

**Retail Development Potential for
The Artesia Boulevard
Retail District**



**Prepared for:
The City of Gardena
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Part A

Retail Development Potential For The Artesia Boulevard Retail District, City of Gardena

Introduction

- The primary purpose of this analysis is to help the City of Gardena evaluate retail development opportunities within the Artesia Boulevard retail district.
- From a taxable retail sales standpoint, the City of Gardena performs below the average levels of Los Angeles County in several important retail categories. The development of potential retail sites may have an impact upon existing retail businesses in Gardena and nearby communities.

This effort will serve to address the following questions and issues :

- 1) What are current local, sub-regional and regional retail/dining patronage patterns in the Gardena area?
- 2) Where do market area customers in the region currently shop for various retail goods and services?
What characteristics do competitive centers and districts have that attract area shoppers?
- 3) What is the character of existing retail establishments and districts within the City?
- 4) Would the City benefit strategically from development of identified sites?
- 5) Would identified sites add to or detract from the sales performance of existing retail areas in the City?
- 6) Which existing locations and merchants would be impacted the most?
- 7) What specific uses, or collection of uses, will enable the City to improve its retail position and attract shoppers from a wider area?
- 8) Given the analysis of overall retail opportunities for the City, what is the optimum development strategy for these sites?

Retail Environment

- Gardena is the proverbial hole in the donut for most significant retail categories.
- During the past several years, most significant retailers have concentrated their site strategies at various locations in the area to the northwest, west and south of Gardena, but not in Gardena.
- Very few major retailers have located to the east and northeast of Gardena.
- The surrounding area appears to be well supplied with significant retailers and discretionary/comparison shopping categories. In 2001, a ULI Advisory Services Panel characterized the market area as “over retailed.”

- The City of Gardena contributes to this perception with an over-abundance of aging strip and freestanding retail.
- The City lacks direct access to the four freeways that surround it. These include the 91, 105, 110 and 405 Freeways.
 - The 91 Artesia Freeway terminates just east of the City and continues through the City as Artesia Boulevard.
 - Not surprisingly, given quasi freeway access, the Artesia Boulevard frontage has attracted regional-level tenants, while the remaining areas of the City have not.

Significant Retail Tenant Opportunities for the Artesia Boulevard Retail District Retail Tenant Opportunities

- The following portion of the analysis represents a tactical approach to understanding the City’s retail development potential in general and the Artesia Boulevard Retail District in particular.
- In order to understand the opportunity for retail development in Gardena, it is important to understand how retailers view the local and regional market area and how they locate stores relative to that point of view.
- Few retailers will “pioneer” an area without the synergy and support of other significant tenants.
- If retail tenants are already located in Gardena or in the nearby market area, they likely are not candidates for a new site.
- If retail tenants are not located in the Gardena market area, they may represent potential locational opportunities. This depends upon the population and income levels required to support additional stores.
- Significant tenants are typically non-mall value or discount tenants who tend to locate in larger regional destination centers and districts.

Overview of Significant Retailers in the Gardena Market Area







- 16 different retail categories were analyzed in order to understand the real estate and market coverage strategies of significant retailers.
- Each of the following maps illustrate the existing locations of larger significant retailers. These include:
 - All Categories
 - General Merchandise – Discount
 - General Merchandise – Warehouse
 - Home Improvement
- Additional categories also studied (but not mapped here) include:

◦ Discount Apparel	◦ Linens and Bath
◦ Arts, Crafts and Hobbies	◦ Movie Theater

- Books and Music
- Electronics
- Fitness Centers
- Imported Goods
- Office Supplies
- Pet Supplies
- Sporting Goods
- Toys/Kids

Retail Development in the Greater Gardena Market Area

- The following page illustrates the collective locations of significant retailers and major retail categories in the Gardena market area. This “all categories” map illustrates the “districting” that typically occurs in retail development.
- Detailed significant anchor tenant category maps follow the “all categories” map.
- Only anchor size category maps are included in this report.
- Potential tenant opportunities for all categories follow the maps.

-  Children and Baby
-  Office Supplies
-  Pet Supplies
-  Sporting Goods
-  Toys-Kids
-  Pushpins
-  Subject Site

All Categories



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GM Discount

Pushpins

- Subject Site

GM Discount

- Kmart
- Kohl's
- Mervyn's
- Target
- Wal-Mart

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Home Improvement

Home Improvement

- EXPO Design Centers
- Home Depot
- Lowe's
- OSH

Pushpins

- Subject Site



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Significant Retailer Opportunities

- Based upon the existing locations of significant retailers, the City of Gardena has a few significant retail tenant opportunities.
- These opportunities are available if acceptable sites can be delivered which offer:
 - Sufficient size to allow critical mass
 - Suitable access
 - Visibility
 - Parking
 - Synergy with other retailers, and
 - Spacing with other existing stores.
- A category-by-category, tenant-by-tenant examination of opportunities follows in the next several slides. We have looked at the nearest store to Gardena and the next few closest store locations for each retailer. We have also listed the approximate distance to each store from the intersection of Artesia Blvd. and Western Avenue.

