



# City of El Monte Economic Development Plan

*May 1, 2017*

**Prepared By:**  
***Kosmont Companies***

# Project Background & Status

- Kosmont was retained by the City of El Monte for the preparation of an Economic Development Plan which builds on the City's General Plan, its Economic Development Element, and key stakeholder input
- The purpose of the Economic Development Plan is to evaluate existing demographic information and retail/office/industrial market conditions and identify and prioritize strategic areas to successfully promote economic development within the City
- An overview of the Economic Development Plan is presented herein

## **1. Analysis**

- a) **Economic & Demographic Profile**
  - i. *Population & Household Demographics*
  - ii. *Unemployment & Employment by Industry*
- b) **Market Demand Analysis**
  - i. *Supply, Vacancy & Lease Rates*
  - ii. *Retail Sales Performance*
  - iii. *Retail Sales Surplus / Leakage*

## **2. Strategy**

- a) **Strategic Area Assessment & Prioritization**

## **3. Implementation**

- a) **Stakeholder Outreach (ongoing)**
- b) **Marketing (next steps)**
  - i. *Collateral Material*
  - ii. *Digital Marketplace*
- c) **Financing & Incentives (next steps)**

## 1. Analysis

### a) Economic & Demographic Profile

- i. *Population & Household Demographics*
- ii. *Unemployment & Employment by Industry*

### b) Market Demand Analysis

- i. *Supply, Vacancy & Lease Rates*
- ii. *Retail Sales Performance*
- iii. *Retail Sales Surplus / Leakage*

## Economic & Demographic Profile

*Population & Household Demographics*

# Demographic Highlights

## Population & Households

- Population of ~116,300 and ~28,300 households within the City in 2016
- Population of ~573,200 and ~156,100 households within 5 miles from Site

## Income

- Avg. HH income ~\$54,100 in City and ~\$75,400 within 5 miles from Site
- 0.74% annual growth projected for HH income over next 5 years in City

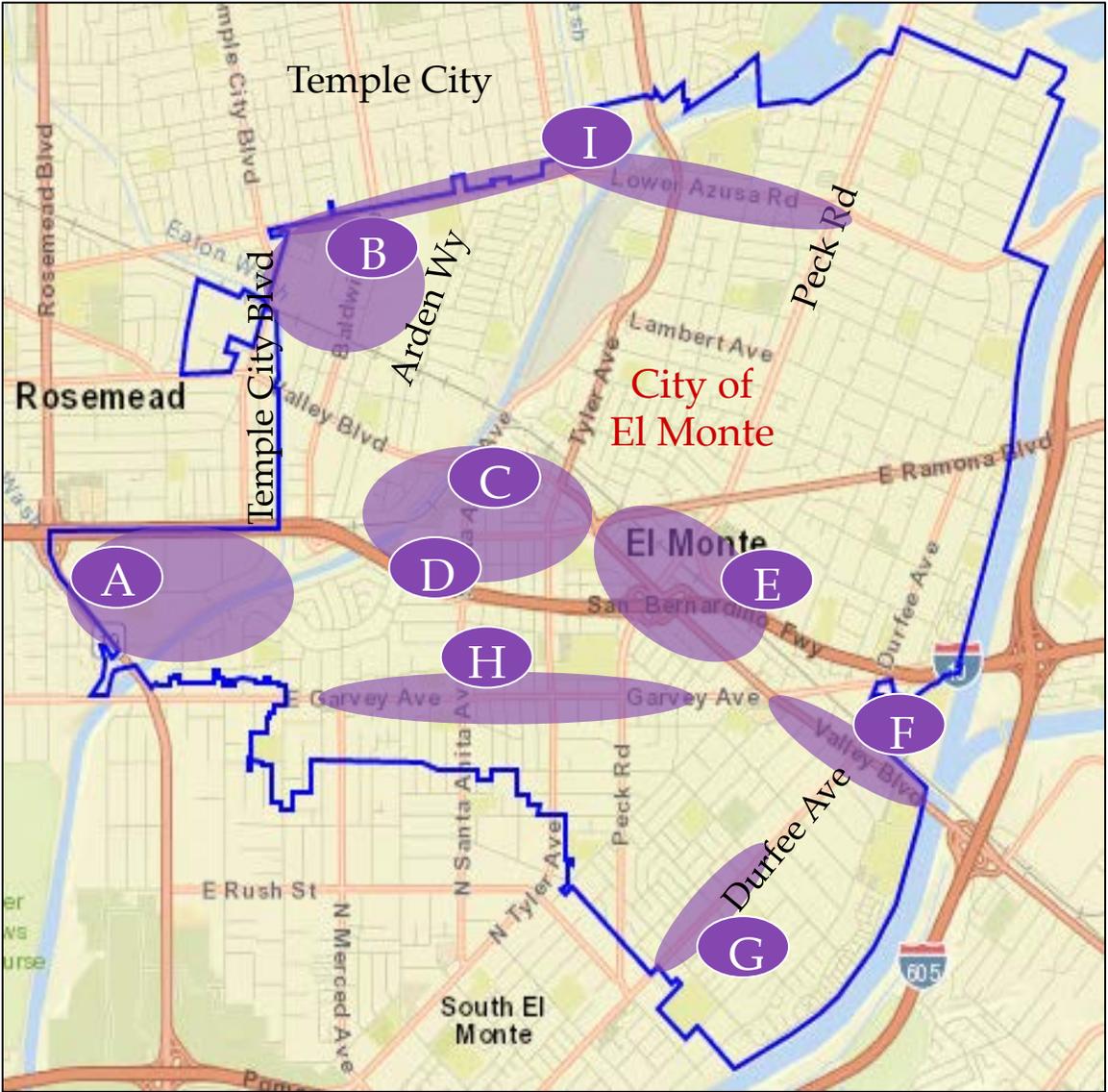
## Other Demographic Characteristics

- Average household size of **4.1** in City (higher than County average)
- Median age of **32** in City (younger than County median)
- ~12% Bachelor's Degree or higher (lower than County average)
- Race: ~38% White, ~31% Some Other Race, ~26% Asian
- Ethnicity: ~**69**% Hispanic in City

Source: U.S. Census Bureau (2010); ESRI, Department of Finance (2016)

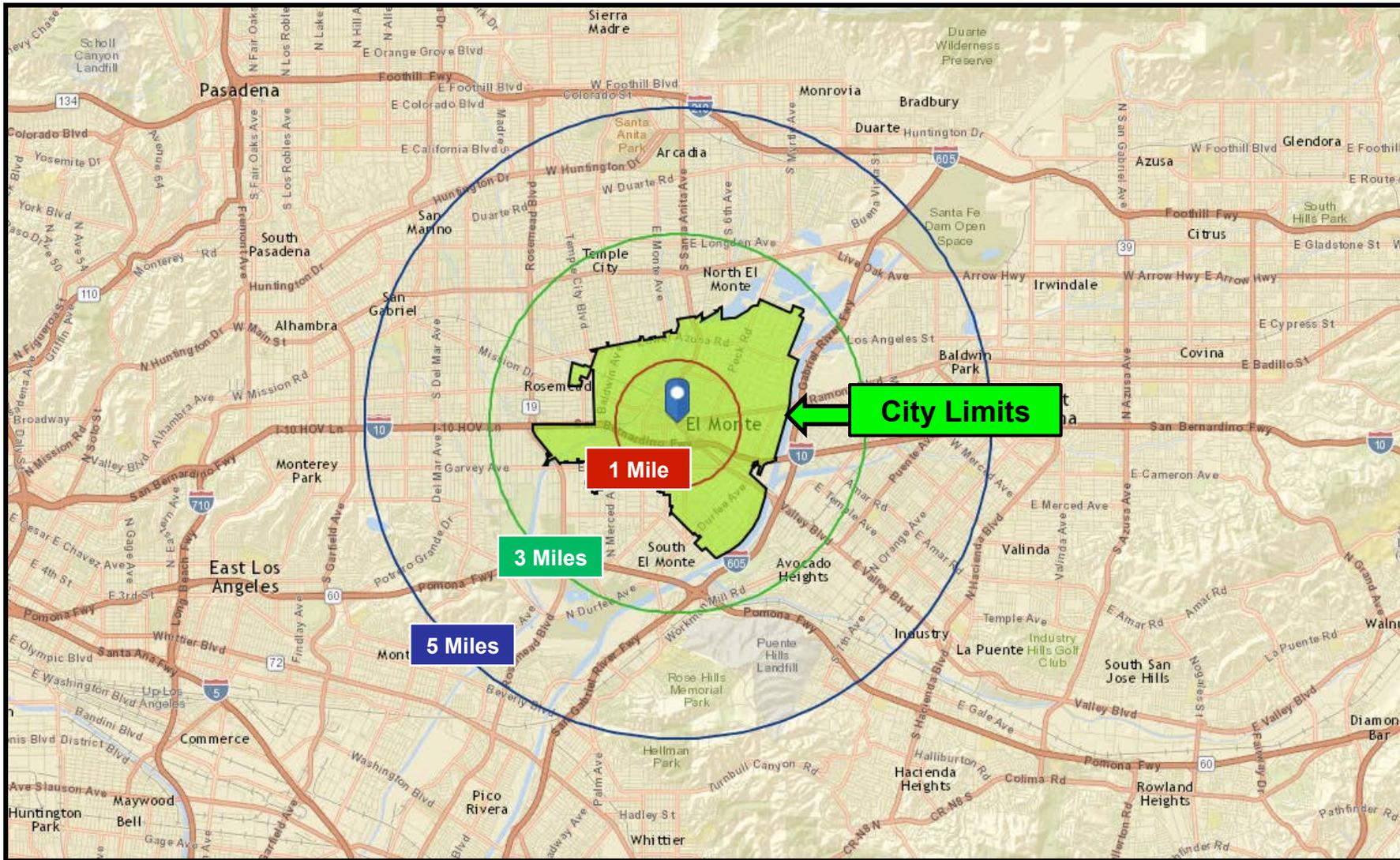
# Strategic Areas

Strategic Area	Name
A	Flair Business Park
B	Northwest Industrial District
C	Downtown El Monte Specific Plan Area
D	Gateway Specific Plan Area
E	El Monte Center & Auto Row
F	East Valley Entryway Area
G	Durfee Mixed-Use Corridor
H	Garvey Mixed-Use Corridor
I	Lower Azusa Corridor



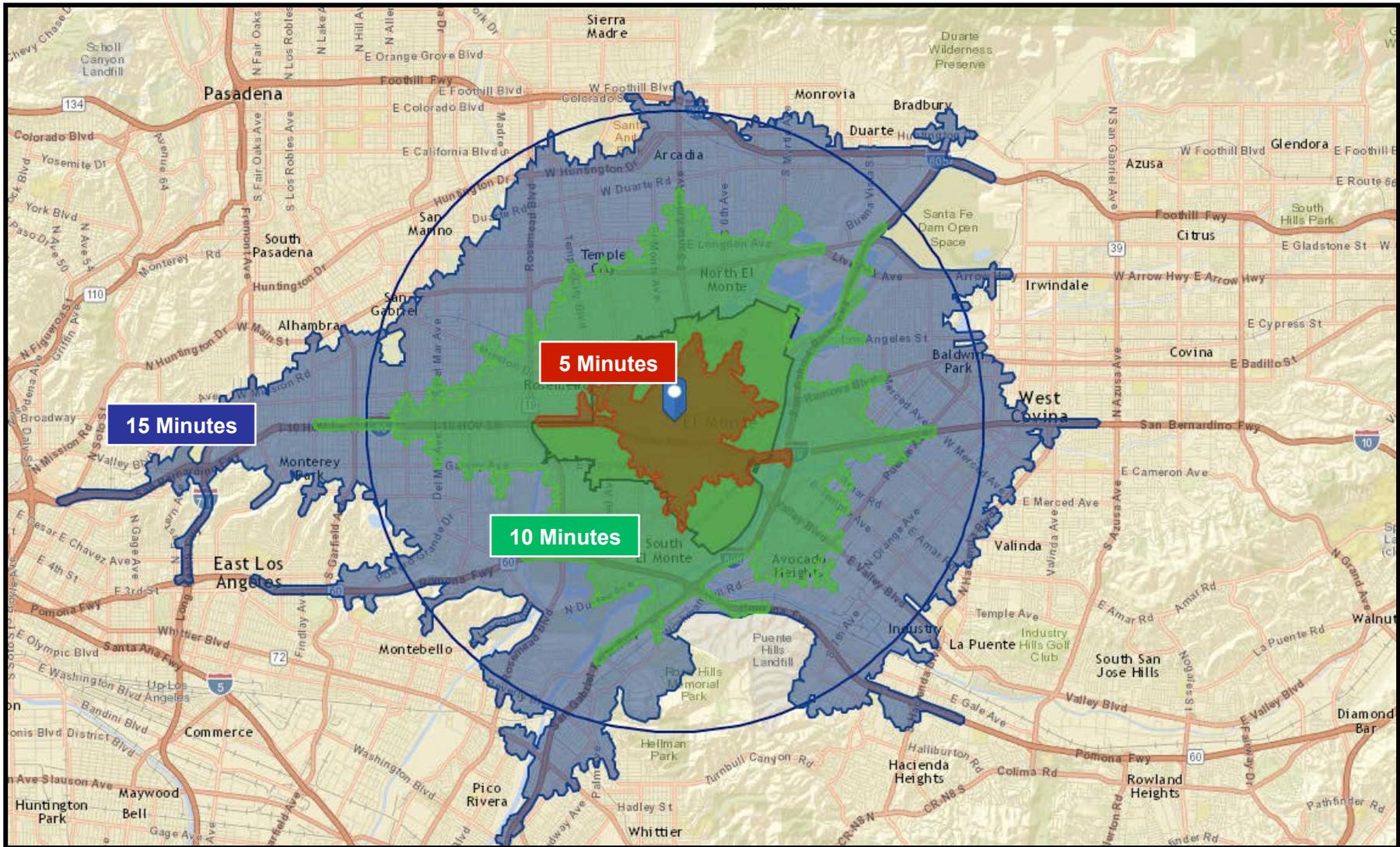
Source: City of El Monte (2016)

# El Monte City Limits & Radii



Source: ESRI (2016)

# Drive Times (from Valley Blvd. & Ramona Blvd.)



Source: ESRI (2016)

# Population and Income

## *City, County and State*

<u>2016</u>	City of El Monte	Los Angeles County	State of California
Population	116,272	10,147,765	38,986,171
Households	28,277	3,321,508	13,029,292
Average HH Size	<b>4.07</b>	3.00	2.93
Median Age	<b>32.3</b>	35.4	35.8
% Hispanic Origin	<b>69.3%</b>	49.0%	39.4%
Per Capita Income	\$13,524	\$28,565	\$30,905
Median HH Income	\$40,898	\$57,190	\$62,554
Average HH Income	\$54,064	\$85,730	\$90,812
<b><u>2016-2021 Annual Growth Rate</u></b>			
Population	0.57%	0.65%	0.87%
Median HH Income	0.74%	2.04%	2.73%

Source: ESRI, California Department of Finance (2016)

# Population and Income

## *Radii from Valley Blvd. & Ramona Blvd.*

	Radii		
	1 Mile	3 Miles	5 Miles
<b>2016</b>			
<b>Population</b>	35,275	232,922	<b>573,207</b>
<b>Households</b>	8,798	59,620	<b>156,110</b>
<b>Average HH Size</b>	<b>3.96</b>	3.88	3.64
<b>Median Age</b>	<b>32.3</b>	34.6	36.5
<b>% Hispanic Origin</b>	<b>71.1%</b>	59.7%	53.6%
<b>Per Capita Income</b>	\$13,415	\$17,559	<b>\$20,901</b>
<b>Median HH Income</b>	\$38,743	\$50,513	<b>\$55,749</b>
<b>Average HH Income</b>	\$51,781	\$67,190	<b>\$75,372</b>
<b>2016-2021 Annual Growth Rate</b>			
<b>Population</b>	0.72%	0.56%	0.55%
<b>Median HH Income</b>	0.59%	1.14%	1.60%

Source: ESRI (2016)

# Population and Income

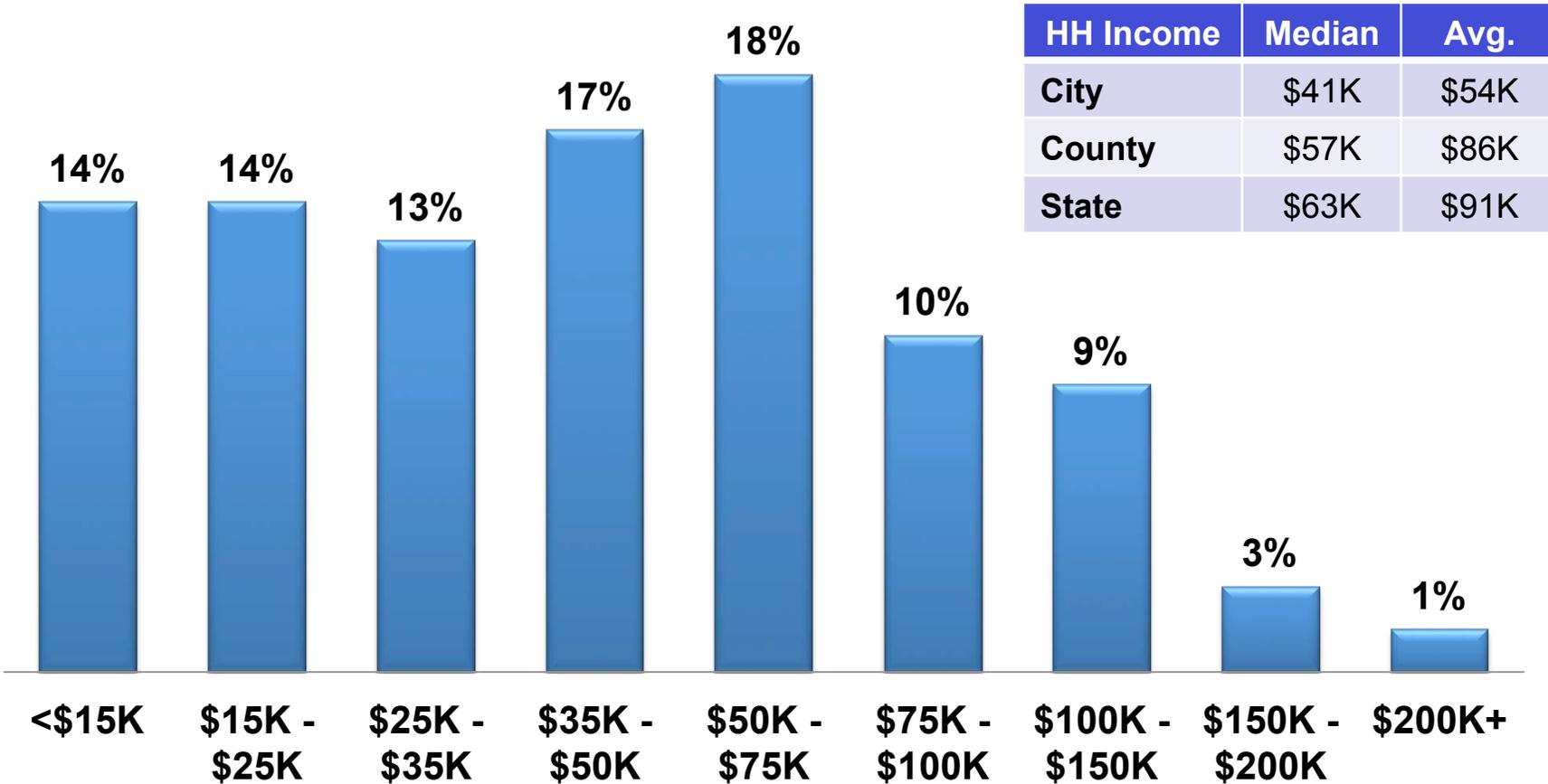
## *Drive Times from Valley Blvd. & Ramona Blvd*

	Drive Times		
	5 Minutes	10 Minutes	15 Minutes
<b><u>2016</u></b>			
<b>Population</b>	47,617	251,839	<b>660,529</b>
<b>Households</b>	11,878	64,319	<b>181,971</b>
<b>Average HH Size</b>	<b>3.96</b>	3.88	3.60
<b>Median Age</b>	<b>32.2</b>	34.8	36.6
<b>% Hispanic Origin</b>	<b>70.1%</b>	58.5%	53.8%
<b>Per Capita Income</b>	\$13,221	\$17,462	<b>\$20,454</b>
<b>Median HH Income</b>	\$38,382	\$50,413	<b>\$54,855</b>
<b>Average HH Income</b>	\$51,387	\$67,050	<b>\$73,052</b>
<b><u>2016-2021 Annual Growth Rate</u></b>			
<b>Population</b>	0.61%	0.56%	0.55%
<b>Median HH Income</b>	0.46%	1.14%	1.57%

Source: ESRI (2016)

