



City of Burbank

ECONOMIC DEVELOPMENT

2014-2015
ANNUAL
REPORT



From the City Manager

Economic development in Burbank is a collaborative effort encompassing every City department. Working from a shared commitment of customer service, proactive initiatives, and super efficiency, economic development takes center stage in citywide communications and outreach.

The mission of the City's Economic Development program is to advance sustainable job growth, enhance commercial activity, and maintain quality of life for all.

In Fiscal Year 2014-2015, Economic Development made tremendous strides in advancing Burbank as a major economic hub.

Key perspectives include:

1. Positioning Burbank as a competitive regional, statewide, and national hub for business and residents.
2. Focusing on business attraction, retention, and expansion.
3. Enhancing business outreach and communications.
4. Continuing the evolution of Downtown Burbank.
5. Positioning Burbank as a travel and tourism destination.

An important part of the City's economic development program is the collaboration with Visit Burbank and Downtown Burbank Partnership. By uniting strategies and coordinating action, the City reaps rewards for everyone: Increased sales tax, room revenue, hotel occupancy, and Transit Occupancy Tax. With perfectly aligned objectives, the City, Visit Burbank, and the Downtown Burbank Partnership have made promoting Burbank and attracting new businesses a highly productive alliance.

These are exciting times. By combining marketing efforts, business recruitment, workforce training, business district enhancements, and proactive growth opportunities, the City leads the way for Burbank's future growth in a highly competitive landscape.

Mark Scott

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Burbank City Manager

CITY INCENTIVES

- No City income tax
- No gross sales receipt tax
- Energy Solutions Rebates
- Solar Power Rebates
- One-stop shop, streamlined permitting process
- ONEBurbank High-Speed Fiber Optic Network
- LEED Incentive Program

UNITY OF PURPOSE

The City of Burbank's economic development strategy manages public - private partnerships with Downtown Burbank Partnership and Visit Burbank. The combined benefit of three organizations united by vision and coordinated in action gives Burbank a competitive edge in promoting retail, entertainment, dining, office and residential amenities, while creating a compelling brand identity for the city.



Citywide Economic Development Efforts

LEASING PACKET

To communicate Burbank's assets and encourage business attraction, the City of Burbank produced a new leasing packet with up-to-date demographics, incentives, quality of life, market profile, and commercial district information. The leasing packet is distributed to developers, brokers, and tenants interested in locating to Burbank.



CITYWIDE MARKETING CAMPAIGN - July 2014-June 2015

GOAL: Brand Burbank as a premier location for innovative businesses seeking to relocate or expand.

PRINT MEDIA	TARGET	RUN DATES	TOTAL REACH
Western Real Estate	Commercial Real Estate Brokers	May 2014-November 2015	135,000
Los Angeles Business Journal	Los Angeles Business Executives	Cover wraps 4x per year	394,000
San Fernando Valley Business Journal	San Fernando Valley Business Executives	Cover wraps 4x per year	122,000
Shopping Centers Today	36,000 attendees at RECon Convention	May 2014	70,000
Where LA	Residents and Tourists	July 2014-June 2015	3.6 million

Total Annual Reach: 4.3 million

LOOKING AHEAD:

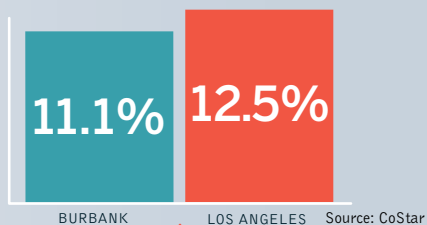
The City is investing in digital media with targeted ads in Loopnet and Variety.com to supplement 2015-2016 marketing efforts. The new internet focus is expected to add an extra **1 million** impressions per year.

TEAM BUSINESS

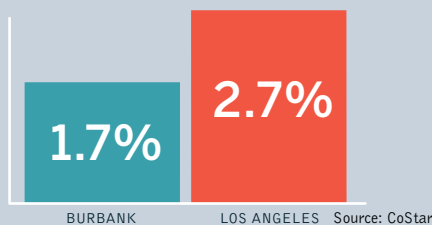
- The program unites the teaching expertise of business and education institutions to train and inspire the Burbank workforce. Organizations include Los Angeles Valley College, Burbank Chamber of Commerce, Counterintuity, Burbank Green Alliance, Burbank Recycle Center, LAEDC, The Valley Economic Alliance, and New Horizons.
- Nearly 400 entrepreneurs were served in 2014-2015
- The 2014-2015 curriculum included Social Media, Microsoft Academy, Providing Excellent Customer Service, How to Reduce Overhead, Search Engine Optimization, and more. www.teambusinessburbank.com

