



# City of Arvin Retail Plan

*November 2015*

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 29 years.

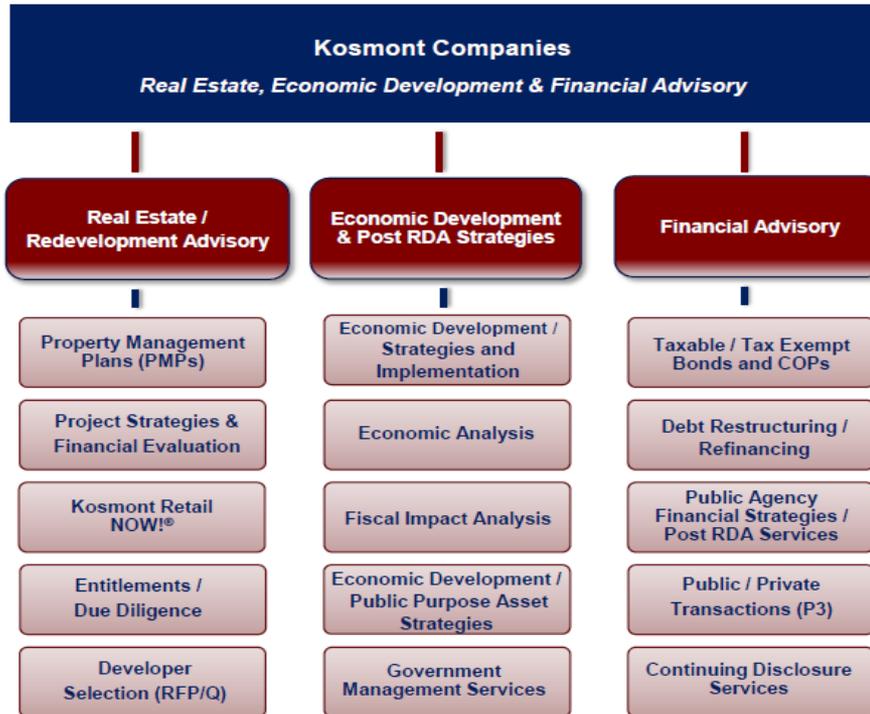
- **Offers a full range of economics & real estate advisory services including:**
  - Market and Feasibility Analyses
  - Economic Development Strategies & Implementation
  - Identification of Funding Sources & Financing Strategies
  - Fiscal Impact & Economic Benefit Studies
  - Retailer/Developer & 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)

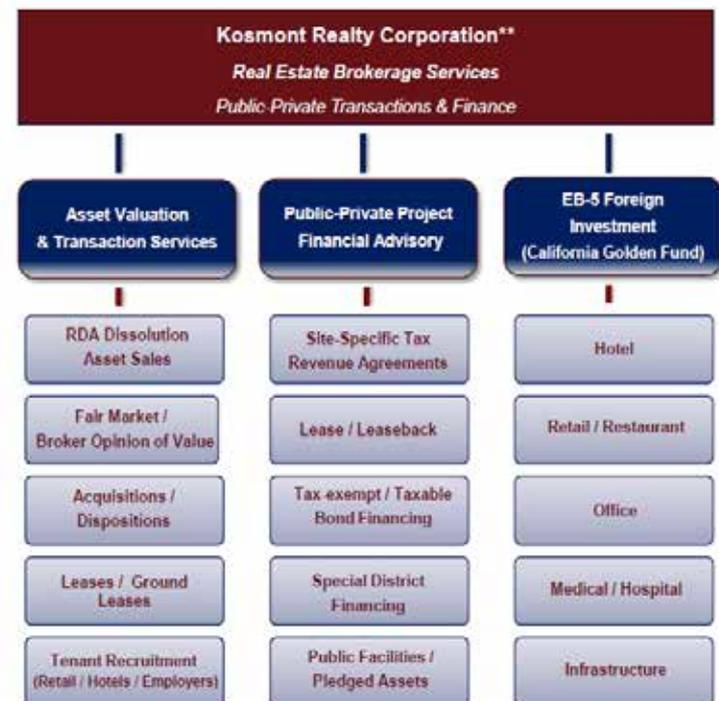
# Kosmont Services Overview



## KOSMONT COMPANIES SERVICES OVERVIEW



## KRC SERVICES OVERVIEW



\*Certified MBE and SBE

04282013

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

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# 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**  
*Senior Vice President*  
*ICSC Western Division*  
*Alliance Chair*

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



**Joseph Dieguez**  
*Vice President*

- Over 9 years of experience
- Market Supply/Demand Studies
- Financial & Feasibility Modeling
- Fiscal Impact / Economic Benefit Analysis
- Asset Valuation
- Financial Turnaround / Fiscal Stabilization Implementation
- Government Staffing and Operations Support

## 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 ~20,100 and ~4,300 households within the City in 2015
- Population of ~44,400 and ~10,400 households within 10 miles

## Income

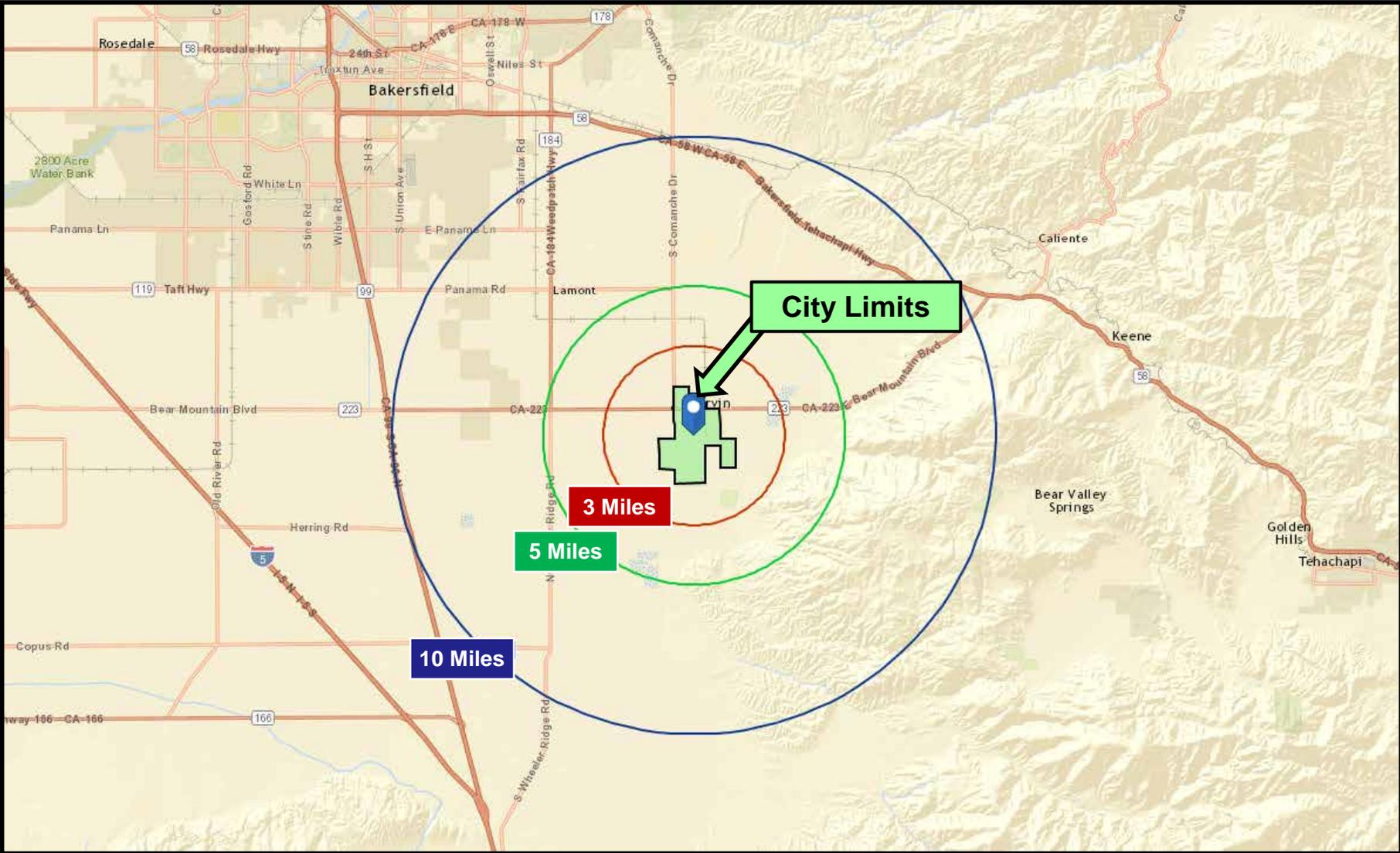
- Avg. HH income ~\$42,600 in City and ~\$47,300 within 10 miles
- 2.27% annual growth projected for HH income over next 5 years in City

## Other Demographic Characteristics

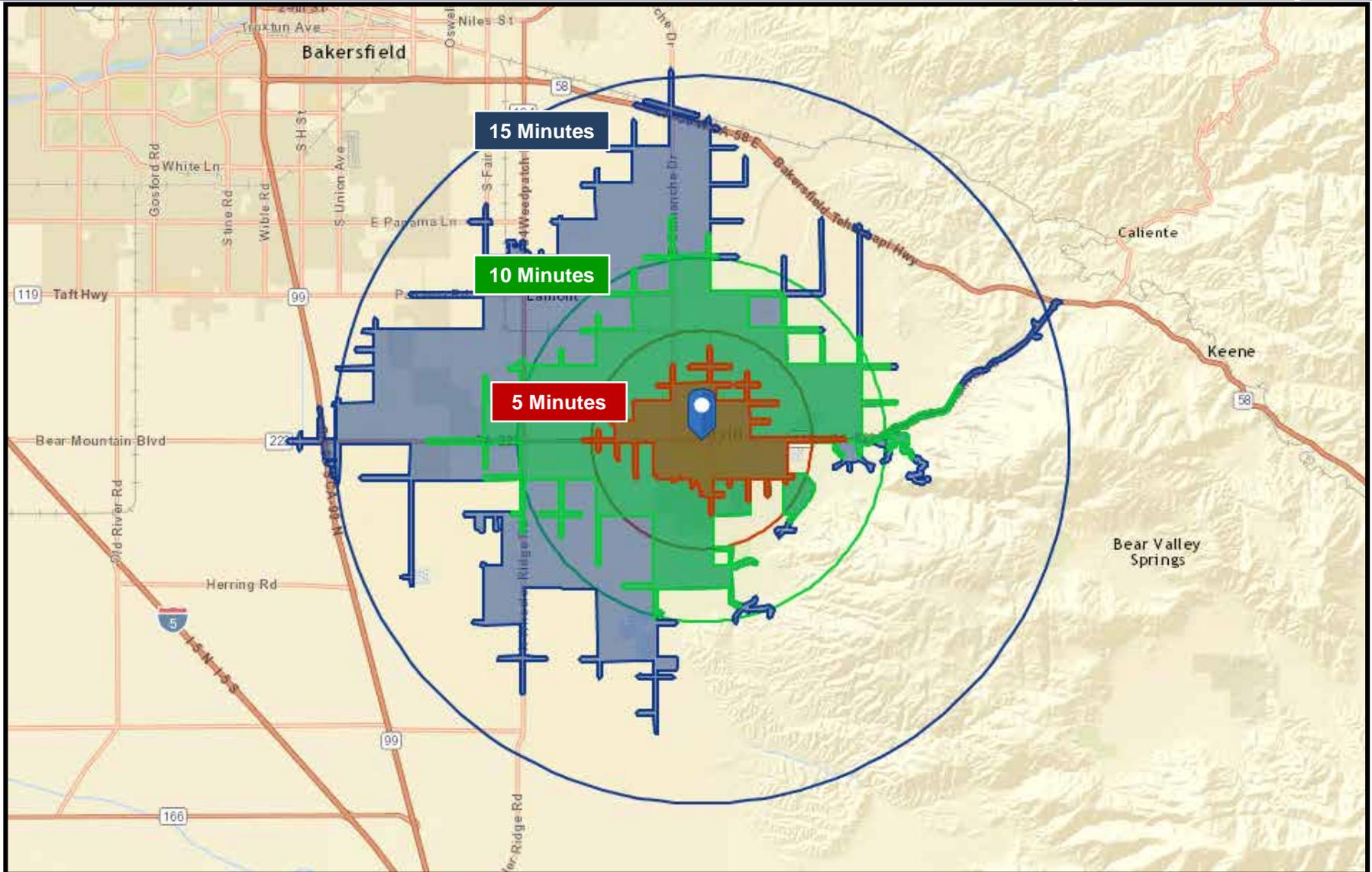
- Average household size of **4.5** in City (relatively large)
- Median age of **25** in City (younger)
- ~3.2% Bachelor's Degree or higher (low)
- Race: ~53% White, ~40% Some Other Race, ~7% other / two or more races
- Ethnicity: ~**93**% Hispanic in City

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

# Arvin City Limits & Radii



# Drive Times (from City Hall)



# Population and Income

## *City, County and State*

<u>2015</u>	City of Arvin	Kern County	California
Population	20,113	870,898	38,371,836
Households	4,316	265,281	12,932,388
Average HH Size	<b>4.50</b>	3.17	2.90
Median Age	<b>25.1</b>	31.1	35.7
% Hispanic Origin	<b>93.0%</b>	52.1%	39.1%
Per Capita Income	\$9,805	\$20,922	\$29,788
Median HH Income	\$33,978	\$48,827	\$60,382
Average HH Income	\$42,606	\$66,519	\$87,152
<b><u>2015-2020 Annual Growth Rate</u></b>			
Population	0.60%	0.96%	0.73%
Median HH Income	2.27%	2.52%	3.36%

\* City population as estimated by California Department of Finance as of 1/1/2015

Source: ESRI, California Department of Finance (2015)

# Population and Income

## *Radii from City Hall*

	Radii from City Hall		
<u>2015</u>	3 Mile	5 Miles	10 Miles
Population	20,380	21,375	<b>44,444</b>
Households	4,494	4,732	10,374
Average HH Size	<b>4.47</b>	<b>4.45</b>	<b>4.25</b>
Median Age	<b>25.2</b>	<b>25.2</b>	<b>26.3</b>
% Hispanic Origin	<b>92.9%</b>	<b>92.4%</b>	<b>89.0%</b>
Per Capita Income	\$9,835	\$9,900	\$11,167
Median HH Income	\$33,911	\$34,132	\$34,542
Average HH Income	\$42,629	\$42,987	\$42,987
<u>2015-2020 Annual Growth Rate</u>			
Population	0.61%	0.61%	0.54%
Median HH Income	2.30%	2.26%	2.37%

