

Bay Watch

Spring 2018

A quarterly bulletin to inform local leaders of subregional progress and alert them to emerging issues

Published by the South Bay Cities Council of Governments

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THE EVOLUTION OF RETAIL AND ITS CHALLENGES FOR CITIES

South Bay Cities Council of Governments (SBCCOG) convened its 19th annual General Assembly on Friday, February 23 in Carson to discuss the future of retail and the impact of emerging technologies on cities. Kurt Weideman, SBCCOG Board Chair, started to give the opening address for The Evolution of Retail and its Challenges for Cities only to find that his notes had gone missing! Fortunately, the Starship Technologies delivery robot was on the case and delivered the notes directly to Kurt onstage. The squat bot that looks like a cooler on wheels is a harbinger for more than just speaking notes. Robots for autonomous delivery are merely a taste of new technologies that will change the way people eat, shop, and socialize. It's a portent that times are changing and that cities need to be ready to acclimate and innovate.

Larry Kosmont, President and CEO, Kosmont Companies, opened with renderings tailored to the newest generation of consumers and their entertainment-based hangouts. With more socializing, shopping, and entertainment moving online, retail outlets need to attract customers by offering things that cannot be digitized such as food and fitness. The presentation painted a futuristic picture of retail centers becoming places at which people will want

to spend their time. A by-product of new economies based around 'experiences-not-things' is a migrating tax base and to adapt, local governments will need to find new local tax revenue sources to maintain local services for residents.

Later in the day, George Wentz, Assistant City Manager of the City of Jurupa Valley in Riverside County and Lloyd de Llamas, Executive Chairman of HdL Companies provided further insights. Jurupa Valley, a medium-sized city in Riverside County relies heavily on point of sales and property tax. Anticipating that its tax burden will shift toward property tax as e-commerce becomes the dominant form of retail, it developed a multipronged strategy that includes communicating closely with private investors about what they need. Development Agreements entered into between Jurupa Valley and investors have been instrumental in attracting developments that generate revenue without over burdening the residents of the city.

Mr. de Llamas pointed out that the kind of creative problem solving in Jurupa Valley will be critical for funding the government of the future. So much of the new economy (digital downloads, on-line sales, etc.)

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SPECIAL THANKS

To the City of Carson for hosting our 19th Annual General Assembly and for the generous assistance of their staff and to the staff and volunteers of the South Bay Environmental Services Center (a program of the SBCCOG)

THE EVOLUTION OF RETAIL AND ITS CHALLENGES FOR CITIES

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is not taxable and, with shrinking tax bases cities need to adapt or face massive future revenue shortages.

Michael Witzansky, Assistant City Manager, Redondo Beach, and **Wallace Walrod, Ph.D.**, Chief Economic Advisor of the Orange County Business Council, also spoke about adapting to changes in the tax stream. Redondo Beach has had success securing new revenue sources through a Transient Occupancy Tax (TOT), a revenue source that won't be affected by the retail evolution since the internet can't take people on vacations, at least for now. Redondo Beach used GIS to target ailing retail that would benefit from revitalization. Orange County also has had success in revitalizing older retail areas into more desirable locations with emphasis on food and an authentic atmosphere.

Ken K. Hira, Executive V.P., Kosmont Companies, spoke to the issue that as more household necessities are delivered straight to a resident's doorstep, traditional urban retail centers will become outdated and insolvent. Cities need plans to transform older retail spaces into new and revenue generating spaces. He also talked about the importance of "redustrial" areas with distribution centers where items can be stored and sorted pre-delivery. These distribution centers need to be close to where people live and work and large enough to store huge inventories.

Christine Cooper, Regional Economist for CoStar, discussed what big data can confirm about these predictions. Her conclusion - retail isn't dying, but is changing. While 'Brick and Mortar' is still in demand, e-commerce is taking up an increasingly larger share of consumer spending. Employment has been following a similar pattern with positions in warehousing and e-commerce growing significantly faster than other areas of employment. Demand for industrial spaces is growing and has begun to outpace the demand for retail real estate. Cities that want to keep and grow private sector employment should look to warehousing, logistics, and other infrastructure improvements that support online retailers. Converting older centers dominated by buildings previously used as "big-box" retail could accommodate this growing sector.

