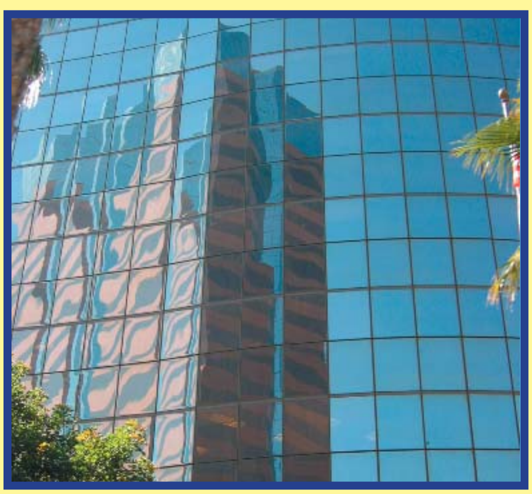
JBS City of Long Beach
Jobs and Business Strategy
Our Vision for the Future

Long Beach Jobs and Business Strategy

Volume I



MARIE JONES CONSULTING
November 2005

CITY OF LONG BEACH

The Community

Over 800 Long Beach community leaders, business leaders, and residents contributed to this strategy.

City Council and Mayor's Office

Beverly O'Neill, Mayor
Bonnie Lowenthal, 1st District
Dan Baker, 2nd District
Frank Colonna, 3rd District
Patrick O'Donnell, 4th District
Jackie Kell, Vice Mayor, 5th District
Laura Richardson, 6th District
Tonia Reyes Uranga, 7th District
Rae Gabelich, 8th District
Val Lerch, 9th District

City Manager's Office

Jerry Miller, City Manager
Reggie Harrison, Deputy City Manager

Department Managers

Pat West, Community Development Department
Suzanne Frick, Planning and Building Department

Economic Development Commission

Joel Fierberg, SNUGTOP, Chair
Julie Heggeness, LB Memorial Medical Center Foundation, Vice Chair
Creasie Adams, SBC
Alex H. Cherin, Flynn, Delich & Wise
Gary DeLong, The RTP Group, Inc.
Mark Gray, Guzman & Gray CPA's
Evelyn D. Knight, ACED
Frank Newell, Newell,Curtis,Nelson,Schuur & Burnight
Glenn W. Ray, Million Air
Debra Winter, EDS
Daniel Alf, DENSO Sales California, Inc.
Alan K. Davidson, Comerica Bank
Diane DeWalsche, Community Hospital
Jack E. Hinsche, Windes & McClaughry
Charles Mason, CMC Group
Naomi Rainey, Rainey-Pierson Rentals
Susan Rusnak, Marron & Associates

Commissioners Joel Fierberg and Charles Mason and City staff member Marc Morley provided countless hours of volunteer time participating in community meetings, reviewing drafts and directing consultant work with humor and passion. In addition, Lou Anne Bynum, Melanie Fallon, Tom Teofilo and Sayed Jalali all helped to move this project forward.

Consultant

Marie Jones, Principal
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1 EXECUTIVE SUMMARY

Purpose and Background

The City of Long Beach is often described as a jewel in southern California. With a population of nearly 490,000, it is a vibrant community with a collection of diverse, interlocking neighborhoods comprising the fifth largest city in the state.

With one of the most ethnically diverse populations in the nation, and residents from all walks of life and socio-economic classes, Long Beach retains a cohesive identity and a strong pride of place. The city's active and informed population is politically involved in both neighborhood-specific and community-wide issues.

In the 1990's, Long Beach suffered serious economic setbacks due to military base closures, major job losses in the aerospace sector and a seriously deteriorated downtown. With strong leadership and an aggressive revitalization effort, we have established momentum on the challenging path to recovery.

However, some facts of our economic reality remain alarming:

- *Our middle class is shrinking.* In 2003, 24% of Long Beach residents lived at or below the poverty line - almost twice the poverty rate of California.
- *Job quality in Long Beach has declined.* Of the 10,000+ jobs lost in manufacturing and defense, most have been replaced by lower-paid employment in the tourism and retail sectors.
- *We are geographically segregated by income, education and ethnicity.* The divide between east and west Long Beach is dramatic. Based on City Planning clusters, 28% of households on the west side live in poverty, while only 7% of east side residents are poor. Thirty-seven percent of west side adults are high-school dropouts, while less than 7% of east side adults are drop-outs.
- *Housing is less affordable*. In June of 2005, the cost of a median single family home was $511,000, and a median condo was $322,000.
- *Sales tax revenues remain low.* In 2002, Long Beach underperformed by $389 million in retail sales for a city of its size – these potential sales dollars of Long Beach residents went to competitor cities. Many retail jobs that could be in Long Beach are in neighboring communities as a result of this retail sales leakage.
- *A significant portion of the future workforce is not prepared to enter the job market.* Some of our youth are in trouble; 21% of 16-24 year olds are high-school dropouts and 19% of our youth (including those with and without high-school diplomas) are not employed and not in school.

As an older city, Long Beach struggles with deteriorated public infrastructure, blighted commercial corridors and high poverty rates. However, unlike most large urban centers, which also face many of the same problems, Long Beach has a relatively small job base and a corresponding smaller tax base.

A vital and prosperous economy is essential for ensuring a high quality of life and prosperity for residents, workers and employers. As a community we have all the components needed to make this a thriving, world-class city. This *Volume I: Long Beach Jobs and Business Strategy* ("JBS") is the first economic development strategy for the City of Long Beach. It is intended as a guide to meaningful decisions, actions, programs and projects needed to achieve long-term economic prosperity for the city of Long Beach.

What the JBS is ...	*What the JBS isn't ...*
✓ *For the entire community* ✓ *A vision & strategy* ✓ *Informed by economic analysis, extensive public process, staff involvement* ✓ *13 Key Strategies & 22 additional strategies* ✓ *A set of implementation best practices, potential action items, and general outcome metrics*	✓ *An implementation plan* ✓ *An implementation timeline* ✓ *A cost/benefit analyses, ROI analyses or cost estimates* ✓ *A list of specific outcome metrics tied to specific action items or strategies*

Process

The Long Beach 2010 Strategic Plan, established in 2000, charged the Economic Development Commission with the responsibility for engaging a consultant and overseeing the development of a strategy to enhance the economic well-being of the City.

This process was initiated with an extensive evaluation of our current situation. The resulting report, *Volume II: Long Beach Economic and Market Analysis*, provides a comprehensive view of who we are as a community and our economic strengths and weaknesses.

Armed with the key findings of this report, the study team went to the community for input. An unprecedented 832 community leaders, business operators, workers and residents participated in 21 key informant interviews, 17 focus groups, three city-wide meetings and 21 neighborhood and business community meetings. The results of the community outreach are published in *Volume III: Long Beach Community Input Report.*

The Jobs and Business Strategy is the product of community input, a review of best practices of other successful urban populations and input from a wide range of non-profit and business partners. This is a five-year strategy for the whole of Long Beach designed to bring us together as a thriving, single community.

Our Vision for the Future

Four basic goals were established with corresponding strategies to accomplish the following:

1. Achieve and sustain a **growing prosperous economy**
2. Create **economic opportunity**
3. Establish **fiscal health** and promote revenue growth to fund City services
4. Promote an **excellent quality of life** for residents, workers, employers and visitors

These goals are interdependent upon each other. A growing, prosperous economy leads to economic opportunity for residents and new investment in neighborhoods. New economic opportunities for residents reduce the need for City-funded services and improve the City's fiscal health. Finally, an improved quality of life will attract new economic growth.

OUR VISION

By 2010, as the most diverse and vibrant coastal city in southern California, Long Beach offers ...

- *A great place to live and work, with a diversified high-quality job base and a skilled workforce. Businesses prosper in attractive and modern industrial, office and institutional space.*
- *An economy that provides opportunity for residents. Excellent education and training programs prepare our youth and residents for a diversity of new jobs.*
- *The City, in excellent fiscal health, is a key player in economic renewal and flexibly responds to the needs of residents and businesses.*
- *A great quality of life, where residents, workers and tourists enjoy the arts, entertainment, open space, and a range of retail offerings. Neighborhoods and downtown are attractive, vibrant, safe and clean. More residents and workers can afford a home.*

Key Strategic Initiatives

The Jobs and Business Strategy details thirteen Key Strategic Initiatives for promoting economic growth in Long Beach and achieving success over the next five years.

To Achieve a Prosperous Economy:

Create a Strong, Diversified and Growing Economy

1. Develop **successful partnerships** with the community to support economic development
2. Focus more resources on the **retention and expansion** of existing businesses
3. **Build on our economic strengths** in Health Services, Education, Manufacturing, Trade & Professional Services
4. Preserve and **retain industrial land** for manufacturing & trade

Create a Positive Environment where Businesses Flourish

5. **Improve customer service** to the business community and create a more business-friendly climate
6. Improve the speed, predictability and consistency of the **development review process**

Encourage Private Investment and Improve Infrastructure

7. Use this Strategy to inform **the General Plan** update to help us realize our economic vision
8. Work with the Port and State/Federal governments to **reduce traffic congestion** on Interstate 710

To Increase Economic Opportunity:

9. Expand and **improve internship opportunities & vocational education** for at-risk youth

To Improve our Fiscal Health:

10. **Track performance** of economic development efforts and engage in continuous improvement
11. Develop a **big box land use** policy

To Promote Quality of Life:

12. Encourage more **workforce housing**
13. **Reduce violent crime** and expand community policing

> **Douglas Park**, on the former Boeing Manufacturing site, offers an opportunity to implement many of these strategies, including creating high paying jobs, building on our economic strengths, growing tax revenues and preserving and retaining industrial land.

Other Strategies

In addition to these thirteen Key Strategic Initiatives, the document contains 22 other strategies that address other important opportunities for economic development and growth.

Next Step: Community and City Implementation

There is much work to be done. We must apply resources as effectively and purposefully as possible. Success will require us to mobilize the energy, passion and talents of the community – its businesses, institutional partners, residents, neighborhoods, community leaders and others who want to see Long Beach flourish. To realize our aspirations we must:

- Ensure that City priorities reflect this strategy.
- Work to reinforce city-wide thinking.
- Use the Jobs and Business Strategy as the consistent vision for the community.
- Continue to build and employ community partnerships for strategy implementation.

City staff will need to continue to reach out to, and develop working relationships with, each other, outside agencies, institutions and businesses in order to implement many of these strategies. City Council might also designate the City's Community Development Department as the lead agency responsible for sustaining and overseeing strategy execution and the Community Development Director as the strategy's champion. A variety of City Department Directors and Bureau Managers will need to implement these strategies and goals within their Departments and Bureaus, including identifying staff capability, budget availability, timelines and which specific action items to implement. Staff should engage in a continuous improvement process and track performance objectively and with transparency. Finally, the Economic Development Commission could continue to work to bring together all community partners for implementation and work with staff to report implementation progress to City Council on an annual basis.

In Conclusion

This is an exciting time for the City of Long Beach, and yet a challenging time as well. As recommended by the community in its Long Beach 2010 Strategic Plan, this Jobs and Business Strategy was developed to help provide a framework for achieving an economy that offers prosperity, opportunity and a good quality of life for residents and businesses.

While change is often difficult to initiate and embrace, it is necessary in order to achieve our vision. A wide cross-section of the community participated in the formation of this strategy because they want Long Beach to be a better place. Our responsibility is to act on this grass-roots referendum for change.

2 JOBS AND BUSINESS STRATEGY OVERVIEW

2.1.1 PURPOSE AND CONTEXT

The purpose of this economic development strategy is to guide decisions, actions, programs and projects of the Long Beach community to achieve long-term economic prosperity for Long Beach. This includes the purposeful use of City resources and regulatory powers and the resources and abilities of community partners and residents to: build upon the city's existing economic strengths, encourage private sector investment, effectively prepare young people for career opportunities, improve the City's fiscal health so that it can better respond to changing needs and issues, and improve the quality of life.

This *Jobs and Business Strategy*, the first such strategy for our City, is intended to guide economic development projects, activities and programs for the next five years, including those of the Community Development Department, Planning and Building Department and Public Works and the actions of community partners. The 2010 Strategic Plan called on the City to formulate this strategy to guide its economic development activities.

A Strategy for our Entire Community. This strategy frames the challenges facing Long Beach and identifies potential solutions. The strategy recommends particular industry clusters on which to focus economic development activities and proposes new programs for the City of Long Beach and other economic development partners. It will enable all engaged in economic development to coordinate efforts and focus resources on the same priorities. It should result in greater effectiveness and better outcomes for City government, business and interest groups, the private sector, educational partners, non-profit partners and individuals.

This strategy is an important step for our City and the recommendations reflect over 14 months of collaborative work and dialogue between business owners, community leaders, residents and City staff. Nonetheless, **this is not an operations or implementation plan; it does not identify exact implementation steps, budget requirements or staffing assignments**. Rather, this strategy is a critical first step of defining, in general terms, economic development priorities, opportunities and best practices. With City Council, City Manager and Department Head leadership, implementation will follow.

The City is already engaged in many economic development efforts (for a complete listing, please see Appendix B). Many of the strategies in this document are new, some are a re-emphasis or re-working of existing efforts and others are effectively underway.

2.1.2 COMPANION VOLUMES

This report – Volume I: Long Beach *Jobs and Business Strategy* – is one of three volumes of this effort, which include:

- *Volume I: Long Beach Jobs and Business Strategy* outlines specific strategies and initiatives to achieve the community's vision for economic development. The detailed strategies were formulated based on community input, economic analysis, market trends and consultant expertise.

- *Volume II: Long Beach Economic and Market Analysis* presents current demographic, economic and market data, trends, and maps that support and inform Volume I.
- *Volume III: Long Beach Community Input Report* records community input from focus groups, business community meetings, neighborhood meetings, and city-wide meetings. The document identifies top city-wide economic development assets, challenges, issues and goals.

2.1.3 STRATEGY ORGANIZATION

The *Jobs and Business Strategy* is composed of five key parts:

1. A quantitative summary of existing economic, demographic, and market trends as described in Volume II: *Long Beach Economic and Market Analysis*.
2. A qualitative look at community assets, challenges and issues as identified and prioritized by business leaders and community members.
3. Our Vision Statement and key desired goals.
4. Detailed strategies, best practices and potential action items organized by goal area:
   - Strategies for a Prosperous Economy. Activities that support the growth and development of business and jobs, such as: a new economic cluster focus, business retention activities, improving the business climate, updating land use policy, engaging in strategic marketing, and small business development assistance.
   - Strategies to Increase Economic Opportunity. Activities that support the development of a skilled workforce, increase opportunity, and strengthen and redevelop blighted areas, such as: high-quality K-12 school system and community college, trade schools, training programs for displaced workers, youth internship programs, crime prevention strategies, anti-graffiti programs, and neighborhood revitalization strategies.
   - Strategies to Strengthen the City's Fiscal Health. Activities that improve the City's tax base, efficiency and effectiveness and thereby ensure sufficient resources for valuable City services and programs, such as: programs to improve tourism and retail tax revenues; preparation of fiscal impact analyses to improve development agreements; better intra-bureau collaboration; and, economic data analysis.
   - Sustainability and Quality of Life. Activities and programs that improve the local quality of life and sustainability, such as: cultural and arts programs, parks and scenic beauty, workforce housing, quality streets and infrastructure.
5. Next Steps

2.1.4 METHODOLOGY

The *Jobs and Business Strategy* was formulated through a series of steps:

- A detailed analysis of economic, demographic and market data.
- Ongoing and extensive community outreach, involvement and input.
- Research and consultant experience with economic development efforts in similar cities.

- Prioritization and vetting of proposed goals and strategies by community members, business leaders, and the Jobs and Business Strategy Steering Committee (see page 8).
- Review and inclusion of relevant neighborhood and area-specific planning/land-use and redevelopment strategies. The *Jobs and Business Strategy* will not supersede or replace these previously completed neighborhood and place-specific efforts. To view a summary of neighborhood strategies, please see Appendix A.

2.1.5 A Community Driven Process

The *Jobs and Business Strategy* was formulated through active engagement of over 800 community leaders, business leaders, and residents. Active public participation was identified as an essential element in the formulation of an effective city-wide strategy and began early and continued throughout the process. Public participation efforts were devised to attract wide participation from a variety of constituencies in many settings. (See Appendix C, page 66). Public input and involvement was solicited to: 1) inform and guide the content and direction of the *Jobs and Business Strategy*; 2) educate key constituencies about Long Beach's current economic, demographic and market trends; 3) ensure that the final strategy responds to the needs of Long Beach's diverse community, and; 4) stimulate consensus-building, political buy-in and support for final strategy adoption and implementation. As shown in Table 1, community outreach included a combination of focus groups, city-wide meetings, neighborhood meetings, redevelopment PAC meetings, business community meetings and City board and commission meetings. At least two community meetings were held in each City Council district.

Through these meetings the community identified and prioritized the City's economic development vision, assets, challenges, issues, goals and strategies. During most meetings, participants brainstormed a set of critical economic challenges as well as strategies to address them. Participants were offered an opportunity to "vote" for the top ten strategies/issues using color dots on the brainstormed lists. All meetings identified slightly different sets of issues and strategies, so not all participants voted on every strategy. However, many issues and strategies were mentioned again and again, indicating organic grassroots support for these ideas.

Table 1: Business, Community, Neighborhood Meetings

Community Outreach for the Jobs and Business Strategy		
Meeting	**Council Districts**	**Total Participants**
17 Focus groups with business and community leaders	2	129
Three city-wide meetings	5, 8, 9	120
Focus groups with leaders from the Cambodian, Latino and Black communities	1, 2, 6	43
Seven General Plan community cluster meetings	3, 4, 5, 8, 9	112
Six neighborhood group meetings	1, 2, 3, 4, 6, 7	160
Five meetings with business groups, including: the Chamber of Commerce, the Downtown Long Beach Associates, the Mayor's Technology Breakfast Forum, and the Magnolia Industrial Group.	2, 7	135
Three PAC meetings	1, 7, 9	97
Seven meetings of the Jobs and Business Strategy Steering Committee	2	15
Twenty-one confidential Key Informant interviews with City and community leaders.	NA	21
Presentations to Economic Development Commission, the Workforce Development Board, the Planning Commission, the Redevelopment Agency Board, and the Community Development Advisory Commission.	2, 5	54
Total		**832**

Jobs and Business Strategy Steering Committee

The Jobs and Business Steering Committee consisted of key City staff from appropriate departments and members of the Economic Development Commission, and provided ongoing input into the community involvement process, the development of the Economic and Market Analysis and the development of drafts of this Jobs and Business Strategy. Steering Committee members included:

Joel Fierberg	Chair, Economic Development Commission, Steering Committee Co-Chair
Charles Mason	Member, Economic Development Commission, Steering Committee Co-Chair
Craig Beck	Manager, Administrative Services Bureau
Amy Bodek	Manager, Project Development Bureau
Pat Garrow	Senior Planner, Planning Bureau
Otis Ginoza	Redevelopment Administrator, Redevelopment Bureau
Mark Gray	Member, Economic Development Commission
Roger Haley	Business Assistance Division Officer, Economic Development Bureau
Julie Heggeness	Vice Chair, Economic Development Commission
Marc Morley	Community Development Analyst, Economic Development Bureau
Frank Newell	Member and Immediate Past Chair, Economic Development Commission
Susan Rusnak	Member, Economic Development Commission
Mike Sanders	Special Assistant to the Mayor, Economic Development
Robert Swayze	Manager, Economic Development Bureau
Dennis Thys	Manager, Neighborhood Services Bureau
Ellie Tolentino	Housing Operations Officer, Housing Services Bureau
Pat West	Director, Community Development Department
Ray Worden	Manager, Workforce Development Bureau

A summary of community input can be found in the companion document *Volume III: Long Beach Community Input Report*. The top community challenges and assets, as identified through these community meetings, are described in Chapter 3: Economic Assets and Opportunities (see page 14).


District 1 Neighborhood Meeting


Mayor's Technology Breakfast Forum


Chamber's Business Forecast

2.2 KEY ECONOMIC & MARKET ANALYSIS FINDINGS

To provide context for the *Jobs and Business Strategy*, the major findings from *Volume II: Long Beach Economic and Market Analysis* are excerpted below.

2.2.1 DEMOGRAPHIC FINDINGS

➢ We are part of a regional economy

Long Beach has approximately 475,000 residents, and serves both as a bedroom community to the regional economy and an employment center in its own right with 165,000 jobs. Sixty-six percent of employed residents work outside the city and 63 percent of jobs within the city are held by non-residents.

Table 2: Long Beach Jobs Held by Residents and Non-Residents, 1999

	Jobs	Percent
Jobs held by Long Beach Residents	61,685	37%
Jobs held by Non-Residents	103,864	63%
Total Long Beach Jobs	165,549	100%

Source: US Census, 2000; MJC, 2004

Overall, more payroll is generated by jobs within the city ($7.9 billion per year) than is earned by city residents no matter where they work ($6.6 billion per year), indicating that city businesses offer better jobs overall than Long Beach residents secure.

➢ Long Beach's middle class is shrinking

In 2003, 19,786 households (12%) of household earned less than $10,000. Fully 48 percent of Long Beach households earned less than $35,000, compared to 40 percent of all California households.

- In 2003, 14 percent of our households earned more than $100,000, up from 6 percent in 1990. In 2003, for every household that made over $100,000, we had 3.4 households that made under $35,000.
- Long Beach has almost twice the poverty rate of California.

Residents with lower levels of educational attainment have lower incomes overall, and are more likely to live in poverty. As shown in Table 3, the poverty rate increases as education falls. Thus, in Long Beach, 35.7 percent of families with parents without a high school degree are poor, while only 4 percent of households with a college graduate parent are poor.

Table 3: Poverty Rate of Families, by Education of Householder, 1999

	Percent in Poverty	
	Long Beach	California
High school Dropout	35.7%	23.8%
High school Graduate/GED	22.0%	11.9%
1-4 years of college, no bachelor's degree	11.5%	6.8%
Bachelor's Degree or higher	4.0%	2.8%
All Households	19.3%	10.6%

Source: Census, 2000

➢ Some of our youth are in trouble

Poverty impacts our children more than any other group in Long Beach: 32 percent of children live in poverty. Some segments of our youth are also in trouble: 21 percent of 16-24 year olds are high-school dropouts, and 19 percent of all youth (including those with and without high-school diplomas) are not employed and not in school.

Table 4: Percent of 16-24 Year Olds who were High School Dropouts, 1999

	Long Beach	Los Angeles	California
All Youth	21%	24%	17%
White Youth	7%	6%	7%
Non-Hispanic Black Youth	14%	16%	13%
Hispanic Youth	36%	36%	30%
Males	24%	27%	19%
Females	18%	21%	14%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

Table 5: Percent of 16-24 Year Olds, Not in School and Not Employed, 1999

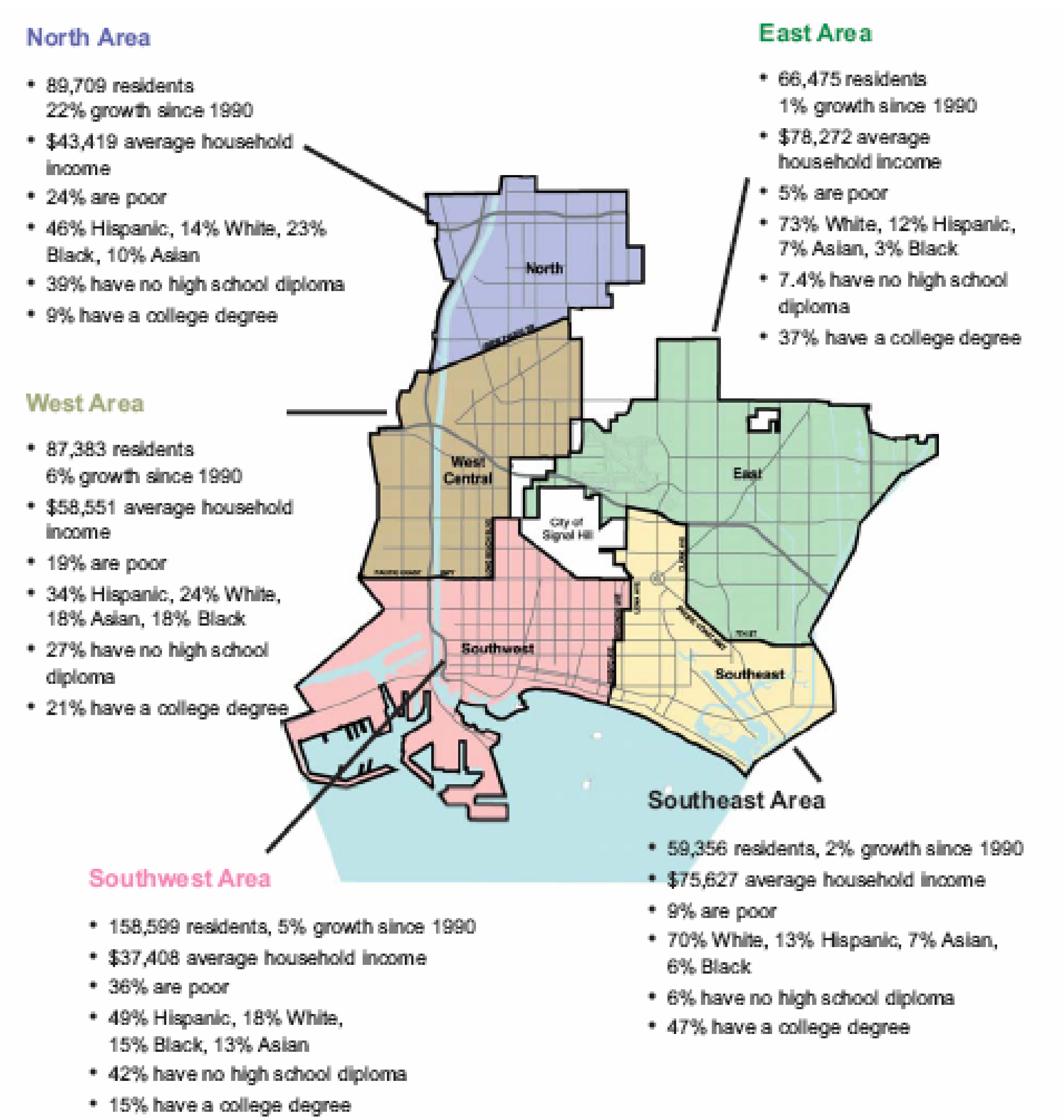
	Long Beach	Los Angeles	California
All Youth	19%	20%	16%
White Youth	8%	10%	10%
Non-Hispanic Black Youth	24%	22%	20%
Hispanic Youth	27%	25%	22%
Males	18%	17%	13%
Females	21%	22%	18%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

➢ Long Beach is “a tale of two cities”

We have one of the most ethnically diverse populations in California; however our residents are somewhat geographically segregated by income, education and ethnicity. The eastern portion of Long Beach is home to residents with higher education attainment, higher average income and lower poverty rates than those in the western part of town. See Figure 2.

Figure 1: Demographic Characteristics by Area

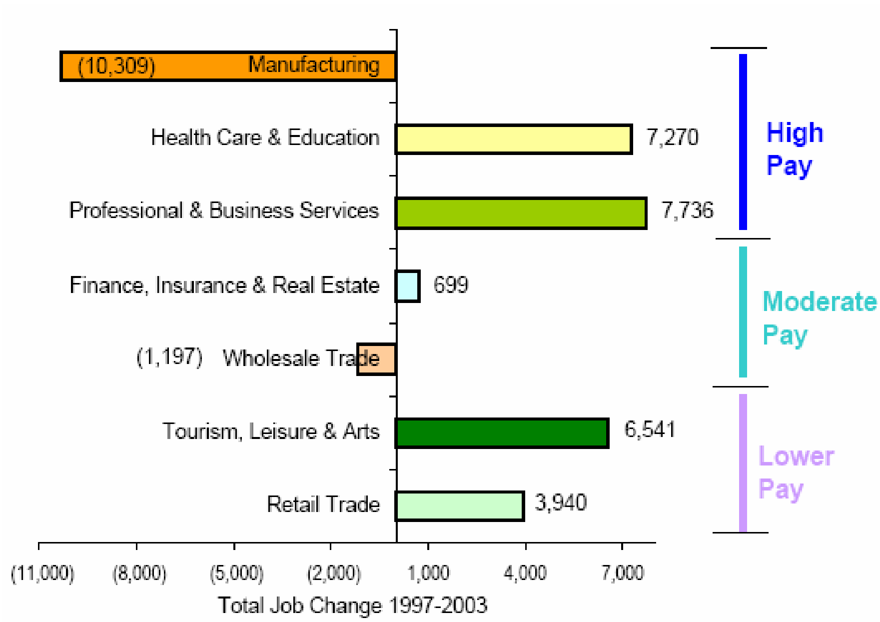


2.2.2 ECONOMIC FINDINGS

➢ The total number of jobs has remained stable. However, the quality of our jobs has declined.

Employment has remained relatively stable over the past 6 years at around 164,000 jobs, as declines in manufacturing (-10,309 jobs) and defense[1] have been offset by increased employment in tourism (+6,541 jobs), retail trade (+3,940 jobs), health care (+7,270 jobs), and professional and business services (+7,736 jobs). The employment shift has shrunk the middle class and increased rates of poverty.

Figure 2: Job Change, 1997-2003 selected sectors



Long Beach's strongest economic sectors export goods and services beyond City boundaries to residents and businesses throughout Los Angeles, California and the world and include:

- Education - community colleges, universities
- Healthcare - hospitals, nursing care facilities, social assistance
- Tourism - hotels, restaurants, museums
- Manufacturing - aerospace, motor vehicle parts, ship building
- Trade - transportation at the Port

[1] Defense employment figures (military jobs and defense contract jobs) are not published for national security reasons.

2.2.3 MARKET FINDINGS

- Housing is less affordable
    - Long Beach's long stint as an affordable beach town has ended. Average rents of $1,150/month (2002), single family home costs of $511,000 (June 2005), and condo costs of $322,000 (June 2005) approach those of other Los Angeles beach communities.
    - Only 12 percent of our households can afford a median-priced home, and only 31 percent can afford a median-priced condo.

- The Long Beach commercial real estate market is strengthening
    - Long Beach's healthy office market, with ten percent vacancy and average lease rates of $2.00/square foot, is poised to transition from a renter's market into an owner's market, which will spur additional office development.
    - The very tight industrial market, with a vacancy rate of 2.8 percent, has resulted from the resurgence of manufacturing in the South Bay and the conversion of industrial space to other uses.
    - The mixed retail market includes excellent promenade shopping (Bixby Knolls, Belmont Shore, Marina Pacifica, Los Altos, Towne Center, etc.), low quality commercial corridors (Pacific Coast Highway, Long Beach Blvd, etc.) and improving Downtown shopping venues (Pine Avenue, the Pike, City Place).
    - The hotel and tourism market has recovered from 9/11 and the recession: occupancy has reached a balanced 75 percent, and two new hotels are planned.

3 ECONOMIC ASSETS AND OPPORTUNITIES

The following economic assets and opportunities, identified through focus groups, neighborhood meetings, city-wide meetings, business group meetings, and key informant interviews, provide the context for the City's economic development efforts. These assets and opportunities are perceptions; they have not been validated by the consultant. However, as a wide cross section of business and community leaders ranked these as the top economic assets and opportunities/challenges of the city, most are probably accurate perceptions.

3.1.1 TOP ECONOMIC ASSETS ACCORDING TO COMMUNITY PARTICIPANTS

Long Beach offers many advantages to potential employers, small business owners, and workers. Focus group and community meeting participants identified and ranked the following comprehensive list of Long Beach's strengths. Assets are listed by rank order within each category, with the most important asset listed first within each category.

Top Economic Prosperity Assets (in order of priority, according to community participants)

- Long Beach, a great location between Los Angeles and Orange County, allows for easy access to businesses and a very large and capable workforce and easy access to the 605, 710, 405, and 91 freeways.
- The Port of Long Beach and corresponding economic growth, new jobs, and the small business set-aside program.
- Airport & aviation-industry rich economy.
- Coastal location with an excellent climate.
- Good value in office rents and home prices, compared to other coastal communities.
- New downtown development and housing.
- Visible redevelopment and investment.
- Strong revitalized neighborhoods and historic architecture, including: Belmont Shore, Bixby Knolls, California Heights, Los Altos Hills, East Village, Belmont Heights, etc.
- Diversity of jobs and businesses with a number of major employers: Boeing, TABC, CSU.
- City and downtown are cleaner and have less graffiti.

Top Opportunity & Equity Assets (according to community participants)

- Outstanding education system: award-winning Long Beach Unified School District, Long Beach City College and California State University, Long Beach.
- Excellent Community College vocational training programs.
- Excellent array of community-based non-profit organizations that provide needed services.

Top Fiscal Health Assets (according to community participants)

- The pedestrian-friendly downtown, Pine Avenue, the Pike at Rainbow Harbor, Convention Center and first class hotels support a strong tourism sector which contributes to the City's fiscal health through the Transient Occupancy Tax.

Top Quality of Life Assets (according to community participants)

- A diverse multicultural community and multicultural businesses.
- A strong sense of community, in which many community members are involved in City governance. Long Beach is a large city with a small town flavor and a strong tradition of community involvement, participation, volunteerism, and neighborhood groups.
- Excellent cultural and arts amenities, strong arts organizations, 2nd Saturdays, East Village Arts District, the theaters, etc.
- Very good recreation amenities, including: parks, marinas, beaches, golf courses.
- A good looking waterfront experience: Rainbow Harbor, the Downtown Marina, the Queen Mary, the Aquarium, Catalina Island.
- City's special events: Long Beach Grand Prix, Olympic Swimming Trials, Long Beach Gay Pride Festival, multicultural festivals, farmers markets, marathon, etc.
- A good mass transit system, including the Blue Line, Passport, and Long Beach Transit.

3.1.2 Top Economic Challenges or Opportunities According to Community Participants

Long Beach also faces a number of challenges and constraints to economic development and job creation. However, each challenge is also an opportunity to improve. Participants in focus groups and community meetings identified the following priority challenges/opportunities which may constrain economic prosperity and are listed according to ranked priority.

Top Growth Opportunities for Economic Prosperity (in order of priority, according to community participants)

- Rapid growth at the Port and resulting increases in container volume; traffic congestion and pollution on the 710 freeway have created a major need to improve Port operations and the transportation infrastructure. Business expansion and retention in the Downtown and the City's quality of life may well depend on resolving traffic congestion on the 710 freeway.
- City Hall could improve its business friendliness, particularly with regard to the building permit process, inconsistent inspection decisions, and customer service.
- There may be opportunities to reduce the cost of doing business in the City as well as the business license fee to make it fairer for small businesses.
- Jobs, jobs, jobs. Long Beach's economy could offer more jobs and higher quality jobs for people who live in Long Beach. The City should focus economic development efforts on business sectors that are growing and that pay a living wage. Long Beach has replaced well-paying manufacturing jobs with low-paying tourism and retail jobs.
- The image of Long Beach could be improved.
- There is a perception of a parking shortage in downtown Long Beach.
- Modernize the airport terminal, as it is inadequate for the current number of allowable flights.
- The City is largely built out and lacks developable land and vacant land. A shortage of vacant land of sufficient size to support major new industrial and institutional job generating uses may be an obstacle to large scale business attraction efforts.
- Infrastructure must be upgraded to serve growing population and business needs in some areas.

- Some past development has suffered from a lack of quality architectural design especially with regard to multi-family developments. (However, the City is currently developing design guidelines for new development which may ameliorate this past problem.)
- The City could invest more in Long Beach's arts and cultural resources.
- The City could use better signage to major destinations and parking. The City would also benefit from improved gateways to downtown Long Beach.
- Some local streets are congested.

Top Opportunities for Economic Opportunity and Equity (according to community participants)

- Many youth must be better engaged in school and work, as many high school drop-outs are also not working.
- We have an opportunity to improve the resident workforce skills base and address the shortage of healthcare workers.
- Some vocational education programs are at capacity for unskilled workers. These programs could be expanded to serve the city's resident workers.
- Many young people should be prepared for careers that do not require a college degree. Currently, non-college bound kids are not adequately prepared for the world of work.
- Some areas of the city would benefit from less concentration of parolees, social services and the homeless.
- Many areas offer opportunities for redevelopment and revitalization, especially blighted neighborhoods and corridors, vacant and underutilized commercial properties, and areas that suffer from a lack of code enforcement and absentee landlords.
- Residents would be pleased to see more quality retail and more locations with a quality retail experience. In particular the City should focus on keeping its auto dealers and building community serving retail (banks, grocery stores, restaurants) in some areas.
- Poor people and immigrant communities are not well connected to mainstream job and education opportunities in Long Beach.
- The city needs more services to support people as they seek work (especially childcare, eldercare and disabled services).
- A high and growing poverty rate and low per capita income provide opportunities to improve the standard of living for many of our residents.
- The community needs more services for the senior and disabled communities.

Top Fiscal Opportunities (according to community participants)

- Long Beach has struggled to find its own vision and with no defined economic development strategy, the city struggles with neighborhood politics (NIMBY) versus city-wide politics. This city-wide strategy should: 1) increase involvement of residents and businesses in setting economic development priorities; 2) increase collaboration between City Bureaus and Departments, and 3) improve coordination between planning, redevelopment, economic development and public works with regard to revitalizing economic centers, capital improvement projects and maintenance.
- A sustainable and diversified tax base would support quality of life services such as police, libraries, parks, and the arts.
- More effective working relationships with the private sector will help the City achieve better economic development outcomes. The City might more effectively negotiate development deals with private sector developers.

- Better accountability, transparency, and tracking systems would make it easier for the public, City Council and top management to understand, direct and improve City economic development activities.
- Up-to-date economic and market data analysis would better inform City economic development activities.

Top Quality of Life Opportunities (according to community participants)

- Air, noise and water pollution could be reduced.
- Traffic congestion on the 710 freeway must be addressed.
- Some neighborhoods and corridors would benefit from revitalization, including removal of blight, vacant storefronts, non-code structures, and irresponsible landlords.
- Homeless and stereotypes about the homeless impact economic development efforts.
- Some neighborhoods could benefit from higher quality retail and a better retail experience.
- High housing costs have made workforce housing more important than ever.
- Some areas are impacted by gangs, graffiti, homelessness, and prostitution. Cleaning up these blighting activities would improve these neighborhoods significantly.

4 VISION AND GOALS

4.1.1 OUR VISION

OUR VISION

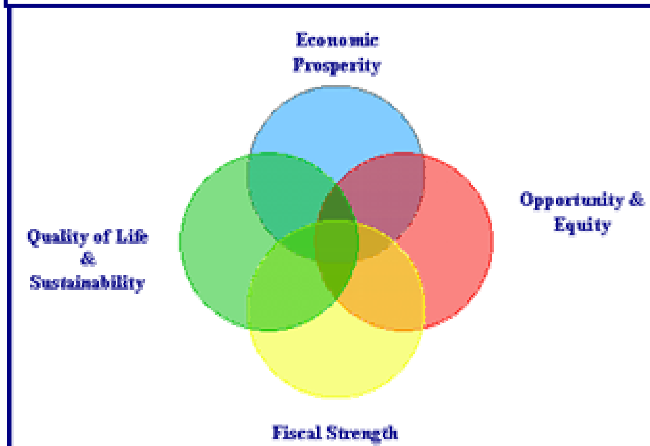
By 2010, as the most diverse and vibrant coastal city in southern California, Long Beach offers …

- *A great place to live and work, with a diversified high-quality job base and a skilled workforce. Businesses prosper in attractive and modern industrial, office and institutional space.*
- *An economy that provides enhanced opportunity for residents. Excellent education and training programs prepare our youth and residents for a diversity of new jobs.*
- *The City, in excellent fiscal health, is a key player in economic renewal and flexibly responds to the needs of residents and businesses.*
- *A great quality of life, where residents, workers and tourists enjoy the arts, entertainment, open space, and a range of retail offerings. Neighborhoods and downtown are attractive, vibrant, safe and clean. More residents and workers can afford a home.*

4.1.2 FOUR PRIME ECONOMIC DEVELOPMENT OUTCOMES

For many years Long Beach has focused its economic development efforts on Downtown redevelopment, retail recruitment, strengthening tourism, and growing the trade and technology sector (commonly known as the "Three T's and an R" strategy). This focus has served the City well and the City can now proclaim success at becoming a tourist destination and one of the busiest Ports in the world. Based on this success we have an opportunity to re-evaluate the City's economic development priorities. Other challenges need focused attention, such as the need to: retain business, enhance tax revenues, create quality jobs, reduce poverty, address our high drop-out rate, and improve North, West and Central Long Beach, among other issues.

Figure 3: Primary Economic Development Goals



The *Jobs and Business Strategy* is organized to address these issues. It is organized by four overarching outcomes, namely, improving the City's: economic prosperity; economic opportunity and equity; quality of life; and, fiscal health. (See Figure 3).

These four goals are interconnected and overlapping, for example: a strategy to strengthen tourism primarily improves the City's fiscal health through additional tax revenues, but it also provides entry-level jobs and improves the city's quality of life by boosting leisure activities. Since the goals are interconnected, many strategies can easily fit into one or more goal areas. The four prime outcomes help organize our strategies by primary purpose and keep Prosperity, Opportunity, Fiscal Health and Quality of Life on the front burner of all economic development activities.

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5 STRATEGIES FOR A PROSPEROUS ECONOMY

> ➢ *Vision for Prosperity: Long Beach offers a great place to live and work, with a diversified high-quality job base and a skilled workforce. Businesses prosper in attractive and modern industrial, office and institutional space.*

Economic Prosperity Outcomes

To achieve the above vision for prosperity, the community should make progress on the following key economic indicators that compare the community's performance with that of the State of California:

- Increase the proportion of middle and high-wage jobs in Long Beach and the proportion of residents who hold middle and high-wage jobs. In 2003, 48% of Long Beach residents earned less than $35,000, while only 40% of State residents earned less than $35,000. Roughly 10,000 Long Beach residents would need to move from low paying jobs to jobs that pay more than $35,000/year to close this gap.
- Increase the proportion of middle income households (those earning more than $35,000 per year in today's dollars). In 2003, 52 percent of Long Beach households earned more than $35,000. To achieve the statewide benchmark of 60 percent, 13,000 families would need to move out of poverty and into the lower middle class.
- Increase the proportion of Long Beach jobs held by Long Beach residents. Currently, only 33 percent of Long Beach residents work in the City. In major urban employment centers such as Los Angeles, San Diego and San Jose, between 50 and 78 percent of residents work in the City. To increase the percentage of jobs held by residents from 37 percent to 45 percent an additional 14,000 local jobs would need to be filled by residents.

The goal for Long Beach should be, generally, to gain ground on the above measures through the implementation of the following strategies:

5.1 CREATE A STRONG, DIVERSIFIED AND GROWING ECONOMY

5.1.1 KEY STRATEGIC INITIATIVE: DEVELOP SUCCESSFUL PARTNERSHIPS WITH THE COMMUNITY TO SUPPORT ECONOMIC DEVELOPMENT

Effective economic development requires the coordinated efforts of City departments and bureaus with the efforts of a wide variety of key outside partners. Coordination and collaboration will improve the quality and cost-effectiveness of our efforts.

Internal Coordination is Critical. While the strategy does not specifically indicate which bureaus and departments will be responsible for implementation of each strategy (these decisions will be made by the City Manager and Department Directors as the strategy moves into implementation), many bureaus and departments will likely be involved, including:

- Mayor and City Council
- City Manager's Office
- Airport Bureau
- Community Development Department
- Economic Development Bureau
- Health Department
- Housing Services Bureau
- Neighborhood Services Bureau
- Dept. of Parks, Recreation and Marine
- Planning and Building Department
- Port of Long Beach
- Public Works
- Purchasing Department
- Redevelopment Bureau
- Special Projects Bureau
- Workforce Development Bureau

External Partners are Vital. The City will need to partner with many external organizations to achieve lasting economic development. As part of this strategy, consultant Marie Jones met with representatives of many of these organizations at focus groups, community meetings, or through key informant interviews. However, top City management might also sit down with these key external partners and discuss how the City can work with them to achieve the City's strategic goals and strategy implementation. This is a key first step of strategy implementation. Some key external partners include:

- Arts Council Long Beach
- Chambers of Commerce
- Community Development Advisory Commission
- Convention and Visitors Bureau
- CSU Long Beach
- Downtown Long Beach Associates
- Economic Development Commission
- Los Angeles Economic Development Commission
- Long Beach City College
- Long Beach Inc.
- Long Beach Transit
- Long Beach Unified School District
- Non-Profit partners
- Planning Commission
- Private sector developers
- Redevelopment Agency Board
- World Trade Center
- Workforce Development Board

Community Priority: Highest

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Improve collaboration and coordination among partners working to increase economic prosperity	High: Improve collaboration and coordination among partners working to improve economic opportunity	Medium: Increased effectiveness of City programs by working with partners	High: Improve collaboration with partners working to improve our quality of life.

5.1.2 KEY STRATEGIC INITIATIVE: FOCUS MORE RESOURCES ON THE RETENTION AND EXPANSION OF EXISTING BUSINESSES

There are many reasons to focus our efforts on growing and retaining our existing employers:

- Studies show that communities spend much less per job to retain and grow existing businesses than to attract new businesses. On a per job basis, retention and expansion efforts typically cost around $2,000 per job, while business attraction activities generate one job for between $5,000 and $50,000 in expenditures and tax incentives.
- A variety of studies have shown that 60 to 80 percent of job growth within a community comes from the expansion of existing businesses.
- Existing businesses are also more suited to succeed in the local economy than transplants. They employ residents and purchase materials and services from local suppliers while new businesses may bring employees to a community and purchase materials from further a field.
- Local businesses pay taxes to the City, so as a mater of fairness, many cities use resources to help local firms remain and expand rather than expend hard-earned taxes on newcomers.

This is not to say that the City shouldn't work to attract new businesses to Long Beach, as such activities are particularly appropriate for large development opportunities like Douglas Park. However, as a matter of course, we could focus our efforts on retention and expansion of existing businesses and get more jobs for our money. Some best practices and potential possible action items include:

Best Practices and Potential Action Items

- **Initiate a Retention/Expansion Calendar & Tag Team.** Cities of Long Beach's size typically work on between 75 and 100 retention and expansion cases per year. Many cities find that the biggest economic benefits come from focusing on economic base industries – businesses that export goods and services out of the community and thereby add prosperity and robustness to the local economy. Economic base industries in Long Beach include: Health Services, Education Services, Manufacturing and Trade.
- **Identify Retention Issues.** Staff could also make an effort to interview businesses that leave Long Beach to determine why they leave, and use the data gathered to: 1) strengthen business retention efforts; 2) develop an annual report to the City Council enumerating retention issues, and; 3) change policies and programs as needed. In addition, staff might meet with area Chambers of Commerce and other business groups to elicit retention and expansion concerns on a regular basis.
- **Retain Small Businesses.** Cities of Long Beach's size typically complete 50 to 75 retention and expansion interventions with small businesses per year to assist with business expansion opportunities and identify and resolve any retention issues.
- **Identify underutilized commercial property for expansion needs.** City staff should continue to work with commercial realtors to identify underutilized commercial properties suitable for the expansion needs of Long Beach businesses.

Community Priority: Highest. This strategy was one of the top ten strategies among community participants in focus groups, neighborhood meetings and city-wide meetings.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Retain or expand well-paying jobs.	**Medium:** Retain or expand entry-level jobs with opportunities	**Medium:** Increased revenues from business license fee, building fees, property taxes.	**Medium:** Increased incomes, maintain employment.

5.1.3 KEY STRATEGIC INITIATIVE: BUILD ON OUR CITY'S ECONOMIC STRENGTHS IN HEALTH SERVICES, EDUCATION, MANUFACTURING, TRADE AND PROFESSIONAL SERVICE SECTORS

Job creation, expansion and retention efforts should be targeted toward rapidly-growing economic clusters with opportunities for advancement and higher-paying, quality, livable-wage jobs which meet the skill levels of the region and the community's broad labor pool. This "cluster-based economic development strategy" approach, currently being implemented in communities throughout the United States, recognizes that effective economic development begins with a city's strengths. Successful economies focus on improving their export clusters which bring new dollars into a community rather than on reducing costs relative to competitors. Competitive clusters that generate high-wage jobs and bring dollars into Long Beach include: health services, education services, manufacturing, trade and tourism. Professional Services is a strength because it is rapidly growing, though it is not an export sector (economic base industry) for Long Beach. See the Volume II: Economic and Market Analysis for more detail. These competitive clusters generate high value-added jobs whose multipliers (salaries and expenditures within the city) create other jobs. These clusters are what Long Beach "does for a living"; they bring net new revenue into our community by exporting goods and services beyond City boundaries.

Before moving to a discussion of the new clusters, a quick review of the past cluster focus successes is in order.

- The focus on, and growth of, the tourism and retail clusters has increased tax revenues to the City (in the form of Transient Occupancy Taxes and Retail Sales Taxes), while creating many low-wage, low-skill jobs. These two clusters improve the City's quality of life for residents and workers by increasing shopping and entertainment venues, while providing employment to youth and adults who don't have a college education or significant skill sets.
- The technology sector, though high-paying, accounts for only 3 percent of all Long Beach jobs and grew by only 475 jobs between 1997 and 2003 despite considerable City efforts. Technology-driven firms tend to congregate in cities with research universities (such as Stanford in Silicon Valley or MIT in Boston) which provide highly skilled workers and innovation, and/or they locate near large technology employers which engage in innovation and have a highly skilled workforce and supply base (such as Microsoft in Seattle). Long Beach offers neither of these critical ingredients for success and is unlikely to become a high-tech center. There may be some opportunities, however, to build capability in high-tech activities related to current cluster strengths such as health care (medical devices) and trade (logistics software).
- The trade sector, which benefits from the competitive advantages afforded by the Port of Long Beach, offers many good-paying jobs. However, trade growth could be better parlayed into jobs for city residents.

Economic clusters take shape and expand in regions that offer critical infrastructure and operational advantages. Strengthening local advantages for target clusters is a core activity of effective economic development. This strategy refocuses Long Beach economic development activities on target clusters that have a competitive advantage for locating within Long Beach: those that are strong, rapidly growing and export services or products to the larger economy. Target clusters include:

- Health and Education -- Long Beach has a relatively high concentration of health and education jobs relative to California. In fact, Long Beach has six times as many jobs in Education and two times as many jobs in Health Services as one might expect in a city of its size. This cluster employs 24 percent of Long Beach workers: 23,413 people in Education and 16,512 people in Health Services. These rapidly growing sectors are high-paying, with average salaries of $45,434 and $51,410 respectively.
- Professional & Business Services – employing 22,527 people at an average salary of $46,939, this sector has added 7,649 jobs since 1997.
- Trade & Manufacturing – offering over 35,600 excellent blue collar jobs with an average manufacturing salary of $63,182 and an average trade sector salary of $45,085, these two sectors remain vital to our economy. An extremely low vacancy rate of 2.8 percent in industrial space indicates additional opportunities to grow this cluster.

Cluster-focused economic development is now standard practice in many communities. By focusing on clusters that are already strong and growing in Long Beach, this strategy will produce better jobs, more jobs and more business activity with a smaller City investment than the current strategy. Best practice and potential action items include:

Best Practices and Potential Action Items

- Designate Cluster-Specific Staff. For each target cluster, designate a lead staff person to facilitate Cluster Advisory Groups and gain detailed knowledge about business practices within the sector. The staff should be the primary contact for site selection, regulatory assistance, tax incentives, job training, and other general economic development services, as well as being responsible for building relationships with relevant associations and workforce training partners to effectively build the cluster.
- Develop Business Cluster Advisory Groups for each target economic cluster, in order to engage the private sector in the economic development process and continue to set priorities and develop effective strategies regarding: cluster-specific job placement and training needs, business retention issues, infrastructure development needs, business recruitment strategies, etc. The business clusters, formulated in partnership with the Long Beach Area Chamber of Commerce or other appropriate private sector organizations, should meet quarterly and consist of representatives from employers, relevant agencies, workforce development partners and others who have a stake in cluster performance. Where possible, the City could use existing groups.
- Cluster-Specific Collaboration. Collaboration is essential to achieving ongoing economic growth. High performing economies achieve success because their workers, businesses and institutions build a collaborative culture, in which stakeholders share information, are open to change and willing to work with one another to get things done. A collaborative economic culture enables businesses, government and organizations to work together to make investments that will have mutually beneficial pay offs. Engaging in collaborative efforts to build competitive advantage will develop the clusters and create a more prosperous economy. Cluster staff could coordinate and partner with appropriate

agencies and businesses for cluster-specific referrals and joint projects through the Cluster Specific Advisory Groups outlined above. Important collaborative partners include: real estate agents, real estate developers, CSULB, Los Angeles Economic Development Corp. (LAEDC), the California Manufacturing Technology Center (CMTC), the California Film Commission, etc. Economic development partners that have a specific sector focus might also be invited to participate in the appropriate Cluster Advisory Group.

- Complete **cluster-specific retention and expansion visits** of top employers in each cluster.
- **Identify and attract suppliers of products and services to major employers in each cluster.** Work with major employers to identify opportunities for local small businesses to supply goods and services. For example: hold a vendor fair for large health and educational institutions to view the products and services of, and meet with, local business owners.
- **Initiate cluster-based collaborative workforce development strategies** with LBCC and CSULB. For example, develop a work-based training program for working Certified Nursing Assistants to become Licensed Vocational Nurses (LVN's), and for working LVN's to become Registered Nurses.
- **For the Health and Education clusters**: 1) plan for impacts of institution growth, including impacts on City services, parking, traffic and housing, and 2) work with Cal State Long Beach and Long Beach City College to improve revenue sharing for City services.[2]
- **For the Trade cluster.** The Economic Development Bureau and the Harbor Department might work together to: attract the headquarters offices of import/export and/or logistics firms to downtown Long Beach[3]; and 2) continue to provide import/export assistance to Long Beach businesses through the International Trade Office at the World Trade Center.

