



BAYSIDE

BEAT

DOWNTOWN SANTA MONICA &
THIRD STREET PROMENADE

Photo by Nik Wheeler



MANY HOTELS DIRECT GUESTS DOWNTOWN.

Banking on Location

When guests first arrive at the Cal Mar Hotel Suites on Third Street and California Avenue, the first thing staff does is to open up a map.

"We show guests that they're walking distance from the Third Street Promenade," said general manager Jean Victor Bertrand. "We show them the places of interest – the movie theaters, the Apple store, the restaurants."

The Cal Mar is not alone. The hotel a block north of the Promenade is only one of the Santa Monica properties that thrive on their proximity to a world-renown destination that brings millions of visitors to shop, dine and be entertained in Downtown Santa Monica every year.

"Our location is a big selling point for us," said Joshua Bond, general manager of the Embassy Hotel and Apartments. "All our marketing mentions we're two blocks from the Promenade."

Ellis O'Connor, general manager of the Miramar Hotel, on Ocean and Wilshire, agrees.

"Location is always a factor when choosing a hotel," O'Connor said. "The Downtown makes our area a destination. It does sway some people's choices when they come to LA with the stores and the restaurants. We leverage all of the activities that are happening."

"It's location, location, location," said Dino Nanni, general manager of the Shangri-La Hotel on Ocean Avenue Downtown. "It's the biggest deal you can have."

With the "location" undergoing what could be the biggest management change in two decades under a proposed assessment district, Downtown hotel managers, and some outside the Bayside, recently aired some of their hopes and concerns for the booming shopping strip and its surrounding streets.

The general managers interviewed by *The Beat* agreed that despite Downtown's wild success, Bayside officials must keep a competitive edge if they don't want to lose visitors to other thriving commercial strips.

"The Promenade is competing with the likes of The Grove and Rodeo (Drive)," O'Connor said, referring to the popular shopping strips in the Fairfax District and Beverly Hills. "We have to make sure it's a relevant experience, that the shops and dining experience are relevant."

The Grove, said Bertrand, "has attendants, easy access to the parking structures and nice elevators with views."

To remain competitive, hotel owners support efforts to boost maintenance, clean up the alleys flanking the Promenade, lure pedestrians to surrounding streets and

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Welcoming News



If you want to see how important the tourism industry is to the continued economic health of Downtown Santa Monica, a new visitor impact report will drive the point home.

Visitor spending in Santa Monica jumped 58 percent to \$1.22 billion over the past three years and Downtown remained one of the favorite destinations.

Santa Monica drew 5.78 million visitors in a 12-month period of 2006/07, up 23.5 percent from 2003, according to a report released by the Santa Monica Convention & Visitors Bureau (SMCVB). The bureau does a report every three years.

Some 70.3 percent of the visitors came to the Third Street Promenade/Downtown during their stay and 32.6 percent visited Santa Monica Place.

All in all, a very positive picture.

But there were two findings in the report prepared by Lauren Schlau Consulting and CIC Research Inc. that raised red flags for Misti Kerns, president/CEO of the SMCVB.

For the first time in the bureau's history, spending by domestic visitors exceeded that of international travelers. Kerns called that "very concerning" because it makes Santa Monica more vulnerable to slowdowns in the U.S. economy.

"The problem with that is that we are not as diversified," Kerns said.

Additionally, the average length of stay by visitors dropped 9.4 percent between 2003 and 2006/07.

"It could indicate that we are becoming a stopover," Kerns said.

The proportion of day visitors (from outside Los Angeles County) soared to 83 percent from 59 percent in the prior study.

"The day visitor population has grown huge," Kerns said.

Even with these concerns, however, most cities would love to have the tourism numbers that Santa Monica has posted.

A recent report by PKF Consulting showed that Santa Monica had the second highest hotel occupancy rate and third highest average room rate in 2007 among Los Angeles County markets PKF tracks. Santa Monica's occupancy rate rose 0.4 percent to 81.7 percent in 2007 and its room rates rose 9.2 percent to \$274.17.

