



# Economic Development Strategy

City of Hermosa Beach



# Hermosa Beach Economic Development Strategy

## Introduction

Economic Development is different in each city according to its unique needs and opportunities. This Hermosa Beach Economic Development Strategy identifies a path forward as we emerge from the pandemic and post-pandemic recovery poised to facilitate business success, strengthen the local economy and improve quality of life for residents.

The Economic Development Committee directed development of a long-term Economic Development Strategy, as stated in PLAN Hermosa under **Governance Goal 6: A broad-based and long-term economic development strategy for Hermosa Beach that supports existing businesses while attracting new business and tourism.**

This plan will be implemented by City departments in collaboration with the Hermosa Beach Chamber of Commerce, input from the community and, in some cases, with the help of professional consultants. Regular review with the City Council will monitor progress and provide a system to update priorities and identify new Economic Development opportunities.

Some business-friendly initiatives put in place to serve the business community are included under the category of “City Economic Development Work Program” to ensure they are continued.

## Preparation of the Economic Development Strategy

The Economic Development Strategy is the result of more than a year of work with the Economic Development Committee and Stakeholders Advisory Working Group to identify Economic Development Strategy objectives and actions, supported by the City Manager’s Office and Community Development Department staff. Monthly Economic Development Committee meetings and twice-monthly Stakeholders Advisory Working Group explored and discussed relevant Hermosa Beach topics, including Gateways and Corridors, Downtown issues, Tourism, Special Events, Arts and Culture, Music and Entertainment, and Placemaking.

The Economic Development Strategy includes strategic actions; steps the City can take to enhance Hermosa Beach and strengthen the local economy through beautification, code changes, and other pro-active steps to build relationships through listening to property owners and businesses to encourage investment, business expansion and success.

The strategic actions are divided into five categories: Citywide Beautification, Downtown, Municipal Code Amendments, Business Outreach, and City Economic Development Work Program.

## Economic and Demographic Conditions

### Hermosa Beach Demographics

	2010	2020
<b>General</b>		
Total Population	19,506	19,650
Total Households	9,389	8,979
Total Housing Units	10,311	10,049
Median Household Income	\$99,976	\$137,188
Median Home Value <sup>(1)</sup>	\$957,000	\$1,740,000
Median Rent	\$1,795	\$2,181
Average Household Size	2.04	2.19
Average Family Size	2.80	2.87
Family/Total Households (%)	41%	46%
Owner-Occupied/Total Units (%) <sup>(2)</sup>	42%	42%
Labor Force Participation (%)	80%	77%
In-City Jobs/Household	0.62	0.67
<b>Age</b>		
Median Age	37.0	39.3
Age 18+ (% of total)	84%	82%
Age 65+ (% of total)	9%	12%
<b>Household Income</b>		
< \$15,000	5%	5%
\$15,000 - \$49,999	18%	11%
\$50,000 - \$99,999	27%	22%
\$100,000 - \$149,999	21%	17%
\$150,000+	29%	46%
<b>Education (Age 25+)</b>		
No High School Diploma	2%	2%
High School Graduate	6%	6%
Some College, No Degree	17%	11%
Associate Degree	6%	5%
Bachelor's Degree	44%	49%
Master's/Professional/Phd.	25%	26%

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(1) Median home values for 2012 and 2020

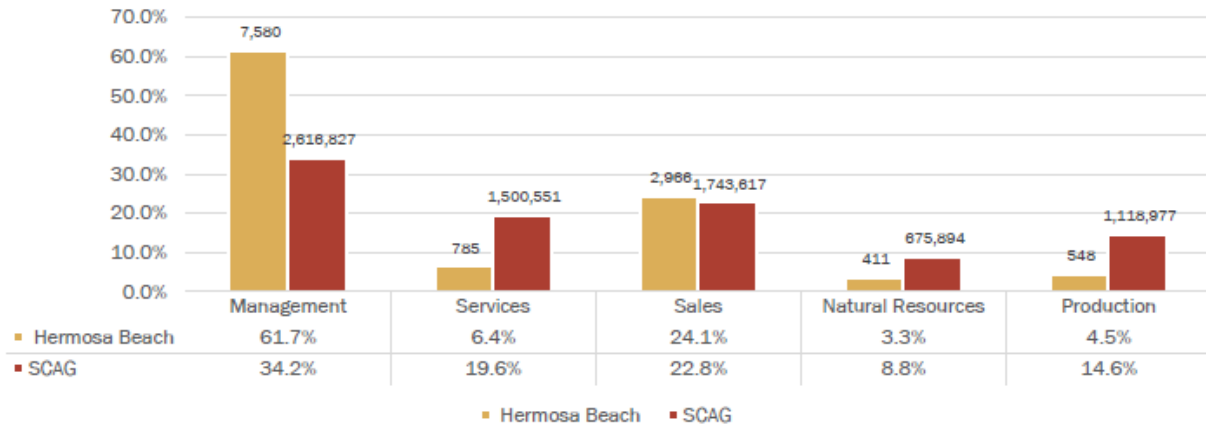
(2) Includes units for sale

Sources: US Census American Community Survey 5-year Estimate 2

## Hermosa Beach Employment

Hermosa Beach has more than 1,000 businesses in commercial spaces and home-based, large and small. Hermosa Beach has 12,290 workers living within its borders who work across 13 major industrial sectors. The table below shows the types of jobs they hold. The most prevalent occupational category in Hermosa Beach is Management, in which 7,580 (61.7% of total) employees work. The second-most prevalent type of work is in Sales, which employs 2,966 (24.1% of total) in Hermosa Beach.

