

Economic Development

Carson's economy has been shaped by industrial, warehousing, and refinery uses. The discovery of oil and drilling operations in the area that is now Carson began in the 1920s. Several refineries soon followed, with oil derricks and tank farms occupying many large sites; many of these continue to operate to this day. During World War II and following, the South Bay area of Los Angeles County—of which Carson is a part—emerged as a center of aerospace and defense, and general manufacturing. While the manufacturing sector has not been as strong in recent years, aerospace and manufacturing continues to be a part of the Carson and the South Bay economy. In recent decades, especially as trade with Asia has increased, Carson's proximity to the ports of Los Angeles and Long Beach—the two busiest ports in the country—and its location along the Alameda Corridor—the busiest freight corridor in the country—has resulted in the emergence of a strong logistics cluster.

In addition to industrial and logistics uses, Carson is home to the California State University at Dominguez Hills (CSUDH)—a large, four-year public university—which contributes significantly to the regional economy, city identity, and workforce development. The city has several notable destinations drawing patrons from across the region, including the Dignity Health Sports Park with one of the largest dedicated soccer stadiums in the country, and the Porsche Experience Center.

In recent years, Carson has sought to diversify its economic base, capitalizing on its location along principal freeways. Vacant land in the city is sparse, and the left-over properties are former landfill sites or have other environmental constraints requiring remediation. However, given the exceptionally strong overall regional economic conditions, almost all vacant sites have proposed development projects. Over the long-term, the ability of the City to attract uses that generate economic benefit will depend on maintaining a positive business climate and promoting more efficient use of existing sites.

Photo: Cal State Dominguez Hills Science and Innovation Building





RELATIONSHIP TO GUIDING PRINCIPLES

While this Element provides a solid foundation for nearly all the core values of the Carson General Plan guiding principles, most closely it furthers:

- **Guiding Principle 1:** Embrace development and technology that fosters an adaptable, modern city.
- **Guiding Principle 4:** Support a diversified economy with a range of employment opportunities for all residents, a fiscally-sound local government, and investment in infrastructure.
- **Guiding Principle 5:** Encourage development of regional-scale destinations, as well as neighborhood-serving retail and amenities.

ECONOMIC DEVELOPMENT OBJECTIVES

This element supports several objectives for economic development within Carson:

- Support diversification of industries with a focus on promoting high-quality employment opportunities;

- Strengthen linkages to innovation through collaboration with California State University-Dominguez Hills (CSUDH);
- Promote workforce development and matching residents' skills to jobs in Carson
- Promote flourishing business development through business attraction, retention, and expansion;
- Create a business friendly environment attractive and actively promote entrepreneurial development;
- Support a workforce development system that is responsive to the needs of existing and future target industries; and
- Develop Carson's Core as a destination for tourists, visitors, workers, and residents.

The City is able to influence and control only some of these factors. Strategic actions of city government include regulations, policies, investments, and services with target outcomes such as increased business activity, jobs, and retail activity. These outcomes contribute to a city's tax base, growing the revenues which government can use to promote overall equity and quality of life for residents.

10.1 The City's Role in Economic Development

While economic activity occurs in the private sector, it is affected by the location and intensity of various land uses that the city allows within its boundaries. The vibrancy of the private-sector economy affects jobs available in the community and the region, but also revenues that accrue to the City's General Fund, which affects the quality of services the City provides.

Sustainable economic development is central to achieving the community's overall long-term vision and creating a more equitable and economically resilient community. Many factors influence the economic vitality of a city and the ability of its economy to grow and support a higher standard of living for its residents, including: the cost of doing business, which is typically influenced by state and local tax systems and the cost of inputs to production (e.g., labor, real estate, transportation, utilities); local workforce skill and education levels; utility and transportation infrastructure, including connectivity to markets; permitting and regulatory policies; access to capital markets and availability of public incentives; quality of life and cost of living; and higher education resources, among others. Regional and geographic factors also play a significant role. The city is part of the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area, the second largest in the country. It is located along the Alameda Corridor—the busiest freight corridor in the country—and the I-110 and I-405 freeways, leading to the dominance of industrial, warehouse, and distribution uses.

