

Strategic Plan for 2014 to 2016

Strategic Plan 2014 - 2016

Introduction

The Riverside Downtown Partnership (RDP) is a non-profit organization that was formed in 1981 by a group of downtown business owners and stakeholders to advocate on issues of importance to downtown Riverside. RDP was charged with the responsibility for the Downtown Business Improvement District (BID) when it was created in 1986. RDP's BID activities are focused on six areas; parking activities, beautification, public events, music in public places, promotion of business activities, and security.

In 2006, the RDP Board of Directors adopted a vision for downtown Riverside, and a new mission for RDP to reflect that vision.

Vision

Downtown Riverside is the regional destination for businesses and service industries. With employment opportunities and attractive locations for growth, downtown Riverside is recognized for the quality of its cultural life, concentration of arts, educational programs, and urban living opportunities.

Mission

RDP will promote, represent, and manage an environment to support downtown Riverside as a regional destination for economic, arts, cultural, and residential uses.

The first Strategic Plan for RDP was adopted by the Board of Directors in March 2008. In March of 2011, the Executive Committee of the Riverside Downtown Partnership met to review the existing Strategic Plan and to discuss preparation of the plan for the next three years, 2011, 2012, and 2013. As part of that process, they reviewed the vision and mission and reaffirmed both as being representative of both downtown Riverside and RDP's activities.

The Executive Committee also reviewed the five broad goals previously adopted by RDP and made recommendations for revision when preparing the Strategic Plan for 2011 to 2013. The RDP Board of Directors incorporated those recommended revisions when establishing the goals for that Strategic Plan.

The goals established for the Strategic Plan for 2011 to 2013 are considered to be still valid and are used as the basis for the current Strategic Plan which will cover the period from 2014 to 2016.

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These goals are as follows:

- 1) Promote downtown Riverside as a destination for residents and regional visitors.
- 2) Develop and enhance RDP's influence and activities with downtown stakeholders.
- 3) Promote Riverside as a regional center for private sector commercial and residential development.

RDP's operational objectives also form a part of the Strategic Plan. The operational objectives are outlined in the latter part of the plan.

External Factors Impacting the Strategic Plan

When developing the Strategic Plan, the environment in which the organization operates must be assessed to determine external factors that impact the plan. This is particularly important in the case of a downtown organization managing a business improvement district with diverse stakeholders and partners.

In assessing the environment, three specific external factors; the regional and local economy, the County of Riverside, and the City of Riverside, are considered to impact the development of the Strategic Plan.

An executive summary of the assessment of the external factors follows. The full details of the assessment are provided in the Appendix to the Strategic Plan.

Regional and Local Economy:



The Regional Intelligence Report for October 2013 prepared by Beacon Economics LLC on commission by the City of Riverside and the Greater Riverside Chambers of Commerce indicates that while the Inland Empire overall has continued to struggle with high unemployment and slow job growth, the City of Riverside has outperformed the Inland Empire in the growth of private employment, particularly in the Leisure and Hospitality sector. Hotel occupancy rates in Riverside have increased while sales at local food and drinking establishments have shown strong improvement in sales over the past year and spurred an increase in jobs. The Report also indicated that median household income in the City of Riverside increased to \$52,697 in 2012, indicating a positive outlook for continued growth in consumer spending. The Report's assessment of continued growth in consumer spending coupled with growth in the Leisure and Hospitality Sector is supportive of RDP's retail and restaurant initiatives launched in 2012 and 2013 to promote downtown Riverside as a fashion and dining destination.

County of Riverside:



The 2013-2016 Economic Development Strategic Action Plan prepared by the County of Riverside Economic Development Agency serves as the foundation for the County of Riverside's efforts to invigorate the region's economy. The Plan identified key initiatives to facilitate increased economic growth, and serve the interests of the business community. The County's Plan identified five Initiatives and strategic actions to produce desired outcomes.

