

### **III. Base Economic Analysis**

This section provides an overview of the general characteristics of the South Bay and the four selected study areas. The focus of this section is to provide a geographic understanding of the study areas as well as provide information regarding each of the study areas connectivity to the region, existing conditions, regulatory environment, infrastructure, and fiscal circumstance based on the city in which they are located.

In addition to the previously researched areas, the nexus of the two “major/major” intersections for each corridor was used as the center point to create quarter and half mile areas of analysis. For the purposes of this study, the zero to quarter mile radius is defined as the “inner study area,” while the area between quarter and half mile area buffer is defined as the “outer study area.” References to the “study area” refer to the entire half mile area inclusive of both the inner study area and the outer study area.

Within the Artesia Boulevard Corridor, ERA has used the intersection of Artesia and Aviation (Aviation Intersection) as well as Artesia and Inglewood (Inglewood Intersection). Within the Hawthorne Boulevard Corridor, ERA has designated the intersections at Hawthorne and El Segundo (El Segundo Intersection) and Hawthorne and Rosecrans (Rosecrans Intersection) to be the center points to create the aforementioned boundaries. For a detailed discussion of this process, please refer to Appendix A of this report.

### **Overview of South Bay and Study Areas**

#### **South Bay**

The South Bay region covers about 161 square miles and is located in the southwest quadrant of Los Angeles County. Its northern boundary is roughly Interstate 105, but it also includes Inglewood and the Los Angeles International Airport both of which are north of I-105. On the east, it is bounded by the City of Los Angeles and to the west and south it is bounded by the Pacific Ocean. The South Bay region includes 15 incorporated cities including parts of the City of Los Angeles and some unincorporated areas. The largest cities include Carson, Torrance, and Hawthorne, and the largest unincorporated areas are located between Inglewood and Hawthorne and just outside of Carson.

There are four freeways that serve the South Bay, which are I-405, I-105, SR-91 and I-110. The Green Line of the Los Angeles Metro light rail system runs along the median of I-105 into Redondo Beach, providing light rail access to the area. This also intersects with the Metro Blue Line that runs from downtown Los Angeles to Long Beach. In the south, the port of Los Angeles and port of Long Beach are not actually included in the South Bay region, but is just outside of San Pedro and Wilmington, the two City of Los Angeles communities that border the southeastern part of the region.

## **Study Areas**

In this report, ERA visited and researched four different sites within the South Bay. These sites include Downtown Torrance, Riviera Village, the Artesia Boulevard Corridor, and the Hawthorne Boulevard Corridor. Qualitative information was gathered for the centers and corridors and is presented in the subsequent sections.

### **Riviera Village**

#### *Geographic Boundaries*

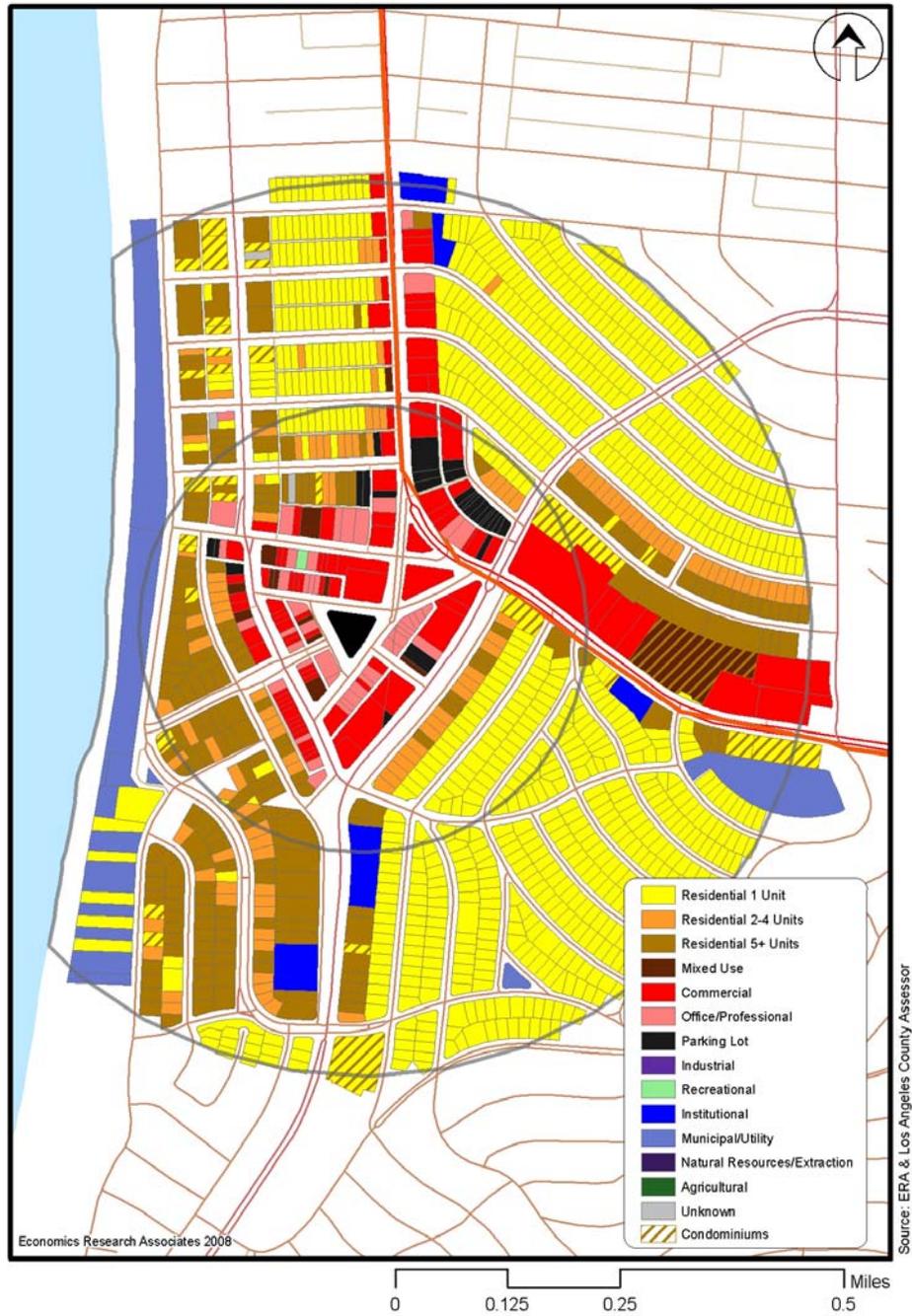
The Riviera Village study area is located in Redondo Beach, approximately a quarter mile from the Pacific Ocean. Riviera Village is a retail, office, and services center, in southern Redondo Beach, just north of Hollywood Riviera and Palos Verdes Estates. It is roughly a triangle-shaped area of 64 acres, bounded to the southeast by Palos Verdes Boulevard, to the southwest by South Catalina Avenue and to the north by Avenue I with some frontage on the Pacific Coast Highway. Two blocks west of Catalina Avenue is the Pacific Ocean, and just to the north by one block is the start of the Redondo Beach State Park.

There are four major streets that serve the study area—Via El Prado, South Elena Avenue, Vista Del Mar, and Via Valencia. Vista Del Mar is broken up by a triangular shaped parking lot in the center of the area which serves as the main parking area for the center. The inner study area is roughly bounded by Esplanade to the west, Avenue G to the north, Paseo de Las Delicias to the east, and Camino del Campo to the south. There are no additional major streets besides the ones aforementioned. The outer study area is roughly bounded by Avenue C and D to the north, Prospect Avenue to the east, the Pacific Ocean to the west and Via Bonita, Calle Mayor, and Via Riviera to the south (Figure 2).

#### *Regional Context and Qualitative Description*

The most prominent of the streets through the center is the Pacific Coast Highway, and South Catalina Avenue and Palos Verdes Boulevard are also main thoroughfares. The main access to the area is via the Pacific Coast Highway, which connects in the southeast to Highway 110, or the Harbor Freeway, and in the north to Highway 91, which ultimately connects to the 405 San Diego Freeway. Otherwise, the only way to access the area is through surface streets as the area is about 5 to 6 miles away from the closest freeway.

**Figure 2**  
**Riviera Village Study Area**  
*Land Use and Inner and Outer Study Areas*



Source: Economics Research Associates and Los Angeles County Assessor

Riviera Village is a retail and office location that serves a variety of shopping and service related needs. Most of the offerings cater to a wealthier demographic, as most of the shops tend to be more boutique vendors. Though there are some chain stores such as Trader Joes, La Salsa, and Coffee Bean, the vast majority of the vendors are specialty brand retail. Furthermore, the services offered are also targeted towards populations with high levels of discretionary income as there are several laser and plastic surgery doctors in the retail center, numerous day spas and other more luxury type services. Roughly one-third of the tenants in the center are retail and another third are services. The remaining third is fairly evenly split between food and beverage establishments and offices.

The center encourages walking through its design with the central parking lot, pedestrian friendly cross walks and low speed limits<sup>2</sup>. Also, the design prevents automobile circulation from moving from one end of the center to the other, such that it is possible to park in one location and walk to each additional destination faster by foot than by car. In the surrounding area, there are a number of neighborhoods, with some pedestrian traffic at the center from people passing through. The area itself is clean and, though there is little by way of streetscape, the buildings are generally newer construction and have large windows that invite window shopping. Several of the food and beverage locations have outdoor seating that spills onto the sidewalks, creating a neighborhood feel.

### *Regulatory Environment*

The Riviera Village study area is not located near any of the Redondo Beach redevelopment areas. The area is designated for commercial use, ranging in C-2 Commercial to C-3 Commercial to C-4 Commercial. The different designations refer to the density of commercial use and differences in floor area ratio, allowing for more or less development per unit of land. Additionally, they are all designated for pedestrian-oriented zones. There is also a section zoned for P-RVP, which is Riviera Village Parking, between Via El Prado, Avenida del Norte and S. Elena Avenue (Figure 3).

---

<sup>2</sup> While the speed limit was not documented, traffic was observed to be moving no more than 15 miles per hour.



diverted through recycling or other waste-saving programs. The region as a whole diverts about 46 percent of its waste, and the targeted rate is 50 percent. Redondo Beach is actually the second lowest in its diversion rate after the City of Torrance, implying that it has to improve its recycling and waste-saving programs.

Roadways are another issue that is problematic across the South Bay and Southern California, and Redondo Beach is no exception. There were two main intersections examined in Redondo Beach, and both of these intersections had a Level Of Service(LOS) rating at E or F, which is a below-standard rating given the capacity of the intersections. There is work planned to improve the intersection at the Catalina and the Pacific Coast Highway, which is close to the Riviera Village study area. However, more work is necessary to alleviate the traffic and transportation situation, especially as it is expected to grow continuously worse in the coming years with the projected increases in population. A comparative matrix of Redondo Beach's infrastructure in comparison to the other city's infrastructure is reviewed in the appendix of this report.

### *Fiscal Overview*

In this analysis, the term "Fiscal Overview" evaluates each city's fiscal circumstances based on each of the cities last fiscal year budget of a similar time period. In this case, it was the 2006/2007 mid-fiscal year budget for Redondo Beach. ERA will use this information as a guide when evaluating potential<sup>3</sup> development options. This analysis assumes that each studied city will continue under the current pattern of growth without any major changes in its fiscal policies, (other) revenue sources, or expenditure items. The reason for considering the General Fund expenses and revenues is because in most cases this is the only fund source that allows the City to make discretionary expenditures, especially related to major public services.

The analysis methodology is based on a "proportional cost/revenue" fiscal analysis approach. The proportional cost/revenue approach is used to calculate the average per capita and per employee (later defined as equivalent dwelling units) revenue/cost to the City under contemporary circumstances, which is applied to calculate the City's general fund expenditures that are expected to change based on any future development.

In order to utilize the proportional cost/revenue approach, the existing City's expenditures are pro rated based on a total citywide equivalent dwelling unit (EDU) factor. The EDU takes into account the share of services used by both residents and employees and will allow ERA to make conversions between the any future additions in employment and/or housing on an EDU basis.

The EDU factor incorporates the contemporary population, "in-place" employment, and occupied dwelling units in the City. As per the California State Department of Finance 2007 estimates, the City of Redondo Beach has a household population of 67,488 and 29,084 occupied dwelling units (which implies approximately 2.3

persons per household). ERA estimated the City's existing in-place employment (jobs by place of work) inventory by using SCAG employment projections from 2007. Based on SCAG estimate, the City of Redondo Beach had 25,921 full time equivalent employees (or jobs) in 2007.

The model equates in-place employees in the City of Redondo Beach to require 35% of the services that a residential dwelling unit would need and then adjusts the figure to account for a dwelling unit equivalent. Specific calculations regarding the total EDU (33,005) utilized to establish pro-rata budget expenditures are presented in detail below. Based on this preliminary analysis as presented in Figure 4, Redondo Beach spends \$2,106 per year on an EDU basis. Based on General Fund revenues, the City receives \$2,025 on an EDU basis. This suggests a negative budgetary circumstance based on the mid-fiscal year 2006/2007 projections. I

**Figure 4**  
**City of Redondo Beach Estimated General Fund Expenditures per EDU**  
**2007**

<u>Demographic and Housing Data (2007)</u>			- 1 -
Total Population	67,488		
Household Population	67,301		
Occupied Dwelling Units	29,084		
Persons per Dwelling Unit	2.314		
<u>Employment Data</u>			
Total Employment (2007)	25,921		- 2 -
Employment Ratio (1 Employee = 0.35 Residents)	0.35		
Employment Resident Equivalents	9,072		
Employment Equivalent Dwelling Units	3,921		- 3 -
<u>Equivalent Dwelling Unit Calculation</u>			
Residential Dwelling Units	29,084	88%	
Employment Equivalent Dwelling Unit	3,921	12%	
<b>Total Equivalent Dwelling Units (EDU)</b>	<b>33,005</b>	<b>100%</b>	
<b>Estimated City Cost per EDU</b>	<b>\$2,106</b>		- 4 -
<b>Estimated City Revenue per EDU</b>	<b>\$2,025</b>		

Notes

- 1- As per the CA Department of Finance, E5 Population Estimates (January 1, 2007)
- 2- SCAG 2007 Projection
- 3- Employment Resident Equivalents divided by Persons per Dwelling Unit
- 4- As per the City's 2006/2007 Fiscal Mid-Year Budget, Total City General Fund Expenditures and Revenues divided by EDU

Source: City of Redondo Beach and Economics Research Associates

<sup>3</sup> City of Torrance fiscal analysis is based on recommended 2006/2007 Budget, while City of Hawthorne fiscal analysis is based on the adopted 2006/2007 fiscal year budget.

## **Downtown Torrance**

### *Geographic Boundaries*

The downtown area is approximately 54 acres in size and is bounded by Torrance Boulevard on the north, Cabrillo Avenue on the east, Carson Street in the south, and Arlington Avenue and Engracia Avenue to the west. Carson Street, Torrance Boulevard and Cabrillo Avenue are all fairly major thoroughfares, though the rest of the streets in the study area are very minor. Beside Cravens Avenue, the other streets that pass through the area include Post Avenue, Sartori Avenue, Marcelina Avenue, El Prado Avenue, and Gramercy Avenue.

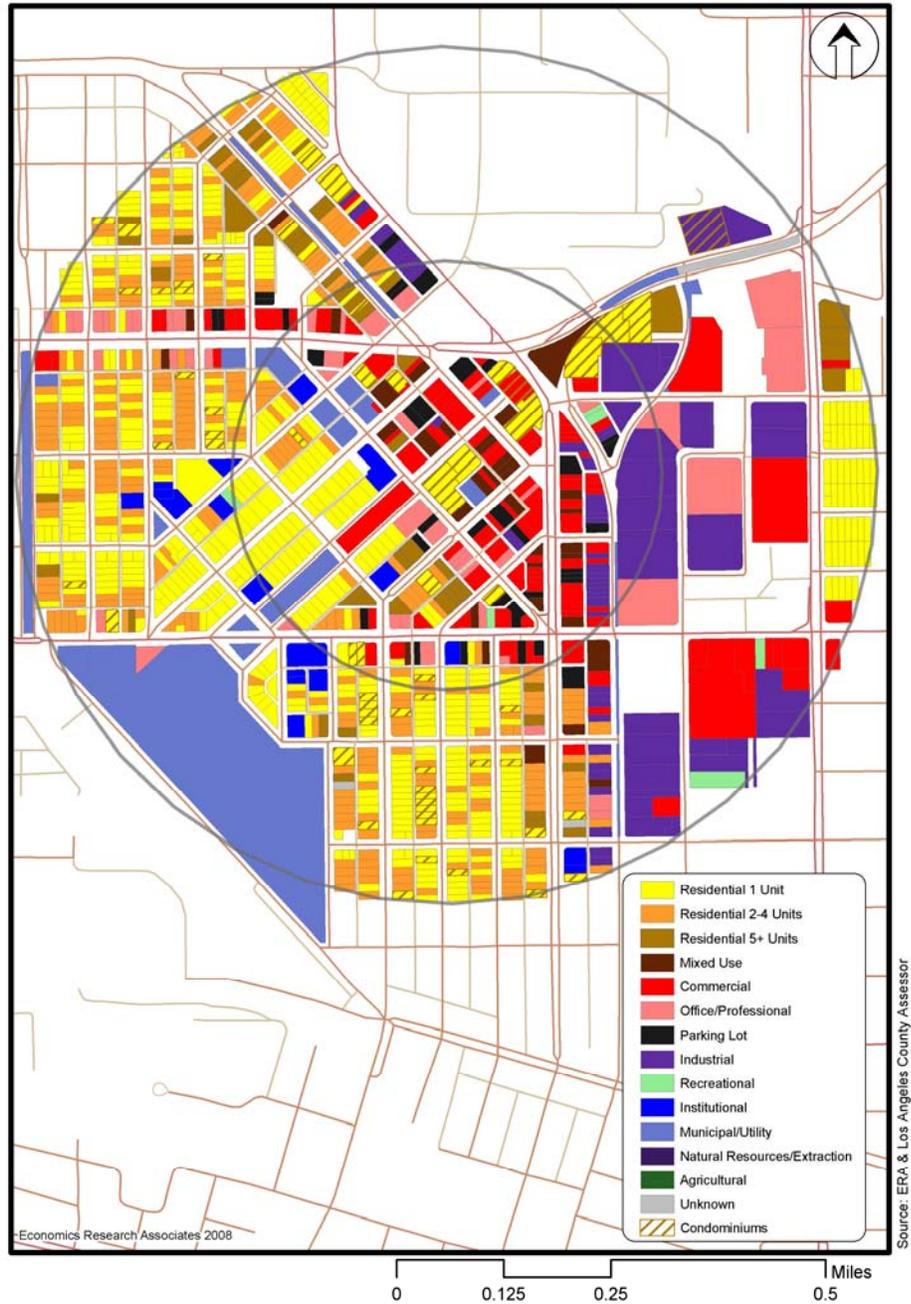
The inner study area includes the area bordered roughly by Torrance Boulevard and Cravens Avenue to the north, Border Avenue, Abalone Avenue, and Bow Avenue to the east, west Carson Street to the south, and Manuel Avenue, Engracia Avenue, and Arlington Avenue to the west. The boundaries of the outer study area is roughly set by Plaza Del Amo and 221<sup>st</sup> Street on the south, Western Avenue on the east, Torrance Boulevard and Van Ness Avenue in the north, and Madrid Avenue to the west. The major streets within the study area are Torrance Boulevard, Western Avenue, Carson Street and Cabrillo Avenue and Van Ness Avenue (Figure 5).

### *Regional Context and Qualitative Description*

In comparison to Riviera Village, Downtown Torrance is a slightly smaller and a less cohesive shopping destination. In the northeast corner, there is a cluster of retail, restaurants, and dental offices that create its own sub-center because of the landscaping and continuous building facades. The rest of the area is fairly condensed with are some vacancies and open parking lots that disrupt the flow of the center and create breaks that separate each cluster of uses from the next. The surrounding neighborhoods include some residential, but also a number of commercial and industrial uses. As a result, the center's purpose is not solely as a neighborhood destination but also as a service center for the surrounding industry as well.

In contrast to Riviera Village, Torrance does not seem to cater to a very wealthy demographic as evidenced by its mix of stores. Though there are some art galleries and jewelry shops, there are also a number of pawn shops, medical supply stores, and pet shops. In personal services, there are mostly hairdressers, dental and other medial offices, as compared to the higher end cosmetic surgery and spa offerings in Riviera Village.

**Figure 5**  
**Downtown Torrance Study Area**  
*Land Use and Inner and Outer Study Areas*



Note: Honda property not included in Los Angeles County Assessor Database

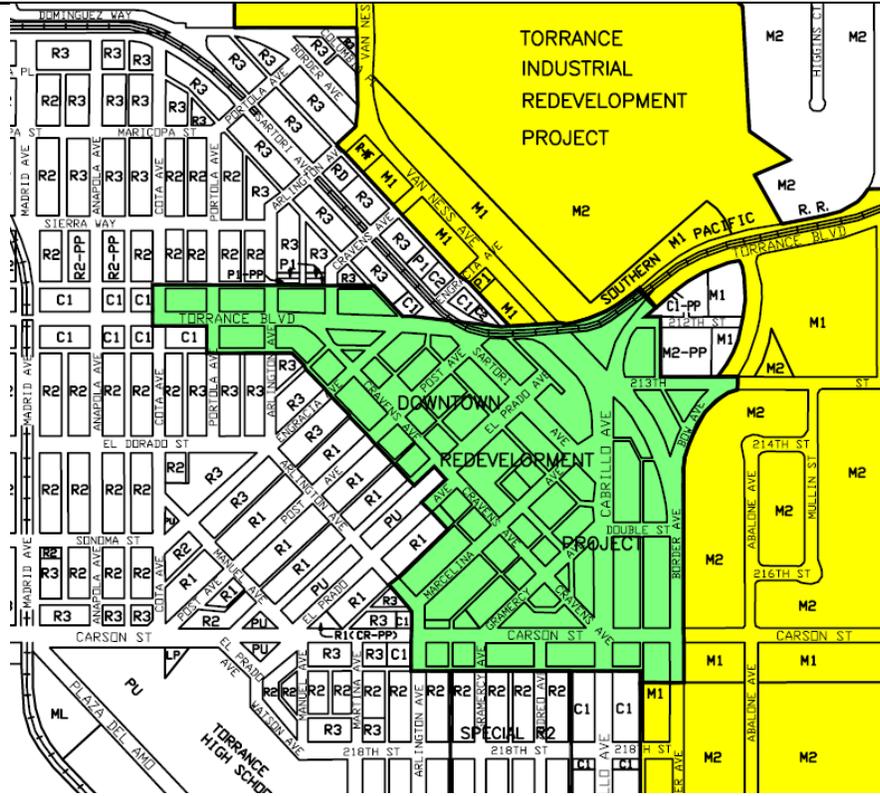
### *Regulatory Environment*

The Downtown Torrance study area is located in the Downtown Redevelopment Project. In 1986, the City of Torrance Redevelopment Agency allocated \$200,000 from Downtown Bond revenues to establish the Commercial Rehabilitation Program, which aims to help property owners and businesses make necessary improvements on the exterior of their buildings. Based on this program, property owners can receive payments for half of the costs of exterior improvements up to \$40,000 per property. As a result, a number of buildings have been renovated, such as the El Prado Apartments at El Prado and Sartori, in the study area. Since the adoption of the redevelopment project area, the total property valuation for the Redevelopment Project has increased dramatically since 1980.

Because the area is a designated commercial redevelopment area, it receives special tax revenues specific to the redevelopment area. Similar to other redevelopment areas in California, Torrance utilizes tax increment financing. Tax revenues that come from any tax increases from what the initial property tax had been at the time that the area was designated go directly back into the development of the area. Consequently, future development may have specific fiscal considerations since additional property tax revenue will not flow into the City of Torrance's general fund.

The zoning outside the redevelopment area is primarily a mix of R-1, R-2, and R-3 with commercial and manufacturing. Torrance Industrial Redevelopment is located to the north and east of the downtown core (Figure 6).

**Figure 6**  
**Downtown Torrance Zoning Map**  
*Core District Overview*



Source: City of Torrance

### *Infrastructure*

Based on the aforementioned South Bay Infrastructure study, the City of Torrance had infrastructural areas that were deemed to be adequate through 2025, but it had other areas that need to be remedied. One of these areas was solid waste disposal. While the South Bay regional average for waste diversion was 46 percent, meaning about 46 of potential landfill waste was diverted through reusing, recycling, and other waste management programs; the Torrance diversion rate was 13 percent, which is the lowest in the region. Of the 290,591 total tons of waste generated each year, only 37,777 tons is diverted. This means that 252,814 tons of waste must go directly into landfills. Overall, the landfills serving the South Bay (at current usage and filling rates) are expected to be exhausted by 2009. More than any other city, Torrance must work to improve its waste disposal programs, to encourage recycling and other alternative uses for waste.

Local traffic, as in the rest of the South Bay, is a continuous problem. Of the 160 intersections measured in the City of Torrance, 32 were found to have a LOS at E or F. There are currently improvements being planned at

Del Amo Boulevard between Madrona Avenue and Crenshaw Boulevard, but more substantial improvements are necessary to alleviate existing and future traffic LOS.

### *Fiscal Overview*

As per the California State Department of Finance 2007 estimates, the City of Torrance has both the largest household population (148,965) and the largest number of occupied dwelling units (56,275) of any of the analyzed cities. ERA used the same methodology as previously described to estimate the City's existing in-place employment for 2007 (95,680). Once again, we equate employees to require 35% of the services that a residential dwelling unit would need. We estimate the City spends \$2,219 per the 69,003 EDUs on an annual basis, with General Fund revenue of \$153.2 million (approximately 3 times both the cities of Redondo Beach and Hawthorne), which suggests the city receives \$2,219 on an EDU basis. In 2006, approximately 25 percent of the total taxable revenues or \$775 million are from Auto Sales (not including service centers). This is disproportional higher sales volume than the other cities analyzed and represents a major source of General Fund revenue (Figure 7). It should also be noted that the city actually runs at a slight budgetary deficit, but makes a \$600,000 deposit to balance the general fund.