# Income Profile

**City of El Monte – 2016 Households by Income Bracket**



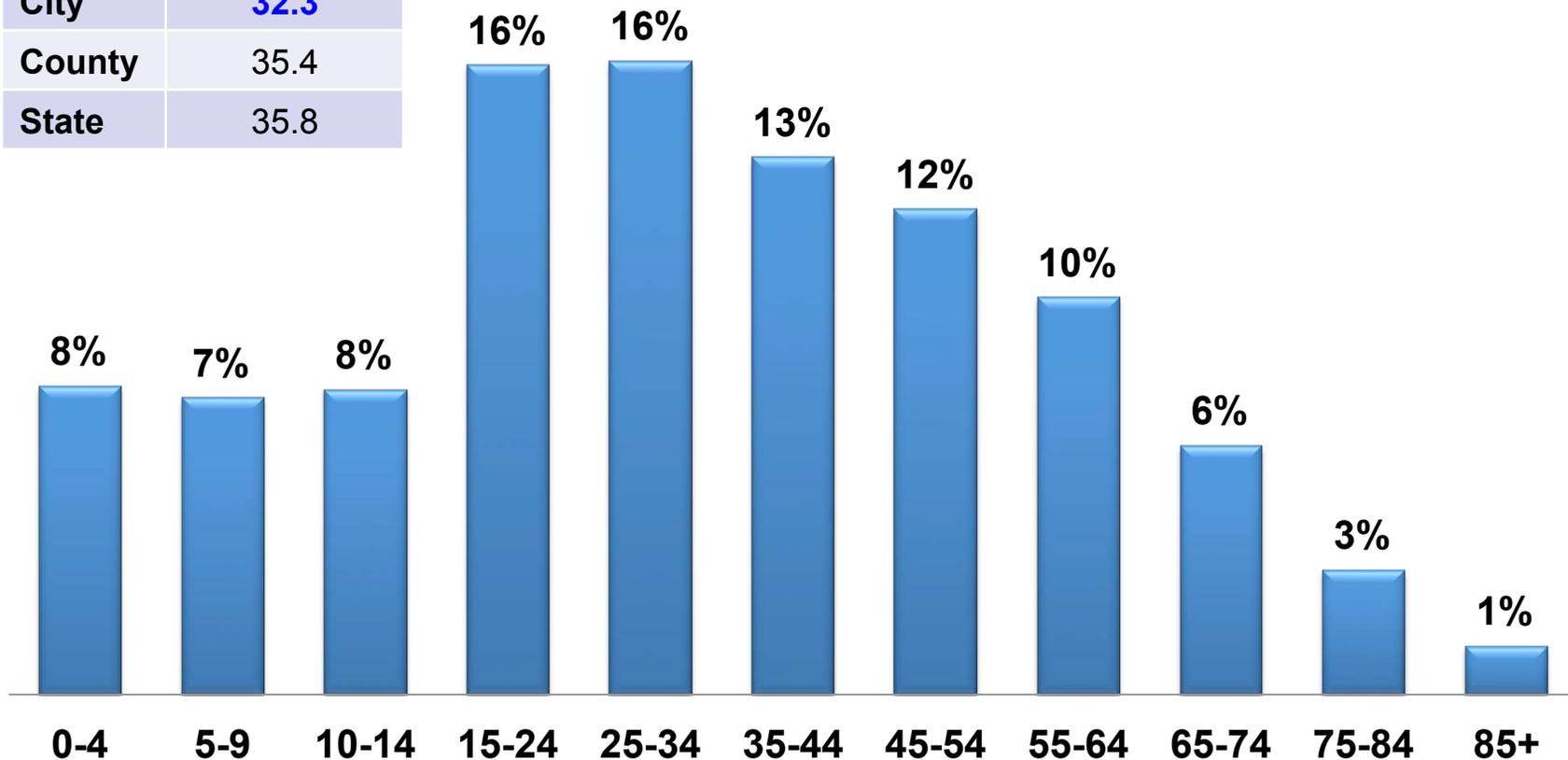
HH Income	Median	Avg.
City	\$41K	\$54K
County	\$57K	\$86K
State	\$63K	\$91K

Source: U.S. Census Bureau (2010); ESRI (2016)

# Age Profile

City Population by Age Bracket in 2016

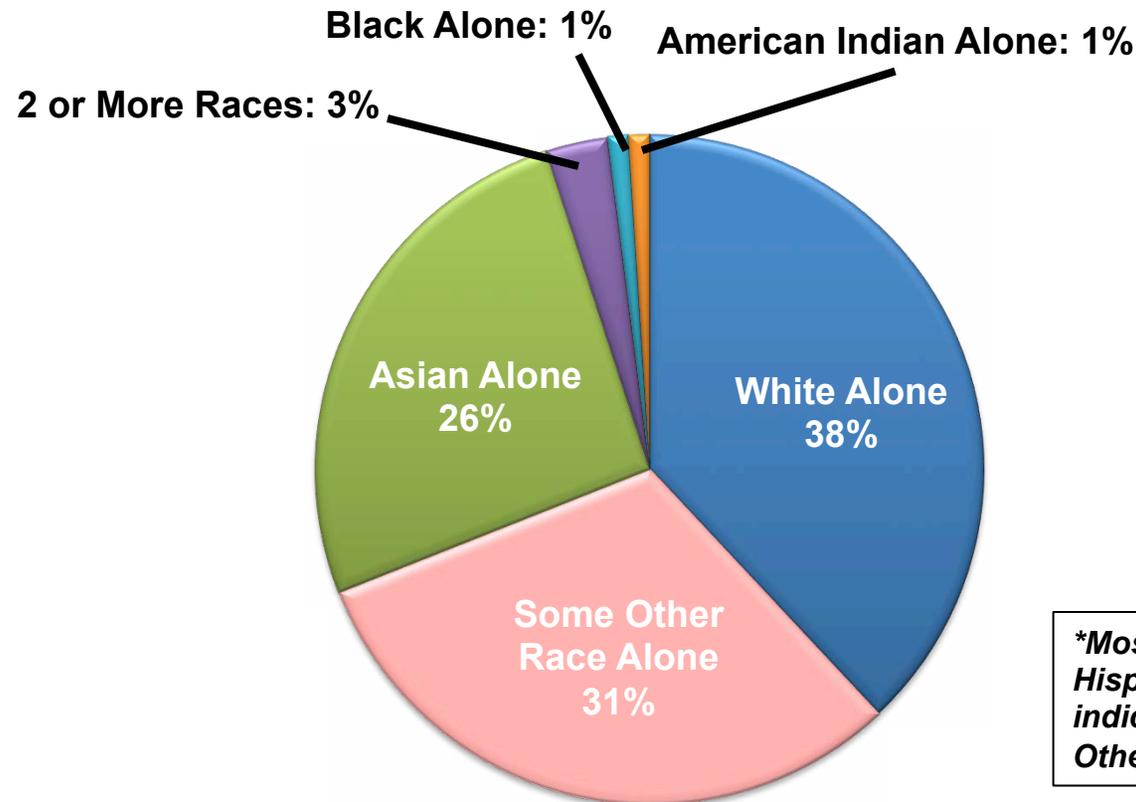
	Median Age
City	32.3
County	35.4
State	35.8



Source: U.S. Census Bureau (2010); ESRI (2016)

# Race & Ethnicity

## City Population by Race & Ethnicity in 2016



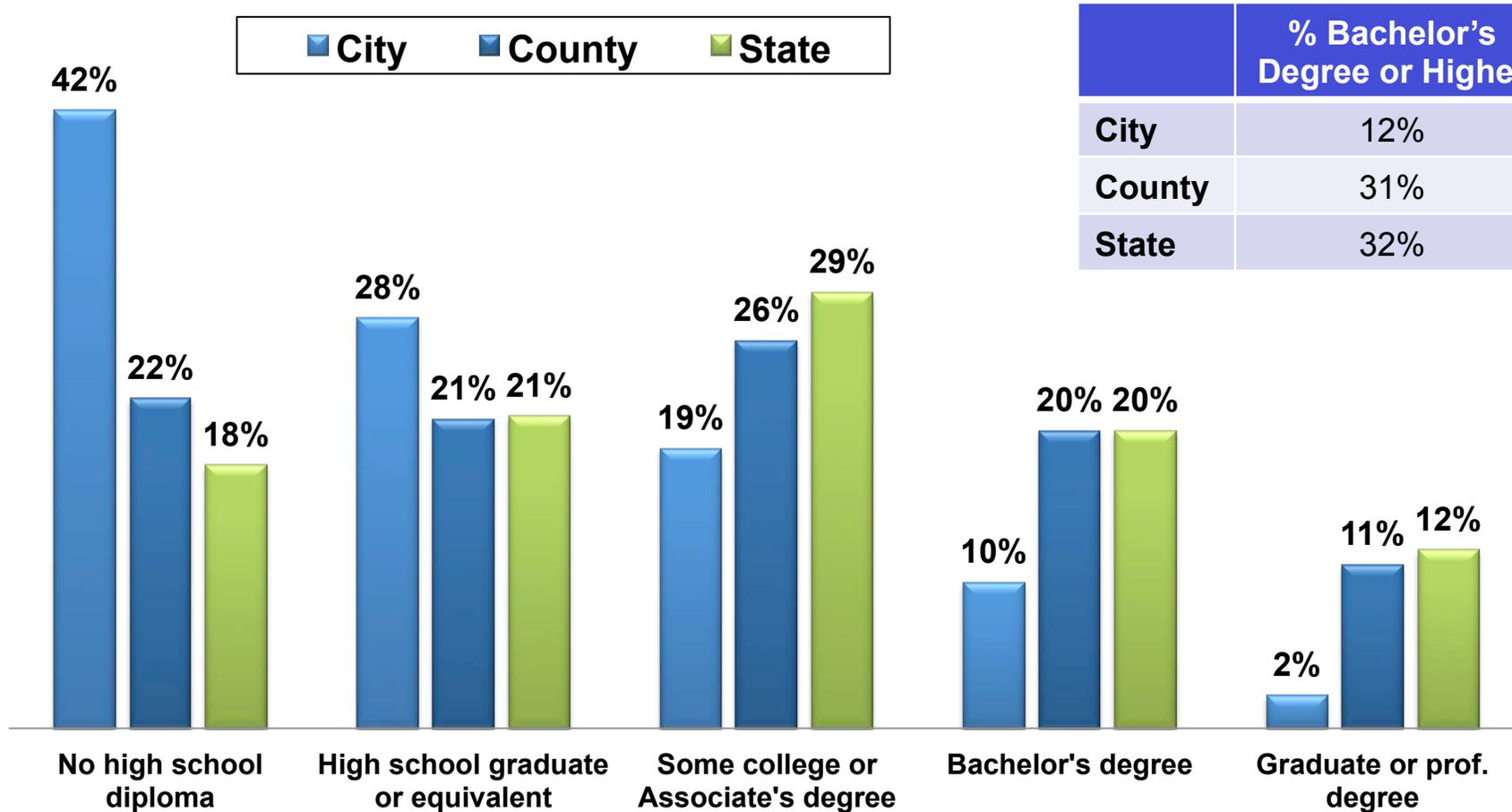
***Hispanic Origin of Any Race: 69%***

**Note:** U.S. Census Bureau defines race and ethnicity as two separate and distinct identities. One Census question asks respondents which socio-political race (of categories in pie chart above) they associate most closely with, and a separate question asks whether they associate with "Hispanic, Latino, or Spanish origin" or not (defined as ethnicity).

**Source:** U.S. Census Bureau (2010); ESRI (2016)

# Educational Attainment

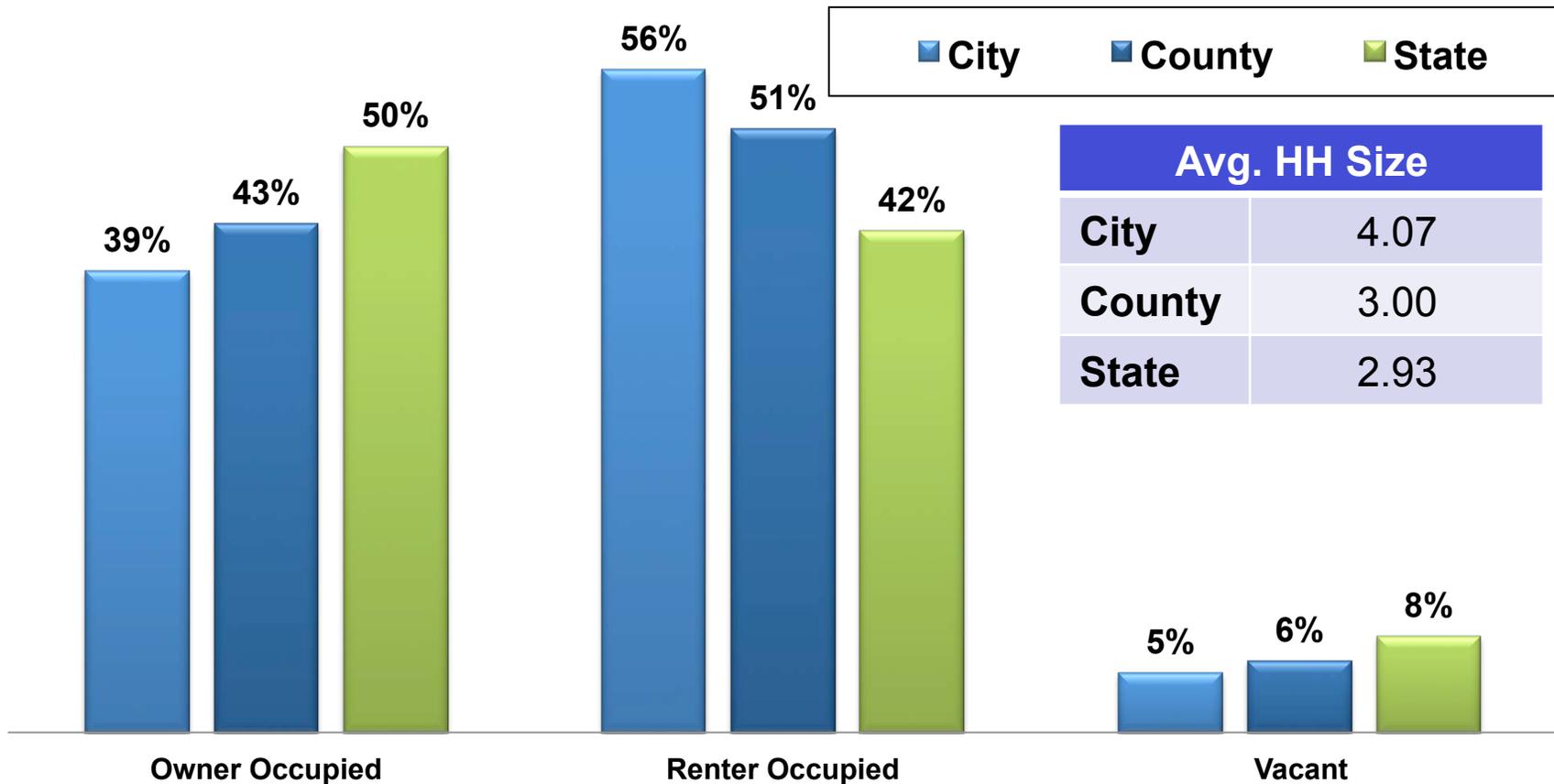
## Population Aged 25+ by Educational Attainment



Source: U.S. Census Bureau (2010); ESRI (2016)

# Housing & Household Size

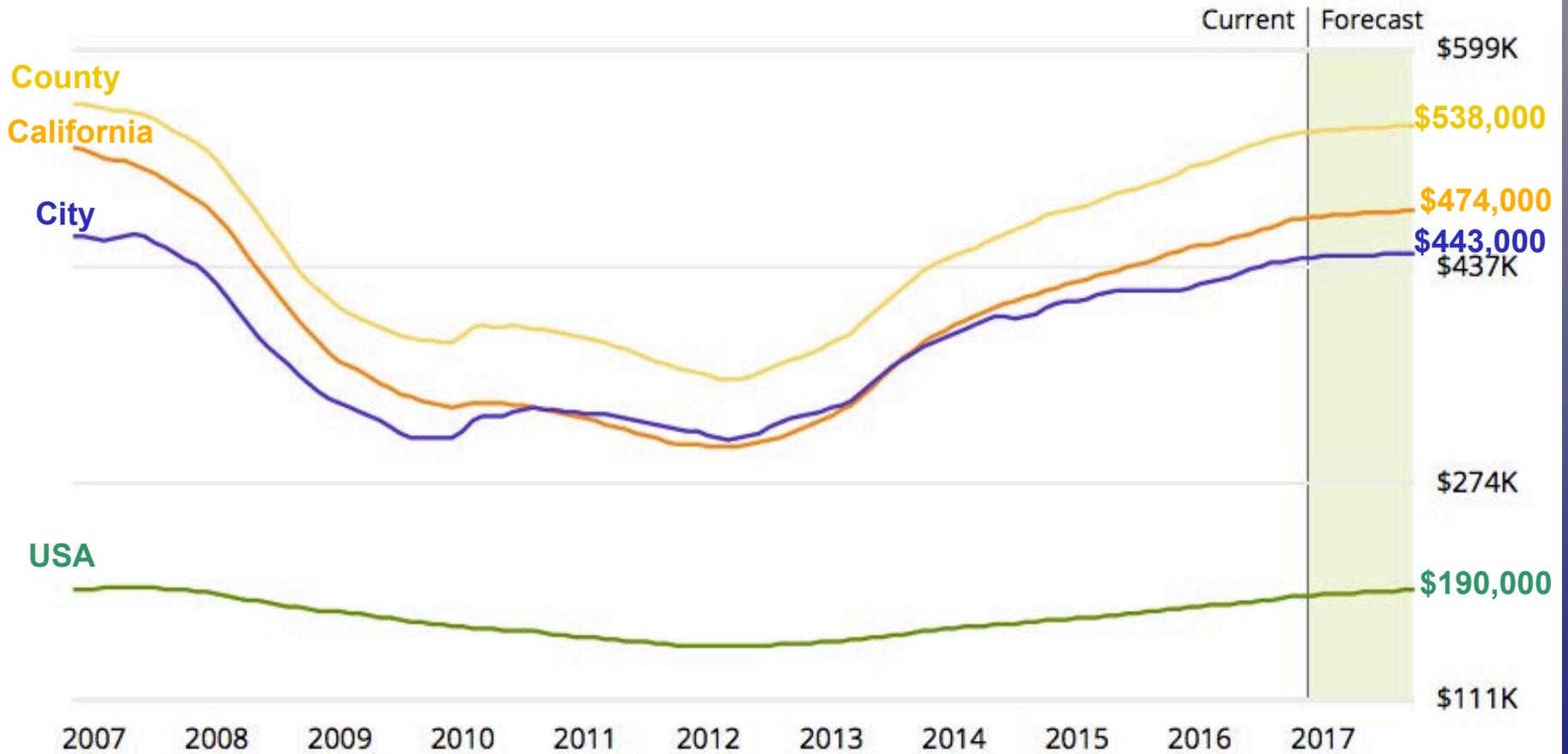
## Housing Breakdown (2016)



Source: U.S. Census Bureau (2010); ESRI (2016)

# Home Value History

## Zillow Home Value Index



Source: Zillow.com (November 2016)

# Population Segmentation Profile

“Tapestries” in City	Percent	Sample Characteristics
<b>1. Las Casas</b>	56%	<ul style="list-style-type: none"> <li>• Young, majority Hispanic community with large household size</li> <li>• Large segment of this market was born abroad</li> <li>• Higher than average levels of unemployment</li> <li>• Primarily renter-occupied homes (mix of single-family and multi-unit buildings)</li> <li>• Consumers are attentive to personal style and purchases reflect their families; Brand loyal, but open to new products</li> <li>• Spanish language media influence (music, television, websites)</li> </ul>
<b>2. Urban Villages</b>	28%	<ul style="list-style-type: none"> <li>• Multicultural, multigenerational, and multilingual, majority Hispanic communities</li> <li>• More than half have a high school diploma or some college</li> <li>• Higher than average levels of unemployment</li> <li>• Majority owner-occupied, single family homes</li> <li>• Well connected via smartphones, but more likely to shop in person at Costco, Target, similar establishments</li> <li>• Residents are comfortable with technology and interested in the latest innovations</li> <li>• Status-conscious; choices reflect their youth - attention to style and pursuit of trends; open to trying new brands</li> <li>• Media preferences vary, but generally feature culturally specific channels and children’s shows</li> </ul>

Source: ESRI (2016)

