

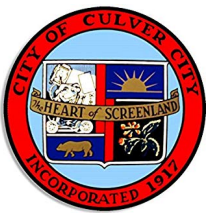


CULVER CITY ECONOMIC DEVELOPMENT IMPLEMENTATION PLAN

SWOT, WORK PLAN, AND SUMMARY REPORT

Prepared for:

The City of Culver City, California



September 11, 2019 (Preliminary Final Draft)

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I. INTRODUCTION

The City of Culver City's Economic Development Implementation Plan (the "Plan") is a policy document that will guide the City's economic development strategies and actions over the next five years.

The Culver City economy has undergone rapid growth and change since the adoption of the previous Economic Development Implementation Plan in January 2014. These changes were largely positive, with growth in employment, businesses, development activity, and tax revenues as Culver City enhanced its position as a regional hub of "creative tech" businesses and many other industries. However, Culver City still faces economic development challenges, including: lack of affordable housing options; traffic congestion worsened by through-traffic, especially in business districts; a reliance on retail sales tax revenues; and limited opportunities for new commercial development.

The strategies presented in this document leverage Culver City's existing economic development assets and opportunities while also addressing weaknesses and constraints. The strategies were developed based on economic research and market analysis, stakeholder interviews, and guidance from the Culver City Economic Development Subcommittee members: City Council members Thomas Small and Göran Eriksson. This draft version of the Plan was prepared for review by the full City Council.

The remainder of the Plan consists of the following sections:

II. SWOT and Subarea Conclusions: Summarizes the primary strengths, weaknesses, opportunities, and threats impacting Culver City's overall business environment, as well as unique opportunities and constraints impacting the individual subareas of the city.

III. Five Year Work Plan: Presents the detailed Five Year Work Plan strategies.

IV. Technical Analysis: Presents the detailed results of data analyses and stakeholder interviews, including industry composition and trends based on employment data, and office, retail, and tourism market conditions.

V. Appendix: Subarea Development Maps, Employment Data, and Sales Tax Data: The appendix includes, for each subarea, maps of development activity, charts describing employment by industry sector, and, when possible, sales tax data by business type.

II. SWOT AND SUBAREA CONCLUSIONS

The first section of this chapter summarizes the primary strengths, weaknesses, opportunities, and threats (SWOT) for economic development in Culver City. These categories are defined as follows:

- **Strengths:** Advantages for economic growth, business attraction, and business retention, based on existing conditions.
- **Weaknesses:** Disadvantages that constrain Culver City's ability to grow jobs and attract and retain businesses.
- **Opportunities:** Factors that could enable Culver City to capture economic growth moving forward, based on forecasts and future trends.
- **Threats:** Factors that may constrain Culver City's ability to compete for jobs and businesses in the future.

The conclusions of the SWOT analysis are organized into five broad categories, each encompassing a variety of issues, as described below.

- **Expanding the Creative Economy:** The report examines Culver City's performance in attracting growth in businesses and activities constituting the "creative economy" cluster. Collectively forming Culver City's primary economic engine, the creative economy includes Culver City's concentration of "Creative Tech" businesses in entertainment and digital media, as well as businesses focused on design, engineering, architecture, and the arts.
- **Retaining a Diverse Mix of Industries and Spaces for Small Businesses:** These conclusions describe Culver City's success and obstacles to retaining and growing small businesses and a diverse mix of industries, especially as rents and other costs increase in Culver City.
- **Arts and Culture:** Although arts and culture uses are also part of the creative economy, the SWOT specifically examines Culver City's arts and culture assets and opportunities in order to better understand how economic development activities can support these uses—especially as the City initiates Phase II of its Creative Economy Report.
- **Retail and Sales Tax Revenues:** These conclusions examine Culver City's retail positioning and sales tax performance in order to ensure the City remains competitive for retail and restaurant uses.
- **Tourism and Visitation:** These conclusions examine Culver City's visitor destination, hotel performance, and its opportunities to capture additional hotel stays and grow the City's transient occupancy tax revenue.

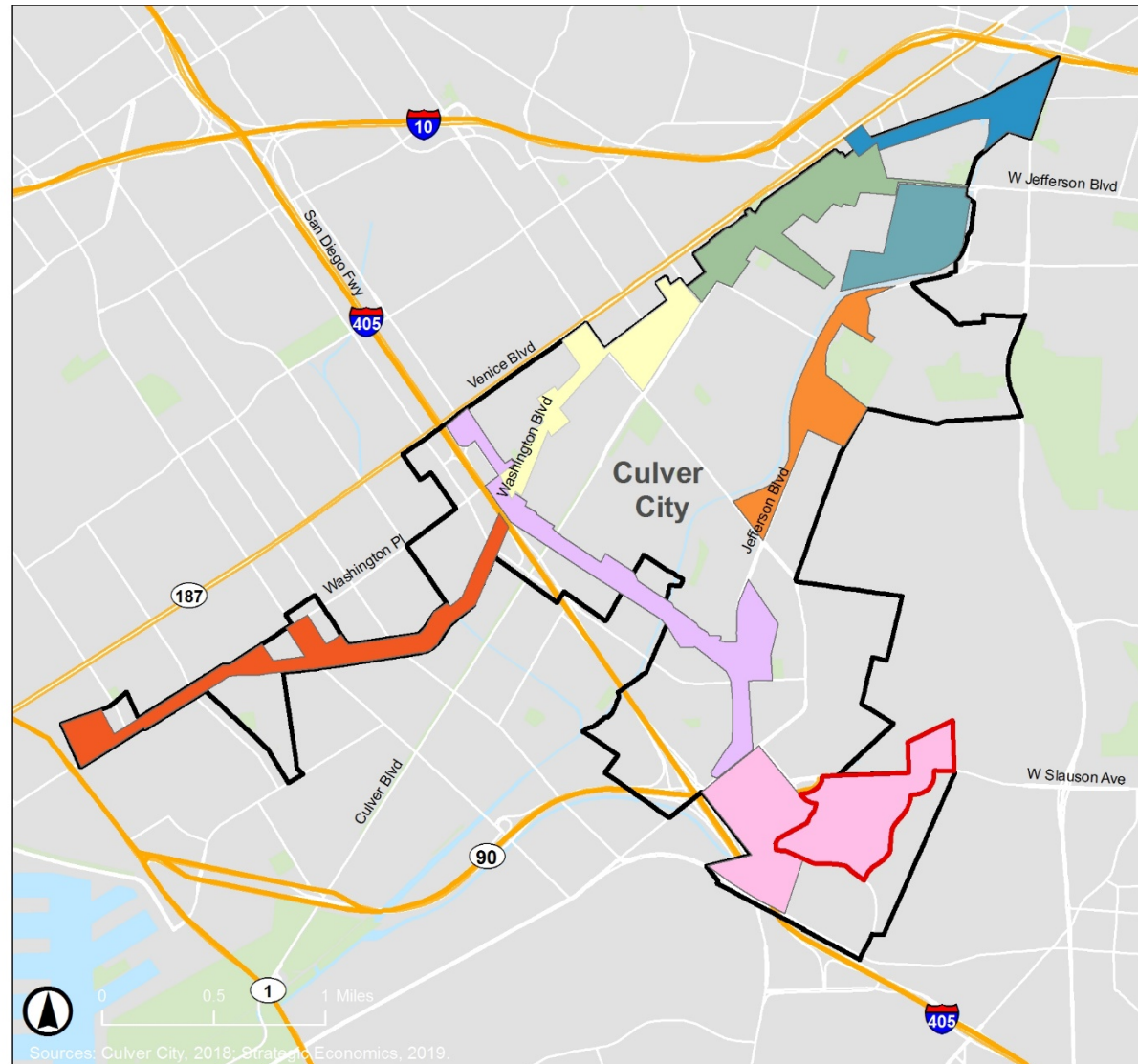
The second portion of this chapter identifies major constraints and opportunities that are unique to different subareas within Culver City. The strategies and analyses described throughout the Plan frequently refer to these subareas, which reflect commercial districts within the City. Figure 1 shows a reference map of the subareas.

FIGURE 1: MAJOR EMPLOYMENT SUBAREAS DESCRIBED IN THE PLAN

Culver City: Major Employment Subareas

Name

- Arts District
- Downtown Culver City
- Hayden Tract
- Jefferson Corridor
- Mid Washington
- Sepulveda
- Reimagine Fox Hills
- General Fox Hills
- West Washington
- Culver City Boundary
- Highways
- Parks



Expanding the Creative Economy

STRENGTHS

Existing cluster of Creative Tech businesses. Culver City features a high concentration of jobs and businesses in the digital entertainment and other technology and design-focused industries. The City has successfully navigated the transition of its longstanding motion picture employment base toward a focus on digital design, production, and distribution of media content.

Integration with Silicon Beach. Culver City's concentration of technology-oriented companies and its proximity to Playa Vista and Santa Monica have firmly established the city as part of the "Silicon Beach" tech cluster.

Presence of arts and cultural institutions. The City's base of arts and cultural institutions contribute to Culver City's atmosphere of innovation and creativity.

Arrival of high-profile companies. The presence or expansion of Apple, Amazon Studios, and HBO are drawing employees, economic activity, and attention to Culver City.

Diverse inventory of Class A and Class B buildings. Culver City features a diverse variety of office buildings—ranging from creative office space in converted industrial buildings to traditional buildings—that are available at varying price points and match well with the preferences of different types of creative economy businesses.

Presence of two Expo Line light rail stations. Office locations near the Expo Line are proving to be highly desirable for office tenants; Culver City benefits from easy access to both the Culver City and La Cienega/Jefferson stations.

Fiber optic network infrastructure. Culver City's recently completed fiber optic network loop provides high-speed data infrastructure throughout the City's primary creative tech office districts, supporting the enormous data needs of digital media and design companies and future 5G cellular network service.

WEAKNESSES

Parking shortages in some office districts. Areas featuring a high concentration of industrial buildings converted to creative office space—such as Hayden Tract and Smiley-Blackwelder—suffer from parking shortages since the density of on-site workers is much higher for office space than for these areas' prior industrial uses.

"Last mile" transportation challenges. The benefits of Culver City's proximity to two Expo Line stations are blunted by poor pedestrian and bicycle infrastructure and environments, limited connectivity of streets, and limited transportation options for local circulation.

Lack of or difficulty accessing amenities in some office districts. This weakness—which creates a less appealing environment for office workers—applies in two different ways. Fox Hills features retail and dining amenities, but they are isolated from the locations of office workers. In contrast, the Hayden Tract, Smiley-Blackwelder, and Jefferson areas include few retail and dining amenities overall.

Height limit on new development. Culver City’s voter-approved 56-foot height limit constrains development opportunities and creates financial incentives to convert existing buildings to office use rather than pursue new redevelopment that would provide greater amounts of space.

OPPORTUNITIES

Growth in the digital media and entertainment industry in the LA region. Culver City is now highly specialized in the digital media and entertainment industry, which has demonstrated significant growth in recent years. This growth is likely to continue as media content increasingly focuses on digital and interactive platforms, including both filmed entertainment and video games.

New transit investments and expansions. Locations near Expo Line stations will continue to increase in desirability and value as LA Metro builds out its rail and bus rapid transit network, including the Crenshaw Line, Purple Line, and Airport Metro Connector. The Culver City Bus reinforces the value of these new regional transit connections by complementing their networks extending the stations’ local reach.

Enhanced connections between creative office districts. The Hayden Tract, Smiley-Blackwelder, and Jefferson areas could benefit from enhanced connections across Ballona Creek, increasing connectivity between these subareas and providing new accessibility for commuters.

Emerging microtransit and micro-mobility options. New app-enabled mobility options can potentially resolve some last-mile connectivity issues from transit and internal circulation issues within business districts. Microtransit would provide demand-responsive shared ride service, while micro-mobility includes shared scooters and bicycles. These tools require corresponding changes in how street space is used to ensure efficient and safe operation.

Ballona Creek enhancements. Ongoing enhancements to Ballona Creek will broaden its appeal as a transportation and recreation amenity for workers.

Underutilized sites. The analysis presented in this Plan identifies several underutilized sites that are candidates for privately led reinvestment and development activity.

Growth of biomedical cluster. The presence and expansion of Nantworks creates an opportunity for Culver City to potentially capture more activity in the biomedical sector over time.

THREATS

Shrinking supply of sites and buildings. Culver City has few vacant properties, and its inventory of light industrial buildings is rapidly being converted to creative office space. Significant opportunities for redevelopment do exist, but the pace of change is likely to slow as the inventory of more easily developed buildings and sites dwindles.

Retaining a Diverse Mix of Jobs and Industries

STRENGTHS

Historically more affordable for small businesses and startups. Historically, smaller companies and tech startups were attracted to Culver City because of its relatively affordable rents, higher vacancies, and proximity to both LAX and the most established office areas of Silicon Beach.

Seventy-four percent of businesses in Culver City have less than 10 employees. Culver City remains a home for small businesses.

Diverse classes of office space at Fox Hills. Fox Hills is an attractive option for small and new businesses requiring low-cost space within the West Los Angeles region / Silicon Beach area.

WEAKNESSES

Displacement of business requiring light industrial space due to redevelopment of industrial sites as creative office. Businesses requiring light industrial space are unable to support the higher rents that can be achieved by converting the space to office use, especially when less expensive light industrial spaces are available elsewhere in the region. As a result, Culver City has lost businesses in industries such as health and medical devices, motion picture equipment, and printing services.

Lack of affordable workforce housing makes it difficult to retain employees. Employers interviewed for this study noted challenges in retaining high-performing employees due to high housing costs, especially in the hospitality and food service industries.

OPPORTUNITIES

Preserving industrial and low-density zoning can help retain businesses. Culver City could potentially encourage retention of businesses requiring lower-cost light industrial space by limiting conversions to other uses. This opportunity applies to any location with existing industrial uses, although the opportunity must be balanced against the community's desire to attract reinvestment in these buildings and to attract employers requiring office space.

Potential to incentivize developers to provide below market rate (BMR) commercial spaces. Various policy tools could be enacted to incentivize or require developers to incorporate BMR affordable commercial spaces for small businesses or specific types of businesses. For example, Culver City could offer community benefits zoning that offers developers increased height or reduced parking ratios for their projects in exchange for providing BMR commercial space.

THREATS

The business mix is becoming less diverse. Culver City's economy is increasingly focused on high-tech professional industries with high education and technical training requirements. The transformation of the entertainment industry exemplifies this shift, with digital media and office operations focused in Culver City while filming activity—and the wide range of occupations associated with it—shifts to lower cost locations across the United States and world. Similar trends are occurring across the western Los Angeles sub-region.

Small startups and small businesses may get priced out due to rising rents. Rising rents in Culver City create the risk that its status as a home of small businesses and an incubator for small startups—especially in lower cost spaces in Fox Hills—will diminish.

Declining business-to-business sales tax revenues. While increases in retail sales have offset Culver City's declining business-to-business tax revenues in recent years, continued losses in the business-to-business category (which includes businesses in industries such as construction supplies, medical equipment, motion picture equipment, and commercial printing services) will result in less diversification of the City's sources of sales tax revenue.

Arts and Culture

STRENGTHS

Multiple performing arts venues, organizations, and events draw visitors from throughout the region. These venues attract visitors that are also likely to dine or drink in and explore Culver City. An especially high concentration of Culver City's venues and organizations are concentrated along the "Cultural Corridor" running from the Wende Museum to Helms Bakery; the corridor also includes a number of historic buildings such as the Culver Hotel, Ivy Substation, and The Citizen Building.

Linkage to Creative Tech cluster. Arts and culture activities and venues form a critical part of the creative economy and enhance a citywide culture of innovation, openness, and creativity.

City Art in Public Places Program (APPP) requirements and funding programs for the arts. The APPP and Cultural Trust Fund grants significantly contribute to Culver City's arts and culture offerings.

WEAKNESSES

Displacement of art galleries and other arts and culture uses due to rising rents. Art galleries and non-profit arts uses are experiencing displacement pressures due to rising costs.

OPPORTUNITIES

Major development projects can provide new public art and community spaces. Recent and planned development activity in Culver City creates new opportunities to add public art, provide public spaces, and fund the Cultural Trust Fund.

New/expanding companies can potentially provide additional funding for arts and culture. The growing presence of large, innovative companies in Culver City may present new opportunities to attract private funding for arts and culture uses, similar to Sony Pictures contributions to the Cultural Trust Fund to support the Culver City Performing Arts Grant Program. These opportunities will be further enhanced by active fundraising by the planned Cultural Affairs Foundation.

Partnership with the City of Los Angeles to promote arts venues and events, especially in the Arts District and surrounding areas. Culver City's Arts District is located on the eastern border of Culver City, adjacent to a similar concentration of galleries and arts uses in Los Angeles. Opportunities may exist to promote these areas as a single, larger arts district.

THREATS

Venues and events in Culver City must compete with facilities in other cities. Culver City is located within one of the United States' largest concentrations of arts and culture venues and events.

Rising housing prices may result in loss of local artists. As housing prices and rents increase in Culver City and neighboring communities, it will become increasingly difficult for Culver City's artists to remain in the community and continue contributing to the city's creative economy and environment.

Retail and Sales Tax Revenues

STRENGTHS

Regional shopping centers, national retailers, and automobile dealerships. Culver City's mix of regional retail centers and automobile dealerships attract shoppers from outside the City, resulting in higher taxable sales per capita compared to nearby competing cities.

High-end, innovative retail and restaurant concepts. Culver City's experience-oriented, regionally notable retail and dining options have been enhanced by assets such as Platform, Helms Bakery, and Vespertine.

Active business improvement districts (BIDs) in Downtown and the Arts District. These BIDs provide local services, coordination, marketing, and event programming that allows these districts to function as cohesively managed destinations.

Many automobile dealerships have stable long-term leases or own their sites. This stability is crucial for Culver City's fiscal health since "Autos and Transportation" businesses generate 15 percent of citywide sales tax revenue.

Ample parking in shopping centers, Downtown. The city's major shopping centers feature ample parking, and Downtown is reaping the benefits of Culver City's past investments in constructing public parking garages.

WEAKNESSES

Difficulty attracting retail tenants on corridors, including parking challenges on corridors. Older storefront spaces on Culver City's arterial corridors—such as West Washington, Mid-Washington, and Sepulveda—often lack convenient parking for customers and employees, may require major updates, suffer from limited regional accessibility or visibility, and lack both an "anchor" store and a pleasant pedestrian environment that encourages visitors to explore area businesses.

Business-to-business sales tax declining. Business-to-business sales tax revenues declined 64 percent from fiscal year 2007-08 to 2017-18, partly due to loss of businesses requiring light industrial space.

Less diversity as the tenant mix is shifting to more restaurants. The rise of online shopping has reorganized the market for retail stores, resulting in less overall demand and a need for large anchors or clusters of stores to attract shoppers. As a result, Culver City's tenant mix is increasingly focused on dining and drinking.

Challenges in building local capacity to create and strengthen business districts. Although new BIDs in areas such as West Washington and Sepulveda would confer benefits in marketing and maintenance for different commercial districts in Culver City, it can be challenging to attract sufficient interest from local business owners.

OPPORTUNITIES

Strong employment and housing growth drives demand for more retail and restaurants. A variety of new retail, dining, entertainment, and nightlife opportunities can benefit from the presence of numerous additional workers in Culver City.

Theaters attract more diners, especially Downtown. Supporting and sustaining Culver City's theaters and performance venues—including the Kirk Douglas Theater, Ivy Substation, Veterans Memorial Auditorium, and Arclight Cinema—provides ongoing demand for area restaurants.

THREATS

Sales tax revenues are dependent on a small number of businesses. For example, just the top ten sales tax generating businesses in Culver City accounted for 35 percent of citywide sales tax revenues in fiscal year 2017-18. A loss in any individual major sales tax generator—such as automobile dealerships or larger retail stores—would have an outsized impact on Culver City's revenues.

Expiring leases at Downtown dealerships could result in displacement. Although Downtown Culver City's automobile dealerships are not threatened by imminent loss of their leases, these dealerships could be threatened if the value of redevelopment exceeds the value of maintaining their leases.

Business owners have difficulty attracting and retaining workers due to high cost of housing in the region. Housing costs continue to rise in Culver City and surrounding areas.

Tourism and Visitation

STRENGTHS

High hotel occupancy rates and room rates indicate very strong market. Occupancy rates at Culver City's upscale and midscale hotels currently were an extraordinary 88 percent in 2018, exceeding the subregion's equally impressive 87 percent.

Growth in businesses is driving demand for more rooms. Culver City's ongoing employment and business growth will inevitably attract additional business travelers to the city.

Central location, proximity to LAX, and access to Expo Line. Culver City offers convenient access to LAX and to the region via automobile and transit connections.

Performing arts venues, museums, and Sony Pictures. Visitors are drawn to Culver City's unique destinations, including tours and show tapings at Sony Pictures, museums such as the Wende Museum and Museum of Jurassic Technology, and performing arts at venues such as the Kirk Douglas Theatre and The Actors' Gang productions at Ivy Substation.

WEAKNESSES

Older hotels/motels need reinvestment. Culver City includes numerous aging motels that generate minimal transient occupancy tax revenue and are in a poor state of repair.

Small number of hotels is inadequate to meet the demand. Despite new development projects, Culver City still lacks sufficient hotel rooms to meet current demand in the market area.

As of fiscal year 2016-17, transient occupancy tax revenue was primarily generated by just four hotels. These hotels generated 85 percent of Culver City's transient occupancy tax revenue. Culver City's 13 midscale and economy hotels and motels generated the remaining 15 percent of revenue.

Low name recognition. Despite growth in Culver City’s reputation as an arts and culture destination, it competes for visitors in a region of globally known places such as Hollywood, Venice, Santa Monica, and West Hollywood.

Height limit may constrain development. Culver City’s 56-foot height limit constrains development of large hotels that would generate substantial transient occupancy tax revenue. None of Culver City’s four largest generators of this revenue could be built today under the height limit.

OPPORTUNITIES

Major events (Super Bowl, World Cup, Olympics) will bring additional visitors to the region. These one-time events do not provide sufficient hotel demand on their own to justify construction of additional rooms, but do contribute to ongoing support for Culver City’s hotels. Opportunities may also arise for Culver City to engage in regional partnerships to attract events and programs related to these events. General efforts to improve Culver City as a visitor, dining, drinking, and shopping destination will help the City compete to attract visitors during the Olympics and other major events.

THREATS

A large number of hotel rooms are expected to come online in the short term in the market area. These rooms will absorb a share of demand, potentially reducing hotel occupancy rates and moderating room rates.

Lack of affordable housing and low wages make it difficult to attract and retain hotel employees. Hotels are especially impacted by the lack of affordable housing since their financial viability depends on availability of workers for lower- and middle-wage service occupations.

Subarea Constraints and Opportunities

DOWNTOWN (INCLUDING THE TOD AREA)

CONSTRAINTS

- Soft goods retail storefronts on Downtown’s commercial corridors struggle to attract consumers due to a lack of anchor tenants or a critical mass of smaller stores.
- Congestion challenges and the existence of competing retail districts make it more difficult for Downtown restaurants to attract patrons from outside a relatively small trade area.
- The Expo Line’s impact on commutes and visitation fall short of its potential due to the lack of robust “last-mile” mobility options to get from the station to other parts of the Downtown subarea.

OPPORTUNITIES

- The Expo Line station and entrance or expansions of Apple, Amazon, and HBO have greatly enhanced awareness and desirability of office space in the Downtown subarea.
- The influx of high-wage workers in new office developments will generate significant additional demand for dining, services, and shopping in the Downtown subarea.

- The soon-to-be completed Culver Steps project will provide additional worker demand for dining, services, and shopping as well as the addition of new retail under central ownership and management.
- Platform serves as a regional, centrally-managed retail destination for the eastern portion of the Downtown subarea.
- Opportunities may exist to expand the boundaries and corresponding revenue potential of the Downtown Business Association BID to the east (and/or the Arts District to the west).
- Parking is relatively easy in Downtown due to its three city-owned parking garages.
- The Kirk Douglas Theatre, Ivy Substation, and ArcLight Cinemas movie theatre attract visitors from throughout the region and play an important role in supporting Downtown’s restaurant and nightlife businesses.

SEPULVEDA

CONSTRAINTS

- Much of the Sepulveda area’s development potential is limited because the commercial corridor consists primarily of shallow lots with limited parking that abut single-family areas. This is particularly the case on Sepulveda Boulevard from Venice Blvd to Ballona Creek.
- The portion of Sepulveda Boulevard northeast of the I-405 and I-90 interchange (roughly from Jefferson Boulevard to Slauson Avenue) experiences high traffic volumes that limit the locations and configurations of potential future residential uses in this area.

OPPORTUNITIES

- Sepulveda is the second-largest sales tax revenue generator among the subareas, particularly from “General Consumer Goods” stores. The area includes two community shopping centers (Studio Village and Culver City Commercial Center,¹ both along Jefferson Boulevard) with “big box” store anchors, and Mazda and Volvo dealerships on Sepulveda.
- Fifty businesses in Culver Village, which spans Sepulveda Boulevard from Culver Boulevard to Franklin Avenue, have previously been involved with a now largely-dormant business association that could potentially become a BID.
- Culver Village’s collection of storefronts along Sepulveda could potentially benefit from placemaking and other public space initiatives.

WEST WASHINGTON

CONSTRAINTS

- West Washington’s configuration as a long commercial corridor has made it challenging to develop a shared sense of identity, branding, and interest among business owners in building shared capacity for action, despite efforts by the Washington West Business District.
- Lots are shallow and adjacent to single-family neighborhoods in the City of Los Angeles on both sides; new construction development opportunities are limited and challenging.

¹ Culver City Commercial Center is adjacent to Studio Village Shopping Center, and includes anchor tenants Target, Ross Dress for Less, and Bed Bath & Beyond.

- There are properties owned by absentee landlords that some stakeholders noted are “eyesores” in need of upkeep and maintenance.
- The storefronts along the corridor were largely built without on-site parking, creating challenges for both customers and employees—especially due to parking restrictions in adjacent neighborhoods.
- The corridor is over two-miles long; it is difficult for the corridor to function cohesively, and emerging nodes of energy may have little impact on the other ends of the district.

OPPORTUNITIES

- Reduced parking requirements for retail-to-restaurant conversions of under 1,500 square feet has successfully encouraged new restaurants in this area; further conversion opportunities exist.²
- An emerging food cluster between Moore Street and Centinela Avenue is gaining regional attention. Notable restaurants include Hatchet Hall, A-Frame, Sunny Blue, Humble Potato, Ginger’s Divine Ice Cream, and more. The much-anticipated Culver Public Market, which is under construction, will enhance the area’s identity as a “foodie” destination and also provide additional parking for nearby businesses.
- Potential may exist to expand residential and accompanying retail uses along West Washington because of its connection between Downtown Culver City to Venice and Marina Del Rey. New mixed-use retail and residential projects such as the “Haven” project are now proving this market potential.

HAYDEN TRACT

CONSTRAINTS

- There are limited retail amenities in Hayden Tract, and workers typically leave the area for food, services, and shopping.
- Few conversion opportunities remain in Hayden Tract, and any potential future development opportunities are inhibited by lack of available parking.
- Hayden Tract lacks pedestrian infrastructure both within the district, and on National Blvd which connects the district to the Expo Line.
- There are limited ways to travel in and out of the district by car, resulting in significant rush hour congestion.

OPPORTUNITIES

- Hayden Tract is the epicenter of industrial-to-office conversions in Culver City. The name carries cachet, and these properties achieve some of the highest rents for converted space within Culver City.
- Two innovative, high-concept restaurants in Hayden Tract—Vespertine and Destroyer—are attracting activity to the area beyond work hours.
- The proposed parking and retail complex on Warner Drive would provide 40,000 square feet of retail space and 800 parking spaces.

² In Culver City’s designated “Commercial Revitalization Areas” (which include several of Culver City’s commercial corridors), proposed restaurants of under 1,500 square feet are subject to reduced parking requirements if the City approves the restaurant’s “Parking Plan.”

- Among all office areas in Culver City, Hayden Tract has the largest share of mid-sized businesses and has traditionally served growing businesses well. Fifty-five percent of Hayden Tract businesses are between 5 and 49 employees, compared to 33 percent in Fox Hills and 45 percent in Jefferson.
- Hayden Tract is home to many of Culver City's Creative Tech employers, including significant diversity within the industry cluster. In addition to Apple and Nike, it has a wealth of mid-sized firms in marketing/ advertising, built environment, video production, graphic design and animation, video game development, and other media.
- Hayden Tract is near the La Cienega/ Jefferson Expo Line station, which serves as a major amenity for office tenants.

JEFFERSON

CONSTRAINTS

- There are very limited retail amenities along the Jefferson corridor for area workers.
- While proximity to the Hayden Tract has improved the demand for office space in Jefferson, mobility between the two areas is very poor due to a lack of connections over Ballona Creek.
- Jefferson is a less desirable creative office district than nearby Hayden Tract and Smiley-Blackwelder due partly to its lack of convenient access and proximity to Expo Line stations.
- The steep grade of the hill below the Baldwin Hills Scenic Overlook limits opportunities for larger-scale new construction on the east side of Jefferson north of Duquesne Avenue.

OPPORTUNITIES

- Jefferson has been able to leverage growth in the Creative Tech cluster as it has transitioned from an industrial to creative office area.
- As Hayden Tract's development activity has slowed due to limited development and office conversion opportunities, Jefferson has experienced conversion of industrial space to creative office uses. Developers have converted a large share of former industrial buildings into Creative Tech campuses, such as The Campus at Jefferson and The Colony.
- A handful renovation and conversion opportunities still exist, as identified in the Plan's analysis of development opportunity sites.
- Jefferson benefits from being a popular, lower-cost alternative for Creative Tech tenants relative to nearby Hayden Tract and Smiley-Blackwelder.
- West Los Angeles College, which is just east of the subarea, could be a partner for the City, as it navigates development opportunities in the area. The college issued an RFP, which is still active, for development on a site that borders College Boulevard.
- Currently, the Jefferson Corridor's market potential is constrained by its distance and lack of integration with other office districts in Culver City. Connectivity and public realm improvements along Ballona Creek would better integrate the area with Hayden Tract.

ARTS DISTRICT

CONSTRAINTS

- Multiple art galleries have left the Arts District in recent years, due partly to business shifting online and difficulties in supporting rent costs for storefront spaces in the area.

- Storefront spaces along commercial corridors struggle to attract tenants due to limited parking, resulting in property owner interest in leasing to office tenants rather than retail and restaurant businesses.
- While the Arts District is well-located to both of the Culver City and Jefferson/La Cienega Expo Line stations, limited pedestrian connections and a sometimes poor pedestrian environment between the stops and the Arts District inhibit transit access.
- Conversions of remaining light industrial buildings to other uses may result in displacement of an existing concentration of building and construction businesses that contribute to sales tax revenues, including a lumber yard, a plumbing supply store, a window treatment store, and others.
- Automobile access to Smiley-Blackwelder is limited, resulting in congestion during rush hour.
- Pedestrian infrastructure within Smiley-Blackwelder is very limited.
- There are limited retail amenities within the Smiley-Blackwelder area, and it is cut off from the rest of the Arts District by Ballona Creek.

