

CITY OF SAN FERNANDO:

COMMUNITY MEETING – DOWNTOWN DEVELOPMENT OPPORTUNITY



SEPTEMBER 24, 2019

PREPARED BY:



Kosmont Companies | Kosmont Realty | Kosmont Transactions Services

1230 Rosecrans Avenue, Suite 630 | Manhattan Beach, CA 90266

(424) 297-1070 | www.kosmont.com | CA Broker #01182660

INTRODUCTION

- The City has retained Kosmont Companies (Kosmont) for real estate advisory services and to assist with development of Downtown (key opportunity site identified is Parking Lot #3 at San Fernando Mission Blvd. and Celis St.)
- Kosmont assisted the City with economic development analysis to show initial market feasibility of the site and strong potential for mixed/blended use commercial/residential development that would be consistent with the updated Corridors Specific Plan
- The primary purpose of the meeting today is to listen to the community to hear what uses would be needed and desired in San Fernando's Downtown

MEETING AGENDA

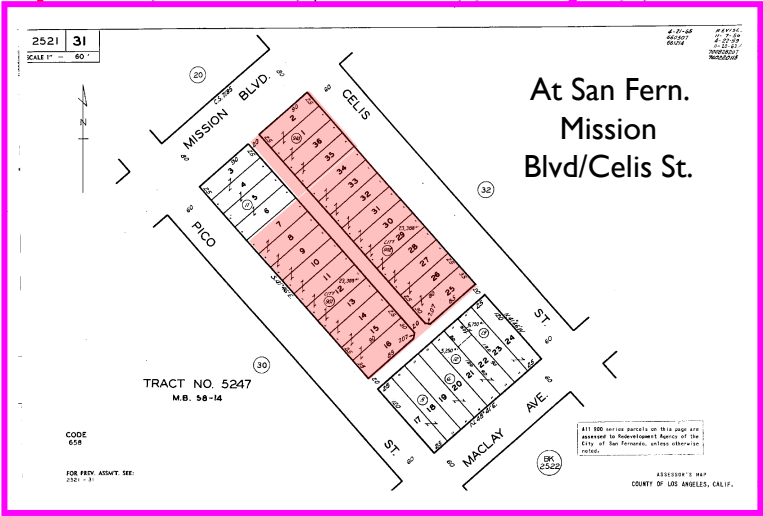
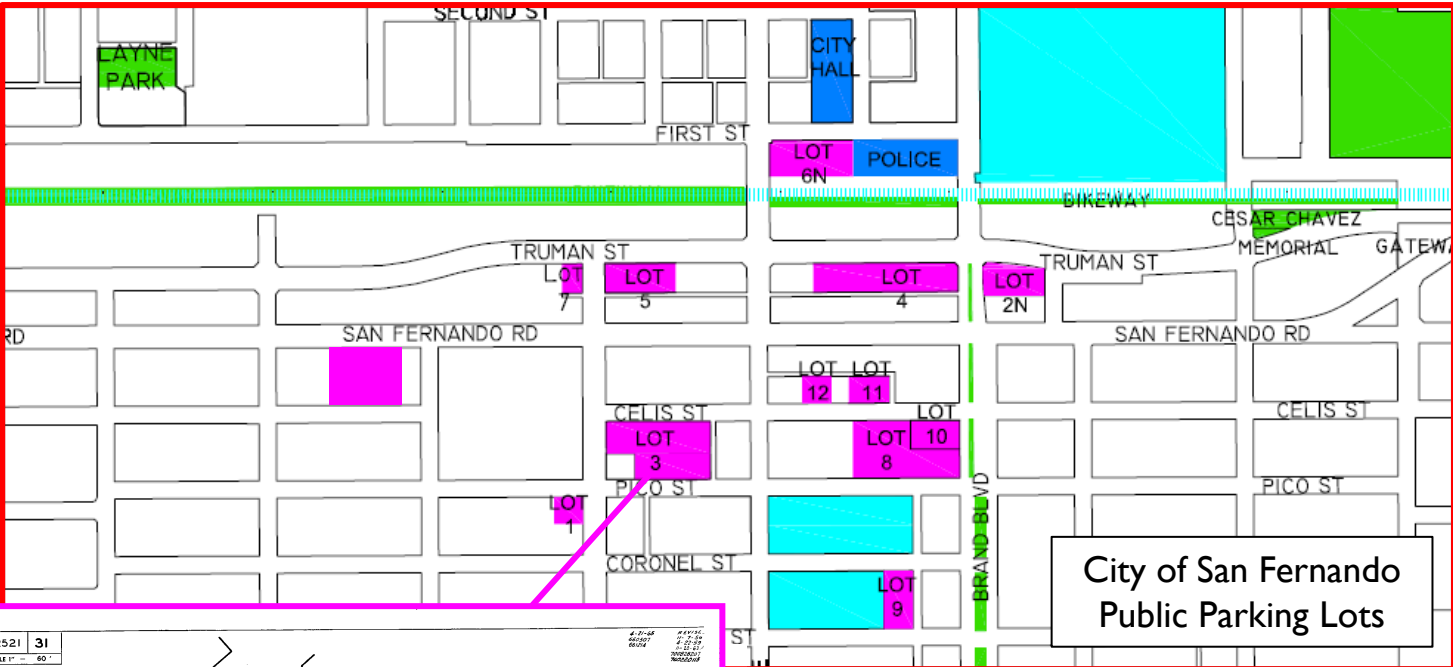
- Overview of the Downtown area/site and goals
- Summary of economic development and market dynamics
- Project examples
- Community Listening – Discussion and Q & A (Comment Cards)



