

Land Use Feasibility Analysis Summary

This is an excerpt of the larger Land Use Feasibility Analysis Memorandum prepared for the Glendora Arrow Highway Specific Plan by Andrew Kaplan and Jason Moody, Economic & Planning Systems, Inc., February 2016.

The section below summarizes findings from the land use feasibility analysis. The feasibility analysis was conducted for the two proposed Arrow Highway land use alternatives, included in this summary as Attachment A. For all the tested land uses' "scorecard", see **Exhibit 7**.

1. **The feasibility analysis shows that proposed M-C/Corridor Industrial, R-T/Transitional Residential, and R-C/Corridor Residential designations are the most promising near-term development uses.** These uses represent 58 percent of the area in the Specific Plan area (out of 78 percent total designated for redevelopment) in proposed land use Alternative 1, and 41 percent in Alternative 2 (out of 86 percent designated for redevelopment). Other proposed uses are less promising in the short-term. To maximize the catalytic impact of new development, it may be advisable to further cluster the more promising uses and/or reduce the quantity of less promising uses.
2. **M-C/Corridor Industrial, as represented by a prototype for two-story industrial/flex condominiums, is the most promising tested proposed land use in the short-term, due to high demand and favorable economics.** *(The proposed M-C/Corridor Industrial use is a hybrid between office, commercial, and light industrial uses where typical users might be incubator research and development and heavier commercial uses (automotive repair, construction materials supply). See **Exhibit 1** for examples of M-C/Corridor Industrial use.)*

Industrial/flex condominiums represent a relatively unique use in the San Gabriel Valley and appeal to wide range of industrial, technology, service-oriented, and creative tenants. Area brokers report that the use provides unique flexibility to respond to a variety of existing sources of demand in the market area. Furthermore, the use can be located outside a traditional office cluster—like the Plan Area—and still be marketable. The primary challenge for M-C/Industrial development in the Plan Area is assembling a large enough parcel to achieve efficient scale.

Exhibit 1 Examples of M-C/Corridor Industrial Uses



3. **R-T/Transitional Residential and R-C/Corridor Residential are uses with strong potential upside.** *(The proposed R-T/Transitional Residential serves as a buffer or transition from more intense commercial or higher-density residential uses to an adjacent low-density*

neighborhood. See **Exhibit 2** for examples of R-T/Transitional Residential uses. The proposed R-C/Corridor Residential is a higher-density residential use designed for corridor adjacency. See **Exhibit 3** for examples of R-C/Corridor Residential uses.)

Overall demand for housing in the San Gabriel Valley is high, and Glendora is an appealing city for residents. While financial feasibility of the two prototypes is borderline, due to the price discount resulting from the location disadvantages of the Arrow Highway corridor compared to other neighborhoods in the City, only moderate sale price appreciation relative to development costs is required for feasibility. Such growth can occur quickly in an area undergoing a transition such as that envisioned for the Glendora Arrow Highway corridor.

Exhibit 2 Examples of R-T/Transitional Residential Uses



Exhibit 3 Examples of R-C/Corridor Residential Uses



4. **Prospects for the C-A/Arrow Commercial, C-E/Entertainment Node, and MU-A/Mixed-Use Arrow designations lag those for other proposed uses because of strong existing retail competition, a general oversupply of retail inventory, and lower attainable rents along the Arrow Highway corridor.** *(The proposed CA/Arrow Commercial Node allows local-serving commercial uses such as grocery stores, restaurants, stationers, and toy stores to locate within a single center. See **Exhibit 4** for examples. The proposed C-E/Entertainment Node allows for a cluster of sit-down restaurants, brew-pubs, specialty retail shops, and entertainment uses such as theaters and bowling alleys. See **Exhibit 5** for examples. The proposed MU-A/Arrow Mixed Use is very flexible; it includes vertical mixed use (office or retail on the ground floor with one or two stories of residential use above) or horizontal mixed use (one or two stories of office or retail on one part of the parcel and one or two stories of residential use on another part); single stand-alone*

commercial use, or single stand-alone residential use. See **Exhibit 6** for examples.)

Feasible new neighborhood retail development will likely require greater residential density to increase retail demand. A more feasible short-term outcome for retail development is the renovation and upgrade of existing structures rather than new development.

