

19. 24-53209 Recommendation to receive and file a report on key economic development strategies as part of the Grow Long Beach Initiative. (Citywide)

Office or Department:

Suggested Action: Approve recommendation.

May 14, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to receive and file a report on key economic development strategies as part of the Grow Long Beach Initiative. (Citywide)

DISCUSSION

In his inaugural State of the City address on January 10, 2023, Mayor Richardson outlined key strategies to grow the local economy as the City of Long Beach (City) identifies pathways to sustainably transition away from local oil production. On March 7, 2023, the City Council moved to request City staff develop strategies, policies, and benchmarks to propel the growth of key sectors in Long Beach to secure Long Beach's financial future and support recruitment, growth, retention, and success in the City's economy. In an effort to expand the City's tax base and good-paying job opportunities to offset oil production revenues, the City's Grow Long Beach Initiative centers around key economic development strategies to bolster industry sectors in Long Beach.

The purpose of the Grow Long Beach Economic update and presentation is to provide information and insights to inform the economic development, talent, partnerships, financial, and future development of the City. The City has successfully benefited from both economic conditions and development growth over many decades from an emerging mid-size city into a thriving, successful urban international city.

Long Beach has been one of the fastest-growing communities in the Los Angeles metropolitan region over the past two decades, in both population and economic growth. This growth, driven by economic factors, community assets, and strong development opportunities, has allowed the City to make fiscal choices resulting in a broad range of quality services and programs for residents, businesses, and visitors.

Long Beach has matured as a community, both in time and moving toward buildout. The City is at an inflection point with an array of choices for setting the community's future. These choices include investment and reinvestment in infrastructure and capacity, catalytic new development opportunity to redevelopment choices, and the interaction between fiscal principle and choices to strong economic foundations.

This will require our City to prioritize future investments and expenditures by exploring how we can continue to diversify our economy by focusing on targeted industry sectors, delivering for small business, investing in people and talent, placemaking, telling our story, and expanding the City's revenue streams to continue to build America's next great international city and an economy where everyone thrives.

After the COVID-19 pandemic and through the current mixed economy, the Mayor, City Council, and City staff have been proactively discussing the multifaceted and comprehensive approach from community and economic development, to secure a financially sustainable and resilient future today, into 2024, and beyond.

The City's Grow Long Beach Initiative aims to further expand and diversify the economy by focusing on local entrepreneurship and advancing targeted industry sectors:

1. Fueling Our Aerospace and Aviation Sectors
2. Building the Transportation, Logistics, and Supply Chain of the Future
3. Unleashing the Creative Economy through Music, Athletics, Tourism, and Hospitality
4. Economic Development through Healthcare and Education Partnerships
5. Building a Climate-Forward Economy
6. Other Citywide Initiatives: Grow Long Beach Together

Attachment A outlines the projected revenue and workforce impacts of 52 different economic development strategies in these sectors. *Attachment B* provides more information about recent accomplishments, current programs and initiatives, and future opportunities the City will undertake to continue advancing growth in key sectors through the Grow Long Beach Initiative.

Looking Ahead

Grow Long Beach is positioned to be transformational with bold actions and strategies that will require even greater collaboration among government, the business community, organized labor, educational institutions, nonprofit organizations, and advocates for various groups and interests. Government alone cannot execute this plan; it will take everyone rowing in the same direction to achieve common goals and strategies outlined in the Grow Long Beach Initiative.

Long Beach is in a moment of time when many streams of opportunity can come together to create a vibrant and sustainable city that fosters cultural enrichment, economic prosperity, inclusivity, and a strong sense of belonging for all residents and businesses.

Every part of the City is different, but every part of the City deserves the opportunity to thrive. Looking forward, we have a unique opportunity to enhance and create activity generators, mixed-use development, and business hubs by investing in our downtown, waterfront, neighborhood marketplace areas, business districts, and regional employment centers throughout the City.

This includes projects and initiatives such as PD6 Downtown Shoreline Vision Plan, Long Beach Convention and Entertainment Center, Mosaic mixed-use development, and the future development of the Elephant lot, Queen Mary Island, and Alamitos Bay.

We will bolster and strengthen our neighborhood marketplace areas and surrounding neighborhoods from the Westside Promise, Midtown, Uptown, Belmont Shore, Pacific and

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Atlantic Avenue and Pine and PCH corridors, Wrigley Marketplace, to the Long Beach Towne Center.

We will leverage our fast-growing business districts and regional employment centers from Space Beach, the Port of Long Beach, Long Beach Airport, Long Beach Marketplace, Memorial Medical Center, Kilroy, Goodman Properties to Pacific Pointe West at Douglas Park.

We will focus on redeveloping underutilized City-owned properties to catalyze economic and neighborhood investment and improvements such as the North Long Beach Education Center, Elevate '28, exploring the creation of Economic Empowerment Zones, and delivering for small businesses through programs like the Level Up LB-Extreme Business Makeover program, Legacy Businesses, providing access to capital to entrepreneurs, and growing businesses via our revolving loan fund program.

We will brand and tell our story to the world by implementing several upcoming initiatives including the Industry Sector and Neighborhood Marketplace Profile projects, developing a Citywide branding strategy to target our messaging to site selectors, corporate relocations and expansions, talent attraction, tourism, and community pride.

Music will be at the center of a retelling of the Long Beach story, with new concert venues and new experiences. Leveraging educational partnerships to bring students and athletes into our major business corridors can support both the students and the economy at the same time. New hotel development and major tourism drivers like new cruising opportunities will bring more and more visitors to Long Beach to expand our national and international profile.

This is our time for bold actions to grow our economy, build the next generation workforce, diversify the City's revenue streams, and deliver a world-class city where everyone thrives.

This matter was reviewed by Principal City Attorney Richard F. Anthony on March 19, 2024, and by Budget Management Officer Nader Kaamouh on March 22, 2024.

TIMING CONSIDERATIONS

City Council action is requested on May 14, 2024, to provide timely response to this requested update.

FISCAL IMPACT

The fiscal impact of these economic development initiatives on the City's budget will be the result of their outsized impact on the sales tax and transient occupancy tax revenue generated by, and the assessed property values of, the sectors identified above—beyond what is already assumed in the Budget Office's long-range forecast presented to City Council at the March 19, 2024, Study Session (three percent annual growth in sales tax revenue, transient occupancy tax revenue, and property tax revenue). Greater incentives for economic development in particular sectors of the local economy should lead to greater investment in those sectors and, in the long run, greater revenue to the City.

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At this early stage, it is not possible to quantify with any degree of accuracy the projected dollar impacts of the positive fiscal impact of these economic development incentives, but an order-of-magnitude analysis suggests they should produce much more than hundreds of thousands of dollars in new annual revenue to the City, but less than tens of millions of dollars in new annual revenue—in other words, millions of dollars. The attachment outlines 52 key strategies that are part of the Grow Long Beach Initiative, along with their potential revenue generation and workforce impacts for the City.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Bo Martinez
Director
Economic Development

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

1. Fueling Our Aerospace and Aviation Sectors

Strategy 1.1: Activation of the former 16 acres of Gulfstream Manufacturing location at Long Beach Airport with JetZero

- Description: JetZero, a fast-growing gazelle company in Long Beach, is developing the next generation of ultra efficient blended wing jet with unprecedented performance. The company is working with the Air Force, NASA, and Federal Aviation Administration for entry into-service by 2030.
- Revenue Potential: Increased property tax, business license tax, utility user tax, multiplier effect for sales tax
- Economic Potential: Medium potential jobs impact of an estimated 500 jobs.
- Timeline: Short term

Strategy 1.2: Activation of the vacant 17 acres at Long Beach Airport through development of a new lease

- Description: The Airport owns a 17-acre lot adjacent to approximately 90 acres of land owned by the Goodman Company, previously owned by the Boeing Company and used for the manufacturing of the Boeing C-17 Globemaster III military aircraft. An RFP has been developed and submissions are under review. This could host a large airport-related use generating jobs, property tax, or other revenue.
- Revenue Potential: Increased property tax, business license tax, utility user tax, multiplier effect for sales tax
- Economic Potential: Large potential jobs impact
- Timeline: Short term

Strategy 1.3: Identification of additional leased space that can be offered to grow our Space Industry

