Beverly Hills City Council Liaison / Economic Sustainability Plan Budget Subcommittee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

CITY OF BEVERLY HILLS
455 N. Rexford Drive
Beverly Hills, CA 90210

TELEPHONIC VIDEO CONFERENCE MEETING
Beverly Hills Liaison Meeting
https://www.gotomeet.me/BHLiaison
No password needed
You can also dial in by phone:
United States (Toll Free): 1-866-899-4679 or United States: +1 646-749-3117
Access Code: 660-810-077
Thursday, March 25, 2021
10:00 AM

Pursuant to Executive Order N-25-20 members of the Beverly Hills City Council and staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public can view this meeting through live webcast at www.beverlyhills.org/live and on BH Channel 10 on Spectrum Cable, and can participate in the teleconference/video conference by using the link above. Written comments may be emailed to mayorandcitycouncil@beverlyhills.org.

AGENDA

1) Public Comment
   a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.

2) Review Draft of the Updated Economic Sustainability Plan – Budget Focus Area

3) Adjournment

Huma Ahmed
City Clerk

Posted: March 22, 2021

A DETAIL LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW AT
WWW.BEVERLYHILLS.ORG

Pursuant to the Americans with Disabilities Act, the City of Beverly Hills will make reasonable efforts to accommodate persons with disabilities. If you require special assistance, please call (310) 285-1014 (voice) or (310) 285-6881 (TTY). Providing at least forty-eight (48) hours advance notice will help to ensure availability of services.
TO: Beverly Hills City Council Liaison – Economic Sustainability Plan Budget Subcommittee

FROM: Gabriella Yap, Deputy City Manager
       Laura Biery, Marketing & Economic Sustainability Manager

DATE: March 25, 2021

SUBJECT: Review Draft of the Updated Economic Sustainability Plan – Budget Focus Area

INTRODUCTION
This item provides the Councilmembers assigned to the Economic Sustainability Plan (ESP) Budget Focus Area Subcommittee with a draft of the updated ESP for discussion.

DISCUSSION
At the February 16, 2021, Study Session, the City Council was presented with a draft of the updated ESP prepared by Lisa Wise Consulting (LWC). The strategy laid out by LWC is consistent with the foundation and pillars of the 2011-2015 ESP, and has encapsulated the strategy into a three-pronged approach of Brand, Well-Being, and Budget. Mayor Friedman explained that he would create subcommittees to review each focus area in more depth. Below is an overview of each focus area along with the Councilmembers assigned to each area:

- Brand Management (“Brand”) – Clientele attraction, marketing, business development and support related to brand enhancement, and physical improvements to support the brand (Mayor Friedman and Councilmember Bosse)
- High-Quality Experience and Community Well-Being (“Well-Being”)—Special events, mobility and safety improvements, and the regulatory environment (Vice Mayor Wunderlich and Councilmember Bosse)
- Diversified and Strong Fiscal Position (“Budget”) – Asset management and enhancement, operating efficiencies and use of technology, fiscal assessment of City activities, and work plan priorities (Councilmembers Gold and Mirisch)

The updated ESP includes an Action Plan organized by each Focus Area, along with the timeframe, priority level, lead department, and metric for success for each action. The subcommittees will be able to discuss the Budget portion of the Action Plan and recommend priorities and changes or deletions. Once the three subcommittees have met
and determined their recommendations, the ESP will be brought to the entire City Council for discussion. The target date for this Council discussion is May 2021.

**FISCAL IMPACT**
The majority of the recommended actions contained in the plan can be covered as part of the City’s normal operating budget. However, future capital improvement projects, specialized studies or large scale initiatives, such as upgrading technological or infrastructure systems, may require additional funding. There are no recommended expenditures associated directly with this item.

**RECOMMENDATION**
Review the Budget Focus Area of the updated Economic Sustainability Plan and provide feedback in terms of priorities and changes or deletions to Lisa Wise Consulting and staff.

George Chavez
City Manager

Approved By

Attachments: February 16, 2021 Economic Sustainability Plan Staff Report
STAFF REPORT

Meeting Date: February 16, 2021

To: Honorable Mayor and City Council

From: Gabriella Yap, Deputy City Manager
Laura Biery, Marketing & Economic Sustainability Manager

Subject: Review Draft of the Updated Economic Sustainability Plan

Attachments: 1. Draft Updated Economic Sustainability Plan
2. 2019 Background Data for ESP Update
3. March 6, 2018 Staff Report (Includes 2011-2015 ESP and Destination Development Plan)
4. Letter of Support from Beverly Hills Chamber Commerce

INTRODUCTION
This item provides the City Council with a draft of the updated Economic Sustainability Plan and seeks their feedback, direction, and approval.

FISCAL IMPACT
The majority of the recommended actions contained in the plan can be covered as part of the City’s normal operating budget. However, future capital improvement projects, specialized studies or large scale initiatives, such as upgrading technological or infrastructure systems, may require additional funding. There are no recommended expenditures associated directly with this item.

DISCUSSION
During the Great Recession in 2007-2010, the City was forced to make significant cuts. While those cuts were necessary, the City recognized that reliance only on expense reductions would negatively impact its high standards of service. To strengthen revenue sources that support the General Fund, namely transient occupancy taxes (TOT), sales taxes, property taxes, and business taxes, the City commissioned a consultant to create the 2011-2015 Economic Sustainability Plan (2011-2015 ESP) with the input of City officials and staff, economic partners, residents and businesses.

The 2011-2015 ESP identified five foundations as strategic themes that underlie the actions of the City: 1) Brand Management, 2) Communication and Outreach, 3) Quality of Life Stewardship, 4) Fiscal Stewardship, and 5) Friendly, Smart, Green, Safe City. It also identified four pillars which are groups of initiatives, projects and programs that could have a long-term impact on the City’s revenue streams: 1) Clientele Attraction/Business Development, 2) City Service/Process Enhancement, 3) City-owned
The Plan recommended primary, secondary, and tertiary priority programs to maintain the economic sustainability in Beverly Hills from 2011-2015.

**2011-2015 ESP Foundations and Pillars**

At the October 16, 2018, City Council meeting, the Council entered into an agreement with Lisa Wise Consulting (LWC) to update the ESP. Specifically, LWC was to:

- Review the foundational elements of the City’s 2011-2015 Economic Sustainability Plan (Appendix C) and update as appropriate
- Examine the economic pillars established in the City’s 2011-2015 Economic Sustainability Plan for relevancy and applicability for the next five years
- Develop strategic deliverables for programs and/or projects to support the pillars in the City’s 2011-2015 Economic Sustainability Plan if relevant
- Provide assistance to the City in framing the outline of City-wide strategic plan and vision for economic development and economic sustainability, including an understanding of the critical components, methodology, necessary research and likely resources to develop the plan
- Obtain and incorporate input from both internal and external stakeholders
- Complete a strategic plan for economic sustainability that includes key elements of the Beverly Hills Destination Development Plan currently being under taken by the Beverly Hills Conference and Visitors Bureau
- Assist with developing metrics for tracking the success of program implementation.

The updated ESP was nearing completion and was expected to be presented to the City Council in Spring of 2020 when the COVID-19 pandemic drastically changed the City’s operations and economic outlook. Staff worked with the consultant, LWC, to pivot the plan and identify whether trends in the retail, hotel, and office sectors were already in existence or resulting from COVID-19, and to determine whether they were lasting trends. The consultant also identified the potential, opportunities, and market outlook in
Meeting Date: February 16, 2021

Each sector. The plan focuses on economic strategies and actions that increase the City’s resiliency to market downturns, geopolitical risks, and uncertainties, while trying to avoid overcorrection from the pandemic.

LWC reviewed the foundations and economic pillars established in the 2011-2015 ESP and found they are still valid and appropriate in today’s environment. In similar fashion to the last ESP, the plan and vision reflects contributions from:

- Residents and community stakeholders,
- Commercial and retail leaders in the community including land owners and developers,
- Strategic Planning Committee, City Departments, and Civic organizations such as the Conference and Visitors Bureau, the Rodeo Drive Committee, and the Chamber of Commerce

In addition to the meetings held with the groups above, LWC reviewed and incorporated relevant elements of the Destination Development Plan that was approved by the City Council in 2019. The updated ESP is largely based on data and findings when comparing Beverly Hills to other similar markets. Local comparators included Culver City, Santa Monica, and West Hollywood. The retail analysis considered the regional retail context (e.g., South Coast Plaza, Beverly Center, Downtown LA, etc.) and national/international comparisons (e.g., Madison Avenue, NYC; Worth Avenue, Palm Beach; Bond Street, London; etc.). The ESP also includes a review and update of the infrastructure and asset enhancement projects identified in the initial plan in order to support broad economic development initiatives in the City and measuring their success.

In the updated ESP, the strategy laid out by LWC is consistent with the foundation and pillars of the 2011-2015 ESP, and has encapsulated the strategy into a three-pronged approach of Brand, Well-Being, and Budget. Below is an overview of each focus area:

- Brand Management (“Brand”) – Clientele attraction, marketing, business development and support related to brand enhancement, and physical improvements to support the brand
- High-Quality Experience and Community Well-Being (“Well-Being”) – Special events, mobility and safety improvements, and the regulatory environment
- Diversified and Strong Fiscal Position (“Budget”) – Asset management and enhancement, operating efficiencies and use of technology, fiscal assessment of City activities, and work plan priorities.

The strategy sets the framework for the next three to five years to “foster a vibrant, sustainable economy, and stimulate sufficient City revenue to maintain the character and quality of the community.” The updated ESP includes an Action Plan organized by each Focus Area, along with the timeframe, priority level, lead department, and metric for success for each action. This item was presented to the Audit and Finance Committee Liaisons on January 22, 2021.

RECOMMENDATION

It is recommended the City Council review the draft of the updated Economic Sustainability Plan, provide feedback and direction to Lisa Wise Consulting and staff, and approve the updated Economic Sustainability Plan for implementation in years 2021-2025.

George Chavez,
City Manager
Approved By
ATTACHMENT 1
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EXECUTIVE SUMMARY

ECONOMIC SUSTAINABILITY PLAN

The COVID-19 economic shutdown and March 2020 shelter-in-place directive began negatively impacting the economy in the first quarter of 2020. Two sectors especially important to Beverly Hills — international visitation and retail sales — were, and continue to be, significantly impacted. In response, the City of Beverly Hills has conservatively forecasted sales tax, transient occupancy tax, and business license tax for Fiscal Year 2020/2021 at approximately 60-75% of the previous year’s budget. The City, like all other municipalities, will be affected by the COVID-19 crisis for years to come. The approach to this Economic Sustainability Plan Update is not to overcorrect from the COVID-19 pandemic, but rather focus on economic strategies and actions that increase the City’s resiliency to market downturns and geopolitical risks and uncertainties.

A three-pronged strategy sets the framework for implementation of the City’s vision to “foster a vibrant, sustainable economy, and stimulate sufficient City revenue to maintain the character and quality of the community” over the next five years. The strategy’s three Focus Areas can be described as the three “B’s”: Brand, Well-Being, and Budget.

An Action Plan organizes discrete implementation tasks under strategies for each Focus Area. For each action, the Action Plan includes an associated timeframe, level of priority, lead City Department, and measurements for success.
INTRODUCTION

PURPOSE

The Economic Sustainability Plan (ESP) provides the City of Beverly Hills (City) with strategic direction for economic development decisions and activity over the next five years. The intent of the ESP is to promote Beverly Hill’s resiliency through strategies that allow flexibility to adapt to fluctuating economies and priorities that help guide sustainable fiscal decisions. This Plan is an update to the 2011-2015 ESP and reflects changed conditions, new realities, and associated challenges and opportunities. The ESP includes a set of discrete implementing actions for the City, and its strategic community partners, over the next five years.

BACKGROUND

ECONOMIC SUSTAINABILITY PLAN UPDATE CONTEXT

Post Covid-19 Economy

The ESP update effort was underway when the COVID-19 pandemic hit. The associated economic shutdown and March 2020 shelter-in-place directive began negatively impacting the economy in the first quarter of 2020. The economic effects of the COVID-19 crisis impacted two sectors that are especially important to Beverly Hills: international visitation and retail sales. Special events were canceled, and hotels, stores, and restaurants temporarily closed. Transient occupancy tax revenues plummeted from $4 million per month to less than $100,000 in April 2020\(^1\). Actual sales in Beverly Hills were dramatically impacted with 2020 Q2 down 54% from 2019 Q2. This was significantly more severe compared to effects in Los Angeles County, which showed a sales decline of 23% during the same period\(^2\).

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1 City of Beverly Hills, Proposed Budget FY 2020/21.
2 HdL, Beverly Hills Sales Tax Update, Q2 2020.
A complete economic recovery will likely occur after a COVID-19 vaccine is developed and sufficiently deployed. However, the City, like all other municipalities, will be affected for years to come. Nonetheless, the City is expected to continue providing excellent services despite the loss of institutional knowledge from staff retirements in various Departments. Despite the gravity of the pandemic’s economic consequences, certain opportunities were accelerated by the pandemic, such as expanded outdoor dining. Specific competitive advantages and potential opportunities for Beverly Hills retail, hotel, and office sectors, considering the effects of the COVID-19 pandemic, are discussed under Summary of Key Findings. While we are still in the midst of the COVID-19 crisis, oncoming changes in consumer behavior and business investment are beginning to appear. Certain trends such as the strength of well capitalized internationally recognized brands may benefit Beverly Hills in the future. Other trends such as a less intensive demand for commercial office space may represent challenges. The approach to the ESP update is not to overcorrect from the COVID-19 pandemic, but rather focus on economic strategies and actions that increase the City’s resiliency to market downturns and geopolitical risks and uncertainties.

**Relevant Efforts**

Two key efforts relevant to the ESP update were the Strategic Planning Committee (now the Strategic Planning/Southeast Task Force Committee) and the Destination Development Plan. In December 2018, the City Council provided input on prioritization and implementation of the Strategic Planning Committee’s recommendations for the Business Triangle. Some of the Strategic Planning Committee’s recommended actions are incorporated into the ESP actions.

In 2019, the Beverly Hills Conference and Visitors Bureau (BHCVB), in partnership with the City, prepared a Destination Development Plan, which focused on tourism and marketing and is intended to provide strategy and visioning for Beverly Hills over the next 5-10 years. The “Big Moves” in the Destination Development Plan describe actions that may be taken to ensure the long-term vibrancy of Beverly Hills as a destination. Various aspects of the Big Moves are incorporated into the ESP actions.
**Major Initiatives**

The City, along with its partner agencies and in support of private sector investments, facilitates or undertakes many initiatives that implement economic development objectives. Although some of these have been severely impacted by the COVID-19 pandemic, major ongoing actions relevant to the ESP, include:

- Special events (e.g., Golden Globes, Vanity Fair, etc.)
- Real estate investments (e.g., One Beverly Hills, Cheval Blanc Hotel, 9000 Wilshire, etc.)
- Metro Purple Line extension
- Connect Beverly Hills
- Greystone Mansion
- Public art programs
- Mobility planning efforts
- Sustainable City Plan
- BH Healthy City Initiative

The City has also established a COVID-19 Business Recovery Assistance Task Force to help the City effectively assist the business community re-open and thrive in the new normal. This Task Force is focused on policies related to City fees, taxes, zoning, signage, parking, and others. The ESP actions build on the City’s initiatives to support the City’s brand, quality of life, and fiscal position.
City Revenue Streams

The City has four major sources of General Fund revenue: property tax, business license tax, transient occupancy tax (TOT), and sales tax. These four revenue streams generate roughly 76% of total General Fund income.

Property taxes reflect the City’s stature as a premiere residential location. Business license tax, TOT, and sales tax are tied to Beverly Hills’ ability to attract and retain a vibrant business community.

These revenues have trended positively over time, however, in response to the recent COVID-19 pandemic, the City has conservatively forecasted sales tax, TOT, and business license tax for Fiscal Year 2020/2021 at approximately 60-75% of the previous year’s budget.
Regional Context

While Beverly Hills competes in the international marketplace, it also competes regionally for visitors, customers, residents, and overall discretionary spending. Beverly Hills' strengths and opportunities within this context are important to establishing a successful strategic framework.

FIGURE 1-3: REGIONAL CONTEXT MAP

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverly Hills</td>
<td>34,186</td>
<td>2.31</td>
<td>44.8</td>
<td>$106,936</td>
</tr>
<tr>
<td>West Hollywood</td>
<td>38,450</td>
<td>1.55</td>
<td>36.7</td>
<td>$74,044</td>
</tr>
<tr>
<td>Santa Monica</td>
<td>90,401</td>
<td>2.31</td>
<td>42.3</td>
<td>$95,044</td>
</tr>
<tr>
<td>Culver City</td>
<td>39,169</td>
<td>2.31</td>
<td>41.6</td>
<td>$96,570</td>
</tr>
</tbody>
</table>

* American Community Survey 2019 - 5 Year Estimates

SUMMARY OF KEY FINDINGS

Retail

Before the COVID-19 pandemic hit, retail market outlook forecasts were already centered on the “retail apocalypse” concerning the takeover of e-commerce from brick-and-mortar retail. Retail was adjusting to competition from online channels, often through new store formats (e.g., smaller, urban footprints within walkable districts), the provision of more experienced-based retail environments (in-store demonstrations and classes), or convenience retail (including “click and collect”). These experienced-based retail environments reflect the concept of placemaking – creating quality places where people want to live, work, play, shop, learn, and visit4.