# Jobs / Housing Balance

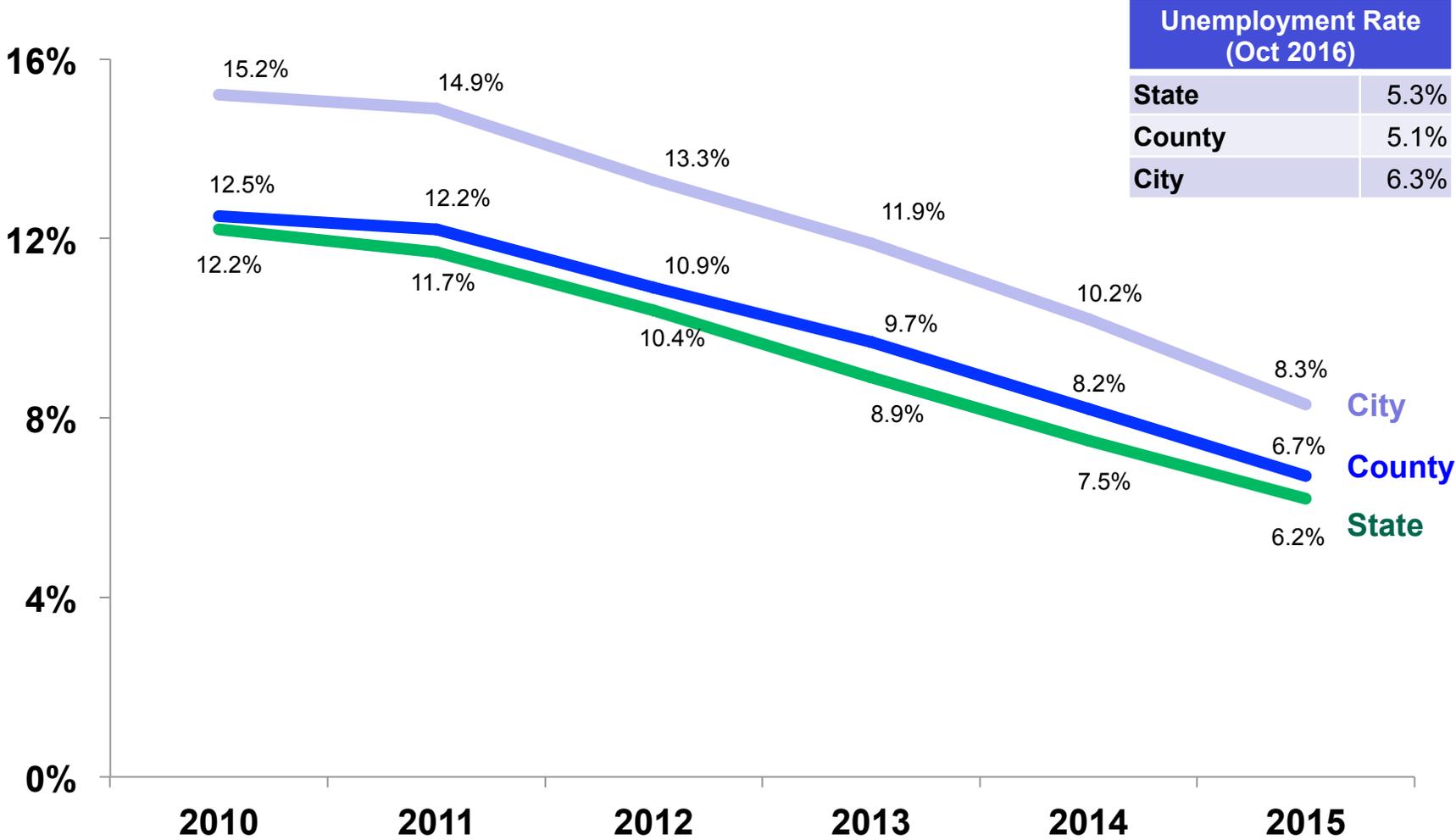
<b>2016</b>	<b>City of El Monte</b>	<b>Los Angeles County</b>	<b>State of California</b>
Employment	27,748	4,440,477	17,113,423
Households	28,277	3,321,508	13,029,292
<b>Jobs/Housing Ratio</b>	<b>0.98</b>	<b>1.34</b>	<b>1.31</b>

Source: ESRI (2016)

## Economic & Demographic Profile

*Unemployment & Employment by Industry*

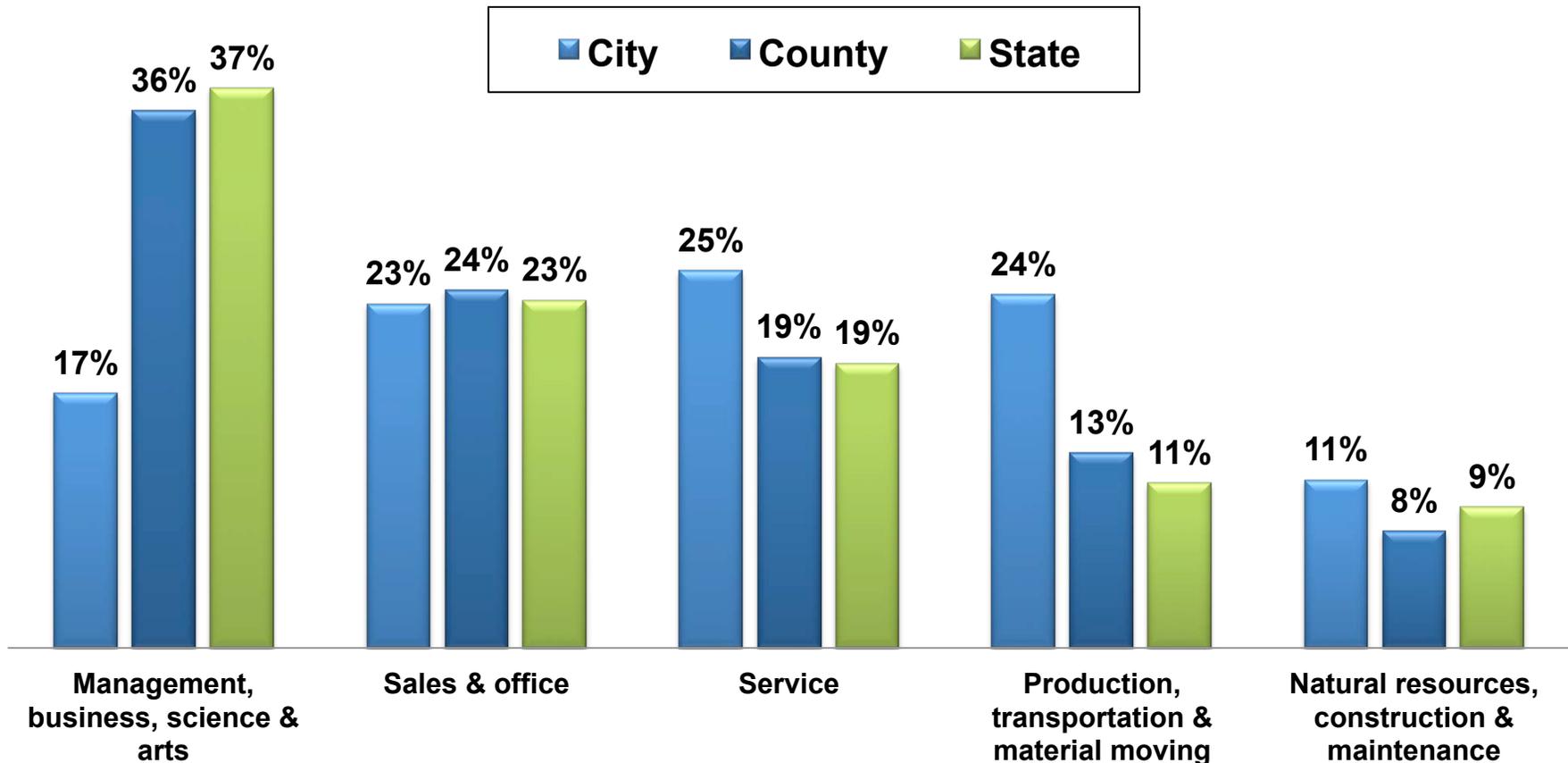
# Unemployment



**Note:** Not seasonally adjusted; annual averages for 2010-2015  
**Source:** California Employment Development Department (2016)

# Resident Employment by Occupation

Civilian Employed Population Age 16+ by Occupation



Source: U.S. Census Bureau (2010); ESRI (2016)

# Employment by Industry

City Resident Employed Population (Age 16+)	
Health Care and Social Assistance	16.0%
Manufacturing	13.1%
Retail Trade	11.4%
Accommodation and Food Services	10.1%
Wholesale Trade	7.4%
Administration and Support, Waste Mgmt.	7.4%
Educational Services	6.3%
Professional, Scientific, and Tech. Services	4.4%
Construction	3.6%
Transportation and Warehousing	3.5%
Other Services (excl. Public Admin.)	3.3%
Public Administration	3.2%
Finance and Insurance	3.0%
Information	1.7%
Arts, Entertainment, and Recreation	1.6%
Mgmt. of Companies and Enterprises	1.4%
Real Estate and Rental/Leasing	1.2%
Agriculture, Forestry, Fishing, and Hunting	0.8%
Utilities	0.5%
Mining, Quarrying, Oil and Gas Extraction	0.1%

*“Industries in which City residents work”*

Workers Employed Within City	
Health Care and Social Assistance	16.6%
Finance and Insurance	12.0%
Retail Trade	10.8%
Educational Services	10.4%
Manufacturing	10.3%
Transportation and Warehousing	8.5%
Wholesale Trade	5.7%
Accommodation and Food Services	5.6%
Administration and Support, Waste Mgmt.	4.1%
Other Services (excl. Public Admin.)	4.0%
Professional, Scientific, and Tech. Services	2.8%
Public Administration	2.0%
Construction	1.7%
Mgmt. of Companies and Enterprises	1.6%
Information	1.6%
Real Estate and Rental/Leasing	1.4%
Utilities	0.6%
Arts, Entertainment, and Recreation	0.2%
Agriculture, Forestry, Fishing, and Hunting	0.0%
Mining, Quarrying, Oil and Gas Extraction	0.0%

*“Jobs in the City”*

Source: U.S. Census Bureau Center for Economic Studies (2013)

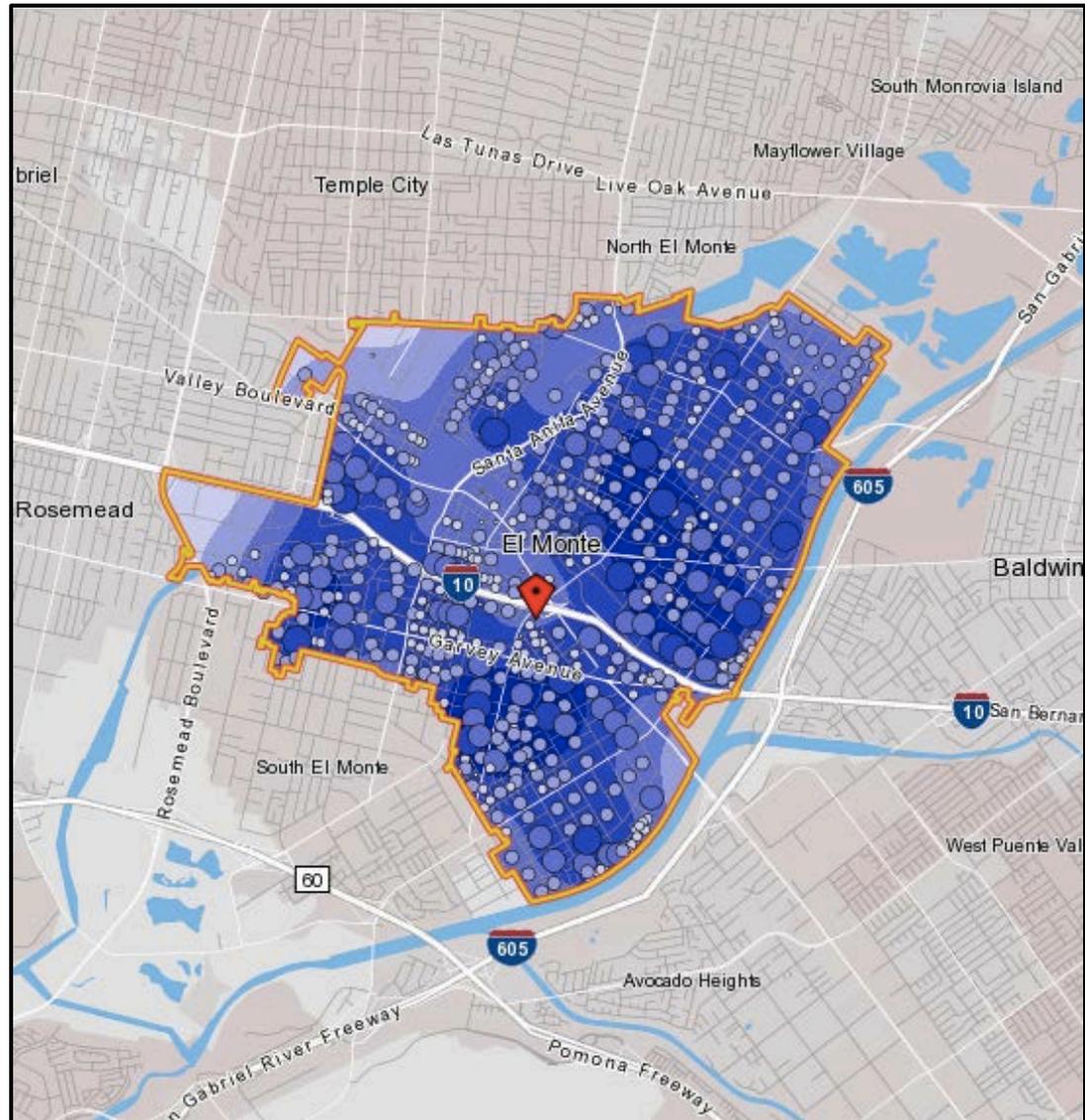
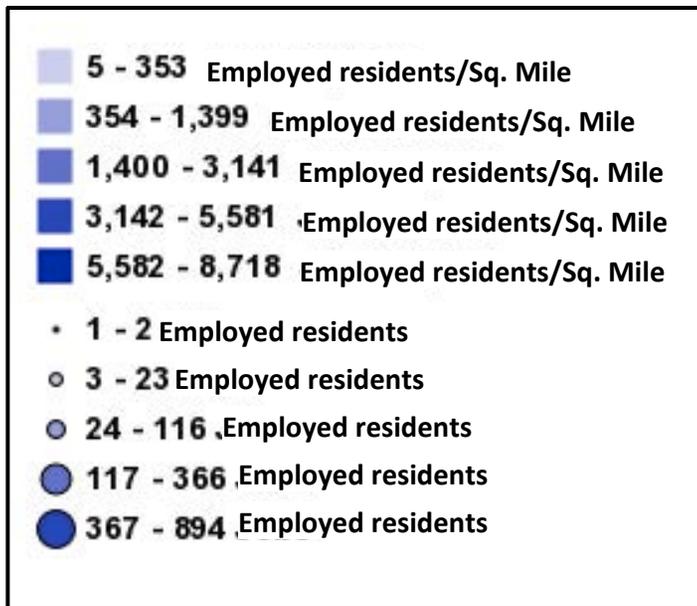
# Select Major Employers within the City

Major Employers	No. of Employees
El Monte City Elementary District	1,090
El Monte Union High School District	891
Mountain View Elementary	870
Longo Toyota-Lexus	849
McGill Corporation	440
San Gabriel Transit	397
City of El Monte	299
Driftwood Dairy	250
El Monte Adult School	206

**Note:** Top 9 listed by number of employees (high to low)

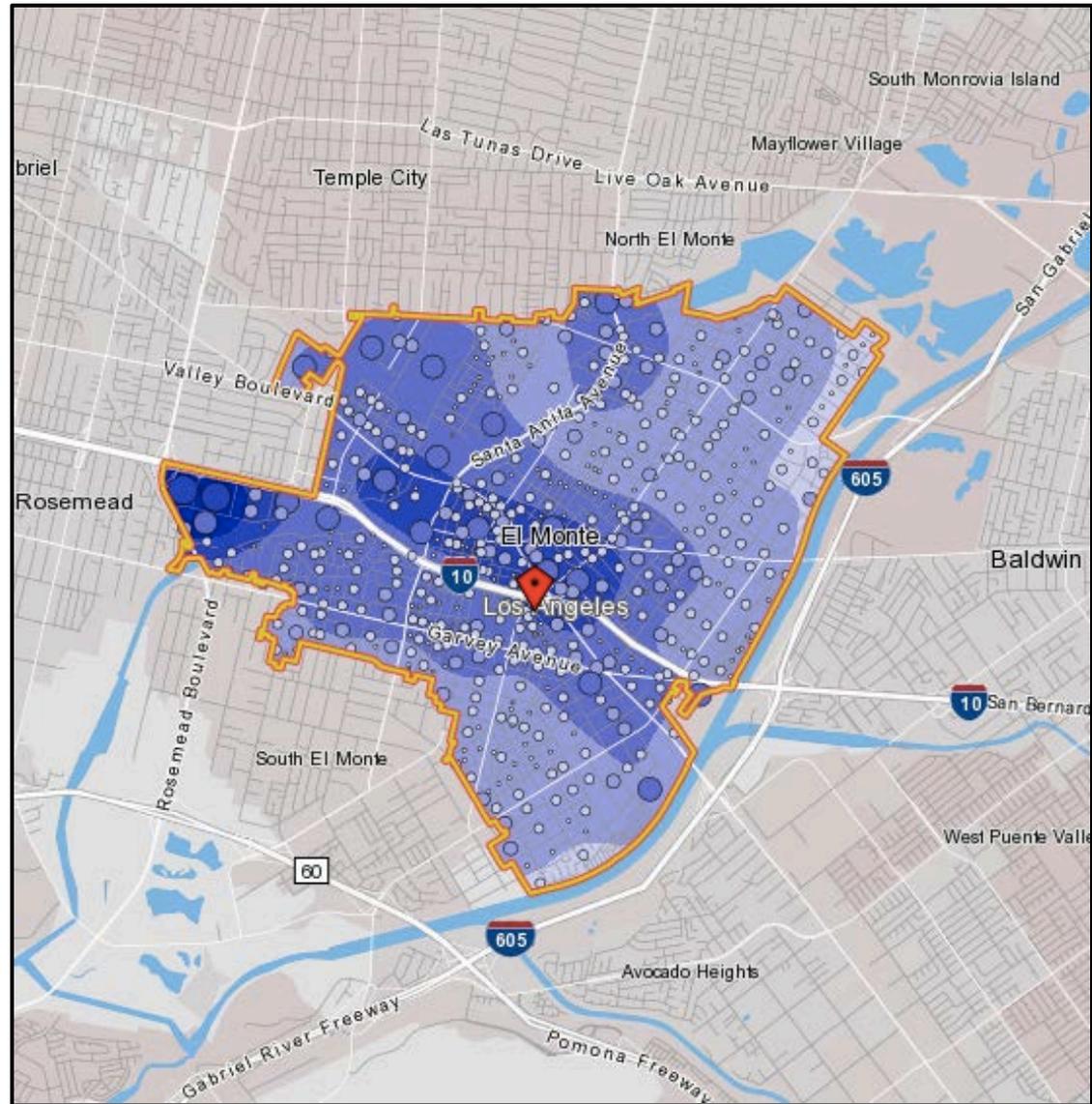
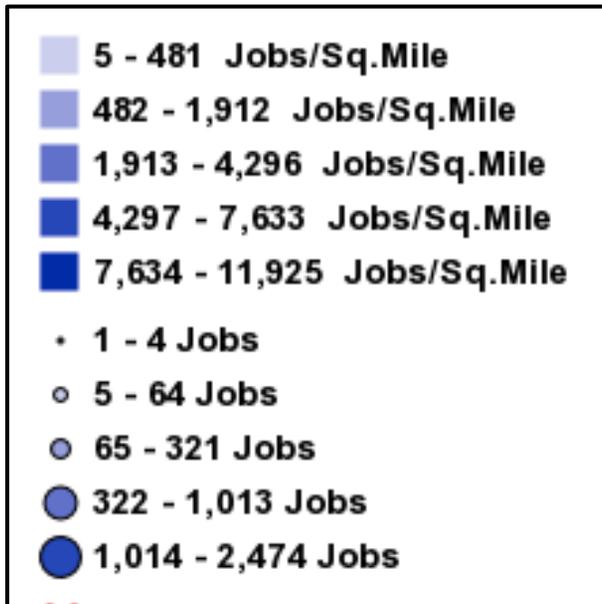
**Source:** City of El Monte (CAFR FY2014-2015)

# Resident Concentration Within City



Source: U.S. Census Bureau Center for Economic Studies (2013)

# Employment Concentration Within City



Source: U.S. Census Bureau Center for Economic Studies (2013)

# Resident and Employee Commute

Employed Residents Place of Work	
Los Angeles	14.7%
El Monte	9.4%
Industry	4.5%
South El Monte	4.3%
Pasadena	3.4%
Arcadia	2.7%
Monterey Park	2.0%
Rosemead	1.9%
Alhambra	1.9%
San Gabriel	1.7%
Irwindale	1.6%
West Covina	1.6%
Santa Fe Springs	1.4%
Commerce	1.3%
Baldwin Park	1.3%
Monrovia	1.2%
Anaheim	1.2%
Montebello	1.2%
Glendale	1.1%
San Diego	1.1%
Whittier	1.0%
Santa Ana	0.9%
Covina	0.9%
Long Beach	0.8%
Azusa	0.8%
Other	36.2%

*“Where City residents work”*

Source: U.S. Census Bureau Center for Economic Studies (2013)

City Employee Origin	
El Monte	13.3%
Los Angeles	9.1%
Baldwin Park	3.0%
West Covina	2.9%
Rosemead	2.4%
Alhambra	2.3%
Arcadia	2.3%
Temple City	2.1%
Monterey Park	1.6%
San Gabriel	1.5%
Pasadena	1.5%
South El Monte	1.5%
Hacienda Heights CDP	1.3%
Covina	1.3%
Pomona	1.3%
East Los Angeles CDP	1.2%
Azusa	1.2%
Rowland Heights CDP	1.1%
La Puente	1.1%
Whittier	1.0%
Long Beach	0.9%
Monrovia	0.9%
Rancho Cucamonga	0.9%
Montebello	0.9%
Pico Rivera	0.9%
Other	42.4%

