

# Economic Development Policy Framework

## August 12, 2021 General Plan Advisory Committee (GPAC) Draft

Culver City community members are creating a new vision and guiding principles for the future of the city. This exciting initiative, “Picture Culver City,” is a comprehensive update to the General Plan (GPU) and will result in new long-range planning documents with goals, policies, and actions that work together to maintain the uniqueness of Culver City and create opportunities for improvements in how we manage every aspect of our city—including economic growth, transportation, housing, climate change, and more—through 2045.

This Economic Development Policy Framework DRAFT is an **interim step** in the GPU process before drafting of the elements (or chapters). It was developed using input from the community, the General Plan Advisory Committee, the Technical Advisory Committees, City staff, and City Council.

## Where We Are Now

Culver City has established itself as a destination for the creative economy, garnering significant developmental growth with an expanding presence of global employers in media, architecture, design, communications, venture capital, arts and culture . This trend is anticipated to continue based on projected growth of new housing and jobs. As it establishes its outlook for the next phase of economic development via the GPU, the City seeks to balance this growth with its historically strong arts and cultural identity, a shifting retail landscape (due both to the impacts of COVID-19 and pre-existing, ongoing national trends), and a supply of housing that has not kept pace with the growth of jobs. The following strengths, opportunities, challenges, and threats that have shaped this policy framework were identified:

### Strengths

- **Central location:** Culver City is centrally located within the Los Angeles metropolitan area's core commercial centers of Downtown Los Angeles and Santa Monica, and is highly accessible by freeways, transit, and airports.
- **Educated high earners:** Compared to peer cities and Los Angeles County as a whole, the city's households tend to have higher incomes and levels of educational attainment.
- **Strong creative economy:** Culver City is experiencing a boom in high-earning tech and professional service employers and is home to such large anchor corporations as Sony Pictures Entertainment, HBO, Amazon Studios, and Apple.
- **A vibrant Downtown:** Downtown Culver City is a transit-accessible, walkable destination for regional dining and experiential retail offerings, exemplified by the Culver Steps development.

- **History of arts and culture:** Known as “The Heart of Screenland”, Culver City’s history as an epicenter of Southern California film production has evolved to support a host of creative economy stakeholders in film, the visual arts, theatre, architecture, and design.

## Opportunities

- **Creative economy:** There is a strong foundation of creative economy employers already established in the city, particularly in digital media and entertainment, creating incentives for similar and supportive businesses to locate there.
- **Transit access:** Continued expansion of LA Metro’s bus and rail system and Culver CityBus will service Culver City even more, making its central location even more accessible. The MOVE Culver City project will also create connections through the Arts District and Downtown.
- **Bioscience and technology cluster:** While not as prominent as the creative economy, the city has a growing presence of bioscience employers that could be another opportunity for growth.

## Challenges

- **High jobs to housing ratio:** The pace of housing development in the city has not kept up with its pace of job growth, creating housing shortages, reducing affordability, and increasing commuter traffic.
- **Less diverse:** Culver City is less racially and socioeconomically diverse than LA County and its competitive market area.
- **Limited housing growth:** High costs for housing development statewide, combined with restrictive height limitations locally, make developing new housing in the city difficult, adding to affordability and displacement concerns.
- **COVID-19:** The ongoing COVID-19 pandemic will continue to impact Culver City’s public health, economic development, and fiscal health.

## Threats

- **Strained housing resources:** The lack of affordable housing options and high ratio of jobs to housing make Culver City an increasingly difficult place to live.
- **Limited economic resiliency:** In part due to nationwide trends, rents for big box and shopping center retail types (such as in Fox Hills) and traditional strip retail (such as along Venice and Sepulveda) have been stagnating, threatening the ability of these types to continue supporting economic growth and fiscal revenues. The City’s General Fund depends on retail sales as the single largest revenue generator.
- **Lack of commercial affordability:** This may reduce the potential for job growth and small business viability, which could further cause displacement of vulnerable populations.

## Key Engagement Themes

The following themes arose in conversations with community and the Economic Development Technical Advisory Committee as pivotal within Culver City's economic development.

### Economic Sustainability

- The city should promote a “business ecosystem” that fosters mutually beneficial relationships between a diverse mix of large and small employers, particularly through fostering business to business relationships between them to develop smaller businesses.
- Sustaining high-quality municipal services (including for police, fire, and emergency services) combined with unfunded pension liabilities are a strain on the City's fiscal resources, suggesting a need for newer fiscal revenue sources and preservation and enhancement of existing sources cultivated through a more diverse set of businesses, particularly around hospitality and experiential retail.

### Community Benefit Frameworks

- Community benefits generated by new commercial development should support and enhance the quality of life for all Culver City community members.
- A transparent community benefits framework, that considers sources and uses of funds as well as their impact on financial feasibility of new development, should provide for a variety of both programmatic and physical benefits that are accessible to all community members.
- Provisions of community benefits should serve the City's overall strategy for developmental growth, with attention to where the benefits are located within the city, who they serve, and any other long-term planning goals as needed.

