



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)

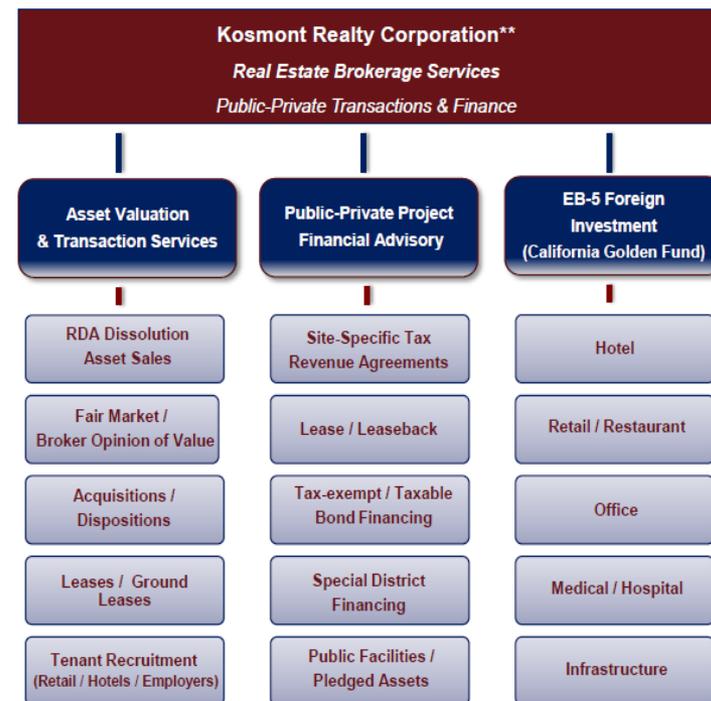
Kosmont Services Overview



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

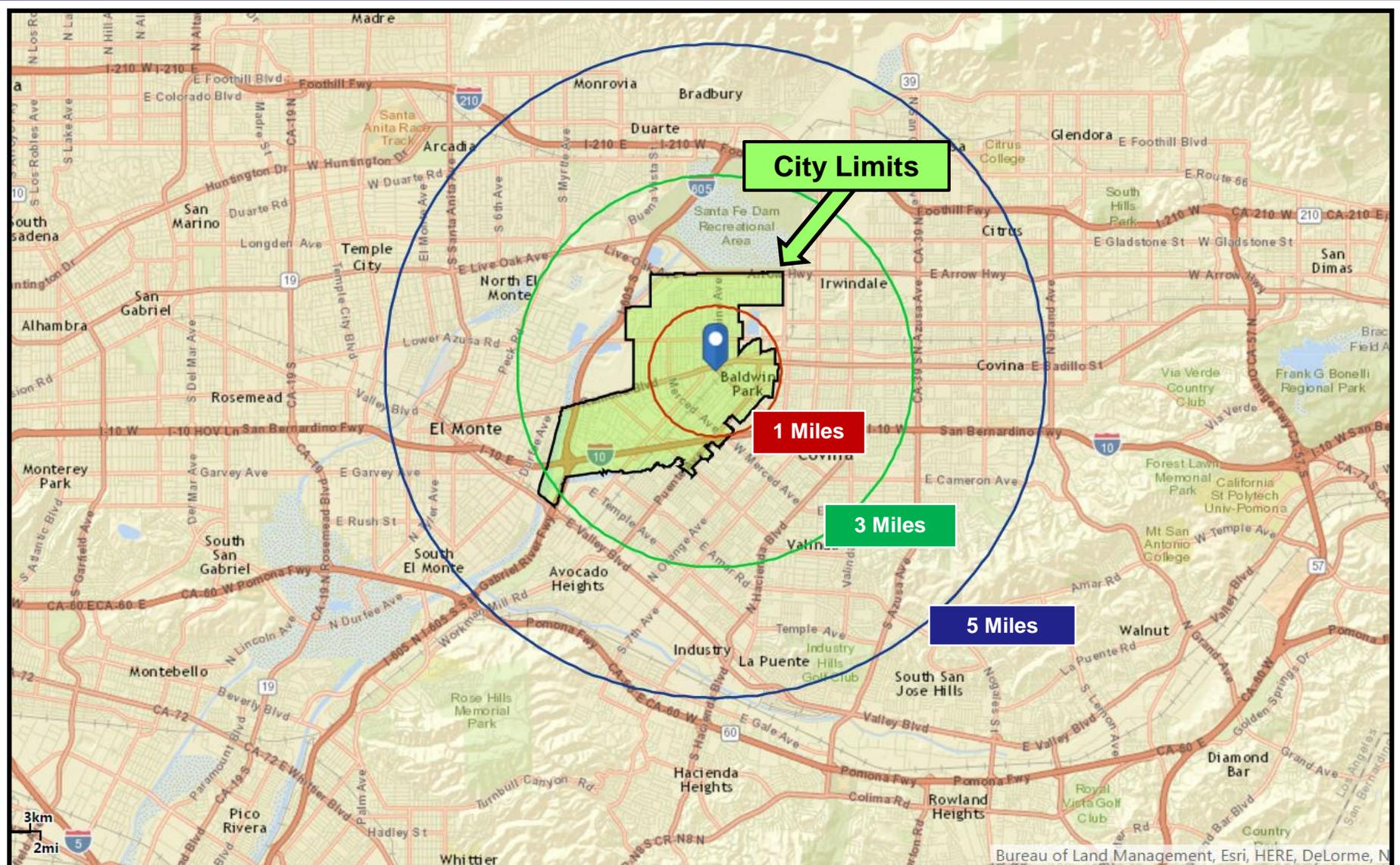
- Avg. HH income ~\$62,329 in City and ~\$71,901 within 5 miles
- 2.06% annual growth projected for HH income over next 5 years in City

Other Demographic Characteristics

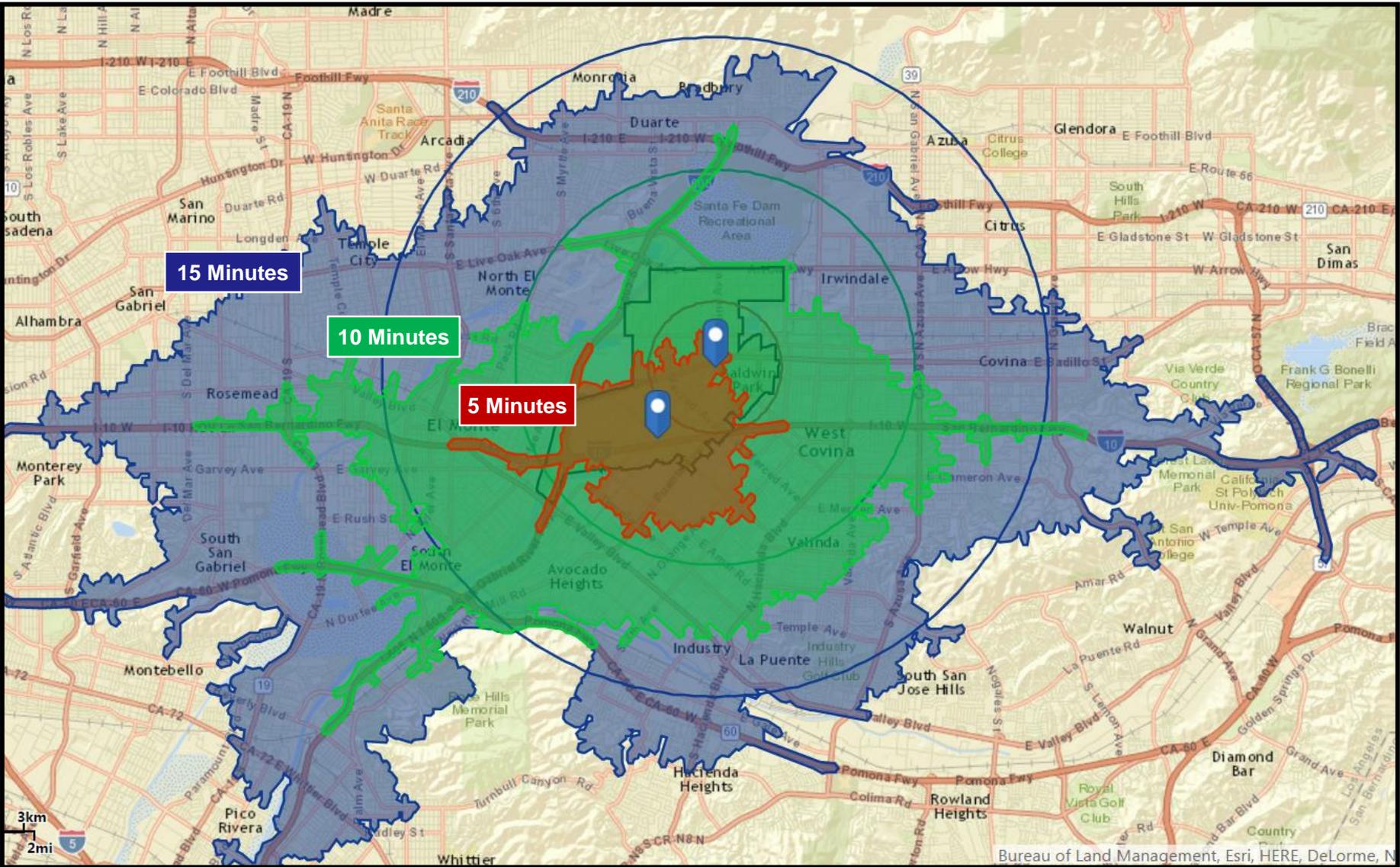
- Average household size of **4.37** in City (relatively large)
- Median age of **31** in City (younger)
- ~11% Bachelor's Degree or higher (low)
- Race: ~43% White, ~36% Some Other Race, ~14% Asian
- Ethnicity: ~**81**% Hispanic in City

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	4.37	2.98	2.90
Median Age	31.0	35.3	35.7
% Hispanic Origin	80.7%	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
<u>2015-2020 Annual Growth Rate</u>			
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		
<u>2015</u>	1 Mile	3 Miles	5 Miles
Population	38,481	195,204	552,374
Households	9,101	48,194	147,763
Average HH Size	4.20	4.03	3.71
Median Age	31.2	33.0	33.9
% Hispanic Origin	78.3%	74.1%	67.4%
Per Capita Income	\$15,171	\$17,214	\$19,329
Median HH Income	\$51,699	\$56,837	\$56,544
Average HH Income	\$63,461	\$69,257	\$71,714
<u>2015-2020 Annual Growth Rate</u>			
Population	0.39%	0.36%	0.41%
Median HH Income	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)		
<u>2015</u>	5 Minutes	10 Minutes	15 Minutes
Population	68,549	255,012	636,116
Households	16,445	64,744	169,181
Average HH Size	4.14	3.91	3.72
Median Age	31.9	33.1	34.1
% Hispanic Origin	77.5%	72.5%	65.9%
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

