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# Panorama Place

14665-14697 Roscoe Boulevard,  
Panorama City, City of Los Angeles, California

## Mixed-use Development – Fiscal and Economic Impact Study

September 4, 2007

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Developer: Maecal LLC and Maefield Development Corp.



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### *Impacts in Context*

The impacts of a given project may be analyzed from any of a number of perspectives. An *economic* impact generally looks into the way a project will affect commerce, industry, wealth, spending patterns, and perhaps, most importantly, the economic value that the project will add to the community. This *direct* value-added calculation refers to the amount of capital that is captured by the local community in the establishment and operations of the project. With secondary or indirect activities this developed capital will continue to circulate in the community, being reinvested and gathering interest and additional value with the passage of time.

This brings us to the *indirect* economic effects of a given activity. For every commodity purchased, whether it is construction materials, the labor of a construction worker, an ingredient to be processed, or a product to be resold, it has an additional secondary effect on the local economy. This is calculated through the use of multipliers, or estimations of future activity, based upon data from past experiences in the region.

The next level is the analysis of activity *induced* within the area by the project. Induced economic impact is that less-definite expansion of the general economy naturally emanating from the direct and indirect expenditures. This is also a multiplier, but rather than being an indirect result of a direct activity, it refers to a general circulation and recirculation of dollars in the community. The dollars could theoretically cycle ad infinitum were it not for what is known as *leakage*. When local dollars are exported in exchange for imported goods—when they find their way outside of the local market—local circulation of that portion of the dollars stops. This can occur in one cycle or many, but usually involves several cycles before the induced effects decay to zero. What results is a multiplier for induced economic activity, again based upon data from past experiences in the region.

*Fiscal* impact analysis generally involves estimation of dollars that will inure to the benefit of governmental agencies having jurisdiction over the project locale. The city, county and special districts are the main beneficiaries of this new revenue, which comes in the form of property taxes, sales taxes, income taxes, permits, mitigation and other fees levied on a particular project.

While the mathematical analysis is the core of an impact study, we would be remiss not to examine the surrounding community through a social, civic and historical lens, to determine what likely effects Panorama Place will have on the fabric of the community and the urban form of this central San Fernando Valley area.

*Smart growth* has been given a number of definitions in the realm of public policy, depending on what is being reviewed and who is using the term. We venture an additional interpretation:

*Smart growth is that which addresses community needs for housing, commerce and infrastructure; that improves social and economic efficiency while minimizing resource demands and negative effects; and which enhances aesthetics and the overall quality of life.*

In this report we have attempted to embrace the principles set forth by local government agencies, urbanists, planners and civic leaders, as well as to put matters in context for the local cultures and sensibilities. Historically, growth has been inevitable, making planning for the future a worthy and necessary endeavor.

— The Mulholland Institute Team

# Table of Contents

<b>PANORAMA PLACE .....</b>	<b>1</b>
<i>Impacts in Context .....</i>	<i>2</i>
<b>TABLE OF CONTENTS.....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>5</b>
<b>KEY CONCLUSIONS AND FINDINGS.....</b>	<b>6</b>
OBJECTIVES IN DEVELOPING PANORAMA PLACE.....	8
STUDY BACKGROUND .....	8
SOURCES OF DATA FOR THIS STUDY.....	8
<b>PANORAMA PLACE .....</b>	<b>10</b>
SHOPPING CENTERS AND MIXED-USE DEVELOPMENT .....	10
ANCHORS AND TENANT MIX .....	12
ANTICIPATED TRADE AREA .....	14
<i>Convenience Zone .....</i>	<i>15</i>
<i>Special Populations and Captive Markets.....</i>	<i>15</i>
<i>Residential Zone – Market Area.....</i>	<i>16</i>
<i>Destination Zone.....</i>	<i>16</i>
SOCIO-ECONOMIC SEGMENTATION .....	17
THE COMMERCIAL AREA .....	18
COMMUNITY REDEVELOPMENT AGENCY .....	18
NEW TOWN CENTERS.....	19
<b>ECONOMIC CONTEXT .....</b>	<b>19</b>
RETAIL POTENTIAL – MARKET CAPTURE .....	19
<b>HOUSING DEMAND.....</b>	<b>21</b>
PANORAMA PLACE HOUSING STRATEGY.....	28
<b>IMPACTS .....</b>	<b>34</b>
THOSE WHO WILL BENEFIT FROM THE PROJECT .....	34
<i>Added Benefits from New Housing .....</i>	<i>35</i>
<b>OVERALL ECONOMIC IMPACTS OF PANORAMA PLACE .....</b>	<b>36</b>
ESTIMATING THE ECONOMIC IMPACT OF INVESTMENT .....	36
PROJECT ECONOMIC ACTIVITY OVERVIEW .....	37
<i>Construction: Its Impact on the Local Economy .....</i>	<i>37</i>
<i>New Retail Capacity: Its Effect on the Local Economy .....</i>	<i>38</i>
<i>New Households: Their Effect on the Local Economy .....</i>	<i>41</i>
<i>The Aggregate Economic Effect of Panorama Place.....</i>	<i>43</i>
<b>OVERALL FISCAL IMPACTS OF THE PANORAMA PLACE MALL .....</b>	<b>46</b>
<i>Panorama Place and the Property Tax.....</i>	<i>46</i>
<i>Panorama Place and the Sales Tax .....</i>	<i>49</i>
<i>Panorama Place and the Los Angeles Business License Tax.....</i>	<i>52</i>
<i>Panorama Place and the Utility Users Tax.....</i>	<i>52</i>
<i>Panorama Place and the Documentary Transfer Tax .....</i>	<i>54</i>
<i>Panorama Place and the Commercial Tenant Occupancy Tax.....</i>	<i>55</i>
<i>Other Taxes and Fees.....</i>	<i>55</i>

OVERVIEW OF FISCAL IMPACTS OF PANORAMA PLACE .....	56
<b>CIVIC AND SOCIAL ANALYSIS .....</b>	<b>57</b>
URBAN-SUBURBAN STRATEGIES .....	57
ADJACENT LAND USES .....	57
<b>TRANSPORTATION AND PUBLIC TRANSIT.....</b>	<b>58</b>
<i>Access to the Central Core Area</i> .....	58
<i>Travel to Work Patterns – Transit Oriented District</i> .....	58
<i>Metro Bus Service</i> .....	59
<i>DASH Shuttles</i> .....	59
<i>Metrolink Commuter Rail</i> .....	60
<i>Air Travel</i> .....	60
<i>San Fernando Valley North-South Transit Corridor</i> .....	60
<b>BACKGROUND .....</b>	<b>61</b>
PANORAMA CITY HISTORY .....	61
SAN FERNANDO VALLEY .....	61
GENERAL AREA TRENDS .....	62
LAND USE COMMUNITY AND GENERAL PLAN .....	62
<b>APPENDIX .....</b>	<b>1</b>
APPENDIX A – POPULATION TABLES .....	2
APPENDIX B – HOUSEHOLD TABLES.....	3
APPENDIX C – HOUSING TABLES.....	5
APPENDIX D – INCOME AND AGE TABLES .....	9
APPENDIX E – HOUSING AND FINANCIAL TABLES .....	16
APPENDIX F – STUDY METHODOLOGY AND THE IMPLAN® MODEL.....	22
APPENDIX G – PANORAMA CITY COMMUNITY DESIGN OVERLAY DISTRICT.....	23
APPENDIX H – COMMUNITY REDEVELOPMENT AGENCY .....	24
APPENDIX I – DETAILED ECONOMIC ACTIVITY – BY SECTOR.....	26
APPENDIX J – LEGAL DISCLAIMER.....	36
<b>TABLE OF FIGURES .....</b>	<b>37</b>
<b>ABOUT THE MULHOLLAND INSTITUTE .....</b>	<b>41</b>
<i>Project Team Leadership</i> .....	41
<i>Endnotes</i> .....	41



## Executive Summary

The Mulholland Institute was asked to develop a fiscal and economic impact report on the proposed mixed-use development known as “Panorama Place.” The project is to be located in the community of Panorama City, City of Los Angeles, California. It will occupy 8.7 acres, and replace an abandoned Montgomery Ward department store, a former restaurant, a former auto repair facility, and a large surface parking area. The project will include 452,400 square feet of retail space on three levels, 504 condominium units over the retail on twelve additional levels, 2900 parking spaces on six levels, and a 111,811 square foot open space/recreation deck over the sixth floor of the parking structure. Approximately 32,000 square feet of landscaping will be provided. Rather than general merchandise department stores, the Panorama Place shopping center will target “power center” anchors, an array of small shops, restaurants and a health club.

Panorama City is a relatively stable post-World War II planned community in the San Fernando Valley. It has seen little in the way of new development over the last several decades. The project site is adjacent to a number of very large parcels with existing retail uses, including the Panorama Mall, Plaza de Valle, and an extensive cluster of older retail stores and other businesses extending for several blocks to the north and south. Panorama City is situated in the very center of the Valley with a trade area (five-mile radius-plus) that extends to the foothills of the Santa Monica and San Gabriel Mountains.

This report details the prodigious demand for housing in the project’s market area as a result of continuous population growth, the decreasing availability of buildable properties and the mandates of the *Regional Housing Needs Assessment*. Housing affordability in the U.S. in general and California in particular, has been on the decrease. Rental vacancy rates in the San Fernando Valley went from 10.1 percent in 1996 to a mere 4 percent in the spring of 2007. In the same period, median home prices<sup>1</sup> climbed 400 percent from \$160,442 to \$655,000. Rental increases have been trailing those of home sales, but are also becoming prohibitive. Average rents in the 50<sup>th</sup> percentile in Los Angeles County went up 66.2 percent between 2001 and 2007 to an estimated average of \$1,508.

The proposed market-based development would help to meet these needs, adding substantially to the supply of housing, increasing availability at all levels, providing jobs and stimulating billions of dollars in local economic activity. Also, with its mixed-uses, the project conforms to the best practices being used in cities, to accommodate inevitable growth, in a responsible and community-friendly way—the creation of self-sufficient transit oriented centers. The project site is 850 feet from the intersection of Van Nuys and Roscoe Boulevards, a heavy traffic junction with multiple public transit stops. The area is well served by public transportation, highways, freeways and rail.

Because of a lack of new development near the site, there is a dearth of *quality* shopping, service and dining opportunities. Most of the existing housing stock is functionally obsolete and less than desirable. The population density is quite high, reaching 20,000 per square mile in the one-mile radius and totaling 750,000 in the five-mile radius. A particularly strong market for a center such as this exists in the areas to the north and east of the project, areas with a deficit of shopping, services, recreation, dining and other amenities.

The Panorama Place project will have significant economic impacts on the community, resulting in a project-related increase of approximately \$2.5 billion dollars beginning with the initial property acquisitions in 2006 and extending to operations through 2018. Roughly sixty percent of

this new economic activity will result from the construction expenditures, new retail activity and new households added to the community. The balance will come from new consumption of goods and services that arise from the wealth this new direct activity generates both from secondary suppliers and from other services purchased as a result of the increased income available to consumers and employees as a result of the new spending. This new activity will account for an annual increase in employment in the local economy of some 1,629.9 jobs in the long run. During the construction phase the overall employment increase will be as high as 2,700 new jobs. Construction-related expenditures will account for nearly one-third of the new expenditures, while new households will make up another 30 percent. New retail activities will account for the remaining 40 percent increase in economic activity.

This new economic activity will also have significant impacts on the revenues for the City of Los Angeles and County of Los Angeles, producing increases in local revenues totaling almost \$60 million and \$17 million each, respectively, over the 2006 to 2018 period. The lion's share of these revenues will be in the form of new property taxes which are shared between the City's Community Redevelopment Agency (CRA) and other local governments, accounting for more than \$3 million per year in increased property tax revenues. Sales tax revenues will also increase significantly for the City of Los Angeles, rising by \$2.5 million per year. In addition, the City will receive significant increases in revenues from business license taxes, utility user taxes, real property transfer taxes and commercial tenant occupancy taxes. The County's transportation related sales tax revenues will increase by more than \$650,000 per year.

## Key Conclusions and Findings

The proposed "Panorama Place" redevelopment of the former Montgomery Ward site in the community of Panorama City<sup>2</sup> is an example of smart growth that raises the bar for other such developments in Southern California. The property has been an eyesore for many years, and generates no (perhaps even negative) economic value for the City of Los Angeles or for the region.

As a result of these developments, property values of surrounding real estate will increase, additional density through infill housing development is likely to occur, redevelopment and renovation should be stimulated and the community will benefit from an improved sense of place.

Mulholland Institute's analysis of the proposed project shows that there will be net new employment, sales and taxes for the City of Los Angeles, the County of Los Angeles and the State of California. Because of the relatively upscale and professional residential nature of the project, it is anticipated that there will be fewer school children per dwelling unit than might be drawn to lower cost single-family residences.

Any significant economic development brings with it impacts and consequences. These matters are within the aegis of the City of Los Angeles and are being determined through the entitlement process. They are addressed in detail in the *Draft Environmental Impact Report*<sup>3</sup>. There will be more people and activity in the area than in times past. The project will draw from existing services and infrastructure, including transportation, schools, utilities, parks, libraries and public safety. However, it is generally accepted that populations will continue to grow. Cities and communities will all have to absorb a share of that growth and address the accompanying housing demand.

Because of its location, zoning and designation, this property has been identified in the Community Plan<sup>4</sup> as a major opportunity site. It is also located within the Pacoima/Panorama City Project Area of the City of Los Angeles Community Redevelopment Agency (*see* Appendix H – Community Redevelopment Agency), which places it squarely in the path of progress, meaning it will eventually be developed in any case. This project is an aggressive effort at achieving the site’s highest and best use. This intensity should act as a catalyst, helping to set the standard for continued redevelopment of other obsolete portions of the local commercial district.

With its emphasis on mixed-use, the market concept behind the project reflects current market trends and conditions, and is consistent with similar projects elsewhere in Southern California and across the country. Owing to its compact and efficient layout, the project avoids more consumption of open space by concentrating development in a small area. With a mix of tenants that complements those in the existing commercial cluster, local residents will benefit from a wide variety of retail, service, entertainment and amenities. The transformation of the existing property prevents further deterioration at and around the site, creates mixed-use density and enhances local quality of life. Residents and customers enjoy ready access to public transportation. By being located a mere 850 feet from the busy transit stops at Van Nuys and Roscoe Boulevards, transportation congestion is eased.

The project promises to have a significant impact on the San Fernando Valley economy. Given the project’s overall viability, the economic impact will manifest itself in a number of ways including:

- Restoration and enhancement of land uses in retail sales and services, which will serve existing residents, as well as those relocating to the area;
- Construction of new housing units to add to the regional inventory and meet the needs of local residents, where populations are up, housing is in short supply and new housing is virtually non-existent;
- Injection of capital in construction spending for the project itself;
- Creation of jobs in the ongoing commercial operations for the ever-growing population;
- Addition of amenities, landscaping and designed-in open spaces;
- Direct, indirect and induced economic activity generated by the project;
- Fiscal impact the project will have on the City and County of Los Angeles in the payment of fees and collection of taxes—beyond the impact of new land use.

Panorama Place represents a sound investment in the creation and enhancement of assets that will yield economic dividends to the community and the City and County of Los Angeles for years to come.

Mulholland Institute believes the assumptions underlying this analysis are reasonable. The proposed selling prices for residential units are attainable, the actual rental rates for retail and commercial spaces can be justified, and given the high demand in the area, the likely occupancy rates for these spaces are encouraging. Based on anecdotal evidence, the attractiveness of the housing is that it is new, upscale and unlike anything being offered in the local market. Young urban professionals and empty nest adults will likely be a core market, along with others who are looking to downsize to attractive, low maintenance accommodations, to be near amenities and to ease their commuting demands. These patterns and the regional character of this development suggest that Panorama Place should be a success.

## Objectives in Developing Panorama Place

- To eliminate blight and enhance the visual quality of Panorama City by providing a new and attractive local development;
- To revitalize a currently underutilized site that is vacant and blighted;
- To provide high-quality housing in Panorama City and to help alleviate the general housing shortage in the City of Los Angeles;
- To provide for the housing and commercial needs in Panorama City;
- To redevelop an under-utilized and deteriorating commercial property with a financially viable development that will create housing, jobs, and retail opportunities in a redevelopment area; and
- To create a high-quality development that promotes integrated urban living by offering residential amenities and services to complement and enhance the surrounding Regional Center Commercial land uses and the surrounding Panorama City community.

## Study Background

The Mulholland Institute has been asked by MaeCal, LLC, and Maefield Development Corp. to analyze the economic and fiscal impacts of the proposed “Panorama Place” mixed-use development on the private and public sector in the community, city and region where it is to be located. Such projects can be expected to generate significant economic impacts within the locality and the city, and fiscal impacts in the form of increased taxes, fees and other revenues for the city and county. Costs of construction provide one-time benefits, and operations provide ongoing benefits. Impacts may be direct as in commerce generated by or at the project, indirect, as in secondary, underlying and wholesale transactions, or induced where expenditures generate overall increased spending and economic activity.

The site is an 8.7-acre *Greyfield*<sup>5</sup> currently abandoned and fenced with a former Montgomery Ward department store structure and parking lot still in place. The developer is in the process of entitlement and the preparation of an Environmental Report pursuant to the California Environmental Quality Act (CEQA). The elimination of the existing blight couples with the development of an intensive mixed-use to generate a number of additional benefits to the community, which are also addressed below.

## Sources of Data for this Study

Demographic, economic and social information is re-aggregated from census tract data extrapolated from the decennial 2000 U.S. Census. Pending the 2010 U.S. Census, interim data is developed using standardized methods in the form of estimates (2007) and projections (2012) by Claritas Inc., a subsidiary of the Nielsen Co., a well-regarded private source of geographic information. Radius information is developed using standard geographic information techniques which involve mathematical apportionment of partial census tracts based upon area.

The economic impact analysis centers primarily on the City of Los Angeles, the jurisdiction where the project is located and the governing authority for planning and land use. Los Angeles is where the majority of construction labor and materials are to be acquired. Given the five-mile radius, it is where the majority of retail customers will come from to support the commercial elements, and where the marketing for prospective residential purchasers will be focused.

Certain aspects of the analysis also address fiscal and economic impacts to the County of Los Angeles, Southern California and the State of California. IMPLAN® is the program and statistics provider that enables analysis of economic and fiscal impacts based on Los Angeles County data and benchmarks (2004 deflated), used in conjunction with the Retail Market Power data (by census tract) provided by Claritas Inc.

Data on the project itself has been provided by the developer in direct communications with the project team, as well as through government records and historical documents, and by way of the *Draft Environmental Impact Report*.<sup>6</sup> Regional information is primarily maintained by the City of Los Angeles Metropolitan Transportation Authority/Metro and the Southern California Association of Governments. Background information and guidance has been furnished by the *Panorama City Urban Design Assistance Team, Concept Plan*, the Economic Alliance of the *San Fernando Valley Vision:2020 San Fernando Valley*, Urban Land Institute, City of Los Angeles, California State University, Northridge, Economic Research Center and Pepperdine University.



Figure 1 Graphic—Panorama Place Rendering, Roscoe Blvd. and Tobias St.

## Panorama Place

### Shopping Centers and Mixed-Use Development

A shopping center is a group of architecturally unified commercial establishments built on a site which is planned, developed, owned, and managed as an operating unit, related in its location, size, and type of shops to the trade area that the unit serves. The unit provides onsite parking in definite relationship to the types and total size of the stores.<sup>7</sup> Mixed-use is defined as a combination of significant revenue-producing uses that are mutually supporting. The uses are functionally integrated, close-knit and include uninterrupted pedestrian connections. Mixed-use developments conform to a coherent plan as to type and scale of uses, densities and relationships.<sup>8</sup>

Panorama Place is a proposed mixed-use development located at 14665-14697 Roscoe Boulevard, Panorama City, a community situated in the City of Los Angeles, California. This development includes a 452,400 square foot shopping center with a 504 unit, 494,360 square foot housing community in the airspace above it, 12 levels of residential units stretching up to 240 feet in height. A substantial open space deck will cap the parking structure's sixth level and will include pools, cabanas, fitness and recreation center, lounge, lobby, barbeque/picnic area, playground/park area, tennis courts, basketball court, and a garden.

The developers seek to maximize the efficiency of a comparatively modest 8.7 acre parcel. The project is located in the San Fernando Valley portion of Los Angeles, a region that is considered to be "built out," meaning there is no more vacant land for subdivisions or large projects.<sup>9</sup> Emphasis in area planning and in the City of Los Angeles has been refocused to support infill development both to accommodate a burgeoning population and to accommodate the state-mandated Regional Housing Needs Assessment.<sup>10</sup>

The project will eliminate abandoned and blighted retail uses: three structures that occupy approximately 172,500 square feet—nearly half of the project site—and a surface parking lot that

occupies the remaining area. The three structures include a former restaurant, a Sears Auto Center, and a Montgomery Ward department store.

The retail/commercial portion of Panorama Place will include 410,000 square feet of Gross Leasable Area (GLA). It is anticipated to be anchored by several off-price “big box” retailers, with a complementary mix of smaller retail stores and services. According to the Urban Land Institute, this would place the project in the higher range of “super community centers.” These are larger shopping centers that do not contain at least one full-line department store. Because the range for community centers is so great, the new “super” subcategory was established in 1980. Super community centers range from 250,000 to more than 500,000 square feet, with a median of 316,795 square feet.<sup>11</sup> The top five tenants found in super community centers are women’s ready-to-wear, family shoes, men's wear, women's specialty wear, and family wear.<sup>12</sup> According to the Urban Land Institute (ULI), the community shopping center is the most difficult category to estimate for size and drawing power.<sup>13</sup>

**Figure 2**  
**Table—CoStar/NRB Shopping Center Census, California, 2005**

<b>Shopping Center SF Size</b>	<b>Number in California</b>	<b>2005 Sales per SF</b>	<b>2005 Total GLA</b>
<100,001	4,105	284.20	198,403,572
100,001-200,000	1,518	202.38	207,776,901
200,001-400,000	438	171.72	119,053,481
400,001-800,000	220	199.44	121,724,383
800,001-1,000,000	45	369.82	39,356,309
>1,000,000	53	365.34	68,820,841
<b>Total</b>	<b>6,379</b>	<b>242.15</b>	<b>755,135,488</b>

Source: International Council of Shopping Centers, August 2007.

Community shopping centers generally offer greater depth and range of merchandise in shopping and specialty goods than a neighborhood center. They tend to provide certain categories of goods, such as furniture, hardware, and garden and building supplies, commodities that are less likely to be found in regional centers.<sup>14</sup>

Community shopping centers were developed initially around a junior department store, large variety store and most often, a supermarket. These were largely supplanted in the 1970s and 1980s by discount or “off-price” department stores such as Kmart or Marshalls, or by a strong specialty store such as a hardware, home improvement, furniture or catalog store. In the late 1980s and 1990s, expanded-format stores became anchor options. These anchors typically emphasize hard goods such as consumer electronics, sporting goods, office supplies, home furnishings, home improvement goods, drugs, health and beauty aids, toys, books, and personal computer hardware/software. They tend to be narrowly focused but deeply merchandised “category killers.” Thus, a new form of community shopping center, the “power center,” appeared and predominates today, with a mix of multiple off-price anchors and few side tenants.<sup>15</sup>

Panorama Place anticipates having four category-specific off-price anchors which qualify it as a power center as well. Anchors in such centers typically occupy eighty-five percent or more of the total space<sup>16</sup> complemented by a handful of smaller uses to round out the tenant mix. The

Panorama Place project will dedicate less than ten percent (37,000 square feet) of its total retail space to smaller shops.

The development of a strong regional center, with the pulling power of one or more department stores, may impinge on a community center's trade area if both centers sell the same types of merchandise. In a typical market area, however, both can succeed even if they are close to each other because of the difference in the types of merchandise offered and because they form a synergistic shopping destination that is stronger than each center would be standing alone.<sup>17</sup>

The site is part of an existing and well-established cluster of retail uses—all within a few hundred feet of one another—that currently generate significant retail traffic. In the past, the cluster of predecessor shops and independent department stores: including: Broadway, Robinson's, Orbachs, and Montgomery Ward provided an early prototype for the establishment of regional malls. It is anticipated that the project will benefit from, and contribute to this natural synergy, and that it can capitalize on the market attraction of current surrounding uses.

As a power center, Panorama Place will have a trade area larger than that of a neighborhood center, and thus draw customers from a longer distance.<sup>18</sup> The community center normally serves a trade area of 40,000 to 150,000 people within a ten- to twenty-minute drive."<sup>19</sup> Within a five-mile/ten-minute range Panorama Place will have access to a population of 750,000, half of whom are within three-miles, and 65,000 of which are in a one-mile range (*see* Appendix A – Population Tables) where the population density is a comparatively high 20,000 per square mile.<sup>20</sup>

## **Anchors and Tenant Mix**

The proportion of floor space or Gross Leasable Area (GLA) on the site is divided as follows:

37,000 SF Ground Floor: small shops and mix of “credit” food use and specialty retailers such as cell phones, dry cleaners, etc.

92,000 SF Ground Floor: “big box” anchor

143,000 SF Second Floor: “big box” anchor

138,000 SF Third Floor: two or three “credit” junior anchors

The smaller ground floor retail is envisioned to include 10,000 square feet of restaurants, and within the larger anchor areas—most likely the third level—a 45,000 square foot health club is proposed.

The project will provide 2,900 parking spaces in up to six levels of above ground parking. The retail component will span three levels and restaurants will occupy approximately 10,000 square feet of the commercial area.

While the anticipated tenant mix is unknown, there are a number of standard national chains that would be likely prospects. These tenants usually have standard demographic criteria primarily concerned with population densities and income levels. They each have their own specialized criteria as well, focusing on other unique characteristics of the center's trade area. In one example, Whole Foods market requires at least 200,000 population within a 20 minute drive time and a large percentage of the population with a college education.<sup>21</sup> This is with the understanding that well-educated residents tend to be more affluent, more selective, and are more apt to pay the premium prices the market charges for healthy food, organic products and other high-end specialties.



In any given market, one brand may succeed and another not. Different demographic segments are attracted based upon the positioning of the retailer and its product lines. An auto parts store such as Pep Boys (averaging \$169 in revenues per square foot) is less likely to be needed in a wealthy neighborhood where auto repair service is mostly performed by dealers and mechanics. Likewise, a high-end dealer such as Tiffany jewelers (averaging \$2,109 in revenues per square foot) will find it harder to attract customers in a modest community.<sup>22</sup> It is in the best interest of the shopping center to seek out tenants with high sales-per-square-foot characteristics in order to maximize revenues from the available space. Figure 3 below illustrates the wide range of sales for retailers of the type likely to be attracted to a power center such as Panorama Place.

**Figure 3**  
**Table—Sales per Square Foot, Retailers, 2003**

	Sales/SF	Basis	SF per Store	Sales per Store	# Stores
Mervyns	\$ 178	selling	81,155	\$ 14,445,644	264
Target	\$ 278	selling	122,280	\$ 32,942,045	1,147
Ross Stores	\$ 316	selling	23,306	\$ 7,364,649	507
Best Buy (incl future shops)	\$ 830	gross	39,805	\$ 33,037,855	679
Bed Bath & Beyond	\$ 229	gross	36,129	\$ 8,273,508	490
Shoe Carnival	\$ 232	gross	11,599	\$ 2,671,974	207
Costco	\$ 771	gross	137,000	\$ 105,683,152	374
Sam's Club	\$ 497	gross	124,462	\$ 61,857,561	525
Wal-Mart	\$ 422	gross	135,195	\$ 55,924,898	2,875
Tuesday Morning	\$ 167	gross	8,700	\$ 1,456,000	515
Big Lots	\$ 105	gross	27,141	\$ 2,849,761	1,380
99 Cents Only Stores	\$ 309	selling	15,372	\$ 4,750,000	151
Target	\$ 278	selling	122,280	\$ 32,942,045	1,147
Kmart	\$ 212	selling	73,601	\$ 15,603,348	1,829
Sports Chalet	\$ 241	gross	38,821	\$ 8,816,037	28
Borders Group	\$ 237	gross	25,700	\$ 6,000,000	404
Home Depot	\$ 370	gross	108,000	\$ 40,144,000	1,532
Lowes	\$ 302	selling	111,000	\$ 33,155,194	854

Source: BizStats.com, August 2007

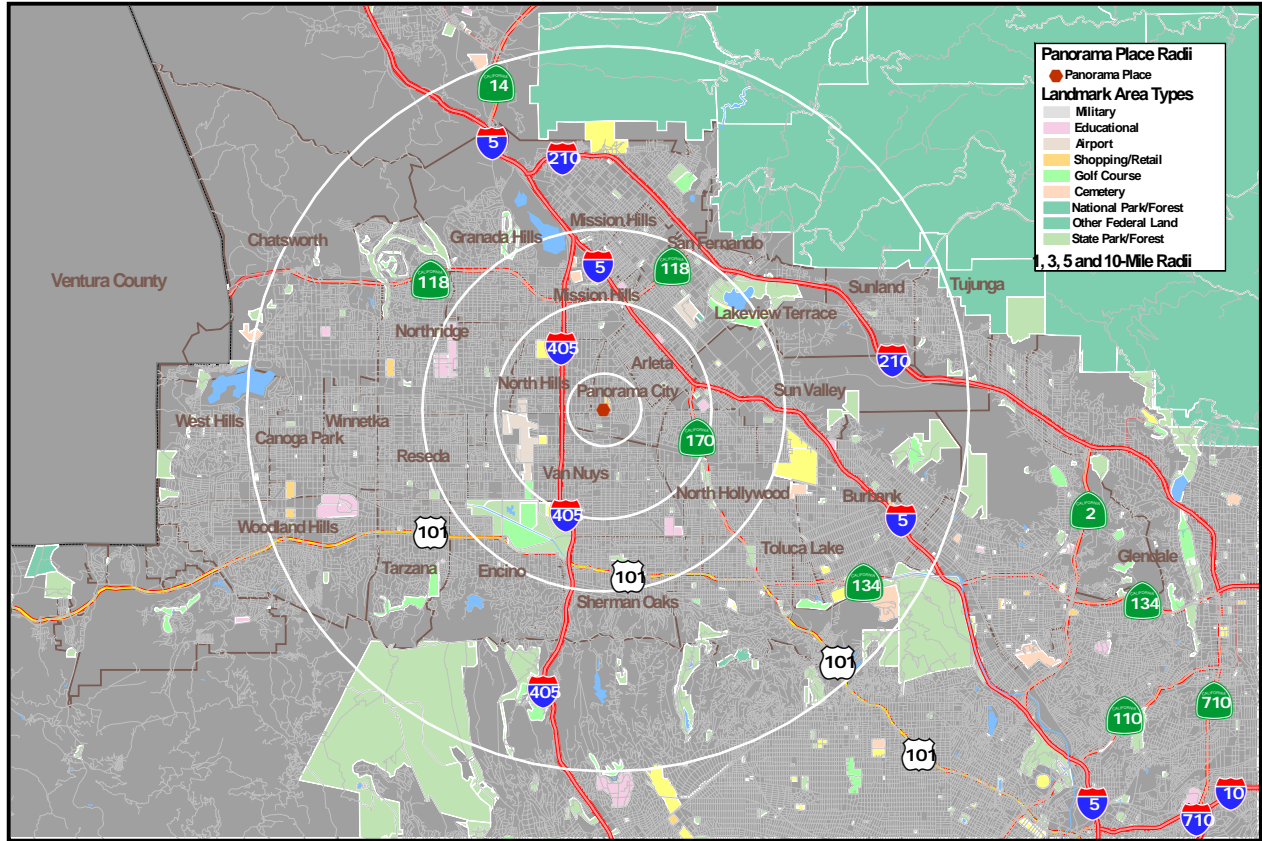


Figure 4 Map—Panorama Place Trade Area, 1- 3- 5-mile radius

## Anticipated Trade Area

Panorama City, once known as the “Heart of the San Fernando Valley” is well-centered within the San Fernando Valley geography, with the five-mile radius reaching the foothills to the north and south, and the ten-mile radius reaching the foothills to the east and west.

This report analyzes local demographics and economic information at several levels, one-mile, three-mile and five-mile radii, with some discussion of the *destination* radius of 10-miles. Generally a retailer must offer unique products or extraordinary values to attract from the destination radius. In Los Angeles, one can normally find an intervening center that will absorb the retail traffic in anything beyond five miles. The actual trade area for a given commercial tenant varies based on the type of goods or services offered and whether they are convenience-based or comparison-based. Because the Valley is laid out in a grid pattern, drive times are relatively consistent in all directions supporting the use of a radial analysis up to the five-mile level.