**Figure 7**  
**City of Torrance Estimated General Fund Expenditures per EDU**  
**2007**

<u>Demographic and Housing Data (2007)</u>			- 1 -
Total Population	148,965		
Household Population	147,716		
Occupied Dwelling Units	56,275		
Persons per Dwelling Unit	2.625		
<u>Employment Data</u>			
Total Employment (2007)	95,680	- 2 -	
Employment Ratio (1 Employee = 0.35 Residents)	0.35		
Employment Resident Equivalents	33,488		
Employment Equivalent Dwelling Units	12,758	- 3 -	
<u>Equivalent Dwelling Unit Calculation</u>			
Residential Dwelling Units	56,275	82%	
Employment Equivalent Dwelling Unit	12,758	18%	
<b>Total Equivalent Dwelling Units (EDU)</b>	<b>69,033</b>	<b>100%</b>	
<b>Estimated City Cost per EDU</b>	<b>\$2,219</b>		- 4 -
<b>Estimated City Revenue per EDU</b>	<b>\$2,219</b>		

Notes

- 1- As per the CA Department of Finance, E5 Population Estimates (January 1, 2007)
- 2- SCAG 2007 Projection
- 3- Employment Resident Equivalents divided by Persons per Dwelling Unit
- 4- As per the City's 2006/2007 Fiscal Year Recommended Budget, Total City General Fund Expenditures and Revenues divided by EDU

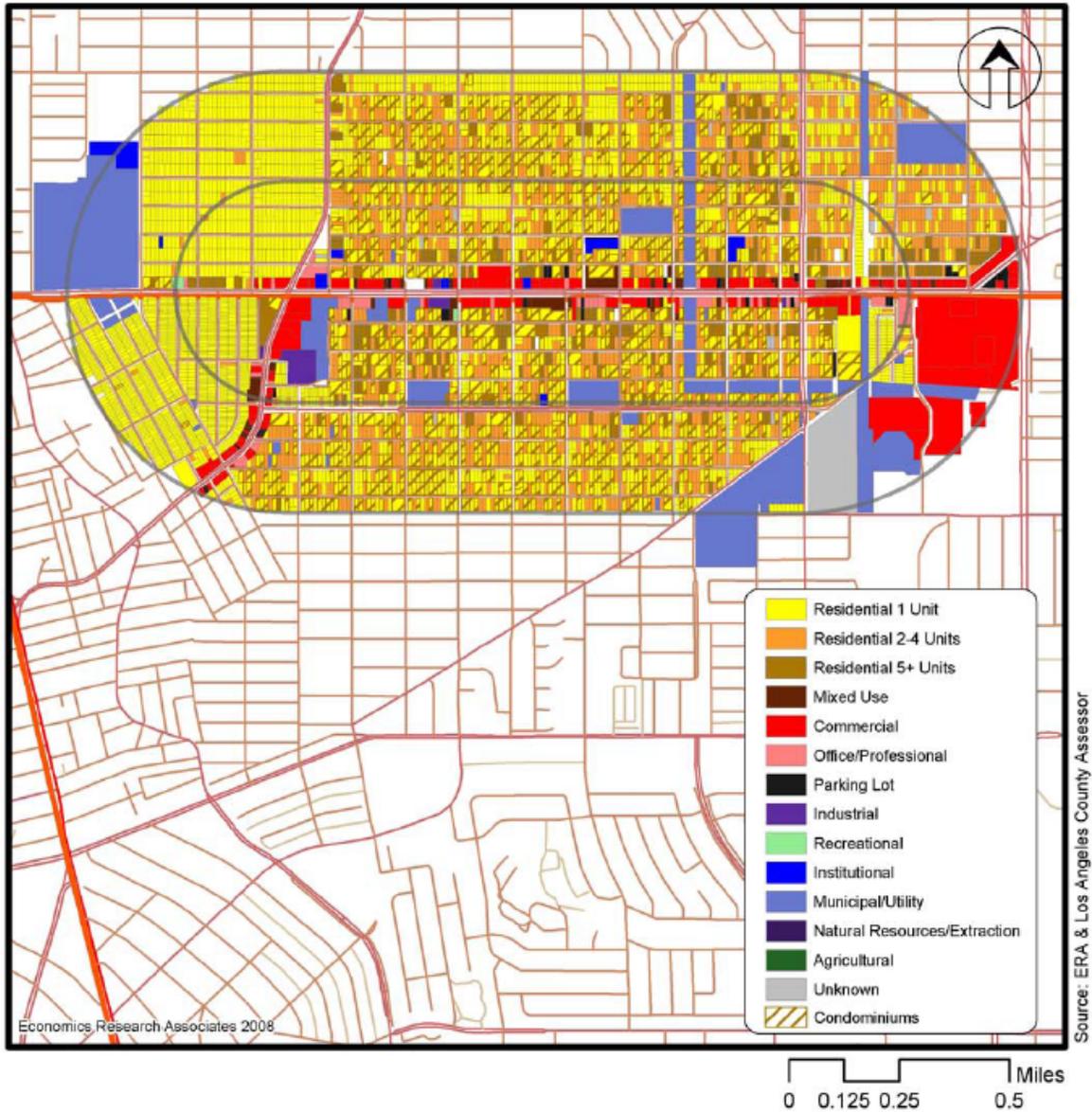
Source: City of Redondo Beach and Economics Research Associates

## **Artesia Boulevard Corridor**

### *Geographic Boundaries*

The Artesia Boulevard Corridor, or Highway 91, is located in Redondo Beach to the northeast of Hermosa Beach, to the south of Lawndale, and to the west side of Torrance. The corridor is a main thoroughfare, connecting I-405 and the Pacific Coast Highway 1, providing access to Hermosa Beach and greater Redondo Beach further south. The study area is approximately 1 mile in length, stretching from Inglewood Avenue on the east to Aviation Boulevard on the west. There are 11 other streets that either intersect or run into this corridor, including Flagler Lane and Vail Avenue that both end on Artesia. The streets that actually cross the intersection include Green Lane, Blossom Lane, Rindge Lane, Mackay Lane, Phelan Lane, Felton Lane and Perkins Lane, none of which are particularly major streets (Figure 8).

**Figure 8**  
**Artesia Boulevard Corridor Study Area**  
*Land Use and Inner and Outer Study Areas*



Source: Economics Research Associates and Los Angeles County Assessor

The inner study area (approximately 400 acres) is bounded on the north by Voorhees Avenue, on the east by Firmona Avenue, on the south by Grant Avenue and on the west roughly by Herrin Street and Dixon Street. The area's largest intersections are found at Aviation Boulevard and Artesia Boulevard and at Inglewood Avenue and Artesia Boulevard, which also mark the ends of the corridor. The study area extends to the north to

Robinson Street, to the east to Hawthorne Boulevard, to the south to between Clark Lane and Marshallfield Lane, and to the west to South Meadows Avenue. Hawthorne Boulevard is a major thoroughfare and is also known as Highway 107. There are no other major roads that pass through this larger area.

### *Regional Context and Qualitative Description*

The two main access points for the Artesia corridor are Highway 1, or the Pacific Coast Highway, which is about 2 blocks to the west of South Meadows Avenue at the western boundary and I-405, which is about one-mile east of Inglewood Avenue. The corridor is also served by three municipal bus agencies and the Metropolitan Transportation Authority's South Bay Galleria Transit Center is only a couple blocks away.

Artesia Boulevard itself is not walking oriented and has more retail and service offerings that draw people with specific needs and purposes via car. Most of the food and beverage establishments are not restaurants but rather quick-stops for fast food types of meals with an automobile orientation. Based on ERA site visits, there were a few pedestrians walking along corridor and a number of small parking lots along the corridor to prevent customers from having to walk too far. Also, there is a Community Center on Artesia, located near the intersection of Green Lane, but it did not seem to be drawing significant activity, and the surrounding tenants did not appear to be greatly influenced by its presence.

### *Regulatory Environment*

The Artesia Boulevard corridor itself is not located in any of the Redondo Beach redevelopment areas. There is one redevelopment area located off of Artesia Boulevard less than one-half mile to the east of the end of the outer study area. This area, the South Bay Center Project Area is located between Kingsdale Avenue and Hawthorne Boulevard on Artesia Boulevard and includes the Galleria at South Bay mall. This area was established by the City Council of the City of Redondo Beach in 1983 as a redevelopment area, and it covers approximately 50 acres. After the area was established, the open-air mall that had been there was demolished and the current Galleria was built, completed in 1987. Utilizing tax increment financing, money from the area was also used for public improvements along Artesia Boulevard and Inglewood Avenue.

According to the Redondo Beach General Plan, the corridor is zoned mostly for commercial use with a couple of blocks of mixed use zoning on the western end between Blossom Lane and Flagler Lane. After Flagler Lane to Aviation, the zoning returns to commercial with a small section of medium family multi-family residential at the very end of the corridor between Aviation Way and Aviation Boulevard. The 50 by 150 foot lots within the R-3 zoning allowed for the conversion to 2 to 3 townhome developments per lot. The overwhelming presence of these townhome developments is presented in Figure 9, where the Artesia Boulevard Corridor clearly has more condominium homes than any of the other areas of study.

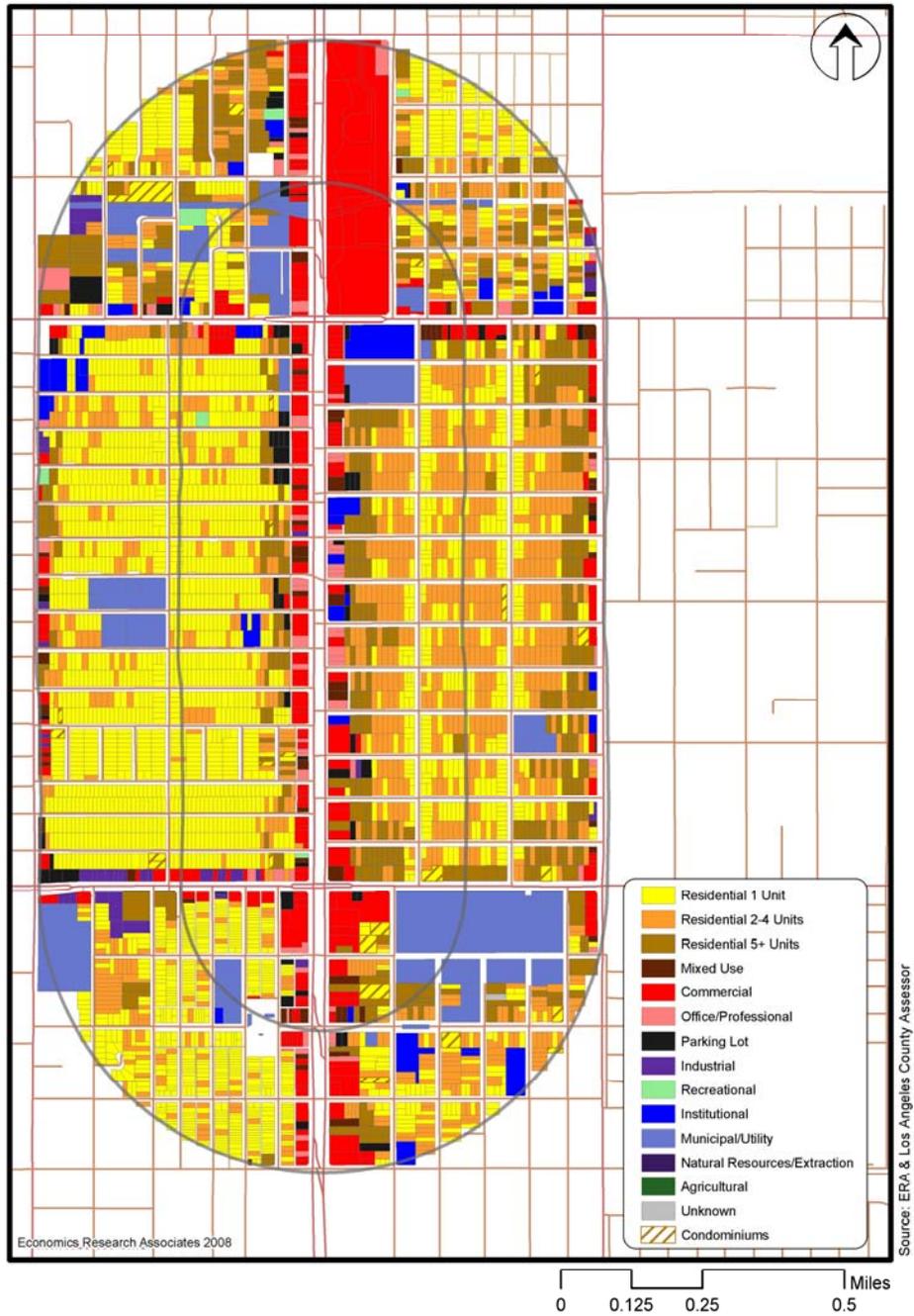


The inner study area (approximately 327 acres) stretches from Ramona Avenue on the west to midway between Washington Avenue and Jefferson Avenue on the east, and from West Broadway in the north to 147<sup>th</sup> Street in the south. This inner study area does not have any additional large intersections besides the ones aforementioned. The outer study area stretches from Inglewood Avenue in the west to Prairie Avenue in the east and from Marine Avenue in the south to West 120<sup>th</sup> Street in the north. The northern portion of the buffer area includes the closed Hawthorne Plaza Mall, and is just south of the Hawthorne Metro Green Line rail station (Figure 10).

### *Regional Context and Qualitative Description*

Similar to the Artesia Boulevard corridor, Hawthorne is not a walking retail center. Most of the people who frequent the corridor appear to park close to their intended destination. Also, the Hawthorne Boulevard corridor is especially heavily service oriented, as almost 50 percent of its tenants are various types of services. A large number of these are medical and dental, but there are also many cleaners, insurance, hair dressers, and other personal services. Because of this, it is not conducive for people to come and spend time, especially as the majority of retail establishments tend to focus on supplies, uniforms, and appliances. The area itself does not have a cohesive appearance, in that there was no central theme to the landscape or design of the buildings. The streetscape itself was very limited and most of the buildings are older and look somewhat run-down, especially as many of them date back to the 1950s and earlier.

**Figure 10**  
**Hawthorne Boulevard Study Area**  
*Land Use and Inner and Outer Study Areas*



Source: Economics Research Associates and Los Angeles County Assessor

### *Regulatory Environment*

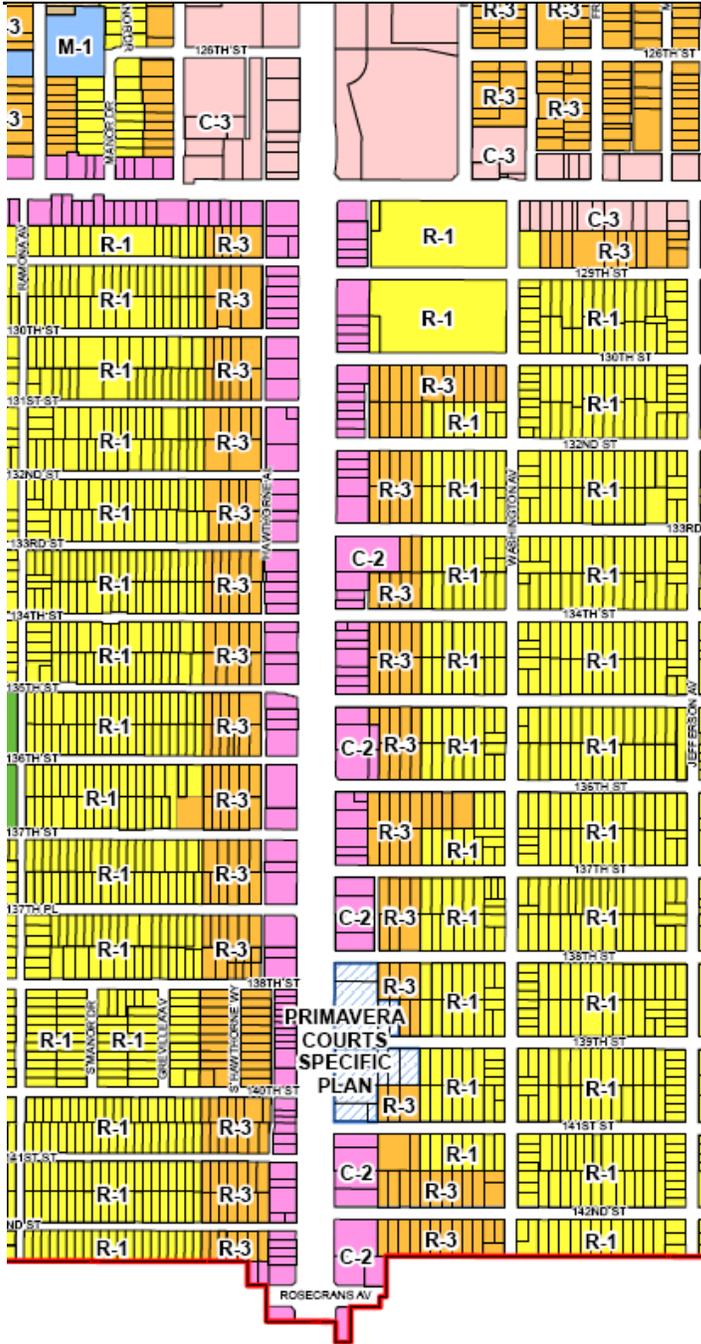
The Hawthorne Corridor is zoned as C-2 Commercial property, which is designated for retail uses with limited fabrication and assembly of commodities and establishments that render services or other types of recreation, entertainment, and commercial activities (Figure 11). The C-2 designation is used for the entire corridor stretch, but just beyond the corridor, to the immediate east and west, most of the property is zoned as R-3 Residential Property. This zoning code, which is a high density residential classification, establishes areas that allow greater population density. The properties developed in these areas could be more economically designed in terms of size and capacity to maximize the land use. At the very northern end of the study area corridor, between 130<sup>th</sup> Street and El Segundo, the land is zoned as R-1 Residential Property, or low-density residential. This area, unlike the R-3 property, is only for low density single-family residential dwellings units.

The only other zoning designation on the corridor is found between 141<sup>st</sup> Street and 138<sup>th</sup> Street on the Hawthorne corridor. This area, recently amended in the Hawthorne Municipal Code, is designated the Primavera Courts Specific Plan, and had its zoning changed from commercial to Mixed Use development. This designation can accommodate a variety of uses, including residential, light commercial, retail, restaurant and office uses. It has a Floor Area Ratio (FAR) of 2.5 and can fit up to 40 dwelling units per acre. The property itself designated in the specific plan is 4.4 acres in size and was previously a mortuary and car dealership.

### *Infrastructure*

Like Redondo Beach and Torrance, Hawthorne had a few key areas of infrastructure that needed work to sustain expected growth to 2025. Traffic is key infrastructural problem in Hawthorne. Of seven intersections that were measured, all seven were rated with a LOS of E or F. With projections that traffic is going to increase by 25 percent in the coming years, intersections that are already operating at LOS E or F must be improved. Most of the traffic in the Hawthorne area is centered on the Rosecrans corridor, and there are a couple of improvement projects on the roadway to try to alleviate some of these issues. One of these projects is at Aviation Boulevard and Rosecrans.

**Figure 11**  
**Hawthorne Boulevard Study Zoning Map**  
*Core District Overview*



Note: Zoning designations are provided in the appendix.

Source: Economics Research Associates

Hawthorne does divert more of its solid waste than Redondo Beach and Torrance, with a 44 percent diversion rate, but it still falls under the targeted rate of 50 percent. Furthermore, Hawthorne is lacking in park and open space with a ratio of 0.6 park acres per 1000 residents and it currently has 0 bikeways.

### *Fiscal Overview*

As previously noted, the EDU factor incorporates the contemporary population, “in-place” employment, and occupied dwelling units in the City. ERA estimates that Hawthorne currently has approximately 33,199 EDUs based on a 2007 household population of 89,514 and 29,152 occupied dwelling units (which implies approximately 3.0 persons per household) and 35,502 existing in-place employment. The City spends 1,429 per year on an EDU basis while receiving \$1,515 in General Fund revenues per EDU (Figure 12).

**Figure 12**  
**City of Hawthorne Estimated General Fund Expenditures per EDU**  
**2007**

<u>Demographic and Housing Data (2007)</u>			- 1 -
Total Population	90,014		
Household Population	89,514		
Occupied Dwelling Units	29,152		
Persons per Dwelling Unit	3.071		
<u>Employment Data</u>			
Total Employment (2007)	35,502	- 2 -	
Employment Ratio (1 Employee = 0.35 Residents)	0.35		
Employment Resident Equivalents	12,426		
Employment Equivalent Dwelling Units	4,047	- 3 -	
<u>Equivalent Dwelling Unit Calculation</u>			
Residential Dwelling Units	29,152	88%	
Employment Equivalent Dwelling Unit	4,047	12%	
<b>Total Equivalent Dwelling Units (EDU)</b>	<b>33,199</b>	<b>100%</b>	
<b>Estimated City Cost per EDU</b>	<b>\$1,429</b>		- 4 -
<b>Estimated City Revenue per EDU</b>	<b>\$1,515</b>		

#### Notes

- 1- As per the CA Department of Finance, E5 Population Estimates (January 1, 2007)
- 2- SCAG 2007 Projection
- 3- Employment Resident Equivalents divided by Persons per Dwelling Unit
- 4- As per the City's 2006/2007 Fiscal Year Approved Budget, Total City General Fund Expenditures and Revenues divided by EDU

Source: City of Hawthorne and Economics Research Associates

## Comparative Analysis

The purpose of this section is to provide quantitative comparisons of select characteristics of the study areas. Data provided herein and in the appendix report will act as key inputs for the demand analysis presented later in Section III.

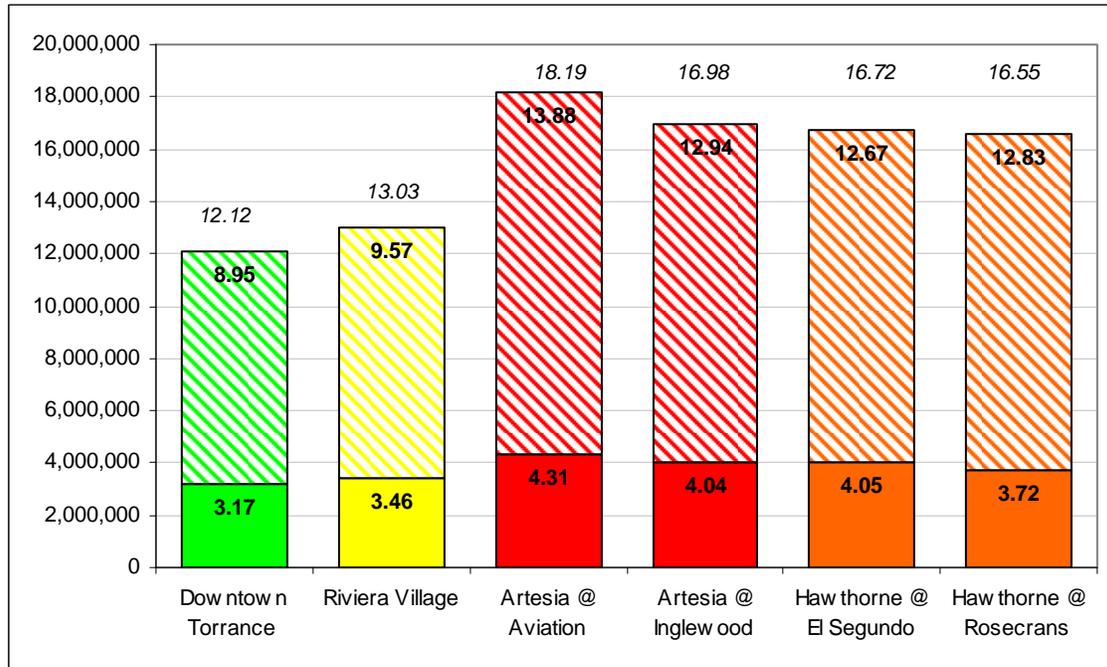
### Land Use

The following land use information is based on the Los Angeles County Assessor's data from December 2006. The data were utilized to better understand the relative size, composition, and the assessed value of land within the study areas. While there are limitations within the dataset, it is instructive to examine key similarities and differences between the center and corridor areas from a land use perspective.

Based on the inner and outer study area, the land sizing for the study areas is roughly equivalent within the corridor study areas. The two centers, on the other hand, are notably smaller for a couple reasons. First, some parcel information within the Los Angeles County Assessor's database is missing within the Downtown Torrance study area. As shown in Figure 13, some parcels were not provided in the database. This includes the Honda site to the north and many larger parcels to the east of the quarter mile area. Second, Riviera Village's proximity to the Pacific Ocean limits its outer study area market shed. Both centers, however, have a similar overall land area that makes the two comparable.

The sizing of the inner study area for all study areas averaged just over 3.9 million square feet or approximately 89 acres. The two previously defined centers were slightly smaller in total land area in comparison to the average. But, in general, their respective areas were equivalent. The outer study area remained consistent within the corridors, but varied in the centers. In the corridors, the outer study area averaged just over 13 million square feet or 300 acres. On average, the two centers were approximately 40 percent smaller in total land area or 90 less acres in total size.

**Figure 13**  
**Land Area by Study Area**  
*December 2006 (Square Feet)*



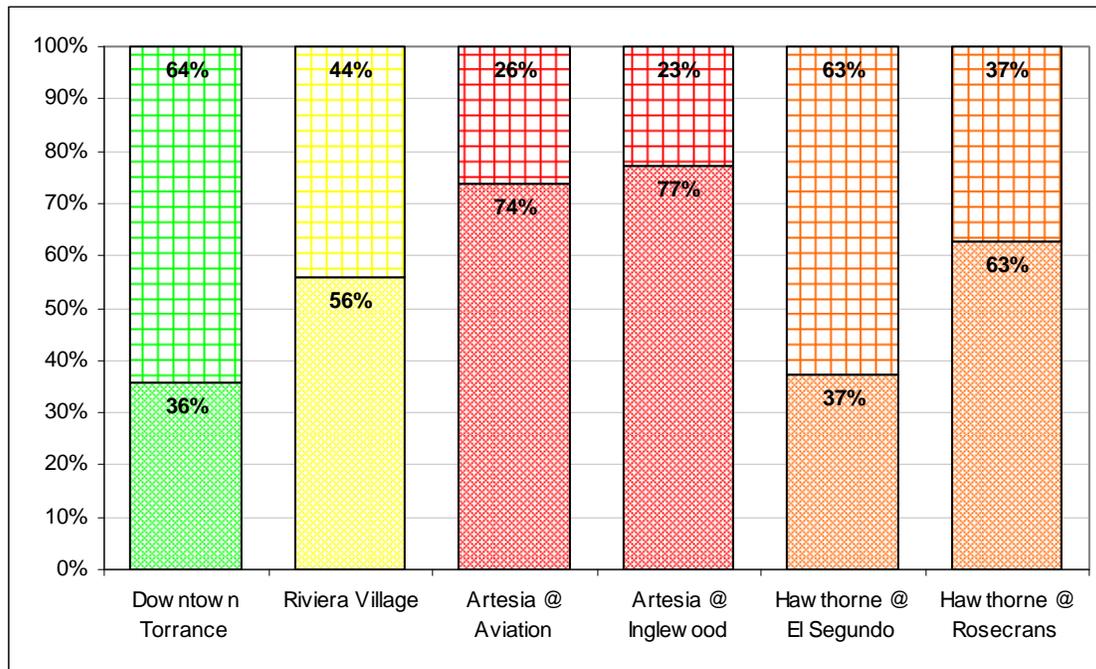
Note: Solid color = inner study area; Diagonal lines = outer study area; Graph values in millions of square feet. Italic number represents total.

