



**05**

# **ECONOMIC DEVELOPMENT**

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# 05 ECONOMIC DEVELOPMENT

This chapter describes the existing conditions, key issues and long-term strategies related to economic development in West Hollywood. This chapter addresses both the economic and fiscal health of the City. The economy of West Hollywood is diverse, and is centered on the tourism and nightlife, arts and design, and entertainment media industries, as well as general retail and services.

## STATUTORY REQUIREMENTS

The State of California does not require that a city's general plan address economic development. This topic is addressed by the City because it reflects West Hollywood's commitment to promote a diverse economy and maintain fiscal stability for the benefit of the community. Economic prosperity and fiscal stability are keys to providing a high quality of life.

## CONTEXT

Since its incorporation in 1984, the City has evolved into a vibrant cultural and civic center. Its vibrancy and cultural diversity is reflected in its populations of young professionals, families, seniors, Russian immigrants and LGBT individuals. West Hollywood has a long history of entrepreneurship, innovation, and progressive governance. Today it is one of the most desirable locations in the Los Angeles region. This chapter will address how to manage the challenges and opportunities facing the community over the next 25 years. But before establishing a future direction, it is important to examine the City's current economic and development environment.

West Hollywood's commitment to maintaining its retail diversity, civic viability and cultural identity, coupled with its unprecedented commercial success over the last decade, has raised specific economic concerns. These concerns include maintaining neighborhood-serving businesses; enhancing major industries such as entertainment, tourism, fashion, and arts and design; and in general enhancing economic competitiveness. In response, the City has developed a broad economic development strategy that will allow the community to respond to changing economic conditions while striving to maintain fiscal and economic stability.

West Hollywood businesses can be categorized into major categories: tourism and nightlife, arts and design, entertainment media, neighborhood-serving, or independently owned businesses. The following section will describe each of these business groups and identify potential issues and opportunities within each.

## Tourism and Nightlife

Tourism is a main driver of the local economy and a vital component of West Hollywood's fiscal health. From the high-end retail on Robertson Boulevard and Melrose Avenue to the nightclubs and restaurants on the Sunset Strip, there are many attractive destinations for visitors. In addition, West Hollywood's historic role at the forefront of the gay rights movement offers a culturally significant and historic experience centered in the Santa Monica West district.

West Hollywood has long had a reputation as one of the most popular nightlife destinations in the Los Angeles region. The sales per establishment of West Hollywood nightlife venues are 50 percent higher than the average for all venues in California. In addition, many of the nightlife destinations are located along Sunset Boulevard creating synergy with nearby hotels and restaurants. West Hollywood nightlife destinations face competition from other cities for clubs and nightlife destinations. Despite the competition the nightlife sector of the economy is still performing well. Looking forward, the City's nightlife should continue to evolve to meet the needs of an evolving demographic.

## Arts and Design

West Hollywood, anchored by the Pacific Design Center and the The Avenues - Arts, Fashion and Design District, is the hub of the design industry in Southern California. Almost 70 percent of the design businesses in the City are focused in the Arts, Fashion and Design District with the remaining 30 percent located in commercial districts throughout the City. With the addition of fine dining, art galleries and luxury retail, the neighborhood has become one of the most vibrant and desirable in the region. Despite the fear that high-end retail would push out the smaller, locally-owned businesses, they are actually boosted by additional luxury retail. The area continues to function as an incubator for new designers and small businesses. This symbiotic relationship should be nurtured and monitored to ensure the continuing success of this industry.



West Hollywood is known for its furniture and design showrooms.



The City's unique hotels attract national and international visitors.

## Entertainment and Media

West Hollywood sits at the center of region known worldwide as “the entertainment capital of the world.” The entertainment and media industry is an important part of West Hollywood’s identity as well as its economy. Innovative companies are drawn to West Hollywood’s creative workforce as well as its high quality of life. However, the City’s proximity to other cities with significant concentrations of entertainment and media companies also means that the City will need to monitor the trajectory of this industry to ensure it remains a competitive hub.

