



PICTURE OUR COMMUNITY



ELEMENT 6

ECONOMIC DEVELOPMENT

This Element addresses sustainable economic growth, community benefits from development, a balanced housing supply, and equitable opportunity for wealth creation.

INTRODUCTION

Culver City has become a destination for the creative economy with an influx of media, architecture, design, communications, venture capital, and arts and cultural businesses. This trend is anticipated to continue based on projected growth of new housing and jobs. It is important to balance this growth with other significant factors, such as a strong arts and cultural identity, a shifting retail landscape (due both to the impacts of COVID-19 and national trends), and a housing inventory that has not kept pace with the growth of jobs.

What We are Trying to Achieve

- Strategically implemented projects and programming to facilitate the city's long-term investments and economic vitality.
- The City attracts, retains, and expands businesses that activate commercial districts.
- Business-to-business connections are bolstered while maintaining the community character that enhances quality of life in Culver City.
- The City provides resources to support the retention and growth of small and large businesses citywide.
- Large employers partner with the community to integrate sustainable benefits and support the business ecosystem relative to new developments/operations.
- "Buy local" initiatives increase revenue generation and support City services and programming such as parks, police, fire, and public works.
- The city's creative economy, inclusive of media, architecture, design, communications, visual arts, performing arts, cultural businesses, and nonprofit organizations, is strengthened.
- The city's economic base is diversified by encouraging experiential uses such as fitness, entertainment, food and beverage, and other interactive activities.
- Economic opportunities enable wealth creation while minimizing displacement of residents and businesses.



Culver Boulevard commercial business

KEY ISSUES AND OPPORTUNITIES

Growing Employment Center Fueled by the Creative Economy

Culver City’s central location makes it attractive to employers and residents alike. Culver City’s location is advantageously accessible, located between Downtown Los Angeles and Santa Monica, near Los Angeles International Airport (LAX) and Century City, and convenient to the region’s major freeways, I-10 and I-405. Several LA Metro E (Expo) Line stations are also located in or directly adjacent to Culver City, creating a transit connection to both eastern and western business centers. Compared to the competitive market area (CMA)⁴¹ shown in Figure 24 and Los Angeles County, Culver City’s

residents are more highly educated, and household median income is higher.

