

El Segundo Herald

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EDAC Sets Bar Higher for El Segundo's Economic Development Growth

By Brian Simon



Celebrating El Segundo's "Most Business-Friendly City" Eddy award last year were Rod Spackman, Manager of Policy, Government and Public Affairs at Chevron Corporation; with Al Keahi, EDAC chair; alongside Steve Napolitano, Senior Deputy to current 4th District Supervisor Don Knabe. Photo courtesy of the Los Angeles County Economic Development Corporation.

El Segundo. Long-time corporate home to both the Lakers and the Kings. And who knows—maybe also eventually the Rams? The thought makes total sense if you ask Al Keahi. The Chair of the City's Economic Development Advisory Council (EDAC) sees a great opportunity with the venerable football franchise, and just about any other thriving business, to find a home in El Segundo. Following the Rams' 22-year hiatus, a new stadium is in the works for nearby Inglewood, with El Segundo just a stone's throw away and ready to offer space, lodging and amenities galore.

As it happens, Rams CEO and Executive Vice President of Football Operations Kevin Demoff will be in town on Sept. 29, as the keynote speaker for El Segundo's third annual Champion of Business Event. "He accepted Economic Development Manager Barbara Voss' invitation to speak and we're thrilled," Keahi said. The dinner will draw about 200 people who will be on hand to recognize Continental Development Corporation President (and EDAC member) Richard Lundquist for his dedication to local economic development efforts as well as his many charitable contributions to the community. L.A. County Supervisor Don Knabe will serve as emcee. "This event will acknowledge the individuals and companies who significantly impacted El Segundo's economic development during this past year and we're delighted to have such esteemed honorees," El Segundo Mayor Suzanne Fuentes said.

Keahi noted that the magnitude of the event is a prime example of how far El Segundo and EDAC have come in just a few years. As part of a long range plan to ramp up the effort to

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attract and retain businesses in town, the dormant EDAC re-emerged in 2011 (then-Mayor Carl Jacobson originally started it back in 1995) to help City staff develop strategies for future growth. The group made some important early inroads, but truly began to hit its stride in 2014 with the guidance of then-Mayor Bill Fisher and under the leadership of EDAC's then-Chair (and now El Segundo's Mayor Pro Tem) Drew Boyles and then-Vice Chair Keahi. "We began to realize what we needed to do to re-energize the brand of El Segundo since we had lost some of that momentum," Keahi explained.

While the city had hired an Economic Development Analyst to engage the business community, EDAC urged the City Council to take the next step by bringing on a marketing agency to broaden awareness about El Segundo. Local integrated communications firm Paolucci Salling & Martin got the gig and quickly began defining a set of brand pillars to direct the city's market position and develop an advertising and public relations strategy.

"One of the key challenges for us to address was that our office vacancy levels were high at 16 to 17% and the resulting loss of business tax dollars as well as ancillary revenue was having an impact on the city," Keahi said. "In order to reduce that vacancy rate, we had to bring our brand to the commercial brokerage community outside of the South Bay." At first, there was a disconnect. "Back then, brokers didn't have the time to come to El Segundo, so we had to take the show on the road and come to them," Keahi added. The first launch was a local event at PCT (Pacific Corporate Towers) in 2014 where the inaugural Champions of Business award went to the L.A. Kings. Then Keahi helped arrange a program at the Bel-Air Country Club (where he is a member) in October of that year. Armed with a giant database of the most influential people from the commercial brokerage world, the city reached out en masse to those once-elusive folks from outside the South Bay. "The developers from here agreed to sponsor the event," Keahi said. "The inside scoop was if you have something at Bel-Air, you will get Westside, Beverly Hills and Downtown L.A. brokers to attend. And sure enough they did to the tune of about 150 people."

After the Bel-Air breakthrough, outside brokerage firms were now suddenly willing to come to El Segundo. The next year, the city awarded Federal Realty and The Point with the second Champions of Business Award. Then, an event produced in partnership with Bisnow at elevon drew 250 people and prompted a request for the city to host an encore program at the Utah Campus that took place a few months ago. Attendance nearly doubled to about 400. "The word now is that El Segundo is hot and where things are happening," Keahi said. "All of a sudden, south of the airport is a destination and not an extension of the LAX corridor."

