Downtown Long Beach’s (DTLB) first Business Improvement District (BID) was the Downtown Parking & Business Improvement Area (PBIA) 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 in 2013. The Downtown Long Beach Alliance (DLBA) manages both BIDs, which has resulted in a more connected, safer, and vibrant DTLB. The DLBA is a non-profit community-based organization whose mission is to cultivate, preserve, and promote a healthy, safe, and prosperous Downtown for all. By balancing the interests of residents, as well as businesses, the DLBA creates tangible progress by way of vested interest and solidified partnerships across local, municipal and commercial lines.
SOURCES AND METHODOLOGY

ANNUAL DOWNTOWN BUSINESS SURVEY
DLBA contracts with ISA Group to perform annual market research on the business environment in Downtown Long Beach. The most recent survey results are from Q1 2021, taken via phone.

DTLB PEDESTRIAN COUNTS (PLACER)
Data measuring visitor, resident, and employer traffic in Downtown was collected through through PlacerAi, a contracted software company aggregating mobile location data. Data used in the report was collected from September 1, 2019 through September 31, 2021.

DTLB PARKING COUNTS
Data measuring street parking occupancy was gathered from LAZ Parking, a contracted software company that measures transaction-level parking data for municipalities and place management organizations. Data used in the report was collected from September 1, 2019 through September 31, 2021.

COMMERCIAL RETAIL DATA ANALYSIS
Information regarding the depth and breadth of Downtown’s retail market is collected from CoStar, a leading provider of commercial real estate information, analytics, and online marketplaces. CoStar data is comprehensive but may not capture the full real estate market.

CITY OF LONG BEACH: DEPARTMENT OF ECONOMIC DEVELOPMENT
Data regarding retail sales in Downtown was provided by DLBA’s partners at the City of Long Beach Department of Economic Development. Data used in the report was collected from July 2019 through June 2021.

LOOKING TO INVEST IN DTLB?
Visit DTLBbusiness.com for more economic resources or email austinm@dlba.org. The Q4 Residential Market Report publishes on January 15.
RETAIL MARKET UPDATE

Downtown retail rents had been rising over the past consecutive five years before the onset of the COVID-19 pandemic. Rental rates hit their lowest levels since the beginning of pandemic at the end of 2020 and early 2021, but since then Downtown rates have slowly begun to rebound. At the end of Q3 2021, rents had grown just under 1% over the course of 12 months. During Q4 2020 and Q1 2021, ground-floor retail occupancy reached its lowest levels since 2016, dropping to 93%. As of Q3 2021, occupancy has increased to nearly 95%, comparable to pre-pandemic rates. There is currently more than 50,000 SF of new retail space under construction in Downtown, all of which is part of mixed-use developments or adaptive reuse projects. Projects include more than 11,000 SF of space at the renovated Ocean Center Building and 25,000 SF of new retail as part of the Broadway Block multi-family development.

BY THE NUMBERS

<table>
<thead>
<tr>
<th>Number of Properties</th>
<th>239</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Inventory (SF)</td>
<td>2,468,333</td>
</tr>
<tr>
<td>Total Occupancy (%)</td>
<td>94.7%</td>
</tr>
<tr>
<td>Q3’21 Net Absorption (SF)</td>
<td>31,765</td>
</tr>
<tr>
<td>YTD Net Absorption (SF)</td>
<td>8,215</td>
</tr>
<tr>
<td>Direct Avg Asking Rent ($/SF)</td>
<td>$2.62</td>
</tr>
<tr>
<td>12-Month Rent Delta (%)</td>
<td>0.77%</td>
</tr>
<tr>
<td>Total Under Construction (SF)</td>
<td>50,291</td>
</tr>
<tr>
<td>Planned (SF)</td>
<td>82,940</td>
</tr>
</tbody>
</table>

CoStar 2021 & DLBA Internal Records

REGIONAL BENCHMARKS

<table>
<thead>
<tr>
<th></th>
<th>Rent ($/SF)</th>
<th>Inventory (SF)</th>
<th>Occupancy Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Mesa</td>
<td>$3.24</td>
<td>9.4M</td>
<td>97.9%</td>
</tr>
<tr>
<td>San Pedro</td>
<td>$2.27</td>
<td>2.4M</td>
<td>97.6%</td>
</tr>
<tr>
<td>El Segundo</td>
<td>$3.48</td>
<td>1.3M</td>
<td>96.5%</td>
</tr>
<tr>
<td>Santa Ana</td>
<td>$2.30</td>
<td>12M</td>
<td>95.1%</td>
</tr>
<tr>
<td><strong>Downtown Long Beach</strong></td>
<td><strong>$2.62</strong></td>
<td><strong>2.5M</strong></td>
<td><strong>94.7%</strong></td>
</tr>
<tr>
<td>Downtown Los Angeles</td>
<td>$2.74</td>
<td>17M</td>
<td>93.8%</td>
</tr>
<tr>
<td>Belmont Shore Long Beach</td>
<td>$4.27</td>
<td>633K</td>
<td>93.4%</td>
</tr>
<tr>
<td>Fullerton</td>
<td>$2.38</td>
<td>6.7M</td>
<td>93.2%</td>
</tr>
<tr>
<td>Downtown Santa Monica</td>
<td>$6.16</td>
<td>2.5M</td>
<td>86.2%</td>
</tr>
</tbody>
</table>

