



# RETAIL VISIONING

Downtown Long Beach Associates

DOWNTOWN LONG BEACH ASSOCIATES



Draft Retail Visioning Report  
Presented July 15, 2010



# Dear Reader,

On behalf of the Retail Visioning Steering Committee, we are pleased to share with you the Retail Visioning Project final report, the culmination of a unique and progressive community-driven process to develop a collaborative retail vision and sustainable implementation plan for improving the retail environment in Downtown Long Beach. We believe that through the collective efforts behind the project, Downtown Long Beach is poised to become a premier, dynamic, and eclectic urban waterfront retail destination in Southern California.

Reflecting back on the four-month public process, we enjoyed learning from the community about their hopes and dreams for Downtown over the next five years and their ideas of how we, as a community, can achieve those dreams. Additionally, we are most proud of the Steering Committee's commitment to establish a collaborative, open, and transparent process, as well as to assume personal responsibility for the plan's implementation — which makes this process different from similar efforts.

Although we have a lot of hard work ahead of us over the next few years, we are also looking ahead to an exciting future. Already, several of the action items detailed in this report are well underway, while others will begin implementation in the coming weeks and months. We look forward to sharing the progress on this implementation with you as significant milestones are met.

We thank all who have contributed to creating and advancing the Retail Visioning Plan — Downtown Long Beach Associates, MJB / Kling-Stubbins, the community, and those of you who work quietly behind the scenes and often go unrecognized. We look forward to continuing to work with all downtown stakeholders, and City leadership, to keep the plan alive and ensure that each of the 32 action items detailed in this report are addressed and achieved, and that we move toward realizing our collective vision for Downtown Long Beach!

**Loara Cadavona**, *Co-Chair*

**Ted Slaughter**, *Co-Chair*

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A Retail Real Estate Consulting Firm

KLING STUBBINS



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# Background

Only 18 months ago, a series of newspaper columns reflected the widespread frustration and disappointment about the retail environment within the Downtown community. Due to a variety of aggravating factors, the success of Downtown's retail environment was challenged by the poor health of the national retail sector, an unsustainable approach to economic development, a lack of coordination in retail tenancy, and the land fiscalization challenges faced by California cities after the approval of Proposition 13 which forced cities across the State to increasingly rely on sales tax to pay for the rising cost of providing and maintaining basic city services.

California cities are in the business of attracting retail shoppers, and many are willing to aggressively compete to attract consumer spending potential from outside of their borders. To its credit, the City of Long Beach tried to do its part to help shepherd a retail renaissance and grow its sales tax base. In the early to mid-nineties, the City offered forgivable loans to national retail brands as an incentive for locating on Pine Avenue and remaining for a predetermined number of years. While the tools were successful in populating the street with known brands (Express, Bath & Body Works, Crate & Barrel, et al.) and generating sales tax revenues, of the subsidized retailers, none remain today. Without the commensurate growth in consumer demand to support those retailers over time, the strategy ultimately proved to be unsustainable and the retention of those retailers became a difficult struggle.

Even with the subsequent growth of the residential base, that type of supply-oriented strategy is unlikely to result in the long-term tenancy of name brand retailing today. Retailers operate on thin margins and have very specific site requirements. The absence of retail anchors on Pine Avenue, a built supply of space that doesn't accommodate the spatial requirements of contemporary retail, as well as a lack of desirable co-tenancies present significant short-term challenges to attracting that type market-driven investment. On the private sector side, recruitment efforts were conducted without collaboration, resulting in a hodgepodge of uses, an environment of competition rather than teamwork, and countless missed opportunities. Perhaps more importantly, the appetite for proven retail, despite being unreflective of the Downtown area's demographic composition, had risen to the point where the community's expectations exceeded market potential. Those unbridled expectations and ensuing frustrations were reflected openly in the media series.

Acknowledging the disappointing end-result of the previous retail recruitment efforts, the City needed a new, sustainable strategy to improve the health of the Downtown retail marketplace. Retail across the greater Downtown seemed to regress rather than build momentum. The media series brought critical attention to the perception of the state of retail downtown and an impassioned outcry for action from the community. In November of 2008, the City held a public forum on retail where many community members again expressed their anger and frustration with the current situation. While the City accepted that it needed to identify a new strategy, the country was hit by one of the worst economic downturns in recent history, ultimately leading to decreased municipal revenues and thus a further diminished capacity for the City to address the issue. Confounding the situation further, a California state decision resulted in significant capital reductions for the City's Redevelopment Agency (RDA). For fiscal year 09-10, the RDA was forced to pay the State of California \$29.5 million, nearly 50% of its total annual operating revenue, as part of statewide takings from municipal redevelopment agencies that totaled \$2 billion designed to help the state manage its budget crisis. For FY 10-11, the RDA will have to send the state an additional \$6 million.

This confluence of factors, however, was not enough to diminish the resolve of the community to affect continual improvements to the Downtown retail marketplace. Previous efforts demonstrated the City's commitment to improvement, while new residents and businesses alike helped to fuel the desire for upgraded retail spending options. Clearly, it was time to devise a new strategy through partnered leadership and coordinated action that would rely less on upfront financial intervention and more on the Downtown's other assets and potential.



A recently completed Pike at Rainbow Harbor builds anticipation. (2003)

# Existing Conditions

Compared to other Downtowns of similar geographic size and population, Downtown Long Beach contains a relatively impressive supply (1.3 million Square Feet) of commercial space built to accommodate ground-floor active uses. The supply itself is housed in buildings of varying typology, including but not limited to stand-alone structures, ground floor space in mixed-use structures, the adaptive reuse of historic structures, and space contained in traditional retail centers. For the purposes of this report, the supply-side context of the word “retail” is equivalent to the ground floor of commercial buildings in the Downtown where zoning permits a traditional retail use. This is exclusive of space intended to accommodate office, industrial, or residential uses.

Retail space is often characterized as either “neighborhood” or “destination” serving. Neighborhood-serving retail speckles the higher density neighborhoods of Downtown, with uses such as convenience stores, laundromats, and beauty salons filling much of this space and providing nearby residents with easily accessed goods and services. Destination-serving retail, however, successfully pulls customers from outside of the immediate trade area, and is thus less dependent on nearby segments of consumer demand. Customers who come from outside of the immediate trade area do so in search of particular experiences that the Downtown can provide, such as dining and entertainment, community celebrations, and nightlife.

While neighborhood-serving retail provides obvious benefits to the Downtown neighborhoods, the tenancy of those often small and under-maintained buildings is usually reflective of the consumer needs generated by the immediately adjacent neighborhoods. Demographic research recently conducted by the Long Beach Redevelopment Agency has provided further insight into the Downtown residential profile.<sup>1</sup> While trending upwards, economic indicators such as household income and educational attainment do not indicate much opportunity for significant improvements to the tenant mix of neighborhood-serving uses in the near-term. Exceptions to that could include space located within close proximity to the Promenade, the Ocean corridor, and the Gallery 421 building currently under construction — all areas where new, higher-end residential will transition a gradual improvement to the cache and quality of neighborhood-serving uses.

An important caveat to those exceptions is that while these areas have seen a marked influx of residential demand due to the delivery of new residential units — the retail space within the new residential buildings has a higher basis, meaning that traditional neighborhood uses in those areas would struggle to meet the financial expectations of the respective property owners in a market-driven transaction. And because of the national recession, the residential market downturn, and the lack of access to traditional debt capital, Downtown Long Beach is not likely to receive the amount of residential investment needed to significantly grow median household incomes within the next few years — aside from the Gallery 421 building. As a result, a focus on neighborhood-serving uses is likely a zero-sum game and would not help to expand the economic potential of the Downtown area. For these reasons, the focus on this report will be on those areas where the Downtown Long Beach retail marketplace can expand by delivering on an experiential advantage, thereby improving access to quality retail that could not be otherwise supported by Downtown’s built-in segments of consumer demand, namely: residents, visitors, and employees.

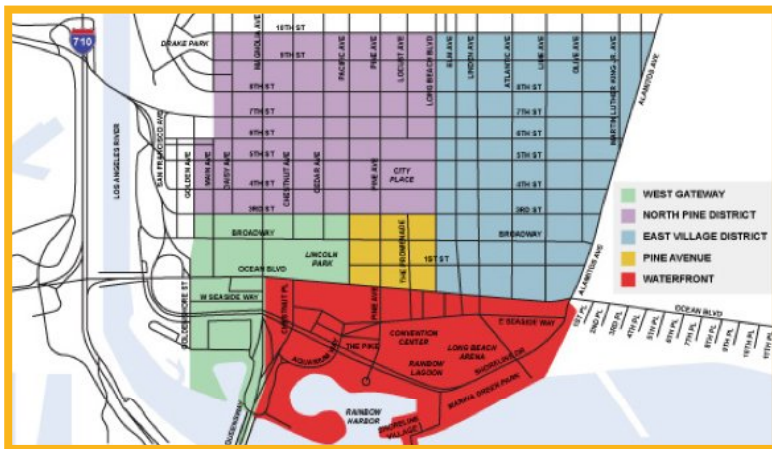
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<sup>1</sup>Downtown Long Beach Market Study Final Report (April 17, 2009): [http://www.longbeachrda.org/projects/downtown/downtown\\_project\\_area\\_documents.asp](http://www.longbeachrda.org/projects/downtown/downtown_project_area_documents.asp)

Relative to the decades prior, the retail space built within the last decade is somewhat disproportionate to the amount of pre-existing space. At least 60% of the total inventory of retail space has been developed within the last ten years. This more-recently built space is most often found in the retail centers of CityPlace Shopping Center or the Pike at Rainbow Harbor, or within the ground floor of newer residential towers. While the amount of residential investment within the last decade has been impressive, the approximately 2,200 new units of residential can only support approximately 180,000 square feet of retail, even under the most ideal situations. However, the amount of retail space entitled and built within that same period is more than four times greater, meaning that the amount of supply has grown much faster than the commensurate demand needed to support it by close-in segments of consumer demand. As evidenced by the fact that much more than 180,000 square feet of the new space has been leased, Downtown Long Beach has proven to be successful at attracting customers from outside of its immediate trade area. This phenomenon can be easily understood by simply walking through CityPlace, which demonstrates that customers can be attracted to the Downtown. The psychographic and demographic profiles of destination-oriented shoppers will be explored further throughout this report.

### Prevalent Retail Areas

As cited earlier, there is approximately 1.3 million square feet of ground floor retail space within the area considered Downtown Long Beach (see Map 1). A substantial proportion of that space, nearly 55 percent, is housed within the two retail centers that anchor the northern and southern extents of the high intensity section of Pine Avenue. To the south, The Pike at Rainbow Harbor anchors the oceanic terminus of Pine Avenue and offers more than 360,000 square feet of retail space with a tenant mix heavily tilted toward entertainment and dining. Due in part to unknown information regarding the demographic profile of visitors to Downtown and the challenges resulting from Tidelands zoning restrictions, the occupancy rate at the Pike at Rainbow Harbor, around 71%, is lower than the Downtown-wide occupancy rate. More detail regarding the aggravating conditions for the Pike is available on page 36: Positioning the Waterfront.



