



## Staff Report

**Date:** March 22, 2016

**To:** City Council

**From:** Valerie J. Barone, City Manager

**Reviewed by:** Victoria Walker, Director of Community and Economic Development

**Prepared by:** Frank Abejo, Senior Planner  
Frank.Abejo@CityofConcord.org  
(925) 671-3128

**Subject:** **Approve a contract in an amount up to \$47,000 for ALH Urban & Regional Economics to prepare an Economic Impact Analysis for the proposed Veranda Shopping Center located at 2001-2003 Diamond Boulevard (funded by the project applicant)**

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### REPORT IN BRIEF

An economic impact analysis will be conducted for the Veranda Shopping Center to address comments and concerns that have been received concerning the project's potential negative economic impact on other businesses in Concord. This analysis will be included in the environmental impact report (EIR) that is being prepared for the project pursuant to the California Environmental Quality Act (CEQA).

Staff has determined that ALH Urban & Regional Economics (ALH) is best qualified to prepare an economic impact analysis for the project. ALH's work proposal, included as Attachment 2, estimates a cost of \$47,000 to complete the analysis. The project applicant, CenterCal, supports the inclusion of this element into the CEQA document and will fund the full cost of the economic impact analysis, as well as the EIR.

### RECOMMENDED ACTION

Staff recommends that the City Council authorize the City Manager to enter into a contract with ALH to prepare an economic impact analysis for the proposed Veranda Shopping Center project.

## **BACKGROUND**

On January 5, 2016, the City Council authorized contracts for the preparation of a traffic study and EIR for the proposed Veranda Shopping Center project to be located at 2001-2003 Diamond Boulevard. Tasks that have been completed under the EIR scope of work include a notice of preparation (NOP) sent to public agencies and interested parties soliciting feedback on topics to consider in the project's environmental review. In response to the NOP, Brenden Theatres, which operates a theater facility in downtown Concord, provided comments expressing concerns with the project's economic impact on downtown businesses. Brenden Theatre's comment letter is included as Attachment 1.

## **DISCUSSION**

A CEQA analysis is primarily concerned with a project's physical impact on the environment. The initial review conducted under CEQA is the completion of an Initial Study identifying topics that must be considered as part of the project's preliminary review. Economic and fiscal impacts are typically not considered in the Initial Study phase because such impacts rarely manifest into significant physical impacts on the environment. An exception is when a project's economic impact on the retail base is so severe that it may result in a physical deterioration of the environment due to long-term building and property vacancies. As ALH further explains in their proposal:

*"...the potential physical deterioration would need to be predicated upon a finding of negative economic impact so severe that stores might close as a result and that it would be expected that rather than being reused within a reasonable time, those buildings and/or property would remain vacant, deteriorate, and lead to the decline of the associated or nearby real estate...However, simple store closures are not sufficient to cause physical deterioration, as such closures could provide an opportunity for new retailers or other tenants to occupy the vacated space or for property owners to engage in economic development efforts to improve properties."*

Staff has determined that, due to the proposed project's large size and character, an economic impact analysis is necessary to address the concerns raised by Brenden Theatres and similar concerns that the City may receive during this project's environmental review process. CenterCal, the project applicant, supports the preparation of this element.

In accordance with Municipal Code Section 3.10.040, City Council approval is required to remunerate professional service and consulting contracts exceeding \$50,000 to the same vendor within any fiscal year regardless of funding source. ALH is currently under a professional services agreement with the City to provide on-call services for basic fiscal and modeling analysis for the Community Reuse Project. ALH's existing contract amount, combined with their proposal for the Veranda Economic Impact Analysis, will

## City Council Agenda Report

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exceed \$50,000 for the current fiscal year and therefore requires approval by the City Council.

### **FINANCIAL IMPACT**

Approval of ALH's proposal will have no net cost to the City. The project applicant, CenterCal, will pay the full contract costs in addition to 20% of the contract amount to cover City administrative costs associated with the contract.