We never wanted to lose our South Bay roots with our brand." While competing for office tenants with the likes of Playa Vista and Santa Monica, El Segundo does not want to be lumped together with the block of communities that comprise the so-called Silicon Beach. "The El Segundo experience is unique," Keahi noted. "Our architecture is singular and our businesses are serious about the work they do. We wanted our own identity and I think that strategy paid off."

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The aforementioned strategy banks on the key tagline “Where Big Ideas Take Off” that leverages El Segundo’s history of innovation as the city also looks to the future. Once predominantly reliant on the aerospace industry, the local business sectors continue to diversify—particularly in the creative media, biomedical and entertainment fields. To build the branding effort, the city secured significant grant monies from Chevron as well as funds from Continental Development Corporation. Among the target goals was the “One Hundred at One Hundred” initiative that aims to bring 100 new businesses into El Segundo by the time of the city’s centennial celebration in January 2017. As of this writing, 89 businesses had already arrived. Additionally, El Segundo further boosted its standing last year when it picked up its second Eddy award as the “most business-friendly city” from the Los Angeles County Economic Development Corporation.

In the meantime, EDAC itself continues to grow. With recently revised bylaws, the committee extended its scope to encompass a larger cross-section of the business community. Now 15 members strong (with a maximum of 18), EDAC meets the third Wednesday of each month. Initially those gatherings took place at Fire Station II, but now rotate to different venues (e.g. Just Fab, BizHaus, Beyond Meat, ESMoA and Embassy Suites, to name a few) to educate a wider business audience on economic development. In addition to Keahi and Lundquist, EDAC’s other members represent a veritable who’s who of local and area business leaders. The list includes Sandy Jacobs, Michael Mothner, Bob Healey, Gary Horwitz, Neal Perkey, Robert Gray, Rob Croxall, Alex Abad, Lily Craig, Lance Ralls, Vandad Espahbodi, Shar Franklin and Spencer Bauer.

And in almost every instance, all five El Segundo City Council members attend the meetings and actively participate in all EDAC media and brokerage events. “They hear what we’re discussing, what suggestions we have and what we’ve discovered,” Keahi said. The city also last year hired Voss on a full-time basis and she works closely with both entities.

The good news is that El Segundo office vacancy levels are now down to about 12 percent, with the ultimate goal of dropping into the single digits. Local vacancy numbers are the lowest in the South Bay over the last three years, while rental rates are up 63 percent according to JLL Research. Keahi emphasized that EDAC won’t rest on the laurels of fewer empty buildings. “We plan to reach out further north, such as Silicon Valley, to see if companies would move to our area,” he said. “While we will stay on the commercial focus, we also want to help hospitality with new hotels coming in so we can build visitor arrivals to in turn drive up restaurant and retail market share, So it’s a multi-component strategy. In the big picture, if we bring in more businesses and more visitors/patrons, it helps tax revenues and everything becomes healthier.”

EDAC’s next project will consider how to best support additional groups comprising El Segundo’s economic engine, with special emphasis on the more than 700 new hotel rooms set to open by the end of 2016. “This evolved outreach would include more focused strategies to support retailers, dining, arts, culture and entertainment sectors,” Keahi said. “We believe true economic development means that all aspects of the city are thriving. We have brought more businesses and jobs to El Segundo. Now we want to be sure they are sleeping in our hotels, eating at our restaurants and shopping in our stores.”

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The City of El Segundo and EDAC will host the Champions of Business celebration at the Performing Arts Center at Vistamar School (737 Hawaii Street) on September 29 from 5:30 to 8 p.m. Winners of the Champions of Business, Lifetime Achievement, Philanthropy and Big Idea awards will be handed out during the program. EDAC also publishes a monthly SOAR newsletter with the latest updates on events, economic development news and profiles of notable business tenants. For more information or to subscribe, go to elsegundobusiness.com/edac.

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