Marty Borko, Principal, Gensler, weighed in on larger macro trends that could be driving retail changes including climate change, urbanization, and disruptive technologies such as virtual reality, 3D printing, and self-driving cars. In this new economy, cities need to be proactive about creating desirable centers and streets that can accommodate new forms of transportation. Retail that attracts customers will need to go beyond being a place to purchase goods and instead be "experiential" - placemaking rather than space making. The cities of the future need to be cleaner, greener, and offer more mobility options to attract private sector investments and talent. This will require creating not just desirable workspaces but also desirable cities that are sustainable, mobile, and authentic - "that allow people to accomplish more than their daily errands and have meaningful experiences".

Felicia Williams, Vice President, Kosmont Companies, discussed how cities can attract private investment. In her words, "Green is the new Green\$." According to her research, bonds with an emphasis on sustainability outperform conventional bonds due to a combination of less risk, fewer lawsuits, and fewer penalties for environmental regulation. This trend is good news for cities trying to upgrade to sustainability focused "placemaking" retail centers with limited funds. A key part of upgrading city infrastructure is to convince private investors to pay for large chunks of the development. Fortunately, footing the bill for these urban upgrades is a good business decision for everyone involved.

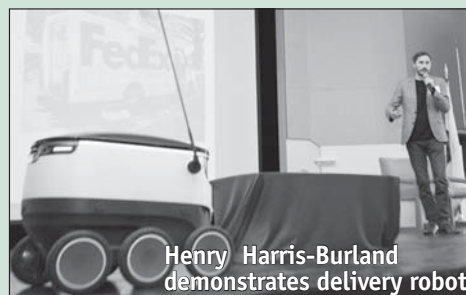
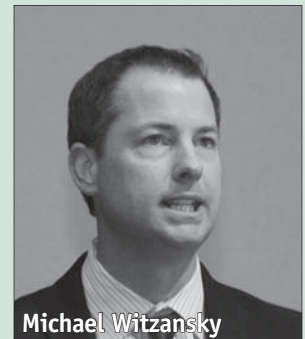
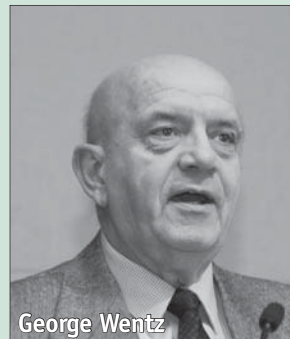
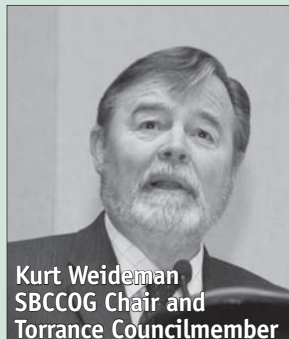
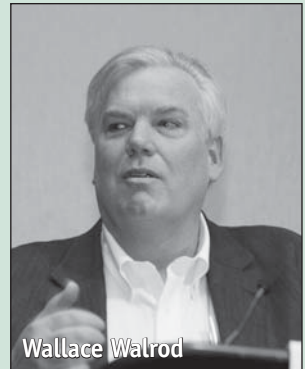
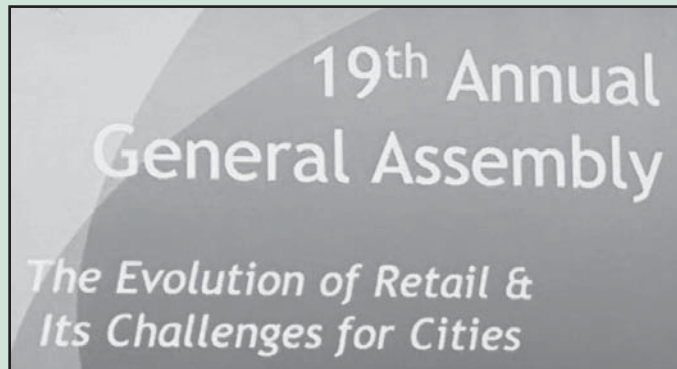
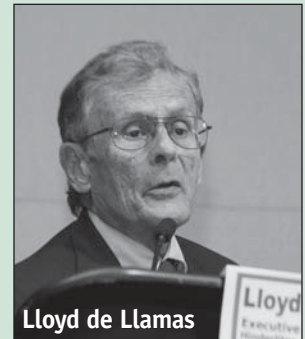
During a break in the morning program, **Henry Harris-Burland**, Starship Technologies, provided a demonstration of the delivery robot and its benefits. Car journeys for personal shopping account for 33% of trips taken by the average household, which further contributes to congestion and air pollution. With the capacity to hold approximately two full grocery bags, Harris-Burland stated that his zero emission robots can accomplish the same tasks as a delivery driver without adding more cars on the road.

