



# CITY OF NORWALK

## ECONOMIC DEVELOPMENT OPPORTUNITIES PLAN UPDATE

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# INTRODUCTION

The City of Norwalk (“City”) originally retained Kosmont Companies (“Kosmont”) in March 2018 to develop an Economic Development Opportunities Plan (“EDOP”) which highlighted demographic and market information and identified key economic development nodes for future development. The EDOP was adopted by the Norwalk City Council on October 2, 2018.

The City is interested in updating the EDOP (“EDOP Update”) to reflect demographic changes, land use trends, and major development that is occurring throughout the City (e.g., Norwalk Entertainment District, Norwalk Transit Village). Current and historic data is used to evaluate opportunities, constraints, and demand for various land use typologies in Norwalk (e.g., multifamily residential, hospitality, retail, office, industrial/flex space). The EDOP Update revisits the 10 economic nodes previously identified and determines, with cooperation from City staff, if older nodes should be removed or have their boundaries revised and if new nodes should take priority. A Strengths, Weaknesses, Opportunities, and Threats (“SWOT”) analysis is conducted to evaluate development potential of the economic nodes and highlights progress made from 2018 EDOP.

Kosmont will collaborate with City staff and Council and present a draft of the analyses and solicit comments from key stakeholders (businesses and community partners) at a series of public outreach meetings. Findings from these meetings will be summarized in the EDOP Update. Drawing on information found in the analytical portion of the EDOP Update and reviewing strategies outlined in the 2021 Strategic Plan, Kosmont will provide a roadmap of next steps, economic development tools, and funding mechanisms / development incentives for the key economic nodes.

To date, Kosmont has completed updating the economic and demographic profile for the City, market demand analysis, SWOT of key economic development nodes, along with highlighting economic development tools. Kosmont is now presenting the draft EDOP Update to City Council. Following City Council feedback, Kosmont in collaboration with City staff will attend the ICSC conference in Vegas, review the 2021 Strategic Plan, conduct stakeholder meetings, and focus on economic development tools (e.g., tax increment financing district) and implementation strategies. Kosmont will finalize the EDOP Update and present to City Council for consideration of adoption this year.

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# EXECUTIVE SUMMARY

## CITY OF NORWALK – EDOP

# EXECUTIVE SUMMARY

## ECONOMIC AND DEMOGRAPHIC PROFILE

### City Revenue Information

- Historically, Norwalk receives 42% of its tax revenue from property taxes and 25% from sales tax
- Transient Occupancy Tax (“TOT”) is about 4% of Norwalk’s historical tax revenues. Comparatively, TOT is 8% of tax revenues for California cities. TOT could be an area of potential revenue growth for the City
- City is not relatively overexposed to sales or hotel tax risk
- Sales tax revenues in Norwalk have grown by 30% between 2016 and 2021 (5.4% per year). Over the same period, sales tax revenue from Norwalk to the County Pool has doubled
- County Pool revenues have grown significantly due to rise in e-commerce sales, particularly during the COVID-19 pandemic (43.5% increase from 2019 to 2020)
- While the pandemic caused a decline in overall sales tax revenue, the City recovered quickly and sales tax revenues in 2021 exceeded 2019 (pre-COVID) revenues by over \$900K

### Population and Household Demographics

- 8% population decline from 2017 to 2022 and slight decline in number of households in Norwalk. Current population is ~100,900 residents and ~27,700 households. Similar reduction in population can be observed in the population within a 5-mile radius of Imperial Hwy. and Norwalk Blvd.
- Average household size in the City decreased in last five years from 3.87 to 3.61, but remains much higher compared to County and State
- Median age grew across geographies, but Norwalk (34.3) remains slightly younger than County and State. 51% of Norwalk residents are under 35
- Norwalk is a more affordable City (21% lower than County); 62% owner-occupied units, 35% renter occupied
- Education levels are correlated with incomes. Educational attainment in Norwalk is lower compared to County and State. The average household income in Norwalk is 18% lower and 24% lower than County and State, respectively. However, number of households in Norwalk earning over \$100,000 annually increased by 65% in last five years
- Residents spend \$674 million per year on key retail goods and services (groceries, restaurants, gasoline, vehicle payments, and apparel)

# EXECUTIVE SUMMARY

## ECONOMIC AND DEMOGRAPHIC PROFILE (CONT'D)

### Employment

- Unemployment in the City increased by 200% in 2020, due to COVID-19 pandemic. Since year-end 2020, unemployment has decreased and reached pre-pandemic levels in November 2022
- More residents leave the City for work than those that come into Norwalk for work, yielding a **net outflow** of jobs. Residents go to Los Angeles, Santa Fe Springs, Long Beach, Anaheim, and Cerritos for work
- Employees who work in the City are employed in the following industries: health care and social assistance, educational services, retail trade, admin. and support, and wholesale trade and are coming from Los Angeles, Long Beach, Anaheim, Downey, and La Mirada
- Jobs/Housing ratio for Norwalk is 0.84, smaller than County and State (1.26 and 1.21, respectively), indicating possible need for more jobs in the City

### Visitation Trends

- The COVID-19 pandemic saw a decline in visits to the City. Average weekly visits declined by 30% and 19% for visitors and employees in 2020, respectively
- Average weekly visits to the City by visitors increased by 23% in 2021 and by another 4% in 2022. It took a year and five months for the number of visits among visitors to the City to return to pre-pandemic levels
- Average weekly visits to the City by employees continued to decline in 2021 by 2%, suggesting further closures and employees working from home. However, in 2022, the average weekly visits by employees increased by 28%. It took approximately one year and ten months for the average weekly visits among employees to reach pre-pandemic levels
- Norwalk is a local draw among both visitors and employees. 69% of visitors to the City and 83% of the City's employees come from less than 7 miles away

# EXECUTIVE SUMMARY

## MARKET DEMAND ANALYSIS

### Market Trends

- *Retail:* Retail store closures, bankruptcies, and e-commerce has changed economics of retail centers; Retail centers are being reimaged into mixed/blended use developments; Retail is driven by trip-generators like entertainment, experience, and essential
- *Office:* Leasing activity has declined as remote work becomes new normal; shift to suburban offices and integrating office amenities in blended use environments
- *Industrial:* E-commerce is accelerating growth of industrial; Significant demand for fulfillment, last-mile, flex / R&D, and warehouse facilities
- *Residential:* Home have become live, play, and **work** environments; Home offices are the new home amenity as single and multifamily housing projects are designed to accommodate work space
- *Hospitality:* The hospitality sector (including conventions and tourism) was hurt significantly by the COVID-19 pandemic; Leisure travel is showing signs of rebounding

### Market Demand Analysis

- Kosmont observed the market demand for retail, office, industrial (including flex space), residential (multifamily) and hospitality (hotel) uses in the City
- Existing supply conditions from the most recent available quarter (Q4 2022) were observed in the City, a five-mile radius from Pioneer Blvd. and Rosecrans Ave. (“five-mile radius”), and Los Angeles County
- Retail:
  - Limited demand for retail space given e-commerce trends, however new Sprouts opened March 2023 on southern end of City
  - Retail vacancy is currently **higher** than the 5-mile radius and the County, this has also been the case over the last ten years; Current retail rents are **on par** with the 5-mile radius, but **lower** than the County
  - City added 112,700 SF of retail space in the last ten years, most of which is food and fitness; This accounts for 8% of retail growth in the 5-mile radius

# EXECUTIVE SUMMARY

## MARKET DEMAND ANALYSIS (CONT'D)

### Market Demand Analysis (cont'd)

#### ■ Retail (cont'd):

- ~971,800 SF of retail space over 40 years old could be replaced or reimaged in a blended-use project\*
- Key retail categories exhibiting leakage include full-service restaurants, health and personal care stores, grocery stores, and clothing stores (these categories could possibly be targeted for future development); It is important to note the Sprouts Farmers Market that opened in March 2023 will backfill some of the leakage presented in the grocery category
- Retail sales from clothing stores are not only leaking to the internet, but also to neighboring cities. Norwalk residents tend to shop at retail centers in Cerritos and Downey for clothing
- In terms of health and personal care, however, Norwalk residents are shopping locally. There are five health and personal care stores in the City that service Norwalk residents, though most are in the northern half of the City (at or above Rosecrans Ave.)

#### ■ Office:

- Small, older office market with limited inventory added to the market over the last ten years (14,000 SF across four buildings); No new office construction since 2018
- Office vacancy is **higher** than that of the 5-mile radius and **lower** than the County; Office rents are **on par** with the 5-mile radius, but **lower** than the County, demonstrating limited demand
- Much of the office vacancy can be attributed to the Norwalk Govt. Center (464K SF building with 11.1% vacancy)
- Demand for office space is further limited as there is no office space currently planned, proposed, or under construction
- 60% of the entire office market in Norwalk is contained within three government buildings older than 40 years. Given those buildings are unlikely to be replaced, half of the remaining older office space (~252,300 SF) could be replaced or reimaged as part of a blended-use project\*



# EXECUTIVE SUMMARY

## MARKET DEMAND ANALYSIS (CONT'D)

### Market Demand Analysis (cont'd)

#### ■ Industrial / Flex:

- Small and strong industrial market (3.3M SF, 0.4% vacancy)
- Industrial vacancy in the City is **lower** and industrial rents are **lower** compared to the 5-mile radius and the County
- 24,900 SF of industrial space added in last 10 years
- Although no industrial space is currently planned, proposed, or under construction, demand for industrial space is strong given the increasing presence of e-commerce and greater need for warehouse, last-mile delivery, and smaller sorting facilities.
- The industrial market in the City is older with 84% of the industrial space older than 40 years. We estimate a quarter of this existing industrial space (694,300 SF) could be reimaged or upgraded to accommodate e-commerce needs

#### ■ Multifamily Residential:

- Strong multifamily residential market\* in the City (2.2% vacancy); Vacancy and rents are **on par** with the 5-mile radius and **lower** than the County; Historically, vacancies have been at or below 3.5%
- 86% of units are market-rate, 14% are affordable; Senior housing accounts for 18% of housing units and 71% of senior units are affordable
- 89 new residential units have been built in the City over the last ten years (accounts for 2% of new construction in the 5-mile radius); Two major projects (Norwalk Entertainment District and Norwalk Transit Village) have been proposed and will add between 1,000 and 1,120 new units combined
- City may consider allocating greater density to future projects to meet the demand for housing and Regional Housing Needs Assessment ("RHNA") requirements (5,034 new units, 59% of which are affordable)

# EXECUTIVE SUMMARY

## MARKET DEMAND ANALYSIS (CONT'D)

### Market Demand Analysis (cont'd)

- Hospitality:
  - 62 hotels totaling 4,128 rooms exist within the 5-mile radius; Norwalk contains 18% of the hotel rooms in the market; Most hotels in Norwalk are independently-operated, economy-class hotels
  - Summer months are the most successful period with occupancy, ADR, RevPAR peaking in July; Hotels perform worst in winter
  - Prior to the COVID-19 pandemic, hotel occupancy averaged 76.6%. Due to the lockdowns and lack of business and leisure travel, occupancy and demand for room nights both dropped by 29%
- As leisure travel rebounds, occupancy and demand for room nights have gradually increased but demand for room nights does not exceed supply of room nights
- Given limited number of midscale / upscale hotel options in the City, there could be demand from a larger chain to open (e.g., Marriott has expressed interest in Norwalk Transit Village)

# EXECUTIVE SUMMARY

## SWOT ANALYSIS AND PROGRESS

### EDOP Nodes and SWOT Analysis

- Economic nodes are defined by strategic areas across the City comprised of corridors, existing and proposed development projects, and specific sites with development / redevelopment opportunities. 10 economic nodes were observed (nine from the 2018 EDOP, plus one new node)
- For each node, Kosmont provided the following:
  - An area profile with an aerial map of the node along with key information regarding the size of the node (number of parcels and acreage), the zoning associated with the node, major access points to arterials and freeways, and highlighted the progress that has been made at the node since the adoption of the 2018 EDOP
  - The vision and the potential opportunities that can occur at the node.
  - A Strengths, Weaknesses, Opportunities, and Threats (“SWOT”) Analysis

### Progress Table by Node

#	EDOP Node	Progress from 2018 EDOP
1	605 Fwy. / Firestone	<ul style="list-style-type: none"> <li>• Fmr. Office Depot converted to Chick-Fil-A</li> <li>• Expansion/enhancement of auto dealer</li> </ul>
2	Firestone / San Antonio Nodes	<ul style="list-style-type: none"> <li>• Located within Heart of Norwalk Specific and Vision Plans; Developer interest</li> </ul>
3	Imperial / Pioneer	<ul style="list-style-type: none"> <li>• Acquisition of fmr. Walmart building in pursuit of redevelopment</li> </ul>
4	Civic Center / Entertainment District	<ul style="list-style-type: none"> <li>• Primestor project will contain 110K SF of commercial, 100K SF open space, and up to 350 residential units with added parking</li> </ul>
5	Prof. Office Development Center	<ul style="list-style-type: none"> <li>• New supportive retail uses opened across Imperial Hwy. (Norwalk Fitness Village)</li> </ul>
6	Norwalk Transit Village (Former Cal. Youth Authority)	<ul style="list-style-type: none"> <li>• Lewis’ Norwalk Transit Village includes 15K SF commercial, 120-room hotel, 595 market-rate and affordable apts. and 120 townhomes</li> </ul>
7	Five Points	<ul style="list-style-type: none"> <li>• Vacant Ralph’s filled with AltaMed Pace</li> <li>• Milagro Cinemas replacing Regency Theatres at Norwalk Town Square</li> </ul>
8	Historic Front Street	<ul style="list-style-type: none"> <li>• Primestor P3 project to redevelop SEC Firestone Blvd. and San Antonio Dr.</li> </ul>
9	Alondra / Pioneer	<ul style="list-style-type: none"> <li>• Sprouts opened March 2023</li> <li>• Fmr. Swap Meet site has been entitled (to be redeveloped with 209 market-rate apts.)</li> </ul>
10	Former Food 4 Less*	<ul style="list-style-type: none"> <li>• Continued outreach to broker / representative of property owner; Planned new retail</li> </ul>

# EXECUTIVE SUMMARY

## ECONOMIC DEVELOPMENT TOOLS

### Economic Development Tools

- Norwalk can utilize several economic development tools to attract, finance, and optimize development
- TIF districts, including enhanced infrastructure financing districts (“EIFD”), can capture property taxes from increases in assessed value to fund infrastructure and development projects
- Development Opportunity Reserve (“D.O.R.®”) can be used to give density to projects that provide community benefits
- Sales Tax Assessment Revenue (“STAR\*®”) can be used to create a revenue stream equivalent to a potential loss in sales tax revenue from entitlement and development agreement negotiations
- Business Expansion, Attraction, and Retention (“BEAR”) strategies can be utilized to maintain high sales tax revenue generating businesses and attract major retail to development projects
- Additionally, the City could consider leveraging existing City-owned assets to increase revenues, use lease revenue bonds or lease-leaseback structures to fill financial gaps in development, and apply for grants to fund future projects



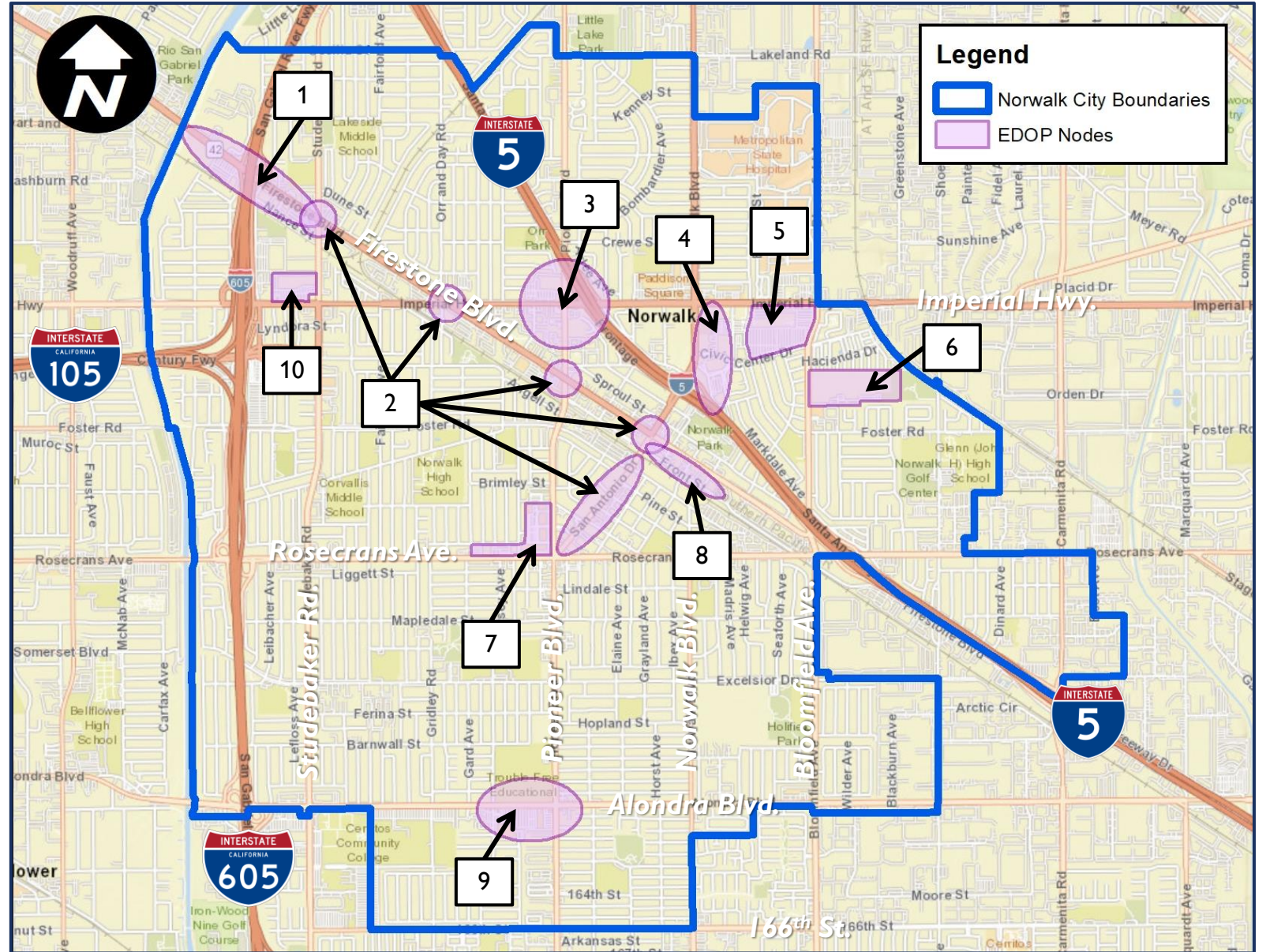
# 1. EDOP NODES AND SWOT ANALYSIS

CITY OF NORWALK – EDOP

# CITY BOUNDARIES AND EDOP NODES

Economic nodes are defined by strategic areas across the City comprised of corridors, existing and proposed development projects, and specific sites with development / redevelopment opportunities.

#	EDOP Node	Status
1	605 Fwy. / Firestone	Existing
2	Firestone / San Antonio Nodes	Existing
3	Imperial / Pioneer	Existing
4	Civic Center / Entertainment District	Existing
5	Prof. Office Development Center	Existing
6	Norwalk Transit Village (fmr. Cal. Youth Authority)	Existing
7	Five Points	Existing
8	Historic Front Street	Existing
9	Alondra / Pioneer	Existing
10	Former Food 4 Less*	New



# SUMMARY OF EDOP NODES

#	EDOP Node	Vision & Opportunities
1	605 Fwy. / Firestone	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Promote economic development by attracting / retaining retail</li> <li>➤ Possibly aggregate adjacent properties</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Attract / retain commercial along Firestone Blvd.</li> <li>➤ Cooperate with business and property owners to maintain vibrancy</li> </ul> </li> </ul>
2	Firestone / San Antonio Nodes	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Area is within Heart of Norwalk Specific Plan – opportunity to create further blended use developments</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Limit traffic on San Antonio Dr. to promote walkability</li> <li>➤ Aggregate property for potential development / reuse</li> <li>➤ Opportunity to redevelop vacant buildings / parcels along Firestone Blvd.</li> </ul> </li> </ul>
3	Imperial / Pioneer	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Business attraction for consumer serving uses</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Retrofit / rehab large existing building to accommodate new uses</li> </ul> </li> </ul>

# SUMMARY OF EDOP NODES (CONT'D)

#	EDOP Node	Vision & Opportunities
4	Civic Center / Entertainment District	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Attract entertainment, hotel, restaurant, grocer, and accommodate additional housing in a blend of uses</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Proposed project is a P3 deal including leasing of City-owned land to Primestor without compromising existing civic uses</li> <li>➤ Project would contain up to 110K SF of commercial (restaurant, grocer, health/wellness facilities, supporting retail); 100K SF of open space; and up to 350 residential units with accompanying parking</li> </ul> </li> </ul>
5	Professional Office Development Center	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Large employment base for the City with high-paying jobs</li> <li>➤ Daytime population supports surrounding retail (e.g., Norwalk Fitness Village) along with future Entertainment District</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Possible revitalization of existing office buildings with proposed developments</li> <li>➤ Monitor local office market given new hybrid working environment</li> </ul> </li> </ul>



# SUMMARY OF EDOP NODES (CONT'D)

#	EDOP Node	Vision & Opportunities
6	Norwalk Transit Village (Former California Youth Authority)	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Transform the former California Youth Authority correctional facility into a major transit-oriented development</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Norwalk Transit Village as proposed by Lewis includes 650-770 residential units (townhomes and multifamily apartments, 40% of units will be affordable), open park space, commercial uses, a potential hotel, and a pedestrian walkway connecting the development to the Norwalk / Santa Fe Springs Metrolink station</li> </ul> </li> </ul>
7	Five Points	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Located in the Heart of Norwalk Specific Plan area</li> <li>➤ Creation of a central town square development providing additional uses, including housing</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Backfill vacant / underutilized retail space and add a blend of uses to the node</li> <li>➤ Cooperate with multiple businesses / owners to revitalize this node</li> <li>➤ Business retention / attraction</li> </ul> </li> </ul>

# SUMMARY OF EDOP NODES (CONT'D)

#	EDOP Node	Vision & Opportunities
8	Historic Front Street	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Located in the Heart of Norwalk Specific Plan area</li> <li>➤ Create a trendy, walkable district along Front St. with an emphasis on local artisans and local food / brewery options</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Available space in existing commercial buildings</li> <li>➤ Development on SEC Firestone Blvd. and San Antonio Dr. by Primestor can spur development along Front St.</li> </ul> </li> </ul>
9	Alondra / Pioneer	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Create a corridor that capitalizes on daytime population from Cerritos College and serves as a southern gateway to the City</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Redevelop SWC Pioneer / Alondra Blvds. (Alondra Square has significant vacancy)</li> <li>➤ Aggregate properties for reuse</li> <li>➤ Unifying look and gateway entrance</li> </ul> </li> </ul>
10	Former Food 4 Less	<ul style="list-style-type: none"> <li>▪ Vision:               <ul style="list-style-type: none"> <li>➤ Create blended use development in a western entry point of the City</li> </ul> </li> <li>▪ Opportunities:               <ul style="list-style-type: none"> <li>➤ Blended-use development project that could include housing and retail with excellent freeway and arterial access</li> <li>➤ Leverage the adjacency to successful Costco</li> </ul> </li> </ul>

# STRATEGIC AREA #1: 605 FWY. / FIRESTONE

## AREA PROFILE:

- Size: 2/3-mile corridor with multiple commercial uses and some residential; Approx. 29 parcels over 40 acres of land
- Zoning: C3, M1, R3, and SPA 13 (Commercial office and hotel zone); SPA 13 allows for hotel, retail, and professional offices. Drive thru businesses require conditional use permit (“CUP”)
- Access: Connectivity to 605 Fwy., Firestone Blvd., and Studebaker Rd.

## PROGRESS:

- Former Office Depot converted to a top fast-casual, drive-thru restaurant (Chick-Fil-A). Major conversion from low sales tax generating retailer to top sales tax generator; Expansion/enhancement of auto dealer
- Audi finished renovation, BMW currently under construction, Porsche slated for upgrades



# SWOT ANALYSIS

## 605 FWY. / FIRESTONE



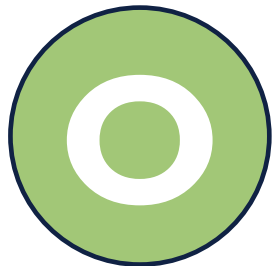
### Strengths

- Strong traffic counts; Great visibility on major arterial (Firestone Blvd.); On/off ramp of 605 Fwy.
- Surrounded by many high-profile businesses; Chick-Fil-A recently filled former Office Depot space
- North-western gateway to the City
- Chick-Fil-A replaced vacated Office Depot



### Weaknesses

- Multiple ownership
- Mostly built out



### Opportunities

- Reuse or reinvigorate former retail space by blending additional uses – e.g. multifamily residential, industrial
- Backfill vacant space at Firestone Shopping Center (center anchored by Smart & Final)



### Threats

- Coordination with multiple businesses and property owners

# STRATEGIC AREA #2: FIRESTONE / SAN ANTONIO NODES

## AREA PROFILE:

- Size: 2-mile corridor along Firestone Blvd. with four nodes at key intersections and a ½ mile corridor along San Antonio Dr.
- Zoning: CO, C1, C3, M1, PUD 1, PUD 3, R1, R3, R4, SPA 3 (multifamily residential and commercial zone), SPA 6 (multifamily residential zone), SPA 12 (Norwalk mini-storage facility), SPA 14 (high-density residential apartments)
- Access: Arterial roads include: Firestone and Pioneer Blvds., Imperial Hwy., and Pioneer Blvd.

## PROGRESS:

- Much of this area is located within the Heart of Norwalk Vision Plan and Specific Plan and developer interest



# SWOT ANALYSIS

## FIRESTONE / SAN ANTONIO NODES



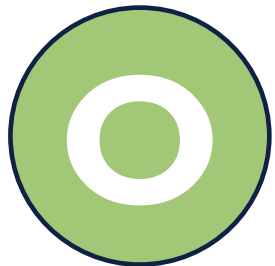
### Strengths

- Infill real estate with strong arterial boundaries culminating at “5 Points”
- Strong traffic counts – significant visibility
- Adjacent residential communities with potential for walkable nodes along the corridor
- Located within Heart of Norwalk Specific and Vision Plan



### Weaknesses

- Multiple owners and businesses along the corridor
- Aging real estate
- Smaller parcel sizes may require aggregation of parcels to create a large scale project



### Opportunities

- Potential to aggregate parcels for redevelopment
- Opportunity to revitalize aging retail and re- envision space as blended use
- Create a walkable district along San Antonio Dr. by slowing or stopping traffic



### Threats

- Coordination with multiple businesses and property owners
- 3<sup>rd</sup> party investment based on economic feasibility and zoning

## STRATEGIC AREA #3: IMPERIAL / PIONEER

### AREA PROFILE:

- Size: 80-acre node from intersection of Imperial Hwy. and Pioneer Blvd. (includes 111,830 SF former Walmart on 9.5-acre parcel)
- Zoning: C3, P
- Access: On/off ramp to 5 Fwy.; Arterial roads: Imperial Hwy. and Pioneer Blvd.

### PROGRESS:

- Acquisition of former Walmart building in pursuit of redevelopment



# SWOT ANALYSIS

## IMPERIAL / PIONEER



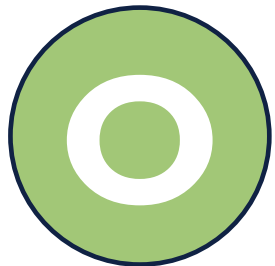
### Strengths

- Large existing building that needs to be backfilled (former Walmart)
- Excellent freeway and arterial access
- One owner



### Weaknesses

- Local community opposed to heavy industrial uses, despite strong industrial demand
- Unlike the building's previous use, unlikely to backfill space with purely retail



### Opportunities

- In pursuit of new tenant providing consumer serving uses at former Walmart building
- Reuse or reinvigorate former retail space by blending additional uses including housing



### Threats

- Ability to acquire high sales tax generating tenant
- Higher interest rates and inflation may delay future development



# STRATEGIC AREA #4: CIVIC CENTER / ENTERTAINMENT DISTRICT

## AREA PROFILE:

- Size: Approx. 13 parcels totaling 32.5 AC
- Zoning: Civic Center / Entertainment District Specific Plan; SPA 1 (hotel, office, accessory commercial zone)
- Access: Major arterials Imperial Hwy. and Norwalk Blvd.; Access from 5 Fwy. via Imperial Hwy. on/off ramp

## PROGRESS:

- Specific Plan approval and public-private transaction for blended use project with Primestor
- Project will contain up to 110,000 SF of commercial space (incl. restaurants, grocers, retail, health/wellness), 100,000 SF of open space areas, and up to 350 residential units with additional parking spaces



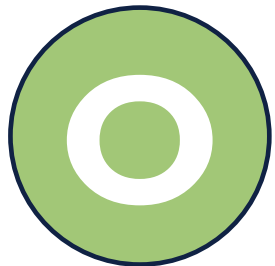
# SWOT ANALYSIS

## CIVIC CENTER / ENTERTAINMENT DISTRICT



### Strengths

- Strong residential demand
- Trip-generating and experiential uses are the trend in today's retail
- Up to 350 new housing units will help meet Regional Housing Needs Assessment ("RHNA") requirements
- Existing Civic services would not need to be relocated
- Specific Plan approved



### Opportunities

- Creation of Entertainment District with a blend of uses, including housing
- Fiscal impact revenue generation from commercial/retail vs. civic uses
- Support from nearby hospitality, retail, and office projects



### Weaknesses

- Location would have significantly higher levels of traffic (resident, visitor, and daytime employee population)



### Threats

- High capital investment costs required and timeline
- Higher interest rates and inflation may delay future development

# STRATEGIC AREA #5: PROFESSIONAL OFFICE DEVELOPMENT CENTER

## AREA PROFILE:

- Size: 5 parcels totaling 30.6 acres
- Zoning: CO, PF
- Access: Via major arterials Imperial Hwy. and Bloomfield Ave.

## PROGRESS:

- New supportive retail uses across Imperial Hwy. (Norwalk Fitness Village)



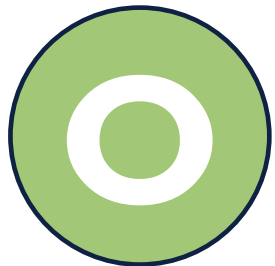
# SWOT ANALYSIS

## PROFESSIONAL OFFICE DEVELOPMENT CENTER



### Strengths

- ~31 acres of property on a major commercial / retail corridor of the City
- Strong traffic counts with access to the 5 Fwy.
- Adjacent to Norwalk / Santa Fe Springs Station with links to L.A. and Orange County bus lines and Metrolink trains
- Connectivity to future Entertainment District; New retail uses (e.g., Norwalk Fitness Village) across Imperial Hwy.



### Opportunities

- Supports neighboring entertainment district
- Multiple office job types (high-paying vs moderate and private/professional vs govt.)



### Weaknesses

- Three parcels owned by the County, other two parcels are privately owned
- Limited City input into uses
- Timing of ownership entitlement and development
- Potential relocation of County offices



### Threats

- Cooperation between L.A. County, City, and private owner
- Higher interest rates and inflation may delay future development

# STRATEGIC AREA #6: NORWALK TRANSIT VILLAGE (FMR. CALIFORNIA YOUTH AUTHORITY)

## AREA PROFILE:

- Size: ~32.2 AC
- Zoning: I (to be rezoned)
- Access: Bloomfield Ave., close to Imperial Hwy. and Norwalk / Santa Fe Springs Metrolink Station

## PROGRESS:

- AB 518 that recognized the conversion of this decommissioned complex to 40% affordable housing; City working with State to purchase the property;
- Ongoing extensive collaboration with development partner (Lewis); Interest from national brand hotel group
- Master Program includes 15,000 SF commercial (incl. dining), 120-room hotel, 315 market-rate apartments, 280 affordable apartments, and 105 townhomes



# SWOT ANALYSIS

## NORWALK TRANSIT VILLAGE (FMR. CALIFORNIA YOUTH AUTHORITY)



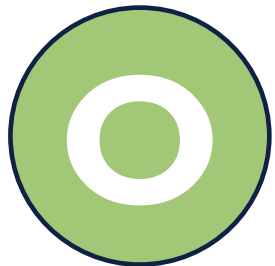
### Strengths

- Connectivity to Bloomfield Ave., Imperial Hwy., and the 5 Fwy.
- Adjacent open space (Zimmerman Park)
- Developer selected for project (Lewis)
- AB 518 allowed for City to purchase property from the State



### Weaknesses

- Limited access points
- Timing and control of property transfer
- Bond required for acquisition



### Opportunities

- Developer-proposed Norwalk Transit Village will provide 650-770 units of housing (40% affordable), complementary, community-serving retail uses, and connectivity to Norwalk / SFS Station via pedestrian walkway



### Threats

- Coordination with State to sell property
- Long-term project will require significant capital investments and time
- Higher interest rates and inflation may delay future development

## STRATEGIC AREA #7: FIVE POINTS

### AREA PROFILE:

- Size: Approx. 27 parcels totaling 20 acres
- Zoning: C3, P
- Access: Pioneer Blvd., Rosecrans Ave., San Antonio Dr.

### PROGRESS:

- Continued collaboration with major property owner / stakeholder; Recent vacant Ralph's backfilled with AltaMed Pace facility
- Milagro Cinemas (part of Maya Cinemas) replacing Regency Theatres



# SWOT ANALYSIS

## FIVE POINTS



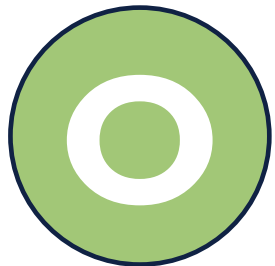
### Strengths

- Adjacent businesses, retail (Norwalk Town Square), and residential communities
- Central focus of the City with connectivity to major arterials
- Recent major vacancy (former Ralph's) backfilled with AltaMed facility
- Strong traffic counts
- Located within Heart of Norwalk Specific Plan area



### Weaknesses

- Multiple owners of real estate



### Opportunities

- Revitalize / redevelop aging real estate (particularly underperforming retail) into a blend of uses (possibly including housing)



### Threats

- Multiple property owners and businesses may make redevelopment and improvements challenging
- Potential
- Parking issues
- Higher interest rates and inflation may delay future development



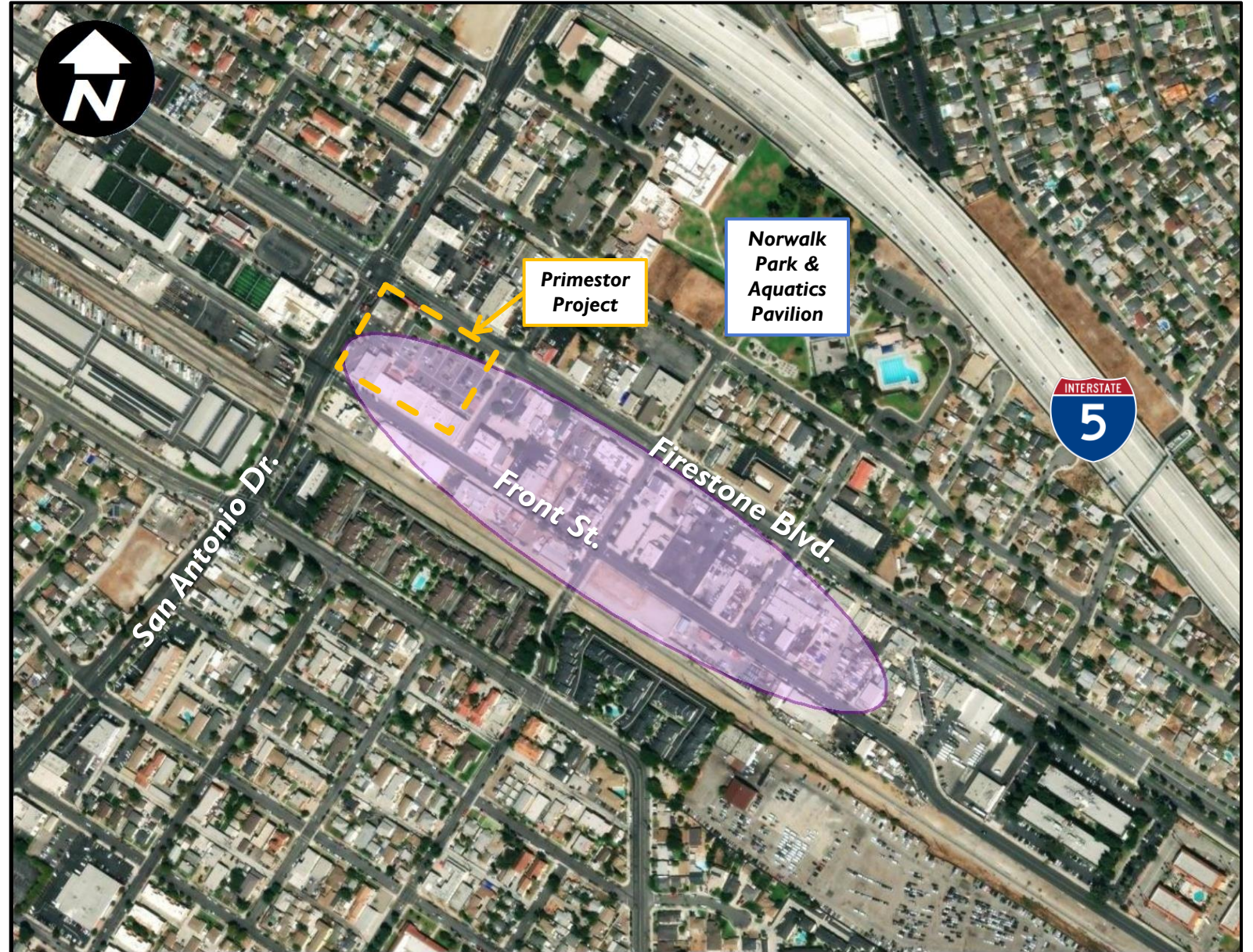
## STRATEGIC AREA #8: HISTORIC FRONT STREET

### AREA PROFILE:

- Size: Approx. 63 parcels totaling 14.4 acres of land
- Zoning: C3, CM, M1, SPA 3 (Multifamily residential and commercial), SPA 4 (Townhouse Condominiums and Accessory Uses Zone)
- Access: Front St., Firestone Blvd., San Antonio Dr.; Close access to the 5 Fwy.