### Employment by Occupation – Hermosa Beach



*American Community Survey 2014-2018 5-year estimates using groupings of SOC codes.*

## Hermosa Beach as Bedroom Community

Hermosa Beach is considered a “bedroom community,” since more residents travel outside the city for work than individuals who travel to Hermosa Beach to work, with a daily net outflow of 2,475, as shown in the below table. This contributes to a smaller daytime population, especially in comparison to the adjacent Manhattan Beach, which has a daily net gain of 4,377.

However, work-from-home trends may reduce employee outflow and allow more of the community to support local businesses during the day, including for in-person meetings for coffee or lunch. Additionally, when the Skechers North American headquarters is completed in 2023 – located at the expanded campus in Manhattan Beach and Hermosa Beach – an addition 700 employees will be in the area to support businesses with lunch and shopping during the day. These encouraging factors promise to add business and foot traffic during the daytime.

## Hermosa Beach Daytime Population

	Hermosa Beach	Manhattan Beach	Redondo Beach
<b>Day Population (2018)</b>			
Residential Population	19,650	35,573	67,700
Live in City, Employed Outside City	(8,042)	(12,101)	(27,841)
Employed in City, Living Outside City	5,567	16,478	21,371
Day Population	17,175	39,950	61,230
Daily Inflow/(Outflow)	(2,475)	4,377	(6,470)
Daily Inflow/(Outflow) as % of Residential Population	-13%	12%	-10%
<b>Population Density/Square Mile</b>			
Population	13,800	9,000	10,900
Day Population	12,000	10,100	9,900

Sources: US Census, Census LEHD, ESRI, Economic & Planning Systems Inc.

## Hermosa Beach Tourism

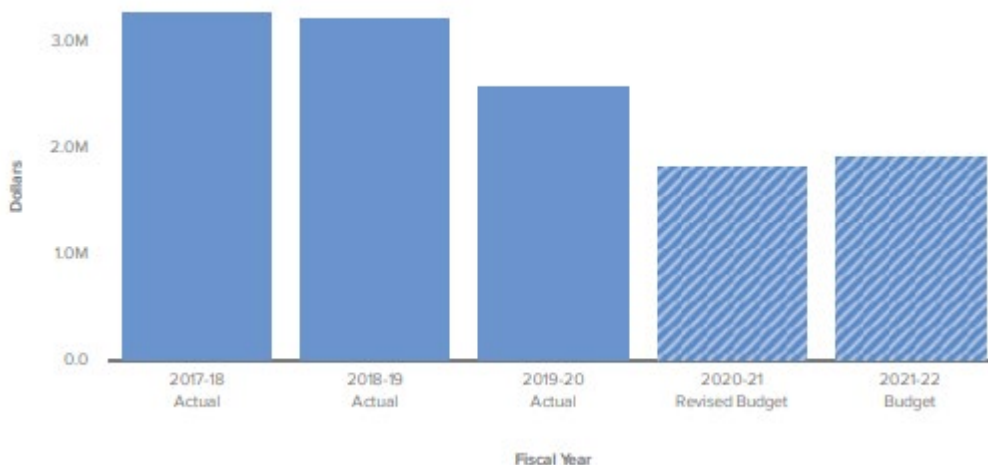
Visitors support local businesses and help to attract the types of businesses that residents also enjoy. Overnight visitors pay a 14% Transient Occupancy Tax (TOT) to support city services such as the pier, beaches, parks, police and fire services, and reduce cost impacts to residents.

During the most recent City Council budget review held March 22, 2022, it is expected that 2021-2022 TOT revenues will recover to pre-pandemic levels to approximately \$3.5 million.

The Hermosa Beach Chamber of Commerce and Visitors Bureau has plans to focus on attracting new overnight visitors to further support local businesses and increase awareness of Hermosa Beach as an overnight visitor destination.

## Hermosa Beach Transient Occupancy Tax (TOT)

Visualization



Two small hotels are under construction at 70 10<sup>th</sup> Street with 6 rooms and 66 11<sup>th</sup> Street with 9 rooms, which will expand visitor hotel choice and add to the Hermosa Beach hotel room inventory, currently from 480 to 495 rooms.