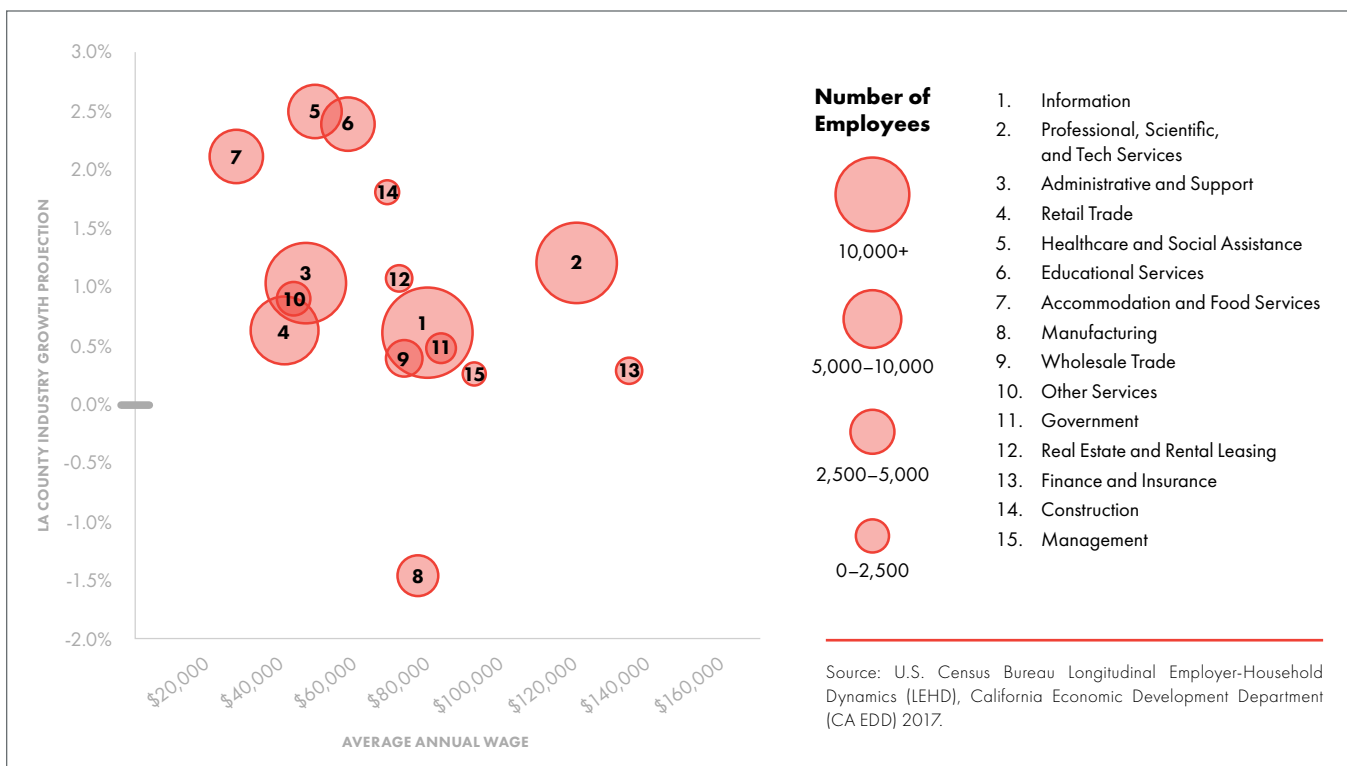
The City has experienced substantial job growth, at a pace 2.5 times higher than Los Angeles County between 2002 and 2017, leading to a 24 percent increase in daytime population. This is due primarily to the “Creative Tech” cluster, which has become the primary economic driver of Culver City and is complemented by the other components of the creative economy, such as the city’s arts and cultural assets. The Creative Tech sector (which includes Professional, Scientific, and Technical Services

jobs, or simply “Professional Services”⁴²) is largely responsible for the city’s recent job growth, having more than doubled its number of employees since 2010 to become the third-largest sector in the city. Meanwhile, jobs in the Information sector, which includes occupations in media, have increased since 2010 and remain Culver City’s largest industry sector. Amazon, Apple, and other Creative Tech tenants have plans to either expand or move to the city, which will continue to fuel job growth in the Information and Professional sectors. See Figure 23 for a summary of Culver City’s industry sectors and projected growth.

41. The CMA includes the employment, residential, retail, and hospitality centers with which Culver City most directly competes, including the Westside “peer” cities of Santa Monica, Beverly Hills, and West Hollywood. Comparing Culver City trends to the CMA allows the City to understand better how it is growing compared to its competitors, as well as what share of the CMA’s economic and real estate growth the city is capturing.

42. “Professional, Scientific, and Technical Services” is the formal industry category used by the North American Industry Classification System (NAICS).

FIGURE 23 Industry Sectors by Size, Regional Growth Projections and Average Annual Wage, Culver City