### PROGRESS:

- Public-private partnership and collaboration with Primestor to redevelop SEC of Firestone Blvd. and San Antonio Dr.



# SWOT ANALYSIS

## HISTORIC FRONT STREET



### Strengths

- Connectivity to major arterial roads and the 5 Fwy.
- Major Primestor development will revitalize center on SEC of Firestone Blvd. and San Antonio Dr.
- Located within Heart of Norwalk Specific Plan area



### Weaknesses

- Lack of current pedestrian connectivity to surrounding economic nodes
- Lack of branding for the area
- Limited activity on Front St.



### Opportunities

- Leverage adjacent Primestor development to spur additional growth along Front St.
- Opportunity to create a trendy, walkable district along Front St. with an emphasis on local arts, food, breweries, etc.



### Threats

- Coordination with multiple property owners, operating businesses, and public agencies
- High capital investment costs required
- Higher interest rates and inflation may delay future development

# STRATEGIC AREA #9: ALONDRA / PIONEER

## AREA PROFILE:

- Size: Approx. 120 parcels totaling 70 acres of land)
- Zoning: C1, M1, P, R1, R3
- Access: Alondra and Pioneer Blvds., On/off ramp to 605 and 91 Fwys. on Alondra and Pioneer, respectively

## PROGRESS:

- Collaboration with private property owner to achieve a blended use project that includes Sprouts as a grocery anchor (opened March 2023);
- Former Swap Meet site has been entitled (to be redeveloped with 209 market-rate apartments)



# SWOT ANALYSIS

## ALONDRA / PIONEER



### Strengths

- Adjacency to Cerritos College and several residential communities; strong daytime population
- Connectivity to 91 and 605 Fwys., as well as major arterial roads
- Possible aggregation of parcels to create development of scale
- Opening of Sprouts in March 2023



### Weaknesses

- Not all properties available for redevelopment are on hard corners
- Multiple property owners
- Parking requirements
- Limited demand for new retail



### Opportunities

- Provide additional amenities to fulfill daytime student / employee population, in addition to local community
- Redevelop retail at SVWC Pioneer and Alondra (Alondra Square) which contains former H Mart
- Add new housing development on former Swap Meet site



### Threats

- Market feasibility of uses
- Higher interest rates and inflation may delay future development

## STRATEGIC AREA #10: FORMER FOOD 4 LESS

### AREA PROFILE:

- Size: Three parcels totaling 12.7 acres; Site contains two existing fast-food pads (3,878 SF and 2,627 SF) and a former Food 4 Less (102,600 SF)
- Zoning: C3
- Access: Arterials include Imperial Hwy. and Studebaker Rd.; On/off ramp to 605 Fwy. via Imperial Hwy.

### PROGRESS:

- Continued outreach to broker / representative of property owner; Planned new retail



# SWOT ANALYSIS

## FORMER FOOD 4 LESS



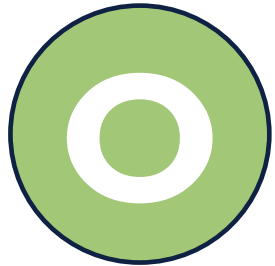
### Strengths

- Strong demand for multifamily housing
- Large existing building (former Food 4 Less)
- Excellent access to 605 Fwy. and major arterial roads



### Weaknesses

- Difficulty backfilling massive site / possible demolition
- Noise / traffic from Costco shoppers
- Complimentary uses to existing Costco



### Opportunities

- Creation of blended use in place of former grocery store
- Opportunity to build a project that compliments existing Costco and creates a western gateway to the City



### Threats

- Higher interest rates and inflation may delay future development



## 2. ECONOMIC DEVELOPMENT TOOLS

CITY OF NORWALK – EDOP

# ECONOMIC DEVELOPMENT TOOLS OVERVIEW

*UTILIZE THESE TOOLS TO ATTRACT, FINANCE, AND OPTIMIZE DEVT.*

<b>Special Districts for Infrastructure Financing CFD's, EIFD's, CRD's</b>	Use TIF and other district tools (such as Enhanced Infrastructure Financing Districts – EIFDs and Climate Resilience Districts) to capture taxes from assessed value increases to fund infrastructure needs
<b>Zoning and Land Use Strategies Development Opportunity Reserve (D.O.R.)<sup>®</sup></b>	Create flexible zoning and permitting requirements to adapt to market trends and customer dynamics; Develop a streamlined process for review / approval; Zoning and entitlements create value; Capture the value from zoning changes to link new density to community benefits and public amenities.
<b>Revenue Replacement Tools Sales Tax Assessment Revenue (STAR*)<sup>®</sup></b>	Create general fund revenues through development agreements / public-private partnerships via Sales Tax Assessment Revenue (STAR*) <sup>®</sup>
<b>Business Expansion, Attraction, and Retention (BEAR)</b>	Attract new businesses, retain and expand existing businesses to generate revenues (sales tax, TOT, business license fees) for the City
<b>Real Estate / Housing Strategies</b>	Use strategies to better utilize the value of city properties – performance-based leases / ground leases, monetizing assets (such as parking garages, selling property to private sector, etc.). State is mandating housing; cities can capture value from new housing developments
<b>Government Funding and Financing</b>	Financing mechanisms such as lease revenue bonds, lease-leaseback structures, and cash-flow management programs can be leveraged to fill financial gaps in projects and encourage private investment
<b>Grants and Other Public Funding</b>	Pursue grant funds available at the state and local level for infrastructure, housing, and other development projects

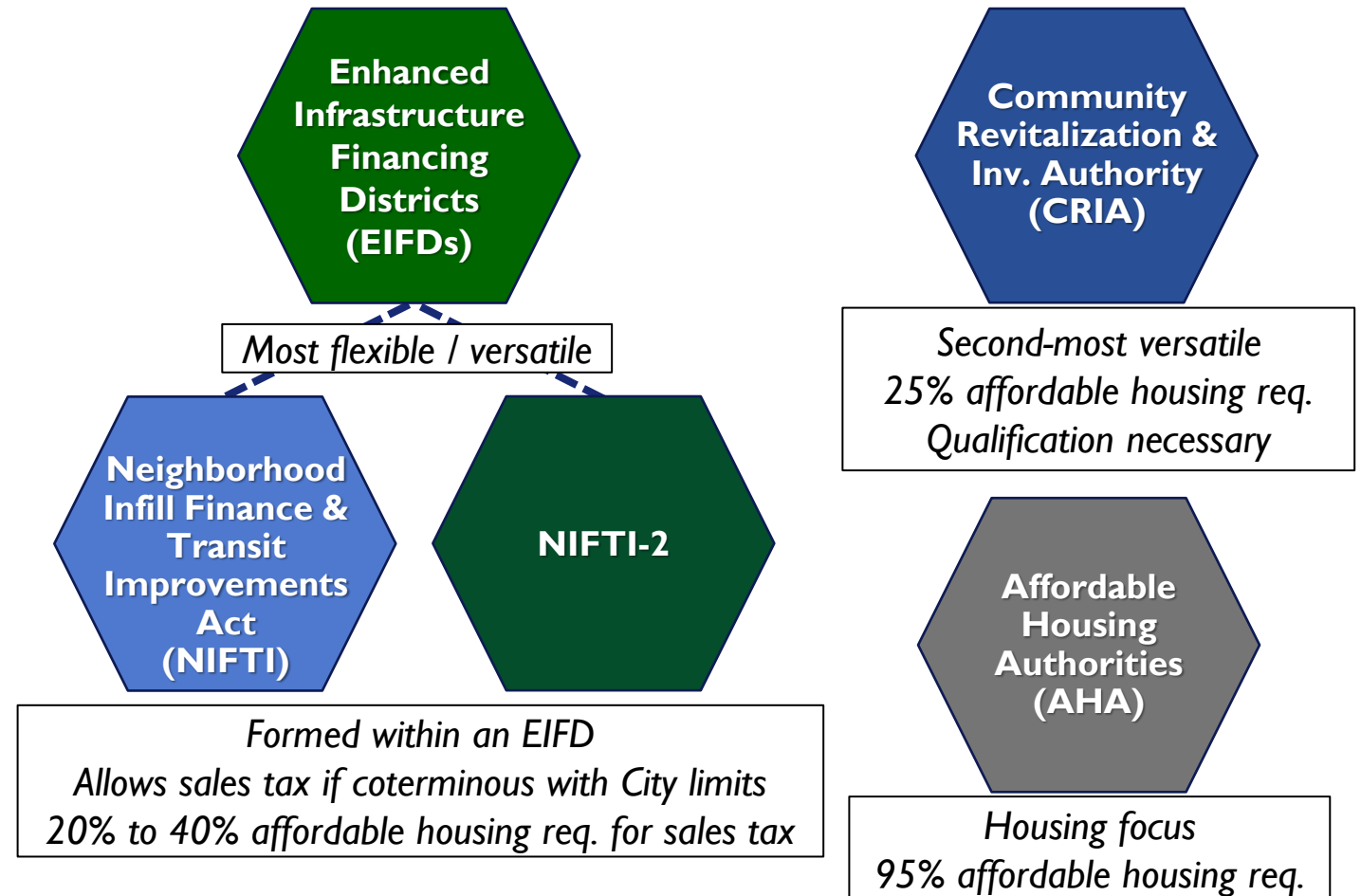


# SUSTAINABILITY AND HOUSING DISTRICTS

The state has created a variety of public financing district tools to accomplish:

- Sustainability
- Resiliency
- Mobility
- Housing
- Public infrastructure
- Public amenities

Use these districts to target infrastructure improvements, attract additional funds, support investor confidence, and bring a public / private sector return on investment.



# WHAT CAN SUSTAINABILITY & HOUSING DISTRICTS FUND?

Unlock investment by funding vital infrastructure with tax increment financing and other special district tools

**EIFD:** Enhanced Infrastructure Financing Districts

**CRIA:** Community Revitalization & Investment Authorities

**NIFTIs, AHAs, & IRFDs**

**WHOZ, HSD (CEQA Streamlining)**



Industrial Structures



Aff./Workforce Housing/Blended Use



Transit Priority/RTP/SCS Projects



Wastewater/Groundwater



Light / High Speed Rail



Civic Infrastructure



Parks & Open Space



Childcare Facilities



Brownfield Remediation

# WHY PUBLIC AGENCIES AUTHORIZE TIF DISTRICTS?

1. Return on investment: Private sector investment induced by district commitment accelerates growth of net fiscal revenues, job creation, housing production, essential infrastructure improvements
2. Ability to attract additional funds – tax increment from other entities (cities, special districts), federal/state grants/loans (e.g. for TOD, water, housing, and parks)
3. Ability to bundle other revenues – sales tax, property tax in lieu of VLF, ground lease, development impact fees, developer contributions
4. Implement infrastructure, housing and climate action goals; non-contiguous districts allow targeting specific areas
5. Long-term, committed revenues support investor confidence
6. Districts are evolving economic development tools: State is moving to a greener economy, has added 5+ new districts and approved over 2 dozen statutes for sustainability and housing in the past four years; District flexibility, effectiveness, and revenue sources expand with each legislative session
7. No new taxes

# EIFD FUNDAMENTALS

<b>Term</b>	45 years from first bond issuance
<b>Governance</b>	Public Financing Authority (PFA) led by city or county implements Infrastructure Financing Plan (IFP) – IFP is the investment plan of the EIFD, managed by the PFA
<b>Eligibility</b>	City, County, Special District; school district increment exempt
<b>Approvals</b>	Mandatory public hearings for formation (includes protest opportunity); no public vote to issue debt (updated as of 10/9/19 with adoption of AB 116)
<b>Eligible Projects</b>	Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, and <b><u>maintenance</u></b>

# EIFD WITH A POTENTIAL CITY/COUNTY PARTNERSHIP

- Ideal strategy includes a County contribution
  - Norwalk receives approximately **9.5%** of every \$1 collected in property taxes on average (varies by Tax Rate Area)
  - City additionally receives equivalent of approximately **15.1%** of property tax in lieu of MVLF, also available to EIFD
  - County receives approximately **23.4%** of every \$1 collected in property taxes on average
  - School-related entities cannot participate
- TIF Districts which involve a City / County joint effort are more likely to win state grant funding sources

## Federal & State Sources

- Cap-and-Trade / HCD grant & loan programs (AHSC, IIG, TCC)
- Prop 1 bond funds / Prop 68
- SB 1 Road funds
- SB 2 Transfer Tax funds
- Federal DOT / EPA / EDA funding



## Other Potential Funding Sources

- Property tax revenue including RPTTF
- Vehicle license fee (VLF) prop. tax backfill increment
- Development Agreement / impact fees
- Benefit assessments (e.g. contribution from CFD)
- Local transportation funding (e.g. Measure M/R)
- Private investment

# OTHER DISTRICT TOOLS

<p><b>Property Business Improvement Districts (PBID)</b></p>	<p>Property Business Improvement Districts are special assessments levied on real property to fund improvements and promote activities the benefit the properties located within the PBID area. This includes capital improvements, parking facilities, street / streetscape improvements, lighting and landscaping, marketing and promotion, and business attraction / retention. The special assessment amount that each property owner pays must be directly proportional to the benefit received.</p>
<p><b>Community Facilities District (CFD)</b></p>	<p>Community Facility Districts are a new property assessment or "special tax" that appears as a separate line item on a tax bill and can be used to fund infrastructure / services that benefit the property. This includes transportation, parking, street / utility improvements, hazardous waste remediation, street lighting / sidewalk, and public services. CFDs are useful because they provide early financing for a variety of critical services and infrastructure. CFDs also pair well with EIFDs as a value capture strategy – with CFDs providing early funding and EIFDs providing funds as projects are constructed, and tax increment grows.</p>
<p><b>Parking Authority District</b></p>	<p>Parking Authority Districts can utilize a variety of funding sources – including bonds, ad valorem taxes, user fees, parking meter charges, parking revenues, and City / County contributions – to fund improvements such as parking lots, structures, and alterations to circulatory infrastructure to facilitate ingress and egress.</p>
<p><b>Climate Resilience District (CRD)</b></p>	<p>Climate Resilience Districts are a new type of district can fund projects to mitigate climate change. These districts have broad financing powers, and can fund a wide range of eligible projects, including projects that address sea level rise / flooding, extreme weather, wildfire, and drought.</p>

# ZONING AND LAND USE STRATEGIES ENTITLEMENT AND PERMITTING PROCESSES

Permitting processing delays (e.g., zoning variances, conditional use permits) have the potential to tie up private resources and discourage investor interest, it can have a significant impact on business formation and economic activity.

Permit processing for new businesses can be an expensive and high-risk endeavor – often featuring multiple public meetings, and uncertainty whether permits will ultimately be approved.

At the same time, planning and building departments can have strained resources and staffing, increasing application review time and limiting staff resources to assist applicants.

## Key Strategies include:

- **Increase Flexibility:** Review and revamp zoning and permitting requirements to ensure flexible requirements that can accommodate market and changing business and customer dynamics.
- **Streamline Process:** Identify business and project categories that are particularly beneficial and create a fast and predictable process for review / approval.
- **Encourage Active Uses:** Provide an easy permit process for interesting and dynamic uses – such as pop-up users, live music / events, outdoor dining permits, and artistic improvements / installations – that can enhance visitors' experiences
- **Incentivize Reuse of Struggling Spaces:** Provide flexible building permit rules for properties suited for adaptive reuse and incentivize conversion of vacant commercial buildings into other uses (such as hotel and residential).
- **Specialize:** Tailor requirements for infill development to recognize the often-challenging circumstances involved in infill developments.

# ZONING AND LAND USE STRATEGIES

## DEVELOPMENT OPPORTUNITY RESERVE D.O.R.®

Zoning and entitlements create value. Cities can avoid simply giving that value away, and instead capture that value as currency to support community benefits and public amenities.

**Old Playbook:**  
Rezone Areas for New Density  
and Expect New Development

Rezoning gives the value of the new density to current property owners: inflated land values, limited possibility of development

**New Playbook:**  
Bank Density with Development  
Opportunity Reserve D.O.R.®

D.O.R.® allows cities to create a “bank” of new density in zoning / specific plans, allowing them to give the density to projects that deliver **community benefits & public amenities**



# ZONING AND LAND USE STRATEGIES

## DEVELOPMENT OPPORTUNITY RESERVE D.O.R.® - PROCESS

### Create D.O.R.®

#### Step 1

Conduct market / economic density analysis to understand development potential.  
Identify sites and areas within community as areas targeted for new development.

#### Step 2

Use planning process to create a reserve bank of density to use in target areas and create an amenity list of desired community benefits and advance projects.

### Implement D.O.R.®

#### Step 3

Development Projects apply for density from the D.O.R.® in exchange for amenities and community benefits delivered.

#### Step 4

City & Developer sign a Development Agreement, assigning D.O.R.® density to project with contractual commitment to deliver amenities or infrastructure.

# REVENUE REPLACEMENT VIA SALES TAX ASSESSMENT REVENUE (STAR\*)<sup>®</sup>

The Sales Tax Assessment Revenue (STAR\*)<sup>®</sup> program addresses the stagnation and decline in city fiscal revenues as a result of the evolution of consumer spending in today's economy. It is a framework that analyzes the fiscal revenue loss related to lower tax revenue generating uses and eases city general fund pressures by creating an equivalent revenue stream through entitlement / development agreement negotiations.

Use STAR\*<sup>®</sup> when reimagining a shopping center with a blend of non-retail uses, re-entitling property for development from retail to residential / office / industrial, or when a developer proposes a project with low fiscal revenue impact.

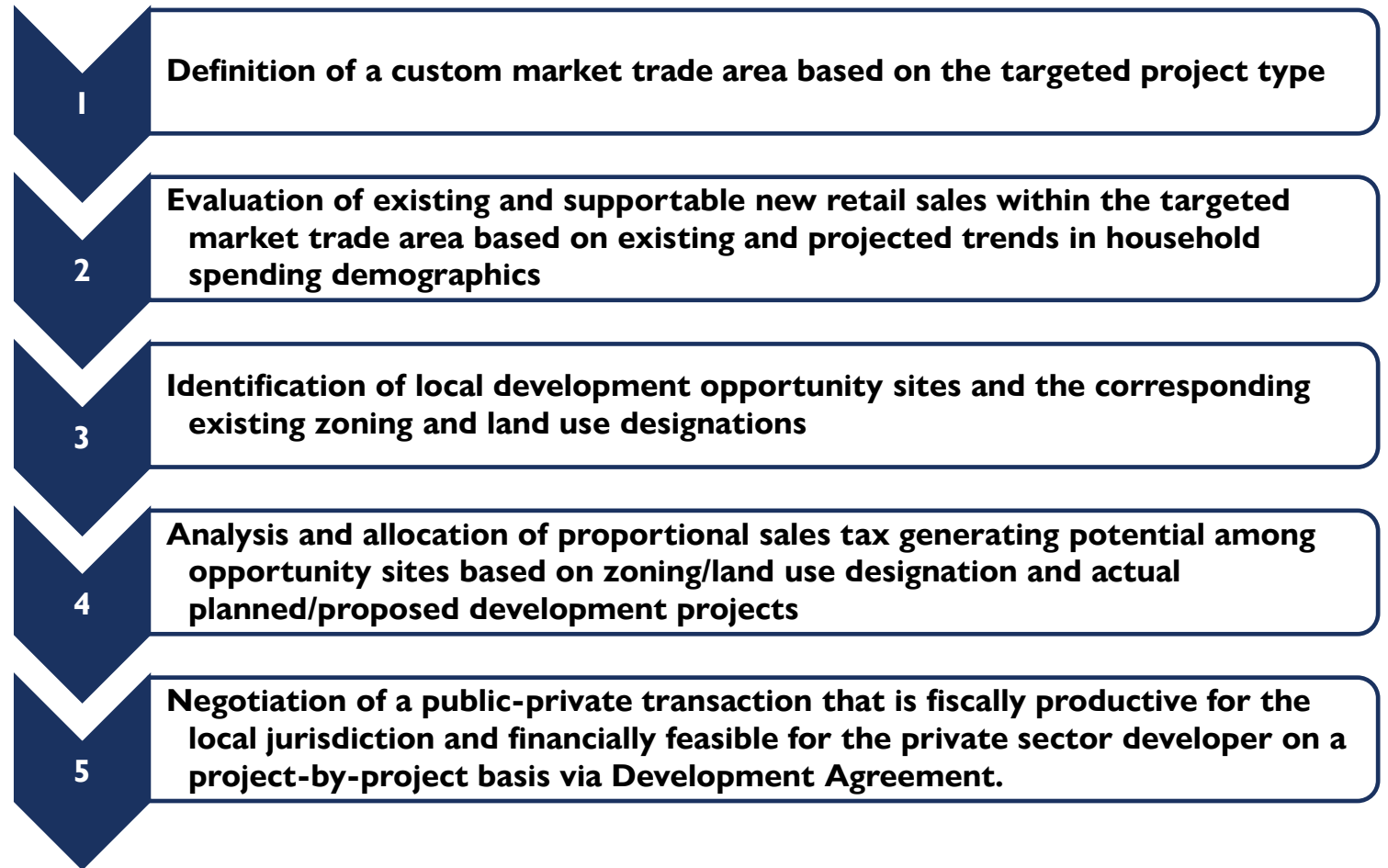
**Loss in retail sales  
resulting from online  
/ non sales tax  
generating uses**

**Analyze sales tax  
potential of opportunity  
sites & zoning  
designations**

**Create equivalent General  
Fund revenue through  
entitlement document /  
development agreement**

# SALES TAX ASSESSMENT REVENUE (STAR\*)<sup>®</sup> PROCESS

The STAR\*<sup>®</sup> program typically involves the following steps:



# BEAR STRATEGIES

## BUSINESS EXPANSION, ATTRACTION, AND RETENTION

Business Expansion, Attraction, and Retention (BEAR) strategies focus on business and developer outreach to deliver quality jobs and fiscal revenue. Several economic nodes in Norwalk contain existing retail tenants that generate high sales tax revenue to the City, while other nodes contain proposed projects with a commercial component. It is critical for Norwalk to focus on retention and attraction strategies within the economic nodes.

Different strategies to consider include:

- **Support:** Help existing business through regular check-ins, assistance with resources, and networking opportunities
- **Marketing:** Highlight the city as a business-friendly destination with community assets, talented workforce, and success stories
- **Outreach:** Conduct target outreach to developers, businesses, and brokers with opportunity site marketing collateral, correspondence, meetings / site tours, and participation at industry events
- **Collaboration:** Foster a supportive environment between businesses, universities, industry groups, and government entities
- **Incentives / Regulatory Reform:** Consider regulatory reform efforts, such as permit streamlining, development code changes, and other policies to foster a business-friendly environment

# REAL ESTATE STRATEGIES PUBLICLY-OWNED PROPERTY

Public agency land is often under-utilized, offering the potential to increase value and revenues (e.g., property tax, sales tax, TOT). Local government-owned real estate can be leveraged to increase revenue and help stimulate economic development projects. The land can include former redevelopment Agency (“RDA”) properties, public use properties (civic centers, fire stations, recreation), and surplus property (city, school district, utility, other), rights of way (streets, alleys, parking lots and parking structures).

The State, in its push to have cities develop more affordable housing, has made subsequent legislative changes (e.g., AB 1486) to strengthen the Surplus Land Act (SLA). The SLA now requires public agencies in the State of California to first offer a property for sale or lease to ‘housing sponsors’ and affordable housing developers prior to the sale or lease of the asset (unless otherwise exempt) and will assess penalties if a public agency is not in compliance.

## Key Strategies include:

- **Performance-Based Leases / Ground Leases:** Norwalk can maintain ownership and leverage an income stream from an asset via a ground lease (e.g., lease revenues) as well as establish a rent structure based on specific performance benchmarks thereby reducing risk for lenders/private investors.
- **Monetizing Assets:** Norwalk can raise revenues by monetizing assets such as surface parking lots / garages.
- **Acquisition or Sale of Property:** Norwalk can make strategic acquisitions and/or sell property for preferred private development opportunities, as well as utilize strategies such as lease-back strategies, continued operation of existing use, and redevelopment of properties into new uses.

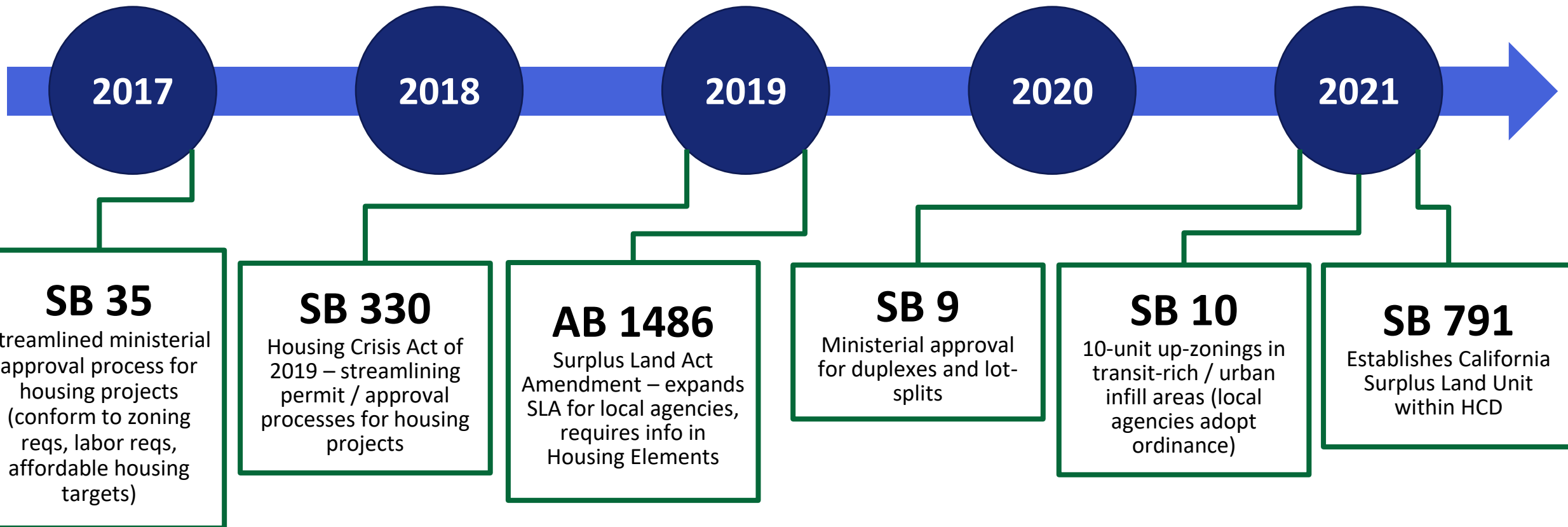
# REAL ESTATE STRATEGIES PRIVATELY-OWNED PROPERTY

Cities can pro-actively reach out to select private property owners to facilitate real estate developments to advance the City's economic development goals.

- **Property Owner Outreach** – collaborate with property owners to understand their plans for properties, challenges that they face with development, and opportunities that may align with economic development goals.
- **Rehabilitation / Renovation** – encourage rehabilitation and/or renovation of facilities, signage or store-front facades; can include public programs such as façade improvement loans / grants, or assisting with identifying other sources of funding
- **Marketing** – Conduct marketing activities, such as developer or building outreach, in coordination with property owner
- **Public-Private Partnerships (P3)** – Enter into formal partnerships with property-owners that commit city resources to fund improvements that will advance both the property owner's goals for development and the City's goals for economic development

# HOUSING AS A STATE MANDATE

Recent year legislation set a clear priority for California: More Housing



# HOUSING MANDATE CHALLENGES & ECONOMIC DEVELOPMENT SOLUTIONS

- Site inventory in a city's Housing Element can be a tool for economic development, identifying specific sites for targeted growth.  
**Think: Asset Management**
- If a city has not adopted a Housing Element in substantial compliance with State law, developers may propose eligible housing development projects that do not comply with either the zoning or the general plan, providing a “**Builder's Remedy**” where a local agency may be required to approve an eligible housing development project.
- Cities may have an opportunity to take advantage of assessed value growth from housing developments and further economic development benefits through special districts and other strategies.  
**Capture Value!**



# GOVERNMENT FUNDING AND FINANCING STRATEGIES

The following financing mechanisms can be utilized to generate enhanced revenues to fill financial gaps of projects, in order to encourage private investment and other tax-generating development.

## Lease Revenue Bonds

Lease Revenue Bonds are issued by a public entity (e.g., Joint Powers Authority [JPA]) and can be used to finance vital capital improvements to be leased to a public agency. The bonds are payable solely from lease payments paid by a public agency. For example, Norwalk could utilize a lease revenue bond financing structure to fund catalytic public infrastructure improvements.

## Lease-leaseback (P3) Structures

Lease-leaseback structures give cities the opportunity to cut costs and deliver public projects through strategic public-private partnership (P3) project delivery. The lease and subsequent sublease of assets between two public agencies enables lease payments to be leveraged (borrowed). These strategies can also come with procurement and project timing advantages. For example, an existing building facility can utilize lease payments immediately without the need to fund capitalized interest.

## Cash-Flow Management Programs

Improved cash flow management can generate enhanced revenues from cash resources. Customized cash flow modelling can maximize portfolio size and increase funds that are available to the City. These enhanced short-term returns can then be utilized for community revitalization projects.

# GRANTS AND OTHER PUBLIC FUNDING

There is a wide variety of grant programs and funding sources available through the state and federal government. New grant programs are added every year, many with a focus on housing and climate resiliency. Cities should periodically review available grant sources and pursue grants that align with the city's economic development goals (a grant-writing firm can provide assistance if the City's internal resources are limited).

Three current programs that give some preference to EIFDs are:

## Infill Infrastructure Grants (IIG)

Grants for infill projects / areas, gap funding for infrastructure for residential / mixed-use with some affordability requirements; awards range between \$1 - \$7.5 million

## Affordable Housing and Sustainable Communities Program (AHSC)

Grants for affordable housing, housing infrastructure, transportation, related amenities, and program costs; awards range between \$1 - \$30 million

## Transformative Climate Communities (TCC)

Funds community-led development and infrastructure projects that achieve environmental / health / economic benefits in the state's most disadvantaged communities.

