



# DOWNTOWN LONG BEACH ALLIANCE STRATEGIC PLAN

ROADMAP TO RECOVERY, RESILIENCE, AND INCLUSION

December 2021





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## Project Steering Committee Members

In addition to Steering Committee members denoted on the Board of Directors above, the following participants were also on the project Steering Committee

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# DOWNTOWN LONG BEACH ALLIANCE STRATEGIC PLAN EXECUTIVE SUMMARY



The Downtown Long Beach Alliance (DLBA) is a 501 (c) (6) non-profit organization operating on behalf of commercial and residential property owners and tenants in Downtown Long Beach and surrounding areas. It is dedicated to the management, marketing, security, maintenance, advocacy, economic and community development of its two assessment districts in cooperation with the City of Long Beach and the private sector. The assessment districts include the 85-square block Property Based Improvement District (PBID) and the Downtown Parking Improvement Area (DPIA), shown on the map below.

The DLBA has evolved over the years to reflect the changing nature and priorities of the Downtown community. **This strategic plan seeks to refresh the DLBA work program, organizational culture, and operations to ensure it continues to provide an enhanced value proposition to all Downtown stakeholders over the next five years and beyond.** Undertaken in 2021 during the latter stages of the COVID-19 pandemic, this strategic plan provides direction for both near-term economic recovery and longer-term improvements over a five-year planning horizon, and informs a new management plan for the PBID in advance of the district's renewal.



Downtown Long Beach DPIA/PBID Map

■ DPIA ■ PBID





# COMMUNITY INPUT AND PRIORITIES

5

ROUNDTABLE  
DISCUSSIONS

50

INTERVIEWS

500

ONLINE SURVEY  
RESPONSES

A variety of Downtown and community stakeholders were engaged to understand the strengths, challenges, and opportunities for improvement in Downtown Long Beach. This involved virtual and in-person engagements including over 50 interviews, roundtable discussions with dozens of participants, workshops with the Board of Directors and project Steering Committee, and an online survey that collected 500 responses. Stakeholders included but were not limited to: property owners (both commercial and residential), merchants, developers and real estate professionals, City leadership and staff, representatives from the arts and non-profit sectors, along with numerous other partners. The priorities for improvement were used to inform a refreshed work program for DLBA.

## DOWNTOWN LONG BEACH IMPROVEMENTS

Based on input received from Downtown stakeholders, the following were identified as priority improvements.

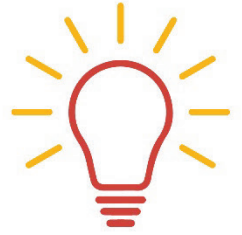
### TOP PRIORITIES *{not listed in order of importance}*

- Improve outcomes and services for people experiencing homelessness in Downtown, exploring a variety of solutions
- Improve both the perception and reality of safety in Downtown; overall the sense of safety was seen to diminish with COVID-19 and fewer people being out in Downtown
- Help to fill vacant storefronts throughout Downtown
- Help to re-activate Downtown by bringing people back for events and other in-person programming
- Continue open streets concepts and expanded outdoor dining options that were started during the pandemic and consider making such options permanent
- Place enhancements to make Downtown fun and exciting, such as more public art installations
- Improve connectivity between different activity centers, in particular create better synergy between the Waterfront and Downtown neighborhoods to the north.
- Improve cleanliness and maintenance of public spaces
- More residential amenities, in particular full-service grocery store options
- Marketing Downtown in several dimensions: 1) encouraging people from the suburbs to come Downtown and 2) acknowledging and celebrating the customer who is already in Downtown





# OFFICE AND RETAIL SPOTLIGHT



The pandemic wrought unprecedented disruption upon downtowns, particularly to the traditional economic engines of central business districts – office employment and retail. In response, a special focus was placed on these two market segments within the strategic plan, with recommendations for how DLBA can play a role in supporting these sectors through COVID-19 recovery and beyond.

## OFFICE

In the near-term a sluggish recovery is predicted for conventional office formats and adapting to new hybrid workstyles will dominate the conversation. In the longer term, the next three to five years, it is anticipated that the hybrid option may lose some of its luster and the office market will recover to pre-pandemic absorption levels as economic growth and social patterns return.

DLBA can support Downtown Long Beach by helping to define and promote its unique and competitive advantages for the office market.

## CORE POSITIONING STRATEGY FOR THE DOWNTOWN OFFICE MARKET:

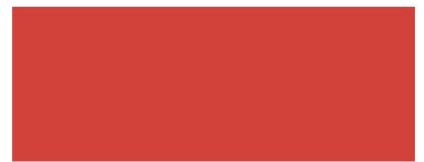
***Downtown Long Beach offers Southern California's affordable oceanfront urban lifestyle for small and mid-sized businesses with unique amenities and vitality – live, work, dine and enjoy daily experiences within a truly diverse and inclusive city.***

## RETAIL

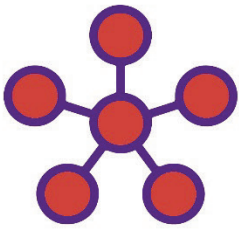
Downtown Long Beach experienced more retail resiliency than might have been expected given its reliance on submarkets, such as office workers, conventioners and cruise-ship passengers, that virtually disappeared during the pandemic. Some of this resiliency can be attributed to Long Beach's residential growth in and surrounding Downtown over the last decade, expanded capacity of outdoor dining, government financial relief, technical assistance from the DLBA, and willingness of some landlords to provide flexibility to their tenants.

The strategic plan offers several recommendations for how DLBA can support existing retailers and capture new entrepreneurial activity in Downtown, including:

- Encouraging refinements to the City's ground floor requirements to help maximize the potential of "Main Street" and reinforce retail clustering;
- Helping to elevate Downtown's profile within the broader leasing community;
- Seeding and nurturing small businesses by creating affordable spaces where entrepreneurs can get started;
- Encouraging unique aspects of Pine Ave, which might include flexible street closures, inventive design treatments, parklets, and more.







# STRATEGIC PLAN FRAMEWORK

## VISION

Downtown is the thriving urban center of Long Beach, embodying and celebrating the region's diversity, innovation, and adaptability.

## MISSION

To cultivate, preserve and promote a healthy, safe and prosperous Downtown for all.

## GOAL 1

**Master the fundamentals, ensuring a model clean and safe program for Downtown Long Beach**

- A. Create a Homeless Outreach Program that is tailored to the unique qualities and needs of the unhoused population in Downtown Long Beach
- B. Enrich services to enhance the feeling of safety in Downtown
- C. Better publicize existing public restrooms and explore adding more
- D. Establish higher standards for clean services
- E. Enhance lighting levels throughout Downtown
- F. Formalize a new base level of services agreement between DLBA and the City
- G. Improve maintenance of trees, tree wells, and walkways

## GOAL 2

**Strengthen existing businesses and encourage entrepreneurship and innovation in Downtown**

- A. Assist new and existing businesses in accessing resources and working through City processes
- B. Work with property owners, developers, and the leasing community in support of Downtown retail and office tenants
- C. Activate vacant or underutilized storefronts and help to prevent future vacancies
- D. Assist the Downtown office market in evolving to meet the new reality

## GOAL 3

**Market and promote Downtown as a whole and as a collection of unique neighborhoods**

- A. Develop a comprehensive marketing & communications strategy
- B. Continually seek ways to build awareness of DLBA and educate stakeholders about DLBA's role and value proposition
- C. Increase use of online platforms to promote the people, businesses, and activities in Downtown
- D. Re-think DLBA's role in the production of events





## GOAL 4

**Showcase the beauty, creativity, and unique sense of place in Downtown for all to enjoy**

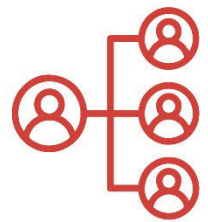
- A. Activate key locations with art, music, and culturally responsive placemaking, including programming and physical place enhancements
- B. Partner with the City to ensure a clean, safe, and enjoyable experience at the newly developed Lincoln Park
- C. Green Downtown
- D. Develop comprehensive wayfinding (signage) throughout Downtown
- E. Differentiate Pine Avenue

## GOAL 5

**Be a leading voice in planning for the future of Downtown**

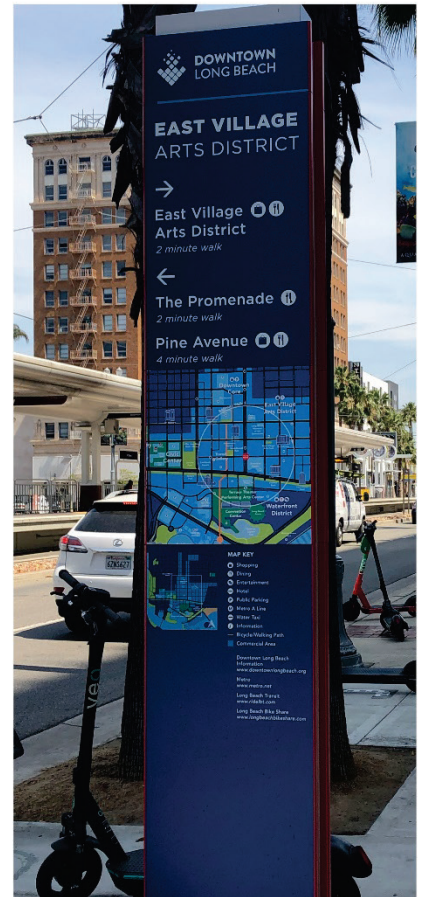
- A. Pursue all necessary requirements to renew the Downtown property- based business improvement district (PBID) for another ten-year term
- B. Re-define, and advocate for, projects, policies, and initiatives that are considered transformative based on community benefit
- C. Work with partners to improve connectivity throughout Downtown
- D. Actively track and participate in plans and special projects that impact Downtown

# ORGANIZATIONAL RECOMMENDATIONS



To continue to evolve and meet the goals and objectives of this strategic plan, there are a series of recommendations pertaining to the organization and its operations, including:

- Optimal level of staffing, increasing capacity within program areas that were priorities for stakeholders:
  - Increasing Safety Ambassador service
  - Increasing homeless outreach support
  - Improving frequency of select cleaning methods
  - Supporting small businesses in navigating City processes; helping to fill vacant storefronts
- Strategies for long-term office and field staff retention
- Continuing to expand the diversity of the Board of Directors and committee participants
- Streamlining reports and meeting frequencies to allow staff more time to focus on programmatic work
- Integrating strategies from DLBA's work with BDS Planning on diversity, equity, inclusion, and access
- Diversifying revenue sources to leverage PBID assessments and DPIA fees
- Exploring the feasibility of forming a new non-profit 501(c)(3) affiliate to support initiatives that provide community benefit and innovation in Downtown in alignment with the goals of this strategic plan



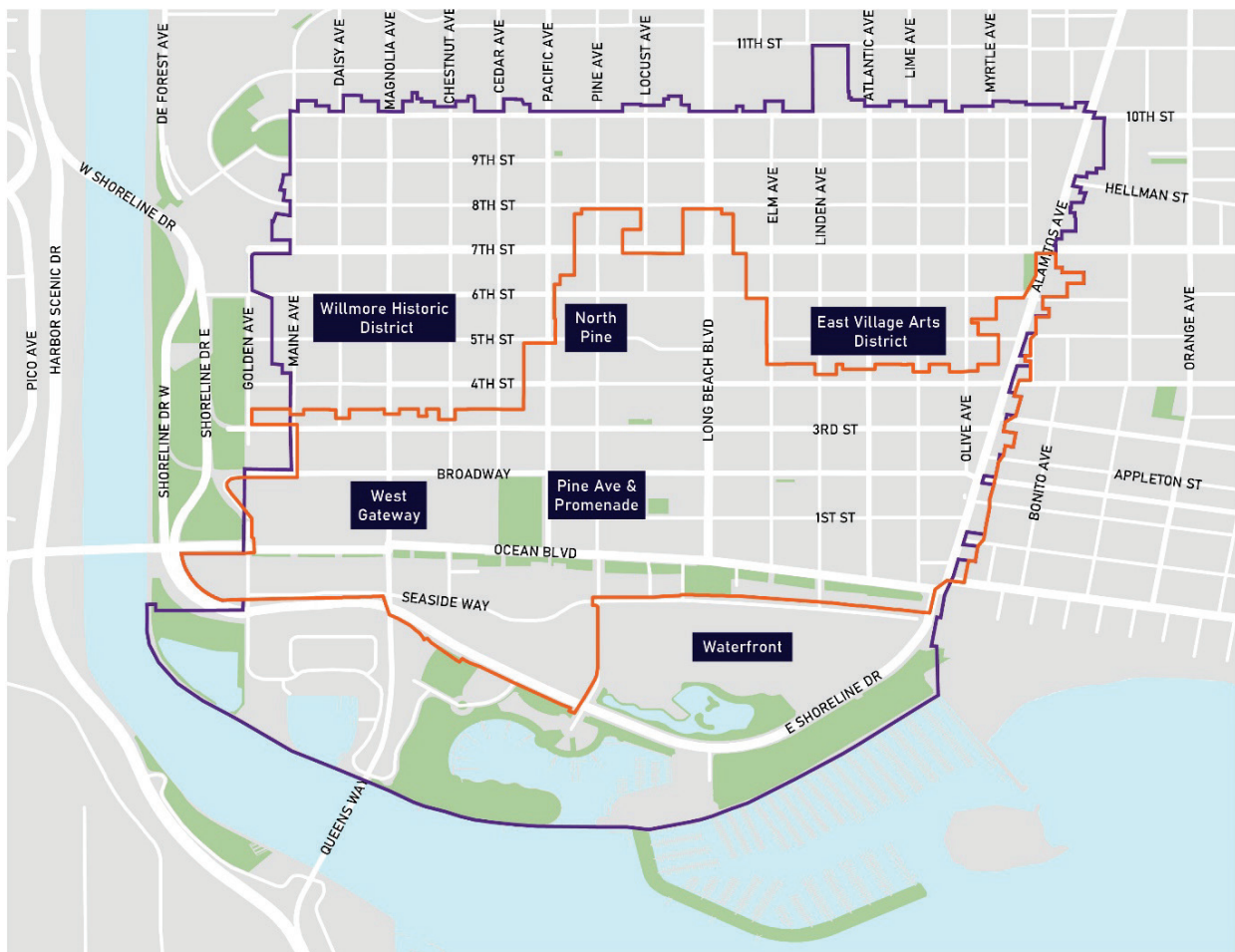
# INTRODUCTION

The Downtown Long Beach Alliance (DLBA) is a 501 (c) (6) nonprofit organization operating on behalf of the tenants and commercial and residential property owners in Downtown Long Beach and surrounding areas. It is dedicated to the management, marketing, security, maintenance, advocacy, economic and community development of its two assessment districts in cooperation with the City of Long Beach and the private sector. The assessment districts include the 85-square block Property Based Improvement District (PBID) and the Downtown Parking Improvement Area (DPIA), shown on the map below.

Formed in 1937 as Downtown Long Beach Associates by a group of Pine Avenue merchants, the DLBA has evolved over the years to reflect the changing nature and priorities of the Downtown community.

This strategic plan seeks to refresh the DLBA work program, organizational culture, and operations to ensure it continues to provide an enhanced value proposition to all Downtown stakeholders over the next five years and beyond. This strategic plan will inform a new management plan for the PBID in advance of the district's renewal.

To assist in the strategic planning process, DLBA contracted Progressive Urban Management Associates (P.U.M.A.), Denver-based real estate economics and planning consultancy, along with retail specialist, MJB Consulting. NBS consultants were also a part of the team and will assist in the forthcoming PBID renewal process.



**Downtown Long Beach, CA**

□ DPIA □ PBID



# STRATEGIC PLANNING PROCESS

The strategic planning process was designed to meet the following objectives:

- ✓ Build on the work of past plans and respond to market trends to help guide Downtown Long Beach in its response to conditions through COVID-19 recovery and beyond
- ✓ Align DLBA with the dynamics of a rapidly changing economic, social and political landscape, building on the organization's fundamental strengths and exploring meaningful ways to become more responsive to community issues, including racial justice and equity
- ✓ Based on an evaluation of market trends, develop recommendations to inform DLBA economic development initiatives, with a specific focus on supporting retail and office uses
- ✓ Engage a variety of Downtown Long Beach stakeholders (property owners, businesses, residents, civic leaders, and others) in a participatory process to develop the Strategic Plan
- ✓ Affirm program priorities for the PBID to inform a new district management plan and engineer's report in advance of PBID renewal



*Downtown Long Beach*

To provide input, direction and an overall “sense of reality”, DLBA formed a project **Steering Committee** to meet with the consultant team at strategic intervals during the planning process. The Steering Committee included DLBA board members and well as additional representatives from neighborhood associations, businesses, and community-serving organizations.

The strategic planning process consisted of three steps:

1. The **External Assessment** informed the plan through discovery of stakeholder priorities for Downtown and a high-level assessment of market variables. This included a review of relevant studies and reports, interviews with local developers and leasing professionals, and a variety of on-site and remote stakeholder engagements including one-on-one interviews, small group roundtables, and an online survey. Themes from stakeholder outreach are described in the next section.
2. The **Internal Assessment** reviewed DLBA as an organization to evaluate any changes needed to effectively address the challenges and opportunities identified for Downtown Long Beach through the External Assessment. This included interviewing DLBA staff, programmatic committees, and a review of organizational documents. This step also looked at organizational and programmatic examples from comparable downtown management organizations.
3. The final step, **Plan Synthesis**, took findings from the Internal and External Assessments and put them into a strategic plan framework with initial recommendations for a new vision, refreshed mission, goals, objectives and tactics. This framework was presented to the Board of Directors and project Steering Committee in August of 2021. Feedback from the Board, Steering Committee, and DLBA staff was incorporated into a final draft plan.

# DOWNTOWN MARKET CONDITIONS

Given the unprecedented changes resulting from an evolving pandemic, DLBA staff requested that the consultant team take a deeper dive on Downtown office and retail markets to help guide programs and resources through COVID-19 recovery and beyond. A full office and retail memo can be found in the Appendix, with specific tactics woven throughout the strategic plan.

## Office Market

In the near term moving out of the pandemic, most economists and real estate professionals project a sluggish recovery for conventional office formats. Adapting to new hybrid workstyles will dominate office planning in the near-term; however, recovery to pre-pandemic absorption is likely within a three- to five-year timeframe, as overall economic growth and social patterns return. Plus, the hybrid option may lose luster in the mid- and long-term time horizons. There are already studies suggesting that remote workers are at a distinct disadvantage to their in-office peers in terms of upward mobility and relevance within a company.



*Downtown Long Beach*

Moving forward, Downtown Long Beach should capitalize on its position as a niche office market with unique competitive advantages. Small and mid-sized businesses should be targeted, with an appeal to employee demographics that are attracted by a diverse urban environment with an unparalleled oceanfront location. Downtown Long Beach is arguably the largest urban oceanfront central business district in Southern California. It is far more affordable than Santa Monica, which offers perhaps the only comparable setting in the region.

### **Core positioning strategy for the Downtown office market:**

*Downtown Long Beach offers Southern California's affordable oceanfront urban lifestyle for small and mid-sized businesses with unique amenities and vitality – live, work, dine and enjoy daily experiences within a truly diverse and inclusive city.*

To best support the core positioning strategy for the Downtown office market, the fundamentals of Downtown's experience need to be maintained and enhanced. This includes improving cleanliness and safety, supporting vital and active storefronts, and physical and programmatic place enhancements to enrich amenities and connectivity. Tactics to address these issues, along with recommendations pertaining directly to the office market are included in the Goals, Objectives, and Tactics section of the plan.