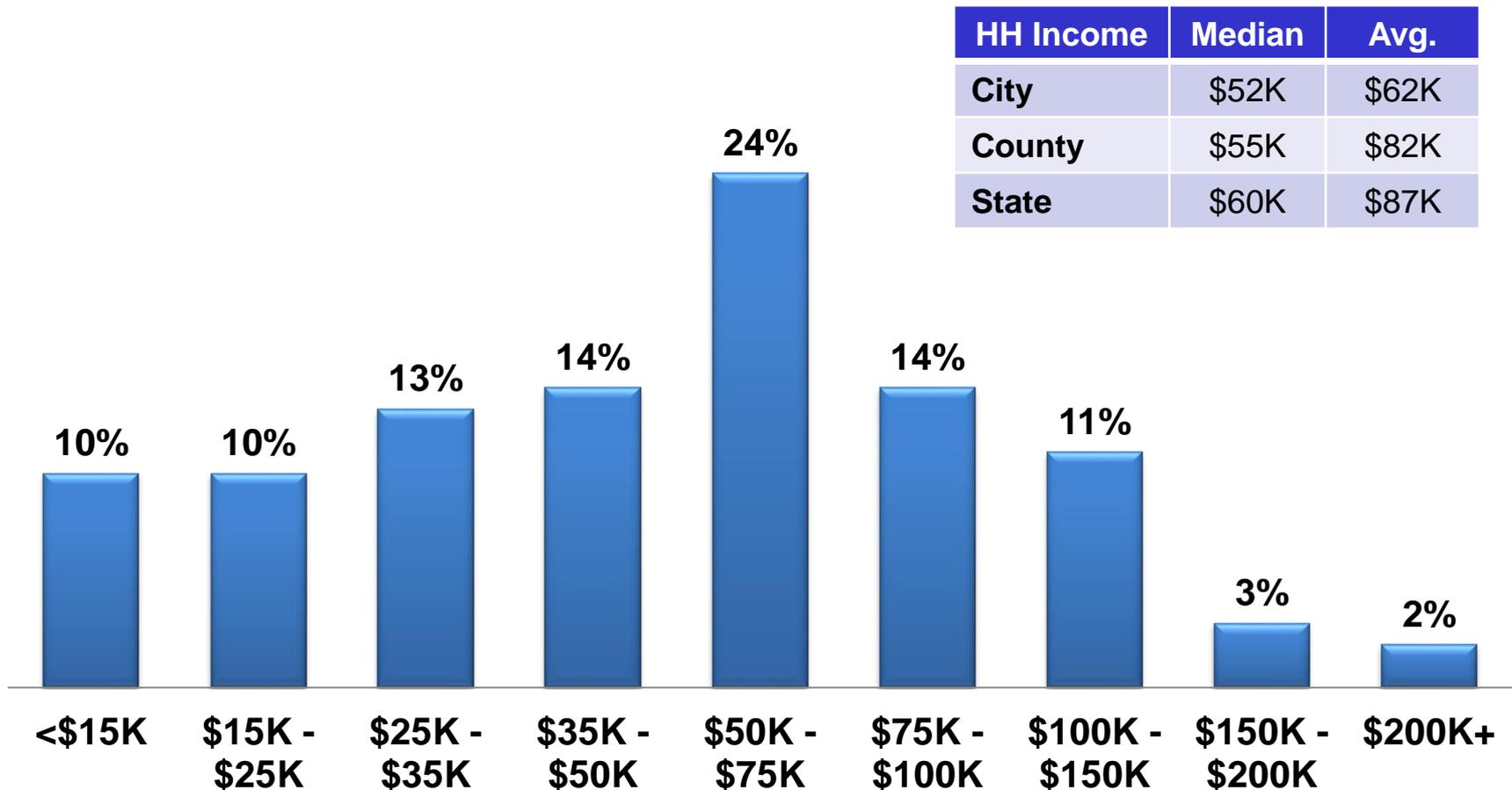
<u>2015-2020 Annual Growth Rate</u>			
Population	0.37%	0.38%	0.41%
Median HH Income	2.24%	2.70%	2.78%

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

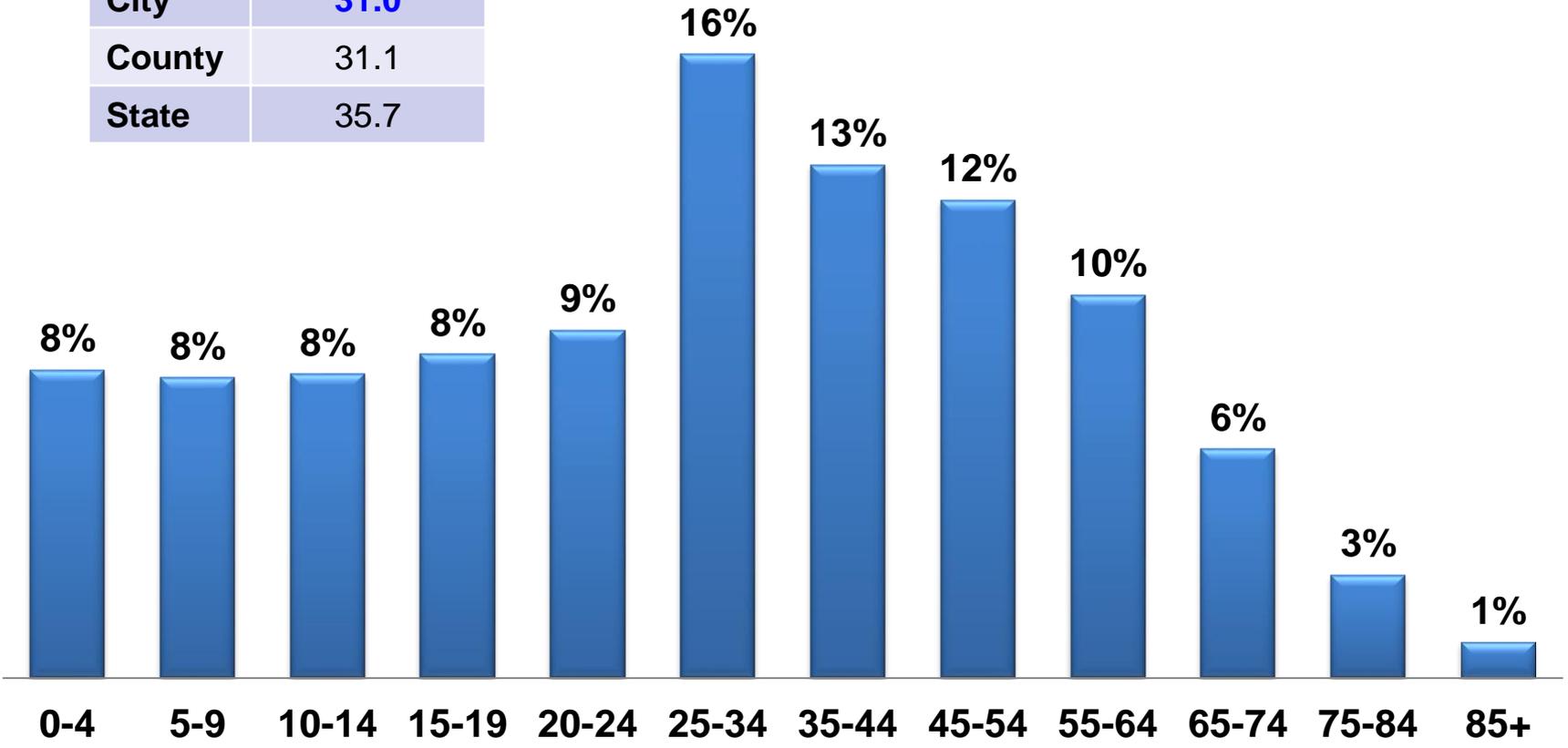


Source: U.S. Census Bureau (2010); ESRI (2015)

Age Profile

City Population by Age Bracket in 2015

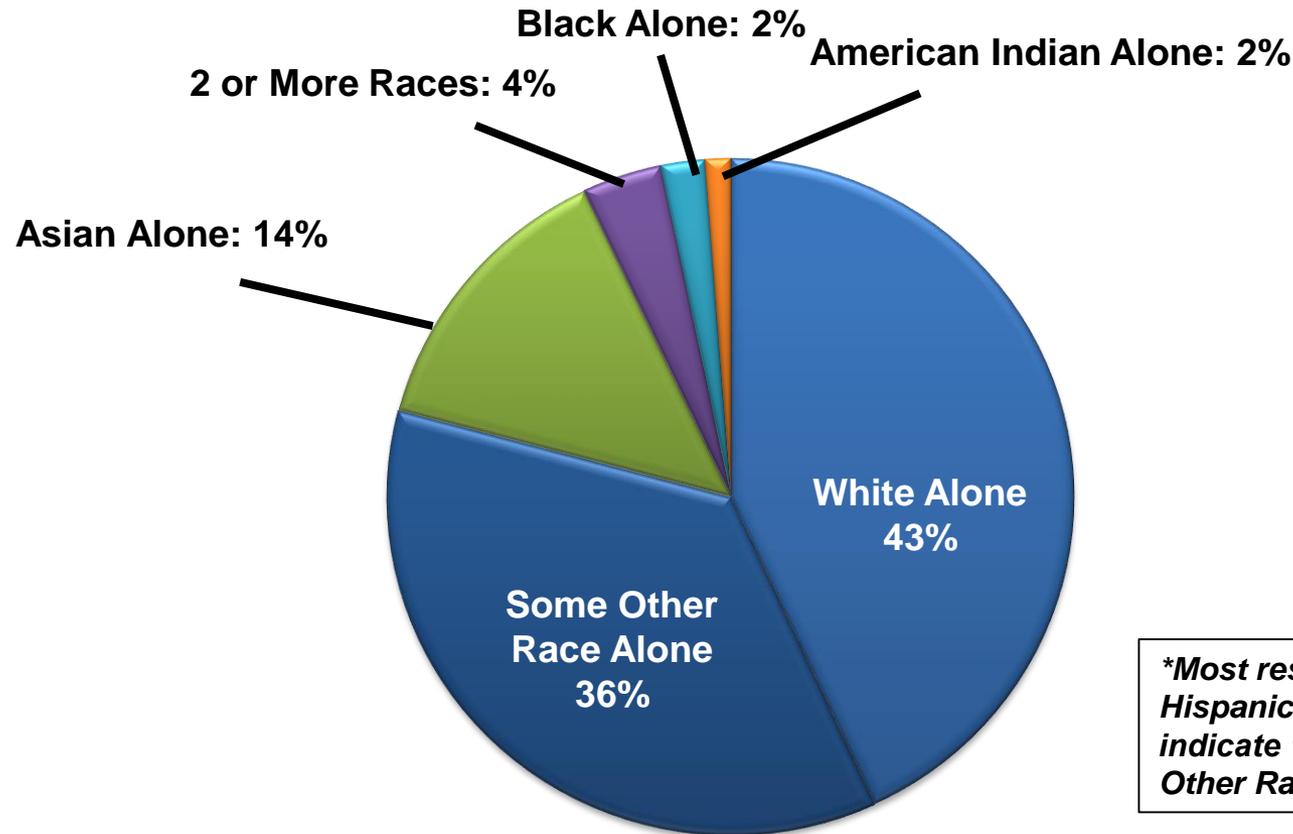
	Median Age
City	31.0
County	31.1
State	35.7