Digital trends are changing the landscape, both literally and figuratively, in which cities work. Cities need to be pro-active about finding new sources of revenue and accommodating the lifestyles of future residents. By the time a developer shows up with a vision for the future it may be too late to adapt to these changes - your tax base may have already fled. Economic development of the future will require greater sophistication in the best interests of governments, retail and industry.

This free event is made possible every year by our sponsors who were recognized for their contributions both cash and in kind throughout the day.



19TH ANNUAL GENERAL ASSEMBLY



The presentations from the General Assembly are available on our website at:
<http://www.southbaycities.org/meetings-agendas/general-assemblies/19th-annual-general-assembly>



SOUTH BAY MUNICIPALITIES SEE LOWER COSTS FOR ENERGY AND REDUCED GREENHOUSE GASES

At a recent South Bay Cities Council of Governments (SBCCOG) Board of Directors meeting, board members learned from the SBCCOG's energy engineer that during the last 8 years of participating in the SBCCOG/SCE Energy Leader Partnership program, over 8 million kWh have been saved resulting in an annual energy cost savings for South Bay cities of \$1,234,502 and a reduction of greenhouse gases by 6,813 tons of CO₂ emissions! The following explains the program benefits.

Helping South Bay Cities Lead by Example

Through the SBCCOG's participation in the South Bay Cities' Energy Leader Partnership (ELP) with Southern California Edison, South Bay municipalities are encouraged and rewarded to lead by example when it comes to energy efficiency. From lighting to heating and cooling, it is more cost effective and better for the environment to be energy efficient. The SBCCOG, through its Environmental Services Center, provides an energy engineer for member cities who conducts audits, gives advice, and provides assistance in completing SCE rebate and incentive applications for city energy efficiency facility projects.

Through the SBCCOG, each city now has an adopted Energy Action Plan. Cities in this program not only save energy, reduce costs, work to improve code compliance but also they are implementing the strategies in their Energy Action Plans.

Benefits of the Energy Leader Program are Financial too!


The ELP program is a tiered system providing increased incentives as cities complete more energy efficiency projects. Cities also work with their community to satisfy outreach and information dissemination criteria to further move up the tier levels. At the highest level of Platinum, a city can earn as much as 12 cents per kWh over and above the current SCE incentive.

Since the program started 8 years ago, South Bay cities collectively have received \$969,344 from this special ELP incentive. Additionally, by being a part of the SBCCOG/SCE Partnership, cities have received \$1,528,352 in value from free equipment and installation of energy upgrades through SCE's Municipal Direct Install program over the last 8 years.

South Bay City Levels as of January 2018

Platinum: Hawthorne, Hermosa Beach, Lawndale, Lomita, Manhattan Beach, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills Estates.

Gold: Carson, El Segundo, Gardena, Inglewood, Redondo Beach, Rolling Hills, Torrance

City achievements are promoted by the SBCCOG at City Council meetings recognizing the efforts of councils and city staff. In addition, Energy Leader Program advancements by cities are noted in the newsletters and on the websites of the SBCCOG and SBESC. For more information by call 310-371-7222. 