## Retail Market

Downtown Long Beach appears to have experienced more retail resiliency than might have been expected given its reliance on submarkets – such as office workers, conventioners and cruise ship passengers – that virtually disappeared during much of the pandemic. Some of this resiliency can be attributed to Long Beach's residential



growth in and surrounding Downtown over the last decade, expanded capacity of outdoor dining, government financial relief, technical assistance from the DLBA, and willingness of some landlords to provide flexibility to their tenants.

The pandemic unleashed a flurry of entrepreneurial activity across the country and harnessing this energy will be critical for Downtown Long Beach. In the retail sector, new business applications rose 54% in 2020, according to data from the Economic Innovation Group. DLBA is well-positioned as an organization to assist new entrepreneurs in accessing relatively affordable platforms and spaces in Downtown, as well as, elevating Downtown Long Beach's visibility within the broader retail leasing and tenant community.

Long Beach is one of the most ethnically diverse large cities in the country. Within the retail trade area for Downtown, 55% of population identifies as Latinx, 15% as Black, and 14% as Asian. There are opportunities to better reflect and celebrate this diversity through Downtown's retail mix, arguably the most visible of land uses. Strategies to do this, along with other recommendations, are included in the Goals, Objectives and Tactics section of the plan.



*Downtown Long Beach Farmer's Market*



*Outdoor Dining in Downtown Long Beach*



*Downtown Long Beach Retail*





# STAKEHOLDER ENGAGEMENT SUMMARY

An important component of the strategic planning process was to engage a variety of stakeholders to understand the current strengths, challenges, and future opportunities for Downtown Long Beach. These inputs were used to inform DLBA's organizational priorities and work program.

The P.U.M.A. team sought to engage with stakeholders in a number of different formats, including both virtual and in person opportunities. The team held over 50 virtual interviews, five in person roundtable discussions, and distributed an online survey that collected approximately 500 responses. Stakeholder groups included merchants, property owners (commercial and residential), community-serving organizations, developers and real estate professionals, City leadership, and other partners. Additionally, the team interviewed all DLBA staff members and programmatic committees.



*Stakeholder Engagement for the DLBA Strategic Plan*

## Downtown Long Beach Common Themes

The following are themes commonly expressed during stakeholder outreach through interviews and roundtable discussions, pertaining to Downtown Long Beach.

### Downtown Long Beach Strengths

- Unique setting - urban downtown on the waterfront
- Diversity of people, racially and economically
- Big city with a small-town feel; you see people you know
- Walkable; compact scale
- Proximity to amenities; feels very livable
- Defined and distinctive collection of downtown neighborhoods
- Great local businesses and owners who are dedicated to Downtown Long Beach

### Downtown Long Beach Challenges

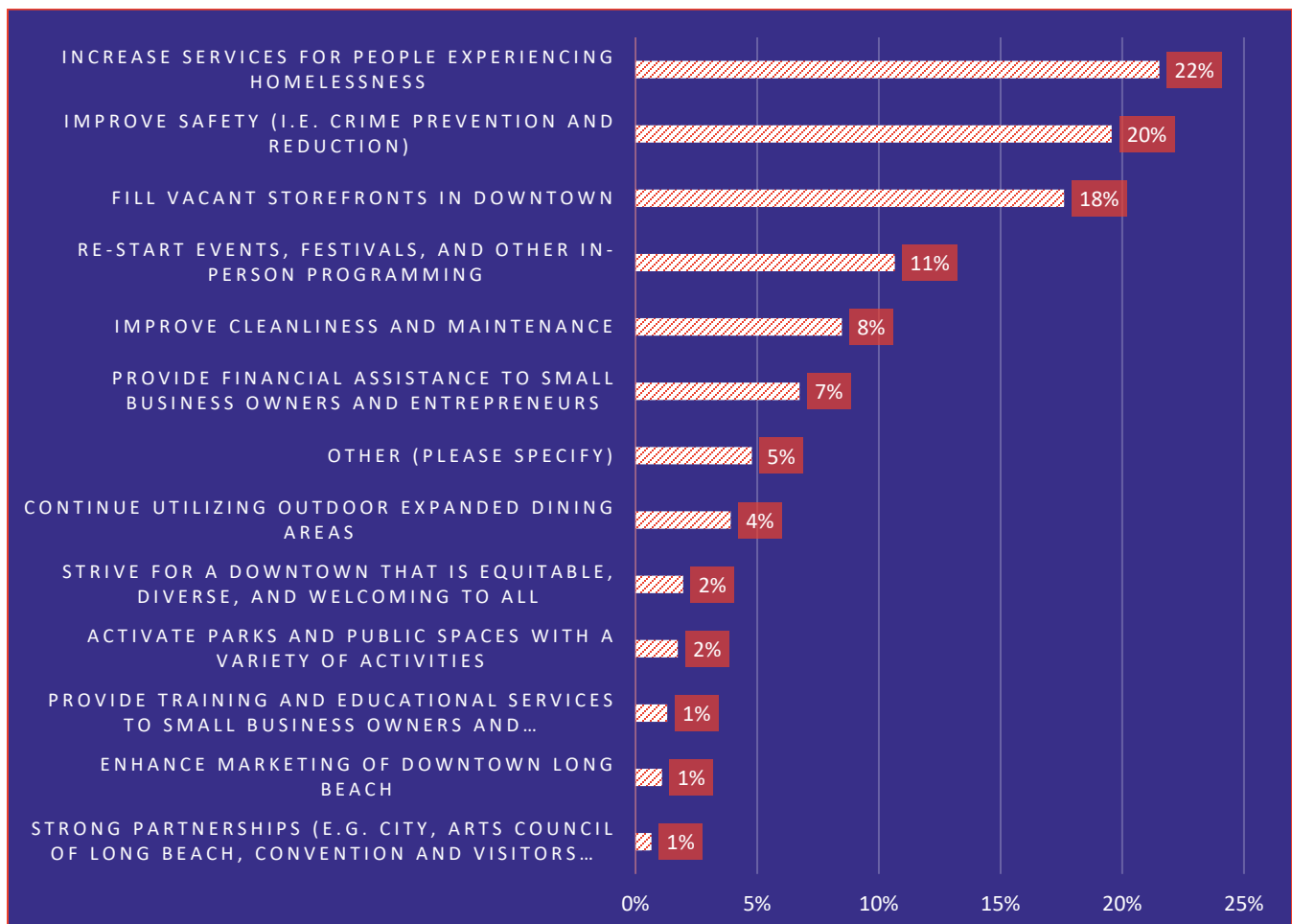
- COVID-19 created a void of activity with fewer visitors, conventioners, office workers, and others, which made Downtown feel less inviting
- A growing number of individuals experiencing homelessness
- Real and perceived safety issues, which have been exacerbated by fewer people being out on the street; some specific instances of harassment and crime were noted
- Storefronts that remained boarded up long after the civil unrest following the murder of George Floyd
- Rising home and rent prices, which were noted to be disproportionately impacting people of color
- New development is seen by some as being for a certain "type" – predominately white millennials, raising the question, "who is downtown for?"

- The west side of Downtown Long Beach is seen by some residents as receiving less attention and services than the east side

## Downtown Long Beach Improvements

- Improve outcomes for populations that are unhoused; explore a variety of solutions (e.g., micro units; safe parking for RVs; affordable housing, more public restrooms; de-escalation training, etc.)
- Re-activate Downtown, bring more people back to the street, fill vacant storefronts
- Continue open streets concepts that were started during the pandemic, consider making permanent
- Place enhancements to make Downtown fun and exciting (e.g. art installations down the Promenade)
- Improve connectivity between different activity centers, in particular better synergy between the Waterfront and Downtown neighborhoods to the north
- More residential amenities, specifically, grocery options
- Marketing Downtown in several dimensions: 1) encouraging people from the suburbs to come Downtown, helping to change their perception about safety and parking, and 2) do more to acknowledge and celebrate the customer who is already in Downtown

The chart below shows priority improvements for Downtown based on results from the online survey. Respondents were asked to select one action to improve Downtown Long Beach in the near term -- next 18 months. The top three responses, collectively receiving 60% of votes, were increasing services for people experiencing homelessness (22%), improve safety (20%), and fill vacant storefronts (18%).



**Survey respondents were asked to use three words to describe their vision for Downtown Long Beach 10 years from today.**

The words used most frequently included:

- Safe (159)
- Clean (120)
- Diverse (68)
- Vibrant (55)
- Thriving (39)
- Fun (36)
- Busy (33)
- Affordable (31)



## DLBA Common Themes

The following are themes commonly expressed during stakeholder outreach pertaining to DLBA as an organization.

## DLBA Strengths

- Once DLBA builds a relationship, the organization holds it well
- DLBA doesn't just talk, the organization takes action!
- DLBA's Clean and Safe Ambassador teams are well recognized and have gained even more appreciation during the pandemic
- When asked to rate DLBA services in the online survey, 67% of respondents said the Downtown Clean Team was Good or Very Good, the top-rated service among DLBA's business centers
- DLBA is a helpful resource for small businesses and many businesses said they appreciated the extra support provided during COVID-19 to identify new grant and loan resources

## DLBA Opportunities and Areas for Improvement

## Programmatic

- Stay focused on the fundamentals, ensuring Downtown is clean and safe
- Partner with the City, service providers, and others on solutions to reduce homelessness
- Provide assistance to new entrepreneurs and existing Downtown businesses, helping them to access resources, identifying affordable locations for start-ups, and acting as a liaison for small businesses navigating City permitting processes
- Be more intentional in supporting small businesses and entrepreneurs from historically marginalized groups
- Follow market trends moving through the pandemic and share relevant information with partners
- Be an advocate for affordable housing in Downtown
- Help to improve physical connectivity between nodes of activity, especially between the Waterfront and Downtown neighborhoods to the north



- Improve DLBA's coordination and communication with Downtown stakeholders, including residents, business owners, and partner organizations

### Organizational

- Grow and maintain awareness of the organization and its programs and services
- Continue to diversify the Board of Directors and committees
- Identify strategies to reduce employee turnover and build organizational capacity
- Improve partnership and coordination with aligned regional organizations like the Long Beach Convention and Visitors Bureau and the Long Beach Chamber of Commerce
- Employ new strategies to attract and retain Ambassadors

## KEY TAKEAWAYS

Based on the internal and external assessments completed as part of the strategic planning process, the following are key takeaways that influence Downtown Long Beach and DLBA's new strategic plan.

1. For those who are familiar with the organization, DLBA is seen as a "doer" and can leverage their respected reputation to promote positive change and innovation in Downtown over the next five years and beyond.
2. Building awareness of DLBA and educating stakeholders on the organization's role is an on-going effort, especially among Downtown residents.
3. DLBA's signature clean and safe program is highly valuable, yet undercapitalized, and could benefit from an infusion of resources.
4. The growing challenge of individuals experiencing homelessness was a resounding concern among stakeholders and DLBA has a role to play in partnering on solutions.
5. The pandemic placed additional need and priority on economic development, necessitating an expanded role for DLBA in assisting small businesses, entrepreneurs, and the evolving Downtown office market.
6. Having recently put a pause all on events, now is an opportune time for DLBA to consider which events to continue, which to stop, and generally to rethink DLBA's role in the production of events, considering instead a facilitation role.
7. Downtown has a great collection of distinct, unique neighborhoods. Communications, marketing, and physical place enhancement should celebrate and spotlight the neighborhoods of Downtown, while also continuing to market Downtown as a whole.
8. DLBA could streamline internal processes and reporting requirements to maximize staff time for programmatic work.
9. There are logical locations where PBID services could be expanded; conversations should be initiated with property owners to explore DLBA's value proposition.
10. DLBA is committed to the process of building an organizational culture centered around equity and should align this strategic plan with forthcoming recommendations from the Diversity, Equity, Inclusion, and Access (DEIA) plan being facilitated by BDS Planning.

# VISION

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Downtown is the thriving urban center of Long Beach, embodying and celebrating the region's diversity, innovation, and adaptability.

# MISSION

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Cultivate, preserve and promote a healthy, safe and prosperous Downtown *for all*.

# CORE VALUES

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The following core values are intended to be guiding principles for DLBA to consider internally as an organization and externally through their delivery of programs and services.

- **Innovative** | DLBA will continue to push the envelope and consider new ways of doing things, soliciting ideas from staff, board members, and community stakeholders to identify solutions that are uniquely tailored to Downtown Long Beach.
- **Inclusive** | One of Downtown Long Beach's great strengths is its diversity; DLBA will honor this diversity through programs, events, and initiatives that are welcoming and reflective of the community. DLBA will work to identify and remove barriers to participation, in the organization and its programs, for historically marginalized populations.
- **Connected** | Downtown Long Beach is vast and yet many stakeholders note its small-town feel. Through partnerships, programs, and ongoing engagement with stakeholders, DLBA will seek to improve community connections, along with physical connectivity between nodes of activity.
- **Sustainable** | DLBA will strive to be a sustainable organization on a number of fronts. This includes sustainability from an environmental standpoint and using products and resources that are greener and produce less waste, whenever possible. It also means building a culture of longevity within the organization.
- **Action-Oriented** | DLBA has been described as a doer and should continue its action-oriented disposition. DLBA is nimble and can be looked to when quick and decisive action is needed.
- **Authentic** | DLBA aims to reflect the unique flavor of Downtown Long Beach by delivering programs and services that are crafted for, and meet the unique needs of, Downtown.

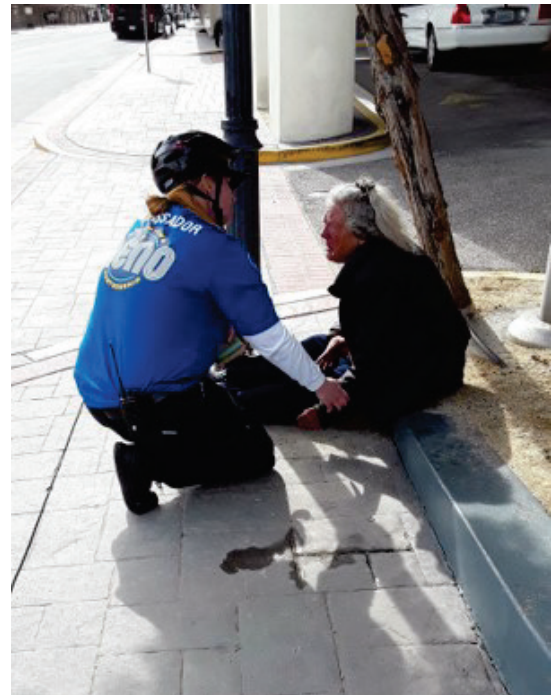


# GOALS, OBJECTIVES, TACTICS

## Goal 1: Master the fundamentals, ensuring a model clean and safe program for Downtown Long Beach

### **A. Create a Homeless Outreach Program that is tailored to the unique qualities and needs of the unhoused population in Downtown Long Beach**

1. Create a new senior-level staff position at DLBA, requiring social work or similar qualifications, specifically dedicated to addressing homelessness in Downtown Long Beach
2. Partner with the Multi-Services Center (MSC) to provide contracted support to collect the data on who Downtown's unhoused are (long time local citizens, recently unhoused, chronically unhoused, veterans, drug addicted, persons experiencing mental illness, etc.) and gain a comprehensive understanding for general needs that should be addressed
3. Continue to build and strengthen relationships with service providers to effectively refer unhoused individuals to appropriate services
4. Work with the City to implement and leverage allocations from the American Rescue Plan Act (ARPA) that support unhoused populations
5. Maintain connections with pertinent representatives from City's Homeless Services Bureau/REACH outreach teams, Long Beach Police Department Quality of Life Team, The Long Beach Homeless Coalition and other organizations that assist the homeless, to provide financial, media and volunteer support for their efforts
6. Maintain DLBA presence on Continuum of Care (CoC), Homeless Services Advisory Committee, and Long Beach Homeless Coalition
7. Coordinate third party de-escalation training for business owners, employees, and residents pertaining to interactions with unhoused and/or persons experiencing mental illness
8. Work with other organizations to develop a Resource Guide providing a current list of available resources to educate community stakeholders (residents, employees, business and property owners, among others) about the varied issues surrounding homelessness, what to do, and who to contact – in addition to other safety related services
9. Promote the use of amenities like basic medical/dental services, mobile showers, laundry facilities, downtown storage units and other services currently provided by local non-profits and other partners
10. Advocate to City, County and State officials to develop more transitional and permanent supportive housing in Downtown and throughout the City (new construction and/or re-purposing of existing buildings)



*Example of an unhoused outreach ambassador in Reno, NV*

## **B. Enrich services to enhance the feeling of safety in Downtown**

1. Transition to, and maintain, a pay structure for Ambassadors based on the standard living wage for Long Beach
2. Partner with clean and safe contractor to establish hiring and retention incentives for Ambassadors
3. For clean and safe contract management, follow adopted performance standards and protocols as stated in the services agreement between DLBA and its contractor for the Clean and Safe program
4. Integrate diversity, equity, inclusion, and access (DEIA) practices and principles for all contracted employees
5. Generate greater awareness and utilization of the safety escort program for residents and businesses
6. Establish additional ambassador coverage/shifts with the primary purpose of mitigating nuisance behaviors
7. Explore hiring off-duty Long Beach police officers to supplement Safety Ambassadors during key times of the week and in areas with the greatest number of reported issues; assess approaches and the cost/benefit
8. Work with public and/or private partners to place signage indicating appropriate use of streets and sidewalks by various modes, including autos as well as scooters, skateboards and other micro-mobility solutions; monitor effectiveness and make immediate adjustments as needed



*Downtown Long Beach Safety Ambassador*

## **C. Better publicize existing public restrooms and explore adding more**

1. Ensure that existing public restrooms are well maintained and install highly visible signage on the exterior of restroom structure(s)
2. Explore and advise on other public restroom location options throughout the Downtown

## **D. Establish higher standards for clean services**

1. Generate cleaning standards that are higher, stringent and measurable; closely monitor contractor's performance to ensure that the established high standard is consistently met (e.g., wiping entire surface of trash receptacles, removing small debris and bio-waste from tree wells)
2. Increase service frequency to remove miscellaneous trash and debris from walkways and curb lines
3. Maintain focused attention on hot spots, with a special emphasis on areas with chronic human waste challenges
4. Periodically coordinate with the City's Public Works department to review current locations of trash receptacles, remove duplications, and identify new receptacle locations based on pedestrian counts, Clean Team observations, and other relevant factors

5. Partner with the City to expand awareness and use of the GO Long Beach app for reporting maintenance issues
6. Install additional Mutt Mitt stations and consider the cost/benefit of using sustainable waste solutions
7. Explore the potential cost/benefit of partnering with Downtown homeowner's associations (HOAs) for a la carte cleaning services
8. Expand service areas to include alleyways and connecting paseos to remove miscellaneous trash and debris, and provide level of cleanliness equal to adjacent, well-maintained public spaces
9. For sustainability, expand the use of environmentally friendly equipment and cleaning products and implement practices to increase efficiencies and reduce waste

#### **E. Enhance lighting levels throughout Downtown**

1. Conduct monthly lighting audits to identify low level lighting areas and troubleshoot solutions (e.g., request the repair of inoperable lights, provide more frequent tree trimming to reveal existing lighting)
2. Partner with the City to engage lighting consultant to ensure locations, code (foot candle req.), and infrastructure is available and enhance lighting levels

#### **F. Formalize a new base level of services agreement between DLBA and the City**

1. Renegotiate a more detailed baseline services agreement with the City (which spells out what services the City provides as a baselevel and what enhanced services DLBA provides) to ensure a clean and safe Downtown
2. Consider adding additional elements referenced above to memorialize a partnership with DLBA and the City for public realm capital improvements

#### **G. Improve maintenance of trees, tree wells, and walkways**

1. Contract with tree vendor annually to have palm tree flower removed in March/April before the fruit forms, to help keep walkways cleaner
2. Work with the City to ensure that all tree wells are flush with the surface; may require adding or readjusting existing tree grates in some locations
3. Annually survey and report dead trees and unsafe tree wells (those with trip hazards) to the City for removal or replacement; closely monitor progress and follow up as needed to address hazards



#### ***SPOTLIGHT: SAN JOSE, CA***

Downtown San Jose is home to a solid inventory of healthy trees due in part to the care and attention from the PBID and the San Jose Downtown Association (SJDA). On an annual basis, SJDA contracts with several tree care companies to provide planting, stake installation, pruning, ungirdling, tree removal and maintenance of tree grates and other related tasks. **Most notable is the annual removal of palm tree fruit.** Once this particular fruit falls, it stains sidewalks with a dark, greasy, hard to remove residue, but due to removal of the fruit in the spring Downtown San Jose walkways are impressively clean.