ECONOMIC INDICATORS

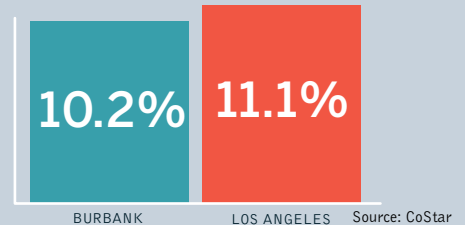
A&B OFFICE VACANCY RATES



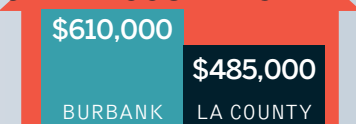
INDUSTRIAL VACANCY RATES



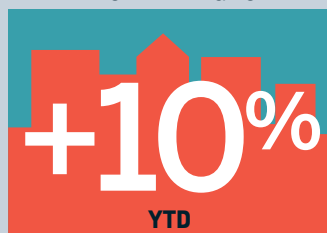
CITYWIDE VACANCY RATES



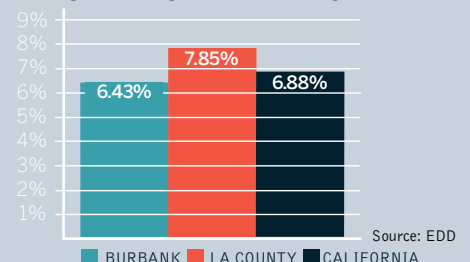
BURBANK'S HOME VALUES ARE 26% ABOVE LA COUNTY'S



EMPLOYMENT GROWTH



UNEMPLOYMENT RATES



New Developments



SPRINGHILL SUITES LOS ANGELES BURBANK/DOWNTOWN

549 S San Fernando Boulevard

This boutique-style hotel features amenities such as free high speed internet, pool, spa, fitness center, fire pit, and 500 sq. ft. of meeting space to accommodate functions of up to 40 people.

NUMBER OF ROOMS: 170

CONSTRUCTION COST: \$45 million

OCCUPANCY SINCE OPENING: Exceeding targets at 81% occupancy and average daily rates of \$179

JOBS GENERATED: 45 positions

DATE OPENED: July 28, 2015

TESLA MOTORS BURBANK

811 S San Fernando Boulevard

A new 27,600 sq. ft. facility for the sale, delivery, repair, and maintenance of Tesla's new and used electric vehicles. The center will include a 2,400 sq. ft. showroom for up to three vehicles, plus space for branded merchandise. Includes 6 supercharging stations with a 24-hour lounge.

JOBS GENERATED: 25

DATE OPENED: October 22, 2015



HILTON GARDEN INN

401 S San Fernando Boulevard

The Hilton Garden Inn is anticipated to include a restaurant / lounge, pool, and fitness center.

NUMBER OF ROOMS: 209

CONSTRUCTION COST: \$53 million

JOBS GENERATED: 45 positions

SCHEDULED TO OPEN: Summer 2016

IKEA BURBANK

805 S San Fernando Boulevard

September 2015 marked the groundbreaking ceremony of the largest IKEA in North America. Once completed, Burbank's retail giant, currently located at 600 N San Fernando Boulevard, will relocate and expand.

- Since 1990, IKEA has consistently ranked amongst the top five sales tax producing entities in Burbank.
- IKEA's new location will have even greater freeway visibility and a larger footprint, attracting more visitors to Burbank.

NEW RETAIL SPACE: 456,000 sq. ft.

PARKING SPACES: 1,700

JOBS GENERATED: +23%, from 365 to 450

SCHEDULED TO OPEN: Spring 2017



September 1, 2015 groundbreaking ceremony. Photo courtesy of IKEA.

NICKELODEON EXPANSION

203 W Olive Avenue

- Nickelodeon Animation is expanding its presence in Burbank and more than doubling their employment.
- The expanded 113,760 sq. ft. facility will provide for all animation production needs and administrative personnel.
- The company has also leased 116,380 sq. ft. of space at The Burbank Studios at 3000 W Alameda Avenue, uniting staff currently spread over several off-site locations both in and outside of Burbank.