With demand for land vastly outstripping supply and exceptionally-low industrial vacancy rates, the need to prioritize the type and the location of developments that provide the greatest economic benefit to the City is significant. Carson is already a manufacturing and industrial center creating and processing goods which are distributed through the rest of the country. Given that the city is located 2.5 miles from the Long Beach/Los Angeles port complex—the largest in the western hemisphere--and has some of the largest clusters of industrial space in the South Bay, manufacturing and industrial uses will likely continue to play a critical role in the city's growth trajectory.

Although not required by State law, the Economic Development Element is included as part of the Carson General Plan to provide a policy framework for community economic development and strengthen Carson's long-term competitiveness in the region. This element—based on analysis of business trends and available resources—outlines the City's economic development objectives, serves to ensure that economic decision-making is integrated with other aspects of the city's development, and provide implementation actions. Economic conditions can change very rapidly; as such, this element establishes high-level strategies and policies to guide the City's decision making regarding economic development. Other documents, such as Carson's Economic Development Strategic Plan, should be consulted for more detailed policies.



TABLE 10.1: LOS ANGELES SOUTH BAY INDUSTRIAL SUBMARKET STATISTICS, Q4 2021

<i>City</i>	<i>Total Inventory (SF)</i>	<i>Total Vacancy Rate (%)</i>	<i>Total Asking Rent (Price/SF)</i>
Carson	41,196,457	0.8%	\$1.43
Compton/Rancho Dominguez	40,970,060	0.6%	\$1.34
El Segundo	9,569,126	1.6%	-
Gardena/I-110 Corridor	34,536,611	1.8%	\$1.01
Hawthorne	10,197,900	0.3%	\$1.40
LAX/Inglewood	11,290,424	2.5%	\$1.58
Long Beach/Signal Hill	20,980,880	5.0%	\$0.96
Paramount	9,493,698	0.8%	\$0.96
Port District	6,541,495	0.0%	\$1.10
Redondo Beach	3,540,201	0.1%	-
Torrance Area	35,142,323	0.8%	\$1.31
South Bay Submarket Total	223,459,175	1.4%	\$1.27
Los Angeles Total	1,053,629,554	1.1%	\$1.09

Source: Newmark, *Los Angeles Industrial Market, 2021*; Dyett & Bhatia, 2022.

10.2 Land Use Balance

Currently, 47 percent of the land in the Planning Area is used as industrial, as discussed in Chapter 2: Land Use and Revitalization. The largest concentrations of industrial land uses are in the northwest and northeast parts of the Planning Area, while the southeast corner of the Planning Area is used primarily for oil extraction, refining, and storage, but also has centers for manufacturing and other industrial uses. Table 10-1 shows that, with nearly 41.2 million square feet, Carson has one of the largest clusters of industrial space in the South Bay region and a vacancy rate of only 0.8 percent.¹ Rent prices for industrial space are above average within the South Bay region at \$1.43 per square foot per month.² Industrial rents in Carson are trending upwards and

have doubled since 2017.³ Carson's close proximity to the ports of Long Angeles and Long Beach, which handle 40 percent of all imports in the United States,⁴ make it a prime location for warehousing, distribution, and trade-oriented land uses. The importance of the logistics sector continues to increase with increase in online shopping.

The City's development patterns have helped preserve industrial land uses and given the economic significance, are continued to be supported by the General Plan. While industrial uses are supported and encouraged to adapt to current markets, bringing in a better balance of businesses support a stronger and resilient economy. The City is

1 Newmark (2021). Los Angeles Industrial Market Report 4Q21. Online. <https://www.nmrk.com/insights/market-report/los-angeles-market-reports>. Accessed March 2022.