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"*

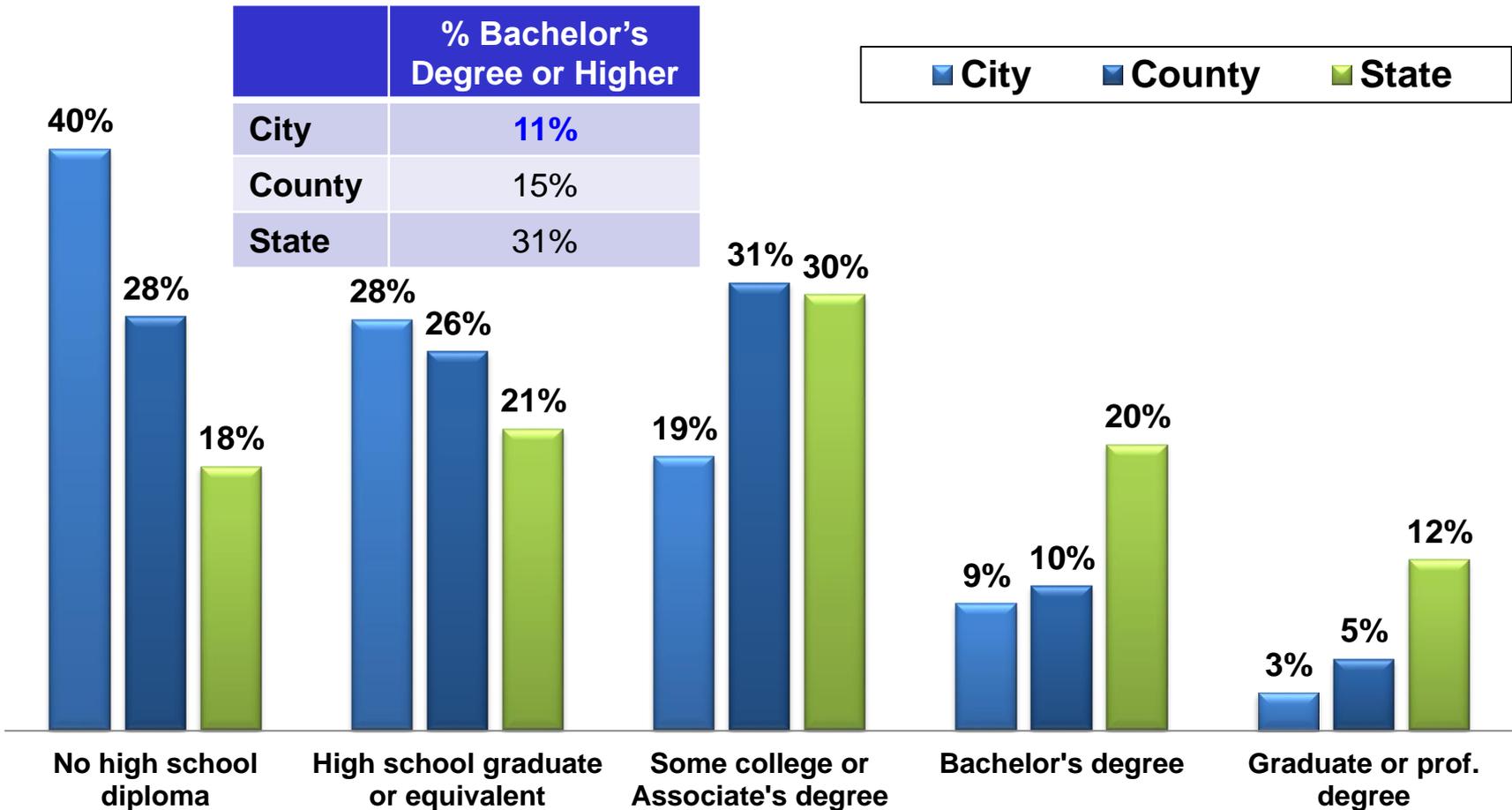
Hispanic Origin of Any Race: 80.7%

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

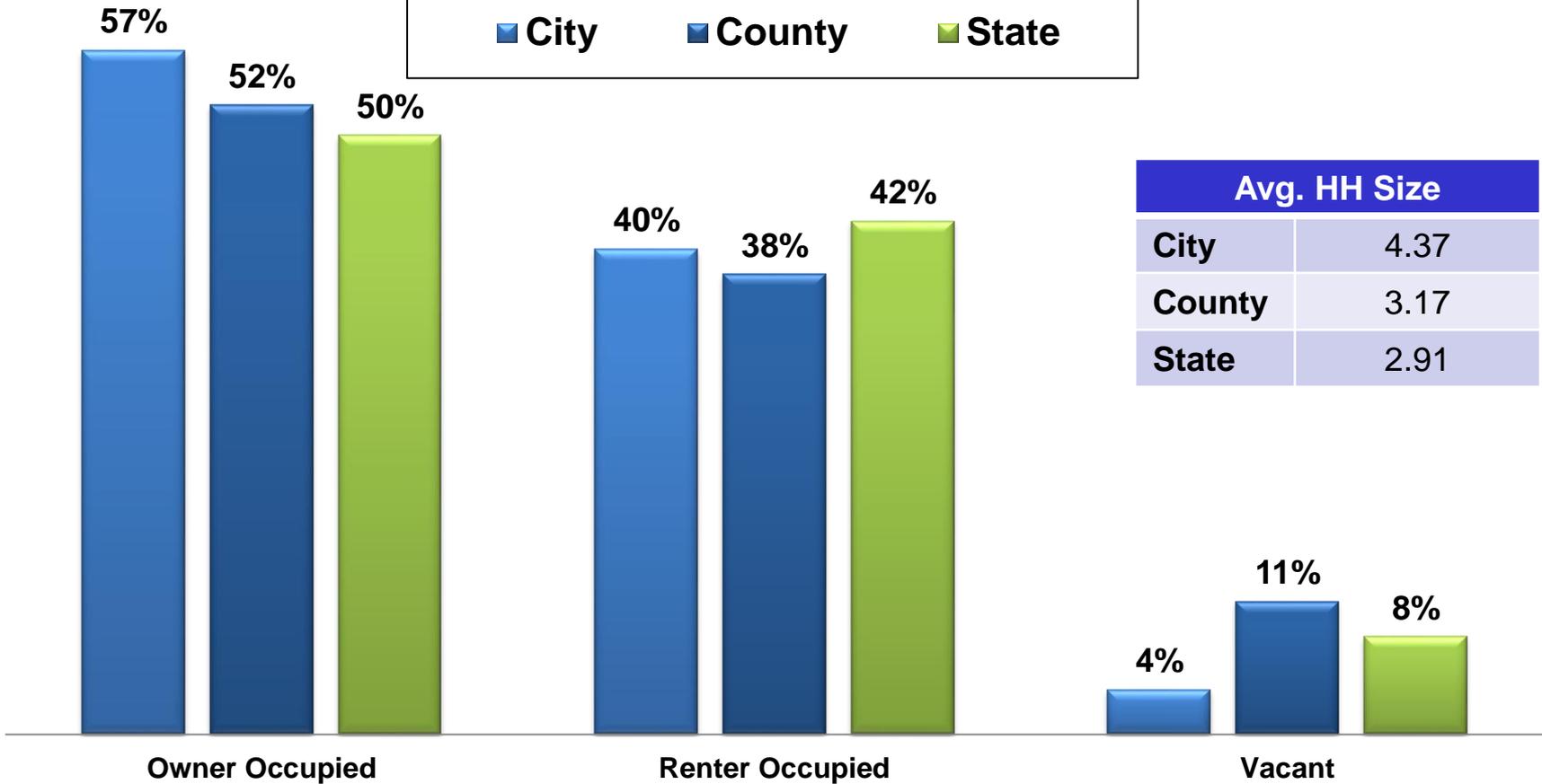
Population Aged 25+ by Educational Attainment



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

Housing & Household Size

Housing Breakdown (2015)

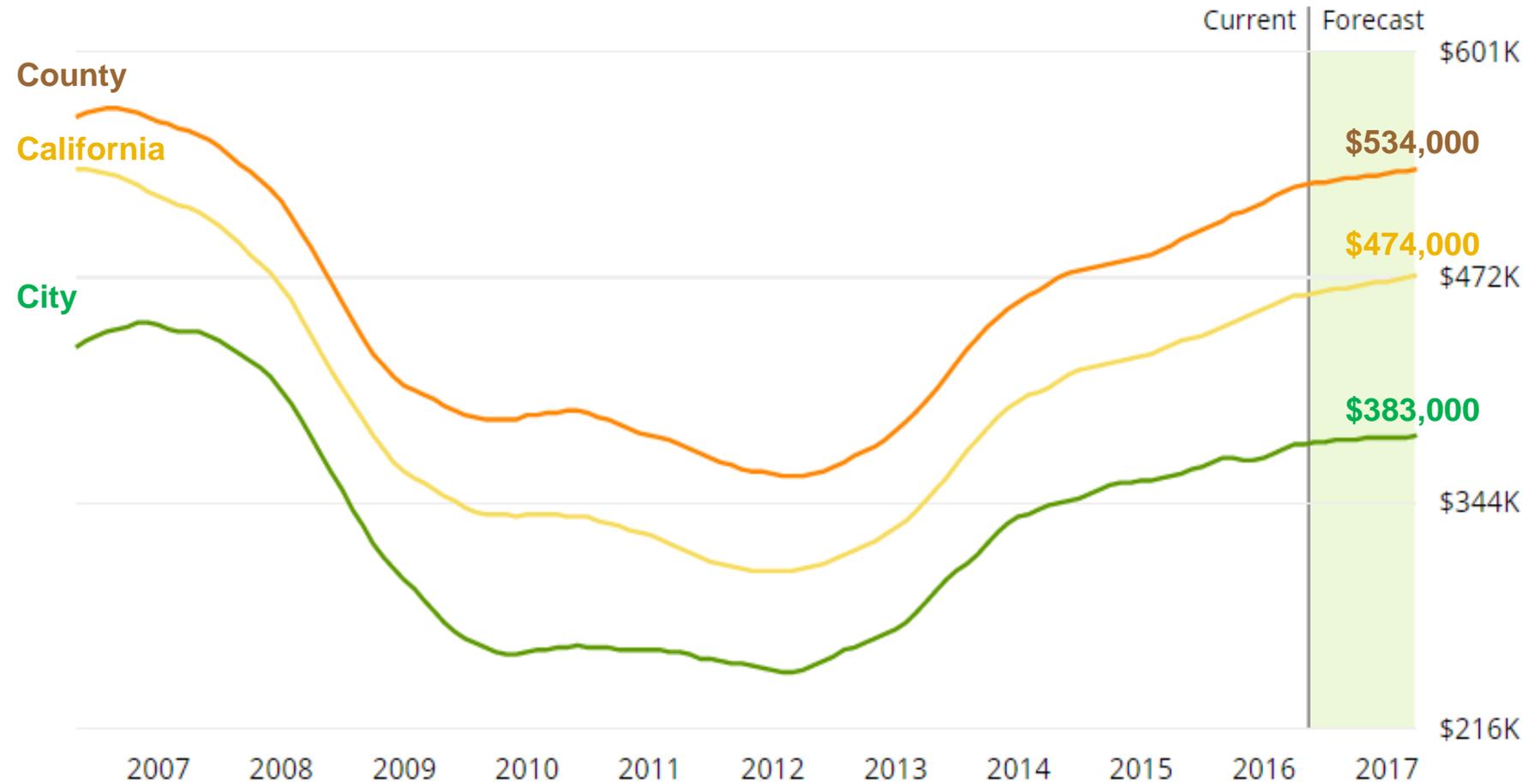


Avg. HH Size	
City	4.37
County	3.17
State	2.91

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

Home Value History

Zillow Home Value Index



Population Segmentation Profile

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

Source: ESRI (2015)

