

APPENDIX B

MARKET FEASIBILITY STUDY

Market Feasibility Study
Santa Maria Downtown Specific Plan

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Submitted to:

RRM Design Group, for the City of Santa Maria

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I. INTRODUCTION

This report analyzes market demand for a range of land uses that could potentially be developed within the Santa Maria Downtown Specific Plan area. The following land use categories are evaluated over a 15-year planning horizon (through 2020):

- Retail;
- Office;
- Entertainment facilities (including movie theaters);
- Residential (including lofts and live/work space); and
- “Cottage industry” development in a business “incubator” setting.

Given that this analysis is being completed as part of a long-term planning process, the study methodology is somewhat different from the approach the consultant would take when analyzing the near-term feasibility of a specific development project. Whereas the success of an individual development project is largely dependent on market conditions as they exist at the time the project is developed, a strategic planning process is explicitly about *changing* existing conditions such that future market performance will surpass “baseline” trends. Thus, within the context of a planning process, it is appropriate to consider relatively aggressive (but still reasonable) assumptions. In this regard, the numbers provided in this report should be interpreted as “potentials” (i.e., what *could* happen based on proactive implementation of the Specific Plan) rather than definitive “forecasts” (i.e., what *is expected* to happen based primarily on market considerations).

An additional caveat applies to several specialized land use categories considered by the report: residential lofts, live/work space and cottage industry development. These land uses – since they are largely nonexistent in the Santa Maria area today – can be characterized as “untested” in terms of potential market demand. That is, it is difficult to statistically quantify the amounts of demand that may exist since there are no historic trends, specific to Santa Maria, from which to extrapolate. However, it is possible to generally describe the types of opportunities that may exist for these development types and – more importantly within the context of a strategic planning process – to identify the conditions that would need to exist in order for such land uses to thrive in downtown Santa Maria.

Finally, for both the “traditional” and the “specialized” land uses, the report provides both an evaluation of the opportunities that may exist and general strategic recommendations based on the study findings. The strategic recommendations will be more fully developed in a separate document (the Implementation chapter of the Specific Plan).

II. EXECUTIVE SUMMARY

This summary is organized in six sub-sections:

- A. A brief overview of **regional economic conditions** that will affect future development potentials in downtown Santa Maria;
- B. A summary of **downtown-specific market conditions**;
- C. Summary **projections of potential development demand** in the downtown area through 2020;
- D. A summary discussion about **specific opportunities to expand the mix of retail tenants** in the downtown;
- E. A summary discussion about **recreational and entertainment-oriented land uses** that may be appropriate for the downtown; and
- F. A summary of **strategic considerations and recommendations** based on the findings of the market study.

A. Overview of Regional Economic Conditions

The regional economic setting for downtown Santa Maria is described in detail in Chapter III of this report. Highlights include the following:

- Santa Maria attracts retail customers from a very large trade area (approximately 30 miles for some types of goods), effectively serving as the retail center for north Santa Barbara County and south San Luis Obispo County.
- As the other communities within this larger trade area develop additional retail facilities of their own, Santa Maria's "drawing power" of regional demand will potentially diminish over time. By adopting strategies to preserve its present trade advantage, one of which would be to aggressively reposition downtown Santa Maria as a premier shopping, dining and entertainment destination, the City can to some degree mitigate this new competition and continue to attract new retail development. Although some reduction in the city's market share would appear inevitable given pending retail projects in the other jurisdictions, the size of the overall "pie" is growing enough that Santa Maria can still expect to carve out sizeable development opportunities.
- Santa Maria's current status as a bedroom community (rather than an employment center) reflects historic trends whereby employment in Santa Barbara County has concentrated in the southern/coastal portion of the county and relatively affordable housing is available in the northern/inland portions of the county.

- The “official” demographic forecasts prepared by SBCAG indicate that existing trends will continue and Santa Maria will not significantly improve its status as an employment center. However, other forecasts developed by UCSB suggest that a variety of factors (high housing prices and anti-growth) policies will increasingly make the South Coast an unattractive business location and will cause employment growth to shift to North County. Under this scenario (which the consultant believes is likely) Santa Maria *would* improve its status as an employment center, with this change having a direct impact on demand for office and industrial land uses, and an indirect affect on demand for other land uses such as housing and retail.
- Whereas housing in Santa Maria is still “relatively” inexpensive when compared to coastal Santa Barbara or San Luis Obispo, the tremendous escalations in real estate values that have occurred throughout California over the past several years have placed significant pressures on housing affordability even in Santa Maria. While this creates a variety of challenges for local policy makers, it also presents opportunities for enhancing the downtown’s attractiveness as a housing location. As housing affordability decreases, trends are likely to shift markedly in favor of the higher density residential products appropriate for a downtown setting. This fact, coupled with the overall increase in urbanization that will occur as Santa Maria becomes more of an employment center, will in turn create development opportunities for product types such as residential lofts and live/work units that are typically found in more urbanized settings.

B. Overview of Existing Downtown Market Conditions

Existing market conditions in the downtown area include the following:

- Over the past decade or so, new retail development in Santa Maria has been largely concentrated along the Highway 101 corridor, and traditional retail facilities in the downtown (most notably the Santa Maria Town Center mall) have suffered substantial tenant losses. Although at least one of the major retail tenants, Gottschalk’s, is reportedly performing satisfactorily¹, the mall space itself is on the verge of reaching vacancy levels so high that the entire center is vulnerable to being abandoned by retailers. The mall space is 20 to 25 percent vacant (20 percent on the lower level and 25 percent on the upper²). The mall has a number of tenants that are not national/regional chains, which are generally preferred by mall owners.

¹ The conclusion that the store is performing satisfactorily is the store manager’s. The consultant does not have access to actual sales figures for the store and therefore cannot assess how its performance compares to retail industry benchmarks.

² Information provided by Jerald Schutte, Santa Maria Town Center, on 9-28-04

- The entire mall property is reasonably attractive on the inside, but the outside suffers aesthetically, and to some extent functionally, from the relationship of the parking garages to the mall itself. Some people complain that the garages are not safe and not clean. The garages are essentially taking redevelopment receipts as their source of funds for debt retirement. The existing physical layout of the mall does not lend itself to developing relationships with the rest of the downtown area. In general, enclosed malls of this type are also subject to becoming obsolete as market venues. The interrelationships of these problems make notions of “re-positioning” the mall a complicated challenge.
- The block that contains the Mervyn’s store has been the recipient of public investment in the form of a pedestrian way at the back of the stores fronting Main Street. This has contributed to some outdoor dining, and makes some of the buildings in this area more attractive as office sites. However, the walkway has not yet been enough of a catalyst to give this area a special identity or cause a special, synergistic set of uses to occur.
- The types of establishments located in the downtown area outside the mall are fairly typical of small downtowns, and are listed in Appendix A (along with the estimated square footage of each retail business).
- Along the north side of West Main (Broadway to Pine), there is small strip of historic buildings that are in need of rehabilitation, and the uses there are generally not particularly conducive to adding vibrancy to the downtown retail scene. On Broadway north of main, and along Fesler, the variety of retail and service uses are typical of small downtown areas in general, and they do not generate a focus of activity that might help create a sense of destination. A number of houses along Fesler have been converted to office/retail uses.
- The residential block and park north of the mall will be given enhanced status with the imminent takeover by local housing officials. This should improve the willingness of local-serving retailers to be in the downtown area, but only marginally. Accommodations for the elderly in the former Holiday Inn at Main and Broadway add to the close-in residential base. Demographic data for the area immediately surrounding the mall (described in Section III) indicate that this area has a combination of: a) low-income, mostly younger, Hispanic households and b) non-Hispanic, mostly older households with average or above incomes. This suggests that neighborhood-serving retail in the downtown area will need to be a mix of establishment types, which to some extent already exists there.
- City Hall and the rest of the civic complex in the downtown are attractive and becoming more so with the new library building and parking garage. However, none of these facilities provides a “town square” type of focus that would lend itself to enhancing the attractiveness of retail settings. The City has an interest in encouraging more intensive public access and use of McClelland Street, including the possibility of making the street a part- or full-time pedestrian mall.

- This concept includes the addition of limited retail along the street, in keeping with the character of an attractive pedestrian area with a strong focus on public facilities. We would expect this type of retail to be small shops oriented primarily to specialty goods and services – luxury items and those associated with recreational shopping, and restaurants and entertainment.
- At the south end of the downtown area, where the railroad tracks cross the area, Santa Maria Valley Railroad officials are (according to company officials interviewed) continuing to develop light industrial uses (generally service-related such as auto repair) on land they own along the tracks.
- Santa Maria BBQ is used by many groups in fund-raising activities. Organizations usually make arrangements with area businesses, many in the downtown, to use their parking lots. There is no consensus that this activity brings direct new business to the downtown, although it does expose people to the area.
- The presence of Hancock Community College to the east of downtown is thought to be a positive factor in developing new markets for downtown merchants, and for uses as well, in that functions such as residences (which the school is pursuing development of), and perhaps even classrooms, could be located in or closer to downtown.

C. Summary of Demand Projections

Table II-1 on the following page provides a summary of projected demand for each of the evaluated land uses. The summary demand projections are formatted as follows:

- Projected citywide demand, broken into two time periods: 2005-2010 and 2011-2020;
- The targeted percentage share of downtown demand in each time period;
- The potential amounts of new development that could be attracted to the downtown during each of the two time periods.

The actual share of citywide development that will be captured in the downtown area will depend upon a number of future policy factors that are unknown at this time. These factors include: the extent to which the City strategically focuses future demand in the downtown area by discouraging competitive development in other parts of the City, the level of resources available for implementing a downtown marketing and tenant recruitment program; and the degree of flexibility in downtown zoning (to accommodate specialized uses for which future levels of demand are not readily predictable). Thus, the targeted downtown shares are intended to be goals rather than precise forecasts.

**Table II-1
Summary of Development Potentials
2005-2020
Downtown Santa Maria Specific Plan Area**

Land Use	Citywide Demand for New Development			Targeted Downtown Share		Potential New Development Downtown		
	2005-2010	2011-2020	Total	2005-2010	2011-2020	2005-2010	2011-2020	Total
Single-family (units)	1,500	2,200	3,700	N/A	N/A	N/A	N/A	N/A
Multi-family (units)	800	1,200	2,000*	25%	35%	200	420	620*
Retail (square feet)	800,000	500,000	1,300,000	40%	55%	320,000	275,000	595,000
Movie theaters (screens)	10	5	15	100%	100%	10	5	15
Office (square feet)	140,000	260,000	400,000	25%	50%	35,000	130,000	165,000
“Cottage industry” incubator (square feet)	15,000	25,000	40,000	100%	100%	15,000	25,000	40,000

* This is likely a conservative projection of demand for multi-family housing in the City; actual demand could be as much as 50% higher (see discussion on Page 11). Thus, there could potentially be demand for as many as 900 multi-family units in the downtown area over the next 15 years.

Source: The Natelson Company, Inc. (TNCI)

D. Expanding the Downtown Retail Tenant Mix

Table II-2 below shows the existing breakdown of retail space in the downtown area by tenant category.

Retail Category	Town Center Mall	Other	Total	Percent
Apparel	63,414	30,652	94,066	10.9%
Department Stores	335,409	54,739	390,148	45.3%
Furniture/Appliances	8,637	23,097	31,734	3.7%
Specialty	41,154	75,405	116,559	13.5%
Food Stores	0	3,813	3,813	0.4%
Eating and Drinking	24,212	49,560	73,772	8.6%
Building/Hardware/Garden	0	14,706	14,706	1.7%
Auto Dealers and Parts	0	12,812	12,812	1.5%
Services (in retail space)	26,782	*	26,782	3.1%
Vacant	82,738	13,315	96,053	11.2%
Total	582,346	278,099	860,445	100.0%

*Services (non-retail) space was not estimated outside of the mall.
Source: TNCl; Santa Maria Town Center.

Table II-3 shows potential demand for new development in the downtown area over the next 15 years.

Retail Category	Existing*	2005-2010 Increment	2011-2020 Increment	Potential 2020 Total
Apparel	94,066	50,000	15,000	159,066
Department Stores	390,148	N/A	125,000	515,148
Furniture/Appliances	31,734	30,000	30,000	91,734
Specialty	116,559	150,000	50,000	316,559
Food Stores	3,813	15,000	15,000	33,813
Eating and Drinking	73,772	50,000	25,000	148,772
Building/Hardware/Garden	14,706	N/A	N/A	14,706
Auto Dealers and Parts	12,812	N/A	N/A	12,812
Services (in retail space)	26,782	25,000	15,000	66,782
Total	764,392	320,000	275,000	1,359,392

*Existing square footages of occupied retail space.
Source: TNCl; Santa Maria Town Center.

The above projections are based on the detailed retail demand analysis provided in Chapter IV of this report, and assume that the downtown area will capture approximately 45% of citywide retail growth over the next 15 years (40% between 2005 and 2010, and 55% between 2011 and 2020). The indicated phasing for the department store category reflects the fact that these stores are typically at least 100,000 square feet in size. Thus, no new development is indicated until after 2011 (when cumulative demand will have passed the 125,000 square foot threshold). In the food store category, it is assumed that the downtown would not be likely to attract a full-line supermarket, but could attract smaller convenience/specialty food stores.

Based on the above projections, total downtown retail space in 2020 would be nearly 1.4 million square feet, or roughly the equivalent of a “super-regional” mall. This scale of retail development is consistent with the level of “critical mass” necessary to achieve the Specific Plan objective of repositioning downtown Santa Maria as a regional shopping/dining/entertainment destination.

Table II-4 on the following page provides a list of retail chains (by category) that may be appropriate targets for the downtown tenant recruitment program. The list reflects the published site selection criteria of the indicated chains, as well as an analysis (by the consultant) of the distances to each chain’s nearest existing stores to Santa Maria (with the assumption that chains that are already well-represented in the immediate area are not likely to be prime candidates for downtown). The list is intended to be illustrative, but not exhaustive, of the types of stores that may be viable in the downtown. Note that some of the listed chains *already* have stores in close proximity to the downtown; these are listed as being “highly unlikely” recruitment targets given their existing locations.

E. Recreation and Entertainment-Oriented Land Uses

In addition to the movie theater demand analysis (detailed in Chapter VII), the consultant also completed a preliminary assessment of other entertainment-related land uses that may be good candidates for downtown Santa Maria. Based on this preliminary evaluation, the “Theater Company” category is the only facility type (other than movie theaters) that is both: a) underrepresented in the area in terms of number of facilities per capita, and b) appropriate for a downtown setting.

Given that Santa Maria already has two established, successful theater companies – the PCPA Theaterfest (at Hancock Community College) and the Santa Maria Civic Theater, future development demand in the downtown area is most likely to occur in two niches of the Theater Company category that are not currently represented in the area:

- Dinner theaters; and
- Stand-up comedy venues.

While the consultant has not completed a detailed feasibility assessment for the above uses, they should be included (on a preliminary basis) in the overall marketing program for the Specific Plan.

**Table II-4
Potential “Downtown Appropriate” National Retailers for
Downtown Santa Maria**

Store	Retail Category	Typical Square Footages	Nearest Location	Distance (miles)	Potential Candidates
Burlington Coat Factory	Apparel	80,000	Ventura	80	◆
Eddie Bauer	Apparel	6,200 – 12,000	Santa Barbara	50	◆
Marshalls	Apparel	32,000	Arroyo Grande	16	◆
Ross Dress for Less	Apparel	30,000	Santa Maria	1.5	⊗
Stein Mart	Apparel	15,000 – 36,000	Santa Clarita	115	◇
TJ Maxx	Apparel	29,000	Santa Maria	<1	⊗
Trader Joe’s	Food	8,000 – 10,000	Arroyo Grande	16	◇
Best Buy	Furniture/Appliances	30,000 – 45,000	Santa Maria	<1	⊗
Circuit City	Furniture/Appliances	33,500	Santa Maria	<1	⊗
CompUSA	Furniture/Appliances	26,300 – 31,000	Goleta	45	◆
Good Guys	Furniture/Appliances	16,000 – 30,000	Santa Clarita	115	◆
Lamps Plus	Furniture/Appliances	12,000	Ventura	80	◇
Kohl’s	General Merchandise	86,000	Orcutt (planned)	3.75	⊗
Target	General Merchandise	90,000 - 182,300	Santa Maria	1.5	⊗
Barnes and Noble	Specialty	67,500	San Luis Obispo	26	◆
Bed Bath and Beyond	Specialty	20,000 – 85,000	San Luis Obispo	26	◆
Borders	Specialty	25,000	Orcutt (planned)	3.75	⊗
Cost Plus World Market	Specialty	18,300	San Luis Obispo	26	◇
Crate & Barrel	Specialty	12,000 – 35,000	Canoga Park	115	◆
Ethan Allen Interiors	Specialty	12,000	Ventura	80	◇
Linens N’ Things	Specialty	35,000 – 40,000	Santa Maria	<1	⊗

**Table II-4 (continued)
Potential “Downtown Appropriate” National Retailers for
Downtown Santa Maria**

Store	Retail Category	Typical Square Footages	Nearest Location	Distance (miles)	Potential Candidates
Michaels Stores	Specialty	6,500 – 16,200	Santa Maria	1.8	⊗
Office Depot	Specialty	25,000	Santa Maria	<1	⊗
Office Max	Specialty	7,500 – 36,000	Arroyo Grande	16	◇
Petco	Specialty	12,000 - 16,000	San Luis Obispo	26	◇
Petsmart	Specialty	26,000	Santa Maria	<1	⊗
Pier 1 Imports	Specialty	9,000 – 10,000	Santa Maria	1.5	⊗
Roger Dunn Golf Shops	Specialty	9,000	Arroyo Grande	14	◇
Sport Chalet	Specialty	35,000 – 43,000	Oxnard	85	◇
Sportmart	Specialty	35,000 - 40,000	Goleta	45	◆
Staples	Specialty	20,000	Santa Maria	<1	⊗
Toys R Us	Specialty	50,000	Santa Maria	<1	⊗

Legend:

- ◆ = more likely (no locations in immediate area; preferred locations include downtown/central business district)
- ◇ = less likely (no locations in immediate area; preferred locations do not include downtown/central business district)
- ⊗ = highly unlikely given that existing store is present in immediate area

Source: Trade Dimensions, Retail Tenant Directory; TNCI

F. Strategic Considerations and Recommendations

For most of the land uses, the demand numbers summarized on Table II-1 above represent a fairly aggressive portrayal of future development opportunities in downtown Santa Maria since they are premised on the following:

1. A shift (relative to historic trends) in countywide development patterns, whereby Santa Maria would attract a larger share of countywide employment growth; and
2. A reversal of current trends regarding the downtown's share of citywide development.

While the first factor – a shift of countywide employment growth in favor of Santa Maria – will arguably come about as a result of market forces that are already in evidence, the second factor – improving the downtown's share of citywide development – is not likely to occur in the absence of a sustained public sector investment in the implementation of the Downtown Specific Plan. Although it is beyond the scope of this report to provide a detailed implementation strategy (it is provided elsewhere in the Specific Plan document), certain findings of the market study have important strategic implications. These are summarized as follows:

- For most of the land uses envisioned for downtown – especially retail, housing and movie theaters – the downtown as it functions today would probably not be the development community's location of choice within Santa Maria. To change this perception, the City needs to make the downtown area its highest development priority over the next 10 to 15 years. This not only means making the downtown as “development friendly” as possible, but it may also mean taking steps to discourage competitive development in other parts of the City. This is a key recommendation of the report prepared by Burnes Consulting as part of this Specific Plan process.
- Strong demand for high-density housing in Santa Maria would appear to be inevitable given anticipated population growth and increasing pressures on housing affordability. Thus, the consultant believes that the projected absorption of approximately 620 units over the next 15 years is achievable (and might actually be significantly exceeded if early residential projects in the area are highly successful)³. However, the precise residential product types that may be feasible are difficult to predict since they will likely involve products for which no “proven” demand currently exists in the market area. Developers interviewed as part of this process believe that both loft-type and live/work units would find

³ The indicated downtown demand of 620 units is based on a capture rate of 25-35% of the projected citywide demand of 2,000 units. In the overall 30-mile trade area considered in this study, total demand for multi-family development between 2005 and 2010 is projected at approximately 5,500 units. Given this larger “pool” of area-wide demand, it is possible that downtown could support development of as many as 900 multi-family units over the next 15 years. This more aggressive forecast is consistent with opinions expressed during the November 30, 2004 developer “focus group” meeting conducted as part of the planning process.

market appeal in downtown Santa Maria, but it is virtually impossible to quantify the numbers of units that might be demanded. It is therefore the consultant's recommendation that the projected 620 units be regarded as a relatively conservative target for residential development in the downtown, and that residential zoning be flexible enough to accommodate a range of product types in response to future market demand and consumer preferences.

- The new ownership of the Santa Maria Town Center is reportedly working on a deal to bring a cinema facility to the mall. This would clearly be good news for both the mall and the downtown, since entertainment facilities are often an important ingredient in positioning an area as a regional destination. As described in Chapter VII of this report, the city's ability to support future theater development will in part depend on Santa Maria's success in drawing moviegoers from the overall 30-mile trade area considered in this report. If only the immediate Santa Maria/Orcutt area is considered in the calculations, there is fairly limited demand for new theater development (with the implication that new facilities could place competitive pressures on existing theaters in the city if they are strictly drawing from a local clientele).
- The retail marketing and tenant attraction program needs to recognize that Santa Maria (and especially the downtown) will in some ways represent a "non traditional" opportunity for prospective retailers. In particular, the downtown's non-freeway location and poor proximity relative to the most affluent residents in the trade area are likely to be viewed as negatives to major retailers. It needs to be remembered that the site selection criteria of major retail chains are often very formulaic and that – on first examination – Santa Maria may not meet their formulas. To counter this challenge, Santa Maria will need to develop marketing materials that convincingly make the case that downtown Santa Maria is a strong opportunity if evaluated within the context of its unique situation. Key marketing messages should include the following:
 - That, based on the Specific Plan, the City is fully committed to reestablishing downtown Santa Maria as a premier shopping destination and to making downtown development its top priority.
 - That Santa Maria draws retail patrons from an unusually large trade area (a fact documented by this study) and is well established as the retail hub of north Santa Barbara County and south San Luis Obispo County.
 - That tremendous population growth is forecasted over the next 15 years, both within the immediate Santa Maria Area and the overall 30-mile trade area.
 - That changing dynamics in Santa Barbara County (both in terms of employment growth and housing prices) are changing the demographic makeup of North County and increasing average income levels (a fact that will require further, ongoing analysis to document).

