




Beverly Hills City Council Liaison / Small Business Assistance Task Force Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

**BEVERLY HILLS CHAMBER OF COMMERCE
9400 South Santa Monica Boulevard
2nd Floor Chamber Boardroom
Beverly Hills, CA 90210**

**Wednesday, June 26, 2019
8:30 AM**

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) Welcome, Introductions and Purpose of the Task Force
- 3) Recap of Last Meeting
- 4) Development of Recommendations
 - a. Parking
 - b. Street Beautification
 - c. Signage/Permitting
 - d. Foot Traffic
 - e. Other Areas
- 5) Next Steps
- 6) Adjournment



Lourdes Sy-Rodriguez, Assistant City Clerk

Posted: June 19, 2019

***A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE
LIBRARY AND CITY CLERK'S OFFICE***



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. The Beverly Hills Chamber of Commerce Boardroom is wheelchair accessible.

Item 4



CHAMBER
— of —
COMMERCE

From: Blair Schlecter, Vice President of Economic Development and Government Affairs, Beverly Hills Chamber of Commerce

To: Beverly Hills Small Business Task Force

CC: Laura Biery, Marketing and Economic Sustainability Manager, City of Beverly Hills; Todd Johnson, CEO, Beverly Hills Chamber of Commerce

Date: June 19, 2019

Re: Outline of Potential Areas for Recommendations to Beverly Hills City Council

The purpose of the Beverly Hills Small Business Task Force is to help attract and retain small businesses by identifying and solving potential challenges and opportunities for them.

Over the past several months, the Task Force has examined several categories of interest for small businesses: Parking, Street-Front Beautification, Signage, Permitting and Foot Traffic. The Task Force also examined existing and potential small business programming. At the next Task Force meeting (June 26, 2019 at 8:30am), the Task Force will work on developing a series of recommendations to help support small business in Beverly Hills that will then be taken to the Beverly Hills City Council for review.

The following is a short recap of the Task Force's work in each of the categories of interest as well as potential areas to develop recommendations. These areas are non-exclusive and the Task Force can identify other, different or additional recommendations.

Also attached as Exhibit C are the prior recommendations made by the Small Business Task Force during its first iteration starting in 2011 as well as an update on implementation of some of the recommendations.

A. Parking

Four significant action items the group discussed regarding parking were:

- 1) studying and/or lower parking requirements for businesses;

- 2) assessing how to more easily permit unused surface lots to be used for parking;
- 3) identifying ways to utilize valet zones; and
- 4) analyzing parking capacity and developing tools to more quickly disseminate and manage parking flow.

1. Studying/Lower City Parking Requirements

Several task force members discussed modifying parking requirements to make it easier for certain tenants to move in to Beverly Hills. At several other recent business meetings, including a Commercial Broker's Roundtable, several stakeholders mentioned that Beverly Hills might look at modifying parking requirements for commercial tenants to make the City more attractive from a business perspective.

The City of West Hollywood recently amended and lowered its parking requirements for a variety of reasons, including excess parking, increased use of ride-hailing services such as Uber/Lyft and an interest in attracting and retaining businesses.

Attached is a chart comparing Beverly Hills parking requirements to other cities on the Westside (Exhibit A) as well as a news article about West Hollywood's new parking requirements (Exhibit B).

2. Unused Surface Lots

The group also discussed ways to change zoning/permitting rules to make it easier to allow parking in as yet undeveloped surface lots. For example, one business was able to utilize spaces on the old "Friar's Club" site for a certain period of time while it was an unused lot.

3. Shared Valet Systems

The Task Force discussed challenges with certain parts of the City being difficult to park in and how to alleviate this condition.

Several merchants or cities have developed shared valet systems for blocks or districts within a City. See <https://west3rdstreet.com/parking/> and City of West Hollywood (which operates a City valet zone). Other communities have declined to implement such a plan as it did not appear to be an effective manner of dealing with the particular issue. The Chamber spent significant time examining potential zones and will report back at the June 26 meeting.

4. Analyzing Parking Capacity

The group discussed ways to analyze and adjust parking capacity and to dynamically price or adjust parking to permit additional capacity or to identify ways to more intelligently disperse or price parking throughout the day.

B. Street Front Beautification

Street Front Master Plan

Several task force members and meetings discussed an interest in developing a master plan for street-front beautification. This could include examining what types of trees are planted, creating a block by block vision or identifying common branding of signs, storefronts and the sidewalks.

C. Signage

Signage Fees for Existing Business Owners

The Task Force discussed concerns over the price of replacing/updating storefront signage to advertise a business. The group discussed the possibility of whether the City could offer a onetime discount on certain items to encourage store owners to refresh their storefronts.

Common Brand/Template

The Task Force discussed an interest in giving the City a common commercial look so that it can be branded, rather than having a mishmash of store fronts. The group agreed that this was an issue worth looking into further. The group also discussed the possibility of the City creating a pre-approved template for storefront signage that merchants could use without fear of violating the sign code.