**"THE DAY VISITOR
POPULATION HAS
GROWN HUGE."**

MISTI KERNS

As many retailers will attest, the visitor industry continues to be very important to Downtown Santa Monica, although Santa Monica Pier/Pacific Park has supplanted Downtown as the top spot visited.

In 2003, Downtown was visited by 87.5 percent while the pier captured 82.5 percent. In 2006/07, the pier led with 73.5 percent, compared to Downtown's 70.3 percent.

The mix of visitors to Santa Monica plays a key role in the impact on Downtown. Of people staying overnight in a hotel/motel, 79.8 percent visited Downtown. For day visitors, it dropped to 68.6 percent. Hotel/motel visitors were also more likely than day visitors to go to Santa Monica Place.

It's also important to keep attracting new visitors. Some 78.6 percent of first time visitors came to the Third Street Promenade/Downtown, while 59.3 percent of people who had visited Santa Monica before frequented the area.

Domestically, California, New York and Florida were the top markets for Santa Monica.

Internationally, the United Kingdom remained the top market at 15.2 percent, while Japan rebounded to second place at 13.8 percent. At one time, Japan was Santa Monica's top international market but it dropped off substantially.

The latest survey shows that Japan leaped over such markets as Australia/New Zealand, Germany and Canada, and closed the gap with the United Kingdom.

Australia/New Zealand ranked third at 13.2 percent, with Mexico fourth at 7.4 percent. Others in the top ten were other Central America, Canada, Germany, Italy, Scandinavia and Mainland China.

The United States is not capturing the full potential of the weak dollar, Kerns said. Much of the problem stems from how difficult it is to travel to the United States because of increased homeland security safeguards.


The U.S. is getting some bad press overseas as a result, Kerns said, citing recent headlines on travel stories out of England and Ireland that included "Travel to America? No thanks" and "Fortress America."

The SMCVB is doing extensive work in the U.K and Ireland to help improve the situation.

"We need to invite them to come and provide good information on regulations and rules before they travel," Kerns said.

The SMCVB also is taking steps to encourage visitors to stay longer once they get to Santa Monica.

It will launch an interactive seminar program "I Am Santa Monica" this month at Santa Monica College to educate people in the industry about the city's various attractions and how to address various questions from visitors.

"We want them to know the whole brand," Kerns said. 

Rebirth of a Landmark

For most of the 20th century, the Mayfair Theater survived the birth of opulent movie palaces, a string of unsuccessful impresarios and an earthquake that shook the building apart.

Now 14 years after the Northridge earthquake, what will be left of the old structure will become the façade of a new 34-unit apartment building with retail on the ground floor just steps away from the bustling Third Street Promenade.

“The place was trashed by the earthquake,” said Karl Schober, who owns the building. “The guts of the theater collapsed.”

The saga of the Mayfair began when Schober’s grandfather Charles A. Tegner, one of Santa Monica’s pioneers, built the old theater for the silent movies that were all the rage. The theater was called the Majestic when it opened its doors in 1911, one of the many buildings designed by Henry Hollwedel in the fledgling beachside city that numbered less than 1,000 residents.

The son of a Swedish merchant, Tegner had hit the seas at an early age, sailing to New York from Sweden, then making his way to the West Coast in 1890, where he was a carpenter for legendary developer Lucky Baldwin, ran cattle in Malibu, worked on the soundings for the world’s largest pier and fished the Pacific.

Tegner married his wife Emma and settled in Santa Monica in 1905, where he launched his career in real estate and hired Hollwedel to build a series of buildings in Santa Monica, including the original Henshey’s Department store and the Majestic, a silent movie house on Santa Monica Boulevard off the 2nd Street alley.

The old Majestic thrived during the silent movie era, but the theater fell on tough times when films started to speak. Despite a major overhaul for the “talkies,” the 20-year-old venue couldn’t compete with the bigger state-of-the-art theaters going up in towns across the film capital, including Santa Monica and Westwood.

“A few people still around can still remember the movie theater,” said Schober. “It had a bad reputation.”

The old theater screened second-run movies until 1975, when Milt Larson of the Magic Castle converted the Majestic into a venue for live acts and christened it the Mayfair.