#1 Goal and Purpose for Community Meeting

- ***Obtain Community Input for desired development***
- It is very important to the City leaders that the community input and ideas shared tonight be incorporated into the marketing strategy and request for proposals for the current opportunity site, as well as for the overall vision for development in San Fernando

Context Map - Lot #3



City of San Fernando



Parcel Aerial – Lot #3

- Parking Lot # 3 is 62,876 SF/1.44 Acres (including existing alley) with access to San Fernando Mission Blvd., Celis St. and Pico St., located on the block directly adjacent to the San Fernando Road “mainstreet” businesses, and currently has 144 public parking spaces. There is also ample street parking in the area.



Strong Development Potential for Downtown & Lot #3

- San Fernando has a Vibrant Downtown with a healthy retail/entertainment market
- Higher density mixed uses allowed by the Corridors Specific Plan
- City willingness to redevelop parking lots for development with public private partnerships
- Transit Oriented Development (TOD) potential is high with existing Metrolink station and proposed Metro LRT station
- High demand for housing
- Some demand for office use – low vacancies locally; Co-working office space strong demand/desired in TOD and positive addition to blended/mixed-use areas
- **Developers and businesses indicate strong interest in San Fernando Downtown**

SPECIFIC PLAN DEVELOPMENT STANDARDS



Source: San Fernando Corridor Specific Plan § 4.1-4.4

Parking lots are located in Downtown District in Residential Overlay (near San Fernando Mall):

- Mixed-use, TOD, (Transit Oriented Development) active storefronts
- Freestanding stores, auto-oriented buildings, drive-up services prohibited
- Increased max FAR (Floor Area Ratio)
- Extra story of development
- Upper floor residential uses with CUP (Conditional Use Permit)

Generally allowed land uses:

- Parking
- Residential (CUP)
- Retail, Service, Entertainment, Lodging and Office

General development standards:

- Max FAR = 3.0 non-residential; 3.5 residential mixed-use
- Max residential density = 50 du/ac
- Max height = 4 stories, 50 ft.
- Setback = 0 ft.

POPULATION & INCOME

CITY, COUNTY, AND STATE

<u>2019</u>	City of San Fernando	County of Los Angeles	State of California
Population	24,593	10,255,222	39,813,541
Households	6,170	3,362,815	13,339,357
Average HH Size	3.97	3.00	2.92
Median Age	32.2	35.9	36.3
% Hispanic Origin	93.3%	48.9%	39.7%
Per Capita Income	\$18,303	\$32,163	\$35,730
Median HH Income	\$58,005	\$66,297	\$74,520
Average HH Income	\$72,918	\$97,857	\$106,321
<u>2019-2024 Annual Growth Rate</u>			
Population	0.32%	0.41%	0.67%
Median HH Income	2.63%	3.83%	3.17%