Source: Economics Research Associates and Los Angeles County Assessors Office

The majority of land is dedicated to residential uses, accounting for roughly 71 percent of the land use. Once again, the general distribution between study areas is relatively consistent. Downtown Torrance, the only exception, shows a roughly proportional distribution of residential and non-residential land. An examination of the inner study area provides a notably different allocation of residential versus non-residential land uses. While examining only the inner study areas among each of the study areas, there are some significant changes in the percent of land occupied by residential and non-residential serving land uses. Downtown Torrance and the El Segundo Intersection have the lowest amount of residential land within the inner study areas. Riviera Village and the Rosecrans Intersection has slightly higher residential land use, while the Aviation and Inglewood Intersections have the highest percentage dedicated to residential land, with approximately three quarters of the inner study area or 72 acres dedicated to residential uses. Figure 14 presents a breakdown of land uses by study area.

**Figure 14**

**Distribution of Residential and Non-Residential Land Uses by Inner Study Area  
December 2006**

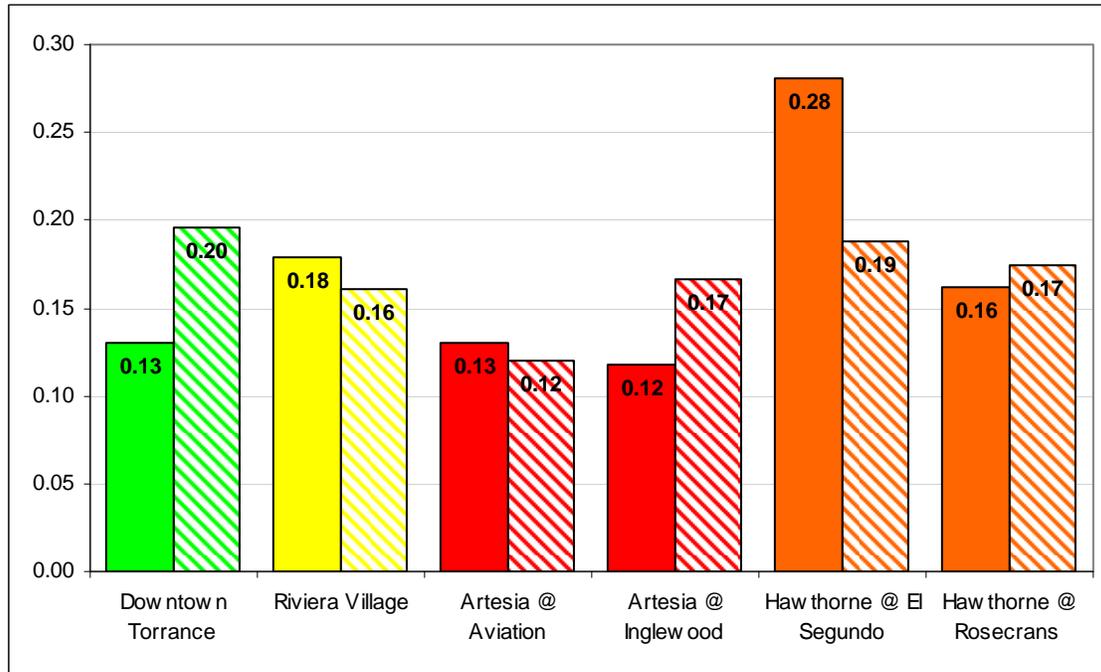


Note: Shaded color = Residential land use; Cross hatch = Non-residential land use.

Source: Economics Research Associates and Los Angeles County Assessors Office

The total number of parcels by study area was examined to see if the relative size of the parcels were similar. In general, the number of parcels varied, as did their average size while staying in the general range of 5,323 - 8,912 square feet, on average, or approximately 0.16 acre. This would represent an average lot size of approximately 84 x 84 square feet. Specific differences, where applicable, will be discussed in later sections of this report. The smallest parcels, on average, were located along the Artesia Corridor. The largest were found along Hawthorne Corridor study area (Figure 15).

**Figure 15**  
**Average Parcel Size by Study Area**  
*December 2006 (Acres)*



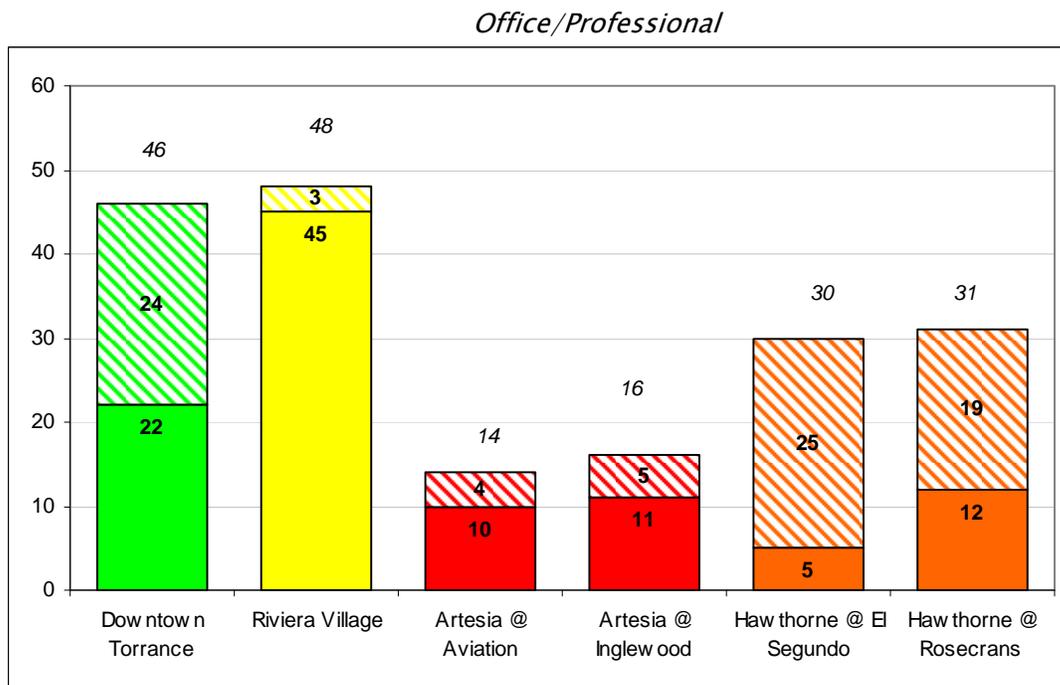
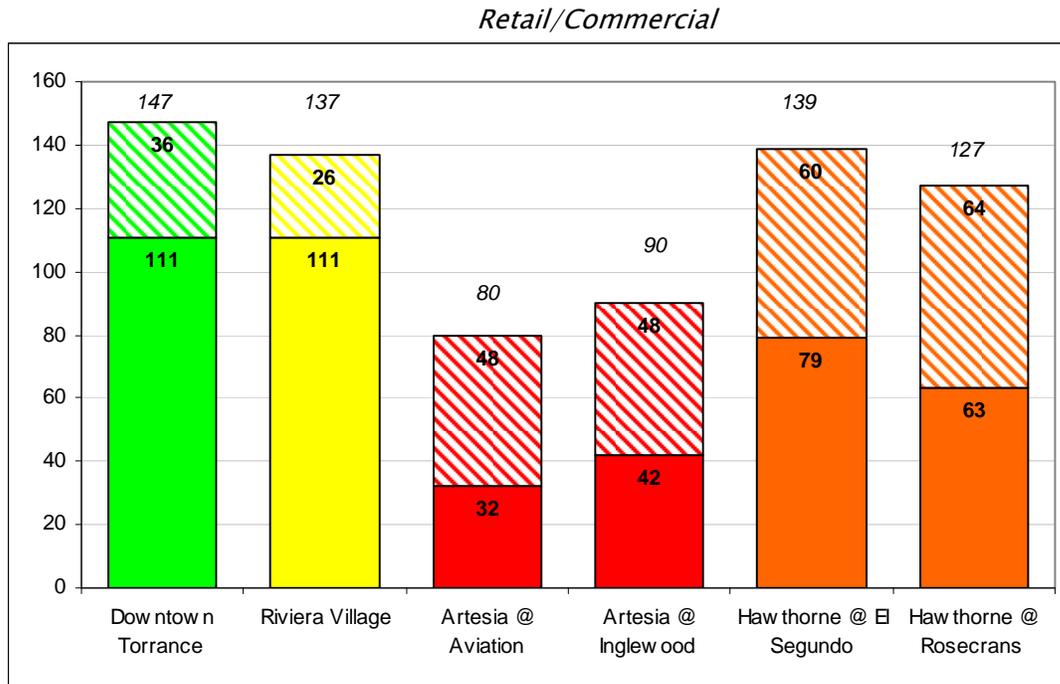
Note: Solid color = inner study area; Diagonal lines = outer study area.

Source: Economics Research Associates and Los Angeles County Assessors Office

Examining the number of retail/commercial as well as the number office/professional parcels (defined in the Appendix of this report) some differences between the centers and selected corridor intersections become apparent. The number of both inner and outer retail parcels for the two centers were remarkably similar. In both cases, there were 111 retail parcels within the inner study area and 36 and 26 parcels in the Downtown Torrance and Riviera Village outer study areas, respectively. The number of retail parcels in the inner study areas of the corridors ranged from 32 to 79, each less than the centers.

Similarly for parcels with office and professional land uses, both centers had a significantly higher number of parcels allocated to their use. In fact, Downtown Torrance had on average more than twice as many parcels as the corridor intersections while Riviera Village had more than four times the number within the inner study area. In total, both centers had just fewer than 50 parcels dedicated to office and profession land uses (Figure 16).

**Figure 16**  
**Retail/Commercial and Office/Professional Parcels by Study Area**  
*December 2006*

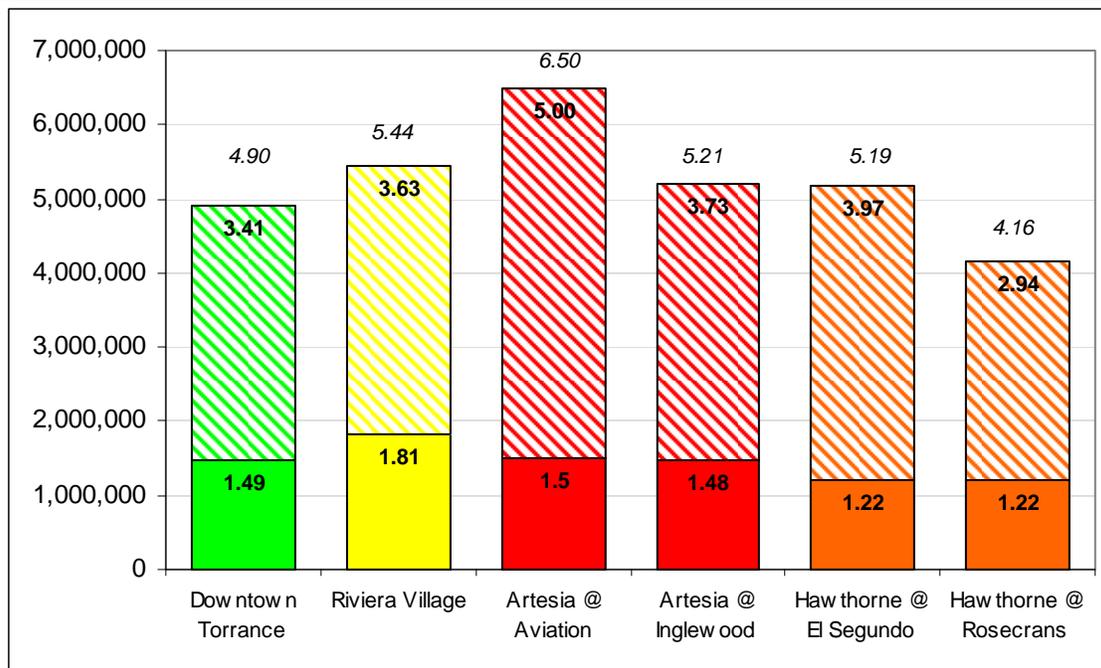


Note: Solid color = inner study area; Diagonal lines = outer study area.  
 Italic number represents total.

Source: Economics Research Associates and Los Angeles County Assessors Office

The amount of recorded built space by study area was also examined. It is important to note that there are limitations to this data due to the manner in which the parcel data is presented. It is interesting, however, that the total built space is relatively similar within the inner study areas. For the corridors, with the exception of the Aviation Intersection, the total built area is relatively consistent with the total built area ranging from 3 million to 5 million square feet (Figure 17).

**Figure 17**  
**Total Built Area by Study Area**  
*December 2006*



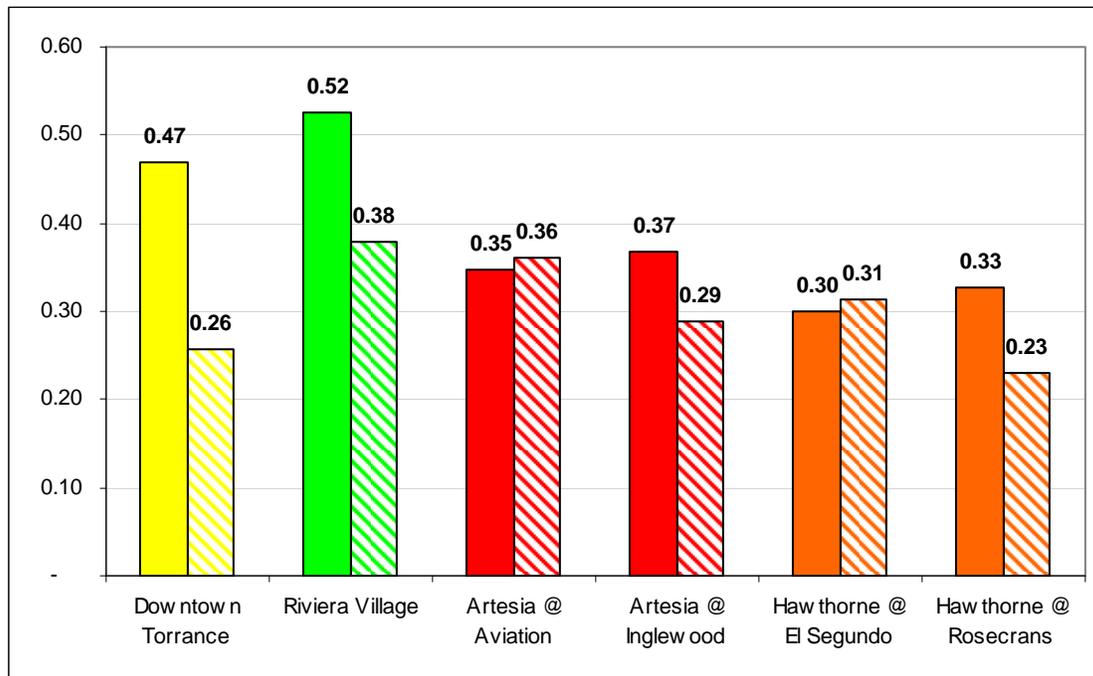
Note: Solid color = inner study area; Diagonal lines = outer study area; Graph values in millions of square feet. Honda property is estimated to represent 1.5 million square feet of built space. Italic number represents total.

Source: Economics Research Associates and Los Angeles County Assessors Office

The FAR is presented to demonstrate the relative differences in land use density between the study areas. As presented below, the centers have the highest FAR within their inner study areas. The corridor inner and outer study area's FAR does not vary greatly between the inner and outer study areas. The higher FAR in the inner study areas within the centers is helpful to illustrate the physical significance of density. In both cases, there is a large drop off in FAR from the inner and outer study areas. Consequently, the intensity of the built environment of the centers signals a distinguishable "place" within the study area. On the other hand, the

relative consistency of FAR in the corridors illustrates the way in which the inner and outer study areas are somewhat indistinguishable and have little change that demarks a change in place (Figure 18).

**Figure 18**  
**Floor Area Ratio by Study Area**  
*December 2006*



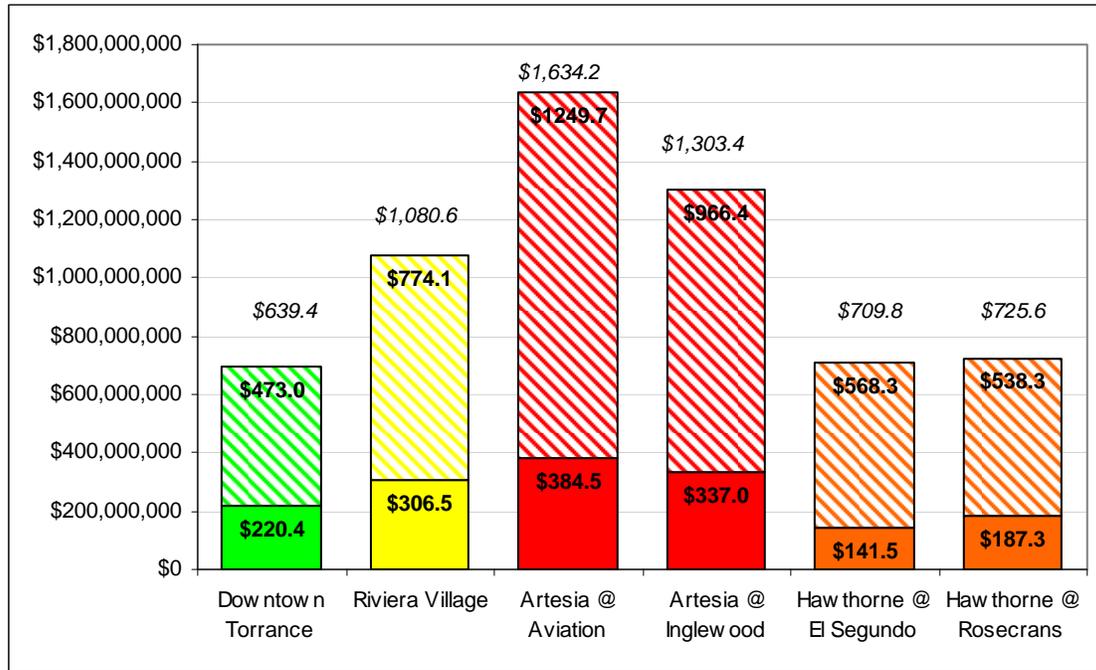
Note: Solid color = inner study area; Diagonal lines = outer study area.

Honda property is estimated to represent 1.5 million square feet of built space on 101 acres.

Source: Economics Research Associates and Los Angeles County Assessors Office

The total assessed valuation (AV) by study area is presented in Figure 19. The two selected intersections within the Artesia Corridor have the highest AV. Riviera Village ranks third, while Downtown Torrance and the Hawthorne Corridor study areas are approximately equal. There does not seem to be large variations when examining the inner and outer study areas in comparison to the study areas' total AV. In each case, the inner study area represents less AV than the outer area, representing approximately 84 percent of the total study area's value. It should be noted that similar to the recorded built square feet, the Los Angeles County Assessor's database is limited due to the annual land valuations. In essence, areas with higher turnover may have seeming inflated values due to recent sales. Older properties values are subject to Proposition 13, which limits the annual rate of AV increase.

**Figure 19**  
**Total Assessed Valuation by Study Area**  
*December 2006*

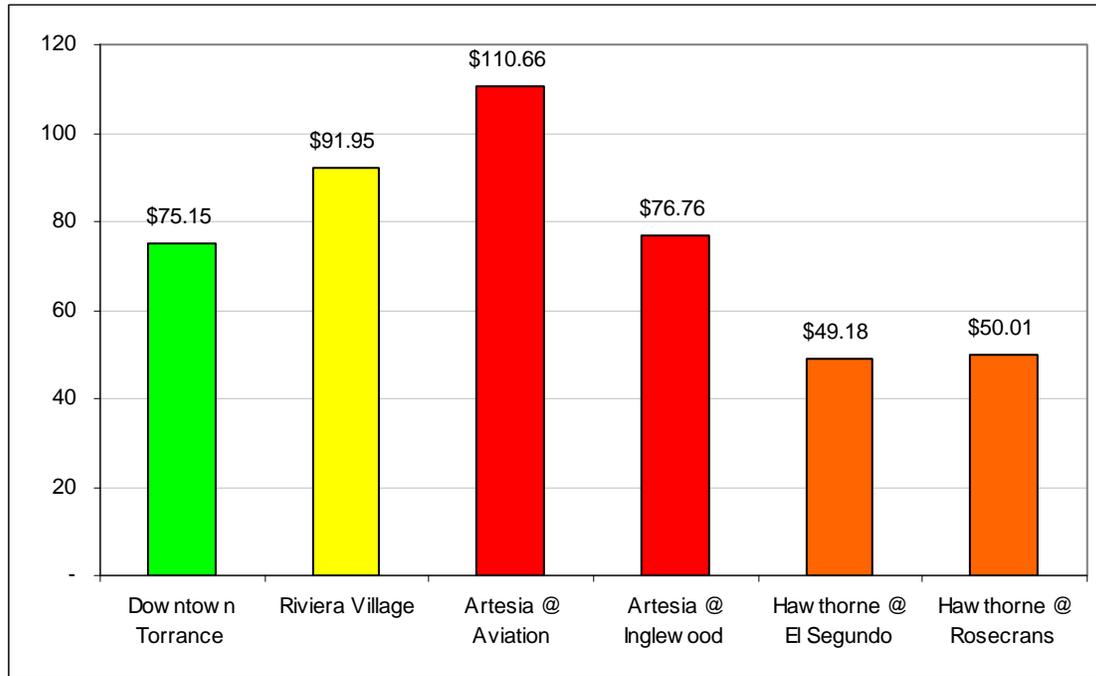


Note: Solid color = inner study area; Diagonal lines = outer study area; Graph values in millions of dollars. Honda property is not included in this analysis. Italic number represents total.

Source: Economics Research Associates and Los Angeles County Assessors Office

Due to study areas differences in their relative size, ERA has examined the implied per square foot values based on different land uses. In each study area, the residential land value once again represents the majority of the AV (Figure 20). The highest per square foot residential AV was found at the Aviation Intersection study area. ERA assumes it is higher due to its capture of residential properties in the adjacent city of Manhattan Beach (specific housing data presented later in this section). Riviera Village had the second highest AV per square foot, while Downtown Torrance and Artesia at Inglewood had similar residential AV. The two intersections in the Hawthorne Corridor study area had the lowest residential AV, approximately half that of the Aviation Intersection and Riviera Village study areas.

**Figure 20**  
**Residential Assessed Valuation per Square Foot by Inner Study Area**  
*December 2006*



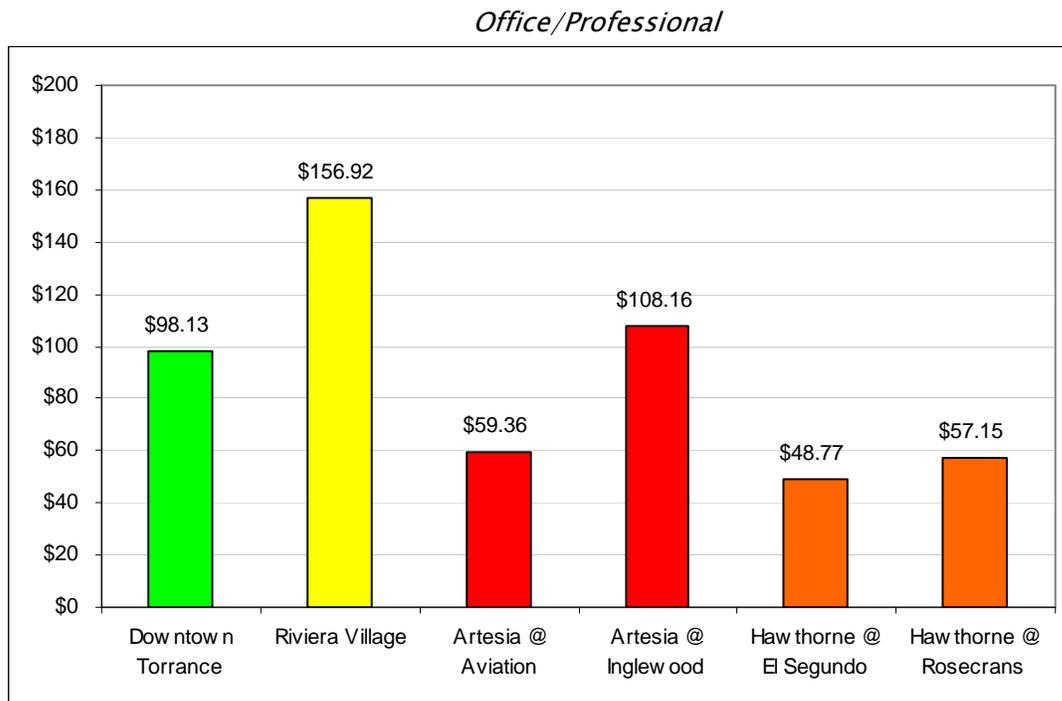
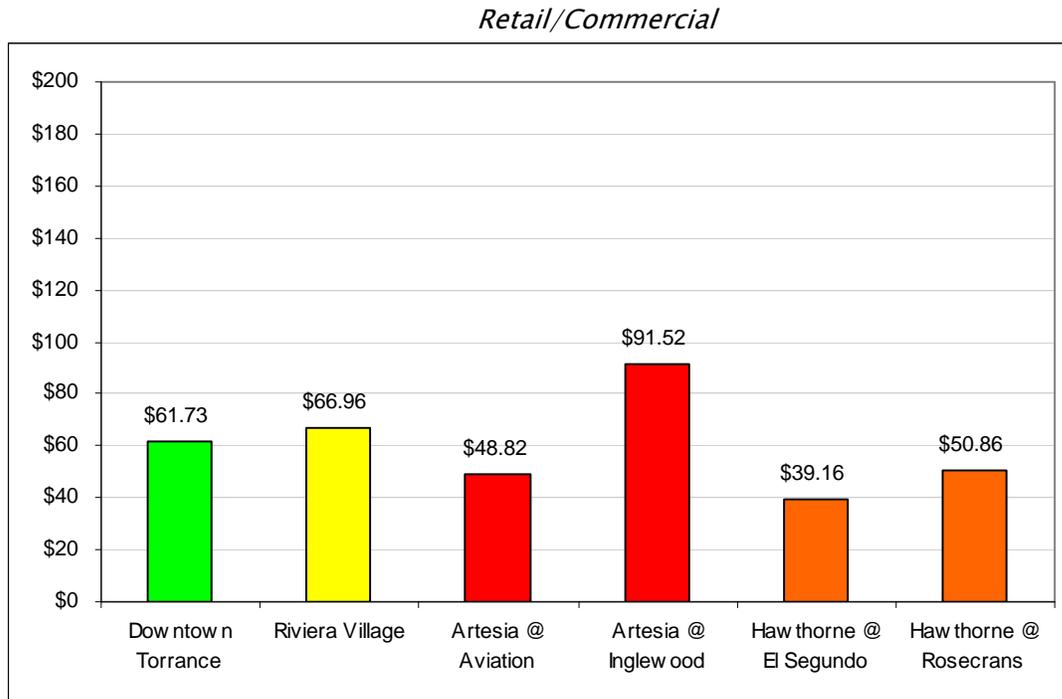
Note: Solid color = inner study area.  
 Honda property is not included in this analysis.