Map 1: Downtown Long Beach

To the north, CityPlace Shopping Center is a discount-oriented center anchored by Wal-Mart, Nordstrom Rack, and Fresh and Easy (opening November 2010). CityPlace includes over 350,000 square feet of retail space and boasts an impressive occupancy rate of approximately 95%. CityPlace has demonstrated significant success at catering to discount-oriented shoppers, as evidenced by the relatively high occupancy rate — particularly when compared to the aggregate occupancy of any other retail area within Downtown Long Beach. CityPlace also benefits from being well served by multiple transit modes, including the LA Metro Blue Line, LB Transit Passport service, and three parking structures that offer a generous “first two hours free” parking program for transient parkers.



Physically linking the two centers is Pine Avenue, the historic heart of retail in Long Beach. Until the suburbanization of America, followed closely by the suburbanization of retail and the development of shopping malls, Pine Avenue, like many urban main streets across the United States was once the home to department stores and other destination-type retail. Today, Pine Avenue mainly offers a collection of dining establishments that range from fine dining to fast casual. In addition to food and beverage options, Pine Avenue also includes an assortment of quasi-active uses such as soft goods, nautical navigation supplies, real estate offices, personal training centers, and most recently, medical marijuana dispensaries. While there are about two blocks of well-tenanted retail, occupancy rates drop quickly north of 3rd street. Additional details about the conditions of Pine Avenue are included within the section beginning on page 27 entitled "Positioning the Downtown Core."

Off Pine Avenue and outside of the aforementioned centers, there is approximately 400,000 square feet of ground floor retail space within commercial buildings, most of which is concentrated along the Ocean Boulevard corridor, the East Village, and Long Beach Boulevard. The Ocean corridor includes mainly employee-serving uses such as office supplies and fast casual dining and personal services. Retail space is often tucked inside of Class A office towers or hotels, such as the One World Trade Center, affecting the casual observer's ability to discern the retail offerings.

On the opposite side of the spectrum from the Ocean Boulevard experience, the auto-oriented Long Beach Boulevard is littered with billboard-like signage, a bevy of fast food restaurants, discount retailers, and other recognizable corporate uses. The tenant mix mirrors that of what one might find along major and minor arterials across the country, with few, if any, heritage-type retailers that serve as a destination for consumers originating from outside of the community. Long Beach Boulevard is also the path for the northbound and southbound Blue Line commuter rail trains that terminate in Downtown Long Beach and Downtown Los Angeles.

The retail core of the East Village is located to the southeast of Downtown Long Beach, in the area roughly bounded by 4th Street to the north, Atlantic Avenue to the east, Ocean Boulevard to the south, and Elm Avenue to the west. A parallel set of streets, 1st and Broadway between Elm and Linden, have proven to be the most viable for retail. The retail mix along those two streets includes a healthy mix of boutiques, neighborhood-serving uses, eating/drinking establishments, and third places that add a significant amenity to the surrounding district. For more information about the East Village, please refer to page 21: "Positioning the East Village."

While neighborhood retail is not a direct target of this effort or report, it should be noted that Downtown Long Beach contains a significant amount of neighborhood-serving uses that add considerable value to the surrounding community. Uses such as dry cleaners, laundromats, convenience stores, nail salons, barbershops, and beauty parlors are scattered throughout many of the Downtown neighborhoods. In fact, the vacancy rate for the neighborhood-serving areas of Downtown (excluding Upper Pine), is much healthier than the destination-serving areas. This is likely due to a combination of the following issues: the declining national retail market (versus local proprietors), a long-established residential community on the fringes of the Downtown core to provide consumer spending potential, the reputational ripples resulting from the complicated history of interventions along Pine Avenue, a non value-added regulatory environment at the Pike, conflicting uses tolerated through the Entertainment District along and around Pine Avenue, an unrealized niche target for the East Village, and perhaps most importantly, the unfulfilled opportunity by Downtown Long Beach to deliver a positively-memorable experience for destination retail seekers.

# Process Structure

In response to the aforementioned circumstances and to affect a perpetuating growth scenario through the successful recruitment of retail tenants, the Downtown Long Beach Associates (DLBA), with support by the RDA, sought out to establish an innovative model for retail planning. Few, if any, public retail planning processes had ever been attempted. Through this community-driven process, all of the Downtown's stakeholders, educated in the basics of retail, would address their respective frustrations and work together to fashion a more realistic and yet inspiring vision for how Downtown could be positioned in the retail marketplace. Through the media series the community had spoken loudly: instead of being told what to be, they wanted to be involved in piecing together the retail puzzle.

The thinking was that real transformation could come from within. It could not be achieved solely through forgivable loans, tax breaks, or policy overlays. Rather, it would require the education, mobilization, and empowerment of the community itself. In other words: "teach them well and let them lead the way." Only then will planners secure the necessary buy-in and the community will feel the requisite sense of ownership needed to advance a sustainable strategy.

To assist in the facilitation of the planning process, the DLBA engaged specialists in retail planning, physical planning, and public participation. The technical team included MJB Consulting and KlingStubbins. The DLBA then assembled a project steering committee consisting of individuals with influence in the areas of economic development and tenant recruitment, including commercial brokers, property owners, city officials, and residents. This composition was rooted in the belief that successful implementation would require complementary areas of expertise as well as shared accountability. Once assembled and operational, the Steering Committee guided the process, approved the vision, and ranked, implemented, and oversaw the implementation of the actions/strategies. The committee had to be able to affect change and have the power to accept responsibility for every action that was adopted as part of the strategy. For every action/strategy that became a part of the final plan, someone had to accept responsibility for its implementation. If no one accepted responsibility, the action/strategy was to be tabled. It was only through the establishment of this system of mutual accountability that the work programs for the represented agencies could be aligned in support of the community's ensuing vision and plan.

The team then devised a public process that would sincerely engage the citizenry. This process was intended to provide the participants with a chance to provide meaningful input and to help shape a shared vision, strategy, and action plan. The process needed to be open and inclusive, educational, empowering, transparent, and responsive. These characteristics were considered integral keys to ensuring that the process had both credibility and durability. A project website, [www.downtownlbbusiness.com/learn/news](http://www.downtownlbbusiness.com/learn/news), was maintained to track the minutes and outcomes of every steering committee and public meeting. It was determined that the public process should offer a cathartic, educational, and empowering experience to public participants. As this was a new process with few precedents, the project management team spent considerable time crafting and simplifying the process so the objectives were achievable in three public meetings. An educational component was designed to make sure that all participants were operating with the same understanding, and each public meeting would begin with an educational presentation to lay the groundwork for the ensuing discussions and exercises.

At the most basic level, the Downtown Long Beach Retail Visioning process was structured to achieve consensus/commitment and spur action among a wide range of stakeholders. It was designed to answer the following questions:

1. What is the community's retail vision for Downtown Long Beach?
2. Who is/are Downtown's target market(s)?
3. Why would those groups be attracted to Downtown Long Beach?  
What is/are Downtown's niches/positions?
4. Where should Downtown focus on developing unique shopping experiences?
5. What actions and strategies are needed to help build the market and implement the plan? Who is responsible for implementation?
6. Over what period of time will the strategies be implemented?

The final objectives of the process were to develop a shared vision for Downtown retail, a results-oriented set of actions designed to help the community achieve its vision, and an implementation strategy that aligns the work programs of the major agencies charged with making it happen.

# First Public Meeting

In the first public meeting, a presentation entitled “The Truth” detailed the fundamentals of retail within the context of Downtown. Attendees were provided information about how retailers make site selection decisions as well as how to relate the micro-level experience of Downtown Long Beach to the health of the retail industry on regional and national contexts. Unmerited comparisons to demographically different submarkets were dispelled. Finally, the reasons behind past failures/successes, and how retailers view opportunities in Downtown or other retail districts were explored. Myths were debunked, and uncomfortable realities laid bare. This method provided an enlightening experience that day-lighted participants’ pent-up frustrations and misperceptions.

Once everyone was grounded and the myths were dispelled, the process of defining a Vision began. Participants divided into groups and brainstormed their Vision of retail in Long Beach, identified whom they saw shopping in downtown to determine potential target markets, and discussed where they take visitors to downtown to begin to determine what the potential was of the leading/emerging “districts” in Downtown.



That input was used to fashion a community-driven Vision Statement, which helped develop an understanding of who is shopping downtown and where they are shopping. Participants at the meeting were randomly assigned to different tables at the meeting, and a facilitator presented the following questions at each table to elicit response and discourse:

***For all of the following questions, it is now 2015 and this process and strategic plan have been wildly successful, all of your hopes have been realized. Keep that frame of mind as you think about your answers!***

## Question 1

Describe the retail experience in Downtown Long Beach. What makes it different, great, and successful?

## Question 2

Who is shopping Downtown? Why are they coming here and not somewhere else?

## Question 3

You want to impress some out-of-town friends. Where do you take them in downtown and why?

After the meeting, DLBA staff collected and transcribed the notes generated by each table. After transcription, the more than 200 feedback statements were sorted categorically into the following categories:

- In 2015, where in Downtown Long Beach are people shopping?
- In 2015, what are people in Downtown Long Beach shopping for?
- In 2015, who is shopping in Downtown Long Beach?
- In 2015, why are people coming to Downtown to shop?

Subcategories under each of the four main categories were created to identify common themes. The themes became the basis for synthesis statements for each main category. Responses that fell outside of the aforementioned categories were grouped into a separate list entitled "Items Outside of the Realm of Visioning." The number beside each category or subcategory name represents the number of statements collected that were germane to the topic.

### **Where in Downtown Long Beach are people shopping?**

- South of Ocean (5)
- East Village (7)
- Pine/Promenade (6)
- Long Beach Boulevard (1)

### **What are people in Downtown Long Beach shopping for?**

- Destination Entertainment Uses (5)
- Destination Food and Beverage (5)
- Destination Specialty Goods (10)
- Destination Cultural Uses (5)
- Destination Soft Goods, Other (2)
- Neighborhood-Serving Uses (2)

### **Who is shopping in Downtown Long Beach?**

- Higher Education (8)
- An Expanded Employment Base (8)
- Visitors for Work (3)
- Visitors for Fun (10)
- Residents (19)

### **Why are people coming to Downtown to shop?**

- Authenticity, Identity, and History (11)
- Arts, Culture, and Entertainment (16)
- Accessibility (10)
- Vibrancy (8)
- Unique Attractions (6)
- Family-Friendly (3)
- Climate (3)



At the end of the first public meeting, the participants had provided the basis of the Vision Statement, identified potential target markets, and identified the three districts to target. The Vision Statement continued to be refined by the Steering Committee and the public (during the second public meeting) until the final version was approved, which appears in this report on page 40.