OPPORTUNITIES

- The Arts District, which includes both the Washington corridor and the Smiley-Blackwelder area, is the most diversified subarea in terms of employment, with sizeable shares of professional services and Information-related jobs, as well as retail, food service, wholesale trade, and manufacturing.
- The Culver City Arts District (CCAD) BID is very active, and manages the annual Art Walk and other popular events.
- An opportunity may exist to expand the boundaries and potential revenues of the CCAD to neighboring areas.
- The Smiley-Blackwelder area, which has a similar physical character to Hayden Tract, has emerged as a highly desirable area for creative office tenants.
- The Smiley-Blackwelder area is experiencing growth of businesses in the Creative Tech cluster, and is also home to tenants associated with traditional activities in the motion picture industry. Firms in Smiley-Blackwelder include Keslow Camera, Microsoft, publishing firms, as well as arts supply, coffee machine supply, building and interiors supply, and other professional services.
- Helms Bakery District, an adaptive reuse retail center featuring multiple high-end furniture stores, acts as an anchor for the district.

MID-WASHINGTON

CONSTRAINTS

- Opportunities for reinvestment or redevelopment at Culver Center, a neighborhood shopping center, are limited by varying lease terms of its current tenants.

OPPORTUNITIES

- Mid-Washington is very balanced in that it is home to two large Creative Tech cluster employers and also diverse retail amenities, including both storefront retail and a community shopping center. A large share of employees in Mid-Washington work for very large employers in entertainment and media companies, such as NFL Networks and Sony Pictures.

- The Cobalt multifamily project, located immediately adjacent to Mid-Washington in Los Angeles, has demonstrated potential demand for additional multifamily housing in the area. Mid-Washington is well-positioned to attract residents due to the area's location near Silicon Beach job centers and its high level of services and retail amenities.
- Storefront retail along Washington Avenue from Overland Avenue to Elenda Street performs well, partially because Culver Center acts as a shopping anchor for the district.

FOX HILLS

As part of the Economic Development Implementation Plan, Strategic Economics analyzed Fox Hills at a more detailed level, in preparation for a ULI TAP panel focused on *Reimagine Fox Hills*, which took place in March 2019. The more extensive results of the Fox Hills opportunities and constraints analysis are described below.

CONSTRAINTS

1. **Fox Hills currently lacks the name recognition, identity, and “cachet” associated with competing office districts in the West Los Angeles market area.** Fox Hills is not a well-recognized business district, unlike nearby competing office districts such as Playa Vista, Hayden Tract, or commercial areas of Santa Monica. For those aware of Fox Hills, the name is often associated with the area's now-dated development configuration as a series of suburban office parks built primarily from the 1970s through the 1980s. Property owners are making efforts to rebrand and shed this image, with Fox Hills Mall now called Westfield Culver City, and Corporate Pointe now called Culver Pointe.
2. **Fox Hills' location east of the I-405 freeway cuts it off from other well-established office districts.** Fox Hills is located less than a mile from the Howard Hughes and Playa Vista office districts, which both attract higher rents and high levels of development and reinvestment. However, the I-405 freeway forms both a physical and psychological barrier, requiring navigation of a circuitous and heavily congested route between these areas.
3. **Stakeholders report that access to and through the area by walking and biking for workers is difficult, and existing transit options are less desirable compared to areas near light rail stations.** Fox Hills is located close to the I-405 freeway and major arterial streets. However, the area experiences heavy traffic congestion during peak hours, and many workers would prefer alternatives to driving. Although Fox Hills is served by a transit center with multiple bus routes, it lacks a nearby light rail station. Brokers and developers interviewed for this study indicated that locations that offer light rail transit and shared scooters (e.g., Lime, Bird) are more highly valued by prospective office tenants. Anecdotally, some workers in Fox Hills use rideshare services (Uber, Lyft) from the nearest Expo Line station as an alternative to driving. The topography of Fox Hills, combined with its suburban street design and automobile-oriented configuration, makes portions difficult for biking and walking.
4. **Access to restaurants, retail, services, and other amenities is limited due to Fox Hills' internal circulation challenges (limiting access to workers and adjacent residents) and limited density of workers.** Reflecting the era of its development, Fox Hills was designed around the automobile and an expectation that workers would remain on-site throughout their workday. Housing, office, and retail uses are isolated from each other, while the streets meander and feature long distances between intersections. Sidewalks are often narrow, and bicycle

infrastructure is virtually non-existent. This configuration limits the attractiveness and vibrancy of the area; workers and residents alike have few quickly and easily accessible dining, retail, and service amenities beyond on-site cafes in larger office buildings. In turn, the limited accessibility and low worker densities (relative to total land area), make it difficult for these businesses to succeed. Early efforts to attract food trucks have been popular among workers, but food truck operators have reported that the total volume of business is insufficient to consistently locate in the area.

5. There are economic constraints on reinvestment and development activity in Fox Hills including the following:

- **Lower attainable rents compared to competing office districts:** Because the office products in Fox Hills are older and offer fewer amenities, lease rates in Fox Hills are 20 to 30 percent lower than top-tier competing “creative tech” office districts in the West Los Angeles region, potentially making it challenging to attract significant investments.
- **Some property owners are not financially incentivized to redevelop their sites:** Many Fox Hills properties are under long-term ownership. Although rents are relatively low, the properties are generating sufficient revenues to cover operating costs. A citywide referendum limits new building heights to 56 feet (effectively under 4 stories). However, most new office development projects in the West Los Angeles region range from 4 to 5 stories, exceeding the maximum height limit in Fox Hills. The height limit on new buildings reduces the financial incentive for property owners to take on the risk of redeveloping their sites.
- **Fragmented property ownership:** Although some larger parcels exist under single ownership, many of the parcels in Fox Hills are small and have fragmented ownership. This pattern requires a developer to assemble many parcels to obtain a larger, more efficient site, which raises the cost and risk of development.
- **Needed improvements streetscape, pedestrian infrastructure, and bicycle infrastructure.** Local brokers, business owners, and community members consistently cite the need for public realm improvements in Fox Hills to modernize and improve its appearance for prospective tenants.

6. Small businesses “outgrow” Fox Hills due to a lack of midsize spaces. Some Fox Hills office properties essentially function as business incubators, as they attract small and newer businesses that need lower cost spaces. However, as these businesses expand, they generally move to other locations due to the limited supply of high-quality spaces for mid-sized companies (7,000 to 10,000 square feet) in the Fox Hills area.

7. The lack of integrated residential uses hinders Fox Hills’ ability to support a significant amount of retail and restaurant spaces. According to developers, the lack of 24-hour activity at Fox Hills is a challenge for attracting retail and restaurant tenants, who cannot survive solely on daytime business. Existing residential uses are isolated from the commercial areas of Fox Hills.

OPPORTUNITIES

1. **Recent investments in existing buildings.** Despite the challenges noted above, multiple property owners have completed reinvestment and modernization of buildings in Fox Hills to attract new tenants in the media and Creative Tech industries and to attract higher rents. Changes often included upgraded landscaping, modernization or addition of shared amenity spaces, polished concrete floors, additional natural lighting, and exposed ceilings.
2. **Location within a highly-desirable office market area.** Fox Hills is located within the highly-desirable West Los Angeles/“Silicon Beach” area, which is one of the most desirable office markets in the Los Angeles region. Although Fox Hills does not command the same rental rates as competing office districts, the area is likely to benefit from the continued growth of the West Los Angeles region/Silicon Beach creative office market segment. Fox Hills also provides easy access to Los Angeles International Airport.
3. **Potential to attract additional office development activity if height limits are changed.** The “Culver City Creative” building, known as “C3,” was completed in 2017. The 120-foot building is the first office building constructed in Fox Hills since 2007, when the 800-900 Corporate Pointe buildings (including the Symantec campus) were completed. C3 now commands the highest monthly rents in the business district, at \$4.25 per square foot compared to \$3.89 on average in Fox Hills, and has successfully attracted large Creative Tech firms. According to local developers, the C3 project is an anomaly in Culver City because it was able to exceed the current 56-foot height limit due to an older existing entitlement. C3 is indicative of the additional development and redevelopment opportunities that may potentially be enabled by an increase in allowable building heights in the Fox Hills area.
4. **Attraction of small businesses seeking relatively low-cost space.** Fox Hills is an attractive option for small and new businesses requiring low-cost space within the West Los Angeles region/Silicon Beach area.
5. **The perception of Fox Hills is changing due to rebranding efforts, the success of C3, and other renovated properties.** The identity and brand of Fox Hills is improved each time an individual property is upgraded and attracts a mix of Creative Tech and professional services tenants. C3 is now home to large-scale Creative Tech firms. The development of a critical mass of such businesses can rehabilitate the area’s image, potentially in conjunction with coordinated branding and marketing efforts among private stakeholders and, potentially, the City.
6. **New transportation options like shared scooters, e-bikes, and ridesharing are helping to improve the marketability of Fox Hills.** The emergence of app-enabled shared scooters, bicycles, and ridesharing are helping or could potentially help to solve the commute challenge at Fox Hills.
7. **Fox Hills has more parking availability than other creative office districts in Culver City.** Unlike Hayden Tract and other creative office areas in Culver City, Fox Hills does not appear to have a parking shortage for office workers. Indeed, some stakeholders believe that some of the large surface parking lots could likely be redeveloped into office buildings without significantly impacting the overall supply of parking in the district.
8. **Household incomes are relatively high in and near Fox Hills, and the multifamily housing surrounding Fox Hills’ commercial uses forms the City’s highest-density residential community.**

Demand for additional retail, dining, and service amenities in Fox Hills could be somewhat improved by enhancing connections from existing housing (which is currently isolated from the commercial uses in Fox Hills) and incorporating additional multifamily housing within Fox Hills.

9. **Improved connections between commercial areas and Fox Hills Park could allow the park to serve as a shared amenity for local workers.** Local brokers interviewed for this study viewed Fox Hills Park as a positive amenity for Fox Hills. However, the park's current location and access reflect a design intended to principally serve residents. Workers in most commercial buildings immediately adjacent to or near the park cannot directly access the park due to fencing, berms, and/or the need to trespass through private property. Despite these challenges, Fox Hills Park could potentially serve as a shared amenity for both workers and residents if access is improved.
10. **Fiber optic network access.** Culver City's recently completed municipal fiber network runs through the Fox Hills area. The network creates an ongoing opportunity to attract businesses, as the City continues efforts to work with property owners and businesses to complete building connections.

III. FIVE YEAR WORK PLAN

The following pages describe the Plan's five-year work plan strategies and implementation details. The strategies are organized around seven topic areas:

1. Land Use
2. Mobility and Infrastructure
3. Targeted Industry Sectors
4. Business Improvement Districts and Assessment Districts
5. Retail Districts and Shopping Centers
6. Arts and Culture Funding and Marketing
7. Small Businesses and Workforce

Each strategy's implementation details are shown in a summary table at the end of each topic area section. The summary table describes:

- **Time Frame:** Items are shown as ongoing or described as occurring within a year, within 1-2 years, or within 3-5+ years.
- **Relevant Subareas:** Lists the areas for which the strategy is most relevant, with subarea names based on the areas listed in the map in Figure 1.
- **Lead Organization/Department:** Indicates the City department or outside organization with primary responsibility for implementing the strategy.
- **Potential Funding Sources:** Identifies potential existing or future funding sources for implementing the strategy.
- **Supporting Agencies/Partners:** Lists major partners for implementing the strategy.

Land Use

As a largely built-out city, employment and business growth in Culver City depends on conversion of existing structures (such as from industrial to office use) or redevelopment. The City's current 56-foot height limit for new development poses constraints on growth. It does so by limiting total developable space, and by incentivizing developers to undertake less-risky and less-costly reuse of existing buildings rather than pursue higher-risk redevelopment projects whose potential return on investment is limited by the height limit's restriction on total buildable area. These limitations on development and growth also constrain the opportunities to construct larger hotels—similar to existing ones at Fox Hills—that generate high transient occupancy tax revenues to the City.

The following strategies seek to sensitively address opportunities to expand Culver City's commercial space and enable corresponding business and employment growth. They also seek to encourage redevelopment of dated, underperforming motels that have suffered from disinvestment, and to address the displacement risks created by the City's rising rents by putting in place new options for developers to provide below market rate commercial space. Note that additional site-specific or subarea-specific strategies will be incorporated upon completion of Strategic Economics' analysis of development opportunity sites and publicly-owned sites.

Strategy 1. Complete and commence implementation of the Fox Hills Master Plan.

- 1.1. Complete and adopt the Fox Hills Master Plan.
- 1.2. Based on the Fox Hills Master Plan, commence adoption of new funding and financing tools, pursue public improvements, and begin outreach to property owners and developers to pursue improvements or redevelopment projects.

Strategy 2. Facilitate higher intensity development on underutilized commercial properties.

- 2.1. Study the potential for increasing height limits and addressing other development constraints for commercial properties, especially at Fox Hills and along major commercial corridors. The City should explore whether it may be feasible to relax the height limits for specific corridors and sub-areas, with minimal impacts to single-family neighborhoods.

Strategy 3. Revise allowable height limits for hotels in select locations.

- 3.1. Study the potential for increasing height limits and other development constraints for commercial properties. Incorporate changes in the General Plan update and pursue a citywide ballot measure, if necessary.

Strategy 4. Explore expansion of community benefits zoning to include commercial development projects in order to provide more equitable opportunities for businesses to locate in Culver City.

- 4.1. Study opportunities to create community benefits zoning focused on requiring the provision of below market rate (BMR) commercial spaces potentially restricted to retail, arts uses, or other uses to be determined by the City Council. Potential incentives for inclusion of BMR commercial space could include increased height, increased density (if provided as part of a residential project), or reduced parking requirements.

Strategy 5. Encourage redevelopment of older motels.

- 5.1. Encourage redevelopment of older motels through a combination of ongoing owner outreach and code enforcement actions.
- 5.2. Review the findings of the “Motel Reuse Feasibility Study for the Development of Affordable Housing” (not yet complete) to identify motel sites that are positioned for redevelopment as either affordable housing or replacement with new hotels.

FIGURE 2: LAND USE STRATEGY IMPLEMENTATION DETAILS

Strategy Number	Strategy Summary	Time Frame	Relevant Subareas	Lead Organization / Department	Potential Funding Sources	Supporting Agencies / Partners
1.1.	Adopt Fox Hills master plan	1-2 years	Fox Hills	Economic Development	General Fund	Advance Planning
1.2.	Implement Fox Hills Master Plan funding, improvements, and outreach	3-5 years and beyond	Fox Hills	Economic Development	General Fund	Advance Planning Current Planning
2.1.	Study potential increases in allowable height limits in specific areas	3-5 years	Citywide review of potential locations	Economic Development	General Fund	Advance Planning
3.1.	Revise allowable height limits for hotels in select locations	3-5 years	Citywide	Economic Development	General Fund	Advance Planning
4.1.	Study creation of community benefits zoning to provide below market rate commercial spaces restricted retail, arts, or other uses determined by the City Council	3-5 years	Citywide	Planning	General Fund, Developers	Economic Development, Developers
5.1.	Encourage redevelopment of older motels through owner outreach and code enforcement	Ongoing	Citywide	Economic Development	General Fund	Code Enforcement Services, Current Planning
5.2.	Based on planned motel reuse study, identify motels positioned for replacement	1-2 years	Citywide	Economic Development	General Fund	Advance Planning

Mobility and Infrastructure

Culver City's economic success has been accompanied by new transportation and mobility challenges. The City's creative office districts, such as Hayden Tract and Smiley-Blackwelder, are former industrial areas that were not originally designed to accommodate the high densities of workers now commuting to these areas. The addition of two Expo Line stations in or near Culver City has spurred even greater demand for nearby office space, yet the "last-mile" connection to these jobs is stymied by limited mobility options and sometimes-poor pedestrian and bicycle infrastructure. Meanwhile, Fox Hills—Culver City's largest concentration of office space—lacks robust transportation options from light rail stations, and lacks fast, convenient access from office spaces to retail, dining, and service amenities for workers. The following strategies seek to address these challenges, and also prioritize Culver City's ongoing efforts to leverage its new fiber optic loop as an attractor of business activity.

Strategy 6. Continue efforts to expand usage of the municipal fiber optic loop in order to attract more business users.

- 6.1. Continue pursuit of operator partnerships, outreach to potential users, construction of additional connections to the trunk line, and inclusion of the network in Culver City's promotional efforts.

Strategy 7. Address last-mile mobility needs through expansion of micro-mobility options and infrastructure in Fox Hills and areas adjacent to the Culver City and La Cienega/Jefferson Expo Line stations.

- 7.1. Pursue expansion of micro-mobility options through development of supportive public policies and engagement with operators of these systems. Micro-mobility options include app-enabled shared scooters and bicycles, which could be used to expand the reach of the Culver City and La Cienega/Jefferson Expo Line stations and to enhance mobility within Fox Hills.
- 7.2. Plan for and pursue installation of supportive safe street infrastructure for micro-mobility users (e.g., bike lanes, lower automobile traffic speeds, wide sidewalks, etc.).

Strategy 8. Address last-mile mobility needs through expansion of microtransit options and infrastructure.

- 8.1. Study microtransit options that could be used to span longer distances from the Expo Line stations. Microtransit includes multi-user, on-demand transportation service with user-responsive flexibility in its routes.
- 8.2. Implement a pilot program to test the viability of microtransit. The models for app-enabled microtransit are evolving, so an initial pilot program may be needed to determine the appropriate approach for Culver City.

Strategy 9. Manage parking demand in creative office districts through trip caps and Transportation Management Associations.

- 9.1. Study and pursue creation of mandatory Transportation Management Associations (TMAs) and trip caps in creative office districts with insufficient parking. The TMAs would provide funding and management to institute "transportation demand management" programs

encouraging commutes by means other than single-occupant automobiles (i.e., via walking, bicycling, micro-mobility tools, transit, carpool, and shared-ride vans). TMAs would also monitor the number of single-occupancy vehicle trips to monitor progress and enforce the trip cap.³ The final TMA locations should be determined based on need, but should be explored for the Hayden Tract, the Smiley-Blackwelder portion of the Arts District, Jefferson Corridor, Downtown, and Fox Hills.

³ The City of Mountain View's "North Bayshore Transportation Demand Management Plan Guidelines" document provides an example of a TDM plan, including approach, monitoring, and enforcement mechanisms:
<https://www.mountainview.gov/civicax/filebank/blobdload.aspx?BlobID=15164>

FIGURE 3: MOBILITY AND INFRASTRUCTURE STRATEGY IMPLEMENTATION DETAILS

Strategy Number	Strategy Summary	Time Frame	Relevant Subareas	Lead Organization / Department	Potential Funding Sources	Supporting Agencies / Partners
6.1.	Continue efforts to expand usage of the municipal fiber optic loop	Ongoing	Citywide	Economic Development	General Fund	Contracted operator, Internet service providers, End-user businesses
7.1.	Expand micro-mobility options through policy development and engagement with operators	1-2 years	Downtown, Hayden Tract, Arts District, Fox Hills	Transportation	General Fund, Private operators	Economic Development, Private micro-mobility operators
7.2.	Plan and implement installation of safe street infrastructure for micro-mobility users	3-5 years	Downtown, Hayden Tract, Arts District, Fox Hills	Transportation	General Fund, Capital improvement funds	Economic Development, Advance Planning
8.1.	Study microtransit options	1-2 years	Downtown, Hayden Tract, Arts District, Fox Hills	Transportation	General Fund	Economic Development, Advance Planning
8.2.	Implement a microtransit pilot program	3-5 years	Downtown, Hayden Tract, Arts District, Fox Hills	Transportation	General Fund, Private operators, Outside grants	Economic Development, Advance Planning
9.1.	Study and pursue creation of mandatory Transportation Management Associations in specific creative office districts	3-5 years	Hayden Tract, Arts District, Jefferson Corridor, Downtown, Fox Hills, Other Areas	Economic Development	New subarea Transportation Management Associations	Transportation, TMAs, Businesses

Targeted Creative Tech Industries

Culver City's wide variety of sizes and types of "Creative Tech" businesses fuel the community's economy. Culver City's Creative Tech business types now include a robust and growing entertainment and digital media cluster, a potential opportunity to cultivate a biotechnology cluster based on Nantworks' and other firms' presence within the city, and a longstanding cluster of businesses focused on design, architecture, and engineering. These three industry clusters are positioned for growth and should be targeted for recruitment and support. The following strategies focus on sustaining and growing these three categories of businesses by creating connections between the businesses, and by providing a forum for City staff to understand, anticipate, and respond to the unique needs of each type of business.

Strategy 10. Pursue growth and retention of businesses in the digital entertainment and technology industry.

- 10.1. Review membership and set goals and activities of the Technology stakeholder group, and implement any necessary changes to ensure the group is able to function effectively as advocates and representatives for the digital entertainment and technology industry.
- 10.2. Engage in ongoing visits with businesses in the digital entertainment and technology industry to understand business needs, introduce available resources, and encourage participation in the stakeholder group.
- 10.3. Continue efforts to build relationships with larger employers in the digital entertainment and technology industry to encourage communication with the City and engagement with other employers.

Strategy 11. Pursue growth and retention of businesses in the design, architecture, and engineering industries.

- 11.1. Form a new Architecture, Engineering, and Design stakeholder group and conduct regular meetings to communicate City news and understand these employers' needs and concerns.
- 11.2. Engage in ongoing visits with businesses in the architecture, design, and engineering industry to understand business needs, introduce available resources, and encourage participation in the stakeholder group.

Strategy 12. Pursue expansion of Culver City's biotechnology industry.

- 12.1. Conduct ongoing business outreach meetings with Culver City's existing biotechnology businesses—such as Nantworks, Laragen, Lyxia, and Indi Molecular—to share information about City efforts and better understand these businesses' operations and needs.
- 12.2. Prioritize recruitment of biotechnology companies through collaboration with the Los Angeles Economic Development Corporation (LAEDC) and Los Angeles County. Conduct outreach to the LAEDC and Los Angeles County to determine an appropriate strategy for recruitment and the kinds of spaces and locations preferred by these businesses.

FIGURE 4: TARGETED CREATIVE TECH INDUSTRIES STRATEGY IMPLEMENTATION DETAILS

Strategy Number	Strategy Summary	Time Frame	Relevant Subareas	Lead Organization / Department	Potential Funding Sources	Supporting Agencies / Partners
10.1.	Review and reorganize the Technology stakeholder group to effectively represent the digital entertainment and technology industry	1 year	Citywide	Economic Development	General Fund	Technology stakeholder group
10.2.	Conduct ongoing visits with businesses in the digital entertainment and technology industry	Ongoing	Citywide	Economic Development	General Fund	Digital entertainment and technology businesses, Culver City Chamber of Commerce
10.3.	Build relationships with larger employers in the digital entertainment and technology industry	Ongoing	Citywide	Economic Development	General Fund	Large digital entertainment and technology employers
11.1.	Form a new Architecture, Engineering, and Design stakeholder group	1 year	Citywide	Economic Development	General Fund	Technology stakeholder group, New stakeholder group, Culver City Chamber of Commerce
11.2.	Conduct ongoing visits with businesses in the architecture, design, and engineering industry	Ongoing	Citywide	Economic Development	General Fund	Architecture, engineering, and design businesses, Culver City Chamber of Commerce
12.1.	Conduct business outreach meetings with Culver City biotechnology businesses	Ongoing	Citywide	Economic Development	General Fund	Biotechnology businesses, Culver City Chamber of Commerce
12.2.	Proactively prioritize recruitment of biotechnology companies through collaboration with the LAEDC	2-3 years	Citywide	Economic Development	General Fund	LAEDC

Business Improvement Districts and Assessment Districts

Culver City's two business improvement districts (BIDs) and various business associations serve many important roles in supporting the City's economic development efforts. These organizations develop an identity for their district, engage in event programming and promotion, provide a forum for identifying and addressing shared concerns, and create a single point of contact for City efforts. Culver City also includes local assessment districts—such as the Washington West Assessment District No. 2—that contribute funding for local capital improvements.

The following strategies seek to support the BIDs and business associations in their crucial work, particularly in their marketing and branding activities and general coordination. The strategies also seek to expand the number and funding capacity of these organizations, and to work with hotel operators to gauge their needs and explore creation of a tourism-focused BID that would assist in promoting Culver City as an overall destination. The strategies also seek to create assessment districts to fund infrastructure, such as pedestrian and mobility improvements needed in the Hayden Tract.

Strategy 13. Collaborate with BIDs and business associations to enhance marketing and branding.

- 13.1. Conduct ongoing outreach to and collaboration with BIDs and business associations to enhance marketing and branding for each district's unique identity and needs.
- 13.2. Conduct ad hoc meetings with representatives from Culver City's BIDs, business associations, and the Chamber of Commerce to identify shared opportunities to promote these subareas, address their concerns, and potentially develop and incorporate a shared "Culver City" identity in marketing efforts.

Strategy 14. Pursue the creation of an assessment district in Hayden Tract to fund local improvements.

- 14.1. Work with Hayden Tract property owners to create a property-based assessment district to fund area infrastructure needs (in addition to or in conjunction with a TMA).

Strategy 15. Re-examine the boundaries of the Downtown and Arts District BIDs to consider potential expansions.

- 15.1. Facilitate a review of whether potential exists for expansions of the Downtown and Arts District BIDs in order to enhance their revenue bases and ability to coordinate activities and services within a larger area.

Strategy 16. Pursue the creation of a BID in the West Washington area to enhance marketing and event programming activities.

- 16.1. Work with engaged business owners in the Washington West Business District (one of Culver City's two officially recognized business associations) to conduct additional outreach and raise awareness of the benefits of a BID among other area businesses; pursue creation of a BID when sufficient support exists.

Strategy 17. Conduct ongoing meetings with hotel operators to understand and respond to their needs, and to consider the potential creation of a Tourism Business Improvement District (TBID) to promote and market Culver City and to coordinate and advocate for the hospitality industry.

- 17.1. Regularly meet with management of Culver City's hotels to understand and respond to specific infrastructure, transportation, and other needs related to the specific locations of the hotels, and to build capacity for coordination between hotel operators to address shared concerns.
- 17.2. If sufficient initial hotel operator interest exists, conduct a study of the potential to form a TBID and then pursue adoption of the TBID. A TBID functions as a business improvement district funded by hotels, with a focus on encouraging visitation and hotel stays.

Strategy 18. Gauge interest and capacity of other retail business districts to form BIDs to enhance marketing, event programming, and local services.

- 18.1. As part of ongoing outreach and collaboration with other district business associations in Culver City, proactively gauge the interest and capacity of business owners to pursue the creation of new BIDs. As an area with one of Culver City's two officially-recognized business associations, Culver Village should be targeted first for these efforts.

FIGURE 5: BUSINESS IMPROVEMENT DISTRICTS AND ASSESSMENT DISTRICTS STRATEGY IMPLEMENTATION DETAILS

Strategy Number	Strategy Summary	Time Frame	Relevant Subareas	Lead Organization / Department	Potential Funding Sources	Supporting Agencies / Partners
13.1	Conduct ongoing outreach to BIDs and business associations to enhance marketing and branding for each district	Ongoing	Downtown, Arts District, West Washington, Sepulveda	Economic Development	General Fund, BIDs	Culver City Arts District, Culver Downtown Business Association, Culver Village Business District, Washington West Business District, Culver City Chamber of Commerce
13.2.	Conduct ad hoc meetings with BIDs, business associations, and Culver City Chamber of Commerce to identify shared concerns and shared opportunities for promotion and identity-building	1-2 years	Downtown, Arts District, West Washington, Sepulveda	Economic Development	General Fund, BIDs	Culver City Arts District, Culver Downtown Business Association, Culver Village Business District, Washington West Business District, Culver City Chamber of Commerce
14.1.	Work with Hayden Tract property owners to create a property-based assessment district to fund infrastructure needs	3-5 years	Hayden Tract	Economic Development	General Fund, New assessment district	Hayden Tract businesses
15.1.	Review potential to expand Downtown and Arts District BID boundaries	3-5 years	Downtown, Arts District	Economic Development	General Fund, BIDs	Culver City Arts District, Culver Downtown Business Association, Culver City Chamber of Commerce, Business owners
16.1.	Raise awareness of BID benefits among Washington West Business District business owners, and pursue creation of a BID	3-5 years	West Washington	Economic Development	General Fund	Washington West Business District, Culver City Chamber of Commerce, Business owners
17.1.	Regularly meet with hotel operators to identify and address concerns and to build coordination capacity	1-2 years	Citywide	Economic Development	General Fund	Hotel operators
17.2.	Study potential creation of a TBID, and pursue adoption if potential exists	3-5 years	Citywide	Economic Development	General Fund, Hotel operators	Hotel operators
18.1.	Gauge opportunities for forming additional BIDs, especially in Culver Village	3-5 years	Citywide, Sepulveda	Economic Development	General Fund, BIDs	Culver Village Business District, Culver City Chamber of Commerce, Business owners

Retail Districts and Shopping Centers

Culver City's retailers and restaurants are performing well overall. The City's regionally competitive retail offerings—including Westfield Culver City, Costco, and automobile dealerships—all attract a surplus of sales and sales tax revenues well beyond what the city's residents could support on their own. Culver City is also home to unique regional dining and shopping assets such as the restaurant Vespertine and the collection of businesses at Platform. City sales tax revenues have grown significantly in recent years, though a high share of tax revenues is generated by just a handful of larger stores or automobile dealerships.

Despite these positives, Culver City's many storefront shopping districts—such as Downtown, the Arts District, and major commercial corridors—are each confronting their own unique mix of challenges such as limited parking, a lack of anchors, a lack of cohesive identity and branding, and aging storefronts that require reinvestment. The industrywide transition away from traditional retail toward restaurants, dining, and “experience-focused” businesses and retail environments is also impacting the locations and types of tenants in Culver City. Additionally, Culver City's creative office districts such as Hayden Tract, Smiley-Blackwelder, and Jefferson lack worker dining and retail amenities despite the opportunities created by additional demand generated by employment growth in those areas. Meanwhile, Fox Hills features numerous dining and retail amenities within the larger district (primarily at Westfield Culver City mall), but lacks such amenities within the immediate vicinity of most workers and residents since the area's retail land uses are isolated from its office and housing.

Strategy 19. Address vacant and disinvested storefronts and properties through code enforcement actions and a program focused on temporary arts or retail uses.

- 19.1. Continue to pursue code enforcement actions on vacant and disinvested storefronts and properties, including maintaining standing meetings of relevant departments to coordinate efforts and target specific property owners.
- 19.2. Establish a program to work with property owners, artists, and/or business operators to place art and pop-up retail uses in vacant storefronts.

Strategy 20. Expand dining, retail, and service amenities in business districts undergoing employment or residential growth that lack these amenities within easy walking distance of jobs or housing.

- 20.1. In the short term, review and pursue changes to existing policies to ensure food trucks and pop-up dining and retail uses are allowed and encouraged in the Hayden Tract, Jefferson, and Smiley-Blackwelder. Staff should provide assistance in attracting these uses, as appropriate.
- 20.2. As part of the General Plan update process and the Fox Hills Master Plan, examine opportunities to allow or require retail and restaurant space in future development projects in Hayden Tract, Jefferson, Smiley-Blackwelder, and Fox Hills.
- 20.3. As part of the Fox Hills Master Plan, explore appropriate locations for adding additional residential uses to provide more consistent demand for additional dining, retail, and service amenities within easy walking distance of workers and residents.

Strategy 21. Explore and implement zoning tools to encourage retention of major automobile dealerships.

- 21.1. Study and implement changes to land use policies and zoning that will encourage retention of automobile dealerships in any future redevelopment plans for these properties.

Strategy 22. Require employee cafeterias to be accessible to the public in order to provide a public dining amenity in office districts.

- 22.1. Pursue passage of policies that require any cafeterias included in future office development or renovation projects to be open and easily accessible to the public.

Strategy 23. Create nodes of activity by targeting specific locations along commercial corridors for retention and growth of retail, dining, entertainment, and customer-oriented services uses.