Exhibit 4 Examples of C-A/Arrow Commercial Uses



Exhibit 5 Examples of C-E/Entertainment Node Uses

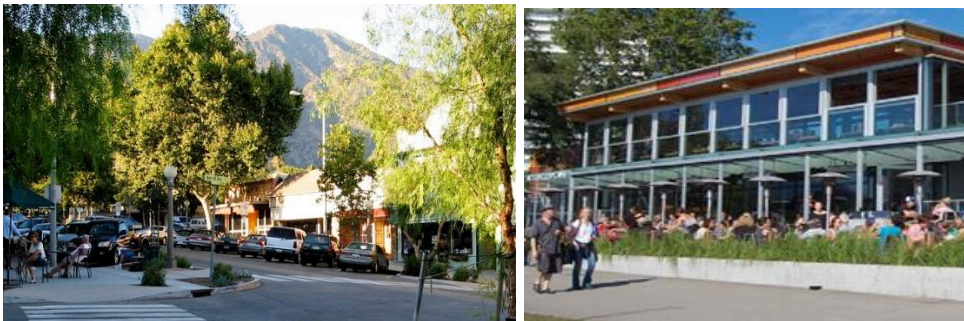


Exhibit 6 Examples of MU-A/Mixed-Use Arrow Uses



- Patterns of existing parcel configuration and ownership may present a challenge to land assembly for all proposed land uses.** Most of the Plan Area's 106 acres consist of small, irregularly shaped parcels. Land ownership is fragmented and reflects a variety of ownership characteristics that range from independent owners to trusts with multiple

interests. Land use and disposition decisions under these circumstances tend to optimize the interest of the individual owners rather than the district as a whole. Moreover, assembling a parcel large enough for significant development can require the cooperation of several players with divergent short-or long-term goals.