### **Hermosa Beach Hotels**

<b>Name</b>	<b>Year Built</b>	<b>Category</b>	<b>Rooms</b>
Beach House	1998	Luxury	96
Grandview Inn	1973	Economy	17
H2O Hermosa	2020	Mid-Range	30
Hampton Inn	2002	Economy	70
Holiday Inn Express	2001	Economy	80
Hotel Hermosa	1990	Mid-Range	80
Quality Inn	1986	Economy	39
Sea Sprite Ocean Front Hotel	1957	Mid-Range	<u>39</u>
			480

### **Economic Development Strategic Actions**

Strategic Actions have been sorted into five broad categories to ensure regular progress in each area.

#### **Citywide Beautification**

##### **1 Wayfinding Signs**

Objective: Inform and direct visitors from PCH, Aviation and Artesia to beach, pier, parking, business districts and add to sense of place.

Difficulty: Easy

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: Implement wayfinding sign program along corridors and in Downtown with sidewalk details, QR codes or other pedestrian-level signs, including City branding,

Responsible Staff: Public Works, City Manager’s Office, Chamber of Commerce

##### **2 Façade Improvement Program for commercial districts**

Objective: Private property investment to improve appearance of older buildings in need of refreshed exteriors.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Proactive outreach to property owners, Identify funding source (CDBG, Grants), Establish program with architect assistance. Program to be catalyst for improvements, encouraging new investment reducing vacancy rates, increasing property values and providing a more welcoming atmosphere.

Responsible Staff: Community Development

**3 Beautification Program, including gateway entries and corridors.** Seek funding sources for improvements.

Objective: Improve community quality of life, sense of pride and City image, improve appearance of all areas of Hermosa Beach.

Difficulty: Medium

Priority Timeline: Within 2-3 Years

Performance Measures: Seek street view enhancements at every opportunity, Identify and incorporate beautification projects in annual CIP budget. Seek quality private developments. Beautification is an investment in the City to add sales tax, increase hotel occupancy rates and TOT collections, reduce vacancy rates and increase property values.

Responsible Staff: Public Works, Community Development, City Manager's Office

**4 Beautification Awards**

Objective: Celebrate and encourage improvements.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Annual recognition of new or improved private and public spaces.

Responsible Staff: Mayor's Award or Chamber of Commerce

**5 Consider Arts in Public Places Program**

Objective: Arts in Public Places ordinance to add public art as part of private development to increase beautification with new projects.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Arts in Public Places ordinance to add public art as part of private development to increase beautification with new projects.

Responsible Staff: Community Development, Community Resources, Chamber of Commerce.

**6 Placemaking Community Forum**, including City Council, Planning Commission and Parks, Recreation and Community Resources Advisory Commission.

Objective: Consider Placemaking principles as decision making tool for staff and commissions.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Placemaking includes activating underutilized spaces and gathering places, improving area attractiveness for all ages and abilities, and including community in decision making. BIDs can also be considered in other areas of the City.

Responsible Staff: Community Development, City Manager's Office, Public Works, Community Resources

**7 Placemaking Project Design.** The City to include community through public engagement.

Objective: Community involvement in design ensures area will be enjoyed, promotes local pride and quality of life.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Training and citywide approach to seek opportunities to include community input and neighborhood enhancement opportunities.

Responsible Staff: Community Development, City Manager's Office, Public Works, Community Resources

**8 Include Beautification-related projects in the City budget and CIP to add value and for residents and visitors to enjoy.** Investment in the public realm improves community quality of life and welcomes visitors.

Objective: Improve public areas appearance to enhance community quality of life and City image

and attract visitors.

Difficulty: Medium or Difficult depending on projects

Priority Timeline: Within 2-3 Years or More than 3 years depending on projects

Performance Measures: Results in increased commercial and residential property values and community pride, Increased hotel occupancies, City transient occupancy tax and sales tax collection

Responsible Staff: Public Works, Finance



## Downtown

### 9 **Work with Business Community to Explore Formation of a Business Improvement District (BID).**

Objective: Facilitate BID if desired by Downtown property owners and/or businesses. A BID can fund activities beyond City services identified by property owners and/or businesses.

Difficulty: Medium

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: Initial information meeting, determine which type of BID to establish, form advisory committee to identify activities needed and associated costs to determine assessments.

Responsible Staff: Community Development, City Manager's Office, Chamber of Commerce

### 10 **Focused Update of Downtown Revitalization Strategy, including Preservation of Downtown Retail and Restaurants and other active uses on 1<sup>st</sup> floor.**

Objective: Review document to determine what needs to be completed or added. Economic market study completed in 2021 can inform updated Downtown Revitalization Strategy.

Difficulty: Medium

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: An updated strategy that aligns with emerging trends that sets the stage for a sustainable and vibrant economic future. Add incentives for active uses on 1<sup>st</sup> floor in Downtown with new Zoning Code. Will need consultant assistance after RFP and selection.

Responsible Staff: Community Development, Public Works, City Manager's Office, Consultant

### 11 **Develop Identity/Vision for the Downtown**

Objective: Incorporate City brand with marketing and future improvements.

Difficulty: Medium

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: Consistent with PLAN Hermosa and Downtown Revitalization Strategy. May be considered concurrent with Update of Downtown Revitalization Strategy. Would require RFP and consultant contract with public outreach.

