



Building A Better Long Beach

January 3, 2011

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to receive and file the Downtown Development Corporation Draft Business Plan. (Downtown and Central – Districts 1, 2)

DISCUSSION

The Downtown Redevelopment Project Area (Project Area) will terminate in December 2017. The Redevelopment Agency (Agency) and Downtown Long Beach Associates (DLBA) have begun preparations to continue the critical real estate and infrastructure improvement projects beyond the expiration of the Project Area. As part of this effort, on June 21, 2010, the Agency Board approved the DLBA's Fiscal Year 2011 budget, which included funding for a Downtown Development Corporation (DDC) Draft Business Plan. A DDC is a nonprofit organization that undertakes economic development programs to assist a specific neighborhood or defined geographic area. An organization such as a DDC could follow in the Agency's footsteps by continuing the development momentum in Downtown Long Beach. The scope of work leading up to the Draft DDC Business Plan included an assessment of the plan's feasibility.

Progressive Urban Management Associates (PUMA) was retained to complete a DDC Feasibility Study and Draft Business Plan. The recommended goals of the DDC are to:

- Help attract investment to Downtown Long Beach that creates jobs, expands existing businesses, recruits new businesses and promotes mixed-use development.
- Facilitate real estate development through innovative public/private partnerships.
- Support, expand and grow Downtown businesses through innovative loan and incentive programs.
- Contribute to the overall economic health of Downtown Long Beach.
- Respond to unforeseen development opportunities as they present themselves (i.e., site-specific development, planning, or other types of investments responsive to the changing marketplace and economic conditions in Long Beach.

REDEVELOPMENT AGENCY BOARD MEMBERS

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The draft Business Plan (Exhibit A) is attached, which includes:

- Project Background
- Summary of Process, Best Practices Research & Findings
- DDC Mission & Project Opportunities
- Program Management & Budget
- Governance
- Next Steps

The draft Business Plan identifies the Agency as a key partner in the DDC's initial and ongoing programming, and further proposes the transfer of Agency-owned assets to the DDC as a potential source of initial funding. In addition, the Agency may potentially provide real estate guidance and expertise. Any proposal to transfer ownership of Agency-owned property will be brought before the Agency Board for approval assuming formation of the DDC occurs and the potential transfer of assets is of benefit to both parties.

It is recommended that the Agency Board receive and file this report. The DLBA Executive Committee is scheduled to review this item on January 6, 2011, and the DLBA Board of Directors will consider this item on January 19, 2011.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK
EXECUTIVE DIRECTOR

AJB:LAF:CSM:PUL

Attachment: Exhibit A – Draft Business Plan for a Long Beach Downtown
Development Corporation

Business Plan for a Long Beach Downtown Development Corporation

CONTENTS

- I. Project Background
- II. Summary of Process, Best Practices Research & Findings
- III. DDC Mission & Project Opportunities
- IV. Program Management & Budget
- V. Governance
- VI. Next Steps

Attachments:

- Examples of RDA Assets
- Research of Comparable Downtown Development Corporations
- Model Articles of Incorporation and By-Laws

Prepared for the
**Downtown Long Beach Associates &
Long Beach Redevelopment Agency**
By
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DRAFT – December 2010

I. Project Background

In the summer of 2010, Downtown Long Beach Associates (DLBA), along with the Long Beach Redevelopment Agency (RDA), retained the Denver-based consulting firm of Progressive Urban Management Associates (P.U.M.A.) to create a business plan for a Long Beach Downtown Development Corporation (DDC).

DDCs are non-profit organizations that undertake economic development programs that help a specific neighborhood or defined geographic area. DDC programming can cover wide range activities to benefit a community such as commercial, residential and mixed-use real estate development, business support and attraction, and other activities as needed by a particular community. While there are hundreds of community-based development corporations throughout the country and many in California, most are found in neighborhood revitalization contexts as opposed to downtown business districts.