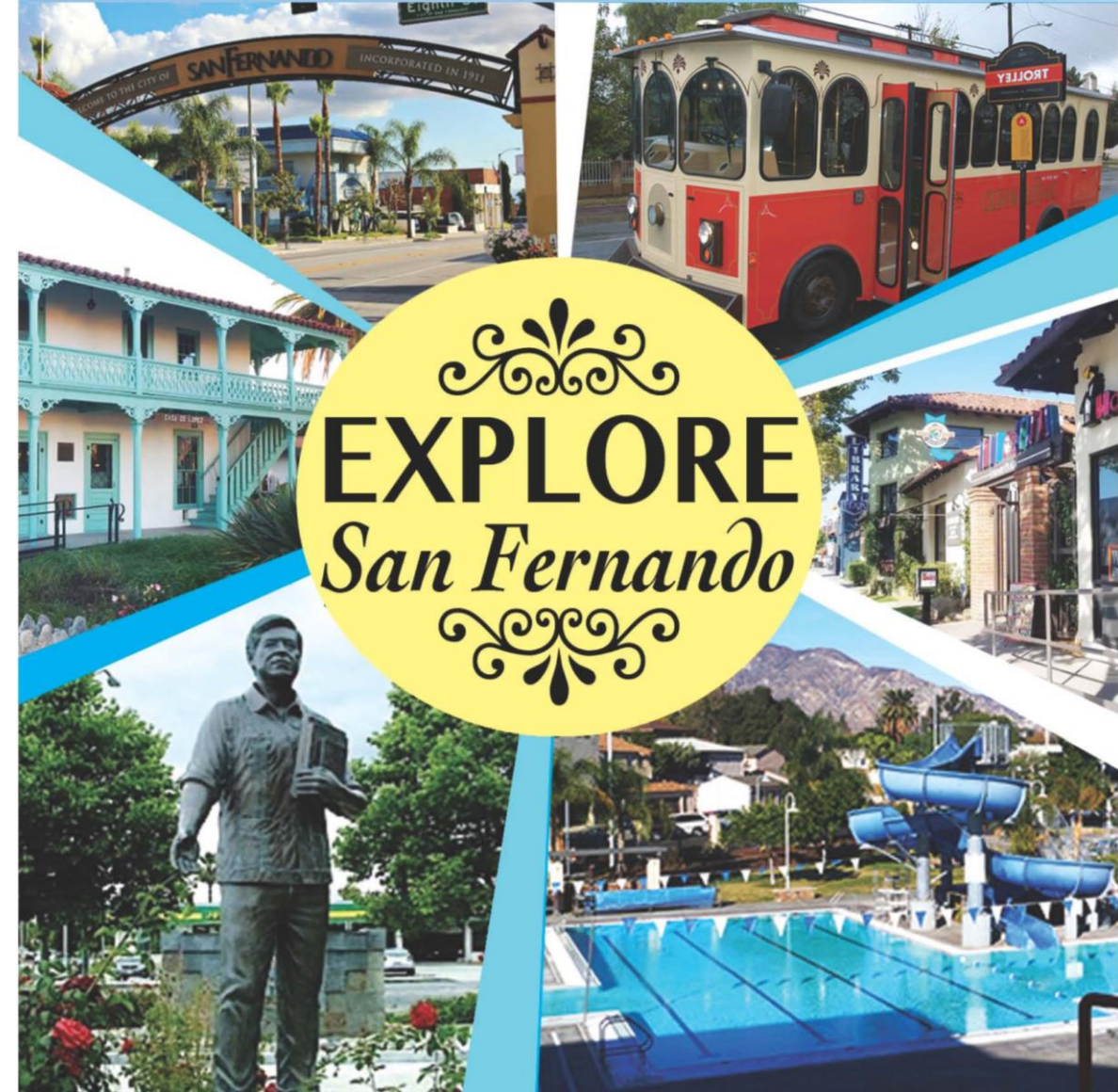
RETAIL SALES SURPLUS / LEAKAGE BY CATEGORY

CITY OF SAN FERNANDO

Retail Category	Retail Spending Potential	Retail Sales	Retail Surplus/ (Leakage)	Percent Surplus/ (Leakage)	Online Sales Leakage Potential
<u>Shopper Goods (GAFO):</u>					
Clothing & Clothing Accessories Stores	\$11,986,064	\$20,273,332	\$8,287,268	69.1%	High
General Merchandise Stores	\$27,404,381	\$86,567,835	\$59,163,454	215.9%	Med
Furniture & Home Furnishings Stores	\$5,824,094	\$24,970,625	\$19,146,531	328.7%	Med
Health & Personal Care Stores	\$10,730,748	\$7,531,939	(\$3,198,809)	(29.8%)	Med
Sporting Goods, Hobby, Book & Music Stores	\$5,341,570	\$5,164,087	(\$177,483)	(3.3%)	High
Electronics & Appliance Stores	\$6,067,450	\$6,591,052	\$523,602	8.6%	High
Miscellaneous Store Retailers	\$5,724,463	\$8,356,433	\$2,631,970	46.0%	Varies
Subtotal – GAFO	\$73,078,770	\$159,455,303	\$86,376,533	118.2%	
<u>Convenience Goods:</u>					
Food & Beverage Stores (Grocery)	\$26,381,472	\$68,555,324	\$42,173,852	159.9%	Low
Food Services & Drinking Places (Restaurants)	\$17,525,291	\$41,824,553	\$24,299,262	138.7%	None
Subtotal – Convenience	\$43,906,763	\$110,379,877	\$66,473,114	151.4%	
