

Office, Commercial and Other Employment Uses

Location

Clustering employment near regional transit, in walkable neighborhoods and near local-serving retail can cut peak period vehicle trip generation rates by half.



Transportation Management Organizations

The LUCE emphasizes the formation of Transportation Management Organizations (TMOs) or other entities that can help manage parking and encourage walking, bicycling, transit and carpooling at a district-wide level. The City may leverage some of its transportation funding—including fees—through these organizations for improvements that benefit the larger area. This could result in increased bus service, new pedestrian improvements, or bicycle facilities.

Parking Pricing

The true cost of parking should be made visible to employees either through direct, daily parking charges or parking cash-out programs. In parking cash-out programs, employees who drive may park for free, but employees who choose not to drive are given the cash value of the parking they do not use. In this way, transportation as a whole is treated as an employee benefit, and all employees receive the same benefit, regardless of how they get to work. Parking cash-out programs should be

Employers can be part of a TMO that helps fund transportation improvements that benefit a large number of Santa Monicans.

structured to reward employees who leave their car at home at least one day a week. Together, parking pricing and location have a greater impact on employee travel behavior than all other TDM programs combined—reducing trips by up to 16 percent—in part because they increase the effectiveness of all the other programs. In retail districts, setting the price of parking so that customers can always find a space can reduce traffic by as much as 30 percent by eliminating circling around blocks searching for a parking space. As detailed in the Parking section, it is essential that paid employee parking does not result in spillover parking into residential neighborhoods; tools for eliminating spillover are addressed in the next section.

Transit Passes

When an employer purchases free transit passes for all employees—or when an employee ID card is also valid as a regional transit pass—the transit ridership impact is greater than merely providing free or discount passes to regular transit users. Pass programs available to all employees encourage those who have never taken transit to try it, and this way, they may become regular riders. To be most effective, transit passes should cover both Big Blue Bus as well as Metro. Such transit pass programs could reduce employee commute trips by 8.5 percent or more.

Tailored Transit

Many large employers provide dedicated shuttles to regional transit hubs and places where high concentrations of their employees

live. Many of these shuttles offer a high-quality work environment, including wireless internet access. In Santa Monica, the TMOs could organize specialized employee shuttles.

Carpool and Vanpool Programs

Given the region's sprawling land use pattern, carpooling and vanpooling will remain a popular choice for long distance commuters and along corridors that transit does not serve well. The TMOs can help organize carpools and vanpools, and provide subsidies.

Personalized Travel Assistance

Given the confusing array of options many employees drive to work merely because the alternatives are too difficult to understand. By providing direct, tailored assistance to employees, all TDM programs can be more effective.

Residential

Location and Density

As with commercial development, location has the largest influence on residential vehicle trip generation, with homes near transit, in walkable neighborhoods and near local services generating far fewer trips than homes in isolated locations—as much as 50 percent fewer during peak periods. Density also matters, with vehicle trip generation rates declining sharply as density increases, particularly in walkable neighborhoods.

Local Services

Putting all the needs of daily life within Santa Monica's neighborhood commercial districts is key to reducing traffic caused by residents. Only 20 percent of trips from a typical home are for work—the other 80 percent are for errands, shopping, school, recreation and other purposes. Maintaining a rich array of services within walking distance has a large impact on travel behavior.

Parking Management

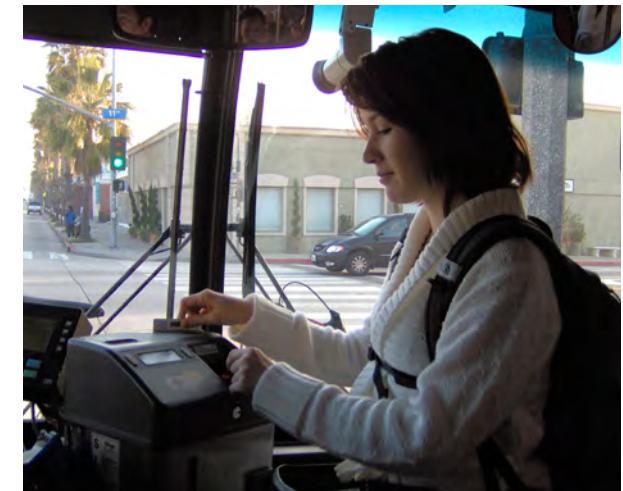
Separating the cost of parking from the cost of housing allows residents to decide how much parking they will need and helps to create affordable housing options. Separating these costs also influences travel behavior, largely because it encourages families with fewer cars to move to Santa Monica by offering housing discounted by the cost of parking. Better management of residential on-street parking so that residents can always find a space on their block may also reduce traffic significantly by eliminating the need to circle around the block for a space.

Transit Passes

Universal transit passes could be provided to residential developments or neighborhoods through resident associations or assessments. Examples of places this has been implemented include Santa Clara, California and Boulder, Colorado.



Appropriately priced and located public parking areas contribute to the effectiveness of other TDM efforts. This photo is of a real-time message board in San Francisco.



Transit passes can help encourage employees and students to utilize services like the Big Blue Bus.

Schools

Safe Routes to School Programs

By combining physical improvements to increase the safety of walking and bicycling, along with classroom training, Santa Monica can cut vehicle trips by as much as half at its elementary, middle and high schools.

Transit Passes

Particularly at Santa Monica High School and Santa Monica College, turning student ID cards into universal transit passes could significantly reduce vehicle trips, (even more so than at employment centers).

Parking Management

The City could work with the SMMUSD to incorporate parking as a tool for traffic management. Additionally, money spent subsidizing parking is money that could otherwise go for educational purposes.

People who use parking could pay for the land, construction, maintenance and other operational costs of providing parking.

Other Programs

Transit information, tailored school shuttles, and covered, secure bicycle parking are among the other programs Santa Monica may provide to reduce vehicle trips at its schools.



School programs and physical improvements can cut auto trips by as much as half.

GOALS AND POLICIES

GOAL T19: Create an integrated transportation and land use program that seeks to limit total peak period vehicle trips with a Santa Monica origin or destination to 2009 levels.

POLICIES:

T19.1  Develop land use policies that focus development potential in locations best served by transit.

T19.2  Impose appropriate Transportation Demand Management (TDM) requirements for new development.

T19.3  Create incentives for existing employers, institutions and residential neighborhoods to reduce their vehicle trips.

T19.4  Encourage a mix of land uses that meet residents' daily needs within walking distance.

T19.5  Encourage local-serving retail uses within walking distance of housing, particularly in new mixed-use neighborhoods, such as Bergamot Transit Village and Memorial Park Activity Center.



Safe Routes to School. In the morning peak period there are pockets of severe congestion around local schools. Safe Routes to Schools programs are designed to prevent congestions by increasing walking and bicycling for students of all ages.

T19.6 Develop community benefits incentives so that new development will contribute toward improving surrounding neighborhoods.

T19.7 Perform a nexus study and implement a transportation impact fee to mitigate negative transportation impacts of new development.

T19.8 Establish a system of transportation performance measures, regularly track performance of the system according to these measures, report results to the public and suggest remediation as necessary.

T19.9  Strengthen the Transportation Management Ordinance to further reduce trips generated by existing employees.

GOAL T20: Manage the transportation system to prioritize flexibility, cost effectiveness and accountability.

POLICIES:

T20.1 Develop and implement clear transportation performance measures that will be publicly reported on a regular basis to help City staff, elected and appointed officials, residents, and other stakeholders understand the components of the transportation system that are working well and where improvements are needed.

T20.2 When balancing the needs of different modes of transportation, consider person capacity and person delay over vehicle capacity and vehicle delay.



Evaluating performance measures—such as intersection capacity—will help determine how well the transportation system is operating.



Carpools and vanpools are powerful tools to reduce congestion.

T20.3 When considering transportation investments, emphasize lifecycle costing, considering the operating costs and annualized capital costs and comparing these to the benefits to new and existing users.

T20.4 When considering transportation investments, consider latent demand, particularly for roadway capacity increases, and evaluate future expandability and flexibility.

T20.5 Recognize quality and maintenance as important priorities.

T20.6 Foster the success of Transportation Management Organizations (TMOs) in the City's commercial districts, and leverage transportation funds through the TMOs.

GOAL T21: Use all available tools to make the most effective possible use of the transportation system.

POLICIES:

T21.1 Regularly update the TDM requirements for new development.

T21.2 Consider eliminating direct and hidden subsidies of motor vehicle parking and driving, making the true costs of parking and driving visible to motorists.

T21.3 TDM program requirements shall be triggered for new development consistent with the LUCE performance standards.

T21.4 Seek to fund TDM programs through transportation related fees such as Transportation Management Ordinance fees and parking fees.

T21.5 Strive to implement measures to minimize the time motorists spend searching for parking through way-finding and pricing parking to create availability.

T21.6 Consider parking pricing and commuter parking limits as tools for managing congestion.

T21.7 New multi-family and nonresidential developments should be incentivized to construct facility design elements that will enable price control for parking.

T21.8 Seek methods to use parking revenue to support travel by transit, bicycle, walking and other modes.

T21.9 Consider modifications of existing facilities to support changes in demand, for example, replacing auto parking with bicycle parking as bicycle use grows.

T21.10 Continue to strengthen the marketing and promotion of non-auto transportation to residents, employees and visitors.

T21.11 Continue to invest in information technology to help improve access to all transportation choices.



Dedicated car-share parking spaces in convenient locations can help incentivize decreased private automobile ownership in Santa Monica.



The LUCE promotes alternatives to driving to work.

ACTIONS

- Establish and regularly update mode split targets for each Demand Management District and the City as a whole, and develop strategies to achieve those targets.
- Facilitate the formation of Transportation Management Organizations (TMOs), Business Improvement Districts, or other organizations to help manage vehicle trips at a local level.
- Explore and develop feasible approaches to unbundling the cost of parking from the cost of housing for new multi-family projects.
- Regularly update the City's TDM program and evaluate the following for possible implementation:
 - Bike-transit centers with bicycle parking, bike rentals, bike repair shops, lockers, showers and transit information and amenities (such as maps, schedules, and sales of fare media like monthly passes)
 - Bikesharing Program, with public bicycle rentals located throughout the City
 - Carsharing Program
 - TMOs to provide TDM programs and coordinate parking management activities for distinct sub-areas of the City
 - The provision by employers, institutions or residents' associations of Universal Transit Passes for Big Blue Bus and Metro
 - Safe Access to Transit Program to provide safer bicycle and pedestrian access to transit stops
- Vanpool and carpool ride-matching services for TMOs and employers, including customized, real-time, online tools
- Mobility Centers located in each TMO that create a one-stop shopping center for residents, employees, and visitors to get information on travel options
- Methods of monitoring TDM programs to ensure that each TMO or employer meets specified trip reduction targets
- While evaluating the car-sharing program, consider approaches to increase car-sharing, such as:
 - New development providing "right-of-first-refusal" to parking spaces for car-sharing organizations and the City, and
 - Providing public on- and off-street spaces to qualified car-share operators for little or no charge.

PARKING

The Role of Parking

Sufficient automobile parking is necessary for the success of most of Santa Monica's businesses, and for the quality of life of its car-owning residents. Indeed, lack of available parking has been among the strongest complaints voiced in the LUCE process by neighborhood residents and retail business owners. But how much parking is sufficient? Too much parking may be just as bad as too little. This section examines how the City can quantify the "right" amount of parking, manage that parking optimally, and design it for function and beauty—all to achieve Santa Monica's larger goals.

Parking Issues

Parking issues vary significantly across the City. Residential neighborhoods face the following key issues:

- Increased auto ownership. As Santa Monica's demographics have changed, so have its rates of auto ownership.
- Parking used for storage. In some cases, residents use their off-street parking space for storage, increasing the demand for street parking.
- Employees, visitors and shoppers park in neighborhoods. Along the beach, in neighborhoods with no parking permit restrictions, and in permit zones that allow



Parking is a concern in the City. In addition to neighborhood parking pressures, there is enormous demand for parking access for regional amenities like the Third Street Promenade, the Pier, Santa Monica Place (above), the beach and parks.

limited free parking, nonresidents choose to park free in the neighborhoods rather than paying to park in beach or commercial lots.

Commercial districts face other issues:

- Low parking supply in some areas. Santa Monica's neighborhood commercial districts were originally built for travel by foot and streetcar, not automobiles.
- Fragmented supply. Many off-street lots and garages are reserved for particular users and sit

empty at other times of day, an inefficient use of a valuable resource.

- Employees park at the front door. In some cases, employees take the most prized front-door parking spaces, forcing shoppers and visitors to park farther away.
- Shoppers circle for parking. Where parking availability is tight, and where available spaces are hidden in garages or at the back of buildings, shoppers may circle the block repeatedly, contributing to traffic congestion.

Parking Economics

Parking is expensive. Building a new parking structure costs about \$30,000 per space in 2009 dollars—and over \$40,000 underground. A surface space can be even more expensive, when including the high cost of land in Santa Monica. While it is important to have sufficient parking, building too much parking is wasteful. At these high prices, it is essential that all of Santa Monica's parking spaces be managed as a precious resource.

For motorists, the critical issue is parking availability, not parking supply. Citywide, there are always plenty of empty spaces—just not where motorists want them or can find them. The goals and policies of this section are largely structured to match parking supply and parking demand through better management of the existing parking system. Economic theory teaches that there are limited tools the City can use to balance parking supply and demand:

- Substitution increases the attractiveness of alternatives to driving, including all the tools covered in the TDM section.
- Market segmentation allows parking to be restricted to a certain set of users, such as the City's existing residential parking permit districts.
- "First-come-first-served" requires that motorists circle around to find a space or wait for another motorist to leave.

- Price sets a rate that may vary by time of day and location to encourage motorists to shift from high-demand facilities to empty lots.

Pricing is the most commonly used mechanism to balance supply and demand for most goods and services, including housing, food, and clothing because it tends to be more efficient and fair than the other tools. As the price of parking declines, its demand increases—and as price increases, demand falls. If the price is set too low, parking becomes scarce, and businesses will suffer and motorists will be annoyed. If the price is set too high, parking spaces will sit empty, and shoppers and visitors will go elsewhere. The trick is to set the price of parking just right, so that everyone can always find a space but no spaces are wasted. At this optimal price, commerce and residential quality of life are both maximized. The LUCE recommends using all four tools, reducing queuing and emphasizing price. This conclusion is supported by a 2008 Rand Corporation study that found properly priced parking to be one of the most immediate and effective tools local government can use to reduce traffic congestion.

Who Pays for Parking?