Jobs / Housing Balance

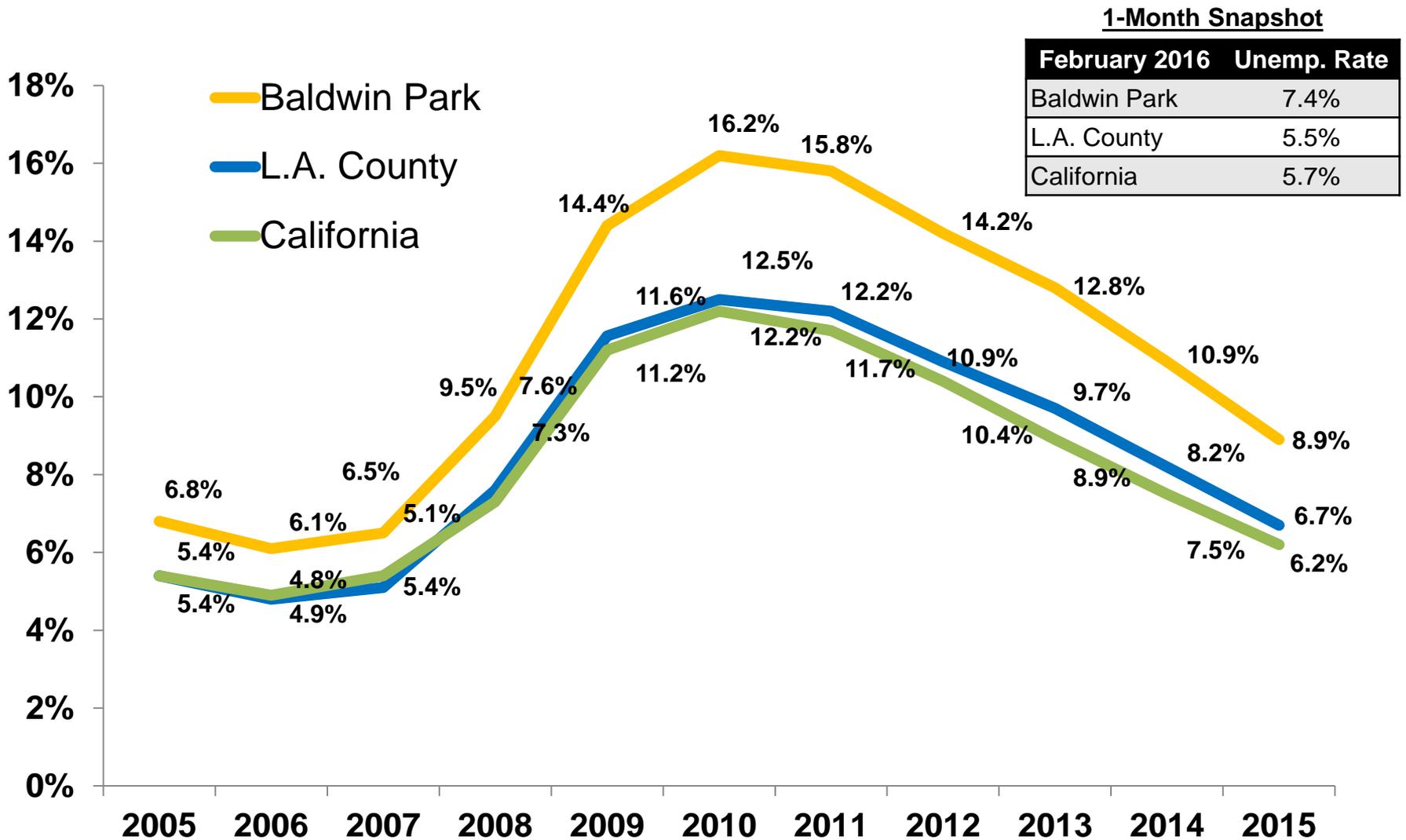
2015	City of Baldwin Park	Los Angeles County	California
Employment	18,815	4,384,224	16,840,429
Households	17,325	3,302,607	12,932,388
Jobs / Housing Ratio	1.08	1.26	1.30

Source: ESRI (2015)

Economic & Demographic Profile

Unemployment & Employment by Industry

Unemployment

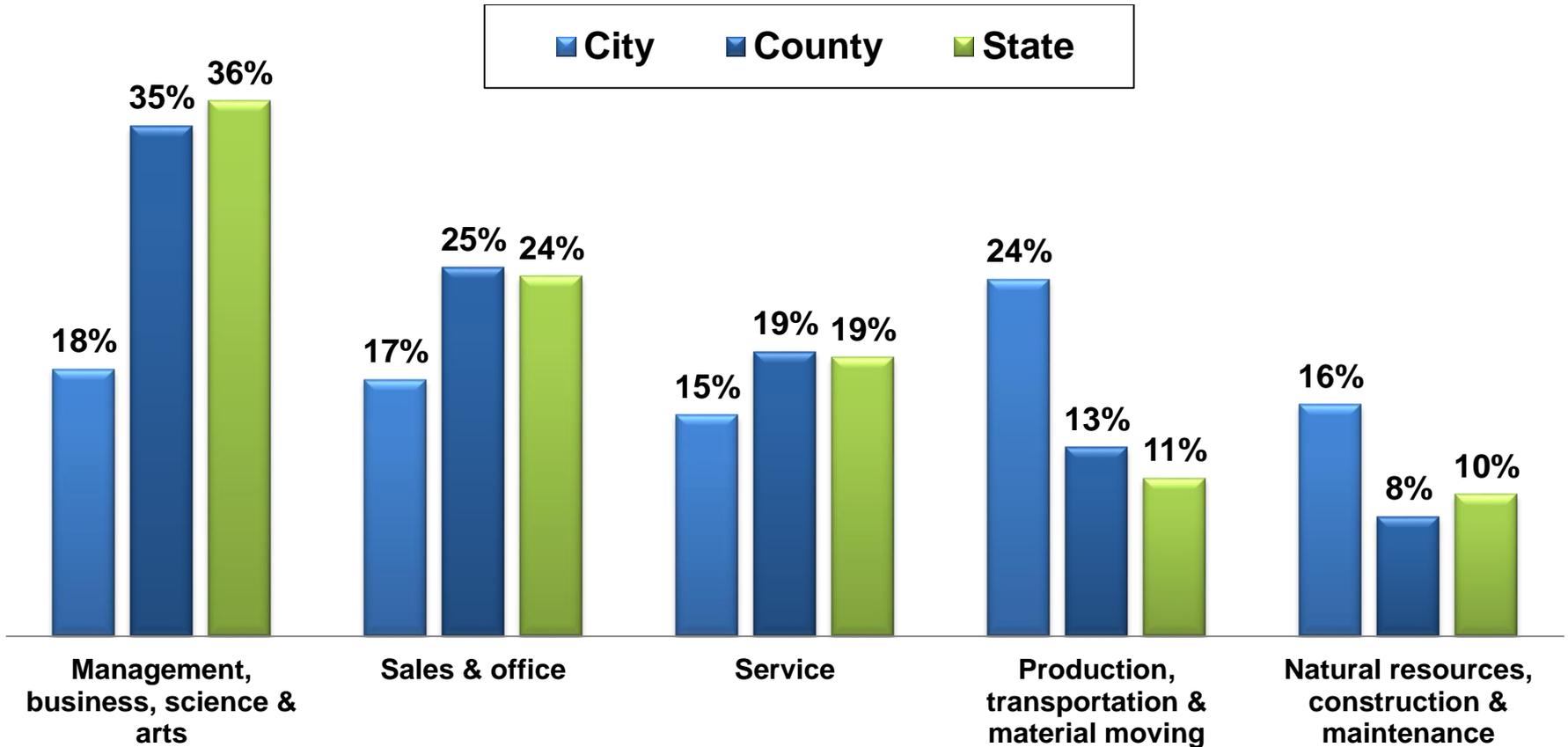


Note: Annual average unemployment rate; not seasonally adjusted

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”

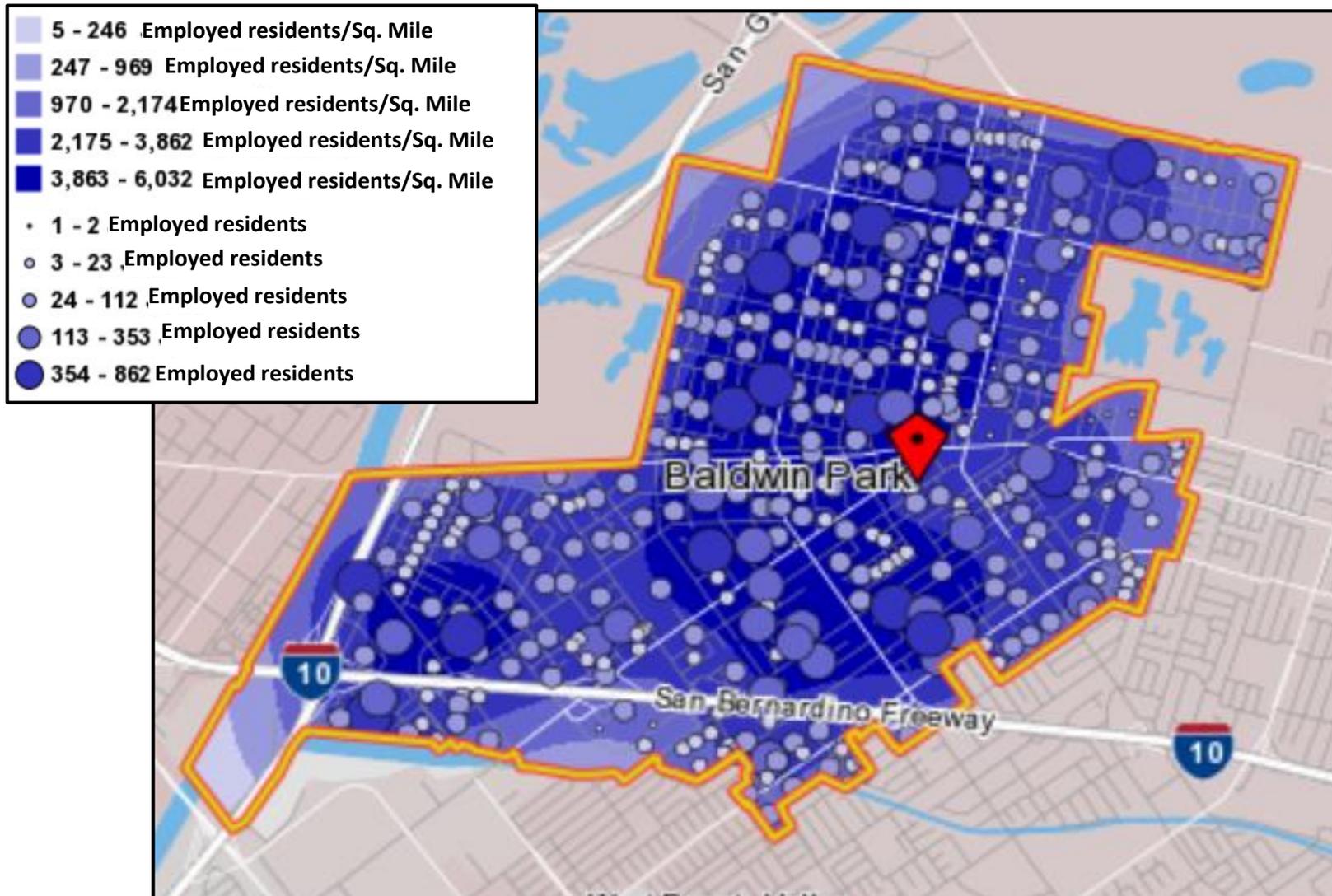
Source: U.S. Census Bureau Center for Economic Studies (2014)