As the economic downturn is compelling communities to re-think traditional approaches to community development, DDCs are becoming more widely used to foster growth and development in downtowns. DDCs are generally nimble organizations that can respond quickly to changing market conditions. Their renewed relevance is driven by several factors:

- Downtown and community development strategies are increasingly incremental and entrepreneurial
- DDC programming is usually tactical, geographically focused and project-based
- DDCs tend to take care of the details such as creative approaches to business support and infill development that is often overlooked
- DDCs are a proven mechanism for including more diverse markets and constituencies within the umbrella of traditional downtown management organizations

The idea to explore the creation of a Long Beach DDC emerged during the 2010 DLBA Strategic Plan Update. The DDC was viewed as an option for continuing development momentum beyond the expiration of the RDA's downtown redevelopment project area in 2017. Due to state limitations on the duration of a redevelopment district, the downtown project area will dissolve in 2017 creating a potential void in development leadership and resources. The DDC was also consistent with a renewed commitment to economic development and filling storefronts recommended for DLBA from the Strategic Plan Update. A DDC in Downtown Long Beach can:

- Focus on programming to support downtown businesses and facilitate real estate development
- Lead downtown revitalization efforts beyond the 2017 expiration of the RDA downtown project area.
- Diversify funding for downtown projects
- Work within and outside of the DLBA assessment area
- Complement DLBA's existing programming, particularly business recruitment and retention efforts

P.U.M.A.'s scope of work is to determine how a Long Beach DDC can successfully advance downtown's growth and outline the following organizational components:

- Mission and goals
- Specific project and program opportunities
- Initial work program, budget and sources of start-up funds
- Governance structure
- Relationship to other existing organizations, including DLBA, the City and Redevelopment Agency

II. Summary of DDC Process, Best Practices Research and Findings

The Long Beach DDC business plan process was guided by a Project Working Group representing a diverse group of downtown interests that include DLBA, RDA, Long Beach City College and the Small Business Development Center (SBDC), local legal and financial expertise and historic preservation advocacy. A series of interviews was conducted with key downtown stakeholders, potential DDC funders, partners and users to gain input on the proposed financial, organizational and programmatic structure of a potential Long Beach DDC.

Best Practices Research: Best practices from six downtown-focused DDCs including downtown El Cajon, The East Los Angeles Community Union (TELACU), Memphis, Ft. Worth, Denver and Phoenix were researched to gain an understanding of how DDCs are operating, their programmatic focus, organizational structure, legal framework and sources of funding. Several of those DDCs provided Articles of Incorporation and Bylaws as sample documents from which Long Beach can use as models as it drafts its own governing documents. The most applicable of those documents are attached to this report.

Each of the six DDCs has different areas of focus, a diverse array of partnerships and programs, and all have been able to achieve significant results including:

- Developing real estate that fills a specific community need such as mixed use development, and in one case, a grocery store
- Providing access to capital for businesses and real estate developers
- Providing loans to incentivize specific business types and to encourage businesses to locate in a specific neighborhood or part of downtown
- Leading and mobilizing funding for downtown planning and special projects
- Leveraging resources through diverse partnerships and creative programs
- Attracting new business, investment, energy and opportunities downtown

Specific project examples from best practices cities are provided in the Long Beach DDC Business Plan and a summary of the best practice research is attached.

Based upon the downtown stakeholder interviews and the best practices research, initial observations and recommendations for a Long Beach DDC include:

- The Long Beach DDC has the opportunity to acquire certain RDA assets (in advance of 2017, when the RDA downtown project area sunsets). Those assets provide equity that can be leveraged to support DDC programming.
- A Long Beach DDC can help meet an existing need for downtown-focused, centralized small business support with an emphasis on access to finance and business improvement incentives.
- There are existing resources that can support DDC small business programming such as the SBDC and DLBA.
- The consensus among downtown stakeholders is initial DDC projects and programming should be incremental; building upon successes and moving forward in a concise and deliberate fashion.
- Several Long Beach area banks are interested in playing an active role in supporting suggested DDC programs including small business support and investment in downtown projects and development activities.
- The DDC should be a 501(C)(3), non-profit organization.
- The DDC should be a distinct entity that is connected to and complements the existing DLBA organization in order to take advantage of administrative efficiencies and to help fortify a stronger public/private partnership focused on the development of downtown Long Beach.