- Description: Economic Development staff will identify properties that have the potential for leasing in the area, calculate the square feet available, and create specific goals for leasing and generating Property Tax and/or Possessory Interest.
- Revenue Potential: Increased property tax, business license tax, utility user tax, multiplier effect for sales tax
- Economic Potential: Large potential jobs impact
- Timeline: Short term

Strategy 1.4: Identify and attract an additional Space company headquarters to locate in Long Beach

- Description: Space Beach has been an incredible opportunity area for Long Beach, and we are already home now to over 30 companies and/or headquarters. Innovation in this space is happening every day, and the potential to bring another emerging company will complement the innovation and investment happening in Long Beach.
- Revenue Potential: Increased property tax, business license tax, utility user tax, multiplier effect for sales tax
- Economic Potential: Medium potential jobs impact
- Timeline: Short term

Strategy 1.5: Explore an Enhanced Infrastructure Financing District (EIFD) around the Airport to fuel investment in major jobs generators

- Description: EIFDs have the potential to utilize tax increment financing to create public infrastructure and affordable housing in the area identified. County funds can match City funds and create long-term potential for infrastructure funding to support the jobs growth envisioned around the Long Beach Airport. Dedicated research into the EIFD near the Airport is underway and will be presented to the Council later this year as to the potential.
- Revenue Potential: Long-term potential for increased property tax, utility user tax. Short-term cost of diversion of property taxes.
- Economic Potential: Large potential jobs impact
- Timeline: Medium term

Strategy 1.6: Continue exploration of Long Beach as a destination for future Advanced Air Mobility, such as drone taxi service

- Description: A number of new services have approached the City to be a future location for aerial taxi rideshare service as a green alternative to relieve ground congestion. The potential for increased high-tech mobility is intriguing and could be a generator of other innovation and supporting businesses wanting to locate in Long Beach.
- Revenue Potential: Low, but leads to other potential investments
- Economic Potential: Low to medium potential jobs impact
- Timeline: Long term

Strategy 1.7: Activate Goodman property buildings with a major employer

- Description: Goodman Commerce Center Long Beach, Building One is a 505,043 s.f. industrial building that will be delivered at the end of 2024. The larger 24-acre Goodman campus also includes 1.1 million s.f. occupied by Relativity Space and plans for future State-of-the Art 78,000 s.f. industrial building.
- Revenue Potential: Increased property tax, business license tax, utility user tax, multiplier effect for sales tax
- Economic Potential: Medium potential jobs impact—250-300 jobs
- Timeline: Short term

Strategy 1.8: Activate Pacific Pointe West at Douglas Park

- Description: 900,000 square feet of state-of-the-art industrial development is in construction as the final phase of Douglas Park. The Class A hybrid industrial/office spaces comes complete with luxury corporate office finishes adjacent to the Long Beach Airport
- Revenue Potential: Increased property tax, business license tax, utility user tax, multiplier effect for sales tax.
- Economic Potential: Medium potential impact—500-750 jobs.
- Timeline: Short to medium term

2. Building the Transportation, Logistics, and Supply Chain of the Future

Strategy 2.1: \$2.2 billion in Port infrastructure over the next 10 years to fuel green cargo movement and logistics business

- Description: The Port of Long Beach is embarking on an aggressive capital plan to maintain competitive advantage and responsibility grow our Green Port. Those projects contemplated between FY 24 and FY 34 represent a huge construction investment in good paying jobs that will increase Port efficiency as well as support the economy.
- Revenue Potential: Potential sales and use tax, UUT on electricity as the Port grows
- Economic Potential: Large potential jobs impact and supports transition from fossil fuels.
- Timeline: Long term

Strategy 2.2: Pier B On-dock rail investment to create a \$1.567 billion state-of-the-art facility

- Description: The Port of Long Beach is developing a state of the art on-dock rail facility that will more than triple the volume of on-dock rail cargo the Port can handle annually, from 1.5 million TEUs to 4.7 million TEUs.
- Revenue Potential: Potential sales and use tax, UUT on electricity as the Port grows
- Economic Potential: During construction, the Pier B On-Dock Rail Support Facility is expected to create an estimated 1,135 jobs
- Timeline: Long term

Strategy 2.3: Maximize electrification in the Port of Long Beach, leading to higher UUT use

- Description: Efforts are underway to transfer more and more of Port operations to electricity, which has a dual benefit of improving environmental conditions and generating tax revenue in the form of Utility Users Tax. Dedicated focus to this area over the next several years has the potential to grow overall UUT for the City.
- Revenue Potential: In FY 24, UUT from all City sources was the 5th largest revenue generator for the General Fund, at \$29.3 million. For example, a 15 percent annual increase Citywide over the next several years would generate \$1.5 million incremental revenue each year, above and beyond current projections.
- Economic Potential: Low potential jobs impact and supports transition from fossil fuels.
- Timeline: Long term

Strategy 2.4: Conduct a review of UUT use to ensure appropriate collection of UUT

- Description: With so many accounts and activities in the Port, from oil uses to private leases and government uses, it is important to review how UUT is calculated and whether all tax revenue is being appropriately accounted for. This review has the potential to identify new revenue.

- Revenue Potential: In FY 24, UUT from all City sources was the 5th largest revenue generator for the General Fund, at \$29.3 million. Each 1 percent of identified new UUT could be \$293,000.
- Economic Potential: N/A
- Timeline: Medium term

Strategy 2.5: \$225 million investment in zero-emissions projects

- Description: The Port of Long Beach recently announced a California State Transportation Agency grant of \$225 million for the Port's critical investments in equipment and infrastructure for zero-emission goals.
- Revenue Potential: N/A
- Economic Potential: Large potential jobs impact. Will support the creation of more than 22,000 jobs and bring business to the harbor including supply chain opportunities.
- Timeline: Medium term

Strategy 2.6: Development of Pier Wind and exploration of Sales and Use Tax point of sale in Long Beach

- Description: The Port of Long Beach developed a conceptual plan for the Pier Wind project—the nation's largest facility specifically designed to assemble floating offshore wind turbines. The project will cost \$4.7 billion (in 2023 dollars) and involve creating up to 400 acres of new land for a terminal capable of handling heavy lift crane operations to stage, store, and construct the world's largest floating offshore wind turbines, as tall as the Eiffel Tower. The completed generators and floating foundations would be towed away by sea from the Port to lease areas in Central and Northern California that will generate renewable power for the West Coast and help the State of California achieve its goal of generating 25 gigawatts of floating offshore wind energy by 2045. In addition to huge jobs creation, there is the potential for certain sales and use tax to accrue to Long Beach as a result of the point of sale in Long Beach. Further exploration will help identify potential revenue sources.
- Revenue Potential: Potential for large sales and use tax revenue
- Economic Potential: Thousands of potential construction and manufacturing jobs, and support transition from fossil fuels
- Timeline: Long term

Strategy 2.7: Hydrogen Hub Alternative Fuel Source for Shipping Engine

- Description: Develop a renewable hydrogen hub that would support achieving zero emissions goals, serve as an important fuel for the future of the shipping industry and goods movement, and accelerating the nation's clean energy transition.
- Revenue Potential: N/A
- Economic Potential: Large potential jobs impact and supports transition from fossil fuels.
- Timeline: Medium-long term

3. Unleashing the Creative Economy through Music, Athletics, Tourism, and Hospitality

Strategy 3.1: Set a goal of up to 1,000 new hotel rooms in Long Beach by the Olympics

- Description: Over the next several years, growing our hotel inventory to better support large conventions, events, and tourism will be a key goal. Already, a number of hotel rooms have been planned or entitled. Setting a goal of up to 1,000 new rooms would help grow TOT revenue and allow for larger conferences, conventions, and gatherings. The actual increase in available rooms will be determined by market forces and further economic study.
- Revenue Potential: New TOT for General Fund and Special Advertising and Promotions Fund and increase in sales and property tax. If TOT grows by 10 percent annually over the next several years, that would equate to almost \$4 million incremental revenue each year, split over General Fund and Special Advertising and Promotions funds.
- Economic Potential: Large potential jobs impact from both the construction and operation of hotels
- Timeline: Short to Long term

Strategy 3.2: Explore partnerships with Carnival to bring in cruise ships to operate as hotels during major events like the 2026 World Cup and the 2028 Olympic and Paralympic Games to boost regional capacity and local TOT.