## **Recent Economic Development & Climate Grant / Funding Programs**

- Regional Early Action Planning (REAP)
- Local Early Action Planning (LEAP)
- Infill Infrastructure Grants (IIG)
- Affordable Housing and Sustainable Communities (AHSC)
- Community Economic Resilience Fund (CERF)
- Multifamily Housing Program (MHP)
- ICARP Regional Resilience Grant Program (RRGP)
- Infrastructure State Revolving Fund (ISRF)
- Homeless Housing, Assistance, and Prevention (HHAP)
- Infrastructure State Revolving Fund (ISRF)
- Coastal Conservancy Grants
- Adaptation Planning Grant Program (APGP)
- Strategic Growth Council grants
- Infrastructure Investment and Jobs Act (IIJA)

# KEY GRANTS MATRIX

Funding Source / Grant	Purpose
Infill Infrastructure Grant (IIG) Program <i>(EIFD Preference)</i>	<ul style="list-style-type: none"> <li>▪ IIG provides grants for capital improvement projects for qualifying infill projects or qualifying infill areas</li> <li>▪ Used for gap funding to infrastructure improvements for residential or mixed-use developments</li> <li>▪ Eligible activities: construction, rehab, demolition, relocation, preservation, and acquisition of infrastructure</li> <li>▪ Affordability threshold: No less than 15% of units as “affordable” units</li> <li>▪ Assistance terms: Minimum award (\$1M), maximum award (\$7.5M)</li> </ul>
Affordable Housing and Sustainable Communities (AHSC) Program <i>(EIFD Preference)</i>	<ul style="list-style-type: none"> <li>▪ The AHSC Program assists project areas by providing grants and/or loans to a locality, public housing authority, JPA, developer, or facilities districts, that will achieve greenhouse gas (GHG) emissions reduction and benefit Disadvantaged communities through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation</li> <li>▪ Assistance terms: Minimum award (\$1M), maximum award (\$30M)</li> <li>▪ Eligible activities: new construction, acquisition, or rehab of affordable housing; housing infrastructure; sustainable transportation infrastructure and related amenities, program costs (active transportation)</li> <li>▪ Affordability threshold: 20% of homes at 80% median household income (MHI)</li> </ul>
Multifamily Housing Program (MHP)	<ul style="list-style-type: none"> <li>▪ MHP assist the new construction, rehab, and preservation of permanent and transitional rental housing for lower income households, or the conversion of a non-residential structure to rental housing</li> <li>▪ Eligible activities: property acquisition, land lease payments, construction and rehabilitation work, offsite improvements (e.g. sewer, utilities, and streets directly related to housing development)</li> <li>▪ Assistance terms: Maximum award (\$20M), base loan various from \$150K and \$175K based on type of unit</li> </ul>
Transit-Oriented Development (TOD) Housing Program	<ul style="list-style-type: none"> <li>▪ Program offers low-interest loans as gap financing for rental housing developments near transit that include affordable units. Grants are available to localities and transit agencies for infrastructure improvements necessary for the development of specified housing projects or to facilitate connections between the project and the transit station</li> <li>▪ Eligible applicants: developers for rental housing projects; municipalities/transit agencies for infrastructure projects</li> <li>▪ Assistance terms: Maximum award for a single project is \$15M</li> </ul>

# FINDINGS

## ECONOMIC DEVELOPMENT TOOLS

- There are several different economic development tools which Norwalk can use to attract, finance, and optimize development
- TIF districts, such as EIFD, can capture property taxes from increases in assessed value (from new development) to fund vital infrastructure and development projects focused on housing
- Norwalk can use D.O.R.<sup>®</sup> to create a “bank” or “reserve” of density during the planning process and give the density to development projects that provide community benefits and public amenities
- STAR\*<sup>®</sup> can be used when reimagining a shopping center or a large retail space (e.g., former Walmart and Food 4 Less) with a blend of uses that is not purely retail. After analyzing the loss in sales tax revenues, Norwalk can utilize STAR\*<sup>®</sup> to create an equivalent revenue stream through entitlement and development agreement negotiations
- Norwalk should consider using BEAR strategies (particularly retention and attraction) to maintain existing high sales tax revenue generating businesses and attract major retailers to new projects
- Norwalk can leverage existing City-owned assets as a means to increase revenues. For example, City can create an income stream from a City-owned asset in a ground-lease or sell assets for preferred private development opportunities (must go through SLA process first); As for privately-owned properties, City can enter into public-private partnerships (e.g., Norwalk Entertainment District) that commit City resources to fund improvements that will meet the property owner’s goals and the City’s goals for economic development
- Lease revenue bonds, lease-leaseback structures, and cash-flow management programs can help generate revenues to fill financial gaps in development projects
- Norwalk should consider a variety of grant programs, such as AHSC, IIG, and TCC, to provide additional funding for future development projects, particularly blended use and housing

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# **CITY OF NORWALK ECONOMIC DEVELOPMENT OPPORTUNITIES PLAN UPDATE**

## **ADOPTED: OCTOBER 17, 2023**



2301 Rosecrans Ave., Suite 4140  
El Segundo, CA 90245  
TEL: 424-297-1070 | URL: [www.kosmont.com](http://www.kosmont.com)



# APPENDIX

## CITY OF NORWALK – EDOP



## A. ECONOMIC AND DEMOGRAPHIC PROFILE

CITY OF NORWALK – EDOP

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# A.1 – CITY REVENUE INFORMATION

CITY OF NORWALK – EDOP



# SUMMARY

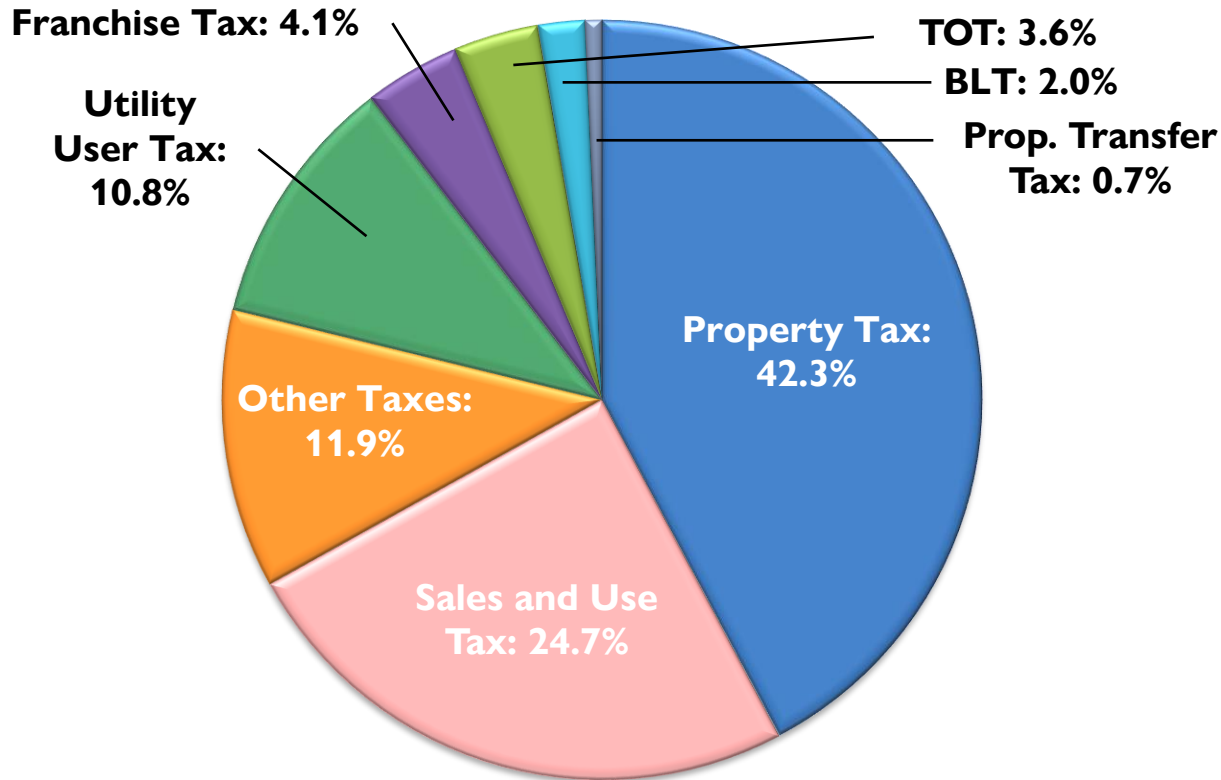
## CITY REVENUE INFORMATION

- Historically, Norwalk receives 42% of its tax revenue from property taxes and 25% of its revenue from sales tax; Comparatively, California cities receive on average 41% of its tax revenues from property tax and 22% from sales tax. This information indicates Norwalk's relatively balanced source of revenues, particularly when compared to California cities, and the City does not appear to be at risk of sales or hotel tax exposure
- Transient Occupancy Tax ("TOT") is about 4% of Norwalk's historical tax revenues, while for California cities TOT is 8% of tax revenues. TOT could be an area of potential revenue growth for the City
- Sales tax revenue in the City was \$11.7 million in 2021, indicating approximately \$1.17 billion in retail sales. Considering the 3.9 million SF retail base, this yields ~\$300 per square foot per year
- Sales tax revenues in Norwalk have grown by 30% between 2016 and 2021, or 5.4% per year. Over the same period, sales tax revenue from Norwalk to the County Pool has increased significantly by 100% or 14.9% per year
- County Pool revenues have grown dramatically due to the rise in e-commerce sales, particularly during the COVID-19 pandemic (43.5% increase between 2019 and 2020)
- Although the COVID-19 pandemic did cause a decline in overall sales tax revenues due to lockdowns (13.3% drop from 2019 to 2020), the City recovered quickly and experienced a 25% increase in sales tax revenues from 2020 to 2021. Norwalk's sales tax revenues in 2021 exceeded pre-COVID (2019) revenues by over \$900K

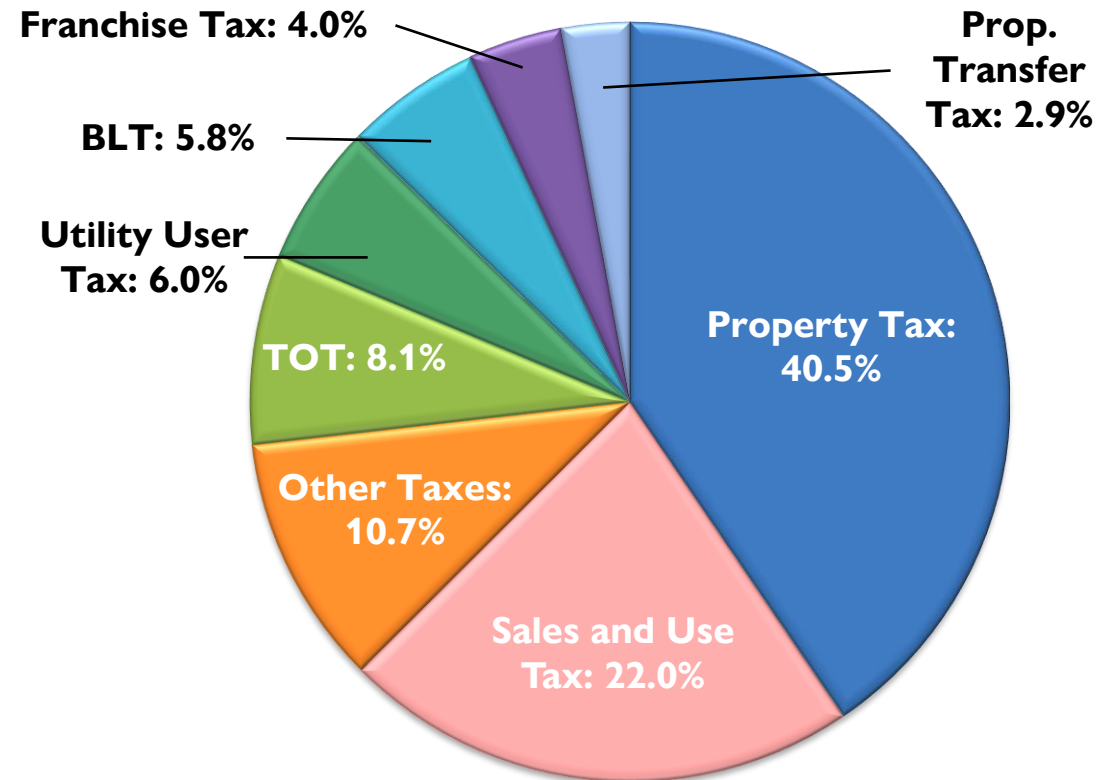
# TAX REVENUES

## CITY OF NORWALK VS. CALIFORNIA CITIES (HISTORIC CONTEXT)

**City of Norwalk**



**California Cities' Tax Revenues**



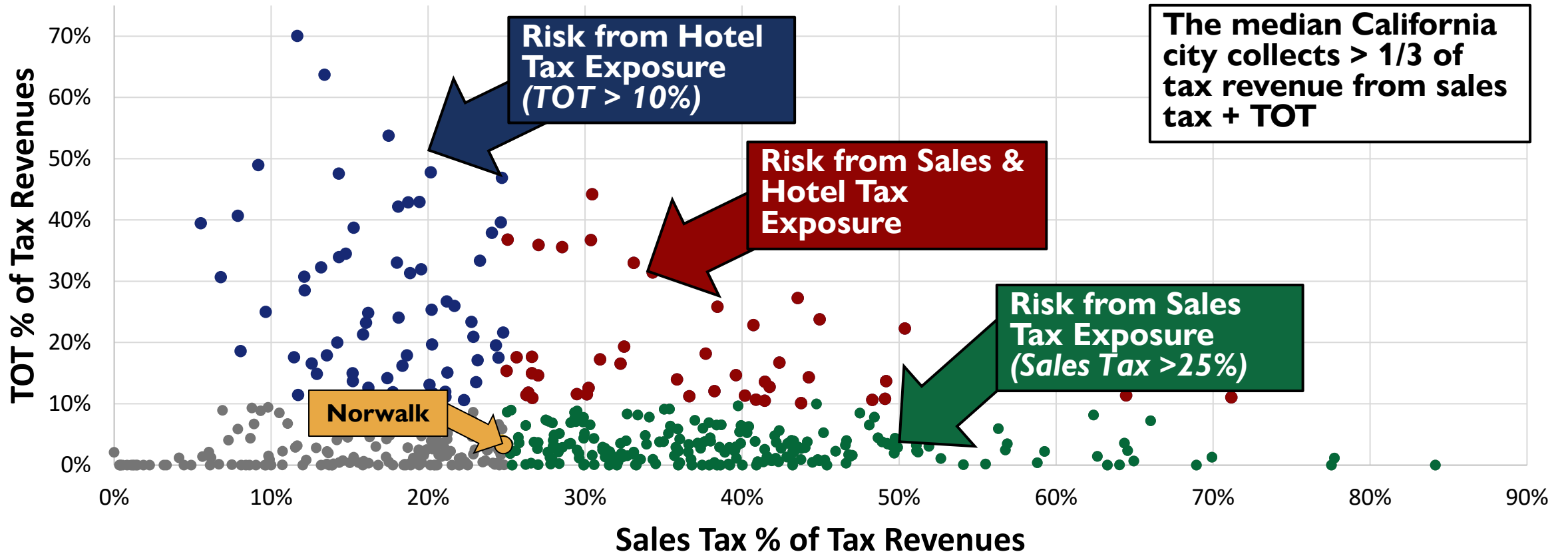
**Source:** California State Controller's Office, City Revenues FY 2017-18 (Accessed January 2023)

**Notes:** Includes both functional and general tax revenues. Property Taxes includes: in-lieu of MVL, secured, unsecured, and other property tax revenue categories. Other Taxes includes: interest, penalties, delinquent taxes, transportation taxes (transit and non-transit), employer payroll tax, construction development taxes, parking taxes, admission taxes, and all other taxes. Transportation Taxes comprise most of the revenue labeled "Other Taxes".

# TAX REVENUES

## SALES TAX & TOT EXPOSURE (HISTORIC CONTEXT)

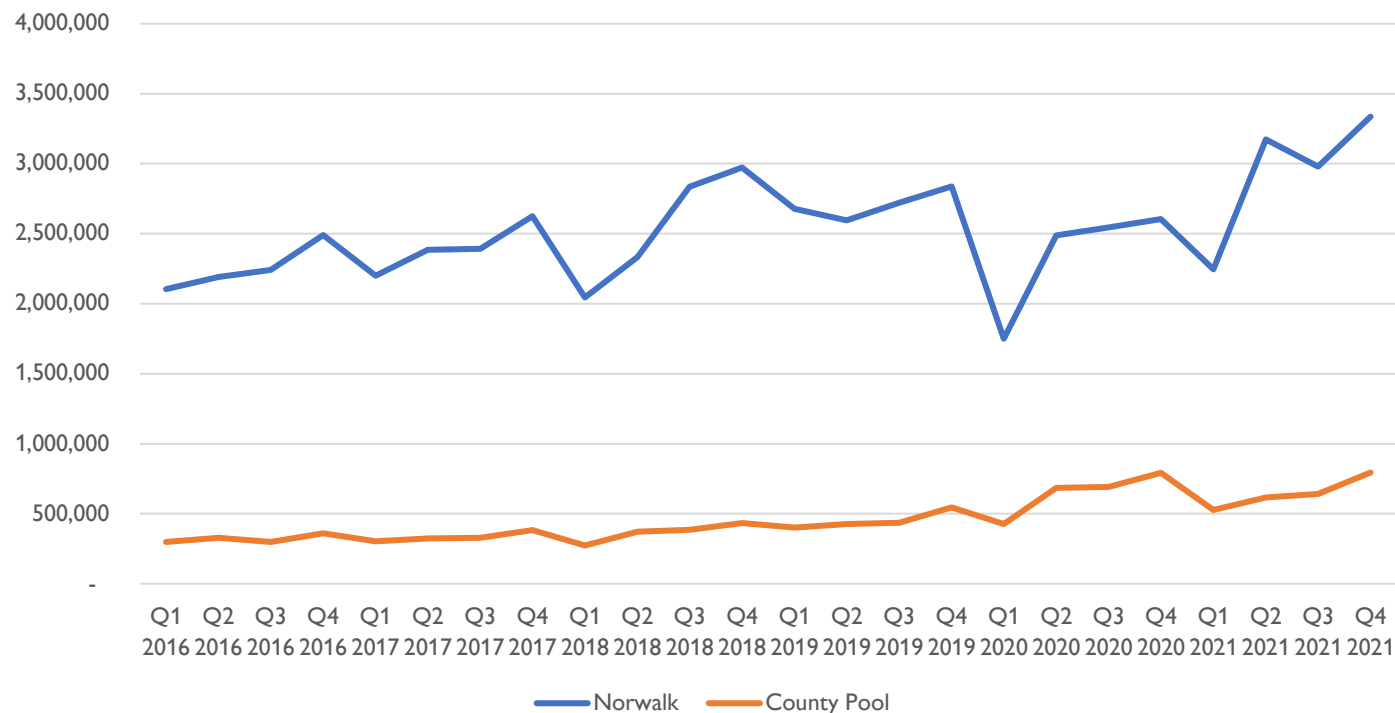
Sales & TOT Exposure



# SALES TAX HISTORY

CITY SALES TAX REVENUE RECOVERED FROM COVID-19 PANDEMIC QUICKLY

City and County Sales Tax Revenue by Quarter (Q1 2016 - Q4 2021)



Year	Norwalk	County Pool	Pool Share
2016	\$9,025,000	\$1,290,000	14.3%
2017	\$9,601,000	\$1,341,000	14.0%
2018	\$10,186,000	\$1,464,000	14.4%
2019	\$10,831,000	\$1,809,000	16.7%
2020	\$9,388,000	\$2,596,000	27.7%
2021	\$11,733,000	\$2,581,000	22.0%
5-Year Growth	30.0%	100.1%	53.9%
COVID-19 Effect (2019-2020)	(13.3%)	43.5%	65.6%
CAGR	5.4%	14.9%	9.0%

Source: CA DOF (Accessed January 2023)

Note: Only observes revenues from the 1% Bradley-Burns tax. Does not include Measure P sales tax revenue passed by voters in March 2020. Measure P authorized an additional local sales tax of 0.75% increasing the sales tax rate in Norwalk from 9.5% to 10.25%. It was anticipated that this sales tax increase would provide an additional ~\$7 million in revenues. Numbers in red and parenthesis indicate a negative number.

# HISTORIC SALES TAX REVENUES BY QUARTER

Year	Quarter	Norwalk	County Pool	Pool Share	YOY Growth (City)
2016	1	2,105,000	300,000	14.3%	-
	2	2,190,000	329,000	15.0%	-
	3	2,240,000	300,000	13.4%	-
	4	2,490,000	361,000	14.5%	-
2017	1	2,199,000	304,000	13.8%	4%
	2	2,385,000	325,000	13.6%	9%
	3	2,391,000	328,000	13.7%	7%
	4	2,626,000	384,000	14.6%	5%
2018	1	2,045,000	274,000	13.4%	(7%)
	2	2,332,000	371,000	15.9%	(2%)
	3	2,836,000	385,000	13.6%	19%
	4	2,973,000	434,000	14.6%	13%

Year	Quarter	Norwalk	County Pool	Pool Share	YOY Growth (City)
2019	1	2,678,000	401,000	15.0%	31%
	2	2,595,000	427,000	16.5%	11%
	3	2,721,000	435,000	16.0%	(4%)
	4	2,837,000	546,000	19.2%	(5%)
2020	1	1,750,000	427,000	24.4%	(35%)
	2	2,489,000	685,000	27.5%	(4%)
	3	2,545,000	691,000	27.2%	(6%)
	4	2,604,000	793,000	30.5%	(8%)
2021	1	2,245,000	527,000	23.5%	28%
	2	3,174,000	617,000	19.4%	28%
	3	2,978,000	642,000	21.6%	17%
	4	3,336,000	795,000	23.8%	28%

Source: CA DOF (Accessed January 2023)

Note: Only observes revenues from the 1% Bradley-Burns tax. Does not include Measure P sales tax revenue passed by voters in March 2020. Measure P authorized an additional local sales tax of 0.75% increasing the sales tax rate in Norwalk from 9.5% to 10.25%. It was anticipated that this sales tax increase would provide an additional ~\$7 million in revenues. Numbers in red and parenthesis indicate a negative number.

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# A.2 – POPULATION & HOUSEHOLD DEMOGRAPHICS

CITY OF NORWALK – EDOP

# SUMMARY

## POPULATION & HOUSEHOLD DEMOGRAPHICS

### Populations & Households

- From 2017 to 2022, Norwalk saw an ~8% population decline from ~109,100 to ~100,900 residents and a slight decline in the number of households from ~27,800 to ~27,700. In the same period, population decreased by ~4% among people living in the 5-mile radius of Imperial Hwy. and Norwalk Blvd. from ~650,100 to ~625,100. Households in the 5-mile radius saw a slight increase from ~186,800 to ~187,700. Lastly, the population living within a 15-minute drive time grew by 55% in the same period from ~826,800 to ~1,280,500 and households grew by 62% from ~237,300 to ~384,700
- Although, average household size in the City (3.61) is significantly higher compared to Los Angeles County and the State of California (2.86), the average household size in Norwalk decreased by 7% from 3.87 in 2017
- The median age grew slightly across observed geographies in the last five years, however, Norwalk's current median age (34.3 years old) is slightly younger than the County and State (36.4 and 36.7, respectively). A small majority (51%) of Norwalk residents are under the age of 35
- Norwalk is a majority Hispanic city (71.5% of its residents are of Hispanic origin), significantly higher than County and State (48.0% and 39.4%, respectively)
- Norwalk is a relatively affordable city to live in, with an average home value of \$668,000, 21% lower than the County average and 12% lower than the State average
- Among dwelling units, Norwalk contains significantly more owner-occupied dwelling units (62%) compared to renter-occupied units (35%). City may consider expanding rental housing options to growing younger population and to meet Regional Housing Needs Assessment ("RHNA") requirements

### Education & Incomes

- Educational attainment (residents who obtain a Bachelor's degree or higher) is lower in Norwalk (22% of population), compared to the County and State (both 38%). However, Norwalk experienced the highest increase in people earning Bachelor's degrees or higher in the last five years (38%) compared to County (23%) and State (19%)
- Incomes are correlated with education levels. The average household income in the City is \$98,500, 18% lower than the County (\$119,800) and 24% less than the State (\$129,400). It is important to note, however, that in the last five years, the number of households who have earned over \$100,000 annually increased by 65%, a significantly higher level of growth when compared to the County and State (31% and 42%, respectively)
- This indicates that although Norwalk lags the County and State in terms of incomes and education, it is also experiencing significant growth and is experiencing a demographic shift towards smaller households and more educated, upper middle-class residents, with more disposable income moving into the City
- Norwalk households spend approximately \$674 million annually on key retail goods and services. Major retail expenditure categories include: groceries (23% of spending), restaurants (17%), gasoline (11%), vehicle payments excluding leases (10%), and apparel (9%)

# CITY LIMITS & RADII

FROM  
INTERSECTION  
OF IMPERIAL  
HWY. AND  
NORWALK BLVD.





# POPULATION & INCOME

## CITY, COUNTY, AND STATE

	City of Norwalk			County of Los Angeles			State of California		
	2017	2022	% Chg.	2017	2022	% Chg.	2017	2022	% Chg.
<b>Population</b>	109,144	100,886	(7.6%)	10,147,765	9,992,643	(1.5%)	38,986,171	39,770,476	2.0%
<b>Households</b>	27,770	27,650	(0.4%)	3,321,508	3,425,790	3.1%	13,029,292	13,570,050	4.2%
<b>Average HH Size</b>	3.87	3.61	(6.7%)	3.00	2.86	(4.7%)	2.93	2.86	(2.4%)
<b>Median Age</b>	33.4	34.3	2.7%	35.4	36.4	2.8%	35.8	36.7	2.5%
<b>% Hispanic Origin</b>	71.5%	71.5%	0.0%	49.0%	48.0%	(2.0%)	39.4%	39.4%	0.0%
<b>Per Capita Income</b>	\$19,277	\$27,022	40.2%	\$28,565	\$41,172	44.1%	\$30,905	\$44,265	43.2%
<b>Median HH Income</b>	\$59,825	\$80,630	34.8%	\$57,190	\$81,426	42.4%	\$62,554	\$88,930	42.2%
<b>Average HH Income</b>	\$73,107	\$98,497	34.7%	\$85,730	\$119,793	39.7%	\$90,812	\$129,367	42.5%

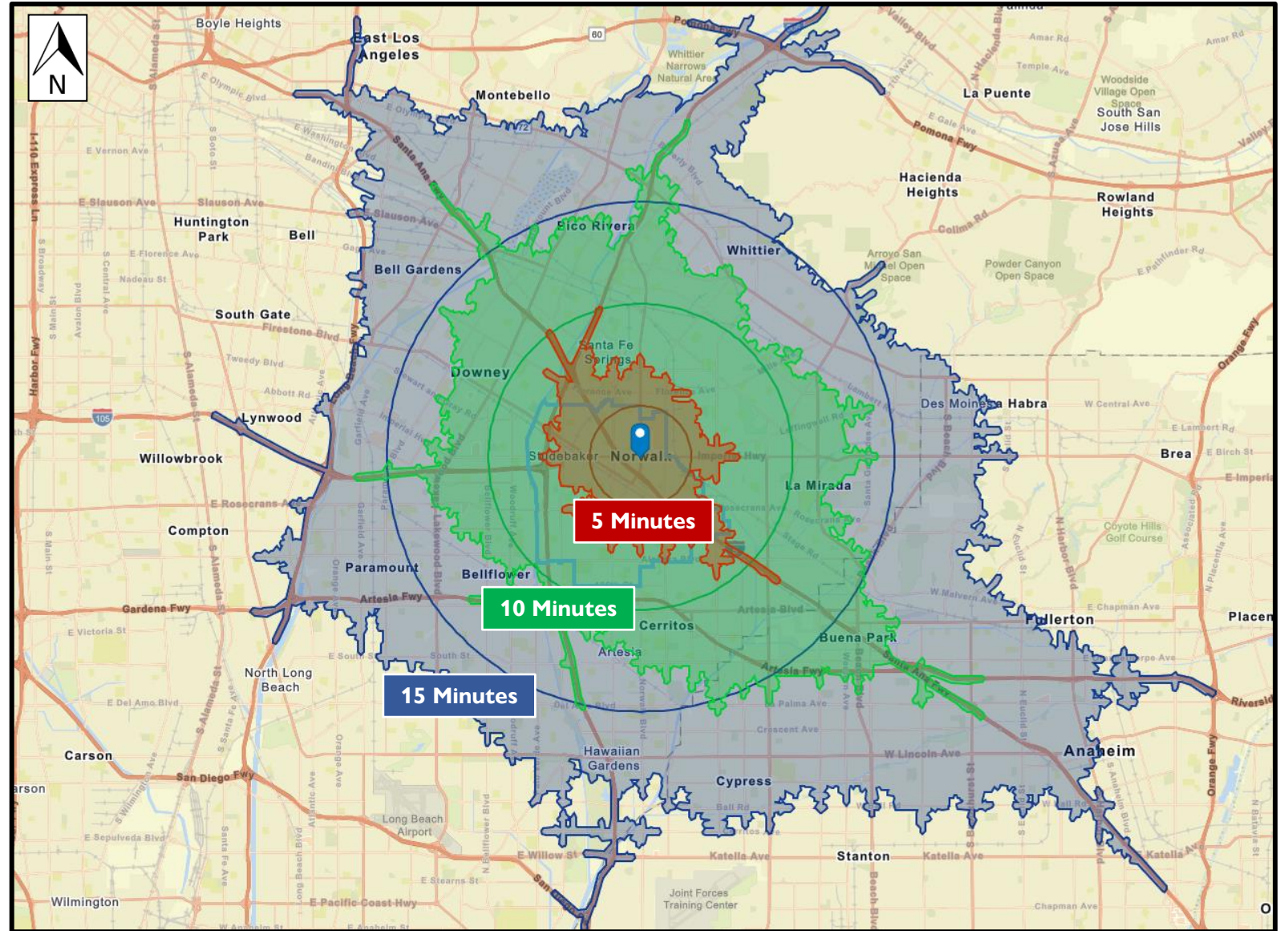
# POPULATION & INCOME

## RADII

	1 Mile			3 Miles			5 Miles		
	2017	2022	% Chg.	2017	2022	% Chg.	2017	2022	% Chg.
<b>Population*</b>	30,814	27,375	(11.2%)	220,608	207,874	(5.8%)	650,125	625,123	(3.8%)
<b>Households</b>	7,972	7,639	(4.2%)	58,722	58,591	(0.2%)	186,830	187,651	0.4%
<b>Average HH Size</b>	3.72	3.53	(5.1%)	3.72	3.50	(5.9%)	3.43	3.28	(4.4%)
<b>Median Age</b>	33.4	34.0	1.8%	34.1	34.9	2.3%	35.0	35.8	2.3%
<b>% Hispanic Origin</b>	71.4%	73.1%	2.4%	69.9%	69.9%	0.0%	63.1%	64.4%	2.1%
<b>Per Capita Income</b>	\$21,119	\$27,201	28.8%	\$21,094	\$29,926	41.9%	\$24,057	\$33,147	37.8%
<b>Median HH Income</b>	\$59,888	\$79,082	32.0%	\$62,243	\$83,802	34.6%	\$63,715	\$85,454	34.1%
<b>Average HH Income</b>	\$73,841	\$96,764	31.0%	\$77,433	\$105,659	36.5%	\$81,954	\$110,390	34.7%

# DRIVE TIMES

# FROM INTERSECTION OF IMPERIAL HWY. AND NORWALK BLVD.



# POPULATION & INCOME

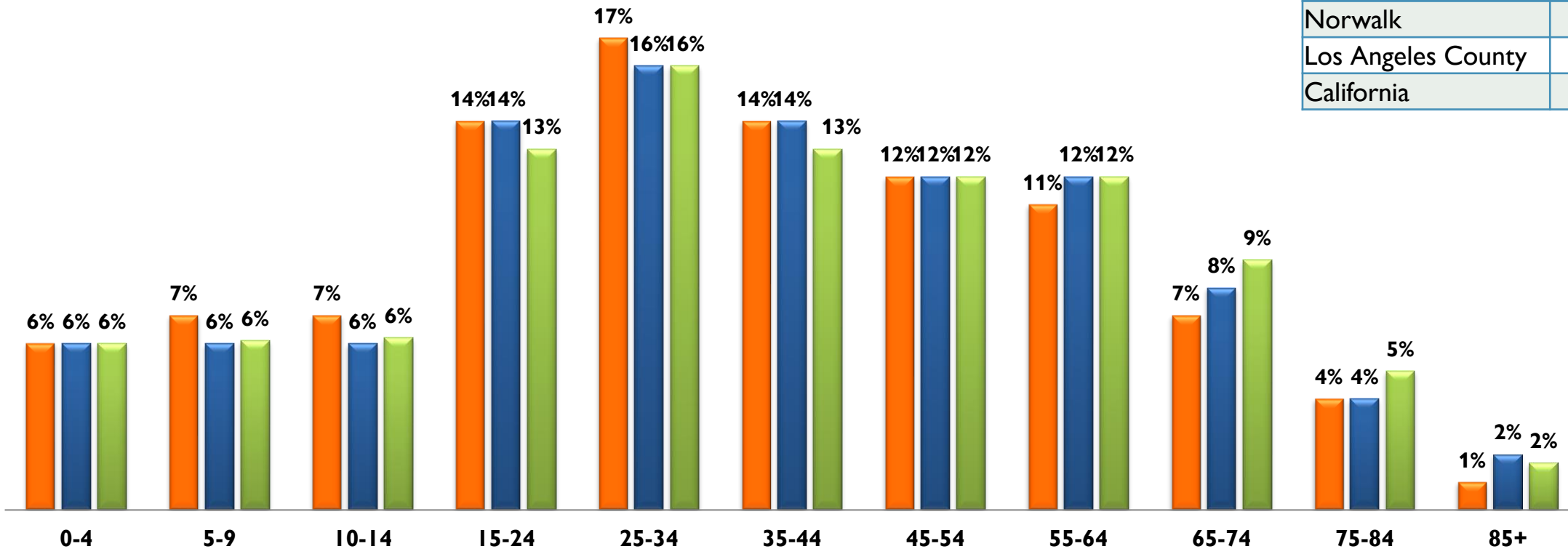
## DRIVE TIMES

	5 Minutes			10 Minutes			15 Minutes		
	2017	2022	% Chg.	2017	2022	% Chg.	2017	2022	% Chg.
<b>Population</b>	43,003	73,108	70.0%	254,673	435,351	70.9%	826,824	1,280,523	54.9%
<b>Households</b>	11,842	20,617	74.1%	67,908	126,413	86.2%	237,300	384,712	62.1%
<b>Average HH Size</b>	3.53	3.51	(0.6%)	3.71	3.39	(8.6%)	3.44	3.29	(4.4%)
<b>Median Age</b>	34.1	34.7	1.8%	34.2	35.4	3.5%	34.8	35.1	0.9%
<b>% Hispanic Origin</b>	72.0%	73.7%	2.4%	69.4%	66.0%	(4.9%)	61.8%	62.2%	0.6%
<b>Per Capita Income</b>	\$20,335	\$27,677	36.1%	\$21,524	\$31,984	48.6%	\$23,747	\$32,186	35.5%
<b>Median HH Income</b>	\$56,304	\$78,330	39.1%	\$63,206	\$85,426	35.2%	\$63,311	\$82,218	29.9%
<b>Average HH Income</b>	\$69,196	\$97,437	40.8%	\$78,860	\$109,951	39.4%	\$81,280	\$107,059	31.7%

# POPULATION BY AGE - 2022

51% OF NORWALK'S POPULATION IS UNDER THE AGE OF 35

■ Norwalk
 ■ Los Angeles County
 ■ California

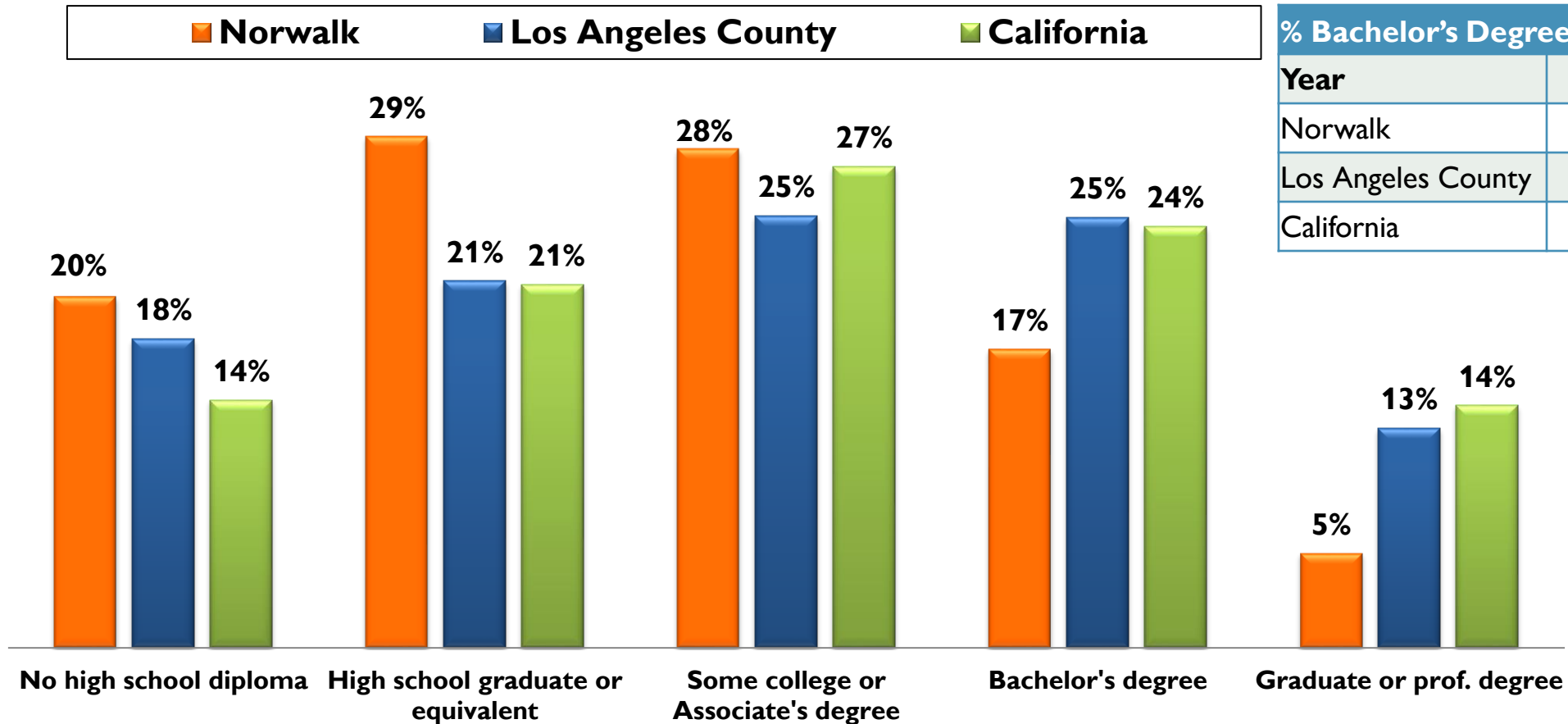


## Median Age

Norwalk	34.3
Los Angeles County	36.4
California	36.7

# POPULATION BY EDUCATIONAL ATTAINMENT - 2022

NORWALK HAS LOWER LEVELS OF EDUCATION, BUT SAW HIGHEST GROWTH IN EDUCATIONAL ATTAINMENT COMPARED TO COUNTY AND STATE



## % Bachelor's Degree or Higher

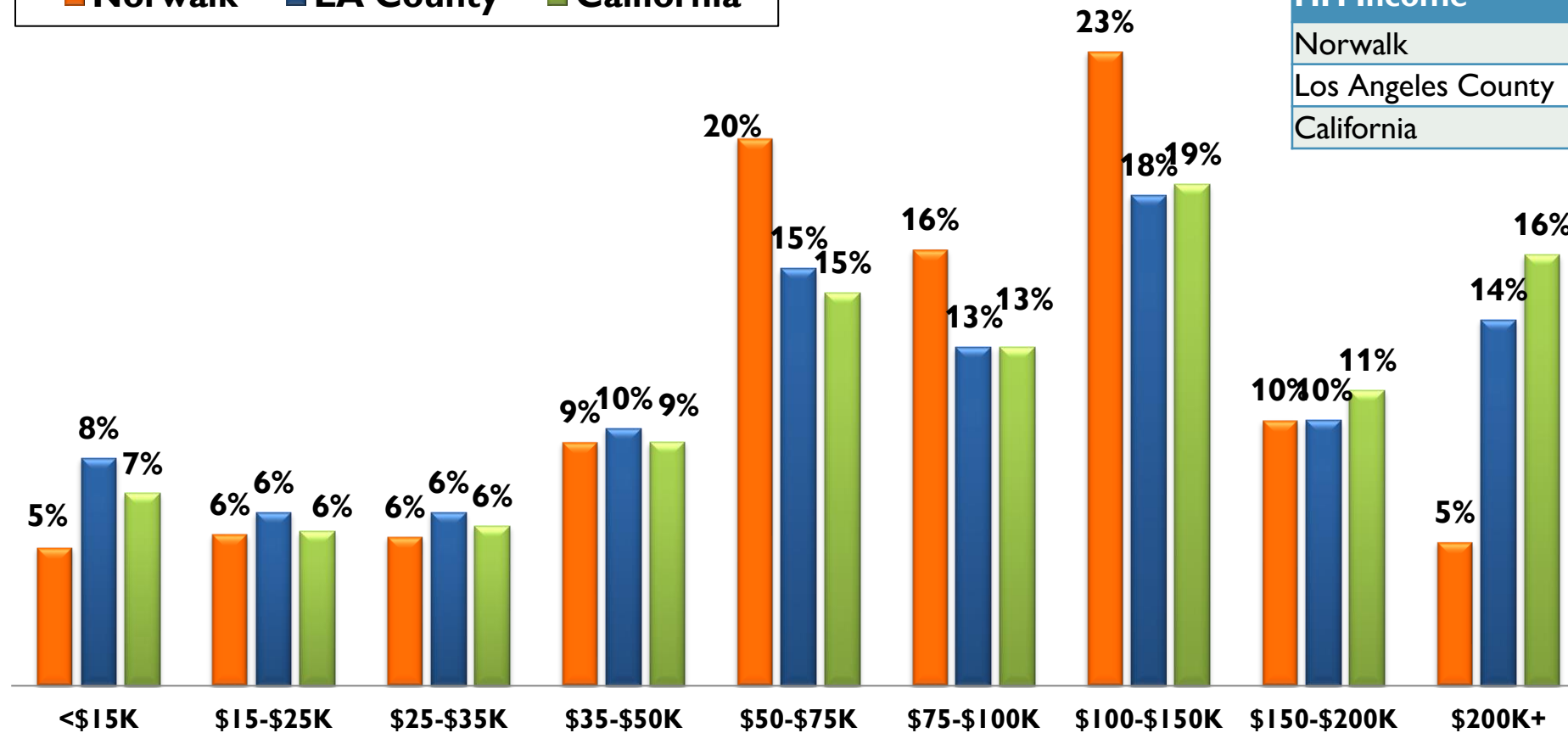
Year	2017	2022	% Chg.
Norwalk	16%	22%	37.5%
Los Angeles County	31%	38%	22.6%
California	32%	38%	18.8%