III. DDC Mission & Project Opportunities

A. Mission, Goals and Geographic Scope

Mission: The recommended mission of the Long Beach DDC is:

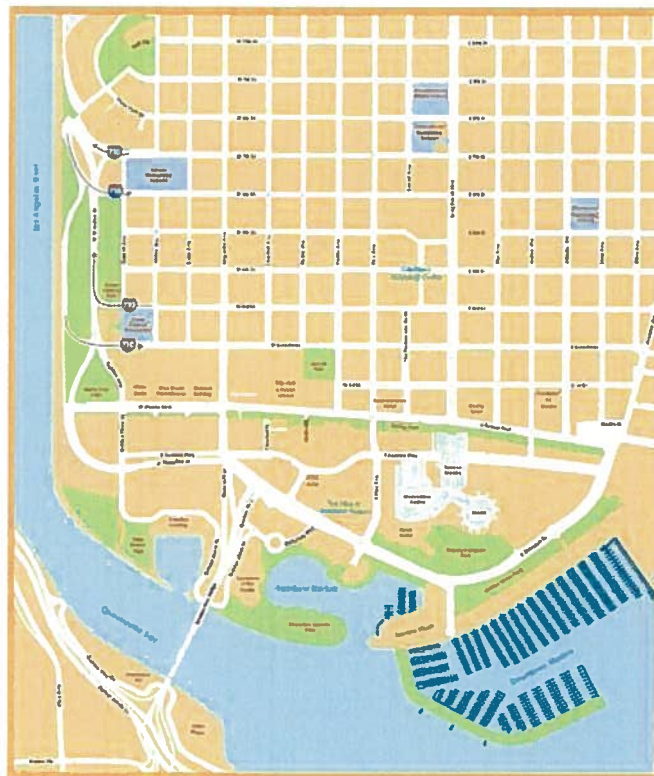
“To stimulate public and private investment, community partnerships and resources to support the revitalization of Downtown Long Beach.”

Mission statements from the best practice DDCs are included in the attached best practices research summary. Mission statements for downtown DDCs are generally broad, allowing for breadth and flexibility in programming and to respond to opportunities as market conditions change.

Goals: Recommended goals of the DDC are to:

- Help attract investment to downtown Long Beach that creates jobs, expands existing businesses, recruits new businesses and promotes mixed-use development
- Facilitate real estate development through innovative public/private partnerships
- Support, expand and grow downtown businesses through innovative loan and incentive programs
- Contribute to the overall economic health of downtown
- Respond to unforeseen development opportunities as they present themselves – i.e. site-specific development, planning, or other types of investment responsive to the changing marketplace and economic conditions in Long Beach

Geographic Scope: The suggested geographic scope of the DDC should generally encompass the downtown area of Long Beach initially consistent with DLBA's service boundaries.



B. Project and Program Opportunities, Both Near and Long Term

Based upon direction from the DDC Project Working Group, it is suggested the DDC begin its work program methodically and incrementally, initially focusing on implementing DLBA and SBDC business support programs and the potential to acquire selected RDA assets to establish a track record of success. It is envisioned that once the DDC has established itself, it can take on more ambitious downtown development projects, enhance its business support services and continue to grow its programs, ultimately acting as a public-interest developer in areas such as transit-oriented development, mixed-use projects or other market-appropriate development investments that benefit downtown.

The suggested DDC work program encompasses three areas of focus:

1. Facilitating **small business growth**, with an emphasis on financing and incentives
2. Acquiring and managing **RDA assets** and utilizing the associated revenue stream(s) and equity to support DDC activities
3. Facilitating **real estate development** when the private sector marketplace cannot and capitalizing on **unforeseen development and/or programmatic opportunities** as they arise.