- Description: For major national events, Carnival Cruise has brought in ships on a limited basis to serve as hotels in other jurisdictions. With LA/Long Beach on the national stage for the World Cup in 2026 and Olympics in 2028, we should explore the possibility of hosting a hotel ship in Long Beach, which could boost regional hotel capacity by several thousand rooms and explore how TOT could be charged for that type of use.
- Revenue Potential: Potential TOT for General Fund and Special Advertising and Promotions
- Economic Potential: Support of the regional economy and regional events.
- Timeline: Medium term, generally takes about 2 years of preplanning time.

Strategy 3.3: Opening of the Fairmont Breakers Hotel

- Description: The Fairmont Breakers will be the City's first luxury boutique hotel and is undergoing a historic restoration. The \$150 million, 185-room project is slated to reopen this year providing visitors with a broader selection of hospitality inventory.
- Revenue Potential: New TOT for General Fund and Special Advertising and Promotions and increase in sales and property tax
- Economic Potential: More than 200 new permanent jobs
- Timeline: Expected opening later this year

Strategy 3.4: Construction of the Hard Rock Hotel at the corner of Pine and Ocean

- Description: Development plans have been announced to open the Hard Rock Hotel Long Beach, the first new-build full-service hotel built in Long Beach,

California, in 30 years and the first new Hard Rock Hotel property in Southern California in almost a decade. This upscale property will be a unique entertainment destination set in the heart of downtown Long Beach, adjacent to the convention center. This is a 31-story hotel with 427 new rooms, meeting nearly half of the City's goal of up to 1,000 new rooms.

- Revenue Potential: New TOT for General Fund and Special Advertising and Promotions and increase in sales and property tax
- Economic Potential: Significant local employment and a generator for additional conference activity
- Timeline: Medium term

Strategy 3.5: Bring new sporting special events into the City to highlight the City's capacity of hosting large sports events in preparation for the Olympics

- Description: Discussions are already underway to host USA Diving for high dive competition in Shoreline Aquatic Park on Labor Day weekend in 2024. Additional events will be planned and provide a boost for the local economy.
- Revenue Potential: Events coming to Long Beach often result in multiplier effects for restaurants and hotels, and could contribute to additional sales tax and TOT
- Economic Potential: Local and regional economic benefits
- Timeline: Short term

Strategy 3.6: Cultivate Long Beach as the most haunted place to be on Halloween, bringing in large regional crowds

- Description: The Queen Mary has been listed as one of the top 10 haunted places in the nation, and there is a huge regional demand for well-run Halloween events. Dark Harbor was one of the largest and consistent revenue sources for the Queen Mary before COVID, and the City has announced it will now return in 2024. This event has the ability to bring 100,000 to Long Beach and create revenue for the Queen Mary.
- Revenue Potential: To be determined, but could bring direct revenue to Queen Mary as well as multiplier revenue to the surrounding area
- Economic Potential: Multiplier effects in sales tax expected as attendees visit other area businesses
- Timeline: Implementing in 2024

Strategy 3.7: Completion of a Temporary Amphitheatre at the Queen Mary, of up to 10,000 seats

- Description: Engaging with a consultant to evaluate the feasibility of 10,000-12,000 seat outdoor temporary amphitheater adjacent to the Queen Mary including various operational and revenue models. Will also serve as proof of concept for any future permanent amphitheater development.
- Revenue Potential: Increase revenue to the Queen Mary Fund and increase to sales tax and TOT
- Economic Potential: Would create a regional music and entertainment destination that will have a positive economic impact on Long Beach businesses, create temporary construction jobs, and long-term venue operation jobs.

- Timeline: Short to Medium term

Strategy 3.8: Long-term Queen Mary Development Plan including a permanent amphitheater

- Description: Development a long-term development plan for the 40+ acres of shoreside property adjacent to the Queen Mary including consideration for retail, entertainment, hotel, and permanent amphitheater development.
- Revenue Potential: Sales tax and TOT
- Economic Potential: Create a regional retail, music, and entertainment destination to help Long Beach businesses. Will also create temporary construction jobs and permanent venue operations jobs.
- Timeline: Medium term

Strategy 3.9: Investment in the Long Beach Arena to bring additional music and events to the Arena

- Description: Long Beach is investing \$50 million over the next few years in the Convention Center and Arena, including a new roof, HVAC system, solar panels, elevators and escalators, and modernizing parking. Additionally, the City is investing \$7 million to replace all seating in the Arena and upgrading production technology to meet the demands of visitors, performers, and production companies. This will increase the ability to host and attract additional events. The City also recently made improvements to the management agreement that incentives more use of the Arena for entertainment events.
- Revenue Potential: Direct revenue to offset expenses to run the Arena and Convention Center, and to support the Tidelands Funds. Multiplier effect for sales tax and TOT from additional concerts and events.
- Economic Potential: Creating a regional music and entertainment destination will help Long Beach businesses.
- Timeline: Seating is being installed in 2024, improvements to occur over the next 2-4 years.

Strategy 3.10: Pursue a Special Advertising District in the Downtown Area

- Description: Long Beach has the ability to create a direct revenue source by creating a tasteful and curated advertising district on public right of way, the Convention Center and other public buildings to provide wayfinding, generate new revenue, and provide the potential to advertise local events and showcase digital art. Funding has been set aside to study the concept and bring forward specific designs operational models.
- Revenue Potential: A smaller, less-intensive district design could generate \$250,000 per year in new revenue, while a larger/broader district could generate significantly more, potentially over \$1 million. Costs for the installation of assets would be expected to be covered by the revenue potential.
- Economic Potential: Could support local and regional businesses and organizations
- Timeline: Medium term, research already underway which will inform the design and environmental and entitlement process

Strategy 3.11: Partnership with Carnival to grow passenger counts and explore ability to accommodate additional vessels

- Description: Long Beach is currently the busiest single cruise terminal anywhere on the West Coast. The 20 plus year partnership with Carnival has seen a huge growth in passenger traffic going in and out of the terminal and has benefited the City in terms of passenger revenue charges. Those charges directly support restoration efforts on the Queen Mary and represent the most significant potential for major capital investment on the ship. Carnival has expressed interest in growing the volume of cruising out of the Long Beach Terminal, which would support both the regional economy as well as the Tidelands Fund and the Queen Mary directly. Staff will be exploring options to increase passengers, identify parking opportunities, as well as accommodate larger or additional ships.
- Revenue Potential: Increase rental revenue for the Carnival Cruise Terminal/Dome and associated parking agreements. A 15 percent increase in capacity could increase rental revenue by over \$500,000, and additional passengers utilizing the facility generate additional passenger facility fees that can support the Queen Mary restoration. The ability to accommodate additional ships could increase that number considerably more.
- Economic Potential: Significant local and regional benefit as people come from all over the county to cruise out of Long Beach
- Timeline: Medium

Strategy 3.12: Explore additional parking assets in the Queen Mary area in a potential joint-venture with Carnival and the Port

- Description: The City and Carnival worked together in the past to finance and construct the current parking garage, which is at capacity. The City has assisted Carnival in identifying other parking options, including leasing from the City. It would benefit both Carnival and the City to explore additional parking options, in partnership with the Port as they own much of the surrounding land to determine if additional parking assets can help support the growth of both Carnival and the QM site.
- Revenue Potential: Significant future revenue potential, once the cost of the garages are covered. Would support additional concerts events and passenger traffic, and potentially future sitewide development.
- Economic Potential: Large regional economic benefits
- Timeline: Medium to long term

Strategy 3.13: Continue revenue growth at the Queen Mary

- Description: Operations and associated event activity is expected to result in a net income of approximately \$3.6 million for FY 24. It is expected that over the next 1-2 years the Ship will activate another 100 staterooms, open additional restaurant and retail spaces, add new exhibits, and grow events and activities on the Ship.
- Revenue Potential: Current FY 24 net revenue is expected to be \$3.6 million. With the additional anticipated growth in revenue generating activities, annual net revenue could grow in excess of \$5-6 million per year.
- Economic Potential: Queen Mary has a large local and regional economic impact.

- Timeline: Short to medium term.

