

DOWNTOWN LONG BEACH

2016 ECONOMIC PROFILE





WELCOME

Downtown Long Beach (DTLB) is made up of extremely proud stakeholders who continually dedicate themselves to the evolving central business district and work diligently to make it more accessible, beautiful, and business friendly.

What DTLB is experiencing is a vast growth in its popularity, population and lease signings. More important than ever, it becomes essential to better understand how and why our community's dynamics are changing. What this proves is the important association between solid data collection and successfully exercising best practices to stimulate local economic development.

The keys to achieving the Downtown Long Beach Associates (DLBA) objectives to business recruitment, retention and job creation isn't just to talk about them, but to commit ourselves to researching and collecting empirical information to learn about the mechanisms on which they operate and how to strategically designate limited and precious resources.

From psychographics to demographics, from the Long Beach College Promise to tourism, the growing population of educated, talented, and creative professionals are proudly calling DTLB their preferred choice to establish or advance their careers, work, and experience a fulfilling existence.

The DLBA is committed to continuing to serve as a primary resource and as a clearinghouse of information by presenting its annual 2016 Downtown Economic Profile and trust you'll find this information as helpful as we did in compiling it.



KRAIG KOJIAN
President & CEO



MICHELLE MOLINA
Chairperson



desire

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desire

WELLS FARGO



DTLB DEFINITION

[də'zɪ(ə)r/]

1. the belief in the possibility of limitless achievement, creation, and progress within Downtown Long Beach.

COMMUTING HERE

DTLB is located on LA County's southern edge, making it directly connected to a robust matrix of freeways and accessible to three airports, including Long Beach's own municipal airport and two international airports. It is also served by the Metro Blue Line, the nation's most used light rail line system with over 80,000 boardings per day. This line provides a direct connection between DTLB and Downtown Los Angeles, allowing users to easily jump between the attractions and amenities of both cities, and all points in between.



| | Distance (miles) | Time (mins) |
|------------------------------|------------------|-------------|
| to Los Angeles Airport (LAX) | 25 | 26 |
| to Downtown LA | 26 | 32 |
| to John Wayne Airport (SNA) | 23 | 32 |

Figure 1.1 - Distance & commute times from DTLB.
Source: Google Maps - Broadway/Pine starting destination



- ● ● ● ● Metro
- Freeway
- ✈ Airport

BUSINESS IMPROVEMENT DISTRICTS

NEIGHBORHOODS & BOUNDARIES

Recognizing that a municipality can't do it all is where a Business Improvement District (BID) plays a role above what a City provides, from coordinating events to picking up litter. DTLB's first BID was the Downtown Parking Improvement Area (DPIA), established in 1973 by business owners, while the second BID, the Property-Based Improvement District (PBID), was established in 1998 by commercial property owners and expanded to residential property owners and renewed for 10 years in 2013. The DLBA manages both BIDs and has created a more connected, safer and vibrant Downtown.

EAST VILLAGE ARTS DISTRICT

Roughly located toward the southeastern edge of our boundary, the East Village is home to high-rise condos, artist lofts and small craftsman cottages mixed in with independent stores selling everything from designer denim and specialty sneakers to used books and mid-century furniture.

NORTH PINE

At the northern end of Pine Avenue, this rich neighborhood offers historic condos, apartments and single family homes, with its population increase leading to a revival of some of the most established businesses and buildings in Long Beach.

PINE AVENUE & THE PROMENADE

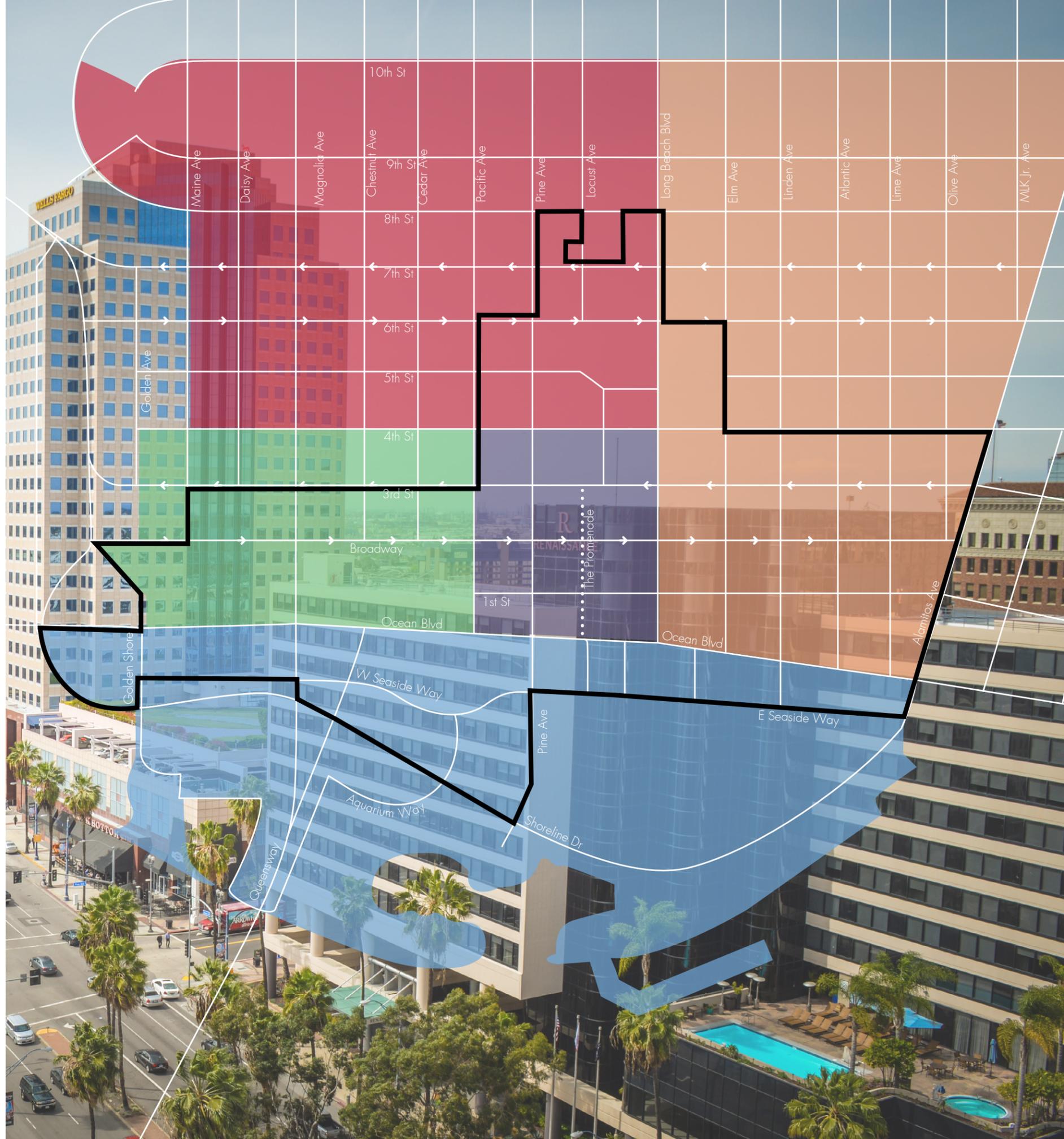
The bustling heart of DTLB, Pine Avenue and the Promenade neighborhoods are DTLB's go-to places to grub, be entertained, and drink some of the finest craft beers and cocktails in the region. From one of the nation's most lauded gastropubs to the nation's first park named after Harvey Milk, this area is the nucleus of DTLB.

WATERFRONT

DTLB's Waterfront is home to both the Shoreline Village and Pike Outlets while offering guests nationally known restaurants and hangouts. And if you're feeling like exploring the ocean in a new way, head to the Aquarium of the Pacific for some fish'n' ocean experiences unlike any other.

WEST GATEWAY

Known as the financial and governmental center of DTLB, the West Gateway is home to the Long Beach Civic Center, World Trade Center, Deukmejian Courthouse, and many of the city's office high-rises. With its array of housing options, one can feel the energy of the business hub of the city while enjoying pedestrian access to all of DTLB's offerings.



DOING BUSINESS

ABOUT THE DLBA

The DLBA is a non-profit organization whose sole mission is to create a more vibrant, connected, and prosperous Downtown. By balancing the interests of residents as well as businesses, the DLBA is able to create tangible progress that supersedes run-of-the-mill attempts at developing urban cores by way of vested interest and solidified partnerships across local, municipal and commercial lines.

GETTING HERE

DTLB's location—nestled along a waterfront, providing a unique juxtaposition of natural beauty and urban growth—is one of its most admirable characteristics. Being the state's seventh most populated city, accessibility to the Downtown core is both convenient and progressive. Whether you travel by car, use public transit to get around, or are a pedestrian or bicyclist looking to explore within a smaller radius, DTLB accommodates you.