- The City has expressed an interest (consistent with its General Plan Economic Development Element) in attracting various types of “cottage industries” as part of a “specialty manufacturing” cluster. Examples of these types of industries include pottery making, guitar making (already well established in the overall trade area), and arts and crafts. Almost by definition, these types of activities tend to be home-based rather than factory-based, so they have the potential to be good fits in a loft or live/work environment. Although the consultant’s initial analysis (summarized in Chapter IX of this report) indicates that the existing presence of these industries in the trade area is modest⁴, the potential may still exist to – in effect – *create* a “specialty manufacturing” cluster via incubation activities. Incubation – the process of nurturing fledgling firms and industries – can take several forms. At the simplest level, it can just mean providing an environment that is conducive (in terms of zoning, building types and image) to attracting the desired activities. In the case of Santa Maria, this might mean that the City would work to attract residential developers interested in loft or live-work facilities then allow the developer(s) to handle the details of marketing the project(s) to specific users⁵.
- A more proactive (and more expensive) form of incubation is the development of a brick and mortar incubator facility, i.e., an actual building where the targeted types of firms would concentrate. In particular, incubators are designed to nurture young firms, helping them to survive and grow during the startup period when they are most vulnerable. Incubators provide hands-on management assistance, access to financing and orchestrated exposure to critical business or technical support services. They also offer entrepreneurial firms shared office services, access to equipment, flexible leases and expandable space. Business incubators can be important components of a comprehensive economic development strategy if they are carefully planned and implemented in coordination with the local economy and local resources. Typically, start-up incubators require (at least initially) significant levels of public subsidy in order to remain economically viable, with this investment justified on the basis that it is part of an economic development initiative. In this regard, the value of an incubator is usually predicated on the intention that “incubated” firms grow out of the facility and add substantial numbers of (well paid) employees in a relatively short time. While it is beyond the scope of this Specific Planning process to provide a comprehensive feasibility study and cost/benefit analysis for an incubator facility, the idea could be considered for inclusion in the Specific Plan

⁴ Among the evaluated activities, only musical instrument manufacturing (i.e., guitar making) has an extraordinarily strong existing presence in the 30-mile trade area. However, the bulk (92%) of trade area employment in musical instrument manufacturing is concentrated in three large firms in San Luis Obispo. The number of smaller, “cottage” firms appears to have actually decreased in recent years.

⁵ The general consensus of developers interviewed for this process (either one-on-one or as part of the developer “focus group” meeting) is that live/work and loft units will be feasible in the downtown at some point during the 15-year planning horizon of this study. However, the interviewed developers indicated that it is difficult to predict how soon there may be demand for these product types, given that they are “untested” in the Santa Maria market.

zoning. In this regard, the potential square footages summarized previously on Table II-1 are not based on a demand analysis, but represent the typical square footages⁶ for “targeted” incubators (i.e., incubators focused on specific target industries).

⁶ According to data published by the National Business Incubation Association (NBIA).

III. OVERALL MARKET CONDITIONS

Market conditions described below include defining the trade area for Santa Maria, describing the populations in those areas, and reviewing diverging “expert opinions” as to the future growth trajectory of the Santa Maria economy (in terms of the numbers and types of new jobs).

Trade area and characteristics

Trade areas are normally defined based on a combination of factors including the size, density, and distribution of population in relation to commercial districts, the nearest competitive commercial development, transportation systems linking population concentrations with commercial areas, and the like. For the Santa Maria trade area, these factors were considered in a somewhat different fashion. The consultant took care to define a trade area that coincided with the evidence (from taxable sales data) that retail sales in Santa Maria exceed by a considerable margin what would be expected in a “normal” trade area. The result is a large trade area for Santa Maria – a 30-mile radius from the center of the city – divided into market subareas for purposes of estimating retail demand; so that the furthest places make proportionately the smallest purchases in Santa Maria, but still contribute to the sales in the city. The research presumption is that Santa Maria has attracted a number of regional-serving stores that could not survive distributed throughout the smaller sub-markets around Santa Maria, but do well in Santa Maria as long as they can pull in customers from a large surrounding area. Santa Maria is centrally located but also is itself a high-growth-rate community (including suburban areas), hence the stores have an additional incentive to be there, compared to slower-growing neighboring cities.

The two-county trade area for Santa Maria contains at least 15 distinct communities, representing a variety of community types: empty-nester and retirement (Solvang), agriculturally based workforce (Guadalupe), military (Vandenberg), amenity-based lifestyle (the wine country and coastal communities), central place (Santa Maria), work-oriented communities (Lompoc as well as Santa Maria) and a major university town (San Luis Obispo). The characteristics of populations in these communities vary considerably in income, education, and age distribution, among other things. A summary of these characteristics is shown on Table III-1 on the following two pages.

Compared to California as a whole, Santa Barbara County’s population is slightly older and more educated, and has fewer long-distance commuters, but is otherwise very similar to the state’s overall population. However, the portion of Santa Barbara County in the Santa Maria trade area – 45% of the total county population – is quite different demographically from the rest of Santa Barbara County. In the trade area, there is a higher percentage of Hispanics, households are more likely to be composed of families than non-families, education levels are lower, long-distance commuters are more prevalent, incomes are lower, and homeownership is slightly higher, than in the entire county population.

Table III-1. Selected Characteristics of the Population and Workforce

Variable	Data Area - figures from 2000 Census														Santa Maria trade area, both counties	
	California	Santa Barbara County	Guadalupe	Lompoc	Mission Hills	Nipomo	Orcutt	Santa Maria	St. Maria/Orcutt combined	Santa Ynez	Solvang	Vanden-berg AFB	Vanden-berg Village	Santa Maria portion of SB County		
Market subarea --			RM 1	RM 2	RM 2	RM 1	Secondary	Primary			RM 2	RM 2	RM 2	RM 2		
Total population:	33,871,648	399,347	5,653	41,078	3,159	12,600	28,846	77,113	105,960	4,642	5,415	6,162	5,727	190,395	291,964	
% Hispanic/Latino	32.4%	34.2%	84.1%	36.8%	21.7%	34.9%	14.2%	59.4%	47.1%	9.2%	20.6%	12.3%	9.2%	41.2%	32.7%	
% population in non-family households	14.0%	17.8%	5.8%	12.2%	8.5%	7.1%	10.3%	9.1%	9.4%	10.5%	16.9%	1.9%	12.0%	10.0%	16.7%	
Total households:	11,512,020	136,769	1,439	13,062	1,024	4,038	10,391	22,111	32,503	1,690	2,205	1,704	2,299	59,963	100,787	
% with householder 65 years old and up	18.9%	23.1%	19.7%	19.0%	26.5%	22.5%	31.0%	22.5%	25.2%	23.9%	32.7%	0.2%	36.6%	23.6%	23.5%	
Total workers 16 years and over	14,525,322	179,445	2,005	15,379	1,374	9,244	12,137	29,874	42,011	2,274	2,607	2,908	2,506	80,308	127,294	
Workers 16 years and over, not working at home:																
% commuting 60 min. +	10.1%	4.9%	4.4%	10.9%	12.0%	4.4%	7.0%	4.7%	5.3%	5.8%	2.6%	1.4%	9.2%	6.5%	5.5%	
% commuting 30 min. +	39.3%	20.0%	29.0%	36.7%	33.9%	25.6%	22.4%	24.2%	23.7%	47.6%	29.2%	9.5%	28.7%	27.4%	23.4%	
% in labor force	62.4%	63.1%	58.8%	57.2%	63.5%	60.6%	59.3%	60.6%	60.2%	65.4%	61.6%	78.0%	57.3%	60.2%	60.7%	
Female % in labor force	55.5%	56.6%	48.9%	57.3%	57.6%	54.3%	52.1%	52.4%	52.4%	58.6%	53.5%	60.1%	50.0%	53.8%	54.8%	
% in retail trade	11.2%	11.3%	14.7%	12.3%	8.5%	11.8%	13.3%	12.2%	12.5%	7.5%	14.6%	11.8%	9.8%	12.3%	12.7%	
% in professional, scientific, & tech svcs	7.4%	6.5%	0.6%	4.5%	4.5%	3.2%	5.2%	2.1%	3.0%	7.9%	5.1%	10.1%	6.9%	3.8%	4.9%	
Total population 25 years and over:	21,298,900	246,729	2,966	24,975	2,063	7,878	19,268	43,768	63,036	3,310	3,948	2,932	4,194	115,302	177,074	
% no high school diploma	23.2%	20.8%	56.4%	25.6%	12.1%	21.6%	10.7%	39.0%	30.3%	3.7%	15.7%	1.8%	6.5%	26.5%	22.0%	
% bachelors and above	26.6%	29.4%	4.3%	13.8%	28.1%	16.7%	24.9%	11.0%	15.3%	38.9%	29.1%	27.5%	31.7%	17.1%	21.9%	
Median household income in 1999	47,493	46,677	31,205	37,587	57,000	49,852	53,251	36,541		80,284	45,799	39,444	58,700			
% of California median		98.3%	65.7%	79.1%	120.0%	105.0%	112.1%	76.9%		169.0%	96.4%	83.1%	123.6%			
Per capita income in 1999	22,711	23,059	11,608	15,509	22,769	18,824	23,373	13,780	16,392	33,811	25,363	13,570	29,838	16,073	17,863	
% of California median		101.5%	51.1%	68.3%	100.3%	82.9%	102.9%	60.7%	72.2%	148.9%	111.7%	59.8%	131.4%	70.8%	78.7%	
Income in 1999 below poverty level:	4,706,130	55,086	1,403	5,805	149	910	1,332	14,823	16,155	254	350	402	272	41,855	58,677	
% below poverty	14.2%	14.3%	25.0%	15.4%	4.8%	7.3%	4.6%	19.7%	15.5%	5.5%	6.7%	7.1%	4.8%	14.5%	15.3%	
Total occupied housing units:	11,502,870	136,622	1,432	13,064	1,047	4,035	10,423	22,086	32,510	1,605	2,226	1,700	2,294	59,912	100,799	
% renter-occupied	43.1%	43.9%	43.9%	48.6%	13.3%	21.5%	16.6%	44.1%	35.3%	17.3%	36.6%	91.2%	18.6%	38.8%	41.9%	
Single-unit owned housing, as % of all units	50.4%	48.1%	54.6%	44.5%	86.7%	65.7%	72.6%	48.4%	56.2%	82.2%	51.8%	0.8%	80.4%	53.9%	49.9%	

Source: U.S. Census Bureau, Census 2000; TNCI

Table III-1. Selected Characteristics of the Population and Workforce, cont'd.

Variable	Data Area - figures from 2000 Census							SM trade area portion of SLO County
	Arroyo Grande	Grover Beach	Nipomo CDP	Oceano CDP	Pismo Beach	San Luis Obispo		
	RM 2	RM 2	RM 2	RM 2	RM 2	RM 2		
Total population:	16,050	13,006	12,600	7,228	8,537	44,148	101,569	
% Hispanic/Latino	11.3%	22.6%	34.9%	45.0%	7.2%	11.5%	17.8%	
% population in non-family households	15.6%	17.8%	7.1%	12.8%	27.3%	45.4%	28.3%	
Total households:	6,478	5,000	4,038	2,436	4,216	18,656	40,824	
% with householder 65 years old and up	31.5%	19.6%	22.5%	22.2%	34.6%	19.1%	23.3%	
Total workers 16 years and over	7,095	6,231	5,131	2,979	3,866	21,684	46,986	
Workers 16 years and over, not working at home:								
% commuting 60 min. +	5.1%	3.8%	4.4%	4.1%	5.8%	2.9%	3.8%	
% commuting 30 min. +	19.0%	19.4%	25.6%	27.8%	19.7%	12.1%	17.2%	
% in labor force	59.3%	67.1%	60.6%	63.7%	56.8%	61.8%	61.6%	
Female % in labor force	52.9%	63.4%	54.3%	55.2%	49.2%	57.8%	56.4%	
% in retail trade	14.5%	12.9%	11.8%	13.2%	14.3%	13.0%	13.2%	
% in professional, scientific, & tech svcs	5.6%	4.1%	3.2%	3.0%	11.4%	8.2%	6.7%	
Total population 25 years and over:	11,120	8,522	7,878	4,381	6,651	23,220	61,772	
% no high school diploma	12.8%	17.2%	21.6%	33.1%	8.1%	8.9%	14.0%	
% bachelors and above	28.2%	19.5%	16.7%	12.5%	37.1%	40.9%	30.2%	
Median household income in 1999	48,236	38,087	49,852	38,014	46,396	31,926		
% of California median	101.6%	80.2%	105.0%	80.0%	97.7%	67.2%		
Per capita income in 1999	24,311	18,812	18,824	16,561	30,835	20,386	21,217	
% of California median	107.0%	82.8%	82.9%	72.9%	135.8%	89.8%	93.4%	
Income in 1999 below poverty level:	1,088	1,469	910	1,180	768	11,407	16,822	
% below poverty	6.9%	11.3%	7.3%	16.3%	9.0%	26.6%	16.9%	
Total occupied housing units:	6,521	5,010	4,035	2,441	4,227	18,653	40,887	
% renter-occupied	30.2%	49.3%	21.5%	45.8%	37.4%	58.2%	46.1%	
Single-unit owned housing, as % of all units	62.0%	46.0%	65.7%	35.9%	46.4%	34.1%	44.5%	

Source: U.S. Census Bureau, Census 2000; TNCI

The portion of Santa Maria's trade area in San Luis Obispo County contrasts with the Santa Barbara County portion in that there is a smaller proportion of Hispanics, education levels are slightly better, and long-distance commutes are not as prevalent. Incomes are slightly lower, but some of this is due to the proportionately large student population at Cal Poly San Luis Obispo and Questa College. When the SLO data are combined into Santa Maria's trade area data for Santa Barbara County, the result is a moderating effect for the larger area – the average incomes increase, the ethnic composition becomes more typical of California, etc.

Regardless of the moderating effects of the large trade area for Santa Maria, it is important to note that the immediate market area is comprised of Santa Maria and Orcutt, which together constitute 38 percent of the trade area population. These two communities have a very different population composition – Orcutt is wealthier, older, better educated, and has a small Hispanic population. Combined, the two communities differ most from Santa Barbara County in having a higher percentage of Hispanic citizens, a lower percentage of workers in the industry category of “professional, scientific, and technical services” (a proxy measure for “new economy” export-oriented jobs), lower education levels, lower incomes, and a greater percentage of owned single family housing.

The characteristics of the population closest to Santa Maria's downtown are shown on Table III-2. (The location of the Census tracts listed on the table is shown on Figure III-1.) On the table, the four Census tracts that surround the intersection of Main Street and Broadway are grouped separately from the other tracts. The entire group of 15 tracts represents an area about 2-1/2 miles from the intersection point. The table shows that the four tracts closest to the downtown area have a mix of young, mostly Hispanic, low-income households and elderly households (with a mix of both Hispanic/Latino and non-Hispanic, with non-Hispanic in the majority) with per-capita incomes above the average for Santa Maria. Broadway is the dividing line, and the two lowest-income tracts are on the west side of the street. Throughout the city, there is a general tendency for the west side to have the lowest incomes (see Figure III-1).

The distribution of shopping centers in Santa Maria somewhat follows this east-side bias. The newer power centers are near the Highway 101 alignment on the east side of the city. A list of shopping centers and their tenants is provided in Appendix A.

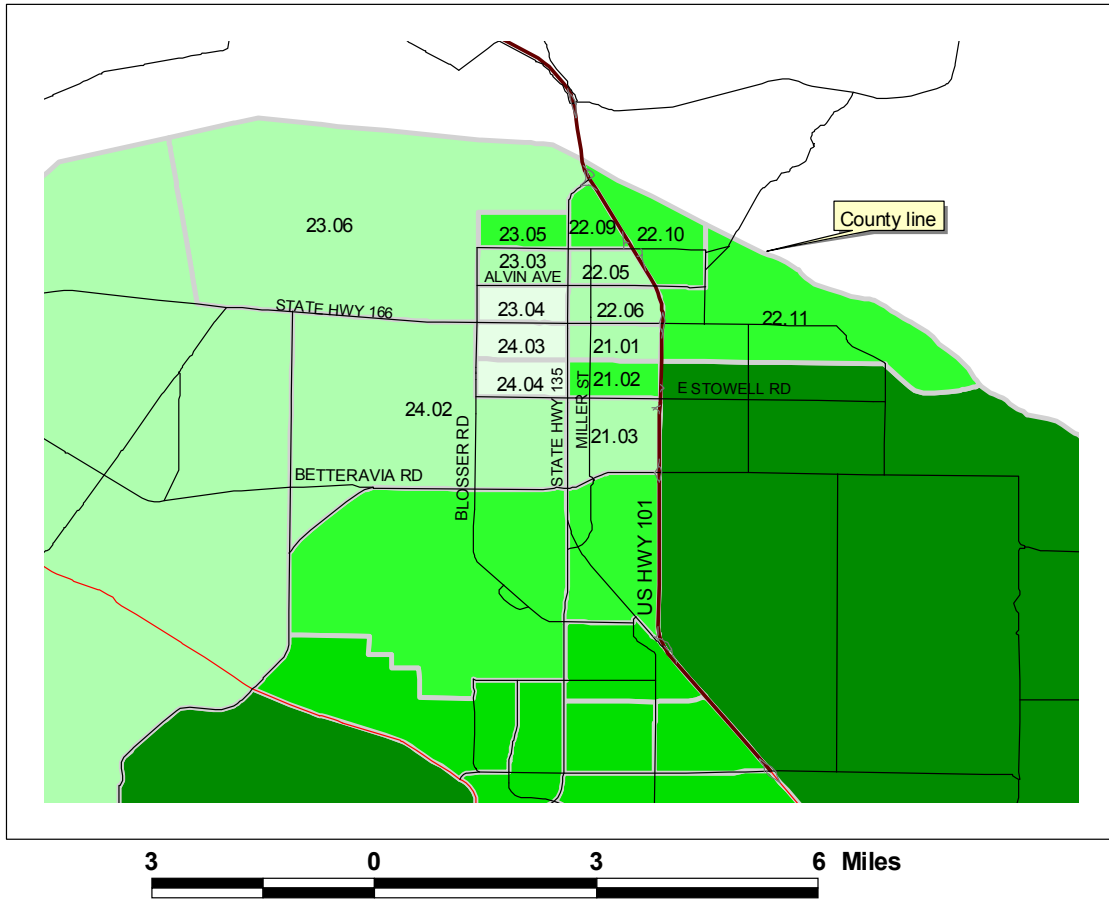
The 30-mile trade area designation used for this study happens to coincide with a clear demographic split between the south and north parts of Santa Barbara County. South County, with the cities of Santa Barbara, Isla Vista, and Carpinteria, has a concentration of very expensive housing, and is a well-established region for high-tech firms – all in contrast to North County.

Table III-2. Characteristics of Population in and Around Downtown Area

Census tract #	Total population	Hispanic or Latino	% Hispanic/Latino	Households	Nonfamily households	% Nonfamily households	Householder 65 years and over	% Householders 65 +	Median household income in 1999	Per capita income in 1999	Persons with incomes below poverty level (1999)	% in poverty
Tracts surrounding Main and Broadway intersection												
21.01	3,840	1,622	42.2%	1,149	474	41.3%	246	21.4%	33,708	18,470	520	18.1%
22.06	4,009	1,843	46.0%	1,538	612	39.8%	448	29.1%	29,531	14,777	729	18.5%
23.04	5,994	4,913	82.0%	1,402	275	19.6%	140	10.0%	26,890	7,799	1,689	28.4%
24.03	6,035	5,216	86.4%	1,357	226	16.7%	156	11.5%	25,524	7,500	2,097	35.2%
Subtotal	19,878	13,594	68.4%	5,446	1,587	29.1%	990	18.2%	-	11,177	5,035	35.2%
Other tracts within approx. 2-1/2 miles of Main/Broadway												
21.02	1,991	637	32.0%	720	211	29.3%	228	31.7%	44,135	18,398	309	15.5%
21.03	3,484	1,272	36.5%	1,458	647	44.4%	257	17.6%	31,319	17,269	448	13.2%
22.05	4,071	2,130	52.3%	1,207	306	25.4%	236	19.6%	37,750	14,113	954	24.4%
22.09	2,796	1,502	53.7%	806	133	16.5%	155	19.2%	43,375	14,408	379	13.6%
22.10	3,997	1,819	45.5%	1,155	150	13.0%	175	15.2%	50,992	17,924	424	10.7%
22.11	4,526	1,046	23.1%	1,709	428	25.0%	678	39.7%	47,566	24,824	303	6.8%
23.03	6,451	5,183	80.3%	1,346	122	9.1%	273	20.3%	38,258	9,453	1,284	20.2%
23.05	7,100	5,635	79.4%	1,459	140	9.6%	233	16.0%	42,411	10,030	1,379	19.6%
23.06	4,920	2,485	50.5%	1,620	399	24.6%	665	41.0%	37,833	16,516	521	10.6%
24.02	6,742	4,718	70.0%	1,781	430	24.1%	384	21.6%	31,803	10,366	1,570	23.5%
24.04	6,685	5,255	78.6%	1,704	400	23.5%	166	9.7%	28,784	9,671	1,963	29.5%
Subtotal	52,763	31,682	60.0%	14,965	3,366	22.5%	3,450	23.1%	-	13,770	9,534	29.5%
Totals	72,641	45,276	62.3%	20,411	4,953	24.3%	4,440	21.8%	-	13,060	14,569	29.5%

Note: See Figure II-1 for tract locations
 Source: 2000 Census; TNCI

Figure III-1. Incomes in Santa Maria



Projected population growth

Population projections for the Santa Maria trade area are shown on Table III-3 on the following page. The projections for the Santa Barbara County portion of the trade area are from the Regional Growth Forecast 2000-2030, prepared by the Santa Barbara County Association of Governments (SBCAG) and adopted in March 2002. The table shows clearly that expected growth in Santa Barbara County is concentrated in the North County area, and especially in and around Santa Maria. However, other communities are also expected to grow, and Santa Maria and its unincorporated areas (mainly Orcutt) are only 42 percent of the trade area population in 2030.

If we drop Santa Maria and its unincorporated area from Table III-3, the remaining Santa Barbara County and San Luis Obispo County portions of the trade area are projected to each have about equal rates and absolute quantities of growth

Table III-3. Population forecasts for Santa Barbara County and other parts of the Santa Maria trade area

Jurisdiction	2000	2005	2010	2015	2020	Absolute change, 2000-2020	% change, 2000-2020	2025	2030	Absolute change, 2000-2030	% change, 2000-2030
Santa Barbara County Total	399,000	436,000	462,000	488,000	505,000	106,000	26.6%	513,000	521,000	122,000	30.6%
South Coast Subregion	201,000	208,900	216,800	224,900	232,100	31,100	15.5%	236,300	240,500	39,500	19.7%
Trade Area communities											
City of Lompoc	41,100	43,500	44,900	46,100	47,200	6,100	14.8%	48,500	49,900	8,800	21.4%
Lompoc - Unincorporated	17,200	22,000	23,800	25,000	25,100	7,900	45.9%	25,200	25,300	8,100	47.1%
City of Santa Maria	77,400	87,900	96,800	105,900	110,800	33,400	43.2%	112,700	113,700	36,300	46.9%
City of Guadalupe	5,700	5,900	6,000	6,200	6,400	700	12.3%	6,500	6,700	1,000	17.5%
Santa Maria - Unincorporated	33,300	39,500	44,700	50,200	53,600	20,300	61.0%	54,200	54,900	21,600	64.9%
Guadalupe - Unincorporated	400	700	700	800	800	400	100.0%	800	900	500	125.0%
City of Solvang	5,300	5,900	6,300	6,300	6,300	1,000	18.9%	6,300	6,300	1,000	18.9%
Santa Ynez Unincorporated	12,700	14,000	15,000	15,100	15,100	2,400	18.9%	15,100	15,200	2,500	19.7%
City of Buellton	3,800	5,400	5,800	5,800	5,800	2,000	52.6%	5,900	5,900	2,100	55.3%
All SB trade area communities	196,900	224,800	244,000	261,400	271,100	74,200	37.7%	275,200	278,800	81,900	41.6%
San Luis Obispo County communities											
San Luis Obispo	44,174	43,905	46,145	48,499	50,973	6,799	15.4%	(no data for this period)			
Arroyo Grande	15,851	17,626	18,988	18,988	18,988	3,137	19.8%				
Grover Beach	13,067	13,436	14,104	14,816	15,564	2,497	19.1%				
Pismo Beach	8,551	9,693	10,807	11,873	12,917	4,366	51.1%				
Oceano	7,260	7,262	7,785	8,304	8,814	1,554	21.4%				
Nipomo	12,626	12,023	14,006	15,924	17,754	5,128	40.6%				
All SLO trade area communities	101,529	103,945	111,835	118,404	125,010	23,481	23.1%				
2-county total trade area	298,429	328,745	355,835	379,804	396,110	97,681	32.7%				

Source: SBCAG, Regional Growth Forecast 2000-2030, March 2002; SLOCOG (<http://www.slocog.org/maps/maps.html>); TNCI.