Most motorists who park in Santa Monica do not pay for the full costs of providing that parking, including the value of the land, the construction and maintenance costs, and



The cost of parking is high, both for motorists and for cities. Pricing is a common tool that is used to balance supply with demand.



Parking: The LUCE recommends several strategies to make parking easier and more predictable in Santa Monica.

ancillary expenses like enforcement, and garage lighting and security. As a result, these motorists receive a direct or indirect subsidy to help pay for their parking. That is, some of the costs of parking are hidden in the costs of other goods and services, or paid for through public funds. From an economic perspective, parking subsidies may be a valuable tool for promoting business in a competitive region where most motorists park free. From a social equity perspective, discounted parking at home and work can be just as important as affordable housing and decent wages for low-income, automobile-dependent households.

From a congestion-management perspective, however, subsidizing parking is the same as paying people to drive, the economic equivalent of giving away free gasoline. In areas such as Santa Monica, where local street capacity is overburdened, "solving" a parking problem by providing more spaces will put more pressure on the streets that provide access to the parking.

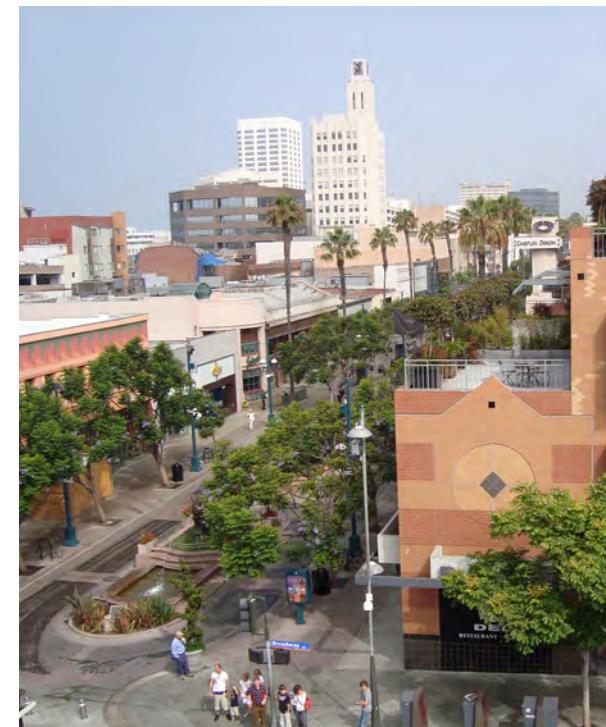
Parking supply and management also raise complex tensions related to Santa Monica's housing affordability goals. Each off-street parking space, along with its share of necessary aisles and ramps, consumes about the same amount of building space as a studio apartment. Each parking space added to a



The cost of parking is “built-in” to the price of housing, often adding 20 percent to the cost of the unit.

typical multi-family residential unit increases the price of that unit by about 20 percent and decreases the number of units that can be built by roughly the same amount. Moreover, households that can give up ownership of one vehicle can qualify for an additional \$100,000 to \$150,000 in mortgage in 2008 dollars, or save \$650 a month.

Santa Monica's parking policies must acknowledge the tensions they pose in implementing all of its economic vitality, quality of life, social equity and ecological sustainability goals.



Parking assessment: The Third Street Promenade is located in a Parking Assessment District in which property owners pay a portion of the shared parking costs.

Successful Parking Strategies

To address its parking issues, Santa Monica should pursue a coordinated parking management strategy:

In residential neighborhoods, the City should explore all of the following as part of its integrated approach:

- Constrain residential permits. Residential parking permits should be more than just “hunting licenses.” Instead, permit distribution should be limited to ensure that some spaces

are always available. Before expanding residential parking supply, the City should pursue options for constraining permits so that increases in supply will result in increases in availability. Similarly, the City should create incentives for residents to park in their own garages rather than use them for storage.

- Provide residents access to available commercial spaces. Where commercial properties have surplus parking—particularly at night—the City should help create mechanisms to allow residents to lease these available spaces. This will likely mean having a third party manage the spaces so that commercial property owners do not have to accept added liability or management costs.
- Ensure new development improves parking availability. New developments may be excluded from participating in existing residential permit zones, and they may be required to rent their shared parking spaces to nearby residents just as they do to building tenants.
- Reduce or eliminate free parking in residential permit zones. To limit spillover from surrounding commercial districts, free time-limited parking may be reduced or eliminated. To maintain access for guests and residential vendors, the City may expand availability of guest permits or provide pay-and-display machines in neighborhoods. Such changes or new programs require the support of the residents of the affected area.
- Create residential parking benefit districts. Through parking permits or space by space, some neighborhoods may want the option

of selling their surplus daytime parking supply to commuters, provided that net revenues are invested in the parking district for improvements like traffic calming, transit amenities, bicycle routes, street trees or other local priorities. Such programs would require the support of affected residents.

- Create centralized neighborhood valet parking. In areas of great parking scarcity, valet parking for residents may be as successful as it is in commercial districts.
- Create an online residential parking rental program. The City or neighborhood organizations may work to create a market for available parking through an online information and auction site.
- Bring car-sharing to Santa Monica. In other urban markets in the United States, every car-share vehicle provided has eliminated up to 25 private vehicles, with residents selling their second or only car, or avoiding the purchase of a car altogether. Such neighborhood rental cars are perfect for Santa Monica, especially as its transit investments make it easier to live without multiple vehicles.

In commercial and beach areas, the City should explore these strategies:

- Adjust parking price to ensure availability. The City should establish a target that 15 percent of spaces in every lot and garage, and along every block face, be available at all times. It should then adjust the price of parking and the hours of enforcement to meet this target, varying by time of day, season and location.



Real-time occupancy monitoring systems can be utilized in commercial and residential areas to effectively communicate parking availability to the public and to streamline the process of looking for parking.



Residential parking management districts can help ensure a balance between parking supply and demand.



Public and private parking options should be continuously evaluated against current trends and demand.

- Expand payment options. It should be as easy for a customer to pay for parking as it is to buy goods from any retailer, and the City should ensure that credit cards, debit cards and other convenient forms of payment may be used for all parking spaces.
- Expand real-time parking information. To reduce circling for parking, motorists should be able to know the best route to the closest available parking, with real-time messaging signs from the freeway off-ramps to most lots and garages.
- Expand car-sharing. If employees can easily rent a car by the hour during the day, they may not need to bring a car with them to work in order to run errands or go out for lunch.
- Implement employee TDM. All of the programs listed in the TDM section can reduce parking demand and make more spaces available for customers.
- Manage employee parking. Employees should not be encouraged to park in prime customer spaces or in residential neighborhoods. Instead, each commercial area should have a tailored employee parking strategy, taking advantage of less-utilized facilities.



Parking payment options: Different payment options give customers a choice of how they want to pay.

- Expand valet programs. Centralized valet programs allow shoppers, visitors and employees to drop their car off at any valet and pick it up elsewhere.
- Enable more efficient use of parking spaces through innovative technologies, such as stacked parking systems, where appropriate and well-screened from view.

GOALS AND POLICIES

GOAL T22: Provide adequate parking availability for residents on residential streets at all times of day.

POLICIES:

T22.1 Strive to manage on-street parking in residential neighborhoods so that on average, 15 percent of the spaces are available to residents at all times of day.

T22.2 Expand management options for residential parking permit districts in order to increase parking availability for residents, including methods such as setting limits on the availability of permits, elimination of free time-limited parking in residential zones and the establishment of parking benefit districts.

T22.3 Maximize the efficient use of existing off-street parking and make this parking available to residents.

T22.4  Promote programs that reduce residents' average vehicle ownership, including car-sharing and pricing parking separately from housing.



Car-sharing: Part of the parking solution is linked to providing opportunities for shared automobile programs to locate in residential and commercial areas.

GOAL T23: Encourage new projects to improve residents' opportunities to find parking.

POLICIES:

T23.1 In new multi-family and commercial buildings, encourage building owners to lease parking spaces separately from residential units and commercial space, and allow residents of nearby buildings to lease these spaces at comparable rates as building tenants.

T23.2 In new multi-family and commercial buildings, encourage owners to make parking spaces available to qualified car-share operators, and allow public access to the car-share vehicles.



New technologies: Parking lifts and other innovative technologies make good use of limited space.

T23.3 In new multi-family buildings, the City should encourage developers to enroll residents in a qualified car-share program.

T23.4 On properties where parking is leased separately from residences, exclude the property from participation in any existing residential parking permit zone.

GOAL T24: Provide adequate parking availability for commuters, visitors and shoppers throughout the day.

POLICIES:

T24.1 Manage all public parking in commercial areas so that on average, 15 percent of the spaces are available at all times of day.

 denotes sustainable policy



Management: The City should strive to manage on-street parking in residential neighborhoods so that on average, 15 percent of the spaces are available to residents at all times of day.



Shared parking is encouraged in the LUCE Plan.

T24.2 Use price as the primary tool for achieving parking availability targets.

T24.3 Subject to funding availability, provide tools for motorists to find the closest available parking space, including real-time information signage and publishing parking availability information on the internet.

T24.4 Strive to manage beach parking availability in collaboration with the Coastal Commission, including periodic adjustments to variable pricing and exploring shared parking arrangements between the beach and nearby commercial districts.

T24.5 Encourage all new commercial parking to be shared and designed so that it is interconnected with adjacent parking facilities.

GOAL T25: Design parking to meet applicable urban design goals and minimize negative impacts on pedestrians, bicyclists and transit users.

POLICIES:

T25.1 Require adequate on-site loading areas for child care centers, healthcare offices and other uses with intensive passenger drop-off demands, and work with schools to encourage provision of adequate loading areas.

T25.2 Require that parking be accessed only from alleys, where alley access is available.

T25.3 Minimize the width and number of driveways at individual development projects.

T25.4 Require surface parking lots to be screened by landscaping from adjacent public streets.

T25.5 Above-ground parking structures should be designed according to the same urban design principles as other buildings.

T25.6 Encourage technologies that reduce the physical space needed for parking, such as mechanical lift systems.

T25.7 Encourage installation of electrical outlets in loading zones, including signage, to reduce vehicle idling associated with operating refrigeration for delivery trucks.

GOAL T26: Use parking policies to achieve housing affordability, congestion management and air quality goals.

POLICIES:

T26.1 Encourage shared parking and discourage reserved parking. Ensure that shared parking is open to all motorists, regardless of whether they are customers, employees or tenants of a building, with

the same parking prices, restrictions and privileges as building occupants.

T26.2 Ensure that public parking prices reflect the true cost of automobile parking.

T26.3 Use a portion of revenues raised from parking charges to achieve more sustainable transportation choices including transit, walking and biking.

T26.4 Adjust parking requirements for projects when it can be demonstrated that a lower parking demand is appropriate.

T26.5 Charge a fee when commercial developments remove public on-street parking for a driveway or other purpose.

T26.6  Use parking pricing as a tool to manage congestion.

T26.7 Consider allowing developers to meet their minimum parking requirements via shared parking between uses, payment of in-lieu fees, or off-site parking within a reasonable walking distance.

T26.8 Encourage coordinated valet services to balance parking supply and demand.

T26.9 In all new multi-family development, seek to provide the option to purchase parking separately from residential units to reduce the overall cost of housing.

T26.10 In one hundred percent affordable housing projects, consider allowing residential guest parking to be used to meet parking requirements, or establishing thresholds under which parking would not be required, for on-site local-serving retail and services.

T26.11 If the owners and operators of properties can demonstrate that they have more parking than is actually necessary to meet the needs of their various users (employees, visitors, etc.), consider developing parking efficiency strategies that include leasing their surplus parking to help alleviate parking shortages and avoid development of unnecessary parking.

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measuring progress: implementing the plan

The LUCE makes a commitment to careful and inclusive implementation. The dedicated participation and vision of thousands of community members created the LUCE, and it will require the participation of the entire community to see it become reality. Residents, property owners, businesses, schools, religious institutions, hospitals, community groups, transit and other public agencies are all part of the solution. The LUCE provides a vision for complete neighborhoods, green and livable streets and an integration of land use and transportation that requires cooperation across traditional boundaries. With continued public engagement and thoughtful, comprehensive decision-making we have the opportunity to work together to implement a future much greater than the sum of its parts.

“A good plan goes to waste if it is not implemented.”



A key to success is the active management of the City and its critical resources—land use, housing, transportation, arts and culture, economics and natural environments—in a holistic and sustainable manner. Integrating these traditionally separate disciplines requires the multifaceted implementation strategy described in this chapter.

The Zoning Ordinance, specific plans, area plans, streetscape plans, and the City's capital improvement program are the traditional tools for implementing a general plan. These implementing documents provide a framework of detailed design and development regulations—based on the General Plan vision—that are applied to specific development proposals. The City has the opportunity to flourish and be renewed through the implementation of these individual projects, guided by the community's vision and goals.

Equally as important are public improvements such as roadways, bike paths, shared parking, parks and open spaces, transit and shuttles, landscaping and the beachfront improvements. The complete neighborhoods envisioned by the Plan require coordinated improvements in both the public and private realms. Therefore, implementing the LUCE through the prioritization of public investments and the municipal budgeting decisions will be



important determinants for achieving the community's vision.

After adoption, the community has a central role in the Plan's implementation. Residents will be actively engaged in the development of a series of area plans, creation or updating of specific plans, development of neighborhood conservation programs, review of proposed development projects with community benefits required, and monitoring of the Plan's progress.



As part of Santa Monica's commitment to community dialogue and lifelong learning the City shall continue programs to educate the public regarding land use, development, design, green design, bicycle and pedestrian safety, and sustainability. These may include:

- Neighborhood conservation education
- Bike and pedestrian safety information
- Sustainable building practices and tips for residents and businesses on saving water and energy

PURPOSE AND STRUCTURE

The purpose of this chapter is twofold: to outline the tools for implementation, and to identify opportunities for continued community participation.