# POPULATION BY INCOME - 2022

38% OF NORWALK HOUSEHOLDS EARN >\$100K ANNUALLY

■ Norwalk
 ■ LA County
 ■ California

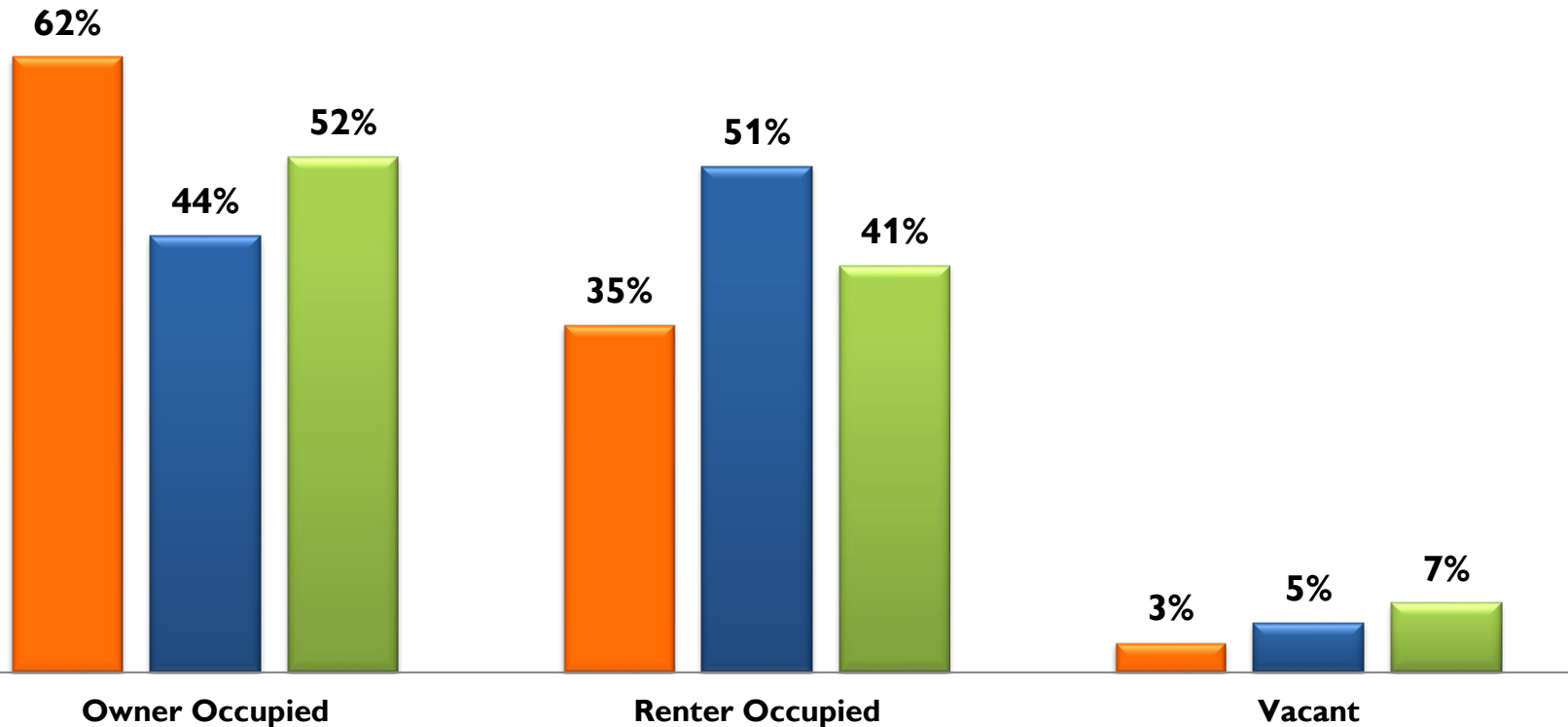
HH Income	Median	Average
Norwalk	\$80,630	\$98,497
Los Angeles County	\$81,426	\$119,793
California	\$88,930	\$129,367



# HOUSING BY TENURE - 2022

*NORWALK HAS SIGNIFICANTLY MORE OWNER-OCCUPIED UNITS*

■ Norwalk   ■ LA County   ■ California



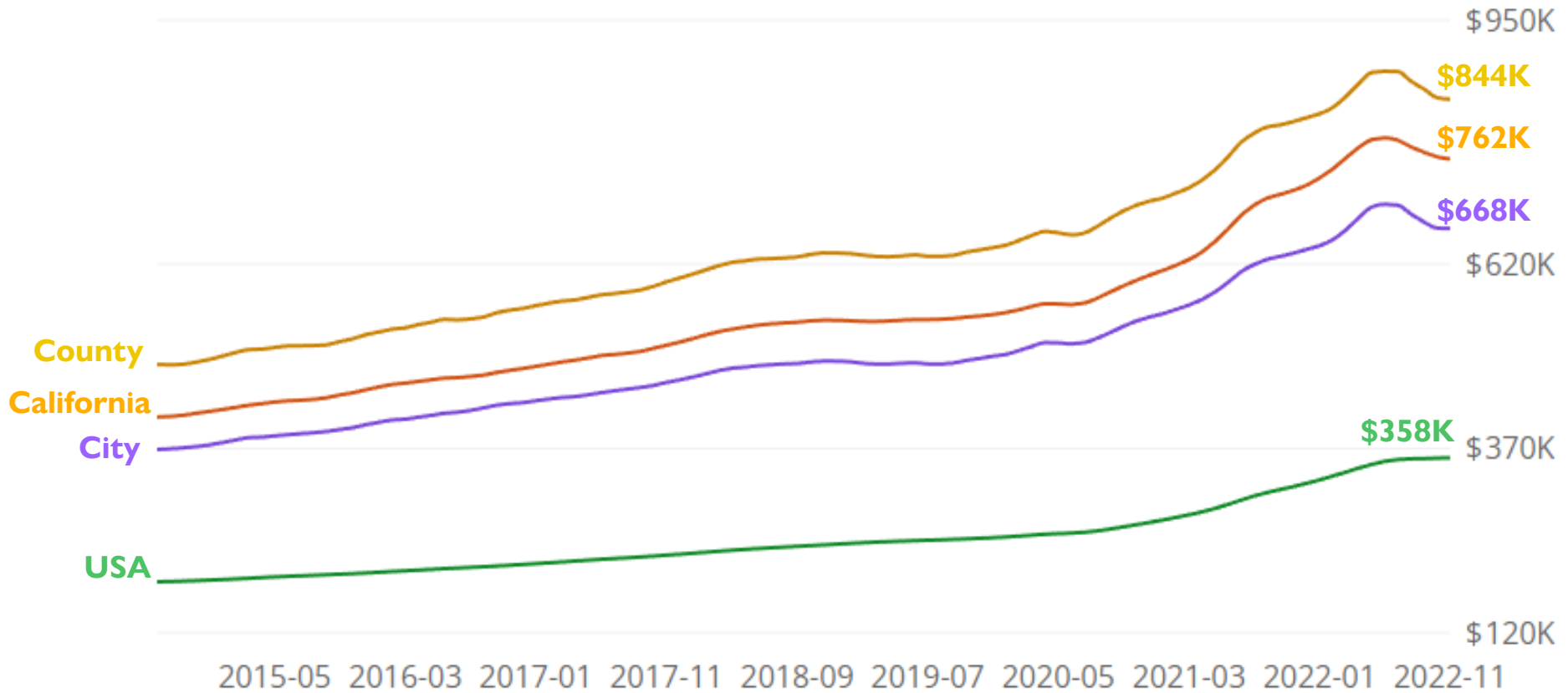
## Avg. HH Size

Norwalk	3.61
Los Angeles County	2.86
California	2.86



# HOME VALUE HISTORY

2015 - 2022



# RETAIL GOODS AND SERVICES EXPENDITURES

The ~27,700 households in the City of Norwalk spend approximately \$674 million annually across these select retail expenditure categories. The top three spending categories are Food at Home (e.g., groceries), Food Away From Home (e.g., restaurants, fast food), and Gasoline / Motor Fuel.

The ~187,700 households in the 5-mile radius spend approximately \$5.1 billion across the observed retail expenditure categories annually. Similarly, the top three spending categories are Food at Home, Food Away From Home, and Gasoline / Motor Fuel.

Current Households	City of Norwalk	% Share Per HH	5-Mile Radius	% Share Per HH
<b>Households:</b>	27,700	-	187,700	-
<b>Average HH Income</b>	\$98,500	-	\$110,400	-
<b>Avg. HH Expenditures for Select Categories</b>				
Food at Home	\$5,680	23.3%	\$6,347	23.5%
Food Away From Home	\$4,208	17.3%	\$4,632	17.1%
Alcohol	\$688	2.8%	\$776	2.9%
Housekeeping Supplies	\$748	3.1%	\$840	3.1%
Household Furnishings / Equipment	\$1,395	5.7%	\$1,568	5.8%
Apparel	\$2,185	9.0%	\$2,469	9.1%
Vehicle Payments (excl. leases)	\$2,334	9.6%	\$2,557	9.5%
Gasoline / Motor Fuel	\$2,654	10.9%	\$2,837	10.5%
Health (OTC/Prescription Drugs, Eyewear)	\$484	2.0%	\$548	2.0%
Fees / Admission	\$834	3.4%	\$937	3.5%
TV / Video / Audio Equipment	\$1,118	4.6%	\$1,257	4.6%
Pets	\$693	2.8%	\$778	2.9%
Toys / Games / Hobby	\$110	0.5%	\$122	0.5%
Personal Care Products	\$512	2.1%	\$571	2.1%
Reading	\$108	0.4%	\$122	0.5%
Education (School Books and Supplies)	\$149	0.6%	\$162	0.6%
Tobacco Products	\$283	1.2%	\$330	1.2%
Sports / Recreation / Exercise Equipment	\$175	0.7%	\$195	0.7%
<b>Total Per Household</b>	<b>\$24,358</b>	<b>100.0%</b>	<b>\$27,048</b>	<b>100.0%</b>
<b>Total Annual Spending Potential</b>	<b>\$673,519,000</b>	<b>-</b>	<b>\$5,075,603,000</b>	<b>-</b>



**Source:** ESRI Business Analyst Online (Accessed February 2023);

**Note:** The Fees/Admission category primarily reflects spending on entertainment, including tickets to the theatre, movies, parks/museums, and sporting events.



# A.3 – UNEMPLOYMENT & EMPLOYMENT BY INDUSTRY

CITY OF NORWALK – EDOP

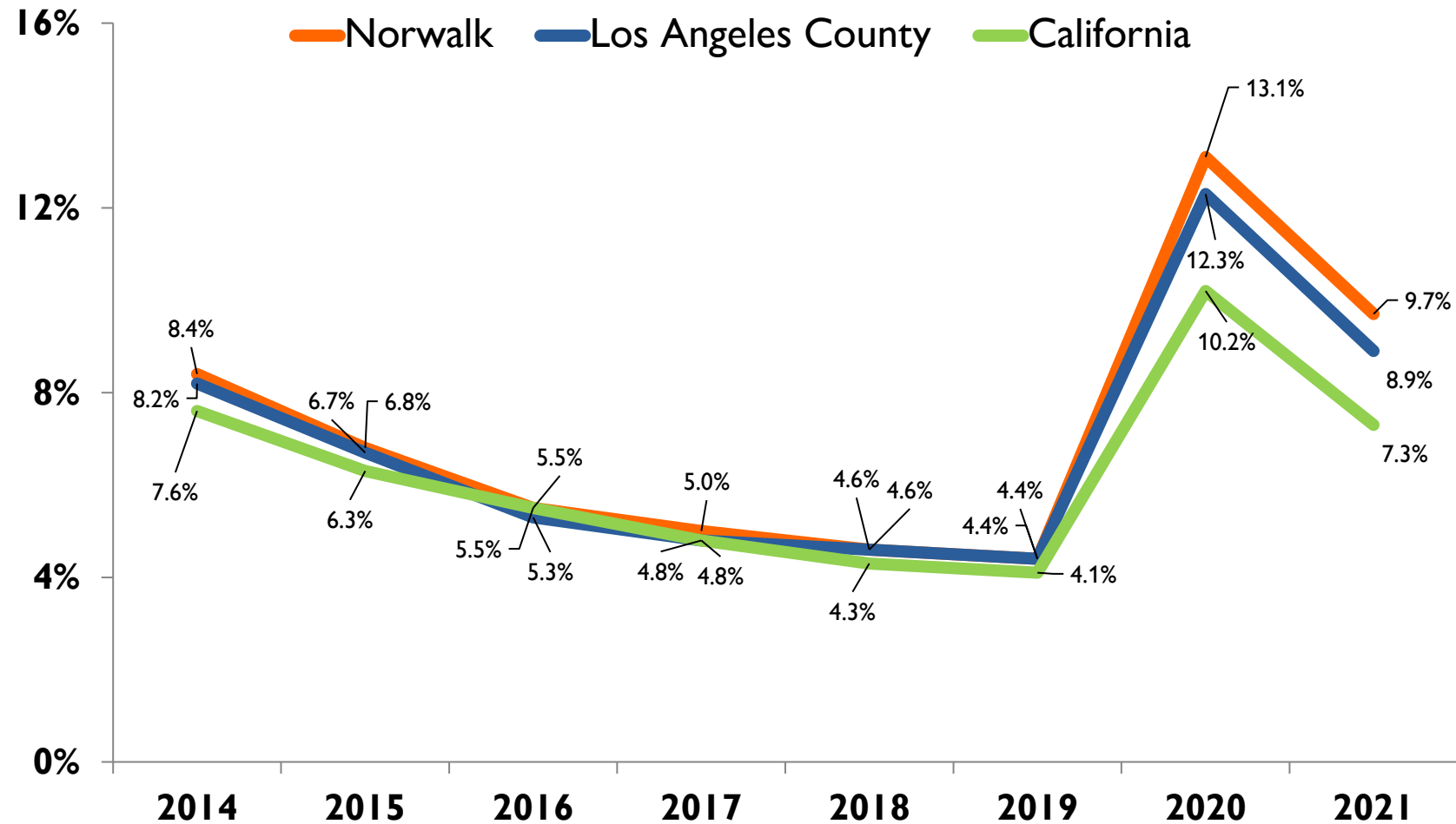
# SUMMARY

## UNEMPLOYMENT & EMPLOYMENT BY INDUSTRY

- Unemployment in the City increased by nearly 200% from 4.4% in 2019 to 13.1% in 2020 due to the COVID-19 pandemic; Unemployment has since decreased and has reached pre-pandemic levels by November 2022
- Most people who work in the City are employed in the following industries: health care and social assistance, educational services, retail trade, administration and support, and wholesale trade
- The top four employers in the City of Norwalk are the County of Los Angeles, Metropolitan State Hospital, Cerritos College, and the Norwalk-La Mirada School District. Each provides over 1,000 jobs in the City
- The fastest growing industries in Los Angeles County include health care and social assistance, accommodation and food services, professional and business services, transportation and warehousing, and educational services. Thus, **two** of the fastest growing industry sectors are principal sectors of employment in the City
- The top industries where Norwalk residents are employed include health care and social assistance, manufacturing, retail trade, accommodation and food services, and educational services, and most of these residents are traveling outside of the City for work. Popular cities where residents work include Los Angeles, Santa Fe Springs, Long Beach, Anaheim, and Cerritos, thus yielding a **net outflow** of jobs
- Employees who work in Norwalk are arriving from Los Angeles, Long Beach, Anaheim, Downey, and La Mirada
- Norwalk's jobs / housing ratio of 0.84 is smaller than that of the County and State (1.26 and 1.21, respectively), indicating a possible need for more jobs in the City

# UNEMPLOYMENT HISTORY

## CITY, COUNTY, AND STATE

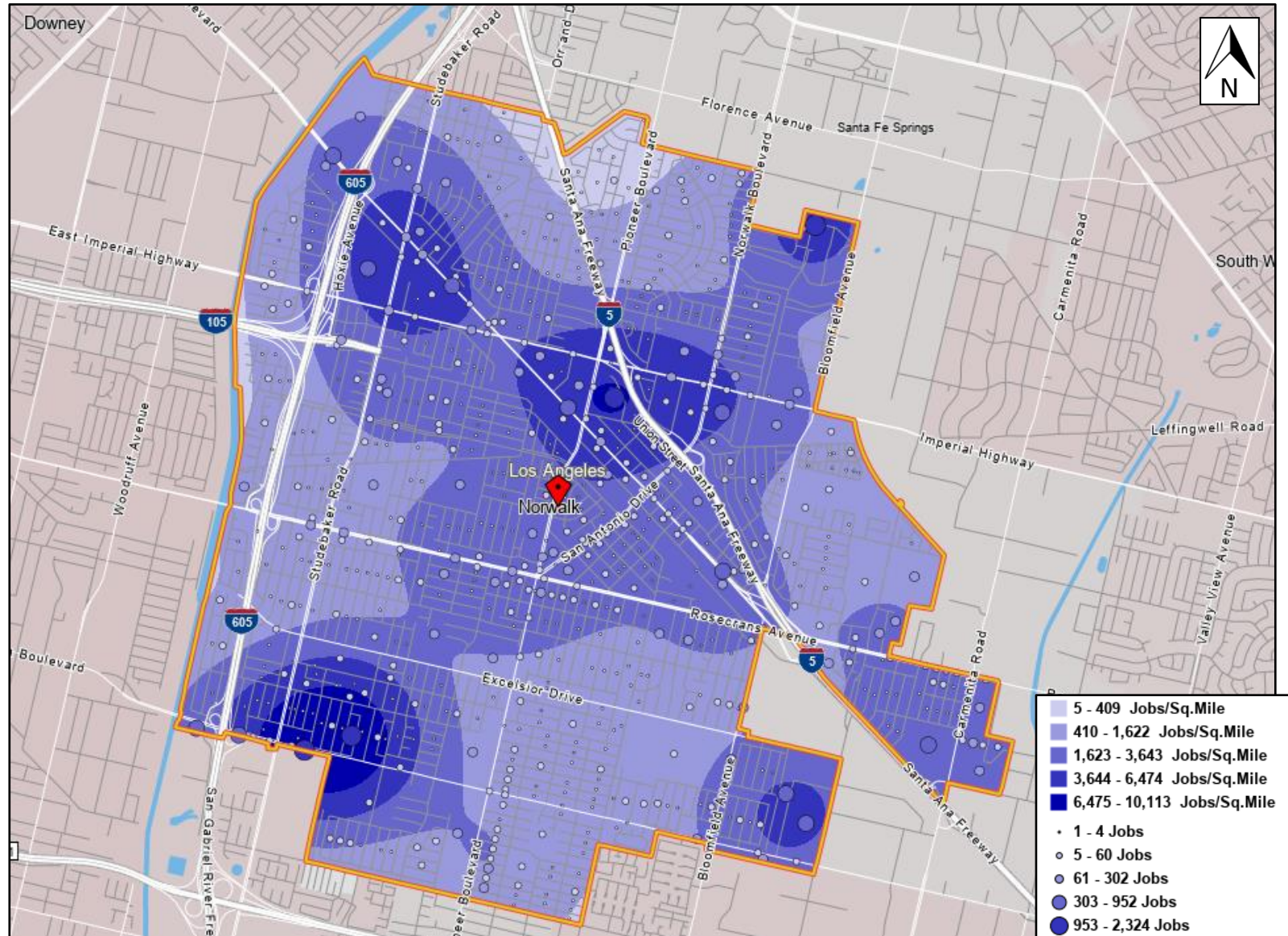


### Unemployment Rate (November 2022)

Norwalk	4.4%
Los Angeles County	4.5%
California	4.0%

# NORWALK EMPLOYMENT DENSITY MAP

The highest concentrations of employment in the City of Norwalk are along Firestone Blvd. in the northwest section of the City (Costco, Stater Bros., and Target); the southwest section of the City along Alondra Blvd. (CVS and Cerritos College); and in the northern-central part of the City along Firestone Blvd. and Imperial Hwy. between Pioneer and Norwalk Blvds. (Northgate, TJ Maxx, Norwalk-La Mirada Unified School District, City Hall)



# EMPLOYMENT BY INDUSTRY

## CITY OF NORWALK

Resident Employed Population (Age 16+)	
Sector	Share
Health Care and Social Assistance	15.2%
Manufacturing	10.7%
Retail Trade	10.6%
Accommodation and Food Services	9.6%
Educational Services	7.8%
Administration & Support, Waste Management and Remediation	7.7%
Wholesale Trade	6.4%
Construction	5.2%
Transportation and Warehousing	5.1%
Professional, Scientific, and Technical Services	4.2%
Public Administration	3.6%
Other Services (excluding Public Administration)	2.9%
Arts, Entertainment, and Recreation	2.6%
Finance and Insurance	2.4%
Management of Companies and Enterprises	1.8%
Information	1.6%
Real Estate and Rental and Leasing	1.5%
Agriculture, Forestry, Fishing and Hunting	0.6%
Utilities	0.5%
Mining, Quarrying, and Oil and Gas Extraction	0.1%

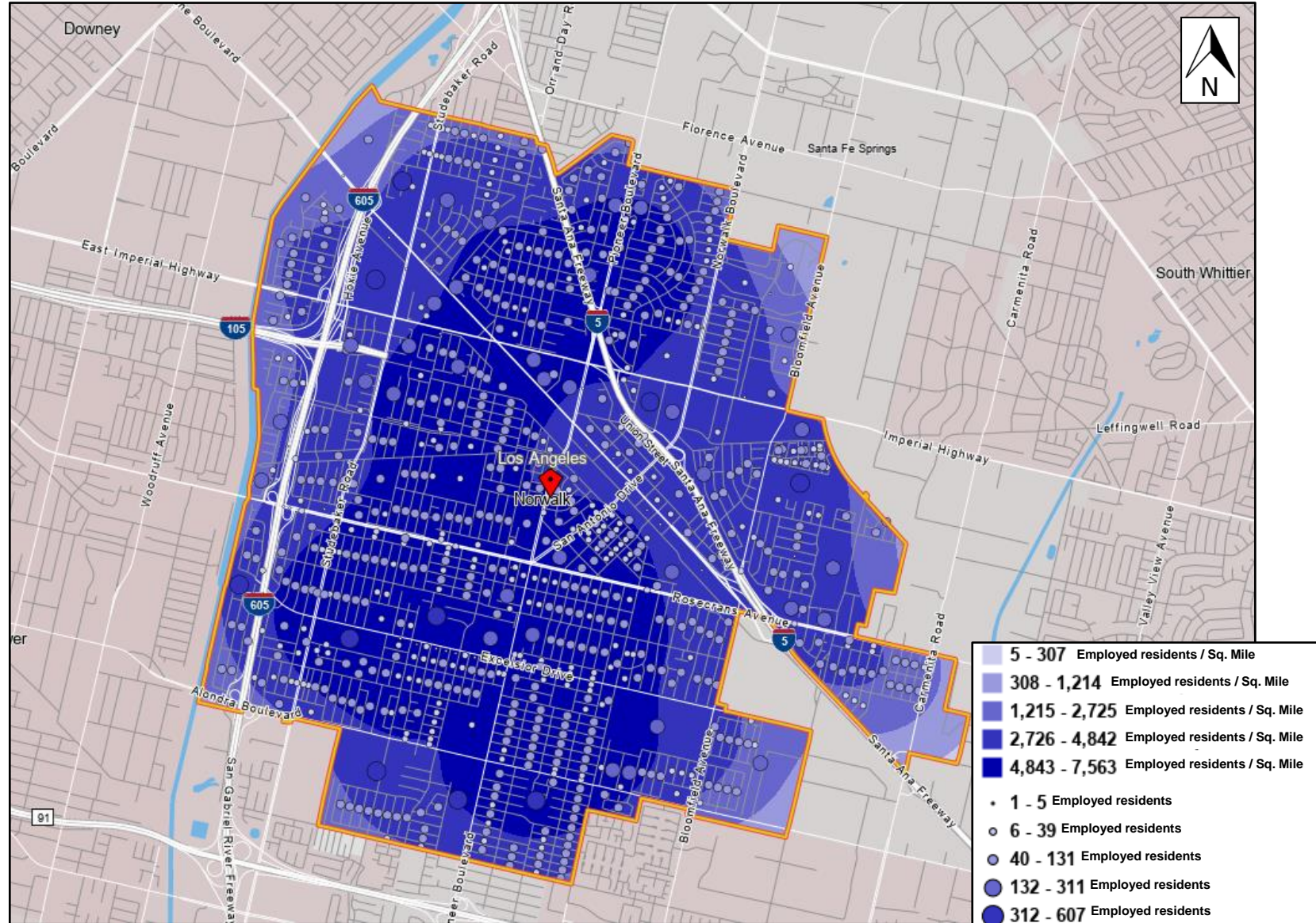
*“Industries in which City residents work”*

Workers Employed in Study Area (Age 16+)	
Sector	Share
Health Care and Social Assistance	19.8%
Educational Services	18.1%
Retail Trade	14.3%
Administration & Support, Waste Management and Remediation	12.4%
Accommodation and Food Services	8.7%
Wholesale Trade	6.9%
Manufacturing	4.3%
Construction	3.2%
Professional, Scientific, and Technical Services	2.6%
Other Services (excluding Public Administration)	2.2%
Real Estate and Rental and Leasing	1.6%
Transportation and Warehousing	1.6%
Public Administration	1.5%
Finance and Insurance	1.1%
Arts, Entertainment, and Recreation	1.1%
Information	0.4%
Management of Companies and Enterprises	0.2%
Utilities	0.1%
Agriculture, Forestry, Fishing and Hunting	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0.0%

*“Jobs in the City”*

# NORWALK RESIDENT CONCENTRATION MAP

Residents are located throughout several areas of the City. Highest concentrations of residents appear to be in the center of the City (bounded between Pioneer Blvd., Studebaker Rd., Imperial Hwy., and Alondra Blvd.). There are fewer residents located in the outer areas of the City.





# WORKER DESTINATIONS & ORIGINS

## CITY OF NORWALK

Outflow: Where Residents Commute To For Work		
City	Count	Percentage
Los Angeles city, CA	6,762	14.0%
Norwalk city, CA	2,979	6.2%
Santa Fe Springs city, CA	2,307	4.8%
Long Beach city, CA	2,208	4.6%
Anaheim city, CA	1,921	4.0%
Cerritos city, CA	1,463	3.0%
Downey city, CA	1,231	2.6%
Irvine city, CA	860	1.8%
Buena Park city, CA	852	1.8%
Commerce city, CA	792	1.6%
Santa Ana city, CA	781	1.6%
Orange city, CA	732	1.5%
Fullerton city, CA	726	1.5%
La Mirada city, CA	694	1.4%
Carson city, CA	674	1.4%
Whittier city, CA	661	1.4%
Torrance city, CA	608	1.3%
Bellflower city, CA	580	1.2%
Industry city, CA	526	1.1%
Paramount city, CA	499	1.0%
Cypress city, CA	475	1.0%
San Diego city, CA	470	1.0%
Brea city, CA	464	1.0%
Garden Grove city, CA	423	0.9%
Huntington Beach city, CA	423	0.9%
All Other Locations	18,047	37.5%

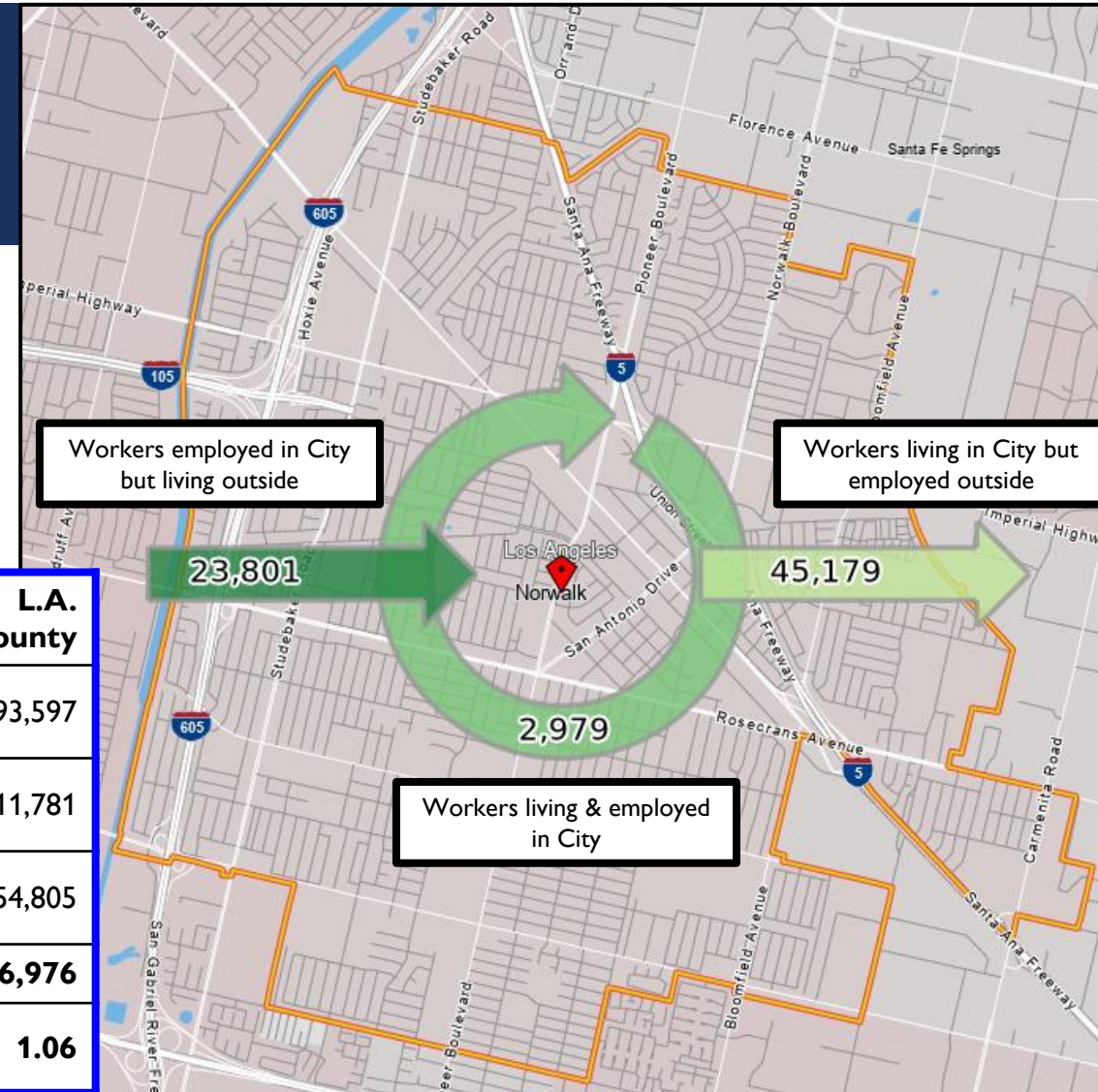
Inflow: Where Workers Come From		
City	Count	Percentage
Norwalk city, CA	2,979	11.1%
Los Angeles city, CA	2,045	7.6%
Long Beach city, CA	1,401	5.2%
Anaheim city, CA	770	2.9%
Downey city, CA	762	2.8%
La Mirada city, CA	716	2.7%
Bellflower city, CA	623	2.3%
Whittier city, CA	546	2.0%
South Whittier CDP, CA	508	1.9%
Fullerton city, CA	493	1.8%
Lakewood city, CA	457	1.7%
Cerritos city, CA	422	1.6%
South Gate city, CA	367	1.4%
Buena Park city, CA	357	1.3%
Santa Ana city, CA	344	1.3%
Compton city, CA	312	1.2%
Pico Rivera city, CA	307	1.1%
Garden Grove city, CA	286	1.1%
La Habra city, CA	283	1.1%
Paramount city, CA	261	1.0%
East Los Angeles CDP, CA	236	0.9%
Lynwood city, CA	229	0.9%
Santa Fe Springs city, CA	226	0.8%
Bell Gardens city, CA	214	0.8%
Huntington Beach city, CA	212	0.8%
All Other Locations	11,424	42.7%

# WORKER INFLOW / OUTFLOW

## CITY OF NORWALK

- Employees who work in the City are coming from Los Angeles, Long Beach, Anaheim, Downey, and La Mirada
- Employed residents living in Norwalk are traveling to Los Angeles, Santa Fe Springs, Long Beach, Anaheim, and Cerritos for work
- Per the 2021-2022 ACFR, top 10 employers in Norwalk include:
  - County of Los Angeles (2,280 employees)
  - Metropolitan State Hospital (1,601)
  - Cerritos College (1,364)
  - Norwalk-La Mirada School District (1,237)
  - Freeway Insurance Services (516)
  - Target (482)
  - City of Norwalk (423)
  - Little Lake City School District (361)
  - Costco Wholesale (336)
  - Coast Plaza Hospital (313)

Reference	Norwalk	L.A. County
Workers Living and Working	2,979	3,693,597
Workers Coming (Inflow)	23,801	1,111,781
Workers Going (Outflow)	45,179	854,805
<b>Net Inflow/Outflow</b>	<b>(21,378)</b>	<b>256,976</b>
<b>Employment Ratio*</b>	<b>0.56</b>	<b>1.06</b>



# JOBS / HOUSING BALANCE

<b>2022</b>	<b>Norwalk City</b>	<b>Los Angeles County</b>	<b>California State</b>
<b><i>Employment</i></b>	23,348	4,302,001	16,426,737
<b><i>Households</i></b>	27,650	3,425,790	13,570,050
<b><i>Jobs / Housing Ratio</i></b>	<b>0.84</b>	<b>1.26</b>	<b>1.21</b>