**The potential growth markets were identified as:**

1. New patrons drawn by expanded presence of higher education in downtown Long Beach — CSULB, others.
2. An expanded residential base as a result of new development.
3. An expanded daytime worker base as a result of expanded office development.
4. An expanded trade area as a result of selective positioning and the development of new retail niches.

**The three districts to focus the strategy and environmental improvements around included:**

1. South of Ocean — Waterfront
2. East Village
3. Pine/Promenade (The Downtown Core)

# Second Public Meeting

The second public meeting began by presenting the draft statement produced using the input collected from the first public meeting. While the majority of public comments about the Vision were positive, there was some sense by the public that the original version, at 625 words, needed to be condensed. That sentiment was later supported by the Steering Committee, leading to the development of the tighter, more retail-focused revised Vision. A public consensus was reached. The direction of the Vision, the target markets, and areas of focus were confirmed.

The second major task was an educational presentation on “retail positioning.” An overview on positioning is provided within this report on page 20: “Positioning.”

The public was also informed about how to define and capture a market with unique positioning and an appeal to the psychographic characteristics of the targeted market. Examples in the Long Beach market were used to illustrate the concepts — East Village and Pine Avenue/Promenade.

The community was asked to identify what makes the three focus areas determined at the first public meeting (Waterfront, East Village, and the Pine Avenue/Promenade “Core”) unique as well as how the plan could build off those qualities to position each area competitively in the retail marketplace. What actions and strategies could the plan propose to turn these districts, and Downtown as a whole, into a stronger retail competitor? Each table was organized around the key themes identified in the first public meeting and each participant was asked to visit those tables and offer actions or strategies that would strengthen the retail market of Downtown Long Beach.

Finally, after each table had presented their proposed actions/strategies, each participant was given six stickers and asked to affix one to each action/strategy that they thought would be critical to the success of the retail strategy. A summary of the proposed actions/strategies receiving the most votes is listed below.

## Public Realm and Connections (Sidewalks/Linkages between Districts)

1. Bus only streets — no cars from 7th to Ocean (9)
2. Publicize free parking (9)
3. Transform vacant lots into something — Pine Avenue at 7th Street would be good garden area (9)
4. Cleaning the sidewalks near Wal-Mart at 5:30 AM is too early (7)
5. Make sure the Pedestrian signals work and time the signals to auto when the light turns green (3)
6. Make more crosswalks where there aren't lights (1)

### **Access and Parking (Parking management/Alternate forms of transportation)**

1. Better signage (4)
2. More integrated system (4)
3. Decrease parking costs (1)
4. Lift parking requirements for new businesses (3)
5. Meters are too expensive — more than 2nd Street (4)
6. Meters run too long (9:00 PM), and too many days per week (4)
7. East Village should have its own parking district (1)
8. Bus stops are loud and heard inside residential units (4)
9. Take busses off of Pine and place the stops on Pacific (16)
10. Passport buses are loud and not clean (1)
11. Increase bike lanes (1)
12. Make Pine a pedestrian street only (18)

### **Public Safety and Panhandling (Quality of Life issues)**

1. More blue “access to care” pamphlets — post them everywhere (1)
2. Stop the panhandling (3)
3. Creepy people ratio is high (3)
4. Enforce city loitering laws (17)
5. Stronger/enforced ordinances for landlords of halfway houses/sober living (5)
6. Less park benches — encourages loitering (1)
7. People don't feel safe raising their children here so they leave (3)

### **Retail Tenant Mix (Preferred retail types/Areas of concentration)**

1. Eclectic mix of business owners: restaurants, clothing, and arts to appeal to broader audiences (7)
2. 25% corporation/75% community (2)
3. Strolling aspect to create foot traffic (4)
4. Build vertically as opposed to horizontally (2)
5. Classy lounge/club for yup-sters (9)

### **The Politics of Retail (Engaging the support of city leaders and all Long Beach residents/Defining recruitment roles and responsibilities)**

1. City Government should try to provide a friendly climate (i.e. permitting process) (3)
2. Need to be working off of an overall master plan incorporating: public space, private development, and transportation (4)
3. Need to consider job creation to drive retail (4)
4. Collaboration with city assets like CSULB (3)
5. Absentee property owners

### **Incentives and Attraction (Tools to attract the preferred mix/Criteria for providing incentives) (1)**

1. Density and Income (1)
2. Streamline the permitting processes (9)
3. Reasonable taxes (4)
4. Mentoring programs (4)
5. Advertising Long Beach (6)
6. Overall safety and lighting (3)

## **Regulatory Reform (Inspections/approval processes/rules dampening a vibrant retail marketplace)**

1. Streamline permit system for new businesses (2)
2. Attract big employers to increase area income (7)
3. One stop shop to open a business, get project approval (6)
4. Equitable incentive program to recruit/retain businesses (2)
5. Make/establish a more streamlined process for opening a business (3)
6. Remove parking requirements for retail in Downtown (1)
7. Signage for advertising (1)

## **Growing the Market (Growing demand for Downtown retail)**

1. Offer local residents discounts, bicyclists; no cover charges (8)
2. Family friendly businesses and activities (the beach, Chuck E. Cheese) (2)
3. Danish bike program — borrow a bike (1)
4. “Retail Fair” to woo retailers to come to city (1)
5. Not repeat history; learn lessons (3)
6. Better education, schools, and jobs (1)
7. Focus on gen x-y (1)
8. CSULB extension; bring students into market (MBA program) (11)
9. Grow office market by targeting logistics/international trade industries (8)

At the end of this stage, the group had confirmed the Vision, proposed a series of strategies/actions to address the key issues of each theme and had the public vote for those strategies they thought were most critical. The Steering Committee and project management team then reviewed the proposed strategies/actions and evaluated which should be the assigned a priority in the plan.

# Third Public Meeting

The third public meeting began with a review of the retail concepts and terms that were described in previous workshops. Following the recap, the consultant team presented the positioning strategies for Pine Ave./Promenade, the East Village, and the Waterfront.

**Waterfront** – Most appropriate for dining and entertainment offerings geared toward the large visitor volumes generated by the Long Beach Convention and Entertainment Center and the Aquarium of the Pacific; limited potential for entertainment-oriented retailers targeting the teenage movie-going demographic.

**East Village** – Most appropriate for retail concepts geared toward the creatively- and alternatively-minded “hipster” (see page 21) psychographic, with a focus on building nearby demand for such businesses by attracting catalytic institutional anchors like Cal State University Long Beach’s Fine Arts program in order to develop additional live/work and creative office space, etc.

**Core** – Most appropriate for sit-down dining, differentiated from the Waterfront with non-chain offerings from independents or small “chain-lets,” and with international cuisines packaged so as to reflect the city’s diversity while at the same time feeling welcoming and accessible to the city’s middle-of-the-road sensibility; limited potential for larger chains targeting the “hipster” psychographic but requiring more profile and visibility than the East Village can provide.

**North Pine** – Most appropriate for non-retail uses, especially arts-related uses (e.g. “creative work-fronts”) that can help in growing the demand for hipster-oriented businesses in the East Village.

The final exercise involved taking the top 5 or 6 strategies identified as critical from each of the previous themes and prioritizing which ones should be targeted for implementation. Each table was given a “game board” and a listing/description of each action and asked as a group to decide which strategies the Steering Committee should consider implementing. The exercise was designed to make the groups reach a consensus on the strategies and to consider the tradeoffs that result from having limited resources to devote to implementation. For the purposes of the exercise, not every strategy could be selected.

Finally, those actions deemed a priority by the participants were merged with those prioritized by the Steering Committee and the consultant team to arrive at the implementation matrix contained on page 41. After a consensus had been reached about the actions and strategies, the Steering Committee assigned a responsible party and a time frame for the completion of each action through volunteering. Each action/strategy had to have a party accept responsibility for its implementation to be included in the final plan. As evidenced on the implementation matrix, all items ended up having a team of organizations or departments assigned to affect the issue. The goal was to have each Steering Committee member take those strategies for which they have accepted responsibility and incorporate them into their organization’s work plan. Moving forward, the DLBA will maintain the complete work plan, schedule Steering Committee meetings to track implementation progress on a quarterly basis, at a minimum, and adjust the strategies as necessary.



# Positioning

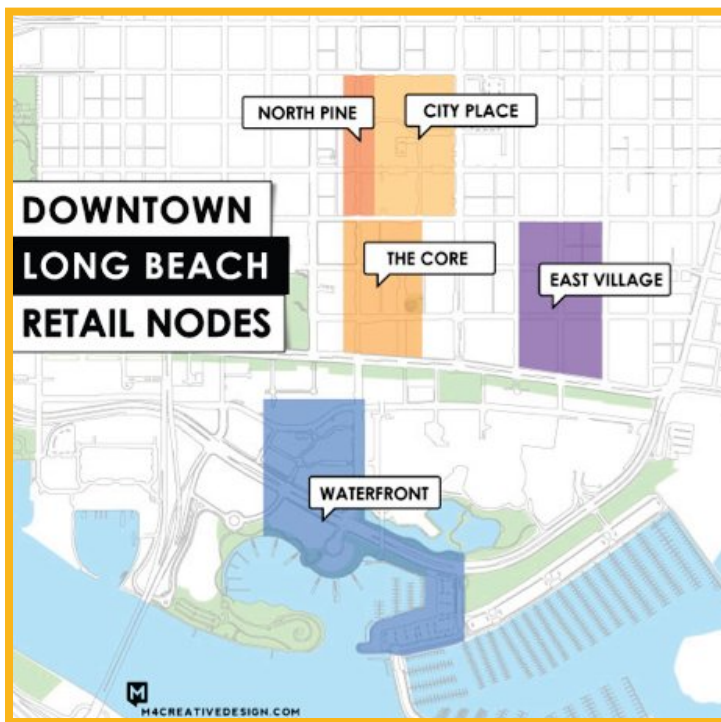
Put simply, a business district's or shopping center's "positioning" refers to the precise space that it occupies in the marketplace, that is, its merchandise mix, price point, target demographic/psychographic, etc.

In order for a positioning to be effective, it must either be supportable by the demand within its boundaries — the "in-place" demand — or fill a niche that is unoccupied or under-served in the broader regional marketplace, and thereby draw "destination" traffic from beyond.

In other words, a district's retail potential can be improved upon either by growing the "in-place" demand — for example, increasing the residential density, adding new traffic generators, etc. — or by identifying and executing a niche for which competition does not exist or is vulnerable.

The following sections present the positioning that is most likely to be effective for three specific sub-districts within Downtown Long Beach: the East Village Arts District, the Downtown Core (including Pine Avenue, from Ocean Boulevard to 4th Street, and the Promenade), and the Waterfront (including The Pike and Shoreline Village).

## Focus Area Summary Map



# Positioning The East Village



The East Village Arts District refers to the area within Downtown Long Beach that is bounded by Long Beach Boulevard to the west, East 7th Street to the north, Alamos Avenue to the east and East Ocean Boulevard to the south (see map above), although the retail is largely concentrated on two streets: East 1st Street, between Elm Avenue and Linden Avenue, and Linden Avenue, between East 1st Street and East Broadway.