Community Priority: Highest. This strategy was one of the top five strategies.

Anticipated Outcomes	
Prosperity	Opportunity
High: Add /Retain well-paying jobs	**Medium:** Add new entry-level jobs with opportunities.
Fiscal Health	Quality of Life
Medium: Increased revenues from business license fee, building permit fees, property taxes.	**Medium:** Increased incomes will result in market support for new retail and entertainment venues.

[2] Further growth at CSULB and LBCC will remove property from Long Beach's tax rolls and increase demand for City services. Many California cities have negotiated contributions from colleges and universities to cover some of the costs of providing additional City services including: Berkeley and UCB, Santa Cruz and UCSC; Davis and UCD; Palo Alto and Stanford; and San Francisco and SF State. Many more communities institute user charges or fee-for-services, as opposed to using property taxes, to obtain revenue from universities and colleges.

[3] Past efforts to attract and retain headquarters offices of major shipping lines have failed; union efforts to organize the headquarters administrative staff resulted in shipping line headquarters relocating to Orange County -- far from union activities. Given the union situation, the City is unlikely to attract the headquarters offices of Port tenants (shipping lines). However, Long Beach offers an excellent venue for the headquarters of import/export and logistics firms.

5.1.4 KEY STRATEGIC INITIATIVE: PRESERVE AND RETAIN INDUSTRIAL LAND AND STRENGTHEN MANUFACTURING

Manufacturing has long been a mainstay of Long Beach's economy, and while its dominance has dimmed in recent years it remains a critical component to Long Beach's success. As of 2003, 17,000 people worked in the manufacturing sector in Long Beach. These jobs provide excellent wages and benefits (average payroll per employee was $63,182) and opportunities for people without a college degree. In addition, industrial uses of land provide more revenue to the City's General Fund than they generally consume in services. Manufacturing remains a strong sector in Los Angeles County with a very low vacancy rate of two percent. Manufacturing job losses in Long Beach are almost entirely attributable to losses at Boeing; other firms have grown or remained stable. Some potential actions and best practices include:

Best Practices and Potential Action Items

Undertake a thorough review of Land Use policy and the zoning code to ensure sufficient land is available to meet the needs of manufacturers. The City of Long Beach has recently rezoned (or is considering rezoning) a significant portion of the City's industrial lands for residential and commercial uses (Douglas Park and the Robertshaw Controls site). Other large sites, such as the C-17 and 717 sites, may also come available. These sites offer valuable opportunities for Long Beach to create new high-wage employment centers and industrial parks. However, policy makers will continue to be pressured by industrial land owners to rezone industrial land to uses with higher land values. Some owners may even hold industrial land vacant to spur City officials to rezone. However, extremely low industrial vacancy rates of 2.8 percent speak to a shortage of industrial land in Long Beach. These sites may well offer the last opportunity for Long Beach to secure significant high-quality manufacturing and R&D jobs. Indeed many cities have proactive planning policies to retain industrial land for manufacturing uses. Long Beach could:

1. Establish better controls on rezoning of industrial land and preserve existing industrial land, except where rezoning serves to bring in high-quality replacement jobs in other target clusters and does not encroach on industrial uses.
2. Discourage encroachment of non-compatible uses and self-storage, equipment storage, truck yards on industrially zoned lands.
3. As part of the General Plan Land Use Element and updated Zoning Code, convert general commercial area zoning to industrial zones in order to create consistent industrial areas in North and West Long Beach. Consider conversion of some utility corridors to industrial use, where appropriate and feasible in North Long Beach. (See <u>North Long Beach Strategic Guide for Redevelopment</u>, <u>Westside Industrial Strategy Action Plan</u> and <u>Central Long Beach Strategic Guide for Redevelopment</u>.)
4. Acquire, remove and recycle residences incompatible with industry in the Westside Industrial Area. Explore the possible exception of live/work studios for industrial and commercial artists. (See <u>Westside Industrial Strategy Action Plan</u> for additional detail.)
5. Work to retain, expand and attract manufacturing companies, for example: 1) work with Boeing to ensure that the 717 site (and the C-17 site) are reused for manufacturing, R&D, or other quality job generating uses; 2) assemble smaller industrial parcels; 3) improve infrastructure; 4) identify underutilized industrial properties and contact owners to show market potential.
6. Improve and maintain the quality of existing industrial areas through street and parking improvements, power system and infrastructure upgrades, and graffiti and litter abatement.

Community Priority: Highest priority ranking among city-wide meetings, focus and business groups.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Direct expansion, retention and attraction of good jobs	**High:** New entry-level jobs with opportunity for non-college bound youth.	**High:** Manufacturing firms generate at least two times the tax revenues that they use in city services.	**Low:** Possible environmental issues

5.1.5 STRATEGY: COMMUNICATE A CONSISTENT COMPELLING COMMUNITY IDENTITY

Long Beach's image has improved significantly in recent years. Collectively, Long Beach attractions provide an enjoyable tourism experience, as evidenced by the over 6 million day and night visitors to Long Beach in 2003.[4] However, some residents and visitors continue to fear coming Downtown. The City, the Convention and Visitors Bureau, the Chamber of Commerce and Downtown Long Beach Associates (DLBA) all have marketing and public relations campaigns to improve Long Beach's image and resident pride. By continuing to define and market the city's brand or "sweet spot" for residents, visitors and business attraction efforts, these partners will continue to improve the Long Beach image. The Convention and Visitor's Bureau (CVB) is well-versed in running effective marketing campaigns. With additional collaboration between the Economic Development Bureau, the CVB and the DLBA, the City's marketing programs will be more effective.

Best Practices and Potential Action Items

Market to Visitors

- Model efforts promote and encourage linkages and cross-marketing between a city's various tourism and visitor destinations. Long Beach's marketing partners could develop and provide marketing materials about Long Beach tourism destinations and activities at the Long Beach Airport, area hotels, the Carnival cruise ship terminal, the Convention Center, the Aquarium, Queen Mary, Long Beach Museum of Art, Museum of Latin American Art, and other tourism and visitor destinations. Marketing materials could include shopping, tour and restaurant guides, and activity flyers about key tourism destinations.
- Many cities have developed a weekend package (such as a city-pass program of coupon book discounts) for visitors and tourists. A weekend package, marketed through the convention center and Carnival cruise lines, could encourage conventioneers and cruise passengers to stay longer, bring their family and enjoy Long Beach.

Market to Residents

- Consider developing a "have a vacation in your backyard" campaign to attract weekend and day visitors from LA and Orange County to Long Beach.
- Continue, expand and improve the reach of the "Hip is Here" and "Get More" campaigns to encourage residents to buy from Long Beach retailers both in the Downtown and neighborhood retail destinations such as 2nd street, Alamitos Bay, and Bixby Knolls. Philadelphia has a model "buy local program" that has successfully encouraged residents, visitors and workers to shop at locally-owned businesses within Philadelphia. Learn more by visiting www.buylocalphilly.com

Market to Business

- Continue marketing program geared at business attraction.
- Expand, improve and annually update *Long Beach Fast Facts*, which summarizes relevant economic, market and demographic data.

Community Priority: A high priority among community and businesses participants.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Attract new companies and jobs.	Medium: Tourism and retail provide low-wage entry-level opportunities.	Medium: Increased sales tax and TOT revenues.	Medium: New and better shopping and entertainment venues.

[4] See Volume II: Market & Economic Analysis, Marie Jones Consulting, 2005, page 32

5.1.6 Strategy: Attract, Retain, Expand and Strengthen Small and Medium-Sized Businesses

Thirty-nine percent of all Long Beach jobs are found in small businesses and micro-enterprises, and another nine percent of workers are self-employed. Most new jobs are generated through small business expansion and start-ups. In addition, ethnic and immigrant-owned small businesses are more likely to hire minorities and provide jobs to new immigrants, so they are an important source of jobs for minority populations. Small business assistance programs are standard fare in economic development efforts throughout the nation, in part due to active Federal and State funding mechanisms. Long Beach could actively encourage the growth of start-up and small businesses with the following best practices and potential action items:

Best Practices and Potential Action Items

- Improve and increase the number and quality of site-selection assistance, small business loans and grants, façade improvement assistance, business counseling, and workforce training and placement services to small and medium-sized businesses in Long Beach.
- Enforce Section III business set-aside program for all City contracts and development projects. Continue development of the Jobs Initiative, which would provide construction set-asides for disadvantaged businesses.
- Improve access to City contracting and purchasing opportunities. Continue the local and small business vendor preferences of 5% for City and 25% for Port of Long Beach contracts, respectively. Promote the City's centralized website of bid opportunities (RFQs, RFPs, Bids, Purchase Orders) as many small businesses are unaware of it. Pair the website with an automated e-mail system to alert small businesses of new opportunities as they arise by category.
- Complete a feasibility study for Cambodian, Black and Hispanic business centers to highlight ethnic businesses and provide commercial centers for these large and growing ethnic communities. (Other ethnic groups may also be interested in culturally-specific retail and business centers; however we did not hold focus groups with other ethnic groups and so cannot speak to their desires within this strategy.) These were top economic development priorities for these communities. Defined ethnic commercial districts often become tourist attractions in their own right. The ethnic business centers could highlight minority-owned businesses and serve as a commercial and cultural center for each community.
- Consider extending business counseling and training and placement services to non-profit organizations. These services are currently provided to the for-profit business community through CDBG funds which cannot be used to serve the non-profit community. Alternative funding sources would be required.
- Develop a better understanding of businesses in the informal economy (e.g. part of the "cash economy" and not paying taxes), and consider implementing a strategy to bring them into the economic mainstream. Roughly 36,000 people work in the informal economy in Long Beach, many in businesses that do not pay City business license fees or taxes. Some cities, such as Los Angeles, San Francisco and Oakland, have developed formal day-laborer programs as a way of controlling and reducing abuses of the day laborer population.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Low: These programs typically result in relatively low job growth.	**Medium:** Improve small business ownership and entrepreneurship opportunities.	NA	**High:** Create vibrant economic and cultural centers for ethnic communities.

5.2 CREATE A POSITIVE ENVIRONMENT WHERE BUSINESSES FLOURISH

Three key strategies are necessary to facilitate a good business climate: 1) the use of appropriate regulatory and policy tools necessary for business development; 2) the efficient delivery of government services; and, 3) the cost of business. The three strategies address a variety of factors including: the speed, ease and predictability of permit application and processing, the relative costs of permits, development costs, the relative cost of fees and taxes, and the customer service orientation of City personnel and elected officials. The following three strategies address these critical issues:

5.2.1 KEY STRATEGIC INITIATIVE: IMPROVE THE SPEED, PREDICTABILITY AND CONSISTENCY OF THE DEVELOPMENT REVIEW PROCESS

Urban infill development, the most common type of development in Long Beach, is a difficult and uncertain process, and developers may be further discouraged by long and uncertain building and zoning permit process times. Most communities are constantly working to improve and shorten building and zoning permit consistency, predictability and speed, and Long Beach is no exception. Planning and Building could fold the following recommendations into current improvement efforts:

Best Practices and Potential Action Items

- Set realistic expectations regarding permit approval process and process time and meet those expectations. Uncertainty is the bane of a developer's existence. By setting permit approval processing times and sticking to them, the Planning and Building Department will allow builders and developers to build these timelines into their own schedules.
- Work to improve permit processing times. Ensure that staffing levels are appropriate to address the demand for services.
- For large projects, the City might designate a project manager within Planning and Building to take on responsibility for interdepartmental coordination (Building, Fire, Public Works, and Redevelopment) and to facilitate the resolution of issues.
- Consider refunding permit fees if City staff exceed cumulative review cycle targets.
- Track and post current building and zoning permit processing time by construction cost on the City's web site. On-line access to actual approval times will increase accountability and inform the development community of its performance.
- Integrate the development and permit process of the Redevelopment Agency with that of Planning and Building to minimize development delays.
- Re-start the business ombudsman program. The City's former business ombudsman program, housed within the Economic Development Bureau, assisted job-generating development projects through the entitlement process.
- Continue the esteemed and heavily utilized planning and building Help Desk program.
- Improve the consistency and accuracy of building inspections.
- Consider letting developers hire independent City-certified building inspectors. Many communities allow developers to use private sector third-party building inspectors for commercial projects.
- Complete a nexus study to set realistic building permit and impact fees based on actual development impacts. City building fees seem to be lower than those of similar jurisdictions.
- Develop a guide to land use planning and development to explain the City process to residents, entrepreneurs, property owners and others.

- Develop a streamlined review process for developers and companies that pursue LEED Certification for new projects or existing buildings. LEED is the City's adopted standard for green building which reduces resource, energy and water use within buildings and improves indoor air quality for building occupants.

Community Priority: Highest priority strategy among focus group and business community meetings.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Increase development and business growth in Long Beach.	**Medium:** More development and job opportunities in distressed areas.	**Medium:** Increase property tax revenues and private investment.	NA

5.2.2 Key Strategic Initiative: Improve Customer Service to the Business Community

During focus groups and business meetings, the business community expressed the need for better customer service at City Hall. Efficiency, effectiveness and responsiveness should be emphasized throughout the City. Efforts to further improve customer service might include implementation of the following best practices and potential action items:

Best Practices and Potential Action Items

- For key business areas, map and reorganize work processes to improve services and customer satisfaction. Identify the key values sought by customers for all economic development functions. Determine key activities and service levels that must be maintained to maximize customer value.
- Continue to devise self-help and one-stop centers that integrate services, such as the help-desk and business ombudsman programs.
- Track customer satisfaction for key "business-related" functions such as building permits, business licenses, business taxes and graffiti abatement, through focus groups, short customer satisfaction surveys, etc. Work to address identified customer satisfaction concerns. Identify internal and external obstacles to improvements in service.
- Consider implementing a suggestion box program to solicit ideas and suggestions for improving operations and customer service. The suggestion box program could be accessible via the internet and physically in the City hall lobby and on appropriate floors so that all City customers, residents and staff can easily make suggestions. The City's Innovation Committee could review and address suggestions and bring those that merit further consideration to management staff.
- Train staff in effective "business-friendly" customer-service practices. Identify the core workforce competencies linked to the customer service strategy and devise and implement a customer service training curriculum and customer service business processes for each key customer service area. For example, the City could develop a decision tool to help administrative assistants make more effective referrals. Many participants noted that it is very difficult to get a referral to the person at City Hall who can actually answer their question.
- Improve accountability. Define and set targets for individual employee contributions to customer service improvements. Conduct employee evaluation feedback and rewards programs linked to customer service goals.
- Establish systems and policies to improve customer service. Take advantage of technology to improve customer satisfaction.
- Manage the resolution of customer complaints. Develop and implement a resolution process for customer complaints and devise a set of resolution options for common complaints.

Community Priority: Highest

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increase development & job growth.	NA	NA	Medium: Improve customer satisfaction.

5.2.3 STRATEGY: EVALUATE THE BUSINESS LICENSE FEE STRUCTURE AND PROCESS

Many businesses expressed concerns about the fairness and competitiveness of Long Beach's current business license fee structure, which some feel unfairly burden small start-up businesses. The City's Business License Fee has a complex range of base rates that range between $175 and $2,981 per business (depending on the business's activities) and $13.93 per employee. However a recently completed Kosmont survey of the cost of doing business notes that many cities in LA County have a higher cost of business than Long Beach, including: Hawthorne, El Segundo, El Monte, Huntington Park, Pico Rivera, Pomona, Bell, Palmdale, Compton, Culver City, Santa Monica, and last and most expensive, Los Angeles.[5] Long Beach is in the middle of the pack among southern California cities in overall cost of doing business.

Best Practices and Potential Action Items

- Set a single contact point for all business license questions – a "small business start-up help desk," as small business owners find it difficult to understand and apply for the myriad State, County and City business licenses required to run a small business.
- Benchmark Long Beach's business license fee structure with that of comparable (Los Angeles, San Jose, Sacramento, Santa Monica, Irvine) and nearby cities (Signal Hill, Lakewood, Cerritos, Paramount, Carson, Seal Beach, etc.) Explore the suitability of different business license fee structures (based on business type, impacts, number of employees, gross receipts, payroll, etc.).

Community Priority: Medium

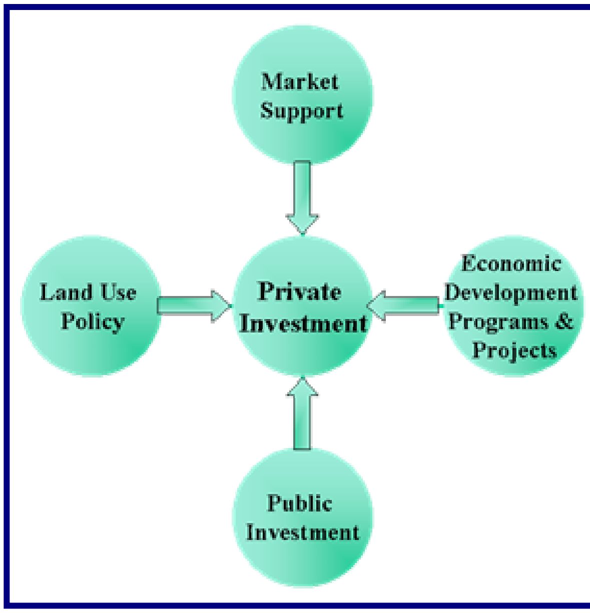
Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increase development & job growth.	NA	Unknown: May improve or weaken the City's fiscal health depending on fee.	NA

[5] Cost of Doing Business Survey®, Kosmont-Rose Institute, 2004

5.3 ENCOURAGE PRIVATE INVESTMENT & IMPROVE INFRASTRUCTURE

To facilitate private investment and transform the physical and economic environment, the City can harness and focus: 1) the power of the market; 2) City investments in economic development programs; 3) City investments in redevelopment and infrastructure projects, and; 4) City regulating and policing authority (e.g., land use, zoning and redevelopment powers). When these four factors are well orchestrated and coordinated they can transform and revitalize a community and create economic prosperity and opportunity for its residents (see Figure 4).

Figure 4: Four Keys to Successful Physical Development



The critical elements of successful physical development are aligning in Long Beach:

- This *Jobs and Business Strategy* will align the City's economic development and redevelopment programs and projects around a common vision and set of goals.
- The updated General Plan will align land use policy with the community's economic goals as identified through the *Jobs and Business Strategy* and the new *Economic Development Element* of the General Plan.
- Public investments through Public Works and the Redevelopment Agency are currently focused on revitalizing neighborhoods and corridors, which can prompt private sector investments in these areas.
- The market is strong for new hotels, industrial facilities and residential development, while it is variable for some types of retail.

5.3.1 KEY STRATEGIC INITIATIVE: USE THIS STRATEGY TO INFORM GENERAL PLAN REVISIONS

Residents and business leaders want a city "master plan" that provides a clear vision to developers, identifies the City's long range plans for physical development, and establishes policies for daily decision making... According to participants, the City is often mired in NIMBY politics without a long range vision of what is good for the whole city. The General Plan is designed to be the City's legal constitution for development, land use, and economic development decisions and should reduce this tendency. The General Plan determines the shape, form and quality of a city's built environment. However, the General Plan doesn't "do" anything in the sense of initiating development; it establishes the framework within which development may take place. Specific project proposals, planned development districts and zoning ordinances must be consistent with the individual elements of the General Plan. Specifically, State law requires that General Plans cover seven elements: Land Use, Mobility, Housing, Open Space, Conservation, Public Safety, and Noise. In addition, under the California Coastal Act of 1976, the City must have a Local Coastal Program as part of its General Plan.

Currently, Long Beach is updating the required Land Use and Mobility Elements as well as the optional Design and Economic Development Elements of the General Plan.

Community Priority: Highest. This is one of the top five priorities of participants in focus groups, community meetings, city-wide meetings and business meetings.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Increase development and spur investment.	NA	Medium: Improve fiscal health by increasing property values over the long term.	High: Revitalize obsolete streetscapes and land uses, increase housing opportunities, and improve shopping areas.

5.3.2 Key Strategic Initiative: Work with the Port and State and Federal Governments to Reduce Traffic Congestion on the 710 Freeway

Traffic congestion on the I-710 freeway and resulting noise and air pollution is a top concern of business owners, community leaders and residents. Business owners are concerned that continued growth of Port container volume will so impact the I-710 that businesses will leave Downtown and the convention center will become a less competitive location, resulting in job loss and vacant retail and office buildings. Residents are concerned about the air pollution generated by Port operations and truck traffic. Currently, I-710 handles over 20,000 truck trips per day. Growth in Port container traffic could double truck traffic by 2010. The 710 freeway is a regional highway and a variety of regional actors are working to solve this issue, including: CalTrans, the Southern California Association of Governments (SCAG), the Bay Cities, the cities of Long Beach and Los Angeles, and the Ports of Long Beach and LA among others. Some best practices and action items that are currently underway or under consideration include:

Best Practices and Potential Action Items

- Continue to work with the Southern California Association of Governments (SCAG) on the two-year Major Corridor Study of the I-710 to analyze traffic congestion and other mobility problems in this corridor and to develop timely multi-modal, cost-effective transportation solutions from the Ports to State Route 60.
- Continue to work with SCAG to incorporate the Long Beach City Council I-710 Oversight Committee's published recommendations into the Major Corridor Study of the I-710.
- Continue working to increase effectiveness of goods movement and explore alternative ways to move goods to and from the port, for example:
- Continue and improve the Port's OffPeak program. The Port has initiated a volunteer, fee-based, extended Port operating hours program called OffPeak. This voluntary fee-based program has reduced peak–time truck traffic by 25 percent.
- Increase rail use through the Alameda Corridor. The Alameda Corridor was originally designed to accommodate 100 trains per day in the year 2020 to meet the then-projected growth of the port's train container throughput. With minor enhancements the Corridor has the capacity to handle 140 trains per day through 2025. According to the Alameda Corridor

Transportation Authority (ACTA), the ports and others, the Alameda Corridor requires the following system improvements: 1) addition of on-dock (loading of containers at the port onto rail) and near-dock intermodal facilities; and, 2) addition of line haul capacity to the main line rail routes east of downtown Los Angeles to and beyond San Bernardino. Daily train trips averaged 43.3 trips in 2004, or 43 percent of possible utilization.

- Use alternative container staging and storage options, such as remote storage of empty containers, to reduce the number of cargo-less truck trips to and from the Port of Long Beach. Implement a truck calming program and work to mitigate the negative effects of truck traffic, trucking related businesses and truck parking issues on the Westside. See Westside Industrial Strategy Action Plan for additional detail.

Community Priority: Highest priority among focus group, business and neighborhood participants.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Maintain a vital tourism cluster, Downtown job base, and Port growth.	NA	NA	High: Reduce traffic congestion and pollution

5.3.3 STRATEGY: MODERNIZE THE LONG BEACH AIRPORT FOR CURRENT ALLOWABLE FLIGHTS

The Long Beach Airport, originally built in 1941 to accommodate 15 flights a day and 500,000 passengers, now serves close to 3 million passengers on 41 daily flights. JetBlue operates out of two very crowded portable buildings and passengers must enplane and deplane from the tarmac, rain or shine. The City's airport ordinance limits both the number and time that flights can operate at the airport. Virtually all business and neighborhood participants agree that the Long Beach Airport Terminal should be modernized to accommodate current allowable flights within the existing noise ordinances. The roadblock to modernization appears to be a lack of trust that the modernization is for existing allowable flight levels. City Council should move forward with Airport modernization and improvements that reasonably accommodate allowable flight levels under the existing noise ordinance.

Community Priority: Medium priority among focus group, business and neighborhood participants. However this has been a controversial issue that is important to many in the City on both sides of the debate.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Maintain current economic benefits of Airport.	NA	NA	Low: Serve flights allowed under current ordinance.

5.3.4 STRATEGY: CONTINUE TO ADDRESS PARKING CONCERNS

Parking access is a problem in all urban areas, and Long Beach is no exception. The City should continue to develop and implement strategies to improve parking opportunities and access in the Downtown and other key economic centers and neighborhoods (such as Belmont Shore), based on needs identified through periodic parking studies. Currently, some Downtown parking garages have average occupancy of less than 30 percent, indicating excess supply. However both residents and businesses owners maintain that parking is difficult to find, in short supply and not necessarily convenient. A variety of best practice parking accessibility strategies include:

Best Practices and Potential Action Items

- Focus on increasing parking availability not supply. Utilize timed parking limits (1 to 2 hours) and price parking meters in heavily impacted areas to insure that about 15% of spaces are vacant on a block during the busiest hours. These practices discourage workers and others from long-term parking in spaces that would better serve the parking needs of short-term shoppers and diners.
- Consider developing more public parking garages and diagonal street parking in impacted areas.
- Provide better parking information and signage: parking locator maps; street signage to direct drivers to parking lots; and lighted signs at lots that indicate the number of empty spaces remaining in the garage or lot,
- Encourage alternative transportation use through transit oriented development and by reducing parking requirements for projects that provide transit passes to employees.
- Prevent spillover parking from impacted commercial areas into residential areas by establishing residential parking permits.
- Many communities give developers the option of paying a parking in-lieu fee for development projects in parking impacted downtowns. A parking in-lieu fee gives developers the option of paying a fee of $8,000 to $20,000 per required parking space in lieu of providing the space on site. The parking in-lieu fee is then used by the City to fund more effective and efficient centralized parking structures.
- Continue to complete periodic parking studies to identify new parking needs.
- Westside Parking. Investigate diagonal street parking and other design strategies for the Westside Street and alley network to increase the usable parking spaces. See <u>Westside Industrial Strategy Action Plan</u> for additional detail.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increase in Downtown business	NA	Low: Small increase in retail sales tax	Low: Easier parking

5.3.5 STRATEGY: IMPROVE INFRASTRUCTURE IN KEY ECONOMIC CENTERS

Some streets in Long Beach suffer from delayed street maintenance, while some streets have always lacked basic street amenities such as curbs and street trees. Poor quality streets and lack of street amenities reduce the desirability of some areas of the city. Infrastructure investments can spur economic development and private investment in key economic centers of Long Beach. Some potential infrastructure action items include:

Best Practices and Potential Action Items

- The addition of street trees, landscaping, street furniture (such as benches and waste receptacles), and other amenities to North Long Beach commercial streets.
- Upgrade the pump station and implement other recommendations noted in past environmental studies to fix the Westside flooding problem.
- Upgrade the Westside utility infrastructure to accommodate current and future electrical power and information technology needs.
- Consider implementing sustainable streetscape design alternatives in some demonstration projects to reduce storm water run off and improve environmental performance. Proven sustainable streetscape techniques include: permeable pavement systems, curb extensions, traffic circles, curb cuts and infiltration trenches.

Community Priority: Medium

Anticipated Outcomes	
Prosperity	Quality of Life
Medium: Increase key infrastructure in economic centers.	Medium: Increase key infrastructure in economic centers.

6 STRATEGIES TO INCREASE OPPORTUNITY

> ➢ *Vision: Long Beach's economy provides enhanced opportunity for residents. Excellent education and training programs prepare our youth and residents for a diversity of new jobs.*

Economic Opportunity & Equity Outcomes

The city's ability to achieve this vision for economic opportunity can be measured by evaluating key economic indicators that compare the community's performance with that of the State of California.

- Significantly reduce the poverty rate in Long Beach. In 2003, 24 percent of residents lived in poverty, which is much higher than the statewide average of 13 percent. In absolute terms, reaching the statewide rate would mean moving 52,000 residents out of poverty.
- Reduce the number of 16 to 24 year olds who are not in school and not employed. In 2000, 19 percent (13,000 youths) of Long Beach youth were not in school and not working. To achieve the statewide average of 16 percent, the Long Beach community would have to keep 2,000 additional at-risk young people off the streets and in schools or jobs.

Again, the goal is for Long Beach to gain ground on the outcome measures and to aspire to achieve at least the same outcomes as the State of California through the implementation of the following strategies:

6.1 IMPROVE OPPORTUNITIES FOR THOSE WITH FEW

6.1.1 KEY STRATEGIC INITIATIVE: EXPAND & IMPROVE INTERNSHIP OPPORTUNITIES, VOCATIONAL EDUCATION, AND EARLY CHILDHOOD EDUCATION FOR AT-RISK YOUTH

Twenty-one percent of Long Beach's 16-24 year olds are high school dropouts, and 19 percent of youth are neither in school nor employed. Targeting efforts toward youth to get them into the workforce before they fall into the criminal justice system is key to a successful economic development strategy. Young residents – enrolled in school or not – are at the best time in life to invest in their futures and the community can match that investment. Many Long Beach youth could be better served by both traditional education and workforce development programs. At-risk youth are particularly vulnerable to the attraction of criminal behavior and underground economic activities. To address this significant problem, a variety of community partners must work together, including parents, students, non-profit organizations, the School District, police and City government.

Best Practices and Potential Action Items

Many proven programs help students and non-students access the world of work, for example:

- The City's summer internship program currently serves 1,200 students per year and is a model for California. Continuing and expanding this proven program could well keep more students in jobs and in school. Indeed, for some students internships, coupled with mentorship, can be more effective than classroom-based training.
- Emphasize Job Readiness. Job readiness programs teach young people how to show up to work on time, dress appropriately and "check their attitude at the door." Job readiness programs could be invited into Long Beach schools to provide training in general job seeking and job related skills.
- Involve Outside Partners. Organizations and programs outside of the traditional education/workforce sphere, such as social service agencies, churches, neighborhood associations, and mutual aid societies serving immigrant communities, could be involved in assisting youth in the transition to the workforce. The City's recreation providers (such as recreation centers, YMCA/YWCA, sports leagues, etc.) could also serve as entry points to the workforce development system.

Many model strategies can help reduce truancy and drop outs, including:

- Focus on Preschool. Studies show that the biggest predictor of graduating from high school is attending Preschool. Longitudinal studies calculate a significant return on investment for preschool education due to the decreased likelihood for preschool participants to repeat grades, require remedial education, be incarcerated for crimes, and become dependent on welfare.[6] As the Federal government moves away from funding preschool the School District, City and State will have to work together to find funding for preschool for at-risk children.
- Career Focus for At-Risk Youth. Recent research indicates that non-college bound students are more likely to stay in high school when they understand what jobs they can obtain with a high-school diploma. Studies show that parents have the biggest influence on keeping their kids in school. When parents know about good career opportunities for high school graduates they use this information to influence their children to stay in school and graduate.[7] School systems that work with local employers to educate parents, guidance counselors and students about career opportunities for high school graduates have lower drop out rates.
- Vocational Education. Vocational programs and school-to-career efforts have a proven track record of keeping students engaged in school and prepared for work.
- Enforce Truancy Laws. California's education and criminal codes authorize school districts to prosecute the parents of truants; however, few districts have sought judicial enforcement of the State's compulsory attendance laws. As Long Beach Unified receives up to 80 percent of its state funding based on average daily attendance, rising truancy results in falling funding. The School District could place more emphasis on enforcement of truancy laws.
- Use Transition Plans for At-Risk Students. For students at-risk of - or planning to - drop out, a transition plan could be put in place to encourage participation in GED programs, the Jobs Initiative, Regional Opportunities Program, Youth Opportunities Program, etc.
- The City's successful PAL (Police Athletic League) program helps keep young kids off the street and out of gangs.

Community Priority: Highest; one of the top five priority strategies among community and business leaders, residents, and all project participants.

[6] Smart Money: Education and Economic Development, by William Schweke, Economic Policy Institute, 2004

[7] Speech given by the Hon. Al Frink, Asst. Secretary of Commerce, July 12, 2005

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: A better prepared workforce.	**High:** Better preparation of at-risk youth for work.	**Low:** Expected savings from reducing costs due to crime, vandalism, poverty.	**Medium:** Decreased gang activity, crime and truancy.

6.1.2 STRATEGY: IMPROVE COLLABORATION BETWEEN WORKFORCE DEVELOPMENT, BUSINESSES, AND EDUCATION PARTNERS.

Long Beach has an excellent Workforce Development Bureau, K-12 and higher education system of which residents are justifiably proud, and a dynamic economy. And while workforce development providers and schools are working more closely with the business community, there still exist many opportunities for improved collaboration between workforce development providers, education partners and the business community.

Best Practices and Potential Action Items

- The working relationship between the School District and the City might be improved by:
  - Better information flow between the Planning and Building Department and the School District. As the Planning and Building Department approve new residential developments which will impact school enrollment it could alert the School District of the impending impacts.
  - Regular meetings between Workforce Development Bureau staff and School District Board to identify opportunities for collaboration.
- Many communities establish an ongoing Education Roundtable to improve coordination and collaboration between the multiple partners involved in workforce development. Such a roundtable in Long Beach might include representatives from the Long Beach Unified School District, City College, unions, workforce development agencies, and employers.
- Agree upon accountability standards for City-funded training programs, such as: graduation rates and numbers, placements and duration of employments, characteristics of groups serviced (e.g. age, income, ethnicity, ability) employee and employer satisfaction.
- Many cities regularly track entry level job growth projections by sector (available from BLS) and provide this information to the school system and to job training programs. The Workforce Development Bureau could also establish a regular schedule to survey large employers about upcoming entry-level placement needs.
- Job recruitment and placement efforts which are highly customized at both ends are most successful, because they are designed to meet the employee needs of emerging sectors and the training needs of immigrant, older, parenting, re-entry and other subsets of the population.
- Best in Class workforce development programs periodically evaluate job recruitment and placement efforts according to the cost of placement, the post placement performance (and earning ability) of graduates, and the type of people placed (e.g. age, income, ethnicity).
- The City has in the past developed a baseline directory of training providers that lists types of training and placement services. This Directory could be updated and would help avoid redundancies, identify training gaps, and improve access to training and to trained residents.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Better access to a well prepared workforce	**High:** Increase employment of residents.	**Low:** Less reliance on public assistance.	NA

6.1.3 Strategy: Implement a First Source Hiring Program

Many cities have successful First Source Hiring programs.[8] These programs typically require City contractors (and, in some cases, others who receive benefits greater than $500,000 from the City) to inform a designated City office of upcoming entry level job openings, by category and skills required. The agency then notifies job training programs of these jobs and the programs work to ensure that qualified candidates are available. Employers are then required to advertise the openings to the training programs in advance of advertising to the whole community, thereby giving the trained job seekers first shot at the new openings. There is typically no obligation to hire a set percentage from the training programs, and the program benefits contractors and employers because job applicants are trained to their specific needs.

Best Practices and Potential Action Items

- A first step in establishing a First Source Hiring program would be to research best practices from other jurisdictions. A variety of cities, counties and states have First Source hiring programs, including: San Francisco, CA; Palo Alto, CA; Alameda County, CA; Los Angeles Airport, CA; Hollywood, CA; Berkeley, CA; Boston, MA; Providence, RI; State of Oregon; State of Hawaii; Kings County, WA; among others.
- If City Council is interested in pursuing legislation based on the above analysis, City Attorney would likely draft First Source Hiring legislation for Council consideration.
- If a program is adopted the First Source program would be most effective if it is linked with the Jobs Initiative and with Enterprise Zone benefits to employers.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: A better prepared workforce, better access to prepared workers.	High: Increased employment of disadvantaged Long Beach residents.	Low: More effective targeting of workforce development efforts.	NA

6.1.4 Strategy: Reduce Impediments to Employment; Improve Daycare Resources/Facilities

Many working Long Beach residents (and residents who want to work but cannot because they have children or seniors at home) have difficulty finding affordable accessible childcare and eldercare in Long Beach. In 2004, over 108,000 school age children lived in Long Beach, with another 29,000 children under the age of 5. Fully 29 percent of Long Beach's population is below 17 years of age and another 9 percent is above 65. The growing numbers of frail elderly and young kids are stretching Long Beach's day care programs beyond capacity. The so-called sandwich generation must do double duty and care for kids and elderly frail parents. Some California cities have successfully utilized a variety of strategies to improve access to affordable child and eldercare, which may work in Long Beach include:

Best Practices and Potential Action Items

- Require inclusion of daycare facilities in City-funded affordable housing projects.
- Provide land for daycare centers as part of large redevelopment projects. California Redevelopment Agencies that have included childcare facilities in large projects include the Redevelopment agencies of San

[8] San Francisco, CA; Palo Alto, CA; Alameda County, CA; Los Angeles Airport, CA; Hollywood, CA; Berkeley, CA; Boston, MA; Providence, RI; State of Oregon; State of Hawaii; Kings County, WA; among others.

Jose, Burbank, San Francisco, Alameda County, Oceanside and Sacramento, among others.

- Use land use controls to encourage development of additional daycare facilities. For example, some cities: 1) require the inclusion of daycare facilities in large multi-family and condo development projects of over 100 units; and/or 2) provide a density bonus to projects that include daycare facilities.[9]

Many other implementation strategies for childcare facilities can be found in "Preparing Long Beach Children for the Future: A Community Plan for Shaping the Early Care and Education System, 2003 – 2008"

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Low: Better access to qualified workers.	High: Increased participation in the workforce by parents.	Low: Reduced cost of providing social services.	NA

6.1.5 Strategy: Reduce Impediments to Employment: Support Transportation Alternatives

Long Beach has an exceptional transit system that ensures excellent regional and local transit access to job sites, libraries, schools, retail, residential areas and parks. However, some possible action items might include:

- Include Long Beach Transit in the planning process for larger projects, so that bus stops are effectively integrated into overall project design, rather than added as an afterthought.
- Consider requiring improved access to alternative transportation in large development projects, such as: bike racks, designated carpool parking spaces, jitney shuttles to the blue line, etc.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Low: Better access to workplaces.	Medium: Increased access to the workplace.	NA	Low: reduce traffic and congestion

6.1.6 Strategy: Work to Extend the Enterprise Zone Program

The California Enterprise Zone program offers employers in designated zones relief from taxes for certain new hires and equipment purchases and serves as an incentive to growth. Long Beach's Enterprise Zone has a track record of success and is recognized as one of the State's most active Zones. In Long Beach, employers have saved over $20 million in State taxes per year, a sign of investment in jobs and equipment.

Best Practices and Potential Action Items

The Enterprise Zone program is due to sunset in early 2007. The Economic Development Commission should continue to work with the League of California Cities and the California Association of Enterprise Zones on a state-wide strategy to prolong the life of the Enterprise Zone program. The EDC should also document program successes, and continue to work with Long Beach's State representatives and lobbyists to maintain the Enterprise Zone program as part of the City's strategy.

[9] Cities with land use controls to encourage the development of childcare facilities include: Ottowa City, CA; San Francisco, CA; New York, NY; among others.

Community Priority: Low

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Continued investment in jobs and equipment.	High: Increased employment of residents of enterprise zone.	NA	NA

6.2 REDUCE BLIGHT AND IMPROVE SERVICES TO NEIGHBORHOODS

6.2.1 STRATEGY: STRENGTHEN NEIGHBORHOOD COMMERCIAL DISTRICTS AND REDUCE BLIGHT

Continue to support the viability of neighborhood commercial districts through the City's Neighborhood Improvement Strategy (NIS) areas. The NIS aims to improve the quality of life in targeted neighborhoods through an innovative collaboration between the City, other agencies, and neighborhood residents. Traditionally, the City provided a uniform level of services to all of its neighborhoods. The NIS program departs from this approach by coordinating and concentrating City services on a geographic basis according to need. This ensures that the neighborhoods facing the most serious obstacles receive the additional support and services they require. NIS neighborhoods include: Central, Cherry – Temple, Hellman, Lower West, MacArthur Park, North Long Beach, South Wrigley, St. Mary, Washington and Willmore.[10] The City's Neighborhood Services programs respond to the need for improvements in neighborhood conditions through code enforcement, graffiti removal, and neighborhood cleanup activities. Neighborhood Services currently provides the following services:

Best Practices and Potential Action Items

- Intensified Code Enforcement (ICE) Program is a comprehensive code enforcement program involving the Departments of Planning and Building, and Health and Human Services. The program focuses on bringing all structures within a specific geographic area into compliance with City building, health and safety requirements.
- Neighborhood Cleanup Assistance Program provides paint, tools, and related supplies to organized community volunteer efforts designed to physically improve neighborhood structures, streets, alleys and other blighted neighborhood conditions.
- Safe Streets Now! Administered through the Neighborhood Resource Center, empowers residents and property owners to reclaim their neighborhoods from drug dealing, gang activity or other nuisance conditions. Since 1993, the Safe Streets Now! Program has helped Long Beach residents to organize their block, document nuisance activity, keep an activity log book, record police calls for service, make and use telephone trees, find out who legally owns a problem property, and work together to resolve neighborhood problems.

[10] Detailed descriptions of these programs and neighborhoods can be found in the City's *Consolidated Plan*.

- Neighborhood Nuisance Abatement Program coordinates the City's resources to ameliorate neighborhood nuisances in an efficient and timely manner. Nuisance Abatement tracks chronic nuisance problems such as illegal drugs, vacant buildings, gangs, prostitution, consistent loud noises and trash, and assists citizens in solving problems. When necessary, Nuisance Abatement works with City departments to resolve specific problems, initiate administrative hearing procedures, or pursue other legal action to abate the chronic nuisance.
- Graffiti Removal Program: This program has provided paint and tools for several volunteer graffiti paint-outs.
- Graffiti Prevention Mural Program: This program offers a deterrent to graffiti by creating murals at locations repeatedly targeted for graffiti vandalism. Community volunteers working with professional artists design and paint the murals.
- Encourage the re-use of under-utilized and abandoned buildings through redevelopment, zoning, and other tools.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	Medium: Increase investment in NIS areas.	NA	Medium: Reduce blight in NIS areas.

7 STRATEGIES TO STRENGTHEN THE CITY'S FISCAL HEALTH

> *Vision: The City, in excellent fiscal health, is a key player in economic renewal and flexibly responds to the needs of residents and businesses.*

Fiscal Health Outcomes

The achievement of this vision for fiscal health can be measured by evaluating key economic indicators that compare the community's performance on fiscal issues with that of comparable benchmarks.

- Increase Long Beach's retail sales per resident from the current $7,775 to a number closer to the Los Angeles County average of $8,619. If per capita sales are increased to the LA County benchmark, total sales tax revenues to the City of Long Beach would increase from the current $32.3 million per year to $35.2 million per year (a total increase of $2.9 million per year).
- Increase Transient Occupancy Tax revenues by 5 percent per year from the current $14 million to around $22 million per year by 2015.

Good municipal fiscal health is critical to a successful economy: cities that cannot afford to provide basic services, maintain streets, and balance budgets are not successful partners in economic development. Long Beach has been addressing a structural fiscal health problem, derived from the City's age, large residential population and relatively small business sector. The City faces a particularly difficult economic conundrum: on a fundamental level, the city has too few businesses for its size, with the fiscal base of a suburb and a large city's urban problems.[11]

In response, Long Beach is in the midst of a 4-year plan to overcome the current City deficit through personnel attrition, reassignment, early retirement and other cost cutting measures. The City has embarked on a performance-based budgeting system, Focus on Results, or FOR. FOR Long Beach will encourage strategic business planning based on measurable performance for all City Departments. This effort is being led by the City Manager's office and Community Development is the first department to revise its budget based on this system.

However, in this strategy we are primarily concerned with how the City can improve its fiscal health through economic development efforts.

- Long Beach can increase the proportion of its revenues that come from all businesses (in the form of property and business license taxes) by increasing the number and quality of businesses and jobs through effective economic development and land use planning.

[11] Unlike many new bedroom communities, Long Beach, as an older city, struggles with deteriorated public infrastructure, deteriorating commercial corridors, and a large concentration of poor people, which all require significant City expenditures. However, unlike most large urban centers, which also face many of the same urban problems, Long Beach has a relatively small job base and a correspondingly smaller tax base. The problem is that residential uses in older cities like Long Beach generate less tax revenues than they require in needed services, while businesses generally produce more tax revenues than they need for services.

- Long Beach can continue to improve its revenue stream by attracting and retaining retail businesses, which provide sales tax revenues and by expanding the tourism sector, which provides Transient Occupancy Tax revenues. Retail and tourism development are very common strategies to improve municipal fiscal health among California cities and counties because Proposition 13 limits property tax revenues.
- Long Beach can become a more effective and informed development partner. Major redevelopment projects should synergize with the market as they are more likely to be successful and require lower City expenditures. Likewise the City can undertake an independent feasibility analysis (proforma analysis) of all significant joint projects with the private sector.

7.1 IMPROVE EFFECTIVENESS OF ECONOMIC DEVELOPMENT EFFORTS

7.1.1 KEY STRATEGIC INITIATIVE: TRACK AND EVALUATE PERFORMANCE AND ENGAGE IN CONTINUOUS IMPROVEMENT

The City should continue to improve the cost effectiveness of economic development efforts by undertaking a process of continuous improvement for all economic development, community development and planning activities. A culture of continuous improvement consists of the following:

Best Practices and Potential Action Items

- Top leadership and management commitment to economic development, expressed as unrelenting constancy of purpose and support of the key strategic initiatives of this strategy.
- Establish standards and measures to evaluate economic development performance. Possible evaluation techniques, appropriate to different situations, include cost/benefit analyses, return on investment analyses and customer satisfaction surveys, to name a few.
- Take a long-range approach to economic development efforts. Economic change takes time.
- Foster teamwork and partnerships. Economic development is not successful in a vacuum. Success will be achieved through teamwork with businesses, institutions, workers, developers, non-profits, and residents.
- Empowerment and ongoing training will prepare City staff to find solutions to problems and issues as they arise.
- A commitment to the unending journey of continuous improvement. The work of continuous improvement is never "finished'; staff should continue to focus on improvement even after initial goals are reached.
- Dedication to total customer satisfaction.
- Benchmark City programs against the best cities and against nearby competitors.
- Engage in open communication with employees, businesses and residents regarding strategic goals, processes and outcomes.

Community Priority: Highest

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increase economic development outcomes.	NA	High: Improve policy decisions and economic development efforts.	NA

7.1.2 STRATEGY: CONTINUE TO IMPLEMENT AND EVALUATE FOCUS ON RESULTS

The City should continue to implement and evaluate FOR Long Beach in City departments. FOR will require each bureau to effectively track and monitor programmatic and project outcomes and costs.

Best Practices and Potential Action Items

- Continued top leadership and management commitment to Focus on Results
- Empowerment and ongoing training for City Staff
- Dedication to total customer satisfaction
- Continue to benchmark the cost and quality of services with that of similar cities.
- Continue to engage in open communication with employees, businesses and residents regarding strategic goals, the budget process and outcomes.

Community Priority: Medium

7.1.3 STRATEGY: PREPARE TIMELY ECONOMIC, DEMOGRAPHIC AND MARKET DATA

In the recent past, Long Beach had not produced, or annually updated, the full range of market and economic data that is critical for successful project development and negotiations, business attraction and expansion, and policy development and planning efforts. Various departments[12] have produced economic and market data on an as-needed basis, with consultants or in-house staff.

Best Practices and Potential Action Items

- The Economic Development Bureau has recently taken the lead to produce data at regular intervals; improve data quality, consistency and access; reduce duplication of effort; and save costs. Effectively organized data will be posted on the City's internal network for easy access by all relevant departments, and economic fact sheets by topic area are now being made available for download from the City's web site.
- EDB has recently contracted with a national retail demographics firm to supply key retail and income data to facilitate retail recruitment. This retail market data should include resident incomes and worker payroll by primary and secondary trade area, as this provides a more complete index of market strength for retail uses in Long Beach.
- In addition, EDB has begun rolling out the Long Beach Leading Indicators™, which will provide key economic reports on a quarterly basis. EDB recently released its first Long Beach Leading Indicators™ on single-family housing to the mayor and City Council. EDB is working with CSU-Long Beach and the Long Beach Business Journal on the preparation of the Leading Indicators™. Future reports might explore:

1. A detailed look at the City's residential population, particularly the issues of poverty, education attainment, and population growth for the City as a whole and for key target areas.
2. Detailed real estate market data for office, industrial, retail, hospitality and residential uses.
3. Economic impact analysis of key clusters such as Health Care, Education, Manufacturing, Trade, Tourism, and Professional Services.
4. Detailed economic data including economic base analysis, job growth by cluster, etc.

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[12] The Redevelopment Bureau, Economic Development Bureau, Workforce Development Bureau, Neighborhood Services Bureau, Advance Planning Bureau among others all create and maintain economic and market data. In some cases, published data from one source differs from that of another source.

Community Priority: Medium

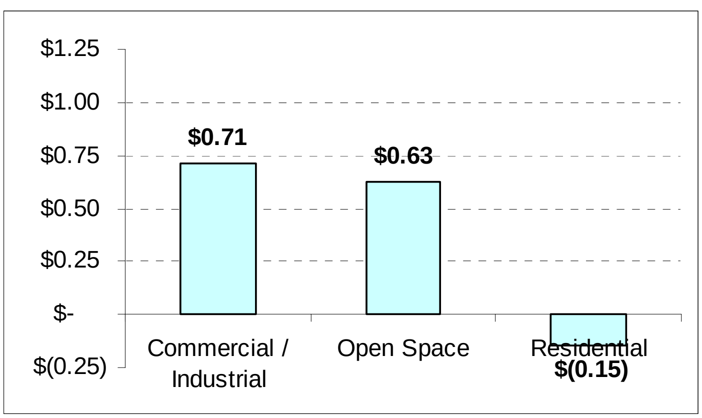
Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increase business attraction	**Low:** Improve understanding of workforce and education needs.	**High:** Improve policy, marketing, redevelopment, business retention efforts.	NA

7.1.4 Strategy: Evaluate the Fiscal Impact of New Development and Zoning Changes on City Budget.

A thorough fiscal impact analysis quantifies the impact of a particular development activity on both sides of the City's budget. Like a coin, the City's budget has two sides: revenues and expenditures. The fiscal impact of a project is the difference between the revenues (generated by taxes) and the expenditures (on fire, police and other services) generated by the proposed development. A positive fiscal impact means that the proposed project will generate a net surplus, which will allow the City to lower taxes, increase levels of service, or a combination of the two. A project with a negative fiscal impact will generate deficits, require a local tax increase, or reduced levels of service.

In general, commercial and industrial developments yield a net fiscal surplus as they generate real property taxes, business tax, and sales tax receipts while imposing few costs. Conversely, residential development typically yields a net fiscal loss, as property taxes gained by the City do not pay for the full cost of additional services required by the residential development (police, fire, transit, parks, etc.) A recent analysis[13] of over 45 fiscal impact studies found that residential developments typically produce $1.15 in costs for every dollar in revenue they generate (or -$0.15 of net revenue), while industrial and commercial development generate $0.29 in costs for every dollar of generated revenue (or +$0.71 net revenue) (See Table 6 below). [14]

Table 6: Net Revenue* (dollar-for-dollar) Generated by three Development Types.



Source: American Planning Association Report #502: *Parks and Economic Development*, 2001
*Net revenue is the total taxes paid by a development to the Municipality minus the total cost of Municipal services necessitated by the development.

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[13] American Planning Association Report #502: *Parks and Economic Development*, 2001

[14] Nonetheless, housing affordability and overcrowding are issues in Long Beach, and increasing housing supply generally improves affordability and reduces overcrowding. Increases in housing supply and appropriate locations and densities of new housing are addressed in the City's Housing Element of the General Plan.

Best Practices and Potential Action Items

- A fiscal impact analysis brings a realistic sense of the costs of growth into the public discussion. Many communities benefit from the "objective fiscal screen" that this analysis provides. As a decision tool, a fiscal impact analysis will help the City Council and City departments better understand the linkages between a particular project and its impact on the City's budget.
- The City should complete a Fiscal Impact Analysis for all major projects that require a conditional use permit or rezoning as well as all projects that benefit from Redevelopment contributions of over $5 million (in the form of reduced land costs, infrastructure development, bonding, etc.)

Community Priority: High

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	NA	**High:** Improve the fiscal impact of projects and City negotiations.	**Medium:** Incorporate more public benefits into private development projects.

7.2 IMPROVE THE FLOW OF TAX REVENUES TO THE GENERAL FUND

Revenues for the Long Beach General Fund are derived from a variety of sources. Many tax revenues are tied directly to the strength of the local economy and indirectly to the effectiveness of economic development efforts. In 2005, the City anticipates $372 million in General Fund expenditures. Major City tax revenue sources that depend on the economic strength of the Long Beach economy include property taxes, retail sales tax, transient occupancy tax, business license tax and building permit fees.

7.2.1 KEY STRATEGIC INITIATIVE: CONTINUE DEVELOPMENT OF A "BIG BOX" RETAIL OUTLET POLICY

Many communities are working to understand how "big box" retailers impact their overall retail sector. Many studies have been completed that analyze their potential impact, and most indicate that big box retailers have significant negative impacts on communities. These studies, for example, find that big box employers:

- Have a net negative impact on the municipality's fiscal health. One study found that big box retail generates a net annual fiscal drain of $468 per 1,000 square feet of big box space.[15] They also result in declining sales of main street specialty retailers, which result in a corresponding decline in property values (tax increment and an increase in vacant retail spaces and blight).[16]
- Reduced local economic impact. A number of studies have quantified the economic impact of buying goods and services from locally owned businesses versus large chain stores. These studies indicate that purchasing goods at a locally owned business has a 70 to 300 percent greater impact on the local economy than shopping at chains and big box retail. This multiplier effect is generated by wages and benefits paid to local employees, goods and services purchased from other local businesses, profits accrued to local owners and taxes paid to the municipality.[17]
- Result in significant closure of neighborhood serving grocery, hardware, building supply, general

[15] Fiscal Impact Analysis of Residential and Nonresidential Land Use Prototypes, Tischler & Associates, July 2002
[16] Understanding the Tax base Consequences of Local Economic Development Programs, RKG Associates, 2001
[17] The Andersonville Study of Retail Economics, Civic Economics, October 2004; The Economic Impact of Locally Owned Businesses vs. Chains, The Institute for Local Self-Reliance, September 2003; Economic Impact Analysis; Civic Economic, December 2002.

merchandise stores, drug stores, music and book stores, apparel stores, sporting goods stores and department stores and with little or no net job gain within a community. Big Box retail effectively siphons off sales that would normally go to existing retailers, resulting in the closure of anchor tenants (such as supermarkets, drug stores, and department stores) that attract customers to neighborhood serving retail centers. The result: fewer customers to all existing retail outlets and a hollowing out of the retail experience in a community. [18]

Other studies indicate that big box retailers might actually benefit some communities:

- In rural America, large discount chains draw customers from greater distances and so result in a net increase in retail sales tax revenues for the towns they call home.[19]
- Big box stores also offer services not traditionally offered by smaller local outlets, such as one-stop shopping, extended hours, free parking and lower prices, which benefit local consumers and residents.