JOBS GENERATED: 150% increase, from 300 to approximately 750

SCHEDULED TO OPEN: Summer 2017



Rendering courtesy of DLR Group



Rendering courtesy of Talaria at Burbank

TALARIA AT BURBANK

3401 W Olive Avenue

Whole Foods Market is slated to be the anchor (approximately 43,000 sq. ft.) of the 241-unit luxury complex Talaria at Burbank, one of the first LEED-certified green residential communities in the city.

CONSTRUCTION JOBS GENERATED: 200-275

WHOLE FOODS MARKET JOBS GENERATED: 150-200

SCHEDULED TO OPEN: Spring 2018

PROPOSED: FIRST STREET VILLAGE

A proposed project at First Street between Magnolia Boulevard and the alley southeast of Palm Avenue includes three 5-story structures with a total of 283 apartments, 13,765 sq. ft. of retail space and 662 parking spaces. The project will offer a fitness center, a swimming pool, meeting room, outdoor courtyards, roof terraces, and a dog park. Currently at the environmental impact stage, the project goes to City Council for consideration in Summer 2016.



Commercial Neighborhoods

MEDIA DISTRICT

With one of the highest concentrations of entertainment companies in the world, the famed Media District combines world-class production studios with exciting dining options.

WARNER BROS. STUDIO TOUR HOLLYWOOD

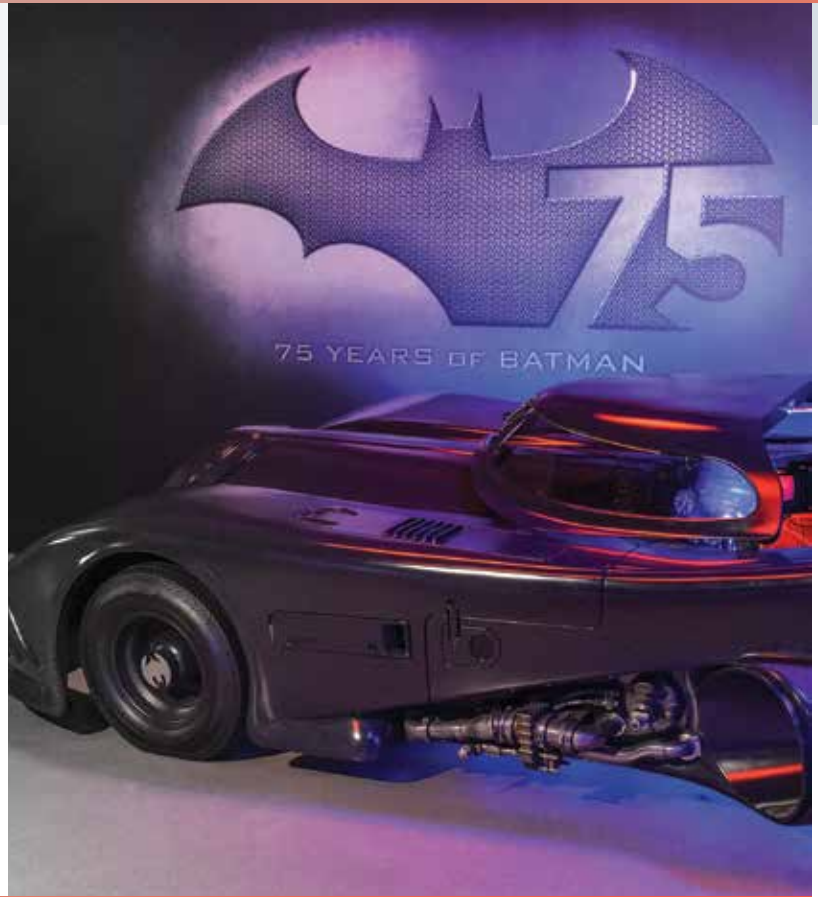
July 2015 tour expansion and launch of new interactive sound stage *Stage 48: Script to Screen*.

DC COMICS

April 2015 relocation from New York to Burbank for a total of 240 jobs.

NEW BUSINESSES:

Dog Haus
King's Deli
Lemonade
Olive & Thyme (expansion)
Simmzy's Pub
Simplethings Sandwich and Pie Shop



MAGNOLIA PARK

One of the region's hottest neighborhood destinations, Magnolia Park is also one of L.A.'s coolest up-market vintage and retro shopping districts. Anchored by Porto's Bakery, Magnolia Park is packed with independent boutiques and restaurants such as Audrey K, Pinup Girl Boutique, Mindfulnest, and Luna Vine Wine Bar.