## **Goal 2: Strengthen existing businesses and encourage entrepreneurship and innovation in Downtown**

### **A. Assist new and existing businesses in accessing resources and working through City processes**

1. Continue and expand promotion of DLBA's existing small business support programs
2. Help spread awareness of new programs and resources coming through the American Rescue Plan Act 2021
3. Hire a "Business Navigator" to provide guidance for all business types on the City permitting process, licensing, identifying suitable locations, and other business case management support as necessary
4. Initiate a communications campaign for new businesses to "start with DLBA" to make the process of establishing in Downtown easier and to establish the organization as a go-to resource for such purposes
5. Intentionally recruit and support businesses owned by historically marginalized populations to locate in Downtown; understand potential barriers and identify strategies through DEIA consultant BDS Planning
6. Host quarterly open houses for businesses to network with one another, share best practices, and become better acquainted with DLBA services
7. Create a "heat map" showing concentrations of different kinds of foot traffic to aid in site-location decision making
8. Consider the cost/benefit of creating a rebate program to reduce the DPIA fee for the first few years after a new small business (five employees or less) locates in downtown



*Downtown Long Beach Business*

### **B. Work with property owners, developers, and the leasing community in support of Downtown retail and office tenants**

1. In support of pandemic recovery, work with property owners to understand the benefits of retaining tenants by restructured leases, rent forgiveness, and other alternatives to tenant eviction
2. Build and maintain relationships with local, regional and national broker associations, through semi-annual roundtables, newsletters, and other forms of information sharing
3. Seek feedback and input from the retail and office leasing community to ensure statistics gathered and presented are meaningful and address questions of prospective tenants
4. Identify and share market opportunities and gaps with property owners, developers, and brokers
5. Develop a marketing campaign with tailored messaging to the regional leasing and tenant communities to help elevate awareness of - and make the case for -Downtown, in addition to the benefits of a "start with the DLBA" partnership

6. Provide property owners and developers with case studies and/or data to help flip the script on retail – thinking of retail as an amenity versus driving the bottom line
7. Align DLBA's financial and technical assistance, and work with the City to align its land use and zoning policy, to support strategic considerations such as the need for retail clustering, which is important for retailers' success

**C. Activate vacant or underutilized storefronts and help to prevent future vacancies**

1. Continue the retail pop-up grant program
2. Collaborate with the Marketing and Public Realm Departments to temporarily activate storefronts with art, storytelling displays, or other temporary uses; intentionally seek to represent and bring awareness to Long Beach's diverse cultures
3. Work with developers and landlords to create and install wraps that show renderings of, and build anticipation for, what's coming
4. Help to facilitate the production and management of new brick-and-mortar entrepreneurial platforms on public spaces and, possibly, underutilized private lots in agreement with property owners (e.g., co-location, fashion truck pod, container village, public market, etc.)
5. Work with the City on land use / zoning / regulatory modifications to accommodate the ongoing evolution of the retail industry (e.g., permitted uses, flex spaces, etc., possibly with some kind of tiered structure) as well as the specific market dynamics for individual sub-districts and streets [see MJB Retail Strategies Memo for more detail]

**D. Assist the Downtown office market in evolving to meet the new reality**

1. Assist property owners with more traditional office spaces in understanding trends, reconfiguring spaces, and converting standard formats to more creative spaces (like the Hubb)
2. Identify key amenities (e.g., child care) that would encourage office tenants and employees to return Downtown and work with partners to implement
3. Work with partners to solidify a core positioning strategy for Downtown, identify its specific niche within the region (e.g., small to mid-sized companies with services complimentary to the Port, aerospace, and medical services), and develop a recruitment strategy
4. Encourage older office stock, unlikely to be used for future office, to be converted to affordable and workforce housing to support Downtown's diverse professional and service employee profile

## **Goal 3: Market and promote Downtown as a whole and as a collection of unique neighborhoods**

**A. Develop a comprehensive marketing & communications strategy**

1. Understand the new Downtown market and what has/hasn't changed as a result of COVID-19
2. Identify Downtown's unique assets and differentiators (e.g., waterfront location, collection of neighborhoods, etc.) and develop a strategy for communicating Downtown's value proposition, in alignment with the City
3. Identify key audiences and tailored strategies to reach these audiences
4. Help to further define and promote Downtown's unique and distinct neighborhoods

**B. Continually seek ways to build awareness of DLBA and educate stakeholders about DLBA's role and value proposition**

1. Utilize the new strategic plan to educate stakeholders about the role DLBA plays and set expectations for what it does and doesn't do
2. Improve communications and outreach to residents, including regular touch points and communications with neighborhood associations, property managers, and homeowner associations



3. Seek to communicate with all new Downtown businesses to explain the DPIA fee and the value it provides
- C. Increase use of online platforms to promote the people, businesses, and activities in Downtown**
1. Continue to grow social media presence and create original content and stories that show the faces of Downtown Long Beach
  2. Upgrade the DLBA website to include more use of video; produce segments to promote various market sectors, lifestyles, and entertainment
  3. Utilize virtual event formats as front-end marketing campaigns
  4. Explore the cost and benefit of utilizing geo-targeting technology
  5. Consider locations for digital signage and implement as necessary
- D. Rethink DLBA's role in the production of events**
1. Evaluate all existing events and identify which events make sense for DLBA to continue to produce and which do not
  2. For events DLBA no longer wants to produce, identify whether there are other entities that want to take on the responsibility; DLBA could consider remaining a sponsor
  3. Establish criteria for the types of events DLBA would be interested in helping to facilitate (e.g., events that celebrate diverse cultures, events that promote distinct neighborhoods)
  4. Identify events (for production or sponsorship) that help to promote retail businesses and not just restaurant/hospitality



*Wayfinding Sign to Various Downtown Long Beach Neighborhoods*

## **Goal 4: Showcase the beauty, creativity, and unique sense of place in Downtown for all to enjoy**

- A. Activate key locations with art, music, and culturally responsive placemaking, including programming and physical place enhancements**
1. Encourage open streets concepts and more outdoor dining while ensuring adequate visibility of business signage to passersby
  2. Work with the City and neighborhood businesses and residents to create design standards for outdoor dining patios and parklets that align with neighborhood characteristics; help to identify grant funding that can be used for individual businesses to implement
  3. Seek activations that celebrate the diversity of people and cultures in Downtown; partnering with businesses, neighborhood associations, and nonprofit partners on cultural programming

4. Actively engage the community in reimagining and creating the next iteration of the Loop; as the Loop moves to its next phase, consider playing a supportive role vs. a lead role
5. Consider alleyways that would be prime for temporary activations and place enhancing features (e.g., murals, festive lighting, games)
6. In partnership with arts and cultural groups, create an “art trail” to explore Downtown through murals, music, street art, and other creative elements that link neighborhoods together
7. Revisit previous plans for Harvey Milk Park and explore partnership with new property owner for more permanent activations

**B. Partner with the City to ensure a clean, safe, and enjoyable experience at the newly developed Lincoln Park**

1. Explore a contract for service with the City to provide security and maintenance
2. Explore a contract for service for facilitating events and/or advocate for appropriate levels of activation
3. Develop a plan for maintenance and lifespan of all new elements being provided or managed by DLBA

**C. Green Downtown**

1. In partnership with the City, and potentially sponsor partners, plant additional (mature, CA native) trees in empty tree wells, while ensuring adequate visibility of business signage to passersby
2. Develop a plan for comprehensive tree maintenance
3. Explore a partnership for adding more greenery at City Place
4. Explore opportunities to add mini pet parks and/or a temporary dog park on an underutilized lot
5. Consider opportunities for community gardens and engage interest and support from residents for maintaining

**D. Develop comprehensive wayfinding (signage) throughout Downtown**

1. Continue to strategically add new wayfinding signage, with the Waterfront and primary parking structures being key priorities
2. Install signage to more clearly alert motorists to street closures and offer alternative routes to major destinations and parking facilities
3. Apply unique design treatments and new signage at crosswalks clearly indicating the pedestrian’s right of way
4. Distribute Downtown maps at places like hotels, businesses, and civic and cultural institutions
5. Explore signage or unique markers to indicate gateways to different Downtown neighborhoods



*Public Art in Downtown Long Beach*





### E. Differentiate Pine Avenue

1. Work with the City to study partial or temporary street closures on certain blocks of Pine Ave, including access zones on nearby intersecting side streets for curbside pickup and delivery drivers
2. If portions of the street are closed (either intermittently or permanently), help to identify funding sources for ongoing programming and marketing of such closed stretches
3. Support the City and community in implementing ideas from the North Pine Community Vision and Action Plan
4. Consider orienting individual blocks or series of blocks towards specific psychographic targets (such as 1<sup>st</sup> Street between Elm and Linden); involve landlords and brokers in the area with existing merchants to see the opportunity of clustering along such lines
5. As Pine Ave evolves (vision plan elements are implemented), work with the DLBA marketing and communications team to showcase the unique, one-of-a-kind nature of the street



*North Pine Avenue in Downtown Long Beach*

## **Goal 5: Be a leading voice in planning for the future of Downtown**

- A. Pursue all necessary requirements to renew the Downtown property based business improvement district (PBID) for another ten-year term**
- B. Redefine and advocate for projects, policies, and initiatives that are considered transformative based on community benefit**
  1. Advocate for policies and resources that support housing development in Downtown, including workforce and affordable housing
  2. Advocate for policies and resources that support enduring solutions to homelessness (see Goal 1)
  3. Help to engage and mobilize the Downtown business and resident communities in committing time, energy, and resources to addressing Downtown's most pressing challenges
  4. Consider formation of a non-profit 501 (c)(3) affiliate of the DLBA to help fund impactful community-minded projects and initiatives
  5. Encourage the City to evaluate the possibility of a two-way conversion for the Broadway / 3<sup>rd</sup> St. couplet as a way to slow traffic, improve visibility of Downtown retail and encourage greater walkability
- C. Work with partners to improve connectivity throughout Downtown**
  1. Encourage the City to sponsor vision and action plans for areas such as the East Village, where there is a need to knit together the many pockets of activity and connect to the rest of Downtown
  2. Reengage in exploring a Downtown circulator with Long Beach Transit to help unite neighborhoods, reduce traffic and parking concerns, and improve mobility between key destination points in Downtown
- D. Actively track and participate in plans and special projects that impact Downtown**
  1. Track, monitor, and participate in any subsequent update to the Downtown Plan (PD-30)
  2. Track, monitor, and participate in planning initiatives related to PD 6
  3. Support partners in preparation for 2028 Olympics

# ORGANIZATIONAL RECOMMENDATIONS

## Staffing

DLBA currently has an office staff of eleven, as well as a team of Clean and Safe Ambassadors. To bring staffing to an optimal level over the next five years, to address the current challenges and opportunities in Downtown Long Beach, the following new positions are recommended.

## New Positions

### Downtown Business Navigator

This position is envisioned as a near term opportunity to support Downtown's economic recovery through direct and tailored support to existing businesses and encouragement of new entrepreneurs, who have increased during the pandemic. This position will be hands on and proactively seek to build relationships with diverse Downtown businesses and entrepreneurs who are new to the Downtown Long Beach market. This position will also work closely with the City of Long Beach Economic Development Department and will help businesses to navigate City processes, and keep them informed of all the new financial assistance and technical assistance resources flowing through the City as a result of American Rescue Plan Act (ARPA).



*Retail for Lease in Downtown Long Beach*

This position will support DLBA's Economic Development & Policy Manager in accomplishing the tactics and objectives of Goal 2, and supports one of the top priorities identify during stakeholder engagement, which was to fill vacant storefronts.

This position will be supported, at least initially, through ARPA funds. If there is a need and desire to maintain this position for a longer period of time, additional funding would need to be sought and considered.



## Homeless Outreach Manager

The Homeless Outreach Manager is a new senior level position, requiring an advanced social work degree or similar qualifications. Working knowledge of the social services and programs in and around the City of Long Beach would be a plus. This manager will be responsible for creating an outreach program that embraces the community's values and concerns while addressing demands and needs of the unhoused population with the main objective of connecting individuals to services and housing. The manager will collaborate with social service agencies, local organizations, non-profits and various city departments to create or strengthen partnerships to most effectively manage the challenges associated with homelessness. The manager would be responsible for managing a budget, benchmarking progress, and communicating with downtown stakeholders and local partners. The manager would direct and supervise any additional DLBA employees hired to support outreach efforts to unhoused community members.

## Operations Manager

The Operations Manager is a senior level position, responsible for overseeing DLBA's signature Clean and Safe program, that is provided within the boundaries of the PBID. This position manages third-party contract services delivered by Clean and Safe personnel and coordinates activities with property owners, merchants, and various City of Long Beach department officials, to enhance cleanliness and safety in public spaces. This includes working with the third-party vendor to negotiate contracts, establish program goals, and track and evaluate outcomes to maximize the program's performance. The Operations Manager also acts as DLBA's advocate and liaison for all Downtown safety, social service and maintenance issues.

## Field Supervisor

The Field Supervisor, working under direction of the Operations Manager, helps to manage the third party Clean and Safe contract. This includes monitoring compliance of day-to-day activities, operations and schedules of contract personnel, and managing product and equipment inventories. This position, while based out of the DLBA office, requires extensive field work.

## Residential Outreach

DLBA staff should engage with the residential community to determine the best way to keep them informed, whether that is through information provided by DLBA's communications staff or through members of the Clean, Safe, and Homeless outreach team. Staff should maintain a database of all residential units in the PBID, attend HOA and other neighborhood group meetings, periodically survey residents to understand their needs and priorities, and keep them up-to-date on DLBA's programs that are of interest and benefit to Downtown residents.

### *SPOTLIGHT: HOLLYWOOD, CA*

In The Hollywood Entertainment District (HED), The Hollywood Partnership implements a multi-tiered approach to address issues related to homelessness. They have a safety and security team which responds to quality-of-life concerns, and within that team homeless outreach services are also provided. Their Homeless Outreach Team is made up of seasoned social workers that are trained to conduct needs assessments and respond as appropriate to unhoused community members. Additionally, they have established relationships with local agencies and service providers. Relationships of trust are being established with unhoused community members, allowing for outreach service delivery and regular maintenance of encampments.

## Staff & Contractor Retention

### Office staff

One of the themes that emerged in the outreach phase of the strategic planning process was the challenge of staff retention. Having recognized this as an issue, DLBA pro-actively hired Fuller Management Corporation (FMC) to conduct an organizational assessment in 2020. DLBA should implement recommendation from FMC's New Hire Assessment report to increase employee satisfaction through a more formalized onboarding process, clearly defined expectations for new hires, and an established process for staff evaluation.

### Ambassadors

DLBA, especially in light of trends related to COVID-19, has been challenged to retain a full deployment of Ambassadors. As DLBA's signature program, and clean, safe, and homeless outreach being a top priority among stakeholders, this program needs an infusion of resources to deliver its full value. Part of this is retaining Ambassadors, so that there is less re-training required and more experienced contractors in the field. Ambassadors' have always been paid at least minimum wage but that is not enough to remain competitive in today's economic climate. Ambassadors should be compensated with living wages and enhanced benefits to not only stay competitive but align with the organization's values.

### *SPOTLIGHT: PHOENIX, AZ*

Downtown Phoenix Inc. offers a robust benefit package for their Ambassador team. Not only do they pay above minimum wage, they also pay the deductible on a comprehensive HSA plan, offer an initial consultation with a podiatrist, provide a bi-annual stipend for new shoes, and reimburse a portion of a gym membership.

## Governance

### Organizational Commitment to Equity

DLBA staff, with support from the Board of Directors, is committed to doing the work of integrating diversity, equity, inclusion, and access strategies into the organization, its programs, and policies. To assist in this work, DLBA hired BDS Planning to provide a training in racial equity in the context of Urban Place Management, an organizational equity commitment statement, an equity-specific internal assessment, and aspirational goals and objectives for organizational changes in identified priority areas. Once this work is completed, anticipated in December 2021, DLBA staff should make any necessary updates to this strategic plan document to reflect the values and priorities articulated through that process.

Following completion of the strategic plan and the equity plan, DLBA should consider producing a short video of staff and board leadership stating the goals of the plan and their commitments to the community over the next five years. Additionally, the organization's equity commitment statement should be featured prominently on the website.

### Continue to Diversify the Board

DLBA has made progress in diversifying the organization's Board of Directors and this should continue to be a commitment and intention moving forward. To assist in this process and track progress over time, it would be helpful to start with a baseline understanding of the current board's demographics and how recruitment of new



members has historically taken place. If recruitment techniques have generally not yielded a set of diverse candidates, new recruitment strategies may need to be identified.

## Committees

DLBA requires board members to participate on a committee of their choice. There are currently five programmatic committees and three administrative committees.

### Programmatic committees

- Economic Development Committee
- Marketing & Communications Committee
- Placemaking Committee
- Public Safety Committee
- Special Events & Sponsorship Committee

### Administrative committees

- Executive Committee/advocacy
- Finance Committee
- Governance Committee
- Audit Committee



*DLBA Board Meeting*

The following modifications to the committee structure are recommended to reduce administrative time from staff and increase satisfaction among committee participants.

- Programmatic committees should meet every other month, as opposed to monthly.
- Continue to establish committee meeting protocols at the onset of each year, clearly communicating that committee members have a say in establishing the meeting schedule and meeting style, and seek feedback on how committee members want to add value.
- In light of COVID-19 and the opportunity to rethink DLBA's role in events (shifting from primarily a production role to more of a facilitation role) Special Events and Sponsorship may not warrant its own committee but rather the work could be folded into the Placemaking and/or Marketing & Communications committee.

## Funding Sources

### Revenue Diversification

To continue to diversify sources of revenue and leverage PBID fees and DPIA assessments, which provide approximately 75% the organization's revenue, the following pathways are recommended.