“He put in parts of old buildings,” Schober said. “The inside was paneled with doors.”

In 1985, Larson gave up and sold the lease to series of entrepreneurs. But their ventures in the heart of a flagging Downtown all failed, including a stint by Chicago’s Second City, the nationally renown troupe that nurtured many of Saturday Night Live’s early talents.



KARL SCHOBER IN FRONT OF HIS CONDEMNED BUILDING.

By the time the earthquake hit in 1994, the last tenant had died during renovations, and Schober, who had bought the building from his fellow inheritors in 1986, planned to rent it out for occasional events and movie shoots.

“I got the theater back three days before the earthquake,” Schober said, noting that the last tenant hadn’t paid rent nor done the seismic upgrades called for in the lease. “I was going to keep it as is. I was going to do intermediate things to keep it afloat.”

But the building wouldn’t withstand the temblor, which knocked out the roof and left only the teetering walls standing. Days after the earthquake, it was condemned and red tagged by the City.

“We had to put stuff up there designed by engineers to protect people,” Schober said. “It was designed so it wouldn’t fall in the alley and so people could get around it . . . We wanted to tear it down.”

Schober’s plan was stopped when the City’s Landmarks Commission voted to declare the battered structure a landmark, protecting it from the wrecking ball. Schober thought the ruling unfair. When a building is condemned, he said, the owner has the right to tear it down or bring it back to code. In the end, Schober did neither.

“I just said, I ain’t going to do nothing,” Schober said. “I opposed.”

By 2000, Schober had embarked on a new idea for the abandoned structure. He was building a new structure behind the façade of another old building he owned on 4th Street that would house offices above ground-floor retail.

Perhaps he could do the same with what was left of the Mayfair. But the City had changed its regulations and putting up a commercial structure required a lengthy and costly planning process. Under the new guidelines, it would be easier and cheaper to build housing Downtown.

Schober’s plan for an apartment building is now before the Architectural Review Board (ARB), which will review a third version of the design by Santa Monica Architect David Hibbert. Schober, however, still feels the old Mayfair should have had a second life as a commercial building.

“I think this is a commercial area,” he said. “This is a very important job center for people. It’s a very important office and retail area.” 🌊

Big Month for Key Decisions

Bayside and City officials and an Appeals Court made some major decisions last month that could have lasting impacts on everything from who sits on the benches on the Third Street Promenade to how the Bayside District is run.

In an unfolding saga, a Los Angeles Appeals Court this month ordered the City to halt plans to remove 54 ficus trees in Downtown Santa Monica and reply to an appeal filed by Treesavers.

The March 7 decision by the Second Appellate District Court to reinstate a temporary restraining order issued in October 2007 came one week after a Superior Court judge denied the group's request for a preliminary injunction and lifted the order.

The City has until March 21 to file a preliminary response to the Treesavers' petition. The group then has one week to file a response.

City officials said they are confident they will prevail in court and plan to move ahead with the project, which calls for removing 23 ficus trees the City's urban forester deems to be "structurally unstable" and relocating another 31 of the 153 ficus trees along a three-block stretch of the two streets. The City also will remove 21 palms.

"We need to do logistical planning and reconnect with the contractor," said Kate Vernez, a senior analyst for the City Manager.

Vernez noted that the City will replace the ficus with 139 new Ginkgo trees and that some of the ficus trees will be relocated to other parts of the two streets.

"You get two trees for every one that is removed, which really diversifies our urban forest," she said.

Vernez said the controversy over the ficus trees has obscured the benefits the public will derive from the \$8.2 million streetscape project, which calls for adding decorative up-lighting to the remaining ficus trees and repairing sidewalks or curbs damaged by the trees.

The plan also calls for enlarging tree wells and installing new pedestrian lighting, as well as enhancing the six mid-block crosswalks on 2nd and 4th streets.

Treesavers hailed the Appeals Court's decision.

"I'm extremely happy that the court did the right thing," said Jerry Rubin, the group's leader. "Treesavers will continue to do everything, legally, politically and diplomatically to achieve a win-win solution and save the trees."