While all five Initiatives and their strategic actions will benefit downtown Riverside ultimately by benefitting the County as a whole, the Initiative to Strengthen Brand Awareness and Identity is the one that does have direct significance on RDP's plan. That Initiative has two strategic actions; to develop a media team / media strategy that includes digital marketing channels that can leverage RDP's social media reach, and to conduct local outreach with partners to reach local businesses regarding available services that can enhance RDP's support to businesses. In addition, the identified strategic advantages and priority industry sectors identified in the County's Plan are supportive of RDP's retail and restaurant initiatives launched in 2012 and 2013 to promote downtown Riverside as a fashion and dining destination. The two strategic actions from the County's Initiative to Strengthen Brand Awareness and Identity can enhance those initiatives.

City of Riverside:



In its Economic Development Plan released in February 2012, the City Manager's office outlined 12-month goals for the City of Riverside to help improve each of the four aspects of Seizing Our Destiny. Several of these Goals contained actions of direct impact on downtown Riverside. To increase interest in Riverside and particularly opportunities in downtown, the City established a 'Business First' program which assists those interested in locating or expanding their business.

To better facilitate the creation of an atmosphere that attracts arts, retail and entertainment uses in downtown, the City is in the process of updating the Downtown Specific Plan, first with the establishment of a downtown hospitality district. To attract more sporting events/tournaments to Riverside, the City established the Riverside Sports Commission which operates from the Riverside Convention and Visitors Bureau. To increase arts and tourism opportunities in downtown, the Municipal Auditorium has been renovated, the Fox Entertainment Plaza has been completed, and the Riverside Convention Center has undergone a major renovation and will reopen in early 2014 with expanded facilities. In addition, Riverside City College has launched its own Renaissance block with a \$100 million investment that will bring the Culinary Academy to downtown Riverside as well as the long awaited School for the Arts and a new museum in a restored historic building.

Other Factors

Perception and Relevance of RDP

One ongoing goal of RDP has been to develop RDP's influence and activities with downtown stakeholders. Over the past three years, the perception and relevance of RDP has been significantly enhanced. RDP is perceived as a spokesperson on downtown issues and concerns and is often contacted for its opinions by the media. Its relevance is demonstrated by requests by the City and other stakeholders for participation on committees and projects dealing with downtown concerns. This has been achieved through increased public communication about RDP activities and programs as well as by enhancing its relationships with the City including the Council members and City staff.

A positive perception of RDP and the belief that what it does is relevant to the success of downtown is critical to the success of the organization and to the achievement of the goals and objectives of the Strategic Plan. The reality is that RDP cannot achieve its goals and objectives on its own; it must do so through partnerships with other downtown stakeholders who perceive a benefit through doing so. The role of the Board of Directors in the perception and relevance of RDP also cannot be understated. Having people of influence on the Board of Directors reflects positively on RDP and enhances its perception and relevance as a major stakeholder in and for downtown.

Funding

One of the realities that RDP must face is the availability of funding for its operations and programs. Currently the BID levy rate is 100% of business tax. It is unrealistic to expect this rate to increase in future so the only way that BID levy income will increase is through an increase in the number of businesses in downtown. It is to RDP's advantage to encourage businesses to locate and stay in downtown which is why RDP has increasingly focused on providing support to business through dissemination of relevant educational information through the monthly BID Bulletin and workshops.

The possibility of establishing a Property-based Business Improvement District has been investigated as well as a means of increasing funding for RDP operations and programs. Unfortunately it is also unrealistic to see this as happening in the foreseeable future. Downtown Riverside has a large number of public sector buildings owned by the City, County, State and educational institutions, all of which are not receptive to implementation of a property based levy.

RDP has increased its income stream through fee for service contracts such as the one with Central Parking through the City of Riverside for security patrol services for City parking garages and lots. RDP has also increased its income stream through solicitation of sponsorships. However in the case of

sponsorships, RDP has not been aggressive due to the concern of competing with non-profit arts and social groups in an environment where sponsorship dollars overall are limited.

In order for RDP to expand its operations and programs, additional funding will need to be found. Options to be considered include government grants for hiring targeted individuals such as youth, additional fee for service contracts such as an expanded Ambassador program for the downtown entertainment district, and increased sponsorships for specific programs and events. How to obtain such additional funding will form part of this Strategic Plan's tactics.