The East Village is often associated with so-called “hipsters” — artists as well as graphic designers, computer programmers, indie filmmakers, architects, students, etc. — who share a common creative mindset and alternative sensibility and who have become known for pioneering long-forgotten urban neighborhoods. These are the sorts of people who one sees at businesses like Proper, Long Beach Fixed Gear, and House of Hayden.

However, according to a 2010 psychographic profile ordered from the large data-mining outfit, Nielsen-Claritas, hipsters account for just a small minority of the neighborhood’s actual population. Only 16% of the households belong to “Bohemian Mix,” the segment that most closely approximates this sensibility (but also includes other creatively — and alternatively minded tribes, like “yup-sters”). In other words, hipsters represent a sixth of the in-place demand, at most.

Meanwhile, nearly half (49%) of the households belong to “Low-Rise Living,” the most economically challenged of the urban segments in Nielsen-Claritas’ scheme, consisting primarily of singles and single parents who are undereducated and earn low incomes. Another 17% are “Urban Elders,” retirees with similar educational backgrounds and income profiles.

The demographic report ordered from Nielsen-Claritas tells the same story. Only 15% of the 15+ population has a B.A. degree or more, while 35% have not graduated from high school. The median household income is a very low \$23,192, which is less than half of the 2009 national median household income of \$52,175 (U.S. Census, American Community Survey 2006-2008 3-year estimate).

	East Village	City of Long Beach
<b>Population</b> <i>(2009 estimated)</i>	7,209	476,279
<b>% of 15+ with B.A. or more</b> <i>(2009 estimated)</i>	15%	23%
<b>% of 15+ without H.S. diploma</b> <i>(2009 estimated)</i>	35%	28%
<b>Median Household Income</b> <i>(2009 estimated)</i>	\$23,192	\$46,615

Why, then, does the retail mix in the East Village not reflect these demographic and psychographic realities? Because the ground-floor space is valued more highly by (and can fetch higher rents from) hipster-oriented businesses, who see the district as enjoying a “destination” appeal among hipsters who live and/or work outside Downtown, thereby compensating for their relatively small percentage of the neighborhood’s actual population.

With this sort of destination appeal, and given the large amount of retail space already devoted nearby — at City Place, for example — to the lower-income demographic, it makes sense to continue in the current vein and try to build further on the East Village’s hipster positioning.

In looking to expand on its destination appeal, however, the East Village must contend with the draw of two formidable competitors. The first one is “Retro Row,” the three-block stretch of 4th Street from Junipero Street to Cherry Avenue, filled with vintage clothing and furnishings boutiques (see “Competition Survey” in appendix).



On one hand, it might be argued that Retro Row absorbs much of the demand for hipster-oriented retail in Long Beach. Indeed, it is rare to find cities of this size with more than one such district. And if Long Beach could only support one, 4th Street would be hard to supplant.

Its advantages are several. It offers superior co-tenancies and, therefore, more opportunities for cross-traffic: {open} bookstore relocated from the East Village to 4th in 2007 partly for this reason. Furthermore, its tenant mix seems to be more stable, with less turnover. And its brand, as "Retro Row," is stronger: costume and set designers will come from Hollywood to peruse its wares.



{open} bookstore, after its move from the East Village.

Yet despite its artsy reputation, 4th Street does little to accommodate the creative process itself. Hipsters might live in the small bungalows of the surrounding Rose Park neighborhood, caffeinate at Portfolio Coffee House, and buy their vintage eyeglass frames at Meow, but there has been virtually no development of studio, live/work, or office space where they can create and produce in a shared, social setting.

And while the aging warehouses of the newly christened "Design District," centered on Anaheim Street and Redondo Avenue, can provide the sort of large and open, high-ceilinged, affordable spaces preferred by creative types, they cannot offer the historic architecture and the neighborhood feel that these users also crave, and can find in the East Village.

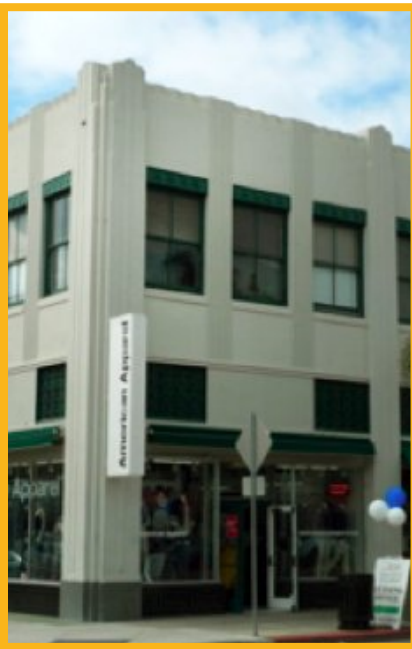
One need only look to Orange County's case study of Downtown Santa Ana to understand the lure of beautiful, old buildings and a sense of "place" for the creatively inclined. There, the presence of gems like the 1928 Santora Arts Building (see picture below) and the walk-ability and texture of the urban fabric undoubtedly played a role in transforming what was a run-down "no-go" area into today's "Artist Village."

This concept of the East Village — as a hub for creation and production — is different from the one normally understood for such districts. That is, they are typically thought of as places for the consumption of art (specifically, the purchase of works at commercial galleries). However, if they are conceived as neighborhoods where the artists themselves actually live, recreate, and shop, an entirely different sort of retail is possible.



The Santora Arts Building served as the pioneer in the mid-nineties in the creation of the Santa Ana "Artists Village."

In this, the case of Downtown Santa Ana is once again instructive. As a zone for art consumption, the Artists Village has struggled, but the presence of studios and live/work units has created a market of living and working artists as well, which has, in turn, given rise to retailers who cater to their unique consumer sensibilities. One example is American Apparel, which sells hipster basics, and GCS Clothing, which peddles street-wear fashions.



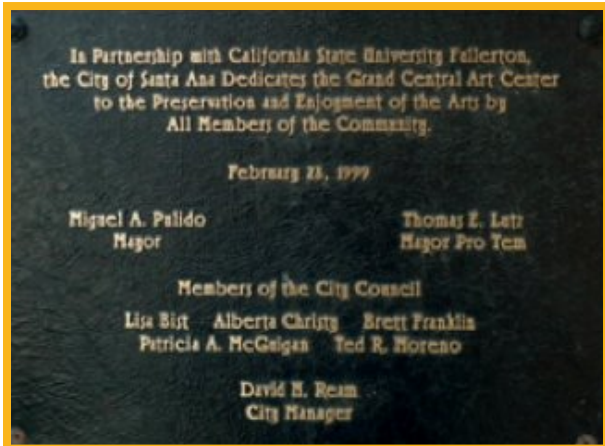
American Apparel, open in the Santa Ana Artists Village since 2006, is an example of a retailer geared towards the creators and producers of art, and not the consumers.

The East Village already has some of this, as evidenced by the modest cluster of hipster-oriented businesses along E 1st Street and Linden Avenue. However, in order to reach the next level as a district, the "in-place" demand will need to expand dramatically, that is, its number of living and working creative types will have to greatly increase. This would be possible with the addition of a new institutional anchor.



The arrival of such an anchor was a critical factor in the evolution of the Santa Ana Artists Village,<sup>2</sup> where the City of Santa Ana partnered with California State University Fullerton (CSUF) on the \$7.2 million Grand Central Art Center (GCAC), a CSUF satellite that opened in 1999, with living spaces and studios for graduate art students, classrooms, and the Gypsy Den coffeehouse.

The development of the GCAC spurred other additions to the fledgling district. For example, the Irvine-based advertising firm, DGWB, relocated its headquarters to the Village that same year, drawn to its diversity and creative energy, and specifically, to the many graphic designers in CSUF's graduate art program. "These are the types of artists that we'd hopefully be hiring some time in the future," said DGWB President Mike Weisman.<sup>3</sup>



In a similar vein, the City of Long Beach should continue to push for a large California State University Long Beach (CSULB) component in the Art Exchange block (bounded by East 3rd Street, Elm Avenue, East Broadway, and North Long Beach Boulevard). Specifically, CSULB could relocate its Master of Fine Arts (MFA) program and the inclusion of classrooms and studios, as well as the housing of students, next door. Other such projects, like the recruitment of other arts incubators/institutions and the remodeling of the former SST Records Complex into "creative class" offices, should also be supported and promoted.



The latest rendering of the Art Exchange project

<sup>2</sup>It can be argued that the Santa Ana Artists Village is only busy for one day per month, on "1st Saturdays," and quite sleepy at most other times. Santa Ana's case, however, is not entirely comparable, as it was starting from a lower point than the present-day East Village, which already has an existing retail infrastructure in place.

<sup>3</sup>As quoted in a February 27, 1999 L.A. Times piece by Zan Dubin entitled "Grand Design."

The purpose of such efforts, again, is to grow the “in-place” demand for hipster-oriented retail in the East Village by providing space in which creative types can work and live. Galleries can play a supportive role in all of this, but as illustrated by the closure of John Geldbach’s DDR Projects on East Broadway, one of Long Beach’s premier galleries in one of Long Beach’s most art-friendly neighborhoods, the pool of potential buyers is not large, and so, the “consumption” of art should only be considered a small part of the mix.

Of course, catalytic projects to grow the “in-place” demand — like the Art Exchange, will only add so many hipsters to the streets. But unlike the neighborhood surrounding 4th Street, the East Village is teeming with inexpensive apartments and live/work spaces that can accommodate many more. And with all of this room to evolve, it is the district more likely to turn heads in the years ahead, to become the story, thus creating additional momentum that feeds on itself.

4th Street is more likely to remain in the limelight for reasons that hurt its appeal with the hipster psychographic. With businesses like 4th Street Vine, Art du Vin, Number Nine, and Lola’s, it could be starting to trend in a somewhat more polished and upscale direction. This might help in drawing the so-called “yup-ster,” the hipster-yuppie hybrid who retains a creative and alternative sensibility but, with a more established career and a higher income, prefers and can afford a more stylized expression of it.

This is not necessarily a positive development from the standpoint of the hipster, who is prone to exaggerating the importance of such minute distinctions. Take the comments by Jason Smith, former owner of Starlite Room, the now-defunct vintage boutique, in reaction to the creation of a BID on 4th Street:

***“I’m from an era when Fourth Street was for the punkers, and Second Street was for the jocks. They’re trying to change Fourth Street into something it’s not. They’re trying to make it upscale, and it’s not. It’s not Belmont Shore.”<sup>4</sup>***

An overstatement, perhaps — Number Nine, for instance, does not fit so neatly on Belmont Shore’s 2nd Street, either — but it does point to a branding opportunity on which the East Village can capitalize, as filling the void created by a changing 4th Street.



Number Nine: a sign of a new aesthetic sensibility on 4th Street, different than the one at the Pike Bar & Grill.