## Neighborhood-Serving

While West Hollywood is known for its high-end and boutique retail offerings, access to neighborhood-serving businesses is a key component of the high quality of life in the City. These types of businesses include both retailers selling tangible goods, such as grocery stores, drug stores and hardware stores, and businesses offering services, such as hair salons, shoe repair, dry cleaning and auto repair shops. The number of small neighborhood-serving stores had declined over the last ten years, due mainly to increased competition and not retail gentrification, as many local residents feared. As more neighborhood-serving retail stores flock to West Hollywood, those that are unable to compete go out of business. Although the number of neighborhood-serving services in West Hollywood fell from 1997 to 2006, those that remain are performing better than ever, with higher sales growth than their large counterparts. Declining sales of tangential retail goods suggest that a decline in overall revenues may play a role in the loss of service businesses.



The Sunset Strip is an vibrant destination for nightlife and entertainment.



The East Side of West Hollywood contains many neighborhood-serving Russian businesses.

## Independently-Owned Businesses



The City strives to include a broad range of independently-owned businesses that cater to a variety of needs, whether high-end boutique or neighborhood serving. These businesses are generally able to cater to the specific needs of their customer-base. For instance, the City has businesses that cater to the LGBT community and others that cater to the Russian-speaking community, providing products and services of particular interest to these types of customers whose interests or needs are unique. Independently-owned businesses also offer many of the boutique and luxe experiences that customers seek. As the City's economy evolves, it will be important to ensure that these types of businesses continue to have a place in West Hollywood.

Goals and policies designed to enhance the economic development climate for key and emerging industries are discussed below.

# GOALS AND POLICIES

## **ED-1: Maintain a diverse and resilient economy.**

*Intent: To protect the long-term health and resiliency of the economy and create competitive employment hubs by supporting a diversity of economic activity.*

- ED-1.1  As feasible, establish land use policies and economic development programs that maintain a diverse mix of residential and non-residential uses.
- ED-1.2  Seek a balance between visitor-serving and local-serving commercial activity.
- ED-1.3 Maintain West Hollywood's unique cultural and retail identity.
- ED-1.4 Continue to support arts and cultural events that make West Hollywood a desired destination for residents and visitors.
- ED-1.5 Continue to support strategies to maintain West Hollywood's competitive advantage as a regional entertainment destination.
- ED-1.6 As feasible, develop strategies for business recruitment that support the intended physical environment and land use vision for each commercial subarea, as described in the Land use and Urban Design Chapter.
- ED-1.7 Seek to develop a cultural tourism strategy to capitalize on the City's diverse population, such as the LGBT and Russian-speaking populations.
- ED-1.8 Prohibit signage from being the sole economic generator for a site.




## **ED-2: Expand the City's tax base to support fiscal stability.**

*Intent: To support continued financial investments into the West Hollywood community by securing a strong and continuous tax base from economic activities.*

- ED-2.1 Continue to seek opportunities for revenue generation by supporting the City's major revenue generating industries including:
- Fashion, arts and design-related businesses
  - Entertainment and tourism, including hotels, restaurants, bars, night clubs, and other entertainment venues
  - Media industry, including film production, offices, and related businesses
- ED-2.2 Continue to seek opportunities for revenue generation by supporting dynamic and emerging industries.
- ED-2.3 Recognize the unique role of each commercial sub-area with respect to long-term fiscal health and quality of life when appropriate.

### **ED-3: Provide for continued economic growth through development and public improvements.**

*Intent: To focus public investment into business districts and commercial corridors in a manner that comprehensively supports the growth and well-being of these areas, making them more attractive to residents, visitors, and new businesses.*

- ED-3.1  As feasible, identify resources that can be used for public improvements or to assist individual property owners in rehabilitating their buildings in key commercial districts.
- ED-3.2  Create parking strategies that support existing businesses and economic growth and provide opportunities for new business to locate in West Hollywood.
- ED-3.3 Develop a strategy for business attraction in key commercial sub-areas.
- ED-3.4  Promote higher density development near existing and planned transit facilities.
- ED-3.5 Develop specific incentives resulting in construction of more creative office space.
- ED-3.6  Support infrastructure improvements that organize and direct future growth and help to maintain fiscal and economic diversity and sustainability.
- ED-3.7 Continue to be a leader in developing public/private partnerships.
- ED-3.8 Continue to work with essential partners who help create and implement key economic development goals and policies, including Business Improvement Districts, the Chamber of Commerce and the Marketing and Visitors Bureau.
- ED-3.9 As feasible, support existing businesses by providing for the creation and enhancement of Business Improvement Districts.
- ED-3.10 Provide linkages to resources and technical assistance to existing, expanding and/or new businesses through the regulatory processes of the City, County, or State as appropriate.