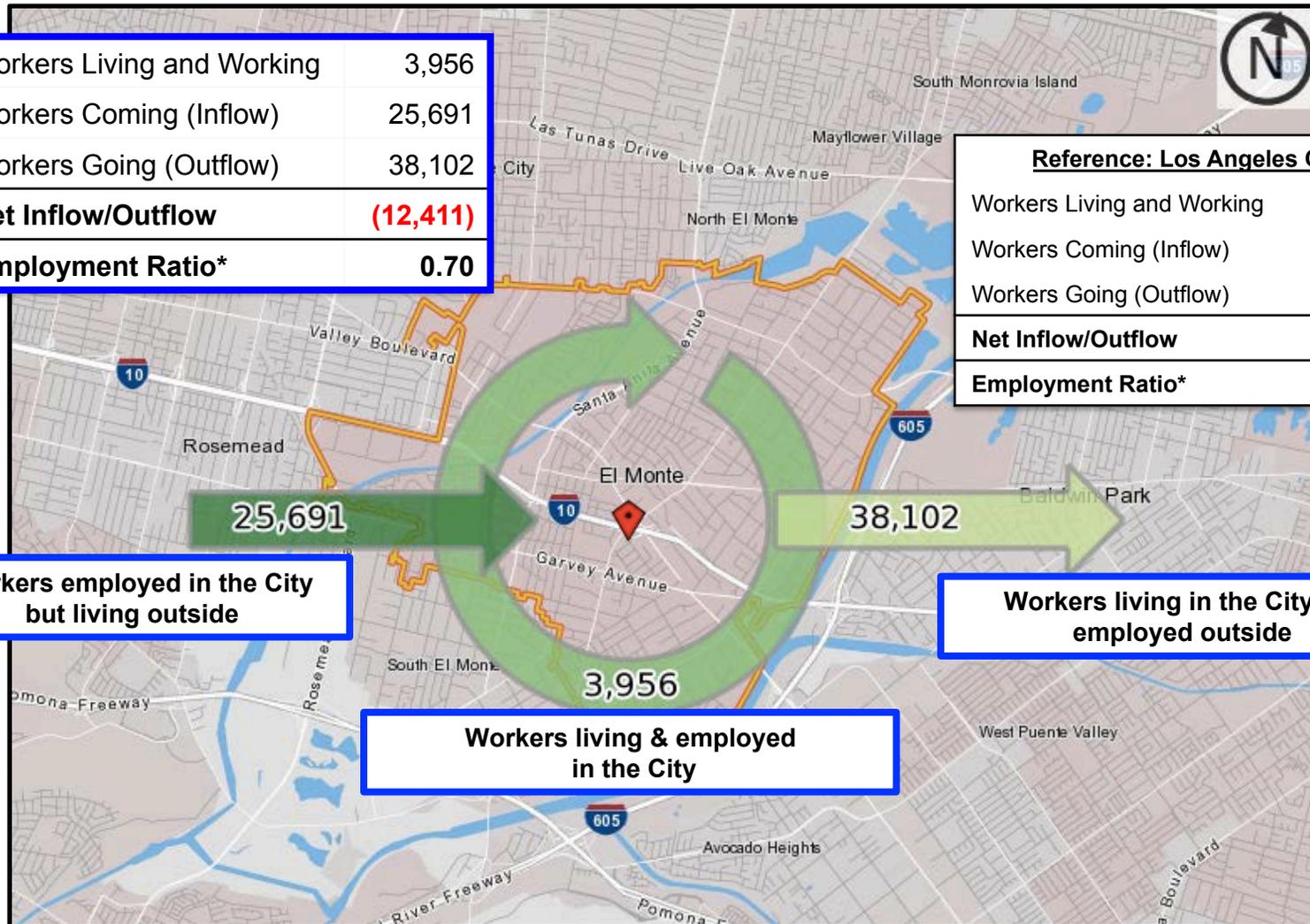
*“Where people who work in the City come from”*

# Worker Inflow / Outflow

*“Are jobs coming or going”*

Workers Living and Working	3,956
Workers Coming (Inflow)	25,691
Workers Going (Outflow)	38,102
<b>Net Inflow/Outflow</b>	<b>(12,411)</b>
<b>Employment Ratio*</b>	<b>0.70</b>

<b>Reference: Los Angeles County</b>	
Workers Living and Working	3,344,431
Workers Coming (Inflow)	1,027,118
Workers Going (Outflow)	775,159
<b>Net Inflow/Outflow</b>	<b>251,959</b>
<b>Employment Ratio*</b>	<b>1.06</b>



**Workers employed in the City but living outside**

**Workers living in the City but employed outside**

**Workers living & employed in the City**

\***Employment Ratio** = People employed within City (living and working in City + those who come into the City for work) / Employed population of City (living and working in City + workers who live in the City, but work outside of the City)

**Source:** U.S. Census Bureau Center for Economic Studies (2014)

# Employment Projections by Industry

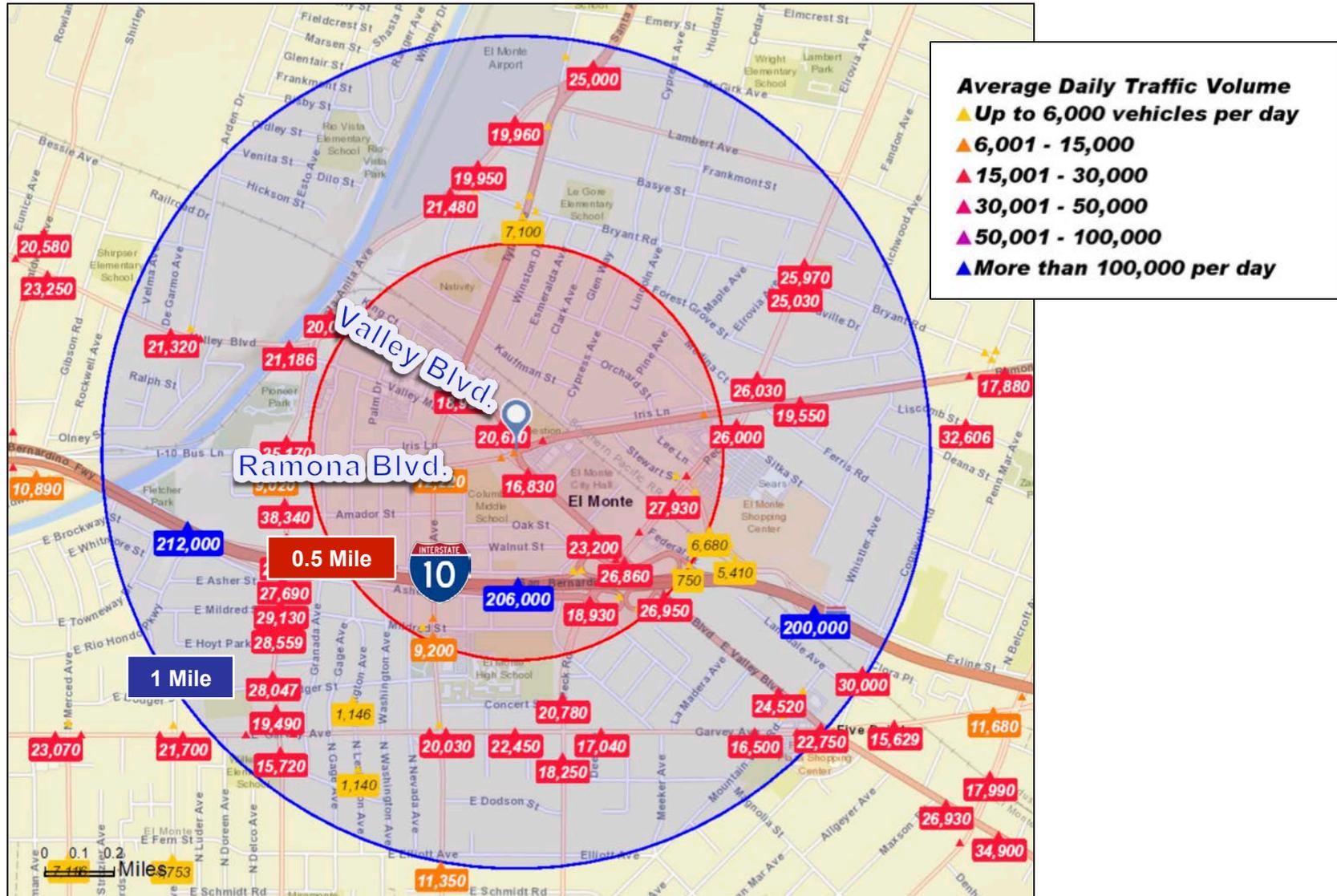
## Los Angeles County

Industry	2012	2022	Annual Growth 2012-22	Total Growth 2012-22	Total Change 2012-22
Health Care and Social Assistance	558,400	720,900	2.9%	29.1%	162,500
Professional and Business Services	570,000	675,900	1.9%	18.6%	105,900
Accommodation and Food Services	344,300	411,600	2.0%	19.5%	67,300
Retail Trade	400,900	455,900	1.4%	13.7%	55,000
Construction	109,100	142,000	3.0%	30.2%	32,900
Educational Services (Private)	115,700	144,500	2.5%	24.9%	28,800
Wholesale Trade	211,300	237,300	1.2%	12.3%	26,000
Government	556,800	577,600	0.4%	3.7%	20,800
Information	191,400	211,700	1.1%	10.6%	20,300
Other Services	141,600	157,900	1.2%	11.5%	16,300
Financial Activities	210,700	226,200	0.7%	7.4%	15,500
Arts, Entertainment, and Recreation	71,000	84,300	1.9%	18.7%	13,300
Transportation and Warehousing	141,900	157,100	1.1%	10.7%	15,200
Utilities	12,600	13,300	0.6%	5.6%	700
Mining and Logging	4,300	4,700	0.9%	9.3%	400
Manufacturing	367,200	315,200	1.4%	14.2%	(52,000)
<b>Total Nonfarm</b>	<b>4,006,900</b>	<b>4,536,100</b>	<b>1.3%</b>	<b>13.2%</b>	<b>529,200</b>
Total Farm	5,400	5,700	0.6%	5.6%	300
Other	310,600	334,800	0.8%	7.8%	24,200
<b>Total Employment</b>	<b>4,322,900</b>	<b>4,876,600</b>	<b>1.3%</b>	<b>12.8%</b>	<b>553,700</b>

Source: California Employment Development Department, U.S. Bureau of Labor Statistics (2012)

# Traffic Map

## Radii from Valley Blvd. & Ramona Blvd.



Source: ESRI (2016)

# Summary: Demographics and Employment

- Relatively young, majority Hispanic population; average household size is larger than both Los Angeles County and State averages
- Higher unemployment compared to the State and Los Angeles County, with most workers in the city employed in health care and social assistance, finance and insurance, retail trade, educational services, manufacturing, and transportation and warehousing
- Most employees who live in the City work in other areas including Los Angeles, Industry, South El Monte, Pasadena, Arcadia, and Monterey Park, yielding an overall **net outflow** of jobs

## Market Demand Analysis

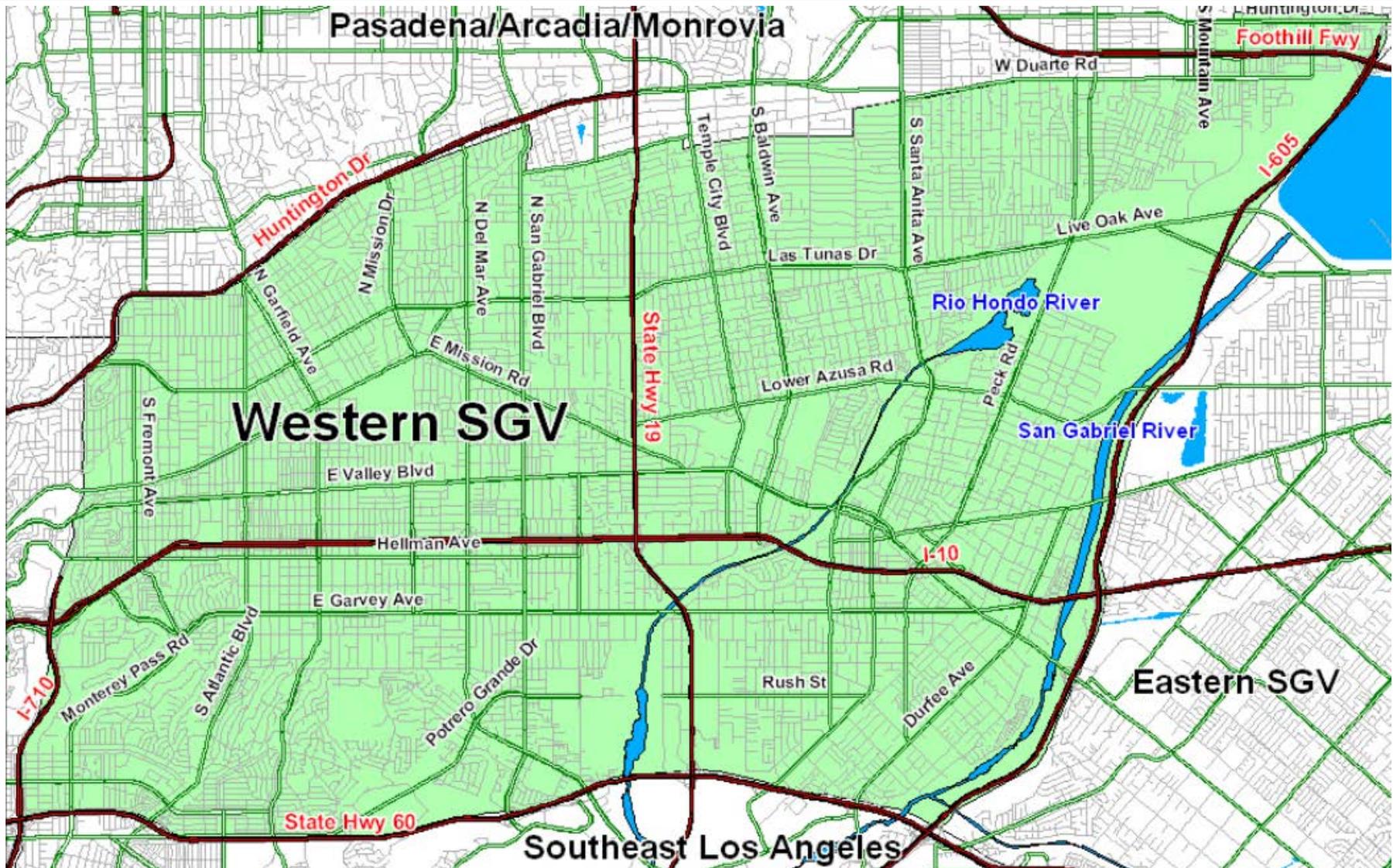
*Supply, Vacancy & Lease Rates*

# Supply, Vacancy & Lease Rates

- Supply, vacancy and lease/rental rates for retail, office, and industrial uses are compared between Greater Los Angeles area submarkets
- El Monte falls within the “[Western San Gabriel Valley](#)” submarket for retail and office uses and the “[El Monte Industrial](#)” submarket for industrial uses of (as defined by CoStar)
- El Monte retail vacancy and rents are [below](#) the Western San Gabriel Valley submarket and Los Angeles County averages
- Office vacancy and rental rates for El Monte are [below](#) both the Western San Gabriel Valley submarket and Los Angeles County averages
- Industrial vacancy is [higher](#) in El Monte than the Los Angeles County average and industrial rental rates are [below](#) than the Los Angeles County average

Source: CoStar

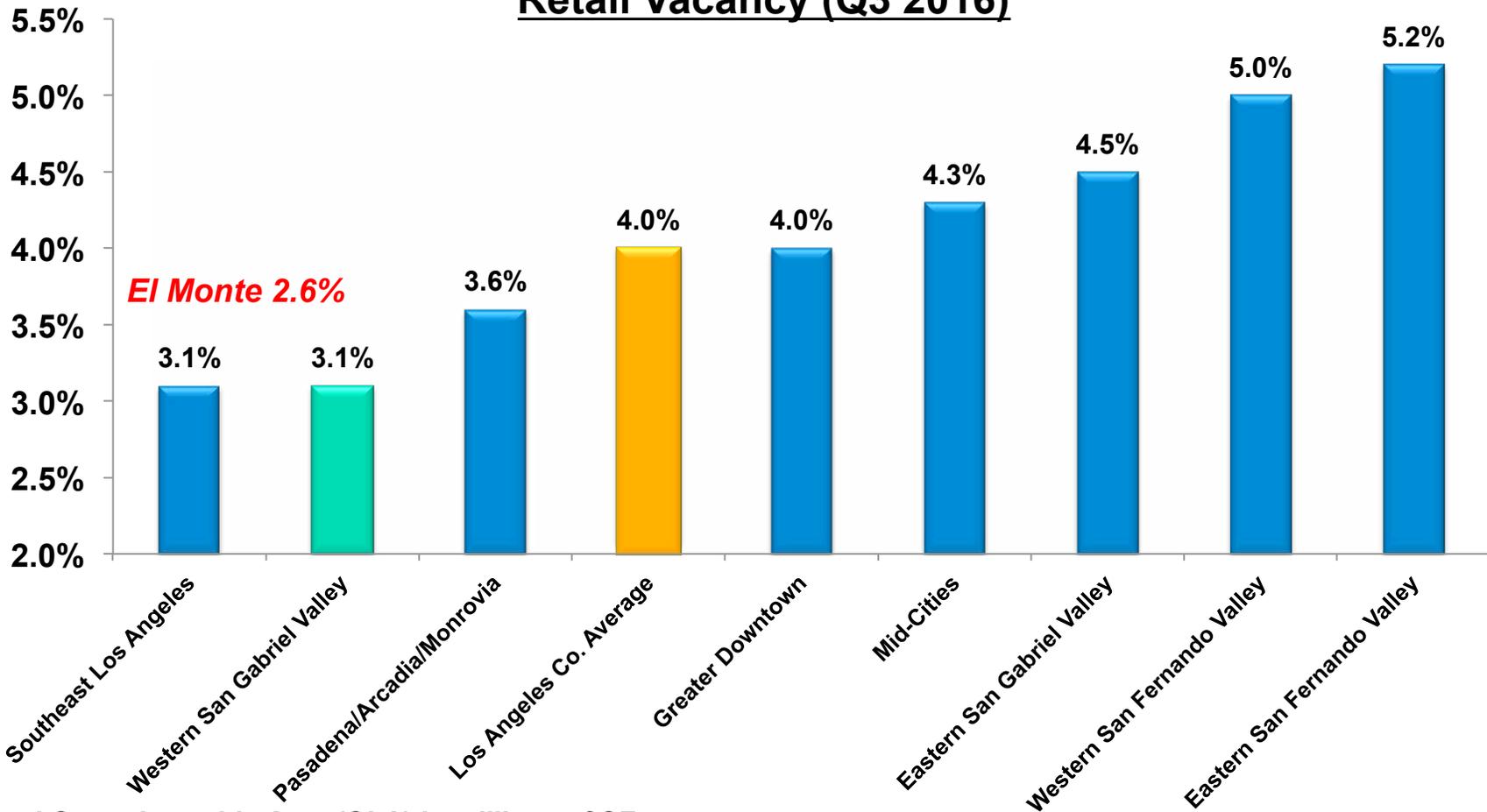
# Western San Gabriel Valley Submarket



Source: CoStar Property (Q3 2016)

# Retail Vacancy by Greater Los Angeles Area Submarket

**Retail Vacancy (Q3 2016)**



**Total Gross Leasable Area (GLA) in millions of SF:**

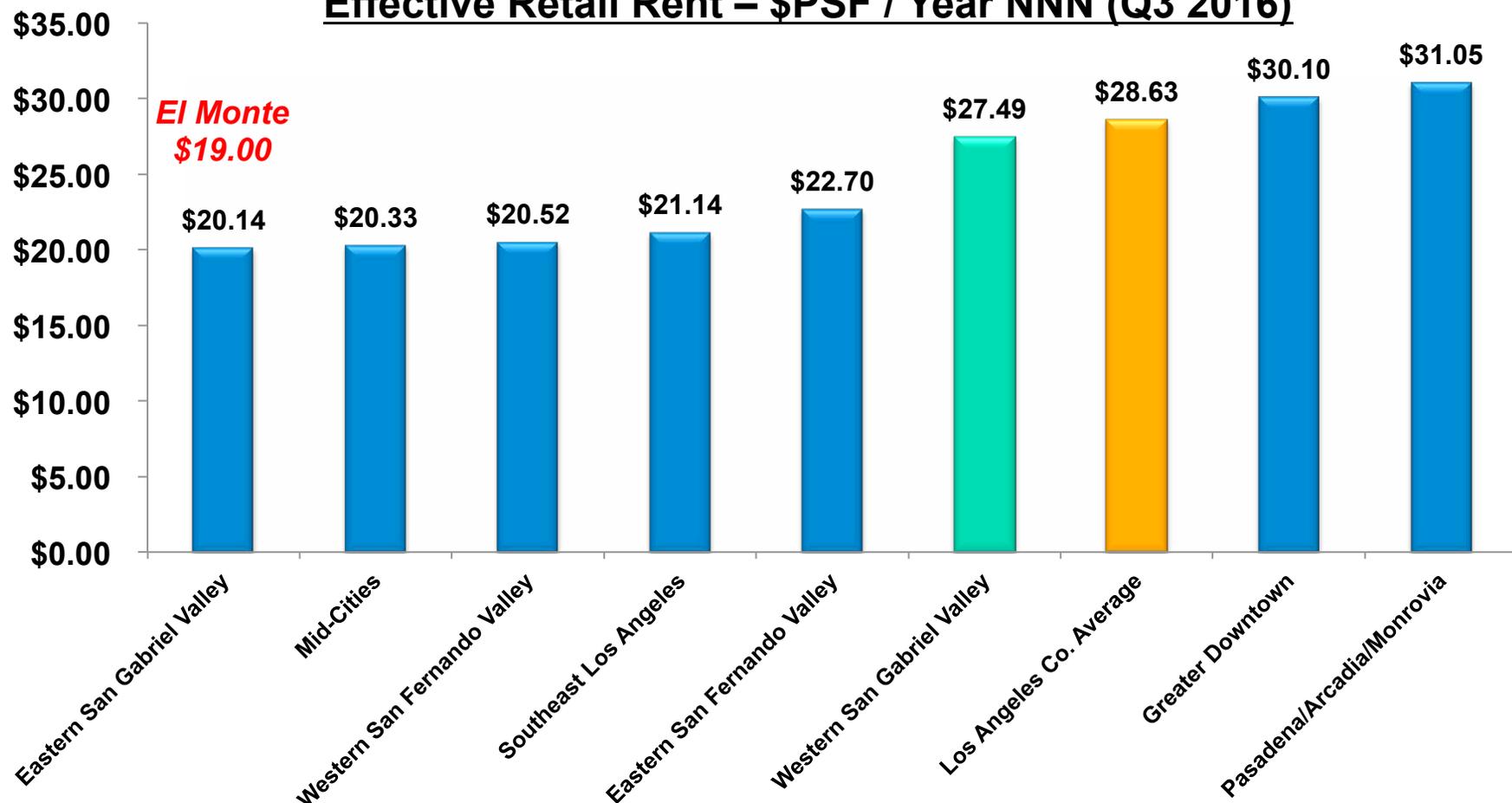
19.2	19.1	20.6	469.0	23.4	47.7	41.7	15.4	20.3
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**Note:** CoStar includes El Monte in the Western SGV submarket for retail; El Monte Market = 4.4 M sq.ft.