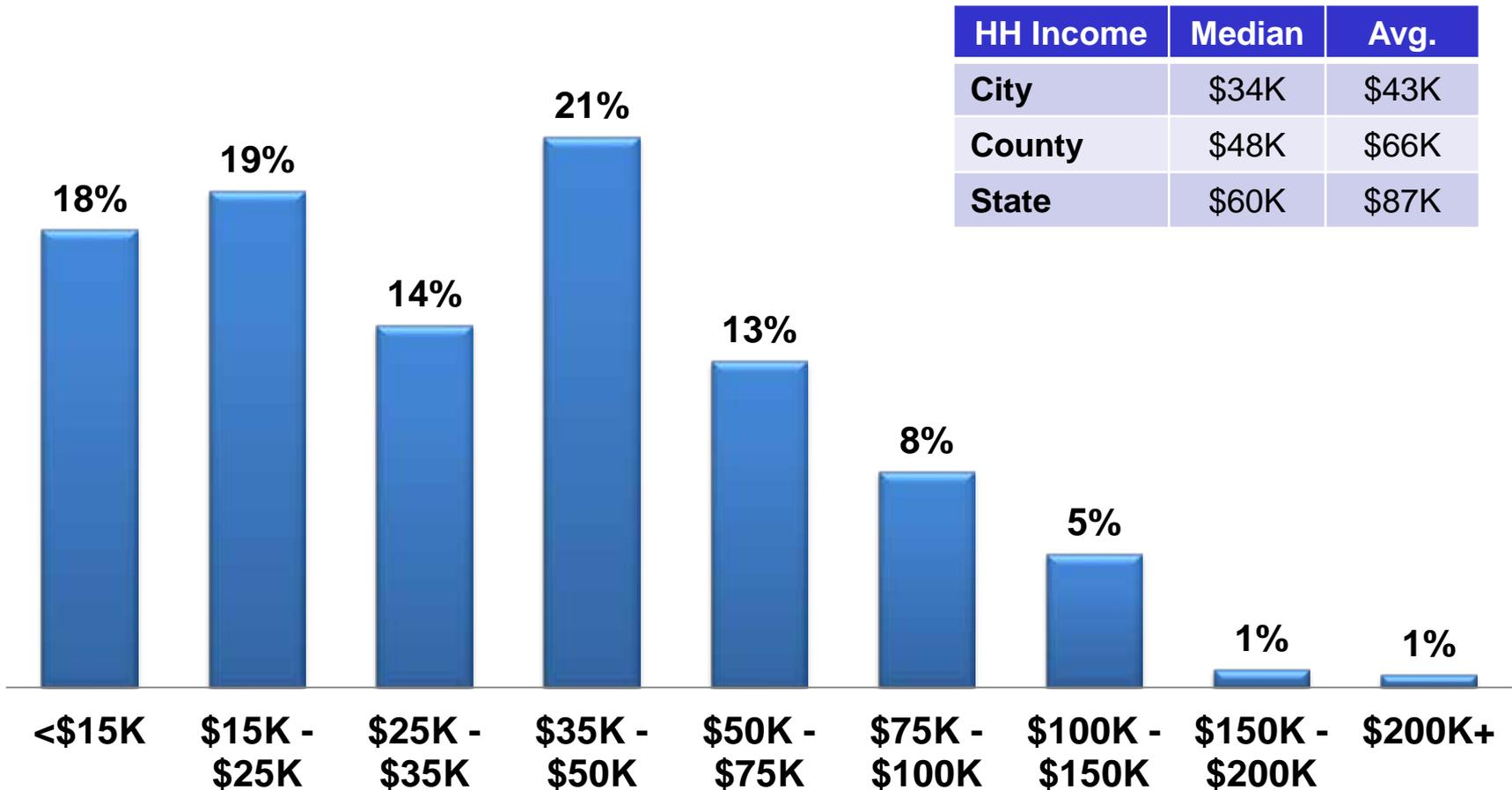
# Population and Income

## *Drive Times from City Hall*

	Drive Times (from City Hall)		
<u>2015</u>	5 Minutes	10 Minutes	15 Minutes
Population	16,867	22,044	40,179
Households	3,788	4,882	9,041
Average HH Size	<b>4.38</b>	<b>4.45</b>	<b>4.41</b>
Median Age	<b>25.4</b>	<b>25.2</b>	<b>25.6</b>
% Hispanic Origin	<b>93.1%</b>	<b>92.6%</b>	<b>93.1%</b>
Per Capita Income	\$9,626	\$9,827	\$9,799
Median HH Income	\$32,447	\$33,597	\$32,631
Average HH Income	<b>\$40,824</b>	<b>\$42,616</b>	<b>\$42,820</b>
<u>2015-2020 Annual Growth Rate</u>			
Population	0.61%	0.77%	1.16%
Median HH Income	2.00%	2.34%	2.15%

# Income Profile

**City of Arvin – 2015 Households by Income Bracket**



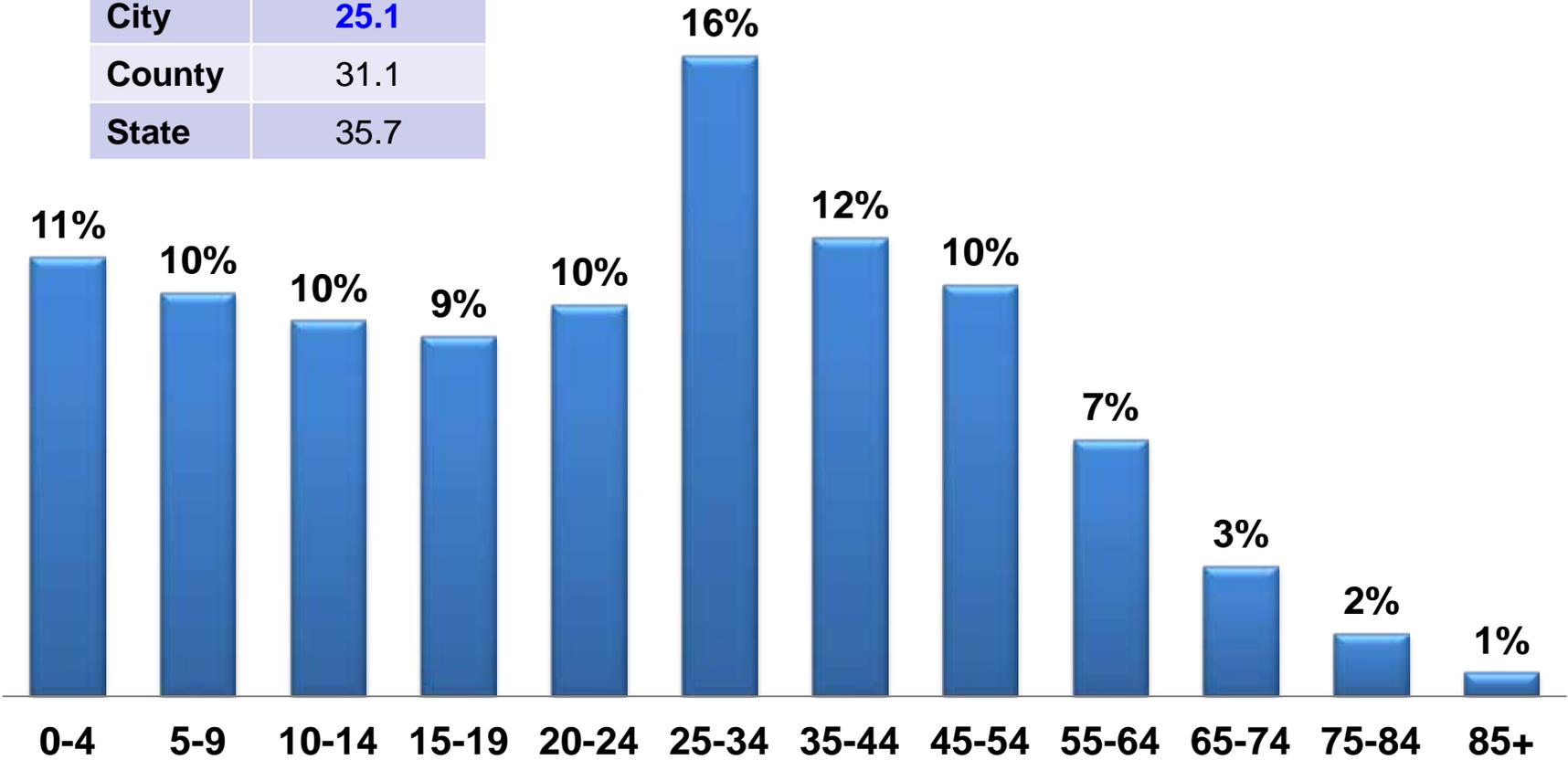
HH Income	Median	Avg.
City	\$34K	\$43K
County	\$48K	\$66K
State	\$60K	\$87K

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

# Age Profile

City Population by Age Bracket in 2015

	Median Age
City	25.1
County	31.1
State	35.7

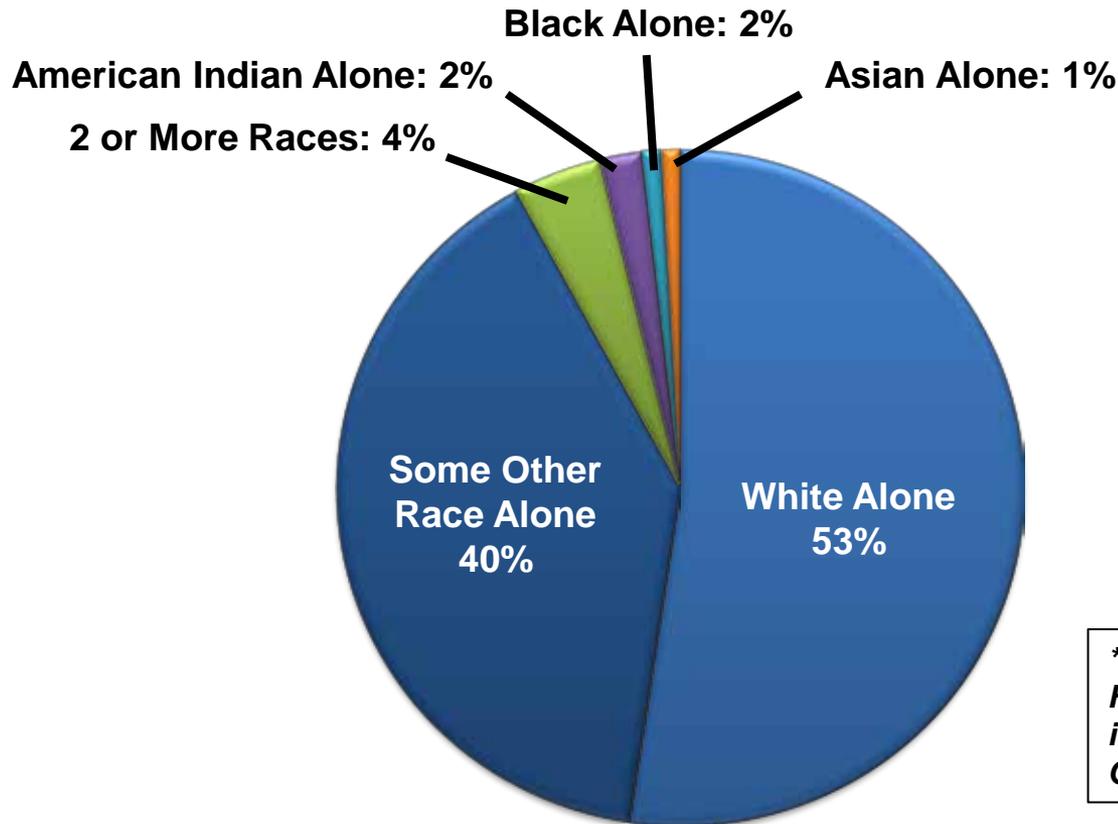


Source: U.S. Census Bureau (2010); ESRI (2015)