In luxury retail settings, leisured visitors were serving as a buffer against online channels; however, a growth in resale (even in luxury) was showcasing the emergence of conscious consumerism.

Beverly Hills retail vacancy rate has been trending upwards since Q3 2015. An abrupt acceleration of this trend occurred in mid-2020 due to the COVID-19 pandemic. Figure 1-4 shows Beverly Hills retail vacancy trends through 2020.

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Beverly Hills vacancy rates are trending lower than the greater Los Angeles region, but higher than Los Angeles, which experienced a 6.2% retail vacancy rate and a 5.1% retail vacancy rate in Q2 2020, respectively.\(^5\)

Various characteristics of Beverly Hills retail environments dictate the customer draw (i.e., visitor or local) and where certain tenants will locate. Table 1-1 categorizes the retail environments according to customer draw and tenant mix, which is useful as certain ESP actions relate to specific tenant draw locations.

**TABLE 1-1: RETAIL CONSUMER AND TENANT DRAW MATRIX**

<table>
<thead>
<tr>
<th>Retail Tenant Draw</th>
<th>Retail Consumer Draw</th>
<th>Primarily Visitor</th>
<th>Mix of Visitor &amp; Local</th>
<th>Primarily Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location Rating*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“A”</td>
<td>Rodeo Dr</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“B+”</td>
<td>N Beverly Dr</td>
<td>Wilshire Blvd (vicinity of Rodeo Dr)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“B”</td>
<td>Brighton Way</td>
<td>S Beverly Dr</td>
<td>S Beverly Dr</td>
<td>Cañon Dr</td>
</tr>
<tr>
<td>“B-”</td>
<td>S Santa Monica Blvd (vicinity of Rodeo)</td>
<td>Wilshire Blvd**</td>
<td>La Cienega Blvd**</td>
<td>Olympic Blvd**</td>
</tr>
<tr>
<td>“C”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*“A” rating represents the highest quality, premier locations that are highly visible. “B” ratings represent moderate quality and visibility and includes subratings reflecting other site characteristics (e.g., on-site parking). “C” ratings represent lower quality locations with lower rents.

**Retail tenant draw rating reflects on-site parking.

Retail – Opportunities and Potential

Given the retail market outlook, the following are key retail opportunities and potential:

- Outdoor dining to encourage food and beverage in appropriate locations.
- Plan for near-term shift in focus to regional drive-in trade.
- Emergence of Cañon Drive as a secondary retail corridor.
- Robertson Boulevard as a “downtown” for the Flats, Beverlywood, and to a lesser extent Pico-Robertson.
- High-margin/low-volume vs. low(er)-margin / high(er) volume stores based on importance of foot traffic and street activation.
- Nostalgic and retro aesthetics of many businesses.
- Improvements and future reinvestment in the vicinity of both new Metro stations offer opportunities to improve walkability and increase foot traffic.
- Main corridors such as Pico Blvd., Olympic Blvd., and Wilshire Blvd. could be enhanced to support walkable retail (e.g., reconsider development standards, etc.).

The ESP actions respond to these opportunities and potential and consider the success of national and international comparatives, such as Madison Avenue (New York City), Worth Avenue (Palm Beach), Bond Street (London), Avenue Montaigne (Paris), and Omotesando (Tokyo), in addition to the regional retail market.

Hotel – Market Outlook

Prior to the COVID-19 pandemic, an increase in hotel development was underway in the L.A. region. Downtown L.A.’s revitalization and the Convention Center attracted new hotels, as did resurgent entertainment options in Hollywood for both Hollywood and West Hollywood. Furthermore, this was occurring simultaneously with exponential growth in the short-term rental market (e.g., Airbnb). Factors driving this development included foreign direct investment, job growth in the greater Los Angeles market, and tourism. Then in 2020, the COVID-19 pandemic was responsible for the national lodging industry’s historically greatest performance decline⁶. In Beverly Hills, the Luxe Rodeo Drive Hotel closed in September 2020 after operating for almost 30 years⁷.

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⁶ CBRE, CBRE Hotels Research Forecasts Full Demand Recovery by Late 2022 (June 16, 2020).
⁷ Eater Los Angeles, Mona Holmes, A Wave of Southern California Hotel Closures Expected as LA Tourism Diminishes (September 24, 2020).
Beverly Hill consistently has the highest hotel rates in Los Angeles County, but occupancy is typically lower compared to competitive cities, like Santa Monica.

Revenue per available room (RevPAR) is a hotel performance metric that combines a hotel’s average daily rate (ADR) with its occupancy rate (i.e., ADR x occupancy rate). RevPAR reflects a property’s ability to fill its available rooms at an average rate. It is widely used in the hotel industry and can be applied to compare performance against other hotels. Figure 1-5 shows RevPAR trends in Beverly Hills through November 2020. This illustrates seasonality of visitation (summer peaks) and effects of the pandemic in 2020. RevPAR in the greater Los Angeles region is expected to drop to $64.38 in 2020, but increase to $97.74 in 2021, a 52% increase.\(^8\)

U.S. lodging industry demand is forecasted to return to pre-pandemic levels in Q3 2022; however, a lag in hotel rates growth is expected to stall the recovery in RevPAR until 2023.\(^9\) As a long-term venture, LVMH plans to build an ultra-premium 115-room hotel, the Cheval Blanc Hotel Beverly Hills, located at Rodeo Drive and S Santa Monica Boulevard; this hotel will not have any banquet or conference facilities and is expected to open in 2025.\(^{10}\)

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\(^8\) Ibid
\(^9\) Ibid
\(^{10}\) Los Angeles Time, Roger Vincent, Rodeo Drive hotel planned by French luxury retailer LVMH (April 1, 2020).
**Hotel – Opportunities and Potential**

Given the hotel market outlook, the following are key retail opportunities and potential:

- Strong position in an increasingly competitive market.
- Prestige hotel brands.
- Smaller independent hotels may fit better within the existing urban fabric with a trade off in lower levels of economic activity when compared to larger full-service hotels.
- Plan for near-term shift in focus to regional visitation.
- Diversification to widen visitor-base (e.g., younger, affluent domestic visitors)

The ESP actions reflect these opportunities and potential within Beverly Hills hotel market.

**Office – Market Outlook**

Beverly Hills has an inventory of over 10 million square feet of office space and is consistently at the top of the market in terms of rent per square foot. Media and entertainment lead demand for office space together with medical uses. Prior to the COVID-19 pandemic, high quality job growth was driving significant new investment in office space in the greater L.A. market, even in the context of reduced square footage per employee and an increase in telecommuting.

Move to direct to streaming in production is expected to cause structural changes in the industry with talent agencies increasingly pressed to define their role in this new economic system. Technology and streaming companies are anticipated to drive the development of new projects. Observers expect headwinds and restructuring for the major talent agencies in the near term.

Beverly Hills office vacancy rate has been relatively stable since late-2015, hovering around 8.5%. As with other sectors, an abrupt increase in office vacancy occurred in mid-2020 due to the COVID-19 pandemic. Figure 1-6 shows Beverly Hills office vacancy trends rates through 2020.

Beverly Hills vacancy rates are trending lower than Los Angeles County, which experienced a 15% office vacancy rate in Q3 2020. While the pandemic may result in a long-term increase in remote workers, some companies are expanding their physical presence.

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Office – Opportunities and Potential

Given the office market outlook, the following are key office opportunities and potential:

- Metro Purple Line extension with two stations in Beverly Hills will make the city more accessible.
- Convergence and growth of technology and media sectors could open the city up as a technology industry location competing with other westside communities.
- On-going demand for medical office can provide a base for “in person” office uses, which can counter an expected rise in vacancy that would reduce the overall level of economic activity.

The ESP actions reflect these opportunities and potential within Beverly Hills office market.
STRATEGIC DIRECTION

ECONOMIC SUSTAINABILITY PLAN VISION

The City holds the following vision for economic sustainability policies and programs:

“Foster a vibrant, sustainable economy, and stimulate sufficient City revenue to maintain the character and quality of the community”

FOCUS AREAS

The ESP takes a three-pronged approach to economic sustainability. These Focus Areas can be summarized as the “3 B’s”: Brand, Well-Being, and Budget.

1. **Brand** - Brand Management
2. **Well-Being** - High-Quality Experience and Community Well-Being
3. **Budget** - Diversified and Strong Fiscal Position

The strategies and actions associated with each of the Focus Areas are listed below and summarized in an Action Plan that includes timeframes, priorities, responsible parties, and measurements for success.
FOCUS AREA 1: BRAND MANAGEMENT (“BRAND”)

Beverly Hills is internationally known as a premiere community and destination. Its overall brand and recognition remain strong despite the dislocations of the COVID-19 crisis, and the city continues to be viewed as a safe and aspirational destination. The Beverly Hills brand drives visitor and business attraction, which supports the fiscal strength of the City. Maintaining this globally recognized brand is critical, and promotion of the brand should be consistent and deliberate. However, the City must also recognize that careful diversification of its market position – beyond traditional luxury – is necessary to improve economic sustainability.

The Brand Focus Area covers clientele attraction, marketing, business development and support related to brand enhancement, and physical improvements that support the brand.

High priority Brand actions include completing an assessment to refresh the brand, developing a strategy to attract new international submarkets and strengthen efforts with the domestic market, and reducing commercial vacancies.

FOCUS AREA 2: HIGH QUALITY EXPERIENCE AND COMMUNITY WELL-BEING (“WELL-BEING”)

Preserving and enhancing the qualities of Beverly Hills that make it an enjoyable place to live and visit is essential to economic sustainability. Through the COVID-19 crisis and related disruptions, Beverly Hills has maintained its reputation in the region as a safe community and location for retail and hospitality. Compliance with L.A. County Health Department orders serve to provide confidence in the minds of regional and local consumers, specifically related to dining options.

The Well-Being Focus Area covers special events, mobility and safety improvements, and the regulatory environment (e.g., Zoning Code).

High priority Well-Being actions include preparing transit area plans for the two future Metro stations, conducting a Zoning Code audit to identify key improvements, supporting events in the post-COVID-19 environment, and adopting and implementing the mobility planning efforts.

FOCUS AREA 3: DIVERSIFIED AND STRONG FISCAL POSITION (“BUDGET”)

The City’s operating budget directly impacts the level of service and quality of assets the City can provide. Beverly Hills continues to be challenged by the COVID-19 pandemic; however, this crisis can be used as an opportunity to pivot to new markets and look for productive avenues for diversification. Managing the City’s resources cost-effectively and making prudent fiscal decisions can have substantial long-term impacts on the City’s fiscal health.

The Budget Focus Area covers City asset management and enhancement, operating efficiencies and use of technology, fiscal assessments of City activities, and work plan priorities.

High priority Budget actions include maintaining City systems and infrastructure to minimize deferred maintenance costs, upgrading City systems to support hybrid meeting formats, and applying for grants to implement programs and projects identified in this Plan.
### ACTION PLAN

Economic development strategies and associated actions are organized by each Focus Area in the Action Plan below.

<table>
<thead>
<tr>
<th>Focus Area 1: Brand Management (Brand)</th>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy 1.A: Maintain and enhance the Beverly Hills brand.</strong></td>
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</tr>
<tr>
<td><strong>Action 1.A.1:</strong> Complete the Beverly Hills brand assessment to identify opportunities to refresh the “living the dream” brand and maximize the effectiveness of the City’s communication materials, particularly related to social media. Include an assessment of the brand from a socially conscious and socially responsible lens, especially related to inequality.</td>
<td>3-5 years</td>
<td>High</td>
<td>CM</td>
<td>Property tax, business license tax, TOT, and sales tax growth</td>
</tr>
<tr>
<td><strong>Action 1.A.2:</strong> Continue to actively manage and develop City trademark license program as a vehicle to brand awareness.</td>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Action 1.A.3:</strong> Collaborate with other known brands that complement the City’s brand. For example, special events (e.g., NFL, US Golf Open, etc.).</td>
<td>1-2 years / Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Number of special events with partner brands</td>
</tr>
<tr>
<td><strong>Action 1.A.4:</strong> Continue to enhance communication, including involving City Councilmembers, with top tier brands to support making Beverly Hills’ retail and hospitality experience distinctive and special.</td>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Increase in the number of luxury brands with a physical presence in Beverly Hills</td>
</tr>
<tr>
<td><strong>Action 1.A.5:</strong> Continue to conduct biannual surveys of brokers, developers, and business organizations to measure perspectives on Beverly Hills, but expand to include brokers, developers, and business organizations that operate outside of Beverly Hills.</td>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Increased participation in surveys</td>
</tr>
<tr>
<td><strong>Action 1.A.6:</strong> Track and monitor social media mentions and exposure of Beverly Hills special events and programs.</td>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Growth in number and quality of social media mentions</td>
</tr>
<tr>
<td>Strategy 1.B: Encourage efforts that promote the Beverly Hills brand.</td>
<td>Timeframe to Complete</td>
<td>Priority</td>
<td>Lead Dept</td>
<td>Measurements for Success</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td><strong>Action 1.B.1:</strong> Support the CVB’s implementation of the Destination Development Plan (DDP).</td>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Implementation of DDP’s Big Moves</td>
</tr>
<tr>
<td><strong>Action 1.B.2:</strong> Support the Chamber of Commerce’s website as an economic development portal that cohesively presents Beverly Hills’ brand and markets other aspects of Beverly Hills retail besides traditional luxury.</td>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Increase in website visitation</td>
</tr>
<tr>
<td><strong>Action 1.B.3:</strong> Expand Beverly Hills mobile app to include a feature that creates a “curated” and “customized” itinerary based on the user’s interests and preferences.</td>
<td>1-2 years / Ongoing</td>
<td>Moderate</td>
<td>CM</td>
<td>Growth in use of mobile app</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 1.C: Cultivate existing and new markets.</th>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action 1.C.1:</strong> Develop a strategy to attract new international submarkets and strengthen efforts with the domestic market.</td>
<td>1-2 years</td>
<td>High</td>
<td>CM</td>
<td>Increase in average visitor spend; see Action 1.A.1</td>
</tr>
<tr>
<td><strong>Action 1.C.2:</strong> Improve regional visibility and awareness of offerings for Los Angeles area consumers.</td>
<td>1-2 years</td>
<td>High</td>
<td>CM</td>
<td>Increase in purchases by L.A. area residents</td>
</tr>
<tr>
<td><strong>Action 1.C.3:</strong> Support the Next Beverly Hills Committee in strategies to broaden Beverly Hills’ appeal to a more diverse age profile of Beverly Hills shoppers and residents.</td>
<td>1-2 years</td>
<td>High</td>
<td>CM</td>
<td>Increase in businesses that market to a broad demographic; see Action 1.A.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 1.D: Promote Beverly Hills as a place to do business.</th>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action 1.D.1:</strong> Develop marketing materials aimed at the tenant and leasing community to promote Beverly Hills as business friendly.</td>
<td>1-2 years</td>
<td>High</td>
<td>CM</td>
<td>Number of new business applications</td>
</tr>
<tr>
<td><strong>Action 1.D.2:</strong> Support the Chamber of Commerce’s “My Beverly Hills” program to encourage consumers to “shop local”.</td>
<td>Ongoing</td>
<td>Moderate</td>
<td>CM</td>
<td>Decrease in number of business closures</td>
</tr>
<tr>
<td><strong>Action 1.D.3:</strong> Continue to provide favorable lease terms at City properties to retain small businesses and encourage desired uses (e.g., artisan manufacturing/high quality hand-crafted products).</td>
<td>Ongoing</td>
<td>Moderate</td>
<td>CM</td>
<td>See Action 1.D.2</td>
</tr>
</tbody>
</table>
### Action 1.D.4:
Study and analyze the feasibility of and potential parameters for establishing a forgivable loan fund to help undercapitalized restauranteurs with buildouts in appropriate locations in the Business Triangle and elsewhere (e.g., Robertson Blvd., etc.).

- **Timeframe to Complete**: 1-2 years
- **Priority**: Moderate
- **Lead Dept**: CM
- **Measurements for Success**: N/A

### Action 1.D.5:
Develop a program for using in-lieu parking funds to reduce or offset the cost of rideshare trips to the Business Triangle. A pilot program could initially apply during peak periods, like holiday shopping season or weekend afternoons.

- **Timeframe to Complete**: 1-2 years
- **Priority**: Moderate
- **Lead Dept**: CM
- **Measurements for Success**: Improved efficiency of City parking garages

### Action 1.D.6:
Rebrand existing City staff as the Business Concierge Team to facilitate current and prospective permit applicants navigate the permit process (e.g., schedule meetings, direct to proper contacts, etc.). Create a City webpage with Business Concierge Team photos and contact information.

- **Timeframe to Complete**: 1-2 years
- **Priority**: Moderate
- **Lead Dept**: CM
- **Measurements for Success**: See Action 1.D.1

### Strategy 1.E: Diversify retail with demand generators that exemplify the City's brand.

#### Action 1.E.1:
Work with retail leasing professionals to identify cutting-edge retail, dining, and experiential innovations, that over time, could be integrated into appropriate areas of Beverly Hills.

