



Date: February 11, 2025

To: Honorable Mayor and Members of the City Council

From: Aram Chaparyan, City Manager

By: Fran Fulton, Economic Development Manager | [FFulton@TorranceCA.gov](mailto:FFulton@TorranceCA.gov)

Subject: City Manager – Accept and File Economic Development Update. Expenditure: None.

## RECOMMENDATION

Recommendation of the City Manager that City Council accept and file the Economic Development update.

## FUNDING

None required.

## DISCUSSION

The information found in this item and the accompanying visual presentation provide a snapshot of economic data from the last City Council presentation on September 24, 2024, to the present time, as well as status to date on programs and initiatives spearheaded by and/or participated in by the Office of Economic Development and members of the interdepartmental Economic Development Team. Specifically, this update includes information on the status of International Relations and the Friendship Cities program, Breakfast with the Mayor focused on the Real Estate Industry, and other events and conferences where the marketing message to attract and support business activity in the City of Torrance has been furthered.

## PRIORITY PROJECTS

### International Relations and Friendship Cities Program

Since the last update to City Council, with Council's leadership and support, the City has welcomed the additional Friendship City of Oshu, Japan. Oshu is the hometown of Dodger's baseball superstar Shohei Ohtani. A delegation of 10 from Oshu visited Torrance the first week in October. The week was filled with activities such as a Mayor's welcome dinner, the Friendship City signing ceremony, cherry tree planting, the joint Torrance Area Chamber of Commerce and Japan Business Association annual business mixer, and the first Sake festival at the Miyako hotel. These events also included partners such as the Japanese Consul General, the Japan External Trade Organization, the Japan Business Association and Ito En, a Japanese based green tea company.

Since the welcoming of the relationship with Oshu, opportunities for distribution of rice and ironware from the region are being explored. Some of the products are gaining a demand due to the promotional value of superstar Ohtani. Staff have been in contact with a supplier and are exploring opportunities for selling items in Torrance either in coordination with the California Welcome Center or through a partnership with existing retailers.

The possibility of a mural, or series of murals highlighting Dodgers baseball players may be created in Torrance by artist Robert Vargas who has painted others in the Los Angeles area. This may now be possible because of the recently approved adoption of the mural ordinance that was brought forward by the Community Services Department. Discover Torrance and certain hoteliers are very interested in furthering this effort.

Additionally, another opportunity tied into the Friendship City program is the convening of a group of members of the Torrance youth baseball community to explore the possibility of holding an international competition in Torrance in August with teams from the Friendship Cities included. A club team based in Torrance has made a trip to Japan and met with representatives from both Oshu and Bizen to discuss the opportunity with them. A formal proposal will be submitted by the tournament organizers, the Torrance Unified School District will also be engaged in the effort and Community Services staff will explore how regular summer youth sports programming can be scheduled to provide opportunities to include residents, local and visiting players to come together.

Please visit the City website to find more information on the [Friendship Cities Program](#).

If business groups or delegations are interested in meeting with the City, an interest form can now be submitted as well to make the request via [Interest Meeting Form](#)

Additional international business activities that took place since the last report include an event on October 23<sup>rd</sup> at the Mary K. Giordano Regional Transit Center coordinated by CEPEX (the Center for Professional Exchange) a non-profit that supports Japanese-based business and education efforts. In attendance was Japanese-based company R-Cubes, which currently has presence in Ohio and is interested in Southern California, promoting their “reverse logistics” efforts to divert waste to the landfill by taking on and refurbishing various products. They are a subsidiary of the Funai Corporation which currently has an office in Torrance.

On Wednesday October 9<sup>th</sup> the City of Torrance was also represented at the Consul General of Japan’s residence to welcome a select cohort of high-potential Japanese startups who were visiting the region as part of the Japanese government’s Beyond Japan program, delivered in partnership with Plug & Play Los Angeles. Torrance Mayor Chen and staff were able to share information about doing business in Torrance with these companies spending time in LA to understand the market, build partnerships, source capital, identify talent, and potentially establish operations.