# Race & Ethnicity

## City Population by Race & Ethnicity in 2015



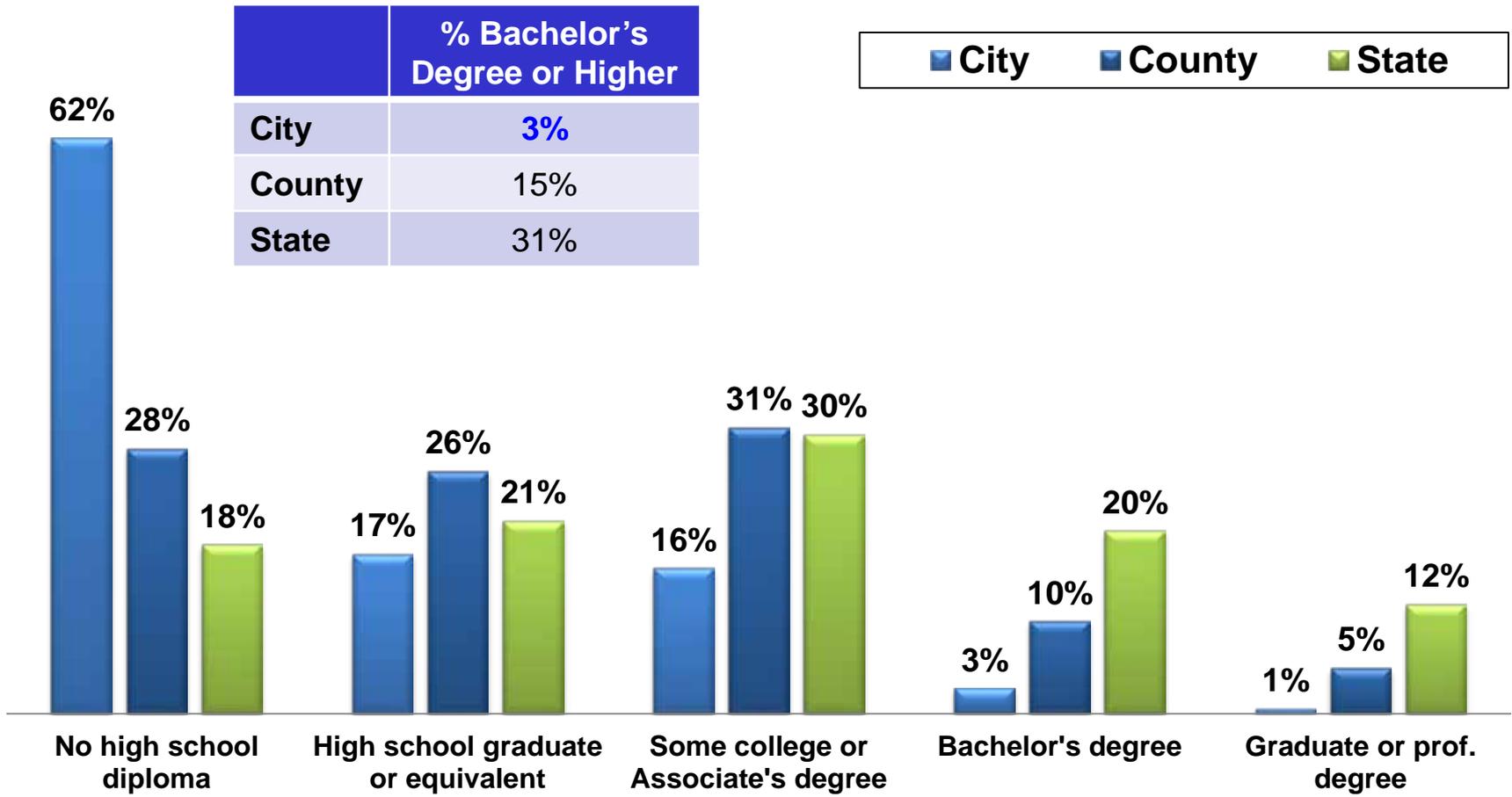
## **Hispanic Origin of Any Race: 93%**

**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

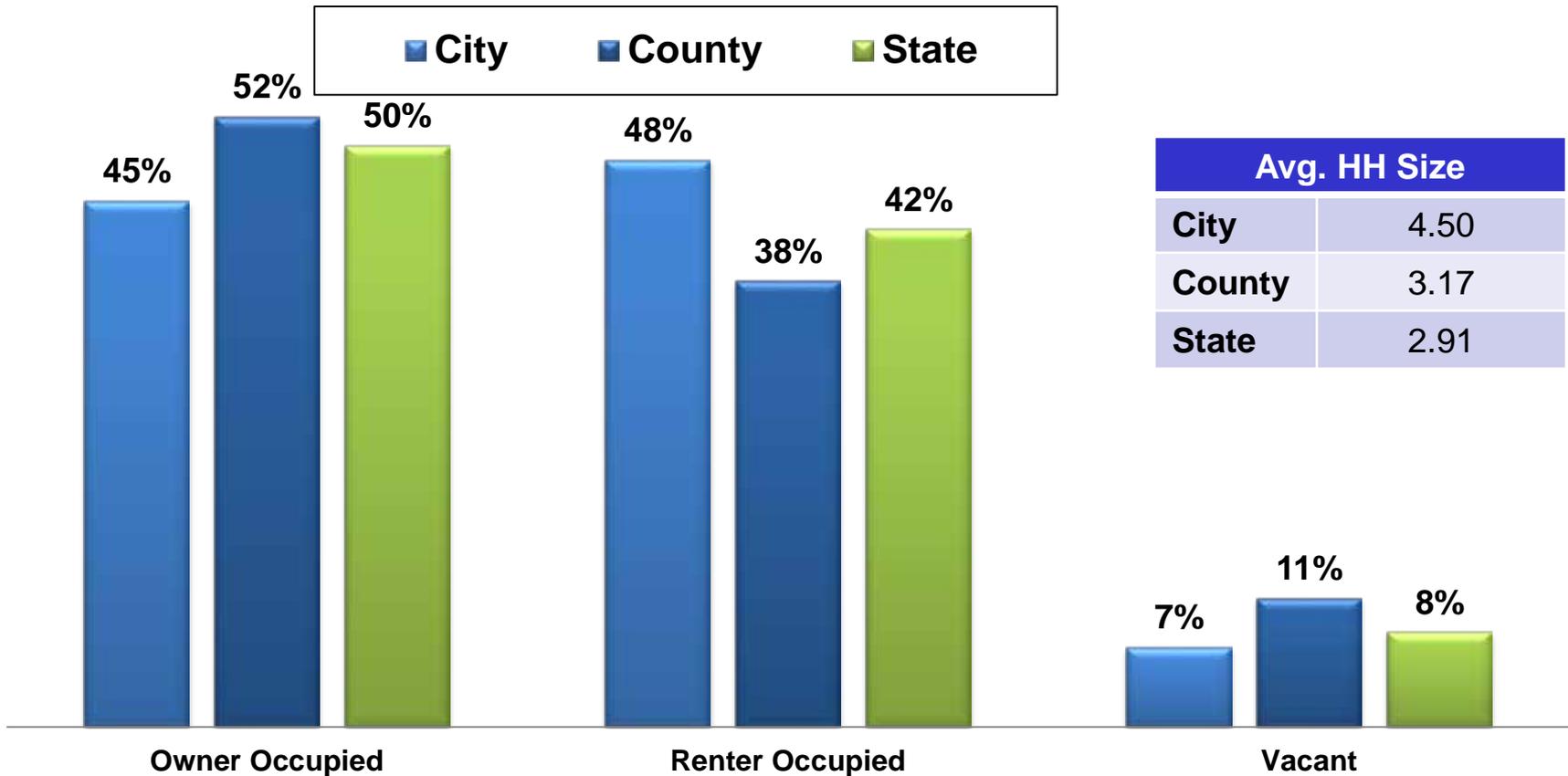
## Population Aged 25+ by Educational Attainment



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

# Housing & Household Size

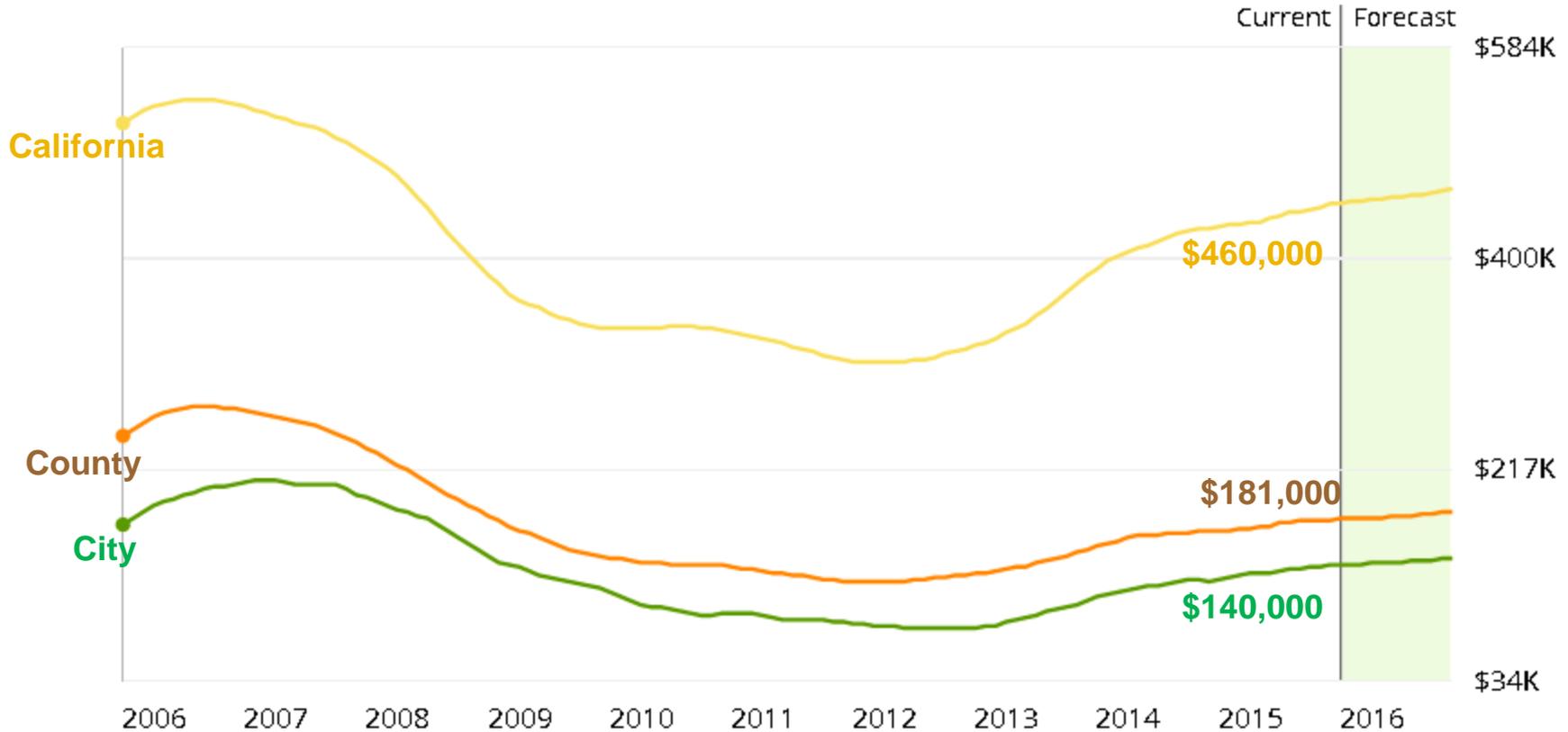
## Housing Breakdown (2015)



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

# Home Value History

## Zillow Home Value Index



# Population Segmentation Profile

“Tapestries” in City	Percent	Sample Characteristics
<b>1. Valley Growers</b>	90%	<ul style="list-style-type: none"><li>• Young, Hispanic families with children</li><li>• Renter occupied, single family homes, low vacancy</li><li>• Shop at Costco, Marshalls, Kmart, Sears, Walmart</li><li>• Listen to a variety of music, especially Spanish/Latin</li></ul>
<b>2. Urban Villages</b>	10%	<ul style="list-style-type: none"><li>• Educated, multicultural, multigenerational families</li><li>• Financially active, frequent travelers, shop on credit</li><li>• Favorite stores are Costco, Target, Whole Foods</li><li>• Tech-savvy, active, spend on health and wellness</li></ul>

Source: ESRI (2015)

# Jobs / Housing Balance

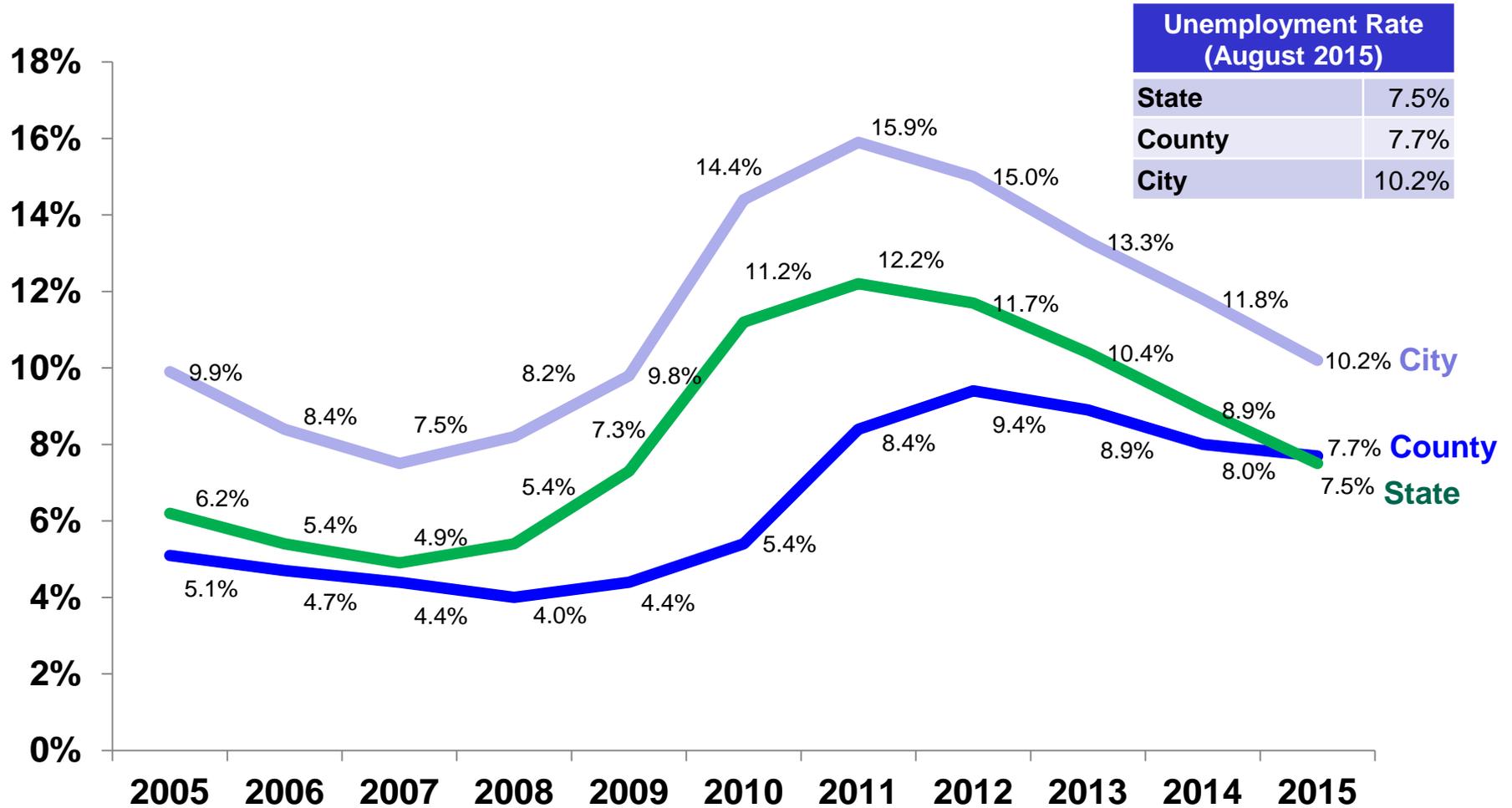
<b>2015</b>	<b>City of Arvin</b>	<b>Kern County</b>	<b>California</b>
Employment	3,995	333,797	16,840,429
Households	4,316	265,281	12,932,388
<b>Jobs / Housing Ratio</b>	<b>0.93</b>	<b>1.26</b>	<b>1.30</b>

Source: ESRI (2015)

## Economic & Demographic Profile

*Unemployment & Employment by Industry*

# Unemployment



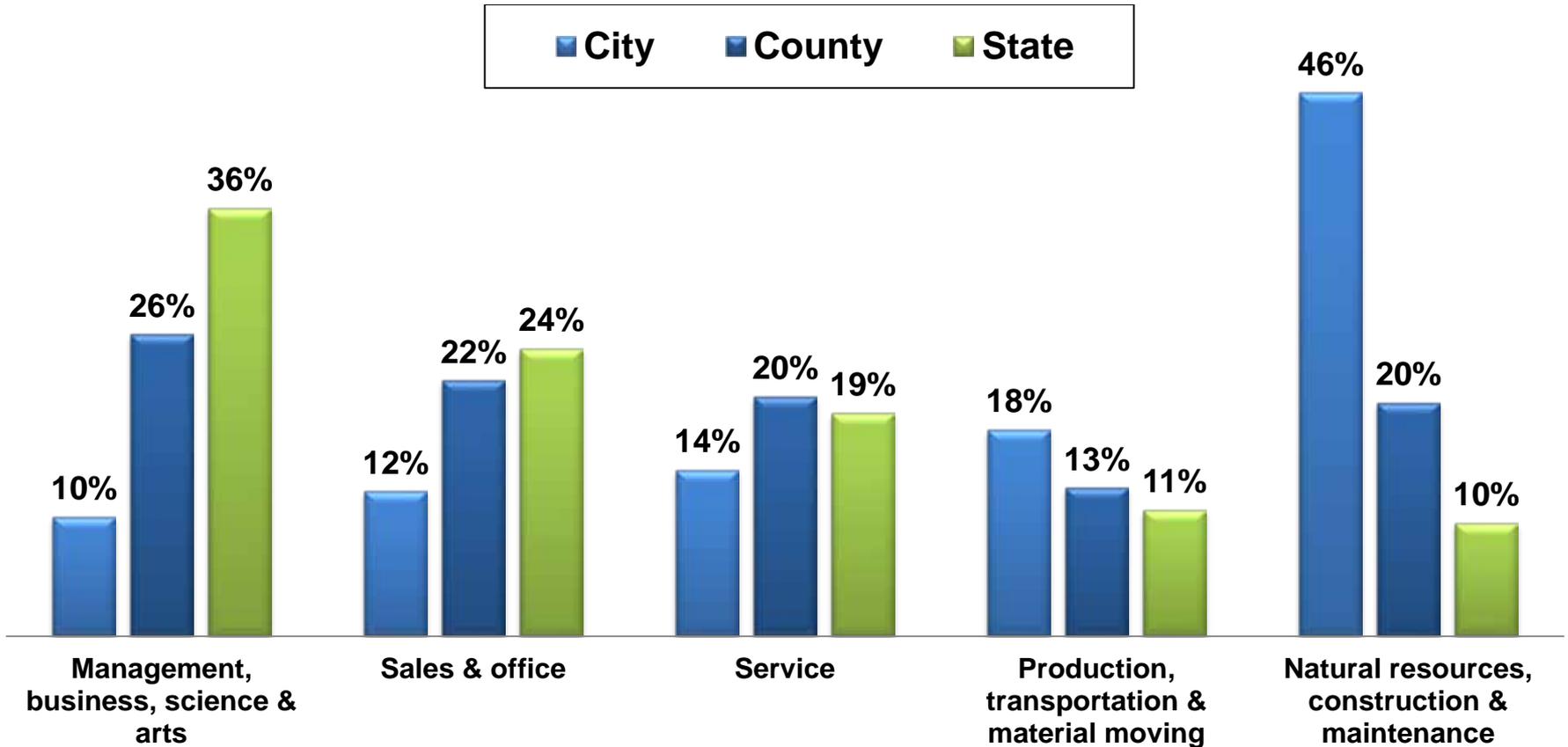
Unemployment Rate (August 2015)	
State	7.5%
County	7.7%
City	10.2%

Note: Not seasonally adjusted; annual averages

Source: California Employment Development Department (2015)

# 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+)

Agriculture, forestry, fishing & hunting	19.2%
Retail Trade	16.0%
Manufacturing	14.8%
Healthcare & Social Assistance	12.4%
Educational Services	10.9%
Accommodation & food services	9.0%
Administration & support, waste mgmt.	3.6%
Construction	2.0%
Wholesale Trade	2.0%
Public Administration	1.7%
Professional, scientific, & tech. services	1.6%
Other Services except public admin.	1.3%
Transportation and Warehousing	1.2%
Finance and Insurance	1.2%
Management of companies & enterprises	1.1%
Real Estate and Rental and Leasing	0.7%
Mining, quarrying, oil & gas extraction	0.6%
Information	0.5%
Arts, Entertainment, and Recreation	0.2%
Utilities	0.0%