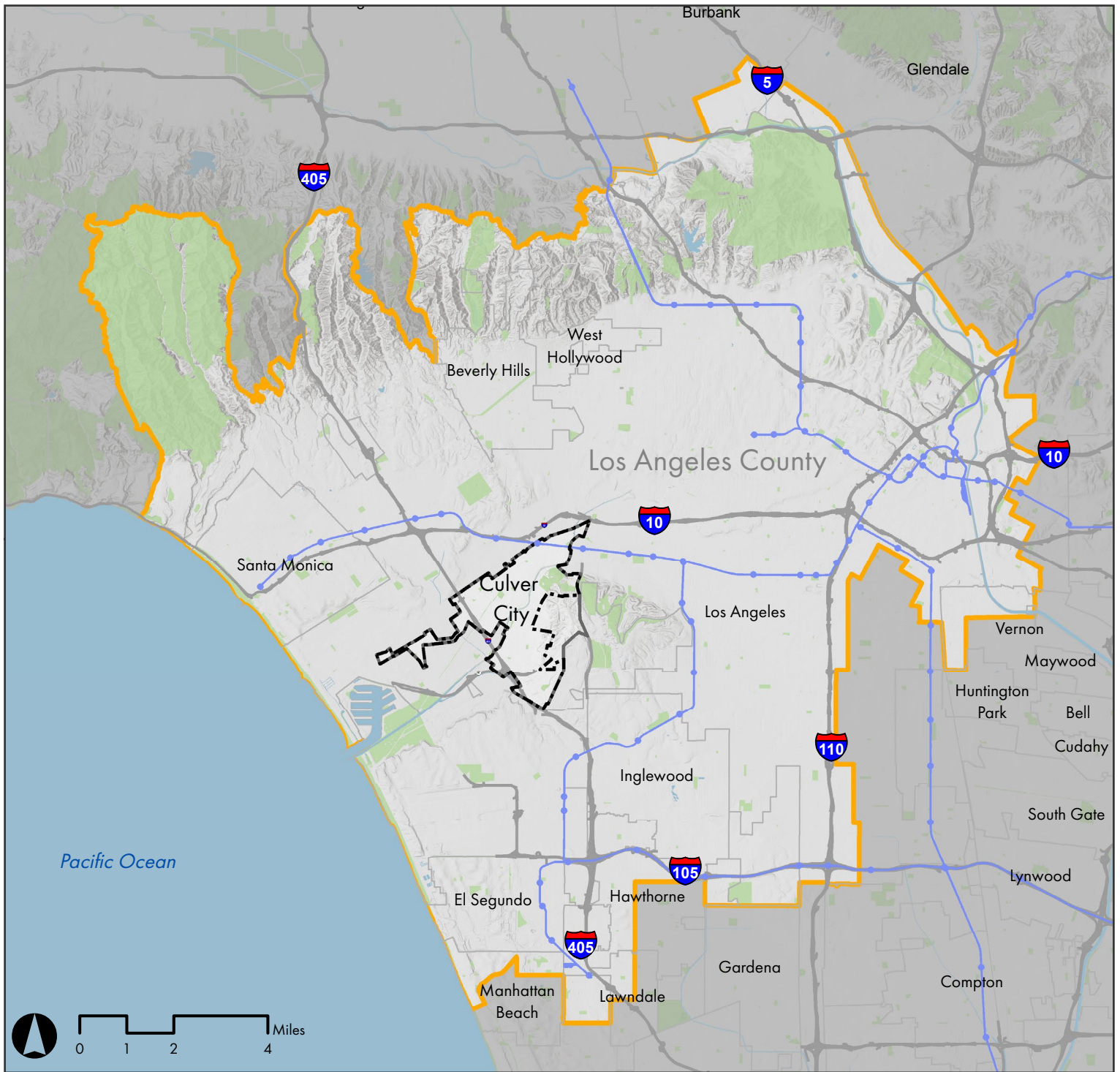










FIGURE 24

Competitive Market Area

-  City Limits
-  Sphere of Influence
-  Metro Stations
-  Metro Lines
-  Freeway/Highway
-  Regional Parks and Open Space
-  Waterbody
-  Competitive Market Area