Street Activity

The group discussed concerns over vacancies and an interest in filling vacancies as well as promoting new businesses that are coming to town or spaces that have been filled by an incoming tenant. The group could explore ways to promote such activities. Recently, commercial brokers also discussed the code limitations on signage on vacant buildings and the task force may want to discuss this item related to the appearance of vacant storefronts.

D. Permitting

The Task Force discussed at various points potential methods for streamlining certain permitting processes or working on creating better understanding for business owners.

The Task Force discussed the potential of creating a written guide or 1 sheet for businesses to navigate the permitting process. The Chamber currently has a pamphlet that guides business opening or maintaining a business in Beverly Hills and the group could look at supplementing or adding to this pamphlet with additional documentation.

E. Foot Traffic

The group discussed an interest in having more foot traffic, particularly on streets other than Rodeo Drive. The group discussed how to improve foot traffic and the overall appeal of streets and neighborhoods. The Task Force was advised by several brokers that anchor tenants, such as the new Greek Restaurant Avra, can revitalize a street. Similarly, Bedford Drive has become branded as a “wellness street.” Similar efforts are needed elsewhere.

The group discussed that the City can encourage foot traffic by developing Uber/Lyft pick up and drop offs and bringing tour buses back to the Golden Triangle. Other ideas the City could pursue are more pop ups, bringing more experiences to the City, and streamlining the permitting process.

F. Small Business Programming

The group discussed the various small business support services offered by the Chamber of Commerce through its partnership with the City. The Task Force made several recommendations, including marketing the Small Business Development Center services more widely and cross promoting businesses involved in the My Beverly Hills program with other business support services.

The group also discussed having a designated business concierge (what used to be called business ombudsman) which would be a designated person that develops a step-by-step guide to help businesses open and it would become a long-term relationship to make sure the business thrives.

Exhibit A



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Parking Requirements by City (per 1,000 square feet)

<u>Business Type</u>	<u>West Hollywood</u>		<u>Beverly Hills</u>	<u>Culver City</u>	<u>Santa Monica</u>
	<u>Old</u>	<u>New</u>			
Restaurant	9	3.5	22	10	5
Retail	3.5	2	2.9	2.9	3.3
Gym	10	3	10	5	3.3
Com. Office	3-3.5	1-2	2.9	2.9	3.3

Exhibit B

How much did West Hollywood cut commercial parking requirements?

By David Warren | Business, Transportation | 13 December 2018

*[Note: Article available at <http://wehobythenumbers.com/2018/12/13/how-much-did-west-hollywood-cut-commercial-parking-requirements/>]

Short answer: 0% to 70% depending on the type of business and up to 100% for some businesses moving into smaller spaces

West Hollywood, like many cities, requires new businesses and new developments with commercial space to provide a minimum amount of commercial off-street parking. The business or developer can provide more than the minimum if they want. The parking can be on-site, in a nearby lot, or in City-owned parking. The minimum is based on the type of business and its physical size. A bar needs more parking spaces than a retail shop of the same square footage.

West Hollywood recently decided to cut the minimums. It was an important decision. If the minimums are too high, they may hurt economic development and keep storefronts empty. If they're too low, more visitors and workers may park in residential neighborhoods (especially during the day) and some visitors might avoid West Hollywood. The City is trying to find the right balance.

Cuts by type of business

Parking requirements are being reduced in two ways. First, the minimum number of spaces is being cut up to 70% for most types of businesses. For example, the City is cutting the minimum from 15 spaces per 1,000 square feet for bars to 5, 10 to 3 for gyms, 9 to 3.5 for restaurants, 4 to 2 for personal training facilities, and 3.5 to 2 for general retail (including grocery stores). The requirement for hotels is going from 1 to 0.5 per room.

	GENERAL RETAIL	HEALTH/ FITNESS FACILITIES	PERSONAL HEALTH/FITNESS FACILITIES	HOTELS	NIGHT CLUBS/ BARS	RESTAURANTS
Parking Rate Approach	PER 1000 SF	PER 1000 SF	PER 1000 SF	PER GUEST ROOM	PER 1000 SF	PER 1000 SF
CURRENT REQUIREMENTS	3.5	10	4	1	15	9
PROPOSED REQUIREMENT	2	3	2	0.5	5	3.5

Source: City of West Hollywood, staff report to the City Council, November 5, 2018.

That’s a 70% cut for gyms, 67% for bars, 61% for restaurants, 50% for hotels and personal training facilities, and 43% for general retail. The minimums aren’t being reduced for schools, childcare and adult care facilities, and service stations.

REDUCTION IN THE MINIMUM NUMBER OF COMMERCIAL OFF-STREET PARKING SPACES REQUIRED IN WEST HOLLYWOOD

type	% cut in parking minimum
Gym	70%
Bar	67%
Restaurant	61%

type	% cut in parking minimum
Hotel	50%
Personal training	50%
General retail	43%
Office	43%

Sources: City of West Hollywood; our analysis.