BEING HERE

DTLB has a multitude of benefits, particularly including the fact that it has two BIDs, the PBID and the DPIA. Both administered by the DLBA, this aspect of DTLB permits more work to be done in the favor of businesses, residents and stakeholders by way of neighborhoods that are cleaner, safer, more pedestrian-friendly and more active than they've ever been. With increased potential each year, the DLBA uses the BIDs to turn ideas into realizations, that are essential to the Downtown's growth: Economic Development, Public Safety, the Public Realm, Marketing and Special Events, and Advocacy.

BUILDING HERE

The DLBA is a business-friendly resource serving as a liaison between the investor and the City of Long Beach. This equates to limiting stress while increasing potential: assistance with City officials and brokers, knowledgeable connections that can ease the process of opening a business, guidance in site selection, and resources making the experience to hanging an "Open" sign a reality.

THE DOWNTOWN PLAN

As a planning ordinance, the Downtown Plan's goals are simple: encourage the development of residences, office and retail space, restaurants, hotels, and jobs through a single guiding document. Through incentivizing investors and developers, the Plan helps foster a more connected, more cultured, and more diverse DTLB. The results of its implementation are tangible: 800 new businesses have opened, 622 residential units have come online, and 2,500 more residential units are entitled since 2012.



Source: DLBA database, 2015

“ WE ARE BRINGING 125 DESIGN PROFESSIONALS TO THE STREETS OF DTLB WITH OUR NEW OFFICE. BY INVESTING OVER \$2M INTO THIS AREA, WE ANTICIPATE TO LEVERAGE AT LEAST ANOTHER \$5M OF INVESTMENT. IN SHORT: THE CHANCE TO TRANSFORM A BLAND SHOPPING CENTER INTO A VIBRANT COMPONENT OF DTLB’S GROWING DYNAMISM WAS TOO ATTRACTIVE TO WALK AWAY FROM. WE’RE ALL IN. ”

- Michael Bohn, Principal
Studio One Eleven



DEVELOPMENT ACTIVITY

PUBLIC

This year, the residents of Long Beach will witness the groundbreaking of an entirely new Civic Center in the heart of its Downtown. It's Downtown's second major public-private partnership, following the award-winning George Deukmejian Courthouse a block away, the Civic Center is a 15.78 acre space interconnected by City Hall, the Main Library, Lincoln Park, and our police headquarters. The reimagining of the large block of land into a world-class center for civic engagement—including the new home to the Port of Long Beach—will not only alter the public sphere but redefine DTLB's skyline.

COMMERCIAL

As DTLB welcomes an increasing population paired with a development boom, the need for more retail and commercial space becomes pertinent. Following the rebranding of the Pike Outlets last year, one of DTLB's largest retail properties, City Place, will alter its own image to become more reflective of the Downtown. Spanning a four-year, three-phase, multi-million dollar facelift, City Place will bring in famed firm Studio One Eleven to lead the architectural design team; the architectural crew will also become tenants in the complex along with parent company Perkowitz + Ruth. With six blocks of retail and space, City Place is ushering in what could be a game-changer for DTLB.

RESIDENTIAL

The desire and need for residential development was met with tangible progress as two major real estate developments, the 17-story and now-leasing Current tower at Ocean and Alamitos and the Edison at 1st & Long Beach Blvd. With The Current now offering new homes to residents, the development team is expected to move onto the project's second phase—a 35-story tower with for-sale units—in the coming year. Not only will offer residents new permanent housing, it will also mark our skyline's highest building upon completion.



“ DOWNTOWN LONG BEACH IS FOCUSED ON ALL THE KEY COMPONENTS OF A REVITALIZED URBAN CORE: DRAWING TECH AND OTHER ‘NEW ECONOMY’ JOBS; PROVIDING NEW URBAN INFILL HOUSING, RESTAURANTS, AND OTHER BUSINESSES DESIRABLE TO MILLENNIALS AND OTHER GROWING DEMOGRAPHIC GROUPS ”

- Erik Johnson, Principal
First Hill, LLC

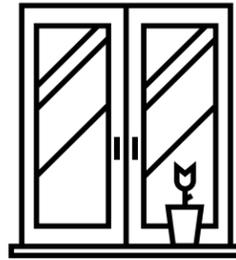
HOUSING

THE MARKET

32,000 people currently call DTLB their home, a new high thanks to a 17% increase since 2010. While another 3% growth by 2020 is determined, this growth could prove more fruitful as new development comes online. With those facts comes a deep need for more housing development, with occupancy hovering around 96%, a 4% increase since 2008.

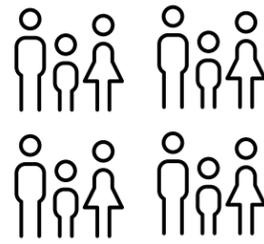
Housing rates for studios, one-, two-, and four-bedroom units have increased between 4% and 13% since 2014. Overall, rental rates have increased 26% increase since 2010, with a range of \$0.99 per square foot to a new high of \$4.34 per square foot.

by the numbers



15,785

Total Housing Units



DTLB housing is

86%

multi-family residences

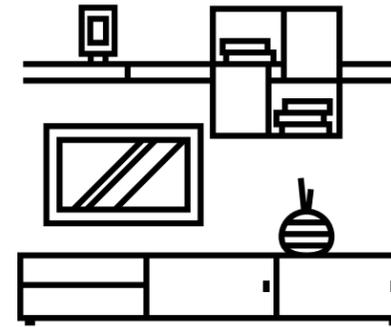
Source: US Census, 2014

INVENTORY

DTLB is home to Class A, B, and C residential units, of which each class is set by the conditions of the property and where it is located. 15,785 units, 86% of which are multi-family units, are spread across the Downtown, suggesting a highly dense urban area.

Class A properties are newer, rich in amenities, and higher in rent while Class B properties are multifamily properties that are usually 10 to 20 years old, well-kept, and accommodate the middle class. Lastly, Class C properties range in age from 30 to 40 years old and offer less both in terms of amenities and location desirability compared to the aforementioned classes.

Since 2008, 585 highly amenitized units have been built and by the end of 2016, 408 additional units are expected to come into the market. If we expand our outlook over the next three years, we'll see an additional 878 units come online.



DTLB has

2,500

ENTITLED residential units

Source: City of Long Beach, Development Services



PLACEMAKING

Beyond being a mixture of generating ideas and tangibly executing those ideas, placemaking represents a comeback of the community. If we've learned one thing about urban spaces, it is that giving back public space to people not only empowers and nourishes neighborhoods but provides capital—both economic and social—through increased foot traffic and visitor interest.

Placemaking is nothing short of the deliberate shaping of our environment toward the human scale.

LOCATION MATTERS

The DLBA's latest public space project, The Loop. Once a bustling intersection, Ocean & Pine was plagued by a lack of pedestrian interest and low investment—that is, until DLBA took a strip of public land that has been walled off for over thirty years and turned into an entirely new venue for public use through art, architecture, and activation.

“THERE'S SOMETHING IN THE AIR IN DOWNTOWN LONG BEACH. IT'S A BIT HARD TO DEFINE, AND IT CAUSES VARIOUS REACTIONS... IT'S A SENSE OF OPTIMISM. IT'S AN ATTITUDE OF CAN DO. IT'S A 'WHAT IF WE DID' AND NOT THE 'WHAT IF WE DIDN'T' THAT HAS PRECEDED SO MANY PREVIOUS FALSE STARTS.”