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
		City	Miles	Comments
<u>General Merchandise</u>				
Target	Nearest	Gardena	0.0	----
	Also in	Inglewood	4.2	
	Also in	Manhattan Beach	4.5	
	Also in	Carson	5.6	
Wal-Mart	Nearest	Torrance	1.0	----
	Also in	Long Beach	6.8	
	Also in	LA - Crenshaw	8.6	
	Also in	Lakewood	9.8	
Kohl's	Nearest	Torrance	6.4	Possibility
	Also in	Lakewood	9.7	
	Also in	Cerritos	14.8	
	Also in	Seal Beach	15.7	
Mervyn's	Nearest	Redondo Beach	2.2	Existing store too close.
	Also in	Torrance	4.4	
	Also in	LA - Sepulveda	6.7	
	Also in	Lakewood	10.5	
Kmart	Nearest	Carson	3.6	Existing store too close.
	Also in	Harbor City	5.4	
	Also in	LA - Vermont	7.2	
	Also in	Cudahy	9.1	
Sears	Nearest	Carson	4.2	Existing store too close.
	Also in	Torrance	4.5	
	Also in	LA - Olympic	11.0	

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
		City	Miles	Comments
<u>GM Warehouse</u>				
Costco	Nearest	Torrance	5.7	Existing store too close.
	Also in	Marina del Rey	10.3	
	Also in	Signal Hill	10.3	
	Also in	Norwalk	12.4	
Sam's Club	Nearest	Gardena	0.0	
	Also in	Torrance	5.8	
	Also in	South Gate	9.8	
	Also in	Downey	13.1	
<u>Home Improvement</u>				
Lowe's H/I	Nearest	Hawthorne	2.6	Existing store too close.
	Also in	Torrance	4.2	
	Also in	Long Beach - Bellflower Bl.	12.2	
	Also in	Long Beach - Carson St.	13.5	
Home Depot	Nearest	Gardena	0.0	
	Also in	Hawthorne	3.0	
	Also in	Inglewood	4.1	
	Also in	Torrance	5.8	
Locals - Crenshaw and	Nearest		0.0	

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
		City	Miles	Comments
Discount Apparel				
Old Navy	Nearest	Manhattan Beach	3.8	Existing store too close.
	Also in	Torrance	4.1	
	Also in	LA - #rd	13.5	
	Also in	Santa Monica	13.8	
Ross	Nearest	Hawthorne	3.0	Existing store too close.
	Also in	Torrance	3.1	
	Also in	Torrance	5.8	
	Also in	LA - Centinela	7.1	
TJ Maxx	Nearest	Torrance	4.1	Possibility
	Also in	LA - Sepulveda	6.8	
	Also in	Rolling Hills Estates	8.3	
	Also in	LA - MLK	8.7	
Marshall's	Nearest	Torrance	3.1	Existing store too close.
	Also in	Torrance	4.1	
	Also in	Culver City	7.9	
SteinMart	Nearest	Rolling Hills Estates	8.3	Area incomes may be too low
	Also in	Pasadena	20.4	
	Also in	Huntington Beach	23.3	
Tilly's	Nearest	Redondo Beach	2.3	Existing store too close.
	Also in	Torrance	6.6	
	Also in	Long Beach	13.7	
Burlington Coat Factory	Nearest	Torrance	4.4	Existing store too close.
	Also in	Whittier	17.2	
	Also in	Buena Park	19.0	
Nordstrom Rack	Nearest	LA - Center Dr.	7.7	Area incomes may be too low
	Also in	Long Beach	10.8	
	Also in	Glendale	18.6	

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
		City	Miles	Comments
Electronics				
Best Buy	Nearest	Hawthorne	2.8	Existing store too close.
	Also in	Compton	4.5	
	Also in	Huntington Park	8.4	
	Also in	Cilver City	10.3	
Circuit City	Nearest	Hawthorne	3.0	Existing store too close.
	Also in	Compton	5.4	
	Also in	Torrance	6.5	
	Also in	Lakewood	10.6	
Good Guys	Nearest	Redondo Beach	2.4	Area incomes may be too low
	Also in	Torrance	4.1	
	Also in	Marina Del Rey	9.9	
		LA - Pico	12.4	
Comp USA	Nearest	Redondo Beach	2.3	Existing store too close.
	Also in	Culver City	8.4	
	Also in	Long Beach	12.7	
Fry's	Nearest	Manhattan Beach	4.5	Existing store too close.
	Also in	Burbank	21.3	
	Also in	Fountain Valley	25.1	
Office Supplies				
Office Depot	Nearest	Torrance	2.1	Existing store too close.
	Also in	Hawthorne	3.1	
	Also in	Manhattan Beach	3.9	
	Also in	Torrance	5.7	
Office Max	Nearest	Torrance	5.9	Opportunity
	Also in	Downey	10.1	
	Also in	Signal Hill	10.1	
	Also in	Lakewood	10.3	
Staples	Nearest	Hawthorne	3.3	Existing store too close.
	Also in	Torrance	4.4	
	Also in	Carson	5.9	
	Also in	Torrance	6.5	

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
		City	Miles	Comments
<u>Pets</u>				
Petsmart	Nearest	Torrance	4.6	Opportunity
	Also in	Signal Hill	10.3	
	Also in	Long Beach	14.0	
	Also in	Alhambra	16.8	
Petco	Nearest	Redondo Beach	2.5	Existing store too close.
	Also in	Redondo Beach	4.8	
	Also in	Torrance	5.7	
	Also in	LA - Sepulveda	6.6	
<u>Books/Music</u>				
Borders	Nearest	Torrance	3.8	Existing store too close.
	Also in	LA - Center Dr.	7.7	
	Also in	Rolling Hills Estates	8.5	
	Also in	Long Beach	12.7	
Barnes & Noble	Nearest	Manhattan Beach	3.8	Existing store too close.
	Also in	Torrance	4.2	
	Also in	Marina Del Rey	9.9	
	Also in	LA - Pico	12.4	
B. Dalton (Barnes & Nobl	Nearest	Redondo Beach	2.3	Existing store too close.
	Also in	LA - Los Angeles St.	12.3	
Tower Records	Nearest	Torrance	4.5	Not a good candidate.
	Also in	Marina Del Rey	9.9	
	Also in	Lakewood	17.1	
Wherehouse	Nearest	Torrance	2.2	Not a good candidate.