- **Timeframe to Complete**: 1-2 years / Ongoing
- **Priority**: High
- **Lead Dept**: CM
- **Measurements for Success**: See Action 1.D.1

#### Action 1.E.2:
Explore pivoting the Next Beverly Hills Incubator to focus on retailers that offer international brands uniquely available in Beverly Hills. Target matching potential investors with businesses and locations that experience reasonably high levels of foot traffic and consider a draw in the rear of the space or in pop-ups during special events.

- **Timeframe to Complete**: 1-2 years
- **Priority**: Moderate
- **Lead Dept**: CM
- **Measurements for Success**: Number of international brands uniquely available in Beverly Hills

#### Action 1.E.3:
Evaluate establishing a program or space to recruit on-line only retailers to offer a high impact physical presence that would be uniquely available in Beverly Hills.

- **Timeframe to Complete**: 1-2 years
- **Priority**: Moderate
- **Lead Dept**: CM
- **Measurements for Success**: N/A

### Strategy 1.F: Improve key physical conditions and characteristics to align with brand expectations.

#### Action 1.F.1:
Continue to install public art (both permanent and temporary/pop-up) in appropriate locations that are Instagram-worthy. Consider art that reflects, celebrates, and is complementary to Beverly Hills’ history, supports the brand, and sensory and mind experiences (e.g., garden of the mind/Sensorio Field of Lights).

- **Timeframe to Complete**: Ongoing
- **Priority**: High
- **Lead Dept**: CS
- **Measurements for Success**: Number and quality of public art installations
<table>
<thead>
<tr>
<th>Action 1.F.2: Reduce commercial vacancies.</th>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Align the Chamber of Commerce and Rodeo Drive Committee efforts to attract and retain businesses with the efforts of retail brokers.</td>
<td>1-2 years / Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Decrease in retail and office vacancy rates</td>
</tr>
<tr>
<td>b. Identify and encourage targeted businesses that complement the luxury fashion houses (e.g., certain streetwear brands, possibly luxury resale/consignment, contemporary food and beverage, etc.).</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>c. Provide owners of vacant property information about what is allowed on their property.</td>
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<td></td>
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</tr>
<tr>
<td>d. Work with property owners to encourage the installation of attractive window displays, including art, in vacant storefronts. Consider developing artist in residence programs for display of work by juried artists. Provide short term workspace in available vacant spaces.</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>e. Market vacant spaces to pop-up business (retailers, test kitchens with a food service component, etc.) and other potential niche user as interim tenants, particularly in visible vacant spaces on the ground floor.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Action 1.F.3:</strong> Implement valet-only parking on Rodeo Drive, and combine valet-only parking with the parking of luxury or collectible antique cars on the street, which in turn create photo opportunities that promote the “fancy car culture” of Beverly Hills. Keep Rodeo Drive open to vehicle through traffic.</td>
<td>3-5 years</td>
<td>Moderate</td>
<td>PW (in coordination with PD)</td>
<td>Increase in pedestrian counts on Rodeo Drive</td>
</tr>
<tr>
<td><strong>Action 1.F.4:</strong> As resources for ongoing programs allow, enhance maintenance of existing landscaping and enhance the appearance of sidewalks. For example, hanging flower baskets that rotate colors and arrangements seasonally to activate certain commercial areas.</td>
<td>1-2 years / Ongoing</td>
<td>Moderate</td>
<td>PW</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Action 1.F.5:</strong> Develop standards for construction mitigation for both public and private projects, and include specific standards tailored for Rodeo Drive (e.g., artistic screen walls, alternate/interim valet pick up/drop off locations, wayfinding signage, etc.).</td>
<td>1-2 years</td>
<td>Moderate</td>
<td>CM</td>
<td>Pedestrian counts unaffected during construction</td>
</tr>
</tbody>
</table>
### Focus Area 2: High Quality Experience and Community Well-Being (Well-Being)

#### Strategy 2.A: Support special events targeted to both visitors and residents.

**Action 2.A.1:** Work with event organizers to prepare for a post-COVID-19 transition back to in-person events that will require specialized technology and infrastructure approaches to support hybrid models (i.e., events held simultaneously in-person and on virtual platforms).

- **Timeframe to Complete:** 1-2 years
- **Priority:** High
- **Lead Dept:** CM
- **Measurements for Success:** Event/meeting attendance

**Action 2.A.2:** Post-COVID-19, continue special event programming in Beverly Hills, such as concerts, performances, art shows (art-after-dark), festivals, recreational events, farmers’ markets, etc. Utilize temporary street closures for such events as appropriate. Consider special events in different areas and streets (e.g., S Santa Monica Blvd, N Beverly Hills Dr, Cañon Dr, etc.) that promote, reflect, and reinforce the uniqueness of each corridor.

- **Timeframe to Complete:** 1-2 years / TBD (COVID-19)
- **Priority:** High
- **Lead Dept:** CS
- **Measurements for Success:** See Action 2.A.1 and 1.A.1

**Action 2.A.3:** Post-COVID-19, create and execute a survey of key consumer groups to identify new events that would increase their exposure to Beverly Hills businesses.

- **Timeframe to Complete:** 1-2 years / TBD (COVID-19)
- **Priority:** Moderate
- **Lead Dept:** CS
- **Measurements for Success:** See Action 2.A.1 and 1.A.1

**Action 2.A.4:** Post-COVID-19, contact specific artists, agents, organizers, and presenters to initiate interest in leveraging existing theaters and presentation space in the Southeast Area.

- **Timeframe to Complete:** 1-2 years / TBD (COVID-19)
- **Priority:** Moderate
- **Lead Dept:** CM
- **Measurements for Success:** Number of special events in the Southeast Area

#### Strategy 2.B: Promote walking, biking, and transit use.

**Action 2.B.1:** As an amenity to support pedestrian use in commercial areas, adopt and implement the City’s mobility planning efforts, which include infrastructure improvements and programs aimed at transforming Beverly Hills from an auto-dominated community to one that embraces all modes of travel (bicycle, pedestrian, transit, and vehicle).

- **Timeframe to Complete:** 3-5 years
- **Priority:** High
- **Lead Dept:** PW
- **Measurements for Success:** Increase in pedestrian and bicycle counts and transit ridership

**Action 2.B.2:** Extend COVID-19 response efforts (i.e., OpenBH) that allow business use of outdoor space, sidewalks, and parking spaces permanently.

- **Timeframe to Complete:** 1-2 years
- **Priority:** High
- **Lead Dept:** CM
- **Measurements for Success:** See Action 1.A.1

**Action 2.B.3:** Assess temporary and permanent closure of certain streets to vehicles where appropriate (e.g., N. Cañon Drive).

- **Timeframe to Complete:** 3-5 years
- **Priority:** Moderate
- **Lead Dept:** PW
- **Measurements for Success:** N/A
| Action 2.B.4: | Conduct a sidewalk shade analysis for commercial areas and identify appropriate shade improvements to support walkability (e.g., appropriate street trees, building overhangs, umbrellas, etc.), ensuring that improvements do not obscure store signage and window displays. | 3-5 years | Moderate | CD (in coordination with PW) | See Action 2.B.1 |
| Action 2.B.5: | Conduct a streetlight photometric analysis in commercial areas to identify locations suitable for adding new street lighting to improve night visibility on streets for pedestrians. | 3-5 years | Moderate | PW | Increase in evening/nighttime pedestrian counts |
| Action 2.B.6: | Create safer, more pedestrian-friendly sidewalks in front of parking garages (e.g., install speed bumps and a stop sign at the parking structure exits). | 3-5 years | Moderate | PW | Reduced/eliminate pedestrian and vehicle conflicts at parking garages |
| Action 2.B.7: | Explore options for making commercial areas pet-friendly (e.g., pet water fountains, designate places to deposit pet waste). | 3-5 years | Moderate | PW | See Action 2.B.1 |

**Strategy 2.C: Conduct planning efforts to guide development in critical locations.**

| Action 2.C.1: | Prepare transit area plans for areas around the two future Metro stops: Wilshire/La Cienega Station (open in 2023) and Wilshire/Rodeo Station (open in 2025). Incorporate different scenarios in transit area plans in anticipation of potential effects of State mandates on zoning at transit sites. Coordinate efforts with the Connect Beverly Hills program, which is aimed at improving the streetscape on Wilshire Boulevard and La Cienega Boulevard in anticipation of the L.A. Metro extension, and other mobility planning efforts. | 3-5 years | High | CD | Increase in public and private investment in vicinity of future Metro stations |
| Action 2.C.2: | Prepare a Specific Plan for the Business Triangle to facilitate desired infrastructure and public space improvements and specifically tailor development standards and guidelines. | 5+ Years | Moderate | CD | Increase in sales tax and property tax generated in the Business Triangle |
Strategy 2.D: Ensure development regulations implement the ESP.

**Action 2.D.1:** Conduct a Zoning Code audit to identify what is working well, opportunities for improvement, and recommended changes to streamline permit processes, improve clarity, and support the actions in this Plan. The assessment should include:

b. Allowing outdoor dining and other uses to extend onto the sidewalk permanently, consistent with OpenBH (see Action 2.B.2).
c. Incentivizing dining options in proximity to Rodeo Drive.
d. Encouraging rooftop uses in commercial districts.
e. Allowing art and entertainment uses with lower levels of City review and reducing restrictions on entertainment uses outside of the Business Triangle (Municipal Code 10-3-2703).
f. Reducing the amount of development applications that require Planning Commission review.
g. Increasing height in certain areas to accommodate new development and reinvestment, considering the recently adopted mixed use ordinance that allows increased height (3 to 5 stories) for mixed-use projects depending on the allowed height in neighboring residential zones.
h. Amending parking requirements, including: (1) Reducing parking requirements for restaurants permanently. This would include a lower number of spaces required, an allowance for off-site leased parking spaces, and a reduced in-lieu fee consistent with the City’s current interim parking ordinance. (2) Reducing parking requirements for medical uses permanently consistent with the City’s current interim medical use ordinance. (3) Modifying parking requirements to respond to competitiveness for attracting high quality office, art and entertainment, restaurants, and other desirable uses. The assessment should compare the City’s parking rates to peer cities.
i. Modiﬁying restrictions on medical uses permanently consistent with the City’s current interim medical use ordinance. In addition to a reduced parking requirement, this would include allowing new medical uses that meet certain criteria (e.g., located in a commercial zone; not be on the ground floor; not remove, demolish, or vacate floor area to provide parking for the medical use; etc.).
j. Allowing ﬁtness studios as permitted on the ground ﬂoor in “C” locations in the Business Triangle (see Table 1-1).
k. Restricting nail salons and spas as conditional uses on the ground floor in “A”, “B+”, and “B” locations in the Business Triangle (see Table 1-1).
<table>
<thead>
<tr>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 years</td>
<td>High</td>
<td>CD</td>
<td>See Action 1.A.1 and 1.D.1</td>
</tr>
</tbody>
</table>

(**Action 2.D.1: CONTINUED**)

1. Expanding pedestrian-oriented areas to include “B+” and “B” locations in the Business Triangle (see Table 1-1).

m. Requiring retail uses for a certain percent of hotel ground floor in pedestrian-oriented

n. Allowing smaller-format retail department stores and expanding allowed ground floor uses in the C-3 Zone.

o. Amending standards applicable to “Department Row” on Wilshire Blvd. in anticipation of transitioning large department stores, or portions thereof, into other uses (e.g., mixed-use, hotel, restaurant, creative office space, meeting/conference, space, etc.).

p. Establishing a residential estate preservation zone to protect the character and quality of single-family residential neighborhoods.

**Focus Area 3: Diversified and Strong Fiscal Position (Budget)**

**Strategy 3.A: Efficiently manage, improve, and deploy City assets.**

**Action 3.A.1:** Maintain City systems and infrastructure to reduce risk of high deferred maintenance costs (i.e., make repair/replace decisions that optimize investment and performance).

<table>
<thead>
<tr>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
<td>Decrease in number of emergency repairs</td>
</tr>
</tbody>
</table>

**Action 3.A.2:** Prepare a Climate Action and Adaptation Plan to enhance the long-term sustainability of City assets. *Note the City contracted for the preparation of a CAP in December 2020.

<table>
<thead>
<tr>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 years</td>
<td>Moderate</td>
<td>CM</td>
<td>Average age of utility infrastructure</td>
</tr>
</tbody>
</table>

**Action 3.A.3:** Use technology to enhance the parking experience and efficiencies in City-owned garages potentially funded by parking occupancy. Evaluate the cost of investment within the context of potential re-purposing of parking garages in the future.

<table>
<thead>
<tr>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 years</td>
<td>Moderate</td>
<td>PW</td>
<td>See Action 1.D.5</td>
</tr>
</tbody>
</table>

**Action 3.A.4:** Establish a committee to identify strategies for continued improvement and enhanced utilization of the Greystone Mansion.

<table>
<thead>
<tr>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 years</td>
<td>Moderate</td>
<td>CS</td>
<td>Number of visitors and spending at Greystone Mansion</td>
</tr>
</tbody>
</table>

**Action 3.A.5:** Continue with City acquisition of property (land banking). Evaluate the effectiveness and desire for a City property exchange program to support strategic land uses and provide opportunities for the relocation of existing uses as appropriate in a manner that is fiscally positive for the City.

<table>
<thead>
<tr>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 years / Ongoing</td>
<td>Moderate</td>
<td>CM</td>
<td>Value of City property assets</td>
</tr>
</tbody>
</table>

**Action 3.A.6:** Upgrade City systems (technological and infrastructure) to support hybrid meetings supporting both in-person and virtual attendance.

<table>
<thead>
<tr>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 years</td>
<td>High</td>
<td>IT</td>
<td>City meeting attendance</td>
</tr>
<tr>
<td>Strategy 3.B: Align fiscal decisions with the ESP.</td>
<td>Timeframe to Complete</td>
<td>Priority</td>
<td>Lead Dept</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>Action 3.B.1: Prioritize projects in future Capital Improvements Plan (CIP) updates that are consistent and supportive of this Plan, as appropriate.</td>
<td>Ongoing</td>
<td>Moderate</td>
<td>CM</td>
</tr>
<tr>
<td>Action 3.B.2: Apply for grants to facilitate implementation of programs and projects identified in this Plan.</td>
<td>Ongoing</td>
<td>High</td>
<td>CM</td>
</tr>
<tr>
<td>Action 3.B.3: Monitor and manage City expenses to align with this Plan, as feasible, while maintaining an adequate operating reserve.</td>
<td>Ongoing</td>
<td>Moderate</td>
<td>CM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 3.C: Diversify sources of City revenue.</th>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 3.C.1: Work with the Chamber of Commerce to gauge interest in forming Business Association(s) or Business Improvement District(s) for commercial streets that do not have a Business Association (e.g., S Beverly Drive).</td>
<td>3-5 years</td>
<td>Moderate</td>
<td>CM</td>
<td>N/A</td>
</tr>
<tr>
<td>Action 3.C.2: Consider establishing Community Facilities Districts (CFDs) for infrastructure upgrades, such as stormwater, and coordinate with regional partners as appropriate.</td>
<td>3-5 years</td>
<td>Moderate</td>
<td>CM</td>
<td>N/A</td>
</tr>
<tr>
<td>Action 3.C.3: Consult with short-term rental enforcement providers to evaluate potential short-term rental (e.g., Airbnb) code enforcement programs that would establish appropriate fines and penalties to deter illegal short-term rental operations.</td>
<td>3-5 years</td>
<td>Moderate</td>
<td>CD</td>
<td>Growth in short-term rental fine collection</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 3.D: Assess fiscal impacts of City decisions.</th>
<th>Timeframe to Complete</th>
<th>Priority</th>
<th>Lead Dept</th>
<th>Measurements for Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 3.D.1: Continue to evaluate the fiscal impact of special events and provide annual reports to City Council that include suggested measures to improve the City’s return on investment for special events.</td>
<td>Ongoing</td>
<td>Moderate</td>
<td>CM</td>
<td>Improved fiscal returns from special events</td>
</tr>
<tr>
<td>Action 3.D.2: Conduct a study to analyze fiscal impacts of varying intensities of development (e.g., low/medium/high density residential, mixed-use, commercial, etc.) to inform decisions on potential changes to zoning standards, while acknowledging State requirements associated with facilitating housing production.</td>
<td>3-5 years</td>
<td>Moderate</td>
<td>CD</td>
<td>See Action 2.D.1</td>
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<tr>
<td><strong>Action 3.E.1:</strong> Provide annual reports to City Council describing progress in this Plan's implementation.</td>
<td>Ongoing</td>
<td>Moderate</td>
<td>CM</td>
<td></td>
</tr>
<tr>
<td><strong>Measurements for Success</strong></td>
<td>N/A</td>
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</tbody>
</table>

**Legend:**

**Lead Dept:** CD - Community Development; CM - City Manager; CS - Community Services; IT - Information Technology; PD - Police Department; PW - Public Works
Economic Sustainability Plan

Background Data

2019

City of Beverly Hills
Due to the COVID-19 pandemic, a few key data points have been updated through 2020 and are included in the Economic Sustainability Plan Update.
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Section 1. Introduction
Figure 1.01: DASHBOARD MEASURES: CITY REVENUE STREAMS