- 23.1. Develop specific target areas within which economic development business outreach and retention efforts prioritize these customer-oriented, pedestrian-oriented uses. Based on existing concentrations of these businesses, suggested target areas include major commercial streets in much of Downtown Culver City, the Arts District immediately adjacent to Helms Bakery, the TOD area, and West Washington Boulevard near South Centinela Avenue.
- 23.2. Implement prohibitions or limitations on office use conversions of ground floor storefronts in locations targeted for customer-oriented service uses.

Strategy 24. Require owners and developers of shopping centers to incorporate more pedestrian-friendly features in conjunction with alterations, expansions, and redevelopments.

- 24.1. Pursue policy changes that create more stringent requirements for major renovations and redevelopment projects and require mandatory design review.

FIGURE 6: RETAIL DISTRICTS AND SHOPPING CENTERS STRATEGY IMPLEMENTATION DETAILS

Strategy Number	Strategy Summary	Time Frame	Relevant Subareas	Lead Organization / Department	Potential Funding Sources	Supporting Agencies / Partners
19.1.	Continue to pursue code enforcement actions on vacant/disinvested storefronts and properties	Ongoing	Citywide	Code Enforcement Services	General Fund, Fines and fees	Economic Development
19.2.	Establish a program to place art and pop-up retail uses in vacant storefronts	1-2 years	Citywide	Economic Development	General Fund, Art in Public Places Program	Cultural Affairs Foundation, Culver City Chamber of Commerce
20.1.	Review and pursue changes to existing policies to ensure food trucks and pop-up dining and retail uses are allowed and encouraged in specific areas	1 year	Hayden Tract, Jefferson Corridor, Arts District, Fox Hills	Economic Development	General Fund	Advance Planning
20.2.	Examine opportunities to allow or require retail and restaurant space in future development projects in specific office districts	2-3 years	Hayden Tract, Jefferson Corridor, Arts District, Fox Hills	Economic Development	General Fund	Advance Planning
20.3.	Explore appropriate locations for adding additional residential uses in Fox Hills to support local dining and retail amenities	2-3 years	Fox Hills	Economic Development	General Fund	Advance Planning
21.1.	Study and implement land use policy and zoning changes to encourage retention of automobile dealerships	3-5 years	Downtown, Sepulveda, General Fox Hills	Advance Planning	General Fund	Economic Development
22.1.	Require that new employee cafeterias are open to the public	1-2 years	Citywide	Economic Development	General Fund	Advance Planning
23.1.	Create specific target areas in commercial corridors in which economic development efforts prioritize retention and growth of pedestrian-oriented retail, dining, entertainment, and service uses	1-2 years	Citywide, Downtown, Arts District, West Washington	Economic Development	General Fund	Current Planning Advance Planning
23.2.	Implement prohibitions/limitations on office use conversions of ground floor storefronts in locations targeted for pedestrian- and customer-oriented uses	3-5 years	Citywide, Downtown, Arts District, West Washington	Advance Planning	General Fund	Economic Development, Current Planning
24.1.	Create more stringent requirements for major renovations and redevelopment projects at shopping centers to include pedestrian-friendly design	Ongoing	Citywide	Advance Planning	General Fund, Developers	Economic Development, Current Planning

Arts and Culture Funding and Marketing

Culver City features many significant arts and culture venues, events, programs, institutions, organizations, and public art installations. These assets attract regional visitors and visitor spending to the city, helping to support restaurants and retailers. The arts and culture assets also contribute to Culver City's creative, innovation-focused environment sought by Creative Tech companies. Much of Culver City's success in expanding its arts and culture institutions and resources is attributable to its ability to attract or require private funding through programs such as the Art in Public Places Program. Despite this success, however, Culver City still suffers from limited name recognition as an arts destination relative to its well-known neighbors within the Los Angeles region. The following strategies seek to increase awareness of Culver City's arts and culture assets, and to provide funding that will ensure the city's arts and culture assets continue to thrive.

Strategy 26. Encourage businesses to voluntarily provide support and funding for arts and culture organizations in Culver City.

- 26.1. As part of outreach to private businesses, disseminate information about Culver City's arts and culture assets and encourage private business contributions to the new Cultural Affairs Foundation or sponsorship of specific organizations and events.

Strategy 27. Continue to work with the development community to integrate public art into major projects, both voluntarily and via existing requirements.

- 27.1. Conduct outreach to developers, encouraging provision of on-site public art or other contributions that exceed existing requirements as part of their contributions as good citizens in the community.

Strategy 28. Promote Culver City's arts and cultural assets through partnership with the Cultural Affairs Foundation, and partner with surrounding cities—especially Los Angeles—to cross-promote arts and culture assets and events.

- 28.1. As part of the Cultural Affairs Foundation formation process, examine whether and how the Cultural Affairs Foundation could become the City's lead partner in promoting Culver City's arts and culture identity and assets.
- 28.2. Upon formation of the Cultural Affairs Foundation, continually partner with the organization to develop and promote Culver City's arts and culture identity and assets.
- 28.3. Conduct outreach to partners in surrounding cities—especially Los Angeles—to gauge how arts and culture assets can be cross-promoted or how joint events can be created. This is especially relevant to the Arts District, which is immediately adjacent to additional galleries and arts uses in Los Angeles.

FIGURE 7: ARTS AND CULTURE FUNDING AND MARKETING STRATEGY IMPLEMENTATION DETAILS

Strategy Number	Strategy Summary	Time Frame	Relevant Subareas	Lead Organization / Department	Potential Funding Sources	Supporting Agencies / Partners
26.1.	Disseminate information about arts and culture assets and encourage financial contributions/partnerships as part of business outreach	Ongoing	Citywide	Economic Development	Businesses	Cultural Affairs Foundation, Arts and culture organizations
27.1.	Work with developers to encourage arts contributions exceeding requirements in order to build good will with the community	Ongoing	Citywide	Economic Development	General Fund, Developers, Art in Public Places Program	Current Planning
28.1.	Determine whether and how the Cultural Affairs Foundation can become the lead partner in promoting the City's arts and culture identity and assets	1-2 years	Citywide	Economic Development	General Fund, Cultural Affairs Foundation	Cultural Affairs Foundation
28.2.	Upon formation of the Cultural Affairs Foundation, continually partner to develop and promote the City's arts and culture identity and assets	Ongoing	Citywide	Economic Development	Cultural Affairs Foundation	Cultural Affairs Foundation
28.3.	Conduct outreach to partners in surrounding cities to develop and implement cross-promotion strategies	1-2 years	Citywide, Arts District	Economic Development	General Fund	Cultural Affairs Foundation City of Los Angeles, Culver City Arts District

Small Businesses and Workforce

74 percent of businesses in Culver City consist of less than ten employees. Small businesses form a crucial component of the city's economy, and the city's relatively lower-cost office districts—such as Fox Hills—have successfully attracted small startup businesses. However, the rising cost of commercial space in Culver City threatens its success in attracting and retaining small businesses. Stakeholders from a variety of businesses have also noted difficulties in attracting trained workers, especially in service-focused positions such as hospitality. This challenge will continue to grow as the rising cost of housing in Culver City makes it more difficult for lower-wage workers to afford homes in the city. The following strategies seek to address these recruitment needs through partnerships with workforce development organizations, retain diverse workers through affordable housing policies, and to provide services to support Culver City's small businesses.

Strategy 29. Enhance equitable job access by facilitating partnerships between employers and workforce development organizations, with a goal of connecting trained workers with jobs in Culver City.

- 29.1. Encourage businesses to recruit and hire workers through partners such as JVS SoCal and its local WorkSource Center.
- 29.2. Explore opportunities to develop partnerships focused on internship and workforce training programs. For example, Culver City is currently assisting in a partnership between West Los Angeles College and Culver City's hotel operators to create hospitality internships.

Strategy 30. Address workforce housing affordability challenges through implementation of new policies and requirements.

- 30.1. As part of evaluations of private and public development opportunity sites, consider the sites' potential to incorporate income-restricted affordable housing.
- 30.2. Study adoption of new affordable housing requirements applicable to future housing development projects, potentially including inclusionary housing requirements (in which new development projects must include a certain percentage of income-restricted units), affordable housing impact fees, and commercial linkage fees.

Strategy 31. Continue to assist small businesses with permitting and approvals processes.

- 31.1. Continue targeted efforts to help small businesses navigate permitting and approvals processes through easily accessible, "one-stop" resources such as the Culver City Business Resource Center.
- 31.2. Periodically re-examine the effectiveness of small business assistance programs through surveys or interviews with businesses; make adjustments based on feedback.

Strategy 32. Assist small businesses in retaining or finding space.

- 32.1. Assist small businesses through activities including landlord outreach and connections with brokers.

Strategy 33. Provide technical assistance to small businesses through partnerships with other organizations.

- 33.1. Strengthen coordination and partnerships with the Culver City Chamber of Commerce, LA Small Business Development Center, LAEDC, U.S. Small Business Administration, and other partners to provide enhanced technical assistance to small businesses.

FIGURE 8: SMALL BUSINESSES AND WORKFORCE DEVELOPMENT STRATEGY IMPLEMENTATION DETAILS

Strategy Number	Strategy Summary	Time Frame	Relevant Subareas	Lead Organization / Department	Potential Funding Sources	Supporting Agencies / Partners
29.1.	Encourage businesses to recruit and hire through workforce development partners	Ongoing	Citywide	Economic Development	General Fund	JVS SoCal, Other workforce development organizations, Businesses
29.2.	Explore partnership opportunities to develop internship and workforce training programs	Ongoing	Citywide	Economic Development	General Fund	West Los Angeles College, Workforce development organizations, Businesses
30.1.	Incorporate evaluation of potential affordable housing contributions when considering development opportunities	Ongoing	Citywide	Economic Development	General Fund	Advance Planning, Current Planning, Developers
30.2.	Study adoption of new affordable housing requirements	1-2 years	Citywide	Advance Planning	General Fund	Developers
31.1.	Assist small businesses in navigating permitting and approvals processes	Ongoing	Citywide	Economic Development	General Fund	Current Planning, Finance, Building Safety, Fire
31.2.	Periodically re-examine the effectiveness of small business assistance programs	Ongoing	Citywide	Economic Development	General Fund	Current Planning, Finance, Building Safety, Fire
32.1.	Assist small businesses in retaining or finding space	Ongoing	Citywide	Economic Development	General Fund	Businesses, Property owners, Commercial brokers
33.1.	Provide technical assistance to small businesses through partnerships	1 year	Citywide	Economic Development	General Fund	Culver City Chamber of Commerce, LA Small Business Development Center, U.S. Small Business Administration, Other partners

IV. TECHNICAL ANALYSIS

This chapter presents detailed findings and conclusions from technical analyses, stakeholder interviews, and other research. The chapter opens with an analysis of employment data to describe Culver City's job locations, economic composition, and performance. This is followed by a deeper examination of the City's "creative economy" cluster and other significant industry sectors. Subsequent sections examine market trends and competitive positioning for the City's office, retail and restaurant, and tourism and hotel uses.

Job Locations

Nearly half of Culver City's jobs are located in Fox Hills, making it the largest employment center in Culver City by far. As shown in Figure 9, Fox Hills accounts for 45 percent of all Culver City jobs. The area includes over 13,000 jobs in largely office-based industries, and over 5,000 customer-facing jobs in household-focused service industries.⁴ The map in Figure 1 reflects Fox Hills' job concentration.⁵

Other jobs in office-based industries are primarily concentrated in the Hayden Tract, the Jefferson Corridor, and the Smiley-Blackwelder area of the Arts District, as well as Downtown. The strongest office concentrations outside downtown are in the Hayden Tract and the southern portion of Jefferson.

In contrast, Sepulveda, Mid-Washington, and West Washington are commercial corridors with large shares of retail, healthcare, and other household-serving jobs. Job densities in both Sepulveda and West Washington are low overall.

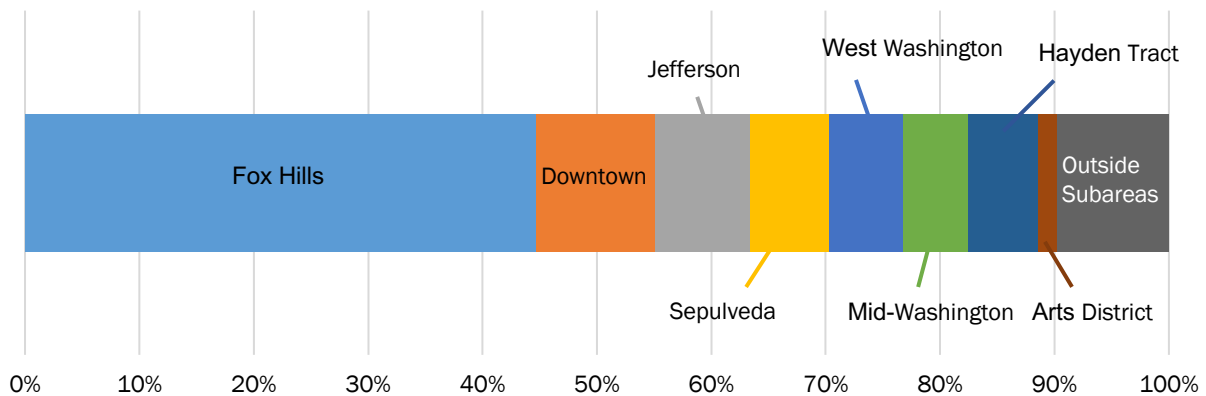
Jobs are the most diverse in Downtown and the Arts District, which both have sizeable office-based employment, and retail and services jobs in pedestrian-oriented areas.

Culver City has long been home for small businesses, many of which are located in Fox Hills. Seventy-four percent of businesses in Culver City have less than 10 employees.

⁴ Office-based jobs include Information, Finance and Insurance, Real Estate, Professional, Scientific, and Technical Services, Management of Companies and Enterprises, and Public Administration sectors. Customer-facing jobs include Retail Trade, Educational Services, Health Care and Social Assistance, and Accommodation and Food Services sectors.

⁵ Note that approximately 9,000 jobs in Fox Hills are in the "Administration and Support and Waste Management and Remediation Services" Industry sector. Most employment associated with this category, which includes temporary staffing agencies, is located off-site. If this category were excluded from this calculation, jobs in Fox Hills would still account for 36 percent of total jobs in Culver City. Additionally, it is likely that Mid-Washington employment is undercounted, while Fox Hills may be overcounted, due to differences in the location of actual jobs versus where those jobs are accounted for in the available employment data.

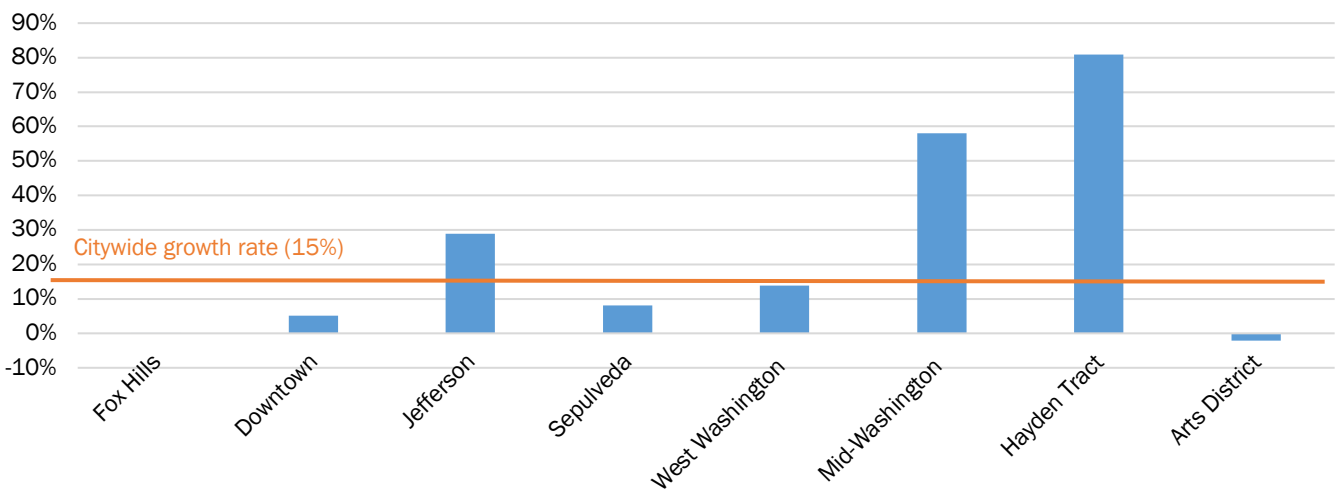
FIGURE 9. CULVER CITY JOB DISTRIBUTION BY SUBAREA, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

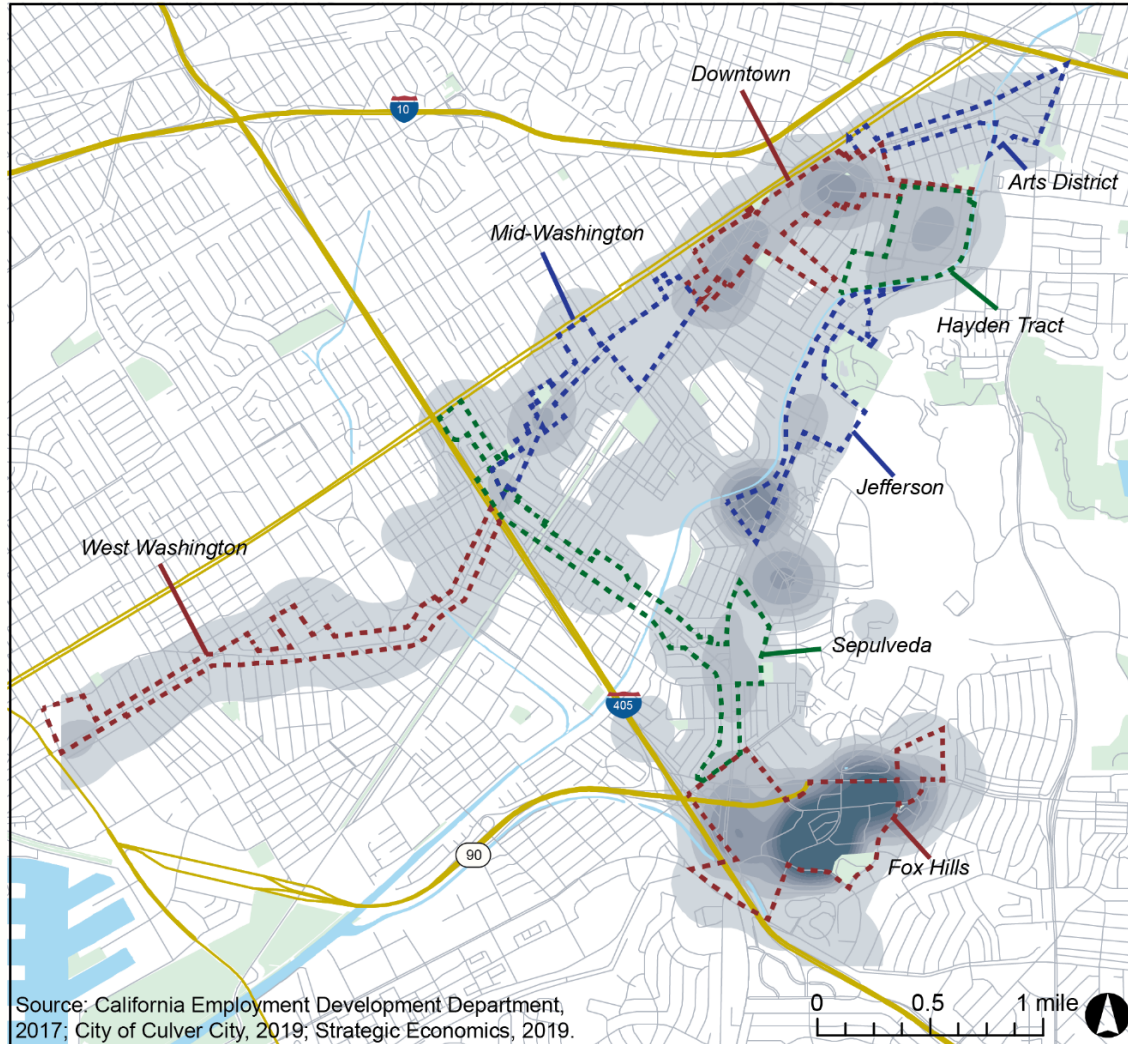
Employment in the Jefferson and Hayden Tract subareas, which both constitute relatively small shares of jobs in Culver City, grew most rapidly over the five-year period analyzed. These areas are both popular among office tenants in the Creative Tech cluster, and office inventory has been added largely from conversions of former industrial space. At the same time, Fox Hills' employment remained steady despite having the largest concentration of workers (Figure 10).

FIGURE 10: JOB GROWTH BY SUBAREA, 2013-2017

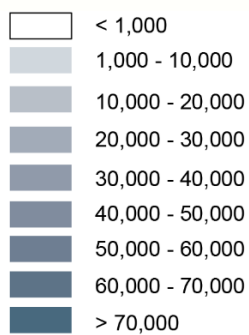


Source: California Employment Development Department, 2013-2017; Strategic Economics, 2019.

FIGURE 11: JOB CONCENTRATIONS BY SUBAREA, 2017



Culver City Jobs Per Square Mile, Q4 2017*



*Only jobs in Culver City are included, and therefore actual job densities may be higher if there are job concentrations in Los Angeles nearby.

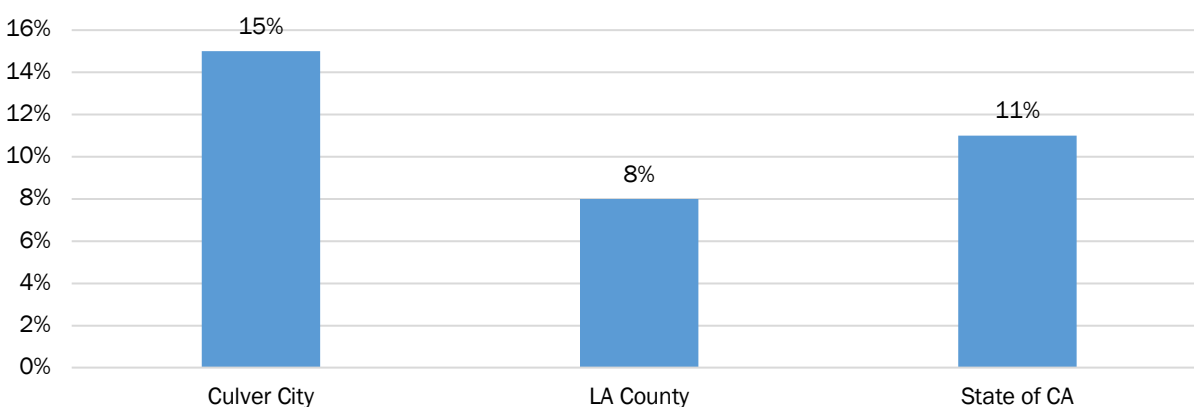
Employment Trends

The following findings are based on an analysis of establishment-level employment data for Culver City and aggregate employment data for Los Angeles County and California. This data was assembled by the California Employment Development Department (EDD), spanning years 2013 to 2017. EDD obtains the county and state data from the “Quarterly Census of Employment and Wages” (QCEW) prepared by the United States Bureau of Labor Statistics (BLS). Industry classifications in this data are based on “North American Industry Classification System” (“NAICS”) codes. Note that NAICS industry classifications cannot account for the diverse variety of activities undertaken by a given establishment. For example, in Culver City many establishments that contribute to the “creative tech” cluster because of their involvement with video- or film-related activities are not classified as part of the Motion Picture and Video subsector, but rather in other sub-sectors in the Information Sector, or in the Professional, Scientific, and Technical Services sector. The following findings describe these nuances as appropriate.

CULVER CITY EMPLOYMENT BY INDUSTRY SECTOR

Culver City experienced rapid job growth from 2013 to 2017. As of 2017, there were approximately 59,600 jobs in Culver City, up 15 percent from 51,900 in 2013. Culver City’s rate of job growth is significantly higher than Los Angeles County and California during the same period, which grew by eight percent and 11 percent, respectively.

FIGURE 12. JOB GROWTH IN CULVER CITY, LOS ANGELES COUNTY, AND CALIFORNIA, 2013-2017



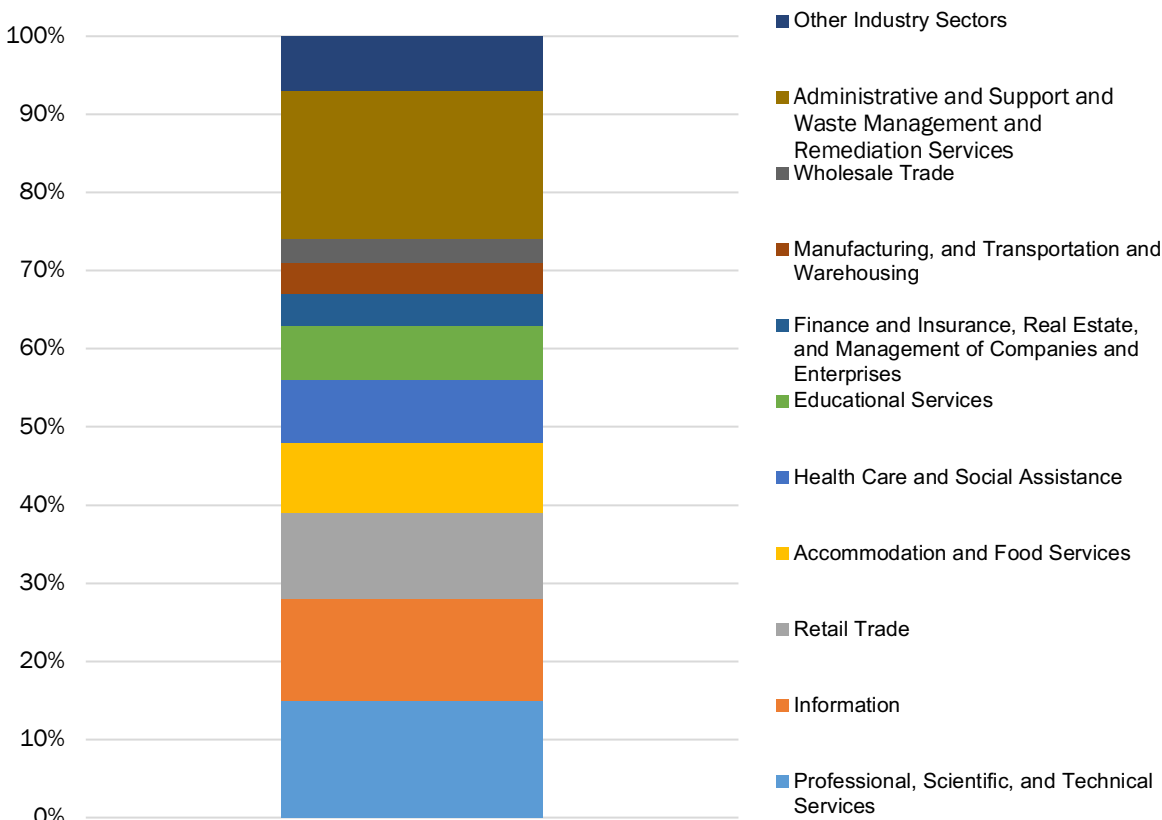
Source: California Employment Development Department, 2019; Strategic Economics, 2019.

Culver City’s employment mix includes jobs in “traded” sectors that drive the economy—like high tech jobs—as well as “non-traded,” primarily household-serving sectors like retail, restaurants, health care, and education.⁶ Professional, Scientific, and Technical Services and the Information sectors comprise the largest shares of Culver City employment, representing 15 and 13 percent of Culver City’s jobs in 2017, respectively. The next largest sectors primarily serve local household needs, including Retail Trade (11 percent), Accommodations and Food Services (9 percent), Healthcare and Social Assistance

⁶ Traded sectors include firms that compete with other firms in national and international markets, while non-traded, or local sectors sell their services or goods primarily in their local market.. For example, most activities in the Creative Tech cluster are part of traded sectors, while health care, retail, and food service are non-traded sectors.

(8 percent), and Educational Services (7 percent).⁷ An overview of industry sector employment in Culver City, is shown in Figure 13.

FIGURE 13. CULVER CITY'S EMPLOYMENT COMPOSITION BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

Reflecting broader industry shifts, Culver City's Information industry sector, which includes jobs in sub-sectors such as Motion Picture and Video, Software Publishing, and Broadcasting, is undergoing a transition from traditional motion picture and television production to a broader digital media focus. The number of jobs in the Information sector in Culver City declined by 16 percent from 2013 to 2017 because of an over 50 percent contraction in jobs classified within the Motion Picture and Video sub-sector in Culver City. Despite this, the Information sector in Culver City is healthy, diversifying, and adapting to new trends in media production, distribution, and consumption.⁸ Other Information subsectors, particularly those related to digital media, grew rapidly. Software Publishers, Broadcasting, and Other Information Services added 2,300 jobs over the same period.

⁷ The NAICS industry sector 56, "Administration and Support and Waste Management and Remediation Services," accounted for 19 percent of Culver City jobs in 2017, but this category typically includes a large portion of jobs performed off-site, such as temporary employment and security guard agencies; therefore the actual location of these jobs is unknown.

⁸ It is also possible that this contraction in the jobs data may be due to a shift toward the use of independent contractors whose NAICS industry classifications may not fall in the narrow Motion Picture and Video sub-sector umbrella, or even the Information sector itself.

The Professional, Technical, and Scientific Services (PSTS) sector grew by three percent from 2013 to 2017 in Culver City. By contrast, PSTS employment in L.A. County declined by one percent. The growth was primarily driven by design and technology sub-sectors including:

- Architectural, Engineering, and Related Services
- Specialized Design Services
- Computer Systems Design and Related Services
- Scientific Research and Development Services
- Advertising, Public Relations, and Related Services
- Other Professional, Scientific, and Technical Services

Industry sectors that primarily serve local households also grew from 2013 to 2017 in Culver City, matching trends in LA County and the state. Employment in the Educational Services and Healthcare and Social Assistance sectors both grew substantially over the period, by 40 and 33 percent respectively. Retail Trade and Accommodations and Food Services sectors also expanded, growing 16 and seven percent respectively.

SPECIALIZED INDUSTRIES IN CULVER CITY

The following findings describe the industries that employ the most workers or are highly concentrated in Culver City compared to L.A. County or the state. These industry concentrations were examined based on their “location quotient” relative to those areas. A location quotient is a metric used to understand the relative concentrations of industry sectors in a study area, compared to a larger, reference geography.⁹

Professional, Scientific, and Technical Services, and Information sectors are the primary engines of Culver City’s economy today. The Information and Professional Services sectors are heavily concentrated compared to L.A. County and California. As shown in Figure 14, the Information sector, in terms of employment, is 2.8 and 4.3 times more concentrated in Culver City compared to L.A. County and California, and the Professional, Scientific, and Technical Services sector is over two times more concentrated compared to both reference geographies. Both sectors reflect jobs in Culver City’s emerging Creative Tech cluster, and most occupations in these sectors are highly skilled, high-wage positions.

Accounting and bookkeeping jobs dominate the Professional, Technical, and Scientific Services sector in Culver City. The Accounting, Tax Preparation, Bookkeeping, and Payroll Services subsector comprises approximately half of Culver City’s jobs in the Professional, Scientific, and Technical Services sector, and this subsector is approximately eight times more concentrated than in LA County, and 11 times more concentrated than in California.

Culver City has long played a central role in Los Angeles’ highly specialized entertainment industry, and employment in the Motion Picture and Video subsector is still highly concentrated in the city. As of 2017, the Motion Picture and Video subsector in Culver City is approximately two times more concentrated compared to L.A. County and six times more concentrated compared to the state.