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
<u>Arts & Crafts</u>		<u>City</u>	<u>Miles</u>	<u>Comments</u>
JoAnn Fabrics	Nearest	Torrance	4.3	Opportunity
	Also in	Harbor City	7.3	
	Also in	Lakewood	10.5	
Michael's	Nearest	Hawthorne	3.0	Existing store too close.
	Also in	Torrance	5.9	
	Also in	Lakewood	10.1	
<u>Linens & Bath</u>				
Anna's Linens	Nearest	Inglewood	3.1	Existing store too close.
	Also in	Torrance	3.2	
	Also in	Carson	4.2	
	Also in	Torrance	5.4	
Bed Bath & Beyond	Nearest	Hawthorne	3.3	Existing store too close.
	Also in	Torrance	6.6	
	Also in	Lakewood	10.5	
	Also in	LA - Olympic	12.7	
Linens n Things	Nearest	Torrance	3.1	Existing store too close.
	Also in	LA - Olympic	12.6	
	Also in	Long Beach	13.7	
	Also in	Sherman Oaks	19.8	
<u>Imported Goods</u>				
Cost Plus	Nearest	Torrance	5.0	Opportunity
	Also in	Lakewood	10.3	
	Also in	LA - Santa Monica Bl.	13.2	
	Also in	Glendale	18.5	
Pier 1	Nearest	Torrance	3.6	Existing store too close.
	Also in	Manhattan Beach	3.8	
	Also in	Torrance	5.0	
	Also in	Rolling Hills Estates	8.3	

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
Fitness Centers		City	Miles	Comments
24-Hour Fitness	Nearest	Manhattan Beach	4.2	Possibility
	Also in	Hermosa Beach	4.6	
	Also in	LA - Century	5.5	
	Also in	Torrance	6.5	
Bally's Total Fitness	Nearest	Torrance	3.6	Opportunity
	Also in	Hawthorne	3.8	
	Also in	Inglewood	5.0	
		Manhattan Beach	8.3	
Specrum Club	Nearest	El Segundo	3.9	Existing store too close.
	Also in	LA - Park Terrace	7.6	
	Also in	Santa Monica	13.2	
Gold's Gym	Nearest	Hawthorne	2.7	Existing store too close.
	Also in	Redondo beach	5.1	
	Also in	Long Beach	10.0	
LA Fitness	Nearest	Torrance	4.2	Opportunity
	Also in	Redondo beach	5.8	
	Also in	Downey	10.3	
Curves for Women	Nearest	(Too many to map/list.)	---	
Movie Theaters	Nearest	Redondo Beach - AMC 16	2.3	Too close, too many screens
	Also in	EL Segundo - Pacific 15	4.2	
	Also in	Manhattan Beach - Pacific 6	4.3	
	Also in	LA - The Bridge 14	7.7	
	Also in	Gardena - Local operator	0.0	

SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
		City	Miles	Comments
Sporting Goods				
Sportmart	Nearest	Hawthorne	3.0	Existing store too close.
	Also in	Torrance	3.8	
	Also in	LA - Sepulveda	13.0	
	Also in	Cerritos	13.7	
Chicks	Nearest	Pasadena	22.7	Area incomes may be too low
	Also in	Woodland Hills	26.2	
	Also in	West Covine	27.8	
Sport Chalet	Nearest	Torrance	4.0	Area incomes may be too low
	Also in	Marina Del Rey	9.9	
	Also in	LA - La Cienega	13.4	
		Long Beach	13.7	
Big 5	Nearest	Torrance	2.5	Existing store too close.
	Also in	El Segundo	3.9	
	Also in	Carson	4.2	
	Also in	Inglewood	5.5	
REI	Nearest	Manhattan Beach	3.8	Existing store too close.
	Also in	Northridge	28.6	
	Also in	Santa Ana	29.6	
Sports Authority	Nearest	Ontario		No stores in LA/OC
Toys-Kids				
Toys 'R Us/Kids	Nearest	Hawthorne	3.0	Existing store too close.
	Also in	Torrance	4.5	
KB Toys	Nearest	Redondo Beach	2.3	Existing store too close.
	Also in	Torrance	4.4	
Local Operators - two	Nearest	Gardena	0.0	

- Taking into account existing store spacing and relative population levels, potential future promotional tenants that may be interested in Gardena include:

Tenant Category	Example Tenant
◦ General Merchandise	◦ Kohl's
◦ Discount Apparel	◦ T.J. Maxx and/or Old Navy
◦ Fitness Center	◦ LA Fitness and/or Bally's Total Fitness
◦ Arts & Crafts	◦ JoAnn
◦ Office Supplies	◦ Office Max
◦ Pets	◦ PetsMart
◦ Discount/Dollar Stores	◦ (A variety of tenants)

- A variety of significant retail categories do not appear to represent opportunities for the City of Gardena due to a variety of issues, including:
 - Accessibility
 - Lack of a freeway visibility and immediate access
 - Demographics (average income and education)
 - Proximity of existing stores
- Questionable retail categories include:
 - Books and Music
 - Electronics
 - Home Improvement
 - Imported Goods
 - Linens & Bath
 - Movie Theaters
 - Sporting Goods
 - Toys-Kids

