



Grow Long Beach Initiative Update & Other Revenue Opportunities

Budget Oversight Committee

September 3, 2024



CITY OF
LONG BEACH

Grow Long Beach: Report on Key Economic Development Strategies

- **In January 2023, Mayor Rex Richardson outlined key strategies to grow the local economy and identify pathways to transition from oil production**
- **In March 2023, City Council requested City staff to develop strategies, policies and benchmarks to:**
 - Propel the growth of key sectors
 - Secure Long Beach's financial future
 - Support recruitment, growth and retention in the city's economy
 - Expand city's tax base and good paying jobs to offset oil production revenues
 - Bolster and grow key industry sectors

Grow Long Beach: Diversifying the City's Economy and Revenue Streams

The Grow Long Beach Initiative is an opportunity to:

- Advance economic development by diversifying and building an economy where everyone thrives
- Explore alternative revenue streams to move away from reliance on oil revenue

Focus on six industry sectors:

- Fueling our Aerospace and Aviation
- Building the Transportation, Logistics and Supply Chain
- Unleashing the Creative Economy Through Music, Athletics, Tourism and Hospitality
- Economic Development Through Healthcare and Education
- Building a Climate-Forward Economy
- Grow Long Beach Together: Other Citywide Initiatives

Fueling Our Aerospace and Aviation Sectors



Grow Long Beach: Fueling Our Aerospace and Aviation Sectors

- **Strategy 1.1:** Activate former 16-acre site located at Long Beach Airport with JetZero
- **Strategy 1.2:** Activate a vacant 17-acre site at Long Beach Airport
- **Strategy 1.3:** Identify an additional leased space to grow space industry
- **Strategy 1.4:** Identify and attract an additional space company headquarters
- **Strategy 1.5:** Exploration of an Enhanced Infrastructure Financing District
- **Strategy 1.6:** Continue exploration of future advanced air mobility
- **Strategy 1.6:** Activate Goodman property buildings with a major employer
- **Strategy 1.7:** Activate Pacific Pointe West at Douglas Park

Grow Long Beach: A New Chapter of Innovation and Opportunity



Building the Transportation, Logistics and Supply Chain of the Future



PORT OF LONG BEACH

- **SECOND-BUSIEST U.S. PORT**
- **THRIVING ECONOMIC ENGINE**
- **PORT-CONNECTED JOBS:**
 - **51,000 JOBS (1 IN 5 IN LONG BEACH)**
 - **575,000 IN 5-COUNTY REGION**
 - **705,000 IN CALIFORNIA**
 - **2.6 MILLION IN U.S.**

Grow Long Beach: Building the Transportation, Logistics and Supply Chain

- **Strategy 2.1:** \$2.2 billion in Port infrastructure over the next 10 years to fuel green cargo movement and logistics business
- **Strategy 2.2:** Pier B on-dock rail investment for \$1.5 billion state-of-the-art facility
- **Strategy 2.3:** Conduct a review of UUT use to ensure appropriate collection
- **Strategy 2.4:** Identify and attract an additional space company headquarters to the city
- **Strategy 2.5:** \$225 million investment in zero-emissions projects
- **Strategy 2.6:** Development of Pier Wind (exploration of sales and use tax point of sale)
- **Strategy 2.7:** Hydrogen hub alternative fuel source for shipping engine

Unleashing the Creative Economy Through Music, Athletics, Tourism and Hospitality



Grow Long Beach: Unleashing the Creative Economy

Second-largest job sector

13% | 15,000+ jobs

- Award-winning meeting and convention facilities
- 2023 record bookings: 65% increase from 2022
- Queen Mary and the waterfront; Live Music and Entertainment Destination
- Continue investment in convention center, arena, and new amphitheater project
- Leverage sports, recreation and special events
- Comprehensive approach to tourism development



Grow Long Beach: Hotel Development Opportunities

Citywide efforts to support future hotel development

- Citywide Hotel Room Inventory = 6,245
- Downtown Long Beach Hotel Inventory = 3,438
- Airport Hotel Inventory = 1,809
- Goal to add 1,000 hotel rooms by 2030
- Generate increased transient occupancy tax (TOT)
- Increase visitor and business traveler spending
- Attract conferences and conventions
- More jobs and greater economic vitality