Business Support: Focus Area #1

A DDC can be integral in supporting existing downtown businesses and attracting new ones. The outreach process for this planning effort as well as the 2010 DLBA Strategic Plan Update identified downtown-centric business support and filling empty storefronts as critical for the overall health of downtown. Several in-place partners including the SBDC, DLBA, and the Center for International Trade Development (CITD) have small business support programs that the DDC could leverage and strengthen by facilitating access to capital and potential investors. RDA asset equity, local banks, community development block grants and other partners could be a source of income to support grants and loans to existing, expanding and fledgling businesses. Near-term small business programs that the DDC could administer and/or facilitate are outlined below:

- **Pooled bank lending:** Interested banks can come together to pool their resources and reduce risk, providing capital to assist in the development of under-utilized real estate, to attract business capital for small businesses, facilitate the development of new business concepts, and provide predevelopment, construction and long-term real estate financing. A pooled bank fund could also house a seed capital loan and equity fund to launch new business concepts. Pooled lending concepts reduce lender risk plus offer community reinvestment advantages.
- **Façade loans** –Several best practices communities provide façade loans to small businesses through providing no or low-interest loans. The RDA currently manages a façade loan program that can be used within the downtown project area. The DDC could replace this function in anticipation of or after the expiration of the downtown project area in 2017.
- **Community Capital Fund:** A community capital fund could mobilize local property owners and residents to invest in new business concepts through a variety of community-based models, including cooperative and local partnership structures. With recent declines in conventional lending, there is a new movement toward local financing solutions to advance grassroots economic development. Community finance models that have been used around the country and could be used in Long Beach include:
 - Cooperative – a communally owned and managed business, downtown stakeholders would invest and have an ownership stake in new business concepts
 - Community-owned corporation – A traditional, for-profit corporation

- Small ownership group – A small, ad-hoc investor group
- Investment fund – A community-based fund
- **Technical Assistance:** By working with the SBDC and its partners, the CDC could support and augment technical assistance specifically related to capital access and management.
- **Other Near-Term Strategies** the CDC could facilitate include:
 - Property owner equity or investment in start-up business ventures
 - Contract or lease relief for new businesses that provide needed or desirable goods or services.
- **Long-term activities** the CDC could initiate include:
 - Creation of a Downtown Business Incubator
 - Targeted retail recruitment
 - Others as appropriate and economically feasible

Business Incentive Best Practice: Center City Commission, Memphis
The Center City Commission in Memphis has designed a series of incentives such as forgivable loans and grants to attract specific business types to downtown based on certain criteria, loan types and forgiveness schedules. See the accompanying best practices research for a more detailed description of their incentive programs.

Potential Small Business Support Programmatic Partners

Initial partners include:

- DLBA** – The CDC could work in concert with DLBA’s existing business recruitment and retention programs that offer marketing and civic liaison support services. The CDC could add financing expertise and a “deal-making” orientation.
- RDA** – through program partnerships and direct investment in new lending products and programs
- Community Development Block Grants** offer job creation funding that could assist both in CDC start-up and in capitalizing loan and investment funds
- SBDC** – to provide business counseling and technical support
- Banks** – To provide both operating and investment funding
- Foundations** – Southern California foundations with a community development focus
- Downtown Stakeholders** – Interest in investing in new business concepts could be gauged from local residents and property owners

RDA and Other Institutional Assets: Focus Area #2

Initial exploratory discussions with the RDA have identified potential assets that could be transferred from the RDA to the DDC. These assets are all currently owned outright by the RDA (no debt service is being paid on any of these assets). It is envisioned the equity in the assets can be leveraged in a variety of ways that can help finance DDC programming and overhead through:

- Utilizing equity lines of credit and/or other ways of leveraging of asset equity through loan collateral, etc.
- Sale of the assets
- Revenue generated by the assets such as parking revenue and/or property leases
- Other ways to leverage asset equity

In order to consider transferring RDA assets to a DDC, a process mandated by California redevelopment law would need to be undertaken, including the following steps:

1. RDA would conduct a valuation appraisal of the identified assets.
2. RDA would prepare a summary report explaining the benefits of transferring the assets and how such a transference furthers the mission and objectives of the RDA.
3. A public hearing would be held by the RDA board to receive comments and provide public deliberation on the transference.
4. A final public hearing would be held by the Long Beach City Council which would have final authority on approving any transfer of RDA assets.