- The Gazettes Newspaper

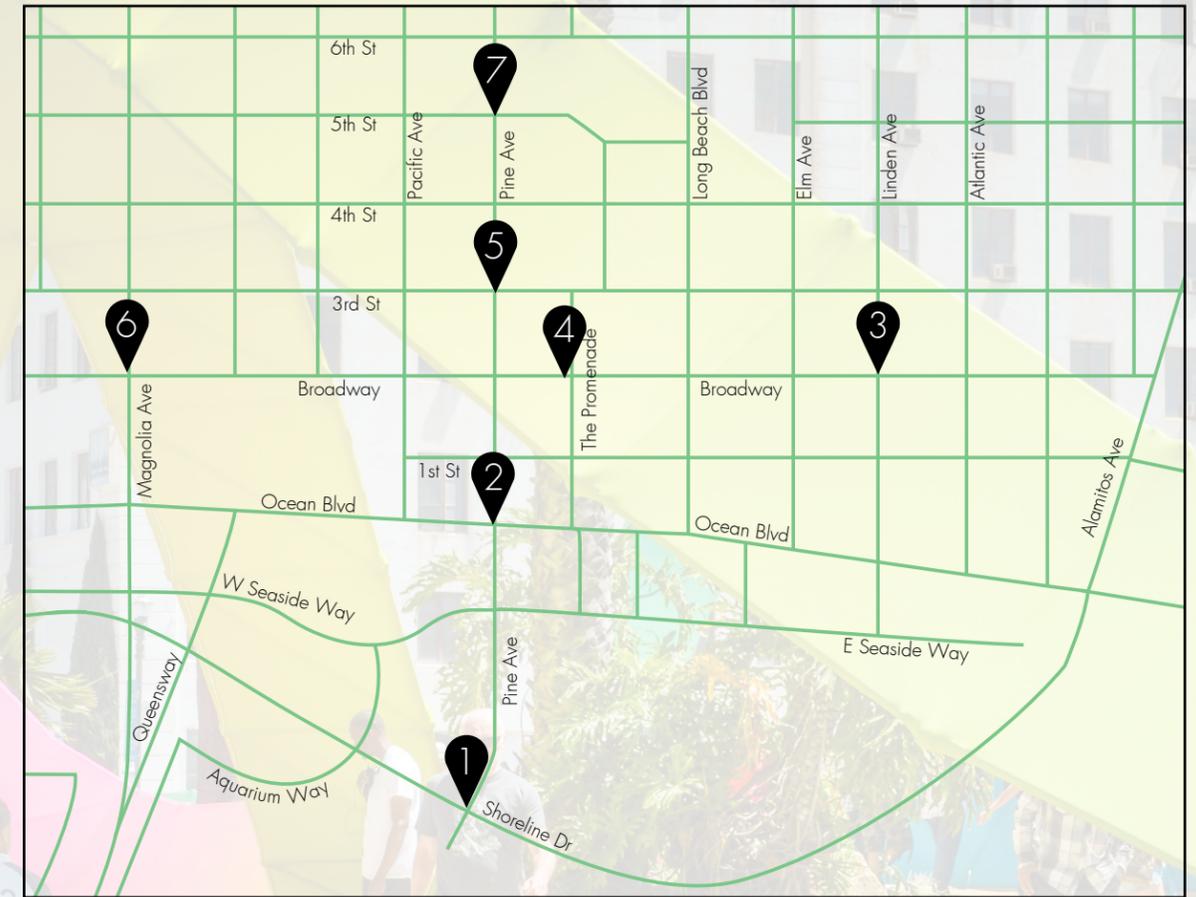
PEDESTRIAN COUNT

Another example of placemaking includes our programming for the City of Long Beach's Beach Streets event, where streets are closed off for one day to vehicular traffic in favor of those on bikes, skateboards, rollerblades, or their own two feet. This slowing down of traffic permits users to see businesses, restaurants, and stores that might have otherwise been missed while passing by in the bubble of their vehicles.

Of course, the benefits go beyond temporary spaces like The Loop or events like Beach Streets. Permanent infrastructure such as separated biking lanes, scramble and creative crosswalks, smart parking meters, public art, and increased public real estate all contribute to a healthier Downtown, where people are put ahead of efficiency.



PEDESTRIAN COUNT HIGHLIGHTS



Map 1.1 - 2015 High traffic pedestrian count locations.

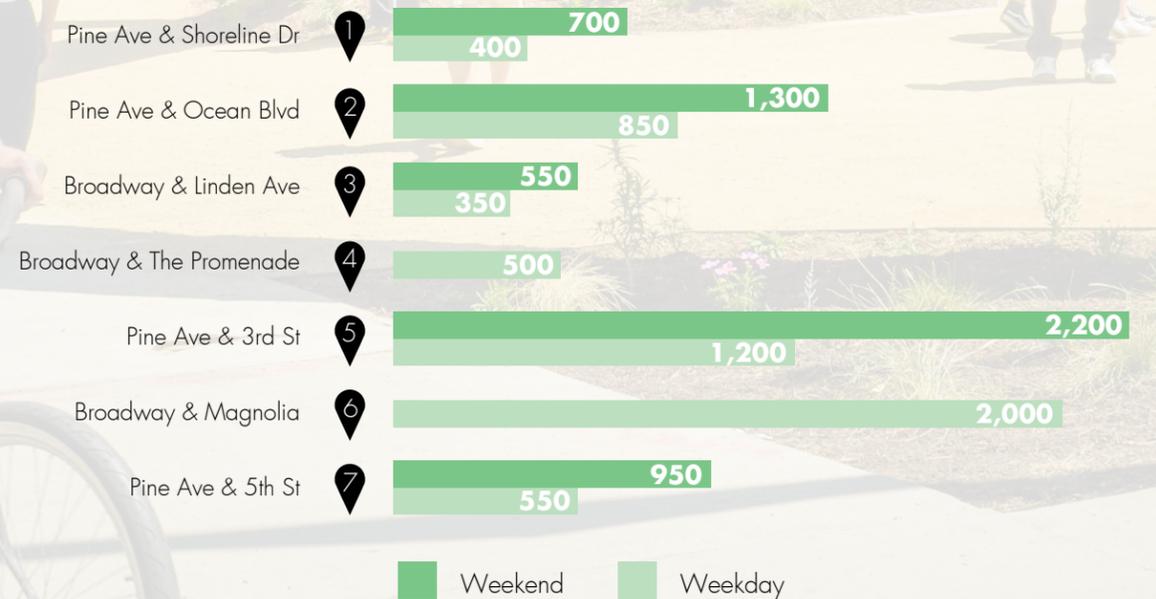


Figure 1.2 - 2015 high traffic pedestrian count results comparing weekday and weekend foot traffic by location.

Source: DLBA Pedestrian Count Study, Winter/Summer 2015

character



DTLB DEFINITION

[kerəktər/]

1. the conglomeration of personalities, idea-makers, and investors that make up Downtown Long Beach.

DEMOGRAPHICS

OUR COMMUNITY

A community's demographic makeup allows insight into the human fabric—and to a large extent, the demography of DTLB allows investors to plan with foresight and strategy. Understanding the structure of DTLB's population and the changes within it provide a two-fold benefit: recognizing past trends while having the ability to plan future development with confidence.

by the numbers



32% of residents have a Bachelor's degree or higher



Average Household Income = \$57K
 UP 17% since 2014

Source: US Census - American Factfinder, 2014



AT A GLANCE

Table 2.1 - 2015 demographic findings from Downtown Long Beach.

Households

| | 2015 | 2016 | Percent Change |
|--------------------------|----------|----------|----------------|
| Households | 13,111 | 13,155 | 0.3% |
| Average Household Income | \$51,965 | \$57,709 | 11% |
| Median Age | 31.4 | 35.0 | 11.5% |

Average Household Income

Median Age

Household by Income

| | 2015 | 2016 | Difference |
|---------------------|-------|-------|------------|
| < \$15,000 | 19.4% | 21.2% | 1.8% |
| \$15,000-\$24,999 | 12.7% | 14.1% | 1.4% |
| \$25,000-\$34,999 | 13.0% | 11.2% | -1.8% |
| \$35,000-\$49,999 | 17.5% | 12.0% | -5.5% |
| \$50,000-\$74,999 | 11.6% | 13.6% | 2.0% |
| \$75,000-\$99,999 | 11.6% | 9.9% | -1.7% |
| \$100,000-\$149,999 | 8.2% | 11.3% | 3.1% |
| \$150,000 or more | 6.0% | 6.8% | 0.8% |

Population by Age

| | 2015 | 2016 | Difference |
|----------|-------|-------|------------|
| Under 18 | 23.4% | 20.0% | -3.4% |
| 19-24 | 9.6% | 10.5% | 0.9% |
| 25-34 | 19.5% | 20.3% | 0.8% |
| 35-44 | 16.6% | 17.9% | 1.3% |
| 45-54 | 13.5% | 15.0% | 1.5% |
| 55-64 | 10.1% | 10.6% | 0.5% |
| 65-74 | 7.3% | 5.8% | -1.5% |

Educational Attainment [age 25+]

| | 2015 | 2016 | Difference |
|----------------------------------|-------|-------|------------|
| High School Diploma or Less | 42.1% | 37.9% | -4.2% |
| Some College or Associate Degree | 31.0% | 30.0% | -1.0% |
| Bachelor's Degree or Higher | 26.9% | 32.1% | 5.2% |

Source: US Census - American Factfinder, 2014

PSYCHOGRAPHICS

Psychographics examines looking further into individual profiles of residents. From social and spending attitudes to interests and values, psychographics enable marketers, investors, and the public to know more than just who people are but why they choose to live where they live and spend their money the way they do. The following DTLB profiles were developed utilizing ESRI's Tapestry segmentation data.