Economic Sustainability Plan Adopted

Projected

Fiscal Year 2006-2007 to 2016-2017

October 2019
Section 2. Context
Figure 2.01: Regional Map

**Beverly Hills**
- 2019 Population | 34,186
- 2019 Household Size | 2.31
- 2019 Median Age | 44.8
- 2019 Median Household Income | $106,936

**West Hollywood**
- 2019 Population | 36,450
- 2019 Household Size | 1.55
- 2019 Median Age | 38.7
- 2019 Median Household Income | $74,044

**Culver City**
- 2019 Population | 39,169
- 2019 Household Size | 2.31
- 2019 Median Age | 42.3
- 2019 Median Household Income | $95,044

**Santa Monica**
- 2019 Population | 90,401
- 2019 Household Size | 1.97
- 2019 Median Age | 41.6
- 2019 Median Household Income | $96,570
Section 3. Key Findings
Key Data Findings – Industry Outlook

**RETAIL**
- Oversimplification of the "retail apocalypse" narrative
- Importance of curation and customization (esp. in luxury)
- Rise of vertically-integrated, direct-to-consumer brands
- Consensus on an "omnichannel" approach
- Flight to quality
- Leisured visitors as buffers against e-commerce
- Increased volatility of global politics
- Democratization of luxury
- Blurring of lines with "casual luxury"
- Growth of resale (even in luxury)

**HOTEL**
- Historically, rates of new hotel development in the Los Angeles market have lagged national levels of investment
- This began to change due to revitalization of Downtown LA and the Convention Center
- Occupancy rates remain high due to demand from the business market that had been underserved
- The existing urban fabric may not be conducive to large-scale hotel development

**OFFICE**
- The greater Los Angeles market is seeing significant new investment in office space
- High quality job growth in key sectors is driving office demand

October 2019
Key Data Findings – Opportunities & Potential

RETAIL
• Physical stores for "value creation" versus "value capture"
• High-margin / low-volume versus low(er)-margin / high(er)-volume
• Emergence of Cañon Drive as a secondary retail corridor
• Tired / dated aesthetics of many businesses
• Potential for Robertson Blvd as a "Downtown" for the Flats
• Challenges in vicinity of new Metro station
• Certain corridors not built / meant for walkable retail
• Opportunities for food and beverage

HOTEL
• While regional room growth has been strong regionally, Beverly Hills has been slower to add inventory
• Beverly Hills has retained a strong position in an increasingly competitive market
• Market demand remains strong and Beverly Hills has the opportunity to capture expansion from prestige brands
• Beverly Hills dependence on international leisure visitors is a lucrative niche but there may be opportunities for diversification

OFFICE
• Purple Line Extension: The opening of two stations will make Beverly Hills more accessible to a regional employment base
• Technology and media convergence: Opportunities to pursue more employment that grows out from these growing sectors
• Increase in rents and strong market position is leading to major sales: Opportunity for increased assessed valuations without new construction
Section 4. Retail Market

- Retail Industry Outlook
- Overview of Regional Retail Market
- Beverly Hills Retail Market Characteristics
- Retail Opportunities and Potential
Retail Industry Outlook

• Oversimplification of the "retail apocalypse" narrative
  • Role of private equity
• Importance of curation and customization (esp. in luxury)
  • Backlash to endless selection
• Rise of vertically-integrated, direct-to-consumer brands
  • Danger for multi-brand retailers
• Consensus on an "omnichannel" approach
  • E-commerce and brick-and-mortar
• Flight to quality
  • Pushback on rents, increase in vacancy on high-profile corridors

October 2019
Retail Industry Outlook

- Leisured visitors as buffers against e-commerce
  - "Captive" market prone to impulse shopping
- Increased volatility of global politics
  - Reliance on Chinese, Middle Eastern tourists
- Democratization of luxury
  - Contemporary, off-price/outlet, beauty, etc.
- Blurring of lines with "casual luxury"
  - Athleisure, sneakers, streetwear, etc.
- Growth of resale (even in luxury)
  - Emergence of "conscious consumerism"
Retail Industry Outlook
National / International

• From a retail mix perspective...
  • Madison Avenue (New York City)
  • Worth Avenue (Palm Beach)
  • Bond Street (London)
  • Avenue Montaigne (Paris)
  • Omotesando (Tokyo)
Overview of Regional Retail Market

Luxury / high-end
• South Coast Plaza
• West Hollywood (Melrose Pl)
• Beverly Center
• Arts District / DTLA
• The Glen Centre
Overview of Regional Retail Market

Upmarket / hip

• Westfield Century City / Fairmont Century Plaza

• West Hollywood (Melrose Ave, Robertson Blvd, Beverly Blvd)

• Beverly Center / Beverly Connection

• The Grove

• Platform / Culver City

• Hollywood & Highland (redevelopment)
Overview of Regional Retail Market

Contemporary food and beverage

• Westfield Century City
• Beverly Center
• The Grove / Farmers Market
• Downtown Culver City / Platform
• Arts District / DTLA
• Hollywood & Highland (redevelopment)
Overview of Regional Retail Market

Conveniences

• Westfield Century City (Gelson's, Eataly)

• Beverly Blvd (Bristol Farms, Ralph's Fresh Fare)

• Santa Monica Blvd (Gelson's, Pavilions, Sprouts, Trader Joe's)

• La Cienega Blvd (Trader Joe's)

• The Glen Centre (Jayde's Market)

• The Original Farmers Market
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October 2019
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(March 2019)

CoStar (March 2019)
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October 2019
Figure 4.08: Vacant Retail Space - Total Square Footage
(Q1 2006 - March 2019)


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October 2019
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All Outlet vs. Retail and Food (2009 – 2018)

California Department of Tax and Fee Administration (CDTFA): Local Tax Distributions, by City & County (Table 21A) (2019)

October 2019
Figure 4.17: Taxable Retail Transactions by Category – Taxable Revenue
All Outlets by Category (2015 – 2018)

Clothing and Clothing Accessories Stores
Motor Vehicle and Parts Dealers
General Merchandise Stores
Home Furnishings and Appliance Stores
Building Material and Garden Equipment and Supplies Dealers
Food Services and Drinking Places
Other Retail Group
Food and Beverage Stores
Gasoline Stations
All Other Outlets

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Source: HDL, March 2019
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Beverly Hills Retail Market Characteristics

Consumer Draw

- Primarily Visitor
  - Rodeo Drive
  - N Beverly Drive
  - Brighton Way
  - Wilshire Boulevard (vicinity of Rodeo)
  - S Santa Monica (vicinity of Rodeo)

- Primarily Local
  - Crescent Drive
  - Bedford Drive
  - Camden Drive
  - Robertson Boulevard
  - S Santa Monica (elsewhere)
  - Olympic Boulevard

- Mix of Visitor / Local
  - S Beverly Drive
  - Cañon Drive
  - Wilshire Blvd (elsewhere)
  - La Cienega Boulevard

October 2019
Beverly Hills Retail Market Characteristics
Tenant Draw

- **"A" locations**
  - Rodeo Drive

- **"B+" locations**
  - N Beverly Drive
  - Wilshire Boulevard (vicinity of Rodeo)

- **"B" locations**
  - S Beverly Drive
  - Canon Drive
  - Brighton Way
  - S Santa Monica (vicinity of Rodeo)

- **"B-" locations**
  - Olympic Boulevard (w/ on-site pkg)
  - Wilshire Boulevard (w/ on-site pkg)
  - La Cienega Boulevard (w/ on-site pkg)

- **"C" locations**
  - Crescent Drive
  - Bedford Drive
  - Camden Drive
  - Robertson Boulevard
  - S Santa Monica (elsewhere)

(Without input from retail brokers)
Retail Opportunities and Potential

Other Relevant Considerations

- Luxury fashion houses as owner-occupiers
- Physical stores for "value creation" versus "value capture"
- High-margin / low-volume versus low(er)-margin / high(er)-volume
  - Dictates importance of foot traffic and street activation
- Emergence of Cañon Drive as a secondary retail corridor
- Tired / dated aesthetics of many businesses
- Potential for Robertson Blvd as a "Downtown" for the Flats
- Challenges in vicinity of new Metro station
  - No precedent or building stock for foot traffic; limited consumer demand
- Certain corridors not built / meant for walkable retail

October 2019
Section 5. Hotel Market

- Hotel Industry Outlook
- Overview of Regional Hotel Market
- Beverly Hills Hotel Market Characteristics
- Hotel Opportunities and Potential
Hotel Industry Outlook

- Historically, rates of new hotel development in the Los Angeles Market have lagged national levels of investment.
- This began to change due to revitalization of Downtown LA and the Convention Center.
  - Now over 3,000 new hotel rooms are under construction or entitled in Downtown LA.
  - This is in addition to the existing inventory of over 4,500.
- Occupancy rates remain high due to demand from the business market that had been underserved.
Hotel Industry Outlook

- Hollywood and West Hollywood have seen increase in hotel development driven largely by resurgent entertainment options in Hollywood
  - Hollywood has over 1,600 new hotel rooms entitled over an existing inventory of 1,200
  - West Hollywood has over 1,300 new rooms approved over an existing inventory of 2,600 rooms
- All of this growth in development is taking place in the context of Airbnb and other short-term accommodations

October 2019
Figure 5.01: Hotel Locations

- Hotel Del Flores
- Crescent Hotel
- Viceroy & Ermitage
- Waldo Astoria
- The Beverly Hilton
- The Peninsula
- Mosaic Hotel
- Beverly Wilshire
- Sire妖 Hotel
- Hotel Beverly Terrace

Source: City of Beverly Hills
Overview of Regional Hotel Market

Factors driving development include:

• Foreign direct investment
  • Land and development costs in LA are low relative to other global cities
  • Hotel projects are eligible projects for EB-5 visas but changes are expected
  • Investment from China will continue to decrease.

• Job Growth in the greater Los Angeles market
  • Rise of Silicon Beach
  • High quality job growth in LA has outpaced national rates

• Tourism Market
  • Leisure visitation to LA continues to see strong growth despite geopolitical pressures
  • Greater LA had over 50 million visitors in 2018, a 3.4% annual increase over 2017
Figure 5.02: Occupancy Rate by Location – Percent of Total
(Q1 2015 – Q4 2018)

August 2015 92%

December 2015 62%

Figure 5.03: Average Daily Rate by Location - Dollars
(Q1 2015 – Q4 2018)

- November 2015: $428
- September 2018: $715
- September 2019: $920

Locations:
- Other Location in Los Angeles County
- Santa Monica
- West Hollywood
- Beverly Hills
Figure 5.04: Revenue per Available Room by Location - Dollars
(Q1 2015 – Q4 2018)

January 15, February 15, March 15, April 15, May 15, June 15, July 15, August 15, September 15, October 15, November 15, December 15, January 16, February 16, March 16, April 16, May 16, June 16, July 16, August 16, September 16, October 16, November 16, December 16, January 17, February 17, March 17, April 17, May 17, June 17, July 17, August 17, September 17, October 17, November 17, December 17, January 18, February 18, March 18, April 18, May 18, June 18, July 18, August 18, September 18, October 18, November 18, December 18

- OTHER LOCATION IN LOS ANGELES COUNTY
- SANTA MONICA
- WEST HOLLYWOOD
- BEVERLY HILLS

December 2015 $271
August 2018 $649
Figure 5.05: Revenue per Available Room by Size - Dollars
(Q1 2015 – Q4 2018)

- Under 100 Rooms
  - December 2016 $93
- 200-299 Rooms
  - August 2017 $243
- Under 100 rooms
- 100 - 199 rooms
- 200 - 299 rooms
- 300 - 600 rooms
- Over 600 rooms
- OVERALL AVERAGE

October 2019
Figure 5.06: Occupancy Rate by Hotel Size – Percent of Total (Q1 2015 – Q4 2018)

- **100–199 Rooms**
  - July 2015: 91%
- **Over 600 Rooms**
  - December 2015: 67%

The graph shows the occupancy rate by hotel size from Q1 2015 to Q4 2018, with specific highlights for July 2015 (91% for 100–199 Rooms) and December 2015 (67% for Over 600 Rooms). The data is from the CBRE/PKF: Trends in the Los Angeles Hotel Industry Report (2015-2018).
Figure 5.07: Average Daily Rate by Rate – Dollars
(Q1 2015 – Q4 2018)

Less than $55.00
$55.01 - $85.00
$85.01 - $100.00
$100.01 - $150.00
$150.01 - $200.00
$200.01 - $300.00
Over $300.00
OVERALL AVERAGE


October 2019
Figure 5.08: Occupancy Rate by Rate – Percent of Total
(Q1 2015 – Q4 2018)

Less than $55.00
February 2016
96.93%

$55.01-$85.00
November 2016
58.92%
Beverly Hills Hotel Market Characteristics

• Average Daily Rates are consistently the highest in LA County, significantly above those reported from competitive cities.

• As with rates, revenue per available room (RevPAR) are the highest in the region.

• While occupancy rates have remained strong, Beverly Hills Properties have ranked below occupancy rates in other competitive cities such as Santa Monica.

• Larger and more expensive hotels are preforming better across all measures of economic performance than smaller properties, reinforcing Beverly Hills position as a prestige brand.
Hotel Opportunities and Potential

- While regional room growth has been strong regionally, Beverly Hills has been slower to add inventory
  - Lasky Hotel—66 Rooms approved this year
  - One Beverly Hills has the potential to add 134 rooms
  - Waldorf Astoria opened in 2017 added 170 rooms
- Importantly, Beverly Hills has retained a strong position in an increasingly competitive market
- Market demand remains strong and Beverly Hills has the opportunity to capture expansion from prestige brands
  - Smaller independent hotels may be a better fit with the existing urban fabric, but they will not have the scale to significantly change the City’s market share
- Beverly Hills dependence on international leisure visitors is a lucrative niche but there may be opportunities for diversification
  - Geopolitical risk
  - Can younger affluent domestic visitors be attracted to Beverly Hills properties
Section 6. Office Market

• Office Industry Outlook
• Overview of Regional Office Market
• Beverly Hills Office Market Characteristics
• Office Opportunities and Potential
Office Industry Outlook

• The greater Los Angeles market is seeing significant new investment in office space
  • The region has added an average of 7.1 million sq. ft of office space per year since 2011
  • This is taking place in the context of a reduction in square feet per employee across all industries and an increase in remote working driven by technology

• High quality job growth in key sectors is driving office demand
  • Media / Entertainment
  • Technology
  • Legal and other business services

October 2019
Overview of Regional Office Market

• The West Side office market absorbed over 500,000 sq ft of space during the 2\textsuperscript{nd} quarter of 2019
  • This was the 9\textsuperscript{th} consecutive quarter of growth

• Culver City and Playa Vista are the leading areas within the submarket for new development
  • Over 1.2 million sq. ft. of new office space is entitled or under construction in the submarket

• Major new office developments include:
  • Google - 586,000 sf conversion of Westside Pavilion
  • HBO - 240,000 sf in Culver City
  • Amazon - 325,000 sf in Culver City
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1998 Q4
371,656 SF

1999 Q2
436,587 SF
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Figure 6.14: Office 2018 Annual Property Tax per Square Foot
Beverly Hills Office Market Characteristics

• Beverly Hills has an inventory of over 10 million sq ft of office space
  • This is greater than the amount of office space at Bunker Hill in Downtown LA
• Beverly Hills office space consistently leads the market in in terms of cost per sq. ft at nearly $70 per sf
  • This is above replacement cost, implying that if entitled space was available more office development could occur
• Media and Entertainment industry users lead demand
  • Live Nation to occupy over 95,000 sq ft at 325 Maple Drive
  • Strong demand from medical office as well, driven by regional expansion of Cedars-Sinai

October 2019
Office Opportunities and Potential

• Purple Line Extension
  • The opening of two stations will make Beverly Hills more accessible to a regional employment base

• Technology and Media convergence
  • Opportunities to pursue more employment that grows out from these growing sectors

• Increase in rents and strong market position is leading to major sales
  • Opportunity for increased assessed valuations without new construction

October 2019
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<tbody>
<tr>
<td>City of Beverly Hills</td>
<td>33,784</td>
<td>34,567</td>
<td>34,136</td>
<td>34,486</td>
<td>34,443</td>
<td>35,800</td>
<td>36,600</td>
<td>37,200</td>
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<td>Los Angeles County</td>
<td>9,519,338</td>
<td>9,816,153</td>
<td>9,822,121</td>
<td>10,149,661</td>
<td>10,231,271</td>
<td>10,326,200</td>
<td>11,145,100</td>
<td>11,514,800</td>
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Southern California Association of Governments: 2012-2040 RTP/SCS Final Growth Forecast by Jurisdiction
## Table A-02: Historic and Projected Households
City of Beverly Hills vs. Los Angeles County (2000-2040)

