



Downtown Economic Development Task Force

Friday, September 19, 2008

8:30 a.m.

DLBA Office, Executive Conference Room

- I. Introductions
- II. Background on *DLBA 2010* and formation of Downtown Economic Development Task Force
- III. Partnership with City of Long Beach and The Downtown Community Plan
- IV. Purpose, Goals and Timeline of Downtown Economic Development Task Force
- V. Next Steps

B1: Economic Development: Refocus on Retail

From *DLBA 2010: A Focus for Leadership and Development*, pages 12-15

In the Downtown Long Beach market, the office and housing segments are generally strong while retail continues to struggle. Moreover, attracting and retaining retail is the Number One priority of stakeholders that participated in strategic plan focus groups and, after safety, the top priority cited by respondents to the online survey. With its economic development staff position currently vacant, DLBA has an immediate opportunity to refocus this existing business center to the priority of recruiting, retaining and growing quality retail.

The DLBA can be positioned as the primary point of contact for retail and economic development assistance in Downtown Long Beach. Working in partnership with the City of Long Beach, the DLBA could coordinate and package information important to doing business in Downtown, and could serve as a one-stop shop for that information and an ombudsman in efforts to attract and retain quality businesses.

ACTION STRATEGY: Create a Retail Attraction and Retention Program

A business support program model from other downtowns (Dallas, Raleigh, Lincoln, and Denver) is recommended. This business support initiative would position the DLBA to become a “one-stop shop”, or entry portal, for any retail business which wants to start, expand or relocate within Downtown Long Beach. The DLBA would offer up-to-date market information about Downtown, as well as technical assistance to refine business plans, seek financing and facilitate the local development review and permitting processes. This program would also include information on a variety of incentive tools to assist in financing tenant finish improvements, lease subsidies and working capital for innovative business concepts. Such a program provides the support necessary to help get independent businesses started and fill Downtown storefronts. The program consists of the implementation of three specific elements:

- 1. Retail Leasing Strategy:** The creation of a retail leasing strategy positions Downtown to be managed with the same general approach as a shopping center. This strategy is developed by pulling together in one place all the necessary information about the existing conditions of the real estate in the target area, and then developing a future plan for how the area should best be used based upon market conditions. This strategy ensures recruitment efforts will be focused on providing a balanced mix of activities for residents, visitors and the daytime population. Components of the Retail Leasing Strategy include:
 - **Retail Mix Recommendations:** Data should be collected on the existing retail inventory in Downtown Long Beach and an analysis should be performed to identify future retail demand.
 - **Property Owner Outreach:** In order to acquire all the necessary information needed to understand the retail inventory, outreach to individual property owners will be necessary.
 - **Data, Maps and Leasing Collateral:** All the necessary data which prospective retail entrepreneurs will need in deciding whether to locate in

Downtown Long Beach should be well organized and packaged. Brokers, interested retailers and other downtown stakeholders should have easy access to this information and should be able to quickly find the comprehensive information about the district that they need. Recommended pieces include:

Real-Time Economic Data: DLBA will update and maintain a database on a variety of economic indicators in downtown, including descriptive characteristics on the residential, office, retail and other market segments. The ability to maintain and package current economic data is key to the success of the program.

Retail Recruitment Target Area Map: The map should clearly illustrate: Location of first floor occupants; Vacant spaces with square footage; Occupied spaces that could be considered available by the property owner

“Space Available” Documents: These documents about individual spaces for lease should include: Square footage; Relative condition; Price range per square foot; Broker/owner contacts

Retail Marketing Information Package: This package should include general information about the downtown market, including: Demographics; Sales Tax Trends; Block-by-block employment and residential densities; Development updates; Positive attributes about Downtown Long Beach

2. **Retail Incentive Program:** The retail incentive program will work to entice desirable retail to the core of Downtown Long Beach. The program works by matching eligible retail entrepreneurs with incentives in an effort to assist desirable types of retail businesses in locating within Downtown. A variety of incentive tools are envisioned, including loan and/or equity programs to finance tenant finish improvements, lease subsidies and working capital for innovative business concepts. In other cities that have this type of program, incentive programs are typically financed by the local government, redevelopment agencies and/or local banks. In Long Beach, it is envisioned that the City and RDA would participate in redirecting existing incentives or create a new resource to support this program. Business and property owners would seek incentives on a competitive basis, with ratings developed that reward desirable business types, locations and operating practices. How each prospective business scores against established eligibility criteria will determine the amount of incentive. Eligibility requirements to earn incentives should be based upon the desired recommended mix of businesses suggested in the Retail Mix Plan.
3. **Marketing:** Marketing as it relates to economic development should essentially revolve around the following:
 - **Creating the Vision:** In order to effectively launch the Retail Incentive Program, it is extremely important to sell the vision of what the downtown “will be” and encourage retailers to become investors in the future of