The region's existing employment base

The current pattern of jobs by major industry group, by geographic area in Santa Barbara County, is shown in Table III-4 below.

Employment Sector	South Coast	Santa Ynez	Lompoc	Santa Maria	Sum of North Co.	County Total	California	Santa Maria as % of county ttl
Agriculture	3,410	2,170	1,395	8,525	12,090	15,500	408,500	55.0%
Mining	333	63	27	477	567	900	23,500	53.0%
Construction	4,800	480	800	1,920	3,200	8,000	726,900	24.0%
Manufacturing	11,648	182	3,640	2,730	6,552	18,200	1,947,800	15.0%
Transportation	2,236	260	468	2,236	2,964	5,200	743,600	43.0%
Wholesale Trade	3,420	114	285	1,881	2,280	5,700	818,200	33.0%
Retail Trade	19,942	1,690	3,380	8,788	13,858	33,800	2,477,400	26.0%
Finance, Insurance, and Real Estate	5,400	225	300	1,575	2,100	7,500	819,900	21.0%
Services	35,642	2,008	4,518	8,032	14,558	50,200	4,612,900	16.0%
Government	21,376	1,336	5,344	5,344	12,024	33,400	2,318,100	16.0%
Total	108,207	8,528	20,157	41,508	70,193	178,400	14,896,800	23.3%
Percent of jobs by sector, 2000								
Agriculture	3.2%	25.4%	6.9%	20.5%	17.2%	8.7%	2.7%	
Mining	0.3%	0.7%	0.1%	1.1%	0.8%	0.5%	0.2%	
Construction	4.4%	5.6%	4.0%	4.6%	4.6%	4.5%	4.9%	
Manufacturing	10.8%	2.1%	18.1%	6.6%	9.3%	10.2%	13.1%	
Transportation	2.1%	3.0%	2.3%	5.4%	4.2%	2.9%	5.0%	
Wholesale Trade	3.2%	1.3%	1.4%	4.5%	3.2%	3.2%	5.5%	
Retail Trade	18.4%	19.8%	16.8%	21.2%	19.7%	18.9%	16.6%	
Finance, Insurance, and Real Estate	5.0%	2.6%	1.5%	3.8%	3.0%	4.2%	5.5%	
Services	32.9%	23.5%	22.4%	19.4%	20.7%	28.1%	31.0%	
Government	19.8%	15.7%	26.5%	12.9%	17.1%	18.7%	15.6%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: SBCAG; California Employment Development Department, TNCI

The table indicates that Santa Barbara County has, as expected, a greater share of total employment in agriculture. The proportion of manufacturing, a good measure of the "exporting power" of the economy, is at a respectable level compared to the state, especially given the disproportionately high levels of agricultural employment (another exporting or dollar-importing industry). Financial and other services are below the state average, but not by much. Note that retail trade is a high percentage of employment in Santa Maria, confirming the community's strong retail base.

Looking regionally within Santa Barbara County, the Santa Maria area has more agriculture, proportionately and in absolute numbers, and less manufacturing than the South Coast region. The South Coast is also the clear leader in services.

Another revealing category of information for viewing distinctions among county subregions is "major employers." A list of major employers (and this list contains essentially private sector employers) for Santa Barbara and San Luis Obispo Counties is shown on Table III-5. Note that none of the Santa Barbara County firms are, according to the table, located in Santa Maria.

Table III-5. Major Employers per California Employment Development Department			
Major Employers in Santa Barbara County			
Employer Name	Location	Employees	Industry
Big Dog Holdings Inc.	Santa Barbara	1,400	Women's & Misses' Outerwear
Chicago Title Insurance Corp	Santa Barbara	n/a	Title Insurance
Inamed Corporation	Santa Barbara	1,200	Hospitals
Mentor Corporation	Santa Barbara	2,050	Medical Instruments & Supplies
Pacific Capital Bancorp	Santa Barbara	1,252	Holding Offices
Santa Barbara City College	Santa Barbara	1,500	Colleges & Universities
Santa Barbara Cottage Hospital	Santa Barbara	1,600	Hospitals
Santa Barbara Restaurant Group	Santa Barbara	850	Eating & Drinking Places
Tenet Healthcare Corp.	Santa Barbara	n/a	Health & Allied Services, all other
Major Employers in San Luis Obispo County			
Employer Name	Location	Employees	Industry
Arroyo Grande Community Hosp	Arroyo Grande	n/a	Hospitals
Arroyo Grande High School	Arroyo Grande	n/a	Elementary & Secondary Schools
Atascadero State Hospital	Atascadero	1,800	Hospitals
California Polytech State Univ.	San Luis Obispo	2,300	Colleges and Universities
California State Prison	San Luis Obispo	n/a	Public Administration (Government)
French Hospital Medical Center	San Luis Obispo	425	Hospitals
JIT Manufacturing Inc	Paso Robles	250	Misc. Manufactures
Mid-State Bank	Arroyo Grande	847	Commercial Banks
Pacific Gas & Electric Co	San Luis Obispo	1,200	Electric Services
Paris Precision Products	Paso Robles	160	Fabricated Structural Metal Products
Ramirez Farm Labor	Shandon	350	Personnel Supply Services
Sierra Vista Regional Medical Center	San Luis Obispo	150	Hospitals
Talley Farms	Arroyo Grande	250	Groceries & Related Products (Wholesale)
Twin Cities Community Hospital	Templeton	450	Hospitals
Wal-Mart	Paso Robles	312	Department Stores

n/a = employment data not available from the source used for this table.

Source: California EDD, developed using the 2002 America's Labor Market Information System (ALMIS) Employer Database from InfoUSA.

Another study, *Santa Barbara County State of the Workforce, 2003*,⁷ includes a list of the 40 largest employers in the North County (compiled from information in the UCSB Economic Forecast Project Survey). Of the 31 Santa Maria employers in this list, approximately seven are exporting or “dollar importing” firms: four manufacturers, one agricultural firm, and one service-providing firm (providing services beyond the local area). The rest are primarily local-serving firms or organizations in the retail, health service, educational services, other services, and government sectors.

The largest north county employer is Vandenberg Air Force Base, providing 5,250 jobs. The next largest employer is Santa Maria-Bonita Schools, with 1,725 employees.⁸ In the portion of the Santa Maria trade area that extends into San Luis Obispo County, the major colleges in the area are to some extent an exception to the “local-serving” label that usually goes with educational services. The presence of Cal Poly San Luis Obispo and Questa College, also at SLO, means that “educational services” is effectively an export activity in that community.

On a long-term basis, the potential for commercial space launch activities at Vandenberg AFB could make up for defense industry losses that occurred in the 1990’s. Commercial launch activities however have recently been curtailed due to financial viability of space-based communications systems. The reusable Launch Vehicle being developed may also boost Vandenberg AFB’s activity, depending on the direction of this program.⁹

According to Santa Maria’s Economic Development Element of the General Plan, export-oriented industries targeted for the community are essentially those already existing in the region: value-added agriculture, aircraft/aerospace, specialty manufacturing (musical instruments is an example of existing activity in this industry group), and tourism.

Projections of future employment growth

This study considers two differing views on how future employment growth will be distributed in Santa Barbara County. Briefly, the two “camps” and the essence of their respective viewpoints are as follows:

- **SBCAG forecasts.** SBCAG’s Regional Growth Forecast 2000-2030 presents a growth scenario whereby North County’s share of countywide employment (both overall and for individual industry sectors) will remain almost exactly the same in 2030 as it was in 2000. Per the SBCAG forecasts, construction would represent a higher share of North County employment in 2030 than at present, primarily because of the housing development required for the increasing population in the area. But while the north’s projected population growth rate greatly exceeds that of the south county – with an increase of 74,000 persons in the north versus

⁷ Santa Barbara County Workforce Investment Board. *Santa Barbara County State of the Workforce, 2003*.

⁸ *ibid.*

⁹ Source: SBCAG, *Regional Growth Forecast 2000-2030*. March 2002. (page 53)

31,000 in the south (as previously shown on Table III-3), the rate of *employment* increase in North County mirrors that for the county as a whole. Increased commuting is SBCAG's projected means by which job growth continues to be sustained in the south. Based on conversations with Brian Bresolin of SBCAG, that organization's expectations are that 1) industry agglomeration tendencies due to Santa Barbara's established employment base, 2) employers' links to the University, and 3) the prestige and image of the community will together keep the Santa Barbara area's employment growth strong. The lack of housing in the south region will simply mean that more people will commute further to work.

- ***UCSB Economic Forecast Project (May 20, 2003).*** The UCSB researchers present a convincing case for a shift in regional employment patterns whereby the North County's share of countywide employment (both overall and in key individual industries) will increase overtime (more in proportion to projected population growth). This viewpoint is consistent with that expressed in the Comprehensive Economic Strategy (CES) for the County of Santa Barbara (dated January 2004). The CES report states that "the high price of housing and the increased cost of doing business in the area have resulted in the loss of Fidelity National Title, one of two Fortune 500 Companies in the County. . . . The UCSB Economic Forecast Project recently cited high home prices on the South Coast and anti-growth policies as factors deterring economic growth by driving away companies, especially those offering higher salaries. As a result, new business and job recruitment have become a serious [South Coast] problem." At the same time, the report notes, the slowing economic growth and the high cost of housing on the South Coast has turned the North County into a "growth machine." North County was estimated to have gained 1,600 private sector jobs while the South Coast lost 600 jobs, over the last year, according to a Santa Barbara News-Press article cited by the report. Finally, the report quotes Bill Watkins, Executive Director of the Economic Forecast Project at UCSB, describing Santa Barbara as turning into a "geriatric ghetto," where young families have to commute long distances to work.¹⁰ In short, these sources support the idea that high housing costs are driving *both* workers and residents away from the South Coast.

It is the consultant's assessment that the trends forecasted by UCSB present a more realistic scenario for Santa Maria than the SBCAG forecasts. Since the UCSB forecasts do not provide long-term, industry-by-industry employment projections, the consultant has developed its own forecasts, which are essentially an adjusted version of the SBCAG numbers. As a point of reference, the unadjusted SBCAG numbers are shown on Table III-6 below. The consultant's adjusted forecasts (reflecting available data from the UCSB document) are shown on Table III-7. The consultant's adjusted forecast (not the SBCAG forecast) is utilized in Chapter V as the basis for projecting future office space demand in Santa Maria.

¹⁰ Ibid., page 54

Table III-6. SBCAG employment forecasts by subregion and employment sector, 2030

Employment Sector	South Coast	Santa Ynez	Lompoc	Santa Maria	Sum of North Co.	County Total	Santa Maria as % of county total
Agriculture	4,620	2,940	1,680	11,760	16,380	21,000	56.0%
Mining	407	66	44	583	693	1,100	53.0%
Construction	12,936	1,386	2,310	6,468	10,164	23,100	28.0%
Manufacturing	17,451	277	5,263	4,709	10,249	27,700	17.0%
Transportation	2,709	315	567	2,709	3,591	6,300	43.0%
Wholesale Trade	5,460	182	455	3,003	3,640	9,100	33.0%
Retail Trade	25,370	2,150	4,300	11,180	17,630	43,000	26.0%
Finance, Insurance, and Real Estate	6,264	261	348	1,827	2,436	8,700	21.0%
Services	54,386	3,064	6,894	12,256	22,214	76,600	16.0%
Government	25,728	1,608	6,432	6,432	14,472	40,200	16.0%
Total	155,331	12,249	28,293	60,927	101,469	256,800	23.7%
Percent of jobs by sector, 2030							
Agriculture	3.0%	24.0%	5.9%	19.3%	16.1%	8.2%	
Mining	0.3%	0.5%	0.2%	1.0%	0.7%	0.4%	
Construction	8.3%	11.3%	8.2%	10.6%	10.0%	9.0%	
Manufacturing	11.2%	2.3%	18.6%	7.7%	10.1%	10.8%	
Transportation	1.7%	2.6%	2.0%	4.4%	3.5%	2.5%	
Wholesale Trade	3.5%	1.5%	1.6%	4.9%	3.6%	3.5%	
Retail Trade	16.3%	17.6%	15.2%	18.3%	17.4%	16.7%	
Finance, Insurance, and Real Estate	4.0%	2.1%	1.2%	3.0%	2.4%	3.4%	
Services	35.0%	25.0%	24.4%	20.1%	21.9%	29.8%	
Government	16.6%	13.1%	22.7%	10.6%	14.3%	15.7%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Source: SBCAG; TNCI.							

The adjusted forecasts, provided on Table III-7 below, are based on the following parameters:

- SBCAG’s countywide projections of employment were assumed to be accurate. That is, the consultant did not adjust countywide employment (either overall or for individual sectors), but did change the intra-county allocation of future employment growth (shifting a portion of the South Coast’s projected growth to the North County).
- Whereas the SBCAG projections assumed that the South Coast’s employment growth would outpace South Coast population growth (creating new commuters who would live in North County), the consultant’s adjustments reflect a scenario whereby South’s Coasts employment base would grow at a rate more similar to

its population growth and that the “excess” South Coast jobs projected by SBCAG would instead be located in the North County (closer to the workers’ places of residence). The analysis of “excess jobs” to be reallocated was done a sector-by-sector basis, so that adjustment factors are different for each sector.

- The consultant did not adjust the SBCAG forecasts for the agriculture and mining sectors, since these are activities were assumed to be largely resource-based (with the implication that they are less likely to shift locations). At any rate, these sectors have relatively little impact on office space demand, which is the primary purpose of the employment forecasts in this study.

Employment Sector	Unadjusted SBCAG Forecast	Adjustment (Additional Jobs)	Percentage Adjustment	Adjusted Forecast
Agriculture	11,760	0	0%	11,760
Mining	583	0	0%	583
Construction	6,468	3,232	50%	9,700
Manufacturing	4,709	1,464	31%	6,173
Transportation	2,709	336	12%	3,045
Wholesale Trade	3,003	1,129	38%	4,132
Retail Trade	11,180	1,700	15%	12,880
Finance, Insurance, and Real Estate	1,827	179	10%	2,006
Services	12,256	6,477	53%	18,733
Government	6,432	773	12%	7,205
Total	60,927	15,290	25%	76,217
Source: SBCAG; TNCl.				

The overall effect of the consultant’s adjustments is that the total number of jobs in Santa Maria in 2030 would be about 25% higher than it would under the SBCAG forecasts (76,217 jobs versus 60,927 jobs). This percentage adjustment differs by major industry group, ranging from a 10% adjustment in the finance/insurance/real estate sector to a 53% adjustment in the services sector.

IV. RETAIL ANALYSIS

Overview of issues affecting Santa Maria's retail development potentials

Retail market conditions in the Santa Maria region are somewhat unusual. Because Santa Maria is located in a growth area that is also central to a developed region, the city attracts retail customers from a very large trade area (approximately 30 miles for some types of goods). The city's future development opportunities will depend on the extent to which this condition continues. That is, as outlying communities develop more substantial retail facilities of their own, Santa Maria's ability to attract outside demand may be diminished. The degree to which the downtown area can be successful in attracting future retail development will depend largely on the overall direction that the Specific Plan process takes.

The essence of the demand potential, as analyzed according to the tables shown below, is this: Santa Maria stores in the category of "general merchandise" (essentially regular and discount department stores) are drawing patrons from a trade area considerably larger than normal. Some (but not all) other categories of retail could theoretically share in the benefits of this expanded market area, but they do not at present. This potential demand could be realized to the extent that retail facilities in Santa Maria are sufficiently attractive to customers of these types of businesses, and that additional stores in these categories are developed to meet the demand.

Historic growth in Santa Maria's retail sales

Table IV-1 on the following page provides the real annual growth rate (in 2002 dollars) of taxable sales in Santa Maria and Santa Barbara County between 1995 and 2002. The following highlights from the table suggest the retail market in Santa Maria is relatively strong and getting more than its "fair share" of countywide retail sales.

- Total taxable sales increased at a 6.34% annual rate in Santa Maria, compared to a rate of 4.75% in Santa Barbara County. This suggests that Santa Maria is increasing its share of total countywide retail sales.
- This relative strength in retail sales is not isolated to one retail category. Retail categories in which Santa Maria experienced faster growth in sales than the county included the following: Home furnishings and appliances, Building materials and farm implements, Auto dealers and auto supplies, Service stations, and Other retail stores.
- The apparel category was the only retail category to show a decline in real sales over the 1995 – 2002 period. However, this likely resulted from the entrance of other "big box" retailers in the general merchandise category (such as Wal-Mart) that temporarily captured sales from traditional apparel retailers. In fact, since 1999 the Apparel category has appeared to regain its "footing", with taxable sales increasing at a 12.3% annual rate over the last three years.

Table IV-1

Real Growth in Taxable Sales by Retail Category (2002 dollars)

CITY OF SANTA MARIA AND SANTA BARBARA COUNTY: 1995 – 2002

Category	<i>City of Santa Maria</i>								Annual Growth Rate
	1995	1996	1997	1998	1999	2000	2001	2002	
Apparel	26,299	24,529	23,136	19,394	17,991	18,839	21,958	25,457	-0.46%
General Merchandise	200,992	196,992	203,827	211,871	229,541	237,571	243,242	248,069	3.05%
Food	40,690	45,589	49,213	48,502	49,133	44,172	40,776	44,837	1.40%
Eating and drinking places	66,888	66,009	68,386	72,261	79,334	84,117	88,078	89,517	4.25%
Home furnishings and appliances	25,596	31,717	32,513	33,161	32,086	35,862	34,845	39,365	6.34%
Bldg. matrl. and farm implements	116,340	122,182	133,664	159,890	183,080	191,714	203,496	210,202	8.82%
Auto dealers and auto supplies	137,137	146,934	149,927	170,642	181,588	208,271	244,185	284,107	10.97%
Service stations	32,759	40,312	45,016	39,335	39,617	43,799	43,904	44,042	4.32%
Other retail stores	79,790	87,914	93,526	99,998	105,334	114,046	135,206	133,641	7.65%
Retail stores totals	726,491	762,176	799,206	855,054	917,704	978,391	1,055,691	1,119,237	6.37%

Category	<i>Santa Barbara County</i>								Annual Growth Rate
	1995	1996	1997	1998	1999	2000	2001	2002	
Apparel	144,004	141,797	136,964	127,714	126,256	124,177	126,321	140,283	-0.37%
General Merchandise	490,424	492,917	513,927	552,243	627,752	646,679	647,891	644,567	3.98%
Food	209,822	220,764	238,528	237,504	238,959	236,615	237,764	242,403	2.08%
Eating and drinking places	398,562	409,645	424,659	449,703	472,072	500,377	518,485	533,792	4.26%
Home furnishings and appliances	119,146	127,225	132,697	141,103	147,790	177,685	162,657	174,005	5.56%
Bldg. matrl. and farm implements	263,281	276,043	298,813	335,749	392,724	410,617	434,150	442,392	7.70%
Auto dealers and auto supplies	406,962	434,313	433,400	480,179	526,492	578,242	631,193	684,029	7.70%
Service stations	217,319	234,231	229,682	209,771	236,537	259,199	258,600	260,643	2.63%
Other retail stores	443,638	456,434	501,250	532,323	574,069	606,864	610,382	605,623	4.55%
Retail stores totals	2,693,158	2,793,369	2,909,918	3,066,290	3,342,650	3,540,455	3,627,442	3,727,737	4.75%

Source:

California State Board of Equalization, Taxable Sales in California, 1995 - 2002

GDP Implicit Price Deflator, U.S. Department of Commerce, Bureau of Economic Analysis

Competitive development in neighboring communities

Santa Maria’s strong performance in terms of retail sales growth and, in particular its capture of demand from an unusually large trade area, is partly based on the fact that many of Santa Maria’s neighboring communities have limited retail facilities of their own. In essence, demand from these communities is “leaking” to Santa Maria. As might be expected, several significant retail projects are planned in the outlying communities, which will to some degree result in a reversal of this trend. These projects are summarized as follows:

Project	Anchor Tenants	Location	Status
Costco – 140,000 square feet (SF)	Costco	San Luis Obispo	Awaiting Army Corps of Engineers approval because of nearby wetlands – potential opening in Spring, 2005
San Luis Marketplace – 650,000 SF Shopping Center	Target, Circuit City, Lowe’s, Old Navy, TJ Maxx, Tilly’s	San Luis Obispo	Awaiting decision on type and timing of voter referendum
Orcutt Plaza – 220,000 SF Shopping Center	Vons, Kohls, Borders	Orcutt	Awaiting resolution of water rights dispute
Orcutt Marketplace – 104,000 SF Neighborhood Shopping Center	Spencer’s Market (full-service grocery)	Orcutt	Awaiting resolution of water rights dispute
Home Depot – 135,000 SF	Home Depot	Lompoc	Opened September 2004

In addition to the above projects, the community plan for the Orcutt area includes a major County goal to review the potential for increases in retail-commercial development for tourist-oriented uses in Old Town Orcutt. The plan indicates Old Town could accommodate approximately 220,000 additional square feet of this type of development. However, according to County officials, this particular strategy is not currently being actively pursued by any private or public entity.¹¹

¹¹ Telephone interview with John Karamitsos, Senior Planner, County of Santa Barbara County, 9/23/04.

Statistical retail demand analysis

The retail sector in Santa Maria was examined for this report using TNCI's retail analysis model, as specially adapted to the Santa Maria market area conditions. Those conditions are described in the series of tables below. There are nine distinct steps to the retail analysis:

1. Definition of market areas
2. Population and income levels in the market areas
3. Total retail demand in each market area
4. Allocation of demand among retail categories
5. Santa Maria's capture rates of retail expenditures occurring within the market area
6. Potential sales volumes in Santa Maria under present and future conditions, by retail category
7. Sales by retail center type
8. Net supportable retail space, present and future, by type of space
9. Allocation of retail-compatible services space

Market Area Boundaries

For purposes of the demand analysis, The Natelson Company, Inc. (TNCI) defined four distinct geographic areas from which retail facilities in Santa Maria can be expected to draw market support. These market subareas are defined below and illustrated on the following maps.

