579)	213,097	622	0.29%
Retail trade	(580 - 699)	647,951	1,632	0.25%
Finance, insurance, and real estate	(700 - 720)	327,998	573	0.17%
Business and repair services	(721 - 760)	264,282	813	0.31%
Personal services	(761 - 799)	156,643	253	0.16%
Entertainment and related services	(800 - 811)	130,529	130	0.10%
Professional and related services	(812 - 899)	884,343	2,004	0.23%
Health services	(812 - 840)	302,332	712	0.24%
Educational services	(841 - 860)	285,612	682	0.24%
Other professional and related services	(861 - 899)	296,399	610	0.21%
Public administration	(900 - 939)	120,901	254	0.21%
TOTAL		4,203,792	10,249	0.24%

Source: 1990 Census

TABLE 8-3
RETAIL SALES VERSUS POPULATION, 1994

CATEGORY	TOTAL AREA SALES (5 MILE RADIUS)	LOMITA SALES	LOMITA SHARE OF AREA SALES	LOMITA SHARE OF POPULATION
Lumber, Building Materials, Mobile Home Dealers	\$ 180,268	\$ 4,755	2.6%	4.7%
General Merchandise	555,769	5,656	1.0%	4.7%
Food Stores, including nontaxable	793,809	36,988	4.7%	4.7%
Automotive Dealers	941,057	13,437	1.4%	4.7%
Gasoline Stations	182,474	9,411	5.2%	4.7%
Apparel Stores	215,594	1,897	0.9%	4.7%
Home Furnishings Stores	264,189	8,583	3.2%	4.7%
Eating and Drinking Places	502,675	22,022	4.4%	4.7%
Drug Stores, including nontaxable	187,526	9,337	5.0%	4.7%
Miscellaneous Stores	380,527	16,390	4.3%	4.7%
Total	\$ 4,203,888	\$ 128,476	3.1%	4.7%



Source: Urban Decision Systems

TABLE 8-4
PER CAPITA TAXABLE RETAIL SALES, 1995

CITY	TOTAL SALES (THOUSANDS)	POPULATION	SALES PER CAPITA
1 Torrance	2,045,445	139,100	14.705
2 Rolling Hills Estates	104,771	8,175	12.816
3 Redondo Beach	546,566	63,600	8.594
4 Carson	656,113	87,800	7.473
5 Gardena	351,120	54,200	6.478
6 Hermosa Beach	115,932	18,600	6.233
7 Lomita	67,830	20,000	3.392
8 Rancho Palos Verdes	46,723	42,450	1.101
9 Palos Verdes Estates	8,461	13,900	0.609
South Bay Totals	3,942,961	447,825	8.805
L.A. County Totals	51,028,543	9,327,300	5.471

Source: California State Board of Equalization, Retail Store Sales reported by "Taxable Sales in California" Annual Report

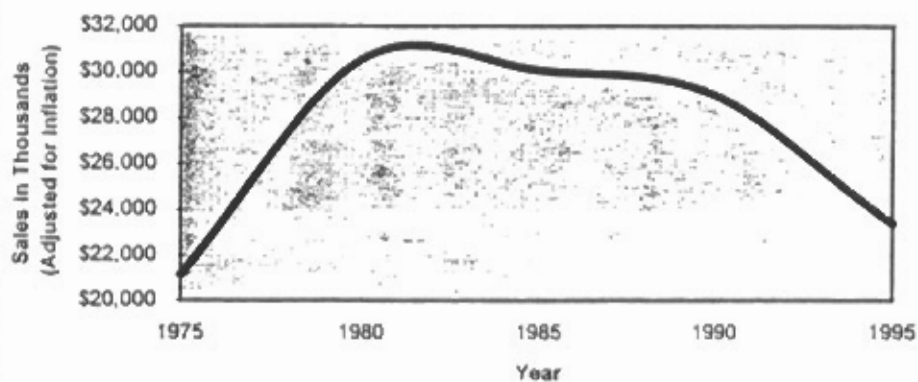
Future Demand for Retail in Lomita

Among the challenges confronting Lomita's economic development effort will be identifying retail opportunities in a marketplace dominated by Torrance. Because the population of the South Bay is projected to experience only modest increases over the next ten years, retail developments in both Lomita and the greater South Bay will need to target the evolving needs of the existing consumer base.

TABLE 8-5
TAXABLE SALES TRENDS IN LOMITA

YEAR	ACTUAL SALES				ADJUSTED SALES			
		VOLUME (000'S)	CHANGE		VOLUME (000'S)	CHANGE		
1995	\$	67,830	\$(6,056)	-9%	\$	23,385	\$(5,593)	-24%
1990		73,886	12,722	17%		28,978	(1,096)	-4%
1985		61,164	13,136	21%		30,074	(510)	-2%
1980		48,028	26,881	56%		30,584	9,437	31%
1975		21,147				21,147		

Taxable Sales in Lomita Have Dropped to Lowest Levels in Over 15 Years



Source: California State Board of Equalization, Retail Store Sales reported by "Taxable Sales in California" Annual Report