METRO RENTERS

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. Metro Renters residents income is close to the US average, but they spend a large portion of their wages on rent, clothes, and the latest technology. Computers and cell phones are an integral part of everyday life and are used interchangeably for news, entertainment, shopping, and social media. Metro Renters residents live close to their jobs and usually walk or used shared economy to get around the city.

| | |
|---------------------------|----------|
| Percent of DTLB residents | 23.7% |
| Median Age | 31.8 |
| Median Household Income | \$52,000 |

SOCIOECONOMIC TRAITS

- Well-educated consumers, many currently enrolled in college.
- Very interested in the fine arts and strive to be sophisticated; value education and creativity.
- Willing to take risks and work long hours to get to the top of their profession.
- Become well informed before purchasing the newest technology.
- Prefer environmentally safe products.
- Socializing and social status very important.

SET TO IMPRESS

Set to Impress is depicted by medium to large multi-unit apartments with lower than average rents. These apartments are often nestled into neighborhoods with other businesses or single-family housing. Nearly one in three residents is 20 to 34 years old, and over half of the homes are non-family households. Although many residents live alone, they preserve close connections with their family. Income levels are low; many work in food service while they are attending college. This group is always looking for a deal. They are very conscious of their image and seek to bolster their status with the latest fashion. Set to Impress residents are tapped into popular music and the local music scene.



| | |
|---------------------------|----------|
| Percent of DTLB residents | 22.9% |
| Median Age | 33.1 |
| Median Household Income | \$29,000 |

SOCIOECONOMIC TRAITS

- Residents are better educated and mobile.
- Unemployment is higher, although many are still enrolled in college.
- They always have an eye out for a sale and will stock up when the price is right.
- They prefer name brands, but will buy generic when it is a better deal.
- Quick meals on the run are a reality of life.
- They're image-conscious consumers that dress to impress and often make impulse buys.
- They maintain close relationships with family.



PSYCHOGRAPHICS

ENTERPRISING PROFESSIONALS

Enterprising Professionals residents are well educated and climbing the ladder in STEAM (science, technology, engineering, art, and mathematics) occupations. They change jobs often and therefore choose to live in condos, town homes, or apartments; many still rent their homes. The market is fast-growing, located in lower density neighborhoods of large metro areas. Enterprising Professionals residents are diverse, with Asians making up over one-fifth of the population. This young market makes over one and a half times more income than the US median, supplementing their income with high-risk investments. At home, they enjoy the Internet and TV on high-speed connections with premier channels and services.

| | |
|---------------------------|----------|
| Percent of DTLB residents | 18.1% |
| Median Age | 34.8 |
| Median Household Income | \$77,000 |

SOCIOECONOMIC TRAITS

- Median household income one and a half times that of the US.
- Over half hold a bachelor's degree or higher.
- Early adopters of new technology in hopes of impressing peers with new gadgets.
- Enjoy talking about and giving advice on technology.
- Half have smartphones and use them for news, accessing search engines, and maps.
- Work long hours in front of a computer.
- Strive to stay youthful and healthy, eat organic and natural foods, run and do yoga.
- Buy name brands and trendy clothes online.

TRENDSETTERS

Armed with the motto "you're only young once", Trendsetters residents live life to its full potential. These educated young singles aren't ready to settle down; they do not own homes or vehicles and choose to spend their disposable income on upscale city living and entertainment. Dressed head to toe in the most current fashions, their weeknights and weekends are filled discovering local art and culture, dining out, or exploring new hobbies. Their vacations are often spontaneous, packed with new experiences and chronicled on their Facebook pages.

| | |
|---------------------------|----------|
| Percent of DTLB residents | 14.2% |
| Median Age | 35.5 |
| Median Household Income | \$51,000 |

SOCIOECONOMIC TRAITS

- These residents are young and well educated; almost half have a bachelor's degree or more.
- Well paid, with little financial responsibility, these consumers are spenders rather than savers. They seek financial advice and are already building their stock portfolios.
- Image is important to these consumers. They use the Internet to keep up with the latest styles and trends and shop around for good deals.
- Trendsetters residents travel often, exploring new destinations and experiences.
- Socially and environmentally conscious, they are willing to pay more for products that support their causes.
- Up-to-date on technology, they explore and exploit all the features of their smartphones.
- They are attentive to good health and nutrition.



PSYCHOGRAPHICS

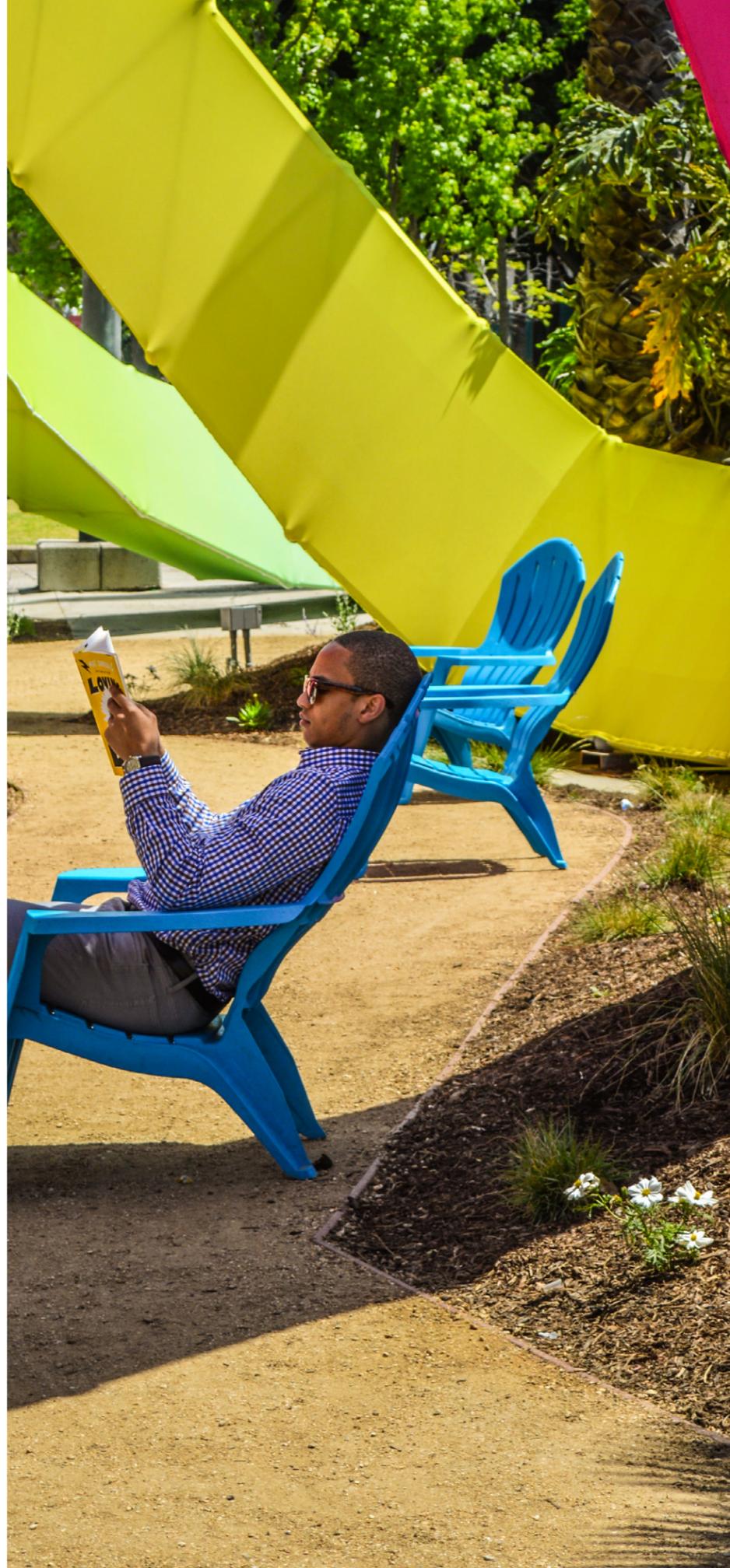
METRO FUSION

Metro Fusion is a young, diverse market. Many residents do not speak English fluently and have moved into their homes recently. They are highly mobile and over three quarters of households are occupied by renters. Many households have young children; a quarter are single-parent families. The majority of residents live in midsize apartment buildings. Metro Fusion is a hard-working market with residents that are dedicated to climbing the ladders of their professional and social lives. This is particularly difficult for the single parents due to median incomes that are 35% lower than the US level.

| | |
|---------------------------|----------|
| Percent of DTLB residents | 12.1% |
| Median Age | 28.8 |
| Median Household Income | \$33,000 |

SOCIOECONOMIC TRAITS

- They're a diverse market with 30% black, 34% Hispanic, and 20% foreign born.
- Younger residents are highly connected, while older residents do not have much use for the latest and greatest technology.
- They work hard to advance in their professions, including working weekends.
- They take pride in their appearance, consider their fashion trendy, and stick with the same few designer brands.
- They spend money readily on what's hot unless saving for something specific.
- Social status is very important; they look to impress with fashion and electronics.