Strategy 3.14: Maximization of Leases along the Waterfront

- Description: The City is a large landholder of waterfront property, held in trust for the State of California. Many of these leases are long-term and are coming up for extension. As a result, there is a lot of potential to reimagine some of the uses along the Downtown Waterfront as well as Alamitos Bay and in certain areas along the bluff.
- Revenue Potential: Sales tax, lease revenue, increase revenues to Tidelands Fund
- Economic Potential: Community and economic development opportunities for public-private sector uses along the shoreline and serve as local and regional economic engine.
- Timeline: Short to long term

Strategy 3.15: Elephant Lot activation

- Description: Explore higher-value uses of the Elephant lot such as for an expansion or relocation of the convention center, sports, mixed-use, hotel, office, retail and entertainment uses.
- Revenue Potential: Possessory interest (property) tax, sales tax, TOT
- Economic Potential: Scale of development has the potential to serve as a local and regional economic engine
- Timeline: Long term

Strategy 3.16: Shoreline Village Parking Structure, Remodel and Upgrade

- Description: Re-envision approximately 7 acres of City-owned waterfront property in the Tidelands area including operation of a multi-tenant retail center and other ancillary uses, renovation of the boardwalk, façade updates, building and common area/access enhancements and a parking structure.
- Revenue Potential: Sales tax, possessory interest, and lease revenue
- Economic Potential: Scale of the development will continue to serve as a local and regional economic engine
- Timeline: Short term

Strategy 3.17: Becoming a Live Music and Entertainment Destination through unique and engaging music partnerships

- Description: Long Beach has a storied music history, and further cultivation of music in Long Beach could be a great revenue generator. Major concerts are currently held through special events, and additional concerts are planned through the new temporary amphitheater and enhancement at the Arena. Additionally, creation of new music venues such as the Jazz Lounge at the Fairmont Breakers, a partnership with KJZZ at the Queen Mary to feature Jazz talent, and creating a Speakeasy at the future Hard Rock Café are a few examples of additional destinations Long Beach can create to bring additional live music to the City. The City recently restructured the Management Agreement with the Convention Center to prioritize and encourage activation of the Terrance Theatre to support live artistic and entertainment uses, to produce additional shows and offerings.

- Revenue Potential: Sales tax from visits, TOT from overnight stays and in some cases direct support of the QM and Convention Center
- Economic Potential: Multiplier effects for the surrounding businesses
- Timeline: Short to medium term

4. Economic Development through Healthcare and Education Partnerships

Strategy 4.1: Implementation of the \$1 Billion Memorial Care Master Plan, modernizing the campus, retrofitting for earthquake preparedness, and fueling construction jobs, as well as permanent healthcare jobs over the next several years.

- Description: Memorial Care is working with the State of California to assure seismic safety and continuity of services during a major earthquake. Additionally, Memorial Care is upgrading all their facilities and is in the planning stages for new facilities on a large parcel they recently purchased at Spring and Atlantic. Shifts in the healthcare industry create burdens but also opportunities for hospitals as they upgrade facilities and shift toward greater focus on outpatient facilities and cost realignments within the hospital context.
- Revenue Potential: Increased property tax
- Economic Potential: Medium potential temporary construction and permanent healthcare jobs impact
- Timeline: Long term

Strategy 4.2: Fueling workforce development for the Health Care Sector

- Description: Provide youth and adult career services to retain, recruit, and grow our own talent in this sector. Demand for services and workers in the healthcare and wellness sector is expected to increase due to the region's growing and aging population, the changing healthcare insurance landscape, ongoing treatment for chronic conditions, and future workforce shortages. Partnerships between companies, educational, and public institutions will be pivotal to fill the future demand in this sector.
- Revenue Potential: High-paying and livable wage jobs that may be reinvested back into the community via increased spending at retail establishments and property tax increases via homeownership opportunities
- Economic Potential: Medium potential jobs impact
- Timeline: Mid term

Strategy 4.3: Creation of a North Long Beach Education and Housing Hub, activating multiple dormant properties and spurring investment

- Description: The City, in partnership with Long Beach City College (LBCC), recently opened the North Long Beach Higher Education Center that will serve to increase access to higher education, job training, and technology and business resources for the North Long Beach community. The City and LBCC are working in partnership on a proposed development of City-owned parcels located north of Michelle Obama Library located at 5870 Atlantic Avenue. The proposed development contemplates a satellite classroom building and/or a student housing project serving LBCC students and the adjacent neighborhoods.
- Revenue Potential: Multiplier effect from construction spending, sales tax revenue on locally procured materials, and business license tax on local firms, in addition to new resident and visitor spending at local businesses.
- Economic Potential: Small to medium potential job impact
- Timeline: Short term

Strategy 4.4: Pursuit of a Downtown university/college presence, providing activation in Downtown

- Description: Active thriving downtowns provide benefits citywide, and Long Beach is seeing large growth from residential projects currently. Adding a downtown presence of a university or college could increase activation, bring new jobs to Downtown, and spur additional demand for residential and commercial construction.
- Revenue Potential: Increased sales tax revenue from student and faculty spending
- Economic Potential: Medium to large potential temporary and full-time jobs impact
- Timeline: Long term

Strategy 4.5: Create pathways for City employment for local universities through Charter Reform

- Description: The City Council is currently considering a charter amendment that could create workforce pathways and preferences for graduates of local colleges and universities into City employment. Long Beach is one of the largest employers in the City at 6,000 plus employees, and creating local preferences help Long Beach residents and graduates access City employment.
- Revenue Potential: Speculative, local employees may be more likely than out of area employees to spend their paycheck locally resulting in increased sales tax revenue
- Economic Potential: Medium potential jobs impact
- Timeline: Short term

Strategy 4.6: Partnerships to build student housing and activate major centers and corridors through vibrant college housing

- Description: In addition to creating a university and college presence in high-traffic areas like Downtown, an additional strategy is to create synergistic student housing that can activate major centers and corridors, in Downtown or other areas of the City. Student life brings energy and activation that can help surrounding businesses. In particular, seeking opportunities for housing athletes together can serve the dual goal of support the athletics partnerships and activate an area.
- Revenue Potential: Increased sales tax revenue from student spending
- Economic Potential: Medium to large potential temporary and full-time jobs impact
- Timeline: Long term

Strategy 4.7: Maximizing the visibility and energy of LB State Athletics in the community to create athletic partnerships headed into the 2028 Olympics

- Description: Long Beach has a long history of strong athletic prowess, and athletics can be a rallying point in a community for a shared vision of success. Partnership with Cal State Long Beach or other institutions to cultivate an athletics identity unique to Long Beach going into the 2028 Olympics can raise the City's national and international profile and lead to additional investment.
- Revenue Potential: To be determined, potential multiplier effects from additional tourism and regional visits

- Economic Potential: Low potential jobs impact
- Timeline: Mid term

5. Building a Climate-Forward Economy

Strategy 5.1: Examine oil properties no longer needed for oil operations, and transition to private leased uses.

- **Description:** Explore the reuse of oil islands including partnership opportunities with the Port of Long Beach for port-related uses and private industry. In support of the Queen Mary, Long Beach Energy Resources, the Port of Long Beach, and the Department of Economic Development developed an innovative partnership solution that recognized the transition away from fossil fuels, created immediate and ongoing revenue for the historic Queen Mary, and increased capacity for the City's largest economic generator in the Port of Long Beach. Long Beach Energy Resources identified several underutilized oil properties which were then made available to the Port of Long Beach in exchange for an immediate \$12 million dollar cash infusion for the Queen Mary, and a 50/50 revenue share of new lease revenue with the City once that initial outlay is repaid. Building on the success of this strategy, Long Beach Energy Resources will continue identifying underutilized and unneeded oil properties to transition to broader City control where the Department of Economic Development will seek private lease interest to generate new lease or tax revenue streams. As SB 1137 phases out many oil operations, there is a risk of reduced revenue and jobs associated with those uses but also the opportunity to transition to higher value-added uses. The immediate opportunity relates to real property used to support drilling but without actual wells which could immediately be reused while remediation and abandonment occurs on sites with wells over time.
- **Revenue Potential:** Increased lease revenue, potential increases in possessory interest tax, sales tax, and business license tax dependent on future uses
- **Economic Potential:** Medium potential jobs impact
- **Timeline:** Medium term

Strategy 5.2: Creation of an Organics Material Processing Facility

- **Description:** Long Beach is currently negotiating an agreement with a firm to transition the current waste to energy plant to a regional organics material processing facility. Once complete, Long Beach's facility will process up to 314,000 tons of organic material per year, mitigating the release of over 47,545 tons of CO₂-eq into the atmosphere. In addition, there is revenue potential to share in the gross revenue as it will serve more than just Long Beach.
- **Revenue Potential:** Increased lease revenue, to be negotiated
- **Economic Potential:** Large potential jobs impact
- **Timeline:** Short to medium term

Strategy 5.3: Review of clean energy ideas, such as solar and wind projects, carbon sequestration, and other energy projects at the Oil Islands that could create a revenue source, lower City energy costs, and facilitate a positive transition of the THUMS assets

- **Description:** The City continues to discuss the impacts of SB 1137 with the State of California. Whether immediately or in the medium term, however, oil operations will be discontinued on the islands. The City has an opportunity to assure oil

service workers are made whole, economic activity is replaced or increased and new revenues are created to offset legacy oil revenues.

