

Valley View Business Corridor

Technical Assistance Panel
REPORT

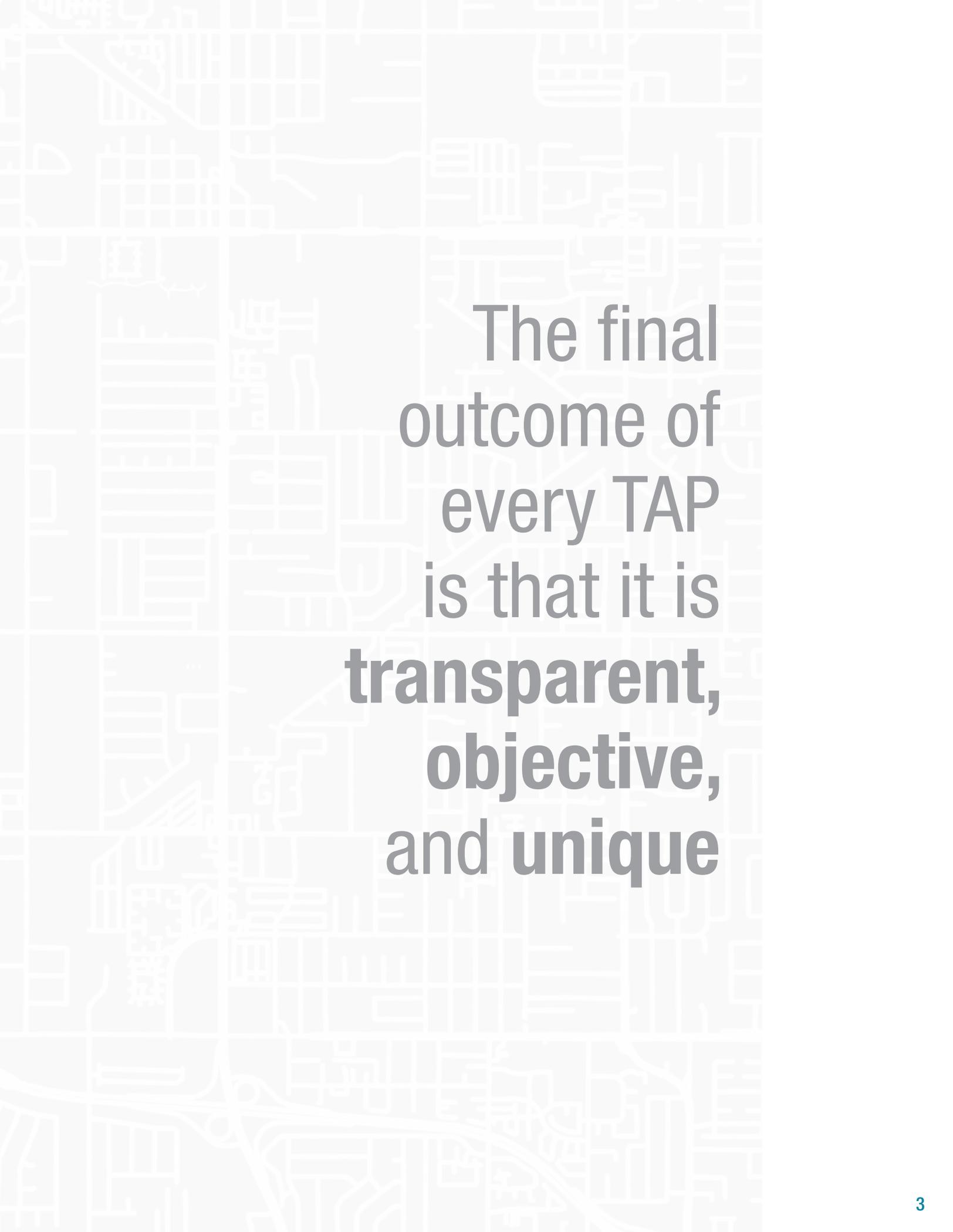
THE CITY OF GARDEN GROVE



Table of Contents

CONTENTS

| | |
|----------------------------------|----|
| About ULI..... | 5 |
| Participants..... | 6 |
| About TAPs..... | 7 |
| Assignment & Process..... | 9 |
| Study Area..... | 13 |
| SWOT Analysis..... | 15 |
| Findings & Recommendations..... | 17 |
| Market Viability for Retail..... | 18 |
| Zoning Analysis..... | 22 |
| Community Branding..... | 24 |
| Conclusion/Next Steps..... | 27 |
| Acknowledgments..... | 30 |

The background of the slide is a light gray map of a city grid, showing streets and building footprints. The text is centered over this map.

The final
outcome of
every TAP
is that it is
transparent,
objective,
and **unique**



The Urban Land
Institute provides
leadership in
the responsible
use of land and
in creating and
sustaining thriving
communities
worldwide.

About ULI

ULI is the oldest and largest network of cross-disciplinary real estate and land use experts in the world. ULI is its members. Through our members' dedication to the mission and their shared expertise, the Institute has been able to set standards of excellence in development practice.

BRINGING TOGETHER LEADERS

From across the fields of real estate and land use policy to exchange best practices and serve community needs.

FOSTERING COLLABORATION

Within and beyond ULI's membership through mentoring, dialogue, and problem solving.

EXPLORING ISSUES

Of urbanization, conservation, regeneration, land use, capital formation, and sustainable development.

ADVANCING LAND USE POLICIES

And design practices that respect the uniqueness of both the built and natural environments.

SHARING KNOWLEDGE

Through education, applied research, publishing, and electronic media.

SUSTAINING A DIVERSE GLOBAL NETWORK

Of local practice and advisory efforts that address current and future challenges.

The Orange County Inland / Empire District Council (ULI OC/IE) is located in Southern California comprised of 95 cities and spanning 3 counties. We are a thriving, uniquely diverse, suburban-urban metropolitan region spanning from the coast of Orange County through to the mountains and desert of the Inland Empire. Our communities represent a story of an evolving American dream flourishing with diversity in age, culture, ethnicity, housing and industry.

Bounded by regions of Los Angeles County and San Diego County, we are distinctly different from our neighbors in that we do not contain a singular city center or core. Rather, we are comprised of a collection of distinctive hubs, housing, commerce and industry connected through transit corridors linking us to our sister cities and neighboring regions.

With over 1000 members we are the 13th largest District Council worldwide. Our members are active and committed to the Institute with 227 Full Members, 143 National Product Council Members, 6 current & past Trustees and 18 current & past Governors.

Participants

LEADERSHIP



Michael Ruane / Co-chair

Executive Vice President
National CORE



Yolanda Sepulveda / Co-chair & Facilitator

Principal
Spectacle Design Inc.