Responsible Staff: Community Development, Public Works, City Manager's Office, Consultant, Chamber of Commerce

- 12 **Comprehensive Downtown lighting evaluation with complete photometric study, design and installation.** This requires a new CIP request for funding, community input for desired lighting, and public review.

Objective: Lighting plan for Downtown with overall vision to create safe and welcoming atmosphere.

Difficulty: Easy

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: Include in CIP budget, RFP, include public input process in contract. This could be an example for other areas of the City in future.

Responsible Staff: Public Works, Consultant

- 13 **Introduce and Facilitate Downtown Experiences** (activate public spaces, add interest for residents and visitors)

Objective: Enhance the special sense of place Downtown to add vibrancy and attract new business interest and investment

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Seek opportunities for art, music and special experiences in identified Downtown locations. Added foot traffic to add customers and increase sales tax, increase hotel occupancy rates and TOT collections, reduce vacancy rates and increase property values.

Responsible Staff: Community Development, Public Works, City Manager's Office, Community Resources, Chamber of Commerce

## Municipal Code Amendments

- 14 **Permanently Allow Outdoor Dining Areas and Lane Reconfigurations**

Objective: To add vibrancy of public and private outdoor spaces, enhance sense of place and continue to offer outdoor options safely and comfortably. To move traffic at safer speeds and encourage all mobility options.

Difficulty: Medium

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: City Council ordinance to change codes, CEQA analysis, CA Coastal Commission approval. Require encroachment rental fees and standards, including appearance, and to allow commercial use if not in use by business.

Responsible Staff: Public Works, Community Development, City Manager's Office

**15 Long Term Allowance of Outdoor Music in Business Locations**

Objective: Allow temporary outdoor music to become permanent to attract customers, add vitality and provide unique Hermosa Beach atmosphere.

Difficulty: 2-Medium

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: Amend Title 17 (Zoning). Include with permanently allowed Outdoor Dining.

Responsible Staff: Community Development, Public Works

**16 Program to Allow Outdoor Music in Public Spaces**

Objective: Add vibrancy and sense of place to enhance Downtown

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Develop program with designated spaces and hours for scheduled musicians. Municipal code amendments (Title 12 Streets, Sidewalks and Public Places).

Responsible Staff: Community Resources, Public Works, Community Development, Police Department, Chamber of Commerce

**Business Outreach**

**17 Regular Communication with Key Property Owners to Encourage Reinvestment and Provide Support as Needed**

Objective: Meet with property owners of prime commercial sites to discuss status and opportunities.

Difficulty: Easy

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: 4 meetings per year. Work with property owners to overcome obstacles to property improvements and investment.

Responsible Staff: Community Development, City Manager's Office, City Council Representative, Chamber of Commerce

**18 Develop Business Visitation Program**

Objective: Build relationships with businesses, understand and better meet needs.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Schedule regular visits to a variety of businesses such as large employers, sales tax generators, high-visibility businesses. LAEDC can supplement City efforts with business check-in calls. 6-10 visits per year

Responsible Staff: Community Development, City Manager's Office, City Council Representative, Chamber of Commerce

## 19 **Annual Commercial Property Owner and Brokers Forum**

Objective: Create opportunity to communicate with property owners and brokers to share project updates, City updates and real estate trends.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Recognize roles of property owners, brokers and City to strengthen communications and relationships through annual meeting.

Responsible Staff: Community Development, City Manager's Office, City Council, Chamber of Commerce

## City Economic Development Work Program

### 20 **Shop Local Program**

Objective: Encourage residents to support local businesses year-round to retain and grow businesses and strengthen local economy.

Difficulty: Easy

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: Work with Chamber to promote local businesses through social media and other communications at holiday season, "Small Business Saturday" and at every opportunity year-round.

Responsible Staff: Community Development, City Manager's Office, Chamber of Commerce

### 21 **Provide Hermosa Beach business information to event promoters to encourage use of local vendors and distribution to participants.**

Objective: Gain additional business support from day visitors attending events.

Difficulty: Easy

Priority Timeline: 1<sup>st</sup> Year

Performance Measures: Develop virtual business map with services provided and hours of operation to event promoters to encourage year-round patronage of local businesses.

Responsible Staff: Community Resources, Community Development, GIS, Chamber of Commerce

**22 Retail Attraction Program for Competitive, Strengthened Retail**

Objective: Help recruit new businesses to reduce vacancies, increase foot traffic and strengthen local economy.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Identify vacancies, communicate with property owners, help recruit businesses to reduce vacancies, increase property values and maintain and increase sales tax revenue.

Responsible Staff: Community Development, City Manager's Office, Chamber of Commerce

**23 Partnership with Chamber of Commerce to enhance Visitors Bureau to develop and promote the Hermosa Beach brand and provide visitor resources.**

Objective: Promote Hermosa Beach as an overnight destination.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Increase overnight visitors to support businesses year-round, increase hotel occupancy and City transient occupancy taxes. Visitors support local businesses that residents also enjoy and strengthen the local economy.