### **PUBLIC CONTACT**

The City Council Agenda was posted.

### **ATTACHMENTS**

1. Correspondence from Brenden Theatres
2. Proposal by ALH Urban & Regional Economics for the Veranda Shopping Center Economic Impact Analysis

JOHN BRENDEN, PRESIDENT AND CEO



February 3, 2016

Frank Abejo, Senior Planner  
City Of Concord Planning Division  
1950 Parkside Place MS/53  
Concord CA 94519

**RECEIVED**  
**FEB 08 2016**  
**PLANNING**

Dear Mr. Abejo:

I am responding to Concord Planning Division's NOP request for comment dated January 25, 2016 regarding the proposed 30 acre 375,000 square foot commercial shopping center proposed for the existing Chevron regional office property.

While I understand the city's interest in developing a soon to be vacant property, I have serious concerns regarding the types of uses planned for the development and their potential economic impact on Concord's downtown business community. The planning department has worked so hard to revitalize our downtown. The proposed restaurants and cinema will quickly undo all of that work and undermine the City's Priority Development Area efforts.

With the close proximity of the Chevron site to the Sun Valley Mall, the effect of the proposal on the existing shopping mall could be disastrous. Concord cannot afford to have any more empty storefronts.

As you are aware, Brenden Theatres has been a primary anchor to our downtown for over 18 years. We, along with our fellow downtown merchants have been through the early years of struggles from, among other developments, the Pleasant Hill downtown project. Now, just as we finally see some growth and vitality in our downtown, we have another major hurdle with the proposed Chevron project. A large retail, entertainment, restaurant project such as this would potentially cripple our downtown.

In addition, we are planning major upgrades to our theatre, including luxury recliners, reserved seat ticketing, new restrooms located on the main floor and access through the theatre lobby to our adjacent restaurant space serving an expanded menu, premium beer and wine. Although I am excited to make this investment in our theatre, an investment that will bring more people downtown, the proposed development causes me to question the wisdom of this decision.

Mr. Abejo, I urge you and City staff to seriously consider the points I have laid out. It is paramount that the decisions made going forward protect the future of our downtown and those who have worked so hard to revitalize it.

I have taken the liberty to forward copies of this letter to Mayor Hoffmeister, City Manager Barone and other key members of City staff.

Sincerely,

A handwritten signature in black ink, appearing to be 'JB' with a flourish underneath.

John Brenden, President & CEO  
Brenden Theatre Corporation

Copies to:

Laura Hoffmeister, Mayor, City of Concord  
Valerie Barone Concord City Manager  
Victoria Walker, Community And Economic Development Director:  
John Montagh Economic Development Manager:  
Florence Weiss, Downtown Program Manager:  
Tim McGallian, President, Todos Santos Business Association



ALH Urban & Regional Economics

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February 9, 2016

Frank Abejo  
Senior Planner  
City of Concord  
1950 Parkside Drive, MS/53  
Concord, CA 94519

**Re: Economic Impact Analysis for the Veranda Shopping Center, Concord, CA**

Dear Mr. Abejo:

ALH Urban & Regional Economics appreciates being asked to submit this proposal to the City of Concord to conduct an economic impact analysis for the proposed Veranda Shopping Center in Concord, California. This letter provides an introduction to ALH Economics and summarizes the proposed scope of work, timeframe, and professional fees and expenses to prepare an economic impact analysis for the project.

**FIRM INTRODUCTION**

ALH Urban & Regional Economics ("ALH Economics") is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- Socioeconomic analysis
- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Charter Properties; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; and Cross Development LLC. For many of these projects ALH Economics comprised a subcontractor, with the ultimate client including a range of government entities, such as the cities of Oakland, Sacramento, San Jose, Ukiah, Lincoln, Roseville, Walnut Creek, Davis, San Francisco, Chico, and (Town of ) Yountville.

#### PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including commercial market analysis, fiscal and economic impact analysis, economic development and redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning 30 years, Ms. Herman has supported client goals in many ways, such as to assess supportable real estate development, demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University. She pursued additional post-graduate studies in the Department of City and Regional Planning at the University of California at Berkeley. She is Vice President of the Board of Directors of Rebuilding Together East Bay - North (formerly Christmas in April) and serves as an officer on yet other non-profit boards.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. Ms. Herman's resume can be found in Appendix A.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of economic impact analyses as part of the environmental review process for projects with major retail components. A review of Ms. Herman's experience with these types of studies is included in Appendix B.

### SCOPE OF WORK

ALH Economics plans to conduct several tasks relevant to economic impact analysis of the Veranda Shopping Center (the "Project"). This analysis will be incorporated in to the EIR being prepared on the project by LSA Associates, Inc. ("LSA") in association with the EIR's evaluation of the Project's economics impacts. We understand the Project will include 375,000 square feet. The preliminary floor area breakdown for the Project is as shown in the following table.

Land Use	Approximate Estimated Floor Area (sq. ft.)
Grocery Store	40,000
Restaurant, Full Service	45,000
Restaurant, Limited Service	40,000
Restaurant with Drive Through	5,000
Retail Sales, General	165,000
Offices, Professional, Medical, and Dental	5,000
Fitness Facility, Health Club	30,000
Bank/Financial Services	5,000
Theater, Auditorium	40,000
<b>Total Floor Area (Maximum)</b>	<b>375,000</b>

The current plans include the completion of Project construction by September 2017. For the sake of analysis, therefore, ALH Economics will assume the year 2018 will comprise the Project's first full year of operations.

The tasks associated with the Project's economic impact analysis follow. These tasks are presented in phases, with Phase I associated with production of the economic impact analysis for environmental review purposes, and Phase II associated with any subsequent public process.

### Task 1: Economic Impact Analysis

**Task 1.1 Project Initiation and EIR Coordination.** ALH Economics will initiate the economic impact analysis by reviewing existing materials pertaining to the Project and coordinating with LSA regarding key data points, such as Project square footage, anticipated Project opening date, trip distribution assumptions, City of Concord population and household estimates and projections, and cumulative projects detail. The purpose of this will be to achieve consistency between the EIR and the economic

impact study. Data required to support the analysis not included in existing materials will be specially requested.

**Task 1.2. Project Definition.** ALH Economics will formulate a working definition of the Project. This will include anticipated sales upon stabilization and assumed Project opening date. ALH Economics will develop retail sales categories and sales estimates relevant to the Project for comparative analysis. If specific information regarding prospective Project tenants or types of tenants is not available we will develop assumptions based upon consideration of other retail projects in the general region and/or similar sized shopping centers in general. ALH Economics will formulate sales projections for the retail components based on this information, using 10-K reports on file with the Securities and Exchange Commission for identified retailers and industry resources for other, more generalized retailers. All sales figures will be based upon constant dollars and will not reflect the anticipated effects of inflation. This Project definition will also include conceptualization information about the Project's fitness facility/health club and Theater components.

**Task 1.3. Definition of Market Area.** ALH Economics will define a market area appropriate for analysis of the Project. The market area will be defined as the area from which the majority of retail demand for the Project is anticipated to originate. This will be defined through several approaches, including visual observation and data analysis, and analysis of the distribution pattern of existing and planned competitive retailers and retail centers, especially grocery stores pursuant to the Project's anticipated grocery store anchor. Examination of the area's geography and regional highway system will also contribute to the definition of this area. ALH Economics will additionally estimate the level of Project demand likely to be generated from within the market area versus other sources of demand.

**Task 1.4. Demographic Estimates and Projections Compilation.** Population and household demographic estimates and projections comprise a fundamental benchmark for purposes of ALH Economics' economic impact analysis. These estimates are an especially critical component of the retail demand and sales leakage analysis described in the following task. Accordingly, effort will be required to compile population and household estimates and projections for the market area. These will be prepared using generally accepted government resources to the extent possible. Other resources will be used as deemed necessary. This task will provide an opportunity to ensure that any future households generated by planned residential projects in the market area are included in the household projections.