⁹ Location quotients are calculated by dividing the sector’s employment share in the study area by its share in the reference geography. Location quotients higher than “1” signify the industry is more concentrated in the study area, while location quotients lower than “1” signify the sector is less concentrated compared to the reference geography.

FIGURE 14. CULVER CITY EMPLOYMENT BY INDUSTRY COMPARED TO LA COUNTY AND CALIFORNIA, 2017

NAICS Categories	Industry Name	Share of Culver City Employment, 2017	LA County Location Quotient	California Location Quotient
23	Construction	1.3%	0.41	0.27
31-33	Manufacturing	3.2%	0.40	0.41
42	Wholesale Trade	2.9%	0.57	0.68
44-45	Retail Trade	11.3%	1.17	1.14
48-49	Transportation & Warehousing	1.0%	0.22	0.26
51	Information	13.2%	2.82	4.26
52	Finance & Insurance	1.5%	0.48	0.47
53	Real Estate	1.7%	0.87	0.99
54	Professional, Scientific, & Technical Services	14.9%	2.32	2.05
55	Management of Companies & Enterprises	1.3%	1.02	0.97
56	Administrative and Support and Waste Management & Remediation Services	18.7%	3.05	2.89
61	Educational Services	6.6%	0.77	0.78
62	Health Care & Social Assistance	7.8%	0.47	0.54
71	Arts, Entertainment, Recreation	1.0%	0.43	0.46
72	Accommodation & Food Services	8.7%	0.88	0.89
92	Public Administration	1.9%	0.48	0.38
11,21-22, 81, 99	Other	3.0%	0.65	0.45

Source: California Employment Development Department, 2019; Strategic Economics, 2019.

Employment in Culver City's Retail Trade industry is slightly more concentrated compared to the county and state. Culver City's retail employment concentrations are at Westfield Culver City and numerous other smaller shopping centers. Retail trade employment is 1.17 times more concentrated in Culver City compared to both LA County and California. In contrast, Culver City's concentration of jobs in the Food Services and Drinking Places is merely comparable to the county and state.

Culver City includes relatively few Accommodation (hotel) jobs compared to the county and state. Culver City's concentration of Accommodation jobs is only 0.75 and 0.57 relative to L.A. County and California.

The Manufacturing sector in Culver City, which was once concentrated in the Hayden Tract, has been in decline for decades, and remained steady during the time period analyzed. Manufacturing jobs accounted for approximately three percent of total Culver City employment in 2017. Today, most property in Culver City that formerly accommodated manufacturing and other light industrial uses has been converted to office use.

The Creative Economy

The “Creative Economy” in Culver City includes both the “Creative Tech” cluster, defined below, and traditional creative activities, such as performing and fine arts. The Creative Tech cluster has emerged as the primary economic driver of Culver City, but it is complemented and reinforced by the other components of the Creative Economy. This section defines the Creative Economy and describes trends impacting its presence and performance in the Los Angeles region and in Culver City.

THE CREATIVE TECH CLUSTER

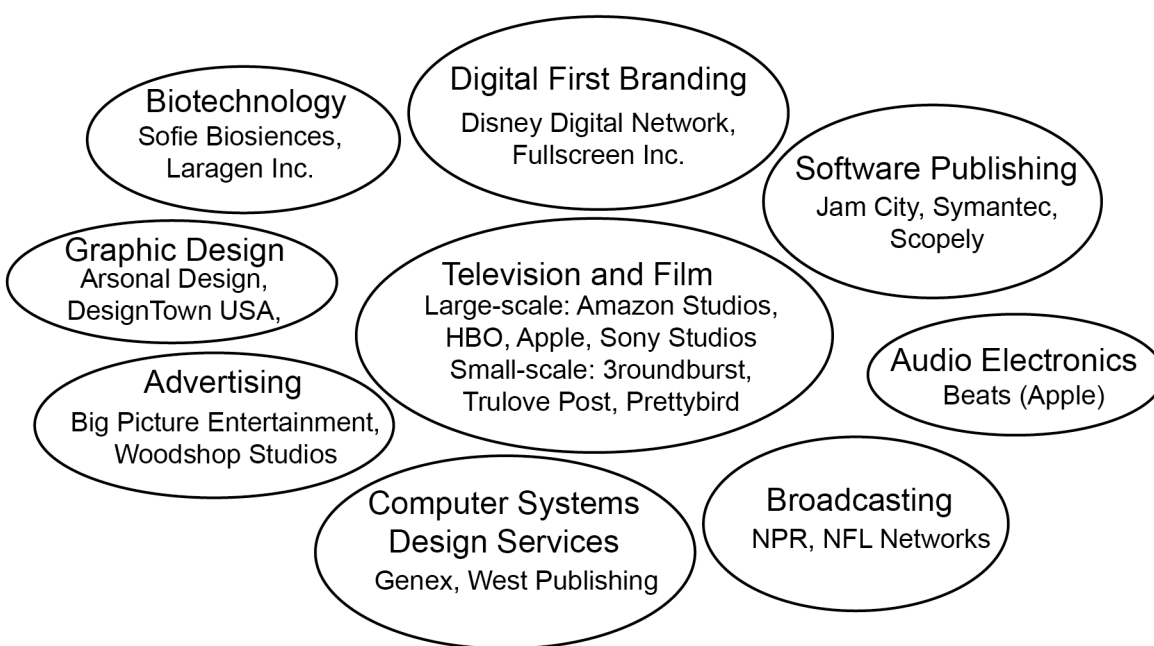
The Creative Tech cluster is defined as the intersection of high technology and creative media. The line between tech and entertainment is increasingly blurred by internet-focused digital content production and distribution, and by interactive video gaming development. This Creative Tech cluster is well-represented in Culver City and the West Los Angeles area, where the film and television industry has long been highly concentrated.

Today, digital platforms have redefined how consumers watch television and films while also introducing new competitors for producing entertainment content. Streaming services such as Netflix and Hulu offer customizable “cord-cutting” alternatives to traditional cable subscriptions. In the last few years, these streaming services have also expanded their roles as original content producers. At the same time, the barrier to entry for production and distribution of content is substantially lower than it had been in ages past. Platforms such as YouTube provide relatively direct means for amateurs and startups in the entertainment field to establish themselves. Streaming services have also created additional production and distribution options for small-budget, short-form films, with less intensive production requirements.

Culver City’s role in the Creative Tech cluster is still focused on entertainment, but evolving with the industry to encompass a diverse set of employers engaging in digital entertainment production and distribution. Culver City has long been known for its high share of jobs in the Motion Picture and Video industry and related sectors. Sony Pictures and the Culver Studios facility are strongly associated with Culver City’s identity as the “Heart of Screenland.” Culver City’s media production and distribution activities now also include new employers that have expanded their roles in media production, such as Apple and Amazon’s expansions into content production and streaming video services. Culver City is also home to video game production companies, which represent another growing component of digital entertainment and distribution.

High tech and media firms in Culver City drive the larger economic cluster of Creative Tech businesses present in Culver City. Figure 15 shows the diverse categories of high tech and media activities represented by Culver City’s businesses. In addition to working with and complementing each other, the businesses in these categories also drive a larger cluster of ancillary Creative Tech business activity in Culver City.

FIGURE 15: EXAMPLES OF HIGH TECH AND MEDIA CATEGORIES AND BUSINESSES FOUND IN CULVER CITY



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

Note: “Digital First” is a communication strategy focused on releasing content directly into new media, such as social media platforms, rather than traditional media.

Ancillary professional services firms flourish in Culver City partly due to their relationships with the Creative Tech cluster’s core tech and media firms. Examples of these businesses and their activities include:

- 1) Firms that engage within the built environment, such as Architecture, Landscape Architecture, Interior Design, and commercial real estate development firms, which play a critical role developing creative office spaces in high demand among Tech and Media tenants (as well as other clients);
- 2) Marketing and public relations firms, as well as portrait studios and digital photography professionals, who all provide promotional services;
- 3) The sizeable Accounting and Bookkeeping subsector, which is particularly tied to Entertainment in Culver City since many employees support back-office needs for the motion picture industry.

CULTURE AND THE ARTS

Visual arts and performing arts generate additional economic activity and contribute to Culver City’s innovative, creative environment and reputation. The theatres in Downtown Culver City—such as the Kirk Douglas Theatre and the Ivy Substation—and the Arts District’s galleries are regional in reach, and a key draw for Culver City visitors. Ancillary services include art dealers that operate the galleries, providing connections between visual artists and the general public, and traditional printing and film photography labs. Additionally, artisan manufacturers, such as toy, jewelry, furniture, and apparel manufacturers fall in this category.

Office Market Conditions

REGIONAL CONTEXT

Culver City's location in the "Silicon Beach" area has enabled the City to attract an increasing number of office tenants, especially firms in the growing tech sector. Tech startups began emerging in the West Los Angeles region in the early-2000s, and the cluster rose to prominence by the early 2010s. The beach communities of Santa Monica, and Venice, were initially the center of this activity but "Silicon Beach" now includes inland areas in the West L.A. region.

Starting in the early 2010s, Culver City became especially attractive to Creative Tech startups and other growing firms. As high-profile firms priced out smaller firms in Santa Monica and Venice, smaller companies and tech startups were attracted to Culver City because of its relatively affordable rents, higher vacancies, and proximity to both LAX and the most established office areas of Silicon Beach.¹⁰

Culver City constitutes approximately 6.5 percent of the West Los Angeles region market area's office space, as shown in Figure 16. Culver City competes with other areas that have also benefited from the emerging Creative Tech business cluster, particularly Santa Monica, Venice, Playa Vista, Marina Del Rey, and West Hollywood.

Excluding Fox Hills, Culver City's Class A office space commands some of the highest rents in the West L.A. region, while Class B and C space is relatively affordable compared to Santa Monica and Venice.¹¹ Culver City's Class B and C office space achieves higher rents than both Marina Del Rey and Playa Vista. These spaces are still priced lower than comparable spaces in Santa Monica and Venice, driving smaller companies and startups to relocate to Culver City for more affordable rents. Fox Hills contains

OFFICE CLASS DEFINITIONS

While office property categorizations can vary between brokerage firms, Strategic Economics relied on Costar's data and definitions, described below, to describe office property characteristics in this report's data.

- **Class A:** Very desirable with highest quality construction, materials, systems, finishes, amenities, and management. Typically occupied by prestigious tenants with above average rental rates. Built or renovated within last ten years.
- **Class B:** Offers utilitarian space without special attractions. Has ordinary architectural and structural features, and average finishes. In adequate condition, lacking amenities. Attracts a wide range of tenants, achieving average rents.
- **Class C:** Offers basic space with "no frills". Below average maintenance and management, with inferior systems. Lacks tenant prestige and achieves lower rents.

Note that these definitions are not narrow rules and should be understood with a "grain of salt." Highly desirable converted properties in the Hayden Tract and Venice, for example, are categorized as Class B, despite being recently renovated and achieving high rents. This is likely because they were originally built in the early 20th century and have undergone adaptive reuse rather than initial construction as a traditional Class A office property.

41 percent of Culver City's overall office inventory, but commands lower rents compared to the rest of the city, as shown in Figure 16.

¹⁰ Jarvey, Natalie, and Jacquelyn Ryan, Why Tech Startups Are Exiting Venice Beach," The Hollywood Reporter, November, 2, 2014.

¹¹ The vast majority of class A space accounted for in this table is at the recently renovated One Culver. Note that other major downtown pipeline properties, such as 8777 Washington, or Culver Steps, are not included in this data, but will command similar rents.

FIGURE 16. WEST LOS ANGELES REGION OFFICE MARKET SNAPSHOT, 2018

	Building Inventory	Sq. Ft. Inventory	Vacancy Rate	Base Rents Overall (c)
Culver City				
Class A	10	2,065,446	23.5%	\$4.57
Class B	161	3,475,242	7.1%	\$3.97
Class C	162	1,075,946	5.7%	\$3.75
Culver City Total	333	6,616,634	12.0%	\$4.25
Culver City Excluding Fox Hills				
Class A	2	483,548	24.0%	\$6.09
Class B	126	2,586,289	8.2%	\$4.19
Class C	153	939,101	5.4%	\$3.80
Culver City Excluding Fox Hills Total	281	4,201,505	9.4%	\$4.58
Fox Hills				
Class A	8	1,581,898	23.4%	\$4.05
Class B	38	1,055,131	9.6%	\$3.47
Class C (a)	6	89,354	0.0%	\$2.25
Fox Hills Total	52	2,726,383	17.3%	\$3.88
Playa Vista				
Class A	15	2,266,479	20.7%	\$5.52
Class B (a)	8	321,825	0.0%	\$3.92
Class C	1	0	0.0%	n/a
Playa Vista Total	24	2,594,166	18.1%	\$5.52
Santa Monica				
Class A	62	7,860,261	12.6%	\$5.61
Class B	242	5,659,097	9.0%	\$4.48
Class C	282	2,398,876	3.8%	\$3.94
Santa Monica Total	587	15,920,150	10.0%	\$4.81
Venice				
Class A	1	68,781	0.0%	n/a
Class B	66	644,045	6.1%	\$5.64
Class C	108	647,707	8.5%	\$5.20
Venice Total	175	1,360,533	6.9%	\$5.47
West LA Region				
Class A	310	57,476,676	13.3%	\$4.21
Class B	1,101	29,009,280	8.3%	\$3.89
Class C	1,866	12,841,307	4.5%	\$3.66
West LA Region Total	3,278	99,329,179	10.7%	\$4.06

Source: Costar, 2018; Strategic Economics, 2019.

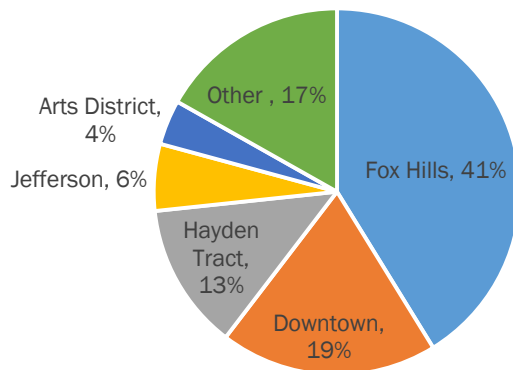
Notes:

- (a) Fox Hills Class C base rent reflects 2017 data, because 2018 data was unavailable.
- (b) Playa Vista Class B base rent reflects 2017 data, because 2018 data was unavailable.
- (c) Rents expressed on a "modified gross" basis.

CULVER CITY'S OFFICE DISTRICTS

Culver City's various office districts are described below. Office spaces in central Culver City near the Expo Line—Hayden Tract, Arts District, and Downtown—account for 36 percent of Culver City's total office inventory, as shown in Figure 17.¹² Fox Hills office space, meanwhile, accounts for more than all three districts combined.

FIGURE 17. CULVER CITY OFFICE INVENTORY BY SUBAREA, 2018



Source: Costar, 2019; Strategic Economics, 2019.

- **Hayden Tract:** A formerly industrial area that evolved into an office district notable for its *avant-garde* architecture and warehouse conversions; the first Culver City area to attract tech tenants, Hayden Tract achieves high rents at approximately \$5.50 per square foot.¹³
- **Arts District:** Most Arts District office space is concentrated in the Smiley-Blackwelder area, which also was a former industrial area that has transitioned to a Creative Tech district, now achieving rents similar to the Hayden Tract rents.
- **Downtown:** Culver City's premier office location that is undergoing a rapid expansion, with over 1 million square feet of class A office space currently in the pipeline. High-profile Creative Tech firms have leased all pipeline inventory. One Culver, the first of multiple renovation and new construction projects to come online, is achieving rents of over \$6 per square foot (on a triple-net basis).¹⁴
- **Jefferson:** A lower-density former industrial corridor situated between the Hayden Tract and Sepulveda Boulevard, with many industrial-to-office conversions. Rents are more affordable than Hayden Tract, at around \$4 per square foot, because of distance from transit and lack of retail amenities.¹⁵
- **Fox Hills:** A 1980s-era office park containing the largest concentration of office space, with over 2.5 million square feet. Fox Hills achieves the lowest office rents among Culver City's office areas, providing affordable spaces for a variety of small businesses. C3, the most high-end space in the area, achieves \$4.25 per square foot, while most spaces are in the high

¹² Central Culver City includes Downtown, the Arts District, and Hayden Tract.

¹³ Loopnet, 2019. Rent expressed on a "triple net" basis, excluding maintenance, taxes, and insurance costs.

¹⁴ Costar, 2019.

¹⁵ Loopnet, 2019.

\$2.00 to \$3.00 range (triple-net).¹⁶ A separate, detailed analysis was completed and delivered in a February 2019 memo.

- **Other:** Smaller quantities of office space are found in Playa Court, and ground-floor storefront spaces along Washington and Sepulveda boulevards. The largest property in this category is the NFL Networks property at 10950 Washington Boulevard in the Mid-Washington subarea.

OFFICE MARKET TRENDS AND DEVELOPMENT ACTIVITY

The Hayden Tract has become an established Creative Tech hub within West L.A., and its success has helped build widespread awareness of Culver City. Beginning in the 1980s, Frederick and Laurie Samitaur Smith and the architect Eric Owen Moss began to transform the struggling light industrial area into an innovative, low-rise office district notable for their *avant-garde* architecture, becoming a hub for media and design firms. These concentrated investments in the Hayden Tract spurred similar reinvestment in other properties nearby.¹⁷

In addition to Hayden Tract, other light industrial areas, particularly the Jefferson Corridor and the Smiley-Blackwelder area, are emerging creative office districts. Industrial-to-office conversions are very desirable because their scale allows Creative Tech firms to develop a sense of personalization and ownership, their low heights are well-suited to the entertainment industry's spatial needs, and their architectural qualities, such as high ceilings and large windows are *en vogue* in office interior design today. In the last decade, developers have moved beyond the Hayden Tract, leveraging this trend in Jefferson, and the Smiley-Blackwelder area in the Arts District; few industrial conversion opportunities remain in Culver City. Conversions are also likely more feasible than new office construction because ground-up development, which entails a greater construction cost, would be restricted to four stories under Culver City's universal 56-foot height limit.

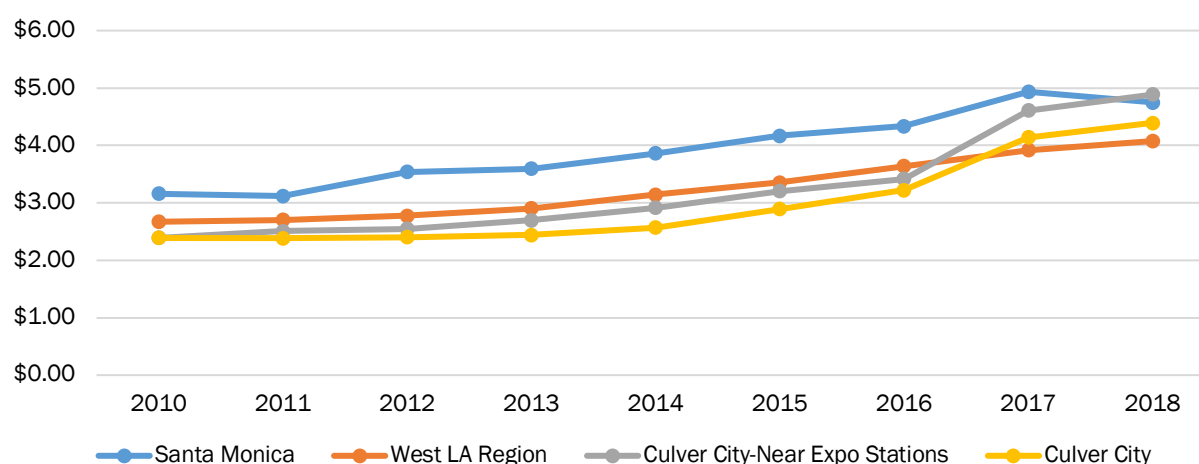
The trend has reached Fox Hills, where the growth in Creative Tech is encouraging property owners to renovate their properties for tenants interested in relatively affordable space that meets modern needs. Since 2014, developers have begun repositioning 1980's-era office properties in Fox Hills to be better suited for startups and small firms in both Creative Tech and other sectors. Conversion projects, which require less upfront capital than new construction, have proven feasible, and these updated properties have successfully leased.

¹⁶ Broker interviews and Costar, 2019.

¹⁷ Hawthorne, Christopher, "Eric Owen Moss, the Architect Behind Culver City's Rebirth," *Metropolis*, January 7, 2014.

Access to the Expo Line Stations has enhanced office demand. The direct connection via the Expo Line to Downtown Santa Monica boosted Culver City's office market substantially because it provided a direct and reliable 18-minute ride to and from the heart of Silicon Beach. The desirability of the TOD location can be seen in Figure 18 below. Office rents in Culver City near the Expo Line jumped over a dollar per square foot per month in 2016, following the Expo Line extension opening, and have continued to rise to be on par with Santa Monica.

FIGURE 18. CULVER CITY, SANTA MONICA, AND WEST LA OFFICE BASE RENTS, 2010 TO 2018



Source: Costar, 2019, Strategic Economics, 2019.

Note: "Culver City-Near Expo Stations" include Downtown, Arts District, and Hayden Tract subareas, which are all largely walkable from the Expo Line stations. Rents are expressed on a modified gross basis.

The majority of Culver City's large planned and proposed office development projects are serving the Creative Tech industries. All Culver City office development projects are shown in Figure 19. There is approximately 2,147,000 square feet of office space either recently completed, under construction, or in planning stages in Culver City as of March 2019. This represents a 34 percent expansion in Culver City's office inventory since 2016. Notable projects include Ivy Station, the renovation of One Culver, 8777 Washington, Culver Steps, and the renovation and expansion of Culver Studios, which in sum account for over 50 percent of new office square footage.¹⁸

While most large-scale office development has been concentrated near transit, the successful completion and lease up of "C3" drew attention to Fox Hills as a location for Creative Tech firms. The C3 project was completed in 2017. With 283,000 square feet of office space, it was marketed as a "creative office high rise," and leased up quickly. Tenants include Corgan, Bytedance, and Dentsu Aegis, among others.

¹⁸ Although part of Ivy Station falls in the City of Los Angeles, Ivy Station's full office square footage is included in this amount.

FIGURE 19. CULVER CITY RECENTLY COMPLETED, PLANNED, AND PROPOSED OFFICE DEVELOPMENT PROJECTS, AS OF MARCH 2019

Culver City Office Development: Recently Completed, Under Construction, Predevelopment

Status

- Recently Completed
- Under Construction
- Predevelopment

1. Unnamed Telecomm Facility
2. OneCulver
3. Brick and Machine
4. Culver Steps
5. Ivy Station
6. Culver Studios CP7
7. Platform Phase 3
8. Platform
9. 8777 Washington
10. 3434 Wesley
11. Nantworks Expansion
12. Coffeebean & Tea Leaf Headquarters (Los Angeles)
13. (W)rappier (Los Angeles)
14. C3 Creative Office
15. Entrada
16. 3030 La Cienega

Subarea Name

- Arts District
- Downtown Culver City
- Hayden Tract
- Jefferson Corridor
- Mid Washington
- Sepulveda
- West Washington
- General Fox Hills
- Parks
- Highways



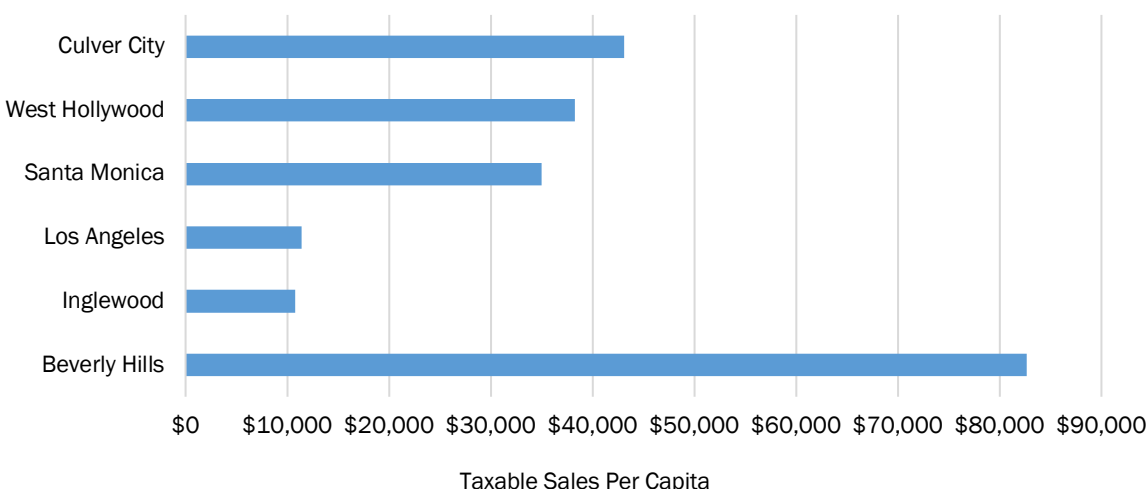
Retail and Restaurants

THE IMPORTANT FISCAL ROLE OF SALES TAX IN CULVER CITY

Because sales tax is the Culver City government's largest revenue source, understanding the opportunities and constraints of Culver City's retail market is crucial for supporting its fiscal health. In FY 2017-18, sales tax accounted for 27 percent of Culver City's General Fund revenue, totaling \$31.1 million.^{19 20}

Culver City attracts very high taxable sales per capita compared to other nearby municipalities, due to its regionally competitive retail offerings such as Westfield and Costco. This also aligns with findings that Culver City experiences a retail "surplus" relative to the City's overall resident spending.^{21 22} In 2016, Culver City's taxable sales per capita was \$43,000, higher than both Santa Monica and West Hollywood, as shown in Figure 20.

FIGURE 20. TAXABLE SALES PER CAPITA, 2016



Source: California Board of Equalization, 2016; U.S. Census ACS 5-year estimates, 2013-2017; Strategic Economics, 2019.

RETAIL SUPPLY AND MARKET POSITION

The West L.A. area has a varied supply of regional-serving retail, including six regional malls, a power center, multiple community centers, as well as high-end, urban-format, major shopping districts, shown in Figure 24. These larger, regionally competitive shopping centers serve the West L.A. region, drawing customers that live in trade areas of five miles or beyond. Meanwhile, neighborhood and strip centers have smaller trade areas and provide convenience goods like groceries and drugs. These are displayed at the Culver City scale, along with larger centers, in Figure 25.

¹⁹ Culver City Comprehensive Annual Financial Report, FY 207-18.

²⁰ One-percent sales tax accounted for 69 percent of Culver City's sales tax revenue in FY 2017-18, while sales tax revenue from Measure Y accounted for 31 percent.

²¹ A retail surplus is when a municipality's retail supply exceeds retail demand, which signifies that retailers are attracting shoppers that reside outside the municipality.

²² Culver City Economic Development Implementation Plan, 2014.

Despite Culver City's high sales per capita, luxury soft goods retailers view retail space in Culver City as less desirable than other West L.A. area locations, such as Rodeo Drive in Beverly Hills and the Third Street Promenade in Santa Monica. As shown in Figure 21, average asking retail rents in Culver City are lower than within the West L.A. Region overall. In contrast to Culver City, locations such as Rodeo Drive and the Third Street Promenade are more centrally located relative to West L.A.'s highest concentrations of very-high income households, and also attract large numbers of shoppers visiting the region.

FIGURE 21. CULVER CITY AND WEST LOS ANGELES REGION RETAIL INVENTORY, VACANCY RATE, AND RENTS, 2018

	Retail Inventory (Sq. Ft.)	Vacancy Rate	Average Asking Rent Per Sq. Ft. Per Month (NNN)
Culver City (a)	4,603,734	0.6%	\$3.38
Century City	977,480	0.6%	\$6.99
Santa Monica	6,820,997	4.3%	\$6.24
West L.A. Region (b)	51,573,573	3.9%	\$4.99

Source: Costar, 2018; Strategic Economics, 2019.

Notes:

(a) Culver City data excludes Westfield Culver City, for which rent and vacancy information was unavailable.

(b) West L.A. Region includes the municipalities of Culver City, Santa Monica, Beverly Hills, Inglewood, Venice, West Hollywood, and all Los Angeles neighborhoods west of La Brea Ave., the western neighborhoods of South Los Angeles, and Los Angeles International Airport.

Culver City's retail market is diverse, and comprised of multi-tenant shopping centers, and pedestrian-oriented, ground-floor retail spaces for smaller retailers, restaurants, nightlife, and other experience-oriented uses. In total, there is approximately 4.6 million leasable square feet of retail space in Culver City. Figure 22 shows examples or descriptions of retail property types in Culver City.

Westfield Culver City, a regional mall located in Fox Hills, comprises 28 percent of Culver City's retail inventory, as shown in Figure 23. Its anchors, which include Nordstrom Rack, JCPenney, Macy's, one of Culver City's two Targets, and Best Buy, draw shoppers from throughout the region.

"Big box" stores and automobile dealerships also attract shoppers to Culver City from a larger regional trade area. These big box stores include Costco, Target, and other general merchandise stores that are either freestanding or part of community centers. Culver City is also home to six major automobile dealerships.

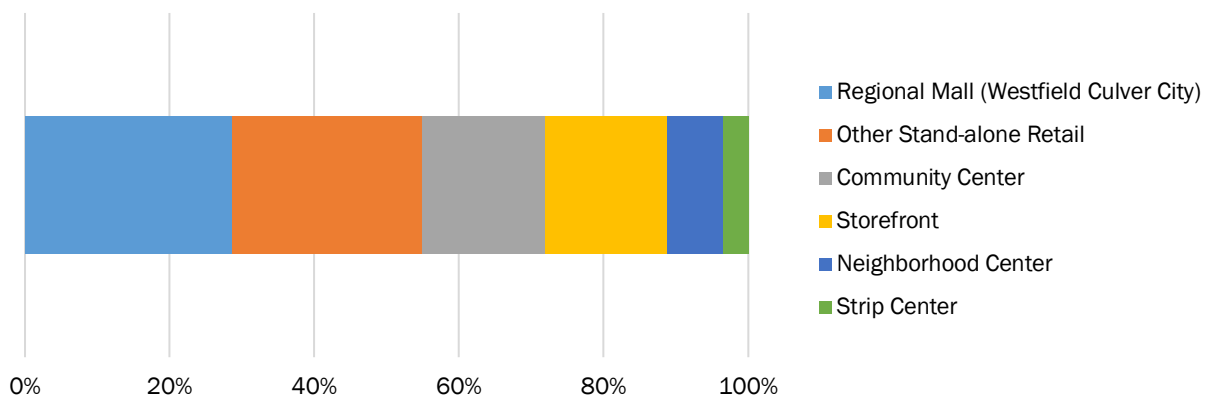
Pedestrian-oriented centers are concentrated in the Downtown subarea and the Arts District subarea. Two innovative retail developments with luxury goods, Platform (in the TOD area) and the Helms Bakery District, act as *de facto* anchors for Downtown subarea and Arts District subarea shoppers, featuring artisan soft goods, health and wellness, dining, and furniture stores, between the two of them. They support nearby ground-floor storefront spaces typically built in the mid-twentieth century, which are home to restaurants, bars, and art galleries. There are also ground-floor storefront districts outside of central Culver City, particularly along West Washington Avenue and in the Culver Village neighborhood on Sepulveda Boulevard.

FIGURE 22. EXAMPLES AND DESCRIPTIONS OF CULVER CITY'S RETAIL PROPERTY TYPES

Property Type	Example or Description
Super Regional Mall	Westfield Culver City
Other Stand-alone Retail	Single tenant, freestanding property with parking
Community Center	Studio Village
Storefront	Ground-floor, pedestrian-oriented retail either one story, or with office/residential above
Neighborhood Center	Raintree Plaza
Strip Center	Renee's Plaza

Source: Costar, 2019; Strategic Economics, 2019.