Market Subarea	Subarea description
Primary Market Area (PMA):	3-mile radius circle from the intersection of Main Street and Broadway; includes basically the city of Santa Maria
Secondary Market Area (SMA):	Area between the 3-mile and 5-mile radius (from same point as above); includes primarily Orcutt
Regional Market Area #1 (RMA1):	Area between the 5-mile circle and a 10-mile radius, from the same intersection; includes primarily Guadalupe and Nipomo
Regional Market Area #2 (RMA2):	Area between the 10-mile circle and a 30-mile radius circle, from the same intersection; includes all the other trade area cities

The combined market area is referred to herein as the Santa Maria Trade Area.

Figure IV-1: PMA & SMA

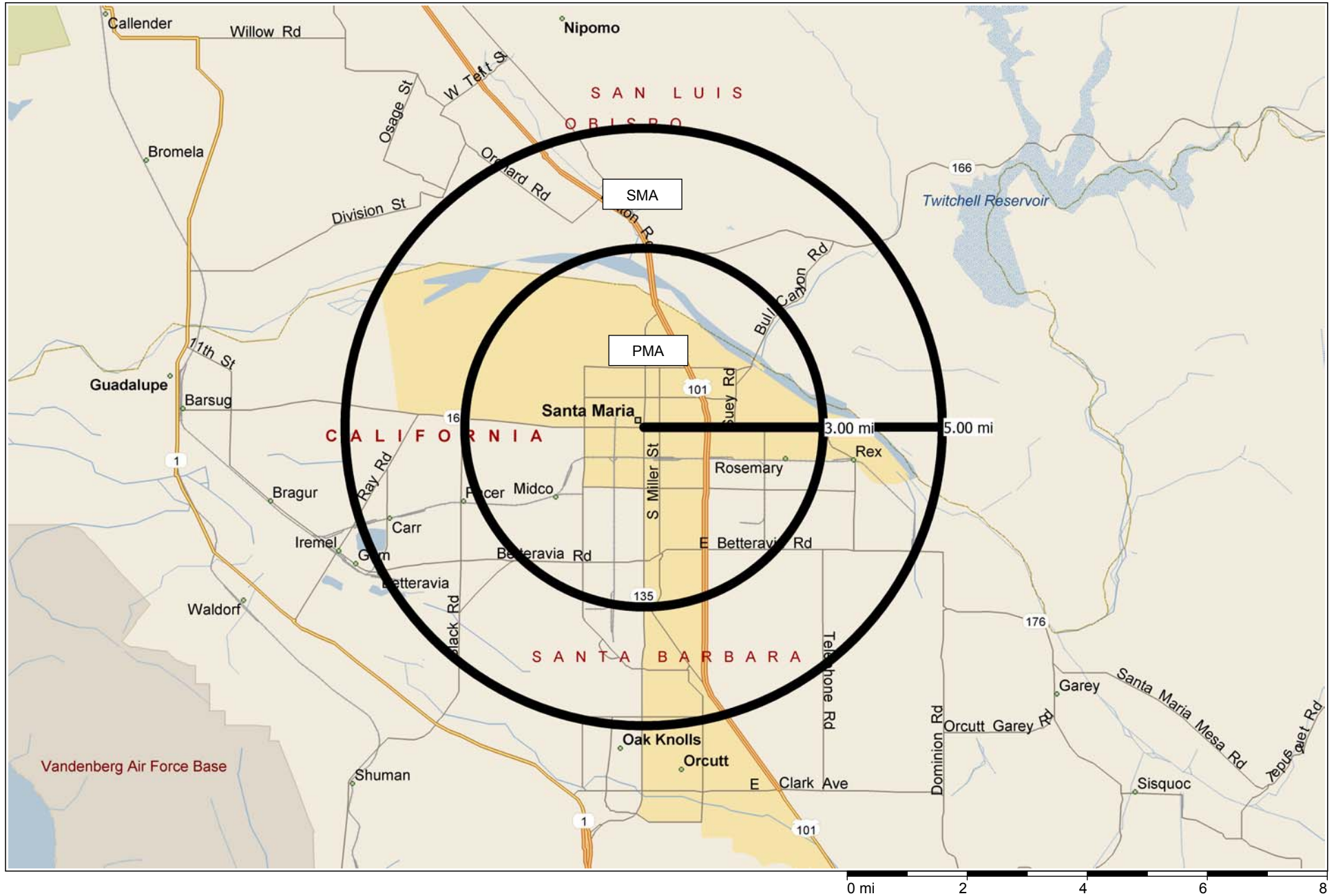
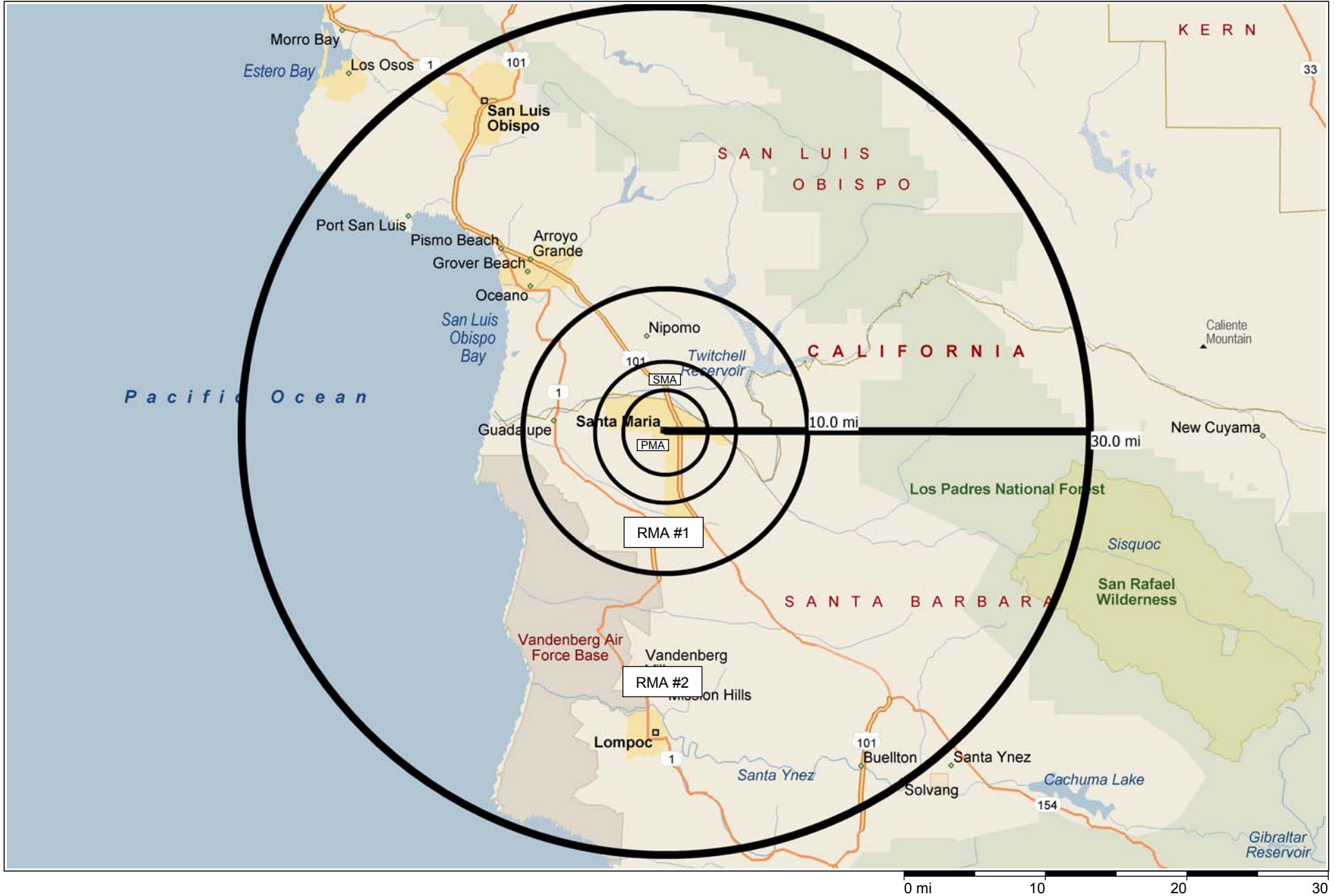


Figure IV-2: □
SMTA



Population and Income Levels

The population in the Trade Area is expected to increase substantially in all subareas over the next sixteen years, as shown below:¹²

Table IV-2 Population Projections Santa Maria Trade Area						
Area	2002	2004	2006	2008	2010	2020
PMA	77,407	79,792	82,126	84,529	87,854	107,094
SMA	14,926	15,430	15,924	16,434	17,267	20,705
RMA-1	44,754	46,185	47,590	49,037	51,161	61,658
RMA-2	191,179	194,911	198,672	202,505	207,256	221,307
Total	328,266	336,319	344,312	352,505	363,539	410,765

Source: Claritas; The Natelson Company, Inc., (TNCI)

Per capita income levels in 2002 in the Santa Maria Trade Area are estimated as follows:

Table IV-3 Per Capita Income in Constant 2002 Dollars Santa Maria Trade Area	
Market area	2002 Per Capita Income
PMA	\$17,441
SMA	\$26,615
RMA-1	\$29,624
RMA-2	\$29,360

Per capita income estimates were obtained from the Department of Commerce, Bureau of Economic Analysis. For purposes of this analysis, per capita income levels are assumed to remain constant over the analysis period. This assumption is analytically conservative compared to recent economic trends.

Retail Sales Demand

Population and income characteristics are the primary determinants of the potential dollars available for purchases of goods and services in a market area. Depending on the relative affluence of the community, the actual proportion of income allocable for

¹² These population numbers are derived from a source that includes all parts of the subareas listed above, and therefore the numbers do not specifically match those of previous tables, which were based on defined communities within the trade area.

retail goods typically ranges from 32 to 40 percent (higher incomes are associated with lower percentages of income going to retail purchases). A factor of 40 percent has been applied to total resident income for the Primary Market Area; while a 37 percent factor has been used for the other sub-areas. Additionally, a five-percent factor is included for each sub-area to account for tourist and business spending within that area.

Table IV-4 shows total residents' income and potential retail expenditures based on resident income (including the purchases-by-business factor) for 2002 through 2020.

Table IV-4 Total Income and Retail Demand of Market area Residents In Thousands of 2002 Dollars						
Area	2002	2004	2006	2008	2010	2020
Total Income:						
PMA	\$1,350,071	\$1,391,675	\$1,432,388	\$1,474,291	\$1,532,279	\$1,867,861
SMA	\$397,259	\$410,675	\$423,823	\$437,391	\$459,572	\$551,076
RMA-1	\$1,325,778	\$1,368,166	\$1,409,780	\$1,452,660	\$1,515,593	\$1,826,529
RMA-2	\$5,613,009	\$5,722,601	\$5,833,009	\$5,945,547	\$6,085,043	\$6,497,576
Total	\$8,686,117	\$8,893,116	\$9,098,999	\$9,309,889	\$9,592,487	\$10,743,041
Potential Retail Sales:						
<u>PMA</u>						
Residents	\$540,028	\$556,670	\$572,955	\$589,717	\$612,912	\$747,144
Business/Visitors	\$67,504	\$69,584	\$71,619	\$73,715	\$76,614	\$93,393
Subtotal	\$607,532	\$626,254	\$644,574	\$663,431	\$689,526	\$840,538
<u>SMA</u>						
Residents	\$146,986	\$151,950	\$156,814	\$161,835	\$170,042	\$203,898
Business/Visitors	\$19,863	\$20,534	\$21,191	\$21,870	\$22,979	\$27,554
Subtotal	\$166,849	\$172,484	\$178,005	\$183,704	\$193,020	\$231,452
<u>RMA-1</u>						
Residents	\$490,538	\$506,221	\$521,619	\$537,484	\$560,769	\$675,816
Business/Visitors	\$66,289	\$68,408	\$70,489	\$72,633	\$75,780	\$91,326
Subtotal	\$556,827	\$574,630	\$592,108	\$610,117	\$636,549	\$767,142
<u>RMA-2</u>						
Residents	\$2,076,813	\$2,117,362	\$2,158,213	\$2,199,852	\$2,251,466	\$2,404,103
Business/Visitors	\$280,650	\$286,130	\$291,650	\$297,277	\$304,252	\$324,879
Subtotal	\$2,357,464	\$2,403,492	\$2,449,864	\$2,497,130	\$2,555,718	\$2,728,982
Total Potential Retail Sales	\$3,688,671	\$3,776,859	\$3,864,551	\$3,954,382	\$4,074,813	\$4,568,113

Distribution of Resident Retail Expenditures

Projected retail demand from market area residents is disaggregated into various retail categories based upon historic retail expenditure patterns observed throughout the State of California. The basic distribution of retail sales by retail category is projected as follows:

Table IV-5 Distribution of Sales by Retail Category	
<i>Shopper Goods:</i>	
Apparel	3.92%
General Merchandise	13.97%
Home Furnishings	4.14%
Specialty	17.23%
Subtotal	39.26%
<i>Convenience Goods:</i>	
Food (Supermarkets/Liquor)	18.09%
Eating and Drinking	10.81%
Subtotal	28.90%
<i>Heavy Commercial Goods:</i>	
Building/ Hardware/ Farm	6.86%
Auto Dealers and Parts	17.29%
Service Stations	7.68%
Subtotal	31.83%
Total	100.00%

Since auto dealer sales and service stations cannot be evaluated in a manner consistent with the rest of the analysis, these components of the demand and sales data are omitted from the analysis.

Capture Rates

This part of the analysis involves estimating the proportion of residents' retail demand (i.e. spending power of area residents) within each market subarea that can potentially be "captured" by Santa Maria stores. The allocations are based on distance from Santa Maria, spending patterns that apply in the outlying communities, and in Santa Maria,

and the relative sizes of the communities. By comparing data on spending¹³ across all the potential Trade Area communities, the competitive strength of Santa Maria can be estimated. The data indicate that Santa Maria is the retail hub of its Trade Area, and captures demand from well beyond its borders. By including retail *demand* numbers in the analysis, the retail model can be calibrated to simulate what TNCI believes to be a credible scenario of market subarea designations and allocations of demand.

The capture rates (i.e. the portion of resident demand that could potentially be retained within the Trade Area) vary among subareas, as shown in the table below. Not surprisingly, the lowest capture rates apply for the subarea furthest from Santa Maria. In addition, to account for planned retail projects in RMA#1 and RMA#2, future capture rates in the general merchandise retail category are projected to decline in the future for the outlying market areas.

Table IV-7 Existing and Future Capture Rates of Resident Retail Demand						
Retail Category	Primary Market Area (PMA):	Secondary Market Area (SMA):	Regional Market Area #1 (RMA-1)		Regional Market Area #2 (RMA-2)	
			<i>Existing</i>	<i>Future</i>	<i>Existing</i>	<i>Future</i>
<u>Shopper Goods:</u>						
Apparel	85.00%	80.00%	60.00%	60.00%	15.00%	15.00%
General Merchandise	90.00%	90.00%	75.00%	60.00%	25.00%	15.00%
Furniture/Appliances	85.00%	80.00%	60.00%	60.00%	15.00%	15.00%
Specialty	85.00%	80.00%	60.00%	60.00%	15.00%	15.00%
<u>Convenience Goods:</u>						
Food (Supermarkets/Liquor)	100.00%	80.00%	0.00%	0.00%	0.00%	0.00%
Eating and Drinking	90.00%	80.00%	40.00%	40.00%	10.00%	10.00%
<u>Heavy Commercial:</u>						
Building/ Hardware/ Farm	100.00%	80.00%	50.00%	50.00%	10.00%	10.00%
Auto Dealers and Parts	90.00%	80.00%	50.00%	50.00%	10.00%	10.00%
Service Stations	100.00%	80.00%	0.00%	0.00%	0.00%	0.00%

Source: TNCI

These capture rates, combined with population and income data for each subarea, result in the following percentages by which each subarea contributes to retail sales in Santa Maria:

¹³ Data from the California State Board of Equalization that show retail spending by category are used, along with data on population and income, to judge the amount of trade leakage present in the Trade Area.

Table IV-8 Percent of Total Each Market Subarea Contributes to Santa Maria Sales						
	2002	2004	2006	2008	2010	2020
PMA	47.2%	49.2%	49.2%	49.3%	49.3%	50.7%
SMA	11.5%	12.0%	12.0%	12.1%	12.2%	12.4%
RMA-1	19.8%	19.6%	19.6%	19.7%	19.8%	20.1%
RMA-2	21.5%	19.3%	19.1%	18.9%	18.7%	16.8%
All areas	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Potential Retail Sales Volumes

Based on the capture rates for each market subarea and other demand factors discussed above, the potential retail sales within the Santa Maria Trade Area are estimated below. In subsequent years, total retail demand in the Santa Maria Trade Area is projected to grow in proportion to population increases. Table IV-9 shows the total levels of retail demand in two-year increments through 2010, and in 2020:

Table IV-9 Total Potential Demand for Retail Sales in the Santa Maria Trade Area In Thousands						
Retail Category	2002	2004	2006	2008	2010	2020
<i>Shopper Goods:</i>						
Apparel	\$52,385	\$53,874	\$55,340	\$56,847	\$58,973	\$69,290
General Merchandise	\$238,048	\$198,964	\$204,398	\$209,986	\$217,882	\$256,279
Furniture/Appliances	\$55,425	\$57,000	\$58,551	\$60,146	\$62,395	\$73,311
Specialty	\$230,527	\$237,077	\$243,528	\$250,160	\$259,515	\$304,919
Subtotal	\$576,385	\$546,914	\$561,817	\$577,139	\$598,765	\$703,800
<i>Convenience Goods:</i>						
Food (Supermarkets/Liquor)	\$134,063	\$138,266	\$142,380	\$146,616	\$152,686	\$185,569
Eating and Drinking	\$123,098	\$126,674	\$130,192	\$133,809	\$138,929	\$164,465
Subtotal	\$257,162	\$264,941	\$272,571	\$280,425	\$291,615	\$350,034
<i>Heavy Commercial Goods:</i>						
Building/ Hardware/ Farm	\$ 86,047	\$ 88,565	\$ 91,041	\$ 93,587	\$ 97,195	\$ 115,319
Auto Dealers and Parts	\$ 206,549	\$ 212,578	\$ 218,506	\$ 224,604	\$ 233,253	\$ 276,360
Service Stations	\$ 56,945	\$ 58,730	\$ 60,477	\$ 62,277	\$ 64,855	\$ 78,822
Subtotal	\$ 349,541	\$ 359,873	\$ 370,024	\$ 380,468	\$ 395,302	\$ 470,501
Total	\$1,183,088	\$1,171,728	\$1,204,413	\$1,238,032	\$1,285,682	\$1,524,335

Net Supportable Retail Space

Potential Distribution by Type of Retail Location

The analysis estimates the percentage of retail sales that will occur within each type of retail location. The four types included in this analysis are: Traditional Regional Retail, “Big Box”/Discount Retail, Community/Neighborhood Retail and Other Retail. The “Other” Retail categories include goods sold outside of retail centers and therefore are not projected further in the analysis.

Table IV-10 Potential Distribution of Retail Sales by Retail Location				
Retail Category	Traditional Regional	“Big Box”/ Community Retail	Neighborhood Retail	Other Retail*
<i>Shopper Goods:</i>				
Apparel	40%	25%	15%	20%
General Merchandise	25%	65%	10%	0%
Furniture/Appliances	30%	40%	10%	20%
Specialty	30%	30%	20%	20%
<i>Convenience Goods:</i>				
Food (Supermarkets/Liquor)	0%	0%	80%	20%
Eating and Drinking	15%	25%	20%	40%
<i>Heavy Commercial Goods:</i>				
Building/Hardware/Garden	5%	55%	40%	0%
Auto Dealers and Parts	0%	0%	0%	100%
Service Stations	0%	0%	0%	100%

Source: TNCI

It should be noted that contemporary retail development often involves hybrids of shopping center types and this is especially likely to be true in a downtown retail setting. Thus, the regional-community-neighborhood breakdowns are somewhat artificial. In actuality, downtown Santa Maria can potentially draw from all three demand components. Thus, the total of the three categories (i.e., regional plus community plus neighborhood) represents the overall “pool” of demand available.

Sales Per Square Foot Standards

Projected sales volume requirements per square foot of retail space by retail category are derived from typical sales standards from the Urban Land Institute. There is considerable variation in the requirements of sales volumes, ranging from \$200 to \$500 per square foot.

Table IV-11 Sales Per Square Foot Standards for Retail Space			
Retail Category	Traditional Regional	"Big Box"/Community Retail	Neighborhood Retail
<i>Shopper Goods:</i>			
Apparel	\$250	\$300	\$250
General Merchandise	\$250	\$400	\$250
Furniture/Appliances	\$250	\$500	\$250
Specialty	\$250	\$300	\$250
<i>Convenience Goods:</i>			
Food (Supermarkets/Liquor)	\$500	N/A	\$500
Eating and Drinking	\$400	\$400	\$250
<i>Heavy Commercial Goods:</i>			
Building/Hardware/Garden	\$250	\$350	\$250
Auto Dealers and Parts	N/A	N/A	N/A
Service Stations	N/A	N/A	N/A

Source: TNCI, based on data from the Urban Land Institute (ULI)

Incremental Supportable Retail Space Expressed in Square Feet

The sales-per-square-foot standards are then applied to total demand for retail sales for each retail category in order to convert sales volumes to total supportable square feet of retail space. For this analysis, the consultant has converted total supportable square feet to net supportable square feet in order to analyze the space needs in future years (over and above the space required to support existing demand). Supportable development levels will increase in the future by virtue of anticipated growth in resident population and income levels. Table IV-12 provides projections of incremental supportable square footages of additional retail space in the market area.

Supportable Services Space

For purposes of this study, services space demand is expressed as a percentage of retail space demand. It has been estimated, based on work in previous studies, that additional demand for services space ranges from 10 to 20 percent of the retail space demand, depending on the type of retail development (i.e., regional, community, "big

box”, etc.). In this analysis, this amounts to 33,000 square feet in 2004 to 81,000 square feet in 2020. It should be noted that this method results in an approximation of demand for this type of space that is considerably less precise than that for retail goods.

The table shows net supportable space in two ways: 1) the total square footage by retail category, and 2) the total square footage by type of shopping space type. The indicated numbers for each year are cumulative (i.e., inclusive of the amounts shown for previous years).