CITY BANS PANHANDLING FROM PROMENADE BENCHES

Worried that panhandlers are monopolizing public seating

on the Third Street Promenade, the City Council last month directed staff to draft an ordinance that would ban soliciting donations from benches and seats along the bustling strip.

City officials said the proposed ordinance would target not a particular group, but a specific activity.

"I think this sounds like a reasonable solution to a problem that doesn't discriminate against any classes, it discriminates against an activity," said Council member Ken Genser. "It's easily enforceable and fair."

Taken up at the request of police and Bayside District representatives, the ordinance addresses a longstanding problem, said Bayside's Executive Director Kathleen Rawson.

"There are a large number of the benches that are used for hours day in and day out for the purpose of soliciting money," Rawson told the council at the February 26 meeting.

The ordinance would "respect" the First Amendment rights of those seeking donations and cost little to enforce, said City Attorney Marsha Moutrie.

PROPOSED ASSESSMENT DISTRICT TAKES MAJOR STEP

More than a year in the works, a new management plan for the Bayside District seemed to come together last month, as members of a Downtown working group unanimously agreed on a number of key points, including the makeup of the new board that will run a proposed assessment district.


The working group agreed the new 11-member board should be composed of six members appointed by the City Council, six by the property owners and one by the City Manager.

The board would include Downtown property and business owners and Downtown and Santa Monica residents. The full board would make informal recommendations to the City Council and property owners on possible appointments.

The working group also unanimously agreed to retain the proposed 20-year district, but to require a vote by the property owners who will help bankroll the \$3.7 million in new assessments after ten years to determine if the district should continue.

Before it can move ahead, the new assessment district and management plan must be approved by both the City Council and property owners who will bankroll improvements that include a \$1.3 million "ambassador program" to inform visitors and help keep the streets safe. The assessments also will pay for \$1.2 million in additional maintenance and \$500,000 for more marketing.

Segal felt the meeting was so successful, he had the working group members sign the tearsheets. "This was huge," Segal said. "Governance has probably been the number one issue in this deal."

This month, the Bayside District will begin circulating petitions to get the property owners go-ahead for the new assessment district. If property owners representing over 50 percent of the square footage being assessed in Downtown sign on, the plan would go to City Council for approval, followed by a formal vote by all Downtown property owners. If all goes smoothly the plan could go into effect as early as January 2009. 

News, Moves & Changes

Here is a list of the businesses that have recently opened, those that have closed and those that are coming soon.



THE ROBATA BAR ON OCEAN AVENUE IS ONE OF 11 NEW RESTAURANTS DOWNTOWN.

NEW

Dining

Bar Pintxo | barpintxo.com

109 Santa Monica Blvd. | 310.458.2012

Buddha's Belly | bbfood.com

205 Broadway | 310.458.2500

Cabo Cantina

1240 Third Street Promenade | 310.395.7012

Cefiore (Italian frozen yogurt) | cefiore.com

1551 Ocean Avenue, #145 | 310.319.6260

Chloe | barchloe.com

1449 Second Street | 310.899.6999

Joe's Pizza | joespizza.com

111 Broadway | 310.395.9222

Monsieur Marcel | 3breadwineandcheese.com

1260 Third Street Promenade | 310.587.1166

Richie Palmers Pizza

1355 Ocean Avenue | 310.255.1111

Robata Bar | robatabar.com

1401 Ocean Avenue | 310.458.4771

Roll House

1509 4th Street | 310.394.3956

Doggie Dining

3 Dog Bakery | threedogsantamonica.com

411 Santa Monica Blvd. | 310.260.960

Shops

MNG by Mango

1254 Third Street Promenade | 310.395.8370

Forever 21

1431 Third Street Promenade | 310.395.6735

Beadniks

1431 Third Street Promenade | 310.395.0033

Tony & Tiny Hair Academy

1358 5th Street | 310.451.0101

La 'Tik Fashion

416 Broadway | 310.434.1010

Kensington Luggage

1450 Second Street | 310.394.7049

COMING SOON...