**Source:** CoStar (Q3 2016)

# Retail Lease Rates by Greater Los Angeles Area Submarket

**Effective Retail Rent – \$PSF / Year NNN (Q3 2016)**



**Total Gross Leasable Area (GLA) in millions of SF:**

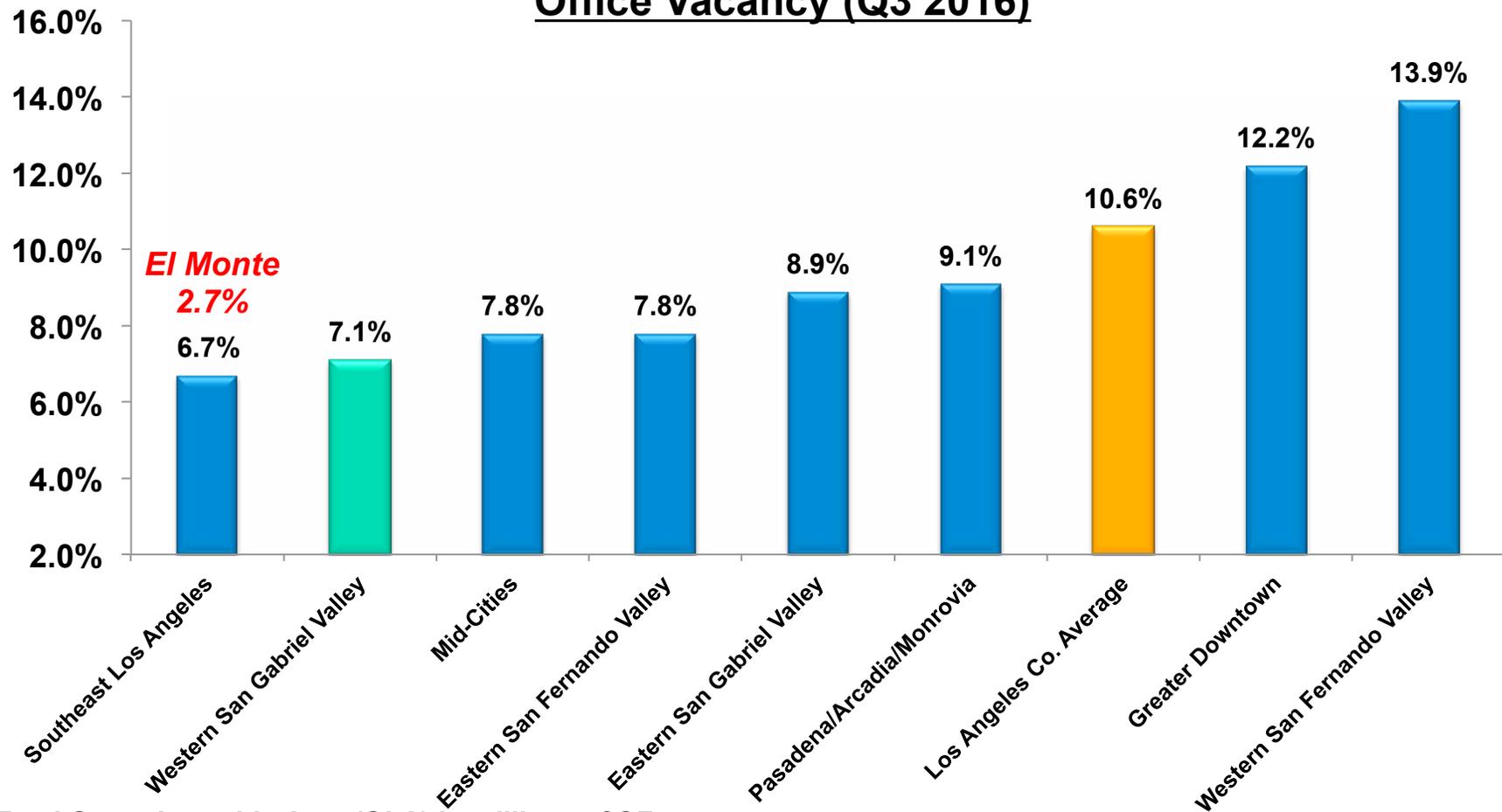
41.7	47.7	15.4	19.2	20.3	19.1	469.0	23.4	20.6
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**Note:** CoStar includes El Monte in the Western SGV submarket for retail; El Monte Market = 4.4 M sq.ft.

**Source:** CoStar (Q3 2016)

# Office Vacancy by Greater Los Angeles Area Submarket

**Office Vacancy (Q3 2016)**



**Total Gross Leasable Area (GLA) in millions of SF:**

8.7	12.4	10.8	8.7	18.2	22.4	433.0	70.7	12.4
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**Note:** CoStar includes El Monte in the Western SGV submarket for office; El Monte Market = 2.6 M sq.ft.

**Source:** CoStar (Q3 2016)

# Office Lease Rates by Greater Los Angeles Area Submarket

**Effective Office Rent – \$PSF / Year NNN (Q3 2016)**



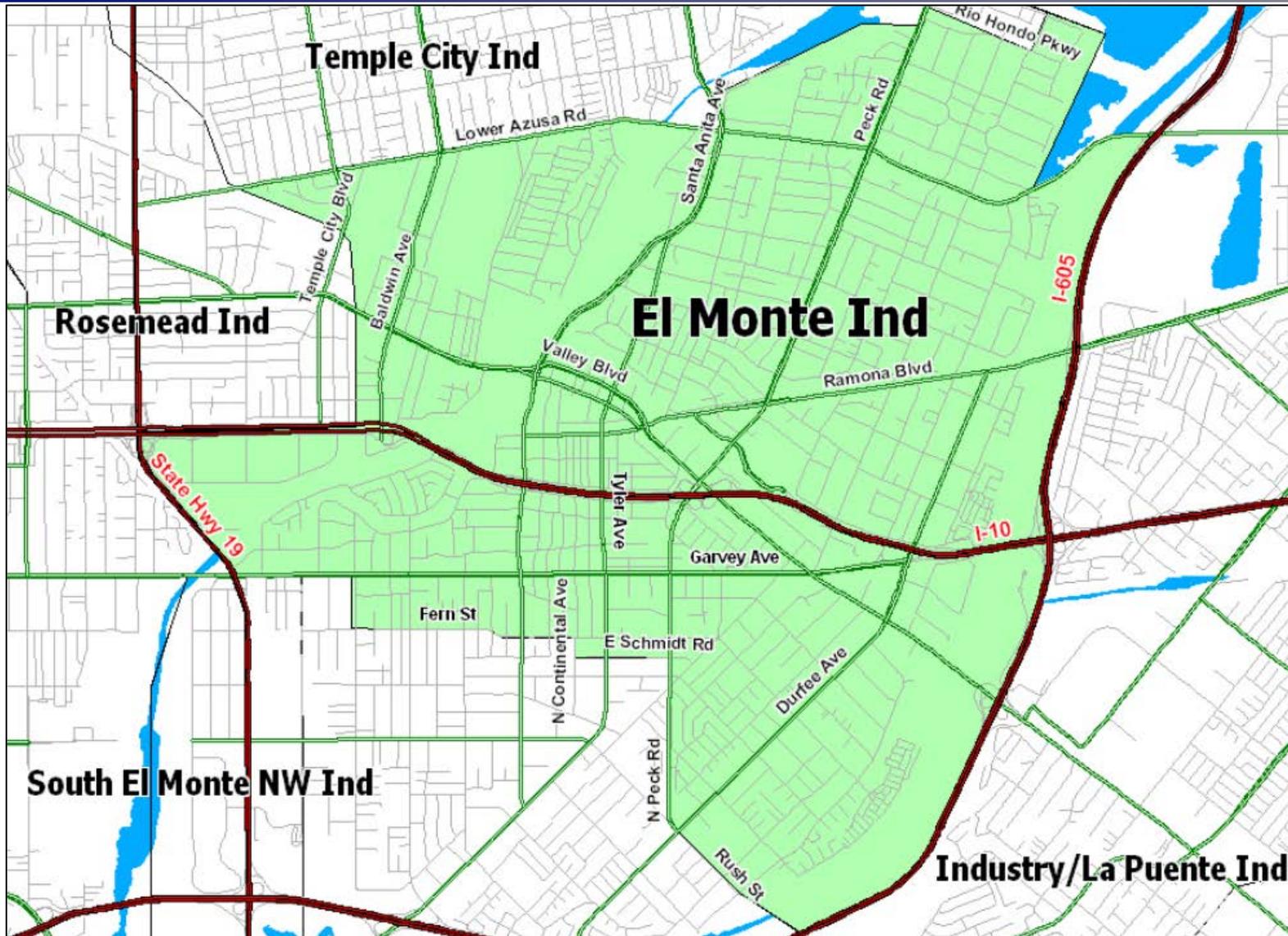
**Total Gross Leasable Area (GLA) in millions of SF:**

8.7	18.2	10.8	12.4	12.4	8.7	22.4	433.0	70.7
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**Note:** CoStar includes El Monte in the Western SGV submarket for office; El Monte Market = 2.6 M sq.ft.

**Source:** CoStar (Q3 2016)

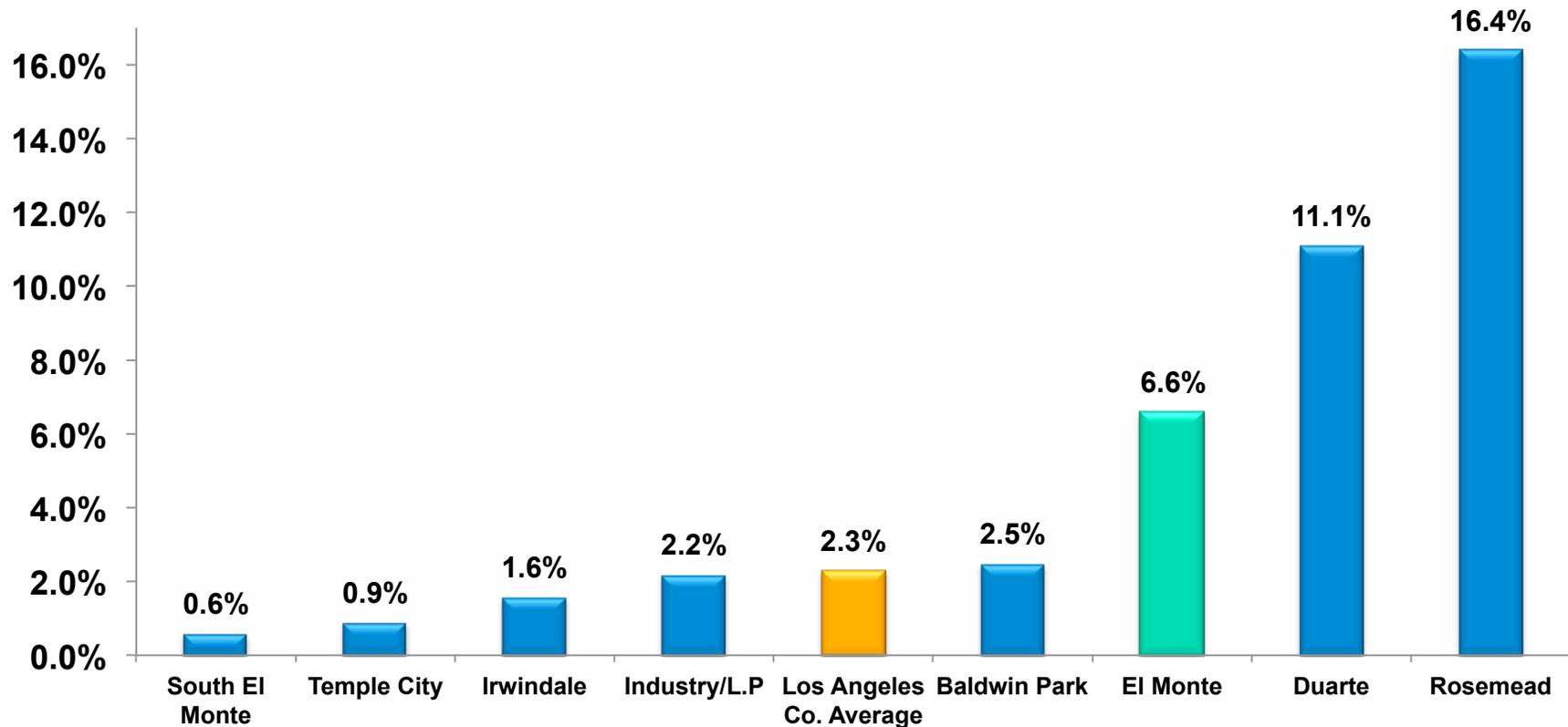
# El Monte Industrial Submarket



Source: CoStar Property (Q3 2016)

# Industrial Vacancy by Greater Los Angeles Area Submarket

## Industrial Vacancy (Q3 2016)



### Total Gross Leasable Area (GLA) in millions of SF:

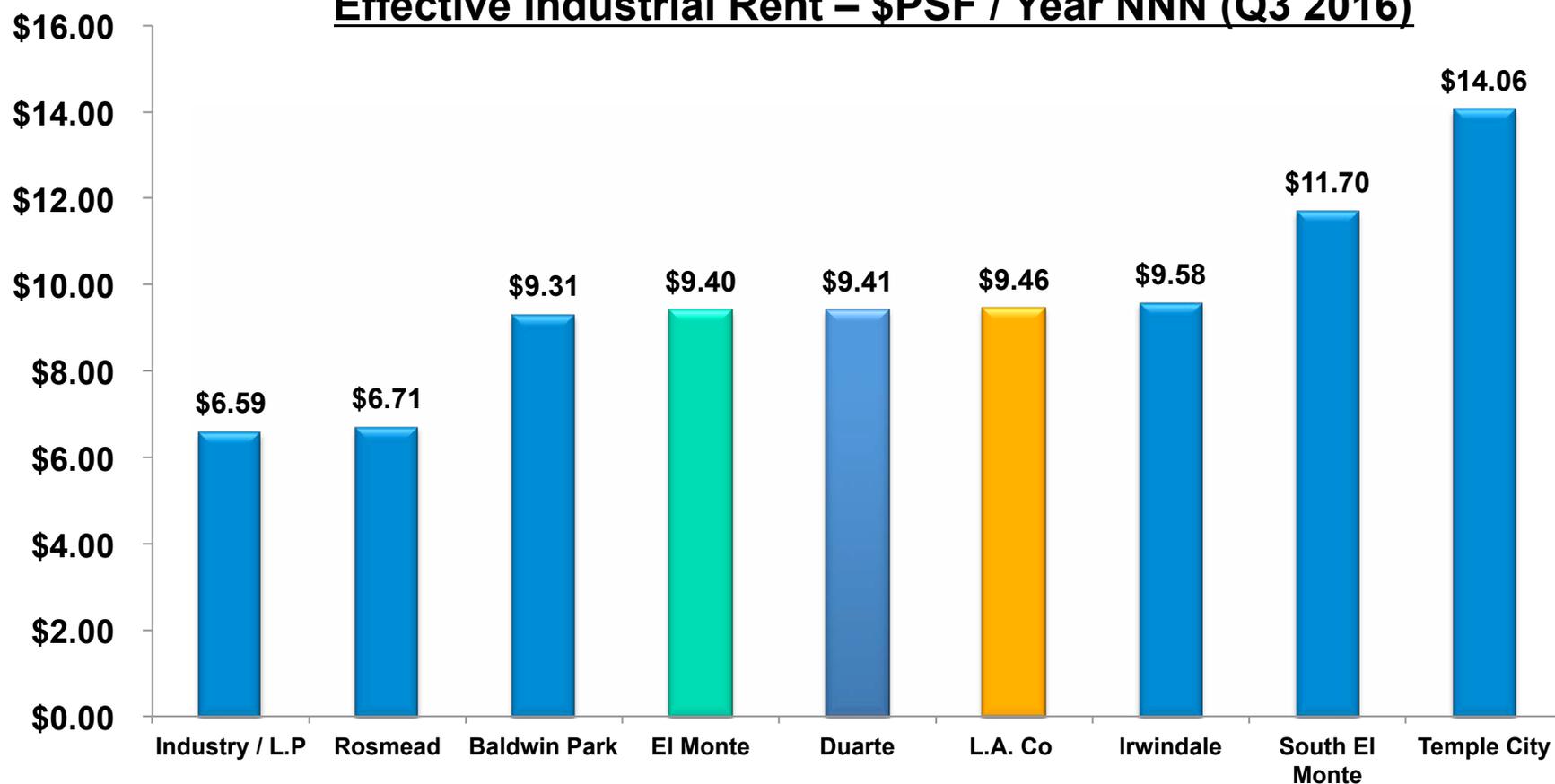
11.4	0.3	8.8	9.4	987.7	4.4	9.8	1.1	2.0
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**Note:** CoStar includes El Monte in the El Monte Industrial submarket for industrial

**Source:** CoStar (Q3 2016)

# Industrial Lease Rates by Greater Los Angeles Area Submarket

## Effective Industrial Rent – \$PSF / Year NNN (Q3 2016)



### Total Gross Leasable Area (GLA) in millions of SF:

9.4	2	4.4	9.8	1.1	987.7	8.8	11.4	0.3
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**Note:** CoStar includes El Monte in the El Monte submarket for industrial