Cut by size of business

There is a second cut for some businesses that move into smaller, previously-occupied spaces of less than 6,000 square feet. Those businesses won't have to provide any more parking than the prior business did. That's true even if the new business is more parking-intensive or if the prior business didn't provide any parking. It's a reduction of up to 100%. It covers three-quarters of the city's smaller commercial spaces (those under 10,000 square feet).

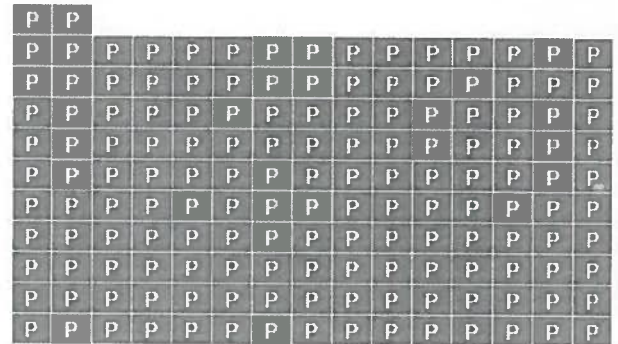
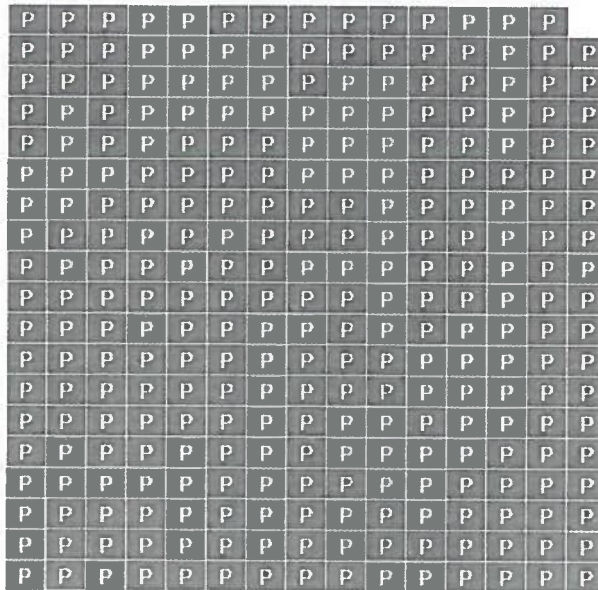
Grocery store example

We'll use a grocery store to illustrate the size of the cuts. When the current Pavilions was built, it was required to have 284 parking spaces for the store and adjacent commercial building. Today, we estimate a similarly-sized project would require roughly 152 spaces, about half as many. Whether to build more would be up to the developer.

ILLUSTRATION: PARKING REQUIRED FOR A PAVILIONS-LIKE DEVELOPMENT

Old minimum = 284

New minimum = 152 (estimated)



Sources: City staff report, November 5, 2018; City Council resolution 07-3566; Traffic Impact Study for Pavilions, February 2, 2007; our analysis.

Expected benefits

The City expects multiple economic development and other benefits. We've put them in five categories:

- **Jobs and tax revenue from new businesses:** The City believes the old parking requirements were “commonly a deal breaker for would-be businesses” thinking of entering the city.
- **Fewer vacant commercial spaces:** More businesses starting in (or moving to) the city means fewer vacant commercial spaces. Vacant storefronts, in particular, are considered undesirable.
- **Help for existing businesses:** While the changes have been described as “prospective,” existing businesses will be able to apply for a reduction in their parking requirements. It might save

money for businesses that pay a private parking operator or the City for spaces. It could also allow a business with substantial unused parking to free it up for other businesses.

- **Lower development costs:** “Given the significant cost of constructing parking facilities [tens of thousands of dollars per space], particularly structured and subterranean parking, the...amendments have the potential to reduce the cost of new development in West Hollywood.” The staff report doesn’t say who will capture the benefit of lower development costs.
- **Increased sustainability and preservation:** By encouraging re-use of existing buildings, the changes may reduce demolitions and new construction, which are environmentally less desirable than re-use.

On the flip side, the City staff believes that any potential impact on residential neighborhoods can be handled through existing procedures for residents to request parking restrictions on their streets.

Justifications for lower minimums

In addition to the expected benefits, the City argues that lower minimums are appropriate on technical grounds. We can summarize their arguments as:

- The old minimums were too high because they were meant to provide ample parking in suburban areas, not the right amount of parking for an urban area like West Hollywood
- Commercial parking demand in general has declined in West Hollywood
- West Hollywood’s old minimums were higher than “most cities in our region”
- Recent studies of specific West Hollywood businesses show parking demand below the old minimums for some business types

We’ll focus on the third and fourth arguments below.

