

2014 Annual Report

Attract—Grow—Market—Inform
LEAD

SANTA CLARITA VALLEY
ECONOMIC DEVELOPMENT CORPORATION



Santa Clarita Valley
STILL GOLDEN®

A Message

From the Co-Chairs & CEO

The Santa Clarita Valley Economic Development Corporation continues its mission of strengthening companies and unifying our region's approach to economic development. Our overarching goals are to support the creation of high-paying jobs for our trained workforce, stimulate economic activity that grows the regional tax base, and strategically position the Santa Clarita Valley and its businesses to better compete in the global economy.

To accomplish these goals, the SCVEDC action plan remains focused on four areas:

- 1. Recruit high-value companies**
- 2. Retain and expand existing companies**
- 3. Market the region as Southern California's premier business location**
- 4. Provide regional economic information**

Even as a young organization, the SCVEDC is among the most productive economic development organizations in the State. This work is a direct result of our remarkable Board of Directors that selflessly shares its time, effort and resources to pursue our common goal of economic development.

2014 brought new emphasis on attracting our target business clusters, as well as new initiatives relating to foreign direct investment. We also launched more business retention activities than ever before.

Be a part of the Santa Clarita Valley's future. Join us! When you support the SCVEDC, you don't just invest in another non-profit organization—you strengthen the economy, create jobs and help shape our region's future.

Sincerely,



Don Fleming
Co-Chair ('13-14)



Calvin Hedman
Co-Chair ('14-15)



Holly Schroeder
President & CEO



Business Attraction

Bringing High Quality Jobs to the Valley

In 2014, the SCVEDC continued implementing a comprehensive campaign to recruit new businesses. Our attraction efforts are delivered through coordinated efforts with several partner organizations. To maximize our results, we continuously conduct market comparisons and work to identify specific companies and industry sectors that are expected to thrive in the Santa Clarita Valley over the next 5 years. Our research identified the following target industry clusters:

1. **Digital Media & Entertainment**
2. **Aerospace & Defense**
3. **Medical Devices**
4. **Advanced Manufacturing**
5. **Information Technology**

“SCVEDC went above and beyond in assisting Crissair’s aggressive relocation timelines including, but not limited to, working with the County on our permitting requirements. I would recommend to anyone needing project assistance to reach out to SCVEDC.”

Mike Alfred, President

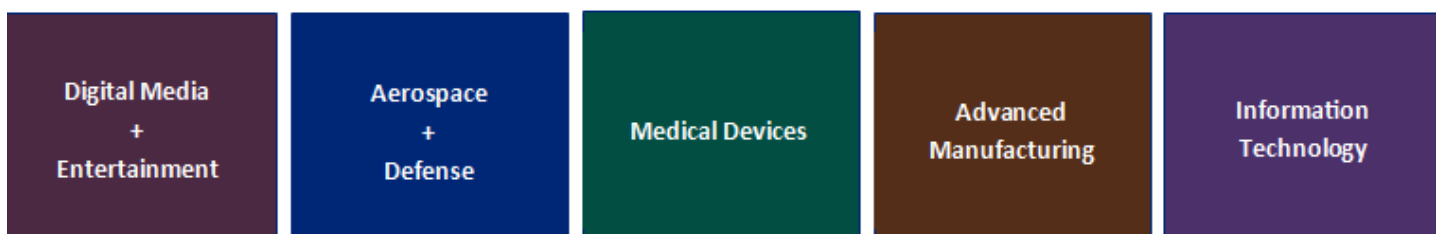
Crissair

In 2014, the SCVEDC pitched relocation through custom proposals, direct mail and sales calls. With our help, 12 businesses in our target industry clusters decided to relocate to the Santa Clarita Valley in 2014, supporting 471 jobs. We also assisted in attracting an additional 8 companies outside the target industry clusters. We advertised in the San Fernando Valley Business Journal and assisted in their Real Estate Quarterly that featured the SCV. They also prominently featured an advertisement in the new California Investment Guide.

SCVEDC also launched new Foreign Direct Investment programs including a trip to Shenzhen, China and Hong Kong, China with Supervisor Antonovich in April 2014. During the trip, the delegation of six (6) SCV business leaders met with 16 individual companies and groups. In November, we finalized our *Soft-Landing Toolkit*, which is a guide to foreign direct investment in the Santa Clarita Valley and compliments the Trade and Investment Brochure, now available in English, Chinese and Korean.