#### **Contracts for service**

PBIDs will often negotiate contracts to provide services outside of district boundaries, or to provide specialized service in areas like parking structures or parks that may or may not be within the district. These contracts, which usually focus on extending clean and safe ambassador services, include a pricing premium to help enhance overall organizational revenues. DLBA should actively monitor requests for proposals (RFPs) from the Long Beach Public Works Department, Long Beach Transit, Long Beach Parks, Recreation, and Marine, and other agencies, and respond to RFPs that align with DLBA's services.

#### **Sponsorships, grants, and donations**

DLBA currently seeks sponsorships largely to support events. If DLBA shifts its attention away from focusing on the production of large events, the organization should also shift its focus to seek nonevent-based sponsorships for things like culturally responsive placemaking projects, connectivity improvements, greening initiatives, or programs that support businesses with COVID-19 recovery. DLBA staff should seek support from the board and programmatic committees in identifying foundations, community organizations, corporations, and other entities that might be interested in partnering or financially contributing to such projects and programs. See also the creation of a new 501 (c)(3) below.

Additionally, the City of Long Beach received American Rescue Plan Act funding and a portion of this funding is set to be distributed to each of the City's PBIDs. This will be a beneficial near term funding source for DLBA.

#### **Explore the potential to form a new non-profit 501 (c)(3) affiliate organization**

The 501 (c)(3) non-profit being recommended in this plan is very different from the nonprofit Downtown Development Corporation (DDC) that was established by DLBA about ten years ago. The former DDC was created in anticipation of the end of redevelopment districts in California and anticipated that it might have a role in guiding the reuse of redevelopment assets. The DDC later evolved into the Long Beach Economic Partnership and has a regional community development focus.

This plan suggests the DLBA explore the feasibility of forming a new non-profit 501 (c)(3) affiliate respond to very different needs that exist in Downtown today. It is envisioned as a way to leverage more resources for a variety of initiatives that provide community benefit and innovation in Downtown and support the five goals of this strategic plan.

Below are suggested ideas for projects that could be supported by a 501 (c)(3), however, DLBA staff and board should define more specifically what this entity would focus on before it is formed and make sure there is no duplication among existing non-profit partners.



DLBA Goals	Initiatives a 501 (c)(3) could support:
<b>GOAL 1:</b> Master the fundamentals, ensuring a model clean and safe program for Downtown	<ul style="list-style-type: none"> <li>• Pilot program for mobile public restrooms and/or mobile shower facilities</li> <li>• Ongoing de-escalation training for merchants, residents, and employees in response to individuals experiencing homelessness or mental health episodes</li> <li>• Facilitation of social impact bonds that could be used to help finance permanent supportive housing</li> <li>• Programs that provide adults experiencing homelessness with work opportunities within DLBA's service areas (e.g., Colfax Works, a program of the Colfax Ave Business Improvement District in Denver, CO)</li> </ul>
<b>GOAL 2:</b> Strengthen existing businesses and encourage entrepreneurship and innovation in Downtown	<ul style="list-style-type: none"> <li>• Sponsor a business plan competition for entrepreneurs; with resources allocated to the winner</li> <li>• Mobilize seed and working capital to advance business ownership by people of color or other historically marginalized groups</li> <li>• Assist in the management and facilitation of a fashion truck pod, shipping container village or other co-locating arrangement of affordable start-up space</li> </ul>
<b>GOAL 3:</b> Market and promote Downtown as a whole and as a collection of unique neighborhoods	<ul style="list-style-type: none"> <li>• Storytelling campaign to highlight different experiences in Downtown Long Beach (e.g., the Black experience, the Latinx experience, the Cambodian experience)</li> <li>• Initiatives to elevate "the faces" of Downtown Long Beach, with an emphasis on those who keep the local economy humming but may not be widely recognized (e.g., a transit driver, back of house staff at restaurants, school teacher, non-profit leader, small business owners)</li> </ul>
<b>GOAL 4:</b> Showcase the beauty, creativity, and unique sense of place in Downtown for all to enjoy	<ul style="list-style-type: none"> <li>• Initiatives that use Downtown's public space as a canvas for creativity, which could include murals, interactive art, video, music</li> <li>• Ongoing funding to maintain a more robust urban tree canopy; sponsors could receive a tree in their name</li> <li>• Culturally responsive placemaking initiatives on Pine Ave and programming for closed streets</li> <li>• Programming for the new Lincoln Park</li> </ul>
<b>GOAL 5:</b> Be a leading voice in planning for the future of Downtown	<ul style="list-style-type: none"> <li>• Support for improved mobility and connectivity; such as a Downtown circulator</li> <li>• Improvements to bike and pedestrian infrastructure</li> <li>• Future planning initiatives</li> <li>• Recommendations from the diversity, equity, inclusion and access plan (BDS Planning) that could include a community empowerment fund for work with underrepresented communities in Downtown</li> </ul>

### Examples of non-profit 501 (c)(3) affiliates

The type of nonprofit proposed here is becoming a standard “best practice” tool utilized by downtown management organizations throughout the nation. Below are three examples of 501 (c)(3)s that were added as an affiliate to downtown management organizations in Fresno, CA, Boulder, CO, and Austin, TX.

#### Downtown Fresno Foundation



The Downtown Fresno Foundation launched a “Create Here” business plan competition, which included a package of services for start-ups – including IT support, social media advice, remodeling assistance, and one year of free rent. The community was involved in helping to choose a “winner” but the four runners-up all opened new businesses and the competition created a swell of support for the new business concepts.

#### Downtown Boulder Community Initiatives



The Boulder Alley Gallery is a program of Downtown Boulder Community Initiatives (DBCI). The project re-purposes alley and back-of-building doors into an outdoor artist gallery featuring the works of local talent. DBCI publishes a map of all doors and is continually seeking new sponsors to grow the program. Artist pictured: Jerome Coffey.

#### Downtown Austin Alliance Foundation



The Downtown Austin Alliance Foundation was established in 2019 as the 501 (c)(3) non-profit extension of the Downtown Austin Alliance. The Foundation is charged with implementing key projects that support the Alliance’s vision. This includes holding the management contract to operate, program and fund Republic Square, downtown’s central gathering place.

A 501 (c)(3) affiliate of the DLBA would have its own board of directors. This board should represent the diversity of Long Beach and skill sets aligned with the focus areas of the non-profit, which might include, fundraising, arts, social services, and racial equity, among other areas.

Similar to how 501 (c)(3) affiliates are organized with other PBID-based organizations, the 501 (c)(3) would not have its own staff but would establish a contract for service through the DLBA. In the near term, it does not appear that the DLBA would need to increase staff capacity to accommodate a new 501 (c)(3). Existing staff, especially those supporting special projects and culturally responsive placemaking, could align with initiatives that receive funding through a 501 (c)(3). Over time, there may be the need for more specialized support, or fundraising expertise, at which point the 501 (c)(3) would need to raise funds to support a new position.

### PBID Boundary Adjustments

In addition to new revenues sources discussed above, there are adjustments to the PBID boundary that should be considered during PBID renewal. If the boundary is expanded, there will be additional revenue generated by the PBID but also additional area in which to provide services. More detail is provided on potential expansion areas in the section on implications for the PBID management plan and renewal on pages 26-to-27.



## Budget

The table below indicates how DLBA's budget, by business center, should be adjusted moving forward based on current conditions and stakeholder feedback on improvements and priorities for Downtown Long Beach.

DLBA Business Centers	Current Funding (FY 21)	Budget Adjustments
<b>Clean, Safe, Homeless Outreach</b>	\$2,125,831	+
<b>Economic Development</b>	\$387,997	+
<b>Marketing &amp; Communications</b>	\$237,092	=
<b>Placemaking</b>	\$268,578	=
<b>Special Events</b>	\$265,989	-

- **Clean, Safe, Homeless Outreach.** Safety and support for the unhoused population were the top priorities among stakeholders. To address new demands, additional staff capacity is needed, along with an increased frequency of service. This also considers the need to increase compensation for the recruitment and retention of Ambassadors.
- **Economic Development.** Another top priority among stakeholders was to focus on the storefront economy and help to fill vacancies. COVID-19 has, and will continue to, disrupt this sector and additional resources are needed to support existing businesses and to harness and capture new entrepreneurial activity in Downtown.
- **Marketing and Communications & Placemaking.** The marketing and placemaking budgets are expected to remain fairly static, although they could grow if and when a new 501 (c)(3) is activated, pending the focus of this new entity.
- **Special events.** Many Downtown organizations are taking the pause in events due to COVID-19 as an opportunity to reevaluate why they are producing events and whether that role is still necessary. As recommended in Goal 3, DLBA should consider which events to continue but also which can be let go. It is recommended that instead of time spent on the production of events, DLBA shift its focus to help facilitate smaller events that need assistance getting started and align with the vision, mission, and goals of the organization. With this shift, it is reasonable to expect the special events budget would decrease.

The net of these changes is an overall increase in the DLBA budget moving forward. The new revenue sources identified above will be important in meeting this budget goal, as will the consideration of increasing the PBID assessment, which will be explored during the PBID renewal process.

## Metrics

The metrics below are suggested as a way to measure progress toward the five goals of the strategic plan. DLBA program managers should produce department dashboards quarterly or biannually (as opposed to monthly) to show how they are pacing toward achieving the objectives within their goal area. Staff should work internally, with input from committee members, to determine which metrics are the most important. The list below is a starting point and can, and should, be refined based on which tactics are being pursued.

With a quarterly or biannual report, as opposed to monthly, time should be given on the agenda of the meeting to discuss the metrics in more detail.

Goal	Suggested Metrics
<b>Goal 1:</b> Master the fundamentals, ensuring a model clean and safe program for Downtown	<ul style="list-style-type: none"> <li>• Number of bags of trash collected</li> <li>• Number of graffiti/stickers removed</li> <li>• Blocks of sidewalks power washed</li> <li>• Counts of persons experiencing homelessness</li> <li>• Number of individuals connected to services through the DLBA's homeless outreach team</li> <li>• Number of Resource Guides distributed</li> <li>• Number of safety escort services provided</li> <li>• Number of participants in de-escalation trainings</li> <li>• Annual clean and safe stakeholder perception survey</li> </ul>
<b>Goal 2:</b> Strengthen existing businesses and encourage entrepreneurship and innovation in Downtown	<ul style="list-style-type: none"> <li>• Commercial and residential occupancy percentages</li> <li>• Number of businesses assisted by the Business Navigator and/or other DLBA programs</li> <li>• Number of business education workshops provided and attendance numbers</li> <li>• Number of new businesses, including the number of businesses owned by people of color or other historically marginalized populations</li> <li>• Number of closed businesses</li> <li>• Number of requests for market data or inquiries by brokers</li> <li>• Total number of jobs downtown</li> </ul>
<b>Goal 3:</b> Market and promote Downtown as a whole and as a collection of unique neighborhoods	<ul style="list-style-type: none"> <li>• Number of events DLBA helped to facilitate</li> <li>• Attendance numbers at DLBA produced events</li> <li>• Website visitation &amp; engagement statistics (to understand the type of content that is most viewed)</li> <li>• Social media following and engagement statistics</li> <li>• Email blast following and engagement statistics</li> <li>• Annual perception survey of awareness, and satisfaction with, DLBA services</li> <li>• Track the number of media outreach by type (monthly, quarterly, annually)</li> <li>• Media coverage of DLBA and Downtown Long Beach</li> </ul>
<b>Goal 4:</b> Showcase the beauty, creativity, and unique sense of place in Downtown for all to enjoy	<ul style="list-style-type: none"> <li>• Number of local artists/creatives engaged in placemaking; including the number who represent historically marginalized populations</li> <li>• Number of temporary activations; participation in activations</li> <li>• Number of plantings maintained</li> <li>• Number of new trees planted</li> <li>• Number of parklets/streeteries</li> <li>• Counts of public art</li> <li>• Annual pedestrian counts in key locations</li> </ul>
<b>Goal 5:</b> Be a leading voice in planning for the future of Downtown	<ul style="list-style-type: none"> <li>• Number of housing units in downtown, including the proportion considered affordable, workforce, or transitional</li> <li>• Number of sponsorships and/or grants dollars received to support community benefits</li> <li>• Number of community members engaged in conversations around pressing topics/issues impacting Downtown</li> <li>• Number of plans, studies, or other initiatives where DLBA was at the table</li> </ul>



# IMPLICATIONS FOR PBID MANAGEMENT PLAN & RENEWAL

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This strategic plan will help to inform a subsequent PBID Management Plan, a necessary component of the PBID renewal in 2022. The following are key considerations.

## Boundary & Service Area

The boundary of the PBID should be evaluated in three dimensions, described below.

1. **Major activity centers not included in the PBID.** There are two major economic centers in Downtown that are not included in the PBID currently – the Convention Center and Shoreline Village. Both of these areas could potentially benefit from being part of the PBID and accessing DLBA services, especially clean, safe, and outreach services. During the renewal process, DLBA should explore the value proposition and cost of inclusion with the property owners and operators of these spaces.
2. **Extensions of key commercial corridors.** There are potentially logical extensions of PBID services north along major commercial corridors such as Pacific Ave and Atlantic Ave, as well several streets where service is provided on one side of the street but not the other, such as 6<sup>th</sup> Avenue between Long Beach Blvd. and Elm Ave. Conversations should be explored with property owners of these potential expansion areas during PBID renewal.
3. **Alleys within the Downtown core.** Alleys within the Downtown core are currently not serviced by the DLBA clean and safe team. Cleanliness of alleys was one of the top concerns noted by respondents to DLBA's 2021 public safety perception survey. In the past, DLBA has partnered with other organizations to provide programs like Alleybusters, which helped to remove bulk items and general clean up. Incorporating core alleys into the assessment methodology should be explored during PBID renewal as a way to provide a reliable stream of funding to maintain these spaces with a higher level of service.

## Increased Level of Service

To address stakeholder concerns regarding safety, cleanliness, and the unhoused population in Downtown, the PBID Management Plan will consider increased frequencies of service and increased staff capacity within the clean and safe program. Specific considerations include:

- Increased frequency of select cleaning services
- Increased frequency of daily passes by Safety Ambassadors in the Premium and Standard Zones
- Daily presence by the homeless outreach team
- Increased number of Safety Ambassadors
- Consider the need for adjustment to the Premium Zone to include streets currently designated as Standard

# ACTION PLAN | TIMELINE & PARTNERS



Top priority action



Initiate program or project, does not necessarily mean complete in that timeframe



Continue and adjust as needed

DLBA should evaluate the following implementation schedule and timeline and adjust the timing of individual programs/projects, and partners, as needed.

**For all goals, the First Council District, Second Council District, and Office of the Mayor for the City of Long Beach are considered important partners.**

## GOAL 1: Master the fundamentals, ensuring a model clean and safe program for Downtown

### Key Partners

- Clean and safe vendor
- Downtown parking management companies
- Hospitality industry
- Mental Health America
- Arbor Day Foundation
- Pacific Gateway: Workforce Innovation Network
- Long Beach Homeless Services Bureau
- Long Beach Police Department
- City of Long Beach: Public Works
- City of Long Beach: Water Department
- City of Long Beach: Parks, Recreation & Marine

### Objectives [listed in order of priority]

Year 1

Years  
2 – 5

#### A. Create a Homeless Outreach Program that is tailored to the unique qualities and needs of the unhoused population in Downtown Long Beach

- Create a new senior-level staff position at DLBA, requiring social work or similar qualifications, specifically dedicated to addressing homelessness in Downtown Long Beach
- Work with the City to implement and leverage allocations from the American Rescue Plan Act (ARPA) that support unhoused populations
- Partner with the Multi-Services Center (MSC) to provide contracted support to collect the data on who Downtown's unhoused are (long time local citizens, recently unhoused, chronically unhoused, veterans, drug addicted, persons experiencing mental illness, etc.) and gain a comprehensive understanding for general needs that should be addressed
- Continue to build and strengthen relationships with service providers to effectively refer unhoused individuals to appropriate services
- Maintain connections with pertinent representatives from City's Homeless Services Bureau/REACH outreach teams, Long Beach Police Department Quality of Life Team, The Long Beach Homeless Coalition and other organizations that assist the homeless to provide financial, media and volunteer support for their efforts

\*



**DOWNTOWN  
LONG BEACH  
ALLIANCE**



6. Maintain DLBA presence on Continuum of Care (CoC), Homeless Services Advisory Committee and Long Beach Homeless Coalition		
7. Coordinate third party de-escalation training for business owners, employees, and residents pertaining to interactions with unhoused and/or persons experiencing mental illness		
8. Work with other organizations to develop a Resource Guide providing a current list of available resources to educate community stakeholders (residents, employees, business and property owners, among others) about the varied issues surrounding homelessness, what to do, and who to contact		
9. Advocate to City, County and State officials to develop more transitional and permanent supportive housing in Downtown and throughout the City (new construction and/or re-purposing of existing buildings)		
10. Promote the use of amenities like basic medical/dental services, mobile showers, laundry facilities, downtown storage units and other services currently provided by local non-profits and other partners		
<b>B. Enrich services to enhance the feeling of safety in Downtown</b>		
1. Transition to, and maintain, a pay structure for Ambassadors based on the standard living wage for Long Beach	*	
2. Partner with clean and safe contractor to establish hiring and retention incentives for Ambassadors		
3. For clean and safe contract management, follow protocols as stated in the services agreement between DLBA and its contractor for the Clean and Safe program		
4. Integrate diversity, equity, inclusion, and access (DEIA) practices and principles for all contracted employees		
5. Establish additional ambassador coverage/shifts with the primary purpose of mitigating nuisance behaviors		
6. Generate greater awareness and utilization of the safety escort program for residents and businesses		
7. Explore hiring off duty Long Beach police officers to supplement Safety Ambassadors during key times of the week and in areas with the greatest number of reported issues; assess the cost/benefit		
8. Work with public and/or private partners to place signage indicating appropriate use of streets and sidewalks by various modes, including autos as well as scooters, skateboards and other micro-mobility solutions; monitor effectiveness and make immediate adjustments as needed		
<b>C. Better publicize existing public restrooms and explore adding more</b>		
1. Install signage on existing public restrooms		
2. Work with partners to explore and advise on other public restroom location options throughout the Downtown		
<b>D. Establish higher standards for clean services</b>		

1. Generate cleaning standards that are higher, stringent and measurable; closely monitor contractor's performance to ensure that the established high standard is consistently met (e.g., wiping entire surface of trash receptacles, removing small debris and bio-waste from tree wells) \*
  2. Increase service frequency to remove miscellaneous trash and debris from walkways and curb lines
  3. Maintain focused attention on hot spots, with a special emphasis on areas with chronic human waste challenges
  4. Periodically coordinate with the City's Public Works department to review current locations of trash receptacles, remove duplications, and identify new receptacle locations based on pedestrian counts, Clean Team observations, and other relevant factors
  5. Expand service areas to include alleyways and connecting paseos to remove miscellaneous trash and debris, and provide level of cleanliness equal to adjacent, well-maintained public spaces
  6. Partner with the City to expand awareness and use of the GO Long Beach app for reporting maintenance issues
  7. For sustainability, expand the use of environmentally friendly equipment and cleaning products and implement practices to increase efficiencies and reduce waste
  8. Install additional Mutt Mitt stations and consider the cost/benefit of using sustainable waste solutions
  9. Explore the potential cost/benefit of partnering with Downtown homeowner's associations (HOAs) for a la carte clean services
- E. Enhance lighting levels throughout Downtown**
1. Conduct monthly lighting audits to identify low level lighting areas and troubleshoot solutions (e.g., request the repair of inoperable lights, provide more frequent tree trimming to reveal existing lighting)
  2. Partner with the City to engage lighting consultant to ensure locations, code (foot candle req.), and infrastructure is available and enhance lighting levels
- F. Formalize a new base level of services agreement between DLBA and the City**
1. Renegotiate a more detailed baseline services agreement with the City (which spells out what services the City provides as a baselevel and what enhanced services DLBA provides) to ensure a clean and safe Downtown \*
  2. Consider adding additional elements referenced above to memorialize a partnership with DLBA and the City for public realm capital improvements
- G. Improve maintenance of trees, tree wells, and walkways**
1. Contract with tree vendor annually to have palm tree flower removed in March/April before the fruit forms, to help keep walkways cleaner \*
  2. Work with the City to ensure that all tree wells are flush with the surface; may require adding or readjusting existing tree grates in some locations