Significant Tenant Opportunities Development Potential Summary

- Total Potential Significant Tenant Opportunities – Sq. Ft. 270,000
- Total Potential Sq. Ft. (If significant tenants = 80% of total Sq. Ft.) 335,000
- Total Potential Sq. Ft. (If significant tenants = 67% of total Sq. Ft.) 400,000

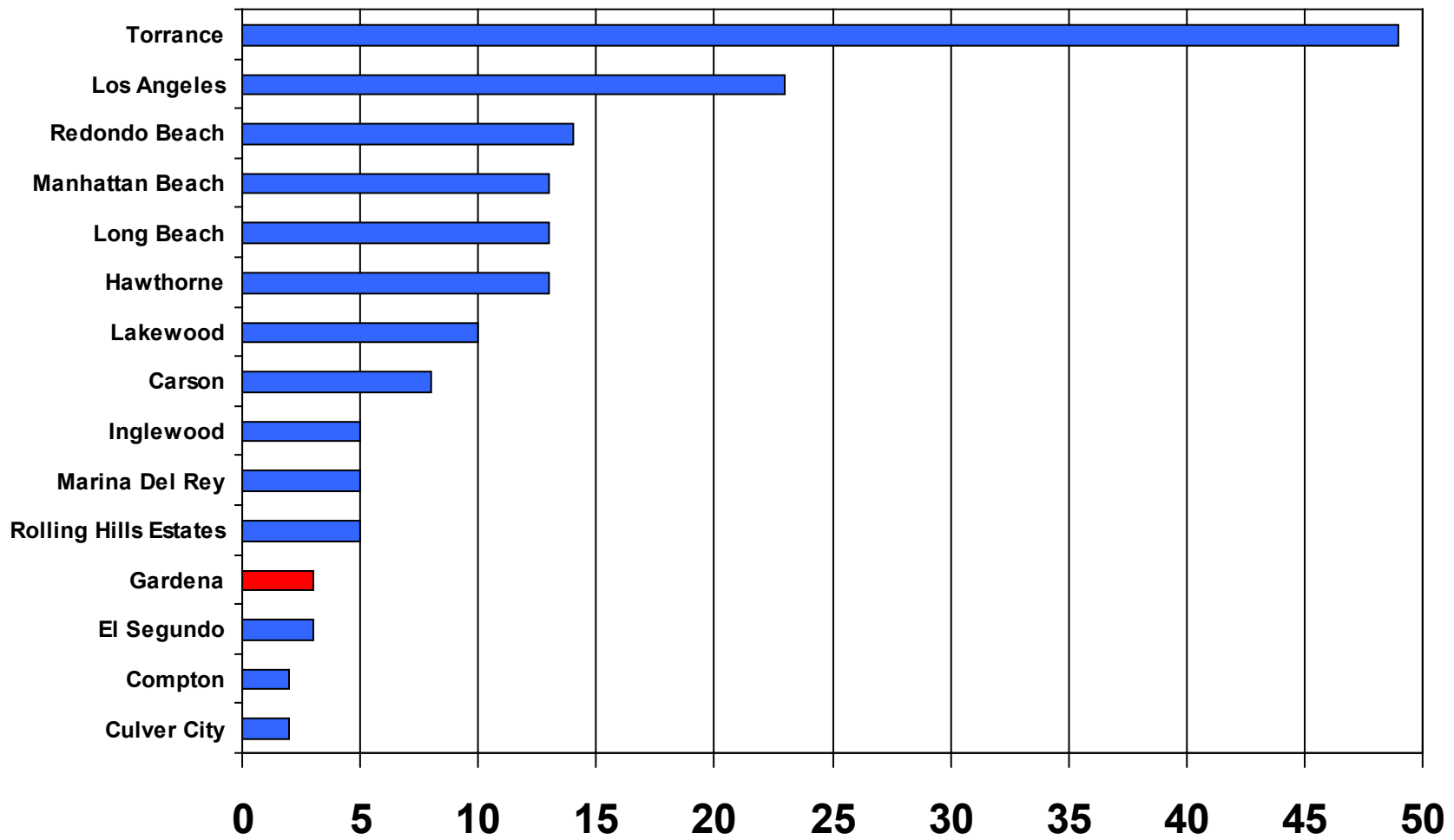
Note: Significant tenant opportunities are subject to intervening competitive locations, delivery schedule, acceptability of site characteristics, and acceptable demographics within primary trade area.

- Based upon the realistic opportunities available to the City, sites oriented to Artesia Boulevard could attract a variety of significant tenants totaling approximately 270,000 square feet, or approximately 27 acres.

- Applying typical ratios for the percentage of anchor and significant tenants to total square footage, this equates to somewhere between 335,000 to 400,000 square feet of retail tenant opportunities. This equates to a range of between 35 to 40 acres.
- An analysis of whether or not the addition of major retailers would have a large impact upon other existing and potential retail locations in the City has not been completed yet as part of this analysis. Different retailers would likely have differing impacts on existing merchants based upon different tenant combinations.
- Potential retail tenants representing the least negative impact on the City include Kohl's, office supplies, discount apparel, pet supplies, arts & crafts, and fitness. The primary reason for this is that these tenants are not presently located within the City and yet attract Gardena residents to existing stores located in nearby cities.

Number of Significant Retailers in Regional Tenant Opportunity Tables

- When making store location decisions, retailers like to locate near each other. They do so for a variety of reasons. These include a “safety in numbers” mentality, the potential synergy of having other retailers nearby, and the desire to be part of a shopping district that has the ability to draw customers from a wider area than if the retailer was “going it alone” in a freestanding location.
- To further look at how the City of Gardena might be evaluated by significant retailers, the listing of retailers shown on the preceding pages was sorted and tabulated. The results are shown in the following page.
- The incidence of retailers located in each city is only based upon the incidence shown in the preceding tenant opportunities table. In this table, we have only listed three or four store locations closest to Gardena. However, the table does show the relative choices consumers have and which cities might attract greater numbers of shoppers.