2 Ibid.

3 Newmark (2017). Los Angeles Q317 Industrial Market. Online. Accessed November 2017.

4 California State University, Dominguez Hills (2017). South Bay Economic Forecast and Industry Outlook. Online. https://www.csudh.edu/Assets/CSUDH-Sites/UCF/docs/Forecast/CSUDH_South-Bay-Economic-Forecast-Report_2017.pdf. Accessed November 2017.

supporting the development of Carson's Core⁵ to serve as a focal point for higher-intensity businesses, culture, and civic life through planning for higher density development and investment into needed infrastructure and community amenities. This effort will continue to improve the quality of life within Carson and become an attractive amenity for residents and visitors and promote local businesses. Additional development of small businesses throughout the Planning Area within existing residential areas (like within Neighborhood Villages) can help bring a greater balance of land uses to support a diversity of business opportunities and bring community-oriented commercial uses and local services closer to neighborhoods. Major sites targeted for employment growth are at the Shell site, the vacant site at Del Amo Boulevard and I-405, and the potential redevelopment at SouthBay Pavilion.

5 The Core is centered at the intersection of West Carson Street and Avalon Boulevard, and spans east to west along Carson Street from I-405 to I-110 and north to south along Avalon Boulevard from 223rd Street to I-405. See Section 4.3: Carson's Core in the Community Character and Design Element for more on the Core.



10.3 Economic Development Strategy: Guiding and Implementing Policies

The economic development policies outlined here provide a framework for strengthening Carson's long-term regional competitiveness by promoting business diversification and a resilient economic environment. While the strategy seeks to attract new businesses, build on existing clusters of industrial uses, and nurture start-ups and new market segments in technology and research and development, it also outlines measures to retain and expand existing business establishments. The City is in the process of developing an Economic Development Strategy to further assist the City with a more specific road map to achieve its economic development strategies.

GUIDING POLICIES

- ED-G-1** Promote a diversified economic base to foster economic resiliency and vibrancy, as well as a vibrant mix of employment opportunities to support and expand opportunities for the local workforce.
- ED-G-2** Attract new industries that create high-value jobs, and promote training, education, and labor support programs that enhance the quality of the City's workforce. Become a model city for worker and student education, training, and job placement.
- ED-G-3** Strengthen the City's identity as an industrial and manufacturing powerhouse while strengthening resiliency to changing economic conditions.
- ED-G-4** Foster a culture of entrepreneurship that supports development of new businesses, innovation, and creativity.
- ED-G-5** Cultivate a city image that presents Carson as a livable and business-friendly community that strengthens the identity of a "full service" city with services and commercial and retail amenities for residents, workers, and visitors.

ED-G-6 Create an identifiable Core centered at West Carson Street/Avalon Boulevard, with a supportive mix of civic, office, retail, entertainment, and residential uses. Promote vibrancy, authenticity, and cultural diversity and a variety of events in the Core.

ED-G-7 establish land use priorities based on economic criteria and sound fiscal planning; reserve sites for designated uses rather than accepting any development.

IMPLEMENTING POLICIES

ED-P-1 Continue to update the City's Comprehensive Economic Development Strategy (CEDS) /new Economic Development Strategic Plan that specifically outlines tasks to be undertaken, timeframes for completion, resource allocation, monitoring, and annual evaluation and progress reporting to ensure the success of the City's overall economic development objectives.

Whereas the General Plan provides the overall framework, specific components of the CEDS should at least include:

- *Target investment and strategic improvements*
- *Target industries*
- *Industry cluster identification (ED-P-2 and ED-P-3)*
- *Revenue enhancement*
- *Small business incubation programs*
- *economic development strategies and revitalization*
- *Land acquisition and assembly*
- *Development tracking*
- *Land availability and usage*

- *leakage analysis to identify services and amenities that the city lacks and should promote moving forward*
- *Business climate and trends*
- *Marketing and branding*

The program will allow the City to demonstrate its commitment to the expansion, retention, and attraction of business through specific actions and investment decisions. The program should actively involve business and community groups, and property owners in Carson to access community knowledge and expertise and partner in the city's future.