The district is also home to Ladies & Gents Night Out, the famous shopping extravaganza held on the last Friday of every month. visitmagnoliapark.com

NEW BUSINESSES:

Morphe Brushes
The Hangar Grille
Unique Vintage (expansion)



AIRPORT DISTRICT

Hi-tech companies, conference hotels, and dynamic retail surround the Burbank Bob Hope Airport. Home to 40 retailers, the Empire Center is one of the highest grossing retail power centers in California.

THE WORLD FAMOUS WEST COAST CUSTOMS

The world's premiere vehicle modification shop, internationally recognized for its original designs, opened its 60,000 sq. ft. Burbank shop in December 2014. Recognized as the game-changing car customization genius that was MTV's Pimp My Ride, West Coast Customs' pop culture status and appeal catapulted the company worldwide.

WALMART SUPERSTORE

The new 143,000 sq. ft. store will provide residents with a wide range of goods, from household items, to electronics, and produce. Located in the Empire Center, the new Walmart will maintain the overall footprint and height of the existing structure.

JOBS GENERATED: 300

SCHEDULED TO OPEN: Summer 2016

AIRPORT ADJACENT OPPORTUNITY PARCEL

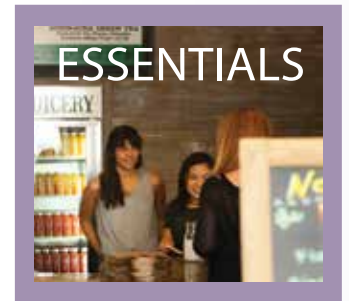
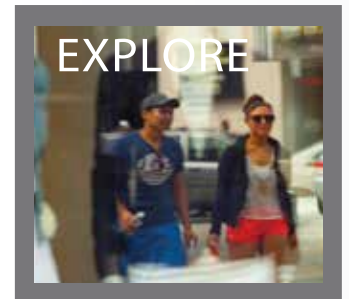
One of the largest opportunities for transit-oriented development in Southern California, this opportunity site totals approximately 58 acres of land adjacent to Burbank Bob Hope Airport. The site offers tremendous development opportunities for a variety of land uses.



DOWNTOWN BURBANK



DOWNTOWN BURBANK



Downtown Burbank Partnership was formed in 2003 to fund and manage improvements, events/marketing, and advocacy for property owners and merchants in Downtown Burbank.

A top entertainment destination with a bustling street scene and world-class events, Downtown Burbank delivers the ultimate urban experience. The AMC Theaters rank in the top three movie circuits nationwide.

- GOALS:**
- Boost sales and property values
 - Improve Downtown Burbank's physical appearance
 - Brand Downtown Burbank as a visitor destination

CAPITAL IMPROVEMENTS:

Leverage public/private funding to enhance aesthetics and infrastructure, including increased street and sidewalk cleaning, maintenance, and paseo renovations.

BY THE NUMBERS:

2.2% VACANCY RATE THROUGH 3RD QUARTER 2015

20% OF BURBANK'S SALES TAX REVENUE

480+ BUSINESSES IN DOWNTOWN BURBANK

SPECIAL EVENTS ATTENDANCE

DOWNTOWN BURBANK CAR CLASSIC 2014: 11,000

BURBANK COMEDY FESTIVAL 2014: 2,000

BURBANK INTERNATIONAL FILM FESTIVAL 2014: 3,500

OKTOBURFEST 2014: 600

THE RINK 2014: 18,000

DOWNTOWN BURBANK ART FESTIVAL 2015: 11,000

ANNUAL EVENT ATTENDANCE: 46,100

2015 saw the addition of the Burbank Beer Festival attracting more than 3,000, as well as the return of The Rink in Downtown Burbank for the holidays. The 2015 Downtown Burbank Car Classic saw a 36% increase in attendance to 15,000 people.



NEW BRANDING:

Downtown Burbank's new brand identity launched in 2014 includes:

- User-friendly website
- New advertising graphics and campaign
- Logo
- Street banners
- Retooled special events



OPEN FOR BUSINESS:

Color Me Mine
Five Guys Burgers and Fries
Gaucho Grill

OPENING SOON:

European Wax Center
Gyu-Kaku Japanese BBQ
Steak 'n Shake
Wood Ranch BBQ and Grill

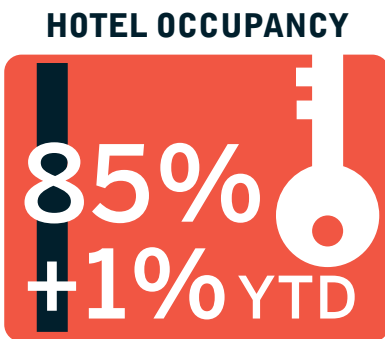
VISIT BURBANK



The Burbank Hospitality Association, operating as Visit Burbank, was formed in 2011 and is funded by a 1% assessment on overnight stays in Burbank hotels with more than 25 rooms.

