MARKET OPPORTUNITIES
Incentives for Food Retailers
Increasing healthy eating options by locating new grocery stores, sit-down restaurants and fresh food markets in the South Los Angeles region is a top priority for City leaders. To achieve this objective, the Mayor and City Council, in partnership with the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) have developed an incentive package to attract new food retailers to these neighborhoods.

Located just South of the 10 Freeway, and immediately East and West of the 110 Freeway, South Los Angeles is close to Downtown Los Angeles’ growing residential population, the University of Southern California (USC), the LA Live complex, and has the fastest growing population in the City of Los Angeles.

With a large stock of single-family homes, a diverse population, and proximity to thriving residential, entertainment and business centers, South Los Angeles is the best investment opportunity in Los Angeles.

The City’s commitment to attracting new restaurants, groceries and produce marts comes at a time when land costs in South Los Angeles are rising quickly but are still lower than the City average, and the CRA/LA has a ready list of prime opportunity sites for new commercial development.

Combined with the City’s incentive package, all factors suggest that a healthy yield awaits food retailers who are ready to discover South Los Angeles.
South Los Angeles covers a broad geographic area. To demonstrate the market potential for grocers, restaurants and produce marts, the retail capture areas around six targeted intersections were analyzed.

Within a two-mile radius of five targeted intersections, South Los Angeles residents are spending $119 million - $260 million annually on food for the home and $74 million - $173 million on food outside of the home. Consumers are spending over $1.3 billion on food at home within a five-mile radius of Main Street and Washington Boulevard.

All six of the South Los Angeles zip codes demonstrate higher purchasing power, per square mile, than other heavily retailed communities.

With a demographic profile showing strong demand for food options and significant consumer purchasing power, South Los Angeles is a prime location for supermarkets, restaurants and other food operators looking to expand.

in a Neighborhood Hungry for Options

CRA/LA Redevelopment Project Areas

<table>
<thead>
<tr>
<th>CRA/LA Redevelopment Project Areas</th>
<th>Hollywood &amp; Central Region</th>
<th>Downtown Region</th>
<th>South Los Angeles Region</th>
<th>Los Angeles County/ Other Municipalities</th>
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</thead>
<tbody>
<tr>
<td>Existing Supermarkets by Size</td>
<td>Less than 10,000 sq. ft.</td>
<td>10,000-15,000 sq. ft</td>
<td>16,000-25,000 sq. ft.</td>
<td>41,000 sq. ft.</td>
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Demographics at major intersections

A 5-mile radius is the standard capture area for a regional retailer, and a 2-mile radius is the standard capture area for neighborhood-serving retailers.

The CRA/LA and the City of Los Angeles are targeting the blocks around Main and Washington for a regional retail center.

Annual consumer spending, selected retail categories

Amount spent on a variety of goods and services, shown by broad budget categories that are not mutually exclusive.

Source: ESRI Business Analyst: http://bao.esri.com/marketing/freereports/
The food retailer’s incentive package offers an array of benefits for selected food-related businesses locating within the South Los Angeles area.

The incentives are available to:

- Grocery stores with at least 12,000 square feet
- Restaurants with seating capacity for at least 30 patrons
- Produce markets that dedicate 80% or more of their floor space to fresh fruits and vegetables

**Financing**

- Predevelopment loans for acquisition or site preparation work from CRA/LA
- The Los Angeles Development Fund, a joint authority of the City of Los Angeles and the CRA/LA, has been awarded $75 million in New Market Tax Credits that can provide equity investment to qualified projects
- Low Interest Acquisition and Capital Loans through the Community Development Department’s Section 108 program and State Enterprise Bonds
- Financial assistance with off-site public improvements
- Gap financing of up to 49% of site-specific tax increment and sales tax revenues generated from the project
- Priority assistance from the CRA/LA’s façade improvement conditional grant program, that can provide up to $150,000 for a grocery store or restaurant opened in an existing building and up to $250,000 for historic buildings
- Hiring Tax Credits for businesses that locate within empowerment, enterprise or renewal community zones
- For businesses locating in the State Enterprise Zone, tax credit rebates of up to 100% of the sales and use taxes paid for eligible machinery

**Energy**

- Discounts up to 35% on electricity rates for businesses in the first year of operation that are located within empowerment, enterprise or renewal community zones
- Low interest loans up to $1.25 million from the Department of Water and Power for the installation and maintenance of equipment for electric and water service, and energy efficiency
- Case management services if new or upgraded utility service is needed
- A match of up to 50% of the cost when a new business undergrounds at least 600 feet of power lines

**Planning and Entitlements**

- Expedited plan review by the City Planning Department and LADBS
- Assistance from CRA/LA in identifying and assembling potential sites for development
- Assistance with identifying qualified local employees through the City’s One-Stop Worksource Centers

For more information please contact

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The Opportunity is NOW! Tap into the South Los Angeles market.