A few of the closest significant shopping centers are: Panorama Mall (.19 miles), Sherman Oaks Fashion Square (4.48 miles), Sherman Oaks Galleria (4.75 Miles), Northridge Fashion Center (5.95 miles), Burbank Town Center (8.43 Miles, Topanga Plaza (9.07 miles), Promenade at Woodland Hills (9.25 miles), and the Fallbrook Center (10.21 miles). The northeast quadrant of the Valley has very limited shopping opportunities. Panorama Place may well want to include these residents in their marketing strategy.

The boundaries of the trade areas and levels of competition are determined by a number of factors, such as:

- Population concentrations
- Demographic models that coincide with target markets
- Type of retail center
- Marketing, branding and positioning of the project
- Unique offerings
- Lifestyle environments
- Desirable amenities: dining, entertainment and services
- Accessibility for automobiles and pedestrians and proximity to public transit
- Location of competition to center and to individual tenants
- Synergy generated by co-located complementary retail and other activities
- Physical barriers

The “gravity model” for planning and transportation—the inverse of distance squared—suggests that the attraction of any point of interest diminishes with distance, not in a linear fashion proportional to distance, but in a dynamic fashion so that someone five miles away is not five times less prone to be a customer, but twenty-five times (5-miles<sup>2</sup>) less likely.<sup>23</sup>

#### *Convenience Zone*

The Convenience Zone is identified as a one-mile radius (3.14 square miles) from the project. The one-mile radius is confined to most of the community of Panorama City, 91402 ZIP Code, along with portions of North Hills, 91343 and Van Nuys, 91405. Convenience shopping or drop-in shopping usually involves the purchase of day-to-day necessities, meaning that local residents are likely to patronize the stores, markets and services closest to their homes. For these patrons, proximity is the main determinant. The San Fernando Valley has an over-supply of competitive strip centers so brand differentiation is critical. Having on-site residents is a plus for this market, as they have easy accessibility, and are likely to be a frequent and supportive customer base. The surrounding neighborhoods have a high concentration of multi-family complexes with a local (one-mile radius) density of 20,000 residents per square mile. A balance of local-serving amenities would tend to strengthen patronage among this market segment.

#### *Special Populations and Captive Markets*

For this project, a one-mile Convenience Zone is a conservative projection. Given the access to public transportation, the makeup of the population and cultural considerations, a hearty, transit-dependent population may be expected to travel greater distances by alternate means such as local transit, bicycle or even walking. The Convenience Zone for this project would likely penetrate well into the Residential Zone.

The three-mile radius (28.29 square miles) also covers portions of the communities of Mission Hills, Arleta and North Hollywood, including ZIP Codes 91343, 91345, 91331, 91406, 91605, 91411, and 91401. This is the area where Panorama Place has a locational advantage for midrange clientele using private automobiles—a potentially captive market. All else being equal, the center is extremely competitive within this segment since these highly-mobile individuals can reach it in

less than seven minutes.<sup>24</sup> This radius also represents a strong market for customers who comprise the daytime population, those brought near the center by employment. These patrons are particularly important for restaurants and other food service tenants who rely heavily on daytime sales.

#### *Residential Zone – Market Area*

Beyond the outer edge of the Convenience Zone lies the Residential Zone, in this case, given the type of center proposed and the locations of competitive stores, centers and malls, a five-mile radius (78.57 square miles) has been selected for evaluation. Together the bands of radii make up the “Trade Zone,” the core market for the Panorama Place. The five-mile radius also takes in portions of the communities of Granada Hills, Sylmar, Pacoima, Lakeview Terrace, Northridge, Reseda, Sun Valley, Encino, Sherman Oaks, Valley Village and Valley Glen, including ZIP Codes 91344, 91340, 91325, 91335, 91352, 91316, 91436, 91403, 91423, 91607, 91601 and 91606. The degree of market penetration of this zone depends on the attractiveness of Panorama Place’s offerings—its tenant mix and amenities.

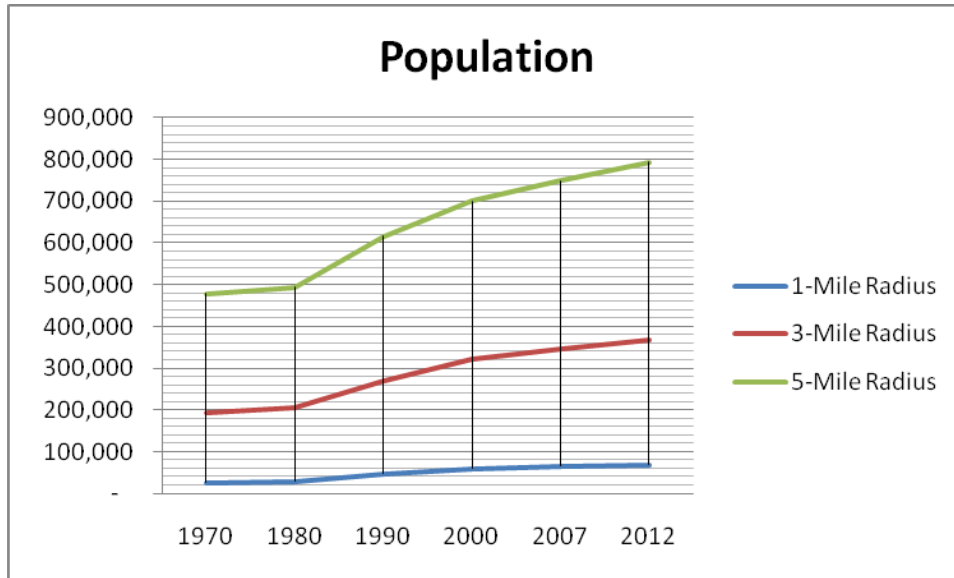
If the tenant mix is unique, specially targeted, or in any other way distinguishes itself from its competitors, the center becomes a stronger attractor. If this attraction is strong enough Panorama Place will compete favorably with nearby centers, at least three of which are approximately five miles away. Even so, the further one goes out from the project, the less the attraction, which will decrease exponentially with distance.<sup>25</sup>

#### *Destination Zone*

The Destination Zone lies beyond the Market Area. It includes a region of 314 square miles and a total population of 1.5 million residents. In the five-to-ten-mile band it usually involves a trip by automobile or public transit to a particular center. In order to reach this market the product, service or attraction is either not available closer to home or features points of difference such as prices, quality, service, convenience, or ambiance. The all-important tenant mix will be the primary determinant in reaching this segment. In this case the project as envisioned appears to primarily target a moderate- to middle-income market, for which its location could hardly be improved upon. To the extent the tenant mix is differentiated from its competitors, the center could well have a substantial market virtually to itself.

In the absence of a truly unique offering, it is unlikely that many of the residents of upscale neighborhoods south of the U.S. 101 Ventura Freeway would be part of the target market for the center. This group has a much higher median income than rest of the Valley and has more access to high-end centers along the Ventura Boulevard corridor, and to the south in Hollywood, Beverly Hills, the west side and Santa Monica. On the other hand, its proximity to the I-405 San Diego Freeway and the CA-170 Hollywood Freeway will make Panorama Place convenient to commuter traffic that flows daily from the Simi and Santa Clarita Valleys. Also within the destination zone is the northeast quadrant of the San Fernando Valley, an area where quality shopping, services, dining and amenities are in short supply, currently forcing residents to shop at outlying centers in Santa Clarita, Burbank, Glendale and Northridge.

**Customer Segment** – The customer segment is identified based on demographics: age, income, household size, occupation, education, or purchasing habits, and in certain instances may have an ethnic component as well.<sup>26</sup> The demographics of the project radii reveal a high concentration of Hispanic residents, with a secondary potential market core of maturing suburbanites.



**Figure 5 Table—Radius Population, 1970-2012**  
**Population of the San Fernando Valley, Extended Market**

Population	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970 Population	26,696	193,225	478,027	1,015,803	1,217,660
1980 Population	30,008	203,987	493,968	1,069,361	1,276,009
1990 Population	48,087	271,003	615,484	1,285,464	1,537,710
2000 Population	61,132	322,292	699,776	1,429,663	1,704,550
2007 Population	65,268	346,378	749,197	1,526,981	1,812,779
2012 Population	68,979	367,237	792,502	1,613,015	1,910,545

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

## Socio-Economic Segmentation

ESRI Tapestry® segments describe ZIP Codes similar to 91402, the primary Panorama City ZIP Code, as being multicultural enclaves of young families, unique to U.S. gateway cities, developing urban markets with a rich blend of cultures and household types. Families dominate the market with children residing in 54 percent of the households, which lead a strong family-oriented lifestyle. Many households have two wage earners, chiefly employed in the manufacturing, health care, retail trade, construction, service, skilled labor and educational services industries. Top purchases include groceries and children's clothing. Residents shop at stores such as Marshalls and Price Costco, but for convenience, they stop at AM/PM or 7-Eleven. For fun, families go to the movies, visit theme parks, and play soccer. To maintain their older

homes, time and money are spent on home remodeling and repair. Leisure activities include playing soccer and tennis, renting foreign films, variety radio, and visiting Disneyland, Sea World, or Six Flags. They like to watch sports on TV, especially wrestling and soccer, and listen to Hispanic radio.<sup>27</sup>

## The Commercial Area

Van Nuys Boulevard is primarily “strip commercial” and currently lacks the visual amenities for an exciting town center such as good landscaping, graphic control of signs and historic buildings. A number of renovation projects are under way as this report is being generated – projects that are expected to enhance the commercial zone and revitalize the area’s retail businesses. The former Stuart Anderson’s restaurant immediately to the southeast of the project is being entirely rebuilt, and the former Union Bank office building on the southwest corner of the Van Nuys Boulevard and Roscoe Boulevard has been renovated and is in the leasing process. The Panorama Mall has been upgraded, and more aesthetic improvements are anticipated.

A Community Design Overlay (CDO) district (*see* Appendix G – Panorama City Community Design Overlay District) has been established by the City of Los Angeles Planning Department including guidelines for:

- Design linkages, i.e., arbors and awnings
- Architectural requirements and constraints
- Landscaping and parking lots
- Signage conditions and guidelines
- Coordination and extension of Street Tree Division’s Replacing Project
- Integration of MTA’s bus stop design
- Coordination with Bureau of Street Services’ crosswalk enhancement program
- Public signage program in coordination with LADOT
- LADOT pedestrianization improvements

This CDO gives guidance for unifying the aesthetics and architecture in the area as local structures are maintained, upgraded and renovated.<sup>28</sup>

## Community Redevelopment Agency

The site is within the Pacoima/Panorama City Project Area of the City of Los Angeles Community Redevelopment Agency (CRA) and designated for technical assistance:

*The Agency will provide technical services and facilitate the redevelopment of the Montgomery Ward site (approximately 9 acres), now vacated. The site is available for new development and is located at the corner of Roscoe and Tobias Street, just west of the Panorama Mall, in Panorama City. Commercial and/or mixed-use with medium housing density is the preferred development.*

*The project will promote the commercial recovery of a vacated and underutilized property within the Project Area, and by enhancing the commercial environment and maximize the creation of construction and permanent employment opportunities.*

(*See* Appendix H – Community Redevelopment Agency)

## New Town Centers

Town centers such as Panorama Place serve as the nucleus of communities, helping to establish their civic culture and identity. The health and vibrancy of a community radiates from the core out—with the wellbeing of the center playing an essential role in determining its future. Public spaces hold the keys to community pride, quality of life, access to amenities, and the availability of goods and services. As relative property values continue to increase, it becomes more and more practical to rethink not only urban redevelopment but piecing together the fragments of urban-suburban centers as well. These blighted greyfields can again become vibrant new centers of their communities, helping to strengthen and stabilize local economies and provide needed amenities to underserved populations.

*Town centers provide a core for healthy communities, showcasing unique local arts, architecture, character and culture, strengthening the sense of place and heightening community pride. Areas can be set aside within town centers to provide for attractive, synergistic clusters of ethnic influence, eclectic dining and unique retail. These International Marketplaces may range from food court plazas to restaurant rows. They work especially well when woven in with related specialty merchandise.<sup>29</sup>*

At the same time, the region will benefit from the preservation of open space and the protection of its historical single-family suburban neighborhoods. The project aims to counter the effects of suburban sprawl while helping to meet the need for housing. The pedestrian orientation will help reduce traffic congestion and air pollution while enhancing public spaces and improving social interaction. A clean, secure and prosperous center not only signals success and prosperity, but it also provides the local residents with an identity, self-respect and pride in their community and culture.

## Economic Context

### Retail Potential – Market Capture

Retail leakage occurs when members of a community spend or transfer money outside that community. For example, crossing a border to buy goods forgoes the same purchase that could have been made inside the community.<sup>30</sup> When residents don't shop locally, they deprive their community of the economic benefits of re-circulated dollars that create jobs, generate revenues and spawn further investment.

Over time—from the 1960s to the present—the central business district of Panorama City declined from a high-demand regional shopping destination to a commercial cluster that included many obsolete and inappropriate uses: swap meets, second- and third-tier business establishments, and reuses inappropriate for a commercial zone, all woven into a jumble of unsightly signs and façades. For many years market conditions and the availability of land meant that some of the Valley's older shopping areas were allowed to decline or simply be abandoned. More recently, these same deteriorated and blighted centers have generated new development interest and investment.

Because of a lack of options and amenities, residents of the Panorama City trade area—which includes much of the northeast Valley—tend not to shop locally and even to shop outside the City of Los Angeles. Amenities taken for granted in many communities such as book stores, coffee shops, sit-down restaurants and movie theaters are in short supply in the area.

There is considerable demand for local shopping opportunities in the core areas of the central Valley to the west along Roscoe Boulevard extending to Canoga Park, and to the northeast portion of the Valley extending into Sun Valley, Pacoima and Sylmar all of which lack town centers. Many of the residents from these areas who were interviewed in 2003<sup>31</sup> indicated that they had to travel to San Fernando, Santa Clarita, Burbank, Glendale or Northridge for their shopping. All of this is lost revenue for the community and most of it is lost revenue for the City of Los Angeles.



## Housing Demand<sup>32</sup>

In California during the 1980s, 2.1 million housing units were built, whereas the 1990s saw only 1.1 million units built. While the average annual need is projected at approximately 220,000 housing units, construction has lagged substantially below the need.<sup>33</sup> Since 1999, housing production has averaged 174,000 residential new construction permits per year. During 2006, 164,280 new homes and apartments were built, a reduction of almost 45,000 units compared to the 208,972 in 2005 and 212,960 in 2004 which represented one of the highest productions levels since 1989.<sup>34</sup>

Los Angeles area cities are required to comply with the state-mandated demand of the Southern California Association of Governments' Regional Housing Needs Assessment (RHNA). The latest iteration covering the period of January 1, 2006 through June 30, 2014, the City of Los Angeles is required to plan for 112, 876 additional housing units. Given that the San Fernando Valley makes up 46 percent of the City of Los Angeles, a reasonable assumption of demand for the Valley would be a 51,923 unit share of the Los Angeles total.

**Figure 6**  
**Table—SCAG Population/Household Projections, 2000-2030**

<b>Total Population</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
County of Los Angeles	9,948,081	10,258,304	10,718,007	11,113,772	11,501,884	11,870,934	12,221,799
City of Los Angeles	3,711,969	3,950,347	4,090,125	4,147,285	4,203,702	4,257,771	4,309,625
City of Glendale	195,781	204,435	207,182	211,220	215,207	219,028	222,689
City of Burbank	100,316	106,660	110,179	115,002	119,762	124,325	128,701
Unincorporated SFV	53,103	57,200	60,347	64,560	68,718	72,705	76,523
City of San Fernando	23,680	24,927	25,607	26,042	26,471	26,883	27,277
City of Agoura Hills	20,622	21,998	21,998	22,000	22,000	22,000	22,000
City of Calabasas	20,121	21,892	23,223	24,222	25,224	26,222	27,200
City of Westlake Village	8,403	9,126	9,711	9,734	9,756	9,778	9,800
City of Hidden Hills	1,891	2,000	2,000	2,000	2,000	2,000	2,000
<b>Number of Households</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
County of Los Angeles	3,137,047	3,235,358	3,404,016	3,582,693	3,763,875	3,942,753	4,120,270
City of Los Angeles	1,276,578	1,311,134	1,372,873	1,438,731	1,505,615	1,571,712	1,637,475
City of Glendale	71,806	72,620	74,095	75,896	77,738	79,569	81,404
City of Burbank	41,882	42,545	44,438	46,357	48,309	50,238	52,157
Unincorporated SFV	13,051	13,737	14,752	15,750	16,763	17,760	18,750
City of San Fernando	5,781	5,853	6,010	6,199	6,393	6,583	6,777
City of Agoura Hills	6,876	7,127	7,245	7,327	7,409	7,492	7,574
City of Calabasas	7,231	7,533	8,043	8,483	8,921	9,362	9,800
City of Westlake Village	3,269	3,343	3,450	3,461	3,473	3,486	3,501
City of Hidden Hills	570	600	637	643	649	655	660

Source: 2004 Regional Transportation Plan/Growth Vision: Socio-Economic Forecast Report, Los Angeles, Southern California Association of Governments, 2004.

According to the 2001 University of Southern California/Brookings Institution Report, *Sprawl Hits the Wall*,<sup>35</sup> the distressed regional older urban core of Los Angeles now extends to the flat lands of the San Fernando Valley and “housing opportunities in the regional core are stagnant or in decline.”<sup>36</sup> “Almost all of the natural locations for urban [suburban] development have been consumed, and most of the remaining areas are constrained by government policy. . . . Los Angeles County will have to accommodate an additional six-million people in the next 20 years, or ‘two Chicagos . . . with little room for outward expansion.’”<sup>37</sup>

In short, there simply is little or no land upon which to build the needed—and state-mandated—housing. The only alternative, other than adulterating established single-family neighborhoods, is a vertical solution. Contemporary planners and urbanists are embracing the notion of “elegant density,” placing dense vertical housing in walkable areas near centers and transportation, as the preferred solution.

**Figure 7**  
**Table—History of Population Growth, Radius**

Population Growth	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970 to 1980	12.4%	5.6%	3.3%	5.3%	4.8%
1980 to 1990	60.3%	32.9%	24.6%	20.2%	20.5%
1990 to 2000	27.1%	18.9%	13.7%	11.2%	10.8%
2000 to 2007	6.8%	7.5%	7.1%	6.8%	6.3%
2007 to 2012	5.7%	6.0%	5.8%	5.6%	5.4%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 8**  
**Table—Historical Trend in Housing Supply Increase, Radius**

Housing Increase	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970 to 1980	24.9%	20.6%	18.2%	21.3%	19.8%
1980 to 1990	24.1%	15.2%	12.7%	14.4%	14.9%
1990 to 2000	1.4%	2.7%	3.2%	3.4%	3.5%
2000 to 2007	3.4%	4.3%	4.3%	4.3%	3.8%
2007 to 2012	4.3%	4.8%	4.9%	4.9%	4.6%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Comparing the supply of housing in Figure 8 with the population growth in Figure 7, one can readily see the housing deficit that began to emerge in the 1980s as it carried over into the 1990s. The 1980s saw dramatic increase in population which tapered off in the following decade. Unfortunately, housing production dropped to near zero in the same period, in part because of depressed housing prices, and further with the disruption of the 1994 Northridge earthquake.

In spite of the losses of the earthquake and displacement of the aerospace industry in the San Fernando Valley in the 1990s, the local population continued to grow at a substantial pace. There can be little doubt that the failure to produce housing in the period 1990-2005 has contributed to the astonishing price increases in residential real estate through 2007. Unfortunately for the housing industry, there are virtually no locations suitable for traditional tract development. Much of what is being built are single units or, where infill opportunities present themselves, a handful of homes at a time. It is rare indeed to see projects that involve any substantial numbers of units on the scale that is needed.

From a smart growth perspective, much of what is being built to try to catch up with the market is not well planned and does not conform to the principles of the City of Los Angeles' General Plan Framework. Increasing densities in locations distant from amenities and transportation only worsens problems of traffic congestion and infrastructure demand. This is not the case with Panorama Place, which is precisely what is being promoted by new urbanists and smart growth advocates.

In the *Charter of the New Urbanism*,<sup>38</sup> Principle Four asserts that "Infill development within existing areas conserves environmental resources, economic investment, and social fabric, while reclaiming marginal and abandoned areas." This is one of the major concepts underlying Panorama Place, a revitalization of an important community, and an opportunity to fill a need for a substantial number of new housing units.

The Charter goes on at Principle Eleven<sup>39</sup> to say that "Neighborhoods should be compact, pedestrian-friendly, and mixed-use." Panorama Place is extremely compact, placing housing, a broad range of shops, dining, services and amenities all in a highly vertical format within a compact 8.7 acre site. And finally, in conformity with Principle Fifteen<sup>40</sup> of the Charter: "Appropriate building densities and land uses should be within walking distance of transit stops, permitting public transit to become a viable alternative to the automobile," Panorama Place is within 850 feet of the bustling intersection of Roscoe Blvd. and Van Nuys Blvd. This provides multiple public transit options and connections to areas throughout Southern California.

**Figure 9**  
**Table—History of Population Growth, Regional**

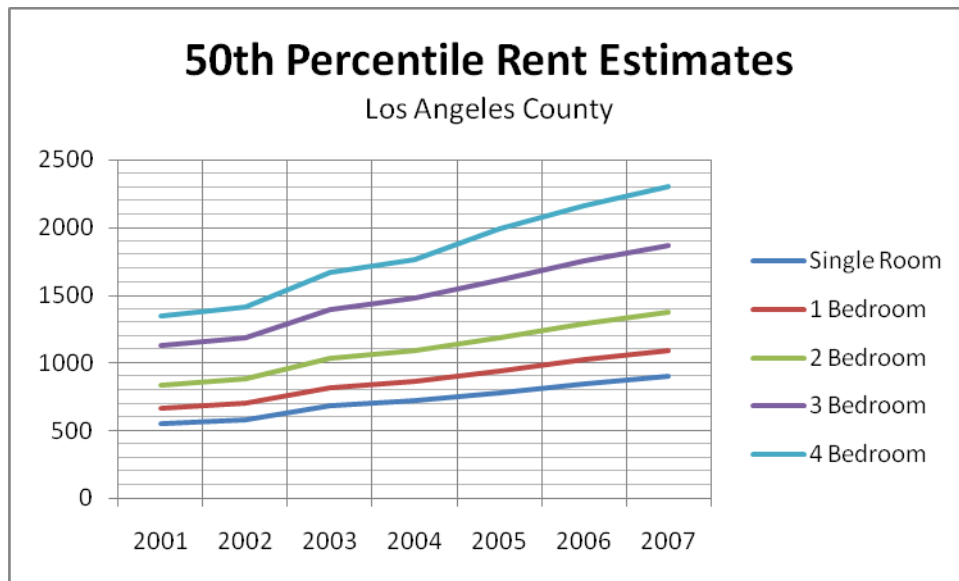
<b>Population Growth</b>	<b>San Fernando Valley</b>	<b>City of Los Angeles</b>	<b>County of Los Angeles</b>
1990 to 2000	10.8%	6.0%	7.4%
2000 to 2007	6.3%	6.4%	6.8%
2007 to 2012	5.4%	5.4%	5.6%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 10**  
**Table—Historical Trend in Housing Supply, Regional**

<b>Housing Increase</b>	<b>San Fernando Valley</b>	<b>City of Los Angeles</b>	<b>County of Los Angeles</b>
1990 to 2000	3.5%	2.8%	3.4%
2000 to 2007	3.8%	4.1%	4.3%
2007 to 2012	4.6%	5.2%	5.2%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

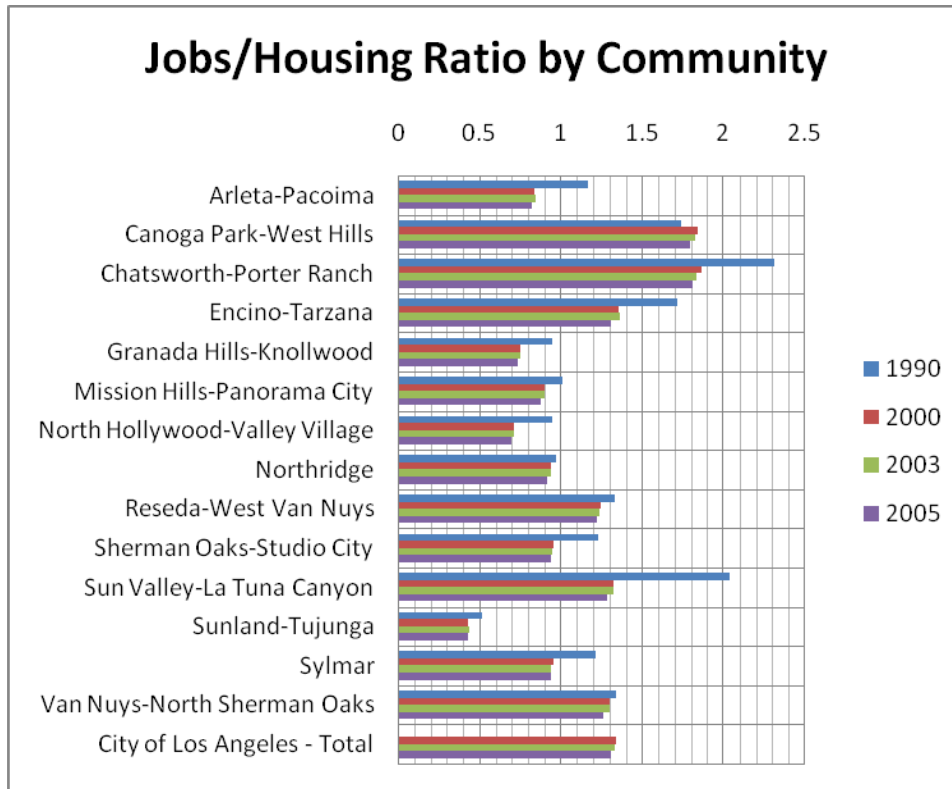


**Figure 11**  
**Table—Rental Trends, 2001-2007, Los Angeles County**

50th Percentile Rent Estimates - Los Angeles County					
	Single Room	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2001	553	663	838	1131	1351
2002	582	697	882	1190	1421
2003	684	819	1037	1399	1671
2004	723	865	1095	1478	1765
2005	784	945	1186	1614	1990
2006	848	1025	1285	1751	2156
2007	905	1094	1371	1869	2301

Source: HUD User, Data Sets, <http://www.huduser.org/datasets/50per.html>, accessed August 2007.

While none of the housing units are slated for rental, this segment nonetheless exerts upward pressure in owner-occupied housing market. Housing affordability in the U.S. in general, and California in particular, has been on the decrease. Rental vacancy rates in the Valley went from 10.1 percent in 1996 to a mere 4 percent in the spring of 2007. In the same period, median home prices<sup>41</sup> climbed 400 percent from \$160,442 to \$655,000—and with little change in the volume of sales. Rental housing is the only option for a large cross-section of the population. Rental increases have been trailing those of home sales, but are also becoming prohibitive. Average rents in the 50<sup>th</sup> percentile in Los Angeles County went up 66.2 percent between 2001 and 2007 to an estimated average of \$1,508.<sup>42</sup>



**Figure 12 Table—Jobs/Housing Balance by Community Plan Area, 1990-2005**

**Figure 13**

**Table—Jobs/Housing Balance by Community Plan Area, 1990-2005**

Jobs Housing Balance Community Plan Area	Number of Jobs per Housing Unit			
	1990	2000	2003	2005
Arleta-Pacoima	1.16	0.83	0.84	0.81
Canoga Park-West Hills	1.74	1.84	1.83	1.79
Chatsworth-Porter Ranch	2.31	1.87	1.83	1.81
Encino-Tarzana	1.71	1.35	1.36	1.30
Granada Hills-Knollwood	0.94	0.75	0.75	0.73
<b>Mission Hills-Panorama City</b>	<b>1.01</b>	<b>0.89</b>	<b>0.89</b>	<b>0.87</b>
North Hollywood-Valley Village	0.94	0.71	0.71	0.69
Northridge	0.97	0.94	0.94	0.91
Reseda-West Van Nuys	1.33	1.24	1.24	1.21
Sherman Oaks-Studio City	1.23	0.95	0.94	0.93
Sun Valley-La Tuna Canyon	2.04	1.32	1.32	1.28
Sunland-Tujunga	0.51	0.42	0.43	0.42
Sylmar	1.21	0.95	0.94	0.93
Van Nuys-North Sherman Oaks	1.34	1.30	1.29	1.25
City of Los Angeles - Total		1.33	1.33	1.31

Source: City of Los Angeles, Department of City Planning

Defining what constitutes a balance between jobs and housing is not an easy task. Assuming a simple ratio of one job to one household is inappropriate to modern economies that have many households with more than one person in the workforce. Another definition states “balance occurs when both the quality and the quantity of housing opportunities match the job opportunities within an area”<sup>43</sup>

To assess that balance, the Southern California Association of Governments (SCAG) has devised a jobs/housing balance ratio, which measures the number of jobs per household in a defined region. A balanced ratio is equal to the regional average. Ratios above the regional average are considered jobs-rich, and ratios below the average are considered housing-rich.<sup>44</sup>

The measure of jobs/housing balance is a ratio for a given geographic area. The ratio for the six county SCAG region suggest a balance at 1.21 jobs per dwelling unit. With its suburban character the County of Ventura is similar in many ways to the San Fernando Valley as contrasted to the more urbanized areas of Los Angeles. The Ventura Council of Governments (VCOG) has determined that an area is in balance if the jobs/housing ratio is between 1.1 – 1.34. In Ventura County, a ratio above 1.34 is considered a job rich area and a ratio below 1.10 indicates a *housing rich* region.<sup>45</sup>

Using the SCAG benchmarks, a regional average should determine more-localized standards. The City of Los Angeles had a ratio of 1.33:1 in 2000 and 2003, which dropped to 1.31:1 in 2005. This is also in-line with the SCAG six county regional ratios. The Mission Hills-Panorama City Community Plan shows a dramatic decrease from 1.01:1 in 1990 to .87:1 in 2005.

**Figure 14**  
**Table – Jobs/Housing Balance, 1980-2025**

	1980	1990	1997	2025
Los Angeles County	1.44	1.54	1.40	1.28
SCAG Region	1.34	1.43	1.34	1.35

Jobs/Housing Balance of Los Angeles County and the SCAG Region, 1980-2025 Projections.<sup>46</sup>

The proposed project’s 2,670-person population increase and 504 housing units increase are within the population projections of the Community Plan. The project would add to the City’s housing inventory. The project would provide approximately two homes for every job directly created (i.e., a job-to housing ratio of 0.49:1.0 to .62:1.0),<sup>47</sup> increasing residential opportunities for new employees in the area. This would assist in balancing the City of Los Angeles subregion job-to-housing ratio, anticipated to reach 1.45:1.0 in 2010, and the Community Plan Area job-to-housing ratio, anticipated to reach 1.01:1.0 in 2010. If the indirect and induced jobs are counted, the project would fall somewhat closer to a jobs/housing equilibrium.

In 1997 SCAG concluded that jobs/housing balance for the region could be defined as an area extending about 14 miles around an employment center with a ratio between jobs and household on the order of 1.0-1.29 jobs per household. This ratio holds for the middle 20 percent of the SCAG region. Job centers vary by size and are not evenly dispersed throughout the region, and congestion and average commute times will also vary by location. However the area or “commute shed” is defined, if it has a jobs-to-household ratio that significantly differs from the 1.0 to 1.29 standard, than it can be considered out of balance.<sup>48</sup>

Overcrowding is a growing problem as the size of the average household increases and the economies of housing force families to double up. The number of persons per household increased from 2.75 in 1990 to 3.1 in the year 2007, reaching 4.0 in the immediate vicinity of the Panorama Place. This trend continues, in part, because of multi-family and multi-generational arrangements, and also as a result of a surge of new younger families with children still living at home. In spite of all this, the ratio of owner-occupied homes tends to be comparatively high, ranging between 70 percent and 85 percent even in the poorer areas of the north and east Valley. Part of this may be attributed to a substantial stock of modest post-World War II tract housing that were designed to appeal to low to moderate income and minority residents. Much of the inventory is still owned by earlier migrants or has been passed on to second and third generations.

