LONG BEACH

LONG BEACH, CALIFORNIA, U.S.A.













DOWNTOWN & WATERFRONT REVITALISATION LONG BEACH, CALIFORNIA, U.S.A.

After an international competition conducted in the fall of 2002 Talbot Consultants International Inc. was awarded the contract for developing a "Retail Action Plan" for Downtown Long Beach. The objective was to create a retail linkage between (to the south) the Carnival Corporation's new Long Beach Cruise Terminal at the RMS Queen Mary, the 224,000 sq. ft, Developers Diversified Realty Corp's (DDR) new waterfront project, The Pike at Rainbow Harbour and the Convention & Entertainment Center via historic Pine Avenue to DDR's redevelopment of the Long Beach Plaza Mall site to their new CityPlace project (to the north). At the north end of Pine Avenue, the CityPlace project includes 450,000 square feet of retail, including a Wal-Mart, Nordstrom's Rack, Ross Dress for Less, Albertson's and Sav-On (see article attached). On the south end of Pine Avenue, DDR has developed the Pike at Rainbow Harbor, a 350,000 square foot retail/entertainment complex complete with a 15-screen, state of the art, movie theater, Sega Gameworks, and over a dozen national and regional restaurant tenants. As part of this major redevelopment, over 1,000 market-rate residential units are under construction in the downtown (many of them over the existing and new retail space) with more than 2,000 units planned. Given the complexity of preserving and revitalising an existing main street while adding two major potentially competing downtown retail developments, the Downtown Long Beach Associates (DLBA) and the City of Long Beach committed to developing a retail strategy to effectively plan and manage this growth, taking advantage of the synergy of the Downtown market. Their solution was to retain Talbot Consultants International Inc. to create a "Retail Action Plan" and an "over-arching" retail recruitment strategy, providing a framework for further retail growth and attraction based on current and future Downtown conditions. The project has recently been completed and the now on-going revitalisation of Downtown Long Beach is already regarded as one of the major urban revitalisation success stories in North America (see corporate package). Our tasking included:

- Conducting in-depth market analysis including relevant market and consumer data.
- Assessing the current retail climate with appropriate input from Downtown merchants and property owners.
- Allowing public input through workshops and targeted surveys.
- Understanding the property inventory as related to the site selection criteria of retailers.
- Addressing a vision for Downtown retail at both the macro and micro levels.
- Determining retail sectors that are underserved in the Downtown and providing a "hit list" of suggested retailers.
- Developing short and long-term strategies for retail recruitment and retention.
- Communicating and building consensus on these strategies with the Downtown retail community.
- Creating a step-by-step implementation process, detailing a retail recruitment protocol.
- Educating a retail recruitment "swat team", including City staff, and members of the local real estate community.





VIEWPOINT



By Richard D. B. Talbot

Downtown where all the lights are bright

The wasteland phenomenon that affects downtown areas during the evening and on weekends can be rectified by attracting both big box and specialty retailers back to the city centre again.



In spite of what your mother may have told you, retailing is in fact the world's oldest profession. Over thousands of years, in every corner of the world, the most successful retailing format that has evolved has been downtown street retail. Initially, street retailing grew up between the two major urban destinations: the seat of government (i.e. the castle/palace etc.) and the seat of religion (i.e. cathedral/temple/mosque etc.), beginning as temporary booths and kiosks in the form of farmers and crafts markets. However, as cities became more urbanized, street vendors gradually evolved into permanent storefronts. This evolution can be clearly seen worldwide and the ongoing transition can still be experienced in, and adjacent to, traditional street markets.

The next evolutionary step was to weatherproof the key downtown streets. Examples of this format still thrive, from Istanbul's Grand Bazaar to Toronto's Eaton Centre. In fact this format is so successful that it's become the standard model for the enclosed malls that form our new downtowns, although in most cases, the key "dumbbell" anchors are no longer government and religious centres, but department stores and entertainment centres. Unfortunately, the success of "new wave" suburban enclosed malls has had a negative impact on the traditional down-

towns they surround and, as residents and retailers moved into the suburbs, the downtowns have been left to the office workers, resulting in a downtown wasteland on weekday evenings and on weekends.

However, it's my belief that there are now a couple of windows of opportunity to reverse this trend. Over the past 10 years, we have seen a strong polarization of retailing into two major categories, which I have categorized as "chore shopping" and "pleasure shopping," thus creating what I term "the dumbbell phenomenon" (Building, January/February 2001). Essentially what this means is that consumers today are so time-stressed, with both males and females employed, that most shopping trips have been simplified into two main categories, either chore shopping or pleasure shopping.

Residential development at The Pike and Ocean Boulevard in Long Beach, Cal. In the chore-shopping category, the consumer is seeking everyday household goods and supplies and wants to purchase these as quickly as possible. This has led to the "big-box" stores and the "power centres" proliferating in our suburban areas, which in turn, has resulted in the increasing

number of residents in our downtown cores being denied easy access to major chore-shopping retailers. I see this as the first new window of opportunity for downtowns.