Best Practices and Potential Action Items

On October 11, 2005, the Long Beach City Council made a recommendation to refer to the Planning Commission the responsibility for development of zoning rules regarding superstore retail. The staff report for the proposed zoning rules will include a discussion of big box retail outlets and related policy recommendations. A maximum size for retail developments sits squarely within the zoning powers of a jurisdiction. Big box stores typically range in size from 90,000 to 250,000 square feet. Many cities have set a maximum retail store size of 50,000 square feet to discourage big box retailers.[20]

Community Priority: Highest

Prosperity	Opportunity	Fiscal Health	Quality of Life
Low: Retain existing retail jobs.	**Medium:** Retain neighborhood retail and jobs	**Medium:** Maintain retail sales tax revenues.	**High:** retain neighborhood serving retail areas.

7.2.2 Strategy: Develop Retail to Maximize Sales Tax Revenue and Neighborhood Livability

Most cities in California, including Long Beach, have focused economic development efforts on retail recruitment for the sales tax revenue contributions to the General Fund. Sales tax receipts in Long Beach account for $32.3 million or 9.1 percent of all General Fund revenues in FY 2005.[21]

Retail Recruitment Strategy

Long Beach should continue to fill major gaps in retail offerings as indicated by retail sales per resident by category. Currently, Long Beach has below average retail sales per resident in the auto dealer and supplies, general merchandise stores, home furnishings and appliances, and apparel categories. In

[18] Job Creation or Destruction? Labor-Market Effects of Wal-Mart Expansion, Emek Basker, University of Missouri Review of Economics and Statistics, February 2005; The Impact of Big-Box Building Materials Stores on Host Towns and Surrounding Counties, Kenneth Stone, Iowa State University, 2001.

[19] Ken Stone, *Competing with the Discount Mass Merchandisers* (1995),

[20] Communities that proactively discourage big box retail with zoning, include: Fort Bragg, CA; San Francisco, CA; Berkeley, CA; New York, NY; Westford, MA; Gaithersburg, MD; Foxborough, MA; among many others.

[21] All taxable retail sales in Long Beach are charged an 8.25 percent tax. This amount includes 1.25 percent that goes to the County of Los Angeles, and 6.25 percent that is retained by the State. Only 0.75 percent is returned to the City by the State.

2002, Long Beach lost about $389 million in potential retail sales to competitor cities through retail sales leakage. Retail sales leakage is calculated by comparing Long Beach's sales per capita with that of a larger reference area (in this case Los Angeles). In 2002, Long Beach lost $2.9 million in sales tax revenue to retail sales leakage (see Table 6). A significant number of retail jobs, which could be in Long Beach, are in neighboring communities as a result of the leakage.

Table 6: Taxable Retail Sales Leakage, Long Beach 2002

	Taxable Retail Sales	Retail Leakage	Leakage Per Capita	Lost Local Sales Tax Revenue
Retail Stores				
Apparel stores	$ 103,142,000	-$63,484,552	-$138	-$476,134
General merchandise stores	$ 317,025,000	-$79,376,259	-$172	-$595,322
Food stores	$ 192,907,000	-$3,796,014	-$8	-$28,470
Eating and drinking places	$ 489,759,000	-$16,138,722	-$35	-$121,040
Home furnishings and appliances	$ 92,281,000	-$53,384,313	-$116	-$400,382
Bldg. matrl. and farm implements	$ 500,446,000	$267,031,026	$579	$2,002,733
Auto dealers and auto supplies	$ 328,824,000	-$140,740,865	-$305	-$1,055,556
Service stations	$ 268,523,000	-$34,089,172	-$74	-$255,669
Other retail stores	$ 443,404,000	-$102,276,983	-$222	-$767,077
Total Retail Stores	*$ 2,736,311,000*	-$226,255,855	*-$490*	-$1,696,919
All Other Outlets	$ 852,224,000	-$162,968,137	-$353	-$1,222,261
Totals All Outlets	$ 3,588,535,000	-$389,223,991	-$843	-$2,919,180

Source: State Board of Equalization, 2002; MJC, 2004

Best Practices and Potential Action Items

- The City could begin an active strategy to recruit, retain, consolidate and strengthen Long Beach's remaining auto dealerships. The City might also focus retail efforts on recruitment and expansion of home furnishings, appliances, apparel, general merchandise and grocery stores.
- The city's working population should be used in all market analyses for retail recruitment and development. 104,000 non-residents enter the City everyday to come to work. These non-residents earn approximately $4.97 billion in payroll a year or $48,000 each.
- Target and focus neighborhood-serving retail recruitment to neighborhood village shopping nodes. By focusing retail recruitment the City can increase the concentration of stores at these key shopping venues, improve the attractiveness of the retail destinations and enhance their consumer drawing power.

Retail Retention Strategy

Some restaurants and retailers at CityPlace, Pine Avenue, and The Pike at Rainbow Harbor are not performing as well as they might. In addition, some projects have too many competing stores in the same retail category, particularly in low-end food court and chain restaurants. To re-energize these important public/private retail areas, the following actions could be undertaken:

Best Practices and Potential Action Items

- Continue efforts to attract a wider variety of tenants and stronger anchor tenants.
- Improve signage to the Pike from the I-710 exit.
- Increase street meter parking time to an hour.
- Improve movie theater signage.
- Include Pine Avenue, the Pike and CityPlace restaurants in a City Pass program (see page 28).

Community Priority: High

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	Low: Increase entry-level jobs	High: Increase retail sales tax revenues.	Medium: Improve shopping opportunities.

7.2.3 Strategy: Promote and Support Long Beach as a Tourist Destination

In 2005, the City of Long Beach will collect roughly $13 million in tax from visitors to Long Beach hotels and motels through the *Transient Occupancy Tax (TOT).* TOT is a hotel bed tax of 12 percent assessed on all hotel room receipts in the city's 49 hotels and motels. Half of the tax is paid to the General Fund and half is paid to the Special Advertising and Promotion Fund. The TOT was recently increased to 15 percent on certain Downtown hotel room receipts. This increase will fund an estimated $3 million in additional Convention and Visitors Bureau activities per year.

Best Practices and Potential Action Items

Some potential activities to strengthen Long Beach as a tourism destination include:

- Improve signage and gateways to Downtown and tourist destinations, especially on the 7th street exit off the I-405/22, the 6th street exit off I-710, and the entrance from the Port of L.A.
- Maintain and support existing tourism attractions, such as: the Convention Center, the Queen Mary, the beach, and the Aquarium.
- Work with non-profit partners and developers to explore the feasibility of new family-oriented and cultural tourism attractions. Some possible new venues include a new Science Museum, a hands-on Children's Museum, and/or the proposed Art Exchange. These attractions would be expensive and ambitious projects and require significant private and non-profit interest.
- Promote and encourage linkage and cross-marketing between the City's various tourism and visitor destinations. Develop marketing materials about Long Beach tourism destinations and activities and distribute them at the Long Beach Airport, area hotels, the cruise ship terminal, the Convention Center, the Aquarium, Queen Mary, MoLAA, and other tourism and visitor destinations.
- Maintain and support fiscally sound special events such as the Long Beach Grand Prix, Long Beach Marathon and other sporting events that bring tourists and provide positive publicity to Long Beach.

Long Beach is also becoming a cultural tourism destination. The City should continue to foster and support cultural tourism by supporting local visual and performing arts, arts organizations, artists and arts institutions to strengthen the city's reputation as a regional art and cultural center, the City's quality of life, and attractiveness as a tourism destination.

- Continue to develop the Art Exchange through a partnership with a private developer, as an arts and entertainment destination in the East Village.[22]
- Develop a cultural tourism marketing campaign in partnership with major tourist destinations that promotes the arts and cultural community, including the Museum of Latin American Art, the Long Beach Museum of Art, the Long Beach Symphony, Long Beach Opera and other theater groups.

[22] The Art Exchange would provide studio space, live art-making demonstrations, arts education and event space.

- Consider setting aside a portion of Transient Occupancy Taxes to support Long Beach's non-profit performing arts organizations through a grant program. The City of San Francisco is a model for this program as it sets aside $12 million per year in TOT funds (or 8.5% of all TOT funds) to support over 200 tourist serving performing arts organizations. By comparison Long Beach earmarks $600,000 per year for cultural tourism, or 3.7 percent of all TOT funds.

- Continue to work with the Arts Council of Long Beach to build the arts community in Long Beach. The Arts Council for Long Beach acts as a coordinating and educational organization to foster, promote, encourage and increase the knowledge, appreciation and practice of the arts in Long Beach.
- Continue support of arts festivals and other cultural tourism events such as the Long Beach Jazz Festival, Cambodian New Year Festival and Parade, Martin Luther King Day Parade, Long Beach Gay Pride Festival, the Sea Festival, etc.

Community Priority: High priority among community members and businesses.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Attract new higher skill residents.	Low: Increase entry-level jobs	High: Increase TOT and retail sales tax revenues.	High: Increase cultural amenities.

8 STRATEGIES TO IMPROVE OUR QUALITY OF LIFE

> ➢ *Vision: Long Beach offers a great quality of life, where residents, workers and tourists enjoy the arts, entertainment, open space, and a range of retail offerings. Neighborhoods and downtown are attractive, vibrant, safe and clean. More residents and workers can afford a home.*

Sustainability and Quality of Life Outcomes

The city's ability to achieve this vision for an improved quality of life can be measured by evaluating key quality of life indicators that compare the community's performance with that of benchmarks.

- Improve air quality.
- Gain ground on the proportion of Long Beach residents who can afford to purchase a single family home. Currently, 12 percent of Long beach residents can afford to purchase a home at today's prices. By comparison 24 percent of residents of Los Angeles and Ventura Counties can afford to purchase today's median-priced home. Housing affordability can be improved by increasing housing supply, developing workforce housing, and by improving household earning power.
- Reduce overcrowding in Long Beach housing units. Currently, 22.5 percent of Long Beach households are overcrowded. By comparison 13.6 percent of Los Angeles County households are overcrowded. (Los Angeles County has the highest proportion of overcrowded housing units among counties in the nation - by comparison, only 8 percent of housing units are overcrowded in New York and San Francisco Counties).

8.1.1 KEY STRATEGIC INITIATIVE: ENCOURAGE MORE WORKFORCE HOUSING

High housing costs reduce Long Beach's attractiveness as a business location by reducing businesses' ability to recruit middle income, skilled workers. Skilled and educated workers, with middle-class earning power, can typically locate in any community and find work. Locations with very high housing costs and urban issues are not particularly attractive to these kinds of employees (nurses, teachers, police officers, mid-level managers, accountants, etc.) and key informants report that Long Beach businesses are having a difficult time recruiting these workers.

In Long Beach only 12 percent of Long Beach households can afford a median priced home, and only 31 percent can afford a median priced condo. The median single family home cost $511,000 and the median condo cost $322,000 in June 2005. The City could continue and expand its current efforts to address workforce housing issues by undertaking some of the following action items.

Best Practices and Potential Action Items

- Use the General Plan update as an opportunity to identify and zone areas to meet the workforce housing needs of Long Beach.
- Encourage the development of a wide variety of housing types (condos, live-work, multi-family, mixed-use) to serve the needs of Long Beach's workforce, including young professionals, families, and executives.
- Consider extending the Police and Firefighter Downpayment Assistance Program to include teachers and nurses. This program currently provides grants of up to $10,000 for down payments and non-recurring closing costs.
- Explore additional ways of enabling teachers, police offers, firefighters, and medical employees to live in Long Beach.

Continue the City's wide variety of housing assistance programs, including:

- Workforce housing development
- Home ownership education programs for first-time home buyers.
- The Housing Services Bureau's assistance to developers/owners to produce and/or provide rental units at affordable rents.
- The Housing Services Bureau's rehabilitation assistance, below market rate loan program for new homebuyers and qualified property owners of single-family homes, mobile homes and multifamily properties.
- Other strategies, as outlined in the City's Housing Element and Housing Action Plan.

Community Priority: Highest

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Highest: Attract and retain skilled residents.	**Medium:** Improve housing access.	NA	**High:** Improve housing opportunities near work sites

8.1.2 KEY STRATEGIC INITIATIVE: REDUCE VIOLENT CRIME & EXPAND COMMUNITY POLICING

Crime imposes a huge cost on society. A recent study estimates the cost of crime in the United States to be as high as $450 billion per year.[23]. The potential savings to individuals, households, businesses and the public sector of effective crime reduction measures are very large. Violent crime has a big economic and social cost and is one of the biggest inhibitors to economic development. Violent crimes make up only 5% of all crimes but generate 53% of the negative economic and social cost of crime.[24] The monetary value of saving a high-risk youth from a lifetime of delinquency and criminal activity is $1.5 -$2 million in social costs.[25] From an economic development perspective, reducing violent crime is the most important step to achieving economic prosperity. Cities that focus their attention on the interdiction of violent crimes are more effective at reducing crime rates than those that follow a "broken window" approach.[26] In 2004, Long Beach experienced 3,752 violent crimes, up five percent over 2003 statistics. Long Beach is effectively fighting violent crime. Among top California cities, Long Beach is in the middle of the pack of large California cities in violent crime per 100,000 residents.[27]

[23] Miller, Cohen and Wiersema (1996)
[24] The Economic and Social Costs of Crime, by Sam Brand and Richard Price, Development Statistics Directorate Home Office, UK, 2000
[25] Marc Cohen. "Costs of Juvenile Violence: Policy Implications," 107 Pediatrics 1:e3 (January 2001), electronic journal available at: http://www.pediatrics.org/cgi/content/full/107/1/e3 (joint with Ted Miller and Deborah A. Fisher)
[26] "Shattering "Broken Windows": An Analysis of San Francisco's Alternative Crime Policies," Daniel Macallair, Center on Juvenile and Criminal Justice, 2004
[27] 2003 FBI Report of Offenses Known to Law Enforcement.

Best Practices and Potential Action Items

- Continue and improve the community policing program.
- Some communities now install video cameras in violence prone areas to improve perpetrator identification. In many communities, witnesses are afraid to come forward for fear of retaliation from gangs. Inexpensive video cameras are proving to be an effective and affordable option to reduce crime in crime-prone areas.
- Continue the Community Police Centers, which are a safe place for neighbors to meet and to work together to solve common problems.
- Encourage and educate more residents to commit to fighting drugs and violence.
- Reduce the availability of alcohol and drugs in economically depressed areas. Limit the number of new bars and liquor stores in low-income areas through denial of permits as these areas have too many liquor stores. Long Beach has 50 percent more liquor stores than it should on a per capita basis in comparison to California as a whole.
- Publicize Long Beach's violent crime statistics relative to other top California cities to counter stereotypes of violent crime in Long Beach.

Community Priority: Highest

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increased Long Beach's desirability	Medium: reduce crime		High: improve safety

8.1.3 STRATEGY: ENCOURAGE LIVABLE COMMUNITIES CONCEPTS IN NEW DEVELOPMENT & REDEVELOPMENT PROJECTS

The City of Long Beach should continue to encourage and support the integration of livable community principles into all redevelopment and significant new development projects. The Ahwahnee Principles[28] form the basis of the livable community concept and inform the land use decisions of many communities. There is significant market support for housing and commercial space within livable communities as they typically capture higher rents and sale prices than similar properties in more conventional communities.

Best Practice Livable Community Principles

- Compact land use patterns ensure a mix of uses, minimize the impact of cars, and promote walking and bicycling access to employment, education, recreation, entertainment, shopping, and services.
- Development and infrastructure investments reinforce positive land use patterns.
- New development contains a mix of housing, shops, work places, parks and civic facilities essential to the daily life of residents.
- Housing, jobs and other activities within easy walking distance of each other.
- As many activities as possible located within easy walking distance of downtown and other neighborhood centers.

[28] First presented in 1991, at Yosemite National Park's Ahwahnee Hotel, the Ahwahnee Principles represent a set of generally accepted planning concepts and implementation measures aimed at planning and building more livable communities: places that are economically and socially vibrant with a healthy natural environment and a good quality of life for all residents. The Ahwahnee Principles were developed by a group of leading architects that include: Andres Duany and Elizabeth Plater-Zyberk, Stefanos Polyzoides and Elizabeth Moule, Peter Calthorpe, and Michael Corbett.

- A diversity of housing types for a range of economic levels and age groups.
- A "heart" that combines commercial, cultural and recreational uses for each neighborhood
- An ample supply of open space, squares, and parks whose frequent use is encouraged through placement and design.
- Streets, pedestrian paths and bike paths contribute to a system of fully-connected and interesting routes to all destinations.

Potential Action Items

Specific locations or "Village Centers" have been singled out in General Plan and Redevelopment Agency planning efforts for development of livable community centers and include:

North Long Beach

- The intersection of North Long Beach Boulevard and Market Street comprises the historic core of North Long Beach. The total project cost is estimated at $2.2 million for streetscape improvements, a targeted façade improvement program, public parking, an anti-litter campaign, marketing program, and business recruitment and retention. For more information, see *Village Center and Historic Node Implementation Plan*.
- The intersection of Atlantic Ave and South Street, known as the North Long Beach Village Center. Total project cost of $20 million includes: property acquisition, a new community center, façade improvements, a new library, public parking, anti-litter campaign, business recruitment and retention, marketing. For more information, see *Village Center and Historic Node Implementation Plan*.

The East Village Arts District

- The East Village Arts District Guide for Development outlines a number of improvements including: promotion of pedestrian-friendly design on Linden Avenue, adaptive reuse of a variety of buildings, infill development, parking and traffic improvements, mini-parks, and more.

Community Priority: High

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Low: Attract new higher skill residents.	NA	NA	Medium: Improve housing opportunities

8.1.4 Strategy: Increase Recreation Opportunities in North, West, Central and South Long Beach

West, Central and North Long Beach have a severe shortage of parks and open space for residents living in these communities. For example, North Long Beach has only one acre of open space per 1,106 residents, Southwest Long Beach has an acre of open space for every 610 residents, while the other areas of Long Beach have fewer than 100 residents per acre of open space. Well designed open space and parks provide an economic development benefit to neighborhoods. The addition of new parks will increase property values and property taxes, and thereby have a net positive fiscal impact on the City's budget.[29]

The City's Department of Parks Recreation and Marine and the Redevelopment Agency have initiated active programs to develop a variety of additional parks in North, West and Central Long Beach. The Open Space and Recreation Element of the General Plan also identifies a number of policies in support of additional active and passive park development in these neighborhoods.

[29] Please see *Parks and Economic Development*, by John L. Crompton, American Planning Association Report Number 502, 2001

Best Practices and Potential Action Items

- Encourage the development of open space by continuing to implement the City's Open Space and Recreation Element.
- Specific open space recommendations uncovered during the Jobs and Business Strategy process include:
  - Develop a protected children's playground (fenced) in the MacArthur Park area.
  - Develop a Cambodian shrine to commemorate the Killing Fields and build community understanding. The shrine could be located somewhere around Gaviota Ave. in the MacArthur Park area.
  - Develop additional recreation areas and develop recreation programs in Central Long Beach to build understanding between youth of different ethnic groups.

Community Priority: High

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	NA	**Medium:** Parks increase tax revenues by increasing nearby property values.	**High:** More recreation opportunities

8.1.5 STRATEGY: CONSIDER DEVELOPING A COMPREHENSIVE STRATEGY TO ADDRESS HOMELESSNESS

Like many urbanized areas, Long Beach has a fairly high concentration of homeless residents. In 2005, approximately 17,900 Long Beach residents will experience homelessness. However, only about 1,056 individuals are chronically homeless; the rest fall into and out of homelessness based on circumstances. During the January 2005 census of the homeless, a total of 3,194 adults and 1,281 children were homeless for a total homeless count of 4,475 people.[30] Homelessness is a difficult issue to solve as there are multiple causes of homelessness (drug abuse, mental illness, runaways, high housing costs, job loss, etc.), which are beyond the scope of this strategy. However, homelessness impacts business success and quality of life in many areas of the City. Various communities are experimenting with new solutions to homelessness, such as the "Care not Cash" program in San Francisco.[31] The City could work with stakeholders to develop a solution that will work for Long Beach.

Community Priority: Medium

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[30] *City of Long Beach 2005 Homeless Census*, page 1

[31] Care not Cash was passed by voter initiative to reduce homelessness and improve the health and welfare of homeless indigent adults receiving cash assistance through permanent housing opportunities and enhanced services. Homeless persons receiving cash assistance from the City's County Adult Assistance Program (CAAP) were phased into Care Not Cash over a seven-month period (from May through November 2004). CAAP is San Francisco's cash aid program for adults without dependent children. Under Care Not Cash, homeless CAAP clients are offered housing/shelter and associated amenities as a portion of their benefit package. Funding that would have otherwise been used for cash aid is being used to expand permanent housing and services for this population (including access to mental health, substance abuse, and other support services). Since the program's initiation the adult indigent homeless population has fallen 77 percent from 2,497 to 615 people. The Care not Cash program currently provides housing and supportive services to 860 adults and has made housing referrals to 1,145 adults.

8.1.6 STRATEGY: RETURN NATURAL WAVE ACTION TO PORTIONS OF THE BEACH

Long Beach has long had a wave-less beach that does little to attract tourists or provide residents with a quality beach experience. While a reconfiguration of the Federally-owned break water has been studied in the past, the City Council recently voted to ask the Federal Government to study the question again.

Community Priority: Low

8.1.7 STRATEGY: ENCOURAGE GREEN BUILDING AND OTHER SUSTAINABLE PRACTICES

Sustainable development plays an increasingly important role in a community's economic, social and environmental health. Numerous cities, counties and states have adopted green building, storm water management, waste reduction, alternative energy, and sustainable planning programs. The City of Long Beach adopted a Green Building Policy (2002) which requires that: 1) all new municipal buildings are USGBC LEED Certified; 2) the City utilizes sustainable landscaping practices in public parks, medians and redevelopment projects; and, 3) the City undertakes pilot sustainable infrastructure projects. The policy also requires the City to explore ways of encouraging sustainable practices within the private sector through its regulatory powers and incentives. As part of this strategy, the City could undertake the following actions to encourage sustainable practices:

Best Practices and Potential Action Items

- Continue to implement the City's Green Building Policy with regard to municipally owned and operated buildings, which includes LEED Certification for all new construction, utilization of green building materials and techniques in all tenant improvement projects, and sustainable techniques on all non-sport landscaping.
- Continue to develop a private sector green building program, through tasks such as: 1) Develop an expedited building and zoning approval process for private-sector LEED Certified residential, commercial, industrial and institutional projects; 2) require efficient water use through the use of natural drainage, drought-tolerant landscaping, native plants, and water conservation and recycling in new commercial development projects; 3) develop a green building seminar series for developers, contractors and architects; 4) Develop a construction and demolition (C&D) debris management plan and fee program.
- Encourage urban design which conserves resources and minimizes waste, including: sustainable site design, smart growth and pedestrian friendly development.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	NA	Low: Reduced occupancy costs for buildings	Medium: Improve City's development sustainability

9 LAUNCHING INTO A PROSPEROUS FUTURE

9.1.1 NEXT STEPS

This *Jobs and Business Strategy* lays out the City's key strategic foci for the next five years and beyond. Many business leaders, residents, and City staff members have directly shaped the recommendations and strategies outlined here, and the entire community will need to work together to carry them out. Next steps include:

1. Work to reinforce city-wide thinking. Many of Long Beach's serious problems can only be solved at the city-wide level. The City Council can continue to take a leadership role and embrace a city-wide perspective to strategy implementation. Adoption of the strategy will help focus City efforts on strategic activities and help avoid distractions.

2. Build relationships with the Community. City staff will continue to reach out to, and develop working relationships with each other, outside agencies, institutions and businesses to implement many of these strategies. The City simply can't do it alone. Long Beach faces some tough challenges that will require the help of all who are willing.

3. The City's Community Development Department should serve as the lead agency responsible for sustaining and overseeing strategy execution, and the Director of Community Development should become the strategy's champion.

4. Department Directors and Bureau Managers will need to implement these strategies and goals within their Departments and Bureaus, including identifying staff capability, budget availability, timelines and which recommended action items to implement.

5. The Economic Development Commission (EDC) will monitor implementation of the Jobs and Business Strategy and will provide an annual report to City Council on implementation progress. In addition, the EDC will act as a community convener for ongoing citizen and business participation and involvement in plan implementation.

9.1.2 MONITORING STRATEGY IMPLEMENTATION

Implementation of this strategy is an opportunity for the City to highlight best management practices and become more transparent: monitoring progress and outcomes will be key to both. The City should engage in two types of monitoring: process monitoring and outcome monitoring. Process monitoring has to do with measuring the output of the City's efforts, while outcome monitoring measures the final impacts/effects of those efforts. Most of the strategies within this *Jobs and Business Strategy* have process and outcome goals, which are included in the body of this document. Overall performance metrics for the City, which could be adopted as part of an overall report card, include:

Economic Productivity and Prosperity

- Job growth by target cluster, proportion of Long Beach jobs held by residents, total payroll to the city's job base, and creation of new living wage and high wage jobs.
- Business climate and capital investment: building permit processing time, total value of building permits per year, the number and value of public loans to industry and local business license fees and taxes.

Economic Opportunity and Equity

- Workforce adaptability: proportion of at-risk youth in Pre School, high-school graduation rate, number of City organized internships, college student enrollment, education level and literacy of adult population.
- Income performance: poverty rate, proportion of households earning more than $35,000 per year.

Fiscal Health

- Tax revenues: retail sales per resident, TOT revenue.
- Effectiveness: timely economic data, program evaluation, continuous improvement, fiscal impact analysis, etc.

Quality of Life

- Air quality, congestion, travel time to work, percentage using alternative commutes (i.e. carpool, transit, etc), etc.
- Cost of housing, overcrowding in housing, proportion of residents who can afford to purchase a house or condo.
- Access to neighborhood services (bank branches, grocery stores, parks, etc.)

City staff should collect and report back to the Economic Development Commission, City Council, and the City Manager, on an annual basis, progress in implementing this Jobs and Business Strategy. "Continuous Improvement" should be the credo of implementation, as staff and the City Council seek better ways to achieve the desired outcome as efficiently and effectively as possible.

APPENDIX A: SUMMARY OF NEIGHBORHOOD STRATEGIES

This section briefly outlines some of the major recommendations from other studies which have been incorporated into the *Jobs and Business Strategy*.

North Long Beach Strategic Guide for Redevelopment, 2002

The Strategic Guide identifies comprehensive strategies for the overall revitalization and redevelopment of the North Long Beach Project Area. These strategies suggest/prescribe changes in land use, specific development projects, changes in regulatory controls, and changes in public services. Strategies are prescribed at two scales: (1) an Area-Wide or overarching set of strategies that cover the entirety of the North Long Beach area. The bulk of these strategies concern major land uses within North Long Beach - commercial, residential, and industrial land; and (2) strategies for specific Targeted Sites that focus on individual areas or parcels in North Long Beach. These target site strategies are high priority development sites and have the potential to act as a catalyst for achieving the larger goals of the Area-Wide plan. For these selected target sites, conceptual site plans and financial feasibility analyses are presented. Individually and cumulatively, target site development is intended to act as a catalyst and stimulate additional development and improvements in the community. The North Long Beach Strategic Guide for Redevelopment addresses commercial and industrial development goals of North Long Beach. Specifically for commercial development the guide calls for the re-use of outdated arterial strip development into commercial nodes and village centers as well as residential and mixed-use development. The Strategic Guide calls for “strategies to retain and enhance industrial uses.”[32] The Strategic Guide specifically calls for industrial strategies that support: 1) the conversion of utility corridors (occupying 267 acres) to industrial uses; 2) the conversion of some commercial areas into industrial uses to create more consistent industrial zones; and 3) strategies to improve and maintain the quality of existing industrial areas. It notes that the primary economic development issues facing North Long Beach are a lack of economic vitality, the need to maintain local jobs, and the need to strengthen the local economy. The guide also sets forth design principles for industrial areas and strategies for improving the streetscape, circulation patterns, and buffering between industrial and non-industrial uses.

Westside Industrial Strategic Action Plan, 2003

This action plan identifies the Westside as an industrial incubator for small start-ups in manufacturing and industrial services as well as a key location for mature existing manufacturing businesses. The action plan seeks to leverage trade and technology opportunities to strengthen Westside identity as a purely industrial environment. The strategy addresses a number of key goals including: 1) retention and attraction of manufacturing firms, 2) build export potential of Westside businesses, 3) address real and perceived safety concerns; 4) improve transportation systems and access, 5) improve infrastructure (power supply and flood control), 6) strengthen partnerships, 7) develop a PR and communications program about the Westside, 8) enhance the Westside image and identity, 9) improve the streetscape and develop design guidelines for a more attractive urban environment.

[32] Please see North Long Beach Guide for Redevelopment, Pg 11 and Community Cluster Summary Input for General Plan Update, pg 21.

Downtown Long Beach Strategy for Development, 1992

The Downtown Strategy for Development was adopted by the Redevelopment Agency in 1992 and sets forth goals and a conceptual plan for future development. Many of the development concepts outlined in the strategy have been implemented, namely: high-density mixed-use development on the south side of Ocean Blvd; lower-density mixed-use and visitor serving development in the tideland trust area directly west of the Convention Center (the Pike at Rainbow Harbor development); the establishment of a ferry/cruise terminal; construction of parking structures to serve the Pike and the Aquarium; redevelopment of Long Beach Plaza (now City Place); and medium-density residential development along Pine Ave between 3rd and 6th Streets (Component of City Place). The Downtown Strategy for Development also recommends significant new office development in the Westgate area (Broadway and Third Couplet from I-710), particularly Block 85; these development efforts have not yet occurred. Finally the strategy sets forth design guidelines and a design review process for: office and medium-density residential development which emphasizes: building articulation, composition and frontages; treatment of open space, landscaping, and plazas; and entrances, facades and materials.

East Village Arts District Guide for Development, 1996

This study provides a number of recommendations to adaptively reuse existing buildings to accommodate more artists, live/work spaces, arts organizations, entertainment, restaurants and retail uses in the East Village. The guide also calls for further expansion of the pedestrian-friendly character and art-friendly urban design of the East Village, including: art installation, street furniture, information kiosks, casual outdoor dining, outdoor retail uses, and more mini- and art-parks. The guide also addresses parking, traffic, public safety and property maintenance concerns.

Long Beach Strategic Plan 2010

The Long Beach 2010 Strategy sets forth a variety of economic action steps for the City, namely:
Goal 1: Encourage business development based on strengths

1. Develop a comprehensive economic development plan (this *Jobs and Business Strategy*)
2. Complete the Queensway Project
3. Assemble teams of business leaders and City officials to attract and retain businesses
4. Provide incentives for firms to locate in Long Beach (especially trade, healthcare, and high-tech)
5. Use re-zoning and in-fill to expand the industrial sector
6. Make efficient use of Port Land
7. Maximize economic return to the community from airport land use
8. Train City staff in "business-friendly" customer-service practices
9. Foster local visual and performing arts

Goals 2: Create a workforce development plan to promote better jobs and wages

10. Reduce unemployment and improve math, science, and computer literacy
11. Provide training in skill shortage areas
12. Provide accessible employment support services for all
13. Create ten training and employment pathways each year
14. Prioritize public funding according to return on investment
15. Assess the appropriateness of a minimum wage/benefits requirement for all City contracts

Goals 3: Balance business growth and neighborhood needs

16. Ensure that business development improves the quality of life in neighborhoods

17. Revitalize neighborhood-serving shopping districts (rather than focusing on large retail projects)
18. Redevelop Long Beach Plaza into a modern retail center
19. Strengthen Pine Avenue and Promenade. Link them with City Place and Queensway Bay
20. Expand Airport business opportunities, within existing noise ordinance
21. Work with SCAG to address future airport capacity need of the region

Goal 4: Encourage small business growth

22. Coordinate City efforts to assist small business through new Neighborhood Technology Centers
23. Provide support services to small business in targeted industries
24. Create non-bank financing to nurture inner-city businesses
25. Create physical and electronic business assistance centers at the neighborhood resource centers

Goal 5: Deliver needed City services in the most cost effective manner

26. Establish a dedicated source of funds for infrastructure maintenance and capital improvements
27. Explore state revenue sharing based on population and economic activity
28. Regularly review contract services
29. Expand services to other cities and towns for a fee
30. Maintain a stable budget with a reserve of at least 10 percent of the operating budget
31. Provide annual data on the City's economic development performance

APPENDIX B: CURRENT ACTIVITIES

Economic development, undertaken by both the private and public-sector, consists of a range of activities from holding breakfasts for business owners, to sponsoring mentor and internship programs for our youth, to providing tax incentives to attract businesses to major development projects. Figure 5 lists an array of economic development tools, and the City of Long Beach currently engages in many of these economic development practices as indicated by an asterisk *.

Figure 5: Economic Development Tools

- Financial Assistance
  - Micro-Enterprise Loans/grants*
  - Façade and Tenant Improvement Loans*
  - SBA Loans*
  - Low-Interest Loans*
  - Tax-Exempt Industrial Development Bonds
  - Implementation of Empowerment & Enterprise Zones*
  - Tax Exemption/Abatement
  - Foreign Trade Zone*
- Training and Workforce Development
  - Improve K-12 Education
  - Mentored Internships/Job Shadowing*
  - Employee Screening and Testing*
  - Job Fairs, Posting, Searching*
  - Job Applicant Pool*
  - Specific Skill Courses*
  - On-The-Job Training*
- Information & Technical Assistance
  - Facilitate Business Networking*
  - Business Workshops*
  - Import/Export Technical Assistance*
  - Economic, Demographic and Market Data
  - Referrals*
  - Coordinate State and Local Resources
- Marketing & Promotion
  - Promote and Market City to Business*
  - Promote and Market City to Visitors*
  - Special Signage and Banners*
  - Special Events*
- Development Assistance
  - Economic Feasibility Analysis
  - Prepare and review EIRs for Projects*
  - Site Location Assistance*
- Infrastructure & Capital Improvements
  - Street and Utility Improvements*
  - Transportation Improvements*
  - Public Parking Facilities*
- Business & Industrial Parks
  - Small Business Incubators*
  - Ecological/Green Business Parks
- Redevelopment
  - Site Assemblage & Conveyance*
  - Site Planning & Design*
  - Project Financing*
- Brownfield Remediation Assistance
- Improve Tourism Amenities
  - Convention Center*
  - Special Attractions (Museums, Aquariums) *
- Regulatory Assistance
  - Special Districts (industrial, mixed-use, etc.) *
  - Permit Approval Streamlining
  - Technical Assistance with Regulatory Process*
- Improve Quality of Life
  - Improve Community Amenities (Parks, Neighborhood Centers, etc.) *
  - Hold Community Events*
  - Community Policing*
  - Improve Downtown *
  - Improve/Build Community Facilities (Sports Facilities, parks, libraries, etc.) *

*Indicates the program is currently offered by the City of Long Beach

APPENDIX C: COMMUNITY MEETING OUTREACH STRATEGY

To encourage optimum attendance at city-wide, neighborhood, and business community meetings, the project team took advantage of previously scheduled meetings, including: the General Plan Community Cluster Meetings, The Chamber of Commerce Annual Business Forecast Conference, the Mayor's Technology Breakfast Forum, and regularly scheduled meetings of the Magnolia Industrial Group, the Hispanic Chamber of Commerce, the South Wrigley NIS meeting, the East Anaheim Business Association and the Belmont Shore Business Association.

The project also undertook the following outreach strategy to invite participants to focus groups and city-wide meetings:

Newspapers, radio, website advertising

- Meetings were announced via placed advertisements in English, Spanish, Khmer and Filipino language newspapers: Press Telegram, Downtown Gazette, Grunion Gazette, Signal Tribune, Impacto, and La Opinion.
- City-wide meetings were advertised on the Council Meeting televised crawlers
- Meetings were announced on radio Public Service Announcements
- The on-hold message system for the City's main telephone line described the meetings and provided a contact name and number for more information.
- The Jobs and Business Strategy process held a prominent position on the City of Long Beach's website home page for the final six months of the process.
- The project and the city-wide meetings were advertised in the utility bill *Wave*, which reaches over 160,000 households
- The project was announced via the Cal Worthington sign off the 605 freeway.

Mailed and E-mailed Invitations

Invitations were sent to:

- Over 4,000 individual members of all the community, neighborhood, and business associations in the City of Long Beach
- Individuals and organizations recommended by City Council members
- Members of all City Commissions
- Community/Neighborhood Association boxes

Flyers were posted at Community Policing Centers, Libraries, Churches, and the City's Business Development Center. Emails announcing each meeting were sent to a list of 4,000 Long Beach residents identified throughout the process and the Neighborhood Resource Center's Business & Community Leader email list.

Community Meeting Outreach

In person invitations were made at a wide variety of community meetings, including PAC meetings, General Plan Community Cluster Meetings and neighborhood meetings.
The Business Outreach Staff also handed out flyers door to door to businesses (average of 60 businesses/week).

APPENDIX D: COMMUNITY OUTREACH & PARTICIPATION SCHEDULE

The community involvement process began in February with 11 focus groups attended by 104 business and community leaders. The focus groups were organized around industries and included:

- Business & Community Leaders Roundtable
- Tourism Focus Group
- Medical Focus Group
- High Tech Group
- Social Services Focus Group
- Small Business Focus Groups (2)
- Education Focus Group
- Trade Focus Group
- Financial and Business Services
- Real Estate Developers, Property Owners and Agents Focus Group

A second round of focus groups was held in June to vet the draft *Jobs and Business Strategy* with business and community leaders.

The JBS team held a series of three city-wide meeting in locations throughout the city.

- March 21st, 6:30pm-8:30pm: First city-wide meeting in Vice-Mayor Kell's District. Agenda included an overview of the Market and Economic Analysis and discussion of our Economic Development vision & principles, and the City's strengths & weaknesses. Long Beach Energy Auditorium, 2400 E. Spring Street.
- April 14th, 6:30pm - 8:30pm: Second city-wide meeting, in Councilmember Gabelich's District, focused on specific city-wide & neighborhood economic development strategies. Miller Family Health Education Center at 3820 Cherry Avenue.
- May 19th, 6:30pm - 8:30pm: Third city-wide meeting in Councilmember Lerch's District included a presentation and discussion of draft strategies. South Street P.A.L. Center at 2311 E. South Street.

The JBS team held and/or attended a number of neighborhood and other public meetings, including:

- November 18th, 8:00am - 10:00am: Long Beach Chamber of Commerce Board Meeting
- March 10th, 6:00pm - 8:00pm: South Wrigley NIS meeting, Lafayette Elementary School corner of 25th & Chestnut.
- March 29th, 12:00pm - 1:00pm: Belmont Shore Business Association, 5339 E. 2nd Street (Dominico's)
- April 7th, 8:00am - 12:00pm: Long Beach Area Chamber of Commerce Business Forecast., Westin Hotel.
- April 13th, 6:30pm - 7:30pm: First District Advisory Committee & First District Business Advisory Committee, First District Field Office 727 Pine Avenue.
- April 21st, 7:30am - 9:00pm: Mayor's Technology Breakfast, 2400 E. Spring Street.
- April 26st, 12:00pm - 1:00pm: East Anaheim Street Business Alliance, Long Beach Playhouse 5021 E. Anaheim.
- May 4th, 4:30pm - 6:00pm: 4th District Meeting, Los Altos Library 5614 Britton Avenue
- May 18th, 1:30pm - 2:30pm: Magnolia Industrial Group, 800 West Pacific Coast Highway (Goodwill Industries)
- June 14th, 6:00pm - 7:30 pm: Cambodian Community Meeting, 1320 Gaviota Anaheim St. (Community Center)
- June 16th, 6:00pm - 7:30 pm: Regional Hispanic Chamber of Commerce, 245 W. Broadway, Ste 100

- **June 23rd** 5:30pm – 7:00pm, Black Community Focus Group, California Rec. Center, 1550 Martin Luther King
- **June 23rd**, 7:30pm - 9:00pm: North PAC, 4891 Atlantic Avenue (LBPD North Substation)
- **June 28th**, 6:00pm - 7:30pm: 7th District Community Meeting, 1800 E. Wardlow (Long Beach Water Dept)
- **July 7th**, 6:00pm - 8:00pm: Central PAC, 800 W. PCH (Goodwill Industries)
- **July 13th**, 5:30pm - 7:30pm: West PAC, 1724 Santa Fe

General Plan Community Cluster Meetings

- **March 9th**, 6:30pm - 8:30pm: Houghton Park Multi-purpose Room
- **March 16th**, 6:30pm - 8:30pm: Silverado Park/Social Hall
- **March 23rd**, 6:30pm - 8:30pm: CA Rec. Center/Social Hall
- **March 30th**, 6:30pm - 8:30pm: Millikan High School Cafeteria
- **May 11th**, 6:30pm - 8:30pm: Millikan High School Cafeteria
- **May 18th**, 6:30pm - 8:30pm: CA Rec. Center/Social Hall

Meetings with Commissions and Boards

- **March 11th**, 8:30am-11:00am: Workforce Development Board, Airport Marriott
- **March 16th**, 4:00pm - 5:00pm: Economic Development Commission, 13th Floor, City Hall
- **April 11th**, 8:30am - 11:00 am: Redevelopment Agency Board, City Hall
- **April 20th**, 10:00am - 12:00pm: Community Development Advisory Commission, City Hall
- **April 20th**, 4:00pm - 5:00pm: Economic Development Commission, 13th Floor Conference Room, City Hall
- **April 21st**, 1:30pm - 3:00 pm: Planning Commission, City Hall Council Chambers
- **July 20th**, 12:00pm - 5:00pm: Economic Development Commission, Long Beach Energy Auditorium, 2400 E. Spring Street
- **November 16th**, 4:00pm – 5:30pm: Economic Development Commission, Long Beach Emergency Operations Center

Meeting with the Jobs and Business Strategy Steering Committee

Throughout the development of the Jobs and Business Strategy and the companion documents of this process, the JBS team met eight times with the Jobs and Business Steering Committee on the following dates:

- **September 30, 2004**: JBS Steering Committee Meeting
- **October 20, 2004**: JBS Steering Committee Meeting
- **January 19, 2005**: JBS Steering Committee Meeting
- **February 16, 2005**: JBS Steering Committee Meeting
- **March 16, 2005**: JBS Steering Committee Meeting
- **April 20, 2005**: JBS Steering Committee Meeting
- **May 18, 2005**: JBS Steering Committee Meeting
- **October 3, 2005**: JBS Steering Committee Meeting

Finally, JBS team members met with Council members, Chiefs of Staff and key City staff on various occasions throughout the process, including:

- **November 1 & March 21**: City Council Chiefs of Staff
- **January 31**: City Manager Jerry Miller, Deputy City Manager Reggie Harrison & Community Development Director Melanie Fallon
- **February 22**: Councilmember Bonnie Lowenthal
- **March 8**: Councilmember Val Lerch
- **March 15**: Councilmember Frank Colonna
- **March 17**: Niki Tennant, Chief of Staff to Councilmember Bonnie Lowenthal
- **March 31**: Councilmember Rae Gabelich

- April 4: Councilmember Patrick O'Donnell
- April 22: Councilmember Tonia Reyes-Uranga
- June 13: Acting Director Community Development Department Craig Beck
- June 20: Mayor Beverly O'Neill
- August 2: Economic Development Bureau Manager Robert Swayze and Business Development Officer Roger Haley
- August 5: Acting Director, Community Development Department Craig Beck
- August 31 & October 10: Community Development Department Director Pat West
- October 18: Jerry Miller, Reggie Harrison and Pat West
- November 1: Pat West and Craig Beck
- December 13: City Council Study Session, City Hall Council Chambers

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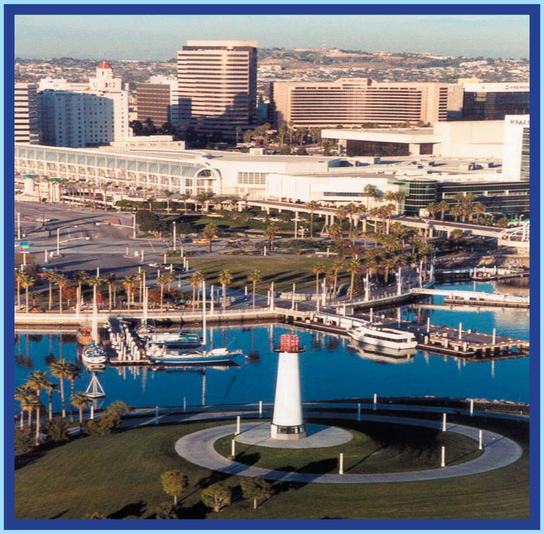
JBS City of Long Beach
Jobs and Business Strategy
"Our Vision for the Future"

Long Beach Economic & Market Analysis

Volume II



MARIE JONES CONSULTING
March 2005

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The Jobs and Business Strategy Steering Committee

Joel Fierberg	Vice Chair, Economic Development Commission, Steering Committee Co-Chair
Charles Mason	Member, Economic Development Commission, Steering Committee Co-Chair
Amy Bodek	Manager, Project Development Bureau
Pat Garrow	Senior Planner, Planning Bureau
Otis Ginoza	Redevelopment Administrator, Redevelopment Bureau
Mark Gray	Member, Economic Development Commission
Roger Haley	Business Assistance Division Officer, Economic Development Bureau
Julie Heggeness	Member, Economic Development Commission
Marc Morley	Community Development Analyst, Economic Development Bureau
Angela Reynolds	Advance Planning Officer, Planning Bureau
Sheri Rossillo	Development Project Manager, Economic Development Bureau
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Ellie Tolentino	Housing Operations Officer, Housing Services Bureau
Ray Worden	Manager, Workforce Development Bureau

A special acknowledgement to Marc Morley for managing the project on a day-to-day basis, scheduling and organizing all community, neighborhood, and business meetings and focus groups, and untold other helpful tasks. He undertook all with diligence and grace and kept the team laughing throughout the process. Thanks also to Larry Rich, of Advance Planning, for the elegant GIS Maps which adorn these pages.

The Long Beach Community

Numerous Long Beach community leaders, business leaders, and residents contributed to the development of this project by attending public meetings and focus groups, participating in the community survey, and commenting on draft documents.

City Council and Mayor's Office

Beverly O'Neill, Mayor
Bonnie Lowenthal, 1st District
Dan Baker, 2nd District
Frank Colonna, 3rd District
Patrick O'Donnell, 4th District
Jackie Kell, Vice Mayor, 5th District
Laura Richardson, 6th District
Tonia Reyes Uranga, 7th District
Rae Gabelich, 8th District
Val Lerch, 9th District

City Manager's Office

Jerry Miller, City Manager
Reggie Harrison, Deputy City Manager
Melanie Fallon, Director, Community Development Department

Economic Development Commission

Frank Newell, Newell, Curtis, Nelson, Schuur & Burnight, Chair
Joel Fierberg, SNUGTOP, Vice-Chair
Creasie Adams, SBC
Alex H. Cherin, Flynn, Delich & Wise
Gary DeLong, The RTP Group, Inc.
Mark Gray, Guzman & Gray CPA
Jack E. Hinsche, Windes & McClaughry
Charles Mason, CMC Group
Glenn W. Ray, Million Air
Debra Winter, EDS
Daniel Alf, DENSO Sales California, Inc.
Alan K. Davidson, Comerica Bank
Diane DeWalsche, Community Hospital
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Susan Rusnak, Marron & Associates

Consultant

Marie Jones Consulting

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1 KEY FINDINGS

This report is a starting point for the formulation of a meaningful Jobs and Business Strategy for the City of Long Beach. It paints a picture of the city's economic strengths, weaknesses and trends today and into the future. The Long Beach community (residents, workers, businesses, and City Hall), will decide together how this information should inform and guide the city's future economic development activities and investments.

Key Demographic Findings

- **Long Beach is part of a regional economy**

  With 66 percent of employed residents working outside of the city and 63 percent of jobs within the city held by non-residents, Long Beach has characteristics of both an economic center and a bedroom community.

  Long Beach businesses buy and sell services and inputs to businesses throughout the region. Long Beach's strongest economic sectors export goods and services beyond our city boundaries to residents and businesses throughout Los Angeles, California, and the world.

- **Long Beach is "a tale of two cities"**

  Long Beach has a very diverse population, where income, education and ethnicity split geographically along from east to west. The eastern portion of Long Beach is home to residents with higher education attainment, higher average income and lower poverty rates than the western part of town.

- **Long Beach's middle class is shrinking**

  In 2003, 48 percent of Long Beach households earned less than $35,000 per year, while just 40 percent of California households earned less than $35,000 per year.

  Long Beach has twice the poverty rate of California.

- **Some of our youth are in trouble**

  Poverty impacts children more than any other group in Long Beach: 32 percent of children live in poverty. Some segments of Long Beach's youth are in trouble: 21 percent of 16-24 year olds are high-school dropouts, and 19 percent of all youth (including those with and without high-school diplomas) are not employed and not in school.

Key Job Findings

- **Our key job sectors are changing**

  Long Beach's economy has shifted from a manufacturing and trade-based economy to one focused on health services, education, tourism, and professional and businesses services.

- **Our total number of jobs has remained stable, however the quality of our jobs has declined**

  Employment has remained relatively stable over the past 6 years at around 164,000 jobs, as declines in manufacturing (-10,306 jobs) have been offset by increased employment in tourism (+6,541 jobs), retail trade (+3,940 jobs), health care (+7,270 jobs), and professional and administrative services (+7,649 jobs). This employment shift has likely caused, or at least aggravated, the shrinking middle class and increasing rates of poverty, as new jobs pay less on average than lost jobs.

Key Market Trends

- **Housing is no longer affordable**

  Long Beach's relatively long stint as one of the last affordable beach towns in Los Angeles County has ended. Long Beach average rents ($1,150/month) and housing costs ($453,000) now approach those of other Los Angeles beach communities.

- **The Long Beach commercial market is strengthening**

  Long Beach's office market is healthy with ten percent vacancy and average lease rates of $2.00/square foot. Vacancy rates are on a downward trend and lease rates are increasing. The outlook is good as absorption of Class A and B space continues unabated.

  The industrial market is very tight, with a vacancy rate of 2.8 percent and rising lease rates.

  The retail market is a mixed bag of well performing neighborhood and promenade shopping (Bixby Knolls, Belmont Shore, etc.), poorly performing commercial corridors (Pacific Coast Highway, Long Beach Blvd, etc.) and mixed performance in Downtown's shopping venues (Pine Avenue, the Pike, City Place, etc.).

  The hotel and tourism market has recovered from 9/11 and the recession that followed. With 49 hotels providing 4,928 rooms, occupancy has reached a balanced 75 percent and two new hotels are in the planning stages.

2 INTRODUCTION

2.1.1 *PURPOSE*

This report provides an in-depth analysis of demographic, economic and real-estate market conditions and trends in the City of Long Beach. The analysis also explores economic and real estate trends in the Los-Angeles-Long Beach MSA, as the Long Beach economy is intertwined with that of Los Angeles. This report is meant to provide economic and market information and analysis in order to inform the development of the Long Beach Jobs and Business Strategy and the Economic Development Element of the General Plan.[1]

2.1.2 *PROJECT CONTEXT*

As the title suggests, this report – Volume II: Long Beach Economic and Market Analysis – is one of three volumes of the Jobs and Business Strategy project. The volumes include:

- ***Volume I: Long Beach Jobs and Business Strategy*** outlines specific strategies and initiatives to achieve the community's vision for economic development. The detailed strategies were formulated based on community input, economic analysis, market trends and the consultant's professional experience.

- ***Volume II: Long Beach Economic and Market Analysis*** presents current demographic, economic and market data, trends, and maps that support and inform Volume I.

- ***Volume III: Long Beach Community Input Report*** records community input from focus groups, business community meetings, neighborhood meetings, and city-wide meetings. The document identifies top city-wide economic development assets, challenges, issues and goals.

2.1.3 *METHODOLOGY*

The Economic and Market Analysis was formulated with the active engagement of the Jobs and Business Strategy Steering Committee and Long Beach community members through focus groups, key informational interviews, and a series of steps:

- Review of prior studies and plans for Long Beach.
- Eleven facilitated constituency focus groups and over 30 confidential stakeholder interviews with community and business leaders to gain an understanding of the community's vision, economic strengths and weaknesses, and economic development priorities.
- Collection and analysis of economic and demographic data for Long Beach to identify economic activities which are supported by the market and which will further strengthen the city's economy.

For a detailed description of the methodology, please see Appendix A.

2.1.4 *REPORT ORGANIZATION*

This report is divided into six Chapters and two Appendices.

- Chapter I summarizes key findings.

- This Chapter introduces the goals, purpose, methodology, and structure of the report.

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[1] The General Plan will guide all physical and infrastructure development in the City of Long Beach for the next twenty years.