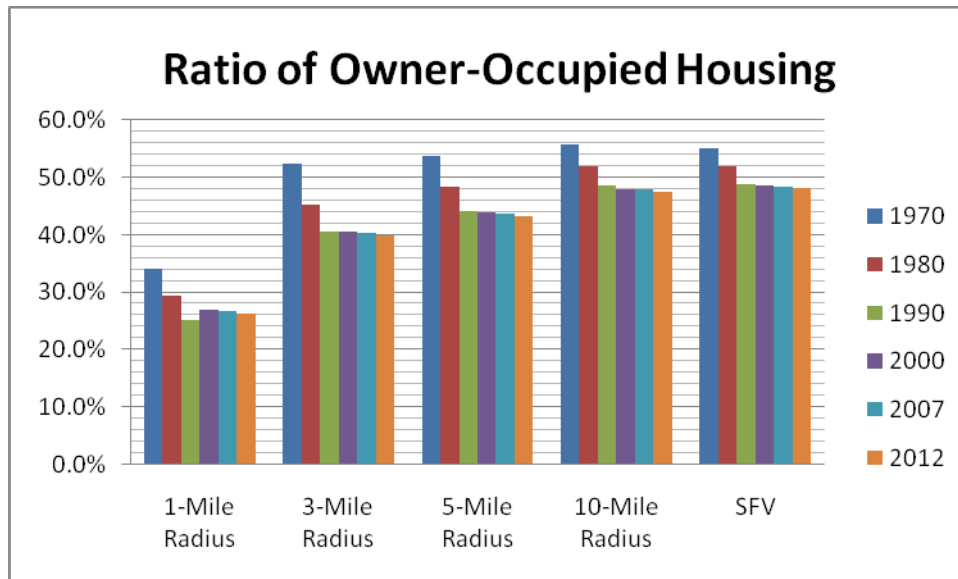


Figure 15 Chart—Ratio of Owner-Occupied Housing, 1970-2012, Radius

Owner-Occupied Housing Ratio	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970	34.2%	52.3%	53.9%	55.9%	55.1%
1980	29.5%	45.3%	48.4%	52.0%	52.1%
1990	25.2%	40.7%	44.1%	48.5%	48.8%
2000	26.9%	40.7%	43.9%	48.0%	48.6%
2007	26.7%	40.3%	43.7%	47.9%	48.5%
2012	26.4%	39.8%	43.3%	47.5%	48.2%

Owner-Occupied Housing Ratio	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990	48.8%	36.8%	45.5%
2000	48.6%	36.7%	45.9%
2007	48.5%	36.7%	46.2%
2012	48.2%	36.4%	46.1%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

It is no longer possible to facilitate growth and prosperity by growing outward. Therefore it is necessary for the region to begin growing smarter” . . . encouraging a healthy balance of housing and jobs with responsible infill development, “investing in older communities and restoring neighborhood economies.”<sup>49</sup> This requires planners to think in three dimensions, to create more vertical centers to enhance the mostly-horizontal suburbs.

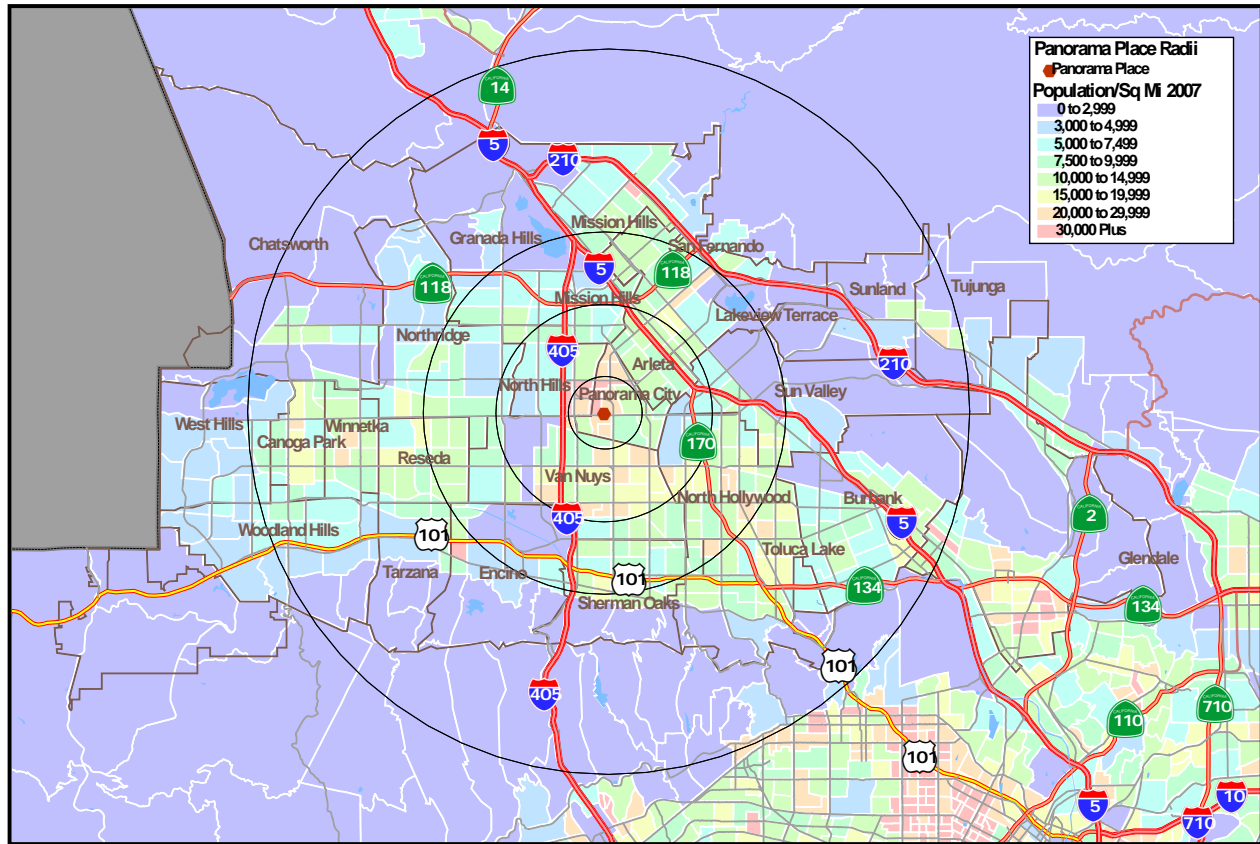


Figure 16 Map—Population per Square Mile, San Fernando Valley, 2007

## Panorama Place Housing Strategy

Panorama Place will provide 504 new residential condominium dwelling units occupying 494,360 square feet.<sup>50</sup> The mix will include 36 one-bedroom, 240 two-bedroom and 228 three-bedroom condominiums to be sold at market rates to existing residents as well as those from outside the five- and ten-mile radius who desire to live closer to the center of activities in the urban/suburban San Fernando Valley. This mixed-use development will become part of an existing and quite substantial commercial cluster, which is in the midst of a renaissance.

Ultimately, this will result in an increase of 504 units to the City of Los Angeles housing inventory. With the current demand for housing, even if a portion of the first round of buyers are local residents trading up, their current homes will be filled by others, the cycle continuing ad infinitum. It can be safely concluded that this trade-up cycle will ultimately result in 504 new householders situating in Los Angeles from other jurisdictions.

The unique strategy being employed by the developers is to introduce new higher-end housing to an area that has seen little in the way of new product in the last several decades. The self-



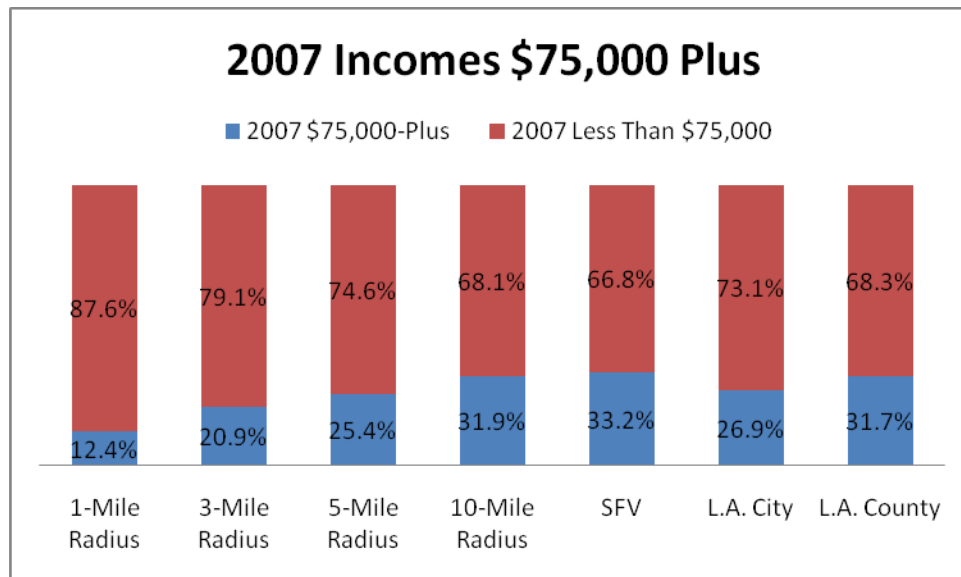
contained, mixed-use urban nature of the complex makes it difficult to compare, and also makes it unique in the market place. Because of the quality and location of the development, it is believed that ambitious pricing levels can be sustained:

**Figure 17**  
**Table—Panorama Place, Housing Mix**

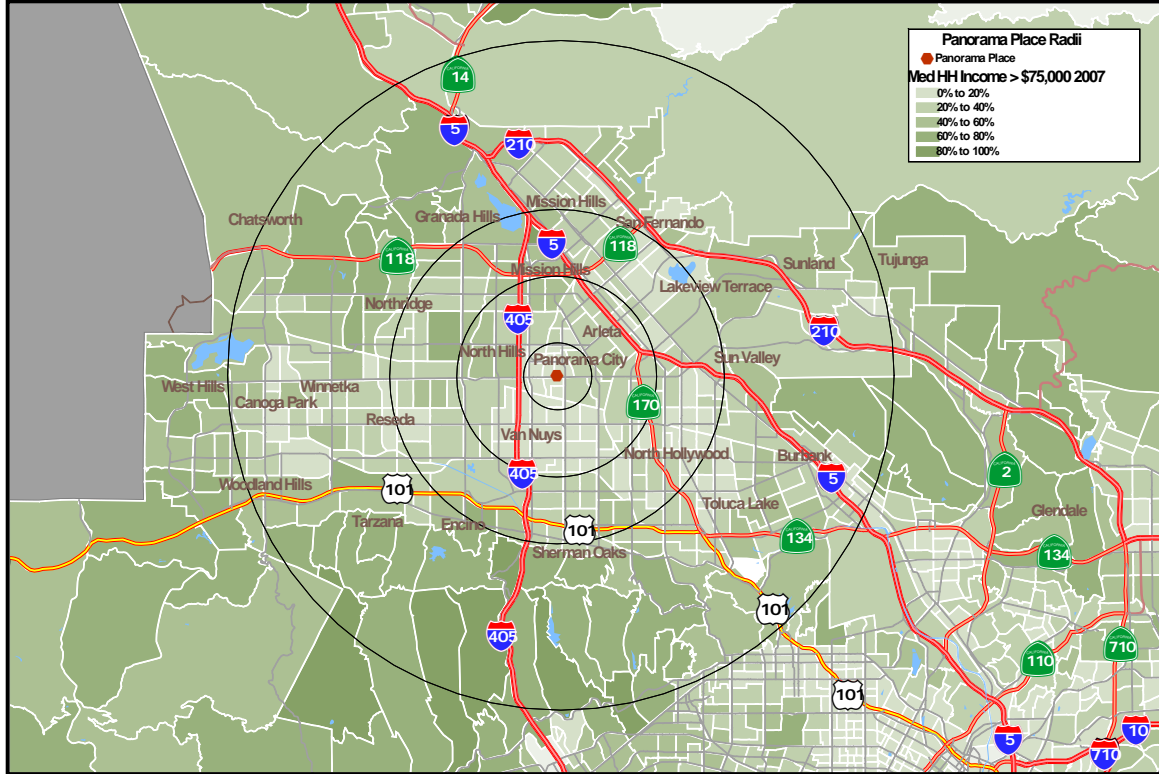
	Quantity	Average Sq. Ft.	Price Sq. Ft.	Sale Price
One-Bedroom	36	569	\$650	\$369,850
Two-Bedroom	240	743	\$650	\$482,950
Three-Bedroom	228	863	\$650	\$560,950
Average Unit	504	785	\$650	\$510,157

Source: Maecal, LLC and Mulholland Institute.

There are two basic types of high-propensity buyers: those with an income sufficient to qualify for a mortgage, to cover interest, taxes and insurance; and those who have an equity interest in their existing real estate which has equivalent value to the new units. Assume the least expensive unit is priced at \$370,000. With a 20 percent down payment, the balance would carry estimated annual interest (at 6 percent) of \$17,760, taxes (at 1 percent) of \$3,700 and insurance of approximately \$1,800. The total annual cost of housing would amount to \$23,260. If a purchaser had an income of \$75,000, this would comprise 31 percent of their income. Within the three- and five-mile radii, there is a substantial and growing 2007 population with income sufficient to afford these units. Using these same assumptions the upper-end (three bedroom) units would carry an annual cost of housing of \$34,338 and a qualifying income of \$111,000.



**Figure 18 Chart—Radius/Area Households with Incomes \$75,000 Plus, 2007**



**Figure 19 Map—Households with Median Incomes of 75,000 Plus, 2007**

As a practical matter, housing markets tend to be quite broad, not constrained to being marketed in the way that retail stores are. Purchasers are apt to come from a much wider market area than a ten-mile radius, a market area that could include all of Southern California. The prospects are narrowed somewhat from the discretionary perspective as some may prefer other amenities and features such as proximity to beaches or mountains. Given the 240-foot height of the Panorama Place residential units, it is likely that the panoramic views will contribute greatly to the value of the units—even at the lowest levels—with better situated units warranting a premium as well.

Prices for housing in the San Fernando Valley sagged in the 1990s, and the pent-up pressure exploded after 2000 with massive increases in market valuations. Even with prices soaring, there was no let up in sales volume until mid-2007, when expected market corrections finally began to take their toll. With projected economic and population growth, demand is expected to continue overall to provide a strong level of support.

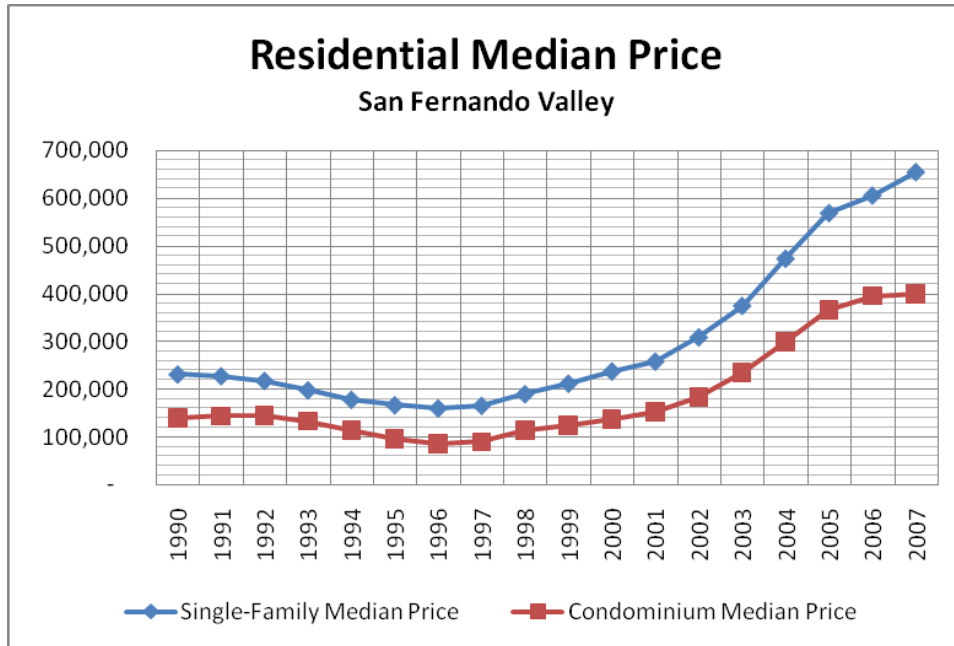


Figure 20 Chart—Residential Median Price, San Fernando Valley, 1990-2007

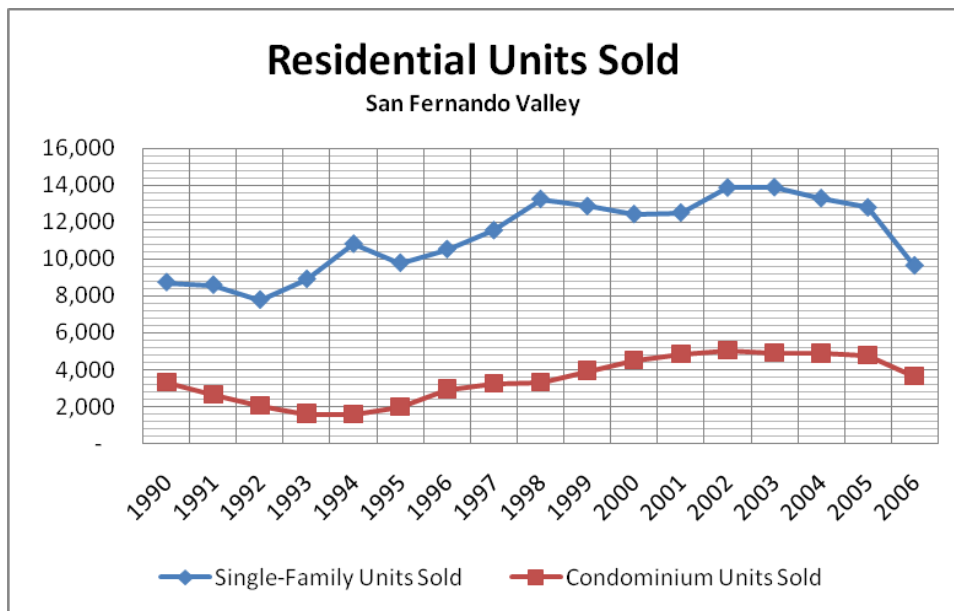


Figure 21 Chart—Residential Units Sold, San Fernando Valley, 1990-2006

**Figure 22**  
**Table—Residential Sales of Units and Median Prices, 1990-2007**

	1990	1991	1992	1993	1994	1995	1996	1997	1998
SFR Median Price	231,358	227,825	217,958	198,117	178,417	166,958	160,442	165,833	190,150
Change	-2.4%	-1.5%	-4.3%	-9.1%	-9.9%	-6.4%	-3.9%	3.4%	14.7%
SFR Units Sold	8,726	8,585	7,774	8,899	10,810	9,775	10,519	11,545	13,242
Change	-31.6%	-1.6%	-9.4%	14.5%	21.5%	-9.6%	7.6%	9.8%	14.7%
Condo Median Price	139,592	143,808	145,142	132,792	113,508	95,667	85,334	89,392	113,667
Change	6.3%	3.0%	0.9%	-8.5%	-14.5%	-15.7%	-10.8%	4.8%	27.2%
Condo Units Sold	3,313	2,646	2,030	1,607	1,591	1,985	2,939	3,261	3,313
Change	-27.5%	-20.1%	-23.3%	-20.8%	-1.0%	24.8%	48.1%	11.0%	1.6%
	1999	2000	2001	2002	2003	2004	2005	2006	2007
SFR Median Price	212,292	237,792	258,583	309,175	375,000	473,750	569,208	605,917	655,000
Change	11.6%	12.0%	8.7%	19.6%	21.3%	26.3%	20.1%	6.4%	June
SFR Units Sold	12,858	12,421	12,501	13,863	13,878	13,283	12,786	9,632	3,633
Change	-2.9%	-3.4%	0.6%	10.9%	0.1%	-4.3%	-3.7%	-24.7%	June
Condo Median Price	123,575	136,550	152,167	182,625	235,075	298,500	364,458	394,917	399,000
Change	8.7%	10.5%	11.4%	20.0%	28.7%	27.0%	22.1%	8.4%	June
Condo Units Sold	3,940	4,536	4,860	5,041	4,931	4,904	4,780	3,658	1,423
Change	18.9%	15.1%	7.1%	3.7%	-2.2%	-0.5%	-2.5%	-23.5%	

Source: Southland Regional Association of Realtors, July 2007

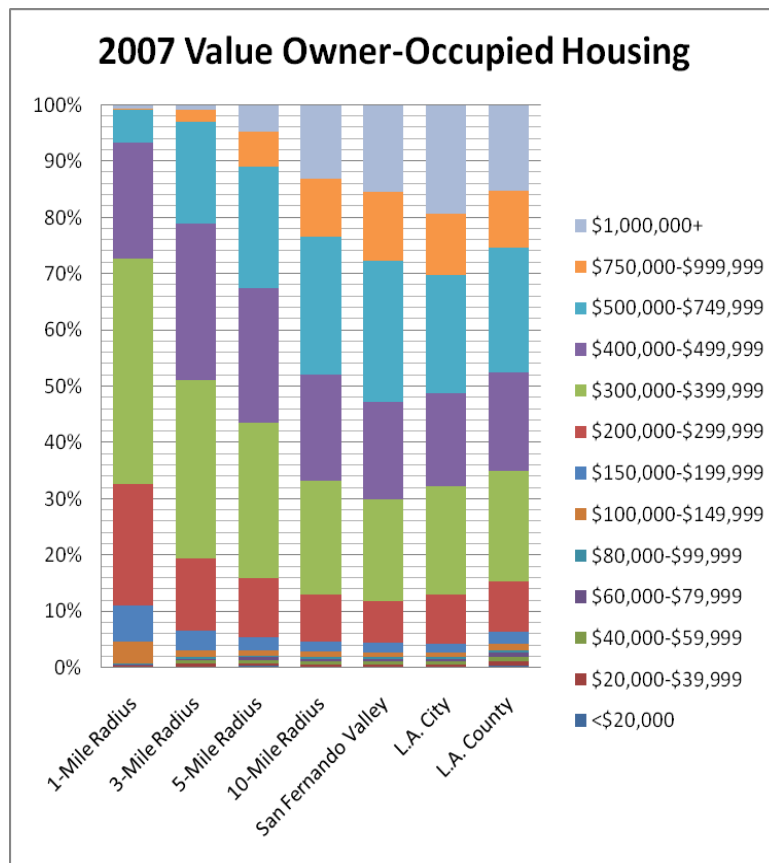
The second group of prospective purchasers includes those owners looking to trade up, or in the case of condominiums, to change to a simpler lifestyle, one without the burdens of maintaining a single-family residence. Empty-nesters and retirees often find smaller, simpler and more secure housing better suited to their changing needs. The option of being closer to civilization near areas of activity, in walkable town centers is also quite appealing to urban professionals. The majority of owner-occupied housing in the area—and Valley-wide in particular—is valued at more than the sale price of Panorama Place’s basic units. *See also* Figure 89 Map—Median Value Owner-Occupied Housing 2007 – Radius

Commutes and congestion are a serious challenge to the region. A jobs deficit exists in nearly all of the valleys surrounding the San Fernando Valley. Depending on the time of day, Panorama Place may be anywhere from fifteen minutes to two hours closer to jobs and activity centers than the outlying areas of Simi Valley, Santa Clarita Valley or the Antelope Valley. In some of these areas a quarter to half or more of the workforce commutes to and through the San Fernando Valley. Shorter commutes can be a powerful quality-of-life incentive to relocate one’s residence.

**Figure 23**  
**Chart—Median Value of Owner-Occupied Housing, 2007, Radius/Area**

Median Value Owner-Occupied Housing	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
2000	133,708	160,488	181,968	223,392	230,626
2007	322,539	382,554	434,766	511,664	527,891
2012	393,787	467,675	523,706	597,655	613,649

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.



**Figure 24 Chart—Median Value of Owner-Occupied Housing, 2007, Radius/Area**

While there are few in the middle-class with cash or savings in the hundreds of thousands of dollars, there are many in Los Angeles and the San Fernando Valley, particularly since 2000, with high equity interest in their homes. As Figure 23-Figure 24 demonstrate, more than 50 percent of the homeowners in a one-mile radius already own homes at or near the base prices for Panorama Place. In the geographic San Fernando Valley, this reaches closer to 90 percent of the homeowners. Even with expected corrections in the market, this is a sizable market. This pricing strategy coupled with the uniqueness of the offering is grounds for optimism.

# Impacts

## Those Who Will Benefit from the Project

The nature and character of Panorama Place is consistent with the best practices in urban planning today. The project will optimize the infill use of the land and recycle obsolete and unsightly property. The underlying property will be enhanced and values in the adjacent community can also be expected to rise, both from the elimination of the abandoned Montgomery Ward structures and from the gain of a positive and attractive use. The project is expected to attract the type of residents and workforce needed to develop the area's economic competitiveness. Some of the key factors of such revitalized use are outlined below:

- Providing a sense of community
- Creating a place identity
- Providing a mix of land uses
- Contributing to walkable neighborhoods and the town center
- Efficient use of land to help preserve remaining open spaces
- Economic and fiscal benefits of urbanist design
- Jobs, commerce and fees during the construction phase
- Economic development benefits, direct, indirect and induced
- Tax base enhancement and commercial activity
- Cost of service reduction

The development of Panorama Place is important to a broad range of groups all relying on the employment that it will provide including:

- Commercial tenants of the shopping center
- Condominium owners within the housing project
- Employees within the shopping center
- Local community and homeowners
- Patrons of the shopping center
- Area Realtors and brokers
- Regional economic and businesses interests
- The City and County of Los Angeles
- Other local government agencies
- Vendors and wholesalers
- Retailers in adjacent centers
- Local employers
- Civic and charitable organizations
- Commuters

The development will yield significant fiscal impacts for the City of Los Angeles directly through taxes, fees, revenues and additional resources, as well as indirectly through increased economic activity. It will eliminate existing blight and visual unsightliness, remove non-producing parcels from the tax rolls, and replace them with a vital new community center delivering a host of social

and economic benefits. Such redevelopment of outdated centers also improves the value of single-family residential properties surrounding the center.

*Added Benefits from New Housing*

Although it is true the property tax makes up a smaller proportion of tax revenues than likely would have been the case without Proposition 13, new residential development is more fiscally beneficial than conventional wisdom might indicate. Because actual housing values are increasing much faster than assessed values of existing homes, new houses (initially assessed at market value) will generate substantially more property tax revenues than homes of equal value that have not been on the market in several years.<sup>51</sup>

A median priced home purchased in 1990 for \$231,358 would at most be assessed at \$323,957 in 2007 (based on Proposition 13's annual reassessment limit of two percent). At the same time the 2007 equivalent would have a median price of \$655,000—more than double the value, and consequently more than double the property taxes. New homes also tend to lead to spending for furnishing and decorating, and those in a position to purchase a new home are apt to spend more in the general retail economy than those who are already established and who have already acquired much of the higher-ticket household furniture, fixtures and other assets.

# Overall Economic Impacts of Panorama Place

The full economic impact of a community investment like the proposed Panorama Place mixed-use shopping center and housing development involves a complex series of interactions between individuals, businesses, suppliers, and consumers. There are many factors that go to shape the actual impact of a mixed-use project of the scale and significance of Panorama Place. In an environment of such complexity, the goal of an economic analysis is to estimate the economic impact of the mall *on the margin* with an assumption of a relatively stable economic environment, or in economics parlance *ceteris paribus*—holding all else equal.

This section presents the results of a detailed economic analysis of the project in the broader context of the larger economies of the City of Los Angeles and the County of Los Angeles. It examines the marginal changes associated with the introduction of the proposed 946,360 square foot mixed-use project as proposed. The analysis is built on a series of understandings and assumptions regarding the composition of the project, the way it interacts with the local housing and retail markets, the likely use of local versus non-local vendors and resources, estimates of time completion, etc. In each case where these assumptions and understandings are critical to the findings, they will be enumerated and discussed.

## Estimating the Economic Impact of Investment

To prepare estimates of the economic impact, it is important to understand the detailed impacts associated with the expenditures of a dollar in the economy. There are two more levels of impacts beyond the **direct** expenditure involved (called **direct effects** in this analysis). If someone pays \$100 dollars for a specific good from a vendor, that vendor will purchase intermediate goods from other vendors to provide and/or prepare the product and he will retain some portion of the \$100 as profits. The portion of the vendor's receipts that is spent on intermediate goods represents what will be called an **indirect effect**—that economic activity directly necessitated by the economic activity associated with the direct effect. Note that these second-tier vendors will also purchase intermediate goods from others, thereby generating additional indirect effects as well. This chain of spending generates an overall *multiplier* effect—specifically that the spending of a single dollar is likely to generate more than \$1.00 worth of economic activity.

Beyond these direct supply-chain effects, there is a third effect, called the *induced effect* in economic modeling. This effect represents the economic impact of the spending of profits by the various contributors to the supply chain discussed above. Remember that each intermediary in the production chain retains some portion of the spending as profits and that one major expenditure for many suppliers is wages. These profits and wages are then spent by the individual consumers on myriad goods and services throughout the economy. This spending is induced by the availability of wages and profits associated with the provision of goods and services.

Each of these three effects—direct, indirect, and induced—represents a dimension of the economic impact of a given expenditure or marginal change in economic activity. For any given good, the actual impacts across these three dimensions can vary significantly. For example the purchase of an automobile will impact a very different supply chain than purchasing a cheeseburger. Consequently, it is important to have a detailed understanding of the direct, indirect and induced impacts of economic activity at a very detailed level.



For the purposes of this project, Mulholland Institute uses the IMPLAN® Professional economic impact assessment modeling system to quantify the economic impacts of Panorama Place. The model, calibrated at the county level, provides a detailed map of the interdependencies between spending in various sectors. For example, IMPLAN® has detailed, econometrically-derived estimates of how much spending on building material will change if one spends \$100 building an apartment building (indirect costs). It also provides detailed estimates of the induced spending associated with the investment. The IMPLAN® Professional system is used widely for these specific purposes in both public and private applications.

## **Project Economic Activity Overview**

The proposed project includes three specific sets of actions which will have direct and indirect effects on the local economy. First the proposed mixed use project will spend more than \$400 million dollars to actually develop and construct the project. The second aspect is the addition of some 452,000 square feet of commercial retail space in the form of a power center-type mall. This type of mall will generate jobs, sales and ancillary economic returns to the surrounding community. The third major economic impact will be the addition of 504 new households in the immediate community. The spending and income of these residents will produce some marginal increases to the local economy, even beyond their possible contributions to retail activity in the area. The latter two economic impacts—new retail activity and new residents— are ongoing, long-term additions to the local economy, while the impacts associated with the construction process will be limited to the specific time periods involved.

### ***Construction: Its Impact on the Local Economy***

The proposed project encompasses the development of 946,360 square feet of modern residential and commercial space. This necessitates the investment of an estimated \$435 million dollars to capitalize the construction of the project. These expenditures include the acquisition and assembly of the parcels for development, the preparation of plans, the securing of permits and entitlements, building the project, and legal, insurance, financial, tax and other expenses associated with that construction.<sup>52</sup> This initial phase of the project is anticipated to extend from the initial acquisitions in 2006 through mid-2010. Because of its nature, and because of the costs associated with trans-shipping construction resources and personnel, it is anticipated that these construction dollars will be largely spent in the local economy. Figure 25 below lists the changes in economic activity related to the pre-construction and construction aspects of this project.

Figure 25

Table—Impact of Construction Activities of Panorama Place on Overall Economic Output

Year	Direct	Indirect	Induced	Total
<b>Construction Impacts on Overall Economic Output (dollars)</b>				
2006	5,669,145	1,716,594	2,985,077	10,370,815
2007	9,000,000	3,068,836	4,975,476	17,046,318
2008	86,000,000	23,710,533	47,534,781	157,247,321
2009	190,500,000	56,444,463	102,082,760	349,029,232
2010	142,427,147	42,024,595	71,735,162	256,186,905
<b>Total</b>	<b>433,596,292</b>	<b>126,965,019</b>	<b>229,313,255</b>	<b>789,874,566</b>
<b>Construction Effects on Overall Labor Income Output (dollars)</b>				
2006	3,038,661	683,087	1,007,839	4,729,586
2007	4,935,731	1,268,361	1,690,730	7,894,823
2008	49,453,588	9,237,549	16,254,508	74,945,646
2009	102,649,026	21,687,641	35,120,063	159,456,730
2010	71,107,582	16,055,577	24,825,561	111,988,719
<b>Total</b>	<b>231,184,589</b>	<b>48,932,215</b>	<b>78,898,700</b>	<b>359,015,503</b>
<b>Construction Effects on Overall Employment (jobs)</b>				
2006	37.5	14.3	23.6	75.4
2007	64.4	26.4	38.5	129.3
2008	724.9	176.8	359.9	1,261.6
2009	1,602.7	398.7	756.5	2,757.8
2010	1,117.5	292.3	520.2	1,930.0
<b>Total</b>	<b>3,547.0</b>	<b>908.6</b>	<b>1,698.6</b>	<b>6,154.2</b>

Source: IMPLAN® modeling and analysis. Mulholland Institute. Columns and rows may not add due to rounding.

The direct expenditure of \$430 million on construction and pre-construction activities will produce some \$790 million dollars in economic activity, mostly during the last two years of the construction process. This overall economic activity includes a significant boost in local payrolls, accounting for \$359 million in new local payrolls and, at its peak, nearly 2,800 jobs.