ED-P-2 Establish a cohesive economic development presence by spurring innovation and enterprise development.

This could include, for example, an Enterprise Development Center that promotes and assists in business startup, including small-business startup, retention, and expansion in Carson. The Center could provide permit and license information, relevant resource materials, technical assistance, office space for short-term lease, training workshops, guest lectures, and a mentoring program to connect startups with similar firms already established in the city. New industry clusters identified in ED-P-1 should be the main focus of the Center.

Economic Growth and Diversification

Economic growth and vitality are critical to the City's overall health and is a fundamental basis for the other General Plan Elements. Likewise, equitable and sustainable economic growth is fundamentally dependent on the provision of quality City services and infrastructure, as well as needed workforce housing. The goal is to support a diversified economy that provides services and opportunities that engage the full range of residents and help secure a resilient economy against cyclical downturns in individual sectors.



SouthBay Pavilion mall

The city is continuing to evolve into a balanced community with a healthy mix of residents, industries, and jobs. Given the several strong economic clusters in the community, Carson has more jobs than employed residents—that is, it is a net importer of workers—and maintains a jobs-to-employed-residents ratio of 1.33. The city is strong in several industrial sectors; however, there are significant economic development opportunities, including in the hospitality/tourism sector where the city is lagging, which can be a significant source of revenue through transient occupancy taxes and a visitor generator.

The manufacturing sector is a critical component of the City's broader economy and supports other sectors, such as administration and wholesale and retail trade, with key inputs as well as the ability to move up the value chain and deliver local products to the market. Manufacturing also provides relatively well-paying employment opportunities for individuals who may lack college and/or professional training (about 42.6 percent of residents in the Planning Area over 25 years old).

Carson's industrial sector will need to address trends in the shifting typology of industrial and manufacturing uses, including a greater need for warehouse space, and include flexible spaces that can change over time. To stay competitive in the regional industrial market, the General Plan in Chapter 2: Land Use and Revitalization supports the development of "flex spaces" that combine office and light industrial, warehousing, or manufacturing uses and which can adapt more easily to changing markets. The support of other related industries—such as research and development, biotech, and professional services—could further stimulate job and economic growth.

During outreach workshops for the General Plan, residents generally were not satisfied with the selection and quality of merchandise offered in Carson and indicated that they would welcome new retail to the area. These residents specifically wanted to see an increase in first quality grocery stores, better quality restaurants, kid-friendly amusements, and support of small businesses. The General Plan supports a variety of retail options, including

the development of large retail centers near freeways, with an emphasis on smaller, more walkable options within mixed-use areas within Carson's Core and expanding commercial opportunities in existing neighborhood nodes. The following policies seek to guide economic growth and industry diversification;

ED-P-3

Establish an inventory of industry clusters in Carson to identify locational characteristics and determine the effects of City policy and regulation on the operation and continued success of these clusters; work closely with industry contacts to identify specific expansion and land use needs to be addressed.

Industry clusters may be described as the vertical and horizontal integration of firms. In other words, the clustering of certain activities is largely a function of locational characteristics: some advantage must exist for clustering to occur. For instance, the proximity of like activities may be advantageous in some industries; the proximity of complementary activities may be advantageous in others. Industry clusters could include auto sales, retail/commercial sales, manufacturing, hotels, research and development, healthcare, information technology, and professional offices.

Such an evaluation should include the General Plan, applicable Specific Plans, as well as the various regulations and standards included in the Zoning Ordinance, such as conformity, lot area, parking and loading.

Identification of industry clusters would also help the City determine which clusters should be targeted for economic development, based on their current contribution to the local economy and potential for growth in the future. Targeting of certain clusters could result in the creation of a specific planning, infrastructure improvement, or marketing program to retain and expand existing

cluster businesses, or to attract new businesses to the cluster. The City must work closely with industry contacts to ensure the program meets the needs of the industry. This work could be a part of the CEDS update or new Economic Development Strategic Plan.