- Chapter III: Regional Overview, briefly outlines the regional context, and provides an overview to the physical character of the city.
- Chapter IV: Long Beach Residents and Workers: Who are we?, introduces key demographic and labor force trends and conditions that inform the economic and market analyses.
- Chapter V: Business and Job Analysis, explores in detail the economic sectors of Long Beach's economy, including jobs, median wages, average firm size, trends, challenges, strengths and top employers by economic cluster.
- Chapter VI: Market Support for New Development, assesses real estate market conditions for a range of land uses including: office, industrial, institutional and retail. Chapter VI also summarizes potential economic development opportunity sites.

Appendix A details the methodology by report section. In most cases supporting tables can be found in the relevant chapter; however additional tables and analyses are attached as Appendix B.

3 REGIONAL OVERVIEW

This section provides a general description of some of the primary physical, demographic, and economic characteristics of Long Beach. This overview is intended to provide the backdrop for detailed demographic, economic and market analyses presented in the following chapters.

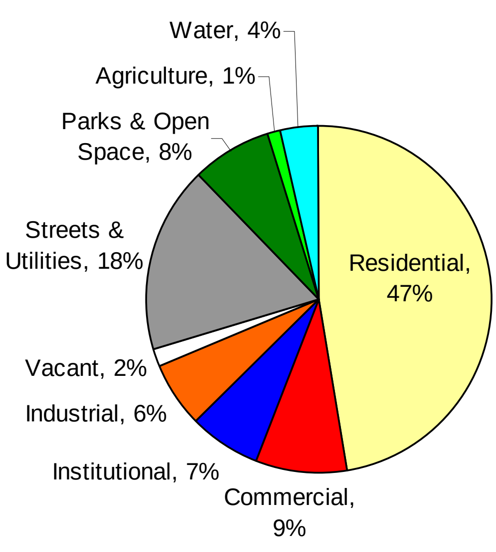
3.1.1 OVERVIEW

Long Beach has approximately 475,000 residents, and serves both as a bedroom community to the regional Los Angeles economy and an employment center in its own right with 162,000 jobs in 2003. Long Beach retains something of a "blue collar" image, due largely to its history as an aerospace manufacturing, navy, and trade center. However, Long Beach is increasingly becoming more dependent on business services and the visitor-serving economy for job growth, while the manufacturing and trade sectors have declined in the past ten years.

With one of the most ethnically diverse populations in California, and residents from all walks of life and socio-economic classes, Long Beach retains a cohesive identity and a strong pride of place. The city's active and informed community is politically involved in both neighborhood-specific and community-wide issues.

From a physical standpoint, Long Beach is located along a stretch of the Southern California coastline in the heart of Los Angeles County. The city's marinas, beaches, parks and a revitalized downtown are key amenities to the overall quality of life. The city extends over 53 square miles (33,908 acres) and includes more than 50 distinctive neighborhoods and commercial areas. Long Beach has 172,000 housing units which occupy 47 percent of the city's land. Other land uses include commercial (9 percent), institutional (7 percent), industrial (6 percent), streets and utilities (18 percent), open space (8 percent), water (4 percent), and agriculture 1 percent (Figure 1). Long Beach is largely built out with only 473 acres (2 percent of total) of vacant land.

Figure 1: Long Beach Land Use



Source: Long Beach Advance Planning Bureau, 2004

Long Beach is bound by the Pacific Ocean on the South, the Terminal Island Freeway on the west, the Artesia freeway to the north and the 91 freeway to the East. The City is bisected by the 405 and Pacific Coast Highway (Route 1) and is served by the Long Beach Airport and the Port of Long Beach.

3.1.2 *LONG BEACH IS PART OF A REGIONAL ECONOMY*

Long Beach is part of a regional economy in which people freely live and work throughout the Los Angeles area. Most Long Beach residents do not work in Long Beach. As indicated in Table 1, only 34 percent of employed city residents work within Long Beach. By contrast, 49 percent of employed Long Beach residents work in other portions of Los Angeles County, and 17 percent work in some other California County.

Table 1: Place of Work for Long Beach Residents, 1999

Place of Work	Residents	Percent
Inside Long Beach	61,685	33.4%
In L.A. County	91,064	49.4%
Other California County	30,989	16.8%
Outside California	741	0.4%
Total	184,479	100%

Source: US Census, 2000; MJC, 2004

Most people who work in Long Beach do not live in the City. In 1999, businesses within the city employed 165,649 people, however just 61,685, or 37 percent of these jobs, were held by Long Beach residents. The remaining 63 percent, or 103,864 jobs, were held by non-residents (from outside the city).

Table 2: Long Beach Jobs Held by Residents and Non-Residents, 1999

	Jobs	Percent
Jobs held by Long Beach Residents	61,685	37%
Jobs held by Non-Residents	103,864	63%
Total Long Beach Jobs	165,549	100%

Source: US Census, 2000; MJC, 2004

How does this compare with other cities?

Long Beach is something of a hybrid city: acting both as a regional employment center and a bedroom community for the regional economy.

Large economic center cities such as Los Angeles, San Diego and San Jose have a high percentage of residents working within the city. In contrast smaller bedroom cities (such as Pomona and Lakewood) are part of larger metro areas and tend to have a very low percentage of residents working inside their city.

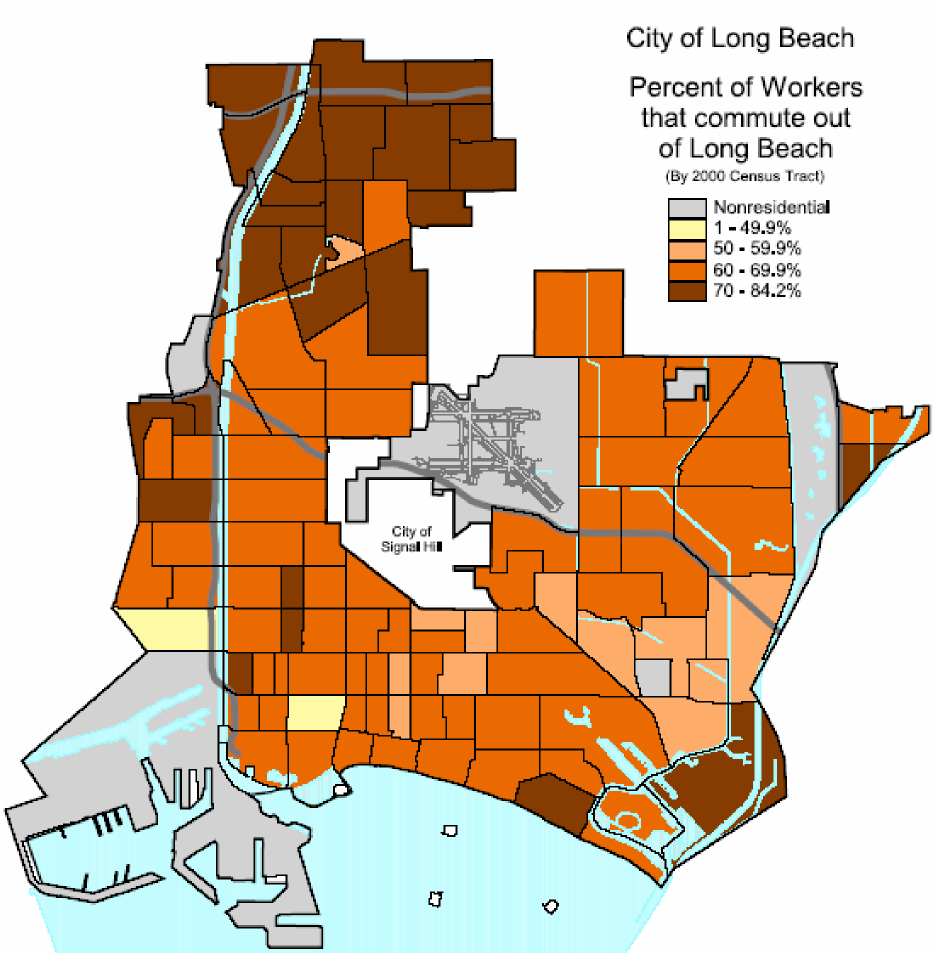
Table 3: Commuting Data for Comparable Cities

City	Percent of Residents Working in City	Total Working Residents
Economic Centers		
Los Angeles	63%	1,494,895
San Diego	78%	580,318
San Jose	50%	427,984
Hybrid Cities		
Long Beach	33%	184,479
Torrance	37%	66,569
Irvine	39%	72,870
Bedroom Cities		
Pomona	21%	52,066
Lakewood	10%	36,392

Source: Census 2000; MJC 2004

As shown in Figure 2, working residents in North Long Beach are the most likely to work outside of Long Beach, probably because they are closest to the 710 and 91 freeways. Between 70 and 84 percent of North Long Beach residents leave the City for work. Working residents in Southeast Long Beach are the least likely to commute outside of the city for employment.

Figure 2: Percent of Working Residents that Commute out of Long Beach, 1999



Source: Census, 2000

Overall, more payroll is generated by jobs within the city ($7.9 billion per year), then is earned by city residents no matter where they work ($6.6 billion per year), indicating that city businesses offer better jobs overall than Long Beach residents secure.

3.1.2.1 Implications for Economic Development Strategy

- Most new businesses that move to Long Beach will hire a mix of residents and non-residents.
- New businesses with jobs that match the skills and education level of Long Beach residents will hire more Long Beach residents.
- Many Long Beach residents will continue to work outside of the City, and will need training and education to obtain quality jobs.

4 LONG BEACH RESIDENTS AND WORKERS: WHO ARE WE?

4.1 Long Beach Residents

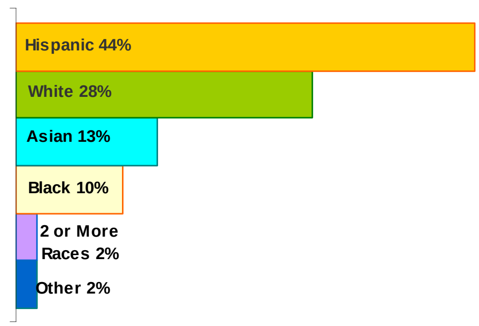
A closer look at the characteristics of Long Beach residents can help inform the economic development strategy. This section looks at ethnicity, income, education, poverty, and other key indicators.

4.1.1 POPULATION TRENDS AND ETHNICITY

Long Beach is the fifth largest city in California. With 475,460 residents in 2003, the Long Beach population has increased by 11 percent since 1990. By comparison, the State's population increased by 19 percent.

Long credited as one of the most ethnically diverse communities in California, Long Beach has become even more diverse over the past 15 years, largely due to rapid growth of the Hispanic population. For example, between 1990 and 2003, the Hispanic population rose from 23 percent to 44 percent, while White residents dropped from 39 to 28 percent. Black residents declined from 14 to 10 percent, while the Asian population grew from 12 to 13 percent.

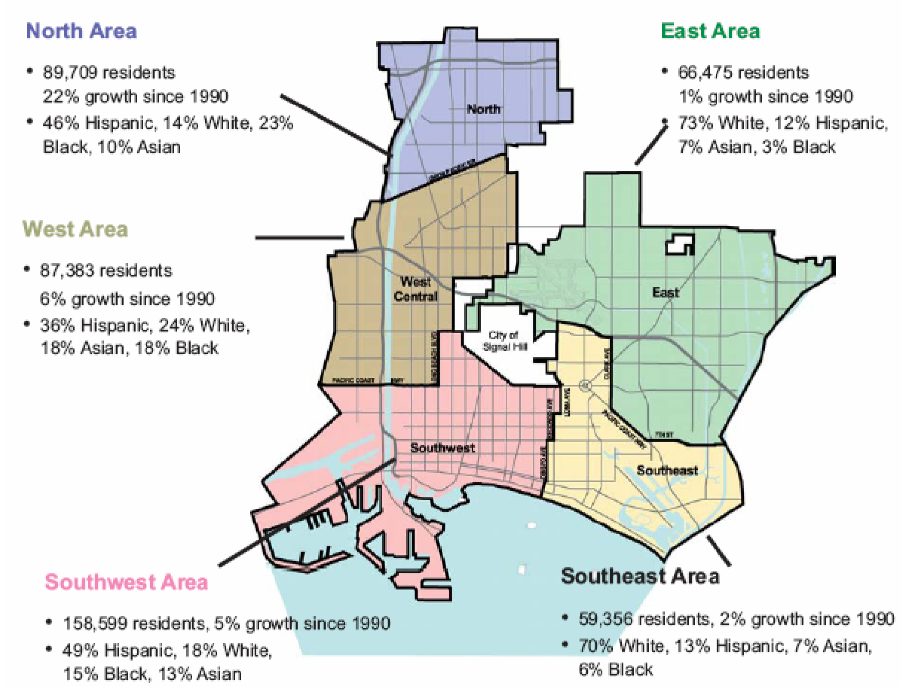
Figure 3: Ethnicity, 2003



Source: Census, 2003

While Long Beach is very ethnically diverse, some areas of the City have higher concentrations of certain ethnic groups. For example, the North area of the City has the highest concentration of Black residents, the Southwest area has a fairly large concentration of Hispanic residents, and the East and Southeast areas have large concentrations of White residents. (Please see Figure 4 for additional detail)

Figure 4: Population, Growth and Race by Area, Long Beach 1999



Source: Census, 2000

4.1.1.1 Implications for Economic Development Strategy

- Long Beach's ethnic diversity should provide a competitive advantage for trade and business growth opportunities in Pacific Rim countries and Latin America.
- Language barriers and culturally specific business practices (such as producing and selling products to specific ethnic groups or participating in economic enclaves of ethnic groups) are part of the Long Beach economy, and economic development should emphasize outreach to Hispanic, Asian and Black business owners.

4.1.2 EDUCATION

Education is one of the strongest predictors of earning power. However, in 2000, 27 percent of Long Beach adults had less than a high school diploma and only 24 percent had a bachelors degree or higher. As shown in Table 4, education performance is particularly low in North and Southwest Long Beach, with 39 and 42 percent of adults without a high-school diploma respectively.

Table 4: Educational Attainment for adults 25 and over, Long Beach, 2000

	California	Long Beach	North Area	West Central	South West	East	South East
No High School Diploma	23%	27%	39%	27%	42%	7%	7%
High School Graduate	20%	19%	23%	21%	18%	18%	13%
Some College, No Degree	23%	23%	24%	24%	19%	27%	24%
Associates Degree	7%	7%	6%	7%	5%	10%	9%
Bachelors, Graduate, Professional Degree	27%	24%	9%	21%	15%	37%	48%
Total Population 25+ Years	21,298,900	277,410	47,458	52,795	86,658	45,923	44,576

Source: Census, 2000

Between 2000 and 2003 the educational attainment of residents living in Long Beach increased, perhaps because high housing costs are displacing lower-income and lower-education residents. Whatever the cause, the proportion of Long Beach residents with a bachelor's degree or higher increased from 24 to 26 percent.

People with lower levels of educational attainment often have lower incomes, and are more likely to live in poverty. As shown in Table 5, the poverty rate increases as education falls, thus in Long Beach 35.7 percent of families in which no parents has a high school degree are poor, while only 4 percent of households with a parent with a Bachelors Degree are poor.

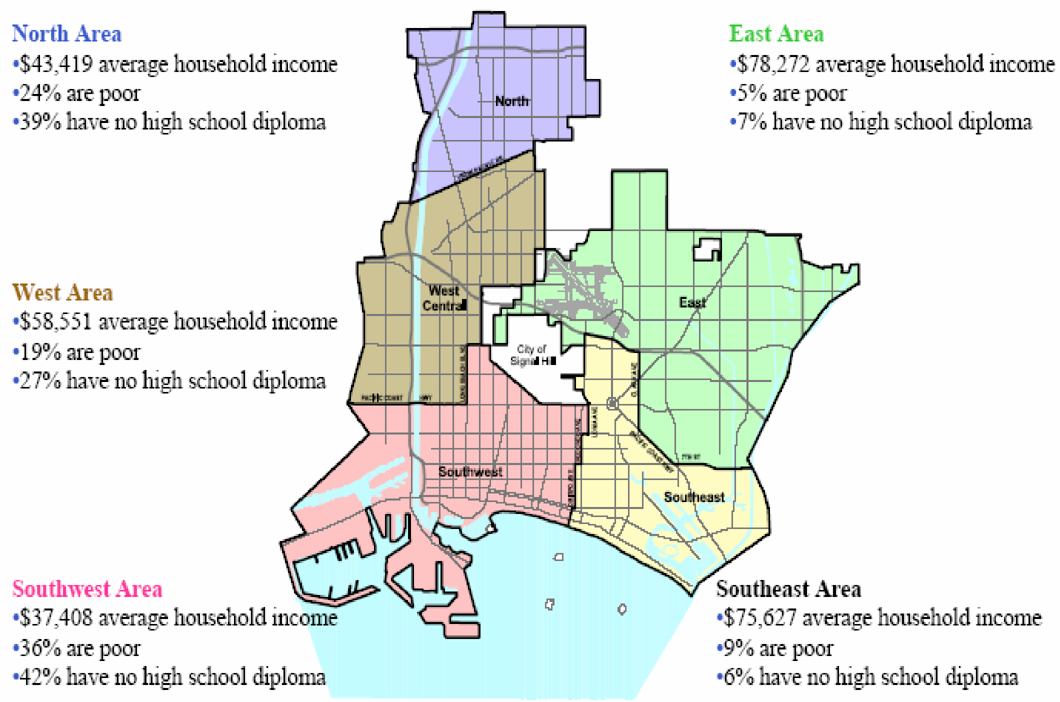
Table 5: Poverty Rate of Families, by Education of Householder, 1999

	Percent in Poverty	
	Long Beach	California
High school Dropout	35.7%	23.8%
High school Graduate/GED	22.0%	11.9%
1-4 years of college, no bachelor's degree	11.5%	6.8%
Bachelors Degree or higher	4.0%	2.8%
All Households	19.3%	10.6%

Source: Census, 2000

People with lower levels of educational have lower incomes, and are more likely to live in affordable areas. As indicated previously in Table 4, the Southwest and North areas of Long Beach have a very high proportion of adults <u>without</u> a high school diploma. Forty-two percent of adults in the Southwest and 39 percent of adults in North Long Beach do not have a high school diploma. These areas also have the highest poverty rates in the City. By contrast, the Eastside and Southeast areas of Long Beach have the highest proportion of adults with a college degree and higher incomes overall.

Figure 5: Income, Poverty and Education by Area, Long Beach 2000



Source: Census, 2000

4.1.2.1 <u>Long Beach Youth and Education</u>

Long Beach has a sizable youth population. In 2000, 108,000 school-age children lived in Long Beach. Indeed, fully 29 percent of the population was under 17 years of age. In 2000, six percent of residents were enrolled in high school, and 18 percent were enrolled in nursery school, preschool, kindergarten, or grade school.

Today's youth are tomorrow's workers. A relatively high proportion, 21 percent, of Long Beach youth (age 16-24) were high school dropouts in 2000, however, some ethnic groups have much higher dropout rates. As shown in Table 6, 36 percent of Hispanic youths were high school dropouts, while only 7 percent of White youth dropped out of school.

Table 6: Percent of 16-24 Year Olds who were High School Dropouts in 1999

	Long Beach	Los Angeles	California
All Youth	21%	24%	17%
White Youth	7%	6%	7%
Non-Hispanic Black Youth	14%	16%	13%
Hispanic Youth	36%	36%	30%
Males	24%	27%	19%
Females	18%	21%	14%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

The proportion of Hispanic and Black youth (16-24 year olds) who are both unemployed and not in school is also relatively high. One fourth of Black and Hispanic youth are both unemployed and not in school.

Table 7: Percent of 16-24 Year Olds, Not in School and Not Employed, 1999

	Long Beach	Los Angeles	California
All Youth	19%	20%	16%
White Youth	8%	10%	10%
Non-Hispanic Black Youth	24%	22%	20%
Hispanic Youth	27%	25%	22%
Males	18%	17%	13%
Females	21%	22%	18%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

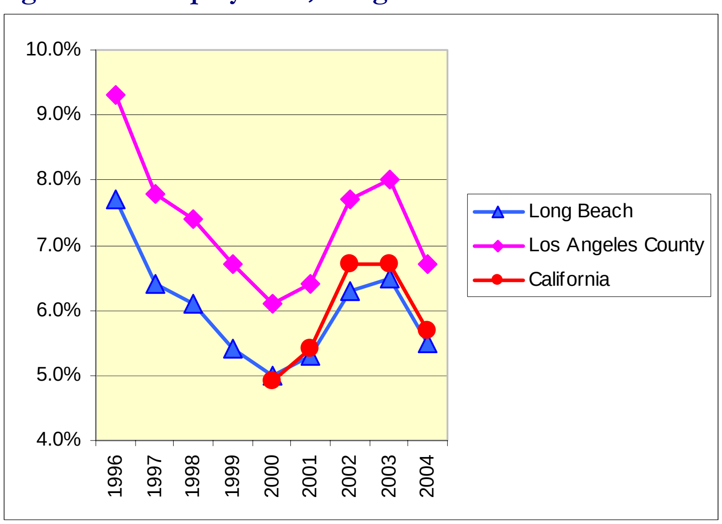
4.1.2.2 Implications for Jobs and Business Strategy

- The creation and attraction of new entry-level positions for residents without high-school diplomas will be critical to the future success of this rapidly growing segment of Long Beach's residents.
- Growth of economic sectors that offer opportunities for advancement, through on-the-job and vocational education, are key to meeting the needs of Long Beach's disadvantaged youth.
- The high-school graduation rate of minority students, especially Hispanic and Black youth, must be improved to reduce long-term poverty rates in Long Beach.
- School-to-career programs, which emphasize vocational training, are key to student retention and ultimate success in the workforce.
- Programs that support work placement and internships for Long Beach youth should improve long-term youth employability and reduce unemployment and drop-out rates.

4.1.2.3 Unemployment of Long Beach Residents

The official unemployment rate for Long Beach residents mirrors State trends in unemployment and is consistently lower than unemployment in Los Angeles County (see Figure 6). However, a larger proportion of Long Beach residents are long-term discouraged workers, who are no longer looking for employment, and these individuals are not counted in official statistics.

Figure 6: Unemployment, Long Beach 1996-2004



Source: BLS, 2004

4.1.3 LONG BEACH RESIDENTS' EMPLOYMENT SECTORS

Long Beach residents work in a variety of industries and economic clusters both within and outside of Long Beach. Table 8 describes the workplace sectors of Long Beach residents; it does not describe the actual jobs in the City of Long Beach. Long Beach **job data** will be explored later in **Chapter 5.** Long Beach residents are more likely to work within the education, health, social services, technology/manufacturing, and trade than residents of Los Angeles County, indicating a slight specialization of Long Beach residents in these industries.

Table 8: Long Beach and L.A. County, Working Residents by Industry Cluster, 2000

	Long Beach		Los Angeles	
	Number	Percent	Number	Percent
Education, Health and Social Services	39,982	21%	265,613	17%
Manufacturing	27,248	14%	202,277	13%
Trade, Transportation, Warehousing	21,253	11%	121,858	8%
Professional & Business services	20,240	11%	197,876	13%
Retail Trade	19,445	10%	158,118	10%
Tourism, Arts & Leisure	16,272	9%	147,462	10%
Finance, Insurance, Real Estate	11,246	6%	108,032	7%
Other services	10,192	5%	105,037	7%
Construction	9,627	5%	81,032	5%
Total Employment	189,487	100%	1,532,074	100%

Source: Census, 2000; MJC, 2004

4.1.4 OCCUPATIONS OF LONG BEACH RESIDENTS

Long Beach residents are engaged in similar occupations to Los Angeles County residents as indicated in Table 9. Long Beach residents are slightly more likely to work in transportation and moving materials occupations and slightly less likely to work on professional and sales related occupations.

Table 9: Occupations of Long Beach and LA County Residents, 2000

	Long Beach		Los Angeles County	
	Residents	%	Residents	%
1) Professional and related occupations	39,573	21%	331,087	22%
2) Office and administrative support occupations	30,710	16%	234,544	15%
3) Management, business, and financial operations occupations	25,487	13%	193,353	13%
4) Sales and related occupations	20,806	11%	175,152	11%
5) Production occupations	15,057	8%	150,806	10%
6) Transportation and material moving occupations	12,910	7%	81,562	5%
7) Food preparation and serving related occupations	9,366	5%	72,940	5%
8) Construction and extraction occupations	7,820	4%	71,710	5%
9) Installation, maintenance, and repair occupations	6,829	4%	45,851	3%
10) Building and grounds cleaning and maintenance occupations	6,662	4%	74,319	5%
Total	189,487	100%	1,532,074	100%

Source: Census, 2000; MJC 2004

4.1.4.1 Implications for Jobs and Business Strategy

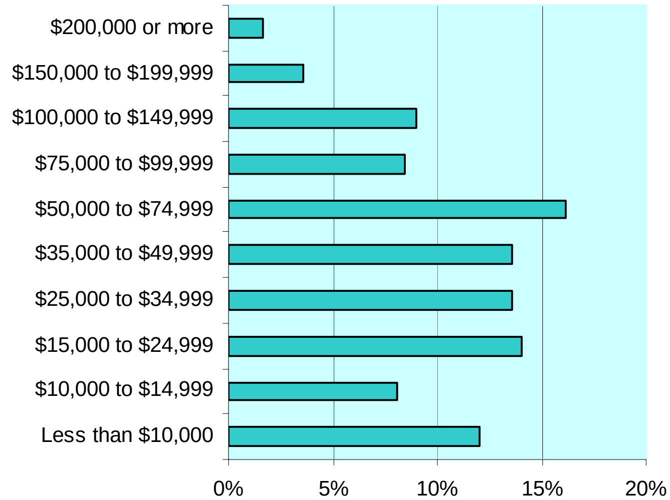
- Long Beach may have a slight competitive advantage for attracting and retaining firms in education, health, manufacturing and trade as Long Beach's residential workforce is well matched to these sectors.
- Long Beach has a robust distribution of occupations among residents, one that mirrors that of Los Angeles County and is well positioned to compete with Los Angeles for a wide array of businesses.

4.1.5 RESIDENT INCOME

Over the past ten years, average household purchasing power has remained flat in Long Beach. Real median household income has remained virtually constant at $54,104 per household (in 2003 constant dollars), while it has risen nationwide by about $5,000 per household.

- In 2003, 19,786 households or (12 percent) of household earned less than $10,000.
- Fully 48 percent of households earned less than $35,000 per year. By comparison only 40 percent of California households earned less than $35,000 per year in 2003.
- In 2003, 14 percent of households earned more than $100,000, up from 6 percent in 1990.
- In 2003, for every household that made over $100,000, there were 3.4 households that made under $35,000.

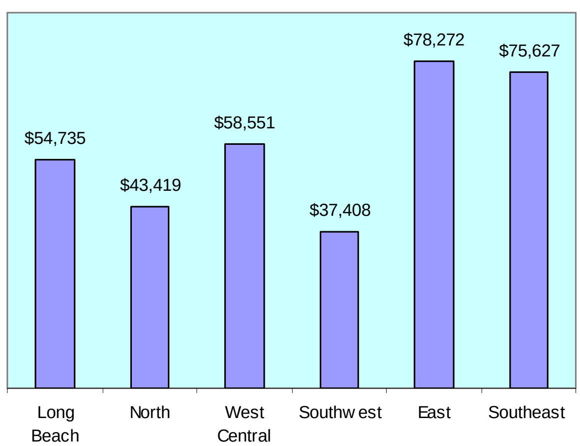
Figure 7: Long Beach Household Income Distribution, 2003



Source: Census, 2003

Median family income varies from one area of the city to another, with higher incomes in the east and southeast, and lower incomes in the southwest and north, as shown in Figure 8.

Figure 8: Median Family Income by Area, Long Beach 2000



Source: Census, 2000

4.1.5.1 Poverty

A recent report by the U.S Census[2] found that the proportion of people living in poverty grew from 16.2 percent in 1990 to 24.1 percent in 2003. By comparison, just 13.4 percent of all Californians live in poverty. In Long Beach poverty is highest among Hispanic, Black, and Native populations (see Table 10). Hispanic residents are the fastest growing segment of the Long Beach population. Much of the growth in poverty can be attributed to a significant growth in the number of Hispanic children living in poverty. Indeed, fully half of all the poor are children. (A family of four with an income of less than $18,810 is considered poor.)

In 2000, half of poor householders were working, while 21 percent were unemployed. By comparison, 74 percent of non-poor householders were working while only three percent were unemployed.

Table 10: Long Beach Poverty by Race, 2000

	Number	Percent
White	29,538	15%
Black	20,296	30%
American Indian/ Alaska Native	1,019	28%
Asian	13,730	25%
Native Hawaiian/Other Pacific Islander	1,918	38%
Other Race*	30,660	33%
2 or more races	6,273	25%
Hispanic Or Latino**	50,080	31%

Source: Census, 2000

* Most other race individuals are Hispanic (the census does not provide a category for brown skin people).

** Hispanics can be any race, so the total does not equal 100%

Source: Census, 2000

Poverty is more prevalent in some areas of the City than others: The Southwest, North and West Central areas have relatively high concentrations of poverty and higher rates of poverty among children than the East and Southeast side of town (see Table 11). These areas are also more ethnically diverse and have lower levels of education attainment.

Table 11: Percent of People Living in Poverty 1999

	Long Beach	North	West Central	South west	East	South east
Individuals	22%	24.1%	18.9%	35.8%	4.7%	9.0%
Children Under 18	32%	30.9%	27.2%	47.5%	4.9%	7.8%

Source: Census, 2000

4.1.5.2 Implications for Jobs and Business Strategy

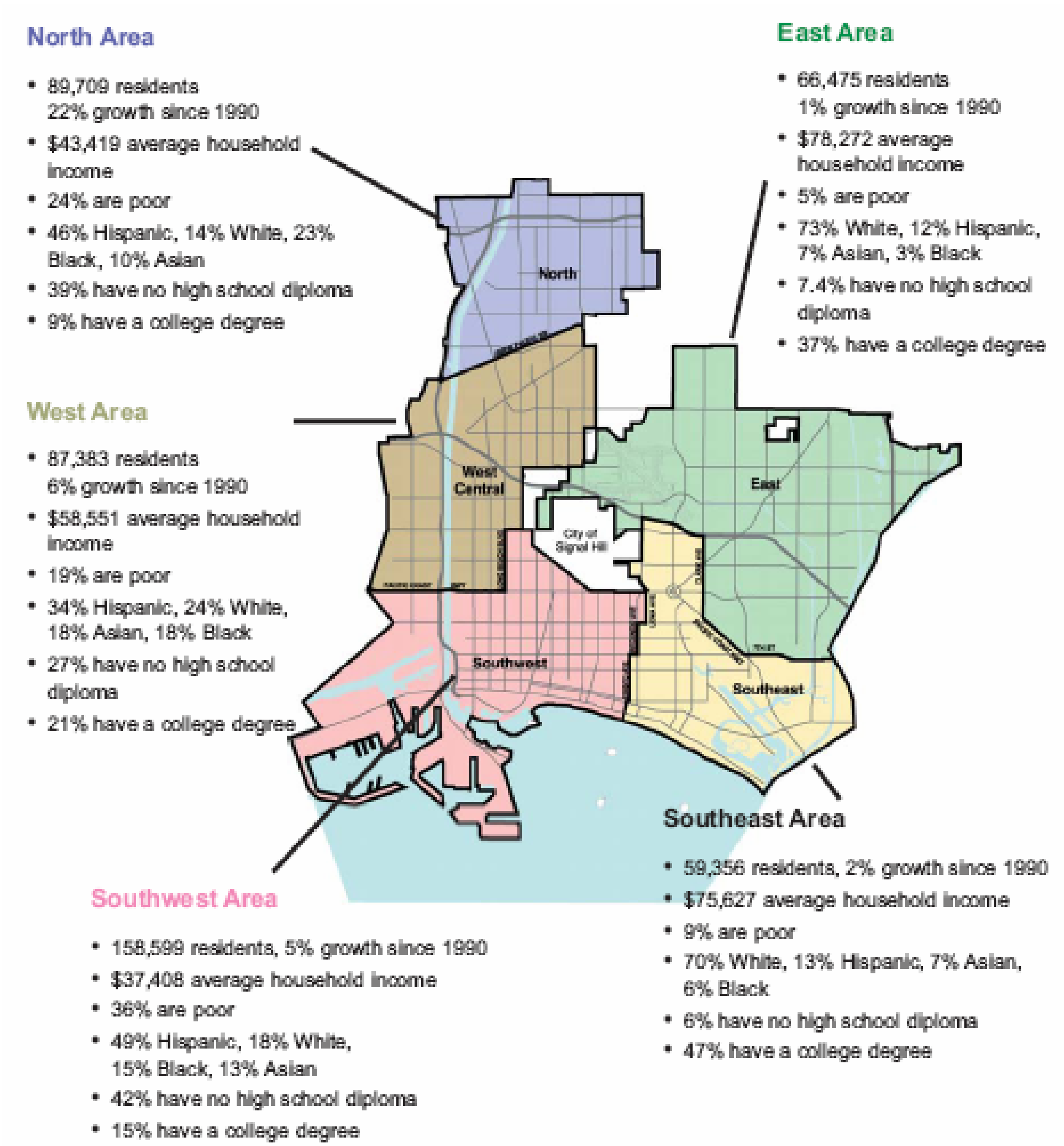
- A disappearing middle class has important implications for City governance and the city's economy.
- The growth of a large poor Hispanic population, which has in the past tended to be somewhat culturally isolated from both the politics and the economy of the City, will at some point change the City's political and economic landscape.
- Poverty is a pressing concern for a high proportion of Long Beach children.

[2] Income Poverty and Health Insurance Coverage in the United States, U.S. Census, 2003

4.1.6 Resident Summary

Race, education, income and poverty are all interconnecting factors in both individual, family and neighborhood experiences in Long Beach. As shown in Figure 9 below, Southwest Long Beach is more diverse, has lower education attainment, lower incomes and higher poverty rates than other areas of the city. Conversely, Southeast Long Beach has the highest education attainment, higher incomes, lower poverty and less diversity than other areas of the City.

Figure 9: Income, Poverty, Race and Education by Area, Long Beach CA



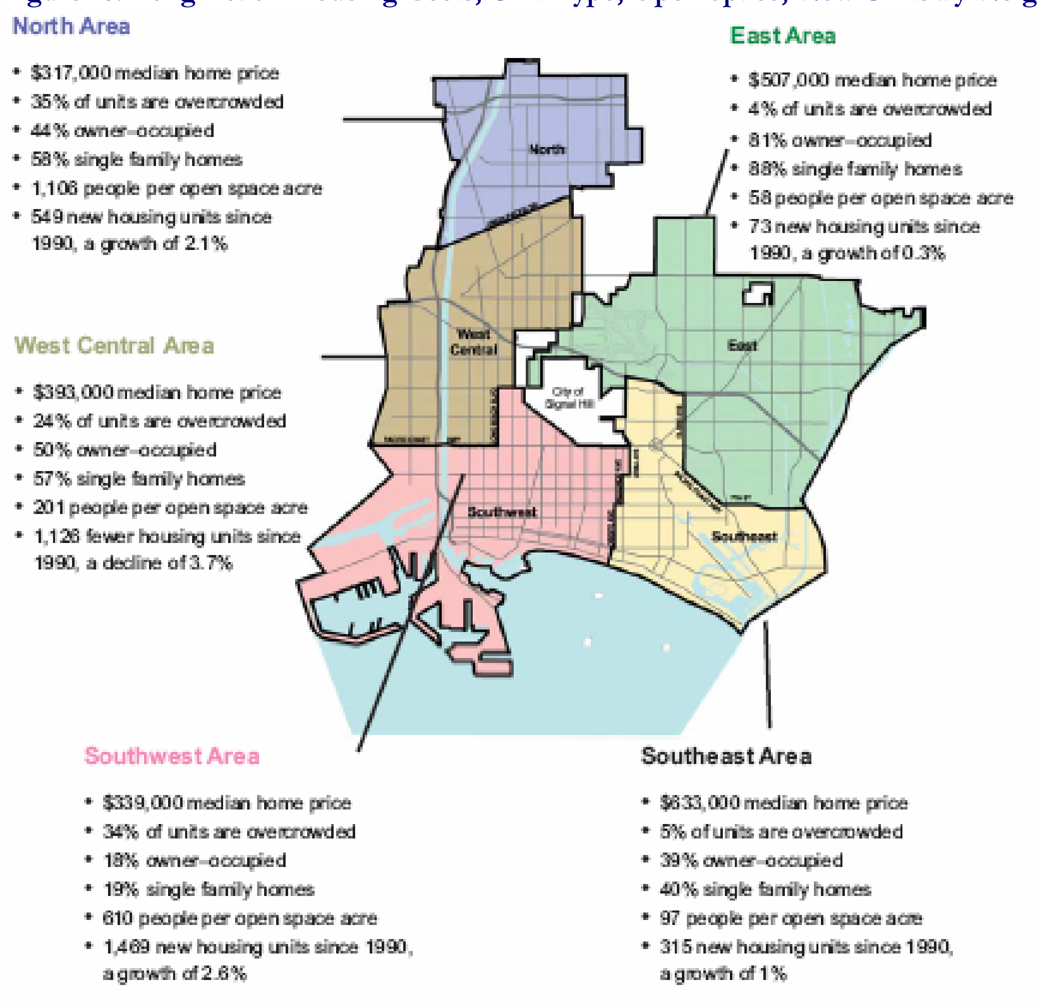
Source: Census, 2000

4.2 Long Beach Housing Trends

Housing is important to economic development activities because housing costs can significantly impact the cost of living in a community, and therefore the attractiveness of that community to employers and workers. High housing costs can reduce the competitive advantage of a community for certain types of employers, particularly those for whom labor costs are of significant concern. Likewise, rapidly increasing housing costs can result in the out-migration of lower-income residents and/or overcrowding of housing as lower-income families share housing. Like all California cities, Long Beach has recently experienced a rapid increase in housing costs.

- The median price for a single family home in Long Beach jumped to $453,000 in December 2004, an increase of 37 percent from June 2003. By comparison, the median price paid for a Southern California home was up 26 percent to $406,000 during the same period.
- The median price for a condominium in Long Beach was $296,000 in December 2004, an increase of 21 percent over 2003 prices.
- Only 12 percent of Long Beach households can afford a median priced home, and only 31 percent can afford a median priced condo.

Figure 10: Long Beach Housing Costs, Unit Type, Open Space, New Units by Neighborhood, 2004



Source: Census, 2000, Data Quick 2005

Rents are also up, increasing by a dramatic 116 percent from $532 in 1999 to $1,150 in 2002. Forty-seven percent of households cannot "afford" a median priced rental unit. The benchmark of affordability is if a family spends less than 30 percent of their income on rent. Thus many Long Beach families must spend more than 30 percent of their income on rent.

Long Beach housing costs have caught up to housing costs in surrounding communities (see Table 12).

Table 12: Median Price Homes & Condos, December 2004

Community	Single Family Homes	Condos
Bellflower	$ 410,000	$ 300,000
Carson	$ 418,772	$ 342,444
Lakewood	$ 432,514	$ 285,000
Long Beach	$ 453,411	$ 296,730
Compton	$ 272,791	$ 180,000
Huntington Beach	$ 634,350	$ 475,305
Seal Beach	$ 733,000	$ 340,000
Signal Hill	$ 640,000	$ 333,000

Source: Dataquick, 2005

4.2.1.1 Housing Development Trends

Long Beach has 172,000 housing units. Single family homes make up 46 percent while apartments and town-homes comprise 52 percent of all units.[3] Between 1990 and 2002, 4,711 total new housing units were added to Long Beach, an increase of 2.7 percent, far below the 10.7 percent increase in total population. Major new developments (proposed, under construction and/or recently completed) include:

- *Park at Harbor View*, a $250 million multi-phase, mixed-use development of 538 apartments, 246 condominiums, a 500-room hotel, office, and retail space.
- *Ocean Villas*, a $100 million luxury high-rise residential development at 350 East Ocean Boulevard, will consist of 17-story twin towers containing 556 condominium units, and is nearly completed.
- *City Place* offers 350 units of market rate housing for rent and for sale.
- The proposed *West Gateway* mixed-use development will feature ground-level neighborhood-serving retail and 800 to 1,000 residential units on a seven block area.
- *The Grisham Project,* a North Long Beach rehabilitation project of 96 units.
- *Renaissance Walk,* this Southwest project is comprised of 40 affordable single-family homes.
- *Douglas Park,* a mixed-use project, recently approved by City Council, will include over 1,000 market rate single family homes, condos, townhouses and 400 apartment and senior units.

4.2.1.2 Implications for Economic Development

- Rising housing costs will change the demographic characteristics of Long Beach over the long term by displacing lower-income people and families. However, gentrification tends to take some time as low-income residents struggle to remain in the community.
- Rising housing costs will impact some economic sectors. For example, high housing costs may negatively impact economic sectors which pay low-wages, such as tourism and administrative services, and these are Long Beach's fastest growing business sectors. Likewise in very tight job markets, such as that of health workers, high housing costs make it ever more difficult for firms to attract highly-skilled employees with many employment and location options.

[3] Mobile homes, trailers, boats and RVs make up the remaining two percent.

5 Business and Jobs Analysis

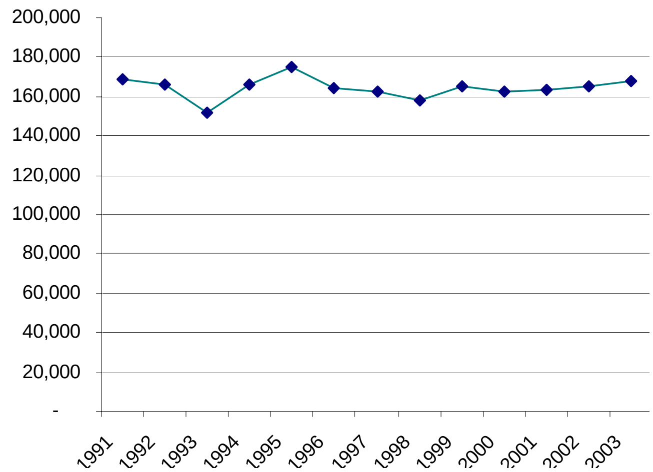
5.1 Overview

5.1.1.1 Job Growth and Change

Total employment in Long Beach has oscillated around 164,000 jobs over the past 13 years, with a high of 175,000 in 1995 and a low of 152,000 jobs during the 1992-93 recession. Historic employment trends for Long Beach are outlined in Figure 11. In 2003, the city's businesses employed 162,093 people, with another 16,000 self-employed residents.

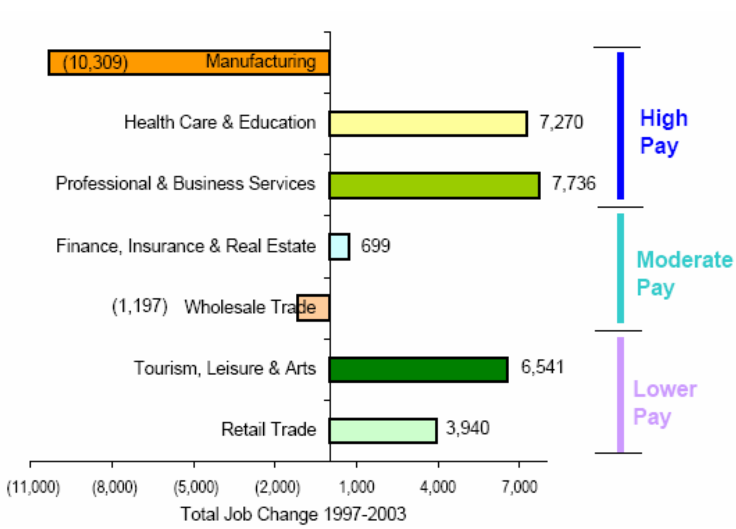
However, overall numbers obscure rapid declines and increases in particular economic sectors. For example, between 1997 and 2003, the city lost 10,319 high-paying manufacturing jobs and 1,206 wholesale trade jobs. During this same period Long Beach gained 6,541 low-paying tourism and 3,940 retail jobs, and 7,270 high-pay health care job. Absent manufacturing job losses, Long Beach's total employment would have grown significantly (Figure 12).

Figure 11: Long Beach Employment, 1991-2003



Source: EDD. 2004

Figure 12: Job Change, 1997-2003 selected sectors



Source: EDD, 2004

Annual employment numbers obscure job and firm turnover within the economy. For example in 2003, the economy added 535 firms, which employed 2,742 people. Also in 2003, the economy lost 613 firms (to relocation or closure) employing 2,813 people. Like all economies, Long Beach is always undergoing some business change.

Table 13: Business Churning, Long Beach 2003

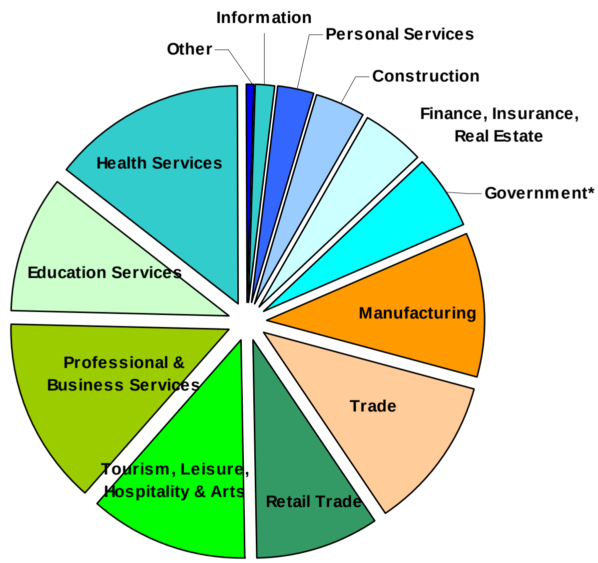
	Total Jobs	Total Firms
New Businesses to Long Beach, 2003		
First Quarter	1327	188
Second Quarter	747	161
Third Quarter	668	186
Fourth Quarter	954	229
Total New Businesses, 2003	**2,742**	**535**
Businesses Leaving Long Beach, 2003		
First Quarter	543	138
Second Quarter	923	180
Third Quarter	702	168
Fourth Quarter	645	128
Total Business Leaving, 2003	**2,813**	**613**

Source: EDD, 2004; MJC 2005

5.1.1.2 Economic Sectors

Past economic development efforts have focused on the Tourism, Trade, and Retail which together employ 32 percent of the Long Beach workforce or 57,670 workers. These sectors remain key to the economy. However, Education and Health Services, and Professional and Business Services now employ 37 percent of Long Beach's workforce (62,451 jobs) and are growing quickly. A smaller proportion of jobs are in Government, Construction, "High-Tech," Finance Insurance and Real Estate, Personal Services, and Information.

Figure 13: Jobs by Sector, Long Beach 2003

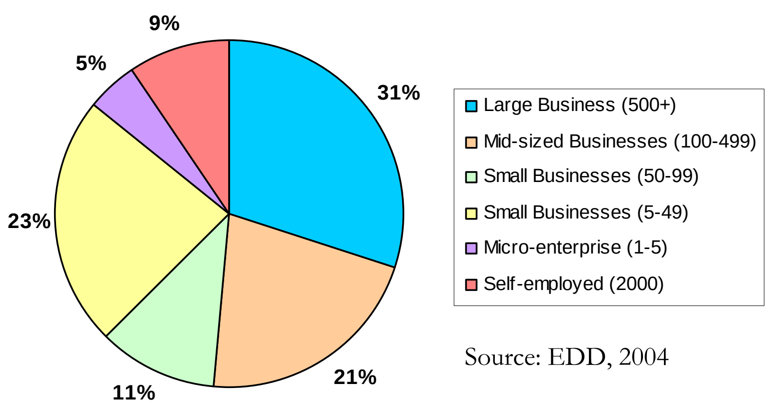


Source: EDD. 2004

Business Size and Top Employers

Large and medium-sized firms employ 52 percent of workers in Long Beach; 39 percent of all jobs are found in small businesses and micro-enterprises; and nine percent are self-employed.

Figure 14: Proportion of Jobs by Firm Size, 2003



Source: EDD, 2004

Table 14: Jobs and Payroll by Firm Size, Long Beach 2003

	Total Jobs	Total Firms	Average Payroll/Job
All Jobs (2003)	***162,097***	***7,199***	***$ 39,884***
Large Business (500+)	53,801	28	$ 46,794
Mid-sized Businesses (100-499)	38,161	196	$ 37,257
Small Businesses (50-99)	19,668	288	$ 37,119
Small Businesses (5-49)	41,719	2,661	$ 35,657
Micro-enterprise (1-5)	8,749	4,026	$ 35,223
Self-employed (2000)	***17,432***	*NA*	*$ 28,118*
Total	**179,529**		

Source: EDD, 2004; Census, 2000

However, Long Beach's largest employers include just 28 firms that employ 53,801 people with an average salary of $46,794. By comparison 2,661 small firms provide 41,719 jobs at an average salary of $35,657 (see Table 14).

5.2 Emerging Sectors

This section explores economic sectors that evidence consistent strong job growth and that are concentrated within Long Beach. Health, Education, Professional and Business Services, Retail Trade, and Tourism all meet these criteria. The emergence of these sectors illustrates Long Beach's transition from a manufacturing and trade based economy to one based on services. Though Long Beach held on to its manufacturing base longer than most communities, this same transition has been underway for many years throughout the U.S and in virtually every city.

5.2.1 HEALTH SERVICES

5.2.1.1 Overview

Long Beach has long been a center for health care. In 2003, 14 percent of jobs were in Health Services with total employment of 23,413 people (see Table 15). To gain a deeper understanding of what these numbers signify, it is useful to identify if Long Beach has more than its proportional share of jobs in health serves relative to California as a whole. With 14.4 percent of all Long Beach jobs in Health Services and only 7.5 percent of all California jobs in Health Services, Long Beach has two times as many health services jobs as would be expected if it had the same composition as California. This relative concentration of jobs is known as the Location Quotient and is used by economists to quantify the degree of economic specialization.[4] Thus Long Beach is specialized in health services relative to California and, as shown in Table 15, Long Beach has particularly strong concentrations in hospitals and nursing care facilities relative to California.

Table 15: Health Care Jobs, Long Beach 2003

	Long Beach					Location Quotients, comparing Long Beach to:	
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	LA-Long Beach MSA	California
Health Care and Social Assistance	**1010**	**23,412**	**$ 45,434**	**23**	**14.4%**	**1.8**	**1.9**
Ambulatory Health Care Services	755	7,704	$ 56,095	10	4.8%	1.5	1.6
Offices of Physicians	398	3,421	$ 84,264	9	2.1%	1.5	1.7
Offices of Dentists	169	1,027	$ 39,887	6	0.6%	1.1	1.0
Offices of Other Health Practitioners	122	697	$ 29,880	6	0.4%	1.4	1.3
Outpatient Care Centers	30	795	$ 46,314	27	0.5%	1.6	1.9
Residual-Other Ambulatory Health Care Services	36	1,764	$ 25,669	49	1.1%	1.9	2.3
Hospitals	9	10,022	$ 49,537	1114	6.2%	2.8	2.9
Nursing and Residential Care Facilities	65	3,139	$ 23,940	48	1.9%	1.4	1.4
Nursing Care Facilities	26	1,911	$ 23,726	74	1.2%	1.7	2.0
Residential Mental Retardation, Mental and Subst	16	692	$ 29,000	43	0.4%	1.1	1.3
Residual-Other Residential Care Facilities	23	536	$ 18,172	23	0.3%	1.0	2.7
Social Assistance	181	2,547	$ 23,530	14	1.6%	1.5	1.4
Individual and Family Services	43	762	$ 22,737	18	0.5%	1.1	1.1
Vocational Rehabilitation Services	13	553	$ 22,215	43	0.3%	2.0	1.6
Child Day Care Services	114	863	$ 21,225	8	0.5%	1.4	1.4
Community Food & Housing, & Emergency & Othe	11	369	$ 32,528	34	0.2%	2.5	2.8

Source: EDD, 2005

The average wage in healthcare is a robust $45,434, though wages range from a low of $18,172 in residential care facilities to $84,264 among dentist offices.

[4] The Location Quotient measures a city's relative concentration in an economic sector in comparison to a larger reference economy such as California. The Location Quotient (LQ) equals the percent of jobs in an economic sector in City of Long Beach divided by the percent of those jobs in the State of California. A LQ of more than one means that the City of Long Beach has specialized in that sector of the economy and is a net exporter of those services or products to the wider world. A LQ of less than one means that Long Beach is a net importer of the goods and services of the sector and has not specialized in that sector.