SCVEDC recently published a new property search tool on our website, allowing for brokers and business owners to create custom available property searches, powered by Xceligent. This tool complements our strategy of increasing our outreach to brokers and other influencers to promote the SCV.

SANTA CLARITA VALLEY TARGET INDUSTRY CLUSTERS



Business Retention

Providing Direct and Indirect Assistance to Local Businesses

At the SCVEDC, we recognize that over 80% of all new jobs created will come from existing companies. We also know that it is much easier to retain existing companies than it is to attract new prospects. For both of those reasons, our Business Expansion and Retention (BEAR) program is focused on strengthening existing firms and continuously improving our local operating environment.



BEAR

Business Expansion
and Retention Program

The program centers around confidential one-on-one business assistance visits with primary industry employers. These BEAR visits are coordinated through our new Retention Committee. Information gathered through the BEAR program is used to locate potential business expansion opportunities, identify at-risk companies, and provide appropriate assistance solutions. Information is analyzed on an aggregate basis to allow the SCVEDC to share with area decision-makers ways that they can continue to improve the regional business climate.

One-on-one visits are supplemented by general workshops, seminars, and consultations on incentive programs, R&D Tax Credits, Foreign Trade Zone, and the now-concluded Enterprise Zone credit. We held 9 events during the year with over 120 people participating. Our efforts to get the word out about the final Enterprise Zone deadline led to 295 new vouchers in 2014.

SCVEDC provided assistance to 35 companies during 2014, a major expansion of our activity level in this area. Also, it is important to note that SCV employers are now requesting info through the scvedc.org website.

In May, SCVEDC partnered with VIA and the Chamber of Commerce to conduct our first ever Business Site visit blitz. The blitz introduced business assistance offerings to 75 companies and took the pulse of business attitudes about the community. From the results of these surveys, SCVEDC launched its Internet Services task force, which compiled information that helps companies find the best internet solution for their business in today's connected world.

To grow our local industry clusters, SCVEDC supports cluster coalitions that bring business leaders together to address topics facing the industry. This year, SCVEDC reactivated the Aerospace & Defense Coalition and held 3 events to support the coalition. Work on a federal grant engaged the Medical Device Cluster, which will be a focus area for the future, laid the foundation for a future coalition of medical device companies.

"We consider the Santa Clarita Valley as a perfect location to help us grow our export business.... The SCV Economic Development Corporation is helping us."

Juan C. DeRada, General Manager

3D International LLC

"The SCVEDC consulted with us about the many economic development incentive programs available. We have partnered with them to grow and improve our business."

Chad Hess, President and CEO

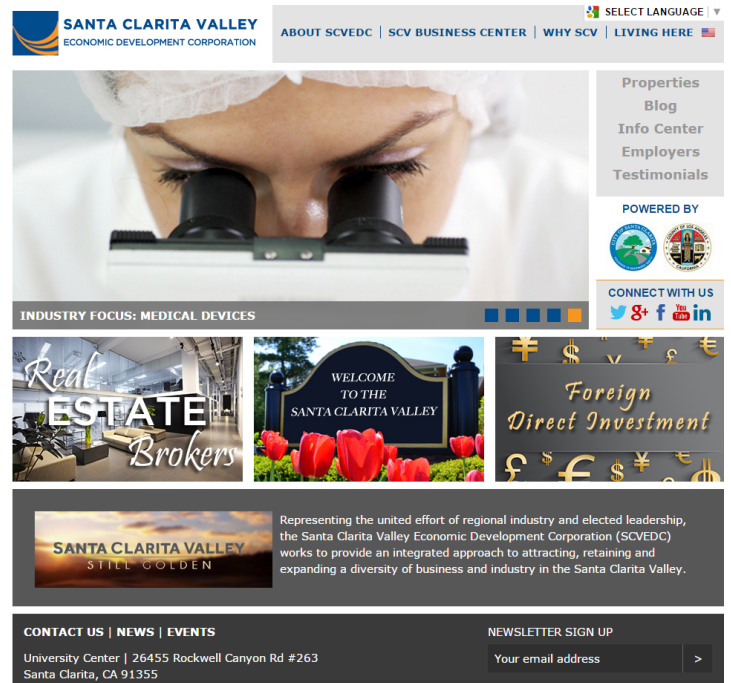
Marathon Industries, Inc.