Part B
**Number of Significant Retailers in Regional Tenant Opportunity
Tables Retail Development Potential For
The Artesia Boulevard Retail District, City of Gardena**

Local-Serving Tenant Opportunities

- The opportunity for local-serving tenants and shopping centers is dictated primarily by population and market support as well as the competitive environment.
- While larger regional and sub-regional centers typically derive their support from extended market areas, local-serving centers (anchored by grocery stores and/or drug stores) are typically supported by the population available within one to three miles.
- In order to understand the support for existing and future local-serving centers in the project area, we have inventoried and mapped grocery stores in the market area surrounding the City of Gardena.



SIGNIFICANT RETAIL TENANT OPPORTUNITIES FOR CITY OF GARDENA				
(Excluding relocations)				
		City	Miles	Comments
Specialty Grocery Stores				
Trader Joe's	Nearest	Torrance	3.1	Existing store too close.
	Also in	Manhattan Beach - Pacific 6	3.6	
	Also in	Manhattan Beach - Pacific 6	3.8	
	Also in	Redondo Beach - AMC 16	6.1	
Whole Foods	Nearest	Redondo Beach	4.8	Possibility - incomes low
	Also in	Torrance	6.5	
	Also in	Vernon	9.1	
	Also in	LA - National	11.7	
Bristol Farms	Nearest	Manhattan Beach	4.1	Area incomes may be too low
	Also in	Carson	5.8	
	Also in	Redondo Beach	6.0	
	Also in	Rolling Hills Estates	8.5	
Wild Oats/Henry's Marketplace	Nearest	Carson	3.3	Area incomes may be too low
	Also in	Venice	11.9	
	Also in	Santa Monica	13.8	
	Also in	Long Beach	14.9	
	Also in	Downey	10.3	
Major Chain Grocery Stores	Nearest	(See map.)		Possibility for new store

- Based on tenant spacing and demographics, it appears that Gardena could support one additional full-sized grocery store and (eventually) a specialty grocery store such as Whole Foods.
- There also appears to be an opportunity for an additional pharmacy.
- The addition of either a specialty grocery store and/or a major chain grocery store and/or pharmacy will be dependent upon a variety of factors, including competition, population, total income, discretionary income, education, etc.
- The individual chains will evaluate the Gardena market area based upon a specific site.

Taxable Retail Sales Performance

City of Gardena Compared to Other Los Angeles County Cities

- In order to better understand the City of Gardena's relative retail sales performance, we have compared the City's taxable retail sales against other cities in Los Angeles County and nearby counties.
- Of the 64 +/- cities compared, Gardena ranks 32nd in population.

- The following table illustrates Gardena's taxable retail sales position according to five criteria:
 - Number of stores in each category
 - Population per store
 - Total sales in each category
 - Average sales per store
 - Average sales per capita

Gardena Compared to 63 Other Cities

City of Gardena Taxable Sales Rankings						
(Compared to 63 Other Selected Cities)						
<u>Retail Category</u>	<u>Total Number of Stores</u>	<u>Number of Stores Rank</u>	<u>Population Per Store Rank</u>	<u>Total Category Sales Rank</u>	<u>Average Sales Per Store Rank</u>	<u>Average Sales Per Capita Rank</u>
Apparel	102	27	44	49	54	50
General Merchandise	37	26	48	32	34	27
Food Stores	61	16	57	21	36	20
Eating & Drinking	254	10	54	26	58	25
Home Furnishings & Appliances	48	26	33	44	51	46
Building Materials	26	15	53	17	18	9
Auto Dealers & Supplies	112	9	60	37	43	33
Service Stations	12	37	22	25	9	24
Other/Specialty Retail Stores	440	28	36	57	62	58
Retail Stores Total **	1,092	25	48	36	52	41
All Other Outlets **	1,400	15	47	24	30	21
Total - All Outlets **	2,492	18	47	37	51	34
GAFO Categories	627	28	37	48	54	49
Population Rank	32	32	32	32	32	32

Note: Red numbers indicate rankings in upper one third of compared cities.

Some cities have insufficient category sales for the State Board to release due to confidentiality.

Source: State Board of Equalization, Gregory Stoffel & Associates.

- Considering the relative rankings of each category, it appears the City of Gardena has an over-supply of smaller independent-operated stores and would benefit from the introduction of additional prominent retailers who would help to reverse the outflow of sales that occurs from the City.
- For example, although the City ranks 10th in total number of eating and drinking establishments, it ranks 26th in total category sales and 58th in average sales per establishment.
- The City ranks 25th in total number of retail establishments, 36th in total retail sales, and 52nd in average sales per establishment.
- These sales figures indicate an unhealthy retail environment.
- The limited number of quality GAFO retailers (general merchandise, apparel, home furnishings, and other/specialty) hurts all other categories.
- Only building materials ranks highly in average sales per capita.
- Based upon a comparison of “average sales per capita,” the City of Gardena performs lower than the Los Angeles County average in several important comparison shopping retail categories, including apparel, home furnishings, and other/specialty. These categories are typically important components in discretionary and comparison shopping.
- The City is generally performing at or near the County average in general merchandise, and auto dealers and parts.
 - Target, Sam’s Club, and Marukai are major sales contributors, uses that attract sales from nearby communities.
 - Gardena Honda, Gardena Nissan and Pacific Porsche/Audi/Volkswagen are also important uses that bring sales to the City.
- Other than the existing Sam’s Club, Target, and Home Depot, the City has few significant retail offerings.
- The City performs higher than the County average in food stores, eating & drinking, building materials, and service stations. Other than building materials, these are uses that are typically supported from a local customer base.
- When compared by “average sales per store,” the City of Gardena performs higher than the County average in food stores, eating & drinking, building materials and service stations.
- Overall, existing retailers’ performance will need to improve measurably before the City performs at acceptable levels in key categories. In addition, an increased number of significant tenants will also help the City to improve.