YOUNG AND RESTLESS

Gen Y comes of age: Well-educated young workers, some of whom are still completing their education, are employed in professional/technical occupations, as well as sales and office/administrative support roles. These residents are not established yet, but striving to get ahead and improve themselves. This market ranks in the top 5 for renters, movers, college enrollment, and labor force participation rate. Almost 1 in 5 residents move each year. Close to half of all householders are under the age of 35, the majority living alone or in shared nonfamily dwellings. Median household income is still below the US. Smartphones are a way of life, and they use the Internet extensively. Young and Restless consumers are diverse, favoring densely populated neighborhoods in large metropolitan areas; over 50% are located in the South (almost a fifth in Texas), with the rest chiefly in the West and Midwest.

| | |
|---------------------------|----------|
| Percent of DTLB residents | 9.0% |
| Median Age | 29.4 |
| Median Household Income | \$36,000 |

SOCIOECONOMIC TRAITS

- Education completed: 2 out of 3 have some college, an associate's degree, or a bachelor's degree or higher. Education in progress: almost 15% are still enrolled in college.
- Labor force participation rate is exceptionally high at 75.4%; unemployment is low at 7.8%.
- These are careful shoppers, aware of prices, and demonstrate little brand loyalty.
- They like to be the first to try new products, but prefer to do research before buying the latest electronics.
- Most of their information comes from the Internet and TV, rather than traditional media.
- Carry their cell phone everywhere they go.

“MOVING TO THE GROUND FLOOR OF DTLB WAS THE MAJOR SHIFT IN OUR INVESTMENT, FROM BEING PERCHED INTO THE SKY AND REMOVED FROM IT ALL AND DOWN TO THE SIDEWALKS. IT ALLOWED US TO FEEL TRULY PART OF THE COMMUNITY—AND THAT’S WHERE THE POWER OF DOWNTOWN LIES: IN ITS RESIDENTS, IN THE PEOPLE WHO USE IT EVERYDAY. THEIR LOVE AND PRIDE IS CONTAGIOUS FOR ANY BUSINESS OWNER.”

”
- Julia Huang, Owner
interTrend Communications

dedication



DTLB DEFINITION

[dedə'kāSH(ə)n/]

1. the acknowledgment and support of those that contribute, build, and stake a claim in Downtown Long Beach.

OFFICE SPACE

THE MARKET

DTLB is home to over 1,400 different businesses —a thousand of which are professional and service-based industries—with more moving in continually. Our business and service professionals are accommodated in approx. 4.1M sq. ft. of office space, of which roughly 3.8M sq. ft. is allocated to Class A & B buildings.

Approximately

1,400
businesses in DTLB



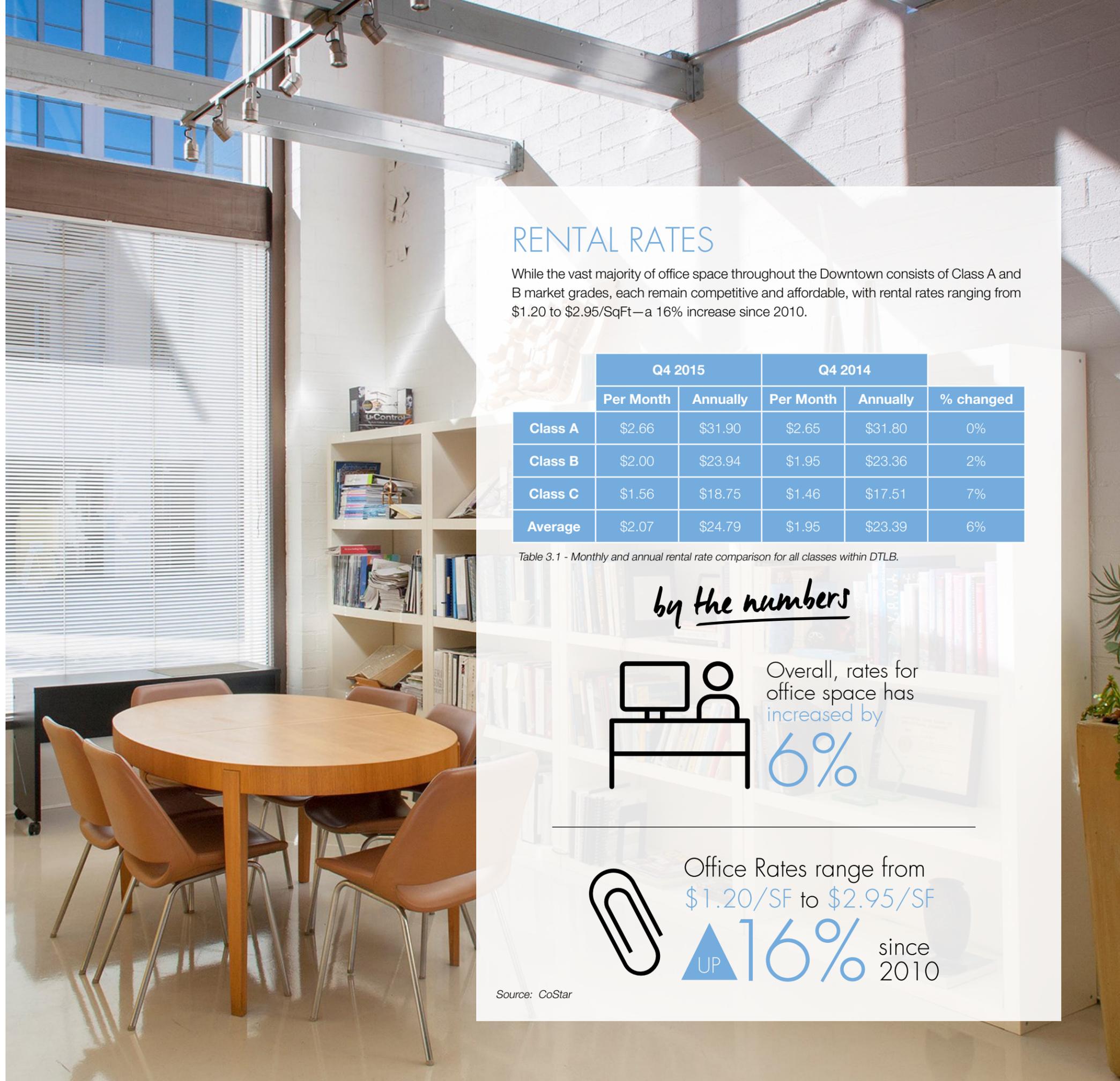
Source: DLBA database, 2015

CREATIVE OFFICE SPACE

From interior designers to architectural firms, professional spaces across DTLB are eschewing bland, monotonous cubicles in favor of becoming spaces that reflect the diversity of DTLB's workforce and its creative capital. These office spaces—open, colorful—include amenities like libraries, hangout areas, collaboration spaces, and chalk walls to spur ideas.

DTLB IS BECOMING AN INNOVATION HUB THAT IS FOCUSING ON YOUNG PROFESSIONALS AND THE SPACES THEY DESIRE... ENTHUSIASTIC DEVELOPERS AND INVESTORS HAVE COME INTO DOWNTOWN AND ARE SPENDING MONEY TO UPGRADE OLD, TIRED BUILDINGS AND MAKE THEM SOMETHING UNIQUE, DIFFERENT, AND EXCITING.

- Toliver Morris, President & CEO
William Morris Commercial



RENTAL RATES

While the vast majority of office space throughout the Downtown consists of Class A and B market grades, each remain competitive and affordable, with rental rates ranging from \$1.20 to \$2.95/SqFt—a 16% increase since 2010.

| | Q4 2015 | | Q4 2014 | | % changed |
|----------------|-----------|----------|-----------|----------|-----------|
| | Per Month | Annually | Per Month | Annually | |
| Class A | \$2.66 | \$31.90 | \$2.65 | \$31.80 | 0% |
| Class B | \$2.00 | \$23.94 | \$1.95 | \$23.36 | 2% |
| Class C | \$1.56 | \$18.75 | \$1.46 | \$17.51 | 7% |
| Average | \$2.07 | \$24.79 | \$1.95 | \$23.39 | 6% |

Table 3.1 - Monthly and annual rental rate comparison for all classes within DTLB.

by the numbers



Overall, rates for office space has increased by

6%



Office Rates range from \$1.20/SF to \$2.95/SF

UP 16% since 2010

Source: CoStar

BUSINESS ENVIRONMENT

DTLB BUSINESSES

The vast majority of DTLB businesses are small businesses that generate revenue through service or retail-based offerings. In fact, over 90% of DTLB businesses have fewer than 25 employees. Combine this with some of our largest employers, such as Molina Healthcare, and it is clear that DTLB is the economic hub of Long Beach.