<table>
<thead>
<tr>
<th>Year</th>
<th>City of Beverly Hills</th>
<th>Los Angeles County</th>
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<tbody>
<tr>
<td>2000</td>
<td>14,702</td>
<td>3,192,549</td>
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<td>2005</td>
<td>14,990</td>
<td>3,235,740</td>
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<td>2010</td>
<td>14,933</td>
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<td>2015</td>
<td>14,807</td>
<td>3,348,857</td>
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<td>2017*</td>
<td>14,782</td>
<td>3,387,838</td>
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<tr>
<td>2020</td>
<td>15,500</td>
<td>3,493,700</td>
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<td>2035</td>
<td>15,900</td>
<td>3,809,300</td>
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<tr>
<td>2040</td>
<td>16,200</td>
<td>3,946,600</td>
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Southern California Association of Governments: 2012–2040 RTP/SCS Final Growth Forecast by Jurisdiction
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<td>City of Beverly Hills</td>
<td>2.30</td>
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<tr>
<td>Los Angeles County</td>
<td>2.98</td>
<td>3.03</td>
<td>2.98</td>
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Southern California Association of Governments: 2012-2040 RTP/SCS Final Growth Forecast by Jurisdiction
<table>
<thead>
<tr>
<th>INCOME AND BENEFITS (IN 2016 INFLATION-ADJUSTED DOLLARS)</th>
<th>Los Angeles County</th>
<th>City of Beverly Hills</th>
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<tbody>
<tr>
<td>Total Households</td>
<td>3,295,198</td>
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<tr>
<td>Less than $10,000</td>
<td>201,863</td>
<td>1,157</td>
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<tr>
<td>$10,000 to $14,999</td>
<td>178,737</td>
<td>440</td>
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<td>$15,000 to $24,999</td>
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<tr>
<td>$150,000 to $199,999</td>
<td>224,078</td>
<td>1,457</td>
</tr>
<tr>
<td>$200,000 or more</td>
<td>277,335</td>
<td>3,817</td>
</tr>
<tr>
<td>Median household income (dollars)</td>
<td>$61,015</td>
<td>$103,698</td>
</tr>
<tr>
<td>Mean household income (dollars)</td>
<td>$89,855</td>
<td>$191,876</td>
</tr>
</tbody>
</table>

U.S. Census Bureau, 2017 American Community Survey 5-Year Estimates
<table>
<thead>
<tr>
<th></th>
<th>Estimated Discretionary Spending per Household</th>
<th>Total Estimated Household Spending</th>
<th>Estimated Discretionary Spending as a Percentage of Total Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average annual expenditures</td>
<td>$90,815</td>
<td>$1,353,325,130</td>
<td>91%</td>
</tr>
<tr>
<td>Housing</td>
<td>$32,994</td>
<td>$491,674,949</td>
<td>36.33%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$13,209</td>
<td>$196,843,796</td>
<td>14.55%</td>
</tr>
<tr>
<td>Personal insurance and pensions</td>
<td>$11,578</td>
<td>$172,533,866</td>
<td>12.75%</td>
</tr>
<tr>
<td>Food at home</td>
<td>$6,056</td>
<td>$90,246,512</td>
<td>6.67%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$5,364</td>
<td>$79,934,328</td>
<td>5.91%</td>
</tr>
<tr>
<td>Food away from home</td>
<td>$5,779</td>
<td>$86,125,513</td>
<td>6.36%</td>
</tr>
<tr>
<td>Apparel and services</td>
<td>$2,915</td>
<td>$43,439,330</td>
<td>3.21%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>$3,748</td>
<td>$55,852,696</td>
<td>4.13%</td>
</tr>
<tr>
<td>Personal care products and services</td>
<td>$1,177</td>
<td>$17,539,654</td>
<td>1.30%</td>
</tr>
</tbody>
</table>

Note: Based on median household income of 14,902 households, and consumer spending estimates for the Los Angeles Metropolitan Area.
<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>2015</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Beverly Hills</td>
<td>41.30</td>
<td>43.50</td>
<td>42.30</td>
<td>43.40</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>32.00</td>
<td>34.30</td>
<td>35.60</td>
<td>36.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>City of Beverly Hills</th>
<th>Los Angeles County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 25 years and over</td>
<td>25,520</td>
<td>6,801,851</td>
</tr>
<tr>
<td>Less than 9th grade</td>
<td>452</td>
<td>875,811</td>
</tr>
<tr>
<td>9th to 12th grade, no diploma</td>
<td>674</td>
<td>609,949</td>
</tr>
<tr>
<td>High school graduate (includes equivalency)</td>
<td>2,902</td>
<td>1,408,905</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>3,960</td>
<td>1,311,907</td>
</tr>
<tr>
<td>Associates degree</td>
<td>1,617</td>
<td>470,973</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>8,414</td>
<td>1,384,333</td>
</tr>
<tr>
<td>Graduate or professional degree</td>
<td>7,501</td>
<td>739,973</td>
</tr>
</tbody>
</table>

U.S. Census Bureau: 2017 American Community Survey 5-Year Estimates
### Table A-08: Employment by Industry

**City of Beverly Hills vs. Los Angeles County (2017)**

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>City of Beverly Hills</th>
<th>Los Angeles County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Percent</td>
</tr>
<tr>
<td>Civilian employed population 16 years and over</td>
<td>16,838</td>
<td>100.00%</td>
</tr>
<tr>
<td>Educational services, and health care and social assistance</td>
<td>3,409</td>
<td>20.25%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>1,738</td>
<td>10.32%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,085</td>
<td>6.44%</td>
</tr>
<tr>
<td>Professional, scientific, and mgmt., and admin. and waste mgmt. services</td>
<td>2,658</td>
<td>15.79%</td>
</tr>
<tr>
<td>Arts, entertainment, and recreation, and accommodation and food services</td>
<td>1,835</td>
<td>10.90%</td>
</tr>
<tr>
<td>Transportation and warehousing, and utilities</td>
<td>287</td>
<td>1.70%</td>
</tr>
<tr>
<td>Construction</td>
<td>420</td>
<td>2.49%</td>
</tr>
<tr>
<td>Public administration</td>
<td>291</td>
<td>1.73%</td>
</tr>
<tr>
<td>Finance and insurance, and real estate and rental and leasing</td>
<td>1,820</td>
<td>10.81%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>1,192</td>
<td>7.08%</td>
</tr>
<tr>
<td>Other services, except public administration</td>
<td>839</td>
<td>4.98%</td>
</tr>
<tr>
<td>Information</td>
<td>1,264</td>
<td>7.51%</td>
</tr>
<tr>
<td>Agriculture, forestry, fishing and hunting, and mining</td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

*U.S. Census Bureau, 2017 American Community Survey 5-Year Estimates*
<table>
<thead>
<tr>
<th>REGION</th>
<th>2020</th>
<th>2035</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Beverly Hills</td>
<td>63,100</td>
<td>66,700</td>
<td>68,900</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>4,662,500</td>
<td>5,062,100</td>
<td>5,225,800</td>
</tr>
</tbody>
</table>

Source: Southern California Association of Governments: 2012-2040 RTP/SCS Final Growth Forecast by Jurisdiction
<table>
<thead>
<tr>
<th>Destination</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
<td>7,523</td>
</tr>
<tr>
<td>All Other Locations</td>
<td>3,360</td>
</tr>
<tr>
<td>Beverly Hills</td>
<td>2,314</td>
</tr>
<tr>
<td>Burbank</td>
<td>1,488</td>
</tr>
<tr>
<td>Culver City</td>
<td>652</td>
</tr>
<tr>
<td>Santa Monica</td>
<td>580</td>
</tr>
<tr>
<td>West Hollywood</td>
<td>338</td>
</tr>
<tr>
<td>Glendale</td>
<td>190</td>
</tr>
<tr>
<td>Vernon</td>
<td>137</td>
</tr>
<tr>
<td>Torrance</td>
<td>135</td>
</tr>
<tr>
<td>Pasadena</td>
<td>134</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2015 Center for Economic Studies, LEHD Origin-Destination Employment Statistics (LODES), Workplace Area Characteristics (WAC); LWC

October 2019
<table>
<thead>
<tr>
<th>Cities within County</th>
<th>Population</th>
<th>Retail and Food Services</th>
<th>Total All Outlets</th>
<th>Per Capita - All Outlets</th>
<th>Per Capita - Retail and Food</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>3,985,114</td>
<td>34,355,804,181</td>
<td>44,980,230,260</td>
<td>11,287</td>
<td>8,621</td>
</tr>
<tr>
<td>Long Beach</td>
<td>477,015</td>
<td>3,898,816,454</td>
<td>5,044,905,792</td>
<td>10,576</td>
<td>8,173</td>
</tr>
<tr>
<td>Torrance</td>
<td>149,120</td>
<td>3,201,243,348</td>
<td>4,103,792,351</td>
<td>27,520</td>
<td>21,468</td>
</tr>
<tr>
<td>Glendale</td>
<td>200,889</td>
<td>3,191,203,748</td>
<td>3,842,145,824</td>
<td>19,126</td>
<td>15,885</td>
</tr>
<tr>
<td>Santa Monica</td>
<td>91,729</td>
<td>2,457,170,692</td>
<td>3,237,178,053</td>
<td>35,291</td>
<td>26,787</td>
</tr>
<tr>
<td>Santa Clarita</td>
<td>209,736</td>
<td>2,533,677,774</td>
<td>3,151,491,989</td>
<td>15,026</td>
<td>12,080</td>
</tr>
<tr>
<td>Pasadena</td>
<td>140,949</td>
<td>2,466,977,396</td>
<td>3,054,019,136</td>
<td>21,668</td>
<td>17,503</td>
</tr>
<tr>
<td>Cerritos</td>
<td>49,405</td>
<td>2,296,311,922</td>
<td>2,877,126,231</td>
<td>58,236</td>
<td>46,479</td>
</tr>
<tr>
<td>Beverly Hills</td>
<td>34,464</td>
<td>2,370,447,582</td>
<td>2,852,104,361</td>
<td>82,756</td>
<td>68,780</td>
</tr>
</tbody>
</table>

Source: California Board of Equalization, 2016 Sales Revenue by City
California Department of Finance: 2016 Population
ATTACHMENT 3
INTRODUCTION

In 2011, City staff and officials, economic partners, residents and businesses were consulted to develop a five year Economic Sustainability Plan (Attachment 1). This report provides an overview of the progress made on the Priorities, Initiatives and Programs identified in that plan. It also provides a plan for the next steps to update the plan as part of the Department Work Plan for Fiscal Year 2018/2019 and will be consistent with City Council Priority #14.

DISCUSSION

Background

On November 30, 2010, City staff gave a summary presentation of the findings of draft Economic Sustainability Plan (Attachment 1) to the City Council at a study session. The report provided an overview of the principal elements of the Economic Sustainability Plan ("Plan"), which included an outline of the foundations and pillars for economic sustainability.

The foundations for the 2010 Plan were developed as strategic themes that underlie the actions of the City, including the City's economic sustainability efforts. As part of the evaluation in 2010, the City identified areas where enhanced focus to the foundations would affect fiscal sustainability. Many of the programs and initiatives in the pillars were developed with the understanding that they would also provide support to the foundations, especially where gaps were identified. In general, the pillars are groups of programs, projects and activities intended to improve both the City's economy and its business revenues.
Figure 1: Foundation and Pillars of the Economic Sustainability Plan

The foundations of the Plan determine City efforts towards economic sustainability, and are reflected in all initiatives that are included in the pillars. The foundations in the current Plan include:

1. **Brand Management**: the key element in attracting the visitors and businesses that support the fiscal strength of the City. Ensuring that the brand stays alive, refreshed and relevant was a strong message from all stakeholder groups, both internal and external.

2. **Communication and Outreach**: Regardless of the project, two-way communication with residents, visitors, and businesses is crucial to meet and exceed expectations of customer service and understanding of City programs.

3. **Quality of Life Stewardship**: Maintenance of property values by keeping important City services at a high level.

4. **Fiscal Stewardship**: Management of resources in the most cost-effective manner possible, while making prudent investments is fundamental to a well-managed City and all its programs.

5. **Friendly, Smart, Green, Safe City**: these key elements were the cornerstones of the City’s brand as it was defined in 2011.

The four pillars of economic sustainability are groups of initiatives, projects and programs that could have a long-term impact on the City’s revenue streams. The Plan identified primary, secondary, and tertiary priority programs that were needed in order to maintain economic sustainability in Beverly Hills. These pillars are:

1. **Clientele Attraction/Business Development** – maintaining an attractive mix of businesses, and managing programs that support the attraction of clientele to
Meeting Date: March 6, 2018

those businesses. This broad pillar encompasses marketing and branding, as well as more traditional business retention and attraction efforts.

2. **Infrastructure** - investing in physical facilities. This represents the development and maintenance of City physical and virtual infrastructure as well as engaging in regional policy.

3. **City-Owned Asset Enhancement** – making targeted investments and developing City-owned projects. In stewarding and acquiring City-owned land, the City has the opportunity to affect and influence the mix and uses of surrounding commercial property, and leverage its assets for economic sustainability.

4. **City Service/Process Enhancement** – application of customer service practices and technology. Through constant review, refinement and technology, the City has an opportunity to ensure that both businesses and residents can conduct business with the City in the smoothest manner possible – saving time and money for both, and increasing good public service.

**Update on the Priority Initiatives and Programs**

City staff reviewed the 26 projects and initiatives identified in the Plan. Of these projects, 15 of them were considered Priority 1, seven were considered Priority 2, and four were listed as Priority 3. The status on each of the 26 projects and initiatives can be found in Attachment 2.

Some of the completed priorities include:

- Supporting the Beverly Hills Conference and Visitors Bureau (“CVB”) in implementation of the Marketing Strategic Plan. The City supports the CVB annually through funding various initiatives and work plans approved by the City Council;
- Creating "welcoming" retail districts, including "Disney-level" way-finding in 2013. In 2017, the City began year-round audio and warm LED lights in the business district;
- Raising the City's virtual profile by updating the City's website. The City has been offering a series of interactive mapping applications for the public, known collectively as Virtual Beverly Hills, which in 2011 won the ESRI International Special Achievement in GIS (SAG) award. In 2015 the City was granted the statewide Google e-City award in recognition of its outstanding online business services; and
- Developing on-line public zoning and land use information. The City has a public accessible GIS portal that provides property information to the public. The current system was deployed in 2011;
- Actively pursue entertainment district build-to-suit opportunities at Foothill Road and Third Street. The building on the west side of Foothill is completed leased out. Staff is still considering opportunities for the east side of Foothill; and
- Maximizing the benefits of projects under construction which included completion of the construction of the Crescent Street Garage and 9400 S. Santa Monica Boulevard.

Staff found that several priorities will always be in progress. Therefore, staff provided examples of projects that were accomplished under these pillars but did not consider them complete as they are still ongoing today. Some of these priorities are:

- Support CVB in design and development of signature Visitor's Center. The City supports the CVB who refreshes their brand annually;
- Produce broader platform of signature events and destination promotions. The City recently completed several new signature events which included the
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Portraits of Hope Art Exhibit at the Lily Pond, the Summer Businesses Open Later Days (BOLD) Program, and Runway to Rodeo| Walk of Style | Over 50 Years of Luxury.

- Continue to actively manage and develop City trademark license program as a vehicle to brand awareness. The City has trademark agreements in place with many businesses including Geary’s of Beverly Hills, Williams Sonoma, Universal Studios Florida and Antos;
- Revitalize Southeast Beverly Hills and identify projects such as an Art District, Parking, Open Space, etc. As part of the 2017 Holiday Lighting program, the City Council supported the installation of holiday lighting for La Cienega and Robertson. Additionally, staff is expected to expand the year round, warm LED lighting to this area in the spring of 2018; and
- Continue to invest in upgrades at Greystone that will increase the viability of public and private uses. The City, along with the Friends of the Greystone Mansion, have completed several renovations at Greystone including upgrading the HVAC system, updating the three kitchens (pantry, main, baking), and the 100 door knob project.

Finally, a few priorities were not undertaken as, when the initiatives were further investigated, there was a desire by Council to not proceed with them at that time. This included:

- Complete review of and begin implementation of Business Attraction Strategy, including attracting both high-end and unique-local businesses along with community serving businesses. Consider financial incentives; and
- Business tax and permit fee structure with a view to developing potential business attraction/retention incentives; attract both high-end and unique-local businesses along with community serving businesses. Consider financial incentives where appropriate.

Next Steps
Currently, both the Beverly Hills Chamber of Commerce and the CVB are developing new strategies specific to their organizational charges. The CVB has undertaken developing a new Tourism and Marketing Strategic Plan. This has been identified in the 2017-2018 Work Plan that is funded under their current contract. They anticipate completing this no later than June 2018.

Additionally, a contract amendment for the CVB will be placed on a future City Council Agenda for approval that will expand their scope of work to include updating the City’s Destination Master Plan. This will begin in the Spring of 2018 and be completed in the Fall of 2018 should the contract amendment be approved by the City Council. This Destination Master Plan will be developed in conjunction with many City stakeholders including City staff and the Beverly Hills Chamber of Commerce. To prepare this plan, the contractor hired by the CVB will conduct stakeholder interviews, immersion sessions and workshops that will focus on the vision for the City of Beverly Hills. From this information, they will develop both a short-term and long-term plan.

As part of the contract amendment, the City will provide an additional $50,000 in funding to the CVB. Staff will report back to Council with an overview of these plans once they are completed.
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FISCAL IMPACT
Staff has identified funding within the City Council approved Policy & Management budget for Business Development (00101313-734200) in the amount of $50,000 for the Destination Master Plan. No new allocation from the General Fund is required.