- Revenue Potential: Unknown, but a market solution like cap and trade could be created to store carbon
- Economic Potential: Large potential jobs impact
- Timeline: Long term

Strategy 5.4: Review existing regulations to facilitate the construction of solar and other renewable energy generation and storage facilities, green building materials, and the overall business of climate transition construction and services

- Description: Long Beach has recently improved its permitting and review process for solar and energy systems as well as installed major solar capacity at eleven City facilities. There is an opportunity to expand this success to further facilitate more solar installations on public and private facilities, as well as localize the green construction, well abandonment, decarbonization, and other services associated with the climate transition.
- Revenue Potential: Increased property tax revenue, increased business license tax revenue, increased UUT from electrification
- Economic Potential: Moderate potential jobs impact
- Timeline: Medium term

Strategy 5.5: Completion of the AES Circulation Pumps to ensure Alamitos Bay continues to welcome aquatics athletes and activation

- Description: The City is planning a major investment in the Alamitos Bay to maintain existing water circulation with new fish-friendly pumps that are completely separate from power plant cooling operations. Alamitos Bay is a highly utilized coastal resource for aquatic recreation and is subject to high levels of human contact year-round which include recreation, hosting local and international aquatic events, and supporting future aquatic events for the 2028 Olympic Games. The Once-Through-Cooling (OTC) Pumps at AES Alamitos have provided forced tidal circulation in Alamitos Bay for over 57 years and are scheduled to be phased out at the end of 2026 under current State regulations. Maintaining circulation with new fish-friendly pumps promotes water quality that is safe for human contact and safe for fish in the bay. This project is key to Economic Development efforts to maintain the Bay as a key aquatics driver for special events.
- Revenue Potential: Maintain property tax in the area, TOT from events coming into the City for aquatics
- Economic Potential: N/A
- Timeline: Medium term, expected completion by 2026/2027

6. Other Citywide Initiatives: Grow Long Beach Together

Strategy 6.1: Perform additional Business License Audits to ensure up to date record-keeping and reporting that leads to growth in Business License Tax

- Description: There is a potential to increase revenue while maintaining the current business license tax rate through additional auditing and investigation into current collection processes and proper self-reporting by businesses on their annual business license tax renewal.
- Revenue Potential: A 10 percent increase in Business License Tax, for example, could generate an additional \$1.5 million of tax revenue per year
- Economic Potential: Additional tax revenue could support safety and infrastructure improvements to enhance the local business environment.
- Timeline: Short term

Strategy 6.2: Host All Ready Here Site Selectors Conference in Long Beach to showcase the City's potential

- Description: Earlier this year, the City hosted its first Site Selection Conference, bringing 5 nationally recognized site selectors to Long Beach who help major corporations identify new cities to grow and expand in. Pursuing this strategy in the future could result in new business investment and additional job generation in Long Beach.
- Revenue Potential: Potential growth from new companies for property tax, sales tax, utility user taxes, and business license tax
- Economic Potential: Potential for small, medium, or large jobs impacts
- Timeline: Short term

Strategy 6.3: Comprehensive assessment of the City's parking assets, pricing parking to market, and generating dollars to generate revenue as well as invest back into mobility and parking solutions

- Description: The City owns several parking structures to support major events, business development, and tourism in the City. Assessing each structure, looking at modern and competitive pricing structures and investments to boost parking revenue and efficiency could result in additional revenue.
- Revenue Potential: Potential for additional parking fees to support the garages
- Economic Potential: Parking and mobility solutions enhance the local business environment
- Timeline: Short to medium

Strategy 6.4: Comprehensive review of on-street parking approach in order to increase parking meter revenue, promote good parking utilization and turnover on commercial corridors, and provide seed money for future parking structure construction

- Description: The City meters parking in high-demand areas such as beach and downtown streets. Other corridors such as Broadway through Alamitos Beach, 7th Street and Anaheim Street through central Long Beach do not currently have meters but installation of meters could improve revenue and parking management.

This revenue could be used to help provide seed funding for parking structures in high-demand areas such as Alamitos Beach.

- Revenue Potential: Potential for future revenue from parking payments and citations. Revenue during initial years would be offset by installation costs. Parking revenue is typically partially reinvested in parking district areas and assets.
- Economic Potential: In addition to revenue, parking management supports business districts through better turnover of parking options and reinvestment in area infrastructure. Potential future sales tax increases.
- Timeline: Medium term

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

- Description: The core purpose of EEZs is to catalyze and support in traditionally under resourced areas by investing in public infrastructure and affordable housing. EEZs may utilize TIF which is not a new tax, but rather an allocation of future property tax revenues within the existing tax rate within a specific area for a specific purpose.
- Revenue Potential: Sales and property tax
- Economic Potential: New investment in targeted areas throughout the city
- Timeline: Medium to Long Term

Strategy 6.6: Adopt zoning changes to implement the City's Land Use Element, modernizing zoning and creating new opportunities for business development

- Description: Balanced modernization of the City's land-use regulations will facilitate construction of retail, housing, and other uses to meet community needs. Each real estate development project results in property tax reassessment thus meeting revenue and community development needs. New projects also pay development impact fees which support the construction and upgrading of park, police, fire, roadway, stormwater, and other improvements. Zoning updates throughout the City are already underway as part of the Zoneln process.
- Revenue Potential: Every 1,000 new market-rate housing units constructed can yield \$1,500,000 or more in new property tax revenue. Some revenue is offset by increased public service cost to serve the development.
- Economic Potential: Supports temporary construction jobs as well as permanent jobs to service new development
- Timeline: Short term, zoning changes to be presented to City Council by calendar-year end.

Strategy 6.7. Promote home-improvement month, home additions and remodels, pool installations, ADU construction, and other home investments.

- Description: Through advertising and promotions, partnerships with home improvement retailers, contractors and design professionals, realtors, social media influencers and others, the City can promote home improvements and additions which enhance families' living experience and are accretive to property tax valuations.

- Revenue Potential: Mid-hundred thousand in new property tax revenue with potential multiplier from sales tax and business license tax if work is completed by local firms.
- Timeline: Medium Term

Strategy 6.8: Activation of large properties to generate Property and/or Sales Tax

- Description: For Long Beach to prosper, we must focus on activating underutilized properties and proactive business development to strengthen downtown, business and industry hubs, and waterfront destinations throughout the city to grow and diversify our economy and city revenue streams.
- Revenue Potential: Sales and property tax
- Economic Potential: New businesses, investment and jobs to Long Beach
- Timeline: Short to long term

Small Business is Big Business

Our local business support ecosystem remains strong and continues to grow. In 2023, we continued to deliver for small businesses by launching and implementing programs including:

- BizCare continues to provide support to local businesses, responding to 931 calls and emails and informing 954 local businesses of programs and resources through direct outreach in 2023.
- Visual Improvement Program (VIP) disbursing 138 grants totaling \$207,000 to local businesses impacted by vandalism and property damage.
- Business Navigators contracting with four local vendors to provide 34 business workshops to 580 total attendees and one-on-one coaching to 195 businesses with content and staff that is linguistically and culturally appropriate.
- Launched ShopLB, which has spotlighted 800 local businesses and enrolled 100 of them for consumers to earn and spend rewards by shopping local.