Demographic Highlights

- To understand how potential retail sites located on Artesia Blvd. will be viewed by the retail community, a demographic profile was prepared for different geographical areas.

- Two intersections on Artesia Boulevard were used as the point from which demographics were generated - the intersection at Western Avenue and the intersection at Normandie.
- Demographics were obtained from Claritas Inc. for one, three, and five mile radius distances as well as a 12-minute drive time area.
- The following table illustrates the demographic highlights of the Artesia Boulevard retail district. A detailed table follows.
 - Maps illustrating the drive time areas and the radius areas from Artesia/Western follow the demographic comparison.

Demographic Summary

	Artesia Blvd./ Western Ave.	Artesia Blvd./ Normandie Ave.
Population - 1-Mile Radius	25,996	24,970
Population - 3-Mile Radius	218,257	196,998
Population - 5-Mile Radius	708,012	693,919
Population - 12-Minute Drive	742,668	918,834
Avg. Household Income - 1-Mile Radius	\$61,378	\$54,369
Avg. Household Income - 3-Mile Radius	\$56,166	\$57,965
Avg. Household Income - 5-Mile Radius	\$65,373	\$60,963
Avg. Household Income - 12-Minute Drive	\$58,238	\$54,036
Avg. Per Capita Income - 1-Mile Radius	\$23,823	\$19,510
Avg. Per Capita Income - 3-Mile Radius	\$18,865	\$19,198
Avg. Per Capita Income - 5-Mile Radius	\$21,505	\$19,510
Avg. Per Capita Income - 12-Minute Drive	\$17,950	\$15,981
Aggregate Income - 1-Mile Radius	\$619,302,708	\$487,164,700
Aggregate Income - 3-Mile Radius	\$4,117,418,305	\$3,781,967,604
Aggregate Income - 5-Mile Radius	\$15,225,798,060	\$13,538,359,690
Aggregate Income - 12-Minute Drive	\$13,330,890,600	\$14,683,886,154

A detailed demographic table follows.

Comparison Of Essential Demographics - Various Geographical Areas

The City of Gardena, California

Source: Claritas, Inc.

	City of Gardena	1-Mile Radius Artesia/ Western	1-Mile Radius Artesia/ Normandie	3-Mile Radius Artesia/ Western	3-Mile Radius Artesia/ Normandie	5-Mile Radius Artesia/ Western	5-Mile Radius Artesia/ Normandie	12-Minute Drive Time Artesia/ Western	12-Minute Drive Time Artesia/ Normandie
Population - 2006	60,473	25,996	24,970	218,257	196,998	708,012	693,919	742,668	918,834
Households	20,949	10,341	8,923	75,252	64,544	241,436	219,944	226,629	268,668
Avg. HH Size	2.85	2.57	2.79	2.98	3.02	3.04	3.13	3.25	3.39
Ethnicity:									
White Alone	21.3%	28.6%	27.6%	32.5%	29.5%	35.2%	32.3%	31.5%	30.2%
Black or African American Alone	28.3%	6.8%	9.5%	20.7%	23.6%	23.0%	24.4%	23.1%	22.9%
American Indian/Alaska Native	0.7%	0.4%	0.4%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%
Asian Alone	24.1%	46.1%	38.0%	20.0%	20.8%	15.3%	15.1%	13.2%	11.2%
Native Hawaiian/Other P.I. Alone	0.7%	0.9%	0.8%	0.9%	1.0%	1.0%	1.0%	1.3%	1.3%
Some Other Race Alone	20.2%	12.2%	18.6%	20.0%	19.4%	20.2%	21.9%	25.5%	28.9%
Two or More Races	4.7%	5.1%	5.2%	5.2%	5.0%	4.6%	4.6%	4.7%	4.7%
Hispanic or Latino	35.6%	24.7%	37.6%	39.1%	37.1%	37.3%	39.7%	45.2%	50.4%
Average HH Income	\$53,296	\$61,378	\$54,369	\$56,166	\$57,965	\$65,373	\$60,963	\$58,283	\$54,036
Median HH Income	\$43,110	\$50,712	\$45,873	\$45,211	\$46,744	\$49,078	\$46,831	\$44,611	\$41,459
Per Capita Income	\$18,648	\$23,823	\$19,510	\$18,865	\$19,198	\$21,505	\$19,510	\$17,950	\$15,981
HH <\$15K	3,489	1,450	1,418	10,617	9,182	31,981	32,791	36,052	47,690
HH \$15K - \$24.9K	2,512	966	957	8,527	7,293	24,852	25,034	27,309	34,997
HH \$25K - \$34.9K	2,672	1,003	1,078	9,003	7,634	25,713	25,387	27,176	33,361
HH \$35K - \$49.9K	3,332	1,540	1,391	11,954	10,425	35,043	33,928	35,546	42,464
HH \$50K - \$74.9K	4,183	2,124	1,899	14,524	13,100	43,594	41,667	42,386	48,689
HH \$75K - \$99.9K	2,279	1,279	1,082	8,258	7,636	27,461	25,426	25,096	27,725
HH \$100K - \$149.9	1,935	1,269	890	7,228	6,857	27,100	24,021	22,526	23,756
HH \$150K - \$249.9	449	330	181	2,070	2,023	11,574	9,365	8,288	7,931
HH \$250K - \$499.9	78	67	23	320	322	2,590	1,831	1,726	1,642
HH \$500K and more	20	10	4	69	71	963	493	522	413
Total HH \$50,000 or above	8,944	5,079	4,079	32,469	30,009	113,282	102,803	100,544	110,156
% Of HH \$50,000 or above	42.7%	49.1%	45.7%	43.1%	46.5%	46.9%	46.7%	44.4%	41.0%
Total HH \$75,000 or above	4,761	2,955	2,180	17,945	16,909	69,688	61,136	58,158	61,467
% Of HH \$75,000 or above	22.7%	28.6%	24.4%	23.8%	26.2%	28.9%	27.8%	25.7%	22.9%
Total HH \$100,000 or above	2,482	1,676	1,098	9,687	9,273	42,227	35,710	33,062	33,742
% of HH \$100,000 or above	11.8%	16.2%	12.3%	12.9%	14.4%	17.5%	16.2%	14.6%	12.6%