Grow Long Beach: Unleashing the Creative Economy

- **Strategy 3.1:** Set a goal of up to 1,000 new hotel rooms in Long Beach by the Olympics
- **Strategy 3.2:** Explore partnerships with Carnival to operate cruise ships as hotels during major events
- **Strategy 3.3:** Completion and opening of the Fairmont Breakers Hotel
- **Strategy 3.4:** Construction of the Hard Rock Hotel in Downtown
- **Strategy 3.5:** Bring new sporting events to the city
- **Strategy 3.6:** Cultivate Long Beach as the most haunted place to be for Halloween
- **Strategy 3.7:** Completion of new amphitheater with up to 10,000 seats
- **Strategy 3.8:** Long-term Queen Mary Development Plan
- **Strategy 3.9:** Investment in the arena to attract additional special events

Grow Long Beach: Unleashing the Creative Economy

- **Strategy 3.10:** Pursue a Special Advertising District in the Downtown area
- **Strategy 3.11:** Partnership with Carnival to grow passenger counts and explore possibilities for additional vessels
- **Strategy 3.12:** Explore additional assets in the Queen Mary area in a potential joint-venture with Carnival and the Port
- **Strategy 3.13:** Continue revenue growth at the Queen Mary
- **Strategy 3.14:** Maximization of leases along the waterfront
- **Strategy 3.15:** Elephant Lot activation
- **Strategy 3.16:** Shoreline Village parking structure remodel and upgrade
- **Strategy 3.17:** Becoming a Live Music and Entertainment Destination

Economic Development Through Healthcare and Education Partnerships



CALIFORNIA STATE UNIVERSITY
LONG BEACH



Grow Long Beach: Healthcare and Education

- **Strategy 4.1:** Implementation of the \$1 Billion Memorial Care Master Plan
- **Strategy 4.2:** Fueling workforce development for the healthcare sector
- **Strategy 4.3:** Creation of a North Long Beach Education and Housing Hub
- **Strategy 4.4:** Pursuit of a Downtown university/college presence
- **Strategy 4.5:** Charter reform to create pathways for City employment for local students
- **Strategy 4.6:** Partnerships to build student housing and activate major centers and corridors through vibrant college housing
- **Strategy 4.7:** Maximizing the visibility and energy of CSULB athletics ahead of Olympics

Building a Climate-Forward Economy



Grow Long Beach: Building a Climate-Forward Economy

Strategy 5.1: Examine oil properties no longer needed and transition to private leases

Strategy 5.2: Creation of an Organics Material Processing Facility

Strategy 5.3: Review of clean energy ideas and positive transition of the THUMS assets

Strategy 5.4: Review existing regulations to better facilitate climate transition construction services

Strategy 5.5: Completion of the AES Circulation Pumps for continued activation of Alamitos Bay

Grow Long Beach Together



Grow Long Beach: Other Citywide Initiatives

Strategy 6.1: Perform additional Business License audits

Strategy 6.2: Host All Ready Here Site Selectors Conference in Long Beach

Strategy 6.3: Comprehensive assessment of the City's parking assets

Strategy 6.4: Comprehensive review of on-street parking approach

Strategy 6.5: Evaluation of Potential Economic Empowerment Zones (EEZs) through Tax-Increment Financing (TIF)

Strategy 6.6: Adopt zoning changes to implement the City's Land Use Element

Strategy 6.7: Promote home additions and remodels, pool installations, ADUs, etc.

