

# Economic Development Policy Framework

## Introduction

The City of Palmdale has embarked on a comprehensive update to its General Plan, called “Envision Palmdale 2045: A Complete Community,” to create a forward-looking document that will serve as the blueprint for the City’s vision through the year 2045. The goals, policies, and actions in Palmdale 2045 will serve as a compass for decision-makers and will shape future plans and actions of the City. This revised policy document will replace the 1993 General Plan.

This economic development policy framework is an interim step in the General Plan Update process prior to drafting the elements (or chapters). This framework highlights key outcomes and performance metrics related to economic development and includes a draft policy framework that includes goals, policies, and implementation activities. This policy framework was developed by compiling feedback from community members, General Plan Advisory Committee members, Planning Commission, and City Council. This framework synthesizes critical issues and policy approaches by describing key strengths and opportunities, challenges, and threats, and what we heard from the community.

## Where We Are Now

Palmdale is positioned to capture increasing economic growth opportunities with its unique location in Los Angeles County yet relative affordability. The City’s abundance of land and transportation access make it a desirable place for potential new employers and residents looking for an affordable option to start a business or buy a home. Palmdale’s ability to capture future development and residents will be dependent on the City’s economic and land use policies to create more opportunity for future investment.

To date, HR&A has documented the state of economic development in Palmdale to inform this outlook through the following workstreams:

### **Analyses:**

- **Socio-Economic Profile & Market Analysis:** Prior to the onset of COVID-19, this report evaluated trends and conditions in the City of Palmdale’s economy to anticipate future development potential and inform its planning process.
- **Fiscal Health Analysis:** Prior to the onset of COVID-19, HR&A analyzed Palmdale’s fiscal health through a review of the City’s revenues and expenditures, particularly from the City’s General Fund, and used this information to make a comparison of recent fiscal performance against a set of cities that either neighbor or share similar demographic characteristics to Palmdale.
- **Alternatives Analysis:** In coordination with Raimi and Associates, HR&A provided qualitative estimates of the fiscal impacts of each land use alternative being proposed for the General Plan Update (GPU).

### **Community Engagement:**

- **General Plan Advisory Committee (GPAC):** GPAC members serve an advisory role and provide regular feedback on key GPU issues, goals, and topics, with meetings serving as the primary venue for developing public workshop content. To date, HR&A has facilitated two GPAC meetings.
- **Focus Groups:** Focus groups provided a chance for additional community members not serving on the GPAC to meet with the consultant team to exchange ideas and provide feedback on elements of the GPU. Meetings served as venues for HR&A to share and enrich findings at multiple stages throughout the analytical process. To date, HR&A has facilitated one focus group that served as a venue to solicit feedback from community members related to the City’s key assets and challenges, as well as aspirations for its future related to jobs and economic development.

Through the above investigations, HR&A identified the following strengths, opportunities, challenges, and threats:

### **Strengths and Opportunities**

- **Large and Diverse Population:** The City has a large population with more racial and ethnic diversity compared to the rest of the Antelope Valley.
- **Jobs supporting solid middle-income households:** Middle income jobs particularly in the Healthcare and Manufacturing industries support middle class individuals and families.
- **Lower housing costs:** The City has lower home prices compared to the rest of Los Angeles County allowing for more access to home ownership.
- **Large amounts of underdeveloped land available for development:** With an area of 106 square miles, the City has an abundance of vacant land, which provides an opportunity for new businesses and housing.

- **Transit Access:** The City has transit access to other cities in the Los Angeles metro area through the Metrolink and Antelope Valley Transit Authority (AVTA) commuter service, allowing easy access to other commercial corridors and jobs.
- **Future passenger operations at Palmdale Airport:** A new airport terminal will increase accessibility for residents and businesses in Palmdale to travel to other commercial corridors in cities across the United States.
- **Future enhanced rail connectivity to the region:** The proposed development of the California high-speed rail and the future connection to the Brightline West line will connect Palmdale to the rest of the state and nearby Las Vegas.
- **Preserving land for recreational use/activities:** The City's abundance of land offers opportunities for open park space and recreational areas for residents to enjoy.