Source: Economics Research Associates and Los Angeles County Assessors Office

The AV for retail land was highest at the Inglewood Intersection. We assume this is a result of having the South Bay Galleria within the inner study area. Riviera Village and Torrance had the second and third highest AV, with the other study areas approximately 25 percent less in AV on a per square foot basis. Not surprisingly, Riviera Village has the highest AV based office and professional space. Similar to the retail and commercial analysis, the areas of the Inglewood Intersection and Downtown Torrance represent the next highest study areas with an AV of \$108 and \$98 per square foot, respectively (Figure 21).

**Figure 21**

**Retail and Commercial Assessed Valuation per Square Foot by Inner Study Area  
December 2006**



Note: Solid color = inner study area.

---

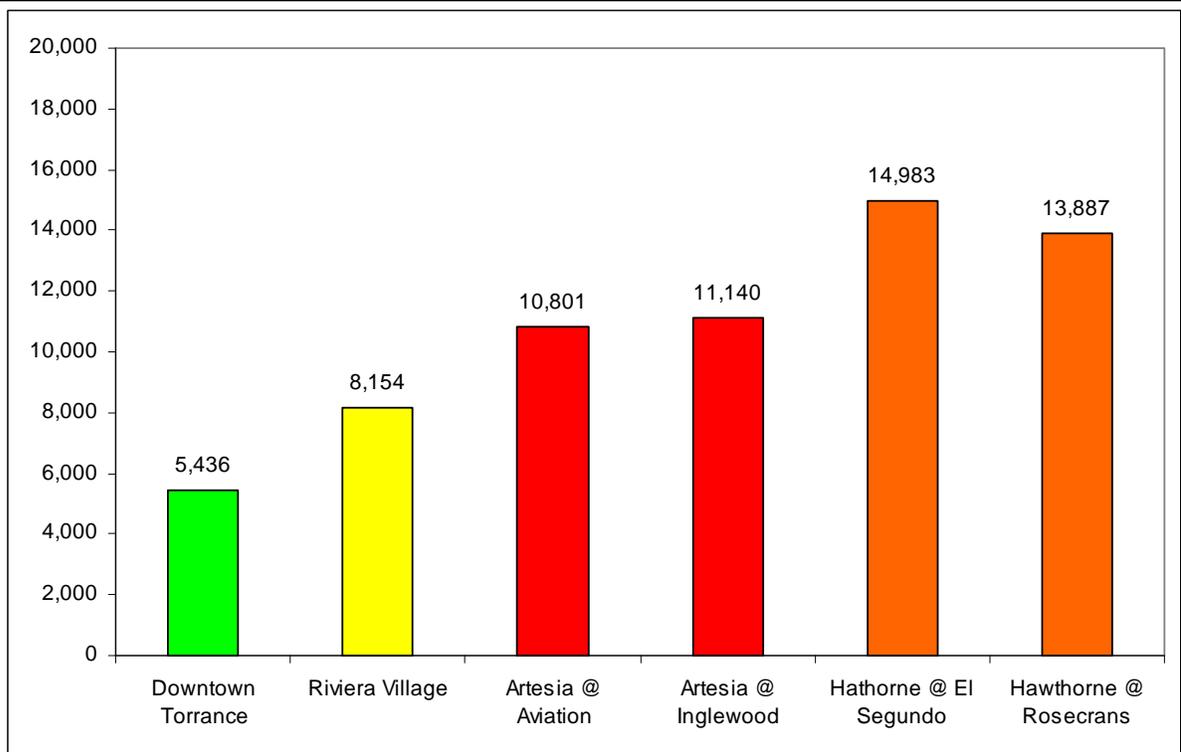
Source: Economics Research Associates and Los Angeles County Assessors Office

## Demographics

The following economic and demographic information is based on ESRI Business Analyst data from 2007. The data were utilized to benchmark each study areas demographic composition in terms of key inputs influencing retail demand within the centers and corridors. Other key demographic data are presented in the Appendix of this report.

The population within the study areas varies significantly. The Downtown Torrance study area has the lowest total population with just under 5,500 residents. The Hawthorne Intersection study area has the highest population with just under 15,000 residents, followed by the Rosecrans Intersection study area with just under 14,000 residents. The Artesia Corridor Intersection study areas are approximately equal, with around 11,000 in total population, while the Riviera Village study area has just over 8,100 in total population (Figure 22).

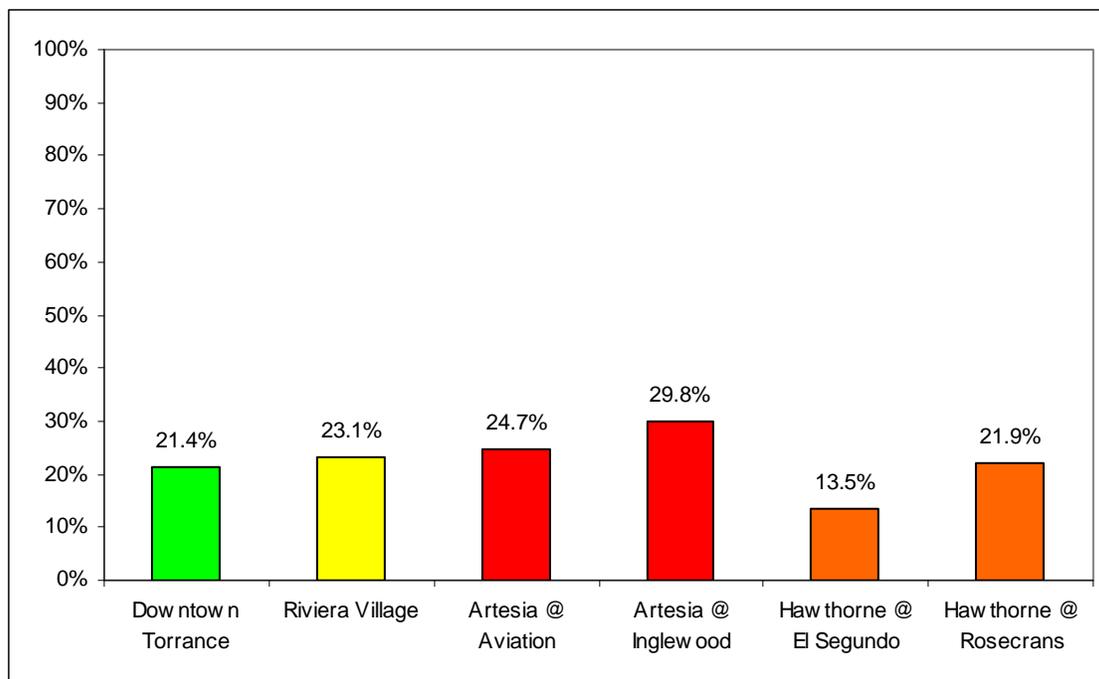
**Figure 22**  
**Total Population by Study Area**  
*2007 Estimate*



Source: Economics Research Associates and ESRI Business Analyst

As evidenced in Figure 23, the majority of the population within each study area is located in the outer study areas. Across all study areas, on average, 22 percent of the population resided in the inner study area. The population within a quarter mile would be most likely to walk to either the center or the designated corridor intersection. In total, the average population would likely be approximately 6,400 people. The distribution of population in relation to other land uses helps illustrate that each study area, to varying degrees, are examples of horizontally mixed use districts.

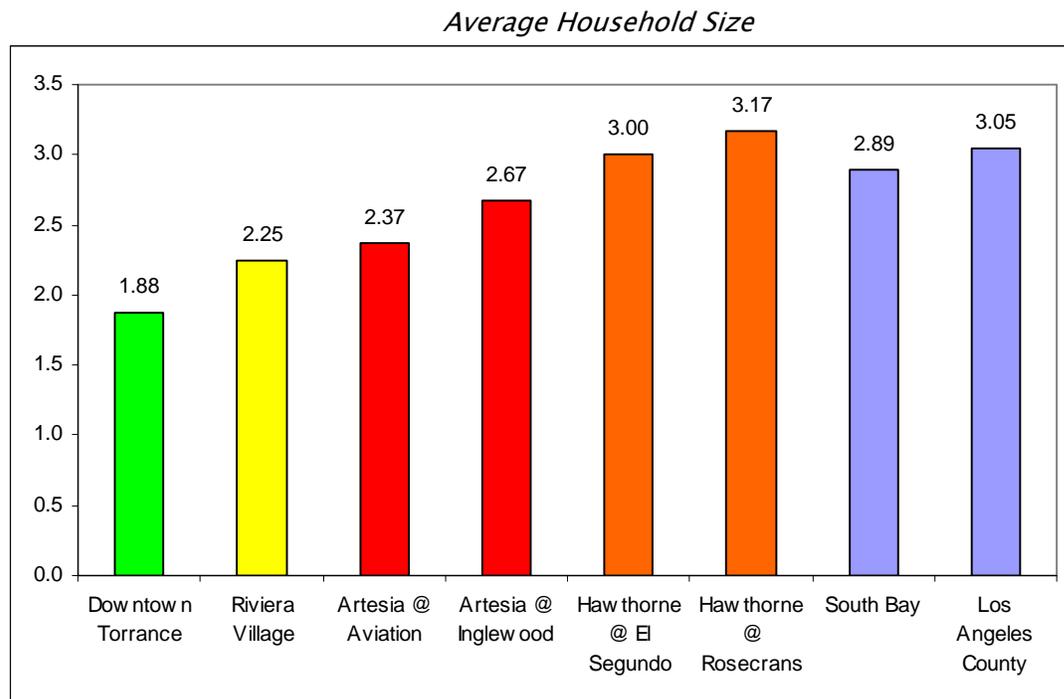
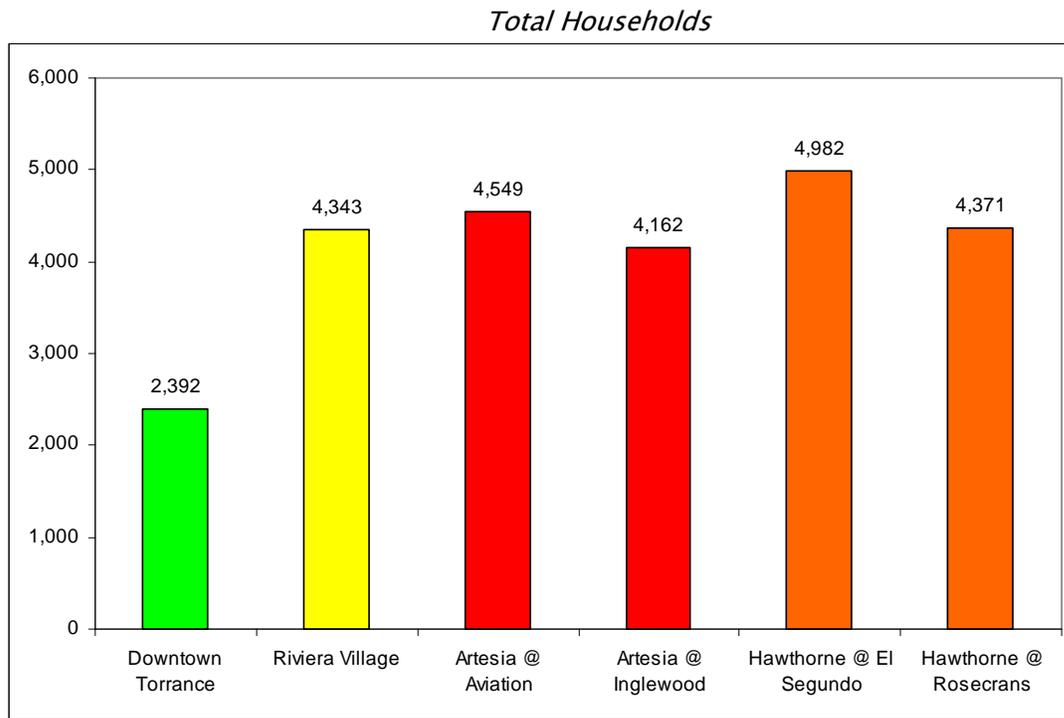
**Figure 23**  
**Percent of Population in Inner Study Area**  
*2007 Estimate*



Source: Economics Research Associates and ESRI Business Analyst

With the exception of Downtown Torrance, the number of households was relatively constant among the study areas. On average, Riviera Village and the Aviation and Hawthorne Corridor study areas had 4,500 households. Downtown Torrance is estimated to have fewer than 2,400 households or just less than half of the other study areas' average. The similarities in the number of households are in contrast to the variations in estimated population (Figure 24).

**Figure 24**  
**Households Composition by Study Area**  
**2007 Estimate**



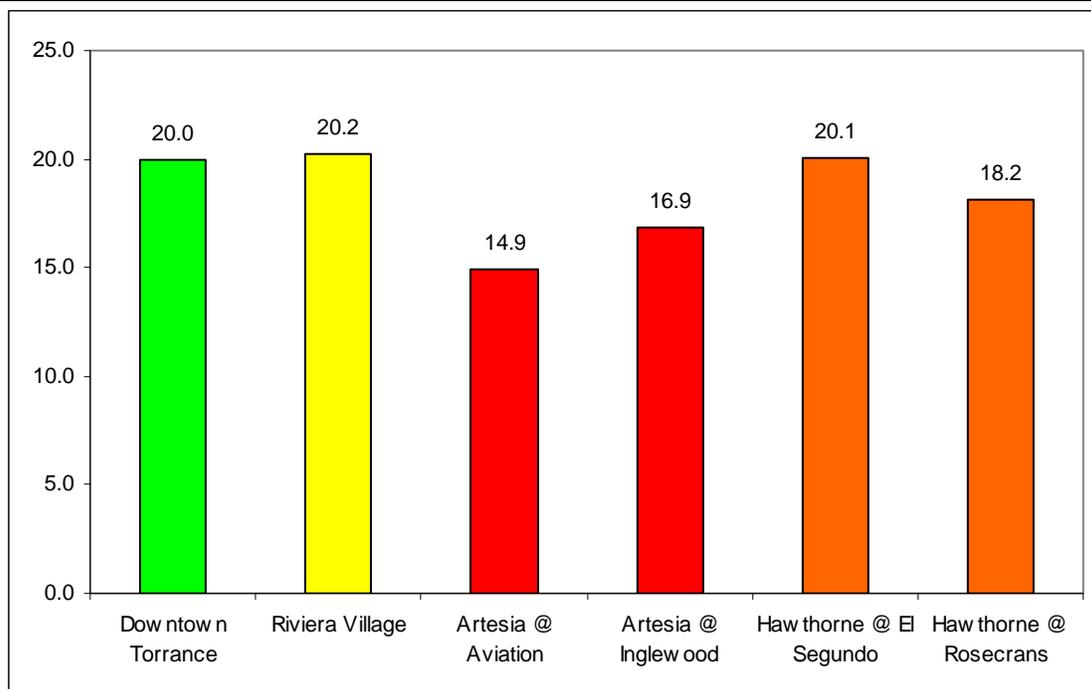
---

Source: Economics Research Associates and ESRI Business Analyst

Relative to the South Bay region, the Downtown Torrance, Riviera Village, and intersections along Artesia Boulevard have lower than average household size. The households within the Hawthorne Corridor have a slightly larger average household size. These variances among the respective study areas account for differences in the total population. For example, Riviera Village has more occupied housing units (households) than the Inglewood Intersection, yet the area has a population of 8,154 or 2,986 less than the Inglewood Intersection. In ERA's retail analysis, the number of households will be used as a key variable to determine the potential retail spending power within the region.

Comparing across all study areas, the housing unit density by residential land use was examined. Intensity of housing within a study area is likely to create additional households and population. Not surprisingly, the two centers had some of the highest residential density among the study areas. The Hawthorne Corridor study areas had a high level of density, while the Artesia Corridor study areas had the lowest overall density (Figure 25).

**Figure 25**  
**Housing Units per Acre by Study Area**  
*December 2006*



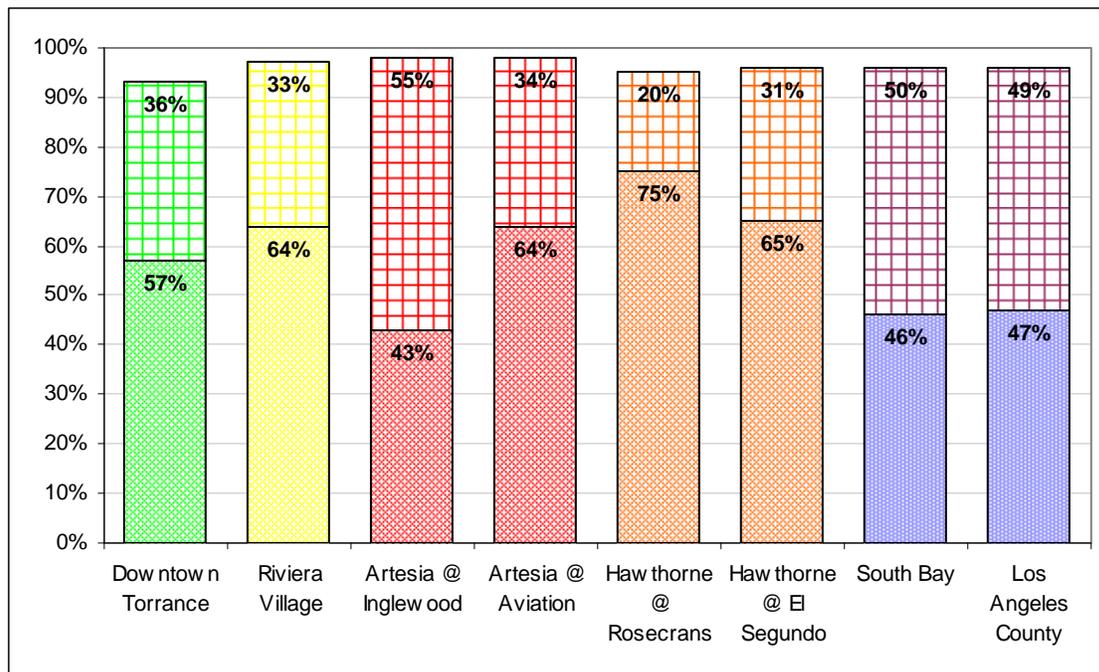
---

Source: Economics Research Associates, Los Angeles County Assessors Office, and ESRI Business Analyst

In order to provide context to these densities, some comparables communities and cities within the Southern California region were analyzed. Based on the same methodology, West Hollywood, the most densely populated area in Los Angeles has 41.5 units per acre. However, both Westwood and Hollywood, considered to be relatively dense, has similar levels of density with 23.7 and 24.9 units per acre respectively.

While the total number of occupied housing units is important, it is also critical to examining the homeownership rates among the study areas. In the South Bay region 50 percent of all housing units are owner occupied while 46 percent are renter occupied (with the remaining 4 percent vacant). Overall, vacancy rates are inline with the larger region. However, the Aviation Intersection has a higher percentage of owner occupied housing units. This is largely a result of the inner study area housing, were approximately 77 percent of housing units are owner occupied. In the other study areas, anywhere from a little over a third (Downtown Torrance) to a fifth (El Segundo Intersection) are owner occupied (Figure 26).

**Figure 26**  
**Distribution of Owner and Renter Occupied Housing Units by Study Area**  
*December 2006*

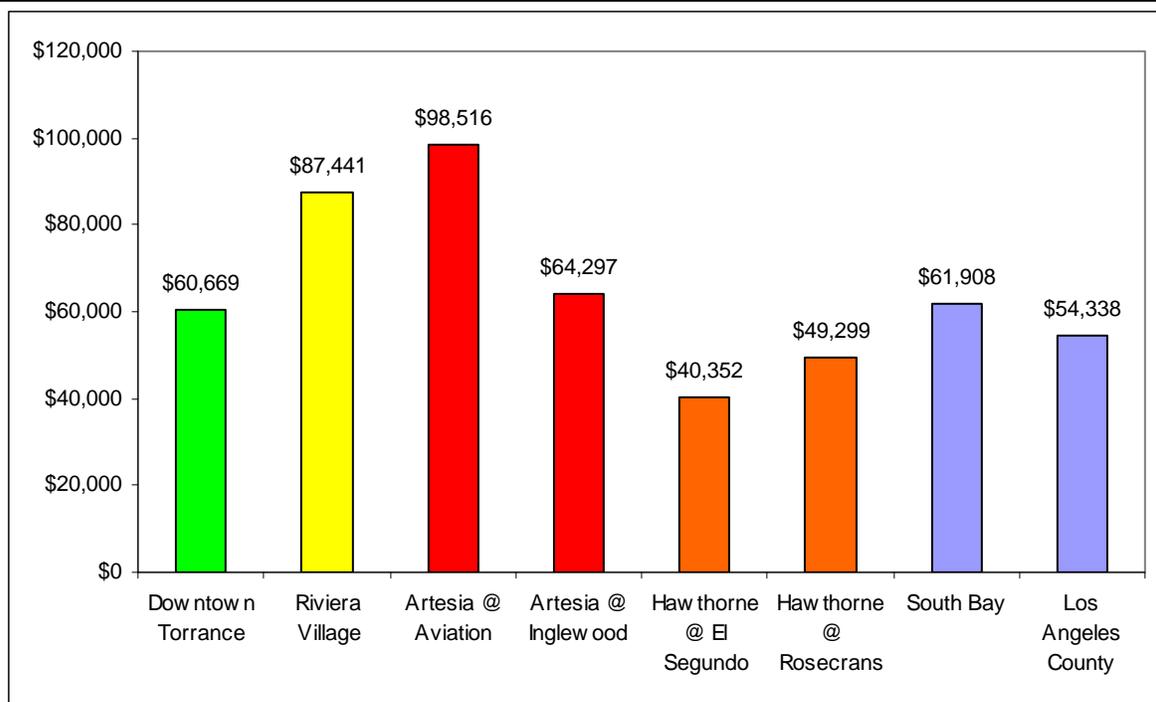


Note: Crosshatch = Owner occupied; Light Solid = Renter occupied

Source: Economics Research Associates and ESRI Business Analyst

There are significant disparities between the median household incomes among the study areas and the South Bay region. The Aviation Intersection study area has the highest estimated median household income with Riviera Village ranked second. In both cases, the median income was significantly higher than the median income estimate for the South Bay Region. Downtown Torrance and the Inglewood Intersection study areas were near the median. Both study areas along the Hawthorne Corridor were significantly lower than the South Bay. The median household income level in the El Segundo study area was 34 percent lower while the Rosecrans Intersection study area was 20 percent lower than the greater South Bay region (Figure 27).

**Figure 27**  
**Median Household Income by Study Area**  
*2007 Estimate*



Source: Economics Research Associates and ESRI Business Analyst

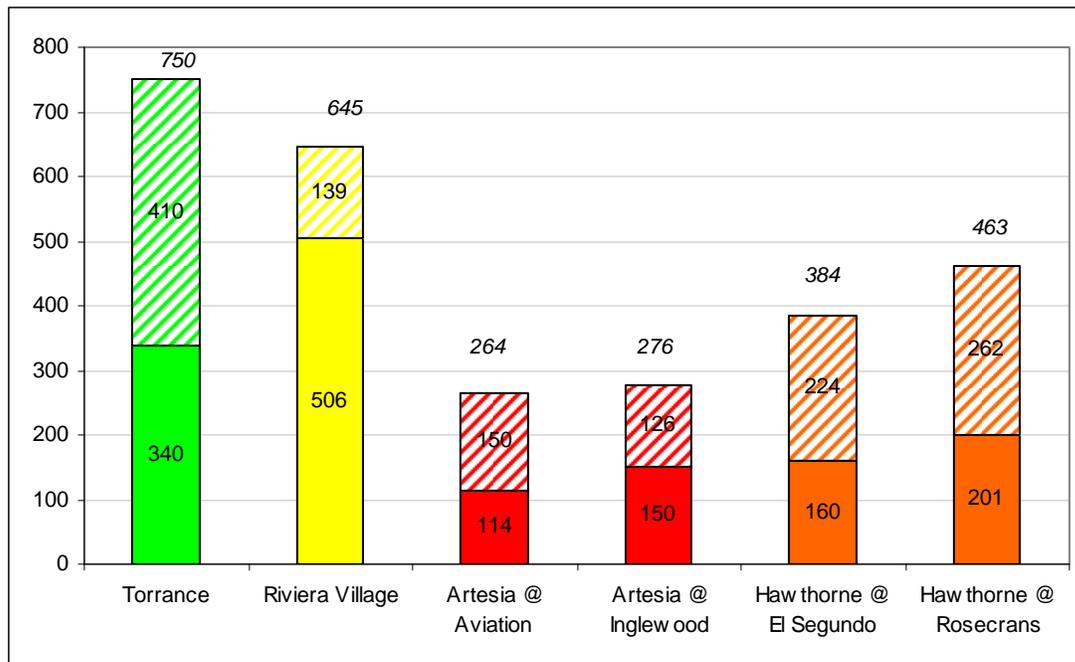
Retail expenditures within the inner study area will be a byproduct of several factors. One of which is the existing households' purchases within the centers and corridors. While the various levels of projected expenditures will be discussed later, it is important to note the basic relationship between the number of households and estimated incomes. The gross spending power will be a product of the households and corresponding incomes.

## Business Composition

The following business and employment information is based on InfoUSA data from 2007. The data were utilized to benchmark each study areas business and employment composition. Other business data not presented in this section can be found in the Appendix of this report.

Within the inner study areas, the centers have a significantly higher number of firms than the selected study areas within the corridors. In fact, taking the corridor inner study area firm average of 156 units, they represent less than half of the total firms in Downtown Torrance and approximately a third of the total firms located within Riviera Village. In Riviera Village, firms located within the inner study area represent 78 percent of the total firms in the study area. Other locations have a more equal distribution of firms based on location within either the inner or outer study area (Figure 28).