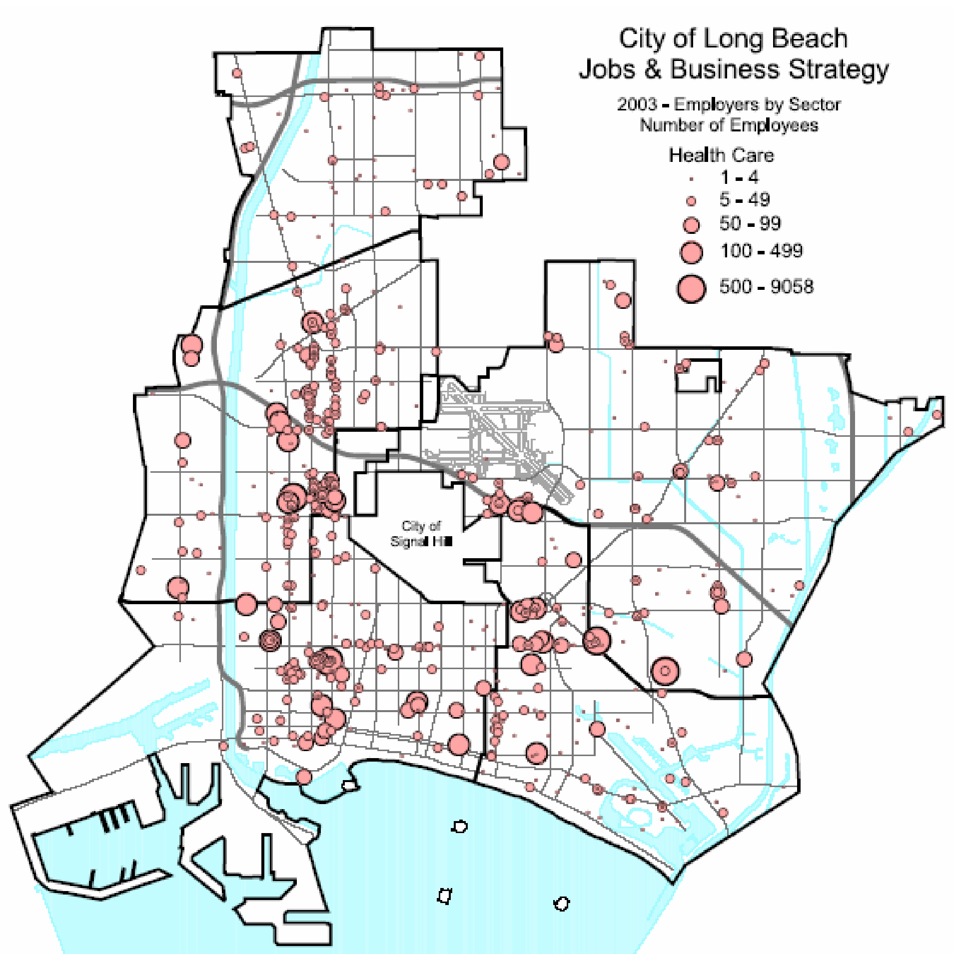
5.2.1.2 Trends

Overall, the Health Care Cluster has grown by 45 percent, or 7,270 jobs, since 1997 when the sector employed 16,142 workers. The fastest growing sub-sectors of this cluster are outpatient care (+81 percent job growth), residential care facilities (+174 percent), and childcare facilities (+392 percent).

Top health care employers include: Long Beach Memorial Medical Center (4,600 employees), the Veterans Administration Medical Center (2,300 employees), St Marys Medical Center (1,800 employees), Community Hospital (350 employees), and Pacific Hospital of Long Beach (800 employees).

As illustrated in the Map below, healthcare businesses are concentrated in the Downtown, west central and southeast areas of the City.

Figure 15: Map of Health Care Firms, 2003



Source: EDD, 2004

5.2.1.3 Cluster Challenges and Opportunities

During Focus Group discussions, key representatives from the health care sector discussed some of the challenges, opportunities and trends impacting the Health Care Cluster. These include:

- A very serious shortage of healthcare workers, particularly RNs, LVNs, CNAs, and Medical Assistants.
- Uncertainty in State funding priorities for health care which compounds local health service problems.
- An increase in the number of uninsured workers, especially as job growth has been primarily in sectors which don't provide health insurance such as tourism and retail.

- Mental health is a big health issue in Long Beach, with many people not receiving the care they require. Likewise behavioral health programs are closing, while the need for such programs is increasing.
- As baby-boomers retire, it will be difficult to replace these retiring health care workers.
- Rising housing costs make it more difficult for hospitals to attract and retain qualified medical personnel.
- The medical industry is not adopting technology as it should.
- The aging population will increase demand for senior care services.

5.2.1.4 Implications for Economic Development

- While healthcare is a core sector of Long Beach's economy, it is threatened by a severe shortage of health care workers.
- The City needs a work-based training program that helps working CNAs gain training to become LVNs, and working LVNs become RNs.

5.2.2 *EDUCATION*

5.2.2.1 Overview

Long Beach has long been a center for education. In 2003, 16,512 people were employed in Education (see Table 16). Long Beach has six times as many education jobs as would be expected if it had the same composition as California. Long Beach has specialized in education relative to California and the city "exports" education outside of its borders (in the form of college graduates). This technique of comparing proportional concentration of jobs in an economic cluster is called a Location Quotient (LQ) analysis and is often used by economists to analyze an economy. As shown in Table 16, Long Beach's economy is strengthened by specialization in Junior Colleges (LQ=19.6), and Universities and Professional Schools (LQ=4.7). Education jobs average $51,410 in payroll per employee, with slightly higher pay in elementary and secondary schools ($54,980) than at junior colleges ($38,819) or universities ($50,016).

Table 16: Education Jobs, 2003

	Long Beach					California		Location Quotient
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	(Relative Concentration of Sector in Long Beach)
Educational Services	**117**	**16,512**	**$ 51,410**	**141**	**10.2%**	**260,200**	**1.5%**	**6.6**
Elementary and Secondary Schools	18	9,267	$ 54,980	515	5.7%	80,500	0.5%	12.0
Junior Colleges	2	1,856	$ 38,819	928	1.1%	9,900	0.1%	19.6
Colleges, Universities and Professional Schools	6	4,627	$ 50,016	771	2.9%	103,200	0.6%	4.7
Residual- Business, Technical Schools and Support `	91	762	$ 47,134	8	0.5%	66,700	0.4%	1.2

Source: EDD, 2005

Education related job growth has been strong and will continue to increase over the next ten years.

- CSU Long Beach anticipates adding up to 9,000 additional Full Time Equivalent (FTE) students by 2010 to current enrollment of 26,800 FTE students. This 33 percent increase in enrollment should translate into 1,980 new jobs at CSU Long Beach as well as multiplier jobs in the community. In addition, the system-wide expansion of CSU will likely result in additional staffing at the CSU Chancellor's Office.
- Long Beach Unified School District currently serves 95,483 students, up 24 percent from 1993's enrollment of 76,786 students. However, enrollment has declined in the past two years, especially in the elementary grades, indicating a slight slowing in future job growth at the District. The slow job recovery and the booming housing market, which has priced some young families with children out of Long Beach, have contributed to declining enrollment.
- Long Beach City College is also in a growth mode with student enrollment increasing by an anticipated 3,000 students to 32,401 by 2010 and 35,848 students by 2015.[5] City College has also completed a Facilities Master Plan including design and development of: the New South Quad (a complex of 100,000 sq ft. of new classroom, state-of-the-art multipurpose rooms, and administrative offices), and a new facilities/warehouse complex that will serve as interim housing for the aviation and automotive programs.[6]

Top 10 Education Employers, Long Beach 2003

2,000 - 10,000 employees
- LONG BEACH UNIFIED SCHOOL DISTRICT
- CSU LONG BEACH
- LB COMMUNITY COLLEGE DISTRICT

200 - 1999 employees
- BROOKS COLLEGE
- CSU LONG BEACH FOUNDATION
- CSU CHANCELLORS OFFICE

75 - 199 employees
- CALIF PARAMEDICAL & TECH COLLEGE
- FLIGHT SAFETY INTL INC.
- EDUCORP INC.
- FLIGHTSAFETY BOEING TRAINING

Source: MJC, 2005

[5] Many City College students are part-time. In 2003 for example the district had 29,294 students but only 9,155 FTES.

[6] Long Beach City College Superintendent-President's Letter 2004: www.departments.lbcc.edu/planning/planning.html#

During Focus Group discussions, key representatives from the education sector discussed some of the challenges, opportunities and trends facing education, including:

- Classroom overcrowding is still commonplace in K-12, though declining enrollment will allow the Long Beach School District to reduce overcrowding somewhat. However, declining enrollment translates directly into declining revenue from the State, and the District will face a declining budget over the next 5-10 years.
- Poor people are not sufficiently connected to mainstream opportunities in Long Beach, particularly education and employment opportunities.
- The education system does not currently adequately prepare young people for non-college careers.
- The high-school drop-out rate has increased, and is particularly high among some ethnic groups.
- The city is shifting to a community composed of more Hispanics and immigrants. Consequently some cultural enclaves are insulated and isolated by language barriers.
- Rising housing costs make it more difficult for colleges to attract and retain qualified faculty and staff, and impact student retention and graduation rates.

5.2.2.2 Implications for Economic Development

- As California's budget woes continue, higher UC system tuition will result in higher CSU system enrollment and corresponding enrollment and staffing growth at CSU Long Beach and the CSU Chancellor's office. The City of Long Beach could engage with CSU Long Beach to insure that enrollment growth is effectively accommodated with minimal impacts on the City's budget.
- Neither the School District nor the state colleges contribute property taxes to the City of Long Beach, though all require police, fire and other services.

5.2.3 TOURISM, ARTS AND LEISURE

5.2.3.1 Cluster Overview

Long Beach has much to offer local residents and tourists: balmy weather, miles of beaches, a world class convention center, first class hotels, a wide array of exciting restaurants, and unique attractions such as the Queen Mary, the Aquarium of the Pacific, Museum of Latin American Art (MoLAA), and the Long Beach Grand Prix. In addition, Long Beach's extensive marine facilities and services, beaches, and access to Catalina Island attract inland community day-trippers who visit Long Beach to escape the heat and enjoy the ocean. Well known throughout the LA basin as the home of accomplished artists, Long Beach has a unique local arts scene which serves visitors and locals alike. Long Beach's reputation as an artist center has been fostered through a variety of mechanisms, including the designation and development of the East Village Arts District -- a forty-block urban art village in Downtown Long Beach. The Public Corporation for the Arts (PCA) serves as an information clearinghouse for over 600 emerging, mid-career, and professional fine artists and over 100 cultural arts organizations. This cluster serves tourists, local residents and workers.

As shown in Table 17, 19,001 people were employed by 828 Long Beach businesses in 1993 by Tourism, Leisure and Arts cluster serving visitors, residents and workers in Long Beach. The cluster has grown by an astonishing 52 percent since 1997: adding 6,541 jobs to the 1997 total of 12,460. Overall the sector has 1.4 times as many jobs as would be expected relative to California (LQ=1.4), indicating that Long Beach is a center for tourism relative to both California and Los Angeles.

- Currently, 1,681 people are employed in the performing arts and spectator sports, while 1,076 people are employed in amusement and recreation related businesses, with an average salary of $23,416.
- Hotels and motels employ 3,110 people, and with a location quotient of 1.7 are attracting twice their fair share of California tourists (see Table 17). Average salaries are a low $18,785, however.

Top 10 Tourism, Leasure, Arts & Entertainment Employers, 2003

250 - 1000 employees

QUEEN MARY SEAPORT
CITY OF LONG BEACH, Parks & Recreation
HYATT CORPORATION
WESTIN-LONG BEACH
YARD HOUSE, LP
LONG BEACH AQUARIUM OF THE PACIFIC
LONG BEACH MARRIOTT

200 - 249 employees

SUPER MEX RESTAURANTS, INC.
LUCILLE'S SMOKEHOUSE BAR-B-Q
HILTON HOTELS CORP

Source: MJC, 2005

Table 17: Tourism, Leisure, Hospitality and Arts Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Tourism, Leisure, Hospitality & Arts	**828**	**19,001**	$ 16,443	23	11.7%	1,397,600	8.2%	**1.4**
Arts, Entertainment, and Recreation	72	1,681	$ 23,416	23	1.0%	233,900	1.4%	**0.8**
Performing Arts, Spectator Sports	33	585	$ 35,326	18	0.4%	59,800	0.4%	**1.0**
Residual-Performing Arts Companies	10	113	$ 36,169	11	0.1%	15,800	0.1%	**0.7**
Independent Artists, Writers, and Performers	16	81	$ 79,903	5	0.0%	17,100	0.1%	**0.5**
Museums, Historical Sites, and Similar Institutions	7	391	$ 25,847	56	0.2%	13,200	0.1%	**3.1**
Amusement, Gambling, and Recreation	39	1,096	$ 17,059	28	0.7%	160,900	0.9%	**0.7**
Accommodation and Food Service	677	15,480	$ 15,071	23	9.6%	**1,163,700**	**6.9%**	**1.4**
Accommodation	41	3,110	$ 18,785	76	1.9%	191,600	1.1%	**1.7**
Food Services and Drinking Places	636	12,370	$ 14,138	19	7.6%	972,100	5.7%	**1.3**
Full-Service Restaurants	222	6,061	$ 15,297	27	3.7%	462,600	2.7%	**1.4**
Limited-Service Eating Places	325	4,758	$ 12,427	15	2.9%	436,400	2.6%	**1.1**
Special Food Services	22	1,114	$ 15,886	51	0.7%	47,800	0.3%	**2.4**
Drinking Places (Alcoholic Beverages)	67	437	$ 12,226	7	0.3%	25,400	0.1%	**1.8**

Source: EDD, 2005

Overall 12,370 people are employed in restaurants, specialty food, catering and bars, a 33 percent increase (+3,056 jobs) over the 1997 total. Restaurants and bars serve both local residents and tourists. There are 1.3 as many Food Service and Drinking Place jobs in Long beach relative to California, indicating that roughly 30 percent of business at restaurants and bars is non-local.

Overall, this sector is composed of:

- 222 full-service restaurants employing 6,061 people, with an average annual salary of $15,297.
- 325 limited-service eating places employing 4,758 people
- 67 drinking places with 437 employees.

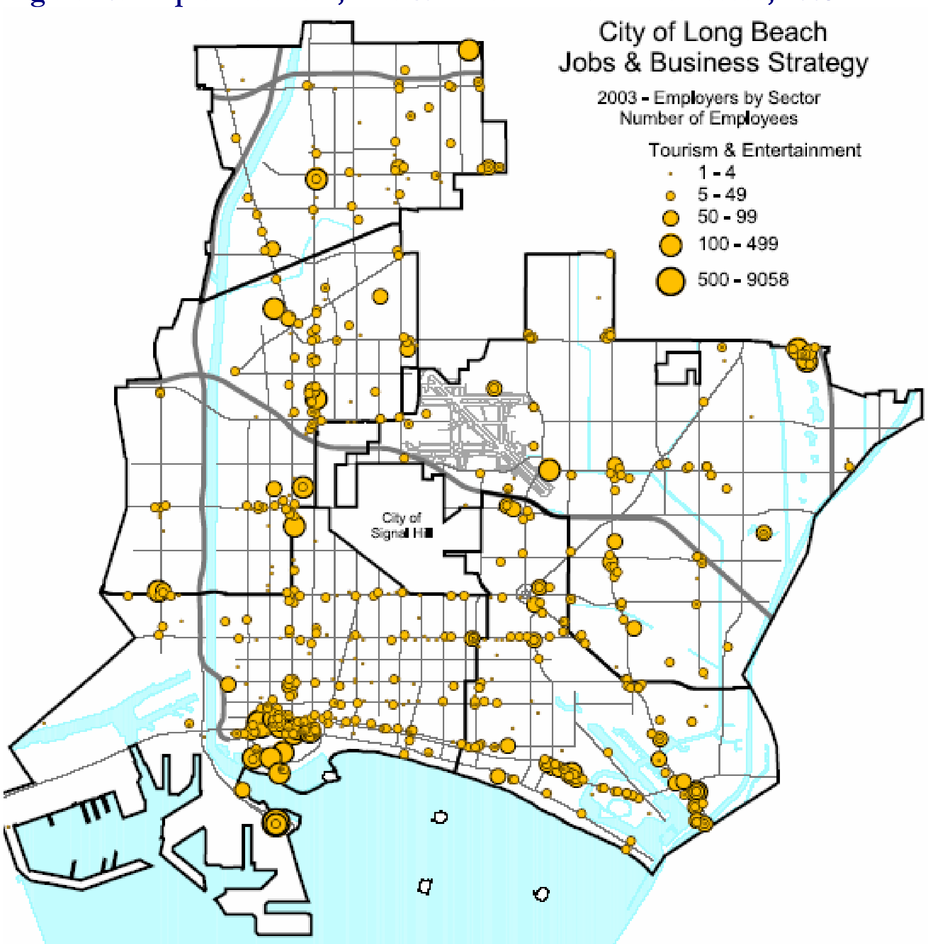
Supporting Sectors. While not in this sector, charter buses, taxis, scenic and sightseeing water transportation, and passenger car rental agencies all primarily serve the tourism sector and together employ 733 people.

Largest Full-Service Restaurants, 2003

200 - 300 employees
YARD HOUSE, LP
SUPER MEX RESTAURANTS, INC.
LUCILLE'S SMOKEHOUSE BAR-B-Q
HOFS HUT
100 - 199 employees
SHOREHOUSE CAFE, INC
CLAIM JUMPER RESTAURANT
T G I FRIDAYS INC.
THE REEF
MIMI'S CAFE
KING'S FISH HOUSE CALABASAS, L.P.

Source: MJC, 2005

Figure 16: Map of Tourism, Arts & Entertainment Businesses, 2003



Source: EDD, 2004

Tourism, arts and entertainment businesses are located throughout Long Beach, as shown in the Map above, with a clustering around Downtown, Rainbow Harbor, and the Marina.

5.2.3.2 Economic Impact of Tourism

This section analyzes the particular economic impacts of overnight and day visitors on Long Beach's economy. Tourists are a major component of Long Beach's economy and a prime stimulant of this cluster. Business and pleasure tourists contributed roughly $750 million to Long Beach's economy in 2003. Most of this economic impact stems from visitor expenditures in hotels ($120 million), restaurants ($179 million), shopping ($151 million), entertainment ($141 million), car rental, gas and other services.

As shown in Table 18, tourist expenditures support roughly 9,800 jobs, primarily in hotels and motels (3,110 jobs) and in eating and drinking places (4,300 jobs). Long Beach captures an estimated six percent ($750 million) per year of LA County's $12.9 billion tourism economy per year.

Long Beach visitors also contribute significantly to the City's fiscal health in the form of Transient Occupancy Tax (TOT) revenues, sales tax, property taxes and business license fees. In 2002, the City received an estimated $18 million in revenue from business generated by overnight and day-trip visitors, including: $14.4 million in Transient Occupancy Taxes, and roughly $3.5 million in retail sales tax.

Table 18: Estimated Economic Impact of Day and Over-night Visitors in Long Beach, 2003

Sector	Jobs (1)	Business Revenue (2)	City Revenue	Revenue Source
Hotels & Motels	3,110	$ 120,515,346	$ 14,461,842	TOT Tax
Eating & Beverage Services	4,303	$ 179,700,182	$ 1,347,751	Sales Tax
Shopping at Destination	623	$ 151,627,616	$ 1,137,207	Sales Tax
Ground Transportation & Motor Fuel	919	$ 153,177,270	NA	
Arts, Recreation & Entertainment	914	$ 141,316,462	$ 1,059,873	Sales Tax
Total	9,869	$ 746,336,876	$ 18,006,673	

Sources: MJC, 2004; Dean Runyun Associates, 2003; EDD, 2004; State Board of Equalization, 2004

1) includes part, full-time and self-employment estimates

2) Business revenues estimated based on ratios from Los Angeles County

As an "export sector", tourism-serving businesses sell goods and services to people from outside of the Long Beach area, and thereby bring money into the city and contribute to the "multiplier effect" by creating spin-off jobs and business in related sectors.

5.2.3.3 Trends and Assets

Area Attractions and Visitors

Long Beach attractions bring an estimated 6.1 million day and overnight visitors to Long Beach per year.[7] The City has contributed directly and indirectly to the quality of these attractions. As indicated in Figure 17, Long Beach attracts over a million visitors to the Queen Mary and the Aquarium of the Pacific each year. The Long Beach Convention Center performs very competitively, averaging 464,000 conventioneers per year. The new Carnival Terminal will add at least 350,000 debarkations to the Long Beach tourism market each year.

Figure 17: Major Long Beach and LA-Area Visitor Attractions

	Annual Visitors
Long Beach Visitor Attractions	
Museum of Latin American Art (MOLAA)	52,000
Long Beach Museum of Art	55,000
Queen Mary	1,500,000
Long Beach Convention Center	487,000
Carnival Terminal	350,000
The Aquarium of the Pacific	1,162,735
L.A. Area Visitor Attractions	
Disneyland, Anaheim	12,720,000
Disney's California Adventure	5,311,000
Universal Studios, Hollywood	4,576,000
Huntington State Beach, Huntington Beach, CA	3,769,946
Doheny State Beach, Dana Point, Orange County	1,834,908
Bolsa Chica State Beach, Huntington Beach, CA	2,257,957

Souce: MJC, 2004; California Travel and Tourism Commission, 2004

[7] MJC estimated the total number of visitor travel days to Long Beach by dividing total visitor expenditures of $746 million by the average California visitor expenditure of $121/day. Based on this crude but valid calculation, visitors spent an estimated 6.1 million travel days in Long Beach in 2003.

Long Beach Hotel Trends

With 49 hotels, Long Beach offers 4,928 rooms, with over 2,100 of these rooms in downtown Long Beach and on the Queen Mary. As indicated in Table 19, the Long Beach hotel market has recovered from its post 9/11 lows. Occupancy in 2004 was a very healthy 75 percent. Average daily room rates have risen steadily over the past seven years and now approach $100 per night. With $120 million in total revenue in 2003, the hotel market is rapidly returning to the exuberance of 2000.

Table 19: Hotel Occupancy, Average Daily Rate, Revenue/Available Room, Long Beach, 98-04

Year	Occupancy (%)	Average Daily Rate ($)	Revenue Per Available Room	Total Rooms	Total Room Demand	Total Revenue
1998	70.1	$ 83.99	$ 58.90	1,828,650	1,282,336	$ 107,699,134
1999	71.4	$ 88.53	$ 63.22	1,826,790	1,304,598	$ 115,491,910
2000	76.3	$ 94.23	$ 71.89	1,806,750	1,378,393	$ 129,886,883
2001	70.2	$ 95.95	$ 67.35	1,802,042	1,264,931	$ 121,364,244
2002	69.4	$ 94.42	$ 65.53	1,798,720	1,248,302	$ 117,866,160
2003	70.5	$ 95.08	$ 67.00	1,798,720	1,267,516	$ 120,515,346
2004 YTD	75.0	$ 99.22	$ 74.40			
Avg	71.8	$ 93.06	$ 66.90	1,810,279	1,291,013	$ 118,803,946

Source: Smith Travel Research, 2004; MJC 2004

Data was provided from Smith Travel Research for the following hotels: Courtyard Long Beach Downtown, Holiday Inn Long Beach Airport, Comfort Inn Los Angeles, Hyatt Regency Long Beach, Travelodge Long Beach Convention Center, Guesthouse Inns Hotel Long Beach, Coast Hotels Long Beach Hotel, Super 8 Long Beach, Residence Inn Long Beach, Rodeway Inn Long Beach, Renaissance Long Beach Hotel, Holiday Inn Long Beach Downtown, Westin Long Beach, Marriott Long Beach, Hilton Long Beach, Days Inn Long Beach, Best Western Of Long Beach, Extended Stay America Long Beach. Total hotel rooms in surveyed hotels is 3688 rooms.

The Long Beach hotel market is sufficiently strong to support the development of new hotels and three hotel projects are either currently under construction or in the planning stages.

Airport Trends

As a relatively small and very accessible airport with direct connection to a variety of large U.S. cities, the Long Beach Airport has contributed significantly to Long Beach's business, convention and leisure travel business. Air passenger volume increased from 1.4 million to 2.8 million passengers, an increase of 98 percent, from 2002 to 2003. Air passenger volumes have stabilized in 2004 as a result of legal limits to the number of local flights. As the dominant carrier, JetBlue served 71 percent of all passengers.[8]

Photo: Long Beach Airport

[8] JetBlue has direct connections with Oakland, Washington D.C., New York JFK, Salt Lake City, Boston, Fort Lauderdale and Las Vegas. Alaska Airlines, American West Airlines, and American Airlines provide direct service to Seattle, Phoenix, Dallas/Ft. Worth and New York's JFK respectively.

5.2.3.4 Cluster Trends

According to focus group participants:

- Long Beach is a rising star in LA County for visitors and tourism, as the city is starting to build an identity as a tourist destination in its own right. Wages are trending up in the tourism and arts cluster as ever more jobs are added.
- Convention Center business is strong. The expanded Long Beach Convention and Entertainment Center, includes a 224,000 square-foot exhibit hall, 83,000 square feet of meeting room space, a ballroom able to comfortably seat 1,600, a 13,600-seat arena, and two theaters in the Long Beach Performing Arts Center.
- New housing in downtown should attract a new urban demographic and help revitalize downtown retail.
- Long Beach has been working to create a vibrant arts district near the downtown. The Arts District could become a major destination with additional revitalization and arts attractions, such as the proposed Art Exchange. Arts organizations are collaborating more as they face cuts in funding.
- The declining value of the US dollar should translate into increased inbound travel to the US from foreign tourists, especially from Canada, as well as an increase in domestic visitors from the United States who may find travel abroad too expensive on a declining dollar.
- The new Carnival Terminal (opened April 2003) is home to two 855-foot cruise ships with approximately 330,000 annual passengers. Increased cruise line activity at the Port of Los Angeles (Disney Cruise Lines and Queen Mary 2) will further increase debarkations near and in Long Beach.

5.2.3.5 Implications for Economic Development

- Tourism, Arts and Leisure jobs are good entry-level jobs which provide low skilled workers with an opportunity to enter the workforce and build job skills. However there are few opportunities for advancement in this sector and most jobs offer relatively low pay.
- Tourism, Arts and Leisure businesses generally improve the quality of life for residents and potential residents. Growth in these sectors therefore make a community more attractive overall for more highly skilled workers.
- This sector provides rapid job growth to Long Beach's economy and generates significant revenues for the City's General Fund.

5.2.4 RETAIL

5.2.4.1 Overview

Overall, merchandise retail stores[9] employed some 14,987 people in 913 firms in 2003, an increase of 36 percent (3,940 jobs) over 1997 employment of 11,047. As indicated in Table 20, retail sectors with the most jobs include: grocery stores (3,218 jobs), motor vehicle and parts dealers (1,961 jobs), and clothing stores (1,438 jobs). These same sectors had the greatest absolute job growth since 1997: grocery stores (+561 jobs), motor vehicle and parts dealers (+430 jobs), and clothing stores (+625 jobs).

Table 20: Retail Jobs, Long Beach 2003

	Long Beach						California		
TITLE	Firms	Jobs		Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Retail Trade	**913**	**14,987**	**$**	**23,025**	**16**	9.2%	1,589,900	9.4%	**1.0**
Motor Vehicle and Parts Dealer	84	1,961	$	41,163	23	1.2%	207,800	1.2%	**1.0**
Automobile Dealers	22	1,086	$	50,600	49	0.7%	138,800	0.8%	**0.8**
Other Motor Vehicle Dealers	14	278	$	43,907	20	0.2%	17,000	0.1%	**1.7**
Automotive Parts, Accessories and Tire Stores	48	597	$	22,721	12	0.4%	52,000	0.3%	**1.2**
Furniture and Home Furnishings Stores	45	343	$	24,962	8	0.2%	61,900	0.4%	**0.6**
Electronics and Appliance Stores	46	381	$	35,962	8	0.2%	78,700	0.5%	**0.5**
Building Material and Garden Equipment Stores	27	695	$	23,362	26	0.4%	123,400	0.7%	**0.6**
Food and Beverage Stores	161	3,733	$	18,578	23	2.3%	307,583	1.8%	**1.3**
Grocery Stores	126	3,218	$	19,646	26	2.0%	269,242	1.6%	**1.2**
Residual-Specialty Food Stores	35	333	$	18,404	10	0.2%	38,342	0.2%	**0.9**
Liquor Stores	53	182	$	13,249	3	0.1%	12,358	0.1%	**1.5**
Health and Personal Care Stores	91	1,188	$	31,316	13	0.7%	103,500	0.6%	**1.2**
Gasoline Stations	60	466	$	19,620	8	0.3%	55,700	0.3%	**0.9**
Clothing and Clothing Accessories Stores	94	1,438	$	18,281	15	0.9%	168,900	1.0%	**0.9**
Sporting Goods, Hobby, Book and Music Stores	50	1,160	$	16,079	23	0.7%	84,700	0.5%	**1.4**
Sporting Goods, Hobby and Musical Instrument Sto	41	1,086	$	14,980	26	0.7%	54,600	0.3%	**2.1**
Book, Periodical and Music Stores	11	137	$	23,673	12	0.1%	30,200	0.2%	**0.5**
General Merchandise Stores	28	1,942	$	16,813	69	1.2%	248,800	1.5%	**0.8**
Department Stores	7	1,024	$	15,615	146	0.6%	185,700	1.1%	**0.6**
Other General Merchandise Stores	21	918	$	18,149	44	0.6%	63,100	0.4%	**1.5**
Miscellaneous Store Retailers	112	946	$	18,332	8	0.6%	106,000	0.6%	**0.9**
Nonstore Retailers	18	245	$	31,749	14	0.2%	30,600	0.2%	**0.8**
Consumer Rentals	44	307	$	16,381	7	0.2%		0.0%	NA

Source: EDD, 2005

Overall Long Beach retail largely serves local needs without drawing significant customers from the surrounding community (LQ=1). However the overall retail jobs picture obscures difference in performance within the sector. Top performing retail sectors include: sporting goods, hobby and musical instrument stores (LQ =2.1), liquor stores (LQ=1.5), grocery stores (LQ=1.2) and automotive parts and accessories (LQ=1.32). Poor performing retail sectors include: Department Stores (LQ= 0.6), automobile dealers (LQ=0.8), furniture (LQ=0.6), and electronics stores (LQ=0.5). Many poorly performing retail sectors are losing out to competitive malls outside of Long Beach.

Wages. The average retail payroll was $23,025 in 2003. Salaries range from a relatively low $13,249 for liquor store jobs to a relatively high $50,600 for jobs with auto dealers. For detailed information about wages by sector, please see Table 20.

[9] The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector comprises two main types of retailers: store and non-store retailers. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. Non-store retailers reach customers and market merchandise through "infomercials," direct-response advertising, paper and electronic catalogs, door-to-door solicitation, in-home demonstrations, and selling from portable stalls (street vendors, except food), and distribution through vending machines.

5.2.4.2 Trends and Retail Leakage

People engage in three distinct types of shopping, namely: pleasure shopping, chore shopping and comparison shopping.[10] Retail areas and retailers must focus efforts to serve these core shopping patterns. Currently, Long Beach retail centers provide fair to good venues for all three types of shopping. However, a variety of very competitive shopping malls outside of Long Beach attract many Long Beach residents, which results in "retail sales leakage" and the loss of potential City sales tax revenues and jobs.

Overall retail sales in Long Beach have grown by ten percent per year since 1999. Total sales have increased from $2.8 billion in 1999 to $3.6 billion in 2003. Most of the growth in retail sales can be attributed to a spike in the building materials sales after Lowe's opened Long Beach outlets in 2000.

Table 21: Taxable Retail Sales, Long Beach 2000-2003 ($1000 of dollars)

	1999	2000	2001	2002	2003	Average Annual % Growth
Retail Stores						
Apparel stores	$ 83,074	$ 94,923	$ 98,924	$ 103,142	$ 105,942	7%
General merchandise stores	$ 252,223	$ 285,654	$ 281,139	$ 317,025	$ 387,954	7%
Food stores	$ 181,700	$ 191,014	$ 186,083	$ 192,907	$ 194,872	2%
Eating and drinking places	$ 402,609	$ 450,710	$ 466,732	$ 489,759	$ 520,374	6%
Home furnishings and appliances	$ 85,995	$ 94,034	$ 88,875	$ 92,281	$ 93,983	2%
Bldg. matrl. and farm implements	$ 191,588	$ 495,966	$ 400,575	$ 500,446	$ 516,578	19%
Auto dealers and auto supplies	$ 293,008	$ 332,679	$ 345,656	$ 328,824	$ 314,220	4%
Service stations	$ 225,915	$ 306,657	$ 278,348	$ 268,523	$ 336,850	4%
Other retail stores	$ 358,488	$ 410,973	$ 427,138	$ 443,404	$ 436,990	7%
Total Retail Stores	*$ 2,074,600*	*$ 2,662,610*	*$ 2,573,470*	*$ 2,736,311*	*$ 2,907,763*	12%
All Other Outlets	$ 748,956	$ 770,161	$ 837,139	$ 852,224	$ 739,611	4%
Totals All Outlets	**$ 2,823,556**	**$ 3,432,771**	**$ 3,410,609**	**$ 3,588,535**	**$ 3,647,374**	**10%**

Source: State Board of Equalization, 2004; MJC, 2004

Major national trends in the retail market include: the domination by planned shopping centers for both the pleasure and comparison shopping markets, with a general decline in smaller malls. Within the chore shopping market, the "Big Box" (such as Wal-Mart, K-Mart, Home Depot) market share is growing and most Big Box retailers prefer stand-alone sites. "Super Stores" are growing in kind and number, and drive to and through convenience shopping is also growing.[11] These general trends influence Long Beach retailing patterns.

5.2.4.3 Taxable Retail Sales Leakage Analysis

The City of Long Beach has significant retail sales leakage. As shown in the Table 22, Long Beach underperforms the City of Los Angeles in every retail sales category on a per-capita basis except for building materials. The City of Los Angeles was chosen as the benchmark city because of its similar demographic composition and because its size makes retail leakage considerably less likely. The City of Long Beach loses

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[10] **Chore Shopping.** Chore shopping consists of shopping for groceries, gas, and household items. Chore shopping typically takes place in "big-box" retailers, stand alone super stores and grocery stores, and power centers. In Long Beach, chore shopping occurs primarily at Wal-Mart, Home Depot, Lowe's, Target, K-Mart, Vons, Albertsons, and other big box retailers.

Pleasure Shopping. Pleasure shopping typically consists of fine dining, gift purchases, higher-end apparel, furnishings and higher-end household items. According to a recently completed phone survey by Talbot Consultants, the "most shopped" retail centers in the Long Beach Retail Trade Area are Lakewood Center, Cerritos Mall, Del Amo Fashion Center, South Coast Plaza, and Pine Avenue. Long Beach shopping areas are the "most shopped" pleasure shopping centers by only 18 percent of the retail trade area resident respondents.

Comparison Shopping. Comparison shopping is typically for big-ticket-items such as cars or large appliances and typically occurs in large auto-malls or regional shopping malls. Long Beach's Traffic Circle auto mall also has a variety of auto retailers, but Signal Hill auto dealers are capturing a large share of the Long Beach auto sales market.

[11] Nelson & Niles 1999

much of its retail sales to four competitor cities: Signal Hill, Lakewood, Cerritos and Carson. As shown in Table 22, on a sales-per-capita basis, these cities capture much more than their fair share of retail sales in the general merchandise, building materials, auto dealers and supplies, other retail, and outlet categories. Indeed Signal Hill, perched in the middle of Long Beach, is particularly adept at capturing significant retail sales dollars from Long Beach's residents and workforce. In 2002, Signal Hill had $95,566 in taxable sales per capita compared to Long Beach's $7,775 in total taxable sales per capita.

Table 22: Per Capital Annual Retail Sales, Long Beach and Competitor Cities, 2002

	Comparison		Competitor Cities			
	Los Angeles	Long Beach	Signal Hill	Lakewood	Cerritos	Carson
Retail Stores						
Apparel stores	$ 361	$ 223	$ 270	$ 982	$ 2,550	$ 182
General merchandise stores	$ 859	$ 687	**$ 12,456**	**$ 2,775**	**$ 6,334**	$ 1,635
Food stores	$ 426	$ 418	$ 782	$ 591	$ 260	$ 371
Eating and drinking places	$ 1,096	$ 1,061	$ 1,342	$ 1,411	$ 1,671	$ 805
Home furnishings and appliances	$ 316	$ 200	$ 1,529	$ 404	$ 972	$ -
Bldg. matrl. and farm implements	$ 506	$ 1,084	**$ 11,010**	$ -	$ -	$ 1,124
Auto dealers and auto supplies	$ 1,017	$ 712	**$ 24,132**	$ 1,658	**$ 19,926**	$ 3,932
Service stations	$ 656	$ 582	**$ -**	$ 797	$ 463	$ 875
Other retail stores	$ 1,182	$ 961	**$ 29,641**	$ 2,290	**$ 4,858**	$ 3,114
Total Retail Stores	*$ 6,419*	*$ 5,929*	*$ 81,162*	*$ 10,909*	*$ 37,034*	*$ 12,038*
All Other Outlets	$ 2,200	$ 1,847	$ 14,404	$ 439	$ 8,030	$ 7,226
Totals All Outlets	**$ 8,619**	**$ 7,775**	**$ 95,566**	**$ 11,348**	**$ 45,063**	**$ 19,265**

Source: State Board of Equalization, 2002; MJC, 2004

In 2002, Long Beach lost about $389 million in potential retail sales to competitor cities through retail sales leakage. Retail sales leakage is calculated by comparing Long Beach's sales per capita with that of a larger reference area (in this case Los Angeles). In 2002, Long Beach lost $2.9 million in sales tax revenue to retail sales leakage (see Table 23). A significant number of retail jobs, which could be in Long Beach are also in neighboring competitor communities as a result of this leakage.

Table 23: Taxable Retail Sales Leakage, Long Beach 2002

	Taxable Retail Sales	Retail Leakage	Leakage Per Capita	Lost Local Sales Tax Revenue
Retail Stores				
Apparel stores	$ 103,142,000	-$63,484,552	-$138	-$476,134
General merchandise stores	$ 317,025,000	-$79,376,259	-$172	-$595,322
Food stores	$ 192,907,000	-$3,796,014	-$8	-$28,470
Eating and drinking places	$ 489,759,000	-$16,138,722	-$35	-$121,040
Home furnishings and appliances	$ 92,281,000	-$53,384,313	-$116	-$400,382
Bldg. matrl. and farm implements	$ 500,446,000	$267,031,026	$579	$2,002,733
Auto dealers and auto supplies	$ 328,824,000	-$140,740,865	-$305	-$1,055,556
Service stations	$ 268,523,000	-$34,089,172	-$74	-$255,669
Other retail stores	$ 443,404,000	-$102,276,983	-$222	-$767,077
Total Retail Stores	*$ 2,736,311,000*	-$226,255,855	*-$490*	-$1,696,919
All Other Outlets	$ 852,224,000	-$162,968,137	-$353	-$1,222,261
Totals All Outlets	$ 3,588,535,000	-$389,223,991	-$843	-$2,919,180

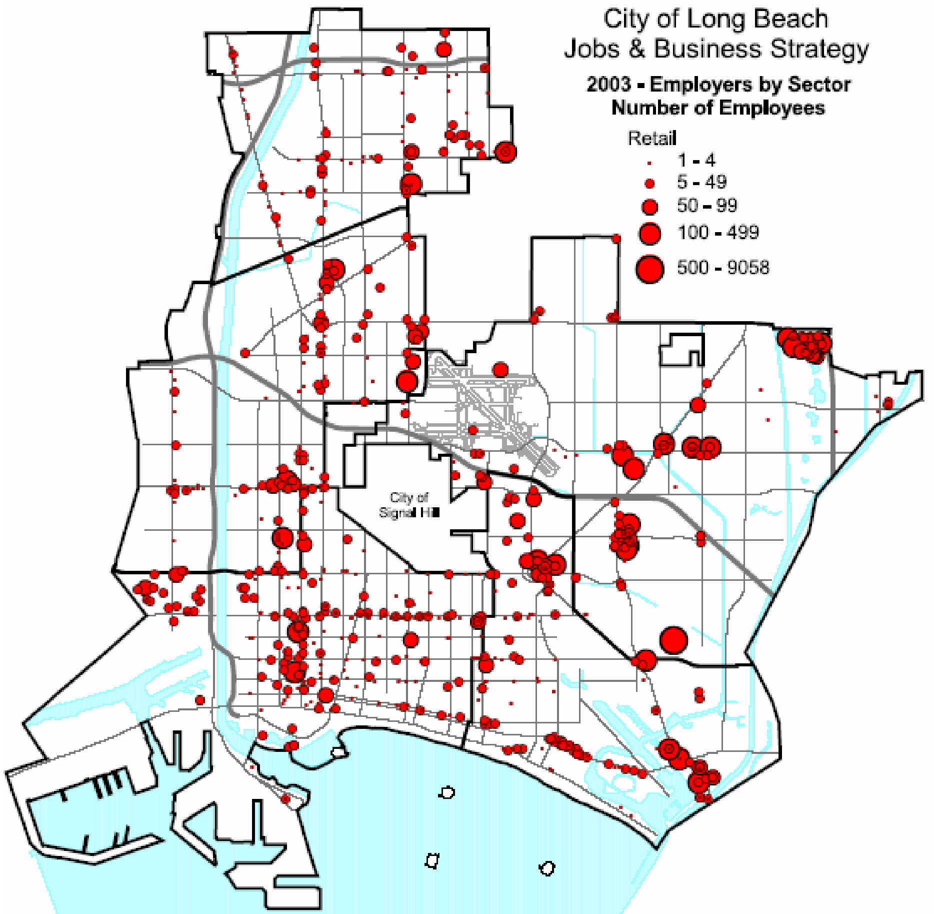
Source: State Board of Equalization, 2002; MJC, 2004

The data presented in Table 23 is from 2002 and does not include new retail sales from *City Place* and *The Pike*, afforded by these two major additions to Long Beach's retail scene.

- *City Place* is a $75 million mixed-use development of 370,000-square feet of urban scaled destination retail anchored by Wal-Mart; 85,000-square feet of neighborhood retail anchored by Albertson's and Sav-On; Nordstrom Rack and Ross stores; and 350 units of market rate housing.

- *The Pike at Rainbow Harbor* is a 350,000-square foot commercial complex consisting of restaurant, retail, and entertainment uses.

Figure 18: Map of Retail Businesses, Long Beach, 2003



Source: EDD, 2004

The figure above maps the distribution of retail centers by neighborhood. As illustrated, retail businesses are located throughout the City, though they are concentrated along Pine Avenue, City Place, 2nd Avenue, and Alamitos Bay, among other major shopping areas.

5.2.4.4 Cluster Challenges and Opportunities

- Long Beach's Power Centers[12] do not appear to have sufficient regional appeal to capture a fair share of retail dollars from Long Beach and/or non-Long Beach residents in apparel, furniture, electronics, and department stores.
- Pine Avenue offers a strong restaurant and bar market, though its appeal as a specialty shopping venue appears to be slipping.
- There is significant competition for residents' retail dollars by non-Long Beach retailers, especially in the automotive sales, general merchandise, apparel, and other retail sales.

[12] A Power Center is a very large retail mall of over 300,000 square feet of retail space, which brings together a variety of destination retail stores and smaller format stores. Power Centers often include restaurants and movie theaters as well.

- There is a significant oversupply of outdated and underperforming commercial strip retail space.
- Long Beach continues to capture significant sales dollars from surrounding communities in the Building Materials and Garden Equipment category.
- Long Beach has sufficient grocery stores to meet local demand, though geographic distribution of grocery stores may be uneven among different Long Beach neighborhoods.
- The new Zoning Element of the General Plan seeks to transform older commercial corridors into mixed-use retail districts (with housing and office above and retail below). This effort may gradually strengthen Long Beach's pleasure shopping venues.

5.2.4.5 Implications for Economic Development

- At the macro level, Long Beach has the proportion of grocery store jobs as would be expected given the California economy as a whole (LQ=1.2). This means that there is limited market support for additional chain grocery stores in Long Beach, though particular neighborhoods may have needs that are not met.
- This analysis supports the contention that Long Beach may have a higher-than-usual presence of liquor stores and bars (LQ= 1.7).
- Opportunities to attract new specialty retailers to Long Beach will improve, if more middle and higher-income residents move into the City.
- Current land-use patterns may limit the City's ability to attract new retailers as older commercial corridors do not offer competitive retailing space. Retail recruitment efforts focused on chains are most likely to be successful when focused on existing successful shopping areas such as City Place, The Pike, and other Long Beach Power Centers.

Photo: Alamitos Bay

5.2.5 PROFESSIONAL AND BUSINESS SERVICES

5.2.5.1 Overview

The professional and business services cluster[13] is comprised of 1097 firms that employed 22,527 people in 2003, an increase of 52 percent (7,649 jobs) over the 1997 total of 14,791 jobs. Overall the sector employs 14 percent of the Long Beach workforce.

Job growth was particularly strong in Administrative and Support Services which doubled in size from 6,708 to 12,723 jobs between 1997 and 2003. This cluster serves the Long Beach economy but exports little to the region (LQ=1.1). However it has relatively strong job concentrations in Accounting (LQ=2), Office Administrative Service (LQ=3), Employment Services (LQ=1.5), and Investigation and Security Services (LQ=2.5). All of these sub-sectors are relatively low-skill and low-wage, and many employed in these clusters are temporary workers. Temporary employment is one of the fastest growing industries in the nation and Long Beach has caught the wave and seems to be surfing this trend.

Job growth has remained flat in the professional, scientific and technical services sector: the sector lost 122 jobs over the five year interval from 1987 to 2003, when 735 firms employed 7,961 people.

Table 24: Professional and Business Service Jobs, Long Beach 2003

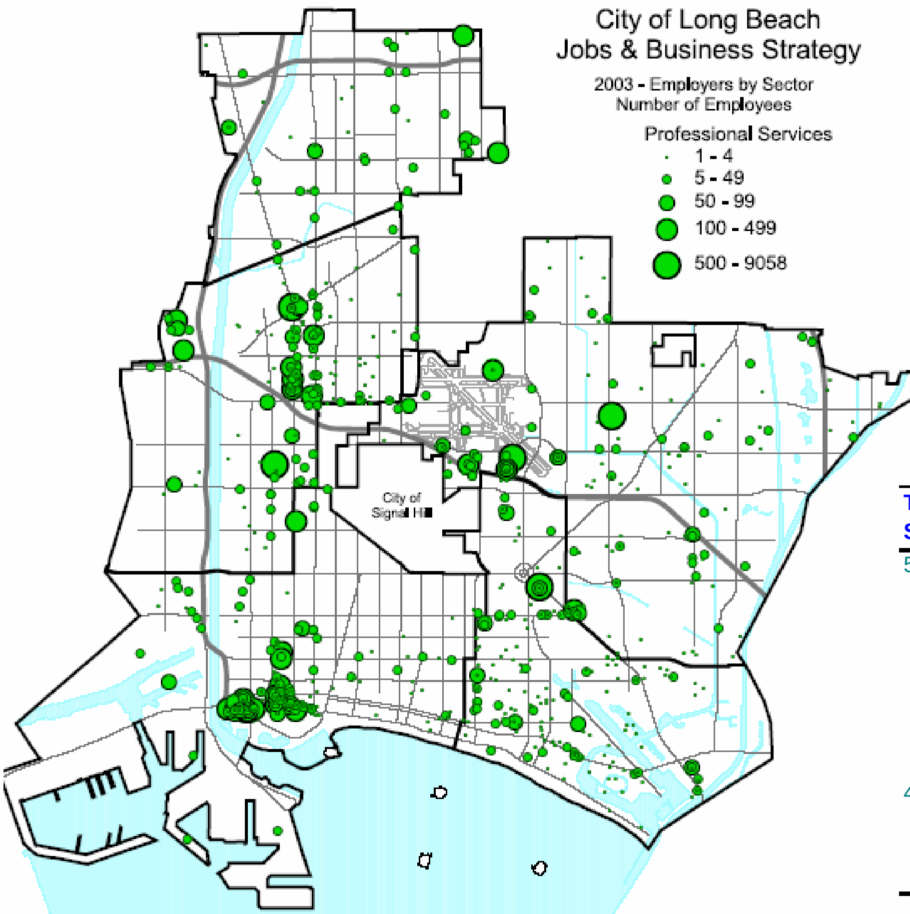
	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Professional and Business Services	**1097**	**22,527**	**$ 46,939**	**21**	13.9%	2,108,100	12.4%	**1.1**
Professional, Scientific and Technical Services	746	8,045	$ 61,923	11	5.0%	899,400	5.3%	**0.9**
Legal Services	205	1,511	$ 84,089	7	0.9%	138,700	0.8%	**1.1**
Accounting, Tax Preparation, Bookkeeping Services	119	2,012	$ 33,355	17	1.2%	103,500	0.6%	**2.0**
Architectural, Engineering and Related Services	89	1,505	$ 66,610	17	0.9%	149,300	0.9%	**1.1**
Specialized Design Services	35	345	$ 62,886	10	0.2%	23,000	0.1%	**1.6**
Computer Systems Design and Related Services	66	674	$ 76,219	10	0.4%	166,200	1.0%	**0.4**
Management, Scientific, Technical Consulting Servic	149	1,197	$ 77,248	8	0.7%	111,000	0.7%	**1.1**
Scientific Research and Development Services	9	93	$ 104,153	10	0.1%	95,100	0.6%	**0.1**
Advertising and Related Services	38	375	$ 43,055	10	0.2%	60,500	0.4%	**0.6**
Other Professional, Scientific, Technical Services	36	333	$ 37,204	9	0.2%	52,100	0.3%	**0.7**
Management of Companies and Enterprises	29	1,759	$ 102,437	61	1.1%	255,600	1.5%	**0.7**
Administrative and Support and Waste Services	322	12,723	$ 29,792	40	7.8%	953,200	5.6%	**1.4**
Administrative and Support Services	310	12,260	$ 28,928	10	7.6%	917,100	5.4%	**1.4**
Office Administrative Services	40	1,269	$ 60,083	32	0.8%	44,900	0.3%	**3.0**
Employment Services	72	6,381	$ 25,693	89	3.9%	441,600	2.6%	**1.5**
Business Support Services	44	510	$ 28,197	12	0.3%	60,300	0.4%	**0.9**
Travel Arrangement and Reservation Services	24	568	$ 33,003	24	0.4%	31,300	0.2%	**1.9**
Investigation and Security Services	21	2,614	$ 20,831	124	1.6%	110,000	0.6%	**2.5**
Services to Buildings and Dwellings	85	723	$ 27,963	9	0.4%	192,500	1.1%	**0.4**
Residual-Other Support Services	24	195	$ 34,190	8	0.1%	27,800	0.2%	**0.7**
Waste Management and Remediation Services	12	463	$ 52,669	39	0.3%	36,100	0.2%	**1.3**
Waste Treatment and Disposal	5	283	$ 54,614	57	0.2%	12,700	0.1%	**2.3**
Residual-Waste Collection, Remediation Services	7	180	$ 49,610	26	0.1%	23,400	0.1%	**0.8**

Source: EDD, 2005

Wages. Overall average wages are a low $29,797 per year for people in the Administrative Support sector, while average wages are a much higher $62,923 for people working in the Professional, Scientific and Technical Services sector.

Figure 19: Map of Professional and Business Service Firms, 2003

[13] These firms provide services to clients in a variety of industries and, in some cases, to households, including the following activities: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.



Top Ten Profession and Business Service Employers, Long Beach 2003

500-2000 employees

- UNIVERSAL SECURITY CONCEPTS INC.
- 3.6.9 HOLDINGS, INC.
- EMPLOYMENT MANAGEMENT SERVICES, INC.
- FIRST MEDICAL STAFFING, INC.
- EDGE MANAGEMENT WEST, LLC.
- PROGRESSIVE STAFF, INC.
- EPSON AMERICA, INC.

400-499 employees

- PREMIER NURSING SERVICE
- AFSA DATA CORP
- ORIENT TALLY COMPANY

Source: MJC, 2005

Source: EDD, 2004

As shown in the map above, Professional and Business Service firms are located throughout Long Beach, however downtown, the airport and West Central Long Beach are geographic centers for this cluster.

5.2.5.2 <u>Implications for Economic Development</u>

- The Administrative Support services sector is likely to continue rapid growth, with or without the attention of the City of Long Beach.
- Many lower-income people find entry-level employment in administrative support services, and appropriate job training and placement services would likely yield rewards to Long Beach residents.

5.3 Sectors in Transition

This section explores transitions of former dominant economic sectors in Long Beach. Manufacturing, Trade, Transportation and Warehousing appear to be losing their dominance in the Long Beach economy. High Tech, on the other hand, has never been a strong sector in Long Beach. All of these sectors remain an important source of quality jobs with opportunities for advancement. However, as noted in the sections below the future growth of each remains in question.

5.3.1 MANUFACTURING

5.3.1.1 Jobs and Sector Analysis

With over 17,000 jobs, Long Beach's manufacturing cluster provides 11 percent of all Long Beach jobs. The sector is dominated by aerospace with 10,368 jobs, computer and electronic product manufacturing (1,074 jobs), fabricated metal product manufacturing (717 jobs) and motor vehicle parts manufacturing (1,397 jobs). Please see Table 25 to review total jobs, payroll, payroll/job and firms for each sub-sector of Manufacturing.