### **Business Development/Assistance**

The Office of Economic Development continues to facilitate support for startups and small businesses by coordinating with SCORE for monthly workshops on topics such as preparing a business plan, accounting, and AI held at the Cultural Arts Center. SCORE is the nation's largest network of volunteer, expert business mentors, that is dedicated to helping small businesses plan, launch, manage and grow. SCORE is a nonprofit organization that is driven to foster vibrant small business communities through mentoring and educational workshops. Our local branch, which serves the South Bay, is based in Long Beach but includes Torrance-based mentors.

The Office of Economic Development is also coordinating with El Camino's Small Business Development Center (SBDC) to offer office hours at 1215 El Prado in Downtown to provide one on one assistance to business owners and entrepreneurs. This opportunity will be promoted more heavily this year.

The business visitation program continues where members of the Economic Development team and City Council visit various companies to learn more about business operations and provide information on resources available through the City and partners to support their growth. Companies visited or met with since late September include, Virco, RZ USA food packaging co, Robinson Helicopter, Torrance Refinery open house, American Honda collection hall, American Honda R&D – for autonomous work vehicle, American Honda safety roundtable event, Navitas, Eravant, and Picklr interested in locations in Torrance for a pickleball franchise operation. Additionally, visits and meetings were conducted to Divergent, an Automotive and Aerospace 3D printing company interested in coming to Torrance; Rivian, Rexford, Related Company, Premier Lacrosse, Sony Honda Mobility, Voltify, Saltbox, Scorpius, and others.

Ribbon cuttings included: Amazon Fresh, Teriyaki Madness, Habit Burger, and VEFA Gallery, among many others coordinated by the Chamber of Commerce.

On December 5<sup>th</sup> the City of Torrance was featured by Biocom, an association that supports the Life Science sector, in a webinar focused on the trends, challenges and opportunities for the life science industry in the City of Torrance. Fifty-five Biotech professionals from throughout California attended and subsequent follow up has taken place with commercial real estate and industry related representatives contacting regarding opportunities in Torrance. This is a sector that has great potential to be advanced within the city.

December 10-12th Team Torrance attended the International Council of Shopping Centers (ICSC) conference in New York City to present Torrance as a premier destination for economic development showcasing its potential as an ideal destination for business growth, investment, and expansion with the intent of looking at options to elevate the level of offerings in the city. Meetings took place with Tiffany's, Eataly, Dick's House of Sport, Dutch Brothers Coffee, Jones Lang LaSalle (JLL) Flagship Brokers and a member of the New York City Council.

In meeting with District 3 NYC Councilmember Erik Bottcher, Councilwoman Kalani and staff were able to compare notes on working with the community on development projects, how neighborhoods evolve, and how some concerns are universal, such as addressing safety concerns related to electric bikes! The team also visited innovative sites in that district such as the Pier Sixty Chelsea Pier conference center, the Highline, Hudson Yards, Eataly, and Mercado Little Spain for inspiration on potential public amenities and developments in Torrance.

Prior to the ICSC conference itself, the City team was able to attend an event hosted by Place.ai data analytics company that provides software for tracking foot traffic and consumer use patterns at any point at any time. The City recently subscribed to Placer's services and was able to compile timely data using this valuable tool to incorporate into the marketing materials prepared for the trip. Additionally, Simon Property Management Executives were also in attendance at the Placer event and the Mayor and staff were able to discuss facility enhancements at the Del Amo Fashion Center.

January 7-8th Mayor Chen, Councilman Kaji, and staff attended the Consumer Electronics Show (CES) in Las Vegas to participate in Sony Honda Mobility's official launch of the AFEELA electric vehicle with the Mayor being introduced and referenced in their selection of Torrance as Southern California headquarters. Meetings were also held with Torrance based company Navitas and the group walked the conference floor sharing information about Torrance with international representatives and startup companies.