### **Challenges and Threats**

- **High out-commuter population:** The lack of housing options and other amenities has led to many Palmdale workers living outside of the City.
- **Disconnect between resident skills and job opportunities/lower educational attainment:** Low educational attainment makes it challenging to match the job skills of residents with employer needs, notably needs related to the City's major aerospace and defense employers.
- **Lack of job diversity:** The City has few jobs in high wage industries and jobs mainly represented in certain industries such as Manufacturing, Healthcare, Retail Trade and Food Accommodations. These industries, in particular, are subject to the external pressures of policy and cyclical changes.
- **Low jobs-housing ratio:** There are more residents than jobs, with many residents having longer commute times on average compared to other workers in Los Angeles County.
- **Lack of housing diversity:** With largely single-family housing units, the City has a need for more multi-family options to house workers commuting to Palmdale.
- **Lack of infrastructure:** Much of the vacant land lacks the infrastructure needed to create shovel-ready sites thereby impeding future industrial development.
- **Lack of a central downtown core:** The City lacks a vibrant downtown where residents can convene and enjoy restaurants, shopping, and entertainment.

## **What We Heard About This Topic**

HR&A conducted an Economic Development Focus group with community members to better understand the City's perceived assets and challenges.

- New jobs attracted to the City should be diverse and match the skills of residents.

- There is a need to expand or create new vocational training schools in the City to help workers match skills with employer needs.
- The City has abundant land and there is an opportunity to attract new development, yet current infrastructure needs to be upgraded for sites to be shovel ready.
- A new airport terminal would be the most impactful to the community among other infrastructure investments.
- The City is very family friendly and an attractive place to raise a family.
- There is a lack of housing diversity that can accommodate the needs of current and future workers and residents.
- A central downtown core would attract new life and vibrancy to the City and help fulfill resident desires for more retail and entertainment amenities.
- There is a need to establish more community ownership and pride for businesses and residents in the City.

## Where we want to be in the future

### Applicable Vision themes and Guiding Principles

Through the first phase of community engagement, the General Plan team explored how individuals envision the future of Palmdale, what makes it unique and special, and what things residents and businesses would like to change. Summarized into a stand-alone document, the General Plan Vision and Guiding Principles illustrate the future of Palmdale, capturing key values and aspirations, and providing a framework for future decision-making.

The list below represents vision themes and guiding principles that are most relevant to the topics of land use, design, and housing. Visit the Palmdale 2045 website at <https://www.palmdale2045.org/resources> for the complete vision and guiding principles document.

#### ***A unified and welcoming community that we're proud to live in***

- Offer opportunities for youth to stay in Palmdale – jobs, housing, education
- Enhance partnerships with surrounding communities in the Antelope Valley

#### ***Active and vibrant downtown***

- Create a vibrant and active downtown environment
- Encourage and foster local businesses
- Increase opportunities for entertainment and/or shopping

### ***Diverse and high-quality job options***

- Provide job training for Palmdale residents in key industries
- Connect residents with job opportunities in aerospace and other emerging sectors
- Promote diverse entry-level and mid-level jobs in Palmdale

### ***Diverse and resilient local economy***

- Retain and support aerospace industry presence in Palmdale
- Leverage economic opportunities from expanded transportation center and potential passenger air service at Palmdale Regional Airport
- Attract new sustainable employers and industries to Palmdale
- Maintain and enhance smart city technology in Palmdale to support local businesses and telecommuting
- Support local small businesses

### ***Safe, healthy place to live and work***

- Promote living and working in Palmdale and reducing commute times

### ***High quality and accessible educational opportunities***

- Develop additional trade school training and apprentice programs
- Expand partnerships and programs with public schools, local government and major employers within Palmdale

### ***Forefront of transportation innovations***

- Leverage transportation investments in Palmdale
- Build on High-Speed Rail opportunities

## **Outcomes**

The following desired outcomes and metrics were identified to help the City of Palmdale track progress toward creating a more diverse and equitable economy. This process follows the City of Palmdale's General Plan Vision and Guiding Principles document which was informed by the General Plan Advisory Committee (GPAC), the Planning Commission and City Council.

**Outcome: Fostering a job market that sustains a high standard of living for workers with diverse skill sets.**

#### **Key performance indicators:**

- # of jobs (at certain wage levels)
- Mix of jobs among industries
- Median wages

#### **Target:**

- Meet or exceed growth in new jobs relative to Los Angeles County
- Increase share of manufacturing jobs relative to Los Angeles County
- Consistent inflation of growth adjusted median wage for the city

**Outcome: Ensuring that all residents and workers have access to a safe and affordable home.**

**Key Performance Indicators:**

- # of multi-family units
- # of affordable housing units
- % of cost-burdened households

**Target:**

- Increase share of multi-family units comparable to County-wide levels
- Year over year decline in the share of cost burdened households