The chapter is organized in the following manner:

- Framework for Implementation
- Key Implementation Tools:
 1. Managing and Monitoring Change - Tracking Our Progress
 2. Neighborhood Conservation
 3. Area Plans and Specific Plans
 4. Zoning Ordinance and Map Revisions
 5. Review of Proposed Projects
 6. Transportation Improvements and Programs
 7. Capital Improvements
 8. Coordination on Regional Transit Investments
 9. Budgeting Decisions in line with General Plan

FRAMEWORK FOR IMPLEMENTATION

Managing and Monitoring Change

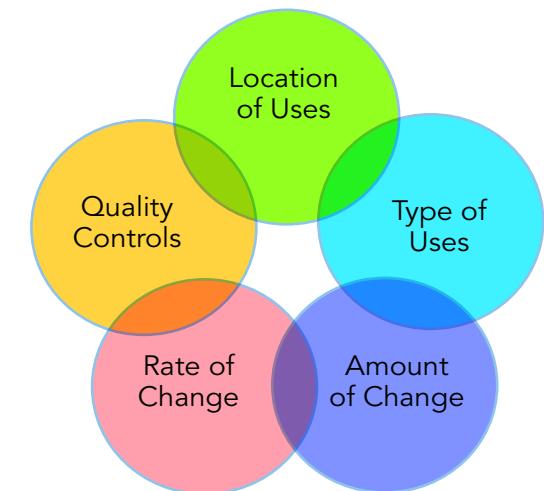
A cornerstone of the LUCE approach is the commitment to monitoring the progress of the Plan, and managing the pace and type of change. The LUCE has incorporated five key strategies for monitoring and controlling growth. They involve: (1) the location of uses, (2) the type of uses, (3) quality controls, (4) the

amount of change, and (5) the rate of change. (See chapter 2.7 Managing Change for further information.)

The LUCE also incorporates a concept for monitoring and managing the implementation of the Plan. Careful implementation ensures that improvements are balanced and maintain Santa Monica's high quality of life. A series of performance measures tied to the Plan's desired outcomes will be periodically reviewed to assess trends and progress. By tracking progress, the Plan can be dynamic and incorporate modifications if needed, including "putting on the brakes" to provide time to assess and respond to changing conditions. Incorporating a management approach supports sustainability by allowing the General Plan to be a living document, maintaining its relevancy through timely adjustments. The Plan takes a long-term approach while also allowing for adjustments to incorporate new ideas and innovations.

Sustainability and Climate Change Planning

The LUCE establishes the land use and transportation framework crucial to achieve fundamental citywide sustainability goals and to implement the *Sustainable City Plan (SCP)*. The LUCE sets the foundation for a substantial decrease in greenhouse gas (GHG) emissions



CLIMATE CHANGE SCOPING PLAN

a framework for change
DECEMBER 2008

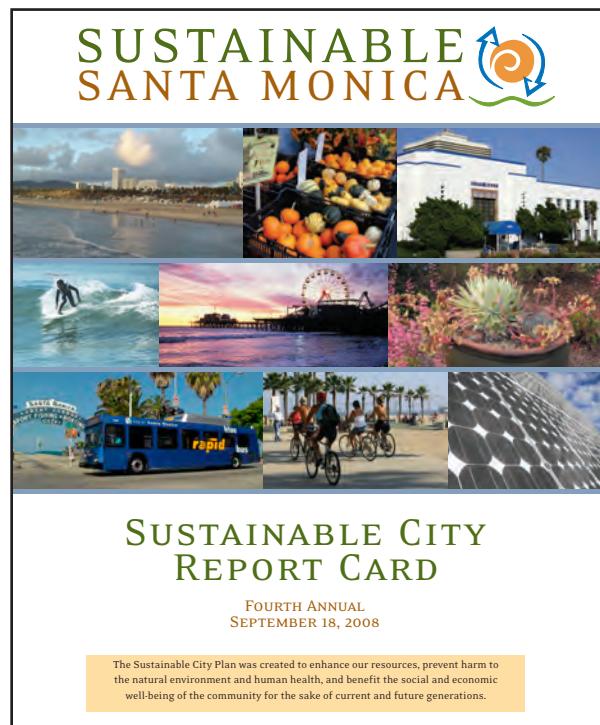
Pursuant to AB 32
The California Global Warming Solutions Act of 2006



Prepared by
the California Air Resources Board
for the State of California

Arnold Schwarzenegger
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Secretary, California Environmental Protection Agency
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Chairman, Air Resources Board
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Executive Officer, Air Resources Board



through vehicle trip reduction and bicycle and pedestrian network improvements, and by creating focused land use patterns that emphasize concentrating diverse uses near transit. These strategies are consistent with the California Attorney General's interpretation that GHG reduction and climate change planning need to be incorporated into local general plans. The specific metrics showing how the City's GHG reduction targets will be achieved will be laid out in Santa Monica's Climate Action Plan. With over 40 percent of the City's GHG emissions generated by vehicle trips, the

LUCE's integrated land use and transportation strategies will be a foundation of the Climate Action Plan.

Performance monitoring for the LUCE will be coordinated with the SCP and the biennial *Sustainable City Report Card*. The LUCE measures could be done with every other report card (every four years) or in accordance with a monitoring framework approved by the City Council.

Assembly Bill 32 and Senate Bill 375 require metropolitan planning organizations to include Sustainable Communities Strategies (SCS) in the Regional Transportation Plan for the purpose of reducing GHG emissions. The laws are intended to align planning for transportation and housing; they create specified incentives for the implementation of the strategies. Jurisdictions in the Southern California Association of Governments region will be required to prepare an SCS for inclusion in the 2012 Regional Transportation Plan. Santa Monica will participate in the preparation of the SCS and many of the innovative transportation and land use strategies outlined in the LUCE will be valuable input.

KEY IMPLEMENTATION TOOLS

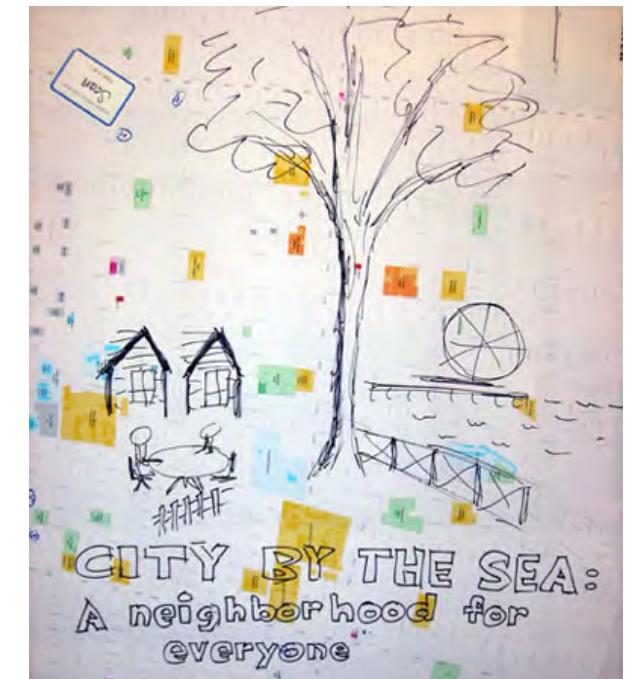
The development of individual projects will be subject to an updated Zoning Ordinance that will incorporate the goals and policies of the LUCE and establish public outreach processes and review procedures. Targeted areas of the City will be subject to area plans and specific plans to ensure that they are developed in ways that are consistent with the stated objectives of the LUCE. These implementation tools will allow for the realization of the progressive and innovative concepts of the LUCE that will transform the City.

I. MANAGING AND MONITORING CHANGE – TRACKING OUR PROGRESS

The LUCE makes a strong commitment to monitoring and measuring the progress of implementation over the life of the Plan. This allows the City to assess, evaluate and respond to naturally changing conditions, new information, and new ideas. Growth management allows the healthy evolution of the City while preserving community resources for future generations, addressing environmental justice, and minimizing the negative impacts of new development on existing neighborhoods. The LUCE provides the ability to measure, reassess and modify policies as conditions change throughout the life of the Plan.

Measuring progress will rely on a set of indicators and trends or targets. Establishing a trend or target is not intended to generate additional goals but to create a means by which the City can measure the performance of the Plan. The LUCE review will be coordinated with and build upon the *Sustainable City Plan's biennial Sustainable City Report Card*. Some of the indicators take root in those previously identified in the *SCP*, and new indicators are being developed from the transportation demand model to reflect a more sophisticated method of managing congestion.

To coordinate with the monitoring schedule of the *Sustainable City Report Card*, the LUCE land use indicators could be reviewed at least every four years or in accordance with a monitoring framework approved by the City Council. The LUCE builds upon the *Sustainable City Plan's biennial Sustainable City Report Card* process by giving more specificity to the existing transportation goals, and presenting a new opportunity to implement the goals of the *SCP* with respect to economic development, open space, and human dignity. Indicators associated with these areas will be reported with the publishing of the *Sustainable City Report Card*. The overall progress report will measure key trends that assess the Plan's implementation, progress, and phasing.



Residents and stakeholders will continue to be actively involved in shaping and evaluating the progress of the LUCE.

Potential Indicators to be Measured

The LUCE is designed with an inherent control mechanism by allowing the City to adapt and change the Plan according to new circumstances. Measurements allow the City to see how the Plan is progressing, identify trends early, and proactively manage change. The process by which meaningful trends and indicators can be measured was sketched out in concept during creation of the LUCE and will be carefully developed in detail after adoption. Potential data sources include: surveys; City permit tracking and other newly-developed data collection mechanisms; citywide Travel

Demand Model; census data; regularly published reports and indices; and population, housing and employment estimates from other government agencies. When needed, this will allow the City Council to respond to new opportunities and challenges. Measurements will parallel key goals of the LUCE to ensure that performance matches the vision of the Plan. The preliminary concept for measuring and monitoring utilized the LUCE's extensive public engagement process and is organized into the following five core areas that relate to the framework elements of the Plan.

A Complete Community

A key tenet of the LUCE is the integration of land use with transportation through mixed-use development that includes affordable and workforce housing limits as well as market-rate housing in areas accessible to transit such as activity centers and transit districts and along major bus routes including Lincoln Boulevard, Wilshire Boulevard, and Santa Monica Boulevard. This strategy will also focus daily needs and services within walking distance of existing neighborhoods. This category identifies progress towards the LUCE vision of sustainable, accessible, and complete neighborhoods where residents can shop, play, and socialize locally. Specifically, trends and measures to evaluate could include the ability of residents to access daily needs and services; access to open space amenities; housing affordability; and diversity of housing types.

Neighborhood Conservation

The LUCE preserves and protects neighborhoods by not allowing development that conflicts with or detracts from the existing community character. This category addresses the key preservation and protection strategies for residential areas, and assesses whether the neighborhood conservation initiative has been successful in retaining the strong sense of community and connectedness that defines many of Santa Monica's neighborhoods.



Tracking our progress through regular data collection, reporting, and evaluation of trends and measures will enable the community to adapt to changing conditions and ensure that the LUCE remains a living document. Regular reporting will measure our progress toward creating complete neighborhoods, protecting existing communities and increasing transportation choice.

Trends and measures to evaluate progress could include neighborhood safety; compatibility of new development; construction impacts including vacant and abandoned properties; and the state of the urban forest.

Transportation Choice

The LUCE strives to create a land use pattern that is integrated with transportation choice, proactively manages congestion, reduces

the number of vehicle trips and increases the number of trips made by transit, walking and biking. This category measures the success of proactive congestion management policies, including the No Net New Evening Peak Period Vehicle Trips target as measured by the Travel Demand Model.



The LUCE also considers the fiscal health of the City, which is important in order to allow residents to continue enjoying high-quality services and response levels, and a variety of cultural, recreational and educational enrichment programs.

Trends and measures to evaluate progress could include the shift from the automobile to other modes of travel; net new Santa Monica-generated trips in the evening peak period; vehicle miles traveled per capita; and completeness of bicycle and pedestrian networks.

A Fiscally Healthy City

The ability of the City to continue to provide high service levels and to implement many of the innovative actions and programs of the LUCE relies on a healthy and sustainable economy based in a diversity of sectors, including visitor and local-serving uses, hospitality, creative and cultural arts, small businesses, hospitals and medical facilities,

schools and retail. The goals and policies of the LUCE strive to maintain the Downtown as a thriving citywide and regional destination, while also supporting independent, small businesses and the creative arts that give the neighborhood commercial areas like Main Street and Montana Avenue their unique local flavor. Also important is a greater diversity of employment options and economic sectors in order for Santa Monica to continue to enjoy relatively stable revenue streams. Options for expansion include green industries and businesses engaged in advanced research and development.

This category monitors the fiscal health of the City to ensure revenues that support continued high levels of services and quality of life. It addresses the diversity and economic health of the City's commercial districts for commercial, cultural/arts, healthcare, and educational activities. Trends and measures to evaluate progress could include diversity of revenue-generating economic sectors; share of sustainable businesses that generate high revenue with low resource consumption; ratio of jobs to available housing units; and quality of municipal services ranging from emergency response to recreational and maintenance operations.

Public Engagement

The process of making the LUCE a dynamic and responsive document will depend on the ability to continue to fully involve residents and stakeholders in the public discourse. This category measures success in engaging stakeholders in civic life and community process, allowing for meaningful input, sharing of information, and a clear understanding of why decisions are made.

Specifically, trends and measures to evaluate could include number of community meetings held for proposed development projects; diversity of opportunities for public input, and public understanding of the civic decision-making process.

II. NEIGHBORHOOD CONSERVATION

The community's highest priority is to preserve the existing character and scale of Santa Monica's neighborhoods. The LUCE proposes a robust and diverse collection of policies and programs to control the type of change occurring within existing neighborhoods, including:

- Neighborhood Conservation Overlay Districts
- Courtyard housing protections
- Modified demolition regulations to protect existing neighborhoods

- Modified development standards to preserve neighborhood character
- A Transfer of Development Rights program
- Parking management programs
- Educational tools and programs

(See chapter 2.2 Neighborhood Conservation for further information.)

III. AREA PLANS AND SPECIFIC PLANS

Area plans and specific plans are a useful bridge between the broad policies of the General Plan and the prescriptive standards of the Zoning Ordinance. These plans give special attention to a sub-area and identify opportunities consistent with the General Plan's vision. Additional regulations, conditions, programs, standards and guidelines bring the citywide vision into local focus. Such plans are often used to ensure that multiple property owners and developers adhere to a common plan or coordinate multiple phases of a longer-term development project.

State law (Government Code Section 63450) authorizes cities to adopt specific plans for implementing their general plans in designated areas. These plans may include types of uses, development standards and design standards, circulation and infrastructure improvements. Specific plans have been used in Santa Monica to guide development in the Downtown

through the *Bayside District Specific Plan*, in the Civic Center through the *Civic Center Specific Plan*, and in the vicinity of Saint John's Health Center and Santa Monica-UCLA Medical Center through the *Hospital Area Specific Plan*.

The LUCE calls for the creation of area plans and new or modified specific plans for a number of locations. The public process for the development of these plans should pursue broad outreach with a range of stakeholders that is tailored to the area and could include surrounding neighbors, property owners, tenants, schools, developers, businesses, students, teenagers, families, seniors, social service agencies, and religious institutions.