Implementing the Strategic Plan Goals

In order to implement the strategic plan goals, RDP will undertake a number of specific strategies and tactics for each goal. The strategies and tactics listed will be undertaken in tandem with regular RDP activities and with the stated RDP operational goals.

Goal: Promote downtown Riverside as a destination for residents and regional visitors

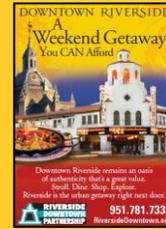
In the Strategic Plan for 2010 to 2013, RDP identified a number of strategies to achieve the goal of promoting downtown Riverside as a destination for residents and regional visitors. These included:

- continuing the destination marketing campaign,
- enhancing the RDP website,
- working with the City to develop a Smart Phone application to provide information on downtown,
- producing events to draw visitors in targeted demographic groups,
- working with arts, cultural, and heritage organizations to support and promote existing offerings and events,
- working with the City and others on developing initiatives to increase tourism, both locally and regionally,
- working with the City's Arts and Cultural Affairs Department with particular emphasis on cooperative marketing and assistance on downtown events,
- working with the Riverside Convention and Visitors Bureau, the Riverside Convention Center, and the downtown hotels to encourage groups to hold conventions and meetings in downtown Riverside, and convention and meeting attendees to patronize downtown businesses, and
- working with educational institutions such as Riverside Unified School District, Riverside City College and UC Riverside to promote downtown restaurants, shops, services, and attractions to students.

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During the three year period of 2010 to 2013, RDP has made significant progress in all of these strategies. Over the next three years, RDP will build on these strategies as follows:

- 1) Continuing the destination marketing campaign based on showcasing downtown Riverside as an affordable destination by:
 - Placing print ads in selected magazines in targeted regions within a 90 minute drive.
 - Reflecting the destination marketing campaign in other RDP promotion activities as appropriate.



- 2) Enhancing RDP's online presence by:
 - Continuing to improve the RDP website, www.riversidedowntown.org
 - Expanding RDP's Facebook pages.
 - Implementation of a strategy using Constant Contact to increase electronic reach to visitors.



- 3) Continuing seasonal events to draw targeted demographic groups, specifically:
 - Easter Egg-stravaganza for families during Spring.
 - Movies on Main for families during July.
 - Summer Street Jam outdoor concert during August.
 - Zombie Crawl for families and young adults during Halloween.



- 4) Continuing and expanding the retail initiative to brand downtown Riverside as a destination fashion district by:
 - Producing a fashion show featuring downtown retailers each spring and fall.
 - Promoting downtown retailers on the Destination STYLE Facebook page.
 - Promoting downtown as a desirable location for fashion related retailers.



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- 5) Continuing and expanding the restaurant initiative to brand downtown Riverside as a destination dining district by:
- Promoting downtown restaurants through an annual Restaurant Week at the end of each June.
 - Promoting downtown restaurants on the Restaurant Week Facebook page.
 - Promoting downtown as a desirable location for restaurants and hospitality establishments.
 - Assisting the City with establishment of a downtown entertainment district.



- 6) Working with organizations to support and promote existing offerings and events, as well as to develop new ones by:



- Supporting organizations with sponsorships, marketing assistance, and other means as appropriate.
- Working with organizations using downtown for events to promote both the event and downtown businesses.
- Assisting in developing and launching new events.

- 7) Working with the City, the Riverside Convention and Visitors Bureau and Riverside Sports Commission, the Riverside Convention Center, downtown hotels and others to increase tourism and visitation by:



- Encouraging groups to hold conventions and meetings in downtown Riverside.
- Offering incentives for convention and meeting attendees to patronize downtown businesses.

- 8) Working with educational institutions to support and assist downtown businesses by:

- Partnering with Riverside City College's School of Cosmetology on the retail initiative to brand downtown as a destination Fashion District.
- California Baptist University on the Intern Program to provide support to downtown businesses in the development of social media programs.
- Supporting college targeted events such as the Amazing College Race.

- 9) Improving the perception of downtown Riverside as a safe place to visit by:

- Expanding the Ambassador Program as funding allows.
- Working with the City and other downtown stakeholders on cooperative security measures such as a strategic plan for security cameras and a security alert system.
- Supporting improvements to downtown lighting and providing financial assistance as funding is available.