**Task 1.5. Retail Demand and Sales Leakage Analysis.** ALH Economics maintains a retail demand and sales leakage model that estimates retail spending potential based upon population/households, income, and consumer spending patterns, and determines the extent to which a study area is or is not capturing this spending potential. Retail categories in which spending is not fully captured are called "leakage" categories, while retail categories in which more sales are captured than are generated by residents are called "attraction categories."

ALH Economics will conduct this analysis for Concord and other cities relevant to the market area. The retail demand and sales leakage analysis will be operated for the data (four quarters) most recently available as of the study initiation date. The findings will then be used as a basis for projecting the retail supply and demand conditions during the Project's projected first year of operations. This latter analysis will take into consideration the extent to which relevant retail demand is expected to increase based on household growth by the time of the Project's opening.

The results will indicate the extent to which the market area is currently capturing existing demand in categories relevant to the Project, the extent of this attraction, and the extent to which there may be other potential to capture relevant sales. Moreover, the results will indicate the extent to which future area household and income growth may impact the demand for new market area sales and other relevant demand characteristics, coincident with the stabilization of the Project.

**Task 1.6. Conduct Site Reconnaissance.** ALH Economics will visit the Project location, nearby shopping districts, and competitive retail operations. The primary purpose of these visits will be to understand the location of the site vis-à-vis competitive retailers (existing and planned, see Task 1.8) and to assess prospective impacts on existing retailers, nearby health clubs, and theaters. This task will be conducted coincident with Task 1.7 activities.

**Task 1.7. Existing Retail Base Impacts.** ALH Economics has developed a quantitative approach to estimate the extent of existing area sales that might be diverted by new or expanded retailers. The approach takes into consideration the extent to which existing area retailers share in regional demand, the extent to which area retailers experience net regional attraction or leakage in key retail categories, and the anticipated distribution of the prospective retailer's sales. The data points most critical to this analysis include estimated area sales data, the Retail Demand and Sales Leakage Analysis, and the projected retailer sales.

This quantitative analysis will be paired with tours of the relevant market area stores, focusing on shopping centers anchored by grocery stores, plus health clubs and select theaters. These competitive facilities will be identified through personal knowledge of the market area, review of existing documents, Internet research, and field research. The purpose of the tours will be to identify relative retail niches, to generally assess the nature and strength of their operations, and to qualitatively assess the degree to which the Project may compete with existing stores/health clubs and theaters and the associated level of sales losses that may be experienced by these types of stores or health clubs (in general). The health clubs and theaters will be assessed for market niche and general physical condition.

**Task 1.8. Cumulative Impacts Analysis.** In addition to examining the impact of the Project, the analysis will also consider the cumulative impacts of this development in association with other new development projects under construction or planned in the market area or surrounding area, as relevant. This analysis will include projects known to the City of Concord and other nearby jurisdictions (as applicable) for which entitlement applications have been submitted. Thus, projects with a reasonable expectation of being developed during or shortly after the timeframe of the Project will be incorporated into the analysis. ALH Economics will additionally coordinate with LSA and the Project's traffic consultant to ensure the use of common assumptions regarding planned projects. The preceding store impact findings will be augmented through sensitivity analysis to include these projects.

**Task 1.10. Physical Deterioration Determination.** Based upon the preceding task findings, ALH Economics will develop an estimate of the extent to which development of the Project may or may not contribute to physical deterioration of the commercial real estate base.<sup>1</sup> In order to establish baseline conditions for this analysis, a visual assessment of existing retail occupancies/vacancies and building conditions will be conducted, and any areas of existing or potential physical deterioration will be noted. To the extent available, information on prevailing retail vacancy and occupancy rates and general retail market trends will be researched and discussed, as well as information about past retail vacancies and their subsequent backfilling, if relevant.

