



CITY OF  
**BALDWIN PARK**

# City of Baldwin Park Retail Plan

*July 2016*

Prepared By:  
*Kosmont Companies*

# Project Background & Status

- Kosmont was retained by the City for the preparation of a Kosmont Retail NOW!® Retail Market Analysis, Strategy, and Implementation Plan (“Retail Plan”)
- The purpose of the Retail Plan is to evaluate existing retail market conditions and provide recommended strategies to successfully promote economic growth within the City
- An overview of the Retail Plan is presented herein

# Kosmont Companies Overview

Kosmont Companies is a nationally-recognized real estate & economics advisory firm specializing in public-private transactions for 30 years.

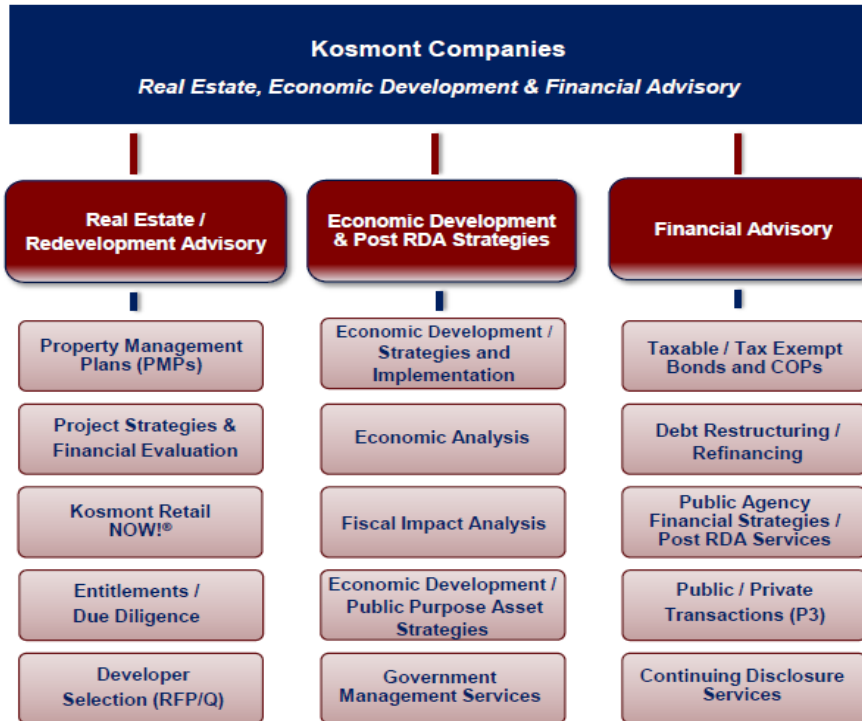
- **Offers a full range of economics & real estate advisory services including:**
  - Market and Feasibility Analyses
  - Economic Development Strategies & Implementation
  - Identification of Funding Sources & Financing Strategies
  - Fiscal Impact & Economic Benefit Studies
  - Retailer/Developer & Business Recruitment
  - Public-Private Transaction Structuring & Negotiation
- **Winning track record of initiating and implementing projects for municipalities**
  - In-house team includes registered municipal advisors, financial analysts, lawyers, former bond underwriters, former city managers & department heads
  - Extensive network of brokers, investors and market data for real-time information, and retail industry leadership
- **Kosmont is not just a “study” company – we create strategies & make projects a reality**
  - Over \$12 billion in project negotiation and implementation since 1986
  - Completed hundreds of public and private financial transactions blending private investment with public funding sources to create win-win public-private financing structures

**Note:** If needed, Financial Advisory and Real Estate Brokerage services provided by Kosmont Realty Corporation (SEC / MSRB Registered Municipal Advisor and Licensed Real Estate Brokerage Firm)

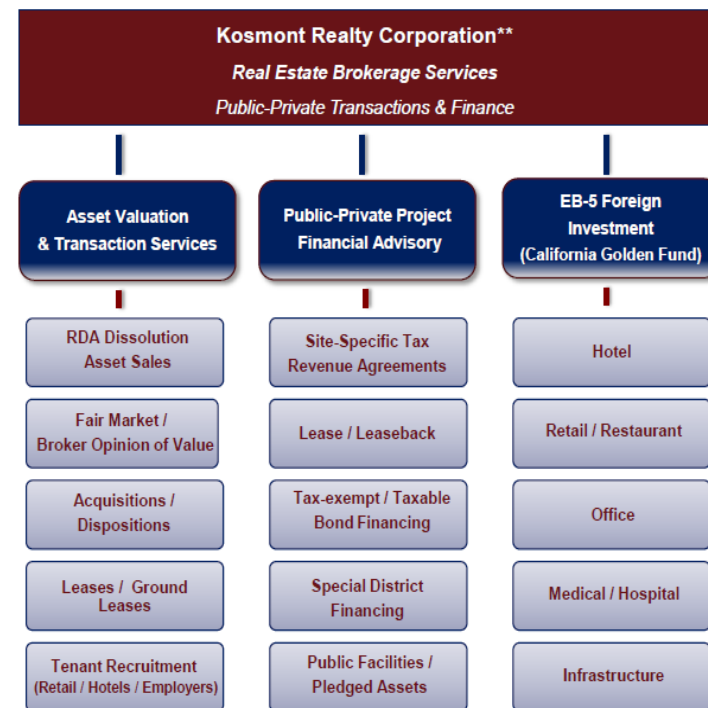
# Kosmont Services Overview



## KOSMONT COMPANIES SERVICES OVERVIEW



## KRC SERVICES OVERVIEW



\*Certified MBE and SBE

04282013

\*\*SEC / MSRB Registered Municipal Advisor  
CA Licensed Real Estate Brokerage Firm

04282013



# Key Personnel



**Larry J. Kosmont, CRE**  
*President & CEO*

- Over 30 Years of Experience
- City Management (Santa Monica, Seal Beach, Bell Gardens, Burbank)
- Over \$10B in Transactions
- Economic Development
- Public Finance
- Public / Private Partnerships
- Gov't Funding Sources
- Post-Redevelopment Financing Strategies



**Ken K. Hira**  
*Executive Vice President*  
*ICSC Western Division P3*  
*Retail Chair*

- Over 25 years of experience
- Retail Attraction and Development
- Real Estate Finance
- Transaction Structuring
- Negotiations
- Downtown Revitalization
- Acquisitions/Dispositions
- Market Analysis



**Archie Davenport**  
*Vice President*

- Over 8 years of experience
- Market Supply/Demand Studies
- Economic Benefit Analysis
- Asset Valuation
- Government Staffing
- Real Estate and Market Analysis
- Strategies for municipalities
- Community relations

## 1. Analysis

- a) Economic & Demographic Profile
- b) Market Demand Analysis

## 2. Strategy

- a) Trade Area Retailer Voids
- b) Opportunity Site Assessment

## 3. Implementation

- a) Summary of Findings
- b) Outreach in Progress
- c) Financing & Incentives
- d) Next Steps

## 1. Analysis

### a) Economic & Demographic Profile

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

### b) Market Demand Analysis

- i. Employment Growth by Industry*
- ii. Retail Supply, Vacancy & Lease Rates*
- iii. Retail Sales Performance*
- iv. Retail Sales Surplus / Leakage*

## Economic & Demographic Profile

*Population & Household Demographics*



# Demographic Highlights

## Population & Households

- Population of ~70,056 and ~17,325 households within the City in 2015
- Population of ~551,503 and ~147,774 households within 5 miles

## Income

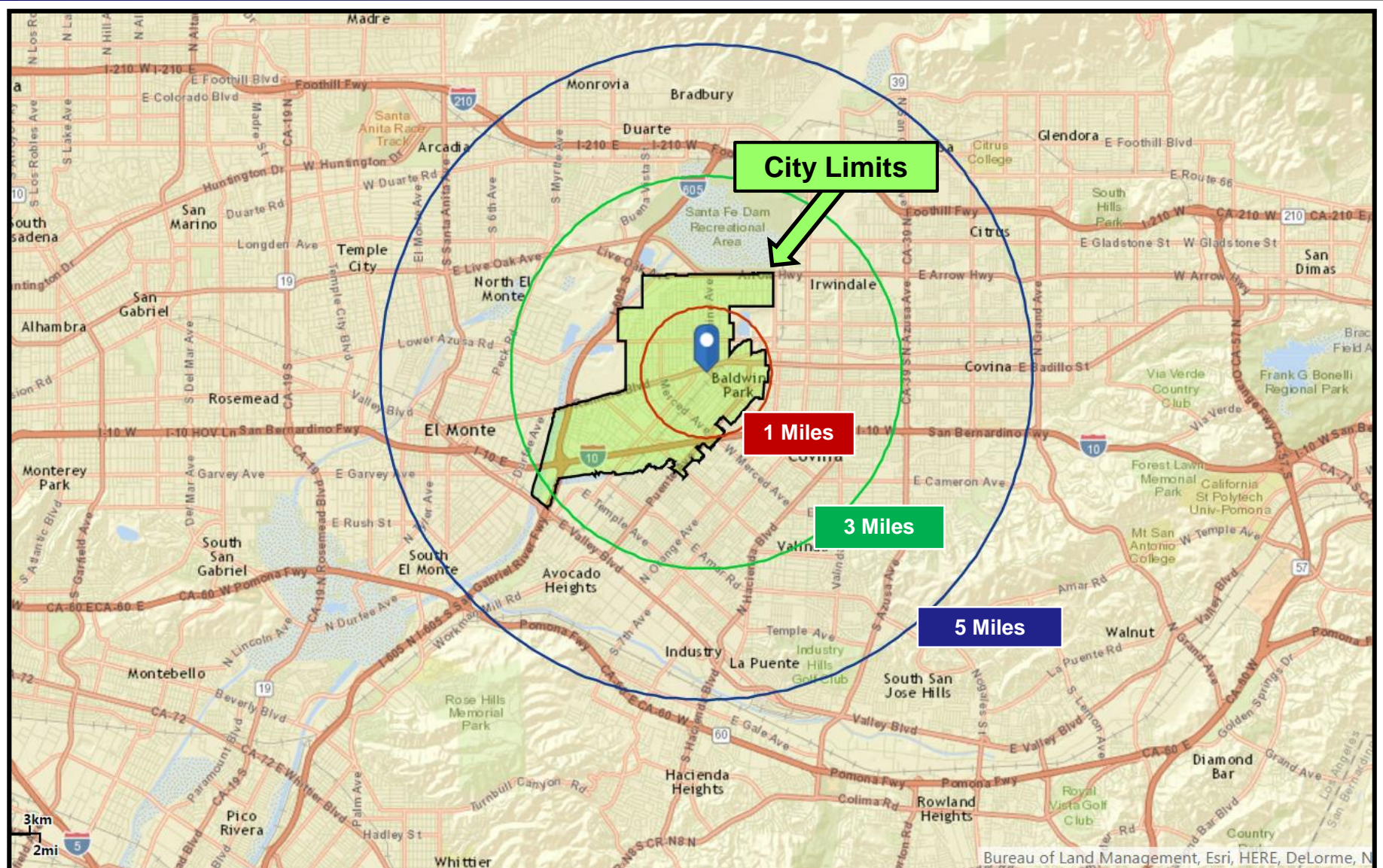
- Avg. HH income ~\$62,329 in City and ~\$71,901 within 5 miles
- 2.06% annual growth projected for HH income over next 5 years in City

## Other Demographic Characteristics

- Average household size of **4.37** in City (relatively large)
- Median age of **31** in City (younger)
- ~11% Bachelor's Degree or higher (low)
- Race: ~43% White, ~36% Some Other Race, ~14% Asian
- Ethnicity: ~**81**% Hispanic in City

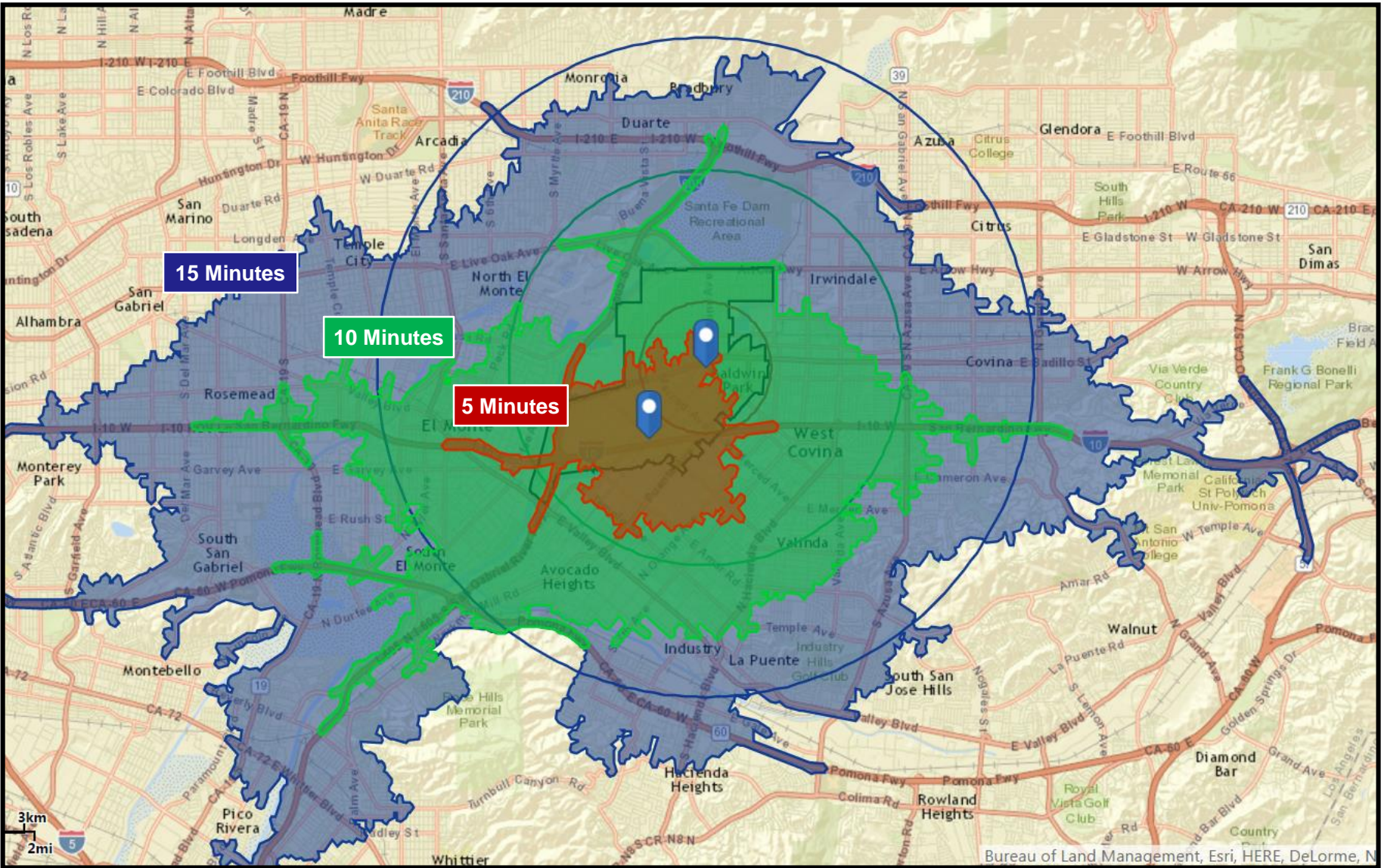
Source: U.S. Census Bureau (2010); ESRI, Department of Finance (2015)