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- 10) Improving the perception of downtown as a convenient place to visit by:
- Working with the City to provide convenient and accessible parking for downtown visitors and patrons.
 - Working with the City on appropriate signage for downtown.

Goal: Develop and enhance RDP's influence and activities with downtown stakeholders.

As noted previously, RDP's perception and relevance has significantly been enhanced over the past three years. The strategies identified in the previous Strategic Plan are for the most part still relevant for this goal. Over the next three years, RDP will build on those strategies to continue to enhance its influence and activities by:

- 1) Continuing to position RDP as a relevant stakeholder and spokesperson for downtown Riverside by:
 - Maintaining contact with media outlets and issuing press releases as appropriate.
 - Responding promptly to requests for information and position statements.
- 2) Maintaining and enhancing relationships with the Mayor, City Council, and City staff by:
 - Providing regular updates to City on RDP activities.
 - Participating on committees and projects as requested.
 - Supporting City initiatives and projects as requested.
- 3) Continuing to enhance RDP's Annual Meeting and Awards Ceremony as a signature event recognizing significant downtown achievements with a desirable award.
- 4) Working with other downtown stakeholders such as the Greater Riverside Chambers of Commerce to develop joint positions of support as appropriate.
- 5) Developing relationships with targeted sectors such as the health care industry.

Goal: Promote Riverside as a regional center for private sector commercial and residential development.

The strategies identified in the previous Strategic Plan are for the most part still relevant for this goal. Over the next three years, RDP will build on those strategies to continue to promote Riverside as a regional center for commercial and residential development by:

- 1) Continuing the RDP Land Use Committee's mandate and purpose to actively involve the private sector development community by:

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- Developing a network of contacts within the private sector development community and promoting downtown Riverside as a potential location for new businesses.
 - Working with City Staff and the Land Use Committee to encourage commercial and residential developments.
- 2) Working with the City and others to promote downtown as a desirable location for businesses to succeed.
 - 3) Supporting downtown businesses to foster financial viability by:
 - Advocating on behalf of businesses.
 - Continuing and expanding business support services through advocacy, marketing, and education efforts including workshops on key topics.

Operational Objectives

RDP also will continue to work on specific operational goals that are consistent with and complimentary to the broad goals and strategies listed above. These specific operational goals include but are not limited to:

- 1) Continuing to improve the organization both operationally and financially by:
 - Pursuing additional revenue generation opportunities such as fee for service contracts, grants, and sponsorships of specific functions.
 - Increasing paid membership, particularly in specific business sectors.
- 2) Providing support for the development and growth of BIDs within the City, including the expansion of RDP's existing BID Boundaries.

Implementation

Once the Strategic Plan for 2014 to 2016 has been adopted by the RDP Board of Directors, staff will prepare an action plan matrix of reflecting goals, strategies and tactics.

Updates on the action plan will be provided semi-annually as part of the reporting by staff to the Board at its meetings.

Appendix Assessment of External Factors Impacting the Strategic Plan

The Regional/Local Economy

The Regional Intelligence Report for October 2013 prepared by Beacon Economics LLC on commission by the City of Riverside and the Greater Riverside Chambers of Commerce reported that California has made significant progress in repairing the damage of the Great Recession. The state has replaced over half of the jobs lost during the downturn and job growth is expected to continue, albeit at a slow rate, through 2014 and 2015. Both business activity and tourism are expanding, housing is improving, and incomes are rising again. Some sectors such as manufacturing and exports are still sluggish but the Report indicates that there is sufficient cause to start feeling optimistic.

The Inland Empire overall has continued to struggle with high unemployment and slow job growth. However the City of Riverside has outperformed the Inland Empire in the growth of private employment, particularly in the Leisure and Hospitality sector. Hotel occupancy rates in Riverside have increased while sales at local food and drinking establishments have shown strong improvement in sales over the past year. The strong performance of the Leisure and Hospitality sector has spurred an increase in jobs, although the Report notes that the majority of jobs in that sector are usually part-time, lower wage, and with few benefits.

