

## MARKETING DIRECTIONS (Cont'd)

and broadcast exposure for Good Old Brea, both locally and throughout Southern California.

Also, national press coverage should be obtainable in one or more mediums, based on the news angle of a small city colorfully and economically solving the nationwide problem of center-city decay. Such coverage would be of value to the City's overall industrial development activities, and to the Merchants Association because of Brea's dead-center location within the Southern California tourist complex. The fees noted previously would also cover organization and staging of the Grand Opening Celebration for Good Old Brea.

After the Grand Opening, Good Old Brea should budget for a continuing and regular advertising program in local newspapers and radio. To cover the general marketing area - Diamond Bar, Fullerton, Yorba Linda, Anaheim, etc. - an annual space budget of \$45,000 would be in line. (However, we do not see any need for this paid retail advertising space until the Grand Opening has been completed. Thus, the \$45,000 for Good Old Brea's retail center advertising would be part of the second year budget.)

To coordinate all activities, the Association should employ an executive secretary-manager at a rate of \$10-12,000 annually. Possibly someone working part time - say three days a week - could do a proper job, but we would prefer to reserve judgment on that until the project is further along.

## MARKETING DIRECTIONS (Cont'd)

Thus, including retainer for professional public relations counsel and an Association manager-secretary, the first and second year budgets would look something like this:

1st Year	\$25, 000
2nd Year	\$65, 000

At first glance, these figures may seem terrifying to some merchants. However, when spread among some 60 businesses, they become realistic:

1st year per month per business	\$ 35
2nd year per month per business	\$100

Perhaps those figures will still seem high to some merchants. Indeed, promotion will cost more than property improvements! But it's not that the promotion costs are so high, it's just that the costs of our revitalizing concepts are so low.

As a comparison, consider this: One of our partners owns, with his wife, a retail gift shop, The Company Store in Palos Verdes. The Store has 450 square feet of floor space. It invests nearly \$3000 a year in retail advertising, has four full-time employees - and makes a profit.

Another factor involved in the cost is Brea's geographical location. To draw the traffic, Brea must reach consumers in neighboring communities. This requires use of more than one medium for advertising, since no single newspaper or radio station has saturation coverage within a five-mile radius of central Brea.

## MARKETING DIRECTIONS (Cont'd)

More comparisons: Ports of Call in San Pedro, a specialty center with emphasis on restaurants, has an \$87,000 annual fund for group advertising. The Cannery in San Francisco earmarks \$150,000.

And those figures do not include the cost of staff to operate the merchants association, which are included in our projected figures.

In addition to regular retail advertising for the shopping center of Good Old Brea, there are many other areas of Group X involvement which relate to the overall marketing effort. For example: stylized wrapping paper, labels, stylized format for any individual advertisements merchants might run to complement their co-operative promotion, plans for an annual fiesta-parade-celebration, and ideas for special services for shoppers at Christmas time, to point out just a few. We are prepared to work with the Merchants Association on all these projects, plus the many ideas we are sure they will have.

Additionally, there are two more areas of importance to the success of marketing Good Old Brea: The merchandise/services that are available to customers of Good Old Brea, and the way those customers are treated. It is vital that the merchants work to improve this aspect of their business operation.

To sum up the marketing section of this proposal:

Yes, \$35 or \$100 a month is a lot of money to some merchants. But the return on their investment will, we believe, be sizable. To look at the facts:

The latest sales-tax figures (for the year 1969) show that the average sales per square foot per year in central Brea are \$22. (This excludes service establishments and automobile dealerships).

## MARKETING DIRECTIONS (Cont'd)

Based on statistics available from cities of comparable size which have undertaken commercial renewal programs, we believe that a conservative goal is for a minimum 50 percent increase in gross sales after Good Old Brea has been in full operation for three years (i. e., four years from groundbreaking).

This should mean that the return on investment would run more than 25 percent. In sum, the investment will be profitable and will be more than justified by the sales increase that will result.

## ADDITIONAL OBLIGATIONS OF THE MERCHANTS ASSOCIATION

We are covering these obligations separately because they are not specifically involved with marketing, and they are extremely important.

1. Control of Businesses. While it may not be possible legally for the merchants to keep out certain types of businesses, we do feel that some degree of control must be exercised.

This is desirable to maintain a level of quality and environment, and also to prevent increased competition for the existing business people who will be responsible for creating Good Old Brea.

For example, with six antique stores operating, the area is fairly strong in this category. On the environmental side, a psychedelic shop would be undesirable.