*“Industries in which City residents work”*

## Workers Employed within City

Agriculture, forestry, fishing & hunting	13.7%
Educational Services	12.2%
Manufacturing	12.2%
Health Care and Social Assistance	10.2%
Public Administration	9.2%
Retail Trade	8.2%
Accommodation and Food Services	6.8%
Construction	3.9%
Transportation and Warehousing	3.8%
Wholesale Trade	3.0%
Professional, scientific, & tech. services	2.4%
Finance and Insurance	2.0%
Utilities	1.9%
Administration & support, waste mgmt.	1.8%
Real Estate and Rental and Leasing	1.8%
Arts, Entertainment, and Recreation	1.7%
Other Services except public admin.	1.7%
Mining, quarrying, oil & gas extraction	1.4%
Information	1.3%
Management of companies & enterprises	1.0%

*“Jobs available in the City”*

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

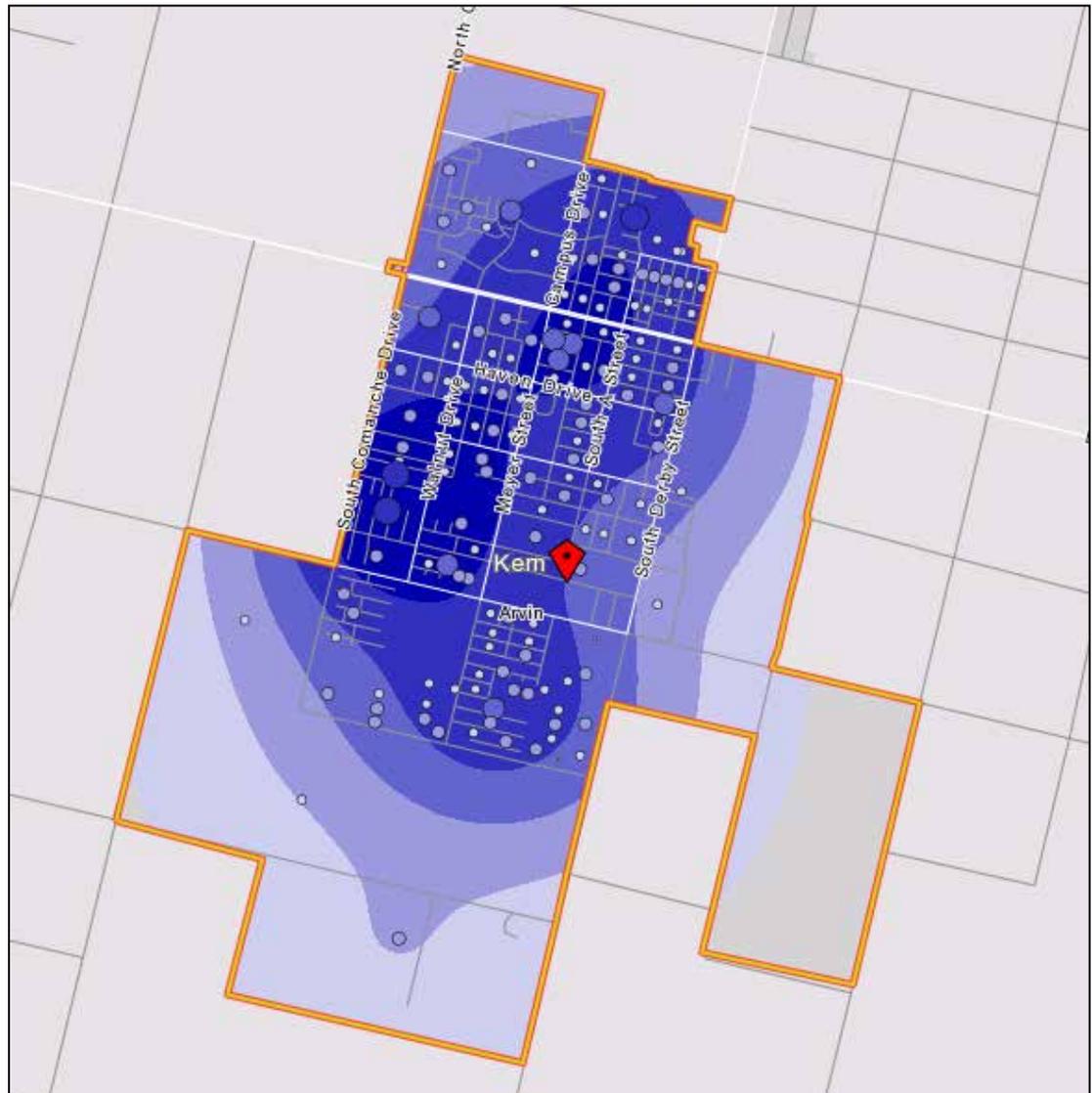
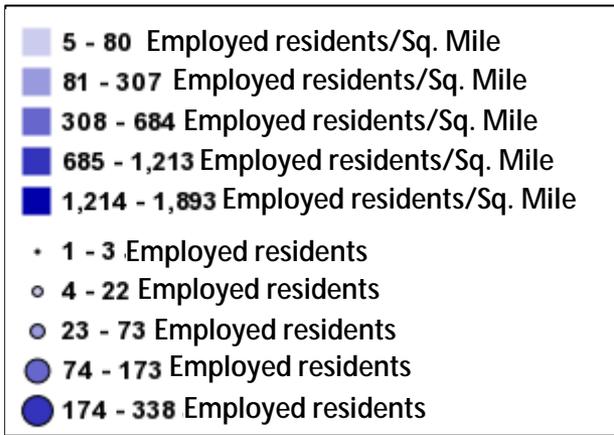
# Select Major Employers within the City

<i>(Listed Alphabetically)</i>
Arvin High School
Arvin Senior Center
<u>Arvin Union School District</u> <i>El Camino Real Elementary School</i> <i>Bear Mountain Elementary School</i> <i>Sierra Vista Elementary School</i> <i>Haven Drive Middle School</i>
Edsal Sandusky Corporation
Evergreen Arvin Healthcare
Grimmway Farms
McDonald's
Reeves Extruded Products
Vallarta Supermarket

**Note:** Listed alphabetically

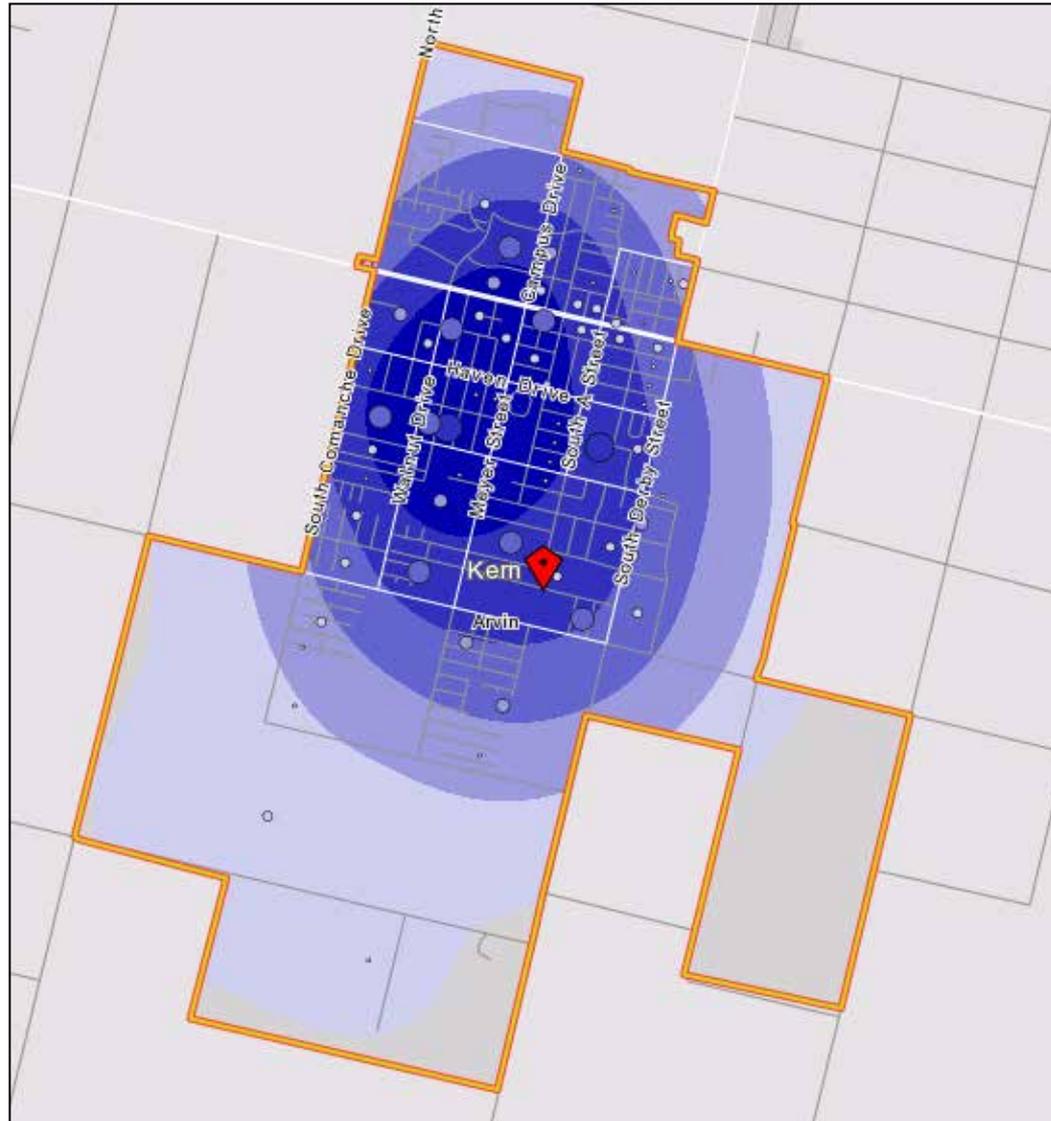
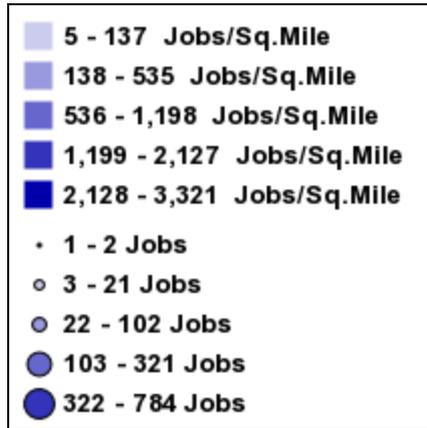
**Source:** City of Arvin, ESRI, Dun & Bradstreet (2015)

# 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	
Bakersfield city	26.5%
Arvin	25.0%
Lamont	4.0%
Los Angeles	1.9%
Delano	1.3%
Weedpatch	1.2%
Golden Hills	0.8%
Greenfield	0.7%
Anaheim	0.6%
Tehachapi	0.6%
Edmundson Acres	0.5%
Oildale	0.5%
Wasco	0.5%
Rosedale	0.4%
San Jose	0.4%
Shafter	0.4%
Fresno	0.4%
Lancaster	0.4%
Oxnard	0.4%
Moreno Valley	0.3%
Other	31.9%

*“Where City residents work”*

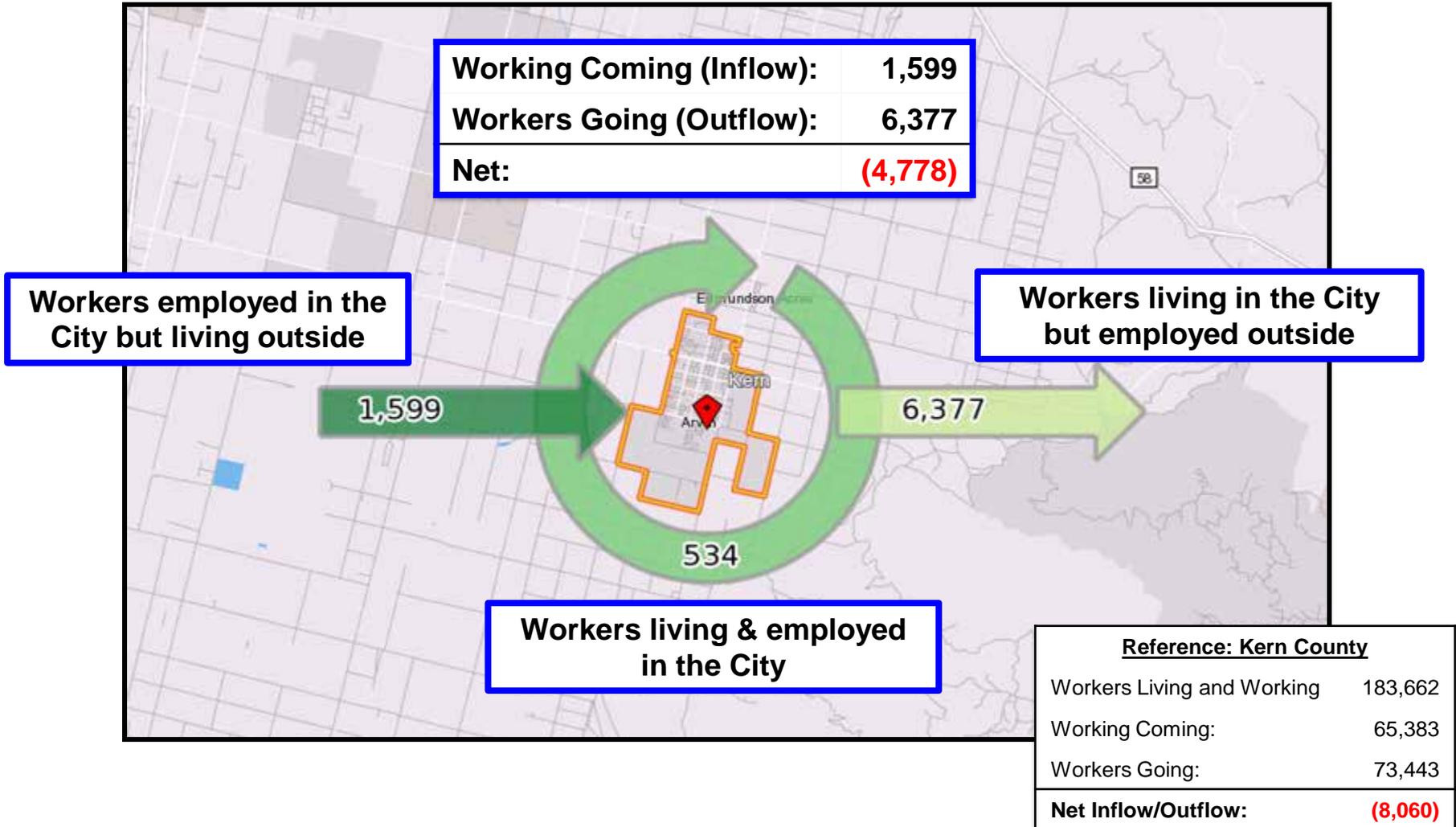
City Employee Origin	
Bakersfield	14.9%
Arvin	7.7%
Los Angeles	3.5%
Fresno	2.3%
Lake Isabella	2.1%
Lamont	1.7%
Shafter	1.4%
San Diego	1.3%
Sacramento	1.3%
Edmundson Acres	1.1%
Delano	0.9%
Anaheim	0.9%
Riverside	0.7%
Irvine	0.5%
Orange	0.5%
Santa Clarita	0.5%
Wasco	0.5%
Lancaster	0.5%
Palmdale	0.5%
San Francisco	0.5%
Other	54.1%

