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Spotlight on Lancaster

Free Land Offer Attracts Some Heavy-Hitting Businesses

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Contributing Reporter

WHEN Lancaster decided to bring more business to the community, the city really put its money where its mouth is.

In 1991, Lancaster initiated a Business Attraction Incentive Program, offering free land to businesses that locate in the area. "We're really serious about bringing business to Lancaster," said City Manager Jim Gilley. "The land giveaways show we mean business."

The program, administered under the Lancaster Community Redevelopment Agency, provides businesses with acreage based upon their investment in the area and the quality and number of jobs the business would provide. Not all businesses are eligible, but to date, the program has brought about 15 new companies to Lancaster, including some Fortune 500 companies.

Michael's Stores Inc. is building a 432,000-square-foot distribution warehouse, and Rite Aid just broke ground on a 1 million-square-foot distribution center. The two companies will join a number of other companies that have built distribution and warehousing facilities in the area, including Coca-Cola Co., Federal Express Corp. and Frito-Lay, a division of PepsiCo.

"We've been able to dispel the notion that we're too far from L.A.," said Gilley.

Smaller companies also have taken advantage of the land deals.

Lance Camper Mfg., which received about 11 acres, moved into an 110,000-square-foot facility in the Lancaster Business Park from a 30,000-square-foot building it leased in Pacoima.

The influx of new businesses is a welcome development for an area that was among the nation's hardest hit following the end of the Cold War in the late 1980s.

In Lancaster and nearby Palmdale, thousands of aerospace workers lost their jobs. Home values plummeted, and remain low compared to the rest of L.A. County. With few employment opportunities nearby, residents began commuting as many as 150 miles round-trip to jobs in Los Angeles. Even now, some 50,000 Antelope Valley residents participate in that daily exodus.

Lancaster officials hope their business attraction efforts will help stem that tide.

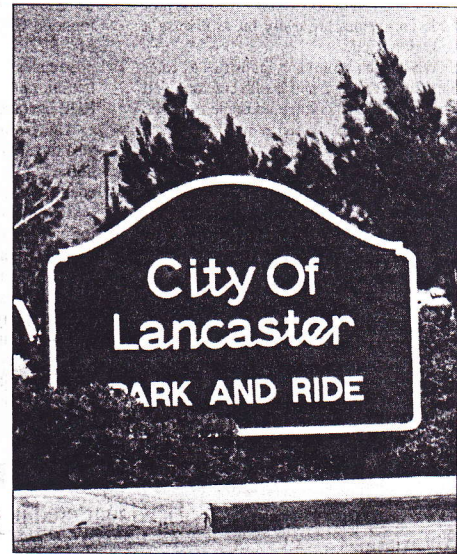
Lancaster's top three employers remain aerospace related - Edwards Air Force Base with 10,900 civilian and military employees; Lockheed Martin Skunk Works with 5,300 workers; and Northrop Grumman Corp., which employs 2,700.

In addition, the 80 companies in Lancaster Business Park contribute 2,200 jobs; the Antelope Valley Hospital Medical Center



PHOTOS BY ANDREW TAYLOR / SFVBJ

Retail: Power center on Valley Central Way has attracted big-box stores.



employs 1,600; and Palmdale and Antelope Valley's school district accounted for 1,419 and 1,413 jobs respectively.

The city's population has nearly tripled to 123,200 from 48,000 in 1997. In 1997, average household income was \$48,576 and average family income was \$54,481, according to a study commissioned by the city.

The population growth has helped fuel a number of revitalization projects for the downtown area. The Lancaster Municipal Stadium, also known as Jet Hawk Stadium, opened in 1996 and is home to the minor league Jet Hawks, the Seattle Mariners' farm team.

City officials estimate that more than 300,000 patrons attended games last year, making it the No. 3 stadium in the California League for attendance.

Another major attraction and a source of local pride is the Lancaster Performing Arts Center, a \$10 million complex built in 1991 in the center of the city's downtown area. In addition, the city has enlarged the "Big 8," the state's largest softball arena for hosting American Softball Assn. games.

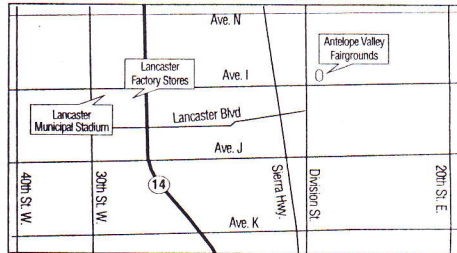
Lancaster

Year Founded: 1884

Origins: First settled by M.L. Wicks, the area was initially known for its alfalfa and gold-mining.

Population: 123,200

Business Profile: In transition as the area builds back the business base lost in the 1980s.



The Lancaster National Soccer Center currently under construction will be the second-largest soccer complex in the nation, featuring 32 playing fields on 120 acres.

With major exhibitor Cinemark now building a 19- to 24-screen multiplex set to open opposite Jet Hawk Stadium by the end of the year, Lancaster's business and entertainment district is now centralized at the Avenue I exit off the Antelope Valley (14) Freeway.

With an industrial vacancy rate now standing at 5 percent to 7 percent, and a severe shortage of buildings over 15,000 square feet, city officials are now courting speculative business developers and companies with the resources to build new facilities.

"You can pay \$11 a square foot for (industrial) property in L.A., or you can come up here and pay \$2 to \$4," said Stafford Parker, director of the city's redevelopment agency.

Founded in 1884 by settler M.L. Wicks, Lancaster originally was known for its alfalfa, gold-mining operations and much later, its poultry farms, which were displaced in the

'50s and '60s when the area's business boom began. With the opening of the Antelope Valley Freeway in 1972 and the city's incorporation in 1977, Lancaster experienced explosive growth. But the region did not truly take off until the aerospace boom of the 1980s.

In 1983, the city's first retail center was built at Avenue K and 10th Street West. The Lancaster Commerce Center is anchored by Target and Mervyns stores. And by 1987, the city added a 1.5 million-square-foot power center mall along Valley Central Way. This center became a magnet for large promotional discount stores like Wal-Mart (which built its first store in the state here), Costco, Home Base, Circuit City, Food 4 Less, Staples, and dozens of others. Now, a decade later, vacancy is less than 10 percent.

Cheap land has not been the only incentive for business. In 1991, the Chamber of Commerce and the city put a cap on the business taxes of \$75, regardless of the number of employees. The city also helps qualified businesses apply for federal income tax deductions, sales tax credits and low-interest loans.

Reprints

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