Table IV-12 Incremental (Net) Supportable Retail and Services Space (Expressed in Square Feet)						
Net Supportable Retail and Services Space -- TOTAL OF ALL CENTER TYPES						
Retail Category	2002	2004	2006	2008	2010	2020
<i>Shopper Goods:</i>						
Apparel	81,682	86,198	90,644	95,216	101,664	132,961
General Merchandise	0	0	16,440	33,342	57,227	173,379
Furniture/Appliances	38,544	42,324	46,047	49,874	55,272	81,471
Specialty	290,657	310,307	329,661	349,558	377,623	513,835
Subtotal	410,884	438,829	482,792	527,990	591,786	901,647
<i>Convenience Goods:</i>						
Food (Supermarkets/Liquor)	0	6,724	13,306	20,084	29,796	82,409
Eating and Drinking	60,446	66,883	73,214	79,725	88,942	134,906
Subtotal	60,446	73,608	86,520	99,809	118,738	217,315
<i>Heavy Commercial Goods:</i>						
Building/Hardware/Garden	0	8,490	16,837	25,423	37,585	98,689
Auto Dealers and Parts	N/A	N/A	N/A	N/A	N/A	N/A
Service Stations	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	0	8,490	16,837	25,423	37,585	98,689
<i>Services Space</i>	33,127	36,306	40,527	44,867	51,005	81,266
GRAND TOTAL	504,457	557,233	626,677	698,090	799,114	1,298,918
Net Supportable Retail and Services Space – BY SPACE TYPE						
	2002	2004	2006	2008	2010	2020
Traditional Regional	210,334	225,709	246,825	268,536	299,186	448,446
"Big Box"/Community Retail	160,820	176,825	201,851	227,582	263,939	441,990
Neighborhood Retail	133,302	154,699	178,000	201,971	235,988	408,482
GRAND TOTAL	504,457	557,233	626,677	698,090	799,114	1,298,918

Source: TNCI

V. OFFICE DEMAND ANALYSIS

This chapter examines the supply and demand for office space in Santa Maria. The analysis focuses on the kind of multi-tenant competitive space that is typically built by developers in anticipation of demand by tenants (as opposed to owner-user space and other specialized structures).

Existing supply of space

The UCSB *2003 North Santa Barbara County Economic Outlook* estimates the current office space supply in Santa Maria to be approximately 755,000 square feet. If we assume this is freestanding, competitive for-lease space and that additional competitive “office” space is actually housed in retail center space, the total competitive office base would be on the order of 1.5 million square feet (based on office uses constituting 20 percent of shopping center space, the factor commonly used by TNCI).

Table V-1 below summarizes the office space either under development or pending development, as of August 2004 (the most recent publication date of the City’s commercial/industrial development list).

Project Type	Under Construction/ Permit Issued	In Plan check	Approved by Planning Commission	Pending Planning Commission Review	TOTAL
Office	66,133 square feet	24,714 square feet	35,211 square feet	23,494 square feet	149,552 square feet

Demand projections

Estimates of demand for office space in Santa Maria are complicated by the following factors:

- Data on the existing base of office space are scarce;
- Office space can occur in free-standing buildings or part of retail center space;
- Office space is often intermixed with industrial space in the upscale “business parks” found in and around Santa Maria.

To estimate additional office demand that will occur with community growth, TNCI employed its office/industrial space demand model. The model uses factors, derived through experience and calibrated to Santa Maria conditions, which convert employment by major industry sector into the land use categories of Office, Other Commercial, Industrial, and Other/non-building.

The employment projections for the model were developed by TNCI (as described in Chapter III) and represent upward adjustments to the official SBCAG forecasts. TNCI's adjustments are based on the UCSB observations discussed in Chapter III, which suggest that employment is likely to grow faster in Santa Maria and slower in South County than predicted by SBCAG.

Table V-2 Employment Forecasts for Office Space Demand Analysis			
	Total Jobs in Santa Maria		
Industry Group	2005	2010	2020
Agriculture	9,064	9,603	10,682
Mining	530	541	562
Construction	2,756	4,214	7,042
Manufacturing	3,434	4,055	5,175
Transportation & Public Utilities	2,279	2,449	2,761
Wholesale Trade	2,013	2,493	3,359
Retail Trade	9,230	10,045	11,533
F.I.R.E.	1,617	1,704	1,862
Services	8,736	11,059	15,166
Government	5,680	5,876	6,257
Total	45,339	52,039	64,399

Source: TNCI.

Table V-3 shows the translation of employment figures from economic sectors to land use category.

Table V-3 Projected Employment By Land Use			
	Total Jobs in Santa Maria		
Land Use	2005	2010	2020
Office	3,761	4,395	5,542
Other Commercial	10,895	12,231	14,637
Industrial, competitive space	6,460	8,113	11,186
Other, non-building (includes owner-user space and other adjustments as per text)	24,223	27,300	33,034
Total	45,339	52,039	64,399

Source: TNCI Office Demand Model.

Office market demand

The model results for office demand are summarized on Table V-4 below.

The office space demand model includes a reduction factor to segment the office market between “competitive” space, i.e. office space available for lease to general tenants, and non-competitive space, which could be owned by the user (such as a branch bank office). The competitive segment is most relevant to estimating how much office space will be built by office building developers/owners. The factor applied in this study is 10 percent, which means that we are assuming, based on the existing office base in Santa Maria and the range of office demand factors commonly used in this model, that ten percent of the future office demand is for non-competitive space.

Table V-4. Incremental Demand For Construction Of New Office Space Santa Maria 2005-2020	
Demand Generation Factor:	250 square feet per employee
Reduction factor for competitive space	10.0%
Time Period	Space Demand (Square Feet)
2005 – 2010	142,685
2011 – 2020	258,035
Total	400,720

Source: TNCI Office Demand Model.

VI. RESIDENTIAL DEMAND ANALYSIS

This chapter evaluates the demand for residential units over the next 15 years, from 2005 to 2020, in the City of Santa Maria, and more specifically, realistic residential development potentials in Downtown during this time period. Based on the City's expressed interest in encouraging development of various types of loft and live/work arrangements¹⁴ in the Downtown area, this chapter provides an initial estimate of the magnitude (i.e., number of units) of this type of residential development that could be ultimately developed, given the new vision for Downtown proposed in the Specific Plan. This process involved two main steps, as outlined below:

1. Based on referrals from RRM Design Group, TNCI contacted several residential developers active in the Santa Maria Market area to determine the feasibility of this type of residential development in Downtown Santa Maria.¹⁵ In addition, TNCI conducted a "focus group" meeting¹⁶ on November 30, 2004 with developers and brokers active in the region. The main findings from these discussions (as they relate to residential development) are listed below.
 - There definitely is the potential for a vibrant residential market in Downtown Santa Maria, especially with the improvements and amenities envisioned for the area.
 - The demand for this type of housing would come from two types of potential downtown dwellers:
 - Young, professional, urban-lifestyle loving individuals who want to flee high-maintenance homes so that they can be close to shopping, restaurants, and the arts – just the types of amenities envisioned for the new Downtown Santa Maria.
 - Traditional tenants/owners of loft and live/work units who value these living arrangements – high ceilings, open floor plans – etc. for functional purposes. These types of residential units would appeal to the artisans and those engaged in various cottage industries that the City hopes to attract to Downtown. The general consensus of developers interviewed for this process is that live/work and loft units will be feasible in the downtown at some point during the 15-year planning horizon of this study. However, the interviewed developers indicated that it is difficult to predict how soon there may be demand for these product types, given that they are "untested" in the Santa Maria market.

¹⁴ Live/Work units include both a residential and commercial/light industrial component, which could include space for artisans and others engaged in various cottage industries, or, for example, self-employed individual in various professional-services fields – e.g., architecture, engineering, consulting, etc.

¹⁵ TNCI was able to discuss potentials for the downtown residential market with Michael Towbes, CEO, The Towbes Group, and Dave Daniels, CEO, Inland Pacific Builders.

¹⁶ A list of participants is provided in Appendix C.

- With continuing escalation in housing prices, and the increasing number of individuals “priced out” of the ownership market, the City should also strongly consider encouraging development of rental products for these housing categories.
2. Providing projections of housing demand utilizing a top-down approach. First, citywide projections of housing demand by type (i.e. single-family detached, single-family, attached, multi-family, etc.) are provided. Then the share of this demand that could be developed in the downtown area is estimated, thereby providing demand estimates for number residential units by type in Downtown Santa Maria.

The housing demand projections are based on an analysis of data obtained from the California Department of Finance and the Santa Barbara County Association of Governments (SBCAG). The California Department of Finance provides annual updates of population and household information for each incorporated city within the State. This historical information was utilized to form assumptions regarding type of housing stock and vacancy rates. The SBCAG data provide the most up-to-date long-term housing projections for the area considered in this analysis.

This analysis evaluates housing demand for two market areas: 1) City of Santa Maria; and 2) the Downtown portion of Santa Maria

The analysis projects potential demand for new residential units for these areas using the following methodology:

- Estimate the number of new households in the City of Santa Maria for the period 2005 – 2020 (based on SBCAG data)
- Provide a breakdown of these future residential units by housing type (i.e., single family units, multi-family units, etc.) and time period;
- Adjust the number of future residential units to take into account vacancy rates (as gleaned from historical data from the California Department of Finance) to derive the TOTAL demand for residential units in these areas; and
- Estimate the share of these units that could be potentially developed in Downtown Santa Maria.

Tables VI-1 and VI-2 provide a comparative analysis for the City of Santa Maria and Santa Barbara County of historic housing data covering the period 1990 through 2003. As shown in the tables, total population and total occupied housing units grew much faster in percentage terms in the City compared to the County.¹⁷

¹⁷ In 2000, population and household data from the California Department of Finance were adjusted to reflect Census 2000 data. Therefore, for Santa Barbara County, population and household levels decrease slightly to account for this reconciliation. This also explains the drop in vacancy rates, both in the City and County, between 1999 and 2000.

Table VI-1

**HISTORIC HOUSING DATA – CITY OF SANTA MARIA
1990-2003**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL POPULATION	61,552	62,851	64,211	65,471	66,622	67,510	68,526	69,195	70,475	71,559	77,423	78,479	80,172	82,148
TOTAL HOUSING UNITS														
Single Family-Detached	12,319	12,453	12,541	12,680	12,982	13,183	13,382	13,552	13,675	13,892	13,923	14,145	14,515	15,090
Single Family-Attached	1,229	1,237	1,237	1,272	1,272	1,272	1,272	1,272	1,272	1,272	1,293	1,324	1,324	1,324
Multi Family	6,176	6,227	6,425	6,641	6,643	6,645	6,665	6,665	6,665	6,703	6,059	6,059	6,148	6,152
Other*	1,513	1,593	1,624	1,646	1,646	1,646	1,646	1,648	1,657	1,668	1,572	1,572	1,572	1,572
TOTAL OCCUPIED UNITS	19,995	20,252	20,550	20,938	21,224	21,416	21,622	21,784	21,908	22,158	22,146	22,391	22,836	23,397
VACANCY RATE	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	3.07%	3.07%	3.07%	3.07%
AVERAGE HOUSEHOLD SIZE	3.04	3.07	3.09	3.09	3.10	3.12	3.14	3.14	3.18	3.20	3.40	3.41	3.42	3.42
TOTAL HOUSING UNITS														
Single Family-Detached	61.61%	61.49%	61.03%	60.56%	61.17%	61.56%	61.89%	62.21%	62.42%	62.70%	62.87%	63.17%	63.56%	64.50%
Single Family-Attached	6.15%	6.11%	6.02%	6.08%	5.99%	5.94%	5.88%	5.84%	5.81%	5.74%	5.84%	5.91%	5.80%	5.66%
Multi Family	30.89%	30.75%	31.27%	31.72%	31.30%	31.03%	30.83%	30.60%	30.42%	30.25%	27.36%	27.06%	26.92%	26.29%
Other*	7.57%	7.87%	7.90%	7.86%	7.76%	7.69%	7.61%	7.57%	7.56%	7.53%	7.10%	7.02%	6.88%	6.72%

Note: * Includes mobile homes.

Source: State of California Department of Finance.

**Table VI-2
HISTORIC HOUSING DATA – COUNTY OF SANTA BARBARA
1990-2003**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL POPULATION	369,608	374,456	379,364	382,101	384,890	388,859	392,570	397,225	404,775	406,828	399,347	402,662	406,176	410,277
TOTAL HOUSING UNITS	78,510	78,792	79,443	79,886	80,372	80,846	81,417	82,038	82,918	83,219	82,813	83,340	84,046	84,998
Single Family-Detached	8,880	9,018	9,037	9,073	9,074	9,090	9,117	9,333	9,278	9,278	9,733	9,765	9,765	9,765
Single Family-Attached	42,165	42,275	42,683	42,937	43,083	43,095	43,202	43,405	43,604	43,713	41,736	42,009	42,187	42,264
Multi Family	8,594	8,707	8,747	8,802	8,799	8,821	8,842	8,863	8,914	8,925	8,619	8,583	8,580	8,567
Other*														
TOTAL OCCUPIED UNITS	129,802	130,430	131,499	132,157	132,728	133,086	133,616	134,937	135,709	136,106	136,622	137,483	138,376	139,350
VACANCY RATE	6.04	6.02	6.01	6.07	6.09	6.18	6.29	6.06	6.22	6.22	4.39	4.32	4.29	4.29
AVERAGE HOUSEHOLD SIZE	2.73	2.75	2.76	2.77	2.77	2.80	2.82	2.82	2.86	2.87	2.80	2.81	2.82	2.82
TOTAL HOUSING UNITS														
Single Family-Detached	60.48%	60.41%	60.41%	60.45%	60.55%	60.75%	60.93%	60.80%	61.10%	61.14%	60.61%	60.62%	60.74%	61.00%
Single Family-Attached	6.84%	6.91%	6.87%	6.87%	6.84%	6.83%	6.82%	6.92%	6.84%	6.82%	7.12%	7.10%	7.06%	7.01%
Multi Family	32.48%	32.41%	32.46%	32.49%	32.46%	32.38%	32.33%	32.17%	32.13%	32.12%	30.55%	30.56%	30.49%	30.33%
Other*	6.62%	6.68%	6.65%	6.66%	6.63%	6.63%	6.62%	6.57%	6.57%	6.56%	6.31%	6.24%	6.20%	6.15%

Note: * Includes mobile homes.

Source: State of California Department of Finance.

The following table shows projections of population and household levels in the City of Santa Maria for 2005, 2010, 2015 and 2020.

Table VI-3 Population and Household Data City of Santa Maria 2005 – 2020				
	2005	2010	2015	2020
Population	87,900	96,800	105,900	110,800
Households	24,860	27,056	29,289	30,280

Source: Santa Barbara County Association of Governments (SBCAG)

Table VI-4 provides the projected number of new households by time period for the City of Santa Maria. Based on data from SBCAG, the number of households is expected to increase by 5,420 by 2020.

Table VI-4 Projected Number of New Households by Time Period City of Santa Maria 2005 – 2020			
	2005 – 2010	2010 – 2015	2015 – 2020
New Households, Period	2,196	2,233	991
New Households, Cumulative	2,196	4,429	5,420

Table VI-5 provides a breakdown of projected demand by housing type for the City of Santa Maria. In addition, a vacancy rate of 3.5% has been assumed for the City, based on historical data from the Department of Finance.¹⁸ The total projected demand for new housing by 2020 will be approximately 5,610 units.

¹⁸ Although the vacancy rates were higher between 1990 and 1999, the 2000 to 2003 rates are based on more recent data (2000 census), and therefore provide more accurate estimates of vacancy levels in the City. In addition, as land available for residential development becomes increasingly scarce, it is unlikely that vacancy rates would increase to the historical levels in the early 1990s.

Table VI-5 Projected Number of New Households by Time Period City of Santa Maria 2005 – 2020			
	2005 – 2010	2010 – 2015	2015 – 2020
Total New Households	2,196	2,233	991
Total New Housing Units @ 3.5% Vacancy	2,273	2,311	1,026
--Single-Family Detached Unit Demand @ 65%	1,477	1,502	667
--Multi-Family Unit Demand @ 35%	796	809	359
Total Demand, Cumulative	2,273	4,584	5,610

Table VI-6 on the next page provides an estimate of the total number of residential units that could be developed over the next 15 years in Downtown Santa Maria. This estimate is based on the targeted share of the city-wide demand for housing that the downtown area could realistically capture. Over time, this targeted share can be expected to improve, primarily for two reasons. First, there are a number of projects already in the pipeline that are propose in various areas of the City, which are not necessarily in Downtown. Second, the targeted share should improve as the City becomes more successful in encouraging residential development in the downtown area.

TNCI estimates that approximately 608 multi-family housing units (e.g., apartments, condominiums, artist lofts, live-work units) could be developed over the next 15 years, from 2005 to 2020. This number might actually be significantly exceeded if early residential projects in the area are highly successful. As shown on the table on the next page, the indicated downtown demand of 608 units is based on a capture rate of 25-35% of the projected citywide demand of 1,964 units. In the overall 30-mile trade area considered in this study, total demand for multi-family development between 2005 and 2010 is projected at approximately 5,500 units. Given this larger “pool” of area-wide demand, it is possible that downtown could support development of as many as 900 multi-family units over the next 15 years. This more aggressive forecast is consistent with opinions expressed during the November 30, 2004 developer “focus group” meeting conducted as part of the planning process.

Table VI-6 Projected Share of Housing Units Developed in Downtown Santa Maria 2005 – 2020			
	<i>Citywide Total</i>		
Type of Housing Units	2005 – 2010	2010 –2015	2015 – 2020
--Single-family units	1,477	1,502	667
--Multi-family units	796	809	359
	<i>Targeted Downtown Share</i>		
Type of Housing Units	2005 – 2010	2010 –2015	2015 – 2020
--Single-family units	N/A	N/A	N/A
--Multi-family units	25%	35%	35%
	<i>Potential New Units Downtown</i>		
Type of Housing Units	2005 – 2010	2010 –2015	2015 – 2020
--Single-family units	N/A	N/A	N/A
--Multi-family units	199	283	126
Total Demand, Cumulative	199	482	608

VII. MOVIE THEATER DEMAND ANALYSIS

This section evaluates the potential feasibility of future movie theater development in downtown Santa Maria. This research utilizes a population-based supply/demand analysis for movie screens in the Santa Maria Trade Area (SMTA), with the purpose of estimating potential demand for additional screens in the trade area.

Existing Inventory of Movie Theaters

Table VII-1 shows the existing inventory of theaters in the SMTA, broken down by the four market areas within the SMTA. There are currently a total of 10 screens in the Primary Market Area (PMA), and an additional 35 screens in remainder of the 30-mile SMTA. Thus, in the overall regional market area, the current inventory is 45 screens.

Some of these facilities are located on the periphery of the SMTA – in the cities of San Luis Obispo and Buellton – and thus draw support from other residential areas outside of the SMTA. Thus, we have estimated the “effective supply” of screens in market area is approximately 40 (i.e., number of screens which rely specifically on residents of the SMTA itself for support).

Population-Based Supply/Demand Analysis

The estimated population necessary to support one additional movie screen in a given area has changed over the years. Traditionally, one screen for every 10,000 residents was assumed as a rule-of-thumb support level. Contemporary theaters tend to have a smaller number of seats per screen, and thus can be supported by a smaller population base (approximately 8,000 residents per screen). Moreover, current theater development is occurring almost exclusively in megaplex facilities (generally, those with 10+ screens) that are larger than warranted by market demand. This “over building” (relative to resident population levels) is done to ensure a facility’s dominance within its geographic area and to thwart future competition. Given this trend, a support ratio of one screen for every 6,000 residents is a realistic planning parameter in many markets.

Table VII-2 estimates net demand for new movie screens in the regional market area based on the above market support parameters. Based on a range of support ratios (i.e., one screen for every 6,000 to 8,000 residents), the SMTA’s resident population could currently support up to 56 screens, with the support level increasing to 59 screens in 2008. As stated above, the current effective supply of screens in the SMTA is approximately 40. Given total demand of 56 screens and an effective supply of 40 screens, net demand for new screens is currently estimated at 16 screens. This figure is projected to increase to 21 screens by 2010 and 28 screens by 2020. We believe that Santa Maria could capture about 50% of this regional demand, or approximately 10 to 15 new screens over the next 15 years.

**Table VII-1
Existing Inventory of Movie
Screens
Santa Maria Trade Area (SMTA)**

Geographic Sub-Area	Theater	Number of Screens	Weighting Factor	Effective Number of Screens
Primary Market Area (PMA) ⁽¹⁾				
--Santa Maria	Edwards Santa Maria 10 Cinemas	10	100%	10.0
Secondary Market Area (SMA) ⁽²⁾				
--Santa Maria	Hi-Way Drive in Theatre	0.5	100%	0.5
Regional Market Area #1 (RMA1) ⁽³⁾				
		0	100%	0.0
Regional Market Area #2 (RMA2) ⁽⁴⁾				
--Arroyo Grande	Fair Oaks Theatre	1	100%	1.0
	Signature Theatres Festival Cinemas 10	10	100%	10.0
--Buellton	Parks Plaza Theatre	4	75%	3.0
--Lompoc	Gemini Twin Cinema	2	100%	2.0
	The Movies Lompoc	3	100%	3.0
--San Luis Obispo	Downtown Centre Cinema	6	75%	4.5
	The Movie Experience - Mission Cinemas & Fremont Theater	4	75%	3.0
	Palm Theatre	4	75%	3.0
	Sunset Drive-In Theater	0.5	75%	0.4
	Total, SMTA	45		40.0

Notes:

(1) 3-mile radius circle from the intersection of Main Street and Broadway; includes basically the city of Santa Maria.

(2) Area between the 3-mile and 5-mile radius (from same point as above); includes primarily Orcutt.

(3) Area between the 5-mile circle and a 10-mile radius, from the same intersection; includes primarily Guadalupe and Nipomo.

(4) Area between the 10-mile circle and a 30-mile radius circle, from the same intersection; includes all the other trade area cities.

Drive-in theater screens are factored at 50% to account for limited showtime offerings.

*For theaters on the edge of the SMTA, an adjustment factor has been applied to account for their market support that is drawn outside of the SMTA.

**Table VII-2
Current Supply/Demand for Movie Screens
Santa Maria Trade Area
(SMTA)**

Geographic Sub-Area	Number of Screens				
Primary Market Area (PMA)	10.0				
Secondary Market Area (SMA)	0.5				
Regional Market Area #1 (RMA1)	0.0				
Regional Market Area #2 (RMA2)	29.5				
Total	40				
	2004	2008	2010	2015	2020
Total Population, SMTA	336,319	352,505	363,539	387,057	410,765
	Total Demand for Screens by Year:				
Movie Screen Demand	2004	2008	2010	2015	2020
@ 1 screen per 8,000 persons	42	44	45	48	51
@ 1 screen per 6,000 persons	56	59	61	65	68
	Net Demand for NEW Screens by Year:				
Net Demand for NEW Screens	2004	2008	2010	2015	2020
@ 1 screen per 8,000 persons	2	4	5	8	11
@ 1 screen per 6,000 persons	16	19	21	25	28

Implications for Santa Maria

Although this analysis indicates that the overall 30-mile trade area could theoretically support up to 28 additional movie screens over the next 15 years, it should be emphasized that this projection is based on the relatively aggressive support factor of one screen for every 6,000 residents. At the more conservative ratio of one screen per 8,000 residents, net demand for new movie facilities over the next 15 years would reduce to 11 screens.