Find SBESC at www.sbesc.com
Find SBCCOG at
www.southbaycities.org



Gardena Mayor and City Council receive the Gold Energy Leader Award. Left to right: Hon. Dan Medina, Hon. Rodney Tanaka, Mayor Tasha Cerda, Marilyn Lyon, SBCCOG, Hon. Mark Henderson, Hon. Art Kaskanian.



Hermosa Mayor and City Council receive the Platinum Energy Leader Award. Left to right: Hon. Hany Fangary, Mayor Jeff Duclos, Marilyn Lyon, SBCCOG, Connie Turner, SCE, Hon. Justin Massey, Hon. Stacy Armato

For the Record: Our Winter South Bay Watch inadvertently reported that Watson Land Company donated \$500 to the SBCCOG's Holiday Light Exchange held last November. Watson Land Company's contribution was \$1,000.

HERMOSA BEACH BREAKS FROM “THROW-AWAY” CULTURE WITH A COMMUNITY-WIDE GARAGE SALE

In today's buy-in bulk, everything at your fingertips, prime delivery purchasing culture, the simple act of re-purposing something or passing it on to others may seem antiquated, but it has experienced a welcome resurgence in Hermosa Beach through events like the community-wide garage sale hosted in January 2018.

Initiated as part of the Safe Access Sidewalk Education Program, a main goal was to provide the community with opportunities to make space in their garages to park cars and reduce the number of vehicles parking over sidewalks. However, the event also provided the benefit by cleaning up unwanted items from homes and garages, of extending the useful life of products by reusing and recycling, and ensuring the proper disposal of household hazardous waste.

On January 27, 2018, the City of Hermosa Beach, Athens Services, local and national charity organizations, and the residents of Hermosa Beach came together to host 150 concurrent garage sales, with every neighborhood in the city represented. Unwanted items were collected at a drive-thru donation center, set up to accept items to be donated to charities such as the Habitat for Humanity ReStore, Friends of the Library, Woman's Club of Hermosa Beach, Salvation Army, and Hermosa Beach Little League. Large items were scheduled for pick-up or as a bulky item disposal. On the same day, household hazardous waste materials were separately collected. The spirit of “spring cleaning” was infectious, as local retail businesses also jumped in to promote the event by hosting sales.

By pursuing multiple objectives in one event, the result was a win-win for the City and the community.

The City took the lead on advertising/social media, waived garage sale permits, and coordinated donations, and the community response was overwhelmingly positive.

A post-event survey provided residents and participants with an opportunity to highlight some of their favorite aspects of the event including being able to meet new people, the ease of not needing a

permit or having to advertise, getting motivated to get organized and have a clean garage, and the efficiency in which donation drop-offs were handled.



When a city can make the sustainable option (and create a fun community-building event in the process), we can all do our part as responsible custodians of our environment.

For more information about this event, please visit: <http://www.hermosabch.org/index.aspx?page=921> or contact Leeanne Singleton, Environmental Analyst at lsingleton@hermosabch.org.

SOUTH BAY TOURS AFFORDABLE/SUPPORTIVE HOUSING DEVELOPMENTS



In February, SBCCOG elected officials and staff joined with several homeless service organizations on a bus tour of three successful and varied types of affordable/supportive housing sites in and around the South Bay. Positive feedback was received by all attendees who found the tour to be enlightening as well as educational.

The sites visited included *Seasons at Redondo Beach*, a 150-unit senior project with a mix of affordable and market-rate units, *Mosaic Gardens* (shown in photo), in the Willowbrook neighborhood of unincorporated

LA County which provides 61-units of affordable/supportive units with integrated services and *Vermont Villas*, near Gardena which provide 79 affordable/supportive units with integrated services for seniors, including approximately two-thirds set aside for veterans, who have experienced homelessness and/or disability. For more info: *Mosaic Gardens* and *Seasons at Redondo Beach*: www.linchousing.org and for *Vermont Villas*: www.epath.org Photo courtesy of South Bay Coalition to End Homelessness.

Food *for* Thought

HOW DO CITIES IMPROVE THE QUALITY OF LIFE FOR OLDER ADULTS IN THE SOUTH BAY?