Table 25: Manufacturing Jobs, Long Beach 2003

	Long Beach						California		
TITLE	Firms	Jobs		Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Manufacturing	**343**	**17,239**	**$**	**63,182**	**50**	10.6%	1,544,900	9.1%	**1.2**
High Tech Manufacturing	**173**	**14,810**	**$**	**68,260**	**86**	9.1%	981,800	5.8%	**1.6**
Primary Metal Manufacturing	4	362	$	59,553	91	0.2%	25,200	0.1%	**1.5**
Fabricated Metal Product Mfg	46	717	$	41,456	16	0.4%	138,800	0.8%	**0.5**
Machinery Manufacturing	23	235	$	61,553	10	0.1%	86,700	0.5%	**0.3**
Computer and Electronic Product Manufacturing	18	1,074	$	58,225	60	0.7%	326,100	1.9%	**0.3**
Electrical Equipment and Appliance Manufacturing	7	360	$	34,429	51	0.2%	36,600	0.2%	**1.0**
Transportation Equipment Manufacturing	33	11,441	$	73,337	347	7.1%	129,300	0.8%	**9.3**
Motor vehicle parts and body manufacturing	10	1,397	$	59,413	140	0.9%	32,867	0.2%	**4.4**
Aerospace Product and Parts Manufacturing	13	10,368	$	68,050	798	6.4%	73,400	0.4%	**14.8**
Ship and boat building	11	206	$	45,887	19	0.1%	8,867	0.1%	**2.4**
Chemical Manufacturing	20	320	$	65,865	16	0.2%	78,400	0.5%	**0.4**
Plastics and Rubber Products Manufacturing	22	301	$	33,647	14	0.2%	59,800	0.4%	**0.5**
Low Tech Manufacturing	**170**	**2,429**	**$**	**32,220**	**14**	1.5%	563,100	3.3%	**0.5**
Residual-Wood Product Manufacturing	10	118	$	28,210	12	0.1%	39,600	0.2%	**0.3**
Furniture and Related Product Manufacturing	23	747	$	37,026	32	0.5%	62,900	0.4%	**1.2**
Miscellaneous Manufacturing	31	485	$	47,521	16	0.3%	91,600	0.5%	**0.6**
Food Manufacturing	32	225	$	22,168	7	0.1%	156,000	0.9%	**0.2**
Beverage and Tobacco Product Mfg	D	-	$	-		0.0%	35,700	0.2%	**0.0**
Textile Mills	3	207	$	21,491	69	0.1%	13,000	0.1%	**1.7**
Apparel Manufacturing	37	303	$	14,056	8	0.2%	89,000	0.5%	**0.4**
Residual-Textile Product Mills	7	122	$	20,054	17	0.1%	16983	0.1%	**0.8**
Paper Manufacturing	D	D					30,100	0.2%	
Printing and Related Support Activities	27	222	$	36,419	8	0.1%	63,900	0.4%	**0.4**

Source: EDD, 2005

As indicated in Table 25, the Long Beach economy has very high concentration of Aerospace (LQ=14), ship and boat building (LQ=2.4) and motor vehicle parts and body manufacturing jobs (LQ=4.4). These economic base industries export products to the nation and the world and are a significant source of income, jobs and other benefits to the Long Beach economy. However, there is no corresponding concentration of supplier businesses, such as plastics manufacturing, electrical equipment, fabricated metal products, or machinery manufacturing, which would be expected from the presence of large Original Equipment Manufacturers (OEM)[14] like Boeing and Gulfstream Aerospace. Typically a large OEM, like Boeing, should attract a wide array of suppliers in metal manufacturing, fabricated metal products, computer and electronic

[14] An OEM is a large manufacturing firm such as Boeing, Ford or General Motors, which designs and assembles equipment, but often subcontracts manufacturing of constituent parts to a supply base of small and mid-sized manufacturing firms.

manufacturing, and plastics and rubber manufacturing to the surrounding economy. All of these later sectors have location quotients of less than one, signifying that they are under-represented in Long Beach in comparison to their overall representation in the California economy. Thus, the decline in Boeing's fortunes have resulted in a general hollowing out of the supply chain. Indeed absent Boeing, Long Beach would not have a proportional fair share of the manufacturing sector. One could surmise, from the data that Boeing is purchasing some of its inputs locally from Long Beach businesses, but that it purchases the majority of its inputs from suppliers in the L.A. region and beyond. This explanation is borne out by the relatively higher location quotients of the supplier sectors (ranging from 1.2 to 1.4) for the LA region (See Appendix B).

With just 2,400 jobs, Long Beach is not competitive in the lower-tech manufacturing sector relative to Los Angeles County (LQ=0.5). This sector is composed of furniture and related wood-products manufacturing, food manufacturing, textile mills, apparel manufacturing and printing among other lower-tech manufacturing sectors. Overall, Long Beach has less than its fair share of lower-tech manufacturing in all sectors except for furniture and related product manufacturing and textile mills. Comparatively, Los Angeles is fairly strong in all sectors, with location quotients that range from 0.9 to 2.59. This suggests that Los Angeles County is an effective location for a diversity of employers from these sectors, while Long Beach has not effectively attracted/retained these manufacturing firms.

5.3.1.2 Trends

Overall manufacturing has undergone a prolonged decline in Long Beach; many thousands of jobs have been lost over the past decade primarily due to job losses at Boeing. From 1997 through 2003, the sector lost 10,309 jobs for a 37 percent decline from the 1997 total of 24,500. Cluster performance is closely tied to the fortunes of Boeing. Increased federal spending on defense and homeland security has boosted demand for Boeing's noncommercial aircraft, satellites, and navigation systems. However, declining national air-passenger demand, and significant restructuring in the airline business due to bankruptcies and changing business models have depressed demand for new commercial jets. How these trends have impacted Boeing's recent past in Long Beach is clear, as the last MD-11 came off the product line and 6,000 jobs were lost in 2002, and Boeing announced the end of 717 production in early 2005 and the ultimate elimination of an additional 1,000 jobs. Boeing currently operates a 424-acre facility at the Long Beach Airport with over 6.7 million square feet of space that is utilized for the production of the C-17 military transport plane, and program support for production lines in other locations.

Photo: Boeing, Long Beach

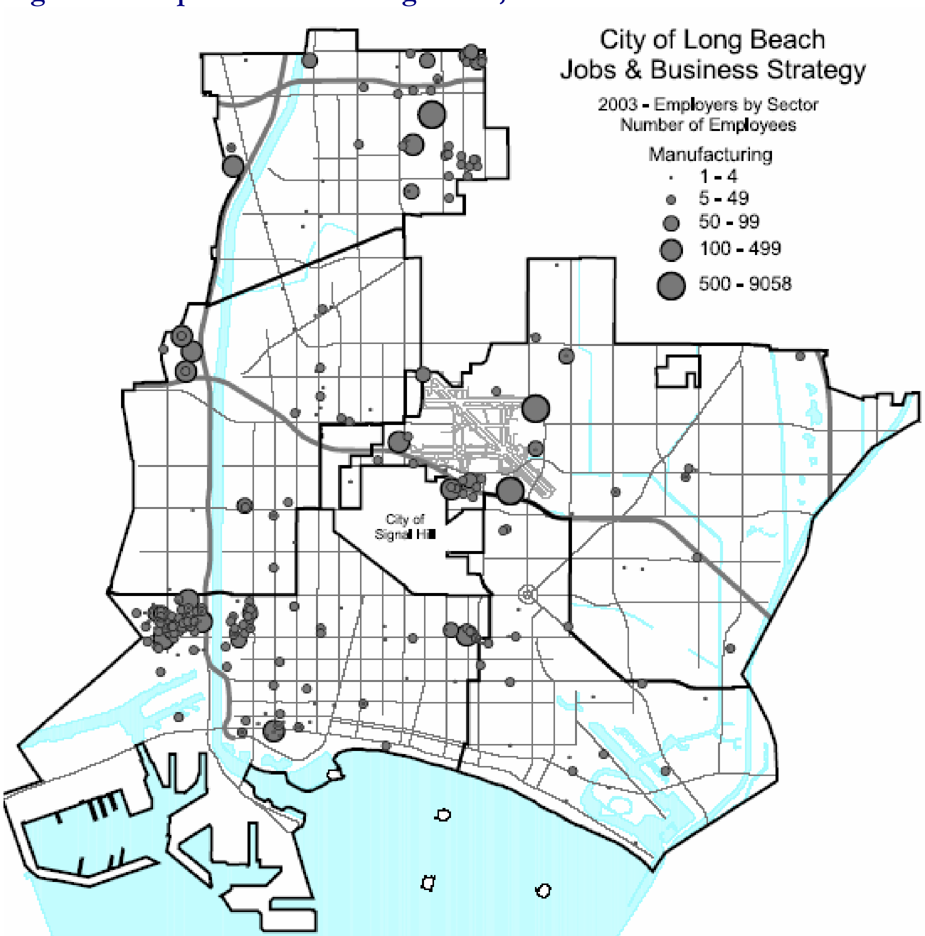
Lower tech manufacturing has been moving off-shore for many decades, with L.A. County one of the few areas of the United States which has retained a significant share of lower-tech manufacturing, particularly apparel manufacturing (LQ=2.5) tied to women's fashions. While outsourcing of apparel manufacturing continues, LA County has held on to the design and fashion sectors of apparel manufacturing.[15] L.A. County also has a strong furniture and related product manufacturing sector (LQ=1.5), yet neither of these sectors are well-represented in Long Beach.

[15] *Los Angeles Area Fashion Industry Profile*, LAEDC, Dec 2003.

Wages. Offering some of the best salaries in the Long Beach economy with an average wage of $63,182 the manufacturing cluster provides a wide range of excellent high-pay jobs.

Top Employers. Top manufacturing firms include Boeing Corp, Gulfstream Aerospace, and Verizon. The top ten largest employers provide 75 percent of all jobs in the sector.

Figure 20: Map of Manufacturing Firms, 2003



Source: EDD, 2004

As illustrated in the Map above, manufacturing firms are concentrated in the South west, airport and North areas of Long Beach.

5.3.1.3 Cluster Challenges and Constraints

- Lack of significant Long Beach-based manufacturing suppliers to the city's major employer, Boeing.
- Competition from area cities for manufacturing firms.
- Heavy reliance upon Boeing as a source of high quality jobs in Long Beach, and uncertainty about Boeing's prospects.
- Limited opportunities to attract new manufacturing jobs to Long Beach because of a lack of space for new facilities.

Top Manufacturing Firms, Long Beach 2003

500-10,000 employees
BOEING
GULFSTREAM AEROSPACE CORP
VERIZON CALIFORNIA INC
300-499 employees
SNUGTOP
TABC
ROBERTSHAW CONTROLS COMPANY
200 - 299 employees
HUGHES TECHNICAL SERVICES COMPANY
DENSO SALES CALIFORNIA, INC.
WESTERN TUBE & CONDUIT CORP
VERIZON SVC. ORGANIZATION INC.
ALFLEX CORPORATION

Source: MJC, 2005

5.3.1.4 Cluster Opportunities and Strengths

- Boeing is in the process of converting 260 acres of their facility from industrial to commercial and residential. This Douglas Park development may provide an opportunity to attract additional manufacturing firms and develop quality industrial, research and development space.
- Easy access to Port of Long Beach for export and import of manufactured products.

5.3.1.5 Implications for Economic Development

- The Long Beach/Harbor Cities industrial market has very low vacancy of 2.8 percent (see page 54). Given this extremely low vacancy rate, new manufacturing firms could be easily attracted to Long Beach with the development of new industrial space.
- Attraction of manufacturing supply chain firms could result in job growth and a stronger manufacturing sector for Long Beach. Long Beach may be able to attract metal manufacturing, fabricated metal products, computer and electronic manufacturing, and plastics and rubber manufacturing firms from L.A. County, which has a solid relative concentration of such firms.
- If additional industrial space is developed, Long Beach could likely attract new apparel and furniture manufacturing firms given its proximity to L.A., which has a solid concentration of such employers.
- Lower-tech manufacturing firms offer good jobs that match the skills of new immigrant residents and economic development efforts in this sector would increase job opportunities among Long Beach's newest residents. For example, a majority of production workers in the apparel sector are Hispanic (81 percent), Asian (16 percent), women (66 percent) and non-citizens (75 percent).

5.3.2 HIGH TECH

5.3.2.1 Overview

Long Beach has long pursued the "High-Tech" cluster which is an amalgam of sub-sectors from the Manufacturing, Information, and Business Services clusters (see Table 26). Boeing is sometimes thought of as a high-tech firm, however it has been excluded from the total employment numbers for this analysis because Boeing's facility in Long Beach is primarily engaged in manufacturing (it was included in the manufacturing analysis). Absent Boeing, Long Beach has not developed a critical mass of "High-Tech" firms. As shown in Table 26, High-Tech firms employ 5,417 or three percent of the Long Beach workforce. Indeed, High-Tech jobs are underrepresented in Long Beach relative to California with a LQ of 0.6. Long Beach has strong job concentrations in Telecom (LQ= 1.37), Specialized Design Service (LQ=1.65), and Management, Scientific and Technical Consulting Services (LQ=1.23). However, it has anemic job performance in Computer and Electronic Equipment Manufacturing (LQ=0.3), ISPs and Web Portals (LQ=0.1), and Research and Development (LQ=0.1).

Table 26: High-Tech Cluster, Long Beach 2003

	Long Beach					California		Location Quotient
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	(Relative Concentration of Sector in Long Beach)
High Technology Cluster	343	5,417	$ 63,690	15.793	3.3%	972,700	5.7%	**0.6**
Computer and Electronic Product Manufacturing	18	1,074	$ 58,225	60	0.7%	326,100	1.9%	**0.3**
Electrical Equipment and Appliance Manufacturing	7	360	$ 34,429	51	0.2%	36,600	0.2%	**1.0**
Software Publishers	6	149	$ 103,085	25	0.1%	44,700	0.3%	**0.3**
Telecommunications	41	1,467	$ 52,161	36	0.9%	121,400	0.7%	**1.3**
Internet Service Providers, Web Search Portals and I	12	58	$ 51,447	5	0.0%	48,600	0.3%	**0.1**
Specialized Design Services	35	345	$ 62,886	10	0.2%	23,000	0.1%	**1.6**
Computer Systems Design and Related Services	66	674	$ 76,219	10	0.4%	166,200	1.0%	**0.4**
Management, Scientific and Technical Consulting Se	149	1,197	$ 77,248	8	0.7%	111,000	0.7%	**1.1**
Scientific Research and Development Services	9	93	$ 104,153	10	0.1%	95,100	0.6%	**0.1**

Source: EDD, 2005

5.3.2.2 Trends

Jobs. Employment in this cluster has grown slightly (+475 jobs) since 1997, with job gains in Specialized Design Services (+247), Management, Scientific and Technical Consulting Services (+605), and job losses in Internet Service Providers and Web Portals (-122 jobs), Computer and Electronic Product Manufacturing (-125 jobs), and Computer Systems Design (-233 jobs). High-Tech firms provide high median wages of $63,690 to a skilled workforce.

5.3.2.3 Strengths & Challenges

- Long Beach has good connectivity, with a variety of telecom, broadband, and wireless services.
- Key employers, such as: Long Beach Computer Science Corp., Hughes, and Earth Tech, may strengthen the cluster over time.
- Long Beach does not have a sufficient concentration of high-tech workers.

5.3.2.4 Implications for Economic Development

- High-Tech is not currently a strong job sector in Long Beach. However, it may grow in importance.
- Many economic regions have struggled to attract this sector through incentives and attraction packages. However, High-Tech firms require a few simple and hard to achieve ingredients to flourish, namely: access to first class universities and their graduates, access to venture capital, and a high quality of life to attract and retain a quality workforce.

5.3.3 TRADE, TRANSPORTATION AND WAREHOUSING

5.3.3.1 Overview

Trade, Transportation and Warehousing[16] businesses employ 18,265 people, or 11 percent of the Long Beach workforce with an average wage of $45,085. With an overall location quotient of 0.7, this sector underperforms relative to the California economy. However, many jobs (14,205) are concentrated in transportation which has a relatively high location quotient of 3.1, indicating that Long Beach specializes in this sector. Over 7,500 people are employed in transportation support activities (see Table 27).

Table 27: Trade Transportation and Warehousing Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Trade, Transportation and Utilities	**633**	**18,265**	**$ 45,085**	**29**	11.3%	2,722,000	16.1%	**0.7**
Wholesale Trade	**347**	**4,060**	**$ 53,733**	**12**	2.5%	651,400	3.8%	**0.7**
Wholesalers, Durable Goods	178	2,768	$ 55,736	16	1.7%	346,000	2.0%	**0.8**
Motor Vehicle and Motor Vehicle Parts Merchant \	16	282	$ 39,767	18	0.2%	41,900	0.2%	**0.7**
Furniture and furnishing merchant wholesalers	9	154	$ 42,303	17	0.1%	19,500	0.1%	**0.8**
Lumber and const. supply merchant wholesalers	9	110	$ 59,496	12	0.1%	22,800	0.1%	**0.5**
Professional and Commercial Equipment Merchar	20	201	$ 88,020	10	0.1%	84,500	0.5%	**0.2**
Metal and mineral merchant wholesalers	10	466	$ 49,827	47	0.3%	10,900	0.1%	**4.5**
Electrical and Electronic Goods Merchant Wholes	19	337	$ 66,122	18	0.2%	48,400	0.3%	**0.7**
Hardware and plumbing merchantwholesalers	21	304	$ 68,724	14	0.2%	23,800	0.1%	**1.3**
Machinery, Equipment and Supplies Merchant Wh	49	495	$ 49,866	10	0.3%	52,200	0.3%	**1.0**
Miscellaneous Durable Goods Merchant Wholesa	25	419	$ 50,676	17	0.3%	42,200	0.2%	**1.0**
Residual-Furniture and Home Furnishing Merchar	0	-	$ -	0	0.0%		0.0%	NA
Wholesalers, Nondurable Goods	108	1,054	$ 48,229	10	0.7%	233,200	1.4%	**0.5**
Wholesale Electronic Markets and Agents and Broke	61	238	$ 54,818	4	0.1%	72,200	0.4%	**0.3**
Transportation, Warehousing and Utilities	**286**	**14,205**	**$ 42,613**	**50**	8.8%	480,700	2.8%	**3.1**
Utilities	13	687	$ 54,907	53	0.4%	55,200	0.3%	**1.3**
Transportation and Warehousing	273	13,518	$ 41,988	50	8.3%	425,400	2.5%	**3.3**
Air Transportation	7	240	$ 41,637	34	0.1%	54,200	0.3%	**0.5**
Water transportation	11	134	$ 73,173	12	0.1%	4,200	0.0%	**3.3**
Residual-Rail Transportation	0	-	$ -	0	0.0%		0.0%	NA
Truck Transportation	78	1,099	$ 44,810	14	0.7%	109,900	0.6%	**1.0**
Transit and Ground Passenger Transportation	8	1,006	$ 37,093	126	0.6%	35,000	0.2%	**3.0**
Charter bus industry	12	421	$ 27,126	35	0.3%	4,300	0.0%	**10.2**
Scenic and sightseeing transportation, water	12	134	$ 13,152	11	0.1%		0.0%	NA
Pipeline transportation	4	180	$ 107,515	45	0.1%		0.0%	NA
Support Activities for Transportation	114	7,494	$ 47,068	66	4.6%	75,400	0.4%	**10.4**
Couriers and Messengers	12	2,173	$ 23,343	181	1.3%	70,900	0.4%	**3.2**
Warehousing and Storage	15	637	$ 39,640	42	0.4%	56,800	0.3%	**1.2**

Source: EDD, 2005

By comparison, 4,060 people or 2.5 percent of the workforce was employed in 347 Wholesale Trade[17] firms. A location quotient of 0.7 for this sector indicates that Long Beach has fewer wholesale trade jobs than expected, especially given the concentration of transportation and warehousing jobs. By comparison in 1997, this sector employed 5,257 people in 402 establishments. The loss of 1,197 wholesale trade jobs may have resulted from firms leaving Long Beach for cheaper warehouse space elsewhere as industrial lease rates have increased over the past five years.

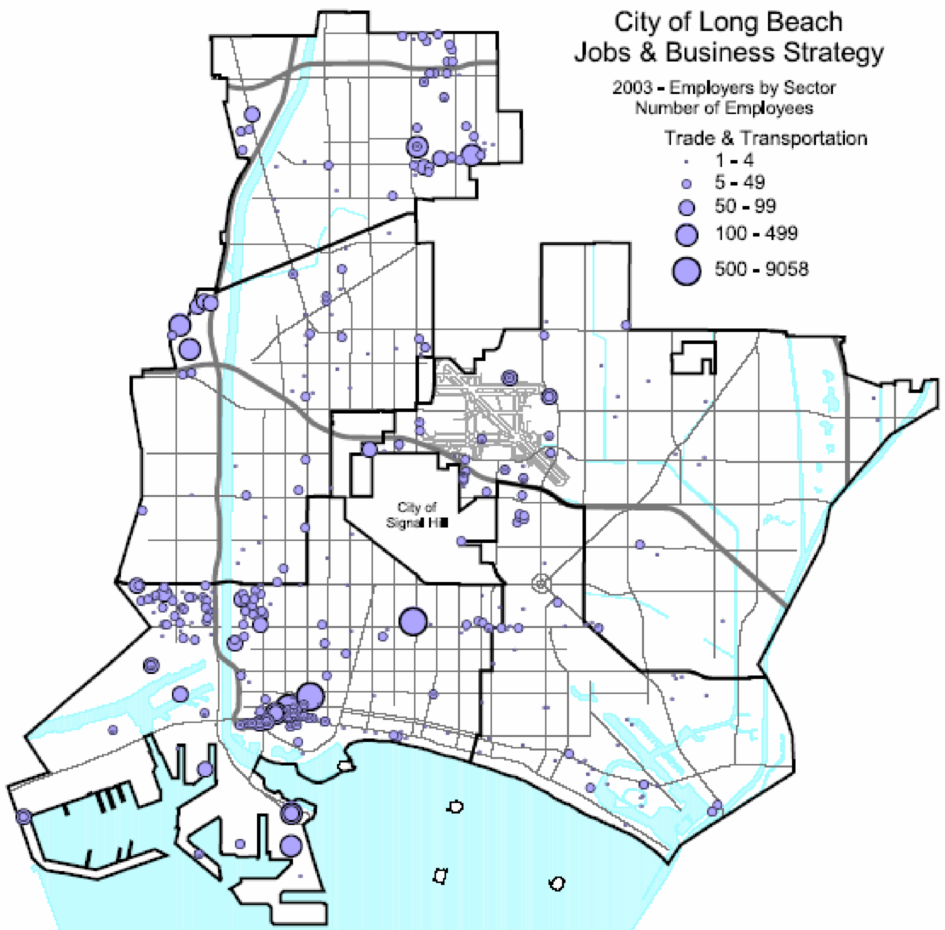
The wholesale trade and transportation and warehousing sectors are linked, and a concentration in one typically is paired with a concentration in the other. Higher relative land costs seem to be limiting the development of wholesale and warehousing facilities (as they typically require large floor plates and lots) near the extensive import/export activities taking place at the Port of Long Beach.

[16] Transportation and Warehousing businesses transport passengers and cargo, warehouse and store goods, and provide support activities related to modes of transportation.

[17] Wholesale trade establishments engage in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The wholesaling process is an intermediate step in the distribution of merchandise.

Wages. This sector offers a solid average wage of $44,000 per year; and wages range from a low of $13,000 for water taxis to over $107,000 for pipeline transportation workers.

Figure 21: Map of Trade and Transportation Firms, 2003



Source: EDD, 2004

As illustrated in the map above, Trade and Transportation jobs are concentrated in downtown, the Port, the Airport, and North Long Beach.

5.3.3.2 <u>Trends</u>

Port growth should result in more transportation and wholesale trade employment over the coming 20 years. The Port of Long Beach remains one of the busiest container ports in the world and it is expanding in response to growing US demand for imports. Favorable economic conditions lifted container cargo volumes at the Port of Long Beach to a new high in 2003. The privately operated shipping terminals at the Port moved the equivalent of nearly 4.7 million twenty-foot-long units (TEUs), an increase of 2.9 percent over 2002. During 2003, the Port acquired new customers[18] and witnessed strong performances from its existing shipping lines.[19] However, the Port also lost a major shipping line, which makes the growth in container

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[18] New customers: China Shipping Container Line, Matson Navigation Co., Mediterranean Shipping Co., and the Grand Alliance vessels of Hapag-Lloyd, NYK Line and P&O Nedlloyd.

[19] Existing customers: China Ocean Shipping Co., Hanjin Shipping Co., Hyundai Merchant Marine Inc., "K" Line, Orient Overseas Container Line, Yang Ming and Zim Israel Navigation Co.

volume even more impressive. Overall imports (primarily clothing, toys, shoes and electronics) slipped by 1.8 percent to 2,409,576 TEUs. Amid an economic upturn in Asia and a weakening dollar, exports (primarily machinery, plastics, electronic components, meat and chemicals) climbed 5.8 percent to 904,539 TEUs – the first upturn in exports since 2000. Empty containers, headed back to be re-filled overseas, jumped 10.3 percent to 1,344,009 TEUs.

The Port will grow significantly through 2020 and cargo throughput will increase in virtually every cargo category (see Table 28), necessitating Port expansion and efficiency measures. The forecasted increase in cargo volumes will result in significant job growth in the truck and support activities for transportation sectors as well as increased traffic flows through and around Long Beach.

Table 28: Projected Port of Long Beach Growth and Impacts on Capacity

	2000 Volume	Current Capacity	2020 Projected Volume				Required New Capacity
			High	Low	Annual Change	Total Increase	
Containerized Cargo (Million TEUs)	4.6	6.5	16.6	12.1	5.0% to 6.6%	256%	5.6 to 10
Automobile Cargo (Autos)	274,042	622,800	573,667	296,300	2.3% to 4.1%	109%	None
Neo Bulk and Break Bulk (million metric tons)	2.1	6	9.6	7.4	6.1% to 7.5 %	357%	1.8 to 4.0
Liquid Bulk Cargo (million metric tons)	32	35.4	30.2	27.2	-0.8% to -0.4%	-6%	None
Dry Bulk Cargo (million metric tons)	6.1	12.1	8.3	7.1	1.2% to 2.2 %	36%	None

Source: Port Facilities Master Plan

International trading partners include the Pacific Rim nations of Japan, China, Taiwan, and Korea. In addition to containers, the Harbor facility handles crude and refined petroleum products, dry bulk such as coal, coke and cement; automobiles, lumber, paper and fruit; steel and scrap metal.

A recently completed economic impact analysis of the Port found that nearly $1.9 billion is spent per year in the city of Long beach for port industry services, primarily for terminal operations ($770 million), cargo packing ($286 million), trucking ($269 million) and ship repair ($101 million).[20] Clearly the Port is a driving force of the city's Trade cluster.

5.3.3.3 Cluster Challenges and Constraints

- The high and increasing cost of warehouse and industrial space may cause more warehousing firms to leave Long Beach.
- Traffic congestion and transportation issues on the 710 freeway and the Alameda Corridor.
- Some community opposition to further Port expansion.

5.3.3.4 Implications for Economic Development

- Wholesale Trade and Warehousing jobs have declined in Long Beach even as the Port has grown. Appropriate economic development efforts for this sector may include business retention calls for major employers and location assistance for firms interested in expanding into or within Long Beach.
- Increasing land prices and lack of available warehouse space will limit growth in the warehousing sector.
- Support Activities for Trade will continue to add more jobs in the near and far term. The Port of Long Beach expansion will drive job growth in this sector.

[20] "Economic Impacts: Contribution to the Local, State and National Economies", Port of Long Beach, 2005

5.4 Other Economic Sectors

5.4.1 FINANCE, INSURANCE AND REAL ESTATE

5.4.1.1 Jobs and Sector Analysis

The Finance, Insurance, and Real Estate (FIRE) sector is comprised of 756 firms employing 7,693 people (5 percent of the workforce) in 2003. With a location quotient of 0.9, this sector serves businesses and residents within Long Beach and does not export services to the region. The sector has employed between 7,000 and 9,000 people over the past ten years, some years gaining and other years losing a few hundred jobs.

Table 29: Finance, Insurance and Real Estate Jobs, Long Beach 2003

TITLE	Long Beach Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	California Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Financial Activities	**756**	**7,693**	**$ 52,598**	**10**	**4.7%**	**886,800**	**5.2%**	**0.9**
Finance and Insurance	404	4,782	$ 64,104	12	3.0%	612,400	3.6%	**0.8**
Credit Intermediation and Related Activities	158	1,870	$ 68,130	12	1.2%	294,800	1.7%	**0.7**
Depository Credit Intermediation	69	1,240	$ 76,639	18	0.8%	169,300	1.0%	**0.8**
Nondepository Credit Intermediation	39	362	$ 65,208	9	0.2%	84,800	0.5%	**0.4**
Activities Related to Credit Intermediation	50	268	$ 32,710	5	0.2%	40,600	0.2%	**0.7**
Securities, Commodity Contracts and Investments	81	825	$ 76,817	10	0.5%	86,200	0.5%	**1.0**
Insurance Carriers and Related	157	2,073	$ 55,713	13	1.3%	220,200	1.3%	**1.0**
Insurance Carriers	31	1,357	$ 51,992	44	0.8%	127,700	0.8%	**1.1**
Agencies, Brokerages, and Related Activities	126	716	$ 62,765	6	0.4%	92,600	0.5%	**0.8**
Residual-Other Finance	8	14	$ 19,549	2	0.0%	11,200	0.1%	**0.1**
Real Estate and Rental and Leasing	**352**	**2,911**	$ 33,698	8	1.8%	274,400	1.6%	**1.1**
Real Estate	309	2,242	$ 33,525	7	1.4%	195,100	1.2%	**1.2**
Lessors of Real Estate	111	699	$ 30,325	6	0.4%	66,300	0.4%	**1.1**
Offices of Real Estate Agents and Brokers	101	449	$ 50,017	4	0.3%	47,800	0.3%	**1.0**
Activities Related to Real Estate	97	1,094	$ 28,800	11	0.7%	80,900	0.5%	**1.4**
Rental and Leasing Services	38	615	$ 30,152	16	0.4%	76,100	0.4%	**0.8**
Passenger car rental and leasing	16	189	$ 41,768	12	0.1%	23,017	0.1%	**0.9**
Equipment Rental and Leasing	6	65	$ 24,902	11	0.0%	23,000	0.1%	**0.3**
Residual-Consumer Goods Rental	16	361	$ 46,883	23	0.2%	31,300	0.2%	**1.2**
Lessors of Nonfinancial Intangible Assets	5	54	$ 81,263	11	0.0%	3,200	0.0%	**1.8**

Source: EDD, 2005

Wages. Average salaries range from $24,902 for people working in equipment rentals to $76,639 for bank employees.

5.4.1.2 Implications for Economic Development

Finance Insurance and Real Estate firms will continue to provide a base of solid jobs in Long Beach.

Top Ten Finance, Insurance, and Real Estate Employers, Long Beach 2003

200-500 employees
- SCAN HEALTH PLAN
- WELLS FARGO BANK NORTH AMERICA
- BANK AMERICA NORTH AMERICA
- BERRO MANAGEMENT
- VALUE BEHAVIORAL HEALTH OF CALIFORNIA

150- 200 employees
- FARMERS & MERCHANTS BANK
- BIXBY KNOLLS TOWERS
- COASTLINE EQUIPMENT
- LIVING OPPORTUNITIES MANAGEMENT CO
- UHC OF CA, INC.

Source: MJC, 2005

5.4.2 Information

5.4.2.1 Jobs and Sector Analysis

Long Beach has 2,604 information jobs or 1.6 percent or the job base. The City is under-represented for jobs in this sector (LQ=0.6), especially for a city of Long Beach's size. With no major news broadcasting station to match the size of Long Beach's population, the city struggles to maintain a separate image and identity from Los Angeles. The Press-Telegram is the largest employer in this sector.

Table 30: Information Jobs, Long Beach 2003

	Long Beach						California		
TITLE	Firms	Jobs		Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Information	**99**	**2,604**	$	51,362	26	1.6%	471,400	2.8%	**0.6**
Publishing Industries (except Internet)	16	492	$	59,764	31	0.3%	106,200	0.6%	**0.5**
Newspaper, Periodical, Book and Directory Publisher	10	343	$	40,945	34	0.2%	61,600	0.4%	**0.6**
Software Publishers	6	149	$	103,085	25	0.1%	44,700	0.3%	**0.3**
Motion Picture and Sound Recording	16	241	$	81,104	15	0.1%	141,200	0.8%	**0.2**
Broadcasting (except Internet)	14	346	$	15,302	25	0.2%	44,800	0.3%	**0.8**
Telecommunications	41	1,467	$	52,161	36	0.9%	121,400	0.7%	**1.3**
Internet Service Providers, Web Search Portals and Da	12	58	$	51,447	5	0.0%	48,600	0.3%	**0.1**

Source: EDD, 2005

5.4.2.2 Implications for Economic Development

The City might try to attract a news affiliate station such as Channel 13 KCOP to tell the Long Beach story and serve the Long Beach community.

5.4.3 Government

A little over 9,000 jobs are found within the Government sector, and the City of Long Beach is the largest employer with over 5,000 workers. Overall, Long Beach's government cluster is very lean with less than half the government jobs that would be expected for an economy of its size (LQ=0.4). These totals do not include government jobs in education (such as k-12 education and community colleges), which are included under the education cluster.

Table 31 Government Jobs, Long Beach 2003

	Long Beach						California		
TITLE	Firms	Jobs		Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Government	**15**	**9,062**	**$**	**33,513**	**604**	5.6%	2,426,500	14.3%	**0.4**
Federal Government	6	2,609	$	17,532	435	1.6%	258,700	1.5%	**1.1**
State Government	7	751	$	52,347	107	0.5%	2,167,700	12.8%	**0.0**
Local Government	2	5,702	$	38,345	2851	3.5%	1,696,200	10.0%	**0.4**
Local Government	1	3,831	$	57,073	3831	2.4%			
Local Government Recreation	1	714	$	23,982	714	0.4%			
Local Government Utilities	1	750	$	45,335	750	0.5%			
Local Government, Support Activities for Transporta	1	407	$	50,330	407	0.3%			

Source: EDD, 2005

Long Beach has relatively more Federal Government than expected (LQ=1.4). Major Federal Government employers include: US Department of the Treasury, Bureau of Customs and Border Control and the Social Security Administration (the U.S. Postal Service is included under Trade). However, Long Beach has a very low concentration of State Government employment (LQ = 0.04). Major State employers include: the State Franchise Tax Board, the Employment Development Department, and the Department of Rehabilitation.

5.4.4 *OTHER SECTORS*

A variety of other sectors make up the remainder of Long Beach's economy, including Farm (24 jobs), Mining and Petroleum Products (659 jobs), Construction (5,727 jobs) and other services (4,381 jobs). Of these sectors, only Mining and Petroleum Products contribute to Long Beach's exports (LQ=3.1).

Table 32: Construction, Mining, Farm and Other Services Jobs, Long Beach 2003

	Long Beach						California		
TITLE	Firms	Jobs		Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Farm	**7**	**24**	**$**	**40,465**	**3**	0.0%	375,000	2.2%	**0.0**
Mining & Petroleum Products Mfg.	**24**	**659**	**$**	**72,250**	**27**	0.4%	22,000	0.1%	**3.1**
Oil and Gas Exploration	10	374	$	76,186	37	0.2%	6,100	0.0%	**6.4**
Support activities	9	122	$	64,892	14	0.1%	6,300	0.0%	**2.0**
Petroleum and Coal Products Manufacturing	5	163	$	68,729	33	0.1%	15,400	0.1%	**1.1**
Construction	**355**	**5,727**	**$**	**44,499**	**16**	3.5%	788,800	4.7%	**0.8**
Other Services	**659**	**4,381**	**$**	**39,210**	**7**	2.7%	505,800	3.0%	**0.9**
Repair and Maintenance	212	1,979	$	47,627	9	1.2%	157,000	0.9%	**1.3**
Personal and Laundry Services	231	1,910	$	23,335	8	1.2%	134,900	0.8%	**1.5**
Religious, Grantmaking, Civic, Professional and Simila	25	234	$	118,575	9	0.1%	213,900	1.3%	**0.1**
Private households	191	258	$	20,188	1	0.2%		0.0%	NA

Source: EDD, 2005

5.4.4.1 Trends

- Volatile and most likely increasing world oil prices will improve profitability at Long Beach oil extraction facilities. While increasing automation will further dampen employment.
- New development and construction activities at the Douglas Park project will likely result in a temporary increase in construction jobs in Long Beach.
- The City's new Jobs Initiative will specifically link local contractors with new construction opportunities with the City of Long Beach.

6 MARKET SUPPORT FOR NEW DEVELOPMENT

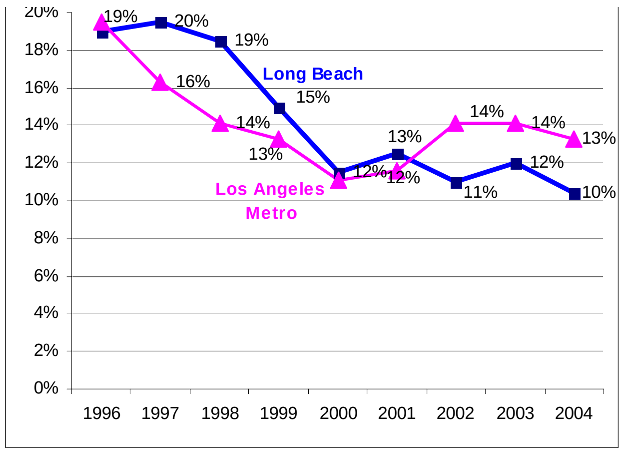
This section explores the current and future market for office, retail and industrial space and includes a discussion of key "opportunity areas" in Long Beach.

6.1 Current Long Beach Office, Retail and Industrial Markets

6.1.1 OFFICE MARKET

In 1997, the Long Beach office market started to recover from years of high vacancy rates. Additionally, unlike other South Bay office markets, the Long Beach office market has continued to improve in the post dot-com era. As indicated in Figure 22, office vacancy is currently 10 percent in Long Beach, down from a high of 19.5 percent in 1997. Long Beach vacancy has fallen faster and further than overall vacancy in the Los Angeles metro area. Long Beach has a diversified office tenant base and seems to handle economic change better than some markets. As Long Beach did not attract significant dot-com activity during the technology boom it has not suffered from some of the very high vacancy rates plaguing the recovery of South Bay cities like El Segundo.

Figure 22: Long Beach & L.A. Metro Area Office Vacancy



Long Beach's office market consists of approximately 8 million square feet of competitive class A and B space.[21] The market is split between the Downtown and Long Beach Airport areas with each offering over 3 million square feet. As indicated in Table 33 below, Long Beach vacancy is 10 percent, the rate that is considered balanced between the landlord and tenant needs. A higher rate tends to place downward pressure on lease rates, which inhibits new development and impacts landlord ability to profitably maintain property. A lower vacancy rate will typically result in rapid rent increases, which can force some businesses out of the city in search of lower rents.

Table 33: Long Beach and Competitor City Office Market, Class A and B Space, Q3 2004

Sub-Market	No of Buildings	Total Inventory sq. ft.	Available sq. ft.	Vacancy Rate	Class A Lease Rate ($/sq ft)	Absorption
Downtown Long Beach	22	3,939,752	523,987	13.3%	$ 2.16	50,210
North Long Beach	12	787,251	81,874	10.4%	$ 1.65	(18,007)
East Long Beach/Marina	6	479,257	36,903	7.7%	NA	(6,494)
Long Beach Airport/Freeway	23	2,965,228	204,601	6.9%	$ 1.87	33,060
Total Long Beach	***63***	***8,171,488***	***847,365***	***10.4%***	***$ 2.00***	**58,769**
El Segundo/Beach Cities	69	10,159,604	2,377,347	23.4%	$ 2.11	203,181
Torrance Central	45	3,520,481	612,564	17.4%	$ 2.02	(71,759)
LAX/Century Blvd.	18	3,884,716	1,188,723	30.6%	$ 1.51	(18,051)
190th Corridor	34	3,506,630	690,806	19.7%	$ 1.88	(33,886)
South Bay Competitor Market	***166***	***21,071,431***	***4,869,440***	***23.1%***	***$ 1.95***	**79,485**
Total South Bay Market	***229***	***29,242,919***	***5,716,805***	***19.5%***	**1.96**	**138,254**

Source: Cushman & Wakefield, 2004; MJC 2004

[21] Class A space is high-end office space with quality interior finishes and all standard services (such as a door man/security guard). Class B space tends to be older quality space with fewer services/amenities.

However, as indicated in Table 33, the Long Beach office market is still absorbing new office users (58,769 sq. ft. of new users in the third quarter of 2004).[22] Long Beach's competitive lease rates speak to the increasing desirability of the Long Beach office market. The market is also sufficiently tight to stimulate construction of new office development projects. (see Table 34). Overall asking lease rates are a healthy $2.00 per square foot, with slightly higher rates in Downtown Long Beach at $2.16/SF. These rates are competitive with other areas of the South Bay market, which range from $1.51/SF near LAX and $2.11/SF in El Segundo.

Within the Long Beach market, Class B space is filling up and vacancy rates are on par with Class A space. This indicates further health in the office market: in prior years, tenants left Class B space to trade up to Class A space because the market was weak and tenants could get better space for equivalent rents. This is no longer the case. In the 3rd quarter of 2004, 54,000 square feet of Class B space was absorbed. In the near term, Class A office space should experience modest gains in average lease rates. However, potential rent increases will depend on office vacancy rates in surrounding communities; if vacancy continues to increase it will dampen upward pressure on Long Beach lease rates.

6.1.1.1 L.A. Basin Office Market

Long Beach is part of the larger L.A. office market, the fourth largest office market in the United States, with over 246 million square feet. Recently the L.A. office market has experienced an upswing in leasing activity and net absorption that mirrors the trends in Long Beach. However, high-rent areas such as West Los Angeles and South Orange County have experienced the strongest net absorption in the past year indicating that lease rate is not as important to many tenants as facility location and amenities. In addition, most of the positive net absorption has taken place in Class A space, indicating a strengthening in the economy with firms willing to move into more expensive space.

- Overall office vacancy rates in L.A. County fell 2 percentage points to 15.5 percent in the third quarter of 2004. This is above the 10 percent level that the industry considers equilibrium, so the market remains a "renter's market."
- Overall, rental rates in Los Angeles Basin are still a bargain compared to other major metro areas. For example, Class A space in L.A. averages $2.39/SF compared to midtown Manhattan's $4.50/SF, $3.20/SF in Boston, $3.50/SF in Washington D.C. and $2.50/SF in the San Francisco Bay Area. Rental rates will inch up in the near term and climb more sharply in mid 2005 as vacancy continues to decline. Recent demand for space has been driven primarily by firms in the professional and business services sectors as well as by the finance sector. Overall demand from the high-tech, communications and entertainment sectors also continues to show improvements.
- Office property buyers spent more than $4.2 billion on office buildings in Los Angeles County in 2004, twice as much as in 2001 and 6 percent more than last year, according to Cushman & Wakefield. The average price rose to $196/sq. ft. in 2004 from $156/sq. ft. in 2003.

6.1.2 RETAIL MARKET

Long Beach's 5.3 million square feet of retail space is located in a variety of submarkets, each of which has a distinct character.

- The Downtown market includes Pine Avenue, the East Village, City Place and the Pike. Overall lease rates in downtown Long Beach range from $1.00 to $3.25/SF depending on location and amenities, with an average rate of $1.75/SF.

[22] Absorption refers to the amount of vacant space that is leased to tenants (absorbed) during a specific time period.

- Commercial corridors such as Long Beach Boulevard, Pacific Coast Highway, Anaheim, and other major arterials have lower overall lease rates ranging from $1.00 to $1.75/SF. Vacancy tends to be higher in auto-oriented non-mall corridor retail.
- Neighborhood shopping mall and pedestrian friendly shopping areas, such as Belmont Shore, Bixby Knolls, El Dorado Shopping Center, and the Long Beach Boulevard Shopping Center have higher lease rates ranging from $1.50 to over $3.50/SF.

6.1.3 INDUSTRIAL MARKET

Long Beach is part of the Long Beach/Harbor Cities industrial sub-market. According to Colliers Seeley, a real estate firm which tracks the industrial market, this market has over 38 million square feet of space with an average vacancy rate of 2.8 percent as of the second quarter of 2004. This is an extremely low industrial vacancy rate which indicates considerable pressure in the marketplace for more space. In addition, the Long Beach/Harbor Cities market has experienced an incredible rate of space absorption in the past quarter, with over 2 million square feet leased. Average lease rates were $0.54 per square foot per month; a slightly higher rate than many areas in L.A. County. In Q3 of 2004, just 164,900 SF of industrial space was added to the market, while another 455,600 SF was under construction and 423,600 SF was planned.

6.1.3.1 Los Angeles Industrial Space Market

With over 1.2 billion square feet in buildings of 10,000 square feet or more, the Los Angeles Basin boasts the largest industrial base in the nation. Forty-nine percent of the market is composed of large spaces (100,000+ SF), while 51 percent of industrial space is in medium and smaller sized buildings. Roughly 90 million SF or 10 percent of the space is dedicated to R&D. According to Colliers Seeley total vacancy was very low at 4.2 percent in the second quarter of 2004 and rents average $0.48 per square foot per month.

6.1.3.2 Implications for Economic Development

- Long Beach has a balanced office market. Anticipated job growth will create a market for new office development in Downtown and near the Airport.
- Long Beach currently has a shortage of industrial space, which may exacerbate attempts to attract and retain the high-tech and manufacturing firms which are vital to retaining a solid Long Beach middle class.
- Long Beach has a mismatch of retail space. Under-performing corridor retail should provide opportunities for mixed-use redevelopment and the creation of pedestrian-friendly residential-serving nodes given planned changes in City zoning.

6.2 Future Office, Retail and Industrial Demand

6.2.1 *Historic Construction Trends*

Though past performance is no guarantee of future performance, it does provide a reasonable starting point for a forecast.

Office and Retail. Since 1990, developers have added an estimated 245,000 SF per year to the Long Beach inventory of office and retail space (see Table 34). However, the amount of space added each year varies widely based on the strength of the local economy, the development pipeline, and the approval process. New office and retail construction in a single year varies from an estimated 23,000 to over 700,000 square feet.

Industrial. Over the past 15 years, developers have built an estimated 72,000 square feet of new industrial space per year on average. As shown in Table 35, new industrial space has varied from a low of 15,000 to a high of 251,000 square feet per year.

Table 34: Building Permit Valuation, New Office & Retail Space, Long Beach, '90 – '02

Year	Estimated sq. ft.*	Valuation (2002 Dollars)
1990	495,968	$ 61,996,000
1991	134,608	$ 16,826,000
1992	70,192	$ 8,774,000
1993	99,784	$ 12,473,000
1994	23,224	$ 2,903,000
1995	25,072	$ 3,134,000
1996	325,800	$ 40,725,000
1997	103,320	$ 12,915,000
1998	533,936	$ 66,742,000
1999	203,944	$ 25,493,000
2000	275,456	$ 34,432,000
2001	180,752	$ 22,594,000
2002	719,920	$ 89,990,000
Average	245,537	$ 30,692,077

Source: MJC, 2004; Construction Industry Research Board; Macgraw Hill Construction Price Index, RS Means Square Foot Costs, 2005

* Assumes $125/SF for construction costs

Table 35: Building Permit Valuation, New Industrial Space, Long Beach '90 - '02

Year	Estimated sq. ft.*	Valuation (2002 Dollars)
1990	28,253	$ 2,119,000
1991	83,851	$ 6,423,000
1992	71,984	$ 5,514,000
1993	251,384	$ 19,256,000
1994	68,681	$ 5,261,000
1995	12,846	$ 984,000
1996	35,157	$ 2,693,000
1997	50,444	$ 3,864,000
1998	15,405	$ 1,180,000
1999	53,225	$ 4,077,000
2000	76,279	$ 5,843,000
2001	86,292	$ 6,610,000
2002	111,031	$ 8,505,000
Average	72,634	$ 5,563,769

Source: MJC, 2004; Construction Industry Research Board; Macgraw Hill Construction Price Index, RS Means Square Foot Costs, 2005

* Assumes $76/SF for construction costs

6.2.2 FORECAST DEMAND

New office and retail development can be forecasted based on predicted job growth in the City of Long Beach. As shown in Table 36, Long Beach will add as many as 18,000[23] jobs if past growth rates continue for each of the indicated sectors, and if the manufacturing sector does not suffer additional large job losses. Based on forecasted job growth, the City of Long Beach should have sufficient demand to support construction of roughly 2 million SF of office and institutional space, 1.2 million SF of industrial space, 500,000 SF of retail space, and 200,000 SF of restaurant space.

Table 36: Forecasted Job Growth and Office Space Demand (SF) by Sector Through 2010

Growth Sectors	Projected Job Growth Through 2010*	Projected Demand in Square Feet Through 2010**		
		Office & Institutional (SF)	Industrial (SF)	Retail (SF)
Office & Institutional				
Business & Professional Service Jobs	6,374	1,593,542		
Finance Insurance & Real Estate	363	90,625		
Education & Health	888	310,844		
Industrial				
Construction	557	5,569	27,844	
Trade Transportation & Utilities	6,230	62,304	1,246,080	
Retail				
Retail Trade	2,471	24,708		494,167
Restaurants	1,930	19,300		193,000
Total	**18,813**	2,106,892	1,273,924	687,167

Source: MJC, 2005; EDD, 2004

Notes: * Job Growth predictions are based on past growth performance in each sector

** Demand projections are based on the following assumptions: 250 SF of Office Space per new Business Services, Professional Services, Finance, Insurance and Real Estate Job; 350 SF of Institutional space per Educational and Health job; 50 SF of Industrial space per Construction Job; 200 SF of Industrial space per Trade, Transportation and Utility Job as much of the job growth in this sector will be in the transportation sector; 200 SF per new Retail job and 100 SF per new restaurant job.

New development will likely occur in the key opportunity areas described in the next section.

[23] This job growth forecast is in line with SCAG projections of 21,000 new jobs for Long Beach by 2010. The SCAG projections have not been used here because they use an inaccurate job base number, namely the number of employed residents in Long Beach rather than actual jobs in Long Beach, and they are not disaggregated by economic sector.

6.3 Key Economic Opportunity Areas

From an economic development perspective, Long Beach consists of a discrete number of key "opportunity areas" that function uniquely within the overall economic and community structure. In this context, it is important first to review the different "opportunity areas" that exist in Long Beach, to describe their location and characteristics, and to consider the economic development roles they may play alone and in combination with one another.

6.3.1.1 The Downtown and Waterfront

Long Beach's community image and identity is centered on the downtown and waterfront – an area of commercial and City government activity with a "core" bounded roughly by Shoreline Drive to the south, I-710 to the west, Linden Ave to the East and 7th Street to the North. The downtown exudes a "small town" feel, with the walk-able Pine Avenue retail core, a mix of historic art-deco and modern architecture, and a tourist-serving environment which includes first class hotels, the convention center, the Aquarium, the Pike at Rainbow Harbor, and the Performing Arts Center. The downtown serves as the primary tourist destination, as well as the community center for most local government functions.

6.3.1.2 The Douglas Park Development Project

The Douglas Park Project represents the single largest redevelopment opportunity Long Beach will face in the immediate future. Located immediately adjacent to the Long Beach Airport on 238 acres, the Douglas Park Plan calls for a range of potential uses for this newest of Long Beach neighborhoods, including 1,400 residential units, 3.3 million square feet of commercial and office space, up to 400 hotel rooms, up to 200,000 square feet of retail space, and 11 acres of parks and open space.

6.3.1.3 Boeing 717 Plant Site

Boeing 717 plant is a 90 acre site composed of the 600,000 square foot assembly hangar, a paint hangar, empty assembly building, office space and parking lots. This site will likely become available for re-use soon as Boeing recently announced plans to stop production of the 717. As the site is zoned industrial, the City will require rezoning and a specific plan for re-use of this site for non-manufacturing purposes.

6.3.1.4 The Port of Long Beach

Nearly $100 billion a year in international trade moves through the Port of Long Beach, including: clothing, toys, shoes, home furnishings and consumer electronics. The Port is a regional economic driver with over 4.7 million TEUs (Twenty-foot equivalent units) shipped per year through 1,500 acres of terminals. The Port's recently completed Facilities Master Plan outlines a high and low growth forecast for the Port. If year 2020 trade volumes reach low-end forecasts, the Port of Long Beach can accommodate its cargo handling needs by maximizing use of existing land, acquiring and redeveloping privately-owned land, increasing terminal operating efficiencies, and constructing landfills totaling approximately 200 acres. If year 2020 trade volumes reach high end forecasts, the Port of Long Beach will require landfill totaling approximately 450 acres (please see Table 28 for further details). Early planning has begun for a major landfill within the West Basin to provide additional acreage as landfill mitigation credits become available.

Major near-term Port projects, include:
- Construction of a new 389-acre Pier T Marine Terminal and a new 198-acre Pier S Marine Terminal
- Consolidation of Piers G and J into a 300-acre terminal and Piers E and F into a 338-acre marine terminal
- Expansion of the existing Pier J, through minor landfills totaling 100 acres, into a 370-acre Marine Terminal
- Expand the existing Pier A Marine Terminal
- Construction of a new, deepwater, liquid bulk terminal facility on Pier T to service larger vessels
- Relocate portions of the existing Pier B Auto Terminal

6.3.1.5 Long Beach Airport

The Long Beach Airport, home to some 2.9 million square feet of office space, accommodates over 190 businesses and the Long Beach Airport Business Park. Key employers include Epson, DeVry University, Gulfstream Aerospace Corporation, United Technologies Corporation, JetBlue Airways, and SCAN Health Plan. The Long Beach Airport office market is preferred by many businesses due to proximity to the Airport and the 405 freeway.

6.3.1.6 CSU Long Beach

The CSU Board of Trustees has asked all 13 CSU campuses to accept an additional 100,000 FTE (Full Time Equivalent) students by 2011, representing an increase of 31 percent over current enrollment of 321,000 FTES. Some portion of this total enrollment increase will occur at CSU Long Beach. The campus Master Planning effort, currently underway, is exploring how to add up to 9,000 additional FTE students to CSU Long Beach. In 2005, CSU Long Beach will enroll 26,800 FTE students. Overall the campus is committed to preserving green space and will develop new capacity on existing parking lots and developed sites in the Campus core.

6.3.1.7 North Long Beach Manufacturing Cluster

With 586 acres dedicated to industrial uses, North Long Beach is home to such key manufacturing firms as TABC, the Bragg Company and MC2, and these businesses are recognized as assets of North Long Beach for the quality jobs and revenues they contribute to the economy. The North Long Beach Strategic Guide for Redevelopment identifies potential demand for 900,000 square feet of additional industrial development per year in North Long Beach through 2010.[24]

6.3.1.8 Commercial Corridors

A wide variety of commercial (office and retail) uses are located along major arterials in Long Beach. Much of this development can be described as "outmoded auto-oriented strip development." In past community involvement efforts, community members have expressed a desire to re-orient these auto-oriented strip developments into "nodes" of more intense "village center" pedestrian-friendly development at key intersections and sub-regional shopping areas that more accurately respond to current retailing trends.