Minimums versus other cities

We compare West Hollywood's minimums for selected business types to Beverly Hills, Culver City, Pasadena, and Santa Monica in the table below. We think the best comparisons are of West Hollywood's standard requirements to the standard requirements in the other cities. Some of those cities have lower requirements for special areas (e.g., Downtown Santa Monica). Our perspective is that those special areas differ from West Hollywood's situation in important ways, such as better transit service (rail) and greater separation from residential neighborhoods. That's why we prefer the standard-to-standard comparisons.

MINIMUM NUMBER OF COMMERCIAL OFF-STREET PARKING SPACES PER 1,000 SQUARE FEET (OR PER HOTEL ROOM)

	West Hollywood		Citywide except in special areas				Old Town	Downtown
	Old	New	Beverly Hills	Culver City	Pasadena	Santa Monica	Pasadena	Santa Monica
Bar	15	5	36	10	10	20	7.5	0
Restaurant (tbl svc, 5k sq ft)	9	3.5	22	10	10	5	7.5	0
Gym	10	3	10	5	5	3.3	3.8	0
Grocery store	3.5	2	2.9	2.9	4	4	3	0
Retail (general, 2,500+ sq ft)	3.5	2	2.9	2.9	3	3.3	2.3	0
Office (non-medical)	3 - 3.5	1 - 2	2.9	2.9	3	3.3	2.3	0
Hotel (per guest room)	1	0.5	1	1+	1	1	0.75	0

 West Hollywood's old minimum was higher than Beverly Hills, Culver City, Pasadena, and Santa Monica

 West Hollywood's new minimum is lower than Beverly Hills, Culver City, Pasadena, and Santa Monica (except downtown)

Note: (1) For completeness, we have included the minimums for two special areas, Old Town Pasadena and Downtown Santa Monica, but we prefer the standard-to-standard comparisons. (2) There are no parking minimums in Downtown Santa Monica. Sources: City of West Hollywood staff report, November 5, 2018; city websites; our analysis.

The numbers suggest that:

- West Hollywood's new minimums are lower than the other cities for all of the business types we examined. They are even lower than Pasadena's special Old Town minimums.
- West Hollywood's old minimums for bars, restaurants, grocery stores, and hotels weren't the highest.

- West Hollywood's old minimums for retail stores and non-medical offices were the highest (6% higher than the second highest).

The City's consultant put together a similar table (see below). However, they chose to compare West Hollywood to special areas and to a number of cities outside the region. We assume their table was the basis for the argument that the City's minimums are higher than "most cities in our region."

Table 3. Parking Requirement Comparisons		DENSITY	GENERAL RETAIL	HEALTH/FITNESS FACILITIES	PERSONAL HEALTH/FITNESS FACILITIES	HOTELS	NIGHT CLUBS/BARS	RESTAURANTS
		PERSONS PER SQ. FT.	PER 1,000 SF	PER 1,000 SF	PER 1,000 SF	PER GUEST ROOM	PER 1,000 SF dance floors not included	PER 1,000 SF
WEST HOLLYWOOD-CURRENT RATES		18.4	3.5	10	4	1 retail, restaurant, & conference uses (only) or 30% of required parking	15 25,000 SF for dance floors	≤1200 SF = 3.5 >1200 SF = 9
LOCAL PARKING DEMAND DATA		-	2 - 4.4	Research Underway	Research Underway	0.4 - 1.5	No Data Collected	2 - 6.3
WEHO PARKING STUDIES								
ITE REQUIREMENTS								
NATIONAL DATA PARKING DEMAND		-	1.7 - 4.8	1.8 - 11	-	0.9 - 1.6	-	3 - 12.4
ITE PARKING GENERATION								
COMPARISON TO OTHER CITIES								
HIGHER REQ.	BEVERLY HILLS, CA	6.0	2.9	10	5	1	36	2.9 if < 1,000 SF (up to 8,000 SF = 22) 15 if > 8,000 SF
	LAGUNA BEACH, CA	2.6	4	10	4	1 1/15 rooms, up to 80% of ancillary uses + employees	10	10 for 1/3 seats minimum of 5 + employees
DATA DRIVEN/RIGHT-SIZE PARKING	SANTA MONICA, CA DOWNTOWN COMMUNITY PLAN AREA - MARKET-RATE	11.0	2 if ≤ 5,000 SF 3.3 if > 5,000 SF	2 if ≤ 5,000 SF 3.3 if > 5,000 SF	2 if ≤ 5,000 SF 3.3 if > 5,000 SF	0.5 + 1/250 SF for banquets + 50% of required parking for ancillary uses	2	2 if ≤ 5,000 SF 3.3 if > 5,000 SF
	PASADENA, CA OLD TOWN PASADENA	6.2	2.25	3.75	2.25	0.75 + 7.5 /1,000 SF of banquet or restaurant (up to 5,000 SF and then 2.5 /1,000 SF)	21	7.5
	BELLEVUE, WA DOWNTOWN MIXED-USE ZONE	3.8	3.3 - 5	-	2 - 3	0 - 2	10	0 - 20
	PORTLAND, OR CENTRAL CITY	4.4	1 - 2	3	2	1	4	4
MARKET DRIVEN/MIN REQ.	SAN FRANCISCO, CA	18.9	2 spaces 5,000 - 20,000 SF then 4 /1,000 SF	5 if > 5,000 SF	2 spaces 5,000 - 20,000 SF then 4 /1,000 SF	1 /16 bedrooms if > 23	5 if > 5,000 SF	5 if > 5,000 SF
	SAN DIEGO, CA GASLAMP PLANNED DISTRICT	5.0	No Parking Minimums (Maximum of 1 / 400 SF for Commercial Uses)					