PANELISTS



John Gebhardt

Principal
SEG Advisors



Richard Gollis

Principal
The Concord Group



Mary Borgia

President
The Borgia Companies



Jeffrey Mayer

Principal
Mayer Creative



Hitta Mosesman

Principal/Vice President
RSG



Michael Mindlin

Managing Principal
MINDLIN consulting



Rocky Shen

Principal
DNA Design & Architecture

TAP WORKSHOP & REPORT TEAM



Vickie Oshima

Director of Marketing & Business Strategies
Studio T Square



Will Heinze

Senior Designer
Spectacle Design Inc.

ULI STAFF



Kendra Chandler

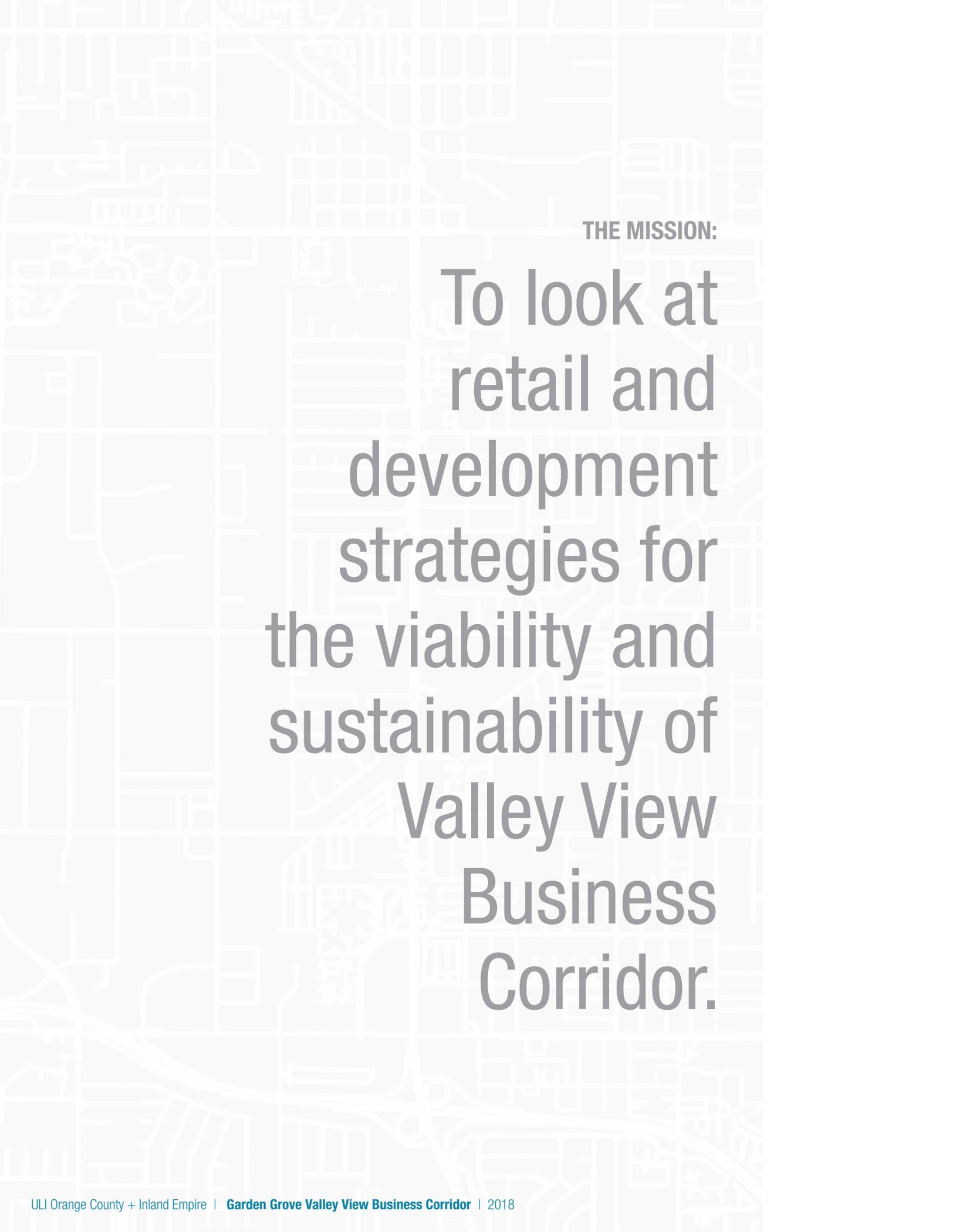
Executive Director
ULI Orange County/Inland Empire

About TAPs

Technical Assistance Panels (TAPs) are part of the ULI Advisory Services program. TAPs were designed to be run and implemented by District Councils, the local chapters of ULI. Panelists for these one- to two-day work sessions are selected from the District Council's membership to address land use challenges that require local knowledge to resolve.

As with other Advisory Services panels, the scope of the work is defined by the sponsor. An objective team of seasoned professionals forms the panel, and its recommendations often build upon the community's existing accomplishments. As always, the outcome is of the high quality for which ULI is known.



The background of the page is a light gray map of a city grid, showing streets and building footprints. The map is centered on the Valley View Business Corridor.

THE MISSION:

To look at
retail and
development
strategies for
the viability and
sustainability of
Valley View
Business
Corridor.

Assignment

In an effort to address challenges facing retail corridor success within the region, The Urban Land Institute (ULI) Orange County/Inland Empire District Council, in partnership with Association of California Cities – Orange County (ACCOC), developed a TAP initiative aimed at providing recommendations, through education and collaboration of public, private and community in order to support informed understanding of development drivers.

Process

The Urban Land Institute (ULI) Orange County/Inland Empire District Council developed an RFP that was provided to all agencies within the ACCOC. The Garden Grove agency was selected on the merits and feasibility of their application as it related to the following criteria:

- The Technical Assistance panel could be completed in 2 days.
- The assignment was consistent with ULI’s mission of responsible land-use and sustainable communities.
- A demonstrated need from the community and resonance with regional issues.
- Applicant agencies is a city member of ACCOC.
- The TAP assignment is replicable.