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

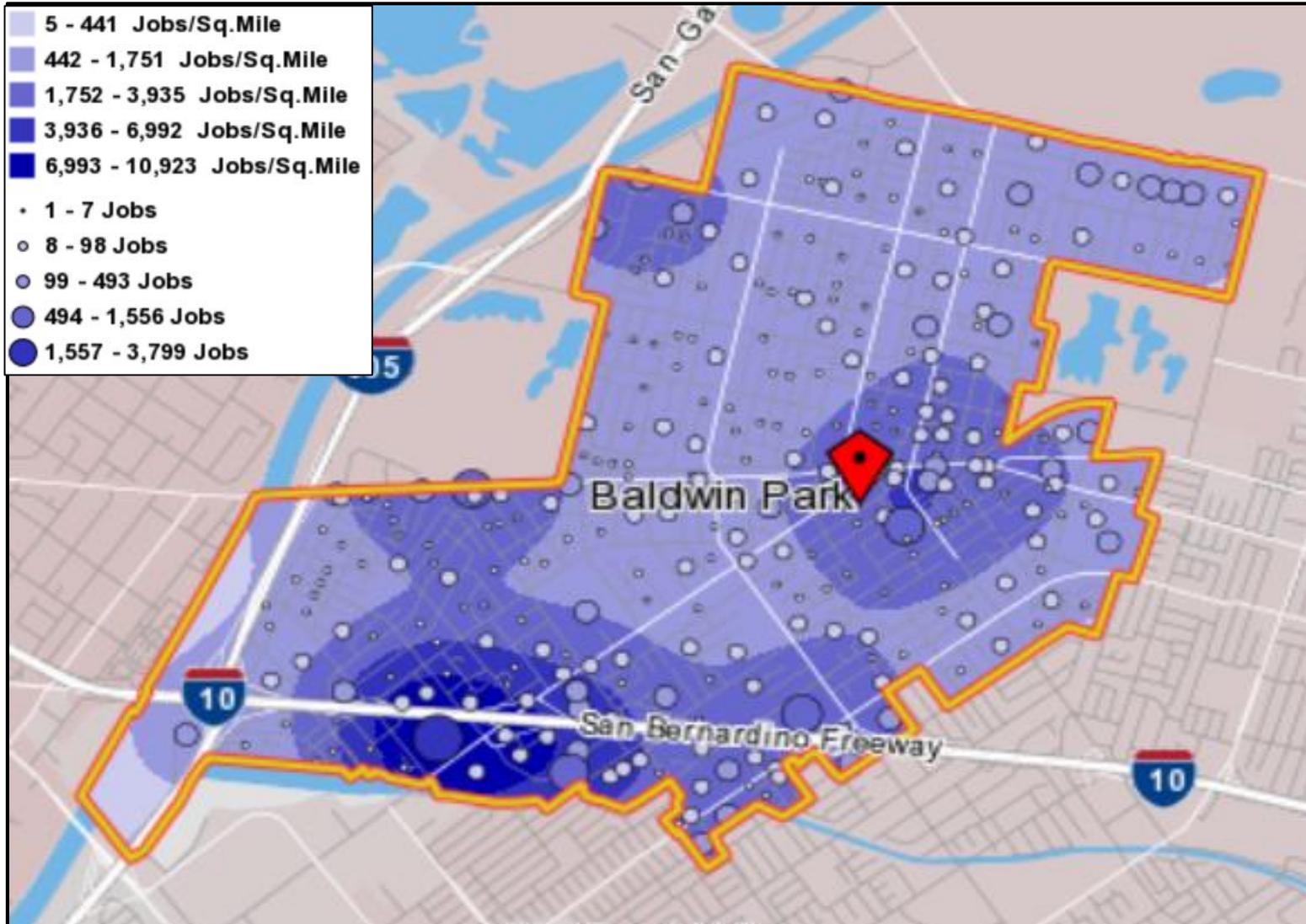
Source: (Based on HDL Report Q4 2015); ESRI 2015

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”

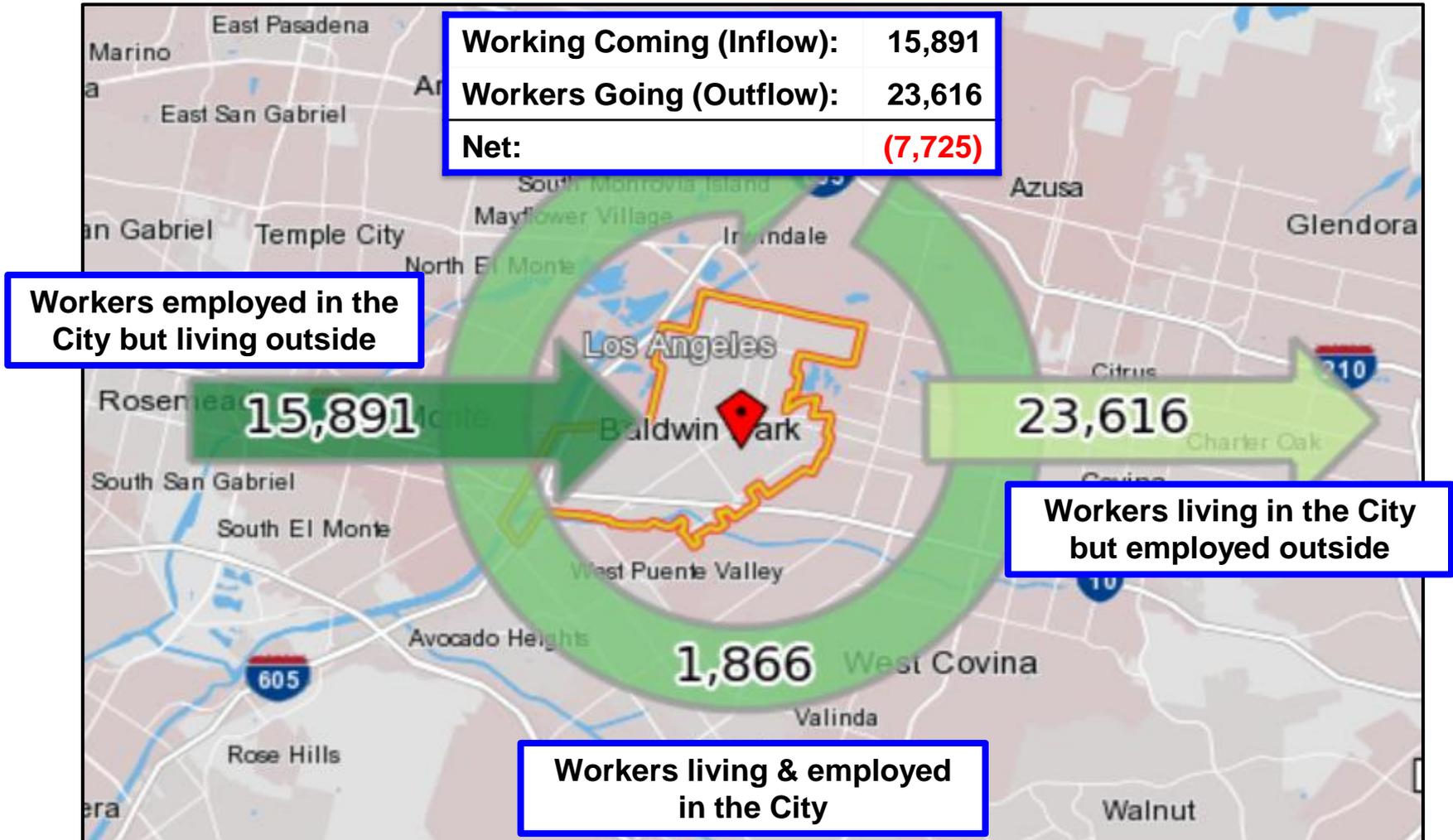
City Employee Origin	
Baldwin Park	11.2%
Los Angeles	7.1%
West Covina	4.2%
El Monte	2.7%
Pomona	2.1%
Covina	1.9%
Anaheim	1.5%
Ontario	1.4%
Rancho Cucamonga	1.4%
Azusa	1.3%
La Puente	1.3%
Fontana	1.3%
Glendora	1.3%
West Puente Valley CDP	1.3%
Pasadena	1.2%
Alhambra	1.1%
Hacienda Heights CDP	1.1%
Whittier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

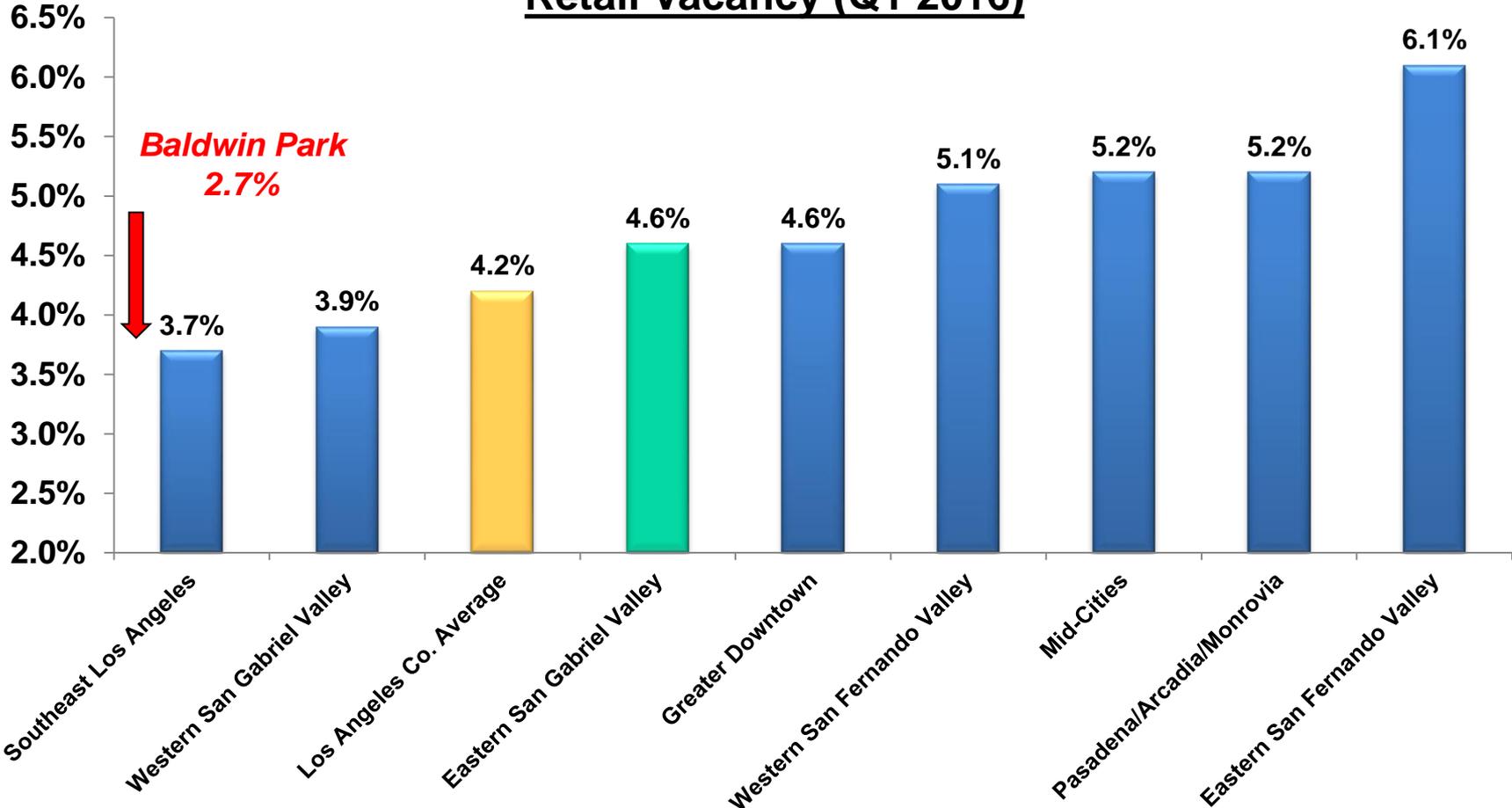
- Supply, vacancy, and lease rates for retail uses are compared between major Los Angeles County markets
- Baldwin Park falls within the Eastern San Gabriel market area (as defined by CoStar)
- Retail vacancy within the Eastern San Gabriel Valley market is estimated **below** the Los Angeles County average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