**Figure 28**  
**Total Firm Count by Study Area**  
**2007 Estimate**



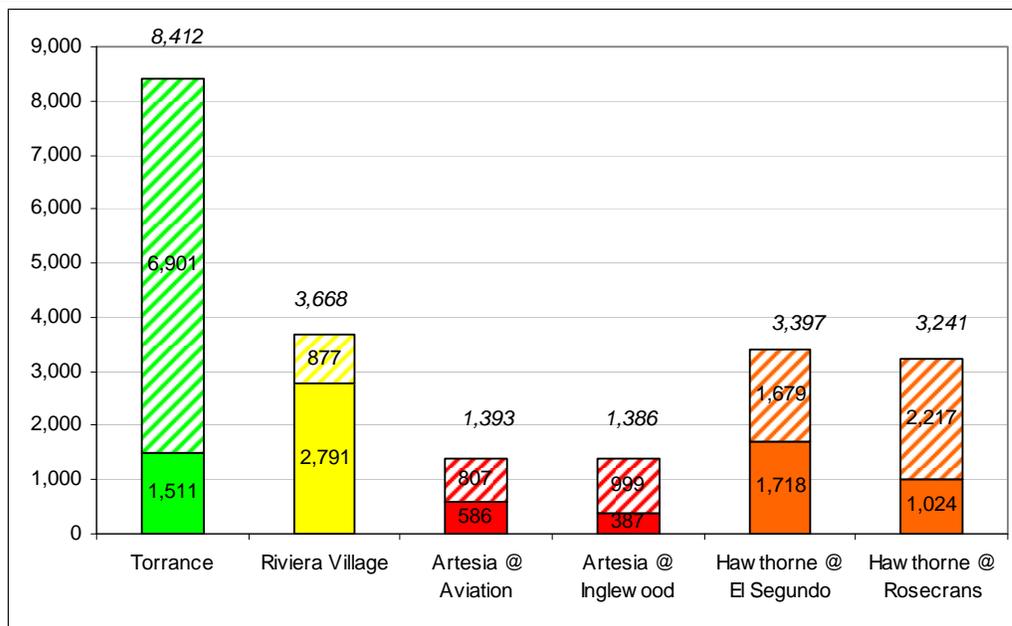
Note: Solid color = inner study area; Diagonal lines = outer study area.  
 Italic number represents total.

Source: Economics Research Associates and InfoUSA

Riviera Village has the highest number of employees within the inner study areas. While Downtown Torrance has the second largest number of firms, it has fewer employees than the El Segundo Intersection. This is largely due to the high number of employees per firm. While Downtown Torrance, Riviera Village, Aviation

Intersection, and Rosecrans Intersection study areas average around 5 employees per business, El Segundo Intersection has around 11 employees per firm (this is largely due to many public agencies with high employment locating in the inner study area). The outer study areas average around 7 employees per firm, not including the 4,000 employees located at the Honda site. Because of its presence in the Downtown Torrance outer study area, it creates the highest employment level of the study areas. The total employment in Downtown Torrance is over twice the number of total employees in the second highest study area, Riviera Village (Figure 29).

**Figure 29**  
**Total Employment by Study Area**  
*2007 Estimate*

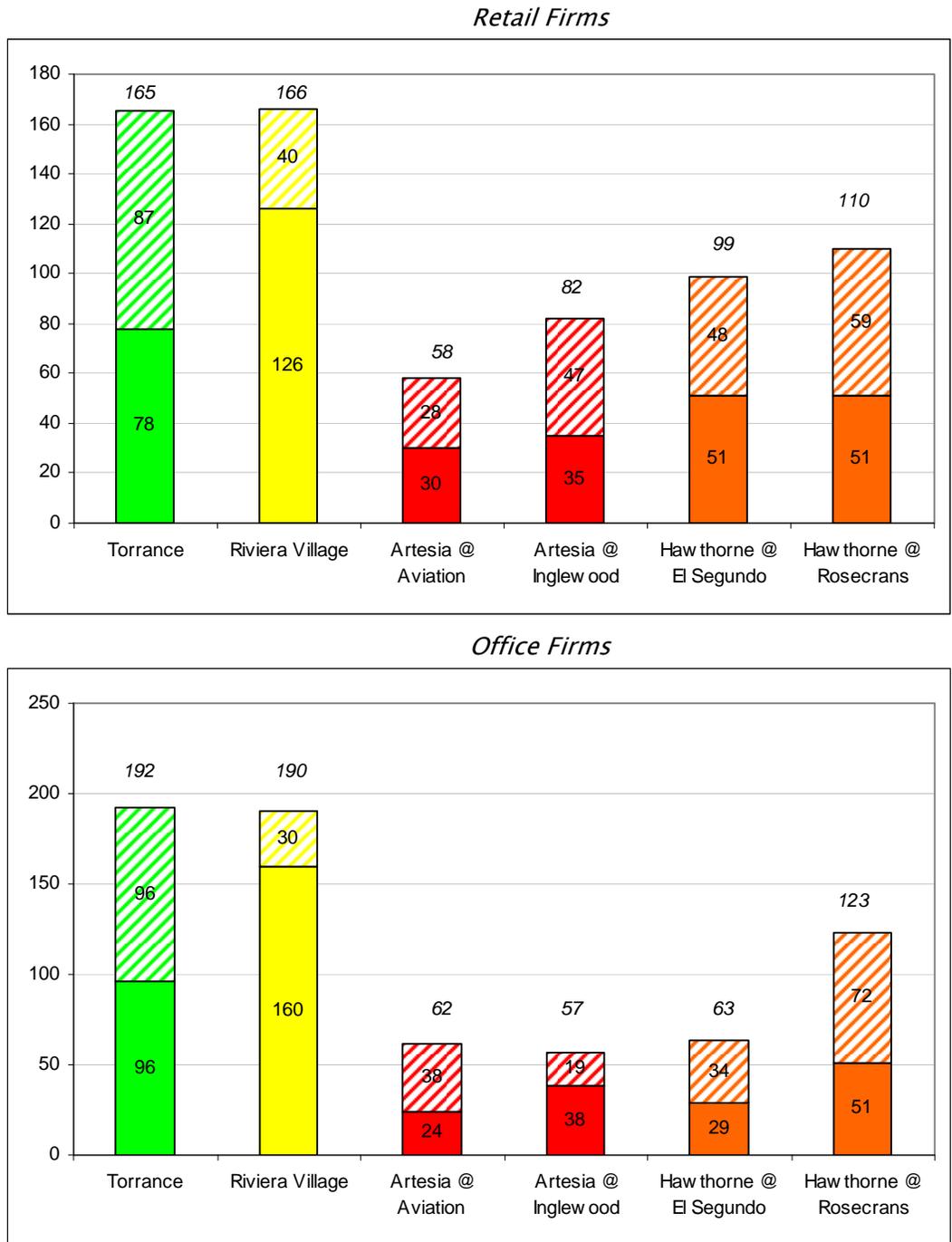


Note: Solid color = inner study area; Diagonal lines = outer study area.  
 Italic number represents total.

Source: Economics Research Associates and InfoUSA

The number of retail and office firms located within the centers versus the corridors reflects, once again, some of the important differences in their composition. In both Downtown Torrance and Riviera Village the number of office and retail firms is nearly identical. Riviera Village, however, has a greater number of their office and retail firms located within the inner study area. In contrast, the intersection inner study areas have, on average, significantly less retail firms.

**Figure 30**  
**Retail and Office Firms by Study Area**  
*2007 Estimate*



Note: Solid color = inner study area; Diagonal lines = outer study area.  
 Italic number represents total.

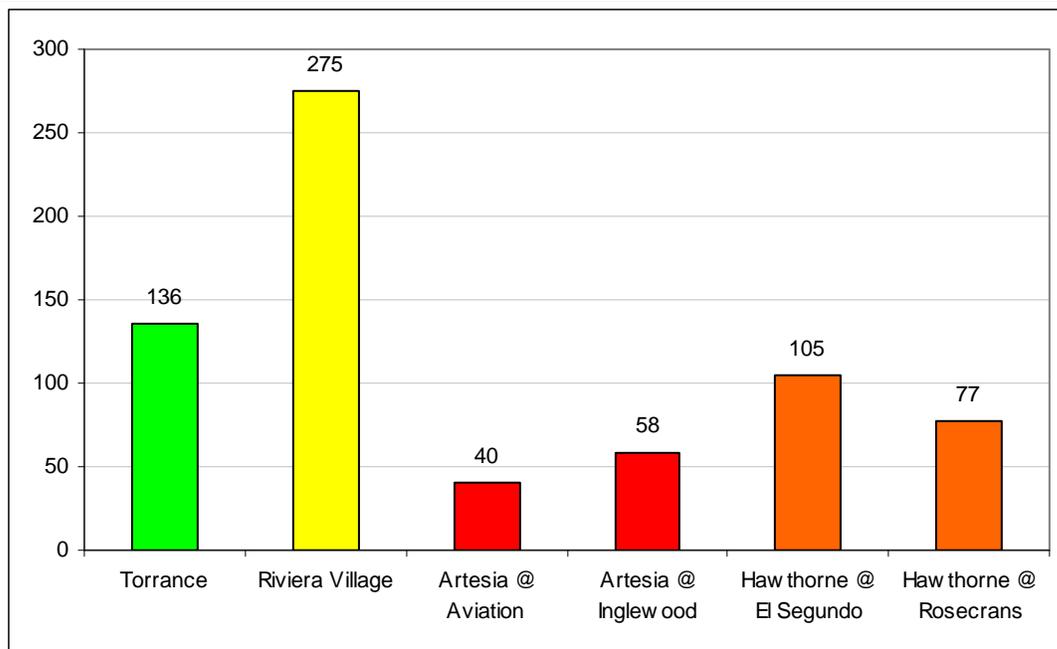
---

Source: Economics Research Associates and InfoUSA

Similarly, the number of office firms located in the corridors is significantly less than the centers. On average, the corridors have approximately 36 firms in their inner study area. Downtown Torrance has 96 firms, while Riviera Village has 160 firms that fall under the office firm category. The combination of the number of firms and employment by use is important because these land uses create additional demand for retail services from the local employees who are located within a walking area of the corridors and centers (Figure 30).

Using the defined Standard Industry Codes utilized in the previous studies, ERA examined the number of neighborhood serving businesses located in the inner study area. These businesses were chosen because based on previously defined Standard Industrial Classification (SIC) codes from previously conducted research by Solimar (Figure 31).

**Figure 31**  
**Neighborhood Business Firm Count by Inner Study Area**  
*2007 Estimate*



---

Source: Economics Research Associates and InfoUSA

Clearly, Riviera Village has the largest number of businesses under the classification. The 275 identified businesses is more than twice that Downtown Torrance. This finding in the previous research may help explain the popularity of the center, as well as its trip capture rate.

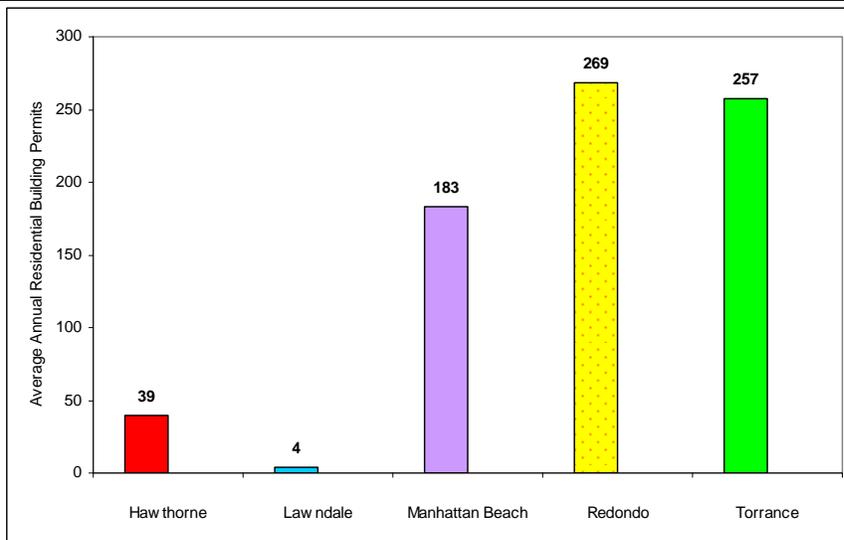
## Real Estate Market Overview

The following information is based on a variety of data sources including, CoStar, DataQuick, and Economic Sciences Corporation. The data are presented to benchmark the existing market for potential land uses at the centers and corridors.

### Residential

Future residential development will be a byproduct of housing demand and each cities regulatory environment. Utilizing Economic Sciences Corporations residential building permit data from 2000 to 2006, a couple trends are evident. First, the cities located in or around the study areas are not issuing a lot of building permits. In the cities of Hawthorne and Lawndale, on average, only 39 (Hawthorne) and 4 residential building permits were issued a year. Manhattan Beach, Redondo, and Torrance have significantly more residential building activity. With the exception of Torrance, all the cities issued few multi-family building permits. In fact, according to the data, both Lawndale and Redondo Beach issued zero multi-family residential building permits since 2000. This is important to note because future development at the centers and corridors would most likely come in a higher density multi-family configuration in line with the SCAG “2% Strategy” objective. Seeing that there appears to be a trend towards not allowing such residential product, there might be resistance to proposed multi-family development within the study areas (Figure 32).

**Figure 32**  
**Average Annual Residential Building Permits Issues by City**  
**2000 – 2006 Average**



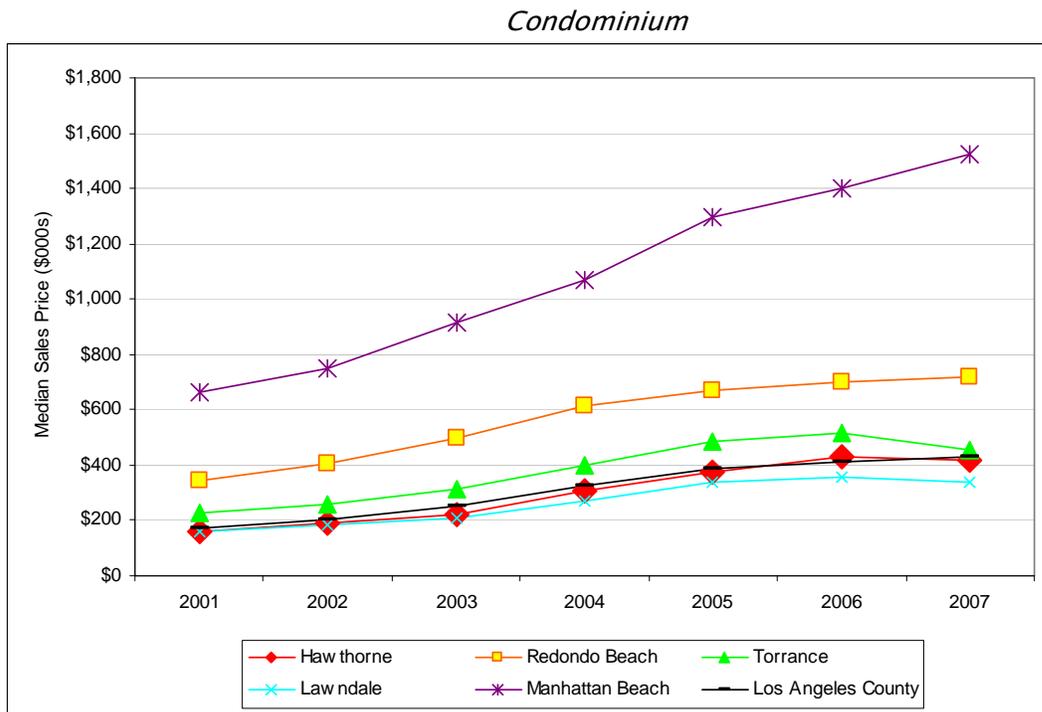
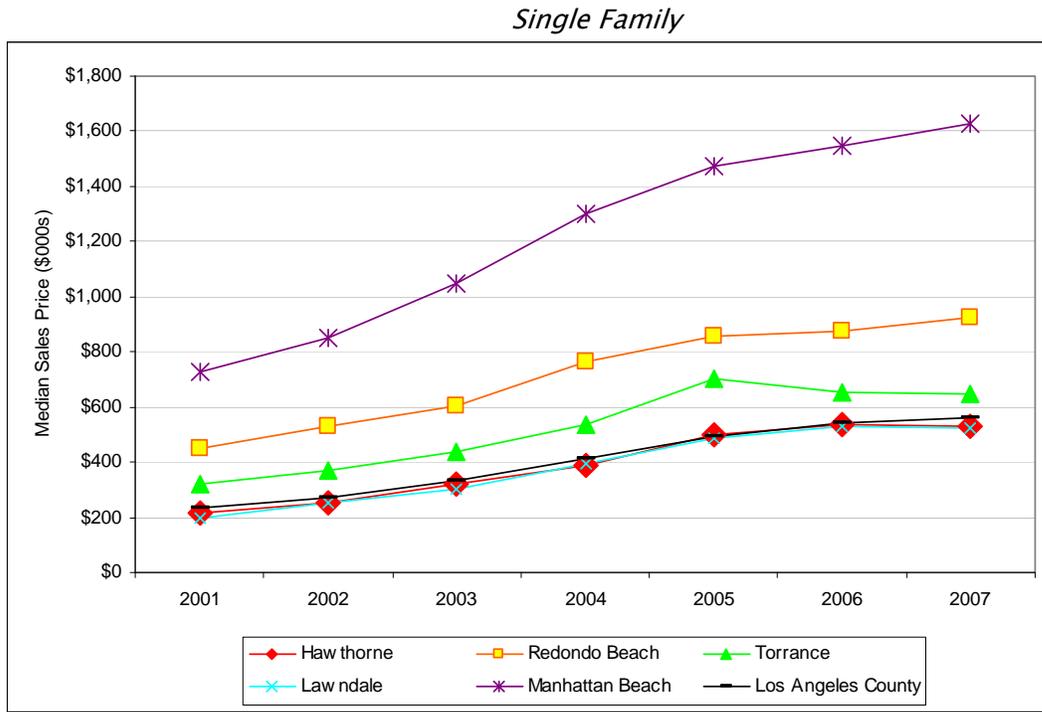
Source: Economics Research Associates and Economics Sciences Corporation

The for sale housing trends in the South Bay are illustrative of the greater Los Angeles County housing market as a whole. In each city analyzed, housing prices rapidly appreciated in value from 2000 to 2005. In general, home prices rose 130 percent or 20 percent annually during the five year time period. Since reaching the market peak in the fourth quarter of 2005, housing prices has remained stagnate. Recently, home values have begun to decline in some of the market areas, while others areas have experienced some modest increases. Even in cities where sale prices have risen, the number of sold homes is at historic lows in the county as a whole.

Based on 2007 year-end DataQuick information, homes sold at \$385 per square foot in Los Angeles County (Figure 33). The cities of Manhattan Beach and Redondo Beach had the highest median home sales prices of the examined cities, achieving sales per square foot of \$765 and \$569, respectively. Hawthorne, Lawndale, and Torrance are more close to the Countywide sales price with sales per square foot in the range of \$442 to \$456. In terms of the median sales price, Torrance homes for slightly more than the countywide median, while Hawthorne and Lawndale homes sold for \$20,000 to \$30,000 less. Condominium trends in these cities have closely followed the previously discussed single family home sales. Condominium sales in these areas are generally 20 to 30 percent less than single family homes in the examined cities, with the exception of Manhattan Beach where condominium prices are near the median single family home prices.

**Figure 33**

**Median Single Family and Condominium Home Prices by City  
2001 -2007**

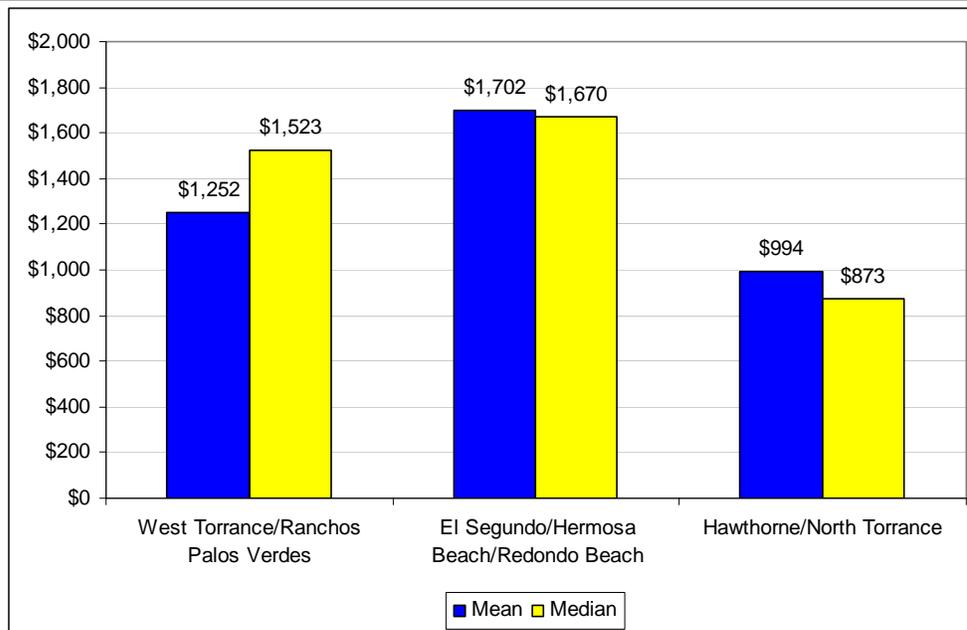


---

Source: Economics Research Associates and DataQuick

As previously noted, the majority of study areas households are living in rental properties. ERA utilized REIS, a commercial real estate data provider, to attain current rental rates for apartments in the cities of Hawthorne, Redondo Beach, and Torrance. REIS monitors asking apartment rates and sizing for studio, 1 bedroom, 2 bedroom, and 3 bedroom units. While REIS does not provide information for specific cities, three general predefined REIS market areas were used to understand the relative rental rates in the study areas. The three market areas maps for West Torrance/Rancho Palos Verdes, El Segundo/Hermosa Beach/Redondo Beach, and Hawthorne/North Torrance, are presented in the appendix to this report. Based on the data, the coastal area including the city of Redondo Beach has the highest asking rates based on both the median (\$1,670) and mean (\$1,702) monthly price. West Torrance has the next highest asking rents, with an average asking rate \$1,252 and a median of \$1,523 per month. The lowest asking rent was found in the Hawthorne/North Torrance area (Figure 34).

**Figure 34**  
**Asking Rents by Market Area**  
*As of December 31, 2007*



---

Source: Economics Research Associates and REIS

ERA also examined the asking rates on a per square foot basis. Compared to Los Angeles County, the Hawthorne/North Torrance had asking rates below the countywide average, West Torrance/Rancho Palos Verdes has asking rates inline with the countywide average, while El Segundo/Hermosa Beach/Redondo Beach had asking rates higher than the countywide average. Within the three market areas, rental rates have generally increased by 5 percent on an annual basis over the last 5 years. This represents a slightly higher than average

price appreciation than Los Angeles County. The market areas vacancy rate is slightly less than the countywide average of 3.3 percent. Such low vacancy rates and high demand for rental housing are likely to apply continued upward pressure on South Bay rental rates for the near term (Figure 35).

**Figure 35**  
**Asking Rents per Square Foot by Market Area**  
*As of December 31, 2007*

	Studio	1 BR	2 BR	3BR
West Torrance/Ranchos Palos Verdes	\$1.86	\$1.72	\$1.58	\$1.52
El Segundo/Hermosa Beach/Redondo Beach	\$2.69	\$2.21	\$1.70	\$1.49
Hawthorne/North Torrance	\$1.58	\$1.45	\$1.30	\$1.55
Los Angeles County	\$1.95	\$1.78	\$1.58	\$1.55

Source: Economics Research Associates and REIS

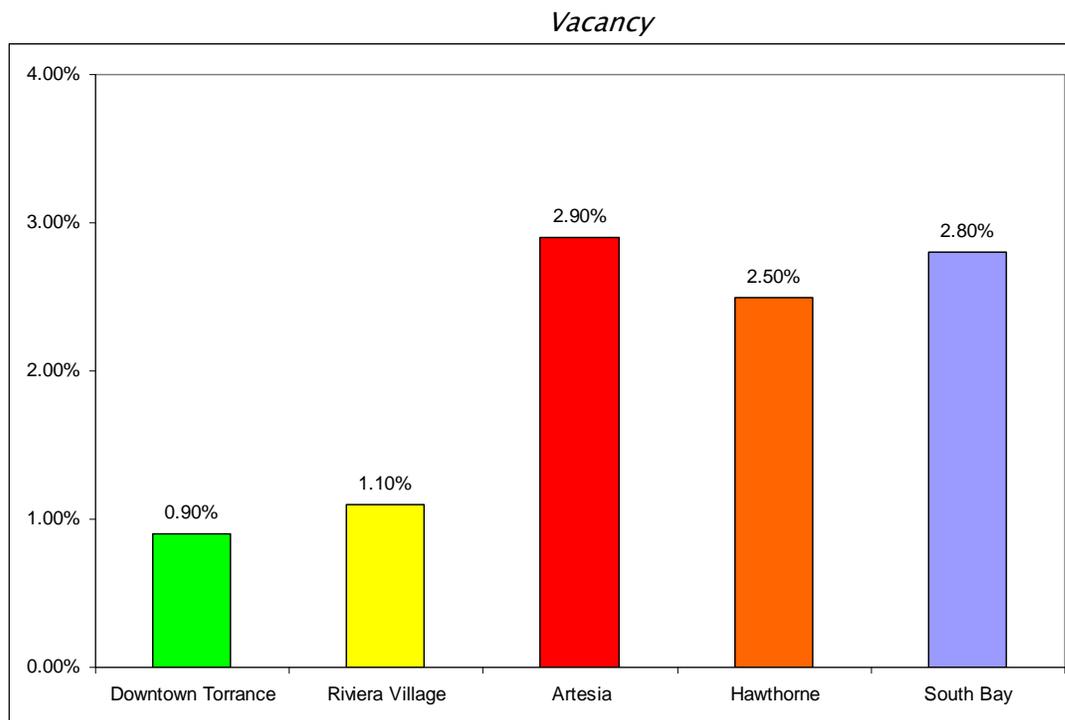
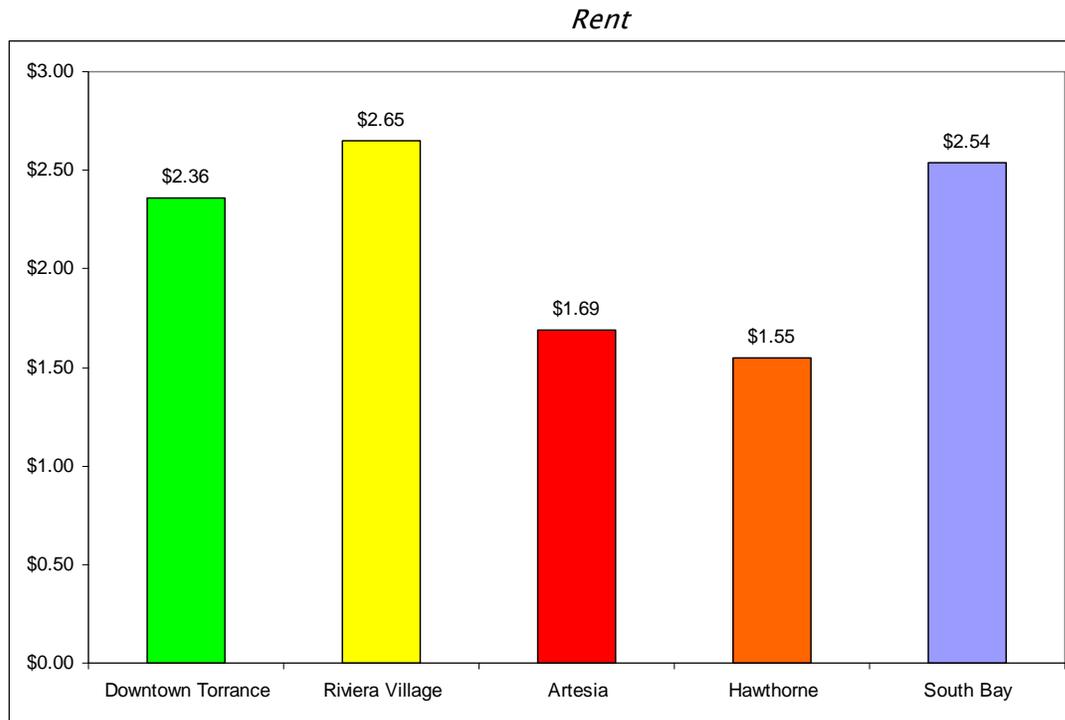
## Retail

ERA utilized CoStar data to examine the asking retail rental rates (NNN) for a three mile market area surrounding the areas of study. Based on the data, Riviera Village and Downtown Torrance had the highest asking rental rates for retail space. On average, lease rates in the centers are 54 percent higher than that of the corridor study areas. In comparison to the South Bay market area (as defined by CoStar), the centers are inline with the larger retail leasing trends, while the corridors are below the average asking rates in the region (Figure 36).