<sup>4</sup> As quoted from a September 24, 2008 *The District Weekly* piece by Theo Douglas entitled “How to build a Fourth Street.”

# Positioning The Downtown Core

The Downtown Core is understood for the purposes of this assignment to refer to the stretch of Pine Avenue from Ocean Boulevard to 4th Street (hereafter to be referenced as "Upper Pine," in contrast to "Lower Pine" south of East Ocean Boulevard); the Promenade, from East 1st Street to East 3rd Street; and the piece of East Broadway that runs between Pine Avenue and the Promenade.

The core is responding to three primary sub-markets. The first, and perhaps most critical, are the conventioners and other visitors. Of course, the Long Beach Convention Center, on Lower Pine, most directly benefits The Pike at Rainbow Harbor. But those attending conferences will also stay at the 374-room Renaissance Long Beach Hotel, which sits at the head of Upper Pine, and perhaps one day, at a new Aloft boutique hotel at East Broadway and North Long Beach Boulevard.



Conventioneers and other visitors might also patronize the Downtown core simply because they prefer a more local dining alternative to the surfeit of large chains offered at the Pike. To get a sense of what percentage are likely to do this, more information would need to be collected on the psychographic makeup of visitors to Long Beach.

The second sub-market consists of daytime workers. This, however, represents a more limited opportunity, as only a fraction of the total number work in or near the core. Generally speaking, the rule-of-thumb is that employees will walk no further than seven minutes for lunch, which eliminates, for example, the office buildings at the far western end of West Ocean Boulevard (e.g. One World Trade Center, Arco Center, etc.).

The third involves residents, not just ones from Downtown but also from further afield, who are drawn to the core as a destination for dining and entertainment. This includes, for example, the sit-down restaurants that pull from across the city, like King's Fish House, as well as the bars and clubs that together comprise Long Beach's most concentrated nightlife cluster.

Within this sub-market, the core is thought to draw particularly well from the pockets of affluence to the north, like Bixby Knolls and California Heights. Unlike East Long Beach with East 2nd Street, the well-to-do households in these neighborhoods do not have many options close to home — Atlantic Avenue does not offer much — and can easily access Downtown via the I-710/Long Beach Freeway. These traffic drivers and other factors suggest a positioning that focuses on sit-down dining.

**One** – Conventioneers, generally speaking, have their greatest impact in the evenings at restaurants, bars, etc., because during the day, conference planners will try to keep them occupied with educational sessions, trade shows, luncheons, receptions, etc. Meanwhile, daytime workers usually do not have enough time during their lunch hour to do much else besides eat, and when they leave work in the evenings, they are likely to stay in the Downtown only for food or drink.

**Two** – With citywide residents who do not think highly of Downtown, dining is the category most likely to be able to compel them to come anyway, because consumers are often willing to look past their negative perceptions and go to areas they would otherwise avoid or ignore in order to eat great food in a unique environment. Countless cases of urban revitalization across the country have been jumpstarted by the opening of new sit-down restaurants.

**Three** – To some extent this positioning is a “fait accompli”: many of the spaces in the core are already filled with eating establishments, or soon will be. Indeed, Pine Avenue (Upper Pine) is known regionally for dining, having ranked in a 2008 Citysearch survey (and KABC-TV/Channel 7 news piece) as the fourth-best “Restaurant Row” in Southern California.<sup>5</sup>

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<sup>5</sup> According to a March 20, 2008 news piece by Los Angeles' KABC-TV/Channel 7 station entitled “Top 7 Restaurant Rows in SoCal.”

Furthermore, this positioning reflects what the market seems to be saying. Existing restaurants like King's Fish House and George's Greek Café enjoy heavy traffic and high sales levels. While some of their contemporaries are not as healthy, that does not appear to be moderating the demand for space, with one prominent broker saying that he has been "surprised" and "impressed" by the depth of continued interest in the Downtown core among operators today.



Restaurateurs are drawn to Upper Pine partly because of the high sales levels at existing establishments such as King's Fish House.

Partly, this interest is due to the dearth of available space on bustling East 2nd Street in Belmont Shore. For many restaurateurs looking to expand, 2nd is the first place that they look. But even if they can find something, it tends to be small and relatively expensive, with rents averaging in the \$3.50 to \$4.00/sq.ft. range. The core is well positioned to capture the "spill-over" from this demand by offering larger floor-plates at roughly half the cost (i.e. \$1.75 to \$2.00/sq.ft.).

Restaurateurs struggle to find suitably large and affordable spaces on East 2nd Street, which works to Downtown's advantage.

Again, however, not every restaurant succeeds in the core. This can sometimes be attributed to poor management, but it is also the case that the nature of the foot traffic there constrains the sorts of concepts likely to be successful.

For example, in order to attract conventioners and other visitors, eateries need to be able to offer a point of differentiation from the large chains at the Pike — perhaps a different cuisine or experience. And to draw residents from beyond the Downtown, they have to present concepts that cannot be found closer to home, in the area of the nearest regional mall or, for that matter, on East 2nd Street. At the same time, restaurateurs must be deemed acceptable by landlords and provide evidence that they will in fact be able to pay the rent on time.





All of this suggests what might be called the “local chain-let.” This can be defined as an operator based in Southern California, with anywhere from one to ten locations in the region, but with no branches yet in or near Long Beach. Such concepts offer something more local and unique than what can be had at the Pike. This appeals to conventioners and other visitors who cannot be found elsewhere in the city. This also aids in drawing citywide residents. In addition, they have a track record that can allow landlords to rest easy.

An existing example of a local chain-let is Café Sevilla, a Spanish restaurant and Latin-themed nightclub that first opened in San Diego's Gaslamp Quarter in 1987, then expanded to Downtown Riverside in 2000, and arrived on Upper Pine with a third location in 2006.

Given that Pine Avenue is the historic heart of Long Beach, these concepts should also reflect that which makes the city truly distinctive. For example, they might showcase Long Beach's approachability and “down-to-earth” quality, in contrast to the glamour and pretentiousness associated with stereotypical Los Angeles. In a related vein, food purveyors could underscore one of the more positive aspects of its diversity and multiculturalism. Or they might call attention to its fun and casual side as a beachside city.



George's Greek Café is an example of a dining concept that showcases Long Beach's casual and approachable side.

Restaurants, in particular, offer a means of showcasing the city's diversity while also increasing the core's draw, because food is one of the only retail categories where consumers will gladly cross ethnic and socioeconomic lines. With a number of different cuisines already represented, Upper Pine as an “International Food Fair” is just the positioning that can achieve a true “crossover” appeal.

Of course, in order to draw more broadly, ethnic restaurants in the core need to be packaged in a widely accessible way, such that those who do not belong to the respective ethnicity are not intimidated. Visitors, for example, might be willing to try authentic Cambodian food, but only if it is dressed in familiar garb. It cannot look like one of the offerings on Anaheim Street; rather, with the signage, the interior, the menu, the service, etc., it must signal very clearly that non-Cambodians are welcome.



S Vietnamese Fine Dining, at the Westminster Mall, is a fine example of how an ethnic restaurant could be made accessible to a broader audience.



Comparison shopping is a much more difficult challenge in the core, partly due to the competitive impact of East 2nd Street in Belmont Shore, where the surrounding demographics are much stronger. The following table compares the populations within the polygons representing the five-minute drive times around East 2nd Street and the Downtown core:

	Downtown Core	East 2nd Street
<b>Population</b> <i>(2009 estimated)</i>	101,180	27,726
<b>% of 15+ with B.A. or more</b> <i>(2009 estimated)</i>	15%	54%
<b>% of 16+ White Collar</b> <i>(2009 estimated)</i>	49%	83%
<b>Median Household Income</b> <i>(2009 estimated)</i>	\$29,209	\$70,643
<b>Households earning \$75K+</b> <i>(2009 estimated)</i>	2,387	3,906
<b>% Owner-Occupied</b> <i>(2009 estimated)</i>	16%	38%
<b>Median Home Value</b> <i>(2009 estimated)</i>	\$297,394	\$922,856

The Downtown core's only advantage is in total population, which, combined with the relatively low median household income, explains the success of City Place, with its value-oriented tenant mix. But given the other comparisons, East 2nd Street is far more preferable to retailers peddling mid- to upper-level goods.

East 2nd Street also contains far superior co-tenancies. Generally speaking, retailers that sell comparison goods want to be where consumers are most likely to comparison-shop. They do not want to be in the position of having to generate all of their own traffic, and prefer instead to locate near other, similar retailers — even their own competitors — that can help to generate traffic for them. Indeed, this is the idea behind the traditional regional mall.



It is often said that "retailers are like lemmings: they tend to follow each other, even off a cliff."

On East 2nd Street, a retailer can count on the foot traffic generated by a large number of mid- and up-market national brands as well as a host of independently owned boutiques. In Downtown, however, almost all of the co-tenancy is in the value segment, and much of it is in City Place, which, owing to poor connectivity, does not necessarily spill over to Upper Pine or the Promenade.

In a cycle that feeds on itself, all of the co-tenancy on East 2nd Street generates high levels of foot traffic. This gives rise to a destination that is not just for browsing and shopping but also for strolling and people-watching, which in turn attracts more retailers. However, with so few comparison goods stores to begin with, Upper Pine can never really get this process going.

The proof is in the sales levels. Working backwards from rents, one can estimate that shops on East 2nd Street perform in the range of mid-\$300's to high-\$400's per sq.ft., comparable to the nationwide average for regional malls of \$381/sq.ft.,<sup>6</sup> thus explaining the prevalence of large chains. Meanwhile, revenue in the Core is probably half as much, at most.



The Long Beach market can probably support just one East 2nd Street.

<sup>6</sup> According to a March 20, 2008 news piece by Los Angeles' KABC-TV/Channel 7 station entitled "Top 7 Restaurant Rows in SoCal."

Of course, the high rents on East 2nd Street present the Core with an opportunity. Just as with the restaurants, some smaller-scale entrepreneurs looking to open a boutique might be unwilling and/or unable to accept such occupancy costs, and opt for an alternative where the stakes are a bit lower. The foot traffic might be less on Upper Pine, but so are the fixed costs.

Low rents alone, however, do not attract a retailer. There must also be a compelling market opportunity, which means that appropriate prospects are ones that match the population living in the surrounding neighborhoods.

Taking a closer look at the five-minute drive time, one sees the “Low-Rise Living,” “Urban Elders,” and “Big City Blues” psychographic segments — ethnic singles, single parents and retirees who are poorly educated and earn low incomes — accounting for some 63% of the total. For these households, CityPlace provides an appropriate tenant mix.

However, 16% belong to “Urban Achievers.” These are the young, diverse, and upwardly mobile immigrants who work in white-collar jobs and exhibit rather cerebral and up-market tastes. Another 5% belongs to the “Bohemian Mix,” the so-called hipsters and yup-sters. They are probably the ones living in the residential component of City Place, the historic lofts of North Pine, and the apartment buildings of the East Village.

