

**JOINT MEETING OF THE EL SEGUNDO CITY COUNCIL  
AND ECONOMIC DEVELOPMENT ADVISORY COUNCIL  
May 18th, 2016 Meeting Minutes**

**1. CALL TO ORDER**

Interim Chair Al Keahi called to order the Joint Meeting of the El Segundo City Council and Economic Development Advisory Council at 5:04 p.m. on Wednesday May 18th, 2016 at JustFab, 800 Apollo Street, El Segundo, CA 90245.

**2. ROLL CALL**

The following Economic Development Advisory Council members were present:

- Al Keahi (Chair)
- Gary Horwitz
- Richard Lundquist
- Sandy Jacobs
- Michael Mothner
- Bob Healey
- Morris Chernick
- Rob Croxall
- Spencer Bauer
- Shar Franklin
- Lily Craig
- Lance Ralls

The following Economic Development Advisory Council members were absent:

- Robert Gray
- Alex Abad
- Vanda Espahbodi
- Neal Perkey
- Morris Chernick

The following El Segundo City Council members were present:

- Suzanne Fuentes
- Drew Boyles
- Mike Dugan
- Carol Pirsztuk
- Don Brann

The following staff members were present:

- Greg Carpenter, City Manager
- Barbara Voss, ED Manager

**3. PRESENTATIONS**

- Welcome and Overview (Anton von Reuden, Chief Operating Officer, JustFab)
  - Moved in about year and a half ago and already expanded.
  - Four brands: Fabletics, Shoedazzle, FabKids, and FL2
  - Fast fashion – reinventing the fashion industry, price and value driven
  - Company was founded 5 years ago.
  - Growing rapidly - \$700mm in sales.
  - By 2020 goal is \$1.5 billion in sales. By 2025 goal is \$3 billion in sales.
  - Growth through international expansion and launching new brands.
  - Membership model. Membership is free, but members must shop once a month and buy or select “skip”.
  - Planning to open additional Fabletics retail stores.
  - Access to the airport and transportation was a factor in deciding to locate in El Segundo.

- Draft Economic Development Strategic Plan and Proposed Budget (A. Keahi, B. Voss, D. Martin)
  - Al Keahi reviewed EDAC history over the past couple years.
    - Brokers event at the Bel Air Country Club with over 150 attendees
    - Integrated marketing plan
    - Next steps: Hospitality and tourism marketing strategy.
  - D. Martin reviewed two-year marketing and branding efforts.
  - B. Voss presented Draft Economic Development Strategy and proposed budget.
  - Draft goals were presented as follows:

Goal 1	Enhance long-term economic stability and employment opportunities through business <b><u>attraction and industry diversification.</u></b>
Goal 2	Support business <b><u>retention</u></b> through proactive, city-wide economic development assistance.
Goal 3	Develop a three-year <b><u>branding and communications</u></b> strategy to: <ul style="list-style-type: none"> <li>• Continue and enhance existing marketing and branding efforts with focus on commercial and industrial business attraction;</li> <li>• Develop and implement a comprehensive destination marketing effort (hotel, retail, restaurants, arts/culture and recreation), and;</li> <li>• Ensure one “voice” for all economic development related marketing efforts.</li> </ul>

- Al Keahi presented T.O.T./hospitality spending benchmark. Compared destination marketing spending in Redondo Beach, Gateway to L.A. and Torrance.
- B. Voss presented draft annual budget for El Segundo Destination marketing – hotels, restaurants, retail (\$240,000) and economic development marketing (\$200,000) programs.
- C. Pirsztuk asked if costs would decrease over time as the program continues.
- A. Keahi suggested that we will need to develop another web-site to encompass destination marketing items.
- G. Carpenter suggested that funding in the first year may be higher that it would need to be in future years. And asked how performance would be measured?
- D. Boyles stated we would need bring in \$183 per year per hotel room night, which amounts to one additional room night sold per year for each room to cover the proposed marketing cost.
- M. Hansen stated that she spent 17 years in the hospitality industry and that the city would benefit from increased hotel guest resulting in more patrons at shops and restaurants.
- R. Lundquist motioned that the EDAC recommend to the City Council that they set aside approximately \$240,000 per year of the T.O.T revenue to

be utilized for destination marketing. G. Horwitz seconded, unanimous approval.