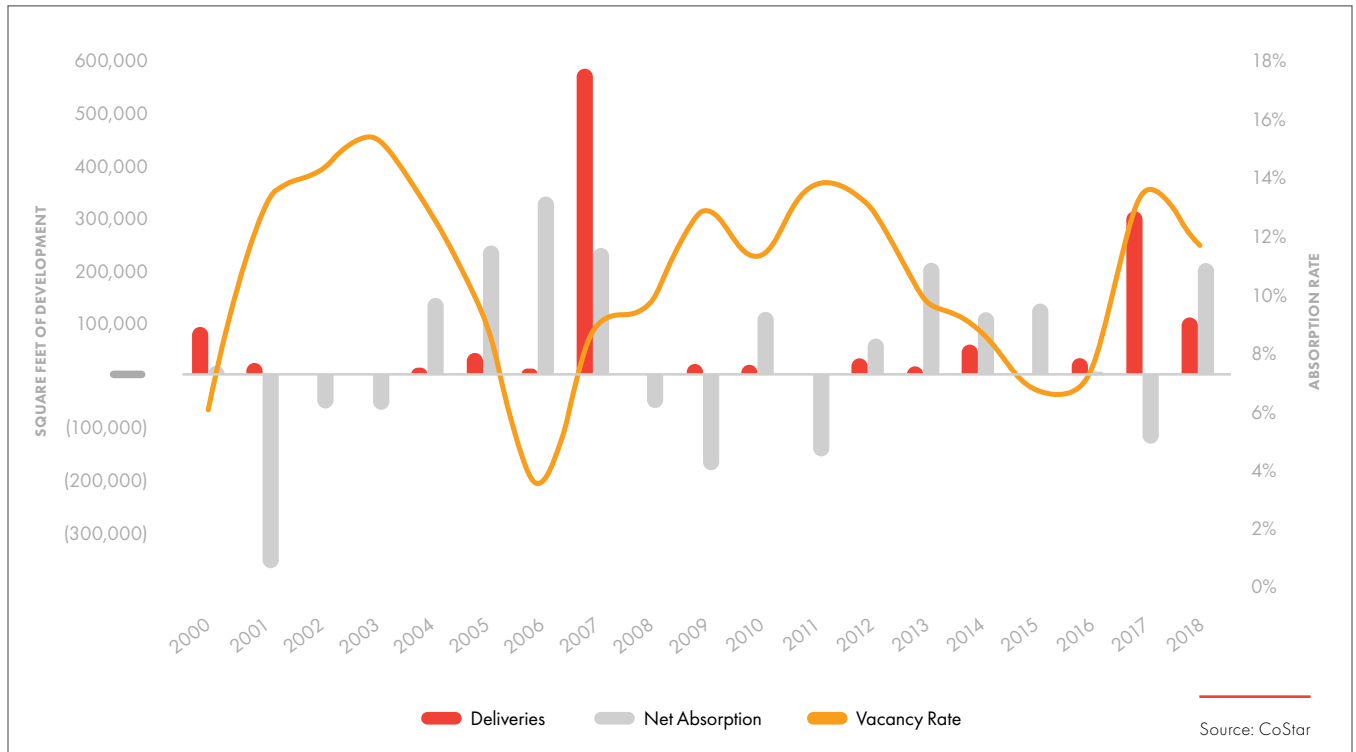
Sources: City of Culver City (2021);
County of Los Angeles (2021);
LA Metro (2023); ESRI (2021).

Regionally, the city is seen as a cultural destination due to its museums, live theatre, dining, and experiential retail offerings, particularly within the transit-accessible and walkable downtown. The city’s historical legacy as “The Heart of Screenland” – an epicenter of Southern California film production – has also contributed to its evolution into a destination for creative economy stakeholders in film, visual arts, theatre, architecture, and design. The Hayden Tract, a former industrial area of the city, is now a converted office district home to Creative Tech employers with overall rents for converted industrial space in the Hayden Tract reaching rates comparable to higher-end office rents across Culver City, and substantially more than what those spaces could command if they remained as industrial space. Due to this, Culver City has experienced a significant amount of new development, with positive trends projected to continue. See Figure 25 for recent office development and absorption in Culver City.