# Baldwin Park City Limits & Radii





# Drive Times



15 Minutes

10 Minutes

5 Minutes

Kosmont Retail NOW!®

Note: Drive times originating from Baldwin Park Blvd and Francisquito Ave; Source: ESRI (2015)



# Population and Income

## *City, County and State*

<u>2015</u>	City	County	State
Population	76,056	10,022,259	38,371,836
Households	17,325	3,302,607	12,932,388
Average HH Size	<b>4.37</b>	2.98	2.90
Median Age	<b>31.0</b>	35.3	35.7
% Hispanic Origin	<b>80.7%</b>	48.9%	39.1%
Per Capita Income	\$14,275	\$27,403	\$29,788
Median HH Income	\$52,238	\$54,690	\$60,382
Average HH Income	\$62,329	\$82,066	\$87,152
<b><u>2015-2020 Annual Growth Rate</u></b>			
Population	0.35%	0.49%	0.73%
Median HH Income	2.06%	2.92%	3.36%

\* City population as estimated by California Department of Finance as of 4/4/2016

Source: ESRI, California Department of Finance (2015)

# Population and Income

## *Radii from City Hall*

	Radii from City Hall		
<b>2015</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
<b>Population</b>	38,481	<b>195,204</b>	<b>552,374</b>
<b>Households</b>	9,101	48,194	147,763
<b>Average HH Size</b>	<b>4.20</b>	<b>4.03</b>	<b>3.71</b>
<b>Median Age</b>	<b>31.2</b>	<b>33.0</b>	<b>33.9</b>
<b>% Hispanic Origin</b>	<b>78.3%</b>	<b>74.1%</b>	<b>67.4%</b>
<b>Per Capita Income</b>	\$15,171	\$17,214	\$19,329
<b>Median HH Income</b>	\$51,699	\$56,837	\$56,544
<b>Average HH Income</b>	\$63,461	\$69,257	\$71,714
<b><u>2015-2020 Annual Growth Rate</u></b>			
<b>Population</b>	0.39%	0.36%	0.41%
<b>Median HH Income</b>	2.17%	2.62%	2.76%

**Note:** Radii centered at Baldwin Park Blvd and Francisquito Ave

**Source:** ESRI (2015)

# Population and Income

## *Drive Times from City Hall*

	Drive Times (from City Hall)		
	5 Minutes	10 Minutes	15 Minutes
<b><u>2015</u></b>			
Population	68,549	<b>255,012</b>	<b>636,116</b>
Households	16,445	64,744	169,181
Average HH Size	<b>4.14</b>	<b>3.91</b>	<b>3.72</b>
Median Age	<b>31.9</b>	<b>33.1</b>	<b>34.1</b>
% Hispanic Origin	<b>77.5%</b>	<b>72.5%</b>	<b>65.9%</b>
Per Capita Income	\$15,830	\$17,842	\$19,368
Median HH Income	\$53,227	\$56,521	\$56,030
Average HH Income	\$65,390	\$69,791	\$72,143

<b><u>2015-2020 Annual Growth Rate</u></b>			
Population	0.37%	0.38%	0.41%
Median HH Income	2.24%	2.70%	2.78%

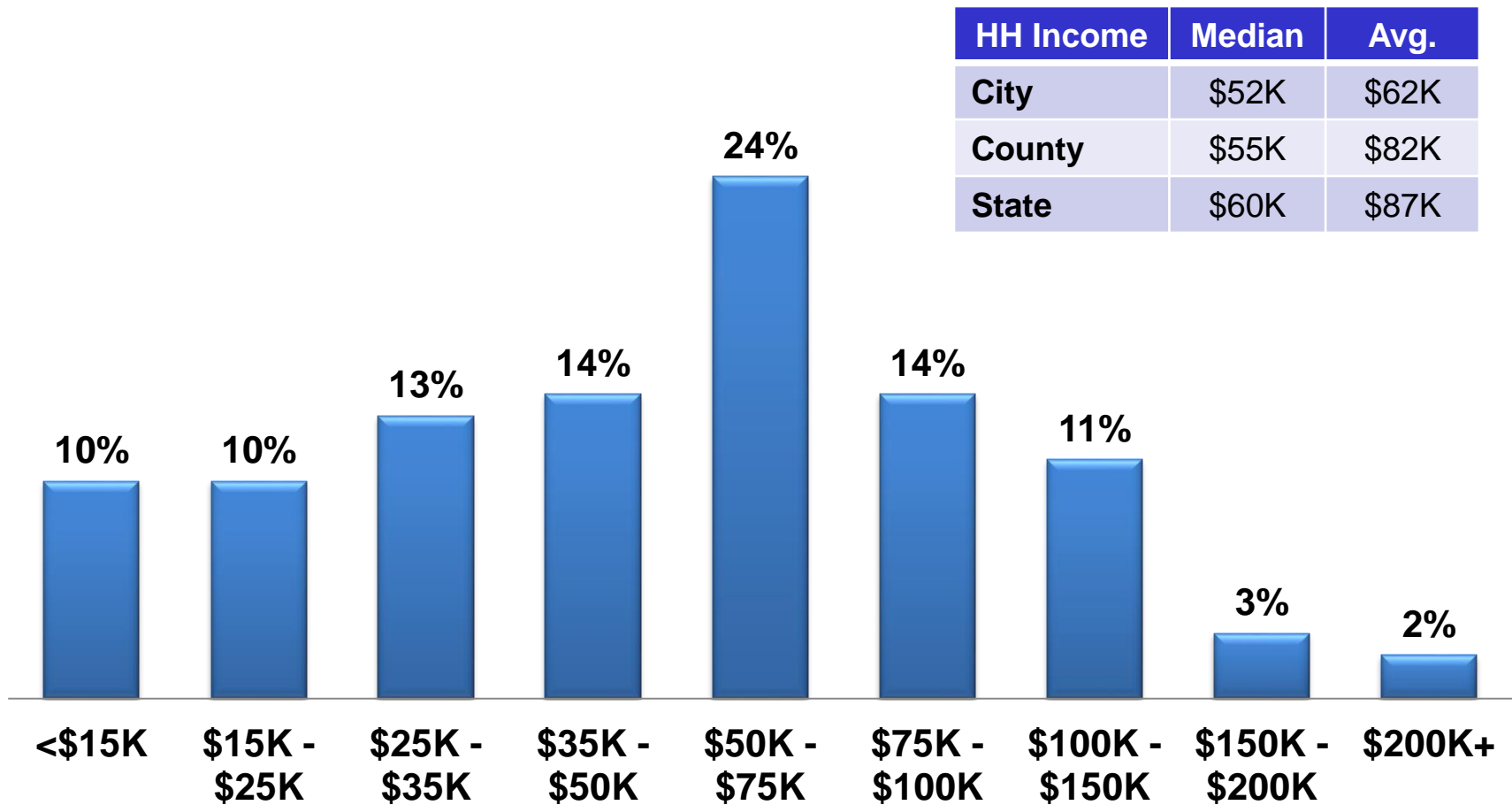
**Note:** Drive times originating from Baldwin Park Blvd and Francisquito Ave

**Source:** ESRI (2015)



# Income Profile

## City of Baldwin Park – 2015 Households by Income Bracket

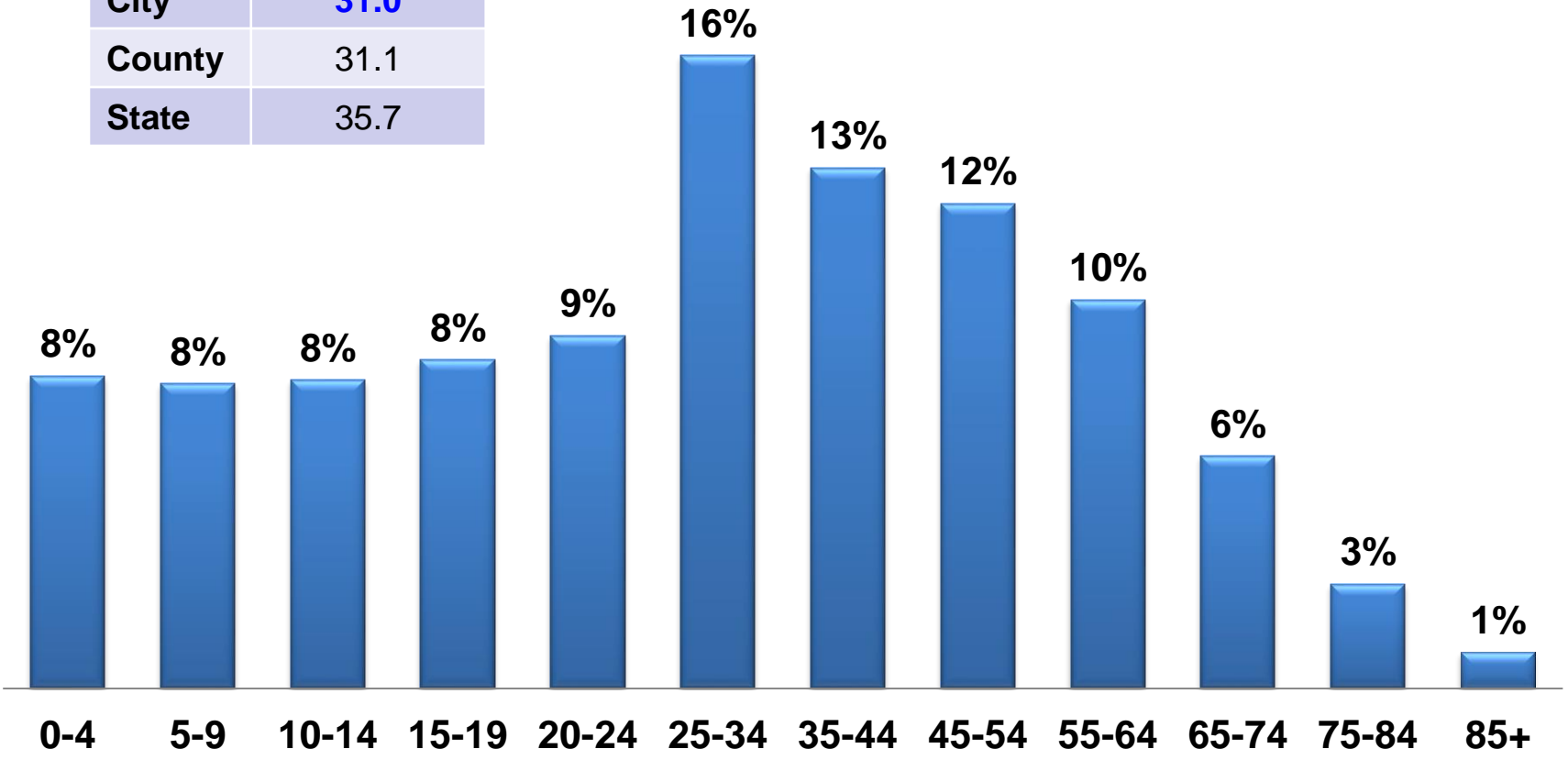


Source: U.S. Census Bureau (2010); ESRI (2015)

# Age Profile

City Population by Age Bracket in 2015

	Median Age
City	31.0
County	31.1
State	35.7

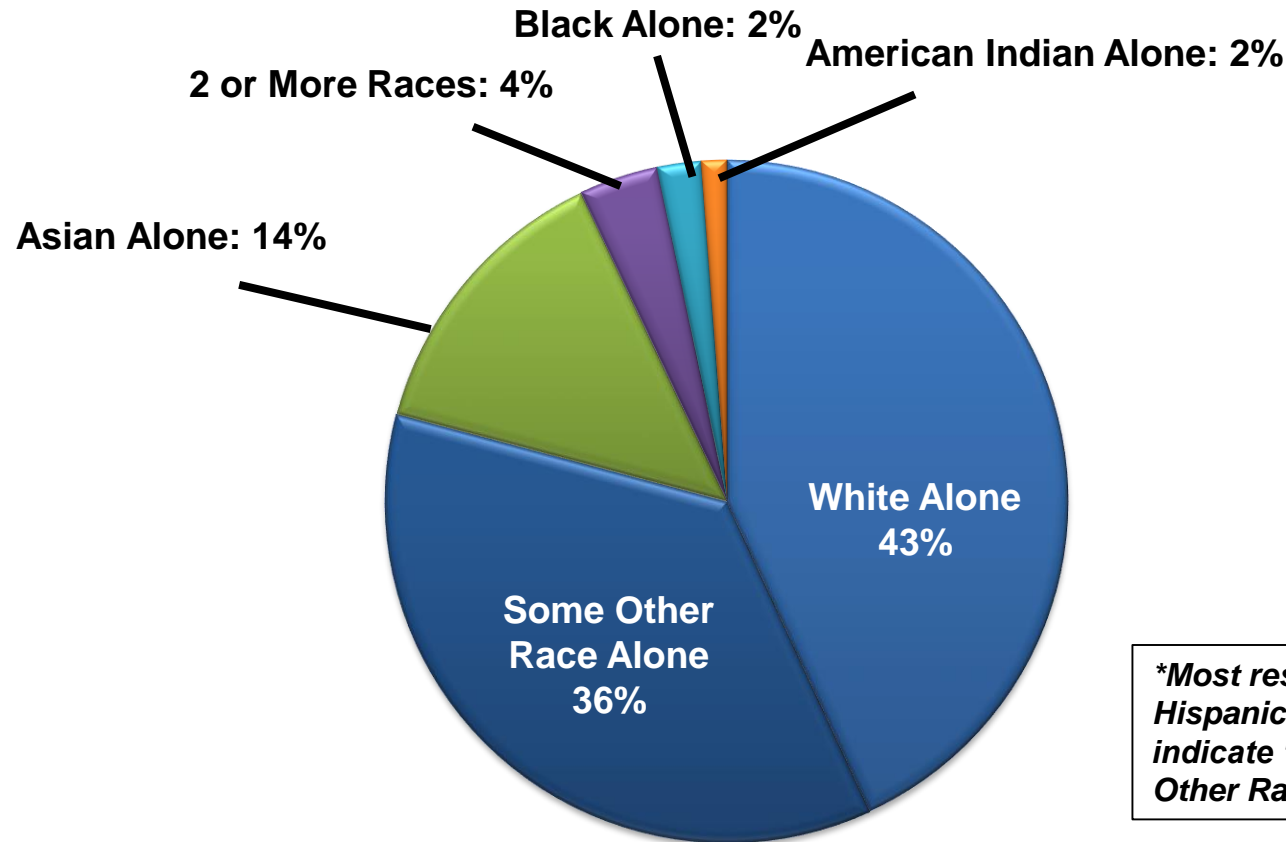


Source: U.S. Census Bureau (2010); ESRI (2015)



# Race & Ethnicity

## City Population by Race & Ethnicity in 2015



*\*Most respondents of Hispanic Origin additionally indicate "White" or "Some Other Race"*