It needs to be acknowledged that the movie theater industry nationally has been very much in a state of flux over the past five years, with many facilities closing as a result of a perceived period of overbuilding during the late 1990's. This was essentially a repositioning process in which state-of-the-art megaplexes replaced older facilities that had become obsolete in terms of either size or amenities.

In TNCI's opinion, it is very possible that there will be opportunities to develop new theaters in the trade area at a level consistent with the more aggressive projections indicated here (i.e., 28 new screens by 2020). However, this level of new development would not necessarily represent "net new" demand. That is, development of 28 new screens in the trade area could place competitive pressures on existing theaters, potentially causing some of the older facilities to close.

The new ownership of the Santa Maria Town Center is reportedly working on a deal to bring a cinema facility to the mall. This would clearly be a major boost both for the mall and for the downtown as whole, and would strongly support the Specific Plan objective of positioning Downtown Santa Maria as a regional destination. The city's ability to support future theater development will in part depend on Santa Maria's success in drawing moviegoers from the overall 30-mile trade area considered in this report. If only the immediate Santa Maria/Orcutt area is considered in the calculations, there is fairly limited demand for new theater development (with the implication that new facilities could place competitive pressures on existing theaters in the city if they are strictly drawing from a local clientele).

TNCI believes that, as a planning goal, it is realistic for Santa Maria to target a 50% capture rate of future movie theater development in the trade area. At this time, TNCI is not aware of any definitive proposals for movie theater developments in other communities in the SMTA. However, there have been initial discussions of developing a movie theater in the downtown Nipomo. Although a definitive proposal has not been put forth – in terms of number of screens and timing – there is at least an initial interest in this area because of the recent public improvements made in Old Towne Nipomo.¹⁹

¹⁹ Information provided by Chuck Stevenson, Planner, San Luis Obispo County.

VIII. OTHER ENTERTAINMENT-ORIENTED LAND USES

This chapter provides a preliminary overview of a broad range of recreation and entertainment uses that might make sense in Downtown Santa Maria. The first part of the chapter provides a brief summary of a field survey of existing recreation and entertainment related venues in Santa Maria. The second part of chapter includes a quantitative threshold analysis that provides an “initial screening” of appropriate entertainment/recreation land uses, based on existing concentrations of these industries in the city relative to the overall Santa Maria Trade Area and the State of California.

Field Survey

From a field survey the consultants conducted on the week of March 15, 2004, the following recreational and entertainment related land uses/venues in the city of Santa Maria were identified.

- ***Santa Maria Civic Theatre (SMCT) – 1660 N. McClelland Street.*** The SMCT is located in the northern portion of the City, in a residential district consisting of single family homes. It was founded in 1959 (at its present location since 1964) and has produced over 180 productions to entertain more than 85,000 people in 44 seasons. The facility provides seating for 100 in a small, intimate theatre setting.²⁰
- ***Rancho Bowl – 128 E. Donovan Road.*** Rancho Bowl is a traditional bowling alley located in the northern portion of the City.
- ***Boomers – 2250 Preisker Lane.*** Boomers is an amusement park offering miniature golf, batting cages, go-carts, arcade games, among other amusement offerings. It is in the northernmost portion of the City, just west of 166 freeway.
- ***Santa Maria Fairpark (“Home of the Santa Barbara County Fair”), 37th District Agricultural Association – Stowell Road and Thornburg Street.***
 - Association sponsored events include:
 - Annual Santa Maria Valley Strawberry Festival (attended by 30,000 people)
 - All-America City 4th of July Community Block Party and Fireworks Spectacular (attended by 5,000 people)
 - Santa Barbara County Fair (attended by 90,000 people)
 - Other events/facility rentals include: trade shows, conventions, rallies, Hispanic dance and concerts, company parties, equestrian shows, wedding receptions and birthday celebrations.
 - Major facilities: Fairpark, Convention Center, Park Plaza Pavilion, and Satellite Wagering Facility, Central Coast Sports Arena.²¹

²⁰ Information obtained from the SMCT’s website: <http://www.smct.org/index.html>

²¹ Information obtained from the Santa Maria Fairpark’s website: <http://www.santamariafairpark.com/>

- ***Pacific Conservatory of the Performing Arts (PCPA) Theaterfest of Hancock College - 800 S. College Drive.*** The PCPA is a “hybrid” organization of sorts, including a professional theatre company combined with a vocational training institution. The company consists of approximately 50 theatre professionals and trains close to 100 students each semester in acting and technical theatre. In Santa Maria, PCPA events are held at the Marian and Severson Theatres located at the Performing Arts Center at Allan Hancock College. The PCPA Theaterfest is celebrating its 40th anniversary in the 2004 summer season.²²

Quantitative Threshold Analysis

Table VIII-1 on the following page shows the number of recreation/entertainment related establishments, as defined by the relevant industries categorized under the North American Industry Classification System (NAICS)²³, in the city of Santa Maria and in the remaining portion of the 30-mile Santa Maria Trade Area. The last two columns in the table provide the percentage breakdown of establishments between these two regions.

As illustrated in the table, of the entire Santa Maria Trade Area, approximately 21.8% of recreation/entertainment related establishments are located within the city of Santa Maria, and 78.2% are located in the remaining portion of the Santa Maria Trade Area. This roughly corresponds to the percentage breakdown of the total population between these two regions – 23.7% for the City and 76.3% from the remainder of the Santa Maria Trade Area. Based on this ratio, it does not appear that the city of Santa Maria is severely underserved by recreation / entertainment related establishments relative to the overall trade area. However, the following industries do appear to be more heavily concentrated in the portions of the trade area outside of the City:

- NAICS 711110 – Theater companies and dinner theaters
- NAICS 712190 – Nature parks & other similar institutions
- NAICS 713910 – Golf courses and country clubs
- NAICS 713990 – All other amusement & recreation industries

Of these four industry groups, Theater companies and dinner theaters would be the most appropriate fit for a downtown setting. Although the City already has two established, successful theatres – the PCPA Theaterfest and the Santa Maria Civic Theatre – this NAICS category also includes stand-up comedy venues and dinner theaters²⁴, which would be an appropriate fit in a downtown setting.

²² Information obtained from the PCPA’s website: <http://www.pcpa.org/>

²³ NAICS is the new system for classifying business establishments used by statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC) system. Provided in Appendix B are definitions of the NAICS industry groups examined in this analysis.

²⁴ As defined by the NAICS classification system, dinner theatres include venues which provide theatrical productions combined with consumption of food and beverages on the premises.

**Table VIII-1
Recreation / Entertainment Related Industries
City of Santa Maria and Santa Maria Regional Trade Area**

NAICS	Industry Description	Number of Establishments		% of Total Establishments	
		City of Santa Maria	Remainder of SMTA	City of Santa Maria	Remainder of SMTA
711110	Theater companies & dinner theaters	2	10	16.7%	83.3%
711120	Dance companies	0	0	--	--
711130	Musical groups & artists	1	1	50.0%	50.0%
711190	Other performing arts companies	0	1	0.0%	100.0%
711211	Sports teams & clubs	1	0	100.0%	0.0%
711212	Racetracks	1	1	50.0%	50.0%
711219	Other spectator sports	0	0	--	--
711310	Promoters of performing arts, sports, & similar events w/facility	2	0	100.0%	0.0%
712110	Museums	5	20	20.0%	80.0%
712120	Historical sites	0	6	0.0%	100.0%
712130	Zoos & botanical gardens	0	1	0.0%	100.0%
712190	Nature parks & other similar institutions	1	13	7.1%	92.9%
713110	Amusement & theme parks	1	3	25.0%	75.0%
713120	Amusement arcades	1	1	50.0%	50.0%
713910	Golf courses & country clubs	2	9	18.2%	81.8%
713940	Fitness & recreational sports centers	12	48	20.0%	80.0%
713950	Bowling centers	1	2	33.3%	66.7%
713990	All other amusement & recreation industries	6	27	18.2%	81.8%
451120	Hobby, toy, & game stores ⁽²⁾	13	32	28.9%	71.1%
451130	Sewing, needlework, & piece goods stores ⁽²⁾	2	8	20.0%	80.0%
TOTAL		51	183	21.8%	78.2%

Notes:

(1) City of Santa Maria is netted out of the Santa Maria Trade Area

(2) These two industries are included in attempt to account for the City's expressed interest in attracting light industrial cottage industries, such as pottery making, arts, crafts, etc.

Source: Claritas

Whereas the table above examines the relative concentration of recreation and entertainment related establishments in the city of Santa Maria vs. the remainder of the Santa Maria Trade Area, Table VIII-2, on the following page, provides a region-wide threshold analysis of these industries compared to the State of California. That is, Table VIII-2 provides the total population (in thousands) per establishment in the Santa Maria Trade Area and the entire State. Thus, the table gives some insight as to particular recreation/entertainment industries that might be underrepresented in the overall Santa Maria Trade Area. All things being equal, given the size of the Santa Maria Trade Area, industries in the trade area with more population per establishment can be preliminarily considered “underrepresented”. Alternatively, industries in the trade area with less population per establishment can be preliminarily considered “overrepresented”.

From this perspective, as illustrated in the table, the only entertainment-related industries that appear underrepresented in the Santa Maria Trade Area relative to the State are the following:

- NAICS 711120 – Dance companies: For the state of California, there is approximately one establishment for every 358,000 individuals. In the Santa Maria Trade Area, there are no establishments belonging to this industry category.
- NAICS 711130 – Musical groups and artists: For the state of California, there is approximately one establishment for every 32,000 individuals. In the Santa Maria Trade Area, the population per establishment is substantially higher – approximately 168,000.
- NAICS 711190 – Other performing arts companies: For the state of California, there is approximately one establishment for every 154,000 individuals. In the Santa Maria Trade Area, the population per establishment is more than double than that of the entire State – approximately 336,000.
- NAICS 711219 – Other spectator sports: For the state of California, there is approximately one establishment for every 79,000 individuals. In the Santa Maria Trade Area, there are no establishments belonging to this industry category.

**Table VIII-2
Threshold Analysis of Recreation / Entertainment Related Establishments & Employees
Santa Maria Trade Area and State of California**

NAICS	Industry Description	Santa Maria Trade Area	California
711110	Theater companies & dinner theaters	28.03	66.53
711120	Dance companies	0	358.01
711130	Musical groups & artists	168.16	32.3
711190	Other performing arts companies	336.32	154.34
711211	Sports teams & clubs	336.32	489.11
711212	Racetracks	168.16	482.32
711219	Other spectator sports	0	78.93
711310	Promoters of performing arts, sports, & similar events w/facility	168.16	222.61
712110	Museums	13.45	87.92
712120	Historical sites	56.05	913.87
712130	Zoos & botanical gardens	336.32	807.6
712190	Nature parks & other similar institutions	24.02	631.4
713110	Amusement & theme parks	84.08	503.29
713120	Amusement arcades	168.16	181.82
713910	Golf courses & country clubs	30.57	48.17
713940	Fitness & recreational sports centers	5.61	13.62
713950	Bowling centers	112.11	127.67
713990	All other amusement & recreation industries	10.19	27.41
451120	Hobby, toy, & game stores	7.47	27.45
451130	Sewing, needlework, & piece goods stores	33.63	56.19

Source:
Claritas; County Business Patterns, U.S. Census Bureau.

IX. COTTAGE INDUSTRY POTENTIALS

Given the City’s expressed interest in introducing various types of cottage industries in a “specialty manufacturing” cluster²⁵ in the downtown area, this section provides an initial examination of the market for these types of activities in Santa Maria. Examples of potential cottage industries include: pottery making, guitar making, and various arts and crafts. Almost by definition, cottage industries are home-based, rather than factory-based, so they have the potential to be good fits in loft or live/work environments. However, even though many of the products created by a cottage industry are distinctive and unique, these producers often have a significant competitive disadvantage, mainly because of economies of scale, relative to larger-scale operators that utilize mass-production techniques. With this being the case, relatively few cities view cottage industries as drivers of economic growth, and thus these types of activities do not often factor into overall economic development strategies. As a consequence, there are not a number of successful examples of cities similar to Santa Maria that could serve as models or “templates” for encouraging the growth of cottage industries in the downtown.

Given the challenge of finding relevant examples of other cottage industry attraction programs, the first step in this analysis involved analyzing available employment data for the types of cottage industries the City hopes to attract to downtown. This was done to get a sense of the extent that these industries do or do not currently exist in the Santa Maria Trade Area. The most recent data available for detailed industry classifications – as defined by the North American Industrial Classification System (NAICS) – are from the 2001 County Business Patterns (CBP), U.S. Census Bureau.

Table IX-1 on the following page provides summary employment data for four individual industry categories that encompass a number of the types of cottage industries that City hopes to attract to Downtown. Provided on the top of the table are the numbers of employees and firms in each industry category for the entire Santa Maria Trade Area²⁶ and, for reference purposes, the State of California. Below these data are Location Quotients (LQs), which can be thought of as indicators of the extent to which these industries are concentrated within the region's economy, compared to (in this case) the state as the “reference” region. The LQ²⁷ is an index-type figure, and a value of 1 (one) indicates that the region has the same proportion of that industry present as the state as a whole; therefore the higher the value above ‘one’ the greater the “strength of presence” of that industry in the region.

²⁵ These industries have been labeled a specialty manufacturing cluster in Santa Maria’s Economic Development Element of the General Plan

²⁶ The data are based on the zip codes within the entire SMTA. Therefore, the actual geographic area on which these data are based is slightly larger than the 30-mile SMTA.

²⁷ It is calculated, in this case, by dividing one expression (x) by another expression (y), where x equals employment in sector a in place i, divided by employment in sector a in the state, and y equals total employment in place i, divided by total employment in the state.

**Table IX-1
Number of Establishments, Employees, and Location Quotients for Selected Specialty Manufacturing Industries
Santa Maria Trade Area (SMTA) and State of California
2001**

NAICS	Description	SMTA			State of CA		
		Number of Establishments	Number of Employees	% of Total Employees	Number of Establishments	Number of Employees	% of Total Employees
339992	Musical Instrument Manufacturing	6	538	0.59%	101	3,564	0.03%
327112	Vitreous China, Fine Earthenware, and Other Pottery Product Manufacturing	2	22	0.02%	120	3,371	0.03%
337212	Custom Architectural Woodwork and Millwork Manufacturing	0	0	0.00%	114	2,690	0.02%
339932	Game, Toy, and Children's Vehicle Manufacturing	0	0	0.00%	117	2,181	0.02%
-----	All	7,380	91,500	100.00%	806,733	13,239,616	100.00%

Location Quotients for SMTA Relative to State of CA

339992	Musical Instrument Manufacturing	21.84
327112	Vitreous China, Fine Earthenware, and Other Pottery Product Manufacturing	0.94
337212	Custom Architectural Woodwork and Millwork Manufacturing	0.00
339932	Game, Toy, and Children's Vehicle Manufacturing	0.00

Source:
2001 County Business Patterns, U.S. Census Bureau; TNCI.

As shown on the table, the LQ for musical instrument manufacturing is 21.84, initially indicating that this industry has an extremely strong presence in the SMTA. However, a full 92% of the employees (497 of the 538 total employees) in this industry are concentrated within three large firms located in San Luis Obispo (SLO). So the employment in this industry is not exactly broad-based, and does not appear to be consistent with a “cottage industry” scale of activity. For the industry grouping which includes pottery making, the LQ is just under one, suggesting that the SMTA has roughly the same proportion of this industry present as the entire state. For the remaining two industry groupings relevant for examining cottage industries – (1) Custom Architectural Woodwork and Millwork Manufacturing and (2) Game, Toy, and Children’s Vehicle Manufacturing – there are (according to the 2001 CBP data) no establishments or employees in the SMTA.

The City’s Economic Development Element of the General Plan especially notes the promise for musical instrument manufacturing as a key component of the “specially manufacturing” cluster. It cites that there are at least a dozen guitar makers that make hand-made guitars, and lists Baker Guitars as an example in Santa Maria. The data from the CBP, however, only show a half-dozen guitar makers, which all reside in SLO. And as of May 2003, Baker Guitars in Santa Maria closed its operations.²⁸

Specialty Manufacturing Incubator

On a purely statistical basis (as summarized above), there does not appear to an overwhelmingly strong case for the development of cottage industries in Santa Maria. That is, left to market forces, these types of firms might or might not be attracted to Santa Maria in large numbers. However, this does not necessarily mean that the concept of cottage industry development is unviable. Indeed, by their very nature, cottage industries are the types of activities that tend to require some degree of nurturing to thrive. The potential may exist to – in effect – *create* a “specialty manufacturing” cluster via incubation activities. Incubation – the process of nurturing fledgling firms and industries – can take several forms. At the simplest level, it can just mean providing an environment that is conducive (in terms of zoning, building types and image) to attracting the desired activities. In the case of Santa Maria, this might mean that the City would work to attract residential developers interested in loft or live-work facilities then allow the developer(s) to handle the details of marketing the project(s) to specific users.

A more proactive (and more expensive) form of incubation is the development of a brick and mortar incubator facility, i.e., an actual building where the targeted types of firms would concentrate. Typically, start-up incubators require (at least initially) significant levels of public subsidy in order to remain economically viable, with this investment justified on the basis that it is part of an economic development initiative. In this regard, the value of an incubator is usually predicated on the intention that “incubated” firms

²⁸ TNCI has attempted to contact Gene Baker to discuss the guitar market in Santa Maria, but has so far been unable to reach him.

grow out of the facility and add substantial numbers of (well paid) employees in a relatively short time. While it is beyond the scope of this Specific Planning process to provide a comprehensive feasibility study and cost/benefit analysis for an incubator facility, the idea could be considered for inclusion in the Specific Plan zoning. The discussion below outlines the incubator concept in greater detail.

Background

The National Business Incubation Association (NBIA) defines business incubation as "...a dynamic process of business enterprise development. Incubators nurture young firms, helping them to survive and grow during the startup period when they are most vulnerable. Incubators provide hands-on management assistance, access to financing and orchestrated exposure to critical business or technical support services. They also offer entrepreneurial firms shared office services, access to equipment, flexible leases and expandable space — all under one roof." Business incubators can be important components to a comprehensive economic development strategy if they are carefully planned and implemented in coordination with the local economy and local resources.

The concept of business incubation has been around since 1959, when the Manusco family purchased a one-million square foot building from Johnston Harvester Company and converted it to an incubator in Batavia, New York. The Manuscos were responding to the closure of the farm equipment company and the loss of some 2,000 jobs. Still in business today, the Batavia Industrial Center lends support to the argument that incubators can be successful long-term economic development engines.

It is a widely accepted fact that businesses that spring from incubators have a higher rate of success than businesses that strike out on their own. Tapan Munroe, former chief economist for PG&E and arguably the father of the California incubator industry, reported, "The key attraction of incubators is that they dramatically reduce the failure rate of small businesses – from 80 percent to 20 percent in the first five years of existence."

Further support for business incubators comes from a 1997 study on the effectiveness of incubators conducted at the University of Michigan. The study found:

- Incubators' firms, on average, created 468 new direct jobs and 702 total new jobs;
- The estimated public subsidy cost of non-profit incubators was \$1,109 per job – about one-tenth the national average for government subsidized job creation activities;
- Incubated firms' average annual sales increased by over 400% from the time they entered the incubator through the date of the study in 1996 (industry average length of stay in an incubator is 28 months);

- Eighty-seven percent of all incubator graduates are still in business; and
- Eighty-four percent of firms that graduate from incubators remain in their local communities.

What business incubators do

Business incubators help fledgling businesses avoid the inherent problems associated with launching a new business. Problems directly addressed by incubators are insufficient capital, underdeveloped business management skills, and poorly developed business and strategic plans. Incubators also promote synergies among tenants that result in increased business activity, enhancing the tenants' opportunities for becoming sustainable ventures.

Typically, incubators provide strong management support through an alliance of local business professionals, economic development agencies, and academic institutions. A full-time incubator manager is usually available to answer questions posed by the entrepreneurs.

Locating in an incubator reduces start-up cost for new ventures. Reduced rental rates or free rent can be offered, and as the business becomes more successful, rental rates gradually increase to the level of market rates. The entrepreneurs' investment in office equipment is postponed because the incubator provides the equipment on an "as-needed" basis. Clerical and accounting can also be provided, further reducing initial capital outlay. Reducing start-up costs and initial overhead allows business owners to spend scarce capital on product marketing and sales.

Business growth is more manageable for businesses within an incubator. Entrepreneurs rent only the space they need. As businesses grow, additional space within the incubator can be allocated. This reduces the need for new businesses to pay for more office space than needed in anticipation of growing their businesses. Warehouse space can also be provided.

Integration with economic development strategies

Business incubators have received substantial notoriety lately – and for good reason. If executed in accordance with pre-determined economic development goals in mind, incubators are not only powerful tools for job creation and business development, but they also send a clear message regarding a community's desire to attract or maintain a specific industry. For example, if developing a specialty manufacturing cluster is a focus of Santa Maria's economic development strategy, establishing a specialty manufacturing incubator in the downtown would assure existing businesses that the community is serious about retaining them. In addition, if marketed and executed correctly, it sends a message to entrepreneurs throughout the specialty manufacturing arena that the industry-specific resources are available to speed them to becoming successful business owners.

Recommendations

The strongest rationale for the City continuing to pursue a cottage industry development strategy is that these types of uses would be ideally suited to the live/work environment envisioned as part of the Specific Plan area. While it is beyond the scope of this study to evaluate the levels of demand that may exist for specific user types (since actual demand for these very specialized uses will largely be a function of the marketing investment undertaken by the city and/or individual developers), there are several major ways that this concept can be advanced by the Downtown Specific Plan process:

- At a minimum, Specific Plan zoning (especially in the “Loft District”) should be flexible enough to accommodate the various uses envisioned. This would be a “laissez faire” approach to attracting cottage industries and might or might not yield great results.
- If the City has an interest in pursuing the much more proactive incubator concept, a detailed feasibility study and business plan should be completed as part of the Specific Plan implementation.
- Actual development and operation of an incubator would not necessarily be a City role. In this regard, the business planning process should give significant attention to identifying prospective public and private partners for the project.
- Within the context of this Specific Plan process, the most important first step for an incubator would be to ensure that the Plan could readily accommodate such a facility from physical capacity and zoning perspectives. In this regard, the potential space allocations (approximately 40,000 square feet in two phases) indicated in the Executive Summary are not based on a demand analysis, but represent the typical square footages²⁹ for “targeted” incubators (i.e., incubators focused on specific target industries).

Finally, we should note that while the cottage industry/incubator concept may have a lot of merit, TNCI does not consider this to be a land use that will “make or break” the overall success of the Downtown Specific Plan (in contrast to retail development, for example, which will clearly be a “driver” of the overall process). Thus, potential City investments in this type of strategy would need to be weighed in terms of the contributions to the City’s broader economic development objectives (i.e., not just the downtown).

²⁹ According to data published by the National Business Incubation Association (NBIA).

X. CONDITIONS IN OTHER DOWNTOWN AREAS WITH RELEVANT ISSUES

Information was compiled for the downtown areas of six communities: Santa Rosa, Fillmore, Ventura, Lodi, Pasadena, and Brea, in the following general topic categories:

- Geographic setting
- Competitive conditions and other challenges
- Retail tenant types
- Other land uses
- Program initiatives and strategies
- Time periods

The results of this process are based primarily on a review of web-based information obtained for the communities. Highlights of the findings are summarized below.