RECOMMENDATION
Staff recommends that the City Council receive and file this report as it is for informational purposes only.

Mahdi Alzari
Approved By
Attachment 1
Economic Sustainability Plan

Programs and Priorities
2011-2015

CITY OF BEVERLY HILLS
A Message from the City Manager

We are pleased to present the City’s Economic Sustainability Plan—Program and Priorities 2011-2015.

With such pressure on City budgets, we felt the time was ripe to develop an Economic Sustainability plan for City Hall that would provide a framework for us to prioritize and focus our programs on those that most support the economic vitality and attractiveness of Beverly Hills.

We consulted with City staff and officials, our economic partners, residents and businesses. We examined existing economic studies and City programs. At the end of this process we realized two things—first, there were no “magic bullets” for economic sustainability and second, that the City and its partners were already engaged in important economic sustainability work. Missing were priorities, focus and measurement, as well as a lexicon for economic development as it pertained to Beverly Hills.

This plan addresses these issues and has already provided the basis for the 2011 City Council priorities, and principal elements have been incorporated into the City’s Strategic Planning effort.
The severe economic recession of 2007 – 2010 caused disastrous reductions in state and local government revenues. Beverly Hills has responded to that crisis by reducing its General Fund budget by more than $27 million over the past three years, ensuring budgets and strategic plans focus squarely on efficiency and new revenue opportunities, and prioritizing City programs on the basis of economic sustainability.

It is evident that the City cannot rely only on expense reductions to close its budget shortfall without sacrificing its traditional high standards of service. This Plan, representing the third element, presents an array of City programs that support economic activity. They strengthen the revenue sources that are the primary support for the City General Fund: transient occupancy taxes, sales taxes, property taxes, and business taxes.

Beverly Hills does not use redevelopment areas or enterprise zoning, the traditional tools of economic development. Its new General Plan left the areas of scale, height, density, and community character essentially unchanged. Recognizing these policy directives, the City team prioritized programs on the basis of their contribution to economic sustainability. The City also sought feedback from residents and businesses. The Plan outlines both a set of priorities and a set of measures to help the City track its progress going forward.
The plan uses a metaphor of “Foundations” and “Pillars” to organize its efforts. Foundations are themes that underlie and inform all of the City’s work, especially economic sustainability. Pillars are groups of programs, projects and activities that seem likely to improve revenues, although that may not be the only justification for them.

MEASUREMENT

A critical element of the plan is to measure and report on how implementation affects City revenues. There will be two program-wide measures:

1. WHETHER AND HOW MUCH REVENUE STREAMS INCREASE, WITH AN ATTEMPT TO SHOW WHETHER THE INCREASES OR DECREASES DIFFER FROM WHAT WOULD OTHERWISE BE EXPECTED.

2. BI-ANNUAL SURVEYS TO MEASURE BUSINESS, RESIDENTIAL AND VISITOR SATISFACTION LEVELS

In addition, a program of more specific measures, intending to evaluate the performance of individual initiatives and Pillars, will attempt to measure how well plan elements are being implemented, and the extent of their effect on program-wide goals.

NEXST STEPS

The City is already incorporating this economic sustainability approach into its decision-making processes. As the plan was being completed, the City launched a more comprehensive strategic planning effort that incorporated economic sustainability principles and goals.

GOING FORWARD THE PLAN WILL BE REFINED BY:

- Improving the ways the City measures the effects of proposed and adopted initiatives on economic activity and City revenues.
- Completing current efforts to improve the City’s revenue forecasting, to offer more specific projections that reflect a better understanding of the City’s economy.
- Integrating economic sustainability as a factor in the City’s strategy and budget framework.
PURPOSE AND BACKGROUND
The Context

Current projections indicate a shortfall between General Fund revenues and expenditures in excess of $5 million by FY 2014/15. To address this issue, the City needs to continue action on three fronts – building the “three-legged stool” of fiscal stability.

**BUDGET CUTS:** The City of Beverly Hills has already reduced its budget by more than $27 million over the past three years, including furloughing staff, postponing maintenance and equipment replacement, addressing labor cost and pension reform, and rethinking service levels.

**INCREASING REVENUE SOURCES:** The current Strategic Planning effort is continuing efforts started during budget reviews to identify appropriate revenue increases.

**DEVELOPING ECONOMIC SUSTAINABILITY INITIATIVES THAT WILL INCREASE ECONOMIC ACTIVITY AND RELATED CITY REVENUES:** This Plan, mandated by the City Council, is designed to address a strategic method of revenue generation.

The Economic Sustainability Plan has been developed with the understanding that Beverly Hills is limited in the actions it can currently take in the economic development field.

The City does not have access to the traditional tools of redevelopment or enterprise zoning, and the City has made a strategic policy decision not to modify the General Plan regarding scale, height, density, or community character. Rather, by providing base services and programs at the highest level, the City intends to provide a platform upon which businesses can prosper. In this way, the City hopes to generate the revenues necessary to support the quality of life expected by businesses and residents in Beverly Hills.

Building on previous plans, such as the Economic Profile, the Business Attraction and Retention Plans and the Marketing Strategic plan, the City’s executive management team has taken a long, hard look at much of the City’s existing workload and established priorities and opportunities for programs that directly support the City’s brand, character and other critical areas unique to businesses success and economic development in Beverly Hills.
The City has made a strategic policy decision not to modify the General Plan regarding scale, height, density, or community character.
City Fiscal Structure

The fiscal structure of the City relies on four main sources of revenue: property taxes, sales taxes, transient occupancy taxes, and business taxes. Residents are the primary source of property taxes; the remaining revenue streams are functions of a healthy business community. Approximately 9% of the City’s land is zoned for commercial use; that land, however, produces 75% of the City’s general fund revenues.

Projected General Fund Revenues

Assuming that current strategies remain unchanged, revenues are projected to increase only slightly as the economy recovers from the most severe recession in recent history. Sales tax and transient occupancy tax revenue will likely track the economy as it improves, while property tax revenue will follow trends in property valuation, though on a more muted basis as result of Proposition 13.

Sales tax revenues, transient occupancy taxes, and business taxes are all related to the City’s ability to attract and retain a vibrant business community, which in turn requires attracting clientele to City businesses. Property taxes are sustained by preserving the City’s stature as a premiere residential location. The City will continue to contribute to this by prudently maintaining its physical assets, continuing a high level of public safety and municipal services, and supporting educational excellence in the School District.
Current Efforts to Address Competition

Beverly Hills is in competition with high-end malls featuring luxury retailers; with other municipalities for prestige-address business clusters; and with other premiere residential communities. Recognizing that competitors are improving their products and outreach, Beverly Hills has commissioned the development of research and plans to guide efforts to attract and retain targeted businesses.

Five key reports formed the central part of this effort:

► Beverly Hills Retail Behavioral Study for 2006
► Conference and Visitor’s Bureau Strategic Plan 2010
   (Also known as the Marketing Strategic Plan)

Consistent with these reports, the City manages several activities and programs that bolster revenues from hotels and businesses. The design of City marketing events highlights Beverly Hills’ advantages.

Examples of these efforts include:

► Signature functions such as: · the annual Walk of Style
  · Affaire in the Gardens · Greystone Concours d’Elegance
  · Concerts in the Park · and the more recent 90210 event

► The 2011 Rose Parade float, which won the Mayor’s Trophy for the Most Outstanding City Entry

► Holiday programs and decorations

Implementing the marketing plan for the Conference and Visitors Bureau will place additional focus on developing and promoting events to create “street-life” in order to give visitors – especially LA County residents – a reason to visit Beverly Hills. Recent studies show that nearly 35% of the money spent by shoppers in the City comes from Beverly Hills residents, and that an additional 25% originates with residents of the LA Metro area.
In addition, the City has identified clusters that are central to commercial property tax revenues, especially entertainment services, finance, and professional services. Maintaining a business-friendly city government and partnering with business organizations to maintain open lines of communication are ongoing citywide efforts intended to support these business sectors.

**FOCUSING THE "LENS"**

There is no shortage of energy or inventiveness in proposed initiatives to support clientele and business attraction. Recognizing this, the Economic Sustainability Plan has not made its primary focus the generation of new projects or programs. Rather, this report seeks to provide a “lens” to focus on implementing existing plans and programs that provide the best overall contribution to the City’s long-term economic sustainability.

**Stakeholder Input**

To validate City staff priorities, outreach meetings were held with a Homeowners Association, board members of the Conference and Visitor’s Bureau and a cross-section of stakeholders from the Chamber of Commerce, the Citizen’s Budget Group, and the Mayor’s Cabinet. Participants, who represented residents, businesses, and commercial property owners, were chosen because of their interest in the City and their knowledge of its economy and finances. Their comments, reflected in this report, have improved its focus and strengthened its priorities.
THE CITY’S 2021 ROSE PARADE FLOAT, WHICH WON THE MAYOR’S TROPHY FOR THE MOST OUTSTANDING CITY ENTRY, HEIGHTENS AWARENESS OF THE BEVERLY HILLS BRAND.
THE CITY HOLDS THE FOLLOWING VISION FOR ECONOMIC SUSTAINABILITY POLICIES AND PROGRAMS:

**Foster a vibrant, sustainable economy, and stimulate sufficient City revenue to maintain the character and quality of the community**

To realize this vision, the plan adopts a metaphor of “Foundations” and “Pillars.” Foundations are strategic themes that underlie and inform all of the City’s work, especially the efforts described in the Pillars. Pillars include programs, projects and activities intended to improve both the City’s economy and its business revenues.

**PILLARS**

The FOUR PILLARS of economic sustainability represent central areas where the government of Beverly Hills has significant ability to support local economic activity and City revenue streams. Many of the initiatives included within the pillars are included in the current Budget and Capital Improvement Plan (CIP). Priorities were ranked according to their anticipated impact and are not time related; many will stretch over several years.
Clientele Attraction / Business Development

The City partners with the Conference and Visitors Bureau (CVB), the Chamber of Commerce and its business community to encourage clients or customers to patronize Beverly Hills businesses. In addition, business retention and attraction efforts have identified kinds of businesses that fit well with the City’s brand, and with its existing commercial mix. The Business Attraction Plan calls for diversifying revenue streams through attracting “gap” businesses – especially upscale food markets and furniture/appliance stores. The City is also expanding efforts to attract businesses that appeal to younger consumers and grow nightlife in the City.

1. **Priority Projects**

   **Clientele Attraction / Business Development Initiatives**

   Marketing, public relations, communications and other strategies or policies that attract national, international, regional, and local customers to businesses in the City.

   - Support CVB in implementation of Marketing Strategic plan
   - Create “welcoming” retail districts, including “Disney-level” way-finding
   - Support CVB in design and development of signature Visitor’s Center
   - Produce broader platform of signature events and destination promotions
   - Continue implementing key strategies of Business Retention Plan
   - Continue to actively manage and develop City trademark license program as vehicle to brand awareness
   - Complete review of and begin implementation of Business Attraction Strategy, including attracting both high-end and unique-local businesses along with community serving businesses. Consider financial incentives
   - Revitalize Southeast Beverly Hills. Identify projects such as an Arts District, Parking, Open Space, etc.
   - Raise BH virtual profile, e.g., Google/City of NY cooperative effort by improving functionality of current website
City Service and Process Enhancement

Maintaining a business-friendly City government is a priority of economic sustainability. Beverly Hills takes pride in the friendliness and quality of its municipal services, seeking a “Disney” level of satisfaction. One element of these high standards is a commitment to continuous improvement. As part of this effort, Beverly Hills is developing and expanding its e-Gov capability, making it easier to do business with the City on the Internet.

2 PRIORITY PROJECTS

City Service and Process Enhancement Initiatives

- Review business tax and permit fee structure with a view to developing potential business attraction/retention incentives; attract both high-end and unique-local businesses along with community serving businesses. Consider financial incentives where appropriate.
- Identify, prioritize and develop 5-year schedule to eliminate obsolete zoning provisions and remove obstacles to development, including modification of nightlife/entertainment regulations and fees.
- Develop eGov initiatives associated with on-line public zoning and business permit process:
  - Development Review process
  - Electronic Review of Planning & Building documents
- Evaluate and implement strategies that streamline the development process, including Commission review processes.
- Install new Finance and HR Enterprise-wide computer system:
  - Automate billing and tax payment.
- Develop on-line public zoning and land use information, e.g., ZIMAS
- Evaluate establishing a Concierge for City Hall to assist applicants for complex development/permits, especially for proposals and projects targeted in Business Attraction and Retention strategies.

Priority 1

Priority 2
City-Owned Asset Enhancement

The City owns real estate assets within Beverly Hills that serve multiple civic purposes. Parking structures are visible examples of the use of City assets to increase the convenience and ease of access of residents and visitors to Beverly Hills business establishments. Beverly Hills also uses its real estate assets to attract business clusters that are important to the economic life of the City and to enhance the quality of life for residents. The 331 Foothill project in the entertainment district is an example. Such holdings are strategic assets that should continue to be used to support commerce and generate City revenues.

3 PRIORITY PROJECTS

City-owned Asset Enhancement Initiatives

Management of City-owned assets so that they act as a catalyst for economic vitality, business attraction and retention, visitor marketing, or revenue generation.

- Acquire the median portion of the former railroad right of way at Santa Monica and Doheny in order to implement Gateway improvements at that location; Continue to press for State completion of remediation plan for parcels 12 and 13 and identify funding source for acquisition
- Maximize benefits of projects under construction
  - 9400 Santa Monica Blvd
  - Crescent Garage
- Continue to invest in upgrades at Greystone that will increase the viability of public and private uses
- Complete plans for interim re-use of the Chamber of Commerce building pending initiation of long-term redevelopment for public parking
- Develop City property leasing Master Plan
- Actively pursue entertainment district build-to-suit opportunities at Foothill Road and Third Street
- Increase parking opportunities on the southeast side of Beverly Hills
**Infrastructure**

The City’s ongoing ability to provide infrastructure – streets, water systems, sewers, traffic systems, parks, libraries, public transportation, etc., that supports its “premiere” brand is central to its economic sustainability. Those services are critical to maintaining the property values that, under current California law, have decades-long implications for a primary revenue stream of the City. Businesses, too, expect their patrons to be impressed with the quality of infrastructure – clean, well maintained streets and sidewalks, well-appointed public areas with high-quality lighting and trees, and available parking. Parking can also be viewed as a city-owned asset, as set forth in the previous section. These structures and systems are central to maintaining the City’s brand. Knowing this, the City commits $10 million annually in funding for the Capital Improvement Plan and seeks the maximum impact on economic sustainability from that investment.

**Infrastructure Initiatives**

Public policy and programs that advocate for, develop or maintain infrastructure elements such as streets, sidewalks, parks, transportation, etc., central to economic strength.

- Implement Street Improvement/Pavement Master Plan
- Complete Municipal Area Network; consider fiber optic applications beyond City needs
- Complete Street Light Replacement Project
- Support extension of the subway and preferred alignment
- Promote City-wide upgrade/renovation to Class A office buildings
- Continue to transfer funds to the Capital Improvement Program budget in order to address deferred maintenance and invest in opportunity projects for the future; implement Master Plans for Parks, Libraries, Street Trees
- Evaluate 2nd Phase Urban Design

**Priority Projects**

1. Priority 1
2. Priority 2
3. Priority 3
FOUNDATIONS


In order to keep Beverly Hills a world-class community, the City must consistently emphasize central foundational principles. These principles underlie all of the actions of the City, including economic sustainability efforts.

As part of the evaluation of the Foundations, the City identified areas where enhanced focus or attention to the foundations will affect fiscal sustainability. Many of the programs and initiatives in the Pillars were developed with the understanding that they would also provide support to the foundations, especially where gaps were identified.
BRAND MANAGEMENT

Protecting and promoting the City’s globally recognized brand throughout all City services and programs. Striving to ensure that City employees, residents and businesses identify with and help promote the Brand. For Beverly Hills, this Foundation is perhaps the most important driver of economic strength.

Known internationally for its outstanding residential neighborhoods, distinctive hotels, retail stores, restaurants and premiere business locations, Beverly Hills must maintain its position as a premiere community and destination.

The Beverly Hills brand is an important driver of economic strength, and should be honored in everything the City undertakes.

As examples, going forward:

- As the City implements clientele marketing and business attraction initiatives, it will coordinate its message with the “living the dream” brand

- As the City reviews and develops its cultural event initiatives it will strive to ensure that programming and presentation exceed expectations of participants

- As the City improves its services and processes, it will design user-friendly applications and aim to exceed user expectations of friendly, efficient services

- As the City implements asset management initiatives, it will build, upgrade and maintain real estate assets to high level of physical appearance and efficiency

- As the City implements infrastructure initiatives, it will ensure that they reflect high design standards, including the pedestrian experience and signage needs

All participants in the study agreed that the brand must be continually renewed and refreshed, attracting multiple generations, and providing an environment that beckons new residents, visitors and businesses.
The City will conduct regular and consistent outreach to key communities, including two-way conversations with:

- The residential community, to assure that the character and quality of Beverly Hills are maintained and enhanced
- The business community, to assure that Beverly Hills remains an economically healthy and profitable place in which to do business
- The visiting public, to maintain the attractiveness of Beverly Hills as a desirable place to visit and shop.

