



# Building A Better Long Beach

January 7, 2008

REDEVELOPMENT AGENCY BOARD MEMBERS  
City of Long Beach  
California

## RECOMMENDATION:

Approve and authorize the Executive Director to execute a consulting contract with SEG Realty Advisors in an amount not to exceed \$ 12,500 per month plus expenses. (Downtown – Districts 1 and 2)

## DISCUSSION

In March 2007, the Community Development Director engaged SEG Realty Advisors to specifically focus on retail recruitment in the Downtown and other project areas on an as needed basis.

Part of the decision to bring SEG Realty Advisors on board was in response to requests from our business partners and stakeholders to supplement our redevelopment and economic development efforts with a consultant tasked to focus on retail recruitment.

Specifically, SEG's objective was to provide comprehensive retail real estate consulting and strategic planning by identifying and securing an outstanding mix of national, regional and local tenants for the City of Long Beach.

The initial scope of services were for a one (1) year term and included the following:

- Work with the Department of Community Development to create and refine a strategic plan for the City of Long Beach. Assist team with site planning and architecture based on major tenant requirements.
- Provide input on all aspects of strategic planning for the City of Long Beach including input on retail tenant space requirements and conceptual layouts.

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- Prepare Tenant Void Analysis and Market Rent Survey for the City as needed. Our team will leverage its relationships with tenants and brokers to qualify their interest in the City and surrounding trade area.
- Comparative Lease Rate information will be obtained and evaluated including Minimum Annual Rent, Percentage Rent and Tenant Allowances for Leasehold Improvements.
- Assist in the development of effective leasing and marketing brochures, which will be designed to attract the targeted tenant mix and to position Downtown Long Beach favorably in relation to competing retail projects in the trade area.
- Evaluate and qualify prospective tenants for the City.
- Participate in leasing and Community Development meetings and provide leasing updates as required by the City of Long Beach.

To date, under a short-term scope of work, SEG Realty Advisors has compiled and packaged demographic and retail trade information, prepared marketing packages for various retail interests and successfully opened a dialog with key retail tenants as follows:

Downtown: H & M, Urban Outfitter, American Eagle, Talbots, Whole Foods, Fresh & Easy, Trader Joes, Chico's, West Elm (Pottery Barn) and Jamba Juice.

Central Long Beach: Fresh & Easy, Rite Aid, CVS, Walgreens, Longs Drug, Bank of America, Wells Fargo, Washington Mutual, LBS Financial Credit Union, Starbucks and It's a Grind.

Bixby Knolls: Marshalls, California Pizza Kitchen, Mimi's Café, Houston's, Red Robin and Bank of America for ground lease of parking field.

Landlord / Developer Strategic Planning and Guidance: Sky Companies, Lyon Development, Williams & Dame, Mount Auburn Partners, Dr. Zak, Paul Forman, Martin Howard, City of Long Beach (Central Long Beach).

In an effort to continue our momentum with these key retailers, staff is requesting approval for a 12-month contract.

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Terms include:

- One (1) year agreement (commencing December 16, 2007 and terminating December 15, 2008)
- Consulting fee of \$12,500 per month
- Performance bonus to be paid to SEG Realty Advisors on the following schedule:
  - a. Anchor tenants (greater than 30,001 sf): \$1.00 per square foot.
  - b. Specialty tenants (5,001 sf to 30,000 sf): \$2.00 per square foot.
  - c. Shop tenants (up to 5, 000 sf): \$3.00 per square foot.
- Reimbursement of reasonable and pre-authorized travel/entertainment expenses associated with the promotion and marketing of Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Beck', with a horizontal line extending to the right.

CRAIG BECK  
ASSISTANT EXECUTIVE DIRECTOR

CB:CSM

Attachment: Exhibit A – SEG Realty Advisors,  
Scope of Services

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**PROPOSAL FOR RETAIL SERVICES**

**OBJECTIVE:** To provide comprehensive retail real estate consulting and strategic planning by identifying and securing an outstanding mix of national, regional and local tenants for the City of Long Beach.

**PROJECT:** Long Beach, California.

**SCOPE OF SERVICES:**

- Work with The Department of Community Development to create and refine a strategic plan for the City of Long Beach. Assist Team with Site Planning and Architecture based on Major Tenant Requirements.
- Provide input on all aspects of Strategic Planning for the City of Long Beach including input on Retail Tenant Space Requirements and Conceptual Layouts.
- Prepare Tenant Void Analysis and Market Rent Survey for the City as needed. Our Team will leverage its relationships with Tenants and Brokers to qualify their interest in the City and surrounding Trade Area.
- Comparative Lease Rate information will be obtained and evaluated including Minimum Annual Rent, Percentage Rent and Tenant Allowances for Leasehold Improvements.
- Assist in the Development of effective Leasing and Marketing Brochures which will be designed to attract the targeted Tenant Mix and to position Downtown Long Beach favorably in relation to competing retail projects in the Trade Area.
- Evaluate and Qualify Prospective Tenants for the City.
- Participate in Leasing and Community Development Meetings and provide Marketing Updates as required by the City of Long Beach.

**TERM OF AGREEMENT:** One (1) Year (commencing December 16, 2007 and terminating December 15, 2008). Either Party may terminate the Agreement by providing thirty (30) days written notice to the other Party.

**COMPENSATION FOR SERVICES:** Consulting Fee of \$12,500 per Month. Performance Bonus will be paid to SEG Realty Advisors on the Following Schedule:

Anchor Tenants (greater than 30,001 sf): \$1.00 per square foot.  
Specialty Tenants (5,001 sf to 30,000 sf): \$2.00 per square foot.  
Shop Tenants (Up to 5,000 sf): \$3.00 per square foot.

50% shall be due upon lease execution and 50% upon the store's opening for business.

**EXPENSE REIMBURSEMENT:** The City of Long Beach will reimburse SEG Realty Advisors for reasonable and pre-authorized travel/entertainment expenses associated with the Promotion and Marketing of Long Beach.