Other Institutional Assets: In addition to the RDA, there are other institutions that may have real estate assets that could be transferred to the DDC and redeveloped into projects that enhance downtown. Examples of potential asset owners include banks and other lending institutions, foundations and other non-profit organizations, and private corporations and individuals.

Best Practices Research – Denver Civic Ventures, Denver, CO

Denver Civic Ventures (DCV), a 501(c)3 non-profit DDC arm of the Downtown Denver Partnership, obtained a building from a non-profit foundation in the early 1990s. With its non-profit status, DCV was able to secure pre-development funding to complete feasibility analyses. Later, the building was sold to a private developer who developed a mixed-use project with retail and mixed-income housing. DCV earned more than a \$1 million development fee, which continues to seed civic improvement projects and initiatives in downtown Denver to the present day.

RDA and Other Institutional Asset Program Partners:

RDA: As the conveying agency, the RDA is a critical partner in the DDC's initial formation and programming

Banks and Lending Institutions: May have distressed properties available for transfer to a non-profit development corporation

Other Downtown Property Owners: Asset transfer for tax advantages, resolve tax liens and philanthropic motives

Real Estate Development & Unforeseen Opportunities: Focus Area #3

In the mid-term, as the economy slowly strengthens, the DDC can play a part in influencing real estate development downtown. Either by developing its own assets, acting as a catalyst to encourage the development of other downtown sites, or simply identifying a specific need or opportunity, potential development opportunities might include:

- **Mixed Use/Transit Oriented Development (TOD)** – TOD may be a natural development opportunity that could arise downtown -- perhaps as a way to capitalize on the central location of potential RDA assets. TOD development is generally mixed-used, incorporates transit components directly or can capitalize on easy access to diverse modes of transit.
- **Civic Improvement Projects** – Several civic improvement projects, such as a year-round public market or arts and culture venues, have been considered for downtown Long Beach. The DDC could become a champion for such civic improvement projects, mobilizing support for project planning, financing, development and management.
- **Other Downtown Development** –In Long Beach, the DDC may be able to play a catalytic role in a development project or by providing a series of incremental programs that can create an environment conducive to many as-yet undetermined possibilities. Being able to identify and seize on opportunities when they presents themselves will define the entrepreneurial spirit, and the ultimate success, of the DDC.

Best Practices in Capitalizing on Unexpected Opportunities:

- *Denver has been able to shift its DDC's focus and programming to meet the demands of the changing economic realities over the last 20 years; most recently leading an effort to establish a year-round, downtown public market*
- *Phoenix assembled and acquired many acres of land in anticipation of a football stadium development that never transpired and instead was able to parlay that same land into a state-of-the-art, multi-million dollar bio-medical campus;*
- *Downtown Memphis is a finalist for a large new corporate headquarters because it has amassed tax-rebates, multiple business incentives and can provide design and public realm amenities – all components of its DDC that were created over the years*
- *El Cajon has been able to shift its focus to meet housing, infrastructure and business needs as they have arisen over the years.*

Real Estate Development Programmatic Partners:

RDA: As the agency conveying assets that will help initiate the DDC, the RDA is a critical partner in the DDC's initial and ongoing programming and can potentially provide real estate guidance and expertise to the DDC

DLBA: It is anticipated the DLBA will provide ongoing organizational and programming support to the DDC

The City of Long Beach: The City can leverage resources to support DDC activities as necessary and appropriate.

Local Lending Institutions: Potential source of partial project financing, both construction and long term

Private developers: Joint ventures or liaison services to assist projects to gain entitlements, development permits, etc.