### Housing

- The city needs more sustainable, affordable, and diverse housing options for both renters and owners, of all ages and income levels.
- New housing stock should not compromise Culver City's existing low-density residential feel.
- Developers need more incentives to build housing, as the current development process is inhibited by high costs and lengthy processes.
- Existing zoning and “NIMBYism” within the community are major inhibitors for new housing development.

## Where We Want to Be in the Future

The Economic Development Policy Framework will achieve outcomes, goals, policies, and actions that are based on feedback from Culver City community members, stakeholders, State agencies, and City staff through the community outreach and engagement process since 2019. Each outcome will include key performance indicators with targets for measuring progress. Each goal is accompanied by a symbol that identifies the following the cross-cutting community values supported through the policy's implementation.



Equity + Inclusion



Compassion + Community



Innovation + Creativity



Sustainability

## Outcomes and Performance Indicators


- **Outcome:** A variety of small and large businesses have sufficient space and resources to remain and grow in Culver City.
  - **Target:** Small employers and start-up businesses have sufficient space to operate and locate their business in Culver City, and the City continues to offer a variety of Business Resource programs to support them.
  - **Key Performance Indicators:** Number and square footage of businesses defined as “small” or not (using definitions informed by the Small Business Administration (SBA) and with respect to Culver City’s existing mix of employers and available spaces); offerings via Culver City’s Business Resources programs. Number of locally sourced contracts generated by Culver City employers.
- **Outcome:** Developers and employers contribute their “fair share” of community benefits from development.
  - **Key Performance Indicators:** Community benefit provisions tied to the value/scale of the development may include contributions to (existing and to-be-determined) set-aside City funds for affordable housing, arts programming, transportation mitigation, open space, or other development priorities.
- **Outcome:** The City’s fiscal revenues are healthy enough to relieve the strain of costs from pension liabilities, police, fire, and emergency services.
  - **Key Performance Indicators:** Annual fiscal revenue/expenditures, particularly:
    - Revenues: Sales and Use Tax; Property Tax; Property Transfer Tax; Transient Occupancy Tax; Utility User Tax; Business License Tax



- Expenditures: Public Safety; Internal Services Fund; pension cost including accrued liabilities
- **Outcome:** Culver City's creative economy continues to support the city's identity as a destination for arts and culture.
  - **Key Performance Indicators:** Funding towards and presence of cultural assets:
    - Dollars of program funding to Percent for Art program
    - Dollars committed to Cultural Trust Fund
    - Number of artworks added to Art in Public Places Program
    - Square feet of cultural space developed
- **Outcome:** Retail offerings effectively match national trends that focus less on consumer goods and more on experience, such as fitness and food and beverage.
  - **Key Performance Indicators:** Square footage of new/redeveloped experiential retail; permits issued for new development/adaptive reuse of retail spaces.
- **Outcome:** Culver City provides access to economic opportunities that enable wealth creation and minimize displacement of residents and businesses.
  - **Key Performance Indicators:** Number of Culver City High School graduates that complete an Associate or Bachelor degree; number of Culver City High School graduates are in career pathway jobs located in the community; reduced disparity in net worth in terms of race, gender, and other socio-economic indicators.

## Policy Framework




- **Goal 1: Business ecosystem.** Culver City maintains a balanced "business ecosystem" that fosters a diversity of types and scales of employers.
  - **Policy:** Foster business relationships between large and small employers.
    - **Action:** Continue to host opportunities for large and small employers to network and forge vendor relationships.
  - **Policy:** Assure large employer campuses are designed along Culver City's placemaking guidelines and are positive contributors to an active street life.
  - **Policy:** Actively attract and promote small businesses to locate in the city.
    - **Action:** Balance retail and restaurant offerings to attract a variety of consumers.
- **Goal 2: Creative economy.** Culver City continues to be a regional value proposition for creative economy businesses.



- **Policy:** Maintain competitiveness with other digital production hotspots in the region (such as Hollywood, Venice, and Burbank).
  - **Action:** Promote Hayden Tract as a destination for creative employers.
  - **Action:** Identify opportunities and barriers for new creative offices spaces in the Hayden Tract.
  - **Action:** Advertise and market Culver City's support for small and independent arts and cultural businesses.
- **Policy:** Protect small and independent creative economy businesses.
  - **Action:** Coordinate with organizations that provide free or affordable services and resources to entrepreneurs and small businesses.
  - **Action:** Coordinate with organizations that provide microloans, small business loans, and other financial resources to fund new businesses.
  - **Action:** Encourage the development of community-operated workspaces where people with common interests can meet, collaborate, and develop their business ideas and products.
  - **Action:** Encourage the establishment of local business incubators).
  - **Action:** Coordinate with local college, trade schools, and technical training institutes to promote programs that offer training and support to potential entrepreneurs.
- **Goal 3: Community benefits.** A clear framework of market-supportable 'asks' for community benefits supports other City planning and development strategies.
 