JUNE 2017 ULI Event on Retail Trends for Public Officials

SUMMER 2017 Event creates interest in ULI addressing retail corridor trends in the region

FALL 2017 ULI approves a public sector TAP program

WINTER 2018 Work with ACCOC on process and outreach

MAY/JUNE 2018 Garden Grove proposal selected as demonstration TAP. Panel convened, initial research

JULY 18/19th Garden Grove TAP held

JULY 25th TAP Presentation at ACCOC Event

FALL 2018 TAP Report is provided to the City

Process

1

MEET WITH CITY & STAKEHOLDERS

- Understand issues, vision, and objectives
- Maximize ULI's land use expertise
- Provide relevant solutions and recommendations

2

ESTABLISH A SCOPE OF WORK

- Work with City to define key hurdles, frame focus and scope of work

3

DUE DILIGENCE

- Review existing information
- Perform a site visit
- Conduct interviews

4

BRAINSTORM

- SWOT Analysis
- Cost Analysis
- Opportunity Diagrams

5

PRESENTATION

- Panelists prepare remarks and present to City and stakeholders
- A report is then written and published with ULI

Results

The TAP process conducted for the City of Garden Grove, West Grove retail corridor will serve as a replicable study tool by identifying key considerations and data points that inform both public and private perspectives on why retail can be more or less successful within cities.

The examination and TAP study for the City of Garden Grove included a physical and demographic analysis to inform retail market viability. The following components were examined as they relate to creating a viable environment that encourages patronization and attracts retailers:

- Retail Gap Analysis
- Market Analysis
- Branding/Placemaking

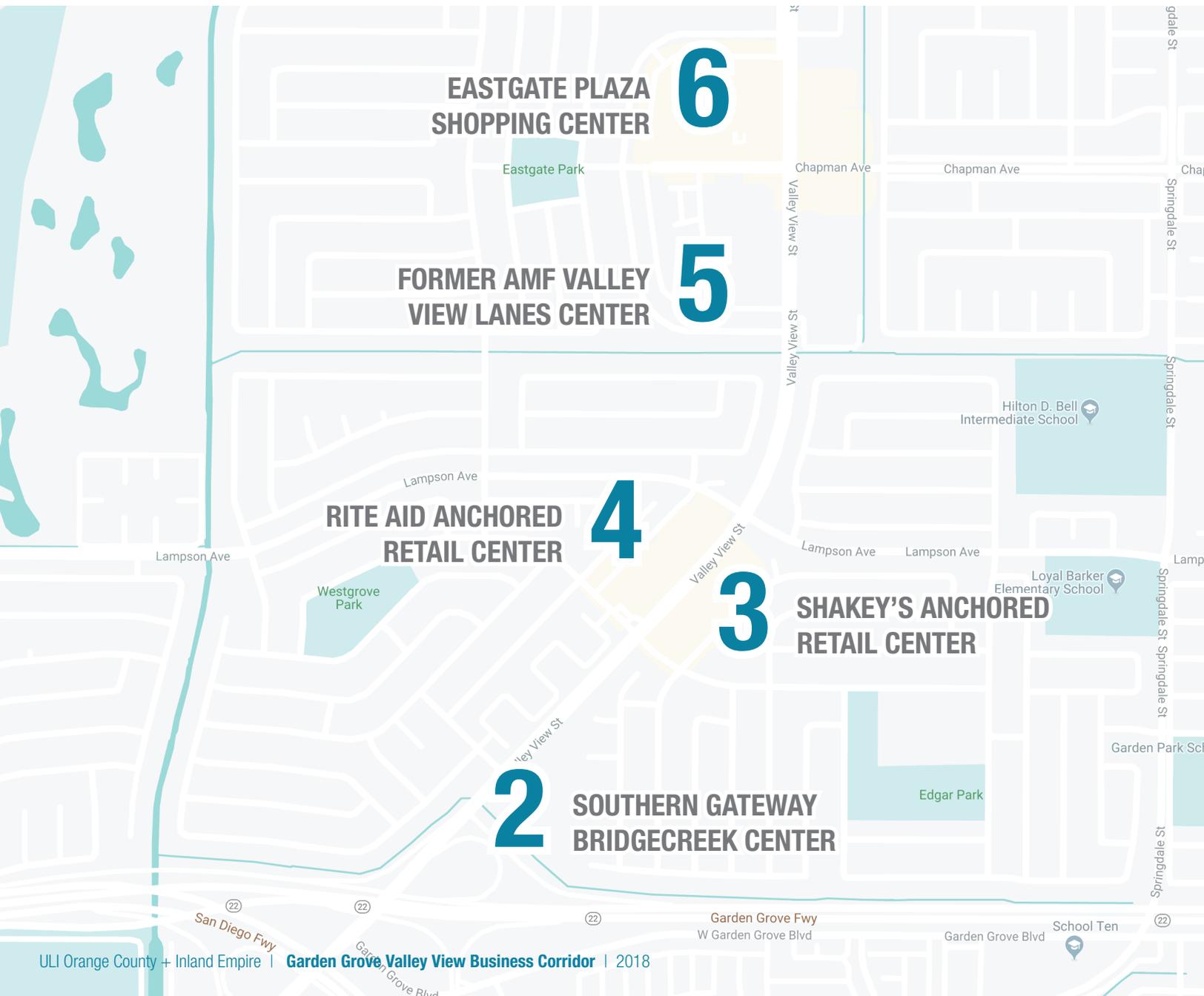
A presentation of recommendations was made to both the City of Garden Grove, local community members, and the Association of California Cities ACCOC, serving to increase awareness and application of vetted recommendations and findings for the local community of West Garden Grove.

Action

Next Steps for both short term and long term actions were provided in order to support the City of Garden Grove as well as the 24 other cities represented in the ACCOC, to examine retail corridor success and partner with ULI OC/IE should they be interested in their own TAP study.



FIGURE 1
TAP Panelist Hitta Mosesman presents findings to stakeholders at the City of Garden Grove presentation on July 19, 2018



**EASTGATE PLAZA
SHOPPING CENTER**

6

Eastgate Park

Chapman Ave

Chapman Ave

**FORMER AMF VALLEY
VIEW LANES CENTER**

5

Valley View St

Springdale St

**RITE AID ANCHORED
RETAIL CENTER**

4

Lampson Ave

Lampson Ave

Westgrove
Park

Valley View St

Lampson Ave

Lampson Ave

Hilton D. Bell
Intermediate School

Loyal Barker
Elementary School

Springdale St

Springdale St

Springdale St

Springdale St

**SHAKEY'S ANCHORED
RETAIL CENTER**

3

Garden Park Sch

2

**SOUTHERN GATEWAY
BRIDGECREEK CENTER**

Edgar Park

San Diego Fwy

22

22

Garden Grove Fwy
W Garden Grove Blvd

Garden Grove Blvd

School Ten

22

Study Area

The TAP panelists and ULI staff worked with the City of Garden Grove to identify key questions and challenges that were pivotal in guiding decision making for retail corridor development within the city. Staff also worked to identify six key analog sites within the city to serve as study areas that demonstrated performance and history of retail performance within the local area.