Exhibit 7 Feasibility Summary

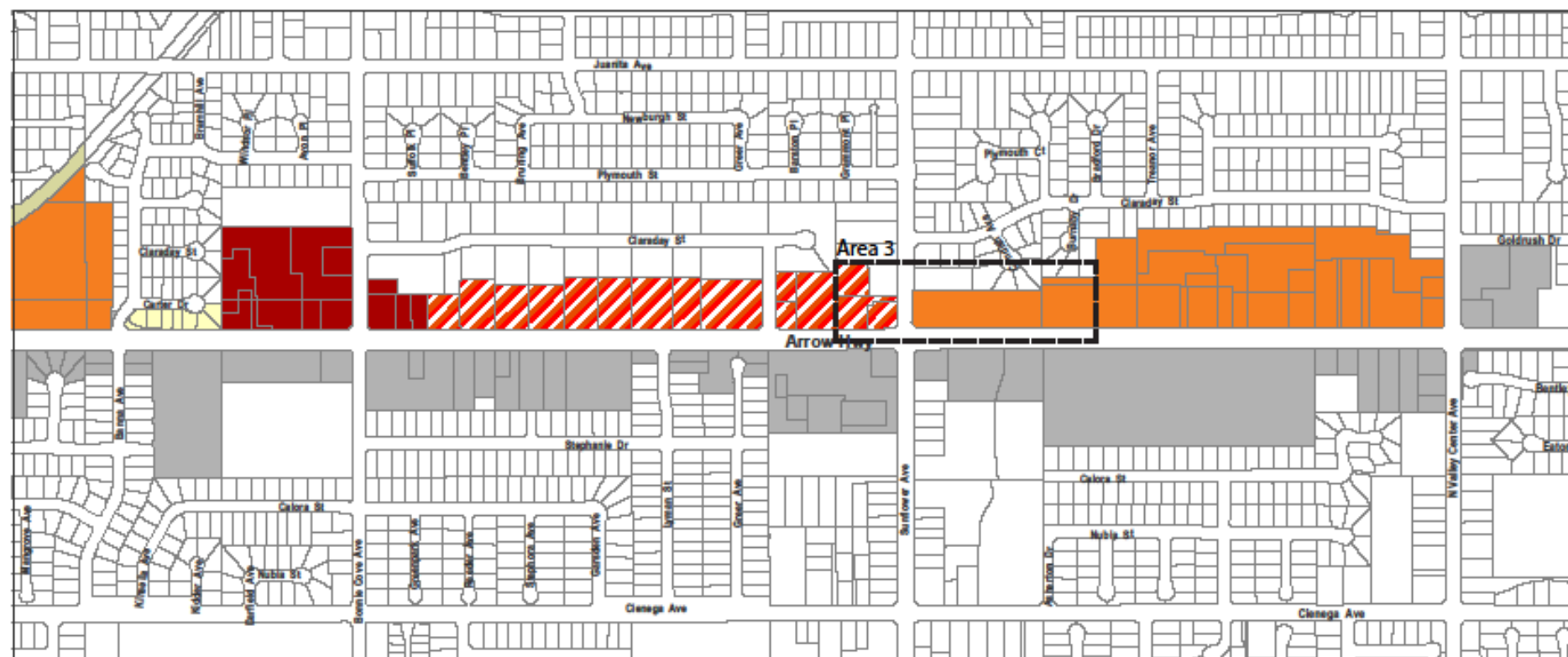
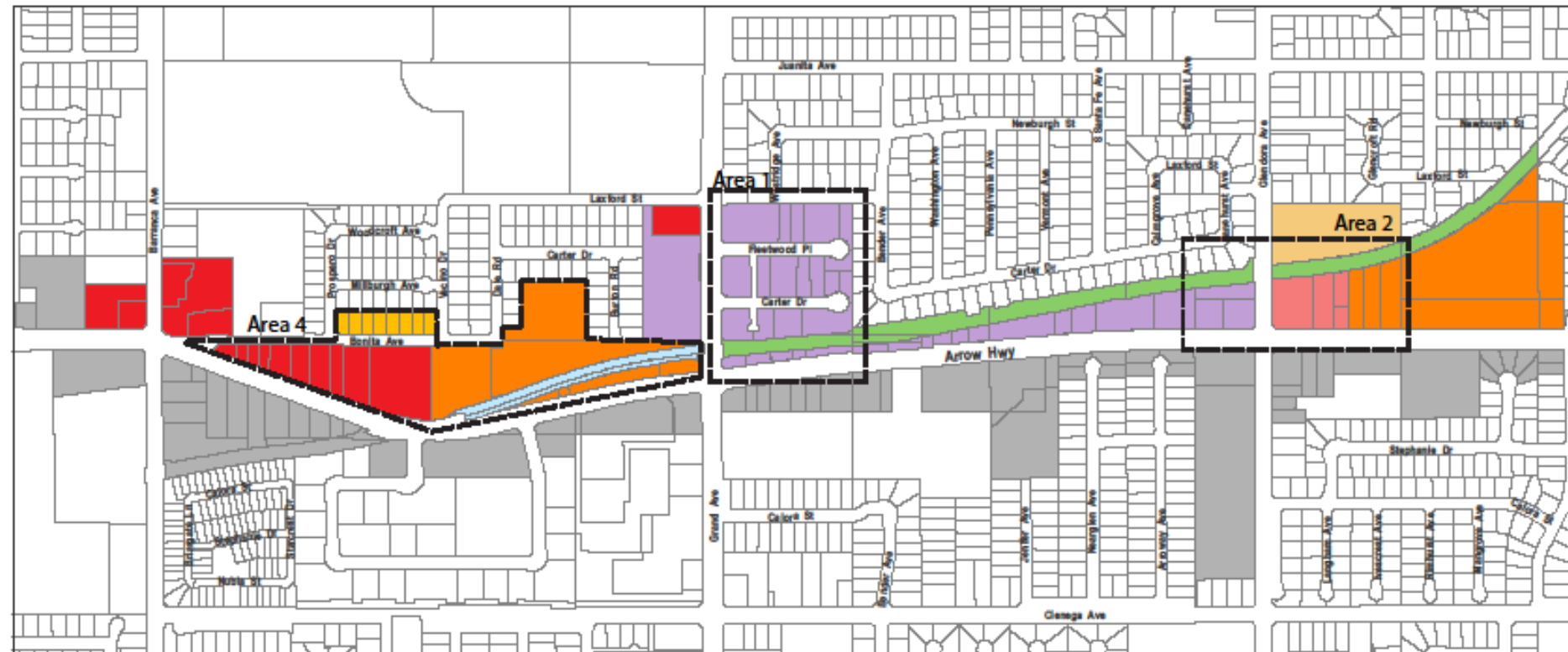
Land Use Category	Financial Feasibility (Near-Term)	Competitive Positioning	Ease of Land Assembly	Overall Near-Term Feasibility
Residential				
R-T: Transitional Residential--Sale	Borderline	Competitive	Moderate	Feasible
R-N: Node Residential--Rent	No	Competitive	Challenging	Infeasible
R-C: Corridor Residential--Sale	Borderline	Competitive	Moderate	Feasible
Commercial				
C-A: Arrow Commercial Node--Rent	No	Non-Competitive	Moderate	Infeasible
C-E: Entertainment Node--Rent	No	Non-Competitive	Moderate	Infeasible
MU-A: Arrow Mixed-Use Node ¹	Borderline	Non-Competitive	Moderate	Infeasible
Industrial				
M-C: Corridor Industrial--Sale	Yes	Competitive	Challenging	Feasible