# EMPLOYMENT PROJECTIONS BY INDUSTRY

## LOS ANGELES COUNTY

<i>Industry</i>	<i>2018</i>	<i>2028</i>	<i>Annual Growth 2018-2028</i>	<i>Total Growth 2018-2028</i>	<i>Total Change 2018-2028</i>
Health Care and Social Assistance	690,100	860,700	17,060	170,600	24.7%
Accommodation and Food Services	442,200	505,300	6,310	63,100	14.3%
Professional and Business Services	630,400	691,900	6,150	61,500	9.8%
Transportation and Warehousing	192,100	216,200	2,410	24,100	12.5%
Educational Services (Private)	131,300	155,200	2,390	23,900	18.2%
Government	590,600	612,100	2,150	21,500	3.6%
Information	216,400	235,500	1,910	19,100	8.8%
Retail Trade	424,800	443,000	1,820	18,200	4.3%
Construction	146,300	162,700	1,640	16,400	11.2%
Arts, Entertainment, and Recreation	94,300	104,900	1,060	10,600	11.2%
Other Services	158,800	166,400	760	7,600	4.8%
Wholesale Trade	223,200	229,500	630	6,300	2.8%
Financial Activities	223,200	224,900	170	1,700	0.8%
Mining and Logging	1,900	1,900	0	0	0.0%
Utilities	11,500	11,000	(50)	(500)	(4.3%)
Manufacturing	341,200	300,900	(4,030)	(40,300)	(11.8%)
<b>Total Nonfarm</b>	<b>4,518,100</b>	<b>4,922,100</b>	<b>40,400</b>	<b>404,000</b>	<b>8.9%</b>
<b>Total Other</b>	<b>582,600</b>	<b>632,700</b>	<b>5,010</b>	<b>50,100</b>	<b>8.6%</b>
<b>Total Farm</b>	<b>4,600</b>	<b>3,800</b>	<b>(80)</b>	<b>(800)</b>	<b>(17.4%)</b>
<b>Total Employment</b>	<b>4,842,300</b>	<b>5,269,800</b>	<b>42,750</b>	<b>427,500</b>	<b>8.8%</b>

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# A.4 – VISITATION TRENDS

CITY OF NORWALK – EDOP

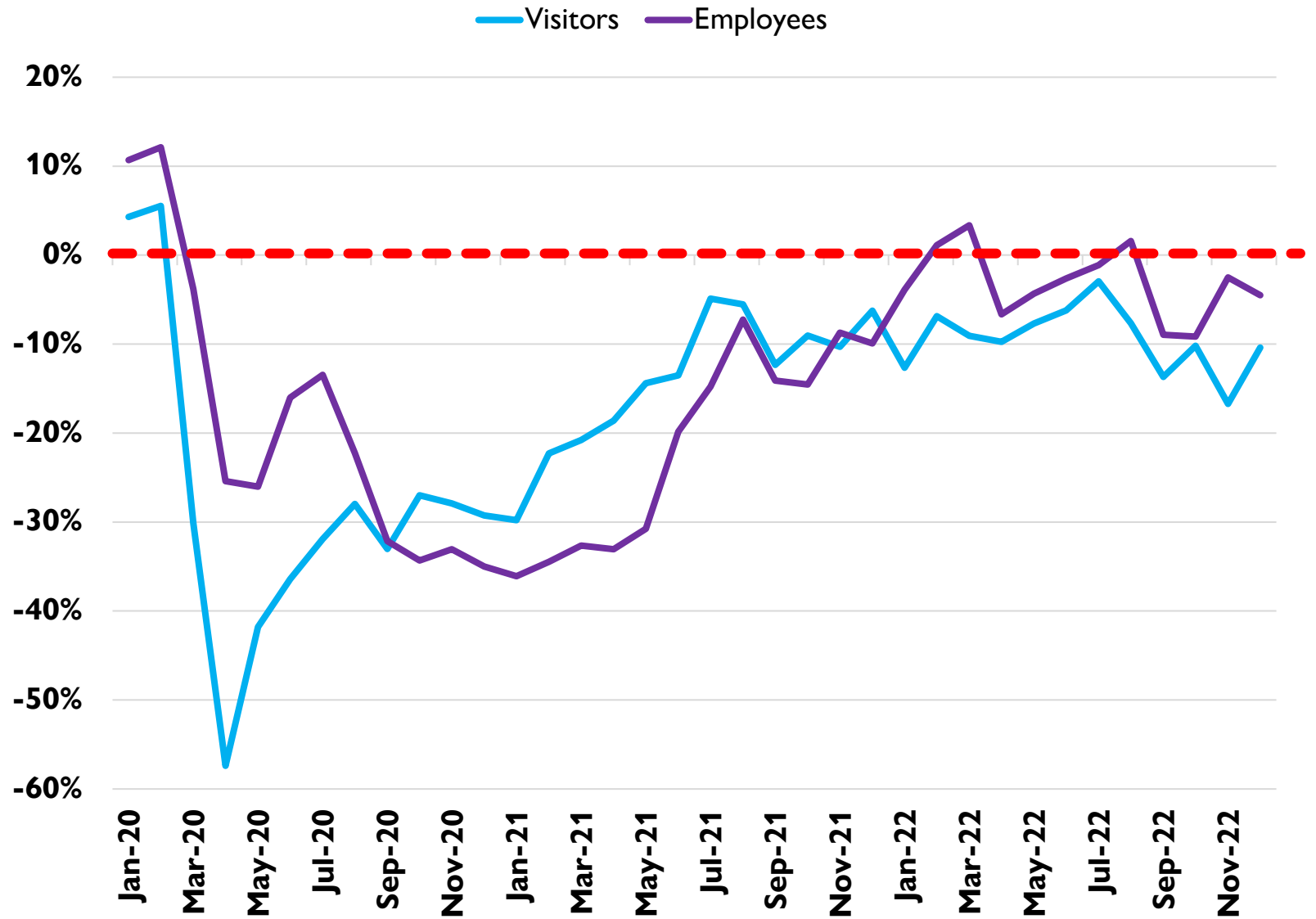
# SUMMARY

## VISITATION TRENDS

- The COVID-19 pandemic saw a decline in visits to the City by both visitors and employees. The average weekly visits to the City declined by 30% and 19% for visitors and employees in 2020, respectively
- Despite the decline in visits, the average weekly visits to the City by visitors increased by 23% in 2021 and further increased by 4% in 2022. It took approximately a year and five months for the number of visits among visitors to return to pre-pandemic levels
- Although employees saw a smaller decline in visits due to the pandemic, the average weekly visits continued to decline in 2021 by 2%, indicating further closures and employees working from home. 2022, saw a significant rise in the average weekly visits by employees (28% increase). Additionally, it took a longer period for weekly visits by employees to reach pre-pandemic levels (one year, ten months)
- Norwalk is a local draw for both visitors and employees.
  - Approximately 69% of visitors to Norwalk come less than 7 miles away, primarily from Bell Gardens, Bellflower, Downey, and South Gate
  - However, 15% of visitors come from 10-30 miles away – primarily from Long Beach and cities west of the 710 Fwy (e.g., South Gate, Huntington Park, Bell Gardens)
  - 83% of employees in Norwalk arrive to work from areas less than 7 miles away (primarily from Bell Gardens, Bellflower, La Mirada, and Paramount)

# NORWALK

## VISITOR AND EMPLOYEE VISITS PER MONTH (AS % OF 2019 BASELINE)



# CITY OF NORWALK VISITOR / EMPLOYEE FOOT-TRAFFIC OVERVIEW

## Norwalk Visitor / Employee Summary Data (Last 12 Months)

	Visitors	Employees
Annual Visits	33.8 million	11.5 million
Visit Frequency	7.9	208.8
Median Visit Length	77 minutes	150 minutes
Avg. HH Income	\$78K	\$78K

## Visitation Data: Distance from Home Area

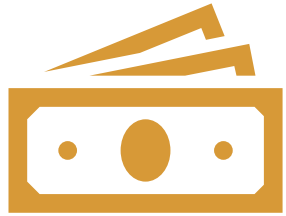
	0-3 Miles	3-7 Miles	7-10 Miles
Visitors	42%	27%	9%
Employees	70%	13%	6%

	10-30 Miles	30-100 Miles	100+ Miles
Visitors	15%	4%	3%
Employees	10%	1%	0%



# WHAT IS THE VISITOR AND EMPLOYEE PROFILE TO THE CITY? (LAST 12 MONTHS)



## Avg. HH Income

<b>Visitors</b>	\$78,000
<b>Employees</b>	\$78,000



## Ethnicity

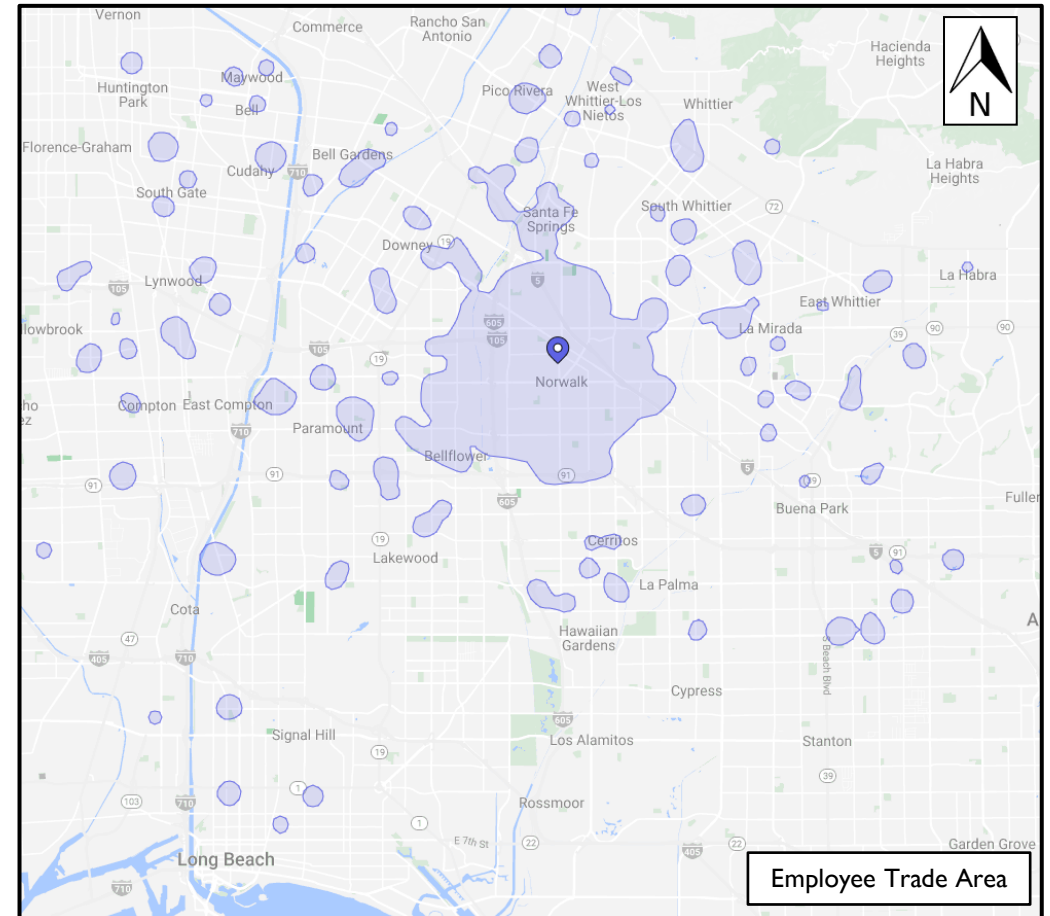
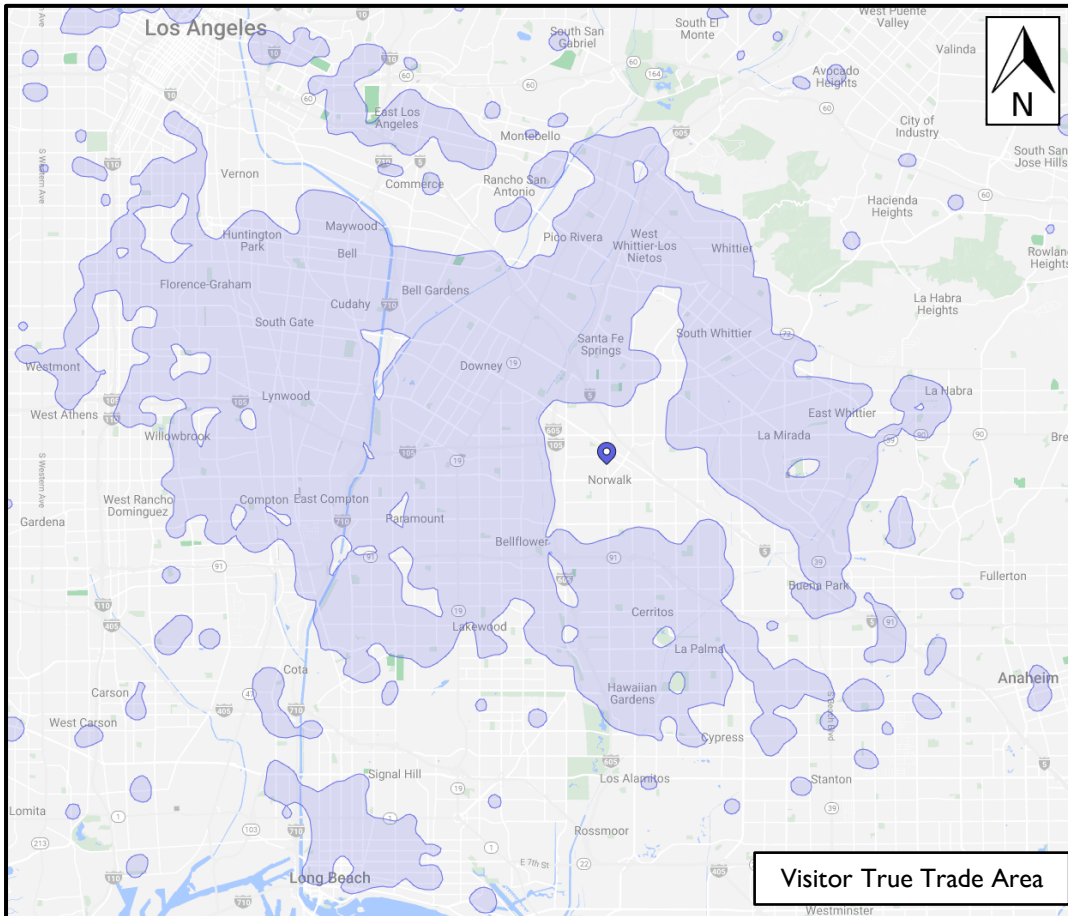
<b>Visitors</b>		<b>Employees</b>	
<i>Hisp.</i>	<i>52.5%</i>	<i>Hisp.</i>	<i>62.7%</i>
<i>White</i>	<i>27.3%</i>	<i>White</i>	<i>17.2%</i>
<i>Asian</i>	<i>13.2%</i>	<i>Asian</i>	<i>14.2%</i>
<i>Afr. Am.</i>	<i>7.0%</i>	<i>Afr. Am.</i>	<i>5.9%</i>



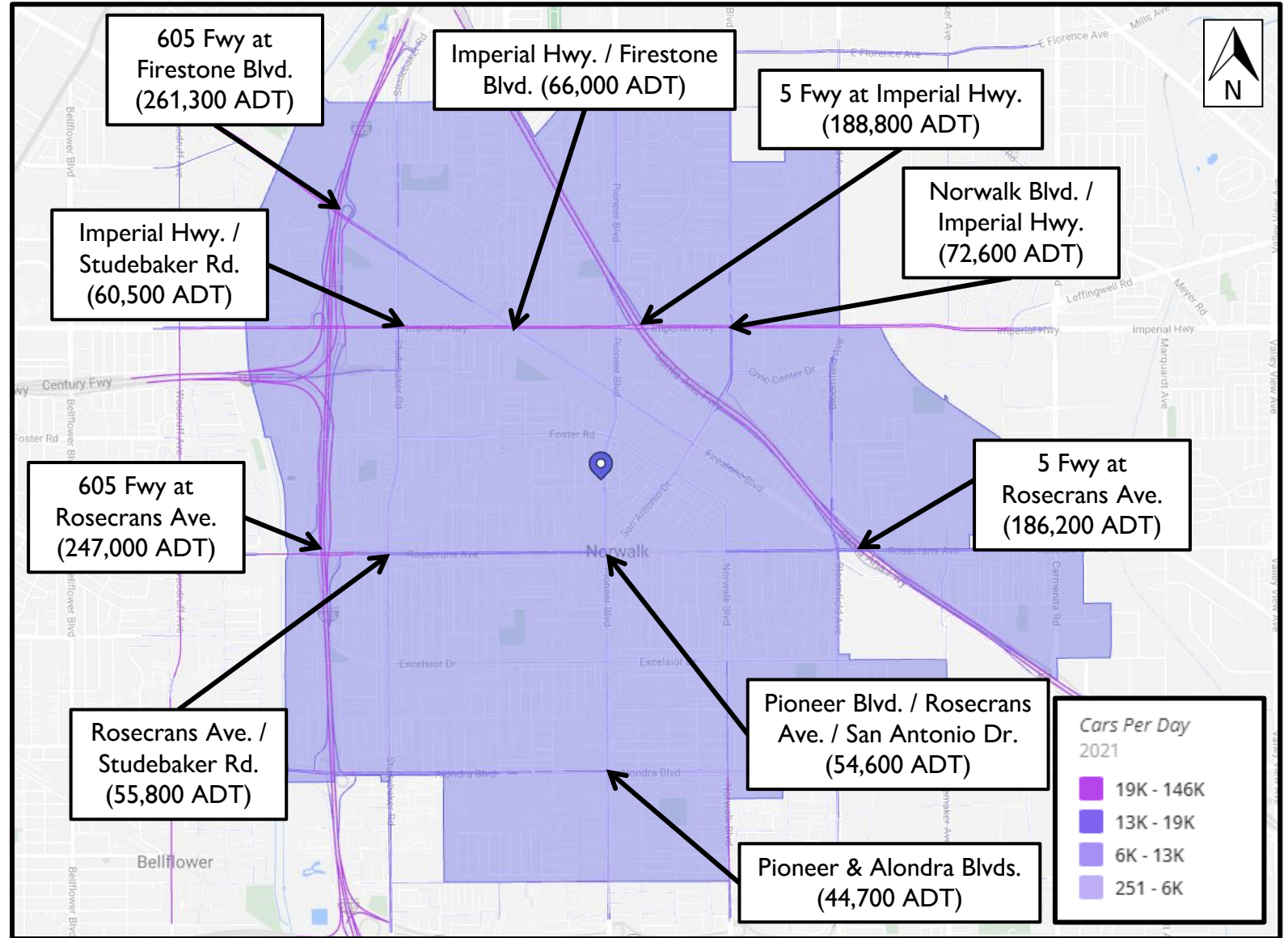
## Top Home Location Zip Codes

<b>Visitors</b>		<b>Employees</b>	
<i>90706</i>	<i>Bellflower</i>	<i>90650</i>	<i>Norwalk</i>
<i>90242</i>	<i>Downey</i>	<i>90706</i>	<i>Bellflower</i>
<i>90241</i>	<i>Downey</i>	<i>90723</i>	<i>Paramount</i>
<i>90280</i>	<i>South Gate</i>	<i>90638</i>	<i>La Mirada</i>
<i>90201</i>	<i>Bell Gardens</i>	<i>90201</i>	<i>Bell Gardens</i>

# TRADE AREA COVERAGE: LAST 12 MONTHS EMPLOYEES AND VISITORS TO NORWALK



# TRAFFIC COUNTS (CITY OF NORWALK)





## **B. MARKET DEMAND ANALYSIS**

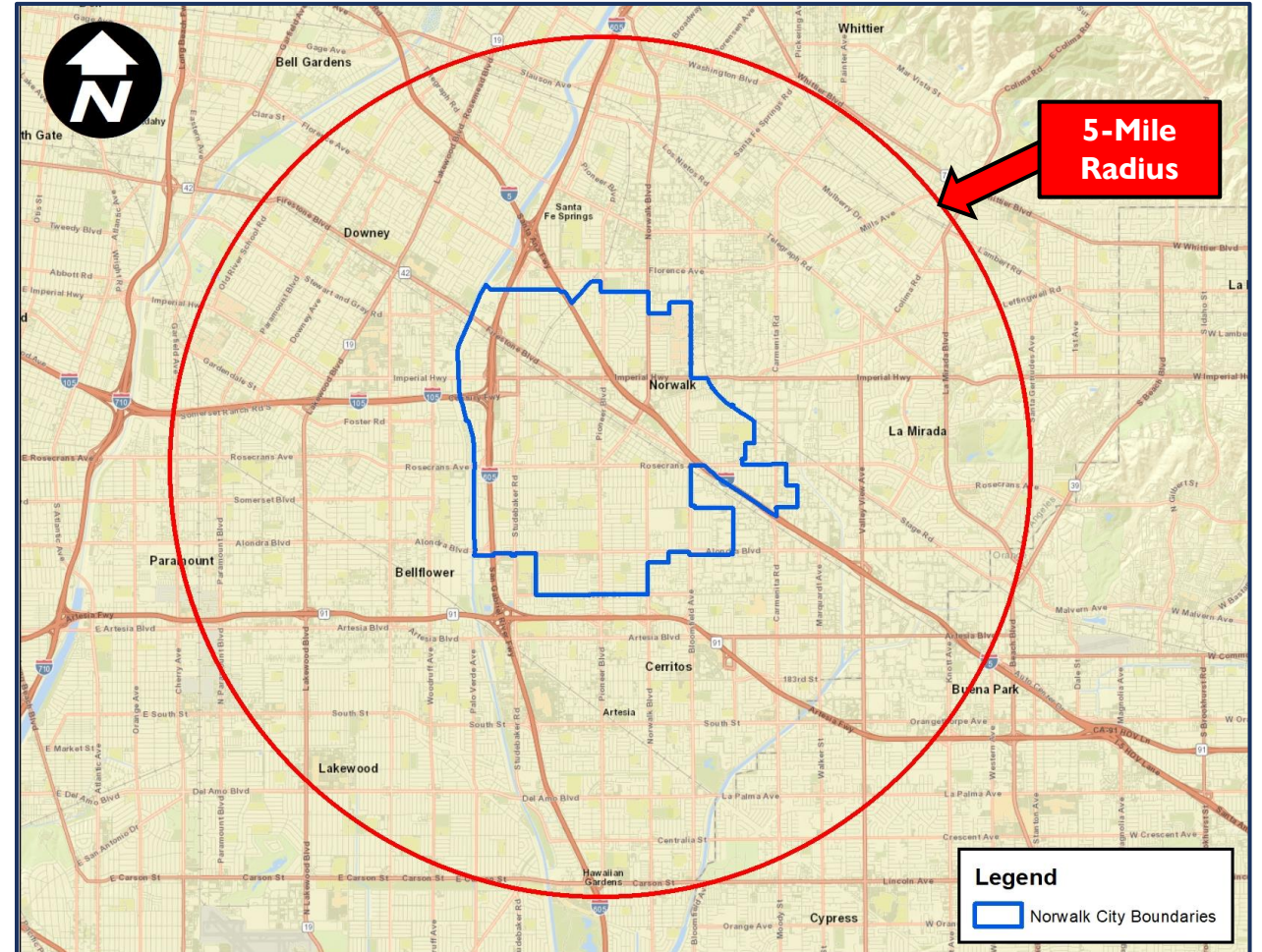
CITY OF NORWALK – EDOP

# OVERVIEW

## MARKET DEMAND ANALYSIS

### Overview

- This section begins with a summary of commercial, multifamily, and hospitality general market trends
- The Market Demand Analysis evaluates the retail, office, and multifamily residential real estate markets. Geographies observed in the Market Demand Analysis include:
  - The City of Norwalk
  - A five-mile radius from Pioneer Blvd. and Rosecrans Ave. (“five-mile radius”)
  - Los Angeles County
- The Market Demand Analysis observes the following:
  - Existing supply conditions for commercial (retail, office, and industrial / flex space), residential (multifamily), and hospitality (hotel) for the most recent available quarter (Q4 2022)
  - Historical trends in vacancy and rents on an annual basis over the last ten years (2012 to 2022)





# B.1 – MARKET TRENDS

CITY OF NORWALK – EDOP

# MARKET TRENDS SUMMARY

- Key trends in the post-COVID-19 economy:

- **Retail**

- Retail store closures, bankruptcies, and e-commerce has driven changes in retail; Retail centers are being reimagined (e.g. blended use development)
- Retail driven by trip-generators such as entertainment, experience, and essentials (e.g. food)

- **Office**

- Office leasing activity dropping as remote work becomes new normal; Social distancing led to offices resizing/reconfiguring
- Integrating office in blended use environments; Possible shift to suburban offices

- **Industrial**

- E-commerce is accelerating growth of industrial;
- Retail and industrial are merging, with space being used for Buy Online Pick Up in Store (BOPIS), fulfillment, last mile and warehousing (including flex)

- **Residential**

- Homes are live, play, **and work** environments
- Strength in suburban markets; Home office is the new home amenity as single and multifamily housing developments are designed to facilitate work
- New residential sites within shopping centers

- **Hospitality**

- Hospitality sector hurt the most by COVID-19 (conventions and business), but leisure travel is rebounding

# Key Market and Economic Development Trends for Norwalk



## Housing is Not a Loss Leader, it's a Growth Driver

### Housing Creation as Economic Development

- New housing can generate significant new tax revenues and support local jobs from resident spending
- Housing is not necessarily a net negative fiscal impact, especially at current property values



## Retail is Not Just Retail Anymore

### Retail Reimagination as Economic Development

- U.S. retail over-built and needs “right sizing;” Covid accelerated trends; today its about essentials, experience & e-commerce
- Blended/mixed use projects integrate multiple uses (housing, retail, open space, creative office, hotel)



## Telework is Reconfiguring Office

### Office Conversions as Economic Development

- Telework and work from home options are reshaping the needs for office space and business districts
- Job redistribution tied to housing
- Vacancies can lead to fiscal impact pressure



## Industrial / Distribution is Critical for the Economy

### Industrial & Fulfillment as Economic Development

- Modern industrial is not “your father’s industrial” – it is a blend
- Retail can’t thrive without distribution; Booming demand for e-commerce, particularly smaller last-mile delivery facilities
- Flex space (a blend of industrial, office, research and development space) is a growing market. Cities can attract high tech / skill firms with such space



# HOUSING AS ECONOMIC DEVELOPMENT

## *Rooftops Needed*

New housing can generate significant new tax revenues and supports local jobs – it is **not** necessarily a net negative fiscal impact, especially at current property values.

Housing is needed in jobs-rich areas; High costs are a burden, but high assessed value = tax \$\$\$

E-commerce will capture 25% of sales within 5 years (~\$9k per CA household)



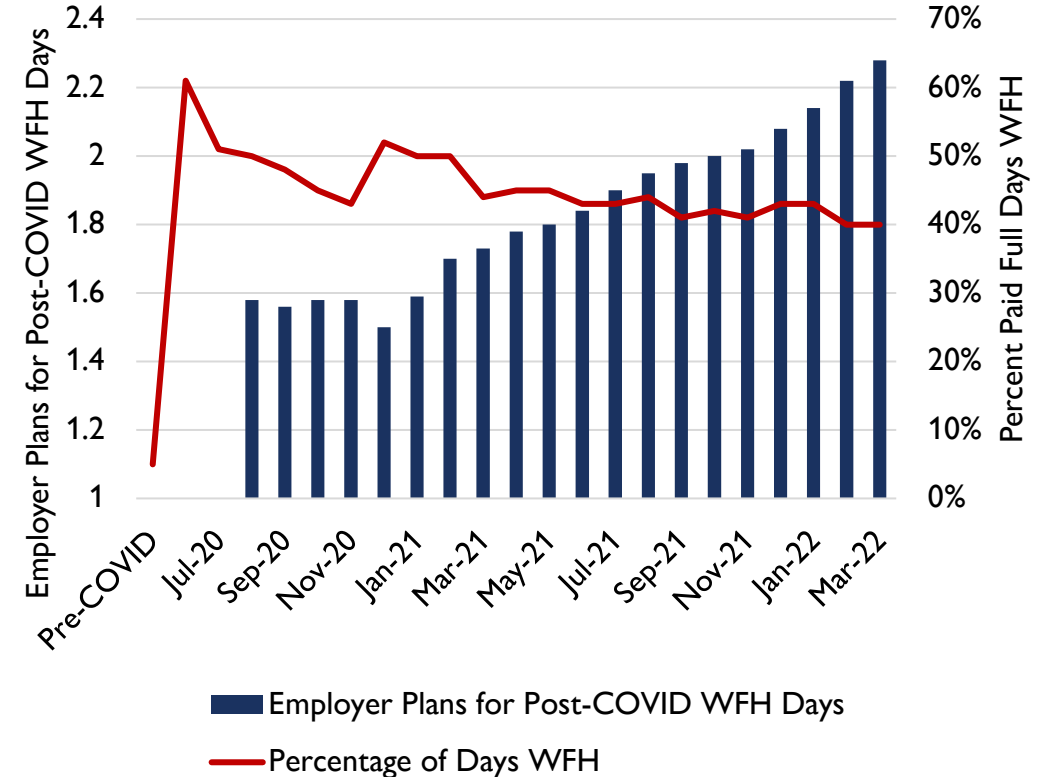
Telecommuting is booming; remote workers can alleviate traffic and increase “spend” to support local businesses.

# WORK-FROM-HOME GROWTH

## SIGNIFICANT IMPACTS ON OFFICE DISTRICTS & DAYTIME POP.

- Work-from-home is changing where people choose to live, and increases popularity of “15-minute communities” that offer amenities and quality of life
- Census Bureau estimated that ~44% of workers are in jobs where working from home is currently feasible, with only a quarter of those in feasible telework jobs actually utilizing this capability
- Research shows the ability to telework likely varies by educational attainment and income-level; many of the telework occupations are heavily represented by incomes requiring higher levels of education (such as Management / Business / Financial / Professional occupations)
- Other research shows that while work-from-home days have declined from the pandemic high of 60% to ~40% of days, this is still significantly above pre-pandemic estimates of 5%
- Employers are expecting an average of 2.3 work-from-home days per week, suggesting that hybrid home/office model is likely to be well-utilized post-COVID

**Work-from-Home: Current Utilization and Employer Plans for post-COVID**



# E-COMMERCE GROWTH

## SIGNIFICANT IMPACTS ON BRICK-AND-MORTAR RETAIL

- E-commerce sales in the U.S. have increased steadily, jumping by 30% in Q2 2020 due to increased utilization during the COVID-19 pandemic. Loss of almost \$1 trillion in sales puts massive pressure on local brick-and-mortar retailers.
- According to UBS, e-commerce's share of overall U.S. retail sales will continue to increase over the next 5 years, resulting in a loss of sales, primarily in clothing, office supply and sporting goods.
- Consumer online shopping behavior has further solidified during the COVID-19 pandemic, and is not likely to revert to old patterns, thanks to free 1-day delivery services, etc.

### E-Commerce Retail Sales



# RETAIL TRENDS IMPACT ON SHOPPING CENTERS

- Shopping Centers across the U.S. are faced with dramatic decline in retail sales as the digital economy converts the lifestyles and social patterns of every generation. Today's consumers use online websites for purchasing many hard and soft good commodities. E-commerce retail sales are expected to continue their growth, particularly in categories of clothing & general merchandise purchases—categories that were traditionally a strength for shopping centers
- Approximately 1,500 regional malls have been built in the U.S. but several hundred have closed in past 5-10 years. By 2025, experts expect a cumulative loss of over 500 malls, with only Class-A malls in high income communities most likely to survive. The decline is largely related to the continued explosion of online retail sales.
- Retail centers with the strongest opportunity for future growth are those focused on essentials and experience

# THE EVOLUTION OF RETAIL CENTERS



**Essential** – Historically, downtown shopping districts were the center of the universe and a community’s primary draw, bringing a local character to shopping, dining, and entertainment.



**Emergence** – The first enclosed shopping mall was designed by Victor Gruen in the 1950s, bringing a revolutionary shopping concept to the suburbs.



**Expansion** – Mall concepts grew tremendously through the 1960s – 1980s, with new malls constructed as regional centers.



**Enlargement** – The spread of enclosed malls gave way to power centers and big box retail in the 1990s, fixated on even greater sizes of retail spaces.



**Elevation** – Lifestyle centers focus on upscale consumers and luxury brands, with boutique collections of stores paired with leisure amenities and landscaped designs in the 2000s.



**Evolution** – Today, significant store closures, brought upon by the rise of online-shopping and shifting consumer tastes, have led to greater mall vacancies and struggling downtown districts, reinforcing the need to create blended use and “think outside the box.”

# RETAIL CENTERS NOT COMING BACK AS PURE RETAIL

- US over-built on retail; **more than 5 times the per capita shopping center square footage** vs. many other countries.
- Currently, Norwalk has 21 SF of shopping center space per capita

	Norwalk	California	United States
<b>Shopping Center GLA</b>	2.1 million SF	908.1 million SF	7.6 billion SF
<b>Population</b>	0.1 million	39.5 million	328.2 million
<b>Shopping Center GLA SF Per Cap.</b>	21 SF	23 SF	23 SF

## Global Context: Shopping Center SF Per Capita

<b>USA</b>	23.5	<b>CANADA</b>	16.8	<b>AUSTRALIA</b>	11.2
<b>UK</b>	4.6	<b>JAPAN</b>	4.4	<b>FRANCE</b>	3.8
<b>SPAIN</b>	3.4	<b>CHINA</b>	2.8	<b>ITALY</b>	2.8

# RETAIL TRENDS SUMMARY

- “Brick and Mortar” retail has been undergoing massive changes in the past decade. Major redevelopment plans for southern California shopping centers including Laguna Hills, Westminster Mall, and Baldwin Hills Crenshaw Plaza have been challenging with many sites pursuing “blended use” developments that include a significant multifamily housing component
- The financial failure of the vast majority of department store chains, the non-stop growth of e-commerce, along with the expansion of the super box stores such as Costco, Walmart and Target has devastated regional malls across the U.S. COVID-19 related bankruptcies by dozens of national soft good chains that used to be the mainstay of malls is the last straw. Over 25% of malls built prior to 2000 are expected to be torn down in the next 2-3 years
- Shopping centers that are centered around experiences, entertainment, and essentials are best poised for economic resiliency and future success.
- The future for retail centers in Norwalk lies in fostering experiential, entertainment uses and restaurants. Blended use projects that bring additional uses to retail sites (such as hospitality, last-mile logistics, and multifamily residential) can bring a more sustainable and diversified development to serve the community.

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# B.2 – RETAIL MARKET

CITY OF NORWALK – EDOP



# SUMMARY

## RETAIL MARKET

- The retail market in the City of Norwalk is large (3.9 million SF) and comprises 13% of retail space in the 5-mile radius
- The COVID-19 pandemic did cause retailers to vacate space in the City, as indicated by a net absorption of -21,700 SF by year-end 2020. Much of that space was absorbed by the market by year-end 2021 (+84,400 SF). 2022 saw a major drop in retail space absorption as the Food 4 Less at 10901 Imperial Hwy. was fully vacated (-105,000 SF)
- Retail vacancies increased in 2020 and 2022 due to the COVID-19 pandemic and the recent departure of Food 4 Less, respectively. Historically, retail vacancy has remained at or below 6.5%, **higher** than the 5-mile radius (5.9% peak) and Los Angeles County (5.3% peak)
- Retail vacancies can be observed in 19 buildings and shopping centers throughout the City. It is important to note that just two buildings (former Food 4 Less and former H Mart grocery stores) account for 42% of vacant retail space in the City
- Retail rents are **on par** with the 5-mile radius, but **lower** than the County
- In the ten-year period between year-end 2012 and year-end 2022, approximately 112,700 SF of retail space has been added in Norwalk (accounting for 8% of retail growth in the 5-mile radius)
- Prominent retail construction in the City includes: Norwalk Auto Center a 16,500 SF center at SEC Firestone Blvd. / Studebaker Rd. (opened 2017), and the Norwalk Fitness Village 81,700 SF, LA Fitness-anchored center (opened 2019, additional space built 2021)
- There is limited demand for more retail space in the City given e-commerce trends, however a new Sprouts Farmers Market opened in March 2023 at SWC of Alondra Blvd. and Maidstone Ave.
- Key categories of retail that exhibit leakage among Norwalk residents include: full-service restaurants, health and personal care stores, grocery stores, and clothing stores. Observing clothing and health and personal care stores, we can see that Norwalk residents are going to centers in Cerritos and Downey, along with some stores in Norwalk to shop for clothing, while residents tend to stay within Norwalk for health and personal care needs. There are five health and personal care stores that service Norwalk residents, although most tend to be in the northern half of the City
- 50% of the retail space in the City is over 40 years old. We estimate that half of that space (971,800 SF) could be replaced or re-envisioned as part of a larger blended-use project

# RETAIL MARKET OVERVIEW

	Q4 2022		
	City of Norwalk	5-Mile Radius	Los Angeles County
<b>Availability</b>			
NNN Rent \$PSF/Yr.	\$22.92	\$23.27	\$34.87
Vacancy Rate	8.2%	5.3%	5.0%
Vacant SF	318,942	1,625,868	22,187,227
Net Absorption	1,632	72	(100,354)
<b>Inventory</b>			
Existing SF	3,901,020	30,797,567	445,611,760

- Major available retail space in City
  - 102,598 SF available at 10901 Imperial Hwy. (former Food 4 Less)
  - 43,758 SF available at Norwalk Town Square (11633 The Plz.; 25,800 SF is a former LA Fitness)
  - 32,560 SF available at the 15915-15933 Pioneer Blvd. (former H Mart)
- Retail space planned / proposed / under construction
  - 45,000 SF retail building proposed at former Food 4 Less site
- 50% of retail space in the City is over 40 years old. Roughly half of the space (~971,800 SF could be replaced / re-envisioned)
- Sprouts Farmers Market grocery store opened in March 2023 at SWC of Alondra Blvd. and Maidstone Ave.