Responsible Staff: City Manager's Office, Chamber of Commerce

**24 Periodic Community Survey to Determine What Types of Shops or Goods are Desired and Residents Drive Out of Town to Patronize**

Objective: Survey information to identify gaps in services or goods provided for business attraction. Survey information is a helpful tool in business recruitment since community seeks certain types of business and shows market demand.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Biennial survey to inform existing businesses of market needs and to help attract new businesses to reduce vacancies.

Responsible Staff: Community Development, City Manager's Office, Chamber of Commerce

**25 Explore Music Events and Activities to Celebrate Hermosa Beach Music History and Provide Musical Experiences for Community and Visitors**

Objective: Celebrate unique local musical heritage for community pride and to distinguish Hermosa Beach to visitors.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Incorporate musical history into events and create new events. Events in non-summer season could attract visitors in the non-peak summer season and increase sales tax, increase hotel occupancy rates and TOT collections and strengthen local economy and Hermosa Beach brand.

Responsible Staff: Community Resources, Historical Society and Museum, Chamber of Commerce

**26 Development Assistance Committee/Development Review Committee**

Objective: Provide early feedback and information to developers.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Formalize and promote pre-development meeting process. Early information establishes relationships and reduces development processing time.

Responsible Staff: Community Development, Public Works, Police, LA Fire as needed

**27 Provide customer service training to all City staff to build a culture of excellent customer service.**

Objective: Provide highest quality service to residents and businesses.

Difficulty: Easy

Priority Timeline: Within 2-3 Years

Performance Measures: Provide comprehensive customer service training with periodic updates. Include customer service consideration for job candidates. Build on shared City culture of excellent customer service by all employees.

Responsible Staff: City Manager's Office, Human Resources

**28 Continuous improvements to streamline processes and reduce approval times for permit processes.**

Objective: Provide certainty and reduce approval times through efficiencies.

Difficulty: Easy

Priority Timeline: In Process

Performance Measures: Seek continuous staff efficiencies, Periodic Process Improvements Workshops, 1-2 per year

Responsible Staff: Community Development, Public Works, City Manager's Office

**29 Continue staff member assigned as Business Liaison**

Objective: Point of contact to assist new and expanding businesses.

Difficulty: Easy

Priority Timeline: In Process

Performance Measures: Timely response to inquiries, referrals, maintain email business@hermosabeach.gov

Responsible Staff: Community Development

**30 Regular City Council Review**

Objective: Continue citywide Economic Development program.

Difficulty: Easy

Priority Timeline: Continuous

Performance Measures: City Council review with identification of priorities and workplan in January and July each year to ensure progress on Economic Development Strategy

Responsible Staff: Community Development, City Manager's Office

## **Economic Development Strategy Implementation**

### **Implementation**

The matrix below shows the Economic Development actions and ease to implement in five categories: Citywide Beautification, Downtown, Municipal Code Amendments, Business Outreach and City Economic Development Work Program. These are rated at 1-Easy, 2-Medium and 3-Difficult. These ratings are based on factors such as budget costs, time required to complete, and level of complication including if the City will need to work with consultants or other agencies such as Coastal Commission

and CalTrans. This does not consider staff capacity; for example, all of the easy-rated actions could not be included in the staff work plan and completed at the same time.

### Priority/Timeline

Actions' priority and work plan determine which actions should be completed first. These are rated A-Within 1 Year, B-Within 2-3 Years, C-More than 3Years. An example of an action that is a priority but not rated as easy to implement is the "Permanently Allow Outdoor Dining" since the action requires ordinances to amend the municipal code, environmental analysis, and Coastal Commission. It is not easy to implement but has been identified as a priority. This is a working document and priorities may change as needed with periodic review.

### Staff Assigned

The matrix below identifies who will be implementing the actions, including: CMO-City Manager's Office, CD-Community Development, PW- Public Works, CR-Community Resources, PD-Police Department, and HR-Human Resources. The Chamber of Commerce and professional consultants are listed here to also work on strategic actions.

### Continue Programs in Place

The Economic Development Strategy does not address or recommend changes to sustainability actions in place, including the successful Green Business Program and actions recognized as Blue City activities to continue protecting healthy waterways and oceans.

### Regular City Council Review

For an Economic Development program to be successful, it needs to be a citywide priority and include multiple departments. A regular review of the Economic Development Strategy and prioritization of the work plan early in the year and mid-year ensures that the plan will continue, and Economic Development will be maintained as a City priority as intended in PLAN Hermosa.