Of these totals, more than one-third of the total is related to the “multiplier” effect referenced above, wherein the initial investment produces a ripple of spending throughout the economy. Over the life of the construction portion of the project, it is expected to account for more than 6,150 jobs.

#### *New Retail Capacity: Its Effect on the Local Economy*

The proposed mall should represent a new source of economic activity in the community. Its 452,000 square feet of retail space and alignment as a power center should produce significant retail activity. This retail space will generate annual gross sales averaging some \$250 million per year between 2011 and 2018.<sup>53</sup> Our review of the local retail market (see the discussion of sales taxes later in this report for a detailed handling of this section) indicates that Panorama Place will likely perform at or above western regional averages for this configuration of retail mall.

Of the total sales generated in the commercial portion of the project, only a fraction of those sales—specifically the gross margin—will contribute to growth in the local economy.<sup>54</sup> Thus, while the model anticipates some \$1.275 billion in sales between 2010 and 2018, a much smaller proportion is actually counted as generating economic activity—\$548 million is detailed under direct impacts on output listed in Figure 26.

This marginal income results in nearly \$1.0 billion in total economic activity resulting directly and indirectly from the mall's retail activities. This economic activity will have a major impact on local wages and employment. Figure 26 also details the changes in wages and labor income associated with Panorama Place's retail activities.

The retail area is expected to produce \$30 million dollars a year in direct payrolls and almost \$50 million overall. This will result in a long-term annual increase of some 1,132 jobs, 820 of which will be directly related to the commercial space in Panorama Place. Note that the number of jobs is projected as stable into the future, even as the revenues and wages grow to reflect inflation.

Figure 26

Table—Effect of Retail Activities of Panorama Place on Overall Economic Output (*dollars*)

Year	Direct	Indirect	Induced	Total
<b>Retail Impacts on Overall Economic Output (<i>dollars</i>)</b>				
2010	20,114,261	7,145,045	8,485,446	35,744,752
2011	59,980,468	21,471,381	25,270,872	106,722,716
2012	61,707,208	22,035,949	25,836,541	109,579,697
2013	63,483,940	22,617,182	26,420,862	112,521,985
2014	65,227,344	23,187,306	26,992,748	115,407,398
2015	66,979,077	23,760,206	27,567,743	118,307,026
2016	68,730,809	24,333,107	28,142,738	121,206,656
2017	70,482,547	24,906,008	28,717,733	124,106,289
2018	72,230,947	25,477,798	29,291,484	127,000,229
<b>Total</b>	<b>548,936,599</b>	<b>194,933,980</b>	<b>226,726,168</b>	<b>970,596,747</b>
<b>Retail Impacts on Overall Labor Income Output (<i>dollars</i>)</b>				
2010	8,518,832	2,616,383	2,936,612	14,071,828
2011	25,511,834	7,874,406	8,795,920	42,182,158
2012	26,246,433	8,091,702	9,042,994	43,381,128
2013	27,002,314	8,315,663	9,297,623	44,615,600
2014	27,744,008	8,535,180	9,547,215	45,826,403
2015	28,489,246	8,755,809	9,798,067	47,043,121
2016	29,234,486	8,976,437	10,048,918	48,259,842
2017	29,979,727	9,197,065	10,299,770	49,476,561
2018	30,723,548	9,417,250	10,550,117	50,690,913
<b>Total</b>	<b>233,450,428</b>	<b>71,779,896</b>	<b>80,317,236</b>	<b>385,547,554</b>
<b>Retail Impacts on Overall Employment (<i>jobs</i>)</b>				
2010	281.4	45.2	61.5	388.1
2011	820.4	132.5	179.3	1,132.1
2012	820.4	132.5	179.3	1,132.1
2013	820.4	132.5	179.3	1,132.1
2014	820.4	132.5	179.3	1,132.1
2015	820.4	132.5	179.3	1,132.1
2016	820.4	132.5	179.3	1,132.1
2017	820.4	132.5	179.3	1,132.1
2018	820.4	132.5	179.3	1,132.1
<b>Total</b>	<b>6,844.6</b>	<b>1,104.9</b>	<b>1,495.8</b>	<b>9,445.2</b>

Source: IMPLAN® modeling and analysis. Mulholland Institute. Columns and rows may not add due to rounding. Retail activities were disaggregated at roughly the 3-digit NAICS level using IMPLAN's internal coefficient categories. The retail activities reflected include 12 distinct business types.

### *New Households: Their Effect on the Local Economy*

The third major component of the economic impact of the Panorama Place development relates to the addition of 504 new households to the community. Each of these households will bring with them a specific amount of disposable income which will be plowed back into the local economy. This income represents new economic activity and potential for the area. One issue that must be addressed is whether their income is new to the area. Since these are new housing units, the total stock of housing units in the area must rise upon completion of the project. Thus the total number of households in the area will rise with the occupancy of Panorama Place, even if some of the new occupants relocate from the immediate area. Given the housing shortage in Los Angeles overall and in the northeast San Fernando Valley in particular, it is assumed that vacated units would be re-occupied by another household and that this churning would eventually bring 504 new households into the City of Los Angeles.

Another consideration to address is whether the revenues that each household brings will in fact be “new” to the economic model and whether it has already been captured in the retail portion of the analysis (dollars they spend as a result of the new retail space would be double-counted if they were considered in both locations). A careful analysis of the income profile of the desired residents, combined with modeling from the Bureau of Labor Statistic’s *Consumer Expenditure Survey 2004-05* indicated that an adjustment was necessary and the household incomes are reduced accordingly before being incorporated into the model.<sup>55</sup>

A final consideration in estimating the potential impact of this new household spending on the local economy is the specific household income represented by each new household. This requires a detailed analysis of the expected sales price for the condominiums within the project. Estimates for property values in 2010 are somewhat speculative, but we have assumed a property value of \$650 per square foot for these condominiums. A review of the surrounding markets coupled with general property appreciation rates within the area, leads to the conclusion that this is an appropriate level.

Using these price points as indicators, it is estimated that individuals, couples and families with incomes as low as \$75,000 could qualify to purchase one of these units. Based on the average sales price of \$510,157, with a range from \$369,850 to \$560,950, the anticipated household income is likely a bit higher. For purposes of this analysis, a household income of approximately \$93,000 was assumed.

The economic impacts of these additional household incomes are shown in Figure 27.

Figure 27

Table—Effect of New Households Residing at Panorama Place on Economic Activity

Year	Direct	Indirect	Induced	Total
<b>New Household Income Impacts on Overall Economic Output (dollars)</b>				
2010	16,426,452	4,219,286	4,417,615	25,063,353
2011	53,818,470	13,950,843	14,565,564	82,334,877
2012	54,679,971	14,300,981	14,891,596	83,872,547
2013	55,568,412	14,660,930	15,228,379	85,457,721
2014	56,438,330	15,014,339	15,557,994	87,010,663
2015	57,313,296	15,369,382	15,889,401	88,572,079
2016	58,187,429	15,724,426	16,220,808	90,132,664
2017	59,061,894	16,079,469	16,552,216	91,693,579
2018	59,934,343	16,433,859	16,882,906	93,251,107
<b>Total</b>	<b>471,428,598</b>	<b>125,753,515</b>	<b>130,206,479</b>	<b>727,388,591</b>
<b>New Household Income Impacts on Overall Labor Income Output (dollars)</b>				
2010	4,235,389	1,492,341	1,528,827	7,256,557
2011	14,053,264	4,939,362	5,069,755	24,062,381
2012	14,456,526	5,068,452	5,212,162	24,737,140
2013	14,872,363	5,201,253	5,358,924	25,432,539
2014	15,279,816	5,331,579	5,502,783	26,114,178
2015	15,689,365	5,462,525	5,647,367	26,799,256
2016	16,098,914	5,593,470	5,791,951	27,484,335
2017	16,508,463	5,724,415	5,936,536	28,169,414
2018	16,917,173	5,855,113	6,080,830	28,853,117
<b>Total</b>	<b>128,111,271</b>	<b>44,668,511</b>	<b>46,129,136</b>	<b>218,908,918</b>
<b>New Household Income Impacts on Overall Employment (jobs)</b>				
2010	96.4	25.8	32.0	154.3
2011	311.1	83.3	103.3	497.8
2012	311.1	83.3	103.3	497.8
2013	311.1	83.3	103.3	497.8
2014	311.1	83.3	103.3	497.8
2015	311.1	83.3	103.3	497.8
2016	311.1	83.3	103.3	497.8
2017	311.1	83.3	103.3	497.8
2018	311.1	83.3	103.3	497.8
<b>Total</b>	<b>2,585.3</b>	<b>692.6</b>	<b>858.7</b>	<b>4,136.6</b>

Source: IMPLAN® modeling and analysis. Mulholland Institute. Columns and rows may not add due to rounding.

The combined 504 household incomes would accordingly generate \$727 million dollars of additional economic output within the local economy totaling approximately \$85 million per year. This household spending also results in roughly a \$25 million annual increase in local payrolls, totaling \$218 million dollars for the 2010 to 2018 period. This results in an increase of 500 full-time equivalent annual positions, cumulatively representing another 4,000 full-time positions over the 2010 to 2018 period.

### *The Aggregate Economic Effect of Panorama Place*

Overall, the three effects detailed above combine to produce a significant increase in economic activity in the Panorama City area of the City of Los Angeles. The combined impacts of the three groups of effects are detailed in Figure 28. Panorama Place will contribute a total of nearly \$2.5 billion to the local economy over the period 2006 to 2018. There is an additional \$17.1 million that was invested in the acquisition of the parcels for the project<sup>56</sup> and another estimated \$42.7 million dollars of direct economic activities<sup>57</sup> that are not likely to remain in the local economy and are thus excluded from these totals. The proposed project will inject nearly \$1.0 billion of new wage income into the local economy and add nearly 20,000 new jobs for the 2006 to 2018 period (*see* Figure 28). Annually Panorama Place is expected to produce long-term increases in the local economy totaling \$200 million per year, new payrolls totaling \$75 million per year and more than 1,600 new jobs. During the years 2009 and 2010, when construction is at its peak, the number of new jobs added will total 2,758 and 2,472, respectively. These positions will be shorter-term in nature, consistent with the nature of the construction industry. Contributions to the local economy for these two years will exceed \$300 million per year.

Overall, this growth represents a significant boost to one of the most economically challenged areas of the San Fernando Valley. This growth will be widely distributed across the economy. Figure 29 contains a listing of the top 30 economic sectors where the new economic activity will be concentrated (*see also* Appendix I – Detailed Economic Activity – by Sector). Figure 29 does mask the diversity of the growth in some ways—there are 44 sectors of the economy that will have aggregate economic growth in excess of \$10,000,000 for the 2006-2018 period.<sup>58</sup> These sectors include not only the real estate and retail establishments seen in the direct spending associated with the project, but also insurance carriers, health care providers, petroleum producers, automotive producers, education institutions, amusement and recreation providers, business services and utility providers.

Figure 28

Table—Aggregate Effects of Panorama Place Development on Economic Activity

Year	Direct	Indirect	Induced	Total
<b>Panorama Place Aggregate Impacts on Overall Economic Output (dollars)</b>				
2006	5,669,145	1,716,594	2,985,077	10,370,815
2007	9,000,000	3,068,836	4,975,476	17,044,311
2008	86,000,000	23,710,533	47,534,781	157,245,313
2009	190,500,000	56,444,463	102,082,760	349,027,223
2010	178,967,859	53,388,925	84,638,224	316,995,008
2011	113,798,938	35,422,224	39,836,436	189,057,598
2012	116,387,178	36,336,930	40,728,136	193,452,245
2013	119,052,352	37,278,112	41,649,241	197,979,706
2014	121,665,674	38,201,644	42,550,742	202,418,060
2015	124,292,373	39,129,588	43,457,144	206,879,105
2016	126,918,239	40,057,533	44,363,546	211,339,318
2017	129,544,441	40,985,477	45,269,948	215,799,866
2018	132,165,290	41,911,656	46,174,391	220,251,337
<b>Total</b>	<b>1,453,961,489</b>	<b>447,652,515</b>	<b>586,245,902</b>	<b>2,487,859,905</b>
<b>Panorama Place Aggregate Impacts on Overall Labor Income Output (dollars)</b>				
2006	3,038,661	683,087	1,007,839	4,729,587
2007	4,935,731	1,268,361	1,690,730	7,894,823
2008	49,453,588	9,237,549	16,254,508	74,945,645
2009	102,649,026	21,687,641	35,120,063	159,456,730
2010	83,861,802	20,164,301	29,291,001	133,317,104
2011	39,565,098	12,813,768	13,865,675	66,244,541
2012	40,702,958	13,160,155	14,255,156	68,118,269
2013	41,874,677	13,516,915	14,656,547	70,048,140
2014	43,023,824	13,866,760	15,049,998	71,940,581
2015	44,178,611	14,218,333	15,445,434	73,842,378
2016	45,333,400	14,569,907	15,840,870	75,744,177
2017	46,488,190	14,921,481	16,236,305	77,645,976
2018	47,640,721	15,272,363	16,630,947	79,544,031
<b>Total</b>	<b>592,746,288</b>	<b>165,380,621</b>	<b>205,345,072</b>	<b>963,471,981</b>
<b>Panorama Place Aggregate Impacts on Overall Employment (jobs)</b>				
2006	37.5	14.3	23.6	75.4
2007	64.4	26.4	38.5	129.3
2008	724.9	176.8	359.9	1,261.6
2009	1,602.7	398.7	756.5	2,757.8
2010	1,495.3	363.4	613.8	2,472.5
2011	1,131.5	215.8	282.6	1,629.9
2012	1,131.5	215.8	282.6	1,629.9
2013	1,131.5	215.8	282.6	1,629.9
2014	1,131.5	215.8	282.6	1,629.9
2015	1,131.5	215.8	282.6	1,629.9
2016	1,131.5	215.8	282.6	1,629.9
2017	1,131.5	215.8	282.6	1,629.9
2018	1,131.5	215.8	282.6	1,629.9
<b>Total</b>	<b>12,976.9</b>	<b>2,706.0</b>	<b>4,053.1</b>	<b>19,736.0</b>

Source: IMPLAN® modeling and analysis. Mulholland Institute. Columns and rows may not add due to rounding.



Figure 29

Table—Aggregate Effects of Panorama Place Development on Economic Activity  
Total Economic Impact on Output by Sector, 2006 – 2018

Industry Name	Grand Total
General merchandise stores	\$ 398,316,137
New multifamily housing structures- all	156,714,166
Commercial and institutional buildings	143,285,878
Food and beverage stores	118,904,988
Owner-occupied dwellings	95,153,122
Real estate	92,667,721
Food services and drinking places	88,927,437
Domestic Trade	77,814,157
Wholesale trade	72,519,993
Management of companies and enterprises	72,145,008
Insurance carriers	66,337,946
Offices of physicians- dentists- and other health	60,994,457
Architectural and engineering services	60,102,831
Hospitals	54,368,113
Legal services	42,025,158
Monetary authorities and depository credit intermediary	31,997,920
Clothing and clothing accessories stores	29,431,775
Petroleum refineries	28,387,836
Motor vehicle and parts dealers	26,878,289
Telecommunications	24,343,846
Foreign Trade	20,143,477
Automotive repair and maintenance- except car wash	19,500,226
Securities- commodity contracts- investments	18,730,908
Other State and local government enterprises	18,075,123
Other ambulatory health care services	16,821,554
Non-depository credit intermediation and related	16,707,191
Advertising and related services	15,850,133
Cut and sew apparel manufacturing	15,006,903
Insurance agencies- brokerages- and related	13,778,512
Non-store retailers	13,619,410
All Others	578,309,730
<b>Total</b>	<b>\$ 2,487,859,944</b>

Source: IMPLAN® modeling and analysis. Mulholland Institute.  
Columns and rows may not add due to rounding.

# Overall Fiscal Impacts of the Panorama Place Mall

The development of a major project of the magnitude of Panorama Place will have significant impacts, not just on the local community and economy, but also on the resources available to local governments. Panorama Place has the prospective impact of adding as much as \$2.5 billion more economic activity to the City and County of Los Angeles. Concurrently, it will be increasing the population of the local community by more than 1,000 individuals, thereby creating some increase in demand for local services. This portion of this analysis will provide insight into the impact of this project on local government revenues with emphasis on the City of Los Angeles and the County of Los Angeles.<sup>59</sup> In an economic impact study such as this the emphasis is on the dynamics of the economy and how that will affect public finance.

The economic impacts previously identified in this study will also lead to some significant changes in the overall state and local government fiscal picture. Although in a state as large as California, with its 36 million residents and nearly \$1 trillion economy, the relative impact of these changes on the state will be smaller. But in a geography the size of the City of Los Angeles and, more specifically, the community of Panorama City, the impacts of this project will be more noticeable. This section of the analysis will focus on the impact to local governments—the City of Los Angeles, the County of Los Angeles, the Los Angeles Unified School District (LAUSD), and the Los Angeles Community College District (LACCD)—and leave the analysis of statewide impacts to others.

The primary link between the condition of the overall economy and its impact on local government finances is through the tax and fee mechanisms.<sup>60</sup> For local governments, and especially the City and County, the property tax and the sales tax are the two most important revenues that will be affected by this project—favorably in both instances. It will also affect the documentary transfer tax, the utility user taxes, the business license tax, the commercial tenant occupancy tax and the special police commission 911 system tax. In this section of the analysis, the effect of the Panorama Place project will be discussed with respect to each, followed by an overview by type of entity.

## *Panorama Place and the Property Tax*

The economic changes associated with the property tax will be the largest impact of the Panorama Place project. This is because of the prodigious increase in the assessed property value after the completion of the project. The property, which currently has an assessed valuation of \$17 million, will likely be cumulatively assessed at more \$462 million when all of the residential units are sold. This will have a sizable impact on the total property tax revenues received by all entities in the surrounding tax rate area and a special significance for the City of Los Angeles. This site falls within the boundaries of the L.A./CRA's *Earthquake Disaster Assistance Project for Portions of Council District 7* and is subject to the Tax Increment Financing Provisions of Section 602 of the *Plan* for the area. The \$445 million increment in assessed property will have a tremendous impact on the revenues received, producing a prospective increase of nearly \$4.5 million in overall property tax revenues.

## **Valuing the Completed Property**

The completed development will have two major components: the 504-unit residential condominium project, and the commercial development containing some 410,000 square feet of Gross Leasable Area.<sup>61</sup> Estimating the property value of the project in the year 2010 (and

subsequent years), combined with the current volatility and uncertainty surrounding the real estate market, adds some complexity to the estimation of the fair market value of the project upon completion.

**Residential assessed value.** The fair market value of the residential portion of the property (and consequently its assessed value) will be determined by the sale of the units on the open market. Detailed reviews of the plans associated with the property, a current real estate market value review, extensive discussions with the developer and a review of the short, medium and long-term trends in the housing market for this portion of the San Fernando Valley were consulted in the preparation of our estimated valuations. The developer anticipates producing a high-quality condominium development with high-level amenities that is nonetheless affordable to young professionals. In our judgment, a reasonable estimation of the market value of the property at delivery, given likely market trends and the quality of the amenity bundle designed into the current plans, is in the range of \$600 - \$700 per square foot.<sup>62</sup>

The project includes 36 one-bedroom units (average 569 square feet each), 240 two-bedroom units (average 743 square feet each), and 228 three-bedroom units (average 863 square feet each). This results in a total of 395,568 square feet of space that is estimated to sell for a combined total of \$257.12 million. This is the fair market value that is used in the assessed valuation computation.

**Commercial assessed value.** The estimation of the fair market value of the 452,000 square feet of commercial space also faces the same complex uncertainties as that of the residential space. Plans for the commercial portion call for new, high-quality retail space, including several large-footprint spaces for credit anchors and junior anchors, along with 37,000 feet of specialty and credit food uses. The design's multi-story configuration is somewhat unusual for a power center-type mall making it difficult to locate comparable space in the market place, but the design appears well-suited to the kinds of population densities seen in the Panorama City area.

An analysis similar to that performed for the residential valuations was performed in the commercial real estate market to arrive at the estimate of \$500 per leasable square foot. Since the plans call for 410,000 square feet of leasable space, the commercial portion is assigned a fair market value of \$205,000,000 at completion. If the commercial space is not sold on the open market at that time, the assessor will nonetheless be required to establish a fair market value for the property at that time.

### **Local Property Taxes and the Effect of the New Valuation**

Under the California Constitution and codes, the property will be reassessed at its completion to its fair market value—in this case \$462 million. This represents a \$445 million increase in the value of the parcels included in this project. Because this property falls within a Project Area under the Community Redevelopment Agency of Los Angeles, the increase (or increment) associated with the property receives special handling and assignment. One percent of the increase in assessed value, or approximately \$4.45 million per year, will be shared between local governments.<sup>63</sup> This project area, called the *Earthquake Disaster Assistance Project for Portions of Council District 7*, was formed under the in the wake of the Northridge earthquake in 1994. Its controlling documents include special rules for handling the tax increment<sup>64</sup> associated with this development.

Under provisions of the rules controlling this project, the one-percent general property tax receipts associated with this increment in the valuation of the property (some \$4,439,991) comes under the initial auspices of the City and the CRA. One-fifth (20 percent) of these monies, or

\$887,998 are immediately set aside into the Low and Moderate Income Housing Fund.<sup>65</sup> Subsequent to that set aside, 46 percent of the increment is allocated to “affected taxing entities” other than the City.<sup>66</sup> The remaining 54 percent of the funds remaining after the set-aside for the Low and Moderate Income Housing Fund is retained by the CRA to fund its development and redevelopment activities. In this case this means that the CRA retains \$2.8 million, \$0.9 million of which is earmarked for the Low and Moderate Income Housing Fund—an increase of net resources to the CRA of \$1.9 million annually.

There is a third component to property appreciation and valuation in the context of the Panorama Place project. As the condominiums are sold over time, these units will typically be sold at a higher price reflecting general growth in market values. As they are sold, they are reassessed at this new market value. This analysis incorporates a calculation for this expected turnover in the residential properties. It is important to note that if the retail space complex were sold during the nine years projected in this analysis, it would likely have an appreciated value that would significantly increase the property taxes received by local governments.

Figure 30 lists the net tax increase for the City of Los Angeles, County of Los Angeles, LAUSD, and LACCD.<sup>67</sup>

**Figure 30**  
**Table—Projected New Property Tax Revenues to be received as a Result of the Panorama Place Project, by Local Government Entity, 2006 – 2018**

Year	City of Los Angeles (CRA)	County of Los Angeles	Special Districts <sup>b</sup>	LAUSD <sup>c</sup>	LACCD <sup>c</sup>	Total
2006 <sup>a</sup>	11,661	15,258	890	6,917	929	35,655
2007 <sup>a</sup>	11,895	15,563	908	7,055	947	36,368
2008 <sup>a</sup>	12,132	15,875	926	7,196	966	37,096
2009 <sup>a</sup>	12,375	16,192	944	7,340	986	37,838
2010	2,818,697	1,055,565	61,559	478,517	64,246	4,478,585
2011	2,881,935	1,076,677	62,791	488,088	65,531	4,575,022
2012	3,039,757	1,098,210	64,046	497,849	66,842	4,766,705
2013	3,107,617	1,120,174	65,327	507,806	68,179	4,869,104
2014	3,177,523	1,142,578	66,634	517,962	69,542	4,974,239
2015	3,249,593	1,165,429	67,967	528,322	70,933	5,082,243
2016	3,323,955	1,188,738	69,326	538,888	72,352	5,193,259
2017	3,400,754	1,212,513	70,712	549,666	73,799	5,307,444
2018	3,480,147	1,236,763	72,127	560,659	75,275	5,424,970
<b>Total</b>	<b>28,528,040</b>	<b>10,359,536</b>	<b>604,157</b>	<b>4,696,267</b>	<b>630,527</b>	<b>44,818,527</b>

NOTES: <sup>a</sup> – Tax increase amount for 2006 – 2009 reflect taxes on property tax increment received as a result of developer’s acquisition of the parcels for the project in 2006. There was an increase in assessed valuation of \$3.6 million dollars. <sup>b</sup> – Most of the special districts included in this table are under the direct control of the Los Angeles County Board of Supervisors and could be considered in some instances as part of the County revenues. <sup>c</sup> – LAUSD and LACCD monies do not necessarily represent new resources to the school district because the funding model is based on categorical funds and capitated expenditures. For every dollar received by LAUSD in new property taxes, the state reduces its payments from the state General Fund to the district by the same amount. In LACCD, a similar mechanism exists, but property taxes can sometimes be retained by the district without a complete dollar-for-dollar offset.

Source: Based on detailed analysis of the new property valuation in 2010 for the nine parcels included in this project using the detailed tax rate data for Tax Rate 08856 of Los Angeles County. Mulholland Institute.

These new property tax revenues represent new resources for the jurisdictions listed. The overall impact of increasing the assessed valuation of the parcels by \$445 million will produce more than \$40 million in new property tax revenues through 2018—a significant boost to the finances of the recipient local governments.

### ***Panorama Place and the Sales Tax***

Economic activity such as retail sales, which are projected as a result of the development of the 410,000 commercial square feet (GLA) of Panorama Place, will have a major impact on the amount of sales tax revenues generated within the area. At its full buildout, it is projected that this retail space will generate in excess of \$210 million per year in retail sales. With the City and County (including the Metropolitan Transportation Authority/Metro) receiving some 2.5 percent portion of the areas 8.25 percent sales tax, this represents a considerable level of new fiscal resources for each.

The City of Los Angeles directly receives a 0.75 percent portion of the 8.25 percent sales tax. Another 0.50 percent portion is passed on to the state and then returned to the cities for public safety expenditures.<sup>68</sup> The County directly receives a 0.25 percent portion of the sales tax for transportation projects, plus another 0.5 percent portion each for Propositions A and C in transit funding approved by the voters.

### **Estimating New Sales Related to the Project**

While it is reasonably straightforward to identify the new economic activity that will be directly attributable to the shopping center and thereby develop a model of overall sales, this is complicated by the reality that some of the goods and services that will be purchased in the new retail space are already being purchased elsewhere, in some instances within Los Angeles County and in others even within the boundaries of the City of Los Angeles. Since these sales and their associated sales tax revenues may already be counted in the Los Angeles City or County totals, they should not be counted as new sales tax revenues to the City or County. Because it has a much larger pre-existing catchment basin for sales (and thus a greater chance of already capturing existing taxable commerce), Los Angeles County should reflect a smaller sales tax factor than the City of Los Angeles. In fact, it should only capture those sales that are new to the entire system.

To understand the magnitude of the need for new retail space in the Panorama City area, it is necessary to understand the present connection or disconnect between demand for retail goods and the supply level. Figure 30 through Figure 33 show various dimensions of the demand for retail services in the Panorama City area. When the proportion of unmet retail demand found in the Claritas *Retail Market Power* data is coupled with the types of retailers targeted as anchors for this development, it is highly likely that a significant fraction of the sales will be new sales—consumption of goods brought about by marketing and by an increase in convenience and availability rather than a diversion of sales from existing retail outlets. There are two dimensions to the argument for convenience being a critical factor in the growth of sales at this location. First, with comparatively limited access to automobiles, a greater percentage of the local residents rely on walking or public transit for their primary mode of transportation. Additionally, extensive focus groups previously conducted by the Mulholland Institute with residents of the vicinity and other communities to the north and east have found a very strong reliance on Santa Clarita, Northridge and Burbank to meet their retail needs. Thus there is a significant unfulfilled demand for shopping, services, dining and amenities that are more convenient and closer in.

The second argument in favor of significant new sales relates to overcrowding and saturation. Once retail outlets reach a certain congestion level, growth in sales diminishes as the negative overhead associated with the shopping experience grows. Providing access to comparable retail opportunities without that overhead and, in fact, with many new positive attributes beyond convenience, is likely to result in even higher sales. There is also the probability that the introduction of new retail competition into the market place will stimulate healthy expansion of promotional efforts, thereby increasing overall sales. A direct correlation exists between advertising budgets and overall consumption. Based on modeling of these effects, it is estimated that a not insignificant portion of the retail sales associated with the Panorama Place project are likely to be “new.” Additionally, it is believed that, for those residents between Panorama City and the Northridge Fashion Center,<sup>69</sup> some fraction of their taxable sales related to Panorama Place is likely to be “diversionary,” or sales that were previously already taxed in the City of Los Angeles when they purchased them in Northridge or elsewhere in the City. In generating its estimate of the overall change in sales tax revenues associated with this project, the model used to derive the new sales tax revenues for the City of Los Angeles and the County of Los Angeles incorporates estimates of both the level of overall “new” sales and the proportion of sales that are diversionary.

Finally, when estimating the fiscal impact of the sales tax, it is important to consider the additional impacts of the economic growth identified in the prior section through indirect and induced activity. There are several sales taxable sectors of the economy where this induced and indirect economic activity will occur as a result of this new development. These sectors are identified and integrated into the final model.<sup>70</sup>

## Projected Sales Tax Revenues for the City of Los Angeles and the County of Los Angeles

Based on a detailed modeling of these effects, the revenues from sales taxes associated with the new economic activity surrounding Panorama Place are detailed in Figure 31. Note that the activity for the years before 2010 are largely related to the indirect and induced spending discussed above. As can be seen here, over the course of the analysis period, almost \$1.7 billion in project-related sales are likely to produce *new* sales tax<sup>71</sup> proceeds totaling nearly \$21 million for the City of Los Angeles and nearly \$5.5 million for the County of Los Angeles.<sup>72</sup>

**Figure 31**

**Table—Projected New Sales Tax Revenues to be received as a Result of Panorama Place Project, by Local Government Entity, 2006 - 2018**

Year	Projected New Taxable Sales (Current)	City of LA Sales Tax Collection <sup>a</sup>	LA County Sales Tax <sup>b</sup>
2006	645,671	8,071	-
2007	1,097,532	13,719	-
2008	12,125,805	151,573	-
2009	28,260,075	353,251	-
2010	78,445,641	980,571	193,281
2011	180,295,327	2,253,692	596,896
2012	185,547,720	2,319,346	614,438
2013	190,950,929	2,386,887	632,466
2014	196,224,220	2,452,803	650,008
2015	201,596,117	2,519,951	668,036
2016	206,879,811	2,585,998	685,578
2017	212,248,890	2,653,111	703,607
2018	217,528,590	2,719,107	721,148
<b>Total</b>	<b>1,669,717,245</b>	<b>21,398,079</b>	<b>5,465,457</b>

NOTES: <sup>a</sup> – includes 0.5 percent of sales tax rate that passes through state budget for local public safety programs. <sup>b</sup> – includes Proposition A and C monies.

Source: IMPLAN® Mulholland Institute.

### *Panorama Place and the Los Angeles Business License Tax*

The City of Los Angeles also has an extensive business license tax framework for businesses operating within its boundaries. The rates vary from \$1.09 per \$1,000 of gross revenues for construction to \$5.50 per \$1,000 for professional services. For purposes of this analysis, the direct expenditures of the project plus the estimated retail sales associated with the mall were analyzed for their anticipated business tax liability. These new tax revenues attributable to the Panorama Place project are presented in Figure 32<sup>73, 74</sup>. This model only examines the direct expenditure portion of the project's impact on Business Tax revenues.

**Figure 32**  
**Table—Projected New Business License Revenues to be received as a Result of Panorama Place Project, City of Los Angeles, 2006 – 2018**

Year	Taxable Gross Revenues	Business Licenses Revenues
2006	1,500,000	8,250
2007	9,000,000	49,500
2008	78,500,000	211,350
2009	190,500,000	386,350
2010	221,194,761	408,091
2011	244,082,121	335,547
2012	252,184,369	347,973
2013	259,856,960	358,935
2014	267,369,754	369,735
2015	275,013,146	380,617
2016	282,488,481	391,314
2017	290,195,819	402,373
2018	297,741,189	413,261
<b>Total</b>	<b>2,669,626,601</b>	<b>4,063,295</b>

Source: Project development plans, retail analysis and developer budgets. Mulholland Institute.

### *Panorama Place and the Utility Users Tax*

The City of Los Angeles has imposed significant utility user taxes on electric, natural gas and telephone use within the Panorama City area. As a result, there are direct fiscal impacts associated with the development of Panorama Place through the increased use of electrical, natural gas and telephone services.

Modeling this activity requires developing estimates of the expected energy utilization by the various types of utility users in the proposed development. For purposes of this analysis, the model uses the usage electricity and natural gas utilization factors required under CEQA and published by the South Coast Air Quality Management District<sup>75</sup> to develop the estimates of overall utilization. These estimates were tested against data from the Commercial Buildings Energy Consumption Survey and the Residential Energy Consumption Survey.<sup>76</sup> A separate model was developed for telephone utilization. Figure 33 presents the projected impact of the new activity introduced by the Panorama Place project on each of these tax streams to the City of Los Angeles.