Top: Former Food 4 Less  
Above: Norwalk Town Square

**Source:** CoStar (Accessed January 2023); **Note:** CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.” Vacant space refers to all space that is not occupied by a tenant regardless of availability or lease obligation. Available space is the amount of space currently being marketed as available for lease or sale in a given time period. It includes any space that is vacant, occupied, or available at a future date. Negative net absorption refers to the fact that more tenants vacated retail space as opposed to renewing or expanding.

# RETAIL MARKET HISTORY

## 2012 – 2022

### CITY OF NORWALK

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	NNN Rent Overall
2022	3,901,020	318,942	8.2%	(104,954)	\$22.92
2021	3,895,388	208,356	5.3%	84,354	\$21.82
2020	3,880,307	277,629	7.2%	(21,668)	\$23.48
2019	3,875,703	251,357	6.5%	(28,302)	\$20.67
2018	3,809,086	156,438	4.1%	4,471	\$19.26
2017	3,809,086	160,909	4.2%	8,323	\$20.69
2016	3,792,626	152,772	4.0%	43,270	\$17.29
2015	3,790,776	194,192	5.1%	(38,142)	\$19.35
2014	3,788,276	153,550	4.1%	(42,092)	\$20.26
2013	3,788,276	111,458	2.9%	22,597	\$20.65
2012	3,788,276	134,055	3.5%	(7,604)	\$20.29

### 5-MILE RADIUS

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	NNN Rent Overall
2022	30,797,567	1,625,868	5.3%	50,316	\$23.27
2021	30,771,151	1,649,768	5.4%	192,109	\$21.95
2020	30,735,614	1,806,340	5.9%	(76,175)	\$21.27
2019	30,715,350	1,709,901	5.6%	(330,182)	\$20.89
2018	30,624,426	1,288,795	4.2%	(59,394)	\$19.68
2017	30,549,948	1,154,923	3.8%	486,974	\$22.22
2016	30,467,630	1,559,579	5.1%	540,072	\$21.65
2015	29,902,928	1,534,949	5.1%	236,711	\$19.34
2014	29,634,830	1,503,562	5.1%	61,492	\$19.90
2013	29,563,627	1,493,851	5.1%	196,890	\$19.26
2012	29,459,118	1,586,232	5.4%	(32,178)	\$18.84

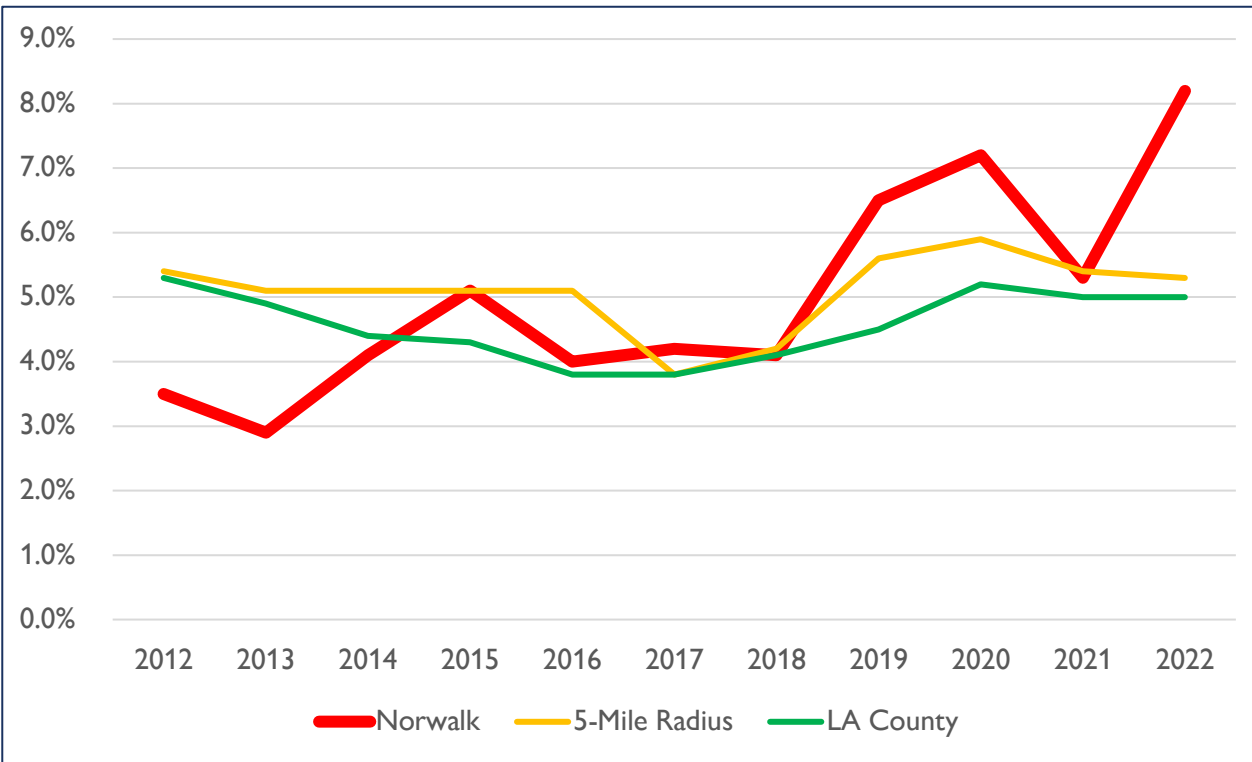
### LOS ANGELES COUNTY

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	NNN Rent Overall
2022	445,611,760	22,187,227	5.0%	1,079,752	\$34.87
2021	444,712,015	22,367,234	5.0%	1,650,391	\$33.94
2020	443,829,326	23,143,594	5.2%	(1,446,503)	\$32.86
2019	442,065,925	19,956,076	4.5%	(198,217)	\$33.16
2018	440,482,315	18,206,050	4.1%	(9,846)	\$31.13
2017	439,227,477	16,904,333	3.8%	2,035,050	\$30.63
2016	436,988,506	16,640,887	3.8%	3,959,383	\$29.58
2015	435,109,055	18,733,805	4.3%	2,719,835	\$27.32
2014	432,589,750	19,174,517	4.4%	3,136,045	\$25.80
2013	431,259,669	20,980,549	4.9%	2,813,983	\$24.73
2012	430,065,502	22,593,065	5.3%	826,172	\$24.85

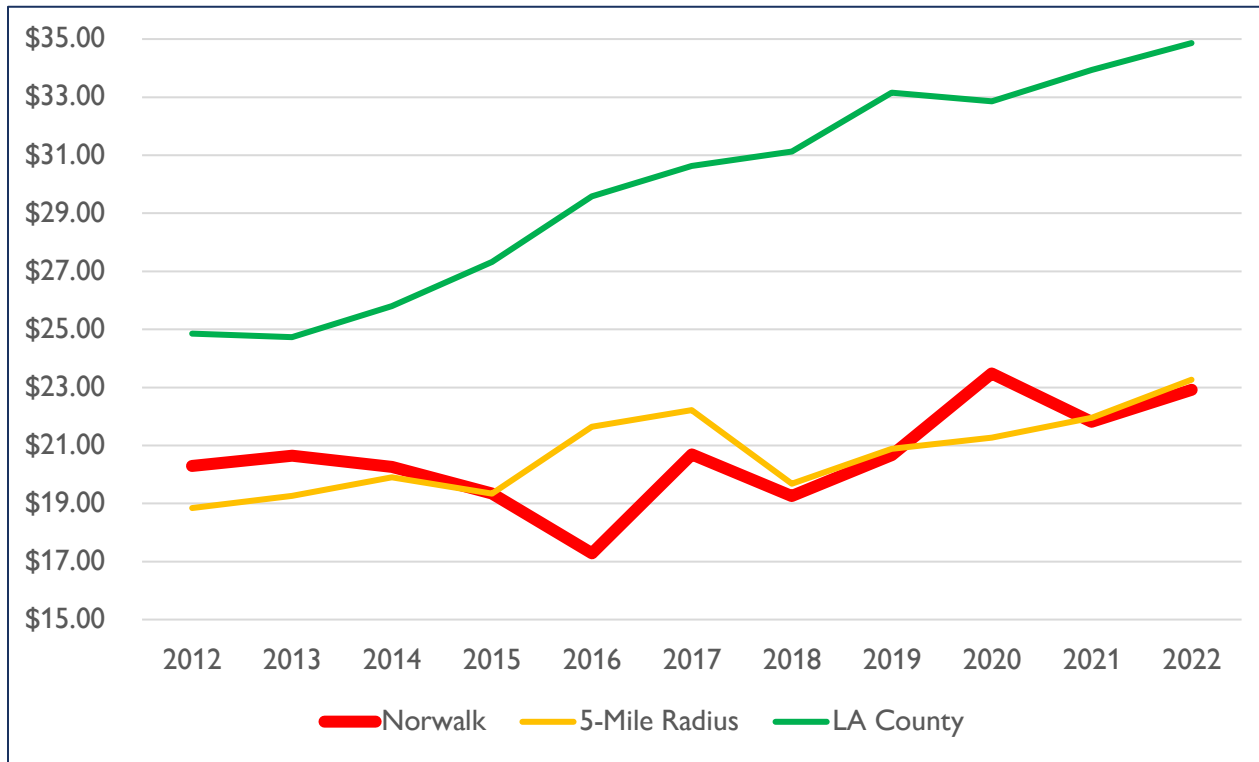
# RETAIL MARKET HISTORY

## 2012 – 2022

**Vacancy Rates**



**NNN Rent \$PSF/Yr.**

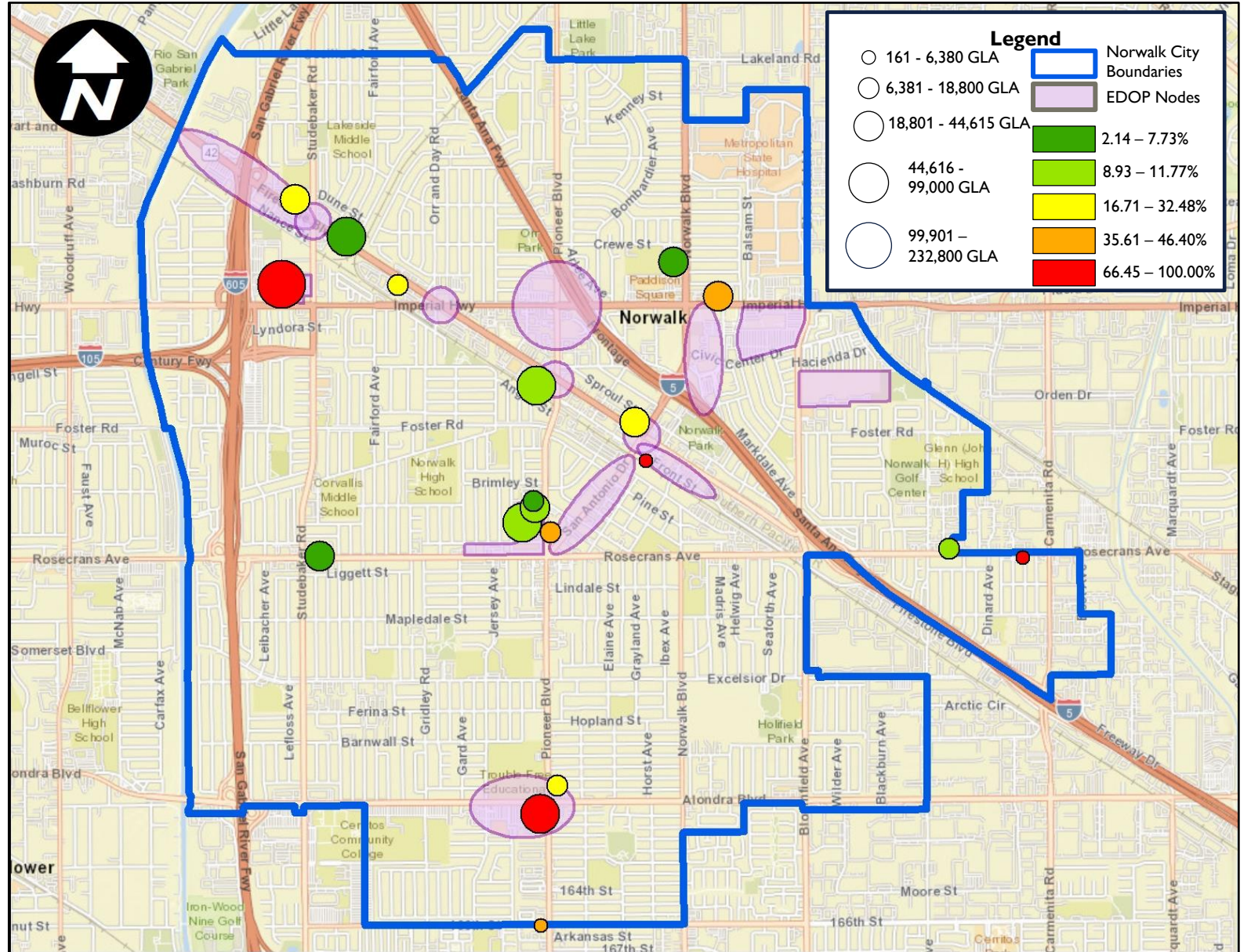


# RETAIL VACANCY

There are 19 retail buildings in Norwalk with vacancy ranging from 2.14% to 100.00%. Most of these retail buildings are found in the EDOP strategic areas / nodes.

Notable buildings and shopping centers with high levels of vacancy include former Food 4 Less, former H Mart, Civic Center Plaza (NEC Norwalk Blvd. / Imperial Hwy.), Firestone Plaza (NWC Firestone Blvd. / San Antonio Dr.), and Firestone Shopping Center (NWC Studebaker Rd. / Firestone Blvd.)

Notes: Overlaid on the ten EDOP strategic areas / nodes. Each point represents a building. Point size is based on building size (gross leaseable area "GLA"). Buildings with 0% vacancy are not included on this map.



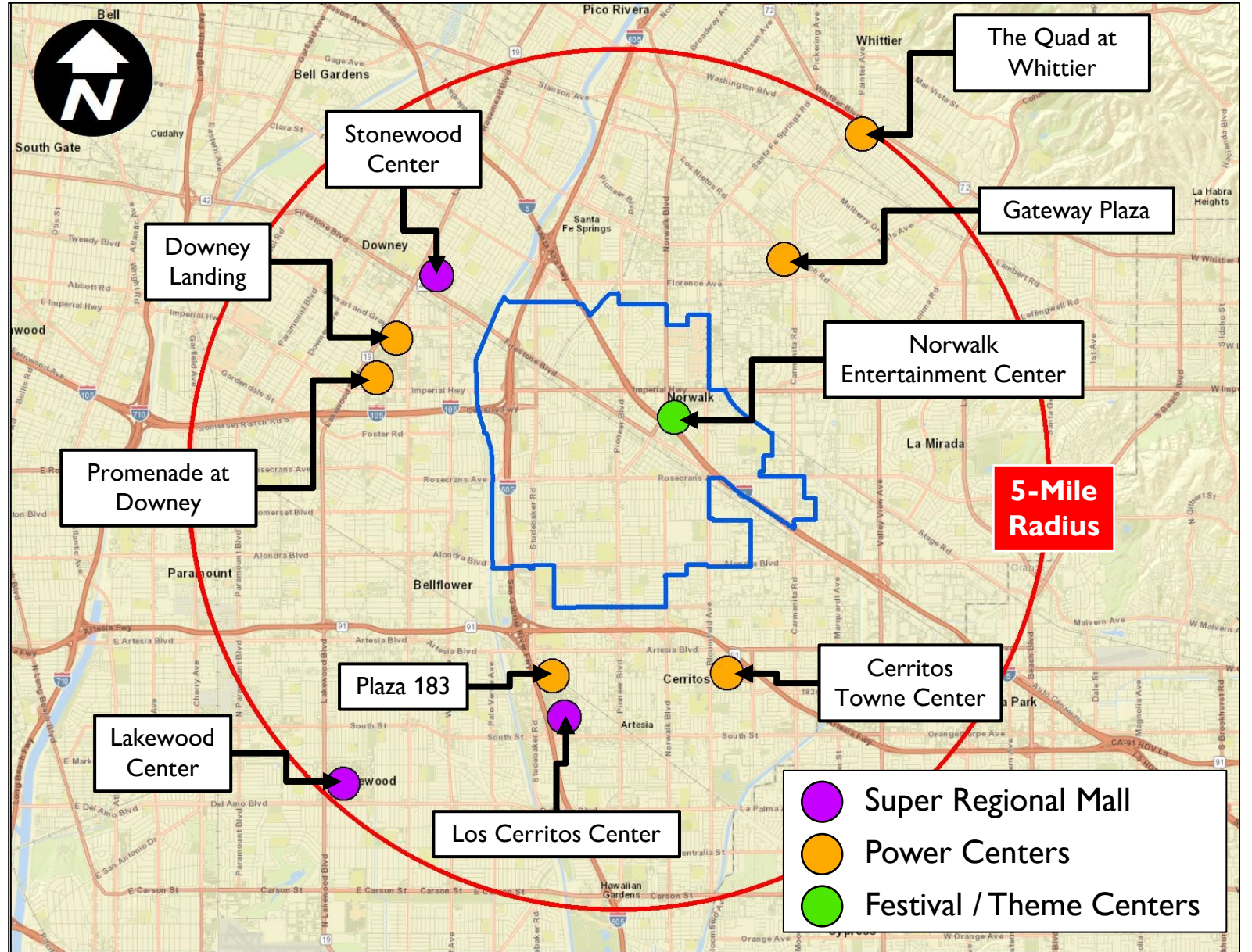
# NORWALK

## MAJOR SHOPPING CENTERS WITHIN 5-MILE RADIUS

	Norwalk	5-Mile Radius
Shopping Center Inventory (SF)	2,064,900	19,879,900
2022 Population	100,900	641,500*
Shopping Center SF Per Capita	20.5	31.0

Sources: ESRI Business Analyst Online, CoStar (Accessed January 2023);

Note: \*Population for the 5-mile radius was calculated from the intersection of Pioneer Blvd. and Rosecrans Ave. to directly compare to the area examined in the market analysis.



# RETAIL LEAKAGE

Retail categories featuring high retail leakage among Norwalk residents which continue to grow include: full-service restaurants, health and personal care stores, grocery stores, and clothing stores.

New Sprouts opened Mar. 3, 2023 will capture previously unmet demand.

## UNMET RETAIL DEMAND BY RETAIL CATEGORY (NORWALK RESIDENT PURCHASES – 2022)

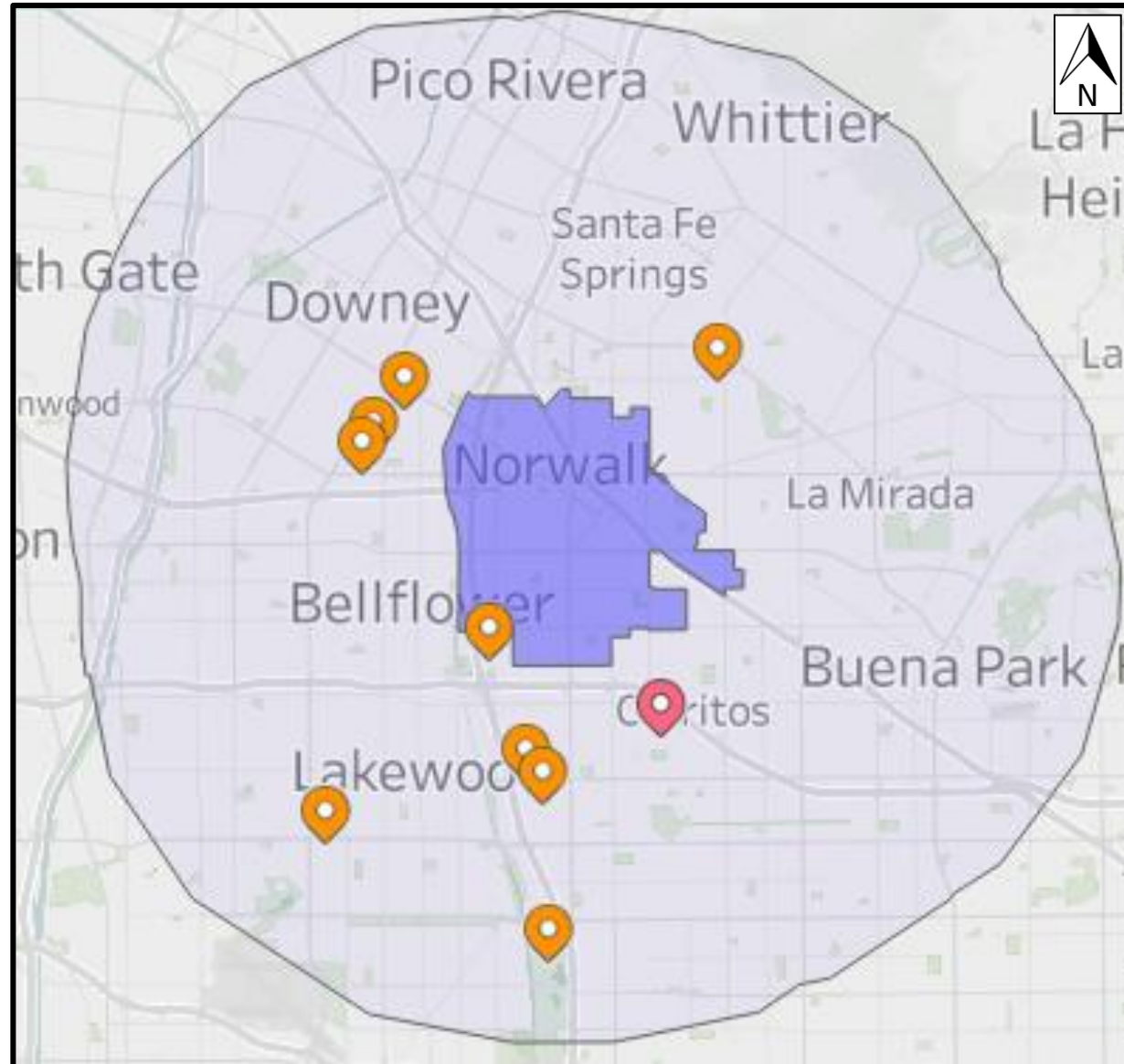
Retail Category	Supply (Sales) \$	Demand \$	Unmet Demand (\$)	Online Sales Leakage Potential
Other General Merchandise Stores	\$359.89 M	\$240.06 M	119.83 M	Medium
Building Material & Supplies	\$221.18 M	\$127.76 M	\$93.42 M	Low
Shoe Stores	\$14.59 M	\$9.92 M	\$4.67 M	High
Bars / Drinking Places	\$7.99 M	\$5.78 M	\$2.21 M	None
Book & Music Stores	\$3.06 M	\$4.77 M	(\$1.71 M)	High
Gasoline Stations	\$137.52 M	\$139.90 M	(\$2.38 M)	None
Electronics & Appliance Stores	\$19.37 M	\$24.59 M	(\$5.22 M)	High
Department Stores	\$30.67 M	\$36.59 M	(\$5.92 M)	Varies
Full-Service Restaurants	\$53.55 M	\$68.16 M	(\$14.60 M)	None
Auto Parts / Accessories Stores	\$19.45 M	\$34.45 M	(\$15.00 M)	Low
Home Furnishings Stores	\$1.76 M	\$18.94 M	(\$17.18 M)	Medium
Health & Personal Care Stores	\$86.75 M	\$114.71 M	(\$27.96 M)	Medium
Automobile Dealers	\$336.70 M	\$373.05 M	(\$36.35 M)	Low
Grocery Stores	\$184.85 M	\$242.04 M	(\$57.19 M)	Low
Clothing Stores	\$7.18 M	\$65.55 M	(\$58.37 M)	High

# RETAIL LEAKAGE MAP

The points on the map show the top retail centers and establishments across retail categories where Norwalk residents shop.

Four are in Cerritos (College Square, Los Cerritos Center, Cerritos Promenade, and the Walmart in Cerritos); three are in Downey (Stonewood Center, Downey Landing, Promenade at Downey). Other areas include: Lakewood Center, Long Beach Towne Center, and Gateway Plaza (Santa Fe Springs)

Los Cerritos Center received over one million visits by Norwalk residents last year.





# NORWALK RESIDENTS TOP VISITED CLOTHING STORES – PLACER.AI

Shopping centers associated with a store are listed below the store's address. Shopping center names are not included if the store is a standalone retail building.

Clothing Stores (Minimum 1 visit)		
Location	City	%
Nordstrom (300 Los Cerritos Center – Los Cerritos Center)	Cerritos	14%
Nordstrom Rack (11111 183 <sup>rd</sup> St. – Plaza 183)	Cerritos	9%
SKECHERS Factory Outlet (11033 Rosecrans Ave. – Rose Plaza)	Norwalk	6%
Old Navy (12090 Lakewood Blvd. – Downey Landing)	Downey	6%
Goodwill (12827 Pioneer Blvd.)	Norwalk	6%
Milos Fashion (11711 Rosecrans Ave. – Norwalk Town Square)	Norwalk	5%
Fashion Q (11758 Firestone Blvd. – Norwalk Plaza)	Norwalk	5%
WSS (11820 Firestone Blvd.)	Norwalk	5%
Savers (15825 Imperial Hwy. – La Mirada Towne Center)	La Mirada	4%
Old Navy (11159 183 <sup>rd</sup> St. – Plaza 183)	Cerritos	4%

Clothing Stores (Minimum 5 visits)		
Location	City	%
Nordstrom (300 Los Cerritos Center – Los Cerritos Center)	Cerritos	1%
Nordstrom Rack (11111 183 <sup>rd</sup> St. – Plaza 183)	Cerritos	1%
Savers (15825 Imperial Hwy. – La Mirada Towne Center)	La Mirada	0.5%
Goodwill (12827 Pioneer Blvd.)	Norwalk	0.5%
Nordstrom (500 Brea Mall – Brea Mall)	Brea	0.5%
WSS (11820 Firestone Blvd.)	Norwalk	0.5%
Old Navy (12090 Lakewood Blvd. – Downey Landing)	Downey	0.5%
Boomy (12321 Norwalk Blvd. – Norwalk Town Square)	Norwalk	0.5%
Milos Fashion (11711 Rosecrans Ave. – Norwalk Town Square)	Norwalk	0.5%
SKECHERS Factory Outlet (11033 Rosecrans Ave. – Rose Plaza)	Norwalk	0.5%

# NORWALK RESIDENTS

## TOP VISITED HEALTH AND PERSONAL CARE STORES – PLACER.AI

Shopping centers associated with a store are listed below the store's address. Shopping center names are not included if the store is a standalone retail building.

Health (Minimum 1 visit)		
Location	City	%
CVS (11623 Rosecrans Ave. – Norwalk Square)	Norwalk	22%
CVS (11011 Alondra Blvd. – CVS Center)	Norwalk	14%
Walgreens (11930 Studebaker Rd. – Firestone & Studebaker Center)	Norwalk	12%
CVS (11851 Artesia Blvd. – Pioneer Artesia Center)	Artesia	10%
CVS (12618 Studebaker Rd.)	Norwalk	8%
Rite Aid (12319 Norwalk Blvd. – Paddison Square)	Norwalk	6%
Walgreens (11800 Artesia Blvd.)	Artesia	5%
CVS (13303 East South St. – Cerritos Plaza South)	Cerritos	3%
CVS (15210 Rosecrans Ave. – La Mirada Theatre Center)	La Mirada	3%
GNC (13931 Pioneer Blvd. – Norwalk Town Square)	Norwalk	2%

Health (Minimum 5 visits)		
Location	City	%
CVS (11623 Rosecrans Ave. – Norwalk Square)	Norwalk	3%
CVS (11011 Alondra Blvd. – CVS Center)	Norwalk	2%
Walgreens (11930 Studebaker Rd. – Firestone & Studebaker Center)	Norwalk	1%
CVS (11851 Artesia Blvd. – Pioneer Artesia Center)	Artesia	1%
CVS (12618 Studebaker Rd.)	Norwalk	1%
Rite Aid (12319 Norwalk Blvd. – Paddison Square)	Norwalk	0.5%
CVS (13303 East South St. – Cerritos Plaza South)	Cerritos	0.5%
Walgreens (11800 Artesia Blvd.)	Artesia	0.5%
CVS (15210 Rosecrans Ave. – La Mirada Theatre Center)	La Mirada	0.5%
Rite Aid (15924 Bellflower Blvd. – Santangelo Plaza)	Bellflower	0.5%

**Source:** Placer.ai (Accessed January 2023);

**Notes:** Visits to area health and personal care stores in the last year (2022) by Norwalk residents. Top nine health and personal care stores are shown among residents who visited at least five times in 2022.

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## B.3 – OFFICE MARKET

CITY OF NORWALK – EDOP

# SUMMARY

## OFFICE MARKET

- Norwalk contains 1.4 million SF of office space and accounts for 13% of the total office space within the 5-mile radius
- As of Q4 2022, office vacancy in the City was **higher** than vacancy in the 5-mile radius, but **lower** than Los Angeles County. Office rents were **on par** with the 5-mile radius and **lower** than Los Angeles County, indicating limited demand for office space in the City
- Between 2012 and 2022, office vacancy in the City and 5-mile radius has fluctuated between 5.0% and 10.5%. Comparatively, vacancy in Los Angeles County in the ten-year span has never dropped below 9.6%. Office rents have seen a steady increase in the last 10 years. In that time, office rents in Norwalk, the 5-mile radius, and Los Angeles County have grown by 18%, 21%, and 44%, respectively
- The COVID-19 pandemic caused a significant shift in the way people work – offices were shut down and employees began working remotely. As of year-end 2020, it is observed that office vacancy dropped by 11% in year-end 2021, but increased by 32% to 8.3% by year-end 2022
- Although Norwalk has overall higher levels of vacancy compared to the surrounding 5-mile radius, it is important to note that almost half of the vacant space in the City can be attributed to one building – Norwalk Govt. Center (464K SF, 11.1% vacant)
- Limited office space has been constructed in the last ten years (14,000 SF across four buildings) and there has not been new office construction in the City since 2018. Of these newly constructed buildings, two are medical office buildings and one is a live/work office/residential building. Given more people are working from home, in-home office type amenities will be important to consider for future development
- Demand for office space City-wide is limited as there is no additional office space that is currently planned, proposed, or under construction
- 97% of office space in Norwalk is over 40 years old. Three office buildings (over 40 years old) contain 60% of the office space in Norwalk. These buildings contain County offices / services and are unlikely to be replaced / reimagined. As older buildings become obsolete, we estimate that approximately half of the remaining 37% of office space over 40 years old can be replaced or re-envisioned as part of a blended-use project

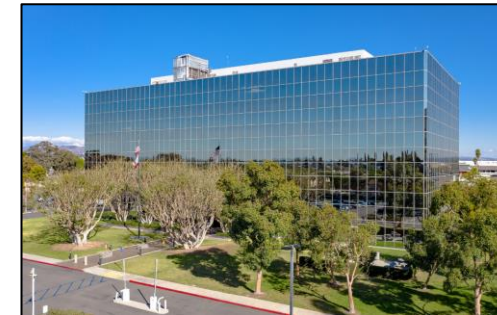
# OFFICE MARKET OVERVIEW

	Q4 2022		
	City of Norwalk	5-Mile Radius	Los Angeles County
<b>Availability</b>			
Gross Rent \$PSF/Yr.	\$27.17	\$27.78	\$41.19
Vacancy Rate	8.3%	5.2%	14.2%
Vacant SF	114,680	563,607	61,424,657
Net Absorption	(29,373)	(47,460)	(1,617,027)
<b>Inventory</b>			
Existing SF	1,375,748	10,855,189	431,580,769

**Source:** CoStar (Accessed January 2023); **Note:** CoStar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord.” Vacant space refers to all space that is not occupied by a tenant regardless of availability or lease obligation. Available space is the amount of space currently being marketed as available for lease or sale in a given time period. It includes any space that is vacant, occupied, or available at a future date.