Community Marketing

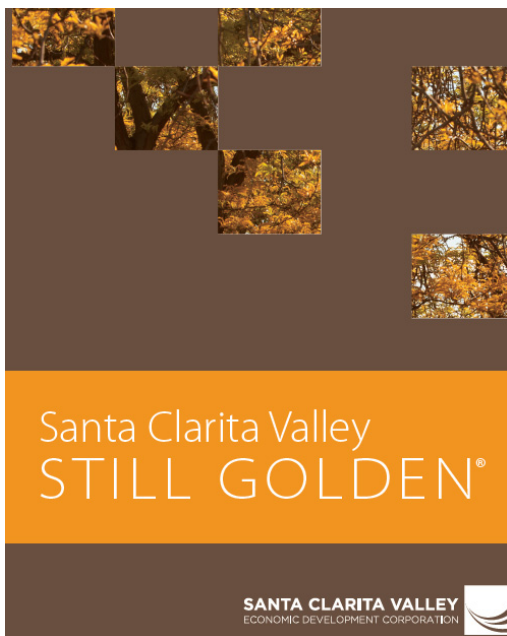
Showcasing Southern California's Premier Business Location

The Santa Clarita Valley continues to be one of the most productive and business-friendly locations in Southern California. At the SCVEDC we work to dispel false perceptions by promoting our Valley as the premier destination for business development in Southern California.

In 2014, we updated our website to be the central element in our digital marketing campaign to promote the Santa Clarita Valley. Our new blog, "SCV Means Business" provides news and information about business activities and opportunities in the SCV. The website supports a new e-newsletter and integrates with our social media outreach. Through all these channels, we can spread the word about key projects and to engage our community in the business attraction process.



We also completed an overhaul of our community marketing brochure, relying on our trademarked tagline: that the SCV is the one place in California that is "Still Golden®." The new folder-like brochure is versatile and allows for inserts about target industry clusters, upcoming events, news and other information to be included in the handout.



We introduced a new event in 2014: Public Officials Night, designed to recognize the contributions of our elected and appointed civic leaders and to emphasize to them the important role of economic development for our region. This inaugural event featured special recognition of outgoing Congressman Buck McKeon.

Leading the Way through Social Media Marketing

- ***236% Increase in Facebook Page Likes***
- ***105% increase in LinkedIn followers***
- ***119% increase in Twitter followers***

The post "Santa Clarita named top city for young families" went viral, reaching over 23,000 Facebook users



Information + Research

Delivering Accurate & Reliable Economic Information

Accurate and reliable information is essential to business development. Companies need clear information about the status of the local economy and credible projections about what the future holds.

For years, economic information in the Santa Clarita Valley has been housed within separate organizations making it difficult for businesses and site selectors to access. At the SCVEDC, our goal has been to centralize existing economic information and to publish additional studies, reports and data sets to meet the needs of business.

In 2014, we again hosted the annual Economic & Real Estate Outlook conference with College of the Canyons. The Outlook supported our assumption that the Santa Clarita Valley is positioned to outperform almost all areas of Southern California in job creation. Through the Outlook event, we are able to provide credible, third party projections and research to clients. The event was the best attended to date with over 300 registrants.

In addition to the 2014 Economic and Real Estate Outlook event, we continued publishing monthly Economic Snapshots, the monthly Econowatch, and quarterly Economic Forecast Updates. Permitting activity, real estate transactions, unemployment, vacancy rates, and occupancy rates are just some of the many indicators tracked on a regional basis. Together, these two publications are designed to keep business leaders informed about the status and direction of our local economy.

We also hosted a special event with Harvard Business School as they unveiled a new web-based cluster mapping tool. Attended by 40 people from the Los Angeles/Ventura region, the event showcased SCVEDC's leadership in understanding and promoting cluster growth.



WHAT'S INSIDE

- Commercial Real Estate 1
- Residential Real Estate 2
- Employment 3
- Enterprise Zone 3
- Tourism 4
- Film 4
- Sales Tax 5

COMMERCIAL REAL ESTATE

New Permits

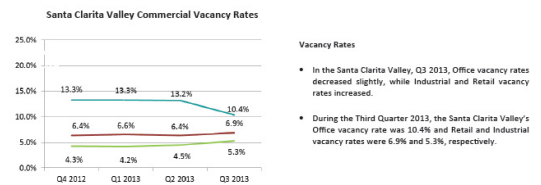
- Four (4) permits for commercial space were issued in November 2013 in the Santa Clarita Valley while seven (7) were issued during the previous month of October 2013 and zero (0) were issued during November 2012.