**Figure 33**  
**Table—Projected New Utility User Tax Revenues to be received as a Result**  
**of Panorama Place Project, City of Los Angeles, 2006 – 2018**

Year	Electrical	Natural Gas	Telephone	TOTAL
<b>New Revenues From Commercial Usage</b>				
2008 <sup>a</sup>	1,806	-	105	1,911
2009 <sup>a</sup>	1,850	-	105	1,955
2010	9,471	6,617	432	16,520
2011	19,402	20,331	886	40,619
2012	19,878	20,829	908	41,614
2013	20,370	21,345	930	42,644
2014	20,845	21,843	952	43,640
2015	21,321	22,342	973	44,636
2016	21,797	22,840	995	45,632
2017	22,272	23,338	1,017	46,627
2018	22,748	23,837	1,039	47,623
<b>Total</b>	<b>181,759</b>	<b>183,321</b>	<b>8,342</b>	<b>373,422</b>
<b>New Revenues From Residential Usage</b>				
2008	-	-	-	-
2009	-	-	-	-
2010	7,402	7,402	1,805	16,608
2011	22,743	22,743	5,546	51,033
2012	23,301	23,301	5,682	52,284
2013	23,878	23,878	5,823	53,578
2014	24,435	24,435	5,959	54,829
2015	24,993	24,993	6,095	56,080
2016	25,550	25,550	6,231	57,331
2017	26,108	26,108	6,367	58,582
2018	26,665	26,665	6,503	59,833
<b>Total</b>	<b>205,074</b>	<b>205,074</b>	<b>50,011</b>	<b>460,159</b>
<b>Total New Utility User Tax Revenues</b>				
2008	1,806	-	105	1,911
2009	1,850	-	105	1,955
2010	16,873	14,018	2,237	33,129
2011	42,145	43,074	6,432	91,652
2012	43,178	44,130	6,590	93,898
2013	44,247	45,222	6,753	96,223
2014	45,280	46,278	6,911	98,469
2015	46,314	47,334	7,068	100,716
2016	47,347	48,390	7,226	102,963
2017	48,380	49,446	7,384	105,210
2018	49,413	50,502	7,541	107,456
<b>Total</b>	<b>386,833</b>	<b>388,395</b>	<b>58,353</b>	<b>833,581</b>

NOTE: <sup>a</sup> – Early year electrical and telephone usage are related to construction.

Source: Project development plans, CEQA guidelines, retail analysis and developer budgets. Mulholland Institute.

### *Panorama Place and the Documentary Transfer Tax*

Both the City of Los Angeles and the County of Los Angeles impose a tax on the transfer of real property within their jurisdictions. This tax is based upon the value of the real estate exchanged. The County imposes a tax of \$0.55 per \$500 of value and the City \$2.25 per \$500 of value (called the Real Property Transfer Tax in Chapter II, Article 1.9 of the Los Angeles Municipal Code [LAMC]). Since the initial sale of the residential portion of Panorama Place will entail selling nearly \$260 million in real property value, this will have direct fiscal implications for the two jurisdictions. Additionally, condominium units tend to have higher turn-over rates than single family residences and the addition of 504 new condominium units will certainly produce some additional revenues in years after initial release. To estimate this fiscal impact, one has to model both the level of unit turnover and the anticipated changes in market valuation.<sup>77</sup> Figure 34 contains the detailed estimates of the new documentary transfer tax revenues anticipated as a result of the new units at Panorama Place.

**Figure 34**  
**Table—Projected New Documentary Transfer Tax Revenues To Be Received**  
**As a Result of Panorama Place Project, Selected Jurisdictions, 2006 – 2018**

<b>Year</b>	<b>City of Los Angeles</b>	<b>Los Angeles County</b>
2006 <sup>a</sup>	76,838	18,783
2010	1,234,004	301,645
2011	66,328	16,213
2012	142,605	34,859
2013	168,630	41,221
2014	197,757	48,341
2015	221,446	54,131
2016	247,577	60,519
2017	276,382	67,560
2018	308,115	75,317
<b>Total</b>	<b>2,939,680</b>	<b>718,588</b>

NOTE: <sup>a</sup> – This represents the transfer tax paid on the acquisition of the nine parcels necessary for this project. Source: Project development plans, retail analysis and developer budgets. Mulholland Institute.

One important footnote with respect to Figure 34 is that this does not include the sale of the \$205 million commercial property. If this asset were sold in a transaction that incurred this tax, the County would receive another \$225,000 in that year and the City would receive an additional \$922,500.

### *Panorama Place and the Commercial Tenant Occupancy Tax*

The final major fiscal impact of the development of the Panorama Place project would be the fiscal impact under the requirements of Article 1.3 of Chapter II of the Los Angeles Municipal Code—the commercial tenant occupancy tax. Based upon an analysis of the expected rents associated with the Panorama Place project, the expected revenues to the City from this tax are presented in Figure 35.

**Figure 35**  
**Table—Projected Commercial Tenant’s Occupancy Tax Revenues To Be Received**  
**As a Result of Panorama Place Project, City of Los Angeles, 2006 – 2018**

Year	City of Los Angeles
2010	29,758
2011	91,901
2012	94,602
2013	97,377
2014	100,078
2015	102,854
2016	105,555
2017	108,331
2018	111,031
<b>Total</b>	<b>841,488</b>

Source: Analysis of prospective tenant rents for Panorama Place project. Mulholland Institute.

### *Other Taxes and Fees*

In addition to these major revenues, there are several lesser taxes and fees that represent minor revenues to the City. The Special Police Communications/911 System Tax (LAMC Ch. II, Art. 1.16) is imposed at \$1.75 per 100 gross square feet of improvement and will thus result in a payment of \$16,561.30. The Dwelling Unit Construction Tax (LAMC Ch. II, Art. 1.10) requires a payment of \$200 per unit and would thus result in a revenue of \$100,800 and the Residential Development Tax (LAMC Ch. II, Art. 1.13) requires a payment of \$500 per unit and would result in a tax of \$151,200.<sup>78</sup>

Finally, there are likely to be significant payments to the City and school districts, as the final mitigation issues are resolved in the Environmental Impact Report process. As stated at the beginning of this section, those variable impacts are within the aegis of the City of Los Angeles, and not formally addressed here.

## Overview of Fiscal Impacts of Panorama Place

The Panorama Place development will likely generate significant positive fiscal impacts for both the City and County of Los Angeles. These impacts are significant. In Figure 36 and Figure 37 the total impacts for the City of Los Angeles and the County of Los Angeles are presented.

Figure 36

Table—Projected Fiscal Impact of Panorama Place on the City of Los Angeles, 2006 – 2018

Year	Property Tax	Sales Tax	Business Licenses	Utility Users Tax	Real Property Transfer Tax	Commercial Tenant Occupancy Tax	Other	Total
2006	11,661	8,071	8,250		76,838			104,820
2007	11,895	13,719	49,500					75,114
2008	12,132	151,573	211,350	1,911				376,966
2009	12,375	353,251	386,350	1,955			268,561	1,022,493
2010	2,818,697	980,571	408,091	33,129	1,234,004	29,758		5,504,249
2011	2,881,935	2,253,692	335,547	91,652	66,328	91,901		5,721,054
2012	3,039,757	2,319,346	347,973	93,898	142,605	94,602		6,038,181
2013	3,107,617	2,386,887	358,935	96,223	168,630	97,377		6,215,668
2014	3,177,523	2,452,803	369,735	98,469	197,757	100,078		6,396,365
2015	3,249,593	2,519,951	380,617	100,716	221,446	102,854		6,575,177
2016	3,323,955	2,585,998	391,314	102,963	247,577	105,555		6,757,361
2017	3,400,754	2,653,111	402,373	105,210	276,382	108,331		6,946,160
2018	3,480,147	2,719,107	413,261	107,456	308,115	111,031		7,139,117
<b>Total</b>	<b>28,528,040</b>	<b>21,398,079</b>	<b>4,063,295</b>	<b>833,581</b>	<b>2,939,680</b>	<b>841,488</b>	<b>268,561</b>	<b>58,872,724</b>

Source: Mulholland Institute.

Figure 37

Table—Projected Fiscal Impact of Panorama Place on the County of Los Angeles, 2006 – 2018

Year	Property Taxes			Documentary Transfer Tax	TOTAL
	Property Tax	- Special Districts	Sales Tax (LATC)		
2006	15,258	890	-	18,783	34,931
2007	15,563	908	-		16,471
2008	15,875	926	-		16,801
2009	16,192	944	-		17,137
2010	1,055,565	61,559	193,281	301,645	1,612,051
2011	1,076,677	62,791	596,896	16,213	1,752,577
2012	1,098,210	64,046	614,438	34,859	1,811,553
2013	1,120,174	65,327	632,466	41,221	1,859,189
2014	1,142,578	66,634	650,008	48,341	1,907,560
2015	1,165,429	67,967	668,036	54,131	1,955,564
2016	1,188,738	69,326	685,578	60,519	2,004,161
2017	1,212,513	70,712	703,607	67,560	2,054,392
2018	1,236,763	72,127	721,148	75,317	2,105,355
<b>Total</b>	<b>10,359,536</b>	<b>604,157</b>	<b>5,465,457</b>	<b>718,588</b>	<b>17,147,739</b>

Source: Mulholland Institute.

# Civic and Social Analysis

## Urban-Suburban Strategies

The Valley has long been America's archetypal suburban subregion. The area erupted in a sea of developmental sprawl at the close of World War II, growing up around the entertainment industry and the culture of the automobile. The key to renewal may be to revisit the roots of early Valley villages in the context of new demographics—creating a broader vision for the future of aging suburbs, as they grow increasingly more urbanized.<sup>79</sup>

Over the last 50 years the cores of many of the 25-plus identified commercial centers of the San Fernando Valley have declined and deteriorated—no longer relevant to the communities they serve—becoming blighted and obsolete. Vacancies and vandalism add to the visual impacts particularly in lower income neighborhoods; detracting from the quality of life and the economic development of emerging populations. Panorama City is a classic example of an area of great challenge and greater opportunity, a community passed over as other areas changed with the times and adapted to ever-changing markets.

## Adjacent Land Uses

Panorama City stands out in the Valley in a number of important regards. With 20,000 residents per mile in the one-mile radius, it is one of the densest areas in the City of Los Angeles. Many of the exclusively-single-family neighborhoods and open fields of the early 1950s were converted into dense clusters of apartment buildings in the 1960s and 1970s. This aging multi-family inventory tends also to be some of the most affordable housing in the Valley.

The Panorama City area is generally characterized by low-density residential uses with higher densities and commercial uses concentrated near the transit corridors of Sepulveda Boulevard, Roscoe Boulevard, Van Nuys Boulevard, and Lassen Street. The Panorama Mall, immediately east of the project site, is part of a Regional Center, as identified in the City of Los Angeles General Plan Framework Element.<sup>80</sup> Regional Centers provide a focal point of regional commerce, identity and activity and contain a diversity of uses such as corporate and professional offices, residential, retail commercial malls, government buildings, major health facilities, major entertainment and cultural facilities, major transportation hubs, and supporting services.<sup>81</sup>

The project site is bounded to the north by multi-family residences. These include a two-story apartment building directly adjacent to the northeast of the project site and a four- to five-story apartment building located northwest of the project site.<sup>82</sup>

The project site is bounded to the east by Tobias Avenue, beyond which is a surface parking lot associated with the Panorama Mall. A single-story Wendy's restaurant is located at the southern end of the surface parking lot. The Panorama Mall is located east of the surface parking lot, which includes a two- to three-story Wal-Mart retail store, single-story McDonald's restaurant, single-story retail mall stores, and single-story El Gallo Giro restaurant. Additional one- to six-story retail and office buildings are located farther to the east on the south side of Roscoe Boulevard.<sup>83</sup>

The project site is bounded to the south by Roscoe Boulevard. On the south side of Roscoe Boulevard, across from the project site, are single-story retail center buildings and two-story

apartment buildings. The project site is bounded on the west by Cedros Avenue, followed by multi-family residences ranging from one to four stories.<sup>84</sup>

## Transportation and Public Transit

### *Access to the Central Core Area*

Panorama City central core area is accessible from the San Diego Freeway (I-405) on the west (1.2 miles), the Hollywood Freeway (CA-170) to the east (2.5 miles), the Ronald Regan Freeway (CA-118) to the north (3.8 miles), the Golden State Freeway (I-5) further east (4.1 miles) and the Ventura Freeway (US-101) on the south (4.8 miles). These freeways connect to Panorama City commercial core primarily via Van Nuys and Roscoe Boulevards. Although congestion is an issue at certain times, the Los Angeles freeway system is quite comprehensive.

The local network of arterials and collectors works on a one-mile and half-mile grid pattern that allows easy and intuitive navigation. It provides a reliable system of roads to serve the central commercial core of Panorama City with access to other communities in the vicinity. Panorama City is located at the geographic center of the 1.8 million population San Fernando Valley making it one of the most easy-to-reach locations in the region. Further, those residing in Panorama City have ready access to the entire Southern California system of roads and highways.

**Figure 38**  
**Table—24-Hour Traffic Counts, Roscoe Blvd. and Van Nuys Blvd.**

24 Hr. Traffic Counts – Daily Average Roscoe / Van Nuys Boulevards, Panorama City			
	North/Eastbound	South/Westbound	Totals
Roscoe Blvd.	11992	19028	31020
Van Nuys Blvd	21787	18932	40719
Total			71739

Source: Los Angeles Dept. of Transportation, August 2007

Figure 38 above provides the daily traffic counts for the intersection of Van Nuys and Roscoe Boulevards, the main intersection adjacent to and serving Panorama Place. These data, provided by the City of Los Angeles, Department of Transportation illustrate the high level of vehicular traffic passing through the intersection.

### *Travel to Work Patterns – Transit Oriented District*

Transit oriented districts (TODs) and development involve residential, commercial or mixed land use that is co-located in such a way as to maximize access to public transportation. In the mixed-use scenario, the goal is also to minimize the need to travel at all by providing a full complement of shopping, services, dining and amenities within the TOD. TODs can be expected to use transit at all times of the day, usually have higher densities and form transit nodes that tie-in to the regional transportation system. TODs generally are located within a radius of one-quarter to one-half mile from a transit stop, as this is considered to be an appropriate scale for pedestrian interaction. This is often coupled with reduced amounts of parking for personal vehicles.

Bus and rail transportation from Van Nuys/Roscoe to the greater Los Angeles region is provided by the Los Angeles County Metropolitan Transportation Authority (Metro), a regional joint powers agency. The Van Nuys/Roscoe intersection is one of the busiest in the area, with a number of bus routes, heavy usage and extensive timetables. With Panorama Place situated 850 feet from this intersection, the location certainly qualifies the project as being part of a transit oriented district.

***Metro Bus Service***

Metro buses operate in Panorama City commercial core each day. These include Metro bus line 233, 761 and 152. Bus Lines 233 and 761 serve Van Nuys Boulevard with Metro connections at Van Nuys. Metro bus line 152 services Roscoe Boulevard with Metrorail connections at Burbank, North Hollywood, Sun Valley, and Universal City.

**Figure 39**  
**Table—Metro Bus Service, Roscoe Blvd. and Van Nuys Blvd.**

METRO Bus Service – Daily Passenger Roscoe / Van Nuys Boulevards, Panorama City						
Line	North / East		South / West		Passenger on Board Past the Stop	
	Board	Alight	Board	Alight	East	West
233	538	959	685	438	2642	2894
761	279	610	475	200	1326	1826
152	558	764	821	541	1326	1668
Totals	1375	2333	1981	1179	5294	6388

Source: METRO, Passenger data collected from Metro 4<sup>th</sup> Quarter FY-2007 Ridership Report

***DASH Shuttles***

DASH Shuttle lines serve the surrounding residential community with direct links to the Panorama City commercial core. The combination of the Metro bus and Dash lines increases the trade area for convenient access from the surrounding communities, including Van Nuys, North Hills, Mission Hills, Arleta, Sun Valley, and North Hollywood. As revitalization in Panorama City occurs, it is expected that the Metro bus and Dash lines bus volume will increase and make the trade area more accessible to the surrounding communities.

The 18-mile DASH Panorama City / Van Nuys circuit served approximately 1.5 million riders in FY 06/07 (July 06 through June 07) or approximately 59 passengers per hour. On an average weekday the DASH Shuttles serve 448 passengers at the Roscoe/Van Nuys stop. Figure 40 provides 2007 Surveyed ridership totals for this route.

**Figure 40**  
**Table—Panorama City/Van Nuys DASH Shuttle, Daily Passengers**

Panorama City / Van Nuys DASH Shuttle – Daily Passengers Roscoe / Van Nuys Boulevards, Panorama City					
Weekdays		Saturdays		Sundays	
Clockwise Board	70	Clockwise Board	61	Clockwise Board	33
Counter-CW Board	123	Counter-CW Board	167	Counter-CW Board	128
Clockwise Alight	134	Clockwise Alight	61	Clockwise Alight	57
Counter-CW Alight	121	Counter-CW Alight	105	Counter-CW Alight	92
<b>Totals</b>	<b>448</b>		<b>394</b>		<b>310</b>

Source: City of Los Angeles, Department of Transportation, July 2007, Surveyed Ridership.

With respect to the Transportation Element, the proposed project is a mixed-use project located along Roscoe Boulevard, one block from Van Nuys Boulevard, both of which provide easy access to multiple transit lines, including both bus and rail lines. Therefore, the proposed project would promote the utilization of public transit by project residents, employees, and other site visitors, consistent with the designation for Roscoe Boulevard as a future transit priority in the Transit Priority Arterial Streets map and Transit Linked to Urban Form map, and consistent with the Regional Center designation for the project site. Furthermore, the proposed project would provide convenient access to the nearby Metrolink commuter rail line station on Van Nuys Boulevard, consistent with the Rail/Transit Corridor map.

***Metrolink Commuter Rail***

The Metrolink commuter rail station is located one-mile south of Panorama Place and is part of the Metrolink/Amtrak rail system. Metrolink provides connections to Oxnard on the west, Lancaster on the north, Oceanside (San Diego County) on the south and San Bernardino on the east. Amtrak provides extended service through Santa Barbara to San Luis Obispo on the north and San Diego on the south.

***Air Travel***

Panorama City is served primarily by three airports: Van Nuys Airport (VNY, non-commercial general aviation), 2.7 miles away,<sup>85</sup> Bob Hope Airport (BUR, Burbank), 9.3 miles away, and Los Angeles International Airport (LAX), approximately 23 miles to the south. Long-haul travelers can access LAX through the convenient Van Nuys Fly-Away commuter bus service.

***San Fernando Valley North-South Transit Corridor***

One or more San Fernando Valley north-south transit corridors have been proposed along major arterials, which would add to the local transit capacity. One such project, the Orange Line Busway, was successfully completed along the Chandler Blvd./Victory Blvd. alignment and has exceeded all expectations for ridership.



# Background

## Panorama City History

In 1945 land developer Fritz B. Burns and industrialist Henry J. Kaiser announced a grand venture to build tens of thousands of mass-produced homes on the West Coast. To reduce the monotony of such a large tract, Burns curved the streets, altered rooflines, varied the placement of garages, and used vibrant colors. Panorama City was the place where they would begin this advancing network of communities within the San Fernando Valley of Southern California. Kaiser Homes paid \$1 million for about 400 acres of dairy barns and alfalfa fields, and in 1947 began erecting homes in the area bounded by Van Nuys and Roscoe Boulevards, Woodman Avenue and Osborne Street. Panorama City soon had schools, playgrounds, churches, a Kaiser Permanente hospital, a movie theater and a bowling alley.

Beginning in the mid 1950s families came from across the Valley to shop at a hundred-plus shops including several major department stores such as Broadway, Robinson's, Montgomery Ward, and Orbach's. Perhaps not the most attractive feature of Panorama City, but a testimony to the lively retail economy of the time, was 18 acres of parking lots. Panorama City was also the location of a Carnation Research Laboratory where food engineers invented Coffeemate and improved on powdered milk.

The houses built in Panorama City were designed to be homes with minimum floor plans at affordable prices and their location was driven by their close proximity to regional industries such as General Motors, Anheuser-Busch, Lockheed, and Rocketdyne. Therefore, veterans and others could find gainful employment, become homeowners, and locate their families in a total community. Although the houses were based on minimum floor plans Burns argued for a variety in unit prices to provide a varied community atmosphere and to prevent un-American economic and social stratification. The 1950 Census showed that Panorama City did accomplish the class heterogeneity and occupational diversity Burns desired.<sup>86</sup>

## San Fernando Valley<sup>87</sup>

The project will serve the San Fernando Valley region. The geographic San Fernando Valley is home to 1.8 million residents situated in the five cities of Burbank, Calabasas, Glendale, Los Angeles (portion), and San Fernando. There are more than twenty-five distinct and well-recognized communities located within the region.

In addition to the wholly contained cities, the Valley comprises 20 percent of the population of Los Angeles County and 46 percent of the City of Los Angeles. As a suburban-metropolitan area, the 346-square-mile area would form the fourth most-populous city in the United States. The area is one of the most ethnically diverse and fast growing regions in the country—home to residents from 103 nations around the world. Unlike many regions, the Valley population has done a remarkable job of assimilating immigrants and migrants beyond traditional ethnic enclaves.

Between 1970 and 2000, the official number of first-generation immigrants residing in California increased five-fold, from 1.9 to 8.9 million of California's 33.9 million total population. California is home to 10 percent of the nation's U.S.-born population,<sup>88</sup> and 28 percent of the nation's total immigrants.

The future promises to be even more challenging, with the U.S. Census Bureau projecting that the California population will increase from 32.5 million to 49.3 million by 2025. Los Angeles County alone has swollen from under one million in 1920 to six million in 1960, and on to nearly ten million in 2000.<sup>89</sup>

## General Area Trends<sup>90</sup>

A view of GIS maps of the greater Los Angeles area<sup>91</sup> reveals that the highest overall population densities in the region are in the central City of Los Angeles, and in the northeast San Fernando Valley. But, unlike the central city, the San Fernando Valley has a remarkably high ratio of owner-occupied housing, with increases among Hispanics from 38.9 percent-42.7 percent between 1990-2000, increases in African-American ownership from 37.5 percent-39 percent. Asian ownership decreased from 54.2-53.7 in the same period.

Between 1960 and 2000 Los Angeles County had the biggest drop in white population of the five-county cluster that includes: Los Angeles, Orange, Ventura, Riverside and San Bernardino. Los Angeles also had the biggest increase in Hispanics and African-Americans, with Orange County leading growth in the Asian component. Dispersion can be observed in the black community with a population decrease in the central City of Los Angeles—and an overall increase in most areas of the San Fernando Valley. Hispanic population dropped in many traditional enclaves of central and East Los Angeles, with a general increase throughout the remainder of the region.<sup>92</sup>

There are a number of census tracts in the northeast Valley where the Hispanic share of the population is above 75 percent. Asians showed a general increase in the west Valley, and a slight general decrease in the east Valley. In the Cal State Northridge “Diversity Index” virtually the entire Valley falls between 0.44 and 1.00 on a scale of 0.00-1.00.<sup>93</sup> The majority of change and future growth is projected to continue to occur in the Los Angeles County area, with particular impacts on suburban communities in the San Fernando Valley.

## Land Use Community and General Plan

The positive impacts of the project on the urban form and on regional, city and community planning can hardly be overstated. Panorama Place appears to be precisely what the planners had in mind as they developed the most recent City of Los Angeles General Plan Framework.<sup>94</sup>

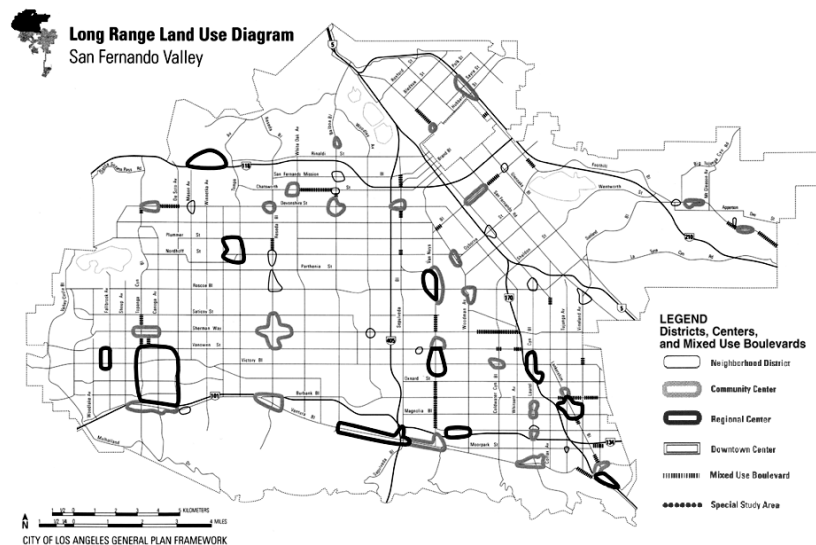


Figure 41 Map—General Plan, Land Use Diagram, San Fernando Valley

It is located within a major opportunity site known as the *Panorama Regional Commercial Center*, a strategic location that serves the needs of the changing demographics of the area and region. The proposed project would maximize this location by providing 504 new residences, as well as new commercial/retail space, to a site that is currently vacant and blighted. The proposed mixed-use pedestrian-oriented design would be located in proximity to existing public transit opportunities, including bus routes and the Metrolink Rail Line, with direct access to Downtown Los Angeles.<sup>95</sup>

The project site is also designated for Regional Center Commercial land uses on the Community Plan Land Use Map. The Regional Center Commercial land use designation allows for a mix of commercial/retail and multi-family residential land uses to be developed throughout the project site. A detailed analysis of the consistency of the proposed project with relevant policies in the Community Plan is presented in the *Draft Environmental Impact Report*.<sup>96</sup>

The project site is also located within the Panorama City Community Design Overlay District (CDO). As part of the entitlement process, the project will necessarily comply with the design standards of the CDO, further advancing planning goals and enhancing the aesthetics of the Panorama City commercial core.

The project further appears to conform to the vision and standards set forth in:

Panorama City, Urban Design Assistance Team, *Panorama City: Concept Plan*<sup>97</sup>

Economic Alliance of the San Fernando Valley's *Vision2020: San Fernando Valley*<sup>98</sup>

The project also addresses a range of issues on growth and livable communities set forth in prior reports and studies, including:

SCAG *Compass Growth Vision Report*<sup>99</sup>

SCAG *Regional Housing Needs Assessment*<sup>100</sup>

*Our Future Neighborhoods*<sup>101</sup>

*Prosperity Tomorrow*<sup>102</sup>

*Northeast San Fernando Valley Study: Economic Assessment and Redevelopment Strategy*<sup>103</sup>

These documents were developed through collaborative efforts of the community, elected officials and leaders of civic and philanthropic organizations.



# Appendix

## Appendix A – Population Tables

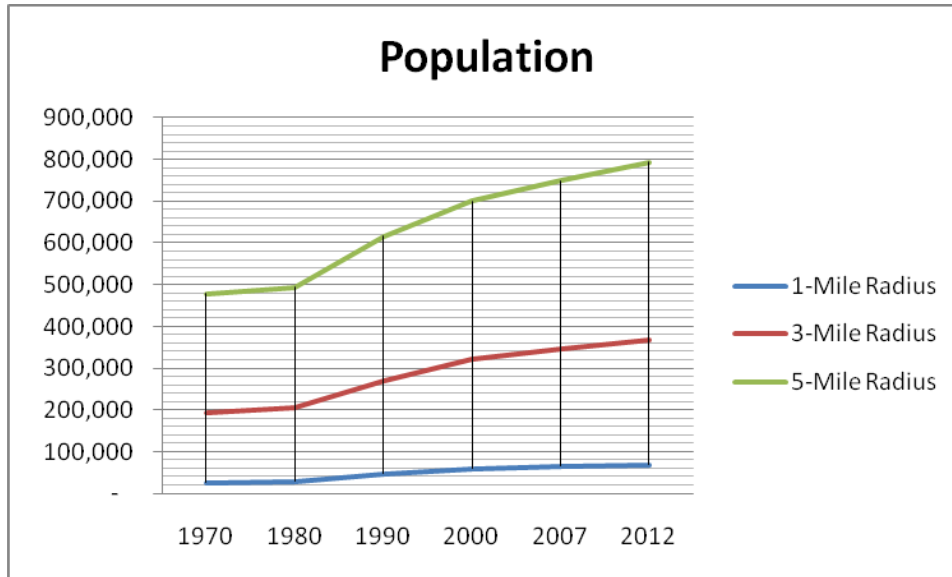


Figure 42 Chart—Population, 1970-2012, Radius

Figure 43

Table—Population, 1970-2012, Radius

Population	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970 Population	26,696	193,225	478,027	1,015,803	1,217,660
1980 Population	30,008	203,987	493,968	1,069,361	1,276,009
1990 Population	48,087	271,003	615,484	1,285,464	1,537,710
2000 Population	61,132	322,292	699,776	1,429,663	1,704,550
2007 Population	65,268	346,378	749,197	1,526,981	1,812,779
2012 Population	68,979	367,237	792,502	1,613,015	1,910,545

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 44

Table—Population, 1990-2012, Area

Population	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990 Population	1,537,710	3,463,908	8,863,128
2000 Population	1,704,550	3,671,440	9,519,338
2007 Population	1,812,779	3,907,395	10,164,031
2012 Population	1,910,545	4,118,453	10,734,503

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

## Appendix B – Household Tables

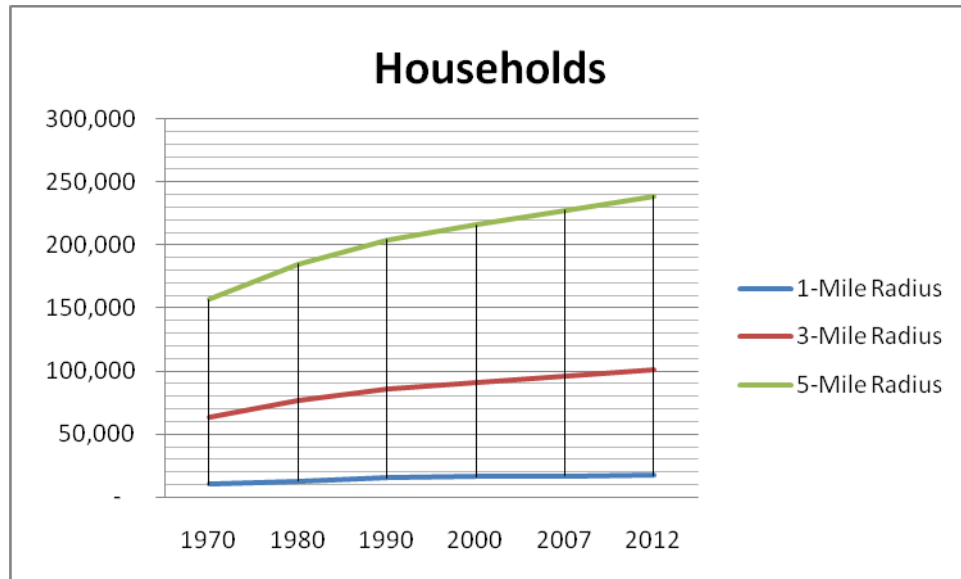


Figure 45 Chart—Households, 1970-2012, Radius

Figure 46

Table—Households, 1970-2012, Radius

Households	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970 Households	10,208	63,905	156,735	338,474	411,165
1980 Households	12,725	77,119	184,774	408,050	489,501
1990 Households	15,205	86,476	204,517	460,721	555,520
2000 Households	16,158	91,650	216,137	486,801	587,644
2007 Households	16,863	96,602	227,862	513,184	616,572
2012 Households	17,594	101,270	238,971	538,386	645,221

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 47

Table—Households, 1990-2012, Area

Households	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990 Households	555,520	1,209,466	2,989,542
2000 Households	587,644	1,266,471	3,133,774
2007 Households	616,572	1,339,180	3,314,263
2012 Households	645,221	1,408,394	3,486,188

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 48**  
**Table—Household Growth, 1970-2012, Radius**

Household Growth	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970 to 1980	24.7%	20.7%	17.9%	20.6%	19.1%
1980 to 1990	19.5%	12.1%	10.7%	12.9%	13.5%
1990 to 2000	6.3%	6.0%	5.7%	5.7%	5.8%
2000 to 2007	4.4%	5.4%	5.4%	5.4%	4.9%
2007 to 2012	4.3%	4.8%	4.9%	4.9%	4.6%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 49**  
**Table—Household Growth, 1990-2012, Area**

Household Growth	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990 to 2000	5.8%	4.7%	4.8%
2000 to 2007	4.9%	5.7%	5.8%
2007 to 2012	4.6%	5.2%	5.2%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 50**  
**Table—Families, 1970-2012, Radius**

Families	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970 Families	7,557	50,363	124,710	266,415	319,876
1980 Families	7,686	50,884	123,855	273,553	328,227
1990 Families	10,312	59,957	137,210	299,826	365,106
2000 Families	12,775	69,759	152,775	325,114	397,142
2007 Families	13,351	73,457	161,046	342,741	416,681
2012 Families	13,942	76,976	168,915	359,629	436,112

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 51**  
**Table—Families, 1990-2012, Area**

Families	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990 Families	365,106	753,615	2,013,917
2000 Families	397,142	792,944	2,136,977
2007 Families	416,681	837,870	2,259,620
2012 Families	436,112	881,056	2,377,174

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.