  - **Policy:** Abide by a robust, strategic and inclusive framework of community benefits within new developmental growth.
    - **Action:** Assess past community benefit framework outputs and existing and future community needs to identify best practices for meeting both the needs of developers and the community.
    - **Action:** Be prepared to begin discussing community benefit provisions at the beginning of the development process, using the framework developed to streamline the process.
    - **Action:** Develop an overarching strategy for the role that these agreements should fulfill in the city's growth and feel.
    - **Action:** For the established list of strategic community benefit priorities, establish City funds devoted to receiving contributions from said provisions (akin to the commercial linkage fee or Percent for Art programs).
  - **Policy:** Accommodate both programmatic and physical offerings in community benefit frameworks.

- **Policy:** Assure developers have a clear understanding of their community benefit requirements and options and allow them to meet these requirements in a variety of ways.
- **Policy:** Foster relationships with community organizations and advocacy groups to inform framework priorities.
- **Goal 4: Fiscal Revenue.** Culver City maintains diversified sources of fiscal revenue to be less reliant on the pace of retail sales and development. 
  - **Policy:** Align community benefit provisions with the City's long-term fiscal needs.
    - **Action:** Track the City's current and future expenditures in line with spending towards economic development goals.
    - **Action:** Evaluate the efficacy of and best practices for cities collecting sales tax revenues from cannabis and other as of yet untapped fiscal revenue sources.
  - **Policy:** Expand hospitality uses to effectively capture Culver City's fair share of business travel.
    - **Action:** Study alternative service delivery models to retain the same quality of service while lowering costs.
    - **Action:** Study and remedy constraints to encouraging expansion of hospitality uses such as height restrictions and parking requirements.
- **Goal 5: Arts and cultural identity.** Future growth builds upon Culver City's historic identity as a destination for arts and culture and current creative economy center. 
  - **Policy:** Protect and strengthen funding sources that support Culver's existing arts and cultural assets, such as the Cultural Trust Fund.
    - **Action:** Investigate ways to increase revenues for the Cultural Trust Fund as the pace of development slows and the associated developer contributions via the Art in Public Places requirements decrease.
  - **Policy:** Cultivate network of arts and cultural actors in the city to support business relationships among them, particularly between larger and smaller employers.
    - **Action:** Continue to provide small business marketing support for creative businesses through the City's Business Resource Center, and establish consistent funding to boost the service.
    - **Action:** Extend networking fairs that started in a response to COVID-19 to continue facilitating contracts between small and large creative economy employers.



- **Policy:** Preserve the existence of industrial/flex spaces to accommodate creative economy start-ups, particularly in the Hayden Tract.
  
- **Goal 6: Streamlined development process.** A development process streamlined to increase potential for housing and mixed-uses. 
  - **Policy:** Promote adaptive and mixed-use development to balance the ratio of jobs to housing units in Culver City.
    - **Action:** Streamline housing developmental guidelines to reduce discretionary approvals and the time and costs associated with development.
    - **Action:** Consider loosening zoning restrictions on height limits to promote inclusion of missing-middle housing.
    - **Action:** Encourage and evaluate opportunities to transform large landholdings (i. e., large single-use retail or industrial spaces) to support residential and higher density employment uses, focusing in particular on evaluating development guidelines for these sites to accommodate mid- and large-scale employers in growth clusters.
  
- **Goal 7: Downtown retail.** Retail offerings provide a variety of experiential services that build upon Downtown's identity as a local restaurant destination, including entertainment, arts, and community gathering. 
  - **Policy:** Be adaptive to and supportive of the needs of small businesses to recover from the adverse impacts of COVID-19.
  - **Policy:** Promote placemaking efforts through new and adaptive retail development.
    - **Action:** Evaluate Culver City's commercial corridors and enable their transformation into true mixed-use environments with a mix of retail and non-retail businesses as well as residential uses.
  - **Policy:** Align retail development with national trends that focus less on anchor consumer stores and more on experiential retail.
    - **Action:** Evaluate online sales trends (before, during and after limitations on in-person shopping imposed by COVID-19) to identify opportunities for expanding sales tax revenue sources.
  
- **Goal 8: Economic opportunity.** Culver City cultivates access and pathways to economic opportunity and wealth generation. 
  - **Policy:** Establish and maintain links between the needs of the creative business community, Culver City High course offerings, and vocational programs at West Los Angeles College.



- **Policy:** Establish an ethical leading standard for banks operating in the city to ensure that all applicants are provided with high-quality and unbiased access to financial services.
  - **Action:** Provide access to opportunities to increase financial literacy.
- **Policy:** Remove barriers for advancement within the community by providing mentorship, training, access to skill and professional development.