

EXECUTIVE SUMMARY

REPORT ON COMMERCIAL REVITALIZATION OF COMMERCE AVENUE

PHASE I - ASSESSMENT AND PLANNING ACTIVITIES

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Executive Summary

Scope of Work

The purpose of the Commerce Avenue Revitalization project was to perform economic and demographic research along Commerce Avenue between Foothill Boulevard and Valmont Street in the Sunland-Tujunga area of Council District 2, and as a result of the data analysis prepared, develop an economic development strategy for the area.

This work is being done as part of a three-phase project. Phase I involved conducting an assessment, coordinating some planning activities, and developing the below described economic development strategy. Phase II will involve developing some design and preliminary construction plans, in conformance with the needs of the area as identified by local merchants and residents. Phase II will also develop clear linkages with existing city resources. Finally, Phase III involves the implementation e.g., physical construction projects.

Study Findings & Observations

The study area is challenged by a myriad of community, economic and social issues. In 1971, the area was formed as a Redevelopment Area, but was subsequently withdrawn when the Federal Government would not provide grant funding. The demographics of the study area has the youngest median age (28.8) for the all of Sunland-Tujunga, and a more balanced ethnic makeup than its broader environs with more Hispanic/Latino (43%) residents than White Non-Hispanic (41%) and the lowest per capita income for the area at \$13,147 (considerably less than the Los Angeles City per capita income of \$20,671). The political atmosphere in the community is suggestive that a division exists between economic development and increased land value vs. preservation of the environment and maintenance of the rural quality of life. Meanwhile, there is the perception of increase in gang activity, lack of community cohesiveness, and continued appearance of drug use, homelessness and a lack of social services for young and old adults.

On Commerce Avenue, we found a lackluster retail district with a mix of uses from industrial to multi-tenant residential to vacant lots and empty storefronts. While the area could be the beneficiary of a Specific Plan, too many non-conforming uses have been grand fathered or have not been enforced to meet the proper zoning. This is an older community with many smaller and narrow storefronts that are independently owned. Pedestrian traffic and automobile traffic is quite low on Commerce Avenue and many vacant storefront structures exist. On Commerce Avenue the size of the storefront properties and independent ownership composition make it particularly problematic for property assemblage or development. Also, as with most of the area, there are few store chains, no huge shopping centers, and little public relations designed to attract new business. In general, the weak demographics including low per capita income and lack of attention from the professional real estate community contribute to preventing a much-needed revitalization. While community opposition to projects can be strong, they are not opposed to appropriate growth and development.

In fact, the community's residents are optimistic about revitalization of the area and quite active through their Neighborhood Council and other community organizations. In an online survey of the Neighborhood Council database, where we received a 42% response rate (188 responses on 450 emails), three out of five respondents said they would spend 1-4 hours per month and one out of five said they would spend 5 or more hours per month helping a revitalization effort. Surveyed respondents indicated that the best methods to revitalize the area included: (a) direct outreach to developers, (b) community-led outreach efforts, (c) council led outreach efforts and (d) Neighborhood Council led efforts. In fact, local activism has contributed to property development by interested community developers.

Our surveys and focus groups provided area residents, business and property owners with an opportunity to craft their vision and design suggestions for the area. Participants suggested maintaining the historical integrity of the area through a mixture of traditional specialty shops and contemporary retail establishments operating in a safe, clean pedestrian friendly environment. They envisioned a coffee shop, bookstore, ice cream parlor, bakery, antiques, cultural venue and hardware store appealing to and meeting the needs of all members of the community, supported by foot traffic, convenient parking, gathering places and a friendly environment. The buildings should be earth tone colors with columns on facades and tile-overhang awnings to maintain the historical charm. The intersections will be cobblestone and the streets landscaped with trees, flowers, planters boxes made from river rock, sitting benches, and old globe-style street lamps. This would invite consumers to the area and families could enjoy the ambiance of the old town Commerce featuring a farmers market on Saturday.

Conclusions

From our property/business owner survey and focus groups, we have concluded the greatest challenges to improvement along Commerce Avenue are:

- (1) Lot sizes are small making it uneconomical to develop an underutilized lot;
- (2) Significant number of vacant storefronts which receive little interest from tenants and are uneconomical to market by the real estate brokerage community;
- (3) The range of mixed uses from industrial to residential to commercial to retail within a very small area make it difficult to create a dynamic retail corridor;
- (4) A large number of code violations and lack of code enforcement contributes to a neglected perception of the street;
- (5) Weak auto traffic counts and pedestrian traffic contribute to the perception that shopping demand is paltry;
- (6) Area demographics challenged both by the lack of a large surrounding population and the relative income of the population;
- (7) The distance from freeway off ramps making it more remote than other areas of the community; and
- (8) Adequate parking to support any significant growth to this retail corridor.