Visit [#WhyTorrance](#) for further details on information being marketed on the City of Torrance

### **Business Attraction in Torrance**

As a direct incentive the Office of Economic Development continues to promote the Business Attraction program. The specifics of which are as follows: The City enters into an agreement directly with a business that comes into the city that meets either of 2 criteria:

1. New company brings a minimum of 100 additional professional and/or skilled labor employees above what existed prior on the site; or
2. New company is a corporate tenant that results in a 20% increase for four complete consecutive quarters in the City's share of sales tax generated above the preceding four complete consecutive quarters for the same specific tenant site.

This incentive was successfully utilized to bring Sony Honda Mobility's AFEELA Southern California operation to the brand-new development site of the Torrance Industrial Exchange on Prairie Avenue. Not only did the City provide a financial incentive, but City departments came together to expedite and ensure that the company was able to meet their deadlines to take occupancy and move forward with development to prepare for future delivery of their product anticipated to take place in 2026.

### **Downtown Revitalization and Business Improvement District**

The Economic Development team continues to work in partnership with multiple City departments on carrying out Downtown Revitalization in accordance with the City Council approved Downtown Revitalization and Connectivity Plan. Community Development has installed additional string lights along Marcelina and El Prado. Public Works coordinated replacement installation of palm tree planters at intersections on Sartori, and the Community Services Department coordinated holiday light decorations for the first time at the Kennedy parklet. In addition, most recently, Public Works recently installed new stop signs on Cabrillo and updated signage for the parking structure. Community Development is currently plan checking the gateway signage that will be constructed at Torrance Boulevard and Sartori Avenue, Carson Street and Cabrillo Avenue, and Torrance Boulevard and Cravens Avenue.

The state Natural Resources Agency grant will fund streetscape improvements along Cabrillo. Additionally, with financial support from the Façade Improvement Program, upgrades to lighting and security will take place in the Downtown parking structure. The Owner Participation Agreement has been signed and submitted to the City.

As reported in the last update, the efforts so far to create a Business Improvement District (BID) did not receive enough support for formation. The required 50.1% of assessments to support the petition was not received in time for the BID to be created and take effect this year. The current percentage in support of formation is 33.45%. The BID Steering Committee of the Downtown Torrance Association (DTA), however, would like to continue to pursue the formation and the Office of Economic Development is coordinating with TeamCivX along with Urban Place Consulting to provide assistance with stepped up outreach to property owners.

In addition, measures to strengthen the Downtown Torrance Association, which could serve as the governing body for the BID, include the formalization of the entity as a 501 (C) (3), which was achieved in November. The DTA is also investing in the creation and management of a website to further marketing efforts of the organization in general.

Special events continue successfully to bring more foot traffic and awareness to the Downtown through the Scare Down event and Holiday Stroll. With the Scare Down event bringing over 9,000 visitors to Downtown and the Holiday Stroll over 5,000.

More information about the [Downtown Torrance BID](#) and [Downtown Torrance Revitalization and Connectivity Plan](#) can be found on the City website.

## **OTHER ECONOMIC DEVELOPMENT INITIATIVES**

### **Commercial Rehabilitation Rebate Program**

This program was open for applications from April through September of last year. Projects being considered included the following:

- The Plaza Del Prado parking lot lighting project for \$18,300 has been approved and will be proceeding.
- Local Kitchen at 1321 Sartori withdrew their expanded outdoor dining area application citing costs to construct versus projected revenue generated by additional seating area.
- Obelisk Architecture at 3800 Pacific Coast Highway is scaling back the scope of their office building façade remodel to fit within the maximum rebate amount and obtaining revised bids. Seeking \$40,000.

Staff have found that the rebate program has had some challenges gaining traction. Other cities have indicated they also have had challenges with successfully implementing similar programs. The team is working on additional ways that they can make the program more attractive and easier to facilitate with interested parties. City permit fee offsets may be included as well as keeping the application window open.