FIGURE 23. CULVER CITY'S GROSS LEASABLE RETAIL SQ. FT. BY PROPERTY TYPE, 2019



Source: Costar, 2019; Strategic Economics, 2019.

Note: Helms Bakery District is not reflected because of its partial Los Angeles address, and new ground-floor retail space in mixed-use buildings is underrepresented, due to data constraints.

FIGURE 24. MAJOR RETAIL CENTERS IN THE WEST LOS ANGELES MARKET AREA

**West Los Angeles Area:
Community Centers,
Power Centers, Regional,
and Super Regional Malls**

Center Type

- Community Centers
- Power Centers
- Regional Malls and Major Shopping Districts
- Fox Hills Boundary
- Culver City Boundary
- Highways
- Parks

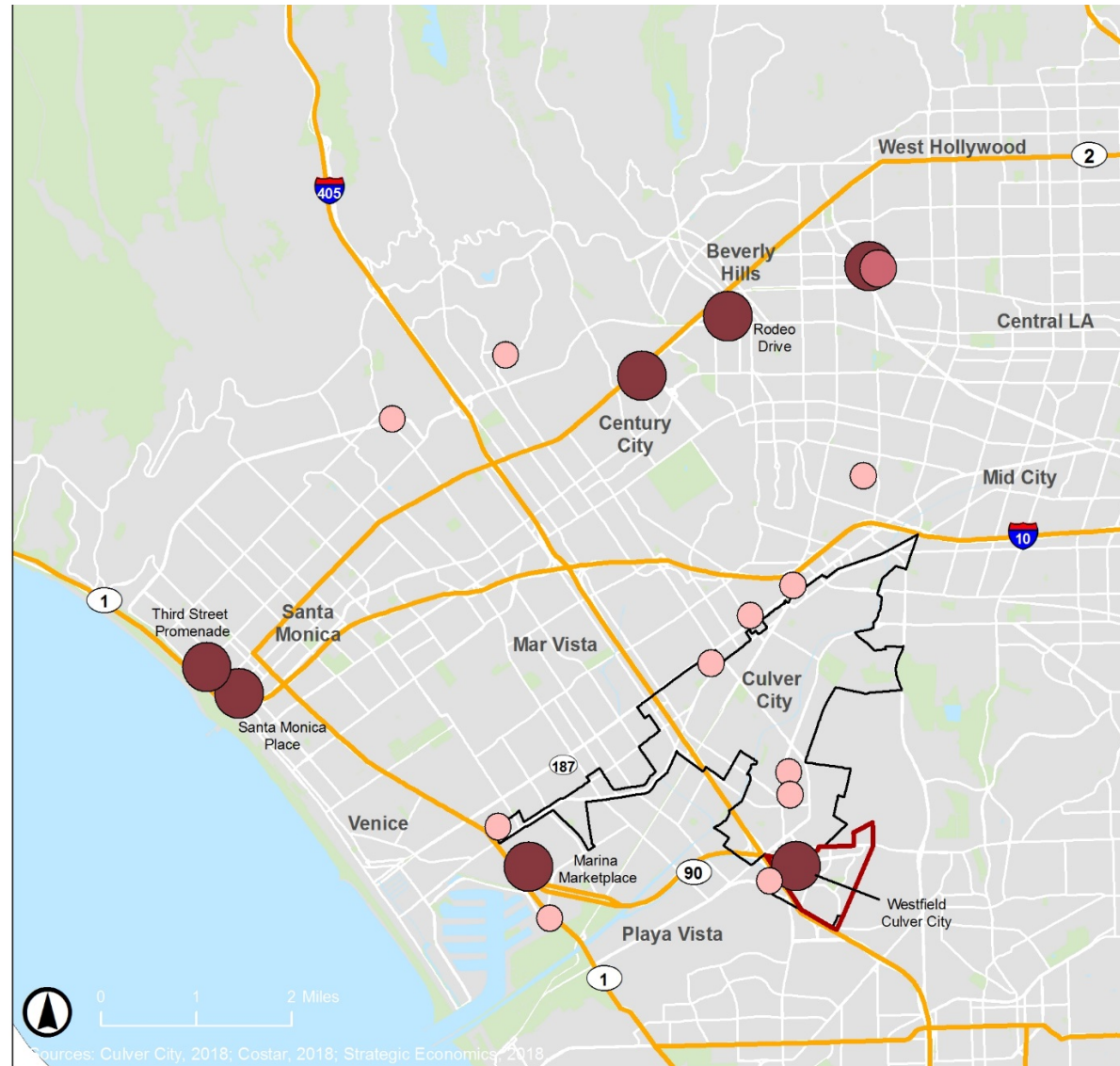
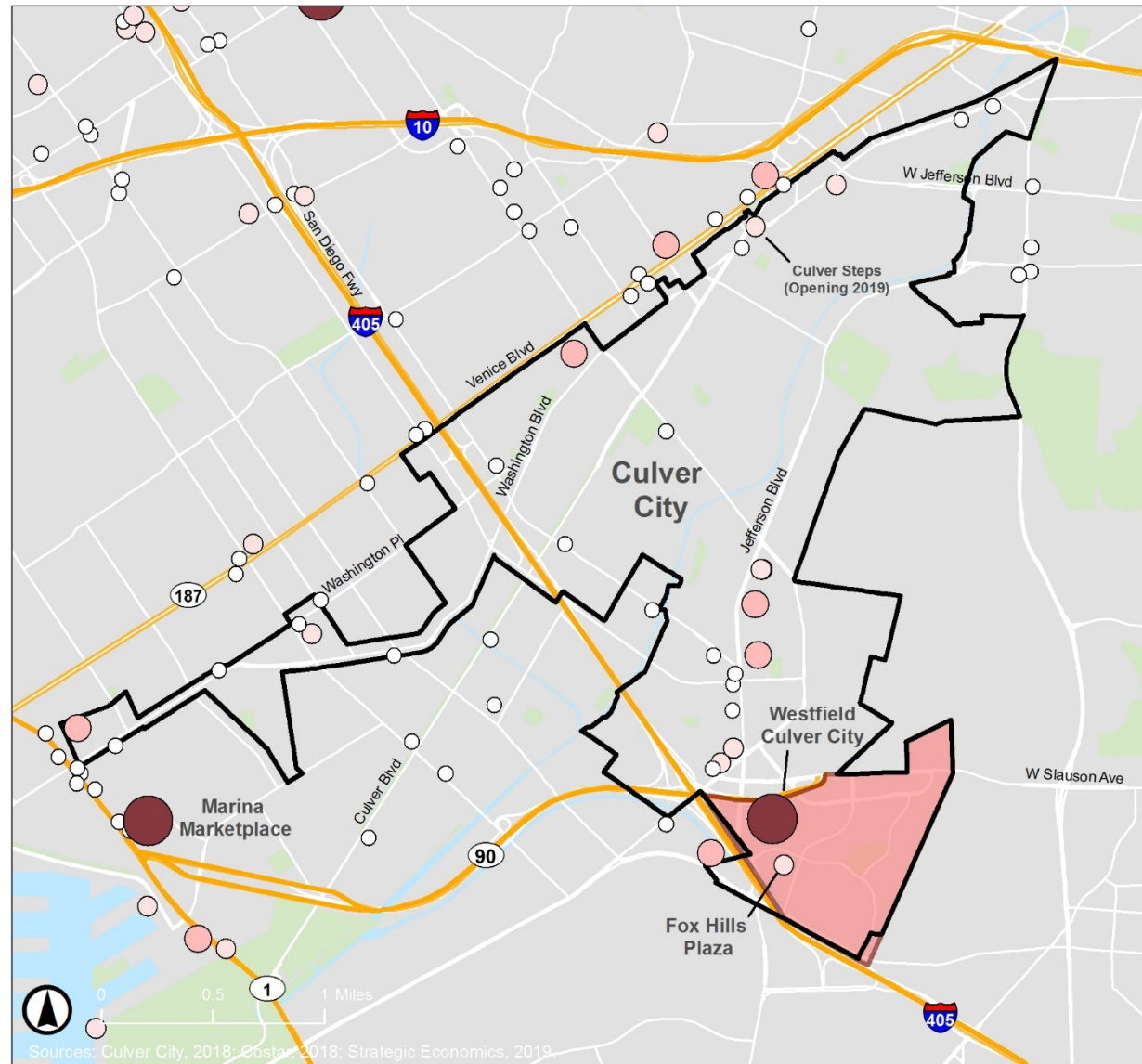


FIGURE 25. RETAIL CENTERS IN CULVER CITY

Culver City: Retail Centers

Center Type

- Strip Center
- Neighborhood Center
- Community Center
- Regional and Super Regional Mall
- Fox Hills Boundary
- Culver City Boundary
- Highways
- Parks



Sources: Culver City, 2018; Costar, 2018; Strategic Economics, 2019

SALES TAX REVENUE TRENDS

Culver City receives sales tax revenue from a variety of business types. Sales tax data provided by the City of Culver City (via their contractor HdL Companies) categorizes these businesses into the following categories: 1) General Consumer Goods, which includes soft goods such as apparel and hard goods such as appliances and furniture; 2) Restaurants and Hotels; 3) Autos and Transportation, such as new and used car dealerships; 4) Fuel and Service Stations, including gas and oil change stations; 5) Business and Industry, which refers to most business-to-business sales, including sales of medical equipment, motion picture equipment, commercial printing services, and promotional or marketing services; 6) Building and Construction, including construction materials sales, and is also a business-to-business category; 7) Food and Drugs, a small category including sales at grocery stores, which generate limited sales tax revenue since groceries are not subject to sales tax.

Nearly 80 percent of Culver City's sales tax revenue is generated by General Consumer Goods, Restaurants and Hotels, and Autos and Transportation. As shown in Figure 26, General Consumer Goods sales accounted for 47 percent of Culver City's sales tax revenue contributions, with Restaurants and Hotels, and Autos and Transportation industry groups comprising 17 and 15 percent of sales tax revenues respectively in fiscal year 2017-18. Business-to-business sales tax revenue accounted for 11 percent of sales tax revenues.

Sales tax revenue from the Restaurant and Hotels category more than doubled over ten years, driven by a rapid expansion in Fast-Casual and Casual Dining sales. Sales tax revenues from Restaurant and Hotels rose from \$1.5 to \$3 million from fiscal year 2007-08 to 2017-18, as shown in Figure 27. Nationally, restaurants fared better during the recession than traditional retailers, and have proven to be more immune to the rise of online retailers such as Amazon.

Sales tax from new motor vehicle dealerships, which nearly doubled over the decade, accounts for a sizeable share of Culver City's sales tax revenue. Autos and Transportation sales tax revenue recovered since the recession, growing 47 percent over the decade. Sales tax revenue from New Motor Vehicle Dealers, which accounts for most of the category's revenue, contributed over \$2 million in fiscal year 2017-18, which comprised 11 percent of Culver City's total sales tax revenue that year.

Business and Industry sales tax revenue declined by 64 percent, due to the exit of a number of large businesses from Culver City, as well as the conversion of industrial spaces to office uses. Businesses in the Health/ Medical, Business Services, and Motion Pictures/ Equipment sectors moved out of Culver City or closed. There was also a drop in sales tax revenue generated by Light Industrial/ Printers, primarily in the Hayden Tract, but also in Fox Hills, Downtown, and the Arts District, as many light industrial properties were converted to office uses during that period.²³ The desirability of the Culver City office market is driving higher attainable rents and industrial-to-office conversions, creating a displacement risk for light industrial tenants. Building and Construction sales tax revenue was steady over the period.

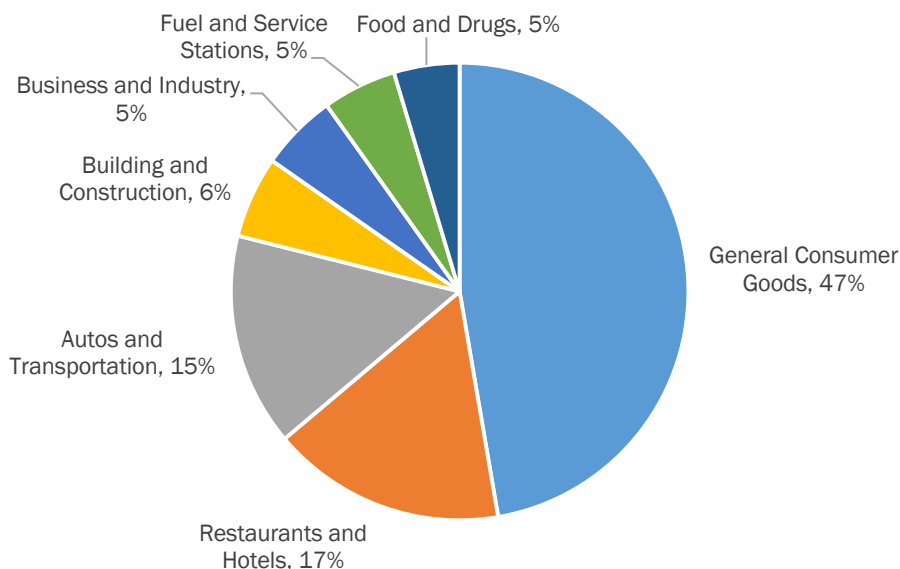
General Consumer Goods sales, which includes most traditional retail stores, have remained steady over the decade. As shown in Figure 29, department and wholesale stores comprised approximately 45 percent of sales tax contributions within the General Consumer Goods category in 2017, while

²³ These four business types included in this discussion contributed the largest shares of Business and Industry sales tax at the beginning of the decade.

Apparel stores accounted for an additional 20 percent. Jewelry and Home Furnishing stores sales tax revenue slightly declined over the period.

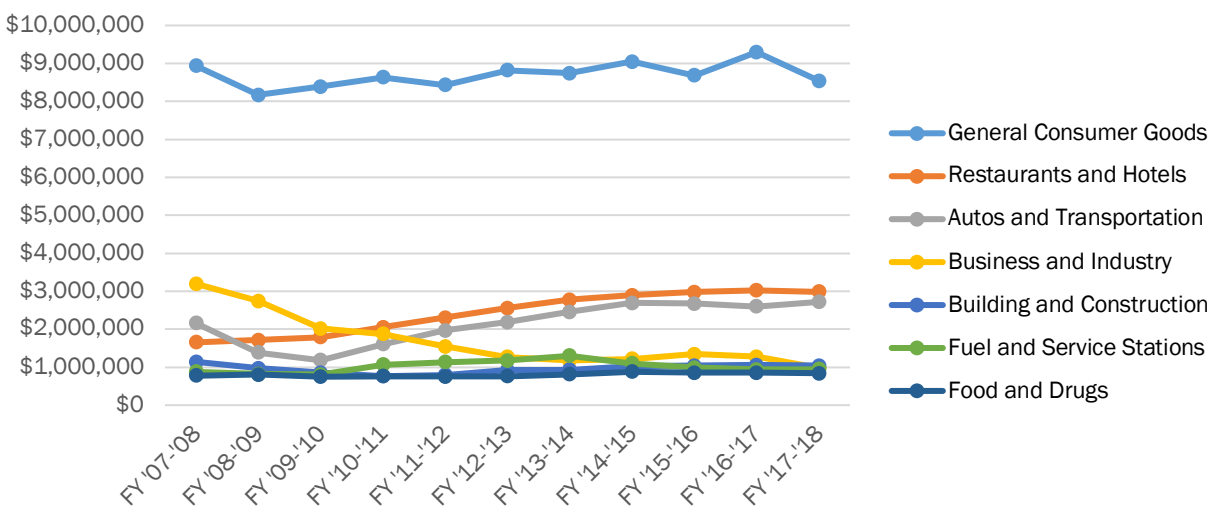
A high share of Culver City's sales tax revenues are generated by just a few large businesses. For example, the top ten sales tax-generating businesses in Culver City accounted for 35 percent of citywide sales tax revenues in fiscal year 2017-18. A loss in any individual major sales tax generator—such as automobile dealerships or larger retail stores—would have an outsized impact on Culver City's revenues. Culver City's 25 largest sales tax revenue generators are shown in Figure 28.

FIGURE 26. CULVER CITY SALES TAX CONTRIBUTIONS BY INDUSTRY GROUP, FY 2017-18



Source: HdL, 2019; Strategic Economics, 2019.

FIGURE 27. CULVER CITY SALES TAX REVENUE TRENDS BY INDUSTRY GROUP, FY 2007-08 TO FY 2017-18



Source: HdL, 2019; Strategic Economics, 2019.

Note: Revenues are inflation-adjusted to January, 2018.

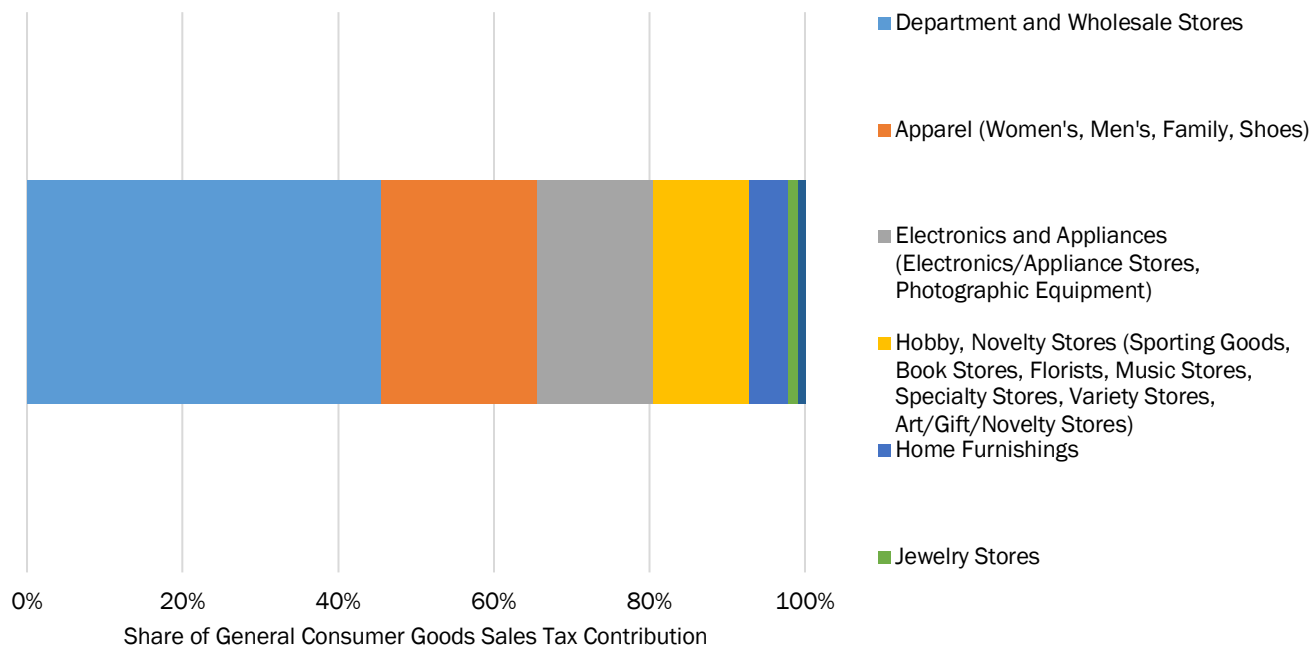
FIGURE 28: TOP 25 SALES TAX REVENUE CONTRIBUTORS IN CULVER CITY, IN ALPHABETICAL ORDER, FY 2017-18

Establishment	Subarea
Arco	Arts District
Best Buy*	Fox Hills, Mid-Washington
Chevron*	Fox Hills, Sepulveda
Costco	West Washington
Culver City Honda	Downtown
Culver City Mazda	Sepulveda
Culver City Toyota	Downtown
Culver City Volvo	Sepulveda
Forever 21	Fox Hills
Hajoca	Arts District
Howard Industries	Downtown
JC Penney	Fox Hills
Macy's	Fox Hills
Marshalls	Fox Hills
Nissani Bros Chevrolet	Fox Hills
Nissani Bros Chrysler Dodge Jeep Ram	Fox Hills
Nordstrom Rack	Fox Hills
Old Navy	Fox Hills
Panel It/ The Kitchen Store	Fox Hills
Room & Board	Arts District
Ross	Sepulveda
Samy's Camera	Sepulveda
Target*	Fox Hills, Sepulveda
Tito's Tacos	Sepulveda
TJ Maxx	Sepulveda

*Businesses with multiple Culver City locations are listed once.

Source: HdL Companies, 2019; Strategic Economics, 2019.

FIGURE 29. COMPOSITION OF GENERAL CONSUMER GOODS SALES TAX CONTRIBUTIONS IN CULVER CITY, FY 2017-18



Source: HdL Companies, 2019; Strategic Economics, 2019.

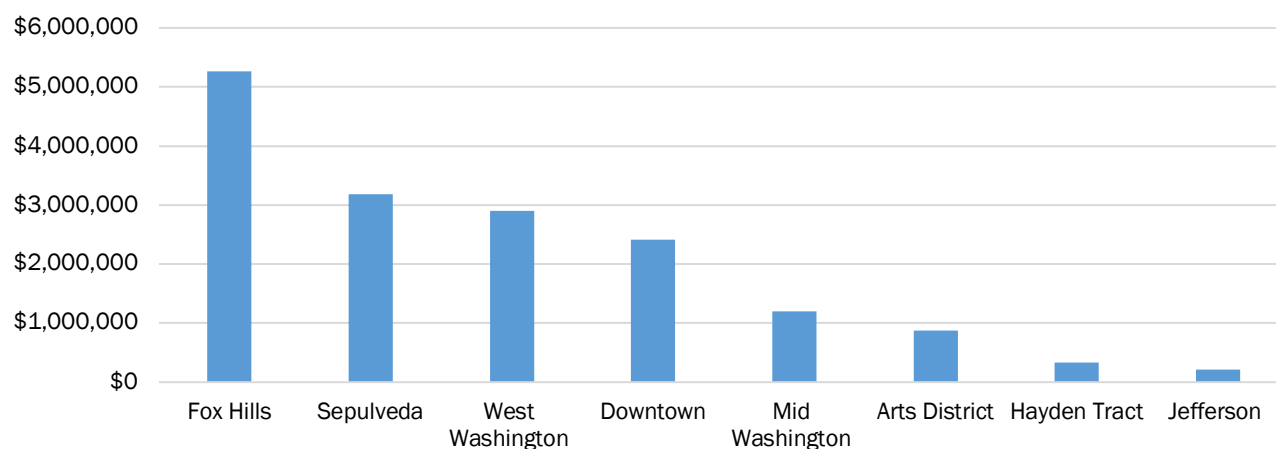
SUBAREA SALES TAX CONTRIBUTIONS AND TRENDS

With Westfield Culver City, and other big-box retail nearby, Fox Hills contributes the largest sales tax revenue among all the subareas. Sepulveda, and West Washington, which also both have traditional large-format retail spaces, also comprise a large share of Culver City's sales tax revenue, as shown in Figure 30.

Areas that have transitioned from light-industrial to office use, including the Hayden Tract, Jefferson, and the Smiley-Blackwelder area in the Arts District, experienced the sharpest declines in sales tax revenue over the last decade, largely because of declines in business-to-business sales tax revenue (Figure 31).

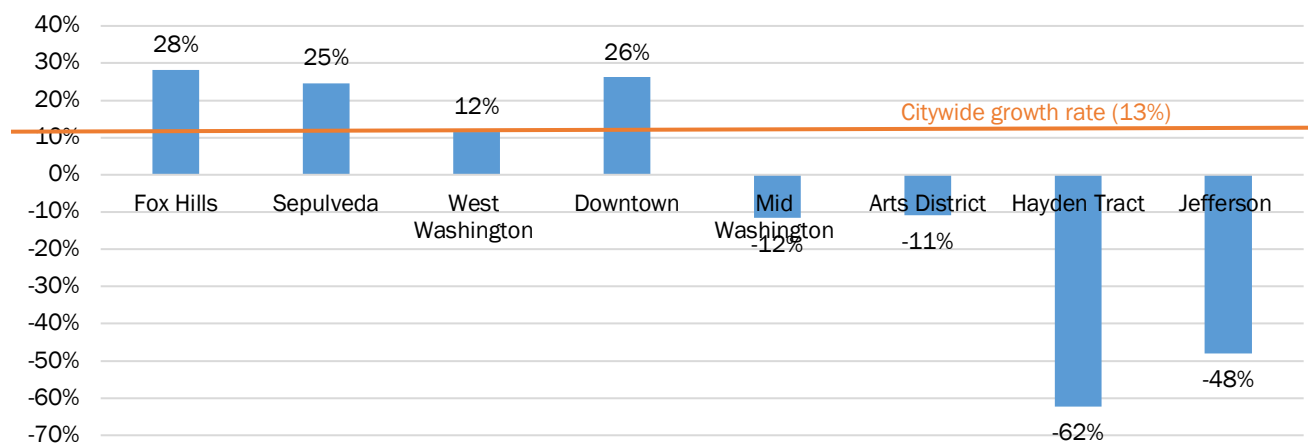
Over the ten year period from fiscal year 2007-08 to fiscal year 2017-18 sales tax revenues grew most rapidly in Fox Hills, Downtown, Sepulveda, and West Washington. These areas especially benefitted from their inclusion of automobile dealerships (Fox Hills, Downtown, and Sepulveda), or emerging dining, drinking, and nightlife (West Washington and Downtown).

FIGURE 30. SALES TAX CONTRIBUTIONS BY SUBAREA, FY 2017-18



Source: HdL Companies, 2019; Strategic Economics, 2019.

FIGURE 31: CHANGE IN SALES TAX REVENUE BY SUBAREA, FY 2007-08 TO FY 2017-18



Source: HdL Companies, 2019; Strategic Economics, 2019.

RETAIL TRENDS AND DEVELOPMENT ACTIVITY

Culver City has a strong base of experiential retail that is innovative, high-end and supports the creative economy. Vespertine, in an Eric Owen Moss building in the Hayden Tract, is a high-end and forward-thinking restaurant offering a unique experience. The Helms Bakery District is an adaptive-reuse development straddling the Los Angeles-Culver City border offering modern, luxury furniture stores and restaurants. Platform is billed as a reimagined mall, with independent apparel and wellness shops, and restaurants. Its operators throw events multiple times a week and incorporate pop-up stores.

The lively and pioneering performing arts scene in Downtown Culver City supports nearby restaurants and bars. Ivy Substation and the Kirk Douglas Theatre are major destinations for people visiting Downtown. The Center Theater Group, which is one of the country's leading producers of new works, operates out of the Kirk Douglas Theatre, and the Ivy Substation is home to the Actor's Gang, a prominent Los Angeles-based theatre group. Restaurants and nightlife businesses benefit greatly from being nearby these two cultural institutions.

There is high demand among experience-oriented, neighborhood-serving businesses for retail space, particularly in areas that are walkable, or well-located relative to emerging office areas. Personal services, fitness and wellness, restaurant, and nightlife tenants are positioned for success in Culver City as office and residential development projects bring growth in high-income office workers and additional residents. There is also an emerging food cluster in West Washington, which is currently home to the regionally notable Hatchet Hall, as well as A-Frame, Ginger's Divine Ice Cream, and others, and the much anticipated Culver Public Market will be opening shortly.

At least 475,000 square feet of retail space was recently completed, is under construction, or is in planning stages both in and adjacent to Culver City, as shown in Figure 32.²⁴ Notable projects that include retail space and are planned for development include the third phase of Platform, Culver Steps, Ivy Station, and Los Angeles' Cumulus.

²⁴ City of Culver City, 2019, Strategic Economics, 2019.

FIGURE 32. PROJECTS WITH RETAIL COMPONENTS IN THE PIPELINE IN AND NEAR CULVER CITY, AS OF MARCH, 2019

Culver City Retail Development: Recently Completed, Under Construction, Predevelopment

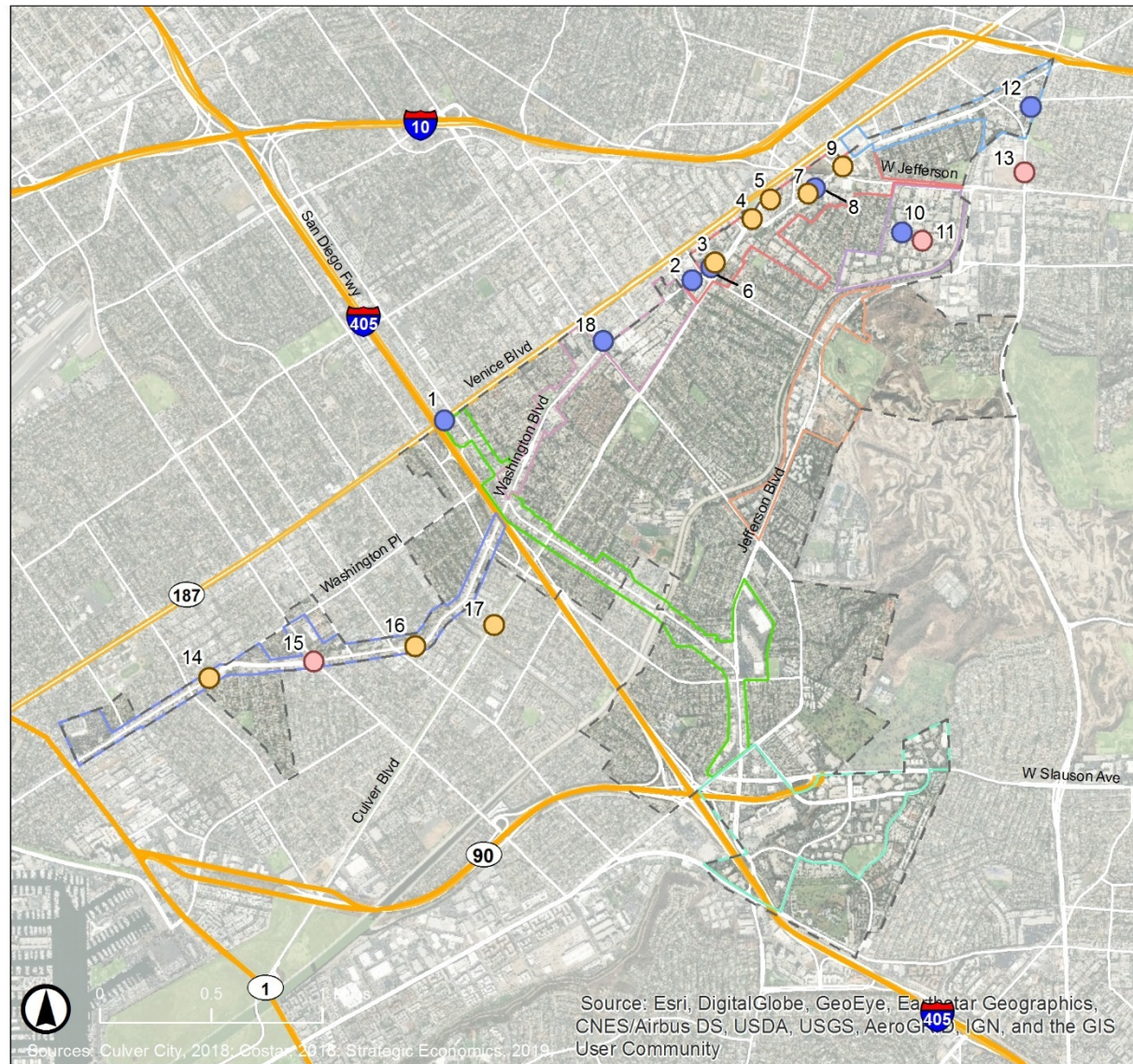
Status

- Recently Completed
- Under Construction
- Predevelopment

1. Unnamed Carwash
2. OneCulver
3. Brick and Machine
4. Culver Steps
5. Ivy Station
6. Access Culver City
7. Platform Phase 3
8. Platform
9. 8777 Washington
10. 8511 Warner
11. Vespertine
12. 3050 La Cienega
13. Cumulus (Los Angeles)
14. Baldwin
15. Citizen Public Market
16. Haven
17. 11612 Culver (Los Angeles)
18. Cobalt (Los Angeles)

Subarea Name

- Arts District
- Downtown Culver City
- Hayden Tract
- Jefferson Corridor
- Mid Washington
- Sepulveda
- West Washington
- General Fox Hills
- Highways
- Parks



Tourism and Visitors

The following tourism and visitor findings describe the hotel market in Culver City, major drivers of visitation, and potential opportunities to expand visitation and hotel performance. These findings were based on interviews with local hospitality industry representatives and analyses of hotel and transient-occupancy tax (TOT) data from Culver City and from STR Global, a hotel data service.