- Major available office space in City
  - 51,579 SF available at Norwalk Govt. Center (12440 Imperial Hwy.) – the largest office building in the City (464,000 SF); Main tenants: County of Los Angeles and Accenture
  - 47,738 SF available at Norwalk Corporate Plaza (12501 Imperial Hwy.); Main tenants: Kaiser Permanente, CA Board of Equalization
- According to CoStar, there is no office space currently planned, proposed, or under construction. Limited office construction over last 10 years. No new office SF added since 2018
- Three buildings make up 60% of the office space in Norwalk. Those buildings are older than 40 years, but contain County offices / services and are unlikely to be redeveloped



**Top:** Norwalk Government Center  
**Above:** Norwalk Corporate Plaza

- 37% of the remaining overall office space is 40 years or older and approximately half of that space (~252,300 SF) can potentially be replaced / reimagined

# OFFICE MARKET HISTORY

## 2012 – 2022

### CITY OF NORWALK

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	Gross Rent Overall
2022	1,375,748	114,680	8.3%	(27,640)	\$27.17
2021	1,375,748	87,040	6.3%	11,103	\$28.45
2020	1,375,748	98,143	7.1%	9,370	\$26.26
2019	1,375,748	107,513	7.8%	(5,267)	\$24.97
2018	1,375,748	102,246	7.4%	24,313	\$23.29
2017	1,374,650	125,461	9.1%	(43,654)	\$22.56
2016	1,374,650	69,267	5.0%	11,951	\$22.64
2015	1,370,738	77,306	5.6%	9,069	\$22.10
2014	1,370,738	86,375	6.3%	5,071	\$21.02
2013	1,370,738	91,446	6.7%	61,112	\$20.16
2012	1,361,755	143,575	10.5%	(4,943)	\$22.98

### 5-MILE RADIUS

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	Gross Rent Overall
2022	10,855,189	563,607	5.2%	(15,825)	\$27.78
2021	10,855,189	547,782	5.0%	221,538	\$28.95
2020	10,850,189	764,320	7.0%	14,673	\$27.67
2019	10,850,189	778,993	7.2%	(1,908)	\$27.43
2018	10,850,189	777,085	7.2%	7,917	\$25.36
2017	10,834,714	769,527	7.1%	48,627	\$24.12
2016	10,792,764	763,664	7.1%	183,665	\$24.20
2015	10,765,675	920,240	8.5%	(35,705)	\$23.25
2014	10,765,675	883,935	8.2%	188,599	\$22.13
2013	10,765,675	1,072,434	10.0%	208,683	\$21.80
2012	10,613,164	1,128,606	10.6%	28,956	\$21.99

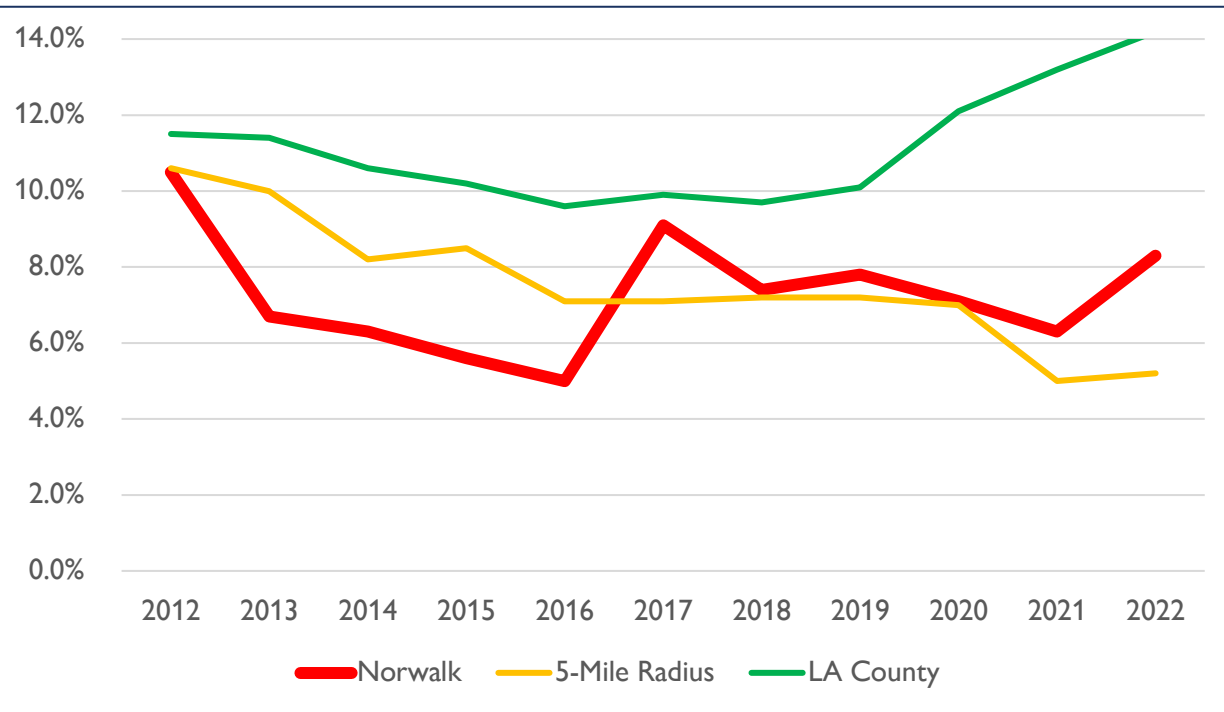
### LOS ANGELES COUNTY

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	Gross Rent Overall
2022	431,580,769	61,424,657	14.2%	(2,158,257)	\$41.19
2021	429,110,108	56,795,739	13.2%	(1,318,732)	\$41.06
2020	424,944,752	51,311,651	12.1%	(6,750,047)	\$40.37
2019	422,762,944	42,490,979	10.1%	743,071	\$38.72
2018	420,467,482	40,948,753	9.7%	2,438,366	\$36.82
2017	418,419,053	41,329,854	9.9%	1,246,923	\$35.42
2016	415,880,870	40,029,712	9.6%	4,686,711	\$34.35
2015	413,465,806	42,283,668	10.2%	3,207,345	\$32.31
2014	411,613,622	43,637,557	10.6%	3,926,868	\$30.76
2013	410,765,954	46,703,220	11.4%	1,993,693	\$29.34
2012	409,233,955	47,164,814	11.5%	2,521,072	\$28.51

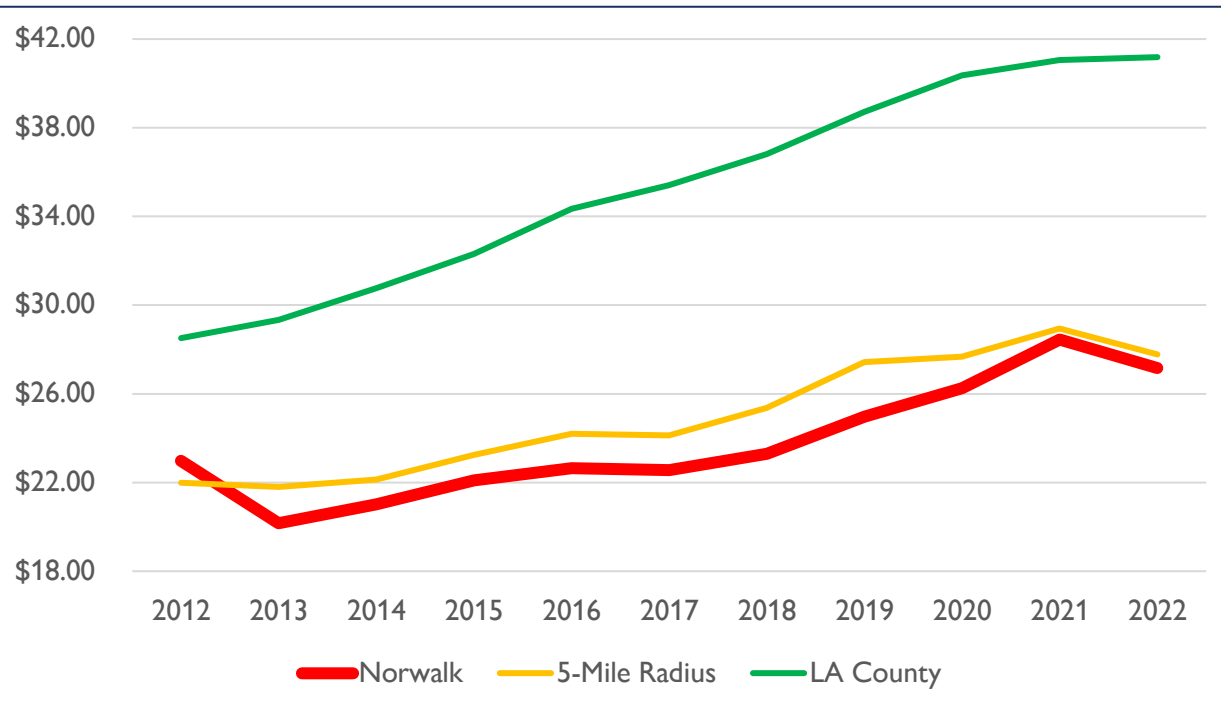
# OFFICE MARKET HISTORY

## 2012 – 2022

**Vacancy Rates**



**Gross Rent \$PSF/Yr.**

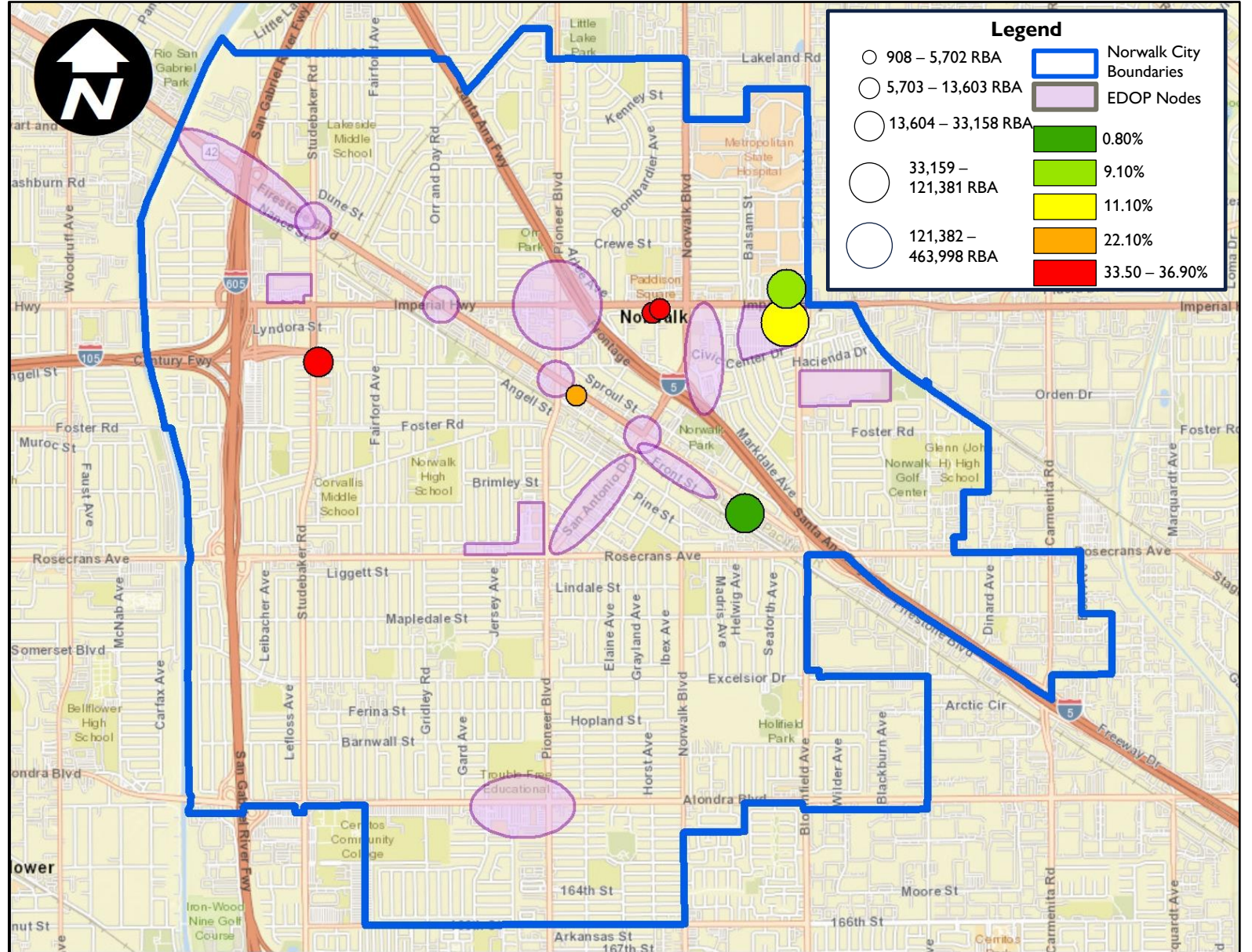


# OFFICE VACANCY

There are eight office buildings in Norwalk with vacancy ranging from 0.80% to 36.90%. Three of these buildings fall within EDOP strategic areas / nodes.

Notable office buildings with high levels of vacancy include Norwalk Government Center and 11004 Adoree St. (former Cal. Dept. of Public Health building, adjacent to Coast Plaza Hospital).

Note: Overlaid on the ten EDOP strategic areas / nodes. Each point represents a building. Point size is based on building size (rentable building area “RBA”). Buildings with 0% vacancy are not included on this map.





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# B.4 – INDUSTRIAL / FLEX MARKET

CITY OF NORWALK – EDOP

# SUMMARY

## INDUSTRIAL / FLEX MARKET

- This analysis compared key variables in the industrial and flex space market (hereafter, “industrial market”) within the City, the 5-mile radius, and Los Angeles County
- The industrial market in the City is small (3.3 million square feet across 130 buildings) accounts for 3% of the industrial and flex space within the 5-mile radius. Seven industrial buildings in the City account for 28% of the industrial space (each are over 100,000 RBA)
- As of Q4 2022, industrial vacancy in Norwalk was **lower** and industrial rents were **lower** compared to the 5-mile radius and Los Angeles County. Across the geographies, industrial vacancy was 2.4% or below (0.4% in the City), indicating a strong industrial market
- Over the last ten years, industrial vacancy in the City has fluctuated between 0.1% (2021) to 10.9% (2013), while industrial rents steadily grew (131% overall increase). In the same time period, industrial vacancy in the 5-mile radius and Los Angeles County has seen less fluctuation with vacancies remaining at or below 5.0% and rents growing by 218% and 223%, respectively
- Although industrial vacancy saw a 36% increase by year-end 2020, changing consumer behaviors and the growing presence of e-commerce saw an increase in the demand for industrial / flex space and vacancies declined by 99% to 0.1% in 2021
- In the last ten years, 24,900 SF of industrial space has been added to the industrial market in the City
- According to CoStar, there is no industrial or flex space planned, proposed or under construction in Norwalk
- There is strong demand for industrial space given the greater need for warehouse, sorting facilities, and last-mile delivery to support e-commerce trends. Additionally, flex industrial space, which includes research and development space appears, to be attractive options for companies in the medical and tech industries
- Approximately 84% of industrial space is over 40 years old. We estimate that a quarter of existing industrial space in the City (694,300 SF) could be re-envisioned or upgraded to accommodate the continuing growth of e-commerce

# INDUSTRIAL / FLEX MARKET OVERVIEW

	Q4 2022		
	City of Norwalk	5-Mile Radius	Los Angeles County
<b>Availability</b>			
NNN Rent \$PSF/Yr.	\$17.07	\$19.06	\$21.82
Vacancy Rate	0.4%	1.2%	2.4%
Vacant SF	13,815	1,414,382	22,283,558
Net Absorption	54,886	(88,757)	(818,864)
<b>Inventory</b>			
Existing SF	3,322,747	117,025,430	947,126,374

- Major available industrial / flex space in City
  - 16,340 SF Class B warehouse space available at 15613-15619 Blackburn Ave.
  - 9,615 SF Class B flex space available at 14775-14799 Carmenita Rd.
- According to CoStar, there is no industrial or flex space currently planned, proposed, or under construction. Limited industrial / flex space construction over last 10 years. No new industrial / flex SF added since 2017
- In the last 10 years 24,900 SF of industrial / flex space has been added City-wide



**Top:** 15613-15619 Blackburn Ave.  
**Above:** 14775-14799 Carmenita Rd.

- 84% of industrial / flex space in the City is over 40 years old. Given low vacancies, we estimate a quarter of this space (~694,300 SF) could be redeveloped / reimagined in the near future

**Source:** CoStar (Accessed January 2023); **Note:** CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.” Vacant space refers to all space that is not occupied by a tenant regardless of availability or lease obligation. Available space is the amount of space currently being marketed as available for lease or sale in a given time period. It includes any space that is vacant, occupied, or available at a future date. Negative net absorption refers to the fact that more tenants vacated retail space as opposed to renewing or expanding.

# INDUSTRIAL / FLEX MARKET HISTORY

## 2012 – 2022

### CITY OF NORWALK

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	NNN Rent Overall
2022	3,322,747	13,815	0.4%	(10,015)	\$17.07
2021	3,322,747	3,800	0.1%	297,387	\$10.56
2020	3,322,747	301,187	9.1%	(77,835)	\$11.04
2019	3,322,747	223,352	6.7%	(174,141)	\$10.46
2018	3,322,747	49,211	1.5%	(11,584)	\$9.85
2017	3,322,747	37,627	1.1%	38,703	\$10.36
2016	3,297,852	51,435	1.6%	(20,436)	\$8.88
2015	3,297,852	30,999	0.9%	16,769	\$6.29
2014	3,297,852	47,768	1.4%	311,249	\$7.14
2013	3,297,852	359,017	10.9%	(99,867)	\$6.25
2012	3,297,852	259,150	7.9%	(16,463)	\$7.40

### 5-MILE RADIUS

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	NNN Rent Overall
2022	117,025,430	1,414,382	1.2%	27,151	\$19.06
2021	116,830,720	1,246,823	1.1%	3,884,399	\$11.06
2020	116,094,080	4,394,582	3.8%	(366,522)	\$10.52
2019	115,832,052	3,772,392	3.3%	(1,140,248)	\$10.27
2018	115,588,247	2,388,339	2.1%	1,543,886	\$9.67
2017	113,456,297	1,800,568	1.6%	84,697	\$9.77
2016	113,087,445	1,516,413	1.3%	202,950	\$7.87
2015	112,795,621	1,427,539	1.3%	2,199,008	\$7.40
2014	112,795,621	3,626,547	3.2%	2,158,131	\$6.59
2013	112,693,392	5,682,449	5.0%	455,972	\$6.11
2012	111,866,525	5,311,554	4.7%	408,344	\$5.99

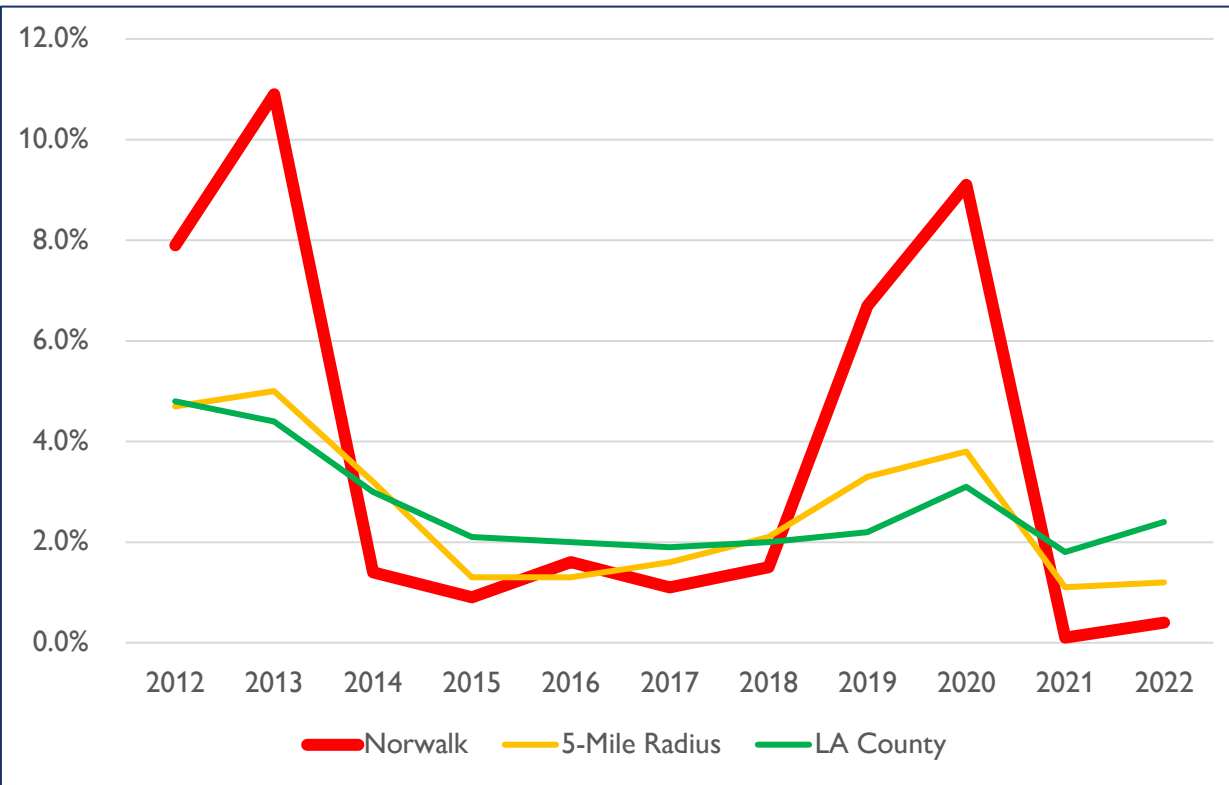
### LOS ANGELES COUNTY

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	NNN Rent Overall
2022	947,126,374	22,283,558	2.4%	(1,763,254)	\$21.82
2021	943,281,732	16,694,438	1.8%	16,992,637	\$17.58
2020	938,982,996	29,388,339	3.1%	(3,191,355)	\$14.41
2019	933,364,380	20,601,744	2.2%	1,010,958	\$13.77
2018	930,314,972	18,606,273	2.0%	5,064,991	\$12.40
2017	924,457,500	17,889,424	1.9%	8,216,200	\$11.27
2016	916,861,761	18,667,777	2.0%	3,774,165	\$10.17
2015	913,757,819	19,338,000	2.1%	11,274,918	\$9.40
2014	910,036,599	26,891,698	3.0%	14,948,508	\$8.32
2013	907,801,654	39,605,261	4.4%	7,016,633	\$7.45
2012	904,409,759	43,229,999	4.8%	5,755,058	\$6.75

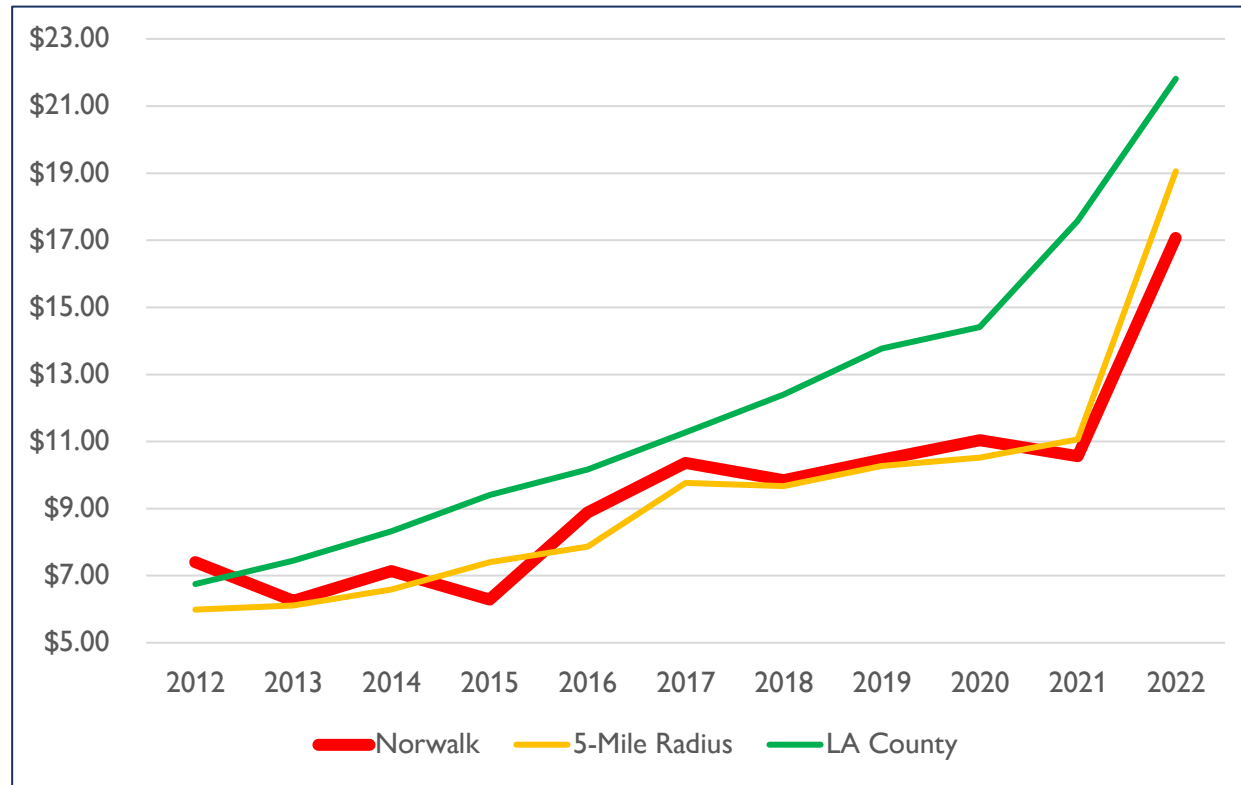
# INDUSTRIAL / FLEX MARKET HISTORY

## 2012 – 2022

Vacancy Rates



NNN Rent \$PSF/Yr.

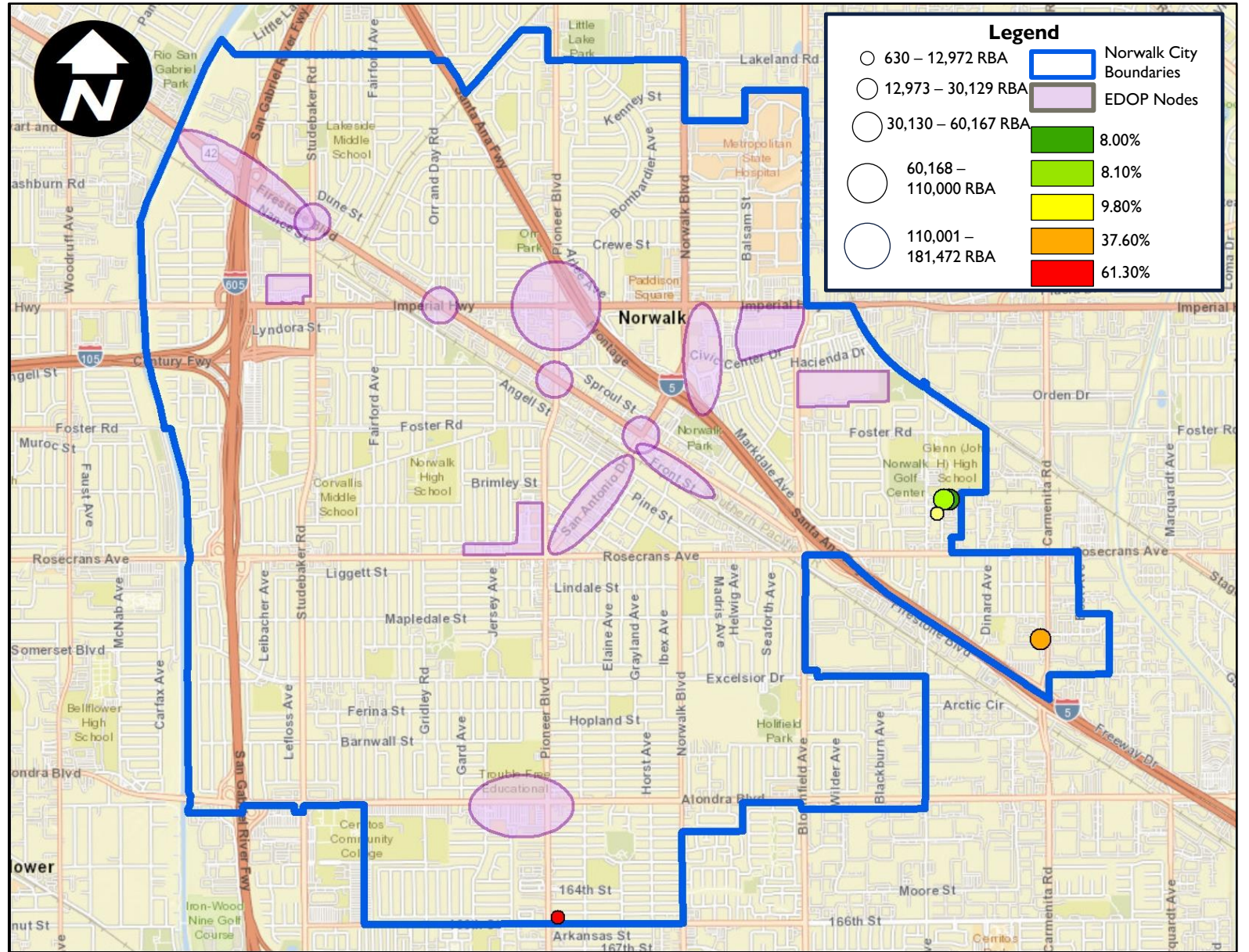


# INDUSTRIAL / FLEX VACANCY

There are five industrial buildings in Norwalk with vacancy ranging from 8.00% to 61.30%. Only 11818 165<sup>th</sup> St. (6,200 SF RBA, 61.30% vacant) falls within an EDOP strategic area.

The industrial / flex buildings that contain vacant space are smaller buildings (less than 30,130 SF). Another notable industrial building with higher levels of vacancy is 14775-14799 Carmentita Rd. (17,900 SF RBA, 37.60% vacant).

Note: Overlaid on the ten EDOP strategic areas / nodes. Each point represents a building. Point size is based on building size (rentable building area “RBA”). Buildings with 0% vacancy are not included on this map.





# B.5 – MULTIFAMILY RESIDENTIAL MARKET

CITY OF NORWALK – EDOP

# SUMMARY

## MULTIFAMILY RESIDENTIAL MARKET

- The multifamily residential market in the City of Norwalk contains 5,049 units across 170 buildings and accounts for 12% of the multifamily market within a 5-mile radius
- The multifamily market in Norwalk is strong with 2.2% vacancy as of Q4 2022. Furthermore, multifamily residential vacancy levels have been at or below 3.5% and asking rents per month have steadily increased over the last 10 years (58% increase overall)
- Among multifamily residential units in the City, 4% are in one Class A building, 24% are in Class B buildings, and 72% are in Class C buildings
- 86% of units in the City are market-rate units (2.5% vacancy, average asking rent = \$1,943/mo.) and 14% are affordable units (0.4% vacancy, average asking rent = \$982/mo.)
- Senior housing accounts for approximately 18% of multifamily residential units in the City (917 units across six buildings). 71% of senior units are affordable units and 29% are market rate
- Historically, the multifamily residential market has been strong across the geographies observed with vacancies remaining at or below 3.5% in the City, 3.6% in the 5-mile radius, and 5.5% in Los Angeles County
- From year-end 2012 to year-end 2022, 89 new residential units have been built across 21 buildings (Class B, market-rate units). This construction accounts for 2% of new construction in the surrounding 5-mile radius in the ten-year span. Major recent multifamily projects in the five-mile radius include: Aria, 197 Class A units in Cerritos; Miro, 150 Class A units in Santa Fe Springs; and Avalon Cerritos, 132 Class A units in Cerritos
- There are two major projects that have been proposed in the City that will feature multifamily residential as a large component. These include: Norwalk Entertainment District (allocated for up to 350 units, ~20% affordable) and Norwalk Transit Village (located on the former California Youth Authority site, 650-770 units, 40% of which will be affordable units)
- The City may consider allocating greater density for future projects to meet the demand for housing and achieve RHNA numbers. According to the SCAG 6<sup>th</sup> Cycle RHNA Allocation Plan, Norwalk was allocated to add 5,034 new housing units by 2029\* of which 59% are affordable units
- Despite limited construction trends in the City, the COVID-19 pandemic accelerated demand for multifamily residential, as more people began working from home



# MULTIFAMILY MARKET OVERVIEW

	Q4 2022		
	City of Norwalk	5-Mile Radius	Los Angeles County
<b>Availability</b>			
Asking Rent Unit/Mo.	\$1,776	\$1,808	\$2,087
Vacancy Rate	2.2%	2.3%	3.5%
Total # of Vacant Units	111	960	44,497
Net Absorption	(16)	(75)	683
<b>Inventory</b>			
Total # of Units	5,049	41,134	1,272,076

**Source:** CoStar (Accessed January 2023); **Notes:** Data represents the average asking rents across all unit types (studio, 1BR, 2BR, etc.). Inventory does not include dormitories or mobile homes. Negative net absorption refers to the fact that more residents vacated as opposed to moving into residential units. Numbers in parentheses and in red indicate a negative number.



- Major multifamily buildings in City
  - The Courtyards Apartments (12301-12401 Studebaker Rd., Class C, market-rate garden apartments; built 1966; 297 units; 28 du/ac)
  - Belcourt Senior Apartments (12801 Rosecrans Ave.; Class C, market-rate senior apartments; built 1988; 267 units; 58 du/ac)
  - Norwalk Metropointe (11615 E. Firestone Blvd.; Class B, market-rate, garden apartments; built 1989; 249 units; 49 du/ac)
  - Center Pointe Villas Apartment Homes (11856 Orange St.; Class B, affordable senior apartments; built 2001; 240 units; 73 du/ac)
- Major multifamily residential projects proposed in Norwalk includes: Norwalk Entertainment District (up to 350 units) and Norwalk Transit Village (650-770 units, 40% affordable). Limited number of multifamily units constructed in last 10 years
- Consider higher densities to meet RHNA requirement of 5,034 total housing units



**Top:** The Courtyards Apartments  
**Middle:** Belcourt Senior Apartments  
**Above:** Norwalk Metropointe

# MULTIFAMILY MARKET HISTORY

## 2012 – 2022

### CITY OF NORWALK\*

Year	Inventory Units	Vacant Units	% Vacant	Net Absorp. Units	Asking Rent	Asking Rent (PSF)
2022	5,049	111	2.2%	(23)	\$1,776	\$2.34
2021	5,045	83	1.7%	53	\$1,696	\$2.24
2020	5,045	136	2.7%	(23)	\$1,592	\$2.10
2019	5,039	107	2.1%	40	\$1,534	\$2.03
2018	5,033	141	2.8%	14	\$1,458	\$1.93
2017	5,033	155	3.1%	19	\$1,403	\$1.85
2016	5,027	169	3.4%	(19)	\$1,340	\$1.77
2015	5,027	150	3.0%	(25)	\$1,261	\$1.67
2014	5,027	125	2.5%	48	\$1,214	\$1.60
2013	5,027	174	3.5%	(15)	\$1,161	\$1.53
2012	5,027	159	3.2%	13	\$1,123	\$1.48

### 5-MILE RADIUS

Year	Inventory Units	Vacant Units	% Vacant	Net Absorp. Units	Asking Rent	Asking Rent (PSF)
2022	41,134	960	2.4%	(204)	\$1,808	\$2.25
2021	41,103	725	1.8%	465	\$1,728	\$2.15
2020	40,943	1,029	2.6%	(23)	\$1,636	\$2.03
2019	40,929	993	2.5%	37	\$1,593	\$1.98
2018	40,887	1,024	2.6%	178	\$1,533	\$1.91
2017	40,855	1,177	2.9%	141	\$1,470	\$1.83
2016	40,709	1,172	2.9%	128	\$1,410	\$1.76
2015	40,512	1,103	2.8%	327	\$1,337	\$1.67
2014	40,337	1,279	3.2%	174	\$1,274	\$1.59
2013	40,192	1,308	3.3%	128	\$1,230	\$1.54
2012	40,140	1,414	3.6%	47	\$1,200	\$1.50

### LOS ANGELES COUNTY

Year	Inventory Units	Vacant Units	% Vacant	Net Absorp. Units	Asking Rent	Asking Rent (PSF)
2022	1,272,076	44,497	3.8%	8,336	\$2,087	\$2.54
2021	1,259,539	41,087	3.6%	36,382	\$2,025	\$2.46
2020	1,244,051	63,233	5.5%	2,083	\$1,906	\$2.32
2019	1,228,975	51,894	4.6%	6,804	\$1,924	\$2.35
2018	1,216,118	46,439	4.2%	9,180	\$1,884	\$2.30
2017	1,203,485	44,232	4.0%	9,595	\$1,829	\$2.24
2016	1,194,743	46,203	4.2%	7,758	\$1,769	\$2.17
2015	1,182,553	42,369	3.9%	11,257	\$1,702	\$2.09
2014	1,171,663	43,851	4.1%	8,989	\$1,621	\$2.00
2013	1,162,583	44,073	4.1%	7,801	\$1,572	\$1.94
2012	1,156,737	46,254	4.4%	5,679	\$1,530	\$1.89

Source: CoStar (Accessed January 2023);

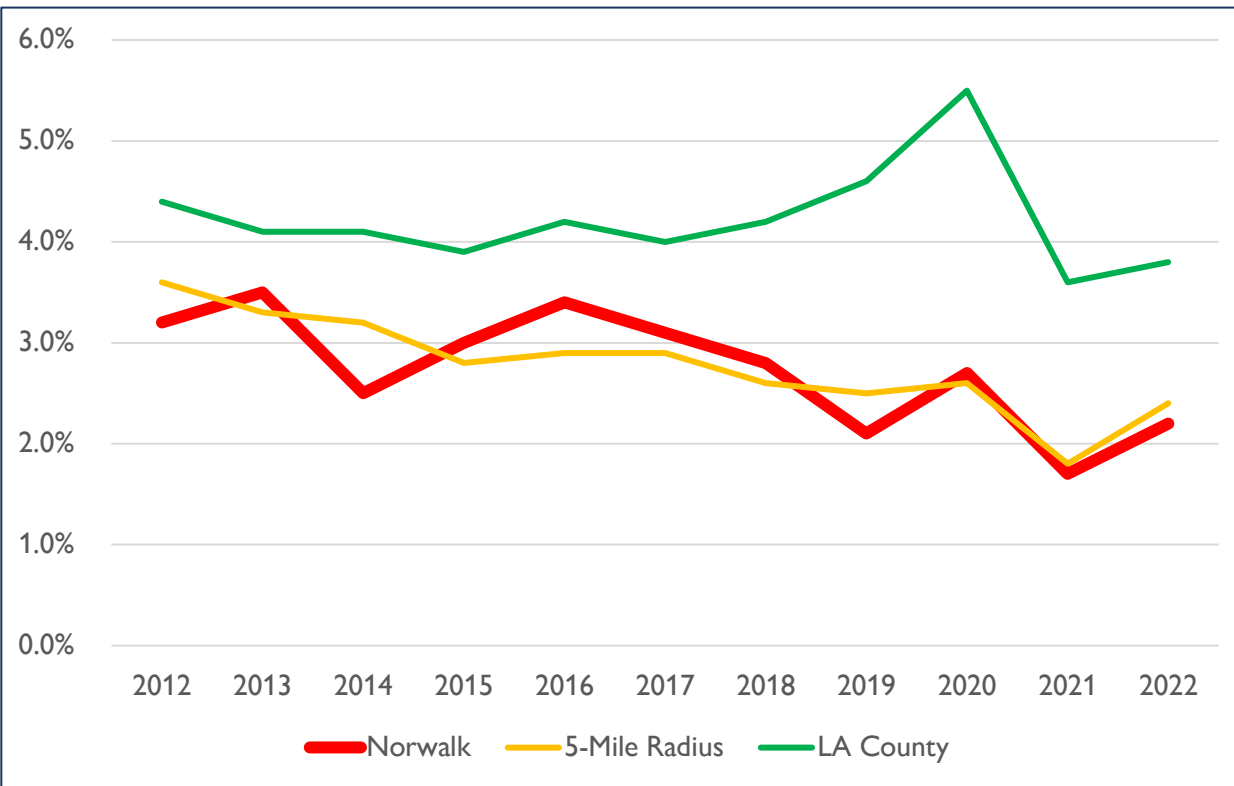
Note: Numbers in parentheses and in red indicate a negative number.

\*The 22-unit number highlighting new housing units built in the last 10 years will increase following the City's review of final housing inventory.