A determination that the Project could result in potential physical deterioration would need to be predicated upon a finding of negative economic impact so severe that stores might close as a result and that it would be expected that rather than being reused within a reasonable time, those buildings and/or property would remain vacant, deteriorate, and lead to the decline of the associated or nearby real estate. If ALH Economics finds no or minimal negative impact, then physical deterioration would not be a logical result. However, simple store closures are not sufficient to cause physical deterioration, as such closures could provide an opportunity for new retailers or other tenants to occupy the vacated space or for property owners to engage in economic development efforts to improve properties. Therefore, ALH Economics will additionally contact commercial brokers active in and around the market area to obtain their perception of the potential for commercial leasing activity as well as their perception of the future and strength of retailing in and around the market area, or the potential reuse of vacant commercial space for other uses, such as institutional or industrial. Retail market vacancy statistics will be obtained for the market area cities, as well as examples of recent retail leasing activity.

**Task 1.11. Report Preparation.** ALH Economics will prepare a succinct report documenting the economic impact study tasks, approach, and findings. Quantitative findings relevant to the report will be fully documented and attached as exhibits. A draft will be submitted to LSA for review and incorporation into the ADEIR. The report will be finalized for the EIR upon receipt of ADEIR comments.

## Task 2: Public Process

**Task 2.1. Response to Public Comments.** ALH Economics will review any relevant public comments submitted following distribution of the economic impact report. We will provide written responses if warranted for public distribution. Our project fee estimate assumes no more than 10 hours of staff time required for this task. Any time commitment above this level will require additional fees. This will especially be the case if any expert reports or memorandums are submitted, including during the public process after completion of the FEIR.

**Task 2.2. Public Hearing Attendance.** ALH Economics will attend public hearings relevant to the Project, assuming ALH Economics has no prior conflicts associated with the meeting dates. Other provisions may need to be made if such conflicts occur. The budget estimate assumes attendance at up to two public hearings, with each meeting lasting for an average duration of 3.5 hours.

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<sup>1</sup> In this instance, “physical deterioration” is generally construed to be synonymous with the concept of “urban decay,” which has a particular CEQA analysis connotation.

The budget for this task does not include the preparation of any written responses to documents submitted in opposition to the Project following the Task 2.1. Response to Public Comments. Any time commitment required to respond to materials submitted during the public hearing process will require additional fees.

### TIMEFRAME AND PROFESSIONAL FEES

We estimate that a Task 1 draft report of the economic impact findings can be completed within approximately 6-8 weeks from our receipt of your written authorization to proceed, assuming that the information and data needed from the City of Concord and Project team members are readily available. We will seek to complete the draft report as close to the 6 week project timeframe as possible as we understand timing is of the utmost importance. If data provided change during the course of the Project, these factors will be included in the analysis. However, this could delay report completion and result in extra professional fees.

Our fee for these services will be based upon our actual time expended, billed at our current hourly rates. This rate is \$245 for Amy L. Herman, Principal of ALH Urban & Regional Economics. More junior level staff will be billed at a lower hourly rate, ranging from \$120 to \$130 per hour.

Based upon our current understanding of the engagement, we anticipate the fees to be distributed as follows:

- \$42,000 for the Phase I, Economic Impact Analysis; and
- \$5,000 for Phase II, Public Process

Thus, the total Project fee estimate is \$47,000.

This fee estimate assumes that the information and data needed about the Project are readily available and will be provided by the Project's environmental consultant or other relevant parties.