(1) 70/30 weighted average of RC and C-A Commercial
Source: Economic & Planning Systems, Inc.

ATTACHMENT A

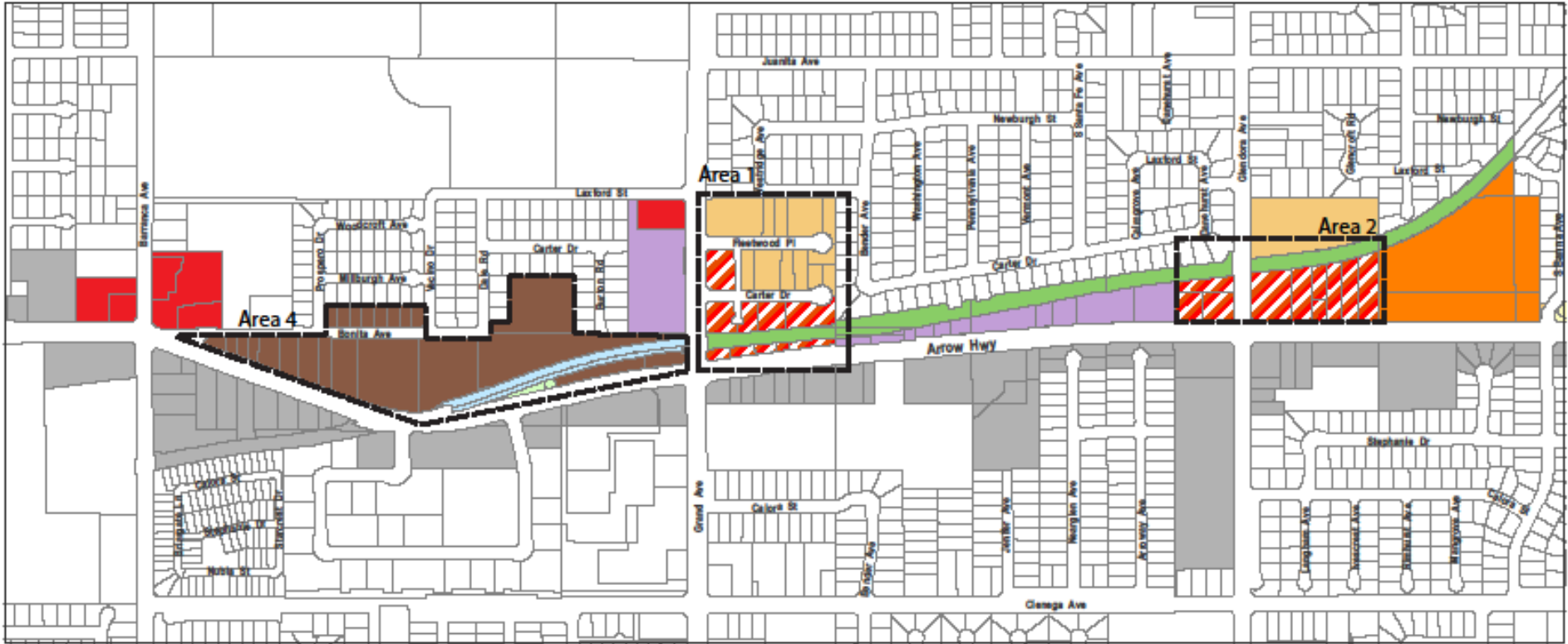
Alternative 1 (Draft)