While the community has a clear vision for the area, the roadmap to get there is relatively uncertain. Commercial real estate brokers are not marketing the area and local developers are few and far between, or when present, not sensitive to community requirements. We would recommend that a consultant conduct a market analysis of area rental rates comparing available storefronts with other storefronts in the Sunland-Tujunga area and develop a database of available listings for sale and rent of area properties. A consultant could also begin to hold formation discussion meetings to explore a Main Street type organization focused on promoting the area, marketing available properties to developers and entrepreneurs, providing business and technical assistance to startup and existing businesses, and managing any neighborhood grant or façade improvement programs that might be put into place (see Short Term Strategy below).

Along with a clear vision, the community has offered a lot of design suggestions to improve the area. While a specific theme that ties in the historic river rock from the Bolton Hall Museum makes sense, simple landscaping improvements to the area would create significant improvement to the perception of the area. Any proposed improvements should follow the recommendations presented in the full report, “Commerce Avenue Revitalization Strategy” and should be designed in relationship with available CDBG funds for Phase III (see Medium Term Strategy below).

While we found little demand for city business assistance or loan programs from participating merchants, we heard several complaints that several minority entrepreneurs had opened retail stores only to close their locations 6-12 months later. Phase III funds earmarked for business and technical assistance and small business loans and targeted to this area would certainly be an appreciated resource.

Most importantly, however, we found clear demand for city services in the areas of: code enforcement, neighborhood façade and signage programs, and lighting and streetscape maintenance.

Short Term Strategy (Next 12 months)

As a short-term strategy, a model program to expedite the development process would be for community leaders to organize an effort to reach out to local property owners and assist them in marketing their available property. This exertion of pressure on key property owners to reopen their storefronts or make it clearly available for rent could be coordinated by the Commerce Avenue Merchants Association and funded through CDD either in the Phase II effort or through a separate CDBG pilot grant. Perhaps a pilot grant from the Community Development Dept. using CDBG funds might be made available such as was done in Canoga Park before it became a redevelopment area.

To assist community leaders in this process, we would recommend a consultant conduct a market analysis of area rental rates comparing available storefronts with other storefronts in the Sunland-Tujunga area and develop a database of available listings for sale and rent of area properties.

A consultant could also coordinate early formation discussion meetings to explore a Main Street type organization focused on promoting the area, marketing available properties to developers and entrepreneurs, providing business and technical assistance to startup and existing businesses, and managing any neighborhood grant or façade improvement programs that might be put into place. This should be coordinated with the local LISC office, which can provide technical and financial resources to help establish a local Main Street program.

Neighborhood leaders, especially those involved with the Design Advisory Committee of the Neighborhood Council, must focus first on its largest most important resource, the abandoned Ford property, at the entrance to Commerce Avenue, and use any and all political and legal pressure to encourage the sale and redevelopment of this property. Currently this property is in escrow, but if it does not close escrow due to perceived risk from hazardous waste and/or potential remediation costs then the City Council office might want to approach the CRA to access some of the \$3.65 million Los Angeles Brownfields Revitalization Fund that can be used for assessment, acquisition, remediation, and community involvement activities at brownfields sites. This will require considerable Council initiative because most of the funds are targeted to larger project sites. Secondly, the two larger properties that sit in the middle of the target area need to be redeveloped and repurposed for any meaningful change to occur. This is the 7,200 sq. ft. abandoned Bank of America lot at 9949-53 Commerce Avenue, which is currently a dirt lot, and the 18,530 sq ft industrial property occupied by AT&T, where their trucks park behind a razor-wired fence. While it was suggested that the dirt lot be turned into a subterranean parking lot with an above ground park, we would suggest that the AT&T lot could be converted into a parking lot alongside a Trader Joe's style grocery store and the B of A lot could become an attractive bookstore/bakery/coffee shop.

Finally, we would recommend the Commerce Avenue Merchants Association make an application to The Neighborhood Matching Fund (NMF) – a City of Los Angeles Board of Public Works program¹ that makes grants to neighborhood groups to undertake local improvement projects offering awards up to \$10,000 providing a match can be provided from the community in the form of cash, in-kind contributions and/or volunteer labor. Agreement on the project they would like fund could be accomplished at one of these early formation meetings (described above) and could finance any of the following items: Mural / Arts Projects; Gardening / Landscaping Projects; Streetscape Projects; Hardscape Projects.