Boutique concepts looking to reach these alternative-minded segments have already been recommended as the “hipster-oriented retail,” earmarked for the East Village Arts District (see section A, above). In contrast, the Core is appropriate for operators that cater to this same hipster psychographic but need the higher visibility and profile that an Upper Pine storefront can provide.

In this sense, the focus on alternative-minded youth, with brands like Urban Outfitters, American Apparel, and Active Ride, was not altogether misplaced. Such retailers could probably have seen the potential of the Long Beach market, they would have struggled to find available space on East 2nd Street, and they could, in theory, have been lured to the Core with generous incentives. Indeed, some of these prospects might even have materialized had the national economy not started to unravel in 2008.

For various reasons, these same brands are less likely to appeal to audiences today.

Nonetheless, there is still an opportunity with smaller chains that appeal to the urban hipster sub-culture. Chains like **Up Against The Wall**, a 41-year-old Washington, D.C. based street-wear retailer with 23 locations across the county, are known for picking up on emerging trends just after the initial pioneers but before “mass” channels like major department stores.



Up Against The Wall carries pieces from L.R.G. (Lifted Research Group), an Orange County-based label with a following among skateboarders and recording artists.

Up Against The Wall carries pieces from L.R.G. (Lifted Research Group), an Orange County-based label with a following among skateboarders and recording artists.

Another example is **Shiekh Shoes**, a 19-year-old, Ontario, CA-based chain, with 107 stores across the western and southwestern U.S., which sells footwear to urban hipsters. Shiekh differentiates itself from larger chains by carrying many exclusives as well as its own private label, and it appeals in particular to the so-called “sneakerheads” willing to pay substantial amounts for the latest and the limited-edition.



Shiekh Shoes carries footwear from DC Shoes, a San Diego-based brand that is especially popular in the extreme sports community.

Shiekh Shoes carries footwear from DC Shoes, a San Diego-based brand that is especially popular in the extreme sports community.

The one danger with these sorts of chains is that they could carry similar merchandise to, and thereby compete directly with, the boutiques on East Village's East 1st Street. However, this is less likely than it might seem, given the ability of the latter to differentiate themselves through exclusives and limited-edition collections — not to mention the large variety of pieces even within the same lines.

In sum, the Core should advance forward with this vision of an “International Food Fair,” consisting of a collection of smaller, distinctive local chain-lets which highlight both the city's down-to-earth vibe and multicultural composition while also appealing to its more upscale and sophisticated diners. At the same time, there is a more limited opportunity to infill with small comparison goods chains that cater to its substantial population of urban hipsters.

The stretch of Pine Avenue north of 4th Street to 8th Street, now referred to as “North Pine,” is a different matter entirely. It is predominately residential in character and has substantially less foot traffic than the blocks to the immediate south. And, with very few desirable co-tenancies, concepts peddling comparison goods would be severely challenged. Majorcap is an exception perhaps because it sits on the corner where it can capture pedestrians walking to/from retailers within CityPlace.

Otherwise, the retail businesses most likely to be able to survive in this environment are ones that cater to the neighborhood-level needs of the loft dwellers nearby. This means either every-day, convenience-oriented goods and services (e.g. Bon Cleaners and Laundry) or “Third Place” venues (e.g. Crema).

But even in these categories, the opportunities are limited, given the relatively small size of the target sub-market. Still-vacant storefronts, then, should be considered for non-retail uses, especially arts-related uses that can help to grow the “in-place” demand in the East Village (see section B, above). The “creative work-fronts” used by hipsters as studio or office spaces are a good example.

A “Third Place” is a venue, separate from home and from work, that functions as a central gathering place for a surrounding community.

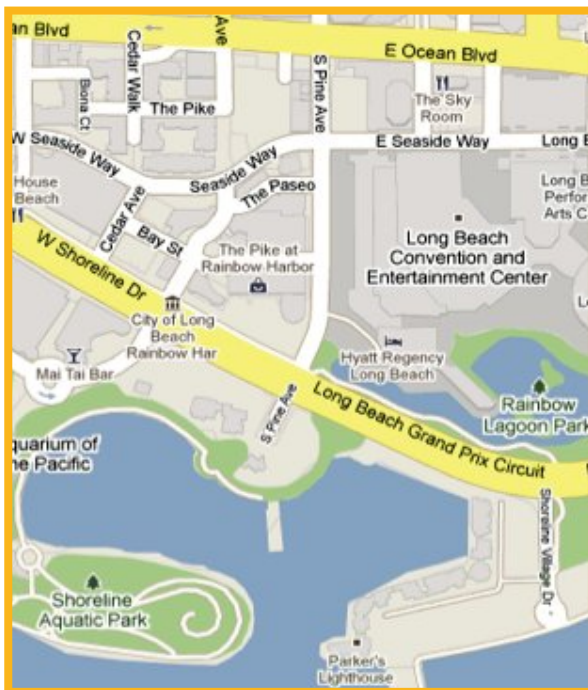


# Positioning The Waterfront

The Waterfront is defined for the purposes of this assignment as the area of Downtown south of Ocean Boulevard, with the retail concentrated at the Pike at Rainbow Harbor (which includes the sit-down restaurants along Shoreline Drive) and Shoreline Village. The Waterfront draws primarily from two sub-markets. The first is the visitor population. They might be attending a conference at the Long Beach Convention Center, taking the kids to the Aquarium of the Pacific, and/or staying at the 528-room Hyatt Regency Long Beach, the 128-room Avia Long Beach or, perhaps one day, a Sierra Suites (now called Hotel Sierra).

The second is the residents. A common complaint among Downtown denizens is that the waterfront skews too heavily toward the visitor contingent. Yet according to surveys undertaken by the owner of The Pike, Developers Diversified Realty (DDR), some 69% of Long Beach residents visit the waterfront area at least once per month, and 91% have positive feelings towards it (50% very positive).<sup>7</sup>

Residents will come for experiences that they cannot find elsewhere in the city, like the Aquarium of the Pacific or the comedy acts at the Laugh Factory. Those who live in the closer-in neighborhoods will patronize the Cinemark at The Pike and Borders because these represent the most conveniently located options in their respective categories. And they will dine at restaurant chains, like P.F. Chang's China Bistro, that have opened their one and only area location at the waterfront.



<sup>7</sup> According to "The Long Beach Pike Survey," a presentation by *Public Opinion Strategies*, on behalf of Developers Diversified Realty (DDR). Year of survey?





According to surveys undertaken by DDR, the P.F. Chang's China Bistro is the #1 reason why Long Beach residents visit the waterfront esplanade.<sup>8</sup>

According to surveys undertaken by DDR, the P.F. Chang's China Bistro is the #1 reason why Long Beach residents visit the waterfront esplanade.<sup>8</sup>

Residents will also come for the waterfront itself: some 14% visit just to walk and sightsee along the esplanade, the second-highest percentage (after P.F. Chang's China Bistro).



Daytime workers do not represent as much of a possibility, in that a large percentage work in office buildings beyond a seven-minute walk from the waterfront (see page 28), and would not have enough time for a “business lunch” there. However, improved efficiencies with the much-maligned valet system at the Pike could help to increase capture of this sub-market in the future.

The Waterfront's combination of traffic drivers — the Convention Center, the Aquarium and The Pike — suggests the focus on dining and entertainment uses that one sees there presently; none of them point to shopping as a significant possibility.

As discussed on page 28, conventioners have their greatest impact in the evenings — at restaurants, bars, etc. — because during the day, conference planners will try to keep them occupied with educational sessions, trade shows, luncheons, receptions, etc. And parents visiting the Aquarium are unlikely to get much of an opportunity to shop afterwards with kids in tow; they might stop at a family-friendly restaurant like Islands, but then leave after that.

<sup>8</sup> Ibid.

At The Pike, the primary driver is the Cinemark at The Pike multiplex, which, as an evening traffic generator, does not greatly increase the demand for shopping. The same would hold for the Laugh Factory and The Pike's other entertainment offerings. Borders attracts patrons throughout the day, but on its own, is unlikely to bring major soft goods concepts in its stead.

Indeed, according to DDR's survey results, 91% of those who have visited The Pike in the last year having done so either for the purposes of entertainment or dining. And while one might argue that those percentages merely reflect the existing mix, the reality is that so does tenant interest: most retailers respond better to the certainty of what *already* is than the promise of what *could be*.



Retailers take considerable risk in opening a new store — financially, and in the case of larger chains, with their hard-earned brand equity. For this reason, most of them look to minimize the perceived risk by opting for settings where retail is already succeeding and anchors are already in place.

For this reason, efforts to return The Pike to City land use control (via a proposed "land swap" with the Colorado Lagoon) and to institute some sort of moratorium on additional dining and entertainment venues there are unlikely to have the desired effect in the near term. Perhaps the most that can be hoped for are tourist- or entertainment-oriented retailers like See's Candies, Lids, or Fanzz, and the result could very well be continued vacancy.

**This is *not* to say that the land exchange should not be consummated. On the contrary, it will provide DDR with greater flexibility in tenanting as retail trends shift over time, as they inevitably do.**

The lack of soft goods, it should be noted, is not a problem specific to The Pike or to DDR. Many "Urban Entertainment Center" developments, as such projects are often called in the industry, struggle to attract and sustain retail tenancies. This is partly because the chief anchors do not generate much in the way of shopper traffic; the draw is primarily in the evenings, when people are mainly thinking about eating, drinking, socializing, and recreating, and not buying soft goods.

<sup>9</sup> Ibid.

There has also been criticism about the large number of sit-down eateries at The Pike and in Downtown more generally. Yet there appears to be no evidence of market saturation. In addition to the very healthy numbers at King's Fish House and George's Greek Café, many of The Pike's various dining establishments have — depending on niche and on level of execution — achieved reasonably strong sales.<sup>10</sup> Not only is there continued interest among restaurant operators in the Core, there still seems to be opportunity for certain food sub-categories at the Pike.



Downtown Long Beach has a large number of sit-down restaurants, but if existing operators continue to do well and new ones still want to open, one could justifiably assume that there is room for more.

The appropriate direction for the Waterfront is to continue with the entertainment and dining focus. This can be seen with the new additions of Kitchen, Den, Bar in the old GameWorks space, a family-friendly retro diner (e.g. Ruby's Diner, Jewel City Diner) to cater to the Aquarium traffic, and a coffee bar for the conventioners (e.g. The Coffee Bean & Tea Leaf), etc.

Furthermore, while the prevalence of larger chains has also been criticized, this aspect should be maintained as well, so as to protect the Core's point of differentiation (i.e. as the alternative to chain dining, the place to find more local distinctiveness) and to avoid a situation where the two are competing for the same consumers and tenants.

Finally, in lieu of precise data on the demographic and psychographic characteristics of the visitor population, the tenant mix at the Waterfront should probably orient toward the mass market, and stick to pricing and concepts that appeal to the broadest possible audience. This will capture the wide range of income levels and consumer sensibilities generated by its various traffic drivers.



As an example of a mass-market concept, the Irish pub always seems to be popular.