Arrow Highway Corridor Specific Plan



Source: Los Angeles County Assessor, 2011.
Date: June 2, 2015

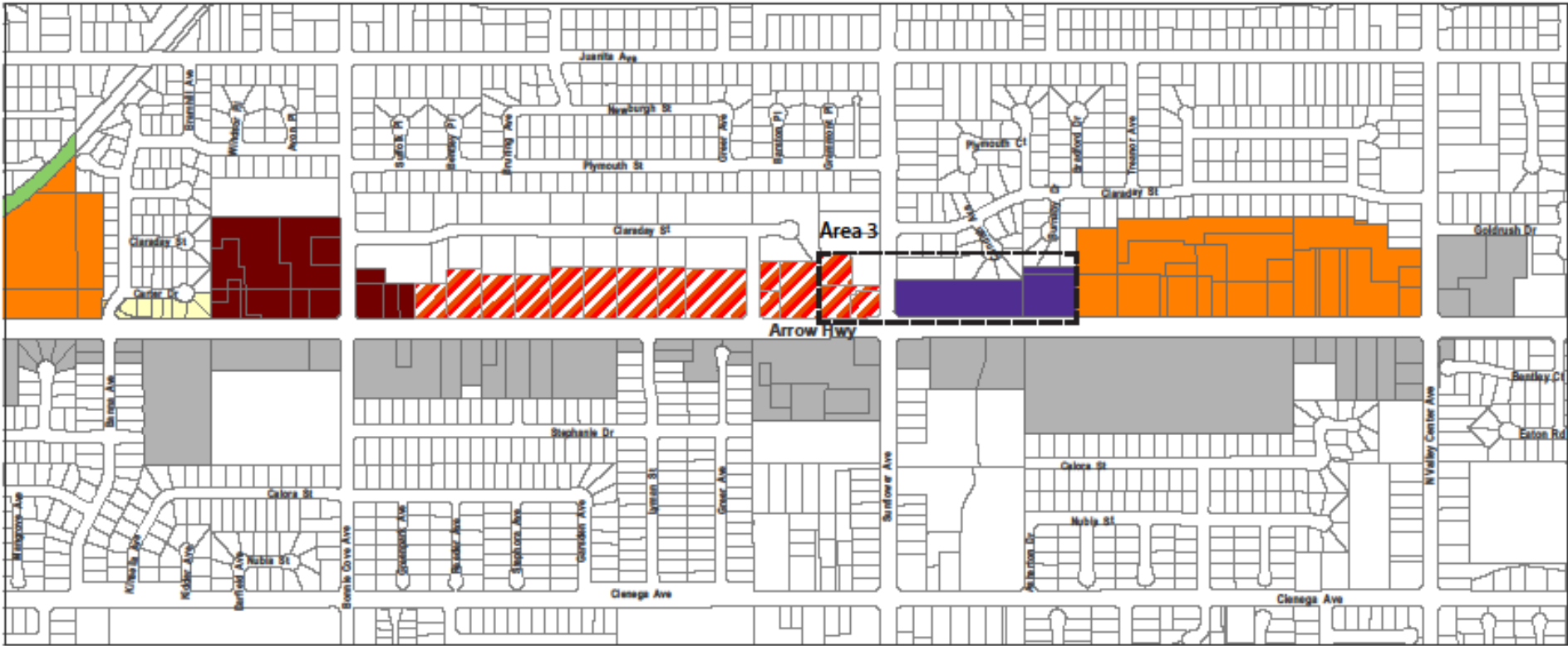




Project Area-West

Alternative 2 (Draft)

Arrow Highway Corridor Specific Plan



Project Area-East

Source: Los Angeles County Assessor, 2011.
Date: June 2, 2015