**Source:** CoStar (Q3 2016)

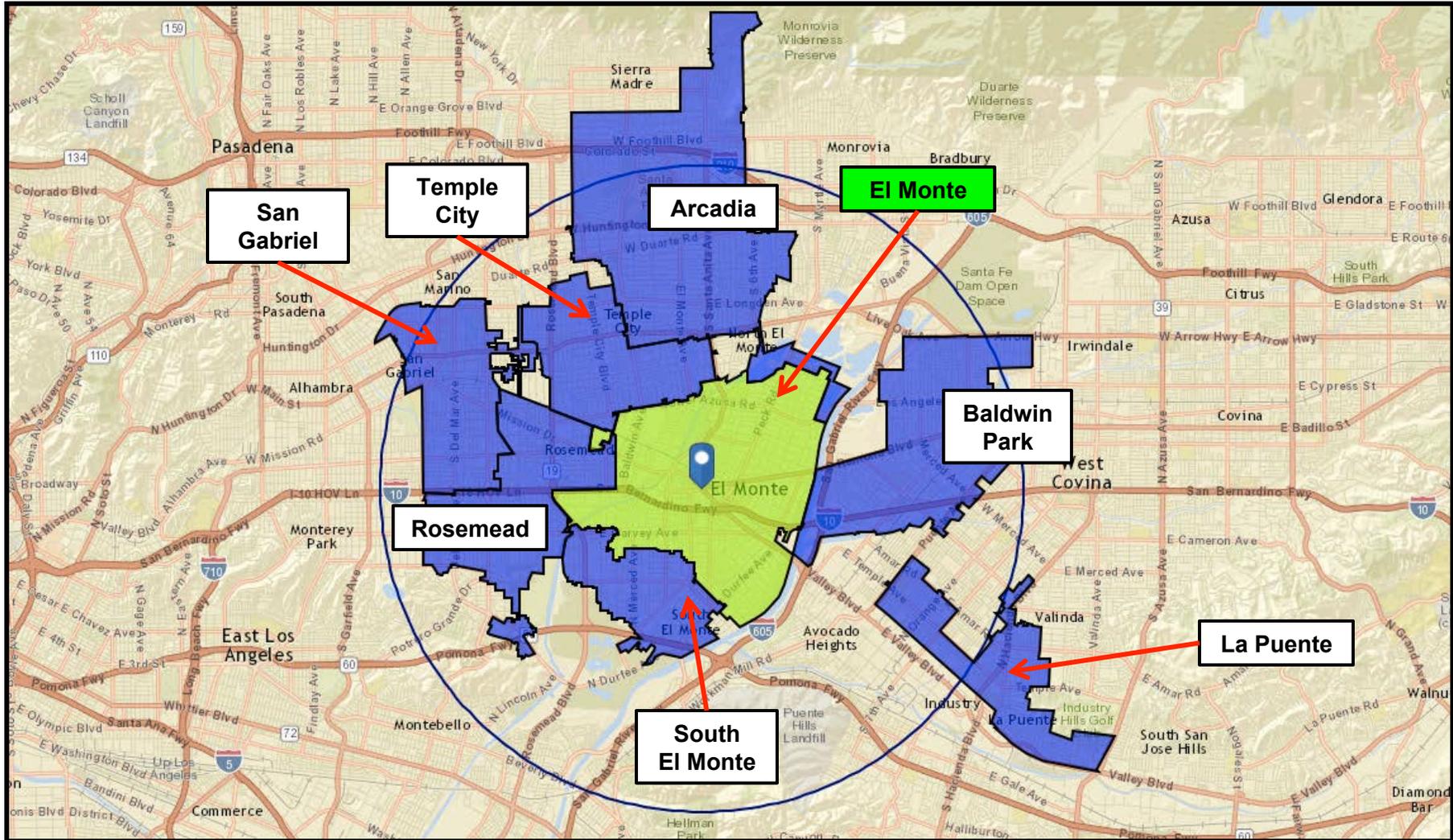
# Market Demand Analysis

*Retail Sales Performance*

# Retail Sales Performance

- Consumer spending across retail categories is totaled and normalized for population within the City and comparison regions for the purpose of evaluating potential sales leakage / capture across jurisdictions
- Retail sales per capita for the City (~\$11,000) is **less than** the retail sales per capita of Los Angeles County (~\$14,600)
- Higher performing sales categories include **clothing and accessories stores, miscellaneous store retailers, building materials stores, motor vehicle and parts dealers, gasoline stations, and non-store retailers**
- Lower performing retail categories include **general merchandise stores, furniture and home stores, health and personal care stores, sporting goods stores, electronics and appliance stores, groceries, and restaurants**

# El Monte & Comparison Regions

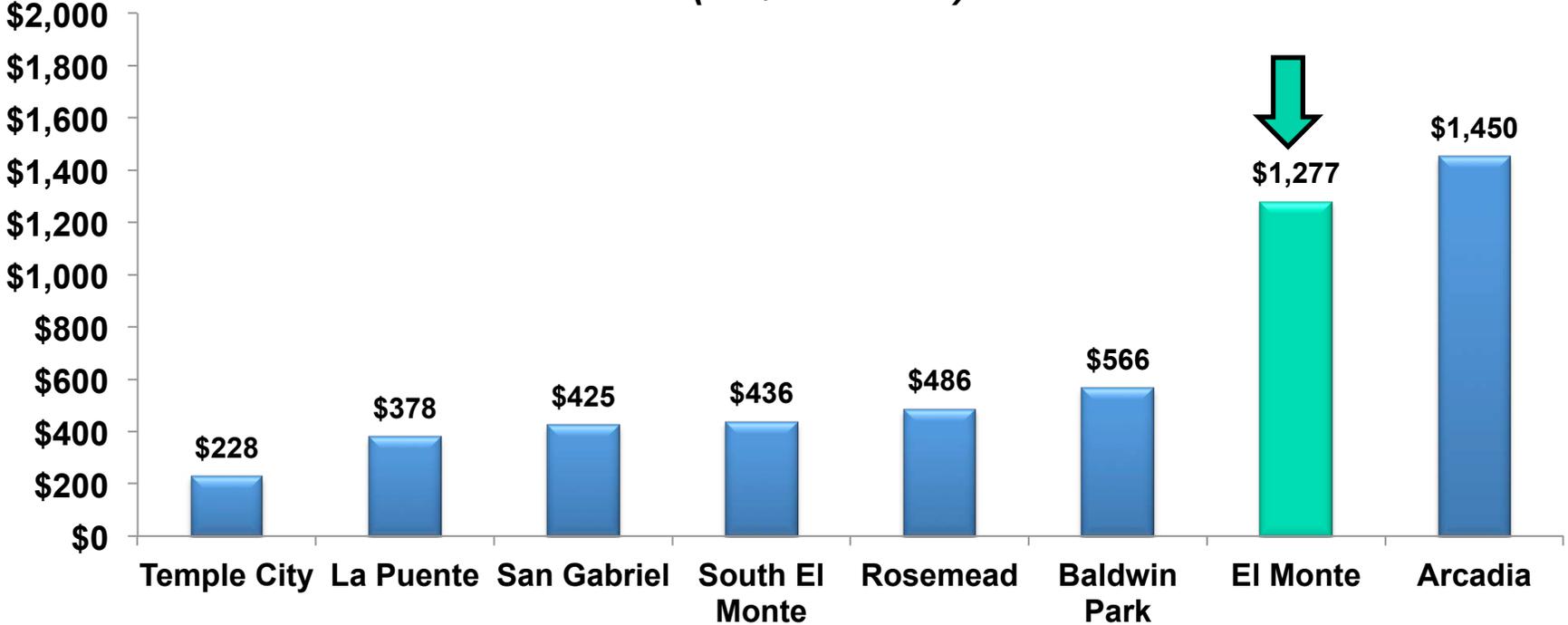


Source: ESRI (2016)

# Retail Sales Comparison

## *El Monte & Comparison Cities*

### Retail Sales in 2015 (in \$ millions)



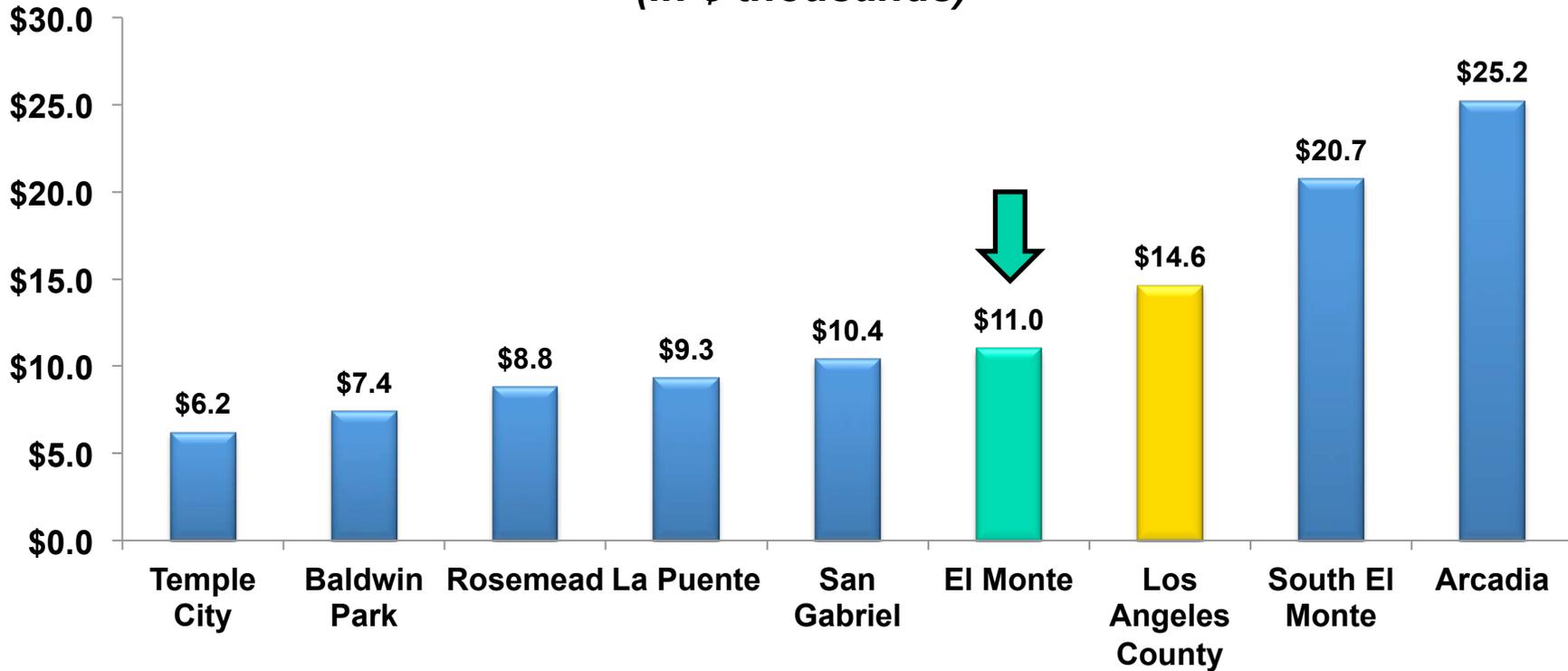
2015 Population (000s):



Source: ESRI, Infogroup (2016); Includes taxable and non-taxable sales

# Per Capita Retail Sales El Monte & Comparison Regions

**Per Capita Retail Sales in 2015**  
(in \$ thousands)



**2015 Population (000s):**

36	77	55	41	41	116	10,148	21	58
----	----	----	----	----	-----	--------	----	----

Source: ESRI, Infogroup (2016); Includes taxable and non-taxable sales

# Retail Category Definitions

- **Shopper Goods / GAFO** *(General Merchandise, Apparel & Accessories, Furniture & Other Sales)*
  - Clothing & Clothing Accessories Stores
  - General Merchandise Stores
  - Furniture & Home Furnishings Stores
  - Health & Personal Care Stores
  - Sporting Goods, Hobby, Book & Music Stores
  - Electronics & Appliance Stores
  - Miscellaneous Store Retailers (incl. Office Supply)
- **Convenience Goods**
  - Food and Beverage (Grocery Stores)
  - Food Service and Drinking Places (Restaurants & Bars)
- **Heavy Commercial Goods**
  - Building Materials (Home Improvement)
  - Auto Dealers & Supplies
  - Gasoline / Service Stations
- Non-Store Retailers (e.g., Online Shopping & Mail-Order)

**Note:** Retail Categories delineated by NAICS / California Board of Equalization

# Per Capita Retail Sales by Category

## City & Comparison Regions

Per Capita Retail Sales	El Monte	Arcadia	Baldwin Park	La Puente	Rosemead	San Gabriel	South El Monte	Temple City	Los Angeles County
<b><i>Shopper Goods (GAFO):</i></b>									
Clothing & Accessories Stores	\$698	\$3,299	\$180	\$590	\$628	\$1,211	\$2,921	\$190	\$1,286
General Merchandise Stores	\$818	\$3,747	\$1,805	\$693	\$2,910	\$696	\$795	\$1,321	\$1,892
Furniture & Home Stores	\$259	\$264	\$62	\$523	\$313	\$375	\$1,188	\$163	\$458
Health & Personal Care Stores	\$530	\$2,061	\$431	\$1,078	\$716	\$775	\$478	\$393	\$839
Sporting Goods, Hobby, Book Stores	\$137	\$805	\$133	\$172	\$113	\$204	\$410	\$128	\$398
Electronics & Appliance Stores	\$376	\$595	\$396	\$387	\$152	\$748	\$633	\$305	\$784
Miscellaneous Store Retailers	\$516	\$606	\$892	\$215	\$157	\$437	\$1,024	\$299	\$646
<b>Total GAFO</b>	<b>\$3,334</b>	<b>\$11,378</b>	<b>\$3,898</b>	<b>\$3,659</b>	<b>\$4,989</b>	<b>\$4,446</b>	<b>\$7,449</b>	<b>\$2,798</b>	<b>\$6,305</b>
<b><i>Convenience Goods:</i></b>									
Food & Beverage Stores	\$1,725	\$3,455	\$1,222	\$2,271	\$1,067	\$2,260	\$3,435	\$1,715	\$2,376
Food Services & Drinking Places (Restaurants)	\$824	\$2,516	\$879	\$1,307	\$1,486	\$2,014	\$1,330	\$922	\$1,566
<b>Total Convenience</b>	<b>\$2,549</b>	<b>\$5,970</b>	<b>\$2,101</b>	<b>\$3,578</b>	<b>\$2,553</b>	<b>\$4,274</b>	<b>\$4,765</b>	<b>\$2,637</b>	<b>\$3,942</b>
<b><i>Heavy Commercial:</i></b>									
Bldg Materials, Garden Equip. Stores	\$325	\$151	\$639	\$237	\$147	\$460	\$1,254	\$138	\$517
Motor Vehicle & Parts Dealers	\$4,162	\$6,943	\$328	\$1,604	\$839	\$565	\$3,804	\$389	\$3,029
Gasoline Stations	\$417	\$691	\$318	\$236	\$248	\$537	\$3,228	\$168	\$598
<b>Total Heavy Commercial</b>	<b>\$4,903</b>	<b>\$7,785</b>	<b>\$1,285</b>	<b>\$2,078</b>	<b>\$1,234</b>	<b>\$1,561</b>	<b>\$8,286</b>	<b>\$695</b>	<b>\$4,145</b>
Non-store Retailers	\$192	\$69	\$88	\$0	\$71	\$147	\$170	\$116	\$257
<b>Total Retail</b>	<b>\$10,979</b>	<b>\$25,202</b>	<b>\$7,372</b>	<b>\$9,314</b>	<b>\$8,847</b>	<b>\$10,428</b>	<b>\$20,669</b>	<b>\$6,247</b>	<b>\$14,649</b>

Key:  Indicates higher value for El Monte

Indicates lower value for El Monte

Source: ESRI, Infogroup (2016), Includes taxable and non-taxable sales

## Market Demand Analysis

*Retail Sales Surplus / Leakage*

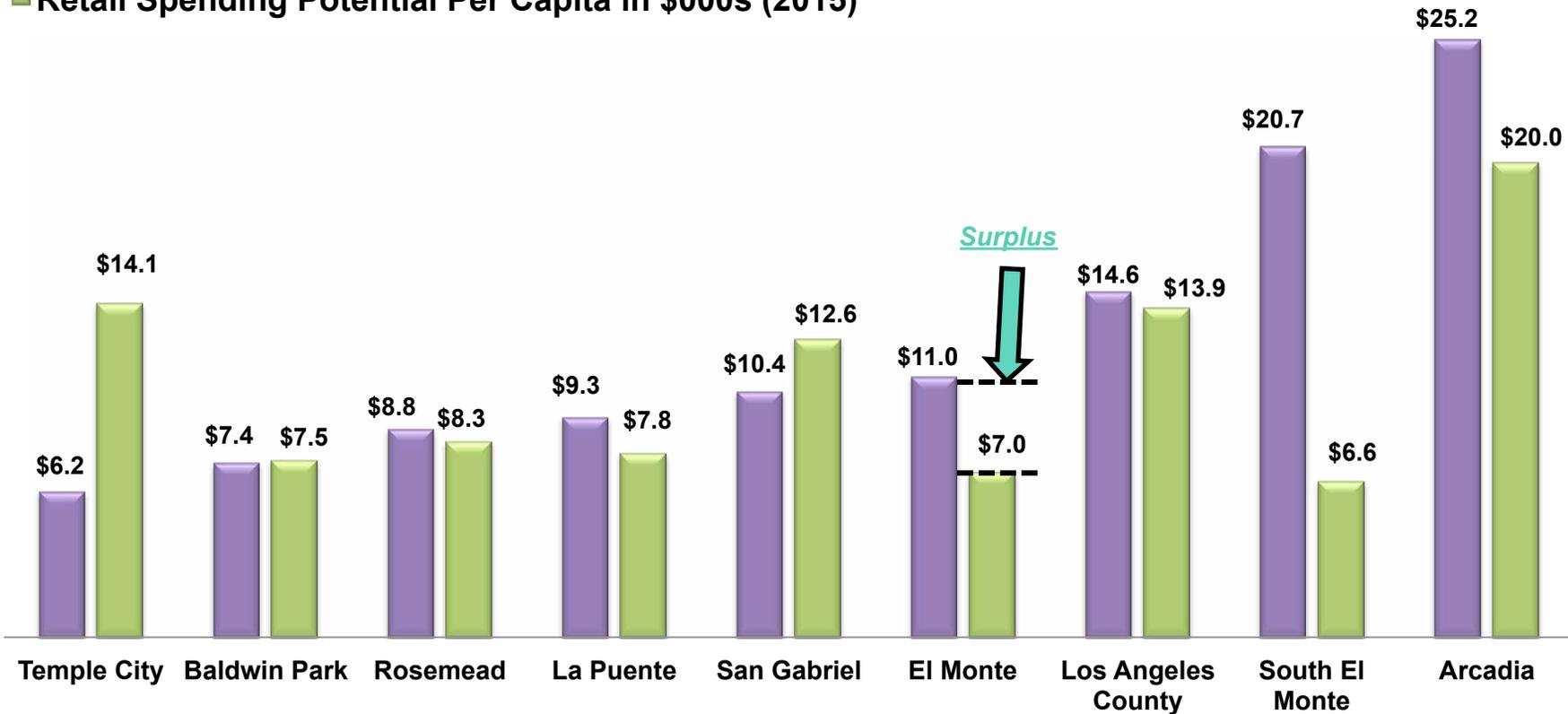
# Retail Sales Surplus / Leakage

- Overall retail sales in the City are **higher** than retail spending potential based on households and average household income, suggesting that, overall, the City is likely capturing a significant portion of El Monte resident retail purchases and additional retail spending by residents of other cities (i.e. sales **surplus**)
- Certain categories, however, are exhibiting a retail sales leakage, including:
  - General Merchandise Stores
  - Sporting Goods, Hobby, Book & Music Stores

# Retail Sales Surplus / Leakage

## “Cash Registers vs. Wallets”

- Retail Sales Per Capita in \$000s (2015)
- Retail Spending Potential Per Capita in \$000s (2015)



Per Capita Sales Surplus/Leakage, Total Surplus/Leakage, and Percent Surplus/Leakage:

(\$7.9K)	(\$0.2K)	\$0.6K	\$1.6K	(\$2.2K)	\$4.0K	\$0.7K	\$14.1K	\$5.2K
(\$288M)	(\$13M)	\$31M	\$63M	(\$88M)	\$464M	\$7,428M	\$298M	\$300M
(56%)	(2%)	7%	20%	(17%)	57%	5%	215%	26%

**Note:** Spending potential based on number of households, average household income, and estimated percentage of income spent on retail goods and services **Source:** ESRI, Infogroup (2016)

# Retail Sales Surplus / Leakage by Category

## City of El Monte

Retail Category	Retail Spending Potential	Retail Sales	Retail Surplus/ (Leakage)	Percent Surplus/ (Leakage)
<b><u>Shopper Goods (GAFO):</u></b>				
Clothing & Clothing Accessories Stores	\$52,318,719	\$81,189,179	\$28,870,460	55.2%
General Merchandise Stores	\$115,406,842	\$95,078,810	(\$20,328,032)	(17.6%)
Furniture & Home Furnishings Stores	\$23,382,169	\$30,082,932	\$6,700,763	28.7%
Health & Personal Care Stores	\$46,673,909	\$61,614,430	\$14,940,521	32.0%
Sporting Goods, Hobby, Book & Music Stores	\$22,202,212	\$15,937,841	(\$6,264,371)	(28.2%)
Electronics & Appliance Stores	\$39,886,319	\$43,739,094	\$3,852,775	9.7%
Miscellaneous Store Retailers	\$36,015,323	\$60,035,495	\$24,020,172	66.7%
<b>Subtotal – GAFO</b>	<b>\$335,885,493</b>	<b>\$387,677,781</b>	<b>\$51,792,288</b>	<b>15.4%</b>
<b><u>Convenience Goods:</u></b>				
Food & Beverage Stores (Grocery)	\$145,690,311	\$200,564,409	\$54,874,098	37.7%
Food Services & Drinking Places (Restaurants)	\$79,617,869	\$95,777,233	\$16,159,364	20.3%
<b>Subtotal – Convenience</b>	<b>\$225,308,180</b>	<b>\$296,341,642</b>	<b>\$71,033,462</b>	<b>31.5%</b>
<b><u>Heavy Commercial Goods:</u></b>				
Bldg Materials, Garden Equip. & Supply Stores	\$34,395,737	\$37,789,994	\$3,394,257	9.9%
Motor Vehicle & Parts Dealers	\$154,841,842	\$483,874,812	\$329,032,970	212.5%
Gasoline Stations	\$44,292,844	\$48,446,621	\$4,153,777	9.4%
<b>Subtotal – Heavy Commercial</b>	<b>\$233,530,423</b>	<b>\$570,111,427</b>	<b>\$336,581,004</b>	<b>144.1%</b>
Non-store Retailers	\$17,530,304	\$22,372,185	\$4,841,881	27.6%
<b>Total Retail</b>	<b>\$812,254,400</b>	<b>\$1,276,503,035</b>	<b>\$464,248,635</b>	<b>57.2%</b>

Source: ESRI, Infogroup (2016)