Evergreen Teahouse

GEOX

H & M

Pinkberry

Xooro

CLOSING

Gift Time

Tiffany & Jax

Western Spirit

Save the Date

The Marketing Committee is comprised of Bayside Board members and staff who provide guidance and suggestions on marketing for the district. Please contact Debbie Lee at BDC if you are interested in becoming a committee member or are interested in attending any of the meetings. **310.393.8355** or dlee@baysidedistrict.org

MARKETING COMMITTEE MEETING DATES:

Monday, March 24 @ 9:30am

marketing@baysidedistrict.org. Monday, April 21 @ 9:30am

Monday, May 19 @ 9:30am

Monday, June 23 @ 9:30am

Meetings at Bayside District Office

1351 Third Street Promenade, Suite 201

MORE BANKING...

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kick up marketing efforts. But at the top of everyone's list of concerns is addressing the longstanding homeless problem that for years has been the major worry of residents and business owners alike.

"Our biggest issue is the homeless issue," O'Connor said. "One of the key factors is safety. You want to be able to go to a location, walk around and be safe.

"I think we're doing a good job," he said. "Walking around the Promenade is very interactive. It's pedestrianized. But we have to pay attention to the periphery. We need to heighten the attention to maintaining everything. From litter to graffiti, it has to be addressed."

Bertrand, whose hotel is down the street from the Miramar, agrees. "The homeless situation is an issue," he said. "People don't feel comfortable sitting on the benches."

Paul Hortobagy, who runs Le Merigot Hotel on Ocean Avenue south of the pier, hears constant complaints about the homeless from guests who enjoy the Promenade but are shocked by the unfamiliar sight of persons begging for food or urinating in public.

"I think the Third Street Promenade is definitely an attraction," Hortobagy said. "People love to go there for people watching and eating, but sometimes people come back not very happy that we sent them there. It's not a very comfortable situation for guests, especially if they're not used to that."

Siroos Farzam, who opened the Ocean View Hotel 30 years ago, says the homeless problem has always been a pressing one.

"The homeless issue is the biggest problem in Santa Monica," Farzam said. "Security is an issue. You walk the streets, and it's scary at nighttime. The homeless sleep on the (hotel's) roof, in the corridors. It scares people."

Farzam would like to see cleaner alleys and more lighting to enhance the sense of safety. "The alleys should be cleaner, the alleys are always dirty," he said. "The city should take care of this."

Putting flowers, music, even perfume in the alleys – which are used to deliver merchandise and dispose trash – would help discourage the homeless from hanging around the area, Bertrand said.

"People who are hanging in the alleys, if they decide they are a more civilized place, they would leave," Bertrand said. "They should put flowers around the garbage cans and perfume in the mornings. It should be an extension of the Third Street Promenade."

Dino Nanni, who runs the Shangri-La Hotel on Ocean Avenue, backs the ongoing efforts of Downtown officials to boost maintenance and security on the public streets.



THE GEORGIAN ON OCEAN AVENUE.

"There needs to be better security, better cleanliness," Nanni said. "We need more maintenance and cleaning."

While guests are drawn to Downtown hotels by the proximity of shopping and dining venues, hotel managers also think it's important to give them easy access to Santa Monica's other shopping destinations – Main Street and Montana Avenue.

Bertrand, who also runs the Bayside Hotel on Main Street as well as the Cal Mar on California Avenue, would like to see closer ties between the two popular shopping destinations.

"The Tide Shuttle is not promoted as much by the Bayside District," Bertrand said. "It would help if there's better communication between Main Street and the Bayside."

Juan Viramontes, the general manager of the Georgian Hotel on Ocean Avenue, agrees.

"Guests still want to see other areas, like Montana and Main Street," he said, "and most of the time they have to take some form of transportation to get there."

Hany Sabongy, who runs the Best Western Gateway on 20th and Santa Monica, provides guests with an hourly shuttle to take them to the Promenade between 10 a.m. and 8 p.m.

"We have a van that takes people, drops them off and picks them up," Sabongy said. "Downtown is important because that's where people want to go at the end of their working day."

While the recent closure of Santa Monica Place for a major remodel will remove one of Downtown's prime destinations until the fall of 2009, the new improved mall will give hotel guests a much needed upscale shopping experience, some general managers said.