Strategy 6.8: Activation of large properties to generate property and/or sales tax

Small Business is Big Business



Grow Long Beach: Telling Our Story

- **Targeted Industry Sector Profiles**
- **Long Beach Neighborhood Marketplace Profiles**
- **Long Beach “Vacancy to Vibrancy” Real Estate Map**
- **Entertainment Strategic Plan** for marketing and tourism efforts
- **Small business spotlights** in City newsletters and digital media platforms
- **Media features** and creative story pitching



Grow Long Beach: Delivering for Small Businesses

- **BizCare Program** offers support and technical assistance in multiple languages
- **Visual Improvement Program (VIP)** grants of up to \$1,500
 - 138 grants approved, totaling \$207,000
- **Capital Small Business Loan Program**
 - 131 active loans and \$2.9M in loan capital
- **Legacy Business Program**
- **ShopLB Local Customer Rewards Program**



Grow Long Beach: Delivering for Small Businesses

- **Level Up LB: Extreme Small Business Makeover and Grant Program**
 - \$10k grants for participating businesses
- **Inclusive Business Navigators**
 - Four local partners: Centro CHA, April Parker Foundation, United Cambodian Community, RightSource Services
- **Business Improvement Districts**
 - 10 BIDs support over 3,000 business and property owners across the city
 - \$1.45 million invested since 2022



Talent and Workforce Development



Grow Long Beach: Talent and Workforce Development

- **Making Long Beach a magnet for 21st century talent**
- Jobs in Long Beach = 230,000
- Labor force living in Long Beach = 219,000
- Unemployment rate: 4.9%
- Pacific Gateway Workforce Innovation Network
 - ✓ Adult Services
 - ✓ Youth Services
 - ✓ Business Services
- Education, trades and certifications



Grow Long Beach: Proactive Business Attraction

- **“All Ready Here 2024” Long Beach Site Selectors Conference**
 - Hosted five national site selectors
 - Engaged business leaders, policy makers, global location specialists and others
- **Develop a Jobs Creation Investment Program**
 - Explore the creation of a performance-based investment program to attract and expand businesses and jobs



Grow Long Beach: Building America's Next Great International City

- Investing in quality of place, infrastructure and community amenities
- Improving entrepreneurial development and access to capital and resources
- Creating vibrant and thriving hubs, neighborhood marketplaces and waterfront destinations
- Prioritizing and activating underutilized properties
- Telling the Long Beach story to attract and retain people and businesses



Grow Long Beach: Fiscal Impact and Looking Forward

- Sales tax and TOT revenue
- Beyond Budget Office's long-range forecast
- An opportunity to take bold actions to grow our economy and deliver a world-class city where everyone thrives
- In consultation with Mayor and City Council, the City must prioritize:
 - ✓ Diversifying and expanding revenue base
 - ✓ Advancing targeted industry sectors
 - ✓ Further developing the 52 economic development strategies
 - ✓ Investing in people, talent and placemaking
 - ✓ Delivering for small businesses
 - ✓ Telling our story and leveraging partnerships

Other Revenue Opportunities

Other Revenue Opportunities – November 5 Ballot

County-wide Initiative: “Affordable Housing, Homelessness Solutions and Prevention Now”

- Would repeal Countywide Measure H ¼-cent sales tax currently dedicated to addressing homelessness throughout the County
- Would replace Measure H with new Countywide ½-cent sales tax dedicated to addressing homelessness
- Would provide new funding to City to address homelessness
 - Approx. \$10 mil. / year for new “Local Solutions Fund” and for “Production, Preservation and Ownership” [of housing]
 - Possibility of more, perhaps directly, perhaps via County

Other Revenue Opportunities – November 5 Ballot

County-wide Initiative: “Affordable Housing, Homelessness Solutions and Prevention Now”

- If approved by L.A. County voters, would also bump City of Long Beach’s Measure A sales tax back up to full 1% rate two-and-one-half years early
- Resulting additional Measure A revenue:
FY 25: \$12 million FY 26: \$24 million FY 27: \$25 million

Other Revenue Opportunities – November 5 Ballot

City of Long Beach Measure: Remove Utility User Tax – Gas exemption from two power plants inside the City

- Would affect only AES' Alamitos Energy Center and LADWP's Haynes Plant
- Would be paid by:
 - All 15 million residents and businesses in Southern Cal Edison's service area, not by Long Beach ratepayers only
 - All 4 million residents and businesses in LADWP's service area, none of whom are Long Beach residents
- Additional General Fund revenue projection:
FY 25: \$7.5 million FY 26: \$15 million

Questions