<u>Heavy Commercial Goods:</u>					
Bldg Materials, Garden Equip. & Supply Stores	\$8,783,401	\$29,741,260	\$20,957,859	238.6%	Low
Motor Vehicle & Parts Dealers	\$31,809,880	\$56,729,755	\$24,919,875	78.3%	Low
Gasoline Stations	\$14,664,876	\$14,294,773	(\$370,103)	(2.5%)	None
Subtotal – Heavy Commercial	\$55,258,157	\$100,765,788	\$45,507,631	82.4%	
Non-store Retailers	\$4,628,832	\$1,412,730	(\$3,216,102)	(69.5%)	Varies
Total Retail	\$176,872,522	\$372,013,698	\$195,141,176	110.3%	

WHAT IS THE NEW “RETAIL”?

- Retail experiencing ongoing global structural change and downsizing due to internet and other social and demographic changes – brick and mortar to click and mortar – destination, experience, and blended uses are the new trend replacing traditional retail as we know it
- Downtown San Fernando can benefit from utilizing publicly owned assets to advance economic development objectives and retaining/attracting retail and consumer dollars in the Downtown area
- Parking Lot #3 is a key opportunity for a catalytic blended use project to attract new investment and activity to the Downtown
- Transit Oriented Development is conducive to blended use and walkable experiential destinations