**Outcome: Creating educational pathways for Palmdale residents to fully access future economic opportunities.**

**Key Performance Indicators:**

- Annual increase in % of residents with a bachelor's degree
- 4-year college admission rate from high schools
- Community college to 4-year college transfer rate (Antelope Valley Community College)
- Student performance by location (K-12)
- Change in resident/employee ratio (jobs-housing balance)

**Target:**

- Improvement in jobs-housing ratio per Southern California Association of Governments (SCAG) projections
- Increased number of residents completing at least an associate degree comparable to County-wide levels

**Outcome: Building a core in the city where local residents and businesses can participate and celebrate in the city's economic prosperity.**

**Key Performance Indicators:**

- # of small businesses created/licenses issued
- # of planned and proposed development projects
- # of completed projects in defined downtown area

**Target:**

- Development metrics and pipeline in the downtown core – number of proposed units (commercial and industrial), increase in rent prices
- % of local, small businesses relative to total businesses in the downtown core.

**Outcome: Providing access to economic opportunities & resources for residents and workers through transportation options.**

**Key Performance Indicators:**

- Passenger ridership (trains and flights)
- # of new trains/schedules
- # of new flights

**Target:**

- Increase in the number of residents using non-auto transportation modes comparable to County-wide levels

**Outcome: Promoting a city environment that attracts and leverages new development to diversify the tax base.**

**Key Performance Indicators:**

- # of city partnerships with regional and state partners
- Time length of entitlement process
- Distribution of tax revenue

**Target:**

- Increase in the number of city partnerships with regional and state partners
- Reduce the length of time for city's entitlement process

## Draft Goals and Policies

- **Goal: Attract diverse and high-quality job options that contribute to the city's economic growth and diversify the economy**
  - Retain and grow aerospace and film production presence in Palmdale
  - Attract additional supply chain employers for the manufacturing and defense industries
  - Grow the tourism sector by promoting recreation activities, events and attractions to support the hospitality and retail activities
  - Attract new employers in sustainable industries to Palmdale
  - Maintain and enhance smart city technology in Palmdale to support local businesses and growth of telecommuting
  - Leverage economic opportunities from the expanded transportation center and potential passenger air service at Palmdale Regional Airport
- **Goal: Diversify housing options for residents at different stages of life and ability to continue making Palmdale an affordable place to live.**
  - Create and preserve affordable housing for the residents of Palmdale
  - Increase the supply and diversity of housing options to support different types of households including seniors, young adults, families, empty nesters, individuals or families with special needs, and multigenerational families
  - Encourage transit-oriented development that is community-informed in the proposed downtown, near the future high speed rail station, and at other transit nodes
  - Address displacement issues due to redevelopment and large-scale capital projects
- **Goal: High quality and accessible educational opportunities that support the workforce pipeline to match residents with jobs.**
  - Promote and expand higher education opportunities in Palmdale
  - Develop additional trade school training and apprentice programs for key growth industries

- Promote opportunities for high-quality childcare and workforce-related early education
- Expand partnerships and programs with public schools, local government, and major employers within Palmdale
- Promote apprenticeship programs for youth and local workforce
- Connect residents with job opportunities in aerospace and other emerging sectors
- **Goal: Active and vibrant downtown that fosters a sense of local community and business ownership.**
  - Create a vibrant and active downtown environment
  - Encourage and foster local business formation
  - Leverage development to provide space for community gathering and events
  - Increase opportunities for entertainment and/or shopping
  - Support local small businesses and legacy businesses to remain or relocate to the downtown core
- **Goal: Remaining at the forefront of transportation innovations that connects residents and workers to the regional and national economy.**
  - Leverage transportation investments in Palmdale by encouraging transit-oriented development
  - Bring air service to Palmdale Regional Airport
  - Build on High-Speed Rail opportunities
  - Improve local transit and last mile connectivity
- **Goal: Expand resources, partnerships, and infrastructure to support sustainable growth**
  - Initiate and sustain multi-jurisdictional (with neighboring cities, counties and the state) partnerships to leverage regional assets such as the Edwards Air Force Base and Mojave Air and Space Port and grow the economic base
  - Simplify entitlement process for development
  - Explore incentives for land assembly to encourage development at scale
  - Expand tax base and analyze opportunities to diversify tax revenues by expanding the hospitality sector and updating the tax regime.
  - Invest in infrastructure to support the development by leveraging federal and state programs, as well as local resources such as Enhanced Infrastructure Financing Districts, special assessment districts, and public private partnerships.
  - Support the creation of Business Improvement Districts (BIDs) and Tourism Improvement Districts (TIDs) for the private sector to collectively market and grow Palmdale.