EXISTING HOTEL SUPPLY

Culver City's 19 hotels are a mix of economy, midscale, and upscale properties. These 19 hotels include more than 1,200 rooms. The majority of these establishments are economy hotels and motels with less than forty rooms, but over two thirds of the city's total hotel rooms are located within just six upscale and midscale properties (Figure 33 and Figure 34). These properties—as classified by STR—include Culver Hotel, Doubletree by Hilton Hotel Los Angeles-Westside, Courtyard by Marriott Los Angeles Westside, Four Points by Sheraton Los Angeles Westside, Ramada by Wyndham Culver City and Mayumi.

Hotel room supply is heavily concentrated in the Fox Hills area, as shown in Figure 35. The Fox Hills area has 831 rooms. The hotel properties in the area consist of three upscale hotels that primarily serve business travelers.

Culver City includes several older motels on commercial corridors that charge low rates but often require reinvestment. Some of these establishments may become targeted for redevelopment in the future; these motels generate minimal transient occupancy tax revenue for the City.

FIGURE 33: NUMBER OF HOTEL ROOMS BY HOTEL CLASS

Hotel Class	Number of Rooms
Upscale	961
Midscale	50
Economy	260
Total	1,271

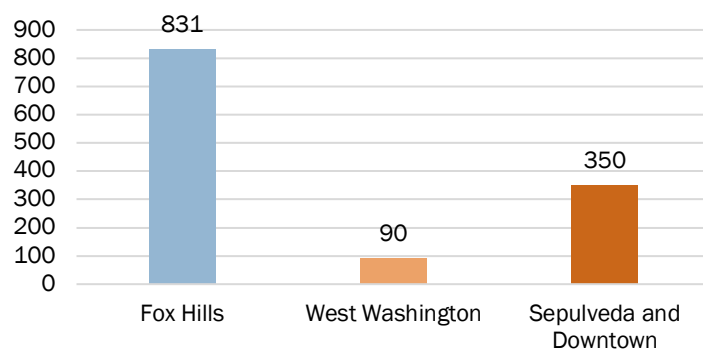
The following hotels are not included in the above table due to incomplete data: Circle K Motel, Culver Motel, Encore Motel, and Villa Brasil Motel.
Source: STR, 2019; Strategic Economics, 2019.

FIGURE 34: CULVER CITY HOTELS BY CLASS

Hotel Name	Number of Rooms
Upscale	
Courtyard Marriott Westside	260
Culver Hotel	46
Doubletree Westside	375
Four Points By Sheraton	196
Mayumi	35
Palihotel	49
Midscale	
Ramada Limited Inn & Hotel	50
Economy	
Circle K Motel	No data
Culver Motel	No data
Deano's Motel	38
El Astro Motel	35
Encore Motel	No data
Half Moon Motel/Galaxy Inn	26
Paradise Inn And Suites	28
Rodeway Inn Culver City	32
Sunburst Motel	35
Super 8 Motel	30
Travelodge Culver City	36
Villa Brasil Motel	No data

Source: STR Global, 2019; Strategic Economics, 2019.

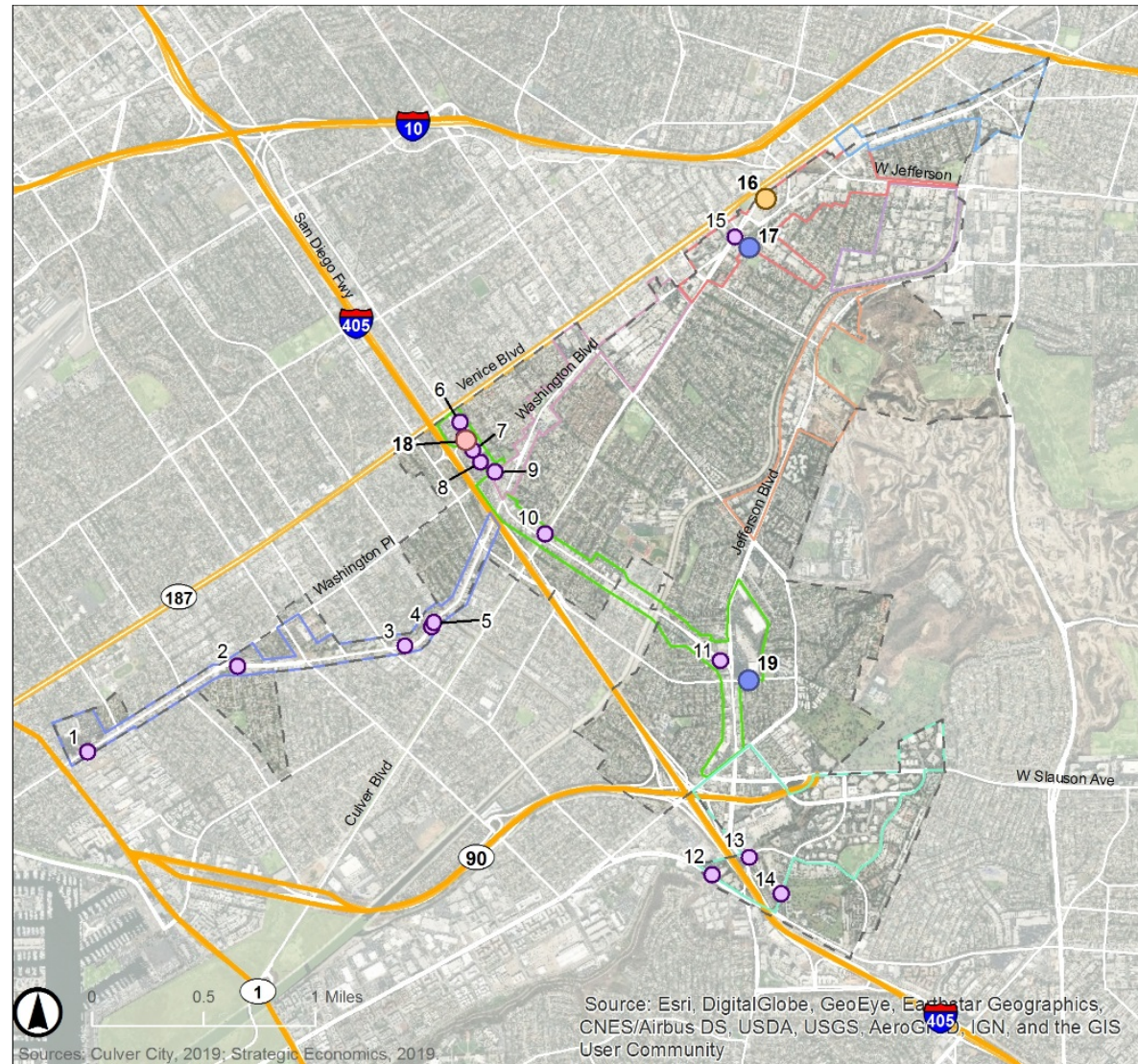
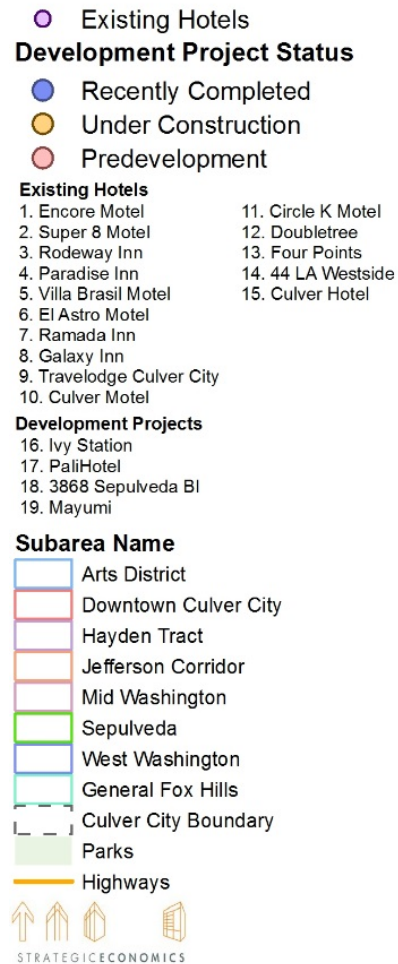
FIGURE 35: NUMBER OF HOTEL ROOMS BY CITY SUBAREAS, MARCH 2019



Note: The following hotels are not included in the above table due to incomplete data: Circle K Motel and Culver Motel, located in the Sepulveda subarea, and Encore Motel and Villa Brasil Motel, located in the West Washington subarea.
Source: City of Culver City, 2019; STR Global, 2019; Strategic Economics, 2019.

FIGURE 36: EXISTING HOTELS AND HOTELS IN DEVELOPMENT, AS OF MARCH 2019

Culver City Hotel Development: Existing, Recently Completed, Under Construction, and Predevelopment



Source: Culver City, 2019; Strategic Economics, 2019

HOTEL PERFORMANCE AND OUTLOOK

Strategic Economics relied on data from STR, a global hospitality analytics firm, to understand the dynamics of Culver City's midscale and upscale hotel market. The following analysis is informed by data on four of the six midscale and upscale hotels in Culver City, for which STR tracks performance data: Doubletree by Hilton Hotel Los Angeles-Westside, Courtyard by Marriott Los Angeles Westside, Four Points by Sheraton Los Angeles Westside, and Ramada by Wyndham Culver City. Economy hotels, and motels were excluded from the dataset. Metrics for L.A. County are informed by the Los Angeles Tourism and Convention Board.

The performance of upscale and midscale hotels in Culver City is very strong and occupancy rates are on par with hotels in the Inglese-LAX-Culver City area. The average daily rates (ADR)²⁵ and average revenue per available room (RevPAR)²⁶ values were higher than the "LAX-Inglese-Culver City" competitive market area average. Occupancy rates for these hotels were extremely high, and comparable to average occupancy rates at hotels in the LAX-Inglese-Culver City region, as shown in see Figure 37.^{27 28}

Upscale and Midscale Culver City hotel performance is mixed relative to L.A. County. Culver City's hotels for which data was available have occupancy rates significantly higher than the countywide average, although RevPAR figures are similar to, and ADRs are lower than the countywide averages, as shown in Figure 37. The Greater L.A. region is one of the highest-performing regions for hospitality nationwide.

Since Culver City's hotels cater to business travelers, Culver City's hotel occupancy rate is consistently high from Tuesdays through Saturdays and significantly lower on Sundays and Mondays. Stakeholders noted that Tuesdays and Wednesdays were peak days, which fits the profile for a business traveler destination. However, STR data indicates that occupancy is strong every day of the week except Sunday and Monday.

Average daily rates at the four hotels increased between 2013 and 2016, but plateaued afterward. Similarly, the hotels' average revenues per available room increased significantly between 2013 and 2016, but slowed in 2017 and 2018. Interviews suggested that this was because hotels in Culver City have reached maximum occupancy and because new hotels that recently opened just outside Culver City likely attracted guests who might have otherwise stayed in Culver City.

Stakeholders anticipate that employment growth will continue to fuel demand for new hotel rooms in Culver City. The average occupancy rate at the four hotels for which data was available jumped from 80.4% in 2013 to 87.8% in 2018, as shown in see Figure 38. Hotel operators reported they had to turn away potential group reservations due to a lack of available space. Stakeholders in the hospitality industry also noted that there is currently enough demand to support more hotel construction in Culver City, and the anticipated boost in hotel demand for upcoming sporting events over the next decade—i.e., the Super Bowl, FIFA World Cup, and Olympics—further support this finding.²⁹

²⁵ Average daily rate (ADR) is a common metric used in the hotel industry and refers to the average income generated per occupied room.

²⁶ Revenue per available room is a metric calculated by multiplying a hotel's ADR by its occupancy rate.

²⁷ STR, 2019

²⁸ Los Angeles Tourism and Convention Board.

²⁹ Stakeholder interviews, 2019.

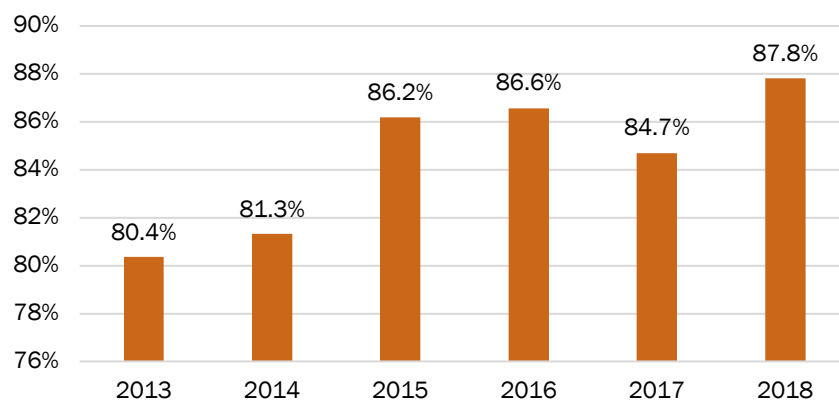
FIGURE 37: CULVER CITY HOTEL PERFORMANCE RELATIVE TO REGIONAL BENCHMARKS

Metric and Year	Culver City	LAX Area-Ingleside-Culver City Subregion	LA County
2017 Occupancy	85.2%	85.6%	81.0%
2018 Occupancy	88.5%	86.9%	80.5%
2017 ADR	\$171.74	\$146.68	\$177.02
2018 ADR	\$169.22	\$146.34	\$181.49
2017 RevPAR	\$146.62	\$125.50	\$143.46
2018 RevPAR	\$150.10	\$127.15	\$146.09

Data reflects averages from January through November of the respective calendar years.

Source: STR Global Custom Report, 2019; Los Angeles Tourism and Convention Board Tourism Insights, 2017 and 2018; Strategic Economics, 2019.

FIGURE 38: ANNUAL AVERAGE OCCUPANCY OF UPSCALE AND MIDSCALE HOTELS IN CULVER CITY, 2013-2018



Source: STR, 2019; Strategic Economics, 2019

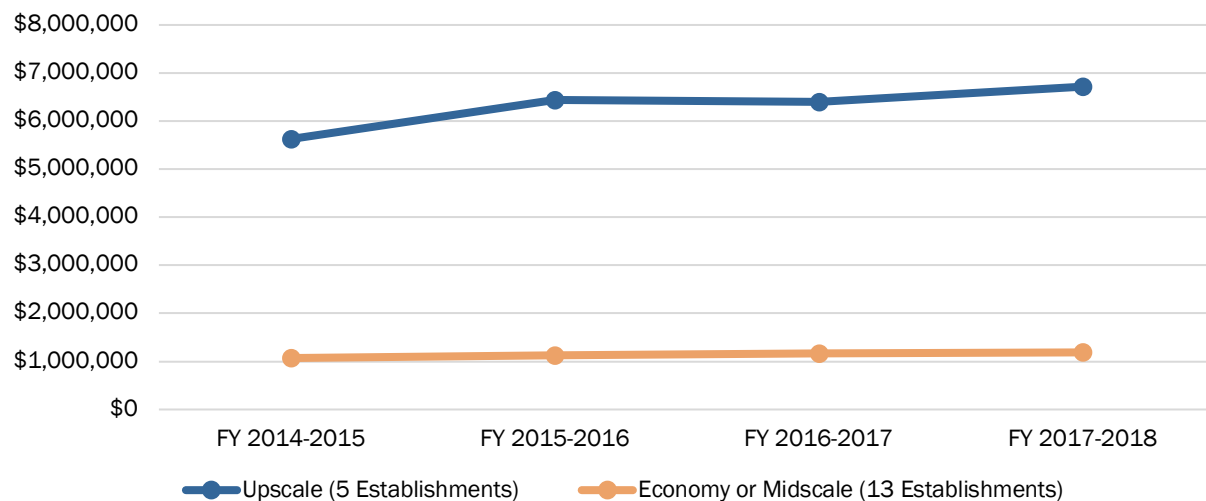
Revenue from hotels provides a significant economic benefit to the City and has increased substantially over the last five years. The total TOT revenue collected in fiscal year 2013-14 was \$6.7 million and increased to \$7.9 million by fiscal year 2016-17, a growth of 18% over the four-year period. As shown in Figure 39 below, this increase was largely driven by upscale hotels.

In fiscal year 2016-17, four upscale hotels generated 85% of Culver City's Transit Occupancy Tax (TOT) revenue. The Fox Hills subarea is responsible for generating the largest portion of the city's TOT revenue in both nominal terms and when adjusted per room. Economy and midscale hotels also make a modest contribution to TOT revenue: Culver City's 13 midscale and economy hotels generated just 15 percent of revenue in fiscal year 2016-17. Note that this data does not include the recently-opened Mayumi and Palihotel, which are also classified as upscale properties.

Even with the addition of new hotels in the West LA Region just outside of Culver City, Culver City's hotels continue to perform well. The opening of new hotels likely contributed to a lull in the growth of Culver City's TOT revenue between fiscal year 2015-16 and fiscal year 2016-17, when there was a 0.8% year-over-year decline, but TOT revenue increased by 4% in fiscal year 2017-18, shown in Figure 39. A similar trend exists in hotel occupancy rates.

TOT revenue is likely to increase in fiscal year 2018-19, with the additions of the relatively small Mayumi and Palihotel. However, to sustain continued increases in TOT revenues, the City will need to permit additional hotels because the present hotel stock is nearly at capacity. Hotel operators noted that even with new hotel developments in the pipeline, there is still room for additional expansion of the city's hotel stock, especially because of the upcoming global sporting events in the L.A. area.

FIGURE 39: TRANSIENT-OCCUPANCY TAX GENERATED BY HOTEL CLASS, FY 2014-15 THROUGH FY 2017-18 (NOMINAL DOLLARS)



Source: City of Culver City, 2019; Strategic Economics, 2019

DEVELOPMENT AND TRENDS

There are several new hotels in the development pipeline in Culver City, and two hotels that opened in the last twelve months. The newly opened hotels, which include Mayumi and Palihotel Culver City, only added 84 rooms to the city's total hotel supply. The hotels that are under construction or in predevelopment would add a total of 304 hotel rooms to the citywide stock. The 388 new rooms in the recently completed and proposed projects will absorb a significant share of the demand for hotels in the next few years.

More hotels are under construction in the West L.A. region and in L.A. County, where demand for hotels is strong and where the market is forecast to continue experiencing strong development activity. As of 2018 in L.A. County, there were 250 hotels in various stages of planning totaling 40,000 rooms, although only about 10,000 will likely see completion.

Culver City began collecting Transit Occupancy Tax revenue on short-term rentals, such as Airbnb, in November 2018, and during the first two months of revenue collection Airbnb was the fifth largest contributor of Transit Occupancy Tax revenue citywide. However, the revenue collected is significantly below what city staff had predicted. Average monthly revenue was expected to be around \$60,500, but data indicates that the average revenue generated in November and December 2018 was approximately half that. It is important to note that the two months for which revenue collection data was available typically have the lowest occupancy rates for the hospitality industry.

A city ordinance to fully legalize short-term rentals, such as Airbnb, has been drafted. According to this ordinance, short-term rentals can only be hosted in a homeowner or renter's primary residence. Hotel

operators have indicated that they would not see short-term rental companies as a threat to their business so long as investors are not buying properties to rent out on Airbnb and other platforms, and as long as short-term rentals are taxed.

TOURISM AND HOSPITALITY OPPORTUNITIES

VISITOR ATTRACTIONS

Culver City is conveniently located near LAX and other major destinations in the L.A. region, including Downtown L.A., Santa Monica, and the Getty Museum. The city benefits from its proximity to major regional tourist destinations.

Culver City is home to several unique visitor assets, although the total number of attractions in the city is modest. Examples include the Wende Museum of the Cold War, Sony Pictures Studio, and the Kirk Douglas Theater. Additionally, the Museum of Jurassic Technology sits just outside the Culver City border. Many of Culver City's visitor attractions are concentrated in the "Cultural Corridor" running roughly from the Wende Museum to Helms Bakery.

Culver City is strategically located near venues that will host major global sporting events within the next decade. Los Angeles is the host city for the 2022 Super Bowl, the 2022 World Cup, and the 2026 Olympics, which will bring short-term occupancy boosts to hotels in the L.A. region. Culver City is particularly well-positioned to benefit from these events because it is situated along the Expo Line that serves the Los Angeles Memorial Coliseum, and is a mid-point between the planned Olympic event venues. However, there is no reliable estimate of the economic benefit that these events will bring due to a lack of comparison data on fiscal benefits for cities that are located near a major host city, as is the case with Culver City relative to Los Angeles.

POTENTIAL ROLE OF SPECIAL EVENTS

Many of the investments that would improve Culver City's overall business environment would also position it to better profit from upcoming major global events in the L.A. area. Although Culver City can anticipate a short-term occupancy boost to local hotels, major sporting events are unlikely to have a long-term impact on Culver City's economic outlook. Culver City hotels and TOT revenues are unlikely to significantly benefit from these events on an ongoing, long-term basis. However, the City can better realize short-term benefits from the Super Bowl, FIFA World Cup, and Olympics by expanding its hotel room supply and improving last-mile transportation connections between hotels and Culver City's Downtown.

Live esports (electronic sports) events may provide event opportunities that would benefit the hospitality industry on an ongoing basis. Esporting events can attract over 1,000 visitors to stadiums. Additionally, they may occur with greater regularity than the global sporting events discussed above, providing boosts to hotel occupancy.

TOURISM AND HOSPITALITY CONSTRAINTS

Culver City has limited name recognition outside of the L.A. area. Stakeholders indicated that despite the city's assets and its tagline as "The Heart of Screenland," the city lacks a coherent citywide identity, contributing to limited name recognition among potential visitors. Culver City's current success in leveraging the creative economy could suggest this is a useful moment for crafting a citywide identity.

Hotel operators noted that high housing costs make it difficult to attract and retain well-trained employees. Addressing the lack of affordable housing in Culver City requires long-term policy and city planning changes. In the meantime, the city government can facilitate partnerships between hotel employers and workforce development organizations to expand access to well-trained workers within the surrounding area.

The City's present height limits are a barrier to creating additional hotel room supply. In the absence of large, readily developed parcels, low height limits restrict the City's capacity to expand its hotel supply and collect additional TOT revenue. Culver City's largest upscale hotels—and largest contributors to TOT revenue—are nearly all taller than the current height limit of 56 feet.

There are insufficient transit connections between Culver City's hotels and Downtown Culver City. This limits the potential economic benefits from major upcoming sporting events, and could exacerbate hotel operators' difficulty in attracting and retaining employees. Hotel operators reported receiving regular complaints about the lack of transit options to their establishments, and that this would be a competitive disadvantage during upcoming sporting events. Options for improving transit could include micro-mobility options, such as scooters and bike rental stations. While hotel operators across Culver City reported transit access as a constraint, mobility improvements in Fox Hills specifically would be particularly beneficial, considering the hotel room inventory is heavily concentrated in Fox Hills.

V. APPENDIX: SUBAREA DEVELOPMENT MAPS, EMPLOYMENT DATA, AND SALES TAX DATA

The following pages provide a brief profile of each major commercial subarea within Culver City. Maps and data for each subarea include the following:

- A map of recently completed, planned, and proposed development activity.
- A profile of employment by industry sector.
- Sales tax revenue by industry group in fiscal year 2017-18. Due to confidentiality restrictions, this data is shown for broader categories or excluded entirely for some subareas.

DOWNTOWN

FIGURE 40. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN DOWNTOWN CULVER CITY, 2019

Development in Downtown Culver City

Project Type

- Hotel
- Office
- Office with Retail
- Office with Residential
- Retail
- Office, Residential, Retail and Hotel
- Residential

Development Status

- Recently Completed
- Under Construction
- Predevelopment

1. Access Culver City
2. One Culver
3. Brick and Machine
4. PaliHotel
5. Culver Steps
6. Culver Studios CP7
7. Ivy Station
8. Platform Phase 3
9. Platform
10. 8777 Washington
11. 3434 Wesley St

Subarea Name

- Downtown Culver City
- Culver City Boundary
- Parks
- Expo Stations
- Expo Line
- Freeways

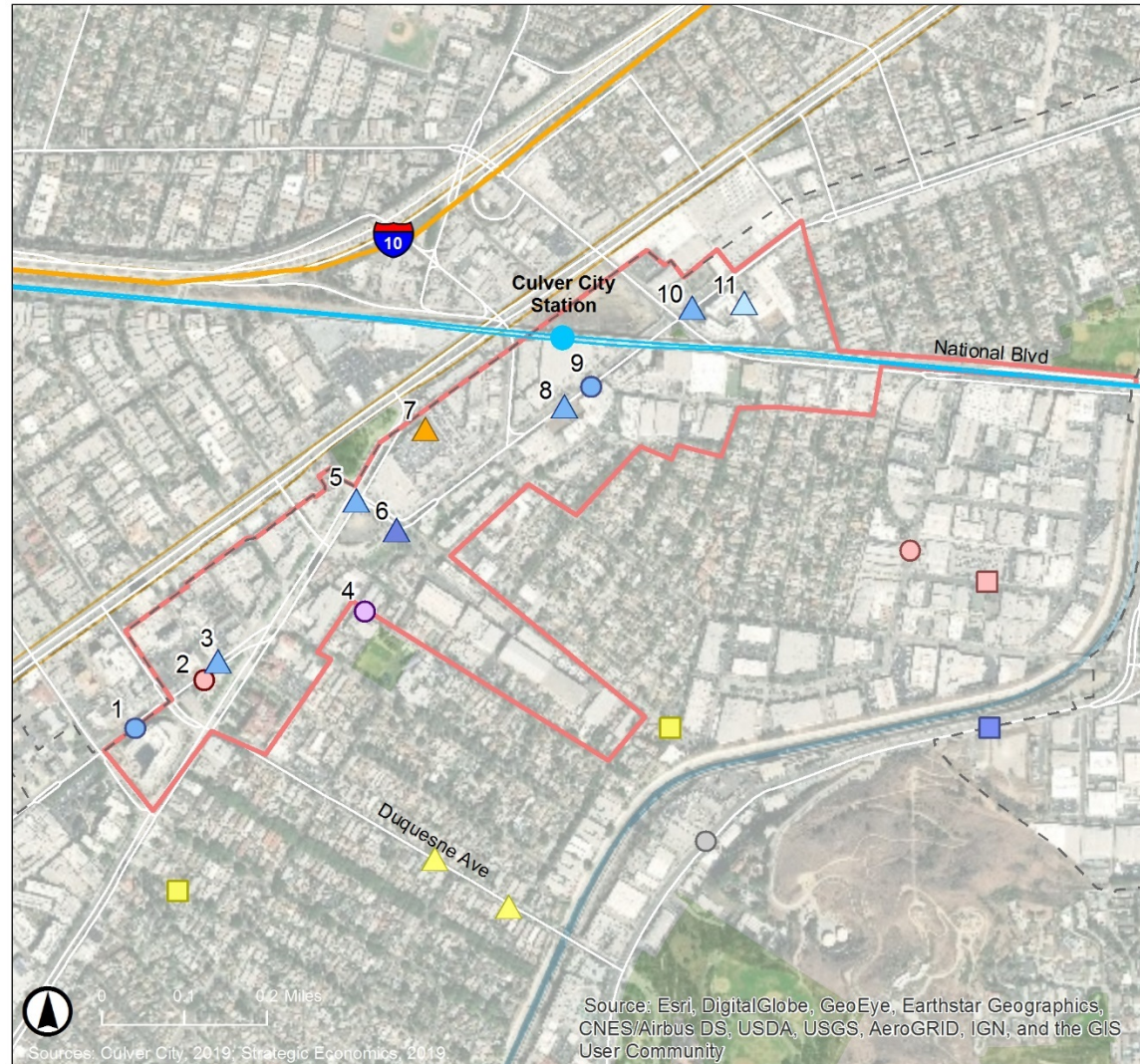
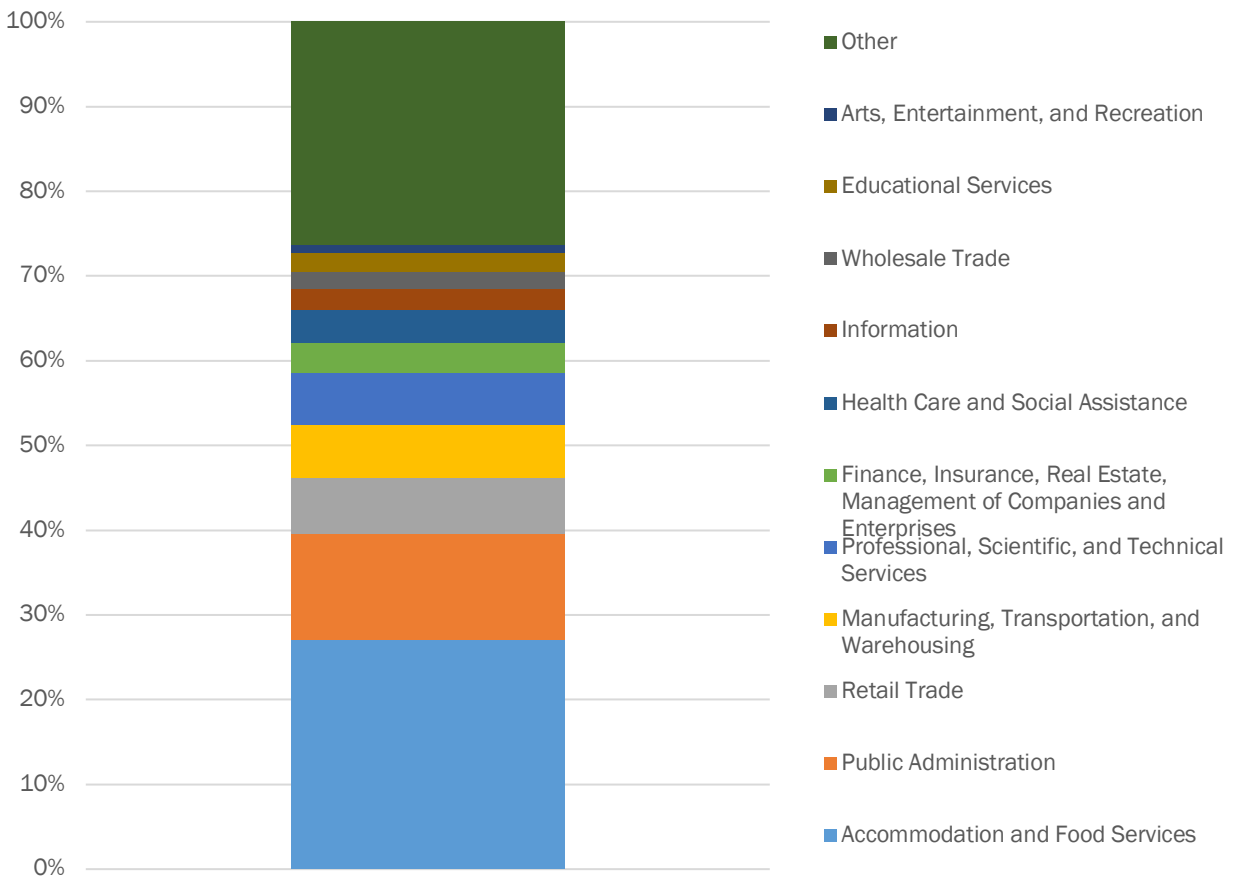
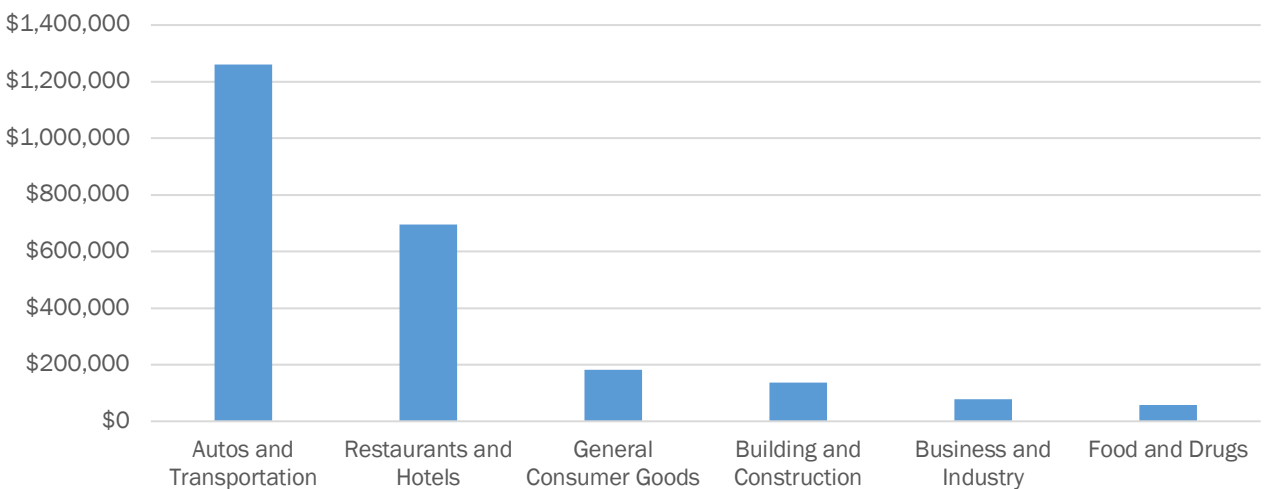


FIGURE 41. DOWNTOWN EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

FIGURE 42. SALES TAX REVENUE FROM DOWNTOWN BUSINESSES BY INDUSTRY GROUP, FY 2017-18



Source: HdL Companies, 2019; Strategic Economics, 2019.