CoStar 2021
RETAIL MARKET MIX

Following the beginning of the COVID-19 pandemic, significantly decreased sales and traffic to in-person retailers, restaurants, and services was one of the most observable changes to Downtown. However, the gradual reopening of the economy has allowed for sales to rebound from early 2020. Charted below are gross retail sales for the two BID areas DLBA manages, with recorded visitor traffic to those areas. Since bottoming out in Q2 2020, retail sales have grown an average of 20% every quarter since, accompanied by an increase in visitor traffic.

PBIA, PBID QUARTERLY RETAIL SALES & VISITOR TRAFFIC - 2019 TO 2021

% CHANGE GROSS SALES, QUARTER-OVER-QUARTER (QoQ) - 2019 TO 2021
TENANT MIX ANALYSIS

Downtown Long Beach enjoys a vibrant mix of retail businesses, from specialty tattoo shops to plant nurseries. Stratifying retail space and uses by Downtown neighborhoods reveal different submarket conditions across the area. The highest retail rents are found in the Waterfront, which features the Pike Outlets shopping center and Shoreline Village. Conversely, North Pine has the lowest rents in Downtown, which makes it an ideal location for early stage concepts and budding businesses. Restaurants make up the largest retail type for all Downtown neighborhoods, with personal service businesses prominent in residential areas like East Village and North Pine.

GROUND FLOOR TENANT MIX BY NEIGHBORHOOD

<table>
<thead>
<tr>
<th></th>
<th>East Village</th>
<th>North Pine</th>
<th>Pine &amp; Promenade</th>
<th>City Place</th>
<th>Waterfront</th>
<th>West Gateway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Inventory (SF)</td>
<td>913,772</td>
<td>447,092</td>
<td>289,276</td>
<td>368,623</td>
<td>446,482</td>
<td>99,379</td>
</tr>
<tr>
<td>Percent Leased</td>
<td>98.1%</td>
<td>88.2%</td>
<td>94.0%</td>
<td>100.0%</td>
<td>90.5%</td>
<td>78%</td>
</tr>
<tr>
<td>Average Rent ($/SF)</td>
<td>$2.91</td>
<td>$1.75</td>
<td>$2.37</td>
<td>$3.03</td>
<td>$3.50</td>
<td>$2.33</td>
</tr>
<tr>
<td>Average Daily Visits Q3 '21</td>
<td>18,121</td>
<td>4,334</td>
<td>9,787</td>
<td>3,897</td>
<td>35,753</td>
<td>8,394</td>
</tr>
</tbody>
</table>

GROUND FLOOR TENANT MIX BY NEIGHBORHOOD

<table>
<thead>
<tr>
<th></th>
<th>East Village</th>
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<th>City Place</th>
<th>Waterfront</th>
<th>West Gateway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractions/Entertainment</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>2%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Personal Services</td>
<td>30%</td>
<td>33%</td>
<td>13%</td>
<td>33%</td>
<td>6%</td>
<td>11%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>7%</td>
<td>7%</td>
<td>14%</td>
<td>4%</td>
<td>9%</td>
<td>29%</td>
</tr>
<tr>
<td>Restaurants</td>
<td>31%</td>
<td>26%</td>
<td>49%</td>
<td>44%</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>Shopping</td>
<td>21%</td>
<td>21%</td>
<td>14%</td>
<td>15%</td>
<td>33%</td>
<td>7%</td>
</tr>
<tr>
<td>Hotels and Lodging</td>
<td>3%</td>
<td>3%</td>
<td>1%</td>
<td>0%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Miscellaneous*</td>
<td>5%</td>
<td>7%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

*category includes specialty/variety stores, general merchandise, and non-store retailers

City of Long Beach Financial Management Department
PEDESTRIAN COUNT AND TRENDS

Pedestrian traffic and flow of visitors to Downtown Long Beach is a vital component of a healthy retail market. Visits to Downtown have been increasing since the beginning of the pandemic in early 2020, with a small dip in traffic likely due to the rise of the more contagious Delta-variant and resulting public health measures. The distance traveled to Downtown by visitors has also decreased since the beginning of the pandemic, creating a more localized user base. In 2021, half of all Downtown visitors traveled less than 1 mile from their home address, compared to 39% in 2019.