Cities in the South Bay are facing a demographic shift. According to the 2010 census, almost 15% of the SBCCOG member cities population is over the age of 65, with Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills, and Rolling Hills Estates coming in at almost 25%. For our cities this means that the need for an age-friendly city environment is becoming more critical.

The aging of the population, world-wide, reflects improved health and rising life expectancies. However, as we age, our housing, transportation, and social needs change. By preparing for this, elected officials and city staff in planning, transportation, and parks and recreation departments can help make it possible for older populations to still lead fulfilling lives. Continued engagement in community can prevent isolation which has been shown to have a negative impact on physical and emotional health.

Even small innovations and changes can make a difference. Older adults may be less likely to drive and may rely more on public transportation, private mobility services, friends, and family to get around. Walking is also an option. Also, older people may get out and walk in increased numbers if there are more benches and shade trees, along with pavement improvements and more time to cross streets. The average person over the age of 65 tends to have a walking speed of 1.86 miles/hour. At age 80 that decreases to 1.24 miles/hour, compared with the average for a working age person of 2.98 miles/hour.

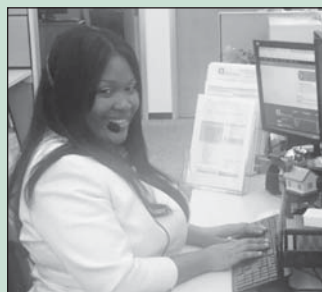
According to the World Health Organization (WHO) and AARP, an age-friendly city environment enables people of all ages to actively participate in community activities, with everyone treated with respect, regardless of age. An age-friendly city environment makes it easy for older people to stay connected to the people who are important to them, helps people stay healthy and active, even at the oldest ages, and provides appropriate support to those who can no longer look after themselves.

We will continue to monitor the development of the Purposeful Aging Los Angeles Initiative (PALA), launched in Fall, 2017. It is uniting public and private leadership and strategies to improve lives of older adults and Angelenos of all ages. Also, the SBCCOG has a Senior Services Working Group. For further information, contact Grace Farwell @ grace@southbaycities.org or call 310-371-7222.

FACES OF THE SBCCOG – CIERRA WASHINGTON

Whether visiting in person or calling the South Bay Environmental Services Center (SBESC), most likely your first contact will be the warm smile or pleasant greeting of Administrative Assistant Cierra Washington. In addition to interacting daily with the public as receptionist, Cierra performs many essential tasks such as scheduling meetings and preparing meeting rooms. Cierra assists with monthly reporting for West Basin Municipal Water District's Water Reliability Program, tracking participation for the District's Cash For Kitchens program and in preparing the monthly financial American Express report. As a part of the SBESC outreach team, she corresponds with the SBESC's utility partners to receive their latest marketing materials and giveaways which are distributed at various events held in South Bay cities. Cierra also registers participants for the popular Rain Barrel Distributions and free classes available to the constituents of West Basin Municipal Water District and City of Torrance.

Cierra came to the SBCCOG in 2015 through a successful South Bay program of the South Bay Workforce Investment Board and in 2016 was hired full time as Administrative Assistant. Thank you, Cierra, for all you do to support the programs of the SBCCOG at the South Bay Environmental Services Center.



CALENDAR

All meetings are open to the public

May

- 8 GIS Working Group
- 9 Homeless Services Committee
Infrastructure Working Group
- 14 Transportation Committee
Steering Committee
- 22 Energy Management Working
Group
Senior Services Working Group
- 24 **Board of Directors**

June

- 11 Transportation Committee
Steering Committee
- 12 GIS Working Group
Infrastructure Working Group
- 28 **Board of Directors**

July

- 9 Transportation Committee
Steering Committee
- 11 Homeless Services Committee
Infrastructure Working Group
- 12 Legislative Briefing
- 24 Energy Management Working
Group
Senior Services Working Group
- 26 **Board of Directors**

The 2019 20th Annual General Assembly will now be THURSDAY, FEBRUARY 28, 2019 – save the date!

Contact Jacki@southbaycities.org for further information.

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The quarterly South Bay Watch is available electronically by email or at www.southbaycities.org. To receive by email, please send your email address to sbccog@southbaycities.org