2. Since the reality of Good Old Brea will, in fact, be a self-improvement effort, we believe the property owners, the merchants association, and the city should jointly recruit certain types of businesses to join them. This will make Good Old Brea a total entity, serving most of the needs of most people. The types of businesses desired are listed on the following page.

It is important that the Merchants Association realize that recruiting these new businesses will not create more competition for them. Rather, they will enhance the appeal of Good Old Brea and make it a more complete, more consumer-satisfying entity - thus more of a commercial success.

## BUSINESSES TO RECRUIT

### Bank

The old building on the corner of Birch and Brea cries out to once again be an operating bank. Whether a major branch bank (B of A, UCB, Security, etc.) or a regional operation (Newport National, Whittier National, Orange County 1st National) is moot. But the area does need banking services, it would be profitable for a bank to be there and, equally important, the presence of a bank would prove conclusively that Good Old Brea is, indeed, to become a reality.

### Savings and Loan

Since we understand the Post Office will be vacating within two years, we feel this would offer an ideal location for a Savings and Loan Association. Not only would it draw from the adjacent commercial and residential area, but from the growing residential community north of downtown.

### Boutique/Gift Shop

A quality operation such as The Company Store would be a distinct asset.

### Shoe Store

None exists presently in the area and would complement the present men's and women's clothing stores.

### Book Store

With Brea's relatively high level of income and education, this would seem a natural.

BUSINESSES TO RECRUIT (Cont'd)

Gourmet Foods, Wines and Liquors

Something along the lines of a Jurgensen's.

Sister City Shop

It would be excellent for the City to propose to Lagos de Morena that it open a native crafts shop, possibly in conjunction with the State of Jalisco.

Soda Fountain/Ice Cream Parlor

This would not be competitive to existing foodservice shops and could possibly be located next to the theater.

Crafts and Hobby/Toy Store

Art Gallery

## OBLIGATIONS OF THE CITY OF BREA

To make Good Old Brea the success it can be, there will have to be ample off-street parking with quick, easy access to Brea Blvd. There must also be scrupulous maintenance of all public areas. There will be installation of new lighting, new benches, etc. - all to come out of city funds and be repaid from the city's proportionate share of increased sales-tax revenue.

Off-street parking will be a major municipal contribution to the Good Old Brea project.

Specifically, the city's direct involvement will include:

1. Acquisition on a phased basis of property extending from the alleys behind Brea Blvd. out to Walnut on the west, Orange on the east, between Ash on the north, Imperial on the south. All trees are to remain. Portions devoted to public parking will be paved and lighted, the balance to be public parks. The public parks would not only serve as open green areas to make the shopping area more attractive, they would also be a valuable recreational benefit for the residents of Central Brea. Certain structures may be retained for eventual commercial leasing by the city. Strips of this property could also be used as right-of-way at such time as Brea Blvd. is transformed into a park-mall and traffic re-routed via Walnut and Orange.
2. Acquisition of two or three land parcels fronting Brea Blvd. and transforming them into mini-parks with walkthroughs to the off-street parking areas.



OBLIGATIONS OF THE CITY OF BREA (Cont'd)

3. Resurfacing of alleys, establishment of public parking areas and, in cooperation with merchants and/or landowners, resurfacing of private parking areas.
4. Establishment of a business promotion district to promote the city of Brea and oversee the city's investment in Good Old Brea.
5. Ideally, the city should negotiate the entire financing package, insuring property owners of having the best possible financing at the lowest possible rates.
6. New street lighting, parking-area lighting, benches, planters, park fixtures, maintenance of all public areas and fixtures including lights on building ridges.
7. Enacting of legislation necessary to control and maintain the esthetic and commercial standards of Good Old Brea. Included would be sign restrictions. The design concept of Good Old Brea includes creation of individual signing for each establishment, utilizing dimensional letters and representational figures (e. g., the old-fashioned, high-wheel bicycle for the bicycle shop). Signs not approved by the Merchants Association would not be permitted. Other legislation required includes establishment of park districts, parking districts, business promotion districts, etc.
8. Payment for detailed photographic coverage - color and black and white stills, movies and aerials. These would be used for before and after publicity work.

## WHO IS GROUP X AND WHAT ARE ITS OBLIGATIONS?

Group X is comprised of three people, Don Kracke, Fred Martin and Ben Templeton.

As mentioned earlier, they are design-oriented marketing men and marketing oriented designers. They specialize in new product development and packaging.

Sometimes they take old products and revitalize, update and repackage them. Which is precisely what's happening with Brea.

They are not land planners, civic experts or architects. Which is probably why Good Old Brea will cost so little.