<sup>10</sup> According to written comments provided to the consultant by Developers Diversified Realty on April 13, 2010.

# Retail Vision

It is 2015: Downtown Long Beach is riding a wave of accelerating urban reinvestment, propelling this international trading post that smartly blends metropolitan style with bohemian sensibility. This coastal community's authenticity stands out amongst Southern California cities. Its built environment is compact and walkable, while its approachable citizenry embodies a sense of stewardship and charm. Many of the new retail offerings reinforce Long Beach's reputation as a multicultural city and complement its strong cultural events and attractions. The retail composition has struck a harmonic balance between independent and national businesses, and Downtown residents, employees, and visitors are able to fill most of their everyday needs without leaving the neighborhood. With its blending of eclectic shops, boutiques, entertainment, nightlife, and dining uses, Downtown offers a unique tapestry of retail experiences that are distinctly Long Beach.

## Public Input Themes and Actions



Aligning community efforts



Simplifying the process



Expanding market potential



Increasing accessibility



Improving quality of life



Growing vibrancy



Showcasing our assets

# Implementation Plan

As the final stages of developing the Vision and Plan, the public and the Steering Committee devised the “how” steps needed to realize their vision. The plan’s final implementation matrix proposed 32 actions needed to improve the retail climate. Items range from public policy changes to private sector activities. Accountability teams were self-selected by the steering committee through an open process where organizational representatives confirmed the technical team’s assignments of duty, and responsibility for these items now resides with the most closely related organizations or industries.

As an organizational tool, the 32 steps were separated into six categories of relevance, and then those six categories were generalized into two predominant areas of responsibility: 1) public actions guided and implemented by the City and its collective departments, and 2) private sector agencies and industries. As an illustrative tool developed to demonstrate the inter-relatedness of the 32 action items, the “wheel” diagram was developed to organize the public’s understanding of the significance of all of the actions. This emphasized the importance of the many stakeholders that will need to work together to ensure that the wheel spins forward toward 2015, whereby the teamwork of multiple agencies, all working together and toward the same goal, can affect a transformational change and sustainable model of economic development that will lead to the community realizing its retail vision.



## Public Realm

Private use of public space	
Private property lighting	
Expand wayfinding	
Pedestrian lighting	
Pedestrian plan and crossings	
Valet parking	

## Policies and Regulations

Ease parking requirements	
Expand mobility	
Panhandling task force	
Support zoning	
Regulatory reform task force	

## Civic Action

Implement parking study	
Coordinate planning	
Coordinate economic development	
Investments support plan	
Transparent incentive program	
Align marketing/branding	



## Promotion

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Engage Mayor	
Public safety promotion	
Keep plan alive	
Visitor study	
Gain commitments	

## Recruit

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Recruitment materials	
Conventions/advertising	
Recruitment strategy	
Identify underserved niches	
Foster entrepreneurship	
Demystify the process	

## Retain

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Celebrate new business	
Shop local campaign	
Expand business acumen	

# Implementation Tracking:

The DLBA will utilize the tool similar to that which appears over the next pages to track implementation updates by each of the responsible partners identified for each action item. Updates will be issued on a quarterly basis and will be available to the public on the DLBA's website, [www.downtownlongbeach.org](http://www.downtownlongbeach.org) for download. To ensure that the public is well informed of progress made toward achieving the Vision, the DLBA may utilize other formats or mediums in addition to this standardized update form.

## Public Realm:

### Action: Private use of public space

**Action Description:** Create a set of guidelines that provides businesses and property owners with a flexible set of opportunities to utilize the public realm. Among those guidelines, explore repealing the requirement for fences that enclose outdoor cafes along the street. Additionally, explore prohibiting permanent “tent” dining structures on the sidewalk. They reduce the space for pedestrians, prevent people-watching, likely violate the ADA rules (when remaining sidewalk is less than the minimum 5 feet wide — unobstructed) and severely degrade the quality of the public realm.

**Lead:** Planning/PW

**Support:** RDA, DLBA

**Term:** 1-2

**Status:** Revised outdoor dining ordinance currently being drafted by City Attorney/Public Works. Comprehensive guide for encroachments, etc. will commence following the completion of the Downtown Community Plan.

### Action: Private property lighting

**Action Description:** Expand upon recent investments in LED lighting along building facades and other community assets, such as bridges and the lighthouse. Explore coordinated opportunities for the creative and festive use of lighting and other electronic media on private buildings and other structures.

**Lead:** Planning

**Support:** RDA, DLBA, CVB

**Term:** 5

**Status:** DLBA Capital Improvements Task Force exploring lighting of Breakers Building.

### Action: Expand wayfinding

**Action Description:** Effective wayfinding is critical for first-time visitors to downtown, including tourists and conventioners. The existing system should be reevaluated and expanded, with more focus on the needs of: 1) visitors on foot, and 2) motorists searching for public parking.

**Lead:** RDA/PW

**Support:** Planning, DLBA

**Term:** 1-2

**Status:** Public Works Department advancing improved wayfinding system within publicly managed parking garages. Pike area wayfinding currently proposed by Developers Diversified Realty.

## Public Realm:

### Action: Pedestrian lighting

**Action Description:** Lighting is critical to the perception of safety at night. Distinct lighting can help to define a district. Establish a lighting standard that is scaled to the needs of the pedestrian — not cars (they have lights). Set lighting standards for private developments along the street edge. Private fixtures along the column line contribute more light and offer an opportunity to add interesting details to a façade.

**Lead:** PW

**Support:** Planning, DLBA, RDA

**Term:** 3-4

**Status:** RDA planning to extend the East Village lighting standard along 4th Street from Long Beach Boulevard to Alamitos Avenue. Implementation should commence in Fall 2010, beginning in October.

### Action: Pedestrian plan and crossings

**Action Description:** Almost every transaction in downtown Long Beach is conducted on foot. The needs of pedestrians should come before those of the automobile. Develop a long-term public realm/pedestrian improvement plan and strategy that focuses capital improvements on creating a safe, attractive, and well-maintained public realm in those areas targeted for retail developments. Create a standard pedestrian crossing design that gives the pedestrian priority over vehicles. Street crossings can create the most discomfort for pedestrians. Most pedestrian/vehicular accidents occur during a street crossing attempt.

**Lead:** PW

**Support:** Planning, DLBA, RDA

**Term:** 3-4

**Status:** Pine Avenue Street and Landscape Plan will establish the new streetscape standard. Plan is currently in conceptual design development.

### Action: Valet parking

**Action Description:** Valet parking is a service that consumers are increasingly demanding, particularly when patronizing dining and entertainment establishments. Rather than proliferation of private stands throughout Downtown, the City and DLBA should explore the creation of a public/private “utility” that manages all of the valet parking there.

**Lead:** RDA/PW

**Support:** DLBA, Planning, PW

**Term:** 1-2

**Status:** Revised ordinance currently being developed by the Public Works Department.

## Policies and Regulations:

### Action: Ease parking requirements

**Action Description:** To help in lowering costs as an incentive for prospective tenants, new shops, restaurants, and entertainment venues, parking requirements through zoning should be lowered in the Downtown. Additionally, explore progressive code changes such as allowing the use of shared parking.

**Lead:** Planning

**Support:** DLBA, Brokers

**Term:** 1-2

**Status:** Downtown Community Plan (expected approval date December 2010) will exempt the first 6,000 sq. ft. of retail space from off-site parking requirements. DLBA/RDA are pursuing re-allocation of restricted parking areas in CityPlace garages.

### Action: Expand mobility

**Action Description:** Transit is a key component of civic mobility. It expands access and increases the trade area of retail/restaurant/entertainment districts. The current transit systems should be evaluated through open public processes to ensure a supportive impact on the designated retail/restaurant/entertainment districts. System operators, property owners, and other stakeholders should implement any actions that result in a win-win for patrons, transit riders, residents, and business owners. Additionally, bicycle planning should be included within the larger context of mobility. Bicycles are low impact, easy to park, and serve to expand the trade area of downtown. The Downtown section of the Bicycle master plan should be implemented and augmented where feasible. Additional private bike-rental kiosks, rickshaws, and other such initiatives should be supported.

**Lead:** LB Transit

**Support:** LA Metro, Planning, DLBA, Council, Bikestation

**Term:** 5

**Status:** Extensive Transit Mall improvements anticipated by December 2010. Dedicated bike lanes along Broadway and 3rd Street to be installed in December 2010. Bike rental corrals launched August 2010 and program will expand to as many as 20 rental corrals across the city. Public Works rapidly expanding their bike rack infrastructure. Bicycle/multi-modal accessibility plan underway by MTA/Public Works.

## Policies and Regulations:

### Action: Panhandling task force

**Action Description:** Panhandling is an issue in every major city, perhaps worse in cities like Long Beach which have been favored with great climates. Search out successful strategies from other California cities for dealing with panhandling and implement the best of them.

**Lead:** DLBA

**Support:** City Attorney, Police, Council, City Prosecutor

**Term:** 1-2

**Status:** DLBA Public Safety Task Force working with City Attorney to conduct best practice research of panhandling ordinances (August 2010).

### Action: Support zoning

**Action Description:** Investment flows into the areas of least resistance. Fairness, clarity, and predictability are among the highest aspirations for transparent approvals processes. Alleviate uncertainty in zoning approvals by working with local officials and other influential groups to follow a professional and traditional path for approving projects and uses.

**Lead:** DLBA

**Support:** Council, Planning, RDA, Chamber

**Term:** 3-4

**Status:** Downtown Community Plan to be presented to Planning Commission by December 2010. Program EIR for Downtown included within the Plan, which will reduce the pre-development phase for new developments that fit within the development framework envisioned by the plan.

### Action: Regulatory reform task force

**Action Description:** Create a regulatory reform task force to meet with proprietors, research how other cities have addressed these issues, uncover the regulatory impediments and make changes that remove barriers to opening new establishments. Look especially for those regulations that have a high private cost and low public benefit. Rather than take a piecemeal approach, bring a coordinated package of reforms to the Council for quick action. If possible, couple and coordinate this effort with the adoption of the new Community Plan.

**Lead:** Council

**Support:** City Manager, City Departments, DLBA, Chamber, ABC

**Term:** 1-2

**Status:** Pending



## Civic Action:

### Action: Implement parking study

**Action Description:** Advocate for a strategic implementation plan for those action items included within the Carl Walker parking analysis.

Encourage the development of a parking management strategy that is weighted toward the needs of patrons (rather than focused on maximizing revenue). Such a strategy should also serve to create and reinforce the broader perception that parking in Downtown is easy and convenient, as well as incentivize the opening of new shops, restaurants, and entertainment venues.

**Lead:** RDA/PW

**Support:** DLBA, Property Owners, Planning

**Term:** 1-2

**Status:** Several initiatives are currently underway.

Funding in place via MTA grant to install electronic dynamic signboards that direct people to parking, transit, etc. and profile available parking spaces within city-managed parking garages. Multi-space parking meters currently under evaluation for Downtown-wide implementation. Automation of City Place garages to be completed by September 2010. Standardized pay stations currently being installed at city-owned surface parking lots.