The review of this Economic Sustainability plan, itself, embodied this foundation; the recommendations and priorities were vetted by a variety of communities, and resident and business suggestions were incorporated throughout.

Going forward:

- As the City streamlines its services and processes, it will establish partnerships with the residential and business communities to reflect their needs
- As the City implements clientele and business attraction elements, it will base its decision-making on visitor and business opinions
- As the City implements asset management initiatives, it will work with the business, residential, and visitor community to identify the optimum use for facilities
- As the City implements infrastructure initiatives, it will inform communities of and solicit support for infrastructure maintenance plans

The primary goal in this area is to maintain property values and property tax revenues by maintaining important City services at a high level. Of primary importance to high residential satisfaction and consistent high property values is the quality of fire and police services. Those, however, by themselves will not suffice. The City’s excellent library and park services, as well as the cleanliness and repair of its streets and sidewalks, must be preserved to maintain the character of the city. In addition, residents frequently cite outstanding K-12 schools as central in
maintaining the quality of life. Although education is outside its direct responsibility, the City has a strong and supportive relationship with the Beverly Hills School District to maintain a high quality of education.

Going forward:

- As the City improves its services and processes, it will balance efficiency and revenue potential with the desire to maintain the character and quality of the community.

- As the City implements clientele and business attraction elements, it will seek to manage the impact of visitors on residential communities, and design programs that attract residents as well as visitors.

- As the City implements asset management initiatives, it will balance the demand for space with the desire to maintain the low-rise ambiance of the City.

- As the City implements infrastructure initiatives, it will work with County and State agencies so that their plans and programs support City goals.

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**FISCAL STEWARDSHIP**

Managing resources in the most cost-effective manner possible; making prudent investments when there is a sufficient probability of a substantial return, measured in increased revenue, reduced costs, and improved quality of life.

Fiscal stewardship calls for wise financial decision-making. The City manages its operating reserves primarily to provide for continuation of necessary services in the event of a severe disaster that might impact revenue sources. The City invests in capital improvements to generate increased revenues, to avoid costs such as escalating maintenance expenses, and to enhance the quality of life for businesses and residents. To the extent that the perceived quality of life results in higher levels of business activity and sustained property values, it is a significant element of fiscal stewardship.

This Foundation will be supported by the development and continued maintenance of improved financial modeling and forecasting currently underway.

Going forward:

- As the City improves its services and processes, it will seek to reduce costs, or improve services at the same cost.
As the City implements clientele and business attraction elements as well as asset management initiatives, it will assess the economic impact on revenue streams.

As the City implements asset management initiatives, it will consider both the need to generate City income and the need to enhance the brand in ways that the private sector cannot.

As the City implements infrastructure initiatives, it will assure the long-term viability of City assets, and make replace/repair decisions that optimize investment and performance.

This foundational element speaks to the importance of Beverly Hills leading the way as a Smart City. It is smart to continually seek ways of improving customer service; smart to adopt strategies such as the Sustainable City Plan (SCP), which enshrines the City’s commitment to environmentally friendly policies; smart to integrate new technologies and media into City programs; and smart to ensure that the community is well protected and prepared to respond to emergencies at a sustainable cost.

Going forward:

As the City improves its services and processes, it will offer residents and businesses choices regarding personal and technology options when possible.

As the City implements clientele and business attraction elements, it will emphasize the welcoming spirit of the community, and highlight the safety and security of visitors and residents.

As the City implements asset management initiatives, it will include new technology and earth-friendly technologies in its design.

As the City implements infrastructure initiatives, it will use ecologically responsible technologies and ensure new technology is part of its infrastructure priority discussions.

As the City invests in employee development, it will continue to include “Disney Level” customer service and management training.
The City will track the success of this program by establishing a “Dashboard” to track changes as they are made to programs and initiatives. The dashboard will be refined as the City learns from its experiences going forward.

The Dashboard will include both overall measures, and Pillar-specific measures.

Overall measures ▶ will track the success of the Plan.

Pillar-specific measures ▶ are needed for two reasons:

The Pillars represent the best current thinking available about how to achieve program goals.

- By tracking Pillar success, the City will have advance warning of potential problems, and can act more quickly to address them.

- Also it is possible that the City will be able to document success in implementing pillar measures, but the economic sustainability of the City may still be threatened. In that case, it will be necessary to reconsider current assumptions about the importance of the Pillars to the City’s overall fiscal health.

Establishing baseline data and developing the means to track key indicators will be the focus of the measurement effort during 2011. In 2012 and beyond, the City will provide reports that show both current and historical information. The City can then understand and report how programs perform over time, and can include relevant performance information in decisions to keep, modify or abandon specific economic sustainability efforts.
Overall Measures

The overall program will be measured in two ways. Keeping in mind the program’s vision – *fostering a vibrant economy while maintaining the character and quality of the community*, the City plans to track revenue streams as well as business, residential, and visitor satisfaction.

**Revenue Stream Measures**

The ultimate measure of any economic sustainability strategy will be how well the City’s revenues support the character and quality of the community. The City will track how well the completion of priority projects affects its revenue streams, and whether those changes are larger or smaller than expected. While it is difficult to isolate the impact of individual projects, the City anticipates that the implementation of the economic sustainability program will increase revenues from the four principal revenue streams. This will be supported by the development and continued maintenance of the financial modeling effort currently underway. In addition, disciplined attention to the economic impacts of City initiatives may help avoid circumstances in which the City unintentionally takes actions that impair its economic growth.

Beverly Hills intends to benchmark its performance against other jurisdictions in order to separate the impact of implementing this Economic Sustainability from the ups and downs of the overall economy. The Plan will go a long way to succeeding if Beverly Hills can show higher percentage gains than competing jurisdictions in similar revenue streams. Beverly Hills will start by identifying which comparable jurisdictions it can best gather data on, and will benchmark:

**Property Taxes** ▶ Year-to-year change in assessed value of Beverly Hills residential and business properties as compared to year-to-year change in other Los Angeles County communities such as Bel Air, Brentwood, Holmby Hills, San Marino, and Santa Monica.

**Transient Occupancy Taxes** ▶ Changes in revenues generated through transient occupancy taxes, as compared to increases or decreases in competitive national and international luxury destinations. Monitoring revenue per available room in Beverly Hills and comparing it to competing locations.

**Business Taxes** ▶ Increases or decreases in revenues drawn from clusters important to the economic health of Beverly Hills, such as entertainment and finance industries seeking to understand how those changes relate to the overall health of the industries in Los Angeles.

**Sales Taxes** ▶ Changes in revenues generated through sales taxes compared to sales tax revenues in areas that draw similar shoppers, such as West Hollywood, Santa Monica, Costa Mesa and Newport Beach.
Residential, Business and Visitor Satisfaction Measures

From time to time in the past, the City has solicited business and residential views on a variety of subjects. It will be important to regularize those efforts to assure that these programs achieve the intended goal of enhancing the quality of life in the City. In 2011 and 2012, the City will design surveys to gather baseline data on resident and business satisfaction. Of particular interest in survey design will be questions that reveal whether economic sustainability initiatives are successful, or whether changes are warranted. Thereafter, surveys will be administered on alternating years to track and understand how businesses’ and residents’ opinions are changing.

In addition, the City will seek to combine an opinion survey of visitors and shoppers with the visitor impact analysis, coordinated bi-annually by the CVB. It will be important to expand the scope of that effort beyond historical measures to include shopping, spending, and length of stay for non-local visitors. The City will also seek to learn about shopping patterns of residents, local, and regional visitors, as well as their level of satisfaction with City amenities.

<table>
<thead>
<tr>
<th>PILLARS</th>
<th>Questions the Survey Will Cover:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIENTELE ATTRACTION/ BUSINESS DEVELOPMENT</td>
<td>Visitor opinion of Beverly Hills as a destination compared to benchmarked cities</td>
</tr>
<tr>
<td></td>
<td>Business satisfaction with events and holiday decorations</td>
</tr>
<tr>
<td></td>
<td>Percentage of residents that have attended at least one event</td>
</tr>
<tr>
<td>CITY SERVICE AND PROCESS ENHANCEMENT</td>
<td>Business and community satisfaction with City processes, using International City Management Association or equivalent survey standards</td>
</tr>
<tr>
<td>INFRASTRUCTURE</td>
<td>Business, residential satisfaction with physical infrastructure</td>
</tr>
<tr>
<td>FOUNDATIONS</td>
<td>Residential understanding of and support for the Beverly Hills Brand</td>
</tr>
<tr>
<td></td>
<td>Business understanding and support for the Beverly Hills Brand</td>
</tr>
<tr>
<td>BEVERLY HILLS BRAND</td>
<td>Survey responses showing changes in awareness of City programs</td>
</tr>
<tr>
<td></td>
<td>Survey responses soliciting how well the City has responded to requests/concerns voiced by the businesses and residents</td>
</tr>
<tr>
<td>COMMUNICATION AND OUTREACH</td>
<td>Business, residential and visitor satisfaction with overall BH experience</td>
</tr>
<tr>
<td></td>
<td>Business and residential satisfaction with parks and library facilities and services</td>
</tr>
<tr>
<td>QUALITY OF LIFE STEWARDSHIP</td>
<td>Visitor and business satisfaction with directional signage/way-finding</td>
</tr>
<tr>
<td></td>
<td>Residential satisfaction with police and fire services</td>
</tr>
<tr>
<td></td>
<td>Satisfaction with the level of technology in the City</td>
</tr>
<tr>
<td>FRIENDLY, SMART, GREEN, SAFE CITY</td>
<td>Business and residential awareness of and satisfaction with City’s Green program</td>
</tr>
</tbody>
</table>
Pillar Measures

In addition to the overall measures, the City will track the success of some pillars and, within each, selected individual initiatives. Some measures, such as visitor metrics and investment in infrastructure, are already being tracked. The City will benefit from that reporting in the context of its economic sustainability program. Other indicators will require more complete definition and development. As an example, the City must establish the capacity to conduct impact assessments for its signature event programs, and measure the effect of its asset enhancement projects on targeted businesses and sectors.

For each of the pillars, the City will include satisfaction questions in the bi-annual surveys that will be administered as described on the opposite page.

Examples of supplemental measures include:

<table>
<thead>
<tr>
<th>PILLARS</th>
<th>Measures to Supplement Satisfaction Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIENTELE ATTRACTION/</td>
<td>Number of visitors to Beverly Hills/Average length of their stay and spending</td>
</tr>
<tr>
<td>BUSINESS DEVELOPMENT</td>
<td>Revenues from targeted development areas or clusters, e.g., nightlife</td>
</tr>
<tr>
<td></td>
<td>Number of new nightlife-related businesses and businesses offering extended hours</td>
</tr>
<tr>
<td></td>
<td>Economic impact assessment for signature events</td>
</tr>
<tr>
<td>CITY SERVICE AND PROCESS</td>
<td>Cycle times for processes</td>
</tr>
<tr>
<td>ENHANCEMENT</td>
<td>Quality measures such as</td>
</tr>
<tr>
<td></td>
<td>Letters of commendation or complaint</td>
</tr>
<tr>
<td></td>
<td>Results of &quot;mystery&quot; shopping</td>
</tr>
<tr>
<td></td>
<td>Percentage of staff decisions reversed on appeal</td>
</tr>
<tr>
<td>CITY-OWNED ASSET ENHANCEMENT</td>
<td>Impact assessment for City-owned real estate investments</td>
</tr>
<tr>
<td></td>
<td>Parking and lease revenue generation</td>
</tr>
<tr>
<td>INFRASTRUCTURE</td>
<td>Net value after depreciation of real estate and infrastructure assets</td>
</tr>
<tr>
<td></td>
<td>Percentage of Class A office buildings/Increase in new/renovated Class A square footage</td>
</tr>
<tr>
<td></td>
<td>Average age of utility infrastructure</td>
</tr>
</tbody>
</table>
The City is already incorporating this economic sustainability approach into its decision-making processes.

- As the plan was being completed, the City launched a more comprehensive strategic planning effort that incorporated economic sustainability principles and goals.

- The City Council priority-setting process incorporated economic sustainability as one of four criteria for priority allocation; Council Members rated many of the programs and projects in this plan among the highest priority for the City in the coming year, elevating relevant projects (such as Greystone Maintenance and Improvement) to a primary level.

- The City will translate Council priorities into reality by identifying resources and developing funding schedules for inclusion in the budget.

These are important first steps. Going forward, the City will continue to include economic sustainability assessments in its budget process as a significant factor in budgeting and resource allocation. City staff will update recommendations for economic sustainability projects in each City Council priority-setting meeting. In addition, several refinements and improvements are planned, specifically:

- Integrating economic sustainability assessment into the City’s Strategic Plan

- Building an assessment tool for economic sustainability benefits that will produce more precise and reliable forecasts

- Completing the development of a refined revenue forecasting model that will provide more specific projections, based on a deeper understanding of the City’s economy

- Providing more refined forecasts for economic sustainability initiatives, including the specific revenue streams they are expected to impact.
Costs associated with implementing this plan will be managed through the City's annual work program and budget process. Existing staff will be responsible for overall program management. The City may require additional funding for advisory services associated with certain measurement activities such as:

- Developing and enhancing financial modeling and forecasting systems
- Designing assessment systems that the City can regularly apply to gauge the economic impact of signature programs and events
- Refining existing measurements and designing the effective reporting systems
- Enhancing the bi-annual visitor impact analysis, coordinated by the CVB, to include satisfaction measures, and targeting local and regional clientele in the scope
- Creating professional survey instruments.
Special thanks to:

City of Beverly Hills Economic Sustainability Workgroup
- Mahdi Aluzri, Assistant City Manager
- David Lightner, Deputy City Manager
- Alison Maxwell, Director Economic Development and Marketing
- Megan Roach, Senior Management Analyst

Project Facilitators
Schilling & Maure

Graphic Design
Joanne Shannahoff Design

Cover Photo:
Vince Bucci Photography
Attachment 2
The four pillars of the City of Beverly Hills' 2011-2015 Economic Sustainability Plan ("Plan") represented the central areas where the City had a significant ability to support local economic activity and City revenue streams during the period covered by this Plan. The four pillars, and their priority projects, are listed below along with their accomplishments.

### Pillar 1: Clientele Attraction and Business Development
Marketing, public relations, communications and other strategies or policies that attract national, international, regional and local customers to business in the City

<table>
<thead>
<tr>
<th>Item #</th>
<th>Project</th>
<th>Priority</th>
<th>Accomplishments/Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Support CVB in implementation of Marketing Strategic Plan.</td>
<td>1</td>
<td>City supported the CVB’s efforts through funding. The funding source is the Tourism &amp; Marketing budget. This budget receives 2% of the City's transient occupancy tax (TOT) each year. Of that, the City spends between 47.8% and 68.8% on the CVB Marketing Strategic Plan Activities.</td>
</tr>
<tr>
<td>2</td>
<td>Create &quot;welcoming&quot; retail districts, including &quot;Disney-level&quot; way-finding.</td>
<td>1</td>
<td>Completed in 2013 in the business district. In 2017 began year-round audio in the business district and added year-round warm LED lights.</td>
</tr>
<tr>
<td>3</td>
<td>Support CVB in design and development of signature Visitor's Center.</td>
<td>1</td>
<td>Refresh of merchandise occurred in 2016. This is ongoing as designs are reviewed annually.</td>
</tr>
<tr>
<td>4</td>
<td>Produce broader platform of signature events and destination promotions.</td>
<td>1</td>
<td>Ongoing task for staff. Events produced included Next Night, Centennial Celebration, CVB Future of Luxury event, Holiday Lighting, summer and holiday BOLD 2017, and Runway to Rodeo</td>
</tr>
<tr>
<td>5</td>
<td>Continue Implementing key strategies of Business Retention Plan.</td>
<td>1</td>
<td>Ongoing task for the CVB. The CVB continues to promote the City as a premier destination for tourism and business activity, and through its initiatives, attracts and retains luxury businesses in the City.</td>
</tr>
<tr>
<td>6</td>
<td>Continue to actively manage and develop City trademark license program as a vehicle to brand awareness.</td>
<td>1</td>
<td>City has trademark license agreements with many businesses including Geary's of Beverly Hills, Williams Sonoma, Kelly’s Fudge &amp; Coffee, Antos, and Universal City Development Partners, Ltd (for use of the shield by Universal Studios Florida. This is an ongoing activity by staff.</td>
</tr>
<tr>
<td>Item #</td>
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<td>Priority</td>
<td>Accomplishments/Activities</td>
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<tr>
<td>7</td>
<td>Complete review of and begin implementation of Business Attraction Strategy, including attracting both high-end and unique-local businesses along with community serving businesses. Consider financial incentives.</td>
<td>1</td>
<td>Not implemented as strategy was not supported by a majority of City Council.</td>
</tr>
<tr>
<td>8</td>
<td>Revitalize Southeast Beverly Hills. Identify projects such as an Art District, Parking, Open Space, etc.</td>
<td>2</td>
<td>Community Plan under development for Southeast Beverly Hills and is a deliverable as part of the FY 17\18 City Council Priorities. In 2017, holiday lights were installed on La Cienega and Robertson. Staff has started the process to install year-round warm, white LED lights on La Cienega and Robertson.</td>
</tr>
<tr>
<td>9</td>
<td>Raise Beverly Hills virtual profile, e.g., Google/City of NY cooperative effort by improving functionality of current website.</td>
<td>3</td>
<td>The City launched the current version of the website in 2012 and the Information Technology division has prioritized the development of a newly designed website as one of its FY 2017/18 initiatives. In 2015 the City was granted the statewide Google e-City award in recognition of its outstanding online business services. Additionally, from 2014 to 2017 the City’s website traffic increased by approximately 78%. In January of 2014 the website had 117,194 unique visitors, whereas in January of 2017 the website had 208,831 unique visitors. The City has been offering a series of interactive mapping applications for the public, known collectively as Virtual Beverly Hills, which in 2011 won the ESRI International Special Achievement in GIS (SAG) award.</td>
</tr>
</tbody>
</table>

## Pillar 2: City Service and Process Enhancement Initiatives

Policies and strategies that minimize the amount of time and effort businesses must spend to comply with City permitting and other requirements. Initiatives that reflect the dedication of the City to provide excellent customer service.