Other agencies and partnerships as necessary and appropriate

IV. Program Management & Budget

There will be two types of capital needed to sustain the DDC – operating and investment:

- **Operating** funds will be required to provide staffing, contract expertise, marketing and office overhead for the DDC. In the near term, staff is envisioned as one full time project manager to initiate and grow the CDC work program. Near term tasks for the project manager will include managing assets, developing a small business financing initiative, investigating project and partnership opportunities, and marketing the advantages and role of the DDC within the greater downtown Long Beach area.

Over time, as the DDC becomes engaged in projects and programs, it may need to expand staff resources. Potential staff roles include:

- ✓ Asset management
- ✓ Project development
- ✓ Loan program management and administration
- ✓ Marketing, communications and community relations

- **Investment** capital will be required for the DDC to build upon its asset base and lead new initiatives, including loan programs and site-specific real estate development opportunities. In the near term, it is recommended that investment capital be focused on the goal of creating a small business loan and equity fund to help drive occupancies in downtown storefronts. As the DDC matures, and it expands its scope into development activities, investment capital will be needed to advance projects. Different types of investment capital that will be required include:

- ✓ Loan and/or equity fund to seed new businesses, fill downtown storefronts
- ✓ Pre-development funds to evaluate project opportunities
- ✓ Construction financing
- ✓ Long-term project financing
- ✓ Equity from tax credit syndications

Sources of operating and investment capital for the DDC may include:

- **RDA Assets & Grant Support:** The potential transfer of RDA assets to the DDC will provide it with an initial balance sheet and source of income. There are several ways these assets could help finance DDC activities, including:
 - ✓ Asset income can contribute to operating capital
 - ✓ Sale of assets can raise both operating and investment capital
 - ✓ Leveraging assets could create debt that could finance new projects

RDA grant support should also be considered to help fund start-up costs for the DDC, perhaps establishing a matching grant to support programming for the initial years of the DDC.

- **Lending Institutions:** Initial discussions with several Long Beach area lending institutions revealed interest in participating in a new downtown DDC. Lending institutions could be a source of both operating and investment capital. Philanthropic arms of lenders could provide start-up and operating support, while the lending departments work with DDC staff to evaluate options for creating pooled loan and equity funds and project-specific investments.
- **DLBA:** The DDC is envisioned to be an affiliate of the Downtown Long Beach Associates (DLBA) allowing the DDC to capitalize on DLBA's existing resources, including clean, safe and marketing programming, and extensive community connections. DDC staff is envisioned to be housed within DLBA, taking

advantage of administrative and office overhead. DLBA marketing and business recruitment efforts can also be utilized by the DDC.

- **CDBG:** Job-creating and redevelopment activities envisioned to be undertaken by the DDC could be eligible for community development block grant (CDBG) funding, an annual federal appropriation that is distributed locally by the City of Long Beach. Options for CDBG funding include supporting start-up operations, capitalizing loan and equity funds and/or investment in project opportunities that meet federal program objectives and criteria.
- **Foundation Support:** Once the DDC secures its 501(c)3 tax-exempt status, it would be eligible for both public and private foundation grants and investments. Many regional and national foundations support the type of economic development activities envisioned by the DDC. The list below includes some examples of the foundations that could provide economic development support:
 - ✓ Citi Foundation
 - ✓ U.S. Economic Development Administration
 - ✓ Prudential Foundation
 - ✓ Ford Foundation
 - ✓ Soros Economic Development Fund
 - ✓ Knight Foundation
 - ✓ Kauffman Foundation
- **Earned Income:** Ultimately, the sustainability of the DDC will be determined by its ability to generate earned income from its activities. In addition the management, development and disposition of assets, potential sources of earned income include:
 - ✓ Loan administration fees
 - ✓ Sale or reinvestment of equity from business and project investments
 - ✓ Development fees, including fees from joint ventures
 - ✓ Consulting fees to private developers and other potential investment groups

Two options are offered for DDC operations. The first is a stand-alone model, in which the DDC initiates is activities as a development arm affiliated with the DLBA, but retains a separate function. The second operating model is more integrated with DLBA, combining the DDC with DLBA's existing business recruitment and retention activities.

The suggested budget and sources of funds options for the first year of DDC operations are outlined below.