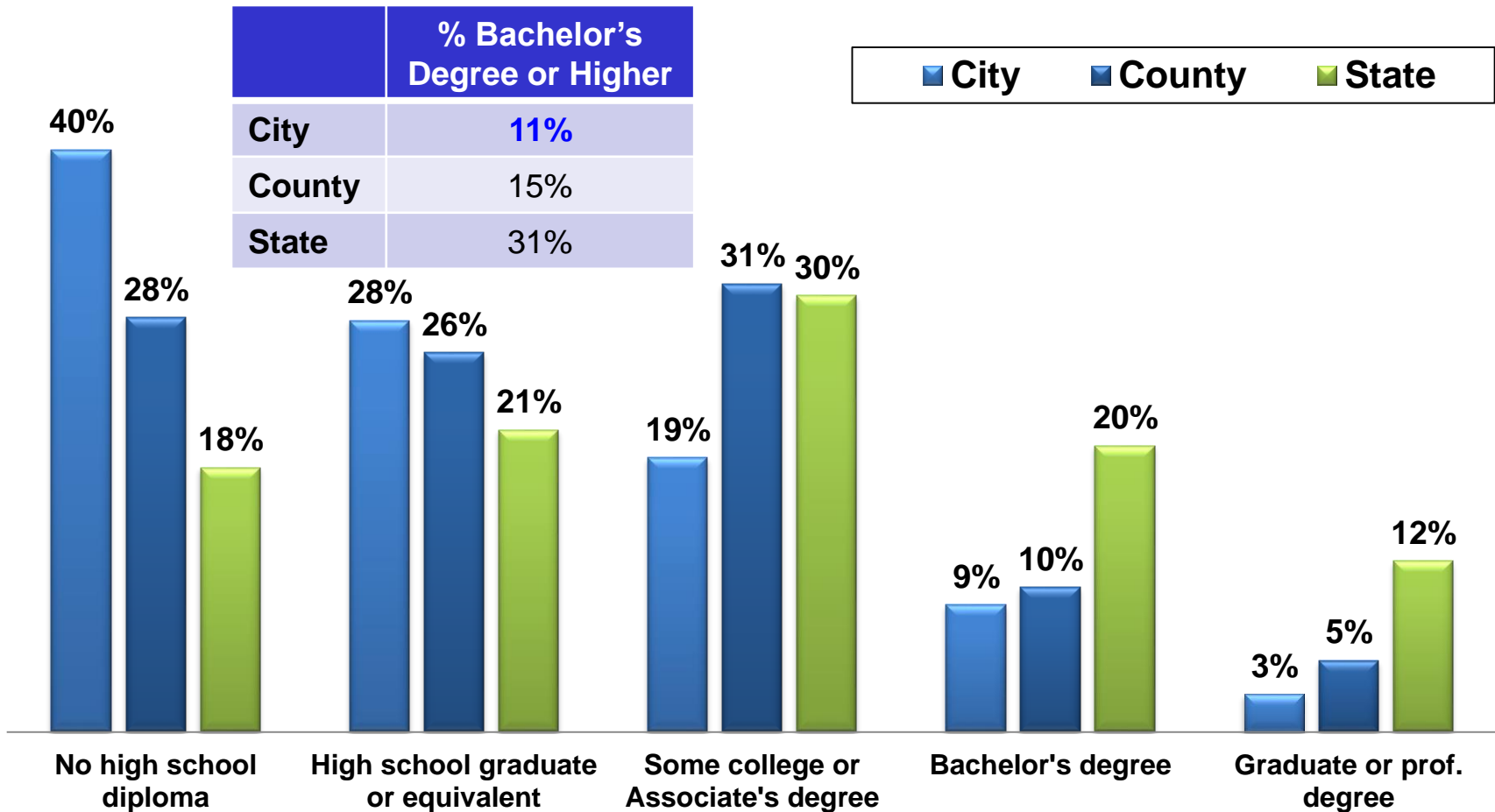
***Hispanic Origin of Any Race: 80.7%***

**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 (2015)

# Educational Attainment

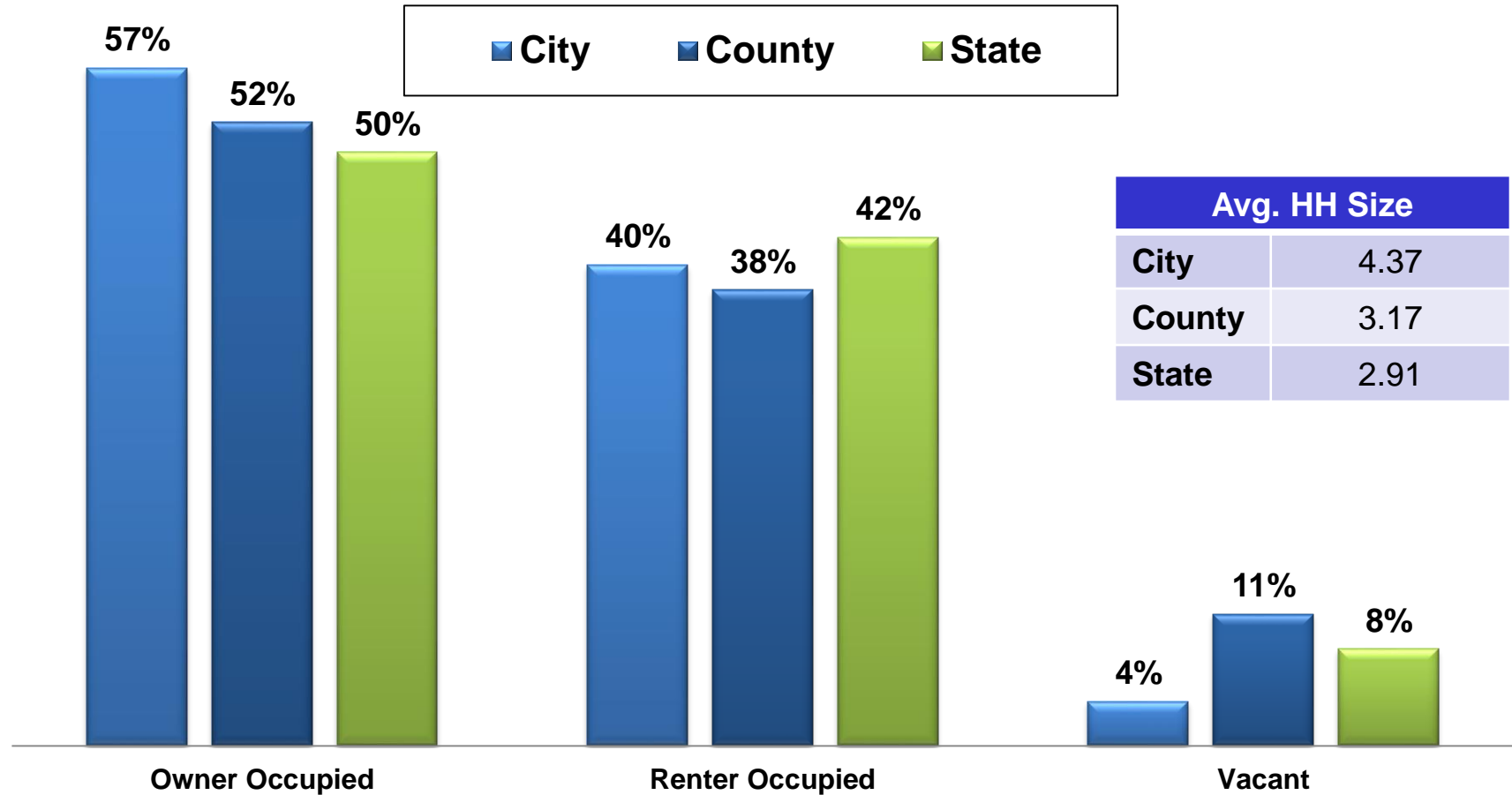
## Population Aged 25+ by Educational Attainment



Source: U.S. Census Bureau (2010); ESRI (2015)

# Housing & Household Size

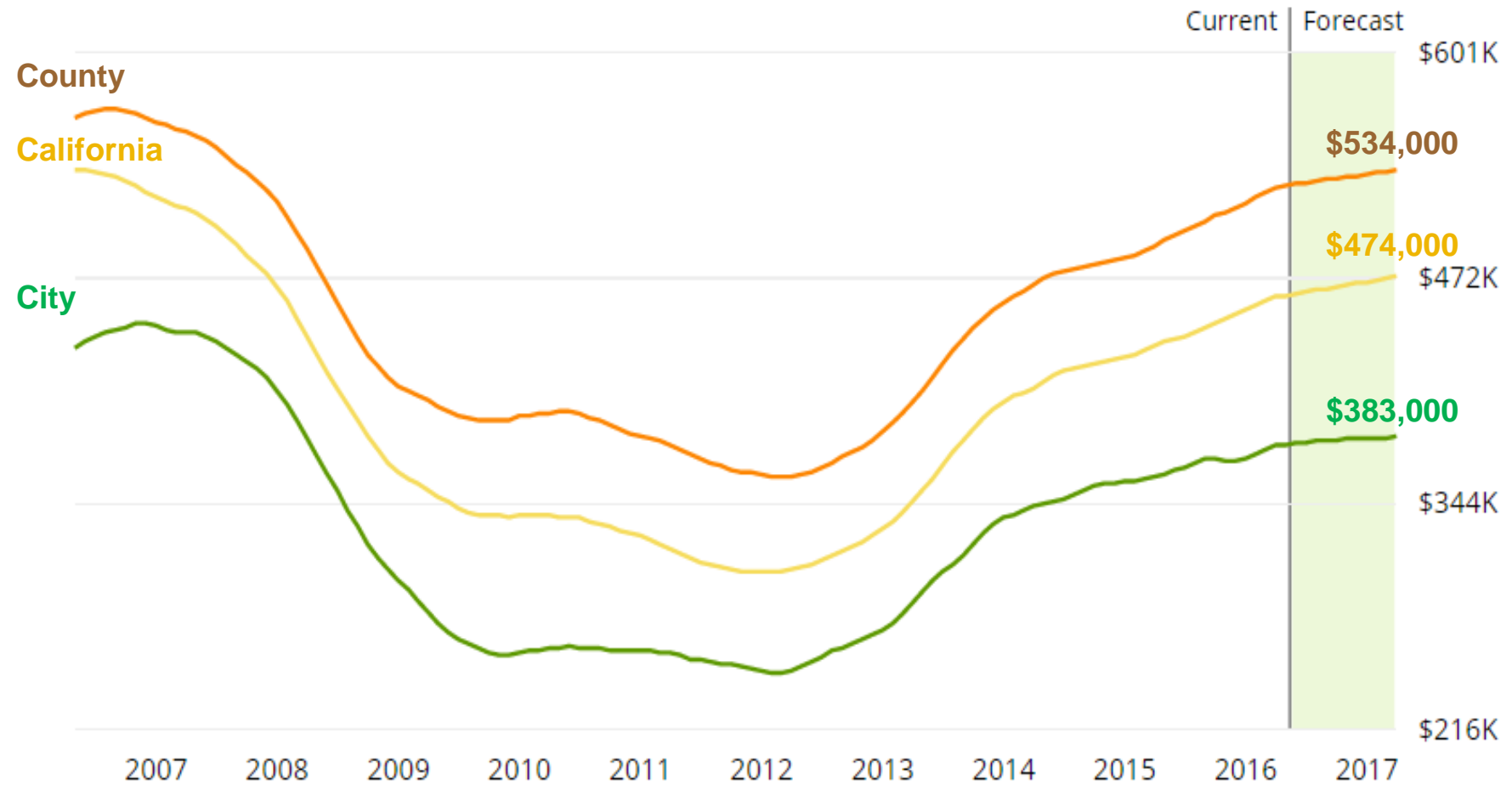
## Housing Breakdown (2015)



Source: U.S. Census Bureau (2010); ESRI (2015)

# Home Value History

## Zillow Home Value Index



# Population Segmentation Profile

“Tapestries” in City		Percent
<b>1. Urban Villages</b>	60%	<ul style="list-style-type: none"> <li>• Hispanic, multigenerational families, Higher HH Size</li> <li>• Financially active, frequent travelers, shop on credit</li> <li>• Favorite stores are Costco and Target</li> <li>• Tech-savvy, spend on leisure, sports, and fashion</li> </ul>
<b>2. Las Casas</b>	35%	<ul style="list-style-type: none"> <li>• Hispanic, foreign-born, large families w/ kids</li> <li>• Young, blue collar, renters, modest spenders</li> <li>• Spend on kids/baby products, fast food</li> <li>• Shop at Ralphps, Vons, am/pm for groceries</li> </ul>
<b>3. Barrios Urbanos</b>	4%	<ul style="list-style-type: none"> <li>• Hispanic, younger families with children, multi-gen</li> <li>• Owner occupied, blue collar, brand conscious</li> <li>• Higher unemployment and spend on necessities</li> <li>• Shop at discount dept. stores and baby/child stores</li> </ul>

Source: ESRI (2015)

# Jobs / Housing Balance

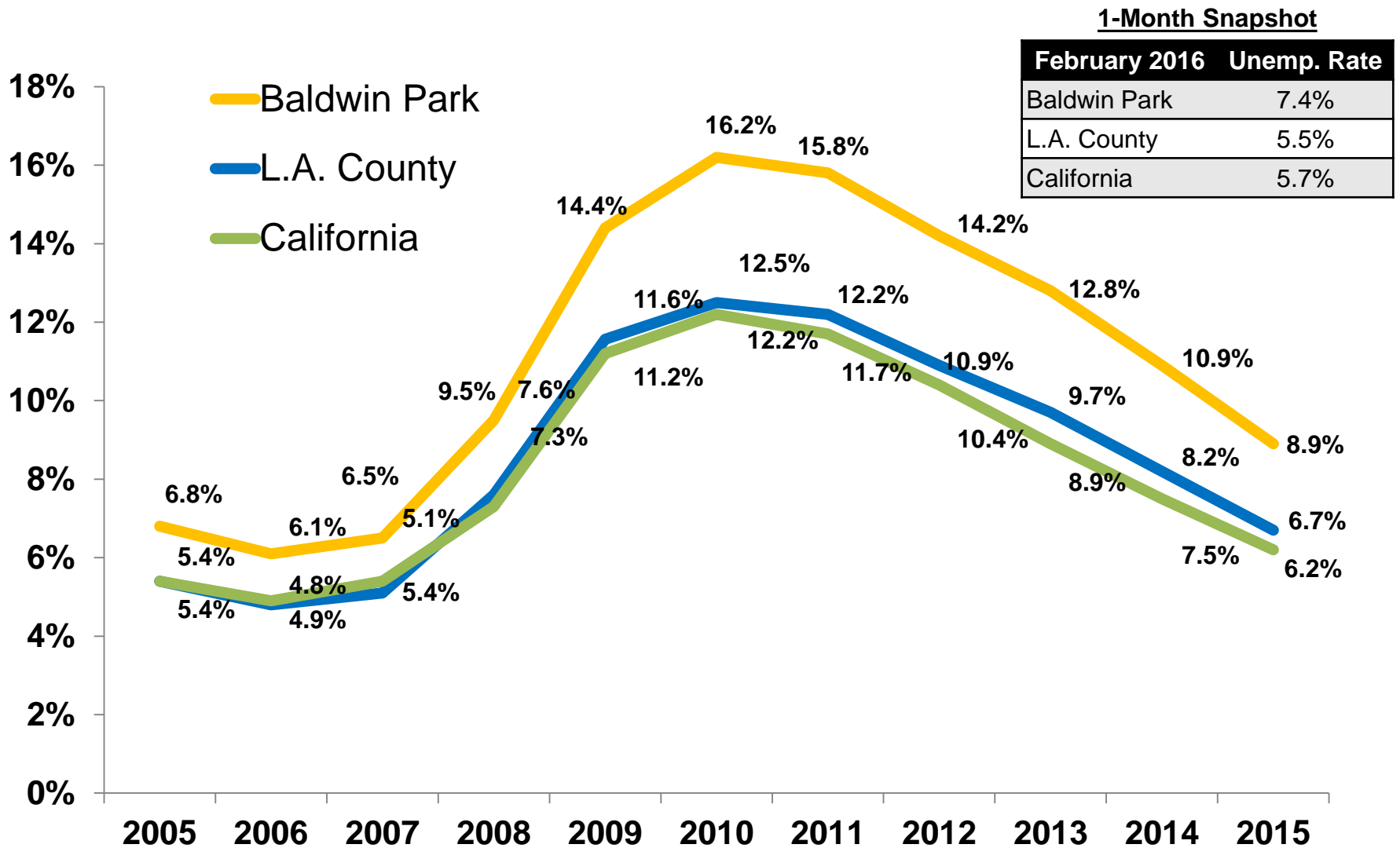
<b>2015</b>	<b>City of Baldwin Park</b>	<b>Los Angeles County</b>	<b>California</b>
Employment	18,815	4,384,224	16,840,429
Households	17,325	3,302,607	12,932,388
<b>Jobs / Housing Ratio</b>	<b>1.08</b>	<b>1.26</b>	<b>1.30</b>