### Action: Coordinate planning

**Action Description:** Coordinate the Retail Vision and Strategy with all current and future planning efforts, such as the Downtown Community Plan, new neighborhood planning efforts, key economic development initiatives, the long-term plans of local anchors (e.g. CSULB, County Courthouse, etc.). Identify a lead agency and schedule regular meeting intervals for coordinating the various efforts and initiatives.

**Lead:** Planning

**Support:** RDA, PW, DLBA, Council

**Term:** 1-2

**Status:** Pending

### Action: Coordinate economic development

**Action Description:** Coordinate economic development efforts to ensure that new Downtown projects and initiatives are programmed and sited so as to add to the "in-place" customer base for existing and new shops, restaurants, and entertainment venues.

**Lead:** DLBA

**Support:** RDA, Chamber, Council

**Term:** 1-2

**Status:** DLBA and RDA to complete new Downtown investment map in August 2010. DLBA Economic Development Task Force currently expanding to include economic development practitioners from areas across the city.

## Civic Action:

### Action: Investments support plan

**Action Description:** Seek and promote private development, public investments, and programming opportunities that would further augment the “in-place” customer base for the Downtown sub-district positioning — e.g. artist live/work spaces in the East Village, international food festivals on Upper Pine, etc.

**Lead:** RDA

**Support:** Planning, DLBA, Council, Brokers, Property Owners

**Term:** 5

**Status:** DLBA partnering with Long Beach Public Access Partnership to create a public access television/film production and post-production studio in the East Village.

### Action: Transparent incentives program

**Action Description:** Borrowing from “Best Practices” in comparable downtowns across the country, develop a strategic and transparent “Retail Incentive Program” to jumpstart the implementation of the recruitment strategy. Set a sunset date to encourage immediate action.

**Lead:** RDA

**Support:** DLBA, Council

**Term:** 1-2

**Status:** RDA is currently developing a comprehensive business assistance brochure that catalogs all available programs.

### Action: Align marketing/branding

**Action Description:** Align on-going marketing and branding campaigns — and work with local media vehicles — to better communicate the plan and its implementation to target markets. Speak as one voice about the positive changes occurring in the Downtown.

**Lead:** DLBA/CVB

**Support:** City, Other orgs

**Term:** 3-4

**Status:** Pending

## Promotion:

### Action: Engage Mayor

**Action Description:** Heighten the involvement of the Mayor and members of the City Council into an active and high-profile role in recruitment efforts, including, for example, the pursuit of possible retail anchors at major industry events. Enlist both the Mayor and well-known merchants to provide testimonials on Downtown's behalf that can be used in marketing collateral.

**Lead:** DLBA

**Support:** Brokers, Council, RDA

**Term:** 1-2

**Status:** Mayor featured in "Welcome Letter" of 2010 Downtown Economic Profile, and spoke at July 22 DLBA Office and Retail Council Meeting. Council Offices engaged earlier in recruitment projects to provide an effective "we want you" pitch to prospects.

### Action: Public safety promotion

**Action Description:** Document the actual crime rates and the perception of safety within the entire city. Compare Downtown to other similar districts, both within and outside of Long Beach. If the results are favorable, publicize the results. If there is still room to improve, get all of the stakeholders to the table and develop a comprehensive strategy to bring the figures down.

**Lead:** DLBA

**Support:** Police, RDA, CVB, Residents

**Term:** 1-2

**Status:** DLBA working with LB PD in consolidating Downtown crime statistics. DLBA Public Safety Task Force collaborating with new Police Chief on a more effective communications strategy.

### Action: Keep plan alive

**Action Description:** To broaden the constituency for implementing the Retail Vision and Strategic Plan, continue the outreach to new people, interest groups, and non-profit entities. Develop a PowerPoint that can be continuously updated for future presentations to the City Council, neighborhood associations, non-profits, arts organizations, etc. Consider the use and development of social networking techniques like Facebook, Twitter, and listservs to keep the public engaged and ready to voice their preferences and concerns at meetings where key decisions are made.

**Lead:** DLBA

**Support:** RDA, Residents, Property Owners, Brokers

**Term:** 5

**Status:** DLBA to present plan at Long Beach Chamber of Commerce meeting on September 16, 2010. Plan submitted to International Downtown Association, California Downtown Association, and California Redevelopment Association planning awards.

## Promotion:

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### Action: Visitor study

**Action Description:** Expand outreach to the visitor segment by offering a better introduction to the Downtown Long Beach retail market. Conduct a study to better understand the visitor base to Downtown Long Beach. Use historic tourism, eco-tourism, and Long Beach's unique assets to leverage a deeper understanding of the city for visitors and residents alike.

**Lead:** CVB

**Support:** DLBA, RDA

**Term:** 1-2

**Status:** Pending

### Action: Gain commitments

**Action Description:** Work to secure "buy-in" to the recruitment strategy from key implementers and stakeholders, including, most importantly, the landlords of and brokers for Downtown retail space.

**Lead:** DLBA

**Support:** Property Owners, Brokers, Council, Chamber, DRC

**Term:** 1-2

**Status:** Plan presented at April 15, 2010 Office and Retail Council.

## Recruit:

### **Action: Recruitment materials**

**Action Description:** Develop an effective set of recruitment collateral that articulates the opportunities for and advantages of investing in Downtown Long Beach.

**Lead:** DLBA

**Support:** RDA, Brokers

**Term:** 1-2

**Status:** The 24-page Economic Profile was designed, printed, and released in May 2010 and has been distributed to partners in the recruitment process. The tool is utilized at trade shows such as the Urban Land Institute and the International Council of Shopping Centers (ICSC).

### **Action: Conventions and advertising**

**Action Description:** Continue to promote Downtown Long Beach as a retail location at industry events, and consider advertising placements in industry media vehicles, not only for the purpose of luring new tenants, but also to raise Downtown's profile more generally.

**Lead:** DLBA

**Support:** RDA, Brokers

**Term:** 1-2

**Status:** Attended annual ICSC trade show in Las Vegas, NV (May 2010). Secured full-page ad buys for September 2010 retail trade magazines Western Real Estate Business and Shopping Centers Today. DLBA to attend regional ICSC conference in San Diego (September 2010).

### **Action: Recruitment strategy**

**Action Description:** Making sure not to risk the cannibalization of one by the other, confirm the positioning of each of the three main Downtown sub-districts — the Core (including Upper Pine, the Promenade, CityPlace shopping center and Long Beach Boulevard), the Waterfront (including Lower Pine and The Pike at Rainbow Harbor), and the East Village. Develop a recruitment strategy to reinforce these positions, complete with recommendations on catalytic projects and tenant prospects. Pursue tenant prospects from the list developed as part of the recruitment strategy and direct leads to the landlords of (or brokers for) the spaces in which they are most interested. Continuously update this list based on earlier outreach efforts, shifting market conditions, Downtown's changing profile, etc.

**Lead:** DLBA

**Support:** RDA, Brokers

**Term:** 1-2

**Status:** Working recruitment strategy and target list developed per positioning strategies and vision as defined by Retail Visioning plan. Achievements include Gacho Grill, Le Creperie, and the Infinite Yoga.

## Recruit:

### **Action: Identify underserved niches**

**Action Description:** Undertake an analysis of other business districts and shopping centers in Long Beach so as to detect un- or under-served niches in the broader competitive marketplace, and then evaluate the potential for Downtown sub-districts to fill them.

**Lead:** DLBA

**Support:** Brokers

**Term:** 1-2

**Status:** DLBA has conducted a full analysis of available restaurant typologies that fed into the recruitment strategy.

### **Action: Foster entrepreneurship**

**Action Description:** Develop non-traditional entrepreneurship support methods such as business incubators or retail competitions for attracting retail tenants that will help to reinforce and fortify the positioning of each retail district.

**Lead:** DLBA

**Support:** Chamber, Small Business Development Center, RDA, CSULB, Residents

**Term:** 1-2

**Status:** Business incubator funded in 2010-2011 DLBA budget. Small Business Development Center moving into 309 Pine Avenue to open a Downtown office.

### **Action: Demystify the process**

**Action Description:** Expand upon the DLBA's Economic Development web portal to include recruitment assistance tools that will assist brokers and prospects in estimating their approvals and permitting timelines based upon their desired use and the changes that need to occur in the space.

**Lead:** DLBA

**Support:** Development Services, Brokers

**Term:** 1-2

**Status:** Pending



## Retain:

### **Action: Celebrate new business**

**Action Description:** Develop a set of tools and/or programs that provide business owners with assistance planning and promoting grand openings of those new business investments that occur in the Downtown.

**Lead:** DLBA

**Support:** Merchants, Council, Chamber, Residents, Property Owners, Brokers

**Term:** 1-2

**Status:** Grand Opening program launched by DLBA Economic Development Task Force. "Welcome" banners developed to celebrate signed leases and communicate good news to the public. Ribbon-cutting ceremonies and accompanying PR strategies utilized for grand openings.

### **Action: Shop local campaign**

**Action Description:** Develop a "Shop Local Program" that educates new Downtown residents about Downtown shops, restaurants, and entertainment venues, for example, through "Meet the Proprietor" events that allow for the sampling of merchandise and the formation of new resident-merchant relationships. This program should communicate to residents that every time they go elsewhere to spend money on a good or service that is available within the Downtown, they are weakening the case for Downtown retail. It must also impress upon Downtown merchants the importance of listening to their customers and developing new offerings that respond to the needs of the changing marketplace.

**Lead:** DLBA

**Support:** Residents, Property Owners

**Term:** 1-2

**Status:** Downtown Gift Card launched by Marketing and Special Events Task Force. Special committee assembled to develop and set programs and strategies for developing greater knowledge and appreciation for existing retail goods and services, as well as helping the business community to better understand the needs of the Downtown residential community.

## Retain:

### **Action: Expand business acumen**

**Action Description:** While attracting new businesses to Downtown Long Beach may garner significant media attention, an equally important economic development strategy is the retention and expansion of the existing businesses. A viable and effective business retention and expansion (BRE) ensures that the needs of the local businesses are heard and addressed. Examples of the types of BRE programs to be developed include marketing seminars, merchandizing assistance, and fostering productive business-to-business relationships.

**Lead:** DLBA

**Support:** RDA, Property Owners

**Term:** 1-2

**Status:** Two free public business seminars were held in April and June, 2010. Over 125 businesses took advantage of the program.

In June and July 2010, the DLBA partnered with the Small Business Development Center in actively promoting the Goldman Sachs 10,000 Small Businesses program to the Downtown business Community.

In July 2010, the DLBA provided a silver sponsorship for the Southern California Business Development Conference. In addition to the sponsorship to support the conference, the DLBA provided 20 scholarships to Downtown businesses to attend the conference.

*Alegria*  
Cocina Latina



[www.downtownlongbeach.org](http://www.downtownlongbeach.org)