6.3.1.9 Vacant Lands

With just 473 remaining acres, vacant land is a disappearing resource in Long Beach. Most vacant parcels are concentrated in North Long Beach (100 acres) and West Central Long Beach (148 acres).

6.3.1.10 Oil lands

Over 368 acres in Long Beach are dedicated to oil field extraction. Once these wells run dry this land may also be available for development or use as open space.

6.3.1.11 Westside Manufacturing Area

The Westside manufacturing area includes 180 industrial acres and the CSU Long Beach Bio-Tech and High Tech Center. Located close to the 710 FWY, the Westside may offer opportunities to attract additional manufacturing and high-tech businesses.

[24] Though this estimate assumes that North Long Beach could attract all the potential industrial development in the Long Beach/Paramount submarket which is unlikely. For a more refined estimate of market support for new industrial development please see Chapter 7 of this report. Industrial estimate can be found in North Long Beach Guide for Redevelopment, page 21

CONCLUSION

This report is a starting point for the formulation of a meaningful Jobs and Business Strategy for the City of Long Beach. The Long Beach community will decide, together, how this information should inform and guide the City's future economic development activities. To recap, key findings include:

Demographic Findings

- Long Beach is part of a regional economy with many residents working outside the city and many jobs held by non-residents.
- Long Beach has a very diverse population which is geographically separated.
- Long Beach's middle class is shrinking.
- Poverty impacts children more than any other group in Long Beach. Many of Long Beach's youth are both not in school and not employed.

Key Market Findings

- High housing costs have brought Long Beach's stint as one of the last affordable beach towns in Los Angeles County to an end.
- Long Beach's office market is healthy.
- The industrial market is very tight, with a vacancy rate of 2.8 percent and rising lease rates.
- The retail market is a mixed bag, of well performing neighborhood and promenade shopping, poorly performing commercial corridors, and mixed performance in Downtown's shopping venues.
- The hotel market has recovered from 9/11 and the recession.

Key Job Findings

- Long Beach's economy has shifted emphasis from a manufacturing and trade based economy to one focused on education, tourism, and professional and businesses services. This employment shift has likely increased income bifurcation in Long Beach as new jobs pay significant less than lost jobs.

6.3.1.12 Chapter IV: Residents and Workers

Demographic Analysis. Most of the tables and data presented in this section were obtained from the 2000 Population Census of Long Beach and 2003 census data.

Housing affordability analysis. In order to analyze housing affordability and its impact on economic development and employment, MJC used U.S. Census data on income distribution and compared it to a distribution of recent home sales prices (obtained from RealFacts™) and housing rental rates to determine what, if any, affordability gap exists for various family sizes and income groups in Long Beach.

6.3.1.13 Chapter V: Business and Jobs Analysis

Cluster Analysis: In order to complete this analysis, MJC obtained confidential employment data for 2003 from the California Employment Development Department (EDD). This data, known commonly as "ES 202", provides the NAICS classification, total employment, total payroll and the location of every business in the City of Long Beach that pays State payroll taxes. This is the most comprehensive source for employment data by industrial sector. MJC aggregated the data from over 7,000 businesses into business sectors to calculate: total employment, total number of firms, the location quotient, average business size, and average payroll per employee for each sector and sub-sector. The data was also used to calculate business churning within Long Beach for 2003. Aggregate data from the 1997 Census of Manufacturers was used to identify growth and change within each sector.

Retail Sales Leakage Analysis. In order to complete this analysis, MJC used published State Board of Equalization data for taxable retail sales by broad category. These data were analyzed to complete a retail leakage analysis by comparing Long Beach's retail sales per person for each category with retail sales per person for the State of California. Potential leakage locations were identified by comparing retail sales per person for Long Beach with that of nearby cities. Total sales leakage and lost sales tax revenues were calculated by subtracting existing Long Beach retail sales by category from anticipated retail sales given L.A. benchmarks.

Tourism Analysis. Job totals for the tourism analysis were formulated based on ratios from an LA County study on tourism impacts completed by Dean Runyun Associates for the State of California. The study, California Travel Impacts by County, 1992-2003, provides ratios for total jobs and revenues by sector for L.A County.[25] MJC used these ratios to calculate the proportion of total jobs in each category for Long Beach that could be attributed to tourism expenditures, using Long Beach's accommodation jobs as a given to calculate the remaining job figures. Likewise MJC used total accommodation revenues, calculated from TOT data, to estimate the revenue for the other sectors based on the L.A. ratios. This analysis underestimates impacts, as property and business taxes were not included in Table 17 (page 26).

[25] http://www.deanrunyan.com/pdf/pdfca/dscou02.pdf

Figure 1: Land Use by Long Beach Planning Area

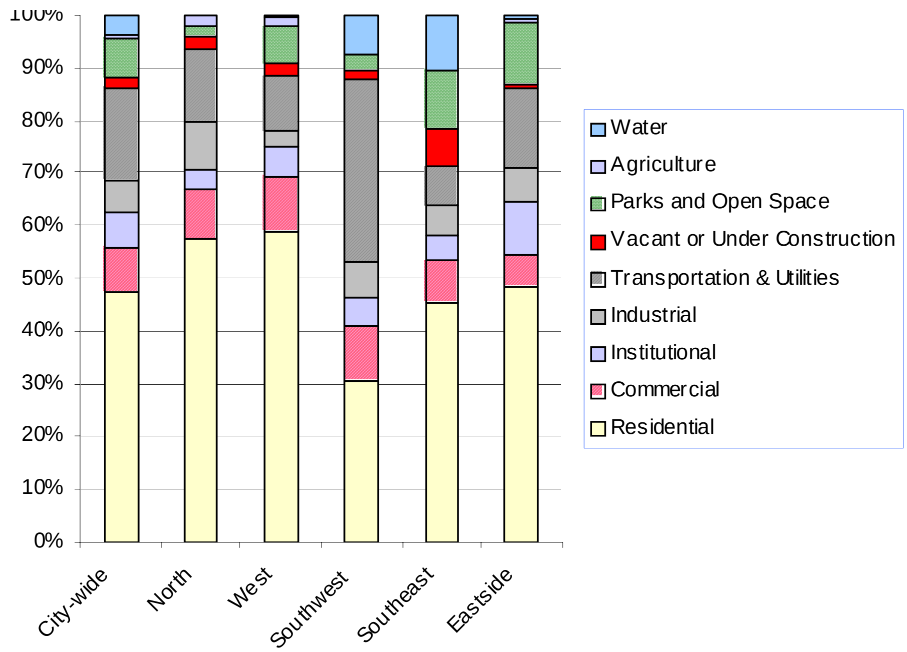


Figure 2: Long Beach Ethnicity

	Percent	Total
Other	2.0%	9,467
2+ Races	2.0%	9,595
Black	10.2%	48,491
Asian	13.5%	63,923
White	28.4%	134,539
Hispanic	43.9%	207,980
	100.0%	473,995

Source: Census, 2003

Figure 5: Unemployment, 1996-2004

	Long Beach	Los Angeles	California
1996	7.7%	9.3%	
1997	6.4%	7.8%	
1998	6.1%	7.4%	
1999	5.4%	6.7%	
2000	5.0%	6.1%	4.9%
2001	5.3%	6.4%	5.4%
2002	6.3%	7.7%	6.7%
2003	6.5%	8.0%	6.7%
2004	5.5%	6.7%	5.7%

Source: BLS, 2005

Figure 10: Long Beach Employment, 1991-2003

Year	Total Jobs
1991	168,815
1992	165,642
1993	152,108
1994	165,849
1995	175,252
1996	164,272
1997	162,552
1998	157,636
1999	165,549
2000	162,054
2001	163,500
2002	164,800
2003	162,093
Average	163,856

Source: EDD, 2005

Figure 11: Jobs by Sector, Long Beach CA.

	2003 Jobs	Percent
Other	683	0.4%
Information	2,604	1.6%
Personal Services	4,381	2.7%
Construction	5,727	3.5%
Finance, Insurance, Real Estate	7,693	4.7%
Government*	9,062	5.6%
Manufacturing	17,239	10.6%
Trade	18,265	11.3%
Retail Trade	14,987	9.2%
Tourism, Leisure, Hospitality & Arts	19,001	11.7%
Professional & Business Services	22,527	13.9%
Education Services	16,512	10.2%
Health Services	23,412	14.4%
Total Jobs	**162,093**	100%

Source: EDD, 2005

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JBS City of Long Beach
Jobs and Business Strategy
Our Vision for the Future

Long Beach Community Input Report

Volume III




MARIE JONES CONSULTING
August 2005

ACKNOWLEDGEMENTS

The Jobs and Business Strategy Steering Committee

Joel Fierberg	Chair, Economic Development Commission, Steering Committee Co-Chair
Charles Mason	Member, Economic Development Commission, Steering Committee Co-Chair
Amy Bodek	Manager, Project Development Bureau
Pat Garrow	Senior Planner, Planning Bureau
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Julie Heggeness	Vice Chair, Economic Development Commission
Marc Morley	Community Development Analyst, Economic Development Bureau
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Robert Swayze	Manager, Economic Development Bureau
Dennis Thys	Manager, Neighborhood Services Bureau
Ellie Tolentino	Housing Operations Officer, Housing Services Bureau
Ray Worden	Manager, Workforce Development Bureau

The Long Beach Community

Over 800 Long Beach community leaders, business leaders, and residents contributed to this effort.

City Council and Mayor's Office

Beverly O'Neill, Mayor
Bonnie Lowenthal, 1st District
Dan Baker, 2nd District
Frank Colonna, 3rd District
Patrick O'Donnell, 4th District
Jackie Kell, Vice Mayor, 5th District
Laura Richardson, 6th District
Tonia Reyes Uranga, 7th District
Rae Gabelich, 8th District
Val Lerch, 9th District

City Manager's Office

Jerry Miller, City Manager
Reggie Harrison, Deputy City Manager

Community Development Dept.

Craig Beck, Acting Director

Economic Development Commission

Joel Fierberg, SNUGTOP, Chair
Julie Heggeness, LB Memorial Med. Cntr. Foundation, Vice Chair
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Diane DeWalsche, Community Hospital
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TABLE OF CONTENTS

1 INTRODUCTION

1.1 PURPOSE

This report summarizes the comments, recommendations, thoughts, ideas and vision of countless individuals who participated in the formation of the Jobs and Business Strategy. This living document will provide updated information from each community meeting and event as it occurs. This document will inform and guide the development of the Jobs and Business Strategy and the Economic Development Element of the General Plan.

1.2 PROJECT CONTEXT

As the title suggests, this report – Volume III: *Community Input Report* – is one of three volumes of this effort, which include:

- ***Volume I: Long Beach Jobs and Business Strategy*** outlines specific strategies and initiatives to achieve the community's vision for economic development. The detailed strategies were formulated based on community input, economic analysis, market trends and professional experience.

- ***Volume II: Long Beach Economic and Market Analysis*** presents current demographic, economic and market data, trends, and maps that support and inform Volume I.

- ***Volume III: Long Beach Community Input Report*** records community input from focus groups, business community meetings, neighborhood meetings, and city-wide meetings. The document identifies top city-wide economic development assets, challenges, issues and goals.

1.3 METHODOLOGY

1.3.1 COMMUNITY MEETINGS

The Community Input Report is the product of the active engagement of the Long Beach community, including residents, business owners, workers, political and community leaders, non-profit organizations, and key City staff, through a variety of meetings and events. See Table 1.

Table 1: Community Outreach for the Jobs and Business Strategy

Community Outreach for the Jobs and Business Strategy		
Meeting	**Council Districts**	**Total Participants**
17 Focus groups with business and community leaders	2	129
Three city-wide meetings	5, 8, 9	120
Focus groups with leaders from the Cambodian, Latino and Black communities	1, 2, 6	43
Seven General Plan community cluster meetings	3, 4, 5, 8, 9	112
Six neighborhood group meetings	1, 2, 3, 4, 6, 7	160
Five meetings with business groups, including: the Chamber of Commerce, the Downtown Long Beach Associates, the Mayor's Technology Breakfast Forum, and the Magnolia Industrial Group.	2, 7	135
Three PAC meetings	1, 7, 9	97
Seven meetings of the Jobs and Business Strategy Steering Committee	2	15
Twenty-one confidential Key Informant interviews with City and community leaders.	NA	21
Presentations to Economic Development Commission, the Workforce Development Board, the Planning Commission, the Redevelopment Agency Board, and the Community Development Advisory Commission.	2, 5	54
Total		**832**

For a complete list of all meetings, please see Appendix A.

Focus Group Outreach

Over 2,000 people were invited to join 17 business and community-leader Focus Groups in 2005. Invitations were sent to people recommended by members of City Council, the Economic Development Commission, the Steering Committee, and City staff. Invitations were also sent to all employers of more than 50 people within the City of Long Beach.

City-Wide Meeting Outreach

To encourage optimum attendance at city-wide, neighborhood, and business community meetings, the project team took advantage of previously scheduled meetings, including: the General Plan Community Cluster Meetings, The Chamber of Commerce Annual Business Forecast Conference, the Mayor's Technology Breakfast Forum, and regularly scheduled meetings of the Magnolia Industrial Group, the Hispanic Chamber of Commerce, the South Wrigley NIS meeting, the East Anaheim Business Association and the Belmont Shore Business Association. The project also undertook the following outreach strategy to invite participants to focus groups and city-wide meetings:

Newspapers, radio, website advertising.

- Meetings were announced via placed advertisements in English, Spanish, Khmer and Filipino language newspapers: Press Telegram, Downtown Gazette, Grunion Gazette, Signal Tribune, Impacto, and La Opinion.
- City-wide meetings were advertised on the Council Meeting televised crawlers
- Meetings were announced on radio Public Service Announcements
- The on-hold message system for the City's main telephone line described the meetings and provided a contact name and number for more information.
- The Jobs and Business Strategy process held a prominent position on the City of Long Beach's website home page for the final six months of the process.
- The project and the city-wide meetings were advertised in the utility bill *Wave*, which reaches over 160,000 households
- The project was announced via the Cal Worthington sign off the 605 freeway.

Mailed and E-mailed Invitations. Invitations were sent to:

- Over 4,000 individual members of all the community, neighborhood, and business associations in the City of Long Beach
- Individuals and organizations recommended by City Council members
- Members of all City Commissions
- Community/Neighborhood Association boxes

Flyers were posted at Community Policing Centers, Libraries, Churches, and the City's Business Development Center. Emails announcing each meeting were sent to a list of 4,000 Long Beach residents identified throughout the process and the Neighborhood Resource Center's Business & Community Leader email list.

Community Meeting Outreach. In person invitations were made at a wide variety of community meetings, including PAC meetings, General Plan Community Cluster Meetings and neighborhood meetings. The Business Outreach Staff also handed out flyers door to door to businesses (average of 60 businesses/week).

1.3.2 REPORT ORGANIZATION

This report is divided into four Chapters and four Appendices.

- Chapter I: Introduces the goals, purpose, methodology, and structure of the report.
- Chapter II: Summarizes business community input from 17 focus groups, and various other business and community leadership events, including the Mayor's Technology Breakfast Forum, and the Chamber of Commerce Business Forecast.
- Chapter III: Summarizes community and neighborhood input from neighborhood meetings, city-wide meetings, and General Plan community cluster meetings.
- Chapter IV: Outlines community leadership input as provided through members of the Steering Committee, the Economic Development Commission, the Workforce Development Board, the Redevelopment Agency, the Community Development Advisory Commission, the Planning Commission and City Council.

- Appendix A: Lists all community, business and city government meetings related to the formation of the Jobs and Business Strategy.
- Appendix B: Lists all focus group participants and their affiliations.
- Appendix C: Details all input from focus groups.
- Appendix D: Details additional input from city-wide meetings.

2 BUSINESS COMMUNITY INPUT

2.1 FOCUS GROUP MEETINGS (FEBRUARY 2005)

Over 100 community and business leaders participated in 11 focus groups held in February of 2005. Focus group participants independently brainstormed an extensive list of city assets and challenges, economic trends facing the city, their vision for Long Beach, and key action items that could be undertaken to strengthen the economy. The focus group participants were asked to vote for their top ideas as a way of ranking the various issues and thoughts. Not all groups voted for the same set of assets, challenges, economic trends, vision and action items as each group generated an independent list of each. However, many groups identified similar concepts and issues. The consultant, Marie Jones, grouped the top vote-getting assets, challenges, vision concepts, and action items from all the focus groups. The top priorities from the focus groups are identified below by order of prioritization, with the number of priority votes in parentheses. For a complete list of all ideas generated by each focus group, please see Appendix C.

2.1.1 TOP LONG BEACH ECONOMIC ASSETS ACCORDING TO FOCUS GROUP PARTICIPANTS

2.1.1.1 Top Physical Assets (according to focus group participants)

- Great location between Los Angeles and Orange County, allows for easy access to businesses and a very large and capable workforce. (21 top priority votes)
- New downtown development and housing. (10)
- Visible redevelopment and investment.(9)
- Strong revitalized neighborhoods and historic architecture, including: Belmont Shore, Bixby Knolls, California Heights, Los Altos Hills, East Village, Belmont Heights, etc. (7)
- Coastal location with an excellent climate. (7)
- Easy access to the 605, 710, 405, and 91 freeways. (6)
- City and downtown are cleaner with less graffiti (6)

2.1.1.2 Top Business Assets (according to focus group participants)

- The Port of Long Beach and corresponding growth, new jobs, and the Port's small business set-aside program. (15)
- Outstanding education system, including award-winning Long Beach Unified School District, City College and CSU Long Beach. Excellent Community College vocational training programs.(14)
- Airport & aviation-industry rich economy. (14)
- Excellent infrastructure to support tourism: a pedestrian-friendly downtown, Pine Avenue, Rainbow Harbor, Convention Center and first class hotels. (11)
- City offers excellent value in office rents and home prices compared to other coastal communities. (5)
- Diversity of jobs and businesses with a number of major employers: Boeing, TABC, CSU, etc. (3)

2.1.1.3 Top Quality of Life Assets (according to focus group participants)

- A diverse multicultural community with multicultural businesses. (14)
- A strong sense of community, in which many community members are involved in City governance. Long Beach is a large city with a small town flavor with a strong tradition of community involvement, participation, volunteerism, neighborhood groups.(10)

- Excellent cultural and arts amenities: strong arts organizations, 2nd Saturdays, East Village Arts District, the theaters, etc. (8)
- Very good recreation amenities, including: parks, marinas, beaches, golf courses.(7)
- A good looking waterfront experience: Rainbow Harbor, the Downtown Marina, the Queen Mary, the Aquarium, Catalina Island. (7)
- City's special events: Long Beach Grand Prix, Olympic Swimming Trials, Long Beach Gay Pride Festival, multicultural festivals, farmers markets, marathon, etc. (5)
- A good mass transit system, including the Blue Line, Passport, and the Bus System.(5)

2.1.2 Top Challenges According to Focus Group Participants

2.1.2.1 Top Physical Challenges (according to focus group participants)

- 710 freeway congestion/pollution. (24)
- Port growth and resulting traffic congestion and pollution. (12)
- Airport Terminal inadequate for current number of flights. (12)
- Blighted neighborhoods, lack of code enforcement, absentee landlords. (10)
- Traffic congestion on local streets. (10)
- City has poor/minimal signage to major destinations, and the city lacks a number of gateways to downtown Long Beach. (8)
- A lack of available developable land and a lack of vacant land. (7)

2.1.2.2 Top Business Challenges (according to focus group participants)

- City Hall is perceived as un-friendly to business and has a difficult tax structure for business. (10)
- Lack of training capacity in vocational education programs for unskilled workers. Lack of preparation of young people for non-college careers. (9)
- Lack of affordable housing, workforce housing, and executive housing. High housing costs. (7)
- Budget for Convention and Visitors Bureau has declined. (6)
- Difficult tax structure for Business. (4)
- Gaps in retail offerings: little high-end retail and few auto dealers. (4)
- The Pike project competes with existing restaurants on Pine Ave. (3)
- Shortage of healthcare workers.(3)

2.1.2.3 Top Demographic Challenges (according to focus group participants)

- Homeless and stereotypes about the homeless. (11)
- High and growing poverty rate and low per capita income. (9)
- Lack of services for senior and disabled communities. (7)
- Workforce skill base is deteriorating. (5)
- Poor people are not connected to mainstream job and education opportunities in Long Beach. (5)
- Not enough jobs, decreasing quality of jobs. (3)
- Population growth without required investments in infrastructure. (4)
- Growth of insulated and isolated cultural enclaves within Long Beach. (4)
- Youth is not engaged constructively, many youth are not in school and not working. (3)

2.1.2.4 Top Political Challenges (according to focus group participants)

- Long Beach is struggling to find its own vision. With no defined economic development strategy or Master Plan for the City, the City struggles with neighborhood politics (NIMBY) versus city-wide politics. (17)
- Long Beach lacks a sustainable and diversified tax base for quality of life services such as police, libraries, parks, and the arts. The City's pension program will have a big impact on the annual operating budget. (15)
- District elections leave little voice or opportunity for a City-wide policy and approach. (7)
- Lack of coordination between public works and planning departments around maintenance and capital improvement projects. (5)

2.1.3 FOCUS GROUP PARTICIPANTS' ECONOMIC VISION

Focus group participants identified a range of phrases that invoke a vision for Long Beach. Top ranked vision concepts include:

2.1.3.1 Economic Phrases (according to focus group participants)

- A trained workforce. (8)
- Affordable and accessible. (8)
- Better jobs. (6)
- A more diversified economy that is better able to withstand downturns in specific sectors. (5)
- Increase opportunities for all: jobs, education, housing, business. (5)
- First rate airport. (4)
- Beautiful corridors with pedestrian-friendly neighborhood centers. (4)

2.1.3.2 Government (according to focus group participants)

- Effective public private partnerships. (7)
- Stabilized debt-free City budget, and address pension system. (7)
- Business friendly, less bureaucratic government. (5)

2.1.3.3 Quality of Life Phrases (according to focus group participants)

- A safe and secure City. (15)
- Improve Long Beach's image. (11)
- World class arts & entertainment scene. (5)
- World class sporting events and venues. (4)
- Family-oriented. (4)
- Sustainable. (4)
- Inclusive. (4)

2.1.4 TOP GOALS OF FOCUS GROUP PARTICIPANTS

2.1.4.1 Top Physical Development Goals (according to focus group participants)

- Modernize the Airport Terminal. (16)
- Install better city signage to attractions and gateways to the city especially 7th street entrance, and Broadway off of 710. (11)
- Fix the 710. (10)
- Improve graffiti abatement program, especially along Long Beach Blvd. (5)
- Consider developing a high-tech incubator that is connected with the Port and opportunities for international trade. (4)
- Engage in business attraction of high-tech medical, R&D, and manufacturing firms. (4)
- Complete redevelopment. (4)

2.1.4.2 Top Regulation Improvement Goals (according to focus group participants)

- Improve building and zoning permitting process. Allow developers to hire private sector inspectors. As developers take projects through the redevelopment agency, approval by the planning department should be simultaneous. (14)
- Improve operation of the Port. (8)

2.1.4.3 Top Economic Development Goals (according to focus group participants)

- Invest more in educational opportunities for low-income and re-entry workers, especially 18-24 year olds. (21)
- Provide business development services to non-profit organizations: loans, technical assistance, and training. Utilize non-profit organizations as service providers. (18)
- Develop a coordinated social services and homeless prevention plan for Long Beach, City coordinator should work with social service non-profits.(15)
- Consider adoption of a Housing Trust Fund. (16)
- Form/strengthen the City-Business youth internship partner program (8)
- Create an arts and entertainment destination. Support the arts with a direct grant program funded through hotel occupancy taxes.(6)
- Encourage and partner with non-profit and for-profit developers to develop more affordable housing and provide services. (5)
- Develop a consistent land use and economic policy. (5)
- Engage business in process of creating the ED strategy, end results should reflect input, City should periodically provide updates on efforts. (4)

2.1.4.4 Top Marketing Goals (according to focus group participants)

- Launch effective marketing and public relations campaign to improve Long Beach's image and improve resident pride in Long Beach. Strategy should include goals, accountability, timeline and metrics. (35)
- Market to ourselves: get people from the neighborhoods to come downtown, attract weekend visitors from LA and Orange County, and "have a vacation in your backyard." (11)
- Increase budget to Convention and Visitors Bureau for Tourism support. (7)

- City should recruit a network affiliate to tell the Long Beach story such as Channel 13 KCOP. (6)
- Create a weekend package (City Pass program) for visitors. (4)
- Work with the arts community to launch an arts festival and other cultural tourism events. (4)

2.1.4.5 City Improvement Goals (according to focus group participants)

- City should hold City-wide election for some portion of the City Council seats. (21)
- Develop a City-wide master plan that goes beyond the 4-year political timeframe for decision making. (14)
- Give the Mayor the right to vote through charter reform, as the Mayor is the only person responsible to the whole city. (12)
- Improve implementation of recommendations from consultants and community. (4)
- City should provide regular feedback/report card on implementation on plans and activities. Improve accountability of City government.(4)

2.2 FOCUS GROUP MEETINGS (JUNE 2005)

A second round of six focus groups was held on June 22nd and June 23rd to elicit input about draft strategies, which are organized by category.

2.2.1.1 Comments about Prosperity Strategies

A. Comments about target cluster strategies:

- Consider adding technology (related to health care and the Port) as a target cluster for Long Beach. Partner with CSULB which offers a Master's Degree in logistics.
- Key retention issues for manufacturing companies in Long Beach include: AQMD (Air Quality Management District) requirements, workers comp reform, energy costs and the lack of land for expansion. The City can't do much about any of these.
- Redevelopment should be in control of the reuse of the former Robertshaw Controls facility, if the owner is not interested in using the site for manufacturing. This site should not be turned into housing. It is inappropriate for the area and would replace good-paying jobs with more residents.
- Is there a moratorium on self-storage in industrial areas? Self-storage provides virtually no jobs and takes up a lot of Long Beach's valuable industrially zoned land.
- The City should focus its efforts on business expansion and retention and less on attraction. The City should do everything in its power to locate new facilities for company expansion, because this is one of the main reasons companies leave Long Beach. There aren't enough places to expand. Need to create a database of available properties.
- The City will have a difficult time attracting Port tenant headquarters' office to downtown Long Beach because of the threat that labor unions will organize administrative workers. They should focus on the headquarter tenants of import/export, custom's brokers, trade forwarders and logistics firms instead.
- The City should take advantage of CSULB's Center for International Trade and Transportation (CITT) which undertakes important research in traffic, transportation, and provides a Master's

in Logistics which graduates over 800 people a year. The CITT can help the City solve some of the transportation issues at the Port.

- The trade strategy should take advantage of the World Trade Center and its programs.
- Commercially zoned land should be retained in downtown, on the freeways, on Long Beach Blvd., and on Atlantic near the freeways.
- Is there a way to build on synergisms with Hollywood and the movie and entertainment business?
- If we move away from hi-tech what should the City do with the Tech Park?
- Focus on attracting businesses to the Enterprise Zone.
- The Courthouse is an asset to all the law firms in downtown but needs major refurbishment.

B. Comments about Infrastructure Strategies

- The parking shortage in downtown Long Beach is a perception problem. There is plenty of parking, but people don't know where to find it. Landmark Square is working on new parking signage.

D. Comments about Business Climate Strategies

- The strategy to improve the building and zoning processing time should include a timely appeal process.
- Streamline the Fire and Health Department permit approval processes too, not just the approval process for Planning and Building.
- Provide full disclosure about the actual time it will take to obtain permits and approvals so that business owners and developers can plan appropriately.
- An analysis of the business license fee structure will be too politically charged. A gross receipt based business license fee structures will turn off businesses.
- Benchmark the City's business license fee to figure out the best way to improve it.
- Take another look at BID (Business Improvement District) fees as these can be high.
- Continue support for the Economic Forecast and other events that keep the business community informed and connected.
- Encourage corporate participation and sponsorship of City efforts to improve the city's image. There would be a lot of interest in the business community for this.

E. Comments about Small Business Assistance programs

- The City should place a higher value on awarding bids to non-profits for City services through its purchasing policy. Non-profits can provide a direct service like landscaping and also provide other benefits such as training youth as landscapers, providing work readiness training, which are not considered when the City makes contract and vendor awards.
- Do a better job of advertising the City's centralized RFP and bid website.
- Reach out more to Latino and Cambodian businesses to increase access to, and awareness of, the business assistance programs.

B. Comments about Partnerships

- Interview all partners listed in the strategy to make sure that they want to participate in strategy implementation.

2.2.1.2 Comments about Opportunity Strategies

- The City currently serves 1,200 youth in internship programs in a summer. Need to address transportation costs and access for Youth trying to get to internships. Maybe the sponsor company can pay for the youth intern's bus fare.
- The transition into vocational education must start early because the average dropout age is 9th grade. We must work with youth in middle school and get them excited and aware of non-college opportunities so they are motivated to stay in school and get their diploma.
- It is difficult to get the School District to work with the City. The relationship is not very good between the two right now. One problem is that the City approves new residential development that impacts the school district (in terms of enrollment) without involving the School District in the process and informing them of upcoming developments.
- The City should use organizations like Leadership Long Beach and El Centro to make better connections to Long Beach youth.
- City College has great vocational education programs.
- Take advantage of the huge amount of construction that is taking place in the city (at LB City College, for example) to bring youth into the construction trades.
- The Youth Services Network and the Long Beach Arts have developed training program directories. The City should build upon this existing work.
- Companies will want to partner to do workforce development.
- The City is using a First Source strategy at the Douglas Park project.
- Develop a program to train youth to work in the new technologies like Photovoltaic.
- The school district should continue to take advantage of the Aquarium and the museums as a resource that supports science and arts education. More students could benefit from these programs if the School District would promote them and provide transportation.

B. Comments about equity strategies

- The ethnic business center idea, or the Mercado, is a really great idea for the Latino community.
- The City should be concerned about the development of cultural enclaves in Long Beach. It should work to reduce the isolation and insulation that is created by cultural enclaves, especially for businesses in the informal sector. Many of these business owners do not know English and are very isolated from the mainstream of business. They are missing out on opportunities for growth.
- Include the Neighborhood Resource Centers, which provide training for residents.

2.2.1.3 Comments about Fiscal Health Strategies

- It is important to highlight the fiscal implications of residential verses commercial development. The City and the community don't understand this issue and how it impacts the City's budget.
- The City is currently considering a library and utility tax to support library police and fire protection services. This should be included in the strategy somewhere.

A. Tourism Strategies

- The City needs to continue to brand downtown Long Beach as a cultural tourism destination.
- Improve connections between downtown tourism and tourism in other areas like Belmont Shore.
- Hotels and concierges should have copies of brochures that describe everything there is to do in Long Beach. For example, many guests don't know about LB Transit's museum tours.
- The City should also promote and publicize its major historic buildings and ranchos such as: Bambridge House, the Fire Museums, Ranchos Los Cerritos, and Rancho Alamitos.
- The City should promote the arts community through an on-line arts calendar.
- The strategy should also mention Smithsonian Week, Sea Festival, 4th of July, and Cambodian New Year among its list of major Long Beach events.
- Support timeshare development to get people into town on the weekend and increase TOT revenues.
- Create a 2-day Long Beach package for cruise line customers, to get them to stay in Long Beach.
- Install better signage to keep tourist from getting lost in the Port.
- Build a museum cluster around the Aquarium that also includes a science museum, and/or a Children's museum.

B. Retail Strategies

- Leverage "Hip is Here" campaign to other areas of the city. Improve collaboration between marketing by CVB and the City.
- Extend the hours on Pine Avenue to 4:00am so that it can be a real entertainment district.
- Attract more destination activities to the Pike and Pine Avenue. The Pike and CityPlace include too many retailers that compete in the same narrow market categories.
- Need a Trader Joes at 4th and Pine.
- Focus retail recruitment efforts on categories of retail that are supported by market trends. The City expends too much money trying to attract retail for which there is insufficient market support.
- As the promenade construction continues, surface parking lots will disappear so the City needs to make special efforts to inform people of where the parking can be found.

2.2.1.4 Comments about quality of life strategies

- Build more workforce and affordable housing as the high cost of housing impacts the City's economic competitiveness for the health services and education clusters.
- Address the issues of workforce housing, childcare and transportation. These issues must be addressed to maintain a competitive workforce.
- The "Teachers and Officers Next Door" program should include nurses and other middle income workers in the healthcare sector.
- At some point the City and all service providers must sit down and develop a real strategy to deal with the homeless population.
- The City needs to put greater emphasis on sports parks for youth.
- The City should continue to focus on developing pocket parks.
- The City is currently looking to adopt a First Source hiring program for City contracts.
- The Sports Park has toxic contamination issues.
- The City should consider taking down the breakwater.
- The City needs to develop a sustainable energy strategy that includes Photovoltaic (PV). The City should welcome manufacturers of PV equipment as part of a sustainability and economic development strategy. A PV manufacturer (Watts of America?) has a proposal before City Council on July 12 to build a PV facility that would offer 300 jobs.

2.3 OTHER BUSINESS-COMMUNITY MEETINGS

2.3.1 CHAMBER OF COMMERCE INPUT

The Jobs and Business Strategy breakout session of the Chamber of Commerce's Economic Forecast conference, held April 7th at the Westin Hotel in Long Beach, captured the largest audience of the conference's breakout sessions. Over 60 Chamber members and guests listened to an update on Long Beach's economy before brainstorming and prioritizing the following key suggestions for the *Jobs and Business Strategy*.

1. What do you see as the biggest barriers to sustained economic growth in Long Beach?

- 710 congestion (18 priority votes)
- Unemployed youth (15)
- Lack of parking (15)
- Crime (14)
- Cost of doing business (13)
- High cost of housing and lack of affordable housing (11)
- Environmental impacts of the Port (8)
- City infrastructure (7)
- Poverty (6)
- Lack of after-school programs (6)
- Blighted corridors (6)
- Lack of well educated workers (5)

2. How could City Government be improved to help facilitate economic growth?

- Reduce the high cost of business (9)
- Streamline the internal processes and permitting (8)
- Require better interdepartmental coordination (8)
- Understand that the role of the City is to facilitate economic development (7)
- Provide better customer service (5)
- Promote City programs and opportunities to business (4)
- Make it easier to do business with the City (3)

3. What should the City do to attract and retain more businesses and jobs in Long Beach?

- Focus programs at manufacturing and high tech (9)
- Increase city's appeal as a national tourism destination through national advertising (9)
- Work with, and help to form, industry specific associations to help implement and guide economic development efforts (7)
- Improve demographics and income characteristics (4)
- Lower business taxes (3)
- Reduce crime (3)

4. What should the City's top physical development goals be for the next ten years?

- Improve transportation routes in and out of the City (12)
- Infrastructure improvements (7)
- Encourage quality low density housing (6)
- Improve major corridors (5)
- Increase the number of housing units (density) to relieve over-crowding (5)
- Assemble and develop parcels based on attraction targets (3)

5. What are the most important workforce development issues that you face?

- Lack of soft skills (8)
- Lack of education for required skills (7)
- Lack of training opportunities (6)
- Lack of mentoring (6)
- Lack of jobs (4)

6. What should the City focus on to improve the City's quality of life?

- Homelessness (6)
- Parks and open space (3)
- Improve the commercial corridors (3)
- Crime prevention (3)
- Don't promote incompatible uses (3)
- Poverty (3)

- Parking (3)

2.3.2 MAYOR'S TECHNOLOGY BREAKFAST FORUM INPUT

On April 21st, Marie Jones provided an overview of technology trends in Long Beach and compared Long Beach's technology performance to California's major tech centers as part of Mayor Beverly O'Neill's Technology Breakfast Forum. Other speakers included Alan Armijo of Tech Point, and Sheneui Sloan of Long Beach City College. Fifty-five participants joined in the discussion after the panel presentation. Key recommendations from business owners included:

- Incorporate the CSULB Technology Park into the formulation of the Jobs and Business Strategy.
- Focus on youth internships. The city needs a blueprint for how to deal with youth who are not in school and not working. The City's Youth and Gang Task Force and the Youth Opportunity Center are important strategy tools for dealing with disenfranchised youth.
- The City should continue its local business purchasing preference (currently 3 percent and soon to be increased to 5%).
- The City should provide workshops and training for Long Beach's small businesses to help them understand how to take advantage of high-tech infrastructure such as the hot zones, wi-fi, etc.
- The City should host a breakfast forum focused on helping the high tech community understand business opportunities at the Port and City of Long Beach.

2.3.3 MAGNOLIA INDUSTRIAL GROUP

On May 18th, Marie Jones met with ten members of the Magnolia Industrial Group to describe in detail the economic trends facing the manufacturing sector. Key recommendations from MIG members include:

- The City should improve training and create standards for building inspectors. Currently, different inspectors often require different things given the exact same set of circumstances. The City's inspectors should agree amongst themselves with regard to the requirements of the code, and if different inspectors visit the same project at different times, they should keep a running log of what they approve so that later inspectors cannot over-rule the judgments of earlier inspectors.

3 COMMUNITY AND NEIGHBORHOOD INPUT

3.1 FIRST CITY-WIDE MEETING

The first City-wide meeting was held at the Long Beach Energy Auditorium on March 21, 2005. Approximately 60 people were in attendance, including five City Council members: Jackie Kell, Vice Mayor, 5th District; Laura Richardson, 6th District; Tonia Reyes Uranga, 7th District; Patrick O'Donnell, 4th District; and Rae Gabelich, 8th District. Five Economic Development Commissioners also attended, including Chair Frank Newell, Vice-Chair Joel Fierberg, Charles Mason, Evelyn Knight, and Susan Rusnak.

The meeting started with a welcome by Vice-Mayor Jackie Kell, which was followed by a presentation of key findings from Volume II: Economic and Market Analysis and a review of key assets and challenges as identified by the focus groups. Participants were then asked to review the list of top ranked assets and challenges from the focus groups (see section 2.1) and to add their ideas to the list. Participants were also asked to brainstorm a new list of top economic development issues and an economic development vision for Long Beach's future. Participants voted for their top priorities by placing colored dots next to the items they most cared about on the brainstormed lists. Top ranked assets, challenges, issues and vision phrases are listed below, with the total number of priority votes noted in parentheses.

3.1.1 TOP ASSETS ACCORDING TO COMMUNITY PARTICIPANTS

3.1.1.1 Top Physical Assets (according to community participants)

- Coastal location with an excellent climate. (5)
- Great location between Los Angeles and Orange County, allows for easy access to businesses and a very large and capable workforce. (4)

3.1.1.2 Top Business Assets (according to community participants)

- Outstanding education system, including award-winning Long Beach Unified School District, City College and CSU Long Beach. Excellent Community College vocational training programs. (3)
- City offers excellent value in office rents and home prices in comparison to other coastal communities. (3)

3.1.2 TOP CHALLENGES (ACCORDING TO COMMUNITY PARTICIPANTS)

3.1.2.1 Top Physical Challenges (according to community participants)

- Blighted neighborhoods, lack of code enforcement, absentee landlords. (8)
- Deteriorating city streets with too much deferred maintenance. (4)
- Port growth and resulting congestion and air pollution. (3)
- 710 freeway congestion/pollution. (3)

3.1.2.2 Top Business Challenges (according to community participants)

- City Hall is perceived as un-friendly to business and has a difficult tax structure for business. (11)
- Shortage of healthcare workers. (7)
- Lack of affordable housing, workforce housing, and executive housing. High housing costs. (5)
- Airport Terminal inadequate for current number of allowable flights. (5)
- Lack of training capacity in vocational education programs for unskilled workers. Lack of preparation of young people for non-college careers. (4)

3.1.2.3 Top Demographic Challenges (according to community participants)

- Not enough jobs, decreasing quality of jobs. (11)
- Workforce skill base is deteriorating. (9)
- Youth is not engaged constructively, many youth are not in school and not working. (9)
- Gangs in some areas and gangs are organized along racial lines. (6)
- High and growing poverty rate and low per-capita income. (5)
- Population growth without required investments in infrastructure. (4)

3.1.2.4 Top Political Challenges (according to community participants)

- City needs to be more business-friendly. (11)
- Long Beach does not have a city-wide approach to plans; there is too much patchwork planning by neighborhoods. (11)
- The City struggles with neighborhood politics (NIMBY) versus city-wide politics. (3)
- City lacks a sustainable tax base for critical City services. (3)

3.1.3 TOP ISSUES (ACCORDING TO COMMUNITY PARTICIPANTS)

- Keep CSU graduates in Long Beach by improving connections/coordination between school and work, and between training organizations, students and businesses. (22 top priority votes)
- Focus efforts on small business which provide great jobs and are owned by Long Beach residents. (21)
- Long Beach is lacking quality retail and a quality retail experience. (17)
- Need stronger community-based economic development efforts that meet that needs of residents. (15)
- The City cannot do economic development alone. It must work together with partners. (11)
- Need jobs for youth. (11)
- Need to focus efforts on business sectors that are growing. (10)
- Don't build more housing density. (10)
- Need more jobs for people who live in Long Beach. (9)
- Commercial space in Douglas Park (Boeing site) should be devoted to research and development. (8)
- Need better ways to involve the community in formulating the Jobs and Business Strategy (8)
- Too many criminals come to Long Beach. (8)

- Improve schools and focus on education and healthcare jobs. (7)
- We should stop taking down manufacturing facilities to build homes. (6)
- Need to figure out how to keep seniors in the city, senior housing and jobs. (6)
- Need defined goals for job growth, economic diversification, small and large business growth and services and retail growth. (5)
- Need more money for training programs, should work through community colleges. (5)
- Long Beach provides too many social services which attracts the homeless and poor. (5)
- Strategy should include jobs strategy for seniors and youth. (4)
- Housing for health care workers near hospitals. (4)
- Need better ways to involve the community. (4)

3.1.4 Top Vision Concepts (according to community participants)

- Clean, safe and vibrant neighborhoods. (18)
- Vocational education programs. (13)
- Long Beach should be a health hub. (12)
- Entrepreneurial orientation. (11)
- Good paying jobs. (12)
- School to work programs for healthcare. (11)
- Excellent elementary and secondary education. (10)
- A city without boundaries. (8)
- A firm basis in technology. (7)
- Lower poverty level. (7)
- A unique destination city. (7)
- A city with an excellent reputation. (6)
- A city that raises and meets resident expectations. (6)
- City of opportunity. (5)
- Revitalized corridors. (4)
- Focus on sectors that are growing. (4)

3.2 Second City-wide Meeting

Forty people participated in the second City-wide meeting held April 14, 2005 at the Miller Family Health Education Center in Council District 8. The meeting began with a welcome by Councilmember Rae Gabelich, who stressed the importance of the Jobs and Business Strategy and community input. Participants were treated to an overview of the history of the JBS by Frank Newell, chair of the Economic Development Commission. Fellow commissioners, Joel Fierberg and Charles Mason, provided an overview of the strategy development process and community input to date. Consultant Marie Jones provided a quick summary of the Market and Economic Analysis. Consultant David Prowler presented the draft vision statement and facilitated a discussion of economic goals which were grouped into four general categories: Sustainability, Equity and Opportunity, Fiscal Health, and Prosperity. Participants then ranked the goals by priority. Participants were also asked to review draft Economic Development Principles for the Economic Development Element as a homework assignment.

3.2.1 ECONOMIC DEVELOPMENT GOALS & STRATEGIES

3.2.1.1 Top Prosperity Goals

- City needs to be business friendly – reduce permits and fees. (21)
- City should work to use Douglas Park to attract R&D businesses – "be more proactive." (15)

- Modernize the airport. (15)
- Increase home ownership opportunities for people who live in the City. (13)
- Improve building and zoning permitting process. (13)
- Attract headquarters of import/export businesses. (13)
- Define the City's brand, City's pull and/or our "sweet spot". (12)
- Attract Hollywood film shoots and studio shoots. Become a 2nd tier center for Hollywood. (11)
- Create an arts and entertainment destination. (10)
- "Buy Long Beach" program to encourage renting residents to buy homes in Long Beach. (9)
- Use our central location and educational base to seek biomedical and software research facilities. (8)
- Appeal to a wide range of businesses. (7)
- Launch effective marketing and public relations campaign to improve Long Beach's image and improve residents' pride in the City. (7)
- Diversify our business base – more knowledge-based businesses. (6)
- Encourage large businesses (like Kilroy Center); serve high quality jobs. (6)

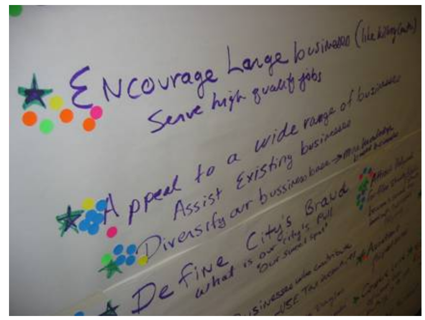
3.2.1.2 Top Equity and Opportunity Goals

- Vocational training for the 19% not employed or in school. (16)
- Youth internships and mentorships in business. (13)
- Internships/mentoring for college graduates to keep them in the City. (9)
- Some priority to Long Beach residents for City jobs. (9)
- Utilize seniors more. (8)
- Attract businesses to vacant buildings. Recycle buildings. (7)
- Invest more in educational opportunities for low income and re-entry workers –especially 18 – 25 year olds. (6)
- Workforce housing. (6)
- Attract small businesses that support businesses we could attract. (6)
- Adequate housing for the population. (5)
- Provide business development services to non-profit organizations – loans, technical support, and training. (5)
- Use volunteer promotions. (4)

3.2.1.3 Top Sustainability Goals

- Attract green/sustainable businesses. (20)
- Work with Port to reduce pollution – Port must grow clean. (18)
- Decrease traffic from Port – use rail. (13)
- Clean up blighted neighborhoods. (11)
- Improve beach quality. (11)
- Reduce density. (10)
- Revitalize old auto row with mixed use European style development. (9)
- Develop more parks in Long Beach.(8)
- Target resources at neighborhoods. (5)

3.2.1.4 Top Fiscal Health Goals



- Require that graduates of the Police Academy work for Long Beach for a fixed number of years or repay tuition. (21)
- Revitalize corridors with underutilized and deteriorated properties and buildings - reuse and recycle to new uses with more value to pay taxes. (18)
- Attract high end retail to Long Beach. (16)
- Attract and retain businesses which contribute taxes – retail and tourism. (16)
- Retain and expand new auto dealers – improve Auto Row. (14)
- Program-based budgeting for key services like libraries. (10)
- Improve accessibility to Long Beach on the 710. (8)
- Attract businesses who contribute tax $ - use tax incentives. (6)
- Complete fiscal impact analysis of major new projects to ensure net positive City revenues. (6)

3.2.1.5 Other Top Goals

- Outreach program to parents to help them understand what kids are doing. (15)
- Grow home-based businesses to take next step in growth – nurture and make connections. Matchmaking and handholding. (11)
- Target some housing to new graduates and for employees of businesses we want to attract. (9)
- Increase affordable housing – 20% set aside/inclusionary affordable. (7)
- Assistance to the homeless. (5)
- Provide training to veterans. (5)

3.3 THIRD CITY-WIDE MEETING

Twenty people participated in the third City-wide meeting held May 18, 2005 at the PAL Center in Councilmember Lerch's District. Councilmember Lerch opened the meeting by stressing the importance of the Jobs and Business Strategy and community input. Participants and consultants Marie Jones and David Prowler completed a strategy-by-strategy review and discussion, with participants making comments, asking questions and ranking the strategies as they moved through the draft strategy matrix. Top priorities for economic development strategies, by order of priority are listed below:

- Continue to strengthen Long Beach as a tourism destination.
- Job creation, attraction and retention efforts should be targeted toward rapidly growing sectors with opportunity for advancement and higher-paying, quality, livable-wage jobs which meet the skill levels of the region and the community's broad labor pool.
- Develop programs to better serve students who don't graduate from high school or are not college bound.
- Foster and support cultural tourism by supporting local visual and performing arts, arts organizations, artists and arts institutions to strengthen the city's reputation as a regional art and cultural center, our quality of life, and attractiveness as a tourism destination.
- Modernize the Long Beach Airport Terminal to accommodate current allowable flights within existing noise ordinances. Attract and retain businesses located at the Long Beach Airport
- Invest more in internship and mentoring opportunities for low-income and re-entry workers, especially 16-24 year olds.
- Continue to provide site-selection, small business loans, technical assistance, and workforce training and placement services to small and medium-sized businesses and non-profit organizations in Long Beach.
- Support businesses growth and retention by re-examining the business license fee structure.
- More collaboration within the City between Bureaus & Departments; between the LB Unified School Board, Long Beach City College Board and the City Council; between business and education providers in terms of planning curriculum; and between all workforce development organizations.
- Require a full and independent analysis of each major redevelopment and economic development project (>$5 million) prior to signing a development agreement.
- Evaluate all economic development programs for cost effectiveness, using techniques such as cost/benefit analysis, return on investment analysis and customer satisfaction surveys to identify and strengthen the most effective programs. Analyze each program at least once every three years. Collect and maintain yearly metrics for each program for evaluation.

For a complete review of the strategy matrix and participant comments, please see Appendix E.

3.4 People of Color Community Meetings

3.4.1 Cambodian Community Meeting

On June 14th, 14 members of the Cambodian community met to discuss the specific economic development concerns and needs of the community. The participants identified the following key issues:

- The Cambodian community is divided and there is much anger. The community has lost its way.
- Gang disputes and safety is the biggest problem. Many stores on Anaheim close at 6:00pm because of safety concerns. It is not safe for children and teenagers to walk to school. There are too many drive-by shootings that result in the death of innocent bystanders.

- The language barrier, among adults over 40, makes it difficult for Cambodian business owners to serve non-Khmer speaking customers and deal with rowdy youth in shops. The language barrier also makes people and businesses vulnerable to harassment and crime.
- It is difficulty to raise children in the United States. Teenagers do not listen to their parents and parents have a difficult time helping their kids in school because of the language barrier and low education achievement of parents.
- Rising home rents make it difficult for people without an education to rent a home. Many families are squeezing into smaller apartments.
- The City does not keep the Gaviota Ave. area clean: uncollected trash and graffiti are common problems.
- Cambodian youth tend to leave Long Beach once they graduate to find work elsewhere. This leads to a brain drain within the Cambodian community of Long Beach because the best youth leave for jobs.
- The cost of starting up a business in Long Beach is high because of the business license fee. The City of Signal Hill changes half the rate for a start up business.

The participants also discussed ways that the City could better serve the community.

- The Cambodian community in Long Beach is deeply divided both among different sections of the community and also from the larger Long Beach community. The participants recommended that the City help heal the divisions and improve the Cambodian community.
    - First, the Cambodian community needs a center for its cultural and business life. Specifically the community would like the Redevelopment Agency and Parks and Recreation to work together to build a Cambodian cultural center, which would include: a small museum about the killing fields and Cambodian history, a shrine to bring the community together, a cultural and recreation center for cultural performances, recreation and ESL classes, and a park. Cambodian business owners could open businesses around the center. The Cambodian community would like to see such a center built on Anaheim and Walnut or Anaheim and Orange, where the City already owns vacant property.
    - Second, the City could train Cambodian facilitators, or bring an outside facilitator in, to facilitate a town hall meeting to exchange ideas about how the community can come together and heal from the divisiveness of the April 17th controversy.
- Cambodian children need a safe playground with a fence to protect kids on Anaheim Street. The playground could be located at MacArthur Park, in a Pocket park, or at the Community and Cultural Center described above.
- High school and middle school students need a tutoring center. Many Cambodian parents cannot tutor their children because they lack the language skills and many have not graduated from high school themselves. Currently, the library provides tutoring but the wait is very long.
- The City should continue to facilitate and support youth internship programs.

3.4.2 HISPANIC COMMUNITY MEETING

On June 16, MJC met with 13 members of the Hispanic Chamber of Commerce to discuss economic development issues, key discussion points include:

- Many businesses are barely hanging on at both CityPlace and the Pike. The developers have no retail strategy for either site, as they sign leases with low quality competing retailers in the same market. Commercial rents in CityPlace and the Pike are too high. CityPlace has sanitation, security and parking issues. The 20 minute parking meters at the Pike almost guarantee that no one goes there for diner or a movie.
- Pine Avenue's business hours should be extended to 1:30am so that it can truly serve as an "entertainment district"
- The Police Station move has reduced police presence on Pine Avenue, which has resulted in increased homeless activity.
- Pine Avenue, the Pike and CityPlace all need better quality stores that reflect the income levels of the people who work in downtown, not just the people who live downtown.
- The City needs a "help desk" for new start-up businesses. Currently, there is no single place to go to learn what State, County and City licenses are required to open a new business. The City should consider establishing a small business start-up "Help Desk" with assistance in English and Spanish, as many new small business-owners are Hispanic.
- Many streets and sidewalks are poorly maintained and not regularly cleaned.
- Pacific Avenue and Anaheim Street have too much retail vacancy, homelessness and overgrown vegetation.
- Housing costs are too high.

3.4.3 AFRICAN AMERICAN COMMUNITY MEETING

On July 22, Consultant Marie Jones and Economic Development Commissioner Charles Mason met with 14 leaders from the African American community to discuss economic development issues facing African Americans and strategies to address the issues.