Source: ESRI (2015)

## Economic & Demographic Profile

*Unemployment & Employment by Industry*

# Unemployment



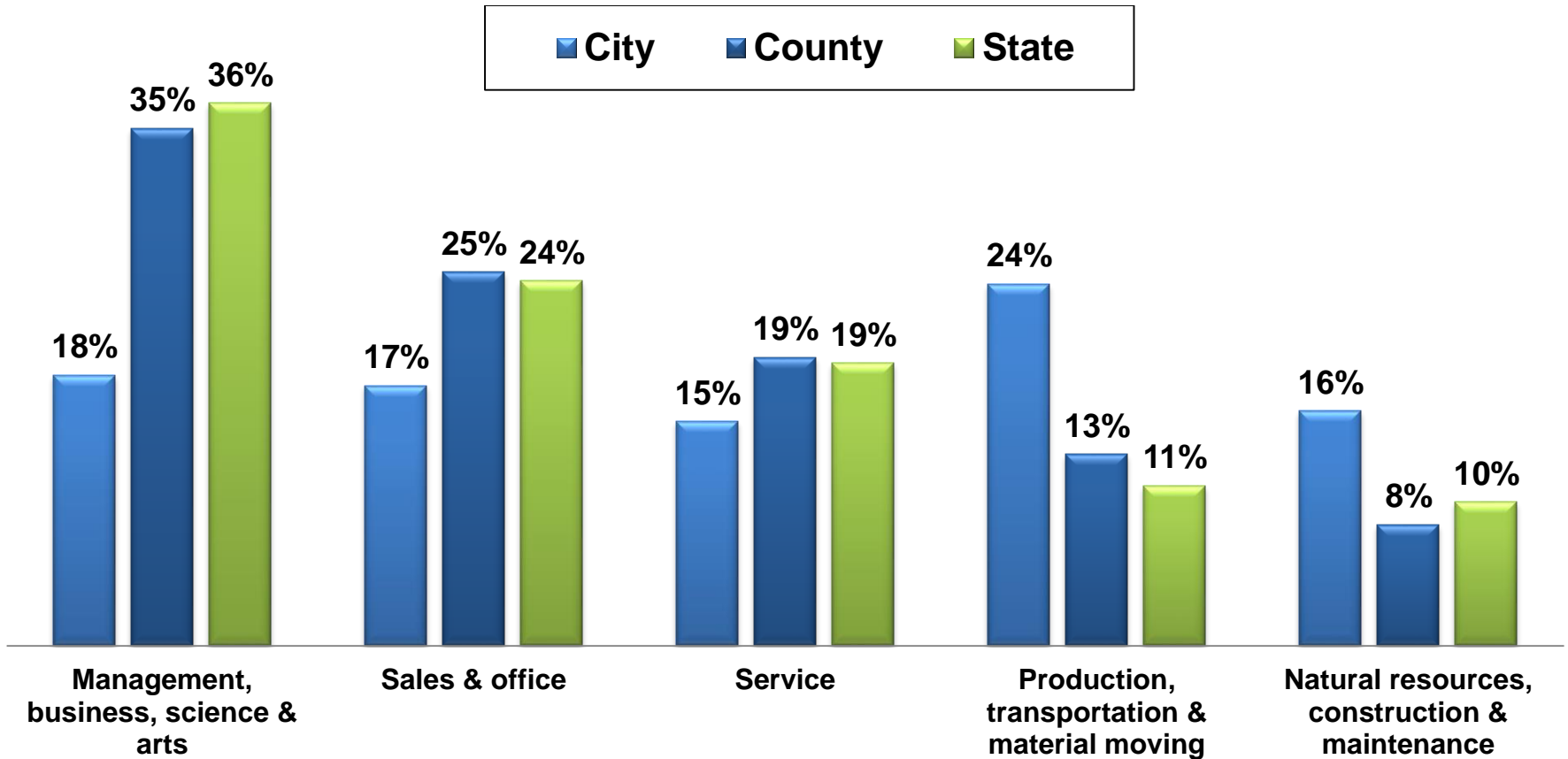
Note: Annual average unemployment rate; not seasonally adjusted

Source: California Employment Development Department, U.S. Bureau of Labor Statistics (2013)



# Resident Employment by Occupation

Civilian Employed Population Age 16+ by Occupation



Source: U.S. Census Bureau (2010); ESRI (2015)

# Employment by Industry

## City Resident Employed Population (Age 16+)

Healthcare and Social Assistance	16.0%
Manufacturing	12.2%
Retail Trade	11.9%
Accommodation & food services	9.6%
Waste Mgmt and Remediation	8.0%
Education Services	7.1%
Wholesale Trade	6.5%
Construction	4.3%
Professional, scientific, & tech. services	3.7%
Transportation and Warehousing	3.7%
Public Administration	3.4%
Other Services except public admin.	3.2%
Finance and Insurance	2.9%
Information	1.8%
Arts, Entertainment, and Recreation	1.5%
Management of companies & enterprises	1.5%
Real Estate and Rental and Leasing	1.2%
Agriculture, forestry, fishing & hunting	0.8%
Utilities	0.6%
Mining, quarrying, oil & gas extraction	0.1%

*“Industries in which City residents work”*

## Workers Employed within City

Health Care and Social Assistance	32.7%
Educational Services	11.9%
Retail Trade	10.6%
Transportation and Warehousing	8.5%
Manufacturing	8.1%
Waste Mgmt and Remediation	6.9%
Accommodation and Food Services	6.6%
Wholesale Trade	4.2%
Construction	3.1%
Public Administration	1.8%
Finance and Insurance	1.6%
Professional, scientific, & tech. services	1.6%
Other Services except public admin	1.1%
Information	0.6%
Real Estate and Rental and Leasing	0.3%
Utilities	0.2%
Management of companies & enterprises	0.1%
Agriculture, Forestry, Fishing and Hunting	0.0%
Mining, Quarrying, and Oil	0.0%
Arts, Entertainment, and Recreation	0.0%

*“Jobs in the City”*

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

# Select Major Employers within the City

<i>(Listed alphabetically)</i>
Baldwin Park Unified School District
City of Baldwin Park
Durham School Services
Esther Syder Community Center
Freudenberg/Helix Medical
Golden State Care
Kaiser Permanente
Los Angeles County
Option Child Care
Soledad Foundation
Southland Transit Inc.
Target
The Home Depot
UPM Plastic Molding
Walmart Supercenter

Source: (Based on HDL Report Q4 2015); ESRI 2015

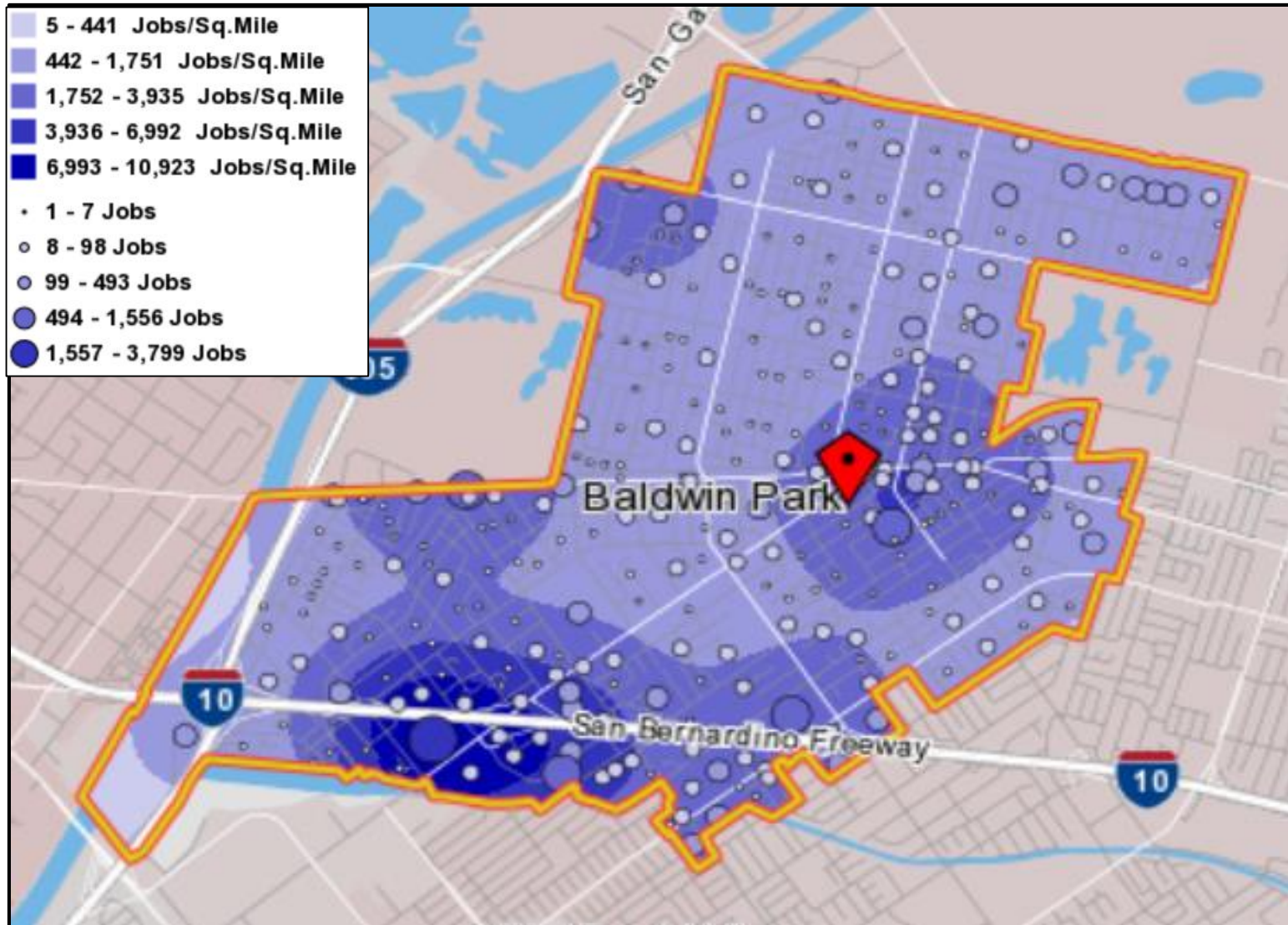
# Resident Concentration Within City



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 Resident Place of Work	
Los Angeles	12.5%
Baldwin Park	7.8%
Industry	5.1%
El Monte	3.2%
Irwindale	3.1%
Pasadena	3.1%
West Covina	3.1%
Covina	2.0%
Arcadia	1.9%
South El Monte	1.7%
Monrovia	1.5%
Pomona	1.4%
Santa Fe Springs	1.3%
Monterey Park	1.3%
Azusa	1.3%
Anaheim	1.2%
Alhambra	1.2%
Commerce	1.2%
Rosemead	1.2%
Ontario	1.2%
Other	44.8%

*“Where City residents work”*

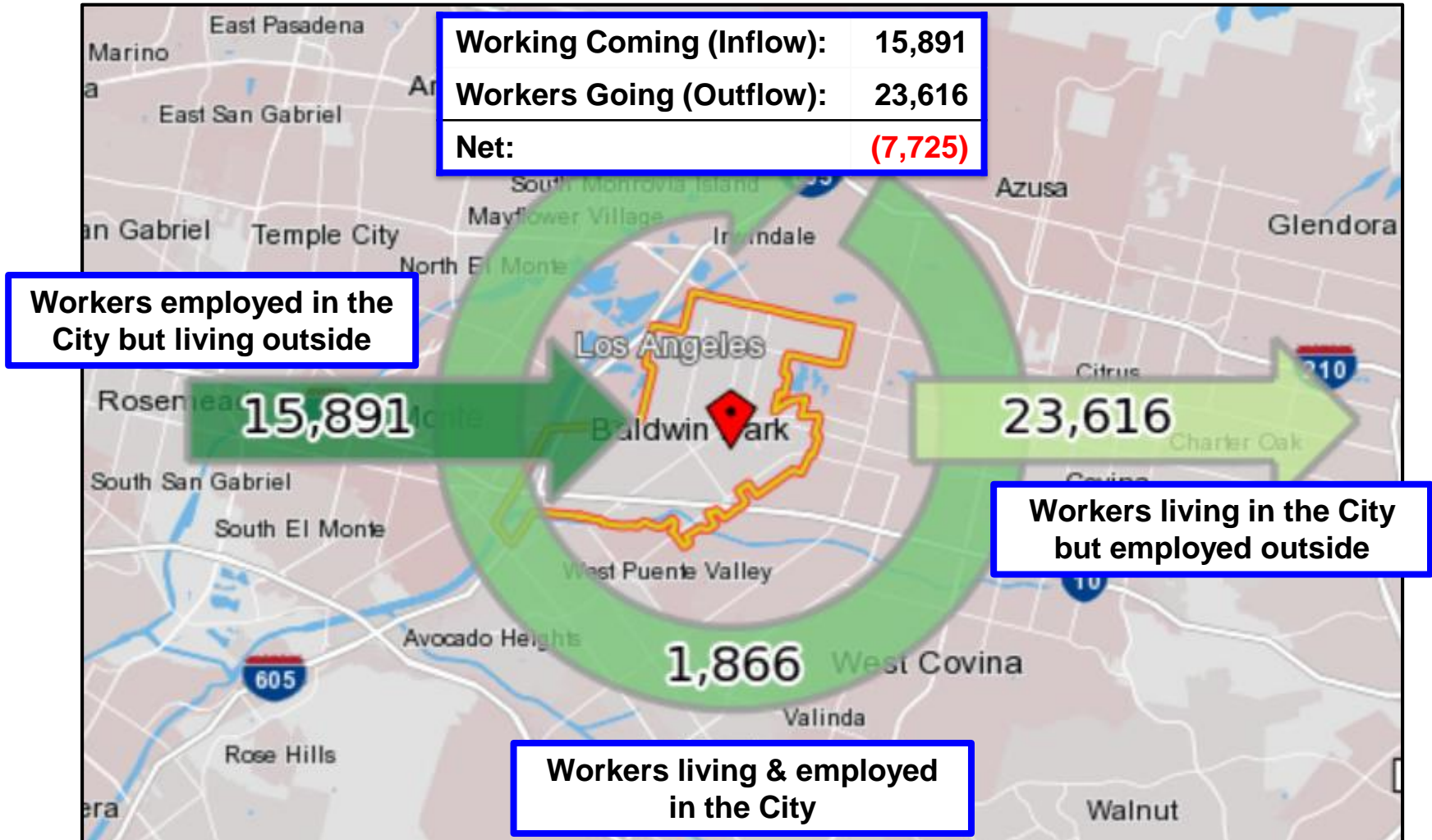
City Employee Origin	
Baldwin Park	11.2%
Los Angeles	7.1%
West Covina	4.2%
El Monte	2.7%
Pomona	2.1%
Covina	1.9%
Anaheim	1.5%
Ontario	1.4%
Rancho Cucamonga	1.4%
Azusa	1.3%
La Puente	1.3%
Fontana	1.3%
Glendora	1.3%
West Puente Valley CDP	1.3%
Pasadena	1.2%
Alhambra	1.1%
Hacienda Heights CDP	1.1%
Whittier	1.0%
Arcadia	1.0%
Long Beach	0.9%
Other	52.5%