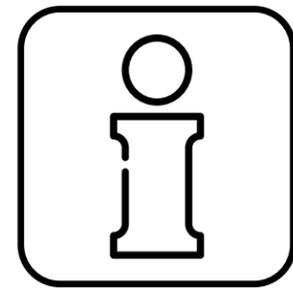
SMALL BUSINESS DEVELOPMENT CENTER

Hosted by Long Beach City College, the DTLB office of the Small Business Development Center is essential in not only keeping current businesses alive and thriving but welcome budding entrepreneurs into the Downtown with more than hope. It begins with one essential belief: that every great business starts with a bright idea and every great existing business shouldn't be afraid to grow. Helping connect or hone existing businesses while fostering new businesses, DTLB's small businesses are not only the city's economic engine but are backed with support that goes beyond municipal benefits.

by the numbers

The Small Business Development Center
ASSISTED

110



DTLB businesses
in 2015

Source: Small Business Development Center, 2015

// I WANTED TO BE SURROUNDED BY A 'PROFESSIONAL/ CREATIVE' ENVIRONMENT. THAT'S DEFINITELY THE DIRECTION DOWNTOWN LONG BEACH IS HEADED, AND I WANT TO BE PART OF IT. //

- Sal Flores, Owner / Creative Director
KAHLO



WORKFORCE

KEY INDUSTRIES

DTLB is home to the highest employment densities in the city, with over 33,000 jobs. Thanks to the economic powerhouse that is the Port of Long Beach—with an estimated trade value of \$180B annually—the majority of DTLB’s jobs lie within trade and transportation. Given the presence of the City of Long Beach as well as the aforementioned Port, another key industry is administration. With DTLB’s growing culinary scene—including gastropubs like the just-opened Dog Haus and the upcoming Beer Belly as well as specialty shops like Recreational Coffee and Rainbow Juices—and a spike in retail offerings thanks to the newly revamped Pike Outlets, service jobs also represent an important piece in the large puzzle of DTLB industry.

| HEALTH 4% | DISTRIBUTION 36% | LIVING SERVICES 10% | CONSUMER SERVICES 16% | ADMINISTRATION 21% | TECHNOLOGY 8% |
|-----------------|---------------------|------------------------|--------------------------|-----------------------|-----------------------|
| Healthcare | Transportation | Waste Management | Accommodations | Information | Professional Services |
| Social Services | Warehousing | Utilities | Food Service | Finance | Scientific Services |
| | Wholesale Trade | Oil / Gas | Arts | Insurance | Technical Services |
| | | Construction | Entertainment | Public | Manufacturing |
| | | Educational services | Recreation | Administration | |
| | | Real Estate | Retail | Management | |
| | | Rental & Leasing | | Other Services | |

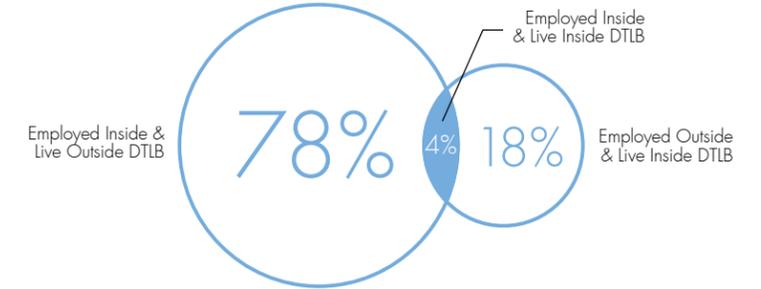
Table 3.2 - Categorized breakdown of key employment industries within DTLB.
Source: US Census - On the Map, 2014

WORKFORCE DEVELOPMENT

Thanks to the efforts of Long Beach’s Pacific Gateway Workforce Development, 10,000 job seekers are served annually throughout the Greater Long Beach and especially in the Downtown. Thanks to a newly minted, multi-million dollar partnership with Bluedrop Learning Networks, Pacific Gateway expects to reach 50,000 job seekers in the area through streamlining complex workplace environments into online platforms.

EMPLOYMENT

Of the approximately 40,000 employees in DTLB, 78% of them are employed within the business improvement district, but live outside of the district. 4% are employed and live within the district, and 18% live in the district, but are employed outside of the district.



LARGEST EMPLOYERS

| PUBLIC | | PRIVATE | |
|--------------------|--------|-------------------|-------|
| LBUSD | 12,143 | Boeing | 3,556 |
| LB Memorial | 5,146 | Molina Healthcare | 1,184 |
| City of Long Beach | 5,074 | Toyota | 732 |
| CSULB | 2,881 | Jet Blue | 660 |
| VA LB | 2,480 | Scan Health Plan | 650 |
| LBCC | 2,456 | Espon | 521 |
| St. Mary's | 1,420 | AAA | 493 |
| CSULB Foundation | 1,420 | The Queen Mary | 484 |
| USPS | 708 | Target | 413 |

Table 3.3 - Largest public and private employers in the City of Long Beach.
Source: City of Long Beach, Financial Management



EDUCATION

Long Beach is rare in one particular sense when it comes to education: it is home to the three pillars of the educational journey, with its own K12 school district, a community college, and a four-year accredited university. Together, Long Beach Unified School District (LBUSD), Long Beach City College (LBCC), and California State University Long Beach (CSULB) create the educational atmosphere of the entire city.

ENROLLMENT

Recognized as one of the world's five best educational systems, LBUSD is home to over 79,000 students across 85 public schools. Meanwhile, LBCC caters to over 26,000 post-high school students and CSULB entered into a record year for 2015 with 37,430 undergrad, graduate, and doctoral students.

LONG BEACH PROMISE

Nationally recognized since its inception in 2008, the Long Beach College Promise was an agreement between LBUSD, LBCC, and CSULB to guarantee a number of local students to prepare for, enter, and succeed in college. Thanks to the Promise, student test scores, AP-class enrollment, high-school graduation rates, and college-attendance rates have all risen across the entire city. Turning three education systems into one, Long Beach is paving an academic path from the first moment students enter a classroom.

// THE LONG BEACH COLLEGE PROMISE HAS EXCEEDED OUR INITIAL EXPECTATIONS, PROVIDING GREATER ACCESS TO HIGHER EDUCATION FOR THOUSANDS OF LONG BEACH STUDENTS. //