SEPULVEDA

FIGURE 43. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN SEPULVEDA, 2019

Development in Sepulveda

Project Type

- Office
- Hotel
- Retail
- Residential with Retail
- Residential
- Undefined

Development Status

- Recently Completed
- △ Under Construction
- Predevelopment

1. Unnamed Car Wash
2. Deano's Motel Redevelopment
3. Jefferson Triangle Mixed Use Development
4. Miyumi Hotel

Subarea Name

- ▭ Sepulveda
- - - Culver City Boundary
- Parks
- Freeways

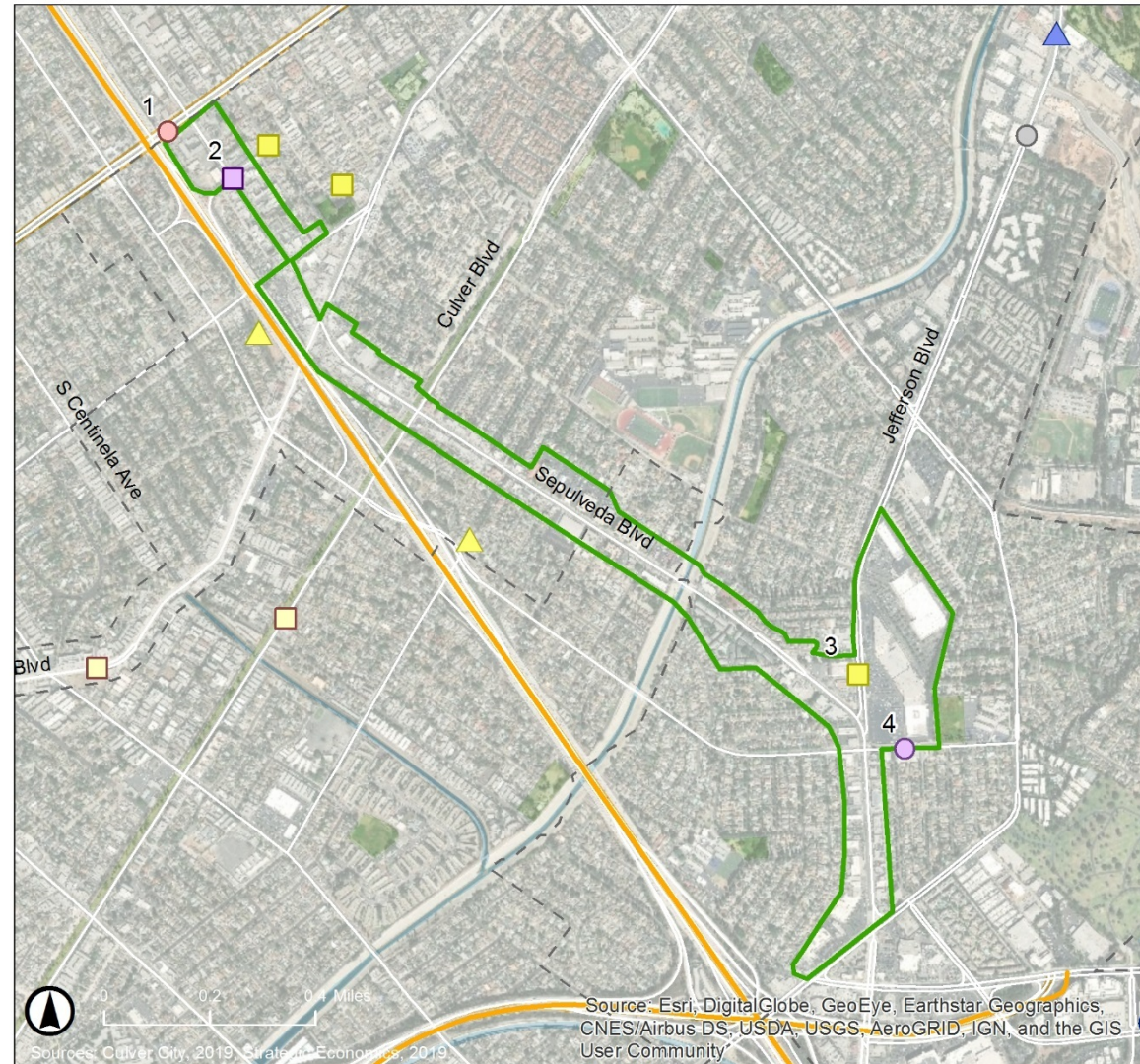
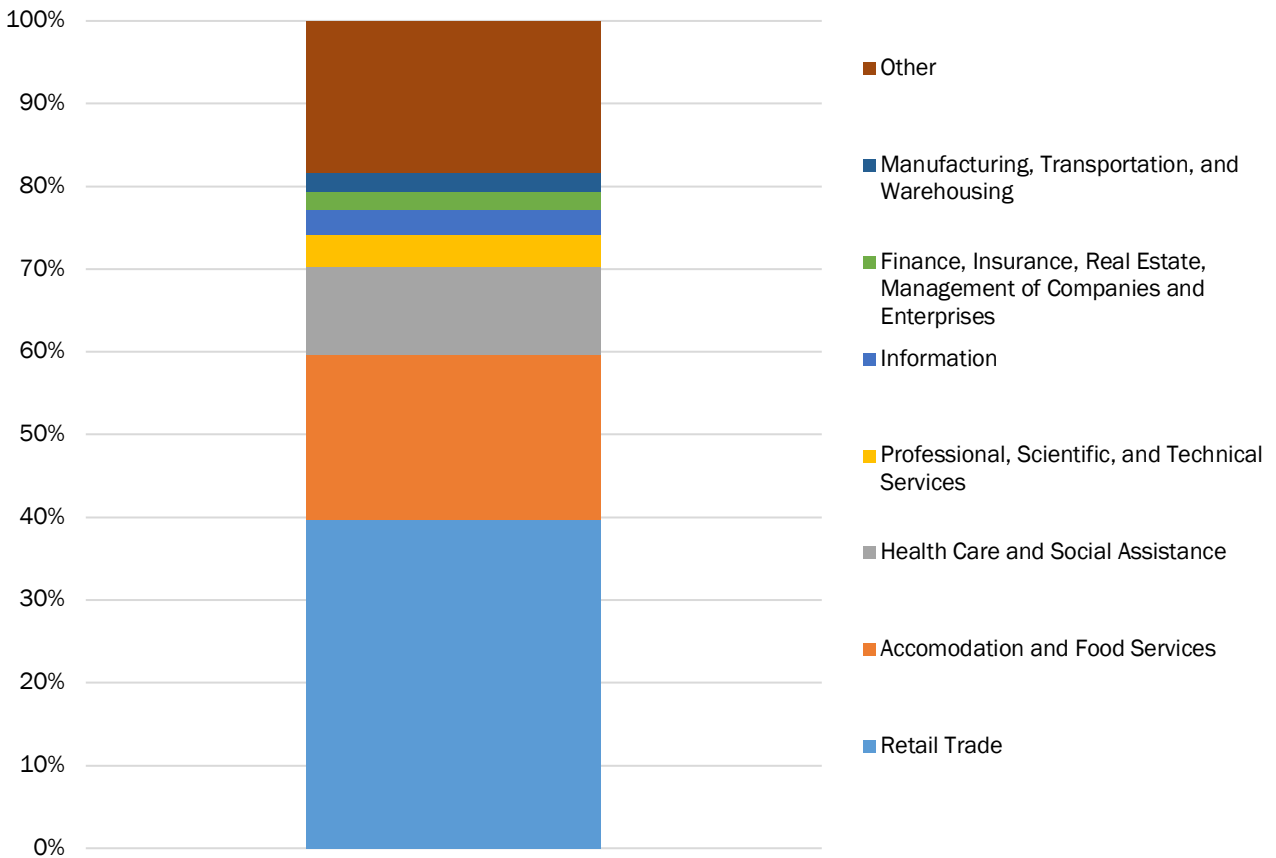
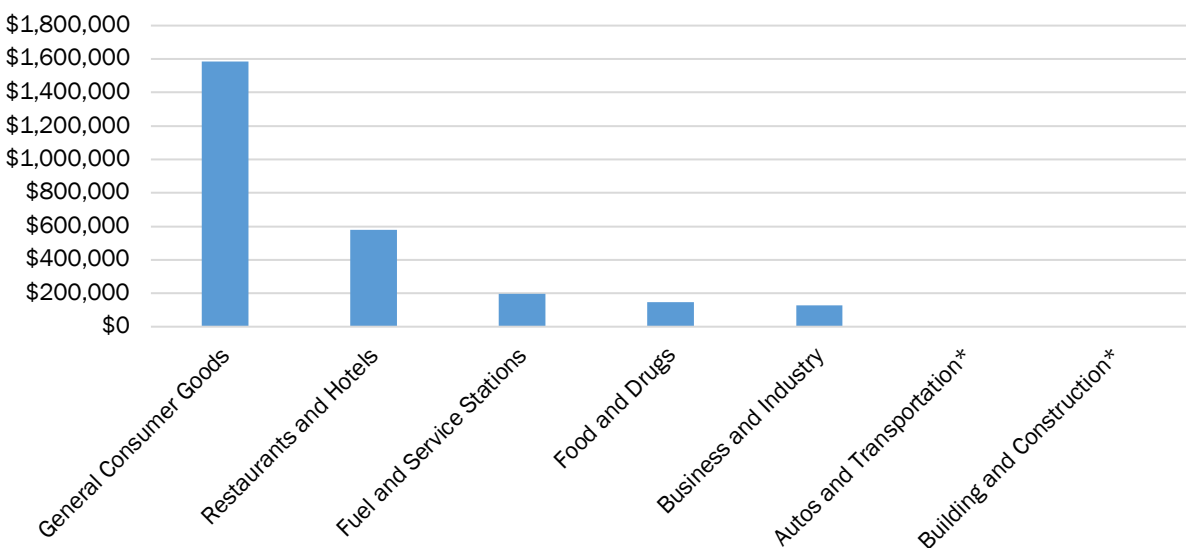


FIGURE 44. SEPULVEDA EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2013-2017; Strategic Economics, 2019.

FIGURE 45. SALES TAX REVENUE FROM SEPULVEDA BUSINESS BY INDUSTRY GROUP, FY 17-18



Source: California Employment Development Department, 2013-2017; Strategic Economics, 2019.

*Note: Autos and Transportation and Building and Construction revenues have been suppressed due to confidentiality restrictions.

WEST WASHINGTON

FIGURE 46. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN WEST WASHINGTON, 2019

Development in West Washington

Project Type

- Office
- Retail
- Residential with Retail
- Undefined

Development Status

- Recently Completed
- △ Under Construction
- Predevelopment

1. Unnamed Telcom Facility
2. Lucky Apartments
3. Sale of 99 Cent Store
4. Culver Public Market
5. Haven

Subarea Name

- West Washington
- Culver City Boundary
- Parks
- Freeways



STRATEGICECONOMICS

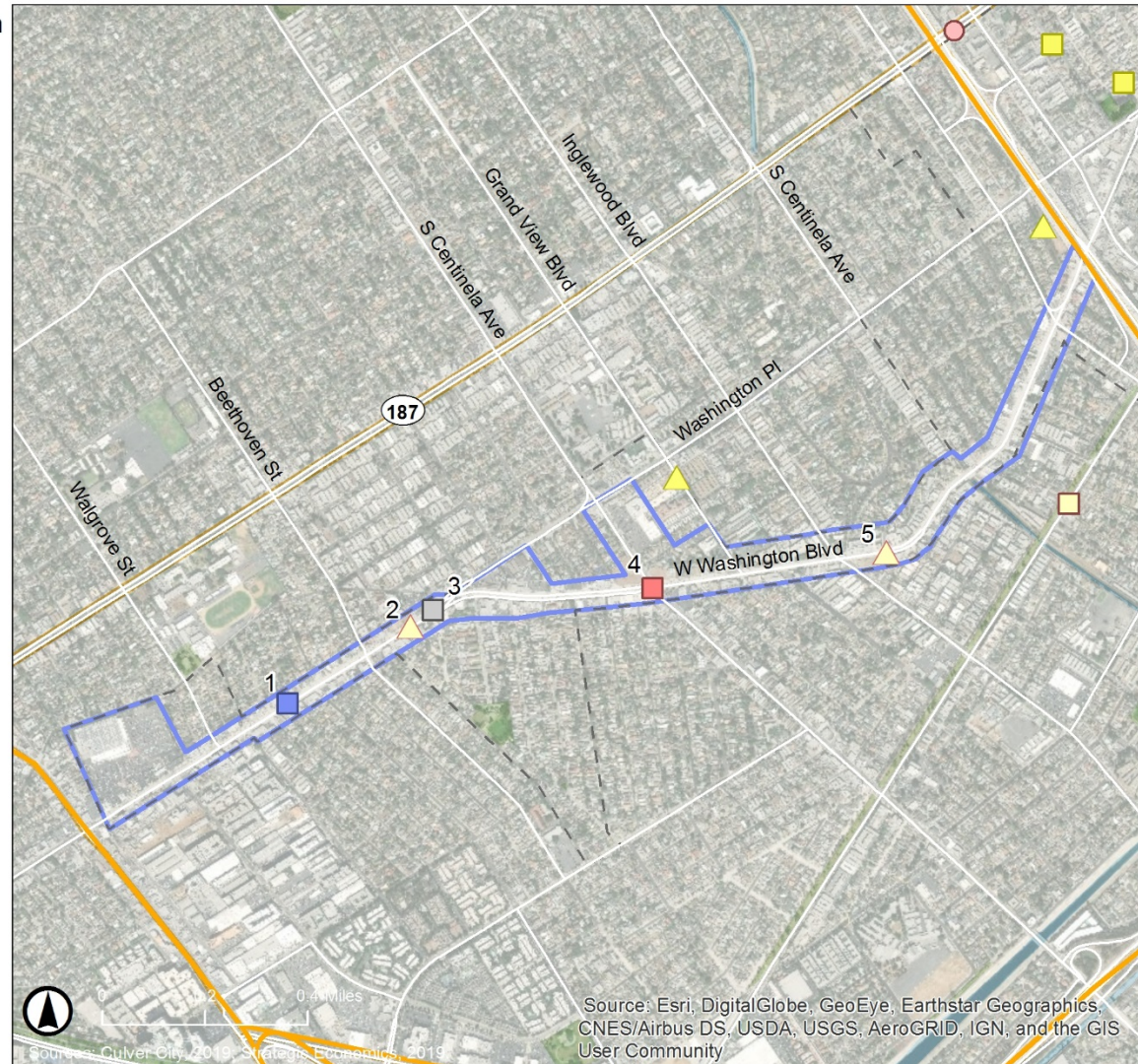
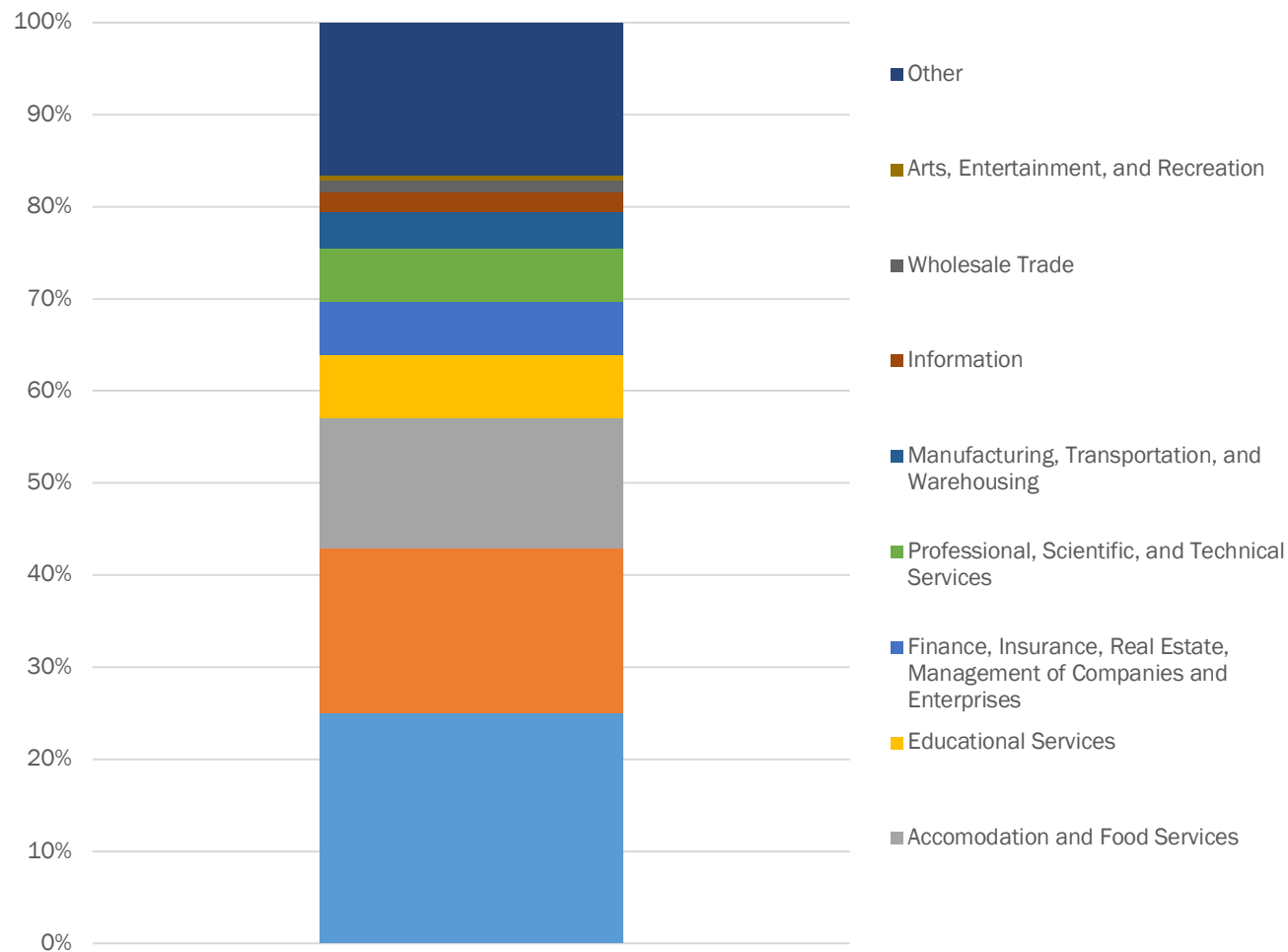


FIGURE 47. WEST WASHINGTON EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2013-2017; Strategic Economics, 2019.

HAYDEN TRACT

FIGURE 48. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN HAYDEN TRACT, 2019

Development in Hayden Tract

Project Type

- Retail
- Residential

Development Status

- Recently Completed
- △ Under Construction
- Predevelopment

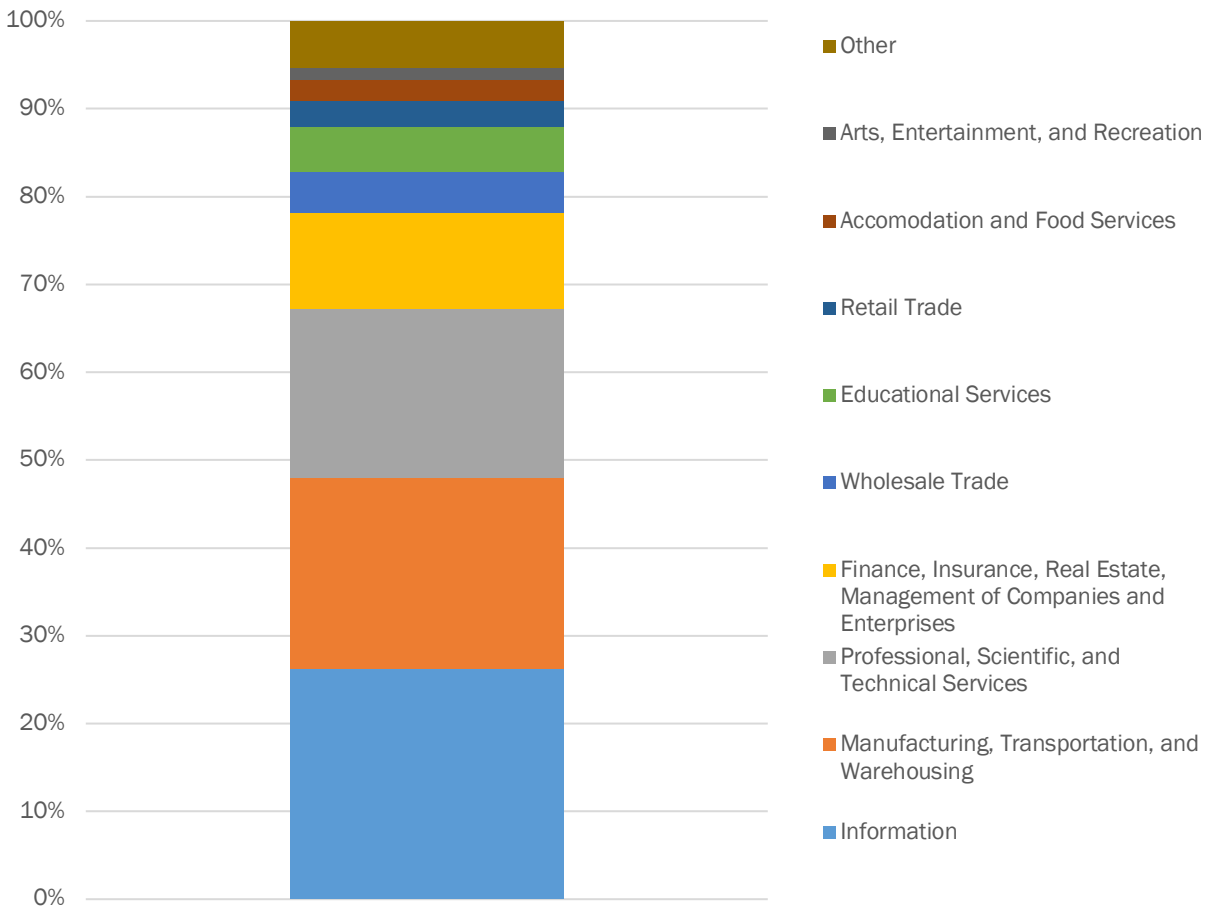
1. 6 Unit Residential Development
2. Vespertine
3. Warner Parking and Retail

Subarea Name

- Hayden Tract
- Culver City Boundary
- Parks
- Expo Stations
- Expo Line
- Freeways

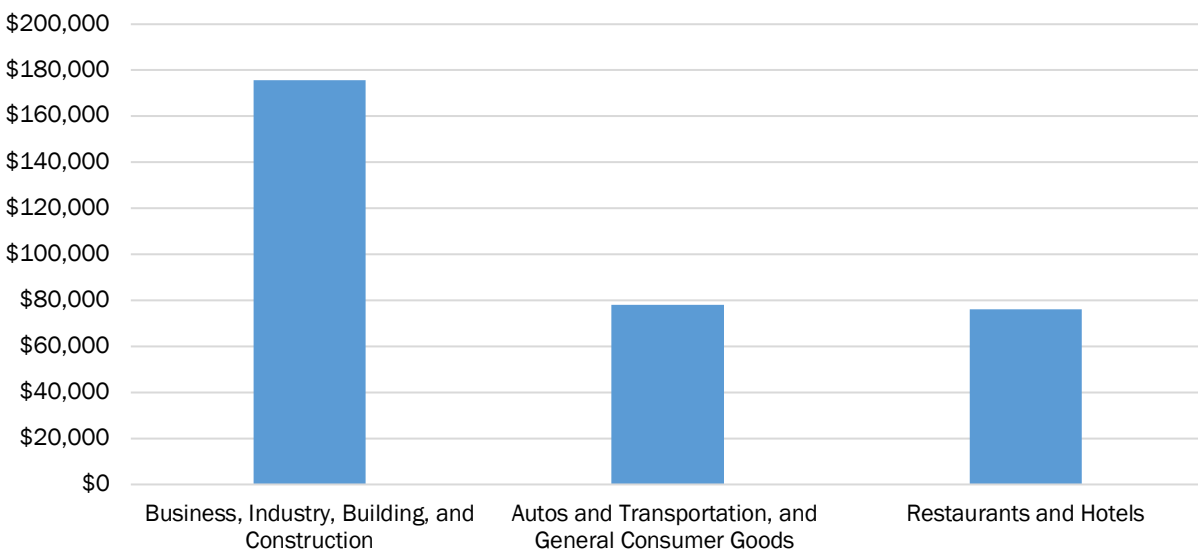


FIGURE 49. HAYDEN TRACT EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

FIGURE 50. SALES TAX REVENUE FROM HAYDEN TRACT BUSINESSES BY INDUSTRY GROUP, FY17-18



Source: HdL Companies, 2019; Strategic Economics, 2019.