Three specific plans are identified as priorities:

- Downtown Specific Plan
- Hospital Area Specific Plan
- Santa Monica Airport/Business Park Specific Plan

Area plans and specific plans should address the key opportunities and potential for the area, and at a minimum include the following:

- Specific criteria by which development will proceed
- Location, phasing and amount of land uses
- Development demands on hard and soft infrastructure such as transportation, water, sewage and energy consumption

- An implementation program for comprehensive public and private development.

Area Plans for the Activity Centers

An area plan is proposed for each activity center overlay identified in the LUCE. In addition to location-specific issues, these area plans should identify the following overarching issues:

- Principles to guide the activity center overlay's interface with the surrounding neighborhood
- Identification of improvements that are candidates for community benefits
- Opportunities for parking districts that provide common shared parking to serve the commercial and residential development
- Strategies to implement a Transportation Demand Management District for trip reduction
- Bicycle and pedestrian access priorities
- The most appropriate locations for open space
- Implementation strategies
- Specific opportunities for shared access and service
- Methods to encourage the development of affordable and workforce housing
- Open space criteria for new boulevard development



In addition to new plans to be created for new districts, specific plans to be updated include the Civic Center Specific Plan and the Hospital Area Specific Plan in order to reflect evolving community values and address new challenges and opportunities.

Plans for the Districts

- Specific plans, area plans, studies or amendments to existing plans will be prepared for the districts listed.

(See chapter 2.6 Districts for further information.)

Bergamot Transit Village Area Plan

Establish a new neighborhood focused around the Bergamot Light Rail Station and including expanded housing opportunities, local-serving retail uses, creative arts, employment, and consolidated parking in a small grid network of streets and pedestrian pathways.

Downtown Specific Plan Update

Update and replace the existing *Bayside District Specific Plan* and encompass an expanded Downtown area stretching to

Lincoln Boulevard, and linking to the Civic Center and Oceanfront.

Mixed-Use Creative Neighborhood Area Plan

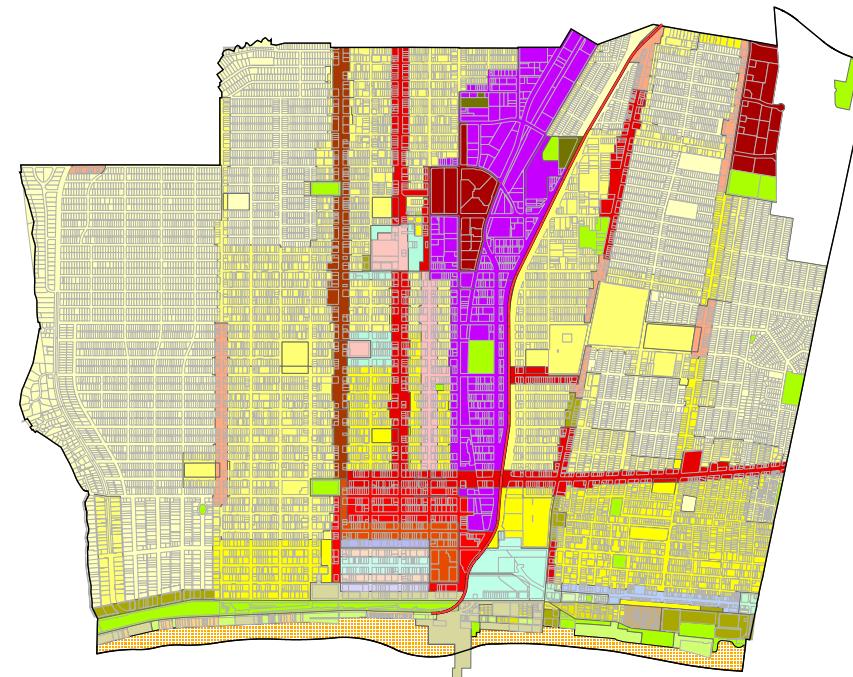
Coordinate with the Bergamot Transit Village Area Plan to create new connections to the Expo Light Rail and the City's pedestrian, bicycle, transit, and automobile grids. The development intensity will reflect the district location as a transition zone to lower-scale residential neighborhoods to the north and east and will feature mixed-use commercial/residential neighborhoods where opportunities for creative arts jobs are balanced with a variety of affordable, work force and market-rate housing and local-serving retail and services.

Hospital Area Specific Plan Update

Update the HASP concurrently with the master plans for both Saint John's Health Center and Santa Monica-UCLA Medical Center to reflect the LUCE vision and boundaries, including portions of Santa Monica Boulevard, Wilshire Boulevard, Broadway and Colorado Avenue. The updated plans should address the preservation and enhancement of surrounding residential neighborhoods and the changing needs of the healthcare community—with expanded healthcare uses, such as medical offices and retail to provide a complete neighborhood that supports the primary use of healthcare, and which reduces vehicle trips. Particular attention should be given to affordable and workforce housing for area employees, and comprehensive parking and trip reduction strategies.

Civic Center Specific Plan Update

Update the CCSP to reflect the emergence of the district as an integral link between the Downtown, Beach and Oceanfront, and Main Street Districts and the Ocean Park neighborhood—in addition to being the civic and cultural core of the City. Address pedestrian activation of the edges of the Palisades Garden Walk and along Pico Boulevard, improve physical and visual access to the Santa Monica High School campus, connect to the Downtown Light Rail Station, and pursue opportunities to cap the I-10.



Updating the Zoning Ordinance and Map is a critical step in implementing the goals and policies of the LUCE.

Pico Boulevard Corridor Area Plan

Create a plan to encourage pedestrian activity, neighborhood retail, north-south connections and shared parking. The plan should also look at public/private reinvestment potential and select opportunity areas for infill to achieve the broader vision.

Santa Monica Airport/Business Park Specific Plan, Streetscape Plan for Ocean Park Boulevard

Prior to 2015, the City should prepare a specific plan to set forth uses for the airport and a framework for land use decisions; identify redevelopment opportunities and

desired mix of uses for the business park, utilization of surface parking area, land uses and enhancements for the north side of Ocean Park, and integration with future of Santa Monica Airport, if known. A streetscape improvement plan for Ocean Park Boulevard, from Centinela to Lincoln Boulevards should be explored at the same time, or earlier, that emphasizes pedestrian and bike safety, wider sidewalks, dedicated bike lanes and green space.

Industrial Conservation Area Study

Explore the potential to attract industries to this area that contribute to the City's sustainability goals. Conduct a study to identify whether there are appropriate sites for 100 percent affordable housing, particularly in the area between 17th Street and Cloverfield Boulevard.

Local Coastal Program Land Use Plan

- Update the LCP Land Use Plan (LUP) to be consistent with the LUCE goals and policies for the Beach and Oceanfront District, Downtown, and residential neighborhoods within the Coastal Zone. Until the LUP update is complete, if any conflicts arise between the LUP and the LUCE, the policies of the LUCE shall take precedence in the Coastal Zone.

IV. ZONING ORDINANCE AND MAP REVISIONS

The Zoning Ordinance and associated Zoning Map are critical tools for implementing the LUCE. The City will prepare a comprehensive revision to the Zoning Ordinance and Map, consistent with the vision, goals and policies of the LUCE to include, among other things, the land use classifications and development standards outlined in the LUCE. The updated Zoning Ordinance will be a central regulatory mechanism that must be carefully prepared and work in concert with the LUCE in order to achieve the City's and community's goals. Innovative LUCE concepts to be incorporated into the revised Zoning Ordinance include, but are not limited to:

Mixed-Use

- The creation of mixed-use boulevards and districts that reorient regional commercial areas toward housing for a range of income levels
- Ground floor pedestrian-oriented uses and standards that encourage local-serving goods and services and community-serving amenities
- Ground floor residential uses that are oriented towards the street within areas designated as Mixed-Use Boulevard Low on Santa Monica Boulevard, Pico Boulevard, and Broadway allowing new development to be more compatible with the surrounding neighborhood character; the residential development should be designed to engage the street with street-facing doors and fenestration, ground floor open space, porches or stoops.

Affordable and Workforce Housing

- Continuation of the City's effective implementation of the Affordable Housing Production Program in compliance with Proposition R
- Additional opportunities to provide a greater share of housing for all income levels including very low, low, moderate and above moderate, including housing for employees of area businesses

Neighborhood Conservation

- Modified development standards in the residential zoning districts to achieve greater conservation of residential quality, type and character
- Modified development standards to require projects to be of a compatible scale and character with the existing neighborhood;



New requirements for TDM measures should be included in modifications to the Zoning Ordinance.

- provide respectful transitions between new and existing structures; conform to building envelopes that preserve access to light and air and require appropriate setbacks along neighborhood streets; and provide ground level open space
- Modified demolition process that considers neighborhood defining character issues such as aesthetic, social and cultural attributes
- Neighborhood Conservation Overlay Districts to address conservation of distinctive

neighborhood features, streetscape, and site planning; protections for unique properties, sites or building types

- Programs for addressing transportation and parking issues starting in areas with the greatest on-street parking scarcity

Community Benefits

- Complete neighborhoods achieved through a program for community benefits that responds to the community's broader social and environmental goals
- Maximum by-right base height and intensity for new development
- Incorporate of special rules for new development that requests to build above the base height or intensity; such new development will be subject to a Development Review Permit or its equivalent or a Development Agreement with those additional requirements consistent with the community's broader social and environmental goals

Enhanced Public Engagement Process

Changes to the development review process to allow for early public review and input during the conceptual phase of a project. The purpose of early consultation is two-fold:

- It provides an opportunity for residents to gain a clear understanding of the timing and steps involved in the development review process

- It takes place at a time when the project concept is still flexible, providing the community the greatest opportunity to actuate change in the project components. These concept review meetings will also increase certainty for the neighborhood and developer and reduce costly changes during the entitlement process.

Transportation Demand Management and Circulation Standards

- Incorporation of requirements for TDM into the Zoning Ordinance that will be applied to project review in order to achieve the City's goals for GHG reduction and climate change prevention.
- Coordination of TDM provisions with potentially reduced or shared parking requirements to maximize land efficiency and minimize disruption, while still providing adequate parking for area uses.
- Consideration for shared and reduced parking requirements for projects with comprehensive TDM programs located near transit.
- Updating the Municipal Code, as appropriate, with the Circulation Element actions and programs in Section VI of this chapter.



An enhanced public review process will include early concept review, and revised standards and criteria.

V. REVIEW OF PROPOSED PROJECTS

Development proposals that conform with stated goals and policies of the LUCE are the implementation tools that have the most direct influence on the City's ability to achieve complete communities, housing opportunities, and integrated transportation and land use. Exacting review is the primary method by which the City ensures that individual projects achieve the vision, goals, and standards of the community. The vision is set by the General Plan, and the standards are established in the Zoning Ordinance. Although Santa Monica has limited vacant land, it is anticipated that over the time horizon of this Plan, some properties in the City will redevelop as existing structures reach the end of their useful life, and/or as property owners seek more effective use of their sites.

Objective Standards and Criteria

By stating the goals and policies for each land use designation and each neighborhood, boulevard, district, and activity center, the LUCE creates certainty for residents and developers and establishes how development projects can positively affect the character, form, and quality of the city.

Objective standards and criteria rooted in community priorities and measures to mitigate the impacts of new development will be the method by which all administrative projects will be reviewed. Review of discretionary projects that involve new construction will be guided by a new incentive system that places significant emphasis on inclusion of affordable housing and other community benefits with the objective that new development should contribute to the city's physical, environmental, and cultural goals. Types of review for new projects are described below and include:

- Ministerial review for projects that fall within established base height and FAR limits
- Planning Commission and/or City Council review for projects that exceed base height and FARs
- Development Agreements

Maximum Ministerial Base Height and FAR and Provisions for Increases when Projects Offer Community Benefits

The LUCE establishes a maximum ministerial base height of 25–35 feet. As an incentive, additional height and FAR above the base may be granted, subject to a discretionary review process, if it meets community benefit criteria. A Development Agreement may be required for these increases in height and FAR.

(See chapter 3.2 *Community Benefits* for further information.)

VI. TRANSPORTATION IMPROVEMENTS AND PROGRAMS

The Circulation Element acknowledges that due to regional growth around Santa Monica, congestion and associated GHG emissions will continue to occur even if no new development occurs in the City for the next 20 years. In response, the LUCE establishes an aggressive goal of No Net New Evening Peak Period Vehicle Trips with a Santa Monica destination or origin and includes the GHG reduction targets articulated in the *Sustainable City Plan*.

Progress toward achieving the stringent GHG reduction targets established by the *Sustainable City Plan* and regaining control over some of the existing negative trends related to citywide circulation will be aided by the transportation improvements and programs



Measuring the success of streets includes examining how well streets support active recreation and living. The LUCE encourages the design and use of streets to be for more than just automobiles.

outlined in the Circulation Element. Specific actions identify local funding, implementation measures, partnerships and cooperation that must occur at a regional level. For the first time, the success of transportation investments may be measured by the effect on the quality and experience of the transportation system, particularly streets and the various modes of travel: walking, biking, transit and automobile. The following are the programs and actions to be implemented for each component of the transportation system.



The pedestrian environment should offer convenient and comfortable access to local services while also functioning as a social gathering place.

Performance Measures

Streets

Streets should support active living, and this contributes toward local and regional air quality, sustainability, and GHG reduction goals. The following are specific investments for streets:

- Establish transportation performance criteria for each street to reflect the Circulation Element goals and principles and incorporate these into the *Sustainable City Plan*.
- Establish transportation impact analysis criteria for each street to reflect the Circulation Element goals and principles.
- Establish street design standards and management tools for each street to reflect Circulation Element principles.



Improvements to the pedestrian network will include new crosswalks coupled with educational programs to ensure safe access to schools.

- Review transportation system performance regularly and adjust resources to align with community priorities.

Walking

The pedestrian environment should be safe, comfortable and attractive. The following are specific investments for the walking network based on funding availability:

Public Improvements

- Create a destination-oriented pedestrian signage program.
- Establish a plan for separate spaces for pedestrian and cyclists for the entire beach path. Work with the City of Los Angeles to discuss the construction of similar treatments in the areas of Los Angeles adjacent to Santa Monica.

- Create a priority list for enhanced pedestrian crossings along all major boulevards. Construct enhancements as funding becomes available.
- Develop a plan to enhance alleys citywide to create a Shared Street environment. In the Downtown areas, create "Arts Alleys" as described in Creative Capital, the City's cultural master plan.
- Create a priority list of locations in the City where sidewalks should be completed. Construct new or reconstruct existing sidewalks as funding becomes available.
- Create a priority list of locations to install dual curb ramps to improve the pedestrian environment and construct ramps as funding becomes available.
- Construct pedestrian improvements identified through Safe Routes to School programs.