Notes: (1) The numbers shown for Downtown Santa Monica are actually maximums. There are no minimums. (2) We don't know whether the cities outside the region have parking demand similar to West Hollywood. Sources: City of West Hollywood, staff report to the City Council, November 5, 2018.

Parking demand for specific West Hollywood businesses

The City's consultant collected parking use data for a number of West Hollywood businesses. For example, the counts for restaurants ranged from 2.5 occupied spaces per 1,000 square feet at Tenmasa on the weekend to 6.3 for restaurants at 9200 Sunset on weeknights. The one grocery store studied, Trader Joe's, used 3.2 spaces on weekdays and 4 on weekends.

	RETAIL/ RESTAURANT	LAND USE	SUPPLY	WEEKDAY PEAK DEMAND	WEEKEND PEAK DEMAND	WEEKDAY RATE / 1000 SF	WEEKEND RATE / 1000 SF
Sunset Strip	Mel's Drive-In & Westime	Drive in Diner	41	15	21	3.2	4.5
		Drive in Diner & Retail Use (Mixed Use)	41	20	24	2.1	2.6
	State Social House, Serafina, Warren Tattoo, & Law Office	Pub, Restaurant, Retail, and Office (Mixed Use)	37	27	16	2	1.2
	Tenmasa	Sit-Down Restaurant	23	20	11	4.5	2.5
	9200 Sunset	Mixed Use (Entertainment Office + High-End Restaurant)	152	130	70	0.4	0.2
		Restaurant (after 6PM)	152	82	70	6.3	5.4
East Santa Monica	Sunset Retail Corner	Mixed Use Retail + Café + Office	49	34	44	2.9	3.7
	Trader Joes	Grocery Store	74	48	60	3.2	4
	West Hollywood Gateway	Shopping Center	1117	561	509	2.2	2

Source: City of West Hollywood.

The consultant also reported a range for three types of businesses, based on West Hollywood parking studies. The ranges were 2 to 6.3 spaces per 1,000 square feet for restaurants, 2 to 4.4 for retail (including grocery stores), and 0.4 to 1.5 per guest room for hotels.

Minimums chosen

Based on their work, the consultant recommended a “data-driven/right-size” range for at least five business types. They were 5 to 10 for bars, 3.5 to 6.5 for restaurants, 3 to 5 for gyms, 2 to 3.5 for retail, and 0.5 to 0.85 for hotels. The top ends of the retail and hotel ranges were lower than the study results. The restaurant range was higher than the study results.

EVOLUTION OF THE DATA-DRIVEN MINIMUMS				
	<u>West Hollywood parking studies</u>		<u>Consultant's recommendation</u>	<u>City's new minimum</u>
Bar			5 - 10	5
Restaurant	2 - 6.3		3.5 - 6.5	3.5
Gym			3 - 5	3
Retail	2 - 4.4		2 - 3.5	2
Hotel	0.4 - 1.5		0.5 - 0.85	0.5

Source: City of West Hollywood; our analysis.

The City chose the low end of each range for its new parking minimums: 5 for bars, 3.5 for restaurants, 3 for gyms, 2 for retail, and 0.5 for hotels.

Exhibit C



STAFF REPORT

Meeting Date: March 6, 2012
To: Honorable Mayor & City Council
From: Mahdi Aluzri, Assistant City Manager
Megan Roach, Marketing & Economic Sustainability Manager *MR*
Angie Molina, Special Assistant to City Manager *AM*
Subject: Report of Findings and Recommendations from the Small Business Task Force
Attachments: 1. Report

INTRODUCTION

This report provides an overview of the work completed by the Small Business Task Force and their recommended action items to retain and attract small businesses to Beverly Hills.

BACKGROUND

In response to a request by Vice Mayor Brien and Councilmember Gold, the City Council at their July 7, 2011 study session discussed the City's current and prospective efforts and initiatives related to business retention and attraction. The concern is primarily focused on the high retail vacancy the City has experienced in certain commercial areas as a result of the economic downturn.

The City Council discussed current approaches for achieving a robust business attraction and retention program and provided direction on program ideas to consider for small businesses. To spearhead this effort, Mayor Brucker appointed Councilmember Gold as the Chair of a new task force to examine small business assistance opportunities. In general, a small business is one that is independently owned and operated, is organized for profit, and is not dominant in its field.