Taxable sales in the City of Riverside grew by 7.8% from the second quarter of 2012 to the second quarter of 2013 although as noted in the Report, still 11.2% below their pre-recession peak. The strongest growth was in the Business and Industry sector which is considered to be a sign that businesses are becoming more optimistic and more comfortable investing in expansions and upgrades.

The Report indicates that on the consumer side, tax receipts for Autos and Transportation were up 14.4% over the year with Building and Construction receipts not far behind. This is viewed as very positive since both categories represent higher cost goods and services with a longer term commitment, indicating that consumers are more confident about the future strength of their finances.

The non-residential real estate markets have shown improvement over the past year with declining vacancy rates, albeit still above pre-recession levels. These declining rates have helped to drive commercial construction activity as evidenced by increasing permit valuations. New businesses are continuing to open and existing businesses are expanding, indicative of the ongoing desire of firms to be located in Riverside.

One important finding in the Report is the growth of household income in the City of Riverside. Median household income increased to \$52,697 in 2012 whereas median household income in the Inland Empire overall decreased to

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\$51,695. The increase in employment and median household income supports the positive outlook for continued growth in consumer spending.

The Report's assessment of continued growth in consumer spending coupled with growth in the Leisure and Hospitality Sector is supportive of RDP's retail and restaurant initiatives launched in 2012 and 2013 to promote downtown Riverside as a fashion and dining destination.

Above cited from Source: The Regional Intelligence Report for October 2013 prepared by Beacon Economics LLC on commission by the City of Riverside and the Greater Riverside Chambers of Commerce

County of Riverside

The 2013-2016 Economic Development Strategic Action Plan prepared by the County of Riverside Economic Development Agency serves as the foundation for the County of Riverside's efforts to invigorate the region's economy. The Plan identified key initiatives to facilitate increased economic growth, and serve the interests of the business community.

A number of strategic advantages are noted in the County's plan. Several of these have significance for downtown Riverside.

- Riverside County is the fourth largest county in the state both geographically and by population. The County's population of 2.3 million in 2013 is expected to reach 3.5 million by 2030, which will make Riverside County the state's second most populous. Riverside County has 705,549 households, projected to grow to 985,000 by 2030. This growth in population means growth in potential customer base for downtown businesses.
- Riverside County's economy began to recover in 2010 and is expected to regain full economic health over the next four years. There are positive forces working in the county. Home prices are once again amongst the most affordable in the region. The healthcare sector has grown, even during the recession. This economic improvement means growth in disposable income and taxable sales.
- Riverside County offers businesses the unique combination of location within a marketplace of 25 million Southern California customers. This advantageous location means that businesses can draw customers from a large catchment area which RDP has identified as within a 90 minute drive.

Several priority industry sectors were identified in the County's plan. Of these, the following are of significance to downtown Riverside and to RDP's Strategic Plan.

HEALTHCARE - Healthcare services grew by 38.3 percent between 2001 and 2012. The sector plays a critical role in spurring economic growth in the region.

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It is the largest employer in the county and offers high wage and high growth opportunities for residents. Downtown Riverside is a healthcare hub with Riverside Community Hospital, a large number of medical offices, and the Riverside City College School of Nursing.

PROFESSIONAL AND BUSINESS SERVICES - The biggest industry job gains in this region so far in 2013 year have been in leisure and hospitality, education and health services, professional and business services and trade, and transportation. Also, government employment (meaning state and local government employment) is expected to rise over the forecast period. This sector grew by 53.2 percent between 2001 and 2012.

TOURISM - Riverside County is an established Tourism destination that attracts visitors from around the globe. The Tourism sector creates jobs across a broad spectrum of skill sets and educational levels and offers employment across an extensive variety of Tourism subsectors – from hospitality to retail, restaurants and attractions, to rental cars and other transportation businesses. Domestic and International visitors spent \$6.3 billion in Riverside County in 2011. Travel spending generated \$110 million in local taxes and \$273 million in state taxes. The Tourism industry grew 29.2 percent from 2001 to 2012.