Downtown. Retail marketing pieces should be developed which complement and target retail recruitment efforts, and which respond to the needs of all the important parties: retail brokers, potential retailers, and customers. Recommended marketing pieces and tools include: renderings showing how retail areas such as Pine Avenue or the East Village are envisioned once spaces are leased and store fronts are activated, space available and street level inventory maps, and positive collateral in general about downtown.

- **Marketing Campaign:** Multiple marketing campaigns can be conducted for each segment: retail brokers, potential retailers, and the customer. The campaigns should carry a specific call to action for each segment. Campaigns should include an intensive public relations effort surrounding every new development including lease signings, construction announcements, “coming soon” teasers, and grand openings. Facilitate coordinated advertising and promotions among new and existing retailers as part of the customer campaign.
- **Selling the Incentive Program:** Once the incentive program is activated, a marketing/PR campaign should be launched to introduce the program and its workings to prospective tenants.
- **Marketing Suite/Website:** A retail marketing suite, recommended at the ground level or in an existing conference room at the DLBA office, can be used as an additional tool to entice retailers, brokers and developers to review the area, share in the vision of downtown and eventually invest in this “up and coming” destination. Components of a marketing suite could include: enlarged versions of district retail maps, multi-media presentations about the future development of Downtown, charts and graphs on demos and boards on existing retail space.
- **Coordinate Marketing Efforts with Civic Partners:** DLBA will coordinate its economic development efforts closely with other civic partners, including the City and the RDA while the Convention and Visitor’s Bureau, the Chamber of Commerce and others can play roles in the collective effort.

In addition to the elements of the Retail Support Program, business support services would be provided within DLBA. To support a variety of retail businesses, including both new businesses and existing businesses looking to grow, the DLBA would offer:

- Assistance in matching prospects to available properties.
- Technical assistance to refine business plans and seek financing from conventional and unconventional sources.
- Assistance through the local development review process, acting as a liaison to the City.

Staffing and Budget: The development and management of this program would be handled by the DLBA, with funding coming from a variety of sources, including potentially the RDA and the City of Long Beach. One full-time staff person, the Economic Development manager, is recommended to manage the program. It is envisioned that this program would be a redefinition of the duties of the existing but vacant DLBA Economic Development staff position. The individual should have

experience in real estate and should be entrepreneurial and motivated. They should have a strong street presence and their efforts should be primarily focused on retail recruitment and retention. Their duties will require a responsibility to not only manage the incentive program, but to develop, compile and provide data on economic development information. In addition, this individual should serve as an “ombudsman” assisting in overcoming challenges to Downtown development including issues revolving around zoning, permitting and parking among other things.

Optimal staffing for the Retail Support Program would also include a full time Research Manager. The Research Manager could compile, maintain and disseminate economic data on all of downtown’s various market segments, including office, retail, housing, entertainment and culture. Having the capacity to develop and package real-time economic data in a variety of printed and electronic formats would help support economic development efforts, plus provide a valuable benefit accessible to all DLBA ratepayers.

To sustain the Retail Support Program, an annual operational budget of \$150,000 to \$250,000 is recommended to cover staff and marketing costs.

Program Activity	Estimated Cost
Economic Development Manager Salary & Benefits	\$ 75,000 to \$ 90,000
Research Manager: Salary & Benefits	None to \$ 50,000
Program Marketing Support	\$ 75,000 to \$ 110,000
Total	\$ 150,000 to \$250,000

Operational resources are recommended from existing economic development budgets plus consideration of reallocating funds from DLBA’s consumer marketing efforts (see “Marketing & Events”). For the proposed loan and equity incentive programs, a funding target of \$2 million over a five year period is envisioned. RDA and the City would be a suggested source for incentive funds, and could perhaps participate in the operational budget. A goal for recruiting a set number of quality businesses (i.e. 25) should be set for the five year period.