

# California Hopes Incentives Work to Create Jobs

**DEVELOPMENT:** State to hand out \$69 million in tax credits to 94 companies.

THE headlines are full of other states offering incentives for local companies to set up shop there, either by moving entirely or expanding. (Case in point: See our story about Farmer Bros. on page 7.)

## REGULATION & POLICY

HOWARD FINE



Less common is for California to give incentives for companies to expand here. But that's what happened last month as a state agency voted to distribute \$69 million in tax credits to 94 companies with expansion projects in the state.

The companies were among more than 250 that have applied to the Governor's Office of Business and Economic Development for the credits as part of a successor program to the disbanded and controversial state enterprise zone program.

Companies with operations in Los Angeles County snagged a significant portion of this round of credits, with 17 companies receiving a total of \$19.2 million in credits to go toward \$827 million worth of expansion projects that will create an estimated 5,180 jobs.

Of course, in the past, the actual number of jobs created often fell short of projections, which helped undermine the enterprise zone program. Under this new program, companies

will have to hit annual job-creation targets to receive their tax credits.

**Northrop Grumman Corp.** of Falls Church, Va., is getting the largest single tax credit – \$10 million – that will go toward \$520 million of facility expansions throughout the state. They include operations in El Segundo, Redondo Beach, Woodland Hills, Azusa and Palmdale. The company projects all of its facility expansions in the state will generate 1,359 jobs.

The smallest tax credit – \$35,000 – is going to the Torrance facility of Citizen Watch, a unit of Tokyo's **Citizen Holdings**, which plans to use the money to buy manufacturing equipment and hire five additional workers.

One of the biggest locally headquartered companies that won tax credits is El Monte aerospace parts maker **Gill Corp.**, which is receiving \$1 million toward a \$56 million expansion it said will generate 328 jobs. The company plans to invest in new manufacturing equipment and build a 140,000-square-foot plant on land it intends to purchase near Gill's existing facility.

"We considered other sites, but chose to remain in California because it's our home," said Gill spokeswoman **Caroline Copeland**. "This tax credit helps offset some of the economic disadvantages of expanding in California."

### Another Bioscience Park?

There's been renewed interest lately in the creation of a bioscience park in East Los Angeles near County-USC Medical Center. But now, Los Angeles County Supervisor **Mark Ridley-Thomas** has his eyes on another such park to be developed at Harbor-UCLA Medical Center in the unincorporated Harbor Gateway community, tucked between Torrance and Carson.

Late last month, Ridley-Thomas introduced a motion calling for the study of a



**High Flier:** Global Hawk drone at Northrop Grumman's facility in Palmdale.

"bioscience tech park" of up to 250,000 square feet at Harbor-UCLA. That medical campus is undergoing a master plan review, with the intent to replace the existing hospital.

It's all part of a countywide push for bioscience development, spurred by the release last year of a study from Battelle Memorial Institute calling for bioscience centers around each of the county's five regional hospitals.

Because of numerous obstacles that have arisen over the years to building out a bioscience center in Boyle Heights, the Harbor Gateway biotech park could very well be the first one out of the gate.

What's more, the Harbor-UCLA campus is home to L.A. BioMed, a 60-year-old research institute that has helped numerous medical technology startups and is itself undergoing a revamp. A similar incubator is only now getting started at **Cal State Los Angeles**.

"This marks the first step toward creating the first biotech campus in Los Angeles County," Ridley-Thomas said. "Because we lack a proper biotech campus, we have lost that talent to other areas around the country."

### Job Creators

The **California Chamber of Commerce** is well-known for its annual list of job-killer

bills – the legislative proposals it identifies as especially onerous for companies doing business in the state.

In recent years, the chamber has also identified bills that would be especially helpful to businesses or job creation. Of course, those bills are always fewer in number than the job-killer bills, and this year is no exception: So far, the chamber has flagged 18 bills as job killers and 11 as job creators.

"Each year we hope to have as many job-creator bills on our list as we do on our job-killer list," chamber spokeswoman **Denise Davis** said. "Let's hope our policy-makers make that possible in the years to come."

Among this year's crop of job creator bills: AB 641, which provides expedited environmental review for housing projects.

Two bills – AB 52 and 54 – that give businesses a window to respond to claims of violations of the Americans With Disability Act without incurring penalties.

AB 1470, which would exempt most workers earning more than \$100,000 a year from overtime pay requirements.

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