Specifically, Group X's obligations include:

1. Complete redesign of the remaining stores, front and back, on Brea Blvd. between Imperial Highway and the railroad tracks.
2. Design of all parking areas, parks and walk-throughs.
3. Supervision of all construction.
4. Marketing consultants to the city and the Merchants Association on an as-needed basis for the duration of the service agreement. The partners will work with the executive secretary and various subcommittees (e. g., Advertising, Design Standards) to insure success of the project.
5. Advice, counsel and screening of professional public relations firm to be retained. Same on executive secretary, if desired.
6. Preparation of a complete and detailed marketing program including advertising schedules, layout formats, ad sizes, etc., to build and promote the Good Old Brea specialty

WHO IS GROUP X AND WHAT ARE ITS OBLIGATIONS (Cont'd)

shopping center. In brief, we would provide the Association with such a detailed plan that it could be activated simply by pressing a few imaginary buttons. Plan would include specific budgets, media recommendations and production instructions.

7. Consultation to the city and Association on design and esthetic standards for Good Old Brea and immediately adjacent areas.

In return for its services, Group X will receive a Professional Fee of \$24,000, paid in monthly installments of \$2000, beginning May 1. If the project requires more than 12 months to complete, Group X will receive the same \$2000 a month fee for each additional month, with a limit of three months.

## CONSTRUCTION PROCEDURES

Upon acceptance by the City of the Good Old Brea concept, and assuming acceptance and funding by property owners, Group X will begin design work on the balance of the project.

Simultaneously, work will begin on remodeling that portion which has already been designed.

It is our firm recommendation that construction work should not be done by the traditional method of letting bids to contractors and selecting one to move in and re-do the entire street in six months, or three, or whatever.

Rather, we propose that the entire job be done by two men who will hire helpers as needed. These men will contract the job on a not-to-exceed basis. Their compensation will be on a salary contract, plus materials.

We propose this method for two reasons:

1. It makes the project affordable. The total labor cost for the entire project will be less than \$50, 000.
2. It seems only right to have this project done by true artisans rather than unconcerned mechanics. The personal involvement of these men will be something that could not be purchased otherwise because they will devote an entire year exclusively to creating Good Old Brea. The qualifications of both craftsmen have already been made known to the City Manager.

## TIMETABLE

It would be nice for the Grand Opening celebration to be held 12 months after financing has been arranged and contracts signed. It would be nice, but those things seldom happen. More realistically: 15 months.

Construction will be on a random basis. Probably the best way would be simply to draw names out of a hat and go to work in that order. Working out a way to do this and keep everybody happy may be one of the biggest problems in the project.

Off-street work (raising condemned structures, preparation of parks and parking areas, resurfacing) should begin as soon as possible after construction begins on the stores. The off-street work will be finished, it can be assumed, before the stores. After re-surfacing and repair of alleys, store backs will be done.

Organization of the Merchants Association should also begin upon acceptance of the plan.

## ACTION PLAN

If this project is to become a reality, mulling it over for six months won't get the job done. Something very close to immediate action is needed. We propose the schedule below be adopted:

### 1971

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|----------|--|
| March 30 | Presentation of Concept  |
| April 30 | General agreement among property owners, merchants lessees and City.<br><br>Establishment of Trust Account with \$500 pre-payment by each property owner.  |
| May 1    | Begin:<br><br>Financial arrangements with lenders.<br><br>Develop funding program for public and private improvements.<br><br>Contract with Group X for its services.<br><br>Formation of Merchants Association. |
| June 1   | Begin balance of design work.<br><br>Retain public relations counsel for kick-off work.<br><br>Organize construction procedures.   |
| July 1   | START WORK!!! Groundbreaking and attendant publicity activity.   |

### 1972

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|---------|---|
| April 1 | Begin pre-Grand Opening promotion and planning.                         |
| July 15 | GRAND OPENING (assuming no delay from extended periods of bad weather). |

ESTIMATED MAXIMUM IMPROVEMENT COSTS

Labor (front and back)	\$50, 000
Materials (front and back)	<u>45, 000</u>
Subtotal	\$95, 000
Special Lighting	<u>18, 000</u>
	\$113, 000
Contingency	22, 000
Group X Professional Fee (Based upon \$2, 000/month times 15 months)	<u>30, 000</u>
TOTAL COST	<u>\$165, 000</u>
Average per store (60 stores)	<u>\$2750.</u>

NOTE: Cost Estimates are based on the design concepts illustrated as part of this report. If anything, they are on the high side.