Information and Education

- Establish Safe Routes to School programs such as "walking school buses," walking audits, classroom instruction and promotional events.
- Create a program to educate parents about the benefits of their children walking to/ from school. Emphasize the existing high levels of safety in Santa Monica.
- Create a program to promote pedestrian safety through outreach both to pedestrians and motorists.

Policies and Projects

- Develop a pedestrian plan that incorporates design standards and policies and provides a framework for prioritizing investments in pedestrian improvements.

- Conduct a pedestrian environment study that identifies locations that may be difficult for the disabled. As part of the plan, develop a priority list of physical improvements and identify potential funding sources.
- Prepare citywide pedestrian design guidelines that encourage walking.
- Update the Municipal Code to improve public and private standards addressing driveway location, pedestrian-oriented design and pedestrian-oriented lighting.

Biking

The bicycle network in Santa Monica should feature high-quality facilities and safe, interconnected, and convenient access that promote a gradual shift towards increasing the number of people who use bicycles for their daily transportation needs. The following are specific investments for the bicycle network, based on funding availability:

■ Public Improvements

Parking

- Identify locations where more bike parking would be beneficial and install bicycle racks and bicycle storage facilities, as funding becomes available.

Signage

- Develop a plan for beach access bikeway signage and way-finding mechanism.
- Develop a plan for destination-oriented bikeway signage and way-finding systems to direct riders to bikeways and major

destinations such as hospitals, schools, shopping districts, and bike share/rental and repair locations.

■ Treatments and Facilities

- Install countdown indicators to inform cyclists and pedestrians of time remaining to cross the street.
- Create design standards addressing bicyclists at intersections, and as funding becomes available, upgrade existing intersections to the new standard and prioritizing the areas identified on the bicycle map as "Key Connections."
- Construct and ensure operation of bicycle transit access centers, which provide amenities such as secure bike parking, bike repair, and transit information.
- Create a public bicycle rental program with a network of drop-off and pick-up locations throughout the community.
- Collaborate with the SMMUSD to identify bicycle routes around and/or through Santa Monica High School and promote cycling for students.
- Collaborate with Santa Monica College to identify a bicycle route in the 17th Street corridor through the college campus and promote cycling for college students.
- Reduce bicyclist-pedestrian conflicts along the beach bike path, such as larger standing areas for pedestrians and expansion of the pedestrian path.

■ Development Review

Parking

- Update bicycle parking requirements for new development and periodically monitor bicycle parking demand and use demand data to monitor and adjust requirements.



A complete and safe bicycle network, including features such as bicycle harbors, will facilitate a gradual shift towards increasing the number of cyclists.

Signage

- Require projects to provide directional signage to ensure users know where to find bicycle parking.

Facilities

- Establish requirements for access to showers and locker facilities for bicycle commuters in new developments.
- Create a system of bicycle-transit access centers that provide secure bike parking, rentals, repairs, showers, and transit information located at rail stations, major bus stops, and destinations.



Transit investments that enhance passenger convenience could include bus shelters that provide real-time information such as time and next bus arrival.

■ Information and Education

- Develop a program of personalized travel marketing to help those interested in bicycling to find the best route to travel.
- Establish a program to promote bicycle safety through outreach both to bicyclists and motorists.
- Partner with regional agencies to develop Web-based, real-time bicycle route mapping tools.
- Promote classroom instruction and information on bike safety and awareness that targets different populations such as seniors, children, and commuters.

- Create Safe Routes to School programs with the goal of making them self-supporting.
- Encourage events to promote bicycling, such as National Car Free Day and Bike-to-Work Day with events throughout the City.
- Work with the Convention and Visitors Bureau to provide bicycle rentals and information about cycling at hotels and popular tourist attractions.

■ Policy and Projects

- Develop a bicycle master plan—include a discussion of the feasibility and prioritization of specific recommended measures and facilities.
- Encourage others to adopt effective regulations regarding innovative bicycle design and technologies.
- Create design standards for “living streets” where pedestrians, bicycles and low-speed motor vehicles safely share the streets, especially in the neighborhoods of Ocean Park and directly south of the Pier.
- Complete major gaps in the bikeway network including: connections to all future rail stations and activity centers; Expo Light Rail bike path; Connections between Stewart Park and Bergamot Station; “Key Connections” to all schools and major employment centers; bicycle and pedestrian bridge across the Santa Monica Freeway at 7th Street; connections from Ocean Avenue to the beach bike path, focusing on opportunities at Montana Avenue, the California Incline, Arizona Avenue, Broadway, and the Santa Monica Pier; Enhancements to Airport Avenue between

Airport Park and 23rd Street; improve connections with the City of Los Angeles, including Dewey Street between Marine Park and 23rd Street.

Transit

The transit system should aim to increase transit ridership by providing high-quality and high-frequency service to increase interconnections between Santa Monica and the region and to improve intra-city connections within Santa Monica. The following are specific investments for the transit network, based on funding availability:

■ Public Improvements

- Implement signal prioritization for transit along regional and connecting transit streets.
- Establish queue-jump lanes or transit-only lanes when signal prioritization is inadequate to maintain transit speed and reliability.
- Regularly update the Big Blue Bus Service Improvement Plan, with an emphasis on service efficiency and improved regional connections.
- Update transit technology systems to maximize use with communication technology.
- Create guidelines for major bus stops that include amenities such as real-time bus arrival displays, shade, lighting, trash cans, and benches.
- Expand existing transit stop improvements program, including real-time bus arrival displays and schedule information.

■ Information and Education

- Provide transit information at popular tourist destinations and hotels on transit.
- Create a universal transit pass program developed and implemented in partnership with transit agencies, schools, colleges, and major employers.
- Establish transit information centers in all libraries and locations within TDM Districts.
- Include transit information with communications from the City of Santa Monica.

■ Policies and Projects

- Prepare an analysis to identify appropriate fees which could support transit, such as development impact fees, variable parking fees or an increased parking tax.
- Expand shared ride access, such as vanpool programs to supplement existing transit service, for larger employers.
- Create detailed station area plans for all Expo Light Rail stations.
- Support regional rail planning efforts.
- Establish local planning projects to prepare for future rail service and station areas.
- Work with the Expo Construction Authority to seek a PUC waiver to allow parking on both sides of Colorado Avenue with two transit lanes, two travel lanes, and sufficient sidewalk widths.

Automobiles

The main purpose of the roadway network is the efficient movement of cars on Santa Monica's major boulevards and limiting access through local residential streets. Congestion at the local and regional level can be managed

by locating bottlenecks away from residential and commercial areas, thereby reducing entry points into the City, and by striving to manage travel times on major boulevards and avenues. The following are specific investments for the automobile network, based on funding availability:

■ Public Improvements

- Establish traffic analysis guidelines and significance thresholds to isolate congestion in the areas with the least negative impact on the neighborhoods, neighborhood commercial areas and the Downtown.
- Install and maintain real-time signage, especially at freeway exits and in the downtown, to direct traffic to available parking to reduce congestion.
- Implement an Advanced Traffic Management System to improve signals.
- Develop a Traffic Management Center to optimize motor vehicle flow throughout the City.
- Study Civic Center circulation improvements to improve bus, automobile and pedestrian circulation at the Expo Light Rail terminus, including new connections over the freeway.

■ Private Development

- Restrict driveways on boulevards and major avenues where access is available from a side street or alley.
- Ensure safe and convenient design of projects, including safe interaction between private property and the public right-of-way.

■ Information

- Establish way-finding and real-time information systems.
- Information on safe motoring skills and habits.

■ Policies and Projects

- Revise neighborhood traffic management policies to reflect LUCE goals.
- Develop a traffic signal master plan.
- Restrict new building driveways on major avenues and boulevards, where access is available from a side street or alley.
- Establish traffic engineering standards to ensure that they are up-to-date and support a multi-modal transportation system.
- Create design guidelines for shared streets in residential neighborhoods where rights-of-way are constrained, ensuring autos travel slowly enough to mix with pedestrians and cyclists.
- Target speeds for each street classification.
- Incorporate indicators into the Sustainable City Plan that support the goals and policies of the LUCE.
- Establish congestion management targets and significance thresholds by individual district and corridor.
- Create a Transportation Management Center to consolidate real-time information on roadway conditions, manage intelligent transportation tools, and coordinate traffic management planning and parking operations among City departments and outside transportation agencies.

MANAGEMENT TOOLS

Transportation Demand Management

TDM Districts are at the core of the City's trip reduction strategy and will ultimately allow the LUCE to achieve the aggressive goal of No Net New Evening Peak Period Vehicle Trips. The following are specific actions that may be undertaken as part of a city- or district-wide TDM program:

- Establish targets for mode split between walking, bicycling, transit and vehicle trips for each TDM District and the City as a whole, and develop strategies to achieve those targets.
- Form Transportation Management Organizations (TMOs), Business Improvement Districts, or other organizations to help manage vehicle trips at a local level.
- Explore approaches to unbundle the cost of parking from the cost of housing for new multi-family projects.
- Include the following features as part of a TDM Program:
 - Bike-transit centers, with bicycle parking, bike rentals, bike repair shops, lockers, showers, and transit information and amenities (such as maps, schedules, and sales of fare media like monthly passes)
 - Bike-sharing program, with public bicycle rentals located throughout the City
 - Car-sharing program
 - TMOs to provide TDM programs and coordinate parking management activities for distinct sub-areas of the City

- The provision by employers, institutions or residents' associations of Universal Transit Passes for Big Blue Bus and Metro
- Safe access to transit program to provide safer bicycle and pedestrian access to transit stops
- Vanpool and carpool ride-matching services for TMOs and employers, including customized, real-time, online tools
- Mobility Centers located in each TMO that create a one-stop shopping center for residents, employees, and visitors to get information on travel options
- Methods of monitoring of TDM programs to ensure that each TMO or employer meets specified trip reduction targets
- Approaches to increase car-sharing: new development providing "right-of-first-refusal" to parking spaces for car-sharing organizations, and the City providing public on- and off-street spaces to qualified car-share operators for little or no change

Parking

Controlling the availability of parking can be a tool for achieving housing affordability, congestion management, and air quality goals. The availability of parking will be controlled by four main tools: (1) adjusting supply and demand by restricting access to parking through special permits, (2) providing alternatives more attractive than driving, (3) allowing parking to be used on a "first-come, first-served" basis, and (4) pricing strategies. The following are specific actions that may be undertaken as part of a parking management strategy:



Parking management strategies, such as real-time information, can help to achieve LUCE goals, including congestion management.

- Update parking requirements in the City's zoning code to reflect the latest parking demand data and the City's parking principles, including loading and drop-off areas for markets, restaurants, schools, child care, healthcare, and senior housing.
- Update residential parking permit district ordinance to include expanded options for

increasing parking availability for residential neighborhoods.

- Create parking management policy with availability targets for various areas of the City.
- Update codes to reflect policy decisions on shared parking, unbundled parking, in-lieu fees, independently accessible parking, mechanized parking, and universal valet programs.
- Work with car-share operators to create a strategy for establishing a strong car-share program in Santa Monica.
- Update parking payment equipment so that motorists may use a variety of convenient payment options.
- Expand real-time parking availability information.

VII. CAPITAL IMPROVEMENTS

At the heart of the LUCE are goals and policies that are the catalysts for positive physical and environmental changes in the community. A number of specific physical improvements are needed to ensure the complete neighborhoods, transportation systems, and green streets envisioned in the LUCE Plan, such as:

- Wider sidewalks, and enhanced crosswalks
- Additional street trees to complete the urban forest, and enhanced parkway landscaping
- Infrastructure repair to ensure consistent service
- Transit service and facilities improvements
- Bicycle paths, lockers, showers, and parking
- Shared parking facilities

The City's Capital Improvements Program (CIP) itemizes specific improvements and indicates schedules and anticipated funding. Construction of public facilities and infrastructure is an important link between the development of the City and the implementation of the General Plan, and the CIP provides the tool to link them. For example, the CIP can be used to time and control targeted development objectives by locating and programming public facilities and infrastructure in areas where targeted



Physical investments, such as the Expo Light Rail, are necessary in order to implement many of the LUCE goals and policies.

development is planned. Specific capital improvements identified in the LUCE should be programmed into the City's CIP during each funding and project selection cycle. Each CIP should be reviewed by the City Council for consistency with the General Plan prior to approval.



The LUCE is the blueprint for Santa Monica's future and should be the guiding document upon which decisions regarding community priorities are made. This will ensure the ability to measure our success in "stepping lightly" and preserving valued resources for future generations to enjoy.

VIII. COORDINATION ON REGIONAL TRANSIT INVESTMENTS

Several larger City transportation investments still in early stages of consideration include:

Beach Shuttle

Santa Monica should explore pedestrian-friendly shuttle services to transport passengers along the beach. This will improve access to the beach with limited local transit service and limited auto parking.

Downtown Circulator

The City should explore transit connections between the Downtown Light Rail Station and the transit mall and Downtown area, the Civic Center, the Pier and the Beach. A Downtown circulator service effectively linking all of these transit stops and destinations would expand the area served by each individual line, as well as support shared parking in the Downtown.

Expo Light Rail

The Expo Light Rail line is a planned and funded extension of the regional rail system to Downtown Santa Monica. Although planning decisions and funding for this line are made by regional agencies, the City has a key role in ensuring the project is implemented effectively. The targeted operational date is 2015. The high-frequency connectivity to the larger region and the three stations at Bergamot Station, Memorial Park, and Downtown, slated to serve Santa Monica will be a tremendous benefit for the City and will positively impact the ability to achieve the City's congestion management and GHG emission reduction goals.

Westside Subway

A Westside Subway Extension, also identified as "Subway to the Sea," is being studied by the regional transit agency to extend the heavy rail subway originating in Downtown Los Angeles and include two or three stations in Santa Monica, most likely on Wilshire Boulevard. While the proposal has a time horizon that will likely exceed the lifetime of the LUCE, the City will continue to work toward prioritizing this project and ensuring that stations are consistent with City plans.

IX. BUDGETING DECISIONS IN LINE WITH GENERAL PLAN

Budget Development

As a statement of the City's 20-year vision and specification of actions and programs developed from goals and policies, the LUCE should act as an integrating tool for setting spending priorities and developing work programs for the City. However, it is not feasible to fund all of the programs and actions at once. The annual budget approval process should use the LUCE as an assessment tool for determining funding decisions and timing. This process ensures that the Plan remains relevant and that the community's long-term vision is realized.

Impact Fees

One of the key principles of the LUCE is for development to pay its way. This can include private investment in utilities and infrastructure as well as community-wide benefits. Examples of such facilities may include child care centers, cultural facilities, and green space. Should the construction of community facilities at the developer's sole expense not be feasible, a fair-share contribution to a community improvement fund could be made. It is expected that a linkage study would need to be prepared to establish a reasonable relationship between the fees imposed and the impact of the new development.