- **Malls in downtown.** Both Santa Rosa and Pasadena had to contend with malls that were built in the downtown area. In Santa Rosa, the mall dominates the retail area, and mall traffic has had little spillover into the rest of downtown. One strategy has been to market the two shopping nodes, the mall and the rest of downtown, jointly, now that downtown is beginning to become an attraction in itself. In Pasadena, the mall was “deconstructed” so that the mall spaces and newly created open spaces took on a more contemporary form.
- **Mini-destinations.** The Railroad Square portion of Santa Rosa’s downtown to a destination place, with a mix of interesting and distinguished establishments. Movie theaters were preserved or recruited into downtowns in Fillmore and Brea, and a live theater venue in Ventura, to serve as certain draws for patrons.
- **Residential uses.** Residential projects were encouraged at all the downtowns, in various forms including live/work locations, small studios, townhomes, and single family for-sale homes.
- **Farmers markets** are found in Santa Rosa, Lodi, and Brea.
- **Mix.** The downtowns have a mix of uses. Besides residential, entertainment establishments, museums, and other attractions are common.
- **Strategies.** A range of strategies were applied to the downtowns. Parking development, usually involving garages, was common, as well as some level of aesthetic enhancement. Other strategies used in these cities may be worth considering, depending on the form that the planning recommendations take for Santa Maria’s downtown.

Santa Rosa

Geographic setting	Santa Rosa is located in prime agricultural country along Highway 101, 48 (straight-line) miles north of San Francisco.
Competitive conditions and other challenges	<p>Two elements dominate downtown: Highway 101 and the Santa Rosa Plaza mall. The town lacks an inviting town square; Courthouse Square was bisected by a street in 1968, which severed the heart of downtown into two parts. After the 1969 earthquake, 74 of the 89 buildings in the downtown area were torn down for safety reasons. Many were replaced with unattractive buildings. In 1983, the Santa Rosa Plaza mall was built where many of the prequake buildings had stood. The mall blocked easy auto and pedestrian access to the downtown district of Railroad Square. Santa Rosa Plaza accounts for over half of the retail land use downtown and attracts thousands of shoppers every year. Most of those shoppers do not venture outside of the mall.</p> <p>At Railroad Square, the little district behind the mall, merchants and property owners have transformed the area from an overlooked, undervalued neighborhood to a destination, with an eclectic mix of fine dining, live entertainment, antique stores, vintage shops, coffee houses, and thrift stores – all with a funky, historic feel.</p>
Retail tenant types	<ul style="list-style-type: none"> • A food and wine center concept, a CityVision recommendation, is moving forward for the Railroad Square area. • Two Brew pubs • Five coffee shops • The Santa Rosa Downtown Market (formerly Thursday Night Market) brings all ages together into downtown Santa Rosa on summer evenings.
Other land uses	<ul style="list-style-type: none"> • A live-in loft and workspace building • 29-unit housing development. • The California Visitors Center opened offices with in a depot that houses the Santa Rosa Convention and Visitors Bureau. • 155-room Vineyard Creek Hotel, Spa, and Conference Center <p>At least two groups of local arts organizations are formulating ambitious plans to create new downtown Santa Rosa performing arts venues.</p>
Program initiatives and strategies	<p>Santa Rosa Main Street is part of the Main Street Program, a nationwide group that works to revitalize individual downtown districts. In Santa Rosa, the Main Street area is bigger than is commonly adopted. One challenge is to make sure that each sub-district of the larger area retains its own character.</p> <p>The Main Street approach is to take on smaller projects to get momentum building, and apply the “one-two punch” of 1) helping downtown businesses grow stronger from the inside out, and 2) beautify the town from the outside in. Examples of small projects include additional diagonal parking on one of the streets, and putting in new planters with more flowers.</p> <p>Downtown officials are working closely with Santa Rosa Plaza mall (located downtown) management to cross-promote the area.</p>

	<p>Railroad Square Association formed 25 years ago to get that historic district out of the dumps. "It's just that now, she finally has become a desirable niche." The Association has worked to secure a lease for the food and wine center, and taken on small-scale projects such as planting flowers in barrels purchased with Association funds.</p> <p>Proposed projects:</p> <ul style="list-style-type: none"> • Move the Sonoma County Library from a key location and reestablish it on City Hall property. The vacancy left by the library could be filled with upscale chain stores, like Pottery Barn and Williams Sonoma, to create a more welcoming anchor to the downtown gateway. • Remodel a nondescript J. C. Penney building into a Mission-style retail center. • More housing, to bring more and different businesses. • Bring Sonoma County Museum downtown, which will help make up for the fact that Santa Rosa does not have a utilized public square.
Time periods	<p>Santa Rosa Main Street was formed officially in August 2002. Santa Rosa Main Street came out of "CityVision," which was one result of a 1998 report issued to the city-appointed Downtown Partnership Committee by the American Institute of Architects' Regional/ Urban Design Assistance Team (R/UDAT). CityVision refined the R/UDAT recommendations and released an action plan in April 2000. Main Street was the successor to this activity.</p> <p>In 1989 a group of concerned people formed the nonprofit group Committee for Restoring Santa Rosa Creek. They prepared a plan for naturalizing the creek and building paths alongside it. There are plans for an off-street, seven-mile bikeway to link Santa Rosa Creek to the existing Prince Greenway. Public art has been added along the creek trails – murals and benches painted by students of ArtStart, and a light sculpture on the bridge on the greenway. The art is part of an art walk that goes from the visitors' bureau past the creek and over to City Hall.</p>

Fillmore

Geographic setting	The city, located 23 miles northeast of Ventura, is a gateway to the Los Padres National Forest Recreation Area and Lake Piru. Fillmore is surrounded by orange groves, mountains and rolling hills.
Competitive conditions and other challenges	Fillmore is separated by a small mountain range from the growing "suburban fringe" cities of Moorpark and Simi Valley to the south.
Retail tenant types	Downtown features 1940s era storefronts that include markets, shops, second floor residences, post office, historic bank building and a fully restored and operating one-screen movie theatre, Fillmore Towne Theater. The downtown area offers a variety of shops, museums and places to eat. Central Cigar, a small cigar shop Ballard's Furniture and Elvis Museum

	<p>Many hair salons Patterson's' hardware, filled with hardware paraphernalia from floor to ceiling. Giessinger Winery</p>
Other land uses	<p>A gazebo sits in Masonic Park in downtown Fillmore, and is used for concerts, speeches and the like. Current HQ for Fillmore Volunteer Fire Department, which has a definite small-town feel. In the downtown area on Central Avenue, a historical railroad, The Fillmore and Western, offers rides on the weekends, taking passengers through citrus groves, farms and the Santa Clara River Valley. The train is commonly referred to as "the movie train" for its many film appearances. The Fillmore Historical Museum An historical building now houses three enterprises - Crockett Photography, Edward Jones Investments, and the Fillmore Chamber of Commerce The offices of a State Farm agent have six new "City View Apartments." upstairs.</p>
Program initiatives and strategies	<p>Design features used in downtown include:</p> <ul style="list-style-type: none"> • Awnings for buildings on Central Avenue. • Old-looking electric lamps along Central Avenue, which give the street its turn-of-the-century appearance. • Brick crosswalks add to the rustic look at the intersection of Central Avenue and Santa Clara.
Time periods	<p>The Northridge Earthquake created considerable damage in Fillmore in 1994. Downtown businesses were temporarily housed in portable dome tents and trailers while the historic downtown was rebuilt to look the way it did nearly a century before, complete with seismic retrofitting The city received nearly \$7 million in federal and state funds to revitalize downtown, including the construction of a \$1.5 million City Hall. The city bought the heavily damaged Fillmore Towne Theatre after the owner declined to repair it, and began showing films in the 1916 building two years after the quake.</p>

Ventura

Geographic setting	<p>Ventura is located on the coast at the far western fringe of the Los Angeles metro area, 60 (straight-line) miles west of downtown Los Angeles. It is somewhat isolated by mountains from the rest of the metro region, and is approximately 15 miles southeast from the Santa Barbara metro region.</p>
Competitive conditions and other challenges	<p>Recent upsurges in activity have pushed up commercial rents in downtown Ventura. Downtown properties can sell for \$250 per square foot, more than twice the rate of four or five years ago. To pay off their properties, landlords are being forced to charge more rent. Heightened interest by Starbucks and other chain retailers in the downtown also has been a factor in increasing rents and property values. There are Outlet Malls located in the adjoining cities of Camarillo and Oxnard</p>

Retail tenant types	Downtown Ventura has art galleries, bookstores, coffee houses, boutiques, and a wide variety of restaurants and entertainment. Downtown Ventura is the largest shopping area in the county, with over 400 shops & restaurants. Downtown Ventura is one of the West Coast's leading destinations for antique shopping, with more than 125 antique dealers in 39 locations. Jonathan's at Peirano's and 71 Palm Restaurant are two fine dining establishments in the downtown.
Other land uses	A stage venue, the Laurel Theatre, is attracting big name talent to its intimate setting in an old church. The Olson Co. of Seal Beach plans to build 200 condominiums downtown. The Victorian Rose is a B&B housed in a former Methodist church. Two other handsome historic inns downtown are La Mer's Gästehaus and Bella Maggiore.
Program initiatives and strategies	Building more housing and offices in the downtown, which would generate more shoppers, is a key part of the city's plan to further revitalize the area. But this action is expected to take another four or five years. As part of the Creative Cities initiative, the City of San Buenaventura hosted a "charrette" regarding the future development of downtown Ventura in December 2002. Specific recommendations in relation to the Cultural District included the need to study the feasibility of creating a downtown cultural center, and to clarify the benefits of art-related spending to the local economy, as part of a larger campaign to increase the number of stakeholders willing to invest in the arts and the cultural arts district.
Time periods	In the last two years alone, downtown Ventura has added 35 new shops; 20 restaurants; two galleries and three day-spas.

Lodi

Geographic setting	The City is located in the San Joaquin Valley between Stockton, 6 miles to the south, and Sacramento, 35 miles to the north, and adjacent to U.S. Highway 99. The City is within five miles of Interstate 5.
Competitive conditions and other challenges	Proximity to Stockton means that area shoppers have many options for finding general retail goods, and the downtown will by necessity need to distinguish as a location for specialty goods and services.
Retail tenant types	There are currently about 250 businesses downtown, from a barbershop to a health food store, a flower store to a clock shop, and antique shops to bookstores. Trendy furniture stores and clothing boutiques are also found downtown. The latest in beauty and health services and supplies can be found there. The area is also home to 12 plus restaurants and coffee shops offering everything from Mexican to Chinese to American. Downtown is home to a handful of taverns including Legends, the Pine Street Pub and Garry's Lounge, with the latter offering live music and dancing. A 16-week Farmer's Market and Festival features over 60 street booths from local farmers and vendors selling unique crafts and collectibles.

Other land uses	<ul style="list-style-type: none"> • An insurance firm and financial services company expanded into Lodi, at a downtown location • The historic Hotel Lodi is now being used as a motel for long-term tenants. • Lodi Stadium 12 Theater, with stadium-style seating, is downtown.
Program initiatives and strategies	<p>A \$4 million project by the city, in 1999, installed cobbled streets and yellow sidewalks downtown, and park benches along the sidewalks. Also in 1999, the historic train depot on Sacramento Street was lifted and moved a block south to be remodeled. New signs were erected and bus shelters installed as a part of the redevelopment project. Today, the transit station serves passengers off city, county and regional buses. Greyhound and Amtrak buses also make regular stops there and Amtrak train service should be in place. A handful of businesspersons bought dilapidated buildings on Sacramento Street and set out to refurbish old storefronts and sell them to new tenants.</p> <p>A three-story, \$7 million parking garage on Sacramento Street facility opened in 2002 with 329 parking spaces. The garage is said to be cool, well lit and very secure, with 24-hour security staff. The ground floor has retail space available for lease.</p> <p>Along with the garage, portions of Elm Street between Church and Sacramento Streets were converted into a walkable path with street lamps, benches, trees and brick walkways similar to those on School Street in downtown Lodi. The corridor, complete with a painted sun design inset on the road, may ultimately be closed to vehicles to allow foot traffic between the parking garage and a new theater. There will also be room set aside for outside dining.</p> <p>Business Improvement Area No. 1 was created in FY 2004.</p> <p>Parking:</p> <ul style="list-style-type: none"> • A new surface parking lot has 58 parking stalls, of which 29 stalls are designated for 3-hour public parking and 29 stalls are designated for permit parking (permit parking ends at 2 p.m., at that time all stalls are open to the public). • On five streets, City staff planned to convert parallel to angled parking spaces, gaining approximately 54 spaces. • One lot, located on the east side of City Hall, has 77 parking spaces that theater patrons can use after hours and on the weekends, and will be signed accordingly. • For a 39-parking space lot, 30 spaces will be available for theater patrons after hours and on weekends, and will be signed accordingly. <p>Transit, and parking coordination:</p> <ul style="list-style-type: none"> • The City will be encouraging the use of the transit system by providing a special promotion. • The City will be providing a trolley shuttle service for downtown customers and merchants to the outer parking lots. • The Partnership is working on parking brochures for merchants to distribute, showing convenient parking areas and trolley stops in the downtown area. • City staff contacted several downtown businesses with large parking lots to

	<p>discuss sharing their spaces during their off-peak hours. Two major banks, having a combined 126 parking spaces, were willing to share their lots. In cooperation with the banks, the city will slurry seal and restripe their parking lots.</p> <ul style="list-style-type: none"> • City staff installed directional parking signs and improved the signing at all the city parking lots.
Time periods	<p>As of 2001, downtown Lodi is “a bustling six blocks of commerce and culture” housed in old brick buildings built around the turn of the century. From the construction of cobblestone walkways to the anticipation of a new cinema, the downtown district has seen a number of changes in recent years, the outgrowth of a \$4.5 million revitalization project first hatched by city officials in 1994, and given additional major investment in 1999.</p> <p>The Downtown Lodi Business Partnership (240 businesses strong) was formed in 1998. The primary purpose of this non-profit organization is to manage and promote downtown Lodi as a community shopping center. The parking garage, completed in 2002, had been in the works since that time (1998).</p>

Pasadena

Geographic setting	<p>Old Pasadena has a convenient location, only 15 minutes north from downtown Los Angeles. It has a dry sunny climate with an average daily temperature of 76 degrees, and easy access to Southern California's other famous attractions.</p>
Competitive conditions and other challenges	<p>Old Pasadena has late-night shopping. It is a destination for “recreational” shopping, and has little competition in terms of its size, quality, and variety.</p>
Retail tenant types	<p>Old Pasadena has dozens of unique art galleries, antique shops, boutiques, sidewalk dining, movies, and one-of-a-kind specialty shops in a historic setting</p>
Other land uses	<p>270,000 square feet, 5 story commercial office project with ground floor retail/restaurant use and a central garden area. Parking: three-level subterranean parking garage with 772 parking spaces. Project included demolition of the existing Woolworth Building and reuse of a portion of the existing facade within the project site.</p> <p>Castle Green, one of Pasadena's famous great turn-of-the-century hotels, has been turned into apartments.</p> <p>The Armory Center for the Arts, offers community art classes and exhibits.</p>
Program initiatives and strategies	<p>Redevelopment-assisted projects include:</p> <ul style="list-style-type: none"> • A 255,000 s.f. office building with ground floor retail/commercial uses. • Civic Center/Mid-Town District streetscape improvements include street and sidewalk paving, street lighting, trees, benches, trash receptacles, bollards, public art and signage. • A 500,000 s.f. retail commercial center with 400 residential apartments on a

	<p>3-block project site (<u>Paseo Colorado</u>)</p> <ul style="list-style-type: none"> • Streetscape improvements to the Playhouse District including street and sidewalk paving, street lighting, trees, benches, trash receptacles, bollards, public art and signage • Playhouse Parking Study initiated to identify existing parking, utilization, and circulation needs on a future build-out for the District. • 38 Condominium Units with 18 moderate-income affordable units. • 75-unit Senior Housing Project <p>There are more than 7800 parking spaces offered in public and private garages located throughout Old Pasadena. The first ninety minutes are free at City-owned garages. Parking cost begins at \$2 per hour, up to \$6 daily maximum. Parking is also available at hundreds of curbsites on-street metered parking spaces throughout the district, as well as at privately operated surface parking lots.</p>
Time periods	The Downtown Redevelopment Project Area of 340 Acres was adopted December of 1970.

Brea

Geographic setting	Brea is located in the northern part of Orange County, 24 (straight-line) miles from downtown Los Angeles.
Competitive conditions and other challenges	The construction of Highway 57 in 1972 and the development of new shopping centers “drained the downtown.” Decline continued into the 1980’s until redevelopment efforts got underway.
Retail tenant types	<p>A membership directory for the downtown area indicates the following:</p> <ul style="list-style-type: none"> Art Gallery: 1 Beauty & Health: 5 Cards, Gifts, & Hobbies: 3 Food & Beverage: 17 (Brea Downtown bills itself as a culinary capital for North Orange County) Home Entertainment & Books: 2 Home Furnishings & Gifts: 3 Men & Women’s Apparel: 12 Shoes: 1 <p>The Brea Farmers Market sets up on Tuesdays</p>
Other land uses	<ul style="list-style-type: none"> • Photographer • Telecommunication office • Theatres: 2 (These two cinemas are operated by the same company and are across the street from each other. they have total of 22 screens, all with stadium-style seating) • The Improv comedy club • Brea Downtown Offices • Six small offices of service providers • 62 live/work apartments and 40 townhomes

	<ul style="list-style-type: none"> • Immediately adjacent to Birch Street are the Ash Street Cottages, 96 single-family detached homes built in neo-traditional style in the mid 1990s. The cottages are a stone's throw away from the new downtown.
<p>Program initiatives and strategies</p>	<p>The design charrette held in 1989 resulted in a plan for the city to acquire the land downtown and rebuild it from scratch. The area was reborn as the 60-acre Downtown District with a plan for creating a retail-rich, pedestrian-oriented mixed-use district.</p> <p>Birch Street Promenade accommodates automobiles, but caters to the pedestrian. Streets are narrow, with just enough room for parallel on-street parking. A variety of traffic calming measures, including mid-block crossings and bulb outs, keep vehicles moving slowly and make it safe for those on foot to cross the street. A mix of street furniture, landscaping and outdoor dining makes for a rich street experience. City planning efforts have focused on creating connections between neighborhoods, retail, and downtown.</p> <p>The Brea Downtown Management office enforces operating regulations, including:</p> <ul style="list-style-type: none"> • Minimum operating hours (Monday through Saturday, 10:00 A.M. to 9:00 P.M.; Sunday, 12:00 P.M. to 6:00 P.M.). Shops are to open precisely at or before published hours. Stores are not allowed to close before published closing hours unless approved by landlord and Brea Downtown Management. • To guarantee customers have the most convenient parking spaces possible, all owners, employees and staff must park on the roofs of Parking Structures I & II. <p>A total of 2,146 parking spaces have been provided in downtown Brea – 1,720 of these in parking structures.</p> <p>The Brea Downtown Owners Association schedules Merchant Meetings monthly to present marketing initiatives as well as to solicit ideas, suggestions and observations. The Restaurant Committee meets on an ad hoc basis to review and discuss collaborative marketing campaigns. The Downtown Parking District meets monthly to deal with issues of customer access and to coordinate Parking Structures I & II with surface lots behind the shops on Brea Boulevard. The board initiates policies such as valet parking on an as-needed basis, and creates policy for merchant and customer parking.</p> <p>Redevelopment projects include the following:</p> <ul style="list-style-type: none"> • The Gateway Center: A 200,000 square foot community shopping center anchored by a grocery store, drug store, and several restaurants and small shops. • Ash Street Cottages: A 96-unit single-family for-sale-housing neighborhood that has won several awards for innovative design and quality of development • Brea Commerce Center: A seven-acre service park anchored by auto repair, hardware, and industrial uses. • North Block: A revitalized block anchored by a new regional bank headquarters and a photo-processing laboratory.