Eloy Ortiz Oakley, President
Long Beach City College



curiosity



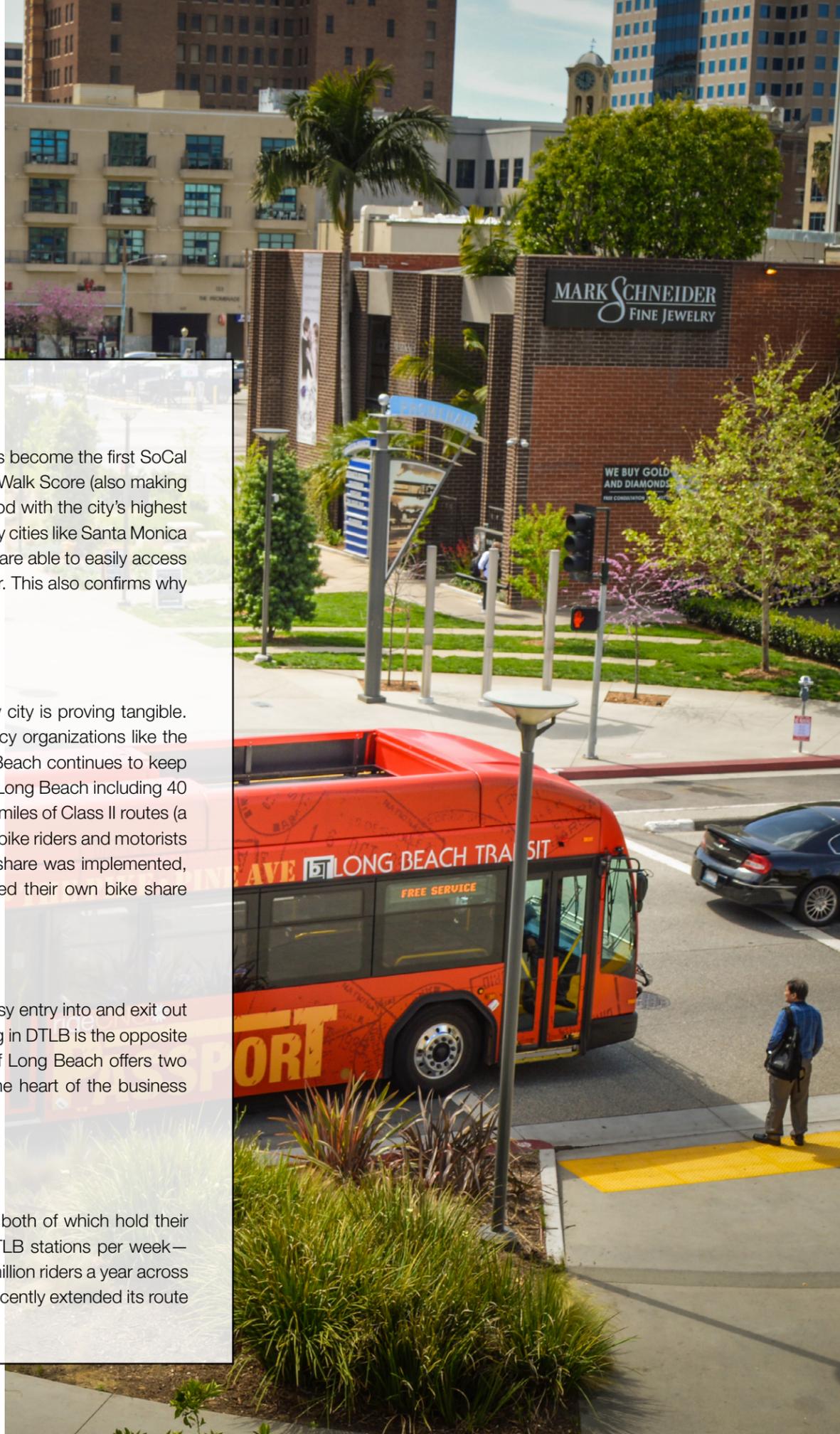
DTLB DEFINITION

[kyoorē 'äsedē/]

1. the drive to explore, produce, and support the culture, businesses, and spirit of Downtown Long Beach.

ACCESSIBILITY

As metropolitan areas become denser and families and professionals alike eschew their dependence on the automobile more and more, DTLB is a place for urban explorers to exercise alternative forms of transportation. From one the nation's best networks of biking amenities to beach paths, public transit to direct access to freeways, DTLB allows everyone to travel the way they see best.



BY FOOT

Thanks to expanded efforts by both the City and developers, Long Beach has become the first SoCal city to earn a spot in the Top 10 Most Walkable Cities in the US according to Walk Score (also making it the most walkable city in SoCal). DTLB takes the crown as the neighborhood with the city's highest Walk Score, a walker's paradise-like score of **92**—easily ousting popular nearby cities like Santa Monica (78) while coming in close to huge downtowns like DTLA (93). People on foot are able to easily access restaurants, entertainment, services, and retail without having to get into a car. This also confirms why 7% more of our residents walk to work compared to the rest of the city.

BY BIKE

Long Beach's self-assigned goal of becoming the nation's most bike friendly city is proving tangible. Repeatedly appearing in Top 5 lists for most bike friendly cities from advocacy organizations like the Alliance for Biking and Walking and the League of American Cyclists, Long Beach continues to keep its goal alive. There are over 120 miles of different types of bike paths exist in Long Beach including 40 miles of Class I (bike paths dedicated to bike and pedestrian traffic); nearly 50 miles of Class II routes (a lane marked exclusively for bike travel on roadways); and 30 miles of Class III (bike riders and motorists share the roadway). 2016 marked the year when our city's first public bike share was implemented, joining multiple private groups, such as Molina Healthcare, who implemented their own bike share programs for their employees.

BY CAR

DTLB is surrounded by a vast network of freeways and roads that provide easy entry into and exit out of the Downtown while providing ample space to park your car. In fact, parking in DTLB is the opposite of what most expect in a downtown: it's easy and it's affordable. The City of Long Beach offers two hours of free parking across 2,500 spaces located at parking garages in the heart of the business district. Over 1,200 metered spaces offer parking for just \$1.50/hour.

PUBLIC TRANSIT

Long Beach is home to Long Beach Transit (LBT) and the Metro Blue Line, both of which hold their transit hubs in DTLB. The Metro Blue Line—with 31,000 riders boarding DTLB stations per week—connects DTLB to DTLA in a single ride. Meanwhile, LBT offers service to 28 million riders a year across 34 bus routes (including a free route known as the Passport in DTLB, which recently extended its route to offer services in the East Village).

by the numbers

| | DTLB | City of Long Beach |
|------------------------|------|--------------------|
| Public Transit | 14% | 7% |
| Car | 69% | 83% |
| Bike | 1% | 1% |
| Foot | 10% | 3% |
| Walk from home / Other | 5% | 6% |

Table 4.1 - Means of transportation to work within DTLB and City of Long Beach.

DTLB commutes by foot & public transit

14%

MORE THAN the City of Long Beach

DTLB commutes by car

14%

LESS THAN the City of Long Beach

Source: US Census - American Community Survey, 2014

SHOPPING

RETAIL SPACE

DTLB is home to 1.3M SqFt of ground floor retail space, making it a haven for shoppers—especially with the newly minted Pike Outlets offering shoppers recognizable brands like H&M and Nike and City Place undergoing a four-year, three-phase renovation and rebranding. Rates for these spaces range from \$1.38 to \$3.31/SqFt, a 20% increase since 2012.

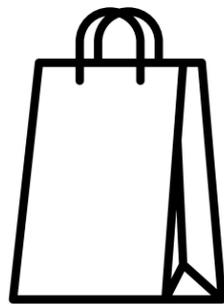
RETAIL SPENDING

With growing incomes comes a higher buying power—and amongst DTLB visitors and residents spending potential has increased by 62% since 2013 thanks to more restaurants, events, and shopping alternatives. This also means that a desire for other brands lingers, particularly those that lie in between the spectrum of cheap'n'low-quality to pricey'n'upper-class.

by the numbers

RETAIL LEASE RATES

have increased



20%

since 2012

Source: CoStar

POTENTIAL RETAIL SPEND

has increased

62%

since 2013



Source: ESRI, 2015

SPENDING POTENTIAL

Table 4.2 - Retail Spending Potential within a 0.5, 1.0, and 1.5 mile radius of the Downtown Long Beach city center.

| | 0.5 Mile | 1.0 Mile | 1.5 Miles |
|---|----------|----------|-----------|
| Furniture & Home Furnishings | \$6.8M | \$15.7M | \$25.4M |
| Electronics & Appliance Stores | \$10.7M | \$25.2M | \$40.8M |
| Food & Beverage Stores | \$40.2M | \$96.7M | \$157M |
| Health & Personal Care Stores | \$12.5M | \$29.8M | \$48.2M |
| Clothing Stores | \$10.7M | \$25.5M | \$41.5M |
| Shoe Stores | \$1.6M | \$3.9M | \$6.4M |
| Jewelry, Luggage & Leather Goods Stores | \$2.4M | \$5.4M | \$8.7M |
| Sporting Goods, Hobby, Book & Music Stores | \$5.8M | \$13.7M | \$22.1M |
| General Merchandise Stores | \$32.4M | \$76.8M | \$82.8M |
| Miscellaneous Store Retailers | \$9.9M | \$23.2M | \$37.4M |
| Full-Service Restaurants | \$12.9M | \$30.2M | \$48.9M |
| Limited-Service Eating Places | \$9.1M | \$21.6M | \$34.9M |
| Special Food Services | \$464K | \$1.1M | \$1.7M |
| Drinking Establishments - Alcoholic Beverages | \$452K | \$1.0M | \$1.7M |

Source: ESRI, 2015

SHOPPING

CONSUMER ATTITUDES

As the face of DTLB residents continues to shift, so does the desires of that population—which is precisely why the DLBA has partnered with Cal State Long Beach’s Office of Economic Research to look into what residents are searching for in terms of retail, grocers, and stores.

Why is this important? Because in the same research, we discovered that DTLB’s residents are ecstatically proud of their neighborhood—as in 65% of residents outright proud of their neighborhood. This points to a dedicated population who is equally dedicated to advocating for better shopping options. Groceries, household items, electronics and clothing dominated what DTLB residents feel they wants. While there are plenty of coffee shops and restaurants in their eyes, a growing amount of DTLB residents want better quality retail and shopping options.

Trader Joe’s, Target, Apple, and Zara are the brands that residents have repeatedly called out as brands they would prefer to see Downtown.