During the due diligence phase of the TAP timeline, panelists reached out to property owners, operators, tenants, and community members, as well as conducted site visits to better understand performance indicators and challenges within each site.

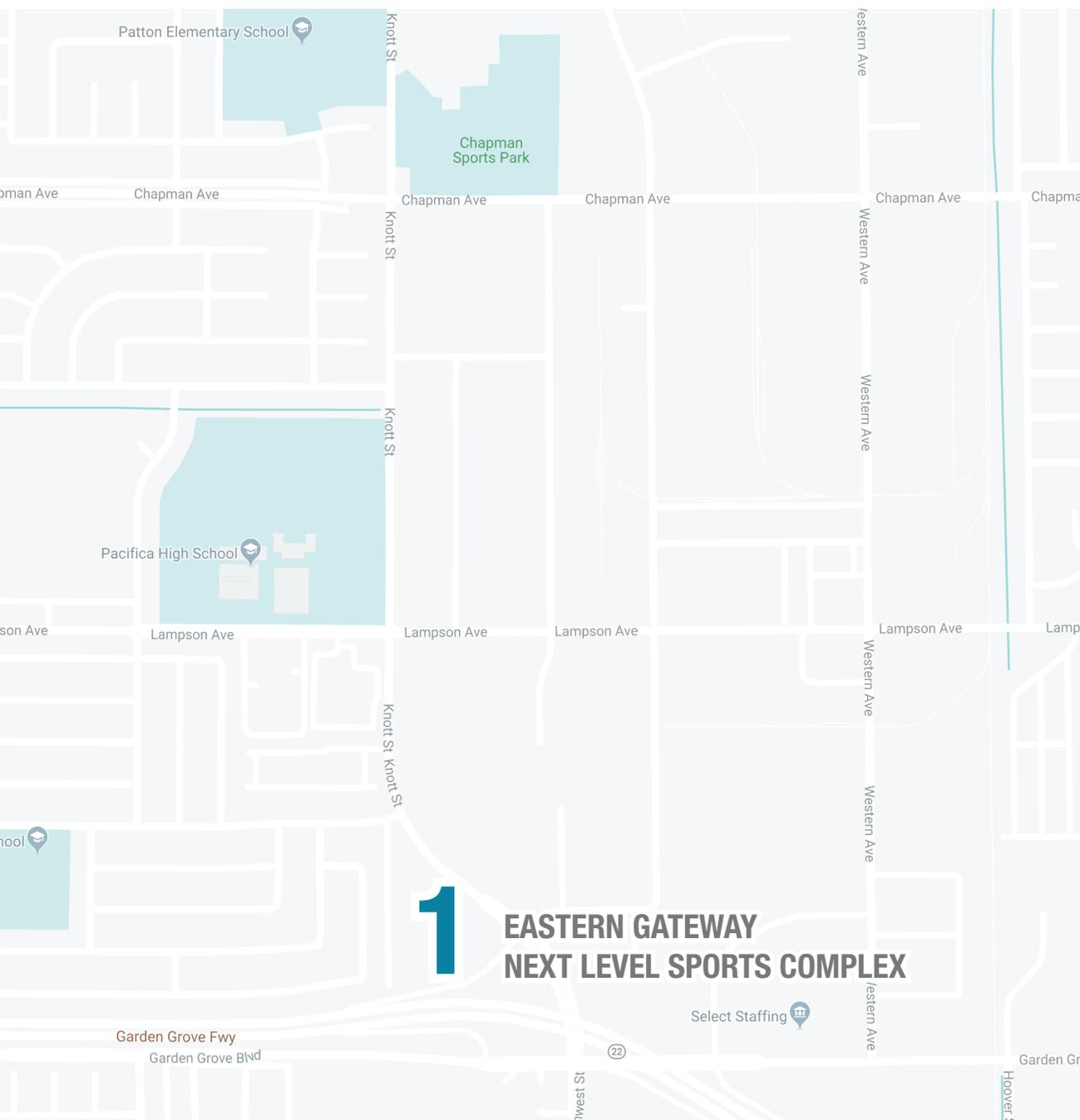
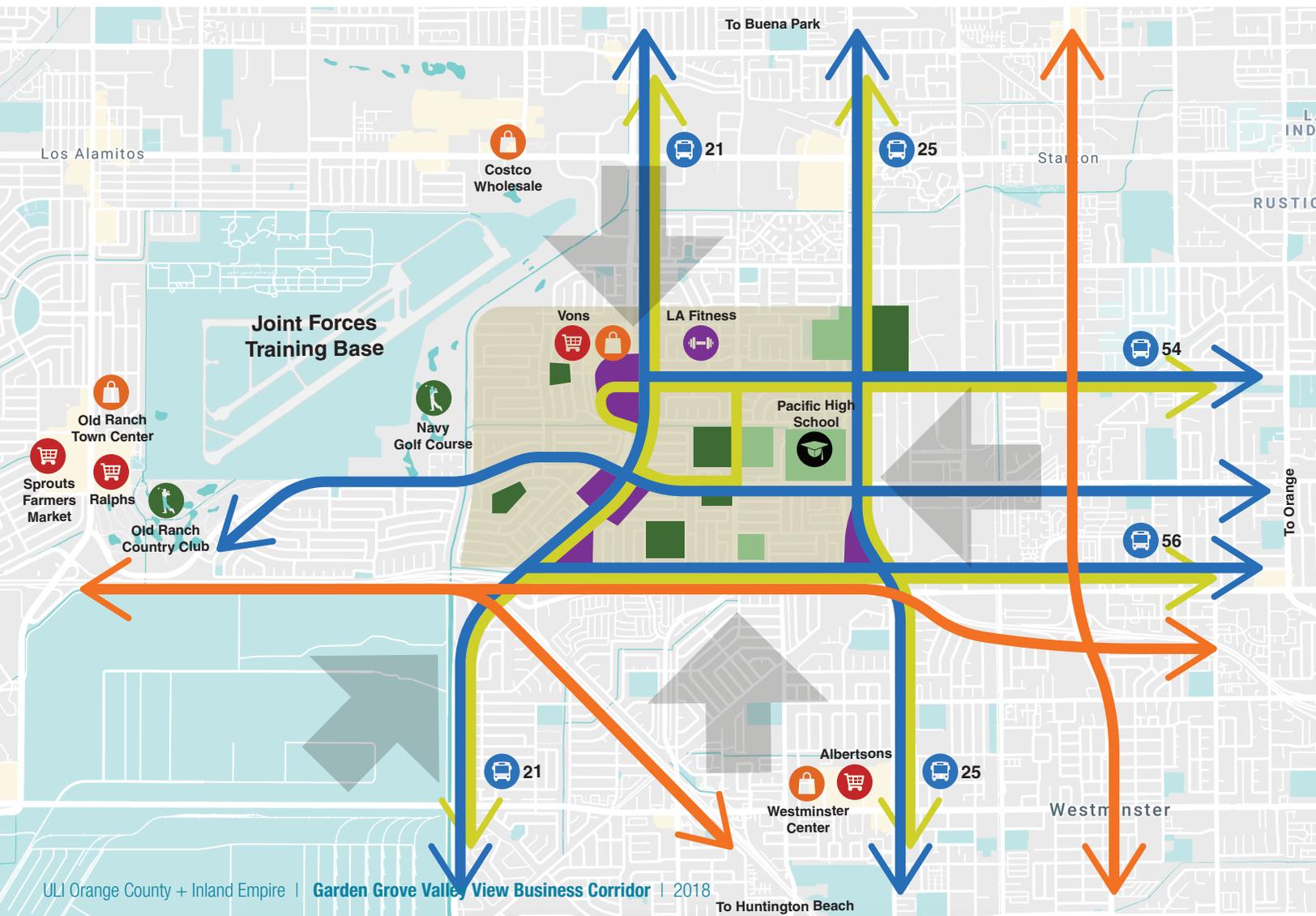