<table>
<thead>
<tr>
<th>Item #</th>
<th>Project</th>
<th>Priority</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Review business tax and permit fee structure with a view to developing potential business attraction/retention incentives; attract both high-end and unique-local businesses along with community serving businesses. Consider financial incentives where appropriate.</td>
<td>1</td>
<td>Staff in ASD advise that there have been no revisions to the business taxes or permit fees charged by the City. It is generally understood that City Council tabled the pursuit of incentives as businesses, in general, are doing well.</td>
</tr>
<tr>
<td>Item #</td>
<td>Project</td>
<td>Priority</td>
<td>Accomplishments</td>
</tr>
<tr>
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<td>-------------------------------------------------------------------------</td>
<td>----------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>11</td>
<td>Identify, prioritize and develop 5-year schedule to eliminate obsolete zoning provision and remove obstacles to development, including modification of nightlife/entertainment regulations and fees.</td>
<td>1</td>
<td>Adopted an ordinance to allow pet boarding to create more flexibility for businesses. Adopted an ordinance to amend regulations related to lunch room roof tops for businesses. Made modifications to signage ordinance to allow for additional business signage during the Metro Purple Line Extension construction.</td>
</tr>
</tbody>
</table>
| 12    | Develop eGov initiatives associated with on-line public zoning and business permit process:  
- Development Review process  
- Electronic Review of Planning & Building documents. | 1        | In March of 2012 the City implemented Beverly Hills Electronic Review to reduce costs and streamline operations, standardize correction checklists, improve internal coordination, and enhance customer communication. Additionally, building inspections may be scheduled online. |
| 13    | Evaluate and implement strategies that streamline the development process, including Commission review processes. | 1        | City hired an Urban Designer in 2011 to facilitate the architectural review program which helps facilitate the permit process. The Restaurant Subcommittee is also available to businesses to expedite architectural review. |
| 14    | Install new Finance and HR Enterprise-wide computer system  
- Automate billing and tax payment | 1        | In 2011 the City entered into an agreement with Tyler Technologies for the provision of an integrated municipal enterprise resource planning system, Munis Software Solution. Business tax automation has been fully implemented and includes online business registration, tax certificate applications, renewals, and business tax payment. Phase 1 of utility billing automation has been implemented and customers may now pay bills online. Phase 2 will additionally include automation of backend processes and also allow customers to set up automatic recurring payments. |
<p>| 15    | Develop on-line public zoning and land use information, e.g. ZIMAS | 2        | City has a public accessible GIS portal that provides property information to the public. The current system was deployed in 2011. |
| 16    | Evaluate establishing a Concierge for City Hall to assist applicants for complex development/permits, especially for proposals and projects targeted in Business Attraction and Retention strategies | 2        | The City is currently evaluating options to implement this program. |</p>
<table>
<thead>
<tr>
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<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Acquire the median portion of the former railroad right of way at Santa Monica and Doheny in order to implement Gateway improvements at that location; continue to press for state completion of remediation plan for parcels 12 and 13 and identify funding source for acquisition</td>
<td>1</td>
<td>To be determined. Project is approximately 50% complete.</td>
</tr>
</tbody>
</table>
| 18    | Maximize benefits of projects under construction  
  - 9400 Santa Monica Boulevard  
  - Crescent Garage | 1 | Both projects are complete. |
| 19    | Continue to invest in upgrades at Greystone that will increase the viability of public and private uses | 1 | Upgrade projects such as an HVAC upgrade, firehouse seismic upgrade, second floor office renovations, and ground floor restroom renovations have been completed between 2011 and 2015. The focus of programmatic development over the last few years has been on events which do not adversely affect the Mansion. The City has increased revenues while protecting the historic nature of the property. Overall revenues for Greystone have grown 91% over the last 5 years, and the revenues from outdoor weddings alone has grown 75% during the same period. Most recently in 2017, a historical preservation consultant completed a master plan for maintenance and restoration of the mansion. |
| 20    | Complete plans for interim re-use of Chamber of Commerce building pending initiation of long-term redevelopment for public parking | 1 | Building has been refurbished and is currently leased. |
| 21    | Develop City property leasing Master Plan | 2 | City owned property is approximately 95% leased. Options for program enhancements are under consideration. |
| 22    | Actively pursue entertainment district build-to-suit opportunities at Foothill Road and Third Street | 3 | Building is completely leased out. Staff is still considering opportunities for the east side of Foothill (the former Virgin Records site). |
| 23    | Increase parking opportunities on the southeast side of Beverly Hills | 3 | The City undertook an in lieu parking study which led to the expansion of the in lieu parking to include Robertson in 2014. This study made recommendations about public/private partnerships in the Southeast for parking. Currently, Community Development is completing the Southeast area community plan which is expected to address parking. |
## Pillar 4: Infrastructure Initiatives

Public policy and programs that advocate for, develop or maintain infrastructure elements such as streets, sidewalks, parks, transportation, etc., central to economic strength.

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<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>24</td>
<td>Implement Street Improvement/Pavement Master Plan</td>
<td>1</td>
<td>The Public Works Department has a Pavement Management Program which evaluates City streets every two years and identifies maintenance strategies based on the findings of the evaluations. Since FY 2010/11, the City has paved approximately 25% of its 107 centerline miles of roadway and 45 miles of alleys (combined). According to the latest Pavement Management Analysis report completed in December 2016, the quality of the City’s road network is currently well above the national average. In FY 2017/18 the City intends to pave 8.5 centerline miles of roadways and 3.5 miles of alleys. The project is projected to begin in early 2018, pending coordination with other Public Works assignments.</td>
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<td>25</td>
<td>Complete Municipal Area Network; consider fiber optic applications beyond City needs</td>
<td>1</td>
<td>The MAN is the Municipal Area Network, a buildout of fiber optic cabling throughout the City Hall campus. Throughout the years, it has been extended to the business triangle (CCTV &amp; Wi-Fi), large intersections (CCTV/ALPR initiatives), the BHUSD, and now, with the FTTP project, extending to residential neighborhoods. In the past, the City has provided fiber / internet service to BHUSD. The City is now planning and building out the MAN to offer residents and businesses access to the City’s Municipal Area Network (internet services and potentially TV and telephone). This is known as the Fiber to the Premise Project (FTTP).</td>
</tr>
<tr>
<td>26</td>
<td>Complete Street Light Replacement Project</td>
<td>1</td>
<td>Street lights on select major thoroughfares and commercial districts have been upgraded with light-emitting diode (LED) luminaires. Plans to upgrade luminaires in residential areas are in development. Funds for this project have been earmarked in Capital Improvement Program #0200, LED Street Light Replacement Program.</td>
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<td>27</td>
<td>Support extension of the subway and preferred alignment</td>
<td>2</td>
<td>Metro Purple Line Extension is underway with the alignment under Wilshire and a station at Wilshire/Reeves.</td>
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<td>28</td>
<td>Promote City-wide upgrade/renovation to Class A office buildings</td>
<td>2</td>
<td>Planning is processing new projects in that are adding office space in the City.</td>
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<td>29</td>
<td>Continue to transfer funds to the Capital Improvement Program budget in order to address deferred maintenance and invest in opportunity projects for the future; implement Master Plans for Parks, Libraries, Street Trees</td>
<td>2</td>
<td>While there are currently no comprehensive Master plans for the City’s Parks or Library, the City continues to improve these amenities for the benefit of the community. In April of 2014, the new Roxbury Park Community Center opened, which included the development of an on-site satellite library. Further, in 2015 the playground equipment and park restrooms were replaced and a new Picnic Pavilion was added. The roof of the Roxbury Clubhouse is currently undergoing replacement. A community input meeting to discuss potential improvements to the La Cienega Park and Tennis Center sites occurred in December, 2015. Additionally, a meeting was conducted in early 2016 by the Community Development Department for the Southeast area of Beverly Hills, which included the Park and Tennis Center. Plans are underway to resume community outreach on this project beginning in late 2017. Additionally, the City continues to invest in upgrades and improvements to its Library including a new children’s area, opened in 2014. In 2015, CollectionHQ software was implemented which allows staff to analyze the collection, determine patron needs and preferences, and plan for future projects. New audio visual equipment was installed in the library auditorium in 2016, and renovations to the auditorium and the other meeting spaces are under consideration. The City continuously updates and maintains its trees on an ongoing basis. The park maintenance and urban forest divisions were moved from Community Services to Public Works in October of 2016. The Street Tree Master Plan continues, which includes the funding, maintenance and replacement scheduling for trees Citywide.</td>
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<td>30</td>
<td>Evaluate 2nd Phase Urban Design</td>
<td>3</td>
<td>The City continues to implement policies that contribute to a cohesive urban design and a vibrant public realm, including the creation of the City Architect and Urban Designer positions which assist in managing the design of both public and private projects. These persons facilitate architectural review to ensure high-quality design of private commercial and residential buildings, and public spaces in the City. These practices directly support the goals of the City’s General Plan to shape a livable City for future and existing residents and one that is attractive for future investment, through enhancing the livability of all neighborhoods by upgrading the quality of development and the quality of the public realm. Further, the City’s Community Development division is currently working to create a community plan for the southeast area of Beverly Hills which could include urban design enhancements in areas such as the site of the La Cienega / Wilshire Metro Purple Line station and along other commercial corridors in the southeast such as Robertson Blvd.</td>
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Attachment 3
Preparing Beverly Hills for the Next Generation of Luxury Consumers

Most cities that rely on tourism for economic vitality have destination marketing organizations working on their behalf. Many of these DMOs have developed strategic plans to guide their marketing efforts—all aimed at maximizing their local visitor economies over three-to-five-year time frames. Far fewer cities have the vision to take their planning efforts to the next level by engaging their stakeholders in tackling an important question: How can we ensure our destination is as relevant 15 years from now as it is today? Our proposed activities will deliver a blueprint that will answer this question for Beverly Hills by providing a clear, well-vetted destination development plan that will solidify the city’s success well into the future.

Why is this work important? It will allow Beverly Hills to:

- **√ Remain competitive**
  Competition on our city’s borders is significant and shouldn’t be underestimated. Meanwhile, visitor expectations and preferences for what constitutes a quality experience are shifting. This plan will help us to better understand the nature of these competitive pressures and specific steps we can take as a destination to be responsive to the next generation of travelers, enhancing the livability of our city while at the same time thoughtfully growing our tourism economy.

- **√ Make informed decisions**
  This plan can be used to inform policy decisions that support the evolving expectations of travelers, as well as attract the right investment dollars aimed at enhancing the overall Beverly Hills experience. For example, the Metro-Line construction will significantly impact the visitor experience during its construction and will likely impact visitor sentiment. We need a thorough long-term plan that carefully considers ways to protect the vibrancy of the many businesses in our community that depend on high visitor volumes.

- **√ Support our city’s economy for the long-term**
  Tourism is a significant economic driver for the City. Taking intentional steps to ensure a quality visitor experience, thoughtful development and our relevance as a destination will better position the sector to deliver well into the future.

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**Phase of Work**

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<tr>
<th>Get Clear</th>
<th>$35,400</th>
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<tbody>
<tr>
<td>Context, Goal-Setting, Defining Visitor Profiles and Refining Assessments</td>
<td></td>
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</table>

**Tasks/Deliverables**

- Immersion Session
- Develop Stakeholder Outreach/Engagement Plan
- Develop Detailed Project Plan
- Kickoff/Context Workshop
- Visitor Profile Workshop
- Refine Context Assessment
- Refine Visitor Profiles

**Get Focused**

$36,200

Determining and Shaping the Development of the Destination Over the Next 7-10 Years

- Vision Workshop
- Development Workshop
- Refine Vision
- Refine Development Recommendations
- Implementation Workshop
- Refine Implementation Plan
- Review and Adjust Marketing Plan for Inclusion

**Get Moving**

$26,100

Plan Implementation Methodology

- Draft Plan Documentation
- Final Plan Documentation
- Stakeholder Outreach/Roll-out

**Travel Estimate:** $7,000

- **Administrative (3%):** $2,930
- **Scope Contingency (10%):** $9,770

**Project Cost:** $117,400
A few of our Destination Marketing clients:

Consulting Team:

**Trever Cartwright**  
**Partner**  
Trever’s work focuses primarily on helping client organizations and their leaders get clear, get focused and get moving on their most important strategic, organizational and operational challenges. He also facilitates high-stakes, issue-based discussions with diverse stakeholder groups where reaching a common ground is imperative in order to move forward.

The founding partner of Coraggio Group, Trever’s diverse background includes nearly 10 years as co-owner of an advertising agency, and the leader of the national sales force for a Fortune 50 company. He is a published author and has been a guest lecturer at Harvard and Stanford Law schools, University of Oregon, Portland State University and for numerous professional associations, including the Association of Legal Administrators, Society for Human Resource Management, and the International Quality and Productivity Center.

Trever is certified in Prosci® change management methodology.

**Matthew Landkamer**  
**Principal**  
Matthew helps clients think through, better understand and then take action on their most important strategy, organizational change, and brand challenges. His art and design background, combined with hands-on business experience, allows him to bring a unique blend of creative design thinking and strategic rigor to each of his client engagements. He is a skilled facilitator and problem solver with an impressive ability to start the conversations that need to be had inside organizations, and among organizational leaders—the kind of conversations that lead to valuable insights, bold thinking and needed results.

Matthew has spent 18 years leading marketing and strategy initiatives for organizations of all sizes from large companies to small, entrepreneurial ventures. Matthew holds a B.A. degree from Nebraska Wesleyan University. He is certified in the Prosci® Change Management methodology, and has completed training in Public Interest Design through the Social, Economic, and Environmental Design (SEED) Network.

**Colin Stoezel**  
**Associate Principal**  
As an Associate Principal with our firm, Colin provides analytics, market research and insights that help our consultants with the development and execution of client strategy, operational improvements, and organizational assessments. On each project, Colin identifies and evaluates strategic priorities that drive meaningful, effective and sustainable solutions to organizational challenges.

Prior to joining Coraggio Group, Colin worked in a variety of analytical, strategic marketing, and planning roles for organizations like United Technologies, Bayer, Au Bon Pain, Daimler and the Massachusetts Division of Banks. His diverse experiences and rigorous analytic background provides Colin with the ability to look at every organizational challenge through multiple strategic lenses. He has a M.B.A from Northeastern University and a B.A. in Economics from the University of Massachusetts in Amherst.

**Alexandra Reese**  
**Associate Principal**  
Alexandra is an experienced consultant who applies her background in microeconomics and data analysis to construct data-driven strategic plans are grounded in insights and responsive to an organization’s capabilities and goals. On each engagement, she enjoys developing a strong partnership with her client to help determine the right path forward that addresses organizational goals, values and culture. She is a good listener and creative problem solver, who has the ability to analyze ambiguous problems, provide clarity, and develop a structured solution that ensures her client’s needs are met.

Prior to joining Coraggio, Alexandra was a Project Manager at ECONorthwest where she provided consulting services rooted in strategy and analysis for a diverse group of organizations like City of Tacoma, Downtown Seattle Association, and Washington D.C. Office of Motion Picture and Television Development. She has a B.S. in Economics and International Development from Hampshire College.
ATTACHMENT 4
February 9, 2021

Honorable Mayor Lester Friedman & Beverly Hills City Council
Beverly Hills City Hall
455 N. Rexford Drive
Beverly Hills, CA 90210

Re: Beverly Hills Economic Sustainability Plan

Dear Mayor Friedman and Members of the Beverly Hills City Council:

We thank the City Council, staff and stakeholders for their work in putting together an updated Economic Sustainability Plan. As we look to recover from the pandemic, it will be important to identify ways to continue to encourage people to work, live in and visit our great community. The plan contains a number of important and exciting ideas, including a continued focus on attracting and retaining top tier businesses, planning for the future LA Metro subway stations, and looking at ways to continue successful programs such as OpenBH and other strategies to enhance our business environment.

Thank you for your continued focus on these important issues and we look forward to working with you in the months ahead.

Sincerely,

Todd Johnson
President and CEO
Beverly Hills Chamber of Commerce