## Appendix C – Housing Tables

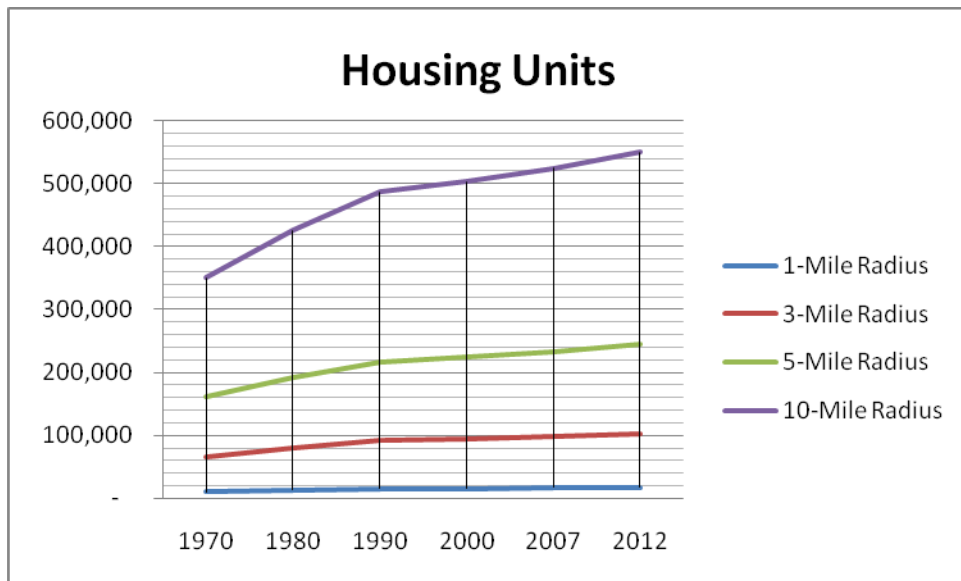


Figure 52 Chart—Housing Units, 1970-2012, Radius

Figure 53

Table—Housing Units, 1970-2012, Radius

Housing Units	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970	10,577	66,345	162,319	350,308	425,369
1980	13,209	80,007	191,797	425,061	509,681
1990	16,386	92,131	216,216	486,285	585,836
2000	16,621	94,583	223,233	502,712	606,184
2007	17,181	98,652	232,805	524,286	629,455
2012	17,922	103,401	244,132	549,964	658,626

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 54

Table—Housing Units, 1990-2012, Area

Housing Units	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990	585,836	1,291,595	3,163,332
2000	606,184	1,328,317	3,270,909
2007	629,455	1,382,678	3,411,031
2012	658,626	1,454,063	3,587,990

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 55**  
**Table—Owner-Occupied Housing Units, 1970-2012, Radius**

Owner-Occupied Housing Units	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970	3,612	34,731	87,419	195,647	234,501
1980	3,903	36,250	92,847	221,223	265,329
1990	4,134	37,486	95,427	236,039	285,860
2000	4,469	38,475	98,026	241,378	294,603
2007	4,587	39,740	101,689	250,954	305,169
2012	4,731	41,177	105,699	261,363	317,251

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 56**  
**Table—Owner-Occupied Housing Units, 1990-2012, Area**

Owner-Occupied Housing Units	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990	285,860	475,696	1,440,820
2000	294,603	486,953	1,499,744
2007	305,169	507,291	1,576,385
2012	317,251	529,179	1,652,912

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 57**  
**Table—Renter-Occupied Housing Units, 1970-2012, Radius**

Renter-Occupied Housing Units	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1970	6,596	29,174	69,316	142,827	176,664
1980	8,822	40,869	91,927	186,827	224,172
1990	11,070	48,990	109,091	224,682	269,660
2000	11,689	53,174	118,111	245,424	293,041
2007	12,276	56,863	126,173	262,230	311,403
2012	12,864	60,092	133,272	277,023	327,970

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 58**  
**Table—Renter-Occupied Housing Units, 1990-2012, Area**

Renter-Occupied Housing Units	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990	269,660	733,770	1,548,722
2000	293,041	779,518	1,634,030
2007	311,403	831,890	1,737,878
2012	327,970	879,215	1,833,276

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

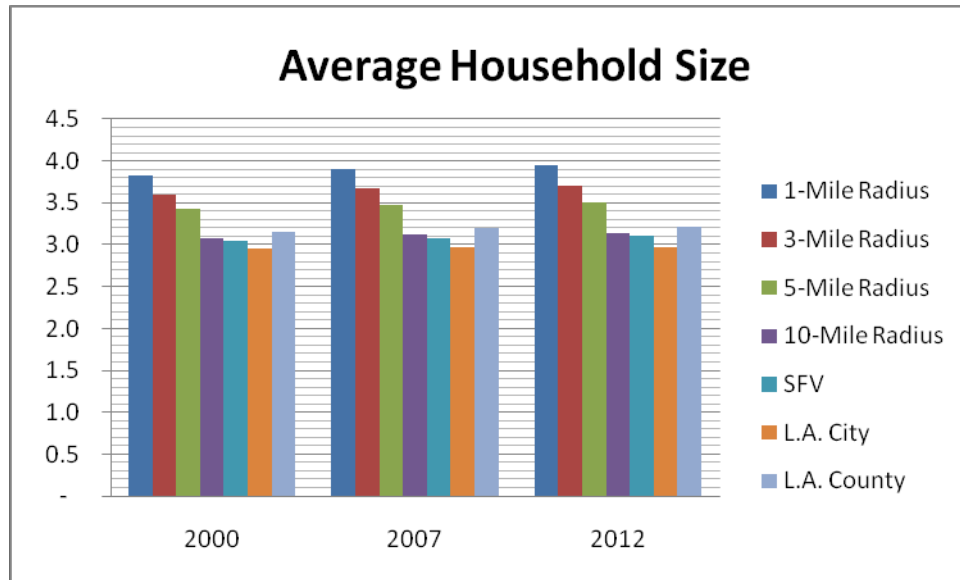


Figure 59 Chart— Average Household Size 2000-2012 – Radius/Region

Figure 60

Table— Average Household Size, 2000-2012, Radius

Average Household Size	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
2000	3.8	3.6	3.4	3.1	3.0
2007	3.9	3.7	3.5	3.1	3.1
2012	4.0	3.7	3.5	3.1	3.1

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 61

Table— Average Household Size, 2000-2012, Area

Average Household Size	San Fernando Valley	City of Los Angeles	County of Los Angeles
2000	3.0	2.9	3.2
2007	3.1	3.0	3.2
2012	3.1	3.0	3.2

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 62**  
**Table – Persons per Household, 2007, Radius**

Persons Per Household 2007	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
2007 1-Person	2,461	16,712	49,181	128,443	152,227
2007 2-Person	2,775	19,751	54,445	139,271	169,993
2007 3-Person	2,723	16,021	36,496	81,260	99,712
2007 4-Person	3,077	16,494	34,647	72,825	90,677
2007 5-Person	2,494	12,030	23,417	43,259	51,272
2007 6-Person	1,567	7,190	13,617	23,017	25,988
2007 7+ Person	1,764	8,404	16,060	25,108	26,703

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 63**  
**Table – Persons per Household, 2007, Area**

Persons Per Household 2007	San Fernando Valley	City of Los Angeles	County of Los Angeles
2007 1-Person	152,227	382,023	814,596
2007 2-Person	169,993	351,106	854,715
2007 3-Person	99,712	201,355	524,694
2007 4-Person	90,677	173,272	484,169
2007 5-Person	51,272	106,439	297,496
2007 6-Person	25,988	59,299	162,304
2007 7+ Person	26,703	65,687	176,289

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

## Appendix D – Income and Age Tables

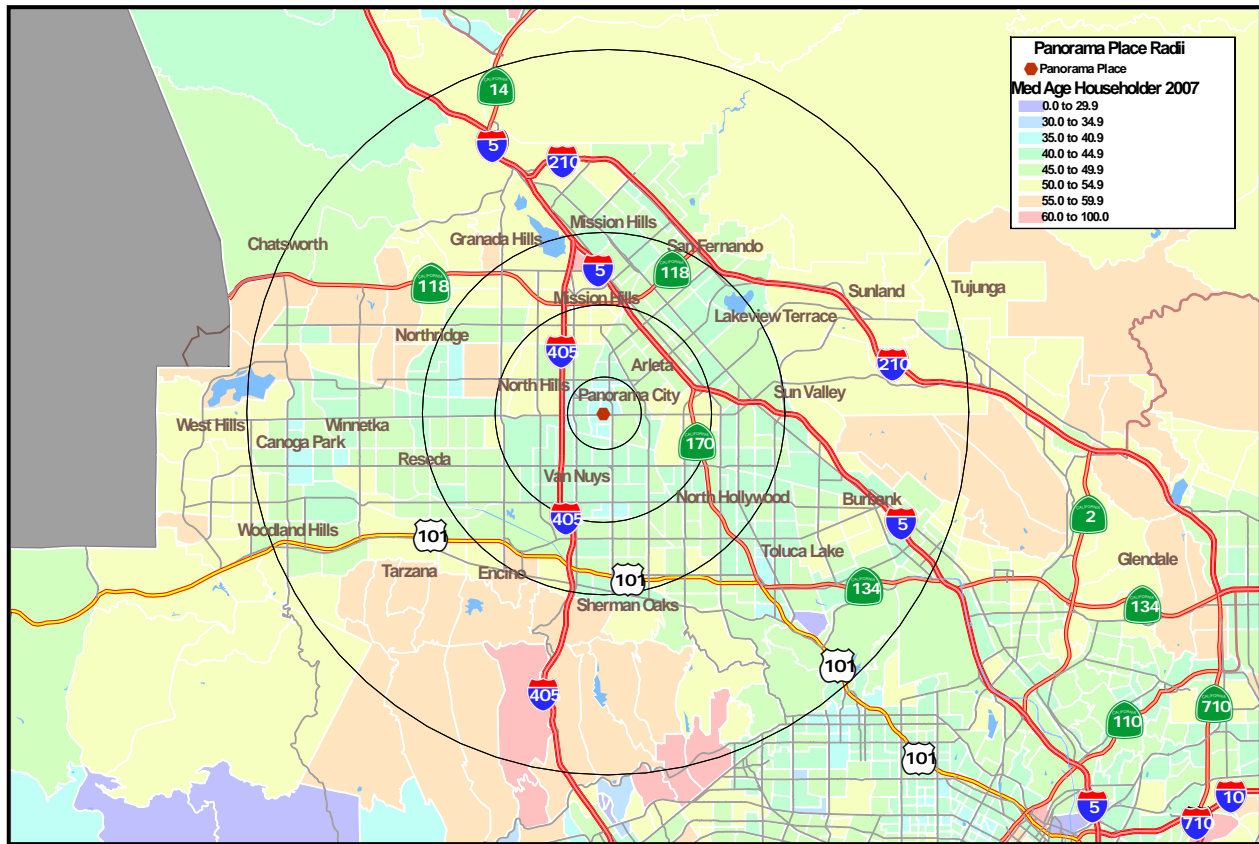


Figure 64 Map – Median Age of Householder 2007 – Radius

Figure 65

Table – Householder Median Age, 1990-2012, Radius

Householder Median Age	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1990	38.0	41.3	42.4	43.4	44.0
2000	39.1	42.7	43.9	45.3	45.7
2007	41.5	44.7	46.0	47.2	47.9
2012	43.0	46.2	47.4	48.8	49.4

Figure 66

Table – Householder Median Age, 1990-2012, Area

Householder Median Age	San Fernando Valley	City of Los Angeles	County of Los Angeles
1990	44.0	41.7	43.9
2000	45.7	44.3	45.2
2007	47.9	44.4	47.3
2012	49.4	45.9	48.8

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

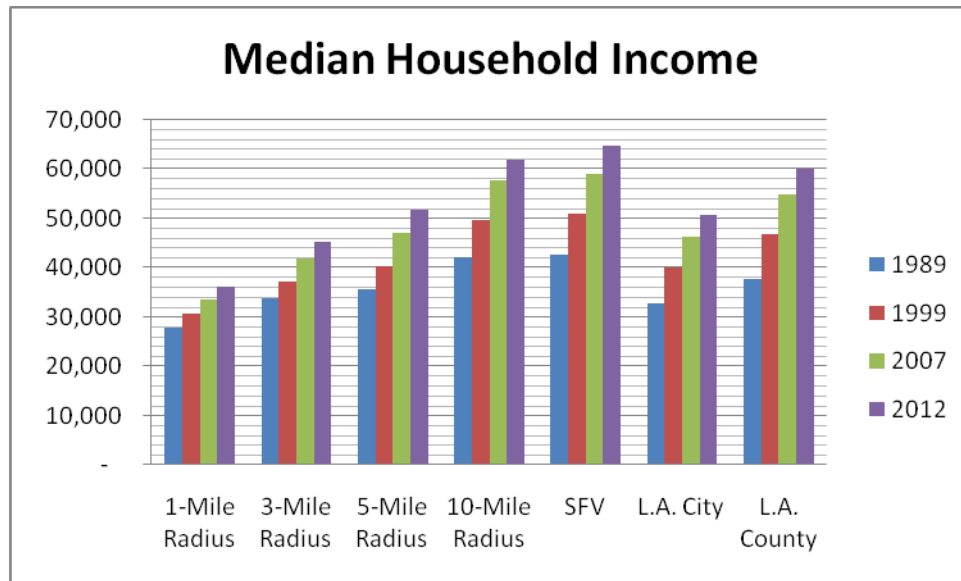


Figure 67 Chart—Median Household Income, 1989-2012, Radius/Region

Figure 68

Table—Median Household Income, 1989-2012, Radius

Median Household Income	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	27,910	33,815	35,716	42,123	42,695
1999	30,621	37,330	40,265	49,774	50,953
2007	33,552	42,023	47,223	57,722	59,094
2012	36,141	45,330	51,767	62,053	64,691

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 69

Table—Median Household Income, 1989-2012, Area

Median Household Income	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989 Median Household Income	42,695	32,741	37,783
1999 Median Household Income	50,953	39,988	46,831
2007 Median Household Income	59,094	46,392	54,853
2012 Median Household Income	64,691	50,725	60,042

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

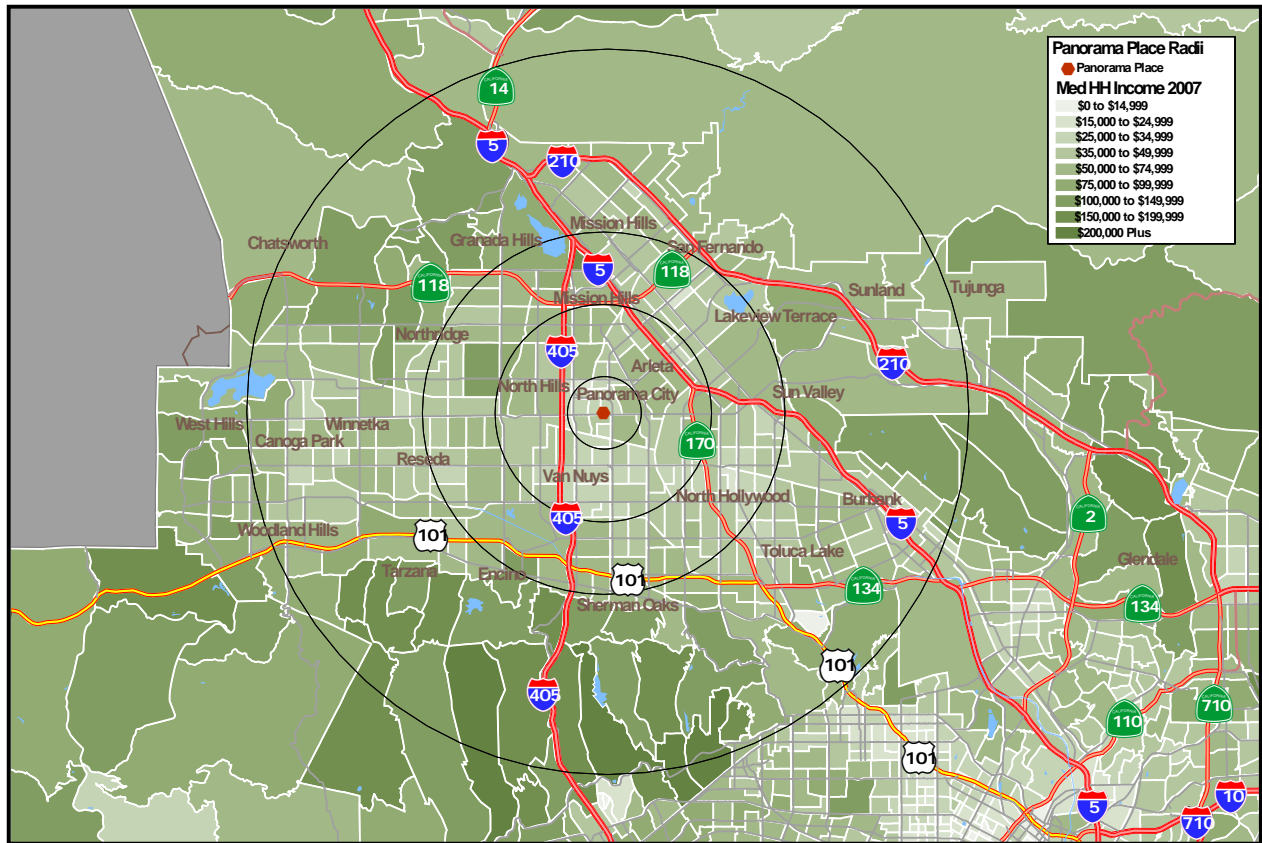


Figure 70 Map—Median Household Income 2007 – Radius

Figure 71

Table—Average Household Income, 1989-2012, Radius

Average Household Income	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	32,136	39,149	42,855	51,852	52,604
1999	38,355	46,815	50,961	63,371	64,838
2007	41,669	52,702	60,131	73,979	75,828
2012	45,271	57,472	65,918	79,788	83,418

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 72

Table—Average Household Income, 1989-2012, Area

Average Household Income	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989	52,604	42,212	46,086
1999	64,838	54,437	60,294
2007	75,828	61,939	70,193
2012	83,418	67,971	77,296

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

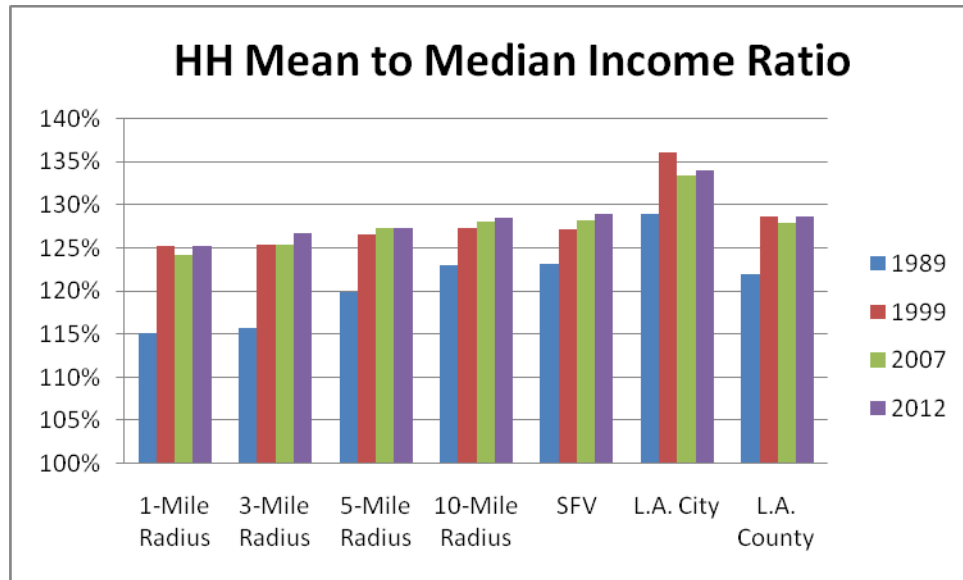


Figure 73 Chart—Mean-to-Median Household Income Ratio 1989-2012 – Radius/Area

Figure 74

Table—Mean to Median Household Income Ratio, 1989-2012, Radius

HH Inc Mean to Median Ratio	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	115%	116%	120%	123%	123%
1999	125%	125%	127%	127%	127%
2007	124%	125%	127%	128%	128%
2012	125%	127%	127%	129%	129%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 75

Table—Mean to Median Household Income Ratio, 1989-2012, Area

HH Inc Mean to Median Ratio	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989	123%	129%	122%
1999	127%	136%	129%
2007	128%	134%	128%
2012	129%	134%	129%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.



**Figure 76****Table – Per Capita Income, 1989-2012, Radius**

Per Capita Income	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	9,981	12,548	14,537	18,593	19,178
1999	10,334	13,523	16,265	22,118	23,275
2007	10,866	14,863	18,474	25,941	26,648
2012	11,661	15,977	19,787	27,460	29,093

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 77****Table – Per Capita Income, 1989-2012, Area**

Per Capita Income	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989	19,178	15,693	16,341
1999	23,275	20,462	21,481
2007	26,648	23,008	24,585
2012	29,093	25,168	26,938

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

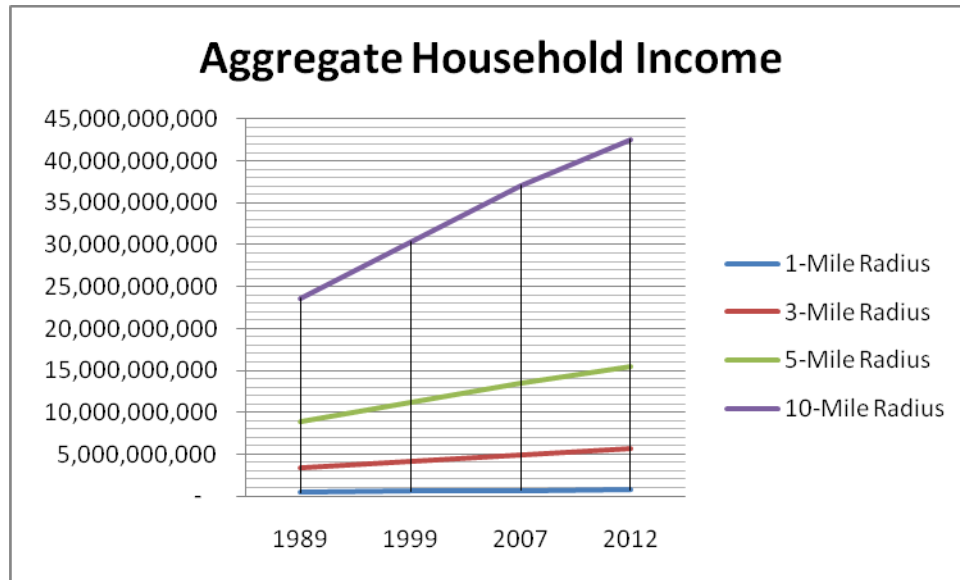


Figure 78 Chart – Aggregate Household Income 1989-2012 – Radius

Figure 79

Table – Aggregate Household Income, 1989-2012, Radius

Aggregate Household Income	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	486,142,503	3,388,178,261	8,971,788,846	23,612,093,798	29,043,392,764
1999	620,953,885	4,250,700,543	11,231,281,550	30,377,203,373	37,987,479,500
2007	702,650,989	5,039,166,486	13,575,902,717	37,106,473,631	46,345,168,871
2012	793,018,842	5,747,550,953	15,542,628,798	42,522,186,079	52,998,988,692

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 80

Table – Aggregate Household Income, 1989-2012, Area

Aggregate Household Income	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989	29,043,392,764	55,307,793,354	141,488,097,888
1999	37,987,479,500	74,265,153,345	193,857,656,200
2007	46,345,168,871	89,830,191,636	240,057,915,753
2012	52,998,988,692	102,848,611,817	277,091,796,611

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 81****Table – Aggregate Income Change, 1989-2012, Radius**

<b>Aggregate Income Change</b>	<b>Panorama Place Radii</b>				<b>San Fernando Valley</b>
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989 to 1999	27.7%	25.5%	25.2%	28.7%	30.8%
1999 to 2007 - 8 Years	13.2%	18.5%	20.9%	22.2%	22.0%
2007 to 2012 - 5 Years	12.9%	14.1%	14.5%	14.6%	14.4%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 82****Table – Aggregate Income Change, 1989-2012, Area**

<b>Aggregate Income Change</b>	<b>San Fernando Valley</b>	<b>City of Los Angeles</b>	<b>County of Los Angeles</b>
1989 to 1999	30.8%	34.3%	37.0%
1999 to 2007 - 8 Years	22.0%	21.0%	23.8%
2007 to 2012 - 5 Years	14.4%	14.5%	15.4%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

## Appendix E – Housing and Financial Tables

Figure 83

Table – Households with Income \$75,000-Plus, 1989-2012, Radius

Households w/Income \$75,000-Plus	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	694	8,807	26,232	80,836	102,662
1999	1,630	15,285	44,041	126,418	160,637
2007	2,091	20,180	57,894	163,736	204,927
	2,629	24,224	68,929	192,043	238,733

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 84

Table – Households with Income \$75,000-Plus, 1989-2012, Area

Households w/Income \$75,000- Plus	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989	102,662	172,130	458,535
1999	160,637	277,990	792,246
2007	204,927	359,911	1,051,879
2012	238,733	423,742	1,241,228

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 85**

**Table—Ratio of Households with Income \$75,000-Plus, 1989-2012, Radius**

Ratio of Households w/Income \$75,000- Plus	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	4.6%	10.2%	12.8%	17.5%	18.4%
1999	10.1%	16.7%	20.4%	26.0%	27.3%
2007	12.4%	20.9%	25.4%	31.9%	33.2%
2012	14.9%	23.9%	28.8%	35.7%	37.0%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 86**

**Table—Ratio of Households with Income \$75,000-Plus, 1989-2012, Area**

Ratio of Households w/Income \$75,000-Plus	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989 Household Income \$75,000+	18.4%	14.2%	15.3%
1999 Household Income \$75,000+	27.3%	21.9%	25.3%
2007 Household Income \$75,000+	33.2%	26.9%	31.7%
2012 Household Income \$75,000+	37.0%	30.1%	35.6%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 87**

**Table—Households with Income Less than \$75,000, 1989-2012, Radius**

Households w/Income Less Than \$75,000	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
1989	14,443	77,929	178,803	380,996	453,857
1999	14,555	76,396	172,187	360,651	427,512
2007	14,772	76,423	169,968	349,448	411,645
2012	14,965	77,046	170,041	346,343	406,488

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 88**

**Table—Households with Income Less than \$75,000, 1989-2012, Area**

Households w/Income Less Than \$75,000	San Fernando Valley	City of Los Angeles	County of Los Angeles
1989 Household Income <\$75,000	453,857	1,039,776	2,535,798
1999 Household Income <\$75,000	427,512	989,638	2,344,033
2007 Household Income <\$75,000	411,645	979,269	2,262,384
2012 Household Income <\$75,000	406,488	984,652	2,244,960

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

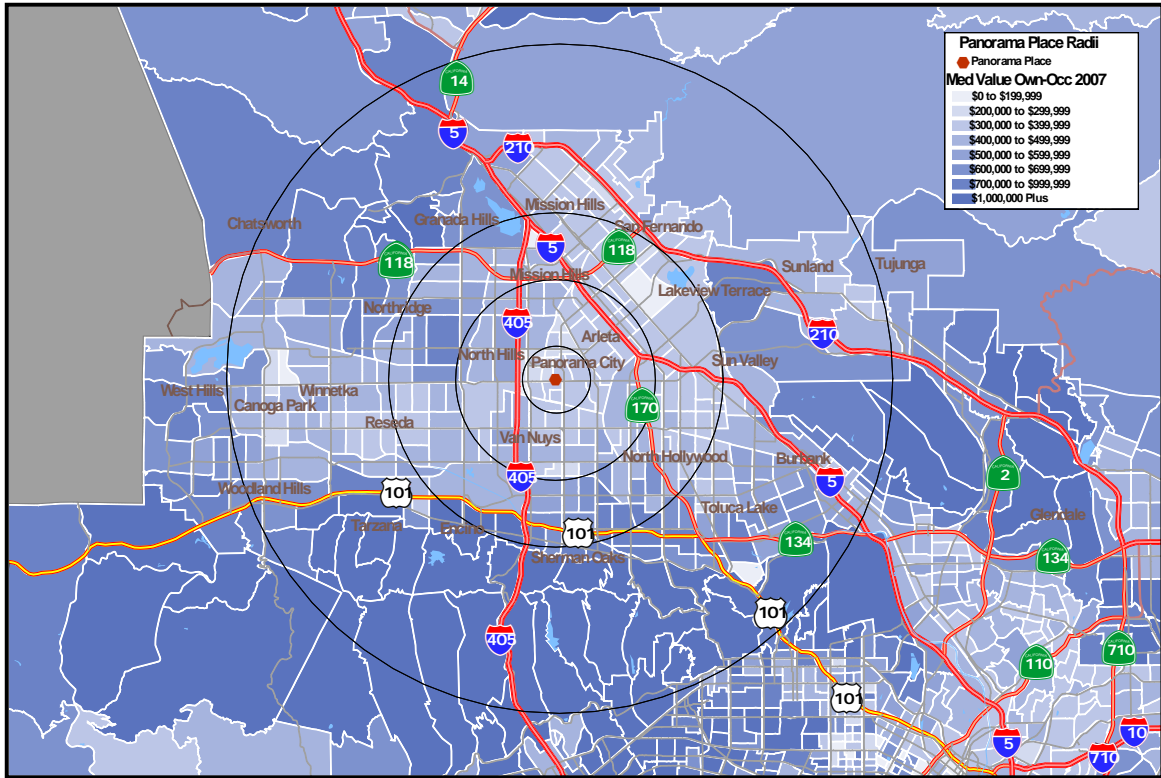


Figure 89 Map—Median Value Owner-Occupied Housing 2007 – Radius

Figure 90

Table—Median Value Owner-Occupied Housing, 2000-2012, Area

Median Value Owner-Occupied Housing	San Fernando Valley	City of Los Angeles	County of Los Angeles
2000	230,626	226,400	226,614
2007	527,891	502,283	507,000
2012	613,649	580,319	588,838

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

Figure 91

Table—Median Value Increase Owner-Occupied Housing, 2000-2012, Radius

Med Value Increase Owner-Occ. Housing	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
2000 to 2007 - 8 Years	141%	138%	139%	129%	129%
2007 to 2012 - 5 Years	22%	22%	20%	17%	16%

Figure 92

Table—Median Value Increase Owner-Occupied Housing, 2000-2012, Area

Median Value Increase Owner-Occupied Housing	San Fernando Valley	City of Los Angeles	County of Los Angeles
2000 to 2007 - 8 Years	129%	122%	124%
2007 to 2012 - 5 Years	16%	16%	16%

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 93**  
**Table— Owner-Occupied Housing Value, 2000, Radius**

Owner-Occupied Housing Value 2000	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
<\$20,000	15	358	1,007	1,948	2,169
\$20,000-\$39,999	6	334	1,069	2,709	3,240
\$40,000-\$59,999	167	435	889	2,044	2,323
\$60,000-\$79,999	230	1,078	1,798	3,567	3,964
\$80,000-\$99,999	483	2,048	3,627	7,195	7,884
\$100,000-\$149,999	1,550	9,191	20,741	38,129	41,425
\$150,000-\$199,999	1,680	15,622	33,708	61,837	67,413
\$200,000-\$299,999	304	8,173	23,506	63,190	78,245
\$300,000-\$399,999	13	898	6,448	26,131	37,732
\$400,000-\$499,999	0	137	2,460	13,131	19,773
\$500,000-\$749,999	4	91	1,914	14,302	20,190
\$750,000-\$999,999	-	30	435	4,073	5,583
\$1,000,000+	22	82	416	3,054	4,629

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 94**  
**Table— Owner-Occupied Housing Value, 2000, Area**

Owner-Occupied Housing Value 2000	San Fernando Valley	City of Los Angeles	County of Los Angeles
<\$20,000	2,169	3,732	21,864
\$20,000-\$39,999	3,240	5,093	24,596
\$40,000-\$59,999	2,323	3,817	15,241
\$60,000-\$79,999	3,964	6,699	25,897
\$80,000-\$99,999	7,884	15,158	50,591
\$100,000-\$149,999	41,425	80,797	246,284
\$150,000-\$199,999	67,413	109,902	359,544
\$200,000-\$299,999	78,245	106,553	352,129
\$300,000-\$399,999	37,732	54,988	158,888
\$400,000-\$499,999	19,773	31,161	83,825
\$500,000-\$749,999	20,190	36,117	88,576
\$750,000-\$999,999	5,583	15,530	35,192
\$1,000,000+	4,629	17,400	37,067

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 95**  
**Table—Owner-Occupied Housing Value, 2007, Radius**

Owner-Occupied Housing Value 2007	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
<\$20,000	8	115	378	549	597
\$20,000-\$39,999	11	178	497	957	1,078
\$40,000-\$59,999	7	244	583	1,389	1,592
\$60,000-\$79,999	2	101	460	1,122	1,374
\$80,000-\$99,999	8	107	345	1,042	1,247
\$100,000-\$149,999	175	491	968	2,270	2,562
\$150,000-\$199,999	301	1,392	2,296	4,554	5,024
\$200,000-\$299,999	985	5,140	10,774	20,763	22,802
\$300,000-\$399,999	1,841	12,597	28,039	50,957	55,021
\$400,000-\$499,999	949	11,018	24,355	47,433	52,902
\$500,000-\$749,999	263	7,192	21,964	61,314	76,905
\$750,000-\$999,999	11	836	6,243	25,685	37,015
\$1,000,000+	26	327	4,786	32,919	47,050

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 96**  
**Table—Owner-Occupied Housing Value, 2007, Area**

Owner-Occupied Housing Value 2007	San Fernando Valley	City of Los Angeles	County of Los Angeles
<\$20,000	597	966	7,275
\$20,000-\$39,999	1,078	2,096	10,862
\$40,000-\$59,999	1,592	2,571	12,780
\$60,000-\$79,999	1,374	2,178	10,732
\$80,000-\$99,999	1,247	1,864	8,779
\$100,000-\$149,999	2,562	4,217	17,870
\$150,000-\$199,999	5,024	8,180	33,464
\$200,000-\$299,999	22,802	43,867	141,811
\$300,000-\$399,999	55,021	97,884	308,491
\$400,000-\$499,999	52,902	84,299	276,048
\$500,000-\$749,999	76,905	106,516	350,181
\$750,000-\$999,999	37,015	55,181	159,275
\$1,000,000+	47,050	97,471	238,817

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.