	STRATEGIC ACTION	OBJECTIVE	STAFF	EASE TO IMPLEMENT/ DIFFICULTY 1-Easy 2-Medium 3-Difficult	PRIORITY/ TIMELINE A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	PERFORMANCE MEASURES	STATUS
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<b>CITYWIDE BEAUTIFICATION</b>							
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1	Wayfinding Signs	Inform and direct visitors from PCH, Aviation and Artesia to beach, pier, parking, business districts and add to sense of place.	PW, CMO, Chamber	1	A  Timing will need to include public input	Implement wayfinding sign program along corridors and in Downtown with sidewalk details, QR codes or other pedestrian-level signs, including City branding, Include in CIP budget. This may be two different projects.	
2	Beautification Program, including gateway entries and corridors. Seek funding sources for improvements.	Improve community quality of life, sense of pride and City image, improve appearance of all areas of Hermosa Beach.	PW, CD, CMO	2  3 for major projects such as sidewalks, streets or underground utilities	B  B for these items beyond initial funding	Seek street view enhancements at every opportunity, Identify and incorporate beautification projects in annual CIP budget, Seek quality private developments. Beautification is an investment in the City to add sales tax, increase hotel occupancy rates and TOT collections, reduce vacancy rates and	

	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
						increase property values.	
3	Façade Improvement Program for commercial districts.	Private property investment to improve appearance of older buildings in need of refreshed exteriors.	CD	1	B	Proactive outreach to property owners, Identify funding source (CDBG, CIP, Grants) Establish program (architect assistance?). Program to be catalyst for improvements, encouraging new investment reducing vacancy rates, increasing property values and providing a more welcoming atmosphere.	
4	Beautification Awards	Celebrate and encourage improvements.	Mayor's Award or Chamber	1	B	Annual recognition of new or improved private and public spaces.	
5	Consider Arts in Public Places Program	AIPP would require public art as part of major commercial developments as part of citywide beautification.	CD, CR, Chamber	1	B	Arts in Public Places ordinance to add public art as part of private development to increase beautification with new projects.	

	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
6	Include beautification-related projects in the City budget and CIP to add value and for residents and visitors to enjoy. Investment in the public realm improves community quality of life and welcomes visitors.	Improve public areas appearance to enhance community quality of life and City image and attract visitors.	PW, Finance	<b>1</b>  2-3 depending on projects	<b>B</b>  B-C depending on projects	Results in increased commercial and residential property values and community pride, Increased hotel occupancies, City Transient Occupancy Taxes and sales tax collection	
7	Placemaking Community Forum, including City Council, Planning Commission and Parks, Recreation and Community Resources Advisory Commission.	Consider Placemaking principles as decision making tool for staff and commissions.	CD, CMO, PW, CR	<b>1</b>	<b>B</b>	Placemaking includes activating underutilized spaces and gathering places, improving area attractiveness for all ages and abilities, and including community in decision making.	
8	Placemaking Projects Design. The City to include community through public engagement.	Community involvement in design ensures area will be enjoyed, promotes local pride and quality of life.	CD, CMO, PW, CR	<b>1</b>	<b>B</b>	Training and citywide approach to seek opportunities to include community input and neighborhood enhancement opportunities.	
<b>DOWNTOWN</b>							
9	Work with Business Community to Explore	Facilitate BID if desired by Downtown property	CD, CMO Chamber	<b>2</b>	<b>A</b>	Initial information meeting, determine	

	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
	Formation of Business Improvement District (BID)	owners and businesses. A BID can fund activities beyond City services identified by property owners and/or businesses.				which type of BID to establish, form advisory committee to identify activities needed and associated costs to determine assessments. BIDs can also be considered in other areas of the City.	
10	Focused Update of Downtown Revitalization Strategy, including Preservation of Downtown Retail and Restaurants and other active uses on 1 <sup>st</sup> floor	Review document to determine what needs to be completed or added. Economic market study completed in 2021 can inform updated Downtown Revitalization Strategy.	CD, PW, CMO, Consultant	2	A	An updated strategy that aligns with emerging trends that sets the stage for a sustainable and vibrant economic future. Add incentives for active uses on 1 <sup>st</sup> floor in Downtown with new Zoning Code. Will need consultant assistance after RFP and selection.	
11	Develop Identity/Vision for the Downtown	Incorporate City brand with marketing and future improvements.	CMO, CD PW, Chamber, Consultant	2	A	Consistent with PLAN Hermosa and Downtown Revitalization Strategy. May be considered concurrent with Update of Downtown	

	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
						Revitalization Strategy. Would require RFP and consultant contract with public outreach.	
12	Comprehensive Downtown lighting evaluation with complete photometric study, design and installation. This requires a new CIP request for funding, community input for desired lighting, and public review.	Lighting plan for Downtown with overall vision to create safe and welcoming atmosphere.	PW, Consultant	1	A	Include in CIP budget, RFP, include public input process in contract.  This could be an example for other areas of the City in future.	
13	Introduce and Facilitate Downtown Experiences (activate public spaces, add interest for residents and visitors)	Enhance the special sense of place Downtown to add vibrancy and attract new business interest and investment.	CD, PW, CMO, CR, Chamber	1	B	Seek opportunities for art, music and special experiences in identified Downtown locations. Added foot traffic to add customers and increase sales tax, increase hotel occupancy rates and TOT collections, reduce vacancy rates and increase property values.	