Comparison Of Essential Demographics - Various Geographical Areas

The City of Gardena, California

Source: Claritas, Inc.

	City of Gardena	1-Mile Radius Artesia/ Western	1-Mile Radius Artesia/ Normandie	3-Mile Radius Artesia/ Western	3-Mile Radius Artesia/ Normandie	5-Mile Radius Artesia/ Western	5-Mile Radius Artesia/ Normandie	12-Minute Drive Time Artesia/ Western	12-Minute Drive Time Artesia/ Normandie
Est. Median Age	36.19	41.08	37.79	34.39	35.06	34.29	33.56	32.35	31.04
Est. Average Age	36.80	41.01	38.30	35.31	35.89	35.10	34.68	33.77	32.89
Age: <9 years	8,751	3,038	3,434	33,106	29,135	108,485	109,492	123,552	161,693
Age: 85+ years	914	516	373	2,650	2,524	8,350	8,047	7,752	9,493
Sub-total: Non-Age Qualified	9,665	3,554	3,807	35,756	31,659	116,835	117,539	131,304	171,186
Total: Age Qualified	50,808	22,442	21,163	182,501	165,339	591,177	576,380	611,364	747,648
% Age Qualified	84.0%	86.3%	84.8%	83.6%	83.9%	83.5%	83.1%	82.3%	81.4%
Aggregate Age Qual. Income (M)	\$947.5	\$534.6	\$412.9	\$3,442.9	\$3,174.2	\$12,713.3	\$11,245.2	\$10,974.0	\$11,948.2
Total Aggregate Income (M)	\$1,127.7	\$619.3	\$487.2	\$4,117.4	\$3,782.0	\$15,225.8	\$13,538.4	\$13,330.9	\$14,683.9
<u>Education - Pop. Age 25+</u>	39,743	18,558	16,945	138,975	125,907	445,023	429,218	448,494	538,842
Less than 9th Grade	11.25%	6.23%	11.81%	12.44%	12.43%	12.45%	13.67%	15.98%	18.71%
Some High School, no diploma	14.93%	11.37%	12.84%	14.63%	14.36%	14.27%	15.29%	16.73%	18.13%
High School Grad (or GED)	25.79%	26.97%	25.08%	24.15%	23.73%	21.49%	21.97%	22.13%	22.11%
Some College, no degree	24.57%	23.62%	22.70%	23.91%	24.22%	22.78%	22.62%	21.71%	20.97%
Associate Degree	6.99%	8.06%	7.45%	7.23%	7.46%	7.24%	7.12%	6.62%	6.03%
Bachelor's Degree	12.72%	18.28%	5.44%	12.94%	13.16%	15.05%	13.57%	11.85%	10.02%
Master's Degree	2.72%	3.49%	2.93%	3.23%	3.33%	4.60%	3.99%	3.36%	2.65%
Professional School Degree	0.82%	1.69%	1.46%	1.14%	0.99%	1.49%	1.26%	1.19%	1.04%
Doctorate Degree	0.22%	0.29%	0.29%	0.34%	0.32%	0.62%	0.52%	0.42%	0.33%
% Associate Degree or Higher	23.47%	31.81%	17.57%	24.88%	25.26%	29.00%	26.46%	23.44%	20.07%
# Associate Degree or Higher	9,328	5,903	2,977	34,577	31,804	129,057	113,571	105,127	108,146
% Bachelors Degree or Higher	16.48%	23.75%	10.12%	17.65%	17.80%	21.76%	19.34%	16.82%	14.04%
# Bachelors Degree or Higher	6,550	4,408	1,715	24,529	22,411	96,837	83,011	75,437	75,653
% Owner Occupied Units	46.86%	57.36%	50.24%	47.57%	53.97%	51.89%	51.41%	50.96%	49.03%