Office building Hayden Tract

FIGURE 25 Recent Office Development and Absorption, All Classes, Culver City (2000-2018)





Offices of social media app TikTok in Fox Hills

Jobs and Housing Growth

The pace of housing has not kept up with jobs growth, straining the existing supply and inhibiting new workers' ability to live close to their jobs. Although employment has increased considerably, housing stock has barely increased between 2010 and 2019, with the city only adding 267 net new households in that period. The city's 3.5 jobs to housing unit ratio is higher than any peer city within its CMA, and significantly higher than the CMA and Los Angeles County. This strained market has made the city an increasingly difficult place to live economically. The city's share of households earning more than \$150,000 has quadrupled since 2000, while the city has lost more than half of its share of households earning between \$25,000 and \$50,000. This increasing income inequality particularly impacts Black and Hispanic households, which respectively earn 7 percent and 29 percent less than the city's median household income. In turn, this has

contributed to Culver City being less racially and socioeconomically diverse than Los Angeles County and its CMA.

As the city continues to grow as a regional employment center, and property values and rents rise, existing low-income renters may be at additional risk of displacement, prompting a need for more sustainable, affordable, and diverse housing options for both renters and owners. The economic shocks of COVID-19 have contributed to this need and prompted the City to take additional steps to increase renter stability, including a permanent rent stabilization ordinance and new tenant protection laws, like a no-cause eviction ordinance and relocation assistance.

The City of Culver City values maintaining a balanced business ecosystem that accommodates both large and small employers, conducive to maintaining the city's creative

identity. To help accomplish this, the City should explore a range of strategies, including a transparent approach to community benefits associated with large developments. A "community benefit" refers to a project amenity that achieves particular community goals, such as streetscape improvements, parks or open space, metered public parking, and/or other benefits (as approved by City Council) in addition to what may be required as part of a project's discretionary review and approval. Such an approach could assign resources to support smaller businesses, flexible land use policies that promote small businesses (including 'at-home' businesses), and targeted programs that enhance economic opportunities for residents and businesses, such as educational programs on financial literacy and networking opportunities between small and large businesses.

Constrained Fiscal Growth

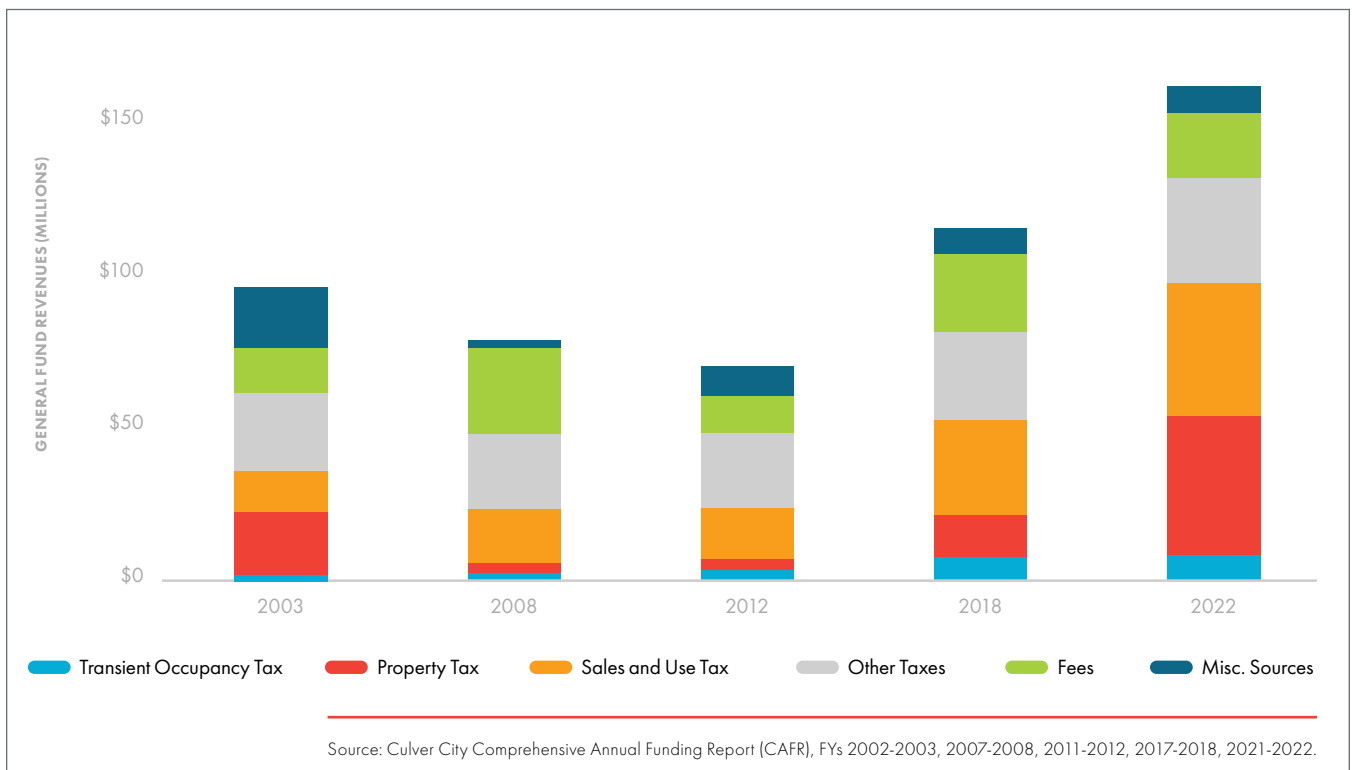
Culver City’s high-quality municipal services (including police, fire, and emergency services) and pension liabilities consistently strain the City’s fiscal resources. This trend suggests a need for additional fiscal revenue sources. It also suggests a need to preserve and diversify existing sources cultivated through a more varied set of businesses, particularly around hospitality and experiential retail, given the City’s reliance on sales tax revenues. The City’s notably robust developmental pace and growth in taxable retail sales (27 percent per capita between 2010 and 2018) are not sustainable through the entirety of the General Plan’s 2045 timeframe. As national retail trends shift more to online sales, revenues from retail sales taxes (one of the City’s largest revenue streams) are also likely to decrease, prompting the City to consider what forms of retail are most resilient. The City also has about \$695 million of unfunded pension liabilities and covering these