DESTINATION IS RETAIL

FITNESS



Divergent Crossfit; South Pasadena, CA

THEATRE / ENTERTAINMENT / CULTURE



Century Theatres; Mountain View, CA

RESTAURANT / BREWERY



Stone Brewing; Escondido, CA

COMMUNAL DINING MARKET HALLS



SteelCraft; Long Beach, CA

RETAIL SALES DRIVEN BY PLACE OR PACE OF DELIVERY

Blended-Mixed Uses

**The New Anchor Tenants
– No longer the Big Boxes**

Destination

**Experience
Food
Entertainment
Hospitality
Residential/Mixed-use**

Distribution

**Industrial
Fulfillment
Click and Collect
Last-Mile Delivery**



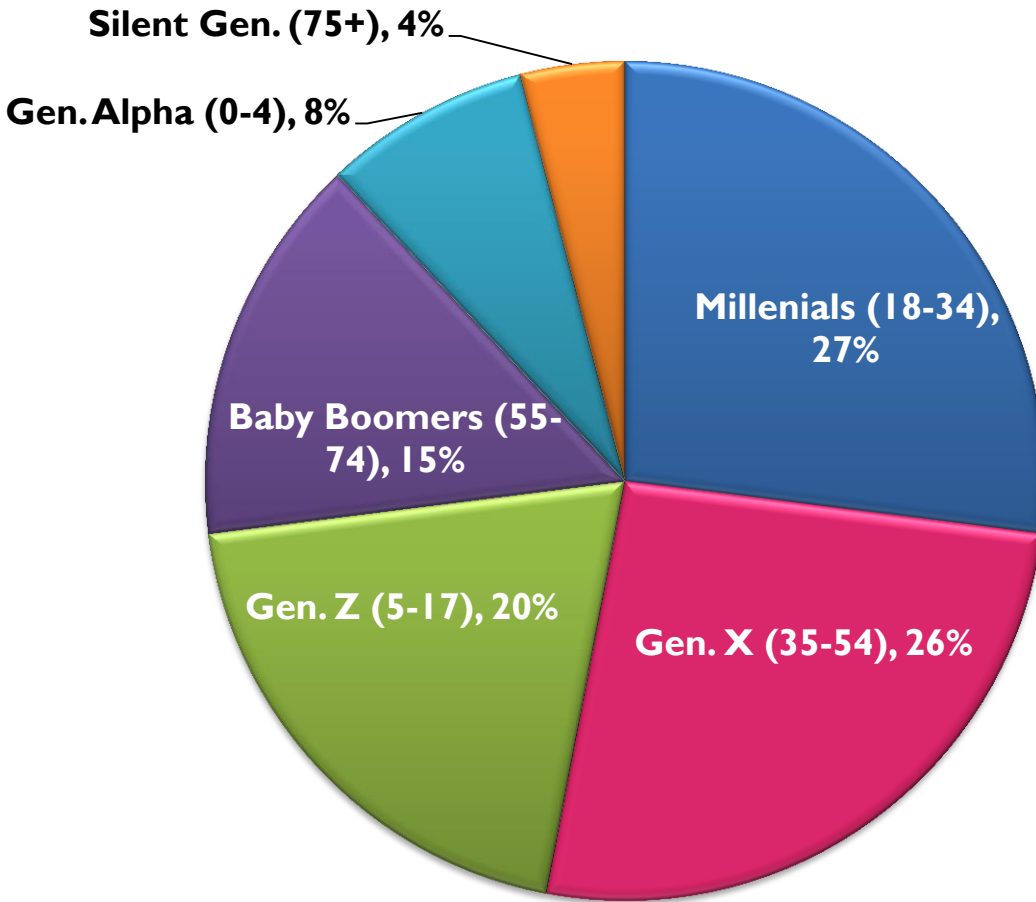
Blended/Mixed Use: Paseo Colorado; Pasadena, CA



Amazon Fulfillment Center; San Bernardino, CA

AGE PROFILE

San Fernando Population by Age Bracket in 2018



Generation	Population (2018)
Millennials (18-34 years old)	6,650
Gen. X. (35-54 years old)	6,354
Gen. Z (5-17 years old)	5,019
Baby Boomers (55-74 years old)	3,807
Gen. Alpha (0-4 years old)	1,928
Silent Gen. (75+ years old)	964
TOTAL POPULATION	24,723

Region	Median Age
City	32.0
County	35.7
State	36.2

Did You Know?

- **Millennials** are the **largest population segment** in **San Fernando**
- Millennials represent **\$600 billion** in spending power nationwide
- 50% of Millennials prefer “finding” hidden local places than visiting tourist attractions (prefer authentic experiences)
- **28%** of San Fernando’s population are comprised of up and coming digital native generations (Gen. Z and Gen. Alpha)