3. Annually survey and report dead trees and unsafe tree wells (those with trip hazards) to the City for removal or replacement; closely monitor progress and follow up as needed to address hazards



## GOAL 2: Strengthen existing businesses and encourage entrepreneurship and innovation in Downtown

### Key Partners

- Downtown commercial property owners, retail and office brokers, developers
- Long Beach Economic Partnership
- Long Beach Center for Economic Inclusion
- Council of Business Associations
- Long Beach Area Chamber of Commerce
- Long Beach Commercial Real Estate Council
- Institute for Innovation & Entrepreneurship
- CentroCha
- ESHIP Long Beach Community Council
- City of Long Beach: Development Services
- California State University, Long Beach
- Long Beach City College
- City of Long Beach: Economic Development
- Long Beach Small Business Development Center

Objectives [listed in order of priority]	Year 1	Years 2 - 5
<b>A. Assist new and existing businesses in accessing resources and working through City processes</b>		
1. Hire a "Business Navigator" to provide guidance for all business types on the City permitting process, licensing, identifying suitable locations, and other business case management support as necessary	*	
2. Continue and expand promotion of DLBA's existing small business support programs		
3. Help spread awareness of new programs and resources coming through the American Rescue Plan Act 2021		
4. Initiate a communications campaign for new businesses to "start with DLBA" to make the process of establishing in Downtown easier and to establish the organization as a go-to resource for such purposes		
5. Intentionally recruit and support businesses owned by historically marginalized populations to locate in Downtown; understand potential barriers and identify strategies through DEIA consultant BDS Planning		
6. Host quarterly open houses for businesses to network with one another, share best practices, and become better acquainted with DLBA services		
7. Create a "heat map" showing concentrations of different kinds of foot traffic to aid in site-location decision making		
8. Consider the cost/benefit of creating a rebate program to reduce the DPIA fee for the first few years after a new small business (five employees or less) locates in downtown		
<b>B. Work with property owners, developers, and the leasing community in support of Downtown retail and office tenants</b>		
1. In support of pandemic recovery, work with property owners to understand the benefits of retaining tenants by restructured leases, rent forgiveness, and other alternatives to tenant eviction	*	



2. Build and maintain relationships with local, regional and national broker associations, through semi-annual roundtables, newsletters, and other forms of information sharing
3. Seek feedback and input from the retail and office leasing community to ensure statistics gathered and presented are meaningful and address questions of prospective tenants
4. Identify & share market opportunities and gaps with property owners, developers, and brokers
5. Develop a marketing campaign with tailored messaging to the regional leasing and tenant communities to help elevate awareness of - and make the case for -Downtown, in addition to the benefits a "start with the DLBA" partnership
6. Provide property owners and developers with case studies and/or data to help flip the script on retail – thinking of retail as an amenity versus driving the bottom line
7. Align DLBA's financial and technical assistance, and work with the City to align its land use and zoning policy, to support strategic considerations such as the need for retail clustering, which is important for retailers' success

**C. Activate vacant or underutilized storefronts and help to prevent future vacancies**

1. Help to facilitate the production and management of new brick-and-mortar entrepreneurial platforms on public spaces and, possibly, underutilized private lots in agreement with property owners (e.g. co-location, fashion truck pod, container village, public market, etc.)
2. Continue the retail pop-up grant program
3. Collaborate with the Marketing and Public Realm Departments to temporarily activate storefronts with art, storytelling displays, or other temporary uses; intentionally seek to represent and bring awareness to Long Beach's diverse cultures
4. Work with developers and landlords to create and install wraps that show renderings of, and build anticipation for, what's coming
5. Work with the City on land use / zoning / regulatory modifications to accommodate the ongoing evolution of the retail industry (e.g. permitted uses, flex spaces, etc., possibly with some kind of tiered structure) as well as the specific market dynamics for individual sub-districts and streets [see MJB Retail Strategies Memo for more detail]

**D. Assist the Downtown office market in evolving to meet the new reality**

1. Assist property owners with more traditional office spaces in understanding trends, reconfiguring spaces, and converting standard formats to more creative spaces (like the Hubb)
2. Identify key amenities (e.g., child care) that would encourage office tenants and employees to return Downtown and work with partners to implement
3. Work with partners to solidify a core positioning strategy for Downtown, identify its specific niche within the region (e.g., small to mid-sized companies with services complimentary to the Port, aerospace, and medical services), and develop a recruitment strategy
4. Encourage older office stock, unlikely to be used for future office, to be converted to affordable and workforce housing to support Downtown's diverse professional and service employee profile

## GOAL 3: Market and promote Downtown as a whole and as a collection of unique neighborhoods

### Key Partners

- Studio LBP
- LB Home + Living
- Long Beach Convention & Visitors Bureau
- Long Beach Arts Council
- Pow! Wow! Long Beach
- KCRW
- LBTv
- KLBP
- Downtown Residential Council
- East Village Association
- North Pine Neighborhood Alliance
- Ocean Residents Community Association
- Promenade Area Residents Association
- West Gateway Neighborhood Association
- Wilmore City Heritage Association

### Objectives [listed in order of priority]

Year 1

Years  
2 - 5

#### A. Develop a comprehensive marketing & communications strategy

1. Understand the new Downtown market and what has/hasn't changed as a result of COVID-19
2. Identify Downtown's unique assets and differentiators (e.g., waterfront location, collection of neighborhoods, etc.) and develop a strategy for communicating Downtown's value proposition, in alignment with the City
3. Identify key audiences and tailored strategies to reach these audiences
4. Help to further define and promote Downtown's unique and distinct neighborhoods

#### B. Continually seek ways to build awareness of DLBA and educate stakeholders about DLBA's role and value proposition

1. Improve communications and outreach to residents, including regular touch points and communications with neighborhood associations, property managers, and homeowner associations
2. Utilize the new strategic plan to educate stakeholders about the role DLBA plays and set expectations for what it does and doesn't do
3. Seek to communicate with all new Downtown businesses to explain the DPIA fee and the value it provides

#### C. Increase use of online platforms to promote the people, businesses, and activities in Downtown

1. Continue to grow social media presence and create original content and stories that show the faces of Downtown Long Beach
2. Utilize virtual event formats as front-end marketing campaigns
3. Upgrade the DLBA website to include more use of video; produce segments to promote various market sectors, lifestyles, and entertainment
4. Explore the cost and benefit of utilizing geo-targeting technology

5. Consider locations for digital signage and implement as necessary

#### D. Rethink DLBA's role in the production of events

1. Evaluate all existing events and identify which events make sense for DLBA to continue to produce and which do not
2. For events DLBA no longer wants to produce, identify whether there are other entities that want to take on the responsibility; DLBA could consider remaining a sponsor
3. Establish criteria for the types of events DLBA would be interested in helping to facilitate (e.g., events that celebrate diverse cultures, events that promote distinct neighborhoods)
4. Identify events (for production or sponsorship) that help to promote retail businesses and not just restaurant/hospitality

### GOAL 4: Showcase the beauty, creativity, and unique sense of place in Downtown for all to enjoy

#### Key Partners

- Long Beach Arts Council
- City Fabrick
- City of Long Beach: Development Services
- City of Long Beach: Public Works
- City of Long Beach: Parks, Recreation & Marine
- Long Beach Public Library: Billie Jean King Main Library
- Long Beach Transit
- Downtown Residential Council
- East Village Association
- North Pine Neighborhood Alliance
- Ocean Residents Community Association
- Promenade Area Residents Association
- West Gateway Neighborhood Association
- Wilmore City Heritage Association
- 3<sup>rd</sup> Fridays on Pine (3FP)

#### Objectives [Listed in order of priority]

Year 1

Years  
2- 5

#### A. Activate key locations with art, music, and culturally responsive placemaking, including programming and physical place enhancements

1. Encourage open streets concepts and more outdoor dining while ensuring adequate visibility of business signage to passersby
2. Work with the City and neighborhood businesses and residents to create design standards for outdoor dining patios and parklets that align with neighborhood characteristics; help to identify grant funding that can be used for individual businesses to implement
3. Seek activations that celebrate the diversity of people and cultures in Downtown; partnering with businesses, neighborhood associations, and non-profit partners on cultural programming
4. Actively engage the community in reimaging and creating the next iteration of the Loop; as the Loop moves to its next phase, consider playing a supportive role vs. a lead role
5. Consider alleyways that would be prime for temporary activations and place enhancing features (e.g. murals, festive lighting, games)

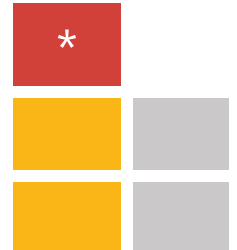


6. In partnership with arts and cultural groups, create an “art trail” to explore downtown through murals, music, street art, and other creative elements that link neighborhoods together
7. Revisit previous plans for Harvey Milk Park and explore partnership with new property owner for more permanent activations



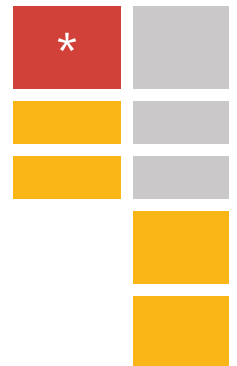
**B. Partner with the City to ensure a clean, safe, and enjoyable experience at the newly developed Lincoln Park**

1. Explore a contract for service with the City to provide security and maintenance
2. Explore a contract for service for facilitating events and/or advocate for appropriate levels of activation
3. Develop a plan for maintenance and lifespan of all new elements being provided or managed by the DLBA



**C. Green Downtown**

1. In partnership with the City, plant additional (mature, CA native) trees in empty tree wells, while ensuring adequate visibility of business signage to passersby
2. Develop a plan for comprehensive tree maintenance
3. Explore a partnership for adding more greenery at City Place
4. Explore opportunities to add mini pet parks and/or a temporary dog park on an underutilized lot
5. Consider opportunities for community gardens and engage interest and support from residents for maintaining



**D. Develop comprehensive wayfinding (signage) throughout Downtown**

1. Continue to strategically add new wayfinding signage, with the Waterfront and primary parking structures being key priorities
2. Install signage to more clearly alert motorists to street closures and offer alternative routes to major destinations and parking facilities
3. Apply unique design treatments and new signage at crosswalks clearly indicating the pedestrians’ right of way
4. Distribute Downtown maps at places like hotels, businesses, and civic and cultural institutions
5. Explore signage or unique markers to indicate gateways to different Downtown neighborhoods



**E. Differentiate Pine Avenue**

1. Work with the City to study partial or temporary street closures on certain blocks of Pine Ave, including access zones on nearby intersecting side streets for curbside pickup and delivery drivers
2. If portions of the street are closed (either intermittently or permanently), help to identify funding sources for on-going programming and marketing of such closed stretches
3. Support the City and community in implementing ideas from the North Pine Community Vision and Action Plan



4. Consider orienting individual blocks or series of blocks towards specific psychographic targets (such as 1<sup>st</sup> Street between Elm and Linden); involve landlords and brokers in the area with existing merchants to see the opportunity of clustering along such lines
5. As Pine Ave. evolves (vision plan elements are implemented), utilize the DLBA marketing and communications team to showcase the unique, one-of-a-kind nature of the street



## GOAL 5: Be a leading voice in planning for the future of Downtown

### Key Partners

- Long Beach Economic Partnership
- Long Beach Center for Economic Inclusion
- Long Beach Area Chamber of Commerce
- CentroCha
- Long Beach Forward
- Linc Housing
- Mental Health America
- California State University, Long Beach
- Long Beach City College
- Long Beach Transit
- City of Long Beach: Economic Development
- City of Long Beach: Development Services
- Downtown Residential Council
- East Village Association
- North Pine Neighborhood Alliance
- Ocean Residents Community Association
- Promenade Area Residents Association
- West Gateway Neighborhood Association
- Wilmore City Heritage Association
- Downtown HOAs

### Objectives [Listed in order of Priority]

Year 1	Years 2- 5
--------	------------

- |  |   |  |
|--|---|--|
| <p><b>A. Pursue all necessary requirements to renew the Downtown property based business improvement district (PBID) for another ten-year term</b></p>   | * |  |
| <p><b>B. Redefine and advocate for projects, policies, and initiatives that are considered transformative based on community benefit</b></p>   |   |  |
| <p>1. Advocate for policies and resources that support enduring solutions to homelessness (see Goal 1)</p>   | * |  |
| <p>2. Advocate for policies and resources that support housing development in Downtown, including workforce and affordable housing</p>   |   |  |
| <p>3. Help to engage and mobilize the Downtown business and resident communities in committing time, energy, and resources to addressing Downtown's most pressing challenges</p>   |   |  |
| <p>4. Consider formation of a non-profit 501(c)(3) extension of the DLBA to help fund impactful community-minded projects and initiatives</p>  |   |  |
| <p>5. Encourage the City to evaluate the possibility of a two-way conversion for the Broadway / 3<sup>rd</sup> St. couplet as a way to slow traffic, improve visibility of Downtown retail and encourage greater walkability</p> |   |  |
| <p><b>C. Work with partners to improve connectivity throughout Downtown</b></p>  |   |  |
| <p>1. Re-engage in exploring a Downtown circulator with Long Beach Transit to help unite neighborhoods, reduce traffic and parking concerns, and improve mobility between key destination points in Downtown</p>                 | * |  |

2. Encourage the City to sponsor vision and action plans for areas such as the East Village, where there is a need to knit together the many pockets of activity and connect to the rest of Downtown

**D. Actively track and participate in plans and special projects that impact Downtown**

1. Track, monitor, and participate in any update to the Downtown Plan (PD-30)
2. Track, monitor, and participate in planning initiatives related to PD 6
3. Support partners in preparation for 2028 Olympics



# APPENDIX A: DOWNTOWN LONG BEACH OFFICE MEMO

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## Overview of Retail/Office Focus During COVID-19

The 2021 DLBA Strategic Plan was developed during the midst of the COVID-19 pandemic. The pandemic presented an unprecedented disruption to downtowns, particularly to the traditional economic engines of central business districts – office employment and retail. Acknowledging unique challenges (and opportunities) to these market segments in Downtown Long Beach, DLBA sought a special focus to help guide programs and resources through COVID-19 recovery and beyond.

As the pandemic continued to ebb and flow through the summer of 2021, it became apparent that there will not be straight-line trajectory moving forward. The next 12 to 18 months are likely to be unpredictable, balancing the pent-up demands and desires for recovery with the reality of navigating through the uncharted waters of a public health crisis. This analysis of office and retail strategies aims to consider market conditions that have changed permanently, those that may be accelerated and others that haven't changed at all. We recommend options for DLBA that acknowledge finite resources should be allocated to the most important areas of support, while keeping in mind flexibility and pandemic pivots are likely for the next 12 to 18 months (i.e. through 2022).

The specific scope of work governing this analysis included the following:

- Provide a high-level assessment of market conditions and influences based on interviews with real estate and development professionals. We will seek to understand pre- and post-pandemic trends in the retail and office sectors to inform retail and office recruitment strategies. We will also infuse our own understanding of background shifts in demographics, lifestyles and disruptions from P.U.M.A.'s Global Trends Report Pandemic Update to highlight specific opportunities and challenges that can be expected in Downtown Long Beach.
- Draft economic development recommendations to guide COVID-19 economic recovery and beyond, including objectives, tactics and measurable outcomes to strengthen Downtown's retail and storefront economies, and the Downtown office market

**The remainder of this memo is focused on the office market. A detail retail analysis by MJB consulting is provided as Appendix B.**

## Downtown Long Beach Office Market Conditions and Influences

To conduct our high-level assessment of the Downtown Long Beach office market, we relied on several sources, including:

- Interviews with real estate professionals and building owners that specialize in the Downtown Long Beach sub-market, including representatives from Cushman Wakefield, Coldwell Banker, Anderson Pacific LLC, Pacific 6, Lee & Associates and Thrifty Oil.
- Market reports provided by national and regional brokers, including Cushman Wakefield and Coldwell Banker.
- DLBA's own Economic Profile reports from 2019 and 2020 to understand pre-pandemic conditions and challenges thereafter.

- P.U.M.A. Global Trends Pandemic Update offering insight on the acceleration and disruption of background trends impacting both office and retail segments.

**Downtown Long Beach Office Market Overview:** There is approximately nine million square feet of office in the greater Long Beach area, with around four million square feet in Downtown and five million square feet in the suburban market located near the Interstate 405 corridor and Long Beach Airport. The highest concentration of office in Downtown is along Ocean Boulevard. Office has historically been a secondary market in Downtown Long Beach but was picking up some steam prior to the pandemic. In the three years leading up to 2020, office rates and occupancies had been increasing in Downtown Long Beach.

The office market in Downtown, similar to elsewhere in the country, struggled during the pandemic and experienced a direct loss of about 200,000 sq. ft. of tenanted space (about 5% of the Downtown sub-market). Downtown's vertical market was more impacted than the midrise suburban market. Offices with walk up access, outdoor spaces, and good air flow have understandably fared better.

**Downtown's competitive advantages as an office market include:**

- Relative affordability compared to other southern California coastal markets,
- Its central location between Los Angeles and Orange County,
- A growing housing market for employees to be able to live and work in Downtown,
- Metro A Line access,
- A unique urban waterfront setting and "vibe" with a diverse population and eclectic business mix.

**Challenges:** In addition to challenges faced by nearly all California downtowns with respect to a growing number of individuals experiencing homelessness, arguably the greatest challenge to the Downtown Long Beach office market is accessibility. The 710 freeway has been called the "Achilles Heel" of the office market, where truck and transport vehicles going in and out of the Port clash with peak office community hours. Lastly, based on feedback from stakeholder interviews, it was said that process to get permits through the City is cumbersome and time consuming, which hurts tenant recruitment. This has been a challenge historically and further exacerbated by a backlog and furloughed staff from the pandemic.

**Competition:** Downtown Long Beach's most direct competition is the suburban market within the greater Long Beach area, although the two tend to attract different tenants – with sales, services and engineering firms more likely to locate along the 405 corridor and Downtown being home to government office, legal services and other professional firms. Downtown Long Beach could potentially further its niche with Port related businesses. A 2019 economic impact study found that the Port trading activity supported one in five of all Long Beach jobs.<sup>1</sup> Molina is headquartered in Downtown, with 700,000 sq. ft. medical office leasing, out of all segments, stayed strong during the pandemic and it expected to continue to stay strong.

**Post-Pandemic Trends:** As we move beyond the pandemic, we face a new reality for the office market, but not one that is entirely dire. While some offices will shift to remote work, the more likely scenario is that companies will take a hybrid approach, offering additional flexibility to their employees but also maintaining an office for the benefits of culture, transfer of knowledge, and career progression that are more difficult to translate on screen.