City Hall

debts may require using General Fund revenues (illustrated in Figure 26) or raising special revenue sources.

FIGURE 26 General Fund Revenues, Culver City (FY 2003-2018)



POLICY FRAMEWORK

Key: Goal attributes.

● Equity & Inclusion

● Innovation & Creativity

● Sustainability

● Compassion & Community

GOAL ED-1

Business ecosystem. Maintain a balanced “business ecosystem” that fosters a diversity of types and scales of employers.



ED-1.1: Business relationships.

Foster business relationships between large and small employers. Continue to create opportunities for large and small employers to network and collaborate.

ED-1.2: Large employer campuses.

Ensure large employer campuses are designed along placemaking guidelines and are positive contributors to an active street life.

ED-1.3: Attracting small businesses.

Actively attract, promote, and seek to retain small businesses looking to locate, remain, or expand in the city. Balance retail and restaurant offerings to attract various consumers.

GOAL ED-2

Creative economy. The City continues to provide a regional value proposition for creative economy businesses.



For related policies and implementation actions connected to supporting the creative economy, see [Arts, Culture, and Creative Economy Goal 3](#).

ED-2.1: Regional competitiveness.

Maintain competitiveness with other digital production hotspots in the region, such as Hollywood, Venice, and Burbank. Promote Culver City as a destination for creative employers.

ED-2.2: Small business support.

Protect and support small and independent creative economy businesses.

ED-2.3: Local business incubation.

Encourage the development of local business incubators including community-operated workspaces where people with common interests can meet, collaborate, develop their business ideas and products, and access business support resources and services.

ED-2.4: Partner with business support organizations.

Coordinate with organizations that provide services, resources, and loans to entrepreneurs and small businesses to support existing and new businesses.

ED-2.5: Partner with educational and technical training organizations.

Coordinate with local educational and technical training institutes to promote programs that offer training and support to potential entrepreneurs.

GOAL ED-3

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.