The mission of the Small Business Task Force is to evaluate what the City can do to retain and attract small businesses in Beverly Hills. Each Councilmember nominated

individual(s) to serve on the Task Force based on their expertise on the subject and their commitment to the business community. Members of the Task Force include:

- Bobbie Greenfield, *Beverly Hills Brownie Company*
- Tom Korey, *First Property Realty*
- Dar Mahboubi, *The Rodeo Collection*
- Jodie Robinson, *Anne Michelle*
- Brian Rosenstein, *Keiler Holdings & Beverly Hills Planning Commissioner*
- Shawn Saeedian, *Beverly Hills Market*
- Tawny Sanders, *Beverly Hills Courier*
- Lee Silver, *Ervin Cohen & Jessup*
- Alex Stettinski, *Beverly Hills Chamber of Commerce*
- Joe Tilem, *Dawson Tilem & Gole & Former Mayor of Beverly Hills*
- Bill Wiley, *CPM®, Director, CBRE, Inc. Two Rodeo Drive & Chairperson, Beverly Hills Conference and Visitors Bureau Board of Directors*
- Mitch Dawson, *Dawson Tilem & Gole*
- Arnold Rosenstein, *New Pacific Realty Corporation*
- Bruce Schulman, *Mercedes Benz of Beverly Hills*

At their initial meeting on September 13, 2011, Councilmember Gold and the Task Force members developed the following objectives to achieve the mission statement and direct their work effort:

- Review current retail and office business vacancy rates in key commercial areas throughout the city;
- Identify existing challenges for keeping small businesses in Beverly Hills and barriers for bringing new small businesses into the city;
- Review best practices of programs for small businesses in other municipalities;
- Develop options based on analysis and assessment of feasible solutions to overcome identified barriers; and
- Provide recommendations, based on the options evaluated, to the City Council, for programs to retain and attract small businesses in Beverly Hills.

DISCUSSION

Over the course of five meetings, the Task Force discussed existing barriers to small business retention and attraction and grouped the barriers into five categories. The Task Force discussed the feasibility of prioritizing areas for order consideration, but ultimately decided that they are all equal. Accordingly, these categories are considered equal in terms of their importance and value to retaining and attracting small businesses.

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

After the Task Force identified the barriers and aggregated them by category, staff researched and developed potential solutions to them. These potential solutions were

analyzed and assessed for feasibility from both a fiscal and legal perspective. They were then presented to the Task Force for their review and additional recommendations.

The Task Force identified a total of twenty-one recommendations for possible implementation to retain and attract small businesses in Beverly Hills. The recommendations are included as Attachment No. 1 to this report. Recognizing that these recommendations cannot all be implemented at the same time, a multi-year horizon was suggested based on their feasibility for implementation.

FISCAL IMPACT

For the current fiscal year, the Business Development Program account 0101313 includes \$77,000 to fund new business attraction and retention initiatives. An additional \$77,000 will be available next fiscal year should the City Council approve the same level of funding. In addition, several Task Force recommendations are capital projects and funding for these projects will be proposed as part of the City's five-year Capital Improvement Program, which will be included in the proposed Fiscal Year 2012-2013 budget for City Council consideration, prioritization and adoption.

RECOMMENDATION

It is recommended that the City Council discuss the findings and recommendations from the Small Business Task Force and provide direction as appropriate.



Approved By
Mahdi Aluzri
Assistant City Manager

Attachment 1



City of Beverly Hills

Small Business Task Force

Report of Findings and Recommendations

March 6, 2012

Members of the Small Business Task Force

Councilmember Julian A. Gold, MD

Bobbie Greenfield, *Beverly Hills Brownie Company*

Tom Korey, *First Property Realty*

Dar Mahboubi, *The Rodeo Collection*

Jodie Robinson, *Anne Michelle*

Brian Rosenstein, *Keiler Holdings & Beverly Hills Planning Commissioner*

Shawn Saeedian, *Beverly Hills Market*

Tawny Sanders, *Beverly Hills Courier*

Lee Silver, *Ervin Cohen & Jessup*

Alex Stettinski, *Beverly Hills Chamber of Commerce*

Joe Tilem, *Dawson Tilem & Gole & Former Mayor of Beverly Hills*

Bill Wiley, CPM®, *Director, CBRE, Inc. Two Rodeo Drive & Chairperson, Beverly Hills Conference and Visitors Bureau Board of Directors*

Mitch Dawson, *Dawson Tilem & Gole*

Arnold Rosenstein, *New Pacific Realty Corporation*

Bruce Schulman, *Mercedes Benz of Beverly Hills*

City Staff Liaisons

Mahdi Aluzri, *Assistant City Manager*

Angie Molina, *Special Assistant to City Manager*

Megan Roach, *Marketing & Economic Sustainability Manager*

Contents

Overview & Mission

Objectives

Process

Summary of Task Force Recommendations

Overview

In response to a request by Vice Mayor Brien and Councilmember Gold, the City Council at their July 7, 2011 study session discussed the City's current and prospective efforts and initiatives related to business retention and attraction. The concern is primarily focused on the high retail vacancy the City has experienced in certain commercial areas as a result of the economic downturn.