ED-P-4

Identify new industry clusters that would provide high-value employment uses, such as research and development, biotech, or advanced manufacturing. Attract these industries by providing incentives, an inventory of affordable facilities or available land as established in ED-P-4, and marketing Carson as a traditional manufacturing center.

ED-P-5

Establish an inventory of ready-to-go sites, complete with zoning, infrastructure, and environmental clearances. If necessary, acquire or assemble sites to ensure availability of sites of adequate size to attract industry clusters that meet the City's development objectives.

Details on implementation will be reflected in the Economic Development Strategic Plan and can include:

- *Conducting Geographical Information Systems (GIS) analysis for underutilized sites.*



- *Partnering with brokers and site location experts to attract desired commercial tenants.*
- *Pursuing grant or other opportunities to acquire, remediate, and reposition contaminated properties for redevelopment.*
- *Establishing objective zoning and design regulations to expedite permitting and approval.*
- *Utilizing financing tools, such as the Carson Enhanced Infrastructure Financing District (Carson EIFD) Infrastructure Financing Plan⁶, to fund necessary infrastructure improvements. Other tools include the Community Revitalization and Investment Authorities (CRIA), as outlined by State law.*

ED-P-6

Identify and support the redevelopment outdated commercial areas to provide affordable, flexible, and high-quality office and/or R&D facilities to attract small, incubating technology companies.

ED-P-7

Identify areas to promote siting additional hotel and lodging uses to increase the City's transient occupancy tax and generate visitors.

Locations could include near the CSUDH campus/Dignity Health Sports Park, near the Porsche Experience Center, or within the Core.

ED-P-8

Create flexibility around commercial floorplates to allow for uses and programs to evolve and adapt to the fast-paced changes of the retail industry.

6 City of Carson, Enhanced Infrastructure Financing District. Web. Accessed April 2022. <https://ci.carson.ca.us/communitydevelopment/EIFD.aspx> <https://ci.carson.ca.us/content/files/pdfs/planning/docs/projects/EIFD/Carson%20EIFD%20Draft%20Infrastructure%20Financing%20Plan072021.pdf>



The General Plan supports additional hotels and other visitor-serving uses, capitalizing on the revitalized Core, and proximate to CSUDH campus/Dignity Health Sports Park, near the Porsche Experience Center.

ED-P-9 Recruit retail tenants currently lacking in the community that serve residents’ daily needs, including grocery stores, restaurants, and drugstores/pharmacies, among others. Focus these businesses near residential areas, such as within the Core and in Neighborhood Villages.

Workforce Development

The presence of a workforce suited to the needs of the local economy and targeted industries is a major component of effective business retention and expansion. The main industries in Carson revolve around manufacturing and industrial sectors, which result in a surplus of these jobs and requires workers from outside of the city. At the same time, Carson’s history and the regional economy has helped perpetuate these industries while not fully supporting other industries. Aligning the resident workforce’s skills with the needs of expanding business opportunities, particularly in the value-added sectors targeted in this element, will be critical to realizing local economic growth that is both sustainable and equitable.

ED-P-10 Strengthen partnerships with and among local institutions, such as CSUDH, the South Bay Small Business Development Center (SBDC), South Bay Workforce Investment Board (SWIB), and the Carson Chamber of Commerce, and other countywide, regional, and local organizations for workforce development, to improve access to job training, placement, and skills development.

ED-P-11 Maintain and grow ongoing partnerships with employers and business organizations in the region to identify opportunities for resident advancement and youth career exposure, mentoring, and on-the-job training.

ED-P-12 Encourage the development of flexible, shared workspaces (such as business accelerators or makerspaces) to attract entrepreneurs and facilitate interactions between them.

Flex Districts, as described in Chapter 2: Land Use and Revitalization, are potential locations for makerspaces.

ED-P-13 Partner with the local K-12 school districts, the community colleges, and CSUDH to identify opportunities for collaboration and integration of skills training and professional development.