Access to capital is an important resource to businesses in the City. The City began administering small business loans through the Economic Development Administration's Revolving Loan Fund in March 2001. During the COVID-19 pandemic, due to tremendous need for businesses to keep from closing completely, the City began issuing emergency loans, comprising smaller loan amounts between \$5,000 and \$10,000. The City awarded 102 loans during that period totaling \$1,010,000. To date, the City has awarded 173 loans totaling \$6,260,594. Also, through the small business loan program, the City has successfully created over 110 jobs and assisted businesses with retaining 224 jobs.

In 2024, it is anticipated that the Economic Development Department (EDD) will adopt the Green Business Program from the Office of Climate and Sustainability. EDD also expects to launch the Legacy Business Program in partnership with the Heritage Foundation, and the new Level Up Small Business Bootcamp and Grant Program to support businesses that are looking to improve and grow. In addition, microgrants will be awarded through the Business Navigators Program to support startups and micro-businesses in need of smaller amounts of capital to start or grow their businesses.

Looking ahead, we will continue to launch new programs that will market and brand our neighborhood marketplace areas by developing an all-in-one real estate neighborhood intelligence platform to site commercial vacant properties throughout the City and position them for occupancy and new retail opportunities. The neighborhood marketplace profile project will showcase and tell the story of the City's distinct neighborhoods and commercial corridors, each with their own unique identity, character, and charm.

Business Retention, Expansion, and Attraction

Long Beach has an ideal location along the coast, centrally located between Los Angeles and Orange County, with one of the most vibrant transportation and multi-modal hubs in the region with access to modern and efficient assets like the award-winning Long Beach

Airport, major state and federal highways, railroads, public transit system, and international trade through the Port of Long Beach.

Long Beach is a major international city with a small-town beach feel with a vibrant coastal downtown, a tapestry of diverse neighborhoods, and endless beautiful sandy beaches. The City is a destination for many major events including conferences, conventions, festivals, music, and an annual international Grand Prix.

Long Beach is home to some of the country's most successful and diverse companies. We continue to see incredible growth and have become a hub for numerous innovative industries and companies supported by the City's pro-business ecosystem and spirit of collaboration. This past year, Los Angeles Economic Development Corporation named the City the "Most Business-Friendly City" in Los Angeles County.

Over the past year, the City has seen an increase in new companies relocating to our community and others who have expanded their footprint, and the City is working with entrepreneurs and early start-ups to scale and grow in Long Beach. Recent expansions and relocations include Vast Space, Aevum, ExLabs, Auriga Space, Rocket Lab, Jet Zero, Hard Rock Hotel, Swing Set Productions, Sports Basement, InductEV, BioGas, AIBOT, and WattEV, to name a few. All these companies are bringing new investment, jobs, and growing our local and regional economy.

Long Beach Area Chamber of Commerce continues to grow and see increased membership by providing advocacy, marketing, and networking opportunities to businesses of all sizes and hosting special events including business mixers and a space beach forum celebrating entrepreneurship.

Long Beach Economic Partnership (LBEP) hosted the Accelerate Long Beach event where over 200 business leaders attended to learn about all the exciting projects and initiatives happening in the City, and hosted a Mayoral Australian delegation focusing on business development, Advanced Air Mobility, and the 2028 Olympics. LBEP is finalizing the Industry Sector Profile project in partnership with California State University, Long Beach, and Intertrend for marketing, job growth, business retention, and attraction.

LBEP, Meet Long Beach, the City, and private sector partners hosted the inaugural Long Beach Site Selection Conference, April 17-20, 2024. This was an exciting opportunity to bring together site selector specialists who represent fortune 500 and fast-growing companies across the globe, policy makers, and business and industry leaders to connect, share insights, and identify opportunities to continue to accelerate economic growth for the City.

On June 20, 2024, the City will host Select LA, which provides international and local companies with a comprehensive understanding of the region's investment ecosystem with actionable insights that can guide key business decisions.

Looking forward, we will continue to develop the partnership between LBEP, World Trade Center Long Beach, Long Beach Accelerator, Long Beach Chamber of Commerce, Los

Angeles Economic Development Corporation, Governor's Office of Business and Economic Development (GO-Biz), and other public and private sector business partners to:

- Strengthen business retention, expansion, and attraction efforts to create and retain high-quality jobs focusing on our targeted industry sectors and key domestic and international business verticals.
- Support and stimulate trade, expand exports, and attract Foreign Direct Investment (FDI).
- Foster an environment for entrepreneurship.
- Proactively market and brand opportunities to grow and attract economic development opportunities in Long Beach.

Targeted Industry Sector Proactive Business Development Program

This program will be an opportunity to develop domestic and international proactive business development opportunities that attract business, jobs, and investment in the five targeted and emerging industry sectors in Long Beach.

Phase 1: Retain a consultant to complete a comprehensive target industry analysis, direct outreach, and marketing campaign to companies, which will include, but not be limited to, the following actions:

- Background assessment including a review of existing plans and studies to understand current efforts, recent economic activity (i.e., wins and losses), existing marketing content and channels, etc.
- Location factor analysis of the factors typically relevant to corporate site selection decision makers.
- Identification of key competitive and emerging industries.
- Determination of target markets/regions.

Phase 2: Business Development Lead Generation Initiatives.

- Design and implement an international outreach program to companies with a goal of reaching approximately 300 companies per month.
- The goal would be to secure a minimum of 10 qualified leads and 20 future business recruitment prospects over a 12–18-month period.
- Prepare for and visit selected trade shows, conferences, and events that are relevant for the City's targeted industry sectors. Approach will include:
 - Prearrangement of one-on-one meetings with companies, exhibitors, trade visitors, and multipliers prior to the event.

- Individual discussions and intensive exchange of information on business, trade, and investment opportunities in the City with the meeting partners at the event.
- Customized follow up after the event to foster the relationship with each meeting partner.
- Develop domestic and international trade mission initiatives. These missions may involve up to 10 meetings with companies and/or multipliers (e.g., site consultants, real estate firms, industry associations, etc.) per metro region.

Talent

Adult Job and Career Training Services

Our economy prospers because we invest in attracting and retaining an effective and motivated workforce. Through Pacific Gateway's two Long Beach-based centers, The WorkPlace and Future LB, the City is a direct service provider and an access point to a wide range of career development, skill development, work experience, and job placement services for job seekers across Long Beach.

Over the last year, the centers have enrolled 1,356 residents in career services requiring one-on-one job counseling, industry-aligned training, or on-the-job training opportunities. This number does not reflect the thousands of other residents who have visited our centers for one-time support or self-directed resources, including access to our resource center computers, printers, online job guides, and online career development resources.

Of the 1,356 customers enrolled in our adult programs in the last year:

- 454 participated in occupational skills training, attaining an industry-recognized credential;
- 29 percent of customers completed healthcare-related training and received credentials as medical assistants, hemodialysis specialists, sonographers, phlebotomy, and nursing assistants;
- Eighteen percent of customers completed training in Logistics and Distribution, obtaining certifications in Truck Driving, Supply Chain Specialists, and Forklift Operations; and,
- Ten percent received professional development credentials in business management, paralegal, grant writing, financial planning, and human resources.

Of these customers in training, 343 received an average of nearly \$400 worth of supportive/wrap around services, including clothing vouchers, transportation assistance, and equipment support, to help facilitate their training and job search activities.

Our workforce development services are designed best to address Long Beach residents' needs with employment barriers. Because of this focus, we are constantly embracing new

approaches and engaging in systems-change efforts to be responsive to the needs of emerging communities and the evolving needs of employers. The following is an overview of two projects we recently launched to support populations with barriers to employment and economic access:

- This year, our workforce bureau launched Economic Liberation, a project designed and implemented in partnership with ORALE and funded by the James Irvine Foundation. The project will provide Long Beach's thousands of undocumented residents with access to training opportunities in various fields, equipping them with the skills to become entrepreneurs and future business owners. It will also serve 160 undocumented residents with skill and business development services.
- Also, with Department of Health and Human Services (DHHS), Pacific Gateway is a key partner of the department's Reentry Council, establishing a coordinated referral and shared case management process with the department's Community Impact bureau and its violence prevention partners such as Centro CHA and Los Angeles Centers for Alcohol and Drug Abuse. Through this partnership, Pacific Gateway has enrolled up to 50 DHHS clients in employment programs, such as INVEST and Prison 2 Employment (P2E), which are designed to equip residents who are on probation supervision or returning to Long Beach after incarceration to industry-aligned training in high-growth and high-demand industries.