	STRATEGIC ACTION	OBJECTIVE	STAFF	EASE TO IMPLEMENT/ DIFFICULTY 1-Easy 2-Medium 3-Difficult	PRIORITY/ TIMELINE A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	PERFORMANCE MEASURES	STATUS
14	Permanently Allow Outdoor Dining Areas and Lane Reconfigurations	To add vibrancy of public and private outdoor spaces, enhance sense of place and continue to offer outdoor options safely and comfortably. To move traffic at safer speeds and encourage all mobility options.	CD, PW, CMO	2	A	City Council ordinance to change codes, CEQA analysis, CA Coastal Commission approval. Require encroachment rental fees and standards, including appearance, and to allow commercial use if not in use by business.	

	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
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<b><i>MUNICIPAL CODE AMENDMENTS</i></b>							
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15	Long Term Allowance of Outdoor Music in Business Locations	Allow temporary outdoor music to become permanent to attract customers, add vitality and provide unique Hermosa Beach atmosphere.	CD, PW	2	A	Amend Title 17 (Zoning). Include with permanently allowed Outdoor Dining.	
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16	Program to Allow Outdoor Music in Public Spaces	Add vibrancy and sense of place to enhance Downtown.	CR, PW, CD, PD, Chamber	1	B	Develop program with designated spaces and hours for scheduled musicians. Municipal code amendments (Title 12 Streets, Sidewalks and Public Places).	
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<b><i>BUSINESS OUTREACH</i></b>							
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17	Regular Communication with Key Property Owners to Encourage Reinvestment and Provide Support as Needed	Meet with property owners of prime commercial sites to discuss status and opportunities.	CD, CMO, CC rep., Chamber	1	A	4 meetings per year Work with property owners to overcome obstacles to property improvements and investment.	
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18	Develop Business Visitation Program	Build relationships with businesses, understand and better meet needs.	CD, CMO, CC rep., Chamber	1	B	Schedule regular visits to a variety of businesses such as large employers, sales tax generators, high-	
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	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
						visibility businesses. LAEDC can supplement City efforts with business check-in calls.6-10 visits per year	
19	Annual Commercial Property Owner and Brokers Forum	Create opportunity to communicate with property owners and brokers to share project updates, City updates and real estate trends.	CD, CMO, CC, Chamber	1	B	Recognize roles of property owners, brokers and City to strengthen communications and relationships through annual meeting.	
<b><i>CITY ECONOMIC DEVELOPMENT WORK PROGRAM</i></b>							
20	Shop Local Program	Encourage residents to support local businesses year-round to retain and grow businesses and strengthen local economy.	CD, CMO, Chamber	1	A	Work with Chamber to promote local businesses through social media and other communications at holiday season, ‘Small Business Saturday’ and at every opportunity year-round.	
21	Provide Hermosa Beach business information to event promoters to encourage use of local	Gain additional business support from day visitors attending events.	CR, CD GIS, Chamber	1	A	Develop virtual business map with services provided and hours of operation to	



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	vendors and distribution to participants.					event promoters to encourage year-round patronage of local businesses.	
22	Retail Attraction Program for Competitive, Strengthened Retail	Help recruit new businesses to reduce vacancies, increase foot traffic and strengthen local economy.	CD, CMO Chamber	1	B	Identify vacancies, communicate with property owners, help recruit businesses. to reduce vacancies, increase property values and maintain and increase sales tax revenue.	
23	Partnership with Chamber of Commerce to enhance Visitors Bureau to develop and promote the Hermosa Beach brand and provide visitor resources.	Promote Hermosa Beach as an overnight destination.	CMO, Chamber	1	B	Increase overnight visitors to support businesses year-round , increase hotel occupancy and City transient occupancy taxes. Visitors support local businesses that residents also enjoy and strengthen the local economy.	
24	Periodic Community Survey to Determine What Types of Shops or Goods are Desired and	Survey information to identify gaps in services or goods provided for business attraction.	CD, CMO, Chamber	1	B	Biennial survey to inform existing businesses of market needs and to help	

	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
	Residents Drive Out of Town to Patronize	Survey information is helpful tool in business recruitment since community seeks certain types of business and shows market demand.				attract new businesses to reduce vacancies.	
25	Explore Music Events and Activities to Celebrate Hermosa Beach Music History and Provide Musical Experiences for Community and Visitors	Celebrate unique local musical heritage for community pride and to distinguish Hermosa Beach to visitors.	CR, Historical Society and Museum, Chamber	1	B	Incorporate musical history into events and create new events. Events in non-summer season could attract visitors in the non-peak summer season and increase sales tax, increase hotel occupancy rates and TOT collections and strengthen local economy and Hermosa Beach brand.	
26	Development Assistance Committee/Development Review Committee	Provide early feedback/info to developers	CD, PW, PD, Fire as needed	1	B	Formalize and promote pre-development meeting process. Early information establishes relationships and	