# Retail Sales Leakage Categories and Supportable SF

*City of El Monte*

Retail Sales Leakage Categories	Retail Sales Leakage	Estimated Sales PSF	Estimated Supportable SF
General Merchandise Stores	(\$20,328,032)	\$300	67,760 SF
Sporting Goods, Hobby, Book & Music Stores	(\$6,264,371)	\$300	20,881 SF
<b>Total Sales Leakage Categories</b>	<b>(\$26,592,403)</b>		<b>88,641 SF</b>

- ~88,641 SF of retail supported by existing sales leakage, does not account for existing retail vacancy within the City (estimated by CoStar to be approximately 129,856 SF)

Source: ESRI, Infogroup, ULI & ICSC Dollars and Cents of Shopping Centers, HdL Companies, Kosmont Companies (2016)

# Summary of Findings

## Demographics & Employment

- Relatively young, ethnically diverse population; larger than average HH size
- Lower incomes and educational attainment compared to County and State
- Most employees who live in the City work in other areas such as Los Angeles, Industry, South El Monte, and Pasadena, leading to a net **outflow** of jobs

## Market Demand Analysis

- Retail, office, and industrial average rental rates in El Monte are **lower** than the Los Angeles County average rental rates for those uses
- Retail and office vacancy in El Monte is **lower** than County retail and office vacancy, while industrial vacancy in El Monte is **higher** than County industrial vacancy
- Retail sales in the City are higher than retail spending potential, indicating the City is capturing El Monte and neighboring cities resident retail purchases leading to a **retail sales surplus**
- Based on retail category leakage and voids, there is potential for retail recruitment of **general merchandise retailers; sporting goods, hobby, book, and music retailers; and food** (i.e., grocery and restaurants as they are growing industry segments)

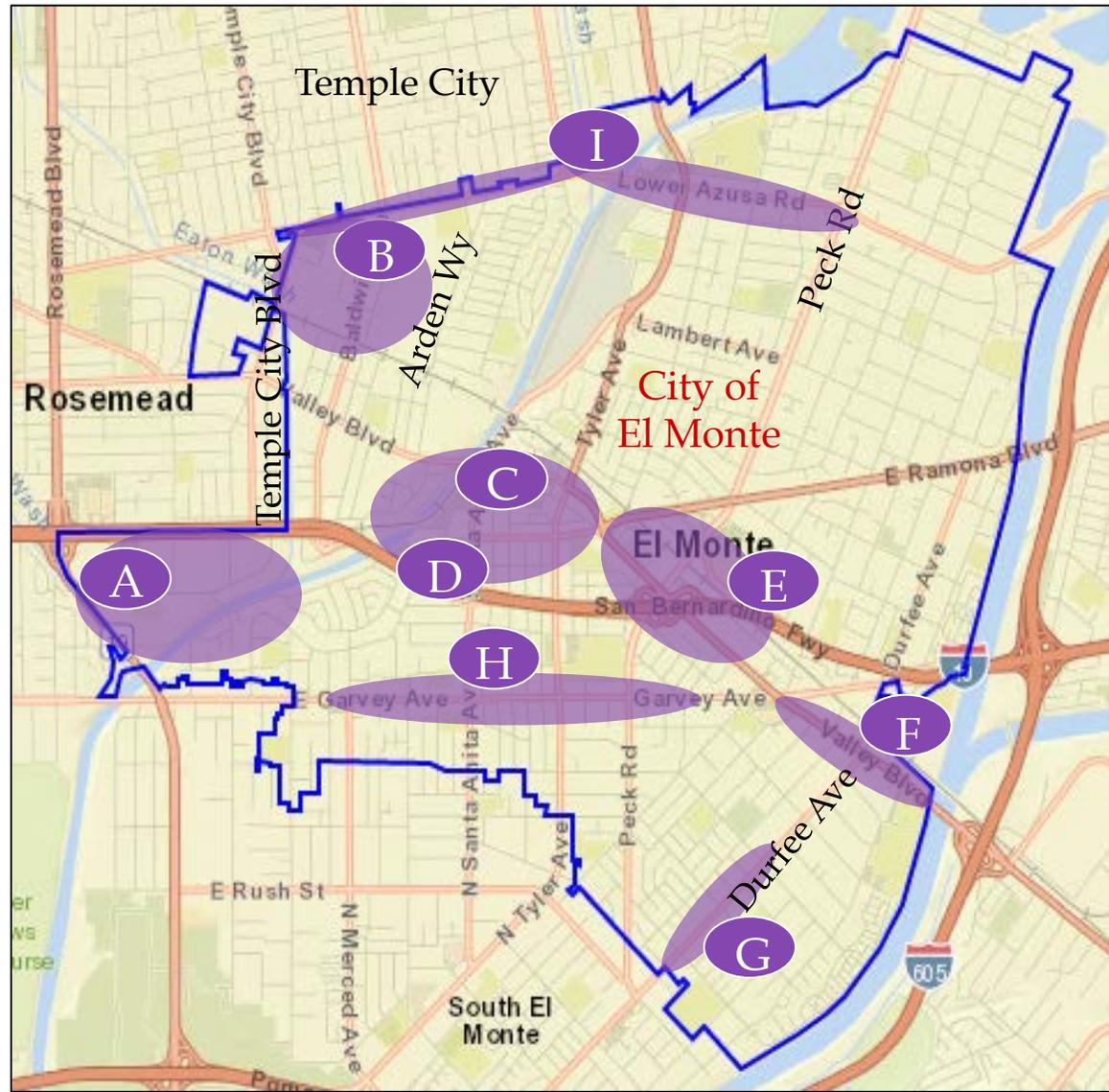
## 2. Strategy

### a) Strategic Area Assessment & Prioritization

# Strategic Area Assessment & Prioritization

# Strategic Areas

Strategic Area	Name
A	Flair Business Park
B	Northwest Industrial District
C	Downtown El Monte Specific Plan Area
D	Gateway Specific Plan Area
E	El Monte Center & Auto Row
F	East Valley Entryway Area
G	Durfee Mixed-Use Corridor
H	Garvey Mixed-Use Corridor
I	Lower Azusa Corridor



Source: City of El Monte (2016)

# E.D. Strategic Area Summary

#	Strategic Area	Project Area and Vision
A)	<b>Flair Business Park</b>	Significant business park and job base with potential to attract national/regional financial institutions, Fortune 500 corps and medical offices as well as accommodate supporting retail, service and hospitality uses. Major projects underway. Focus efforts to create better access points.
B)	<b>Northwest Industrial District</b>	Major industrial area and job base. Improve employment opportunity by working with property owner of vacant 100 acre facility in order to create well paying jobs, daytime population, and support surrounding retail.
C)	<b>Downtown El Monte Specific Plan Area</b>	Urban infill downtown. Create Specific Plan as City's Historic heart, support redevelopment of opportunity sites and work with property owners to promote a mix of retail, restaurant, office, entertainment, hotel, high-density residential, civic and cultural uses. Focus on connectivity with Valley Blvd, Auto Row and transit hubs in order to capitalize on traffic counts and daytime population.
D)	<b>Gateway Specific Plan Area</b>	Strong transit hub. Major projects underway. Work to advance TOD with a mix of retail, restaurant, office, entertainment, hotel, high-density residential, civic and cultural uses.
E)	<b>El Monte Center &amp; Auto Row</b>	Longo Toyota is the nation's largest auto dealership and should be capitalized as San Gabriel Valley's primary auto sales/service destination, and a significant driver of daytime population and sales tax revenue. Work with shopping center owner to provide entertainment, dining and retail to visiting customers.

# E.D. Focus Area Summary

#	Focus Area	Project Area and Vision
F)	<b>East Valley Entryway Area</b>	Infill location along strong arterials. Pursue revitalization of aging real estate into larger scale commercial uses including retail, restaurants, hotels, automotive sales and professional offices. Potential to aggregate several adjacent parcels subject to small parcel sizes.
G)	<b>Durfee Mixed-Use Corridor</b>	Walkable corridor with opportunity for mixed-use developments into current formats with retail uses on the ground floor and higher density housing above. Benefit from thriving local business community and adjacent established neighborhoods. Create activity nodes at key intersections.
H)	<b>Garvey Mixed-Use Corridor</b>	Established businesses with opportunity to revitalize walkable mixed-use developments with retail on ground floor and higher-density housing above. Major projects underway. Capitalize on a significant development trend, a thriving local business community and adjacent established neighborhoods. Create activity nodes at key intersections.
I)	<b>Lower Azusa Corridor</b>	Major east-west corridor in the northern section of the City. Existing structures include mix of retail/commercial strip centers, big box retailers, industrial, and apartment complexes. Benefits from high profile tenants such as Sam's Club and Home Depot. Can create activity nodes and increase connectivity with other parts of the City at intersections with major north-south arterial roads such as Peck Rd., Santa Anita Ave., and Baldwin Ave.

# Strategic Area A Flair Business Park



Size	Zoning	Access	Vision	Project / Opportunity Sites
180+ acres of land adjacent to I-10 Fwy	OP (Office Professional)	3 access points: Indirectly from I-10 Fwy at Flair Dr, directly from Baldwin Ave and directly from Rosemead Blvd	Attract national/regional, financial institutions, Fortune 500 Corps and medical offices  Accommodate supporting retail, service and hospitality uses	1) Flair Spectrum Specific Plan – deliver an urban village experience on 14.7 acres with 250 room hotel, 690,000 sf retail and 600 housing units  2) Media Center- 100,000 sf office campus

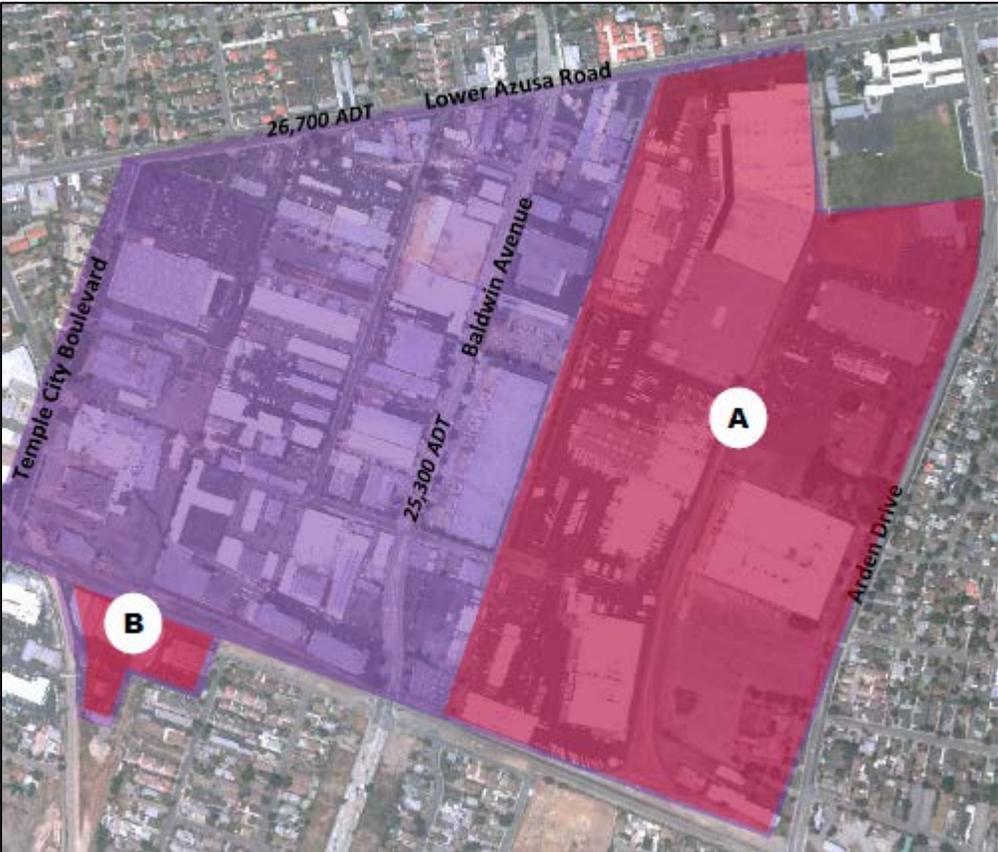
# Strategic Area A

## *Flair Business Park*

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Large business park located along the I-10 Fwy and bordered by a major arterial (Rosemead Blvd.)</li> <li>• Major source of jobs (est. 6,292 jobs) with top sectors in finance &amp; insurance (46%).</li> <li>• 5 year average vacancy rate at 6.5% (GLA estimated 3.6 Million SF) with precipitous decline as of Q3 2016 at 2.2%</li> </ul>	<ul style="list-style-type: none"> <li>• Limited access points</li> <li>• Lack of additional developable parcels</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Major hospitality, housing and office project underway.</li> <li>• Leverage freeway visibility with signage and location identification</li> <li>• Potential transfer of ownership of L.A. County bldg.</li> <li>• Create better circulation to tie into Rosemead Blvd corridor</li> </ul>	<ul style="list-style-type: none"> <li>• Relevance of format of office space in changing market (e.g., evolution of more creative office space)</li> <li>• Office job type (high-paying vs. moderate; private/professional vs. government)</li> <li>• Fiscal impact of residential zoning/housing vs. commercial/jobs</li> </ul>

# Strategic Area B

## Northwest Industrial District



Size	Zoning	Access	Vision	Projects / Opportunity Sites
250+ acres of industrial land	M (Light and General Manufacturing)  Moratorium on development related to M-1 and M-2 zoned property	Convenient access to both I-10 & 605 Fwy	Employment base for the City with well paying jobs  Daytime population supports surrounding retail	A) Former Albertsons / Safeway Site – 100 acres of land  B) 4.2 acre site – high density residential

# Strategic Area B

## Northwest Industrial District

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• District is well located in “goods movement” corridor serving Ports of L.A. and Long Beach and near I-10 and I-605 Fwy’s.</li> <li>• Major source of jobs with estimated 1,895 jobs with top sectors in Transportation and Warehousing (36%)</li> </ul>	<ul style="list-style-type: none"> <li>• Vacancy and loss of jobs at Albertsons site</li> <li>• Lack of adjacent retail / restaurant uses to support/capitalize on daytime population inflow</li> <li>• Infrastructure needs (water, sewer etc.) required for future development</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• 100 acre prime industrial redevelopment; largest such opportunity site in Southern California. Goodman Birtcher closed on western ½ of Site A</li> <li>• Major national retailer moving into the industrial park. Catalyst to attract other national companies</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term tenant / redevelopment project requires significant capital investment and time</li> <li>• Contamination and EPA Superfund Site impact on future development</li> <li>• Matching of City’s vision with market/private sector intentions to redevelop</li> </ul>

# Strategic Area C

## Downtown El Monte Specific Plan Area



### Project / Opportunity Sites

- 1) Santa Fe Trails – 115,000 sq.ft retail shopping center
- 2) Ramona Housing – 62 residential units
- A&B) Santa Anita Landing area – 4 & 1.9 acre sites adjacent to I-10 Fwy
- C) 5 acres of commercial land east of Santa Fe Trail Shopping Center
- D) 30,000 sf site ideal for high density urban mixed-use
- E) 1 acre site ideal for mixed-used

Size	Zoning	Access	Vision
115 acres	Specific Plan underway to promote higher residential densities and development opportunity reserve (DOR)™	Significant bus and Metrolink transit hub with direct links to Downtown L.A. I-10 Fwy offramp	Establish Main Street Area as City's Historic heart and destination. Promote a mix of retail, restaurant, office, entertainment, hotel, high-density residential, civic and cultural uses Create a walkable corridor and access to multimodal transportation

# Strategic Area C

## *Downtown El Monte Specific Plan Area*

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Dense infill well located downtown area with diverse uses / businesses and walkable corridor</li> <li>• Adjacent to transit hub with direct links to downtown L.A. and entire SGV. Bus, Metrolink and Greyhound connections.</li> <li>• Surrounded by strong arterials: I-10 Freeway access and Santa Anita Ave &amp; Valley Blvd arterials</li> <li>• City owns and controls 8 parking lots</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicular and pedestrian connectivity to Valley Blvd and surrounding economic nodes (i.e. auto mall, city hall, transit center)</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Potential link to auto row and daytime population inflow</li> <li>• Redevelopment of opportunity sites</li> <li>• Improve potential for “placemaking” and community events as an economic driver</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive number of small parcels, property owners, and businesses that may make redevelopment and improvements challenging</li> </ul>

# Strategic Area D Gateway Specific Plan Area



## Project / Opportunity Sites

- 1) Urban village with 485 high-density residential units and 25,000 sf of retail
- A) Santa Anita Landing area – 3.5 acre site adjacent to I-10 Fwy and Bus Depot

Size	Zoning	Access	Vision
60 acres	Specific Plan Area (SP-1) has approved development of up to 1,850 residential units and approx. 1.3 million sf. of retail, office, entertainment, hotel, public and education uses	Significant transit hub with links to Downtown L.A. Adjacent to I-10-Fwy off-ramp (Santa Anita Ave)	TOC with mix of retail, restaurant, office, entertainment, hotel, high-density residential, civic and cultural uses

# Strategic Area D

## Gateway Specific Plan Area

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Significant transit hub with direct links to downtown L.A. and entire SGV. Bus, Metrolink and Greyhound connections.</li> <li>• Transit oriented community (TOC) enhances quality of life of residents</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicular and pedestrian connectivity to Valley Blvd and surrounding economic nodes (i.e. auto mall, city hall, Downtown)</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Potential collaboration between City, existing developer, and transit agencies</li> <li>• Revitalization and redevelopment of a significant transit area and TOC, attracting national credit tenants and retail uses</li> <li>• Improvement to amenities and infrastructure including open space linkages</li> </ul>	<ul style="list-style-type: none"> <li>• Challenges of collaboration between development and transit agencies</li> <li>• High capital investment costs required and timeline</li> </ul>

# Strategic Area E

## El Monte Center & Auto Row



Size	Zoning	Access	Vision	Project / Opportunity Sites
30 acre El Monte Center and Auto Row area	C-3 (General Commercial)	Adjacent to I-10 Fwy and a mile west of 605 Fwy	<p>Capitalize on Longo Toyota anchor, the nation's largest auto dealership</p> <p>San Gabriel Valley's primary auto sales/service destination</p> <p>Provide entertainment, dining and retail to visiting customers</p>	<p>A) El Monte Shopping Center – 30 acre shopping center; retail, restaurant adjacent to auto center</p> <p>Anchor tenant and retail spaces available</p>

# Strategic Area E

## *El Monte Center & Auto Row*

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Largest auto dealership in Southern California</li><li>• Large sales tax revenue generator and source of jobs for the City</li><li>• Adjacent to the I-10 Fwy with off-ramp access directly into auto row</li><li>• Regional attractor and daytime population</li></ul>	<ul style="list-style-type: none"><li>• Vehicular and pedestrian connectivity to surrounding economic nodes (i.e. city hall, transit center, Downtown)</li><li>• Large box retail vacancy and temporary loss of tax revenue at shopping center</li><li>• Lack of cohesive branding</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Provide additional restaurant, retail and entertainment to take advantage of significant customer daytime population</li><li>• Improvements to quality of life provided by additional retail, restaurant, and entertainment</li><li>• Potential connection/link to downtown and gateway areas</li></ul>	<ul style="list-style-type: none"><li>• Collaboration with auto dealerships and shopping center ownership to meet cities vision for entertainment uses</li></ul>

# Strategic Area F

## East Valley Entryway Area



Size	Zoning	Access	Vision	Project / Opportunity Sites
½ mile corridor at City's eastern entrance	C-3 (General Commercial) & C-4 (Heavy Commercial)	Valley Blvd arterial Convenient access to I-10 & 605 Fwys	Allow a wide range of large scale commercial uses to serve the community and region  Promote retail, food & beverage, hotels, automotive sales and professional offices	A-F) Several 1 to 5 acre sites with potential to aggregate a site up to 12.3 acres

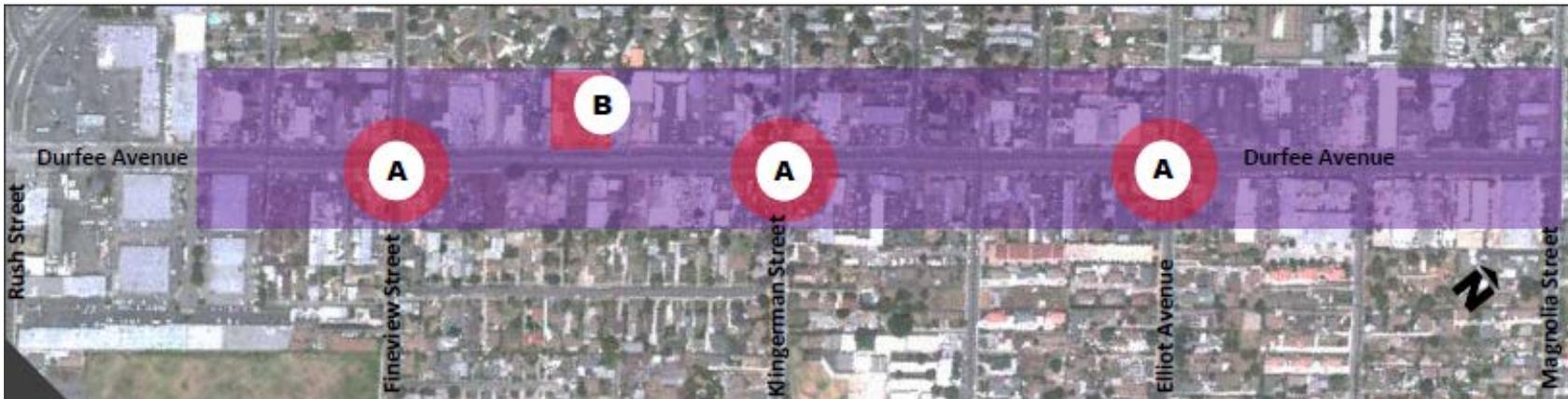
# Strategic Area F

## East Valley Entryway Area

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Infill real estate with strong arterial boundaries Valley Blvd and Garvey Ave</li><li>• Strong traffic counts (41,000 ADT) on Valley Blvd. and public transit access</li><li>• Convenient access to I-10 &amp; 605 Fwys</li></ul>	<ul style="list-style-type: none"><li>• Multiple ownership and aging real estate</li><li>• Aggregation of real estate to gain enough scale for a large scale project given small parcel sizes</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Potential to aggregate several adjacent parcels for a 12.3 acre redevelopment</li><li>• Revitalize aging real estate into current retail and format (i.e. mixed use, retail, hotel, etc.)</li></ul>	<ul style="list-style-type: none"><li>• Coordination with multiple businesses and property owners</li><li>• 3<sup>rd</sup> party investment in the area based on economic feasibility</li></ul>