ALH Economics' economic impact report will be based upon time sensitive information. If LSA, the City of Concord, or other Project team review of the report or submission of the report to the public is delayed such that the time sensitive information becomes outdated and requires an update, additional time and fees **will be** required to complete this update. Depending upon the duration of the delay, the associated time and fees may be significant. A changed assumption regarding the Project opening date or size of the Project after completion of the draft report will also necessitate substantial edits to the report, resulting in additional time and fees. **ALH Economics has no obligation to update the report based upon changed Project assumptions subsequent to delivery of the first report draft.**

The estimated fee and timeframe described above are valid for 90 days from the date of this proposal. If this contract is executed at any time after 90 days of the proposal date, ALH Economics reserves the right to revise the estimated fee and timeframe.

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**INFORMATIONAL REQUIREMENTS**

ALH Economics will have several data needs from the City of Concord, as well as the Project applicant. To support completion of the work in an expeditious manner, it will be most helpful if the following information or contacts are provided as soon as possible by the City of Concord following project authorization:

- Quarterly sales tax data by retail category for the 8 most recent quarters (or a minimum of 6 quarters);
- A list of planned retail projects known to the City of Concord, and information on their approvals status;
- Information on representative backfilled retail spaces, especially former grocery stores if possible (information to include location, size, prior tenant and approximate date vacated, and current tenant and approximate date occupied);
- A code enforcement contact who will provide information on code enforcement in Concord, such as information on annual number of reports by type, closure rates, and other relevant code enforcement questions, especially as they pertain to commercial retail properties;
- Information on properties with long-term retail vacancy.

ALH Economics anticipates that additional informational and data requirements will arise during the course of the project. Prompt assistance from the City will be appreciated to facilitate the conduct of the study.

**CLOSING**

ALH Economics appreciates the opportunity to present this proposal to the City of Concord. Please let me know if you have any questions. Thank you for requesting this proposal.

Sincerely,

ALH Urban & Regional Economics



Amy L. Herman, AICP  
Principal

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**APPENDIX A  
RESUME**

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## **APPENDIX B RELEVANT EXPERIENCE**

### **RETAIL ECONOMIC IMPACT STUDIES**

#### **Description of Services**

The Principal of ALH Economics, Amy L. Herman, has performed economic impact studies for a number of retail development projects in California. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Target store, and other club retail stores. The studies have also been conducted for large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for these studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause physical deterioration leading to urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public

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policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers.

## **Representative Projects**

Many high volume retail projects for which Ms. Herman has prepared economic impact studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

### ***Projects Operational***

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting January 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier
- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Dublin, Persimmon Place, 167,200 square feet, anchored by a specialty grocer; opened mid 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015

- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007
- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- Sonora, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006
- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April, 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

#### *Projects Under Construction*

- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store
- Sacramento Entertainment and Sports Center, mixed-use entertainment complex with 682,500 square feet of retail space
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, anticipated completion late 2015

#### *Projects Approved and Beyond Legal Challenges*

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Fresno, Fresno 40, totaling 209,650 square feet
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Oakland, Rockridge Safeway expansion and shopping center redevelopment, including total net new development of 137,072 square feet, construction start anticipated summer 2015
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center (groundbreaking on transportation improvements April 2013)
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping

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### *Projects with Certified EIRs Engaged in the Legal Process*

- Eureka, Eureka Balloon Track Development, totaling 327,500 square feet of retail space, anchored by Home Depot
- Sonora, Sonora Crossroads, Walmart Discount Store expansion to a Superstore, net increase of 30,000 square feet
- Ukiah, Costco, 148,000-square-foot warehouse membership store
- Victorville, Tamarisk Marketplace, totaling 274,000 square feet, anchored by a Walmart Superstore

### *Projects In Progress/Engaged in the Public Process*

- Chico, Walmart expansion, expansion of an existing Walmart store to include food sales and additional general merchandise sales, as well as additional pad spaces and gasoline sales
- Davis, Davis Innovation Center, an innovation center with 4.0 million square feet of planned space, including tech office, laboratory, R&D, assembly, industrial flex space, ancillary retail space, and a hotel.
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating
- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex
- Pleasanton, Johnson Drive Economic Development Zone, including club retail space, general retail space, and a hotel
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space