

February 27, 2024

Dear Mayor, Council Members, and Staff,

As someone who has served in the Advisory Group, I'm very closely aligned with these Economic Development Strategies that our business community worked on with the city for two years. I appreciate Director Tai's third Progress Report that has outlined the cities efforts thus far.

These strategic actions were developed with a proactive stance in mind to not only assist in our recovery, but to help realize our economic vision and take control of our economic future. It is evident in this third progress report that we have limited staff as well as not having enough resources to fully realize these strategies. As part of the long-term plan, city leadership identified the need for a multi-disciplinary approach to complement our city departments including subject-matter experts. Staff's recommendation to secure an outside Economic Development Specialist to project manage these strategies is in alignment with this long-term plan to ensure implementation of these strategies. If we can execute these strategies successfully, we should not only be able to measure progress but the city will be able to increase the tax revenue in our downtown that could positively affect the economic well-being of our community and thus, quality of life.

Since the scope of the strategic actions did not take into account allocating the necessary funding or competing staff workload demands, it is not a surprise that sufficient progress towards meeting our first year priorities let alone our second year priorities falls short of meeting expectations. We, as partners with the city would like to work together to provide feedback to improve the outcome and therefore see tangible, measurable results.

It is through this lens that I would impress upon city leadership to review the SWOT (Strengths, Weakness, Opportunity, Threats) Analysis that is integral to its Economic Development success.

What are city's STRENGTHS?

- Our city leadership has created a pathway for permanency for our Outdoor Dining Deck Program (Strategy #14) as well as working towards allowing Outdoor Music in Business Locations (Strategy #15). We can do the same with a program to allow Outdoor Music in Public Spaces (Strategy #16) that is currently listed as "no funding or staff resources to initiate this item." What are the needs to create a parallel program in our public spaces?
- Our Community Development Department has held at least ten meetings with existing or prospective property owners / representatives to encourage reinvestment through regular communication (Strategy #17). If we already have these existing relationships, the city could benefit from holding an Annual Commercial Property Owners / Brokers Forum (Strategy #19) to engage these stakeholders as a group. We could exchange ideas and gather support for reinvestment on Facade Improvement (Strategy #2), Beautification Program (Strategy #3), Downtown Revitalization (Strategy #10), and a Property / Business Owners BID (Strategy #9). We could learn about potential incentives or disincentives that are affecting reinvestment. According to the progress report, there is "no funding or staffing resources" to have an Annual Forum. What is the cost estimate and/or resources to create this opportunity so we can learn how to improve and encourage investment?

What are city's **WEAKNESSES**?

- We also have lack of staff resources for economic development in our city. We may miss opportunities to combine the momentum on project ideas such as the Parks Master Plan. We need to interact and engage with our community. It was noted in our SWOT Analysis that we have a lack of seating spaces to congregate, and we need more public spaces to stimulate foot traffic and vibrancy. As listed in the progress report, a Placemaking Community Forum (Strategy #6) and a Placemaking Project Design (Strategy #7) could have been incorporated in our discussions as we engaged with our community in our Parks Master Workshops. Placemaking includes activating underutilized spaces and gathering places, improving area attractiveness for all ages and abilities, and including community in decision making which happened at these workshops. What can be done to ensure opportunities to engage with our community on new projects like the Civic Facilities Plan can reinforce ideas from our economic development strategies?

- We have two strategies, Wayfinding Signs (Strategy #1) and Comprehensive Downtown Lighting (Strategy #12) that were listed as weaknesses in our SWOT Analysis. As the progress report states for Wayfinding (CIP 111), staff is working with a designer on completing an inventory of our current signage. According to the last progress report, the timeline indicated completion by August 2023. What can be done to ensure we are setting realistic timeframes? What is the new timeframe for completion since the difficulty measure was indicated as “easy” in the adopted strategies? In regards to Lighting (CIP 621), the progress report states “advancement of this project remains contingent on staff availability and is tentatively anticipated to begin in Summer 2024.” Are there any known barriers that would interfere with meeting this timeframe?

What are our city's **OPPORTUNITIES**?

- Our city is actively engaged with restarting our Zone-In Project Meetings that creates the opportunity for more stakeholder involvement. I recommend conducting town halls and working with our Chamber of Commerce to encourage our diverse community to share their feedback in multiple formats. Currently, the Chamber has a Municipal Code and Zoning Committee where businesses and civic members can provide input to streamline processes (Strategy #28) and improve communication with city leadership on potential new regulation that may impact pedestrian-oriented uses (Strategy #10). Director Tai has been incredibly helpful in providing direction through this process.

- Our city is currently working on improving our residential and public parking management system. I recommend highlighting the importance of any proposed changes that helps our city reach its goal to having its own Local Coastal Plan. It is essential that our community understands why we need to have authority to have coastal development permitting issuance authority within our coastal zone. In our city meetings where parking is discussed access for the entire community as well as visitors is essential to our economic success.