FIGURE 2
Site study area locations



FIGURE 3
Site analysis // areas of influence



VVBC SWOT Analysis

The SWOT analysis matrix below, is a summary of key points that were taken from the individual stakeholder interviews and focus meetings. Upon review of the SWOT analysis, the team combines insights, anchored in data driven expertise, to ensure an unbiased and well-vetted recommendation is provided upon completion of the TAP process.

Key stakeholder's perspectives vary:

RESIDENTS

CITY

LANDOWNERS

TENANTS

STRENGTHS

- School system
- Sense of community, engagement, pride
- Unmet spending capacity
- Excellent access and visibility
- Bridgecreek complex as a example of retail village

WEAKNESSES

- Outdated PUD Zoning
- Disparate land owners
- Stagnant community growth
- Lack of funding and financial resources
- Format of retail is mismatched and not aligned with demand

OPPORTUNITIES

- BID/Community Association to bring people together
- Create the new heart of the community
- Creative office
- Form-based code/Zoning overlay
- Diversity of experience offered beyond retail

THREATS

- Potential stagnation and further decline
- Us versus Them mentality
- High demand on City resources
- Changing nature of retail
- Resistance to change



FIGURE 4
Current retail conditions in the
Valley View Business Corridor

Findings & Recommendations

In order to provide thorough analysis and prescribe well-vetted recommendations, the TAP panelists conducted independent research into the following areas:

RETAIL GAP ANALYSIS

MARKET ANALYSIS

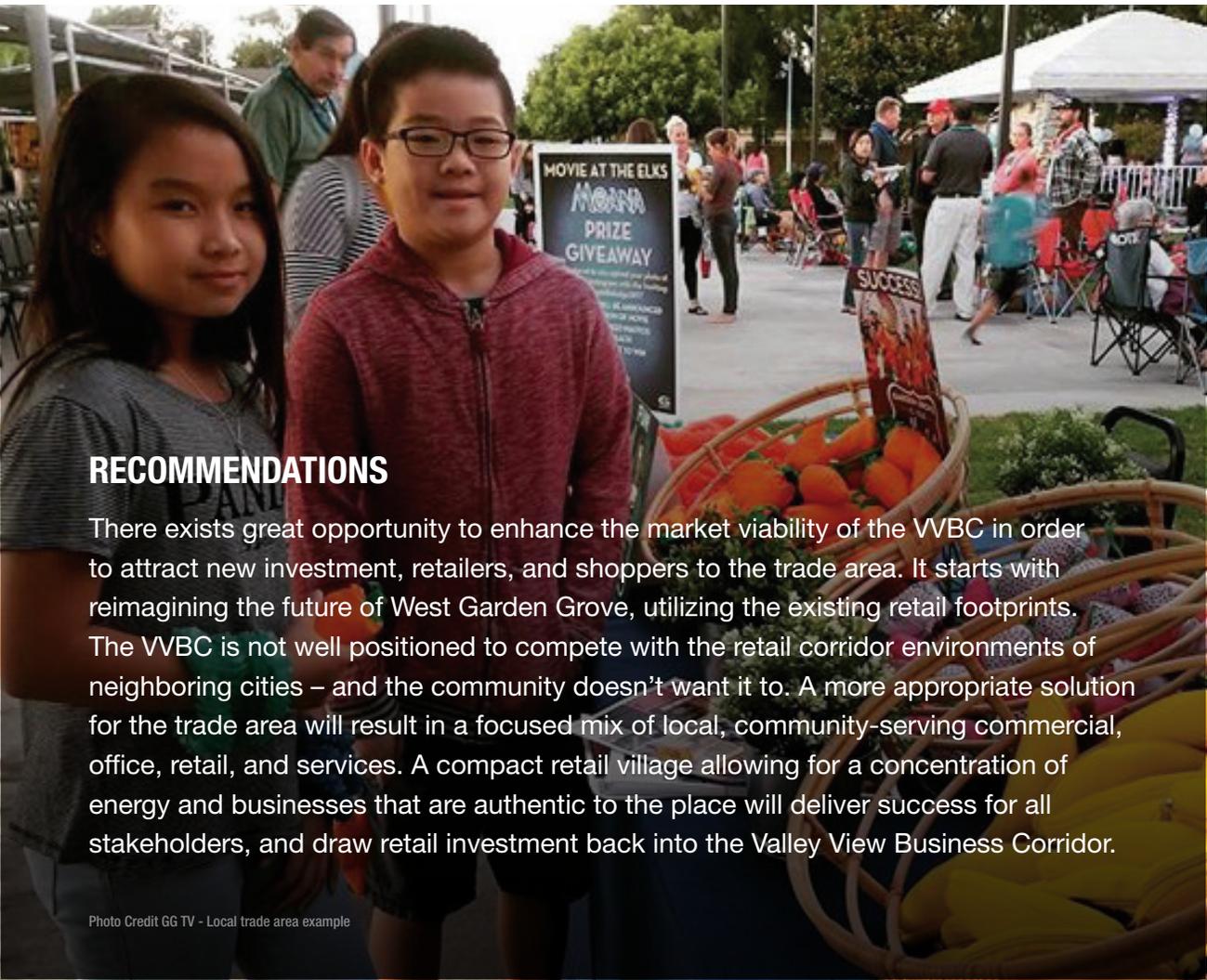
BRANDING / PLACEMAKING

Upon completion of this research, the panelists then conducted focus group interviews with key stakeholders and toured the six key sites influencing the VVBC. As well, exploration of regional analog sites were also examined as references to ‘desirable’ corridor qualities specified by community members. Community insights and interviews were kept segmented intentionally to allow for confidentiality and open dialogue to ensure accurate, impartial and holistic representation of perspectives and goals within the community. The following sections are resultant of these findings and provide an expansion of the summary presented to both the community and the ACCOC in July 2018.