# Strategic Area G

## Durfee Mixed-Use Corridor



Size	Zoning	Access	Vision	Project / Opportunity Sites
80+ acres along a mile long corridor	MMU (Mixed/ Multi-Use)	Transit corridor with links to Los Angeles  Connectivity the I-10, 60 Fwy and 605 Fwy	Develop walkable, mixed-use developments with retail uses on the ground floor and higher density housing above  Create activity nodes at Fineview, Klingerman and Elliot intersections  Benefit from adjacent established neighborhoods, which are walkable	A) Multiple properties at activity nodes  B) 1 acre development site

# Strategic Area G

## *Durfee Mixed-Use Corridor*

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Adjacent residential communities with walkable corridor</li><li>• Strong small business community and source of jobs</li><li>• Connectivity to I-10 Fwy, 60 Fwy and 605 Fwy</li></ul>	<ul style="list-style-type: none"><li>• Aggregation of real estate to gain enough scale for a project and shallow lot sizes</li><li>• Multiple ownership and aging real estate</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Revitalize aging real estate into current retail and residential format (i.e. mixed use)</li><li>• Multiple opportunity sites at activity nodes which may catalyze retail tenant attraction</li></ul>	<ul style="list-style-type: none"><li>• Coordination with multiple businesses and property owners</li></ul>

# Strategic Area H

## Garvey Mixed-Use Corridor



Size	Zoning	Access	Vision	Project / Opportunity Sites
140 Acres of land along 2 mile long corridor	MMU (Mixed/Multi-Use)	South of I-10 Fwy Transit corridor with direct links to Downtown L.A.	Develop walkable mixed-use developments with retail on ground floor and higher-density housing above  Create activity nodes at Santa Anita, Tyler, and Peck road intersections with Garvey Ave  Benefit from adjacent established neighborhoods, which are walkable	1) 3,000 sf of retail, 3 work-live units & 67 housing units 2) 5,000 sf of retail & 114 housing units 3) 25,000 sf of retail & 30 housing units 4) 20,000 sf of retail & 116 senior and assisted living units A) Opportunity Site - 1.7 acre site zoned multi-family

# Strategic Area H

## Garvey Mixed-Use Corridor

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Mix of national, local and cultural/ demographic specific businesses, retailers and restaurants</li><li>• Adjacent higher density residential communities with walkable corridor</li><li>• Strong arterial corridor with connectivity to I-10 Fwy and Downtown L.A. through transit</li></ul>	<ul style="list-style-type: none"><li>• Lack of large parcels for redevelopment</li><li>• Aggregation of real estate to gain enough scale for a project given shallow lot sizes</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Major projects underway</li><li>• Revitalize aging real estate into current retail and format (i.e. mixed use)</li><li>• Activity nodes and key intersection at Santa Anita, Tyler and Peck Road which may catalyze retail tenant attraction</li></ul>	<ul style="list-style-type: none"><li>• Coordination with multiple businesses and property owners</li></ul>

# Strategic Area I

## Lower Azusa Corridor



Size	Zoning	Access	Vision	Project / Opportunity Sites
2.5 mile long corridor	Combination of MMU (Mixed/Multi-Use), C-2 (Retail Commercial), C-3 (General Commercial), M-1 (Light Manufacturing), M-2 (General Manufacturing), and R-3 (Medium Density Multiple Family Dwelling)	Connects with I-605 Fwy Connectivity with major arterial roads (Peck Rd., Santa Anita Ave., and Baldwin Ave.)	Closely monitor major sales tax revenue generating retailers	A) Home Depot Site B) Strip Center with bowling alley

# Strategic Area I

## Lower Azusa Corridor

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Connectivity with major north-south arterial roads (Peck Rd., Santa Anita Ave., and Baldwin Ave.)</li><li>• Commercial and mixed-uses at major intersections</li><li>• Stable corridor</li></ul>	<ul style="list-style-type: none"><li>• Lack of large parcels for redevelopment</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Activity nodes at key intersections at Peck Rd., Santa Anita Ave., and Baldwin Ave. may catalyze further retail tenant attraction and increase connectivity with other parts of the City</li></ul>	<ul style="list-style-type: none"><li>• Coordination with multiple businesses and property owners</li></ul>

# Categorization by Economic Development Priority

Econ. Dev. Priority	Description / Econ. Dev. Tools	Related Strategic Areas
<b>Fiscal Revenue Generation</b>	<ul style="list-style-type: none"> <li>• Sales Tax</li> <li>• Property Tax</li> <li>• Transient Occupancy Tax</li> </ul>	<ul style="list-style-type: none"> <li>• El Monte Center &amp; Auto Row</li> <li>• Durfee/Garvey Mixed-Use Corridor</li> <li>• Downtown El Monte SP Area</li> <li>• Flair Business Park</li> <li>• Gateway SP Area</li> <li>• Lower Azusa Corridor</li> </ul>
<b>Job Creation</b>	<ul style="list-style-type: none"> <li>• Office</li> <li>• Industrial / Distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Flair Business Park</li> <li>• Northwest Industrial District</li> <li>• Lower Azusa Corridor</li> </ul>
<b>Quality of Life</b>	<ul style="list-style-type: none"> <li>• Entertainment / Retail</li> <li>• Transit</li> </ul>	<ul style="list-style-type: none"> <li>• El Monte Center &amp; Auto Row</li> <li>• Downtown El Monte SP Area</li> <li>• Gateway SP Area</li> </ul>
<b>Catalysts for Businesses</b>	<ul style="list-style-type: none"> <li>• Demand Driver</li> </ul>	<ul style="list-style-type: none"> <li>• Northwest Industrial District</li> <li>• Gateway SP Area</li> <li>• East Valley Corridor</li> <li>• Flair Business Park</li> <li>• El Monte Center &amp; Auto Row</li> <li>• Lower Azusa Corridor</li> </ul>

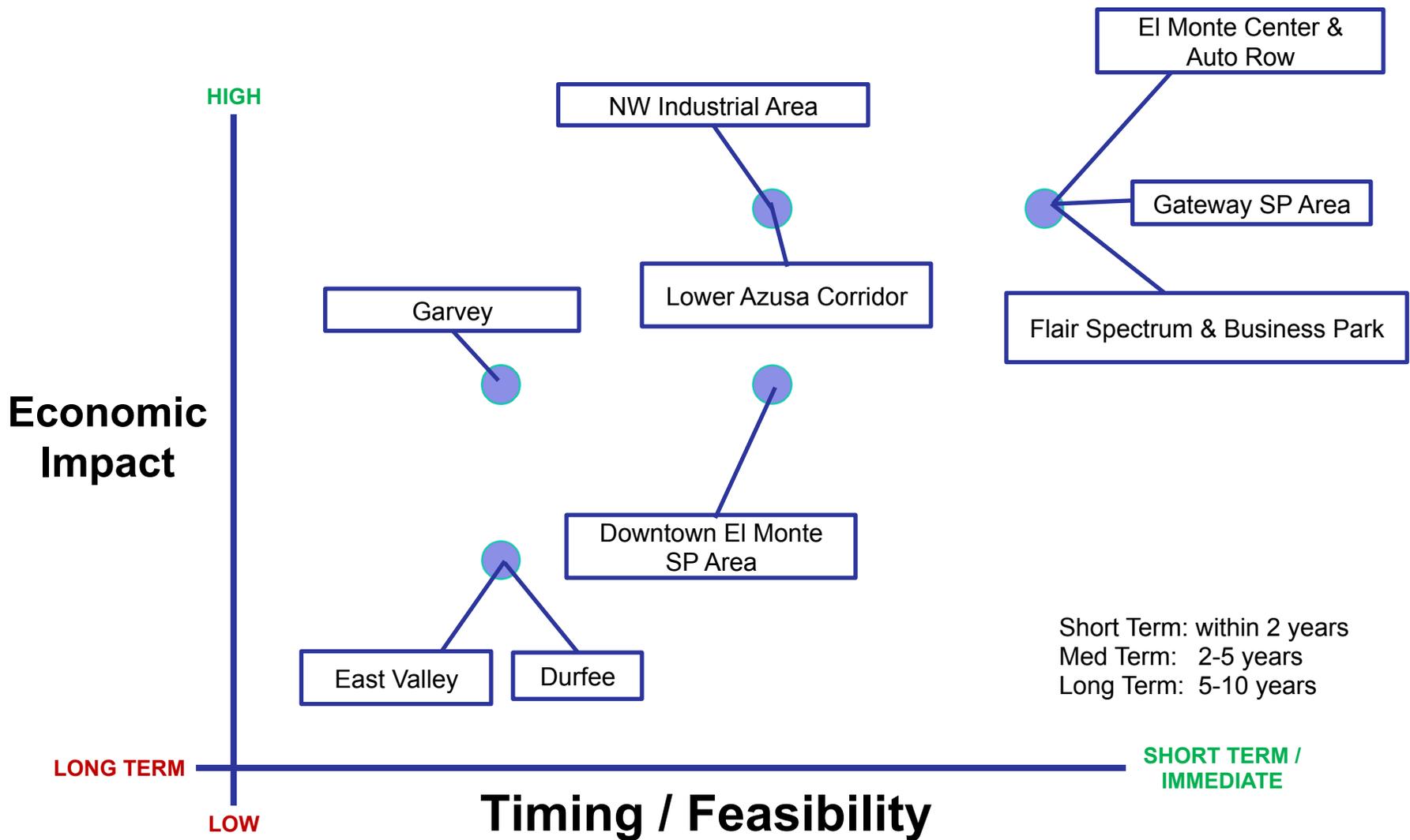
# E.D. Prioritization – Key Factors

Economic development focus areas were evaluated with primary consideration given to fiscal / economic and timing / feasibility:

Economic Development Focus Area	Fiscal Revenue Generation	Job Creation	Quality of Life	Catalysts for Businesses	Overall Econ Impact*	Timing / Feasibility
Flair Business Park	X	X		X	High	Short
Northwest Industrial District		X		X	High	Mid
Downtown El Monte Specific Plan Area	X		X		Med	Mid
Gateway Specific Plan Area	X		X	X	High	Short
El Monte Center & Auto Row	X		X	X	High	Short
East Valley Entryway Area				X	Low	Long
Durfee Mixed-Use Corridor	X				Low	Long
Garvey Mixed-Use Corridor	X				Med	Long
Lower Azusa Corridor	X	X		X	High	Mid

\*Note: Overall Economic Impact represents the cumulative impacts of fiscal revenue generation, job creation, quality of life and catalyst

# Preliminary Timing / Feasibility & Impact Summary



Durfee/Garvey – Economic Impact given lack of current opportunity sites, market conditions, aging real estate and coordination between property owners.

## 3. Implementation

- a) Stakeholder Outreach (ongoing)
- b) Marketing (next steps)
  - i. *Collateral Material*
  - ii. *Digital Marketplace*
- c) Financing & Incentives (next steps)

## 3. Implementation

# Stakeholder Outreach (ongoing)

# Preliminary Outreach & Meetings

- Initial/Ongoing stakeholder outreach to following entities:
  - Longo Toyota/Lexus
  - Merlone Geier
  - Bank of America
  - East West Bank
  - Gateway Project (Grapevine Development)
  - Flair Spectrum
  - Goodman
- City meetings with following consultant teams:
  - Stanley R. Hoffman Associates
  - Linda S. Congleton & Associates

## 3. Implementation

# Marketing (next steps)

*Collateral Material*

*Digital Marketplace*

# Sample Collateral Marketing Material

## City of Paramount

### Tenant / Retail Redevelopment Opportunity

NEC Paramount Boulevard & Alondra Boulevard

~1.4 acres  
~15,500 SF buildings

**FEATURES:**

- Property owned by Paramount Successor Agency (former RDA)
- Potential for redevelopment (subject to Dept. of Finance approval of Property Management Plan)
- Strong intersection at Paramount Blvd. & Alondra Blvd.
- Traffic counts (2008): ~51,182 AADT Paramount & Alondra

**DEMOGRAPHICS (ESRI):**

2012	1 Mile	2 Mile	3 mile
Population	31,455	142,247	327,877
Households	8,596	38,070	89,459
Avg. HH Income	\$52,437	\$56,300	\$57,176

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Do not rely on any measurements or placements of any improvements depicted or shown herein, as they are estimates only. The information above has been prepared for informational purposes only and is not intended to constitute an offer of any financial product or service. The information above has been prepared for informational purposes only and is not intended to constitute an offer of any financial product or service. The information above has been prepared for informational purposes only and is not intended to constitute an offer of any financial product or service.

## City of Twentynine Palms

### Retail Development Opportunity

NEC of Twentynine Palms Hwy. and Smoketree Ave.

Future Public Facility - Project Phoenix

**REGIONAL MAP**

**DEMOGRAPHICS (ESRI)**

2016	City (with State)	City (with State)	3 Miles	5 Miles
Population	16,763	25,458	14,800	17,800
Households	6,496	8,156	5,713	6,400
Avg. HH Inc.	\$54,742	\$54,789	\$53,298	\$55,000

**FEATURES**

- ~1.2 acres zoned Downtown Retail Mixed Use (DRM) suited for retail/commercial
- Fronts main arterial Twentynine Palms Hwy. CA-62 near strong intersection
- Close proximity to Joshua Tree National Park with ~2 million annual visitors (2015) and growing
- Traffic Counts (2015): ~21,400 AADT (Adobe Rd. & CA-62)

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### Retail Development Opportunity

NEC of Twentynine Palms Hwy. and Smoketree Ave.

**Parcel Boundaries**

Future Public Facility - Project Phoenix

~1.2 acres owned by Charles A. Donaldson and the Donaldson Family Trust

**PROJECT PHOENIX BUILDING CONCEPT**

ACREAGE	APN
0.32	0618-237-11
0.19	0618-237-07
0.17	0618-237-06
0.11	0618-237-01
0.11	0618-237-02
0.11	0618-237-03
0.20	0618-237-04

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# Digital Marketplace Tool

- **OppSites is a digital economic development network, where the public & private sector works together to unlock economic potential.**

## **THE PROCESS:**

- **Cities post underutilized districts & sites, and share local knowledge about what they want to see built (does not require City ownership)**
- **Investors & developers search postings to find underexposed real estate opportunities, and gain insight into markets for investment**
- **Cities & investors/developers initiate discussion about development opportunity based on mutual interest in site**



<https://oppsites.com/>

## 3. Implementation

# Financing & Incentives (next steps)

# California Shifting from Oil-Based to Green Economy

**NOW THE WORLD LEADER IN FIGHT AGAINST CLIMATE CHANGE**  
**SB 32 requires State to reduce greenhouse gas emissions 40% below 1990 levels by 2030.**

## Focus of Next Gen Economic Development



**Sustainable Infrastructure Investments / Transit**



**Energy-Saving Industrial Processes**



**Renewable Energy Investments**



**Cap and Trade Program**



**Building Efficiency Design and Upgrades**



**CEQA Analysis Changes from VMT to # of Trips**

# Next-Generation Economic Development

Today, Economic Development for Cities is about:

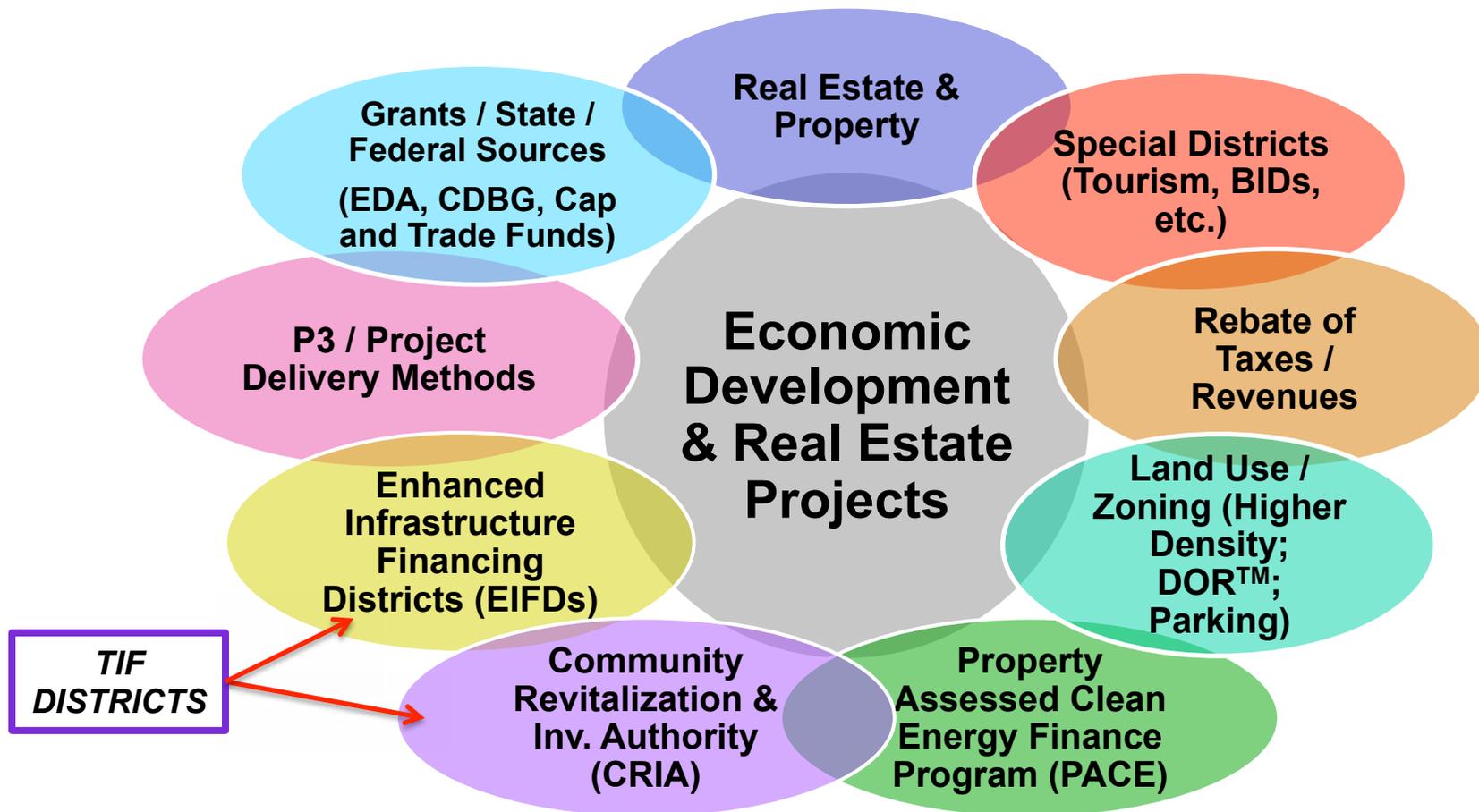


# The Plumbing of the World is Changing

- Tech changing the way we live: shifting retail and tenant mix, interaction and connectivity (driverless cars, robots, big data)
- Replacement of jobs with automation requires unprecedented commitment to “continuous” education and job creation
- Retail adapting to changing social habits, brick/clicks blending, focus on *trips*
- California Governor and Legislature shifting economy to a reduced carbon footprint “green” economy
- Green Mandates & Green Public/Private Projects with incentives will flourish
- Housing shortage hurts State’s competitiveness
- Cities need the private sector \$\$ to create jobs & tax revenue and housing
- New E.D. strategies required to respond to accelerated changes in climate action controls, technology, & lifestyle preferences
- ***Economic Development is not a mission, it’s an imperative***

# “Creating a Place” Using E.D. 2.0 Tools

Cities have 9 BASIC TOOLS for Public/Private Projects



*These tools often work best when used together*

# Plan Implementation Next Steps

Collaboration with City Staff and Ad Hoc Development Review Committee with respect to the following:

- Stakeholder Outreach (Ongoing) – contact property owners on a priority strategic basis, local developers, engaged consultants and other parties in order to track project status and facilitate communication
- Marketing of Strategic Areas – prepare collateral marketing material for priority strategic opportunity sites and utilize digital economic development tools to access the marketplace (e.g. ICSC RECon Las Vegas May 21-24)
- Financing & Incentives – consider post-redevelopment economic development tools such as financing districts and zoning strategies to fund needed infrastructure and forge public private transactions where appropriate

# Questions & Discussion

Thank you



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