What are our city's **THREATS**?

- Just as important, we have a culture that is slow to change and are being left behind in terms of economics as it relates to vibrancy (Strategy #10). There is no reason that places like the Point that are family-friendly, couldn't be done here. We need to combat this “fear-based” mentality about needing to

control and over regulate everything. We could combat this threat with developing a regional Business Visitation Program (Strategy #18) and build relationships with large employers like the LA Rams Organization. We have the opportunity to work with a 6.9 billion company by having their Draft Experience here on our beach. We should seize this opportunity to work with other high-visibility companies to better understand their needs that have the potential to attract investment into our community.

- A real threat to our economic vision is the lack of retail attraction in our commercial corridors. Strategy #22, Retail Program for Competitive and Strengthen Business is an essential backbone of a thriving city. We need to focus on measures that will recruit new businesses to reduce vacancies, increase foot traffic and strengthen our local economy. It was noted in our SWOT Analysis that this continued threat puts us at a disadvantage with our neighboring cities. This lack of foot traffic especially during our off season has lingering negative effects on our entire business community.

We have the opportunity to use these Economic Development Strategies as a catalyst to stimulate investment and opportunities for growth in our commercial corridors. Therefore, I want to reinforce my support for staff's recommendation to secure an Economic Development Specialist who can project manage these strategies so we can gain momentum that is crucial to encouraging growth, attracting business, creating jobs, and ensuring residents have a better quality of life.

I appreciate your thoughtful consideration.
Laura Pena

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STRENGTHS

- Own the Beach/ clean!
- Climate
- Outdoor dining/music
- Bike lanes and path
- High income community
- Close to LAX
- South Bay “bubble”
- Younger population
- Greenbelt
- Walkable
- Vibrant social scene
- Residential upgrades
- Foot traffic
- Variety of price points for food options
- Local support
- Rich history and culture
- Great schools
- City Manager with policy/planning experience
- City lawn in front of community center
- Chamber of commerce with experience with social media
- Proximity to entertainment industry
- Friendly city
- Quality of life
- Community events
- Variety of Character areas
- Heavy traffic on PCH
- Healthy air quality
- Professional firms/ good jobs
- Residential density
- Good local operators

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WEAKNESSES

- Poor foot traffic in some places
- Lack density in downtown
- Uninspiring aesthetic / storefronts esp.
- Onsite parking requirements
- On-street parking not well distributed
- Decision makers do not have experience in urban design
- Anti-change/ anti-density agendas
- Unengaged property owners and residents
- Resident mix has evolved but the business mix has not
- High traffic on PCH/ speeding
- Maintenance of public facilities/ needs better upkeep
- Lighting is an issue
- Homelessness
- Cleanliness
- Lack of hotel rooms
- High cost of living
- Lack of downtown spaces for youth
- Lack of seating spaces/ places to congregate
- Lack of pedestrian connection
- Lack of signage/ wayfinding / gateway
- Lack of transparency
- No certified Local Coastal Program
- Lack of bike racks
- No implementation of City’s consultant plans
- Older structures

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OPPORTUNITIES

- Older structures/ historic resources (ex: Community Center an opportunity for public/private partnership)
- Zoning code updates
- Placemaking
- Make outdoor dining and music permanent
- Bike lanes
- Stakeholder knowledge (segment based off of experience)
- Business Improvement District
- Partnerships with South Bay cities / market for the region
- Create a positive vision for the business community
- Potential for stakeholders to be more involved
- Interactive town halls
- Creating chairs/ seating spaces at the beginning of the greenbelt
- Wayfinding/gateway signs
- Increase work from home options
- Prioritize economic development to increase tax base
- Add more upscale restaurants and shops that will invest money into the space/the city
- Improvements to residential and public parking management
- More downtown valet options

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THREATS

- Super regional restaurants opening in neighboring cities
- Gap between high value residential and commercial businesses serving it
- Downtown price/ square footage compared to Manhattan Beach
- Lack of middle-class housing
- Housing affordability
- Lack of readily available parking supply near commercial activity
- Not changing/local only thinking /not adapting to change
- Policy that focuses on the old narrative
- Barriers to entry for good operators (ex: Conditional Use Permits (CUP) are restrictive)
- Neighboring downtowns are more dynamic
- Gangs and tagging/ Violence -shooting in Redondo Beach /Assaults and theft
- Reputation that the City is not business friendly
- Reputation that the City is a party town
- Centers like The Point pulling customers from Hermosa Beach / not enough places to keep people in Hermosa Beach
- City regulations discourage investment
- Lack of foot traffic barrier to business attraction
- Lack of certainty regarding pandemic regulations
- Concentrated and distribution of liquor licenses throughout City
- Balancing preserving character and embracing growth
- Fear-based mentality
- Consumer behavior (people are used to online sales)