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

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

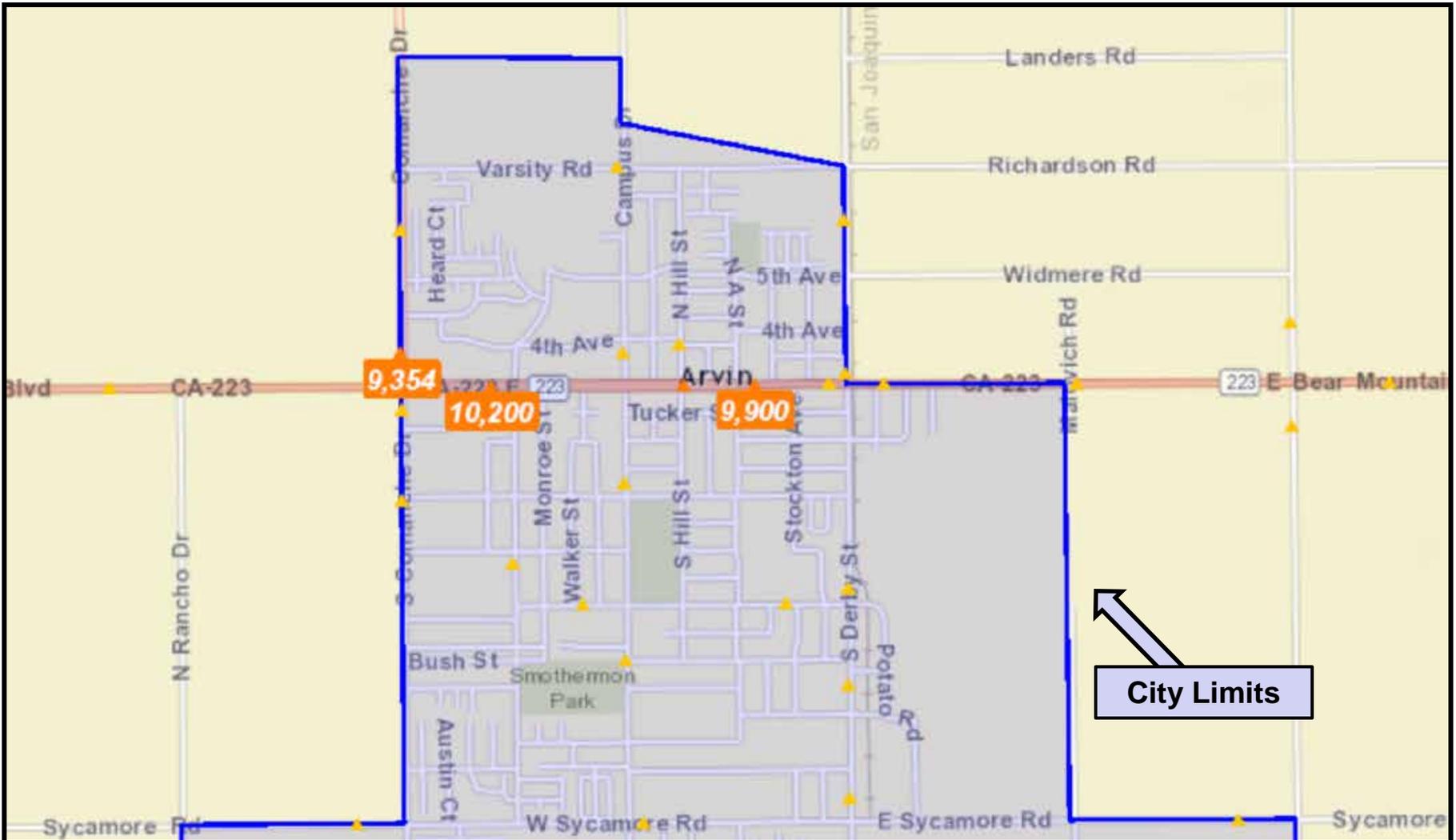
# Worker Inflow / Outflow

*“Are jobs coming or going?”*



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

# Traffic Map City of Arvin



Source: ESRI (2015)

# Summary: Demographics and Employment

- Relatively young, Hispanic population; larger than average HH size
- High unemployment compared to County and State, with most workers in the city employed in agriculture, educational services, manufacturing, and healthcare
- Most residents are employed in Bakersfield, within Arvin, Lamont, Los Angeles and other cities

## Market Demand Analysis

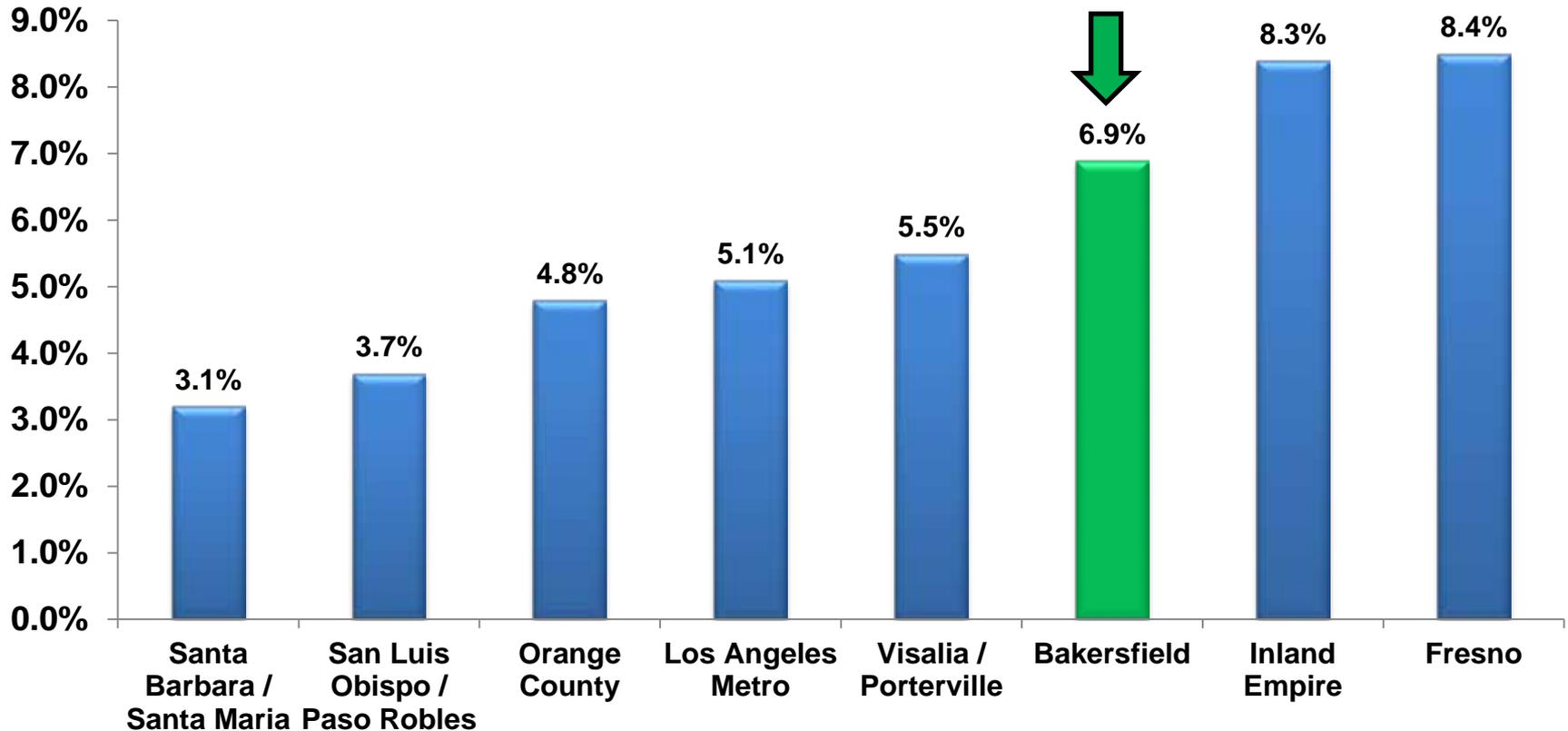
*Retail Supply, Vacancy & Lease Rates*

# Retail Supply, Vacancy & Lease Rates

- Supply, vacancy, and lease rates for retail uses are compared between major Southern California markets
- Arvin falls within the Bakersfield market area (as defined by CoStar)
- Retail vacancy within the Bakersfield market is estimated **above** the Southern California average
- Retail lease rates within the Bakersfield market are estimated **below** the Southern California average

# Retail Vacancy by Market

Retail Vacancy (Q3 2015)



Total G.L.A.	24.3M	15.1M	141.0M	455.6M	17.2M	21.1M	185.2M	63.5M
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G.L.A. = Gross Leasable Area

Source: CoStar Property (Q3 2015)

# Retail Lease Rates by Market

**Average Asking Retail Lease Rates – \$PSF / Month**  
**(Q3 2015)**



<b>Total G.L.A.</b>	<b>63.9M</b>	<b>21.1M</b>	<b>17.2M</b>	<b>185.2M</b>	<b>15.1M</b>	<b>24.3M</b>	<b>141.0M</b>	<b>455.6M</b>
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G.L.A. = Gross Leasable Area

Source: CoStar Property (Q3 2015)

# Bakersfield Market Detail

## *By Retail Subcategory*

Retail Type	# Bldgs	G.L.A.	Vacancy	Asking NNN Rates
General Retail	1,271	8.7M SF	5.2%	\$0.86
Mall	2 Centers	1.7M SF	14.0%	\$0.92
Power Center	4 Centers	2.1M SF	2.4%	\$2.75
Shopping Center	152 Centers	8.7M SF	8.3%	\$1.19
<b>Total Retail</b>	<b>1,786</b>	<b>21.1M SF</b>	<b>6.9%</b>	<b>\$1.08</b>

G.L.A. = Gross Leasable Area

Source: CoStar Property (Q3 2015)

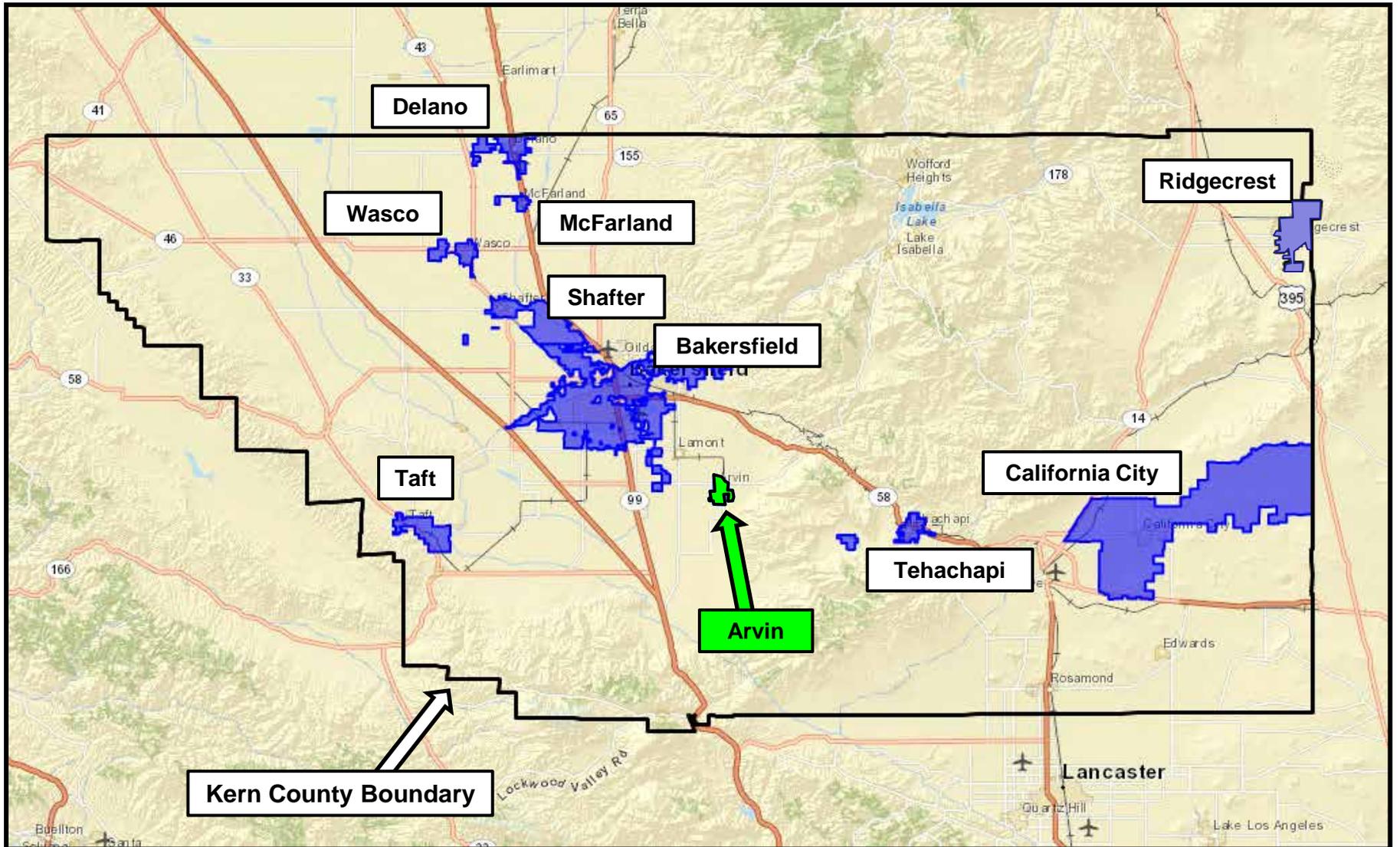
# Market Demand Analysis

*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 (~\$1,800) is below average when compared to other Kern County cities and the overall County average (~\$8,900)
- Higher performing sales categories include **grocery stores** and **gasoline station** sales
- Lower performing retail categories include **apparel, general merchandise, health and personal care, sporting goods, electronics, automotive, and restaurants.**