**Figure 97**  
**Table— Owner-Occupied Housing Value, 2012, Radius**

Owner-Occupied Housing Value 2012	Panorama Place Radii				San Fernando Valley
	1-Mile Radius	3-Mile Radius	5-Mile Radius	10-Mile Radius	
<\$20,000	8	100	329	467	507
\$20,000-\$39,999	14	143	414	670	749
\$40,000-\$59,999	3	186	452	1,125	1,270
\$60,000-\$79,999	5	173	545	1,200	1,403
\$80,000-\$99,999	2	84	355	919	1,126
\$100,000-\$149,999	83	313	750	1,996	2,329
\$150,000-\$199,999	175	626	1,129	2,433	2,681
\$200,000-\$299,999	776	3,560	6,413	12,626	13,885
\$300,000-\$399,999	1,068	6,926	15,607	29,002	31,533
\$400,000-\$499,999	1,434	10,539	23,574	43,409	47,097
\$500,000-\$749,999	1,012	14,122	34,920	79,086	93,127
\$750,000-\$999,999	122	3,731	13,798	43,931	58,047
\$1,000,000+	30	675	7,413	44,499	63,497

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

**Figure 98**  
**Table— Owner-Occupied Housing Value, 2012, Area**

Owner-Occupied Housing Value 2012	San Fernando Valley	City of Los Angeles	County of Los Angeles
<\$20,000	507	851	6,314
\$20,000-\$39,999	749	1,504	8,268
\$40,000-\$59,999	1,270	2,199	10,953
\$60,000-\$79,999	1,403	2,287	10,639
\$80,000-\$99,999	1,126	1,802	8,895
\$100,000-\$149,999	2,329	3,625	16,152
\$150,000-\$199,999	2,681	4,518	19,197
\$200,000-\$299,999	13,885	24,904	89,377
\$300,000-\$399,999	31,533	58,690	186,338
\$400,000-\$499,999	47,097	82,815	263,047
\$500,000-\$749,999	93,127	139,835	459,207
\$750,000-\$999,999	58,047	83,343	261,201
\$1,000,000+	63,497	122,805	313,324

Source: Mulholland Institute, Claritas 2007 estimates and 2012 projections, U.S. Census.

## Appendix F – Study Methodology and the IMPLAN® Model

Economic and fiscal impacts are the net difference that results from economic development intervention, that is, the extent to which an activity (and associated outputs, outcomes and impacts) is larger in scale, at a higher quality, takes place quicker, takes place at a different location, or takes place at all as a result of intervention. Impact assessment measures the net result, taking account of leakage, displacement, substitution and economic multipliers.<sup>104</sup> Fiscal impacts also involve generation of new taxes, fees, revenues and resources for the local jurisdiction, in this case primarily the City and County of Los Angeles.

The impacts of any project, development or activity necessarily extend well beyond the boundaries of the project itself. Inputs of resources and capital invariably result in outputs of economic activity and employment, direct, indirect and induced. Direct effects occur in the form of dollars and manpower applied to the activity or the construction of the project, both in the construction/establishment phase and the ongoing operational phase.

Indirect effects are the secondary activities generated by the direct-effects inputs such as wholesale sales to retailers and services generated by other third-parties. An example would be a concrete subcontractor purchasing cement, sand, gravel, lumber and reinforcing materials from indirect third-party vendors. Indirect service expenditures might include rentals of equipment or hiring of subcontractors. These downstream purchases can be expected to affect the economic status of local vendors and workforce.

Induced effects are the changes in household spending patterns within the area of impact caused by changes in household income generated from the direct and indirect effects. Induced effects capture the way in which this increased income is in turn spent in the local economy.

These additional dollars would circulate through the local economy indefinitely but for the leakage factor—pieces of each transaction that leave the local economy as a result of outside purchases or spending—the extent of which is calculated based on data from regional financial models.

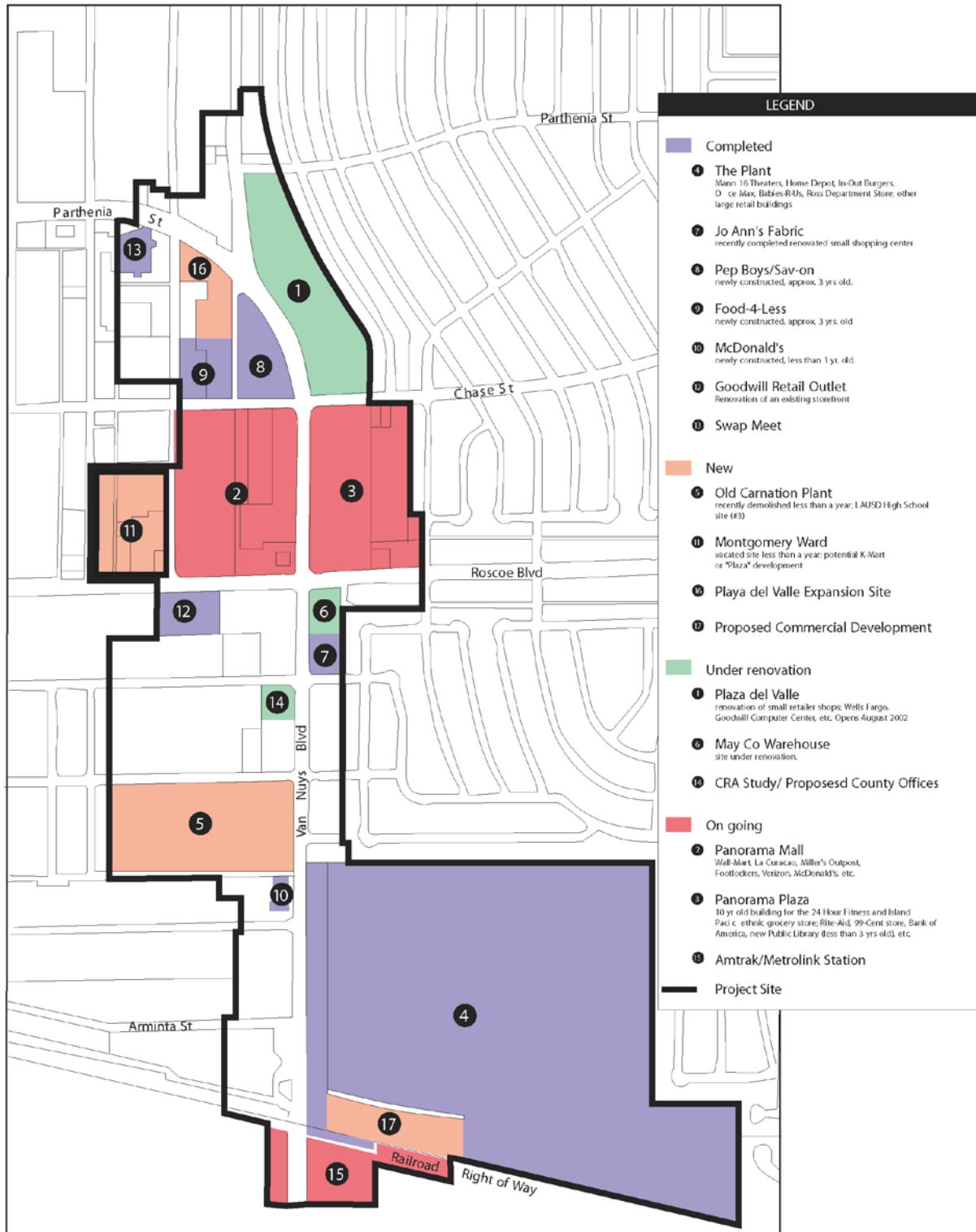
The IMPLAN® system has been in use since 1979 introducing flexibility in the methods and assumptions used to generate social accounts and I/O multipliers and

The IMPLAN® database, created by MIG, Inc., consists of two major parts:

1. National-level technology matrices;
2. Estimates of regional data for institutional demand and transfers, value-added, industry output and employment for each county in the U.S. as well as state and national totals.

The IMPLAN® data and accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis (1980) and the rectangular format recommended by the United Nations.

# Appendix G – Panorama City Community Design Overlay District



Source: City of Los Angeles, Department of City Planning - Community Design Overlay District, Adopted March 27, 2003

## Appendix H – Community Redevelopment Agency

The site is within the Pacoima/Panorama City Project Area of the City of Los Angeles Community Redevelopment Agency and designated for technical assistance:

### *4. Montgomery Ward Site*

*The Agency will provide technical services and facilitate the redevelopment of the Montgomery Ward site (approximately 9 acres), now vacated. The site is available for new development and is located at the corner of Roscoe and Tobias Street, just west of the Panorama Mall, in Panorama City. Commercial and/or mixed-use with medium housing density is the preferred development.*

*The project will promote the commercial recovery of a vacated and underutilized property within the Project Area, and by enhancing the commercial environment and maximize the creation of construction and permanent employment opportunities.*

*This project fulfills goals #1, #2, #4, #7, #8, #9, and #14 of the Redevelopment Plan.*

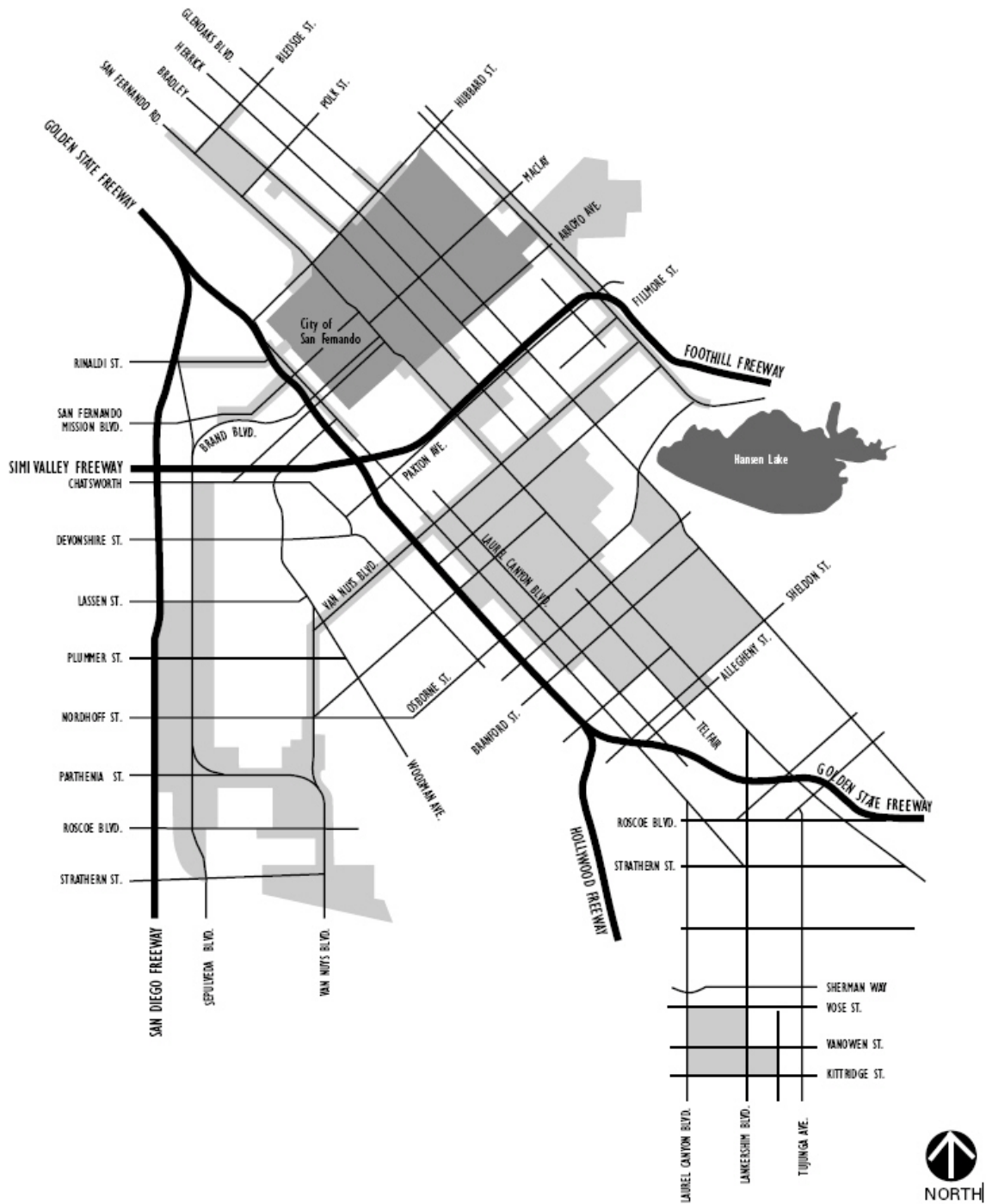
Adopted on December 9, 1994, the Earthquake Disaster Assistance Project for Portions of Council District Seven\* is located in the northeast San Fernando Valley and includes portions of the communities of Arleta, Lakeview Terrace, Mission Hills, North Hills, North Hollywood, Pacoima, Panorama City, Sun Valley, Sylmar and Van Nuys. [\*Subsequent changes to Council District boundaries resulted in this project area now including portions of Council Districts 2, 6 and 7.]

The project consists of approximately 4,208 acres and is generally bounded by the San Diego Freeway on the west, Foothill Freeway on the north and east, and Victory Boulevard on the south.

The Earthquake Disaster Assistance Project for Portions of Council District 7 was adopted to provide for and facilitate the repair, restoration, demolition and/or replacement of property or areas or facilities damaged as a result of the Northridge Earthquake and its subsequent aftershocks, and/or undertake, carry out or approve programs and perform specific actions necessary to prevent or mitigate an emergency pursuant to the Disaster Project Law.

# Pacoima/Panorama City

CRA/LA



## Appendix I – Detailed Economic Activity – by Sector

### Aggregated Effects of Panorama Place Development on Economic Activity Total Economic Impact on Output by Sector, Other Sectors from Figure 28, 2006 – 2018

Industry Name	Total New Economic Activity
Nursing and residential care facilities	13,092,624
Furniture and home furnishings stores	13,080,862
Social assistance- except child day care services	13,040,481
Accounting and bookkeeping services	12,533,487
Colleges- universities- and junior colleges	12,277,864
Employment services	11,918,766
State/Local Government Non-Education	11,770,515
Truck transportation	11,722,310
Pharmaceutical and medicine manufacturing	11,482,637
Cable networks and program distribution	11,386,005
Management consulting services	11,248,327
Other amusement- gambling- and recreation industries	10,760,785
Building material and garden supply stores	10,711,214
Health and personal care stores	10,360,651
Services to buildings and dwellings	9,922,155
Power generation and supply	9,601,733
Hotels and motels- including casino hotels	9,349,563
Natural gas distribution	9,135,793
Fitness and recreational sports centers	9,016,787
Other personal services	8,950,413
Miscellaneous store retailers	8,631,663
Automotive equipment rental and leasing	8,590,931
Motion picture and video industries	8,429,238
Gasoline stations	8,282,371
Oil and gas extraction	8,075,464
Funds- trusts- and other financial vehicles	7,874,014
Electronics and appliance stores	7,696,141
State & Local Non-Education	7,500,001
Radio and television broadcasting	7,204,785
Personal care services	7,113,300
Postal service	7,080,743
Office administrative services	6,954,862
Child day care services	6,537,577
Air transportation	6,319,397
Religious organizations	6,156,202
Business support services	5,930,751
Couriers and messengers	5,638,456
Home health care services	5,228,531
All other miscellaneous professional and technical	5,158,753
Commercial machinery repair and maintenance	5,102,607
Meat processed from carcasses	5,035,531
Other educational services	5,003,080
Elementary and secondary schools	4,721,575

Maintenance and repair of nonresidential buildings	4,515,243
Sporting goods- hobby- book and music stores	4,513,287
Plastics plumbing fixtures and all other plastics	4,459,140
Other support services	4,113,701
Dry cleaning and laundry services	4,095,180
Machinery and equipment rental and leasing	4,094,233
Bread and bakery product- except frozen- manufacturing	4,088,897
Civic- social- professional and similar organizations	4,073,041
Warehousing and storage	3,825,151
Household goods repair and maintenance	3,091,238
Specialized design services	3,075,056
Environmental and other technical consulting services	3,029,481
Toilet preparation manufacturing	2,974,348
Waste management and remediation services	2,968,578
Scenic and sightseeing transportation and support	2,906,571
Fluid milk manufacturing	2,896,227
Commercial printing	2,818,238
Periodical publishers	2,807,122
Investigation and security services	2,781,922
Doll- toy- and game manufacturing	2,752,509
Grant making and giving and social advocacy organizations	2,752,338
Newspaper publishers	2,644,393
State and local government passenger transit	2,511,969
Lessors of nonfinancial intangible assets	2,461,762
Audio and video equipment manufacturing	2,455,587
Travel arrangement and reservation services	2,453,599
Spectator sports	2,415,579
Electronic equipment repair and maintenance	2,335,728
General and consumer goods rental except video tap	2,306,453
Scientific research and development services	2,263,145
State and local government electric utilities	2,253,381
Private households	2,132,283
Motor vehicle parts manufacturing	2,102,908
Cheese manufacturing	2,078,289
Soap and other detergent manufacturing	2,069,432
Plastics packaging materials- film and sheet	2,060,220
Jewelry and silverware manufacturing	2,016,802
Water transportation	1,917,840
Veterinary services	1,885,435
Animal- except poultry- slaughtering	1,868,694
Maintenance and repair of farm and nonfarm residences	1,836,256
Independent artists- writers- and performers	1,790,278
Sound recording industries	1,778,103
Data processing services	1,769,908
Wood kitchen cabinet and countertop manufacturing	1,727,219
Polish and other sanitation good manufacturing	1,703,523
Information services	1,698,432
Promoters of performing arts and sports and agents	1,679,257
Computer systems design services	1,648,718
Other computer related services- including facilities	1,631,999

Rail transportation	1,626,269
Automobile and light truck manufacturing	1,624,081
Car washes	1,568,306
Non-upholstered wood household furniture manufacturing	1,512,963
Foam product manufacturing	1,493,409
Upholstered household furniture manufacturing	1,472,365
Video tape and disc rental	1,471,456
Glass and glass products- except glass containers	1,377,987
Death care services	1,301,347
Surgical appliance and supplies manufacturing	1,294,879
Performing arts companies	1,289,117
Photographic services	1,207,077
Capital	1,193,835
All other food manufacturing	1,175,472
Plastics pipe- fittings- and profile shapes	1,157,679
Other millwork- including flooring	1,123,969
Petrochemical manufacturing	1,108,763
Seafood product preparation and packaging	1,099,301
Database- directory- and other publishers	1,053,977
Other snack food manufacturing	1,028,401
Pipeline transportation	985,213
Transit and ground passenger transportation	964,344
Other maintenance and repair construction	933,105
Asphalt shingle and coating materials manufacturing	892,621
Mattress manufacturing	851,677
Cut stone and stone product manufacturing	818,459
Museums- historical sites- zoos- and parks	790,692
Cookie and cracker manufacturing	774,202
Accessories and other apparel manufacturing	772,669
Ice cream and frozen dessert manufacturing	729,813
Wood windows and door manufacturing	701,455
Spice and extract manufacturing	697,445
Sawmills	695,443
Semiconductors and related device manufacturing	665,218
Other accommodations	632,645
Dry- condensed- and evaporated dairy products	628,128
Showcases- partitions- shelving- and lockers	626,496
Flavoring syrup and concentrate manufacturing	614,260
Electromedical apparatus manufacturing	599,032
Custom computer programming services	596,539
Surgical and medical instrument manufacturing	594,250
Veneer and plywood manufacturing	584,665
Other leather product manufacturing	582,096
Dental laboratories	580,648
Elevator and moving stairway manufacturing	560,844
Coffee and tea manufacturing	554,730
Petroleum lubricating oil and grease manufacturing	544,962
Industrial gas manufacturing	535,867
Adhesive manufacturing	524,470
Ophthalmic goods manufacturing	496,235



Other apparel knitting mills	492,514
Other miscellaneous chemical product manufacturing	490,032
Footwear manufacturing	478,431
Photographic film and chemical manufacturing	454,612
Wood container and pallet manufacturing	449,291
Tortilla manufacturing	441,441
Plastics bottle manufacturing	439,734
Soft drink and ice manufacturing	432,123
Book publishers	411,846
Software reproducing	409,023
Mayonnaise- dressing- and sauce manufacturing	386,448
Electronic computer manufacturing	380,032
Poultry processing	364,609
Institutional furniture manufacturing	360,615
Mixes and dough made from purchased flour	355,035
Software publishers	349,695
Greenhouse and nursery production	347,626
Machine shops	337,689
Other basic inorganic chemical manufacturing	332,414
Bowling centers	330,790
Breweries	327,623
Other commercial and service industry machinery ma	325,542
Custom compounding of purchased resins	314,990
Dry pasta manufacturing	314,781
Water- sewage and other systems	313,546
Travel trailer and camper manufacturing	308,560
Confectionery manufacturing from purchased chocolates	306,326
Fiber optic cable manufacturing	293,639
Blind and shade manufacturing	292,631
Aircraft manufacturing	265,712
Resilient floor covering manufacturing	255,495
Automatic environmental control manufacturing	251,554
Motor home manufacturing	251,399
Other household and institutional furniture	243,464
Asphalt paving mixture and block manufacturing	240,101
Laminated plastics plate- sheet- and shapes	237,723
Textile and fabric finishing mills	226,424
Metal valve manufacturing	225,281
Surface active agent manufacturing	218,384
All other electronic component manufacturing	216,298
Telephone apparatus manufacturing	208,829
Heavy duty truck manufacturing	204,131
Office machinery manufacturing	202,954
Fruit and vegetable canning and drying	199,725
Dental equipment and supplies manufacturing	197,663
Non-chocolate confectionery manufacturing	188,892
Flour milling	186,658
Other Federal Government enterprises	186,430
Printing ink manufacturing	184,394
Facilities support services	183,800

Other engine equipment manufacturing	182,219
Sign manufacturing	176,251
Vegetable and melon farming	176,054
Frozen cakes and other pastries manufacturing	175,007
Motor vehicle body manufacturing	170,087
Electric housewares and household fan manufacturing	167,117
Engineered wood member and truss manufacturing	161,473
Storage battery manufacturing	156,094
Vitreous china and earthenware articles manufacturing	154,710
Glass container manufacturing	150,095
Electroplating- anodizing- and coloring metal	149,069
Metal can- box- and other container manufacturing	146,386
Plastics material and resin manufacturing	144,280
Wood preservation	139,364
Lawn and garden equipment manufacturing	137,535
Metal household furniture manufacturing	134,266
Frozen food manufacturing	133,076
Musical instrument manufacturing	120,742
Photographic and photocopying equipment manufacturing	117,968
Hand and edge tool manufacturing	113,381
Ceramic wall and floor tile manufacturing	112,042
Other basic organic chemical manufacturing	111,024
Cut stock- re-sawing lumber- and planning	108,197
Prepress services	105,624
Dog and cat food manufacturing	103,929
Magnetic and optical recording media manufacturing	101,453
Search- detection- and navigation instruments	99,185
Switchgear and switchboard apparatus manufacturing	98,920
Spring and wire product manufacturing	98,474
Manifold business forms printing	96,355
Fats and oils refining and blending	95,170
Audio and video media reproduction	93,403
Fabricated pipe and pipe fitting manufacturing	89,126
Miscellaneous wood product manufacturing	88,099
Logging	87,027
Metal coating and nonprecious engraving	86,597
Breakfast cereal manufacturing	86,357
Turned product and screw- nut- and bolt manufactur	84,172
Broadcast and wireless communications equipment	80,507
Metal window and door manufacturing	79,638
Paperboard container manufacturing	74,250
Small arms manufacturing	70,206
Food product machinery manufacturing	69,097
Automatic vending- commercial laundry and dryclean	68,167
Other computer peripheral equipment manufacturing	67,069
Motorcycle- bicycle- and parts manufacturing	66,618
Curtain and linen mills	65,385
Power-driven hand tool manufacturing	63,059
Hardware manufacturing	62,433
Roasted nuts and peanut butter manufacturing	62,349

Other communications equipment manufacturing	60,187
Carpet and rug mills	58,305
Primary battery manufacturing	55,995
Secondary processing of other nonferrous	55,132
Irradiation apparatus manufacturing	54,599
Industrial process variable instruments	53,028
Other communication and energy wire manufacturing	52,153
Motor and generator manufacturing	51,471
Watch- clock- and other measuring and controlling	50,805
Inventory Additions/Deletions	50,136
Rendering and meat byproduct processing	49,535
Steel wire drawing	47,709
Scales- balances- and miscellaneous general purpose	47,674
Welding and soldering equipment manufacturing	47,413
Copper wire- except mechanical- drawing	44,063
Pesticide and other agricultural chemical manufacturing	43,607
Turbine and turbine generator set units manufacturing	43,266
Metal heat treating	41,893
Sporting and athletic goods manufacturing	41,802
Cutting tool and machine tool accessory manufacturing	40,640
Electric power and specialty transformer manufacturing	38,375
Ornamental and architectural metal work manufacturing	38,349
Kitchen utensil- pot- and pan manufacturing	38,202
Computer storage device manufacturing	38,171
All other forging and stamping	36,650
Books printing	36,112
Buttons- pins- and all other miscellaneous manufacturing	35,082
Ferroalloy and related product manufacturing	32,777
Rolled steel shape manufacturing	32,742
Office supplies- except paper- manufacturing	32,417
Sheet metal work manufacturing	31,735
Wineries	30,336
Wiring device manufacturing	30,198
Support activities for oil and gas operations	29,617
Other rubber product manufacturing	28,347
Synthetic dye and pigment manufacturing	27,999
Office furniture- except wood- manufacturing	27,017
Iron- steel pipe and tube from purchased steel	26,456
Relay and industrial control manufacturing	26,442
Electron tube manufacturing	25,896
Totalizing fluid meters and counting devices	24,905
Cattle ranching and farming	24,557
All other industrial machinery manufacturing	24,547
Computer terminal manufacturing	23,920
Farm machinery and equipment manufacturing	23,732
Paint and coating manufacturing	22,838
Enameled iron and metal sanitary ware manufacturing	22,832
Fabricated structural metal manufacturing	22,670
Other miscellaneous textile product mills	22,502
Cutlery and flatware- except precious- manufacture	22,416

Fishing	22,402
Special tool- die- jig- and fixture manufacturing	22,196
Iron and steel mills	21,929
Coated and laminated paper and packaging materials	21,697
Plastics and rubber industry machinery	21,511
Primary nonferrous metal- except copper and aluminum	20,780
Aircraft engine and engine parts manufacturing	20,618
Ball and roller bearing manufacturing	19,865
Wood office furniture manufacturing	18,526
Sawmill and woodworking machinery	18,420
Fruit farming	18,399
Custom roll forming	18,391
Knit fabric mills	18,238
Other tobacco product manufacturing	17,615
Miscellaneous electrical equipment manufacturing	17,202
Printing machinery and equipment manufacturing	17,103
Analytical laboratory instrument manufacturing	16,985
Broad woven fabric mills	16,468
Nonferrous metal- except copper and aluminum- shaping	16,111
All other petroleum and coal products manufacturing	15,927
Broom- brush- and mop manufacturing	15,639
Textile bag and canvas mills	15,389
Animal production- except cattle and poultry and e	15,343
Confectionery manufacturing from cacao beans	15,270
Custom architectural woodwork and millwork	14,861
Coated and uncoated paper bag manufacturing	14,563
Electricity and signal testing instruments	14,207
Fiber- yarn- and thread mills	13,904
Surface-coated paperboard manufacturing	13,858
Saw blade and handsaw manufacturing	12,727
Synthetic rubber manufacturing	12,326
Conveyor and conveying equipment manufacturing	12,239
Trade binding and related work	12,037
Sheer hosiery mills	12,002
Carbon and graphite product manufacturing	11,976
Blankbook and looseleaf binder manufacturing	11,922
Other concrete product manufacturing	11,456
Other aluminum rolling and drawing	11,084
Narrow fabric mills and schiffli embroidery	10,687
Fertilizer- mixing only- manufacturing	10,654
Phosphatic fertilizer manufacturing	10,493
Semiconductor machinery manufacturing	10,195
Reconstituted wood product manufacturing	10,179
Rice milling	9,418
Agriculture and forestry support activities	8,820
Gasket- packing- and sealing device manufacturing	8,664
Boat building	8,440
Speed changers and mechanical power transmission e	8,430
Fluid power cylinder and actuator manufacturing	8,137
Leather and hide tanning and finishing	8,082

Aluminum sheet- plate- and foil manufacturing	7,956
Other oilseed processing	7,879
Packaging machinery manufacturing	7,834
Military armored vehicles and tank parts manufacturing	7,819
All other crop farming	7,102
Sanitary paper product manufacturing	7,084
Nonwoven fabric mills	6,615
Miscellaneous nonmetallic mineral products	6,444
Sand- gravel- clay- and refractory mining	6,144
Optical instrument and lens manufacturing	6,027
Other aircraft parts and equipment	6,015
Miscellaneous fabricated metal product manufacturing	5,882
Metal cutting machine tool manufacturing	5,831
Noncellulosic organic fiber manufacturing	5,704
Other nonmetallic mineral mining	5,532
Aluminum foundries	5,530
Abrasive product manufacturing	5,488
Pump and pumping equipment manufacturing	5,401
Other animal food manufacturing	5,261
Industrial mold manufacturing	5,199
Oil and gas field machinery and equipment	5,107
All other converted paper product manufacturing	4,921
Fabric coating mills	4,893
Rubber and plastics hose and belting manufacturing	4,669
Prefabricated metal buildings and components	4,559
Gypsum product manufacturing	4,528
Construction machinery manufacturing	4,168
Poultry and egg production	4,116
Ready-mix concrete manufacturing	3,998
Iron and steel forging	3,687
Plate work manufacturing	3,361
Federal Government Non-Defense	3,148
Explosives manufacturing	3,093
Nitrogenous fertilizer manufacturing	3,083
Industrial truck- trailer- and stacker manufacturing	3,075
Soybean processing	3,010
Fluid power pump and motor manufacturing	2,898
Aluminum extruded product manufacturing	2,841
Nonferrous foundries- except aluminum	2,701
Mineral wool manufacturing	2,415
Paper industry machinery manufacturing	2,390
Lighting fixture manufacturing	2,297
Truck trailer manufacturing	2,224
Household cooking appliance manufacturing	2,112
Other major household appliance manufacturing	2,019
Nonferrous forging	1,866
Metal tank- heavy gauge- manufacturing	1,809
Drilling oil and gas wells	1,807
Copper rolling- drawing- and extruding	1,800
Stone mining and quarrying	1,752

Rolling mill and other metalworking machinery	1,587
Prefabricated wood building manufacturing	1,560
Die-cut paper office supplies manufacturing	1,515
Hunting and trapping	1,324
Guided missile and space vehicle manufacturing	1,206
Tree nut farming	1,143
Alumina refining	1,069
Power boiler and heat exchanger manufacturing	1,059
Secondary smelting and alloying of aluminum	1,034
Wet corn milling	931
Laboratory apparatus and furniture manufacturing	885
Metal forming machine tool manufacturing	845
Other hosiery and sock mills	806
Porcelain electrical supply manufacturing	705
Burial casket manufacturing	700
Paper and paperboard mills	658
Envelope manufacturing	652
Railroad rolling stock manufacturing	635
Tire manufacturing	623
Textile machinery manufacturing	602
Primary aluminum production	564
Forest nurseries- forest products- and timber tracts	562
Concrete block and brick manufacturing	542
Overhead cranes- hoists- and monorail systems	444
Malt manufacturing	361
Vitreous china plumbing fixture manufacturing	284
Air purification equipment manufacturing	282
All other transportation equipment manufacturing	274
Ship building and repairing	255
Industrial process furnace and oven manufacturing	240
Ammunition manufacturing	237
Stationery and related product manufacturing	225
Ferrous metal foundries	220
Grain farming	189
Electric lamp bulb and part manufacturing	180
Air and gas compressor manufacturing	175
Mining machinery and equipment manufacturing	148
Propulsion units and parts for space vehicles and	114
Clay refractory and other structural clay products	110
Cellulosic organic fiber manufacturing	90
Industrial pattern manufacturing	75
Brick and structural clay tile manufacturing	55
Secondary processing of copper	53
Industrial and commercial fan and blower manufacturing	52
Household laundry equipment manufacturing	32
Concrete pipe manufacturing	31
Pulp mills	29
Household refrigerator and home freezer manufacturing	26
Measuring and dispensing pump manufacturing	14
Lime manufacturing	14

AC- refrigeration- and forced air heating	7
Cement manufacturing	4
Non-clay refractory manufacturing	3
Heating equipment- except warm air furnaces	3
<b>TOTAL</b>	<b>578,309,730</b>

## **Appendix J – Legal Disclaimer**

Mulholland Institute reserves the right to make changes, corrections and/or improvements at any time and without notice. In addition, MI disclaims any and all liability for damages incurred directly or indirectly as a result of errors, omissions, or discrepancies.