Meanwhile, at the other end of the dumbbell, pleasure shopping attracts those seeking an escape from everyday life and, most importantly, chore shopping. This means "an outing" to meet friends, to window shop and browse and, in particular, to patronize one-of-a-kind retailers, restaurants and entertainment simply not available locally.

Up until recently, chore shopping has been the major focus of new retail development. As a result the dumbbell phenomenon has become unbalanced and much more focus now must be paid to the growth of the pleasure-shopping component. This has, of course, met with some success with the new town centres since, essentially, they try to mimic the format of the traditional downtowns. Many consumers, however, are now starting to find that the major regional shopping centres all seem to look alike,

VIEWPOINT

with the same retailers and the same design. Shopping centre developers are therefore seeking to move away from the chore-shopping perception that they have created, trying to create more of a pleasure-shopping environment. This has resulted in the move by suburban developers towards entertainment-focused centres and, more recently, lifestyle centres.

It is the consumer's boredom with the major enclosed malls that provides downtowns with the second new window of opportunity, this time to also attract pleasure shopping. The new entertainment and lifestyle centres seek to replicate (through architecture and merchandising mix) the traditional downtown. This provides a huge opportunity for the traditional downtowns as they already have

with 240,000 sq. ft. of specialty retail, thus maintaining street-front animation and increasing rents, and adding 341 residential units above the retail. The result has become a blueprint for success in attracting chore shoppers and residents back downtown.

At the south end of Pine Avenue, DDR has also recently completed The Pike at Rainbow Harbor. This 370,000-sq.-ft. entertainment-focused centre consists of water-front restaurants and entertainment venues, including a state-of-the-art, 14-screen Crown Theatre, a 40,000-sq.-ft. GameWorks and a wide range of restaurants. Between The Pike and Ocean Boulevard more than 3,000 residential units have been completed or are under construction. So, The Pike project has also become a







"real" architecture in place; all they need to add is the correct mix of retailers. The major challenge for the existing downtown cores, over the next five years, is to revitalize quickly enough to meet the pleasure shopping needs of their consumers, or face new Disney-style sanitized "downtowns" in their suburbs in the form of the new lifestyle centres.

Both chore shopping and pleasure shopping used to be found exclusively in the traditional downtowns. Now, our towns and cities need to counter-attack by attracting both chore and pleasure shopping back downtown.

In our recent downtown revitalization study for the City of Long Beach, Cal., we stressed this need to attract both chore and pleasure shopping and, in a very successful public/private partnership between Developers Diversified Realty (DDR), Downtown Long Beach Associates (DLBA) and the City of Long Beach, this is currently being achieved. Downtown Long Beach provides, perhaps, the best example anywhere of a working blueprint for success for attracting chore and pleasure shopping, entertainment and residents back downtown.

At the north end of Pine Avenue (the traditional main street), the aging Long Beach Plaza has been demolished, city streets reintroduced and the old enclosed mall replaced with "CityPlace," a 450,000-sq.-ft. multi-street-front development anchored by Wal-Mart (134,144 sq. ft.), Albertson's (58,085 sq. ft.), Nordstrom Rack (30,216 sq. ft.) and Ross Dress For Less (28,248 sq. ft.). What has been particularly successful has been wrapping the big-boxes

1. Pine Avenue, Long Beach's soon-to-be-revitalized main drag

2. The Pike at Rainbow Harbor, a large-scale entertainment-focused centre, anchors one end of Pine Avenue.

3. CityPlace, a multi-street-front development with a mix of big-box and specialty retailers and residential units. blueprint for success, this time for attracting entertainment retail and residents back downtown.

As mentioned, these two major downtown redevelopments are linked by Pine Avenue. In our final report, A Retail Action Plan for Downtown Long Beach, we recommended that Pine Avenue seize the opportunity being offered, and reposition and re-merchandise the streetfront retail and food and beverage into the pleasure shopping component for Downtown Long Beach, thus providing a five block link between the new chore shopping component (CityPlace) and the new entertainment focused centre (The Pike). Once the target retailers have been secured, Downtown Long Beach will, at long last, return to its original planned

function of a balanced and vibrant downtown.

Richard Talbot is president and managing director of Talbot Consultants International Inc., an international retail consulting and retail development planning company based in Unionville. Ont. He holds the professional designations of Certified Property Manager and Certified in the Marketing of Real Estate and is a member The Canadian Association of Professional Heritage Consultants. His company's development assignments range from major mixed-use projects and downtown redevelopments to shopping centres and retail components of all sizes. Its retail consulting services are provided to a full range of Canadian and international retailers. Details on its Downtown Long Beach and other projects can be found at www.talbotconsultants.com.

www.downtownlongbeach.org

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DLBA and City of Long Beach Implement Pine Avenue Action Plan

Downtown Long Beach Associates (DLBA) and City of Long Beach are harnessing the area's new found energy and momentum through the implementation of a Pine Avenue Kraig Kojian, DLBA President & Action Plan.