JEFFERSON

FIGURE 51. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN JEFFERSON, 2019

Development in Jefferson Corridor

Project Type

- Hotel
- Office
- Office with Retail
- Residential
- Undefined

Development Status

- Recently Completed
- Under Construction
- Predevelopment

1. Undefined West LA College RFP
2. Nantworks Office
3. Jefferson Redcar Acquisition Plan

Subarea Name

- Jefferson Corridor
- Culver City Boundary
- Parks
- Freeways

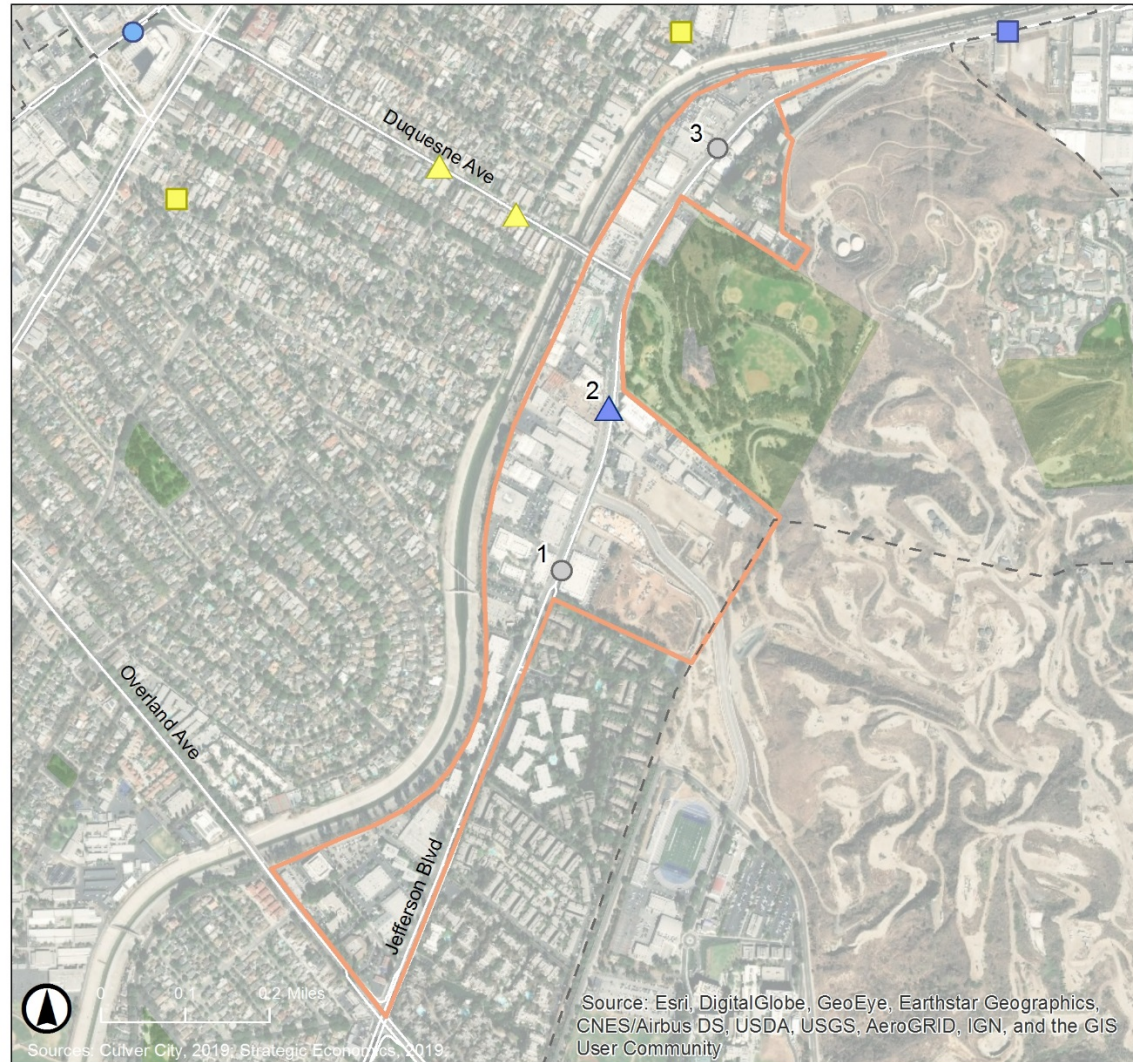
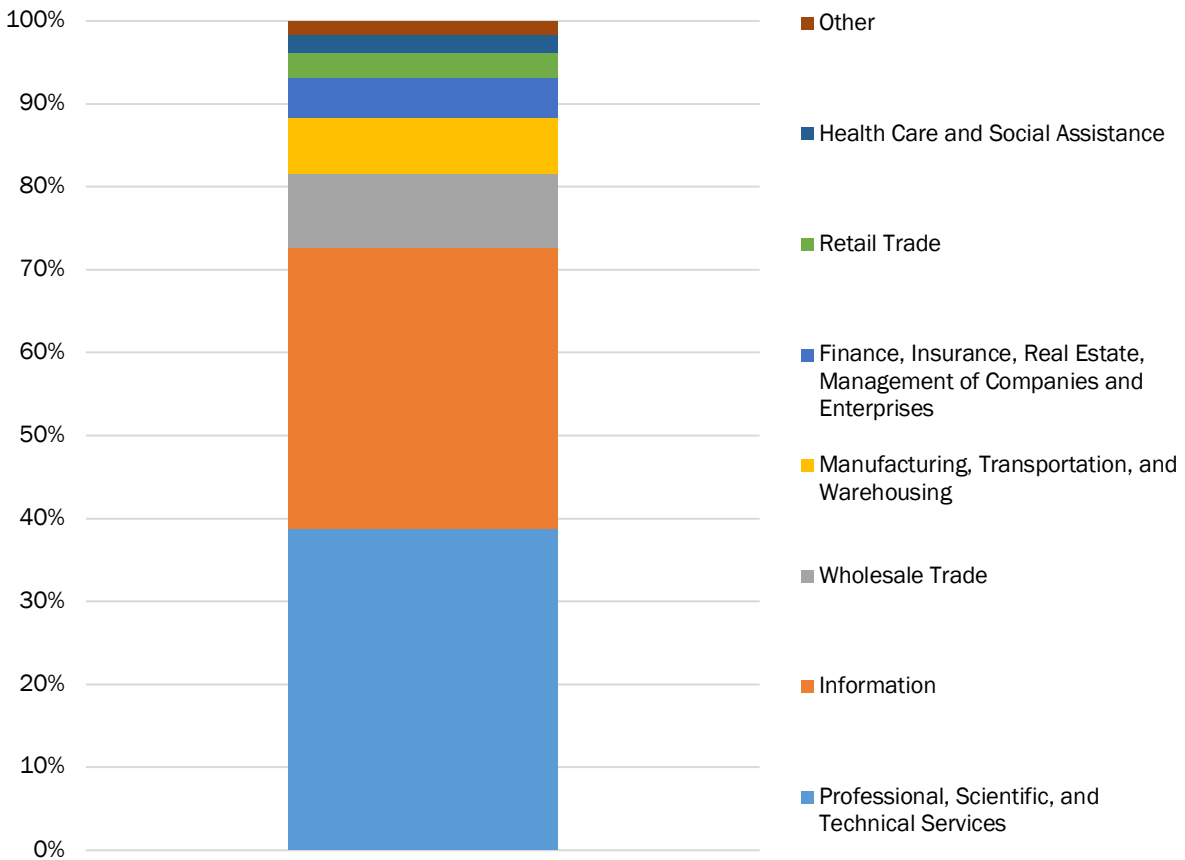
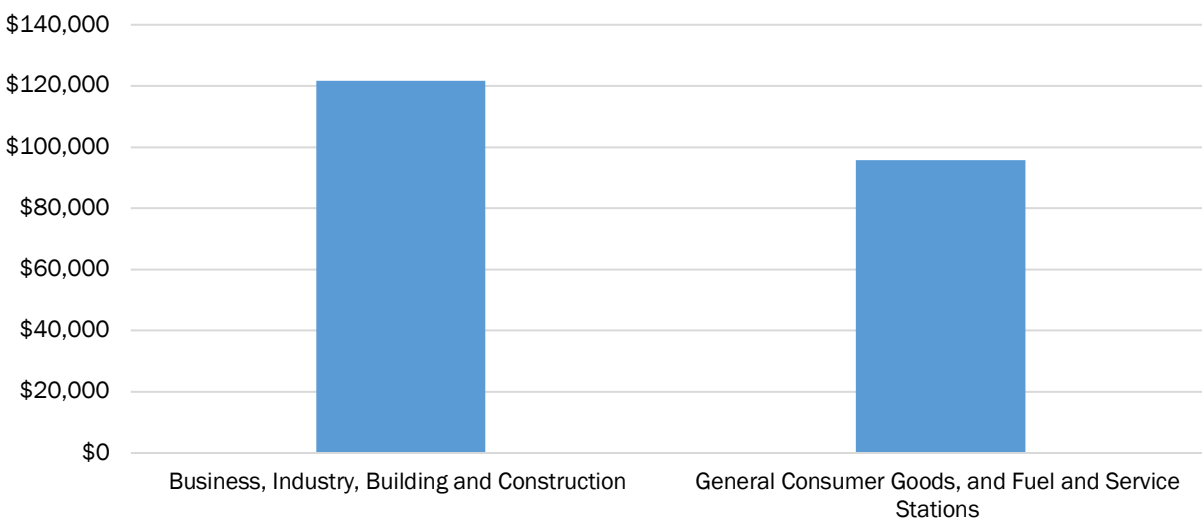


FIGURE 52. JEFFERSON EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

FIGURE 53. SALES TAX REVENUE FROM JEFFERSON BUSINESSES BY INDUSTRY GROUP, FY17-18



Source: HdL Companies, 2019; Strategic Economics, 2019.

ARTS DISTRICT

FIGURE 54. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN THE ARTS DISTRICT, 2019

Development in Arts District

Project Type

- Office
- Office with Retail
- Office with Residential
- Retail
- Undefined

Development Status

- Recently Completed
- △ Under Construction
- Predevelopment

1. 3050 La Cienega
2. 3030 La Cienega
3. Fairfax and La Cienega Redcar Acquisition Plan*

*3050 and 3030 La Cienega area part of Red Car Acquisition Plan

Subarea Name

- Arts District
- Culver City Boundary
- Parks
- Expo Stations
- Expo Line
- Freeways

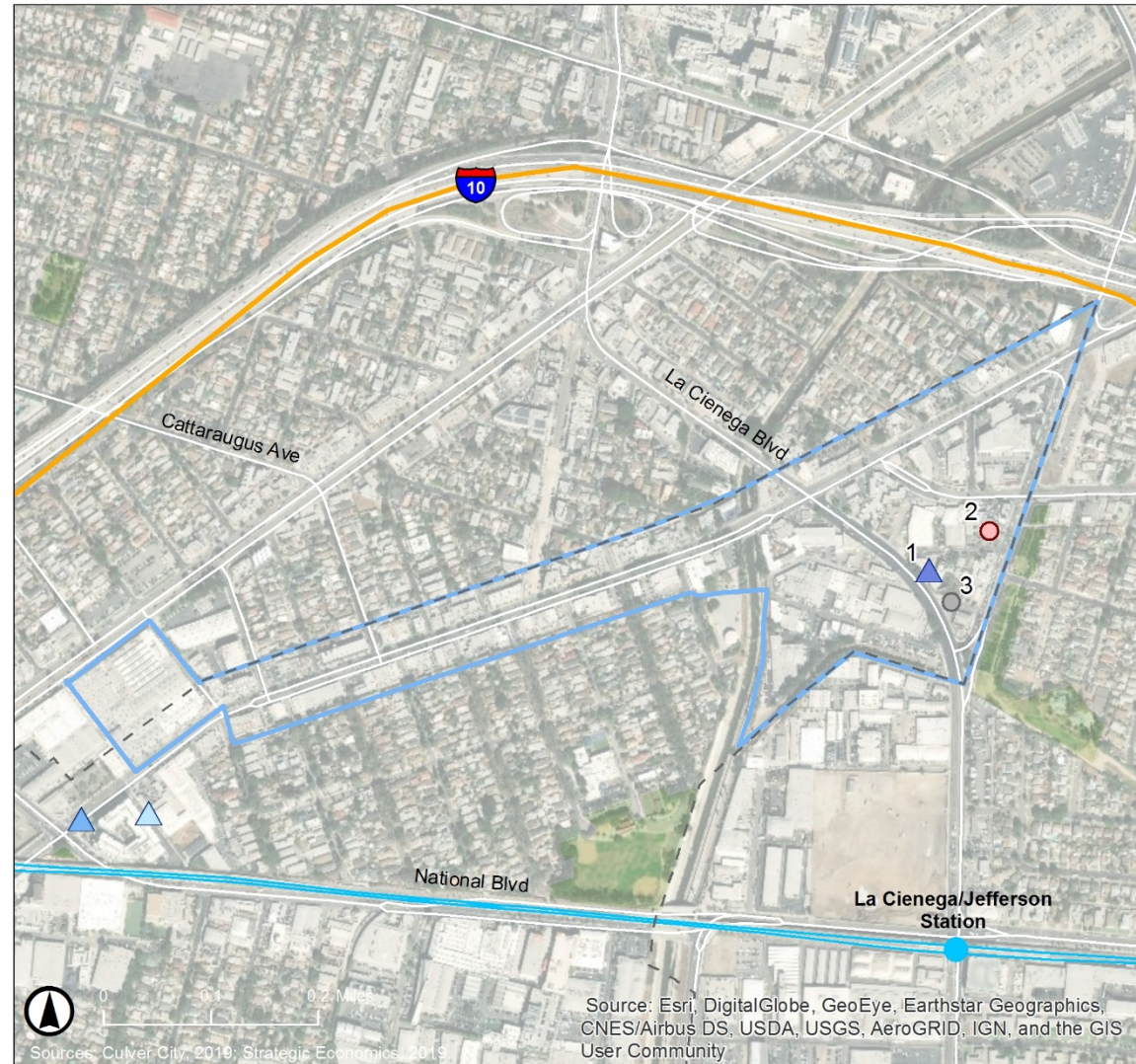
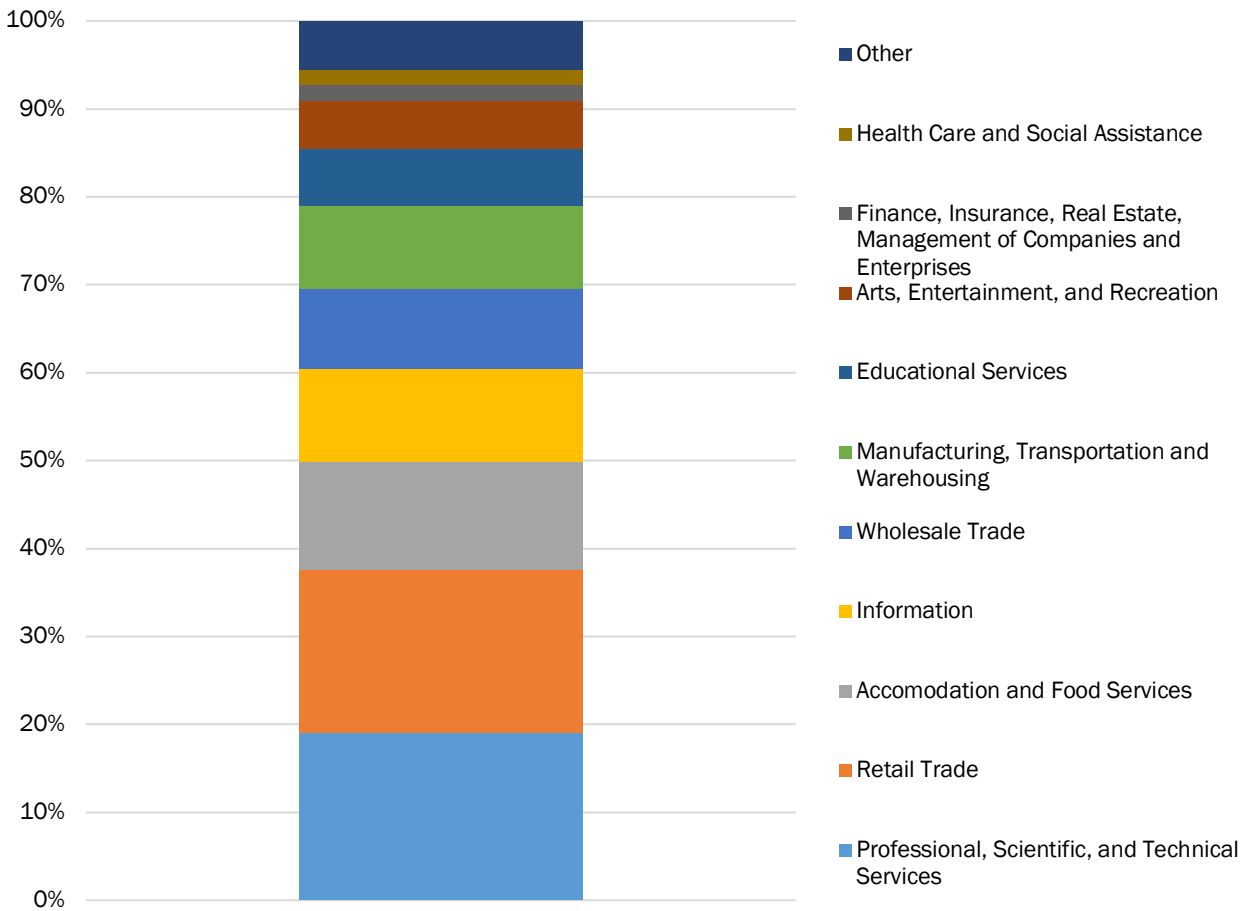
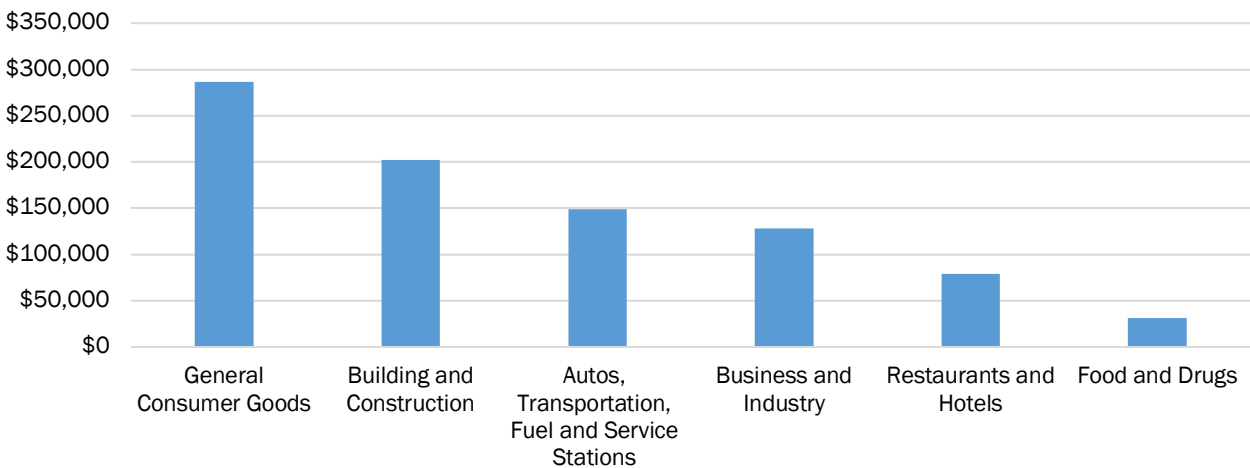


FIGURE 55. ARTS DISTRICT EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

FIGURE 56. SALES TAX REVENUE FROM ARTS DISTRICT BUSINESSES BY INDUSTRY GROUP, FY17-18



Source: HdL Companies, 2019; Strategic Economics, 2019.

MID-WASHINGTON

FIGURE 57. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN MID-WASHINGTON, 2019

Development in Mid Washington

Project Type

- Office
- Hotel
- Retail
- Residential with Retail
- Residential
- Undefined

Development Status

- Recently Completed
- △ Under Construction
- Predevelopment

1. Cobalt (Los Angeles)

Subarea Name

- Mid Washington
- Culver City Boundary
- Parks
- Freeways

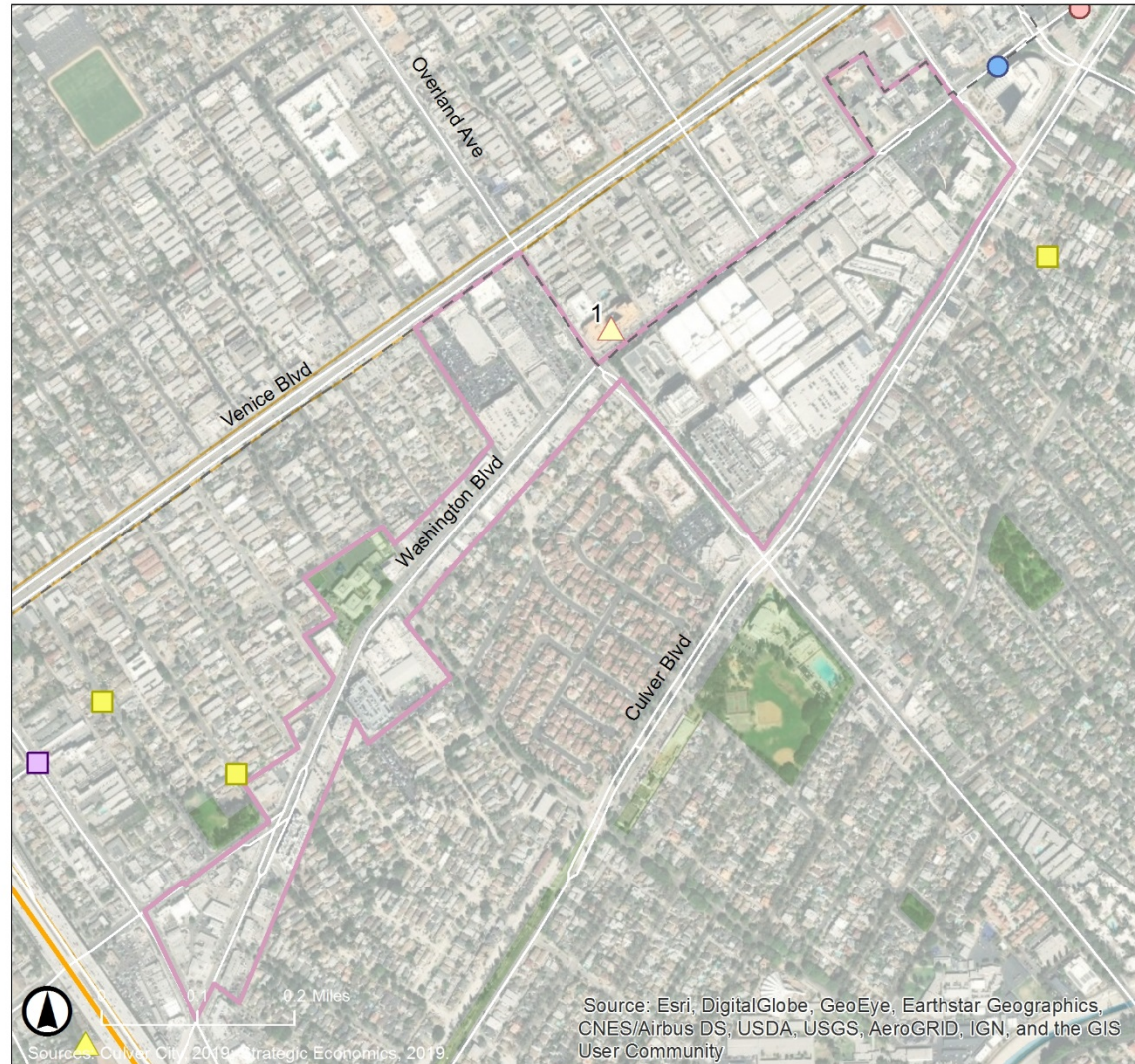
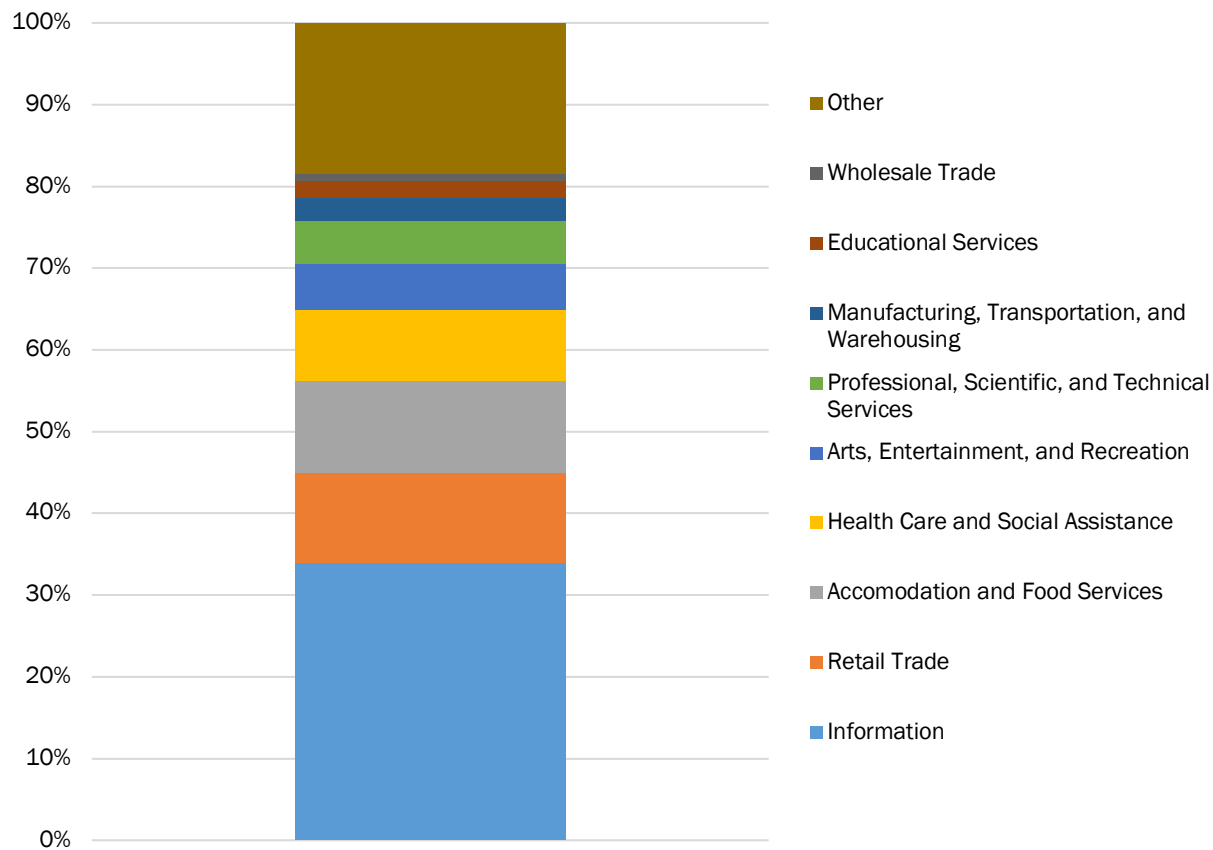
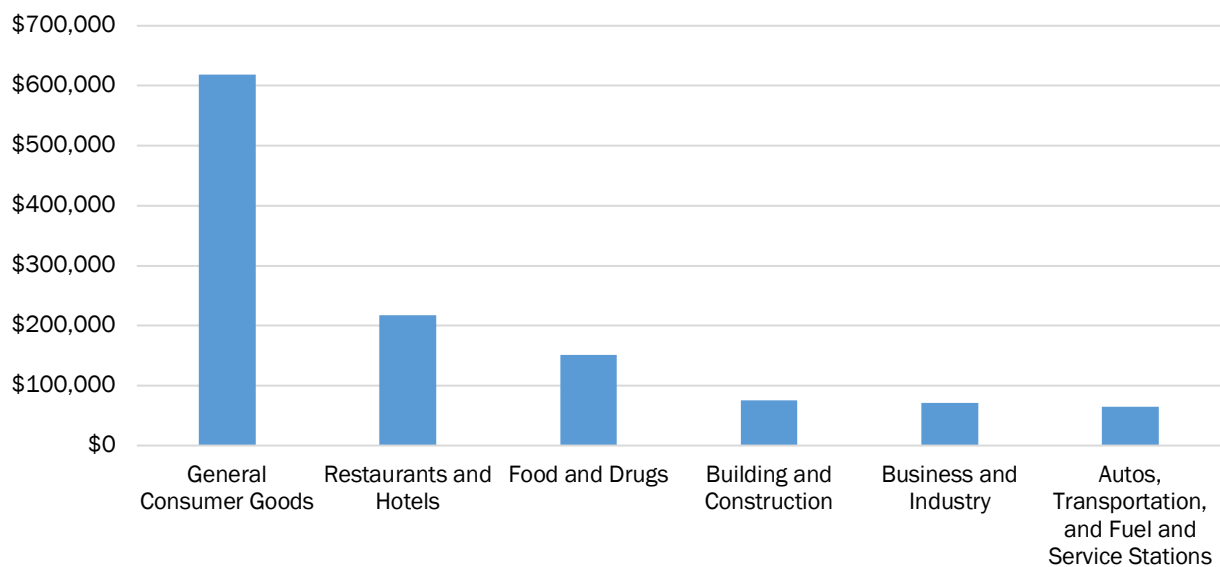


FIGURE 58. MID-WASHINGTON EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

FIGURE 59. SALES TAX REVENUE FROM MID-WASHINGTON BUSINESSES BY INDUSTRY GROUP, FY17-18



Source: HdL Companies, 2019; Strategic Economics; 2019.

FOX HILLS

FIGURE 60. RECENTLY COMPLETED, UNDER CONSTRUCTION, AND PLANNED DEVELOPMENTS IN FOX HILLS, 2019

Development in Fox Hills

Project Type

- Office

Development Status

- Recently Completed
- △ Under Construction
- Predevelopment

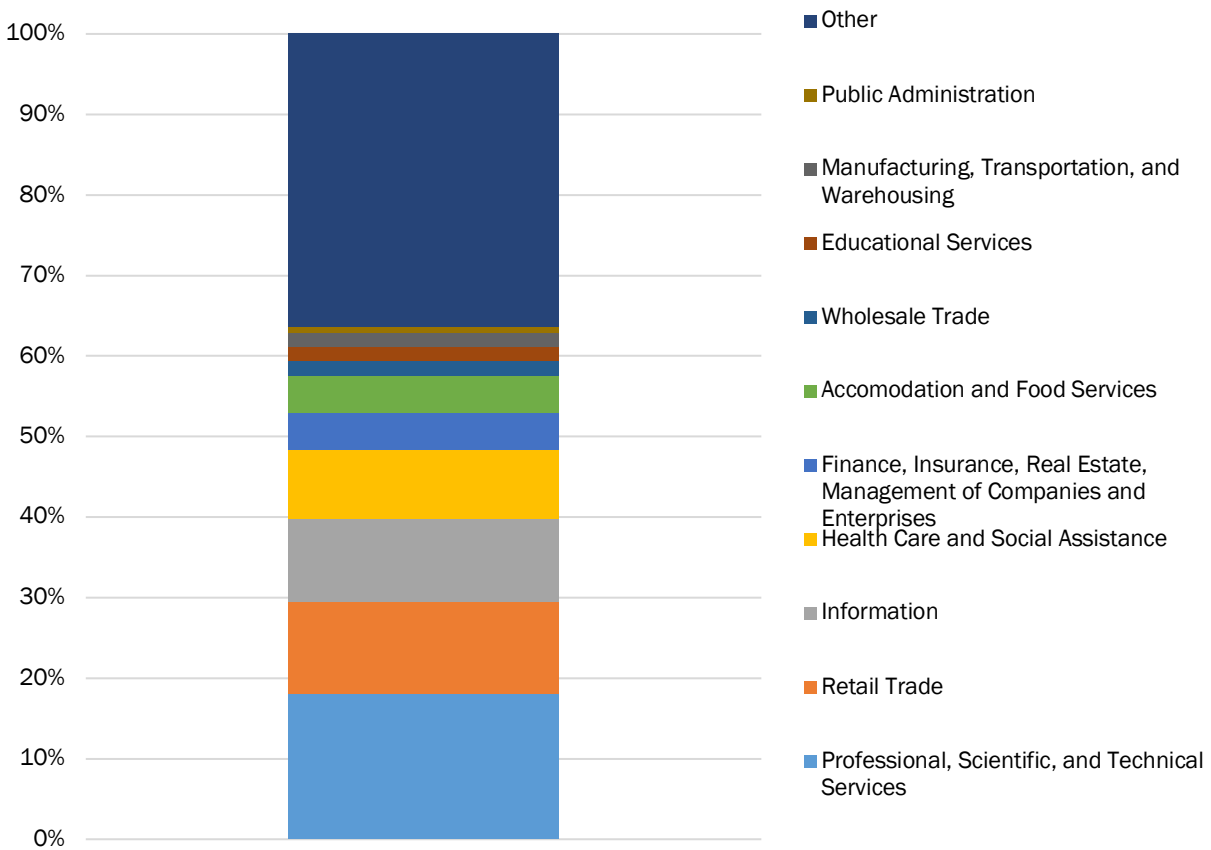
- Entrada
- Culver City Creative (C3) Office

Subarea Name

- General Fox Hills
 - Culver City Boundary
 - Parks
 - Freeways
- STRATEGICECONOMICS

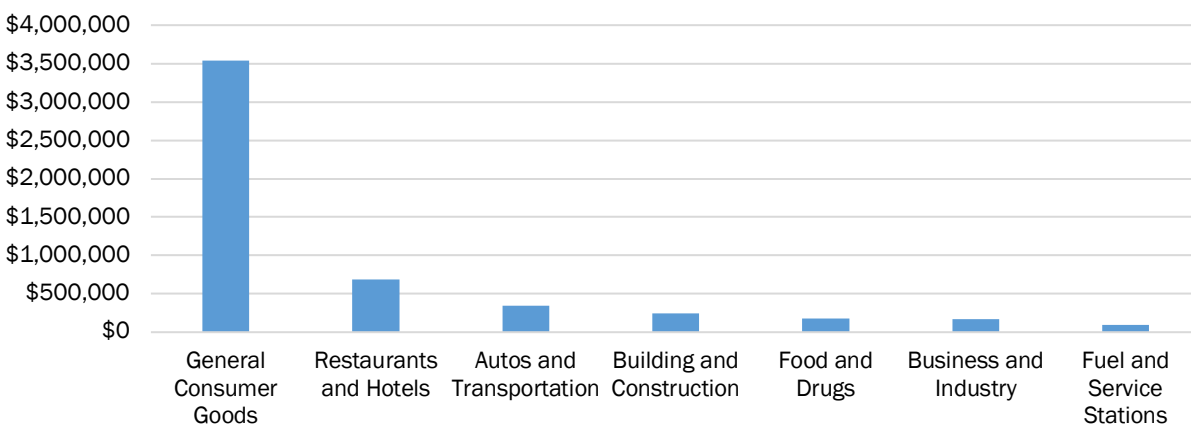


FIGURE 61. FOX HILLS EMPLOYMENT BY INDUSTRY SECTOR, 2017



Source: California Employment Development Department, 2019; Strategic Economics, 2019.

FIGURE 62. SALES TAX REVENUE FROM FOX HILLS BUSINESSES BY INDUSTRY GROUP, FY17-18



Source: HdL Companies, 2019; Strategic Economics, 2019.