FIGURE 5
Community members discuss current issues and the future of the VVBC during one of several focus groups.

Market Viability for Retail Investment



RECOMMENDATIONS

There exists great opportunity to enhance the market viability of the VVBC in order to attract new investment, retailers, and shoppers to the trade area. It starts with reimagining the future of West Garden Grove, utilizing the existing retail footprints. The VVBC is not well positioned to compete with the retail corridor environments of neighboring cities – and the community doesn't want it to. A more appropriate solution for the trade area will result in a focused mix of local, community-serving commercial, office, retail, and services. A compact retail village allowing for a concentration of energy and businesses that are authentic to the place will deliver success for all stakeholders, and draw retail investment back into the Valley View Business Corridor.

Findings

The market viability for retail investment along the Valley View Business Corridor is moderate, however opportunity exists to leverage some neighborhood attributes in order to facilitate an attractive retail environment.

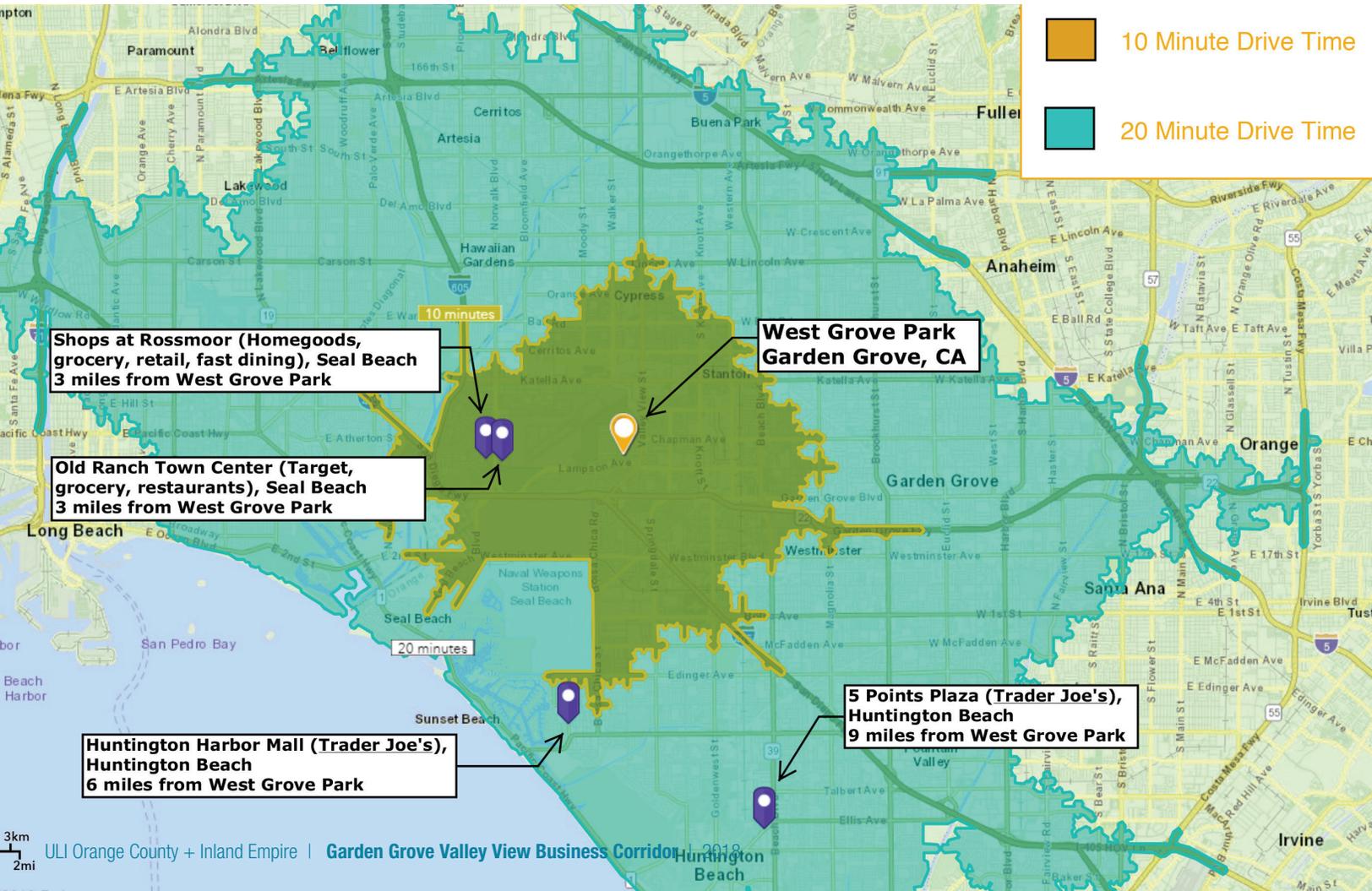
DEMOGRAPHICS

While West Garden Grove (WGG) has a solid community base with strong household incomes relative to the City and County, residential growth in the area is stagnant. The resident base has a slightly older profile but the neighborhood is experiencing a resurgence of young families moving in as homes turn over. As a result of low population density and cut-offs by the Joint Forces Training Base – Los Alamitos, Katella and Knott, the scale of the trade area is considered Neighborhood-Serving. Although resident population is low, traffic volume on the VVBC is relatively high (30,000-40,000 ADT), providing opportunity to capture sales from surrounding commercial areas and pass-through traffic.

| | WEST GARDEN GROVE | CITY OF GARDEN GROVE | ORANGE COUNTY |
|----------------|----------------------|-------------------------|------------------|
| Population | 20,000 | 178,000 | 3,200,000 |
| Median Age | 45 | 37 | 38 |
| <17 | 20% | 23% | 22% |
| >65 | 18% | 13% | 14% |
| Households | 6,800 | 46,000 | 935,000 |
| Median Income | \$98,000 | \$62,000 | \$84,000 |
| Growth to 2023 | 0.00% | 1.00% | 1.00% |

FIGURE 6
Analysis of Demographic comparison — West Garden Grove vs larger geographic area

FIGURE 7
Drive time and leakage analysis



Findings continued

THE “RETAIL GAP”