The City Council discussed current approaches for achieving a robust business attraction and retention program and provided direction on program ideas to consider for small businesses. To spearhead this effort, Mayor Brucker appointed Councilmember Gold as the Chair of a new task force to examine small business assistance opportunities. Each Councilmember nominated individual(s) to serve on the task force based on their expertise on the subject and their commitment to the business community.

Mission

The mission of the Small Business Task Force is to evaluate what the City can do to retain and attract small businesses in Beverly Hills. In general, a small business is one that is independently owned and operated, is organized for profit, and is not dominant in its field.

Objectives

Councilmember Gold and members of the Task Force developed the following objectives to achieve the mission statement and direct their work effort:

- Review current retail and office business vacancy rates in key commercial areas throughout the city;
- Identify existing challenges for keeping small businesses in Beverly Hills and barriers for bringing new small businesses into the city;
- Review best practices of programs for small businesses in other municipalities;
- Develop options based on analysis and assessment of feasible solutions to overcome identified barriers; and
- Provide recommendations, based on the options evaluated, to the City Council, for programs to retain and attract small businesses in Beverly Hills.

Process

The first meeting of the Small Business Task Force was held in September 2011. Staff provided an overview of the City's current approaches for achieving a robust business attraction and retention program, which includes those initiatives outlined in the five-year Economic Sustainability Plan, among others. In addition, staff provided the Task Force with retail and office vacancy data, which the City tracks on a quarterly basis to identify trends and opportunities and to gain important insights into the local Beverly Hills economy.

In the fourth quarter of 2011, the City's business triangle experienced a retail vacancy rate of less than 5%; however, the vacancy rate citywide was approximately 13%. This citywide vacancy rate is much higher than our historical average and has a disproportionate impact on areas outside of the business triangle where many small businesses are located. As a result, several of the Task Force's recommendations focus on areas such as S. Beverly Drive and S. Robertson Boulevard. The Task Force also coordinated with the City's Southeast Revitalization Task Force to ensure their recommendations for improvements to these areas did not conflict.

During their next two meetings, the Small Business Task Force discussed existing barriers to small business retention and attraction and grouped the barriers into five categories. The categories are considered equal in terms of their importance and value to retaining and attracting small businesses.

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

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

The Task Force identified a total of twenty-one recommendations for possible implementation to retain and attract small businesses in Beverly Hills. Recognizing the need to act quickly to address the needs of the small business community in today's economic climate, efforts are already underway in a number of these areas.

Summary of Task Force Recommendations

Physical

Barrier #1 - Insufficient parking structures and limited long-term and inexpensive parking

Proposed Solution	Estimated Cost	Status/Timeline
Design/Develop GIS Parking Demand Model – to predict how changes in area land use and parking supply impact overall parking demand with relationship to current capacity and occupancy. A dynamic tool that can be used in future evaluations of development or redevelopment projects, multimodal transportation enhancements, or decisions on management/allocation of parking resources.	\$70,000	Project was presented to the City Council on February 7, 2012. Project timeline is 9 to 12 months.
Create a Parking Strategic Plan – develop strategies to maximize existing parking resources through public/private partnership opportunities, a citywide parking valet service, among others. Also, review monthly parking fee structure and develop strategies for moving monthly parking to perimeter facilities away from congested garages primarily serving retail shoppers.	TBD	Spring 2013
Parking Facilities Maintenance – budget capital dollars for the ongoing maintenance of the City's parking structures to ensure quality and cleanliness for patrons. The recently completed Crescent Parking Structure is the standard for quality and cleanliness.	TBD	Proposed as part of the Five Year Capital Improvement Program.

Barrier #2 - Vacant retail space in areas outside of the Business Triangle

Proposed Solution	Estimated Cost	Status/Timeline
Develop a Vacant Storefront Beautification Program – a program for un-leased retail space that will include design options provided by the City along with regulations for consistency and maintenance. Also, explore the feasibility of a program with the School District and/or private schools to display artwork from local students.	TBD	Program development will begin in Spring 2012 in coordination with Community Development and the Architectural Commission.