Rapid Response

In addition to working with job seekers with barriers, we are also set up to be the first line of response whenever employees of Long Beach companies experience sudden job loss, layoffs, or economic disruption through our Rapid Response service strategy. These services include an introduction to income stabilization benefits, resource referrals, training, and job search assistance. Through these sessions, we have assisted 1,200 workers impacted by layoffs from various local companies.

We have also utilized Rapid Response services to address regional displacement events, including layoffs at the Jet Propulsion Laboratory (JPL), which impacted 536 workers. To immediately serve the displaced workers, we coordinated the Space Beach Job Fair to attract the displaced seasoned professionals to employment opportunities in Long Beach's re-emerging rocket launch and aerospace industry. The event was attended by 343 job seekers and companies such as VAST, Relativity Space, JetZero, Benmo, NuSpace, Boeing, ABL Space Systems, Auriga Space, and AIBOT.

Staff coordinated an emergency multi-sector job fair to assist the hundreds of local employees affected by Virgin Orbit's closure. The event attracted over 260 impacted employees, who met representatives from 49 local companies, including aerospace leaders such as Boeing, Vast, Relativity, and Northrop Grumman. Numerous candidates were interviewed on-site at the job fair and moved forward in the recruitment process.

Youth Workforce Development Services

Over a quarter (27 percent) of Long Beach residents are under the age of 24. This group of over 127,000 residents is young and diverse in ethnicity, socioeconomic status, and career development needs. To best meet the employment and job training engagement of young residents, in October 2024, EDD opened an employment center, Future LB, that is entirely dedicated to offering no-cost services and resources in job readiness, including on-the-job training, paid internships, career exploration resources, intensive case management, and connections to employment opportunities, among other resources.

Over the last year, Future LB has enrolled 768 young people across its three main programs, including Youth Jobs Corps funded by California Volunteers, Youth @ Work, and our federal Workforce Innovation and Opportunity Act allocation. Through these programs, youth have worked 110,640 paid internship hours, earning \$1,897,157 in wages. In addition to wages, they were collectively provided \$48,511 in supportive services, providing a work experience free of distractions and unmet basic needs.

Additionally, in response to efforts outlined in the City's Strategic Plan for Youth and Emerging Adults, the Racial Reconciliation Framework, and the Grow Long Beach Initiative, through the workforce bureau's Future LB youth center, EDD partnered with the Human Resources Department, the Mayor's Office, and local postsecondary institutions to design and launch the Long Beach Public Service Corps—a new fellowship placement program for California State University, Long Beach; California State University, Dominguez Hills; and Long Beach City College students interested in pursuing careers in local government, nonprofit management, and public service. The Public Service Corps program provides paid fellowship opportunities across City departments, allowing participants to gain practical experience and develop the skills necessary for various in-demand occupations.

The fellowship's inaugural cohort includes 50 students across most City departments from February 2024 through June 2024. The program aims to have 85 percent of the fellows complete at least 270 hours (averaging fifteen hours a week), and 67 percent participate in the various workshops offered through the fellowship (six out of nine workshops). Pacific Gateway will coordinate with Human Resources Department and the Civil Service Department to equip fellows with the tools to enter employment in the public sector successfully.

Future LB, in collaboration with the City's Office of Youth Development (OYD), has developed a new framework for engaging youth disconnected from employment and school. This framework consists of a continuum of services that frontloads career coaching and skill development services with activities such as resource connection, wraparound services, and life coaching offered by OYD and its partner agencies. The partnership with the OYD, by extension, brings Future LB into the fold of other DHHS initiatives, including violence prevention and homelessness response, highlighting employment's role as an indicator of health.

Looking ahead, we will continue to connect with our first-class trades and educational institutions from pre-school, high school, and higher education to highlight resources to engage our mature and energetic young minds and prepare them for tomorrow's workforce. Successful cities of the future will be the ones who embrace, retain, and grow talent!

Placemaking, Partnerships, and Investments

The City will continue to leverage partnerships to help get our work done including our work with the Economic Development and Opportunity and Arts, Culture and Tourism City Council Committees, Economic Development Commission, Pacific Gateway Workforce Development Board, ten Business Improvements Districts (BID), and other public-private sector partnerships.

EDD worked in partnership with Mayor Rex Richardson to launch the Grow Long Beach Initiative. We met with over 400 businesses and industry sector leaders to listen, engage, and thank them for investing in Long Beach.

Long Beach Accelerator (LBA) continues to grow and elevate entrepreneurialism in the city with the goal of seeding \$25 million venture capital funds and 100 companies in five years. In 2024, LBA will focus on the Supply Chain Tech Fund, working with existing LBA cohorts and founders to secure seed-round funding and locate them in Long Beach. In 2025, LBA will work on the Space Beach Tech Fund and launch the Launch Beach Workspace to provide work areas for LBA alumni.

Visit Long Beach and Meet Long Beach had its best year ever in the history of tourism in Long Beach. The Long Beach Convention & Entertainment Center had its highest number of events in 2023. The Long Beach Convention & Visitors Bureau was recognized as the Best in the West for the seventh consecutive year. The facility was also a Meetings and Conventions Magazine Stella Award winner as Best in the West for the sixth consecutive year. Visit Long Beach won the "Visit California's" Poppy Award for "Best Influencer Campaign" in California.

Long Beach is pacing well ahead of all markets in the state of California when it comes to recovering meetings and conventions business post-pandemic. While the state struggles to recover, Long Beach has moved beyond the "post-pandemic era." A recent report by Visit California illustrated that statewide, hotel RevPAR remains down nine percent below 2019 pre-pandemic levels. Long Beach, however, has fully recovered and then some, achieving a fourteen percent increase in RevPAR and a fifteen percent increase in average daily rates compared to 2019.

Our tourism sector grew stronger with the re-opening of the iconic Queen Mary, with attendance in the last six months of the year topping a full year of pre-pandemic attendance; announcement that Hard Rock International will build a 30-story, 429-room world-class hotel downtown; and the much-anticipated opening of Fairmont the Breakers Long Beach Hotel and Resort in fall 2024 adding exclusive amenities and 185 rooms to downtown Long Beach.

The City's Special Events office reported the highest total attendance (361,500) at major outdoor events in Long Beach in 2023, and the most outdoor festivals with over 25,000 attendees held in a year. Examples included Coastal Country Jam, Shaqtoberfest, the Cali Vibes music festival, and many others. The internationally renowned Acura Grand Prix of Long Beach had its best attendance ever in 2023 and plans to exceed that in 2024.

City officials, Visit Long Beach, and Meet Long Beach expect this trend of increased tourism to continue in 2024 and beyond, including major events coming up in future years from the 2028 Olympic and Paralympic Games, with Long Beach hosting numerous events.

Our BID partners elevated their game by hosting many special events and activations throughout the City including the Uptown Jazz Festival, Christmas Parade at Belmont Shore, First Friday's Art at Bixby Knolls, 4th Street Fourth Fridays, and Brokers on the Beach to Celebrate Downtown.

Carnival Cruise Line offered nearly 200 sailings from the Port of Long Beach in 2023, carrying more than 675,000 guests. Carnival will be adding a fourth ship in 2024 departing from the Long Beach Cruise Terminal. We look forward to working in partnership with Carnival to grow investment, sailings, and bring guests to Long Beach.

We continue to work in partnership with the Port of Long Beach (POLB), the second-busiest United States port that is connected to 51,000 local jobs, 575,000 jobs in the region, 705,000 jobs in the state and 2.6 million in the United States. POLB continues to attract major events to Long Beach including the Transpacific Maritime, 98th Annual World Trade Week Kickoff Breakfast, Select LA Investment Summit, and USC Global Supply Chain Excellence conferences.

In addition, POLB is working on many projects, initiatives, and investments including \$12 million Queen Mary partnership with the City, \$2.2 billion in capital improvements, \$565 million for Pier B on dock rail support facility, and \$225 million for zero-emissions projects.

