DOWNTOWN LONG BEACH ALLIANCE

WE'RE ALL IN THIS TOGETHER.

Woman-Owned Business Accelerator (WOBA) Grant

Economic Development Committee (EDC) Meeting

November 11, 2020

Presented by: Orsa Modica

Modica's Restaurant – Deli

http://modicas.com

Agenda

- Introduction
- Business Background & History
- Business Model
- Business Impacts of COVID-19
- Grant Funding Utilization
- Questions

Introduction

- Orsa Modica – Owner / Operator of Modica's Restaurant since 1996
- Immigrated from Greece, and have lived in Long Beach since childhood
- Originally in Human Resources Management / Accounting
- Have always supported Downtown Long Beach DTLBA Events, LGBT Community, Fire , Police, and City Employees
- Single / Working Mom of 2 children
  - Son, Anthony works at the restaurant, has studied Hospitality Management at Tiffin University, Ohio interested in Culinary Arts
  - Daughter, Aristiana in 2nd year of college at University of the Pacific, Stockton Majoring in Medical Science. On Water Polo Team

Business Background & History

- Modica’s Restaurant-Deli in LB since 1996
- Type: Family Owned Italian Style Dining
- Location: Ground Floor of the Historic Cooper Arms building
- Menu: Based on our family style Italian recipes
- Culinary: Every Dish offers finest and freshest ingredients
- Dining: ~~Inside,~~ Outside, Order Takeout or Delivery
- Community Support: Weekly 1st Responder Thank You's
- Pre-COVID
  - Modica's participated in and held After 5 art and music events (now prohibited)
  - A unique and intimate dining experience inside a historically significant setting was offered. Now customers dine outside.

Business Model

Key Partners
Who are our Key Partners?

- Business Banking / Merchant Services
- Food / Beverage Suppliers
- Staff / Employees
- 3rd Party Delivery Services
- City of Long Beach, Local L.B. Businesses

Key Activities
What Key Activities do our Value Propositions require?

- Provide Safe Environment for Diners and Continued Service
- Maintain Existing Customer Base
- Build Covered Parklet Dining
- Make Restaurant More Appealing or Uniquely Visible
- Develop New Customer Relationships
- Participation in Local Outdoor Community Events, and Catering (Currently Restricted by COVID)
- Source the freshest food and ingredients

Value Propositions
What value do we deliver to the customer?

- High Quality Food at an affordable Price.
- Safe Outdoor Dining, Take-Out, and Delivery
- Excellent Service, Friendly and Courteous Staff
- Ambiance of Dining in Historic part of Long Beach, near the beach.

Key Resources
What Key Resources do our Value Propositions Require?

- Efficient POS Equipment – Order, Kitchen, Service, Delivery
- Knowledgeable Staff, Customer & Tech Savvy Management
- Agility to conform with changing COVID Requirements

Customer Relationships
What type of relationships do our Customer Segments expect?

- Familiar Menu, Consistently Prepared, Nice Presentation
- Quick Ordering, Great Service, a Memorable Dining Experience and Fast Delivery
- Friendly, Familiar, and Efficient Staff who personalize the dining experience

Channels
How do we reach out to Customer Segments?

- Website, Social Media (FaceBook, Twitter, Instagram)
- Customer to Customer Word of Mouth
- Modica's Staff Personal Contact

Customer Segments
Who are we creating value for?

- Local Downtown Residents
- Business & City Employees at Lunch
- Residents of L.B. Metro-Area
- Out of Town Visitors and Travelers to L.B. *(Severely Reduced due to COVID)*
- Hotel Guests. Convention Center, Concert and Event, Attendees and Staff Participants. *(Severely Reduced due to COVID)*

Cost Structure
What are the important costs inherent in our business model?

- Fixed / Variable Costs of Operation: Lease, Salaries, Suppliers, Vendors, Maintenance
- Parklet Installation Costs
- City Permits / Fees
- Outdoor Furniture, Lighting, Subscriptions to Pay-Broadcast Sporting, and Audio Subscription

Revenue Streams
What value are our customers willing to pay for?

- Price Point of Food and Beverages – High End
- Price Point of Food and Beverages – Value End (Specials)
- Dining Events, Small Group Dining, Live Entertainment (L.B. Prohibited due to COVID)
- Participation in Local Long Beach Outdoor Community / Street Events, and Catering (Currently Restricted by COVID)

Business Impacts of COVID-19

Significant impacts make it costly and difficult to conduct business in post-COVID-19
Physical Business and Process changes, Materials / Supplies, Management / Employee time

NEGATIVE IMPACTS (Challenges)

- **Forced to Pivot Business Model:** From an 80% Indoor Dining 100% Outdoor dining.
- **Staff Injury Risk:** New daily requirements moving furniture indoors / outdoors.
- **Material Costs:** PPE articles, Disinfectants, and Personal Hygiene / Sanitizing liquids.
- **Safety Equipment Expenses:** Plexiglas Service, and Counter Screens
- **New Modified Mandated Activities for Staff and Management**
  - **Service and Prep Changes:** Food Safety, Service, and Cleanliness
  - **Training Changes:** Policy changes and time required to train staff.
  - **Safety over Efficiency:** Tasks add additional staff / management effort and time cleaning credit cards and POS terminals, changing gloves or using hand sanitizer between customers, relocating self-serve items, so customers need to ask for them to be served.
- **Outdoor Dining:** Unplanned expenses
- **Malicious COVID Yelp Reviews**: Potential COVID safety reviews from malicious reports.

POSITIVE IMPACTS (Opportunities)

- **Grant Assistance** Enables Modica's to lead by Example and Persevere through COVID-19
- **Community Bonding:** Modica's Staff and Customers. ***We Listen To You!***
- **Supportive:** A Long Beach Location celebrating First Responders and their Supporters

Grant Funding Utilization

- A Grant of $10,000 will be applied as a contribution to cost of improving existing Parklet.
- Evaluate options – Cost, Benefits and Importance
- Option 1 - Covered Parklet Estimation is $56,000

  Covered Parklet enables Modica's to serve customers outdoor regardless of weather conditions.
- Option 2 – Existing Parklet to be converted to permanent

  Hiring Civil Engineer, purchase K-rails, hiring contractor for modification

  Working with City of LB, Manuel Salgado – Public Works

QUESTIONS