Fee Revisions

Long-Range Planning Recoup Fees

Costs for city planning documents, such as general plans and specific plans are, generally, reimbursed by pro rata allocation of fees to developers applying for development permits in the plan area. To enable continued long-range planning for the activity centers, and to recoup the significant investment in the LUCE, the City should explore and prepare any studies necessary to establish a pro rata planning fee. Such a fee would enable detailed and comprehensive planning to ensure careful design and implementation of the Plan visions.

appendix

ECONOMICS AND DEMOGRAPHICS

The purpose of this section is to provide background information that supports the forecasts and policies presented in chapter 3.4 of the LUCE, Diversified and Sustainable Economy. It also describes in some detail those components of the City's economic base that present significant opportunities in the future, including retail commercial activities, visitor-serving activities, creative industries, local-serving office employment, and the healthcare industry.

In reviewing this appendix, it is important to consider that the strong performance of the local economy is critical to the City's ability to fund public services as well as to maintain the proper setting for private economic activities that offer jobs and provide for other needs of local residents and visitors. In this regard, the major functions of a diversified and sustainable City economy under the LUCE may be summarized as follows:

- Create opportunities for personal and community growth and provide the basis for enjoyment of a high standard of living.



- Respond to the needs of its residents for local services and provide a source of jobs.
- Respond with flexibility to technological change and adapt to internal and external forces for change.
- Promote superior economic performance by capitalizing on opportunities presented by land use and related development policies that encourage businesses locating in the City.
- Serve as an important force in the promotion of social equity and diverse residential neighborhoods.
- Encourage and support other goals of the community such as sustainability and mobility.
- Ensure that Santa Monica can meet its current economic needs without compromising future generations to do the same.
- Encourage and support other goals of the community such as sustainability and mobility.

BACKGROUND

In July 2005 the City's Planning and Community Development Department published the *Opportunities and Challenges Report*, a document that provides important economic background information about the City while framing the key economic questions that are addressed in the LUCE. These issues included the following:

How can Santa Monica plan for the regional aspects of its economy, medical and educational institutions, and locational draw to create balanced growth and enhance the quality of life for residents?

In this regard, Santa Monica has become a major regional source for certain types of employment, such as creative industries and medical services.

What role can visitor services play in Santa Monica's future?

The hotel sector, together with other visitor-serving industries, is a major contributor to the City's fiscal health. For Fiscal Year 2008-2009 transient occupancy tax revenues (TOTs) were \$31.7 million, representing nearly 13 percent of the anticipated revenues that support the City's General Fund.

How much new housing should Santa Monica plan for to maintain inclusiveness and opportunities for affordable housing and yet retain an "appropriate town scale," and what types of new development could fulfill the City's diversity and quality of life objectives?

Housing in the City is a complex issue that transcends purely economic considerations related to the market forces of supply and demand. In recent years the combination of land scarcity, the desirability of the City

as a residential location, vacancy decontrol, regional growth pressures and a multiplicity of other factors have led to an emerging polarity in the market supply of housing, with high-priced "market-rate" units at one end and low-priced "affordable" units at the other, leaving a large gap in the middle of the market that is underserved. This market need is often identified as "workforce housing," in reference to those middle income residents that provide essential services to the City's residents such as teachers, police and firemen, and hospital workers.

How best can the existing industrial areas meet Santa Monica's needs?

The *Opportunities and Challenges Report* documents that manufacturing jobs have been declining for the last 20 years, and it is highly unlikely that this trend will be reversed in the future. Notwithstanding the strong market demand for reutilization of the existing industrial lands, it is important to recognize that they constitute a scarce land resource in a community that is virtually built-out, and that they accommodate a variety of commercial and industrial services that are important both to residents and to other businesses.

What is the appropriate scale and mix of uses for boulevard commercial corridors, and what is the appropriate scale and character of specialty commercial corridors?

The LUCE envisions new land use strategies in the form of activity centers that integrate economic opportunity with transit programs, focused development incentives, and public benefits. In this regard, it is important to recognize that each of the major boulevards and commercial streets has a special character that has evolved due to its location, existing use, development character and market(s) served. The LUCE recognizes the unique elements of each corridor.

How can the City maintain its economic vitality and protect economic advantages?

According to the Opportunities and Challenges report, the City's economic vitality and locational advantages can be assessed from three different, yet interrelated perspectives. These are the following:

- **Employment Wage Levels.** Employment sectors can be evaluated in terms of their typical pay scales and growth characteristics as well as their multiplier effects in the local community.
- **Concentration/Specialization.** Relative to Los Angeles County, Santa Monica has a number of business types that exhibit a

pattern of high concentration attributable to the community's unique location and other competitive advantages.

- **Fiscal Contribution.** Sectors can be evaluated in terms of their contribution to the City's General Fund via a range of revenue sources, including transient occupancy taxes, sales taxes, utility taxes, property taxes, and various licenses and fees.

One important set of industries that are highly concentrated in the City are the "Creative Industries" that constitute entertainment-related businesses, media/communications, and visual and performing arts. Together, they constitute an important cultural resource to the community as well as a source of local employment.

How can the City foster small businesses, "incubator" industries and establishments that contribute to, and maintain, its uniqueness?

Recognizing the importance of small businesses, in general, and the specific desire of the community to provide for the local employment space needs of local residents, the LUCE presents land use and transportation strategies that encourage locally-focused small businesses and introduces new concepts for community-scaled commercial space that is local-serving and dispersed throughout the City.

POPULATION AND SOCIOECONOMIC CHARACTERISTICS

The following sections provide a review of the population and socioeconomic trends and projections that were originally presented in the *Opportunities and Challenges Report* prepared in 2004–2005, and serve as important background information to the LUCE. Many of these original projections have been updated to reflect recent economic trends and information related to changes in housing supply and occupancy characteristics that have taken place in the community.

Southern California Regional Growth Perspectives

While the proper focus of the LUCE is rightfully placed on the future use of the lands which are within the boundaries of Santa Monica, the City's present and future is also directly related to the larger Southern California region which encompasses six counties—Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial—and over 18 million people. Over the period 2000 to 2030, this six-county region is anticipated to grow and change as follows:

- Total population growth is projected at over 6 million persons, increasing at an annual rate of over 200,000 residents per year.

- This population increase, along with other demographic changes, will result in 2.26 million additional households that will require housing at a rate of almost 100,000 new units annually, after allowing for vacancy and the replacement of obsolete units.
- The population will age significantly; the percent of total population aged 65 years or more will increase from 10 percent to 17 percent and number over 4 million by the year 2030.
- Employment growth for the period is projected at over three million jobs or about 100,000 net new jobs on an annual basis, assuming that one of every two residents will be employed.

Given the growing scarcity of developable land within the region, the most likely impact of this regional population growth will be to create significant pressures for intensification of land use in existing cities.

Population Trends

As noted in chapter 3.4, the scale and composition of Santa Monica's current and future population is an important consideration that impacts the LUCE process, as local resident demographic characteristics provide insights regarding likely demand for housing, local services, transportation and cultural facilities. Santa Monica's population growth patterns and socioeconomic characteristics differ in material respects from the rest of the

Southern California region. As a group, its residents tend to be older, more affluent, and more homogeneous racially and ethnically while living in smaller households.

In chapter 3.4, two population estimates were provided for the City as of January 2009; one was provided by the State of California Department of Finance; according to their Demographic Research Unit, the population currently stands at 92,494 persons, constituting a net increase of 8,410 persons over the last nine years. However, it should be recognized that this is an estimate based on reported housing activity and somewhat dated vacancy rate estimates and household size estimates that appear overstated given the population's age structure and housing supply composition. Accordingly, an alternative estimate based more closely on the average household size reported historically in the US Census reports suggests that the City currently has about 88,700 residents¹.

The Southern California Association of Governments (SCAG) provides forecasts of population, household and employment growth for the Southern California region that are generally relied upon by its

¹ It is important to note that the last detailed information regarding population is nine years old, and all estimates and forecasts will be subject to review and revision upon completion of the census that will be conducted in 2010.

member counties and cities for land use and transportation planning. While local jurisdictions including Santa Monica may disagree with forecast specifics, they still serve as an important baseline that reflects explicit policies at the regional scale. The most recently adopted 2008 forecast prepared by SCAG provides a 30-year projection for the region covering the period 2000-2030. After consideration of the SCAG forecasts, two forecasts for the City's future population were made, utilizing the two current population estimates as the basis for the future growth projection. As shown in Table 1 (opposite page), they suggest that the population by 2030 could range from 93,500 persons to 96,500 persons, representing a total growth for the period of between 5,100 persons and 5,600 persons, or an annual growth of 230 to 250 persons. Thus, both forecasts are consistent insofar as they represent Santa Monica as a mature city with limited capacity for significant future residential growth.

It should be noted that the *Opportunities and Challenges Report* conducted a review of prior SCAG forecasts and presented its own series of three alternative 20-year projections covering the period from 2005 to 2025 for the City of Santa Monica based upon differing assumptions about migration and growth. Under the assumptions guiding these forecasts,

Table 1
ALTERNATIVE POPULATION FORECASTS FOR CITY OF SANTA MONICA
2008-2030
(Rounded)

	<u>Estimate 2008</u>	<u>Estimate 2009</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>	<u>2030</u>	<u>Projected Change, 2008-2030 Annual Growth</u>	<u>Total</u>
Low Current Estimate	88,400	88,700	88,900	90,000	91,000	92,000	93,500	232	5,100
High Current Estimate	90,926	92,500	92,800	93,700	94,800	95,900	96,500	253	5,574

Table 2
SOCIOECONOMIC COMPARISON: CITY OF SANTA MONICA AND LOS ANGELES COUNTY
2000

<u>Socioeconomic Characteristic</u>	<u>City of Santa Monica</u>	<u>County of Los Angeles</u>
Age Median Age in Years	39.3	32.0
Percent of Residents 65 and Over	14.4%	9.7%
Persons per Household: Owners	2.24	3.14
Renters	1.63	2.84
All Households	1.83	2.98
Ethnic Composition: White, Non-Hispanic	71.9%	31.1%
Hispanic/Latino	13.4%	44.6%
All Other Ethnicities	14.7%	24.3%
Total	100.0%	100.0%
Nativity/Place of Birth Born in United States	75.2%	63.8%
Foreign Born	24.8%	36.2%
Total	100.0%	100.0%
Language Spoken at Home: Other than English	29.2%	54.1%
Educational Attainment: Bachelor's Degree or Higher	54.8%	24.9%
Income Level Median Family Income	\$ 75,989	\$ 46,452
Average per Capita Income	\$ 42,874	\$ 20,683
Persons Living in Poverty: Number of Residents	8,740	
Percent of Residents	10.4%	

Source: 2000 U.S. Census.

the projected 2025 population for the City ranged between a low of 77,215 persons to a high of 109,123 persons, representing annual net changes that range from a low of -406 persons to a high of +1,038 persons.

In comparison, the current forecasts fall in the middle of the extremes that came from the *Opportunities and Challenges* report more detailed examinations.

Socioeconomic Characteristics

As a group, the residents of Santa Monica exhibit a number of unique socioeconomic characteristics that distinguish the City from the aggregate of Los Angeles County. These special attributes are presented and summarized in Table 2.

Age

With a median age of 39.3 years, the typical Santa Monica resident is more than seven years older than the typical county resident. One in seven residents is aged 65 or over; for the county overall, less than one in ten is 65 years of age or over.

Household Size

For both owners and renters, households in Santa Monica are substantially smaller than the typical county household, averaging 1.83 persons per unit in contrast to the county's 2.98 persons per unit.

Ethnicity

Santa Monica residents classify themselves as over 70 percent "White/Non-Hispanic"; in contrast, the county overall is just over 30 percent "White/Non-Hispanic", with Hispanic/Latino residents likely to become at least 50 percent of the total population by 2010.

Educational Attainment

Nearly 55 percent of adult Santa Monica residents have Bachelor's or higher degrees, more than double the county average.

Income Level

Similar to educational attainment, the Santa Monica resident income levels are well above the county average. Per capita incomes averaged \$42,874, more than twice the county average of \$20,683. Median family incomes were measured at \$75,989, over 60 percent higher than the county average.

Persons Living In Poverty

Despite the high educational attainment and relative affluence in the community, in 2000 over 10 percent of the City's population had incomes that were defined as at or below the poverty level.

Labor Force

The labor force includes City residents who are at least 16 years of age and are employed or looking for work. The labor force participation rate in the City is 69.5 percent, a figure substantially higher than the county average of 60.5 percent. About one-third of the labor force (32.3 percent) works in Santa Monica.

The future size and composition of the labor force, coupled with the degree to which City residents choose jobs located in the City rather than outside it, has a number of implications for planning. A good "match" between the City's labor force and the mix of jobs located in the City could lead to a higher percentage of residents who also work within the City. Such a match is encouraged by the LUCE in its support of locally-focused employment opportunities.

Three labor force projections have been prepared for Santa Monica covering the period from 2005 to 2025 based upon the alternative population forecasts presented in Table 3 (page A-7). The participation rates are consistent with those used by SCAG, and are generally constant over the projection period with one major exception: labor force participation is expected to increase markedly for older workers, ages 55 and over. This adjustment is consistent with national

forecasting assumptions indicating that the older residents in the future will likely enjoy better overall health and longevity, thus working longer than in the past.

Under the alternative scenarios, the City of Santa Monica resident labor force is shown to potentially change in the future from its 2005 level of 51,390 participants to (1) somewhere between 65,605 participants, for a net growth of 14,215 participants; or (2) decline to 44,625 participants, thus recording a net loss of 6,765 participants. The mid-range projection suggests that the City's labor force could expand at a rate of about 400 net new participants annually, recording a net growth of 5,044 participants between 2005 and 2025.

Employment Characteristics

As noted in chapter 3.4, growth in employment is a key consideration in maintaining the strength of the local economy, as jobs typically represent the primary source of income for most residents and local employers typically are the major sources of the City's municipal revenues that pay for ongoing public services. In contrast to the City's labor force—which essentially measures the capacity of the residents to work but not where they work—employment provides a measure of the actual number of jobs that are located within the community, and serves as the foundation for

its long term economic growth and stability. As current employment totals and employment projections have been reported previously, the following paragraphs examine the unique aspects of the local employment base in the City.