	<p>The most visible project is Downtown Birch Street, which is anchored by the two theater complexes. The street features approximately 100,000 square feet of retail and restaurants. It is a true mixed-use project with 62 one-bedroom, loft-style apartments over retail, entertainment uses, and office space. This type of housing was considered a high priority for the downtown in order to create an “around-the-clock” downtown. The vertical mixed use resulting from this project gives the downtown a level of energy that cannot be achieved through commercial development alone. Of the 62 units, 33 units were set aside for low- to moderate-income households.</p> <p>Two Superblocks adjacent to Birch Street feature an additional 105,000 square feet of retail and restaurants. They are anchored by book/music and apparel stores.</p> <p>The Agency’s participation in the downtown project includes two Agency-funded parking structures, and two surface parking lots providing over 2,000 free parking spaces. A bridge has been constructed to link one of the parking structures to the east side of town. The project included a new Police Annex on Birch Street as well as a new Downtown Fire Station on Brea Boulevard.</p>
Time periods	<p>The Brea Redevelopment Agency was formed in 1972 to provide a tool to eliminate blighting conditions and thus insure that the City’s economic base would grow and remain healthy by providing new public improvements, commercial development, and affordable housing. In 1985, the Agency began acquiring and assembling properties in an effort to transform the blighted area into an economically viable downtown. Hundreds of blighted structures were removed and replaced with new successful developments.</p> <p>After construction of Highway 57 in 1972, the decline of the old downtown along Brea Boulevard and nearby residential areas continued through the 1980s until City officials decided to intervene and organized a design charrette in 1989.</p>

APPENDIX A:
INVENTORY OF
DOWNTOWN RETAIL BUSINESSES

**Table A-1
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
DOWNTOWN SANTA MARIA**

TENANT	NUMBER	STREET	SQUARE FEET	RETAIL CATEGORY
Main Street Cycles	311	E Main St	1,976	S
Simas Sporting Goods	309	E Main St	1,748	S
Sign Craft	307	E Main St	1,472	S
USA Futons	305	E Main St	1,664	FA
Owen's Music Company	201	E Main St	5,896	S
Fireside Financial Services	205	E Main St	3,752	--
Imperial Floor Covering	207	E Main St	2,680	S
Creative Rent 'n Own	209	E Main St	5,762	FA
Louie B. Cocktails	213	E Main St	5,760	ED
Tae Kwan Doe	221	E Main St	3,200	--
Fischer's Fine Jewelry	225	E Main St	1,360	S
Golds Gym	127	E Main St	7,500	--
Golds Gym (2nd Floor)	127	E Main St	1,500	--
Good Co. Too (Salon)	109	Vine	550	--
Central Coast Barber Shop	107	Vine	700	--
Tile Encounter	109	W Main Street	2,349	S
Visualize Photography	111	W Main Street	2,349	S
Uniforms and More	113	W Main Street	1,827	A
Jewel's Trading Post	115	W Main Street	1,827	S
Vacant - (being renovated for future tenant)	117	W Main Street	2,349	--
Univision (KPMR)	119	W Main Street	1,479	--
Used Furniture (Coming Soon)	121	W Main Street	2,231	FA
Cellular Store	123	W Main Street	2,001	S

TENANT	NUMBER	STREET	SQUARE FEET	RETAIL CATEGORY
Wayne's Tire	125	W Main Street	3,220	AD
Brick's Restaurant	112	W Main Street	2,420	ED
Canada Shoes	114	W Main Street	1,800	A
Custom Sewing / Tuxedo Rental	116	W Main Street	2,970	A
Maytag Home Appliance Center	118	W Main Street	2,970	FA
Clip Joint (Hair Salon)	120	W Main Street	1,800	--
Sports Mania	122	W Main Street	1,900	S
Farmers Insurance and other Service Uses	124	W Main Street		--
Lost World Pets (Pet Store)	126	W Main Street	4,000	S
Boot Barn (coming soon)	SWC	W Main & S Broadway	6,095	A
Labor Ready	201	W Main Street	3,900	--
Computer Works	207	W Main Street	3,240	S
Thrift Store / AZ Tech Institute	211 - 215	W Main Street	9,677	A
Libreria Christiana	217	W Main Street	1,536	S
Palms Motor Motel	221	W Main Street		--
La Novia Fashions	200	W Main Street	2,212	A
Las Comadres (Salvadoran Food)	202	W Main Street	1,440	ED
Servicio De Inmigracion	204	W Main Street	1,520	--
Carpets Unlimited	206	W Main Street	2,480	S
Lifetime (Kitchenware)	208	W Main Street	960	FA
Angelita's Fashion and Jewelry	210	W Main Street	1,680	A
Kenton Insurance / Premier Cellular (15%)	212	W Main Street	264	S
Tae Kwan Doe Academy / Botanica Yemaya	214	W Main Street	1,760	--
Acupuncture (Acuherb-Ying)	216	W Main Street	1,440	--
Hilos De Mexico (Photography, Video, & Wedding Attire)	218	W Main Street	2,000	S

TENANT	NUMBER	STREET	SQUARE FEET	RETAIL CATEGORY
The Book Barn	220	W Main Street	1,920	S
Furniture Depot	222	W Main Street	3,399	FA
Labor Finders	224	W Main Street	1,854	--
Kung Fu / Tienda Naturista	226	W Main Street	1,000	--
Sound of Stereo	101	N Broadway	1,026	S
North China Restaurant	113	N Broadway	2,328	ED
Montoya's Fashion	115	N Broadway	1,455	A
Carbajal Furniture	119	N Broadway	6,111	FA
Coast Auto Insurance Svc	121	N Broadway		--
Soccer Mart	200	N Broadway	899	S
American General Finance	204	N Broadway		--
Plaza Hair Designers	208	N Broadway	672	--
Pacific Tint	201	N Broadway	4,914	AD
A Little Something (Floral)	205	N Broadway	2,520	S
Santa Maria Tattoo & Piercing	207	N Broadway	1,863	--
Town Center Motel	215	N Broadway		--
Up in Smoke Tobacco Accessories		N Broadway	1,701	S
Maretti's saloon	221	N Broadway	1,258	ED
Red Eye Liquor Deli	223	N Broadway	2,294	ED
Harbor Freight Tools	306	N Broadway	4,672	BHG
McDonalds	320	N Broadway	6,050	ED
Coast Motors	313	N Broadway	2,424	AD
San Luis Rey Paint Factory	105	E Mill	2,340	BHG
Coast Lawnmower	311	N McClelland	2,990	BHG
National Auto Glass	111	W Chappel	2,254	AD

TENANT	NUMBER	STREET	SQUARE FEET	RETAIL CATEGORY
True Value	115	W Chappel	4,704	BHG
Ahedo's Restaurant	118	W Chappel	1,254	ED
Washington Mutual	401	S Broadway		--
Mobile King / Elegant Nails	415	S Broadway	704	S
Christian Science Reading Room	417	S Broadway	640	S
The Electric Rose (Tatoos & Body Piercing)	419	S Broadway	1,408	--
A Tough of Elegance	421	S Broadway	1,536	A
Barber Shop	423	S Broadway	576	--
Spookys Skin Art / Rawviolet Body Piercing	437 #B	S Broadway	1,110	--
Urgent Money	440	S Broadway		--
Broadway Barber Shop	500, #110A	S Broadway	300	--
Teresa's Beauty Salon	500, #112	S Broadway	480	--
Tru Elegance	500, #105	S Broadway	779	--
Lemo's Feed and Pet Supply	525	S Broadway	1,400	S
Maverick & Grill Saloon	510	S Broadway	4,560	ED
Holiday Motel	605	S Broadway		--
Santa Maria Wash & Lube	629	S Broadway		--
El Taco Mexico	701	S Broadway	1,344	ED
Headline Hair Styles	606	S Broadway	650	--
Nails Depot	624	S Broadway	595	--
A & P Time & Décor	626	S Broadway	420	S
Santa Maria Hair Design	628	S Broadway	627	--
Don's Automotive and Towing	700	S Broadway	1,014	--
Casa Lopez (Mexican Restaurant)	122	E Boone	2,890	ED
Grand Cellular	103	Jones	2,025	S

TENANT	NUMBER	STREET	SQUARE FEET	RETAIL CATEGORY
Santa Maria Alterations	105	Jones	720	--
Taco Ranchero	108	Jones	1,330	ED
Maya (Mexican Restaurant)	105	S Lincoln	2,300	ED
Envios A Mexico - Trendy Fashion	107	S Lincoln	1,400	A
La Colmena Market	501	S Lincoln	1,624	F
Mervyn's	201	Town Center West	43,420	GM
Vacant	209	Town Center West	3,510	--
Christy's Salon	215	Town Center West	1,944	--
Sports Fan	219	Town Center West	864	S
The UPS Store	221	Town Center West	702	S
Mattresses & More (Cancun Bedrooms Mattresses)	225	Town Center West	1,512	F
Marie Calendars	229	Town Center West	2,970	ED
Anthony's Jewelers	233	Town Center West	2,500	S
Cellular Store	237	Town Center West	1,600	S
Gina's Piece of Cake	239	Town Center West	1,800	ED
Taqueria Mexican Food	241	Town Center West	2,000	ED
Coffee and Company	245	Town Center West	2,000	ED
Affordable Treasures	247	Town Center West	2,300	S
Big 5 Sporting Goods	305	Town Center West	13,500	S
Xtreme Zone	315	Town Center West	1,600	--
Check Into Cash	317	Town Center West	1,600	--
Woody's Yogurt Café	319	Town Center West	1,650	ED
Discovery Museum (Santa Maria Children's Museum)	321	Town Center West	3,081	--
J Whites Cigars & Tobacco	323	Town Center West	478	S
Armani's Mediterranean Cuisine	323	Town Center West	1,128	ED

TENANT	NUMBER	STREET	SQUARE FEET	RETAIL CATEGORY
Vacant	323 #C	Town Center West	1,361	--
Aloha Cleaners and Alterations	325	Town Center West	1,279	--
Weight Watchers	327	Town Center West	677	F
Quick Fix Jewelry Repair	329	Town Center West	1,128	S
Saengs Kitchen	331	Town Center West	2,783	ED
Rite Aid	345	Town Center West	11,319	GM
Hacienda Bank	361	Town Center West		--

Source:

TNCI

Notes:

A = Apparel

GM = General Merchandise

FA = Furniture/Appliances

S = Specialty

F = Food (Supermarkets/Liquor)

ED = Eating and Drinking

BHG = Building/Hardware/Garden

AD = Auto Dealers and Parts

"--" = Non-retail use

**Table A-2
INVENTORY OF RETAIL TENANTS AND SQUARE FEET OF BUILDING SPACE
SANTA MARIA TOWN CENTER**

TENANT	SUITE - ID	SQUARE FEET	RETAIL CATEGORY
Red Robin	A1001	6,341	ED
Sole Mate	A1003	2,447	A
Apple Tree	A1004	5,000	A
Gatherings	A1005	2,323	FA
Maxx Plus	A1006	5,032	A
Interior Affairs	A1008	1,347	S
Fred Meyers Jewelers	A1010	1,079	S
Wishing Bear Workshop	A1013	799	S
Don Roberto Jewelers	A1015	1,103	S
Bob's Old Fashioned Ice	A1021	558	ED
Coldwell Banker	A1025	150	--
Bath & Body Works, Inc. Storage	B1000	603	S
Carl's Jr.	B1001	3,989	ED
Sunglass Hut	B1003	1,023	S
Crescent Jewelers	B1005	1,353	S
Magic Photo	B1007	2,113	S
Banyon Tree	B1009	3,037	FA
Combo Express	B1011	1,241	ED
Cellular 101 - c/o Cellu	B1013	945	S
Claire's #6451	B1014	940	A
See's Candies #94	B1015	1,000	ED
Kay Jewelers #521	B1016	1,461	S
Bath & Body Works, Inc.	B1017	3,023	S
B Dalton Bookseller #224	B1018	3,258	S

TENANT	SUITE - ID	SQUARE FEET	RETAIL CATEGORY
Fashion Max/LeeNee Cloth	B1020	7,266	A
Prints Plus, #55	B1021	2,551	FA
Anderson's Menswear 2000	B1022	1,522	A
Hot Dog On A Stick, Inc., #21	B1023	865	ED
Software Etc/Game Stop	C1047	1,119	S
Gottschalks Expressions	C1048	7,296	GM
Merlo's Cutlery	D1039	726	FA
Cookie Cookery	D1040	760	ED
Icing By Claire's	D1041	773	A
Wet Seal	D1043	3,495	A
Styles For Less	D1044	3,983	A
Champs Sports, #14245	D145B	5,013	A
General Nutrition Ctr, #2752	D1046	927	S
Sears Store #0002088	E1029	1,946	GM
Carlton Cards	E1031	2,665	S
White Sands Storage #E32	E1032	2,690	A
Spencer Gifts, Inc.	E1033	3,000	S
NY Style	E1034	2,625	A
Takkens Comfort Shoes	E1035	1,809	A
Daniel's Jewelers	E1036	1,200	S
International Kings Tabl	E1037	3,801	ED
Teriyaki Bowl	F1027	1,426	ED
Gottschalks Home Store	G2050	12,684	GM
Barbirzon School	G2057	4,025	--
Cell 101	G2059A	300	S
Day Construction	G2059B	684	--

TENANT	SUITE - ID	SQUARE FEET	RETAIL CATEGORY
Jewels by G	G2061	805	S
Theisen Vending	G2063	805	--
Sportscard Fantasy's	G2067B	800	S
Luxottica Retail Gr/Lens Craft	G2073	2,537	S
Town Center Cafe	H2049	1,381	ED
Walden Books Store #1306	H2053	3,154	S
Honda-Yamaha of Lompoc	H2060	2,982	--
Payless Shoesource #2977	H2061	3,000	A
Miller's Outpost #44	H2063	7,266	A
Mastercuts, #591	H2067	1,409	--
White Sands	J2081	3,563	A
V.I.P. Fashions	J2082	3,220	A
Orange Julius	J2086	1,090	ED
Motion Z	J2088	12,845	--
Kiddie Koncepts, Inc.	K1002	240	S
Musicland Group/Sam Goody	K2072	3,822	S
Footlocker #7245	K2074	2,524	A
Personally Yours	K2077	1,378	S
Alexander's Jewelers	K2078	1,100	S
Royal Nails	K2079	589	--
The Amusement Group	K2080	3,293	--
Trendsetter's Fashion	K2084	1,246	A
Gottschalks	L2049	94,000	GM
Sbarro Italian Eatery	M1001	1,760	ED
Sears		109,483	GM
Robinson's May		110,000	GM

TENANT	SUITE - ID	SQUARE FEET	RETAIL CATEGORY
Vacant	A1007	4,190	
Vacant	A1008	489	
Vacant	A1011	787	
Vacant	A1013	799	
Vacant	A1017	993	
Vacant	A1019	901	
Vacant	A1023	356	
Vacant	A1025b	1,307	
Vacant	A1027	1,274	
Vacant	A125b	1,307	
Vacant	B1024	667	
Vacant	D1042	1,430	
Vacant	D145A	3,010	
Vacant	E1028	1,463	
Vacant	E1030	2,889	
Vacant	E1033b	1,493	
Vacant	E1038	57	
Vacant	F1026	3,293	
Vacant	G2055	7,659	
Vacant	G2056	2,232	
Vacant	G2067	1,379	
Vacant	G2069	948	
Vacant	H2045	1,935	
Vacant	H2047	940	
Vacant	H2051	2,879	
Vacant	H2064	4,855	

TENANT	SUITE - ID	SQUARE FEET	RETAIL CATEGORY
Vacant	H2065	2,582	
Vacant	H2066	2,384	
Vacant	H2068	1,309	
Vacant	J2083	4,587	
Vacant	J2085	1,580	
Vacant	J2087	1,075	
Vacant	K1001	1,256	
Vacant	K2069	5,000	
Vacant	K2070	2,362	
Vacant	K2073	2,233	
Vacant	K2075	4,072	
Vacant	K2076	3,033	
Vacant	N2001	1,733	

Source:

TNCI; Santa Maria Town Center

Notes:

A = Apparel

GM = General Merchandise

FA = Furniture/Appliances

S = Specialty

F = Food (Supermarkets/Liquor)

ED = Eating and Drinking

BHG = Building/Hardware/Garden

AD = Auto Dealers and Parts

"--" = Non-retail/Service use

APPENDIX B:
LIST OF RECREATION/ENTERTAINMENT
FIRMS IN SANTA MARIA

Table B-1. Recreation / Entertainment Related Establishments in Santa Maria

Business Name	NAICS Code	NAICS Description
SANTA MARIA CIVIC THEATRE	711110	Theater Companies and Dinner Theaters
PCPA THEATERFEST	711110	Theater Companies and Dinner Theaters
SANTA MARIA PHILHARMONIC	711130	Musical Groups and Artists
SANTA MARIA VALLEY SOCCER	711211	Sports Teams and Clubs
MEYERS RACING	711212	Racetracks
MAD MIKE'S PARTY JUMPERS	711310	Promtrs, Arts/Sport/Similar Events w/ Facilities
AUDIO VIDEO CITY	711310	Promtrs, Arts/Sport/Similar Events w/ Facilities
SANTA MARIA HISTORICAL SOCIETY	712110	Museums
ANCIENT ONES ART	712110	Museums
SANTA MARIA CHILDREN'S MUSEUM	712110	Museums
SANTA MARIA MUSEUM OF FLIGHT	712110	Museums
NATURAL HISTORY MUSEUM	712110	Museums
SANTA BARBARA COUNTY PARKS	712190	Nature Parks and Other Similar Institutions
BOOMERS	713110	Amusement and Theme Parks
TILT	713120	Amusement Arcades
RANCHO MARIA GOLF CLUB INC	713910	Golf Courses and Country Clubs
SUNSET RIDGE GOLF CTR	713910	Golf Courses and Country Clubs
SANTA MARIA COUNTRY CLUB	713940	Fitness and Recreational Sports Centers
CURVES FOR WOMEN	713940	Fitness and Recreational Sports Centers
PEOPLE OF GREATNESS COMM CTR	713940	Fitness and Recreational Sports Centers
PAY N PLAY OF SANTA MARIA	713940	Fitness and Recreational Sports Centers
SANTA MARIA LAWN BOWLING	713940	Fitness and Recreational Sports Centers
RICHARDS HEALTH & FITNESS CLUB	713940	Fitness and Recreational Sports Centers
CENTRAL COAST SPORTS ARENA	713940	Fitness and Recreational Sports Centers
COASTAL COMMUNITY BUILDERS INC	713940	Fitness and Recreational Sports Centers
CURVES FOR WOMEN	713940	Fitness and Recreational Sports Centers
SANTA MARIA JAPANESE COMM CNTR	713940	Fitness and Recreational Sports Centers
FAMILY HEALTH FITNESS	713940	Fitness and Recreational Sports Centers
ZONE FITNESS SALON	713940	Fitness and Recreational Sports Centers
RANCHO BOWL	713950	Bowling Centers
VIC DIAMOND	713990	All Other Amusement and Recreation Industries
SANTA MARIA GUN CLUB	713990	All Other Amusement and Recreation Industries
RANCHO MIRANDA	713990	All Other Amusement and Recreation Industries
FLETCHER FARMS	713990	All Other Amusement and Recreation Industries
DIAMOND'S BOARDING STABLES	713990	All Other Amusement and Recreation Industries
CENTRAL COAST KARTING	713990	All Other Amusement and Recreation Industries
K-B TOYS	451120	Hobby, Toy, and Game Stores
HERITAGE HEART	451120	Hobby, Toy, and Game Stores
BIG BOYS TOYS	451120	Hobby, Toy, and Game Stores
BOTTELSON DART CO	451120	Hobby, Toy, and Game Stores
MICHAELS ARTS & CRAFTS STORE	451120	Hobby, Toy, and Game Stores
TOYS R US	451120	Hobby, Toy, and Game Stores
BEVERLY CRAFTS	451120	Hobby, Toy, and Game Stores
KJG GAMES GROUP	451120	Hobby, Toy, and Game Stores
FUNCOLAND	451120	Hobby, Toy, and Game Stores
J & D ENTERPRISES	451120	Hobby, Toy, and Game Stores
MAGIC PUPPET HOUSE	451120	Hobby, Toy, and Game Stores
AMERICAN DART LINES	451120	Hobby, Toy, and Game Stores
CREATIVE CRAFTS	451120	Hobby, Toy, and Game Stores
BETTY'S FABRICS	451130	Sewing, Needlework, and Piece Goods Stores
SOPHIE AN'S QUILTS	451130	Sewing, Needlework, and Piece Goods Stores

Source: Claritas

B.2 - NAICS Definitions

711110 Theater Companies and Dinner Theaters

This industry comprises (1) companies, groups, or theaters primarily engaged in producing the following live theatrical presentations: musicals; operas; plays; and comedy, improvisational, mime, and puppet shows and (2) establishments, commonly known as dinner theaters, engaged in producing live theatrical productions and in providing food and beverages for consumption on the premises. Theater groups or companies may or may not operate their own theater or other facility for staging their shows

711120 Dance Companies

This industry comprises companies, groups, or theaters primarily engaged in producing all types of live theatrical dance (e.g., ballet, contemporary dance, folk dance) presentations. Dance companies or groups may or may not operate their own theater or other facility for staging their shows.

711130 Musical Groups and Artists

This industry comprises (1) groups primarily engaged in producing live musical entertainment (except theatrical musical or opera productions) and (2) independent (i.e., freelance) artists primarily engaged in providing live musical entertainment. Musical groups and artists may perform in front of a live audience or in a studio, and may or may not operate their own facilities for staging their shows.

711190 Other Performing Arts Companies

This industry comprises companies or groups (except theater companies, dance companies, musical groups, and artists) primarily engaged in producing live theatrical presentations.

711211 Sports Teams and Clubs

This U.S. industry comprises professional or semiprofessional sports teams or clubs primarily engaged in participating in live sporting events, such as baseball, basketball, football, hockey, soccer, and jai alai games, before a paying audience. These establishments may or may not operate their own arena, stadium, or other facility for presenting these events.

711212 Racetracks

This U.S. industry comprises establishments primarily engaged in operating racetracks. These establishments may also present and /or promote the events, such as auto, dog, and horse races, held in these facilities.

711219 Other Spectator Sports

This U.S. industry comprises (1) independent athletes, such as professional or semiprofessional golfers, boxers, and race car drivers, primarily engaged in participating in live sporting or racing events before a paying audience; (2) owners of racing participants, such as cars, dogs, and horses, primarily engaged in entering them in racing events or other spectator events; and (3) establishments, such as sports trainers, primarily engaged in providing specialized services required to support participants in sports events or competitions.

711310 Promoters of Performing Arts, Sports, and Similar Events with Facilities

This industry comprises establishments primarily engaged in (1) organizing, promoting, and/or managing live performing arts productions, sports events, and similar events, such as state fairs, county fairs, agricultural fairs, concerts, and festivals, held in facilities that they manage and operate and/or (2) managing and providing the staff to operate arenas, stadiums, theaters, or other related facilities for rent to other promoters.

712110 Museums

This industry comprises establishments primarily engaged in the preservation and exhibition of objects of historical, cultural, and/or educational value.

712120 Historical Sites

This industry comprises establishments primarily engaged in the preservation and exhibition of sites, buildings, forts, or communities that describe events or persons of particular historical interest. Archeological sites, battlefields, historical ships, and pioneer villages are included in this industry.

712130 Zoos and Botanical Gardens

This industry comprises establishments primarily engaged in the preservation and exhibition of live plant and animal life displays.

712190 Nature Parks and Other Similar Institutions

This industry comprises establishments primarily engaged in the preservation and exhibition of natural areas or settings.

713110 Amusement and Theme Parks

This industry comprises establishments, known as amusement or theme parks, primarily engaged in operating a variety of attractions, such as mechanical rides, water rides, games, shows, theme exhibits, refreshment stands, and picnic grounds. These establishments may lease space to others on a concession basis.

713120 Amusement Arcades

This industry comprises establishments primarily engaged in operating amusement (except gambling, billiard, or pool) arcades and parlors.

713910 Golf Courses and Country Clubs

This industry comprises (1) establishments primarily engaged in operating golf courses (except miniature) and (2) establishments primarily engaged in operating golf courses, along with dining facilities and other recreational facilities that are known as country clubs. These establishments often provide food and beverage services, equipment rental services, and golf instruction services.

713940 Fitness and Recreational Sports Centers

This industry comprises establishments primarily engaged in operating fitness and recreational sports facilities featuring exercise and other active physical fitness conditioning or recreational sports activities, such as swimming, skating, or racquet sports.

713950 Bowling Centers

This industry comprises establishments engaged in operating bowling centers. These establishments often provide food and beverage services.

713990 All Other Amusement and Recreation Industries

This industry comprises establishments (except amusement parks and arcades; gambling industries; golf courses and country clubs; skiing facilities; marinas; fitness and recreational sports centers; and bowling centers) primarily engaged in providing recreational and amusement services.

451120 Hobby, Toy, and Game Stores

This industry comprises establishments primarily engaged in retailing new toys, games, and hobby and craft supplies (except needlecraft).

451130 Sewing, Needlework, and Piece Goods Stores

This industry comprises establishments primarily engaged in retailing new sewing supplies, fabrics, patterns, yarns, and other needlework accessories or retailing these products in combination with selling new sewing machines.

APPENDIX C:

**LIST OF PARTICIPANTS
REAL ESTATE FOCUS GROUP MEETING**

Developers/Brokers

Burt Fugate Charter Brokerage	Mark Fugate Charter Brokerage
Jerry Shutte Santa Maria Town Center	Michael Towbes Towbes Group, Inc.
Dave Daniels Inland Pacific Builders	Pat Haley Prudential Hunter Realty
Henry Wang, Director of Development The Olson Company	Corey Sanders, Director of Acquisitions The Olson Company

Consultants/City Staff

Debbie Lagomarcino Rudd, AICP RRM Design Group	Roger Dale, Principal The Natelson Company, Inc.
Benjamin A. Kimball, Planner II City of Santa Maria	