For related policies and implementation actions connected to supporting the creative economy, see [Arts, Culture, and Creative Economy Goal 3](#).

ED-3.1: Funding sources.

Protect and strengthen funding sources that support Culver City’s existing arts and cultural assets, such as the Cultural Trust Fund.

ED-3.2: Arts and culture network.

Cultivate a network of arts and cultural stakeholders in the community, led by the City, to support relationships between businesses and organizations, particularly between larger and smaller employers.

ED-3.3: Small business support.

Continue to provide small business marketing support for creative businesses through the City’s Business Resource Center. Establish consistent funding to boost this service.

ED-3.4: Industrial space preservation.

Preserve the existence of industrial and flex spaces to accommodate creative economy start-ups.

GOAL ED-4

Fiscal revenue. Culver City maintains diversified sources of fiscal revenue to be less reliant on the pace of retail sales and development.



ED-4.1: Long-term fiscal needs. Align community benefit provisions with the City's long-term fiscal needs.

ED-4.2: Business-serving hospitality. Expand business-serving hospitality uses to effectively enhance Culver City's regional share of business travel, promote tourism, and boost fiscal revenues.

GOAL ED-5

Community benefits. Culver City has a clear method of establishing community benefits requirements related to new development projects in a manner that ensures such community benefit contributions are market-supportable and complement other City planning and development strategies.



For related policies and implementation actions connected to community benefits, see [Land Use and Community Design Goal 18](#).

ED-5.1: Community benefits framework. Establish a robust, strategic, inclusive, financially feasible and streamlined framework of community benefits within new developmental growth. Require engagement and discussion of community benefit provisions from the beginning of the development process.

ED-5.3: Clear developer guidelines. Ensure developers have a clear understanding of the community benefit requirements and options, and allow them to meet these requirements in various ways, as deemed fit by the City.

ED-5.2: Community benefit offerings. Accommodate both programmatic and physical contributions in community benefit frameworks.

ED-5.4: Local engagement. Foster relationships with local community organizations and local advocacy groups to inform priorities for the community benefits framework.

GOAL ED-6 Streamlined development process. Culver City's development process is streamlined to increase potential for housing and mixed use development.



For related policies and implementation actions connected to collaboration with private developers, see [Land Use and Community Design Goal 18](#).

ED-6.1: Housing and mixed use development. Promote adaptive and mixed use development to further balance the ratio of jobs to housing units in Culver City.

ED-6.3: Flexibility for businesses. Preserve employment and business districts by maintaining affordability for small businesses to locate in Culver City and providing flexibility in physical space requirements.

ED-6.2: Large landholdings. 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.

GOAL ED-7

Retail clusters. The city's multiple retail clusters provide a variety of experiential services that build upon their unique identity (i.e., Downtown's status as a local restaurant destination, including entertainment, arts, and community gatherings).



ED-7.1: Business resiliency. Be adaptive to and supportive of the needs of small businesses to recover from the adverse impacts to the market such as the COVID-19 pandemic, recessions, and other unforeseen events.

ED-7.3: Mixed use commercial corridors. Evaluate Culver City's commercial corridors and enable their transformation into mixed use environments with an array of commercial businesses and residential uses.

ED-7.2: Placemaking. Promote placemaking efforts, based on the City's guidelines and established best design practices, through new and adaptive retail development.

ED-7.4: Experiential retail. Align retail development with national trends that focus less on anchor consumer stores and more on experiential retail.

GOAL ED-8

Economic opportunity. Culver City cultivates access and pathways to economic opportunity and wealth generation.



For related policies and implementation actions connected to partnerships with academic institutions and major employers, see [Governance and Leadership Goal 4](#).

ED-8.1: Linkages. Establish and maintain links between the needs of the creative business community, Culver City High School course offerings, and vocational programs at West Los Angeles College.

ED-8.2: Financial access. Support the local ecosystem of banking institutions to ensure that all applicants are provided with high-quality and unbiased access to financial services.⁴³

ED-8.3: Financial literacy. Provide access to opportunities to increase financial literacy.