CUMULATIVE DISTANCE TRAVELED TO DTLB - YTD ‘19, ‘20, ‘21

MONTHLY PBIA & PBID VISITS - SEP ‘19 TO AUG ‘21

Jose Cardon
PARKING OCCUPANCY AND TRENDS

On-street parking has recovered somewhat from the pandemic but has not reached the corresponding growth observed in retail sales or visitor traffic. Daily transactions fell drastically and rebounded to near-2019 levels from April to November 2020 but have since struggled to grow back. As of September 2021, average daily parking transactions were 30% lower than September 2019 and 26% lower than September 2020.
ANNUAL DOWNTOWN BUSINESS SURVEY

Every year, DLBA conducts a survey of all Downtown businesses with assistance from the marketing company ISA. The survey captures all aspects of business operations in Downtown, including recording sentiments about the future of the business economy. Similar to visitor data on Downtown, the ISA survey revealed that retailers are committed to the local area and are generally hopeful about rebounding from the pandemic. A majority of ground-floor businesses reported having their sole location in Downtown Long Beach, and 53% of those with multiple locations have their headquarters in Long Beach. Furthermore, 47% of ground-floor businesses said they planned on increasing employees over the coming year, with another 48% hoping to maintain similar staffing levels.

DOES YOUR BUSINESS HAVE MULTIPLE LOCATIONS?

61% NO

39% YES

53% of Downtown Retail Businesses with multiple locations have their headquarters located in Long Beach.

EXPECTED CHANGE IN EMPLOYEE SIZE 2021

47% Increase Employees

5% Reduce Employees

48% Maintain Same
IN Q2 2021, at least 16 Downtown businesses received some financial relief, thanks to DLBA’s new Personal Care Services and Health & Wellness Grant. Unlike previous grants which were open to all businesses, this economic recovery grant was designed specifically to help businesses that were completely shut down during the COVID-19 pandemic due to public health orders. There was $90,000 in grant money available. Applications were reviewed on a first-come, first-serve basis. “It’s been a roller coaster, to say the least: a really scary time,” said grant recipient Cody Ramirez, who owns and operates Americano Barber Co. in Downtown’s East Village. “We closed three different times. This grant is helping a lot.”  Austin Metoyer, Economic Development and Policy Manager for DLBA, explained grant eligibility conditions: “To be eligible for this grant, potential recipients had to be operating a Downtown business with a storefront,” he said. “Also, they had to show proof they had been closed down and for how long. Finally, they had to have been in business prior to March 20, 2020. We were trying to focus on existing businesses that have been here for a while.” Outer Limits Tattoo, located on what used to be the western edge of The Pike amusement park, is the former home of Bert Grimm’s World-Famous Tattoo, which opened in 1927, and is the oldest continuously-run tattoo parlor in the United States. It is owned and operated by Kari Barba, a world-renowned tattoo artist who has been honing her craft for 42 years. “Our first reopening last year was short,” she said. “We were shut down again, 10 days later. We were shut down for almost 11 months during the past year. “During the closures,” Barba continued, “we artists had to fend for ourselves. The grant money will be a huge help, covering a big chunk of back rent and bills.” DLBA hopes that its range of grant programs will serve as critical lifelines for small businesses at a pivotal moment, helping them rebuild and mobilize for future success in a diverse and vibrant Downtown Long Beach. Metoyer added: “Like restaurants, these small businesses, about 150 in DTLB, were hit especially hard by the impact of shutdowns due to public health measures to slow the spread of COVID-19. Though they still face a lengthy recovery, DLBA remains committed to working with our community to revitalize local businesses and providers through a variety of tools, including grants, programs, and educational resources.”
WELCOME TO THE NEIGHBORHOOD

DLBA is excited to welcome new businesses and entrepreneurs to Downtown this year. Be on the lookout for these new establishments coming to the area!

HEALTH & WELLNESS
1. Noel’s Teeth Whitening
   638 Alamitos Ave
2. Wildflower Beauty + Brows
   429 East 1st St

RETAIL
3. Vida Plant Shop
   748 Pine Ave
4. Ethikli
   325 E 4th St

PROFESSIONAL SERVICES
5. Scholars Collective
   236 E 3rd St
6. Studio Long Beach
   629 Atlantic Ave
7. A Pup’s Dream Dog Grooming
   219 E 10th St
8. Into the Mystic
   853 Atlantic Ave

HOTELS
9. Hotel Metropolitan
   505 East Broadway

RESTAURANTS & CAFE’S
10. JP23 BBQ & Smokehouse
    110 East Broadway
11. Daily Dose
    440 Pine Ave
12. Secret Tiki Bar
    209 Pine Ave
13. Torisho USA
    730 Long Beach Blvd
14. Sugar Siren Confections
    422 Olive Ave
15. In the Kitchen
    900 Long Beach Blvd

RECREATION & ENTERTAINMENT
16. Birdies N Brews
    90 East 4th St
17. Cone 11 Studio
    408 E 1st St
18. Bad Axe Throwing
    245 Pine Ave