The current retail growth of CityPlace and the Pike at Rainbow Harbor, coupled with the 3,500 residential units under construction or planned in the Downtown, presents a tremendous opportunity for the Pine Avenue core connecting these components. Therefore, the DLBA, in partnership with the City of Long Beach, began implementing a Pine Avenue Action Plan aimed at improving the aesthetics of Pine Avenue and recruiting additional quality retailers to the area.

The goal of the Pine Avenue Action Plan is to create a continuous and multi-faceted retail experience along the entire span of Pine Avenue. Currently, at the north end of Pine Avenue, the 454,000 squarefoot CityPlace retail complex is nearly complete, attracting local residents with large format retailers such as Nordstrom's Rack and Walmart, and smaller retailers such as Foot Action and Merle Norman Cosmetics. At the south end of Pine Avenue, the 350,000 square-foot

Pike at Rainbow Harbor retail/ entertainment complex recently opened, featuring a state-of-theart 14-screen Cinemark Theater, a 40,000 square-foot Game Works and a P.F. Changs, to name a few.

"It is vital that we create connections between all the amenities and attractions in the Downtown," said

CEO. "This is being accomplished by targeting quality retailers, implementing strategic marketing and public relations campaigns, and maintaining strong community partnerships."

The catalyst for the Pine Avenue Action Plan was the Retail Recruitment Strategy. To develop relevant research in support of the strategy,

the DLBA and City of Long Beach worked with H. Blount Hunter Real Estate and Retail Research Company, which conducted a comprehensive Downtown intercept survey and a telephone survey last year.

Additionally, the DLBA and City worked with Talbot Consultants to develop the key initiatives for the Retail Recruitment Strategy. Utilizing the aforementioned research surveys, Talbot Consultants conducted an in-depth market analysis including relevant market and consumer climate with input from Downtown merchants, property owners and other interested parties. Talbot then determined retail sectors that are underserved in the Downtown and recommended feasible sectors for recruitment, providing a "hit list" of suggested retailers. Finally, a stepby-step implementation process was created, detailing retail recruitment protocol.

"The Retail Recruitment Strategy and Pine Avenue Action Plan were developed in the spirit of collaboration," said Melanie Fallon, Director of Community Development, City of Long Beach. "The City and DLBA recognized the need to compliment the current evolution of Downtown by implementing a comprehensive strategy aimed at identifying and attracting quality retailers to the central business district."

To support and execute the Retail

Recruitment Strategy and Pine Avenue Action Plan, the City hired the consulting team of Yavitz and Bell to assist in the recruitment of retail tenants for Pine Avenue. Sandra Yavitz, owner of the Yavitz Companies, recently completed leasing The Grove project in Los Angeles for Caruso Affiliated Development; while Cynthia Bell owns the retail development company, Bell & Associates. Yavitz and Bell are charged with utilizing the information compiled by the Retail Recruitment Strategy data, and assessed the current retail and producing a merchandising plan for Pine Avenue—using their retail contacts to recruit quality retailers to Downtown Long Beach.

The plan is intended to make Pine Avenue an exciting, unique experience through aesthetic improvements and the recruitment of quality retailers. Details of the plan are presented in the charts that accompany this article.

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Please join the Downtown Bong Beach Associates City of Bong Beach officials at a meeting to discuss the current efforts to refocus Pine Avenue as a safe, attractive and vibrant destination. Friday, February 13 3 pm King's Fish House—Banquel Room 100 West Broadway To RSUP please call Todd Gutts, DBBA Economic Development Manager, at (562) 436-4259, ext. 146 by February 11

Pine Avenue Action Plan Responsibilities Matrix

Sections 1-3 (Continued on Page 2)

1. ENHANCED POLICING

Organization

a. Long Beach Police Department activity on Pine Avenue LBPD

Status/Comments

- · At the present time, the Long Beach Police Department (LBPD) has no enhanced policing in the Pine/Pike area aside from current bicycle patrols and regular beat cars.
- · On a case by case basis LBPD evaluates upcoming events such as movie releases, or other significant special events, and makes a determination as to enhanced staffing for the occasion. Currently no events are known and planned.
- LBPD will move some units to cover the Pike when GameWorks opens and adapt as need is determined.

2. RETAIL & MARKETING STRATEGIES

Action

Action

- a. Blount Hunter research conducted telephone and intercept surveys to determine trade area demographics and profiles
- b. Talbot Consultants analyzed research data and community input to formulate a Retail Recruitment Strategy
- c. Cohn Marketing used research data and Downtown marketing committee to develop Marketing Action
- d. Retail Recruitment Strategy work with Yavitz and Bell consulting team

Organization DLBA

City of Long Beach Community Development

DLBA City of Long Beach Community Development

DLBA

City of Long Beach Community Development

- Status/Comments
 - Complete

 - Complete. Working through implementation.
 - Complete. Working through implementation.

 - Met with Yavitz and Bell on January 8. Discussed status of available retail sites and retailer hit lists. Site visits of retailers will begin February 6, 2004.

3. NEW PARKING GARAGE

Action

- a. Construction of additional parking in the Downtown
- Organization
- City of Long Beach Community Development

Status/Comments

- Eminent domain action completed.
- Relocation of tenants will begin in April 2004.