Any statements involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that such opinions or estimates will be realized. The information and expressions of opinion contained herein are subject to change without notice, and shall not, under any circumstances, create any implications that there has been no change



# Table of Figures

Figure 1 Graphic—Panorama Place Rendering, Roscoe Blvd. and Tobias St.....	10
Figure 2 Table—CoStar/NRB Shopping Center Census, California, 2005 .....	11
Figure 3 Table—Sales per Square Foot, Retailers, 2003.....	13
Figure 4 Map—Panorama Place Trade Area, 1- 3- 5-mile radius.....	14
Figure 5 Table—Radius Population, 1970-2012 Population of the San Fernando Valley, Extended Market.....	17
Figure 6 Table—SCAG Population/Household Projections, 2000-2030 .....	21
Figure 7 Table—History of Population Growth, Radius.....	22
Figure 8 Table—Historical Trend in Housing Supply Increase, Radius .....	22
Figure 9 Table—History of Population Growth, Regional .....	23
Figure 10 Table—Historical Trend in Housing Supply, Regional .....	23
Figure 11 Table—Rental Trends, 2001-2007, Los Angeles County .....	24
Figure 12 Table—Jobs/Housing Balance by Community Plan Area, 1990-2005 .....	25
Figure 13 Table—Jobs/Housing Balance by Community Plan Area, 1990-2005 .....	25
Figure 14 Table—Jobs/Housing Balance, 1980-2025 .....	26
Figure 15 Chart—Ratio of Owner-Occupied Housing, 1970-2012, Radius.....	27
Figure 16 Map—Population per Square Mile, San Fernando Valley, 2007.....	28
Figure 17 Table—Panorama Place, Housing Mix.....	29
Figure 18 Chart—Radius/Area Households with Incomes \$75,000 Plus, 2007 .....	29
Figure 19 Map—Households with Median Incomes of 75,000 Plus, 2007 .....	30
Figure 20 Chart—Residential Median Price, San Fernando Valley, 1990-2007 .....	31
Figure 21 Chart—Residential Units Sold, San Fernando Valley, 1990-2006.....	31
Figure 22 Table—Residential Sales of Units and Median Prices, 1990-2007.....	32
Figure 23 Chart—Median Value of Owner-Occupied Housing, 2007, Radius/Area.....	33
Figure 24 Chart—Median Value of Owner-Occupied Housing, 2007, Radius/Area.....	33
Figure 25 Table—Impact of Construction Activities of Panorama Place on Overall Economic Output.....	38
Figure 26 Table—Effect of Retail Activities of Panorama Place on Overall Economic Output (dollars) .....	40
Figure 27 Table—Effect of New Households Residing at Panorama Place on Economic Activity .....	42
Figure 28 Table—Aggregate Effects of Panorama Place Development on Economic Activity .....	44
Figure 29 Table—Aggregate Effects of Panorama Place Development on Economic Activity Total Economic Impact on Output by Sector, 2006 – 2018.....	45

Figure 30 Table—Projected New Property Tax Revenues to be received as a Result of the Panorama Place Project, by Local Government Entity, 2006 – 2018.....	48
Figure 31 Table—Projected New Sales Tax Revenues to be received as a Result of Panorama Place Project, by Local Government Entity, 2006 - 2018.....	51
Figure 32 Table—Projected New Business License Revenues to be received as a Result of Panorama Place Project, City of Los Angeles, 2006 – 2018 .....	52
Figure 33 Table—Projected New Utility User Tax Revenues to be received as a Result of Panorama Place Project, City of Los Angeles, 2006 – 2018 .....	53
Figure 34 Table—Projected New Documentary Transfer Tax Revenues To Be Received As a Result of Panorama Place Project, Selected Jurisdictions, 2006 – 2018.....	54
Figure 35 Table—Projected Commercial Tenant’s Occupancy Tax Revenues To Be Received As a Result of Panorama Place Project, City of Los Angeles, 2006 – 2018.....	55
Figure 36 Table—Projected Fiscal Impact of Panorama Place on the City of Los Angeles, 2006 – 2018.....	56
Figure 37 Table—Projected Fiscal Impact of Panorama Place on the County of Los Angeles, 2006 – 2018.....	56
Figure 38 Table—24-Hour Traffic Counts, Roscoe Blvd. and Van Nuys Blvd.....	58
Figure 39 Table—Metro Bus Service, Roscoe Blvd. and Van Nuys Blvd.....	59
Figure 40 Table—Panorama City/Van Nuys DASH Shuttle, Daily Passengers.....	60
Figure 41 Map—General Plan, Land Use Diagram, San Fernando Valley .....	62
Figure 42 Chart—Population, 1970-2012, Radius.....	2
Figure 43 Table—Population, 1970-2012, Radius .....	2
Figure 44 Table—Population, 1990-2012, Area.....	2
Figure 45 Chart—Households, 1970-2012, Radius.....	3
Figure 46 Table—Households, 1970-2012, Radius .....	3
Figure 47 Table—Households, 1990-2012, Area .....	3
Figure 48 Table—Household Growth, 1970-2012, Radius .....	4
Figure 49 Table—Household Growth, 1990-2012, Area .....	4
Figure 50 Table—Families, 1970-2012, Radius.....	4
Figure 51 Table—Families, 1990-2012, Area .....	4
Figure 52 Chart—Housing Units, 1970-2012, Radius .....	5
Figure 53 Table—Housing Units, 1970-2012, Radius.....	5
Figure 54 Table—Housing Units, 1990-2012, Area .....	5
Figure 55 Table—Owner-Occupied Housing Units, 1970-2012, Radius .....	6
Figure 56 Table—Owner-Occupied Housing Units, 1990-2012, Area .....	6
Figure 57 Table—Renter-Occupied Housing Units, 1970-2012, Radius.....	6

Figure 58 Table—Renter-Occupied Housing Units, 1990-2012, Area.....	6
Figure 59 Chart—Average Household Size 2000-2012 – Radius/Region.....	7
Figure 60 Table—Average Household Size, 2000-2012, Radius.....	7
Figure 61 Table—Average Household Size, 2000-2012, Area.....	7
Figure 62 Table—Persons per Household, 2007, Radius.....	8
Figure 63 Table—Persons per Household, 2007, Area .....	8
Figure 64 Map—Median Age of Householder 2007 – Radius .....	9
Figure 65 Table—Householder Median Age, 1990-2012, Radius.....	9
Figure 66 Table—Householder Median Age, 1990-2012, Area .....	9
Figure 67 Chart—Median Household Income, 1989-2012, Radius/Region .....	10
Figure 68 Table—Median Household Income, 1989-2012, Radius .....	10
Figure 69 Table—Median Household Income, 1989-2012, Area .....	10
Figure 70 Map—Median Household Income 2007 – Radius .....	11
Figure 71 Table—Average Household Income, 1989-2012, Radius .....	11
Figure 72 Table—Average Household Income, 1989-2012, Area.....	11
Figure 73 Chart—Mean-to-Median Household Income Ratio 1989-2012 – Radius/Area.....	12
Figure 74 Table—Mean to Median Household Income Ratio, 1989-2012, Radius.....	12
Figure 75 Table—Mean to Median Household Income Ratio, 1989-2012, Area .....	12
Figure 76 Table—Per Capita Income, 1989-2012, Radius.....	13
Figure 77 Table—Per Capita Income, 1989-2012, Area.....	13
Figure 78 Chart—Aggregate Household Income 1989-2012 – Radius .....	14
Figure 79 Table—Aggregate Household Income, 1989-2012, Radius.....	14
Figure 80 Table—Aggregate Household Income, 1989-2012, Area .....	14
Figure 81 Table—Aggregate Income Change, 1989-2012, Radius.....	15
Figure 82 Table—Aggregate Income Change, 1989-2012, Area .....	15
Figure 83 Table—Households with Income \$75,000-Plus, 1989-2012, Radius .....	16
Figure 84 Table—Households with Income \$75,000-Plus, 1989-2012, Area .....	16
Figure 85 Table—Ratio of Households with Income \$75,000-Plus, 1989-2012, Radius.....	17
Figure 86 Table—Ratio of Households with Income \$75,000-Plus, 1989-2012, Area .....	17
Figure 87 Table—Households with Income Less than \$75,000, 1989-2012, Radius.....	17
Figure 88 Table—Households with Income Less than \$75,000, 1989-2012, Area .....	17
Figure 89 Map—Median Value Owner-Occupied Housing 2007 – Radius.....	18
Figure 90 Table—Median Value Owner-Occupied Housing, 2000-2012, Area.....	18

Figure 91 Table—Median Value Increase Owner-Occupied Housing, 2000-2012, Radius .....18

Figure 92 Table—Median Value Increase Owner-Occupied Housing, 2000-2012, Area .....18

Figure 93 Table—Owner-Occupied Housing Value, 2000, Radius.....19

Figure 94 Table—Owner-Occupied Housing Value, 2000, Area .....19

Figure 95 Table—Owner-Occupied Housing Value, 2007, Radius.....20

Figure 96 Table—Owner-Occupied Housing Value, 2007, Area .....20

Figure 97 Table—Owner-Occupied Housing Value, 2012, Radius.....21

Figure 98 Table—Owner-Occupied Housing Value, 2012, Area .....21



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### About the Mulholland Institute

The Mulholland Institute is the first multi-disciplinary think tank dedicated to issues that affect governance and quality of life for the 1.7 million residents of the San Fernando Valley region. The Institute has access to a substantial library of research, reports and publications already produced by the organization's team members and strategic partners.

The Institute works to foster critical thinking and objective analysis on behalf of the community, particularly in matters of public policy. The development and broad dissemination of reliable facts and research are deemed essential to achieving social equity in the region's communities.

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#### *Endnotes*

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<sup>1</sup> Based on combined single-family residence and condominium prices. Source: San Fernando Valley Economic Research Center at Cal State Northridge.

<sup>2</sup> Panorama City is a community located within the jurisdiction of the City of Los Angeles, California.

<sup>3</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Los Angeles City Planning Dept./Maecal, LLC/Maefield Development Corp, August 2007.

<sup>4</sup> *Mission Hills-Panorama City-North Hills Community Plan: City of Los Angeles General Plan*, Los Angeles: Los Angeles City Planning Dept., plan update: June 9, 1999.

<sup>5</sup> Greyfield: Physically or economically obsolete, failing, or underutilized real estate assets or land. The term describes the sea of empty asphalt that often accompanies these sites—applied to formerly viable retail and commercial shopping sites that suffer from lack of reinvestment contemporary strategies or where the

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anchors vacate leaving behind empty shells. Greyfields typically do not require remediation in order to unlock value to an investor. Rpfreeman2 16:00, 20 February 2007 (UTC) [Wikipedia, August 2007]

<sup>6</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Los Angeles City Planning Dept./Maecal, LLC/Maefield Development Corp, August 2007.

<sup>7</sup> J. Ross McKeever and Nathaniel M. Griffin, *Shopping Center Development Handbook*, Washington D.C.: ULI-the Urban Land Institute, 1977, p. 1.

<sup>8</sup> Dean Schwanke, et al. *Mixed-Use Development Handbook*, Second Edition, Washington D.C.: ULI-the Urban Land Institute, 2003, p. 4.

<sup>9</sup> *Sprawl Hits the Wall: Confronting the Realities of Metropolitan Los Angeles*, Los Angeles: University of Southern California/Brookings Institution Center on Urban & Metropolitan Policy, 2001.

<sup>10</sup> *Regional Housing Needs Assessment: Final RHNA Allocation adopted by SCAG Regional Council*, Los Angeles, Southern California Association of Governments, July 2007, <http://www.scag.ca.gov/Housing/rhna/index.htm>

<sup>11</sup> From a sample of 56 such centers: Anita Kramer, *Dollars & Cents of Power Centers: 1997. A comparison with Super Community and Community Shopping Centers*, Washington D.C.: ULI-the Urban Land Institute, 1997, p. 47.

<sup>12</sup> Michael D. Beyard and W. Paul O'Mara, *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p. 13.

<sup>13</sup> Michael D. Beyard and W. Paul O'Mara, et al. *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p11. Anita Kramer, *Dollars & Cents of Shopping Centers: The Score 2006*, Washington D.C.: ULI-the Urban Land Institute/International Council of Shopping Centers, 2007.

<sup>14</sup> Michael D. Beyard and W. Paul O'Mara, et al. *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p. 11.

<sup>15</sup> Michael D. Beyard and W. Paul O'Mara, et al. *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p. 14.

<sup>16</sup> Michael D. Beyard and W. Paul O'Mara, et al. *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p. 15.

<sup>17</sup> Michael D. Beyard and W. Paul O'Mara, et.al. *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p. 11.

<sup>18</sup> Michael D. Beyard and W. Paul O'Mara, et al. *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p. 11.

<sup>19</sup> Michael D. Beyard and W. Paul O'Mara, et al. *Shopping Center Development Handbook, Third Edition*, Washington D.C.: ULI-the Urban Land Institute, 1999, p. 11.

<sup>20</sup> Based on an SCAG regional average commute speed of 28.4 miles per hour and a 15 minute range, this equates to a reach of 7.1 miles.

<sup>21</sup> Source: Whole Foods Market, [www.wholefoodsmarket.com/realestate/index.html](http://www.wholefoodsmarket.com/realestate/index.html), August 2007.

<sup>22</sup> Source: BizStats.com, August 2007.

<sup>23</sup> *Reilly's Law of Retail Gravitation*, in economics. Inspired by Isaac Newton's formula for gravity, Reilly proposed that a similar formula could be used to calculate the point at which customers will be drawn to one or another of two competing centers. The formula yields the break point between customers who will go to one center and those who will go to the other, located on a line connecting the two centers. Larger centers will have greater pulling power and therefore larger trade areas than smaller centers. People will

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travel further to reach a larger center. The law presumes the geography of the area is flat without any rivers, roads or mountains to alter a consumer's decision of where to travel to buy goods. It also assumes consumers are indifferent between the actual centers. See William J. Reilly, *The Law of Retail Gravitation*, New York: Knickerbocker Press, 1931.

- <sup>24</sup> Based on an SCAG regional average commute speed of 28.4 miles per hour and a 15 minute range, this equates to a reach of 7.1 miles.
- <sup>25</sup> Often referred to as the Inverse Square Law, a transportation model that calculates the decay of attraction as the inverse of distance squared. Ten miles out, the attraction is 1/100<sup>th</sup> of what it is one mile out from the project.
- <sup>26</sup> Richard M. Fenker, *The Site Book*, Fort Worth: Mesa House, 1996, p. 36-45.
- <sup>27</sup> Source: Derived from ESRI, Tapestry® Segments, 2007 for ZIP Code 91402.
- <sup>28</sup> *Panorama City Commercial Area Concept Plan*, Report, Sherman Oaks, CA: Urban Design Assistance Team: American Institute of Architects and the Economic Alliance of the San Fernando Valley, 2003. p. III-2.
- <sup>29</sup> "The New Suburban Village," (Implementation Plan), *Vision2020: San Fernando Valley*, Sherman Oaks CA: Economic Alliance of the San Fernando Valley/Mulholland Institute, 2003.
- <sup>30</sup> Wikipedia, June 2007.
- <sup>31</sup> *Northeast San Fernando Valley Study: Economic Assessment and Redevelopment Strategy*, Report, Los Angeles: Los Angeles Economic Development Corporation/Economic Alliance of the San Fernando Valley, May 2003, p.5.
- <sup>32</sup> "The New Suburban Village," (Implementation Plan), *Vision2020: San Fernando Valley*, Sherman Oaks, CA: Economic Alliance of the San Fernando Valley/Mulholland Institute, 2003.
- <sup>33</sup> *Raising the Roof: California Housing Development Projections and Constraints 1997-2020*, Sacramento: California Department of Housing and Community Development. 2000.  
<http://www.hcd.ca.gov/hpd/hrc/rtr/chp2r.htm>.
- <sup>34</sup> *California Construction Review*, Report, Burbank, CA: Construction Industry Research Board, May 2007.
- <sup>35</sup> *Sprawl Hits the Wall: Confronting the Realities of Metropolitan Los Angeles*, Los Angeles: University of Southern California/Brookings Institution Center on Urban & Metropolitan Policy, 2001.
- <sup>36</sup> *Sprawl Hits the Wall: Confronting the Realities of Metropolitan Los Angeles*, Los Angeles: University of Southern California/Brookings Institution Center on Urban & Metropolitan Policy, 2001.
- <sup>37</sup> *Sprawl Hits the Wall: Confronting the Realities of Metropolitan Los Angeles*, Los Angeles: University of Southern California/Brookings Institution Center on Urban & Metropolitan Policy, 2001.
- <sup>38</sup> *Charter of the New Urbanism: Congress for the New Urbanism*, Report, New York: McGraw Hill, 1999, p. 35.
- <sup>39</sup> *Charter of the New Urbanism: Congress for the New Urbanism*, Report, New York: McGraw Hill, 1999, p. 79.
- <sup>40</sup> *Charter of the New Urbanism: Congress for the New Urbanism*, Report, New York: McGraw Hill, 1999, p. 101.
- <sup>41</sup> Based on combined single-family residence and condominium prices. Source: San Fernando Valley Economic Research Center at Cal State Northridge.
- <sup>42</sup> *U.S. Housing Market Conditions: Regional Activity*, Washington D.C.: U.S. Dept. of Housing and Urban Development, Spring 2007.
- <sup>43</sup> *Welcome to California 1990s - Jobs/Housing/Transportation: The Great Balancing Act*, San Luis Obispo, CA: California Planning Roundtable October 1988, p. 16.

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- <sup>44</sup> Mark Pisano, *Jobs/Housing Balance: The SCSG Perspective*, Report, Los Angeles: Southern California Association of Governments, September 2001.
- <sup>45</sup> *Economic/Transit/Mixed Use Strategies for Housing Rich Communities*, Report, Ventura CA: County of Ventura, June 2004.
- <sup>46</sup> Note: The Southern California Association of Government's report *The New Economy and Jobs/Housing Balance in Southern California* also contains jobs/housing ratio data for SCAG subregions for 1997 and 2025 and for SCAG cities for 1997.
- <sup>47</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007. While the EIR uses standard factors to estimate the ratio as .49:1.0, the detailed econometric model in IMPLAN® estimates a much higher economic impact of nearly 1,131 jobs or  $1,131/504 = 2.24:1.0$ . This is the result of extending the counts to indirect and induced employment. Source: Mulholland Institute.
- <sup>48</sup> *The New Economy and Jobs/Housing Balance in Southern California*, Report, Los Angeles: Southern California Association of Governments, April 2001.
- <sup>49</sup> *Sprawl Hits the Wall: Confronting the Realities of Metropolitan Los Angeles*, Los Angeles: University of Southern California/Brookings Institution Center on Urban & Metropolitan Policy, 2001.
- <sup>50</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007, p. II-4.
- <sup>51</sup> *The Housing Bottom Line: Fiscal Impact of New Home Construction on California Governments*, Report, Sacramento: California Homebuilding Foundation/Blue Sky Consulting Group, June 2007, p. 9.
- <sup>52</sup> Also included here are realtor commissions associated with selling the 504 condominium units.
- <sup>53</sup> This estimate is derived from a detailed analysis of the layout of the project. It assumes four anchor spaces, including three large retailers and a health club. It assumes some 37,000 square feet of specialty and small retailers and approximately 10,000 square feet of food and beverage space. These models were prepared using data published by the Urban Land Institute and the International Council of Shopping Centers in their report *Dollars & Cents of Shopping Centers / The SCORE 2006*. Coefficients were developed using the Super Regional Center Model, which includes the Power Center category.
- <sup>54</sup> This approach errs slightly on the conservative side. It implicitly assumes that none of the goods and services that will be sold in Panorama Place will originate in any significant fashion from within the Los Angeles region. A review of the inventory of most retail outlets in malls generally supports this assumption, but there will almost certainly be some exceptions. This analysis will not capture these exceptions.
- <sup>55</sup> For purposes of this analysis, five percent of gross income is considered to be spent specifically in the new commercial space. Without mortgages, taxes, insurance or automotive service providers anticipated in the space, this adjustment reflects an estimate rooted in the *Current Economic Survey*, U.S. Bureau of Labor Statistics, <http://www.bls.gov/cex>.
- <sup>56</sup> These parcels were purchased from Kmart, an out-of-state interest. Of these totals, \$3,565,513 represents the net proceeds on the property and thus it represents potential additional direct spending that can produce economic returns. However, because of the location of the previous owner's operations and interests, a conservative review indicates that these monies should not be counted as part of the direct spending in the local economy.
- <sup>57</sup> This direct activity if captured wholly within the local economy would produce more than \$98 million of additional economic impact and approximately 473 jobs. It is likely, however, that these revenues will not be retained in the local economy and thus these impacts are excluded from the totals in Figure 28.



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- <sup>58</sup> The next 14 categories include Nursing and residential care facilities; Furniture and home furnishings stores; Social assistance- except child day care services; Accounting and bookkeeping services; Colleges- universities- and junior colleges; Employment service; State/Local Government (non-education); Truck transportation; Pharmaceutical and medicine manufacturing; Cable networks and program distribution; Management consulting services; Other amusement- gambling- and recreation industries; Building material and garden supply stores; and Health and personal care stores.
- <sup>59</sup> Note that this analysis leaves the detailed analysis of the expected marginal costs and negative impacts to the detailed Environmental Impact Report (EIR) prepared in compliance with the provisions of the California Environmental Quality Act. This analysis also leaves to that process the identification of the specific fees—such as school and park impact fees—likely to be imposed and negotiated under the provisions of the EIR process.
- <sup>60</sup> There is also an effect associated with the change in service utilization (such as the need for additional firefighters in a given station, or the need for additional classroom seats in a given school). This impact analysis, as mentioned before, is left for the EIR process.
- <sup>61</sup> There is also approximately 42,000 square feet of non-leased common area.
- <sup>62</sup> There is no directly comparable space available in the immediate market. As a result, these amounts have been imputed from comparable properties in surrounding areas and then adjusted for market growth. Real property values are always uncertain, but medium and long-term trends point to valuations in this range for the late 2010 completion date. For purposes of this analysis, a fair market value of \$650 per square foot is assigned for the residential portion of the project.
- <sup>63</sup> Note that these increased payments will not come from only property owner, but rather the 504 new homeowners and the owner of the commercial space.
- <sup>64</sup> The actual increment is the amount of fair market value in excess of the assessed valuation at the time of revaluation (usually through the sale of the property). Since 2010 is three years from now and the California Constitution caps growth in assessed valuation at 2 percent per year, the assessed value in 2010 will actually be \$18,120,127. Thus the increment total would actually total \$443.99 million.
- <sup>65</sup> Note that these amounts are actually calculated on the total balances of the increment funds received by the CRA. For purposes of the analysis here, only the marginal impacts related to the Panorama Place project are shown.
- <sup>66</sup> This amount represents the 25 percent portion contained in Part 1 of Section 602.2 “Distribution to Affected Taxing Entities” on Page 24 of the *Project Plan for Earthquake Disaster Assistance Project for Portions of Council District 7*, Ordinance 170156, City of Los Angeles.
- <sup>67</sup> This table shows the changes for the 1% General Tax Levy. The voted indebtedness portion of the property tax bill is not significantly impacted by this development activity.
- <sup>68</sup> Because of some formulaic issues at the state level, there is an on-going debate whether the City of Los Angeles receives its “fair share” of these monies, or disproportionately more or less. All three positions have argued in the course of the debate. For purposes of this analysis, it will be assumed that Los Angeles receives the “fair share” amount or 0.50 percent.
- <sup>69</sup> Northridge Fashion Center is recognized as being the most likely to compete for customers in the same demographics as Panorama Place, all subject to branding and levels of differentiation in the tenant mix.
- <sup>70</sup> These sectors include motor vehicle and parts dealers; furniture and home furnishings stores; electronics and appliance stores; building material and garden supply stores; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods- hobby- book and music stores; general merchandise stores; miscellaneous store retailers; non-store retailers; automotive equipment rental and leasing; video tape and disc rental; machinery and equipment rental and

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leasing; general and consumer goods rental except video tap; bowling centers; other amusement-gambling- and recreation industries; food services and drinking places; and car washes.

<sup>71</sup> These represent sales taxes that are entirely new to the City and County. As anticipated, the County's total net new sales taxes are significantly lower than the city's total.

<sup>72</sup> All of the county resources would be earmarked for transportation-related uses.

<sup>73</sup> At the time of this analysis, the developer anticipated using largely local companies for construction and development. If this changes over the course of the development, then the revenues for 2008 through 2010 could be less.

<sup>74</sup> This model only incorporates estimate of taxes associated with direct expenditures and sales related to the Panorama Place project. Indirect and induced sales, while not insignificant, are much more likely to happen in firms spread across the region and on the City's periphery. This, coupled with a mixed record of collections, may well lead to the opportunity to escape paying Los Angeles Business License charges. This makes this estimate a little on the conservative side in the longer-term.

<sup>75</sup> These are published in *CEQA Air Quality Handbook*, Tables A9-11-A and A9-12-A. This document is currently undergoing review and revision and there is some dialogue about raising the estimates usage levels, at least for electricity, in light of the general trend nationally toward higher per-household energy utilization. As a result, these estimates likely err on the conservative side and may actually understate actual electric revenues.

<sup>76</sup> In those comparisons, the AQMD factors were in the middle to low end of the estimated utilizations.

<sup>77</sup> These amounts were estimated using log and medium-term historical trends and expert estimates of real estate growth and turnover for condominium properties.

<sup>78</sup> These taxes can be waived as part of the negotiations surrounding impact fees as part of the Environmental Impact mitigation process.

<sup>79</sup> "The New Suburban Village," (Implementation Plan), *Vision2020: San Fernando Valley*, Sherman Oaks CA: Economic Alliance of the San Fernando Valley/Mulholland Institute, 2003.

<sup>80</sup> *The Citywide General Plan Framework: an Element of the City of Los Angeles General Plan*, Los Angeles: Los Angeles City Planning Dept., Adopted: July 7, 1999; Re-adopted: August 8, 2001.

<sup>81</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007.

<sup>82</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007.

<sup>83</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007.

<sup>84</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007.

<sup>85</sup> Van Nuys Airport is the busiest general aviation airport in the United States with a 1998 economic impact of \$1.3 billion. In 1998 VNY accommodated 551,622 annual aircraft operations and was home to 538 propeller aircraft and 107 jet aircraft. Source: *Economic Impact of Van Nuys Airport: Update – 1998*, Report, Van Nuys, CA: Wilbur Smith & Associates, 1998.

<sup>86</sup> *Panorama City Commercial Area Concept Plan*, Report, Sherman Oaks, CA: Urban Design Assistance Team: American Institute of Architects and the Economic Alliance of the San Fernando Valley, 2003. p. II-1.

<sup>87</sup> "The New Suburban Village," (Implementation Plan), *Vision2020: San Fernando Valley*, Sherman Oaks CA: Economic Alliance of the San Fernando Valley/Mulholland Institute, 2003.

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- <sup>88</sup> Source: Public Policy Institute of California, July 2002
- <sup>89</sup> Beth Barrett, "Flocking to the Valley," *Los Angeles Daily News*, 10 July 2003, p. A1. Source: California Dept. of Finance.
- <sup>90</sup> "The New Suburban Village," (Implementation Plan), *Vision2020: San Fernando Valley*, Sherman Oaks CA: Economic Alliance of the San Fernando Valley/Mulholland Institute, 2003.
- <sup>91</sup> James P. Allen and Eugene Turner, *Changing Faces, Changing Places: Mapping Southern Californians*, The Center for Geographical Studies, Cal State University, Northridge, 2002.
- <sup>92</sup> James P. Allen and Eugene Turner, *Changing Faces, Changing Places: Mapping Southern Californians*, The Center for Geographical Studies, Cal State University, Northridge, 2002.
- <sup>93</sup> James P. Allen and Eugene Turner, *Changing Faces, Changing Places: Mapping Southern Californians*, The Center for Geographical Studies, Cal State University, Northridge, 2002.
- <sup>94</sup> See Figure 41 Map—General Plan, Land Use Diagram, San Fernando Valley. See also *The Citywide General Plan Framework: an Element of the City of Los Angeles General Plan*, Los Angeles: Los Angeles City Planning Dept., Adopted: July 7, 1999; Re-adopted: August 8, 2001. Long Range Land Use Diagram, Figure 3-4.
- <sup>95</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007.
- <sup>96</sup> *Environmental Impact Report (Draft): Panorama Place Project*, Los Angeles: Christopher A. Joseph & Associates, August 2007. Table IV.G-3
- <sup>97</sup> *Panorama City Commercial Area Concept Plan*, Report, Sherman Oaks, CA: Urban Design Assistance Team: American Institute of Architects and the Economic Alliance of the San Fernando Valley, 2003.
- <sup>98</sup> *Vision2020: San Fernando Valley*, Report, Sherman Oaks, CA: Economic Alliance of the San Fernando Valley, Revised October 2004.
- <sup>99</sup> Compass Blueprint Partnership: New Directions for Growth. Source: *2004 Regional Transportation Plan/Growth Vision: Socio-Economic Forecast Report*, Los Angeles, Southern California Association of Governments, 2004.
- <sup>100</sup> *Regional Housing Needs Assessment: Final RHNA Allocation adopted by SCAG Regional Council*, Los Angeles, Southern California Association of Governments, July 2007, <http://www.scag.ca.gov/Housing/rhna/index.htm>
- <sup>101</sup> *Our Future Neighborhoods: Housing and Urban Villages in the San Fernando Valley*, Report, Sherman Oaks, CA: Economic Alliance of the San Fernando Valley/Mulholland Institute, July 2003.
- <sup>102</sup> *Prosperity Tomorrow*, Report, Sherman Oaks, CA: Mulholland Institute, 2004.
- <sup>103</sup> *Northeast San Fernando Valley Study: Economic Assessment and Redevelopment Strategy*, Report, Los Angeles Economic Development Corporation, Mulholland Institute, May 2003.
- <sup>104</sup> Source: Scottish Enterprise (2007) Scottish Enterprise Economic Impact Assessment Guidance, Version 1.0, Scottish Enterprise: Glasgow.