Medium Term Strategy (1-3 years)

As a medium term strategy, these types of physical improvements would have to be funded either through Phase II and III funds or the Board of Public Works or a Business Improvement District (BID). Formation of a BID would require over 50% of the property (or business) owners to agree to assess themselves a fee for a period of five (5)

¹ For more information, contact the NMF staff at (800) 611-2489 or visit www.lacity.org/bpw/ocs/nmf. Alternatively, call Juliet Bae, Coordinator at Board of Public Works at (213) 978-0226

years, the funds of which could be used to cover the cost of landscaping, streetscaping, etc. (Alternatively, formation of an Alpha BID, could be attempted to be formed requiring only a 30% vote and lasting for ten (10) years. The Alpha BID is currently only designated for “special economic incentive zones” in the City of Los Angeles, so the definition of eligibility would have to be challenged.)

While we recommend a BID be explored, we recognize that a successful BID would generally require a minimum of \$150,000 to be effective and this is not considered likely since it would cost each property owner about \$3,000 per year. Therefore, the accomplishments by such a BID should be considered to have only modest goals. Council led efforts to get funds from the Board of Public Works to resurface the street, repair sidewalks, provide new street lights, improve signage, close alleyways, and make some tree plantings are probably the most likely immediate outcome to improve the physical landscape. Additionally, any funds for Phase III could be used for these purposes.

Phase II funds allocated for the design and landscaping suggestions on this Avenue should follow the recommendations presented in the full report, “Commerce Avenue Revitalization Strategy” and should be designed in relationship with available CDBG funds for Phase III. If Phase III is to be funded through a program such as the Targeted Neighborhood Initiative or Los Angeles Neighborhood Initiative, which provides funds to underserved communities to help revitalize their communities, then until these programs are provided with new funding allotments Commerce Avenue will have to wait and apply for program area eligibility in 2005.

Long Term Strategy (3-5 years)

As a long-term strategy, using the Main Street Program model as a tool for organizing and marketing the community is encouraged because the high level of community involvement would lend itself to this strategy. The community lacks some cohesiveness in their organizations, but more importantly, they lack the technical know-how on how to improve their community. The Main Street Program provides an easy to use blueprint for how to organize, market, and promote the area. While grant funds for this program are not available at this time, it is likely that continued funding will flow into this program from corporate sponsors and foundations. And, the funds will only go to those who are organized to accept it and utilize it.

Another long-term option is the formation of a Redevelopment Area. More research would need to be conducted on this to determine its efficacy and support in the community. A redevelopment program could be effective in assemblage of the smaller lots and creating development opportunities that might not be likely otherwise.

STRATEGY SCORECARD

Short-term = RED Medium-term = YELLOW Long-term = GREEN

<u>Issues</u>	<u>Solutions</u>
Illegal storefront occupancy	Code enforcement of building usage/occupancy and zoning
Code violations of signage and parking	More regular code enforcement, signage, parking, and vagrancy laws
Perceived Safety concerns	Increase police presence Business neighborhood watch Clean up alleyways behind storefronts Monitor alleyways for illegal activity
Nuisance alley activity	Clean up alleyways behind storefronts If necessary, use Board of Public Works Nuisance Alley Conversion Program approves closure of nuisance alleys plagued by illegal dumping, criminal or gang activity.
Lack of a strong identity/physical anchor in target area	Appropriate use of 7200 Foothill Blvd. site to meet community's desire for an attractive mixed-use retail/commercial development
Empty storefronts	Local real estate property marketing by residents and business activists
Questionable or weak consumer demographics	Destination retail shops and shops that meet locally based needs
Inadequate parking to support future growth	City parking lot, parking variances for new development
Improve Image of the Area	Architectural/design tie in with historical buildings Broad-based publicity campaign Improved signage, decorative lighting, river rock fountains, cobblestone walkway paths and possible inclusion of equestrian/western theme
Small lot sizes make it economically challenging for property development	Assemblage of properties City incentives for development, use of CRA to create a Redevelopment Area
Unattractive and non-conforming storefronts and mix of uses	Storefront façade improvement grants/loans through CDD
More trees Better lighting Nicer landscaping Improve streetscape	Business Improvement District, Targeted Neighborhood Initiative, Neighborhood Block Grant, Neighborhood Matching Grant
Weak Local Organization No Clear Consensus	Organize along "Main Street" program Organize local property owners to form either a Business Improvement District or Alpha BID