There currently exists a leakage of retail dollars as a result of WGG residents spending outside of the Valley View Business Corridor. This leakage is attributed to larger, more attractive shopping environments with concentrated big box and specialty offerings within a 5-10 minute drive in neighboring cities, with Seal Beach Boulevard benefiting most from WGG resident spending. WGG residents spend on average approximately \$500 per month per local household on goods and services outside of the local area. Currently, the VVBC is unsuccessful as a retail location not because of a lack of spending capacity, but because local residents choose to shop elsewhere.

| RETAIL CATEGORY | SPACE (SF) |
|-------------------------------------|----------------------|
| General Merchandise | 50,000 |
| Household Items | |
| Sporting Goods | |
| Clothing/Boutiques | |
| Food and Beverage | 15,000 |
| Restaurant/Café | |
| Specialty Market | |
| Health and Personal Services | 12,000 |
| Beauty | |
| Fitness/Wellness | |
| | TOTAL: 77,000 |

FIGURE 8

Analysis of unmet retail demand in the West Garden Grove area

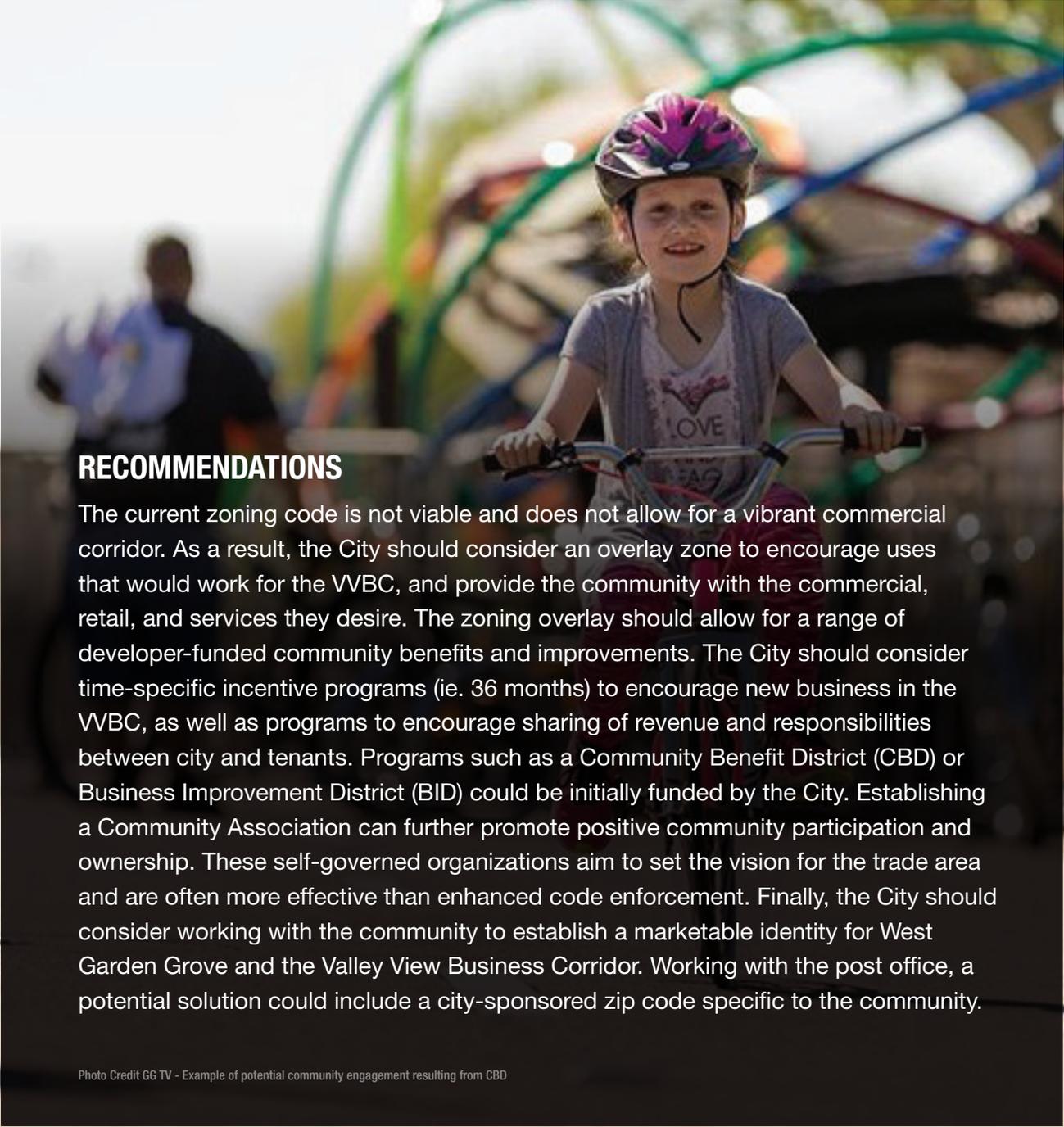
EXISTING PROPERTY CONDITIONS

The existing conditions of the properties within the VVBC affect future retail demand and place existing retail at-risk. Businesses along the VVBC benefit from good visibility and accessibility, however, unattractive, vacant, and oftentimes dilapidated strip malls and storefronts are not desirable shopping environments, alienating both retailers and consumers.

IMPACTS OF CONSUMER BEHAVIOR

Consumer behavior greatly impacts the retail demand in the surrounding trade area. Currently, local residents desire commercial investment in the VVBC, but do the majority of their shopping outside of the area, while landowners and tenants are reluctant to invest in the retail environment because of the low demand. It is a self-fulfilling prophecy.

Zoning Analysis and Opportunities



RECOMMENDATIONS

The current zoning code is not viable and does not allow for a vibrant commercial corridor. As a result, the City should consider an overlay zone to encourage uses that would work for the VVBC, and provide the community with the commercial, retail, and services they desire. The zoning overlay should allow for a range of developer-funded community benefits and improvements. The City should consider time-specific incentive programs (ie. 36 months) to encourage new business in the VVBC, as well as programs to encourage sharing of revenue and responsibilities between city and tenants. Programs such as a Community Benefit District (CBD) or Business Improvement District (BID) could be initially funded by the City. Establishing a Community Association can further promote positive community participation and ownership. These self-governed organizations aim to set the vision for the trade area and are often more effective than enhanced code enforcement. Finally, the City should consider working with the community to establish a marketable identity for West Garden Grove and the Valley View Business Corridor. Working with the post office, a potential solution could include a city-sponsored zip code specific to the community.