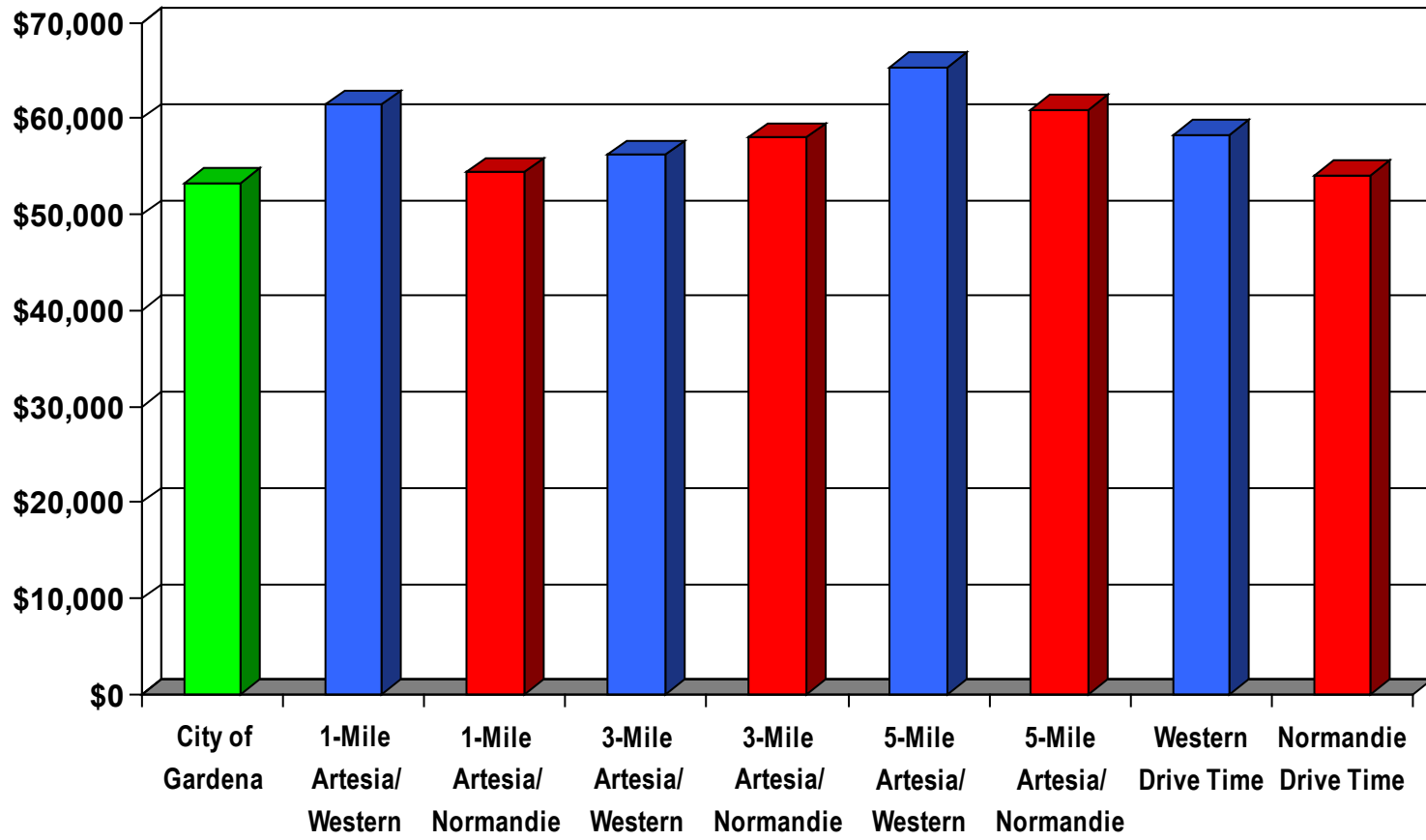
12-Minute Drive Time Area: Artesia and Western



12-Minute Drive Time Area: Artesia and Normandie



Demographic Comparison: Average Household Income



Demographic Highlights Observations

- The demographics suggest that the ability to draw customers from outside the City of Gardena is an important factor in the City's ability to attract additional quality retailers.
- Quality retailers will need to draw customers from a much wider area than the City of Gardena itself.
- There are differences in demographics within the Artesia Boulevard retail district.
- The Artesia/Western intersection has slightly more desirable demographics than the intersection of Artesia/Normandie.
- Within a five-mile radius, the Artesia/Western intersection is stronger in key categories:
 - Average household income
 - Per capita income
 - Aggregate total income
 - Education

Conclusions and Observations

- From a retail standpoint there is no “there-there” in Gardena to provide a unifying sense for the City's retail experience. Generally, retail-oriented facilities within Gardena lack sense of place and provide few opportunities for customers to gather.
- The eventual upgrade of the City's retail position will occur one project at a time.
- The City has a preponderance of smaller merchants and needs to create opportunities for larger retail formats.
- Other than Sam's Club, Home Depot, and Marukai, Gardena currently has few significant retail offerings that would draw customers from a wide area. This is reflected in poor sales for many of the City's existing retail areas.
- A larger strategy would be to combine one or two separate areas to concentrate the City's near-term future retail efforts. The most logical area to start would be along the Artesia Boulevard Corridor, between Normandie Avenue and Western Avenue.
- The eventual upgrade of the City's retail position will occur one project at a time. As each new development occurs, potential retailers will take notice of the City's progress and become more receptive to a location in Gardena.
- From a retail standpoint, Gardena has an excess of unanchored and strip retail. Not only is there a relative over-supply of strip commercial, there are currently too few sites that offer the opportunity to assemble and accommodate quality anchor-size retailers in the types of centers and/or concentrations they tend to locate in.
- In the short-term, most retailers who are attracted to a location in Gardena will want to locate on Artesia Boulevard.

- Artesia Blvd. currently has the City's only concentration of significant regional tenants and offers the security of an existing "district."
- Artesia Blvd. could support at least 40 additional acres of retail development.
- The subject site located between Western and Normandie is the optimal location for additional retail.
- A mix of large and medium box tenants, in conjunction with local shops, services and restaurants would benefit the Artesia Boulevard retail district.