We have negotiated many important lease agreements, acquisitions, and dispositions on several properties that will make a difference throughout our community for decades to come including a shelter for our unhoused population, a crime lab for public safety, the revitalization of Shoreline Village, future opening of the North Long Beach Education Center in partnership with Long Beach City College, and return of the former Lab properties in North Long Beach.

These activities complement efforts to promote private-sector real-estate investment across the City. This ranges from creating a revitalized waterfront for residents and visitors alike through the PD-6 shoreline zoning update including a complete re-envisioning of the elephant lot and future of our Convention Center, downtown plan update, and partnerships with DLBA to increase activation and events downtown.

On the westside, real estate investment opportunities include upgrading near-Port logistics facilities to embrace clean-trucking and alternative energy, supporting local

businesses along the Santa Fe corridor through implementing new zoning and investing in public parks and infrastructure.

In North Long Beach, we have an opportunity to leverage new townhomes under construction on Long Beach Boulevard and Atlantic Avenue to drive future investments, local goods and services, and reduce storefront vacancies. We also have a renaissance of investment in the Paramount Boulevard industrial area with smokestacks of the past being replaced with Class-A research, manufacturing, and other clean industrial uses. Strategic City investment and support can continue these improvements.

In southeast Long Beach, we have more than 1,000 new market-rate apartments transforming tired commercial centers into the mixed-use buildings of tomorrow. This creates an opportunity for the City to re-envision its own real estate along Alamitos Bay, developing new uses that will welcome residents and visitors, while honoring the past and present operators around the bay. Done right, this is an opportunity to redevelop parking lots into new hubs of access alongside new hotels, restaurants, boating, and other recreational opportunities.

In the center of our City, we are finishing up the City Core zoning changes and major safety and infrastructure improvements along Anaheim and will be focusing our attention on driving investment into the dynamic communities of Zaferia, Cambodia Town, and others in Central Long Beach. Long Beach flourishes only when growth is inclusive and investment in Central Long Beach creates an opportunity that growth can increase employment and housing opportunities, while retaining existing businesses and residents.

Not just through real estate and infrastructure but through direct investment, we continue to support our most vulnerable populations by implementing the Guaranteed Income Pilot Program that provides \$500 a month for twelve months to 250 families with children who live in the 90813 ZIP Code, are below 100 percent of the Federal Poverty Line, and have one income earner for their household.

Expand the City's Revenue Base

Queen Mary – A Revitalized Place

After a successful reopening of the Queen Mary in 2023, there is a renewed focus on creating a premier visitor destination. The Queen Mary (Ship) itself has undergone significant capital investment to all major utility systems; visitor-serving amenities have been reopened and reimagined; and the Ship is looking better than ever. These improvements have increased interest and demand at the Ship for tours, hotel stays, and those wanting to experience the amazing food and beverage offerings. The Ship has also quickly oriented itself as a leading music and entertainment destination.

In the coming months, the Ship and adjacent property will see even more improvements. Parking automation has provided a more professional and secure visitor experience. The POLB/City Partnership funding will continue to support projects such as

demolition of the dilapidated English Village, repairs to the Ship's beautiful sundeck, elevator upgrades, and more. The Hull and Tank Study completed last year determined the Hull was in generally good condition, and we will look to address the recommended minor repair. It should be noted that the 2017 Marine Survey indicated a potential \$289 million in capital repair needs, of which \$215 million to \$261 million was for potential hull-related work. Considering the finding of the more specific and directed Hull and Tank Study, the Ship's overall capital needs could potentially be far less than anticipated.

To continue to develop the Queen Mary and adjacent property into a premier waterfront location, we will further establish project and operational priorities at the Ship. Some of these priorities include addressing parking and circulation, wayfinding, ADA upgrades, continued historic preservation, community free days, more music-oriented experiences on the Ship, and expanded special events and festivals.

The Queen Mary property is an important economic engine for the City and the region, creating an economic impact in Long Beach of \$93 million annually, supporting over 1,300 jobs, and generating over \$42 million in labor income. The success at the Queen Mary has created additional opportunities for new revenue generation in the form of a potential temporary amphitheater and long-term future development opportunities.

Temporary Amphitheater Development

Since the reopening of the Queen Mary and reactivation of the adjacent property, the demand from music and event promoters has grown exponentially. Long Beach is strategically positioned to draw event attendees from both Los Angeles and Orange Counties, while having our own urban metro to draw from. The City's Special Events and Filming Team and our on-Ship operator, Evolution Hospitality, have been able to program some of the City's biggest and most successful events over the last two years. The success of these events has only expanded interest from some of the largest music and entertainment promoters.

The City is currently engaged with a consultant to evaluate the feasibility of a 10,000- to 12,000-seat temporary amphitheater at the Queen Mary property. The consultant is evaluating multiple operational models. Additionally, cost estimates and development timelines are being considered. Some minimum criteria are that a temporary amphitheater be self-sustaining, allow for operational flexibility to accommodate other operations on-site, and that it must complement and enhance operations at the Queen Mary. Development of a temporary amphitheater could create a new revenue stream to further support the Queen Mary and Pier H and generate additional Transient Occupancy and Sales Tax revenue. The success of a temporary amphitheater could also serve as proof of concept for future development considerations.

Queen Mary/Pier H Future Development Opportunities

The Queen Mary is itself an iconic representation of the City's international orientation, and the specific site and location are a literal gateway between the City and the world. The unique placement of the site, allowing for views of the Queen Mary, waterfront,

downtown skyline, and the San Gabriel mountains, offers a development opportunity like none other. EDD is working closely with the Community Development Department (CDD) to plan for the future development of the Queen Mary property. The process will account for changing market and community demands, infrastructure needs, and phasing. Development of the shoreside property will create a new revenue stream to further support the Queen Mary and Pier H, provide additional amenities to residents and visitors, and generate additional Transient Occupancy and Sales Tax revenue.

Special Advertising District Feasibility

The City is already considering potential pedestrian-scale wayfinding and advertising opportunities for the Downtown and Queensway Bay area, which could provide amenities to both residents and visitors, while also creating a new modest revenue stream. Additionally, we are working with CDD and the City Attorney's Office to understand the feasibility of a Special Advertising District along Queensway Bay, south of Ocean Boulevard generally along Shoreline Drive.

The area has a high concentration of visitor-serving uses including hotels, restaurants, shopping, the Long Beach Convention and Entertainment Center, Aquarium of the Pacific, and the Marina Green Special Events Park. The area routinely hosts large-scale concerts, festivals, and the Acura Grand Prix of Long Beach. This high concentration of visitors creates a strong need for wayfinding and presents a considerable revenue opportunity from potential advertisers.

Analysis would look at the feasibility of limited digital signage and focus on gauging community concerns; creating community benefits such as wayfinding, community messaging, and public Wi-Fi; and understanding the potential for advertising generated revenue. Even with only a limited number of assets, an advertising program could result in \$250,000 to \$350,000 annually to the Tidelands Fund.

Evaluation of Potential Economic Empowerment Zones through Tax-Increment Financing

A core purpose of evaluation of potential economic empowerment (EEZs) is to catalyze and support economic development in traditionally under-resourced areas by investing in public infrastructure and affordable housing. EEZs may utilize tax-increment financing (TIF), which is not a new tax but rather an allocation of future property tax revenues within the existing tax rate in a specific area for a specific purpose (i.e., public infrastructure and affordable housing). The key reasons the City administration is evaluating these specific tools include:

- Ability to recruit matching tax increment funding from Los Angeles County, that would otherwise not be available for City projects;
- Increased scoring for state and federal grants related to affordable housing, transit-oriented development, and climate resilience;

- Positive “return on investment” for the City’s General Fund Group (new revenues catalyzed, net of the property tax increment allocation to the financing district, and net of new expenditures from new development); and,
- Bottom line—staff is evaluating the acceptable level of fiscal investment by the City through these tools, with significant potential for public benefit and positive return on investment for the City and the community.

Expand Tourism and Hospitality Offerings throughout the City

The City has approximately 5,240 hotel rooms, spread between the airport area (1,809 rooms) and the downtown area (3,438). There is an opportunity to expand the number of hotel rooms throughout the City with a goal of 1,000 rooms over the next ten years. This will grow and generate increased transient occupancy tax (TOT) and property tax; increase visitors and business travelers spending at local retail and restaurants; and attract more conventions and conferences, jobs, and economic vitality to the City.