ED-8.4: Economic advancement opportunities. Remove barriers for advancement within the community by providing mentorship, training, and access to skill and professional development opportunities. Partner with regional academic institutions, workforce development agencies, trade organizations and major employers to prioritize locating these services in SB 1000 neighborhoods.

⁴³ To further support this effort, the City may also consider coordinating with community organizations who already monitor practices related to unbiased access to financial services.

IMPLEMENTATION ACTIONS

Key: Types of actions may include partnership, program, study, plan, physical improvements, and more.

Key: Timeframe icons for implementation actions table.

●
Short-term
1-5 Years

● ●
Medium-term
5-10 Years

● ● ●
Long-term
10+ Years

▶▶▶▶▶
Ongoing

| Implementation Action | Associated Goal(s) | Timeframe | Type of Action | Primary Responsibility | Secondary Responsibility |
|---|--------------------|-----------|----------------|------------------------|--------------------------|
| IA.ED-1: Attraction and retention assistance. Identify opportunities to reduce the cost for small businesses to locate and remain in the city. | ED-1 | ● | Study | Economic Development | Planning and Development |
| IA.ED-2: New creative office spaces. Identify opportunities and barriers for locating new creative office spaces in the city. | ED-2 | ● | Study | Economic Development | Planning and Development |
| IA.ED-3: Marketing campaign. Create and run a marketing campaign that shows Culver City's support for small and independent arts and cultural organizations. | ED-2 | ▶▶▶▶▶ | Program | Economic Development | Cultural Affairs |
| IA.ED-4: Networking opportunities. Extend networking efforts that started in response to the COVID-19 pandemic to continue facilitating contact between small and large creative economy employers. | ED-3 | ● | Program | Economic Development | Cultural Affairs |
| IA.ED-5: City revenues and expenditures. Track the City's current and future expenditures and revenues in line with spending towards economic development goals. Study the estimated 10-year outlook of revenues to evaluate bonding potential in support of City initiatives. | ED-4 | ▶▶▶▶▶ | Study | Finance | Economic Development |
| IA.ED-6: New fiscal revenue sources. Evaluate the efficacy of and best practices for cities collecting sales tax revenues from existing and untapped fiscal revenue sources. | ED-4 | ▶▶▶▶▶ | Study | Finance | Economic Development |

| Implementation Action | Associated Goal(s) | Timeframe | Type of Action | Primary Responsibility | Secondary Responsibility |
|---|--------------------|-----------|---------------------------------|--------------------------|----------------------------|
| IA.ED-7: Alternative service delivery models. Study a diversity of hospitality products at a variety of price points, to provide both business and leisure travelers a range of options at any budget. | ED-4 | ● | Study | Planning and Development | Economic Development |
| IA.ED-8: Zoning constraints on hospitality uses. Study and remedy constraints to encouraging expansion of hospitality uses, such as height restrictions. | ED-4 | ● | Study; Ordinance/Code Amendment | Planning and Development | – |
| IA.ED-9: Short-term rentals. If regulations change to allow short term rentals, study regulating them to collect taxes and expand revenue for the City. | ED-4 | ● | Program | City Manager | Finance |
| IA.ED-10: Community benefits. Assess community benefit programs to identify best practices for meeting both the needs of developers and the community. | ED-5 | ● | Study | Planning and Development | Economic Development |
| IA.ED-11: Streamline residential entitlement process. Update residential developmental process to reduce the need for discretionary approvals and the time and costs associated with development. | ED-6 | ● | Ordinance/Code Amendment | Planning and Development | Housing and Human Services |
| IA.ED-12: Customer serving home based businesses. Study the pros and cons of allowing customer serving home based businesses in residential neighborhoods. | ED-6 | ● | Study | Planning and Development | Economic Development |
| IA.ED-13: Sales tax revenue sources. Evaluate market trends to identify opportunities for expanding sales tax revenue sources. | ED-7 | ● | Study | City Manager | Finance |

This page intentionally left blank.