Vacancy rates in the selected market areas are low. The centers, on average, have 1 percent vacancy, while the corridors have vacancy rates of 2.7 percent or just 0.1 basis points difference from the South Bay region. There is limited number of planned development as well as existing construction; as a result, ERA anticipates that the vacancy rates will remain low in each of the study areas.

**Figure 36**

**Asking Retail Rent (NNN) per Square Foot per Month by Study Area**  
*Year-end 2007 based on Three Mile Radius from Study Area Center Point*



---

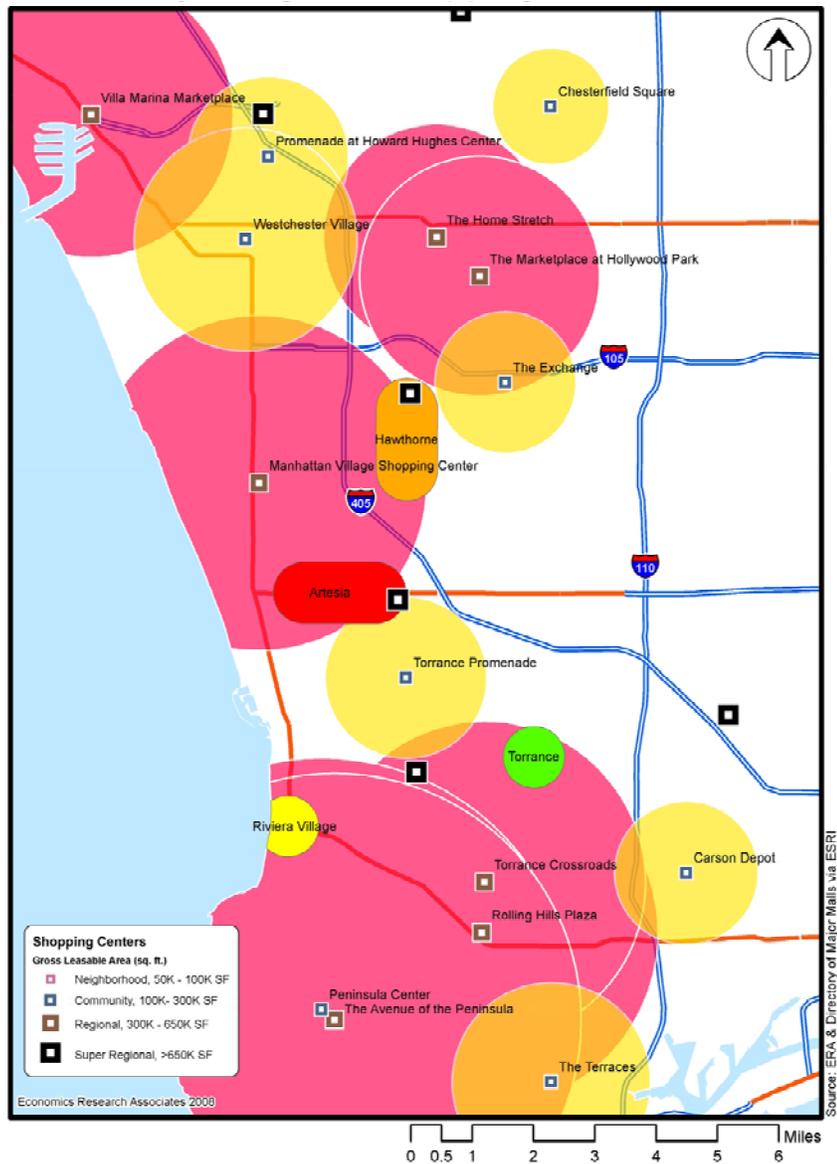
Source: Economics Research Associates

While the focus of this study is on the half-mile study area, competitive retail supply in the South Bay is an important factor in determining demand within the study areas. Shopping centers were originally divided into three principal categories of classification: neighborhood, community, and regional. Each of these center types had a distinct function, trade area, and tenant mix. Currently, there is an increasing difficulty in distinguishing shopping centers by type as the number of hybrids shopping centers has increased. Based on the scope of this study, it is assumed that convenience center and neighborhood centers tenants will be most appropriate to attract the walkable market area. However, it is likely that community and regional centers will provide the most significant retail competition as a similar mix of service can be provided in one location.

The community center typically has a gross leasable area (GLA) of about 150,000 square feet but can range from 100,000 to 450,000 square feet. In large metropolitan areas, a community center can be vulnerable to competition. It is often too large to thrive off of the immediate neighborhood trade area but too small to make a strong impact on the regional community. In a typical market area, multiple community centers can succeed if they offer different types of merchandise and are located near each other to form a synergistic destination that is stronger than each being located in isolation. Of all the shopping center types, the community shopping center is the most difficult to categorize in terms of its anchors, market size, and drawing power. Because the community center offers increasingly large amounts of shopping goods, and in certain cases, special categories of goods, the market area is less predictable. Regional centers follow a similar definition with a larger GLA (usually in a range from 300,000 to 650,000 in GLA).

To give an illustration of the competitive retail landscape within the South Bay region, ERA utilized GIS to plot the regional and community centers. Using “rule-of-thumb” market demand factors, ERA has graphically presented the market areas of competitive community and regional centers. These retailers are likely capturing a portion of demand within the study areas. As shown in the map in Figure 37, each of the study areas is located within the market shed of one or more community or regional retail center.

**Figure 37**  
**Competitive Retail Locations in the South Bay**  
*2007 (Community and Regional Centers)*



Note: The superior regional malls, such as the South Bay Galleria and Del Almo Fashion Center, market shed is not included in the chart, but will provide competition to retail in the study areas.

Source: Economics Research Associates

## Office

Market potentials for office-related development at the study areas will be a function of the particular attributes of the site and immediately surrounding land uses, of the characteristics and economy, and of the regional office market. Although the regional market is comprised of many submarkets, each with a distinct tenant profile, office space has a high level of substitutability, such that the potentials in any given submarket are determined by the overall strength of the regional office market.

According to year-end data, the asking rental rate is \$2.02 per square foot for Class A quality buildings in the South Bay, with the vacancy rates declining over the past two years. The higher vacancy rate for A quality buildings is primarily because the A quality buildings include most of the newly completed buildings at any point in time, which are in process of filling. Conversely, the very low vacancies in the C category are because the C category excludes buildings which are empty due to functional obsolescence. However, the data suggest that there is strong rental rate competition among certain tenants who are not concerned with building quality or image.

As noted in Figure 38, there is a significant amount of office space currently under construction in the South Bay. The 2.5 million square feet represents approximately 4.2 percent of the total rentable building area (RBA) in the region. 2.2 million square feet of the office construction or 88 percent is occurring in the City of El Segundo. This new office space will likely create additional vacancy in the near-term, but also helps illustrate the growing strength of the South Bay office market.

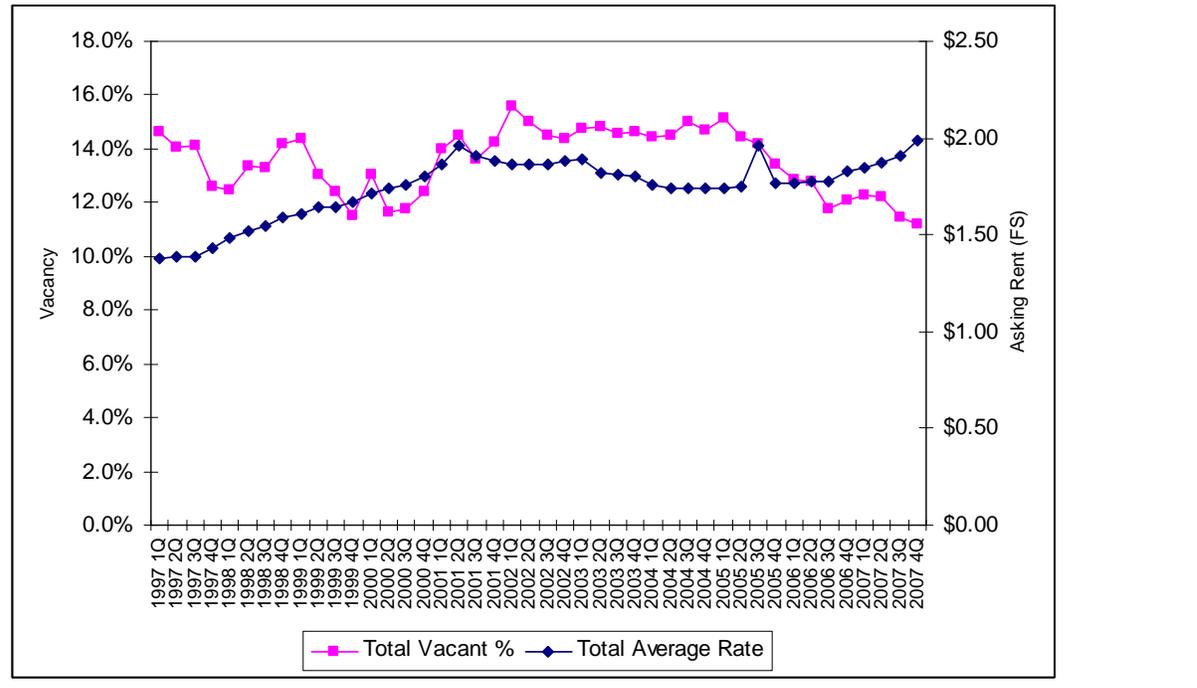
**Figure 38**  
**South Bay Office Statistics by Class**  
*Year-End 2007*

	Buildings	RBA	Vacancy	YTD Net Absorption	Under Construction	Quoted Rates (Full Service)
Class A	174	27,140,206	13.6%	628,066	2,220,453	\$24.92
Class B	586	22,533,099	11.6%	194,564	256,556	\$22.21
Class C	1163	11,063,196	4.4%	(162,857)	7,920	\$23.27
Total	1923	60,736,501	11.2%	659,773	2,484,929	\$23.84

Source: Economics Research Associates

New construction is fueled partly by the increase in average asking rents per month in the South Bay region (presented on a full service basis). Since 1997, there has been an upward pressure on asking rents as vacancy has fallen. During last ten years, rents have increased by 61 cents or 44 percent. Vacancies have fallen 3.4 percentage points or 23 percent during the same time period (Figure 39).

**Figure 39**  
**South Bay Vacancy and Asking Rents (Full Service)**  
**Q1 1997 – Q4 2007**

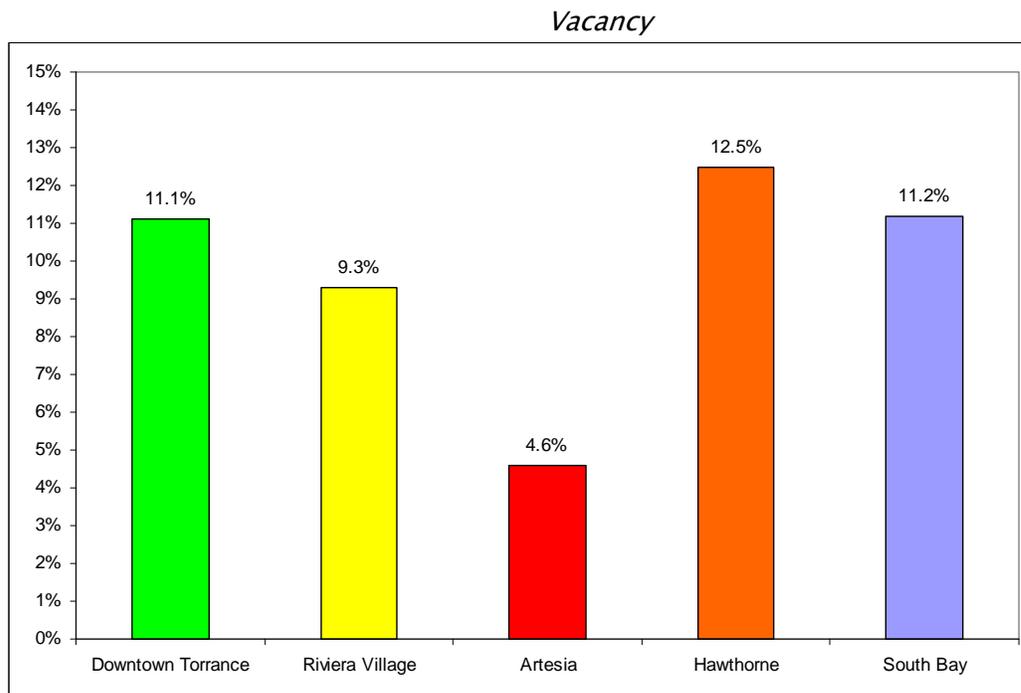


Source: Economics Research Associates

In comparison to the South Bay market area, the asking rent was higher in each study area with the exception of Artesia Corridor in comparison to the South Bay (using the same three mile radius from the center of the centers and corridors). Riviera Village had the highest asking rents of \$2.31 per square foot per month representing a 16 percent premium over the regional rate. Vacancy rates are generally consistent with the larger South Bay region. Artesia had the lowest vacancy rate among the study area at 4.6 percent. In total the Artesia corridor has 24 properties, 18 of which were Class C properties. The total office space is of those C quality facilities represent 54 percent of the total rentable space. One A quality facility represents a third of the total RBA and has 26.5 percent vacancy. This one building represents the majority of vacant space in the area. Almost non-existent vacancy in Class C properties explains the relatively lower average asking rates in compared to the other Study Areas (Figure 40).

**Figure 40**

**Asking Office Rents (Full Service) Per Square Foot per Month by Study Area  
Year-end 2007 based on Three Mile Radius from Study Area Center Point**



Source: Economics Research Associates

## Contemporary Demand Analysis

The purpose of this section is to provide a comparison of existing retail demand for each of the study areas. It is important to note that demand, for the purposes of this analysis, is focused solely on the existing population and employment located within the study area or half mile radius. Other consumers outside this market area will provide substantial support for the centers and corridors. ERA's focus on the available market within the study is due to a focus on walkable retail spending capture. While we previously illustrated the competitive retail landscape, in this section we are focused on the estimated supply (spending) and reported demand (sales) within the corridor and center study areas. Our goal is to establish the potential baseline retail demand of each study area and then compare it to the reported sales to illustrate similarities or difference among the centers and corridors. Other tables relating to the demand appear in the appendix of this report.

### Potential Demand

The following information is based on California State Board of Equalization, the Los Angeles Convention and Visitors Bureau, the California Employment Development Department, United States Bureau of Labor Statistics, California Department of Finance, and previously sourced demographic data. The data were utilized to estimate the estimated spending power within each of the study areas.

The following text documents the process in which the average sales per household were determined (Figure 41). ERA used the annual taxable sales report from the State Board of Equalization to benchmark the total taxable spending in the County in 2006. This information was adjusted for inflation to 2007. Next we then took the 2007 report of tourism spending in the county and distributed total spending into the applicable retail categories. Such an adjustment for tourism is necessary in markets that have a heavy reliance on the travel industry.

ERA estimates that 85 percent of all food and beverage spending will occur in the eating and drinking retail category, while the remaining 15 percent will be spent in retail establishments falling under the food stores group category (grocery). For general retail spending, we allocated total spending based on a proportional share of Los Angeles County retail spending within applicable retail categories. Based on 2007 estimates, the taxable portion of visitor sales represented 4.2 billion dollars in sales or just over 4 percent of the total examined retail spending in the county.

Similarly, ERA estimated the potential office spending and removed it from the total retail spending attributed to households. The 2004 Office Worker Retail Spending Patterns survey by the International Council of Shopping Centers was utilized for this portion of the analysis. Based on their findings, the average worker spends just under \$3,000 per year on retail spending "close" to their place of work. This figure is based on 241

annual work days or approximately 48 work weeks (weekends are excluded and 20 days are deducted for holidays and vacations). The data, from 2004, was adjusted to 2007 dollars and further reduced by ERA to take into account the surveys urban setting, the difference in median income level of the respondents, and the fact that not all of the spending will be captured within the walkable area.

As a result, ERA estimates an average spending level of \$5.04 per day on food away from home and \$1.46 on shopping and convenience goods. Using the same previously described methodology of spending distribution for visitor spending; ERA allocated the estimated \$6.5 billion into retail categories within the model. Once the total spending (less tourism and employment) was determined, the categories were divided by the total number of households as reported by the California Department of Finance. Finally, the total number of stores is presented to estimate the taxable sales per store (without accounting for non-household spending).

**Figure 41**  
**Average Potential Retail Sales by Household in Los Angeles County**  
**2007**

	Total (2006 \$000s)	Inflation Adjusted (2007 \$000s)	Tourism Related Spending (2007 \$000s)	Employment Related Spending (2007 \$000s)	Less Tourism and Employment (2007 \$000s)	Taxable Sales per Household (\$2007)	No. Stores	Taxable Sales/Store (\$2007)
Women's apparel	\$1,433,562	\$1,480,834	\$63,178	\$60,430	\$1,357,226	\$419	4,775	\$310,122
Men's apparel	\$333,827	\$333,827	\$14,242	\$13,623	\$305,962	\$94	1,107	\$301,560
Family apparel	\$2,851,728	\$5,586,893	\$238,358	\$227,990	\$5,120,546	\$1,581	8,809	\$634,226
Shoes	\$907,539	\$870,444	\$37,136	\$35,521	\$797,786	\$246	1,900	\$458,128
General merchandise stores	\$11,969,094	\$11,969,094	\$510,646	\$488,434	\$10,970,014	\$3,386	4,753	\$2,518,219
Drug stores (1)	\$4,400,140	\$8,485,704	\$362,032	\$346,284	\$7,777,388	\$2,401	1,542	\$5,503,050
Gifts, art goods, and novelties	\$479,010	\$444,764	\$18,975	\$18,150	\$407,639	\$126	3,691	\$120,500
Sporting goods	\$837,461	\$837,461			\$837,461	\$259	1,348	\$621,262
Florists	\$305,504	\$305,504			\$305,504	\$94	1,536	\$198,896
Photographic equipment and supplies	\$190,324	\$190,324	\$8,120	\$7,767	\$174,437	\$54	300	\$634,413
Musical instruments	\$468,195	\$468,195			\$468,195	\$145	1,039	\$450,621
Stationery and books	\$1,317,493	\$1,317,493			\$1,317,493	\$407	2,505	\$525,945
Jewelry	\$793,879	\$793,879	\$33,870	\$32,397	\$727,613	\$225	3,633	\$218,519
Office, store, and school supplies	\$4,117,843	\$4,117,843			\$4,117,843	\$1,271	4,056	\$1,015,247
Other specialties	\$5,823,273	\$5,823,273	\$248,443	\$237,636	\$5,337,195	\$1,648	44,135	\$131,942
Food stores group (2)	\$18,721,280	\$18,721,280	\$399,000	\$763,083	\$17,559,197	\$5,420	7,095	\$2,638,658
Eating and drinking group	\$13,751,189	\$13,751,189	\$2,261,000	\$4,324,137	\$7,166,052	\$2,212	24,388	\$563,851
Household and home furnishings	\$3,136,645	\$3,136,645			\$3,136,645	\$968	7,573	\$414,188
Household appliance dealers	\$1,170,375	\$1,170,375			\$1,170,375	\$361	1,247	\$938,553
Hardware Stores	\$193,575	\$193,575			\$193,575	\$60	598	\$323,704
Automotive supplies and parts	\$1,261,740	\$1,261,740			\$1,261,740	\$389	5,014	\$251,643
Service Stations	\$11,477,228	\$11,477,228			\$11,477,228	\$3,543	2,189	\$5,243,138
Beer, wine, and liquor stores	\$635,000	\$635,000			\$635,000	\$196	1,519	\$418,038
Second-hand merchandise	\$112,289	\$112,289			\$112,289	\$35	1,699	\$66,091
Farm and garden supply stores	\$251,045	\$251,045			\$251,045	\$77	528	\$475,464
	\$86,939,238	\$93,735,898	\$4,195,000	\$6,555,450	\$82,985,448	\$25,617	136,979	\$684,309

(1) Adjusted by 250% Increase

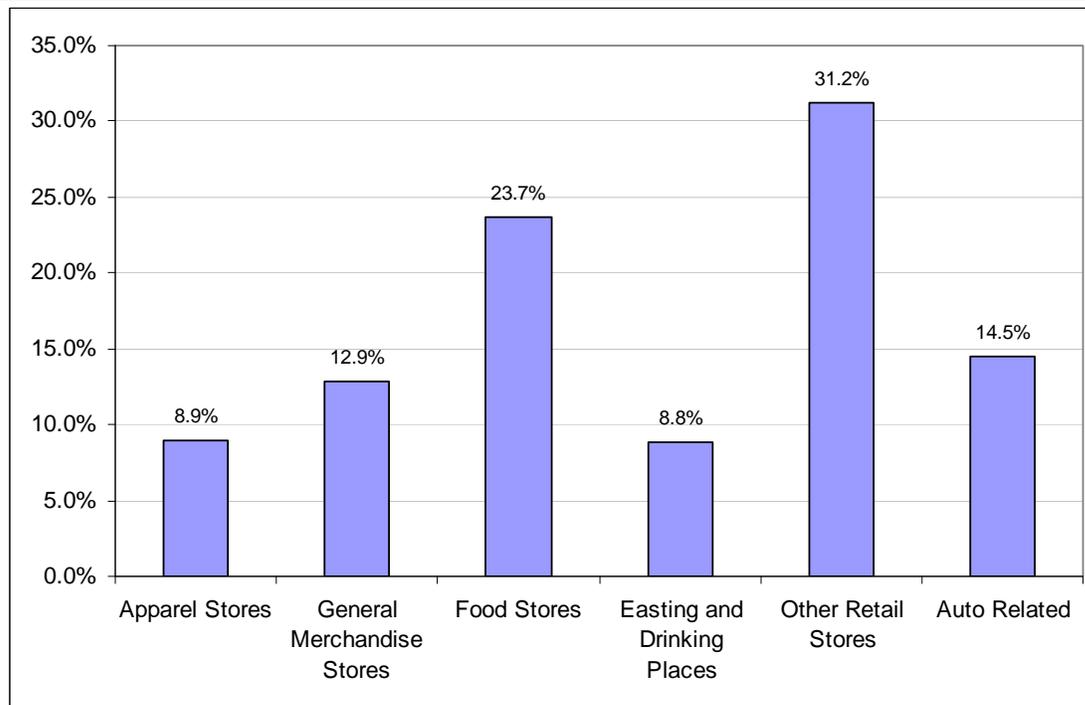
(2) Adjusted by 400% Increase

Source: Economics Research Associates

Based on ERA's estimates, the typical household in Los Angeles County spends approximately 9 percent on apparel, 13 percent on general merchandise, 24 percent on food stores, 9 percent on eating and drinking (food away from home), 31 percent on other retail goods and 14.5 percent on auto related purchases. The auto related

purchases does include car purchases, but rather purchases made at service stations and car part/supply stores. In total, this represents an average of \$25,612 per household in total taxable spending on select retail goods in Los Angeles County (Figure 42).

**Figure 42**  
**Distribution of Typical Household Spending by Retail Category**  
**2007**



Source: Economics Research Associates

For each of the study areas, ERA took the Bureau of Labor Statistics 2005 National Consumer Expenditure Survey to determine typical spending patterns based on different income groups. A spending adjustment factor was applied to each market area based on each area's median household income. Several income brackets were used to trend the average percent of each household's income that is typically spent on retail goods. The study area adjusted sales-per-household was multiplied by the number of households to estimate the total potential buying power within each study area.

ERA then applied a target capture rate to estimate potential captured sales in each study area. As noted, employee spending capture was previously adjusted so no further capture rate adjustment is necessary to apply within the model. This process is demonstrated in the following Figures 43 - 48.