### **ED-4: Monitor and evaluate economic conditions affecting the City's economic climate.**

*Intent: Maintain a business-friendly climate for existing and new businesses to flourish in the City.*

- ED-4.1 Continue to monitor, evaluate, and adapt codes, policies, and processes to facilitate business attraction, retention and expansion.
- ED-4.2 Continue to facilitate the permitting process for projects that meet City goals and subarea visions.
- ED-4.3 Regularly study economic sectors and conduct gap studies to identify and fill gaps in current business offerings and develop programs to attract needed businesses and services.


## **ED-5: Maintain West Hollywood’s status as a regional hub and innovator in the fashion, arts, and design sector.**

*Intent: To enhance and expand the role of West Hollywood as a regional hub and innovator in the fashion, arts, and design sector.*

- ED-5.1 Strive to attract a variety of fashion, arts, design, and other complementary businesses to locate in the City.
- ED-5.2 Work with the Pacific Design Center to enhance its role as a leading center of arts and design showrooms and office space by encouraging the Pacific Design Center to host conferences, meetings, and arts and design events and by capitalizing on the MOCA annex as a tourist and arts related destination.
- ED-5.3 Promote interaction between new and established fashion, arts, and design businesses.

## **ED-6: Provide citywide access to neighborhood-serving retail and services.**

*Intent: To enhance the diversity of neighborhood serving retail and services for residents.*


- ED-6.1  Encourage the establishment of neighborhood-serving businesses and services throughout the City.
- ED-6.2 Work with existing businesses to enhance the physical appearance of those businesses.

## **ED-7: Enhance the City as a regional, national and international destination for the entertainment, nightlife, dining and retail industries that are key to West Hollywood’s fiscal health.**

*Intent: To enhance the strength of the entertainment and hospitality industries and increase revenue.*

- ED-7.1 Strive to attract a variety of hotel types to the City to broaden the area’s appeal.
- ED-7.2 Support the tourism industry through periodic outreach to hotels to ascertain current needs, fostering frequent and positive communication between the economic development department and local hotels.
- ED-7.3 Attract complementary entertainment businesses such as restaurants, bars, cafés, theaters, music venues, and nightclubs to enhance the desirability of the City as a tourist destination.
- ED-7.4 Facilitate expansions and renovations of hotels, restaurants and similar establishments.



ED-7.5  Encourage a balance of hotel, nightlife, restaurant, office, and convenience businesses.

ED-7.6 Promote the Gateway retail center as a regional attraction.

## **ED-8: Expand the scope of the City’s comprehensive job-training and workforce development programs.**

*Intent: To ensure West Hollywood businesses have available to them a well-trained labor pool and ensure residents have access to job development and career guidance opportunities.*

ED-8.1 As feasible, continue to support, publicize and expand the West Hollywood Employment Services and Training (WHEST) program.

ED-8.2 Support educational institutions and career education programs such as job fairs, career academies, internships, job shadowing, career speaker programs, Career Day, and other programs, when feasible.

ED-8.3 Work with education and training partners to tailor job training and placement programs to all economic segments of the City, as appropriate.


ED-8.4 Encourage educational institutions to locate facilities within the City and foster partnerships with nearby educational institutions for the benefit of residents and businesses.

ED-8.5 Seek to promote a diversity of employment opportunities.

## **ED-9: Continue the revitalization of the Eastside Redevelopment Area.**

*Intent: Focus public and private investment to expand economic opportunities and improve the quality of life for residents, businesses, and visitors to the area.*

ED-9.1 Continue to build the identity of the Eastside through public improvements, private projects, programming, and public art.




ED-9.2  Continue to support the Eastside commercial revitalization program and assist property owners and businesses in rehabilitating existing commercial buildings, as feasible.

ED-9.3  Encourage mixed-use development at key intersections in the Eastside Redevelopment Area.

ED-9.4 Encourage new, innovative businesses to locate in the City, particularly in the Eastside Redevelopment Area.

## **ED-10: Support green business, practice and sustainability as community priorities.**

*Intent: To support emerging businesses, processes, and technologies that will provide more environmentally sustainable industry, products, services, and growth within West Hollywood for the health, safety, economic growth, and quality of life within the community.*

- ED-10.1  Explore opportunities for green businesses in the City.
- ED-10.2  Collaborate with other local governments to promote green businesses in the region.
- ED-10.3  Collaborate with regional and state governments to promote long term sustainability through economic development, revitalization and reuse.