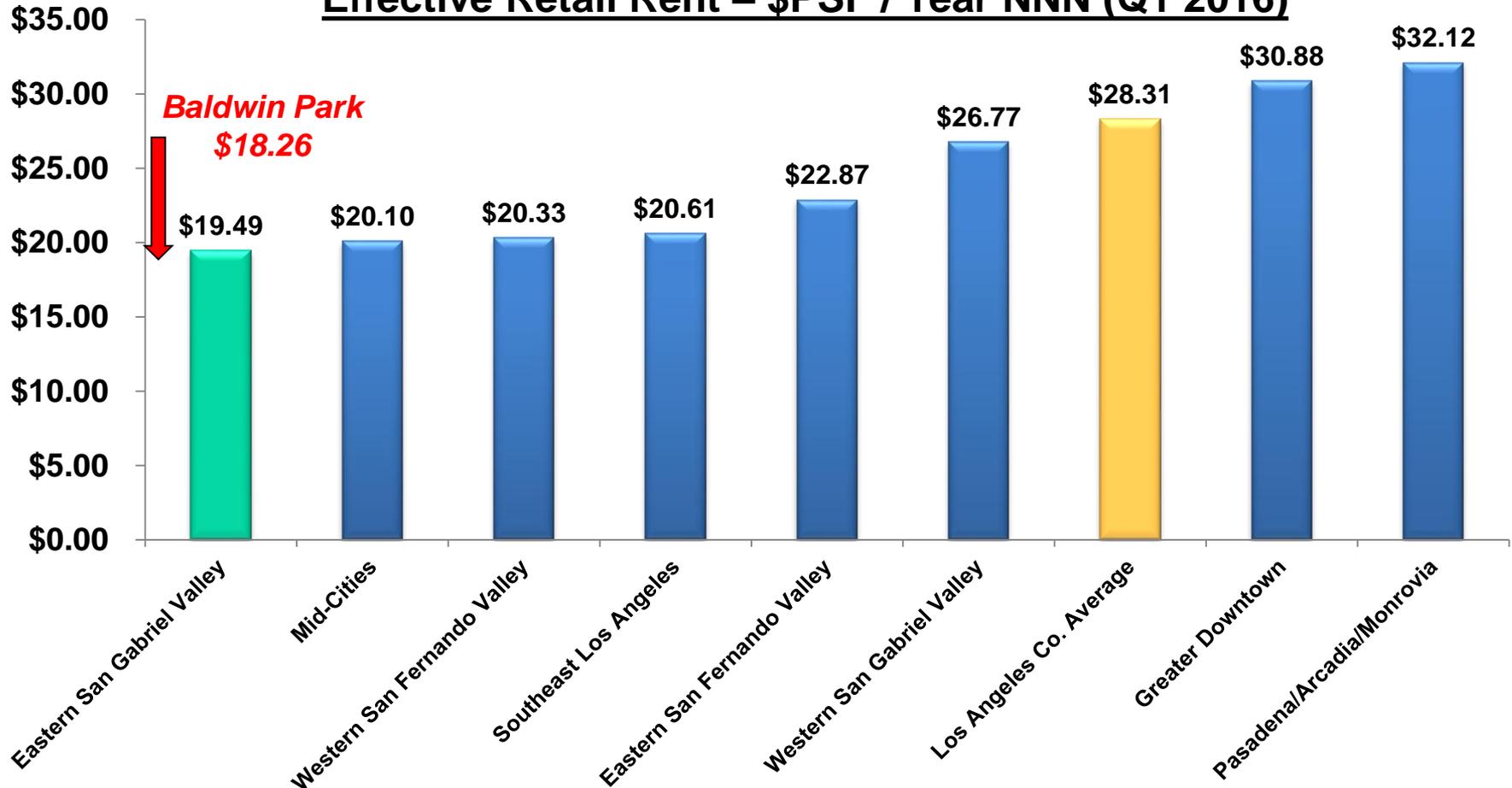
Total Gross Leasable Area (GLA) in millions of SF:

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
Total Retail	3,375	41.7M SF	4.6%	\$19.49

G.L.A. = Gross Leasable Area

Source: CoStar Property (Q1 2016)

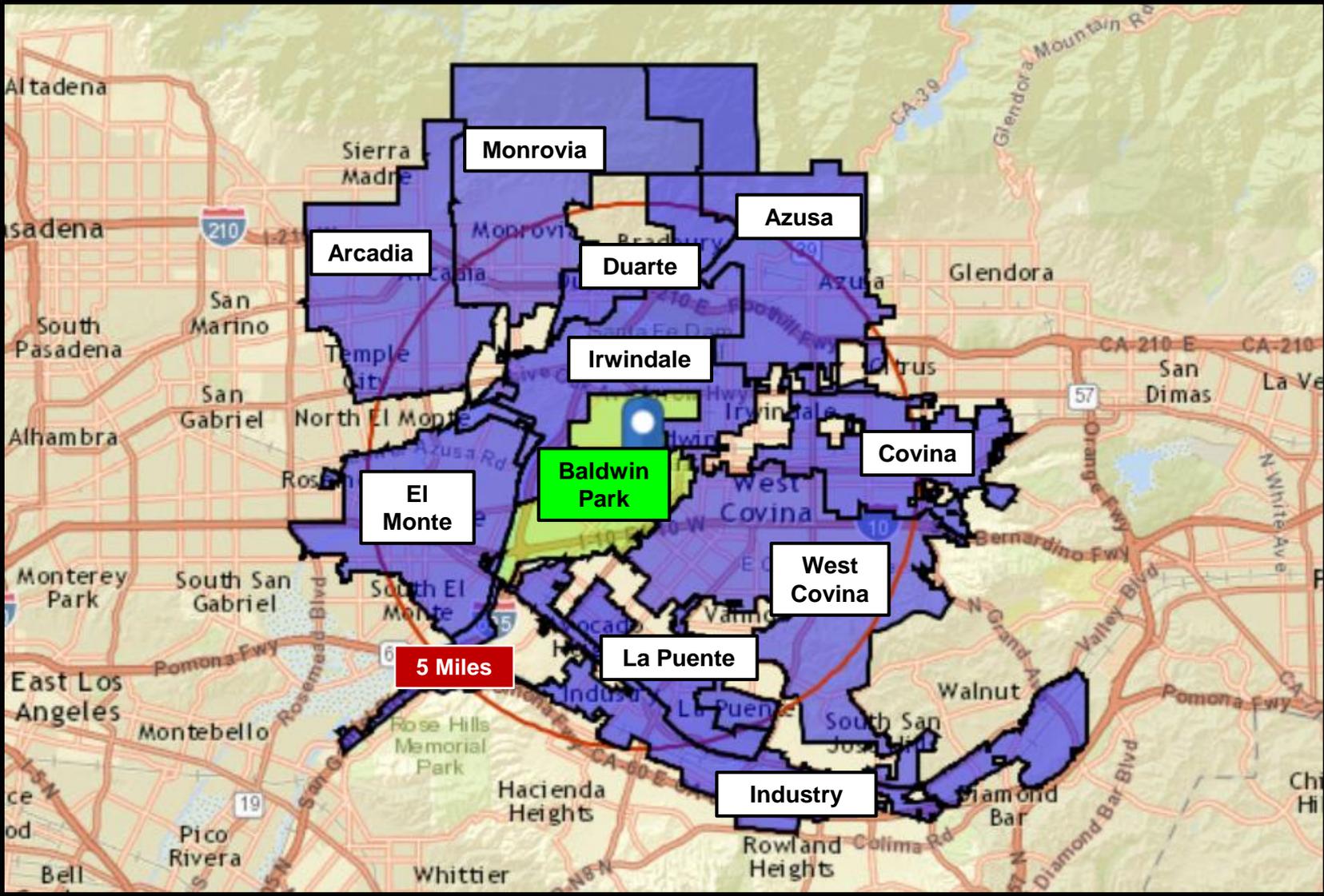
Market Demand Analysis

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.

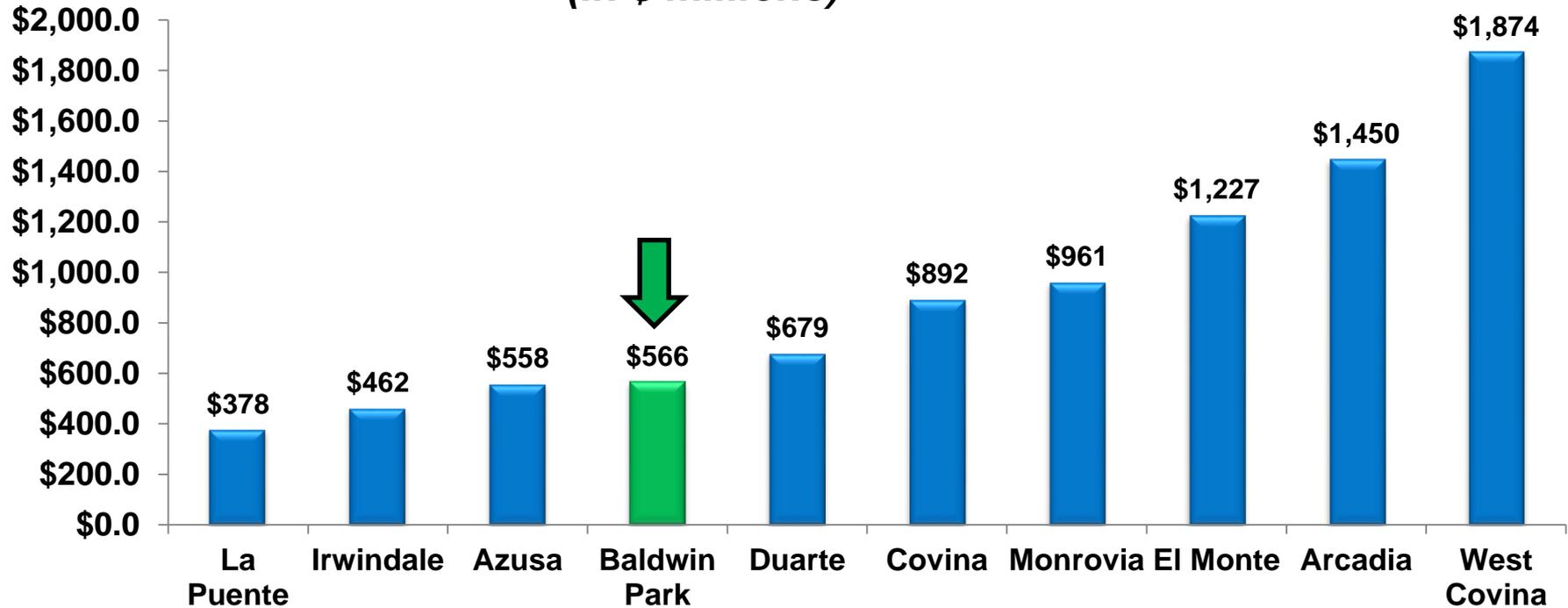
Baldwin Park & Comparison Cities



Retail Sales Comparison

Baldwin Park & Comparison Regions

Retail Sales in 2015
(in \$ millions)