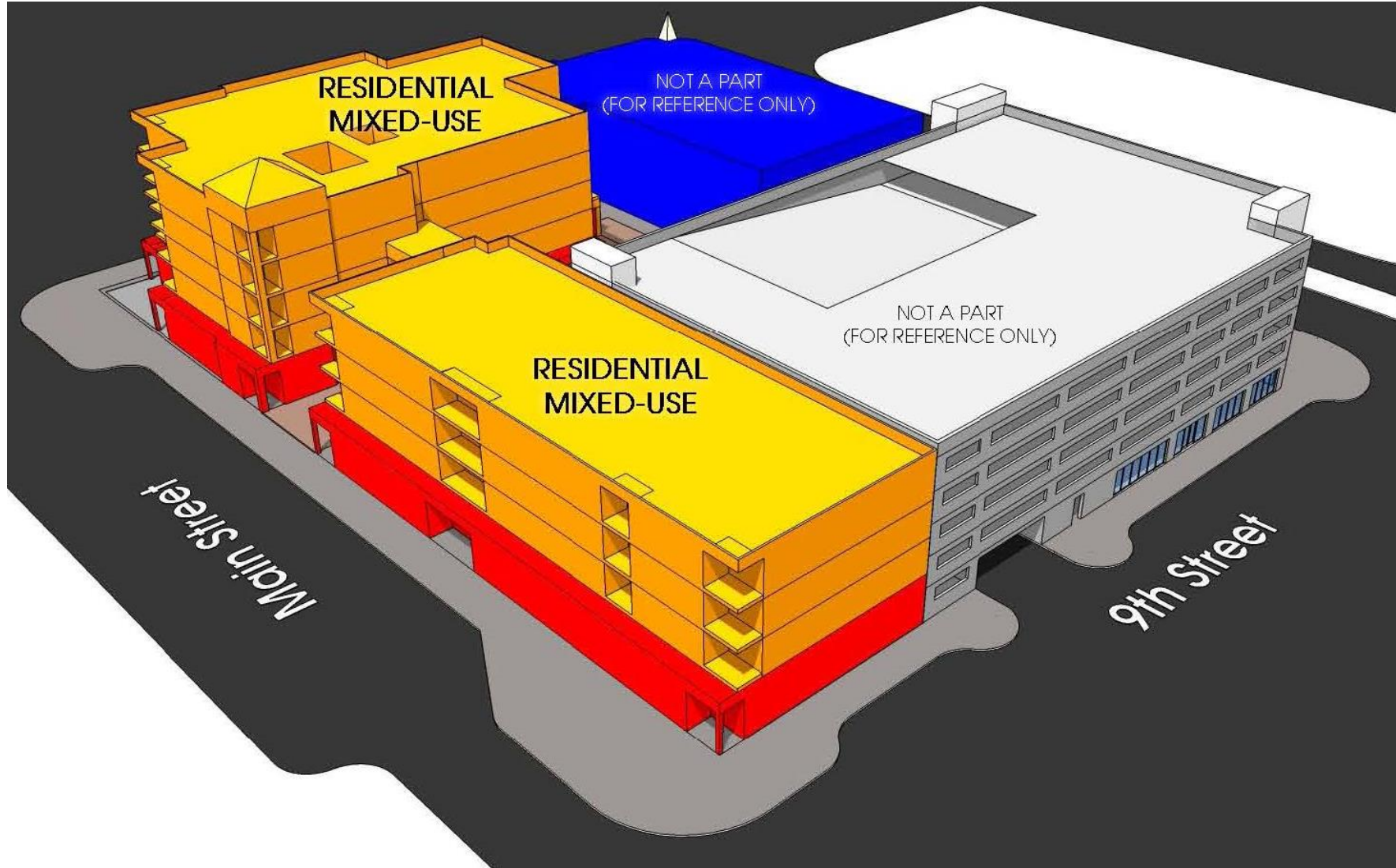
Development Examples – Downtown Azusa



Development Examples – Downtown Newhall



Development Examples – Downtown Newhall



Development Examples – Downtown Newhall



Development Examples – The Source-Buena Park



Development Examples – Five Lagunas



Mall conversion to blended uses - Uses include apartments, a pedestrian-friendly promenade, outdoor dining, new store facades, 14-screen luxury cinema, fitness center, and park/plaza amenities.

COMMENT CARD

List Your Preferred or Desired Uses for Development?
WE NEED YOUR FEEDBACK (indicate yes/no and ideas)

- Retail -Types of Stores? _____
- Services - Types of Services? _____
- Office (job base) - Co-Working, Flex, Etc. _____
- Entertainment - Theater, Bowling, Etc. _____
- Fitness - Gyms, Yoga, Martial Arts _____
- Hospitality - Hotel _____
- Residential _____
- Other? _____
- Any other Questions or Comments? _____

Next Steps

- Take community input into consideration (Provide Comments today – & Comments will be accepted by the City for next two weeks – to City Hall/staff or on Facebook @TheCityOfSanFernando)
- Prepare Request for Proposals from private sector for development of Lot #3
- Review proposal responses and conduct another community meeting to vet qualified proposal(s)
- City negotiates a public private transaction with selected preferred developer
- Project shaping and entitlement process allowing further community input