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

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

# Worker Inflow / Outflow

*“Are jobs coming or going?”*



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







# Summary: Demographics and Employment

- Relatively young, Hispanic population; larger than average HH size
- Higher unemployment compared to County and State, with most workers in the city employed in healthcare and social assistance, manufacturing, retail trade, and, educational services, manufacturing, and accommodations & food service
- Most residents are employed in Los Angeles, Baldwin Park, Industry and other cities

## Market Demand Analysis

*Retail Supply, Vacancy & Lease Rates*

# Retail Supply, Vacancy & Lease Rates

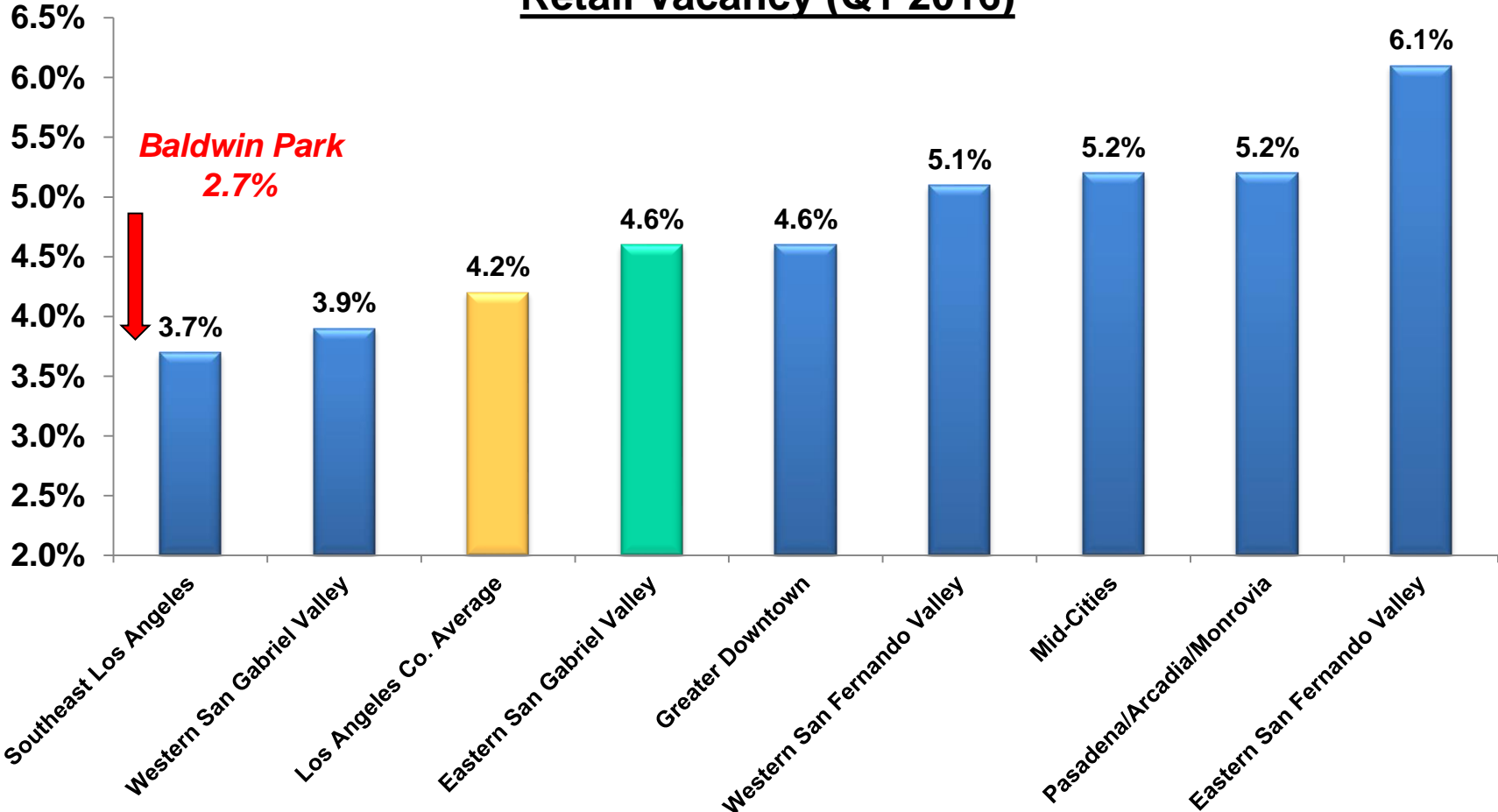
- Supply, vacancy, and lease rates for retail uses are compared between major Los Angeles County markets
- Baldwin Park falls within the Eastern San Gabriel market area (as defined by CoStar)
- Retail vacancy within the Eastern San Gabriel Valley market is estimated **below** the Los Angeles County average
- Retail lease rates within the Baldwin Park market are estimated **below** the Southern California average

# Trade Area



# Retail Vacancy by Los Angeles County Submarket

## Retail Vacancy (Q1 2016)



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

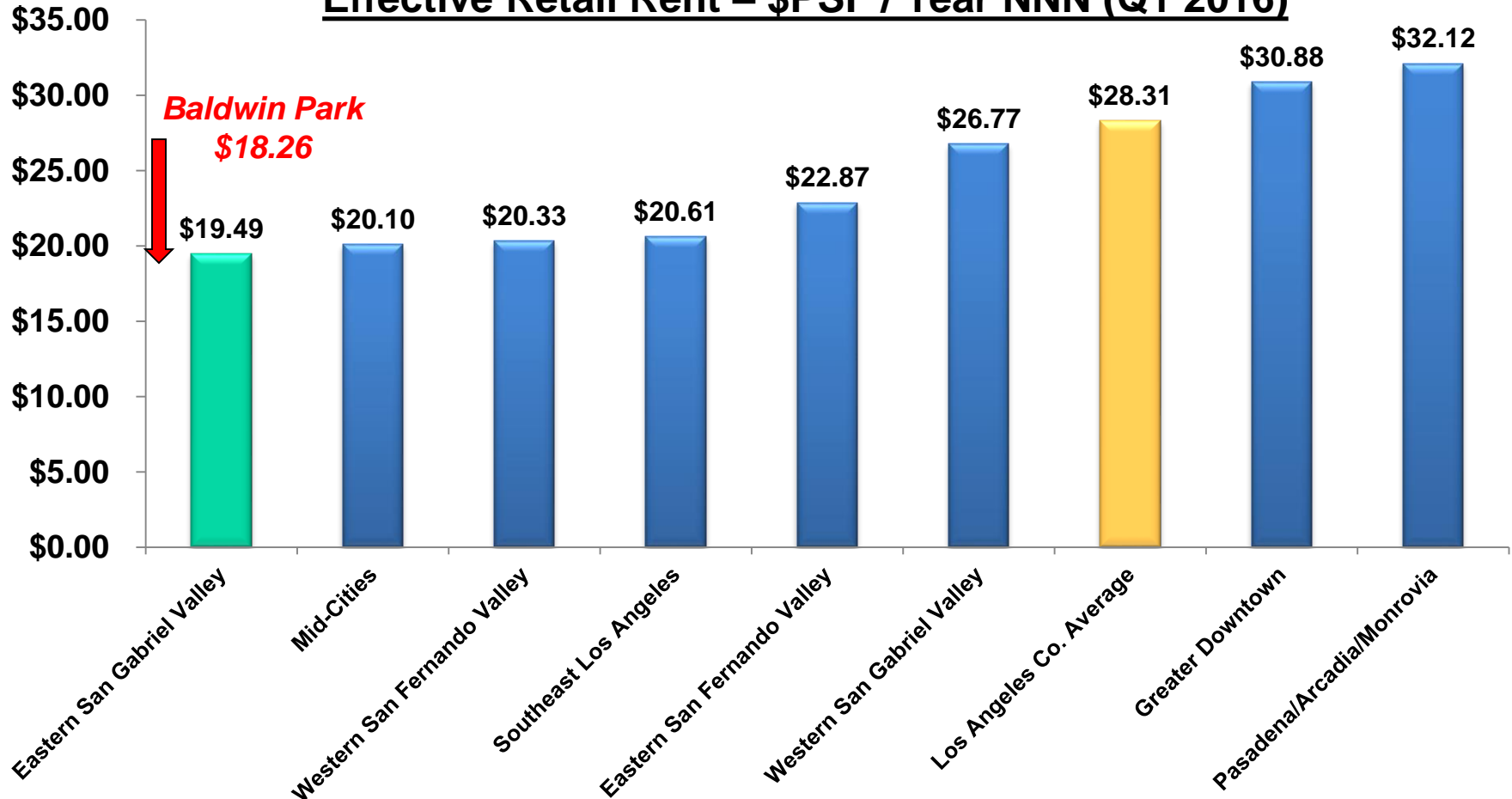
19.2	19.1	427.8	41.7	24.2	15.4	47.3	20.5	20.1
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Note: CoStar includes Baldwin Park in the Eastern SGV submarket for retail; Baldwin Park Market = 1.8 M sq.ft.



# Retail Lease Rates by Los Angeles County Submarket

## Effective Retail Rent – \$PSF / Year NNN (Q1 2016)



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

41.7	47.3	15.4	19.2	20.1	19.1	427.8	24.2	20.5
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**Note:** CoStar includes Baldwin Park in the Eastern SGV submarket for retail; Baldwin Park Market = 1.8 M sq.ft.

# Eastern San Gabriel Valley Market Detail

## *By Retail Subcategory*

Retail Type	# Bldgs	G.L.A.	Vacancy	Asking NNN Rates
General Retail	2,126	14.3M SF	2.7%	\$20.60
Mall	2 Centers	2.9M SF	0.0	\$33.00
Power Center	7 Centers	2.6M SF	2.0%	\$12.10
Shopping Center	441 Centers	21.9M SF	6.7%	\$19.94
<b>Total Retail</b>	<b>3,375</b>	<b>41.7M SF</b>	<b>4.6%</b>	<b>\$19.49</b>

G.L.A. = Gross Leasable Area

Source: CoStar Property (Q1 2016)

# Market Demand Analysis

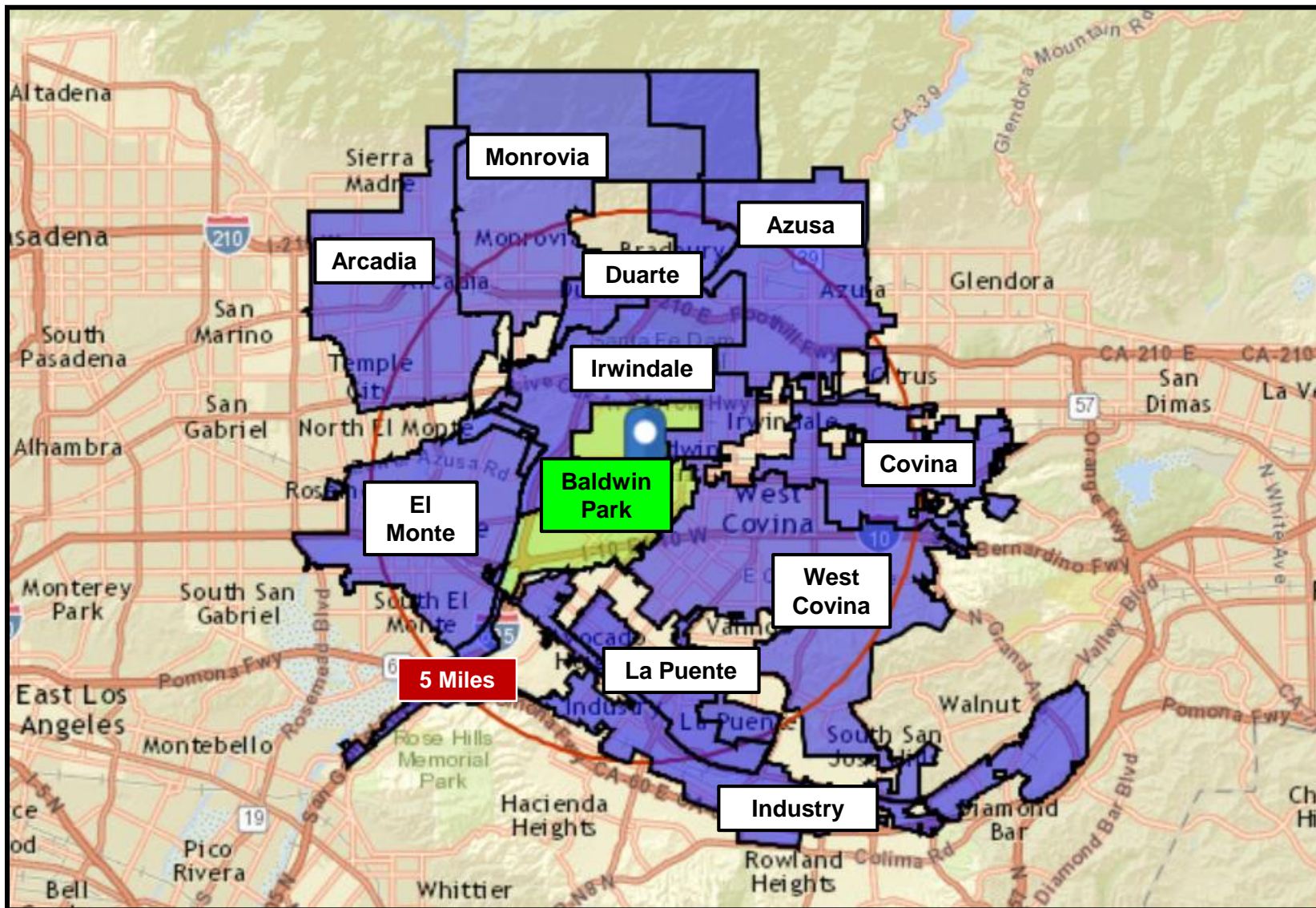
*Retail Sales Performance*



# 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 (~\$7,447) is below average when compared to other Los Angeles County cities and the overall County average (~\$14,832)
- Higher performing sales categories include building materials, equipment and supplies stores, departments stores, auto parts stores and general merchandise store sales
- Lower performing retail categories include motor vehicle dealers, furniture & home furnishings stores, clothing & accessories stores, sporting goods and hobby stores, and gasoline stations.