Activity	Year One Budget	Source(s) of Funds
Staff: 1 FTE Project Manager Salary and Benefits	\$90,000	RDA Assets and/or RDA Grant Lending Institutions CDBG Foundation Support
Administrative Overhead, Management & Marketing	\$30,000	DLBA
Total Operating Capital	\$120,000	
Investment Capital: Small Business/Storefront Initiative Loan/Equity Fund	\$500,000 to \$ 1 million	Lending Institutions CDBG

An alternative management model would combine both the new DDC with DLBA's existing business recruitment and retention activities, creating the opportunity to leverage DDC development activities with DLBA marketing and research capabilities. This potential DDC/DLBA combination adds a full time market research and special projects staff member to the DDC:

Activity	Year One Budget	Source(s) of Funds
Staff: 2 FTE Project Manager Research & Special Projects Salary and Benefits	\$150,000	RDA Assets and/or RDA Grant Lending Institutions DLBA CDBG Foundation Support
Administrative Overhead, Management & Marketing	\$50,000	DLBA
Total Operating Capital	\$200,000	
Investment Capital: Small Business/Storefront Initiative Loan/Equity Fund	\$500,000 to \$ 1 million	Lending Institutions CDBG

IV. Governance

The Long Beach DDC is envisioned to be an independent 501(c)3 non-profit organization that is closely affiliated with and managed by the Downtown Long Beach Associates.

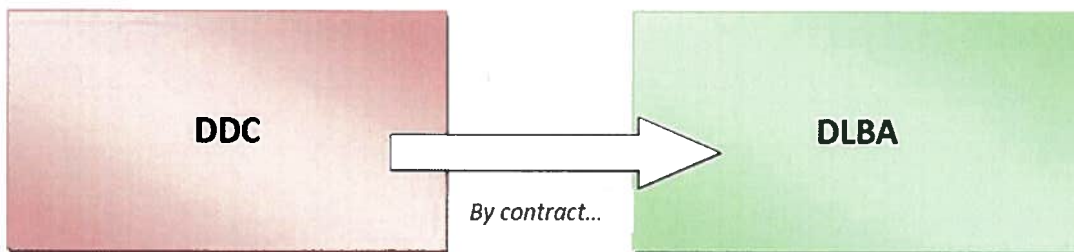
As an independent corporation, the DDC would have its own articles of incorporation and by-laws (sample articles and by-laws from comparable organizations are attached). The articles of incorporation should provide general and broad organizational objectives, allowing the DDC to have flexible programming as market conditions change and project opportunities arise. The by-laws would provide for a board of directors that brings expertise and focus to the organization's community development mission. Suggested characteristics of the DDC board of directors include:

- Seven to nine member board
- Representation of specific areas of expertise, including finance, real estate law and development
- Downtown stakeholders, with representation of various geographic areas
- Representative of different stakeholder types, including property owners, businesses and residents
- Designated DLBA board liaison(s)
- Advisor representation by key civic agencies, including the RDA and City of Long Beach