ED-P-14 In accordance with Chapter 4: Community Character and Design implementing policy CCD-P-23, cultivate a “college town” image to attract businesses looking for a trained and educated workforce. Likewise, promote the livability of Carson to attract and retain CSUDH graduates.

ED-P-15 Incentivize the development of retail and other amenities at or near CSUDH to capture student and staff demand as the University continues to grow.

Chapter 2: Land Use and Revitalization establishes policies for mixed-use and commercial development and the Land Use Diagram designates areas around the CSUDH campus as Corridor Mixed Use. The development of additional retail, commercial, and other amenities could occur directly on the university’s campus or adjoin to the Dignity Health Sports Park.

ED-P-16 Continue working with CSUDH on economic and workforce development.

Possibilities include collaborations with the Innovation Incubator at CSUDH and joint R&D endeavors. (<https://incubator.csudh.edu/>)

New Business Development and Fulfillment

Carson has a strong economic base of industrial and corporate establishments, contributing to Carson's position as a regional jobs and manufacturing powerhouse. The city needs to continue building on its strengths, while also diversifying its economy by promoting smaller, locally-owned businesses, and also focusing on sectors such as health care that residents are employed in that are underrepresented in Carson.

ED-P-17 Promote linkages with destination amenities – including the Porsche Experience Center and Dignity Health Sports Park – to foster visitor-serving businesses.

ED-P-18 Study and promote methods of streamlined permitting, and market the City as a business- and technology-friendly jobs center.

Relevant examples include the business assistance and marketing partnership between the Santa Monica Chamber of Commerce and the City of Santa Monica, as well as the fast-track permit process in the City of Cerritos.

ED-P-19

Promote new businesses that meet certain criteria, such as high-quality jobs; generate a net positive impact on the City's General Fund; rehabilitate, improve, and locate within older or vacant buildings; fall within one of the City's targeted industries; and/or facilitate housing opportunities for their employees.

ED-P-20

Encourage the construction and maintenance of utility, communications, and technology infrastructure to help attract business and industry to Carson, including investing in high-quality digital infrastructure.

ED-P-21

Promote small business development in the Core and within existing neighborhood commercial nodes, such as those established as Neighborhood Villages or Employment Centers in Chapter 4: Community Character and Design.

Strategies to support this can be accomplished by:

- *Supporting small, incubating businesses through the provision of loans, grants, and technical assistance, among other resources.*



- *Helping to stabilize existing small businesses and help them prepare for evolving retail conditions.*
- *Supporting the marketing and branding of these businesses to promote them to the rest of the community.*

Development of Carson's Core

While Carson does not have a historic central core or downtown area, new development along West Carson Street and Avalon Boulevard is fostering a vibrant, mixed-use core. The Carson Street Mixed-Use District Master Plan has helped create a context for strong revitalization and continued private investment. As this area is built out, there is an opportunity to promote local entrepreneurship and small businesses to support a unique and active Core and strengthen the momentum as the Civic Center is redeveloped.

With strong branding and development of an identity, Carson's Core can become a vibrant center of the community and visitors. Connections to other major destinations within Carson, like the CSUDH campus,

Dignity Health Sports Park, SouthBay Pavilion, the Porsche Experience Center, the Carson Country Mart, and The Creek at Dominguez Hills, can help strengthen Carson's identity as an active destination. New businesses should cultivate the City's character and cultural diversity, balancing the needs of residents, workers, and visitors.

ED-P-22

Continue implementation of the Carson Street Mixed-Use District Master Plan to make the corridor more inviting both as a destination and a multi-modal thoroughfare. Update this Plan to include a Core area streetscape and signage plan that articulates a cohesive vision for the area, promotes economic development, and strategies to activate the public realm in coordination with Chapter 4: Community Character and Design.

ED-P-23

Stimulate the development of businesses within Carson's Core and develop a strong brand to promote the Core as a destination for residents, workers, and visitors.



VELO Sports Center at Dignity Health Sports Park