GOAL: Boost hotel occupancy while positioning Burbank as a domestic, national and international tourist destination.

BURBANK TOURISM STATISTICS: (through July 2015)



AVERAGE DAILY ROOM RATE



REVENUE PER AVAILABLE ROOM (REVPAR)



Source: Smith Travel Research

HIGHLIGHTS:

The Burbank hospitality industry has invested more than **\$138 million** in renovations and new construction since 2013. Hotel room occupancy, average daily rates and RevPAR are all on a consistent increase.

NEW MEDIA CAMPAIGN: "SEE THE BIGGER PICTURE"

Visit Burbank launched a new branding campaign complete with logo, website, and advertising strategy in October 2015.

75% OF BUDGET: Devoted to digital and social media.

KEY MESSAGE: The ultimate Southern California destination, close to many of Los Angeles' attractions, in the heart of the entertainment industry.

GOAL: Drive hotel occupancy during off-peak periods.

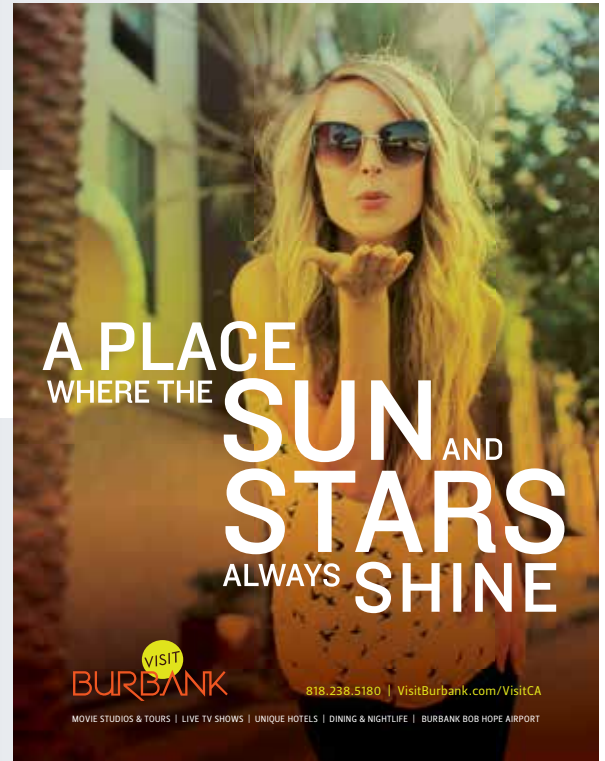
The 2015-2016 plan will reach **77 million** consumers, up from **31 million** in 2014.



OUTLOOK:

Burbank is poised to attract an increasing number of tourists led by:

- Expanded Warner Bros. Studio Tour Hollywood
- The Wizarding World of Harry Potter opening at Universal in Spring 2016
- Greatly enhanced marketing/branding campaign with targeted market outreach





High Tech Innovation

www.ONEBurbank.com

ONEBurbank offers local Burbank businesses ultra-high-speed bandwidth services with industry-leading customer service and value. "ONEBurbank has given us exceptional and trouble-free service, allowing us to perform efficiently and provide our customers with superior service that exceeds expectations." – Nick Mairose, President and CEO, Elite Media Technologies, LLC.

Future Economic Development Initiatives

INFRASTRUCTURE

- Encourage alternate modes of transportation, such as High Speed Rail, ride-share, bicycles, pedestrian, and other options.
- Increase number of electric vehicle charging stations.

HOUSING

- Create workforce housing for all income levels.
- Facilitate walkable neighborhoods with mixed-use housing.

WORKSPACE

- Encourage flexible office space/virtual offices.
- Facilitate opportunities for entrepreneurship/incubators.

DOWNTOWN BURBANK

- Relaunch special events plan with new events and retooled existing events.
- Focus on infrastructure improvements.
- Concentrate on attracting innovative retail.

VISIT BURBANK

- Collaborate with Universal Studios.
- Launch new branding campaign.
- Start renewal process.



City of Burbank
ECONOMIC DEVELOPMENT

BURBANK CITY COUNCIL

Bob Frutos, Mayor
Jess Talamantes, Vice Mayor
Emily Gabel-Luddy, Council Member
Dr. David Gordon, Council Member
Will Rogers, Council Member