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Glendale Boosts Economic Development Despite Recession

By Andrea Alegria - 10/26/2009

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The economy has put the brakes on revenue flow to redevelopment projects in Glendale, like in most municipalities, but this has not stopped the city from moving forward with revitalization efforts to fuel and drive economic growth.

Redevelopment accomplishments in the city are numerous and vary in size and scope. A Trader Joe's is scheduled to open in the Montrose Shopping Park by 2011, a Subaru car dealership will soon join the Brand Boulevard of Cars, and downtown Glendale could soon have its first museum in 106 years of history, for starters.

Plans are underway for an 11-story, 172-room Hyatt Place Hotel, Chipotle Mexican Grill opened a new location in Glendale September 18 as did Panera Bread last July, and new retailers to the area include My Shape, a major online women's apparel firm that recently relocated its headquarters from Pasadena to Glendale.

"We think we have some unique advantages in the Tri-city market as well as in the region," said Economic Development Manager Ken Hitts. "We have no business tax, no business license fee and we also have a unique advantage just given our accessibility to downtown Los Angeles, Pasadena, Burbank, to the San Fernando Valley and San Gabriel Valley regions."

The third largest city in the county is using these advantages to promote economic development, said Hitts, building upon the economic engines that already exist in the city such as the Glendale Galleria, which attracts 25 million visitors a year, and the Americana at Brand. Other retail anchors include the Brand Boulevard of Cars, with its more than 15 car dealerships. Both retail centers were among Subaru's considerations for coming to Glendale.

"The Glendale area has a large urban redevelopment project, the Americana at Brand, which is attractive to our buyers and the Glendale automotive row is a vibrant retail area within the Los Angeles metropolitan area," said Rick Crosson, vice president of market development, Subaru of America, Inc.

Creativity in the recession

In the down economy, the slowing of revenue dollars has changed the way the Redevelopment Agency does business, and fueled more creative approaches to revitalization efforts, according to Councilman John Drayman who serves as chairman of the Redevelopment Agency.

"The question is 'How do you continue to create for the people of your city, how do you continue to revitalize areas of the city when you don't have revenues to work with?' And of course you have to become far more creative and you have to look at a lot of interesting re-use of existing assets the city owns," he said.

Two gleaming examples are the Trader Joe's project in Montrose and the Museum of Neon Arts' future relocation to downtown Glendale, he said.

Through some creative re-shuffling, the agency was able to provide new homes for these businesses on existing city properties that had been slated for other uses.

When plans are finalized, Trader Joe's will be built on a property that was acquired for use as a city parking lot. The Museum of Neon Arts could find a new home in a refurbished city building that was scheduled for demolition to make way for a 100 foot-wide pedestrian walkway or 'Paseo'.

"A car dealership that goes out of business and becomes a city parking lot becomes a retail anchor for one of our major retail districts. An old building that once housed a Salvation Army Thrift store becomes the new Museum of Neon Arts. This is how we are having to do our work in 2009 with a pretty cruel recession," Drayman said.

Both projects will bring revenue to their respective areas and stimulate economic growth.

Trader Joe's will be an economic engine for the Montrose Shopping Park helping draw traffic to the area which includes more than 200 independently owned businesses, mostly "mom & pop shops" in what is also called Glendale's historic Old Town.

The ground lease on the 45,000 square foot lot will generate approximately \$250,000 a year in revenue and will help fund renovation and restoration projects in the Shopping Park.

For years the Montrose Park Association had been looking to activate the West end of the park, and had been looking to bring in a large retailer but was limited by the lack of suitable building space available.

"This will solve a problem that is more than 90 years old which is 'How do you activate the West End of the Montrose Shopping Park, how do you bring in a major retail anchor when you have no buildings large enough to accommodate it?' The answer is you find a good corporation that is very community and family oriented that will build the building and move into it.," Drayman said.

When it comes to the Museum of Neon Arts the implications are both economic and historic.

"This is extremely important," he said. "For one thing we had been looking for something to activate that portion of Brand Boulevard across from the Americana – we desperately needed something there. We also needed something to activate that pedestrian corridor, that Paseo, so that it will attract people to make use of it. More importantly, historically for the city of Glendale, it's the first museum that we have ever had in our downtown in the history of the city."

The redevelopment agency will rehab the building and put in \$1 million in exterior updates to the structure.

In other projects, and on a smaller scale, the City Council is also working with Kenneth Village, a neighborhood business district which represents a small but important retail district in the northwest part of Glendale, to bring in a major restaurant facility and a wine bar, said Drayman.

"We're engaged in a lot of projects," he said. "We're also talking to Bob's Big Boy corporate level, trying to find a home for Bob's Big Boy in Glendale."

The hamburger restaurant chain originated in Glendale, and its founder Bob Wian was a former Glendale city council member, so "the idea of a Glendale without a Bob's Big Boy is something that is abhorrent to our residents," Drayman said.

Focus on the arts

In Glendale there's also a new interest in the arts and culture.

"The City Council has taken a new interest in the value that a creative economy can bring to Glendale,"

said Barry McComb, CEO of Glendale Arts, the non-profit organization that runs the historic Alex Theater downtown.

With the city's support Glendale Arts is now actively looking to develop new arts and performance spaces in the city such as small concert rooms that seat 200-300 guests; black box theaters that can accommodate a myriad of performances; and visual gallery spaces. The organization already has identified three sites.

"There's now an understanding that arts and entertainment venues not only create jobs but also produce a trickle down effect, benefitting restaurants and local businesses," McComb said.

When it comes to art, the Glendale City Council will soon be looking to contract an independent arts non-profit organization in the region to operate a new Glendale Arts Council, which will have funding to do small scale arts programming in the form of play readings, movies, dance performances, musical performances and fine art exhibits, throughout the City of Glendale, according to Councilman Drayman.

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