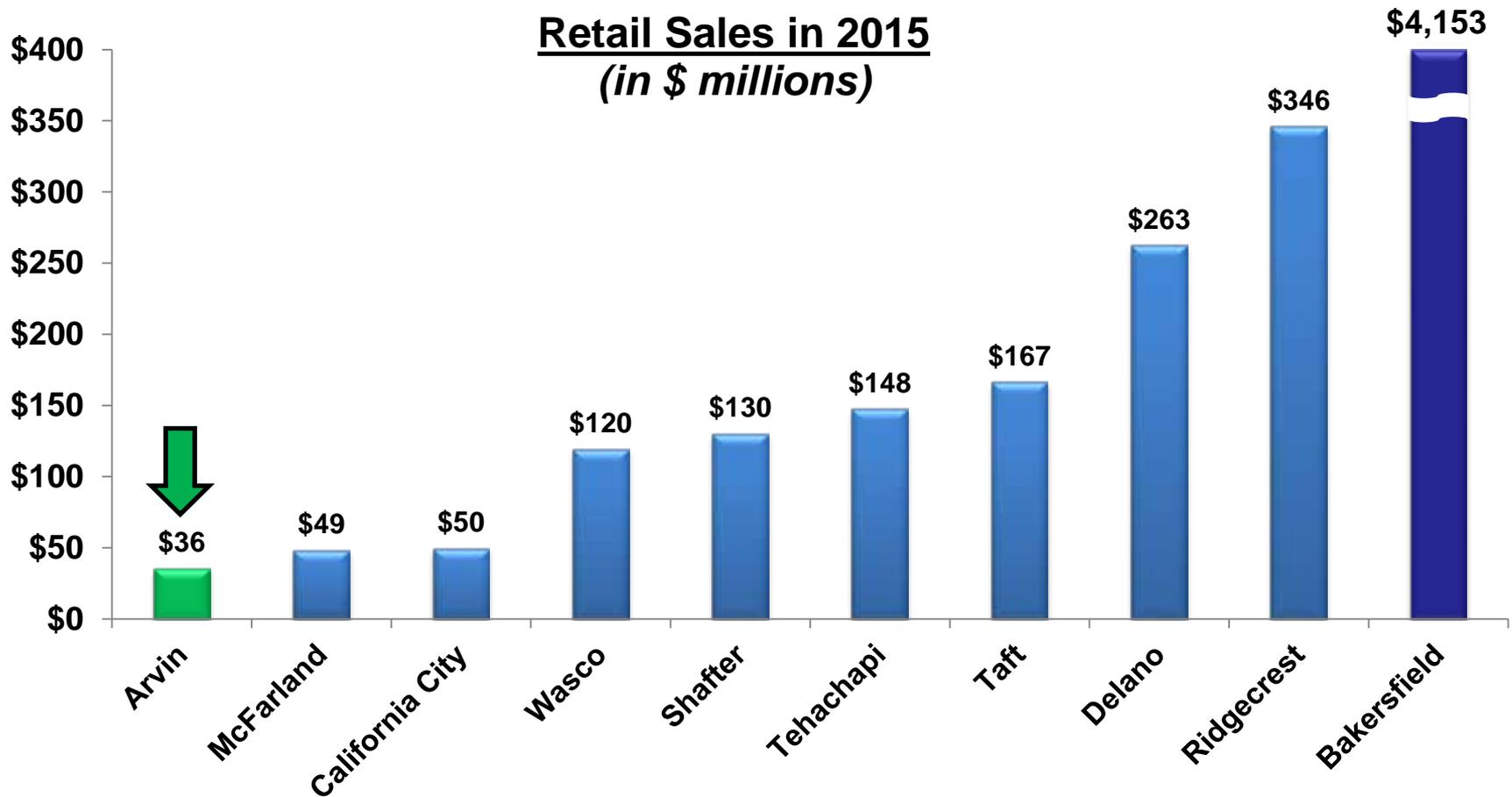
# Arvin & Comparison Cities



# Retail Sales Comparison

## Arvin & Comparison Cities

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



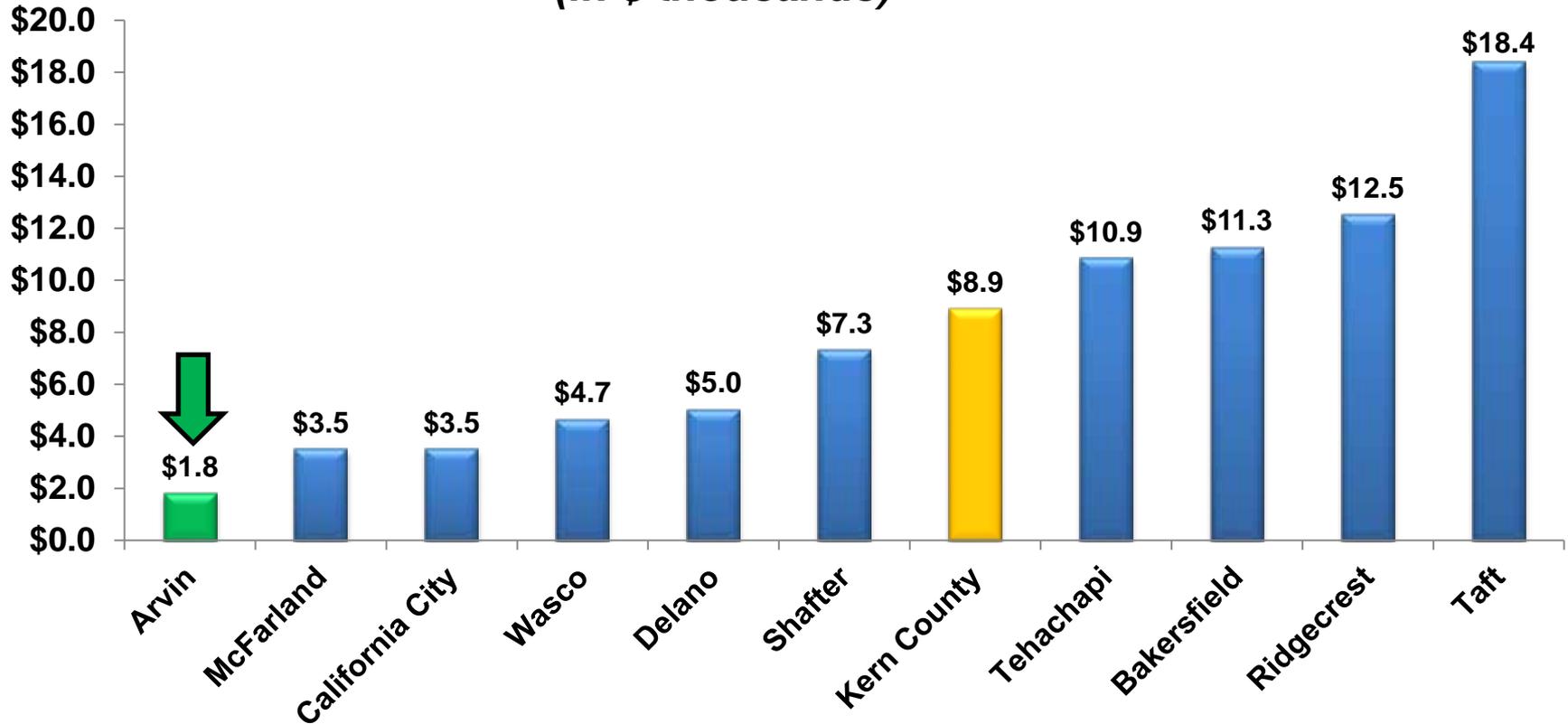
**2015 Population (000s):**

19.7	13.8	14.2	25.7	17.8	13.6	9.0	52.1	27.6	368.0
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Source: ESRI, Dun & Bradstreet (2015)

# Per Capita Retail Sales Arvin & Comparison Regions

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



**2015 Population (000s):**



Source: ESRI, Dun & Bradstreet (2015)

# 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	Arvin	McFarland	Calif. City	Wasco	Delano	Shafter	Tehachapi	Bakersfield	Ridgecrest	Taft	Kern County
<b>Shopper Goods (GAFO):</b>											
Clothing & Accessories Stores	\$44	\$18	\$49	\$134	\$220	\$119	\$122	\$710	\$175	\$136	\$489
General Merchandise Stores	\$10	\$11	\$922	\$454	\$125	\$502	\$506	\$1,832	\$2,249	\$810	\$1,059
Furniture & Home Stores	\$27	\$0	\$0	\$15	\$98	\$76	\$77	\$291	\$294	\$224	\$170
Health & Personal Care Stores	\$56	\$11	\$20	\$1,310	\$266	\$342	\$3,773	\$839	\$1,770	\$15	\$565
Sporting Goods, Hobby, Book Stores	\$0	\$7	\$15	\$10	\$24	\$7	\$1,372	\$249	\$186	\$74	\$165
Electronics & Appliance Stores	\$0	\$0	\$0	\$34	\$32	\$6	\$34	\$331	\$60	\$3,016	\$175
Miscellaneous Store Retailers	\$91	\$42	\$48	\$74	\$148	\$126	\$147	\$342	\$664	\$207	\$220
<b>Total GAFO</b>	<b>\$228</b>	<b>\$89</b>	<b>\$1,053</b>	<b>\$2,031</b>	<b>\$913</b>	<b>\$1,177</b>	<b>\$6,031</b>	<b>\$4,593</b>	<b>\$5,397</b>	<b>\$4,482</b>	<b>\$2,843</b>
<b>Convenience Goods:</b>											
Food & Beverage Stores	\$649	\$2,673	\$259	\$1,661	\$1,313	\$800	\$1,420	\$1,885	\$1,864	\$2,307	\$1,283
Food Services & Drinking Places (Restaurants)	\$330	\$245	\$197	\$629	\$629	\$475	\$1,258	\$1,369	\$1,487	\$991	\$802
<b>Total Convenience</b>	<b>\$978</b>	<b>\$2,918</b>	<b>\$457</b>	<b>\$2,290</b>	<b>\$1,943</b>	<b>\$1,275</b>	<b>\$2,678</b>	<b>\$3,254</b>	<b>\$3,351</b>	<b>\$3,297</b>	<b>\$2,085</b>
<b>Heavy Commercial:</b>											
Bldg Materials, Garden Equip. Stores	\$49	\$0	\$164	\$23	\$327	\$90	\$1,052	\$344	\$325	\$178	\$227
Motor Vehicle & Parts Dealers	\$111	\$78	\$1,398	\$135	\$121	\$4,211	\$135	\$2,008	\$1,951	\$7,187	\$1,437
Gasoline Stations	\$452	\$428	\$141	\$142	\$1,708	\$575	\$405	\$924	\$753	\$3,230	\$633
<b>Total Heavy Commercial</b>	<b>\$612</b>	<b>\$505</b>	<b>\$1,703</b>	<b>\$299</b>	<b>\$2,157</b>	<b>\$4,876</b>	<b>\$1,592</b>	<b>\$3,275</b>	<b>\$3,029</b>	<b>\$10,595</b>	<b>\$2,296</b>
Non-store Retailers	\$7	\$0	\$306	\$39	\$31	\$0	\$557	\$163	\$768	\$27	\$724
<b>Total Retail</b>	<b>\$1,825</b>	<b>\$3,513</b>	<b>\$3,519</b>	<b>\$4,659</b>	<b>\$5,044</b>	<b>\$7,328</b>	<b>\$10,858</b>	<b>\$11,285</b>	<b>\$12,544</b>	<b>\$18,401</b>	<b>\$7,948</b>

Key:  Indicates higher value for Arvin

Indicates lower value for Arvin

## Market Demand Analysis

*Retail Sales Surplus / Leakage*

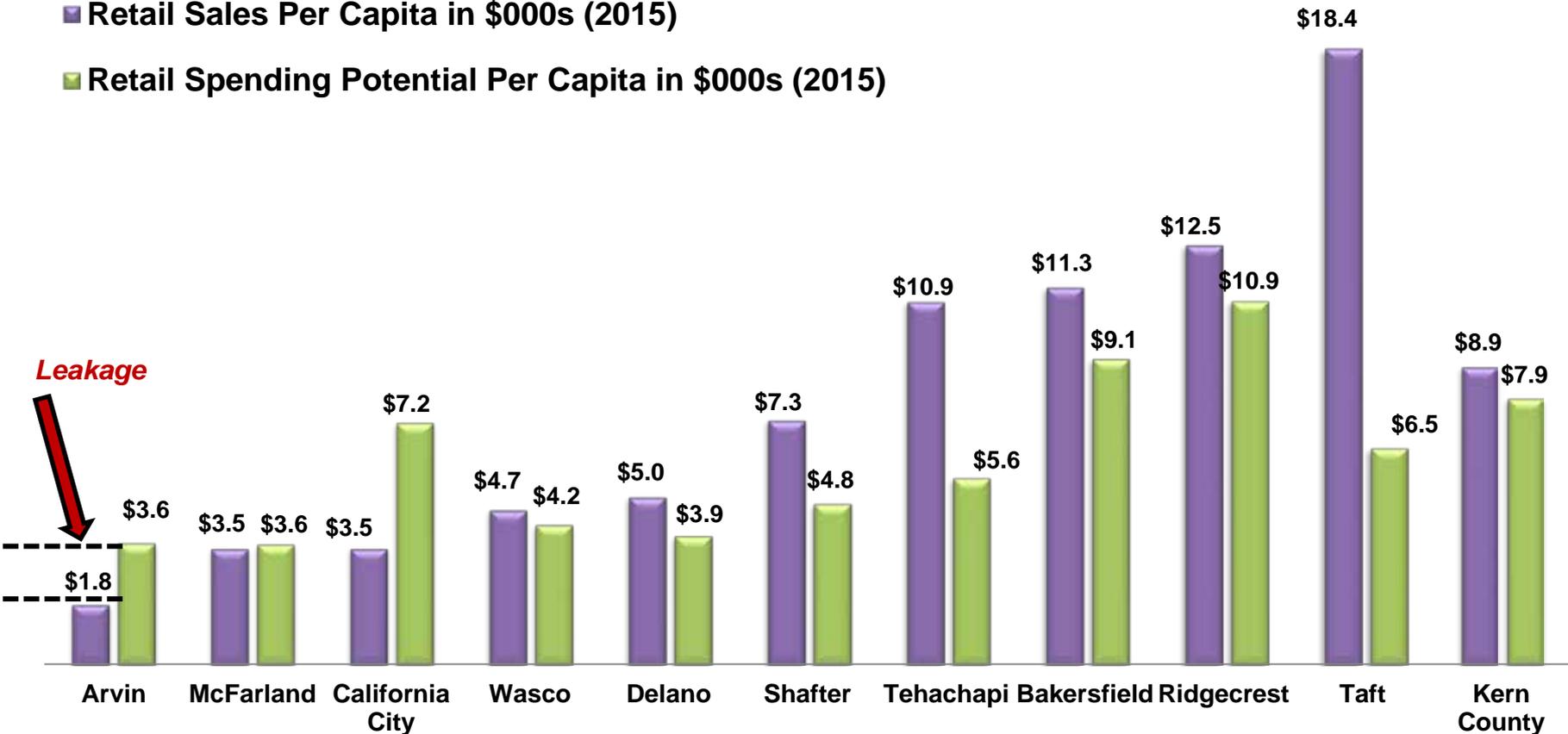
# Retail Sales Surplus / Leakage

- 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 Arvin 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:
  - Food & Beverage Stores (Grocery)
  - Gasoline Stations

# 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:

(\$1.8K)	(\$0.1K)	(\$3.7K)	\$0.5K	\$1.2K	\$2.5K	\$5.3K	\$2.2K	\$1.7K	\$11.9K	\$1.0K
(\$36M)	(\$1M)	(\$53M)	\$12M	\$62M	\$45M	\$72M	\$792M	\$47M	\$108M	\$844M
(50%)	(3%)	(51%)	11%	31%	52%	94%	24%	16%	184%	12%

**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 Arvin

Retail Category	Retail Spending Potential	Retail Sales	Retail Surplus/ (Leakage)	Percent Surplus/ (Leakage)
<b><i>Shopper Goods (GAFO):</i></b>				
Clothing & Clothing Accessories Stores	\$4,451,407	\$860,822	(\$3,590,585)	(80.7%)
General Merchandise Stores	\$9,667,738	\$203,512	(\$9,464,226)	(97.9%)
Furniture & Home Furnishings Stores	\$1,453,078	\$535,155	(\$917,923)	(63.2%)
Health & Personal Care Stores	\$4,947,623	\$1,098,517	(\$3,849,106)	(77.8%)
Sporting Goods, Hobby, Book & Music Stores	\$1,553,696	\$0	(\$1,553,696)	(100.0%)
Electronics & Appliance Stores	\$1,604,150	\$0	(\$1,604,150)	(100.0%)
Miscellaneous Store Retailers	\$1,919,092	\$1,798,172	(\$120,920)	(6.3%)
<b>Subtotal – GAFO</b>	<b>\$25,596,784</b>	<b>\$4,496,178</b>	<b>(\$21,100,606)</b>	<b>(82.4%)</b>
<b><i>Convenience Goods:</i></b>				
Food & Beverage Stores (Grocery)	\$12,159,450	\$12,784,270	\$624,820	5.1%
Food Services & Drinking Places (Restaurants)	\$7,442,386	\$6,495,506	(\$946,880)	(12.7%)
<b>Subtotal – Convenience</b>	<b>\$19,601,836</b>	<b>\$19,279,776</b>	<b>(\$322,060)</b>	<b>(1.6%)</b>
<b><i>Heavy Commercial Goods:</i></b>				
Bldg Materials, Garden Equip. & Supply Stores	\$2,122,793	\$956,216	(\$1,166,577)	(55.0%)
Motor Vehicle & Parts Dealers	\$12,128,739	\$2,182,285	(\$9,946,454)	(82.0%)
Gasoline Stations	\$5,708,263	\$8,917,423	\$3,209,160	56.2%
<b>Subtotal – Heavy Commercial</b>	<b>\$19,959,795</b>	<b>\$12,055,924</b>	<b>(\$7,903,871)</b>	<b>(39.6%)</b>
Non-store Retailers	\$6,602,905	\$129,363	(\$6,473,542)	(98.0%)
<b>Total Retail</b>	<b>\$71,761,320</b>	<b>\$35,961,241</b>	<b>(\$35,800,079)</b>	<b>(49.9%)</b>