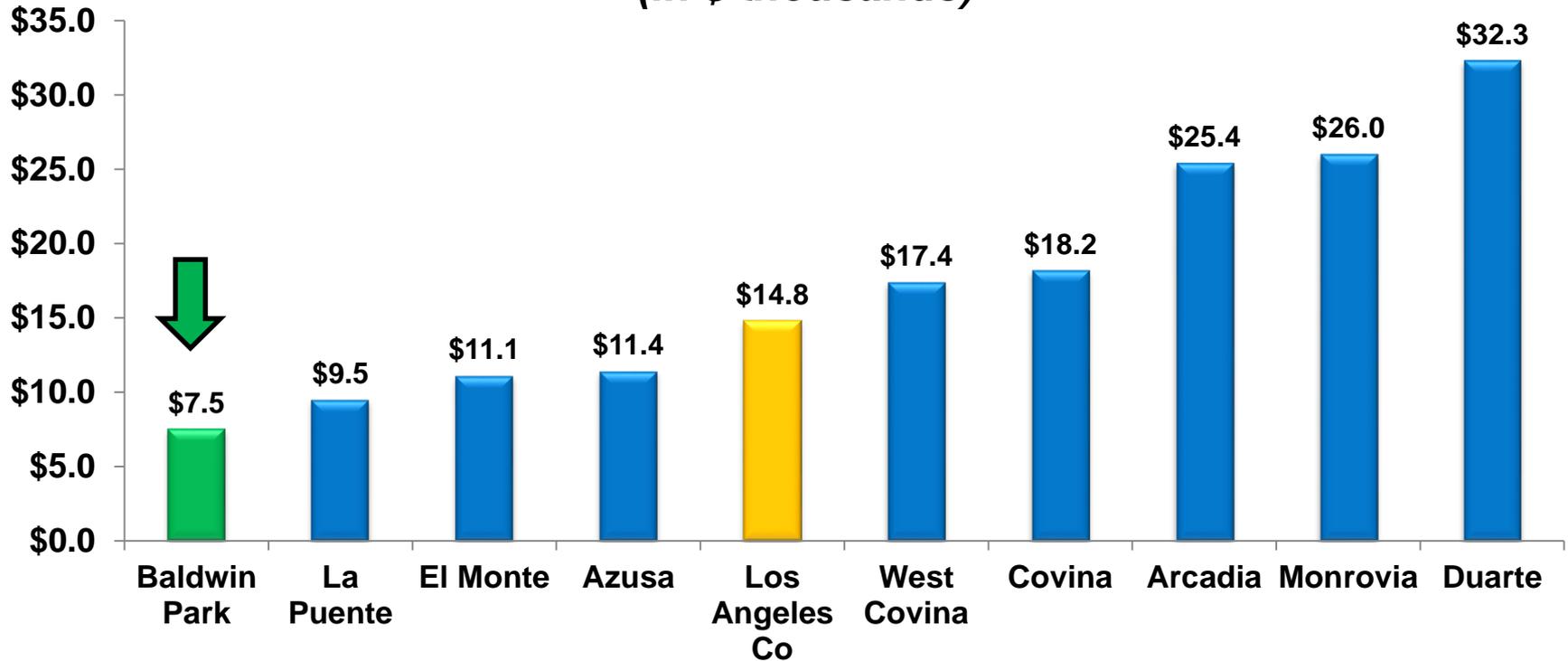


2015 Population (000s):

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
Shopper Goods (GAFO):											
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
Total GAFO	\$3,938	\$11,527	\$6,680	\$6,507	\$3,381	\$3,700	\$7,692	\$7,429	\$8,107	\$6,384	\$5,840
Convenience Goods:											
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
Total Convenience	\$2,122	\$6,048	\$2,162	\$4,975	\$2,584	\$3,619	\$5,876	\$3,313	\$3,106	\$3,991	\$3,810
Heavy Commercial:											
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
Total Heavy Commercial	\$1,298	\$7,887	\$2,236	\$6,801	\$4,972	\$2,102	\$12,209	\$6,556	\$19,972	\$4,197	\$3,495
Non-store Retailers	\$89	\$70	\$355	\$19	\$195	\$0	\$189	\$61	\$448	\$261	\$261
Total Retail	\$7,447	\$25,532	\$11,433	\$18,303	\$11,132	\$9,421	\$25,967	\$17,359	\$31,633	\$14,832	\$13,406

Key: Indicates higher value for Baldwin Park

Indicates lower value for Baldwin Park

Market Demand Analysis

Retail Sales Surplus / Leakage

Retail Sales Surplus / Leakage

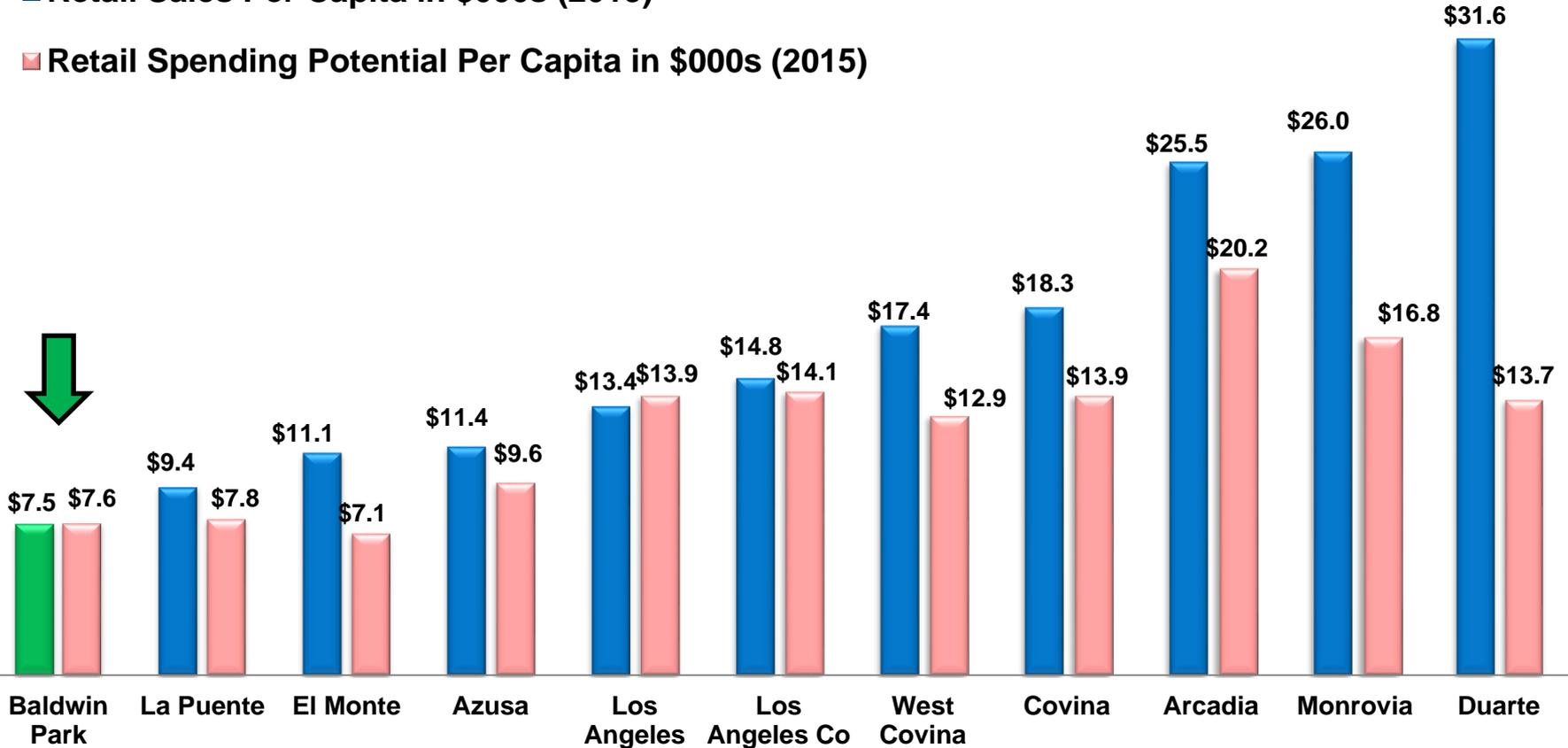
- Overall retail sales in the City are **lower** than retail spending potential based on households and average household income, suggesting that, overall, the City is likely not capturing a significant portion of Baldwin Park resident retail purchases and additionally capturing retail spending by residents 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)
<i>Shopper Goods (GAFO):</i>				
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%
Subtotal – GAFO	\$239,175,286	\$299,478,688	\$60,303,402	25.2%
<i>Convenience Goods:</i>				
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%
Subtotal – Convenience	\$158,749,222	\$161,401,597	\$2,652,375	1.7%
<i>Heavy Commercial Goods:</i>				
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%)
Subtotal – Heavy Commercial	\$168,624,297	\$98,717,963	(\$69,906,334)	(41.5%)
Non-store Retailers	12,585,727	6,766,967	(\$5,818,760)	(46.2%)
Total Retail	\$579,134,532	\$566,365,215	(\$12,769,317)	(2.2%)

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
Total Sales Leakage Categories	(\$142,313,014)		237,885 SF