For offices bringing back employees, the prevalent trend will be one towards health considerations, curtailing the prior trend toward density and smaller workspaces. This may mean that while fewer employees are using an office on any given day, office footprints won't shrink as dramatically as one might expect due to employees individually requiring more space between themselves and fellow employees. Additionally, amenity rich office environments,

<sup>1</sup> DLBA Economic Profile 2021

both internally and externally, will be all the more important for encouraging a return to office work, when employees may now have a daily choice between coming into an office or working remote.

	Q4 2019		Q4 2020	
	Lease Rate	Leased %	Lease Rate	Leased %
<b>Class A Average</b>	\$2.83 - \$3.10	83%	\$2.85 - \$3.13	78%
<b>Class B Average</b>	\$2.34 - \$2.39	78%	\$2.32 - \$2.40	73%
<b>Class C Average</b>	\$1.70 - \$1.82	94%	\$1.58 - \$1.68	93%
Source: Cushman & Wakefield Office Market Survey				

	Q4 2019		Q4 2020	
	Lease Rate	Leased %	Lease Rate	Leased %
<b>Downtown Long Beach</b>	\$2.31 - \$2.42	81%	\$2.28 - \$2.38	76%
<b>405/710 Corridor</b>	\$2.21	77%	\$2.31	78%
<b>Bixby Knolls/Signal Hill</b>	\$1.99	88%	\$1.73 - \$2.09	82%
<b>East Long Beach/Seal Beach</b>	\$2.83	93%	\$1.88 - \$2.69	89%
<b>LB Airport Area</b>	\$2.75 - \$2.95	88%	\$2.50 - \$2.72	82%
Source: Cushman & Wakefield Office Market Survey				

**Sluggish Recovery:** In the near-term (i.e. next 18 months), most economists and real estate professionals project a sluggish recovery for conventional office formats. Adapting to new hybrid workstyles will dominate office planning in the near-term; however, recovery to pre-pandemic absorption is likely within a three- to five-year timeframe, as overall economic growth and social patterns return. Plus, the hybrid option may lose luster in the mid- and long-term time horizons. There are already studies suggesting that remote workers are at a distinct disadvantage to their in-office peers in terms of upward mobility and relevance within a company. Face time with managers, contributions to the team and overall creative cultures will be difficult to maintain in a remote workstyle.

## Core Positioning Strategy for the Downtown Long Beach Office Market

Moving forward, Downtown Long Beach should aim to capitalize on its position as a niche office market with unique competitive advantages. Small and mid-sized businesses should be targeted, with an appeal to employee demographics that are attracted by a diverse urban environment with an unparalleled oceanfront location. Downtown Long Beach is arguably the largest urban oceanfront central business district in Southern California. It is far more affordable than Santa Monica, which offers perhaps the only comparable setting in the region. San Diego was often mentioned as another waterfront city, although that city fronts on a bay as opposed to the ocean.

Consider the following core positioning strategy for the Downtown office market:

*Downtown Long Beach offers Southern California's affordable oceanfront urban lifestyle for small and mid-sized businesses with unique amenities and vitality – live, work, dine and enjoy daily experiences within a truly diverse and inclusive city.*



## Recommendations to Support the Downtown Office Market

Two sets of recommendations are offered to support the Downtown Long Beach office market. The first, which draws on various goals and objectives of the Strategic Plan, relates to maintaining the fundamentals of the Downtown experience. The second set of recommendations lay out specific suggestions for how DLBA can directly assist the office segment.

**Take Care of the Fundamentals:** To best support the proposed core positioning strategy for the Downtown office market, the fundamentals of Downtown's overall experience need to be maintained and enhanced. These fundamentals include:

- **Clean and Safe Downtown:** The *Number One* goal of the DLBA Strategic Plan is to maintain and improve the cleanliness and safety of Downtown. Moving out of the pandemic, guaranteeing a welcoming environment at the street level will be critical to building confidence and reestablishing work patterns by returning employees. The emphasis on clean and safe services includes new approaches and partnerships to help contain disruptive behaviors and reduce the unhoused population in Downtown. While a challenge for most larger California cities, Long Beach can employ best practices from other cities to better address this issue.
- **Focus on Storefront Economy:** The vitality of active storefronts – restaurants, retail and other active uses – will be critical to the return of employees to office environments. An advantage of an urban location for office workers is the diversity of options, particularly for dining. Like most major cities, Downtown Long Beach experienced more vacant storefronts during the pandemic; however, most economists project a surge in entrepreneurship as we move into post-pandemic recovery. Downtown Long Beach has an opportunity to guide and “curate” new storefront uses, an emphasis included within the second goal and set of objectives in the Strategic Plan.
- **Downtown Place Enhancements to Enrich Amenities and Connectivity:** Just as individual office properties need to “up their game” by installing amenities that can provide social spaces and stimulation for employees, downtowns must do the same. The DLBA Strategic Plan includes a place enhancement goal that outlines a variety of improvements to the Downtown environment, including greening, park and cultural activations and reinforcing the identity of and connectivity between distinct commercial nodes and neighborhoods within the Downtown.

**Recommendations Specific to the Office Market:** Within the DLBA Strategic Plan goal of strengthening businesses and encouraging entrepreneurship and innovation, several recommendations specific to supporting the office market are provided.

- **Hire a “Business Navigator” to provide guidance with City permitting process** – This recommendation is not exclusive to office properties (also applies to storefronts), but addresses the chief differential disadvantage of the Long Beach market that was identified by stakeholders. Development and building permits are notoriously slow in Long Beach – many stakeholders indicated they prefer to work with virtually all other regional jurisdictions, including the City of Los Angeles. In addition to hiring the Navigator, this recommendation assumes a strong partnership with the City of Long Beach to help speed up lengthy processes to be competitive with other cities. This will be particularly important during the pandemic economic recovery period.

For office properties, the navigator could be helpful in expediting permitting needed for tenant finish, particularly as office buildings adapt to post-pandemic realities. It is likely that floor plates will need to be rethought, allowing for more individual tenant spaces, and in the case of larger organizations, allowing for modifications to work spaces. Building amenities will be critical, and larger properties are likely to upgrade amenities that allow for outdoor and recreational gathering space. In all cases, DLBA can assist owners in interfacing with the City with the goal of providing a permitting process that is competitive from the standpoint of processing time and consistency with other cities in Los Angeles and Orange counties.

- **Initiate a communications campaign to “start with DLBA”** to make the process of establishing a business in Downtown easier and to establish the organization as a go-to resource for such purposes. DLBA is a logical “portal of entry” to help new and expanding businesses understand Downtown market opportunities and to help navigate through local regulatory processes.
- **Assist property owners with more traditional office spaces in understanding post-pandemic trends,** reconfiguring spaces, and converting standard formats to more creative spaces (like the Hubb). Moving out of the pandemic, DLBA could be a resource for owners of smaller properties to help them understand trends and best practices to adapt to new preferences in the office market. Flexible leases that afford tenants with near-term cost advantages and expansion options will also be critical in the economic recovery period.
- **Work with partners (City, LBEP) to identify Downtown’s office niche within the region** (e.g. complimentary to port/logistics/aerospace) and develop a recruitment strategy. For regional recruitment, it is best that DLBA support local economic development partners as opposed to taking a lead role. DLBA can help to package and analyze Downtown opportunities for broader regional recruitment efforts. The “affordable oceanfront lifestyle options” (see next recommendation) could become the cornerstone of Downtown Long Beach office promotion efforts, providing a distinct differential advantage from other cities in the region.
- **Promote Downtown as an “affordable oceanfront lifestyle option” for a business location in Southern California.** Consider building on the proposed core positioning strategy into a campaign that welcomes small and mid-sized businesses to Downtown. Such a positioning strategy could be packaged into a variety of marketing materials and messages. These include featuring testimonials from existing small businesses, packaging data that emphasizes Downtown’s business advantages and promoting Downtown Long Beach through media targeted to small businesses and entrepreneurs within a 20-minute drive catchment area. The regional office brokerage community should also be considered for disseminating information on Downtown Long Beach’s competitive advantages, particularly for small and mid-sized businesses.
- **Identify and help create key amenities** (e.g. child care) that would encourage office tenants and employees to return Downtown and work with partners to implement. DLBA can be a catalyst to help coordinate multiple property owners to create amenities that they all can benefit from. A new 501(c)3 non-profit affiliate for DLBA could be an innovation arm of the organization, securing grants and other financial support to create amenities that both support business growth and provide needed community benefits.
- **Encourage conversion of some older stock office to affordable and workforce housing.** While demand for office may be sluggish in the near-term, Downtown’s residential market remains robust. There may be opportunities to convert older office properties to residential uses, including incentives to create affordable units that provide a variety of price points and unit types for Downtown’s diverse professional and service employee profile.

# APPENDIX B: DOWNTOWN LONG BEACH RETAIL MEMO

In the summer of 2020, the Downtown Long Beach Alliance (DLBA) hired Progressive Urban Management Associates (P.U.M.A.) to spearhead a strategic planning exercise and a P.B.I.D. renewal effort. As a sub-consultant to P.U.M.A., MJB Consulting (MJB) was tasked with devising a retail<sup>2</sup> market strategy for Downtown Long Beach (hereafter referred to as the “study area”).

In order to arrive at its findings and recommendations, MJB undertook the following scope-of-work:

- Virtual and in-person tours of the study area (including guided tours by DLBA staff)
- Assessment of competing business districts and shopping centers
- Conversations with landlords, developers, brokers, merchants as well as other key stakeholders
- Extensive research of secondary-source material, including past and present media coverage
- Profile of customer base in terms of demographics, psychographics and spending habits
- Understanding of DLBA’s current role and capacity as it relates to retail

The following summarizes MJB’s findings and recommendations.

## Findings

\* Downtown Long Beach should have struggled mightily amidst COVID-19, given how much its retail relies on submarkets – like office workers, conventioners and cruise-ship passengers, for example – that effectively disappeared for months on end. It also sits adjacent to Orange County, where pandemic-related restrictions have been comparatively looser.

Yet while merchants had to contend with drastically reduced foot traffic and landlords were often forced to defer rent without immediate recourse, Downtown appears to have avoided the “extinction-level event” that some had feared in spring 2020.

According to CoStar data, retail vacancy in the Downtown was just 5.4% in the first quarter of 2021, compared to the historic level of 5.1% and the suburban rate of 5.5%. Generally speaking, business districts with less than 10% vacancy are considered healthy.

There were permanent closures that probably would not have happened otherwise, but at the same time, certain businesses (e.g. Michael’s, Pie Bar, Recircle Homes, etc.) did exceptionally well, and the number of empty storefronts remain limited at Shoreline Village, Pike Outlets and the East Village.

This level of retail resiliency can be attributed to a number of factors, including (but not limited to):

- The residential density both in and surrounding Downtown Long Beach, at a time when most people were staying close to home and spending in their own neighborhoods;
- The expanded capacity of outdoor dining that was possible due to already-pedestrianized corridors (e.g. The Promenade) as well as street closures (e.g. along Pine St);
- Payback Protection Program loans and other government relief;

<sup>2</sup> For the purposes of this analysis and memorandum, “retail” is to be understood as any business that accepts customers on a walk-in or subscription / membership basis, as opposed to appointment-only. It includes, then, traditional shops that sell goods as well as providers of personal (and some professional) services, food and beverage establishments as well as entertainment venues. A bank branch would be considered a retailer, as would a tattoo parlor or a coffeehouse.



- Technical assistance from the DLBA and other business-support nonprofits;
- The willingness and ability of many landlords to abate or defer rents as well as restructure leases.

\* Of course, the pandemic is not over and signs emerged in late July that the [Delta variant has slowed the return to indoor dining](#). Even when fears start to recede again, there is the **danger of “new normal” thinking**, that is, the assumption that the consumer behaviors brought on by the extraordinary circumstances of the last eighteen months will endure.

Some degree of uncertainty on this score is unavoidable. The future of traditional office space is especially murky, and even if the “hybrid” workweek does become more common, the impact on Downtown retail might not ultimately turn out to be exactly as expected. For example, working (eating and caffeinating) at home twice per week might free employees to buy lunch and coffee on the days in the office. If the desks and cubicles themselves are full throughout, overall spend might actually increase.

On the other hand, leisure travel will almost certainly revive – the only question is at what rate. But when it does, the sub-districts that historically relied on such traffic will do so again. For instance, Shoreline Village might have enjoyed renewed popularity among Long Beach residents during the pandemic, but as visitors grow in number and locals are able to roam more widely, it will likely revert to the tourist-heavy attraction that it has always been.

In terms of specific retail categories, demand in some was clearly “pulled forward” by the pandemic and will probably decline in the coming years. After all, how many times can one refurnish a living room or outfit a home office? Other lockdown-era acquisitions, however, will become the proverbial gift(s) that keep on giving. Pet-oriented retailers, for instance, will be enjoying an extended stretch of buoyant sales as a result of all of those adoptions in 2020.

Food and beverage is the category that has been the most radically transformed. The pandemic only exacerbated the challenges that have been facing full-service, sit-down restaurants in recent years, and has reinforced the trend towards quick service (or “fast-casual”) formats, even among acclaimed chefs and restaurateurs – the “Shack Shack-ification” of dining, as it were.

The industry is in danger of overcorrecting, however. One sees this, for instance, in the rush among many larger chains and franchises to pivot to more suburban models emphasizing “off-premise” dining. While delivery and pickup is no doubt here to stay, providing a useful source of incremental revenue, dine-in (including outdoors) will always be the primary driver, particularly in more experiential urban settings.

\* That said, other impacts of the last eighteen months are considerably more complex and far-reaching. Obviously, there are the concerns about rising crime and vagrancy, but also, on a deeper level, the pandemic has likely accelerated the **pace of change** in ways that feel ever more disconcerting to certain consumer submarkets.

Downtown Long Beach has never felt particularly cohesive. Its streets and sub-districts vary widely in function and atmospherics, with transitions that are often quite abrupt and not easily navigated. From Pike Outlets to the heart of Pine Ave. From Pine Ave to City Place. From City Place to the East Village. But with the pandemic, the experience has become even less intuitive and more disorienting.

Consider that in addition to the 1st Street Transit Mall and the pedestrianized Promenade, visitors now confront additional street closures (i.e. Pine St between 4th and 5th and the Promenade between 3rd and 4th); an ongoing patchwork of construction zones; new forms of “micro-mobility” (with users who do not always respect the laws of the road); renamed subdistricts; confused delivery drivers; and so on.

For tried-and-true urbanites, much of this is probably quite exciting, and for younger generations, it is not necessarily experienced as chaotic – or, such chaos might even be understood as a good thing. But for older folks, for motorists, for out-of-town tourists (once they return) and for many others, it can all serve to reinforce a sense of disorder that is off-putting if not downright scary – and that contrasts sharply with suburban alternatives like 2nd & PCH.

This has worrisome ramifications for retail mix and potential. Irrespective of one's personal values and sensibilities, dismissive attitudes towards drivers and snarky reactions along the lines of "O.K., Boomer" ignore the critical importance of those sub-markets to certain businesses and the wisdom of market diversification in a Downtown of this scale, not to mention the dissonance with calls for inclusiveness in other realms.

\* That said, COVID-19 was / is not the only threat facing retail in Downtown Long Beach. The surfeit of development projects in the last decade or so, combined with the requirements of the 2012 Downtown Plan that they include street-level storefronts, delivered **new inventory** on the district's periphery.

On the surface, this is not necessarily a problem. Growing Downtowns, especially ones with healthy rates of storefront vacancy, need new inventory. Challenges emerge, however, when retail space is added to streets where there was little to no precedent for it, and at prices which could only be sustained by a narrow range of tenants.

This was and is most notable in the relatively new "West Gateway" sub-district, where the 20,000 sq ft in the IMT Gallery 421 project took years to (mostly) fill and where the 6,000 sq ft in the AMLI Park Broadway remains empty at street level, but also on the edge of the East Village, with the 2,600 sq ft in The Alamitos.

At the same time as this new square footage was materializing, the zone of retail vitality in the heart of Downtown was noticeably shrinking, both along Pine Ave moving north from Broadway and the Promenade (within City Place) heading north from the Ross Dress For Less.

Furthermore, the inventory will continue to expand in the years ahead, with at least 50,000 sq ft of additional retail space currently under construction, in projects like the Broadway Block (16,000 sq ft), Shoreline Gateway (7,500 sq ft), Aster (7,200 sq ft) and Ocean Center (7,000 sq ft), among others.

Generally speaking, storefronts in new projects today are priced higher than second-generation bays in existing buildings, topping out at \$3.00 per sq ft NNN (or \$36.00 per sq ft NNN on an annual basis) – nearly 15% more than the \$2.62 / \$31.44 average for Downtown Long Beach in 1Q '21.

An added complication is that, with food and beverage comprising the lion's share of tenant demand, many of these new spaces will require scratch-built kitchens, including costly hoods and grease traps, which developers might be neither willing nor able to help fund.

Leasing professionals active in Downtown Long Beach point to overly ambitious pricing as the main reason for storefront vacancies that persist. In other words, there is a disconnect between what landlords with available spaces are demanding and what tenants interested in the opportunity can or will pay.

This theoretically limits the ability of Downtown to fully leverage the entrepreneurial energy that has spiked during the pandemic. New business applications in the retail sector rose 54% in 2020, according to data from the Economic Innovation Group, but start-ups need a relatively affordable platform from which to launch.

\* So how will all of the existing and future availability be absorbed? Even before the pandemic, the range of tenants interested in resurgent Downtown and Main Street settings had narrowed – reflecting broader trends in the retail industry – with an overreliance on food and beverage, fitness studios and other kinds of personal services.

It has become now received wisdom in real estate circles that these are the only kinds of businesses capable of surviving the threat posed by e-commerce. “Why,” it is often asked rhetorically, “would anyone head to a store for something they could buy with a click of the mouse from the comfort of her couch?”

At best, this is a lazy oversimplification, and at worst, just plain wrong (see inset box below). Just because we as consumers can do something does not necessarily mean that we will, or that businesses will blindly follow our whims. Indeed, examples abound of Downtown and Main Street districts with still-diversified retail mixes that include presumed lost causes like apparel and footwear.

### **E-COMMERCE: THE ELEPHANT IN THE ROOM**

E-commerce is often cited as the main reason why so many iconic retailers have disappeared or disappeared in recent years. Yet while undoubtedly a factor, there was nothing stopping these so-called “legacy” brands from creating robust online channels of their own.

More commonly, the fault lies in leveraged buyouts from private-equity firms, which saddled such companies with heavy debt, precluding them from making the sorts of digital and brick-and-mortar investments needed to keep pace in an omnichannel world.

COVID-19 provided another such excuse, though for those chains that have entered bankruptcy or liquidated entirely since March 2020, pandemic-related shutdowns were just the final nail in the proverbial coffin, an event that forced the issue but did not cause it. Indeed, according to Coresight Research, their roughly 8,800 store closures nationwide in 2020 trailed the 9,900 that shut their doors in 2019.

As for e-commerce, its long-term impact is probably overstated. Even amidst COVID-19, when there was supposedly going to be “ten years of online growth compressed into six months”, the channel’s market share (including curbside and in-store pickup) rose by just 2.2 percentage points, from 11.8% in the first quarter of 2020 to 14.0% in the fourth – compared to the 1-2% average of previous years. In other words, after nine months of shutdowns, capacity restrictions and public-health fears, brick-and-mortar still accounted for 86% of retail sales.