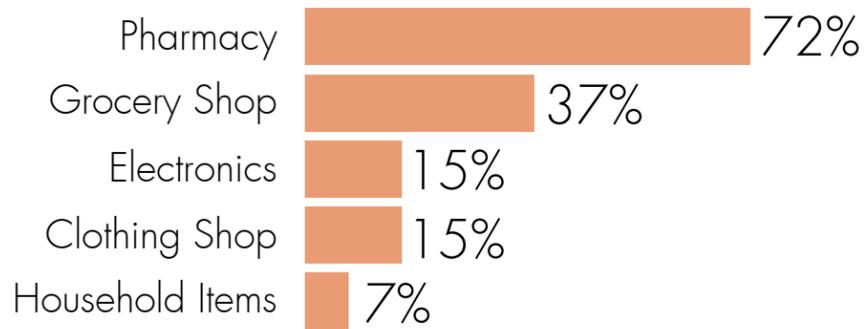


Figure 4.1 - Percent of consumer needs met by DTLB retail storefronts.

by the numbers



65%
of resident survey
respondents express
STRONG PRIDE
for DTLB.



TOURISM

EVENTS

From celebrating the New Year to celebrating Pride, racing in an IndyCar or racing in a crit on your bike, DTLB is the undisputed center for events in Long Beach. 2016 marked the first year that Beach Streets; a formal ciclovía, where streets are closed off to vehicular traffic in favor of pedestrians, invaded DTLB. Bringing in an estimated 50,000 people on bike, on skateboards, on rollerblades, and on their own two feet, the event echoed the love that has made Long Beach one of the nation's most bike friendly cities. This is just one example of the many events that make DTLB a festival, party, and venue favorite amongst event organizers.



Beach Streets attracted **50,000** attendees to the streets of DTLB

ATTRACTIONS

With the Aquarium of the Pacific's \$53M expansion, its first in the Aquarium's 18-year history, there is no doubt that DTLB's rich culture continues to provide unique tourist destinations, both historic and new, that attract over 6 million visitors annually. The Aquarium's newest wing, set to open in 2018, will allow its 1.5 million annual guests the chance to become immersed in a massive theatre with a 32-foot screen as well as provide 6,000 SqFt of new exhibit space to curious mariners. Across the shore, The Queen Mary, which arrived in Long Beach in 1967, continues to be one of the city's most recognizable and visited icons with its art deco interiors and glimpses into a bygone era.

Aquarium of the Pacific has invested **\$53M** into an expansion project set to open in **2018**

| | Estimated Yearly Attendance |
|------------------------------|-----------------------------|
| Long Beach Convention Center | 1,670,000 |
| Aquarium of the Pacific | 1,500,000 |
| The Queen Mary | 1,500,000 |
| Cruiseships & Ferries | 1,290,000 |
| Museum of Latin American Art | 92,000 |

Table 4.3 - Annual yearly attendance for major DTLB attractions. Source: Long Beach Convention and Visitors Bureau, 2015



HOTELS

With DTLB being home to the city's largest attractions and gatherings, it is by proxy home to the city's largest and most stayed at hotels. From upscale to economy, historic to contemporary, DTLB is home to over 3,000 rooms that average nearly 75% occupancy—that's an increase of 14% since 2010. Just as impressive is a 12% increase in Transient Occupancy Tax revenues over the past year alone, translating that more people are choosing to stop in hotels while visiting DTLB.

| | # of Rooms | Average Rates |
|-----------|------------------------------|---------------|
| Upscale | Hilton Long Beach | \$209 - \$249 |
| | Hotel Maya | \$344 - \$444 |
| | Hyatt Regency Long Beach | \$389 - \$499 |
| | Hyatt The Pike Hotel | \$319 - \$399 |
| | Renaissance Long Beach Hotel | \$309 - \$319 |
| | Westin Long Beach | \$255 - \$305 |
| Mid-Level | Best Western | \$188 - \$296 |
| | Courtyard Marriott | \$239 - \$279 |
| | Hotel Queen Mary | \$149 - \$179 |
| | Residence Inn | \$259 - \$289 |
| | Varden Boutique Hotel | \$139 - \$159 |
| Economy | Beach Inn Motel | \$70 - \$100 |
| | City Center Motel | \$70 |
| | Greenleaf Hotel | NP |
| | Inn of Long Beach | \$79 - \$89 |
| | Rodeway Inn | \$139 - \$174 |
| | Travel King Motor Inn | \$65 |
| | Travelodge | \$101 - \$139 |
| | Vagabond Inn Long Beach | \$89 - \$179 |

Table 4.4 - 2015 hotel room count and rack rates for DTLB by classification. Source: DLBA, 2016

by the numbers



12%

in **transient occupancy tax** since 2013.

Source: Long Beach Convention and Visitors Bureau, 2015

future



DTLB DEFINITION

/'fyooCHer/

The belief that DTLB can always become more perfect; that progress, development, and innovation will continue to push both its residents and businesses toward realizing further potential.

DEVELOPMENT MAP

DOWNTOWN DEVELOPMENTS

DTLB is home to the Civic Center, a space that includes City Hall, the Main Library, Police Department headquarters, and Lincoln Park. Thanks to a private-public partnership between Plenary/Edgemoor Civic Partnership and the City, DTLB is in a unique situation: it will see the development and build out of its urban core into a world-class civic center for municipal government, public space, and residential development across 15.78 acres of property. This follows the completion of DTLB's other major private-public partnership, the sleek Governor George Deukmejian Courthouse, which was named the Best Public Project of the year by the *Los Angeles Business Journal*.

1. CIVIC CENTER

Newly revised 15.78 acres of public-private \$357 million development providing a new library, expanded Lincoln Park, new headquarters for both City Hall and the Port of Long Beach, and residential units.

2. THE PIKE OUTLETS [Recently Completed]

330,000 SqFt of retail space recently completed a \$65 million renovation process, revamping its image and space as a home for desirable outlet shops including Restoration Hardware, Forever 21, H&M and Nike.

3. EDISON LOFTS [Recently Completed]

Adaptive reuse residential space with 156 units, including six, two-story rooftop penthouses and 3,621 SqFt of ground floor retail space.

4. OCEAN CENTER BUILDING

Adaptive reuse of historic landmark Ocean Center Building into approximately 74 residential units and ground-floor retail/restaurant space. Currently in the Plan Check process.

5. PARC BROADWAY

7-story mixed-use development with 222 residential units and 8,500 SqFt of ground-floor retail space, including art gallery, cafe and "bike kitchen". Expected completion Q4 2016.

6. OCEANAIRE

7-story 216-unit residential development, with 1,500 SqFt of retail space located adjacent to the historic Ocean Center Building. Entitled.

7. THE CURRENT

Recently completed 17-story, 223-unit luxury residential tower. 2nd phase will include a 35-story 222 Luxury units; anticipated groundbreaking Q4 2016.

8. PACIFIC COURT APARTMENTS [Recently Completed]

Adaptive re-use of former cinema multiplex into 69 loft-style residential units with new ground-floor retail space.

9. 442 WEST OCEAN BLVD

Mixed-use development with 95 residential units and 1,455 SqFt of retail space. Expected groundbreaking 2016.

10. 207 SEASIDE WAY

5-story mixed-use 113-unit residential space with 2000 SqFt of retail. Anticipated groundbreaking 2016.

11. SIXTH STREET LOFTS [Recently Completed]

30-loft development. 605 SqFt - 835 SqFt per space, featuring studios, one, and two-bedroom units.

12. 1ST & ALAMITOS

Seven-story, 136 residential unit development including 10 studio units, 101 one-bedroom units, and 25 two-bedroom units ranging from 697 SqFt to 1,739 SqFt with 2,560 SqFt of retail space.

13. 227 ELM AVENUE

40 two-story condominiums by eco-friendly real estate developer City Ventures.

14. 137 W 6TH STREET

10-unit mixed-use development project with 1,390 SqFt of retail space. Expected completion Summer 2016.

15. 200 W OCEAN BLVD

Adaptive reuse project to add two stories for a total of 94 residential units and 4,597 SqFt of retail space.

16. NEWBERRY BUILDING

Adaptive reuse with 28 units above 6,500 SqFt of retail space.

17. 125 LINDEN AVE

5-story residential located above 2,688 SqFt of retail space. Applicant seeking up to 44 residential units.

18. SECURITY PACIFIC NATIONAL BANK BUILDING

Adaptive reuse to convert office space to 118 residential units above the Federal Bar.

19. 495 PROMENADE NORTH

20 residential units located above 5,220 SqFt of retail space.

20. 437 E 5TH STREET

18-unit mixed use apartments over 230 SqFt commercial space. In conceptual site plan review.





LOOKING TO INVEST IN DTLB?

Visit DowntownLBBusiness.com for more DTLB economic development resources, or email economicdevelopment@dlba.org



This publication contains the latest data available from the US Census, CoStar, and projections from ESRI. Thank you to the City of Long Beach, Cushman and Wakefield, CSULB Office of Economic Research, the Long Beach Convention and Visitors Bureau, Los Angeles Metro, and local representatives from major developments, hotels, and housing units, for providing source material.