**Figure 43**  
**Estimate Retail Demand in Downtown Torrance Study Area**  
**2007**

Study Area Households (2007 estimate)	2,392
Study Area Median Household Income (2007 Adjusted Estimate)	\$58,807
County Wide Median Household Income (2007 Adjusted Estimate)	\$56,930
Market Area Expenditure/Household Adjustment	102%
Employees Located within the Study Area (2007 Estimate)	8,412

	Household Expenditures					Employee Expenditures		Total	
	Los Angeles County (2007 Dollars)	Market Area Potential (Income Adjusted)	Total Market Area Potential (Households)	Target Capture Rates	Estimated Captured Sales	Los Angeles County (2007 Dollars)	Market Area Potential (Employees)	Captured Sales (Rounded)	Captured Sales @ 100% (Rounded)
Women's apparel	\$419	\$428	\$1,024,600	15%	\$153,690	\$14	\$121,446	\$275,100	\$1,146,046
Men's apparel	\$94	\$97	\$231,000	15%	\$34,650	\$3	\$27,378	\$62,000	\$258,378
Family apparel	\$1,581	\$1,616	\$3,865,500	15%	\$579,825	\$54	\$458,191	\$1,038,000	\$4,323,691
Shoes	\$246	\$252	\$602,200	15%	\$90,330	\$8	\$71,387	\$161,700	\$673,587
General merchandise stores	\$3,386	\$3,462	\$8,281,200	25%	\$2,070,300	\$117	\$981,606	\$3,051,900	\$9,262,806
Drug stores	\$2,401	\$2,454	\$5,871,100	50%	\$2,935,550	\$83	\$695,927	\$3,631,500	\$6,567,027
Gifts, art goods, and novelties	\$126	\$129	\$307,700	25%	\$76,925	\$4	\$36,476	\$113,400	\$344,176
Sporting goods	\$259	\$264	\$632,200	25%	\$158,050	\$0	\$0	\$158,100	\$632,200
Florists	\$94	\$96	\$230,600	50%	\$115,300	\$0	\$0	\$115,300	\$230,600
Photographic equipment and supplies	\$54	\$55	\$131,700	25%	\$32,925	\$2	\$15,609	\$48,500	\$147,309
Musical instruments	\$145	\$148	\$353,400	25%	\$88,350	\$0	\$0	\$88,400	\$353,400
Stationery and books	\$407	\$416	\$994,600	35%	\$348,110	\$0	\$0	\$348,100	\$994,600
Jewelry	\$225	\$230	\$549,300	25%	\$137,325	\$8	\$65,107	\$202,400	\$614,407
Office, store, and school supplies	\$1,271	\$1,300	\$3,108,500	25%	\$777,125	\$0	\$0	\$777,100	\$3,108,500
Other specialties	\$1,648	\$1,684	\$4,029,000	25%	\$1,007,250	\$57	\$477,577	\$1,484,800	\$4,506,577
Food stores group	\$5,420	\$5,542	\$13,255,400	50%	\$6,627,700	\$1,033	\$8,690,217	\$15,317,900	\$21,945,617
Eating and drinking group	\$2,212	\$2,262	\$5,409,600	45%	\$2,434,320	\$182	\$1,533,568	\$3,967,900	\$6,943,168
Household and home furnishings	\$968	\$990	\$2,367,800	15%	\$355,170	\$0	\$0	\$355,200	\$2,367,800
Household appliance dealers	\$361	\$369	\$883,500	15%	\$132,525	\$0	\$0	\$132,500	\$883,500
Hardware Stores	\$60	\$61	\$146,100	35%	\$51,135	\$0	\$0	\$51,100	\$146,100
Automotive supplies and parts	\$389	\$398	\$952,500	15%	\$142,875	\$0	\$0	\$142,900	\$952,500
Service Stations	\$3,543	\$3,622	\$8,664,100	25%	\$2,166,025	\$0	\$0	\$2,166,000	\$8,664,100
Beer, wine, and liquor stores	\$196	\$200	\$479,400	50%	\$239,700	\$0	\$0	\$239,700	\$479,400
Second-hand merchandise	\$35	\$35	\$84,800	25%	\$21,200	\$0	\$0	\$21,200	\$84,800
Farm and garden supply stores	\$77	\$79	\$189,500	25%	\$47,375	\$0	\$0	\$47,400	\$189,500
<b>Total</b>	<b>\$25,617</b>	<b>\$26,190</b>	<b>\$62,645,300</b>		<b>\$20,823,730</b>	<b>\$1,566</b>	<b>\$13,174,487</b>	<b>\$33,998,100</b>	<b>\$75,819,787</b>

Source: Economics Research Associates

**Figure 44**  
**Estimate Retail Demand in Riviera Village Study Area**  
**2007**

Study Area Households (2007 estimate)	4,343
Study Area Median Household Income (2007 Adjusted Estimate)	\$87,441
County Wide Median Household Income (2007 Adjusted Estimate)	\$56,930
Market Area Expenditure/Household Adjustment	129%
Employees Located within the Study Area (2007 Estimate)	3,668

	Household Expenditures					Employee Expenditures		Total	
	Los Angeles County (2007 Dollars)	Market Area Potential (Income Adjusted)	Total Market Area Potential (Households)	Target Capture Rates	Estimated Captured Sales	Los Angeles County (2007 Dollars)	Market Area Potential (Employees)	Captured Sales (Rounded)	Captured Sales @ 100% (Rounded)
Women's apparel	\$419	\$540	\$2,343,800	15%	\$351,570	\$14	\$52,956	\$404,500	\$2,396,756
Men's apparel	\$94	\$122	\$528,400	15%	\$79,260	\$3	\$11,938	\$91,200	\$540,338
Family apparel	\$1,581	\$2,036	\$8,842,800	15%	\$1,326,420	\$54	\$199,791	\$1,526,200	\$9,042,591
Shoes	\$246	\$317	\$1,377,700	15%	\$206,655	\$8	\$31,128	\$237,800	\$1,408,828
General merchandise stores	\$3,386	\$4,362	\$18,944,500	25%	\$4,736,125	\$117	\$428,023	\$5,164,100	\$19,372,523
Drug stores	\$2,401	\$3,093	\$13,431,000	50%	\$6,715,500	\$83	\$303,455	\$7,019,000	\$13,734,455
Gifts, art goods, and novelties	\$126	\$162	\$704,000	25%	\$176,000	\$4	\$15,905	\$191,900	\$719,905
Sporting goods	\$259	\$333	\$1,446,200	25%	\$361,550	\$0	\$0	\$361,600	\$1,446,200
Florists	\$94	\$121	\$527,600	50%	\$263,800	\$0	\$0	\$263,800	\$527,600
Photographic equipment and supplies	\$54	\$69	\$301,200	25%	\$75,300	\$2	\$6,806	\$82,100	\$308,006
Musical instruments	\$145	\$186	\$808,500	25%	\$202,125	\$0	\$0	\$202,100	\$808,500
Stationery and books	\$407	\$524	\$2,275,200	35%	\$796,320	\$0	\$0	\$796,300	\$2,275,200
Jewelry	\$225	\$289	\$1,256,500	25%	\$314,125	\$8	\$28,390	\$342,500	\$1,284,890
Office, store, and school supplies	\$1,271	\$1,637	\$7,111,200	25%	\$1,777,800	\$0	\$0	\$1,777,800	\$7,111,200
Other specialties	\$1,648	\$2,122	\$9,217,000	25%	\$2,304,250	\$57	\$208,244	\$2,512,500	\$9,425,244
Food stores group	\$5,420	\$6,982	\$30,323,500	50%	\$15,161,750	\$1,033	\$3,789,315	\$18,951,100	\$34,112,815
Eating and drinking group	\$2,212	\$2,849	\$12,375,300	45%	\$5,568,885	\$182	\$668,703	\$6,237,600	\$13,044,003
Household and home furnishings	\$968	\$1,247	\$5,416,800	15%	\$812,520	\$0	\$0	\$812,500	\$5,416,800
Household appliance dealers	\$361	\$465	\$2,021,200	15%	\$303,180	\$0	\$0	\$303,200	\$2,021,200
Hardware Stores	\$60	\$77	\$334,300	35%	\$117,005	\$0	\$0	\$117,000	\$334,300
Automotive supplies and parts	\$389	\$502	\$2,178,900	15%	\$326,835	\$0	\$0	\$326,800	\$2,178,900
Service Stations	\$3,543	\$4,564	\$19,820,400	25%	\$4,955,100	\$0	\$0	\$4,955,100	\$19,820,400
Beer, wine, and liquor stores	\$196	\$252	\$1,096,600	50%	\$548,300	\$0	\$0	\$548,300	\$1,096,600
Second-hand merchandise	\$35	\$45	\$193,900	25%	\$48,475	\$0	\$0	\$48,500	\$193,900
Farm and garden supply stores	\$77	\$100	\$433,500	25%	\$108,375	\$0	\$0	\$108,400	\$433,500
<b>Total</b>	<b>\$25,617</b>	<b>\$32,998</b>	<b>\$143,310,000</b>		<b>\$47,637,225</b>	<b>\$1,566</b>	<b>\$5,744,653</b>	<b>\$53,381,900</b>	<b>\$149,054,653</b>

Source: Economics Research Associates

**Figure 45**

**Estimate Retail Demand in Aviation Intersection Study Area  
2007**

Study Area Households (2007 estimate)	4,549
Study Area Median Household Income (2007 Adjusted Estimate)	\$98,516
County Wide Median Household Income (2007 Adjusted Estimate)	\$56,930
Market Area Expenditure/Household Adjustment	136%
Employees Located within the Study Area (2007 Estimate)	1,393

	Household Expenditures					Employee Expenditures		Total	
	Los Angeles County (2007 Dollars)	Market Area Potential (Income Adjusted)	Total Market Area Potential (Households)	Target Capture Rates	Estimated Captured Sales	Los Angeles County (2007 Dollars)	Market Area Potential (Employees)	Captured Sales (Rounded)	Captured Sales @ 100% (Rounded)
Women's apparel	\$419	\$570	\$2,591,300	15%	\$388,695	\$14	\$20,111	\$408,800	\$2,611,411
Men's apparel	\$94	\$128	\$584,200	15%	\$87,630	\$3	\$4,534	\$92,200	\$588,734
Family apparel	\$1,581	\$2,149	\$9,776,600	15%	\$1,466,490	\$54	\$75,875	\$1,542,400	\$9,852,475
Shoes	\$246	\$335	\$1,523,200	15%	\$228,480	\$8	\$11,821	\$240,300	\$1,535,021
General merchandise stores	\$3,386	\$4,604	\$20,945,000	25%	\$5,236,250	\$117	\$162,551	\$5,398,800	\$21,107,551
Drug stores	\$2,401	\$3,264	\$14,849,300	50%	\$7,424,650	\$83	\$115,243	\$7,539,900	\$14,964,543
Gifts, art goods, and novelties	\$126	\$171	\$778,300	25%	\$194,575	\$4	\$6,040	\$200,600	\$784,340
Sporting goods	\$259	\$351	\$1,599,000	25%	\$399,750	\$0	\$0	\$399,800	\$1,599,000
Florists	\$94	\$128	\$583,300	50%	\$291,650	\$0	\$0	\$291,700	\$583,300
Photographic equipment and supplies	\$54	\$73	\$333,100	25%	\$83,275	\$2	\$2,585	\$85,900	\$335,685
Musical instruments	\$145	\$197	\$893,900	25%	\$223,475	\$0	\$0	\$223,500	\$893,900
Stationery and books	\$407	\$553	\$2,515,500	35%	\$880,425	\$0	\$0	\$880,400	\$2,515,500
Jewelry	\$225	\$305	\$1,389,200	25%	\$347,300	\$8	\$10,782	\$358,100	\$1,399,982
Office, store, and school supplies	\$1,271	\$1,728	\$7,862,200	25%	\$1,965,550	\$0	\$0	\$1,965,600	\$7,862,200
Other specialties	\$1,648	\$2,240	\$10,190,300	25%	\$2,547,575	\$57	\$79,085	\$2,626,700	\$10,269,385
Food stores group	\$5,420	\$7,370	\$33,525,700	50%	\$16,762,850	\$1,033	\$1,439,072	\$18,201,900	\$34,964,772
Eating and drinking group	\$2,212	\$3,008	\$13,682,100	45%	\$6,156,945	\$182	\$253,954	\$6,410,900	\$13,936,054
Household and home furnishings	\$968	\$1,317	\$5,988,800	15%	\$898,320	\$0	\$0	\$898,300	\$5,988,800
Household appliance dealers	\$361	\$491	\$2,234,600	15%	\$335,190	\$0	\$0	\$335,200	\$2,234,600
Hardware Stores	\$60	\$81	\$369,600	35%	\$129,360	\$0	\$0	\$129,400	\$369,600
Automotive supplies and parts	\$389	\$530	\$2,409,000	15%	\$361,350	\$0	\$0	\$361,400	\$2,409,000
Service Stations	\$3,543	\$4,817	\$21,913,400	25%	\$5,478,350	\$0	\$0	\$5,478,400	\$21,913,400
Beer, wine, and liquor stores	\$196	\$267	\$1,212,400	50%	\$606,200	\$0	\$0	\$606,200	\$1,212,400
Second-hand merchandise	\$35	\$47	\$214,400	25%	\$53,600	\$0	\$0	\$53,600	\$214,400
Farm and garden supply stores	\$77	\$105	\$479,300	25%	\$119,825	\$0	\$0	\$119,800	\$479,300
<b>Total</b>	<b>\$25,617</b>	<b>\$34,830</b>	<b>\$158,443,700</b>		<b>\$52,667,760</b>	<b>\$1,566</b>	<b>\$2,181,652</b>	<b>\$54,849,800</b>	<b>\$160,625,352</b>

Source: Economics Research Associates

**Figure 46**

**Estimate Retail Demand in Inglewood Intersection Study Area**

**2007**

Study Area Households (2007 estimate)	4,162
Study Area Median Household Income (2007 Adjusted Estimate)	\$64,297
County Wide Median Household Income (2007 Adjusted Estimate)	\$56,930
Market Area Expenditure/Household Adjustment	106%
Employees Located within the Study Area (2007 Estimate)	1,386

	Household Expenditures					Employee Expenditures		Total	
	Los Angeles County (2007 Dollars)	Market Area Potential (Income Adjusted)	Total Market Area Potential (Households)	Target Capture Rates	Estimated Captured Sales	Los Angeles County (2007 Dollars)	Market Area Potential (Employees)	Captured Sales (Rounded)	Captured Sales @ 100% (Rounded)
Women's apparel	\$419	\$446	\$1,855,800	15%	\$278,370	\$14	\$20,010	\$298,400	\$1,875,810
Men's apparel	\$94	\$101	\$418,400	15%	\$62,760	\$3	\$4,511	\$67,300	\$422,911
Family apparel	\$1,581	\$1,682	\$7,001,700	15%	\$1,050,255	\$54	\$75,494	\$1,125,700	\$7,077,194
Shoes	\$246	\$262	\$1,090,900	15%	\$163,635	\$8	\$11,762	\$175,400	\$1,102,662
General merchandise stores	\$3,386	\$3,604	\$15,000,200	25%	\$3,750,050	\$117	\$161,734	\$3,911,800	\$15,161,934
Drug stores	\$2,401	\$2,555	\$10,634,600	50%	\$5,317,300	\$83	\$114,664	\$5,432,000	\$10,749,264
Gifts, art goods, and novelties	\$126	\$134	\$557,400	25%	\$139,350	\$4	\$6,010	\$145,400	\$563,410
Sporting goods	\$259	\$275	\$1,145,100	25%	\$286,275	\$0	\$0	\$286,300	\$1,145,100
Florists	\$94	\$100	\$417,700	50%	\$208,850	\$0	\$0	\$208,900	\$417,700
Photographic equipment and supplies	\$54	\$57	\$238,500	25%	\$59,625	\$2	\$2,572	\$62,200	\$241,072
Musical instruments	\$145	\$154	\$640,200	25%	\$160,050	\$0	\$0	\$160,100	\$640,200
Stationery and books	\$407	\$433	\$1,801,500	35%	\$630,525	\$0	\$0	\$630,500	\$1,801,500
Jewelry	\$225	\$239	\$994,900	25%	\$248,725	\$8	\$10,727	\$259,500	\$1,005,627
Office, store, and school supplies	\$1,271	\$1,353	\$5,630,600	25%	\$1,407,650	\$0	\$0	\$1,407,700	\$5,630,600
Other specialties	\$1,648	\$1,753	\$7,298,000	25%	\$1,824,500	\$57	\$78,688	\$1,903,200	\$7,376,688
Food stores group	\$5,420	\$5,769	\$24,010,100	50%	\$12,005,050	\$1,033	\$1,431,840	\$13,436,900	\$25,441,940
Eating and drinking group	\$2,212	\$2,354	\$9,798,700	45%	\$4,409,415	\$182	\$252,678	\$4,662,100	\$10,051,378
Household and home furnishings	\$968	\$1,031	\$4,289,000	15%	\$643,350	\$0	\$0	\$643,400	\$4,289,000
Household appliance dealers	\$361	\$385	\$1,600,300	15%	\$240,045	\$0	\$0	\$240,000	\$1,600,300
Hardware Stores	\$60	\$64	\$264,700	35%	\$92,645	\$0	\$0	\$92,600	\$264,700
Automotive supplies and parts	\$389	\$415	\$1,725,300	15%	\$258,795	\$0	\$0	\$258,800	\$1,725,300
Service Stations	\$3,543	\$3,771	\$15,693,700	25%	\$3,923,425	\$0	\$0	\$3,923,400	\$15,693,700
Beer, wine, and liquor stores	\$196	\$209	\$868,300	50%	\$434,150	\$0	\$0	\$434,200	\$868,300
Second-hand merchandise	\$35	\$37	\$153,500	25%	\$38,375	\$0	\$0	\$38,400	\$153,500
Farm and garden supply stores	\$77	\$82	\$343,300	25%	\$85,825	\$0	\$0	\$85,800	\$343,300
<b>Total</b>	<b>\$25,617</b>	<b>\$27,264</b>	<b>\$113,472,400</b>		<b>\$37,718,995</b>	<b>\$1,566</b>	<b>\$2,170,689</b>	<b>\$39,890,000</b>	<b>\$115,643,089</b>

Source: Economics Research Associates

**Figure 47**

**Estimate Retail Demand in El Segundo Intersection Study Area  
2007**

Study Area Households (2007 estimate)	4,982
Study Area Median Household Income (2007 Adjusted Estimate)	\$40,352
County Wide Median Household Income (2007 Adjusted Estimate)	\$56,930
Market Area Expenditure/Household Adjustment	77%
Employees Located within the Study Area (2007 Estimate)	3,397

	Household Expenditures					Employee Expenditures		Total	
	Los Angeles County (2007 Dollars)	Market Area Potential (Income Adjusted)	Total Market Area Potential (Households)	Target Capture Rates	Estimated Captured Sales	Los Angeles County (2007 Dollars)	Market Area Potential (Employees)	Captured Sales (Rounded)	Captured Sales @ 100% (Rounded)
Women's apparel	\$419	\$323	\$1,609,700	15%	\$241,455	\$14	\$49,043	\$290,500	\$1,658,743
Men's apparel	\$94	\$73	\$362,900	15%	\$54,435	\$3	\$11,056	\$65,500	\$373,956
Family apparel	\$1,581	\$1,219	\$6,073,200	15%	\$910,980	\$54	\$185,030	\$1,096,000	\$6,258,230
Shoes	\$246	\$190	\$946,200	15%	\$141,930	\$8	\$28,828	\$170,800	\$975,028
General merchandise stores	\$3,386	\$2,612	\$13,011,000	25%	\$3,252,750	\$117	\$396,400	\$3,649,100	\$13,407,400
Drug stores	\$2,401	\$1,852	\$9,224,400	50%	\$4,612,200	\$83	\$281,035	\$4,893,200	\$9,505,435
Gifts, art goods, and novelties	\$126	\$97	\$483,500	25%	\$120,875	\$4	\$14,730	\$135,600	\$498,230
Sporting goods	\$259	\$199	\$993,300	25%	\$248,325	\$0	\$0	\$248,300	\$993,300
Florists	\$94	\$73	\$362,300	50%	\$181,150	\$0	\$0	\$181,200	\$362,300
Photographic equipment and supplies	\$54	\$42	\$206,900	25%	\$51,725	\$2	\$6,303	\$58,000	\$213,203
Musical instruments	\$145	\$111	\$555,300	25%	\$138,825	\$0	\$0	\$138,800	\$555,300
Stationery and books	\$407	\$314	\$1,562,600	35%	\$546,910	\$0	\$0	\$546,900	\$1,562,600
Jewelry	\$225	\$173	\$863,000	25%	\$215,750	\$8	\$26,292	\$242,000	\$889,292
Office, store, and school supplies	\$1,271	\$980	\$4,884,000	25%	\$1,221,000	\$0	\$0	\$1,221,000	\$4,884,000
Other specialties	\$1,648	\$1,271	\$6,330,200	25%	\$1,582,550	\$57	\$192,859	\$1,775,400	\$6,523,059
Food stores group	\$5,420	\$4,180	\$20,826,100	50%	\$10,413,050	\$1,033	\$3,509,352	\$13,922,400	\$24,335,452
Eating and drinking group	\$2,212	\$1,706	\$8,499,300	45%	\$3,824,685	\$182	\$619,297	\$4,444,000	\$9,118,597
Household and home furnishings	\$968	\$747	\$3,720,200	15%	\$558,030	\$0	\$0	\$558,000	\$3,720,200
Household appliance dealers	\$361	\$279	\$1,388,100	15%	\$208,215	\$0	\$0	\$208,200	\$1,388,100
Hardware Stores	\$60	\$46	\$229,600	35%	\$80,360	\$0	\$0	\$80,400	\$229,600
Automotive supplies and parts	\$389	\$300	\$1,496,500	15%	\$224,475	\$0	\$0	\$224,500	\$1,496,500
Service Stations	\$3,543	\$2,732	\$13,612,600	25%	\$3,403,150	\$0	\$0	\$3,403,200	\$13,612,600
Beer, wine, and liquor stores	\$196	\$151	\$753,100	50%	\$376,550	\$0	\$0	\$376,600	\$753,100
Second-hand merchandise	\$35	\$27	\$133,200	25%	\$33,300	\$0	\$0	\$33,300	\$133,200
Farm and garden supply stores	\$77	\$60	\$297,800	25%	\$74,450	\$0	\$0	\$74,500	\$297,800
<b>Total</b>	<b>\$25,617</b>	<b>\$19,756</b>	<b>\$98,425,000</b>		<b>\$32,717,125</b>	<b>\$1,566</b>	<b>\$5,320,225</b>	<b>\$38,037,400</b>	<b>\$103,745,225</b>

Source: Economics Research Associates

**Figure 48**

**Estimate Retail Demand in Rosecrans Intersection Study Area**

**2007**

Study Area Households (2007 estimate)	4,371
Study Area Median Household Income (2007 Adjusted Estimate)	\$49,229
County Wide Median Household Income (2007 Adjusted Estimate)	\$56,930
Market Area Expenditure/Household Adjustment	89%
Employees Located within the Study Area (2007 Estimate)	3,241

	Household Expenditures					Employee Expenditures		Total	
	Los Angeles County (2007 Dollars)	Market Area Potential (Income Adjusted)	Total Market Area Potential (Households)	Target Capture Rates	Estimated Captured Sales	Los Angeles County (2007 Dollars)	Market Area Potential (Employees)	Captured Sales (Rounded)	Captured Sales @ 100% (Rounded)
Women's apparel	\$419	\$374	\$1,635,400	15%	\$245,310	\$14	\$46,791	\$292,100	\$1,682,191
Men's apparel	\$94	\$84	\$368,700	15%	\$55,305	\$3	\$10,548	\$65,900	\$379,248
Family apparel	\$1,581	\$1,412	\$6,169,900	15%	\$925,485	\$54	\$176,533	\$1,102,000	\$6,346,433
Shoes	\$246	\$220	\$961,300	15%	\$144,195	\$8	\$27,504	\$171,700	\$988,804
General merchandise stores	\$3,386	\$3,024	\$13,218,000	25%	\$3,304,500	\$117	\$378,196	\$3,682,700	\$13,596,196
Drug stores	\$2,401	\$2,144	\$9,371,200	50%	\$4,685,600	\$83	\$268,129	\$4,953,700	\$9,639,329
Gifts, art goods, and novelties	\$126	\$112	\$491,200	25%	\$122,800	\$4	\$14,054	\$136,900	\$505,254
Sporting goods	\$259	\$231	\$1,009,100	25%	\$252,275	\$0	\$0	\$252,300	\$1,009,100
Florists	\$94	\$84	\$368,100	50%	\$184,050	\$0	\$0	\$184,100	\$368,100
Photographic equipment and supplies	\$54	\$48	\$210,200	25%	\$52,550	\$2	\$6,014	\$58,600	\$216,214
Musical instruments	\$145	\$129	\$564,100	25%	\$141,025	\$0	\$0	\$141,000	\$564,100
Stationery and books	\$407	\$363	\$1,587,500	35%	\$555,625	\$0	\$0	\$555,600	\$1,587,500
Jewelry	\$225	\$201	\$876,700	25%	\$219,175	\$8	\$25,085	\$244,300	\$901,785
Office, store, and school supplies	\$1,271	\$1,135	\$4,961,700	25%	\$1,240,425	\$0	\$0	\$1,240,400	\$4,961,700
Other specialties	\$1,648	\$1,471	\$6,430,900	25%	\$1,607,725	\$57	\$184,002	\$1,791,700	\$6,614,902
Food stores group	\$5,420	\$4,840	\$21,157,500	50%	\$10,578,750	\$1,033	\$3,348,192	\$13,926,900	\$24,505,692
Eating and drinking group	\$2,212	\$1,975	\$8,634,500	45%	\$3,885,525	\$182	\$590,857	\$4,476,400	\$9,225,357
Household and home furnishings	\$968	\$865	\$3,779,400	15%	\$566,910	\$0	\$0	\$566,900	\$3,779,400
Household appliance dealers	\$361	\$323	\$1,410,200	15%	\$211,530	\$0	\$0	\$211,500	\$1,410,200
Hardware Stores	\$60	\$53	\$233,200	35%	\$81,620	\$0	\$0	\$81,600	\$233,200
Automotive supplies and parts	\$389	\$348	\$1,520,300	15%	\$228,045	\$0	\$0	\$228,000	\$1,520,300
Service Stations	\$3,543	\$3,164	\$13,829,200	25%	\$3,457,300	\$0	\$0	\$3,457,300	\$13,829,200
Beer, wine, and liquor stores	\$196	\$175	\$765,100	50%	\$382,550	\$0	\$0	\$382,600	\$765,100
Second-hand merchandise	\$35	\$31	\$135,300	25%	\$33,825	\$0	\$0	\$33,800	\$135,300
Farm and garden supply stores	\$77	\$69	\$302,500	25%	\$75,625	\$0	\$0	\$75,600	\$302,500
<b>Total</b>	<b>\$25,617</b>	<b>\$22,876</b>	<b>\$99,991,200</b>		<b>\$33,237,725</b>	<b>\$1,566</b>	<b>\$5,075,905</b>	<b>\$38,313,600</b>	<b>\$105,067,105</b>

Source: Economics Research Associates

Based on the total potential sales from both residents and employees, the estimated level of retail spending is relatively consistent. This highest potential for retail sales within the study areas is found at the Aviation Intersection and Riviera Village (Figure 49). This is largely due to the high incomes of local residents. In contrast to the various levels of estimated demand, the total sales are presented using data from InfoUSA. While the Aviation Intersection has the highest estimated potential demand, it received the lowest reported volume of retail sales. With the exception of the Inglewood Intersection, which has the South Bay Galleria within its study area, the centers had much higher retail sales with similar levels of demand among all study areas.