Conduct Broker Roundtable Meetings – the City's agreement with the Chamber of Commerce includes two broker roundtable meetings, which will allow for dialogue and information sharing between brokers, the Chamber and the City to explore ideas for addressing vacant spaces.	N/A	First broker roundtable was held on February 14, 2012. The second will occur in Spring 2012.
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Experience

Barrier – Lack of pedestrian ambiance and experience (in particular S. Beverly and S. Robertson)

Proposed Solution	Estimated Cost	Status/Timeline
Public Art for Commercial Areas – explore the use of fine arts funding to create a program for artists to design and submit public art concepts for the City's commercial areas. Develop a pilot program for public art/bike racks for the four street corners at S. Beverly Drive and Charleville.	\$20,000	Pilot program to be presented to the Fine Arts Commission in Spring 2012.
Revitalize Merchant Associations By Exploring Opportunities for Business Improvement Districts – begin a 'grassroots' effort in targeted areas for BIDs to provide events and experiences.	TBD	Staff will work with the Chamber on this initiative for FY 2012/13.
Visitor Experience Programs – look into recreating the tour guide program to welcome visitors to Beverly Hills. Also explore self-guided tours through podcast/smart phone technology and look at integrating the Beverly Hills trolley program with tour bus operators.	TBD	Program feasibility will be discussed with Chamber and CVB in conjunction with launch of new Visitor Center.
Citywide Way finding Program – create a citywide directional signage 'way finding' program for the business triangle and other commercial areas. Identify business districts, cultural landmarks, historical buildings, and look at placement of City flag on Visitor Center. Explore improved directional and space availability for the City's parking structures.	\$300,000	Proposed as part of the Five Year Capital Improvement Program.
Replace Trees on S. Beverly and S. Robertson – replace ficus trees with palm trees for consistency with business triangle and replace cement tree bases with decorative grates.	\$1,588,000	

Improve Sidewalk Quality on S. Beverly, S. Robertson and Little Santa Monica – improve the aesthetic quality of the sidewalk.	TBD	
Mid-Block Crosswalks for S. Beverly – conduct a needs assessment to study the need, benefit and impact of mid-block crosswalks for the 100 and 300 blocks of S. Beverly Drive.	\$20,000	

Process

Barrier – Lack of a seamless and effective permitting and review process to attract and retain businesses

Proposed Solution	Estimated Cost	Status/Timeline
Mayor's Government Efficiency Task Force – implement the Task Force recommendations to improve the efficiency of the City's development review and permitting process.	TBD	Recommendations presented to City Council on December 19, 2011.
Permit Fees Estimate Tool – develop a tool for small business applicants to estimate permit fees based on valuation of work and other factors so that applicants have a fee estimate earlier in the process to include in their project budget and have a better understanding for how the fees are calculated. Work with Community Development to bring awareness to the new online tool.	N/A	This solution will be addressed through the recommendations of the Mayor's Government Efficiency Task Force.
Create a New Business Checklist – create a checklist that includes the steps involved with opening a new business in Beverly Hills, including key City staff contacts and resources specific to small businesses. The guide will be available at City Hall and on the website.	None	Summer 2012

Economics

Barrier #1 – Undercapitalized small businesses and lack of financial incentives

Proposed Solution	Estimated Cost	Status/Timeline
Explore Financial Incentive Programs – look at the feasibility of providing financial incentive programs including loans/grants and fee deferrals for small businesses. Staff will develop case studies, perform tax analysis and provide recommendations for financial incentive programs. This will also include an analysis of the cost recovery fees associated with the establishment of a business (processing of permits, etc).	TBD	Fall 2012 to develop case studies and perform analysis.

Barrier #2 – Perception that taxes are higher in Beverly Hills

Proposed Solution	Estimated Cost	Status/Timeline
Develop a Cost of Doing Business Comparison Report – report will compare tax rates in Beverly Hills to neighboring cities and will include business license taxes, sales taxes, property taxes, parking taxes, utility taxes, special assessments, and business improvement district taxes or fees. The report will be published under the Economic Development section of the City's website and shared with the broker community.	None	Report to be published in Spring 2012.

Local Preference


Barrier – Lack of emphasis on 'buy local' programs

Proposed Solution	Estimated Cost	Status/Timeline
Promote Small Business Saturday – utilize Chamber and City resources to promote the American Express 'Small Business Saturday' program in Beverly Hills.	\$5,000	November 2012 and each year thereafter.

Support the Chamber's Shop Local eNewsletter Program – provide marketing support for the Chamber's new Shop Local Program, which provides exclusive offers for Beverly Hills residents and businesses, along with special events and package deals for subscribers.	None	Ongoing
Shield Licensing/Branding Program – explore a program to 'license' the Shield to businesses based in Beverly Hills to promote these local businesses.	TBD	Recommended work plan in Policy & Management's FY 2012/13 budget.
Promote New Businesses – recognize new Beverly Hills businesses at City Council Meetings to provide a welcome and awareness of the business to the community.	None	Ongoing
City Purchasing Agreements – review existing City purchasing agreements to determine if there is an opportunity for the City to 'buy local'.	None	Fall 2012



STAFF REPORT

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

INTRODUCTION

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

BACKGROUND

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

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

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

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

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

DISCUSSION

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

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

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

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

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

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

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

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

1. Physical

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

2. Experience

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

3. Process

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

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

4. Economics

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

5. Local Preference

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

FISCAL IMPACT

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

RECOMMENDATION

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

Mahdi Aluzri
Approved By