**Table 1. Estimated Quarterly U.S. Retail Sales: Total and E-commerce<sup>1</sup>**  
(Estimates are based on data from the Monthly Retail Trade Survey and administrative records.)

Quarter	Retail Sales (millions of dollars)		E-commerce as a Percent of Total	Percent Change From Prior Quarter		Percent Change From Same Quarter A Year Ago	
	Total	E-commerce		Total	E-commerce	Total	E-commerce
<b>Adjusted<sup>2</sup></b>							
4th quarter 2020(p)	1,476,952	206,666	14.0	0.5	-1.2	6.9	32.1
3rd quarter 2020(r)	1,469,769	209,251	14.2	12.1	-1.1	7.0	36.6
2nd quarter 2020	1,311,345	211,595	16.1	-3.8	31.9	-3.5	44.5
1st quarter 2020	1,363,543	160,414	11.8	-1.3	2.6	2.1	14.8
4th quarter 2019(r)	1,381,381	156,391	11.3	0.6	2.1	3.9	16.5

Estimated Quarterly U.S. Retail Sales, Total and E-Commerce, 2020

Source: U.S. Department of Commerce

Note: Does not include expenditures on food service.

While the conventional wisdom holds that consumers stopped buying clothes and shoes during COVID-19 because they were no longer working or socializing in public, the other conclusion to be drawn from such behavior is that these are categories in which we prefer to shop in-store, for a variety of reasons, and that without that option, we



cut back severely on such purchases. Indeed, with true fashion (as opposed to basics<sup>3</sup>), there would seem to be a natural ceiling to online market share.

Even, however, if one were to concede that online market share will continue to rise, the reality is that an online-only business model is simply unsustainable. Due to the exorbitant costs associated with last-mile shipping, customer acquisition and returns, retailers consistently lose money on the channel<sup>4</sup> – even Amazon, which, despite its economies-of-scale, has long struggled to turn a profit on e-commerce, with cloud computing (“Amazon Web Services”) the division that truly drives its bottom line.

It is largely for this reason that many “digitally-native” retailers – Warby Parker, Indochino, Casper, UNTUCKit, even Amazon itself -- have started in recent years to build robust networks of physical locations, as a clicks-and-bricks strategy is increasingly viewed in the industry as the only way to rationalize the aforementioned costs and make the overall numbers pencil.

The “clicks-and-bricks” trend is part of a larger phenomenon known as “direct-to-consumer” (DTC), whereby more retailers, partly in response to the decline and disappearance of traditional department stores, are forgoing the wholesale channel and choosing instead to distribute their product through a combination of branded stores and digital portals.

A number of established brands – like Levi’s, Nike and Coach – have been shifting in this direction in recent years, joined by other emerging and/or niche labels with enough capital to open their own flagships. And for ones without such deep pockets, the public and/or non-profit sector can seed and nurture other entrepreneurial “platforms”.

What’s striking about Downtown Long Beach is that, even as stakeholders evince skepticism if not outright dismissiveness about the future of brick-and-mortar in these categories, there are not one but two separate sub-districts with stable if not thriving collections of soft goods retailers.

Independently-operated boutiques catering to proto- and neo-hipsters have clustered for years along 1st Street in the East Village Arts District, generating reasonably healthy sales levels that are estimated here (on the basis of current occupancy costs) in the range of \$250 to \$300 per sq ft.

They have managed to co-exist during this time with a similar concentration just five or so minutes away, along 4th Street in Retro Row, with local brokers confident that there is enough tenant demand to sustain both. If anything, there is reason to wonder whether still more inventory will be needed to preempt rent inflation and relocation.

Meanwhile, Pike Outlets has been effectively repositioned by SITE Centers (fka DDR) as an outlet mall. Starting with the arrival of a 48,000 sq ft RH Outlet in 2013, it has become a leading example of this particular shopping center format’s move into the dense urban core following decades of favoring remote locations outside metropolitan areas.

Anchor stores at the 393,000 sq ft property had reportedly been generating sales well in excess of projections prior to the pandemic, in 2019, and while a few larger vacancies remain, all of the most visible spaces are still filled with well-known brands, including a 25,000 sq ft H&M, a 20,000 sq ft Nike Factory Store and a 13,000 sq ft Forever 21 Red.

Somehow, many stakeholders seem to forget about these two sub-districts when bemoaning the lack of and poor prospects for traditional shopping in Downtown Long Beach, often fixating instead on the long-ago closures of a

<sup>3</sup> Interchangeable commodities like tube socks, white tee-shirts, underwear briefs, etc.

<sup>4</sup> Some high-profile ones such as Wayfair did finally manage to turn a profit in 2020 due to the extraordinary circumstances, though the underlying cost structure has not changed, nor the longer-term forecast for profitability.

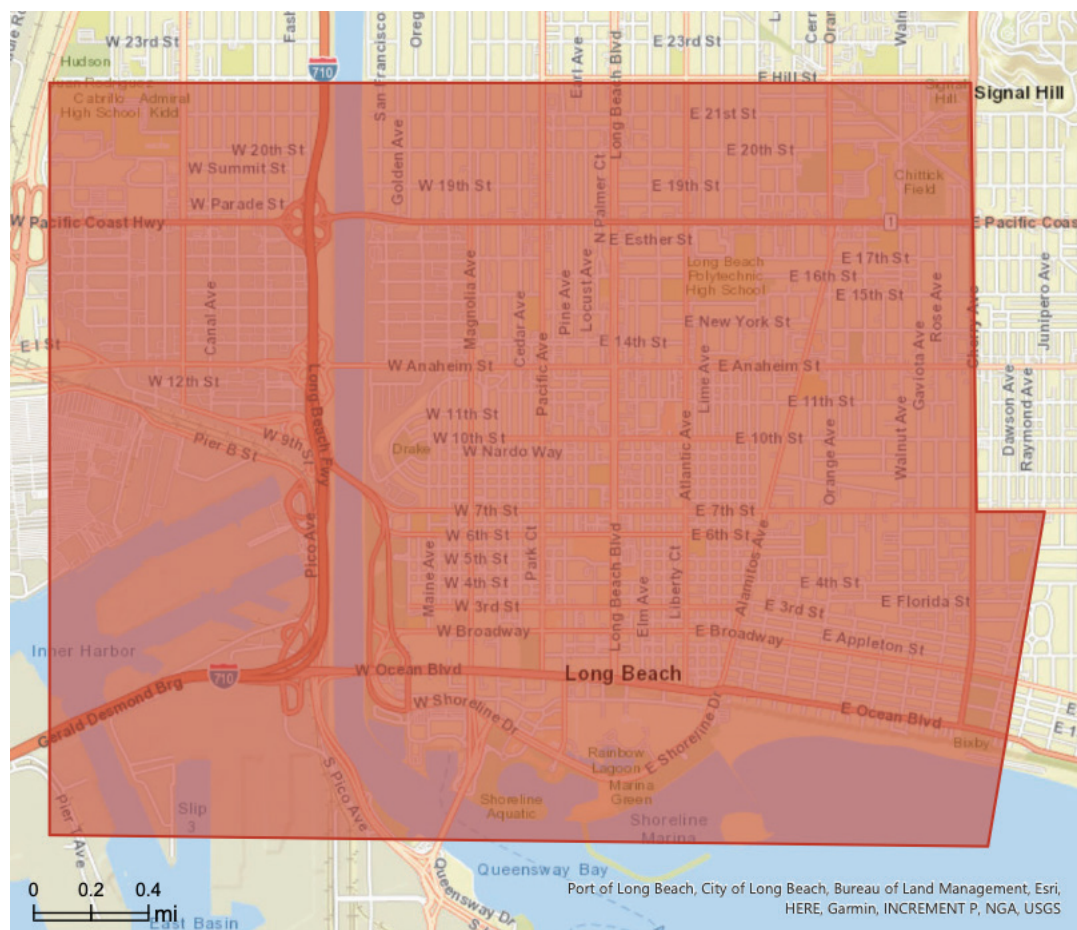
handful of mall staples along Pine Ave in the 2000's. Most Downtowns, though, are desperate for even a fraction of what this one appears to take for granted.

- The blind spot with regard to Pike Outlets is especially puzzling, and more than a little discomfoting, for it appears to stem from a thinly-veiled dismissiveness towards kinds of retail that attract those with more modest incomes and/or less cosmopolitan tastes, seeming to run counter to the otherwise well-intentioned push for **inclusivity**.

This is not only apparent with regard to Pike Outlets. Stakeholders seem to have nothing positive to say either about the recently-renovated VONS in the East Village or, for that matter, the various conveniences along Long Beach Boulevard, including no fewer than four drug stores, two of them large-format.

The reality is that even with all of the market-rate residential growth in the urban core this past decade, it is the discount-oriented retailers, the ethnic supermarkets and the restaurant franchises that cater most directly to the overwhelming majority of Downtown Long Beach's trade area and customer base.

The following offers an approximation of this trade area's geographic boundaries, for the purposes not so much of absolute precision but rather, order-of-magnitude analysis.



Downtown Long Beach trade area

Source: ESRI, MJB Consulting

The presence of a sizeable and growing cohort of well-educated, well-off consumers is clear: 1,650 owners of housing units valued at \$750,000 or greater, 9,000 households with annual incomes of \$100,000 or higher and 21,500 residents with at least a B.A. degree or more.

That said, the trade area consists of 132,000 people. Just 16% own their residences, 16,500 households earn less than \$35,000 per year, and 24,000 residents did not finish high school. The median household income of \$51,000 falls far below the \$75,000 for Los Angeles County as a whole.

Latinos, [the overwhelming majority of them of Mexican descent](#), comprise 55% of the trade area's population, followed by Blacks at 15% and Asians at 14% (with a sizable portion of Cambodia Town falling within its boundaries). Non-Hispanic whites account for just 18%.

In psychographic terms, the trade area is dominated by young, hard-working immigrant families with multiple kids, sometimes headed by single parents and/or living with grandparents. These households spend heavily on baby and children's products. When dining out, they tend to favor traditional fast food as well as family and pizza restaurants. Style-conscious, many of them enjoy shopping for trendy fashions.

*There is nothing inherently wrong with this customer profile.* In terms of spending power, catchments filled with high densities of lower-income households typically far exceed ones characterized by low-density affluence. And Downtown Long Beach's trade area boasts 15,300 persons per square mile -- higher than Boston, Chicago, Philadelphia or Miami.

However, opportunities are missed – and celebrations of diversity can be plausibly criticized as insecure -- if the mix of retail, that most outwardly visible of land uses, is not properly aligned with such consumer demand. Ultimately, inclusivity is about more than just who owns the businesses.

- Drilling down, what sorts of tenants does this imply? Received wisdom states that physical stores today must offer something more than just price, convenience and/or selection – the *raison d'être* for so-called "big box" retail -- because they are easily outflanked in each of these respects by e-commerce. Again, however, this is grossly oversimplified.

It is especially odd to hear stakeholders sound so convinced that there is no future for this sort of brick-and-mortar shopping when Downtown Long Beach offers several examples of **larger-format, value-oriented retailers** -- Ross Dress For Less, H&M and Nike Factory Store, among others -- which have reportedly enjoyed healthy sales levels.

Moreover, some \$66 million in consumer spending on "other general merchandise" (i.e. discount-oriented concepts like supercenters, warehouse clubs, dollar stores, etc.) – translating to roughly 220,000 sq ft of retail space – is currently leaking to rivals outside the trade area.

It is also worth noting that online penetration declines by income, a function of several factors including the cost of delivery (or fee for Prime membership), payment by credit or debit cards (which the un-banked do not have), concerns about "porch pirates" (more prevalent in higher-crime neighborhoods), etc.

On the tenant side, [many larger-format, value-oriented chains have continued to open new locations amidst the pandemic](#), if not accelerated such expansion, in an effort to take advantage of discounted pricing (and eager landlords) – channeling Warren Buffet's famous instruction to be "greedy while others are fearful."

Indeed, value-driven retailing is expected to remain a bright spot in the years ahead, especially those concepts that offer a "treasure hunt" experience, which consumers, from very poor to extremely affluent, have always been drawn to – and most importantly, prefer to enjoy in person. This includes, most notably, the outlet / off-price space.

Consider that the three biggest names in off-price fashion have been aggressively expanding their physical footprints for the better part of a decade, amidst the rise of e-commerce. Two of them, Ross and Burlington, do not even sell online – the latter stopped doing so during the pandemic -- while T.J. Maxx / Marshalls generates just 1-2% of its revenue there.

The treasure-hunt model<sup>5</sup> will also likely continue to move beyond traditional fashion. DICK's Sporting Goods, for instance, unveiled no less than three new off-price banners during the pandemic, including one, called ["Going, Going, Gone!"](#), which offers "surprising deals on unique finds in footwear and apparel from the brands customers have enjoyed shopping at DICK's Sporting Goods for years."

Of course, leveraging such potential will require progress on other fronts.

Fortunately, the kinds of merchants interested in a diverse, broad-based customer base tend to find their way to Downtown Long Beach on their own, and they already know how to market to and merchandise for them. That said, such "demand-based inclusivity" could be added as a primacy criterion (along with "ownership-based inclusivity") for determining which entrepreneurs receive financial and technical assistance.

Community stakeholders would also do well to recognize their blind spots, check their subjectivities and let the free market run free, while DLBA makes sure to foreground the full diversity of the customer base in its framing, branding, marketing and celebrating of the district. Most urgently, issues of business theft and perceived safety need to be addressed.

Reportedly the breaking point for Walmart and likely also for Big 5 was not sales levels but "shrink" (i.e. shoplifting by customers and employees), which has been enough to drive retailers from Downtowns much higher-grossing than Long Beach's. San Francisco's Union Square, for instance, recently lost Uniqlo, H&M, Marshalls and others for precisely this reason.

There is also the matter of accommodating the larger floor-plates. Rising land values in Downtown Long Beach complicate the financial feasibility of developing single-story, big-box retail. Vertical mixed-use is also still resisted by a shrinking yet still significant subset of chains, while the reputations of some brands can conflict with the sensibilities or aspirations of the would-be users upstairs.

That said, certain value-oriented brands, by dint of savvy marketing, have been able to achieve the sort of "crossover" draw and appeal that bridges much of this gap. For example, Target, or "Tar-zhay", is perceived very differently among well-educated urbanites than Walmart even though its model and merchandising, as a discount department store, is largely the same.

Given its residential growth of the last decade, Downtown Long Beach is actually starting to approach the threshold level of density and profile needed to land one of Target's smaller, more customized "flexible-format" stores that it has been opening in dense urban submarkets like Hollywood (40,000 sq ft), Santa Monica (24,000 sq ft), Koreatown (22,000 sq ft) and [just announced](#), Downtown San Diego (36,000 sq ft).

A smaller urban Target, it should be noted, would almost certainly take sales from some of Downtown's existing retailers. Typically incorporating a CVS-operated pharmacy and offering a similar assortment of everyday essentials, it would compete most directly with large-format drug stores, though given its cachet as a brand, such a tradeoff might amount to a net gain.

\* Residents have long hoped for a **higher-caliber specialty grocer**, and Downtown Long Beach might finally be starting to at least approach the moment in its evolution – in terms of new market-rate housing and development momentum – where it could conceivably attract one.

<sup>5</sup> Of course, another of the major players in this space, Nordstrom Rack, closed its City Place store in 2013. Not only, however, has Downtown Long Beach evolved quite a bit in the last eight years but also, the location – in a diverse Downtown – was always an outlier in Rack's fleet, whereas T.J. Maxx, Marshalls, Ross and Burlington have historically not shied away from such settings.



The true importance of the Downtown supermarket tends to be overstated. One's actual role as a causative agent in attracting more residents, catalyzing new projects and/or driving pricing premiums is rarely if ever quantified. More than anything, its import seems to be symbolic – even more so in the presence of a recently-modernized VONS ([which rose to the occasion in the early months of the pandemic](#)).

A select few operators, however, can have a sort of “halo effect”, turning heads among real estate professionals and catalyzing an entirely new leasing dynamic. To understand why, it is necessary to trace the path that grocery, and retail more generally, has taken in recent decades.

The supermarket category used to be dominated by conventional, mid-market offerings which were largely interchangeable and thus, drew primarily on the basis of convenience. After all, why drive to the Albertsons across town when there was a Ralph's just around the corner, offering similar products at similar prices?

This convenience-driven anchor implied a trade area relatively limited in geography and population, attracting in its shadow a humdrum, rather predictable collection of smaller in-line businesses including, say, a barber shop, a nail salon, a dry cleaner, a Chinese takeout, etc.

With, however, the emergence of *The Food Network*, the rise of “foodie” culture and the vision of John Mackey (founder of Whole Foods Market), the selling of groceries was transformed into a kind of theater, and the “specialty” grocer, a destination capable of luring customers from a significant distance, past the legacy operators, trading convenience for sizzle.

At roughly the same time, full-service department stores like Buffum's, Bullock's, The Broadway and Robinson's-May, which had once anchored destinations for so-called “soft goods” (e.g. apparel, footwear, jewelry, home décor), had started on the road towards inexorable decline, leaving the smaller retailers in their shadow without reliable traffic generators.

Historically, these two types of shopping – for essentials and for fashion – were rigidly segmented. Malls did not have supermarkets, and grocery-anchored centers did not offer apparel. But with its wider draw and the sex appeal, Whole Foods Market and other concepts like it could bring them together, attracting brands like Anthropologie, Free People, Lululemon, Madewell, Warby Parker and Sephora.

One need look no further than CenterCal Properties' 2nd & PCH development, where all of them have clustered in the shadow of a 45,000 sq ft Whole Foods Market. As a sign of the times, the shopping centers at that powerhouse intersection, the strongest for retail in all of Long Beach, do not contain any traditional full-price soft goods anchors, just specialty grocers.

A couple of qualifications are in order, however. One, the traffic-driving capacities of supermarkets might be somewhat attenuated if the pandemic-era preference for fewer (larger-basket) trips per week endures. And two, Downtown locations in particular could be impacted by the rise of remote work and falloff in commuters, who normally provide an important source of additional demand for ready-to-eat and prepared foods.

Even in regular times, not every specialty grocer is capable of elevating the retail mix in this way. The highly-coveted Trader Joe's does not have such an effect. Nor, it seems, do standalone locations of other upscale Southern California banners such as Pavilions, Bristol Farms or Gelson's. Perhaps the only other one on the same level is the much-hyped Erewhon Market, though it would probably not be realistic in the near term.

\* What makes the potential for **soft goods** so intriguing in Downtown Long Beach is that, for the first time in years, its chief rival, Belmont Shore's 2nd Street, seems vulnerable. The corridor is currently pockmarked with vacancies,

having lost a slew of retailers in these categories – a trend that predates the arrival of COVID-19 as well as the opening of 2nd & PCH.

The trigger is more likely to have been a run-up in property values during the mid 2010's and consequent rise in expectations for rent as well as creditworthiness. In recent years, property owners have been demanding as much as \$4 to \$5 per sq ft NNN, which requires shop tenants to generate at least an estimated \$550 to \$650 in sales per sq ft, equivalent to a Class A mall.

Yet while the timing suggests that it was not the initial catalyst, 2nd & PCH might have undermined 2nd Street's positioning in another way: by elevating the aesthetic standards of the submarket, it underscored the extent to which the latter's look and feel had become increasingly dated, an association that today's more current, aspirational brands might want to avoid.