	<b>STRATEGIC ACTION</b>	<b>OBJECTIVE</b>	<b>STAFF</b>	<b>EASE TO IMPLEMENT/ DIFFICULTY</b> 1-Easy 2-Medium 3-Difficult	<b>PRIORITY/ TIMELINE</b> A-1 <sup>st</sup> Year B-2-3 Years C-3 Years+	<b>PERFORMANCE MEASURES</b>	<b>STATUS</b>
						reduces development processing time.	
27	Provide customer service training to all City staff to build on culture of excellent customer service.	Provide highest quality service to residents and businesses.	CMO, HR,	1	A	Provide comprehensive customer service training with periodic updates. Include customer service consideration for job candidates. Build on shared City culture of excellent customer service by all employees.	
28	Continuous improvements to streamline processes and reduce approval times for permit processes.	Provide certainty and reduce approval times through efficiencies.	CD, PW, CMO	1	In Process	Seek continuous staff efficiencies, Periodic Process Improvements Workshops 1-2 per year	
29	Continue staff member assigned as Business Liaison	Point of contact to assist new and expanding businesses.	CD	1	In Process	Timely response to inquiries, referrals, maintain email business@hermosabeach.gov	
30	Regular City Council Review	Continue citywide Economic Development program.	CMO, CD, PW	1	Continuous	City Council review with identification of priorities and workplan in January and July each year to ensure	

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						progress on Economic Development Strategy	

\*CMO-City Manager’s Office, CD-Community Development, PW- Public Works, CR-Community Resources, CC – City Council representative, PD-Police Department, and HR-Human Resources. The Chamber of Commerce and professional consultants are listed here.

## Economic Development Strategy as Implementation of PLAN Hermosa

PLAN Hermosa, the City's General Plan, was adopted by the City Council in August 2017. The Economic Development Strategy supports several PLAN Hermosa goals and policies that are listed below.

### *Governance Element*

**Goal 6. A broad-based and long-term economic development strategy for Hermosa Beach that supports existing businesses while attracting new business and tourism.**

Policies:

- **6.1 Long-term economic development.** Support the development and implementation of long-term economic development strategies that seek to establish and keep new businesses and a strong middle class in Hermosa Beach over the decades to come.
- **6.2 Regional presence.** Encourage economic development strategies that will make Hermosa Beach a driving force and jobs center behind the regional economy of the South Bay region.
- **6.3 Diversified Economy.** Encourage economic development strategies that allow the city to move beyond reliance on its two main industries – accommodation and food service and retail trade – and transform itself to a mature mix of economic activity and job opportunities.
- **6.4 Business support.** Support the Chamber of Commerce, retailers, tourist service businesses, artists, and other agencies to develop an aggressive marketing strategy with implementation procedures.
- **6.5 Creative economy.** Prioritize strategies that will create an economy full of diverse talents, trades and goods for the city. For long lasting economic success, a range of services, arts, entertainment and retail should be supported on all scales of the city's economy.
- **6.6 Pop-up shops.** Develop plans and programs for underutilized spaces, such as vacant buildings, utility corridors, parkways, etc., for temporary retail, restaurant, and community promoting uses.
- **6.7 Retail base.** Encourage economic development reflective of the character of Hermosa Beach with small and medium scale retail development within Hermosa Beach in order to create a stronger tax base and increase the City's tax revenue.

### *Land Use Element*

**Goal 1. Create a sustainable urban form and land use patterns that support a robust economy and high quality of life for residents.**

Policies:

- **1.1 Diverse and distributed land use patterns.** Strive to maintain the fundamental pattern of existing land uses, preserving residential neighborhoods, while providing for enhancement of corridors and districts in order to improve community activity and identity.
- **1.4 Diverse commercial areas.** Promote the development of diversified and unique commercial districts with locally owned businesses and job- or revenue-generating uses.
- **1.5 Balance resident and visitor needs.** Ensure land uses and businesses provide for the needs of residents as well as visitors.
- **1.8 Respond to unique characteristics.** Enhance the unique character and identity of the city's neighborhoods, districts and corridors through land use and design decisions. Allow policies and programs to be focused on each unique character area of the city.

**Goal 3. A series of unique, destination-oriented districts throughout Hermosa Beach.**

- **3.1 Unique districts.** Encourage the development of local and city-wide districts and centers that address different community needs and market sectors and complement surrounding neighborhoods.
- **3.3 Diverse retail and office centers.** Provide incentives to transform existing single-use commercial properties that are accessible into retail destinations by adding a diversity of uses, providing new pedestrian connections to adjacent residential areas, reducing the visual prominence of parking lots, making the centers more pedestrian-friendly and enhancing the definitions and character of street frontage and associated streetscapes.
- **3.4 Diverse employment sectors.** Strive to create districts that support increased employment activity, particularly for growing or emerging economic sectors.
- **3.5 Compact office formats.** New employment uses should be designed in a compact format with minimal front setbacks from the street, typical lease spans of 40 feet or less, and where feasible, combined with other commercial uses.

# **Thank You to All Who Contributed to This Economic Development Strategy**

## **Economic Development Committee**

Councilmember Mary Campbell, Chair  
Planning Commissioner Peter Hoffman, Vice Chair  
Mayor Michael Detoy, Committee Member  
Planning Commissioner David Pedersen, Committee Member

## **Economic Development Stakeholders Advisory Group**

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Frank Buckley  
Colin Cooley  
Tony Cordi  
Jon David  
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