- ~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

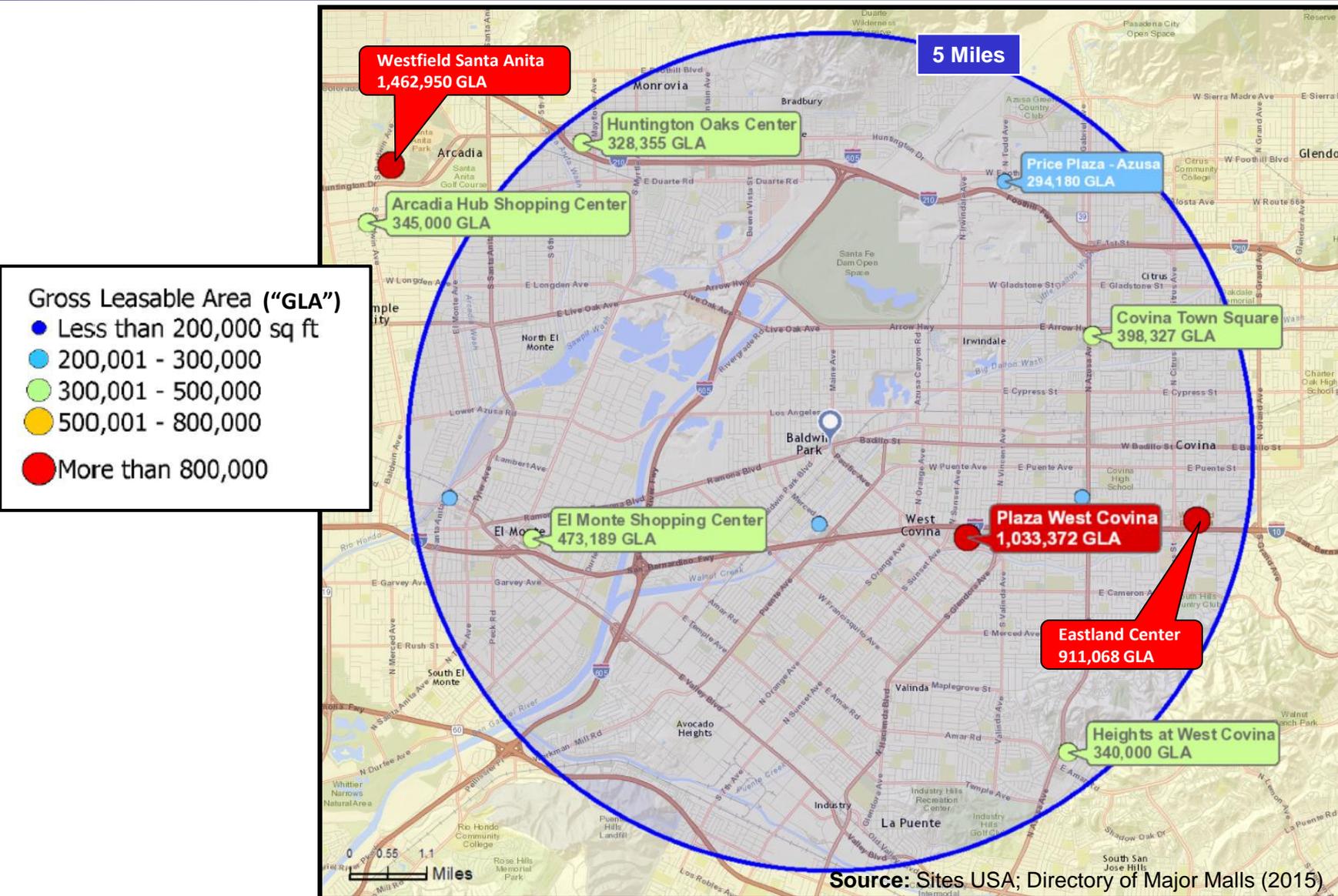
- a) Trade Area Retailer Voids
- b) Opportunity Site Assessment

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)

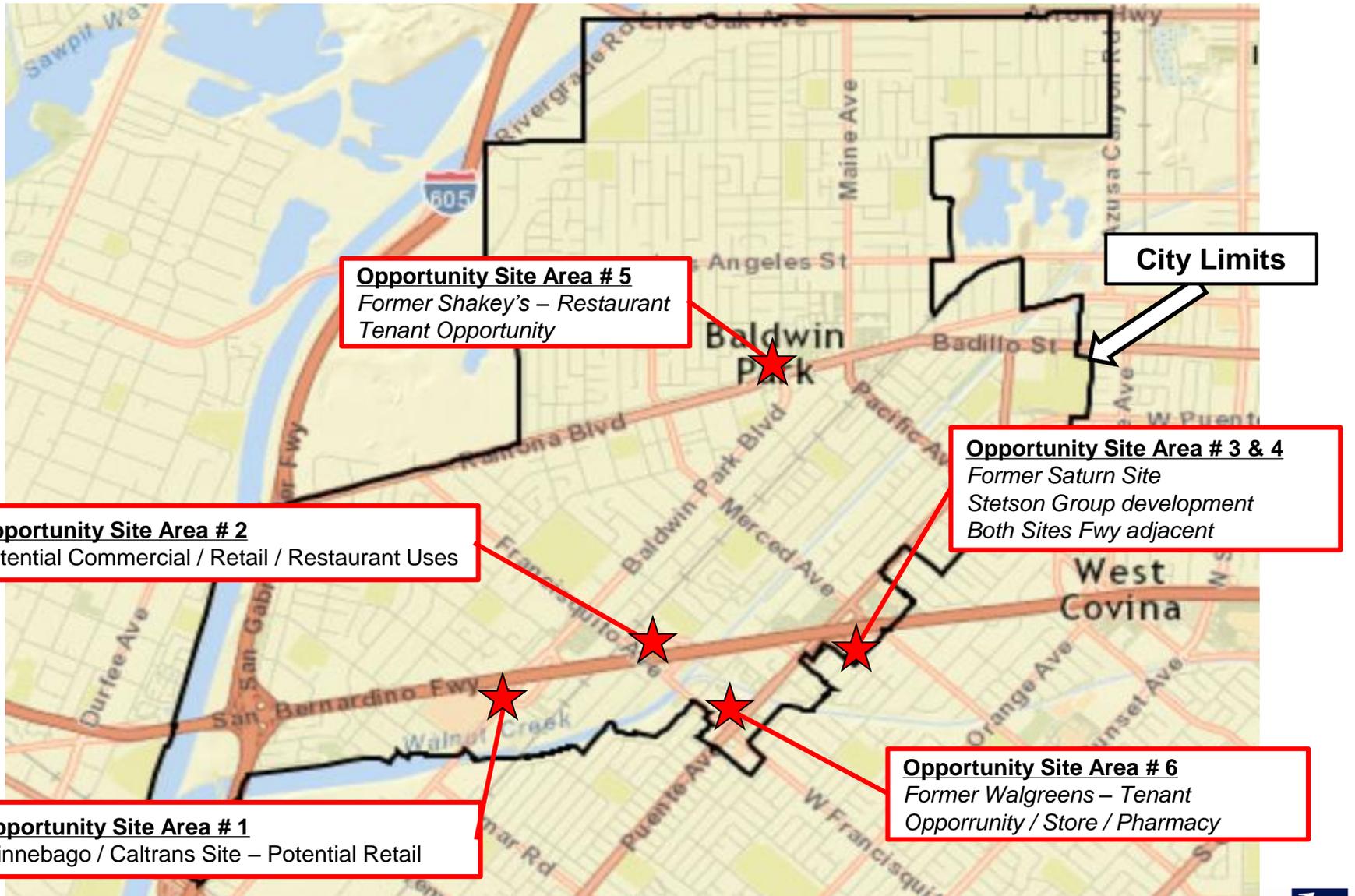
Initial List of Targeted Retailers

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

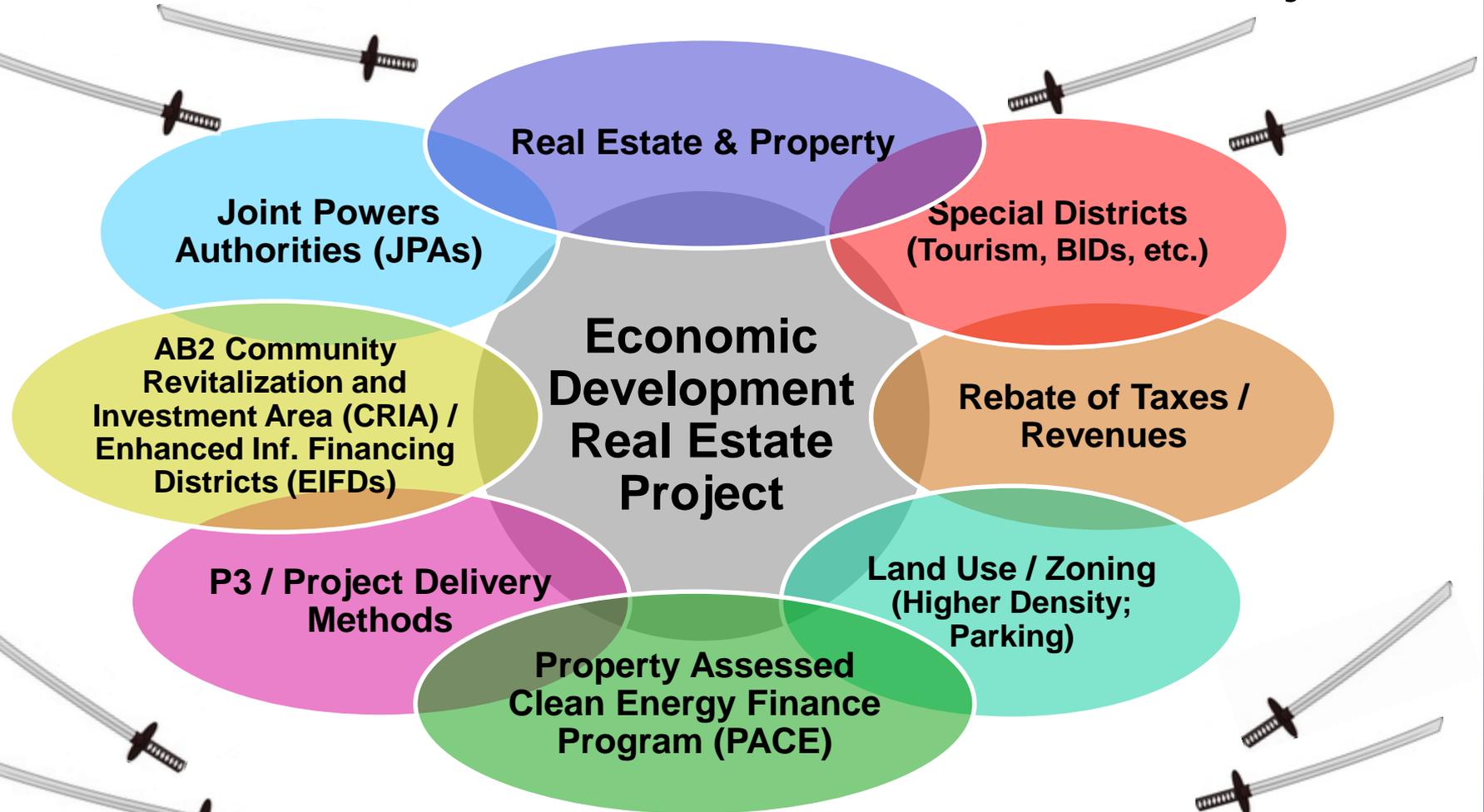
- Enhanced Infrastructure Financing Districts (“EIFD”) / AB-2 Community Revitalization Investment Area (“CRIA”)
- Site-specific tax revenue (“SSTR”) pledges
- Impact fee reductions / waivers / deferrals
- Development opportunity reserve (“DOR”)
- Tax-exempt revenue & utility bonds
- Lease-leaseback financing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

CONTACT US FOR A TRADE AREA:
Ken K. Hira, Senior Vice President, Kosmont Companies (949) 226-0288, khira@kosmont.com

City of Paramount

Retail Tenant Opportunities

in Center East - Paramount Boulevard South of Alondra Boulevard

CONTACT US FOR A TRADE AREA TOUR:
John Moreno, Assistant City Manager, City of Paramount (562) 220-2022, jmoreno@paramountcity.com

City of Paramount

Retail Tenant Opportunities

SEC Downey Avenue & Alondra Boulevard

CONTACT US FOR A TRADE AREA TOUR:
Ken K. Hira, Senior Vice President, Kosmont Companies (949) 226-0288, khira@kosmont.com

DEMOGRAPHICS (ESRI):

2012	1 Mile	2 Mile	3 Mile
Population	31,455	142,247	327,877
Households	8,242	38,070	89,459
Avg. HH Income	\$52,437	\$56,300	\$57,176

CONTACT US FOR A TRADE AREA TOUR:
Ken K. Hira, Senior Vice President, Kosmont Companies (949) 226-0288, khira@kosmont.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

TRADE AREA TOUR:
John Moreno, Assistant City Manager, City of Paramount (562) 220-2022, jmoreno@paramountcity.com

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

CONTACT US FOR A TRADE AREA TOUR:
Ken K. Hira, Senior Vice President, Kosmont Companies (949) 226-0288, khira@kosmont.com

Questions & Discussion

Thank you



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