Cara Federici, the new director of sales for the Oceana Hotel, has been sending the upscale guests to Montana Avenue, where they can shop at the pricey boutiques lining the street.

"The Promenade is so mainstream," Federici said. "We push Montana because it's more upscale and not mainstream."

"ALL OUR MARKETING MENTIONS WE'RE TWO BLOCKS FROM THE PROMENADE."


JOSHUA BOND

We get the high-end leisure traveler. They would rather stay in Beverly Hills and shop on Rodeo."

But a newly remodeled Santa Monica Place – which will feature an open-air courtyard, a food court with ocean views and high-end shops – would offer an attractive alternative for the wealthy leisure and corporate guests staying at the newly renovated hotel, Federici said.

"It's definitely of interest, if they can get more upscale stores," she said. "I'm excited by it."

Nanni, whose Shangri-La Hotel is closed for a major renovation that will lure high-end guests, also is looking forward to the opening of a new Santa Monica Place.

"We're stepping into a whole different clientele, probably a more upscale industry type," Nanni said. "The remodeling of Santa Monica Place is fantastic." 

For more about Downtown...

downtownsm.com

For more news ... surfsantamonica.com

Bayside Hotels

Fairmont Miramar Hotel

101 Wilshire Blvd

www.fairmont.com

tel: 310.576.7777 | fax: 310.319.3109

Georgian Hotel

1415 Ocean Avenue

www.georgianhotel.com

tel: 310.395.9945 | fax: 310.451.3374

Holiday Inn Santa Monica Beach Hotel

120 Colorado Avenue

www.holiday-inn.com/santamonica

tel: 310.451.0676 | fax: 310.393.7145

Hostelling International Santa Monica

1436 Second Street

www.hilosangeles.org

tel: 310.393.7696 | fax: 310.393.1769

Hotel Carmel

201 Broadway

www.hotelcarmel.com | www.hoteloceana.com

tel: 310.451.2469 | fax: 310.393.4180

Huntley Hotel

1111 Second Street

www.thehuntleyhotel.com

tel: 310.394.5454 | fax: 310.451.7424

Ocean View Hotel

1447 Ocean Avenue

www.oceanviewsantamonica.com

tel: 310.458.4888 | fax: 310.458.0848

Pacific Sands Motel

1515 Ocean Avenue

www.pacificsandshotel.com

tel: 310.395.6133 | fax: 310.395.7206

Santa Monica Beach Travelodge

1525 Ocean Avenue

www.travelodge.com/hotel/07016

tel: 310.451.0761 | 310.393.5311

Shangri-La Hotel

1301 Ocean Avenue

www.shangrila-hotel.com

tel: 310.394.2791 | fax: 310.451.3351

**For a full listing of Santa Monica hotels,
visit www.santamonica.com.**



BAYSIDE BEAT

1351 Third Street Promenade, Suite 201
Santa Monica, CA 90401

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2008

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ADDRESS SERVICE REQUESTED

BAYSIDE ANNOUNCEMENT

Meet Miles!



Debbie Lee, Director of Marketing for Bayside District Corporation and her family welcomed their 6 lb. 13 oz. son Miles Tan Nguyen on December 4, 2007.

BOARD OF DIRECTORS

- David Martin, *Board Chair*
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- Patricia Hoffman, *Vice Chair*
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- Andrew S. Thomas, *Operations Manager*
- Debbie Lee, *Director of Marketing & Communications*
- Linn Wile, *Executive Assistant*
- Nicole Nez, *Marketing & Special Events Coordinator*

BAYSIDE BEAT

- Jorge Casuso, *Editor/Writer*
- Ann K. Williams, *Writer*
- Design by www.robinconnell.com
- Printing by KSOM Printing

BAYSIDE DISTRICT CORP.

MISSION STATEMENT

On behalf of the City of Santa Monica, to promote economic stability, growth and community life within the Bayside District through responsible planning, development, management, and coordination of programs, projects and services designed to benefit the community as a whole; which includes the District's businesses, property owners, visitors and residents.

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