Tenant Improvements/Alterations

- A total of seven (7) permits for tenant improvements were issued in the Santa Clarita Valley during November 2013, down from the eleven (11) permits for tenant improvements in October 2013, and down from the 17 permits for tenant improvements in November 2012.
- In November 2013, a total of 24 permits for commercial alterations were issued, down 16.7% from the 28 permits in October 2013, and down 45.8% from the 35 permits for commercial alterations in November 2012.

Certificates of Occupancy

- In November 2013 a total of 33 Certificates of Occupancy were issued in the Santa Clarita Valley totaling 170,023 sq. ft., with 68,843 sq. ft. being Commercial and Industrial space. This number of issued permits represents an 60.6% increase from the eleven (11) Certificates of Occupancy issued in November 2012, which totaled 51,019 sq. ft.



Santa Clarita Valley Economic Development Corporation & College of the Canyons 2014 ECONOMIC & REAL ESTATE OUTLOOK

Leadership Focused on Results

2014 Results. 2015 Action Plan.

In addition to tracking the performance of our local economy, the SCVEDC also works to measure organizational performance. We understand these measures are key to our success through accountability. We strive to track and be transparent about our results. Based on our current performance, the SCVEDC is currently one of the most productive economic development organizations (based on budget and staff performance) in California.

2014 was a great year! We've seen an expansion of programs, services and support. The SCVEDC gets more focused and effective each year.

In 2015, our focused approach continues. We are developing a broad array of programs, services and expertise to support the following core functions:

1. Business Attraction
2. Business Retention
3. Community Marketing
4. Economic Information & Research

We will continue to advance in each of these areas with an increased focus on organizing target industry clusters, enhancing broker relationships and expanding our marketing reach.

With new industrial developments under construction, SCV is poised for strong job growth. We are increasing our advertising and tradeshow outreach to attract businesses in our target industry clusters.

In order for the SCVEDC to be truly successful, we need community engagement. Our partners and community leaders are the driving force for regional economic development. Join us!

Our mission is to:

- Attract
- Grow
- Market
- Inform
- Lead

PERFORMANCE MEASURES		
2014	Cumulative	Category
69	261	BUSINESSES ATTRACTED/ EXPANDED/RETAINED
1066	9756	JOBS ATTRACTED/ EXPANDED/RETAINED
18	65	EVENTS
35	35	BUSINESS ASSISTANCE VISITS

INVESTORS

People making a difference for the Santa Clarita Valley

BOARD MEMBERS

Roberto Barragan
Valley Economic Development Center

Jon Collard
American Tax Incentives

Mike Dean
Chiquita Canyon Landfill

Adam Gilbert
Disney Corporate Real Estate

Armando Jamjian
Encore Tax Consulting Group, Inc.

Tom Miller
Westfield Valencia Town Center

Dennis King
KKAJ, LLP

Casey Kirkman
AQMS

Cal Naulls
Community Bank

William Sloan
California United Bank

Randy Stabler
Pride Auto Body

Ken Wiseman
AMS Fulfillment

William Murray
Wells Fargo Bank

Dale Donohoe
Intertex General Contractors, Inc.

Neal Weichel
Re/Max Valencia

Philip M. Hart
Logix Federal Credit Union

Chris Chase
Triple C Electric

Mitzi Like
L/B/W Insurance & Financial Services, Inc.

Jim Tanner
Realty Executives/Valleywide Escrow

Craig Peters
CBRE

Tamara Gurney
Mission Valley Bank

Michael DeLorenzo
Santa Clarita Studios

Jason Renno
The Renno Team, Wintrust Mortgage

Steven Lavine
California Institute of the Arts

Jeremy Stepan
Adage IT

James Combs
Combs + Miguel Architecture

Michael MacDonald
ATK Audiotek

David Rendall
ReMax/Valencia

EXECUTIVE COMMITTEE

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Valencia Acura

Calvin Hedman, Co-Chairman
Hedman Partners

Dr. Dianne G. Van Hook, Secretary
College of the Canyons

John Shaffery
Poole & Shaffery, LLP

Larry Rasmussen
Spirit Holding, Inc.

Ken Striplin
City of Santa Clarita

Rosalind Wayman
Supervisor Michael D. Antonovich

Greg McWilliams
Newhall Land

Roger Seaver
Henry Mayo Newhall Memorial Hospital

Tim Burkhart
Six Flags Magic Mountain

Laurel Shockley
Southern California Edison

Regional leadership for a regional economy.



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