The County's Plan identified five Initiatives and strategic actions to produce desired outcomes. While all five Initiatives and their strategic actions will benefit downtown Riverside ultimately by benefitting the County as a whole, the Initiative to Strengthen Brand Awareness and Identity is the one that does have direct significance on RDP's plan. That initiative has two strategic actions; to develop a media team / media strategy that includes digital marketing channels that can leverage RDP's social media reach, and to conduct local outreach with partners to reach local businesses regarding available services that can enhance RDP's support to businesses.

The identified strategic advantages and priority industry sectors identified in the County's Plan are supportive of RDP's retail and restaurant initiatives launched in 2012 and 2013 to promote downtown Riverside as a fashion and dining destination. The two strategic actions from the County's Initiative to Strengthen Brand Awareness and Identity can enhance those initiatives.

Above cited from Source: 2013-2016 Economic Development Strategic Action Plan prepared by the County of Riverside Economic Development Agency

City of Riverside

On December 13, 2011 Riverside's City Manager committed to providing the City Council with a new, forward-thinking, collaborative strategy to position Riverside as a leader in the "new economy". Building on the community vision established with Seizing Our Destiny, the plan would help the City fuel intelligent growth, be

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a catalyst for innovation, continue to be a location of choice, and become an increasingly unified city that leverages its people, partnerships and spirit.

In December 2009, the City Council adopted "Seizing Our Destiny" as the guiding document for planning the City's economic development and quality of life initiatives. Immediately after its adoption, teams of community Champions and City staff launched into action to organize, strategize, create, implement and support initiatives identified to help achieve the shared vision. In January 2012, the first Riverside Quality of Life Index report was published that provided a truthful, asset-based examination of what was working and what needed working on. The overall scores were positive, demonstrating a high level of community pride and notable strides in areas that had previously been identified as "of high concern". However, room for improvement still existed in significant aspects.

Riverside's Quality of Life Index was used in planning projects aligned within the four aspects of the Seizing Our Destiny vision:

1. Intelligent Growth: Economics, People, Sustainability and Transportation
2. Catalyst for Innovation: Discovery, Technology, Education and Connection
3. Location of Choice: Public Health, Recreation, Culture and Neighborhood
4. Unified City: Giving, Diversity, Engagement and Pride

The City undertook an active leadership role in economic development in order to achieve the quality of life described in Seizing Our Destiny. In its Economic Development Plan released in February 2012, the City Manager's office outlined 12-month goals for the City of Riverside to help improve each of the four aspects of Seizing Our Destiny. Several of these Goals contained actions of direct impact on downtown Riverside. They are listed below along with the progress to date on them.

Intelligent Growth:

IG -9 To increase interest in Riverside, create a specific event for restaurant brokers, owners and operators to introduce them to, and/or update them on, the opportunities in Downtown.

The City has established a 'Business First' program which assists those interested in locating or expanding their businesses in Riverside.

Catalyst for Innovation

CI-1 Complete an amendment to the Downtown Specific Plan by December 31, 2012 to better facilitate the creation of an atmosphere that attracts arts, retail and entertainment uses in the Downtown.

The City is in the process of updating the Downtown Specific Plan, first with the establishment of a downtown hospitality district.

Location of Choice

LC-2 Complete a new Tourism and Trade Show Plan (e.g. attracting more sporting events/tournaments to Riverside).

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The City established the Riverside Sports Commission which operates from the Riverside Convention and Visitors Bureau.

LC -3 Increase arts and tourism opportunities in Downtown by completing the Municipal Auditorium renovation, RCC School of Arts Phase I, Hyatt Place Hotel and the Fox Entertainment Plaza (Black Box and Exhibit Hall)

The Municipal Auditorium has been renovated, Riverside City College launched its own Renaissance block with a \$100 million investment that will bring the Culinary Academy to downtown Riverside as well as the long awaited School for the Arts and a new museum in a restored historic building. The Hyatt Place Hotel has opened, and the Fox Entertainment Plaza has been completed. In addition the Riverside Convention Center has undergone a major renovation and will reopen in early 2014 with expanded facilities.

The City has identified a number of partners as it moves forward on its Economic Development, including the Riverside Downtown Parking and Business Improvement Area otherwise known as RDP.