



STAFF REPORT

Meeting Date: December 4, 2012
To: Honorable Mayor & City Council
From: Megan Roach, Marketing & Economic Sustainability Manager 
Subject: Update on the Implementation of the Small Business Task Force Initiatives

INTRODUCTION

This report provides an update on the implementation of the Small Business Task Force initiatives that were presented to the City Council on March 6, 2012.

BACKGROUND

In July 2011, in response to concerns about the high retail vacancy in Beverly Hills, then Mayor Barry Brucker appointed Councilmember Gold as Chair of a new task force to examine small business assistance opportunities.

Beginning in August 2011 and over the course of five meetings, the Task Force discussed barriers to small businesses and grouped the barriers into five categories:

- **Physical** – improvements to City assets and infrastructure
- **Experience** – enhancing the street level experience for pedestrians and patrons
- **Process** – improvements to the City's permitting and development review process
- **Economics** – exploring financial incentive programs for small businesses
- **Local Preference** – marketing programs that emphasize 'buy local'

After the Task Force identified the barriers and aggregated them by category, staff researched and developed corresponding potential solutions. The solutions were analyzed and assessed for feasibility from both a fiscal and legal perspective. They were then presented to the Task Force for their review and additional recommendations.

Ultimately the Task Force developed a total of twenty-one recommendations for implementation to retain and attract small businesses in Beverly Hills, which were presented to the City Council on March 6, 2012.

DISCUSSION

Following the creation of the Small Business Task Force in 2011, Beverly Hills’ retail and office vacancies and quoted rates have continued to improve as shown in the table below. The City utilizes CoStar, a commercial real estate and analytics tool, to identify trends and provide insights into the local Beverly Hills economy.

In particular, retail quoted rates have increased nearly 14% from Q1 2011 to Q3 2012. Office vacancy rates have steadily decreased from 15% in Q1 2011 to fewer than 13% in Q3 2012. It is also worth noting that while the current citywide retail vacancy rate is 12.8%, the retail vacancy rate for the Business Triangle is 3%.

Beverly Hills Retail and Office Data			
	2010	Q1 2011	Q3 2012
Retail Vacancy Rate*	14.4%	13.9%	12.8%
Retail Quoted Rate	\$56.68	\$60.84	\$69.11
Office Vacancy Rate	12.9%	15.0%	12.9%
Office Quoted Rate	\$43.65	\$44.03	\$43.42

*Citywide retail vacancy rate. The current retail vacancy rate for the Business Triangle is 3%.
Source: CoStar

Several of the more long-standing vacant properties in Beverly Hills have recently signed leases with new retail, restaurant and office tenants. Rodeo Drive is almost entirely leased and Canon and Beverly Drive continue to flourish with new businesses. A sampling of new and anticipated businesses includes:

- **Scoop**, an iconic boutique for men and women, opened a holiday shop at 265 N. Beverly Drive. The store will remain open until early 2013 when it will reopen as the permanent Scoop boutique.
- **D.L. & Co.**, a boutique store that sells candles and specialty gifts, recently opened at 417 N. Beverly Drive.
- **All Saints Spitalfields**, a British men’s and women’s fashion store, will soon move into 330 N. Beverly Drive.
- **Theory**, a contemporary men’s and women’s clothing brand, will move into an 8,000 square foot space on Beverly Drive.
- **Alice + Olivia**, a chic women’s designer, plans to move onto the 400 block of N. Beverly Drive.

- **Marimekko**, a Finnish textile company, recently opened its first West Coast store at 370 N. Canon Drive.
- **H.O.M.E. (House of Music & Entertainment)**, a premier jazz entertainment venue that serves world class cuisine, recently opened at 430 N. Camden Drive.
- **David Webb**, maker of precious gems and beautiful jewelry pieces, recently opened a store at 9621 Brighton Way.

Following the March 6th presentation to the City Council, the Task Force initiatives were prioritized and several were included in the FY 2012-13 department budgets. Remaining initiatives will be prioritized and incorporated into future fiscal year department budgets and work plans. Initiatives that are in progress or have been completed include:

1. Physical

- Design and Develop a GIS Parking Demand Model – the model will predict how changes in parking supply impact overall parking demand and it is scheduled to be completed in December 2012.
- Parking Facilities Maintenance – the FY 2012-13 capital improvement budget includes over \$6 million dollars for City parking facility rehabilitation and other projects to ensure quality and cleanliness for patrons.
- Conduct Broker Roundtable Meetings – coordinated by the Chamber of Commerce twice annually, these meetings allow dialogue between brokers, Chamber and City representatives to stimulate business growth. The next roundtable meeting is December 6, 2012.

2. Experience

- Revitalize Merchant Associations – as part of their FY 2012-13 work plan, the Chamber is spearheading a Business Improvement District (BID) exploration committee for South Beverly Drive. The City Council allocated \$20,000 to the Chamber for this effort.
- Visitor Experience Programs – the new Visitor Center includes a variety of programs including interactive technology to locate hotels, restaurants, and retail stores and new walking tours that cater to visitor interests.
- Citywide Wayfinding Signage Program – the program will enhance visitors' and locals' ability to navigate the city's commercial areas and find desired destinations including the new Visitor Center. Graphic designs and proposed signage locations have been presented to the Conference and Visitors Bureau for feedback and meetings are being scheduled with the Small Business Task Force and the Rodeo Drive Committee. Once stakeholder input is obtained, designs and locations will be brought to the City Council for review and input in January 2013.

3. Process

- Mayor's Government Efficiency Task Force – recommendations to improve the City's development review process including increasing discretionary review;

restructuring staffing in the Community Development Department; and implementing a 70-day restaurant express permit program.

4. Economics

- Financial incentive initiatives will be developed as department work plans and studied in further detail in FY 2013-14.

5. Local Preference

- Promote Small Business Saturday Program – as part of their FY 2012-13 work plan, the Chamber developed a program in conjunction with the American Express Small Business Saturday Program on November 24, 2012. Program highlights included advertisements in local papers, email blasts, and branded merchandise for small businesses. The City Council allocated \$10,000 to the Chamber for this effort.
- Support Chamber Shop Local Program – the City Council recently allocated \$80,000 in funding to enhance the Chamber's Shop Local Program. Upcoming initiatives include a residential mailing program, promotional collateral, street banners, advertising, social media, and a dedicated website.
- Promote New Businesses at City Council Meetings – the Beverly Hills Brownie Company was the first new business to be recognized at the August 7, 2012 City Council meeting.

FISCAL IMPACT

The City Council approved funding for the small business initiatives through the adoption of the FY 2012-13 operating and capital improvement budgets. Additional initiatives will be presented for City Council consideration, prioritization and adoption as part of the FY 2013-14 budget process.

RECOMMENDATION

It is recommended that the City Council receive and file the update on the Small Business Task Force initiatives.

Mahdi Aluzri
Approved By 