## FINANCIAL SUMMARY

At this point, all we can talk about are average costs. So, the average merchant/property-owner can anticipate monthly costs as noted below:

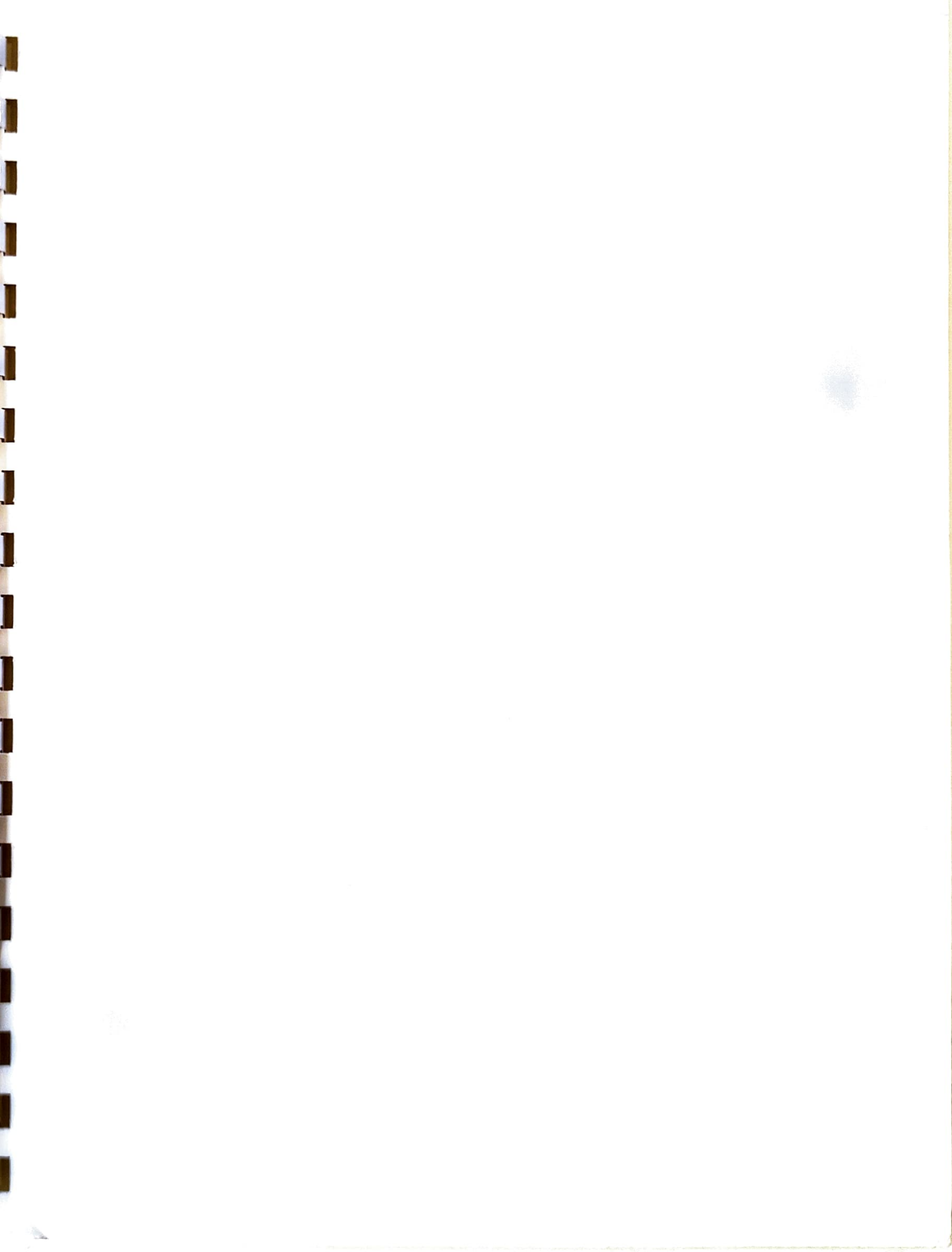
<u>1971</u>		
Beginning June 1		
Improvement Loan Retirement	\$ 25	
Merchants Association Assessment	<u>35</u>	
Total Monthly Cost		<u>\$ 60</u>

<u>1972</u>		
Beginning July 1		
Improvement Loan Retirement	\$ 25	
Merchants Association	<u>100</u>	
Total Monthly Cost		<u>\$125</u>

NOTE: Figures reflect amortization of the \$500 start-up money proposed for funding in March 1971.







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A NEW LOOK FOR OLD BREA

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CREATED BY  
GROUP X  
704 SILVER SPUR ROAD  
ROLLING HILLS ESTATES  
CALIFORNIA

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