Findings

The current zoning code for the Valley View Business Corridor is out of date and does not engender the uses that either the retail market or consumers desire. However, there are various creative zoning strategies that the City can implement in order to provide incentives and assistance to encourage sustainable development along the VVBC.

ZONING OVERLAY

The VVBC can greatly benefit from a Zoning Overlay - a regulatory tool that creates a special zoning district, placed over an existing base zone, which identifies special provisions in addition to those in the underlying base zone. A zoning overlay will allow for current market uses, provide options that the community wants and needs, and provide incentives for landowner participation. Updated zoning standards can allow for a range of community benefits funded by developers, such as landscape, hardscape, plaza, and infrastructure improvements.

THE ROLE OF THE CITY

Various tools and solutions implemented by the City can encourage long-term investment and partnerships with property owners and community stakeholders. Best practices include creative revenue sharing/generating strategies and ways for stakeholders to share responsibilities. City implemented Community Benefit Districts (CBD), Business Improvement Districts (BID), or Community Associations can result in a more agreeable, fair, and prosperous business climate.



FIGURE 9
Zoning analysis workshop

Unique Community Brand and Place



RECOMMENDATIONS

Establishing a placemaking strategy and marketing plan for West Grove will create opportunities to promote the Valley View Business Corridor. A successful brand for West Grove should focus around its greatest asset: Local Community. Creating a new and appropriately-sized heart for the West Grove community centered around a brand platform that encourages *live local, shop local* will celebrate small businesses and establish a place unique to Garden Grove that does not compete with the large neighboring retail zones. The locally centered brand identity can engage and energize small businesses and the already established Cottage Food Operations Program. These types of retailers will be welcomed and supported by the local neighborhood, and will be key in monetizing the daily traffic flow within the VVBC.

Various placemaking strategies should be considered in order to enhance the West Grove brand and establish an attractive retail environment and vibrant community gathering place. The formation of a Community Association and/or Community District can facilitate and fund programs, public realm maintenance, and infrastructure improvements that will support a pleasant shopping experience and cooperative business environment.

Findings

West Grove has a rich history and unique community with assets that can be leveraged in order to create a marketable and attractive brand. Establishing a community brand can be an effective way to create a sense of place, market the trade area, and attract new local retailers, businesses, and shoppers. A successful brand will provide the platform to tell the story of West Grove, pinpoint and enhance the unique community characteristics, and facilitate organic growth.

BRAND STRATEGY AND APPROACH

A successful brand starts by identifying the goals, focus, and audience. With a clearly defined foundation, a marketing strategy and plan can be created and utilized as the basis for communication. Crafting a brand identity will include various components as part of the marketing plan. These may include the brand story and community voice, and visual/physical collateral such as a logo, imagery, typography, and color palette.



FIGURE 10
Community TAP presentation



Conclusion / Next Steps

The ULI TAP panel applauds both the city and community for being a part of the process and contributing their time and input to sharing perspectives and history of the West Grove community within Garden Grove.

The Valley View Business Corridor is primed for new life through a refresh in order to begin seeding for new opportunities that serve both community interest and strategies for long term viability and sustainability.

Based on research, and findings resolved during this TAP process, The team recommends the following short term and long term findings for the future success of the Valley View Business Corridor.

Short Term

SCALING THE EXPECTATIONS

Effective progress requires planning and time

Given the time needed to effectively and feasibly augment the current environment, timing and managed expectations need to be scaled and allow for a phased and planned process that will address coordination and implementation, while planning for both short term and long term strategies. A timeline of goals and milestones that is shared and posted publicly, will keep everyone apprised of managed progress and also create a collaborative sense of working towards solutions as a community.

ENHANCE THE PHYSICAL ENVIRONMENT

Putting your best foot forward

The panel recommends the exploration of overlay zones as well as BID's or CBD's to provide capital to support an aesthetic refresh of the VVBC. Improving the public realm and amenities such as sidewalks elements, lighting, to name a few, for both drivers and pedestrians will create a more welcoming and desirable environment that the community can take pride in and investors/retailers/tenants will take notice of.

Short Term continued

CONVENE A COMMUNITY EDUCATIONAL FORUM ON THE REALITIES OF RETAIL

Provide clarity through education to employ community and city common ground and understanding

The myths and facts of what attracts retailers as well as what is required in order for a retailer to select a location as an economically desirable place to sustain business is often misunderstood. The TAP recommends working with ULI to create a workshop that educates the public on the realities of retail success to provide clarity and dispel any assumptions of why retailers may not be present in the VVBC.

Long Term

DEVELOP A COMMUNITY BRAND AND STRATEGY FOR WHO YOU ARE NOW, AND PLAN FOR WHERE YOU WANT TO BE

Capture the pride and energy through a cohesive brand vision

Community identity is an anchor towards catalyzing a clear vision to guide action for the future. The community and City are both vested in the success of the VVBC, and united on the history and current pride of West Grove. A strategy or vision that defines where the community would like to be would help prioritize needs and begin to define appropriate uses that have been identified as alternatives to a purely retail driven solution for revitalization.

ENCOURAGE USES THAT ARE DESIRABLE AND FEASIBLE FOR WEST GROVE

Diversity beyond retail

Based on the expressed needs of community and the unmet retail, office and recreational needs, the VVBC will thrive if solutions sought out reach beyond a purely retail land use solution. A more appropriate solution for the trade area will result in a focused mix of local, community-serving commercial, office, retail, and services. This formula will both make use of expansive street frontage that is currently underutilized while creating a diversity of offerings that will sustain the VVBC as a viable place for both commerce and civic engagement.



Acknowledgments

The ULI TAP team would like to extend a thank you to the City of Garden Grove, staff, community members, business owners, residents and representatives for participating in the study for the Valley View Business Corridor.

Panelists are committed to the mission of the Urban Land Institute in providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. That being said, the communities for which we provide TAP studies for are the integral part of our success.

We would like to thank all of you for hosting us and supporting this effort, welcoming us to your city and allowing us to be a part of helping you prepare for your future success.

Figure List

Figure 1 - TAP Panelist Hitta Mosesman presents findings to stakeholders at the City of Garden Grove presentation on July 19, 2018

Figure 2 - Site study area locations

Figure 3 - Site analysis // areas of influence

Figure 4 - Current retail conditions in the Valley View Business Corridor

Figure 5 - Community members discuss current issues and the future of the WVBC during one of several focus groups

Figure 6 - Analysis of Demographic comparison — West Garden Grove vs larger geographic area

Figure 7 - Drive time and leakage analysis

Figure 8 - Analysis of unmet retail demand in the West Garden Grove area

Figure 9 - Zoning analysis workshop

Figure 10 - Community TAP presentation