# Retail Sales Leakage Categories and Supportable SF

Retail Sales Leakage Categories	Retail Sales Leakage	Estimated Sales PSF	Estimated Supportable SF
General Merchandise Stores	(\$9,464,226)	\$300	31,547 SF
Health & Personal Care Stores	(\$3,849,106)	\$300	12,830 SF
Sporting Goods, Hobby, Book & Music Stores	(\$1,553,696)	\$300	5,179 SF
Miscellaneous Store Retailers	(\$120,920)	\$300	403 SF
Food Services & Drinking Places (Rest. / Bars)	(\$946,880)	\$400	2,367 SF
Bldg Materials, Garden Equip. & Supply Stores	(\$1,166,577)	\$400	2,916 SF
Motor Vehicle & Parts Dealers	(\$9,946,454)	\$1,200	8,289 SF
<b>Total Sales Leakage Categories</b>	<b>(\$23,213,879)</b>		<b>63,532 SF</b>

- ~63,500 SF of retail supported by existing sales leakage
- Does not account for existing retail vacancy within the City

# Surplus/Leakage Summary by Category

## Surplus Retail Categories

- Food & Beverage Stores (Grocery)
- Gasoline Stations

## Leakage Retail Categories

- General Merchandise Stores
- Furniture & Home Furnishings Stores
- Health & Personal Care Stores
- Miscellaneous Store Retailers
- Clothing & Clothing Accessories Stores
- Sporting Goods, Hobby, Book & Music Stores
- Electronics & Appliance Stores
- Food Services & Drinking Places
- Motor Vehicle & Parts Dealers
- Bldg Materials, Garden Equip. & Supply Stores
- Nonstore Retailers

## 2. Strategy

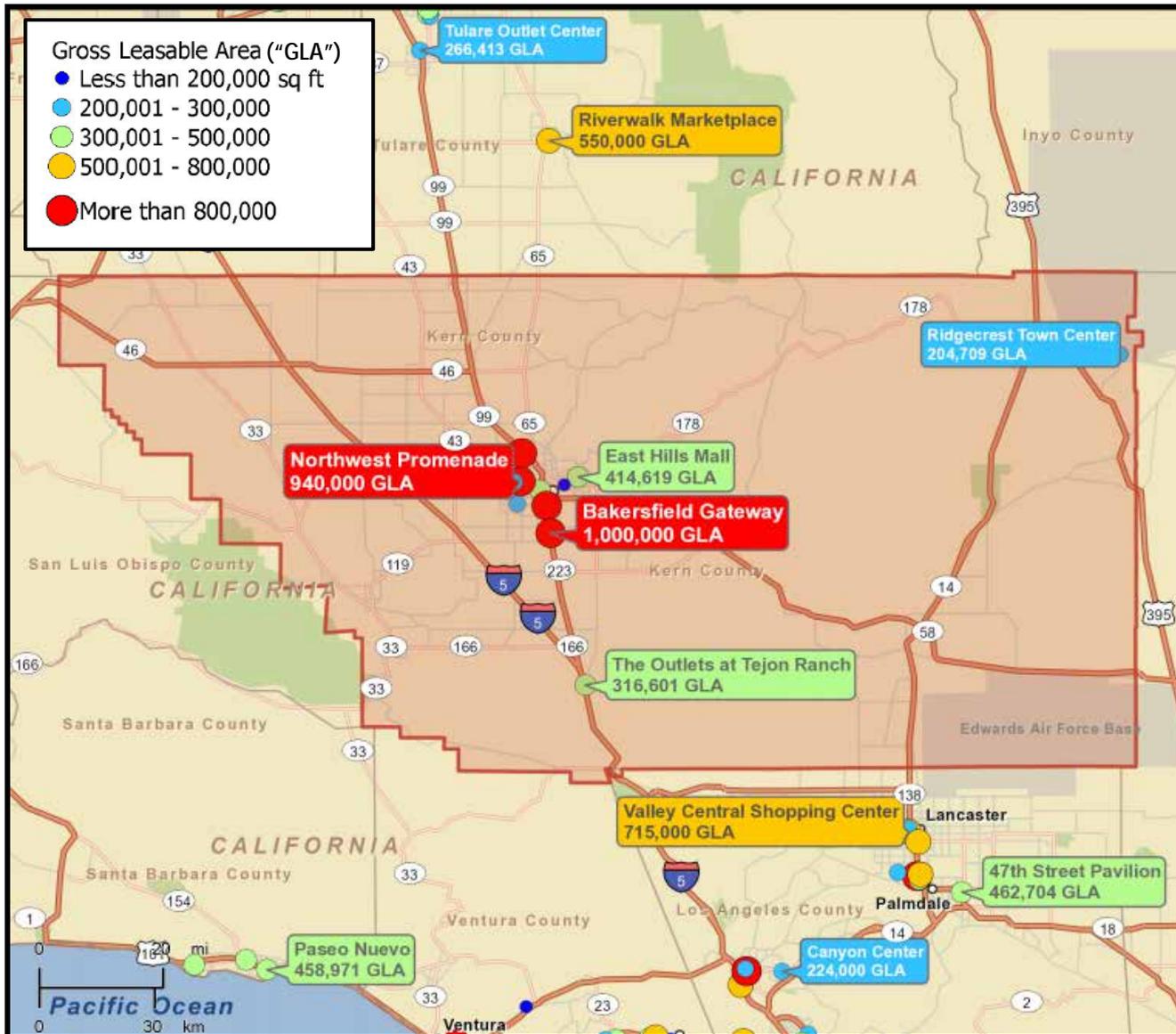
- a) Trade Area Retailer Voids
- b) Opportunity Site Assessment

# 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 casual restaurants, coffee/bakery, pharmacies and others

# Major Shopping Center Map Kern County Trade Area



# National Retailer Voids

*(within City Limits)*

## Auto Parts Tires

America's Tire  
Big O Tires  
Firestone  
Jiffy Lube  
Pep Boys  
Quick Lane

## Banks

Bank of the West  
Chase Bank  
CitiBank  
Compass Bank  
Dickinson Financial  
Rabobank  
U.S. Bank  
Union Bank  
Wells Fargo  
Zions First National Bank

## Clothing Apparel

Abercrombie & Fitch  
Aeropostale  
American Eagle Outfitters  
Banana Republic  
bebe  
Buckle  
Catherines  
Chico's  
Coldwater Creek  
dd's DISCOUNTS  
Dress Barn  
Express

Forever 21  
Fossil  
Gap  
H&M  
Hollister Co.  
J. Crew  
Jos A. Bank  
Justice  
Lane Bryant  
Lucky Brand Jeans  
Men's Wearhouse  
Old Navy  
Talbots  
Victoria's Secret

## Computers Electronic

Best Buy  
RadioShack

## Convenience Stores

7-Eleven  
ARCO AmPm  
BP  
Circle K  
Mobil  
Sinclair  
Texaco  
Valero

## Craft Fabric Stores

Aaron Brothers  
Hancock Fabrics  
Hobby Lobby

Jo-Ann  
Michaels

## Department Stores

JCPenney  
Macy's

## Discount Department Stores

Babies R Us  
Burlington Coat Factory  
David's Bridal  
Kmart  
Kohl's  
Marshalls  
Ross  
Sears  
Target  
TJ Maxx  
Toys R Us  
Tuesday Morning  
Wal-Mart  
Wal-Mart Supercenter

## Dollar Stores

99 Cent Only  
Big Lots  
Family Dollar

## Drug Stores

CVS  
Rite Aid  
Savon  
Walgreens

## Fitness

24 Hour Fitness  
Anytime Fitness  
Planet Fitness

## Furniture Household

Anna's Linens  
Ashley Furniture  
Bassett  
Bed Bath & Beyond  
Cost Plus  
HomeGoods  
La-Z-Boy  
Pier 1  
Pottery Barn  
Williams-Sonoma

## Grocery Stores

Albertsons  
Food Maxx  
Foods Co  
fresh&easy  
Grocery Outlet  
IGA  
Neighborhood Market  
Save-A-Lot  
Save Mart  
Sprouts  
Stater Bros.  
Superior Grocers  
Trader Joe's  
Superior Grocers  
Trader Joe's

Vons  
WinCo Foods

## Home Improvement

Ace Hardware  
Do It Best  
Dunn-Edwards  
Home Depot  
Lowe's  
Orchard  
Sherwin-Williams  
Tractor Supply Company  
True Value

## Office Supply

Office Depot  
Office Max

## Pet Stores

Petco  
PetsMart

## Sporting Goods

Big 5  
Champs Sports  
Dick's  
Sport Chalet  
Sports Authority

## Wholesale

Costco  
Sam's Club  
Smart & Final

# National Retailer Voids – Restaurants

*(within City Limits)*

## Restaurants Bakery Bagels

Panera Bread

## Restaurants Casual

Applebee's  
Baja Fresh  
BJ's Restaurant & Brewery  
Buffalo Wild Wings  
California Pizza Kitchen  
Chili's  
Chipotle  
Coco's  
Denny's  
Elephant Bar  
Famous Dave's  
Freddys  
Golden Corral  
Hooters  
IHOP  
Johnny Rockets  
Logan's Roadhouse  
Macaroni Grill  
Marie Callender's  
Mimis Café  
Olive Garden  
Outback Steakhouse  
P.F. Chang's  
Red Lobster  
Red Robin  
Rubio's  
Sizzler

## Restaurants Fast Food Major

Arby's  
Dairy Queen  
Jack in the Box  
KFC  
Sonic  
Taco Bell  
Wendy's

## Restaurants Fast Food Minor

Carl's Jr.  
Checkers  
Chick-fil-A  
Church's Chicken  
Del Taco  
El Pollo Loco  
Green Burrito  
In-N-Out  
Long John Silver's  
Panda Express  
Popeyes  
Wienerschnitzel  
Wing Stop

## Restaurants Ice Cream Smoothie

Baskin-Robbins  
Ben & Jerry's  
Cold Stone Creamery  
Jamba Juice  
Planet Smoothie  
Surf City Squeeze

Yogurtland

## Restaurants Pizza

Blaze Pizza  
Chuck E. Cheese's  
Domino's Pizza  
Hungry Howie's  
Papa John's  
Papa Murphy's  
Pieology  
Pizza Hut  
PizzaREV  
Round Table  
Sbarro

## Restaurants Sandwich

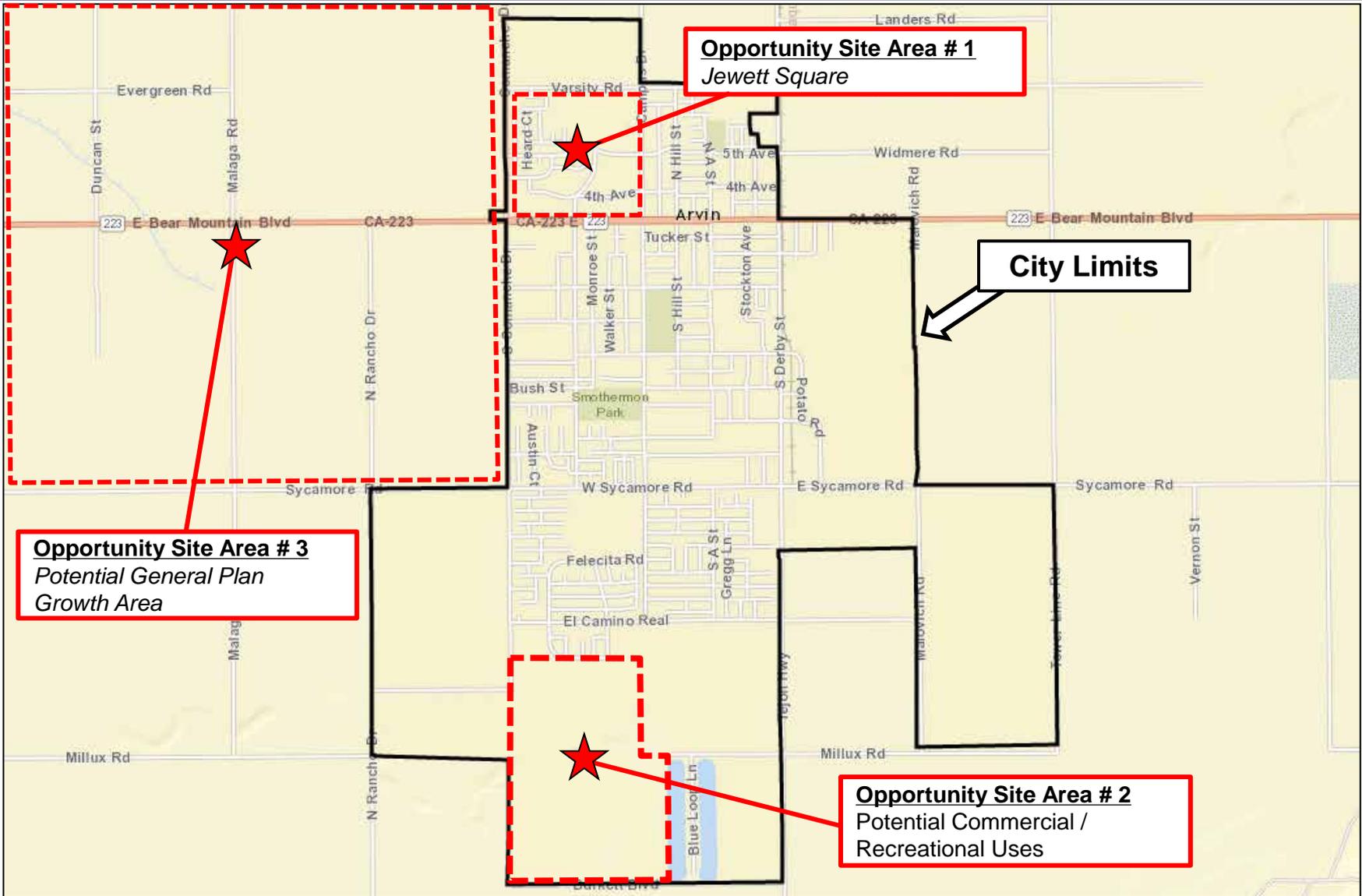
Blimpie  
Charley's Grilled Subs  
Jersey Mike's  
Port of Subs  
Quiznos  
Schlotzsky's Deli  
Togo's

# Initial List of Targeted Retailers

<b>Restaurant / Retailer</b>	<b>Closest Location (Approx.)</b>
Applebee's	18.3 miles NW
Chili's	22.2 miles NW
Denny's	12.0 miles NW
Starbucks	12.0 miles NW
Panera Bread	19.7 miles NW
CVS Pharmacy	11.9 miles NW
Rite Aid	7.0 miles NW
Walgreens	13.7 miles NW