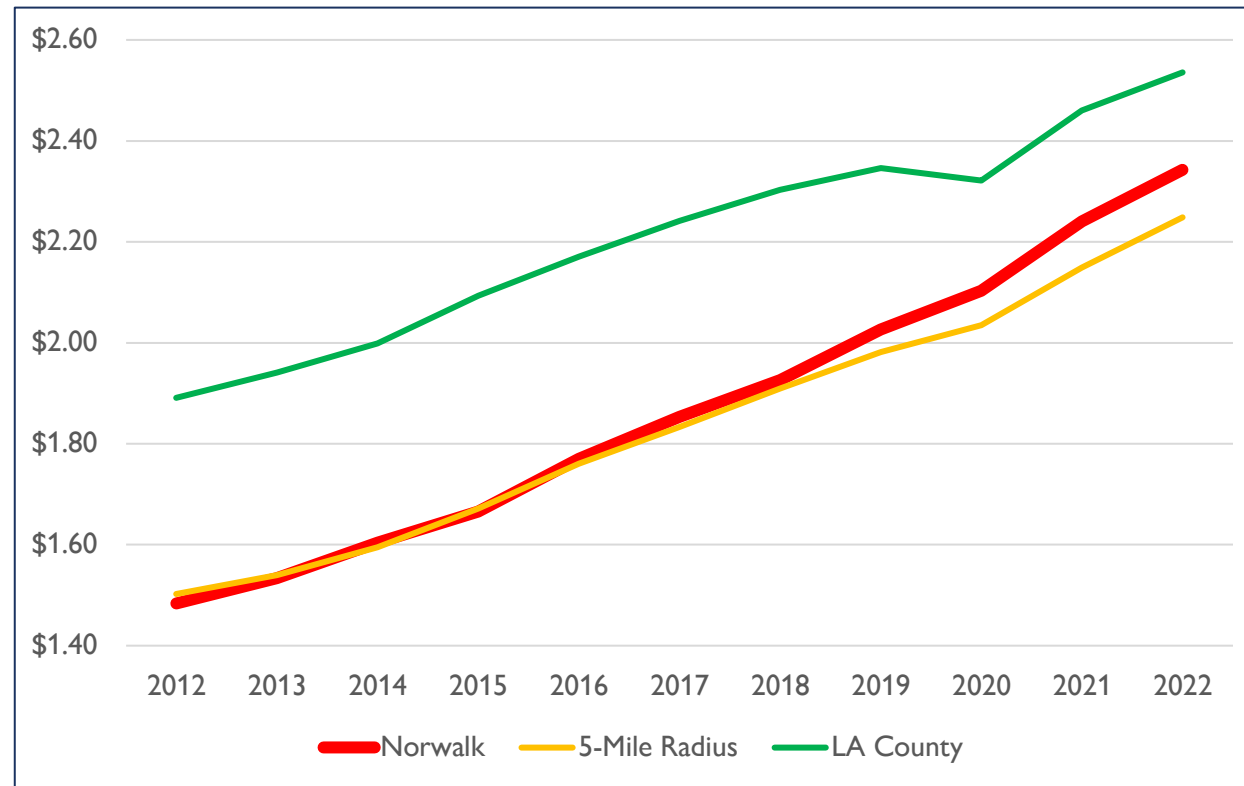
# MULTIFAMILY MARKET HISTORY

## 2012 – 2022

Vacancy Rates



Asking Rent \$PSF/Mo.

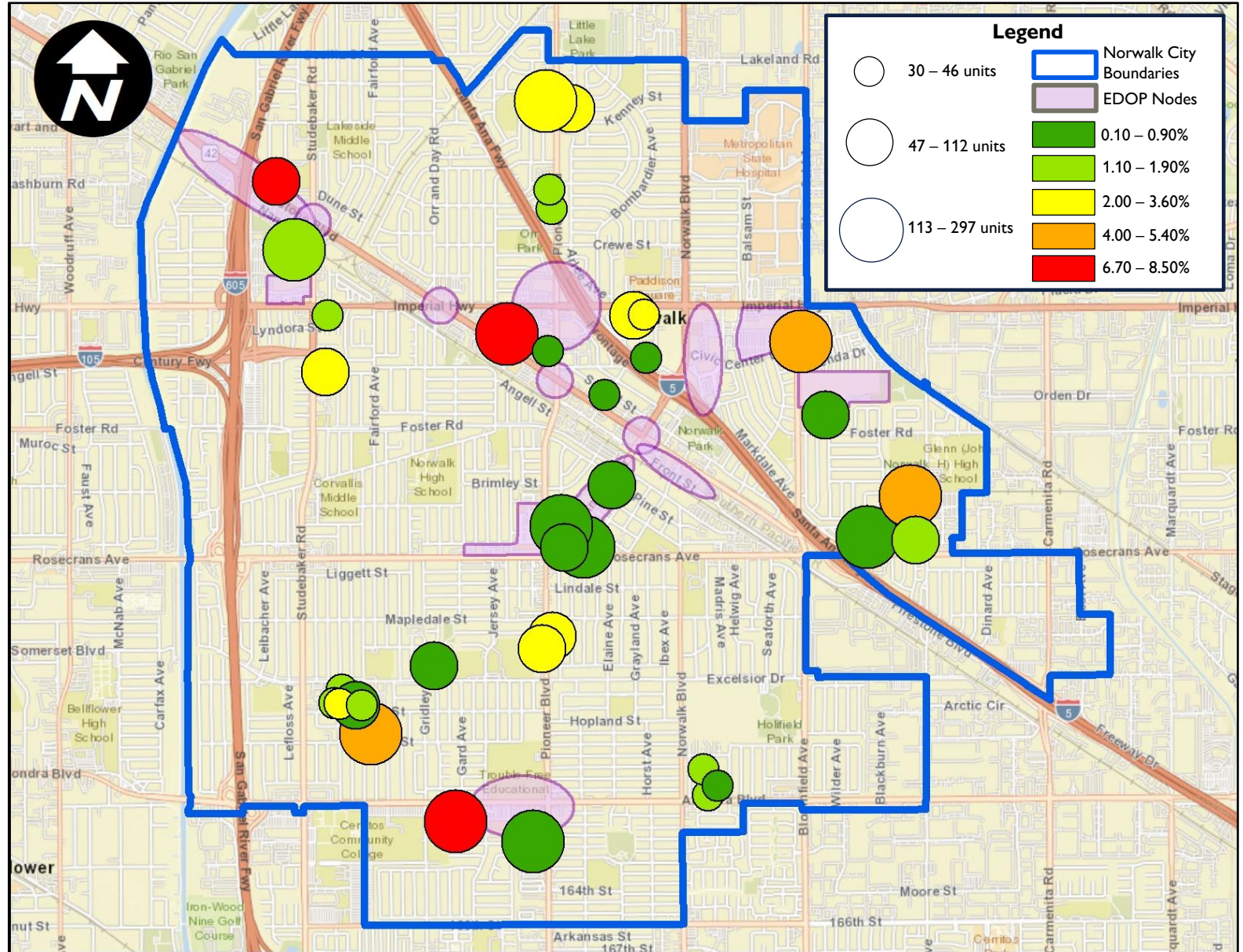


# MULTIFAMILY RESIDENTIAL VACANCY

Vacancy among larger multifamily buildings containing 30 or more units ranged from 0.0% to 8.5%. 62% of the observed buildings contained less than 2% vacancy, indicating a strong multifamily residential market.

Buildings with the highest vacancy include: Solterra at Civic Center and Norwalk Metropointe, two of the largest market-rate buildings in the City.

Note: Overlaid on the ten EDOP strategic areas / nodes. Each point represents a building. Point size is based on building size (by number of units). Buildings with 0% vacancy are not shown.

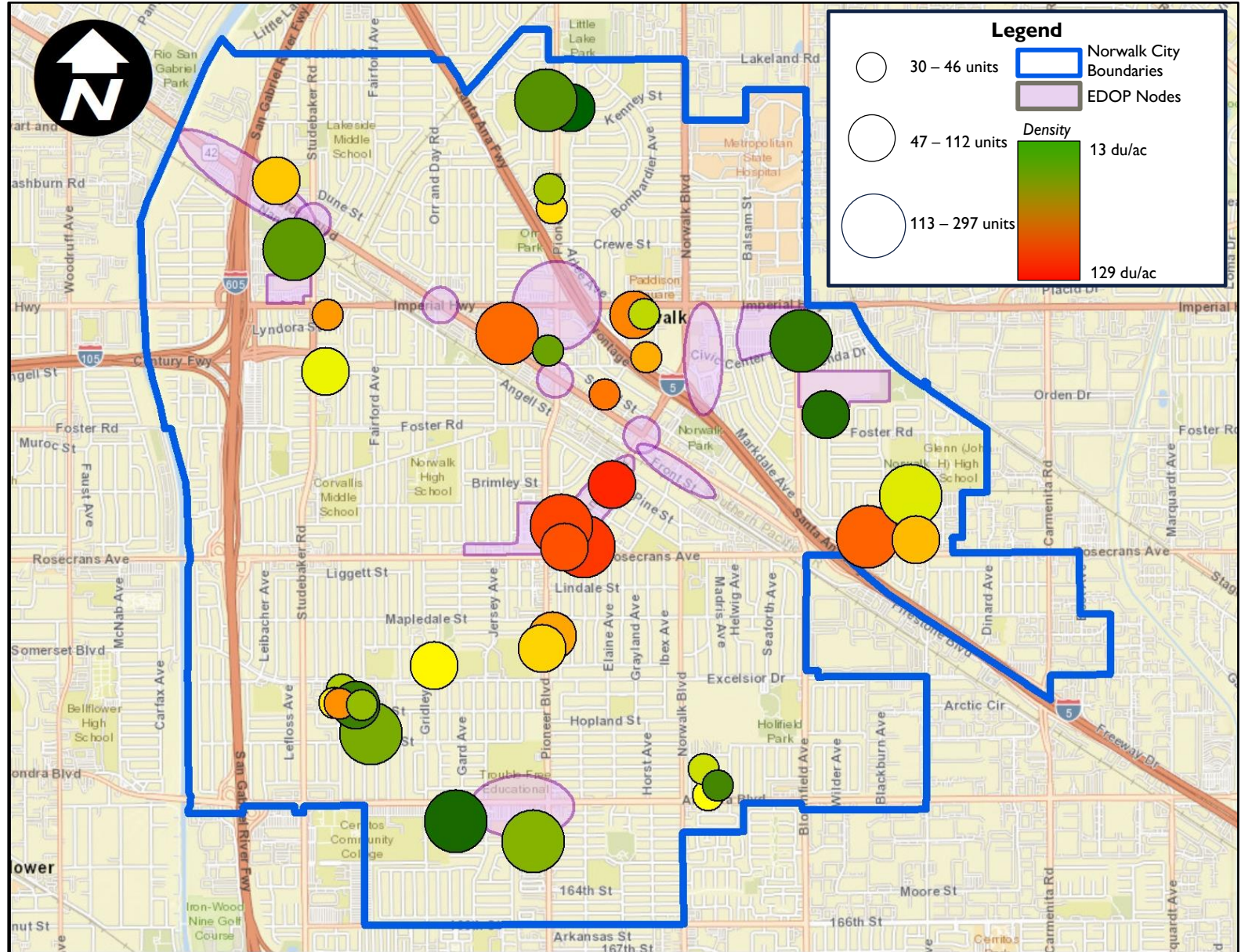


# MULTIFAMILY RESIDENTIAL DENSITY

Among larger multifamily buildings containing 30 or more units, density varies greatly from 13 du/ac to 129 du/ac. The average density across these buildings is 41 du/ac.

The four buildings with the highest density are concentrated in the center of the City and are senior affordable apartment complexes.

Note: Overlaid on the ten EDOP strategic areas / nodes. Each point represents a building. Point size is based on building size (by number of units).





# B.6 – HOSPITALITY (HOTEL) MARKET

CITY OF NORWALK – EDOP

# SUMMARY

## HOSPITALITY (HOTEL) MARKET

- The following hotel market demand analysis focuses on the larger hotel market within a 5-mile radius of the intersection of Pioneer Blvd. and Rosecrans Ave.
- 62 hotels exist and operate within a 5-mile radius. Hotels vary by class from Economy to Upscale. The hotels contain a total of 4,128 rooms and are mostly concentrated along major streets (Firestone and Lakewood Blvds.) and freeways (I-5 and SR-91). The City of Norwalk contains approximately 18% of the total hotel rooms in the 5-mile radius, most of which are independently operated, economy-class hotels (i.e., not part of a larger chain such as Hilton, Hyatt, and Marriott)
- Of the 4,128 rooms, 51% are in Economy, 6% in Midscale, 14% in Upper Midscale, 12% in Upscale, and 10% in Upper Upscale class hotels. The remaining 7% of hotel rooms did not fall under a specific class category
- Currently, there are three hotels that are in different development phases (planned, proposed, and under construction)
  - Planned: 115-room Everhome Suites; Bellflower; Open date: Sept. 2024
  - Proposed: 110-room Hilton Garden Inn; Santa Fe Springs; Open date: Oct. 2026
  - Under Construction: 122-room Woodspring Suites; Bellflower; Open date: May 2024
- In the three years prior to the COVID-19 pandemic, hotel occupancy averaged 76.6%. Occupancy and demand for room nights both dropped by 29% due to the COVID lockdowns and the lack of both business and leisure travel
- Despite the significant decline, occupancy and demand for room nights are gradually approaching pre-pandemic levels, however current demand for room nights does not exceed the annual supply of room nights
- The hotel market within the 5-mile radius is seasonal. In both pre- and post-pandemic periods, it is observed that summer months are the most successful for hotels (occupancy, average daily rate [ADR], and revenue per available room [RevPAR] peaked in July), while winter months are the least successful (occupancy, ADR, and RevPAR are lowest in January)
- Given the limited number of midscale / upscale hotels in the City, there could be demand from a larger chain to open in the City. E.g., Marriott has expressed interest in opening a hotel at the proposed Norwalk Transit Village

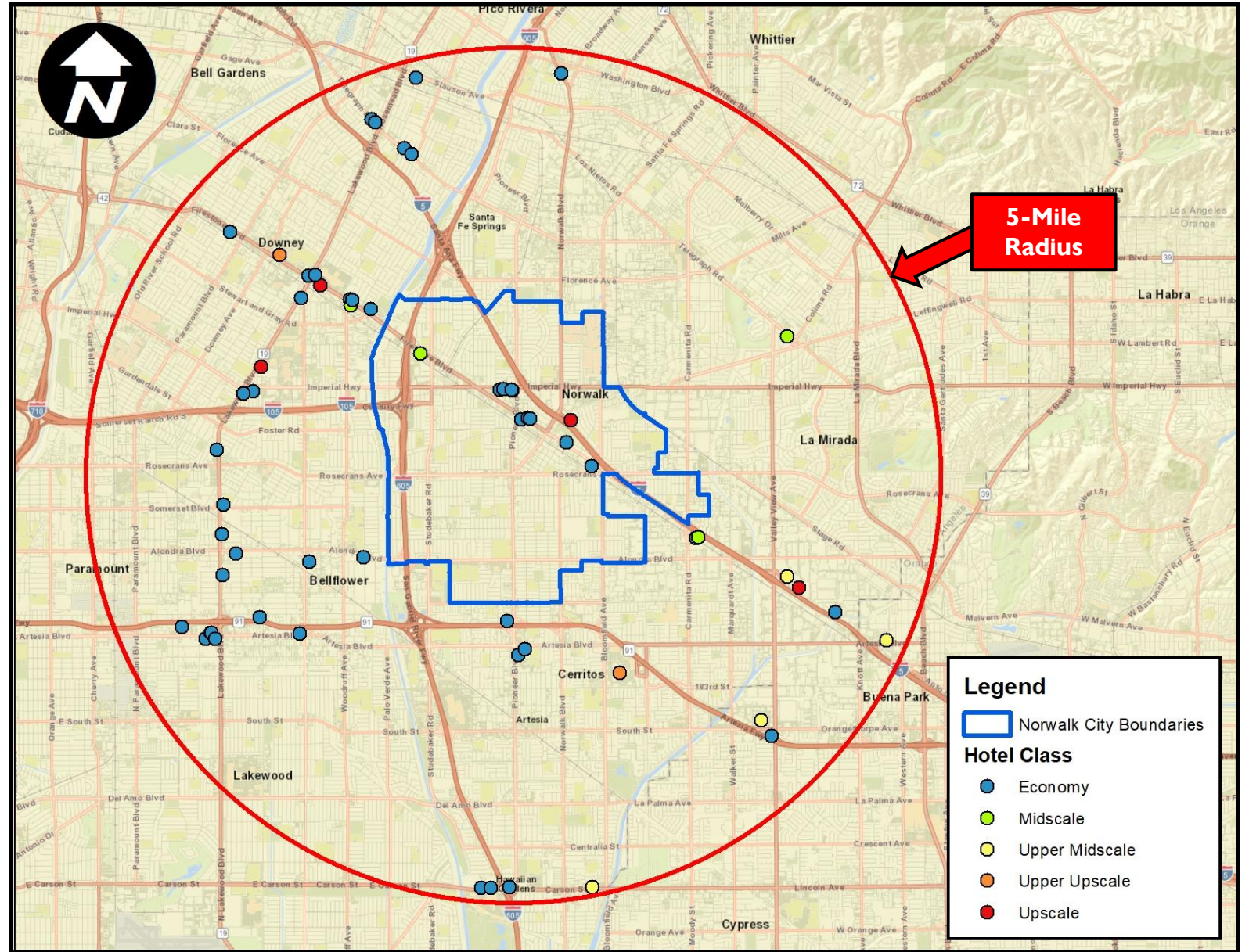
# NORWALK HOTEL MARKET COMP SET MAP (5-MILE RADIUS)

Total of 62 hotels (4,218 rooms) within a 5-mile radius.

The City of Norwalk contains 18% of the hotel rooms in the 5-mile radius (769 rooms across 11 hotels). 67% of hotel rooms in Norwalk are in economy class hotels, most of which are independently operated and are not a franchise / chain hotel.

**Source:** ESRI Business Analyst Online; CoStar; STR  
(Accessed January 2023)

**Notes:** Currently-operating hotels of all classes shown. Data represented in this section reflects CoStar's weighted average of the market based on STR trends and does not include data reported directly from hotels in the area. Five-mile radius from intersection of Pioneer Blvd. and Rosecrans Ave.





# HOTEL MARKET DEMAND ANALYSIS – 5-MILE RADIUS

## MARKET PERFORMANCE SUMMARY\*

Year	Occupancy	Average Daily Rate (ADR)	Annual Supply of Room Nights	Annual Demand for Room Nights	Change in Occupied Room Nights	Revenue per Available Room (RevPAR)	Change in RevPAR
Jan. '17 - Dec. '17	77.8%	\$105.00	1,449,780	1,127,623	-	\$81.83	-
Jan. '18 - Dec. '18	75.9%	\$108.56	1,449,780	1,100,822	(2.4%)	\$82.62	1.0%
Jan. '19 - Dec. '19	76.1%	\$109.83	1,478,682	1,125,670	2.3%	\$83.79	1.4%
Jan. '20 - Dec. '20	54.4%	\$97.40	1,474,685	802,467	(28.7%)	\$53.66	(36.0%)
Jan. '21 - Dec. '21	65.4%	\$111.04	1,488,136	974,300	21.4%	\$73.14	36.3%
Jan. '22 - Dec. '22	68.1%	\$128.46	1,505,550	1,025,057	5.2%	\$87.71	19.9%
<b>Total Growth (%)</b>	<b>(12.5%)</b>	22.3%	3.8%	<b>(9.1%)</b>	-	7.2%	-

# HOTEL MARKET DEMAND ANALYSIS – 5-MILE RADIUS

## PERFORMANCE BY MONTH (PRE AND POST-COVID-19 PANDEMIC)

### Performance by Month (Jan. 2019 – Dec. 2019)

Month	Avg. Occupancy	ADR	RevPAR
January 2019	67.3%	\$103.11	\$69.38
February 2019	73.4%	\$108.02	\$79.33
March 2019	80.9%	\$109.55	\$88.64
April 2019	77.0%	\$108.48	\$83.52
May 2019	75.0%	\$108.57	\$81.45
June 2019	82.0%	\$113.17	\$92.77
July 2019	85.2%	\$118.68	\$101.14
August 2019	81.4%	\$117.77	\$95.82
September 2019	74.9%	\$108.48	\$81.27
October 2019	77.3%	\$110.27	\$85.20
November 2019	70.9%	\$106.62	\$75.62
December 2019	67.8%	\$105.26	\$71.39
<b>Average</b>	<b>76.1%</b>	<b>\$109.83</b>	<b>\$83.79</b>

### Performance by Month (Jan. 2022 – Dec. 2022)

Month	Avg. Occupancy	ADR	RevPAR
January 2022	57.5%	\$112.32	\$64.63
February 2022	67.2%	\$122.77	\$82.56
March 2022	70.3%	\$123.49	\$86.82
April 2022	69.5%	\$125.29	\$87.05
May 2022	68.4%	\$129.58	\$88.70
June 2022	71.6%	\$136.09	\$97.39
July 2022	74.0%	\$141.16	\$104.46
August 2022	67.5%	\$133.89	\$90.31
September 2022	70.7%	\$131.83	\$93.14
October 2022	71.3%	\$132.28	\$94.29
November 2022	64.8%	\$128.16	\$83.05
December 2022	64.3%	\$124.63	\$80.17
<b>Average</b>	<b>68.1%</b>	<b>\$128.46</b>	<b>\$87.71</b>

*Pre-COVID-19 pandemic, hotels in the market area performed strongly most of the year, except for the winter months (December to February – avg. occupancy was 69.5%). Summer months are the most successful (avg. occupancy of 82.9% between June and August). July was the most successful month with the highest occupancy levels, ADR, and RevPAR.*

*The stay-at-home orders enforced due to the COVID-19 pandemic, coupled with increased cases in the beginning of 2021, ravaged the hotel industry. As the state re-opened the economy, hotels performance has gradually improved, but falls short of pre-pandemic numbers. Post-COVID, hotels in the market area followed similar trends to the pre-pandemic period with July remaining the most successful month with the highest occupancy levels, ADR, and RevPAR. Winter months are the least successful with January having the lowest occupancy levels.*

# FINDINGS

## MARKET DEMAND ANALYSIS

- Demand for multifamily residential and industrial is strongest in the City, while demand for retail and office is low
  - Increased e-commerce presence (need for smaller last-mile, flex industrial, and sorting facilities), plus limited construction city-wide in the last ten years limits retail demand. A Sprouts Farmers Market grocery store opened in March 2023 and services the southern end of Norwalk. Additionally, some small, supportive retail will be added to key residential projects – e.g., Norwalk Entertainment District and Norwalk Transit Village
  - Limited demand for office space given more people are working from home and utilizing in-home office amenities. Furthermore, no new office space has been added in the City in the last ten years
  - State’s housing shortage, more people working from home, coupled with low vacancy and higher rents drive residential demand. Potential need to increase density to meet RHNA requirements
- Limited number of midscale / upscale hotels in the City. There could be demand from a large chain to open in the City

City of Norwalk		
Commercial Land Use	% of Space 40+ Years Old	Est. SF to be replaced / reimagined
Retail	50%	971,800 SF
Office	97%	252,300 SF
Industrial / Flex	84%	694,300 SF

RHNA Allocation (City of Norwalk)	Number of Units
Very-Low Income (<50% AMI)	1,546
Low-Income (50-80% AMI)	759
Moderate Income (80-120% AMI)	658
Above-moderate Income (>120% AMI)	2,071
<b>TOTAL UNITS</b>	<b>5,034</b>



## C. PUBLIC OUTREACH

CITY OF NORWALK – EDOP



# SUMMARY OF SUGGESTIONS RECEIVED FOLLOWING EDOP STAFF PRESENTATION

Category	
Education	<ul style="list-style-type: none"> <li>▪ Re: Tesla – Would like an educational component for schools tied to new development on fmr. Walmart site</li> <li>▪ Keep working with school districts (new population would impact schools greatly)</li> </ul>
Housing	<ul style="list-style-type: none"> <li>▪ Would like to see non-smoking apartment buildings</li> <li>▪ Need more affordable living units and more housing options</li> <li>▪ Young professionals are commuting long distances due to cost of housing (most would still not qualify for affordable housing)</li> <li>▪ Student housing is a priority (possibly in Norwalk Transit Village)</li> <li>▪ Need for-purchase housing options as well</li> <li>▪ New homes could serve as an incentive for new hires</li> </ul>
Community-Serving	<ul style="list-style-type: none"> <li>▪ Public restrooms for Metrolink riders</li> <li>▪ Boys and Girls club would be nice for children and families</li> <li>▪ Engage with student populations, share info, increase dialogue (determine what the younger population wants)</li> <li>▪ Would like to see a sports complex</li> </ul>
Business-Related	<ul style="list-style-type: none"> <li>▪ Minimize vacancies (too many vacant buildings)</li> <li>▪ Would like to see more food / restaurants in the Alondra / Pioneer Node</li> <li>▪ Need for grocery stores and better restaurants</li> <li>▪ Consider joint-occupancy</li> <li>▪ Community kitchens</li> <li>▪ Add a new restaurant at fmr. Panda King space</li> <li>▪ Consider restricting certain businesses (e.g., laundromats, car washes, check cashing, etc.)</li> </ul>

# SUMMARY OF QUESTIONS RECEIVED BY NODE FOLLOWING EDOP STAFF PRESENTATION

#	EDOP Node	Questions
1	605 Fwy. / Firestone	<ul style="list-style-type: none"> <li>What tenants are coming to this node?</li> <li>If the Studebaker exit to the 605 Fwy. closes, will it affect bus service?</li> </ul>
2	Firestone / San Antonio Nodes	<ul style="list-style-type: none"> <li>Any development on Firestone / Pioneer (motels?)</li> </ul>
3	Imperial / Pioneer	<ul style="list-style-type: none"> <li>What is the timeline for Tesla to occupy fmr. Walmart? Are they hiring?</li> <li>Would Tesla offer charging stations? Where would they be located? Any upgrades to transit charging stations?</li> <li>Will the Tesla sales taxes go to Norwalk? Will the sales occur onsite?</li> <li>What other types of development will occur in the surrounding area?</li> </ul>
4	Civic Center	<ul style="list-style-type: none"> <li>Update to the City Hall / Entertainment District project? How many retail stores will this project have? Parking?</li> <li>Will City Hall monuments be relocated? Will the marquee become more visible?</li> <li>Where will special events occur? Will the City host new family days?</li> </ul>
5	Prof. Office Development Center	No questions were asked regarding this node.
6	Norwalk Transit Village (fmr. Cal. Youth Authority)	<ul style="list-style-type: none"> <li>Who owns the land? Who will be managing the units? Is it a land lease?</li> <li>What type of planning is there for the impact new development will have on local traffic and schools? Will closed schools reopen due to growing population?</li> <li>What types of units will be on site (rental or for-sale)?</li> <li>What is the parking situation? Will there be underground parking? How will this affect current residents?</li> <li>Why so many hotels? What type of hotel will be built?</li> </ul>

# SUMMARY OF QUESTIONS RECEIVED BY NODE FOLLOWING EDOP STAFF PRESENTATION (CONT'D)

#	EDOP Node	Questions
7	Five Points	<ul style="list-style-type: none"> <li>When will Milagro Cinema open? Will they show Spanish-language films?</li> <li>What impacts does serving alcohol create in a movie theatre?</li> </ul>
8	Historic Front Street	<ul style="list-style-type: none"> <li>Can Front Street be declared a historical place?</li> <li>Will incentives be offered to other tenants to join in on the redevelopment of Front Street?</li> <li>How will parking be handled at Front Street?</li> </ul>
9	Alondra / Pioneer	<ul style="list-style-type: none"> <li>When will apartments be built? Would they be non-smoking? Affordable housing?</li> <li>What other businesses will open in the area adjacent to Sprouts?</li> <li>Will Wienerschnitzel stay as a part of this node?</li> <li>Is the car wash near Tommy's vacant? Are there plans for that property?</li> <li>South of Norwalk is being left behind, any plans to redevelop?</li> </ul>
10	Former Food 4 Less	<ul style="list-style-type: none"> <li>Plans for vacant lot next to Food 4 Less?</li> <li>Will there be more signage off the Freeways (names of stores / restaurants)?</li> <li>What is going on at the CVS vacant site?</li> </ul>
Additional Questions		<ul style="list-style-type: none"> <li>Are there development plans for Tank Farm? When will the park start?</li> <li>Has the City considered developing a Convention Center?</li> <li>Any plans to develop Rosecrans / Clarkdale intersection and the area between Pioneer Blvd. and Kalnor Ave.?</li> <li>With an increase in future population, will it increase sheriffs / police?</li> <li>Will there be night markets added to the City?</li> <li>What will the redevelopment cost be at Keystone Lanes? Why does it have to close given it provided great entertainment for the community?</li> </ul>





## D. SUPPORTING INFORMATION

CITY OF NORWALK – EDOP

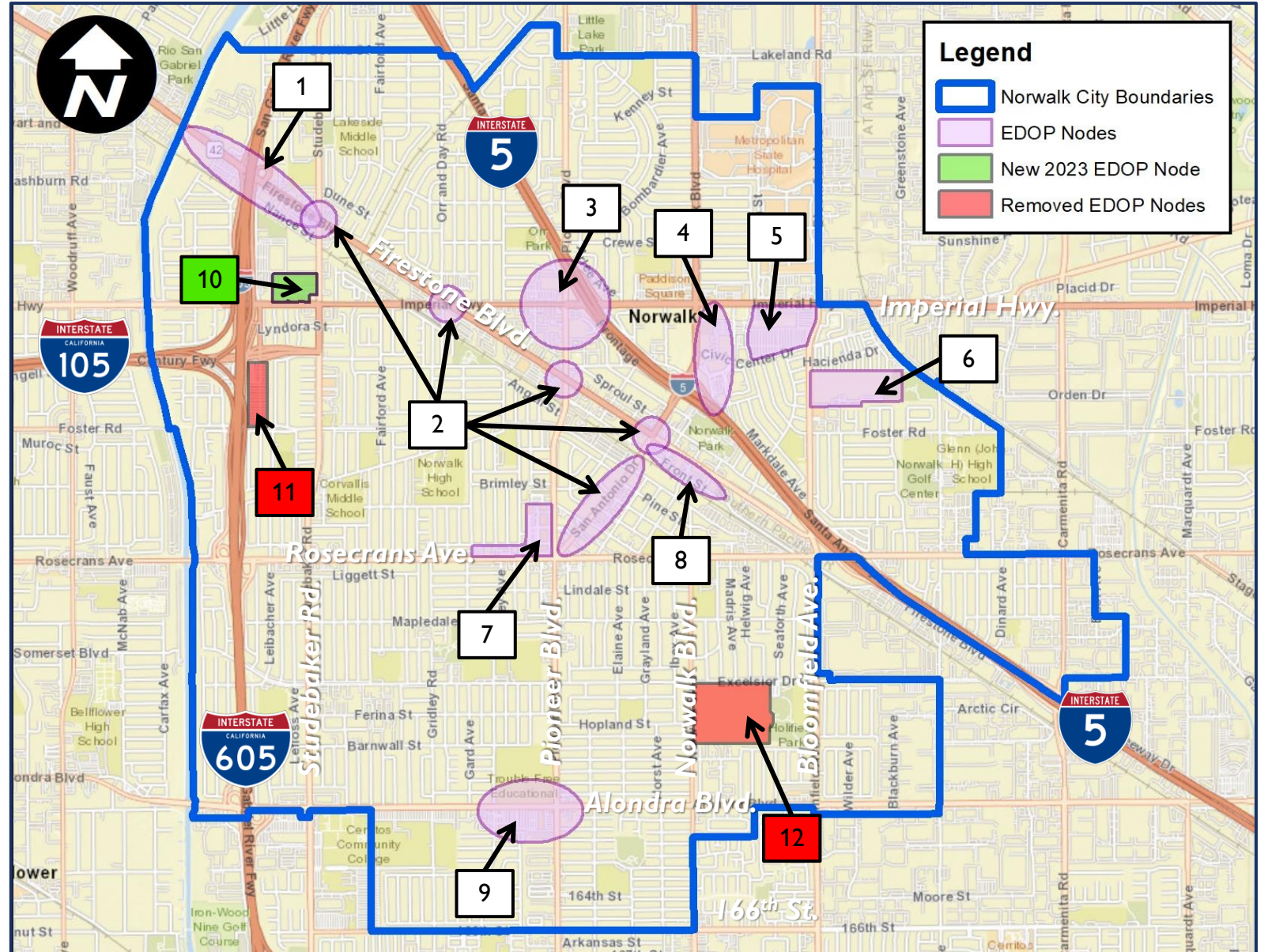


# D.1 – CITY BOUNDARIES & EDOP NODES MAP

CITY OF NORWALK – EDOP

# CITY BOUNDARIES AND EDOP NODES

#	EDOP Node	Status
1	605 Fwy. / Firestone	Existing
2	Firestone / San Antonio Nodes	Existing
3	Imperial / Pioneer	Existing
4	Civic Center / Entertainment District	Existing
5	Prof. Office Development Center	Existing
6	Norwalk Transit Village (fmr. Cal. Youth Authority)	Existing
7	Five Points	Existing
8	Historic Front Street	Existing
9	Alondra / Pioneer	Existing
10	Former Food 4 Less*	New
11	105 Fwy. / Studebaker	Removed
12	Tank Farm	Removed



Source: ESRI Business Analyst Online (Accessed April 2023)

Notes: 105 Fwy. / Studebaker Node and Tank Farm are no longer being considered as nodes / strategic areas for economic development. The 105 Fwy./Studebaker Node is a parking lot servicing the Norwalk Station of the Metro C Line and the Tank Farm site will become a public park.



# D.2 – ECONOMIC DEVELOPMENT TOOLS CASE STUDIES

CITY OF NORWALK – EDOP

# EIFD CITY / COUNTY PARTNERSHIP CASE STUDY

## Placentia / Orange County EIFD Partnership

- 300+ acres: Old Town Placentia Revitalization Plan, Metrolink Station, TOD Packing House Area
- Infrastructure Financing Plan (IFP) will fund \$13 million in public infrastructure improvements for those areas
- Water, sewer, streets, parking, transit connectivity
- \$460M+ expected in new AV from residential, retail, restaurant development
- Net Fiscal Benefit: \$22M to City, \$15M to County

## Implementation

- EIFD feasibility analysis & formation process
- Led education/outreach meetings with County BOS
- Developed County EIFD Policy for City/County EIFD
- Completed first EIFD TIF Court Validation in the state
- **Working on TIF Bond—expected by fall of 2022**



# ZONING AND LAND USE STRATEGIES

## DEVELOPMENT OPPORTUNITY RESERVE D.O.R.® - CASE STUDIES

### Buellton Avenue of Flags

- **Goal:** Induce housing development in downtown area
- **Benefits & Amenities:** public restrooms, off-site improvements, public parking, parking district, public art, parks, green buildings, other
- **Incentives:** Increase density up to 40 units / acre, increase heights, reduce on-site parking, reduced setbacks, reduced traffic and application fees



#### Implementation Steps

1. Conduct market housing / economic study
2. Discuss new density and public amenities with community
3. Create DOR mechanism as new Zoning / Specific Plan provision

### El Monte Downtown Main St.

- **Goal:** Increase downtown density along with community benefits and public improvements
- **Benefits & Amenities:** streets, bicycle facilities, parking, open space, beautification, transit, arts / cultural spaces, lot consolidation; developer can install amenities or pay into public improvement fund; value based on a portion of residual land value (~75%)
- **Incentives:** Increase density, heights, FAR, dwelling units per acre



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# D.3 – HOUSING LEGISLATION TABLE

CITY OF NORWALK – EDOP

# 2022 HOUSING LEGISLATION TABLE

<b>Process / Streamlining</b>	AB 2011 / SB 6	Ministerial approval for residential developments on commercially zoned land ( <i>affordable targets and labor requirements</i> )
	AB 2234	Timelines for ministerial building permits
	AB 2668	SB 35 cleanup (ministerial approval process)
<b>Parking Reform</b>	AB 2097	Prohibits Parking minimums within ½ mile of public transit
<b>Density Bonus</b>	AB 2334	Bonus for affordable projects in Very Low Vehicle Travel Areas
	AB 1551	Bonus for commercial / mixed-use projects
	AB 682	Bonus for shared housing
<b>Accessory Dwelling Units (ADUs)</b>	AB 2221, AB 897, AB 916	ADU law cleanup, increased height limits, maximizing bedroom counts, detached ADUs at Multifamily Projects
<b>Surplus Land</b>	SB 561, AB 2233, AB 2592	Codify / expand Surplus Lands EO – process to prioritize surplus state property for housing