



Building A Better Long Beach

Item 9

June 2, 2008

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

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

DISCUSSION

In January 2008, the Executive Director of the Long Beach Redevelopment Agency (Agency) engaged Smith Consulting Group (SCG) to specifically focus on retail recruitment in the Downtown and other project areas on an as-needed basis. Part of the decision to bring SCG on board was in response to requests from our business partners and stakeholders to supplement our redevelopment and economic development efforts with a consultant tasked to focus on retail recruitment. Specifically, SCG's objective was to provide comprehensive retail real estate consulting and strategic planning by identifying and securing an outstanding mix of national, regional and local tenants for targeted areas within the City of Long Beach.

The initial scope of services was for a six-month term, which expires on June 15, 2008, and for an amount not to exceed \$65,000. To date, SCG has compiled and packaged demographic and retail trade information, prepared marketing packages for various retail interests, met with owners of vacant storefront properties, and successfully opened a dialog with key retail tenants.

To continue our momentum with key retailers, staff is requesting approval of a 12-month contract, from June 16, 2008 through June 15, 2009. The contract includes payment of a consulting fee of \$12,500 per month, reimbursement of reasonable and pre-authorized travel, entertainment, and marketing expenses, and an incentive fee upon execution of leases (minimum five years) for targeted sites as outlined on the attached Proposal for Retail Services (Exhibit A).

THE CITY OF LONG BEACH REDEVELOPMENT AGENCY

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REDEVELOPMENT AGENCY BOARD MEMBERS

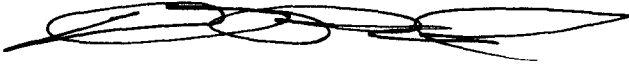
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SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



CRAIG BECK
EXECUTIVE DIRECTOR

CB:LAF:CSM:bc

Attachment: Exhibit A – Proposal for Retail Services



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Long Beach, California 92612

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PROPOSAL FOR RETAIL SERVICES

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

SCOPE OF SERVICES:

- Work with The Department of Development Services to create and refine a strategic plan for the City of Long Beach. Assist Team with Site Planning and Lifestyle Oriented Architecture based on Major Tenant Requirements.
- Provide input as requested including input on Retail Tenant Space Requirements and Conceptual Layouts and suggested land assembly for enhancing project significance and impact.
- Work with local property owners / developers to coordinate their retail tenaning efforts with other owners to maximize the City's visionary success with the attraction of retailers.
- Introduce new qualified retail / mixed use / hospitality developers to the many development opportunities in Long Beach.
- Assist in the development of effective Leasing and Marketing Brochures, which will be designed to attract the targeted Tenant Mix and to position Downtown Long Beach favorably in relation to competing retail projects in the Trade Area.
- Evaluate and Qualify Prospective Tenants for the City.
- Participate in Development Services meetings and provide Marketing Updates as required by the City of Long Beach.

TERM OF AGREEMENT: One (1) Year (commencing June 16, 2008 and terminating June 15, 2009). Either party may terminate Agreement with thirty (30) day notice.

COMPENSATION FOR SERVICES: Consulting Fee of \$12,500 per Month. Incentive fee will be paid to Donald T. Smith, Jr., dba Smith Consulting Group ("SCG") on the Following Schedule (cumulative):

0 - 5,000 square feet: \$3.00 per square foot.

5,001 square feet to 20,000 square feet: \$2.00 per square foot.

20,001 and larger: \$1.50 per square foot.

SCG shall be paid incrementally by the square footages referenced above. For example, if a retail tenant executes a lease of at least five (5) years or greater for the 6,000 sf former Express space, SCG will be paid \$3.00 psf x 5,000 sf (\$15,000) + \$2.00 psf x 1,000 sf (\$2,000) for a total of \$17,000 gross.

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

EXPENSE REIMBURSEMENT: The City of Long Beach will reimburse SCG for reasonable and pre-authorized travel/entertainment/office expenses and marketing assistance associated with the Promotion and Marketing of Long Beach.