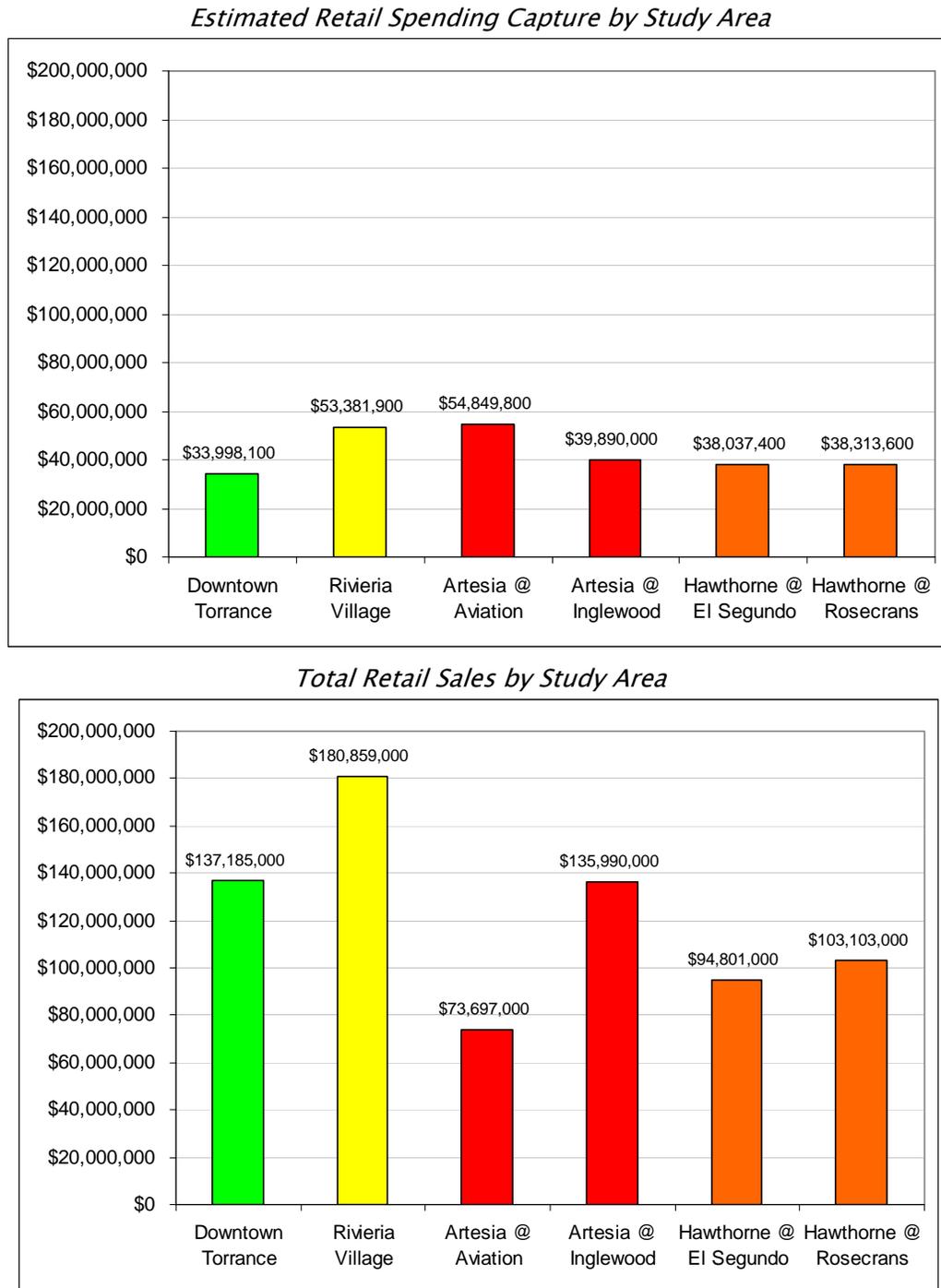
One clear difference between the centers and corridor intersections is the level of available employee spending (Figure 50). While the Centers household demand is 13 percent less than the corridor intersections, the estimated level of employee demand is approximately 164 percent greater than the corridor intersection. Based on the existing mix of retailers and a captive employee market, the centers can clearly capture a high percentage of this potential spending. It is important to note that the Inglewood Intersection was not included due to the presence of the South Bay Galleria in its market area. ERA did not believe it would be illustrative of typical major intersections within the South Bay.

By comparing the average potential demand for the centers and corridor intersections with demand at 100 percent capture and average total retail sales, the difference in their ability to attract sales are clearly distinguished. On average the corridor intersections had higher projected demand at both estimated capture and 100 percent capture; however, the average reported sales volume in the corridor intersections is estimated to be 43 percent less than the centers. On one hand, based on site visits and previously reported data regarding the various levels of retail stores, it is easy to understand why there such a large differential in retail sales volumes (Figure 51). However, what is important to note is that due to a lack of retail offerings (similar to those in the centers) the corridor intersections potentially lose a significant capture of potential retail sales within their half-mile market area (households and employees). By comparing the sales by retail type in the center and corridor intersection study area, it becomes clear how the two areas perform differently based on various retail sales categories.

**Figure 49**

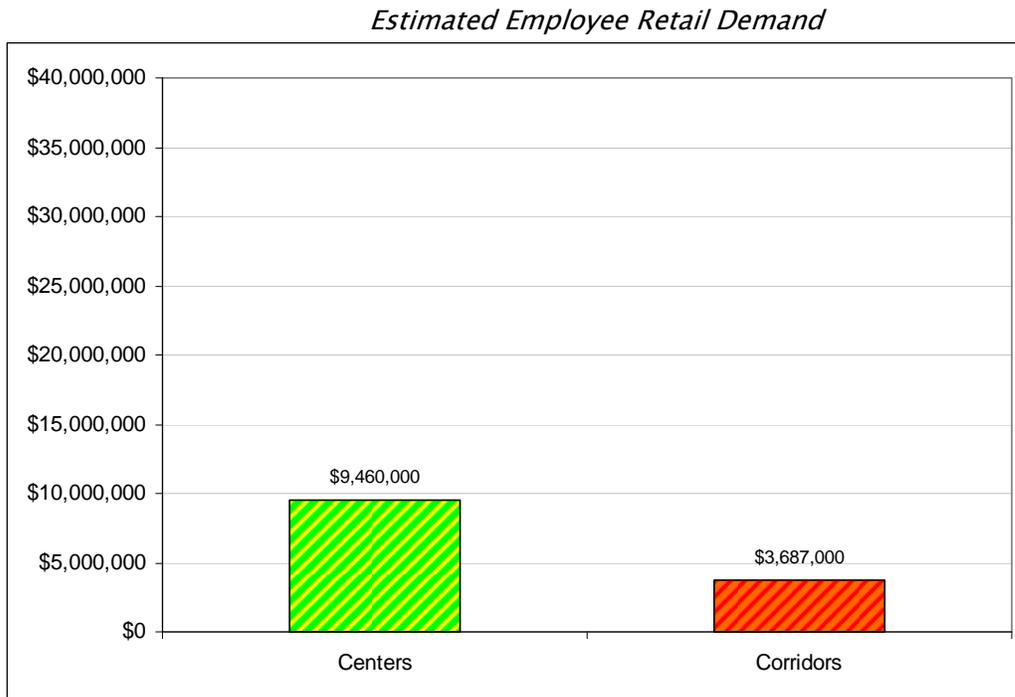
**Estimated Retail Demand and Total Retail Sales by Study Area**

**2007**



Source: Economics Research Associates and InfoUSA

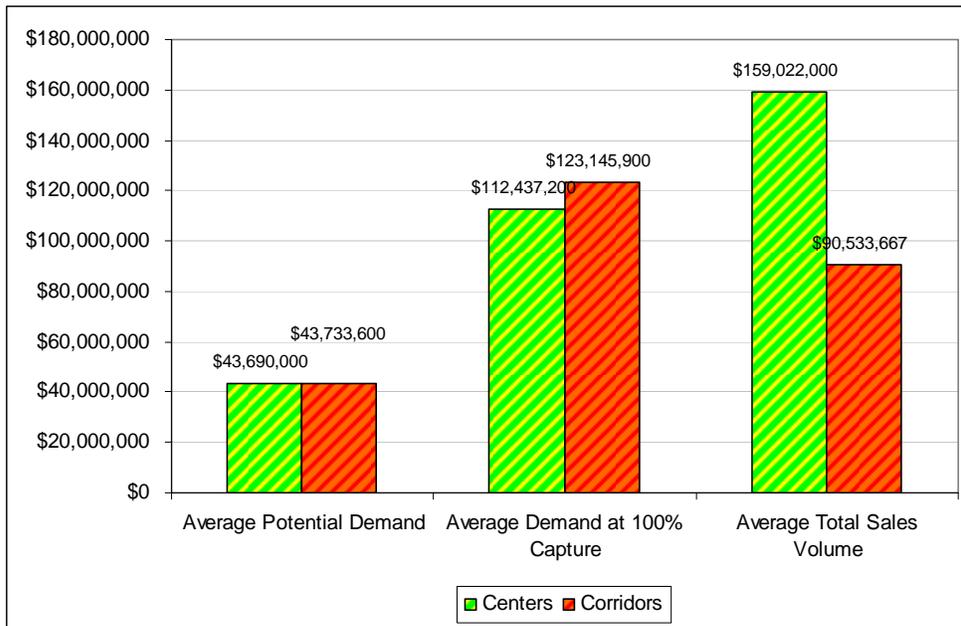
**Figure 50**  
**Estimated Residential versus Employee Spending Demand**  
*Secondary Figure Title*



Source: Economics Research Associates

**Figure 51**

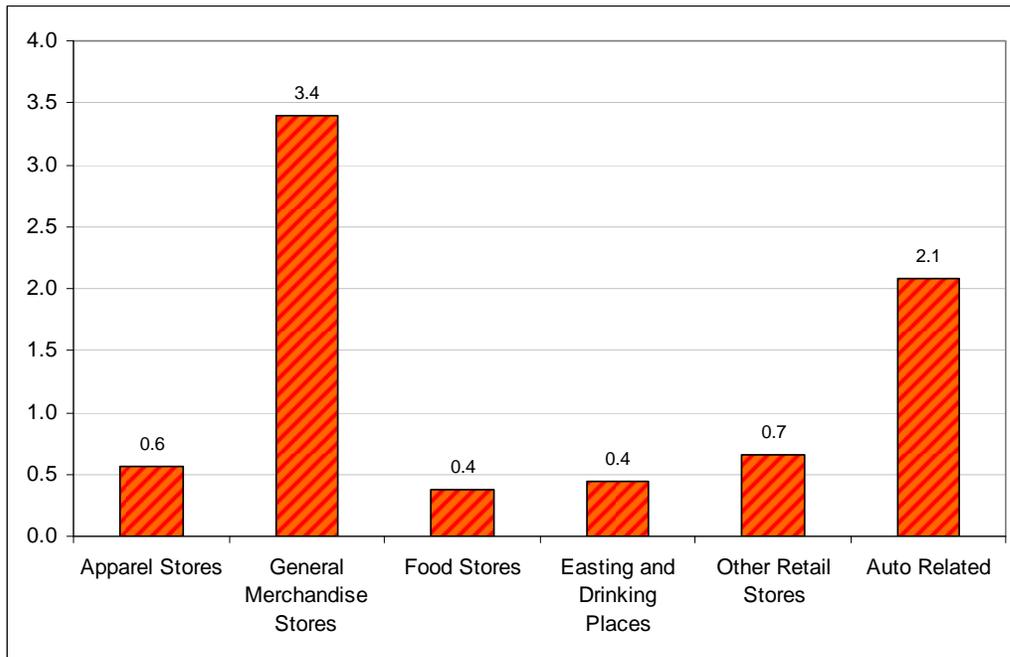
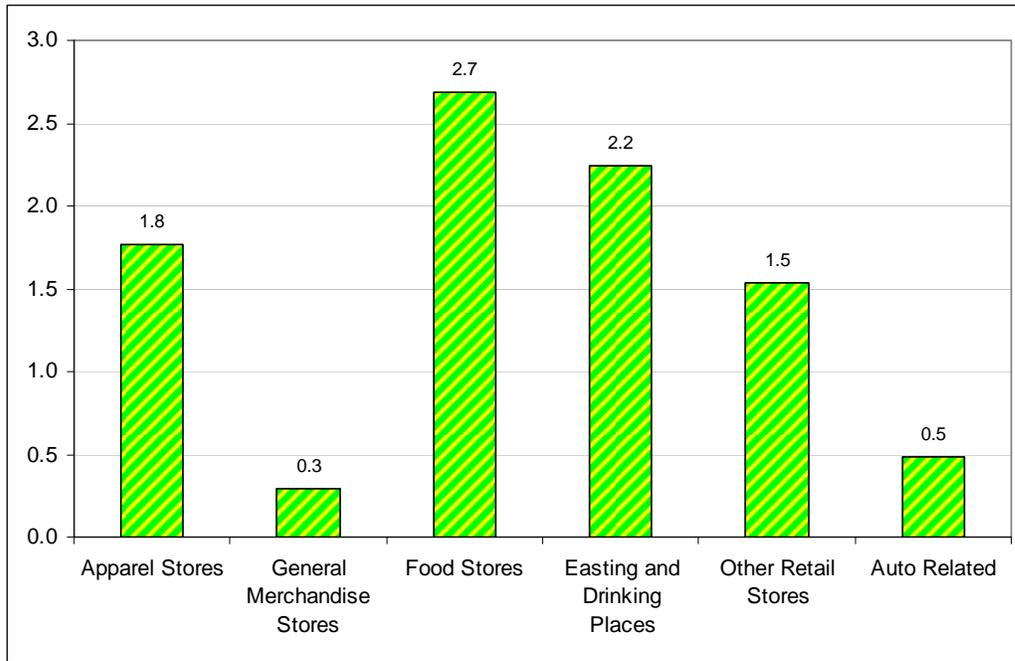
**Average Potential Demand in Relation to Average Total Demand and Average Sales Volume  
2007**



Source: Economics Research Associates and InfoUSA

In Figure 52, the average centers sales volume of various retail categories were divided by the equivalent corridor intersections average retail sales volumes (and visa versa). While the corridors have stronger general merchandise stores (large chain) and auto related sales (approximately 3.4 and 2.1 times greater sales, respectively), the centers have significantly higher sales volume based on apparel stores (1.8 times greater), food stores (2.7 times greater), eating and drinking places (2.2 times greater), and other retail stores (1.5 times greater). Several conclusions can be drawn from these findings. First, it is apparent that centers are capitalizing on their employment base. While some of the corridors have significant levels of employment, it is not concentrated within the core quarter mile radius. Second, the mix of tenants within the centers is beneficial in accelerating sales for specific types of retail. Presumably, the centers orientation towards a wide variety of food and specialty retail allows customers to shop longer at a variety of stores within the same trip. In contrast, the corridors appear to rely heavily on sales from customers making one trip to serve a specific need.

**Figure 52**  
**Comparison of Sales by Retail Type in Centers and Corridors**  
**2007**



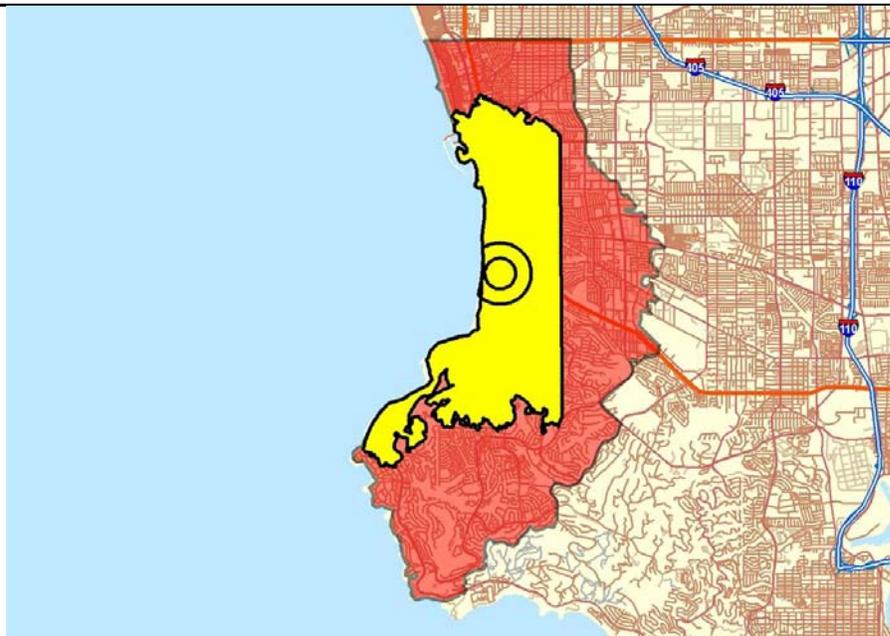
Source: Economics Research Associates and InfoUSA

Finally, based on demand estimates the centers are not only attracting local employees and customers from the market area, but they are capitalizing on being a destination. For illustrative purposes, the total average sales in the centers is 41 percent higher than 100 percent demand, while sales in the corridors is 26 percent less than demand at 100 percent. Based on examining demand alone, the corridor intersections clearly have the potential to support a significant level of retail, but are not currently oriented to attracting that market.

## Retail Market Areas

Based on the existing supply and type of retail within each study area, ERA created primary and secondary markets for each center and corridor. The market areas reflect our estimates of the population base that supports 60 to 70 percent of the demand for retail goods. The market areas also differ between study areas due to adjacencies to competitive retail developments and existing market barriers, such as. Riviera Village is the largest market area, covering an area that captures Palos Verde to the south and Hermosa Beach to the north (Figure 53). The primary market is approximately 2.5 to 2.5 miles drive distance to the north and south, with a one mile drive distance to the east. The secondary market area is approximately 4.5 miles to the north and south and 2.5 miles to the east.

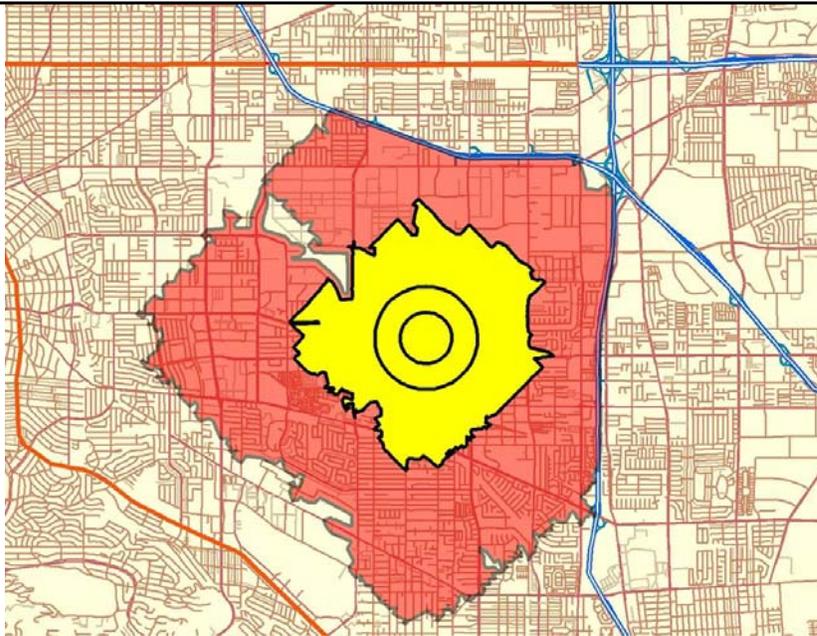
**Figure 53**  
**Riviera Village Market Area**  
*2007*



Source: Economics Research Associates

In comparison to Riviera Village, Downtown Torrance has a much smaller market area. The market area is typical of a smaller center that is orientated to the neighborhood or community market area (1.5 mile drive distance). The secondary market area, originally 3 miles drive distance from the center's center, has been adjusted to reflect the loss of market to the north and to the east due to the 405 and 110 freeways (Figure 54).

**Figure 54**  
**Downtown Torrance Market Area**  
*2007*

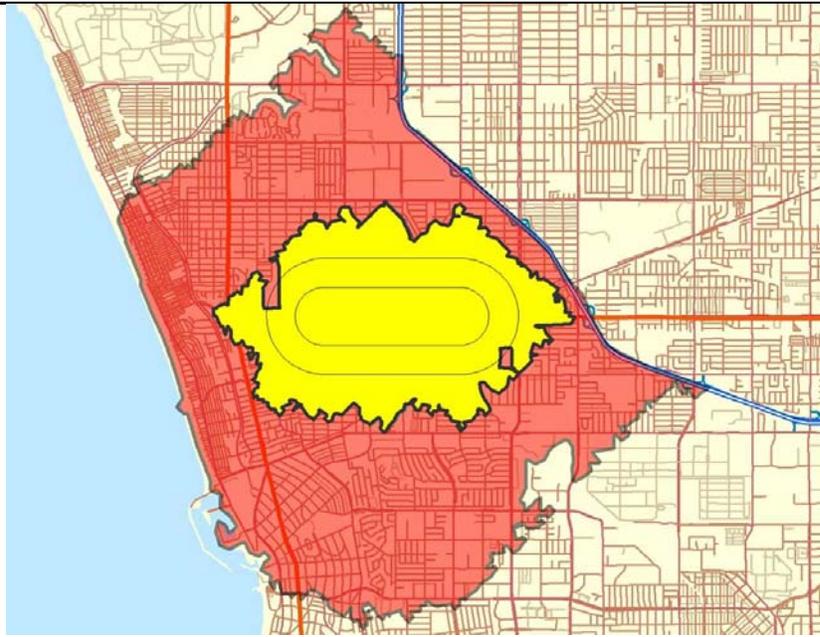


Source: Economics Research Associates

Both the Artesia and Hawthorne Corridors were given similar primary market areas based on 1.0 mile drive distances from the major/major intersection and the corridor mid-point. The secondary market area is a 3.0 mile drive distance from the Corridors' major/minor intersection. Once again, the market areas were adjusted due to the presence of major freeways within the market area. Other adjacent corridors in the region with similar retail offerings are likely compete for local market spending. Unlike the centers, which have smaller study areas by definition, the corridors primary market area is similar to the boundaries of the study area (Figures 55 and 56).

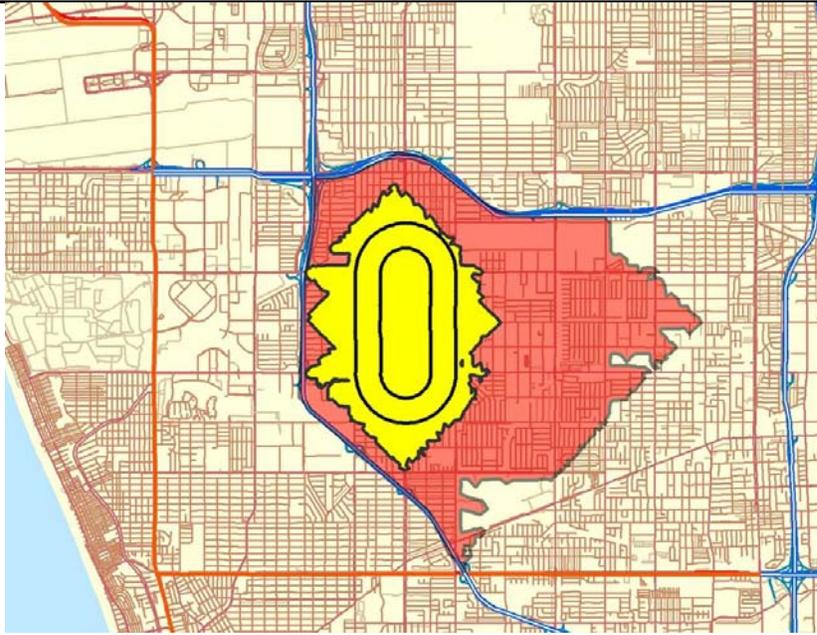
**Figure 55**  
**Artesia Corridor Market Area**  
*2007*

---



Source: Economics Research Associates

**Figure 56**  
**Hawthorne Corridor Market Area**  
*2007*



Source: Economics Research Associates

Figure 57 summarizes the number of households by the inner, outer, primary, and secondary market areas. The data for each study area is not cumulative, so each market area is represented in isolation. Based on the median income levels of the market areas and the declining propensity to spend as one moves further away from a retail development, the estimated market support for each study area is provided. It is assumed that the Hawthorne Corridor has a high reliance on the intercept market as its retail is only getting half of its support from residents in the projected market area. Alternatively, the estimated market area determined by ERA may have been too small.

**Figure 57**  
**Estimated Market Support of Retail Sales**  
**2007**

Study Area/Market Area	Households (HH)	HH Spending (\$)	Total HH\$	Percent of Total
<i>Riviera Village</i>				
0 - 1/4 Mile	1,105	\$7,000	\$7,735,000	5.0%
1/4 - 1/2 Mile	3,238	\$4,000	\$12,952,000	8.3%
1/2 - Primary	25,567	\$1,800	\$46,020,600	29.7%
Primary - Secondary	40,541	\$980	\$39,730,180	25.6%
<b>Total</b>	<b>70,451</b>		<b>\$106,437,780</b>	<b>68.6%</b>
<i>Downtown Torrance</i>				
0 - 1/4 Mile	689	\$4,000	\$2,756,000	6.6%
1/4 - 1/2 Mile	1,703	\$1,800	\$3,065,400	7.4%
1/2 - Primary	10,822	\$750	\$8,116,500	19.6%
Primary - Secondary	50,791	\$300	\$15,237,300	36.7%
<b>Total</b>	<b>64,005</b>		<b>\$29,175,200</b>	<b>70.4%</b>
<i>Artesia Corridor</i>				
0 - 1/4 Mile	5,339	\$5,100	\$27,228,900	26.3%
1/4 - 1/2 Mile	5,771	\$2,200	\$12,696,200	12.3%
1/2 - Primary	6,872	\$1,400	\$9,620,800	9.3%
Primary - Secondary	37,976	\$750	\$28,482,000	27.5%
<b>Total</b>	<b>55,958</b>		<b>\$78,027,900</b>	<b>75.3%</b>
<i>Hawthorne Corridor</i>				
0 - 1/4 Mile	3,465	\$5,200	\$18,018,000	12.5%
1/4 - 1/2 Mile	7,292	\$2,400	\$17,500,800	12.2%
1/2 - Primary	8,218	\$1,800	\$14,792,400	10.3%
Primary - Secondary	33,685	\$800	\$26,948,000	18.7%
<b>Total</b>	<b>52,660</b>		<b>\$77,259,200</b>	<b>53.7%</b>

Source: Economics Research Associates, ESRI, and InfoUSA

Based on the reported sales within the inner study area, market support from the walkable (half mile) area represents between 13 and 14 percent for the centers and 25 to 39 percent for the corridors (Figure 58). The low level of support in the centers can be explained due to the low number of existing households in the half mile and relatively high level of sales. Consequently, the centers are attracting a large portion of market support from outside the walkable market shed. The corridors, in contrast, have a larger number of households based on the designated half mile buffer around the one mile corridor. The required market support in these areas is also

less due to the lower levels of reported retail sales (relative to the centers). The Artesia Corridor, in particular, benefits from a large number of households with high incomes and the Albertsons grocery store located in the center of the corridor.

**Figure 58**  
**Estimated Half-Mile Support of Retail Sales**  
**2007**

---

	Retail Sales in Inner Study Area	1/2 Mile Support
Riviera Village	\$155,166,000	13.3%
Downtown Torrance	\$41,465,000	14.0%
Artesia Corridor	\$103,595,000	38.5%
Hawthorne Corridor	\$143,890,000	24.7%

---

Source: Economics Research Associates, ESRI, and InfoUSA