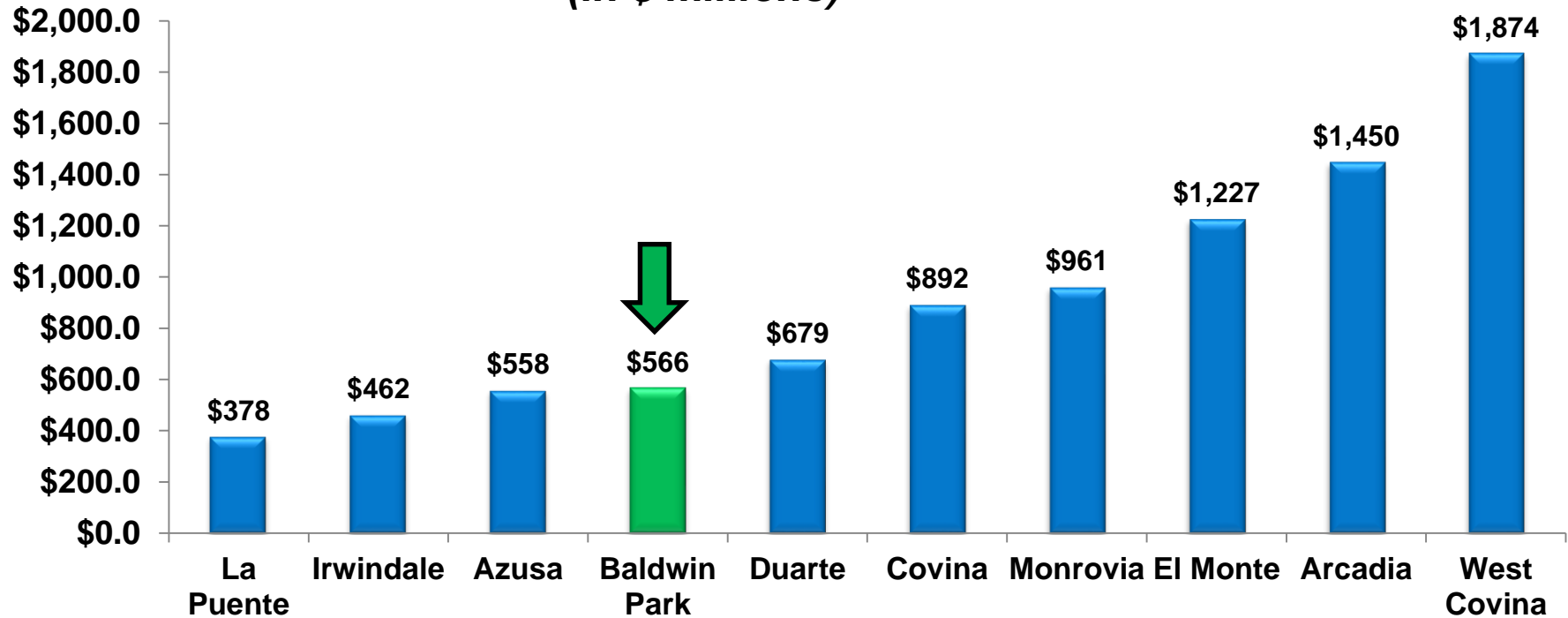
# Baldwin Park & Comparison Cities



# Retail Sales Comparison

## Baldwin Park & Comparison Regions

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

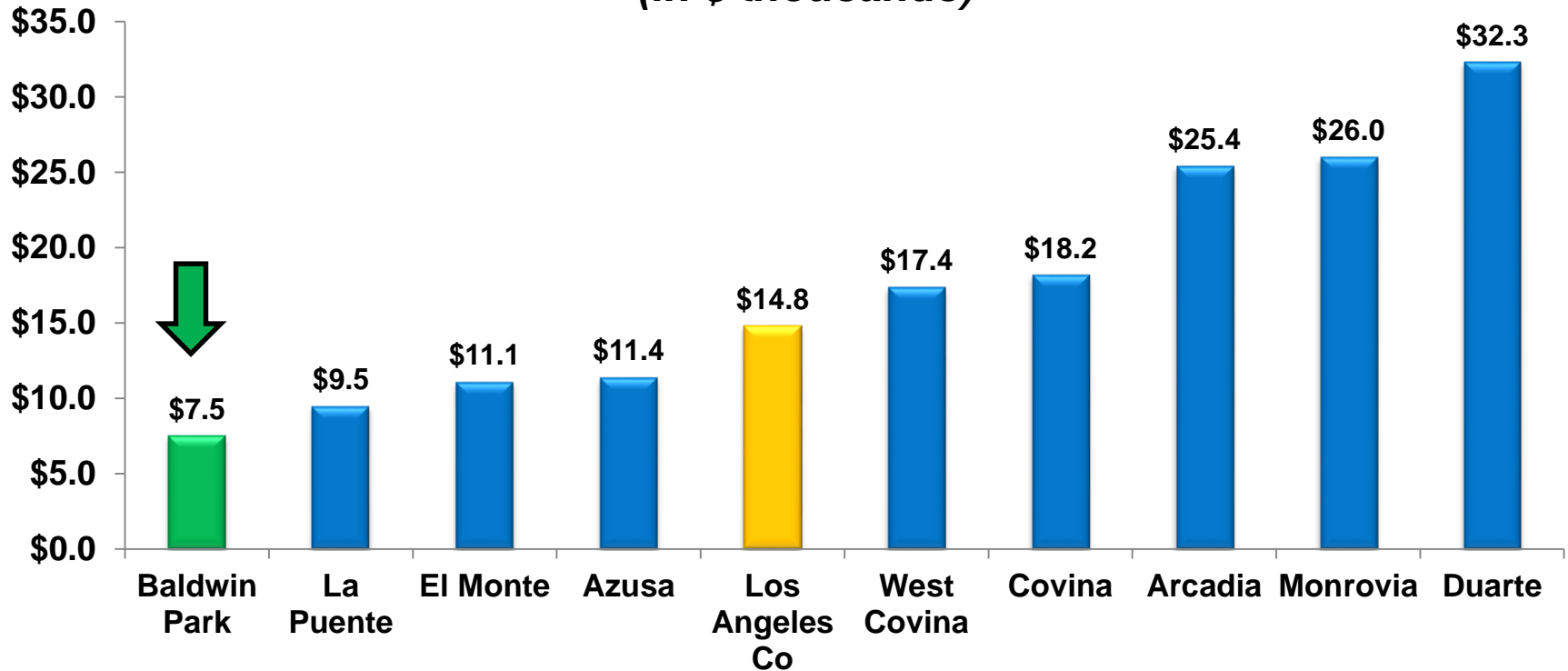


2015 Population (000s):

40	1	49	76	21	49	37	115	57	108
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# Per Capita Retail Sales Baldwin Park & Comparison Regions

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



2015 Population (000s):

76	40	115	49	10,022	108	49	57	37	21
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# 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	Baldwin Park	Arcadia	Azusa	Covina	El Monte	La Puente	Monrovia	West Covina	Duarte	Los Angeles Co	City of Los Angeles
<b>Shopper Goods (GAFO):</b>											
Clothing & Accessories Stores	\$181	\$3,342	\$143	\$382	\$708	\$597	\$519	\$1,494	\$260	\$1,303	\$1,480
General Merchandise Stores	\$1,823	\$3,796	\$4,912	\$2,006	\$829	\$701	\$1,472	\$3,187	\$5,272	\$1,916	\$1,307
Furniture & Home Stores	\$62	\$268	\$420	\$419	\$262	\$529	\$1,646	\$701	\$191	\$464	\$360
Health & Personal Care Stores	\$435	\$2,088	\$530	\$1,418	\$537	\$1,090	\$1,117	\$797	\$537	\$850	\$973
Sporting Goods, Hobby, Book Stores	\$134	\$816	\$191	\$404	\$139	\$174	\$508	\$371	\$95	\$403	\$352
Electronics & Appliance Stores	\$400	\$603	\$133	\$954	\$381	\$391	\$1,743	\$410	\$1,437	\$794	\$720
Miscellaneous Store Retailers	\$901	\$614	\$351	\$924	\$524	\$218	\$686	\$470	\$316	\$655	\$649
<b>Total GAFO</b>	<b>\$3,938</b>	<b>\$11,527</b>	<b>\$6,680</b>	<b>\$6,507</b>	<b>\$3,381</b>	<b>\$3,700</b>	<b>\$7,692</b>	<b>\$7,429</b>	<b>\$8,107</b>	<b>\$6,384</b>	<b>\$5,840</b>
<b>Convenience Goods:</b>											
Food & Beverage Stores	\$1,234	\$3,500	\$1,103	\$2,916	\$1,749	\$2,297	\$3,465	\$1,737	\$1,594	\$2,406	\$2,239
Food Services & Drinking Places (Restaurants)	\$888	\$2,548	\$1,059	\$2,059	\$835	\$1,322	\$2,411	\$1,576	\$1,512	\$1,585	\$1,571
<b>Total Convenience</b>	<b>\$2,122</b>	<b>\$6,048</b>	<b>\$2,162</b>	<b>\$4,975</b>	<b>\$2,584</b>	<b>\$3,619</b>	<b>\$5,876</b>	<b>\$3,313</b>	<b>\$3,106</b>	<b>\$3,991</b>	<b>\$3,810</b>
<b>Heavy Commercial:</b>											
Bldg Materials, Garden Equip. Stores	\$646	\$153	\$626	\$997	\$330	\$240	\$1,680	\$174	\$626	\$524	\$464
Motor Vehicle & Parts Dealers	\$331	\$7,034	\$847	\$5,366	\$4,220	\$1,623	\$9,673	\$5,972	\$18,581	\$3,067	\$2,469
Gasoline Stations	\$321	\$700	\$763	\$438	\$422	\$239	\$856	\$409	\$765	\$606	\$563
<b>Total Heavy Commercial</b>	<b>\$1,298</b>	<b>\$7,887</b>	<b>\$2,236</b>	<b>\$6,801</b>	<b>\$4,972</b>	<b>\$2,102</b>	<b>\$12,209</b>	<b>\$6,556</b>	<b>\$19,972</b>	<b>\$4,197</b>	<b>\$3,495</b>
Non-store Retailers	\$89	\$70	\$355	\$19	\$195	\$0	\$189	\$61	\$448	\$261	\$261
<b>Total Retail</b>	<b>\$7,447</b>	<b>\$25,532</b>	<b>\$11,433</b>	<b>\$18,303</b>	<b>\$11,132</b>	<b>\$9,421</b>	<b>\$25,967</b>	<b>\$17,359</b>	<b>\$31,633</b>	<b>\$14,832</b>	<b>\$13,406</b>

Key:  Indicates higher value for Baldwin Park

Indicates lower value for Baldwin Park



# Market Demand Analysis

*Retail Sales Surplus / Leakage*

# Retail Sales Surplus / Leakage

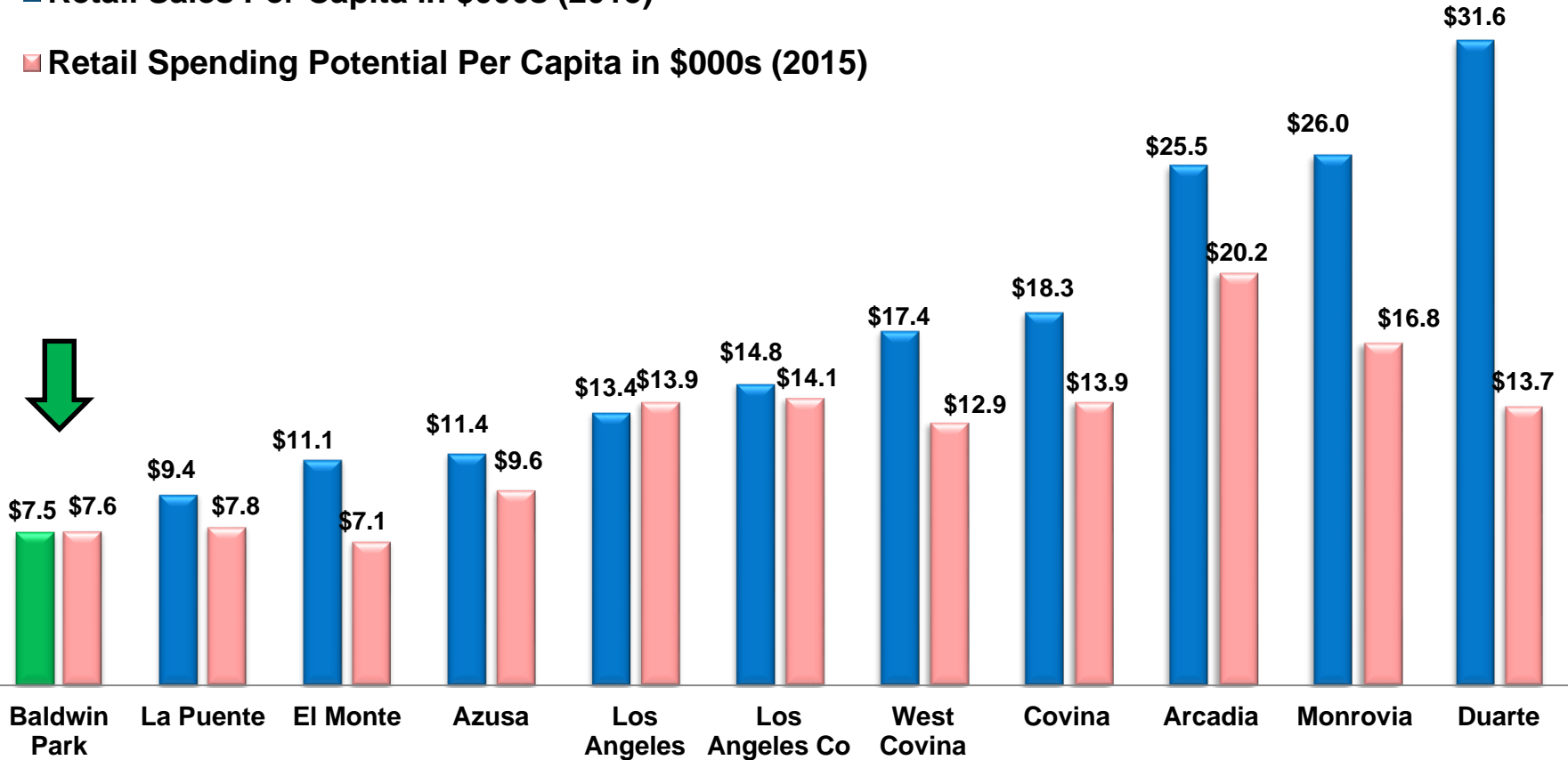
- Overall retail sales in the City are **lower** than retail spending potential based on households and average household income, suggesting that, overall, the City is likely not capturing a significant portion of Baldwin Park resident retail purchases and additionally capturing retail spending by residents of other cities (i.e. sales **leakage**)
- Certain categories, however, are exhibiting a retail sales surplus, including:
  - General Merchandise Stores
  - Miscellaneous Store Retailers
  - Food Service & Drinking Places (Restaurants)
  - Building Materials, Garden Equipment & Supply 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:

(\$0.2K)	\$1.6K	\$4.0K	\$1.9K	\$1.2K	\$0.7K	\$4.5K	\$4.4K	\$5.3K	\$9.2K	\$18.0K
(\$13M)	\$63M	\$464M	\$90M	\$62M	\$7,428M	\$482M	\$215M	\$300M	\$340M	\$385M
(2%)	20%	57%	19%	31%	5%	35%	32%	26%	55%	131%

**Note:** Spending potential based on number of households, average household income, and estimated percentage of income spent on retail goods and services