There are a number of employment sectors or "industries" which have found important economic advantages from locating in Santa Monica, and so have concentrated in the City in much greater proportionate numbers than they are found typically throughout the region. This relative concentration is measured by a "Location Quotient," where a value greater than 1.00 means that the sector has a concentration of jobs in the City that is greater than the county average. Often, these industries are viewed as "drivers" of the local economy insofar as they generate income from sources located outside the City. The sectors in the City of Santa Monica which have the highest Location Quotients typically are found in four industry categories: the Information/Creative Arts, Retail, Professional Services and Visitor-Serving sectors. Those industries with the highest location quotients are listed in Table 3.

ECONOMIC SECTOR ANALYSIS

The following sectors were evaluated with respect to their potential to contribute to the economic well-being of the community:

- Hotels/Tourism
- Retail, including cinemas
- Automobile dealers, an important component of the City's retail base
- Creative employment, including both information-related and cultural occupations
- Medical Facilities

Hotel/Tourism Sector

The Hotel/Tourism sector is a major contributor to the City of Santa Monica, both as a source of private employment and as a major contributor to the General Fund through the generation of Transient Occupancy Taxes (TOT) and sales taxes. Based upon surveys conducted by the Santa Monica Convention & Visitors Bureau (SMCVB), visitors produce TOT, sales and other tax revenues that are estimated to amount to 15 – 20 percent of the current revenues of the City's General Fund; during 2007 the average TOT generated by hotel occupancies amounted to the equivalent of \$9,000 per hotel room.

The SMCVB monitors the activities of three types of visitors to the City of Santa Monica:

Table 3
INDUSTRIES THAT ARE CONCENTRATED IN SANTA MONICA
BASED UPON EMPLOYMENT LOCATION QUOTIENT ANALYSIS, 2004

Industry Sector	Location Quotient
Hotels, Motels and Other Accommodations (Visitor-Serving)	3.56
Real Estate	3.37
Electronics and Appliance Stores (Retail)	2.41
Non-Store Retailers (Retail)	2.38
Securities, Commodity Contracts and Other Financial (Services)	2.37
Professional, Scientific and Technical Services (Services)	2.22
Sporting Goods, Hobby, Book and Music Stores (Retail)	2.07
Clothing and Clothing Accessories Stores (Retail)	1.99
Personal and Laundry Services (Visitor-Serving)	1.97
Performing Arts, Spectator Sports and Related (Information)	1.88
Telecommunications (Information)	1.87
Motion Picture and Sound Recording Industries (Information)	1.66
Food Service and Drinking Places (Visitor-Serving)	1.64
Motor Vehicle and Parts Dealers (Retail)	1.63
Publishing Industries (Information)	1.60

Source: EDD; HR&A Advisors, Inc.

- Overnight visitors utilizing hotels.
- Overnight visitors staying with friends or other non-hotel accommodations
- Day visitors who reside outside Los Angeles County

Recent growth in visitation by each visitor type is shown in Table 4 (page A-8). Over the period 2003 to 2006/2007, total visitors to Santa Monica increased by 19 percent from 4,679,000 to 5,578,200 visitors, a net growth of nearly 900,000 visitors. Leading this positive trend has been overnight hotel guests with a 54 percent increase in their visitor nights.

The significance of an individual overnight visitor on the local economy is perhaps best expressed by their typical expenditure patterns. As noted in Table 5 (page A-8), each visitor to the City spent an average of \$153 per day

Table 4
GROWTH IN VISITATION TO CITY OF SANTA MONICA, 2003–2007

	<u>2003</u>	<u>2006–2007</u>	<u>Percent Growth</u>
Overnight Visitors Utilizing Hotel Accommodations	496,000	761,900	54%
Overnight Visitors Staying with Friends or in Other Ac	178,000	200,600	13%
Day Visitors who Reside Outside LA County /1	4,005,000	4,615,700	15%
	4,679,000	5,578,200	19%

1/ A "Day Visitor" by definition lives outside Los Angeles County. Thus, the typical

Los Angeles County beach visitor/shopper is not included in the total visitor count.

Source: Santa Monica Visitors and Convention Bureau (SMVCB); W & W, Inc.

Table 5
**COMPARISON OF DAILY PER CAPITA EXPENDITURES
CITY OF SANTA MONICA AND STATE OF HAWAII, 2006**

	<u>Santa Monica</u>	<u>State of Hawaii</u>
1 All Visitors	\$ 153	\$ 156
2 Hotel Visitors Only		
Expenditure Type		
Lodging/Spa	\$ 116	\$ 130
Shopping	\$ 73	\$ 33
Food and Beverage	\$ 44	\$ 49
Other	\$ 23	\$ 44
Total	\$ 255	\$ 257

Source: State of Hawaii Department of Business, Economic Development & Tourism; SMVCB; CIC Research, Inc.; W & W, Inc.

in 2006, an amount that is equivalent to the average daily expenditure for a typical visitor to Hawaii. The visitor staying overnight in a hotel spent \$100 more per day (\$255) equivalent to what was spent by the overnight hotel visitor to the Island of Maui in Hawaii during the same period.

Overnight visitors to Santa Monica are served

by the City's 35 hotels that presently offer 3,407 rooms. Of this inventory, 2,448 rooms, or 72 percent of the available inventory, are in the Luxury/Deluxe and First Class category. During 2006–2007 the four classes of facilities combined to achieve an occupancy rate of 83.6 percent, well above the county average which was in the mid-70 percent range.

The recent (2002–2008) growth in hotel occupancy rates coupled with the likely continued growth in visitation, indicate that there should continue to be a strong demand for hotel facilities. While the performance of the hotel industry has softened during the national recession in 2008 and 2009, over the longer term there should be market support of the development of new hotel facilities. As demonstrated in Table 6 (page A-9), projecting into the future 11 years to 2020 at a comparatively modest growth rate of 1.5 percent annually, hotel demand in the City of Santa Monica should reach 4,315 rooms, a net increase by 908 rooms over the current supply. Approximately 260 rooms of this total room demand would logically fall within the "Mid-Price" or "Budget/Value" price ranges.

While Proposition S places restrictions on the location of new hotel facilities westerly of Ocean Avenue, oceanview rooms are a scarce commodity and should be maintained to the maximum extent possible through renovation or replacement of existing facilities. In addition, as noted in chapter 3.4 there are a number of other areas within the City of Santa Monica that are suitable for new or expanded hotel use.

Retail Sector

Table 7 (page A-9) documents the growth in taxable retail sales over the 11-year period 1996 through 2007. During this time frame taxable retail sales have nearly doubled, increasing from \$1.38 billion to \$2.59 billion, a net growth of nearly \$1.21 billion. The average annual rate of growth before inflation was 5.9 percent; after adjusting for inflation, the rate remained a healthy 4.5 percent. However, while the City achieved a reasonable level of growth on an overall basis, some categories of retail stores were very successful in capturing increasing demand while others failed to keep pace with the growing economy.

It should be noted that the retail stores have been grouped in a manner that reflects, to some extent, the manner in which retail stores are currently positioned in the market place. "Shopper Goods" or "Comparison Goods" refer to stores that are commonly found in regional shopping centers, specialty shopping centers, downtown districts and special boulevards like Montana Avenue and Main Street. Given the price and other characteristics of the goods sold, the customer typically "compares" alternatives while making the purchase decision. Stores selling goods in the Shopper Goods category include Apparel and Accessories stores; General Merchandise/Department stores; Furniture,

Table 6
MARKET POTENTIAL FOR ADDITIONAL HOTEL ROOMS, CITY OF SANTA MONICA
2009-2020

Hotel Class	Total Hotels	Total Rooms	Average Hotel Size in Rooms	Potential Annual Room Nights	Estimated 2008 Occupancy Rate	Rate, 2008	Supportable Rooms at 75% Occupancy w/ 1.5% Annual Growth	Supportable Rooms 2009-2020	Net Increase in Supportable Rooms by Classification, 2020
				80.0%			1,983		
Luxury/Deluxe	8	1,578	197	575,970	80.0%	1,683	1,983	405	
First Class	6	870	145	317,550	80.0%	928	1,093	223	
Mid-Price	9	586	65	213,890	85.0%	664	782	196	
Budget/Value	12	373	31	136,145	78.0%	388	457	84	
Total	35	3,407	97	1,243,555	80.6%	3,663	4,315	908	
Less: Existing Rooms, 2008								3,407	
Net Increase in Supportable Rooms, 2020								908	

Source: PFK Consulting; AAA; CIC Research, Inc.; W & W, Inc.

Table 7
TAXABLE RETAIL SALES GROWTH BY MAJOR RETAIL CATEGORY
CITY OF SANTA MONICA RETAIL STORES, 1996 AND 2007
(In Thousands of Current and Constant Dollars)

Retail Store Category	1996	2007	Net Change in Taxable Sales, 1996-2007 Measured in Current Dollars		Net Change in Taxable Sales, 1996-2007 Measured in Constant 1996 Dollars	
			Net Increase	Annual Percent	Net Increase	Annual Percent
Shopper Goods						
Apparel and Accessories Stores	145,213	323,297	178,084	7.5%	129,076	6.0%
General Merchandise/Department Stores	106,131	63,041	(43,090)	-4.6%	(31,232)	-3.1%
Furniture, Furnishings, Appliances	101,681	285,376	183,695	9.8%	133,143	7.9%
Other/Specialty	270,981	344,552	73,571	2.2%	53,324	1.6%
Total, Shopper Goods	624,005	1,016,265	392,260	4.5%	284,312	3.5%
Convenience Goods						
DrugStores	27,858	44,077	16,219	4.3%	11,756	3.3%
Food and Beverage Stores	70,690	100,613	29,922	3.3%	21,688	2.5%
Total, Convenience Goods	98,548	144,690	46,142	3.3%	33,444	2.7%
Eating & Drinking Facilities						
Limited Service Restaurants	82,910	125,880	42,970	3.9%	31,145	2.9%
Full Service Eating & Drinking Places	165,855	333,902	168,047	6.6%	121,801	5.1%
Total, Eating & Drinking Facilities	248,765	459,782	211,017	5.3%	152,946	4.5%
Building Materials Group	63,322	126,251	62,929	6.5%	45,611	5.1%
Automotive Group	292,091	702,087	409,997	8.3%	297,167	6.6%
Service Stations	53,310	137,758	84,448	9.0%	61,209	7.2%
All Other (Boat, Motorcycle Dealers, et al)	3,421	297	(3,125)	-19.9%	(2,265)	-9.4%
Grand Total, Retail Stores	1,383,462	2,587,131	1,203,669	5.9%	872,424	4.5%

Source: State of California, State Board of Equalization; W & W, Inc.

Home Furnishings and Appliance stores; and Other/Specialty stores, a category covering a diverse range of shops that sell items such as jewelry, books, stationery, and sporting goods. Convenience Goods include stores selling

drugs, variety items, and food and beverages; typically, these items are purchased near the home or workplace on a frequent basis, and the shopping decision is based primarily on convenience. The Eating and Drinking Facilities

Table 8
COMPARISON OF POTENTIAL RESIDENT RETAIL SALES WITH ACTUAL RETAIL SALES
RETAIL STORES IN CITY OF SANTA MONICA, 2007
(in Thousands of Current Dollars)

Baseline Assumptions

City Population, 2007:	89,650	Percent of Income Allocable for Retail Sales	33.4%
Income per Capita (BEA Definition):	\$ 76,293	Total Potential Retail Sales (in '000s)	\$ 2,284,449

Retail Store Category	Potential Resident Retail Sales	Actual 1/ Retail Sales	Surplus (+) or Shortfall (-)	Actual Sales as Percent of Potential
Shopper Goods				
General Merchandise/Department Stores	223,114	63,041	(160,073)	28.3%
Apparel and Accessories Stores	118,475	323,297	204,822	272.9%
Household Furnishings/Appliances Group	92,329	285,376	193,047	309.1%
Specialty Group, incl Used Merchandise	<u>309,662</u>	<u>344,552</u>	34,890	<u>111.3%</u>
Subtotal	743,580	1,016,266	272,686	136.7%
Convenience Goods				
Food and Beverage Stores	291,673	332,325	40,652	113.9%
Drug Stores	<u>99,172</u>	<u>36,212</u>	(62,960)	<u>36.5%</u>
Subtotal	390,845	368,537	(22,308)	94.3%
Eating and Drinking Facilities				
Limited Service Restaurants	130,231	125,880	(4,351)	96.7%
Full Service Eating & Drinking Places	<u>151,323</u>	<u>333,902</u>	182,579	<u>220.7%</u>
Subtotal	281,554	459,782	178,228	163.3%
Building Materials Group	145,996	126,651	(19,345)	86.7%
Automotive Group				
Auto Dealers/Parts	514,892	702,087	187,195	136.4%
Service Stations	194,498	137,758	(56,740)	70.8%
Other (Boat, Motorcycle Dealers, et al)	<u>13,092</u>	<u>297</u>	(12,795)	<u>2.3%</u>
Subtotal	722,482	840,142	117,660	116.3%
Retail Stores Total	2,284,456	2,811,378	526,922	123.1%

1/ Actual Retail Sales include both taxable sales as shown in Table 15 and estimates of non-taxable retail sales.

Source: State of California, State Board of Equalization; U.S. Census of Retail Trade; W & W, Inc.

category includes two types of restaurants: "Restaurants, no Alcohol," encompassing fast food facilities, coffee houses and sandwich shops; and "Restaurants with Alcohol," encompassing dinner restaurants and

high-quality dining. Finally, the other retail categories are largely self-explanatory, and include the Building Materials Group that covers lumberyards to boutique hardware stores and home finishing products, and to

garden supplies; the Automotive Group, encompassing new and used automobile dealers and auto parts stores; Service Stations; and All Other stores, a catch-all category that covers boat, motorcycle, RV dealers and related types of stores.

In the analysis of the four categories of Shopper Goods, it can be seen that two of the retail store groups—Apparel Stores and Furniture/Furnishings—have been very successful in terms of sales performance. In contrast, sales have declined in General Merchandise/Department stores, attributable in many respects to the loss of the Robinson's-May store in Santa Monica Place. In addition, the "Other" or Specialty store group has failed to keep pace with the other Shopper Goods facilities in terms of sales performance.

With regard to Convenience Goods and smaller eating establishments classified as "Limited Service Restaurants," sales have been consistent, but well below the performances achieved by restaurants classified as "Full Service Eating & Drinking Places." The former retail store groups have achieved annual sales growth in the 3 – 4 percent range, while the latter groups recorded annual gains in excess of 6 percent.