Does this present an opportunity for Downtown Long Beach, with its comparatively lower occupancy costs and younger, more contemporary vibe? Well, maybe not with the ones that have settled instead at 2nd & PCH, but perhaps other smaller and/or lower-profile concepts that might not necessarily be as welcome at such centers as the publicly-traded retailers that typically fill them.

Indeed, "neo-hipsters" – well-educated, upwardly-mobile young professionals with creative and progressive sensibilities – comprise one of the largest psychographic segments in Downtown Long Beach's trade area, and both they and the "proto-hipsters" – underground (starving) artists, musicians and other cultural producers – sustain the aforementioned boutique cluster along 1st Street in the East Village.

In addition to this co-tenancy, the sub-district's soft goods prospects could be boosted still further by the 10,000 sq ft food hall planned as part of the Broadway Block development. Like specialty grocers, buzzworthy dining destinations can help to expand the draw for and drive foot traffic to nearby shops, assuming, of course, the former's peak periods are aligned with the latter's opening hours.

With soft goods, however, the lure of co-tenancy weakens disproportionately with distance. That is, additional boutiques will either insist on and/or only survive in locations that are immediately adjacent to the existing cluster. There's a reason why they have yet to materialize, say, on the emerging 4th Street corridor in the East Village or along Broadway in the West Gateway.

Furthermore, the pricing of space must be aligned with what such tenants were willing and/or able to pay. Before the pandemic, there were some indications of an emerging gap in the East Village, and while affordable rents can still be found there, ultimately this could depend on the extent to which future landlords are willing to leave money (if not profitability) on the table in order to preserve the mix and identity.

Finally, it is worth keeping in mind that while these kinds of businesses might be initially deterred by Belmont Shore's higher rents and overall brand, they could start to be more aggressively pursued by landlords there, in light of the rising vacancy levels along 2nd St. Indeed, the established foot traffic along 2nd St was part of the reason why Proper LBC, the sneaker and streetwear purveyor, relocated there from the East Village in 2018.

\* In the absence of a new specialty grocer, Downtown Long Beach might focus its attention on the emerging crop of upmarket convenience stores. Very different in merchandising and aesthetic from a 7-Eleven, these 2,500 to 5,000 sq ft spaces offer grocery essentials from major brands, artisanal products from local vendors as well as on-site food service (e.g. made-to-order, coffee, alcohol), while also providing fast delivery.

The greatest need appears to be in the traditional core, where Kress Market, on North Pine, recently closed – for personal reasons. The East Village already has such a model, Wabi Sabi Village Market, which might be approached

about a second location. Alternately, two other expansion-minded operators in the space are Chicago, IL-based Foxtrot Market and Denver, CO-based Choice Market.

Other **convenience-oriented businesses** that are almost certain to resume growth in the months ahead (if they have not already) include the following: 1) pet retail, especially natural foods and supplies, veterinary clinics and grooming services; 2) medical retail, including urgent care centers, community health centers and dental practices; and 3) boutique fitness studios.

While most of these uses would not be defined as traditional “retail” and would represent an underutilization of space if placed in Downtown’s highest-visibility storefronts, they can help to fill or backfill available street-level bays on Downtown’s periphery, and with some tweaking of the existing design guidelines, could present a more engaging face to passing pedestrians.

Indeed, medical uses have been materializing in storefront locations (versus office buildings) precisely because they have been striving to present and position themselves more like retailers. Meanwhile, certain pet businesses can, if properly designed and configured, become true show-stoppers -- as anyone who has ever had to wade through the crowds peering through the window of a doggie-daycare facility can attest.

\* While these other uses have important roles to play in diversifying Downtown Long Beach’s retail mix and amenitizing its urban lifestyle, **food and beverage** will remain its primary driver, especially of destination traffic from beyond the trade area.

As noted earlier, the category’s sources of consumer demand have been greatly impacted by COVID-19, and the future of Downtown’s office sector is far from clear, as are the precise effects that remote / hybrid work would have on Downtown retail if it does endure beyond the pandemic.

Even so, it seems prudent to consider how such demand could be replaced – if not augmented. One approach is to capture additional market share from trade area residents. This implies an even wider array of concepts that can appeal to the full range of its cultural and socioeconomic diversity, in terms of cuisine, atmospherics and pricing. Again, inclusivity is not just about who owns the businesses, but also, who patronizes them.

As discussed in greater detail in “Recommendations” below, an ambitiously reimagined Pine Avenue, drawing on the momentum generated by Open Streets, would also help in this regard, differentiating the space – and the offerings along it – from more convenient and/or conventional alternatives in the neighborhoods.

A second angle of attack is to elevate the visibility and profile of Downtown Long Beach so as to draw the attention of established and iconic operators from across the region and state that have historically overlooked or dismissed it. The idea here, as distasteful as it may be to proto-hipsters, would be to put Downtown on the proverbial “map” of foodie Angelenos and other assorted tastemakers.

2nd & PCH, for example, was able to land the likes of Bungalow Kitchen, from celebrity restaurateur Michael Mina and nightlife impresario Brent Bolthouse, and The Italian Homemade Co., a wildly popular casual Italian concept from the Bay Area that was looking to open its first Southern Californian location. Downtown Long Beach is now starting to approach the point of its evolution where it could be in that conversation.

These two approaches, it is important to note, are not mutually exclusive. [One could imagine a talented Cambodian chef](#), tapping available forms of assistance perhaps, opening a restaurant in Downtown that captures the imagination of a widely-respected food critic – today’s version of Jonathan Gold – and lures adventurous diners from across the South Bay and Orange County while remaining true to his/her Long Beach roots.

In a sense, this sort of concept would be to food and beverage what Target is to traditional retail, a “crossover” hit that realizes the full potential (and sidesteps the unspoken messiness) of true diversity. And yet Downtowns, when they are at their best, reflect just this kind of coming together, functioning as a true crossroads for an entire community.

It is worth noting that restaurants today do not necessarily have to be full-service in order to be taken seriously. With their embrace of “fast casual” eateries and artisanal food halls, diners – led by the Millennial generation -- have effectively decoupled quality from formality, believing that gourmet food could also be found in the absence of fawning waiters, advance reservations or upscale décor.

Indeed, Downtown Long Beach should also look to target the subset of celebrity chefs and restaurateurs – including acclaimed local operators -- who, recognizing that contemporary fast casual can offer significantly higher profit margins than traditional fine dining, have decided in recent years to shift their attention and resources to the development and rollout of such concepts.

\* On a related note, Downtown Long Beach can also expand its reach with an even more diversified array of **entertainment offerings**. This would track with broader trends at the national level, where there has been an explosion in new concepts for nightlife and recreation that offer different, less alcohol-centered experiences (even if they still serve alcoholic beverages as a way of paying the bills).

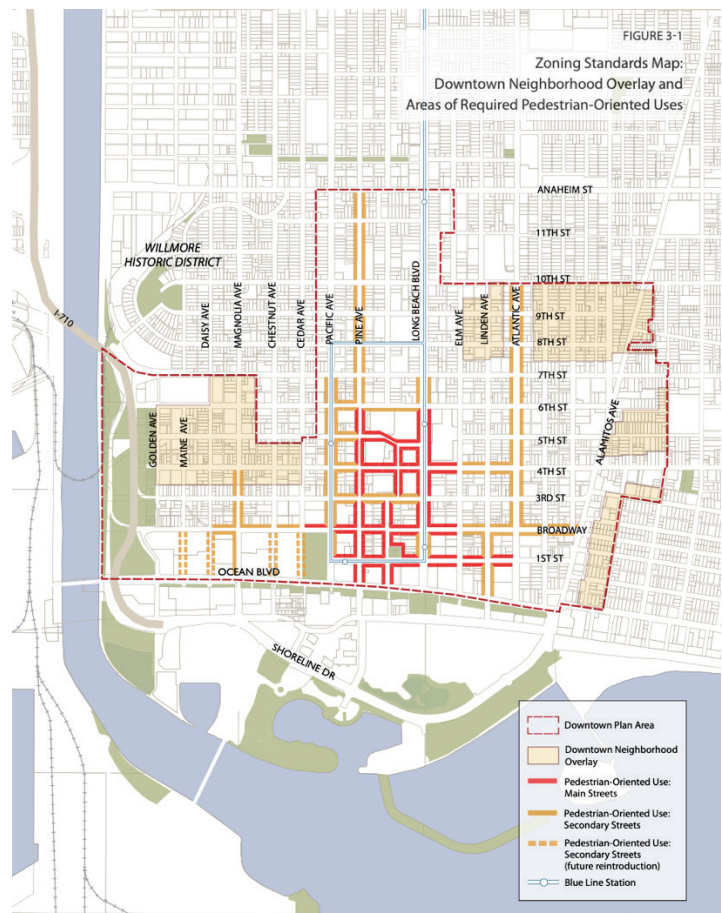
Of these, the most well-known are live-music venues (which should eventually recover from COVID-19) and bowling lounge-nightclubs, but newer ones revolve around adult indoor mini-golf (complete with elevated food and beverage); video game (or “esports”) arenas, where Gen Z-heavy fan bases come to watch highly-paid stars compete in pro leagues; and pop-up or rotating [immersive multimedia productions](#).

As evidenced by the ultimately futile effort to bring a concert venue to the former 350 Vault space, these uses tend to be capital-intensive and require larger floor-plates. Smaller-scale alternatives include a “barcade”, which uses retro arcade games as the lure for what is effectively a gastropub; a gaming lounge that functions more as a third place; or even a “selfie station”, modeled on the purikura studios long popular in Japan.

## Recommendations

\* As noted earlier, the 2012 Downtown Plan mandated that a significant portion of the PD-30 District’s street frontage contain **ground-floor storefronts with active uses**, which, when combined with all of the new development since then, resulted in a good deal of new retail inventory (and new retail sub-districts), with more to come.

Wisely, the Plan segmented these streets into two different types – “main” and “secondary” (see map





below) – while allowing considerably more flexibility in the latter, with permitted uses including bank branches, tax preparers, fitness studios and medical offices.

Nine years, however, is a lifetime in the retail industry as well as a Downtown's evolution. Some refinements are needed in order to update it to the present day:

- The list of permitted uses on the main streets includes several types of personal services that would seem to undermine the street-level energy and synergy envisioned for and possible in such primary locations. These include, for instance, beauty salons, dry cleaners, travel agencies, electronic repair as well as educational institutions.
- Given the tightness in its retail inventory and possibility of rent inflation as well as the importance of clustering among soft goods retailers, the East Village should upgrade the following stretches from secondary to main – Linden St, from Ocean Blvd to Broadway, and Broadway, from Elm St to Broadway Ct – and keep a close watch on the need for future tweaks along the 4th St corridor.
- The list of prohibited uses should be relaxed in such a way as to allow for the addition of new entertainment-oriented business models, including ones that have yet to materialize in what has become a rapidly-evolving space. At present, three of the concepts referenced earlier -- arcades, bowling alleys and mini-golf courses – are not permitted on either type of street.
- Other uses which should be removed from the list of prohibited uses include ones with the capacity to transform the in-store experience into something more compelling, like on-site production, or for which brick-and-mortar space could become increasingly valued in an omnichannel world, such as wholesale storage and online fulfillment – assuming, at least with the latter, that the street frontage still presents as consumer-facing retail.
- Thrift stores and flea markets should be moved to the list of permitted uses. Not only has second-hand merchandise long been popular among proto-hipsters, but also, it is enjoying broader acceptance as part of the “circular economy” that reduces waste and benefits the environment. In addition, such “treasure hunt” experiences represent a competitive advantage for brick-and-mortar that should be leveraged where possible.
- Finally, given the evolution of 3rd Street between Pine Ave and Long Beach Blvd over the last half-decade, that stretch should be designated as a main rather than a secondary street.

On a related note, developers should be prohibited from incorporating certain kinds of internalized amenities for their tenants that absorb consumer demand which would otherwise feed businesses occupying or potentially occupying public-facing retail space, like, for instance, cafeterias in office buildings, fitness rooms and dog-grooming stations in residential complexes, etc.

\* The DLBA, with a mandate to advocate on behalf of a specific district (Downtown) and set of stakeholders (property and business owners), is the organization best positioned to play a larger role in **elevating Downtown Long Beach's visibility** within the broader retail leasing and tenant community.

Many expansion-minded chain-lets and their tenant-rep brokers across Southern California and beyond either do not think of Long Beach or if they do, their knowledge is limited to Belmont Shore and maybe now, 2nd & PCH. Meanwhile, leasing professionals active in Downtown Long Beach are understandably focused on filling individual spaces, not selling the district as a whole.

To its credit, the DLBA has established itself as a useful source for data through its quarterly reports. Now, it can and should take the next step, synthesizing all of that information and more into visually-compelling print and

digital collateral that tells the story of, frames the opportunity in and makes the case for Downtown Long Beach as a retail location.

This should also include a color-coded heat map that helps prospective tenants to better understand, on a block-by-block basis, not just the overall pedestrian counts but also, where different kinds of foot traffic would be heaviest, as based on the locations and walk-sheds of major demand generators (e.g. visitor attractions, office buildings, residential complexes, parking garages, etc.).

To be clear, this collateral would not be a marketing piece for driving visitor and consumer traffic, but rather, a tool specifically designed to pitch and land prospective tenants. As such, it would need to be written in the language of retailers and brokers, not municipal and non-profit stakeholders. And while it would obviously put a best foot forward, it should also (obliquely) address the former's likely concerns and hesitations.

Perhaps most importantly, it would have to be taken directly to the intended targets, rather than waiting for them to take notice. The onus is on Downtown Long Beach to get itself on the radar screen, which will require a roadshow of sorts, including sit-down's with regional brokerages, earned media in business publications, presentations at industry events (across California and adjoining states, though not national ones), etc.

DLBA might also resume a role in tenant recruitment that it has played in the past, helping to source and vet new leads from other markets that it then relays to property owners and leasing professionals. Before doing so, however, it would need to add more capacity and undergo training, it as well as engage in outreach to and secure buy-in from those same landlords and brokers.

\* At the same time as it plays a role in targeting operators from across the region and beyond, the DLBA should consider further expansion of its already noteworthy efforts to **seed and nurture new small businesses**, offering an even broader array of options on the real estate end.

Not only has the pandemic unleashed a flurry of entrepreneurial activity across the country but also, the novelty and discovery which it can help to provide has never been more critical, for all sorts of districts and centers, in gaining and holding the attention of consumers.

These start-ups and other early-stage retailers would benefit from an iteration of the aforementioned heat map that marries patterns of foot traffic (or lack thereof) with the prospects for different business types, so that the locations which they ultimately choose are ones where they have a realistic potential of succeeding.

In many cases, however, they might struggle to find available spaces at all. Most of them are unlikely to be able to afford the rents demanded by, or to pass muster with the developers of, new projects in Downtown Long Beach. They might also prefer a lower-risk alternative to a long-term lease with a landlord.

In addition to its Retail Pop-Up Grant, the DLBA -- assuming additional capacity -- can help to fill this void by creating and operating new brick-and-mortar "platforms", like, for instance, fashion-truck pods or shipping-container villages in public spaces, or a co-locating arrangement or public market in a storefront (say, on a master lease with a landlord). Case studies worth referencing include Small Box Cleveland, in Downtown Cleveland, and Selden Market, in Downtown Norfolk.

Ideally these would occupy a central location(s), so as to ensure awareness and foot traffic, and would be anchored by a more established demand-generating use(s), -- like, say, a popular café or roaster -- which, like the milk in the supermarket, should be sited furthest from the primary entrance.

\* Build-out costs can present an obstacle to the filling of available storefronts in Downtown Long Beach, especially with first-generation spaces. Leasing professionals worry that developers will fail to provide sufficient T.I. allowances, resulting in prolonged vacancies as well as a lack of inventory for new restaurants once existing kitchens are taken.

This challenge is further compounded by the kind of tenants – early-stage, often undercapitalized entrepreneurs -- that show the most interest in Downtown and that are generally preferred by community stakeholders. Indeed, even restaurateurs that have been successful with a first venture do not necessarily have access to the level of funding needed for scratch-built infrastructure.

Of course, at least some of the responsibility for such costs should fall on the property owner. The reality, however, is that in a mid to high-rise development, the returns at street level are considered negligible at best, negative at worst. A few developers take a more expansive view, understanding retail's role in branding projects and driving premiums, but most will claim that they have little motivation to invest in it.

The DLBA, in partnership with the City, should explore this further. Some sort of **incentive program** could be put in place to encourage more of a focus on the ground floor, but at the same time, it would need to avoid the risk of moral hazard, whereby developers rely on the public purse to fund improvements that they should be making – and their pro-formas could be absorbing -- on their own.

\* The **"Open Streets" initiative**, currently extended until at least September 2021, can provide a model for more effectively differentiating the Pine Ave core in the longer term as a special place and gravitational center, thereby establishing a clearer and more distinctive identity for Downtown Long Beach as a whole.

In addition to luring visitors north from the waterfront, this could help to provide Pine Ave with the kind of mass-market destination appeal among citywide residents that the historic shopping street, like so many others across the country, has lacked since the heyday of the Downtown department store – and will be even more challenged to recreate amidst current perceptions about homelessness, crime and disorder.

It would also preserve the outdoor patios that restaurateurs and patrons have long treasured (never more so than amidst COVID-19), as well as help to get and keep Downtown on the radar screen of the broader leasing and tenant community, as a legitimate alternative to 2nd & PCH (which, incidentally, chose to extend its "Open Streets" concept with a ["promenade experience"](#) along its central spine).

At the very least, this would involve the continuation of parklets as well as a more uniform approach to their aesthetics. Among other upgrades, more attention will need to be given to the visibility of business signage, as the storefronts themselves are often obscured from passing motorists and pedestrians on the other side of the street by the height and design of the existing dining sheds.

In order, however, to truly elevate Pine Ave, Downtown Long Beach will need to think even more boldly. Shutting the street entirely would be controversial -- according to DLBA surveying, residents and landlords are overwhelmingly in favor, merchants mostly opposed – as well as labor-intensive from a programming standpoint, but the [technology now exists for more flexible arrangements](#) that could be tested.

For instance, closures could be planned for a specific period of time each week – on the same evening or weekend afternoon – for a relatively compact stretch -- two or three blocks at most -- within which the space could contain platforms for entrepreneurial activity (e.g. fashion trucks, night markets, etc.) as well as stage various kinds of interactive events that would drive foot traffic to existing businesses.

Such a space would no doubt reinforce a sense of community among Downtown's current residents and users, but its role in attracting and holding attention from beyond will be equally critical. Indeed, the boldness should extend

to truly inventive space utilizations, design treatments and/or public-art installations that would be capable of generating earned media and the attendant buzz.

Obviously, this will present inconveniences for some businesses, their patrons and delivery drivers. But also, those already familiar with and used to the necessary workarounds – Downtown’s current residents and users, for instance – might not be aware of (or empathic about) the added layer of disorientation and frustration that citywide residents, out-of-town visitors and motorists more generally are likely to experience.

For all of these reasons, street closures and alternative routing – to major destinations and off-street parking facilities -- should be more clearly signposted at Downtown gateways and on approach routes. East-west streets should be kept open and pick-up zones designated near their intersections with Pine Ave. Customized mitigation strategies should be devised in collaboration with individual merchants.

Such efforts should only go so far, however. Expectations can become unreasonable – merchants asserting an inalienable right to, or claiming severe hardship in the absence of, in-front parking along the most walkable blocks of a Downtown’s prime commercial corridor, for instance – and beg the question of whether such businesses, or business owners, are truly appropriate for such a location.