# Retail Sales Surplus / Leakage by Category

## City of Baldwin Park

Retail Category	Retail Spending Potential	Retail Sales	Retail Surplus/ (Leakage)	Percent Surplus/ (Leakage)
<b><i>Shopper Goods (GAFO):</i></b>				
Clothing & Clothing Accessories Stores	36,961,977	13,792,014	(\$23,169,963)	(62.7%)
General Merchandise Stores	81,457,313	138,647,681	\$57,190,368	70.2%
Furniture & Home Furnishings Stores	16,798,727	4,733,647	(\$12,065,080)	(71.8%)
Health & Personal Care Stores	33,218,433	33,116,508	(\$101,925)	(0.3%)
Sporting Goods, Hobby, Book & Music Stores	16,052,587	10,208,809	(\$5,843,778)	(36.4%)
Electronics & Appliance Stores	28,808,524	30,422,886	\$1,614,362	5.6%
Miscellaneous Store Retailers	25,877,725	68,557,143	\$42,679,418	164.9%
<b>Subtotal – GAFO</b>	<b>\$239,175,286</b>	<b>\$299,478,688</b>	<b>\$60,303,402</b>	<b>25.2%</b>
<b><i>Convenience Goods:</i></b>				
Food & Beverage Stores (Grocery)	102,139,069	93,878,087	(\$8,260,982)	(8.1%)
Food Services & Drinking Places (Restaurants)	56,610,153	67,523,510	\$10,913,357	19.3%
<b>Subtotal – Convenience</b>	<b>\$158,749,222</b>	<b>\$161,401,597</b>	<b>\$2,652,375</b>	<b>1.7%</b>
<b><i>Heavy Commercial Goods:</i></b>				
Bldg Materials, Garden Equip. & Supply Stores	26,053,855	49,120,732	\$23,066,877	88.5%
Motor Vehicle & Parts Dealers	111,364,728	25,180,150	(\$86,184,578)	(77.4%)
Gasoline Stations	31,205,714	24,417,081	(\$6,788,633)	(21.8%)
<b>Subtotal – Heavy Commercial</b>	<b>\$168,624,297</b>	<b>\$98,717,963</b>	<b>(\$69,906,334)</b>	<b>(41.5%)</b>
Non-store Retailers	12,585,727	6,766,967	(\$5,818,760)	(46.2%)
<b>Total Retail</b>	<b>\$579,134,532</b>	<b>\$566,365,215</b>	<b>(\$12,769,317)</b>	<b>(2.2%)</b>

# Retail Sales Leakage Categories and Supportable SF

Retail Sales Leakage Categories	Retail Sales Leakage	Estimated Sales PSF	Estimated Supportable SF
Clothing & Clothing Accessories Stores	(\$23,169,963)	\$300	77,233 SF
Furniture & Home Furnishings	(\$12,065,080)	\$300	40,216 SF
Sporting Goods, Hobby, Book & Music Stores	(\$5,843,778)	\$300	19,479 SF
Food & Beverage Stores (Grocery)	(\$8,260,982)	\$400	20,652 SF
Gas Stations	(\$6,788,633)	\$800	8,485 SF
Motor Vehicle & Parts Dealers	(\$86,184,578)	\$1,200	71,820 SF
<b>Total Sales Leakage Categories</b>	<b>(\$142,313,014)</b>		<b>237,885 SF</b>

- ~237,885 SF of retail supported by existing sales leakage
- Does not account for existing retail vacancy within the City estimated to be ~50,000 SF

# Surplus/Leakage Summary by Category

## Surplus Retail Categories

- General Merchandise Stores
- Electronics & Appliances Stores
- Miscellaneous Retail Stores
- Food Services & Drinking Places
- Bldg. Materials, Garden Equip. & Supply

## Leakage Retail Categories

- Clothing & Clothing Accessories Stores
- Furniture & Home Furnishings Stores
- Health & Personal Care Stores
- Sporting Goods, Hobby, Book & Music Stores
- Food & Beverage Stores
- Motor Vehicle & Parts Dealers
- Gasoline Stations
- Nonstore Retailers



## 2. Strategy

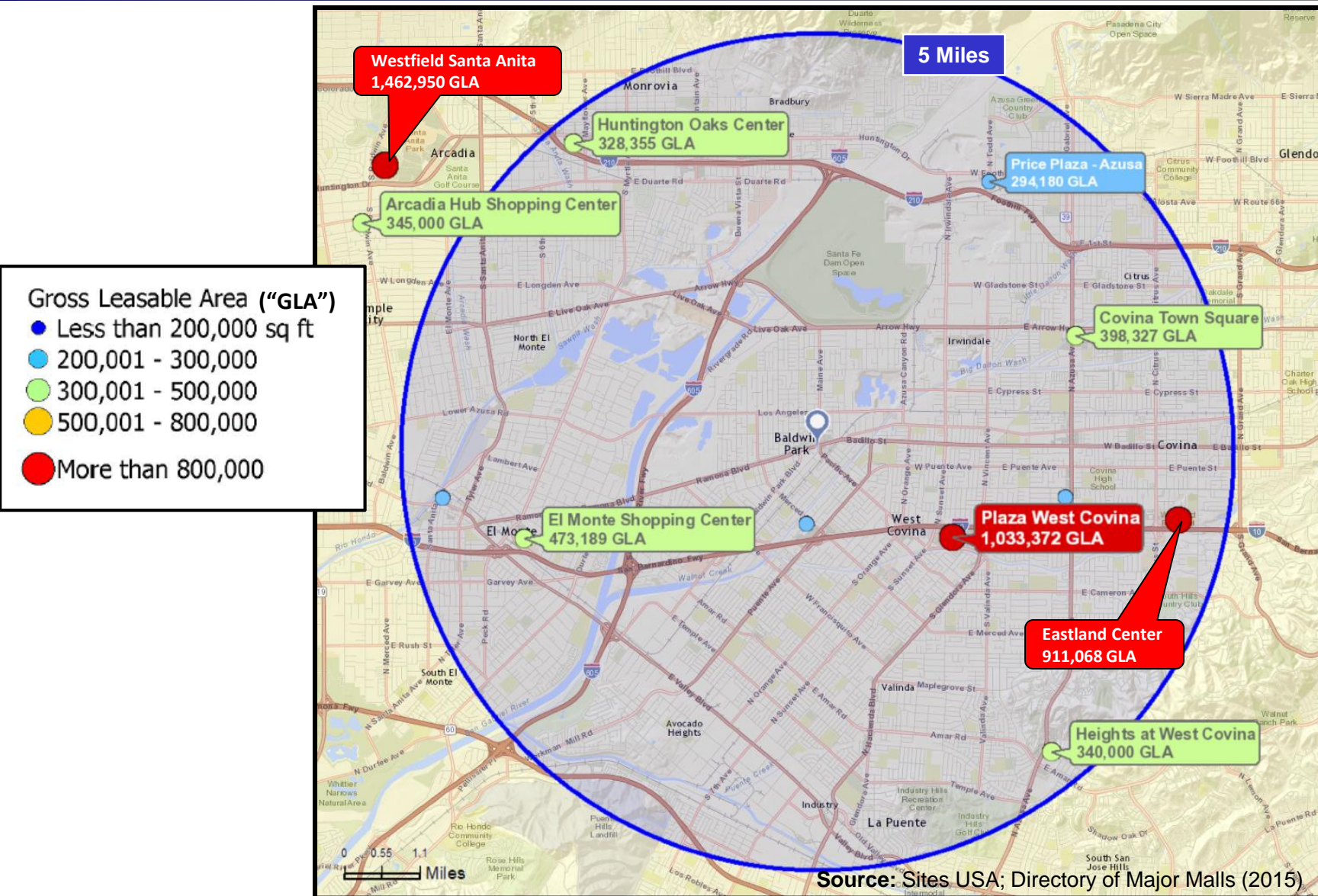
- a) Trade Area Retailer Voids
- b) Opportunity Site Assessment

# Trade Area Retailer Voids

# Summary: Retailer Voids

- Retailer voids were evaluated for all major retail categories within the City and larger trade area
- Does not account for potential compatibility between trade area characteristics and retailer demographic preferences, as well as current retailer expansion activity evaluated later
- Potential voids include clothing and apparel stores, discount department stores, grocery, and others

# Major Shopping Center Map Baldwin Park Trade Area (5 miles)



# National Retailer Voids

*(within City Limits)*

## Auto Parts Tires

AAMCO  
America's Tire  
Big O Tires  
CARQUEST  
Goodyear  
Honest-1  
Jiffy Lube  
Midas  
NAPA  
Pep Boys  
Quick Lane

## Banks

AmericanWest Bank  
Citibank  
Comerica Bank  
Compass Bank  
East West Bank  
First-Citizens Bank & Trust  
Company  
First Bank  
HSBC  
M&T Bank  
Umpqua Bank  
Union Bank  
Zions First National Bank

## Clothing Apparel

Abercrombie & Fitch  
Aeropostale  
American Eagle Outfitters

Ann Taylor  
Ann Taylor Factory  
Ann Taylor Loft  
Ann Taylor Loft Outlet  
Anthropologie  
Avenue  
Banana Republic  
BCBG Max Azria  
bebe  
Buckle  
Catherines  
Charlotte Russe  
Chico's  
Citi Trends  
dd's Discounts  
Dress Barn  
Express  
Forever 21  
Fossil  
Gap

H&M  
Hollister Co.  
J. Crew  
J. Jill  
Jos. A. Bank  
Justice  
Lane Bryant  
Last Call  
Lucky Brand Jeans  
Men's Warehouse  
New York & Company  
Nordstrom Rack

Old Navy  
PacSun  
Rainbow  
Rue21  
Saks OFF 5TH  
Talbots  
The Childrens Place  
The Limited  
Tilly's  
Urban Outfitters  
Victoria's Secret  
Wet Seal  
White House | Black Market

## Computers Electronic

Apple Store  
Best Buy  
Fry's Electronics  
Radio Shack

## Convenience Stores

ARCO AmPm  
Exxon  
Sinclair  
Sunoco  
Texaco

## Craft Fabric Stores

Aaron Brothers  
Hobby Lobby  
Jo-Ann  
Michaels

## Department Stores

Barneys New York  
Bloomingdale's  
Dillard's  
JCPenney  
Macy's  
Neiman Marcus  
Nordstrom  
Saks Fifth Avenue

## Discount Department Stores

Babies R Us  
Burlington Coat Factory  
David's Bridal  
Kmart  
Kohl's  
Marshalls  
Ross  
Sears  
Stein Mart

SuperTarget  
TJ Maxx  
Toys R Us  
Tuesday Morning  
Wal-Mart

## Dollar Stores

Big Lots  
Dollar General  
Just-A-Buck

Source: Sites USA, Kosmont Companies (2015)

# National Retailer Voids (cont.)

*(within City Limits)*

## Drug Stores

Rite Aid  
Savon

## Fitness

24 Hour Fitness  
Anytime Fitness  
Bay Club  
Crunch  
Curves for Women  
Equinox Fitness  
Gold's Gym  
In-Shape  
LA Fitness  
Lifetime Fitness  
Orangetheory Fitness  
Planet Fitness  
Powerhouse Gym  
World Gym  
YMCA

## Furniture Household

Anna's Linens  
Ashley Furniture  
Bassett  
Bed Bath & Beyond  
Cost Plus  
Crate and Barrel  
Ethan Allen  
HomeGoods  
IKEA  
Jennifer Convertibles  
La-Z-Boy

LAMPS PLUS  
Pier 1  
Pottery Barn  
Relax the Back  
Sur La Table  
The Container Store  
Thomasville  
Williams-Sonoma  
Z Gallerie

## Grocery Stores

Albertsons  
Bristol Farms  
Cardenas  
Gelsons  
Grocery Outlet  
H Mart  
Jons Marketplace  
Neighborhood Market  
Northgate Market  
Pavilions  
Ralphs  
Safeway  
Sprouts  
Stater Bros.  
Top Valu Market  
Trader Joe's  
Vallarta Supermarkets  
Vons  
Whole Foods  
WinCo Foods

## Home Improvement

Do It Best  
Dunn-Edwards  
Kelly-Moore  
Lowe's  
Orchard  
Restoration Hardware  
Sherwin-Williams  
True Value

## Office Supply

Office Depot  
Staples

## Pet Stores

Petco  
PetsMart

## Sporting Goods

Big 5  
Champs Sports  
Dick's Sporting Goods  
Golfsmith  
Play It Again Sports  
REI  
Roger Dunn Golf Shops  
Sport Chalet  
Sports Authority

## Wholesale

Costco  
Sam's Club

Source: Sites USA, Kosmont Companies (2015)



# National Retailer Voids – Restaurants

*(within City Limits)*

## Restaurants Bakery Bagels

Bruegger's  
 Corner Bakery  
 Einstein Bros  
 Manhattan Bagel  
 Noah's  
 Panera Bread

## Restaurants Casual

Another Broken Egg  
 Applebee's  
 Baja Fresh  
 BJ's Restaurant & Brewery  
 Bonefish Grill  
 Brio  
 Bucca Di Beppo  
 Buffalo's Southwest Café

Buffalo Wild Wings  
 Café Rio  
 California Pizza Kitchen  
 Capital Grille  
 Carino's  
 Chart House  
 Chevys  
 Chili's  
 Chipotle  
 Claim Jumper  
 Coco's  
 Dickey's  
 Elephant Bar  
 Famous Dave's

Five Guys  
 Fleming's  
 Fuddruckers  
 Golden Corral  
 Habit Burger Grill  
 Home Town Buffet  
 Hooters  
 Joe's Crab Shack  
 Johnny Rockets  
 Macaroni Grill  
 Maggiano's  
 Marie Callender's  
 McCormick & Schmick's  
 Mimis Café  
 Morton's  
 Noodles & Company  
 Olive Garden

Outback Steakhouse  
 P.F. Chang's  
 Pei Wei  
 Pick Up Stix  
 Qdoba  
 Rainforest Café  
 Red Lobster  
 Red Robin  
 Rubio's  
 Ruth's Chris  
 Samurai Sam's  
 Smashburger  
 T.G.I. Friday's  
 The Cheesecake Factory

## Restaurants Fast Food Major

Arby's  
 Dairy Queen  
 KFC  
 Sonic

## Restaurants Fast Food Minor

A&W  
 Boston Market  
 Chick-fil-A  
 Long John Silver's  
 Popeyes  
 Raising Canes  
 Rally's  
 Steak n Shake

## Restaurants Ice Cream Smoothie

Ben & Jerry's  
 Bruster's  
 Carvel  
 Cold Stone Creamery  
 Jamba Juice  
 Juice It Up!  
 Nrgize  
 Orange Julius  
 Pinkberry  
 Planet Smoothie  
 Red Mango  
 Rita's  
 Robeks  
 Smoothie King

Surf City Squeeze  
 TCBY  
 Yogurtland

## Restaurants Pizza

Blaze Pizza  
 Chuck E. Cheese's  
 Hungry Howie's  
 Live Basil Pizza  
 Marco's Pizza  
 MOD Pizza  
 Mountain Mike's Pizza  
 Papa Murphy's  
 Pieology  
 Pizza Factory  
 Pizza Patron  
 Pizza Studio

PizzaREV  
 Project Pie  
 Round Table  
 Sbarro  
 Villa Pizza  
 zpizza

## Restaurants Sandwich

Blimpie  
 Capriotti's  
 Charley's Grilled Subs  
 Firehouse Subs  
 Great Steak  
 Jersey Mike's

Jimmy John's  
 Quiznos  
 Sandella's Flatbread  
 Schlotzsky's Deli  
 Togo's  
 Which Wich

Source: Sites USA, Kosmont Companies (2015)