An analysis of retail sales "leakage" was undertaken in order to assess the degree to which Santa Monica's retail store base has been capturing existing resident demand. To this end, an evaluation was undertaken which compared the retail sales generated in the City of Santa Monica during 2007 with the projected demand for sales from City residents. The results of the comparison for 2007 are presented in Table 8 (page A-10). The data indicate that the City's total retail sales, including both taxable and non-taxable retail transactions that were generated by retail stores, exceeded \$2.8 billion while the potential retail demand from Santa Monica residents was estimated at less than \$2.3 billion. This comparison indicates that on the macro-level of total retail store sales the City's retail base achieved a net inflow of retail dollars totaling approximately \$527 million, an amount that was 23 percent above the theoretical Santa Monica resident demand. Store categories that created the greatest surpluses included Apparel and Accessories, Household Furnishings/Appliances and Full Service Eating & Drinking Places. There were several retail sectors that did not generate sales at or near the levels that would be expected given the size and character of local resident demand. These poorly-performing sectors included General Merchandise/Department Stores, which achieved the equivalent of only 28

Table 9
**COMPARISON OF POTENTIAL RESIDENT RETAIL SALES AND ESTIMATED VISITOR RETAIL SALES WITH ACTUAL RETAIL SALES
SELECTED RETAIL STORES IN CITY OF SANTA MONICA, 2007**
(in Thousands of Current Dollars)

Baseline Assumptions:

Resident Population Potential Sales	
City Population, 2007:	89,650
Income per Capita (BEA Definition):	\$ 76,293
Percent of Income Allocable for Retail Sale	33.4%
Total Potential Retail Sales (in '000s)	\$ 2,284,449

Estimated Visitor Retail Sales, 2007 (in Thousands)		
Store Type	Total Sales	Allocation
Shopper Goods Sales	\$ 467,800	100%
Convenience Goods Sales	\$ 18,300	95%
Eating & Drinking Facilities	\$ 281,400	75%
Total	\$ 767,500	91%

Retail Store Category	Potential Resident Sales	Estimated Visitor Sales	Total Potential Sales	Actual Sales	Surplus (+) or Shortfall (-)	Actual Sales as Percent of Potential
Shopper Goods	670,731	467,800	1,138,531	1,016,266	(122,265)	89%
Convenience Goods	420,514	17,385	437,899	368,537	(69,362)	84%
Eating and Drinking Facilities	247,577	211,050	458,627	459,782	1,155	100%
Total, Selected Retail Stores	1,338,822	696,235	2,035,057	1,844,585	(190,472)	91%

Source: State of California, State Board of Equalization: U S Census of Retail Trade: W & W, Inc.

percent of potential resident sales; Drugstores, with 37 percent of potential sales; and Service Stations, with 71 percent of potential sales.

With these initial results in mind, a second leakage assessment was conducted for selected retail store categories that considered both resident demand and visitor sales derived from the studies completed by the SMVCB. Retail sales from visitor sources during 2007 that took place in retail stores were estimated at \$696 million. This total was then added to potential resident demand in order to arrive at a total potential sales figure for the City and for the selected retail categories.

Table 9 (above) provides a summary of the second leakage analysis where a comparison

was made for three general classes of retail goods that matched demand from local residents, plus known visitor sales with the actual sales achieved. In this comparison, the Potential Sales exceeded Actual Sales by over \$190 million, an indication that there was a substantial loss of potential sales from local residents that was being offset by visitor expenditures. In effect, the analysis strongly suggests that City of Santa Monica residents are currently making extensive purchases of both Shopper Goods and Convenience Goods outside the City of Santa Monica. In all likelihood, this outflow of retail sales by City residents is likely far in excess of \$200 million, as the \$190 million shown is a net figure which does not consider additional resident sales

outflows that are offset by Los Angeles County residents—including local Malibu, Pacific Palisades and Brentwood households—coming to the beach and to the various shopping districts.

The analysis of the growth patterns of the City's various retail sectors together with the supply and demand comparisons indicate that the City is currently losing retail sales to other jurisdictions and has significant potential for expansion of its retail base. These potential market sources include the following:

- Local resident demand, including demand generated from anticipated population and income growth over the next five to ten years, as well as recapture of potential retail sales that are currently leaving the community
- Visitor growth, particularly overnight visitors
- Potential sales from residents of surrounding communities

At present, sales captured by Santa Monica retailers from adjacent communities would appear to be relatively small, and certainly not large enough to offset the resident sales that are being made outside the City. The refurbishment of Santa Monica Place will make a major contribution in addressing this retail opportunity; however, there should also be major opportunities for additional major drugstores, general merchandise and

Table 10
TAXABLE RETAIL SALES GROWTH, AUTOMOTIVE-RELATED ESTABLISHMENTS
CITY OF SANTA MONICA , 1996 to 2007
(in Millions of Current and Constant Dollars)

Retail Store Category	1996	2007	Growth		Growth	
			Current Dollars	Annual %	Total	Annual %
Automotive Group	\$ 292	\$ 702	\$ 410	8.3%	\$ 297	6.6%
Service Stations	\$ 53	\$ 138	\$ 84	9.0%	\$ 61	7.2%
Total, Automotive-Related Retail	\$ 345	\$ 840	\$ 494	8.4%	\$ 358	6.7%
Percent of Total Retail Store Taxable Sales	25%	32%	41%		41%	

Source: State of California, State Board of Equalization; W & W, Inc.

department stores and unique one-of-a-kind specialty retail stores.

(See chapter 3.4 Diversified and Sustainable Economy for locations considered most suitable for new retail development.)

Automotive Group/Service Stations.

Historically, the Automotive Group—consisting of new and used automobile dealerships, automobile leasing companies and automotive parts dealers – have been an important component of the City's retail base. Together with Service Stations, the Automotive Group has grown faster than the other retail sectors in terms of taxable sales over the 11-year analysis period 1996–2007, annually increasing at a rate of 8.4 percent and generating total taxable sales of \$840 million in 2007. As noted in Table 10 (above), during this time frame Automotive-Related retail establishments have increased

their proportionate share of retail sales taxes generated to the City from 25 percent to 32 percent, thus accounting for 41 percent of the City's increase in sales taxes from retail stores.

Given the strategic importance of automotive-related sales to the City, it is important for the LUCE to provide for the expansion and other requirements of major automobile dealerships, so they, in turn, can respond to changing market and technological conditions and to changes in the industry which could lead to a significant contraction in the number of local dealerships.

Cinema

Movie theatres have played a critical role in the revitalization of Downtown Santa Monica and the emergence of the Third Street Promenade as a premier visitor destination in Southern California. There are presently four major

Table 11
COMPARATIVE CINEMA PERFORMANCE STATISTICS

	<u>United States</u>	<u>Santa Monica</u>	
Facilities			
Number of Screens	38,000	21	
Average persons per screen	8,000	4,000	
Cinema Revenue Growth , 1997-2002 (in Millions)	<u>1997</u>	<u>2002</u>	<u>Percent Growth</u>
State of California	\$ 1,262	\$ 1,906	51%
Santa Monica	\$ 19	\$ 27	42%
Cinema Revenues per Resident, 2002			
State of California	\$ 54		
Santa Monica	\$ 321		

Source: U S Census; National Association of Theatre Owners; W & W, Inc.

cinema complexes in the Downtown offering a total of 21 screens and over 5,500 seats. The facilities were largely developed in the 1980s, and their powers of attraction are generally recognized as a major catalyst for the rise in popularity of the Promenade and the entire Bayside District.

As shown in Table 1, movie-going is a very popular activity in Santa Monica. In terms of total facilities, there is one screen for every 4,000 persons in Santa Monica, whereas the national average is one screen for every 8,000 persons. Cinema revenue growth for the period 1997 to 2002, the most recent data available, was 42 percent; while this gain was less than the growth recorded by the State on an overall basis, it was still very significant given that the City's inventory of theatres remained virtually

unchanged. Finally, it should be noted that the average cinema revenues generated per Santa Monica resident in 2002 was \$321, nearly 6 times the per capita average of \$54 for the State. While the "average revenues per resident" figure is inflated substantially by dollars from patrons who live outside the City, it does reflect the significance of the theatres as attractions for the Downtown area.

While the 2002 data indicate that the local cinemas were performing at a high level relative to statewide performance standards, in many respects they are experiencing the same issues facing many types of entertainment venues in that they are becoming obsolete and need to be upgraded in order to maintain their competitive edge and continue to draw customers. In recent years major competitive

developments such as Westfield Century City, Westside Pavilion and Downtown Culver City have completed major theatre upgrades, with their new facilities featuring state-of-the-art sound systems stadium seating, reservation systems and vastly improved food and beverage service.

In recognition of the need to maintain competitiveness and modernize the cinema complexes in Santa Monica and in response to recommendations by a City Council-appointed Promenade Use Task Force, the City is considering jointly redeveloping one of the Downtown parking structures to include modernized cinema facilities. Involvement by the City in redevelopment of the cinemas is appropriate given their importance as prime attractions for the entire Bayside District. It is also necessary due to the realities of land ownership on the Third Street Promenade and surrounding streets and the economics of theatre operation. In major shopping centers under a single unified ownership, the owner/developer can provide theatres an implicit subsidy in the form of relatively low rents in comparison to what is typically charged other tenants. However, in the Downtown area, without some public involvement there is little opportunity for theatre operators to assemble sufficient land and generate viable economic return from their operation if required to

pay rents at levels comparable to high-end retailers. Therefore, it will be important for the LUCE to support the redevelopment of the theatres by encouraging mixed-use developments that can provide for their unique requirements.

Creative Industries

In recent years the City of Santa Monica has witnessed significant growth in the "Creative Industries." This change has occurred partly as a consequence of the structural changes in the regional economy which have led to the emergence of entertainment services and other information-related occupations to replace aerospace and other manufacturing employment, and partly due to the City's strategic westside location that is proximate to the emerging complex of film and television production studios that are found in Culver City and Playa Vista. In addition, within the community there is strong support for the creative arts that has encouraged the rise of public and private cultural institutions, venues for performing arts and concentrations of art galleries that are found at Bergamot Station and along Main Street.

One indicator of the City of Santa Monica's interest in and support for Creative Industries is the magnitude of local employment that is focused in the creative and artistic fields. As

Table 12
**COMPARISON OF THE RELATIVE CONCENTRATION OF CREATIVE INDUSTRIES IN SANTA MONICA
 RELATIVE TO THE UNITED STATES
 (Rounded)**

	<u>United States</u>	<u>Santa Monica</u>
Total Employment, 2006	132,000,000	75,000
Creative Arts Employment, 2006	2,900,000	11,500
Creative Arts Employment as % of Total Employment	2.2%	15.3%

Source: Americans for the Arts; U.S. Census; W & W, Inc.

Table 13
SANTA MONICA'S CREATIVE INDUSTRIES: COMPOSITION AND EMPLOYMENT LEVELS, 2006

<u>Creative Industry</u>	<u>Establishments</u>	<u>Employees</u>	<u>Percent of Total Employment</u>
Museums and collections	7	324	2.8%
Performing Arts	261	1,581	13.8%
Visual Arts/Photography	328	1,071	9.3%
Film, Radio and Television	659	5,073	44.3%
Design and Publishing	331	3,180	27.7%
Art Schools and Services	48	235	2.0%
Total	1,634	11,464	100.0%

Source: Americans for the Arts

Table 14
**GROWTH TRENDS IN INFORMATION-RELATED BUSINESSES
 CITY OF SANTA MONICA, 1997-2002**

<u>Business Type</u>	<u>1997</u>	<u>2002</u>	<u>Increase</u>
Software Publishers			
Paid Employees	1,290	1,914	48.4%
Broadcasting & Telecommunications			
Number of Establishments	30	51	70.0%
Motion Picture and Sound Recording Industry			
Number of Establishments	380	457	20.3%

Source: U.S. Census; W & W, Inc.

noted in Table 12 (page A-14), relative to the rest of the country, Creative Arts employment is roughly 7 times as prevalent in Santa Monica.

Creative Industry clusters found in Santa Monica are listed in Table 13 (page A-14), with data indicating the number of businesses and total employment. As of 2006 there were 1,634 businesses involved in Creative Activities as defined by the organization Americans for the Arts; total employment in this sector was estimated at 11,464 jobs, though in all likelihood, that was an understatement of the total size of the local creative arts community due to the fact that many artists are self-employed, thus not included in the census. The leading Creative cluster in terms of size was the Film, Radio and Television subsector, with a total of 659 firms and 5,073 employees. Other major clusters were Design and Publishing and Visual Arts/Photography—the latter category including the City's visual artists.

Growth trends and other measures of recent economic performance for the Creative Industries are sketchy due to the Census Bureau's policies that restrict disclosure of confidential information about private businesses. Published data for Information-Related Businesses suggest that major gains in recent years have been recorded in the Software Publishing, Broadcast &

**Table 15
RELATIVE CONCENTRATION OF POST-PRODUCTION FACILITIES IN SANTA MONICA, 2002**

	<u>Establishments</u>	<u>Paid Employment</u>
Los Angeles County	709	12,947
Santa Monica	83	2,267
Santa Monica's Market Share	11.7%	17.5%

Source: U.S. Census; W & W, Inc.

Telecommunications and Motion Picture and Sound Recording Industries, as shown in Table 14 (page A-14).

Of particular significance is the emerging Post-Production Industry related to motion pictures and television. According to the most recent available data provided for 2002, the City of Santa Monica's market share of employment in this industry within Los Angeles County was 17.5 percent, as noted in Table 15.

There are a number of reasons for encouraging the growth of Creative Industries in Santa Monica. First, it would be consistent with the City's broader goals and commitment to support the creative arts and related activities within the community. Second, given the large number of residents currently employed in the creative fields or interested in such activities, this type of employment can be viewed as local-serving in character. Finally, traffic studies indicate that many of these businesses such as Post-Production companies have commuting

patterns which cause substantially less stress on peak period traffic conditions than other more conventional businesses.

Medical Facilities

The two major medical complexes in Santa Monica—Santa Monica-UCLA Medical Center (SM-UCLA) and Saint John's Health Center (St. John's)—are gaining increasing importance as regional resources, with service areas that extend well beyond municipal boundaries to Palos Verdes, Ventura County and even northern Los Angeles County. Each hospital is undergoing expansion in response to the growth in their service areas and to the changing technological requirements for medical services space.

St. John's is currently implementing a 17-year redevelopment and expansion program following a Development Agreement completed with the City in 1998. Phase I, a 475,000 square foot redevelopment of

the main hospital that was damaged by the Northridge Earthquake in 1994, will be completed in 2008. Phase II anticipates the development of a state-of-the-art medical campus with 799,000 square feet of space. The proposed mix of uses includes hospital and healthcare facilities; medical office space; research facilities; visitor housing and assisted living and senior housing. Similarly, the SM-UCLA is also undertaking a major expansion program that will likely create demand for support services on adjacent sites.