In the past, African Americans have pursued education as the key to economic success for the community. While education is critical to success, there are a number of problems with this model for the African American community, according to focus group participants, such as:

- Schools are largely failing African American youth. The LB Unified District focuses on preparing kids for college, while most African Americans are not graduating from high school. Those that finish often receive a certificate of completion rather than a diploma. These youth are not college bound and they are not job ready today: they do not know how to dress for work, check their attitude at the door, or get to work on time. Today, basic job readiness training is essential for African American youth.
- Youth fall into gangs because they are not offered a viable alternative. The City should work to ensure there are alternatives to gangs. The City could take an active role in hiring black youth and encouraging businesses to hire black youth once they receive job readiness training. The City could also partner with unions to provide job training for African American youth, as with the Jobs Initiative where the City is making an effort to get youth involved in the trades so that they can

benefit from the real estate development boom. In the past the City has failed to live up to its Title III requirements. The City should also make more entry level jobs in the community available to African American youth, such as hiring them as security guards to improve safety in City parks.

- Additionally, the great influx of illegal immigrants has not helped the African American community as illegal immigrants are willing to work for less and employers prefer lighter shades. Even African Americans who complete high school cannot find work.
- The black community's focus on education to get jobs has resulted in the black community lacking a small business base. In the Latino and Cambodian communities, people keep money within the community by buying from Latino and Cambodian-owned stores. This creates an avenue for small business owners to create jobs for others in their community, achieve a middle-class income level, and become community leaders. The key to economic development in the African American community is small business ownership and entrepreneurship. Black small business owners are much more likely to hire black workers than white-owned businesses. The black community must recirculate its money within the community by encouraging kids and adults to buy from black-owned stores much like the Latino and Cambodian community do. The black community must harness its consumer power to support black-owned businesses.
- The City of Long Beach must encourage African American entrepreneurship and include black-owned businesses as tenants in redevelopment projects and improve access to capital for the black community.

Other key issues mentioned by focus group members include:

- The critical need for more jobs, particularly in manufacturing and trade. The City should pursue opportunities to create large centers of employment.
- The high and rising cost of housing.
- In the old days many African Americans succeeded by working for the City of Long Beach. With budget deficits and lay-offs this historical avenue to the middle class is disappearing.
- The City and the School Board do not work well together, in part because the City does not notify the School Board about its redevelopment and development projects, which often impact the school district.
- The unfriendliness of the Career Transition Center on Atlantic and Wardlow towards African Americans. This center has primarily served former employees of Boeing.
- The City is in a state of rapid change and it lacks a sense of direction. The City seems to be continually blown by the winds of change without really thinking through what it wants to accomplish.
- The City of Long Beach is business unfriendly.
- The African American community and African Americans think too small. We don't demand enough from each other and ourselves. We are scared. We do not love ourselves or each other enough.
- We need to build better Black leadership. The Black community needs more and better political leadership.

- The changing demographics of African American neighborhoods are changing the types of services and retailers available. Two Ralph's Supermarkets have recently closed and they hired many people from the Black community. They are being replaced by grocery stores that serve the Latino community and hire Latino workers.
- We need a living wage ordinance to require businesses that do business with the City to pay living wages to their employees.
- Black people need to learn about investment strategies and how to purchase a home so that we can participate better in the economy.
- Project Hope provides entrepreneur training to young people.
- The City should continue its disadvantaged business set-aside programs.

3.5 NEIGHBORHOOD MEETINGS

3.5.1 FIRST DISTRICT NEIGHBORHOOD MEETING

Over 40 neighborhood residents, leaders and business owners attended the First District Jobs and Business Strategy workshop held on April 13th at Councilmember Bonnie Lowenthal's District office on Pine Avenue. Participants listened to a brief overview of Long Beach's economy and were asked to brainstorm and prioritize their answers to two questions:

What are the most important economic issues facing District 1?

- Under employed youth. (15)
- Poor air quality. (11)
- LNG plant. (11)
- Homelessness. (11)
- Gangs. (11)
- Graffiti. (10)
- Parking shortage. (9)
- Concentration of social services in 1st District. (9)
- Lack of quality architectural design. (9)
- Trash in alleys. (7)
- Pollution. (7)
- Too much low end retail. (7)
- Rising rents. (7)
- Lack of homeownership. (7)
- Absentee landlords. (7)
- Deteriorated infrastructure. (6)
- An over concentration of parolees. (6)
- Health care for families. (6)
- Poverty. (6)
- Overcrowding. (6)
- Lack of higher end retail. (6)

What should the City do to improve the economy of the First District?

- Develop the Art Exchange and live/work lofts in the East Village. (17)

- Affordable and accessible housing for disabled and seniors. (15)
- Apprenticeship and internship programs for youth, students at CSULB and Cabrillo College. (14)
- Maintain affordable housing stocks. (11)
- Develop design guidelines for Long Beach. (10)
- Create incentive opportunities for artists in East Village. (9)
- Better code enforcement. (8)
- Incubator for small, start-up businesses. (8)
- Increase library hours and adult education programs in schools. (8)
- Mandate storefront standards. (8)
- Incentives to support business and students in apprenticeship programs. (7)
- Micro loans for small business. (7)
- Develop a gathering place for the community in the First District. (7)
- Encourage City workers to reside in the city. (7)
- Close Pine Avenue on weekends to make it into a pedestrian-friendly place. (6)
- Recognize art as an important industry of Long Beach. (6)

3.5.2 SEVENTH DISTRICT NEIGHBORHOOD MEETING

On Tuesday, June 28th 35 people from the Seventh District came together to discuss and prioritize issues and strategies for the Jobs and Business Strategy. The issues and strategies are listed below in rank priority.

Issues

- Westside magnet programs are great and have great results for minority students. (10)
- Lack of outreach and retention efforts with small businesses. (5)
- West Long Beach lost $25 million of tax increment to support development in other parts of the City. West PAC sued the City. (4)
- Lack of vocational education for young people. (3)
- Gangs are a problem in the 7th district. (3)
- Cabrillo High school is a holding tank not a place of education. (3)
- Need district level representation on the Economic Development Commission. (2)
- High housing costs. (2)
- Economic development efforts are too focused on downtown. (1)
- A parking shortage in downtown. (1)
- Loss of auto dealers to Signal Hill. (1)
- Cal State Technology Center helps small businesses grow. The CSULB film program has not worked as the facility is underutilized. Good training programs include vocational education in electronics, automotive repair and logistics. (1)
- Deterioration of the Westside over time. Businesses have left the Westside. (0)
- District 7, itself, is split into two distinct areas with different socio-economic character. (0)
- The City's plan is to make West Long Beach a staging area for the Port. (0)
- Lack of communication between bureaus engaged in economic development. (0)

- The Airport's impact on residential areas. (0)

Strategies

- Revitalize Santa Fe Avenue to include a pharmacy, clothing store, movie theaters, and recreation opportunities. (23)
- Need a grocery market and bank on the Westside. (15)
- Change the City Charter so that Westside representatives must be included on City boards and commissions. (15)
- Need better parks and activities on the Westside to bring people of different races together. (14)
- Chamber of Commerce Board of Directors should include more City residents. (11)
- Need bilingual education for Spanish speaking residents so they can become more involved in the English-speaking community and politics. (10)
- Need to create employment opportunities for youth. (10)
- Get the $25 million dollars in tax increment that was used in other parts of the City back into West Long Beach. (9)
- West Long Beach needs more better paying jobs. (9)
- The Planning and Port Commissions should have representatives from the Westside. (9)
- City needs to be more business friendly and have better customer service. (7)
- Improve neighborhood infrastructure. (6)
- Fix the 710 freeway. (4)
- Westside needs more quality certified teachers. (4)
- Retain talent at City Hall. (3)
- Adult education programs should be coordinated with growing job sectors. (3)
- West Long Beach needs more family services. (3)
- Focus economic development on technology, such as computer games, film industry, Port. (3)
- Improve power service to West Long Beach so that businesses can expand. (3)
- Use vacant industrial properties (Boeing 717 and Robertshaw Controls site) for good jobs. (3)
- Focus on business retention. (2)
- Need apprenticeships and internship programs for Youth. (2)
- Stop focusing on low pay tourism jobs. (2)
- Assist home-based businesses. (2)
- City should hire young people, either directly or though payments to non-profits, to provide services and improve the City. (1)
- Improve outreach and marketing about small business assistance programs. (1)
- Fix the small business license fee. (1)
- Stop giving everything away to attract business. Be more efficient. (1)
- Expand the human dignity program to expand trust among cultures. (1)
- Teach bilingual education on cable TV. (0)
- City should subsidize retail development. (0)
- City should work closely with CSULB to create film jobs. (0)

3.6 General Plan Cluster Meetings

On March 9, 16, 23 and 30th, MJC provided an overview of the Jobs and Business Strategy to the Community Cluster groups for the General Plan update. The presentation also included a development feasibility analysis of proposed land uses for the new Land Use Element.

On May 12, 2005, MJC solicited input from General Plan Community Cluster members regarding the draft Economic Development Element. Comments included:

- Participants noted that the vision for Long Beach in 2015 should be broadened to include: sustainability, architectural quality and historic preservation, industrial uses and open space, the needs of low income people. The participants also want a shorter, more concise vision statement.
- Participants noted that the goals section of the Economic Development Element should include a goal for economic diversity and not just prosperity.
- Participants generated new key issues facing Long Beach, which include:
    - City should consider a symposium on housing, overcrowding and density. Some participants expressed concern about overcrowded living conditions and the housing shortage, while others were concerned with the impact of new housing density on traffic. Some noted that the City needs more amenities to accommodate the needs of new residents in new housing developments.
    - The City needs a new identity. The image of Long Beach does not reflect its reality. The City needs to better communicate its strengths using data. The City engages in weak communication and marketing.
    - Need to reach families to get them to work with youth.
    - The City should foster better relationships with minority and ethnic businesses.
    - City lacks parking in some neighborhoods.

Participants made the following recommendations regarding ED policies:

- Add churches.
- Take advantage of regional economic strengths.
- Consider cooperatives or small business incubator for shared expenses.

On May 18th, MJC facilitated a meeting of the General Plan community clusters. During the meeting, cluster participants made a number of specific suggestions regarding changes to the draft policies of the Economic Development Element. More general comments included:

- The vision of providing affordable and workforce housing will be very difficult to achieve.
- The policies should address the importance of historic and cultural resources, maybe under the quality of life goal.
- Need to update zoning every 5 to 10 years.
- Need more community notice of development projects and better dissemination of information about development projects in the City.
- Need to attract more high end retailers.
- Don’t cut budgets for the libraries and the arts. City is currently cutting the budget in the wrong places. The ED Element should refer to standards throughout the City rather than calling out West or North Long Beach. The language should be inclusive.

- Need to more concretely define what “support”, “endorse”, etc really means with regard to the General Plan and the City’s Jobs and Business Strategy.
- City must address the issue of illegal immigration.
- We must hold non-profits to the same standards as for-profit businesses when the City gives them funding or assistance.
- City needs to increase its attention and contracting with local small businesses.
- The City engages in “double-dipping” when it requires a business licenses and the BID assessments.
- City must focus on developing workforce housing in partnership with hospitals, CSULB and others.

4 BOARDS AND COMMISSIONS INPUT

The following section summarizes comments, ideas, input and questions from relevant City Boards and Commissions that will oversee City Bureaus responsible for implementation of the Jobs and Business Strategy and the Economic Development Element of the Long Beach General Plan.

4.1.1 ECONOMIC DEVELOPMENT COMMISSION

The Economic Development Commission has provided ongoing guidance and support to the formation of the Jobs and Business Strategy. The EDC has met five times to review progress on the formation of the Long Beach Economic and Market Analysis and the Jobs and Business Strategy. The comments from each meeting are briefly summarized below:

- November 17th EDC Meeting: Marie Jones provided an overview of the Jobs and Business Strategy process and obtained input to ensure effective community participation by African Americans, Asians and Hispanic communities.
- Feb 16th EDC Meeting: MJC presented the findings from the Economic and Market Analysis and the Focus Groups. EDC members discussed methods to ensure solid community participation in city-wide meetings.
- March 16th EDC Meeting: The consultant provided a brief update of project progress, upcoming community meetings, and presented findings from the completed Economic and Market Analysis. EDC Members voted to officially approve the Economic and Market Analysis. Commissioners were invited to attend the community and city-wide meetings.
- April 21st EDC Meeting: Marie Jones provided an overview of the results from the first two city-wide meetings, community meetings, and meetings with boards and commissions. Commissioners discussed the timing for the completion of the Jobs and Business Strategy and issues that face strategy implementation.
- July 20st EDC Meeting: The consultant gave an extensive presentation regarding the draft Jobs and Business Strategy and reviewed many of the specific recommendations. Commissioners offered suggestions regarding the scope of some of the strategies and suggested revisions and clarifications in others.

4.1.2 WORKFORCE DEVELOPMENT BOARD

On March 7th, Marie Jones facilitated a discussion with the City of Long Beach Workforce Development Board to identify key workforce development strategies and issues as part of the Jobs and Business Strategy. The Board engaged in a lively discussion and identified the following key workforce and economic development strategies and issues:

1. Workforce development efforts would benefit from more collaboration. A collaborative strategy could leverage resources and reduce duplication within education and training, by working smarter to remove competition between providers and provide incentives to promote collaboration. Specifically participants were looking for:
    - More collaboration within the City between Bureaus & Departments; between the School Board, City College Board and the City Council; between business and education providers in terms of planning curriculum; and between all workforce development organizations.

Specifically we need to develop a directory of service providers so that everyone understands what other agencies offer and to improve referrals.

- Expanded business participation in education improvements be developing a business speakers in high schools initiative and creating incentives for small businesses to partner with the education community.
- Improve project sustainability though joint funding and partnerships to focus efforts and keep results coming.

2. Participants expressed their overall concern about how to best serve youth who are not successful in a traditional high-school setting. Participants noted that our schools are designed for a 50-year-old economy and city education partners should discuss how to best serve students who don't graduate from high school. The District should provide alternatives to kids that don't graduate from high school, and needs to focus on how to mainstream these kids in a way that complements their learning style. Key recommendations include:
   - Internships are critical to youth success, however, mentoring is challenging as many companies do not have the staff to dedicate to effective mentoring. A program that matches a volunteer mentor/guide with 5+ youth could make student internships more successful for students and for the businesses in which they intern. Businesses that have to mentor interns must spend money and time, making internships a costly program for businesses. We must find ways to keep kids engaged through paid youth internships, possibly through a partnership between Long Beach Community College and the City's Workforce Development Bureau.
   - Bring back the School-to-Career program.
   - Serve underserved high school students with career preparation in the legal, finance, engineering, and business fields. Public schools need to add engineering curriculum.
   - Vocational education needs a huge public investment.
   - Increase the service learning requirement; currently high schools require only 40 hours of service learning over 4 years. This requirement is too low and was described as egregious as it does not prepare students for a job.
   - The school district needs stronger educational standards. And the district must do away with grade promotions.
   - Honest/realistic career guidance appropriate to the person.
3. General workforce development recommendations include:
   - Workforce development should focus on improving the skills of our immigrant workforce.
   - Job placement should come first.
   - Improve credentialed standards for vocation education.
   - Focus on relationship between technology and careers, address the digital divide.
   - Improve access to training.
   - Put resources behind medical education.
   - Prepare youth and adults with disabilities to return to work in the right fields.

4. Some economic development challenges that merit more attention include:
   - Business retention and attraction are the most important City-wide economic development activities.
   - City could consider developing a branding campaign to live and work in Long Beach. "Hire Long Beach residents to work in Long Beach"
   - City should work to expand and save industrial land to retain and grow manufacturing and high-tech jobs.
   - Emphasize family economic development. Need to work with parents to get them into better jobs and then kids will follow in their parents' footsteps.
   - We must take care of our City's infrastructure needs, particularly 710 congestion, Port transportation, street maintenance, and the repair and remodel of the Airport.
5. The City could bring everyone (City, non-profits, and educational institutions) to the table to help facilitate training placement of "at need" folks. Currently most training efforts operate in silos. Some key programs that could be better utilized include:
   - We need a strategy to connect businesses with Goodwill training programs.
   - Long Beach Unified has developed an effective Mechanics Vocational Education program, which includes metalworking, masonry, electrical, and woodworking vocation education.
   - The Long Beach City College Project YES (Youth Empowerment Strategies) helps kids focus on their strengths. The City and non-profit partners can work together to solve kids needs.

4.1.3 REDEVELOPMENT AGENCY BOARD

On April 11th, MJC provided an overview of the Jobs and Business Strategy to the Redevelopment Board. Board members want the Jobs and Business Strategy to address the following issues:

- Serve Long Beach youth who are not connected to mainstream opportunities, not in school and not working.
- Understand the size and importance of the Informal Economy.

Marie Jones will submit a memo addressing the size and importance of the Informal Economy in Long Beach.

4.1.4 PLANNING COMMISSION

On April 21, Marie Jones provided an update of the Jobs and Business Strategy and solicited input from the Planning Commission. Key suggestions include:

- Develop strategies to assist Long Beach youth who are both unemployed and not in school to enter the mainstream, including: job internships, job mentoring, better vocational education and trade school programs. A commissioner noted that getting these kids back into the main stream would do more to reduce Long Beach's crime rate and improve the economy than anything else.
- Work with trade schools and the LB Unified School District to improve skills and education training to meet the actual needs of businesses. Commissioners expressed distress that trade schools don't

adequately prepare young people for actual jobs in industry and business. Commissioners asked that the jobs and business strategy develop some specific strategies to address this issue.

- Focus more attention on serving the businesses that are already in Long Beach and less attention on attracting new businesses.
- Emphasize Health Care as an appropriate focus for economic development efforts especially to create better training programs to prepare people for careers in nursing.
- Consider using vacant land near the Port and west of the L.A. River for warehousing.
- Use the information in the Market and Economic Analysis to improve Long Beach's economy.
- Develop practical and implementable strategies in the Jobs and Business Strategy.
- Help the community understand how the economy and jobs market influences development decisions and land use planning.

All commissioners were asked to provide written input on draft policies and principles for the Economic Development Element as a homework assignment.

4.1.5 COMMUNITY DEVELOPMENT ADVISORY COMMISSION

On April 20th, Marie Jones provided a brief overview of the Jobs and Business Strategy and solicited input and questions regarding the Market and Economic Analysis. Some key issues that came up during the meeting include:

- Interest in an estimate of how much City tax revenues are not currently captured from the Informal Economy. Marie Jones promised to develop an estimate for the commission.
- Concern about how the new Jobs and Business Strategy would be funded given the City's budget constraints. In addition, Commissioners would like the Economic Development Bureau funding diversified to sources beyond Redevelopment and CDBG funds.
- Curiosity about how many of Long Beach's good jobs go to Long Beach residents.
- Desire for the City to do more to retain and work with small Long Beach businesses.
- A need for the City to work with Long Beach Unified to ensure that the schools are educating and training students in the skill sets required by business.
- Interest in the consultant team soliciting additional input from the West PAC, the Magnolia Industrial Group, and from youth, particularly high school students.

APPENDIX A: COMMUNITY MEETING LIST

Focus Groups

- Feb. 1: 8:00-9:30am, Tourism & Arts Sector Focus Group, 110 Pine Street, Suite 1100
- Feb. 1: 11:00-12:30pm, Medical Services and Devices Focus Group, 110 Pine Street, Suite 1100
- Feb. 1: 1:00-2:30pm, High Tech & Large Business Focus Group, 110 Pine Street, Suite 1100
- Feb. 2: 8:00-9:30am, Business & Community Leaders Focus Group, 110 Pine Street, Suite 1100
- Feb. 2: 11:00-12:30pm, Social Services Group Focus Group, 110 Pine Street, Suite 1100
- Feb. 2: 3:00-4:30pm, Small Business Focus Group, 110 Pine Street, Suite 1100
- Feb. 3: 8:00-9:30am, Financial & Business Services Focus Group, 110 Pine Street, Suite 1100
- Feb. 3: 11:00-12:30pm, Trade Focus Group, 110 Pine Street, Suite 1100
- Feb. 3: 1:00-2:30pm, Small Business Focus Group, 110 Pine Street, Suite 1100
- Feb. 3: 3:00-4:30pm, Education & Training Focus Group, 110 Pine Street, Suite 1100
- Feb. 16: 11:00-1:00pm, Real Estate & DLBA Focus Group, 111 West Ocean, Suite 300

City-Wide Meetings

- March 21st 6:30-8:30pm First City-wide meeting in Vice-Mayor Jackie Kell's District. Agenda included an overview of the Market and Economic Analysis, discussion of our Economic Development vision & principles and the City's strengths and weaknesses. Long Beach Energy Auditorium, 2400 E. Spring Street
- April 14th 6:30-8:30pm. Agenda: City-Wide & Neighborhood Economic Development Goals and Strategies. Meeting took place at Miller Family Health Center, 3820 Cherry Avenue
- May 19th, 6:30-8:30pm. Presentation of Draft Strategy & Comments. South Street P.A.L. Center, 2311 E. South Street

Neighborhood and other Public Meetings

- March 10th, 6:00pm-8:00pm, South Wrigley NIS meeting, Lafayette Elementary School, corner of 25th & Chestnut
- March 29th, 12:00pm-1:00pm, Belmont Shore Business Association, Belmont Store BA - 5339 E. 2nd Street (Dominico's)
- March 30th, Long Beach Non-Profit Partnership, 3536 Atlantic Ave.
- April 7th, 8:00am–12:00pm, Long Beach Chamber of Commerce Business Forecast Conference, Westin Hotel
- April 21st, 7:30–10:00am, Mayor's Technology Breakfast Forum, Long Beach Energy Auditorium, 2400 E. Spring Street
- April 26st, 12:00pm–1:00pm: East Anaheim Street Business Alliance, Long Beach Playhouse,5021 E. Anaheim
- May 4th, 4:30pm–6:00pm: 4th District, Los Altos Library,5614 Britton Avenue
- May 18th, 1:00pm–2:00pm, Magnolia Industrial Group, 800 W. PCH (Goodwill Industries)

General Plan Community Cluster Meetings

- March 9th 6:30–8:30pm, at Houghton Park Multi-purpose Room
- March 16th 6:30-8:30pm, at Silverado Park/Social Hall
- March 23rd 6:30-8:30pm, at CA Rec. Center/Social Hall
- March 30th 6:30-8:30pm, at Millikan High School Cafeteria
- May 11th 6:30-8:30pm, at Millikan High School Cafeteria
- May 18th 6:30-8:30pm, at CA Rec. Center/Social Hall

Meetings with Commissions and Boards

- March 11th, 8:30-11:00am, Workforce Development Board, Airport Marriott
- March 16th 4:00-5:00 pm, Economic Development Commission, 13th Floor Conference Room, City Hall
- April 11th 8:30-11:00am, Redevelopment Agency Board, City Hall Council Chambers
- April 20th 4:00-5:00pm, Economic Development Commission, 13th Floor Conference Room, City Hall
- April 20th 10:00am–12:00pm, Community Development Advisory Commission, City Hall Council Chambers
- April 21st 1:30-3:00pm, Planning Commission, City Hall Council Chambers
- July 20th 12:00-5:00pm, Economic Development Commission, Long Beach Energy Auditorium, 2400 E. Spring Street

APPENDIX B: FOCUS GROUP PARTICIPANTS

The focus group invite list included all employers with more than 50 employees and recommendations from the City Council Chiefs of Staff, the JBS Steering Committee, and the Economic Development Commission. Approximately 200 people were invited to each focus group. Each focus group invitee list included a mix of business, community group, and political representatives.

Business & Community Leaders Roundtable
Becky Blair, Blair Commercial Real Estate
Chris Garner, Long Beach Energy
Steve Kwitoski, City National Bank
Doris Topsy-Elvord, Harbor Commissioner
Jane Netherton, International City Bank
Janet McCarthy, Goodwill
John Calhoun, Harbor Commissioner
Todd Cutts, Downtown Long Beach Associates
Larry Triesch, Long Beach Housing Authority
Laurie Angel, CSULB
Lou Anne Bynum, Long Beach City College
Robert Maxson, CSULB
Rick Spencer, Debt Rescue, LLC
Joel Fierberg, Snugtop
Bill Tilney, Keller Williams Realty

Tourism Focus Group
Elaine Vaughn, Catalina Express
Kraig Kojian, Downtown Long Beach Associates
Richard Hollingsworth, Gateway Cities Partnership
John Sangmeister, Gladstones Restaurant
Sabir Jaffer, Holiday Inn, Long Beach Airport
Shashin Desai, International City Theatre
Jerry Schubel, L. B. Aquarium of the Pacific
Barbara Long, L. B. Aquarium of the Pacific
Helen Cox, LBUSD
Barbara Mason, Convention & Visitors Bureau
Susan Reeder, Long Beach Museum of Art
Joan Van Hooten, Public Corporation for The Arts
Ken Pilgrim, Westin Long Beach
Michael Washington, Westin Long Beach

Medical Focus Group
Ray Jankowski, Community Hospital of Long Beach
Mo Tidemanis, CSULB Technology Park
Deirtra Butter, Long Beach Job Corps
Jennifer Ensminger, Pacific Hospital
Dorothy Carmichael, Kaiser Permanente

High Tech Group
Michael Mulcahy, Charter Communications
Michael Sanders, Mayor's Office, City of Long Beach
Fran McGrath, Color Broadband Inc.
Bill Townsend, INCO Company
Judy Ross, L.B. Nonprofit Partnership
Yuri Lee, Milestone Internet Solutions
Julie Fogg, Active Port

Social Services Focus Group
Radm John Higginson, American Gold Star Manor
Jeanette Gavin, Belmont Shore Residents Assn
Anna Totta, Catholic Charities
Mike Bassett, Conservation Corps of Long Beach
Debbie Esparza, Girl Scout Council of Grtr. L.B.
Arlene Mercer, Homeless Serv/Food Finders
Fara Khaleghi, L.B. Comm. Improvement League
Maura Dwyer, LB Alliance for Children with Asthma
Mark Matsui, LB City College
Davian Freeman, LB Job Corps
Rev. Bill Thomas, LB Rescue Mission-Samaritan
Kristine Engels, Lifesteps Foundation
Monica Valencia, Lifesteps Foundation
Rev. William Thomas, Long Beach Rescue Mission
Rev. Ginny Wagener, So. Coast Interfaith Council
Jan Lane, Su Casa
Barry Rubin, Working Alternatives
Ben Espitia, Goodwill Industries

Small Business Focus Groups (2 groups)
John Deets, Bixby Knolls Business Association
Karen Lamantia, Earth Neighborhood Wellness Ctr
Manny Torres, Latin Business Leaders Association
Sheneui Sloan, Long Beach City College
Carolyn Smith Watts, Boloph's Specialty
Lorenzo Gigliottti, G-site Web & Consulting
Samuel Washington/Watler Ross, workUSAmerica
Jeff Henderson, Bixby Knolls Business Improvement Association

Education Focus Group
Richard Wilkes, Apple One
Jon Meyer, Board of Education Member
Shamusideen A. Aliu, California School Employee Assn.
Anne Porter, DeVry University
Chip White, Flight Safety International
Ethy Kent, Long Beach Jobs Corp
Barbara Levine, Los Angeles County Economic Development Corporation
Rev Leon Wood, North Long Beach Community Prayer Center
Gina Rushing, St. Anthony's High School
Sergio Mares, T&R Hi-Tech Institute
Cory Castro, T&R Hi-Tech Institute

Trade Focus Group
Steve O'Keefe, Airport Bureau
Michael L. Tomlin, College of Business Administration, CSULB
Tom Teofilo, Pacific Merchant Shipping Association
Alexandra Torres Galancid, Winter

Financial and Business Services
Angel Rivas, Bank of the West
Frank Newell, Economic Development Commission Chair
Genevive Walker, Epson America Inc.
Jeff Spinelli, Farmers & Merchants Bank
Steve Warshauer, First Team Commercial Real Estate
Greg Williams, Inco Company
Patreece Coburn, International City Escrow
Bonnie Scott, Land America Commonwealth Title
Lou Moreno, Moreno Investments
Kevin Peterson, P2S Engineering

Real Estate Developers, Property Owners and Agents Focus Group (Held through DLBA)
Darren Hamilton, Charles Dunn Company
Jody Meade, CB Richard Ellis
Jeff Coburn, Charles Dunn Company
Beth Sydow, Trizec Realty
Brad Miles, Inco Company
Jeff DuChateau, Trizec Realty
Todd Cutts, Downtown Long Beach Associates
Jon Beuder, Charles Dunn Company
David Kubit, 245 West Broadway
DeeDee Smith, Arden Realty
Scott McCullough, Charles Dunn Company
Eryn Barrett, Inco Company

Appendix C: Complete Focus Group Input: Long Beach Assets

	Focus Groups											
	Community Leaders	Finance & Insurance	Small Business	High Tech	Medical Cluster	Tourism & Arts	Social Services	Port	Small Business	Education	Real Estate	**Total**
Physical Assets												
Great location between L.A. and Orange County	*	9	*	1		4	*	*	1	3	3	**21**
New downtown development & housing				2		2	*				6	**10**
Visible redevelopment/investment	3				*						6	**9**
Strong Neighborhoods and Historic Architecture: strong neighborhoods include: Belmont shores, town center, market place, east village, marina district, shopping areas, Pine, 2nd Street, Belmont Heights, etc.		1	2		2	2	*		*		*	**7**
Coastal Location, Climate, Weather	2	*	*	*	*	3	*	*		2	*	**7**
Access to 605, 710, 405		5		1	*							**6**
City and downtown is cleaner, less graffiti					*						6	**6**
Nice and revitalized neighborhoods	1	*			2							**3**
Size of population & city				*					*			**0**
Compact geography												**0**
Executive and middle class housing, relatively affordable for beach community				*			*	*				**0**
Streets are more active and revitalized						*						**0**
Beach Community with a nice waterfront experience											4	
Population Assets												
Multicultural diverse community with multi-cultural diverse businesses	3	*	2	1	1	1	3	*	1	2	*	**14**
	*		1									**1**
5th Largest population in the State								*				**0**
Diverse and strong workforce					*			*			*	**0**
Access to huge workforce in LA and Orange County				*								**0**
Business Assets												
Port of Long Beach growth, hiring, and small business set aside	4	7		*	*		*		*	3	1	**15**
Outstanding education system: LB Unified, CC & CSULB	*	3	3	*	2	*	1	*		4	1	**14**
Airport & Aviation-rich area	3	5	1			2				1	2	**14**
Excellent convention center and hotels		3		*		7	*				1	**11**
Community college vocational training programs										3		**3**
Diversity of jobs & business, significant major employers (Boeing, TABC, CSU, etc.)	*	*					*	*		3		**3**
Excellent infrastructure to support tourism image: Pine Avenue, Rainbow Harbor, Convention Center, Pike			1			1	*					**2**
Cruise ships		1				1						**2**
City offers excellent value in office rents, home prices compared to other coastal communities	1										4	**5**
Construction activity			1									**1**
LNG Plant			1									**1**
Alameda Corridor			1									**1**

Appendix C: Complete Focus Group Input: Long Beach Assets

	Focus Groups											
	Community Leaders	Finance & Insurance	Small Business	High Tech	Medical Cluster	Tourism & Arts	Social Services	Port	Small Business	Education	Real Estate	**Total**
Good connectivity: telecom, broadband, etc.				1								**1**
Long Beach has a deep/strong labor market	*		*				*					**0**
Strong medical cluster, outstanding hospitals					*					*	1	**1**
International business								*				**0**
Long Beach has strong industry clusters	*											**0**
Long Beach has an authentic family-oriented tourism experience						*						**0**
Good networking							*					**0**
Strong Chamber of Commerce							*					**0**
Enterprise Zone										*		**0**
Stable real estate market with diverse economic sectors											*	**0**
Quality of Life Assets												
Cultural and arts amenities, strong arts organizations, 2nd Saturdays, East Village Arts District, theater	*	1	1		2	3	*		1		*	**8**
Recreation Amenities: parks, marina, beaches, golf courses		4		3			*	*			*	**7**
Good looking waterfront experience: beaches, Rainbow Harbor, Marina, Queen Mary, Aquarium, Catalina Island						7		*			*	**7**
City's Special Events: Grand Pre, Olympic Swimming Trial, Pride, multicultural festivals, farmers markets, marathon		2				3	*	*			*	**5**
Long Beach has a good mass transit system, Blue Line, Passport, Bus System	2		1			*	*		*	1	1	**5**
Long Beach is easy to get around	2											**2**
Good graffiti abatement program						2						**2**
Strong tourism sector		1										**1**
Excellent Hospitals				1			*					**1**
Pedestrian friendly downtown, restaurants, & rainbow harbor					*			*	1			**1**
Good public safety: excellent police responsiveness, neighborhood watch, crime rate is down					*	*	*			1		**1**
Shopping has improved									1		*	**1**
Strong and effective police department		*										**0**
Good Libraries							*					**0**
Great community based organizations: churches, religious and congregational communities, Long Beach non-profit partnership, Leadership Long Beach, LB Arts Council, NAACP, NCCJ, Youth Commission, Youth Services Network, etc.							*					**0**
Political/Government Assets												

Appendix C: Complete Focus Group Input: Long Beach Assets

	Focus Groups											
	Community Leaders	Finance & Insurance	Small Business	High Tech	Medical Cluster	Tourism & Arts	Social Services	Port	Small Business	Education	Real Estate	**Total**
A strong sense of community, in which many community members are involved in City governance. Long Beach is a large city with a small town flavor with a strong tradition of community involvement, participation, volunteerism, neighborhood groups.	1	3	1	1		*	3		*	1	*	**10**
Great potential	3									1		**4**
Politically Progressive City, with strong mayor					3							**3**
The City is always boldly reinventing itself	1											**1**
Excellent Mayor advocate		1				*	*					**1**
Full service city	1											**1**
School uniform program		*										**0**
Responsive City Health Department				*								**0**
Communication between the Planning Department and RDA is improving											*	**0**
Image Assets												
Image has improved						*			2			**2**
Image: Art Deco architecture, lighted bridge, etc						*	*					**0**

Source: MJC, 2005

Note * indicates that the focus group identified the issue but that no one voted for it as a priority

Focus Groups: Long Beach Challenges

	Focus Groups											
	Community Leaders	Finance Insurance	Small Business	High tech	Medical Cluster	Tourism & Arts	Social Services	Port	Small Business	Education	Real Estate	Total
Physical Challenges												
710 freeway congestion/pollution	1	6	2	3		5	*				7	24
Port growth and resulting traffic and pollution	1	10	*			1						12
Airport facility is inadequate			1								11	12
Blighted neighborhoods, lack of code enforcement, absentee landlords	2						2		4	2		10
Traffic congestion on local streets		7	2								1	10
City has poor/no signage to major destinations, city lacks gateways to downtown						3					5	8
Lack of available developable land	3	1		1					1	1		7
Airport Growth	2		2									4
Deteriorating City infrastructure/streets. City not planning ahead for major capital infrastructure projects.	*	*	2					2				4
Miss-match between the size of housing units and the needs of the community	2											2
City has areas of poor quality architectural design	2											2
LNG facility			2									2
East/West split in economics, politics. Some fear to come downtown.	1							*				1
Lack of historic preservation of architecture	1											1
Lack of parks in higher density areas of city							1					1
Parking shortage in some areas												0
Inappropriate zoning	*											0
Land has infrastructure and environmental deficiencies		*										0
Homeland Security issues at the Port	*											0
Some of the city's problems are regional and so difficult to address (air quality, homeless, freeway congestion)	*											0
Population Challenges												
Homeless, and stereotypes about the homeless					*		4				7	11
High and growing poverty	7	*					*			2		9
Lack of services for senior and disabled communities							7					7
Poor people are not connected to mainstream opportunities in Long Beach										5		5
Workforce skill base is deteriorating	2								1	2		5
Population growth without investments in infrastructure to support it			*					3		1		4
Insulated and isolated cultural enclaves; community is highly stratified.	1							*	1	2		4
Not enough jobs, decreasing quality of jobs	3											3
Youth is not engaged constructively, some youth are not in school and not working	1						2					3
Some residents are afraid of poverty and the poor	2											2
Low per capita income, income disparity	1										*	1
Gang problems, organized gangs along racial lines	*						1					1

Focus Groups: Long Beach Challenges

	Focus Groups											
	Community Leaders	Finance Insurance	Small Business	High tech	Medical Cluster	Tourism & Arts	Social Services	Port	Small Business	Education	Real Estate	Total
Large percentage of Long Beach youth not graduating from high-school	*											0
Polluted beaches with debris	*											0
Working poor				*								0
One third of population without health insurance have jobs					*							0
Domestic abuse/child abuse							*					0
Business Challenges												
The City is perceived as difficult to do business with. City Hall is not business-friendly.	5	*	*					2	3			10
Lack of affordable, workforce and executive housing	1	*			2		5	1				9
Budget for Convention and Visitors Bureau has declined						6						6
Lack of training capacity in vocational education programs for unskilled workers. Lack of preparation of young people for non-college careers.							5			4		9
Difficult tax structure for business	2	*							2			4
Gaps in retail offerings: little high end retail, auto dealers			*	2		2		*				4
City out sources services to businesses from other cities.		3	*									3
New Pike project competes with existing restaurants on Pine Ave.		2		1								3
Shortage of healthcare workers -- RN, LVN, CNAs. Medical Assistants					3							3
Underperforming commercial real estate market											2	2
California viewed as unfriendly to business					1							1
Lack of employment opportunities, quality jobs								*	1			1
Lack of a Hispanic marketplace, center for Hispanic businesses		1										1
Insufficient housing and job diversity	*											0
Overcrowding in housing, old deteriorated housing							*					0
Lack of jobs for low and unskilled workers, low wages for unskilled workforce							*					0
RDA operations and activities are inefficient and ineffective		*	*									0
Adversarial approach at the Building Department with development projects											*	0
Political Challenges												
City is struggling with its own vision. There is no defined economic development strategy or Master Plan for the City. Neighborhood politics (NIMBY) versus city-wide politics.	8				*			2	2	5		17
Long Beach lacks a sustainable and diversified tax base for quality of life services such as police, libraries, parks, and the arts.	1	9					5					15
District elections leave no voice, opportunity for city-wide policy and approach		5						1			1	7

Focus Groups: Long Beach Challenges

	Focus Groups											
	Community Leaders	Finance Insurance	Small Business	High tech	Medical Cluster	Tourism & Arts	Social Services	Port	Small Business	Education	Real Estate	Total
Lack of coordination between public works and planning departments around maintenance and capital improvement projects		1									4	5
Lack of communication between business community and planning regarding General Plan update											4	4
Uncertain State funding priorities for health care compounds local health service problems					3							3
City does not support business, it is not business-friendly	2							*				2
City and private sector lack a coordinated effective marketing program						2						2
City does not have a city-wide approach to plans, too much patchwork planning by neighborhoods										2		2
City Planning Department may be influenced by corruption											2	2
Long term institutional memory at City Hall is fading as people retire											2	2
Lack of civil pride among residents for Long Beach	1											1
City and private sector do not work together enough	1											1
Term limits, and part-time City Council reduce effectiveness of Council			*				1	*				1
Parking requirements in zoning are too high		1										1
Redevelopment funds are not used to serve community and neighborhood needs, housing							1					1
City's plans are not implemented, long-term political and financial commitment never happens. Public participation does not result in the City changing its behavior.			1				*					1
Implications of global warming on downtown.			1									1
Lack of support/technical assistance for non-profit organizations								1				1
Residents resist change in Long Beach						*						0
City focuses on certain areas for redevelopment based on politics, not market readiness or economic need.		*										0
City has focused too much on the downtown and ignored other areas of the city			*				*			*		0
City does not have a strong relationship with the school board and the School District									*			0
Lack of political clout at National and State level							*					0
Tideland trust limitations on retail uses at the Pike						*						0
Image Challenges												
No local TV. station to represent Long Beach	3			4			*					7
Image of Long Beach as a navy town	1					2					*	3
Long Beach gets too much bad press				2								2
No strong marketing program								2				2
Perception that it is difficult to obtain project entitlements											2	2

Focus Groups: Long Beach Challenges

	Focus Groups											
	Community Leaders	Finance Insurance	Small Business	High tech	Medical Cluster	Tourism & Arts	Social Services	Port	Small Business	Education	Real Estate	Total
Image of Long Beach is tarnished by L.A.'s image	*			1								1
Perception of high crime in some areas (downtown and North Long Beach)				*				*		1	*	1
Locals fear to come downtown to shop			*					*				0
Long Beach is well kept secret even among real estate agents											*	0
Quality of Life Challenges												
Image of Long Beach as a navy town		3			*		2		*		3	8
Long Beach gets too much bad press			2				*					2
No strong marketing program					*		*		2		*	2
Not enough parks on the west side of town			1									1
Breakwater reduces true beach experience						1						1
Lack of affordable childcare and after school programs							1					1
Environmental pollution: airport and freeway noise, poor air quality							*					0
Long Beach school district seems to be in decline							*					0

Source: MJC 2005

Note * indicates that the focus group identified the issue but that no one voted for it as a priority

Focus Groups: Vision

	Focus Groups										
	Community Leaders	Finance & Insurance	Small Business	High tech	Medical	Tourism & Arts	Social Services	Port	Small Business	Education	**Total**
Economic Vision Concepts											
Trained workforce	5		1							2	**8**
Affordable & accessible	*			4	*	2	2			*	**8**
Better jobs	2		3				1				**6**
A diversified economy that is better able to withstand downturns in specific sectors	1				4						**5**
Increase opportunities for all: jobs, education, housing, business								3	*		**3**
International city								3			**3**
A center for education										2	**2**
Job growth					*		1		*	1	**2**
Create a focused deliberative economic development plan that is consistently pursued over time				2							**2**
Long Beach is a city on the move						1					**1**
Self-sufficient	1						*				**1**
A place for people to live and work	1										**1**
A tourist destination with great arts, water sports, hotels					1						**1**
New technology			1								**1**
Innovative							1				**1**
More opportunities for economic growth	*										**0**
Leveling out of growth	*										**0**
Stronger middle class	*										**0**
Physical Vision Concepts											
First rate airport										4	**4**
Beautiful corridors with pedestrian-friendly neighborhood centers	2									2	**4**
Updated and revitalized urban landscape			3								**3**
Smooth flow of goods through the Port	1	2									**3**
Architecturally vibrant							1				**1**
Revitalized downtown with residents, retail and business		1									**1**
Metropolitan							*				**0**
Improved neighborhoods	*										**0**
Better freeway access, less traffic		*									**0**
Completed redevelopment project for Central Long Beach		*									**0**
Government Vision Concepts											
Effective public private partnerships	*									7	**7**
Stabilized debt-free City budget, (address pension system)		7					*			*	**7**

Focus Groups: Vision

	Focus Groups										
	Community Leaders	Finance & Insurance	Small Business	High tech	Medical	Tourism & Arts	Social Services	Port	Small Business	Education	**Total**
Business friendly, less bureaucratic government	*						*	3	2		**5**
Streamlined development process at City Hall	4										**4**
Committed Jobs and Business Strategy								3			**3**
Collaborative							2				**2**
Less polarized political environment	*								2		**2**
Healthy city government	2										**2**
More youth programs	1										**1**
Increased trust in local government	*										**0**
Increased clout & political leadership							*				**0**
Civic pride										*	**0**
Quality of Life Vision Concepts											
A safe and secure City	1		1	11			*		1	1	**15**
Improve Long Beach's image, identify Long Beach heroes				11							**11**
World class arts & entertainment scene						4	1				**5**
World class sporting events and venues						3	1				**4**
Family-oriented						4	*				**4**
Sustainable			1				3				**4**
Better schools				4							**4**
More park space in dense neighborhoods	1		2								**3**
Clean and attractive									2	*	**2**
Multicultural						2					**2**
Calmer, quieter, more peaceful						*	2				**2**
Casual and authentic						*					**0**
Strong and vibrant arts scene			*								**0**
More neighborhood pride											**0**
Less panhandling		*									**0**
Population Vision Concepts											
Improved homeownership opportunities	4										**4**
Inclusive							4				**4**
Best educated population/kids in state	1						1				**2**
A population well educated in ethics, personal responsibility and work culture	1										**1**
Support for schools and youth			*								**0**
Literate							*				**0**
Diverse							*				**0**
Equitable							*				**0**
Healthy							*				**0**

Source: MJC, 2005

Focus Groups: Recommended Action Items

	Focus Group											
	Community Leaders	Finance & Insurance	Small Business	High tech	Medical	Tourism	Social Services	Port	Small Business	Education	Real Estate	**Total**
Physical Action Items												
Modernize the airport terminal	3	5									8	**16**
Better city signage to attractions and gateways to the city (especially 7th street entrance, Broadway off of 710)		4				4					3	**11**
Fix the 710											10	**10**
Improve graffiti abatement program, especially along Long Beach Blvd.		*		5								**5**
High tech incubator connected with Port and international trade				4	*							**4**
Business attraction of high-tech medical, R&D, manufacturing				4								**4**
Complete redevelopment						4						**4**
Invest in Long Beach's industrial areas		3										**3**
Implement Douglas Park project										2		**2**
Engage in traffic management efforts to reduce gridlock								2				**2**
Balance issues that effect economic development with issues that effect neighborhoods	1								*			**1**
City should focus its attention on areas other than Downtown, such as North and Central Long Beach				*					1			**1**
Improve corridors and pedestrian-friendly areas										*		**0**
Regulation Action Items												
Improve building and zoning permitting process. Allow developers to hire private sector inspectors. As developers take projects through the redevelopment agency approval by the planning department should be simultaneous.				5		1					8	**14**
Improve operation of the Port	4	4										**8**
Promote green building practices							2					**2**
City should be more strategic in its development of Douglas Park and new 717 property, focus should be to create business and jobs through commercial development		1										**1**
Make City more business-friendly									*			**0**
City should work to remove the flood zone designation of the west side of the San Gabriel river as the flood insurance requirement is a barrier to development		*										**0**
City should work with regulatory agencies to find a creative solution for the Pike especially with regard to Tidelands Trust regulations						*						**0**
Economic Action Items												

Focus Groups: Recommended Action Items

	Focus Group											
	Community Leaders	Finance & Insurance	Small Business	High tech	Medical	Tourism	Social Services	Port	Small Business	Education	Real Estate	**Total**
Invest more in education opportunities for low-income and re-entry workers, especially 18-24 year olds							20		1			**21**
Provide business development services to non-profit organizations: loans, technical assistance, training. Utilize non-profit organizations as service providers.							18					**18**
Consider adoption of a Housing Trust Fund							15	1				**16**
Form/strengthen a business-City partnership to offer youth intern program		4								4		**8**
Create an arts and entertainment destination, support the arts with a direct grant program						6						**6**
Partner with non-profit and for-profit developers to develop more affordable housing and provide services							4	1				**5**
Develop a consistent land use and economic policy											5	**5**
City should focus efforts on putting homeless and low-income people to work				4								**4**
Engage business in process of creating the economic development strategy, and the end results should reflect input. The City should periodically provide updates on efforts.	3	1						*				**4**
Create job ladder for health care workers, that feeds students from high school to Community College to CSULB to the hospitals. City could work with CSULB and LBCC to create a work/study program that helps CANs become LVN and LVNs become RNs					3							**3**
Attract and create good jobs for Long Beach residents, especially improve connections with job growth in the Port							3					**3**
City should attract more manufacturing companies										3		**3**
Enforce small business set asides, enforce Section III policy for disadvantaged contractors			1						2			**3**
Capture equity growth in Redevelopment housing projects and reinvest in Long Beach							3					**3**
Youth counseling program										2		**2**
Improve placement/internship opportunities for CSULB students								2				**2**
Reduce barriers to development and business growth	2											**2**
Improve engagement of ED Bureau with CSU Long Beach. CSULB should have an extension center downtown.	2											**2**
Encourage sustainable businesses in Long Beach			2									**2**

Focus Groups: Recommended Action Items

	Focus Group											
	Community Leaders	Finance & Insurance	Small Business	High tech	Medical	Tourism	Social Services	Port	Small Business	Education	Real Estate	**Total**
City to work with school district to narrow the achievement gap between ethnic groups in middle and high school										1		**1**
City should work to create a cultural business center	1	*										**1**
City should work to attract fast growing companies				1								**1**
City should provide subsides for small businesses			1						*			**1**
Improve marketing for small business loan programs			1									**1**
City should make more thoughtful decisions about how it gives tax breaks; every business attraction package should be evaluated on a cost/benefit basis.	*											**0**
Develop a cultural market place for ethnic retailers		*										**0**
City should attract more small and large employers				*					*			**0**
City should outreach to non-English speaking business community	*											**0**
Create a small business incubator			*						*			**0**
Develop better training & career counseling										*		**0**
Marketing Action Items												
Launch effective marketing/PR campaign to improve Long Beach's image and improve resident pride in Long Beach. Strategy should include goals, accountability, timeline and metrics.				8		17		6		4	*	**35**
Market to ourselves: get people from the neighborhoods to come to downtown, attract weekend visitors from LA and Orange County "have a vacation in your backyard"						9				2		**11**
Increase budget to Convention and Visitors Bureau for tourism support						7						**7**
City should recruit a network affiliate to tell the Long Beach story (Channel 13 KCOP)				6								**6**
Create a weekend package (City Pass program) for visitors						4						**4**
Work with the arts community to launch an arts festival and other cultural tourism events						4						**4**
More sporting events, improve the Bowl for sporting events										*		**0**
Develop and publish better information about Long Beach's quality of life, public safety, graduation rates.				*							*	**0**
Political Action Items												
City should hold city-wide election for some portion of the City Council seats	11	5	3						2			**21**
Develop a city-wide master plan that goes beyond the 4-year political timeframe for decision making										7	7	**14**

Focus Groups: Recommended Action Items

	Focus Group											
	Community Leaders	Finance & Insurance	Small Business	High tech	Medical	Tourism	Social Services	Port	Small Business	Education	Real Estate	**Total**
Give the mayor the right to vote through charter reform. Mayor is the only person responsible to the whole city	12											**12**
Improve implementation of recommendations from consultants and community	*									4		**4**
City should provide regular feedback/report card on implementation on plans and activities. Improve accountability of City government			4									**4**
Improve responsiveness of Economic Development Bureau	1								2			**3**
Split community development into two departments, one focused on real estate development (housing, special projects, redevelopment and economic development) and one focused on social programs (workforce development & neighborhood services)											3	**3**
Economic Development Bureau should be the switchboard for problems and customer service at the City	3											**3**
City should hold some City Council meetings in the districts			1						1			**2**
Citizens should be able to place items on the City Council agenda			2									**2**
Leave redevelopment powers with the Redevelopment Board	2											**2**
Improve inter-department communication									2			**2**
Consider raising taxes							2					**2**
City should operate like a business and improve customer service	1											**1**
City should work more closely with the wide variety of multi-cultural communities in Long Beach												**0**
Bring in people with fresh ideas for open director positions in Community Development and Planning	*											**0**
Improve clean up and use of beaches, provide beach amenities to attract tourists	*	*										**0**
Parking & Transportation Action Items												
Extend Passport service outside of down town to bring tourists to other parts of the city			3									**3**
City should engage private sector more to clean up streets and develop land around the port	1	1										**2**
City should revise parking standards to make them more development friendly		*										**0**
Study Action Items												

Focus Groups: Recommended Action Items

	Focus Group											
	Community Leaders	Finance & Insurance	Small Business	High tech	Medical	Tourism	Social Services	Port	Small Business	Education	Real Estate	**Total**
Develop a coordinated social services plan for Long Beach, City coordinator should work with social service non-profits to assist with expansion, site needs, etc.							7					**7**
Develop specific career education materials for medical jobs					3							**3**
City needs better demographic and market analysis data										2		**2**
City should study potential impact of global warming on downtown Long Beach			1									**1**
Provide more information on the City's websites about career opportunities in the medical cluster					*							**0**
Quality of Life Action Items												
Homeless prevention services are needed							8					**8**
Invest more funds on domestic violence treatment and prevention							5					**5**
City needs a sustainable funding source for quality of life services such as libraries, parks and arts							2	1				**3**
Use hotel tax generated by homeless use of hotels to serve homeless needs							1					**1**

Source: MJC, 2005

APPENDIX D: ADDITIONAL CITY-WIDE MEETING INPUT

This section summarizes comments at the City-wide meetings that received three of fewer priority votes and were therefore not included in the body of the document.

FIRST CITY-WIDE MEETING

Assets (according to community participants)

- A strong tradition of community involvement (2)
- New downtown development and housing. (1)
- Strong revitalized neighborhoods (1)
- Easy access to the 605, 710, 405, and 91 freeways. (1)

Challenges (according to community participants)

Physical Challenges (according to community participants)

- Traffic congestion on local streets. (1)
- A lack of available developable land and a lack of vacant land. (1)

Business Challenges (according to community participants)

- Difficult tax structure for Business (3)
- Gaps in retail offerings: little high-end retail and few auto dealers. (2)
- The Pike project competes with existing restaurants on Pine Ave. (2)

Demographic Challenges (according to community participants)

- Homeless and stereotypes about the homeless. (1)

Political Challenges (according to community participants)

- Long Beach out-sources too many services to businesses from other cities (2)

Issues (according to community participants)

- City should not attract big box and chain retail because they offer low paying jobs (3)
- Involve people in vocational education programs in formulation of Jobs and Business Strategy (2)
- Need more housing for people who are not well-off and our kids (2)
- Airport is a great opportunity (2)
- Trade, technology and tourism focus (2)
- Need one strategy for Long Beach (2)
- Health care jobs are hard and low pay (1)
- Long Beach lacks many kinds of retail (1)
- Job training should be focused and short-term because low-income people don't have time for long training programs (1)
- Not enough interaction between people who disagree (0)

Vision Concepts (according to community participants)

- Involved Community (1)
- Practical incremental job opportunities and training for youth (1)

SECOND CITY-WIDE MEETING

Goals

- Focus efforts on small businesses owned by Long Beach residents (3)
- "Show and sell" opportunities for artists to sell out of their live/work lofts (3)
- Establish a housing trust fund (1)
- Aviation and airport sector (1)
- Conserve value of land by putting it to use (0)
- Assist existing businesses (0)

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