# Opportunity Site Assessment

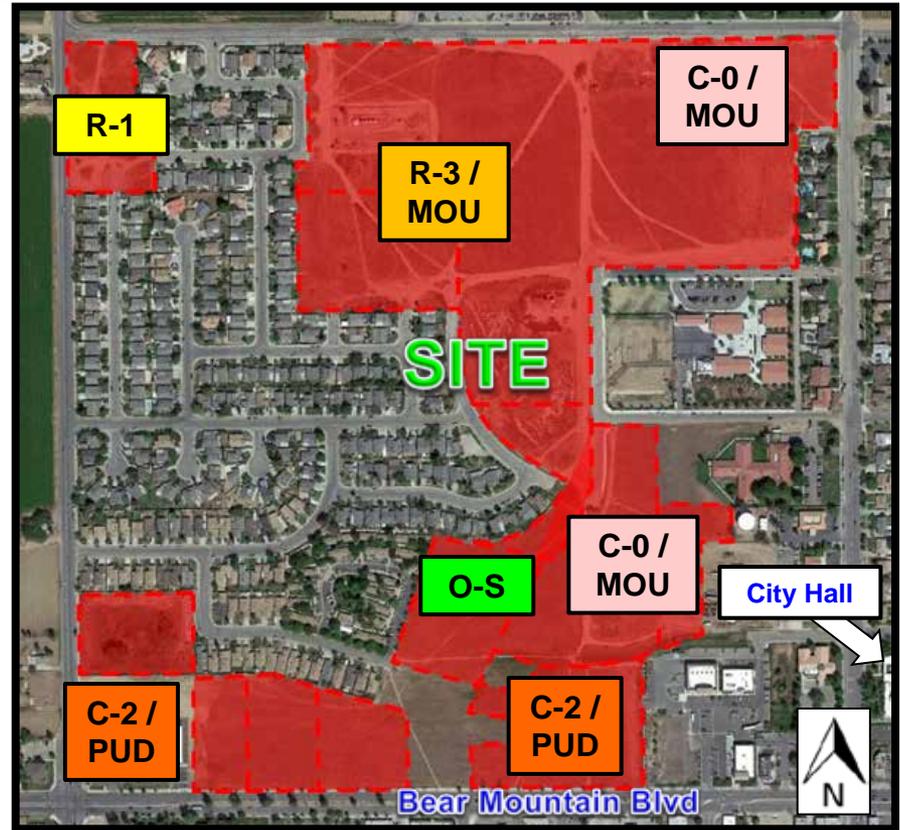
# Opportunity Site Area Overview



# Opportunity Site Area #1

## Jewett Square

- Approx. 150 acres
- Owned by City / Successor Agency
- Zoning:
  - Commercial / Planned Urban Development (C-2 / PUD)
  - Commercial / Mixed-Use Overlay (C-0 / MOU)
  - Open Space (O-S)
  - Residential / Mixed-Use Overlay (R-3 / MOU)
  - Single Family Residential (R-1)



### Strengths

- Location along key arterial (Bear Mountain Blvd/CA-223)
- Commercial/Mixed-Use zoning
- City/Successor Agency ownership

### Challenges

- Infrastructure

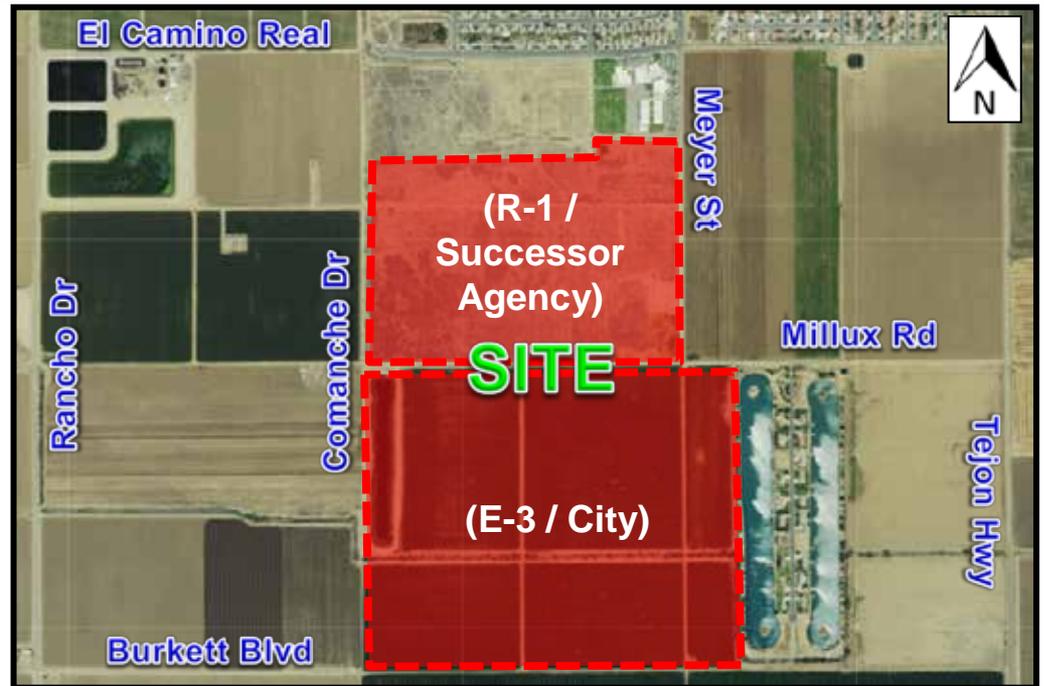
### Opportunities

- **Master-planned retail / commercial / residential mixed-use development**

# Opportunity Site Area #2

## Potential Commercial / Recreational Uses

- Approx. 290 acres
- Owned by City / Successor Agency
- Zoned Single Family Residential (R-1) and Estate Residential (E-3)



### Strengths

- Large property size
- City / Successor Agency ownership

### Challenges

- Distance from main city arterial
- Residential / estate zoning

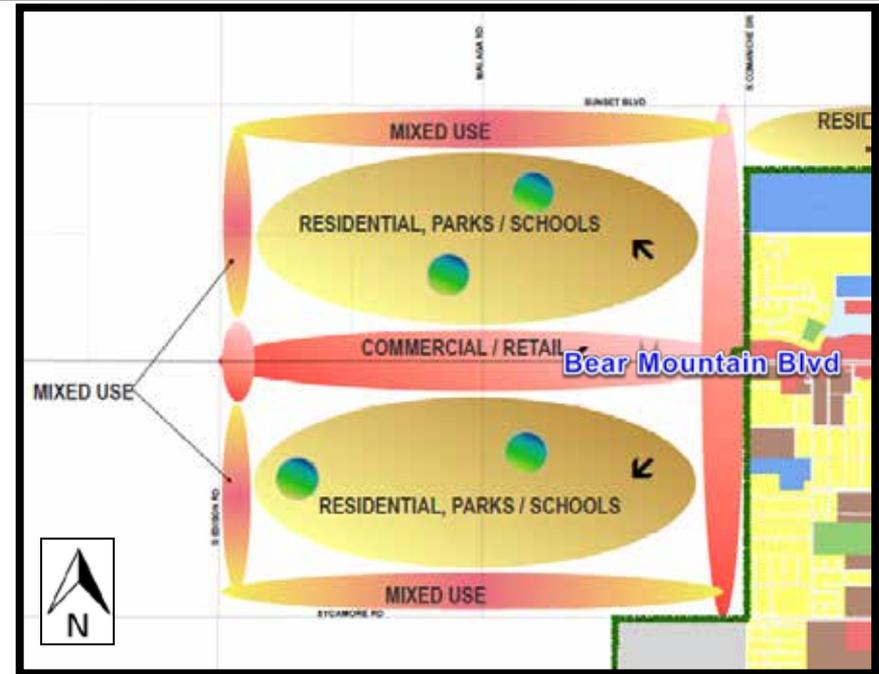
### Opportunities

- **Potential commercial / recreational development**

# Opportunity Site Area #3

## Potential General Plan Growth Area

- Approx. 2,500 acres
- Owned by multiple private owners
- Zoned for Commercial / Retail, Residential, Parks / Schools, Mixed Use



### Strengths

- Significant land available on both sides of main arterial (Bear Mountain Blvd/CA-223)

### Challenges

- Requires annexation into City

### Opportunities

- **Growth area for City with desirable land uses**

## **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 agriculture, manufacturing, healthcare and social assistance, and retail trade

## 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 **grocery and gasoline stations**, while lower performing retail categories include **apparel, general merchandise, health and personal care, sporting goods, electronics, automotive, and restaurants.**

## 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 Arvin to retain and improve general fund tax base and facilitate potential public-private transactions

# Targeted City Objectives

- Based on our findings and City economic development objectives, there are three priority areas for consideration:
  - Education
  - Employment
  - Fiscal revenues
- Higher education leads to better preparation for higher skilled trades and jobs. Prioritization of educational attainment and pursuit of institutional / satellite campuses can offer a path for the younger generation. Further, recruitment of retail / commercial development directly supports both job creation and fiscal revenue generation (e.g. property and sales tax).
- The City has an important asset to accomplish some these objectives in its ownership of land and opportunity sites.

# 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

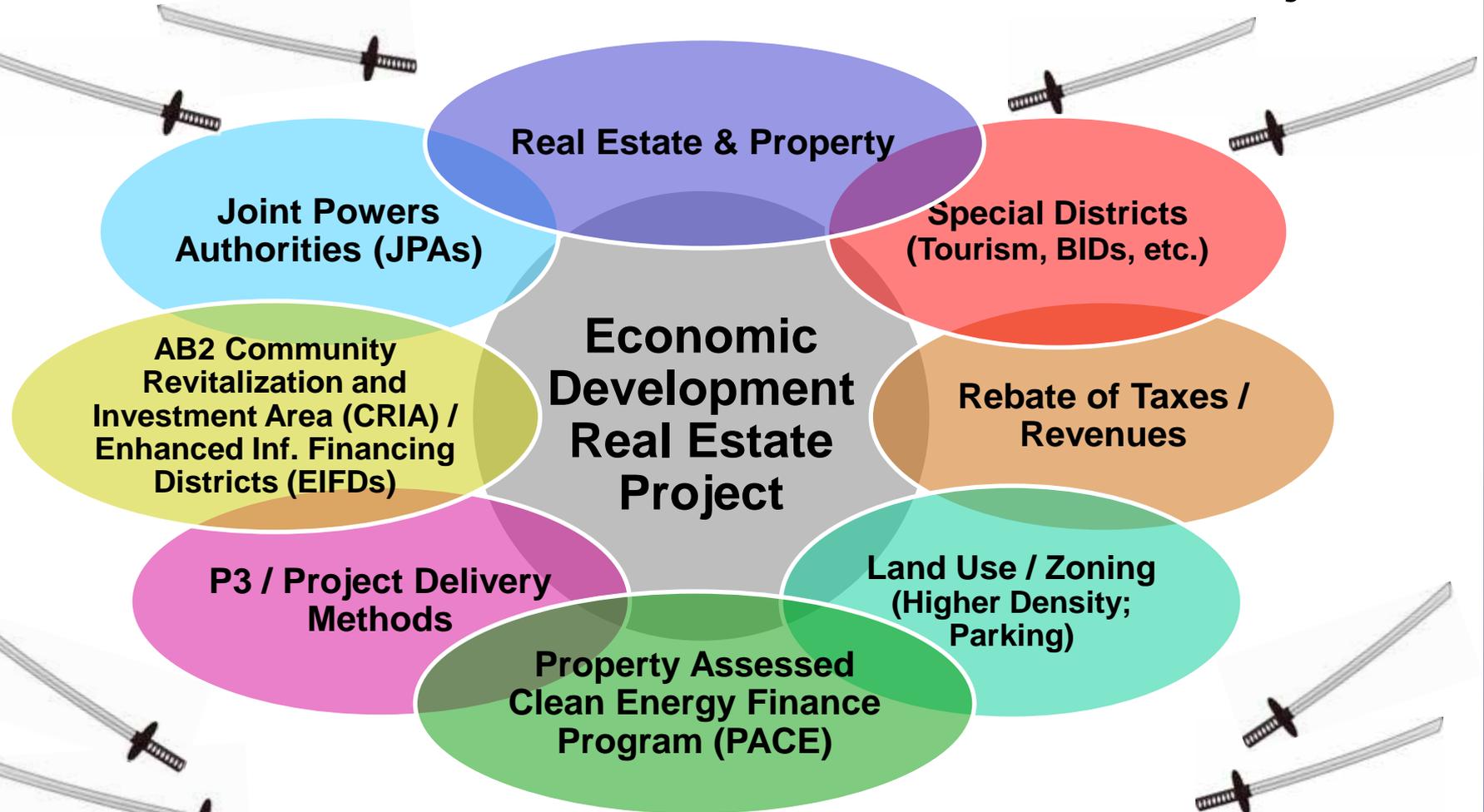
- Enhanced Infrastructure Financing Districts (“EIFD”) / AB-2 Community Revitalization Investment Area (“CRIA”)
- Site-specific tax revenue (“SSTR”) pledges
- Impact fee reductions / waivers / deferrals
- Development opportunity reserve (“DOR”)
- Tax-exempt revenue & utility bonds
- Lease-leaseback financing
- 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 Ridgecrest**  
**Retail Development Opportunity**  
 NWC China Lake Boulevard & Bowman Road

~3.3 Acres Owned by PAM Ridgecrest Venture LLC

**City of Ridgecrest**  
**Retail Tenant Opportunity**  
 NEC Drummond Avenue & Norma Street

~36,000 SF Retail Space on ~3.3 Acres Owned by Flower Ivy Group LLC

**City of Ridgecrest**  
**Retail Development Opportunity**  
 NEC China Lake Boulevard & Sydney Avenue

~1.2 Acres Owned by CNM Holdings I LTD

**FEATURES:**

- Strong visibility on main arterial regional retail center
- Suitable for retail / restaurant
- Restroom and other retailer units in trade area
- Traffic counts (2007): 35,943 ADT

**DEVELOPMENT OPPORTUNITY:**

**2014 1 Mile**

Population	6,972
Households	2,756
Avg. HH Inc.	\$67,730

**CONTACT US NOW!**

Ken K. Hise  
 Senior Vice President  
 Kosmont Companies  
 (949) 226-0298  
[ken@kosmont.com](mailto:ken@kosmont.com)

**City of Ridgecrest**  
**Retail Development Opportunity**  
 SEC China Lake Boulevard & Church Avenue

~3.7 Acres Owned by Morris Juan Sep Prop Trust

**City of Ridgecrest**  
**Retail Tenant Opportunity**  
 SWC China Lake Boulevard & Bowman Road (923 S China Lake Boulevard)

~24,000 SF Retail Space on ~2.1 Acres Owned by Plantation Inn Co.

**City of Ridgecrest**  
**Retail Development Opportunity**  
 NEC China Lake Boulevard & Bowman Road

~18.3 Acres Owned by G & L China Lake LLC

**FEATURES:**

- Corner site, strong visibility on main arterial China Lake Blvd.
- Suitable for retail / restaurant and users
- Restroom and other retailer units in trade area
- Traffic counts (2007): 36,745 ADT China Lake & Ridgecrest Blvd's

**DEVELOPMENT OPPORTUNITY:**

2014	1 Mile	3 Mile	5 Mile
Population	20,074	25,765	80,905
Households	6,189	11,768	11,128
Avg. HH Inc.	\$25,034	\$69,379	\$69,965

**CONTACT US NOW!**

Ken K. Hise  
 Senior Vice President  
 Kosmont Companies  
 (949) 226-0298  
[ken@kosmont.com](mailto:ken@kosmont.com)

Gary Fawcett  
 Economic Development Manager  
 City of Ridgecrest  
 (949) 498-5461  
[gary@cityofridgecrest.com](mailto:gary@cityofridgecrest.com)

**FEATURES:**

- Retail anchor space on main arterial adjacent to Walmart
- Staples vacating Oct. 2014. Suitable for smaller retail users
- Restroom and other retailer units in trade area
- Traffic counts (2007): 15,963 ADT China Lake & Bowman Rd.

**DEVELOPMENT OPPORTUNITY:**

2014	1 Mile	3 Mile	5 Mile	Polygraph*
Population	6,972	26,780	36,716	68,779
Households	2,756	11,823	12,059	28,126
Avg. HH Inc.	\$67,730	\$70,058	\$70,094	\$65,968

\*Polygraph depicted on back

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 Economic Development Manager  
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 (949) 498-5461  
[gary@cityofridgecrest.com](mailto:gary@cityofridgecrest.com)

**FEATURES:**

- Strong visibility on main arterial China Lake Blvd., adjacent to regional retail center
- Suitable for retail / restaurant and users
- Restroom and other retailer units in trade area
- Traffic counts (2007): 13,941 ADT China Lake & Bowman Rd.

**DEVELOPMENT OPPORTUNITY:**

2014	1 Mile	3 Mile	5 Mile
Population	6,972	26,780	36,716
Households	2,756	11,823	12,059
Avg. HH Inc.	\$67,730	\$70,058	\$70,094

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# Questions & Discussion

## Thank you



Kosmont Companies | Kosmont Realty Corporation | California Golden Fund (EB-5)  
865 S. Figueroa Street, Suite 3500 | Los Angeles, CA 90017  
(213) 417-3300 | [www.kosmont.com](http://www.kosmont.com) | CA Broker #01182660