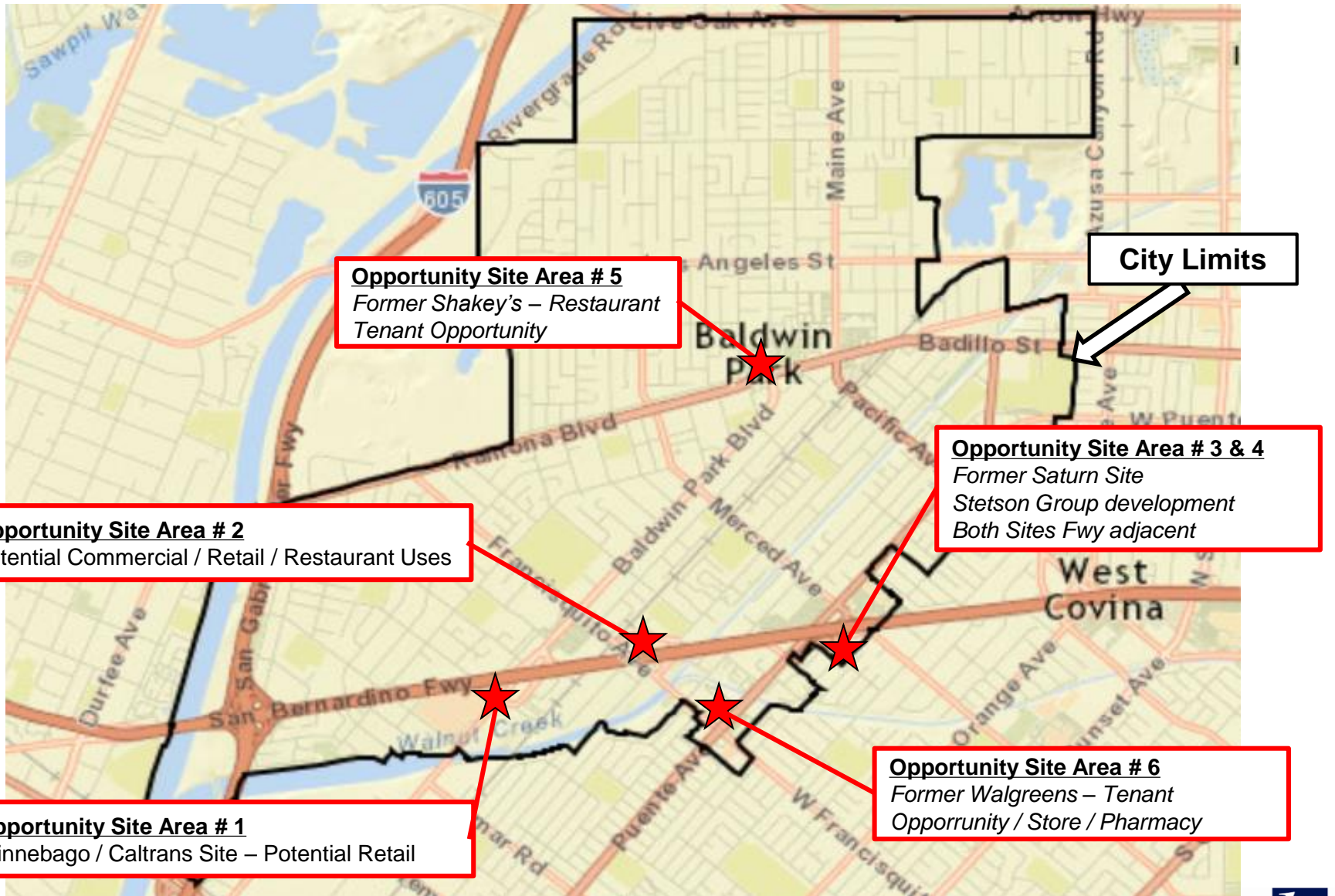
# Initial List of Targeted Retailers

Retail Category	Restaurant / Retailer	Closest Location (Approx.)
Grocery	Grocery Outlet	23.82 Mi SW
	Aldi	3.7 Mi SE
Discount Department Store	Burlington Coat Factory	5.1 miles SE
	TJ Maxx	6.1 miles NW
	Tuesday Morning	7.68 miles NE
	Stein Mart	8.74 miles NE
Dollar Stores	Dollar General	12.7 Miles NE
Restaurants	Sonic	3.9 Miles NW
Restaurants Pizza	Blaze Pizza	5.0 miles NW
	Mountain Mike's	11.49 miles SE
	MOD Pizza	23.9 miles SW
Shoes Footwear	Famous Footwear	7.84 miles NW
Specialty	Total Wine & More	12.9 miles NW

Source: Sites USA, Kosmont Companies (2015)

# Opportunity Site Assessment

# Opportunity Site Area Overview



# Opportunity Site Area #1

## 1919 Puente Ave – Winnebago / Caltrans Site

- Approx. 1.57 acres
- Owned by CalTrans
- Zoning:
  - Freeway Commercial (FC)



### Strengths

- Location along key arterial (10 Fwy and Baldwin Park Blvd)
- Commercial / Retail Opportunity

### Challenges

- Access issue to Baldwin Park Blvd
- Timing / Control

### Opportunities

- **Tenant opportunities**
- **Freeway monumentation and exposure**
- **Existing building / equipment**



# Opportunity Site Area #2

## 13853 Garvey Ave (Adjacent to LA Fitness Site)

- Approx. 53,700 SF
- Owned by BP Triangle LLC
- Zoning:
  - Freeway Commercial (FC)



### Strengths

- Location along key arterial (Garvey Ave)
- Fwy Commercial Use zoning
- Nearby LA Fitness planned development

### Challenges

- Irregular shape

### Opportunities

- **Retail or restaurant pad opportunity**



# Opportunity Site Area #3

## 14550 Garvey Ave. (Former Saturn Site)

- Approx. lot 64,400 SF
- Owned by Cook Investment Co Ltd
- Zoned Freeway Commercial (FC)



### Strengths

- 10 Fwy frontage / visibility / off-ramp

### Challenges

- Existing businesses
- Irregular shape

### Opportunities

- **Potential redevelopment opportunity**
- **Freeway monumentation and exposure**

# Opportunity Site Area #4

## 14622 Dalewood St

- Approx. 5,400 SF building and ~85,000 SF lot
- Owned by Stetson Group Inc.
- Zoning:
  - Freeway Commercial (FC)



### Strengths

- 10 Fwy frontage / visibility / off-ramp

### Challenges

- Irregular shape
- Highest and Best-Uses

### Opportunities

- **Potential redevelopment opportunity**
- **Adjacent parcels for potential assemblage**

# Opportunity Site Area #5

## 14021 Ramona Pkwy (Former Shakey's)

- Approx. 3,600 SF building
- Owned by Winward Investments Llc
- Zoning:
  - General Commercial (C-2)



### Strengths

- Location along arterial Ramona Blvd
- Existing restaurant equipment

### Challenges

- Uses / Tenants

### Opportunities

- **Restaurant Tenant Opportunity**



# Opportunity Site Area #6

## 14101 Francisquito Ave (Former Walgreens)

- Approx. 14,467 SF building
- Owned by Charles Company
- Zoning:
  - General Commercial (C-2)



### Strengths

- Location at strong intersection (Francisquito Ave and Puente Ave)

### Challenges

- Uses / Tenants

### Opportunities

- **Tenant Opportunity / Grocer / Pharmacy**

## **3. Implementation**

- a) Summary of Findings
- b) Outreach in Progress
- c) Financing & Incentives
- d) Next Steps

# Summary of Findings

## Demographics & Employment

- Relatively young, Hispanic population; larger than average HH size
- Employment concentrated within healthcare & social assistance, manufacturing, retail trade, and accommodation & food services

## Retail & Industry Retention & Recruitment

- City performs **below average** relative to neighboring jurisdictions in terms of retail sales per capita and capture of resident and non-resident spending (i.e. leakage)
- Higher performing sales categories include **general merchandise and miscellaneous retail stores, food service and drinking places (restaurants), and bldg. materials and supply stores**, while lower performing retail categories include **clothing and apparel, furniture & home furnishings, sporting goods & hobbies, food & beverages (grocery), motor vehicle & parts dealers, and gas stations.**

## Economic Development without Redevelopment

- The world of economic development for California cities has evolved following the dissolution of Redevelopment Agencies
- Alternative economic tools and new legislation should be explored for Baldwin Park to retain and improve general fund tax base and facilitate potential public-private transactions



# Overview of Financing, Incentives & Other Economic Development Tools

- City may consider evaluation of potential economic development tools & strategies on case-by-case / transactional basis:

## Local Level

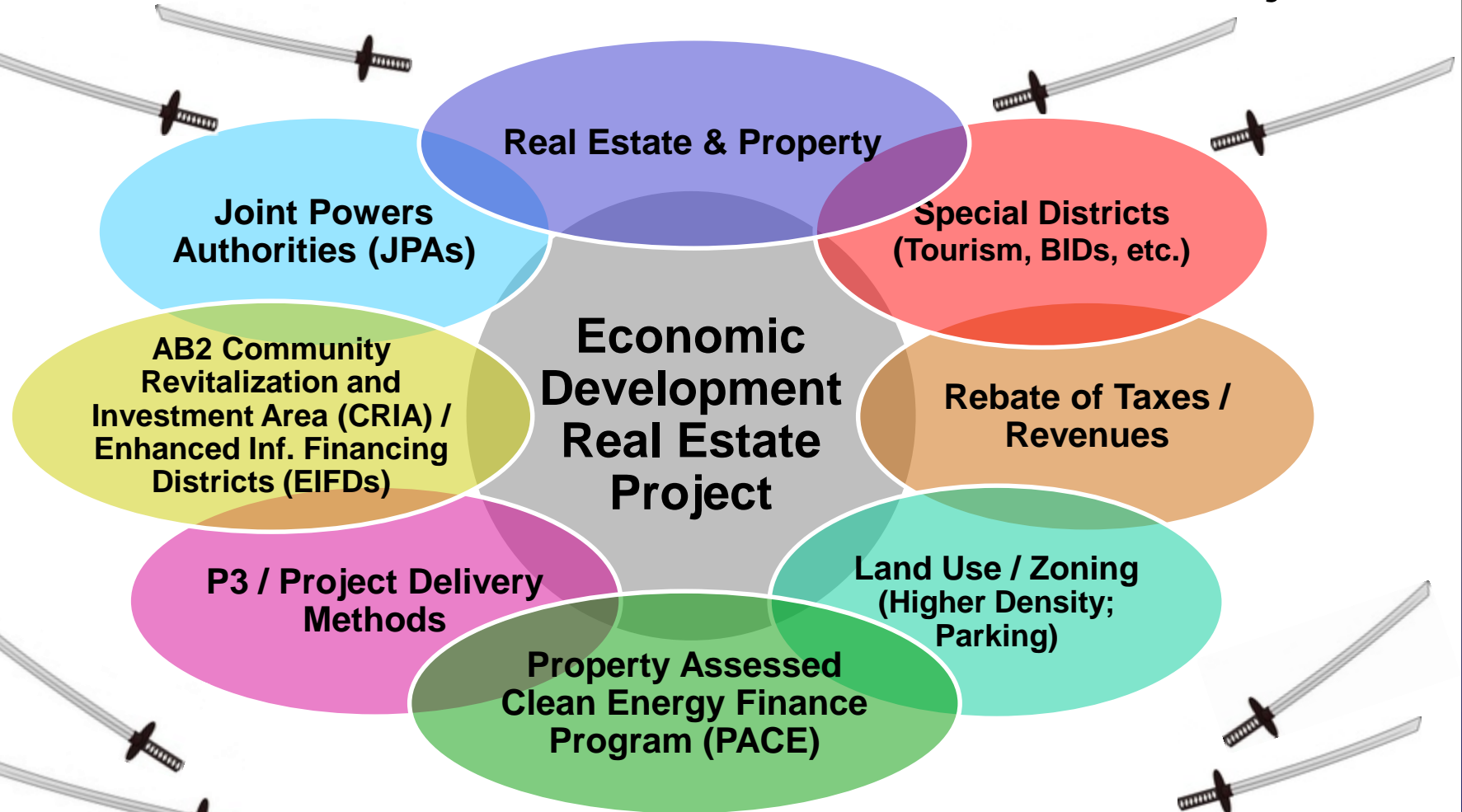
- Enhanced Infrastructure Financing Districts (“EIFD”) / AB-2 Community Revitalization Investment Area (“CRIA”)
- Site-specific tax revenue (“SSTR”) pledges
- Impact fee reductions / waivers / deferrals
- Development opportunity reserve (“DOR”)
- Tax-exempt revenue & utility bonds
- Lease-leaseback financing
- Ground leases
- Operating covenants

## State & Federal Level

- Affordable Housing and Sustainable Communities (AHSC) Cap and Trade Funds
- Small Business Administration (SBA) loans
- U.S. Economic Development Administration (EDA) grants
- New Market Tax Credits (NMTCs)
- CA Infrastructure Bank (I-Bank) loans
- EB-5 Immigrant Investment
- Community Development Block Grants (CDBG)

# Post-RDA Economic Development Tools

Cities have 8 BASIC TOOLS for Public/Private Projects



*These tools often work best when used together*

# Next Steps for Implementation

- Based on evaluated Opportunity Sites and compatible voids, City and Consultant Team should outreach to targeted retailers, developers and brokers:
  - **Distribute marketing collateral material to promote Opportunity Sites as appropriate**
  - **Further develop and utilize targeted list of retailers for outreach**
  - **Participation in various trade organizations such as International Council of Shopping Centers (ICSC) to solicit retailer / developer interest**
- Evaluation of financing, incentives, and other economic development tools on a transactional basis (e.g. AB2 / CRIA, EIFD, sales tax pledges)



# Sample Marketing Flyers

### City of Paramount

#### Tenant / Retail Redevelopment Opportunity

SEC Garfield Avenue & Rosecrans Avenue

**FEATURES:**

- Strong intersection at Garfield
- Potential for redevelopment
- Retail voids in trade area
- Traffic counts (2008): "53,300 AADT Garfield & Rosecrans"

### City of Paramount

#### Tenant / Retail Redevelopment Opportunity

SWC Paramount Boulevard & Rosecrans Avenue

**FEATURES:**

- Strong intersection at Paramount Blvd. & Rosecrans Avenue
- Adjacent to Swap Meet, Sports Theater, and public park

### City of Paramount

#### Retail Tenant Opportunities

SEC Downey Avenue & Rosecrans Avenue

**FEATURES:**

- Strong intersection at Downey Ave. & Rosecrans Ave.
- Adjacent high school pedestrian traffic and available parking
- Remodeled with former Redevelopment Agency \$\$\$
- Traffic counts (2008): "40,425 AADT Downey & Rosecrans"

### City of Paramount

#### Tenant / Retail Redevelopment Opportunity

NEC Downey Avenue & Alondra Boulevard

**FEATURES:**

- Strong intersection at Downey Ave. & Alondra Blvd.
- Near robust retail concentration west of Downey Ave.
- Potential acquisition of corner parcel owned by City Successor Agency
- Traffic counts (2008): "41,101 AADT Downey & Alondra"

### City of Paramount

#### Tenant / Retail Redevelopment Opportunity

NEC Paramount Boulevard & Alondra Boulevard

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### City of Paramount

#### Retail Tenant Opportunities

Center East - Paramount Boulevard South of Alondra Boulevard

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### City of Paramount

#### Retail Tenant Opportunities

SEC Downey Avenue & Alondra Boulevard

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**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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Assistant City Manager  
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jmoreno@paramountcity.com

**DEMOGRAPHICS (ESRI):**

2012	1 Mile	2 Mile	3 Mile
Population	31,455	142,088	327,877
Households	8,596	38,011	89,459
Avg. HH Income	\$52,437	\$63,783	\$64,662

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**DEMOGRAPHICS (ESRI):**

2012	1 Mile	2 Mile	3 Mile
Population	31,947	151,084	310,220
Households	8,882	42,064	86,508
Avg. HH Income	\$55,109	\$56,266	\$58,841

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# Questions & Discussion

## Thank you



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