- The total amount that will be requested is \$440,000 - \$240,000 for destination/tourism marketing, and \$200,000 for citywide economic development marketing.
- Staff to prepare recommendation.

#### **4. PUBLIC COMMENTS**

- Attendees: Marsha Hansen, Alex Rose, Dave Atkinson, Jennifer Harrison, Carl Jacobson.
- A. Mendez mentioned that DirecTV has been acquired and should not be included in our marketing material. A. Keahi responded that we are aware, and that the video shown during the marketing presentation was from prior to the acquisition.

#### **5. APPROVAL OF MINUTES**

Bob Healey motioned to approve the minutes of the April 20, 2016 meeting. R. Lundquist, seconded, unanimous approval. L. Craig abstained.

#### **6. UNFINISHED BUSINESS**

1. Discussion and possible action to recommend to the City Council that funds should be raised for the entire Centennial effort and the need of the Centennial Committee to develop an overall calendar of events. (Al Keahi) Centennial Committee is working on overall plans for the celebration. Application has been filed for the float, but there are many applications this year and our application may not be accepted. The centennial logo design has been selected.
2. Discussion and possible action to recommend to the City Council to add a Destination Marketing Fund as part of the change to the Transient Occupancy Tax (TOT) that would be a consumer pass through at the hotel level. (Al Keahi) No further discussion.
3. Discussion and update on 2016 economic development events.
  - Proposed commercial real estate broker reception to be held in 2016 (D. Martin/PSM, D. Boyles, B. Healey, G. Horwitz). A. Keahi thanked the entire team for their efforts on the successful BisNow event on May 12th.
  - Annual Economic Development event and formal business recognition program. (D. Martin/PSM, S. Jacobs, D. Boyles, B. Gray, M. Chernick). No further discussion.
4. Marketing Progress Update and PR Brainstorming.
  - No further discussion

5. Discussion and possible action to identify third party presenter(s) to discuss/show economic development initiatives and industry and business trends. A. Keahi asked EDAC members to send any suggestions to him or B. Voss.
6. Discussion and possible action to reach out to the business community regarding building owners/tenants providing additional parking on-site so that employee/customer parking has less impact on nearby residential streets. (Lance Ralls, Gary Horwitz, Neal Perky and Bob Healey, Mike Mothner) G. Horwitz will follow up.

## **7. NEW BUSINESS**

- Discussion of sub-committee formation and responsibilities (A. Keahi) – A. Keahi asked for the group's support and leadership in the various sub-committees.

## **8. REPORTS**

- G. Horwitz reported:
  - FAA lease at 777 Aviation is signed – 150,000 square feet, 20-year lease.
  - DTI 101 Sepulveda – 40,000 square feet.
  - ICG leased 36,000 square feet at PCT.
  - Candy Club found a location on Penn Street.
- R. Lundquist requested more information on companies that may leave.
- L. Craig would like more proactive outreach to existing businesses.
- D. Boyles suggested that the city move towards an online business license.
- A. Keahi reported that Aerojet Rocketdyne is moving its leadership team to PCT.
- New businesses to El Segundo and tracking towards 100 new businesses by 100th anniversary goal. Update – 75 new businesses to date.

## **9. PUBLIC COMMUNICATIONS**

- None

## **10. CITY COUNCIL MEMBER/ EDAC/ COMMENTS**

- A. Keahi made the following comments to discuss at future meetings:
  - Appoint B. Voss as Secretary of EDAC.
  - Discuss appointing an interim Vice Chair.
  - Welcomed new City Council members.
  - Discuss renaming Sepulveda to PCH.
- R. Lundquist presented a plaque to D. Boyles in recognition of his service as Chair of the EDAC.

The meeting adjourned at 7:22 PM.

## **11. ADJOURNMENT**

PASSED ON THIS 18th DAY MAY, 2016.