More information on the program and an interest form to submit can be found on the City website [Commercial Façade Improvement Program](#)

### Shop Local/Dine Local

Local auto sales are averaging about 298 cars each weekend or an average of 1339 a month, which is slightly higher than the average of 292 and 1167 respectively for the last reporting period. Additionally, for 2023 we were seeing an average of 277 each weekend or 1108 per month. Monthly numbers reported by the Torrance Auto Dealers Association since the last update are as follows:

<b>Auto Sales from September – December:</b>	
September	1551
October	1036
November	1431
December	1338

While still waiting on sales and traffic reports from Del Amo Fashion Center, retailers have reported that it was a very strong holiday season. Many leases are in negotiations currently so updates will be forthcoming on new mall tenants. Mall management reports that from a security standpoint it was relatively quiet and much better than the prior year. The strong partnership with the Police Department and the youth supervision program that was expanded post-Christmas contributed to that greatly.

### Hospitality and Tourism

The number of visitors to Torrance hotels has remained steady with occupancy higher than in neighboring cities and rates in general slightly higher than earlier in the year. Occupancy is averaging 83.6 Average Daily Rate is averaging \$166.40 and Revenue Per Available Room is averaging \$139.23 for the past 4-month period.

<b>Occupancy Percentage Rates for August - November:</b>	
August	86.3
September	84.8
October	84.3
November	79

<b>Average Daily Rates in Dollars for August - November:</b>	
August	168.81
September	168.78
October	167.14
November	160.90

<b>Revenue Per Available Room in Dollars for Aug -Nov:</b>	
August	145.74
September	143.17
October	140.88
November	127.14

The number of individuals visiting the California Welcome Center at Del Amo Fashion Center; which is a partnership between [Discover Torrance](#), the City of Torrance, and Simon Property Group; for visitors to collect information about the local area, as well as to make plans for other travel throughout the state of California, continues to grow with an average of 7948 individuals a month for the last reporting period. Visitation numbers for the months from the last period are as follows:

<b>Visitation Data for California Welcome Center</b>	
September	7585
October	6972
November	7723
December	9515

Economic Development and Discover Torrance staff regularly attend tourism industry updates such as the LA Market Outlook Forum scheduled for September 18<sup>th</sup> where information on the tourism market in the region will be shared.

### **Special Events and Filming**

Permitted special events since September, which included a company picnic and Circus Vargas, totaled 16 events with application fees received of \$650 and total other fees of \$31,960 including park reservation fees and some staffing hours. The Special Events team has also been coordinating with the Irish Fair Foundation for a two-day event at Wilson Park to take place June 14<sup>th</sup> and 15<sup>th</sup>. Council has approved this event with a subsidy of not to exceed \$20,700. An item will return to Council to approve appropriation of this support from Economic Development Assistance funds. The team has also been working with the 805 Night Market to find a suitable location for their three-day event.

Film permits for the period for commercials such as Aldi, Budweiser, and Progressive insurance as well as reality television and student films included 15 permits with total permit fees of \$9544, total PD fees of \$28,724, total Community Services Dept fees of \$2800. Torrance continues to be an attractive place for filming activity and appreciation is regularly expressed for the City's film/business friendliness.

### **Looking Ahead**

The Tech Committee meeting of January 30<sup>th</sup> reconvenes a broad-based group of innovative businesses to discuss an Innovation Challenge in Torrance as well as successes and challenges in their businesses and industries and how the City can best support them.

On February 27<sup>th</sup> the next Breakfast with the Mayor with JLL commercial real estate firm and select Retailers and Restaurant Operators serves as follow up and additional connection post ICSC conference for additional business attraction opportunities.

On March 19<sup>th</sup> the City will host the Los Angeles County Economic Development Corporation (LAEDC) 88 Cities Summit at the Cultural Arts Center. This will provide us an opportunity to further our messaging to our counterparts in other cities as well as business members and partners of the LAEDC.

The LAEDC will hold their annual Select LA event May 8<sup>th</sup> and the City of Torrance plans to staff a booth at that event to promote business attraction to Torrance. As a Select Torrance component we are in early stages of planning an event to invite Consuls General in Los Angeles to come to Torrance to learn more about what we have to offer businesses and to tour our city, as well as discussing opportunities where Torrance may be a home base for athletes coming to Los Angeles to acclimate and train prior to major competitions in the area.

### **Recommendation**

With this summary and accompanying visual presentation, City Council is requested to accept and file the Economic Development update.