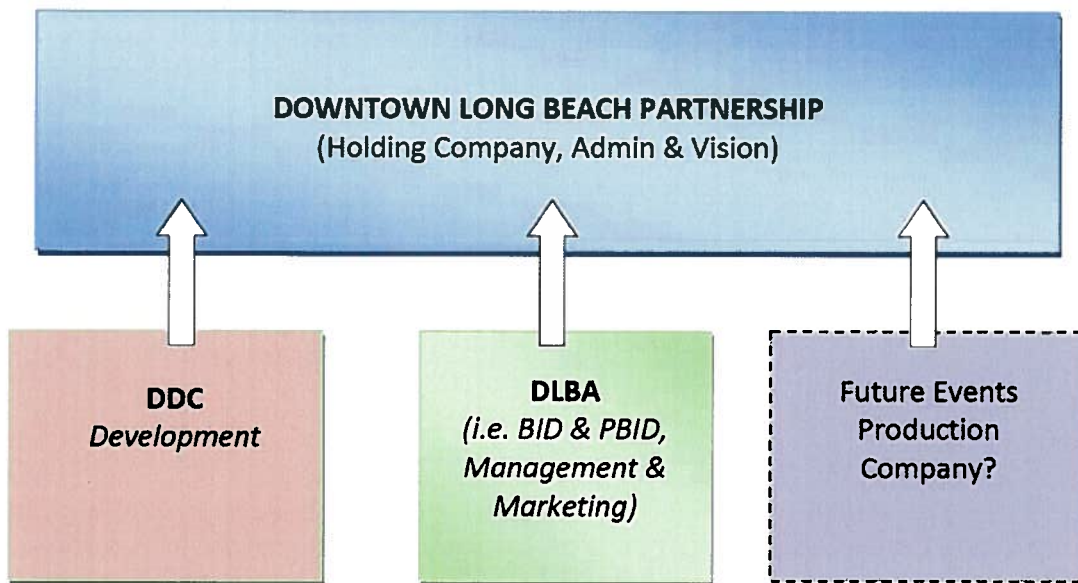
Board members should have terms (up to two 3-year terms are suggested) and the by-laws would provide protocols for board and officer selection processes.

Relationship to DLBA: The DDC should be closely affiliated with DLBA in order to take advantage of cost, operating and leadership efficiencies. The DDC is viewed as complementing DLBA's existing array of services by adding development and finance expertise to the organization's strengths in the maintenance, marketing and management of downtown. As RDA assets could provide the DDC with an immediate financial underpinning, DLBA can provide the DDC with immediate credibility, connections and administrative support. Most importantly, it is envisioned that the DDC and DLBA would work hand-in-hand to advance a unified vision and voice for downtown stakeholders.

The evolution of the relationship between the DDC and DLBA is illustrated by the following organizational structure charts.



Upon formation, the DDC could initially simply contract with the DLBA for staff and administrative support. This arrangement provides the initial building block leading to a more sophisticated downtown organizational model that can best serve Long Beach.



The evolution of a Downtown Long Beach Partnership holding company is envisioned. The component parts of the holding company include:

- **DLBA** is the management and marketing arm of the organization, providing services that are financed by downtown's assessment districts. These services include clean and safe teams, homeless outreach, marketing and special events.
- **DDC** is the development and finance arm of the organization. In addition to the development and finance functions outlined in this plan, the DDC business center could also include DLBA's business recruitment, retention and market research functions to offer a full array of economic development services.
- **Downtown Long Beach Partnership** is the holding company that connects the various organizational parts of the new downtown management organization. The Partnership provides all staff and administrative support. It is governed by a board that consists of the officers from each of the component parts, in effect serving as the executive committee and providing the overall vision for moving forward.
- **An Events Production Company** or other component parts could be added to the holding company over time and as opportunities arise.

Next Steps

Initial next steps to form the Downtown Long Beach DDC are outlined below:

ORGANIZATIONAL TASKS		
Timeframe	Action	Responsible Party
Immediate	Begin 501(C)(3) filing	DLBA
Immediate	Draft Bylaws and Articles of Incorporation	DLBA
Next 6 months	"Ad hoc" committee becomes DDC formation committee – identifies initial board slate and programming	DLBA/RDA
Next 6 months	Identify and secure start-up funding	DLBA/RDA/DDC
Next 6 months	Outline current and projected staffing needs, develop job description(s)	DDC
6 to 12 months	Hire staff position	DDC/DLBA
PROGRAMMING		
Timeframe	Action	Responsible Party
Next 6 months	Work with banks to determine level of interest in DDC programmatic and start-up support	DLBA/RDA
6 to 12 months	Identify specific business support incentive and loan programs; Determine eligibility requirements	DLBA/SBDC/DDC
6 to 12 months	Identify potential assets for acquisition/Draft Asset Management Plan/Conduct asset appraisal	DLBA/RDA/DDC
12 months onward...	Identify and pursue development opportunities	DDC/Banks/Other partners
12 months onward...	Expand small business support services	DDC/SBDC/Banks/Other partners